Learning+Skills Council
Milton Keynes, Oxfordshire
and Buckinghamshire

Oxfordshire
Skills and Economic Assessment

Version 2.0

December 2004

Research and Development Department

Contents

Oxfordshire Skills and Economic Assessment

Introduction

This report aims to provide details of the skills and economic background of Oxfordshire, 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 Oxfordshire, 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

Oxfordshire has a global reputation, and this is not simply due to it being host to the oldest university in the English-speaking world. However, it is undoubtedly true that Oxford University is a key contributor to the county's reputation for excellence, and its historic buildings ensure that the area is a popular destination for tourists as well as students. Along with Oxford Brookes University, it provides a student population of more than 20,000 in a city of 134,000 people.

In addition to its academic reputation, Oxfordshire is known as a successful location for high technology industries. These include electronics, pharmaceuticals, biotechnology, IT and telecommunications companies, while its research and development (R & D) sector is internationally renowned. Key employers within this sector include AEA Technology, Oxford Instruments, UKAEA (Atomic Energy Authority) and Rutherford Appleton Laboratory, and they contribute to Oxfordshire having the largest number of people employed in R & D outside London, and more than a quarter of all R & D workers in the South East.

The motor industry is also well represented in the county, both through the BMW works in Cowley which produces the Mini, and the presence in the county of Renault F1, TWR and Williams F1. The latter three – and other supporting businesses – give the county the greatest concentration of performance car development and testing in the world, and earn it the nickname 'Motor Sport Valley'.

The transport infrastructure of Oxfordshire is another factor in its economic success. The M40 passes close to Banbury, Bicester and Thame, and links to Oxford via the A40 and A34. All of these areas therefore have good links to both London and Birmingham, both of which are roughly an hour's drive away. The A34 trunk road also ensures that towns such as Abingdon and Didcot have relatively good links to the motorway system (the M40 to the north and the M4 to the south), and enables good access to the south coast ports.

Mainline stations at Banbury, Bicester, Didcot and Oxford provide very good rail links, allowing straightforward access to London, Birmingham and the rest of the rail network. Heathrow Airport is within an hour's car, bus or train journey of most of the Oxfordshire. However, although a large part of the county is well served by its transport links, a significant area – including West Oxfordshire district, parts of Vale of White Horse district and towns such as Witney and Chipping Norton – is not particularly accessible. One of the issues facing the area is to ensure that all communities within Oxfordshire have good access to economic and learning opportunities.

Similarly, although Oxfordshire does have a reputation for academic excellence, this does tend to distort the image of learning within the county. While it is true to say that parts of the county have very high levels of highly-qualified people – this applies to Oxford in particular – there are other parts of the county where qualification levels are much lower, as this report will show. Another of the challenges is therefore to attempt to drive up skills and qualifications throughout the county, and to ensure that learning is not just directed at those people who already have high levels of qualification.

Section 1: Context

1.1 Planning issues

1.1.1 Oxfordshire County Structure Plan 2016

- The existing Structure Plan outlining the County Council's strategy for the use and development of land was adopted in 1998, and covers the period to 2011.
- In 2003, Oxfordshire County Council published a draft Structure Plan for consultation which will cover the period to 2016, and will therefore replace the existing plan.
- The reasons for a new plan being published were to take account of changes in Government planning policy, to meet housing requirements and to provide a longer-term view of how Oxfordshire might develop.
- The consultation period for the plan closed at the end of 2003, and comments on the plan have been considered. During 2004, the plan underwent Examination in Public (EIP), with the report from the EIP panel due early in 2005. The plan is due to be adopted in Spring 2005.
- The Plan outlines policies aimed at sustaining economic prosperity, meeting requirements for housing, making sure that development is in appropriate parts of the county, and reducing car use and improving public transport.

1.1.2 Housing developments outlined in the Plan

The draft Plan proposes 36,500 new houses in the county between 2001-2016, with locations for development within the county as follows:

- Cherwell – 9,250 new houses, including 3,700 in Banbury and 3,200 in Bicester.
- Oxford - 5,500 new houses, with an additional 1,000 houses to be built on Green Belt land to the south of Oxford.
- South Oxfordshire – 8,500 new houses, including 4,500 in Didcot.
- Vale of White Horse – 6,750 new houses, including 2,100 at Grove near Wantage.
- West Oxfordshire – 6,500 new houses, including 2,700 in Witney.

The Plan aims for 55 per cent of new houses to be built on previously developed land, and for 50 per cent of all new houses within the county to be affordable.

1.1.3 Economic strategy and employment development

The Plan focuses on sustainable and appropriate economic development that delivers economic benefits to all sectors of society, particularly supporting investment in high value sectors that have low environmental impact. This approach ties in with the Oxfordshire Economic Development Strategy 2001-2005 produced by the Oxfordshire Economic Partnership.

Specific considerations for locations within Oxfordshire are as follows:

- Oxford - developments aimed at generating employment will be expected to take place on land already used or allocated for that purpose. Provision

of land for employment use is restrained because of in-commuting and housing pressures. Land or premises in use by small businesses should be retained for business use rather than be redeveloped for housing where possible, in order to avoid losing local economic diversity.

- Banbury, Bicester, Didcot and Witney – land for employment will be made available 'to achieve an appropriate balance between the number and type of jobs and the size and skills of the local workforce; and to provide for the expansion and relocation of existing local firms and to accommodate firms which need to be located in the area'[1].
- Abingdon, Carterton, Chipping Norton, Faringdon, Henley, Thame, Wallingford, Wantage and Grove – a limited amount of land will be provided in recognition of their role as local centres for services and employment.

The Plan also recognises the importance of business clusters, and indicates that local planning authorities need to make provision for innovation start up units, small firms and expansion space for growing firms. Bicester is seen as a place which could benefit from this in particular. However, the Plan is keen to discourage the siting of further warehousing and distribution facilities within the county, except in areas where there is good access to rail and the land is specifically allocated for this purpose.

Policy points 1.1.1 – 1.1.3

The Draft Oxfordshire County Structure Plan envisages carefully managed growth and development for the county. A considerable amount of housing developments are envisaged across the county, with particular emphasis on Cherwell (notably Banbury and Bicester). This northern part of the county is where a large part of the growth in population and employment is anticipated to be. There are however more constraints to growth in the south of the county and particularly Oxford itself, partly because of shortage of suitable land but also because policies which encourage growth might put greater stress on the transport and service infrastructure.

From the LSC perspective, it will be important to ensure that the learning and skills infrastructure within Oxfordshire – and more particularly, in Cherwell – is able to meet the demands placed on it. The potential growth in Bicester has already been acknowledged in the plans of the newly formed Oxford and Cherwell College, which intends to site a campus there in order to ensure that there is the necessary learning provision for the increased population within the area. There may also be a need to consider potential growth in areas such as Didcot, where there is currently no FE provision.

[1] Oxfordshire Structure Plan 2016 – Deposit Draft.

1.2 Economic Profile

1.2.1 Comparison of business formation rates

Table 1: VAT registrations 1998-2002						
	1998	1999	2000	2001	2002	% change 98-02
Oxfordshire	2,110	2,130	2,295	2,125	2,160	2.4
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						

The number of VAT registrations rose in Oxfordshire between 1998 and 1999, but fell in all other areas over the same period before rising in all areas in 2000. There were then sharp falls in registrations across the board in 2001, before all areas except the South East saw increases in 2002. The net percentage change over the period for Oxfordshire was an increase of 2.4 per cent, which was in contrast to the falls seen in 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
Oxfordshire	10.1	9.9	10.5	9.5	9.6	-0.5
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 fallen as a proportion of business stocks over the period 1998-2002 (table 2). However, Oxfordshire's percentage point decrease was below MKOB, regional and national averages. The overall level of business stocks increased in all areas over the period, which will have contributed to VAT registrations falling as a percentage of stocks.

Table 3: VAT de-registrations 1998-2002						
	1998	1999	2000	2001	2002	% change 98-02
Oxfordshire	1,560	1,685	1,820	1,725	1,955	25.3
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						

VAT de-registrations have risen consistently in all areas between 1998 and 2002, with particularly sharp increases in 1999 and 2000 (table 3). Oxfordshire was the only exception to this with a fall in 2001, but the latter was outweighed by a large increase in 2002. This left large net percentage increases in all areas over the period 1998-2002, with Oxfordshire (25.3 per

cent) being close to the averages for MKOB (26.6 per cent) and the South East (23.6 per cent), but well above the England average (16.4 per cent).

Policy point 1.2.1
In Oxfordshire, the rise in VAT registrations over the period 1998-2002 at a time when all other areas have seen decreases, suggests that the county provides a relatively sound environment for the development and start-up of small businesses. However, the relatively low proportion of VAT registrations as a proportion of business stocks indicates that the area is not necessarily as dynamic as other parts of MKOB and the South East.

1.2.2 Comparison of national, regional and local output by sector

Table 4: Gross Value Added per head 1996-2001

£s per head	1996	1997	1998	1999	2000	2001	Average annual growth (%)
Oxfordshire	13,183	13,993	15,323	16,517	17,273	18,128	6.2
MKOB*	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 Also includes Berkshire.

