Learning+Skills Council
Milton Keynes, Oxfordshire
and Buckinghamshire

Milton Keynes
Skills and Economic Assessment

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Contents

Milton Keynes Skills and Economic Assessment 2003-04

Introduction

This report aims to provide details of the skills and economic background of Milton Keynes, using the most recent available research in order to do so. It concentrates on three main areas:

1. The planning, economic and socio-economic context.
2. Individuals: increasing the demand for learning.
3. Employers: encouraging engagement in skills and workforce development.

In addition to providing key data on learning, skills, the economy and population of Milton Keynes, it attempts to bring out policy points and issues arising from that data. The aim is therefore to provide both a useful source of background information for the area, as well as a context for developing policies and programmes to address the issues raised.

This version updates the Skills and Economic Assessment produced in April 2004. In many cases, new data has become available since that time, and wherever possible this has been incorporated into this report. However, at the same time certain datasets have not been updated, and in these cases the data and narrative in the report remain the same as they were in the April version.

Area Description

The Milton Keynes area was chosen as a site for a new city in the late 1960's, and since work began on constructing the city it has become a byword for growth, development and dynamism. Over the past 30 years Milton Keynes has experienced the fastest rate of both population and economic growth in the country, and this is set to continue. The population of Milton Keynes borough – which became a unitary authority in 1997 – was 210,000 people at the time of the 2001 Census, and is forecast to increase to more than 230,000 by 2006. It has also been earmarked as one of the South East's areas of significant growth to 2016 and beyond, which is likely to see its population expand well beyond 300,000 people.

Employment growth has gone hand-in-hand with its increase in population, and a number of large employers have sited themselves in the city, including Abbey (formerly Abbey National), Argos, Coca-Cola and Siemens. Further increases in employment and inward investment are expected to complement the anticipated population growth, with Milton Keynes forecast to host as many as 190,000 jobs by 2031, compared with 117,000 in 2001. The city's transport links have helped to make it an attractive location, with its proximity to both the M1 motorway and the West coast mainline rail link. These links mean that it is less than an hour away from both London and Birmingham, and within a two hour drive of one third of the UK's population.[1]

This also means that it is an attractive proposition for commuters, and one of the issues the area is facing is that a substantial proportion of its higher-level occupations are taken by people who live outside and travel to work there. At

[1] Source: thecentre:mk, March 2004

the time of the 2001 Census, 22,000 of Milton Keynes' residents worked outside the borough, while more than 38,000 travelled in from outside to work, giving a net in-commuting total of 16,000. More than 9,000 of this net total were people working in Managerial, Professional or Associate Professional occupations, representing nearly a quarter of the people working in such occupations in Milton Keynes.

Although it is part of the South East region, arguably it has more in common with the Eastern and East Midlands regions it borders in terms of both its economic and skills profiles. Much of its recent growth has been in sectors such as retail and hotels and catering, which tend not to require high levels of skills. These sectors are particularly attractive to young people, and a plentiful supply of such jobs has been one of the contributory factors in Milton Keynes' relatively low rates of participation in learning post-16. This is another of the key issues faced by the area as it enters a further exciting phase of development.

Section 1: Context

1.1 Planning issues: growth and development

1.1.1 Milton Keynes and South Midlands (MKSM) Sub-regional strategy

A report into the Milton Keynes and South Midlands sub-region (which includes the Milton Keynes unitary authority area and Aylesbury Vale district) was published in September 2002. The report concluded that there was considerable scope for sustainable economic growth within the sub-region over the next 30 years.

The MKSM sub-regional strategy proposes alterations to Regional Planning Guidance that will be necessary in order to facilitate the growth envisaged in the report. There are two main purposes of the strategy:

- "To provide a clear, agreed long-term spatial vision for the Sub-Region towards the year 2031; and
- To provide guidance on the scale, location and timing of development and the associated transport, employment and social infrastructure, and the delivery mechanisms, over a shorter timescale, needed to achieve the Government's vision of sustainable communities."[2]

In relation to Milton Keynes specifically, the strategy states that:
"Milton Keynes should embrace its growth potential and continue to develop as a major and influential city, particularly through the substantial development of its central area, supported by a significantly enhanced public transport system to facilitate and support growth in major development areas."

1.1.2 The future development of Milton Keynes as a result of the strategy

In practical terms, the implications of the strategy for the development of Milton Keynes are as follows:

- An additional 33,900 homes to be built during the period 2001-2016. The majority of these (19,300) will be within the existing urban area, with the remaining 14,600 being in sustainable urban locations to the West, South West and East of the city. A further 2,500 homes will be built within Aylesbury Vale adjacent to the Milton Keynes unitary authority area which will be deemed to be part of the Milton Keynes Growth Area.
- Substantial improvements to the transport infrastructure, with the following schemes being under investigation:
    - City-wide core bus network upgrade
    - East-West and North-South mass transit corridors
    - East-West rail station at Newton Longville
    - East-West rail station at M1 Junction 13 (including Park and Ride)
    - MK southern bypass: upgrade of A5 (Fenny Stratford to Bow Brickhill)
    - MK southern bypass: M1 Junction 13 to A4146
    - MK southern bypass: A5 to A421
- Delivering sustainable communities by providing community, economic, environmental and social infrastructure and services according to demand.

[2] Milton Keynes & South Midlands Sub-Regional Strategy, July 2003

As well as housing, public spaces, utilities, healthcare and other services, there are two areas of specific interest to the LSC:
  - School education – additional secondary school provision
  - Further and Higher education – additional capacity should be sought at Milton Keynes College.
- The overall levels of housing and economic growth that the MKSM study saw as realisable over the period to 2031 involve up to 102,000 dwellings and 99,000 jobs for the Milton Keynes unitary authority and Aylesbury Vale district council areas combined. This includes the housing growth to 2016 outlined above

<u>1.1.3 Next steps</u>

The strategy underwent a period of consultation during 2003, and was due to be opened to public examination in March 2004. After further reports and consultation during the summer and autumn of 2004, it is expected that the Secretary of State will publish the final strategy in December 2004. At this point it should become clear to what extent the developments listed above will take place.

<u>1.1.4 Central Milton Keynes</u>

Planning permission has been granted to plans to improve Milton Keynes city centre shopping through an expansion of thecentre:mk and surrounding areas of Central Milton Keynes. The £400 million development will include extra shops, improved links to public transport, and a community facility next to the theatre district. The project is expected to create around 3,000 permanent jobs and 1,000 construction jobs, and take 10 years to complete.

<u>1.1.5 Oxford to Cambridge Arc (O2C Arc)</u>

The O2C Arc covers an area stretching from Oxford in the west to Cambridge in the east, Northampton in the north to Luton in the south, with Milton Keynes as its hub. This initiative is aimed at turning the area into the following:
- "The largest and most successful knowledge-based economy in Europe with realistic ambitions to become the world leader.
- A jewel in the crown of the United Kingdom, the European centre of excellence for knowledge-based businesses and a magnet for inward investment.
- The most open and interactive knowledge-based community in Europe with innovation and entrepreneurship as its watchwords.

In achieving these aims, the O2C Arc aims to meet all the needs of the region's citizens in both their working and their private lives by offering a stimulating and rewarding environment based upon the principles of sustainability, personal development and commitment to the community."[3]

<u>Policy points 1.1.1 – 1.1.5</u>

Assuming that the strategy is adopted without significant changes, it will have a large impact on the future development of Milton Keynes. The area is already notable for its dynamism and adaptability, and this is likely to continue as the envisaged changes take place. The strategy is explicit in making clear

[3] Source: Milton Keynes Insight Spring 2003

that these changes need to be sustainable, and that transport and infrastructure need to be put in place to support them.

From the LSC perspective, it will be important to ensure that the learning and skills infrastructure within Milton Keynes is able to meet the demands placed on it. This will range from construction skills for the building phase – although some of this demand will be met by external contractors – to learning provision for the increased population within the area. It will entail working closely with those bodies whose responsibility it is to drive forward the changes in order to ensure that those learning and skills needs are met. This applies equally to the development and expansion of thecentre:mk, which has already been agreed and is soon to begin. More work will need to be done on the O2C Arc concept and how it can be delivered, but this too has the potential to radically transform the skill needs of the Milton Keynes area.

NB It should be noted that the economic forecasts referred to in 3.4 below were made before the MKSM sub-regional strategy was produced. Any employment growth that results from implementation of the strategy will therefore be in addition to that envisaged in the forecasts.

1.2 Economic Profile

1.2.1 Comparison of business formation rates[4]

Table 1: VAT registrations 1998-2002						
	1998	1999	2000	2001	2002	% change 98-02
Milton Keynes	880	815	820	780	800	-10.0
MKOB	5,300	5,220	5,385	5,005	5,125	-3.3
South East	30,120	29,115	29,285	28,520	28,480	-5.4
England	165,515	159,930	162,765	153,520	154,865	-6.4
Source: Business Competitiveness Indicators April 2004						

After falling sharply in all areas between 1998 and 1999, the number of VAT registrations rose again in 2000 (table 1). The number fell back sharply in 2001, before rallying slightly in 2002, although remaining well below 1998's levels. The net percentage fall over the period for Milton Keynes (-10.0 per cent) was above average compared with MKOB (-3.3 per cent), the South East (-5.4 per cent), and England (-6.4 per cent).

Table 2: VAT registrations as a percentage of business stocks 1998-2002						
	1998	1999	2000	2001	2002	Percentage point change 98-02
Milton Keynes	14.1	12.7	12.4	11.5	11.7	-2.4
MKOB	10.8	10.4	10.6	9.7	9.9	-0.9
South East	11.4	10.8	10.7	10.3	10.2	-1.4
England	11.3	10.8	10.9	10.2	10.3	-1.0
Source: Business Competitiveness Indicators April 2004						

VAT registrations have also fallen as a proportion of business stocks over the period 1998-2002 (table 2). In Milton Keynes, the percentage point decrease was above MKOB, regional and national averages, although it still has a higher than average proportion of VAT registrations in relation to business stocks. Another factor has been the change in the overall level of business stocks – these have increased in all areas, but the rate of increase has been greatest in Milton Keynes, indicating a relatively dynamic economy.

VAT de-registrations rose dramatically in all areas in 1999 (table 3, next page), and this rise continued in MKOB, the South East and England in 2000, although not in Milton Keynes. The number of de-registrations then rose in all areas in both 2001 and 2002, leaving large net percentage increases in all areas over the period 1998-2002. By far the largest percentage increase was in Milton Keynes (58.9 per cent), compared with MKOB (26.6 per cent), the South East (23.6 cent), and England (16.4 per cent).

Table 3: VAT de-registrations 1998-2002						
	1998	1999	2000	2001	2002	% change

[4] Figures for 1998-2001 have been revised compared with those published in the October 2003 Business Competitiveness Indicators

						98-02
Milton Keynes	450	655	590	660	715	58.9
MKOB	3,740	4,180	4,415	4,420	4,735	26.6
South East	22,140	23,900	25,135	25,455	27,355	23.6
England	133,060	138,750	144,235	146,370	154,940	16.4
Source: Business Competitiveness Indicators April 2004						

Policy point 1.2.1
All areas have seen a decline in VAT registrations over the period 1998-2002, but in Milton Keynes this decline has been greater than in MKOB and England, which suggests that more needs to be done to help the development and start-up of small businesses. This is also indicated by the very large increase in VAT de-registrations compared with MKOB, the South East and England. However, the overall growth in business stocks, and the relatively high proportion of VAT registrations as a proportion of business stocks indicates that the area is relatively dynamic and with high growth potential.

1.2.2 Comparison of national, regional and local output by sector[5]

Table 4: Gross Value Added per head 1996-2001							
£s per head	1996	1997	1998	1999	2000	2001	Average annual growth (%)
Milton Keynes	15,901	17,159	18,507	19,696	20,348	21,172	5.7
Berkshire, Bucks and Oxfordshire*	14,354	15,528	17,238	18,730	19,701	20,686	6.0
South East	11,918	12,725	13,761	14,623	15,178	15,880	5.8
England	11,625	12,375	13,148	13,691	14,260	14,781	5.1
Source: Business Competitiveness Indicators April 2004							

*NB Includes Milton Keynes – separate data for MKOB not available.

Milton Keynes was above MKOB (including Berkshire), South East and England averages in 1996 for Gross Value Added (GVA) per head (table 4). All areas saw growth in GVA per head between 1996 and 2001, with the Milton Keynes annual average rate of increase (6.8 per cent) being in line with that for MKOB (6 per cent), and the South East (5.8 per cent), and above that of England (5.1 per cent). By 2001, the Milton Keynes GVA per head was £21,172 per head, slightly above the average for MKOB (£20,686), and well above those for the South East (£15,880) and England (£14,781).

Policy point 1.2.2
The point about the dynamism of the economy is more clearly seen when looking at figures for Gross Value Added per head. These show that Milton Keynes outstrips the LSC, regional and national benchmarks in terms of absolute numbers, and although the growth in those numbers over the period

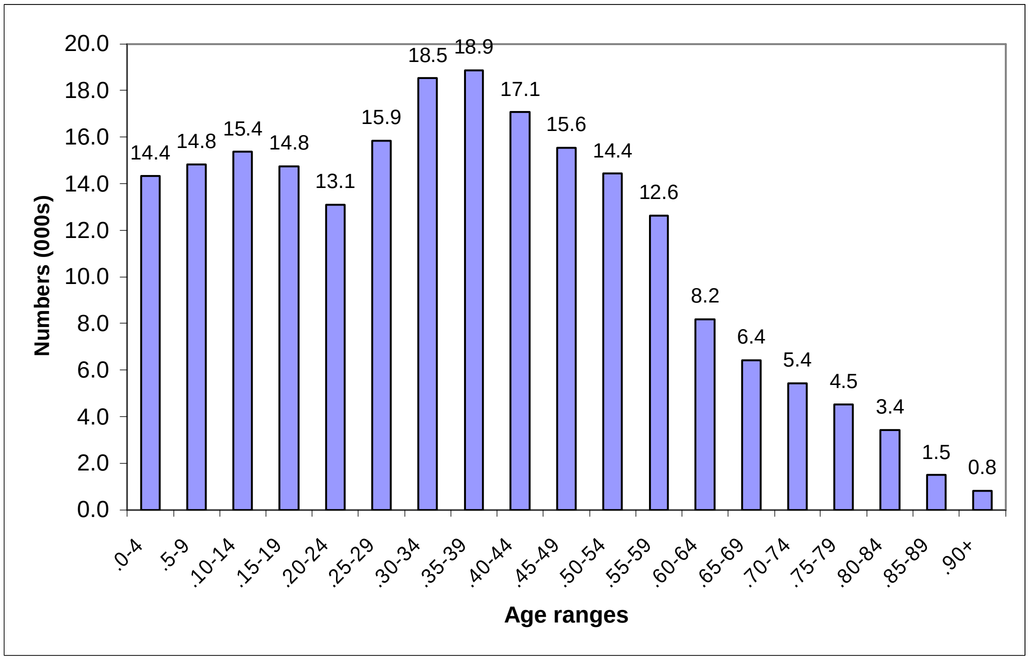
[5] Figures for 1996-98 have been revised compared with those published in the October 2003 Business Competitiveness Indicators.

1996-2001 is less marked than it was in previous years, this is partly because it is already starting from a very high base.

1.3 Population and Socio-economic Profile

1.3.1 Population in general

Chart 1: Population by age band



Source: ONS 2003 Mid Year Population Estimates

- Milton Keynes has a higher than average proportion of children aged 0-14 (20.7 per cent) compared with the averages for MKOB (19 per cent), the South East and England & Wales (both 18.3 per cent) (table 5).
- In addition, looking at the proportion of 20-44 year olds, Milton Keynes is well above average at 38.7 per cent, compared with MKOB (36.1 per cent), the South East (34.3 per cent) and England & Wales (35.1 per cent).

Table 5: Population by Age Bands

	(000's)	%					
	All Ages	**0-14**	**15-19**	**20-24**	**25-44**	**45-64**	**65+**
England & Wales	52,794	18.3	6.4	6.2	28.9	24.1	16
South East	8,080	18.3	6.3	5.9	28.4	24.6	16.5
MKOB	1,309	19	6.5	6.4	29.7	24.3	14.1
Milton Keynes UA	215.7	20.7	6.9	6.1	32.6	23.6	10.3

Source: ONS 2003 Mid Year Population Estimates

- People of retirement age (65 and older) make up a much smaller than average proportion of Milton Keynes's population (10.3 per cent) compared with MKOB (14.1 per cent), the South East (16.5 per cent) and England (16 per cent).

Policy point 1.3.1
Milton Keynes is often characterised as being a young city, and the population statistics do tend to bear this out. There are likely to be fewer of the problems associated with an ageing workforce and a high ratio of retired to working age residents. However, the large proportion of children aged 14 and under means that learning providers in the city need to ensure that there is adequate provision to meet their needs, while account needs to be taken of future growth which is likely to bring more young families to the area.

1.3.2 Ethnicity
Milton Keynes is close to the England average for the proportion of people from an ethnic minority background, and well above average compared with the South East region (table 6). The largest proportion of people from an ethnic minority background in Milton Keynes is of Asian or Asian British background (3.7 per cent), although this proportion is below average compared with England (4.6 per cent).

Table 6: Ethnicity (Percentages)

	All White	All Mixed	Asian or Asian British	Black or Black British	Chinese or other
Milton Keynes	90.7	1.8	3.7	2.4	1.4
South East	95.1	1.1	2.3	0.7	0.8
England	90.9	1.3	4.6	2.3	0.9

Source: 2001 Census

Policy point 1.3.2
Milton Keynes' relatively high proportion of people from Asian and Asian British ethnic minorities has implications – some positive, some less so – for its educational attainment. Studies have shown that while people of Indian extraction routinely outperform their white counterparts, people of Pakistani and Bangladeshi origin tend to do less well on average. The reasons for these differences are many and complex, but they need to be taken account of when looking at how to improve the borough's learning and skills profile.

Table 7: Ethnicity (numbers)

	All White	All Mixed	Asian or Asian British	Black or Black British	Chinese or Other	Total
Milton Keynes	187852	3716	7571	4986	2932	207057

Source: 2001 Census

1.3.3 Household income

Table 8: Disposable Household Sector Income £s per head					
	1995	1996	1997	1998	1999
Berkshire, Bucks and Oxfordshire*	9,664	10,208	11,018	11,118	11,473
South East	9,282	9,814	10,579	10,698	11,055
UK	8,497	8,938	9,513	9,696	10,142
Source: Business Competitiveness Indicators October 2003					

*NB Includes Milton Keynes – separate data for MKOB not available.

In Berkshire, Bucks and Oxfordshire, levels of disposable household income increased markedly from £9,664 per head in 1995 to £11,473 per head in 1999 (table 8). These income levels remain above average compared with the South East (£11,055) and the UK (£10,142), although the percentage rise was identical for all three areas at 19 per cent.

Policy point 1.3.3
The household income data indicates that Milton Keynes is situated in a relatively affluent area. However, more detailed and geographically specific data is needed in order to establish whether this holds true for Milton Keynes itself. As will be seen below (see 1.3.6), there are pockets of deprivation within the borough, and this is particularly important when looking at which areas are most likely to be benefit from the Education Maintenance Allowance.

1.3.4 Owner occupation

Table 9: Number and percentage of owner occupied households					
	1991		2001		
	Number	%	Number	%	Ranking[6]
Milton Keynes	46,485	69.2	58,679	70.4	255
South East	2,172,605	73.8	2,431,459	74.0	N/a
England & Wales	13,409,265	67.8	14,916,465	68.9	N/a
Source: 1991 & 2001 Censuses					

Table 9 shows that the proportion of owner occupied households in Milton Keynes has risen slightly between 1991 and 2001 to just over seven in ten (70.4 per cent). It remains below the South East average of 74 per cent, but above the England & Wales average of 68.9 per cent. The latter is in spite of the fact that it only ranks 255th out of the 376 local authority districts in England & Wales for this measure.

