Learning and Skills in Kent and Medway 2002 Assessment

Learning+Skills Council
Kent and Medway

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LSCRES-0101 Issue 2

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Foreword

Background

The Learning and Skills Council (LSC) is now in its second year of operation. It was established in April 2001 as a national organisation with 47 local arms across England, with the task of:

- raising participation and achievement by young people
- increasing demand for learning by adults, and to equalise opportunities through better access to learning
- engaging employers in improving skills for employability and national competitiveness
- raising the quality of education and training delivery, and
- improving effectiveness and efficiency.

To deliver these tasks it has responsibility for planning and funding of all post-16 education and training other than Higher Education.

Assessing Learning & Skill Needs

As part of our strategic planning, both at national and local level, the Learning and Skills Council carries out an annual assessment of current and future learning and skills needs to inform our strategy and indicate how best these can be met. These assessments provide evidence on the nature and pattern of learning and skills needs and the supply of provision. The assessments take into account:

- the economic and social context
- the skills needs of individuals and employers
- the demand for learning from individuals and employers, and
- the provision of learning to meet these.

In this, our second year of providing the assessments, our partners and stakeholders have helped us to develop and prepare them. *I would like to take this opportunity to thank all those who have commented or taken part in our workshops to help raise the quality of the assessment for Kent and Medway year on year.* We will continue to work to improve the assessments and would encourage all our partners to become involved in this in future years.

I hope you find these learning and skills assessments useful. We look forward to developing our strategy with you based on the information they contain.

Simon Norton
Executive Director

Learning and Skills in Kent and Medway

Learning and Skills in Kent and Medway is one of five reports, which comprise the Learning and Skills in Kent and Medway 2002 Assessment. The series outlines current information on the nature and extent of skills needs and learning provision in Kent and Medway. Four of the reports focus on the local sub-areas within Kent and Medway (Thames Gateway, East Kent Triangle, West Kent and the Channel Corridor). This report provides an introduction to the series, focusing on the social, economic and policy context of the Assessment and providing an overview of the Kent and Medway economy and workforce. It also outlines learning and skills information that is not currently available for individual sub-areas.

This report is structured as follows:

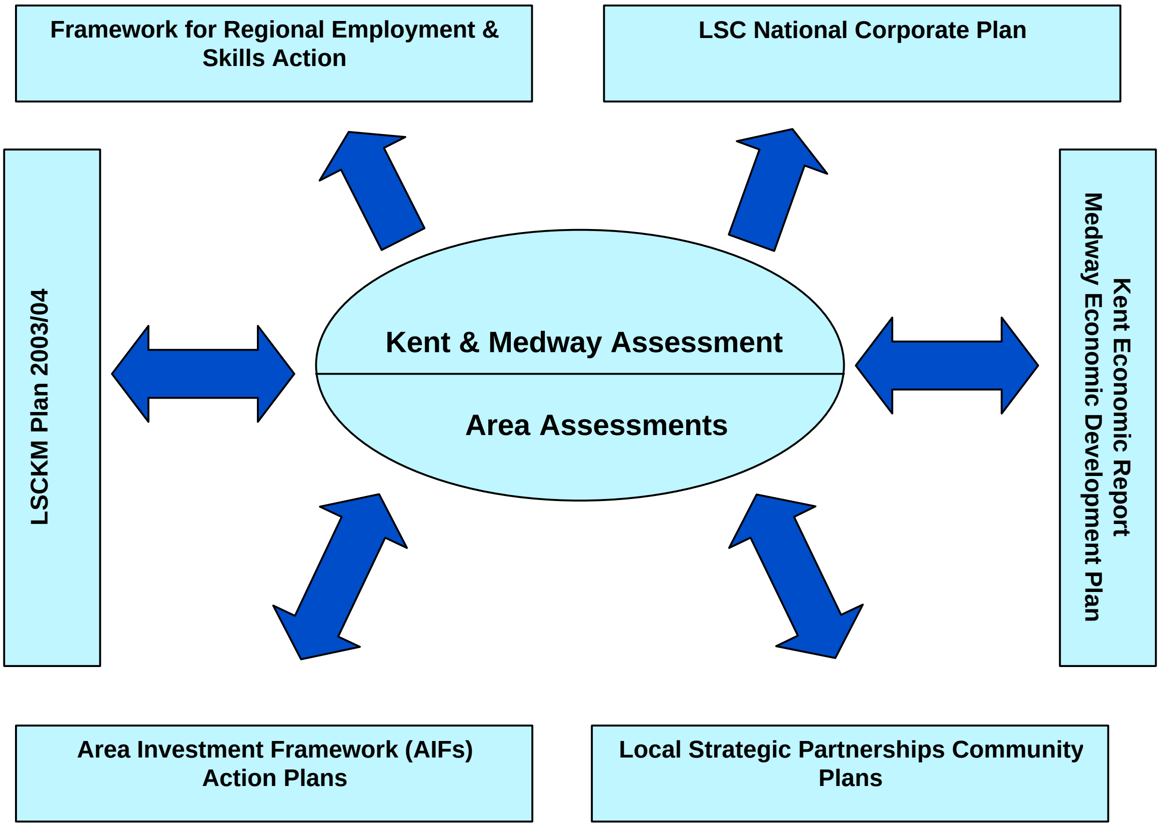
Section 1 introduces the Assessment and explains how it relates to the LSC's programmes of strategy and research work in Kent and Medway.
Section 2 explores the wider policy context to the Assessment and outlines recent developments in the government's learning and skills strategy.
Section 3 outlines the economic context to the Assessment at an international, national and regional level.
Section 4 provides an overview of the Kent and Medway economy and workforce.
Section 5 analyses some of the learning and skills intelligence not available for local areas, introduces the structure for the sub-area reports and highlights some of the key skills issues that cut across local sub-areas.

Section One
Introduction to the 2002 Assessment

The Learning and Skills Council for Kent and Medway is the strategic body for all post-16 education and training provision other than Higher Education. The Learning and Skills Assessment is designed to provide the LSC and other stakeholder organisations with an *objective* analysis of the key learning and skills priorities in each of the four strategic sub-areas of Kent and Medway.

The Assessment plays an important role in the LSC through informing the Annual Business and 3 year Strategic Plans that set out how the LSC will address learning and skills issues in Kent and Medway. The Assessment also draws on and informs a range of other countywide, sub-area and local plans. Figure 1.1 (overleaf) shows that the Assessment will also be used to inform the Framework for Regional Employment and Skills Action (FRESA), SEEDA will publish the final FRESA in October 2002, and the LSC National Corporate Plan.

Figure 1.1 Learning & Skills in Kent & Medway 2002 Assessment – Informing Action



The Assessment is not intended to be an exhaustive source of information for each sub-area, rather an analysis of the most important data sources to identify key messages for strategic planning in the LSC and its partner organisations. As such, the Assessment should be seen as one of a range of information sources for learning and skills in Kent and Medway including[1]:

- The Statistical Digest – a quarterly reference tool for Kent and Medway comprising of a series of data tables covering learning, training, skills, education, employment, unemployment, vacancies, gross domestic product, demographics and local business profiles.
- Area Profiles – A summary of key statistics for each of K&M's four sub-areas.
- Theme Papers – a series of research papers analysing skills and learning needs in the Kent and Medway workforce that were produced by lbl.co.uk as a legacy for the LSC. Themes include basic skills, employability skills, ICT skills and management skills.
- Workforce Dynamics Sector Profiles – A series of research papers currently being produced for the LSC, analysing skills needs and learning provision for 13 key industrial sectors in the Kent and Medway economy.

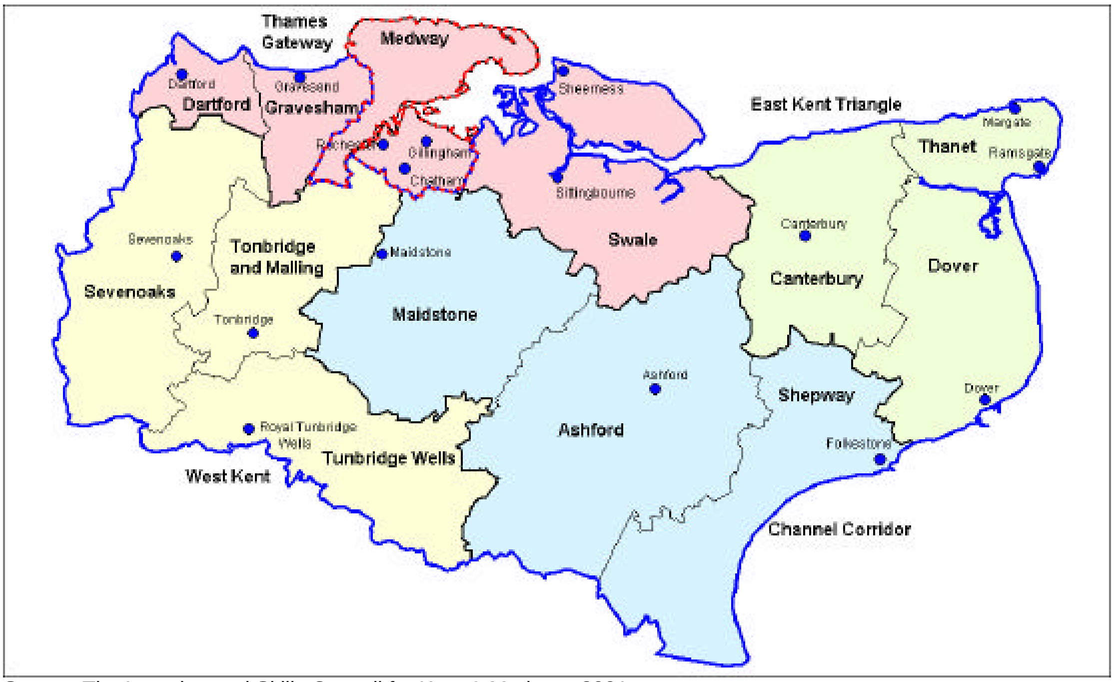
[1] The majority of these information sources will shortly be available on the website of the Kent Research Forum at www.kentresearch.org.uk. In the interim they are available on the temporary website for the LSCKM at www.lbl.co.uk

- The LSC 2001/2002 Household Survey – A survey of 1750 individuals in Kent and Medway investigating engagement in and experiences of learning and learner motivation and intentions.
- The LSC Employer Engagement Survey 2002/2003 – A forthcoming survey of employers engagement in learning and workforce development.
- Learner Marketing Research Project – A report produced for the LSC for Kent and Medway, Kent Learning Partnership and Medway Learning Partnership to understand young people and adults' attitudes to learning.

Whilst the Learning and Skills Assessment includes some contextual economic analysis, readers should refer to the Kent Economic Report[2] and Kent Prospects Review[3] for more in-depth analysis of the Kent and Medway economy. The work presented here is intended to compliment the economic analysis in those reports.