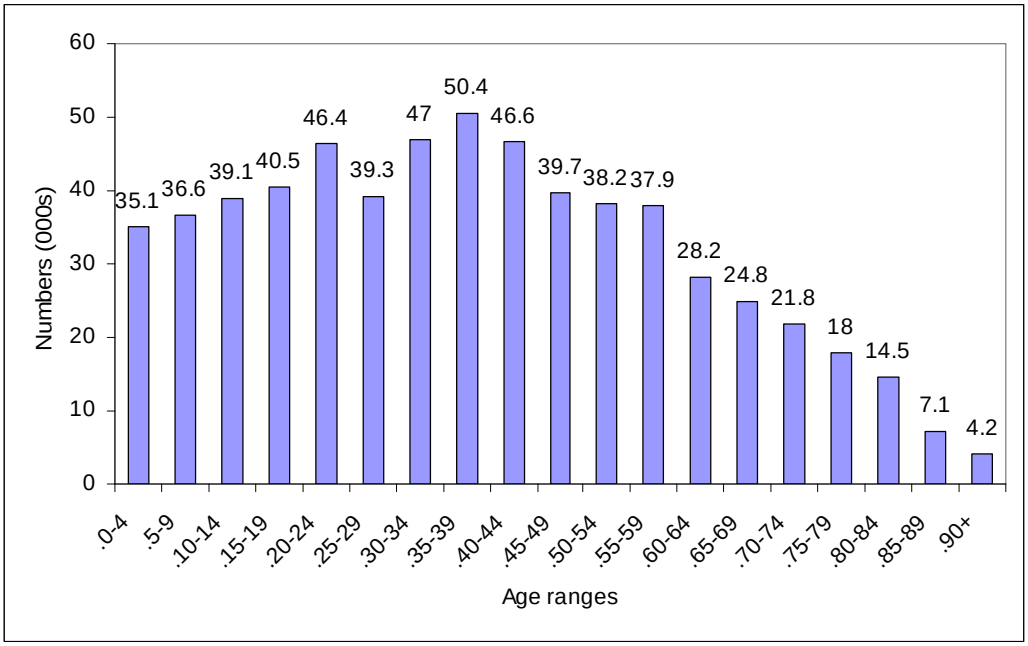
Oxfordshire was above South East and England averages in 1996 for Gross Value Added (GVA) per head (table 4), but below that for MKOB (including Berkshire). All areas saw growth in GVA per head between 1996 and 2001, and Oxfordshire had an above average annual rate of increase (6.2 per cent) when compared with MKOB (6 per cent), the South East (5.8 per cent) and England (5.1 per cent). By 2001, the Oxfordshire GVA per head was £18,128 per head, still well below the average for MKOB (£20,686), but also well above those for the South East (£15,880) and England (£14,781).

Policy point 1.2.2
The latest Gross Value Added per head figures reverse the trends seen in previous years, and present a more healthy picture for the county in terms of its economy. The data show that Oxfordshire's GVA increased more rapidly than MKOB, regional and national averages over the period, ensuring that the county maintains its competitive advantage.

1.3 Population and Socio-economic Profile

1.3.1 Population in general

Chart 1: Population by age bands (thousands)



Source: ONS 2003 Mid Year Population Estimates

- Table 5 below shows that Oxfordshire has a lower than average proportion of children aged 0-14 (18 per cent) compared with the averages for MKOB (19 per cent), the South East and England & Wales (both 18.3 per cent). The main reason for this seems to be the very low proportion in Oxford itself (14.3 per cent).
- At the same time, looking at the proportion of 20-44 year olds, Oxfordshire is above average at 37.3 per cent, compared with MKOB (36.1 per cent), the South East (34.3 per cent) and England & Wales (35.1 per cent). Once again, Oxford plays a large part in this – nearly half (47.8 per cent) of the city's population falls within this age group, and most of this is due to the very high proportion of 20-24 year olds (16.4 per cent, compared with around 6 per cent for the LSC, region and country as a whole).
- Oxford also has a higher than average proportion of 15-19 year olds (8.3 per cent) compared with Oxfordshire, MKOB, the South East and England (all between 6.3 – 6.5 per cent). Both this and the figure for 20-24 year olds are almost certainly a result of the influence of the universities in Oxford.
- People of retirement age (65 and older) make up a smaller than average proportion of Oxfordshire's population (14.7 per cent) compared with the South East (16.5 per cent) and England (16 per cent), although the county is above the MKOB average (14.1 per cent). Oxford (12.2 per cent) is below county, LSC, regional and national averages, while West Oxfordshire (16.6 per cent) is slightly above regional and national averages.

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
Oxfordshire	615.2	18	6.6	7.5	29.8	23.4	14.7
Cherwell	132.8	19.5	5.9	5.3	31.5	23.9	14.0
Oxford	142.4	14.3	8.3	16.4	31.4	17.4	12.2
South Oxfordshire	127.8	18.9	5.9	4.5	29.2	25.7	15.6
Vale of White Horse	116	19.1	6.6	5.0	27.7	25.7	15.8
West Oxfordshire	96.3	19.0	5.7	4.7	28.3	25.6	16.6

Source: ONS 2003 Mid Year Population Estimates

Policy point 1.3.1
Oxfordshire's population is strongly influenced by Oxford itself, with its high proportion of students, which gives the county a younger age profile than would otherwise be the case. For Oxford as well as Cherwell district, 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, this does not apply to South Oxfordshire, Vale of White Horse and West Oxfordshire districts, all of which have above average proportions in the older age groups.

Cherwell has a very high proportion of children aged under 15 in its population, so it is important to ensure that learning provision there is adequate to meet their needs. Oxford & Cherwell College's plans for a new campus at Bicester will go some way towards addressing those needs.

1.3.2 Ethnicity

- Oxfordshire has a lower than average proportion of people from an ethnic minority background (4.9 per cent) compared with England (9.1 per cent), but is identical to the South East average (tables 6 and 7).
- The largest ethnic minority group within Oxfordshire comprises people of Asian or Asian British origin (1.7 per cent).
- Oxford has a very different ethnicity profile compared with the rest of Oxfordshire, with an ethnic minority population of 12.9 per cent – well above regional and national as well as county averages.
- The extent of the contrast between the city and the rest of the county can be seen from the fact that the next highest proportion is to be found in Cherwell (3.9 per cent), while only 1.6 per cent of people in West Oxfordshire are from an ethnic minority background.

Table 6: Ethnicity (Percentage)

	All White	All Mixed	Asian or Asian British	Black or Black British	Chinese or other
England	90.9	1.3	4.6	2.3	0.9
South East	95.1	1.1	2.3	0.7	0.8
Oxfordshire	95.1	1.2	1.7	0.8	1.1
Cherwell	96.1	1.1	1.6	0.5	0.6
Oxford	87.1	2.4	4.8	2.5	3.1
South Oxfordshire	97.9	0.7	0.6	0.3	0.4
Vale of White Horse	97.6	0.8	0.7	0.2	0.7
West Oxfordshire	98.4	0.7	0.4	0.2	0.4

Source: 2001 Census

Table 7: Ethnicity (Numbers)

	Total	All White	All Mixed	Asian or Asian British	Black or Black British	Chinese or Other	
Oxfordshire	605488	576044	7103	10480	5002	6859	
Cherwell	131785	126627	1456	2147	712	843	
Oxford	134248	116948	3239	6471	3368	4222	
South Oxfordshire	128188	125527	923	731	444	563	
Vale of White Horse	115627	112859	860	794	272	842	
West Oxfordshire	95640	94083	625	337	206	389	

Source: 2001 Census

Policy point 1.3.2

Oxford's 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 city's learning and skills profile. This is particularly important when considering issues such as deprivation (see 1.3.6 below), which tends to affect most strongly those areas where the city's ethnic minority population is clustered.

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 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).

Policy point 1.3.3
The household income data indicates that Oxfordshire 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 Oxfordshire itself. As will be seen below (see 1.3.6), there are pockets of deprivation throughout the county. This will be 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[2]
Oxfordshire	142,909	68.5	170,277	70.6	N/a
Cherwell	31,014	69.3	39,840	74.9	139
Oxford	24,258	55.5	28,387	54.9	353
S Oxfordshire	33,293	73.9	39,906	76.6	91
Vale of W H	30,376	74.0	34,033	74.4	148
W Oxfordshire	23,968	70.3	28,111	73.2	177
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					

The proportion of owner occupied households in Oxfordshire (table 9) has risen by more than 2 percentage points between 1991 and 2001 to more than seven in ten (70.6 per cent). It remains below the South East average of 74 per cent, but above the England & Wales average of 68.9 per cent. Within the local authority districts, South Oxfordshire (76.6 per cent), Cherwell (74.4 per

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

cent) and Vale of White Horse (74.4 per cent) are above the national average for owner occupation. Oxford (54.9 per cent) is quite considerably below both regional and national averages – it has the lowest level of owner occupation in the whole of the South East, and is 353rd (out of 376) in England & Wales. It is also the only district in Oxfordshire to have seen a decrease in owner occupation between 1991 and 2001.

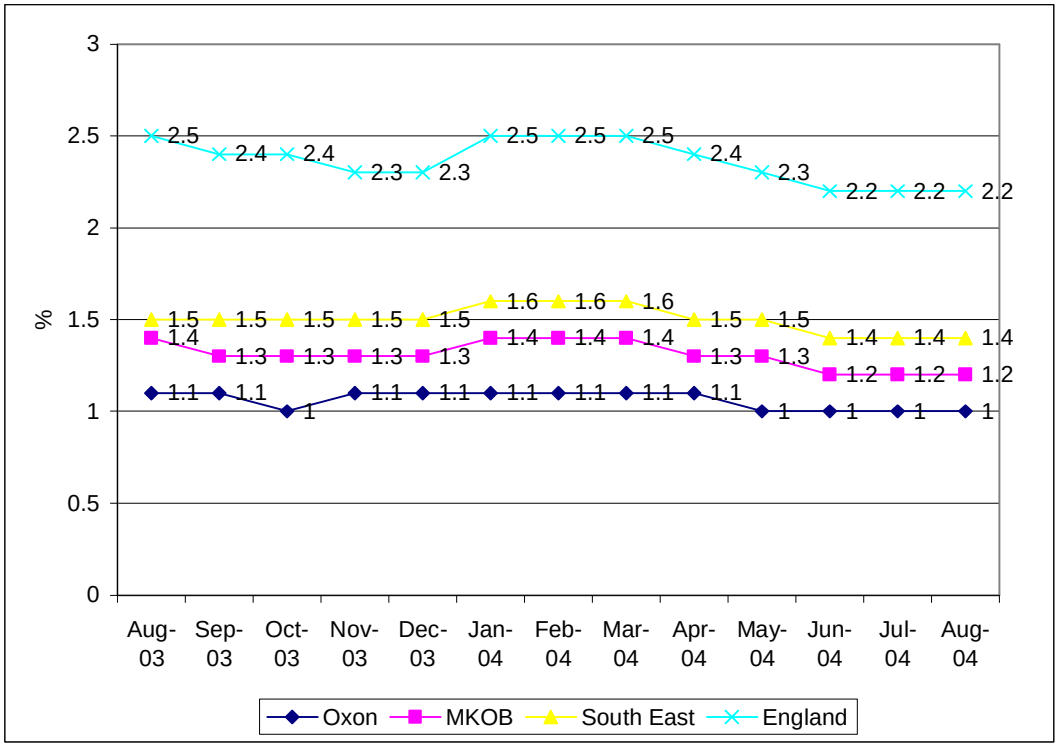
Policy point 1.3.4

The level of owner occupation within Oxfordshire again illustrates how the county is polarised between the city and the other districts. Part of the reason for the very low levels of owner occupation is that it has a very large student population studying both at university and in language schools, many of whom will live in rented accommodation. However, as we have seen, there are significant pockets of deprivation within the city as well, so it could also be an indicator of relative social and economic disadvantage.

