

Learning and Skills in Kent and Medway 2002 Assessment



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Learning+Skills Council
Kent and Medway

Table of Contents

Foreword	3
Section One: Introduction – Dartford, Gravesham, Swale and Medway	4
Section Two: The Thames Gateway Economy	7
Section Three: Demand for Skills	9
Important Sectors in the Thames Gateway	10
Business and Financial Services	11
Manufacturing	12
Retail	13
Transport, Distribution and Wholesale	13
Summary	14
Section Four: Learning and Skills in the Workforce	15
Group One: Those In Work	16
Basic Skills	17
Employee Learning Activity	20
FE funded Adult and Further Education	20
Grant funded Adult Education	24
Work Based Learning for Young People (WBLfYP) Programme	25
Group Two: Unemployed and Seeking Work	28
Claimant Unemployment	28
The New Deal	30
Group Three: Those Entering the Labour Market for the First Time	32
Schools and Sixth Form Colleges	32
Section Five: Key Issues in the Thames Gateway	35
Appendix: Improving Learning and Skills Intelligence	38
Glossary of Terms	39

Index of Figures

Section One: Introduction – Dartford, Gravesham, Swale and Medway	
Figure 1.1: Thames Gateway	5
Figure 1.2: Thames Gateway Local Authority Scorecard	5
Section Two: The Thames Gateway Economy	
Figure 2.1: Industrial Profile	7
Figure 2.2: Location Quotients for Industries in the Thames Gateway (vs. Kent and Medway)	7
Figure 2.3: Occupational Profile	8
Section Three: Demand for Skills	
Figure 3.1: Important Sectors in the Thames Gateway	11
Section Four: Learning and Skills in the Workforce	
Figure 4.1: Summary of the Thames Gateway Workforce	16
Figure 4.2: Employment Status	16
Figure 4.3: Skills Levels of the Workforce	17
Figure 4.4: Poor Literacy Skills – Thames Gateway	18
Figure 4.5: Poor Numeracy Skills – Thames Gateway	19
Figure 4.6: Learning Activity by Employee Skill Level – Thames Gateway	20
Figure 4.7: FE funded Adult and Further Education Provision by Age (2000/2001)	21
Figure 4.8: FE funded Adult and Further Education Provision by Qualification Level (2000/2001)	22
Figure 4.9: FE funded Adult and Further Education Provision by Qualification Level (2000/2001)	22
Figure 4.10: FE funded Adult and Further Education Courses by Programme Type (2000/2001)	23
Figure 4.11: Grant Funded Adult Education by Qualification Level 2000/2001	24
Figure 4.12: Grant Funded Adult Education by Programme Type 2000/2001	25
Figure 4.13: Work Based Learning by Programme Type	26
Figure 4.14: Work Based Learning by Subject Area	27
Figure 4.15: Work Based Learning Destinations	28
Figure 4.16: Claimant Unemployment (July 1997 – July 2002)	29
Figure 4.17: Claimant Unemployment Rate by Ward – Thames Gateway	29
Figure 4.18: The New Deal: Employment Entry	31
Figure 4.19: The New Deal for Young People: Options	31
Figure 4.20: Enhanced New Deal for the Long Term Unemployed: Options	32
Figure 4.21: Secondary Education Statistics (2001)	32
Figure 4.22: Destination of Year 11 School Leavers	33
Figure 4.23: Destination of Year 13 School and Sixth Form College Leavers	33

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 the Thames Gateway

Learning and Skills in the Thames Gateway is one of five reports which comprise the Learning and Skills in Kent and Medway 2002 Assessment. The series will provide evidence on the nature and pattern of skills and learning needs at the sub-area level in Kent and Medway. Four of the reports each focus on one of the sub-areas within Kent and Medway (Thames Gateway, East Kent Triangle, West Kent and Channel Corridor). The first report introduces the series and looks at overall learning and skills issues in Kent and Medway as a whole.

This report is structured as follows:

Section 1 introduces the Thames Gateway and the component areas, the districts of Dartford, Gravesham and Swale and Medway Unitary Authority

Section 2 outlines the main characteristics of the Thames Gateway economy

Section 3 assesses the demand for skills in the sub-area, and focuses on the needs of four important sectors in the Thames Gateway economy

Section 4 looks at learning and skills needs and provision within the sub-area's workforce, dividing it into three groups, those in work, those unemployed and seeking work, and those entering the labour market for the first time

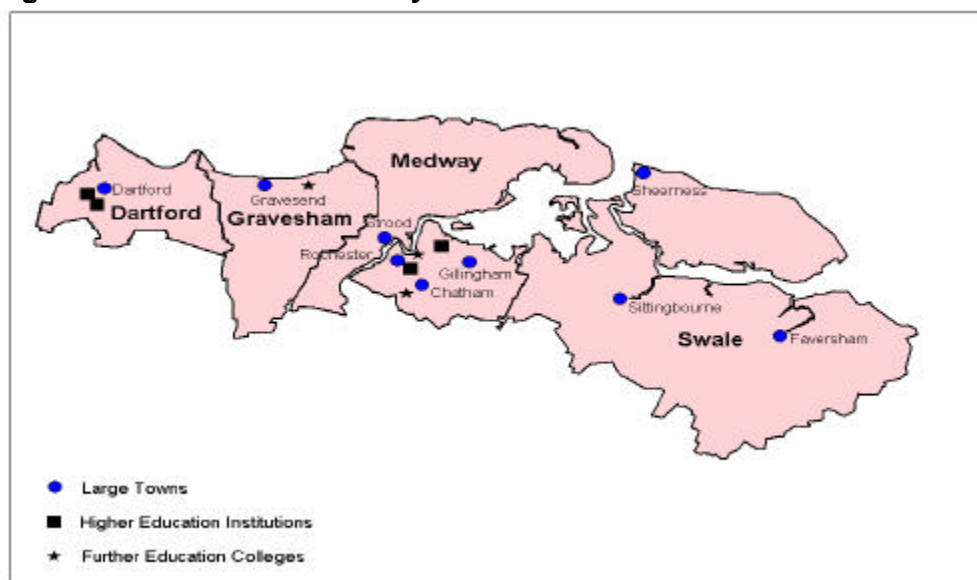
Section 5 discusses the key issues that are highlighted throughout the report

Section One

Introduction – Dartford, Gravesham, Swale and Medway

The Thames Gateway has the largest population of the four sub-areas within Kent and Medway and is home to 544,200 people, around one third of the county's residents. However, it accounts for only 20% of Kent and Medway's land area, making it the most densely populated of the sub-areas. The Thames Gateway is made up of three local authority districts, Dartford, Gravesham and Swale and Medway Unitary Authority.

Figure 1.1 Thames Gateway



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

The sub-area benefits from its proximity to London, which is just 16 miles away at its closest point, and has good road and rail links to the capital. It has easy access to international transport links including London Gatwick and London City airports and the Channel Tunnel.

The sub-area has distinct pockets of deprivation, mostly situated on the Isle of Sheppey and around the main urban centres. Overall, Swale is the most deprived of the three districts, ranking 125th out of 354 local authorities in England and Wales, and 10th out of the 67 in the South East. Because of their relatively high levels of socio-economic deprivation, Dartford, Swale and the Medway towns of Rochester and Gillingham have been granted Assisted Area Status, which enables companies planning expansion, modernisation or rationalisation to receive grants towards their investments.

The Kent Economic Report 2001/2 assesses all local authorities in Kent and Medway in terms of their economic competitiveness. Figure 1.2 grades each of the local authorities in the Thames Gateway in each of the six indicators used.¹ The indicators are designed to give a picture of the overall strength of an area. All of the Thames Gateway areas scored in line with the national average for economic competitiveness.

Figure 1.2 Thames Gateway Local Authority Scorecard²

	Dartford	Gravesham	Swale	Medway
Economic Competitiveness	C	C	C	C
Small Business	C	C	C	C
Labour Force	C	D	D	C
Dynamism	B	C	B	C
Industrial Structure	D	C	D	C
Economic Scale	C	D	C	B
Social Cohesion	B	C	C	C

Source: Table derived from Kent Economic Analysis, Local Futures Group for KCC, p69

Dartford ranks highly in terms of dynamism, an indicator showing the growth and performance capacity of a local economy. It received the highest score in Kent and Medway for population growth and growth in the stock of business establishments. This achievement partly reflects the success of the Bluewater retail development and other regeneration initiatives in the area. It is likely to continue with major developments planned for the Ebbsfleet area, which surrounds the new Channel Tunnel Rail Link international passenger station currently under construction. Dartford also scores well for social cohesion, with high average house prices and average incomes.

The district does not score as highly in terms of industrial structure, where it is ranked below the national average. This indicator focuses on those sectors capable of sustaining competitive advantage, producing high value outputs and providing a wide range of employment opportunities. Despite having a high concentration of high tech

¹ Grades A-E are derived from national rankings and reflect quintile positioning (ie A=ranks in top quintile, B = ranks in 2nd quintile etc).

² This scorecard is due to be updated soon

manufacturing, Dartford is weak in terms of employment in cultural industries and the information economy³.

Gravesham scores particularly poorly in terms of the Labour Force measure. It scores in the bottom 20% nationally for knowledge workers and the proportion of the workforce with high level qualifications. However, relatively few members of the workforce have no qualifications and average earnings are relatively high.

Medway ranks in line with the national average for five of the six indicators and above average for the sixth. As the largest conurbation in the South East outside of London, it has particular strength in terms of economic scale. It scores in the top 20% nationally for both total employment and business values. However, the Unitary Authority's overall ranking is reduced due to its relatively poor performance in terms of GDP per capita, where it scored in the bottom 20% nationally.

Swale performs well in terms of dynamism but badly in terms of its labour force and industrial structure, where it ranks below the national average.

KEY ISSUE 1

Thames Gateway Issue

The relatively low skill profile of the area's workforce, particularly in Gravesham and Swale will inhibit the growth of the more dynamic, knowledge-based sectors.

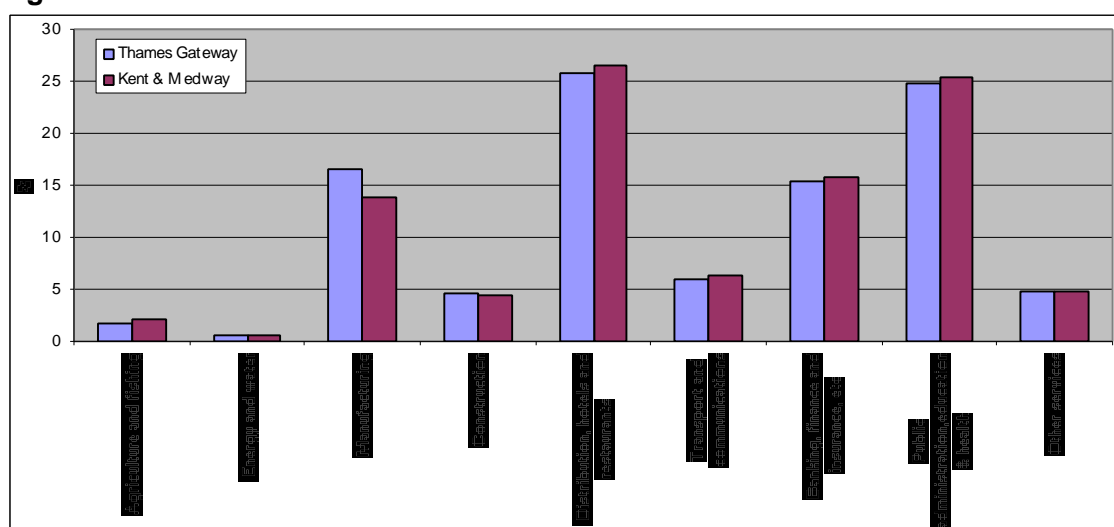
³ The analysis undertaken by the Local Futures Group measures performance in four key industries. These are the information economy, consumer services, high tech manufacturing and cultural industries, all of which make up the OECD's definition of the knowledge economy

Section Two The Thames Gateway Economy

There are around 184,500 employees in the Thames Gateway, working in 17,285 business establishments. Around 43% of employment is in Medway and 15% is in Gravesham. Dartford and Swale account for 21% of employment each.