The four sub-areas featured in the Assessment (see Figure 1.2) are the strategic planning areas used by the LSC and the Kent Strategic Partnership. The Kent Strategic Partnership includes both the county and district councils as well as a number of other economic and strategic organisations.

Figure 1.2 Kent and Medway Economic and Learning Partnership Areas



Source: The Learning and Skills Council for Kent & Medway, 2001

The current Assessment is intended to update and improve on that provided in 2001 and includes a number of new areas of analysis including local sector skills needs, New Deal provision data and improved information on FE and Adult Education provision.

However, great care should be taken in drawing comparisons between the data presented in this Assessment and that presented last year. It is the nature of many

[2] KCC 2002a Kent Economic Report 2002. Kent County Council. (www.kentprospects.org.uk)
[3] KCC 2002b Kent Prospects, a Mosaic Economy. Economic Development and Regeneration Framework to 2006. Kent County Council. (www.kentprospects.org.uk)

local data sources that year on year changes in the data are more often a product of sample error and/or slight changes in survey methodology than changes in the 'real world'. Where changes in the data since the 2001 Assessment are thought to be significant, we have drawn attention to them.

In general, the analysis of trends in sample based data is more robust if conducted over longer time periods (such as 3, 5 or 10 years) and this may be a more legitimate exercise for future Learning and Skills Assessments.

Improving the Learning and Skills Assessment should be seen as a continuous process. The LSC intends to carry out an annual review of each assessment by encouraging all those involved in learning, training, skills and economic development in Kent and Medway to participate in revising and reviewing the data and analysis. It is only through partnerships that it will be possible to develop a comprehensive needs assessment for the county and address the areas where available intelligence is not sufficient. The Kent Research Forum, which was formed to help improve skills and economic intelligence across the county, will have a key role to play in ensuring continuous improvement in Learning and Skills Assessments.

Section Two
Policy Context

Skills and Productivity
There is now a growing body of evidence that suggests productivity increases are vital to achieving long-term growth in advanced economies and that workforce skill levels are key determinants of productivity.

However, the UK's productivity lags significantly behind that of its major competitors. A recent HM Treasury report[4] argues that it is no coincidence that the UK has many fewer workers with intermediate level skills than the United States, Germany or France.

In particular, the Treasury report presents research evidence suggesting:

- Workers holding level 3 qualifications are between 8% and 50% more productive than unqualified individuals, and;
- At least half of the productivity gap between the UK and Germany can be accounted for by differences in workforce skill levels.

Recent improvements in learning participation and achievement for 16-19 year olds will, over time, improve the qualification profile of the UK workforce. However, this is unlikely to produce the step change in workforce skill levels required for the UK to close the productivity gap with its competitors.

Around 80% of today's workforce will still be employed in 2010. The HM Treasury report suggests that, if current trends continue, the proportion of the UK workforce with level 2 qualifications in 2010 will still be significantly lower than *current* levels in France and Germany (70% in the UK by 2010 compared with 73% currently in France and 83% in Germany).

Raising intermediate level skills through a dramatic increase in adult learning, particularly amongst the low skilled, is therefore a key priority for workforce development in the UK. However, this is not to suggest that there is not significant room for improvement in the achievement of young people. Around a quarter of the UK's current 19 year olds have not achieved level 2 qualifications.[5]

Achieving a substantial increase in level 2 qualifications for both adults and young people will also require an increased focus on reducing basic skills problems, which affect one in four people, significantly restrict the supply of people into intermediate level training and education and ultimately cost the UK an estimated £10 billion p.a.[6]

Demand for learning amongst the low skilled and their employers
Paradoxically, the HM Treasury report suggests that a significant barrier to increasing the supply of intermediate level skills in the current adult workforce is an apparent lack of demand for learning amongst the low skilled and their employers.

The Treasury report highlights a number of possible reasons for low levels of demand for learning from individuals and employers (Figure 2.1).

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[4] HM Treasury 2002. Developing Workforce Skills: Piloting a new approach
[5] LSC 2001. Corporate Plan. Strategic Frameworks to 2004.
[6] DfES 2001. Skills for Life: The national strategy for improving adult literacy and numeracy skills.

Figure 2.1 Possible reasons for a lack of demand for learning

Individuals	Employers
• Those with low level skills are less likely to have experience of the benefits of learning and more likely to have poor experiences of formal education. • Those with low skills are prevented from engaging in learning independently due to cost constraints. • Poor basic skills can be a significant barrier for individuals wishing to participate in learning.	• They fear employees will leave once more highly skilled, allowing competitors to reap the benefits of this investment. • They believe that those who already hold level 2 qualifications are more likely to be responsive to learning. • Many low skilled workers (54% nationally) are employed in small firms who find it difficult to provide cover for staff on training.

Source: Adapted from HM Treasury report 2002.

This is not an exhaustive list. The reasons for the current lack of demand for learning amongst the low skilled workforce and their employers need to be explored further. However, it is certainly true to say that the low skilled are much less likely to engage in learning. This is not just a graduate phenomenon; the Labour Force Survey suggests that even those with level 2 qualifications are three times more likely to undertake work related learning than those with no qualifications.

The Treasury report argues that in some areas a *'low skill equilibrium'* may be developing, where employers faced with skill shortages are turning to low-skill production techniques. As a result, the lack of development opportunities for workers can discourage them from improving their skills and this in turn reinforces the employers' original decision to use low skill production techniques.

Skills in England 2001[7], a recent national review of skills needs intelligence from DfES, also raises the possibility that there are *'latent skills gaps'* in many businesses. Latent skills gaps occur where employers do not realise what skills are required to perform in line with the best in the sector and/or to move into higher value added products and services.

Stimulating the demand for learning

Programmes and initiatives that aim to expand the supply of intermediate level skills therefore need to concentrate on stimulating the demand for learning amongst the low skilled and their employers.

The government has set some stretching targets for improving the skills and qualification profile of the low skilled. The national Basic Skills Strategy, for example, sets targets of helping 750,000 adults improve their literacy and numeracy skills by 2004 and reducing basic skills problems from a fifth to a tenth of the population in the medium to long term[8].

In November 2001, the government also signalled its intention to dramatically expand the Modern Apprenticeship scheme so that by 2004 more than a quarter of young people will have undertaken apprenticeships by the time they are 22 years of age[9].

In order to meet learning and participation targets for the low and intermediate skilled, workforce agencies on the ground will have to significantly improve their

[7] DfES 2002. Skills in England 2001. Campbell M. et al.
[8] DfES 2001. 'Skills for Life. The national strategy for improving adult literacy and numeracy skills'.
[9] Government Press Release 29 November 2001. 'New Generation of Modern Apprenticeships'. www.number-10.gov.uk.

attempts to remove barriers and stimulate the demand for learning. This will require the development of innovative new approaches to engaging the low skilled in learning as well as the refinement of existing schemes.

The LSC is already exploring a number of initiatives to stimulate the demand for learning through pilot projects at a local and national level. These initiatives range from those that aim to reduce the bureaucracy of existing schemes such as the Investors in People 'Laurel on-line' project in Kent and the 'Paperless NVQs' pilot in Sussex, to those that aim to focus financial support for learning where it is most needed such as the national 'Employer Training Pilots'.

The Employer Training Pilots, for example, will be undertaken in six local LSC areas[10] and offer free training for all employees qualified to less than level 2, financial support for the employers of participants, and advice and guidance to employers and employees. The pilots will be independently evaluated by the Institutes for Fiscal and Employment Studies.[11]

The role of the Learning and Skills Council

As the body responsible for funding the majority of government sponsored post-16 education and training, with an annual budget of nearly £7 billion, the LSC clearly has a key role in stimulating the demand for learning amongst the low skilled and their employers.

The LSC, through its national office and 47 local branches, has a remit that ranges from the Investors in People and Work Based Learning (e.g. Modern Apprenticeship) programmes to learning provision in Further Education Colleges and Adult and Community Learning Centres. The FE sector alone provides the majority of the UK's vocational qualifications and a significant proportion of its basic skills training.

Nevertheless, understanding the complexity of skills needs for different sectors, occupations, skill areas and localities and identifying appropriate responses is an enormous task that can only be attempted through developing strong local, regional and national partnerships.

Ultimately the Learning and Skills Council will be supported in its work to stimulate the demand for learning amongst employers by a new network of Sector Skills Councils (SSCs). These SSCs are replacing the network of National Training Organisations (NTOs). To date, 5 trailblazer Councils have been set-up and a further four recommended for consideration by the Sector Skills Development Agency.[12]

Priorities for the LSC

In its national corporate plan the Learning and Skills Council outlines five key objectives:[13]

1. Extend participation in education, learning and training
2. Increase engagement of employers in workforce development
3. Raise levels of achievement of young people
4. Raise levels of achievement of adults
5. Raise quality of education, training and user satisfaction

[10] The six pilot areas are Birmingham and Solihull, Derbyshire, Essex, Greater Manchester, Tyne and Wear and Wiltshire and Swindon.
[11] HM Treasury 2002 op. cit.
[12] www.ssda.gov.uk
[13] LSC 2001: Corporate Plan. Strategic Framework to 2004

The LSC for Kent and Medway is fully committed to delivering its contribution to meet these objectives. Through its local strategic plan the LSC has identified six priorities and a number of targets that will both address local needs and contribute to national objectives (see Figure 1.2).[14] The LSC for Kent and Medway has stated that its overarching aim is to *work with partners to ensure that by 2010 young people and adults in Kent and Medway will have knowledge and productive skills matching the best in England.* In many cases, the targets set in Kent and Medway are more demanding than their national equivalents.

Figure 2.2 LSC Local Priorities for Kent and Medway

Local Priority	**Kent and Medway Target for 2004**	**Equivalent National Objective[15]**
1. Widening post 16 participation	85% of 16 year olds in structured learning	1.
2. Raising achievement of young people (particularly level 3 achievement in Thames Gateway and East Kent Triangle)	88% at level 2 by age 19 58% at level 3 by age 19	3.
3. Raising level 3 achievement of adults, particularly in Thames Gateway and Channel Corridor	44% of adults at level 3	4.
4. Raising the basic literacy and numeracy skills of people aged over 16 (particularly in Thames Gateway and East Kent Triangle)	Raise literacy and numeracy standards of over 25,000 adults	4.
5. Raising basic ICT skills of the workforce	75% of workforce with raised basic ICT skills	-
6. Increasing the involvement of employers, unions and others in developing the skills required by the future workforce.	*Develop measure of employer engagement in next plan* Increase IIP recognitions 10-49 employees: 475 50+ employees: 470	2.