1.3.5 Unemployment

Claimant count unemployment currently stands at 1 per cent in Oxfordshire (as at August 2004), which is below average compared 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 Oxfordshire by 0.1 of a percentage point.

Chart 2: Claimant count unemployment in Oxfordshire 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 Oxfordshire remains below average compared with England, the South East and MKOB, and there is no lack of employment opportunities within the area, so it seems unlikely that this will become an issue for Oxfordshire in the foreseeable future.

1.3.6 Indices of Deprivation (2004) in Oxfordshire
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[3].

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 Oxfordshire, 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 Oxfordshire (out of 316 SOAs).

Table 10: Top ten most deprived SOAs in Oxfordshire

SOA name[4]	Local Authority name	Rank in England	Rank in MKOB	Rank in Oxfordshire
Northfield Brook 69	Oxford	1411	1	1
Northfield Brook 68	Oxford	3437	8	2
Carfax 22	Oxford	3767	9	3
Rose Hill and Iffley 77	Oxford	3990	11	4
Barton and Sandhills 14	Oxford	4152	12	5
Northfield Brook 67	Oxford	4485	13	6
Barton and Sandhills 13	Oxford	4592	14	7
Rose Hill and Iffley 76	Oxford	4674	16	8
Blackbird Leys 20	Oxford	4879	18	9
Blackbird Leys 18	Oxford	5462	21	10

Source: Indices of Deprivation (2004)

[3] 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
[4] 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.

Northfield Brook in Oxford hosts the most deprived SOA in MKOB, and this SOA is within the top 5 per cent most deprived in England. Two further SOAs from this ward are also within the top 6 most deprived in Oxfordshire, and the top 13 most deprived in MKOB. All of the other SOAs listed in table 10 are also from Oxford, and all fall within the most deprived quartile in England.

To provide a context to the above, 220 of the SOAs in Oxfordshire (54 per cent of the total) are within the 20 per cent least deprived SOAs in England. Of these, 9 SOAs (2 per cent of the Oxfordshire total) are within the top one per cent least deprived in England, including one SOA in Shrivenham (Vale of White Horse) which is the fifteenth least deprived in England. This reflects the fact that outside of Oxfordshire's urban centres (most notably Oxford), it is one of the most affluent and least deprived counties in England.

Policy point 1.3.6
The key areas of deprivation in Oxfordshire are to be found in Oxford, most particularly on the southern and eastern fringes of the city. The ID2004 has enabled these areas to be identified more readily, allowing for a more targeted approach to the problems. The ID2004 also makes it possible to identify areas and neighbourhoods with problems of 'hidden' deprivation within wards which are otherwise relatively affluent. This applies to Carfax in Oxford, which has an SOA among the 10 most deprived in MKOB despite being in a prosperous city centre location.

1.3.7 District level summary of employment deprivation in Oxfordshire
'Employment deprived' people are defined as those who want to work but are unable to do so through unemployment, sickness or disability. To place the figures for Oxfordshire 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.

Table 11: Employment deprivation

Local authority district	Number of employment deprived		Rank of employment scale	
	ID2000	ID2004	ID2000	ID2004
Cherwell	3,509	3,542	241	248
Oxford	5,876	5,865	158	164
South Oxfordshire	2,758	2,795	291	292
Vale of White Horse	2,339	2,481	307	307
West Oxfordshire	1,977	1,956	322	328
Least (Isles of Scilly)	33	32	354	354
Most (Birmingham)	84,679	91,123	1	1

Source: ID2000, ID2004

Oxford has the largest number of employment deprived people in Oxfordshire with a total of 5,865, ranking it 164th (down from 158th in 2000) on this measure in England. Cherwell has the next largest number with 3,542 people

(a rank of 248, down from 241), while the other three districts are ranked within the least employment deprived quartile in England.

Policy point 1.3.7
See 1.3.9 below.

1.3.8 District level summary of income deprivation in Oxfordshire
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
Cherwell	15,276	8,797	225	222
Oxford	24,399	14,532	137	137
South Oxfordshire	12,015	6,334	281	284
Vale of White Horse	10,779	6,022	296	292
West Oxfordshire	9,352	4,739	311	314
Least (Isles of Scilly)	181	62	354	354
Most (Birmingham)	364,248	243,910	1	1

Source: ID2000, ID2004

All of Oxfordshire's districts have higher numbers of people who are income deprived than are employment deprived, and all rank higher on the scale of income deprivation than they do for employment deprivation (table 12). However, the numbers of people affected are now much smaller – nearly 10,000 fewer people are income deprived in Oxford in 2004 compared with 2000, while the figure has fallen by more than 6,000 in Cherwell and by considerable amounts in all three of the other districts. 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.

Nevertheless, Oxford still falls within the 50 per cent most income deprived districts, ranking 137th in England – exactly the same position as in 2000. Cherwell is the next highest ranked at 222nd (slightly higher than in 2000), but once again the other three districts are ranked within the least deprived

quartile. This suggests that the numbers of people affected by income deprivation have fallen by similar proportions across the whole of England. To put this into context, the Isles of Scilly has the smallest level of income deprivation (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 Oxfordshire
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: Average of ward/SOA[5] scores

Local authority district	Average of ward/SOA scores		Rank of average of ward/SOA scores	
	ID2000	ID2004	ID2000	ID2004
Cherwell	11.53	12.35	293	257
Oxford	20.75	18.69	168	159
South Oxfordshire	8.37	8.35	331	330
Vale of White Horse	8.01	7.61	334	333
West Oxfordshire	8.35	6.75	332	344
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

As in 2000, Oxford falls within the top half of most deprived districts with a ranking of 159th (table 13). The biggest change between 2000 and 2004 involves Cherwell district, which has moved up 36 places in the rankings to 257th, although remaining within the least deprived third. There has been very little change for the other three districts, which remain within the least deprived decile – West Oxfordshire is now the 11th least deprived district in England on this measure. 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 Oxford has sizeable minorities who fit into these categories – particularly in the case of income

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

deprivation – and in both cases the city falls within the worst performing half of local authorities. Although fewer people are now affected than was the case in 2000, this has probably been down to a general improvement in prosperity, and in fact Oxford's relative position has worsened for income deprivation. This is in complete contrast with the rest of the county, with the other districts (with the exception of Cherwell) falling within the least deprived quartile. The average of SOA scores gives a better indication of where the city lies in comparison with the rest of the country, and this shows that it is just within the most deprived half. Cherwell's relative position has worsened considerably on this measure, which may reflect the use of SOAs rather than wards in order to derive the averages for 2004.

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[6]. Table 14 uses this data to identify the likely scope of Basic skills problems within Oxfordshire.

Table 14: Adults (16-74 years) with no/low qualifications in Oxfordshire, MKOB and the South East, 2001

	Number of adults with no qualifications	% of population	Number of adults with low qualifications	% of population
Oxfordshire	94,400	21	162,600	37
MKOB	204,500	22	357,000	38
South East	1,379,000	24	2,367,000	41

Source: Census 2001

- An estimated 94,400 adults in Oxfordshire have no qualifications, which equates to over one fifth (21 per cent) of the adult population. This is below average compared with both MKOB (22 per cent), and the South East (24 per cent).
- A further 162,600 adults have low qualifications, representing 37 per cent of the adult population. This proportion is again below 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[7]. This breaks down by district as shown in table 15 (next page).

Policy points 2.1.1 & 2.1.2

Although the Census data shows that Oxfordshire has below average proportions of people with no/low qualifications, there is no cause for complacency. Basic Skills Agency data suggests that Oxford and Cherwell have the second and third highest proportion of people respectively in MKOB with poor literacy, and the first and third highest respectively with poor numeracy. In the case of Oxford, this concerns nearly a quarter of the

[6] 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.

[7] Poor literacy and numeracy skills are defined as being below those of an average 11 year old.

population, while for Cherwell it represents more than a fifth. MKOB has challenging targets to improve basic skills levels and drive down these figures, and has initiatives in place which are already tackling this problem.

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)				

2.1.3 Basic skills by gender

Table 15: Proportions with no qualifications by gender, MKOB and South East		
	Male	Female
MKOB	21%	23%
South East	22%	26%
Source: Census 2001		

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.

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

Oxfordshire has lower than average proportions of people with low/no qualifications in all of the age groups, as table 16 shows:

Table 16: Proportions with low/no qualifications by age, Oxfordshire, MKOB and the South East

	16-24 years	25-49 years	50-74 years	All aged 16-74
Oxfordshire	17%	32%	49%	37%
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)

- Less than one in five (17 per cent) of 16-24 year olds in Oxfordshire have low or no qualifications, compared with just over one in five (21 per cent) in MKOB overall, and nearly a quarter (23 per cent) in the South East.
- Looking at 25-49 year olds, less than one third (32 per cent) of this age group in Oxfordshire 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 Oxfordshire and MKOB, 52 per cent in the South East – have low or no qualifications.