Policy point 1.3.4
The relatively low level of owner occupation within Milton Keynes can be seen as another likely indicator – like those within the Index of Multiple Deprivation

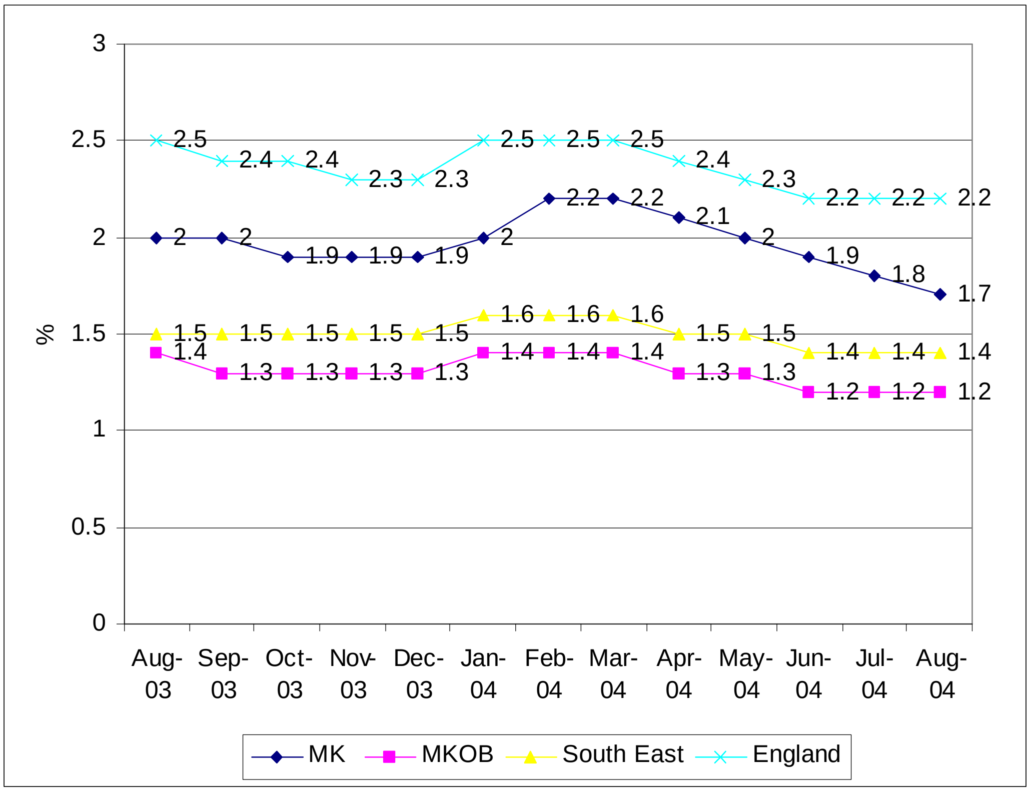
[6] Ranking of all local authorities in England and Wales.

(see 1.3.6 below) – that the borough does have areas of relative social and economic disadvantage, since these factors are normally correlated.

1.3.5 Unemployment

Claimant count unemployment currently stands at 1.7 per cent in Milton Keynes (as at August 2004), which compares with rates of 1.2 per cent in MKOB, 1.4 per cent in the South East, and 2.2 per cent in the UK (chart 2). Claimant count unemployment rates have fallen in all areas over the period August 2003 – August 2004, in the case of Milton Keynes by 0.3 of a percentage point.

Chart 2: Claimant count unemployment in Milton Keynes compared with MKOB, the South East and the UK, Aug 03 – Aug 04



Source: ONS October 2004

Policy point 1.3.5

The unemployment rate in Milton Keynes remains above average compared with the South East and MKOB, although in common with all areas it has fallen in the course of 2004. The rate remains relatively low at below 2 per cent, and there is no lack of employment opportunities within the area, so it seems unlikely that unemployment will become a major issue for Milton Keynes in the foreseeable future.

1.3.6 Indices of Deprivation (2004) in Milton Keynes

The Indices of Deprivation for 2004 (ID2004) update the Index of Multiple Deprivation for 2000 (ID2000), which provided data for all 8414 of the wards in England, ranking each ward by its level of relative deprivation. The key differences between ID2000 and ID2004 are that the latter is based on a greater range of indicators, and that it uses Census Super Output Areas (SOAs) rather than wards[7].

The rankings therefore refer to relative positions of the 32,482 SOAs in England rather than the 8414 wards. This analysis focuses on SOAs in Milton Keynes, highlighting the most deprived on the Index of Multiple Deprivation and ranking them for England as a whole, for the MKOB area (out of 859 SOAs) and within Milton Keynes (out of 139 SOAs).

Table 10: Top ten most deprived SOAs in Milton Keynes

SOA name[8]	Rank in England	Rank in MKOB	Rank in Milton Keynes
Eaton Manor 42	1578	2	1
Woughton 44	2173	3	2
Woughton 45	2247	4	3
Woughton 47	2521	5	4
Woughton 42	2584	6	5
Eaton Manor 43	2835	7	6
Woughton 43	3926	10	7
Campbell Park 29	4642	15	8
Eaton Manor 44	4778	17	9
Stony Stratford 11	5010	19	10

Source: Indices of Deprivation (2004)

The top six ranked SOAs in table 10 fall within the ten per cent most deprived SOAs in England, and four of these are within Woughton ward – in ID2000, Woughton ranked as the most deprived ward in MKOB. Eaton Manor – which ranked as the third most deprived ward in MKOB in ID2000 – hosts the other two SOAs within this category, as well as a further one which falls within the 15 per cent most deprived. All of the SOAs listed in table 10 are within the 20 most deprived SOAs in MKOB.

Milton Keynes as a district is the most deprived in the MKOB area, and only 34 of its SOAs (25 per cent of the total) are within the 20 per cent least deprived SOAs in England. For comparison, in the MKOB area as a whole, 54 per cent of its SOAs are in the 20 per cent least deprived in England. Furthermore, only two Milton Keynes SOAs – both of which are in Olney – are in the 1 per cent least deprived in England.

[7] For more detailed summaries which cover how the ID2000 and ID2004 were constructed, see ‘Analysis of Deprivation in the MKOB Area’ (for 2000) and ‘Analysis of Indices of Deprivation 2004 for the MKOB Area’, available from MKOB LSC

[8] SOAs are referred to by code numbers rather than names, so in this analysis SOAs are described in terms of the ward in which they lie, with the last 2 digits of their unique code being used to differentiate between separate SOAs lying within the same ward.

Policy point 1.3.6
Milton Keynes has pockets of deprivation, principally affecting the wards of Woughton and Eaton Manor, and these need to be addressed by a targeted approach looking at the particular issues within those localities. In addition to the data which confirms previous ward level analyses, however, the ID2004 allows a more detailed analysis of data at the level of neighbourhoods and gives a clearer picture of where problems lie within wards. The ID2004 also makes it possible to identify areas and neighbourhoods with problems of 'hidden' deprivation within wards which are otherwise relatively affluent.

1.3.7 District level summary of employment deprivation in Milton Keynes

Table 11: Employment deprivation				
Local authority district	Number of employment deprived		Rank of employment scale	
	ID2000	ID2004	ID2000	ID2004
Milton Keynes	8,566	8,872	100	101
Least (Isles of Scilly)	33	32	354	354
Most (Birmingham)	84,679	91,123	1	1
Source: ID2000, ID2004				

'Employment deprived' people are defined as those who want to work but are unable to do so through unemployment, sickness or disability (table 11). Milton Keynes has seen an increase in the number of people who can be classed as employment deprived (from 8,566 in 2000 to 8,872 in 2004), although its relative position is virtually the same (101st out of 354 local authority districts).

To place the figures for Milton Keynes in context, the district in 354th position (i.e. the least employment deprived) is the Isles of Scilly with just 32 people, while Birmingham is in 1st position with a total of 91,123 (table 11). However, these figures are not adjusted to take account of the vastly different populations in all of the districts – they simply provide totals for the number of people falling within the employment deprived category in each area.

Policy point 1.3.7
See 1.3.9 below.

1.3.8 District level summary of income deprivation in Milton Keynes
The indicators that determine income deprivation are as follows:
1. Adults and children in Income Support households (2001, Source: Department of Work and Pensions [DWP])
2. Adults and children in Income Based Job Seekers Allowance households (2001, Source: DWP)
3. Adults and children in Working Families Tax Credit households whose income (excluding housing benefits) is below 60% of median before housing costs (2001, Source: Inland Revenue and DWP)
4. Adults and children in Disabled Person's Tax Credit households whose income (excluding housing benefits) is below 60% of median before housing costs (2001, Source: Inland Revenue and DWP)

5. National Asylum Support Service (NASS) supported asylum seekers in England in receipt of subsistence only and accommodation support (2002, Source: Home Office and NASS)

Table 12: Income deprivation				
Local authority district	Number of income deprived		Rank of income scale	
	ID2000	ID2004	ID2000	ID2004
Milton Keynes	37,903	22,826	84	89
Least (Isles of Scilly)	181	62	354	354
Most (Birmingham)	364,248	243,910	1	1
Source: ID2000, ID2004				

Although Milton Keynes has a much higher number of people who are income deprived than are employment deprived (table 12) – more than 22,800 – this figure has fallen by more than 15,000 people since 2000. Part of this might be explained by changes in the methodology in terms of the indicators used, but it does also suggest that there has been a reduction in the numbers of people affected by income deprivation in the county.

This ranks it as having the 89th largest income deprived population in the country (down from 84th in 2000), with the Isles of Scilly having the smallest (62 people, compared with 181 in 2000) and Birmingham the largest (243,910 people, compared with 364,248 in 2000). As with employment deprivation, this reflects the size of the population as much as it does the scale of the deprivation.

Policy point 1.3.8
See 1.3.9 below.

1.3.9 District level summary of average of SOA scores in Milton Keynes
This measure is a population weighted average of the combined scores for the SOAs in a district – it has been calculated by averaging the SOA scores in each district after they have been population weighted. It reflects the fact that the more deprived SOAs may have more 'extreme' scores, which would not be revealed to the same extent if ranks were used. Table 13 (next page) illustrates its findings.

Table 13: Average of ward/SOA[9] scores				
Local authority district	Average of ward/SOA scores		Rank of average of ward/SOA scores	
	ID2000	ID2004	ID2000	ID2004
Milton Keynes	19.92	16.48	185	192
Least (Hart, Hampshire)	4.43	4.70	354	354
Most in 2000 (Tower Hamlets)	61.34	45.36	1	4
Most in 2004 (Knowsley)	58.22	48.18	2	1
Source: ID2000, ID2004				

On this measure, Milton Keynes ranks as 192nd most deprived district in England (an improvement from 185th in 2000) with an average of ward scores of 16.48 (down from 19.92 in 2000). Overall, this compares with 48.18 for the most deprived (Knowsley, replacing Tower Hamlets in this position) and 4.70 for the least deprived (Hart in Hampshire).

Policy points 1.3.7- 1.3.9
Data on employment and income deprivation show that Milton Keynes has sizeable minorities who fit into these categories – particularly in the case of income deprivation – and in both cases the area falls within the worst performing third of local authorities. Although considerably fewer people are now affected by income deprivation than was the case in 2000, this has probably been down to a general improvement in prosperity nationally rather than any specific improvement in Milton Keynes, as evidenced by the very small change in its ranking. The average of ward scores gives a better indication of where the borough lies in comparison with the rest of the country, and this shows that it is inside the best performing half of local authority districts.

[9] While ward scores were used to derive this measure in 2000, the 2004 measure is based on SOA scores.

Section 2: Individuals: increasing the demand for learning

2.1 Basic Skills

2.1.1 Estimate of Basic Skills Needs

Census data on qualification levels has been used as a proxy indicator for Basic Skills needs. The basic premise for this was that people with low or no qualifications – a characteristic identified in the Census – often also have poor standards of literacy and numeracy[10]. Table 14 uses this data to identify the likely scope of Basic skills problems within Milton Keynes.

Table 14: Adults (16-74 years) with no/low[11] qualifications in Milton Keynes, MKOB and the South East, 2001

	Number of adults with no qualifications	% of population	Number of adults with low qualifications	% of population
Milton Keynes	36,500	24	65,700	44
MKOB	204,500	22	357,000	38
South East	1,379,000	24	2,367,000	41
Source: Census 2001				

- An estimated 36,500 adults in Milton Keynes have no qualifications, which equates to nearly one quarter (24 per cent) of the adult population. This is above average compared with MKOB (22 per cent), and identical to the South East average.
- A further 65,700 adults have low qualifications, representing more than two-fifths (44 per cent) of the adult population. This proportion is above average when compared with both MKOB (38 per cent) and the South East (41 per cent).

Policy point 2.1.1
See point 2.1.2 below.

2.1.2 Comparison with Basic Skills Agency data

Within the MKOB LSC area, there are an estimated 163,000 people (20.7 per cent) with poor literacy skills, and 158,000 people (20.1 per cent) with poor numeracy skills[12]. This breaks down by district as shown in table 15 (next page).

[10] This analysis derives from a report entitled 'Basic Skills in the South East – BMG'. A full version of the report is available from MKOB LSC.
[11] Low qualifications are defined as Level 1 and below.
[12] Poor literacy and numeracy skills are defined as being below those of an average 11 year old.

Table 15: Basic skills needs by district				
	Poor literacy		**Poor numeracy**	
District name	**Number**	**Percentage**	**Number**	**Percentage**
Aylesbury Vale	19000	20	18000	19.3
Cherwell	17000	21.3	17000	21
Chiltern	10000	18.1	9000	16.5
Milton Keynes	30000	23.4	30000	23.5
Oxford	20000	23.2	21000	24.3
South Bucks	7000	17.7	6000	16.4
South Oxfordshire	14000	18.9	13000	17.4
Vale of White Horse	12000	18.6	11000	17.1
West Oxfordshire	12000	20	11000	18.9
Wycombe	21000	20.5	20000	19.3
MKOB LSC total	**163000**	**20.7**	**158000**	**20.1**
Source: Basic Skills Agency Survey of Adult Literacy and Numeracy level in England, 1998 (NB Numbers have been rounded to nearest 1000)				

Policy points 2.1.1 & 2.1.2
Both the Census and Basic Skills Agency data suggest Milton Keynes has the highest proportion of people in MKOB with poor Basic Skills, involving nearly a quarter of the population. MKOB has challenging targets to improve basic skills levels and drive down these figures, and has initiatives in place – some of them targeted specifically at Milton Keynes – which are already tackling this problem.

2.1.3 Basic skills by gender

In both MKOB and the South East, women are more likely than men to have no qualifications, although the differential is greater in the region overall than it is within the LSC area (table 16).

Table 16: Proportions with no qualifications by gender, MKOB and South East		
	Male	Female
MKOB	21%	23%
South East	22%	26%
Source: Census 2001		

Policy point 2.1.3
There is a lot of current publicity devoted to girls outperforming boys at all levels of formal education, but in the wider population the evidence suggests that a lack of qualifications and basic skills affects women to a greater degree than men. The data relates to people aged up to 74, so it probably reflects the fact that historically, fewer women were in the labour market, and so did not have access to learning opportunities to the same degree as men.

2.1.4 Basic skills by age

Milton Keynes has higher than average proportions of people with low/no qualifications in all of the age groups, as table 17 (next page) shows:

Table 17: Proportions with low/no qualifications by age, Milton Keynes, MKOB and the South East				
	16-24 years	25-49 years	50-74 years	All aged 16-74
Milton Keynes	29%	39%	57%	44%
MKOB	21%	34%	49%	38%
South East	23%	36%	52%	41%
Source: Census 2001 (NB rows in this table are not intended to sum to 100)				

- Nearly one in three (29 per cent) of 16-24 year olds in Milton Keynes have low or no qualifications, compared with just over one in five (21 per cent) in MKOB overall, and less than a quarter (23 per cent) in the South East.
- The differentials are slightly smaller for 25-49 year olds, but even in this case nearly two fifths (39 per cent) of this age group in Milton Keynes have low or no qualifications, compared with 34 per cent in MKOB and 36 per cent in the South East.
- Age is clearly a determining factor in qualifications, since around half of 50-74 year olds (49 per cent in MKOB, 52 per cent in the South East) have low or no qualifications. However, the proportion in even greater in Milton Keynes, involving nearly three fifths (57 per cent) of the age group.

Policy point
Milton Keynes has a higher than average level of people with low or no qualifications in general, so it is only to be expected that it will also have higher proportions by age group. As a general point, it is clear that more work needs to be done with the older age groups – particularly those over 50 – to improve skill and qualification levels, especially as older workers are being encouraged to stay active in the labour market. Of particular concern is the high proportion of 16-24 year olds with low or no qualifications in Milton Keynes, and this probably reflects lower levels of participation in learning in this age group compared with the rest of MKOB and the South East.

2.1.5 Basic skills by ethnicity
An identical proportion – 28 per cent – of the white and non-white populations in MKOB have no qualifications, according to Census 2001. In the South East as a whole, the comparable figures are 31 per cent for the white population and 26 per cent for the non-white population.

Policy point 2.1.5
Census data suggests that in MKOB, ethnicity has no bearing on whether or not people have qualifications. However, the regional figures show that the non-white population as a whole is less likely than average to have no qualifications. What this data does not show is variation by specific ethnic group, which might account for the discrepancy between MKOB and the South East average.

2.1.6 Basic skills and the working population

The 'dynamic' economy of the Milton Keynes, Oxfordshire and Buckinghamshire area is illustrated in Table 18 which shows that both men and women without qualifications are more likely to be in work in this area than in the South East as a whole (or any other LLSC area in the region). More than three-fifths (62 per cent) of men, and more than two-fifths (42 per cent) of women who have no qualifications are in work, respectively 4 and 3 percentage points above regional averages.

Table 18: Proportions with no qualifications who are in work by gender, MKOB and South East

	Male	Female
MKOB	62%	42%
South East	58%	39%

Source: Census 2001

If people are in work, however, it is more likely that people without any qualifications will be employed in jobs which tend to require lower levels of skills and qualifications, as Table 19 illustrates.

Table 19: Proportions of people in any job/SOC 6-9[13] with no qualifications, by gender; MKOB and South East

	Men		Women	
	% in any job with no qualification	% in SOC 6-9 job with no qualification	% in any job with no qualification	% in SOC 6-9 job with no qualification
MKOB	24	34	19	28
South East	25	33	20	31

Source: Census 2001

- While just under one quarter (24 per cent) of men in all jobs in MKOB have no qualifications, this proportion rises to more than a third (34 per cent) of those who work in SOC 6-9 jobs, figures which are close to the regional average (25 per cent and 33 per cent respectively).
- Just under one fifth (19 per cent) of women in all jobs in MKOB have no qualifications, compared to more than a quarter (28 per cent) of those who work in SOC 6-9. Both of these figures are slightly below the regional average (20 per cent and 31 per cent respectively).

Policy point 2.1.6

The fact that high proportions of people with no qualifications/potential basic skills problems are in work does mean that they are more likely to be accessible via employer-based basic skills initiatives. It may also help to explain some of the skills gaps being experienced by employers (see Section 3.5 below).

[13] SOC 6-9 refers to Standard Occupational Classifications 6-9: personal services, sales, semi-skilled and elementary occupations.

2.1.7 Basic skills problems by ward in Milton Keynes

Looking at actual numbers rather than percentages, there are nine wards with more than 2,000 16-74 year-olds with no qualifications. Seven of the nine are in Milton Keynes, as detailed in Table 20.

Table 20: Wards in Milton Keynes containing more than 2,000 16-74 year olds with no qualifications

Ward	Number with no qualifications
Bletchley and Fenny Stratford	2847
Woughton	2724
Stony Stratford	2698
Campbell Park	2370
Wolverton	2311
Bradwell	2308
Eaton Manor	2248

Source: Census 2001

Policy point 2.1.7

See 2.1.8 below.

2.1.8 Comparison with Basic Skills Agency data

The wards with more than 25% of people having poor literacy and numeracy are shown in Table 21 below. There is a cluster of wards with the greatest problems in southern Milton Keynes (Eaton, Fenny Stratford and Woughton).

Table 21: Wards in Milton Keynes with highest proportion of residents with poor literacy and numeracy

Ward	% with poor literacy	% with poor numeracy
Eaton	45.8%	53.6%
Fenny Stratford	32.2%	36%
Wolverton	30.4%	32.6%
Woughton	27.4%	29%
Bradwell	25.7%	26.4%

Source: Basic Skills Agency Survey of Adult Literacy and Numeracy levels in England, 1998

Policy points 2.1.7 & 2.1.8

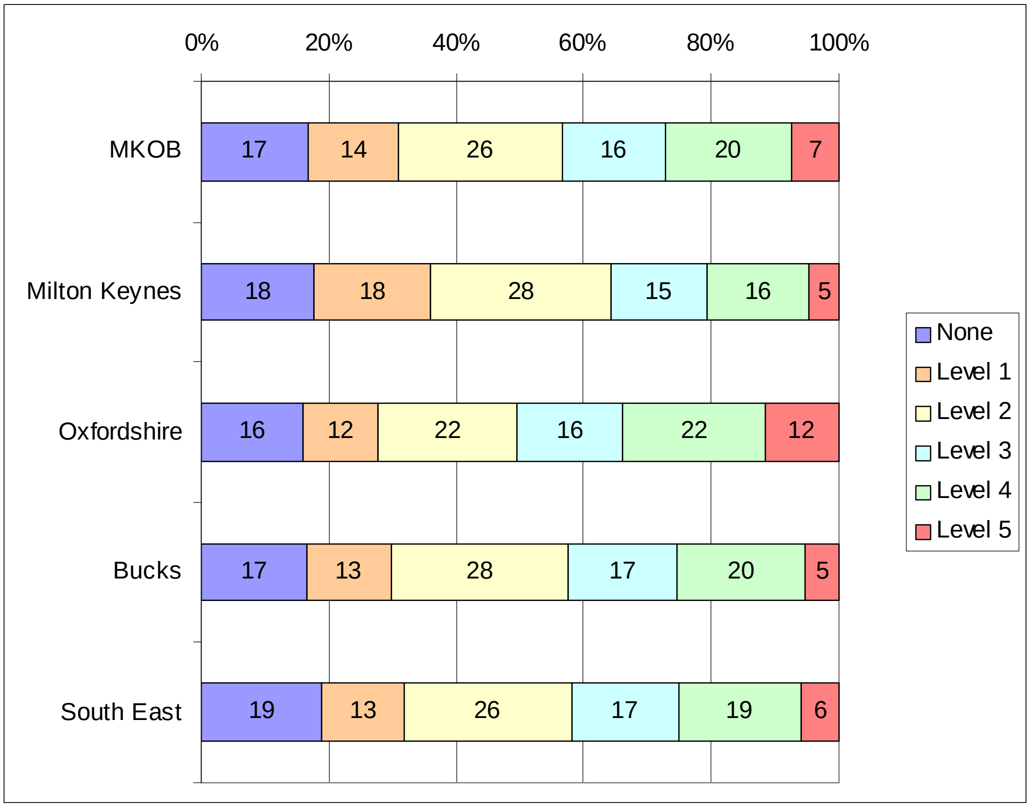
There is a strong correlation here between wards featured in both the Census and the Basic Skills Agency data, underlining once again that a lack of qualifications is a strong indicator for a lack of basic skills. It is no coincidence that these wards also feature strongly on the list of most deprived according to the Index of Multiple Deprivation (see 1.3.6). Economic and social forms of deprivation are inextricably linked to educational ones, so it is important to approach basic skills problems within their socio-economic context.