The local strategic plan identifies a number of proposals for action to help the county meet the targets set. These proposals are in three areas: understanding the demand for learning, stimulating the demand for learning and responding to that demand. The Learning and Skills Assessment will be an important aid to understanding the demand for learning and responsiveness of the learning supply system in Kent and Medway.

The LSC recognises that widening participation in learning and raising the achievement of young people and adults (particularly those with low or no qualifications) will require special consideration of the socially excluded and/or those with basic skills needs. The LSC for Kent and Medway has therefore published a draft equal opportunities strategy and a basic skills strategy for the county.

[14] LSCKM 2001: Strategic Plan and Local Priorities 2002-2005
[15] The fifth national objective (raising the quality of education and training user satisfaction) will be covered by targets set in next year's plan although it is covered by a number of proposed actions in the current plan.

The draft equal opportunities strategy identifies the following objectives[16]:

1. To develop LSCKM as an equal opportunities organisation
2. To mainstream equal opportunities through all policies, programmes and actions
3. To develop LSCKM as an equality champion
4. To monitor and report progress towards equality
5. To increase the access, participation, retention and success rates of ethnic minority, disabled and other disadvantaged learners on LSCKM funded programmes.

The LSC's Kent and Medway adult literacy and numeracy delivery plan outlines the following three objectives for 2001-2004[17]:

1. To increase basic skills access and attract more people to learning, especially those in disadvantaged and/or remote areas of the county
2. To promote and communicate basic skills learning opportunities to all learners in Kent and Medway
3. To build on training and education quality and networks by the development of a partnership consortium for basic skills providers, deliverers and other interested parties.

[16] LSCKM 2002 Equal Opportunities Strategy for 2002-2005. A draft for consultation
[17] LSCKM 2001 The Adult Literacy and Numeracy Delivery Plan 2001-2004 Part 1.

Section Three
International and National Economic Context

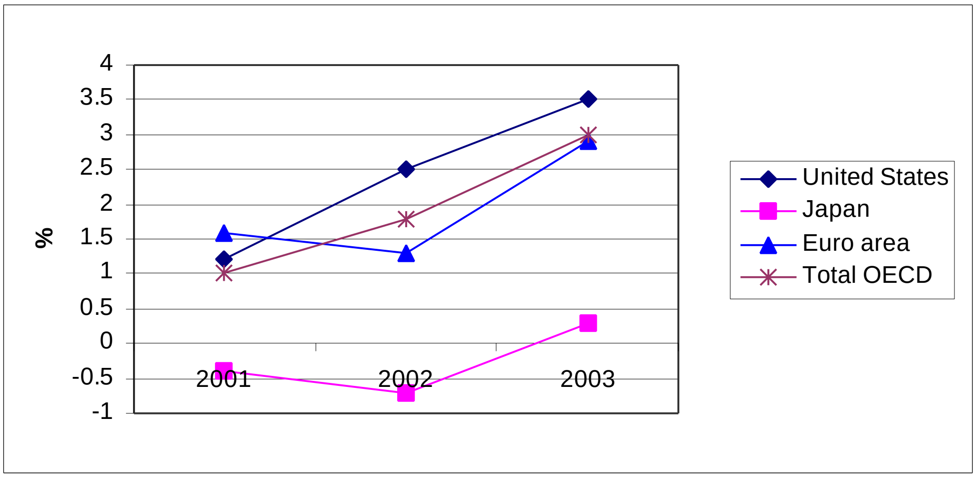
In order to improve our understanding the Kent and Medway economy and current and future demand for skills and learning in the area, it is important to examine global economic trends and key drivers of economic change. The 2001 Learning and Skills Assessment reported that the global economy was in a period of economic uncertainty with significant threats of recession.

The terrorist attacks of September 11 2001 and the series of corporate financial scandals over the last year have brought further uncertainty to the global economy that make it difficult to be confident about the economic outlook and employment forecasts for Kent and Medway in the short to medium term.

The Global Economy
Current economic forecasts for the global economy in 2002 are significantly below those cited in last year's Learning and Skills Assessment. However, the recession in the US economy was much shorter and shallower than some forecasters predicted following September 11. Both the OECD (Organisation for Economic Cooperation and Development) and IMF (International Monetary Fund) forecast stronger growth for the global economy in 2003.

The OECD in particular forecasts growth rates for member countries rising to 3.0% in 2003 from a low of 1.0% in 2001.

Figure 3.1 Forecast GDP Growth in Key OECD Countries, to 2003



Source: OECD Forecasts, 2nd quarter 2002

Of the major OECD economies only Japan, which is continuing to undergo significant structural economic restructuring, is expected to experience recessionary conditions in 2002. Japan is forecast to return to positive economic growth in 2003.

However, recent events have again cast doubt on the future of the recovery in the United States. During the spring and summer of 2002, several high profile US companies, including Enron and Worldcom, have had to file for bankruptcy in the light of emerging tales of financial fraud and mismanagement. This has prompted some to argue that there are more fundamental structural difficulties in the US economy that will undermine its recovery.[18] If evidence were to be uncovered of more widespread or systematic fraud in the US and/or Europe and other advanced economies then this could deliver a shattering blow to global economic confidence.

There are currently concerns in some quarters that the recovery in the United States is faltering and that there may be a ‘double dip’ recession. Certainly, growth in the US appears to have slowed. However Sir Edward George, Chairman of the Group of 10 Central Bankers argued that the picture in both the US and the global economy is one of slower recovery than expected, not a return to recession. [19]

Recently there have also been some doubts expressed about growth forecasts in the Eurozone. In September, Pedro Solbes, the EU Monetary Affairs Minister, warned ministers that GDP growth in the Eurozone was more likely to be 0.9% in 2002 than the 1.4% originally predicted.[20] Slower than predicted growth will threaten the EU’s stability pact, with government borrowing likely to exceed the 3% set in the pact in France, Germany, Italy and Portugal. The FT also reported on August 29 that business confidence had fallen in Germany, the Eurozone’s largest economy, for the third successive month.[21]

The UK Economy
The UK has continued to withstand some of the pressure from the global economy. Unlike the US, the UK has avoided economic recession over the last 12 months. Unemployment rates have remained at their lowest for 20 years and continued low inflation has kept the Bank of England’s base rate at 4%.

Even in the manufacturing sector, which was in recession at the time of the 2001 Learning and Skills Assessment, there have been some signs of recovery. The latest British Chambers of Commerce business survey[22] suggests that after a long period of stagnation the UK manufacturing sector is showing promising signs of output and export growth although continuing to shed some employment.

Overall, however, unemployment has fallen slightly since 2001. Data for July (ONS 2002) shows the total of those out of work and claiming benefits in the UK to be 917,774 or 3.1%, down from 3.2% in July 2001. In addition, the Chancellor’s July 2002 spending review signalled one of the most substantial increases in public spending for many years that is expected to result in a significant rise in employment in the education and health sectors.[23]

However, there is evidence that global economic uncertainty is affecting business confidence in the UK economy. Whilst the OECD forecasts growth in the UK of 1.9% in 2002, just below the Chancellor’s forecast of between 2% and 2.5%, the CBI has revised its forecasts down to 1.5%.[24]

Drivers of economic change
The 2001 Learning and Skills Assessment outlined a number of key drivers of medium and long-term economic change. As we might expect, with the possible

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[18] The Observer 30/6/02. ‘Bye bye American Pie’. Will Hutton
[19] FT 9/9/02 ‘Bank chiefs see delay in worldwide recovery’. Scheherazade Daneshku
[20] FT 9/9/02 ‘Ministers see tough few months ahead for eurozone’. George Parker
[21] FT 29/08/02 ‘Germany records fall in Business Confidence’. P5. Tony Major and Bettina Wassener.
[22] BCCI 2002. Quarterly Economic Survey, 2nd quarter.
[23] HM Treasury July 2002 ‘2002 Spending Review. Opportunity and security for all: investing in an enterprising, fairer Britain’.
[24] The Guardian 23/08/02 ‘Case is growing for a rate cut, says CBI’. Elliott

exception of responses to the threat of global terrorism, these have not changed significantly.

- **Globalisation** – continued growth in international trade and financial transactions is likely in the medium term, despite the short-term effects of September 11. It is possible that trade disputes between the EU and US will threaten international trade. The World Trade Organisation recently gave the EU the right to impose trade sanctions of up to $4bn in response to a dispute over US corporate tax laws.[25] As Europe and the United States are the UK's major trading partners, UK trade could be disproportionately affected if trade disputes between the two areas escalated.

- **The Euro** – was launched across 12 member states in January 2002. It is still too early to effectively measure the economic effects of the Euro, although early indications are that trade has increased by 12-19% between Eurozone countries.[26] It is possible that increased trade between companies within the Euro area could be to the detriment of UK companies.

- **ICT** – particularly the introduction of third generation mobile phones and the mobile Internet. These technologies have received some setbacks in 2002 including the low take up of digital television, the collapse of ITV Digital and growing evidence that several companies over-stretched themselves in bidding for the rights to UK digital airspace. Nevertheless, it is likely that these technologies will ultimately bring about significant economic and social changes. Individuals will increasingly be able to access products, services and information on-line at a time and place that suits them.

- **Technological change** – continued technological development, highlighted by nano-technology[27], the genome project[28] and new sciences such as proteomics[29], will bring about changes in the production process and the development of new markets and products.

- **Ageing population** – not only do advanced western economies face an accelerating shortfall in people of working age, new products and services will be required to meet the needs of this older population.

To these five drivers of economic change we might add the need to develop more environmentally sustainable patterns of production and consumption, which could become a key political and social driving force behind economic change. A more detailed list of economic drivers at different geographical levels is available in the Kent Prospects Review 2002.[30]

[25] FT 11/9/02 'EU draws up target list of US exports for $4bn sanctions' Michael Mann
[26] FT 9/9/02 'Single currency boost eurozone trade' Ed Crooks and Scheherazade Daneshku
[27] Nanotechnology is molecular manufacturing, i.e. building things one molecule at a time
[28] The genome project obtained a complete set of biochemical instructions for human life
[29] The goal of proteomics is to determine the function of the proteins encoded by an organism's genome.
[30] KCC 2002. Kent Prospects op cit.

Section Four
Overview of the Kent and Medway Economy

The Kent and Medway economy has continued to weather the effects of global economic uncertainty. The manufacturing recession of 2001 has not been translated into a rise in overall unemployment in the county.