Policy point

Oxfordshire's position is better than LSC and regional averages, but there are still areas of concern regarding all of the age groups featured. Most particularly, 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.

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 17 (next page) 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 17: 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 18 illustrates.

Table 18: Proportions of people in any job/SOC 6-9[8] 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).

[8] 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 district in Oxfordshire

Table 19 illustrates the distribution of people with no qualifications by district within Oxfordshire.

Table 19: Numbers and proportions of Oxfordshire local authority district populations (aged 16-74) without qualifications		
	Total with no qualifications	
	Number	Percentage
Cherwell	23,472	25
Oxford	19,324	19
South Oxfordshire	18,987	20
Vale of White Horse	17,515	21
West Oxfordshire	15,072	22
Oxfordshire	94,370	21
MKOB	204,473	22
South East	1,379,247	24
Source: Census 2001		

- One quarter (25 per cent) of the population of Cherwell has no qualifications, which is above the Oxfordshire (21 per cent), MKOB (22 per cent) and South East (24 per cent) averages. Cherwell also accounts for a quarter of the total Oxfordshire population of 16-74 year olds with no qualifications.
- West Oxfordshire is the only other district whose proportion of people with no qualifications (22 per cent) is above the Oxfordshire average. Oxford (19 per cent) has the lowest proportion of people with no qualifications.

Policy point 2.1.7
See 2.1.9 below.

2.1.8 Basic skills problems by ward in Oxfordshire

Looking at actual numbers rather than percentages, there are nine wards with more than 2,000 16-74 year-olds with no qualifications, according to Census 2001. Only one of these is in Oxfordshire – Banbury Ruscote, which has 2,516 people with no qualifications.

Policy point 2.1.8
See 2.1.9 below.

2.1.9 Comparison with Basic Skills Agency data

The five wards with the highest levels of people having both poor literacy and numeracy are shown in Table 20 (next page). From this, problems of poor literacy and numeracy seem to be most acute in southern Oxford (Blackbird Leys and Littlemore) and Banbury (Neithrop and Ruscote).

Table 20: Wards[9] in Oxfordshire with highest proportion of residents with poor literacy and numeracy

Ward	Sub-area	District	% with poor literacy	% with poor numeracy
Blackbird Leys	Oxford	Oxford	38%	44.4%
Neithrop	Banbury	Cherwell	34.9%	38.7%
Berinsfield	Berinsfield	South Oxfordshire	33.8%	39.3%
Ruscote	Banbury	Cherwell	33.3%	38.5%
Littlemore	Oxford	Oxford	29.8%	32.3%

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

Policy point 2.1.9

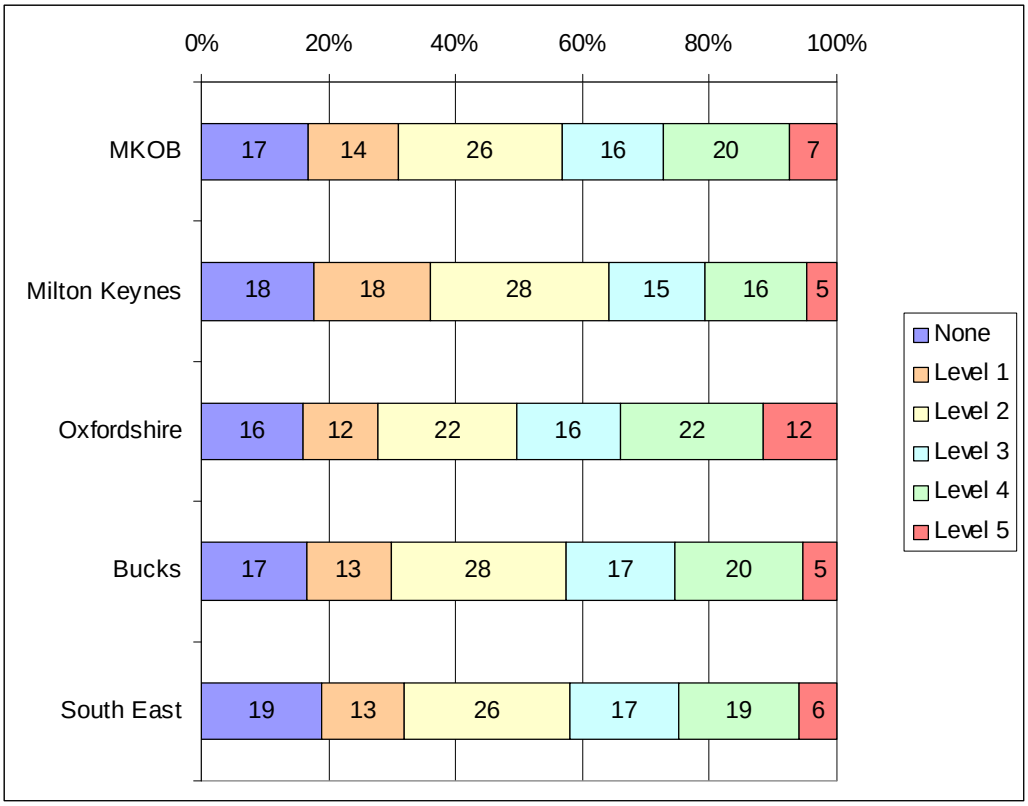
Although Oxford has the greater problems in terms of deprivation (see section 1.3.6), it is clear that there are more specific basic skills problems in Cherwell. It is therefore important to ensure that basic skills initiatives are targeted towards those areas – particularly within Banbury – that have the greatest need.

[9] Some of the ward names and boundaries have changed since the Basic Skills Agency Survey was carried out.

2.2 Skill levels in the population

2.2.1 Highest qualification held by NVQ equivalence

Chart 3: Highest NVQ equivalent qualification held in Oxfordshire compared with the South East, MKOB, Milton Keynes and Bucks (working age population)[10]



Source: Skills Audit 2003-04

According to the 2003-04 Skills Audit (chart 3, previous page), less than one third (28 per cent) of people in Oxfordshire have qualifications at NVQ level 1 or below, which is below average compared with MKOB (31 per cent) and the South East (32 per cent). Exactly half (50 per cent) is qualified to level 3 or above, which in turn is well above average compared with the figure for MKOB (43 per cent) and the South East (42 per cent).

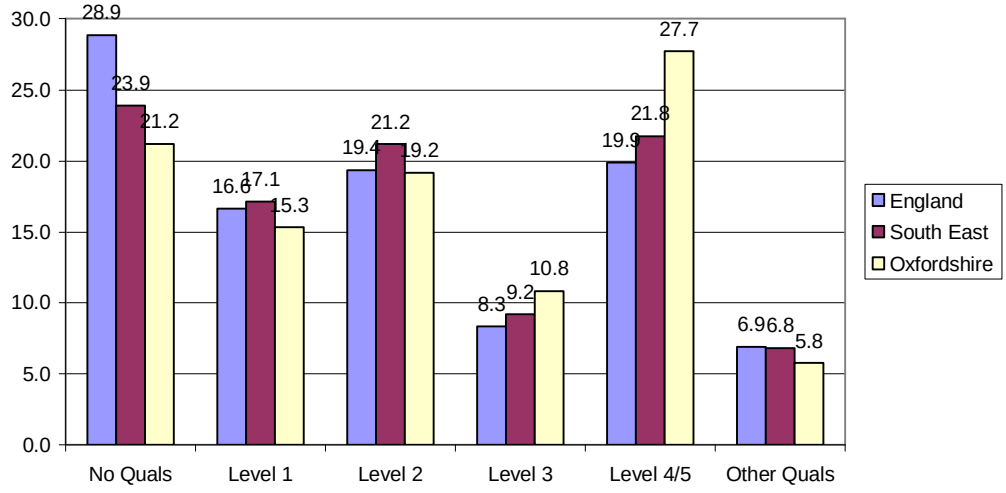
2.2.2 Comparison with Census data

The data in chart 4 and table 21 (next page) 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.

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

2.2.3 Qualification profile

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



Source: 2001 Census

Oxfordshire has a higher than average qualification profile compared with both regional and national averages (chart 4). Even so, 36 per cent of Oxfordshire's population have low or no qualifications (compared with 41 per cent in the South East and 45 per cent in England). At the same time, nearly two-fifths (39 per cent) are qualified to level 3 or above, compared with 31 per cent regionally and 28 per cent nationally.

Table 21: Highest Qualification by Local Authority district (percentages)

	No Quals	Level 1	Level 2	Level 3	Level 4/5	Other Quals
England	28.9	16.6	19.4	8.3	19.9	6.9
South East	23.9	17.1	21.2	9.2	21.8	6.8
Oxfordshire	21.2	15.3	19.2	10.8	27.7	5.8
Cherwell	24.5	19.3	21.6	7.7	20.0	7.0
Oxford	18.6	9.3	12.2	19.0	36.9	4.1
South Oxfordshire	20.4	15.8	20.9	8.9	28.3	5.8
Vale of White Horse	21.0	15.9	20.1	8.7	28.2	6.2
West Oxfordshire	21.9	17.7	22.9	8.2	23.3	6.1

Source: 2001 Census

Oxford has the highest qualified population among the local authority districts in Oxfordshire (table 21). More than one third (36.9 per cent) of the city's population is qualified to level 4/5 and above, and more than half (55.9 per cent) is at level 3 and above. No other district is above the county average, with the lowest qualified district being Cherwell. Just over a quarter of the district's population is qualified to level 3 and above, while more than two-fifths (43.8 per cent) has low or no qualifications.

Policy points 2.2.1-2.2.3

Oxfordshire's population is well qualified compared with the MKOB and South East averages, and Oxford has some of the highest qualification levels in the country. However, this should not obscure the fact that a substantial minority of the county's population has qualifications at below level 2 equivalence. In addition, the performance of Oxford brings the average for the county up, and tends to obscure the fact that districts such as Cherwell have much lower levels of qualification.

