The Economic Impact of Military Presence in North Yorkshire

February 2010

SQWconsulting

Foreword by Brigadier David Maddan, Commander 15 (NE) Brigade

Those of us who work for and with the armed forces in North Yorkshire know that the Defence presence is important to our economy and that of the Yorkshire and Humber region.

This study shows exactly how important that presence is, and looks ahead to the impact of future changes to Defence in the region. It is a joint effort between the MOD and a number of local partners, who have all contributed financially and by way of oversight to the research. I hope you will find this study useful. There are contact details in it if you wish to pursue anything you read.

Imphal Barracks

York

January 2010

Contents

Executive Summary

1. In April 2009, Yorkshire Forward, in partnership with the Ministry of Defence (MOD) and Defence Estates, North Yorkshire County Council, Richmondshire District Council and the Tees Valley Joint Strategy Unit commissioned SQW Consulting to undertake research into the economic impact of current and future military activity in North Yorkshire. The study explored:

- the scale, nature, geography and impact of military activity in North Yorkshire
- the indirect impacts of military activity, including the integration and impact on local communities and their regeneration, and housing markets in particular
- the impact of military presence on local labour markets, particularly looking at the integration of military leavers
- the potential economic impacts of expansion at Catterick over the next 20 years.

2. SQW also considered the implications for policy and economic development, and provided recommendations to improve integration and economic impact.

3. Research focused on the Catterick Garrison within North Yorkshire Administrative Area (CGAA), the area with the largest concentration of MOD activity in the York and North Yorkshire sub-region and where the highest level of growth is expected in the future.

A `bottom up' approach was adopted, assessing impact through evidence collated from available statistics on the local economy, internal MOD data, in-depth consultations with key stakeholders and surveys with MOD staff.

Figure 1: Catterick Garrison Administrative Area within North Yorks.

Headline findings

In 2009, the MOD employed 17,149 (FTE) staff in North Yorkshire.

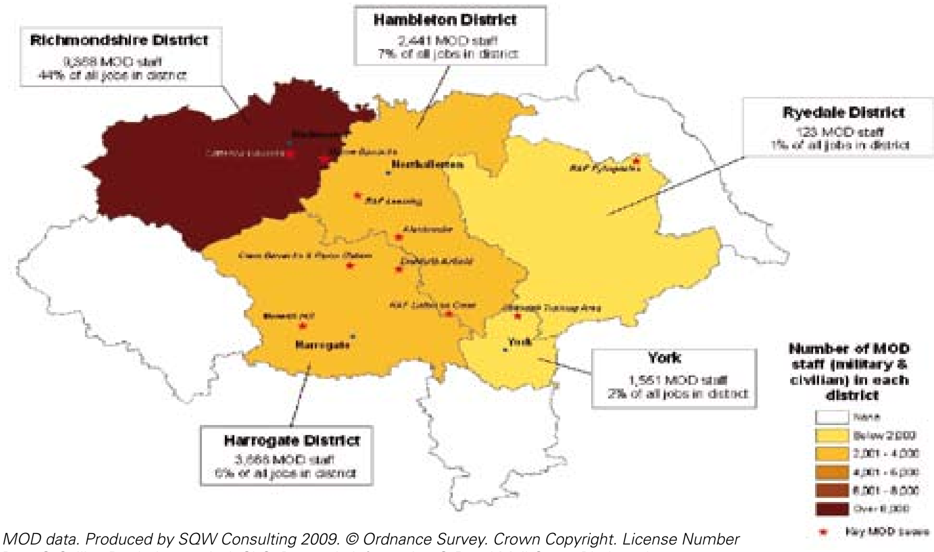
4. Of this employment:

- 88% are military staff and 12% civilians
- 75% are in the Army, 25% in the RAF
- 47% are based at Catterick Garrison, 72% within the wider CGAA boundary.

5. A high proportion (71%) of military jobs in North Yorkshire are in junior ranks, and almost half (49%) of the civilian staff are employed in administration. The average salary of MOD staff working in North Yorkshire (weighted to reflect employees by rank) is £25,314. The high representation of lower-level MOD occupations is a major determinant of lifestyle - in particular, housing choice - and also of spending power.

6. MOD jobs represent around 6% of all jobs in the sub-region. As shown below, most MOD jobs in North Yorkshire are based in Richmondshire, which is home to Catterick Garrison. MOD employment represents around 44% of all jobs in this District.

Figure 2: MOD jobs by district



Source: ABI and internal MOD data. Produced by SQW Consulting 2009. © Ordnance Survey. Crown Copyright. License Number 100019086. Digital Map Data © Collins Bartholomew Ltd. CLG. Postcode information © Royal Mail Group Plc (2007).

The estimated net annual economic impact of military activity on the Yorkshire and Humber region was just under £600m per annum

7. The gross impact of MOD salaries in North Yorkshire equates to £434m p.a. When this is converted to Gross Value Added (GVA), and low levels of displacement and substitution, higher levels of leakage [1], and multiplier effects are taken into account, the *net* annual economic impact of this military activity on the Yorkshire and Humber region is estimated at between £541m and £594m per annum.

MOD employee spend and job creation have considerable impacts on North Yorkshire, and these impacts also spread into Tees Valley in the North East

8. Approximately 95% of military staff in North Yorkshire lives in MOD accommodation. Of those who do not live in MOD accommodation (a small proportion of military staff and most civilian staff), SQW found through a small-scale survey [2] that 42% were living in Yorkshire and Humber, and 56% in the North East. Those renting were more likely to live in Yorkshire, home-owners were more likely to purchase in the North East. Approximately two-thirds of MOD earnings were spent within the Yorkshire and Humber region (and in North Yorkshire in particular). However, a large share of employee spend on household goods, entertainment and recreation flows into the Tees Valley / North East, even for those who live within North Yorkshire.

Two thirds of procurement business was retained in the region from those CGAA procurement contracts for which information was available. Large scale contracts will continue to be procured nationally, but the MOD is actively promoting sustainable procurement policies, which are beginning to open up more opportunities for local suppliers

9. The study included MOD procurement at CGAA of at least £61m p.a., of which 64% was retained by businesses in the region (creating an estimated c.600 indirect jobs p.a.) either through multi -activity contracts (where large management contractors appear to be attracted to the region specifically due to MOD opportunities) or sub-contracts in services such as accommodation repairs and refurbishment, maintenance, tailoring, and window cleaning.

10. Attempts to increase the local impact of procurement spend need to be realistic - many contracts are still controlled on a national basis and the drive to improve cost-efficiencies and economies of scale can result in procurement contracts being too large-scale for local businesses to handle.

[1] This is based on primary evidence of spend and supply chain leakage from the MOD in North Yorkshire. Please refer to the main report for a full explanation of the gross to net assessment.

[2] Please note, due to small sample sizes, this survey was not statistically significant.

But there are some opportunities for local businesses, especially in activities such as painting and finishing,maintenance, and waste management which are currently undertaken by firms outside the region.

Possible actions include:

- Raising awareness: the MOD and its major contractors are pursuing sustainable procurement policies; some results are becoming evident, for example in local supplyof meat, but more could be still be done to raise awareness and offer new opportunities
- Local businesses seem unaware of these possibilities and how to access them; there is potentially a role for Yorkshire Forward, the MOD and the local authorities to address this `information failure' [3], by promoting `success stories' in the region and contact channels to check and investigate potential
- There may be a role for public sector co-ordination in encouraging small businesses to co-operate to supply the MOD on a larger scale than would be possible for individual companies; also, to ensure there are sufficient employment sites and premises in the local area to allow suppliers to locate close by.

Capital investment by the MOD in North Yorkshire is substantial. Between 2004 and 2008 the MOD invested £308m on capital projects and a further £205m has been identified as a requirement for capital projects through to 2022

11. A total of £308m has been invested by the MOD in the CGAA between 2004 and 2008 on activities such as: the redevelopment, and modernisation of existing accommodation; new accommodation; new messes; development of infrastructure; and a sports and leisure centre in Catterick Garrison which is partially open to the public.

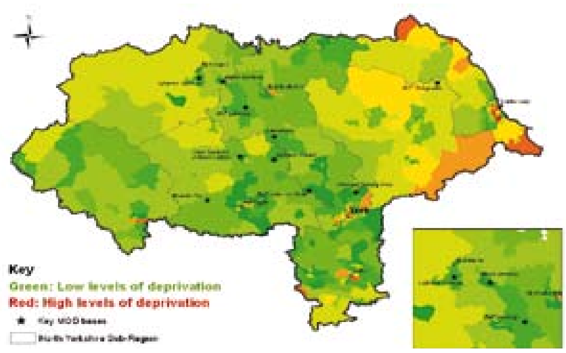
12. A further £205m in capital funding has been identified as a requirement for the period from 2009 to 2022, which includes work on further accommodation and messes and a medical and dental centre and will create an estimated 170 temporary construction jobs p.a. over this time period.

MOD presence creates employment opportunities for those in local deprived communities and a steady demand for housing (albeit at a relatively low level) in the North Yorkshire and Tees Valley housing markets.

13. Positive impacts upon local communities have been limited to date by the transience of the military population, the relatively isolated locations of some bases (with poor public transport connectivity) and the limited extent to which military staff live outside of MOD-owned accommodation. But there are already examples of improvement; the MOD has directly influenced the provision of educational facilities - Darlington College's Catterick satellite would not have been established without the military presence - and sports and leisure facilities in the area.

14. Levels of deprivation in North Yorkshire are generally low, and the MOD's presence does not appear to have a significant impact on this, although some challenges have resulted for local service providers in relation to (subsequent) family break-up and single parent households, homelessness and health/mental health issues.

Figure 4: Indices of Deprivation in North Yorkshire



[3] `Information failure' is a term used within the public policy arena when decision makers have less information than they need to make well-based decisions and to avoid undue risk to justify public sector intervention. In some cases there can be failures in markets when buyers have less information than sellers.

15. More positively, the types of jobs created through service and maintenance contracts are at an accessible level for those in neighbouring deprived communities. The public sector can help raise awareness of these opportunities and how to access them - both within local communities and in the large contracting businesses.

16. The military presence has benefitted the local housing market in generating (albeit on a small scale) a sustained level of demand for housing to purchase or rent. But to date, a lack of information on scale, timing and characteristics of potential market entrants from the military has made it difficult to integrate this dimension in local authority planning.

Partnership working and communications between the MOD and local partners have improved considerably in recent years, and there is evidence of good practice in this regard, but there is still room for improvement

17. A Military Civil Integration Board (MCI) has been established in the sub-region, which brings together senior representatives from the Army and the RAF with local, sub-regional and regional partners every six months to promote better integration between the military and wider community, and the MOD now has a presence on North Yorkshire's Local Strategic Partnerships. Partners also noted that the town centre regeneration at Catterick Garrison had provided practical project-based experience and assisted integration and planning in other areas, notably highways and education.

18. There is still room for improvement. Partners would like to see more consistent, regular and proactive communications, particularly on the likelihood and timing of MOD development plans, the number and profile of people leaving the military in North Yorkshire, and the scale and characteristics of military staff (especially in terms of accommodation provision and needs). This would help in planning service provision and anticipating housing demands.

Greater efforts to integrate military leavers in the region's labour market could help the local economy - only a small proportion of leavers surveyed from MOD bases in North Yorkshire plan to stay in the region on leaving the military

19. Almost 800 people leave the army each year from MOD bases in North Yorkshire as their contracts end or for medical reasons, with a further 1,600 exiting the area after short-term training. According to a survey of military leavers undertaken for this study:

- only a quarter would consider living in the Yorkshire and Humber region - family ties are the main reason for relocation, so if they are not recruited from the local area, personnel are unlikely to remain there on leaving the MOD
- where military leavers look to stay in the area, the main challenge they reported was in finding suitable job opportunities, followed by securing appropriate skills/qualifications and housing, and financial issues (such as debt)
- a high proportion were seeking employment in Transport and Communications.

20. Both the MOD and local labour market intermediaries are actively helping military leavers integrate into the labour market - and partnership working in this area is increasing - but there seems to be a lack of awareness amongst local businesses of the potential opportunities presented by the labour pool coming out of MOD bases in North Yorkshire.

21. The economic impact of three military growth scenarios at CGAA through to 2026 have been tested using Yorkshire Forward's economic forecasting model, adjusting assumptions to take local evidence into account. The results are shown below.

Figure 3: (Additional) GVA impact of growth

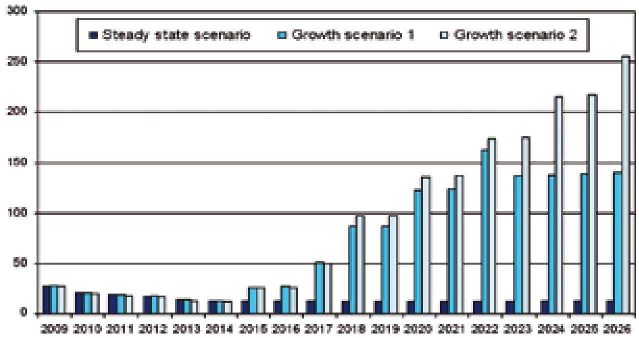
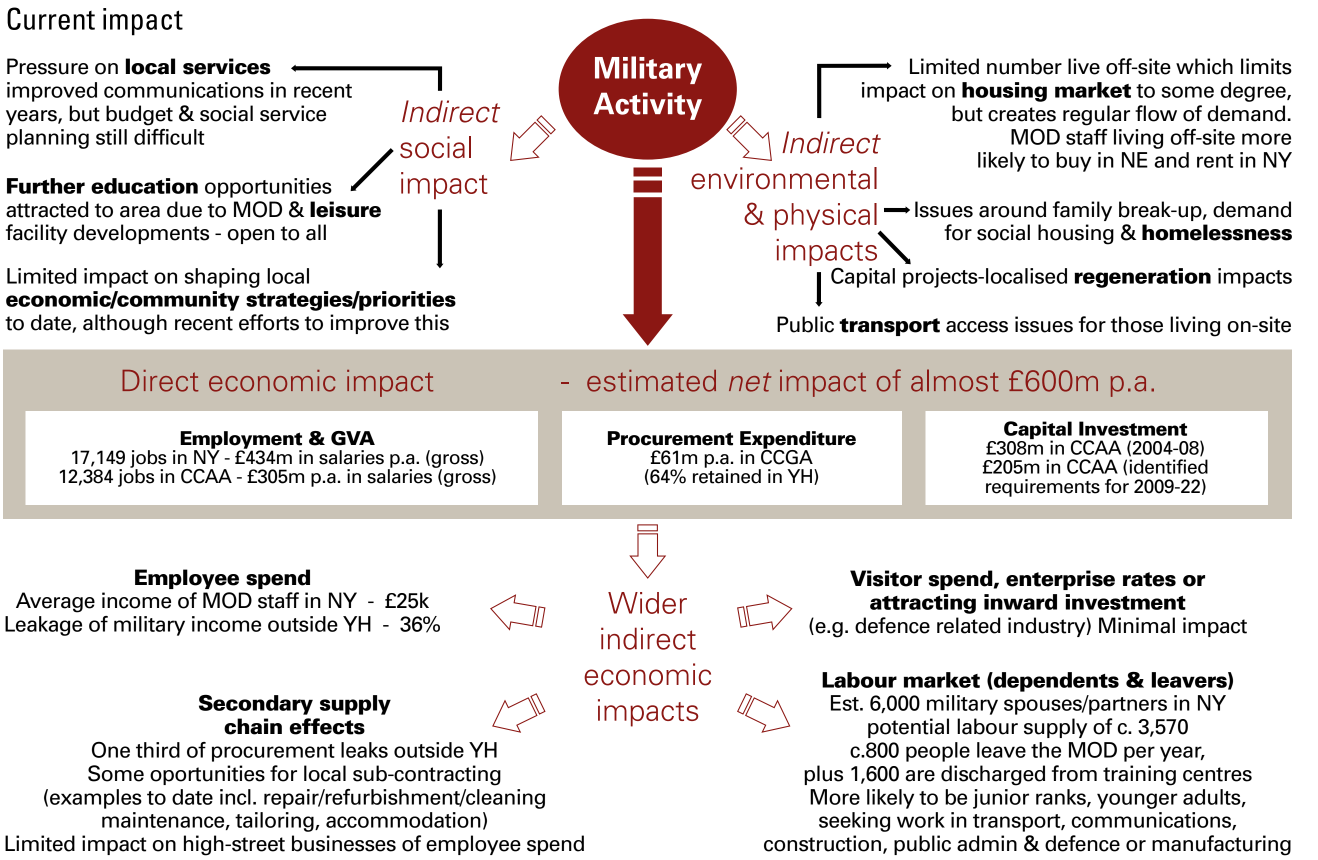


Table 1-1 Scenario testing

`Steady state' scenario of an increase of 200 jobs in 2009, which remains constant through to 2026, and the employment impact associated with capital projects identified as requirements in CGAA through to 2022	An additional £259m in GVA (cumulative), or an average of 350 indirect jobs p.a. by 2026
`Growth scenario 1' of an additional three units (of 600 staff each) from 2018 at 18 month intervals at Catterick, plus the addition of one unit (of 250 staff) at RAF Leeming in 2015 (in addition to the steady state above), and capital projects from the Catterick Garrison Long Term Development Plan that would cater for this growth	An additional impact of £1.4bn in GVA (cumulative) or an average of 1,700 annual jobs by 2026
`Growth scenario 2' of an additional of five units (of 600 staff each) from 2018 at 18 month intervals and a new HQ (of 200 staff) at Catterick (in addition to the steady state), plus the addition of one unit (of 250 staff) at RAF Leeming in 2015 and capital projects from the Catterick Garrison Long Term Development Plan that would cater for this growth	An additional £1.7bn in GVA (cumulative) or an average of 2,100 annual jobs, by the end of 2026.

Source: Scenarios developed in discussion with the MOD; Yorkshire Forward's Regional Integrated Forecasting Framework

Figure 1 Summary of economic impact



Source: SQW Consulting

Conclusions and recommendations

22. Three headline conclusions have been drawn from this study.

- First, that there is already substantial - and to date generally under-appreciated - direct and indirect impact from these activities, particularly in North Yorkshire and extending into the wider labour market area which includes part of Tees Valley.
- Second, with regard to wider impacts, the effects at local level have included creating the necessary critical mass for investments in educational, retail and leisure services, and supported the housing market, benefitting residents; there is scope to expand other economic activity by bringing leavers' skills to the attention of local businesses.
- Third, that while there are also some disbenefits in relation to increased demands on public services and planning uncertainties, these issues are being addressed through better communication; in terms of local and sub-regional economic development as well as physical capacity, there is scope to accommodate, and gain from, the substantial military expansion which has been suggested for Catterick.

Table 1-2 Key recommendations to promote better integration and maximise future economic impact
Business • In terms of procurement, both public partners and the MOD should seek to link the MOD's main contractors with local businesses where possible and to raise awareness amongst local businesses of the opportunities present - this will benefit local businesses while helping the MOD achieve sustainability targets. • Local authority partners and local businesses should also focus on opportunities arising through investments in capital projects - particularly in terms of promoting local employment opportunities.
People & Place • Information should be disseminated on the opportunities that the MOD's presence creates for individuals in local deprived areas (e.g. in procurement sub-contracts and construction) and regional/sub-regional partners have a role in raising awareness amongst major contractors of the local labour pool available. • Local partners should recognise the risk to the local economy inherent in impending Government budget cuts, and sub-regional/regional partners consider as appropriate influencing activity at the national level, demonstrating the importance of military jobs to North Yorkshire and the Tees Valley. • Regional/sub-regional partners and the MOD should collaborate to ensure that information is provided to military leavers on possible opportunities in the area; also to ensure that businesses in the area are more aware of the skills coming out of the military and how to access these. • Policy makers need to ensure effective coordination across North Yorkshire and the adjacent part of Tees Valley, recognising that travel-to work, local business service suppliers and travel-to-leisure catchments cross regional boundaries. • MOD personnel need to integrate with local services more effectively - there is a role here for the MOD to ensure staff are aware of/helped with relevant contacts to explore options in the housing market, including social housing, and mainstream service provision.
Communications • Communications between the MOD and sub-regional stakeholders have improved as both sides have recognised the need to plan better in changing times. However, the MOD now needs to focus on providing local authorities and public services (including education, social services, economic development and housing) with demographic and other information on a regular basis to inform on-going planning processes. • The MOD and public partner communications need to feature in the development of the forthcoming Integrated Regional Strategy and any pan-regional strategy developments in recognition that the functional footprint of military activity spills into the Tees Valley. • MOD communications on the scale, nature and needs of military personnel leaving bases in North Yorkshire to public sector partners (such as local authorities, Business Link, Job Centre Plus) and businesses (and/or business representative groups) is a key gap at present, which should be addressed by the MOD. • There are also opportunities to promote good practice in the sub-region - for example the aims and activities of the Military Civil Integration Board, the recent and successful assimilation of 4 Brigade, and case studies where local businesses have taken advantage of MOD procurement opportunities - at regional and/or national level.

Source: SQW Consulting

1: Introduction

1.1 In April 2009, SQW Consulting was commissioned by Yorkshire Forward, in partnership with the Ministry of Defence (MOD) and Defence Estates, North Yorkshire County Council, Richmondshire District Council and the Tees Valley Joint Strategy Unit, to undertake research into the economic impact of current and future military activity in North Yorkshire.

Purpose of the study and wider context

1.2 The brief for this study set out four key objectives, which in summary were to:

- Provide an overview of the economic significance of the military presence in North Yorkshire
- Assess the direct and indirect economic contribution of military bases in North Yorkshire
- Assess the economic impact of expansion scenarios at Catterick Garrison and the capacity of this to regenerate local communities
- Assess the impact of the military on the local labour market, especially in terms of military leavers, their profiles and employment intentions on leaving the military.

1.3 Despite the considerable military presence in North Yorkshire and partner interest in understanding its impact, it was clear through consultation with stakeholders, and the process of gathering data, that local partners have had very limited understanding to date of the scale, functions and interactions of the military with the surrounding economy and community. Military activities are, understandably, organised on a functional (rather than administrative geography) basis, and information on the totality of activity in North Yorkshire has not been brought together in the past. This has made it difficult for local partners to accommodate military needs in strategic planning (for services, amenities and housing for example), but MOD and policy partners are keen to develop a common understanding of areas in which integration could be improved.

1.4 The purpose of the study was therefore three fold: first, Yorkshire Forward wanted to understand the *net* economic impact of the military activity in the North Yorkshire sub-region [4] across the wider Yorkshire & Humber region, and to identify how integration (and the associated economic benefits arising from this) can be maximised; second, the MOD wanted to assess the scale and nature of military impact and the future potential economic contribution of expansion; third, Local Authority District and County partners required a robust evidence base on which future strategy and development frameworks can be based.

Research questions

1.5 Based on the Brief, an inception meeting with the Steering Group and scoping consultations with key stakeholders, the key research questions for this study were agreed as follows:

- **Q1: What is the scale, nature and geography of the military's direct impact in North Yorkshire, focusing on the impact of Catterick Garrison Administrative Area in particular?**

  What is the net economic impact in the Yorkshire and Humberside region, in terms of employment, procurement expenditure - including implications for supply chains - and capital investment?

  To what extent do benefits flow into the Tees Valley?

- **Q2: What are the wider indirect impacts of military activity,** including the integration and impact on local communities and their regeneration, and housing markets in particular?

[4] Throughout this report the `sub-region' refers to the County of North Yorkshire and City of York, and the `region' refers to Yorkshire and Humber.

- **Q3: How are labour markets influenced by the presence of military activity?**

  To what extent do military leavers remain in the sub-region?

  What skills do they possess - to what extent are these utilised/could they be utilised?

  What are the main barriers to retaining and integrating military leavers in the local labour market?

- **Q4: What will be the economic impact if proposed changes at Catterick Garrison are implemented over the next 20 years?**

  What will be the scale of economic impact in the region of three growth scenarios for Catterick Garrison Administrative Area (including the arrival of 4 Brigade)?

  What are the implications for policy, strategy and economic development, and what are the opportunities for local communities and businesses?

Report structure

1.6 This report is structured as follows:

- Section 2 outlines our approach and methodology
- Section 3 sets the scene, both in terms of military presence in the region, and the wider socio-economic and strategic context
- Sections 4 to 9 present the findings of our primary and secondary research
- Section 10 presents our conclusions and recommendations.

1.7 The report is supported by the following annexes:

- Annex A provides an overview of military activity in the Yorkshire and Humber region and North Yorkshire
- Annex B provides an explanation of key definitions used in the report
- Annex C lists individuals consulted as part of the scoping and main research process
- Annex D details the MOD's identified capital requirements and further potential capital projects
- Annex E presents the employee spend survey questionnaire
- Annex F shows the military leavers survey questionnaire
- Annex G provides a detailed labour market analysis to supplement evidence in Chapter 7.

Acknowledgements

1.8 We would like to thank those involved in steering the project and others consulted as part of this study for the information provided, and for sharing their thoughts and views with us. In particular, the assistance provided by the key individuals at the MOD's Regional Forward Team and at RAF Leeming has been invaluable in enabling us to source military information for this study.

1.9 We would also like to thank all military staff who participated in our surveys. Their involvement raised £145 for the Army Benevolent Fund.

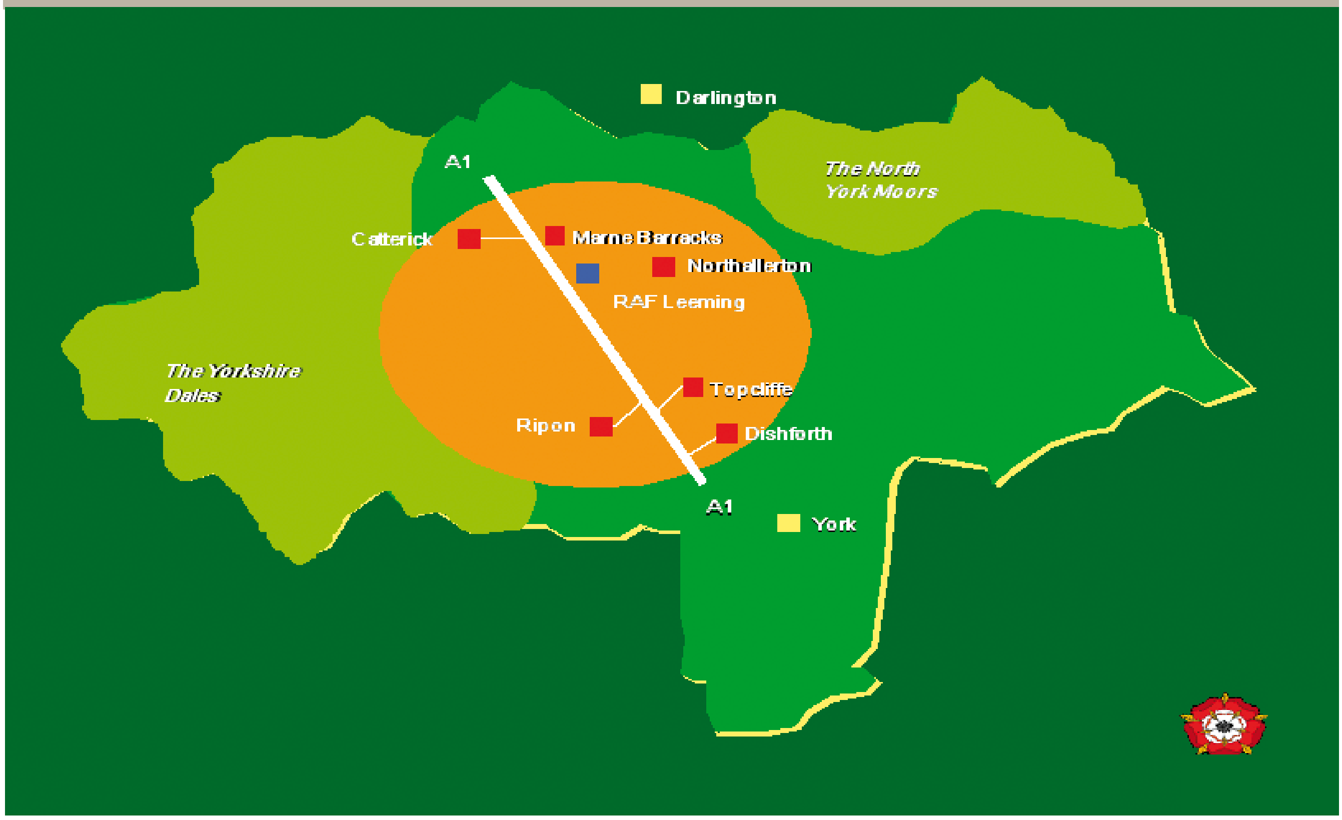
2: Approach and Methodology

2.1 In this first main section of the report, we outline our approach to this study, both in terms of its geographical focus and the economic impact model used to assess the impact of military activity in the sub-region. We then summarise our methodology, which includes a range of qualitative and quantitative methods.

Geographical focus

2.2 The immediate geographical focus of the economic assessment is on the Catterick Garrison Administrative Area (CGAA). This was agreed with the MOD, on the basis that this is the area with the largest concentration of activity and also where there is most potential for future growth. An improved understanding of impact in CGAA will be critical to estimating future impacts across the sub-region. (The military assumption is of `steady state' for other military activity.)

Figure 2-1 Catterick Garrison Administrative Area in North Yorkshire



Source: MOD

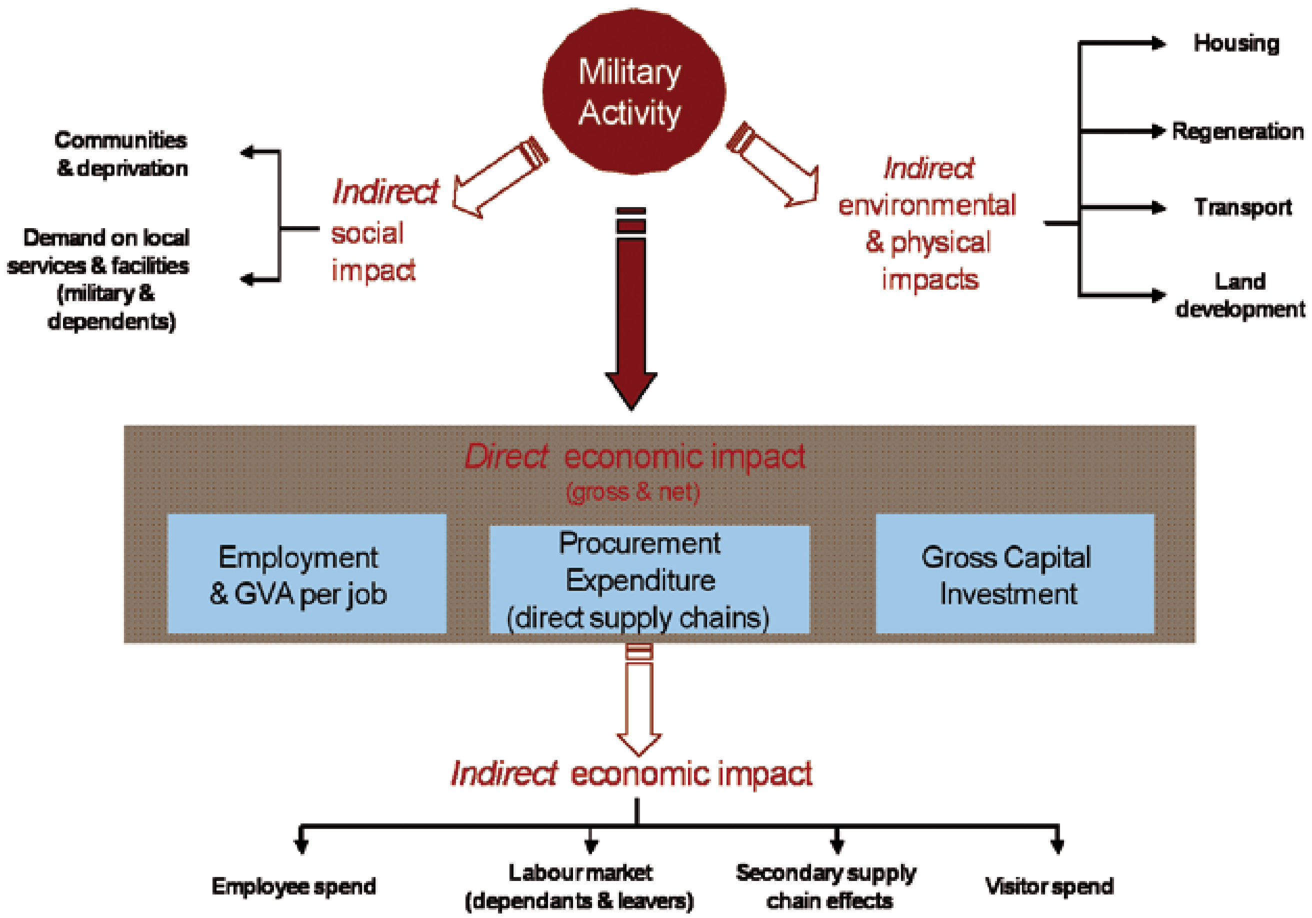
2.3 The Catterick Garrison Administrative Area covers Catterick Garrison, Marne, Alanbrooke (Topcliffe), Dishforth, Ripon bases, plus RAF Leeming, as illustrated in the map at Figure 2-1 above.

Economic impact assessment (EIA) model

2.4 The approach to this EIA has been to develop a `bottom up' localised model of impact as far is practicably possible, collating all available evidence that is specific to the North Yorkshire and CGAA context, rather than using assumptions based on national military statistics, averages, and benchmarks. We have then combined this bottom up evidence with top down econometric modelling techniques to assess future growth prospects, adjusting the assumptions of this model to reflect local conditions as far as possible. The components of the EIA model which have been explored in this study, and the way in which they are related, are illustrated in the diagram overleaf [5].

[5] The information gathered through this `bottom-up' approach, pointed, as expected, to considerable economic and social interaction between the Catterick area, in the north of North Yorkshire, and the Tees Valley towns to the north. These are reported on as part of the study. However, where economic impact has been identified through the utilisation of the Yorkshire Forward model, this has necessarily focused on the Yorkshire & Humber region, rather than the effective area for interaction from the northern part of the CGAA, which also includes part of the North East.

Figure 2-2 EIA Model



Source: SQW Consulting

Direct Impact

2.5 Direct impact primarily relates to **employment** (i.e. the number of FTE jobs and the contribution of these jobs to the economy in terms of Gross Value Added [6]). In addition, the MOD creates expenditure in the form of **procurement** (for contracts such as maintenance, catering, etc) and **capital investment** (relating to major physical investment projects, and the likely job creation in construction).

2.6 First, we have assessed the ***gross* direct impact** of military presence (i.e. the total number of jobs and value of expenditure by the military) and, for the purposes of regional public policy, converted this gross direct impact into an estimate of the ***net* direct impact** on the Yorkshire and Humber region. This enables us to identify the *additional* local benefit of military activity on the region as a whole, and takes into account of deadweight, leakage, displacement, substitution and multiplier effects. These terms, as used specifically in this study, are defined in table 2-1.

[6] Gross Value Added (GVA) is a measure of economic output, which is essentially made up of wages (compensation to employees), profits and taxes (such as business rates), minus subsidies. GVA is workplace based, and therefore measures the economic output of jobs based in a location (e.g. sub-region or region), and GVA per worker is a key economic indicator used to assess the scale of economic impact of economic activity. GVA is the main target put in place by the Treasury to measure regional economic growth, and RDAs are charged with improving overall GVA per head and reducing the gap in GVA per capita growth rates between regions.

Table 2-1 Gross to net considerations

Deadweight

- This is also known as the `reference or base case', and (in theory) refers to what would happen anyway in the absence of the military activity. Given that North Yorkshire is largely rural with a high number of small businesses, it is unlikely the sub-region would have this level of employment and expenditure through other means, so deadweight is likely to be zero/minimal. In practice for this study, the `base case' is the current level of military activity in North Yorkshire, and any future growth scenarios are compared against this.

Leakage

- This refers to the proportion of economic impacts of military activity (e.g. jobs and procurement contracts) that benefit those located outside the region (e.g. in the Tees Valley) and therefore represent a loss of benefits for the region.

Displacement

- Does military activity in North Yorkshire displace economy activity from elsewhere in the region, and result in a loss of employment or output elsewhere? In the case of military activity, this could refer to `factor market displacement' whereby the military takes labour, land or capital from other existing firms within the region.

Substitution

- This refers to the effect of a firm substituting one activity for a similar one to take advantage of public funding (i.e. military expenditure) [7]. In the case of the military, this largely depends on the extent to which local firms supply the military and alternative options available.

Multiplier Effects

- These refer to knock-on effects within the economy, and can be split into (a) supply chain or indirect multipliers, due to purchases made in the supply chain (direct and indirect/second round) as a result of military procurement, and (b) the income or consumption/induced multipliers associated with local expenditure of service and civilian staff employed by the military.

Source: SQW Consulting

Wider indirect impacts

2.7 Wider indirect impacts have also been assessed, especially those which cannot be quantified or modelled but are equally important to understand the impact of the military on places in North Yorkshire, and their local economies. Key areas that have been explored are:

- **Economic indirect impacts**, including labour market impacts with a focus on military leavers (this was a specific requirement in the brief, and is explored in greater detail later in the report), employee spend (which feeds into our assessment of gross to net), the evening economy and local businesses (in terms of secondary supply chains), and visitor spend.

- **Social indirect impacts**, specifically those relating to the impact on local communities and efforts to alleviate deprivation, and the demands on local services and facilities made by the military and their dependants.

- **Environmental and physical impacts**, which relate to capital investment (cited above), but also contribute to physical regeneration efforts, impacts on the housing market and transport networks.

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[7] Land and property substitution, whereby a firm substitutes one premises for another which is subsidised by the public sector, would also come under this heading

Methodology

2.8 In order to explore each element of the economic impact model above, both primary and secondary research, including consultations, surveys and data analysis, has been undertaken between July and September 2009. The methodology, as applied to each element of the impact assessment, is summarised in Table 2-2, below.