The industrial profile of these workers reflects the profile of Kent and Medway as a whole, with distribution, hotels and restaurants (26%) and public administration, education and health (25%) accounting for half of the workforce between them (Figure 2.1). Around 17% of employment is in manufacturing, which is above the Kent and Medway average of 14%. In Swale this sector accounts for over a fifth (22%) of employment.

Figure 2.1 Industrial Profile



Source: Annual Business Inquiry, 2000

The similarity between the industrial profile of the Thames Gateway and that of Kent and Medway as a whole is illustrated in Figure 2.2. However, there are some differences. The Manufacturing sector is over-represented in the sub-area in relation to Kent and Medway and the agriculture and fishing and energy and water sectors are underrepresented, reflecting the Thames Gateway's high population density.

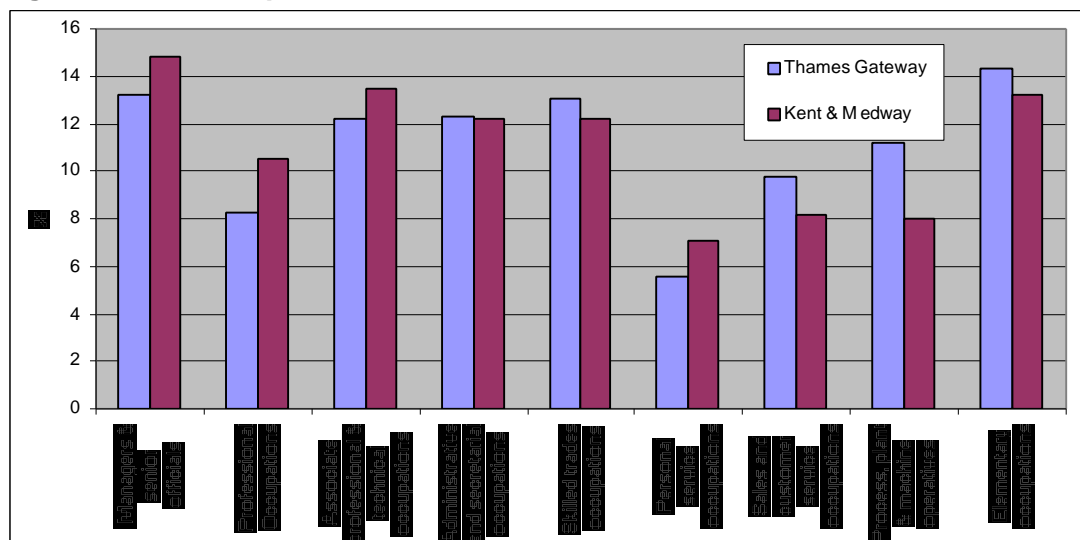
Figure 2.2 Location Quotients for Industries in the Thames Gateway (vs. Kent and Medway)

Industry	Quotient
Agriculture and Fishing	0.8
Energy and Water	0.8
Manufacturing	1.2
Construction	1.0
Distribution, hotels and restaurants	1.0
Transport and communications	0.9
Banking, finance and insurance	1.0
Public administration, education and health	1.0
Other services	1.0

Source: Annual Business Inquiry, 2000

Around 14% of employment is in elementary occupations, making this the largest occupational group⁴ (Figure 2.3). This reflects the importance of these occupations in the distribution, hotels and restaurants sector, the largest in the sub-area. Compared with Kent and Medway, the Thames Gateway employs a high proportion of process plant and machine operatives and sales and customer service workers and a low level of professionals.

Figure 2.3 Occupational Profile



Source: Labour Force Survey, May 2002

The government has recently unveiled extensive housing plans for the sub-area. If these are implemented, this will have a dramatic effect on the sub-area's economy. In the short term this could lead to employment growth in the construction sector. However, the medium to long-term impact could have more far-reaching consequences. The development has the potential to considerably change the sub-area's skills profile and to increase both the supply of skills available and demand for local employment opportunities.

KEY ISSUE 2	Thames Gateway Issue
<p>Transition from a traditional manufacturing base requires economic development and skills initiatives to be closely integrated and multi-faceted.</p>	

⁴ This measure is based on resident employment, workers that live but do not necessarily work in the sub-area.

Section Three Demand for Skills

Employment in Kent and Medway is forecast to grow by around 9,100 by 2007, or 1.3%.⁵ Employment forecasts at a sub-area level are not currently available, but if industrial forecasts for the county are mirrored in the Thames Gateway, employment will rise by around 2,800 in the same period. This is around 31% of total growth in Kent and Medway.

However, this model does not take account of the fact that the Thames Gateway is one of two areas in Kent and Medway selected by the government for an extensive new housing project aimed at providing affordable housing for key workers and others with particular housing needs. The program, which plans to build 5,700 houses a year in the county, is likely to significantly increase employment in the area.

Nevertheless, the demand for workers to fill newly created jobs represents only a fraction of total recruitment demand. The large majority is replacement demand, which occurs because new entrants are needed to fill existing jobs when post-holders leave through retirement or change of occupation. Estimates based on national figures suggest that replacement demand in the Thames Gateway will be around 45,000 by 2007.⁶

The level of replacement demand impacts greatly on the skills needs of the sub-area. It may be tempting to concentrate training on the skills required by expanding industries, but training relevant to stable or declining industries is also required.

It is important to ensure that those workers changing occupations and those entering the labour market for the first time have the right skills for the economy. Assessing the nature of employer skills needs at a sub-area level is difficult as there has not been a local employer skills survey since the TEC Regional Competitiveness Survey, which was last conducted in 1999 (although an LSC 'Employer Engagement in Learning' survey is planned for 2002/2003). The 2001 Learning and Skills Assessment highlighted a number of broad skills demand issues arising from the Regional Competitiveness Survey and other regional and national research. These included:

1. **Managerial Skills** – Managerial skills are required by workers in a wide variety of occupations (not just management ones). However, the large proportion of SME/owner managers without any formal management qualifications was highlighted as a particular cause for concern.
2. **ICT skills** – Shortages of both ICT professionals and technicians and basic computer and keyboard skills in the wider workforce are widely reported in employer research across different sectors and geographical areas.
3. **Key skills (or generic employability skills)** – such as working on own initiative, willingness to learn and team working. These skills are expected to continue to increase in importance through the development of the 'knowledge based' economy.
4. **Basic Skills** – the extent of basic skills needs means that the majority of those with literacy and numeracy problems are currently employed in the workforce. Basic skills are therefore an issue for current productivity as well as the future employability of individuals.

⁵ BSL forecasting model 2001

⁶ Inferences drawn from BSL forecasting model data for the UK, based on the proportion of national employment in the Thames Gateway

Skills Insight, the regional skills observatory, also highlight these skills issues as priorities for the region in their 2002 Annual Skills Review. At a broad level these skills demand issues are likely to remain priority employer skills needs, although the precise nature and extent of the problems may have changed. For the 2002 Learning and Skills Assessment, important sectors for the future health of the sub-areas' economies have been chosen to highlight the skills that are needed.

Over the last couple of years National Training Organisations have produced Workforce Development Plans, which include analyses of recruitment problems and skills issues in their respective industries. These are analysed below, as well as in the Workforce Dynamics in Kent and Medway Series⁷. This forthcoming series of papers focuses on 13 distinct sectors within the Kent and Medway economy, highlighting employment and skills issues for future years.

Important Sectors in the Thames Gateway

Four sectors in Thames Gateway have been chosen as important to the economy in the sub-area. They were chosen on the basis of employment size, relative size compared with Kent and Medway, potential growth in the next five years and strategic importance. The sectors are:

- Business and financial services
- Manufacturing
- Retail
- Transport, distribution and wholesale

Excluding retail, these sectors have been highlighted in the North Kent Area Investment Framework as sectors with 'particularly favourable growth prospects'.

Figure 3.1 (overleaf) shows the importance of these sectors in Thames Gateway. All four are large employers in the sub-area, each employing over 20,000 workers, but manufacturing is the only sector in the sub-area's economy with a significantly higher proportion of employment than in Kent and Medway as a whole. As a sector that is going through a period of recession in the county, it gives a good insight into the level of skills required in a struggling industry at a time when emphasis is being placed on the growth sectors of the economy. One of these growth sectors is business and financial services, which has a sound base in Medway in particular that may offer opportunities for future economic growth. The retail industry is predicted to expand over the next 5 years and as such will contribute significantly to any growth in the sub-area. The transport, distribution and wholesale sector is important due to the large proportion of the Thames Gateway workforce employed.

⁷ Forthcoming series of reports produced for The Learning and Skills Council for Kent and Medway, which use inferred data from national and regional sources, added to county data to build a picture of each sector in the economy of Kent and Medway. Important sectors chosen in this report are based on the sectors used in this series.

Figure 3.1 Important Sectors in the Thames Gateway

	Business & financial	Manufacturing	Retail	Transport, distribution and wholesale
Employment	27,460	20,354	24,468	22,813
Proportion of employment in the sub-area (%)	15	11	13	13
Employment location quotient (vs. Kent and Medway) ⁸	0.97	1.35	1.02	0.96
Employment change, 1998-00(%) [*]	+4	-14	+1	-6
Forecast employment change 2001-2007 (%) [*]	+8	-7	+6	-4

Source: Employment and location quotients – Annual Business Inquiry 2000

Forecast employment – BSL forecasting model 2001

***Figures for employment change and forecast employment are at a Kent and Medway level**

Business and financial services

The sector has a relatively high skills profile. Around 32% of employees in Kent and Medway have high level skills (NVQ equivalent level 4+), a third more than in all industries. However, one in five employees in the sector have low skills. Even in a high skill sector, such as business and finance, there is a large requirement for low skilled employment but the skills needed by these employees, such as communication and customer service skills, may be different to those prevalent in the rest of the workforce.

Recruitment difficulties within the finance sub-sector are much more common than in the business sub-sector⁹ and in other industries, with a quarter of establishments in the South East¹⁰ reporting vacancies, compared with 13% and 15% respectively. However, a greater proportion of vacancies are hard-to-fill in the business services sub-sector (77% compared with 60% of vacancies in finance). Business services recruitment difficulties are more likely to be due to skills shortages than in most other sectors.

⁸ Figures above 1 indicate a greater concentration of an industrial activity as compared with Kent and Medway as a whole, and figures below 1, a lesser concentration

⁹ Skills shortage data for this sector is only available at sub-sector level (the finance sub-sector or business services)

¹⁰ Reliable skills shortage data is available from the Employer Skills Survey 2001, but only at a regional level

Skills issues in the business and finance industry

- The poor level of managerial skills among current managers
- The image of the sector as one that is 'boring' and 'dry', making it harder to attract new recruits
- The lack of advanced IT and software professionals and associate professionals in the labour market
- The low levels of basic computer literacy among clerical and secretarial job applicants
- Skills lacking include:
 - Communication skills
 - Customer handling skills
 - Team working skills
 - Problem solving skills
 - Managerial skills
 - IT skills

Source: Accountancy NTO and Financial Services NTO Workforce Development Plans 2001

Manufacturing

Skill levels in the manufacturing industry vary greatly between high tech, medium tech and low tech sectors. In high tech sectors, which include the production of goods like computers, radio and television equipment and medical instruments, more than 40% of Kent and Medway workers are high skilled, while in low tech sectors, including the production of woods and basic metals, the figure is just 14%. Overall, the skill levels of the manufacturing industry are broadly the same as in all industries, with around half of the workforce (48%) being intermediate skilled, 28% high skilled and 26% low. Even in high tech manufacturing one in five workers (21%) have low skills.

Recruitment difficulties in the industry are more common than in the economy as a whole. Around 18% of manufacturing businesses in the South East report vacancies, compared with 15% in all businesses. The number reporting hard-to-fill vacancies and skill shortage vacancies is broadly similar to the region as a whole (8% and 5% respectively). This suggests that in cases where vacancies are hard-to-fill, skills shortages are the major cause. Manufacturers are also more likely to report skills gaps than all industry (10% compared with 7%).