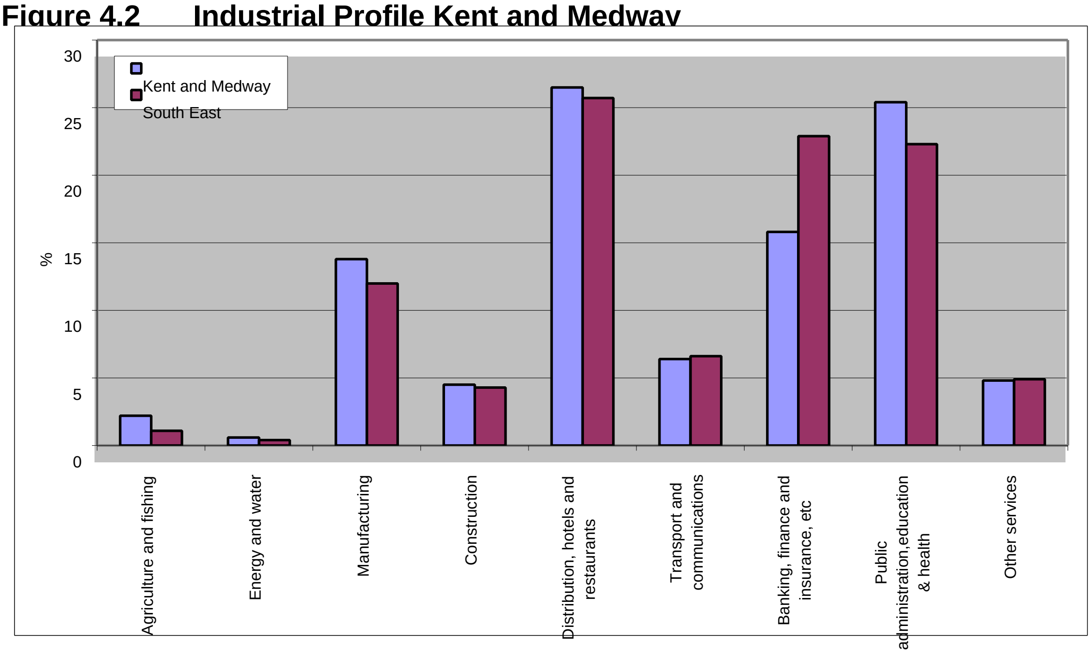
In order to reduce the productivity gap shown in 1999 (Figure 4.1) between Kent and Medway and the South East as a whole, the county needs to grow at a faster rate than the rest of the region. Gross Domestic Product (GDP) figures for 2000 are not yet available but the scale of the challenge is unlikely to have changed significantly.

Figure 4.1 Headline Statistics

	Kent & Medway	South East
GDP per head (DTI, 1999)	£9,837	£11,455
Total Population (ONS 2000)	1,598,032	8,114,848
Total Employment (ABI 2000)	572,817	3,645,069
Unemployment Rate (ONS May 2002)	2.4	1.7
Unemployment (ONS May 2002)	17,886	63,789
Total Businesses (ABI 2000)	57,920	346,786

Unemployment levels of 2.4% and 1.7% for Kent and Medway and the region as a whole, respectively, are below the natural rate of unemployment or what is commonly called the ‘full employment’ level. The consequences of an over-heating labour market add to business operating costs and thus, threaten company profitability and regional competitiveness. Current uncertainties about the short term economic outlook should not detract from the need to increase economic activity rates for all sections of the community and to introduce greater flexibility in the labour market, particularly in West Kent.

Figure 4.2 Industrial Profile Kent and Medway



Source: Annual Business Inquiry, 2000

Reflecting the traditional nature of the local economy, the public, distribution, hotels and restaurants sectors are the largest employers in the county (see Figures 4.2 and 4.3). Figure 4.3 shows that while Kent and Medway has a greater concentration of employment in the construction and manufacturing sectors than the South East, it is under-represented in banking, finance and insurance. This is in spite of the general success of the Thames Gateway sub-area, and Medway in particular, in attracting businesses in this sector to the county.

Figure 4.3 Location Quotients[31] - Kent (vs. South East)

Industry	Quotient
Agriculture & fishing	2.0
Energy & water	1.5
Manufacturing	1.2
Construction	1.0
Distribution, hotels & restaurants	1.0
Transport & communications	1.0
Banking, finance & insurance	0.7
Public, administration, education & health	1.1
Other services	1.0

Source: Annual Business Inquiry, 2000

Kent and Medway also has a large agricultural sector, employing proportionately twice as many people than the region as a whole. Given the weakened state of the rural economy (Countryside Agency 2001) and the economic cost of the Foot and Mouth Disease outbreak, the county faces an acute challenge to revitalise its rural business and economic base.

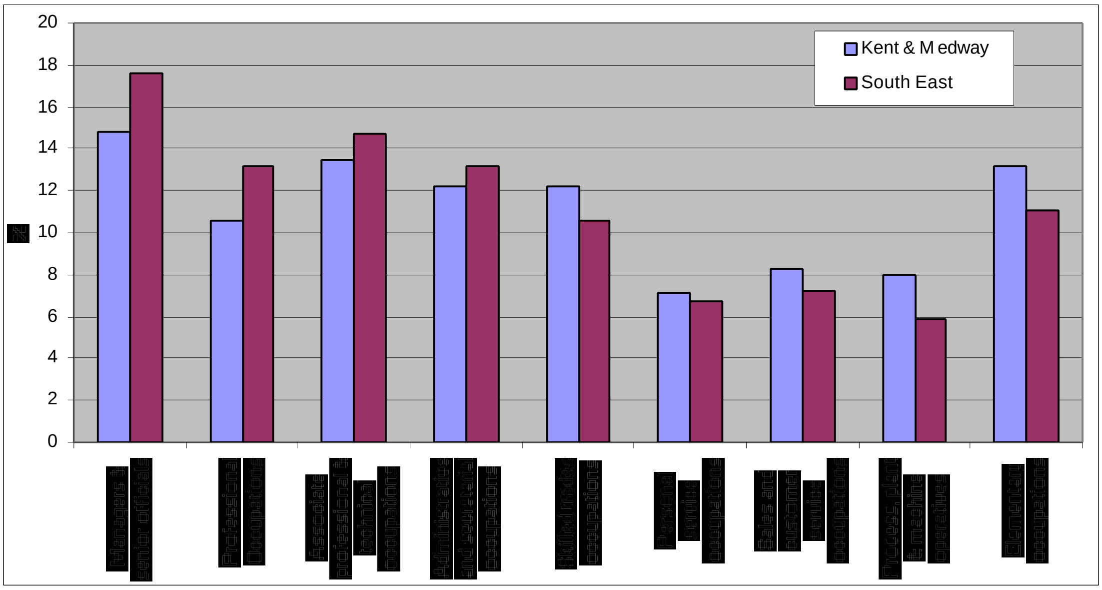
Overall, Kent and Medway accounts for one sixth (17%) of South East businesses, 97% of which employ fewer than 50 people. Only 161 or 0.3% of the 57,920 business establishments in Kent and Medway employ more than 300 people, although these large business establishments account for 17% of employment in the county. Clearly, the Kent and Medway economy, like the South East as a whole, is heavily dependent on small and medium sized enterprises (SMEs) and business start-ups.

Whereas the stock of local businesses increased by 6.4% between 1998 and 2000, the corresponding figure for the region as a whole was 7.1%. However, some areas within the county have been more successful. The rate of increase in business stock in Dartford between 1998 and 2000 once again was the highest in the county and at 12.6% was almost double that of the South East as a whole. It is unclear why Dartford should be consistently outperforming the region in this respect.

As shown in Figure 4.4, the Kent and Medway workforce is more orientated towards the low and intermediate skilled employment than the South East as a whole. The county also has fewer people employed in managerial and professional occupations, 15% and 11%, respectively, as compared with 17% and 13% for the South East as a whole.

[31] Figures above 1 indicate a greater concentration of an industrial activity as compared with the region as a whole, and vice versa for figures below 1.

Figure 4.4 Occupational Profile

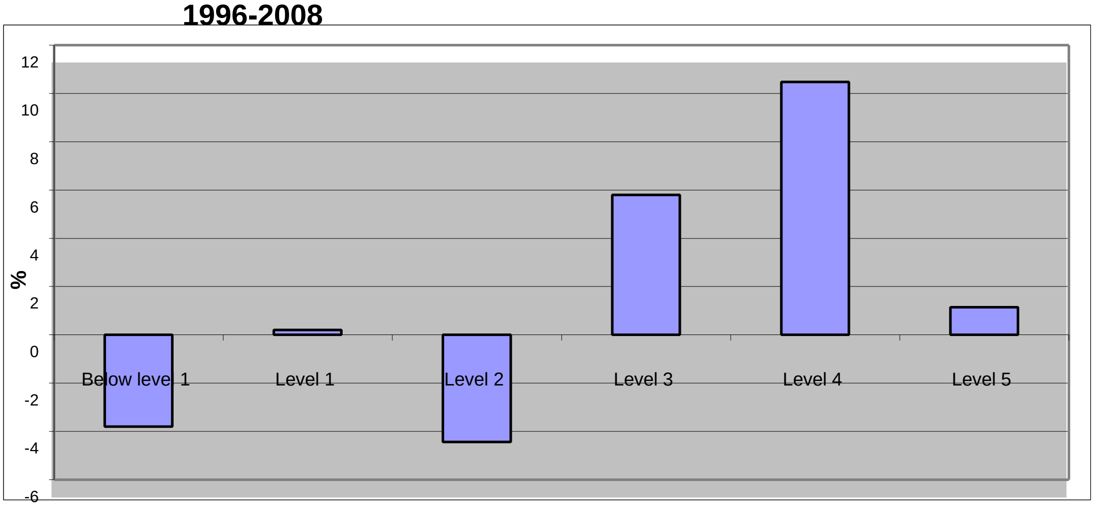


Source: Labour Force Survey, May 2002

The Skills Insight Forecasting Model 2002 offers county level employment forecasts, developed after the events of September 11 and the effects of the Foot and Mouth outbreak. Whilst the employment growth forecast is significantly below that reported in the previous model, the pattern of future growth demand remains biased towards:

- Managerial and professional occupations
- Associate professional and technical occupations
- Intermediate and high skilled qualifications (particularly levels 3 and 4)

Figure 4.5 Forecast Employment Change by Skill Level in Kent and Medway, 1996-2008



Source: Skills Insight Forecasting Model 2002

An increasing number of new jobs will be found in so-called ‘knowledge economy’ industries, including consumer services. Employment in high technology manufacturing in the county is predicted to remain static, if not fall slightly.
As is evident, future employability will be dependent on skill level. Those individuals with high level skills and/or those with professional or technical skills will increasingly be in demand, while those individuals with low or no skills will find it harder to

maintain employment. Targeting working age individuals with low skills is a clear priority for the local LSC, alongside the development of generic skills among the intermediate skilled workforce.

Detailed analysis of learning and skills within the workforce is undertaken in the four sub-area reports. The analysis attempts to use classifications and terminology that is designed to help focus policy interventions and is divided into three broad categories:

1. Those in work
2. Those seeking work
3. Those about to enter the labour market for the first time

An outline of the Kent and Medway workforce as a whole using this structure is shown in Figure 4.6.