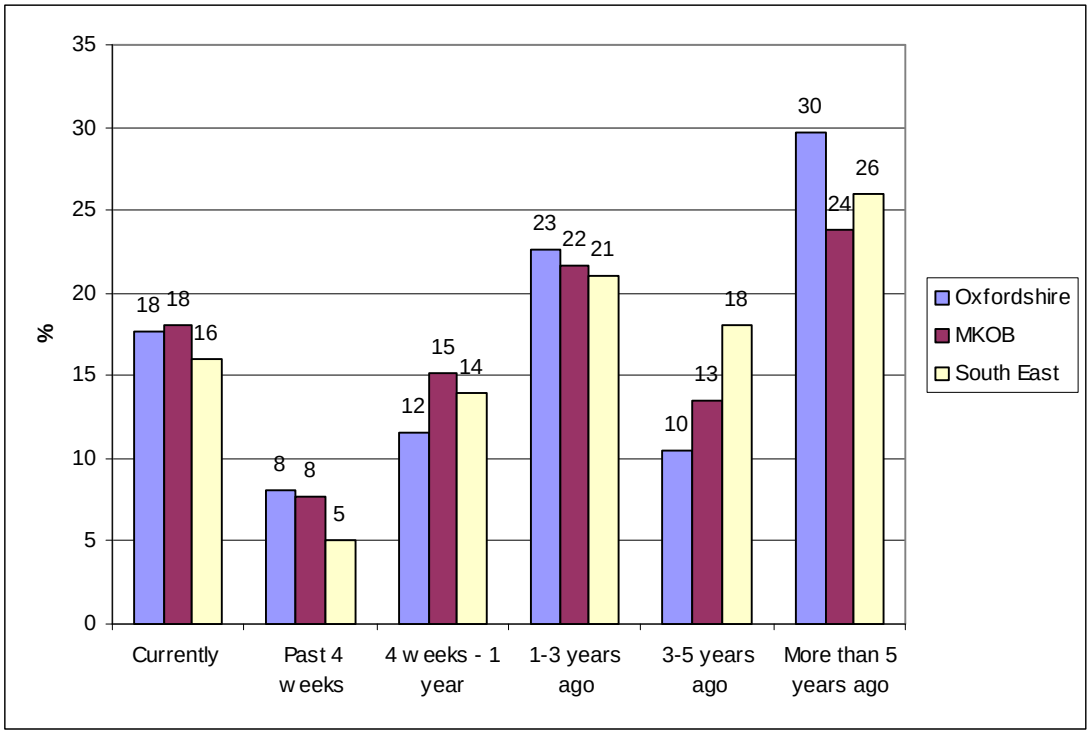
2.3 Participation

- Less than two fifths (38 per cent) of people in Oxfordshire have undertaken learning in the past year, or are currently undertaking learning (chart 5, next page). This is below average compared with MKOB (41 per cent), but slightly above the South East average (35 per cent).
- Oxfordshire has an identical proportion to the MKOB area which is currently involved in learning or having learned in the past 4 weeks (26 per cent), and this figure is above the South East average (21 per cent).
- Nearly one third (30 per cent) of people in Oxfordshire last learned more than 5 years ago, compared with less than one quarter (24 per cent) of those in MKOB as a whole, and just over a quarter of those in the South East (26 per cent).

Policy point 2.3

Considering that Oxfordshire is a relatively well-qualified area, it has a high proportion of people who could be described as non-learners. Further analysis of participation by level of qualifications held may establish to what extent the non-learners are also people with relatively low levels of qualification. If this is the case, there is the danger that a duality in attitudes to learning is developing, involving the learning-rich who already hold high levels of qualification, and the learning-poor who lack either the opportunity and/or the motivation to gain further qualifications.

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



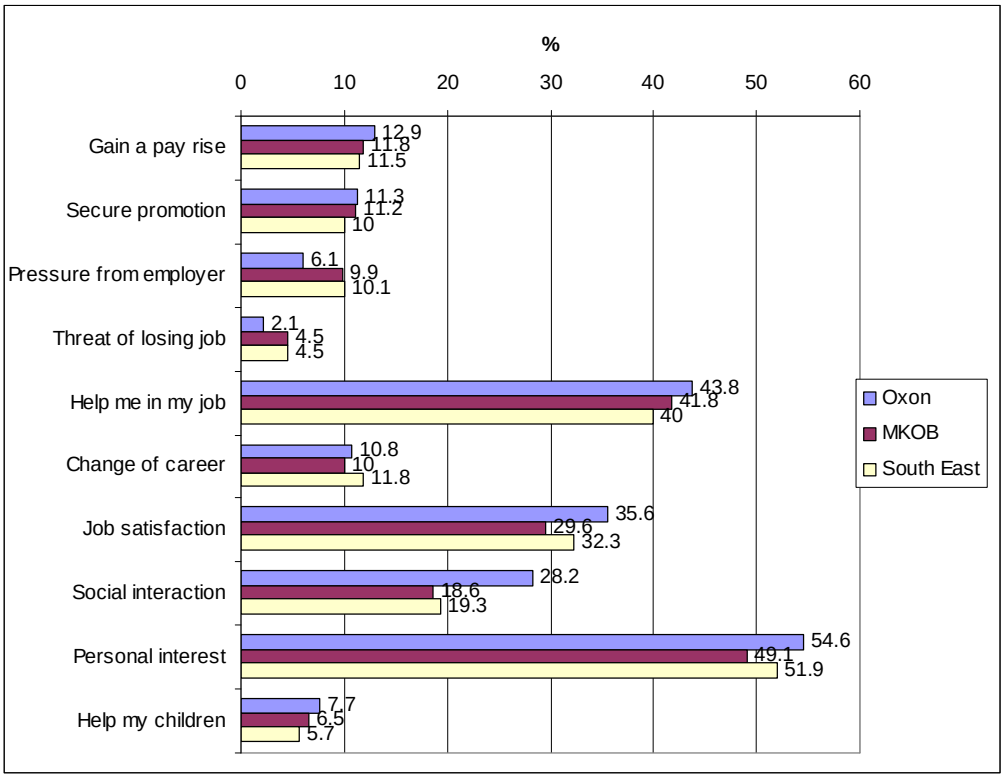
Source: Skills Audit 2003

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 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 Oxfordshire compared with MKOB and the South East



Source: Skills Audit 2003

- More than half (54.6 per cent) of Oxfordshire respondents cited personal interest as being a major influence, while more than two-fifths (43.8 per cent) said that learning helping them in their job significantly influenced their decision. In both cases, these responses were above 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, cited by more than one third (35.6 per cent), and again this was well above average compared with MKOB (29.6 per cent) and the South East (32.3 per cent). In most cases, people in Oxfordshire were more likely to cite the reasons listed as influences than the MKOB and South East averages, with a large differential also noticeable for social interaction (28.2 per cent compared with 18.6 per cent and 19.3 per cent).
- The only influences for which Oxfordshire respondents were below average compared with MKOB and the South East were both negative

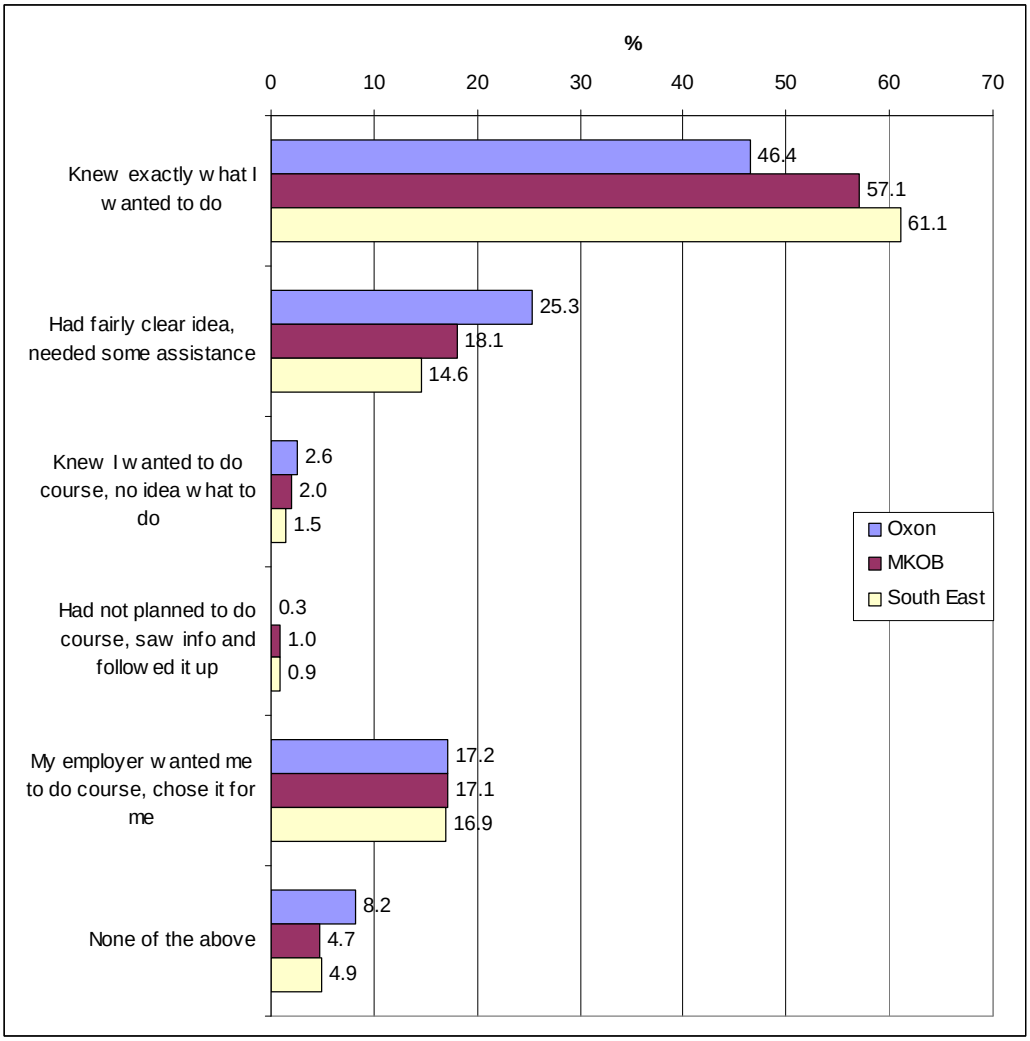
ones. Pressure from employer was cited by 6.1 per cent (compared with 9.9 per cent for MKOB overall and 10.1 per cent for the South East), while the threat of losing their job was mentioned by 2.1 per cent (compared with 4.5 per cent for both MKOB and the South East).