2.2 Skill levels in the population

2.2.1 Highest qualification held by NVQ equivalence

According to the 2003-04 Skills Audit (chart 3), more than one third (36 per cent) of people in Milton Keynes have qualifications at NVQ level 1 or below, above average compared with MKOB (31 per cent) and the South East (32 per cent). An identical proportion is qualified to level 3 or above, which in turn is below average compared with the figure for MKOB (43 per cent) and the South East (42 per cent).

Chart 3: Highest NVQ equivalent qualification held in Milton Keynes compared with the South East, MKOB, Oxfordshire and Bucks (working age population)



Source: Skills Audit 2003-04

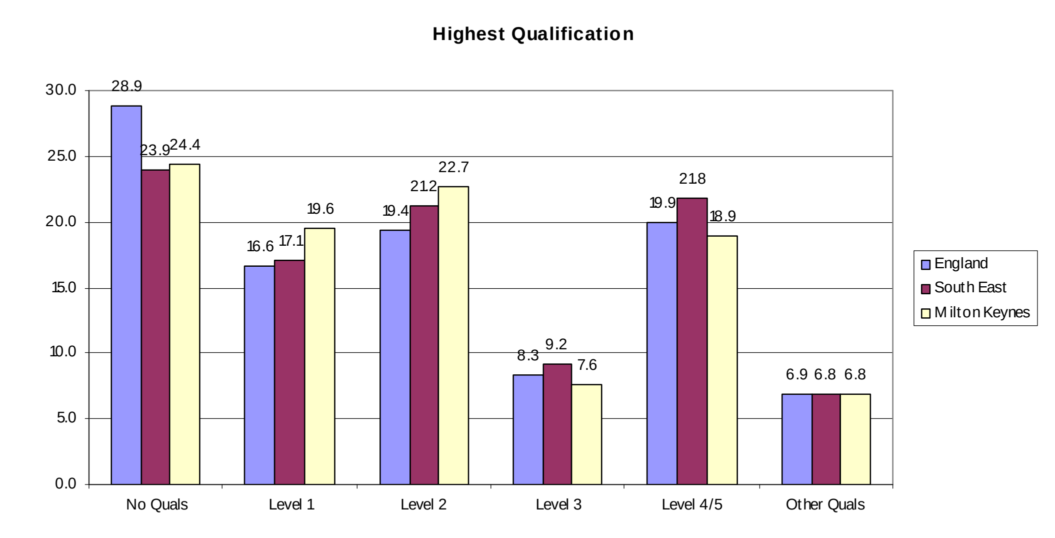
NB The data in this chart is not directly comparable with data shown for NVQ equivalence in the February 2003 Skills and Economic Assessment, which referred to economically active people only.

2.2.2 Comparison with Census data

The data in chart 4 is taken from the 2001 Census, and refers to the 16-74 year old population. It also includes data on people with other qualifications, which is not included in the Skills Audit. It is not therefore directly comparable with the data from the Skills Audit, but nevertheless provides some form of benchmark for comparison with the South East and England.

2.2.3 Qualification profile

Chart 4: Highest Qualification by NVQ equivalent in Milton Keynes, the South East and England (percentages)



Source: 2001 Census

Chart 4 reveals that more than two fifths (43 per cent) of people in Milton Keynes have qualifications at less than level 2 equivalence, which is below the England average (45.5 per cent) but above the South East average (41 per cent). Milton Keynes also has a higher than average proportion of people with level 2 (22.7 per cent compared with 21.2 per cent regionally and 19.4 per cent nationally), but a lower than average proportion with level 3 or above (26.5 per cent, well below the regional average of 31 per cent and slightly below the national average of 27.8 per cent).

Policy points 2.2.1-2.2.3
Milton Keynes has a relatively low skills profile compared with the MKOB and South East averages, and the issues in relation to basic skills have already been covered in points 2.1.1 and 2.1.2 above. What is also important is to ensure that those people who do gain basic skills qualifications then have the opportunity to progress to level 1 and level 2 qualifications. Equally, those with level 2 need the opportunity – and incentive – to progress to level 3 and above. At the moment, many leave full-time education after achieving level 2 in order to go into full-time employment which may not offer training leading to qualifications.

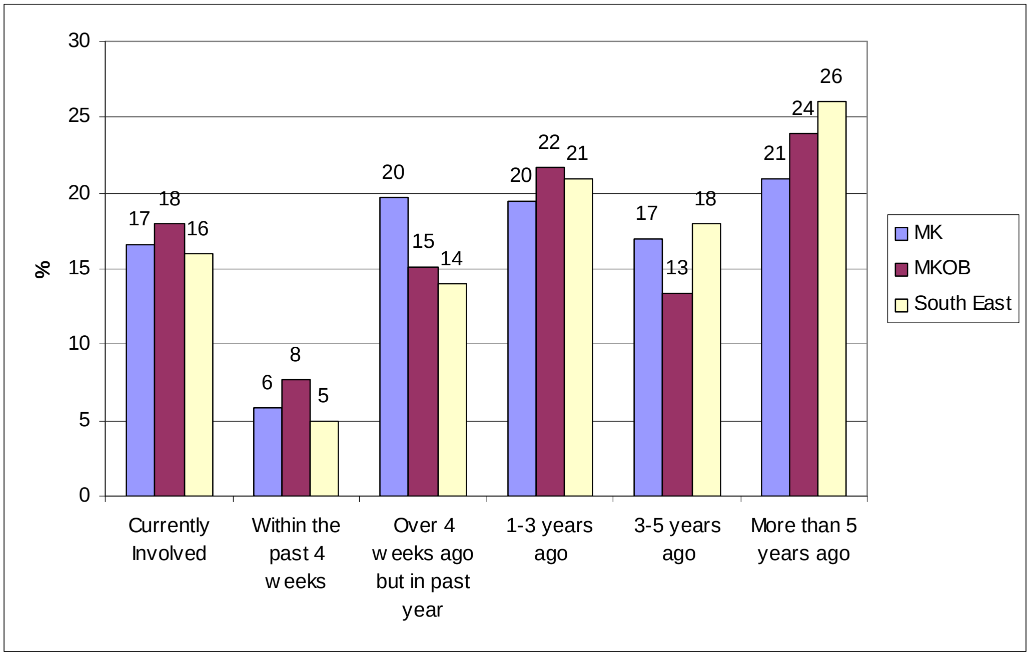
2.3 Participation

- Just over two fifths (43 per cent) of people in Milton Keynes have undertaken learning in the past year, or are currently undertaking learning (chart 5). This is slightly above average compared with MKOB (41 per cent), and well above the South East average (35 per cent).
- The MKOB area as a whole has a slightly higher proportion currently involved in learning or having learned in the past 4 weeks (26 per cent)

than Milton Keynes (23 per cent), which in turn is above the South East average (21 per cent).

- Regarding the proportion who last learned more than 3 years ago, there is no appreciable difference between Milton Keynes (38 per cent) and MKOB (37 per cent), although both are well below the South East average (44 per cent).

Chart 5: Length of time since last participation in learning in Milton Keynes compared with MKOB and the South East (percentages)



Source: Skills Audit 2003-04

<u>Policy point 2.3</u>

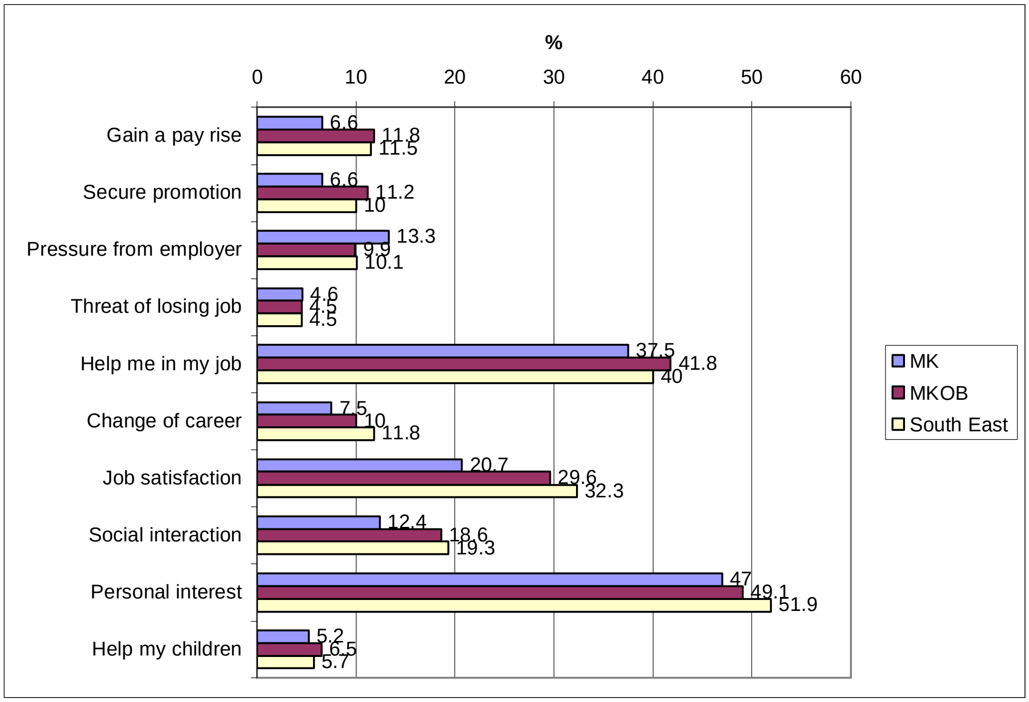
Although Milton Keynes suffers in comparison with the rest of MKOB when looking at the participation in learning of young people post 16, the data on participation suggests that this is not the case for the adult population overall. However, a consideration of the type of learning undertaken (see 2.4 below) shows that this is not necessarily leading to further qualifications – which would bear out the data in 2.2 above. This suggests that further work is needed both with individuals and employers to convince them of the benefits of learning leading to recognised qualifications.

2.4 Propensity to learn

2.4.1 Why do the local adult population undertake learning?

Those people who had undertaken learning since leaving school (or were currently undertaking learning) were asked to what degree various reasons had influenced their decision to undertake learning. Chart 6 (next page) shows the proportions of respondents who cited the various reasons as being major or significant influences on their decision.

Chart 6: Reasons for undertaking learning in Milton Keynes compared with MKOB and the South East



Source: Skills Audit 2003-04

- Nearly half (47 per cent) of Milton Keynes respondents cited personal interest as being a major influence, while just under two-fifths (37.5 per cent) said that learning helping them in their job significantly influenced their decision. In both cases, these responses were below average compared with MKOB (49.1 per cent and 41.8 per cent respectively) and the South East (51.9 per cent and 40 per cent respectively).
- The third most popular influence was job satisfaction (20.7 per cent), although again this was well below average compared with MKOB (29.6 per cent) and the South East (32.3 per cent). In most cases, people in Milton Keynes were less likely to cite the reasons listed as influences than the MKOB and South East averages, with large differentials also noticeable for social interaction, gaining a pay rise and securing promotion.
- The only influence for which Milton Keynes respondents were above average compared with MKOB and the South East was a negative one. Pressure from employer was cited by 13.3 per cent in Milton Keynes, compared with 9.9 per cent for MKOB and 10.1 per cent for the South East.

Policy point 2.4.1

The data on reasons for learning suggests that the learning culture is less well embedded in Milton Keynes than in MKOB and the rest of the South East. People in Milton Keynes are less likely than average to be learning because of the positive benefits which accrue from it, and more likely than average to be *learning because of pressure from their employer. This reinforces the point made in 2.3 above.*

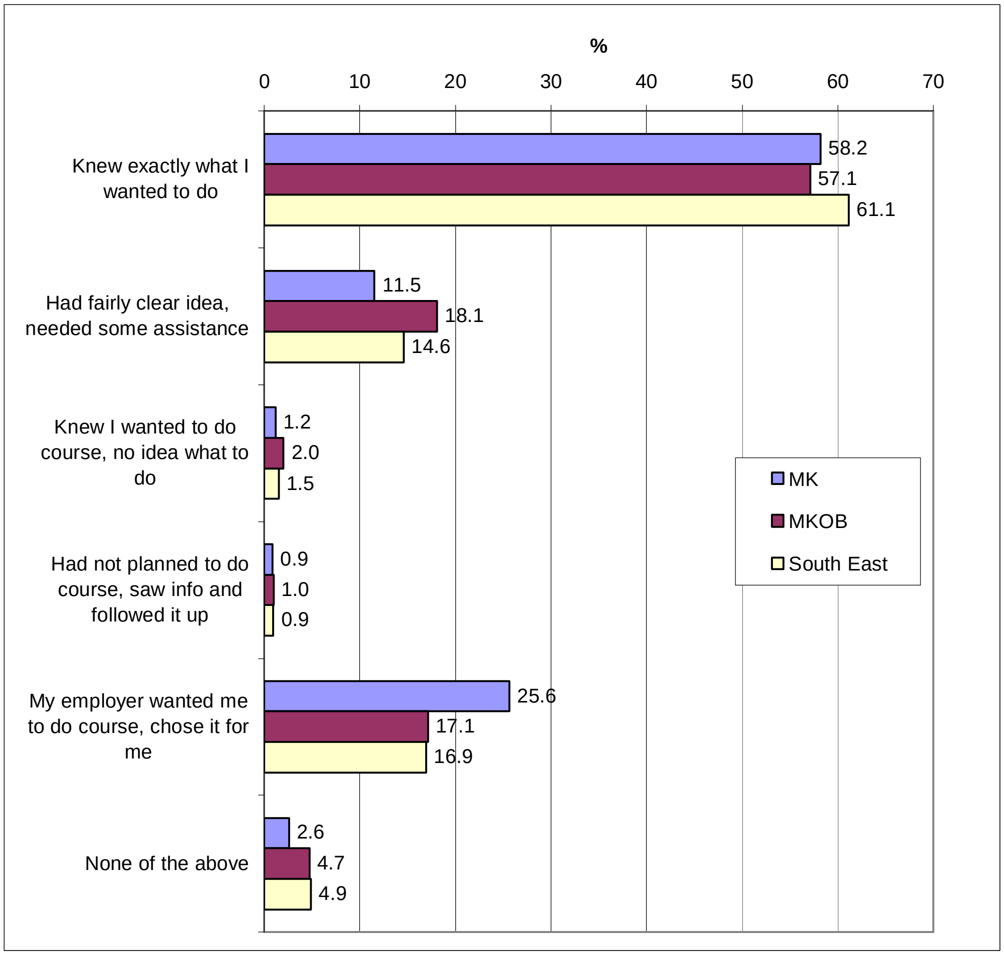
2.4.2 How people choose their learning activity

- Chart 7 (next page) shows that the majority of people – about three-fifths – know exactly what they want to do before undertaking learning activity. The figure is slightly greater for the South East (61.1 per cent) compared with Milton Keynes (58.2 per cent) and MKOB (57.1 per cent), but the differences are not significant.
- People in Milton Keynes are less likely than average to have had a clear idea of what they wanted to do but needed some assistance in choosing their course. This applied to just 11.5 per cent, compared with 18.1 per cent for MKOB and 14.6 per cent for the South East.
- By contrast, more than a quarter of people in Milton Keynes (25.6 per cent) had their course chosen for them at their employer's request. This is well above average compared with both MKOB (17.1 per cent) and the South East (16.9 per cent).

Policy point 2.4.2

Although the majority of people in Milton Keynes do know exactly what learning they want to do and make choices on that basis, it is interesting to note the significant minority whose learning is decided for them by their employer. People who play no part in choosing their own learning may be less likely to benefit from it, while the learning itself is perhaps less likely to lead to qualifications or to be transferable from one workplace to another.

Chart 7: Reasons for choosing learning activity in Milton Keynes compared with MKOB and the South East



Source: Skills Audit 2003-04

<u>2.4.3 What learning is currently/most recently undertaken</u>

- Table 22 (next page) illustrates that the most popular subjects in Milton Keynes are ICT (23.2 per cent), Business admin/management/professional (16.1 per cent) and Health/social care/public services (11.5 per cent).
- For ICT, the proportion undertaking this course is above average compared with MKOB (19.9 per cent) and the South East (17 per cent).
- Subjects which are less popular in Milton Keynes than in MKOB are Foundation programmes (1.2 per cent compared with 2.3 per cent), Engineering/technology/manufacturing (5.1 per cent compared with 5.9 per cent) and Humanities (5.4 per cent compared with 6.2 per cent). In each case the Milton Keynes figure is close to or above the South East average.

Table 22: Current/most recent learning in Milton Keynes by subject type compared with MKOB and the South East (percentages)

Subject type	MK	MKOB	South East
ICT	23.2	19.9	17.0
Business admin/management/professional	16.1	15.8	13.9
Health/social care/public services	11.5	12.1	12.4
English/languages/communications	7.8	8.3	6.3
Other	6.1	5.3	3.9
Science/maths	5.6	5.9	6.6
Humanities	5.4	6.2	4.3
Engineering/technology/manufacturing	5.1	5.9	4.8
Visual & performing arts/media	4.4	5.0	3.9
Hospitality/sports/leisure/travel	4.4	3.8	2.9
Retailing/customer service/transport	4.2	3.6	2.8
Construction	2.0	2.7	2.5
Foundation programmes	1.2	2.3	1.2
Hairdressing/beauty therapy	1.2	1.6	1.3
Land-based provision	0.7	0.6	0.8
Refused	1.0	1.1	0.8

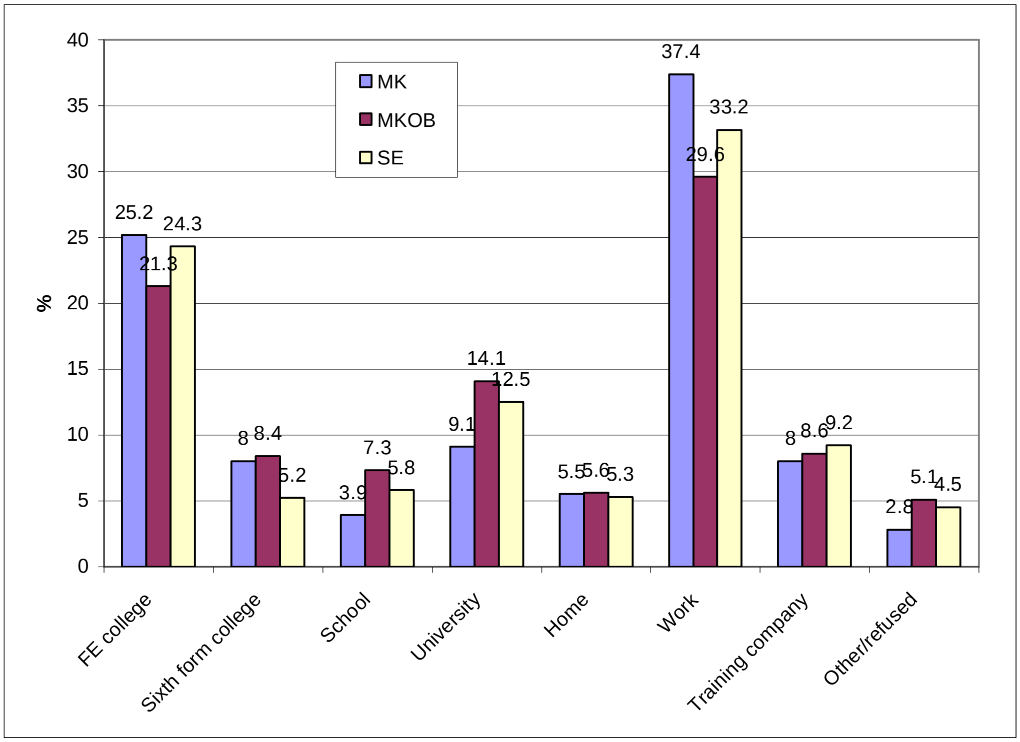
Source: Skills Audit 2003-04

Policy point 2.4.3
The emphasis on ICT and Business admin etc. based learning suggests that much of what is taking place is geared towards the immediate needs of employers e.g. courses aimed at learning how to use particular software packages. Although this is undoubtedly necessary in terms of business requirements, it is unlikely to be making much impact on the area's overall qualification levels, since few of these courses have NVQ equivalences.