Table 2-2 Methodology summary

Element of the EIA	Methodology
Direct economic impact	• Detailed analysis of employment, procurement and capital data available from the MOD.
Indirect economic impacts	• An employee spend survey was distributed to staff electronically at Catterick Garrison and RAF Leeming. This secured 145 responses. (Please refer to Annex E for the survey questionnaire) • An analysis of military procurement contracting and sub-contracting patterns • A canvass of 30 businesses in Bedale, Catterick Garrison and Richmond to assess views on the impact of the MOD
Wider economic, social and environmental impacts	• 36 consultations (13 scoping, 23 detailed consultations) with the MOD, Local Authorities, County Council representatives, procurement contractors, MOD human resources, and tourism partners (Please refer to Annex C for a full list of consultees) • Review of strategic documentation and analysis of local socio-economic characteristics
Integration of military leavers	• Analysis of available data on military leavers • Consultations with three military and civilian labour market intermediaries, including Resettlement Services • Analysis of secondary labour market data (Please refer to Annex G) • A survey of military leavers, which secured 45 responses. This survey was distributed by Resettlement Services at their training events and by an Education Officer at the MOD during late August/early September. (Please refer to Annex F for a copy of the survey questionnaire)
Scenario testing	• Review of military growth documentation • Analysis of future growth scenarios using Yorkshire Forward's Regional Integrated Forecasting Framework (IFF) to test the net economic impact (in terms of GVA) of three growth scenarios.

Source: SQW Consulting

3: Setting the scene

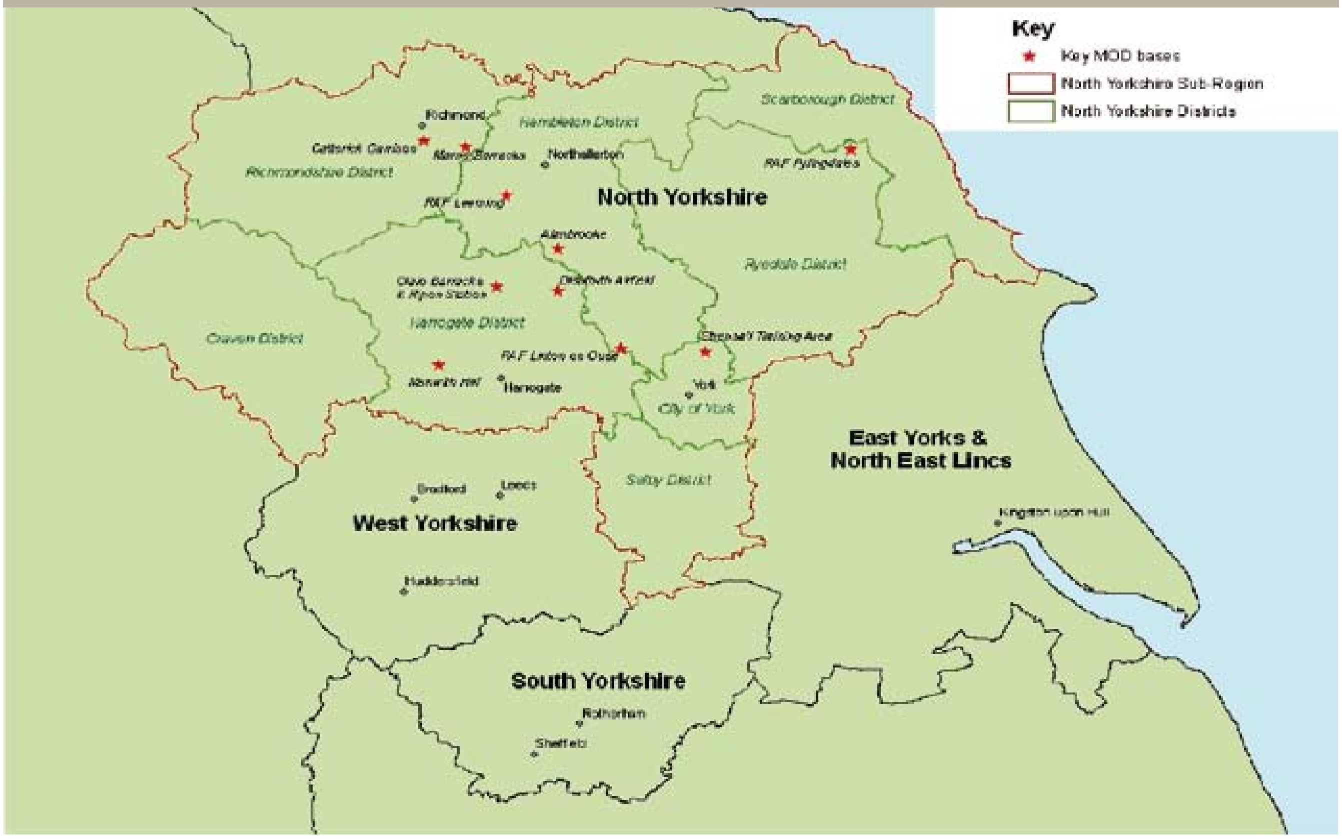
3.1 In this section, we provide a contextual overview of North Yorkshire through two lenses:

- first, from the perspective of the MOD, we set military presence in North Yorkshire into a regional and national context in terms of staff numbers, expenditure and MOD strategy
- second, we outline the socio-economic characteristics of the sub-region and the wider strategic context, focusing in particular on the extent to which the military presence shapes or influences local strategic priorities.

Military context

3.2 National figures for 2007 show that the MOD had around 230,000 service and civilian personnel. Of these, 17,240 were in Yorkshire and Humber: North Yorkshire accounted for 12,830 [8], just under 6% of all UK MOD staff. More up-to-date local data provided by the MOD in June 2009 indicates that North Yorkshire is currently home to 15,110 service personnel and 2,039 civilian personnel, bringing total military presence in the sub-region to 17,149 [9]. This substantial presence within North Yorkshire is dominated by Catterick Garrison which employs almost half of all military staff within the region.

Figure 3-1 : Military presence in Yorkshire and Humber



Source: Produced by SQW Consulting 2009. © Ordnance Survey. Crown Copyright. License number 100019086. Digital Map Data © Collins Bartholomew Ltd Postcode information © Royal Mail Group Plc (2007)

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8 UK Defence Statistics2007 Location of Service and Civilian Personnel in the UK & July 2007 Nomis - mid-year population estimates (2007 latest available data). DASA - UK Regular forces distribution across the UK October 2007

9 Source: MOD in North Yorkshire

Overview of MOD plans

3.3 The Defence White Paper: *Delivering Security in a Changing World* (2003) and the Defence Estates Development Plan (2009), outline major restructuring for the MOD, with the long term intent of basing the majority of units at six `super garrisons' by 2030, one of which may be Catterick Garrison. The key drivers behind `super' Garrison status are maximising benefits to operational effectiveness, recruiting and retention, greater stability and estate efficiencies [10].

3.4 Furthermore, increased demand will be placed on UK barracks as the army is becoming increasingly UK-based as a result of drawdown from Germany. Also, in part as a response to the Sir Michael Lyons Review (2004), troops will be rebalanced out of the South into the North and Midlands to create a more representative national footprint [11].

Detail of plans and future capacity for Catterick Garrison

3.5 Feasibility planning for expansion of Catterick Garrison has already begun. The Long Term Development Plan (LTDP) identified capacity for additional units and the Catterick Forward Programme (CFP) outlined a three-phase approach to delivery of the infrastructure required for additional units. Phases 1 and 2 involved capital expenditure of £830m to enable the arrival of 4 (Mech) Bde and develop existing technical and living accommodation for use by existing units. Delivery of Phase 3 (`Towards a Super Garrison') would require major further investment (circa £1.5m) at Catterick Garrison and the outstations, if the identified capacity is to be taken up.

3.6 MOD policy and financial constraints will now delay any growth (Phase 3) until beyond 2018, although elements of Phase 2 (`Improving What We Have') may be delivered as funding becomes available in the interim. Although the LTDP identified capacity for up to 10 additional units, the planning assumption for this report is that at most seven units will be re-located to Catterick Garrison.

Local context in North Yorkshire

Socio-economic characteristics

3.7 North Yorkshire is a largely rural sub-region, as illustrated by the map below. The main urban settlements of Northallerton, Richmond, Harrogate, York and Scarborough are located at some distance from one another across an extensive area. Catterick Garrison - the largest military base in the sub-region - is based within the Richmondshire District, towards the eastern district boundary with Hambleton District. The southern part of the sub-region - Harrogate, Selby and Craven local authority districts and the City of York - is seen as part of Leeds City Region. From Northallerton northwards, including the Catterick Garrison Administrative area, there are strong functional linkages - for example travel to work, housing markets, supply chains and retail catchments - with the Tees Valley City Region, in particular with Darlington, but to some extent with Stockton and Middlesbrough.

3.8 In 2007, North Yorkshire accounted for 15% of Yorkshire and Humber's total population and working age population (WAP). The proportion of WAP varies across North Yorkshire, but is highest in York and Richmondshire - in the latter, the WAP is inflated due to military presence and without the MOD the population structure would be considerably older. Indeed, the sub-region as a whole has a slightly older population than Yorkshire and Humber (25% aged 60+, compared to 22% across Yorkshire and Humber) and a lower proportion of residents aged under 30 (35%, compared to a regional average of 39%).

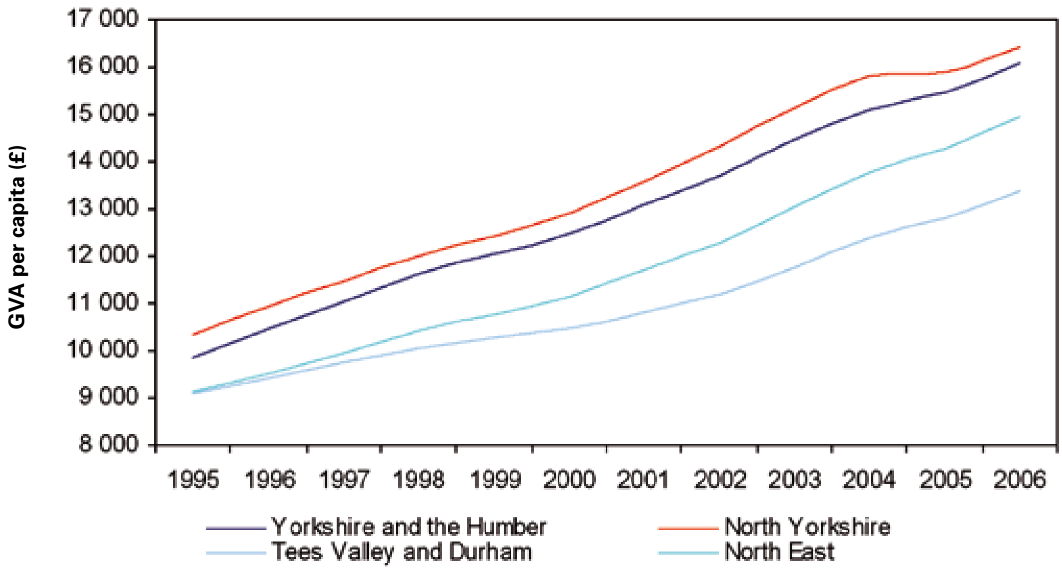
[10] Army Training Estate Catterick Training Area Management development Plan

[11] Defence Estates Development Plan (2009)

3.9 Overall deprivation levels are low in North Yorkshire compared to elsewhere in England, as illustrated by the map overleaf. Only 5% of the sub-region's SOAs fall into the 20% most deprived SOAs in England: those are clustered predominantly around York and Scarborough (the latter has particularly acute issues in the education, skills and training, living environment and income domains of deprivation). There is also a small pocket of relative deprivation close to Catterick Garrison; this falls within the 40% most deprived SOAs in England.

3.10 Total GVA (workplace-based) in North Yorkshire was £12.9bn in 2006, accounting for 15.5% of total GVA in Yorkshire and Humber (at £82.9bn in 2007). As illustrated in Figure 3-2, GVA per capita in the sub-region (at £16,443 in 2006) is higher than the Yorkshire and Humber average (by 2%) and considerably higher than in the Tees Valley and wider North East region.

Figure 3-2: GVA per capita



Source: ONS Headline Gross Value Added (GVA per head by NUTS3 area at current basic prices by region)

Figure 3-3: Rural-urban classification and indices of deprivation

Urban - rural classification at Super Output Area (SOA) in North Yorkshire (2004)

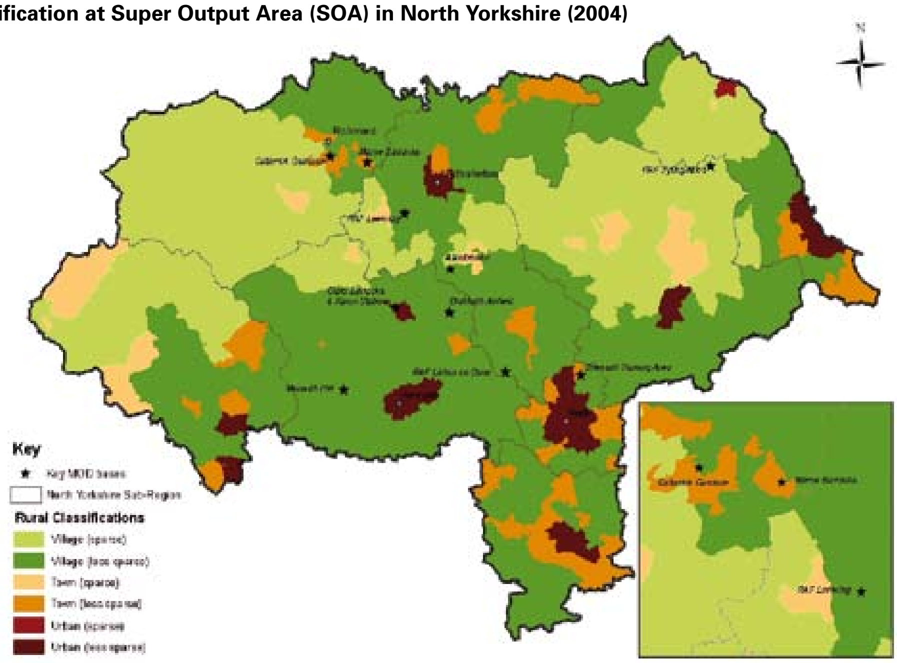


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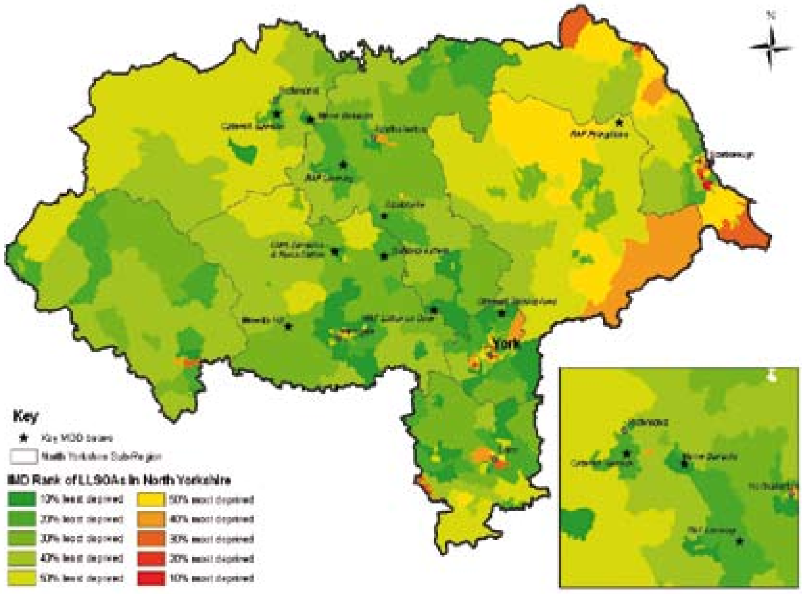
Figure 3-3: Rural-urban classification and indices of deprivation

Indices of Deprivation at Super Output Area (SOA) in North Yorkshire (2004)



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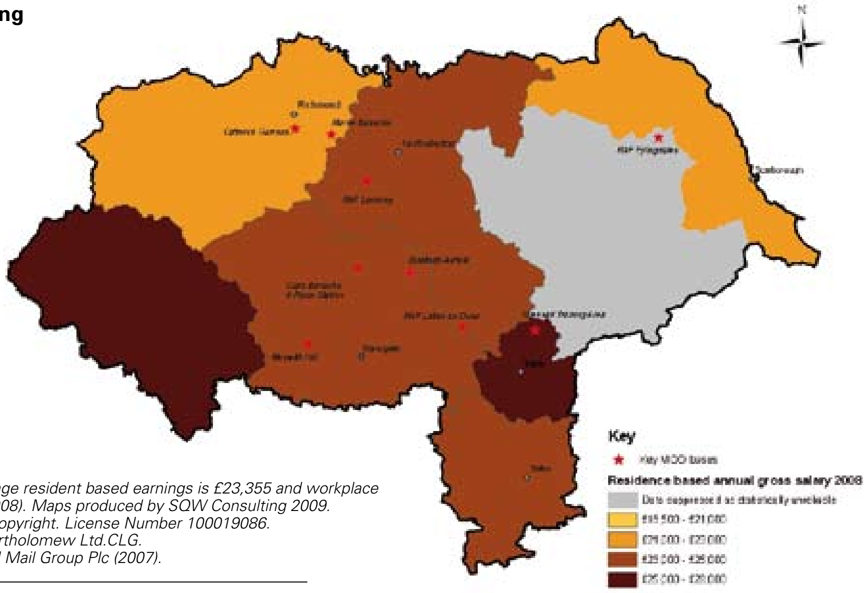
Postcode information © Royal Mail Group Plc (2007).Data sourced from ONS. IMD data shows rank of North Yorkshire SOAs within all SOAs across England.

3.11 In 2006, GVA per employee [12] in North Yorkshire stood at £37,606, marginally higher (by 0.9%) than that achieved across the region more widely. Household income in North Yorkshire was £14,174 in 2006, compared to £12,504 for Yorkshire and Humberside and £13,994 for England [13].

3.12 In terms of earnings, the mean resident-based gross annual earnings for North Yorkshire were £24,200 in 2008, a figure which is slightly higher than the regional average (£23,355). However, as shown by the map below, resident earnings vary considerably across the sub-region and are lowest in Richmondshire (£22,230), Hambleton (£23,237) and Scarborough (£21,574). Average workplace-based earnings (i.e. earnings of those who have jobs located in the sub-region) were £23,101 in 2008 (although in Richmondshire, for example, this fell to £21,911). The maps also show a difference between resident and workplace earnings in some districts, with residents' earnings considerably higher than those who work there.

Table 3-1 Resident and workplace based earnings by Local Authority Districts in North Yorkshire

Resident based earning



Source: ASHE. Regional average resident based earnings is £23,355 and workplace based earnings is £23,338 (2008). Maps produced by SQW Consulting 2009.
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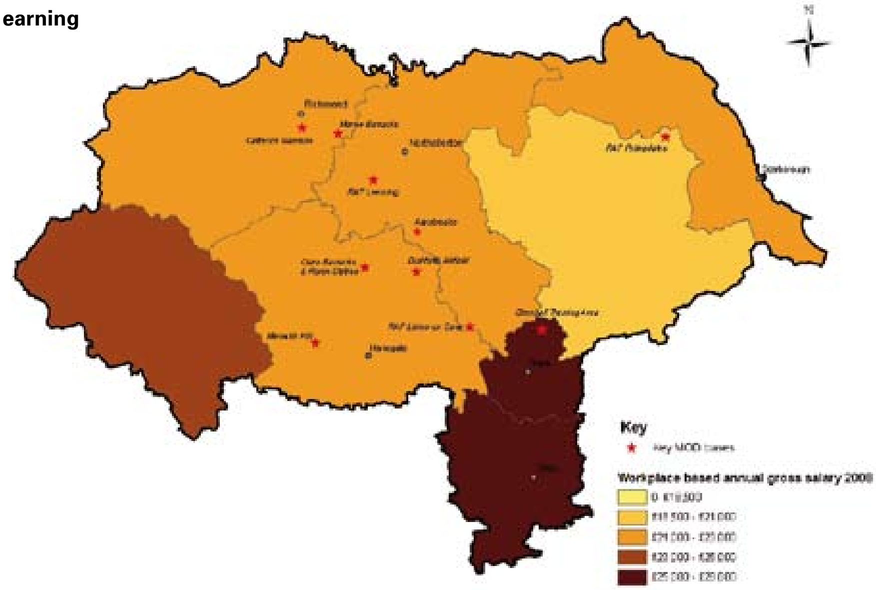
12 GVA per employee calculates as total GVA (workplace analysis) divided by total number of employees (ABI data)

13 York and North York Partnership Unit (2009) Progress in York and North Yorkshire

Table 3-1 Resident and workplace based earnings by Local Authority Districts in North Yorkshire

Workplace based earning



Source: ASHE. Regional average resident based earnings is £23,355 and workplace based earnings is £23,338 (2008). Maps produced by SQW Consulting 2009.
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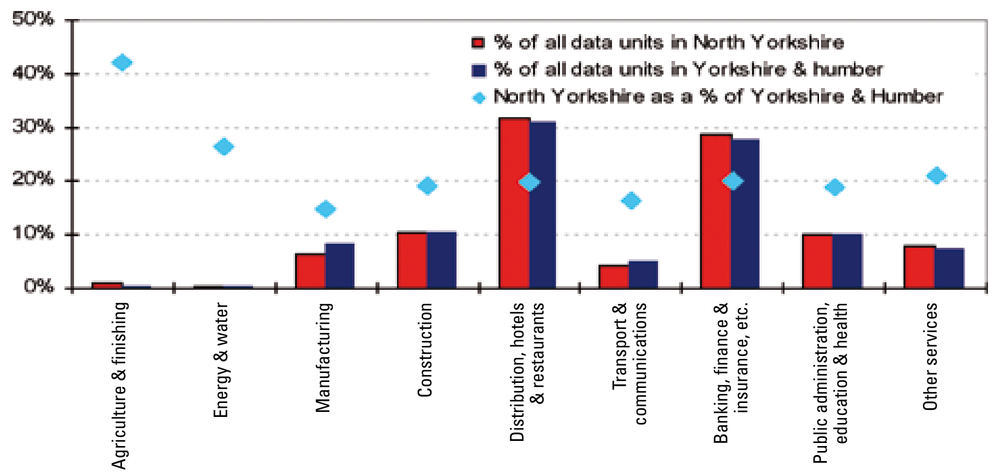
3.13 In 2007, 19% of the 180,800 business units [14] in Yorkshire and Humber were located in North Yorkshire. Within the sub-region, these businesses are concentrated in Harrogate and York districts (44% of the North Yorkshire total), with only 6% in Richmondshire. Some 84% of businesses in North Yorkshire have fewer than ten employees, which is slightly higher than the regional average. As illustrated in the graphic below (Figure 3-4), North Yorkshire accommodates over 40% of the region's agricultural and fishing businesses, and service businesses - the distribution, hotels and restaurants sector, banking and finance and other services - are slightly over-represented compared to the regional average.

Figure 3-4 Sectoral distribution of data units



Source: ABI workplace analysis

Strategic context

3.14 Here we provide a brief overview of key regional and sub-regional strategies in the region and assess the extent to which the military presence is acknowledged, understood and integrated into policy. At the regional level, two key documents shaping economic and spatial development are the Regional Economic Strategy (RES, 2006) and Regional Spatial Strategy (RSS, 2008).

[14] The number of business units can be used as a proxy for the number of business in an area, however it is important to note that a data unit refers to a physical presence therefore retail chains and businesses with more than one premises in a location will be recorded more than once. Source: ABI

As the region moves towards a Integrated Regional Strategy (IRS) which will bring the two together, more importance is attached to how economies function spatially - `York and North Yorkshire' is one of four functional sub-regions for the IRS, and this will requires an understanding of the spatial footprint of the military.

3.15 The RES is drawn up by Yorkshire Forward, working with partners in the region, to set out the aspiration for the region's economy and to show how this potential can be met. This is to be achieved through prioritised programmes and activities within six themes: businesses that last; competitive businesses; skilled people; connecting people to good jobs; transport, infrastructure and environment; and stronger cities, towns and rural communities.

3.16 Under Objective 6 (Stronger cities, towns and rural communities), the RES identifies Richmond/ Catterick Garrison as a physical development priority under the rural renaissance programme. The aim of this programme is to create sustainable communities, ensuring access to jobs, housing, facilities, transport, greenspaces and a sense of security and community. Rural renaissance recognises the need for diversification of the local economy, to attract entrepreneurs, focus on the quality of the environment and retain existing services. The RES highlights the important role of tourism as well as linkages to the Digital Industries, Biosciences and Food and Drink Clusters - Leeming Bar is identified as a cluster-led regeneration physical development priority. The remaining objectives - connecting people to good jobs, more businesses that last, competitive business and skilled people - are also relevant to the sub-regional economy, but they are not explicitly related in the RES to the military presence.

Regional Spatial Strategy

3.17 The RSS identifies the region's spatial priorities, and sets the statutory framework within which local development frameworks (local area plans) are drawn up. As well as considering priorities by geographical area, the RSS classifies overall priorities under four main themes: environment; economy; housing; and regional transport strategy. The Strategy aims to ensure the region attains coordinated sustainable development through effective spatial planning and management.

3.18 Section Seven of the RSS emphasises the intention to develop the `complementary roles' of Northallerton, Thirsk, Ripon and Richmond/Catterick Garrison as `Principal Towns' in order to ensure their effectiveness and sustainability (there was some debate amongst consultees interviewed during this study as to whether Richmond and Catterick Garrison function as a coherent `principal town' - this is discussed later in the report). The RSS supports growth of Catterick Garrison by encouraging development there that will complement the services and facilities available in Richmond. According to the RSS, economic development of the Principal Towns will be encouraged by improving public transport connections, supporting regeneration, and by providing affordable and other housing and employment opportunities on an appropriate scale to meet local needs. However, in seeing Richmond and Catterick Garrison as a single `Principal Town' there is a risk of coupling and confusing any new development of military facilities with the broader development focus - needs and opportunities - in the Catterick Garrison area (which would include both military and private sector development).

Investment Plan for York and North Yorkshire 2004/09

3.19 This Plan, produced by the York and North Yorkshire Partnership Unit, outlines investment planning and priorities through the joining up of public sector funds to help maximise their impact on the delivery of the RES. The Plan's main policies centre on housing, transport, health, community safety and environmental infrastructure. The Investment Plan identifies North Yorkshire's heritage and natural cultural assets of upland areas and their market towns (such as Richmond, Thirsk and Ripon) as economic drivers, but does not mention the economic potential of the military in this area. Priority actions for the market towns along the A1/A19 corridor (along which Catterick Garrison and Leeming are located) are: growing the food cluster on the A1 corridor at Leeming Bar; renaissance of lowland market towns; increasing productivity in the manufacturing sector; developing institutional and commercial links to Teesside (now part of the Tees Valley City Region) and the North East.

The renaissance aims for these towns are fourfold, to: develop both employment and leisure; improve their physical form and functioning; develop the towns as centres for jobs and services; promote viable and vital places.

Rural Regeneration Strategy 2007/08 - 2012/13

3.20 This plan, created by Hambleton District Council, has been developed in order to improve the quality of life in the locality and to address the economic challenges faced in rural areas (which relate to housing, employment, commuting, slow economic growth). The Strategy is designed to operate in conjunction with the RES and the Sub-regional Investment Plan. It is centred round objectives relating to business support, community-led regeneration initiatives, enhancing skills and the labour market and maximising partnership working. The Council is seeking to ensure the provision of employment infrastructure and a better match between employment demands and local skills and labour supply which will help release the potential of the local economy. Anticipated actions include: identification of new employment site at Thirsk and a food incubator project at Leeming Bar. Perhaps surprisingly, the Strategy makes no mention of the influence/impact of the military's presence on the local economy.

Richmondshire Joint Employment Land Review (2007) Richmondshire District Council

3.21 This Employment Land Review explored the way in which potential future employment patterns will impact upon the demand and supply of employment land. Catterick Garrison was highlighted as a key feature in Richmondshire and a valuable asset. The Review assessed how further expansion at Catterick Garrison may impact upon the area's demographic profile and the economic implications of this development. Richmondshire Council's position is that the expansion of Catterick Garrison would provide major new opportunities for increased local economic activity: specifically, there may be potential to establish a defence-related cluster and to develop a prestige employment site. However, new developments would also require improved transport links, both public transport and roads.

Key messages

Military context

- National figures show that in 2007, MOD employment in North Yorkshire represented 6% of all UK MOD staff.
- Major drivers of growth in military activity in North Yorkshire over the medium to long term will be potential plans for `super garrisons', draw down from Germany and response to Government intentions to rebalance troops from the South to the North and Midlands.
- Catterick Garrison is likely to be the focus of any expansion in the sub-region - whilst this is extremely uncertain at present, any expansion that did take place would draw in a significant amount of capital investment.

Socio-economic and strategic context

- North Yorkshire is a largely rural sub-region, with a concentration of businesses in the distribution, hotels and restaurants and banking, finance and insurance, and an over-representation of businesses in agriculture compared to the regional average. Deprivation levels are generally low, but there are pockets of severe deprivation around York and Scarborough.
- North Yorkshire is relatively affluent, household income levels are above the average for Yorkshire and Humber and England. However, resident based earnings are lower than the sub-regional/regional average in Richmondshire, Hambleton and Scarborough. In Hambleton and Harrogate, workplace earnings are considerably lower than resident based, suggesting substantial out-commuting and a predominance of relatively low value-added jobs in these districts.
- The activity of the military does not feature particularly strongly in many of the key regional and sub-regional strategies (with the exception of the Richmondshire Joint Employment Land Review). The rural economy is generally seen to function separately, with little recognition of the role and contribution that the MOD could make as an economic driver in the area. That said, the RSS does assume Catterick Garrison and Richmond act as a Joint Principal Town, with complementary town centres, and the Richmondshire Joint Employment Land Review considers Catterick Garrison as a `valuable asset' with potential to create a defence cluster in the area.

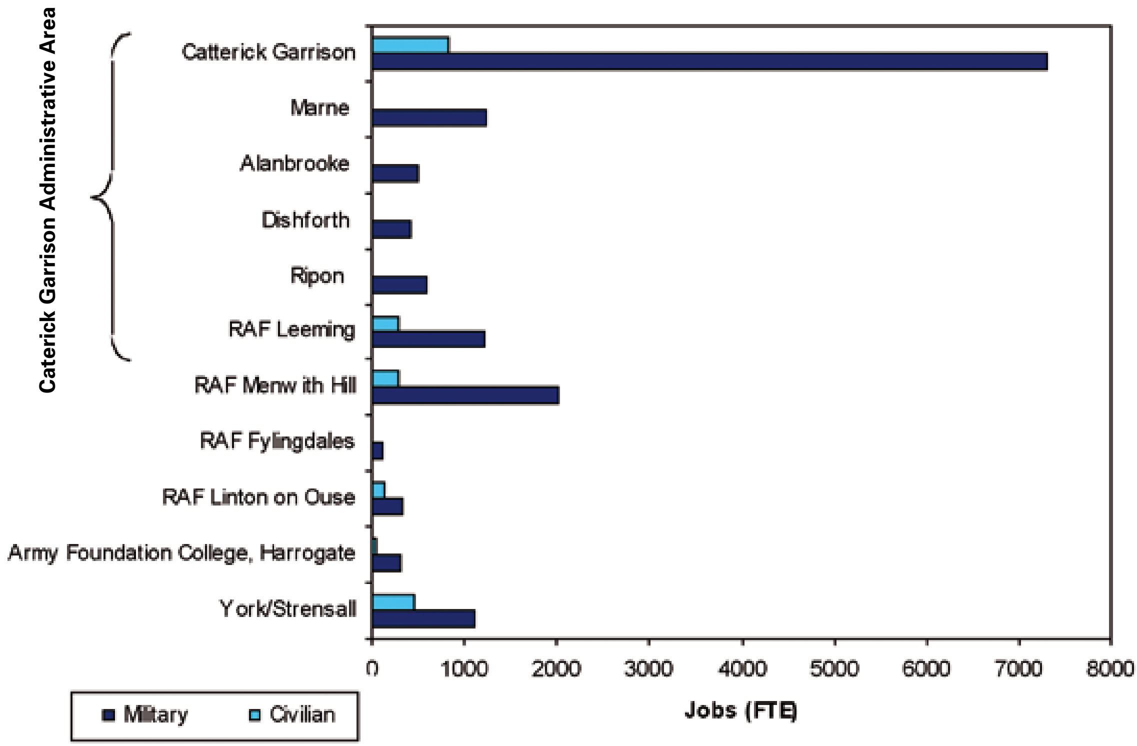
4: Direct economic impact

4.1 In this section we present the employment profile of MOD staff across all bases in North Yorkshire, and then discuss employment, procurement and capital impacts for the CCGA in more depth.

Headlines for North Yorkshire

4.2 At present, the military employs a total of 17,149 staff in North Yorkshire, of which 88% are military staff and 12% are civilians. This represents around 6% of all jobs in the sub-region. Of the 11 military bases in North Yorkshire, Catterick Garrison is by far the largest site, accounting for almost half of all employment in the sub-region (48% of military staff and 41% of civilian staff). Three-quarters of MOD jobs are in the army, and the remaining 25% are in the RAF.

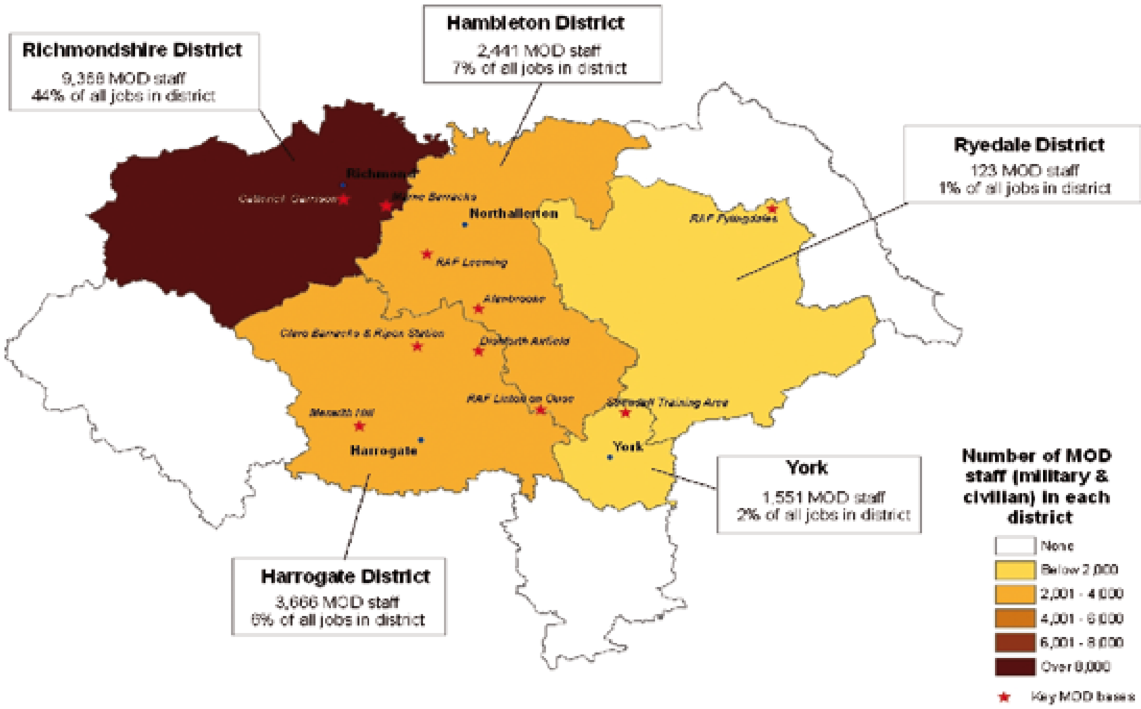
Figure 4-1: Total number of staff, split by military and civilian jobs (FTEs)



Source: MOD. Please note, figures for Menwith Hill include US Visiting Forces (USVF)

4.3 The largest number of MOD jobs are located in Richmondshire District - over 9,000 MOD jobs are based here, which represents 44% of all jobs in Richmondshire. Harrogate and Hambleton also have a relatively high number of MOD jobs located within their boundaries (3,666 and 2,441 FTE jobs respectively), but these represent a much smaller share of district employment.

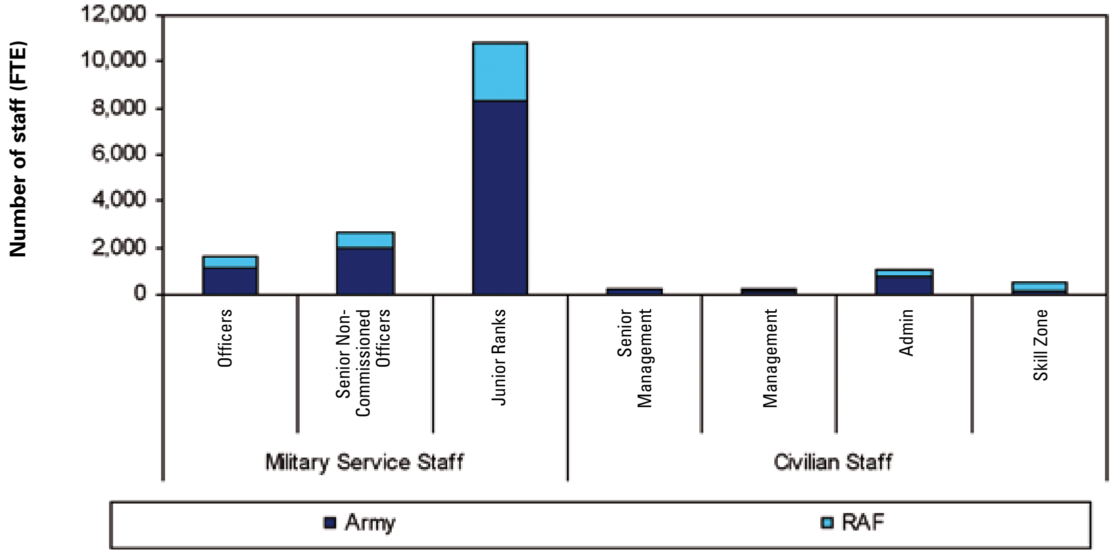
Figure 4-2 MOD staff by district



Source: ABI and internal MOD data. Maps produced by SQW Consulting 2009. © Ordnance Survey. Crown Copyright. License Number 100019086. Digital Map Data © Collins Bartholomew Ltd. CLG. Postcode information © Royal Mail Group Plc (2007).

4.4 Junior ranks account for 71% of all military jobs in North Yorkshire; Officers constitute 11% of the total and Senior Non-Commissioned Officers the remaining 18%. Almost half (49%) of the civilian staff are employed in administration, 27% in management/senior management and the remaining 24% are classed as 'skill zone' jobs [15] .