Figure 4.6 Summary of the Kent and Medway Workforce

Those in work	**762,000**
Employed or self-employed who live and work in the area[32]	457,200
Workers in the area (including non-residents)[33]	572,817
Commuters to areas outside Kent and Medway	152,400
Commuters into Kent and Medway from elsewhere	53,340
Net out commuting	99,060
Unemployed and seeking work	**32,000**
Claimant unemployed	17,779
Entering the labour market for the first time[34]	20,000
Year 11 school leavers entering employment or youth training	2,520
Year 13 students entering employment	1,170
Year 13 students entering Higher Education	4,768

Sources: Labour Force Survey, May 2002; Annual Business Inquiry, 2000; Claimant Count Unemployment, July 2002; Kent Careers Service, 2001; Kent and Medway Household Survey, 2002

The sub-area reports also use a simplified classification of skill and qualification level:

The skills levels used are the same as those outlined in the Annual Skills Review 2001 (Skills Insight, 2001):

Low (NVQ 1 or less, including those with no qualifications)

Intermediate (NVQ 2 or 3, equivalent to 2 A level passes)

High (NVQ 4 or 5, equivalent to degree level)

[32] 1991 Census of Population data has been used to estimate the number of people living and working in the area or commuting to other areas to work
[33] This figure comes from the ABI 2000
[34] Year 11 cohort in the Kent Careers Service Destinations Survey 2001. Destinations are examples only. Comprehensive tracking of all labour market entrants is not possible from current data.

Section Five
Skills Issues in Kent and Medway

This section seeks to highlight some key skill issues for Kent and Medway that are common to all the four sub-areas and/or where local information is not available. The section focuses on three areas:

1. Learning in the Higher Education (HE) sector
2. Analysis of the demand for learning from the LSC 2001 Household Survey
3. Common issues arising from the sub-area reports

1. Learning in the HE sector

Graduate recruitment takes place in a national if not international labour market. Whilst individual HE institutions may have close links with their local areas, through technology transfer projects and graduate teaching schemes for example, there is no direct relationship between local demand for high level skills and the supply of graduates from local institutions. Analysis of the Higher Education sector is therefore not covered within the sub-area reports.

Participation in Higher Education
Over the last 10-15 years there has been a sustained drive to extend participation in Higher Education. Data from the Higher Education Statistics Agency (HESA) suggests that there are around 41,924 Kent and Medway residents currently studying in HE institutions anywhere in the UK. However there are just 30,184 HE students studying at Kent and Medway institutions. This highlights that around 12,000 more people leave Kent and Medway to study in HE than come into the county.

The age profile of Kent and Medway residents studying in HE anywhere in the UK suggests that the sector is a significant supplier of adult learning as well as new entrants to the labour market. Nearly half (46%) of those studying in HE are over the age of 25.

Figure 5.1 Age Profile of Kent and Medway HE students studying anywhere in the UK.

	Number	Proportion %
Under 18	64	0.2
18-20	14,899	35.5
21-24	7,453	17.8
25-59	18,193	43.4
60+	1,193	2.8
Unknown	122	0.3
Total	**41,924**	100.0

Source: HESA 2002

HE students from Kent and Medway are more likely to be female (58%) than in the working age population as a whole.

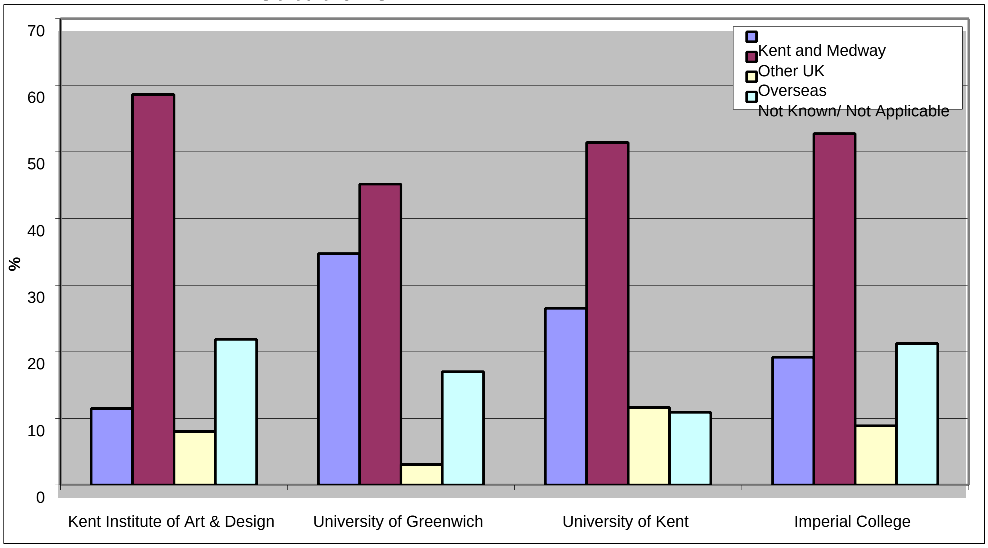
Around 6% of HE students from Kent and Medway are from ethnic minority backgrounds compared with 2.3% of the Kent and Medway population recorded in the 1991 Census. However, the ethnic minority population in Kent and Medway is likely to have risen in line with national trends, although data from the 2001 Census is not yet available. There may be equal opportunities issues around access to HE learning for specific ethnic groups that are masked by these overall figures.

The HESA data suggests that around one in twenty (5%) of HE students from Kent and Medway has a disability. This is significantly below the 10% level in the working age population estimated in the LSC's 2001 Household Survey, although this definition includes long term illness.

Learning in Kent and Medway HE Institutions[35]
Occupations requiring high level skills are commonly highlighted by Kent and Medway employers as areas of recruitment difficulties and skills shortages (see sub-area reports). Whilst there is no direct link between the local demand for and local supply of graduates to the economy, Kent and Medway HE institutions do make a contribution to the supply of graduates within the county. Destinations data suggests that in 2001, 23% of graduates from local institutions remain within Kent and Medway.[36] However, this figure includes graduates engaged in further study as well as those entering the labour market.

Figure 5.2 suggests that the proportion of students remaining in the county is higher at the University of Greenwich (34%) and the University of Kent at Canterbury (26%).

Figure 5.2 Geographical destinations of students leaving Kent and Medway HE institutions

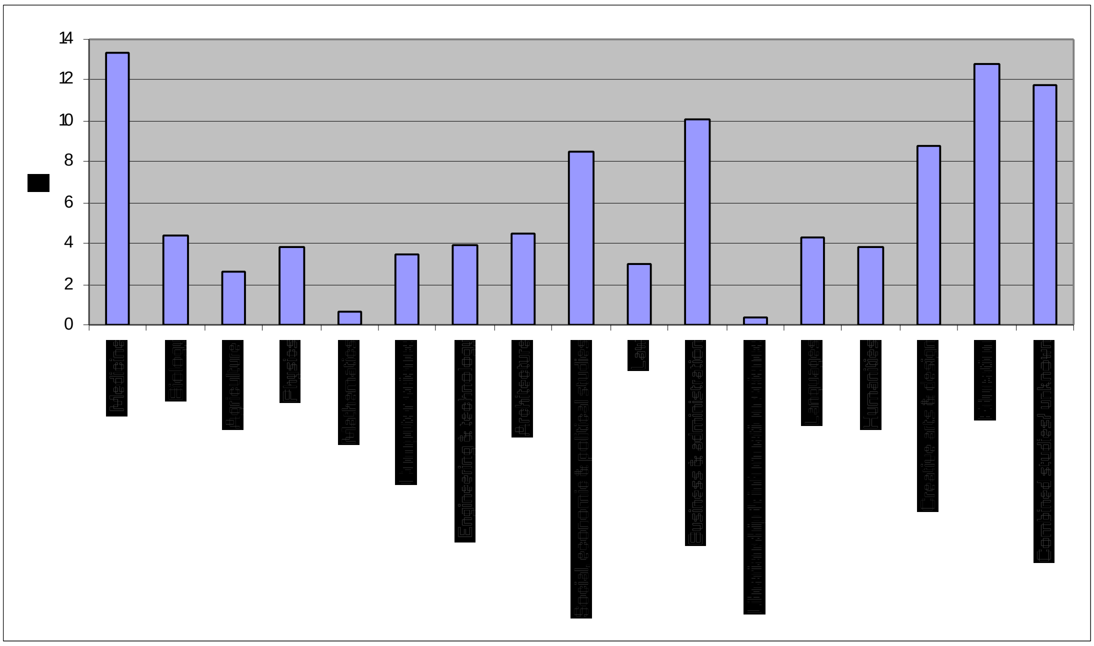


Source: HESA 2002 Destinations data 2000/2001.

Figure 5.3 shows that the most popular courses in Kent and Medway HE institutions are in medicine, education and business and administration. These are subject areas that are in high demand from local employers particularly in the public sector (see sub-area reports).

[35] Some learning in HE institutions is classified as Further Education and will be included in the relevant sections of the sub-area reports.
[36] Figures for Canterbury Christchurch College are not included due to the high proportion of students from this institution whose destinations were unknown.

Figure 5.3 Subject studied by those in Kent and Medway HE Institutions

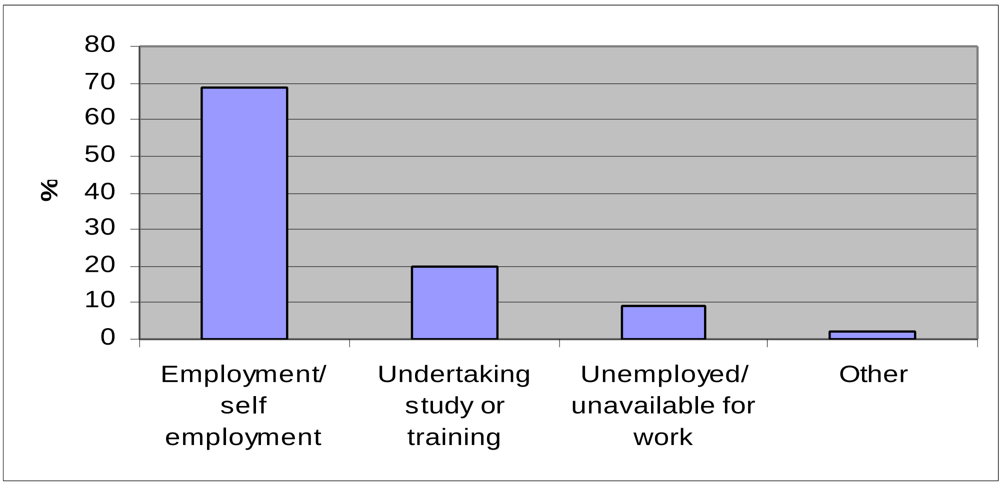


Source: HESA 2002. Academic year 2000/2001

Given the relatively small sample of students remaining in Kent and Medway in the HESA Destinations Survey, the following analysis is focused on those leaving Kent and Medway Institutions to work or study anywhere in the UK.