2.4.4 Where learning takes place

- When asked where their learning had taken/was taking place, nearly two fifths (37.4 per cent) of Milton Keynes respondents mentioned their work place (chart 8, next page) – well above average compared with the MKOB area (29.6 per cent), and also above the South East average (33.2 per cent).
- FE colleges were the next most popular sites, mentioned by more than a quarter (25.2 per cent) of Milton Keynes respondents, which was again above average compared with MKOB (21.3 per cent) and the South East (24.3 per cent).
- By contrast, use of universities in Milton Keynes (9.1 per cent) was well below average compared with MKOB overall (14.1 per cent) and the South East (12.5 per cent). This may well reflect the absence of a university within the borough.

Chart 8: Sites where learning takes place in Milton Keynes compared with MKOB and the South East



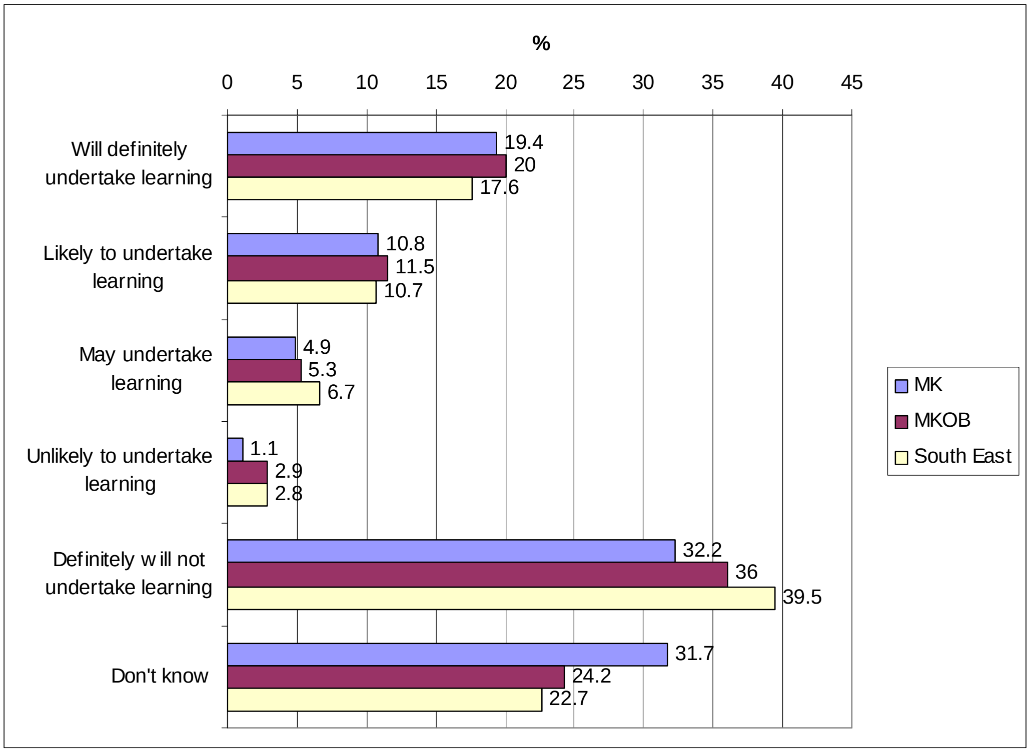
Source: Skills Audit 2003-04

<u>Policy point 2.4.4</u>
The fact that a high proportion of the learning takes place at work tends to reinforce the assumption that much of it is work-related, and not necessarily likely to lead to a qualification. The relatively low usage of universities also is indicative of the lack of HE institutions in the borough. This in itself may not be a problem, as long as the HE curriculum offer available locally – including that delivered through other outlets such as Milton Keynes College – meets the needs of Milton Keynes residents.

<u>2.4.5 What is the likelihood of taking part in future learning activity?</u>

- Less than one third (30.2 per cent) of respondents in Milton Keynes say that they will definitely or are likely to undertake learning in the next 12 months (chart 9, next page). This is slightly below the average for MKOB (31.5 per cent), but above that for the South East (28.3 per cent).
- One third (33.3 per cent) say that they are unlikely to or definitely will not undertake learning, again below the average for both MKOB (38.9 per cent) and the South East (42.3 per cent).
- However, Milton Keynes has a very high proportion of people responding 'Don't know' to this question – also slightly under a third (31.7 per cent). This is well above average compared with both MKOB (24.2 per cent) and the South East (22.7 per cent). This obviously contributes to Milton Keynes having below average proportions of people saying either that that they will or will not undertake learning.

Chart 9: Likelihood of undertaking learning in the next 12 months in Milton Keynes compared with MKOB and the South East



Source: Skills Audit 2003-04

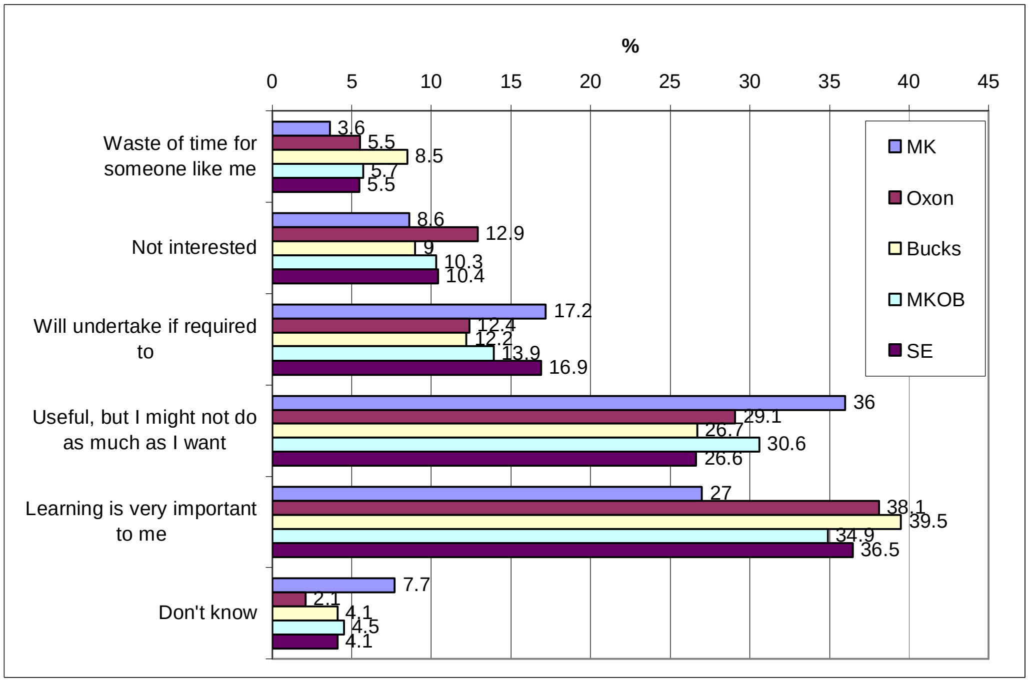
<u>Policy point 2.4.5</u>
Given that people in Milton Keynes are less likely than average to identify reasons for learning (see 2.4.1 above), it is perhaps not surprising that nearly a third were unable to say whether or not they were likely to undertake learning in future. If people are not sure what the benefits of learning are, it seems that they are less likely to have a strong feeling about whether or not to engage in it.

<u>2.4.6 Attitudes to learning</u>

- Just over a quarter (27 per cent) of people in Milton Keynes regard learning as very important to them (chart 10, next page), which is well below average compared with MKOB (34.9 per cent) and the South East (36.5 per cent).
- However, when looking at the proportion who regard learning as useful but don't do as much as they would like, Milton Keynes (36 per cent) is well above average for both MKOB (30.6 per cent) and the South East (26.6 per cent).
- Milton Keynes respondents are more likely than average to say that they will undertake learning if required, but will not seek it out (17.2 per cent compared with 13.9 per cent for MKOB and 16.9 per cent for the South East).

- A lower than average proportion of Milton Keynes respondents say they are not interested or regard learning as a waste of time (12.2 per cent) compared with MKOB and the South East (both about 16 per cent).

Chart 10: Attitudes to learning in Milton Keynes compared with MKOB and the South East



Source: Skills Audit 2003-04

<u>Policy point 2.4.6</u>

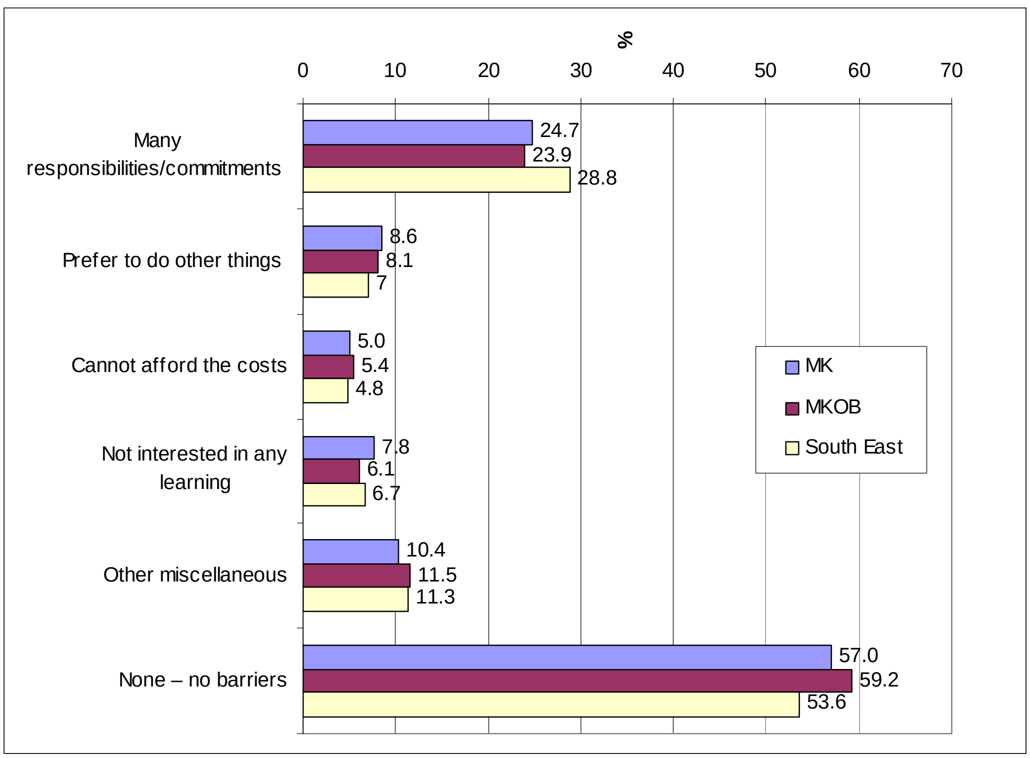
The data on attitudes to learning emphasises the points made concerning likelihood of undertaking learning (see 2.4.5 above). It seems that people in Milton Keynes tend to be more equivocal in their attitudes to learning, and are less likely than average to see it as important. If these are the views of the adult population, it may go some way towards explaining the drop-off in participation in learning by 16 and 17 year olds, since parental attitudes are thought to have a key influence on career decisions made by young people.

2.5 Barriers to learning

2.5.1 What are the main types of barriers in existence?

- Nearly three-fifths (57 per cent) of respondents in Milton Keynes say that there are no barriers to them undertaking learning (chart 11). This is below average compared with MKOB (59.2 per cent) but above the South East average (53.6 per cent).
- Of those people reporting barriers, the key issue is many responsibilities or commitments that take up their time, cited by nearly a quarter (24.7 per cent) of Milton Keynes respondents. This figure is marginally above the MKOB average (23.9 per cent) but below the South East figure (28.8 per cent).
- Milton Keynes also has slightly higher than average proportions of people who say they prefer to do other things (8.6 per cent compared with 8.1 per cent for MKOB and 7 per cent for the South East), and who say they are not interested in learning (7.8 per cent compared with 6.1 per cent and 6.7 per cent). However, these differences are fairly marginal.

Chart 11: Main barriers to learning in Milton Keynes compared with MKOB and the South East



Source: Skills Audit 2003-04 (NB Multiple response so totals may not sum to 100)

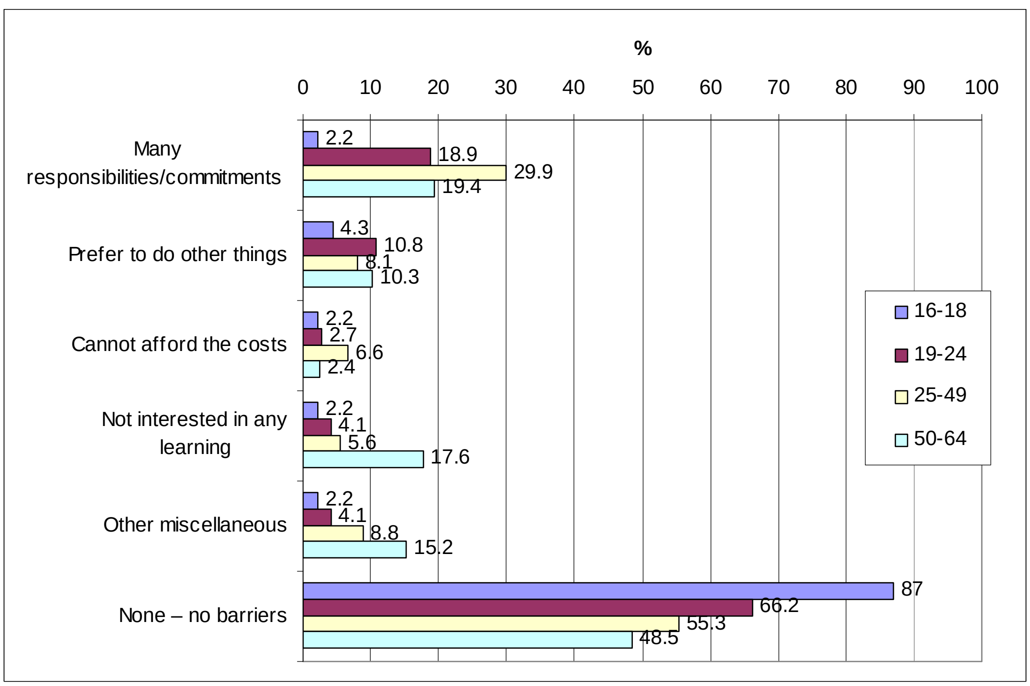
Policy point 2.5.1

There is no great difference between Milton Keynes and the MKOB and South East averages for barriers to learning. However, the question remains that if three in five people see no barriers to being involved in learning, why are participation levels not higher? While more can – and is – being done to help people with clear and identifiable barriers such as commitments and costs, it *is difficult to see how this larger question can be addressed without further research.*

2.5.2 Barriers to learning by age

- As chart 12 shows, there are some significant variations in barriers to learning by age group. The group with the least barriers of any kind is 16-18 year olds – nearly nine in ten (87 per cent) of this group report no barriers to learning, with the highest proportion for any barrier being 4.3 per cent for preferring to do other things.
- More than two-thirds (68.2 per cent) of people aged 19-24 years old say that they have no barriers to learning, which is above average compared with Milton Keynes overall. This age group is also slightly more likely than average to say they prefer to do other things (10.8 per cent), although it is below average in terms of citing responsibilities or commitments as barriers (18.9 per cent).
- Just over half (55.3 per cent) of people aged 25-49 report no barriers to learning, which is close to the Milton Keynes average. The main barrier for this age group is responsibilities or commitments – nearly one third (29.9 per cent) describe this as a barrier, more than five percentage points above the Milton Keynes average.
- Less than half (48.5 per cent) of people aged 50-64 report no barriers to learning. The proportion of people who say they have responsibilities or commitments is below average, but this still accounts for one in five (19.4 per cent) of people. This age group is also above average for proportions saying they are not interested in learning (17.6 per cent) and having other miscellaneous reasons (15.2 per cent).

Chart 12: Main barriers to learning in Milton Keynes by age group

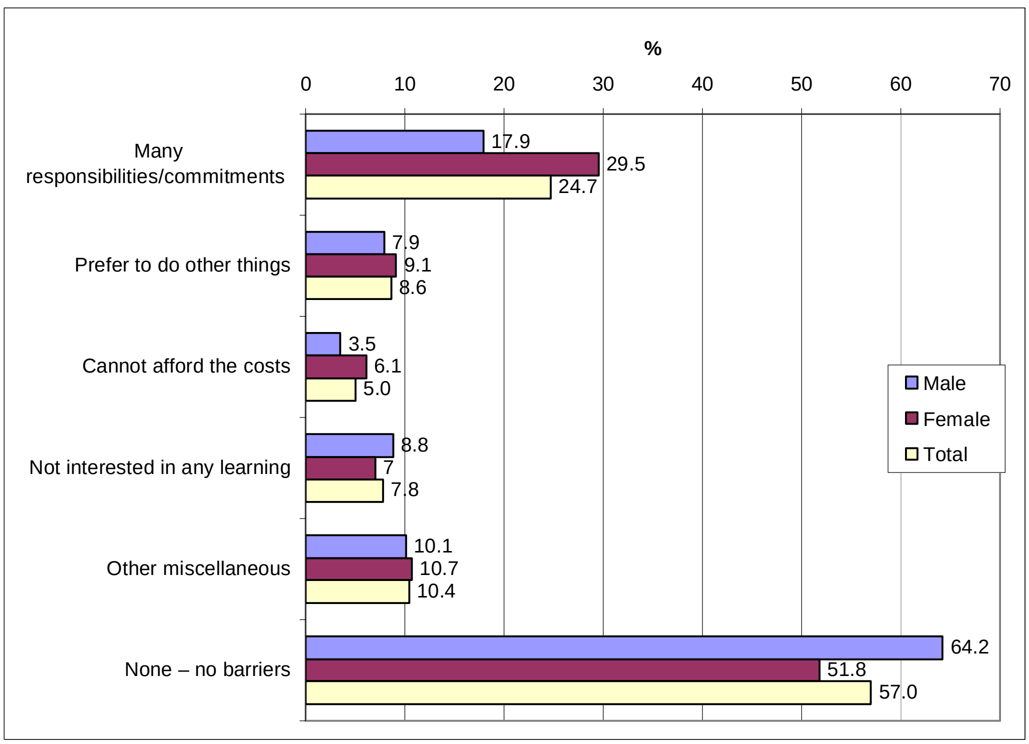


Source: Skills Audit 2003-04 (NB Multiple response so totals may not sum to 100)

<u>Policy point 2.5.2</u>
Although the sample size for 16-18 year olds is relatively small, we can be quite confident that the results shown are indicative. It is encouraging to see such a high proportion reporting no barriers to their learning, but learning participation for this age group is much lower than this figure, so the survey appears not to have uncovered the real reasons why a significant minority do not participate. At the other end of the age scale, there are clearly several barriers to 50-64 year olds participating in learning, and more work needs to be done to help this group overcome these barriers and become enthused about learning.

<u>2.5.3 Barriers to learning by gender</u>
There is less variation in the reporting of barriers by gender than might be expected (chart 13). Women are more likely than men to have responsibilities or commitments that prevent them from engaging in learning (29.5 per cent compared with 17.9 per cent), while men are much more likely than women to say that there are no barriers to learning (64.2 per cent compared with 51.8 per cent). Other differences are fairly marginal – women are slightly more likely than men to cite costs as a barrier, while men are more likely to cite lack of interest than women.