Figure 4-3 Total FTE jobs in all North Yorkshire MOD bases



Source: MOD

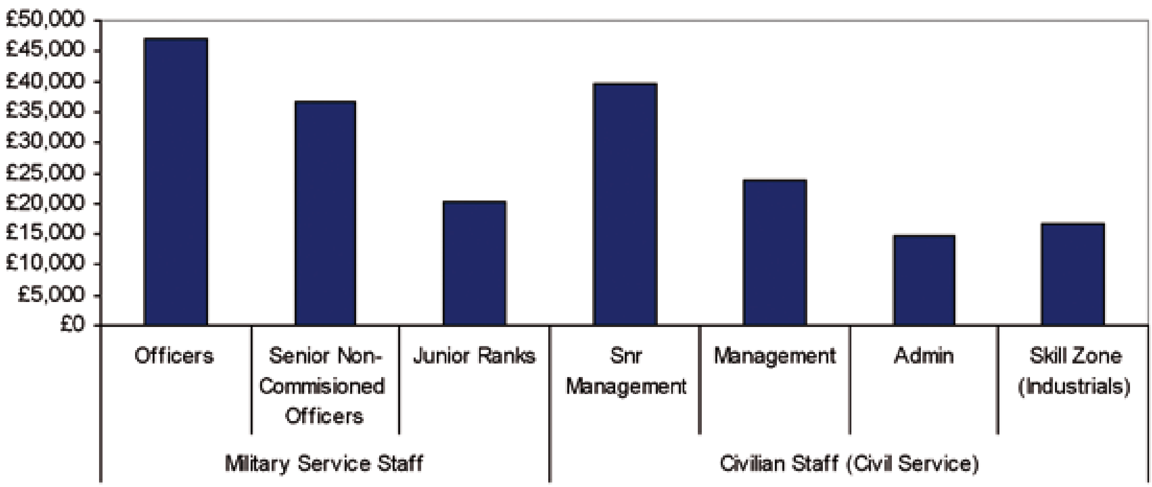
[15] 'Skill zone' level jobs include both unskilled manual (general labouring) and skilled positions, such as vehicle mechanics

4.5 The number of jobs at military bases in North Yorkshire has recently increased slightly, by 5% since 2004. Civilian jobs have remained fairly static; the increase in military jobs has been mainly at Catterick Garrison. As would be expected, the jobs numbers also fluctuate with the deployment of military staff. The MOD estimates that units at Catterick Garrison spend six months every three years on deployment and that approximately 225 RAF personnel are out on deployment each year. This means that there can be a peak of around 4,500 military staff deployed at one time for around six months. In addition, but separate to this main deployment, a much smaller number of staff may be deployed to support other units on operational duty. Consultees stated that families were - in the main - likely to stay in the area (with a small proportion returning to their original place of origin) and that military staff were likely to spend most of their income where they were based, so this should not skew the economic impact figures significantly.

4.6 Figure 4-4 below shows the mid-points of basic salary bands for military and civilian MOD staff. This shows that military officers receive around £45,000 per annum, whereas junior ranks receive around £20,000 per annum. Salaries for civilian administration positions average around £15,000 and senior management positions average approximately £40,000 per annum.

4.7 Based on the breakdown of staff provided by MOD, and attaching weighting according to numbers by rank, the average weighted salary of all military employees in North Yorkshire is £26,059 (using 2009 data) and the average weighted salary of civilian staff is £19,790. This gives an overall average salary of £25,314 for all MOD staff (military and civilian), which compares to secondary data on average gross annual earnings of £24,201 for residents in the sub-region and £23,101 for those with jobs based in the sub-region [16].

Figure 4-4 Average MOD salaries p.a. (mid-point salary by rank)



Source: MOD

4.8 In order to assess the total gross impact of the jobs created by the military in North Yorkshire, we have multiplied the number of jobs and salaries by rank. This gives a gross impact resulting from military employment of £434m p.a. - of this, 74% is generated by the Army and 26% by the RAF.

4.9 In terms of dependants, the military assume that every military job brings with it one dependant, and 40% of dependants are partners or spouses. Using this rule of thumb, the 15,110 military jobs based in North Yorkshire will result in an equal number of dependants, of which approximately 6,044 will be partners or spouses. Our survey of employees within the CGAA (see Section 5 for details) found that 59% of all respondents had two (or more) incomes contributing to their household income - if we apply this rate to the number of partners, this would suggest up to 3,566 partners/spouses could be employed in the local labour market. Data on the location of employment is not available, and some undoubtedly work outside the region (notably in the Tees Valley/North East), but employed dependants will nonetheless provide an additional boost to GVA.

[16] Source: ASHE, 2008

Detailed analysis for the Catterick Garrison Administrative Area

Employment

4.10 In gross terms, within the CGAA there are a total of 12,384 FTE jobs (11,255 military FTE jobs and 1,129 civilian FTE jobs), which represents 72% of all MOD jobs in North Yorkshire. This equates to an overall ***gross*** **employment impact of £305m p.a.** [17].

4.11 However, some of these jobs will be taken by individuals living outside North Yorkshire and the region and therefore represent `leakage'. We know that 95% of military staff live in MOD accommodation [18], which means the remaining 5% of military staff plus all civilian staff live elsewhere. The MOD does not hold data on place of residence if staff do not live in MOD accommodation, so we have used evidence from the survey (please refer to Section 5 for details) which found that:

- 59% of military respondents who do not live in MOD accommodation live outside the Yorkshire and Humber region (mainly, we think, in the Tees Valley) and 41% live within Yorkshire and Humber
- 50% of civilian respondents (who do not live in MOD accommodation) live outside the Yorkshire and Humber region and 50% live within Yorkshire and Humber.

4.12 If we apply these findings to total numbers of staff at CGAA, the results show that 3% of the military jobs and 50% of civilian jobs created by the MOD in the CGAA are taken by residents outside Yorkshire and Humber. This equates to 873 jobs in total (7% of all military and civilian MOD jobs combined and weighted appropriately), and the salaries associated with it (£21.4m) which `leaks' outside Yorkshire and Humber [19]. GVA can be expressed as residence or employment site based - clearly for spend effects in the local economy, residence is more important, but employing people from outside the region is arguably a gain for Yorkshire and Humber in terms of productivity and economic growth within the region. But in order to assess the net impact on Yorkshire and Humber, we have taken leakage of jobs into account. **The economic impact resulting from MOD as an employer at CGAA that is retained for residents in the Yorkshire and Humber region is approximately 11,511 jobs and £284m in gross earnings.**

Procurement

4.13 Data on the scale of major procurement contracts in the CGAA, and the extent to which activity and spend is retained in, or lost from, the region, is presented in Table 4-1, below [20]. Overall the ***gross*** **value of Army and RAF procurement (disclosed for this study) within the area amounts to £61m p.a.** of which over half is associated with maintenance, management and minor new works. The remaining procurement contracts are dedicated to multi-activity services (18% of the total) and a major engineering contract (16% of the total), plus a number of smaller contracts.

4.14 Only one contractor (a service supplier) provided information on the extent to which procurement contract spend was on staff. This showed that approximately 50% of the contract value was on staffing costs. If this ratio is applied to the total contract value, this equates to approximately **974 (gross) jobs each year** arising from (disclosed) military procurement [21].

4.15 The extent to which procurement spend remains in the region is variable. Overall, the RAF appears more likely to procure from outside Yorkshire and Humber - for example, in the case of the major engineering contract at RAF Leeming, the full value of the contract is outsourced from elsewhere. The Army's procurement patterns are mixed: services such as general services management, maintenance, tailoring, window cleaning, and accommodation repairs and refurbishment are frequently contracted or sub-contracted to firms within Yorkshire and Humber.

17 This uses data on employment by rank and salaries by rank provided by the MOD
18 Source: MOD data on number of staff living in single or family military accommodation at bases in the CGAA
19 We have assumed the same % of leakage applies to GVA as to job
20 This is based on the information available at the time of writing. See `source' note at the foot of the table.
21 Using GVA per job of £31,400 for the service sector in Yorkshire and Humberside (Source: BIS)

Figure 4-1 Procurement from CCGA military bases

		Contract leakage			Contract retention		
	Total contract value (£m)	**% leakage from Yorskhire and Humber**	**value of leakage (£m)**	**type of contract lost from the Yorkshire and Humber region**	**% retained in Yorkshire and Humber**	**value of contract retained in Yorkshire Humber (£)**	**type of contract work retained in the Yorskhire and Humber region**
Army Procurement (all known contracts)	48	20%	10	• Sub-contracts for waste management, linen services • Maintenance	80%	38.8	• Main contract for general services management (the contractor has a base in N. Yorks, but is a national firm), and sub-contracts for tailoring, window cleaning, footwear repair, chimney sweeping • Direct contract for repairs and refurbishment of accommodation
RAF procurement (all known contracts)	13	97%	12	• Direct contract for engineering • Direct contracts for painting & finishing, maintenance	3%	0.4	• Direct contract for accommodation cleaning
Total	61	36%	22		64%	39.2	

Source: MOD Please note, this data shows all contract information disclosed to SQW by the MOD for the purposes of this study. However, this does not include all procurement expenditure by the military activity in North Yorkshire as much was deemed either commercially sensitive (and therefore undisclosable) by the MOD or procured on a national level (and therefore unavailable at the spatial disaggregation required for this study).

4.16 Overall (of the known procurement contracts), 36% of the military's procurement is sourced from outside the region and 64% is sourced from within the region, which means the ***net* value of procurement (where contract information is available) that benefits the Yorkshire and Humber region is £39m p.a**. If we apply the assumption that 50% of contract value is spent on staff costs (as most of the contracts retained in the region are service based), this equates to **625 jobs**. Encouragingly, the contractor believes 98% of staff live in the region, so we can assume the majority of these jobs are retained in Yorkshire and Humber and will therefore make an additional contribution to regional GVA and spending power.

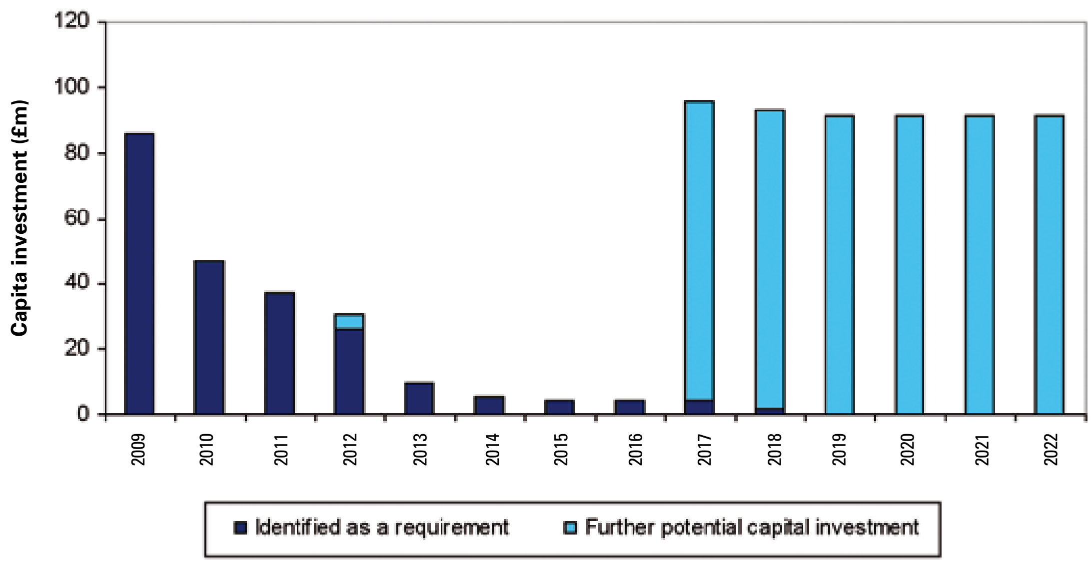
Construction

4.17 The level of funding for capital investment is substantial: a total of £308m was invested by the MOD in the CGAA between 2004 and 2008. Recent investment includes: the redevelopment, and modernisation of existing accommodation; new accommodation; new messes; development of infrastructure; and a sports and leisure centre which is partially open to the public. A further £205m in capital funding has already been `identified as a requirement' for the period from 2009 to 2022 for projects (although funding is yet to be secured), which includes work on further accommodation and messes and a medical and dental centre.

4.18 Over and above the level of funding mentioned above, the MOD and Defence Estates have estimated that `potential' capital funding for 2009 to 2022 could bring in a further £547m of investment (cumulative) to enable growth. This growth assumes no further significant change before 2018, but then an increase of one unit (600 military personnel) added at 18 month intervals from 2018 to 2022, plus 200 additional HQ staff, and a small expansion of 250 personnel at RAF Leeming - investment of £547m would be required to enable this growth, and would include infrastructure, accommodation and mess upgrades. A full breakdown of the capital projects is contained in Annex D. It must be emphasised that the growth projections are hypothetical: no funding has been secured for the development projects which would be needed to deliver these levels of expansion.

4.19 Figures for `identified requirements' and further `potential' capital investment are displayed in Figure 4-5, below. For the period to 2012, the figures are based for the most part on MOD data for expected investment each year; however, for some early figures and for later projections, build costs and design costs have been spread evenly over the given time periods.

Figure 4-5 Future `identified requirements' and `potential' capital investment at Catterick and RAF Leeming

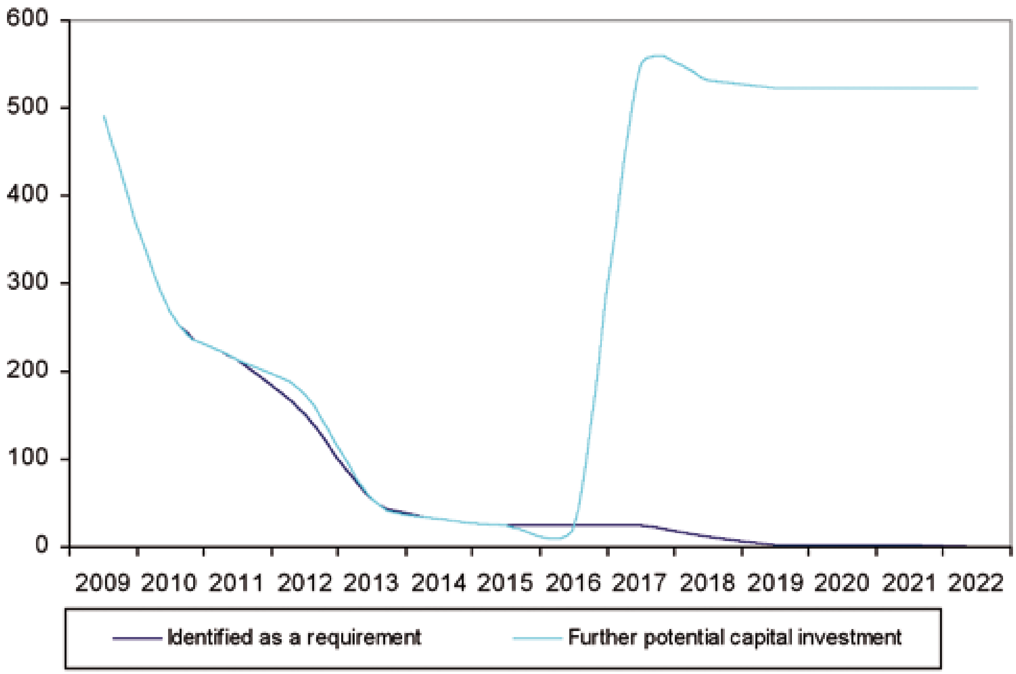


Source: Army at Catterick and RAF at Leeming

4.20 Using benchmarking figures [22], we have converted the above figures for capital investment into employment estimates. Figure 4-6 shows that the capital investment contributes to significant job creation - for example, if the £205m in capital funding relating to `identified requirements' above is secured for the period from 2009 to 2022, it could amount to an average level of approximately 170 construction jobs (p.a.) through this period. Furthermore, 500 jobs temporary jobs could be created each year through to 2022 if the `potential' capital funding plans are realised. Again, it is possible that this could continue beyond 2022 with further growth. However, upon the completion of any expansion, these jobs would cease to exist, so the positive impact on the economy of these construction jobs will be temporary.

4.21 The MOD was unable to provide past figures or future estimates on the proportion of jobs that have been taken by local people and here only total figures are used; in our economic impact projections in Section 9, we have assumed that just over half of the jobs are within Yorkshire and Humber (55%), but that a large proportion (45%) are from outside, given that Tees Valley, outside the region, is the closest substantial urban area to Catterick Garrison.

Figure 4-6 Potential-jobs created as a result of capital investment



Source: Army at Catterick and RAF at Leeming

[22] £1m in capital investment equates to 10.4 jobs (average for infrastructure and public non-housing capital projects). Source: Construction Skills Network

Key messages

- The MOD employs a total of 17,149 staff in North Yorkshire, which accounts for around 6% of jobs in the sub-region and equates to a gross impact of £434m p.a. in salaries. Of these jobs, 72% are based in the CGAA. Three-quarters of MOD employees work in the army, with the remaining 25% in the RAF.
- The average weighted salary of all MOD staff (military and civilian) working in North Yorkshire is £25,314 (weighted to reflect employees by rank).
- A high proportion (71%) of military jobs are in junior ranks, which will influence the spending power and patterns of a large share of military staff working the sub-region, and the likelihood that staff will enter the local housing market and integrate with local communities.
- Civilian jobs account for 12% of MOD jobs in the sub-region, and around half of these are in administration jobs.
- Military jobs have traditionally been relatively transient - those currently based in North Yorkshire are expected to spend six months every three years on deployment - but this is not thought substantially to reduce spend in the local area.
- Based on MOD assumptions, we estimate that the military population brings around 6,000 partners/spouses to the area.
- Within the CGAA:
  - There are 12,384 **FTE MOD jobs**, of which we estimate that 7% are taken by residents outside Yorkshire and Humber (from the Tees Valley in particular). Taking this into account, the gross economic impact resulting from the MOD as an employer that is retained by residents in Yorkshire and Humberside is approximately £284m p.a. in earnings.
  - Disclosed data from the MOD shows **procurement** amounts to at least £60m p.a. - this is thought to be higher, but we are unable to quantify the full amount due to data restrictions. Of the £60m p.a. 64% is retained by contractors/sub-contractors in Yorkshire and Humberside for services such as accommodation cleaning, repairs and refurbishment, tailoring, window cleaning and general services management.
  - **Capital investment** by the MOD in North Yorkshire is substantial - `identified funding requirements' alone amount to £205m between 2009 and 2022 in addition to the £308m already spent between 2004 and 2008. There is potential for considerable further investment through to 2022, although at present this has not been agreed or committed.

5: Indirect economic impacts

5.1 In this Section, we explore in more detail the indirect economic impacts set out in our EIA model - namely induced economic effects (employee spend in the local economy) and secondary supply chain effects.

Induced economic effects - employee spend in the local economy

5.2 In August and September 2009, a survey questionnaire was distributed in Catterick Garrison and RAF Leeming, which was designed to explore where MOD staff live, what they spend their income on and - most importantly for the local economy - where they spend it. A total of 145 individuals within the Catterick Garrison Administrative Area (CGAA) completed our survey, and the results are presented below. Please refer to Annex E for a copy of the survey questionnaire.

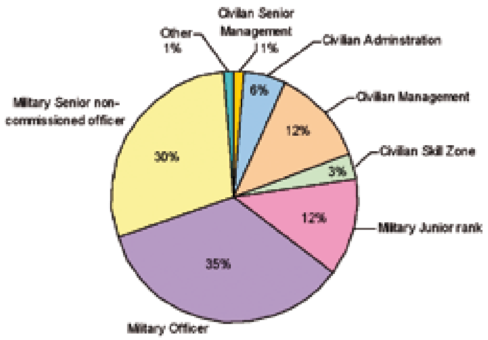
5.3 While this provides an insight into the spending patterns of MOD staff, it is important to note that the survey response rate was low, representing only 1.3% of all staff at CGAA: the results are not statistically significant, so they provide indicative rather than definitive information. We noted also that the average salary (and proportion of staff in senior positions) of survey respondents is higher than the weighted average of all MOD staff in North Yorkshire, so any absolute values of spend grossed-up from the survey will be higher than the true value.

Profile

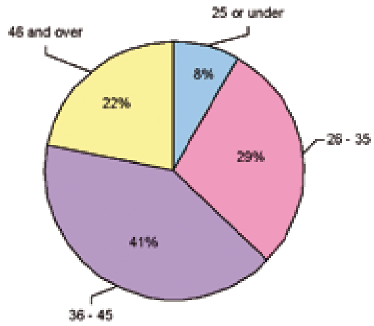
5.4 The survey asked where respondents were stationed, and their rank. The majority (64%) worked at Catterick Garrison, with a further 2% stationed at RAF Leeming, 21% at Dishforth, 5% at Alanbrooke/ Topcliffe and 3% at Ripon. Responses were also received from Strensal, Northallerton, DTE North East, and Claro Barracks. Over three-quarters of respondents were military staff, most were Military Officers or Senior Non-Commissioned Officers. In terms of the age profile, 41% were aged between 36 and 45, 22% were aged 46 and over, and only 8% were aged under 25.

Figure 5-1: Profile of respondents

Rank of respondents



Age profile of respondents



Source: Army at Catterick and RAF at Leeming

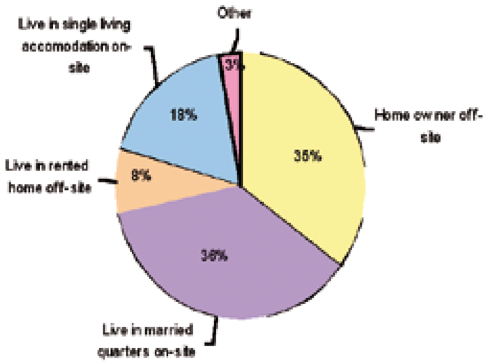
Type of accommodation and place of residence

5.5 The majority of respondents lived in MOD accommodation (54%). Most were living in the MOD's married quarters; they tended to be in the `36 years and above' age group, whereas many of those living in the MOD's Single Living Accommodation were 35 years or under. Most of those who did not live in MOD accommodation were home owners (35% of all respondents) rather than renters (8%).

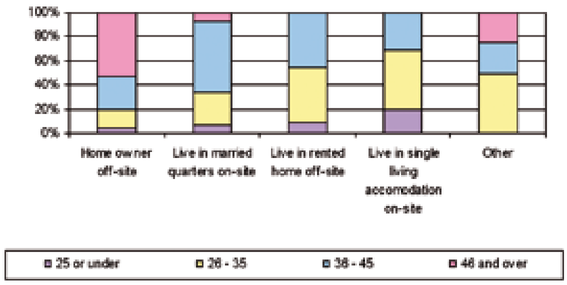
5.6 Civilians accounted for around half the respondents not living in MOD accommodation. The majority of civilians (85%) were home owners, while 6% lived in rented accommodation. A total of 69% of military personnel lived in MOD accommodation, the majority in married quarters. The data is shown below, in Figure 5-2.

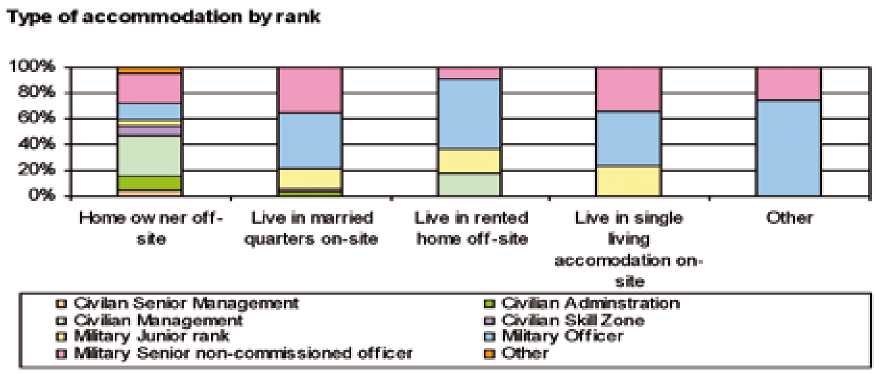
Figure 5-2: Accommodation characteristics, by rank and age

Type of accommodation



Type of accommodation by age





Source: Survey analysis. Notes: in the graph above, 'on-site' refers to those living in MOD accommodation, and 'off-site' refers to those not living in MOD accommodation

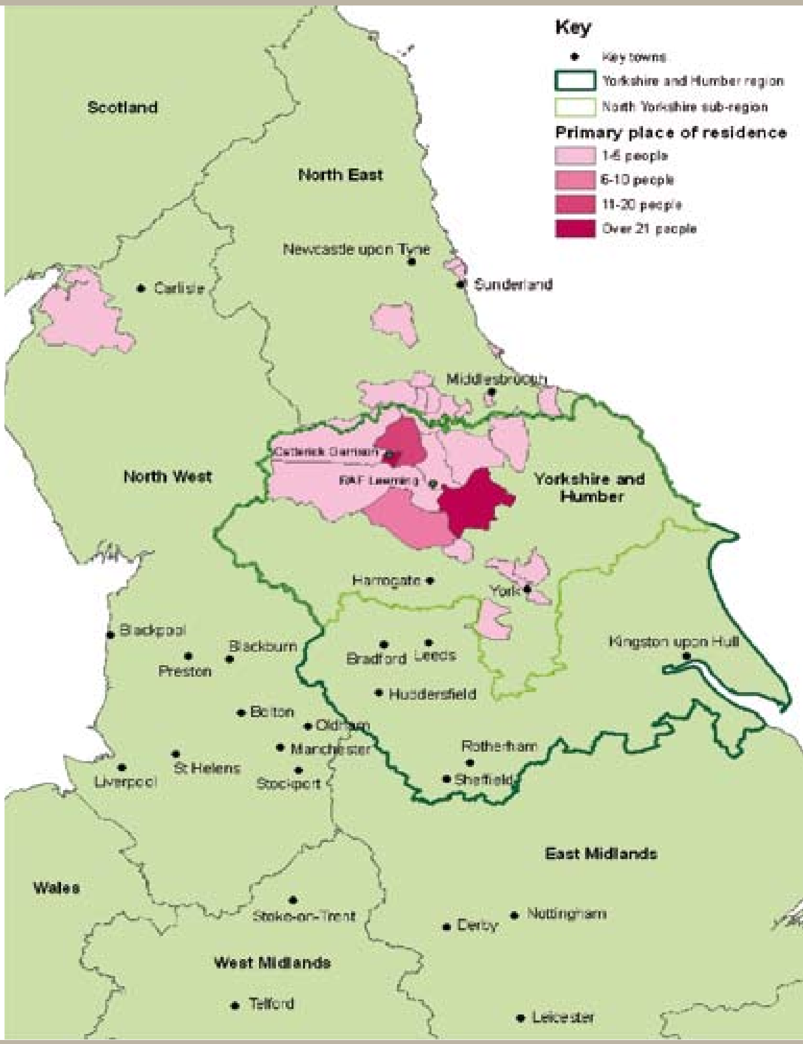
5.7 Figure 5-3 shows where survey respondents lived as their primary place of residence: the concentration of workers in and around Catterick relates to the finding that 54% of respondents lived in MOD accommodation, but there is also significant spillover into Tees Valley. All of those living in the Yorkshire and Humber region were living within North Yorkshire.

5.8 Of those respondents not living in MOD accommodation, 42% lived in Yorkshire and 56% in the North East.

- Those renting were much more likely to live in Yorkshire (73%) than the North East (27%)
- Home owners on the other hand, were twice as likely to live in the North East (61%) as Yorkshire (31%).

5.9 The majority of respondents (81%) lived at their primary residence all week, but 17% declared that they had secondary residences - almost all of these (96%) were military personnel. The map overleaf shows postcode sectors (i.e. the first part of a postcode such as DL9) of secondary residences. As the map shows, these were distributed widely across the UK (with the exception of the North East). Almost three-quarters (71%) of those with secondary residences had MOD single living accommodation for their time in North Yorkshire.

Figure 5-3: Respondents' primary place of residence by postcode sector



Source: Survey analysis.

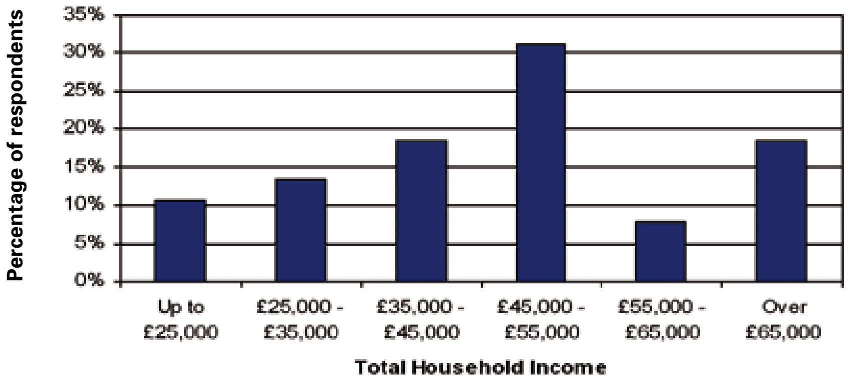
Figure 5-4: Respondents' secondary place of residence by postcode sector

Source: Survey analysis.

Incomes - and where they are spent

5.10 Figure 5-5 illustrates the range of total household income. Over 30% of households earned between £45,000 and £55,000. Taking the mid-points in each band, and £65,000 and £25,000 for the upper and lower limits, the mean household income was found to be £46,348. Over a quarter of households earned in excess of £55,000; these high earnings reflect the composition of survey respondents (most of whom were aged 36 years and above and held relatively senior positions), but also the prevalence of secondary incomes - see below.

Figure 5-5: Total Household Income



Source: Survey analysis.

5.11 Over half (59%) of respondents had two (or more) incomes contributing to the total household income; 41% had one income. The average total household income for those with more than one income was £50,723, higher than the average household income [23] for single income households (£40,086). On average, in a two (or more) income household, military income accounted for 68% of the total income, equating to £34,563 per annum. The average military income for all households (in households with single and multiplier income streams) was £37,643.

5.12 It is important to highlight that the average annual military income among respondents to this survey was substantially higher than the military (weighted) average in North Yorkshire as a whole (£25,276) and at least 50% higher than average yearly earnings throughout England (£25,168) and across the region (£23,078).

Table 5-1: Average household income

		Average income	Inter-Quartile Range [24]
All respondents		£46,348	£40,000 - £60,000
Single income household		£40,086	£30,000 - £50,000
Households with more than one income	Total household income	£50,723	£40,000 - £62,500
	Military income	£34,563	£29,438 - £41,500
Military income - all households		£37,643	£30,000 - £45,125

Source: Survey analysis.

23 Calculated using the same basis for calculating the average as for the sample as a whole - the mid-points in each salary band, with £65,000 and £25,000 for the upper and lower limits.

24 That is, the range of incomes (in each category) excluding the lowest 25% and the highest 25%

5.13 The survey also found that the average household income was over £1,000 higher for those who lived outside of MOD accommodation than for those living in MOD accommodation (£45,455), but:

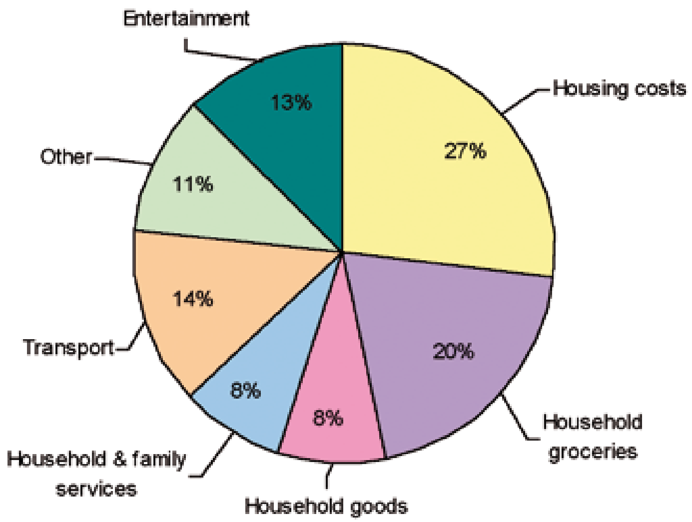
- The average income of those that lived off-site (i.e. not in MOD accommodation) within Yorkshire and Humber was much higher (at £48,605) perhaps reflecting the relatively high prices in North Yorkshire in particular, while
- The average income of those living off-site (i.e. not in MOD accommodation) outside Yorkshire and Humber was notably lower (£42,813), possibly due to the availability of lower cost housing in the Tees Valley/North East.

5.14 The survey asked respondents to estimate the proportion of household spend in the following categories:

- Household costs (e.g. rent/mortgage, council tax and utilities bills)
- Household groceries (food and drink)
- Households goods (durables, furniture)
- Household and family services (e.g. electricians, childcare, dentist etc.)
- Transport (bus fares, petrol taxis)
- Entertainment and recreation
- Other miscellaneous goods and services.

5.15 Figure 5-6 shows the responses to this question (which were the same for all `household' and `military' income). Housing costs and household groceries accounted for the majority of spend, however a significant proportion of income is spent on transport and entertainment.

Figure 5-6: Proportion of household spend



Source: Survey analysis NB: Percentages may not add to 100% due to rounding

5.16 Actual expenditure is shown in Table 5-2, overleaf.

Table 5-2 : Average salary spending

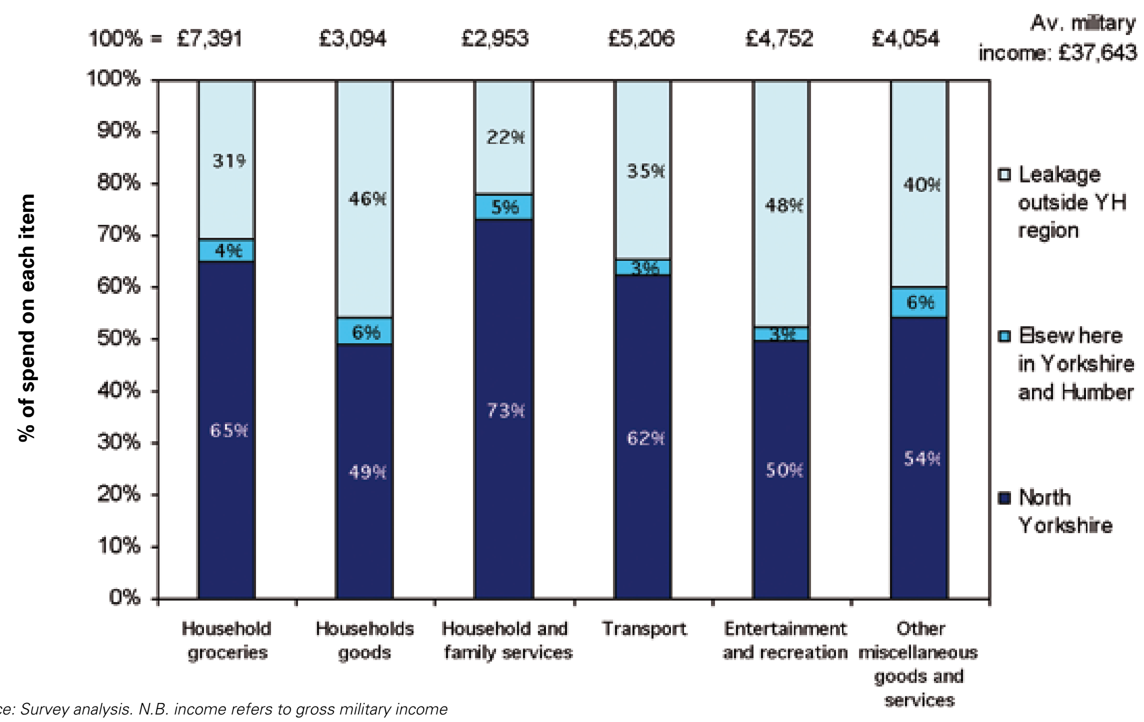
	Housing costs	Household groceries	Household goods	Household & family services	Transport	Enter tainment	Other
Average annual salary (£46,348)	£12,549	£9,100	£3,809	£3,636	£6,410	£5,851	£4,992
Average military income - all households (£37,643)	£10,192	£7,391	£3,094	£2,953	£5,206	£4,752	£4,054

Source: Survey analysis.

5.17 For the purposes of this study, we are most interested in where staff spend their military income. Figure 5-7 shows where the average military income (of £37,643) was spent across each category of spend. This assumes that housing costs were incurred where respondents lived, so in practice with 95% of military staff living in MOD accommodation, a large proportion of military spend costs on housing is likely to correspond to where MOD bases are located.

5.18 Household groceries accounted for a significant proportion (20%) of spend and almost one third of this was being spent in places outside the Yorkshire and Humber region (half of it in the Tees Valley, reflecting where respondents lived). Almost half of all income that was spent on household goods and entertainment went to places outside the region, and 40% of `other miscellaneous' spend `leaked' outside the region. Where income was spent within Yorkshire and Humber, the greater part was in North Yorkshire rather than elsewhere in the region.

Figure 5-7: Military spend per item by location



Source: Survey analysis. N.B. income refers to gross military income

5.19 As noted above, a large proportion of the spend on household groceries, goods and services leaking outside the region was to the North East. However, a large share of leakage on transport, entertainment and recreation went outside both Yorkshire and Humber and the North East.

Table 5-3: Location of spend outside the Yorkshire and Humber region

	Tees Valley sub-region	Elsewhere in the North East	Elsewhere (not in YH or NE regions)	Total
Household groceries	51%	15%	34%	=100%
Households goods	51%	17%	31%	=100%
Household and family services	45%	8%	48%	=100%
Transport	36%	12%	52%	=100%
Entertainment and recreation	24%	15%	62%	=100%
Other miscellaneous	35%	12%	53%	=100%

Source: Survey analysis.

5.20 Based on the figures above, it is possible to assess the proportion of income which `leaked' outside Yorkshire and Humber: **overall, 36% of military income was spent outside of the Yorkshire and Humber region**.

5.21 Leakage patterns were found to vary, depending whether staff lived in MOD accommodation or not (and whether they lived in Yorkshire and Humber or elsewhere). Table 5-4 shows the proportion of income that was spent outside the region, by location of respondents. As we might expect, those that did not live in MOD accommodation, and lived outside Yorkshire, also spent the majority of their income outside the region, but somewhat surprisingly those living within Yorkshire and Humber (either in MOD accommodation or not) also spent a large proportion (approximately 30-40%) of their income on household goods outside the region.