Skills issues in the manufacturing industry

- Skilled trades account for the majority of skills shortages suffered by manufacturing businesses
- The rapid change in technology and in production processes require an up-skilling of current workers
- Skills gaps are most common in process, plant and machine operatives
- Continuing low levels of investment and innovation in the industry
- The poor image of the industry among potential employees, especially young people
- Skills lacking include:
 - Basic skills
 - Managerial skills
 - Entrepreneurial skills
 - Technical skills
 - Flexibility

Source: The Government's Manufacturing Strategy 2002

Retail

The skills profile of the retail sector is significantly lower than the rest of the economy. A third of retail workers in Kent and Medway are low skilled and only one in ten are qualified to NVQ equivalent level 4 or above. Over half (55%) of workers are intermediate skilled. However, the Distributive NTO reports that experience and interpersonal skills tend to be regarded as more important than formal qualifications.

The high level of seasonal and temporary working, along with the propensity for young people to view working in the industry as only a 'stop-gap' measure until they find employment elsewhere, mean that staff turnover in the sector is high. Because of this, vacancies are more common than in industry as a whole. Around 18% of retail businesses in the South East report vacancies compared with 15%. The proportion of businesses reporting hard-to-fill vacancies and skill shortages in the sector (8% and 2% respectively) broadly reflects the picture for all industry. With skills shortages being reported by only a quarter of those companies with hard-to-fill vacancies, they are unlikely to be the main reason for recruitment difficulties.

Skills issues in the retail industry

- The low levels job-related training in the sector
- The low levels of pay and poor working conditions in the sector is a disincentive to potential recruits to the sector
- Poor progression routes and career paths often mean that young workers do not view the sector as a long-term career
- Applicants for managerial positions are often found to be lacking appropriate skills
- There is a need to train more women to take more senior roles within the sector
- Skills lacking include:
 - Managerial skills
 - IT skills
 - Flexibility
 - Customer service skills
 - Interpersonal skills
 - Problem solving skills

Source: Distributive NTO Sector Workforce Development Plan 2001

Transport, distribution and wholesale

The skills profile of the sector is similar to that of tourism and hospitality, with a large proportion of low skilled workers in Kent and Medway (31%) and few high skilled workers (13%). However, this may underestimate the true level of skills in the sector, as it does not reflect skills gained through in-house training programmes, provided by many employers. The integration of these courses into a formal qualification framework would lead to an increase in the number of intermediate workers from its current level of around 56%.

Vacancies are quite high in the industry. Around 17% of establishments in the South East report vacancies, around half of which are hard to fill. However, skill shortages are relatively few in the industry, particularly in the transport sub-sector. Potential entrants to the workforce are discouraged by the poor image of the industry, and the low pay and working conditions.

Skills issues in the transport, distribution and wholesale industry

- Low level of recruitment of young people into the sector
- Recruitment difficulties in process, plant and machine operatives, LGV and PCV drivers and engineers/technical workers in the rail and water sub-sectors
- The low level of managerial skills of supervisors in the industry and lack of recognised career paths for the development of future managers
- Skills lacking include:
 - Project management
 - ICT skills
 - Attitude
 - Basic skills
 - Managerial skills

Source: Road Haulage and Distribution Training Council Workforce Development Plan 2001-2004; Rail Industry Training Council Workforce Development Plan

Summary

High level skill shortages are apparent in several important local sectors. However, skills deficiencies also exist in other areas, some affecting certain occupations such as plant operatives and some relevant to all types of work such as ICT and generic skills. To improve this situation there is a need for more intermediate level vocational training. The following section outlines available intelligence on the supply of skills and training in the sub-area but “mapping” these onto skills needs in particular sectors and occupations remains problematic. Supply side intelligence needs to be improved before a comprehensive analysis of the relationship between training and qualifications and the supply and suitability of skilled staff for specific industries and occupations can be achieved.

Section Four Learning and Skills in the Workforce

There are around 359,300 working age people in the Thames Gateway accounting for around 35% of those in Kent and Medway. Four fifths (283,847) are in work or seeking work, of which 3.1% (7,355) are claimant unemployed. This figure is close to the 3% level commonly referred to by economists as “full employment”. This means that businesses wishing to recruit new staff could experience difficulties.

Meeting the replacement demand forecast in Section 3 of this report will be made more difficult by the age profile of the population. Older workers (45-64) are forecast to grow at 17.2% by 2011, nine times the rate of the whole population, and school age children (5-14) are forecast to decrease. Consequently, the sub-area could be facing a potential shortfall in the number of new entrants to the workforce over the next decade.

Emphasis should be placed therefore on increasing participation among older working age people and women. Currently, only 71% of people aged between 50 and retirement age are in work or seeking work compared with 79% of 16-49 year olds. If the activity rates of older people could be increased by only 5%, around 2,500 extra people would be in the workforce. The economic activity rate amongst women in the sub-area is only 72%, compared to 85% in men. If that gap could be halved, it would mean an extra 5,000 people in the workforce. However, increasing economic activity rates needs to be balanced against the childcare and community welfare roles that many of those not in the workforce undertake.

Comparable activity rates on ethnic minorities are not available. This is indicative of the general weaknesses in ethnic minority data. The 1991 Census puts the ethnic minority population of the Thames Gateway at 4.2%. If these figures were mirrored today there would be around 22,000 members of an ethnic minority in the sub-area. However, in the last ten years, the ethnic minority population is likely to have changed. Data from the 2001 Census should be available during the course of the next year.

KEY ISSUE 3

Kent and Medway Issue

Increasing the stock of workers, by encouraging more women and people aged over 50 back into work, will go some way to satisfy forecast employment growth.

The rest of this section categorises the workforce into three groups and discusses each in turn:

- **Group 1: Those in work** - assesses the skill levels of employees in the Thames Gateway. It analyses how effectively provision for people in work matches needs, focusing on basic skills, employee learning activity, FE funded education, grant funded Adult Education and work based learning
- **Group 2: Unemployed and seeking work** – outlines the unemployment levels in the Thames Gateway, and discusses the New Deal in the sub-area
- **Group 3: Entering the labour market for the first time** – assesses the supply to the workforce of new entrants from schools and sixth form colleges

The Thames Gateway workforce is summarised in Figure 4.1.

Figure 4.1 Summary of the Thames Gateway Workforce

Those in work	250,000¹¹
Employed or self-employed who live and work in the sub-area ¹²	155,000
Workers in the sub-area (including non-residents) ¹³	184,500
Commuters to other sub-areas	27,500
Commuters to areas outside Kent and Medway	67,500
Commuters into the sub-area from elsewhere	17,500
Net out commuting	77,500
Unemployed and seeking work	7,355
Claimant unemployed	7,355
Entering the labour market for the first time¹⁴	c.a. 7,671
Year 11 school leavers entering employment or youth training	1,126
Year 13 students entering employment	543
Year 13 students entering Higher Education	1,513

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

Group One: Those in Work

Figure 4.2 shows that the employment status of employees in the sub-area broadly reflects the county as a whole. However, the sub-area has a higher proportion of full-time male workers and a smaller proportion of part-time female workers than Kent and Medway, reflecting a historical bias in manufacturing industries. Women are far more likely to work part-time than men, with 52% of them taking up this type of employment compared to 15% of men. Overall, around one third of employees (34%) are on part-time contracts.

Figure 4.2 Employment Status

	Thames Gateway		Kent & Medway	
	Count	Percentage	Count	Percentage
Male full-time	76,000	41%	230,767	40%
Male part-time	13,700	7%	44,055	8%
Female full-time	45,400	25%	144,873	25%
Female part-time	49,400	27%	153,119	27%
All persons	184,500		572,814	

Source: Annual Business Inquiry, 2000

Figure 4.3 (overleaf) shows that the Thames Gateway has a slightly lower skills profile than Kent and Medway as a whole. Around 17% of the workforce are highly

¹¹ The Learning and Skills Assessment 2001 puts the number of people in work at 170,000. Due to the sample size of the Labour Force Survey, this difference is unlikely to be statistically significant.

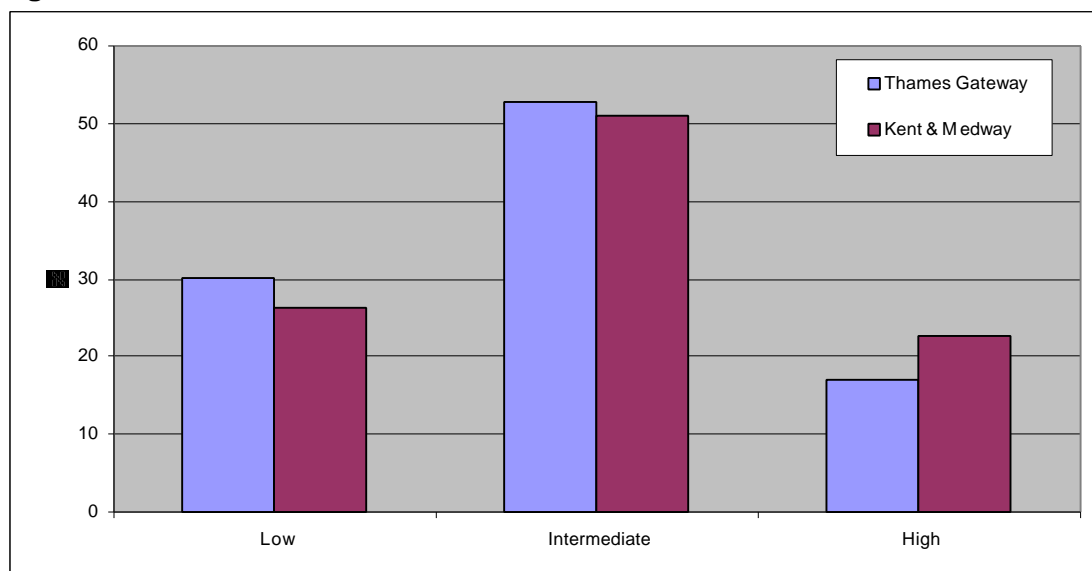
¹² 1991 Census of Population data has been used to estimate the number of people living and working in the area or commuting to other areas to work

¹³ This figure comes from the ABI 2000

¹⁴ 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.

skilled (qualified to NVQ equivalent level 4 or above).¹⁵ This is low compared with the figure of 23% found for Kent and Medway and reflects the low level of employment in professional occupations in the sub-area. Low skilled individuals make up 30% of the workforce, reflecting the importance of elementary occupations. The majority of the workforce (53%) possess intermediate level skills. Level 2 skills are held by 31% of the workforce and level 3 skills by 22%.

Figure 4.3 Skills Levels of the Workforce



Source: The Learning and Skills Council for Kent & Medway Household Survey, 2002

Members of the workforce are less likely to be high skilled if they work part-time or if they are unemployed. Full-time and self-employed workers are the most highly skilled in the workforce.

KEY ISSUE 4

Kent and Medway Issue

Ensuring the future supply of intermediate and high skill workers is important in feeding the growth sectors of the economy.

Basic Skills

One in seven adults in the Thames Gateway (15%) have low literacy skills, and 12% have low numeracy skills.¹⁶ Overall, at least 77,000 adults in the sub-area have poor basic skills. In addition, too many young people leave school with basic skills needs.

Access to basic skills training and take-up of the provision offered depends on many factors including the identification of basic skills needs by those affected, their employment situation and their level of motivation. However, geographical factors, such as proximity to training, are also very important.