Chart 13: Main barriers to learning in Milton Keynes by gender



Source: Skills Audit 2003-04 (NB Multiple response so totals may not sum to 100)

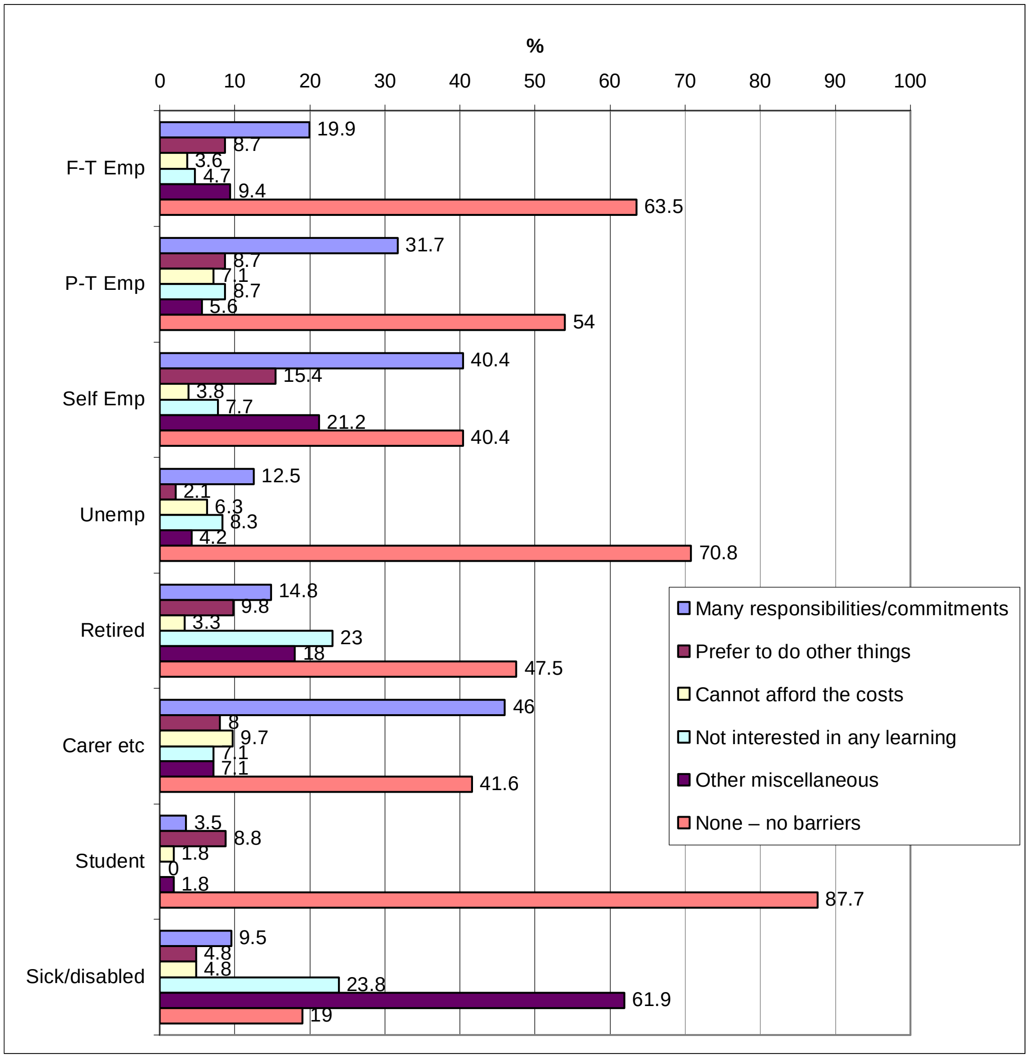
Policy point 2.5.3
These findings tend to bear out what might be expected in terms of gender differences, although those differences do seem to be becoming less pronounced. Women still tend to bear the brunt of responsibilities such as childcare and care of elderly relatives, and these do impinge on their ability to become involved in learning. By the same token, men are more likely to be in full-time employment, and that status does tend to make it easier for them to access learning. As well as providing help with childcare and other responsibilities, tackling the gender imbalance in barriers to learning is about ensuring equal access to learning whether people are full-time or part-time, in work or not in work.

2.5.4 Barriers to learning by employment status

- As chart 14 (next page) shows, there are significant variations in barriers to learning according to employment status. Not surprisingly, responsibilities and commitments are most likely to feature as a barrier for people caring for children or the elderly (46 per cent). More than two-fifths (40.4 per cent) of self-employed people also cite this, presumably in relation to their business. It is also a key barrier for part-time workers, cited by nearly one third (31.7 per cent) – again not surprisingly since this group is predominantly female.
- As might be expected, the vast majority (87.7 per cent) of students say there are no barriers to their learning, since by definition they were engaged in learning at the time of the survey. Other groups which are above average in this respect are unemployed people (70.8 per cent) and full-time employed people (63.5 per cent). Those groups least likely to say they have no barriers are the sick or disabled (19 per cent), the self-employed (40.4 per cent) and carers etc (41.6 per cent).
- Other miscellaneous reasons were given by more than three-fifths (61.9 per cent) of sick or disabled people, and about one fifth of self-employed people (21.2 per cent) and retired people (18 per cent).
- Nearly a quarter of sick or disabled people (23.8 per cent) and retired people (23 per cent) cite lack of interest as a barrier to their learning, while 15.4 per cent of the self-employed say that they prefer to do other things.

Policy point 2.5.4
The need to make access to learning more straightforward for those groups with caring responsibilities has already been noted (see 2.5.3 above). For self-employed people, it is a slightly different issue, and may involve enabling them to have time off from their business concerns in order to undertake learning. More analysis is needed to establish which of the other miscellaneous reasons are the most significant, and how these can be tackled.

Chart 14: Main barriers to learning in Milton Keynes by employment status



Source: Skills Audit 2003-04 (NB Multiple response so totals may not sum to 100; sample base for Sick/disabled very small, treat with caution)

Section 3: Employers: encourage engagement in skills and workforce development

3.1 Profile of employers

3.1.1 Key employers in Milton Keynes

The largest employers in Milton Keynes are found in the Public admin, education and health sector. The Open University, Milton Keynes Council and Milton Keynes General NHS Trust between them employ nearly 10,000 people, or 7 per cent of the Milton Keynes workforce. The Retail and wholesale distribution sector is also well represented by companies such as Tesco, Argos, John Lewis and Hays Logistics. The largest commercial sector employer in the borough is Abbey National, which employs nearly 2,000 people at two sites.

Policy point 3.1.1

Inevitably, public sector employers dominate the list of large employers, but the Retail and wholesale sector is strongly represented as well. Arguably, the presence of large-scale employment opportunities such as those provided by the Retail and wholesale sector may act as a disincentive to people to improve their skills, since many of the jobs offered do not require qualifications above level 2.

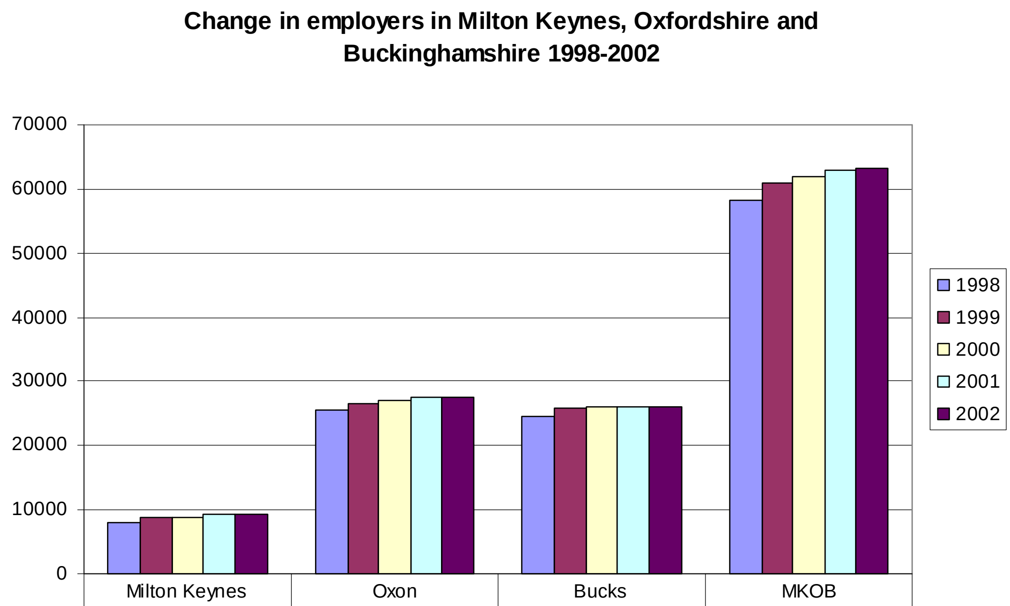
3.1.2 Employer change – growth and decline

The overall number of employers in Milton Keynes increased by 1,271 between 1998 and 2002, or 15.8 per cent (chart 15, next page). This was above the average rate of increase for the MKOB area of 8.4 per cent, indicating that the borough's economy is relatively dynamic compared with the rest of the area.

Policy point 3.1.2

Once again, the point about the dynamism of the Milton Keynes economy (see 1.2.2 above) is reinforced by the data on growth in the number of employers. The borough leads the way within MKOB for growth in percentage terms, and it is therefore important to ensure that there is an appropriately skilled and qualified workforce to meet the needs of those employers. However, as indicated in 3.1.1 above, if the growth is concentrated in certain sectors there may be relatively little emphasis on improving workforce skills for employers within those sectors.

Chart 15: Change in employers in Milton Keynes, Oxfordshire and Buckinghamshire 1998-2002



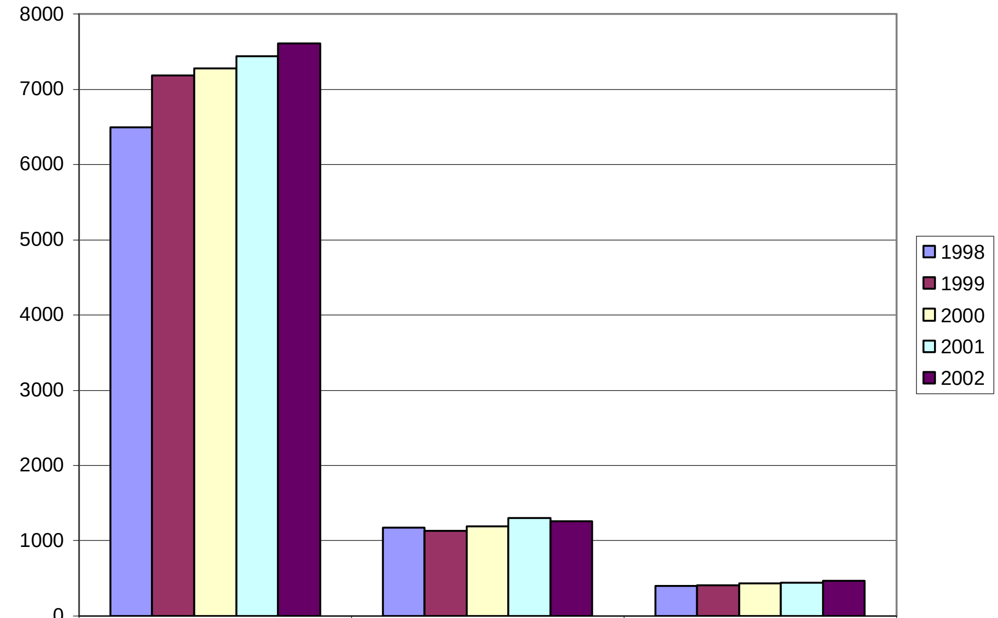
	Milton Keynes	Oxon	Bucks	MKOB
1998	8065	25591	24592	58248
1999	8731	26600	25745	61076
2000	8906	27102	26082	62090
2001	9189	27594	26133	62916
2002	9336	27643	26147	63126

Source: Annual Business Inquiry 1998-2002

3.1.3 Employers by size

Employers with 1-10 employees make up more than four fifths (81.5 per cent) of the Milton Keynes employer population, and it is in this category that much of the growth seen between 1998 and 2002 took place (chart 16, next page). The number of employers increased by 1,118 or 17.2 per cent, above the average for all employers. This compares with increases of 84 (7.1 per cent) for those with 11-49 employees, and 69 (17.4 per cent) for the 50+ employee category – the latter being a large percentage increase involving a relatively small number of employers.

Chart 16: Employers by size in Milton Keynes, 1998-2002



	1-10 employees	11-49 employees	50+ employees
1998	6492	1176	397
1999	7187	1137	407
2000	7279	1190	437
2001	7444	1302	443
2002	7610	1260	466

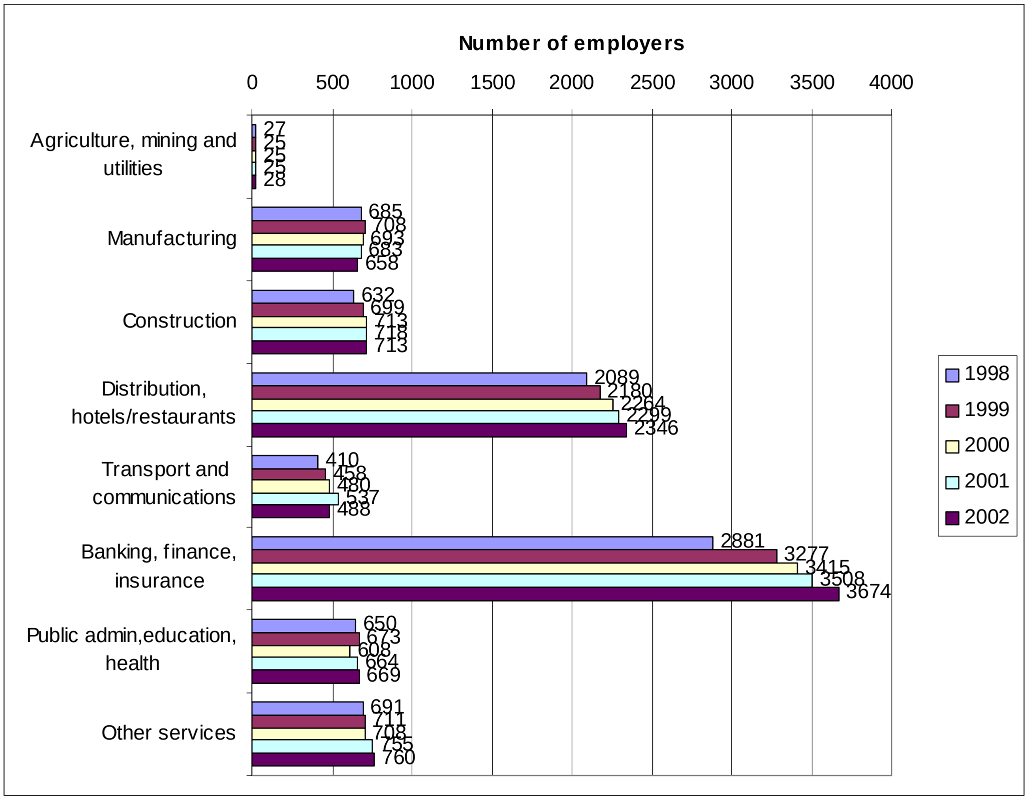
Source: Annual Business Inquiry 1998-2002

Policy point 3.1.3
The data suggests that small businesses are the real engine for employment growth within Milton Keynes. However, they do tend to be the businesses which are most at risk – on average, only half of all new businesses are still trading after four years. Part of the problem that they face is an inability – even if the willingness is there – to free up their staff to undertake training. This needs to be addressed in order to achieve the twin goals of improving business survival rates and increasing the skills base within the economy.

3.1.4 Employers by sector

Most sectors – with the notable exception of Manufacturing – experienced increases in the number of employers over the period 1998-2002 (chart 17, next page). The largest increase in employers came in the Banking, finance and insurance sector, where the number rose from 2,881 to 3,674. Distribution, hotels and restaurants also had a notable increase, from 2,089 to 2,346.

Chart 17: Change in employers by sector in Milton Keynes, 1998-2002



Source: Annual Business Inquiry 1998-2002

<u>Policy point 3.1.4</u>

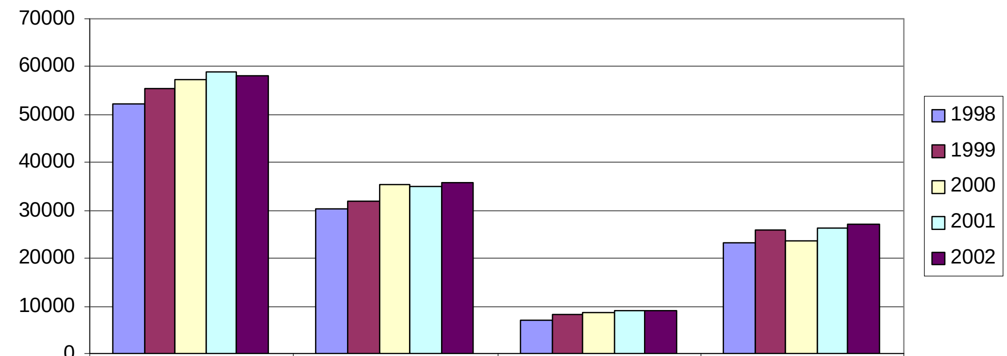
Much of the growth in employers has been in sectors in which the Milton Keynes economy is already relatively strong, particularly Banking, finance and insurance, and Distribution, hotels and restaurants. As emphasised in point 3.1.1 above, it is important to ensure that employers – especially in the latter sector – are encouraged to recognise the benefits of a skilled and qualified workforce.

3.2 Profile of employees[14]

3.2.1 Employees by full-time/part-time

- Male full-time employment increased steadily between 1998 and 2001, but then fell back in 2002 to leave a net change for the period of 6,028 (11.5 per cent) (chart 18).
- The rate of increase for female full-time employment was even greater at 17.8 per cent (5,385 people), even though there was actually a slight fall-off between 2000 and 2001.
- The greatest percentage rate of increase over this period was for male part-time employment, which increased by a total of 2,116 (30 per cent).
- Female part-time employment showed an overall rate of increase of 16.6 per cent (3,867 people), although there are significant year-on-year fluctuations (a large rise between 1998 and 1999, and a similar fall between 1999 and 2000 before further rises in 2001 and 2002).

Chart 18: Employment change in Milton Keynes by gender and type 1998-2002



	Male f/t	Female f/t	Male p/t	Female p/t
1998	52300	30306	7062	23324
1999	55412	32038	8247	26146
2000	57315	35224	8788	23545
2001	59157	35060	9078	26407
2002	58328	35691	9178	27101

Source: Annual Business Inquiry 1998-2002

Policy point 3.2.1

The net growth in male full-time employment – while proportionately not as large as for other categories – bucks the trends seen in many other parts of the country, where this category of employment is actually falling. Milton Keynes is therefore well-placed to avoid some of the problems associated with the decline of traditional 'male' jobs which are then replaced with those

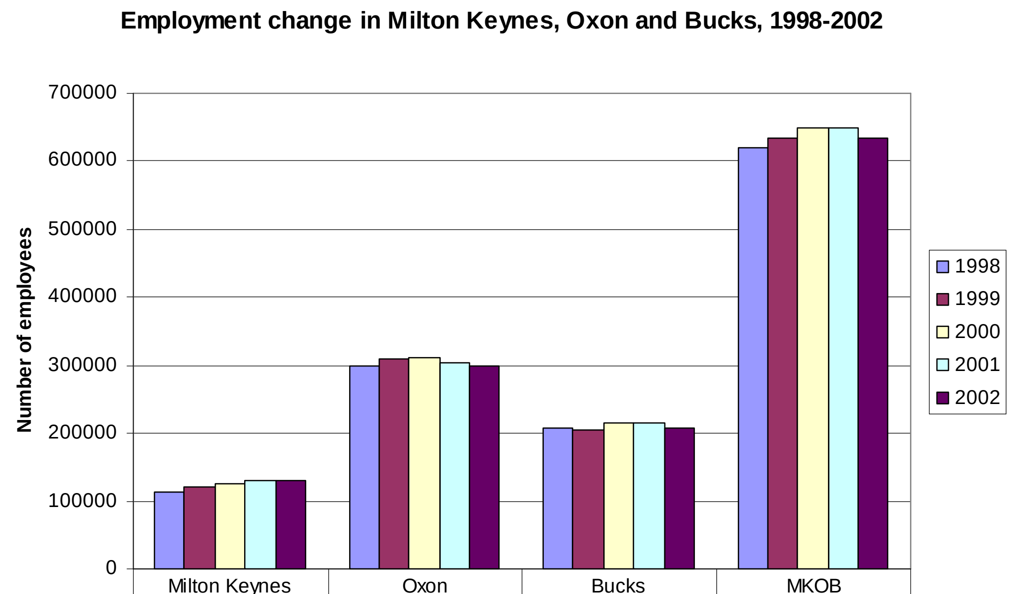
[14] Data on employees is taken from both the Annual Business Inquiry (ABI) and the Labour Force Survey (LFS). The ABI covers employers based in the Milton Keynes area i.e. it will include people who work in Milton Keynes but live outside. The LFS is a residence-based survey i.e. it will only include people who live in Milton Keynes, irrespective of where they might work. Data from the two surveys will therefore not correspond.

that require very different skill sets, and are often not as well paid. All other types of employment show very strong rates of growth over the period.

3.2.2 Employee change in general – growth and decline

Overall growth in employment in Milton Keynes has been very strong between 1998 and 2002, showing an increase of 17,305 or 15.3 per cent (chart 19). This means that growth in Milton Keynes exceeds the total net employment growth in MKOB (15,173), and far outstrips the area's growth rate (2.4 per cent).