Table 5-4: Leakage of spend outside Yorkshire and Humber

	Housing costs	Household groceries	Household goods	Household & family services	Transport	Enter tainment	Other
Those that live in MOD accommodation (average income £45,455)							
Proportion of income spent outside of the region	28.2%	21.8%	38.9%	14.9%	27.8%	42.4%	31.2%
Amount of income spent outside of the region	£12,806	£2,760	£1,858	£754	£2,494	£2,040	£3,146
Those that did not live in MOD accommodation, but lived within Yorkshire (average income £48,605)							
Proportion of income spent outside of the region	32.6%	23.1%	44.6%	13.1%	31.5%	45.3%	40.7%
Amount of income spent outside of the region	£15,828	£2,744	£2,873	£714	£2,514	£3,986	£3,280
Those that did not live within MOD accommodation and lived outside of Yorkshire (average income £42,813)							
Proportion of income spent outside of the region	92.6%	95.5%	98.3%	99.7%	84.5%	96.8%	89.8%
Amount of income spent outside of the region	£39,576	£13,057	£4,392	£3,789	£8,209	£4,245	£6,079

Source: Survey analysis.

Key findings

5.22 This survey gathered information on spend by MOD staff in order to assess the indirect economic impacts of military activity in North Yorkshire. The findings show where staff lived, what military income was spent on, and where that income was spent.

5.23 The majority of respondents lived in MOD accommodation, concentrated in and around Catterick Garrison. Almost all those that did not live in MOD accommodation were either in the North East (56%) or in Yorkshire and Humber (42%). Just over one in six of the respondents had secondary residences - these were spread throughout the UK.

5.24 Those responding to the survey were weighted towards the more senior and better paid. Based on these responses, average military income in the region was found to be higher than both national and regional averages. The majority of all disposable income was spent on housing costs and household groceries. Transport accounted for 14% of total spend, and entertainment for 13%.

5.25 Overall, 36% of military income was spent outside the region. The majority of spend on household groceries, household and family services, and transport was found to be retained within the region. However, almost half of all income spent on household goods and entertainment was spent outside the region. Most of the leakage on household groceries, goods and services went to the North East, while a large proportion of the leakage on transport, entertainment and recreation went outside both Yorkshire and Humber and the North East.

Supply chain economic effects

5.26 The opportunities for indirect impacts of the MOD on local businesses are primarily two-fold: first, through procurement either as direct contractors or, more probably, through sub-contracting; second, through spend of military staff in local businesses [25] .

Procurement either as direct contractors or sub-contractors

5.27 As discussed in section 4 (paragraph 4.16), approximately 64% of known military procurement contracts (in terms of value) is retained within the Yorkshire and Humber region. Opportunities mainly arise through the smaller self-contained contracts (e.g. accommodation repairs and refurbishment) or through sub-contracting for elements of some of the major contracts, such as general services management, maintenance, tailoring, and window cleaning as part of the Multi-Activity Contract. However, both the MOD and the main contractors source their sub-contractors on a national basis at present (rather than seeking out local firms as suppliers): value for money (VfM) is the main priority. But being local can make for lower costs and some local firms have competitively won contracts on this basis (e.g. for tailoring and cleaning).

5.28 If the MOD were not in North Yorkshire, the large contractors we interviewed would probably not remain in North Yorkshire and would be likely to move closer to MOD activity elsewhere. This suggests that the impacts of military procurement (particularly in terms of the multi-activity service contracts) on job creation and GVA in Yorkshire and Humber are additional to the region (rather than displacing economic activity from one activity in the region to another), and would not be present without the military's activities.

5.29 Military contracts are generally controlled by Commercial Branch at the MOD regional level (i.e. North of England), and occasionally for the whole of "HQ 2 Div" area including Scotland. In terms of procurement policy, any tender greater than £40k in value must be advertised in the MOD Defence Contracts Bulletin: companies subscribe to receive this. Many large contracts are procured through framework agreements which aim to allow the MOD to secure services cost-effectively across several military sites.

[25] We tested whether the MOD's presence had an impact in terms of visitor numbers - the view from consultees was that it did not.

5.30 Tenders between £20k and £39k can be advertised, at the discretion of the MOD acquisition staff, in the online version of the MOD DCB and on the Supply2.gov.uk portal (which would reach most of the UK). `Local' suppliers (defined as being from Yorkshire) are investigated for contracts below £40k, and Commercial Branch policy is to investigate companies online and request quotes from a minimum of three. It is often the case that there is interest from only one or two local suppliers and some local suppliers are unable to meet the full requirements or scale of the procurement specification. In these cases, the MOD uses national companies. However, the MOD could not identify any products or services that it would like to source locally but had found it could not - for many goods and services, staff were happy to procure suppliers from anywhere in the UK. That said, the MOD and some of its major contractors are now making efforts to raise awareness of local suppliers of the opportunities available within the military - for example, the MOD and Multi-Activity contractors recently held an open day for local farmers to promote their sustainable resourcing policy and the opportunities for suppliers arising from this.

5.31 If Catterick Garrison were to expand, the MOD does not anticipate any changes to procurement patterns/procedures that would open up significantly more opportunities for local businesses in particular - the key criteria will continue to be efficiency and VfM, with most procurement organised, as now, on a large-scale national basis.

Spend in local businesses

5.32 A brief canvass of 30 local businesses in Richmond, the Catterick Garrison area and Bedale was undertaken to source indicative views on the impact of the MOD on local high street businesses. A full survey was not possible within the scope of the study, but this qualitative evidence provides some context for the findings on spend set out earlier in this section. The key messages from local high street businesses were as follows.

- The perception of consultees was that the MOD accounted for a small proportion of customers (although businesses acknowledge it is hard to tell if personnel are not in uniform) in Richmond [26] and especially Bedale (c.5-15%); as would be expected, in Catterick Garrison the MOD accounted for the majority of customers (50-80%).

- Estate agents and solicitors attracted a larger share of customers from the MOD (in all locations), along with grocery stores in the Catterick Garrison area.

- The presence of a large military population creates some challenges for businesses, especially in terms of the fluctuations in demand. However, businesses indicated that they were becoming more aware of likely flows in demand, either through personal experience/links to the military or word of mouth about deployments and new arrivals. For example, Tesco in Catterick Garrison estimated that the store experiences a 30% uplift in sales during payday week and a peak in demand for electrical goods, games, CDs and alcohol. Having a transient population was considered to be advantageous for some businesses, most notably the estate agents.

- MOD related staff made up a notable share of employees at local businesses (either now or in the recent past) - often up to one third or half of staff (although these accounted for a low number of employees overall because most of the firms spoken to were small).

- There was concern about displacement in Richmond - one grocer believed that when the new Tesco in Catterick Garrison opened in 2001, his turnover fell by 20%, and concerns were also expressed about the new town centre development at the Garrison, which was expected further to increase displacement.

- On the whole, the substantial MOD presence nearby has not shaped the kinds of goods/services provided by businesses (with the exception of law firms, many of which have specialised in military-related law). On the whole, local businesses supply the same services and products as they would in any other rural area.

[26] The exception to this was a pub in Richmond where 60% of customers are military

Key messages

Induced economic effects

- Our survey of employee spend patterns suggests that:
    - Of staff who do not live in MOD accommodation (a small proportion of military staff and most civilian staff), 42% live within Yorkshire and Humber and 56% live in the North East
    - Renters are more likely to live within Yorkshire, whereas home-owners are more likely to live in the North East
    - Approximately 36% of military income leaks out of the Yorkshire and Humber region
    - There is relatively high leakage of spend on household goods, entertainment and recreation to places outside Yorkshire and Humber (even for those living within the region).

Supply chain economic effects and potential

- The main procurement opportunities for local businesses appear to be in sub-contracted service activities such as accommodation repairs and refurbishment, general services management, maintenance, tailoring, and window cleaning.
- If the MOD were not in North Yorkshire, the large contractors interviewed stated that they would probably not remain in North Yorkshire, suggesting that the impacts of military procurement (particularly in terms of the multi-activity service contracts) on job creation and GVA in Yorkshire and Humber are additional to the region.
- The MOD advertises contracts of £40k or less on the `supply2gov' portal and/or via quotes from at least three suppliers - the majority of opportunities for local suppliers appear to be in this type of contract.
- The MOD and its major contractors are evidently pursuing sustainable procurement policies, and whilst efforts are being made to raise awareness of opportunities in some sectors (e.g. farming) locally, it would seem that more could be done.
    - There is potentially a role for Yorkshire Forward and the local authorities to address what appears to be an `information failure' between the MOD and local businesses.
    - Also, there may be a role for the public sector in co-ordination (encouraging small businesses to co-operate to supply the MOD at a sufficient scale) and to ensure there are sufficient employment sites and premises in the local area to allow suppliers to locate close by, take advantage of procurement opportunities, and maximise the benefit to the local economy.
- Some of the procurement contracts that leak outside the region are specialised engineering services. But some activities (such as painting and finishing, maintenance, and waste management) could potentially be retained within the region.
- The three main barriers to local procurement appear to be:
    - Contracts controlled on a national or `MOD regional' basis (North Yorkshire falls into the MOD's definition of `region' which covers the North of England and Scotland)
    - The drive for improving cost-efficiencies and economies of scale which result in procurement contracts being too large scale for local businesses to handle
    - A lack of awareness from businesses of the opportunities available and how to access them.

6: Wider impacts

6.1 As explored in preceding sections, MOD activity in North Yorkshire can, from a local economic development perspective, be seen as a major business, buying supplies and trading outside the area, and paying its employees who then spend more on household goods and services. The distinctive role of the military, and how the Army and the RAF are organised, means that there are also important differences from other economic actors. An important aspect of this study was consideration of the wider, indirect, impacts of military activity in North Yorkshire, and to point to the issues and potential opportunities arising. As part of the research, over 30 consultations were undertaken with individuals from the MOD, Local Authorities, Local Strategic Partnerships, procurement contractors, HR, tourist representatives, Resettlement Services, and external labour market intermediaries.

6.2 Seven key messages encapsulating the findings from these consultations are presented below.

Key messages

Message 1: overall, the extent to which MOD activity is integrated with the local community is mixed - the transience of the military population, some isolated military outstations (with poor public transport connectivity) and the continuing high proportion of personnel living in MOD accommodation were found to be major factors currently limiting integration

6.3 There are some examples where individuals and families have integrated with their local communities, although the RAF is believed to integrate more than the Army because, to date, the RAF is seen as being less transient (one consultee reported more RAF staff buying housing and raising their families locally). This transience is a significant barrier for military staff and their families in terms of integration - not only do consultees believe it deters partners/spouses from finding work locally, but it has also made it very difficult for local schools to cope with a constant flux of children - this creates extra work for teachers, and is disruptive for Children and Young People's Services.

6.4 This is now changing: the military - and the Army in particular - is moving towards a system in which staff will spend their military career at one base (rather than rotating on a relatively regular basis). Whilst the proportion of leavers who do not stay in the region is high (as evidenced by our leavers survey in Section 6), anecdotal evidence from consultees suggested that as military staff become more settled (such as 4 Brigade which has now been based in North Yorkshire for a year) they are more likely to remain rooted in the local area when their time in the services is over (for example, if partners work in the local labour market or if children are being educated locally, as suggested in our survey of military leavers). The public sector partners welcome this: while it will create knock-on issues for the supply of services (see below), consultees believed this will bring about significant improvements in the level - and quality - of community integration. Encouraging community integration will require significant effort - one consultee noted that even if families live in military accommodation within local communities and educate their children locally, there is still a tendency not to attend community events for example, as social circles remain closely tied to the military.

6.5 The small proportion of military staff living outside of military accommodation is another factor limiting the degree of community integration at present - our survey results above suggest only small proportion of staff buy or rent houses locally, and therefore are less likely to educate their children in local schools and engage in local community events. Again, as the MOD moves towards a more permanent-base-approach, military staff can be expected to be more inclined to purchase property locally and integrate more with local communities.

6.6 Consultations within the military highlighted that for those who live in MOD accommodation on-site, family life can feel very isolated on outstations which are based in more remote rural locations (e.g. RAF Leeming). If partners/spouses do not drive, it is difficult to access facilities and services in local towns, and this increases the challenge in seeking to integrate with the local community.

Message 2: the MOD's presence does create a number of opportunities for residents in relatively deprived communities as well as more generally, but awareness of how to access these opportunities needs to improve and transport barriers may need to be overcome

6.7 The MOD presence is not thought to be a significant influence on deprivation levels in the area - although there are some associated issues around family break-up, homelessness, low single parent incomes, and health/mental health barriers to employment, overall deprivation levels are low in much of North Yorkshire and also in the CGAA (see Figure 3-3).

6.8 Consultees were, however, keen to understand the opportunities that the MOD's presence might create for residents who live in deprived areas (some of which are close to military bases such as Catterick Garrison). Above and beyond being a major employer in the area, creating both military and civilian jobs for local residents, the evidence on procurement suggests the type of activities sub-contracted out to suppliers within the region are, or could be, accessible to lower skilled residents (e.g. cleaning, maintenance). Access to these jobs will of course be through contractors rather than directly from the military. There may be a role for the public sector in raising awareness within local communities on these opportunities and improving physical access to them. Although some relatively deprived communities (e.g. parts of Colburn and Hipswell) are in close proximity to MOD bases, more generally, the limited public transport in a relatively sparsely populated rural area may limit the extent to which people from deprived communities can access job opportunities on other MOD sites (and, as noted, most MOD contracts are multi-site).

6.9 The scale of the military presence has already had some beneficial effects on learning opportunity as well as job supply. The military's presence played a major role in encouraging Darlington College to base an outpost in the Catterick Garrison area - this is providing local residents with accessible opportunities for skills development, which would probably not be there without the military.

Message 3: current capital investments by the MOD are expected to have a major impact on the Catterick Garrison area - but stakeholders do not believe that having the MOD nearby has shaped local strategic priorities significantly to date or influences their ability to achieve strategic objectives

6.10 The Catterick Garrison town centre redevelopment project is expected to have a major impact on regenerating the local area, and would not have happened without the MOD's presence. However, the Town Centre part of the project is delayed, and its likely impact is perceived by consultees as being relatively localised, it will have a major impact on the immediate area but less influence further afield.

6.11 Beyond this, the stakeholders consulted did not feel that the MOD's presence had a major influence on how local economic or community strategies have been developed in the past, their priorities or their ability to achieve objectives. This is partly because, particularly until recently, they received very little information on the size, scope of the military and the on-going thinking about its future in the area - because of this lack of information, it was generally assumed the majority of military staff lived in MOD accommodation, that there was some impact on the evening economy and retail economies, but that otherwise the military operated as a self-contained `island' within a predominantly rural/market town surrounding area. More recently the MOD has worked with policy partners as part of the process to develop Local Development Frameworks; these relationships are recognised as helping to strengthen and make more relevant new local policies for future development.

Message 4: the military presence has little impact on local tourism, enterprise rates or attracting inward investment

6.12 Additional visitors, mainly family members, are attracted to the area for events such as parades, but they tend to leave quickly, rather than seeing this as the basis for a longer stay in the area:

Catterick Garrison is seen as being set well apart from tourism honeypots in the Dales. As a result, tourism stakeholders see the spend in this sector associated with the military as very limited and the military's presence is not a major consideration in strategy development. This is perhaps a missed opportunity for the tourism sector, which could capitalise more on the military's presence (for example, from the large number of visitors to the sub-region when passing out parades take place at the Infantry Training Centre), and there may be a role for the MOD in raising awareness amongst local tourism businesses of the dates for these events.

6.13 Enterprise rates in North Yorkshire are relatively high [27] compared to the regional average, but stakeholders on the ground could not point towards any evidence on spin-out businesses arising from military leavers/activity or any specialist businesses which have been attracted to the region specifically to supply the military (for example, engineering firms).

Message 5: the military's presence benefits the local housing market in terms of regular demand (albeit on a relatively small scale) for housing to purchase or rent, but a lack of information transfer from the MOD to local authorities makes planning very difficult

6.14 Consultees reported some impact of the MOD on the local housing market, particularly from senior personnel renting higher value houses and from others who receive an allowance to buy or rent: this impact is felt across the sub-region. This confirms findings from the Catterick Garrison Housing Impact Assessment in 2007, which concluded that there is a considerable amount of interaction between military personnel and the open housing market [28]. Property agents interviewed as part of this SQW study also noted demand from young unmarried couples for rented private accommodation. The flows of military demand for housing has been relatively stable - even with the transient nature of military staff - and thus far, this fairly steady level of activity has been accommodated by the market without evident strain. Indeed, many consultees believe the MOD's presence had a positive effect in the recession of last two years, as it had helped avoid a sharp downturn in North Yorkshire's housing market (the small dip encountered was much lower than the downturn elsewhere in the UK). Looking to the future, it was noted that a shift towards more concentrated military activity in fewer locations, with staff more likely to be based in one place through their time in the military, would, other things being equal, mean that military staff were more likely to buy into local housing markets.

6.15 The implications for public services are also significant. Family break-up - anecdotally, it is believed that this is often triggered at the point of leaving the military - creates homelessness challenges for Local Authorities. Again, this aligns with findings of the Housing Impact Assessment undertaken in 2007, and confirms that homelessness linked to the MOD is still an issue. One consultee estimated that 40% of homelessness in Richmond comes from the military, and while the actual numbers are low compared to other areas, homelessness is undoubtedly a greater issue that it would be without the military presence. Creating sufficient affordable housing is also a concern, and issues arise in seeking to balance the needs of the military with those of local residents. Needs arising from the military have been largely unknown until now, as there has been limited information on the scale and location of military staff residing on- and off-site, the extent to which military staff live in families, and the potential demand for housing (in specific size/price brackets where there may be low supply).

6.16 The military presence has also created challenges for Local Authorities in meeting RSS targets - a significant amount of Previously Developed Land (PDL) is available on the Garrison, although past experience suggests that attracting demand for these sites is quite difficult given their relative isolation from wider economic activity.

Message 6: communications between the MOD and local partners have improved considerably, especially since Crown Immunity was lost and through engagement with the Local Strategy Partnership and development of the Local Development Frameworks, but there is still room for improvement

6.17 Stakeholders are clear that that military-civilian communications have improved considerably in recent years, and joined-up planning is showing some positive results with regard to highways

27 Based on VAT registrations per 10,000 population. Source: York and North Yorkshire Partnership Unit (2009) Progress in York and North Yorkshire.

28 David Cumberland Housing Regeneration Ltd (2007) Catterick Garrison Housing Impact Assessment

and education. Several partners noted that establishing the Military Integration Board (MCI) and the town centre regeneration at Catterick Garrison have been key factors in instigating better integration, which has demanded better co-ordination and consideration of MOD activities on surrounding places such as Richmond. Other examples of recent success highlighted by consultees included:

- Sports and Leisure Centre, which includes amenities such as a library and youth centre - this has been joint funded (by the MOD and Local Authorities), a joint development, and will be jointly used by the military and civilians
- mainstream support providers coming on-site to provide support (e.g. CAB, Connexions, Relate)
- joint community policing
- communications between the MOD and local health care and education providers
- MOD representatives now attend North Yorkshire's Local Strategic Partnerships
- Darlington College's presence at Catterick and the way in which courses are tailored to meet the needs to military staff (e.g. security, body protection and CCTV courses)
- renovation of Coronation Park in Catterick Garrison, which was joint funded by the Garrison and Yorkshire Forward and undertaken by a local firm
- a `Connect 2 Bid' to reuse the former MOD railway as a cycle path
- MOD taking positions on local school's boards of governors
- bringing together a steering group of policy and MOD partners to commission this study into the economic impact of MOD activity in North Yorkshire.

6.18 As a result of more exchange, policy makers and planners can see improvements in understanding the changing needs from the MOD, but there is still considerable work to do to improve this relationship:

- Where integration does take place, consultees argue that it tends to be for a narrow objective to solve a specific problem rather than more comprehensive and consistent links to mainstream authorities
- Interaction has been challenging for both strategic partners (local authorities and LSPs) and the MOD because the system of hierarchies on both sides can cause confusion
- At present, planners are still unsure of the extent to which military personnel will become active in the housing market, and the implications in terms of knock-on effects for the scale and distribution of development across the district. This makes planning difficult - information on preferred location, salaries, long-term plans for residency, preferred size of dwelling and acceptable commuting distances would be very helpful for planners seeking to accommodate the needs of military staff
- A lack of information on the likelihood and timing of MOD development plans appears to be a major issue for external consultees. Partners believe they could provide more effective help to military employees (for example, in terms of service provision) if they had more information. Critically, they would like to use MOD information to become more proactive, because at present they find themselves being constantly reactive to MOD `demands'
- In terms of service provision, confidentiality policies of social service providers in MOD and mainstream services can hinder the integration processes of military staff who require social service support into local communities

- Furthermore, the lack of information on the number and profile of military staff leaving the military in North Yorkshire (rather than those leaving the MOD in general via Resettlement Services) makes it difficult for Local Authorities to make provisions to help integrate them locally, which they believe is a missed opportunity.

6.19 Going forwards, from the Local Authority perspective, it would be helpful to have more information from the MOD on the forthcoming developments, flexibilities and opportunities so they can be built into planning and service provision. Whilst consultees acknowledge that improvements in communications have taken place (especially with North Yorkshire County Council and Richmondshire District Council), they would also like to see more joint-working taking place earlier so that mainstream providers can plan better for services in the long-run, and for MOD integration to also include other bodies (beyond local authorities) including the NHS and private sector interests. There may be a role for local/regional public organisations in providing more guidance to the MOD on this kind of activity, particularly around external strategic planning and wider partnership working.

Message 7: looking forwards, local partners have a very positive view towards the potential role and contribution of the military in North Yorkshire in the future, but to abate concerns around potential expansion, the MOD need to communicate more on the potential scale, scope and timing of any developments

6.20 As military units become more settled, stakeholders need to consider not only the benefits associated with this (e.g. more likely to engage in local communities and economies) but also the potential increases in costs to the public sector. Consultees highlighted that this will impose additional costs for Local Authorities, but at present this is a bit of an `unknown' making it difficult to plan budgets.

6.21 Expansion of the MOD is certainly welcomed strategically in North Yorkshire - but because of the perceived lack of consistent and comprehensive integration, policy makers don't believe military expansion will necessarily require complex intervention from the public sector to create the infrastructure to accommodate growth. However, this would impact on service planning, and, for example, have a major role in the shaping of the Children and Young People's Services - consultees argue these types of issues would be the greatest challenges to the sub-region.

6.22 The lack of knowledge on scale and timing of expansion is a key concern for policy makers: if they cannot make plans they may miss out on funding opportunities to support growth. Were expansion to take place, partners are keen to ensure that the following activities take place (with appropriate support from the public sector):

- Increase in the supply of business premises
- Investment in supply chain issues
- Investment in infrastructure (from roads to broadband)
- Support for leavers in starting a business
- Development of local skills to support business growth.

Key messages

	Messages	Findings: current position	Implication for future
1	Overall level of integration - economic and community	Mixed	Increase: positive opportunities, but also some issues
2	Impact on jobs and learning	Strongly positive	Some increases likely to be achievable, prior to any major expansion
3	Capital investment in property estate (Catterick Garrison town centre)	Positive impact of capital investment in improving local facilities (limited wider effect)	Some scope for more integration
4	Wider contribution to economy - tourism, enterprise, other investment	Insignificant at present time	Substantial change unlikely in short-medium term especially in terms of enterprise and investment, but perhaps a missed opportunity in tourism and need to raise awareness locally of events such as passing out parades at the Infantry Training Centre.
5	Housing market and public services	Positive (but limited) impact on private market. Additiona demands on social housing. Other public services in North Yorkshire and Tees Valley	Increases in both housing market and service demands with change to permanent home base for military personnel
6,7	Communication with planning and other public sector partners	Positive and increasing	Potential to build on this further, in particular with respect to implications for housing, employment, social support services. Will require active management as well as coordination.
		More recent partnership working helping to strengthen consideration of military presence in new local development policy.	Presence, needs and opportunities likely to feature more strongly in local development policy

Source: SQW Consulting, based on stakeholder interviews

7: Military leavers and the local labour market

7.1 In this Section, we explore the issues of scale and skills involved in military staff leaving the MOD in North Yorkshire, comparing what they offer to the characteristics of the local labour market; we discuss the extent to which leavers are integrated into the region and ways in which this might be improved.

Scale and nature of military leavers

Characteristics of military leavers

National data

7.2 According to national data, the majority of those in the military leave at least 25 years before the current national retirement age. Nationally, a total of 24,600 people left the Armed Forces in 2006/07. Of the service leavers surveyed by the National Audit Office [29] 90% leaving the Forces were male; and a large proportion of those leaving (39%) were aged between 36 and 45 whilst 24% were aged over 46, 19% between 26 and 35 and the remaining 18% 25 or under. Almost half of leavers (48%) held NCO/Warrant Officer or Senior Rate rank. Of the remainder of leavers, 29% held `Other rank' or `Junior rank' and 23% were of Officer rank.

7.3 Turning to the length of service of leavers, a large share (39%) had served for between 20 and 29 years, followed by those serving for less then four years (19%), and those who had served for 30 years or more (17%).

7.4 The situation in the Army is slightly different to that for the other Services, as individuals have key decision and exit points (which depend on the length of engagement) in the course of their career. There are significant exit peaks should individuals fail their basic training, decide to leave after their initial engagement period which lasts four years and those who decide to leave after a full career lasting 22 years. There was also a peak of leavers for those who had served between 40 and 43 years [30].

7.5 All military leavers are offered resettlement support, which is tri-service [31] . A central directorate determines policy, and the provision of support is contracted out to a career consultancy, the Career Transition Partnership. This resettlement support offers three functions:

- First line: information and administrative support provided by Resettlement Information staff
- Second line: advice and guidance provided by Resettlement Advisors
- Third line: access to central service provided by the Career Transition Partnership. Such support includes the Employment Support Programme and the Full Resettlement Programme.

7.6 The degree of support offered to those leaving the Armed Forces is dependent on length of service, although those personnel discharged for medical reasons are offered the highest level of support (which is not affected by length of service). To date, the resettlement services have had a high success rate in re-engaging leavers in employment: 94% of those service leavers seeking work and using the using the Career Transition Partnership found employment within six months of leaving the Services. However, 10% (1,600 personnel) of those using the Career Transition Partnership resettlement programme in 2006/07 decided to remain in the Armed Forces for a longer period of service, and consultations in North Yorkshire suggest that, with the current recession, this proportion is now likely to be considerably higher.

Sub-regional data

7.7 Existing data on the scale and nature of military leavers in North Yorkshire is very limited. The information held by the military's Resettlement Services is captured and monitored for internal]

[29] A4,997 leavers, exiting the Forces during the two year period prior to October 2006, were surveyed.
[30] Ministry of Defence. Data for the Armed Forced relates to leavers in 2005/06.
[31] National Audit Office, 2007, *Ministry of Defence Leaving the Services*. The two other tiers of support are provided by the Services themselves (the Royal Navy, Army and Royal Air Force).

MOD purposes (to ensure a seamless support and transition process is achieved on a national basis), but this cannot be disaggregated in a way that would provide data on military leavers from MOD bases in North Yorkshire. All military staff anywhere in the UK can seek resettlement support at Catterick Garrison, and the MOD does not track the destinations of their military leavers. Furthermore, not all military leavers seek support from Resettlement Services when they leave (this is particularly the case for senior staff who find it easier to secure civilian employment themselves) and so data from Resettlement Services do not represent all leavers.

7.8 Based on the information that the MOD has been able to provide, we know that:

- Approximately 790 people leave the Army per year from North Yorkshire bases due to `normal or medical discharge' reasons, with a peak of 946 in between April 2007 and April 2008 [32]
- An estimate of 1,200 Early Service Leavers (ESL) are discharged from the Infantry Training Centre per year, with an additional 400 discharged from the Army Foundation College (AFC) in Harrogate [33]
- Over the last year, 245 clients have been discharged from Resettlement Services at Catterick (although these clients will not necessarily have served at the MOD in North Yorkshire, and not all staff leave the military via Resettlement Services). Of the 254 clients discharged,
  - 7% were officers, 19% were senior officers, and 75% were junior ranks
  - 6% had a degree or above, 3% had A Levels, and 48% had GCSEs.

Characteristics, intentions and ambitions of military leavers in North Yorkshire

7.9 A military leavers' survey was undertaken as part of this study to improve intelligence on the profile of leavers (specifically those leaving bases in North Yorkshire), their intended destination and their aspirations for employment. The survey was distributed by the MOD through two channels during August and September 2009: first, the MOD Education and Resettlement Officers asked their clients who planned to leave the military to complete a survey; second, Resettlement Services (CTP) distributed the survey at their training events. Please refer to Annex F for a copy of the survey questionnaire.

7.10 The results shown here are based on 45 responses received from the MOD Education and Resettlement Officers, and Resettlement Services [34].

Profile of leavers

7.11 The majority of respondents (65%) work at Catterick Garrison and 35% are based at other stations, including RAF Leeming and Dishforth.

7.12 The respondents were most likely to be younger adults in junior ranks who had served less than ten years in the military:

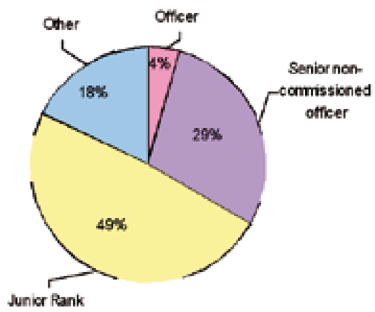
- Almost half of the respondents were from junior ranks (49%); 29% were non-commissioned senior officers; 4% were officers; and 18% described their current rank as "other" (but did not provide details)
- A large share of those surveyed (42%) were aged 25 or under; 27% were aged between 26 and 35; and the remainder (31%) were aged between 36 and 45 (no respondents were aged above 45)
- A considerable proportion of respondents had either served in the military for 5 - 9 years (34%) or 20-29 years (30%); 23% had served four years or less, and the remainder (14%) had served between 10-19 years.

[32] Average taken from Apr 06-Mar 07 to Apr 08-Mar 09. Source: Army Education and Resettlement Officers
[33] Source: Army Education and Resettlement Officers
[34] The MOD are unable to estimate how many leavers were asked to complete the questionnaire

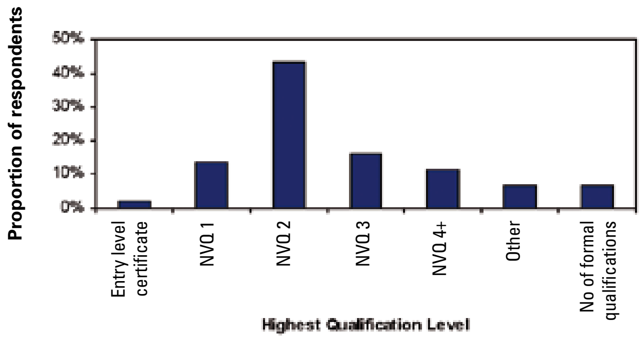
7.13 The majority of those surveyed were qualified to NVQ Level 2 (43%); 27% were qualified to NVQ Level 3 or above; and just 7% had no formal qualifications.

Figure 7-1: Profile of respondents

Rank of respondents



Highest level of qualification held by respondents



Source: SQW Employee Survey Analysis

7.14 A large proportion of respondents (34%) were leaving the military as they had reached the end of their engagement; a quarter had been medically discharged; and a fifth have secured premature voluntary release. A small proportion of respondents cited voluntary redundancy, compassionate or compulsory/administrative discharge as the primary reason for leaving the military, and 11% of respondents cited `other reasons' for leaving the military, but provided no further information.

Destinations of leavers - within Yorkshire and Humberside

7.15 Only one-quarter of those surveyed were considering staying in Yorkshire and Humber after leaving the military. Almost half (45%) were from junior ranks and another 45% were senior non-commissioned officers. Correspondingly, a large proportion of these respondents were aged under 25 (36%) or between 36 and 45 (55%). Almost all of these respondents were qualified up to NVQ Level 2, with 18% being qualified to Level 4 or above. Most lived in MOD accommodation (64%) in either Single Living Accommodation or married quarters.

7.16 Of those respondents who indicated they were considering living in Yorkshire after leaving the military, 36% specified a desire to live within North Yorkshire, and the remainder would like to live elsewhere in the region. Not all respondents provided specific information as to where they might choose to live, but suggestions included Leeds, Harrogate, Rotherham and Wakefield.

7.17 The survey asked those considering staying in Yorkshire after leaving the military their main reasons for staying in the region. Respondents could choose from a prescribed list:

- family is based in the region
- good job prospects
- spouse/partner is employed locally
- children are educated locally

- housing offer
- quality of life and environment offer
- other (please specify).

7.18 Of those respondents who were considering staying in the region, 64% had **family based in Yorkshire**, 45% had **children educated locally**, 27% believed there are **good job prospects** in the region or **their partner/spouse is locally employed**. Only a small proportion of respondents wished to remain in Yorkshire because of the region's housing offer, quality of life and environment or because they already own property within the region.

Destinations of leavers - elsewhere outside of Yorkshire and Humberside

7.19 The majority of respondents were not considering living in Yorkshire after leaving the military (75%), the main reason for this is to **return to family** (cited by 79% of those planning to leave the region). Because military recruitment is on a national basis, drawing staff from across the country to North Yorkshire, the preference to return to family will make it difficult for public sector partners to influence whether military leavers stay in the region.

7.20 Other reasons provided for moving away from the region were:

- better job opportunities in desired industry/occupation are located elsewhere (21%)
- house availability/price (12%)
- lack of job vacancies in Yorkshire (6%)
- already reside or own a house elsewhere (6%)
- lack of job opportunities in desired sector/occupation in Yorkshire (3%)
- lifestyle (3%)
- "new start, new life, new place" (3%).

7.21 No respondents were planning to leave because of lack of job opportunities with suitable salary/status in Yorkshire or lack of job opportunities for spouse/partner.

7.22 Those intending to move away from Yorkshire after leaving the military were asked where they would like to live. Responses are captured in Table 7-1 below, which shows other northern regions - specifically the North West and North East - are favoured destinations.

Table 7-1: Potential destinations of leavers

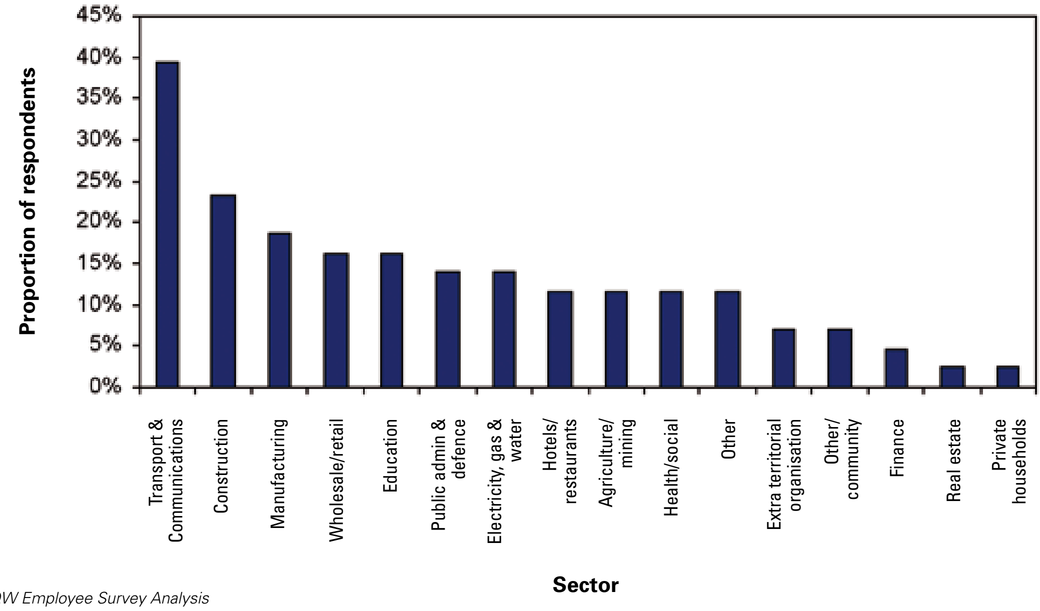
Region	Proportion of those leavers intending to live outside of Yorkshire and Humber	Locations specified (NB: not all respondents specified location)
North West	41%	Stockport; Preston; Liverpool; Lancashire / Manchester; Keswick, Cumbria; Burnley; Accrington; Blackburn
North East	25%	Wark Northumberland; Stockton; Peterlee; Newcastle Upon Tyne; Durham; Sunderland
South West	6%	Somerset; Bristol
Scotland	6%	Edinburgh; Inverness
Wales	6%	Cardigan; Pembrokeshire
Midlands	3%	Birmingham
East Midlands	3%	Derby/Nottingham
West Midlands	3%	Stoke-on-Trent
East England	3%	Peterborough
Overseas	3%	-
Not specified	3%	-

Source: Survey Analysis

Future employment

7.23 As illustrated in Figure 7-2 below, those leaving the military were considering a wide range of sectors for their future employment. The top three sectors favoured by the respondents were Transport and Communications, Construction, and Manufacturing, which clearly links well with the skills sets that leavers are likely to have developed during their time with the military - although some of these sectors are being hit particularly hard during the recession (e.g. construction and manufacturing). Suggestions under `other' included locksmith, HGV driver and working in the oil industry.