¹⁵ The Household Survey 2001/2002 puts skill levels higher than its predecessor, the Skills Audit 2000/2001. While the difference is not statistically significant, the relationship with the county as a whole remains the same

¹⁶ Adults' Basic Skills, Basic Skills Agency, 2001

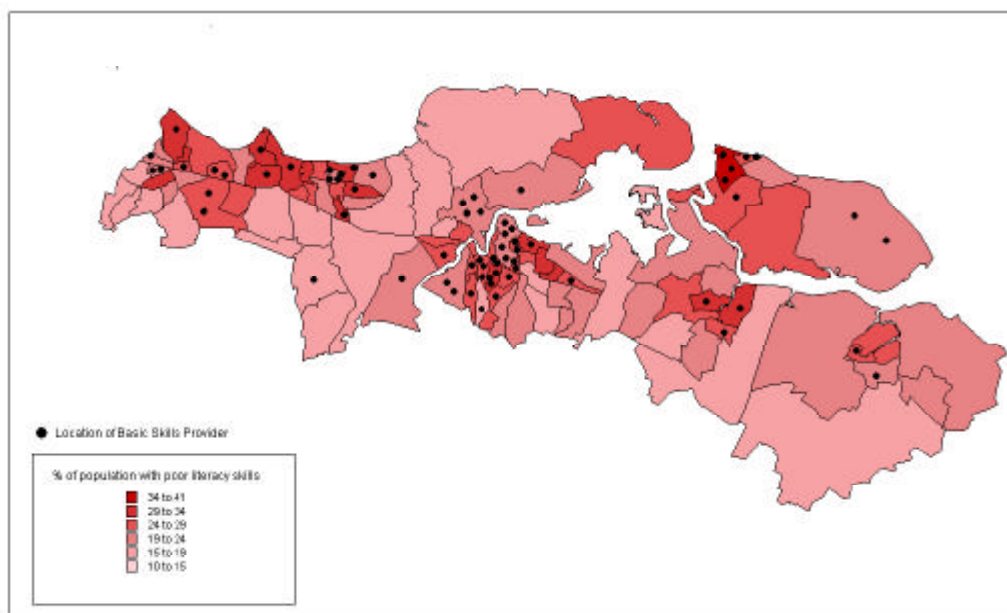
The Learning and Skills Council for Kent and Medway have undertaken a mapping of basic skills needs against provision in the county. However, this is not an exhaustive list of all basic skills providers. Figures 4.4 and 4.5 (overleaf) show much of the basic skills provision in the sub-area is focused in South Medway, around the towns of Rochester, Gillingham, Chatham and Strood. Another cluster of provision is found in the North West of the sub-area around Dartford and Gravesend. Both areas face high levels of basic skills problems.

However, the LSC's Adult Literacy and Numeracy Delivery Plan for Kent and Medway¹⁷ also identifies five wards in the sub-area which 'require further investigation' due to the absence of a local centre of provision in an area of basic skills need. These were:

- All Saints (North Medway)
- Thames Side (North Medway)
- Boughton (Eastern Swale)
- Teynham (Central Swale)
- Lynsted (Central Swale)

While these wards do not have the highest levels of basic skills problems in the sub-area they do not currently have any provision to combat those problems that do exist. The majority of these areas are less densely populated wards of the sub-area, quite far from locations where provision is situated. Given the short travel to work distances of many people with basic skills needs, there may be a large number of adults who cannot easily access basic skills provision. It may be that provision has been so targeted towards the most deprived areas, that areas such as the wards above have become the greatest areas of need.

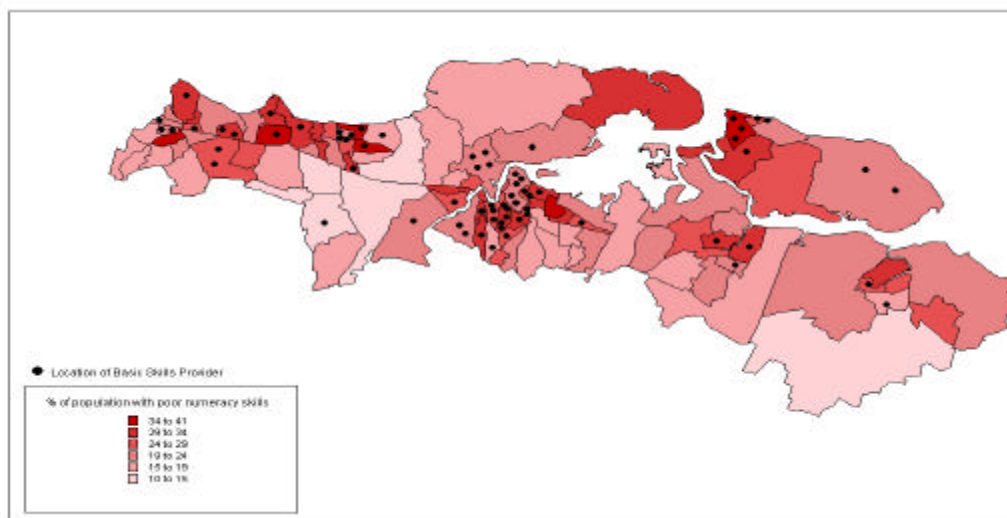
Figure 4.4 Poor Literacy Skills – Thames Gateway



Source: Map derived from The Adult Literacy and Numeracy Delivery Plan 2001-2004: Part 1, p41

¹⁷ 'The Adult Literacy and Numeracy Delivery Plan 2001-2004: Part 1', The Learning and Skills Council for Kent and Medway, 2001

Figure 4.5 Poor Numeracy Skills – Thames Gateway



Source: Map derived from The Adult Literacy and Numeracy Delivery Plan 2001-2004: Part 1, p41

Key action points for the Thames Gateway in the Delivery Plan include:

- To set up a workplace mentoring programme
- To look at funding incentives for basic skills i.e. supplying vouchers, help with travel costs, childcare provision, bitesize courses and football match tickets
- To develop basic skills programmes within the workplace through mail shots to employers and arranging appropriate provision delivery through providers
- To broaden provision of basic skills to outreach communities through identifying current provision with the development of a Basic Skills Directory via pubs, village halls, shops, post offices, sports centres, football grounds etc
- To publicise more widely the available use of ICT centres and mobile ICT facilities, especially in rural areas

The development of a Basic Skills Consortium in Kent and Medway should help to form partnerships and engage community and volunteer groups in a county-wide strategy to improve basic skills provision.

The LSC have also set sub-area level targets for the number of participants in level 1, level 2 and entry level learning (including basic skills). The achievement of targets will focus on the engagement of key groups in learning. These are:

- Low skilled unemployed
- Low skilled employed
- Lone parents
- Benefit claimants
- Public sector employees
- Young adults
- ESOL learners
- Ex-offenders
- Homeless people
- Refugees/Asylum seekers
- Travellers

The difficulty in monitoring the achievement rates of these groups is the lack of information about them. It is unknown how many people from some of these groups are in the county for example. Therefore, the emphasis is on providers to ensure that their provision is hitting the required people. In the Thames Gateway a target of 12,012 participants and 4,004 achievements by 2004 has been set, for entry level, level 1 and level 2 learning.

KEY ISSUE 5

Kent and Medway Issue

The geographical distribution of basic skills provision may mean that unmet demand is higher in areas with lower levels of overall basic skills needs.

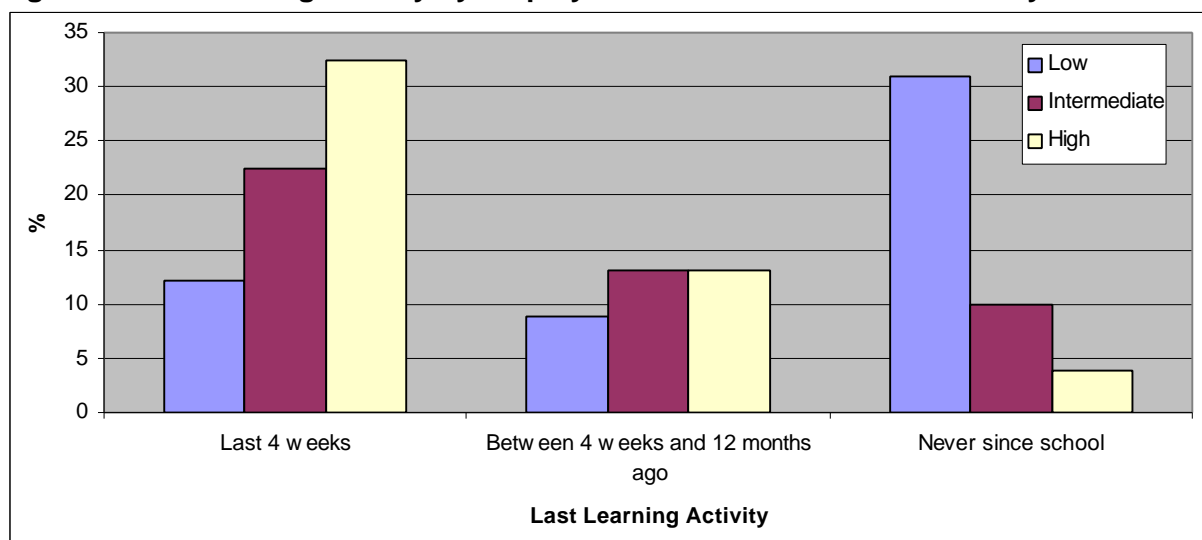
Employee learning activity

In general, employees in the Thames Gateway learn less than in Kent and Medway. One third have undertaken training within the last 12 months, compared with 39% in Kent and Medway as a whole, and one in five (21%) have learnt in the last 4 weeks (compared with 24% in Kent and Medway). Around 12% are currently studying towards a qualification.

Figure 4.6 shows the relationship between skill level and training activity found in the sub-area. High skilled workers are more than twice as likely to have undertaken learning in the last four weeks than low skilled employees. Nearly one third of low skilled workers have not participated in any learning since leaving school but this figure drops to 4% for the high skilled.

Nearly four fifths of employees in the Thames Gateway are positive about undertaking learning in the future (79%) and only 7% of employees have negative views.

Figure 4.6 Learning Activity by Employee Skill Level – Thames Gateway



Source: The Learning and Skills Council for Kent & Medway Household Survey, 2002

FE funded Adult and Further Education

FE funded provision is included in this section because of the profile of those who undertake this type of learning. While it includes a number of young people about to enter the workforce for the first time, the majority are mature students, over the age of 25 (see Figure 4.7).

During the 2000/2001 academic year, 25,266 students went through FE funded Adult and Further Education provided in the sub-area. Four fifths of students went through Further Education Colleges, with 11,486 learners attending Mid Kent College and

8,696 North West Kent College¹⁸. The remainder undertook courses through Adult Education Services (AES), 2,031 in North West Kent and 3,053 in Medway¹⁹.

FE funded learners in the sub-area are slightly more likely to be female (54%) than the working age population (49%), and 9% are from ethnic minorities. The proportion of ethnic minority learners in the sub-area is nearly twice that for the working age population, given by the 1991 Census. The 2001 Census is likely to show that this disparity is not as pronounced as it seems, but nonetheless it indicates that the sub-area has been quite successful in attracting ethnic minorities into learning.

The proportion of FE funded learners in the Thames Gateway with a disability, including learning difficulties, is 5%. There are no comparable figures available for the Thames Gateway, although the Kent and Medway Household Survey 2002 estimated the disabled population in Kent and Medway at around 10%. If this figure is mirrored in the Thames Gateway, it suggests that it is proving difficult to engage people with disabilities in learning.

More than half of FE funded learners (57%) are aged between 25-59 (Figure 4.7). There are more learners under the age of 21 going through FE funded provision in Thames Gateway than in Kent and Medway as a whole (26% compared with 23%). This is despite the age profile of the sub-area's population being broadly the same as that in the county and might be the result of the high proportion of learning undertaken at further education colleges.

Figure 4.7 FE funded Adult and Further Education Provision by Age (2000/2001)

Age	Thames Gateway		Kent & Medway	
Under 16	79	0.3%	161	0.2%
16-18	5,310	21.0%	13178	17.9%
19-20	1,221	4.8%	3476	4.7%
21-24	1,885	7.5%	5327	7.3%
25-59	14,683	58.1%	44179	60.2%
60+	1,866	7.4%	5922	8.1%
Other	269	1.1%	1048	1.4%
Total	25,266		73291	

Source: The Learning and Skills Council for Kent and Medway, ISR 2000/2001

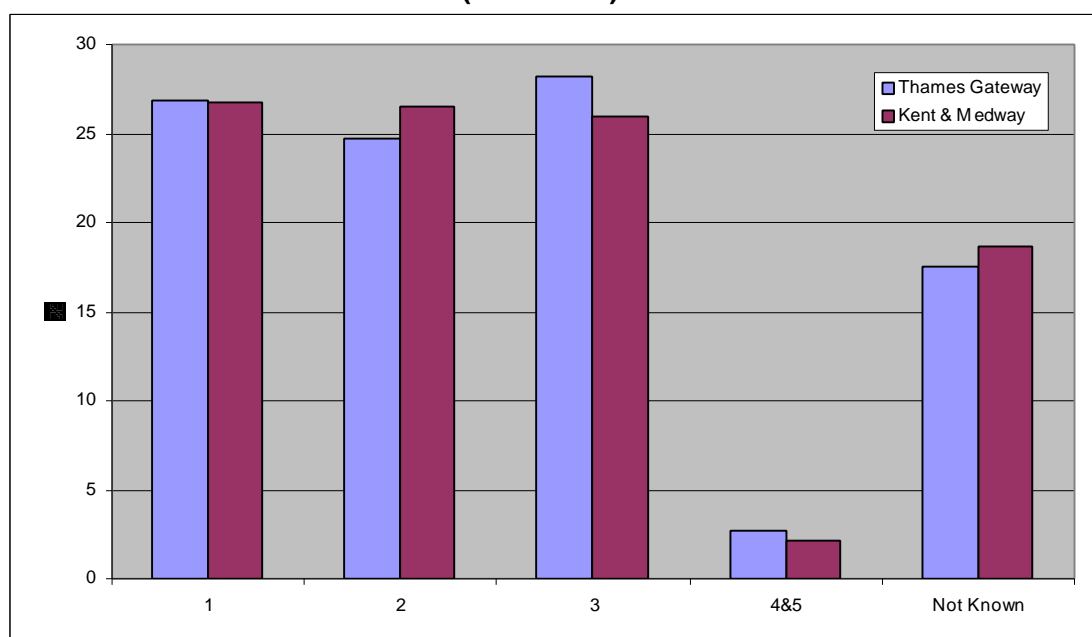
Figure 4.8 (overleaf) shows that 28% of FE funded courses delivered in the sub-area were at level 3 and around one quarter were at level 2. Another quarter were at the basic level, level 1. Only 3% of courses provided higher level training, although this is above the average for Kent and Medway.