The majority of students (69%) enter into employment or self employment on leaving Higher Education (see Figure 5.4) although a significant minority (20%) continue in learning. The proportion of graduates who are unemployed or unavailable for work (9%) seems high, although it should be noted that this includes those taking career breaks (e.g. to travel). The destinations survey is carried out just 3-6 months after graduation. It is likely that the proportion of students who become long term unemployed is much lower.

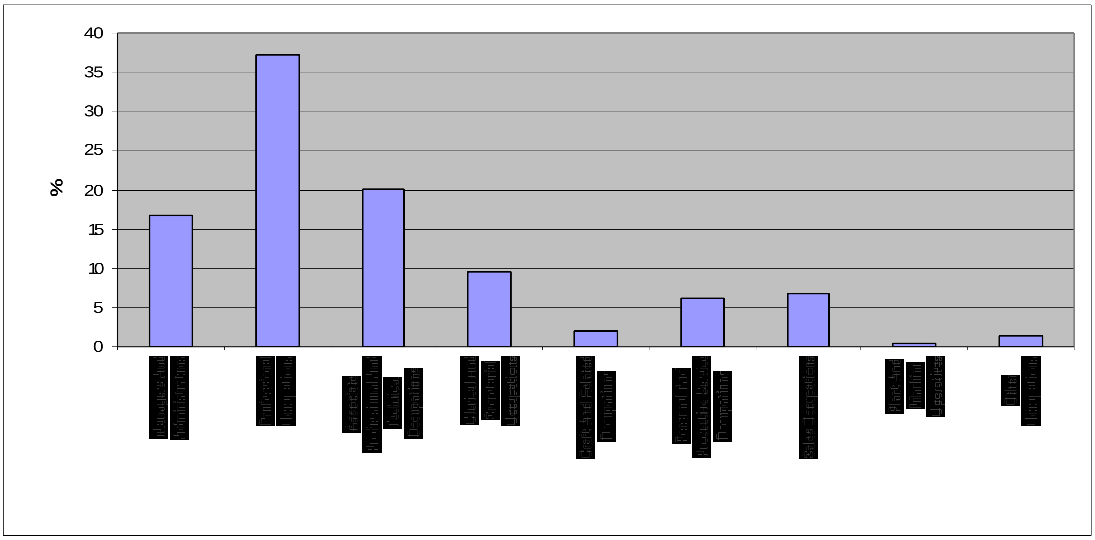
Figure 5.4 Students in Kent and Medway HE Institutions – Activity on leaving



Source: HESA 2002 Destinations data 2000/2001.

As might be expected, the majority (74%) of HE students entering employment from Kent and Medway institutions are employed in high skill occupational areas, such as managers and administrators, professionals and associate professionals (see Figure 5.5).

Figure 5.5 Occupations of those leaving Kent and Medway HE Institutions

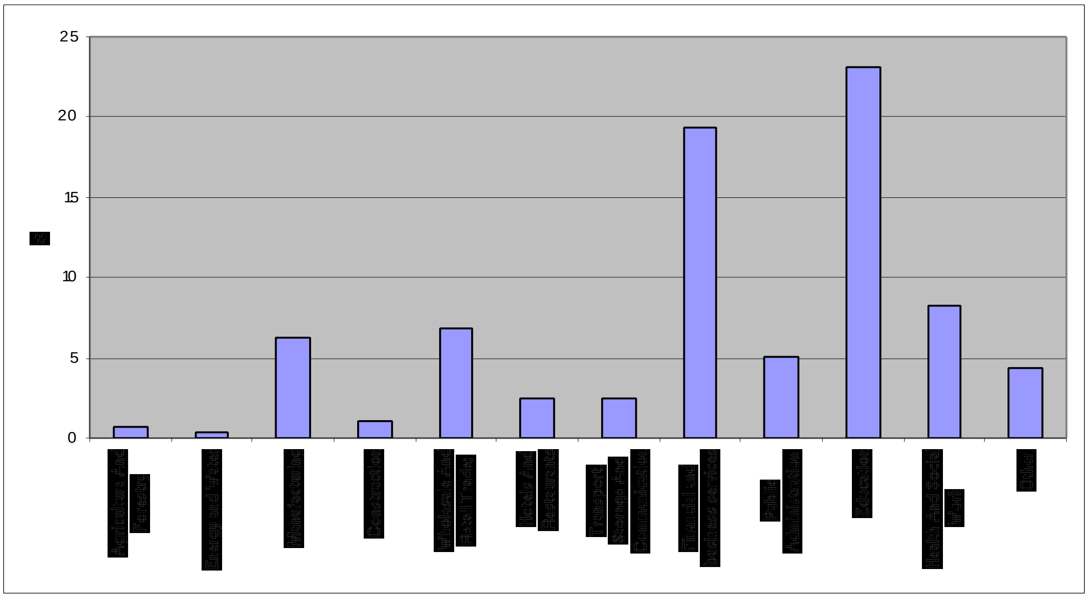


Source: HESA 2002 Destinations data 2000/2001. Base those entering employment where occupation is known (2,346)

Figure 5.6 shows that the education and finance and business services sectors attract the largest number of graduates from Kent and Medway institutions. These are also key growth sectors in several of Kent and Medway's sub-areas.

Whilst the proportion of graduates entering the health and social work sector is significant (7%) it seems low given that 13% of Kent and Medway students study courses in medicine. It could be that more students of medicine go onto further study and/or take career breaks at this point.

Figure 5.6 Employment by industry – those leaving Kent and Medway Institutions



Source: HESA 2002 Destinations data 2000/2001. Base those entering employment where industry is known (2,383)

Clearly the Higher Education sector in Kent and Medway has the potential to meet many of the area's high-level skills shortages. To a large extent local employers must compete with employers throughout the UK and overseas for graduates. However, the proportion of students in local HE institutions who remain in the area after graduation is significant. The reasons why students choose to stay in the local area need to be investigated further. For some students, higher remuneration levels outside Kent and Medway may be a significant factor in their decision to move. However, it is possible that some students would prefer to take up local employment but are unaware of the opportunities.

2. Understanding the Demand for Learning

Understanding the *demand for learning*, is the first of the three broad areas in the action plan contained in the LSC's local strategic plan (see Section 2). Understanding the nature of the demand for learning is obviously key to the LSC's ultimate aims of stimulating and meeting that demand.

The demand for learning is normally expressed in terms of employer skill needs or the propensity of individual learners to engage in learning. However, it is important to note that the demand for learning and skills expressed by either employers or individuals directly may not be a true expression of economic or social demand for learning and skills. In section 3 we introduced the concept of 'latent' demand that may not be apparent to employers or individual learners[37]. Examples might include the demand for basic skills training that is not directly recognised by the majority of those with basic skills problems, or the demand for skills to produce higher value added goods even when individual employers are more focused on low cost production. Better measures need to be developed for these different aspects of demand.

Employer demand for learning

The four sub-area reports investigate the employer demand for learning through an analysis of the skills needs in industrial sectors important to each area.

Whilst the economy and workforce in each sub-area is distinctive in a number of ways, the most effective learning interventions may not be unique or even radically different. In many cases it is only the scale of intervention that differs. For example, whilst the proportion of the population with basic skills problems is low in West Kent it is still significant and needs to be tackled.

Indeed the four sub-area reports identify a number of common themes in terms of employer demand for learning that it is worth noting here:

1. That, whilst many of the county's growth industries will require more highly skilled workers, intermediate skilled workers also feature highly amongst recruitment difficulties.

2. That the demand for new skilled workers to replace those retiring or changing occupations is far greater than the additional workers required for growth industries. This suggests that the FE and Adult Education sector needs to focus on the skills required by current significant employers as well as those in high growth sectors.

[37] DfES 2001. 'Skills in England' op. cit.

3. That a number of specific skills areas continue to be a cause for concern for a wide range of employers in both their existing workforce and new recruits. Common skill areas mentioned include:
    - ICT professional, technician and user level skills
    - Management skills (for all those with management functions within their role not just dedicated managerial occupations)
    - Key skills such as communication
    - Customer service and sales skills

Individual demand for learning
The LSC's 2001/2002 Household Survey[38] in Kent and Medway undertook a significant analysis of the demand for learning from people of working age. Whilst headline figures for the survey are available at a sub-area level, in-depth analysis is reliable only at the county level and so the main findings of the survey are dealt with here.

One of the key factors in the level of demand for learning from individuals is existing qualification or skill level. The more highly skilled are much more likely to engage in learning. For some (e.g. professionals and associate professionals) this may be a necessity in order to maintain their occupational accredited status. For others this may be related to more personal factors such as previous positive experiences of learning and the benefits it can bring.

The Household Survey reported that, when asked, people of working age are most likely to cite work related factors as their most important motivations to engage in learning. Personal motives, such as the desire to build up self-esteem, were also cited but these were of secondary importance.

Clearly, different groups learn for different reasons. The survey suggested that young people are more likely to choose to learn to improve their career prospects, the unemployed to improve their chances of finding a job, and higher-level professionals to perform better in their current job. While the desire to increase knowledge was important for retired people, for all other groups work-based motivations dominated.

Around 80% of people in Kent and Medway reported that they have a positive attitude towards learning. However, a positive attitude is not always translated into learning behaviour. Some people face barriers preventing them from learning. Those who said they would like to learn but were unable to, were most likely to cite personal barriers such as childcare responsibilities or lack of time. Factors more directly related to learning provision, such as the location of provision or suitable course times were found to be less important. However, cost was an important barrier, having a particularly strong effect on young people and the unemployed[39].

Individuals and their employers
Not only are requirements for career and job development important motivations for individuals to engage in learning, the household survey suggests that employers are often the first port of call for employees seeking advice on learning. Even when individuals arrange their own learning, employers are often consulted to help identify appropriate courses.