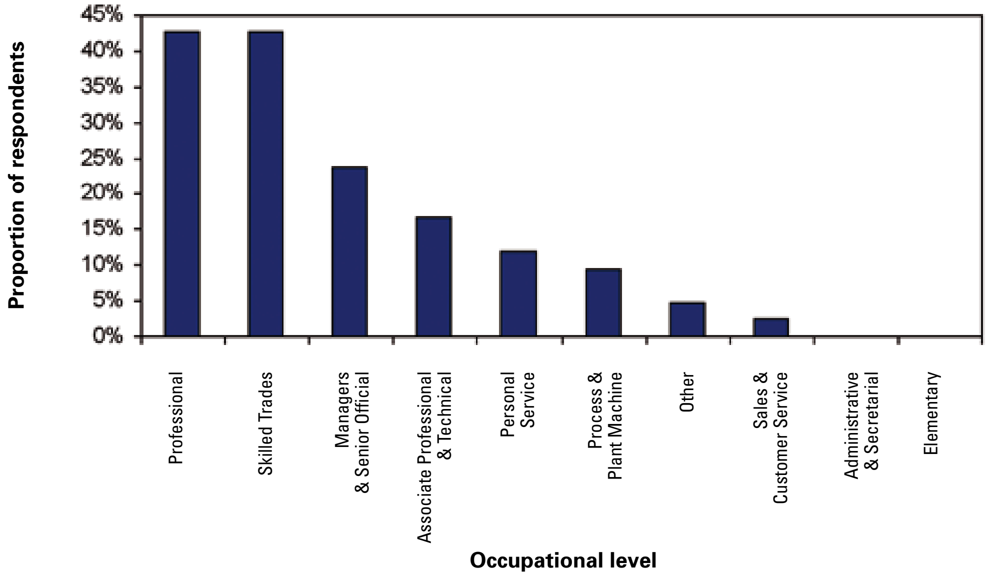
Figure 7-2: Future employment by sector



Source: SQW Employee Survey Analysis

7.24 In terms of the occupational level at which leavers are seeking a job, the survey results below show that the majority of respondents were seeking work in either professional occupations or skilled trades. A smaller proportion was seeking work as managers and senior officials, associate professionals or technicians, which probably reflects the make-up of our survey sample (which is dominated by junior ranks).

Figure 7-3: Future employment by occupation



Source: SQW Employee Survey Analysis

Barriers and challenges to re-integration in the labour market

7.25 Respondents were asked what barriers and challenges to re-integration they had encountered upon leaving the military. The results are captured in Table 7-2. The evidence shows that finding job opportunities and suitable vacancies is the main concern, which undoubtedly reflects the timing of this survey during a recession. However, a third of respondents had found securing appropriate skills and qualifications a challenge - which is perhaps something that both the military and civilian support services might want to look at as a way of improving integration.

Table 7-2: Barriers and challenges to re-integration

Barrier/Challenge	Proportion of respondents
Finding job opportunities	56%
Securing appropriate skills/qualifications	33%
Finding appropriate housing	21%
Financial issues (e.g. debt)	15%
Health issues	8%
Other	8%
Access to civilian employment support service	5%

Source: Survey Analysis

7.26 A total of 15% of respondents indicated they are considering starting up their own business, of which 17% intend to stay in Yorkshire and Humber after leaving the military. Of those who planned to start up their own business, 33% intended to attempt this without support. The remaining 67% indicated that they may need support in the form of advice, small business finance, and `understanding the ins and outs of running a public house'.

Local labour market characteristics

7.27 In this sub-section we provide an overview of labour market characteristics in North Yorkshire to test whether there might be opportunities - particularly in the sectoral and occupational structure of the sub-region - to better integrate military leavers into the local labour market. Please refer to Annex G for a detailed analysis of the labour market.

Economic activity and employment rates

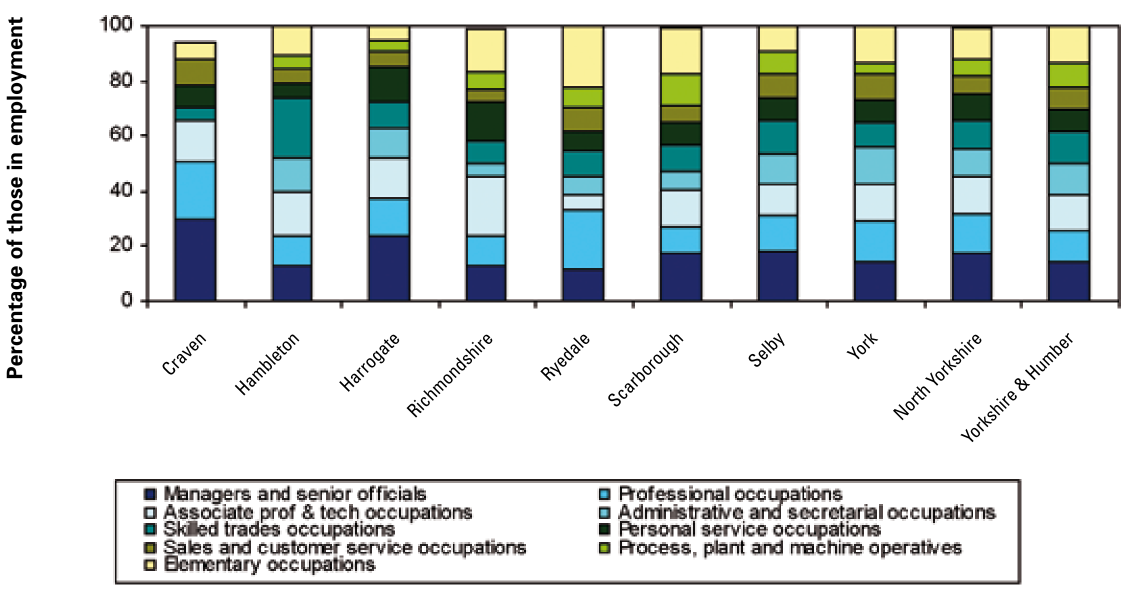
7.28 Over the period 2005-08 the economic activity rate has been higher in North Yorkshire than across the region. The economic activity rate was particularly high in Selby and Richmondshire (86.5% and 86.4% respectively) but notably lower in Craven (78.7% - although this was still above the regional average).

7.29 In 2008 the employment rate in North Yorkshire was 80%, compared to Yorkshire and Humber's 73%. Within North Yorkshire, the employment rate is highest in Richmondshire (85.3%) and lowest in Craven (74.6%). Correspondingly, the unemployment rate is lower in North Yorkshire than is average across the region, over 2007-08 the regional figure rose 0.9% whilst in the sub-region it increased by only 0.3%.

Occupational Structures

7.30 Figure 7-4 illustrates the variation in local occupational structures across North Yorkshire. For example, a significant proportion of workers in Ryedale (33.1%) are either in professional or elementary occupations whereas 36.2% of workers in Richmondshire are employed in either associate professional and technical occupations or personal service occupations.

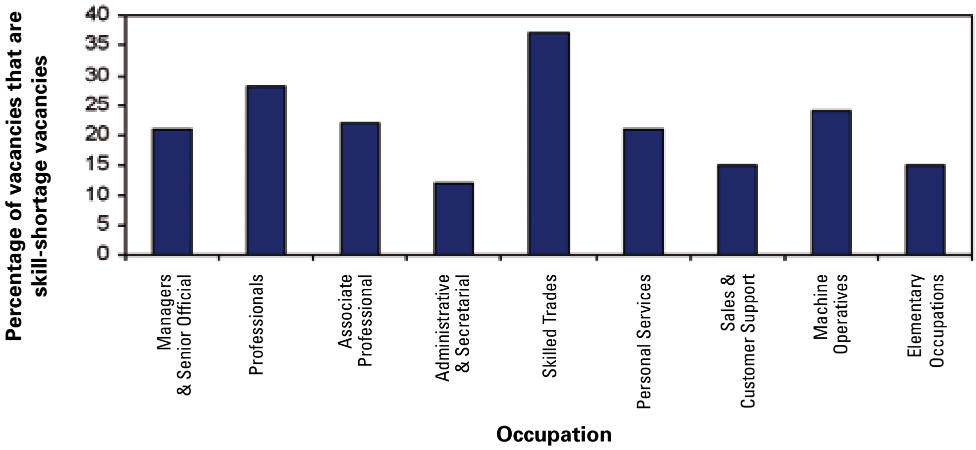
Figure 7-4: Occupational Structure



Source: Annual Population Survey.2007 most recent data NB. Figures for Craven and Richmondshire do not total 100% due to rounding in raw data

7.31 The National Employers Skills Survey provides a national picture of skills shortage vacancies by occupation. Figure 7-5 illustrates that over a quarter of all vacancies in skilled trades and professional occupations are skill-shortage vacancies.

Figure 7-5 : Skills shortage vacancies by occupation



Source: National Employers Skills Survey 2007 NB: Information only available at national level

Skills

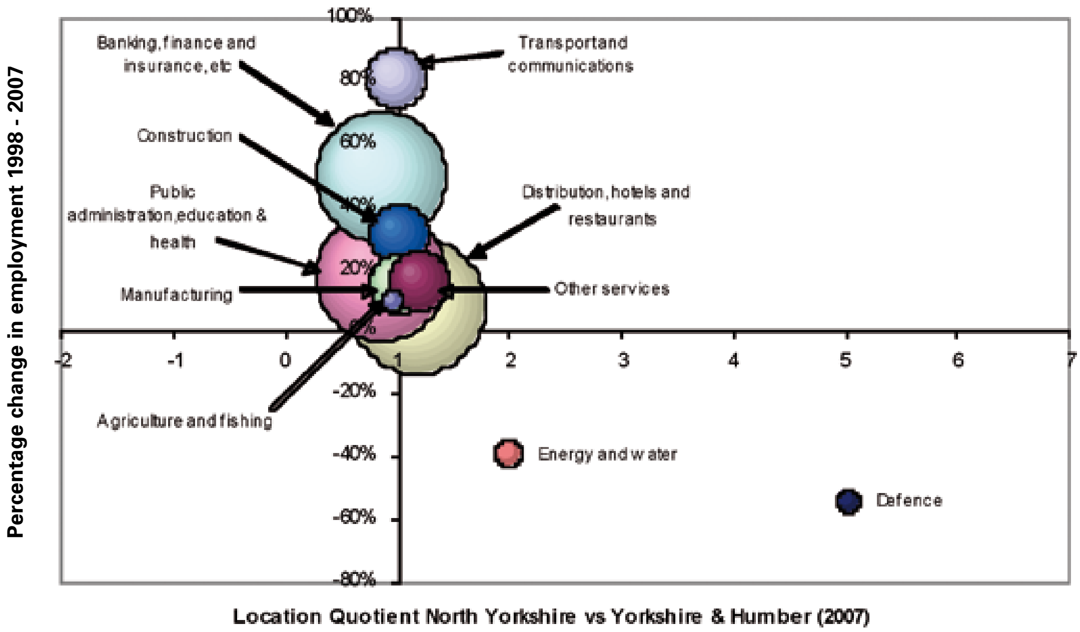
7.32 North Yorkshire possesses a relatively highly skilled population; a higher proportion of the working age population in North Yorkshire possess qualifications, at any given level, than is average across Yorkshire and Humber. Across North Yorkshire, only 8.6% possess no qualifications compared to the regional average of 13.4%.

Employment Sectors

7.33 Figure 7-6 displays, on the x axis the degree of sector employment in North Yorkshire in relation to Yorkshire and Humber, and on the y axis percentage change in employment in each sector (which is relatively similar to the national average). The size of the bubble relates to the number of employees in each sector in North Yorkshire in 2007.

7.34 The diagram illustrates that banking, finance and insurance, public administration, education and health, and distribution, hotels and restaurants are the most prominent sectors in North Yorkshire. In most sectors employment increased and change in North Yorkshire was similar to that measured across the region. However, employment in energy and water and defence declined, and change was notably greater across the sub-region in these industries than across the region. Engineering is more important in the sub-region than it is across Yorkshire and Humber: it accounts for 7.9% of employment across North Yorkshire compared to 5.3% throughout the region. In North Yorkshire employment in engineering has increased 16% since 1998. In contrast, employment in telecommunications has declined 15% across the sub-region, where it comprises only 3.7% of employment.

Figure 7-6: Employment change in North Yorkshire by sector, in relation to change across Yorkshire and Humber



Source: Annual Business Enquiry NB: Figures for Defence section have been removed from Public administration, education & health to avoid double counting. The size of the bubble relates to the number of employees in each sector in North Yorkshire in 2007.

7.35 If we compare the evidence on ambitions and intentions of military leavers from our survey to the labour market analysis above, we can see some alignment between leavers and opportunities in the local economy - for example, North Yorkshire has a high proportion of occupations in professional, technical and elementary jobs and engineering sectors and, nationally, employers are experiencing shortages in skilled trades, which would suit the profile of military leavers.

7.36 However, North Yorkshire is also characterised by a large number of jobs in personal service occupations and the distribution, hotels and restaurants sector which appear to be less attractive to military leavers. Furthermore, with a high employment rate and rural economy of predominantly small businesses, the opportunities for work in North Yorkshire are likely to be limited - setting up a business might be an option to encourage leavers to stay in the area, but only 15% of the survey respondents were considering this.

7.37 There are likely to be more opportunities in the wider Yorkshire and Humber region and into the Tees Valley (especially given strengths in engineering and manufacturing). In addition, a large proportion of military leavers are seeking work in telecommunications; a sector which has experienced a decline in recent years and now makes up a small proportion of jobs in the area. The '90 SU' unit at RAF Leeming (which specialises in expeditionary communications, radar and airfield aids, core applications and services, information management expertise and general Communications and Information Systems (CIS) advice required in support of the delivery of Air Power) provides expertise in telecommunications which could be harnessed locally if businesses in the sub-region were made aware of these opportunities, and could provide an opportunity to reverse the declining trend in a high value added activity.

Leavers - integration and support

7.38 The general perception from external labour market intermediaries was that military leavers can be valuable to private employers, but that companies themselves are largely unaware of this. For example, two military leavers are employed by a local rail company; they have been very successful, but the company only thought to look to military leavers following intervention from York England.

Similarly Remploy gave the example of two leavers who have taken jobs at the local council, following mediation by Remploy. Some consultees have seen those with engineering skills being pulled towards the engineering/high tech job opportunities in the North East region, and believe the main area of opportunity in North Yorkshire would be in self-employment (owing to the lack of major employers in suitable kinds of sectors).

7.39 The skill sets of leavers were not questioned by any consultee: areas of expertise and opportunity highlighted include engineering, logistics, technology, telecoms, and teaching. The main problem lies in communicating these opportunities to businesses.

- It would not occur to many companies that they could take on former MOD staff. CVs do need to be tailored to demonstrate experience to the private sector, but this is not difficult to do
- Consultees estimate that around 95% of the local business population have no concept of proposals for expansion or a super-garrison or any possible opportunities associate with this
- Because of this, consultees believe the impact on local businesses in terms of available labour pools is generally quite low.

7.40 There are some schemes looking to address this, such as:

- The MOD's Resettlement Services work closely with Remploy, with referrals made if the leaver is looking for work in Yorkshire, and have joined up activities with JC+, external training providers, universities and colleges, major employers (e.g. Tesco) and wider sector events
- York England aim to attract business and investment to the region and in pursuit of this aim, is active in promoting the value of leavers in the region. For example, leavers are highlighted in seeking to attract companies to the Colburn Business Park. They also hold conferences for employers and leavers
- Kirklees Council aims to better integrate leavers through its Armed Services Advisory Group which is run through the CAB - it is still in its infancy so too early to assess success
- The Brigadier Commander was highlighted as a valuable and active contact by York England, in developing better links to businesses through collaborative activities such as business dinners.

7.41 However, it was noted that the recession has limited the extent to which efforts to improve integration have worked and the extent to which local firms are taking on any new staff.

7.42 Support to help leavers start up a business was considered to be sufficient. Business Link support providers have encountered queries from military leavers about setting up their own business (as electricians and plumbers for example), but consultees could not think of examples where businesses had actually been set up. Whilst there is evidence to show that Business Support Development Limited in Bedale has made ad hoc referrals to Business Link in North Yorkshire, the MOD itself is seen by one consultee as predominantly North East facing and may be missing out on opportunities to integrate directly (e.g. the MOD's Resettlement Services) with Business Link within North Yorkshire.

7.43 In summary, consultees highlighted the following areas for improvement, to maximise the value of military leavers to the region:

- More information - and more timely information - provided on numbers and types of leavers (especially of leavers who are injured) to mainstream labour market intermediaries, business support providers and Local Authorities. Leavers could be better supported if they could be reached earlier than is currently possible

- Better linking of leavers to public sector employment opportunities to strengthen support for them on leaving the MOD
- Helping leavers to secure social housing - one consultee argued that leavers find it hard to get council homes, and this struggle to get an address leads to problems when seeking employment. In order to retain more leavers in the sub-region, there needs to be more suitable and affordable housing for leavers to access
- Greater linkages to and support from colleges outside the immediate Catterick Garrison area
- Need to attract other larger employers to the area (which consultees believe could be government led) to create appropriate employment opportunities - call centres was suggested by one consultee
- Using case studies of military leavers who have secured jobs within the region to promote the opportunities to others (both military leavers and employers).

Key messages

- Almost 800 people leave the army each year from MOD bases in North Yorkshire for normal service end or medical reasons, with a further 1,600 leaving training facilities in the area p.a.
- The majority of leavers are in junior ranks with GCSEs - only 6% of those leaving the military via Resettlement Services had a degree or above (although it is important to remember that not all staff use Resettlement Services; in particular, many senior staff secure employment elsewhere without assistance).
- Family ties are the primary determinant in the relocation choices of military leavers. The survey of leavers in North Yorkshire suggests only one quarter want to stay in the Yorkshire and Humber region (mainly for family reasons).
- A high proportion of leavers are looking for employment in Transport and Communications, Construction or Manufacturing sectors, and in professional or skilled trade occupations. There is some `fit' with characteristics of the local economy (for example in engineering, professional and technical/skilled trade occupations), but the prevalence of jobs in distribution, hotels and restaurants and lack of/declining jobs in telecommunications may be a deterrent to military leavers staying in the sub-region.
- Only a small proportion of respondents intend to start up their own business.
- The main challenge faced my military leavers in North Yorkshire is finding job opportunities, which is unsurprising given the current economic climate, followed by securing appropriate skills/qualifications, finding appropriate housing and financial issues (such as debt).
- Both the MOD and local stakeholders are active in helping military leavers integrate into the labour market - both on an individual basis, and also in partnership. However, there seems to be a lack of awareness amongst local businesses of the potential opportunities presented by the labour pool coming out of MOD bases in North Yorkshire.

8: Assessment of net impacts

8.1 In this section, we assess the net economic impact of the military in North Yorkshire.

Moving from gross to net impacts

8.2 In the table below, we take our analysis of gross impacts (which in Chapter 4 showed a gross impact of the military as an employer of £434m p.a.) and calculate the *net* economic impact on the Yorkshire and Humber region as a whole, taking into account adjustments for deadweight, leakage, displacement, substitution and multiplier effects.

8.3 The lead client for this study was Yorkshire Forward, the Regional Development Agency, and the Brief required an assessment of the net economic impact on the Yorkshire & Humber region in order to inform policy. It was however recognised by Yorkshire Forward and by other partners from the outset that a substantial amount of the economic benefit generated by MOD bases in North Yorkshire spills over into the Tees Valley. This was confirmed by the research, which showed that the functional economic footprint of MOD activity crosses regional boundaries and highlights the need for economic policy makers, particularly in North Yorkshire and Tees Valley but also with regard to the North East and Yorkshire and Humber regions, to work closely together.

8.4 In summary, the net economic impact of the MOD in North Yorkshire on the Yorkshire and Humber region as a whole is estimated to be between £541m p.a. and £594m p.a. in GVA. This takes into account low displacement and substitution, higher levels of leakage, and multiplier effects relating to this sector. As highlighted in Section 3, regional GVA is estimated at £82.9bn p.a., which suggests that MOD activity accounts for around 1% of regional GVA each year.

Table 8-1 Impact of the MOD activity in North Yorkshire

	Value (£m)	Co-efficient	Comment
Salaries	£434m		Military salaries by rank amount to £434m p.a. across the sub-region. In broad terms, Gross Value Added (GVA) is made up of compensation to employees (i.e. earnings), profits and taxes less subsidies. In the case of the public sector [35], it is estimated that on average two-thirds of GVA is spent on labour (Pritchard, 2002). We have therefore assumed that labour costs here account for 66% of GVA, and calculated total GVA accordingly.

[35] A great deal of work has been done to estimate GVA or `economic output' in the public sector by ONS and others. For most public sector functions, research has shown that labour is the largest part of public sector output (Pritchard, 2003) and this can range from 90% of output for fire services, 80% for police and 70% in education to 50% in social security and 10% in healthcare (because most health treatments are not produced by the government). According to Pritchard, similar figures have not been produced for the military service, so for the purposes of this study, we have used an average figure for the public sector.

Table 8-1 Impact of the MOD activity in North Yorkshire

	Value (£m)	Co-efficient	Comment
Gross economic impact (GVA)	£664m		
Less ...			
Deadweight	£0	0%	Deadweight (or the `reference or base case') is assumed to be zero - given that North Yorkshire is largely rural with a high number of small businesses, it is unlikely the sub-region would have this level of employment and expenditure through other means. In practice for this study, the `base case' is the current level of military activity in North Yorkshire.
Leakage - of jobs	£30m	7%	Based on evidence provided by the MOD on the number of military staff living in single and family accommodation, and evidence from our survey on the proportion of those who do not live in MOD accommodation that live outside of Yorkshire and Humber, it is estimated that approximately 7% of military/civilian jobs are take by people living outside Yorkshire and Humber
Leakage - of military income (after tax)	£109m	36%	Our survey evidence suggests approximately two-thirds of military income is spent outside the Yorkshire and Humber region
Displacement	£20m	3%	Displacement is assumed to be 0% for MOD (given the specialised nature of work in the military, it is not believed to take labour etc from other existing firms in the region) and 25% (i.e. low [36]) for civilian staff which account for 12% of jobs (we have assumed displacement is low due to the lack of job alternatives - and therefore choice - in the area).
Substitution	£66m	10%	Substitution is assumed to be very low at 10% - some sub-contractors may be able to find some alternative work in the region, but at a much smaller scale. On the whole, contractors sub-contracted did not believe they would stay in the region if the MOD were not present.
Plus ...			
Multipliers (low-high range)	£108m - £162m	1.25 - 1.37	A multiplier of 1.37 is set by Yorkshire Forward's IFF for the `public admin and defence' sector at the regional level. However, evidence suggests that, because of the way in which the defence sector operates is quite different to other examples of the public sector (due to more limited links with the local economy compared to other public sector employment sites, e.g. local authorities or outposts of central government functions [37]), the multiplier for defence could be lower. Multipliers for the defence sector at a regional level are not available. We have therefore provided a range of multiplier effects, taking the IFF's `public admin and defence' sector average multiplier as a maximum of 1.37, and using 1.25 as a minimum (which assumes multipliers in defence are a third lower than the wider sector average)
Net economic impact (GVA)	£541m (low range multiplier) - £594m (high range multiplier)		

Source: MOD data, SQW analysis

[36] 25% is classified as `low displacement', whereby there are some displacement effects although only to a limited effect (Source: Scottish Enterprise, 2008, Additionality and Economic Impact Assessment Guidance Note)

[37] Our evidence suggests that some services are procured locally, but items such as clothing and equipment are procured nationally, so will have limited impact on local supply chains

8.5 The GVA impact above based on the military as an employer does not include further economic impacts of military activity in the sub-region and wider region, notably:

- The economic impact of procurement - in research undertaken for this study, we found a minimum of £61m is procured by military bases in CGAA per annum (as some contract data was not made available to SQW, we know this figure underestimates the total value, but have no basis for quantifying the scale of this); at a level of £61m, around 1,000 (gross) service sector jobs could be generated.

- The economic impact of capital investment, which includes physical development, both within (e.g. mess and welfare centres) and outside (e.g. Catterick Town Centre developments) MOD sites, and the jobs associated with this expenditure (which has averaged at approximately 170 temporary construction jobs p.a. since 2004)

- The potential economic impact of dependants - an estimated 6,000 partners and spouses are brought into the area, and if we assume 59% are engaged in employment (based on survey findings on the proportion of dual-income households) this would generate £112m in GVA. Evidence suggests the transience of the military population has made it difficult for partners to integrate into the local labour market, but if this was addressed, and the employment rate of dependants matched the sub-regional average, this would result in 4,700 workers and could equate to £148m in gross GVA [38]

Table 8-2 Comparison with economic impact of military activity in Wiltshire

In the South West, the MOD employs 56,000 direct military and civilian jobs. In a recent study by Wiltshire Council, this employment, together with the military-related population, was estimated to make an economic contribution of £2bn p.a. in GVA to the regional economy (2% of the regional total GVA) and support 24,000 indirect jobs.

It is important to emphasise that this study used a slightly different methodology (using a Local Economic Forecasting Model, which has been adjusted to reflect local data including changes to overall population levels). However, it is possible to make headline comparisons to this study, which shows that the size of the MOD employment pool in North Yorkshire is 29% of that in the South West, and GVA impacts in North Yorkshire are estimated at between 27% and 30% of GVA generated by the MOD in the South West.

Source: Wiltshire Council (2009) Military Presence and Economic Significance in the South West Region and SQW Analysis

Key messages

The net economic impact of the MOD in North Yorkshire on the Yorkshire and Humber region as a whole is estimated to be between £541m p.a. and £594m p.a. in GVA. This takes into account low displacement and substitution, higher levels of leakage, and multiplier effects relating to this sector.

[38] GVA per worker averages £31,400 in the YH service sector (Source: BIS)

9: Future growth prospects

9.1 A major consideration in this study, and part of the reason for its commissioning, has been the possibility of substantial further growth in military activity at Catterick. In this Section, we model the potential GVA and employment impacts of three future scenarios of change in military activity in the sub-region using Yorkshire Forward's Integrated Forecasting Framework (IFF).

9.2 The Catterick Garrison Long Term Development Plan, First Review, April 2008 concluded that Catterick Garrison already had spatial capacity to accommodate five additional major units, each of c.600 military personnel, and a capacity for ten additional major units if infrastructure constraints were addressed. But as noted earlier, financial and policy constraints will now delay any development taking place until after 2018. Consultees from Catterick Garrison believed that expansion on some level was inevitable and did not view the downscaling of facilities as a realistic possibility. They did, however, suggest that the maximum capacity of ten additional units was extremely unlikely to prove feasible and that seven could be considered a more realistic upper limit.

9.3 Nationally there is increasing speculation and uncertainty around the possibility of budget cuts [39] due to the recession and the Government's much increased levels of debt. However, this speculation has centred on military equipment and hardware rather than facilities and property; a reduction of military personnel has not been a topic of discussion (although relocation has) and the necessity of housing soldiers in an efficient manner continues to drive the need for expansion. Uncertainties around the speed of the financial recovery and the position after the general election in the first half of 2010 point to caution in making precise predictions for the immediate future. The strategic rationale driving the case for `super garrisons' is likely to be unaffected, but the rate and scale of expansion will continue to be debated.

Scenarios - approach and proposed scenarios

Approach

9.4 Using Yorkshire Forward's Regional Integrated Forecasting Framework (IFF) modelling capabilities, we have tested the impact of three scenarios of growth at Catterick Garrison and RAF Leeming on the Yorkshire and Humber region as a whole. It is important to note that this model takes into account the economic impact of indirect, as well as direct, jobs created.

9.5 In testing the scenarios, Yorkshire Forward adjusted the model's assumption on supply chain leakage to reflect our evidence on the proportion of procurement that leaks outside the region and assumed no displacement takes place for military jobs [40] . However, there are some limitations with this model. Yorkshire Forward were unable to use MOD salaries to inform GVA per job (the IFF uses £40,327 as GVA per job for 2009) or adjust consumer spend leakage to reflect the survey findings. Also, the model takes a broad definition of sectors: military activities fall under the `public admin and defence', but this category also includes general public services, foreign affairs public security, fire services and social security activities. Finally, its consideration of impact does not go beyond 2026; while a 15-17 year time horizon is a reasonable `long term' for most economic activity, some MOD planning looks at least 20 years into the future.

Scenario testing

9.6 Three possible scenarios were selected on the advice of the MOD. The common element in all assumptions was the indication in the Defence Estate Development Plan that there would be no major expansion at Catterick before 2018. Beyond that, expansion is likely, perhaps up to seven further units. For each additional unit around 18 months of development work would be required, hence the growth scenarios foresee additional units being added at 18 month intervals. Capital projects required to enable each scenario are taken from MOD estimations (as introduced in Section 4); a full break down of the capital projects is included in Annex D.

[39] For example:. http://business.timesonline.co.uk/tol/business/industry_sectors/engineering/article6848237.ece and http://www.timesonline.co.uk/tol/news/politics/article6835280.ece

[40] This assumption was made on the basis that if regional residents wanted to work in the military, they would probably move to military bases elsewhere in the country in the event that the MOD was not in North Yorkshire rather than take up jobs in the local economy. The scenarios only test an increase in military employment.

9.7 These scenarios are as follows:

- **Steady state:** an increase of 200 jobs in 2009, and then a steady level of employment. This also includes the employment impact associated with capital projects `identified as a requirement' in CGAA
- **Growth scenario 1:** in addition to the steady state, this scenario tests the addition of three units (of 600 staff each) from 2018 at 18 month intervals at Catterick, plus the addition of one unit (of 250 staff) at RAF Leeming in 2015. This also includes the `identified requirements' for capital projects and those `potential' capital projects from the Catterick Garrison Long Term Development Plan that would be expected to cater for this growth
- **Growth scenario 2:** in addition to the steady state, this scenario tests the addition of five units (of 600 staff each) from 2018 at 18 month intervals and a new HQ (of 200 staff) at Catterick, plus the addition of one unit (of 250 staff) at RAF Leeming in 2015. This also includes the `identified requirements' for capital projects and those `potential' capital projects from the Catterick Garrison Long Term Development Plan that would be expected to cater for this growth

9.8 The MOD asked us to test a fourth scenario, whereby Catterick would expand by seven units (of 600 staff each) and a new HQ (of 200 staff) from 2018 at 18 month intervals. However, this extended past the 2026 time horizon of the IFF and was therefore beyond the capability of the model [41].

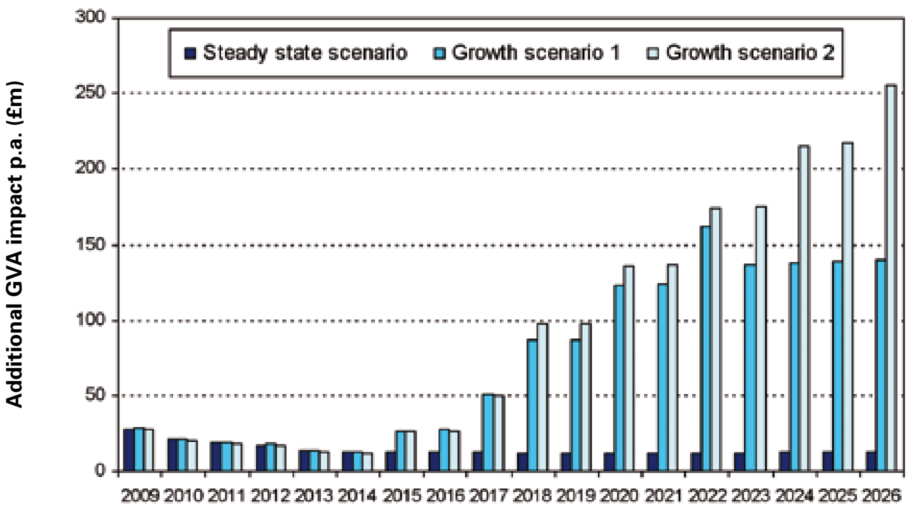
Scenario testing - the results

9.9 The results of the scenario testing are shown at Table 9-1, below. This shows that, in addition to the current economic impact of the MOD, the cumulative GVA impact of the `steady state' scenario will be £259m [42] by 2026 (which averages at an additional £15m per year).

9.10 In terms of the growth scenarios, the results are as follows:

- Scenario 1 (three additional units at Catterick and unit one at RAF Leeming, plus construction) will generate an additional £1.4bn in GVA for the Yorkshire and Humber economy (which averages at an additional £80m per year).

Table 9-1: IFF scenario testing - GVA impact results (p.a.)



Source: YF IFF

[41] Even if the two extra units arrived in 2026, this would not allow time for the impacts to flow through the economy in the model.

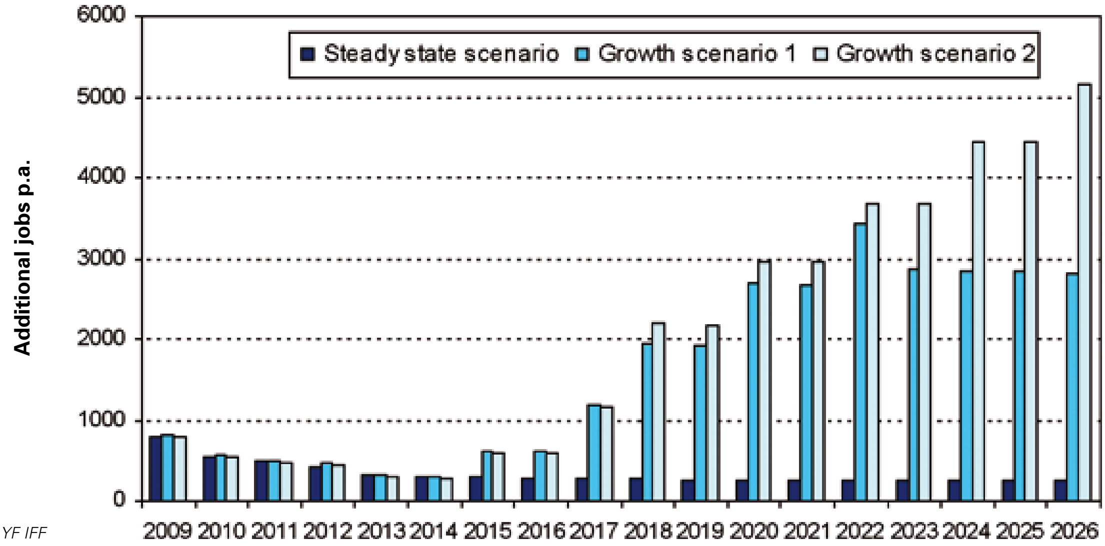
[42] This takes into account direct and indirect jobs, construction, and supply chain and consumer spend effects associated with the growth in MOD jobs

- Scenario 2 (five additional units and a HQ at Catterick and unit one at RAF Leeming, plus construction) will generate an additional £1.7bn in GVA for the Yorkshire and Humber economy (which averages at an additional £101m per year).

9.11 Table 9-2, below, shows the expected additional jobs created in each scenario year-by year: the numbers do not compound year-on-year. It should also be noted that the employment figures include direct and indirect jobs; they are an alternative representation of the impact and should not be viewed as additional to the GVA.

9.12 Here the `steady state' scenario gives an annual average of over 350 extra direct and indirect jobs in the period to 2026; Scenario 1 gives an average of over 1,700 direct and indirect jobs each year; and Scenario 2 gives an average of over 2,100 direct and indirect jobs.

Table 9-2: IFF scenario testing - Employment impact results for direct and indirect jobs (p.a.)



Source: YF IFF

9.13 In summary, the **`steady state' scenario is expected to bring an additional £259m**, or an average of 350 annual jobs, into the regional economy by the end of 2026, on top of the MOD existing impacts. Scenarios 1 and 2 would both bring a significant rise starting in 2015 with **Scenario 1 bringing in a vastly increased additional cumulative impact of £1.4bn by 2026**, or an average of 1,700 annual jobs, and **Scenario 2 reaching £1.7bn additionalcumulative GVA by 2026**, or an average of 2,100 annual jobs.

9.14 To put this into context, the GVA of North Yorkshire in 2006 was £12.9bn [43]. This suggests that at its peak in 2026, with £256m added to that year's GVA, Growth Scenario 2 could increase North Yorkshire's total annual GVA by 2%.

Key messages

Modelling of the growth scenarios suggests that:

- the `steady state' scenario is expected to bring an additional £259m, or an average of 350 annual jobs, into the regional economy by the end of 2026
- Scenario 1 would result in an additional impact of £1.4bn or an average of 1,700 annual jobs and Scenario 2 would generate an additional £1.7bn or an average of 2,100 annual jobs, by the end of 2026.

[43] Office of National Statistics

10: Conclusions and recommenadtions

10.1 This report has assessed the scope and impact from the substantial and complex set of military activities in North Yorkshire. These had not previously been considered from the perspective of their impact on local and sub-regional economies: as set out in the preceding sections, this was found to be significant.

10.2 In this Section, we summarise the findings of our research against the original research questions and Economic Impact model set out in Chapters 1 and 2, discuss the implications of these findings for economic and spatial policy development. We then summarise the three headline conclusions and identify key recommendations on the potential and implications, from an economic development perspective, for the enhanced integration of military activity in the sub-region and beyond.

Key findings

10.3 First, we summarise against the four questions set in the Brief, the findings and conclusions derived from desk-based data and documentation review, a series of over 30 consultations, two surveys and modelling analysis.

Q1: What is the scale, nature and geography of the military's direct impact in North Yorkshire, focusing on the impact of Catterick Garrison Administrative Area in particular?

10.4 The MOD employs 17,149 staff in York and North Yorkshire, equating to a gross impact of £434m p.a. in salaries. Three quarters of these jobs are in the Army (75%), and one quarter is in the RAF (25%). These MOD jobs account for around 6% of jobs in the sub-region, and are mainly concentrated in the Catterick Garrison Administrative Area, and in particular in Richmondshire District where MOD jobs account for 44% of all jobs. Seven in every eight of these jobs are military positions (88%) and a high proportion of these (71%) are at junior level. Approximately half the civilian jobs are in administration. Within the CGAA, there are 12,384 FTE MOD jobs, almost three-quarters of the North Yorkshire total.

10.5 The prevalence of junior positions in the military has two implications: first, the average salary of MOD staff working in the sub-region is relatively low, at £25,314 p.a. This has a direct effect on spending power and patterns of expenditure. Second, as might be expected at this level, a notable proportion are in training (at anyone time c.3,000 personnel are in training at the ITC), and in North Yorkshire for a limited amount of time, this influences the extent to which they buy into and integrate with the local area. The majority of military staff live in MOD single or family living accommodation, but our analysis suggests that 7% live outside Yorkshire and Humber, the majority in Tees Valley (3% of military staff, 50% of civilian employees).

10.6 Overall, the *net* economic impact of the MOD in North Yorkshire on the Yorkshire and Humber region as a whole as between £541m p.a. and £594m p.a. in GVA, taking into account low displacement and substitution, higher levels of leakage, and multiplier effects relating to this sector.

10.7 Using information provided by the MOD, we were also able to identify £60m p.a. contract activity in the CGAA, and a total of £308m capital expenditure between 2004 and 2008 [44]. Of those contracts where information was provided, 64% of the `known' procurement contract value placed by the MOD in North Yorkshire remains with contractors/sub-contracts within the region and 36% of the value of contracts `leaks' out of the Yorkshire and Humber region to the rest of the UK. We found that military activity in North Yorkshire has close functional relationships with the Tees Valley in terms of labour flows (and as a result, economic benefits spread into the North East region), but less so in terms of procurement, where choice of supplies is driven primarily by VfM rather than proximity.