In around 18% of cases, the qualification level of the course is unknown. Emphasis needs to be placed on improving the quality of data in this area, and to better align household and employer surveys and ISR/ILR records with the management information of stakeholders.

¹⁸ Data for North West Kent College relates to the academic year 1999-2000 due to problems with current year data

¹⁹ The two Adult Education Service Areas in the Thames Gateway are North West Kent AES and Medway AES

Figure 4.8 FE funded Adult and Further Education Provision by Qualification Level (2000/2001)



Source: The Learning and Skills Council for Kent & Medway, ISR 2000/2001

Figure 4.9 shows that the FE funded training on offer does not cater directly for the high level skills needs of employers in the sub-area. These figures are likely to underestimate the level of focus on low skilled training because the basic education programme area, classified as “other”, has a large proportion of non-skill level specific training, which in reality will be low skilled.

As we saw in Section three, there will continue to be significant demand for low and intermediate skilled employees in the sub area. Furthermore, low skilled training acts as an important progression route to higher level training.

Figure 4.9 FE funded Adult and Further Education Provision by Qualification Level (2000/2001)

	Thames Gateway (%)	Kent & Medway (%)
Workforce Skill Level:		
Low	30.1	26.3
Intermediate	52.8	50.9
High	17.1	22.7
FE/AE Provision:		
Low	26.8	26.8
Intermediate	53.0	52.5
High	2.7	2.1
(Other)	17.5	18.7

Source: The Learning and Skills Council for Kent & Medway, ISR 2000/2001

Figure 4.10 (overleaf) shows that around one quarter of FE funded courses in the Thames Gateway are in humanities subjects, like English and History (24%). One in five courses are in science subjects, but this is less than in Kent and Medway as a whole (24%). Around 8% of courses are in basic education, such as literacy and numeracy. The proportion of courses covering engineering in the Thames Gateway is

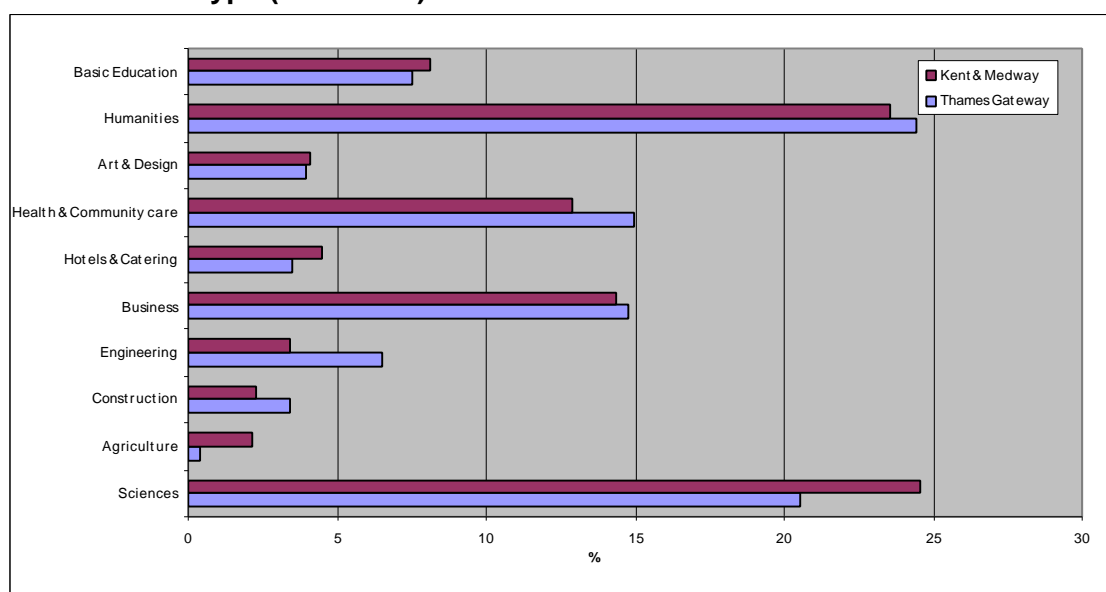
nearly twice the level found in Kent and Medway, reflecting the importance of the manufacturing sector in the sub-area.

FE funded Further Education and Adult Education is also clearly an important provider of intermediate skilled workers in the public administration, education and health sector, through humanities and health and community care courses. The low level of science courses (which includes ICT courses) in comparison to Kent and Medway is lower than might be expected.

It is unclear what proportion of business courses are related to the management skills needs identified by a number of locally important sectors. Whilst this may be considered a high skill area, given time and financial pressures, many managers may be more open to intermediate level qualifications in specific management skill areas than to degrees such as MBAs.

Entrepreneurial skills are also required to help individuals to start up and maintain businesses. In 1999, the rate of new business formations in the sub-area was 12.4%. This is the number of new businesses created that year as a proportion of the business stock. The average rate for the South East was 11.2%. Between 1996 and 2000, the stock of businesses in the Thames Gateway increased by 8%. In the South East this figure was 6.2%.

Figure 4.10 FE funded Adult and Further Education Courses by Programme Type (2000/2001)



Source: The Learning and Skills Council for Kent & Medway, ISR 2000/2001

KEY ISSUE 6

Kent and Medway Issue

Management skills are identified as a need by a number of important local sectors. Should FE funded provision be extended in these areas?

Grant funded Adult Education

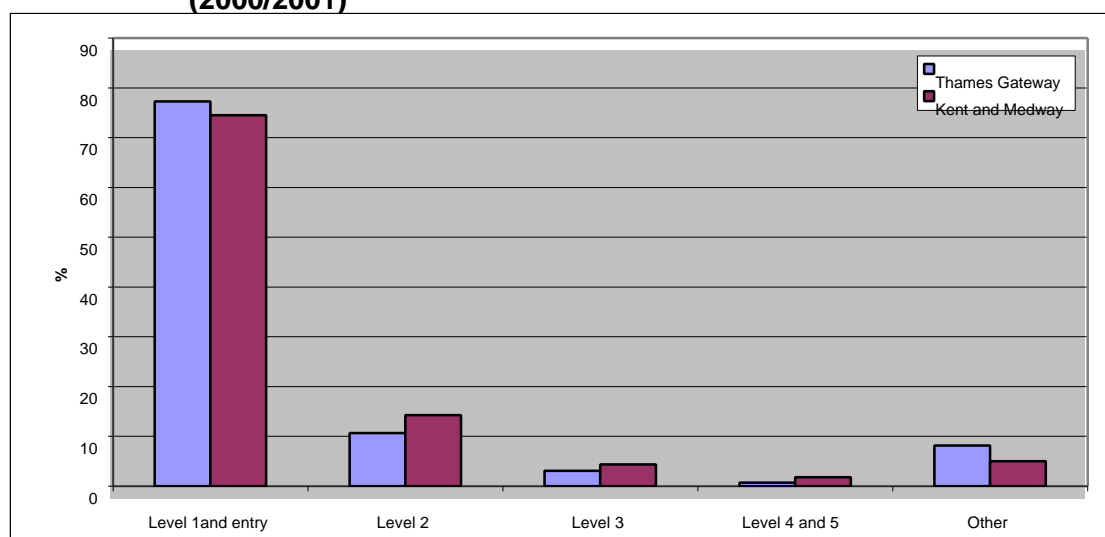
Grant funded Adult Education places emphasis on social and community well-being as well as on increasing the skill levels of the current and future workforce. Grant funded Adult Education is one of the most significant routes for entry level learning among the working age population. In the 2000-2001 academic year, 18,106 learners participated in grant funded AE in the Thames Gateway.

Unfortunately it is not currently possible to accurately determine the socio-demographic profile for grant funded Adult Education learners, in terms of age, ethnicity or disability status for example, as this information is only available for a proportion of learners²⁰.

However, management information does reveal that around three quarters of grant funded AE learners in the sub-area are female. Throughout Kent and Medway the proportion of female learners is significantly higher in grant funded AE than in other forms of education and learning.

Three quarters of courses (77%) were at level 1 or entry level. Students in the Thames Gateway were less likely to study courses at level 2 or above than those in the county as a whole.

Figure 4.11 Grant Funded Adult Education Courses by Qualification Level (2000/2001)



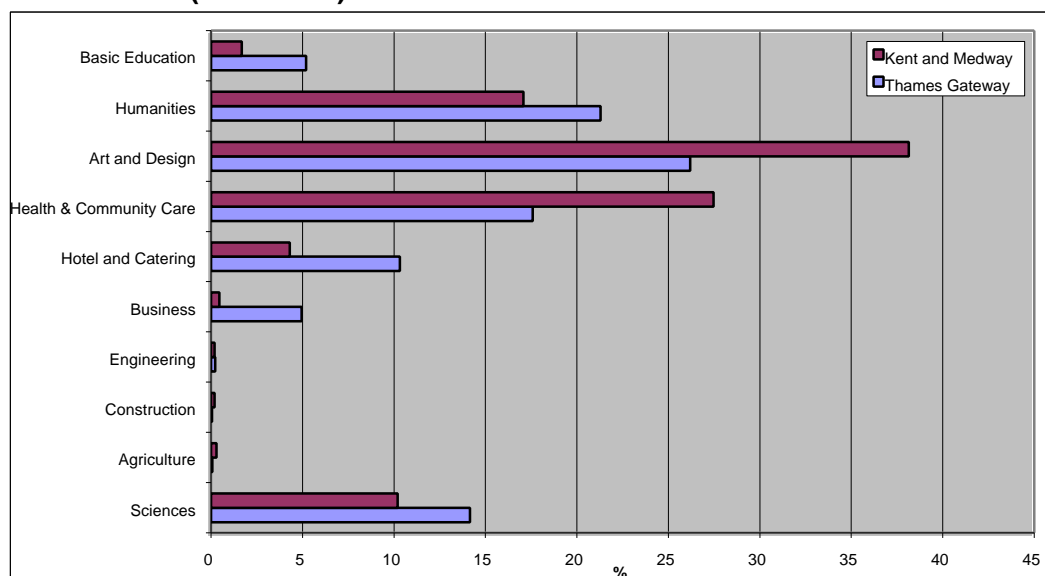
Sources: Kent Adult Education Service, Medway Adult and Community Learning Service, 2002

Students in the Thames Gateway undertook significantly fewer courses in art and design and health and community care than those in Kent and Medway. Together these two subjects accounted for 44% of courses in the sub area, compared with 66% in the county as a whole. A higher than average proportion of courses were in humanities, including languages, and sciences.

Basic education courses were studied by only 5% of grant funded Adult Education learners. It is likely that this reflects funding streams rather than learner choice. Basic skills courses offered in Adult Education centres are likely to attract FE funding for example and therefore do not appear in Figure 4.12 (overleaf).

²⁰ Data is available for the Medway Area. Kent Adult Education Services are currently updating their management information system and will be able to provide accurate data for the next assessment.