Chart 19: Employment change in Milton Keynes, Oxon and Bucks 1998-2002



	Milton Keynes	Oxon	Bucks	MKOB
1998	112993	298867	208442	620302
1999	121843	308021	205998	635862
2000	124872	311105	214280	650257
2001	129703	304988	214419	649110
2002	130298	298152	207026	635475

Source: Annual Business Inquiry 1998-2002

Policy point 3.2.2

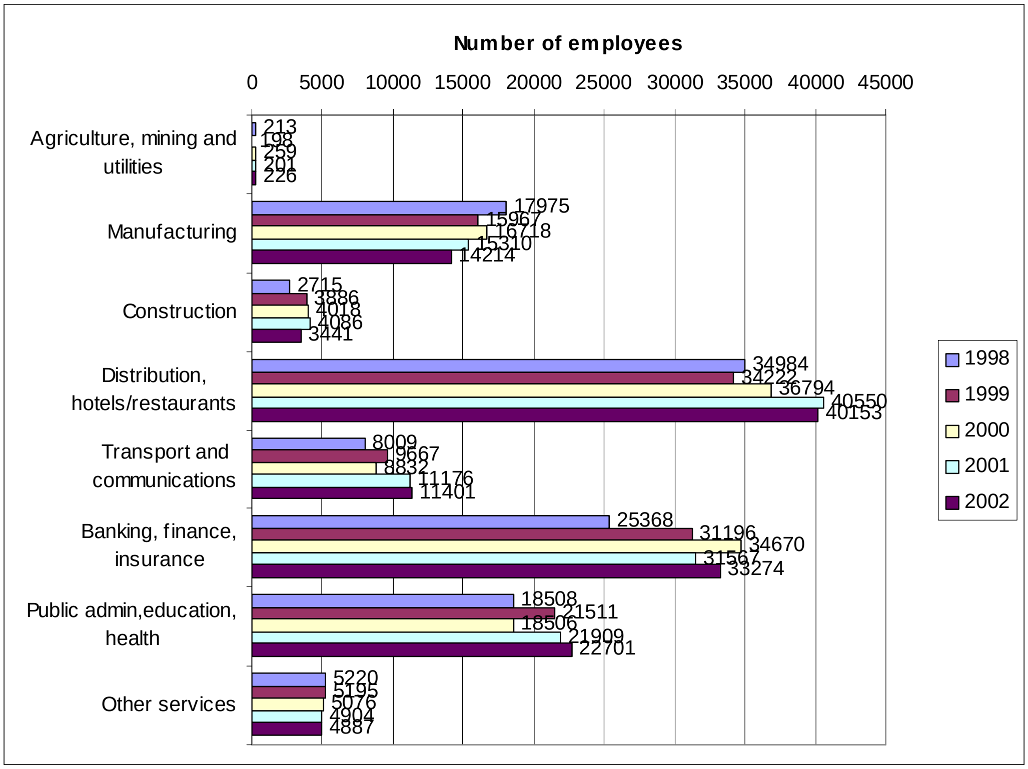
This data shows that Milton Keynes has been the driver of employment growth within the wider MKOB area in recent times. Without it, employment would actually have fallen in MKOB over this period. While the growth is very welcome, it is important not to lose sight of the points already made (see 3.1.2 and 3.1.5) in relation to ensuring that skills acquisition is firmly on the agenda.

3.2.3 Employees by sector

- As indicated in section 3.1.4 on employers by sector above, the number of employers in Banking, finance and insurance, and Distribution, hotels and restaurants has increased, so it is no surprise to see employment in those sectors also increasing (chart 20).

- Distribution employs the largest number of people, a total which increased from 34,984 in 1998 to 40,153 in 2002.
- For Banking etc, employment rose sharply from 25,368 in 1998 to 34,670 in 2000, but this figure then dropped back to 31,567 in 2001 before rising to 33,274 in 2002.
- Public sector employment has grown from 18,508 to 22,701, although this overall growth hides a more erratic picture between 1998 and 2002.
- Manufacturing employment has seen a steady decline over the same period, from 17,975 to 14,214.

Chart 20: Employment change by sector in Milton Keynes, 1998-2002



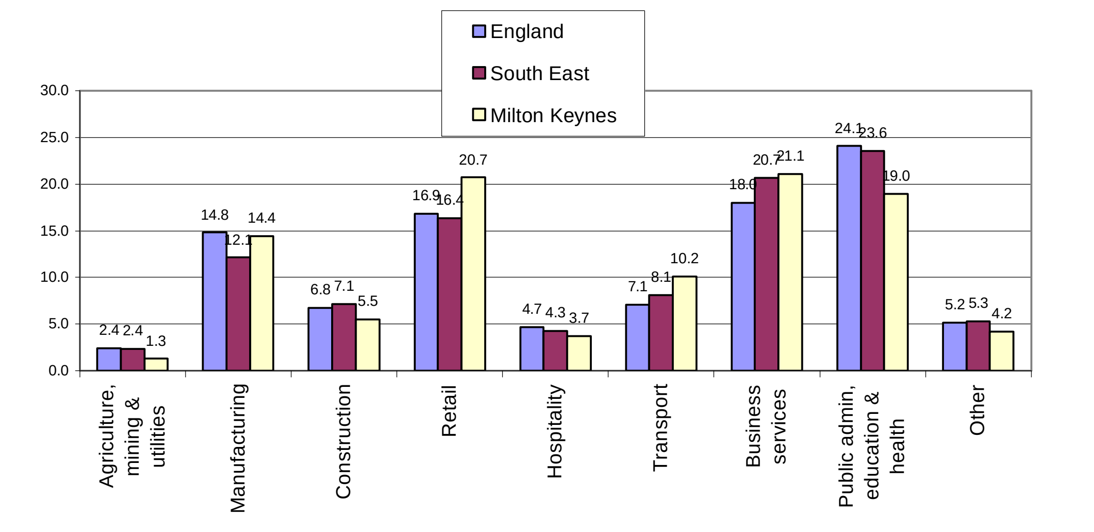
Source: Annual Business Inquiry 1998-2002

<u>Policy point 3.2.3</u>
See below

3.2.4 Comparison with 2001 Census

Data from the Annual Business Inquiry (ABI) shows employment with employers based in Milton Keynes, irrespective of where those people live. To get a truer picture of the sectors in which Milton Keynes residents work, it is necessary to look at data from the Census, as shown in chart 21 below.

Chart 21: Persons aged 16-74 in Employment by Industry Sector (percentages)



Source: 2001 Census

- Census data shows two sectors of employment within Distribution separately, Retail and Hospitality. Taken together, these employ 24.4 per cent of the Milton Keynes resident workforce – above the South East (20.7 per cent) and England (21 per cent) averages – which means that Distribution is the largest employment sector for Milton Keynes residents. However, this is considerably less than the ABI data, which shows the sector employing 30.8 per cent of people working in Milton Keynes.
- The second largest sector of employment in Milton Keynes according to Census is Business services (21.1 per cent), slightly above the South East (20.7 per cent) and England averages. However, ABI data shows the sector employing 24.7 per cent of the workforce.
- As with the ABI data, the Public sector is the third largest employment sector in Milton Keynes. However, while ABI shows that 17.4 per cent of people who work in Milton Keynes work in the sector, the Census figure shows that 19 per cent of the Milton Keynes resident workforce works within it. This is still well below average for the South East (23.6 per cent) and England (24.5 per cent).

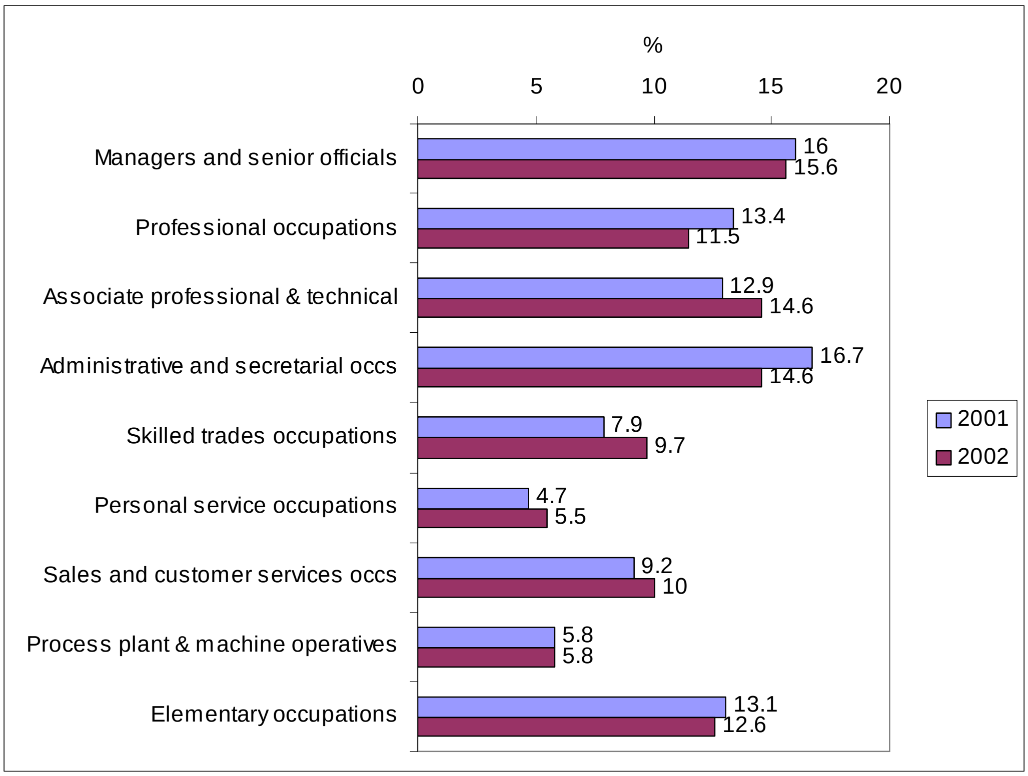
Policy points 3.2.3 & 3.2.4

The data from ABI and Census emphasises the fact that many people travel into Milton Keynes to work from outside the area. Learning and skills solutions which are targeted at employers in Milton Keynes may therefore only have a partial effect in tackling the overall skills base of the area.

3.2.5 Employees by occupation

- Managers and senior officials make up the largest proportion of people employed in Milton Keynes (15.6 per cent), although this proportion has fallen slightly since 2001 (chart 22).
- Administrative and secretarial was formerly the largest occupational sector in Milton Keynes, but its share of employment has fallen by more than two percentage points since 2001 to 14.6 per cent in 2002.
- Associate professional occupations have increased their share of employment since 2001 by 1.7 percentage points, and in 2002 they also accounted for 14.6 per cent of the employed workforce in Milton Keynes.
- The greatest rate of growth was seen in the Skilled trades occupations, whose share of employment increased from 7.9 per cent to 9.7 per cent over the period 2001-2002.
- The largest percentage point falls in the share of employment came in Administrative and secretarial occupations (see above), followed by Professional occupations (-1.9).

Chart 22: Employment change by occupation in Milton Keynes, 2001-2002[15]



Source: Labour Force Survey 2001-2002

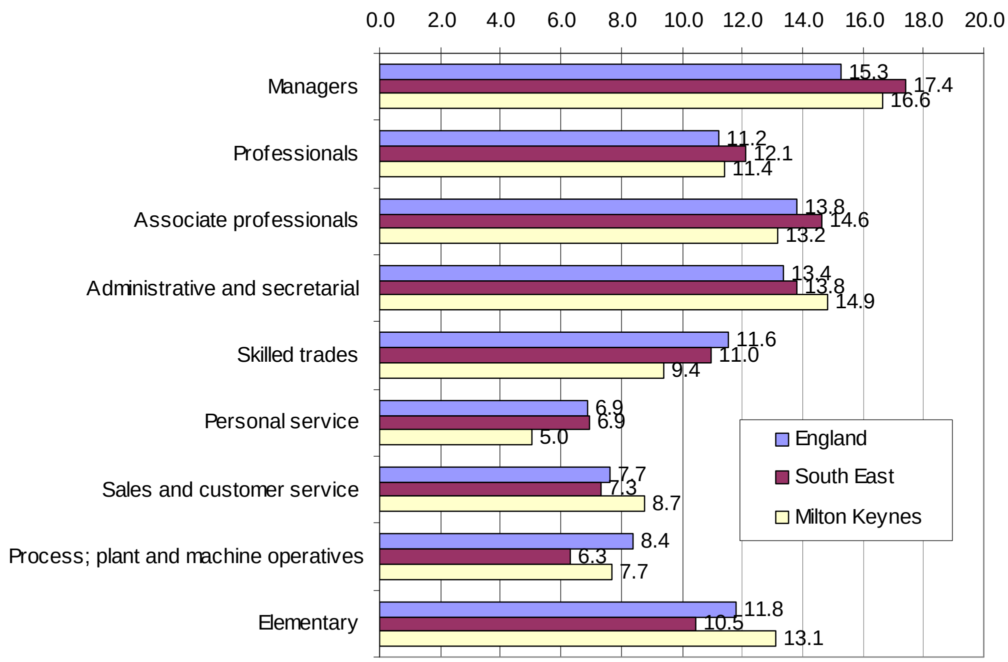
Policy point 3.2.5
See 3.2.6 below.

[15] This data is based on different occupational classifications from that used in previous reports, so a historical comparison is not possible.

3.2.6 Comparison with 2001 Census

Census data provides a more reliable picture of employment by occupation, although what it cannot provide is data on recent changes in occupational employment. It also refers to 16-74 year olds, whereas the Labour Force Survey (LFS) data is for the working age population. Chart 23 shows the occupational structure of Milton Keynes based on the 2001 Census.

Chart 23: Persons aged 16-74 in employment by occupation (%)



Source: 2001 Census

- Managers make up the largest occupational group in Milton Keynes, although the proportion of Managers in Milton Keynes is slightly below the South East average (17.4 per cent) but above the England average (15.3 per cent). The LFS comparison is 20.1 per cent.
- Administrative and secretarial jobs make up the next largest proportion of the workforce in Milton Keynes (14.9 per cent), above both regional (13.8 per cent) and national (13.4 per cent) averages. As with Managers, the Census total for Administrative jobs is well below the LFS (21.1 per cent).
- Elementary occupations represent the third largest proportion of the workforce at 13.1 per cent, above average for the South East (10.5 per cent) and England (11.8 per cent), and also well above the LFS figure for 2000 (6.6 per cent).
- While the LFS recorded a large increase in the proportion of people working in Personal service occupations, the Census suggests that the proportion remains relatively small at 5 per cent, compared with a South East and England average of 6.9 per cent.

<u>Policy points 3.2.5 & 3.2.6</u>
As already indicated, Milton Keynes has a strong emphasis on service sector jobs, particularly those involving customer service and administrative skills. This is borne out by the data on occupations, with Administrative and secretarial and Sales and customer service jobs accounting for nearly a quarter of the workforce.

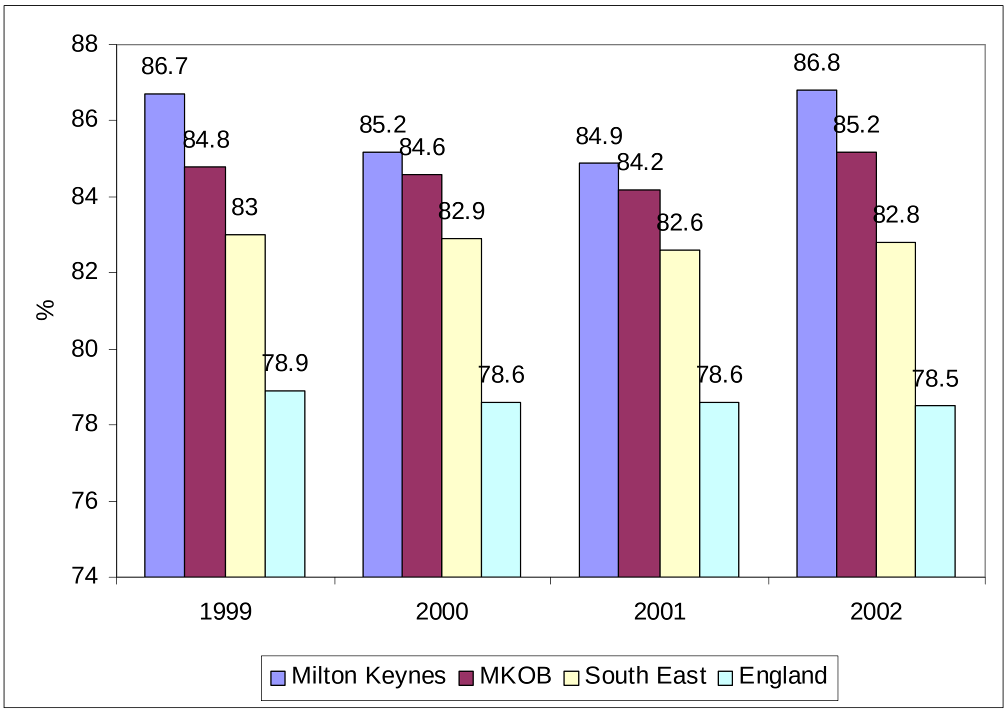
The occupational profile of Milton Keynes residents is different from the profile of people working for Milton Keynes employers (see 3.2.4 & 3.2.5 above), with the former tending to be less skilled and qualified than the latter. Employers obviously employ the people they feel are capable of doing their jobs, irrespective of where they live. The challenge is to give them the opportunity to recruit more local residents into the higher level jobs by equipping people in Milton Keynes with the skills necessary to compete for those jobs.

3.3 Economic Activity

3.3.1 Economic activity by area

- The overall economic activity rate in Milton Keynes (86.8 per cent) is well above the MKOB (85.2 per cent), the South East (83 per cent) and national averages (79.8 per cent) (chart 24).
- Milton Keynes has shown a tiny net increase – 0.1 of a percentage point – since 1999, with a large increase in 2002 cancelling out falls in both 2000 and 2001.
- MKOB's net increase has been slightly larger at 0.4 of a percentage point, but both the South East (-0.2) and England (-0.4) have seen small net decreases in their economic activity rates.

Chart 24: Economic activity in Milton Keynes compared with MKOB, the South East and England, 1999-2002



Source: Labour Force Survey 1999-2002

Policy point 3.3.1

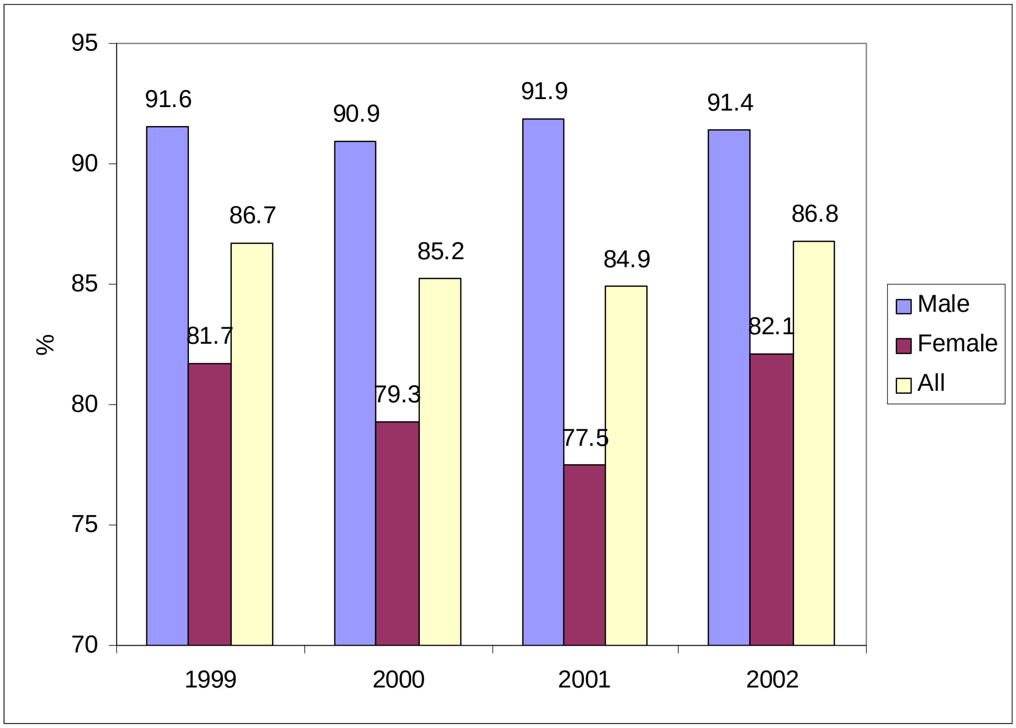
Overall, Milton Keynes has one of the highest rates of economic activity in the country, and it will be important to maintain this as its economy continues to grow. However, given that it is already very high, there is little scope to increase it – the remaining 13 per cent of people who are inactive are likely to be particularly hard to reach, or to have no real need to participate in the labour market.

3.3.2 Economic activity by gender

- The economic activity rate for males in Milton Keynes has fluctuated slightly over the period 1999-2002, rising as high as 91.9 per cent in 2001, but ultimately showing a net fall of 0.2 of a percentage point. However, it remains very high at more than nine in ten (91.4 per cent), and is well above the overall Milton Keynes average (86.8 per cent) (chart 25).

- The rate for women showed a net increase of 0.4 of a percentage point over the period 1999-2002, although it did fall in both 2000 and 2001. A large increase in 2002 left it at 82.1 per cent, and although this is well below the rate for men – not unexpectedly – it is well above the average for women in MKOB (80.1 per cent), the South East (76.9 per cent) and England (72.7 per cent).