[44] N.B. the available information on contracts did not cover all MOD activity

Q2: What are the indirect impacts of military activity, including the integration and impact on local communities & their regeneration, and housing markets in particular?

Employee spend in the local economy

10.8 The survey evidence suggested that approximately two-thirds of employee spend is retained within Yorkshire & Humber, and will impact on local businesses. This effect is relatively localised, within the northern part of North Yorkshire, notably Richmondshire and Hambleton Districts. A high proportion - 84% - of all MOD staff (civilian and military) live on MOD bases which are some distance from the larger urban areas of the Leeds City Region; most others live in fairly close proximity to these, either in North Yorkshire or the adjacent parts of Tees Valley. Consequently, a significant amount of spend on some household goods, entertainment and recreation is outside the Yorkshire and Humber region, in Tees Valley.

Procurement and supply chain opportunities

10.9 As noted above, the available data indicated that around 64% of the value of procurement from the CGAA is secured by contracts and/or sub-contractors in the sub-region [45]. This does not represent all military procurement activity, as some major contracts are procured on a national basis (e.g. equipment, uniform) and information on others was not made available to us because of commercial sensitivity (e.g. catering contracts). Where information was available, the main procurement opportunities currently benefitting local businesses were found to be in sub-contracted activities such as accommodation repairs and refurbishment, general services management, maintenance, tailoring, and window cleaning.

10.10 Some procurement outside the region relates to equipment where there will be incontrovertible advantages in central purchasing, and some to specialisms, for which there may be only a small number of potential suppliers nationwide, for example some highly specialised electronic/engineering services. But we concluded that there was significant scope for spend on some activities (for example, painting and finishing, maintenance, and waste management) to be retained within the region - benefitting local businesses and creating jobs for local residents. This would be `working with the grain', as the MOD and its major contractors are currently pursuing sustainable procurement policies.

Impact on local communities and their regeneration

10.11 The extent to which military activity has wider positive impacts on local communities has been limited in the past by the transience of the military population, some relatively isolated military locations with poor public transport connectivity, and the limited extent to which military staff live outside of MOD accommodation. Nevertheless, the MOD has had some impact in increasing the provision of educational facilities in the area - in particular, Darlington College has established a centre at Catterick, which would not be there without the military presence.

10.12 Levels of deprivation in North Yorkshire are generally low, and the MOD's presence does not appear to have a significant impact on this dimension, but it has created some challenges for local service providers, in responding to the effects of family break-up (and resulting single parent households), homelessness and health/mental health issues. Lack of information on where the MOD's major contractors source their workforce made it difficult to assess whether residents of neighbouring areas (including some local pockets of deprivation) benefit from the military's presence, but the types of jobs involved include maintenance and lower-level service sector jobs, which suggest potential opportunities for lower skilled residents living nearby. There may be a role for the public sector in raising awareness of these opportunities - both within local communities and in the large contracting businesses.

10.13 Capital investments by the MOD involve substantial construction activity, which also has implications for employment demand across a range of skilled and unskilled occupations, and a potential impact in bringing incomes into relatively deprived local communities.

[45] For example, catering and education/training contract data was not made available - without information on the scale of the missing contracts, it is difficult to quantify/assess the impact on findings.

Impact on local housing markets and strategic priorities

10.14 The military presence benefits the local housing market in terms of regular demand (albeit on a relatively small scale) for housing to purchase or rent, but to date, lack of information on scale, timing and characteristics of potential market entrants has made it difficult for local authorities and housing providers (social and private) to build this into their planning.

10.15 Overall, we found that, partly because of this, the MOD has had little influence on the strategic objectives or policy priorities of the local stakeholders to date.

Q3: How are labour markets influenced by the presence of military activity?

10.16 Almost 800 people leave the army each year from MOD bases in North Yorkshire, as their contracts end or for medical reasons, while a further 1,600 pass through the training facilities in the area, but remain in military service.

10.17 The majority of leavers are from junior ranks, qualified to GCSE level only - only 6% of those leaving the military via Resettlement Services had a degree or above (not all staff use Resettlement Services, and many senior, better-qualified, staff secure employment elsewhere without assistance). According to our survey, a high proportion of leavers from MOD bases in North Yorkshire seek employment in Transport and Communications, Construction or Manufacturing sectors, and in professional or skilled trade occupations.

10.18 Our survey found that only one quarter of leavers consider living in Yorkshire & Humber. Family ties are the primary determinant in the relocation choices of military leavers: if they are not recruited from the local area, personnel are unlikely to remain there on leaving the MOD. Where military leavers looked to stay in the area, the main challenge they faced was in finding suitable job opportunities, (unsurprising given the current economic climate), followed by securing appropriate skills/qualifications, finding appropriate housing and financial issues (such as debt).

10.19 Both the MOD and local labour market intermediaries are active in helping military leavers integrate into the labour market - and partnership working in this area is increasing. There is some `fit' between leavers' characteristics and the needs of the local economy, for example in engineering, professional and technical/skilled trade occupations. But while this points to the potential for leavers to integrate in the local economy, the prevalence of jobs in distribution, hotels and restaurants and lack of/declining numbers of jobs in telecommunications may be deterrents to some considering staying in North Yorkshire. We also found that there seemed to be a lack of awareness among local businesses of the potential opportunities to employ those leaving local MOD bases.

Q4: What will be the economic impact if proposed changes at Catterick Garrison are implemented over the next 20 years, and what are implications for policy, strategy and economic development, and what are the opportunities for local communities and businesses?

10.20 Using Yorkshire Forward's Regional Integrated Forecasting Framework (IFF), and adjusting assumptions using local evidence as far as possible, we tested the impact of three MOD growth scenarios on the economy of Yorkshire and Humber through to 2026. The results were as follows:

- **A `steady state' scenario:** an increase of 200 jobs in 2009, after which employment remains constant through to 2026. Allowing for the employment impact associated with `identified requirements' for capital projects in CGAA, this would generate an additional £259m in GVA (cumulative), with an annual average of 350 additional jobs in the regional economy

- **`Growth scenario 1'**: an additional three units (each of 600 staff) at Catterick introduced at 18 month intervals from 2018, plus the addition of one unit (of 250 staff) at RAF Leeming in 2015, taking into account the `potential' capital projects in the Catterick Garrison Long Term Development Plan that would be expected to cater for this growth, over and above the `steady state' scenario, this would generate an additional impact of £1.4bn in GVA (cumulative) with an average of 1,700 annual jobs

- **`Growth scenario 2'** an additional five units (also of 600 staff each, from 2018 at 18 month intervals) with a new HQ (of 200 staff) at Catterick plus the addition of one unit (of 250 staff) at RAF Leeming in 2015, allowing again for the `potential' capital growth over and above the `steady state' scenario, this would generate an additional £1.7bn in GVA (cumulative) or an average of 2,100 annual jobs, by the end of 2026.

Overall dimensions and implications

Summary: dimensions of the MOD's economic impact on North Yorkshire

10.21 The answers set out above to the four questions demonstrate, for the first time, the significant economic impact - and also the limitations on this - arising from military activity in North Yorkshire, in particular from and around Catterick Garrison. The headlines from the study are summarised in Table 10-1, below.

10.22 As noted at various points in this report, the analysis was founded on much unpublished MOD data, and we were also able to utilise Yorkshire Forward's Regional Integrated Forecasting Framework (IFF). We are grateful to both parties for their help and engagement, and also to the local authorities and others consulted in the course of the study. The pathbreaking nature of the work meant that data had to be assembled across several military bases, and for different geographies than those for which it was originally collected. Although we are confident that the study has captured the main dimensions of impact, some informed assumptions were also necessary. Further research on some aspects (notably procurement and military leavers) could provide useful additional evidence and a fuller picture of overall impact; this would be most useful if it were underpinned by data collected and organised by the relevant geographies - see section below on implications.

10.23 The study also assessed, in overall terms, the economic effect that could follow major expansion after 2018 at Catterick. The headlines - and some of the issues arising - are shown below in Figure 10-2, which follows the structure of Figure 10-1. The plans upon which this expansion would be based are indicative only at this time.

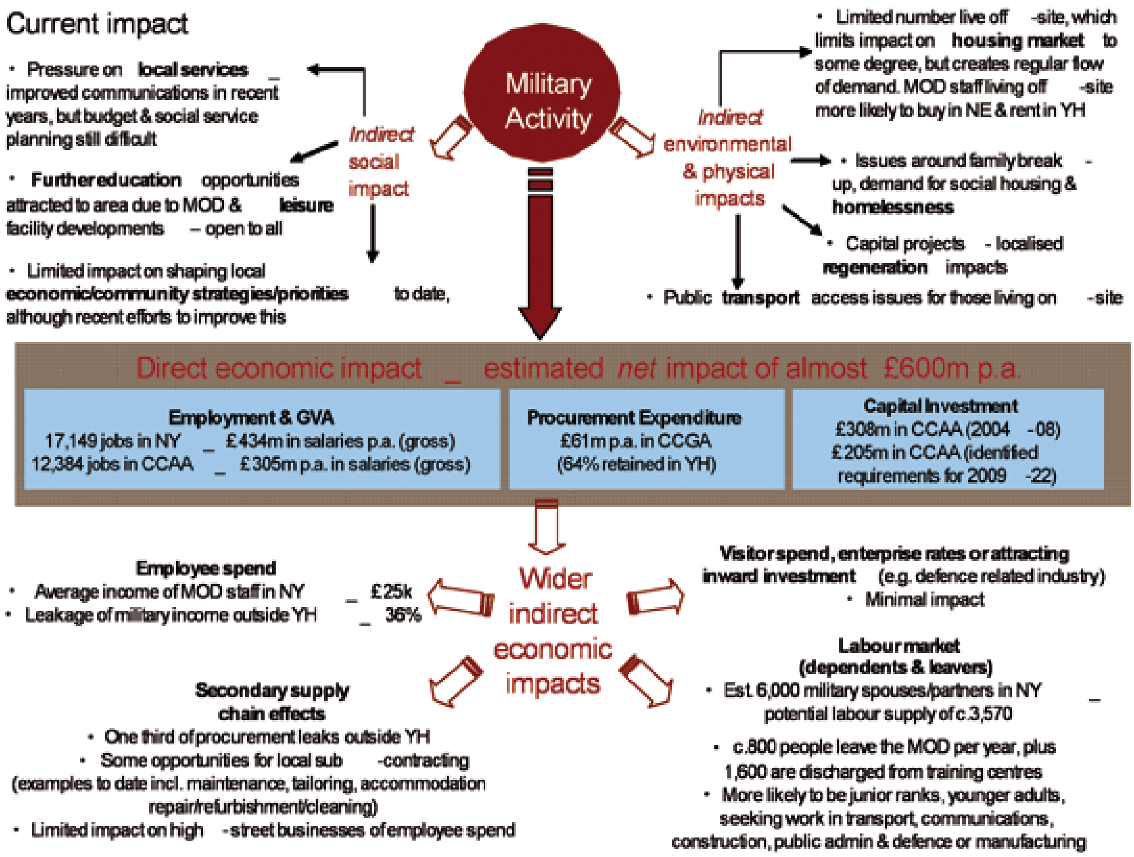
Implications

10.24 Before summarising our recommendations, we highlight the importance of functional geographies in this analysis, and the implications for our recommendations. The key consideration is that Catterick Garrison, in common with the other MOD bases across North Yorkshire, is located in a predominantly rural area; the more local services are provided in market towns, in particular Richmond, which are small in scale. The closest substantial urban area to Catterick is Darlington, the next nearest is Stockton-Middlesbrough also in the Tees Valley, the second North East `city-region' which borders North Yorkshire.

10.25 The MOD is now moving away from the traditional separation of bases from their surrounding area, to a model in which the bases are physically and functionally - and therefore economically - more closely integrated with the wider community. This has real implications for thinking about policy as well as for measuring impact. Some of the implications of this shift are as follows:

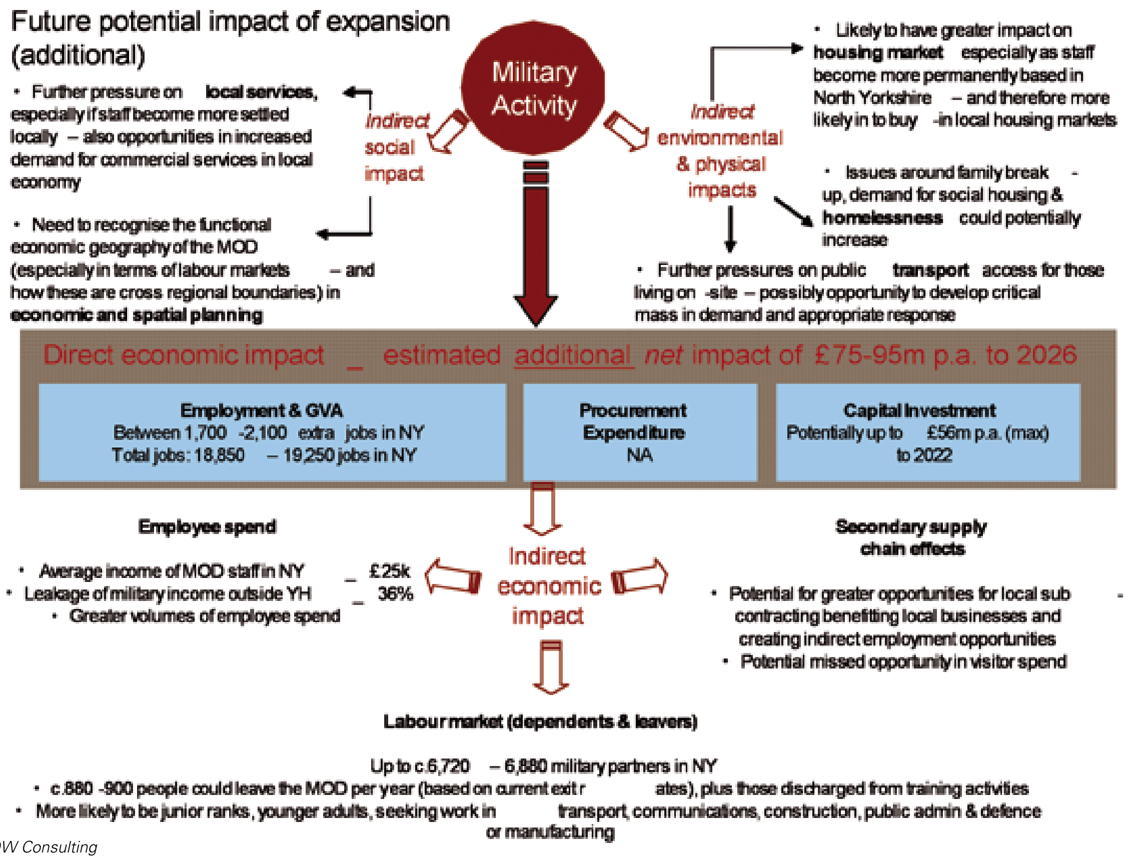
- For **labour supply, housing and household spend** on goods and entertainment - and also for some social services - the effective sub-area for policy thinking in relation to Catterick Garrison includes the main Tees Valley centres

Figure 10-1 : Current economic and wider impacts of the military in North Yorkshire - a summary



Source: SQW Consulting

Figure 10-2 : Future potential impact of military expansion and associated challenges and opportunities



Source: SQW Consulting

- **Procurement and supply chain** geographies are more dispersed and less influenced by proximity: many contracts are tendered nationally for cost-efficiency reasons, but, to different degrees, these may still have implications for local sub-contracting of goods as well as labour. These implications - and possibilities - may become more important as sustainability issues come ever more to the fore

- **Regional spatial planning** is currently in a state of flux, and this will not be finally resolved until after the 2010 general election. The present government is legislating to bring economic policy closer to strategic spatial planning; for North Yorkshire/Tees Valley, as elsewhere, this will require analysis across regional boundaries as a basis for coordinated policy

- At the local level, issues specific to the **service offer and physical quality of places** - in particular the relationship between Catterick Garrison with its new town centre and the neighbouring towns and villages, including Richmond, Leyburn, Colburn, Scotton and Hipswell - will require more attention as the MOD moves to greater integration in the surrounding area.

10.26 Across all these four domains, integration is being pursued against a complex and uncertain policy background - both for the MOD and for regional development. The need has been recognised on both sides for better communication, and this is already being addressed. We believe that this study should help both in demonstrating the process already underway and in pointing to the agenda for the next stage.

10.27 An additional issue to consider here is the **potential impact of public sector cuts** on military activity and the associated knock-on implications for the wider economy across North Yorkshire and Tees Valley. Whilst there is a great deal of uncertainty on where cuts will be made, the main political parties now agree that cuts are inevitable to address the public sector deficit. Both the Conservatives and Labour have committed to a defence review after the election; the Conservatives stated at their party conference in October 2009 that they would cut the running costs of the MOD by 25%.

10.28 Arguably with a high number of civilian/administrative jobs present in North Yorkshire, the sub-region is at greater risk from cuts than other MOD bases with fewer civilian staff. As demonstrated by this report, military activity plays an important role in ensuring economic sustainability in North Yorkshire, especially through the direct creation of jobs for residents (jobs created by the MOD account for 44% of jobs in Richmond for example) and procurement opportunities for local businesses and related jobs for residents, including some accessible to and potentially suitable for those living in relatively deprived areas. Any cuts could have a significant impact not only on the North Yorkshire sub-region (which has very few other major employers or job alternatives), but also on the local economies in the adjacent parts of Tees Valley.

Conclusions

10.29 Before providing a series of recommendations which will help ensure that benefits from military activity in North Yorkshire are maximised across the area of economic impact, we summarise the three headline conclusions drawn from this study.

- First, that there is already substantial - and to date generally under-appreciated - direct and indirect impact from these activities, particularly in the predominantly rural Catterick Garrison Administrative Area, extending into the wider labour market area which includes part of Tees Valley.

- Second, with regard to wider impacts, the effects at local level have included creating the necessary critical mass for some investments in educational, retail and leisure services, and supported the housing market, benefitting residents; also, there is scope to expand other economic activity by bringing leavers' skills to the attention of local businesses.

- Third, that while there are also some disbenefits, in relation to increased demands on public services and planning uncertainties, these issues are being addressed through better communication; in terms of local and sub-regional economic development as well as physical capacity, there is scope to accommodate, and gain from, the substantial military expansion which has been suggested for Catterick.

Recommendations to promote better integration

10.30 Military activity in North Yorkshire is already moving towards better integration with regional, sub-regional and local economic policy agendas and spatial planning. This should present opportunities for increasing the scale of economic impact on the local area, and improving its quality. But we need to be clear on where these opportunities exist, particularly in the short term, and, also to identify where there are unlikely to be opportunities for joint working, at least in the near future. Given the organisation of military activity (with geographically isolated operations and contracts are procured nationally for scale efficiency and specialisation) there are some areas in which efforts by local partners to improve integration would not be productive.

10.31 This research points towards possible opportunities for better integration of the MOD and its activities in North Yorkshire, which would benefit the MOD's staff, local communities and local businesses. Ten such pointers are highlighted below, in the form of initial recommendations for further joint working under the subheadings: business, people and place, communication.

Business

- In terms of procurement - especially service-based sub-contracts - both public partners and the MOD should work to link the MOD's main contractors with local businesses where possible, benefitting local businesses while helping the MOD achieve its sustainability business targets.

- Local Authority partners and local businesses should also focus also on opportunities arising through investments in capital projects - particularly in terms of promoting local employment opportunities in building development and maintenance.

- Sub-regional partners in North Yorkshire (and others in Tees Valley and Leeds City Region), should work with procurement officers at the MOD, to raise the awareness of local businesses about contracting/sub-contracting opportunities, where these are advertised, how and when to access them, how they can bid for contracts/sub-contracts, and how they could co-operate with others to deliver economies of scale.

People and Place

- Information should be disseminated on the opportunities that the MOD's presence creates for individuals in local deprived areas. For example, there is a role for the public sector (at the sub-regional/local level) in seeking to link people to major contracts - in particular where there are opportunities on building contracts, for technical services - and civilian job opportunities, and there is role for regional/sub-regional partners in raising awareness amongst major contractors of the local labour pool available.

- The MOD's presence creates a significant number of civilian job opportunities for local residents in North Yorkshire and the Tees Valley. With impending Government budget cuts (which are likely to have a substantial impact upon the military sector), local partners need to be made aware of this risk and sub-regional/regional partners need to engage in lobbying activity at the national level to demonstrate the importance of these jobs for the local economy.

- Regional/sub-regional partners and the MOD should collaborate to ensure that information is provided to military leavers with higher level skills on possible opportunities in North Yorkshire, the wider Yorkshire and Humber region and Tees Valley.

- Policy makers need to ensure effective coordination on the basis of functional geographies, recognising that travel-to work, local business service suppliers and travel-to-leisure catchments cross regional and local administrative boundaries.

- MOD personnel need to integrate with local services more effectively - there is a role here for the MOD to ensure staff are aware of/helped with relevant contacts for exploring options in the housing market, including social housing, and mainstream service provision.

Communication

- Communications between the MOD and sub-regional stakeholders have improved as both sides have recognised the need to plan better in changing times. Given the current high level of uncertainty, continued exchange is needed, even - perhaps particularly - where there are no definite answers. The MOD needs to provide local authorities and public services, including education, social services, economic development and social housing with demographic and other information on a regular basis, enabling partners to plan to meet future needs. Even though some information has been disseminated to date, this has been partial and ad hoc, and local partners still appear confused - the MOD need to establish an appropriate mechanism to disseminate information on a regular basis to all relevant parties. Once this is fully recognised, changes in the scale, scope and timing of any developments can be fed into on-going planning processes across the sub-region.

- The MOD and public partner communications also need to feature in the development of the forthcoming Integrated Regional Strategy and any pan-regional strategy developments in recognition that the functional footprint of military activity spills into the Tees Valley.

- MOD communications on the scale, nature and needs of military personnel leaving bases in North Yorkshire to public sector partners (such as Local Authorities, Business Link, Job Centre Plus) and businesses (and/or business representative groups) is a key gap at present, and needs to be addressed by the MOD.

- There may also be opportunities externally to `tell the story' of military activity in the area and the changing approach: as 4 Brigade becomes more settled, this could be promoted as a practical demonstration of the wider MOD policy of settling military staff at one base, rather than regular rotation, and the implications for the local area, including additional spend

- There are also opportunities to promote good practice in the sub-region - for example the aims and activities of the Military Civil Integration Board, participation on Local Strategic Partnerships, the recent and successful assimilation of 4 Brigade, and case studies where local businesses have taken advantage of MOD procurement opportunities - at a regional and national level.

Annex A: Military Overview

A.1 This Annex provides an overview of the military context in Yorkshire, and is based information gathered through desk-based research as part of the scoping phase of this study.

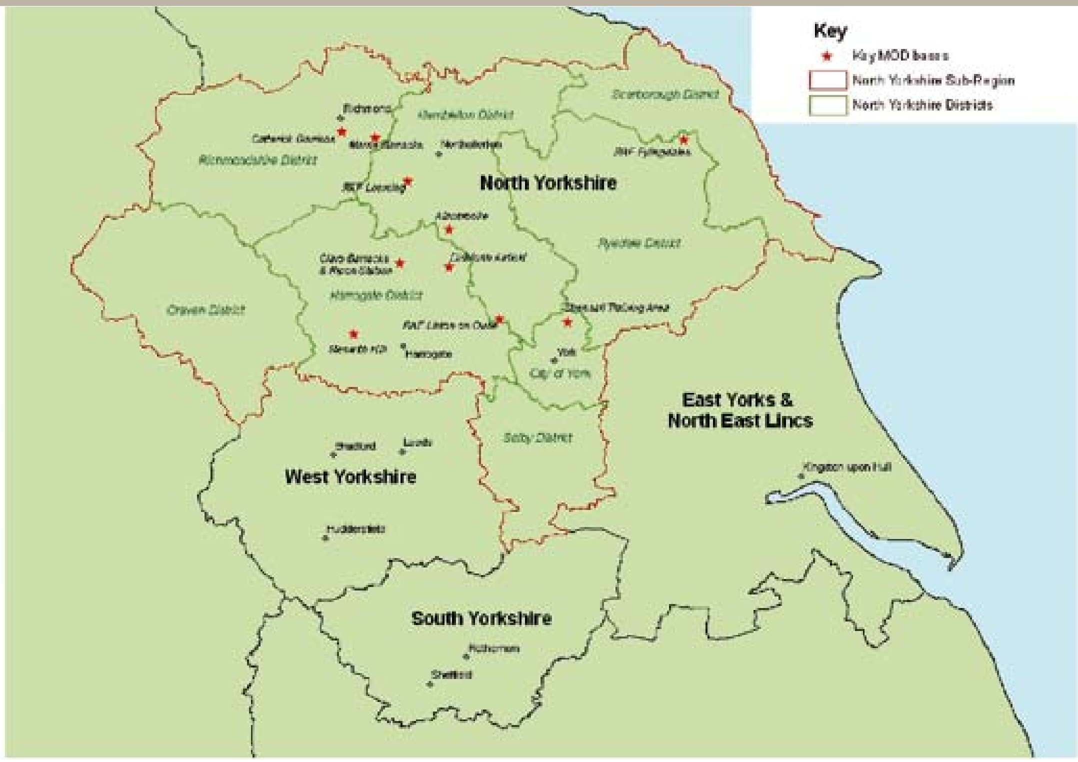
National and regional overview

National and regional military presence - employment and expenditure

A.2 Nationally, figures for 2007 show that the MOD had around 230,000 service and civilian personnel. Of these, 17,240 were in Yorkshire and Humber and with North Yorkshire accounting for 12,830, around 6% of all UK MOD staff. More up-to-date local data provided by the MOD in June 2009 indicates that North Yorkshire is currently home to 15,110 service personnel and 2,039 civilian personnel; bringing total military presence in the sub-region to 17,149 (accounting for 8% of all UK MOD staff). This substantial presence within North Yorkshire is dominated by Catterick Garrison which employs almost half of all military staff within the region

A.3 The map below displays the main locations of military bases in Yorkshire and Humber, the majority of which are located in North Yorkshire. The majority of the region's service personnel (96%) are based in North Yorkshire, almost 3% are stationed in East Riding, Hull and North or North East Lincolnshire.

Figure A-1 : Military presence in Yorkshire and Humber



Source: Produced by SQW Consulting 2009. © Ordnance Survey. Crown Copyright. License number 100019086. Digital Map Data © Collins Bartholomew Ltd. Postcode information © Royal Mail Group Plc (2007)

A.4 Table 10-1 details the number of service and civilian personnel who served the MOD throughout the UK and within the region over the period 2006-08. The overall number of MOD service personnel declined by 5.2% across the UK, but increased 3.8% in Yorkshire and Humber over the same time period. There was a reduction of MOD civilian personnel both across the UK (11.8%) and, to a lesser extent, across Yorkshire and Humber (3.8%). However, regional military presence increased relative to national trends; from 2006-08 the proportion of combined UK service and civilian personnel based in Yorkshire and Humber increased 0.7%.

Table 10-1: Number of service and civilian personnel in the UK and Yorkshire and Humber

	Service				Civilian			
	2006	2007	2008	% change 06-08	2006	2007	2008	% cha 06-08
UK	167,330	161,390	158,660	-5.2	72,510	68,230	63,960	-11.8
Yorkshire & Humber	13,040	13,790	13,530	3.8	3,700	3,590	3,560	-3.8
Yorkshire & Humber as % of UK	7.8	8.5	8.5	0.7	5.1	5.2	5.6	0.5

Source: UK Defence Statistics 2008 and Defence Estates Long Term Development Plan p13

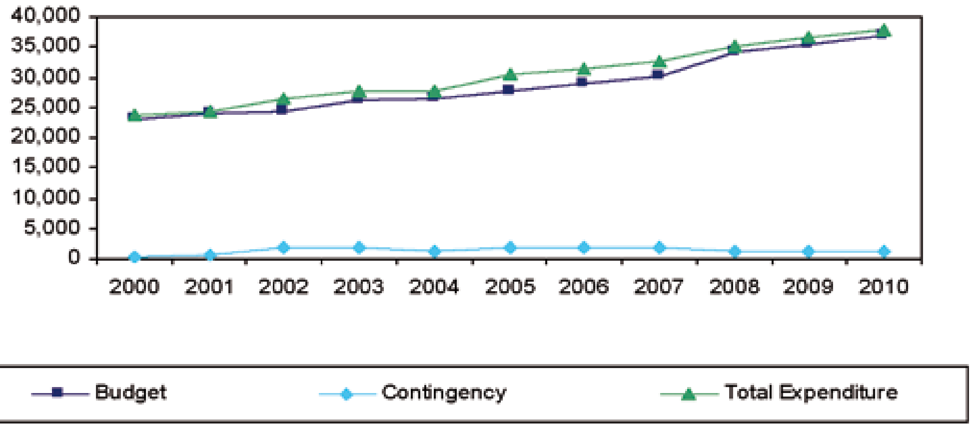
A.5 Table 10-2 and Table 10-3 demonstrate spending patterns of the MOD over a ten year period. Total expenditure in 2010 is expected to be 61% higher than in 2000, although the Tables illustrate that the rate of growth has varied year-on-year and by main activity heading. Table 10-3 separates MOD expenditure by function; it shows that personnel and operations and management constitute the largest proportion of MOD expenditure (estimated at 39% and 32% respectively of total expenditure in 2010). Figure A-2 illustrates how the rate of change varies for each function: the greatest change over the ten year period is expected to be expenditure on operations and management - which will experience an increase of 89%, whereas expenditure on construction is expected to have fallen by 29% by 2010.

Table 10-2: UK Defence budget 2000-10 (£m)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Budget	23,170	23,888	24,314	26,171	26,590	27,693	28,794	30,082	34,057	35,365	36,890
Conting-ency	382	551	1,913	1,748	1,112	1,839	1,796	1,780	1,100	1,110	1,110
Total Expenditure	23,552	24,389	26,395	27,620	27,702	30,421	31,454	32,579	35,157	36,465	37,990

Source: Military Presence and Economic Significance in the South West Region, March 2009 by Wiltshire Council sourced from R&F International Defence and Security Consultants

Figure A-2 : Defence budget 2000-10 (£m)



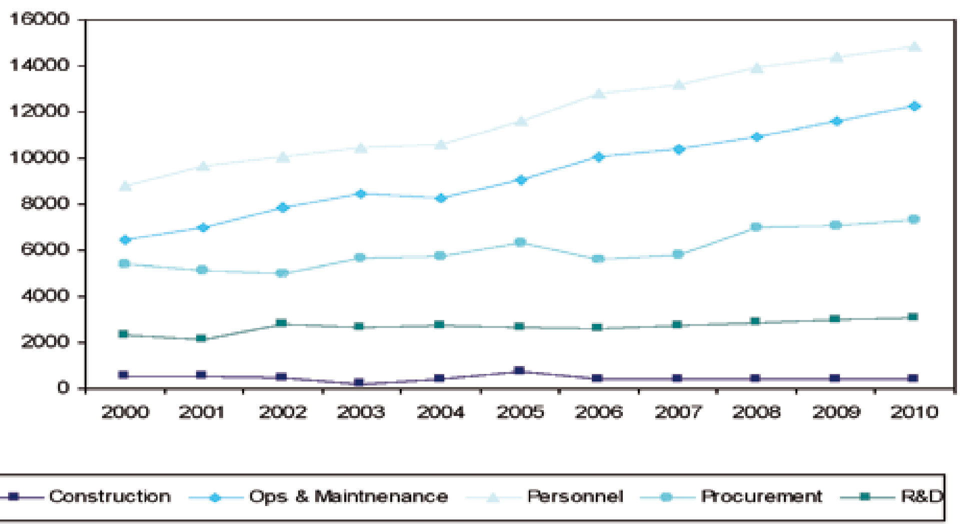
Source: Military Presence and Economic Significance in the South West Region, March 2009 by Wiltshire Council sourced from R&F International Defence and Security Consultants

Table 10-3: UK MOD expenditure by function (£m)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Construction	563	508	478	220	410	712	389	418	410	400	400
Operations & Maintenance	6,500	7,000	7,900	8,500	8,253	9,100	10,058	10,396	10,932	11,588	12,283
Personnel	8,768	9,636	10,100	10,500	10,567	11,600	12,813	13,200	13,915	14,386	14,878
Procurement	5,400	5,128	5,027	5,700	5,728	6,364	5,600	5,833	7,000	7,091	7,329
Research & Development	2,321	2,117	2,790	2,700	2,744	2,645	2,594	2,732	2,900	3,000	3,100
Total	23,552	24,389	26,295	27,620	27,702	30,421	31,454	32,579	35,157	36,465	37,990

Source: Military Presence and Economic Significance in the South West Region, March 2009 by Wiltshire Council sourced from R&F International Defence and Security Consultants

Figure A-3 : UK MOD expenditure by function (£m)



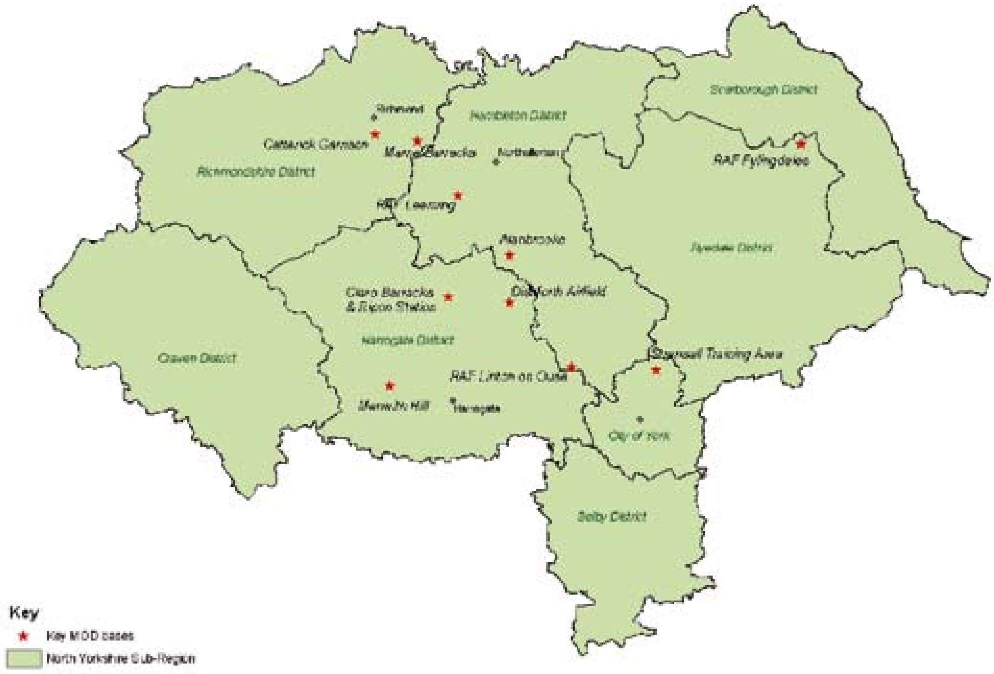
Source: Military Presence and Economic Significance in the South West Region, March 2009 by Wiltshire Council sourced from R&F International Defence and Security Consultants

North Yorkshire sub-region - overview

Employment

A.6 Figure A-4 identifies all military sites in North Yorkshire. The majority of main MOD sites are located in three key local authority districts: Harrogate; Hambleton; and Richmondshire. The remainder are dispersed across York and Ryedale.

Figure A-4: Military presence in North Yorkshire



Source: Produced by SQW Consulting 2009. © Ordnance Survey. Crown Copyright. License number 100019086. Digital Map Data © Collins Bartholomew Ltd. Postcode information © Royal Mail Group Plc (2007)

A.7 North Yorkshire is host to a number of military sites; key sites include Catterick Garrison, Marne, Ripon, Alanbrooke, Dishforth bases and four RAF sites, including RAF Leeming. Table 10-4 below lists all military sites in Yorkshire and details the type of military activity that takes place at each. This table shows that most military activity in Yorkshire takes place within North Yorkshire (the majority of it based in Catterick), and that much of this activity is a result of army sites.

Table 10-4: Military presence in Yorkshire

	Site name	Location	Sub-region	Type of military activity (i.e. army, RAF, plus other detail)
Catterick Garrison (Main site)	Alma Barracks	Catterick	North Yorkshire	Army
	Bourlon Barracks	Catterick	North Yorkshire	Army
	Cambrai Barracks	Catterick	North Yorkshire	Army
	Duchess of Kent Barracks	Catterick	North Yorkshire	Army
	Gaza Barracks	Catterick	North Yorkshire	Close Sp Med Regiment & 19 Mech Brigade
	Piave & Bapaume Barracks	Catterick	North Yorkshire	Army
	Somme Barracks	Catterick	North Yorkshire	Army
	Vimy-Helles Barracks	Catterick	North Yorkshire	Infantry Training Centre
	Ypres Barracks	Catterick	North Yorkshire	Army

Table 10-4: Military presence in Yorkshire

Site name	Location	Sub-region	Type of military activity (i.e. army, RAF, plus other detail)
Catterick Training Area	Catterick	North Yorkshire	Training Area
Marne Barracks	Catterick	North Yorkshire	Army
Air Corps Dishforth	Dishforth	North Yorkshire	RAF
DCSA Forest Moor	Harrogate	North Yorkshire	Defence Equipment & Support Communications
Menwith Hill	Near Harrogate	North Yorkshire	RAF Communications and Intelligence
Topcliffe Airfield	Near Ripon, North Yorkshire	North Yorkshire	RAF
RAF Leeming	Near Bedale	North Yorkshire	RAF
RAF Fylingdales Pickering East Yorkshire	North York Moors,	North Yorkshire	RAF
Claro Barracks & Royal Engineers	Ripon	North Yorkshire	Army
Deverell Barracks and Ripon Training Area	Ripon	North Yorkshire	Training Area and Barracks
Queen Elizabeth Barracks	Strensall	North Yorkshire	HQ 2 Med Brigade
Strensall Training Area	Strensall	North Yorkshire	Training Area
Alanbrooke Barracks	Topcliffe, near Thirsk	North Yorkshire	Army
RAF Linton on Ouse	York	North Yorkshire	RAF
Imphal Barracks	York	North Yorkshire	15 NE Brigade 6th UK Division HQ Defence Vetting Agency

Source: Defence Estates. Estate Baseline 2008. Information provided by MOD June 2009.