Policy point 2.4.1

The data on reasons for learning suggests that the learning culture is relatively well embedded in Oxfordshire (although not with all of the population, as point 2.3 demonstrates) compared with MKOB and the rest of the South East. People in learning in Oxfordshire tend to learn because of the positive benefits such as personal interest, to help in their jobs, job satisfaction and social interaction. They are less likely than average to be learning because of pressure from their employer.

2.4.2 How people choose their learning activity

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



Source: Skills Audit 2003

- Chart 7 (previous page) shows that while the majority of people – about three-fifths – know exactly what they want to do before undertaking learning activity in MKOB (57.1 per cent) and the South East (61.1 per cent), the figure is much lower for Oxfordshire (46.4 per cent).
- People in Oxfordshire are much more 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 more than a quarter (25.3 per cent), compared with 18.1 per cent for MKOB and 14.6 per cent for the South East.
- The proportion of people in Oxfordshire who had their course chosen for them at their employer's request (17.2 per cent) was virtually identical to the MKOB (17.1 per cent) and South East (16.9 per cent) averages.

Policy point 2.4.2
The findings here seem at first sight to contradict those in 2.4.1, since it seems strange that learners in Oxfordshire – who tend to be already switched on to the benefits of learning – are less likely than average to know exactly what learning they want to do. However, given that a substantial number cite factors such as 'social interaction' as being important motivators for getting involved in learning, it might be the case that they tend to see learning in general as being beneficial, and are less concerned about specific courses.

2.4.3 What learning is currently/most recently undertaken

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

Subject type	Oxon	MKOB	South East
ICT	19.0	19.9	17.0
Business admin/management/professional	13.4	15.8	13.9
Health/social care/public services	10.7	12.1	12.4
Humanities	9.3	6.2	4.3
English/languages/communications	8.4	8.3	6.3
Engineering/technology/manufacturing	7.3	5.9	4.8
Science/maths	6.6	5.9	6.6
Visual & performing arts/media	5.7	5.0	3.9
Other	4.1	5.3	3.9
Retailing/customer service/transport	3.4	3.6	2.8
Foundation programmes	3.2	2.3	1.2
Construction	2.9	2.7	2.5
Hospitality/sports/leisure/travel	2.3	3.8	2.9
Hairdressing/beauty therapy	1.6	1.6	1.3
Land-based provision	0.7	0.6	0.8
Refused	1.6	1.1	0.8

Source: Skills Audit 2003-04

- Table 22 (previous page) illustrates that the most popular subjects in Oxfordshire are ICT (19 per cent), Business admin/management/professional (13.4 per cent) and Health/social care/public services (10.7 per cent).
- However, the proportions undertaking these courses are all below average compared with MKOB as a whole. Compared with the South East, of the three courses only ICT is above the regional average (17 per cent).
- Subjects which are more popular in Oxfordshire than in MKOB and the South East are Humanities (9.3 per cent compared with 6.2 per cent and 4.3 per cent) and Engineering/technology/manufacturing (7.3 per cent compared with 5.9 per cent and 4.8 per cent).

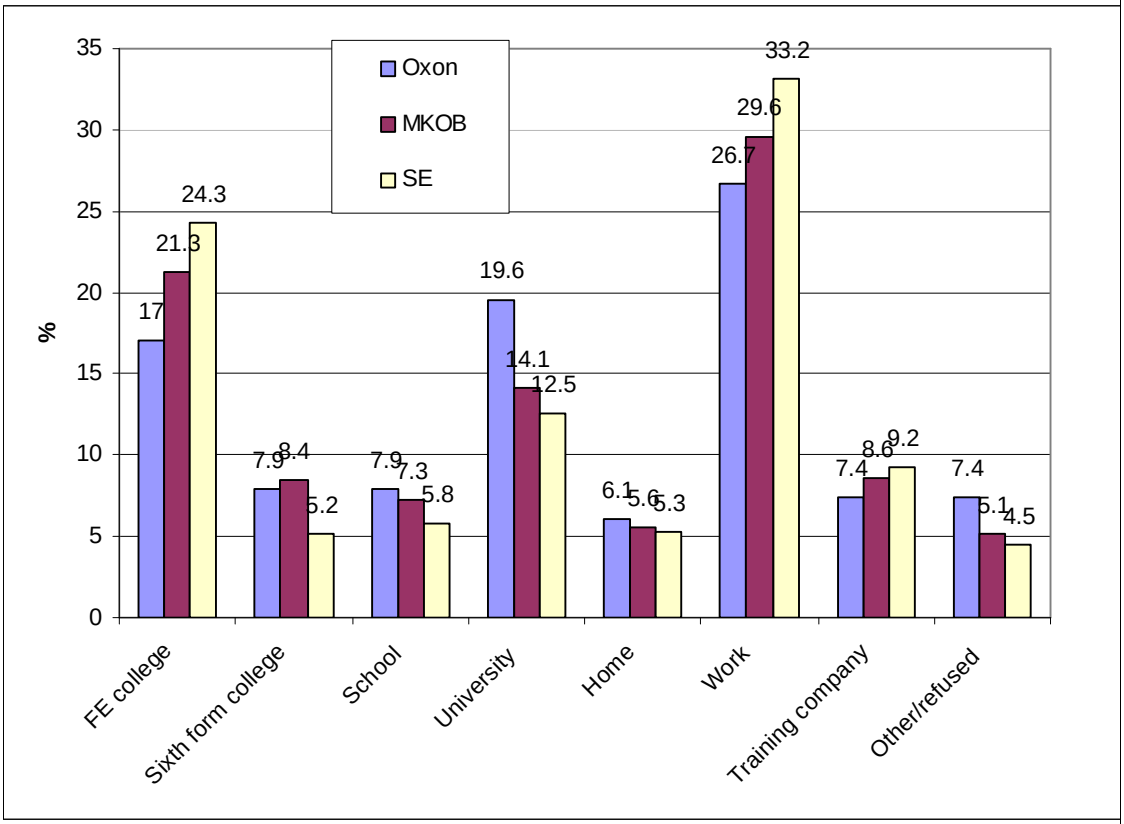
Policy point 2.4.3
There is less emphasis on ICT and Business admin etc. than average, which suggests that there is less of an employer focus in the type of learning which is taking place. The slightly greater emphasis on Humanities (and also arts and languages) reinforces the points made in 2.4.1 and 2.4.2 regarding the reasons why people choose the learning they do within Oxfordshire. In addition, Engineering/technology/manufacturing and Science/maths courses are slightly more popular, possibly reflecting the importance of Research and Advanced technology and engineering employment within the county.

2.4.4 Where learning takes place

- When asked where their learning had taken/was taking place, more than a quarter (26.7 per cent) of Oxfordshire respondents mentioned their work place (chart 8, next page). Although the largest single category, this was below average compared with the MKOB area (29.6 per cent) and the South East (33.2 per cent).
- By contrast, the next most popular site for Oxfordshire respondents was university (19.6 per cent), which was much higher than the average for MKOB (14.1 per cent) and the South East (12.5 per cent).
- This position was reversed for FE colleges, used by more than one fifth (21.3 per cent) of MKOB respondents and 24.3 per cent in the South East, compared with 17 per cent of Oxfordshire respondents.

Policy point 2.4.4
Although the highest proportion of learning does take place at work, this is much less significant in Oxfordshire than in the rest of MKOB and the South East. By contrast, universities are used much more than the average, which probably reflects both the qualification profile of the county and the position of the universities in Oxford.