Chart 25: Economic activity in Milton Keynes by gender, 1999-2002



Source: Labour Force Survey 1999-2002

<u>*Policy point 3.3.2*</u>

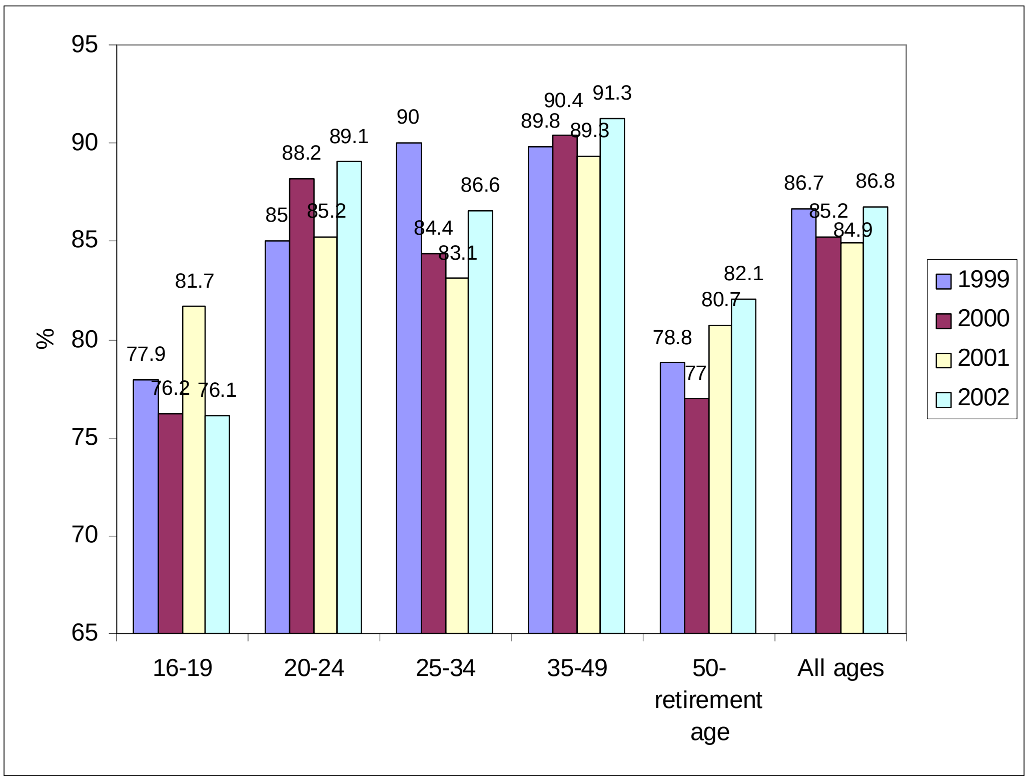
The economic activity rate for men appears to be close to 'saturation point'. The rate has changed relatively little over the period in question, and it seems unlikely that there is much scope to increase it further. The rate for women has fluctuated more, and although it is already higher than average, it does appear that there is more scope to increase women's involvement in the labour market. In order to do this, it will be necessary to look at the needs and aspirations of those who are currently economically inactive, and in particular to address the barriers preventing them from joining or re-joining the labour market.

<u>3.3.3 Economic activity by age</u>

- Economic activity for 16-19 year olds fell by just under 2 percentage points over the period 1999-2002, although this included a large rise in 2001 followed by an equally sharp fall in 2002 (chart 26). This went against trends in MKOB, the South East and England, all of which saw slight increases in activity for this age group.

- The other age group which experienced a drop in economic activity was 25-34 year olds. Activity in this group fell from a high of nine in ten (90 per cent) to 86.6 per cent by 2002, although remaining very close to the average for all ages.
- One of the largest net increases in activity – more than 4 percentage points – was for 20-24 year olds. Once again there were year-on-year fluctuations, with an increase in 2000 followed by a fall in 2001 and a further rise in 2002. This left activity at 89.1 per cent, more than 2 percentage points above the average for all ages.
- The second largest net increase in activity came in the 50-retirement age category, in which there was a net rise of more than 3 percentage points to 82.1 per cent, still considerably below the average for all ages.
- There was also a net increase in economic activity for 35-49 year olds, from 89.8 per cent to 91.3 per cent over the period. This age group now has the highest levels of economic activity, whereas in 1999 the highest activity rate was for 25-34 year olds.

Chart 26: Economic activity in Milton Keynes by age, 1999-2002



Source: Labour Force Survey 1999-2002

<u>*Policy point 3.3.3*</u>

The fall in economic activity for 16-19 year olds may reflect higher levels of participation in education for this age group, although this does not seem to have affected the activity levels of 20-24 year olds. At the same time, increased activity rates for the 35-49 and 50-retirement age groups may *reflect the need to retain older workers in the workforce in order to meet demand from the economy.*

3.4 MKOB forecasts for employment change 2001-10

These forecasts are derived from the Skills Insight Forecasting Model for the South East region, produced in conjunction with Experian Business Strategies Ltd. (EBSL). They are based on EBSL's economic forecasts for industry sectors and occupations across the South East, which have then been applied to data specific to the MKOB sub-region. They should be treated as guides to how the economy may look in the future, not statements of fact. Although they refer to the MKOB area as a whole, they are still of some use in looking at likely changes to the Milton Keynes economy, as they will show the trends anticipated for the key sectors and occupations within that economy.

3.4.1 Employment forecast by industry sector

Table 23: Change in employees forecast for each industry sector 2001-2010

Change	2001-4	2004-7	2007-10	Total change 2001-10	% change 2001-10
Agriculture, Forestry & Fishing	-1,600	-1,100	-700	-3,400	-31%
Gas, Electricity & Water	-200	-100	-100	-500	-30%
Fuel Refining	0	0	-100	-100	-11%
Chemicals	-600	-100	0	-600	-11%
Minerals	-100	0	-100	-300	-24%
Metals	-200	0	0	-200	-2%
Machinery & Equipment	-200	500	200	500	**5%**
Electrical & Optical Equipment	-3,700	-1,000	-400	-5,300	-30%
Transport Equipment	-1,700	-1,100	-900	-3,800	-65%
Food, Drink & Tobacco	-600	-100	-100	-800	-10%
Textiles & Clothing	-300	-100	-100	-500	-32%
Wood & Wood Products	400	-500	-400	-400	-16%
Paper, Printing & Publishing	-1,200	100	100	-1,000	-7%
Rubber & Plastics	-300	200	-100	-200	-4%
Other Manufacturing	-700	400	300	0	-1%
Construction	**2,500**	-600	-1,300	600	1%
Retailing	**1,800**	**1,600**	**1,300**	**4,700**	**6%**
Wholesaling	-700	700	900	1,000	1%
Hotels & Catering	**2,200**	**1,600**	**3,600**	**7,500**	**19%**
Transport	200	600	500	**1,300**	**6%**
Communications	-1,000	**1,700**	**1,900**	**2,700**	**19%**
Banking & Insurance	900	-200	200	900	4%
Business Services	-2,500	**14,300**	**17,100**	**28,900**	**23%**
Other Financial & Business Services	**2,600**	**1,700**	**2,100**	**6,300**	**18%**
Public Admin. & Defence	**1,400**	-400	-500	400	2%
Education	**8,600**	**2,700**	**2,200**	**13,500**	**24%**
Health	**5,600**	**4,800**	**2,400**	**12,300**	**21%**
Other Services	**2,500**	**3,200**	**2,600**	**8,300**	**18%**
TOTAL	**12,800**	**28,700**	**30,400**	**71,800**	**10%**

Source: Skills Insight/Experian Business Strategies Ltd 2004

- An additional **71,800** jobs are forecast to be created between 2001 and 2010 in MKOB, according to the forecasts (table 23, previous page).
- The largest numerical growth in employment – a total of **28,900** jobs (23 per cent) – is forecast for the **Business services** sector. After a decrease of 2,500 over the period 2001-04, an increase of 14,300 is forecast for 2004-07, followed by further growth of 17,100 for 2007-10.
- Other sectors for which large increases are forecast are **Education** (**13,500**, or 24 per cent), **Health** (**12,300**, or 21 per cent) and **Other services** (**8,300**, or 18 per cent).
- Although the numerical increases are not so large, comparable percentage increases are forecast for **Hotels and catering** (**19** per cent, or 7,500), **Communications** (**19** per cent, or 2,700) and **Other financial and business services** (**18** per cent, or 6,300).
- The largest numerical decrease is forecast for **Electrical and Optical Equipment**, for which a decline of **5,300** (30 per cent) is expected.
- Proportionally, the largest decrease is expected for the manufacture of **Transport Equipment**, in which a fall of **3,800** equates to a percentage decrease of **65 per cent**.
- Other sectors for which relatively large decreases are forecast are manufacture of **Agriculture, Forestry and Fishing** (**3,400**, or 31 per cent), and **Paper, printing and publishing** (**1,900**, or 7 per cent).

Policy point 3.4.1
Although no separate forecasts are available for Milton Keynes, it is likely that the borough will play host to a disproportionately large amount of the job growth indicated in the MKOB forecasts. The sector in which the largest growth is expected – Business services – already accounts for a large proportion of the Milton Keynes workforce, and has shown strong growth in recent years. These forecasts also pre-date the Milton Keynes and South Midlands Sub-regional strategy, so the growth envisaged in that strategy should also be factored in to the above.

3.4.2 Employment forecast by occupational group

- The largest increase over the period 2001-10 is forecast for **Elementary administration and service occupations** (**11,200** or 15 per cent). An initial increase of 2,200 for 2001-04 is expected to be followed by further rises of 4,000 for 2004-07 and 5,000 for 2007-10 (table 24, next page).
- Other occupations for which large numerical increases are forecast are **Caring Personal Service Occupations** (**8,800**, or 26 per cent) and **Administrative occupations** (**7,200**, or 9 per cent).
- Other than the above, the greatest proportionate growth between 2001 and 2010 is expected for **Culture, media and sport occupations** (**25** per cent, or 4,400 jobs), **Health professionals** (**23** per cent, or 1,200 jobs) and **Teaching and Research professionals** (**22** per cent, or 7,100 jobs).
- The largest decreases are forecast for **Skilled agricultural trades** (**1,300** jobs, or 17 per cent), **Process, plant and machine operatives** (**1,300**, or

5 per cent) and **Transport and mobile machine drivers and operatives** (**1,000**, or 4 per cent).

- The only other decreases in employment over the period 2001-10 are forecast for **Protective Service occupations** (**300** jobs, or 5 per cent), **Skilled Metal and Electrical Trades** (**800**, or 2 per cent) and **Skilled Construction and Building Trades** (**500**, or 2 per cent).

Table 24: Change in employees forecast for each occupational group 2001-2010

Change	2001-4	2004-7	2007-10	2001-10	% change 2001-10
Corporate Managers	-700	**2,600**	**3,200**	**5,000**	**7%**
Managers & Proprietors in Agriculture & Services	200	**1,300**	**1,700**	**3,200**	**10%**
Science & Technology Professionals	0	**2,100**	**2,300**	**4,500**	**17%**
Health Professionals	700	400	100	**1,200**	**23%**
Teaching & Research Professionals	**5,200**	**1,300**	600	**7,100**	**22%**
Business & Public Service Professionals	400	**2,100**	**2,800**	**5,300**	**21%**
Science & Technology Associate Professionals	-400	600	700	900	**6%**
Health & Social Welfare Associate Professionals	**1,300**	**1,600**	1,000	**3,900**	**21%**
Protective Service Occupations	0	-200	-200	-300	-5%
Culture, Media & Sports Occupations	900	**1,700**	**1,800**	**4,400**	**25%**
Business & Public Service Associate Professionals	200	**1,900**	**2,000**	**4,100**	**10%**
Administrative Occupations	**1,100**	**2,900**	**3,300**	**7,200**	**9%**
Secretarial & Related Occupations	900	**1,300**	900	**3,000**	**10%**
Skilled Agricultural Trades	-700	-400	-200	-1,300	-17%
Skilled Metal & Electrical Trades	-1,200	0	400	-800	-2%
Skilled Construction & Building Trades	700	-500	-700	-500	-2%
Textiles, Printing & Other Skilled Trades	-400	100	700	500	2%
Caring Personal Service Occupations	**3,200**	**3,100**	**2,400**	**8,800**	**26%**
Leisure & Other Personal Service Occupations	300	600	600	**1,500**	**12%**
Sales Occupations	**1,300**	**1,100**	900	**3,200**	**6%**
Customer Service Occupations	200	200	200	600	**14%**
Process, Plant & Machine Operatives	-1,900	300	300	-1,300	-5%
Transport & Mobile Machine Drivers & Operatives	-800	-100	-100	-1,000	-4%
Elementary Trades, Plant & Storage Related Occupations	-100	700	700	**1,300**	**6%**
Elementary Administration & Service Occupations	**2,200**	**4,000**	**5,000**	**11,200**	**15%**
Total	**12,800**	**28,700**	**30,400**	**71,800**	**10%**

Source: Skills Insight/Experian Business Strategies Ltd 2004

<u>Policy point 3.4.2</u>
A significant part of the employment growth will be in occupations requiring relatively low levels of qualification or skill, such as Elementary administration and service occupations. Few jobs in the modern economy can be described as unskilled, but those in the Elementary category certainly require relatively little in the way of formal qualifications. The growth in this occupational area suggests that a 'dual economy' is developing, comprising sectors which require high levels of skill and qualifications co-existing with those which demand few skills. In Milton Keynes, a particular concern is that jobs of the former type are disproportionately occupied by people living outside the borough, and by the same token the less skilled jobs tend to be disproportionately the preserve of local residents.

<u>3.4.3 Comparison between LSC/IER and Skills Insight/Experian BSL Forecasts for MKOB</u>
In addition to the Skills Insight/Experian Business Strategies Ltd (EBSL) forecasts detailed in 3.4.1 and 3.4.2, the Learning and Skills Council also commissioned the Institute for Employment Research (IER) to produce employment forecasts. The following sections compare and contrast the headline findings from the two forecasts for the MKOB area. Figures highlighted in bold in both the tables and the summaries indicate significant discrepancies between IER and EBSL.

<u>Policy point 3.4.3</u>
See 3.4.5 below

<u>3.4.4 Occupational forecast comparisons</u>
- Table 25 (next page) shows that EBSL's overall forecast is for an increase in employment (**47,000**) which is twice as great as that forecast by IER (**24,000**).
- The greatest discrepancies between the two forecasts concern **Managers** and **Elementary** occupations. IER forecasts that there will be **32,000** more **Managers** by 2007 than EBSL, while EBSL predicts that there will be **32,000** more people in **Elementary** occupations in 2007 than IER.
- IER forecasts **14,000** more jobs in **Associate Professional** occupations by 2007 than EBSL – although both expect increases – but EBSL forecasts **22,000** more jobs in **Administrative** etc occupations.
- In the case of both **Administrative** etc occupations and **Skilled Trades**, IER forecasts decreases to 2007 while EBSL anticipates increases.
- The respective forecasts for **Professionals**, **Personal Service** occupations, **Sales** and **Machine and Transport Operatives** are all relatively close.

Table 25: Numbers (000s) forecast for each occupational group, 2002-2007						
Occupational groups	LSC/IER			Skills Insight/EBSL		
	2002	2007	Change	2002	2007	Change
1.Managers and Senior Officials	**132**	**142**	**+10**	**106**	**110**	**+4**
2.Professionals	88	96	+8	91	101	+10
3. Associate Professional and Technical	**109**	**120**	**+11**	**99**	**106**	**+7**
4.Administrative, Clerical and Secretarial	**102**	**93**	**-9**	**109**	**115**	**+6**
5. Skilled Trades	**80**	76	**-4**	**73**	80	**+7**
6. Personal Service Occupations	49	**58**	**+9**	48	**53**	**+5**
7. Sales and Customer Service	59	**64**	**+5**	56	**58**	**+2**
8. Machine and Transport Operatives	51	49	-2	52	51	-1
9. Elementary Occupations	**77**	**73**	**-4**	**98**	**105**	**+7**
Total	747	771	+24	732	779	+47
Source: Institute for Employment Research; Experian Business Strategies Ltd						

Policy point 3.4.4
See 3.4.5 below.

3.4.5 Industry sector forecast comparisons

- Both IER and EBSL forecast that the **Business, Computing, Financial and Other Services** sector will have the largest increases, and account for the largest proportion of total employment by 2007 (table 26, next page). However, while IER forecasts an increase of **8,000** and a proportion of **20.9 per cent**, EBSL predicts a rise of **20,000** and a proportion of **23.1 per cent**.
- The next largest discrepancy between the two forecasts concerns **Wholesaling**, for which IER forecasts **14,000** more jobs by 2007 than EBSL, with the latter predicting **no change** between 2002 and 2007.
- Other key differences concern **Education** and **Health**, for which EBSL forecasts increases of **7,000** each, making their 2007 totals **7,000** and **5,000** higher (respectively) than the totals forecast by IER.
- **Construction** will employ **4,000** more according to IER by 2007 than is forecast by EBSL, although the latter forecasts a slightly larger rise.
- The respective forecasts for all of the other sectors are relatively close, with differences of 3,000 or less in both totals and forecast changes.

Table 26: Numbers (000s) forecast for each industry sector, 2002-2007						
Industry sectors	LSC/IER			Skills Insight/EBSL		
	2002	2007	Change	2002	2007	Change
Agriculture, Forestry & Fishing	10	9	-1	10	8	-2
Mining & Utilities	2	2	0	2	2	0
Manufacturing	90	81	-9	87	79	-8
Construction	**47**	**49**	**+2**	**42**	**45**	**+3**
Wholesaling	**75**	**81**	**+6**	**67**	**67**	**0**
Hotels & Catering	39	39	0	39	42	+3
Retailing	74	79	+5	75	78	+3
Transport	24	25	+1	22	23	+1
Communications	13	14	+1	14	15	+1
Banking & Insurance	25	26	+1	23	23	0
Business, Computing, Financial & Other Services	**153**	**161**	**+8**	**160**	**180**	**+20**
Public Administration & Defence	26	26	0	26	27	+1
Education	58	**60**	**+2**	60	**67**	**+7**
Health	61	**64**	**+3**	62	**69**	**+7**
Other services	50	54	+4	50	53	+3
Total[16]	747	770	+23	739	778	+39

<u>Policy point 3.4.5</u>

This comparison illustrates the importance of considering more than one forecast when developing policies to deal with changes anticipated for the future. The IER forecasts have the advantage of being nationally based, which means that they are consistent with forecasts for regions and LLSCs outside the South East. However, they do not take account of specific developments taking place within regions, and this is an element which has been factored into the EBSL forecasts for the South East LLSCs.

In spite of the discrepancies between the two forecasts, some clear themes emerge:

1. *Significant growth is expected (21,000 – 28,000 jobs) in higher level occupations (Managers, Professionals and Associate Professionals).*
2. *Jobs in Agriculture and Manufacturing are forecast to decline by 10,000 in total according to both forecasts.*
3. *The Business, Computing, Financial & Other Services sector is the largest employer, and continues to grow (8,000 – 20,000 more jobs are forecast by 2007).*

[16] NB Due to rounding these totals may not sum to the totals in Table 25.

3.5 Skills needs of employers

3.5.1 Recruitment, skill shortages, vacancies and skills gaps by employer size

The tables that follow show proportions of employers with current vacancies, hard-to-fill vacancies, skill shortage vacancies and skills gaps[17], by employer size and sector respectively. Hard-to-fill vacancies are a subset of the overall total with vacancies, and skill shortage vacancies are a subset of hard-to-fill vacancies.

Table 27: Vacancies and skills gaps by employer size in Milton Keynes

Sizeband (employees)	*Sample base*	Have vacancies	Have hard-to-fill vacancies	Have skill shortage vacancies	Have skills gaps
1-4	*345*	10%	2%	2%	11%
5-24	*478*	27%	9%	5%	37%
25-99	*188*	40%	16%	11%	50%
100+	*42*	50%	20%	13%	71%
MK total	*1053*	17%	5%	3%	21%
MKOB total	*2968*	17%	7%	5%	20%

Source: National Employer Skills Survey 2003

- A total of 17 per cent of employers in Milton Keynes have current vacancies (identical to the MKOB average), although this figure varies by employer size (table 27). Only one in ten (10 per cent) of employers with 1-4 employees have vacancies, compared with half (50 per cent) with more than 100 employees.
- Only one in twenty (5 per cent) of Milton Keynes employers have hard-to-fill vacancies (slightly below the MKOB average), although again this varies by employer size. Just 2 per cent of employers with 1-4 employees are affected, compared with one in five (20 per cent) of those with more than 100 employees.
- Overall, just 3 per cent of Milton Keynes employers (again, below the MKOB average) have skill shortage vacancies. However, this figure does rise to more than one in ten for employers with 25-99 employees (11 per cent) and more than 100 employees (13 per cent).
- Slightly over one in five Milton Keynes employers (21 per cent) have skills gaps, which is above average compared with MKOB. This ranges from just over one in ten (11 per cent) of those with 1-4 employees, to nearly three-quarters (71 per cent) of those with 100 or more employees.

[17] Current vacancies are those which the employer had at the time of interview; hard-to-fill vacancies are difficult to fill for a variety of reasons, including pay and conditions, and competition; skill shortage vacancies are those which employers deem difficult to fill because of skill shortages, and are included within hard-to-fill vacancies but also shown separately; skills gaps refer to the workforce, and the figures shown relate to the proportion of employers who feel that some of their staff are not fully proficient.

Policy point 3.5.1
Hard-to-fill and skill shortage vacancies represent less of a problem for employers in Milton Keynes than the rest of the MKOB area. They are more prevalent for larger employers, but this is to be expected as the latter are more likely to be recruiting than smaller employers. However, Milton Keynes employers are above average in terms of experiencing skills gaps, which again raises issues of the learning culture within the borough – both in terms of encouraging individuals to develop their skills, and encouraging employers to recognise the importance of investing in their staff.