Figure 4.12 Grant Funded Adult Education Courses by Programme Type (2001/2002)



Sources: Kent Adult Education Service, Medway Adult and Community Learning Service, 2002

While the majority of grant funded Adult Education provision is towards the low skill end of the spectrum, it is likely that these courses play a significant role in helping to engage people in the learning process (see Kent and Medway Report). Many low skilled workers may have had poor experiences of formal education in the past and need short informal learning experiences to rebuild their confidence before they engage in higher level or more vocational learning.

However, there will also be a significant group of grant funded learners who study purely for recreational or social reasons. These learners may already be highly qualified and/or have no interest in developing their skills for current or future employment (although they may use their learning for community and social purposes).

From a workforce development perspective, more information is needed on grant funded Adult Education to help examine the extent to which it provides a route into learning for non-learners and/or provides progression into more vocational or higher level learning. Given the extent of learning provision through grant funded Adult Education, its role in both these areas is likely to be significant.

Work Based Learning For Young People (WBLfYP) programmes

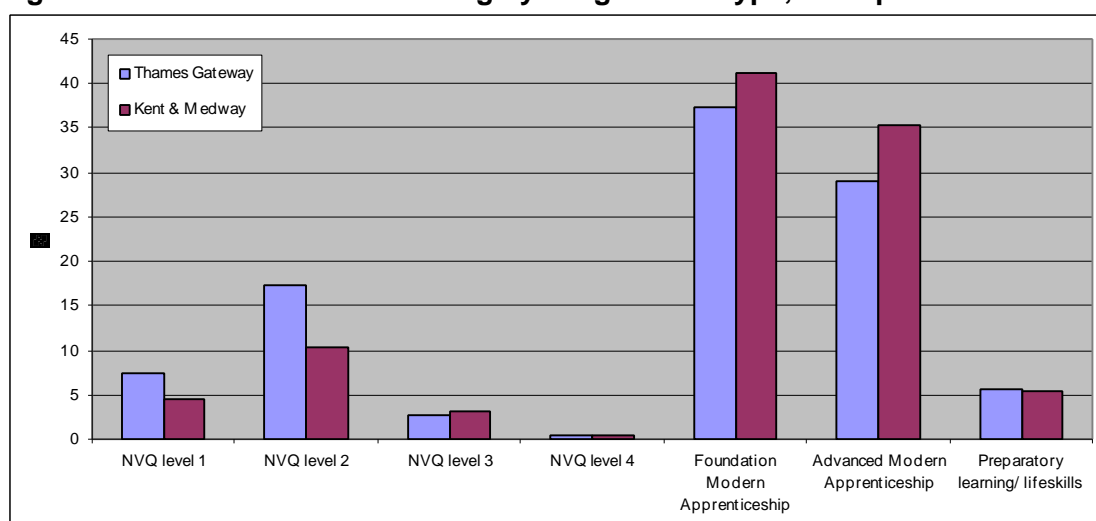
These are specific programmes that allow young people to enter employment while at the same time working towards nationally recognised qualifications. This analysis does not include privately funded or employer funded work-based learning. Since 1995, 5,175 people have undertaken Work Based Learning in the Thames Gateway. The sub-area is an important provider of these programmes, accounting for 45% of the total provision in Kent and Medway.²¹ In 2000/2001, 1,992 individuals completed Work Based Learning programmes in the sub-area. The programmes are open to 16-24 year olds but 64% of participants in the sub-area were under the age of 18. The majority of these learners (54%) are male. The Learning and Skills Assessment 2001

²¹ Data from the LSC for Kent & Medway includes all work based learners since 1995 to 2002, some of which will still be undertaking their programme. Data for leavers only, which is included in the Learning and Skills Assessment 2001, is not available.

reports that only 47% of those leaving work-based learning programmes in the sub-area in 2000/2001 were male, suggesting that the gender bias is erratic.

Figure 4.13 shows that two thirds of Work Based Learning in the sub-area is delivered through Modern Apprenticeships, the majority of which are at the foundation level. However, the proportion of Work Based Learning undertaken in this way is much lower than in the county as a whole. Modern Apprenticeships include NVQ training but stand-alone NVQ courses are also available. These have proved much more popular in the Thames Gateway than in Kent and Medway, especially at level 2. Less than 1% of Work Based Learning is undertaken at a high skill level (NVQ equivalent level 4 or above).²²

Figure 4.13 Work Based Learning by Programme Type, 1995-present

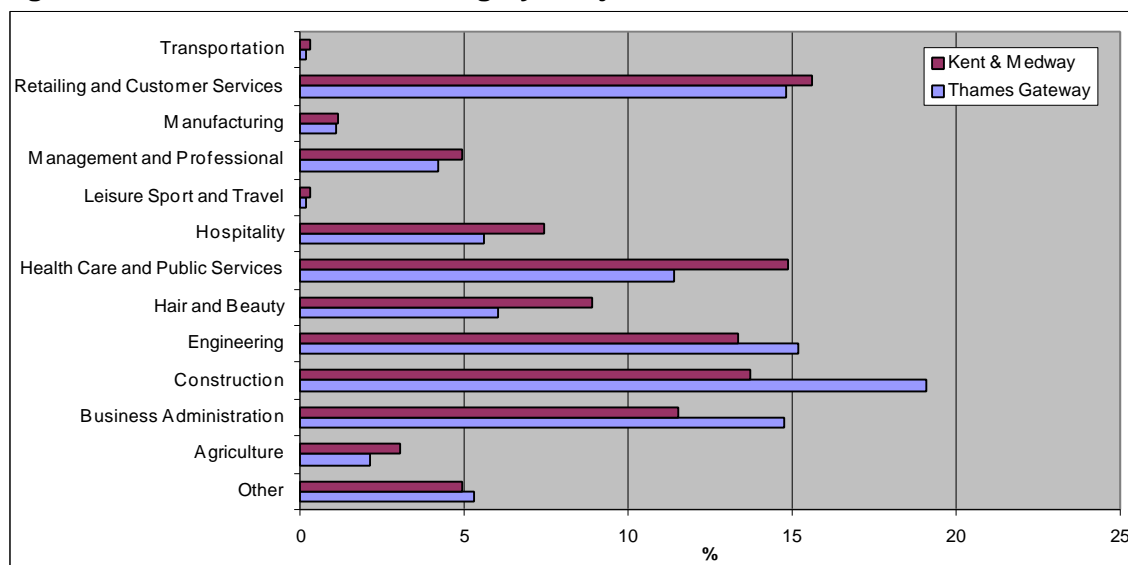


Source: The Learning and Skills Council for Kent and Medway, 2002

Figure 4.14 (overleaf) shows that the most common subject area for Work Based Learning is construction (19%). Provision of this subject is much higher than in Kent and Medway as a whole. Engineering, business administration, and retailing and customer service courses are also popular with around 15% of learners choosing each of these subjects. The skill levels of the provision in these programmes varies considerably. Three quarters of construction training is done at level 2, either through Foundation Modern Apprenticeships or NVQs. In contrast, nearly half of work based engineering training in the sub-area is at level 3. This is a useful step towards the goal of increasing skill levels in the manufacturing sector.

²² Foundation Modern Apprenticeships are equivalent to NVQ level 2 and Advanced Modern Apprenticeships to NVQ level 3. As such, neither are classed as high skilled training

Figure 4.14 Work Based Learning by Subject Area



Source: The Learning and Skills Council for Kent and Medway, 2002

Engineering skills, highlighted as a skills need within the manufacturing sector, is one of the more widely undertaken programmes (15%). Management and professional training accounts for only around 4% of the Work Based Learning undertaken. While management skills are among those found to be lacking in key sectors, increasing provision within these kinds of programmes is unlikely to solve the problem. Management occupations tend to require older, more experienced staff and few people enter directly from school or university. Therefore, it will be more effective to increase provision of this subject area through Adult and Further Education.

Overall however, the work based learning being undertaken reflects the skill needs of key sectors. Technical engineering skills are needed in the manufacturing sector and the importance of the retailing sector is reflected in the high level of provision in this area. Business administration programmes, especially those at basic level, have the potential to help improve the skills deficiencies among clerical and secretarial employees highlighted by business and finance employers.

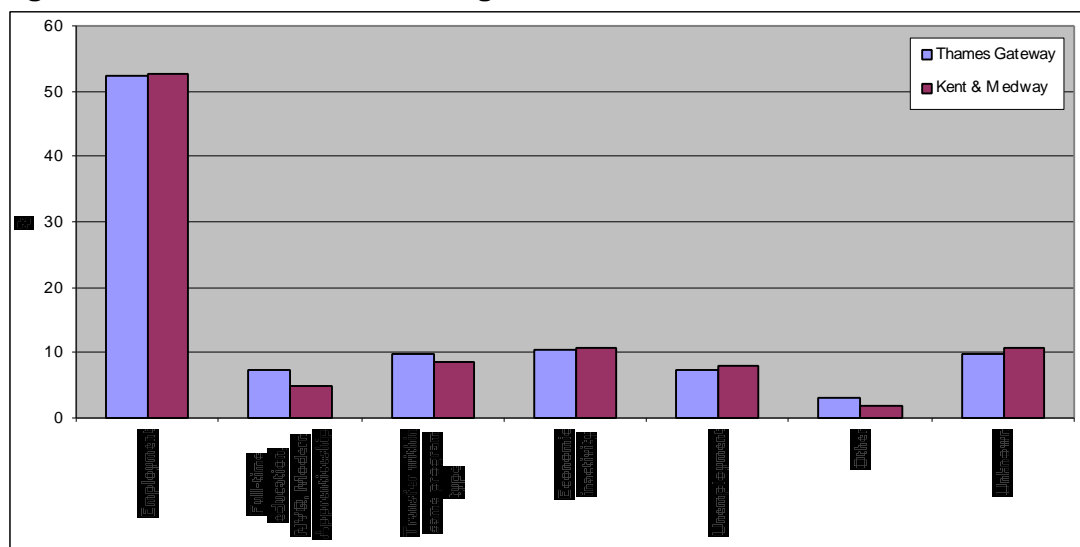
Other skills highlighted as lacking within the sectors are employability skills, like communication, basic skills and IT skills. The Key Skills Units²³ included as part of Modern Apprenticeships are aimed at improving these skills amongst workers. The proposed expansion of the Modern Apprenticeship scheme may therefore increase the supply of generic skills²⁴. However, more research is required into employers' views on the effectiveness of Key Skills Units in improving these skills in the workforce.

The destinations of those finishing Work Based Learning in the sub-area are broadly the same as in the county (Figure 4.15 overleaf). Over half (52%) go into employment, and a further 17% go on to study for more qualifications, either within the same programme type, or through other Work Based Learning or full-time education. However, it is concerning that nearly one in five finishers (18%) go into unemployment or economic inactivity.

²³ Key Skills Units are compulsory parts of the Modern Apprenticeship programme and focus on five generic skill areas. Units are: Information Technology; Communication; Application of Number; Working with Others; Improving own Learning and Performance

²⁴ For more details of this see the Kent and Medway overview report

Figure 4.15 Work Based Learning Destinations



Source: The Learning and Skills Council for Kent and Medway, 2002

Group Two: Unemployed and Seeking Work

There are two means of measuring unemployment in Great Britain. The claimant method counts the number of people claiming unemployment related benefits²⁵. However, this measure does not include people seeking work but not claiming benefits, such as mothers returning to work. The International Labour Organisation (ILO) measure takes these people into account. The ILO unemployment rate therefore is slightly higher than the claimant rate. In Kent and Medway 4.2% of the working age population, or 32,000 people, are unemployed by the ILO definition. Unfortunately, the ILO measure, collected through the Labour Force Survey in Great Britain, is not available at sub-area level. Therefore, this report focuses on the claimant measure of unemployment.