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

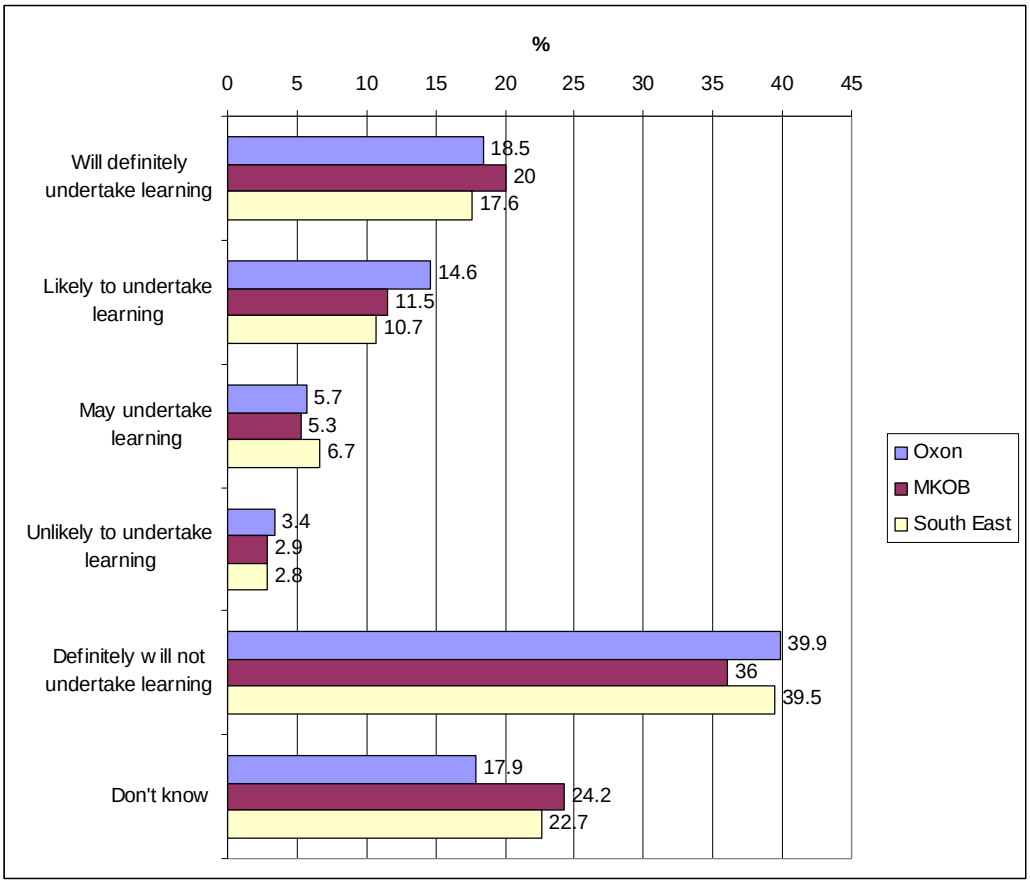


Source: Skills Audit 2003-04

2.4.5 What is the likelihood of taking part in future learning activity?

- One third (33.1 per cent) of respondents in Oxfordshire say that they will definitely or are likely to undertake learning in the next 12 months (chart 9, next page). This is above average both for MKOB (31.5 per cent), and for the South East (28.3 per cent).
- However, more than two-fifths (43.3 per cent) say that they are unlikely to or definitely will not undertake learning, which is above average for both MKOB (38.9 per cent) and the South East (42.3 per cent).
- Oxfordshire has a relatively low proportion of people responding 'Don't know' to this question – less than one fifth (17.9 per cent). This is below average compared with both MKOB (24.2 per cent) and the South East (22.7 per cent). This obviously contributes to Oxfordshire having above 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 Oxfordshire compared with MKOB and the South East



Source: Skills Audit 2003-04

Policy point 2.4.5

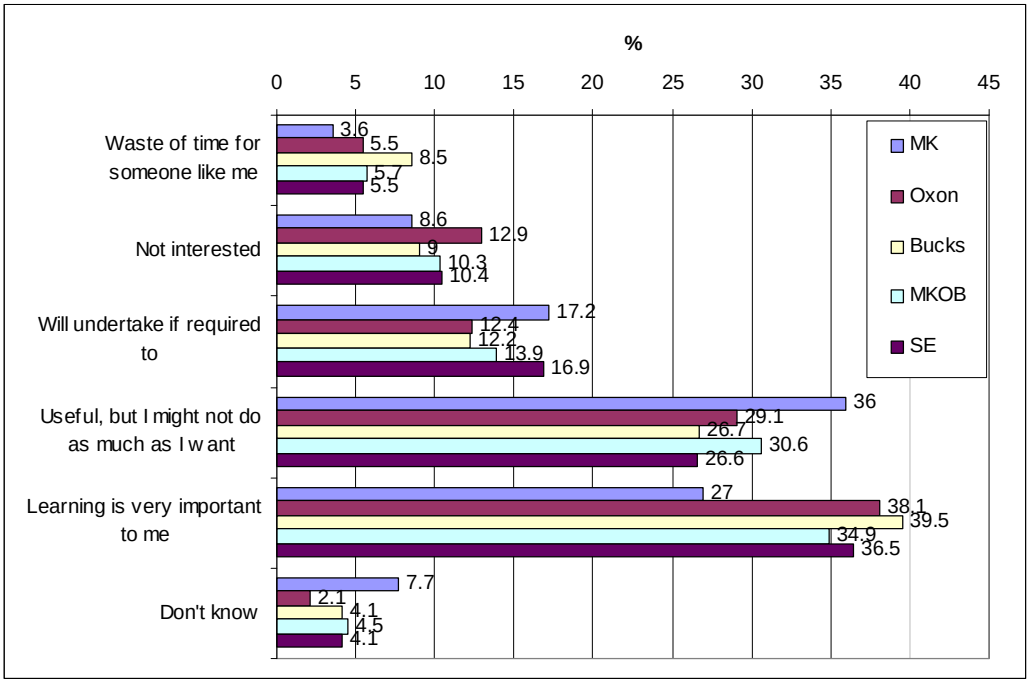
Although these findings illustrate that people in Oxfordshire are more definite in their attitudes to future learning than average, it also points to the duality of learning in the county, as referred to in 2.3 above, and suggests that the 'learning culture' referred to in 2.4.1 only applies to a certain section of the population. Further analysis of the data is necessary in order to establish whether those who are least likely to undertake learning in future are also those with the lowest levels of qualification.

2.4.6 Attitudes to learning

- Nearly two-fifths (38.1 per cent) of people in Oxfordshire regard learning as very important to them (chart 10, next page), which is above 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, Oxfordshire (29.1 per cent) is below the MKOB average (30.6 per cent), although above the South East average (26.6 per cent).

- Additionally, a higher than average proportion of Oxfordshire respondents say they are not interested or regard learning as a waste of time (18.4 per cent) compared with MKOB and the South East (both about 16 per cent).

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



Source: Skills Audit 2003-04

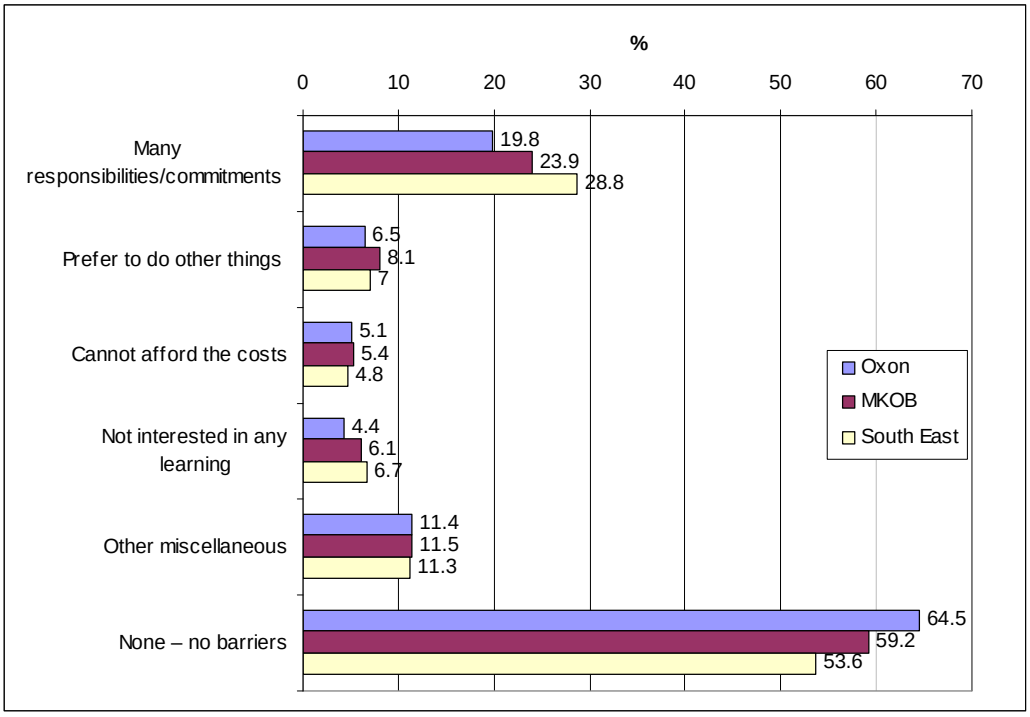
<u>Policy point 2.4.6</u>
These findings further illustrate the points made about duality in attitudes to learning (see 2.3 and 2.4.5 above). While a relatively high proportion see learning as important, a small but significant proportion regard it as a waste of time or are not interested in it. In order to ensure that all people in the county have the opportunity to benefit from learning, it will be important to find ways of engaging the one in five people who have such negative attitudes towards it.

2.5 Barriers to learning

2.5.1 What are the types of barriers in existence?

- Nearly two-thirds (64.5 per cent) of respondents in Oxfordshire say that there are no barriers to them undertaking learning (chart 11), which is above average compared with both MKOB (59.2 per cent) and the South East (53.6 per cent).
- Of those people reporting barriers, the key issue is many responsibilities or commitments that take up their time, cited by just under one-fifth (19.8 per cent) of Oxfordshire respondents. This figure is considerably below average compared with both MKOB (23.9 per cent) and the South East (28.8 per cent).
- Oxfordshire also has slightly lower than average proportions of people who say they prefer to do other things (6.5 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 (4.4 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 learning in Oxfordshire 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