3.5.2 Recruitment, skill shortages, vacancies and skills gaps by sector in Milton Keynes

Table 28: Vacancies, hard-to-fill vacancies, skill shortage vacancies and skills gaps by sector in Milton Keynes

Sector	*Sample base*	Have vacancies	Have hard-to-fill vacancies	Have skill shortage vacancies	Have skills gaps
Agriculture	*8**	0%	0%	0%	5%
Manufacturing	*128*	18%	7%	4%	28%
Construction	*67*	13%	6%	3%	11%
Retail/wholesale	*257*	17%	5%	4%	28%
Hotels and restaurants	*60*	25%	4%	0%	34%
Transport and communication	*45*	11%	1%	0%	16%
Financial intermediation	*14**	33%	30%	30%	15%
Real estate, renting and business	*252*	16%	3%	2%	17%
Public admin	*5**	0%	0%	0%	0%
Education	*60*	37%	9%	8%	43%
Health and social work	*79*	26%	9%	3%	27%
Other community, personal & social	*76*	13%	7%	6%	17%
MK total	*1053*	17%	5%	3%	21%
MKOB total	*2968*	17%	7%	5%	20%
Source: National Employer Skills Survey 2003					

* NB Very small sample base – treat with extreme caution.

- Nearly two fifths (37 per cent) of Education employers have current vacancies, while a quarter of Health and social work (26 per cent) and Hotels and restaurants (25 per cent) employers also have vacancies – all well above the average for all sectors of 17 per cent (table 28).
- Hard-to-fill vacancies affect proportionately more employers in Education and Health and social work (both 9 per cent) than average (5 per cent).

They seem to be much less of an issue for Transport and communication (1 per cent) and Real estate, renting and business (3 per cent).

- Concerning skill shortage vacancies, the Education (8 per cent) and Other community, personal and social (6 per cent) sectors seem to be affected to a greater extent than average both for Milton Keynes (3 per cent) and MKOB (5 per cent). By contrast, Hotels and restaurants and Transport and communication employers in Milton Keynes reported no skill shortage vacancies at all.
- Skills gaps are also most keenly felt in the Education sector, with more than two fifths (43 per cent) of employers reporting experiencing them. In spite of the relative lack of skill shortage vacancies, one third (34 per cent) of Hotels and restaurants employers were similarly affected. Other sectors with above average proportions of employers reporting skills gaps were Manufacturing and Retail/wholesale (both 28 per cent).

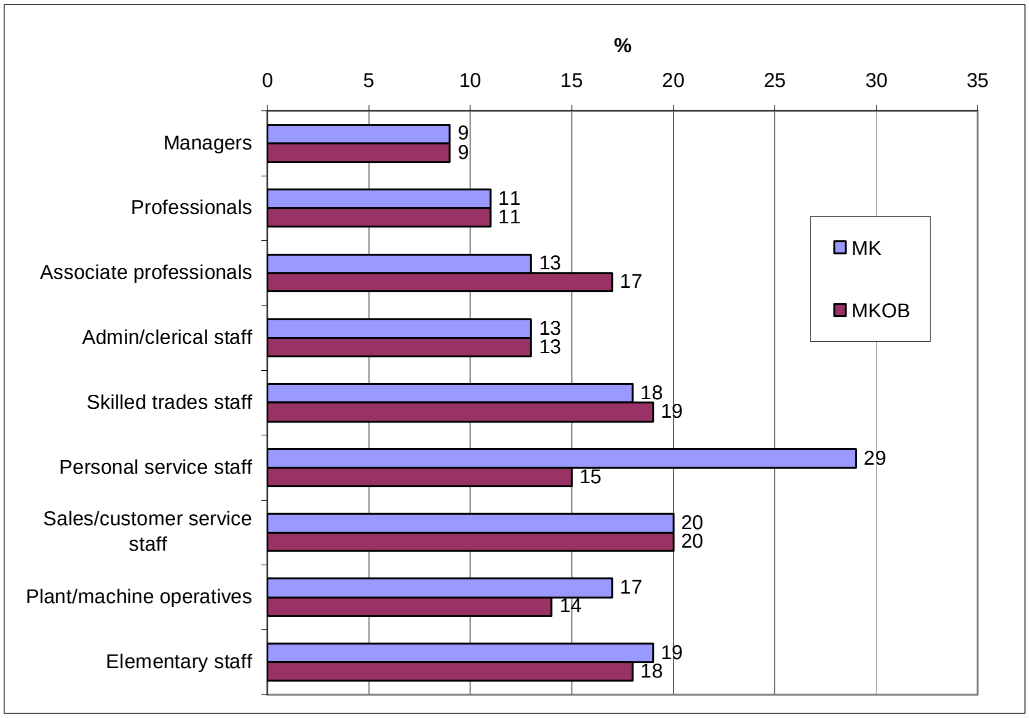
Policy point 3.5.2

In spite of the fact that much of the growth has been – and is forecast to be – in sectors such as Business services and Hotels and restaurants, the problems of hard-to-fill vacancies, skill shortage vacancies and skills gaps have been most keenly felt in the Public sector (particularly Education). This may be another consequence of the relatively under-developed learning culture within Milton Keynes, and may also suggest that employers in the Private sector are able to pay more than those in the Public sector when recruiting new staff.

3.5.3 Skills gaps by occupation

- Nearly one third (29 per cent) of Milton Keynes employers reported skills gaps among Personal service staff (chart 27, next page), which was almost twice as many as the MKOB average (15 per cent).
- Other occupations with relatively high proportions of employers reporting skills gaps were Sales/customer service staff (20 per cent), Elementary staff (19 per cent) and Skilled trade staff (18 per cent). In each case, these proportions were either identical or close to the MKOB average.
- Plant/machine operatives represented another occupational area for which there was a discrepancy between employers in Milton Keynes (17 per cent) and the MKOB average (14 per cent).
- For Associate professionals, fewer employers in Milton Keynes reported skills gaps (13 per cent) than the MKOB average (17 per cent).

Chart 27: Proportion of employers with skills gaps by specific occupation in Milton Keynes compared with MKOB



Source: National Employer Skills Survey 2003

Policy point 3.5.3
Given that many Personal service staff work within the Hotels and restaurants sector – and that this sector is a key area of current and future growth – the level of skills gaps indicated is a matter of some concern. The data suggests that nearly one third of the staff in these occupations are not fully proficient, and indicates that targeted support for sectors such as Hotels and restaurants may be appropriate.

3.5.4 External skills shortages

- Table 29 (next page) shows that the skills which proved most difficult to obtain in relation to hard-to-fill vacancies were Technical and practical skills (64 per cent of vacancies) and Customer handling skills (52 per cent). In both cases, these proportions were well above average compared with MKOB (45 per cent and 33 per cent respectively).
- Team working and Problem solving skills (both 45 per cent) were also regarded as significantly lacking, and in both cases this was to a degree which was significantly above average compared with MKOB (33 per cent and 31 per cent respectively). This same discrepancy was seen to a lesser degree for Management skills (33 per cent compared with 25 per cent).
- Communication skills were seen as absent by 38 per cent of employers, but this was slightly below the MKOB average (40 per cent). Literacy skills were also less likely to be seen as lacking in Milton Keynes (14 per cent) than in MKOB overall (24 per cent).

- A small proportion of employers (19 per cent) felt that there were no particular skills difficulties that they could identify in relation to hard-to-fill vacancies, slightly below the MKOB average (23 per cent).

Table 29: Skills difficult to obtain for hard-to-fill vacancies in Milton Keynes compared with MKOB			
Skill type	Milton Keynes	MKOB	Difference (MK +/- MKOB)*
Technical & practical skills	64	45	**19**
Customer handling skills	52	33	**19**
Team working skills	45	33	**12**
Problem solving skills	45	31	**14**
Communication skills	38	40	-2
Management skills	33	25	8
Numeracy skills	21	22	-1
No particular skills difficulties	19	23	-4
IT professional skills	15	13	2
Literacy skills	14	24	**-10**
General IT user skills	14	11	3
Other	8	3	5
Foreign language skills	7	5	2
Personal attributes	3	5	-2
Experience/product knowledge	1	4	-3
Relevant qualifications	0	0	0
Don't know	8	14	-6
Unweighted sample base	*85*	*277*	*N/a*
Source: National Employer Skills Survey 2003			

* Figures in bold indicate differences of 10 percentage points or more.

Policy point 3.5.4

Milton Keynes employers seem to be experiencing particular problems in relation to the skills found difficult to obtain for hard-to-fill vacancies. As already seen in 3.5.1 above, they are less likely than average in MKOB to experience such vacancies, but those that do find vacancies hard to fill report a broad range of skills lacking. Apart from technical and practical (i.e. job-specific) skills, there does seem to be a strong emphasis on the 'softer' skills which are often seen as particularly important in the service sector, such as Customer handling.

3.6 Employer engagement

3.6.1 Business plan, training plan and training budget

- As table 30 shows, more than two-thirds of employers in Milton Keynes (68 per cent) possess a business plan, well above average compared with MKOB (58 per cent) and England (56 per cent), and marginally above the South East average (66 per cent).
- More than two-fifths of employers in Milton Keynes have a training plan, again above average compared with MKOB (37 per cent), the South East (38 per cent) and England (39 per cent). An above average proportion also have a training budget – 36 per cent, compared with 31 per cent in MKOB, the South East and England.

Table 30: Possession of a business plan, training plan or a budget for training expenditure (percentages)

	Milton Keynes	MKOB	South East	England
Business plan	68	58	66	56
Training plan	44	37	38	39
Training budget	36	31	31	31
Sample base	*1053*	*2968*	*12883*	*72,100*

Source: National Employers Skills Survey 2003

Policy point 3.6.1
The data on business and training plans and training budgets for Milton Keynes goes against expectations, given other data about the learning culture in the area. However, it is encouraging to see that employers in the borough do seem to be more aware of the importance of planning, and providing a dedicated budget for training. This may help to go some way to addressing the imbalance in skills and qualifications which exists between Milton Keynes and the rest of the MKOB area.

3.6.2 Training and development spend

Employers in Milton Keynes are marginally more likely than average to spend nothing on the training and development of their employees (14 per cent), compared with 11 per cent in MKOB, 10 per cent in the South East and 13 per cent in England (table 31, next page). However, the differences on this and other amounts spent are not large enough to be particularly significant.

Policy point 3.6.2
This point refers to those employers that do train their employees, and the differences are not significant enough for too many conclusions to be read into them. The only point of note is that in Milton Keynes, employers are slightly more likely than average to provide training which does not cost anything – in other words, it is likely to be on-the-job or involving relatively little in the way of complexity.

Table 31: Amount spent per employee on training and development (percentages)				
Amount spent per employee	Milton Keynes	MKOB	South East	England
Nothing	14	11	10	13
Less than £50	8	7	7	8
£50-99	5	5	7	6
£100-199	12	12	11	12
£200-299	5	8	8	7
£300-399	6	7	7	6
£400-499	2	2	2	2
£500-749	7	9	7	5
£750-999	3	3	4	4
£1000-1499	4	4	5	4
£1500-1999	2	2	3	3
£2000-4999	5	4	3	3
£5000+	2	1	1	1
Don't know	26	25	25	26
Sample base	*814*	*2197*	*7730*	*42,539*
Source: National Employers Skills Survey 2003				

3.6.3 Employers providing training in last 12 months

About three-fifths (62 per cent) of employers in Milton Keynes had provided training in the previous 12 months (table 32). This was identical to the figure for MKOB, and marginally above the averages for the South East (60 per cent) and England (59 per cent).

Table 32: Proportion of employers providing training in last 12 months in Milton Keynes compared with MKOB, the South East and England				
	Milton Keynes	MKOB	South East	England
Proportion of employers	62	62	60	59
Sample base	*1053*	*2968*	*12883*	*72,100*
Source: National Employers Skills Survey 2003				

Policy point 3.6.3

It is encouraging to see that the majority of employers have provided training in the last 12 months, and that Milton Keynes is on a par with MKOB, regional and national averages in this respect. However, this figure gives no indication of the quality and level of the training provided, while the challenge must also be to work with those employers who are not currently providing any training.

3.6.4 Annual performance reviews

- In three-fifths of Milton Keynes employers (60 per cent), all staff receive annual performance reviews (table 33, next page). This is identical to the

South East average, and above average compared with both MKOB (54 per cent) and England (51 per cent).

- By the same token, less than one third (31 per cent) of Milton Keynes employers do not provide annual performance reviews to any staff, below average compared with MKOB (38 per cent) and England (40 per cent), but above the South East figure (28 per cent).

Table 33: Proportion of employees receiving annual performance reviews				
Proportion of employees	Milton Keynes	MKOB	South East	England
None	31	38	28	40
1-99%	8	7	10	8
100%	60	54	60	51
Don’t know	1	1	2	1
Sample base	*1053*	*2968*	*12883*	*72,100*
Source: National Employers Skills Survey 2003				

Policy point 3.6.4
See 3.6.5 below

3.6.5 Staff with formal job descriptions

- Table 34 shows that more than three-quarters of employers in Milton Keynes (77 per cent) provide formal job descriptions to all of their staff. This is above average compared with MKOB (71 per cent), the South East (76 per cent) and England (72 per cent).
- Less than one in five (16 per cent) of employers do not provide formal job descriptions to any of their staff, which is below average compared with MKOB (20 per cent) and England (19 per cent), but above the South East average (13 per cent).

Table 34: Proportion of employees with formal job descriptions				
Proportion of employees	Milton Keynes	MKOB	South East	England
None	16	20	13	19
1-99%	7	8	11	9
100%	77	71	76	72
Don’t know	<1	1	1	<1
Sample base	*1053*	*2968*	*12883*	*72,100*
Source: National Employers Skills Survey 2003				

Policy points 3.6.4 & 3.6.5
Milton Keynes again performs well on these measures, with above average proportions of employers providing performance reviews and job descriptions to their employees. It is important to link these elements together, with job descriptions being derived from business plans, and performance reviews geared towards ensuring that business needs are met. Equally, deficiencies – in the form of skills gaps – need to be addressed by the provision of training.

3.6.6 Employers assessing skills gaps

As table 35 reveals, just over half (53 per cent) of employers in Milton Keynes assess the skills gaps of their employees, slightly above average compared with MKOB (49 per cent) and England (52 per cent), but some way below the South East average (59 per cent).

Table 35: Proportion of employers assessing skills gaps

	Milton Keynes	MKOB	South East	England
Yes	53	49	59	52
No	46	50	39	48
Don't know	1	1	1	1
Sample base	*1053*	*2968*	*12883*	*72,100*

Source: National Employers Skills Survey 2003

Policy point 3.6.6

While more than half of employers do assess skills gaps, the corollary is that nearly half do not. This could be because employers feel that their businesses or organisations are running smoothly and it is self-evident that there are no problems. However, it could also be that they are accustomed to the gaps, or do not have the time to carry out assessments – particularly in the case of smaller employers. Targeted support for employers in carrying out skills gap assessments may therefore be appropriate.

3.6.7 Employers assessing performance of trained employees

- More than half of Milton Keynes employers (55 per cent) assess the performance of their employees both before and after training (table 36). This is well above the MKOB average (48 per cent), but marginally below that of the South East (58 per cent) and England (57 per cent).
- More than a quarter (28 per cent) of employers in Milton Keynes do not assess the performance of trained employees either before or after training. This is well below the MKOB average (35 per cent), but slightly above the South East figure (25 per cent) and identical to the England average.

Table 36: Proportion of employers assessing performance of trained employees

	Milton Keynes	MKOB	South East	England
Before training	4	6	5	5
After training	11	9	10	10
Both	55	48	58	57
Neither	28	35	25	28
Don't know	1	1	2	1
Sample base	*1053*	*2968*	*12883*	*72,100*

Source: National Employers Skills Survey 2003

Policy point 3.6.7
As with many of the other employer engagement measures, Milton Keynes' performance is better than the MKOB average and close to the regional and national averages. However, this should not hide the fact that this is still an area in which there is room for improvement, since although more than half do assess the performance of employees do assess performance both before and after training, the remainder do not. In these cases, it is therefore impossible to tell whether or not the training has been effective.

Section 4: Summary of key findings and implications

Section 1: Context

1.1 Planning issues

- The Milton Keynes and South Midlands strategy, if adopted, will lead to further significant growth in Milton Keynes to 2016 and beyond. Many new houses are proposed, with associated employment, education and infrastructure improvements. The main shopping area, thecentre:mk, is also due to undergo a major expansion. (1.1.1 – 1.1.4)

1.2 Economic Profile

- Milton Keynes has seen an above average decline in VAT registrations as well as a large increase in de-registrations, but other indicators suggest that it remains a dynamic economy with a very high level of value added. (1.2.1 – 1.2.2)

1.3 Population and Socio-economic Profile

- Milton Keynes has a reputation as a young and ethnically diverse area, and the population statistics tend to bear this out. This does help to drive the growth and dynamism of the city and borough, but alongside this there are issues of significant pockets of disadvantage and deprivation. (1.3.1 – 1.3.9)

Section 2: Increasing the demand for learning

2.1 Basic Skills

- Nearly one quarter of people in Milton Keynes have poor literacy and numeracy skills, although in wards such as Eaton, Fenny Stratford and Woughton the figure is much higher than this. Those most likely to have low or no qualifications (and hence basic skills) are women, over 50 year olds, and people working in low-skill qualifications. (2.1.1 – 2.1.8)

2.2 Skill levels in the population

- When looking at the area's qualification profile, Milton Keynes suffers in comparison with the rest of MKOB and the South East. Only just over a third of the borough's population is qualified to level 3 or above, which is well below LLSC and regional averages. (2.2.1 – 2.2.3)

2.3 Participation

- In the light of Milton Keynes' relatively low qualification profile, its participation figures are encouraging – more than two-fifths of people have been involved in learning in the past year. However, it also has a high proportion of people – more than one third – that could be described as non-learners. (2.3)

2.4 Propensity to learn

- People undertaking learning in Milton Keynes are less likely than average to see learning as a positive benefit for social or job-related reasons. They are more likely than average to be studying because of employer pressure, and have their course chosen for them by their employer. The most popular courses are ICT and Business admin, and the workplace is by some way the most popular site for their learning. (2.4.1 – 2.4.4)

- A larger than average proportion of people in Milton Keynes do not know if they will undertake learning in the next 12 months, and a much lower than average proportion say that learning is important to them. (2.4.5 – 2.4.6)

2.5 Barriers to learning

- Milton Keynes is close to the average in terms of the proportion identifying barriers to learning. The barriers most often mentioned are responsibilities and commitments that prevent them from learning, and this is particularly true for women, people aged 25-49, those with caring responsibilities and the self-employed. (2.5.1 – 2.5.4)

Section 3: Employers: encourage engagement in skills and workforce development

3.1 Profile of employers

- More evidence of the dynamism of the Milton Keynes economy comes from the 16 per cent growth of its employer base over the period 1998 – 2002. Much of the growth was among the very small businesses, and within the Banking, finance, insurance and business service and Distribution, hotels and restaurants sectors. (3.1.1 – 3.1.4)

3.2 Profile of employees

- Male full-time employment has bucked national trends by growing by more than 10 per cent between 1998 and 2002, within the context of some very strong overall employment growth of more than 15 per cent. By sector, both the Banking, finance, insurance and business service and the Distribution, hotels and restaurants sectors experienced net increases between 1998 and 2002, although both saw employment fall slightly in 2002. Managers and administrative and secretarial staff form a disproportionately large part of Milton Keynes' workforce, but the most notable factor is the difference between those employed in Milton Keynes and those who live there, with the former tending to have higher level jobs than the latter. (3.2.1 – 3.2.6)

3.3 Economic Activity

- Milton Keynes has a very high economic activity rate (86.8 per cent), well above MKOB, regional and national averages. More than nine in ten men and eight in ten women are economically active; the least active age group is 16-19 year olds. (3.3.1 – 3.3.3)

3.4 MKOB forecasts for employment change 2001-10

- Forecasts for the whole of MKOB suggest that nearly 72,000 additional jobs will arise over the period 2001-2010, with nearly 29,000 of the new jobs forecast for the Business services sector. By occupation, the greatest increases are forecast for Elementary service and Administrative occupations, Caring Personal Service occupations Administrative occupations. (3.4.1 – 3.4.2)

- Comparison between EBSL and IER's forecasts for 2002-07 show some significant discrepancies e.g. IER forecasts that there will be 32,000 more Managers by 2007 than EBSL, while EBSL predicts that there will be 32,000 more people in Elementary occupations in 2007 than IER. Key similarities are for growth in the number of Managers, Professionals and Associate Professionals (21,000 – 28,000 jobs), and also in the Business Services sector (8,000 – 20,000). (3.4.3 –3.4.5).

3.5 Skills needs of employers

- Milton Keynes employers have below average levels of hard-to-fill and skill shortage vacancies, but above average levels of skills gaps, and these particularly affect larger employers and those in Education and Hotels and restaurants. Hard-to-fill and skill shortage vacancies disproportionately affect employers in the public sector, most particularly Education (for both), Health and social work (for hard-to-fill), and Other community, personal and social (for skill shortages). (3.5.1 – 3.5.2)

- There is a very pronounced skills gap in relation to Personal service staff in Milton Keynes, which is well above the average for this occupation in the rest of MKOB. A range of skills is found difficult to obtain in relation to hard-to-fill vacancies, chief among them being Technical/practical skills, Customer handling, Communication and Problem solving. (3.5.3 – 3.5.4)

3.6 Employer engagement

- Milton Keynes employers are more likely than average within MKOB to have business plans, training plans and training budgets, to provide annual reviews and job descriptions, to assess skills gaps or to assess the performance of employees they train. While this is encouraging, it cannot hide the fact that there are still many employers who need to improve their engagement with learning. (3.6.1 – 3.6.7)