A.8 Table 10-5 shows that in 2007, the Yorkshire and Humber region was home to 17,240 military personnel, which accounted for 8.7% of all military personnel in England. A total 12,830 military personnel were located in North Yorkshire, which equates to 74% of all personnel in the region. Please note, these figures have been sourced from national MOD statistics and relate to 2007 data (and therefore differ from the data referenced in the main report which was sourced directly from MOD bases in North Yorkshire during the summer of 2009).

Table 10-5: Number of MOD service and civilian personnel 2007

	Population	Service personnel	MOD Civilian	MOD Total	% of total population
England [1]	51,092,000	161,500	68,230	229,730	0.45
Yorkshire and Humber [1]	5,177,200	13,650	3,590	17,240	0.33
North Yorkshire [2]	788,900	Breakdown not available in published data	Breakdown not available in published data	12,830	1.63

Source: UK Defence Statistics2007 Location of Service and Civilian Personnel in the UK. Numbers may differ slightly to Table [1] due to different sources/date of data. July 2007 Nomis - mid-year population estimates (2007 latest available data). DASA - [2] UK Regular forces distribution across the UK October 2007

A.9 Table 10-6 shows total direct regional employment dependent upon Defence expenditure fell 25% from 2003/04 to 2004/05. This decline was relatively high compared to that experienced across the UK (3.5%). In Yorkshire and Humber this was attributable to a reduction in direct employment dependent upon non-equipment expenditure whereas across the UK it was due to changes in direct employment dependent upon equipment expenditure.

Table 10-6: Regional direct employment dependent upon Defence expenditure (thousands)

	2002-03	2003-04	2004-05
Direct employment dependent upon Defence EQUIPMENT expenditure			
UK	85	85	80
Yorkshire and Humber	1	1	1
Direct employment dependent upon Defence NON-EQUIPMENT expenditure			
UK	50	55	55
Yorkshire and Humber	3	3	2
Total direct employment dependent upon Defence expenditure			
UK	135	140	135
Yorkshire and Humber	4	4	3

Source: Estimated UK Regional Employment Dependent on Ministry of Defence Expenditure. Defence Statistics Bulletin Number 7. March 2007

Land ownership

A.10 In April 2008 the MOD, one of the largest land owners in the UK, owned 220,000 freehold and 20,300 leasehold properties and held 133,100 hectares of right [46]. Table 10-7 lists military sites in North Yorkshire, their size and value, and whether they are considered `core' or `retained' sites or if they are to be disposed of. Many sites are considered `core' land, two are `retained' (the future not fully assured) and only Catterick Town Centre has been allocated as sites for disposal by Defence Estates.

[46] UK Defense Statistics Factsheet 2008. Ministry of Defence from DASA

Table 10-7: Defence estates

Site	Sub-region	Size (ha)	Land - core/retained/for disposal [47]	Value of tangible assets - land and dwellings (£m)
Alanbrooke Barracks	North Yorkshire	151	Core	17.095
Alma Barracks	North Yorkshire	14	Core	10.443
Beachead Lines	North Yorkshire	na		3.461
Bourlon Barracks	North Yorkshire	7	Core	14.030
Cambrai Barracks	North Yorkshire	19	Core	10.175
Catterick Garrison, Catterick	North Yorkshire	151	Core	44.956
Catterick Town centre	North Yorkshire	2	For disposal	Na
Catterick Training Area	North Yorkshire	8190	Core	21.605
Claro Barracks, Ripon	North Yorkshire	45	Retained	20.496
DCSA Forest Moor	North Yorkshire	78	Core	Na
Defence High Frequency Communications	North Yorkshire	na		1.406
Deverell Barracks, Ripon	North Yorkshire	379	Core	11.095
Dishforth Airfield	North Yorkshire	215		3.501
Duchess of Kent Barracks	North Yorkshire	22	Retained	Na
Gaza Barracks	North Yorkshire	20	Core	9.553
Imphal Barracks	North Yorkshire	29	Core	42.455
Marne Barracks	North Yorkshire	160	Core	20.805
Menwith Hill	North Yorkshire	259		Na
North Yorkshire Territorial Army/Army Cadet Force Centres	North Yorkshire	Na		10.00
Piave & Bapaume Barracks	North Yorkshire	14	Core	
Queen Elizabeth Barracks	North Yorkshire	60	Core	10.234
Royal Air Force Dishforth	North Yorkshire	215	Core	21.326

[47] Core sites are expected to support Defence outputs for at least 15 years. Retained estate is a body of sites where the future is not fully assured and could be subject to review, leading to reuse within the Department, or disposal. Many will have a planning horizon of 10 years or more. Estate for disposal has been identified as being surplus to Defence requirements and is to be put up for disposal.

Table 10-7: Defence estates

Site	Sub-region	Size (ha)	Land - core/retained/for disposal	Value of tangible assets - land and dwellings (£m)
Royal Air Force Fylingdale	North Yorkshire	1,114	Core	39.130
Royal Air Force Leeming	North Yorkshire	470	Core	71.364
RAF Linton on Ouse	North Yorkshire	276	Core	26.213
Somme Barracks	North Yorkshire	17	Core	12.352
Strensall Training Area	North Yorkshire	574	Core	Na
Topcliffe Airfield	North Yorkshire	117	Core	Na
Towthorpe Lines	North Yorkshire	Na		2.664
Vimy-Helles Barracks	North Yorkshire	67	Core	51.799
Ypres Barracks	North Yorkshire	5	Core	Na
Total (where data available)		12,670		476.158

Source: Size and land category - Defence Estates Estate Baseline 2008 Asset value - National Assets Register 2007 Chapter 7: Defence, HM Treasury

Capital projects

A.11 There are a number of major capital projects in North Yorkshire - these have been divided into three individual phases: Phase 1 - Enabling for 4 (Mech) Brigade; Phase 2 - Sustain what we have; and Phase 3 - Towards a Super Garrison. These projects are estimated at a total cost of £2,329.935m. Many (25) of the 40 projects in Phase 1 have been completed - these include 6 SLA and 1 SFA projects. A detailed breakdown of Phase 1 project costs can be seen in Table 10-8. Total costs for each phase are as follows: Phase 1 - £508.108m; Phase 2 - £322.300m; and Phase 3 - £2,329.925m.

Table 10-8: Phase 1 costs

Stage	Number of projects	Total Estimated Cost (£m)
Completed	25	250.654
In Progress	8	130.472
Committed	2	-
In Planning	5	126.982
Total	40	508.108

Source: Catterick Forward Programme 10 Quarterly Report March 2009

Catterick Garrison

A.12 Table 10-9 sets out definitions of Catterick Garrison (Main Site) and the Catterick Garrison Administrative Area (CGAA).

Table 10-9: Catterick Garrison - definitions

	Sites included	
Catterick Garrison (Main site)	Alma Barracks Beachhead Lines	Piave & Bapaume Barracks
	Bourlon Barracks	Somme Barracks
	Cambrai Barracks	Vimy-Helles barracks
	Duchess of Kent Barracks	Ypres barracks
	Gaza Barrack	
Catterick Garrison Administrative Area	Catterick Garrison (Main site)	Alanbrooke barracks
	Marne Barracks	Ripon
	Dishforth	

Source: SQW

A.13 Catterick Garrison Administrative Area (CGAA) comprises a number of army bases located in North Yorkshire along the A1 corridor. The CGAA holds a population of 12,384 MOD staff, of which 11,255 are service personnel and 1,129 are MOD civilian staff. In 2003, Catterick Garrison was nominated as one of eleven Core Locations for the MOD: a large base or group of sites that has an indefinite operational future. Under the long term development plan (LTDP) the Garrison would undergoing considerable development and expansion. The Plan facilitates the integration of military and civilian communities associated with any expansion by providing a mix of jobs and housing as well as community, commercial and recreational facilities.

A.14 Within the Catterick Garrison Administrative Area there are five main army sites. For the purpose of this study we have chosen to also include an RAF base as one of the main sites to undergo closer analysis. These are:

- Catterick Garrison main (army)
- Marne Barracks (army)
- Dishforth (army)
- Alanbrooke Barracks (army)
- Ripon Station (army)

A.15 RAF Leeming (RAF) is also considered within this geographical area.

A.16 Catterick Garrison main is the largest of the sites contained within the wider Catterick Garrison Administrative area, measuring almost 45,000ha. It is home to 6 operational and 3 training units, which equates to 73% of the area's army personnel. The second largest site, Marne Barracks (20,000ha), holds 2 major units and accommodates 12% of the area's army personnel. The remaining sites are smaller both in geographical scale and in population size. Consequently, the majority of military personnel is located within the Richmondshire district area.

Annex B: Definitions

B.1 Definitions used throughout this report are detailed below:

Table B-1

Term	Definition
Catterick Garrison Administrative Area (CGAA)	Catterick Garrison, Marne Barracks, Alanbrooke Barracks, Dishford, Ripon Station and RAF Leeming
North Yorkshire	This includes the districts of: Richmondshire, Craven, Harrogate, Hambleton, Scarborough, Rydale, Yorks and Selby. For the purposes of this study we have included York in this term.
The `sub-region'	North Yorkshire, incl. York
The `region'	Yorkshire and Humberside
GVA	Gross Value Added

Source: SQW

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Annex C: Consultees

C.1 Individuals interviewed as part of this study, including members of the Steering Group, are listed below

Table C-1 Scoping Consultees and Steering Group Members

Name	Position	Organisation
Mark Logie	Deputy Leader Regional Forward Programme Team	MOD, Catterick Garrison
Karen Richmond	Military Civil Integration Project Manager, Regional Forward Programme Team	MOD, Catterick Garrison
Martin Watson	CE Operations North	Defence Estates
David Porter	Development Executive	Yorkshire Forward (York)
Jochen Werres	Funding & Strategy Manager	North Yorkshire County Council
Heather Nicholson	Centre Manager	Regional Resettlement Centre
Wendy Rothery	Wing Commander	RAF Leeming
John Hiles	Policy Officer Policy and Performance	Richmondshire District Council
Geoff Herbert	Economic Development	Hambleton DC
Kathryn Daly	Economic Development	Harrogate DC
Stuart Kielty	Forecast Economist	Yorkshire Forward
John Lowther	Director	Tees Valley Joint Strategy Unit (TVSU)
Bryn Jones	Economic Development Manager	York DC

Source: SQW

Table C-2 Main research phase consultees

Name	Position	Organisation
Major Nick Cheetham	Chief of Staff	HQ 15 Bde
Major (Retd) Brian Hymers	Major	Contracts Branch, HQ Catterick Garrison
Steve Groves	Sodexo Contract Director	Sodexo
Richard Baister	Director	Carillon Enterprise
Mark Logie	Deputy Leader Regional Forward Programme Team	MOD, Catterick Garrison
David Maddan	Commander 15 North East Brigade	MOD, York & Catterick
Wg Cdr Wendy Rothery	Wing Commander	RAF Leeming
Malcolm Spittle	Chair	Catterick Working Group in N.Yorks
Jonathan French	Manager	North Yorkshire County Council
Paul Whitaker	Assistant Director Development and Countryside Service	North Yorkshire County Council
Mark Robson	Housing Delivery Manager	Richmondshire DC

Name	Position	Organisation
Natasha Durham	Policy Officer (Local Development Framework)	Richmondshire DC
Sophie Packman	Marketing Executive (Research)	Visit York
Sarah Ward	Marketing Manager	N. Yorks Tourism Partnership
Nicola Burton	Head of Economic Development and Tourism	Richmondshire DC
John Hiles	Policy Officer, Policy and Performance	Richmondshire DC
Ian Wolstenholme	Lead on the Local Strategic Partnership	Local Strategic Partnership
Jackie Bolton	Market Towns Manager	Yorkshire Forward
Ian Rhodes	Business advice Manager for North Yorks	Business Link
Peter Bennison	Business Start Up Manager for North Yorks	Business Link
Heather Nicholson	Centre Manager	Regional Resettlement Centre
Denise Stuart	Chief Executive	York England
David Hamilton	Employment Services	Remploy

Source: SQW

Annex D: Capital projects

D.1 The following table shows the capital projects considered in this report. All projects are taken from the Catterick Forward Development Plan. Information is from the Jul 09 Quarterly Report and consultation with the MOD

Project No.	Project code	Status from July 09 Quarterly report	Project Description	Originally scheduled phase	Data available and assumptions used
1	Z9A0034Y03	Complete	Catterick Court Martial Centre	1	Spend taken directly form MOD figures showing separate cost and length, for design and construction processes
2	Z9A0002Y03	Complete	ITC JR Mess &	1	
4	Z9D0064Y04	Complete	ITC JR Mess & Welfare Centre	1	
5	Z9A0044Y03	Complete	Marne JR Mess & Welfare Centre	1	
6		Complete	Marne JR SLA	1	
12	Z9M0016Y03	Complete	Catterick Estates Office	1	
14.6	Z9A0045Y05	Complete	Gaza 1 - Armoury & P&RTC	1	
15.1	Z9A0042Y05	Complete	Tankadrome - 324 JR SLA (CC1 Phase 2 Stage 1)	1	
15.2	Z9A0042Y05	Complete	Megiddo 2 - Domestic - Officer's & SNCO's Combined Mess	1	
15.3	Z9A0042Y05	Complete	Megiddo 2 - Domestic - Tankadrome 216 JR SLA (CC1 Phase 2 Stage 2)	1	
16.4	Z9A0044Y05	Complete	Megiddo 1 - Megiddo East Technical	1	
20	Z9D8001Y05	Complete	CC1 - Phase 1 - 696 JR SLA (including MDHU 54 JR SLA)	1	
33	Z9A0107Y05	Complete	Marne - Replacement of 2 x Hangar and Annex Roofs	1	
70	F9E0047Y05	Complete	Cast (N)	1	
74	MNW	Complete	Claro Bks - Sub Unit Offices & Garage Refurbishment	1	
76	MNW01648	Complete	Bourlon Bks - Sgts Kitchen Refurb1	1	
78	MNW07000607	Complete	Marne Bks - Temporary Armoury for 1 MERCIAN	1	

Project No.	Project code	Status from July 09 Quarterly report	Project Description	Originally scheduled phase	Data available and assumptions used
13.4	Z9A0043Y05	In Progress	Gaza 2 - Domestic - Officers SLA & SNCO's Mess & SLA 72	1	
13.5	Z9A0043Y05	In Progress	Gaza 2 - Officers Mess Annex	1	
22	Z9A0021Y03	In Progress	Sports and Leisure Centre	1	
69.2	Z9A0174Y04	In Progress	Megiddo West - FAS Enabling, RDG, QRL, Engrs Internal Works	1	
71	F9A0107Y05	In Progress	FAS - Technical Accommodation Bourlon Pair & Share	1	
30.1	Z9D0139Y05	In Planning	Vimy - 720 X Type (Phase 1- 384)	1	
30.3		In Planning	Vimy - Replacement AADW Square	1	
7.1	Z9AO127Y04	Complete	Provision of 15 MVA Additional Power Supply	1	The MOD provided start and end date and total cost. We then assumed that the distribution of time and money is the same as the mean distributions from the above projects
7.2	Z9A0003Y03	Complete	11 KV HV Distribution (North/ South Ring Mains) Phase 1 Helles fix	1	
7.3	Z9A0127Y04	Complete	Provision of 3 MVA	1	
16.1	Z9A0044Y05	Complete	Megiddo 1 - Tankadrome - JR SLA Enabling Works (Stages 1 & 2)	1	
16.2	Z9A0044Y05	Complete	Megiddo 1 - Tankadrome - Combined Mess Enabling Works	1	
16.3	Z9A0044Y05	Complete	Megiddo 1 - Megiddo East - Ava Road Entrance Works	1	
18.3	Z9A0037Y06	Complete	Garrison SFA Bulk Leasing	1	
27	Z9D0182Y06	Complete	Helles - JR SLA 576 X Type	1	
7.2	Z9A0003Y03	In Progress	11 KV HV Distribution (North/ South Ring Mains) Phase 2 (costs for phases 1 & 2)	1	
28.1	Z9A0126Y04B	In Progress	CC1 - Junior Ranks Mess	1	
73	Z9D0143Y05	In Progress	Marne SNCO's Mess Annex	1	
9	N/A	Committed	British Gas Upgrade - No MOD funding, review only	1	
10.1	N/A	Committed	C2C - Lowenthwaite Water Works	1	
13.1, 13.2 13.3	Z9A0043Y05	In Planning	Gaza 3 - Domestic - JR SLA & Mess	1	

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Project No.	Project code	Status from July 09 Quarterly report	Project Description	Originally scheduled phase	Data available and assumptions used
18.1	Z9A0137Y04	In Planning	Garrison SFA Build	1	
26	Z9A1026Y04	In Planning	Vimy - SNCO Mess Refurb	2	
38	Z9A1136Y06		Vimy ≠ Officers Mess SLA Annex (New Build)	2	
37	FUTURE		Demolition programme	2	
81	Z9A0052Y07	In Planning	Vimy - 172 JNCO Z Type	2	
43	FUTURE		Catterick Future Development post 2017- Additional units. (No not specified)	2	
64	Z9A0096Y04		Medical & Dental Centre	2	
67	Z9A0075Y05		Catterick Garrison POL	2	
31	Z9A0200Y04	In Planning	Town Centre Development	1	The MOD provided total cost figures but not a clear start and end date. For projections we have placed the cost within the most likely year for each project, based on the information available
			CC1 Mess Upgrades	2	The MOD indicated that these developments would be likely to take place in growth scenarios 1 & 2. In each scenario it was assumed that costs were distributed evenly over the relevant phase.
			Infra Works	2	
			SFA (200) (A0137Y04 extrapolated)	2	
			Future Tech Refresh	2	
			Mess Upgrades * 3 (Use CC1 as guide)	2	
			Munster Barracks 3 Units	3	
			Somme JR SLAM (561 * 60% * £60k)	2	The MOD indicated that these developments would be likely to take place in growth scenario 2. In each scenario it was assumed that costs were distributed evenly over the
			Topcliffe Future Tech Refresh	2	
			Topcliffe Infra	2	
			JR SLAM (419 * 60% * £60k	2	
			Mess Upgrades (Use CC1 as guide)	2	
			Garrison Main 1 Unit	3	
			Topcliffe 1 Unit	3	

Source: SQW & MOD

SQWconsulting

Annex E: Employee Spend Survey

Military Employee Survey

Thank you for taking part in this survey, which will help the MOD and Regional Development Agency to understand the contribution of military activity to the North Yorkshire economy. The survey should not take more than 5-10 minutes to complete.

The survey is **anonymous**, and your answers will be aggregated with those of other respondents prior to analysis by independent consultants. This information will be treated as confidential.

We will make a donation to the Army/RAF Benevolent Fund charity for every completed questionnaire.

Section 1: Your profile

1. What is your current rank? (please mark one response with `x')	
Military Officer	
Military Senior non-commissioned officer	
Military Junior rank	
Civilian Senior Management	
Civilian Management	
Civilian Administration	
Civilian Skill Zone	
Other	

2. Which military base do you work at? (please mark one response with `x')	
Catterick Garrison	
RAF Leeming	
Other	

3. Which age group you are in? (please mark one response with `x')	
25 or under	
26-35	
36-45	
46 and over	

4a. Where do you live? Please could you identify the response which applies to your most frequent place of residence		
Location	Please mark one response with `x'	Please give the first part of your postcode e.g. DN9 (or name of place where you live)
Live in single living accommodation on-site		
Live in married quarters on-site		
Home owner off-site		
Live in rented home off-site		
Other		
4b. How many days per week do you live at this location?		
Number of days per week		
4c. If you live elsewhere for the remainder of the week, please give the postcode of your second place of residence.		
Please give the first part of the postcode of secondary place of residence (e.g. DN9)		

Section 2: Household income

5a. How many different incomes contribute to your household's income? (please mark one response with `x')	
One income (i.e. military income only)	Please turn to question 6
Two (or more) incomes (i.e. military income plus income from partner or spouse)	Please turn to question 5a
5b. What proportion of total household income does your military income account for? (Approximately)	
e.g. military income accounts for about 50% of household income	%

6. What is your total household income per year? (before tax) (please mark one response with `x')	
Up to £25,000	
£25,000-35,000	
£35,000-45,000	
£45,000-55,000	
£55,000-65,000	
Over £65,000	

Section 3: Spend patterns in an average month in your household

7. Roughly what proportion of your total household income do you spend on the following goods and services in an average month?

Please estimate the proportion of household income (%)

	Example	Please complete below
Housing costs (e.g. rent/mortgage, council tax and utilities bills)	30 %	%
Household groceries (food & drink, general supermarket shop)	30 %	%
Household goods (durables, furniture)	10 %	%
Household & family services (e.g. electricians, childcare, dentist etc)	5 %	%
Transport (bus fares, petrol, taxis)	10 %	%
Entertainment & recreation	10 %	%
Other miscellaneous goods & services	5 %	%
Total	100 %	100 %

8. Where do you spend your household income?

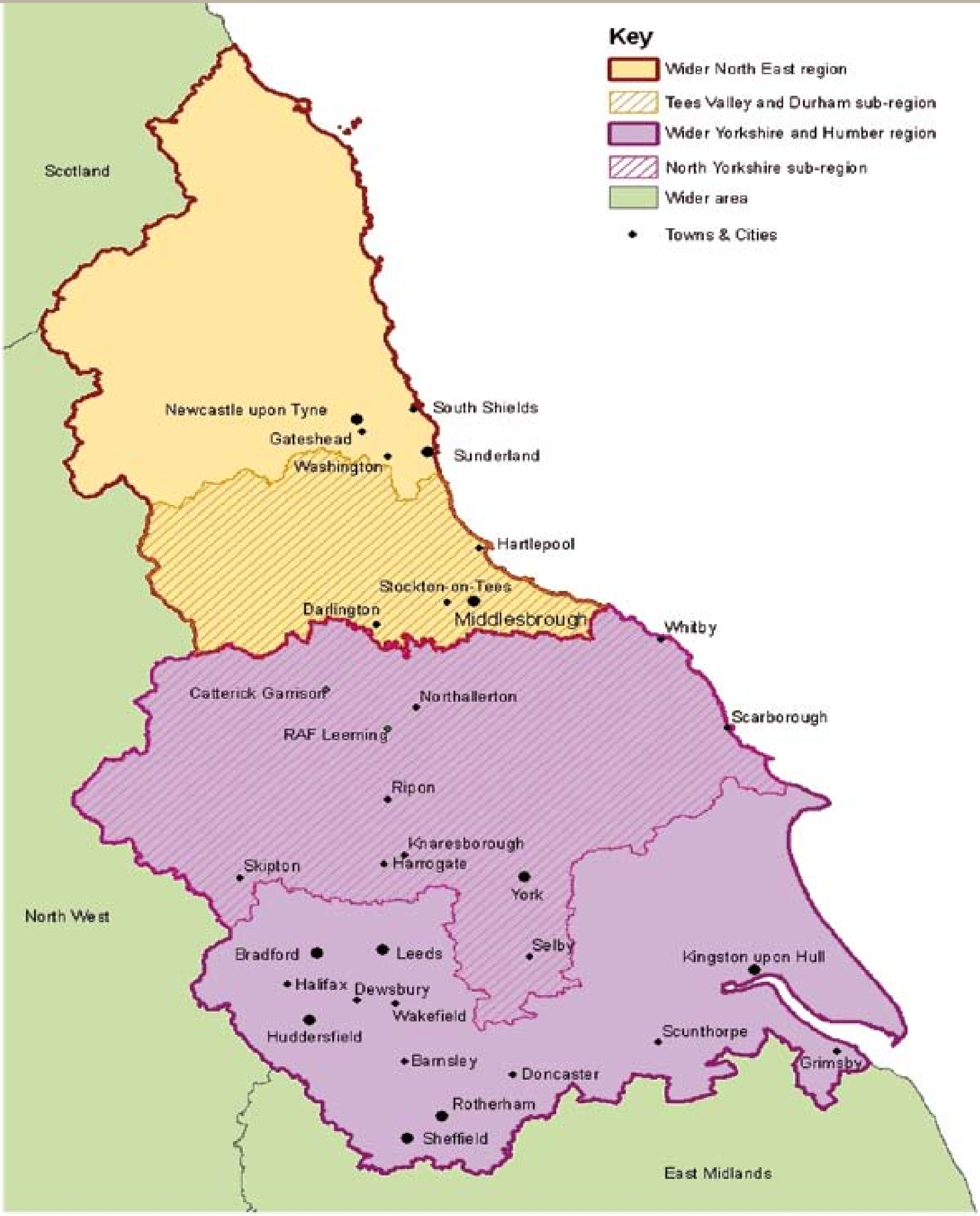
Of the money you spend on the items listed below, what proportion of that money is spent in each of the following places?

e.g. of the money I spend on household groceries, I spend roughly 10% in North Yorkshire (in Catterick, where I work), and the rest (90%) in the Tees Valley (because I live in Darlington, which is in the Tees Valley)

Please see map below for locations.

	North Yorkshire e.g. Catterick Garrison Richmond, Northallerton Ripon, Thirsk Harrogate, York	Elsewhere in Yorkshire region e.g. Leeds	Tees Valley sub-region e.g. Darlington Stockton on Tees	Elsewhere in the North East e.g. Middles-borough, Newcastle	Elsewhere not already mentioned	Each line should sum to 100%
Example	10%	0%	90%	0%	0%	=100%
Household groceries (food & drink, general supermarket shop)	%	%	%	%	%	=100%
Household goods (durables, furniture)	%	%	%	%	%	=100%
Household & family services (e.g. electricians, childcare, dentist etc)	%	%	%	%	%	=100%
Transport (bus fares, petrol, taxis)	%	%	%	%	%	=100%
Entertainment & recreation	%	%	%	%	%	=100%
Other miscellaneous goods & services	%	%	%	%	%	=100%

Figure 10-3: Map of North Yorkshire, and wider regions/sub-regions



Annex F: Military Leavers Survey

Military Leavers Survey

Thank you for taking part in this survey, which will help the MOD and Regional Development Agency to understand the contribution of military activity to the North Yorkshire economy and the extent to which service leavers settle in the area. The survey should not take more than 5 minutes to complete.

The survey is anonymous, and your answers will be aggregated with those of other respondents and analysed by independent consultants.

Section 1: Your profile

1. What is your current rank? (please tick one)	
Officer	
Senior non-commissioned officer	
Junior rank	
Other	

2. Which military base do you work at? (please tick one)	
Catterick Garrison	
Marne Barracks	
Alanbrooke Barracks	
Dishforth (airfield)	
Ripon Station	
RAF Leeming	
Other	(please state)

25 or under	
26-35	
36-45	
46 and over	

4. What is your highest level of qualification (please tick one)	
No formal qualifications	
Entry Level Certificate (Basic skills)	
NVQ 1 - includes GCSE grades D-G, BTEC Introductory Diplomas and Certificates	
NVQ 2 / GCSE grades A*-C / O levels, BTEC First Diplomas and Certificates	
NVQ 3 / A levels / International Baccalaureate	
NVQ 4+ / Degree or above / BTEC Professional Diplomas, Certificates and Awards /	
Higher National Certificate & Diploma (HND/HNC)	
Other	

5. Please indicate your length of service in the military (please tick one)	
4 years and under	
5-9 years	
10-19 years	
20-29 years	
30 years or more	

6. What is your primary reason for leaving the military? (please tick one)	
End of engagement	
Premature voluntary release	
Voluntary redundancy	
Compulsory redundancy	
Medical discharge	

Compassionate	
Pregnancy	
Compulsory/administrative discharge	
Other	

7a. Where do you currently live? Please tick the response which applies to your most frequent place of residence at present		
Item	**Please tick one**	**Please state your postcode e.g. DL10 (or name of place)**
Live in single living accommodation on-site		
Live in married quarters on-site		
Home owner off-site		
Live in rented home off-site		
Other (give brief details)		
7b. How many days per week do you live at this location (on average)?		
Number of days per week		
7c. If you live elsewhere for the remainder of the week, please give the postcode of your second place of residence.		
Postcode of secondary place of residence		

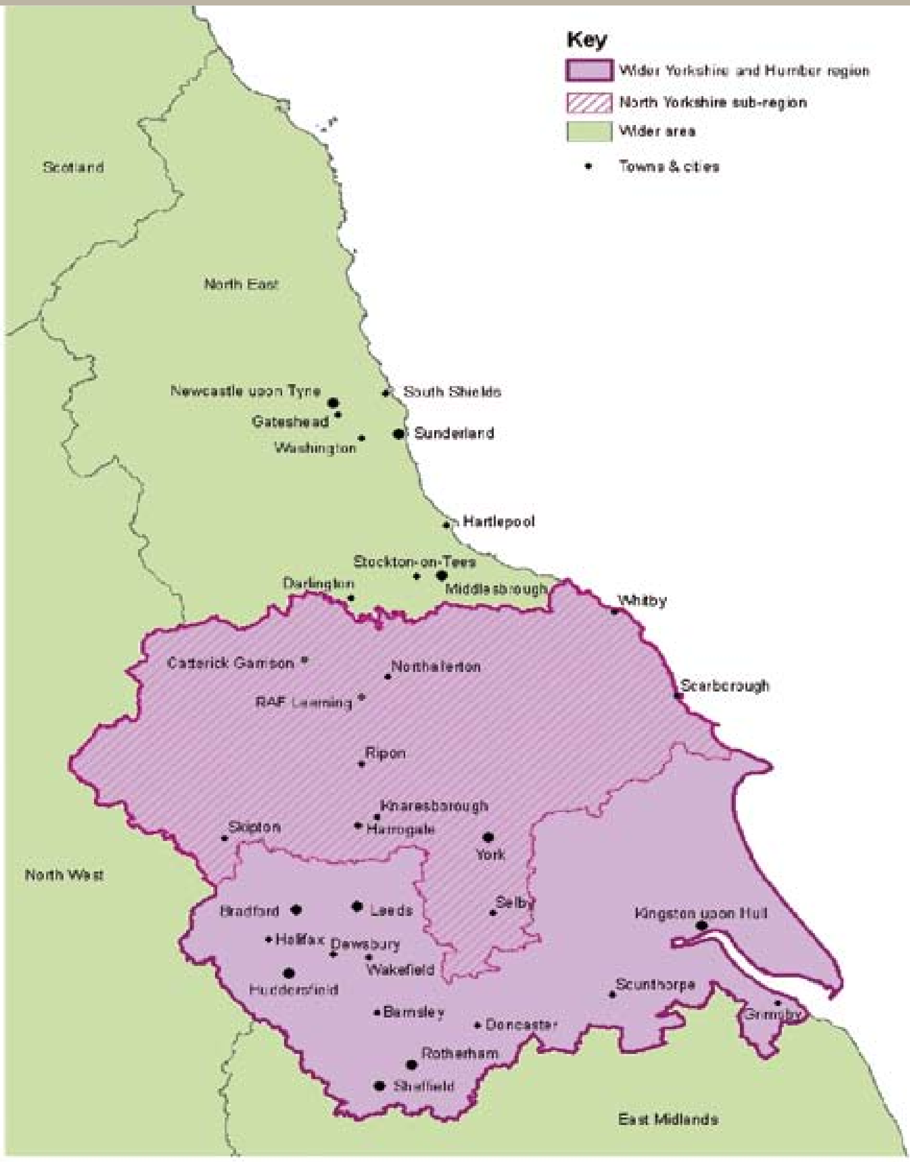
8a. Do you currently live with family? (please tick one)	
Yes	Please answer questions 8b & 8c
No	Please turn to Section 2 below
8b. If yes, is your partner/spouse employed locally? (please tick one)	
Yes	
No	

Not applicable	
8c. If yes, are your children educated locally? (please tick one)	
Yes	
No	
Not applicable	

Section 2: Future plans - location

9. Are you considering living in the Yorkshire region after leaving the military? (please tick one) **Please see map below showing the regional boundaries (Yorkshire shown in pink)** **Please note, this area region not include the North East, Darlington, Middlesbrough etc**	
No	Please turn to question 10
Yes	Please turn to question 11

Map of North Yorkshire and wider Yorkshire region



10a. If you are not considering living in Yorkshire, where would you ideally like to live?	
Please state the area or name of place where you would like to live	

10b. If you are not considering living in Yorkshire, what are the reasons for your plan to move elsewhere? (Please tick all that apply)	
Return to family	
Lack of job opportunities for spouse/partner	
Better job opportunities in desired industry/occupation are located elsewhere	
Lack of job opportunities in desired sector/occupation in Yorkshire	
Lack of job opportunities with suitable salary/status in Yorkshire	

Lack of job vacancies in Yorkshire	
Housing availability/price	
Other factors (please detail)	

11a. If you are considering living in Yorkshire, where in the region would you ideally like to live? Please state area or name of town/village (see map)	
North Yorkshire includes towns of: Richmond, York, Northallerton, Harrogate, Ripon, Scarborough, Selby **Elsewhere in the Yorkshire** region includes: Leeds, Bradford, Hull, Sheffield	
11b. If you are considering living in Yorkshire, what are the main reasons for staying in the Yorkshire region?	
Family is based here	
Good job prospects here	
Spouse/partner employed locally	
Children educated locally	
Housing offer	
Quality of life & environment offer	
Other (please specify)	

Section 3: Future plans - type of employment

12. Which sector(s) would you like to work in after leaving the military service? (Please tick all that apply)	
Agriculture, hunting and forestry, fishing, mining and quarrying	
Manufacturing, including engineering	
Electricity and gas generation/distribution, and water supply	
Construction	
Wholesale and retail trade (including personal and household goods)	
Repair of motor vehicles and motorcycles	
Hotels and restaurants	
Transport (e.g. rail, freight and air transport) and communications (including telecommunications, IT, computer programming, publishing, video and television production)	
Finance (e.g. banking, insurance)	
Real estate and renting (including buying, selling and renting own real estate) and wider business activities (e.g. law, accounting, consultancy, scientific R&D, advertising)	
Public administration and defence; compulsory social security	
Education (teaching, training etc)	
Health and social work (e.g. hospital and dental activities, residential care)	
Other community, social and personal service activities (e.g. arts and entertainment, sports and recreation activities)	
Private households with employed persons	
Extra-territorial organisation and bodies	
Other (please specify)	

13. Which occupational level are you seeking employment at? (Please tick all that apply)	
Managers and Senior Official	
Professional Occupation	
Associate Professional and Technical Occupation	
Administrative and Secretarial Occupation	
Skilled Trades Occupation	
Personal Service Occupation	
Sales and Customer Service occupation	
Process, Plant and Machine Operative	
Elementary Occupation	
Other (please specify)	

14. What challenges and barriers to re-integration (particularly relating to finding a job) have you encountered on leaving the military? (Please tick all that apply)	
Finding job opportunities and suitable vacancies	
Securing appropriate skills/qualifications	
Access to civilian employment support services (e.g. JobCentrePlus, Job Recruitment Agencies)	
Finding appropriate housing	
Financial issues e.g. debt	
Health issues	
Other (please specify)	

15a. Are you considering starting up your own business? (Please tick one)	
No	Survey complete
Yes, without any support	Survey complete
Yes, with support	Please turn to question 15b

15b. If yes, what kind of support would you need?

Thank you for your time.

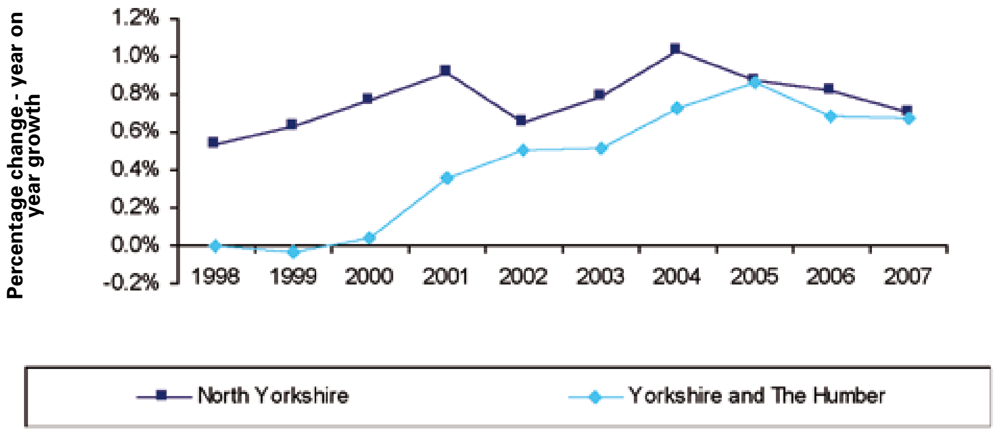
Annex G: Detailed labour market analysis

Supply side

Population

G.1 In 2007, North Yorkshire accounted for 15.2% of Yorkshire and Humber's total population. Figure 1illustrates that, over the ten year time period, population growth throughout North Yorkshire was higher than that across the region. However, the difference in rate of change is less marked in 2005 and 2007. The population of Yorkshire and Humber increased at varying rates until 2005 - when growth began to slow (except for 1998-99 when it experienced negative growth). After growth peaked in 2004, the population across North Yorkshire experienced a reduction in growth. Change in growth within individual local authorities has been mixed. Although there is no identifiable pattern across local authorities, the population change in Selby is notably divergent as the area has in fact seen an increase in growth since 2005.