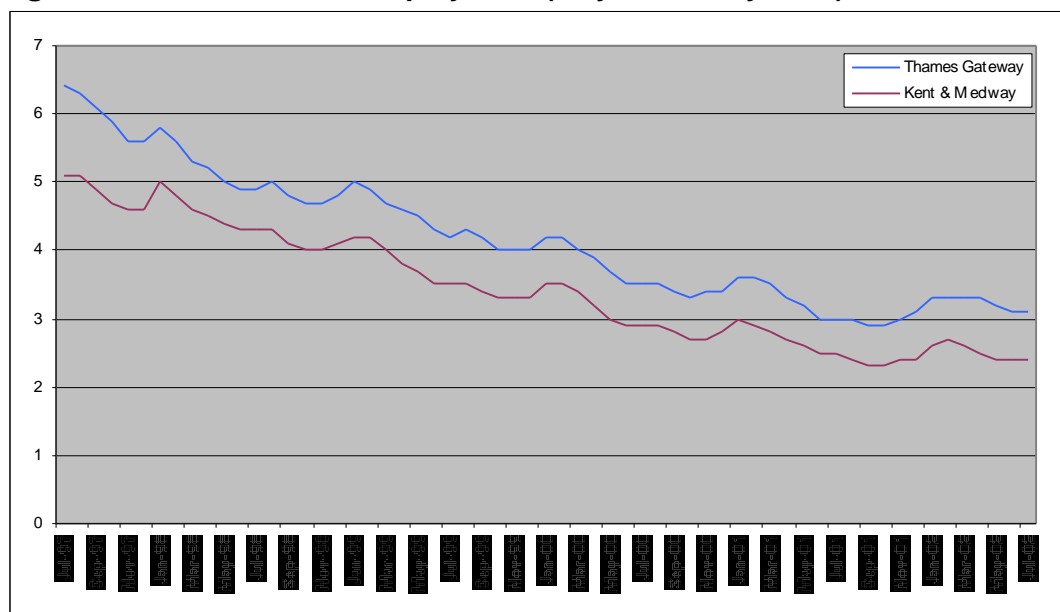
Claimant unemployment

As predicted in the Learning and Skills Assessment 2001, claimant unemployment in the Thames Gateway whilst rising slightly, has remained fairly static. However, since April 2002 unemployment in the sub-area has been falling. Since July last year, the number of claimants has risen by nearly three hundred to 7,355. The rate currently stands at 3.1%, around half the level of five years ago (Figure 4.16 overleaf). If ILO rates were available we might expect there to be 5,000 - 6,000 additional people seeking work in the sub-area but not claiming benefit.

Male claimant unemployment is more than twice as high as female, 4.1% and 1.9% respectively. A similar pattern is evident in Kent and Medway and across Great Britain. Nearly one third of the unemployed (31%) have been so for longer than six months. This denotes a slight improvement from one year ago, when the figure was 36%.

²⁵ Unemployment related benefits include Job Seekers Allowance and National Insurance Credits

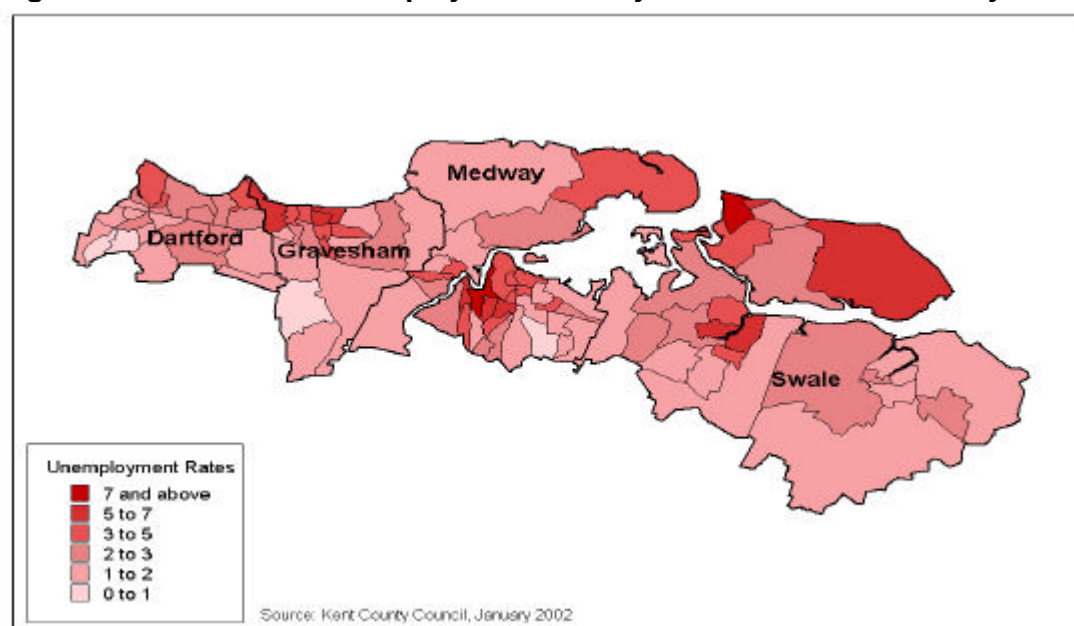
Figure 4.16 Claimant Unemployment (July 1997- July 2002)



Source: NOMIS, 2002

Figure 4.17 shows the incidence of unemployment in the Thames Gateway. It mirrors closely the picture of deprivation within the sub-area²⁶, with the worst hit areas being found on the Isle of Sheppy, in North West Medway and around the urban centres of the sub-area. Sheerness West in Swale has the highest unemployment rate in the sub-area (8.1% in January 2002). This is the eighth highest rate in Kent and Medway. Rates were also high in Rochester Town (7.6%), Riverside in Gravesham (6.9%) and Murston in Swale (6.2%). The lowest unemployment in the sub-area is found in Wilmington West in Dartford. At only 0.6% this is the ninth lowest rate in Kent and Medway. Overall unemployment in Dartford is much lower than in the other areas and stands at only 2%, half the level found in neighbouring Gravesham.

Figure 4.17 Claimant Unemployment Rate by Ward – Thames Gateway



Source: Kent County Council, January 2002

²⁶ For more details of deprivation see section 1 of this report and the overview report for Kent and Medway

KEY ISSUE 7

Kent and Medway Issue

The sub-area needs to ensure the supply of high quality new entrants to a tight labour market, while upskilling low skilled adults in the most deprived areas of the Thames Gateway.

The New Deal

The mismatch between the skills held by the unemployed and those required by employers and growth industries has been a long running problem for the UK labour market.

The New Deal is an important element in the Government's Welfare to Work Strategy. Starting across the United Kingdom in April 1998, it provides an opportunity for unemployed people to improve their key skills and gives help in finding a job. The New Deal for Young People is available to anyone aged between 18-24 who has been unemployed for more than six months, while the New Deal for the Long-term Unemployed is available to anyone aged 25 or over, who has been unemployed for more than a year.

In each scheme a Gateway period is entered into of up to four months, which gives employability training and advice on finding a job. If a job has not been found during the Gateway period, individuals choose a New Deal Option. Options include subsidised employment, training and education or working with the voluntary sector or environmental task force.

Since the beginning of the scheme 3,062 young people (43% of all in Kent and Medway) have started an option (Figure 4.18 overleaf). Half of these have gone into employment on completion of their option²⁷, more than in Kent and Medway as a whole (48%). More than three quarters (77%) of those going into employment have taken up sustained employment, the remainder going into jobs lasting less than 13 weeks. Since March 2001²⁸, around 170 people over the age of 25 have begun an option (13% of the total for Kent and Medway). To date, around 30% have gone into employment, slightly more than in Kent and Medway as a whole.

²⁷ Figures for entry into employment do not include people who are currently undertaking their option. This figure is not available. Consequently, the proportion of all option completers going into employment will be slightly higher.

²⁸ In March 2001, the options for the New Deal for the Long Term Unemployed were modified. Therefore statistics for people over the age of 25 apply to this period only.

Figure 4.18 The New Deal: Employment Entry

	All Starts	Sustained job	Job lasting less than 13 weeks	Percent into employment
18-24 (since April 1998):				
Thames Gateway	3062	1,475	59	50.1%
Kent & Medway	7142	2755	703	48.4%
25+ (since March 2001):				
Thames Gateway	561	148	20	29.9%
Kent & Medway	1248	252	55	24.6%

Source: Jobcentre Plus, March 2002

Figure 4.19 shows the options taken up by young people on the New Deal in the sub-area. More than one third (34%) take up full-time education or training, which can last for up to 12 months and can offer the chance of achieving an accredited qualification. Take-up of this option is more widespread in the sub-area than in Kent and Medway as a whole (30%). Around 15% of participants choose the employment option. This offers a full or part time job, including training, with an employer for six months, although they may continue in the job beyond the end of this period. The remaining half (51%) work with the voluntary service or an environmental task force, which combine six months of work placements with training to improve skills and work prospects.

Figure 4.19 The New Deal for Young People: Options



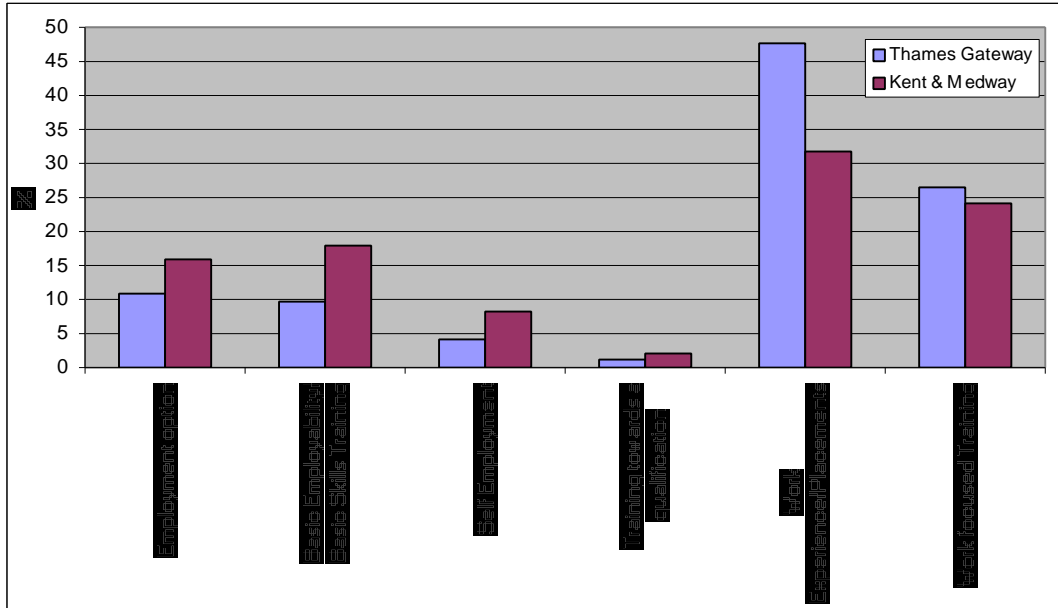
Source: Jobcentre Plus 2002

Figure 4.20 (overleaf) shows that the most common option for those over the age of 25 is work experience or placements (48%). Around one third more participants choose this option in the Thames Gateway than in Kent and Medway as a whole. The self-employment option gives anyone wishing to start their own business advice and guidance, as well as continued benefits, for the first six months of self-employment.²⁹ However, only 4% of New Deal participants in the sub-area take up this option, around half the proportion in Kent and Medway. The other three options

²⁹ Self-employment is also available to young people, but is much more common in those aged 25+. Self-employment figures are included in the employment option for young people

are focused around training in either basic employability or basic skills, qualification based, or work-focused training which trains in specific occupations, like LGV driving.

Figure 4.20 Enhanced New Deal for the Long Term Unemployed: Options



Source: Jobcentre Plus 2002

Group Three: Those Entering the Labour Market for the First Time

The analysis of this group of workers focuses on the supply of new entrants to the workforce and their skills and qualifications. While many young people enter the workforce from Further Education colleges, these institutions are dealt with in the Those in Work section and will not be included here.

Schools and Sixth Form Colleges

Figure 4.21 shows that overall the Thames Gateway trails Kent and Medway in terms of secondary education performance. Although Key Stage 3 achievement in English is above that in the county as a whole, the sub-area lags behind in Maths and Science. The Thames Gateway also underperforms at GSCE level but does better than average for sixth form attainment.