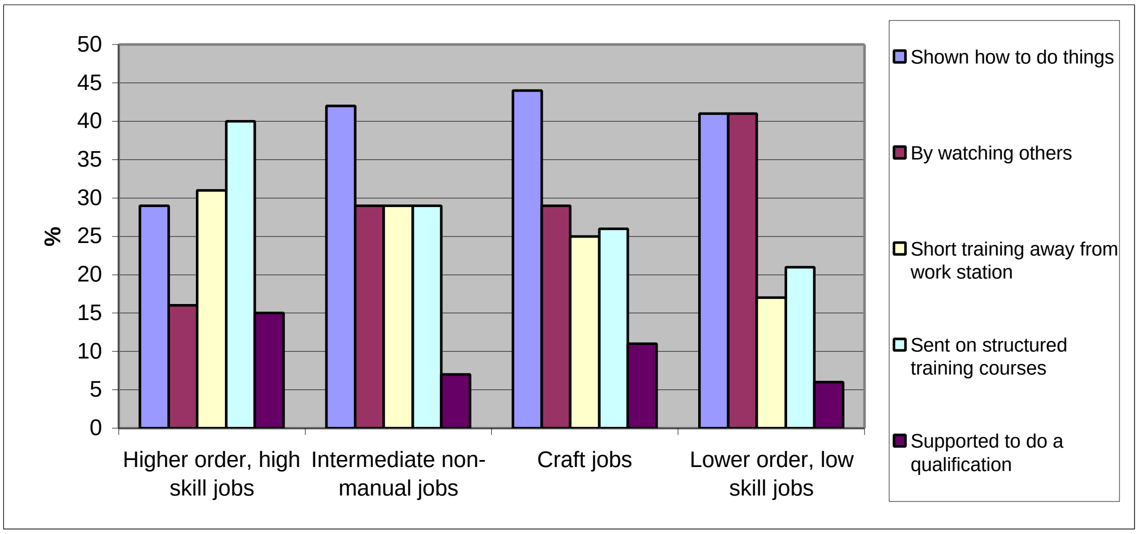
[38] LSCKM 2001. The Kent and Medway Household Survey 2001/2002. BMG Ltd.
[39] See The LSC for Kent and Medway's Learner Marketing Research Project 2002

The attitude of an individual's employer towards learning provision depends on their size of business, industrial sector in which they operate and the structure of their workforce in terms of age and occupational breakdown. As numerous surveys have shown, small firms are much less likely to train their staff as they find it difficult to provide cover for staff taking time away from the workplace.

The public sector in particular stands out in terms of the level of learning on offer. In addition to employing a high proportion of professionals, who have an above average propensity to engage in learning, it can be argued that the public sector has the ethos, resources and infrastructure necessary to support learning.

However, nearly 20% of the learning provided by employers is at the minimum level necessary to meet legal requirements. Only one third of the learning provided by employers would help recipients to progress in their career. Employees in higher skilled occupations, particularly in the public sector, are the most likely to receive this kind of learning. They are also more likely to receive structured learning. Figure 5.7 shows the different types of learning received by those in different types of jobs.

Figure 5.7 How different groups learn at work



Source: Kent and Medway Household Survey 2001.

Facilitating future learning in Kent

Widening adult participation in learning is one of the LSC for Kent and Medway's key priorities. Those most likely to learn in the future are those who have done so recently. This is true of both individuals and demographic groups. There is therefore a need to engage more non-learners in learning activity.

In order to make best use of the resources available, efforts to attract more people to learning should be focused on particular groups. These include those who are likely to be most responsive to such strategies and those for whom training would make the greatest economic difference, for example the unemployed looking for work.

A key group is those who said they were "uncertain" about undertaking future learning. This marginal group could easily be encouraged to participate by marketing campaigns for example. Those who said they were "unlikely" to learn in future will probably not easily be influenced by learning initiatives.

Encouraging those who are not in the labour force *and* have no desire to return to engage in learning would clearly have limited economic benefits. However, if the trend towards longer working lives continues there will be a need to significantly increase learning activity in the older workforce. Increasing learning among older people will require a significant change in the attitudes of both employers and individuals.

People in low skilled and low paid jobs are often unresponsive to learning which in turn reinforces employers' attitudes towards training low skilled staff. Improving their basic skills could help them to overcome this barrier and increase their access to learning and their motivation to learn.

Learning Enablers: Basic Skills and ICT Skills
The Household Survey identified basic skills and ICT skills as two skill areas that were important not just in their own right but also in terms of influencing an individual's likelihood of engaging in wider learning.

Basic Skills
Around one third of Kent and Medway residents do not have the equivalent of GCSE grade A-C in English. A similar proportion has not achieved this level in Maths. Women are more likely to have reached this level in English and men are more likely to have gained this qualification in Maths. Those without these qualifications were much less likely to be engaged in learning. In the 2001 Household Survey just 19% of those without basic qualifications in English and 21% of those without maths qualifications were engaged in learning (compared with 42% of the working age population).

The unemployed are much more likely than the employed to have poor basic skills. Those with deficiencies are likely to become further disadvantaged due to structural changes in the economy. The decline in traditional manual jobs and their replacement with non-manual and more technologically based manual employment will mean that basic skills will become even more important for employability.

Those without basic skills will find it hard to compete with other candidates and move between jobs, creating inflexibility in the labour market. To exacerbate the situation, poor basic skills act as a barrier to participation in learning to renew and improve other more vocational skills.

There is also a higher incidence of basic skills problems in more deprived areas. Ex-offenders and those living in social housing are particularly likely to have literacy and numeracy difficulties. The effectiveness of basic skills strategies could be improved if they were linked closely with policies to tackle these social problems.

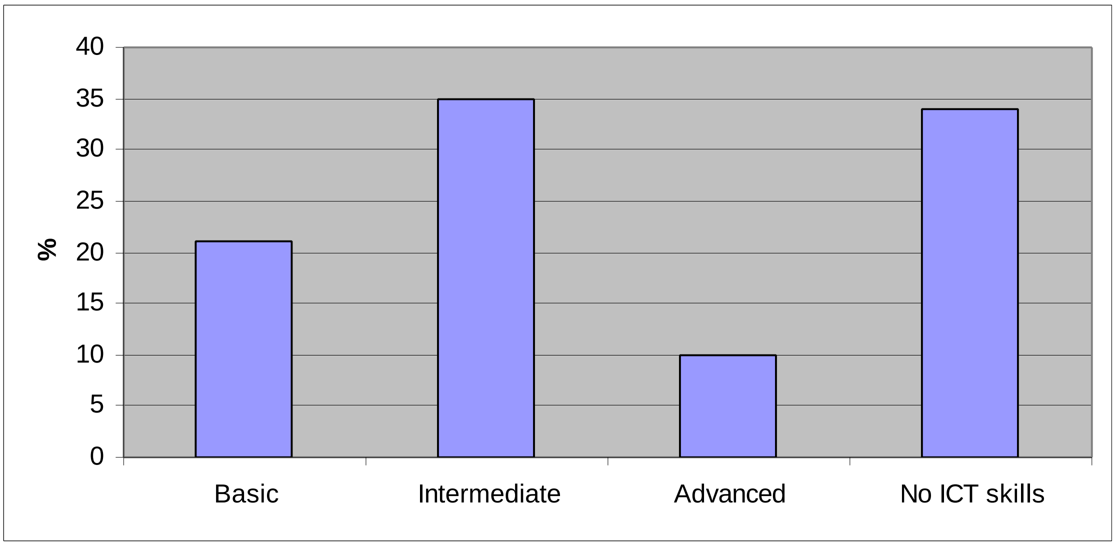
ICT Skills
One third of the Kent and Medway workforce do not have any ICT skills and the LSC has identified this as a major skill shortage, holding back business competitiveness.

Employees are much more likely to have ICT skills than the unemployed and this can act as a formidable barrier to re-employment. Currently, only around one third of jobs require no ICT skills and this figure is predicted to fall. It is likely that basic ICT will become a third basic skill, along with literacy and numeracy, universally required by many employers. There is also a strong correlation between ICT skills and learning activity. Poor ICT skills can act as a barrier to learning and good ICT skills can help people to study, allowing them access to learning tools such as word processors and the internet for example.

More people report using ICT skills at home than at work. This suggests that there are significant numbers of people in Kent and Medway who have ICT skills but who do not make use of them in their job.

Around 20% of individuals interviewed said they had “basic” level ICT skills. Just over one third categorised their skills as “intermediate” and 10% reported that they held “advanced” skills. Figure 5.2 shows ICT skill levels in the Kent and Medway workforce.

Figure 5.8 ICT skill levels in Kent and Medway



Source: LSCKM Household Survey 2001/2002

3. Responding to demand: skills issues arising from the sub-area analysis

The four sub-area reports that comprise the rest of the Kent and Medway 2002 Learning and Skills Assessment analyse available local intelligence on both the demand and supply of learning. In doing so they highlight a number of areas where the responsiveness of learning provision to demand could be improved.

Whilst some of these key issues for learning provision are specific to individual localities, many apply to two or more sub-areas. This section explores five of these Kent and Medway level issues and outlines why they should be considered important priorities for the future:

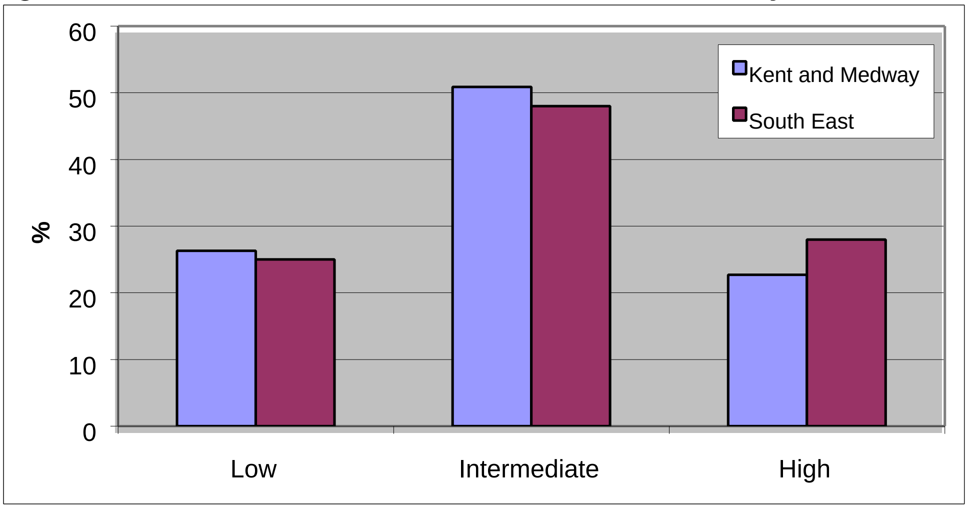
1. Meeting the future demand for high skilled workers
2. Widening participation in the workforce
3. Maintaining a dual approach to skills supply, supporting localities with high unemployment whilst increasing the supply of higher level skills.
4. Increasing the contribution of the FE sector to management skills training
5. Supporting a local approach to basic skills problems

High skilled workers

The recent and future prospective growth of knowledge economy sectors, such as business and financial services, suggests that the majority of employment expansion in Kent and Medway will require intermediate and high level skilled workers (see Figure 4.5 in section Four).

However, Kent and Medway (with the exception of West Kent) has significantly fewer high skilled workers than the South East as a whole.