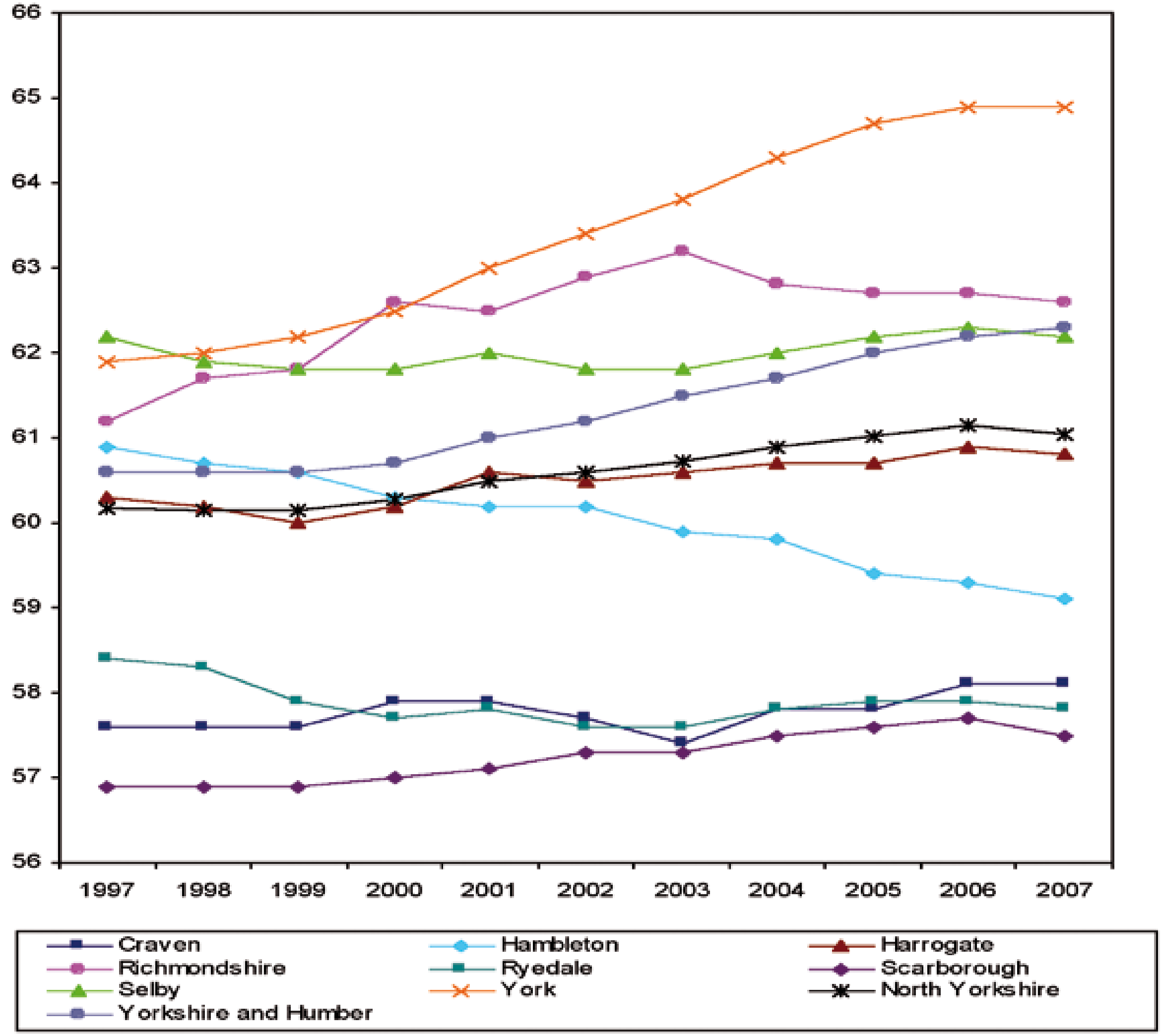
Figure 1: Total population change 1998 - 2007



Source: NOMIS Mid-year population estimates. NB 2007 latest available data

G.2 The proportion of the population who are of working age varies across North Yorkshire. The working age population in York is increasingly higher than is average across the region and the sub-region. From 1998-2007, Craven, Ryedale and Scarborough had notably low proportions of working age populations. In contrast to regional and sub-regional trends, the proportion of the working age population Hambleton has been decreasing since 1998, despite a rise in the actual number of those of working age.

Figure 2 : Working age population

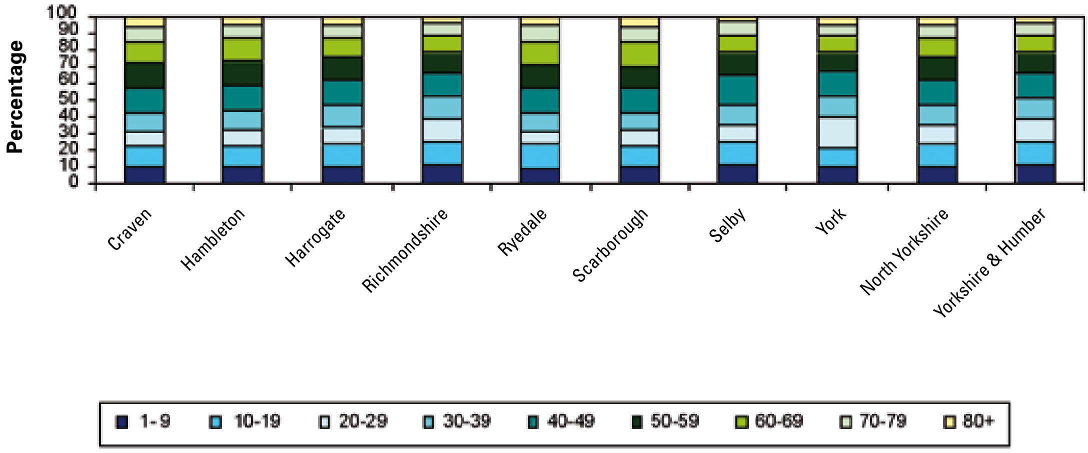


Source: NOMIS Mid-year population estimates

G.3 Figure 2 shows the way in which the demographic profile varies across North Yorkshire. Over 28% of the population in Scarborough, Ryedale and Craven are aged 60 or over, compared to 25.0% and 21.7% for sub-region and the region respectively. In contrast, at least 39% of the population in York and Richmondshire are aged under 30.

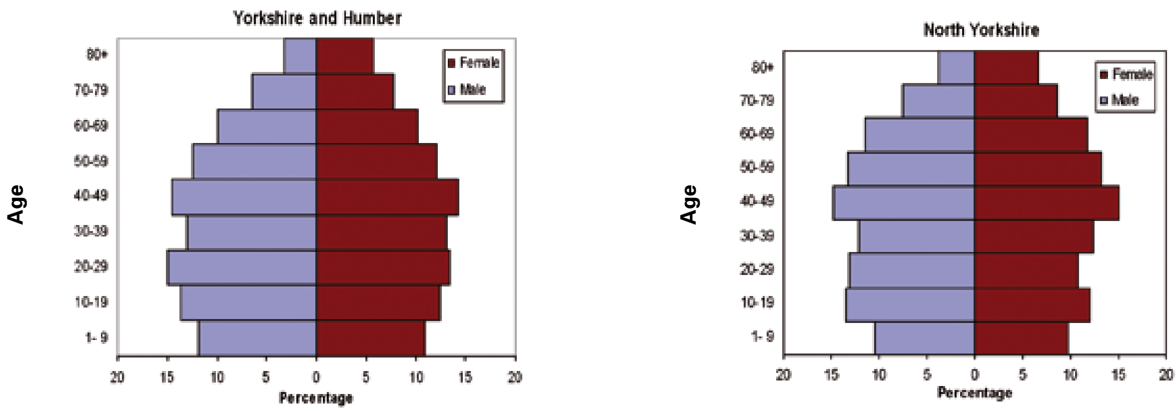
G.4 Figure 3 illustrates that, overall, North Yorkshire has a slightly older population than Yorkshire and Humber. Comparison of the regional and sub-regional population reveals that the proportion of those aged under 30 is 38.5% and 34.7% respectively. Furthermore, 24.9% of the sub-region's population is aged 60 or over, compared to 21.7% across Yorkshire and Humber. The gender composition of the population does not vary greatly when comparing North Yorkshire against Yorkshire and Humber.

Figure 10-4 : Age profile



Source: NOMIS Mid-year population estimates

Figure 4 : Population profile

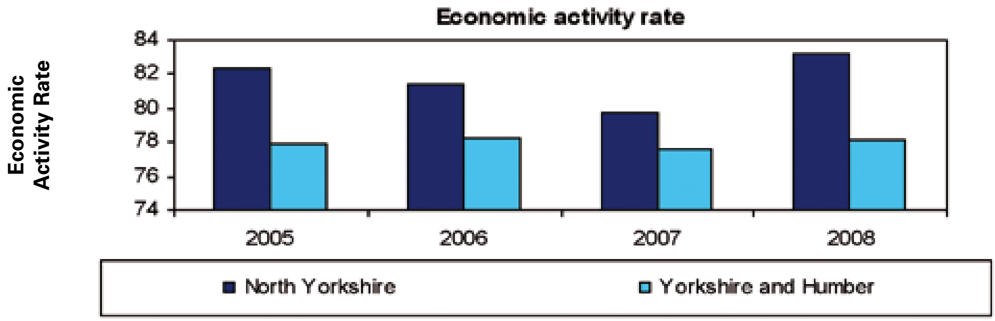


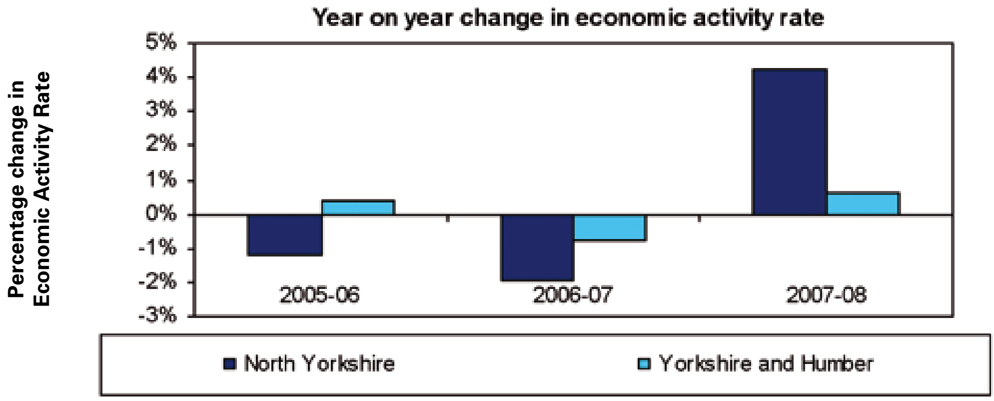
Source: NOMIS Mid-year population estimates

Economic activity

G.5 Over the period 2005-08 the economic activity rate was higher in North Yorkshire than across the region. After declining from 2005 to 2007, the economic activity rate increased 4.3% across North Yorkshire and 0.6% throughout the region over 2007-08. The economic activity rate was particularly high in Selby and Richmondshire (86.5% and 86.4% respectively) but notably lower in Craven (78.7% - still above the regional average). Craven was the only local authority district in North Yorkshire to witness a reduction in the economic activity rate between 2007 and 2008. In comparison, Scarborough had a considerable (17.1%) increase in the economic activity rate. Selby, Richmondshire and Ryedale were the other areas to experience an increase exceeding the sub-regional average.

Figure 5: Economic activity rate



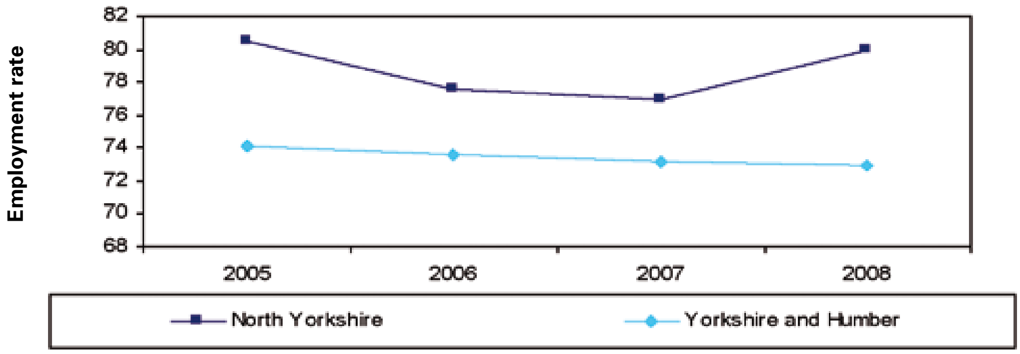


Source: Annual Population Survey NB: Data only comparable to 2005. Datasets prior to this have different collection methods.

Employment rate

G.6 The employment rate across Yorkshire and Humber fell by 1.1% over the period 2005-08. Over this period, the employment rate in North Yorkshire was higher than that for the region - falling from 2005 to 2007, but rising 3% from 2007 to 2008. Within North Yorkshire, the employment rate is highest in Richmondshire (85.3%) and lowest in Craven (74.6%). Between 2007 and 2008, the employment rate rose in every local authority district in North Yorkshire except for in Craven (where it fell 5.6%).

Figure 6 : Employment rate (working age population)

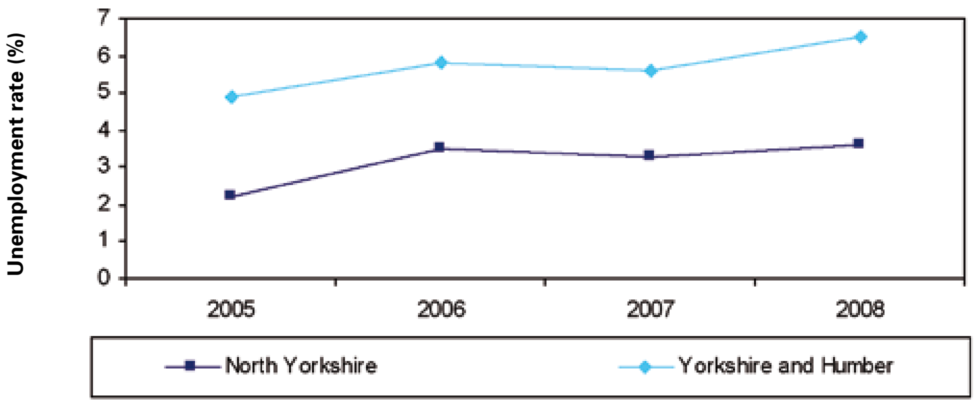


Source: Annual Population Survey NB: Data only comparable to 2005. Datasets prior to this have different collection methods.

Unemployment rate

G.7 The unemployment rate is lower in North Yorkshire than is average across the region. Figure 7 shows the unemployment rate rose during 2005-06 and 2007-08 (after a small decrease in 2006-07). In 2007 the unemployment rate was particularly low in Harrogate (1.8%) but higher than the national average in Scarborough (7.4%). Detailed figures are not available for Richmondshire or Ryedale as the sample size (number of unemployed) cannot be disclosed.

Figure 7: Unemployment rate

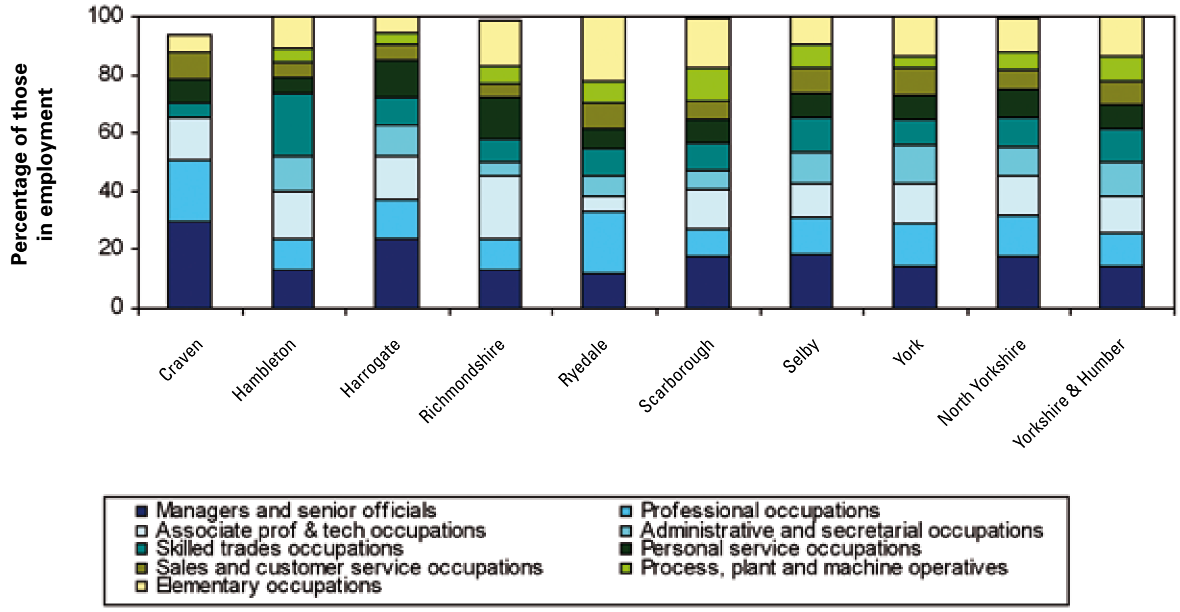


Source: Annual Population Survey NB: Data only comparable to 2005. Datasets prior to this have different collection methods.

Occupational structure

G.8 Figure 8 illustrates the variation in local occupational structures across North Yorkshire. For example, a significant proportion of workers in Ryedale (33.1%) are either in professional or elementary occupations whereas 36.2% of workers in Richmondshire are employed in either associate professional and technical occupations or personal service occupations. Skilled trades occupations comprise 21.6% of Hambleton's employment, whilst managers and senior officials represent 29.5% of Craven's employment

Figure 8: Occupational Structure

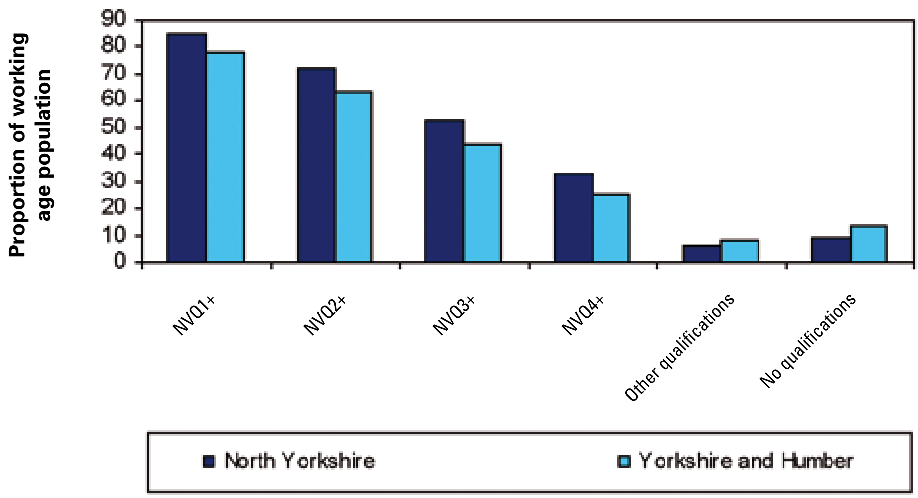


Source: Annual Population Survey.2007 most recent data NB. Figures for Craven and Richmondshire do not total 100% due to rounding errors in raw data

Skills

G.9 A higher proportion of the working age population in North Yorkshire possess qualifications, at any given level, than is average across Yorkshire and Humber. Across North Yorkshire only 8.6% possess no qualifications compared to the regional average of 13.4%. Within North Yorkshire, the proportion of the working age population possessing the least qualifications (at NVQ1+ and NVQ4+) is highest in Scarborough. Whilst Scarborough has a high proportion of its working age population who possess no qualifications (11.7%), it does boast the largest proportion of those who have achieved other qualifications (12.7%). Whilst the proportion of those holding NVQ1+ qualifications in Richmondshire is above the regional average, the proportion of those possessing qualifications at NVQ2 and above are notably low. Craven has the most highly qualified population - 48.5% of its working age population are qualified to NVQ4+. The proportion of those possessing no qualifications is notably low in York, Selby and Ryedale.

Figure 9 : Skills profile



Source: Annual Population Survey. NB 2008 latest available data

Table 10: Skills Profile in North Yorkshire

	NVQ1+	NVQ2+	NVQ3+	NVQ4+	Other qualifications	No qualifications
Craven	87.4	71.6	59.9	48.5	0	9.8
Hambleton	81.0	66.9	51.3	29.5	9.4	9.6
Harrogate	85.7	71.3	52.9	34.1	5.0	9.2
Richmondshire	81.9	61.6	38.8	25.1	7.5	10.6
Ryedale	86.0	76.7	52.2	29.9	7.4	6.6
Scarborough	75.6	64.7	41.5	24.6	12.7	11.7
Selby	89.2	74.4	53.4	29.4	4.6	6.1
York	88.4	77.5	61.0	36.3	4.8	6.8
North Yorkshire	84.9	71.8	53.1	32.6	6.3	8.6
Yorkshire and The Humber	78.2	62.9	44.2	25.0	8.4	13.4

Source: Annual Population Survey NB 2008 latest available data

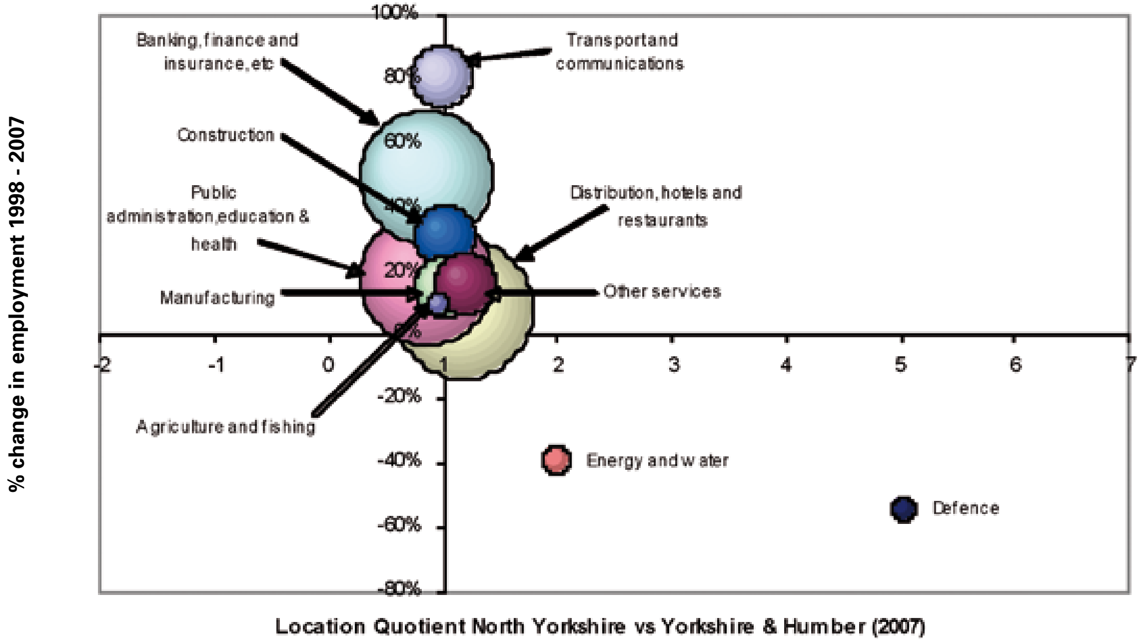
Demand Side

Labour market

G.10 Figure 11 displays, on the x axis the representation of sectoral employment in North Yorkshire in relation to that in Yorkshire and Humber, and on the y axis, the percentage change in employment for each sector over the last decade. The size of the bubble relates to the number of employees in each sector in North Yorkshire in 2007.

G.11 The diagram illustrates that apart from in defence and energy, which are relatively over-represented, the sectoral structure economy of North Yorkshire is broadly similar to the region as a whole, but has been growing at a faster rate. Banking, finance and insurance, public administration, education and health, and distribution, hotels and restaurants are the most prominent sectors in North Yorkshire. Employment in energy and water and defence declined, and change was notably greater across the sub-region in these industries than across the region. In North Yorkshire employment in defence declined 54% over 1998-2007 (compared to 36% across the region), and in 2007 accounted for 0.85% of the sub-region's employment. Military activity includes a combination of a variety of skills, particular examples are: medical practice; engineering; and communications. Medical practice and engineering are important employment sectors in North Yorkshire. Since 1998 medical practice has increased across North Yorkshire (11.9%); it provides 12.7% of all employment in North Yorkshire compared to 8.8% across Yorkshire and Humber. Engineering is also more important in the sub-region than it is across Yorkshire and Humber: it accounts for 7.9% of employment across North Yorkshire compared to 5.3% throughout the region. In North Yorkshire employment in engineering has increased 16% since 1998. In contrast, employment in telecommunications has declined 15% across the sub-region, where it comprises only 3.7% of employment.

Figure 11: Employment change in North Yorkshire by sector, in relation to change across Yorkshire and Humber



Source: Annual Business Enquiry NB: Figures for Defence section have been removed from Public administration, education & health to avoid double counting.

Earnings

G.12 Overall, residents in North Yorkshire earn over £10 per week more than is average across the region, and growth in earnings since 2002 has exceeded that measured across both the region and the country. In 2008, average weekly resident and workplace earnings in Selby exceeded the national figures, whilst resident and workplace earnings in Richmondshire and Ryedale were calculated at less than £400 per week.

Table 1: Average weekly earnings, 2008

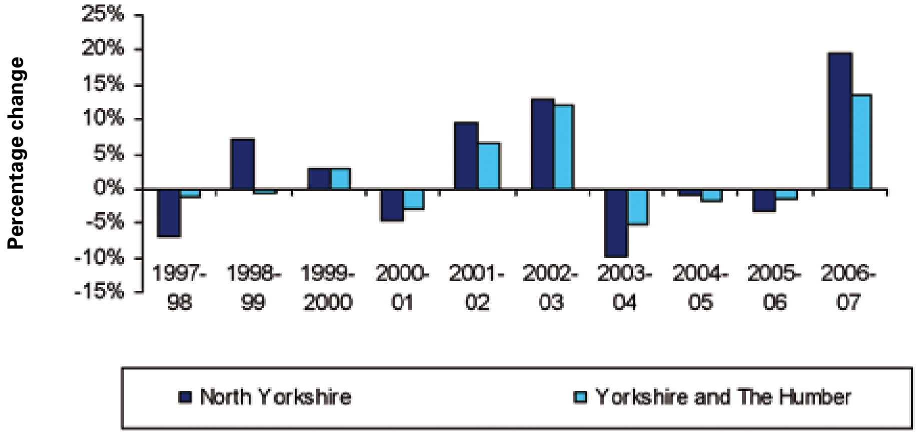
	Resident earnings	Workplace earnings	Change in resident earnings 2002-08 (%)	Change in workplace earnings 2002-08 (%)
North Yorkshire	454.7	440.8	24.2	27.7
Yorkshire and Humber	443.8	441.0	23.3	22.5
England	484.0	483.1	21.9	21.8

Source: NOMIS Annual Survey of hours and earnings. NB Results for 2003 and earlier exclude supplementary surveys. In 2006 there were a number of methodological changes made. For further details go to: http://www.nomisweb.co.uk/articles/341.aspx.

Enterprise

G.13 Figure 12 illustrates how VAT registration rates have fluctuated from 1997 - 2007. After an increase in registrations over 2001-03 across North Yorkshire and Yorkshire and Humber, the region and sub-region experienced a decrease in registrations until 2006-07 when there was then a sharp increase. In general, trends appear to be more marked in North Yorkshire than across the wider region. In 2007 Harrogate and York received the most VAT registrations, accounting for 23.0% and 16.4% of the sub-region's registrations respectively whereas VAT registrations in Richmondshire amounted to only 7.2% of North Yorkshire's enterprise.

Figure 12 : VAT registrations



Source: NOMIS VAT registrations

Skills gaps and vacancies

G.14 The 2007 National Employer Skills survey identified Yorkshire and Humber as representing a 10% share of total employment across England, but only possessing 8% of all skills gaps. The percentage of establishments in Yorkshire and Humber with reported skills gaps fell from 2005 to 2007, and in 2007 measured below the England average. Whilst percentage of staff identified as having skills gaps remained the same throughout England, this figure was reduced from 8% to 5% across Yorkshire and Humber.

Table 2: Skills gaps

	Percentage of establishments with any skills gaps		**Percentage of staff as having skills gaps**			
	2005	2007	2005	2007	Share of employment	Share of all skills gaps
England	16	15	6	6	100	100
Yorkshire and Humber	23	14	8	5	10	8

Source: National Employers Skills Survey 2007 NB: Information only available at regional level

G.15 In 2007 Yorkshire and Humber's share of England's employment measured 10%; the region also possessed 10% of all employment vacancies. A total of 18% of employers in Yorkshire and Humber had vacancies. Six per cent of employers had hard to fill vacancies, and 4% had skills shortage vacancies.

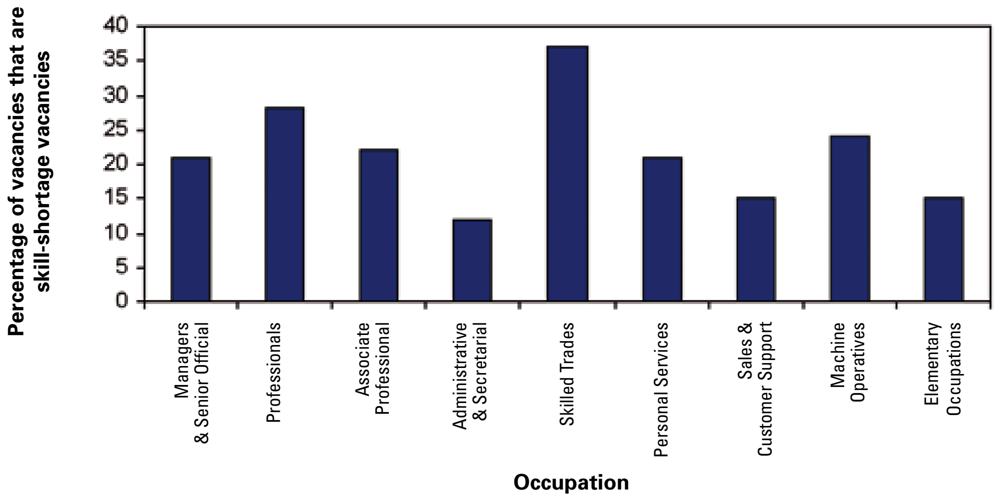
Table 3: Vacancies

	% of employers with vacancies	**% of employers with hard to fill vacancies**	**% of employers with skills shortage vacancies**
England	18	7	5
Yorkshire and Humber	18	6	4

Source: National Employers Skills Survey 2007 NB: Information only available at regional level

G.16 The National Employers Skills Survey provides a national picture of skills shortage vacancies by occupation. Figure illustrates that over a quarter of all vacancies in skilled trades and professional occupations are skill-shortage vacancies.

Figure 13 : Skills shortage vacancies by occupation across England



Source: National Employers Skills Survey 2007 NB: Information only available at regional level

G.17 Table 4 details the proportion of employers with vacancies by SSC (sector skills council) sector. This shows that vacancies are most concentrated in electricity, gas, waste management and water industries and property, housing, cleaning and facilities management. Vacancies are less frequent in health, social care, arts and culture, retail and retail motor industries.

Table 4: Vacancies by sector across England

SSC definitions	Percentage of employers with vacancies
Environmental and land-based industries	22
Chemicals, nuclear, oil and gas, petroleum and polymer industries	19
Process and manufacturing of extractives, coatings, refractories, building products, paper and print	16
Food and drink manufacturing and processing	25
Apparel, footwear and textile industry	22
Science, engineering and manufacturing technologies	20
Electricity, gas, waste management and water industries	32
Development and maintenance of the built environment	18
Building services engineering (electro-technical, heating, ventilating, air conditioning, refrigeration and plumbing)	16
Retail motor industry	13
Retail industry	13
Hospitality, leisure, travel and tourism	20
Passenger transport	28
Freight logistics industry	24
Financial services industry	19
Property, housing, cleaning and facilities management	30

Table 4: Vacancies by sector across England

SSC definitions	Percentage of employers with vacancies
IT, telecoms and contact centres	19
Central government	18
Custodial care, community justice and police	15
Community-based learning and development, further education, higher education, library and information services, work-based learning	16
NHS, independent and voluntary health organisations	13
Social care including children, families and young children	13
Broadcast, film, video, interactive media and photo imaging	14
Arts, museums and galleries, heritage, crafts and design	9
Sport and recreation, health and fitness, playwork, the outdoors and caravans.	15
All sectors not covered by an SSC at the time of the survey, spread across manufacturing and service sectors.	15
All	18

Source: National Employers Skills Survey 2007 NB: Information only available at regional level

Skills priorities

G.18 The Regional Economic Strategy 2006-15 set out the regional priorities designed to encourage, facilitate and support economic development in Yorkshire and Humber. The strategy is focused upon six main objectives, one of which is "Skilled People - benefiting business". The Regional Development Agency aims to deliver its skills agenda through six key actions:

- Create a new enthusiasm for learning and increase attainment
- Improve basic skills and skills for employability and everyday work
- Improve skills for technicians, crafts people and managers to ensure appropriate skills for employability and suitable career progression routes
- Improve the skills of people already in work and the potential workforce
- Improve higher level skills to capture the potential of people with degrees
- Use evidence on skills and economic needs to guide action

G.19 In response to the skills priorities laid out in the Regional Economic Strategy, the industrial sectors offering the most employment opportunities, or where there is a need to strengthen a sector skills base, the Learning and Skills Council has identified six regional skills priorities:

- Construction and the built environment
- Engineering, manufacturing and print
- Financial services

- Health and social care
- Retail, wholesale and logistics
- Public services

Forecasts

Qualifications

G.20 Table 5 presents the forecast change in qualification levels throughout Yorkshire and Humber. It is expected that there will be a significant increase in the number of individuals achieving qualifications equivalent to NVQ Level 4 or above (combined change of 11.9%). In comparison, only a small increase (1.8%) is expected in the number of those possessing qualifications at Level 0 or Level 1.

G.21 The majority of replacement demand employment will be that which requires qualifications equivalent to NVQ Level 2 to Level 4. It is estimated that of the replacement demand expected, 27.7% will be at NVQ Level 4 or above. Over half of the estimated replacement demand will require either NVQ Level 2 or Level 3.

Table 5: Forecast Qualification Replacement Demand, Yorkshire and Humber

Qualification Level (NVQ equivalent)	Change 2005-15 (%)	Replacement Demand 2005-15 (% of total net demand)
NVQ 5	10.4	3.4
NVQ 4	12.3	24.3
NVQ 3	5.5	25.6
NVQ 2	4.3	28.6
NVQ 1	1.7	10.2
NVQ 0	1.9	5.8
Total	6.0	100.0

Source: Learning Skills Council. Regional Strategic Analysis for Yorkshire and the Humber. December 2008. Data from Regional Econometric Model: Experian BSL: Yorkshire Futures October 2008

Employment

G.22 LSC forecasts estimate that employment in Yorkshire and Humber will increase by 6% between 2005-15. Table 6 details expected changes by industrial sector. Oil and gas extraction and other mining industries are predicted to witness the biggest reduction in employment opportunities. Across the region the largest anticipated growth sectors are business services and financial services (including banking and insurance).

Table 6: Industrial Employment forecasts in Yorkshire and Humber

Industry	Forecast change 2005-15 (%)
Agriculture, Forestry & Fishing	-6.3
Oil & Gas Extraction	-90.0
Other Mining	-52.0
Gas, Electricity & Water	-15.9
Manufacturing	-8.8
Construction	7.9
Retailing	3.9
Wholesaling	1.2
Hotels & Catering	9.0
Transport	4.3
Communications	-0.5
Banking & Insurance	14.8
Business Services	28.0
Other Financial & Business Services	18.5
Public Admin & Defence	-4.2
Education	-3.7
Health	11.8
Other Services	11.5
Total	6.0

Source: Learning Skills Council. Regional Strategic Analysis for Yorkshire and the Humber. December 2008. Data from Regional Econometric Model: Experian BSL: Yorkshire Futures October 2008

G.23 Approaching employment forecasts from the perspective of occupational changes, Table 7 highlights anticipated change across the region and the concentration of this change within North Yorkshire. The greatest increase in employment opportunities is expected to be found within Science and Technology professions and business/public service. In contrast, the region is predicted to experience decline of 22% in protect service occupations and process, plant and machinery operations.

G.24 In absolute numbers, the greatest increase in employment across North Yorkshire is anticipated to occur in administrative, secretarial, clerical and sales occupations.

G.25 Employment growth within North Yorkshire is expected to account for 16.7% of the region's overall increase. The concentration of growth in the sub-region in relation to regional change is highest for skilled agricultural occupations (70.4%), followed by other skilled trades (21.5%) and leisure and cultural occupations. The occupations with the highest anticipated regional growth (Science and Technology and business/public service) are not markedly concentrated in North Yorkshire.

Table 7: Occupation Employment Forecasts in Yorkshire and Humber

Occupation	Change across the region 2005-15 (%)	Net Replacement demand [48] across the region	Net Replacement demand across North Yorkshire	Proportion of region's net replacement demand expected in North Yorkshire (%)
Corporate Administrators	17.5	176,797	27,885	15.8
Managers and Proprietors	8.5	15,951	2,961	18.6
Science/Tech	36.3	74,641	10,468	14.0
Health	17.8	18,124	2,677	14.8
Teaching/Research	-4.7	65,077	10,220	15.7
Business/Public service	36.9	71,212	10,541	14.8
Science Associate	19.7	19,610	2,716	13.9
Health Associate	16.0	66,808	10,101	15.1
Protective Service	-22.3	23,332	3,211	13.8
Culture/Media/Sport	27.5	25,862	4,985	19.3
Bus/Public Serv. Assoc	7.1	66,307	9,936	15.0
Admin & Clerical	4.1	48,259	7,350	15.2
Secretarial & Related	-9.3	106,985	16,590	15.5
Skilled Agricultural Trades	-12.1	3,492	2,457	70.4
Skilled Metal/Elec Trades	0.4	77,111	11,663	15.1
Skilled Construct Trades	3.1	52,144	8,736	16.8
Other Skilled Trades	-8.5	30,807	6,634	21.5
Caring Personal Service	8.3	98,095	15,572	15.9
Leisure/Other Personal Service	11.5	32,084	6,235	19.4
Sales Occupations	3.8	114,781	18,727	16.3
Customer Service Occupations	16.0	18,446	2,593	14.1
Process, Plant & Mach Ops	-22.0	67,308	11,847	17.6
Transport Drivers and Ops	4.0	22,315	3,543	15.9

[48] Net replacement demand represents those employment opportunities that become available due to economic expansion, retirements and labour market churn (i.e.: those vacancies that become available due to individuals leaving them to take up other labour market opportunities, or leave the labour market for reasons other than retirement). The level of demand is discounted by the number of jobs lost due to redundancies or jobs that become vacant being withdrawn by an employer.

Elementary: Trades/Plant/Mach	-0.4	43,395	8,268	19.1
Elementary: Clerical/Service	3.2	120,872	22,985	19.0
Total	6.0	1,466,428	244,297	16.7

Source: Learning Skills Council. Regional Strategic Analysis for Yorkshire and the Humber. December 2008. Data from Regional Econometric Model: Experian BSL: Yorkshire Futures October 2008

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