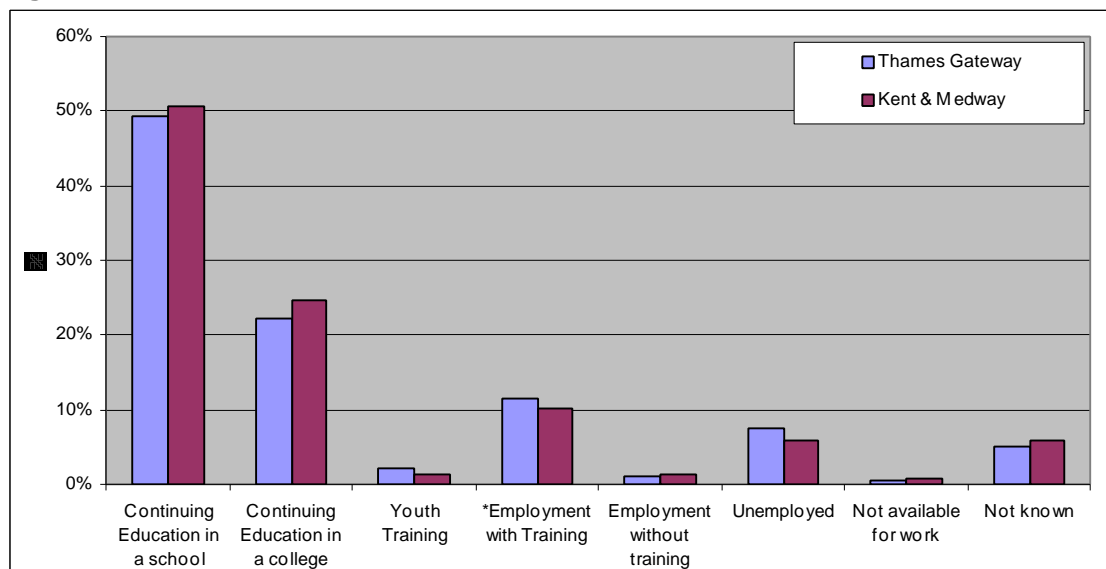
Figure 4.21 Secondary Education Statistics (2001)

	Thames Gateway	Kent & Medway
Key Stage 3 Achievement		
Pupils with level 6 and above in English	41.2%	40.1%
Pupils with level 6 and above in Maths	46.5%	48.0%
Pupils with level 6 and above in Science	36.9%	39.4%
Secondary school leavers		
5+ GSCE/GNVQ grades A*-C	48.4%	51.1%
5+ GSCE/GNVQ grades A*-G	81.1%	87.1%
Sixth Form A-Level/ AS Level/ AGNVQ Attainment		
Average points score per student (Total A/AS Levels/ AGNVQ)	15.1%	15.0%

Source: The Department for Education and Skills (DfES), 2001

Figure 4.22 shows that year 11 school leavers in the sub-area are slightly less likely to continue in full-time education than in the county generally (71% compared with 76%). Around 12% go into employment, the majority with training attached. Only around one in ten leavers are known not to continue with any form of training at all.

Figure 4.22 Destination of Year 11 School Leavers



Source: Kent Careers Service – Destination Survey, 2001; * - includes employed status trainees and Modern Apprenticeships

Over half of year 13 leavers (55%) go into Higher Education (Figure 4.23) and a further 10% continue with their studies either in school or in college. The proportion of students entering Higher Education is lower than in the county as a whole (64%) but the proportion continuing with education elsewhere is higher. One in five leavers go into employment. Overall, 8% of leavers are known not to continue with training at all. This is less than the proportion of year 11 leavers but more than the figure for Kent and Medway.

Figure 4.23 Destination of Year 13 School and Sixth Form College Leavers

	Thames Gateway (%)	Kent & Medway (%)
Higher Education	55.2	63.8
Continuing education in school	5.6	4.3
Continuing education in college	4.7	4.8
Youth Training	0.2	0.1
Employment with training	17.2	13.2
Employment without training	2.4	2.4
Unemployed	3.8	2.2
Not available for work	0.5	0.6
Not known	10.4	8.5

Source: Kent Careers Service – Destination Survey, 2001

Whilst achievement and destinations data for young people provides a reasonable picture of overall levels of qualification and participation in learning it is unclear what type of qualifications and skills are possessed by those entering into employment at different stages. The work readiness of young people has been questioned by the Education and Business Partnership (EBP) and this issue will be investigated in more detail in the next Learning and Skills Assessment.

KEY ISSUE 8

Thames Gateway Issue

The sub-area under performs against Kent and Medway as a whole at key stages in the education system, with fewer students achieving 5+ GCSE/GNVQs and a smaller proportion of Year 13 school leavers entering higher education.

Section Five

Key Issues in the Thames Gateway

The key issues highlighted in this report relate to both the local situation and that in the county as a whole. Few key issues were found to be relevant to one sub-area only. The issues have been chosen with reference to other reports, including the Kent Economic Report and the Area Investment Framework (AIF) for the sub-area. However, the AIF drew heavily on the 2001 Learning and Skills Assessment.

The Learning and Skills Assessment is an evidence-based document and therefore the key issues identified are based on the available evidence, leaving the reader to make up his or her own mind about its implications. The challenge for the Learning and Skills Assessment, the AIFs and similar documents is the need to develop more empirical evidence at a local and sub-area level to back up anecdotal evidence. The aim of the Learning and Skills Assessment over the forthcoming years is to improve the evidence presented. The publication of new data, including results from the 2001 Census and neighbourhood statistics data, will help towards this goal.

Key Issue 1

Thames Gateway Issue

The link between the labour force and competitiveness

The strength of the labour force is perhaps the key driver behind the level of economic competitiveness in an area. High entrepreneurial and management skills feed the growth of small businesses; and a more highly skilled labour force is essential to increasing productivity and moving towards a higher wage and higher value-added economy.

Swale and Gravesham rank below the national average in terms of labour force performance and this drags down their overall economic competitiveness. However, strength in other areas, dynamism in the case of Swale and industrial structure in the case of Gravesham, help to balance out these problems.

Key Issue 2

The manufacturing sector

Thames Gateway Issue

Despite the growth of high technology manufacturing, particularly in Dartford, much manufacturing employment remains in declining sectors. The sub-area needs to both support effective workforce development in high tech and traditional manufacturing sectors and raise workforce skill levels to help attract and support inward investment and develop local businesses in a wide range of growth sectors.

Tackling the current position of the manufacturing sector will require a multi-faceted approach. It will be essential to support the needs of the high tech manufacturing sector while at the same time helping to reduce the decline of traditional manufacturing through encouraging moves towards more high value added products. In addition there will be a need to broaden the economic base of the sub-area to include more knowledge economy industries. Each of these approaches requires the development of appropriate skills and training policies.

Key Issue 3

Widening participation in the workforce

Kent and Medway Issue

The working age population is forecast to get older over the next ten years, with workers aged 45-64 set to increase by 17%, nine times the rate of the whole population. At the same time, the number of 5-14 year olds is predicted to fall. This will mean there will not be enough young people entering the workforce to replace those retiring.

Given this potential shortfall, increasing the participation of people currently not in the workforce is key. Currently, two large groups have significantly lower activity rates than the workforce as a whole, older working age people (71% compared with 79% for younger people) and women (72% compared with 85% in men). Raising the activity rates of older working age people by 5% and raising the activity rates of women to halve the difference between the sexes would mean an extra 7,500 people entering the workforce. However, increasing economic activity rates needs to be balanced against the childcare and community welfare roles that many of those not in the workforce undertake.

Key Issue 4

High skill workers

Kent and Medway Issue

The continued expansion of knowledge economy sectors, such as business and financial services, in the sub-area will require an increase in the number of intermediate and high skill workers. Currently, the Thames Gateway has less highly skilled members of the workforce than Kent and Medway and it lags significantly behind the more successful economies in the South East.

Furthermore, although the Thames Gateway is geographically ideally situated to exploit the large market in London and further afield, this position provides easy access to the sub-area for outside competitors. However, unemployment is higher than in some other areas and the Thames Gateway could use this to its advantage as a slightly less tight labour market might make it easier for businesses to recruit staff. Emphasis must be placed on ensuring that these staff are as highly skilled as possible.

Key Issue 5

A local approach to basic skills needs

Kent and Medway Issue

Across England and Wales, the acuteness of basic skills problems in an area is proportionate to its level of deprivation. Consequently, the worst hit wards in the sub-area are in and around the urban centres. Given this basic skills need, a large majority of provision is rightly centred in these towns.

The danger is that when assessing funding for low skill training provision, it is these areas that get all the help, as long-established pockets of need. Analysis of the Thames Gateway shows however, that while the main urban centres are accounted for strongly in terms of provision, more rural areas, such as the Isle of Sheppey and Northern Medway, may have become the greatest areas of need due to a lack of provision. The development of a more localised approach, which does not just rely on Basic Skills Agency data but also a study of the level of provision currently offered, is required.

Key Issue 6

Management Skills

Kent and Medway Issue

In the last 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 management training. Management 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 particularly well placed to supply training in this area due to their success in delivering short courses to adults

in the workforce. Those employed in management occupations are more likely to be mature students who may not be able to make the time commitments required for a higher level qualification.

Key Issue 7

Dual labour market

Kent and Medway Issue

Unemployment levels are low across most of the sub-area. The overall claimant count rate of 3.1% is close to the 3% threshold usually considered to denote full employment. A low unemployment rate, while socially desirable, exacerbates recruitment problems for businesses. In a tight labour market it can be difficult to recruit even low skilled staff for some jobs. In such circumstances, high skilled workers are even more sought after, and if in short supply, may be hired from elsewhere in the country, or even abroad.

However, small pockets of the sub-area have greater unemployment, such as Sheerness West in Swale. In such areas, different problems emerge, with too few low skilled jobs available for those out of work. Giving them a higher level of skills with which to find employment is critical.

The sub-area therefore has the dual problem of ensuring high quality supply of new entrants to a tight labour market, while upskilling those in need in the most deprived areas of the Thames Gateway.

Key Issue 8

Academic Achievement

Thames Gateway Issue

Current under-performance at GCSE/GNVQs appears to be leading to fewer Thames Gateway Year 13 students going on to higher education. Where as 64% of Year 13 students go to university for Kent and Medway as a whole, the corresponding figure for Thames Gateway is 55%.

On a more positive note, a further 10% of Year 13 students go on to other forms of education in the sub-area and a further 17% gain employment with training. Whether these individuals are taking up the right options for themselves and the Thames Gateway economy, for now and in the future needs to be questioned.

Appendix: Improving Learning and Skills Intelligence

Improving the Learning and Skills Assessment is a continuous exercise that requires the support of local partners across Kent and Medway. Future Learning and Skills Assessments will benefit from planned improvements to research intelligence at the national level (such as the 2001 Census and neighbourhood statistics series from the Office for National Statistics). However, the analysis for the 2002 Assessment also highlighted at least three areas where local skills intelligence needs to be improved either through research or management information collection:

1. Supply side intelligence
2. Learner progression and engagement in learning
3. Routes into employment

Supply side intelligence

There is a tendency for those involved in the planning and delivery of learning to believe that the supply side is more or less a known quantity and that learner and employer skills needs are the priority intelligence requirement. However this is clearly not the case; currently there is no single source of learning supply intelligence. The Learning and Skills Assessment has had to collate information from a wide variety of sources often containing inconsistencies and idiosyncrasies.

Theoretically, much of the supply side intelligence collected by learning providers and funding agencies in the county is similar in nature and it must be a priority for the LSC and its partners to work together to standardise the collection of management information as far as is possible.

Ultimately we will also need to develop a clearer picture of the actual skills conferred by different qualifications. For most qualifications there is little intelligence on their generic or key skill content, for example.

Learner progression and engagement

In order to better understand how to raise the skill and qualification levels of the whole workforce we need a clearer picture of how adult learners first engage in learning and progress through to higher levels of learning and employment. Currently there is almost no information for adult learners on their prior qualifications to engaging in learning or their destinations in terms of employment or further learning. Ultimately this is the challenge for the Individual Learner Record (ILR) system that is being developed for all post-16 learning outside of Higher Education.

Routes into employment

Raising qualification levels with no regard to the types of skills required would help neither the economy nor the learners undertaking training. Knowing which students with which qualifications go into which types of employment would be a useful starting point in assessing the extent of this mismatch. Currently, achievement data (level and types of qualifications) is separate from destinations data. As a result we know only the level of education that a student was engaged in before they enter employment. This makes it very difficult to assess the current supply of new skills.

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.