Figure 5.9 Workforce Skill Levels in Kent and Medway and the South East



Source: The Household Survey in Kent & Medway 2001/2002

Whilst the supply of new graduate entrants to the labour market has increased significantly in recent years, this will take time to work through into the workforce. To achieve a step change in the productivity and performance of the Kent economy, the skill levels of the existing workforce will need to be improved dramatically.

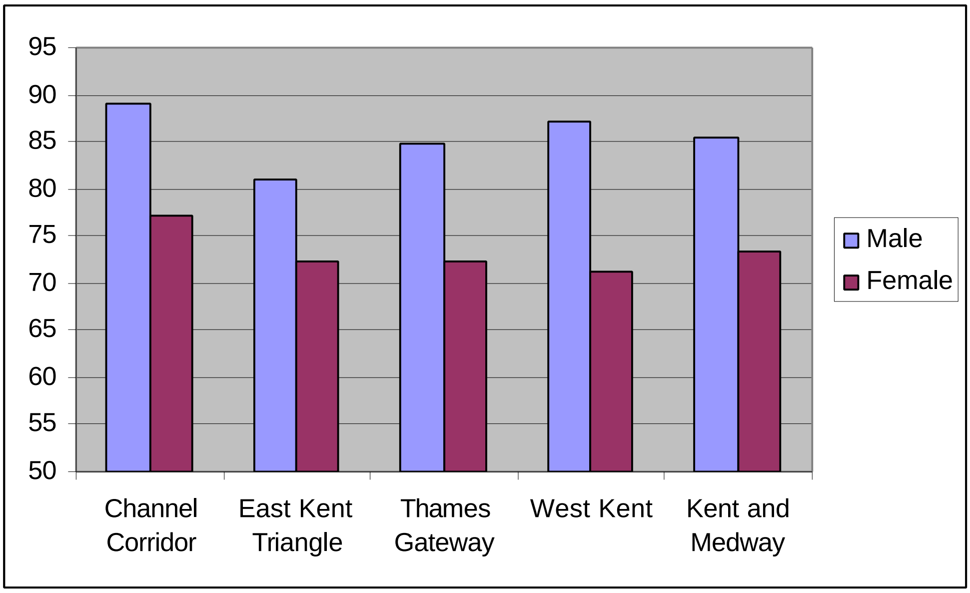
In practice this means improving the rates of progression for low skilled workers into intermediate level qualifications and employment, and for intermediate skilled workers into high level qualifications and employment. Both the Further and Higher Education sectors have a key role to play in this transformation of the workforce.

Widening participation in the workforce

The 2002 Skills Insight Forecasting Model predicts a net growth in employment in Kent and Medway of around 7,000 between 2001 and 2006 and a further 9,000 by 2011. Since March 2000, the overall level of unemployment in Kent and Medway has remained below 3%, a level traditionally considered to be ‘full employment’ by economists. In this context future employment growth is most likely to come from encouraging wider participation in the workforce.

Population growth is not expected in Kent and Medway as a whole, rather demographic forecasts are for a slight fall in the overall population coupled with an increase in the post-retirement age group. This is more likely to exacerbate the problem of meeting the future demand for employment.

Figure 5.10 Economic Activity by Gender



Source: ONS LFS Spring 2002

However, there is significant capacity for increasing the size of the Kent and Medway workforce by encouraging wider participation in the labour market. Women (see Figure 5.10) and those aged between 50 and retirement age, for example, are significantly less likely to be active in the labour market. Raising the activity rates of women to halve the differences between the sexes would mean that there would be 43,000 additional workers available in Kent and Medway, which would easily meet forecast demand. Although this would have to be balanced against the impact on society and community as many adults currently not engaged in employment have other community roles such as caring for children and the elderly.

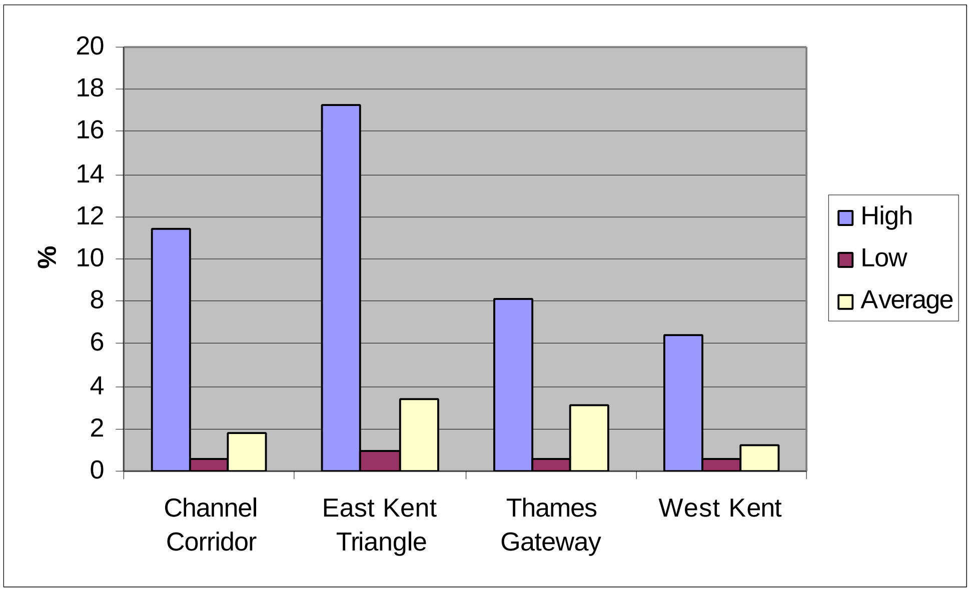
Increasing the level of economic activity amongst the population would represent a significant learning need. Most adults returning to the workforce are likely to need learning support and guidance to help them update their skills or gain new skills in order to improve their employment prospects.

The relatively low employment growth forecast for Kent and Medway (just 1.1% in total between 2001-2006) suggests that the problem of widening participation in the workforce will not be as acute in the county as it will be elsewhere in the South East. However, if the county is to seriously improve its economic performance and close the gap with the rest of the region, then it will need to significantly increase participation in the workforce as well as raise the skills and productivity levels of the existing workforce.

Dual labour market.

Whilst Kent and Medway's overall unemployment rate is low, this masks the fact that there are a significant number of local wards with high unemployment. Figure 5.11 shows that in each sub-area there are wards with unemployment levels more than double the average for the sub-area. In East Kent, two wards (Ethelbert and Pier) both had unemployment rates of 17.3% in January 2002.

Figure 5.11 Highest and Lowest Ward Unemployment Rates in the Four Sub-areas



Source: KCC 2002 (based on January claimant figures)

Workforce development measures in each of the sub-areas therefore need to ensure that the focus on intermediate and high level skills is not to the exclusion of targeting assistance to the low skilled in localities with high unemployment and, in particular, long term unemployment.

Management skills

In the 2001 Learning and Skills Assessment, the issue was raised as to whether FE funded provision should be extended in high skill areas. One area that may be particularly appropriate is training in management skills. Managerial skills were highlighted as an important deficiency in key sectors in the local economy, affecting both potential new recruits and the existing workforce. Individuals employed in management occupations often do not have high level or management specific qualifications.

Further Education and Adult Education providers could be considered well placed to supply training in this area due to their success in delivering short courses to adults in the workforce. Those currently employed in management occupations are more likely to be mature students who may not be able to make the time commitments required for a full-time or higher level qualification.

Indeed, the workshop to review the draft 2002 Learning and Skills Assessment highlighted a number of new FE and HE programmes that attempt to increase the provision of management skills through the adoption of more flexible modular courses. However, the question remains as to what extent the scale of the new learning opportunities matches the scale of demand, both current and latent, for these skills expressed in employer research.

A local approach to basic skills problems

The Basic Skills Agency (BSA) model reveals that the acuteness of basic skills problems in an area is proportionate to levels of local socio-economic deprivation. Consequently a significant amount of basic skills provision has been targeted towards areas with high levels of deprivation, predominantly in urban areas.

However, whilst it is true that areas with socio-economic deprivation have higher levels of basic skill problems, basic skills needs are an issue in most localities. In the BSA model at least 10% of the population in every local ward in Kent and Medway has basic skills problems. The danger in focusing basic skills provision on the worst hit areas is that significant needs in other areas remain unmet. The LSC Basic Skills Strategy[40] recognises this problem and calls for more provision to be focused on areas with 'second order' need including rural communities.

However, it is also true to say that the scale of the basic skills needs in the worst hit areas within the county suggests that current programmes are unlikely to solve the problem in the short term. Future basic skills provision in each sub-area therefore needs to both broaden and deepen its focus.

Summary

In summary, this final section of the Introduction and Overview to the Kent and Medway Learning and Skills Assessment 2002 has suggested that there are a number of common issues that need to be addressed when planning future learning provision. However this is not to say that these issues are spread evenly across the county. The four sub-area reports attempt to set out the evidence for identifying local needs in an objective manner.

[40] LSCKM Adult Literacy and Numeracy Delivery Plan. op. cit

Glossary of Terms

Kent and Medway Sub-Areas:

East Kent Triangle
It includes the Local Authority Districts of Canterbury, Dover and Thanet.

Channel Corridor
It includes the Local Authority Districts of Ashford, Maidstone and Shepway.

Thames Gateway
It includes the Medway Unitary Authority District and the Local Authority Districts of Dartford, Gravesham and Swale.

West Kent
It includes the Local Authority Districts of Sevenoaks, Tonbridge and Malling and Tunbridge Wells.

Skill Levels:

Low Skill Level
Level 1 or less including those with no qualifications.

Intermediate Skill Level
Level 2 or 3, equivalent to 2 A level passes.

High Skill Level
Level 4 or 5, equivalent to degree level.

Skills Terminology:

Basic Skills
This is the ability to be able to read and write in your own language and use mathematics to a level where a person can function in society.

Disability
A physical or mental impairment, which has substantial and long-term adverse effect upon a person’s ability to carry out normal day-to-day activities. (Discrimination Act 1995)

Demand
Employment trends and employer needs.

Drivers of Change
Factors likely to impact on the demand for skills.

Gaps
Current and future gaps in provision.

Generic Skills
Transferable employability skills used across a large number of different occupations.

Key Skills
Those essential skills which people need in order to be effective members of a flexible, adaptable and competitive workforce. They are also invaluable in helping people function within society and for lifelong learning.

Learning Difficulty
A person is defined as having learning difficulties if they have significantly greater difficulty in learning than the majority of their peers.

Skills Gaps
Deficiencies between the skills of the current workforce and those required to meet business objectives.

Skills Shortages
A shortage of suitably skilled people available in the labour market.

Supply
Course and training provision.

Vocational Skills
Occupational or technical skills needed to work within an occupation or occupation group.