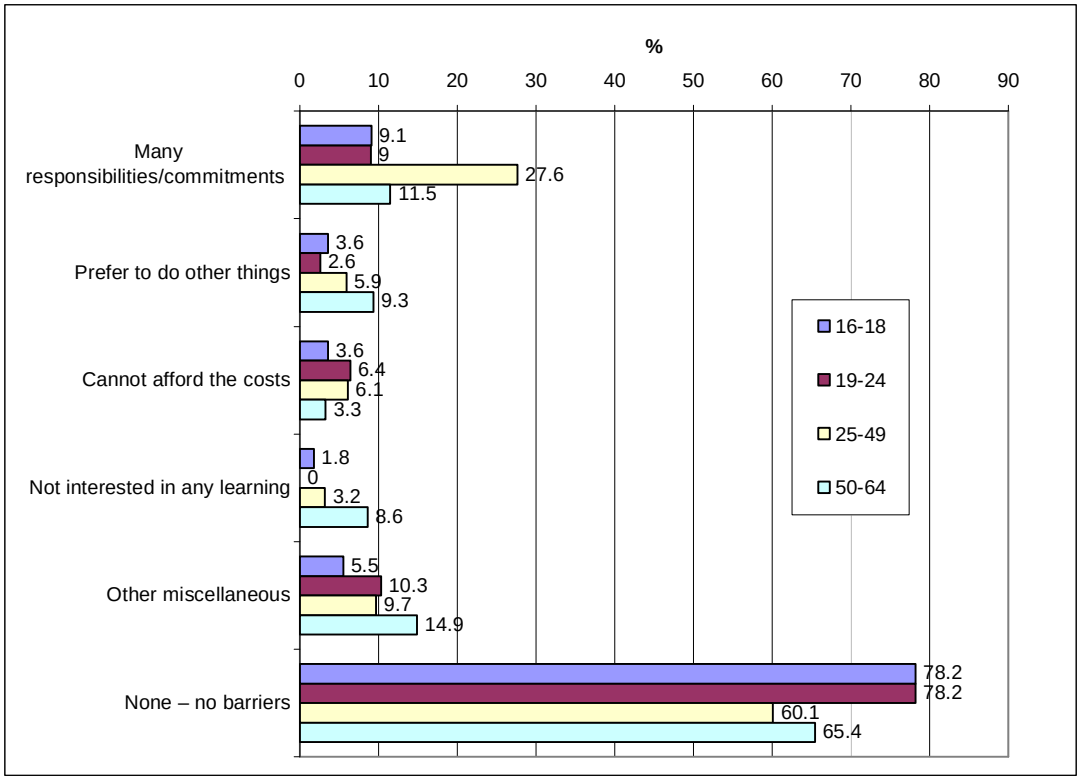
People in Oxfordshire are less likely than average to experience the main barriers to learning listed, and more likely than the MKOB and South East averages to have no barriers to learning. However, the question remains that if two in three people see no barriers to being involved in learning, why are 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 groups with the least barriers of any kind are 16-18 and 19-24 year olds – nearly four in five (78 per cent) of these groups report no barriers to learning. These age groups are also the least likely to report responsibilities or commitments as barriers (9 per cent).
- Three-fifths (60.1 per cent) of people aged 25-49 report no barriers to learning, which is below the Oxfordshire average. The main barrier for this age group is responsibilities or commitments – more than one quarter (27.6 per cent) describe this as a barrier, nearly eight percentage points above the Oxfordshire average.
- Nearly two-thirds (65.4 per cent) of people aged 50-64 report no barriers to learning, which is very close to the Oxfordshire average. The proportion of people who say they have responsibilities or commitments is below average, accounting for just over one in ten (11.5 per cent) of people. This age group is also above average for proportions saying they are not interested in learning (8.6 per cent) and having other miscellaneous reasons (14.9 per cent).

Chart 12: Main barriers to learning in Oxfordshire by age group



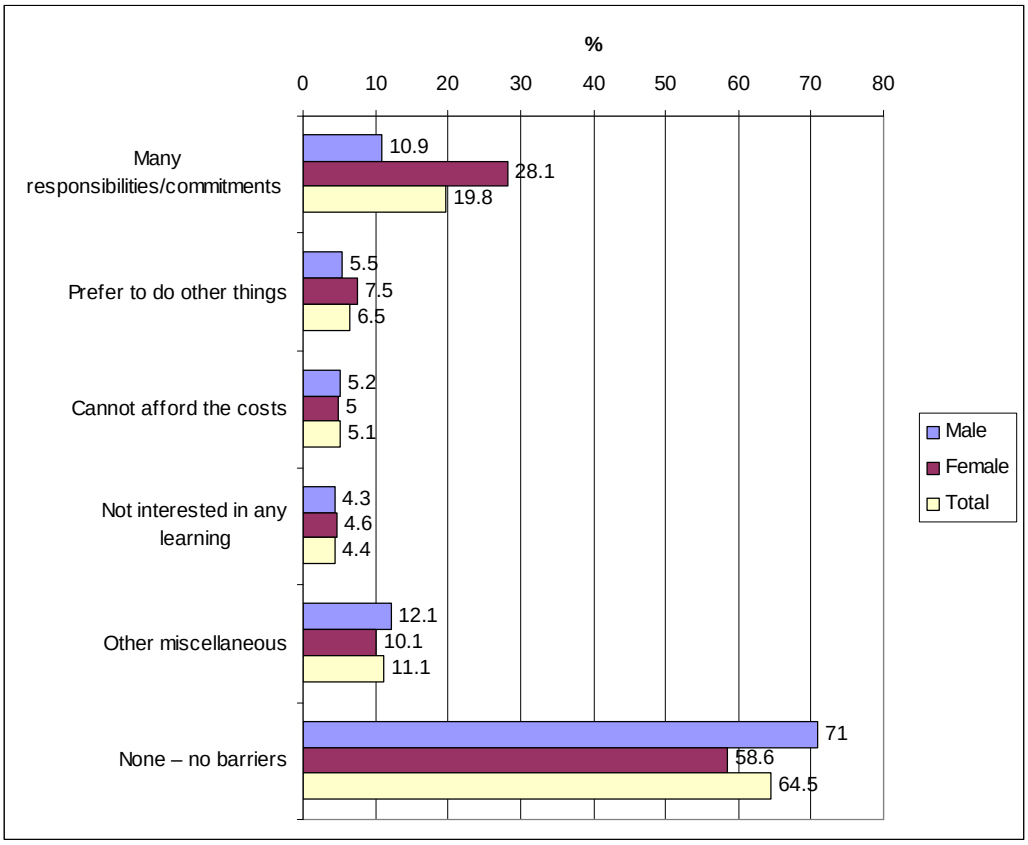
Source: Skills Audit 2003-04 (NB Multiple response so totals may not sum to 100)

Policy point 2.5.2
From this age analysis, it is clear that the age group chiefly affected by responsibilities and commitments is 25-49 year olds. For that age group, those responsibilities will mostly revolve around the care of children, so solutions aimed at helping with childcare are most likely to reduce these barriers. There are fewer barriers to 50-64 year olds participating in learning than might have been expected, with a significant proportion falling within the 'other miscellaneous' category. These might include factors as diverse as health problems and having been turned off learning in their youth, so more work is needed to establish the specific barriers faced by this group.

2.5.3 Barriers to learning by gender

There is significant variation in the reporting of certain key barriers by gender as might be expected (chart 13). Women are more likely than men to have responsibilities or commitments that prevent them from engaging in learning (28.1 per cent compared with 10.9 per cent), while men are much more likely than women to say that there are no barriers to learning (71 per cent compared with 58.6 per cent). Other differences are too marginal to be of any significance.

Chart 13: Main barriers to learning in Oxfordshire by gender



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

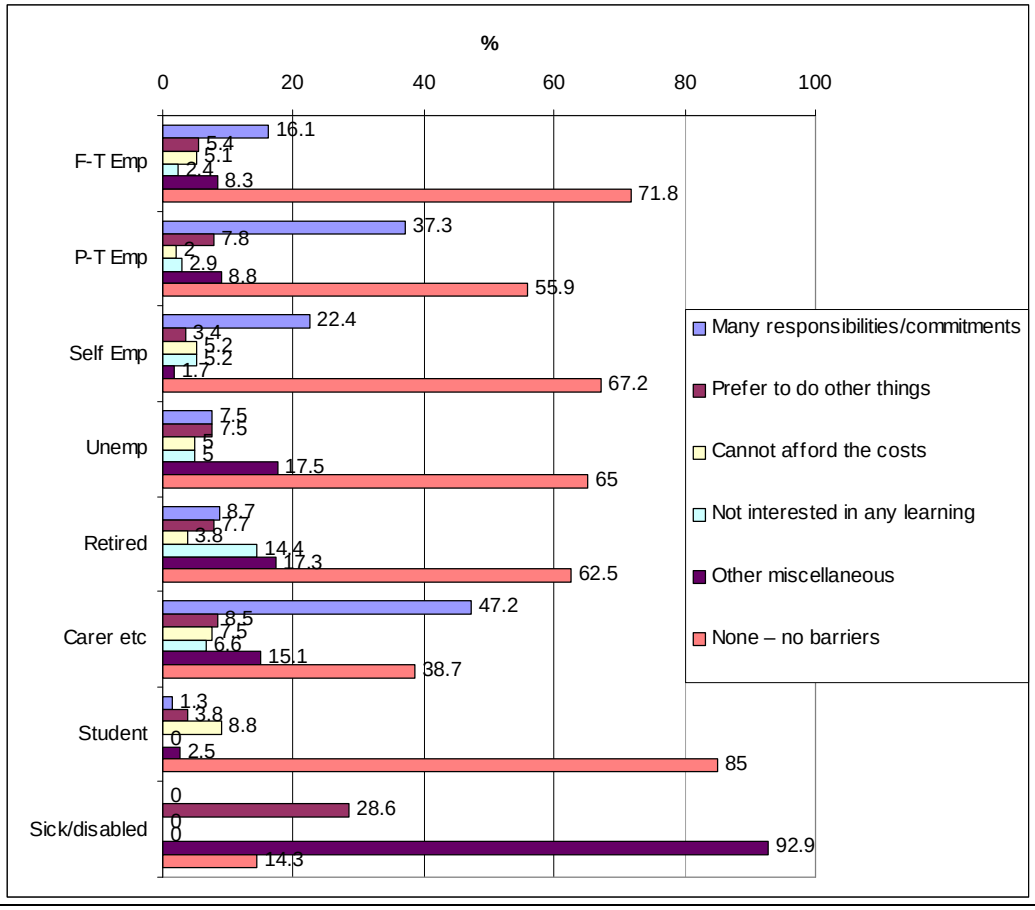
Policy point 2.5.3

These findings tend to bear out what might be expected in terms of gender differences. 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 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 (47.2 per cent). It is also a key barrier for part-time workers, cited by nearly two-fifths (37.3 per cent) – again not surprisingly since this group is predominantly female.
- As might be expected, the vast majority (85 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 full-time employed people (71.8 per cent) and the self-employed (67.2 per cent). Those groups least likely to say they have no barriers are the sick or disabled (14.3 per cent) and carers etc (38.7 per cent).
- Other miscellaneous reasons were given by more than nine in ten (92.9 per cent) of sick or disabled people, and just under one fifth of unemployed people (17.5 per cent) and retired people (17.3 per cent).

Chart 14: Main barriers to learning in Oxfordshire 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)

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 2.5.2 and 2.5.3 above). More analysis is needed to establish which of the other miscellaneous reasons are the most significant, and how these can be tackled.

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

3.1 Profile of employers

3.1.1 Key employers in Oxfordshire

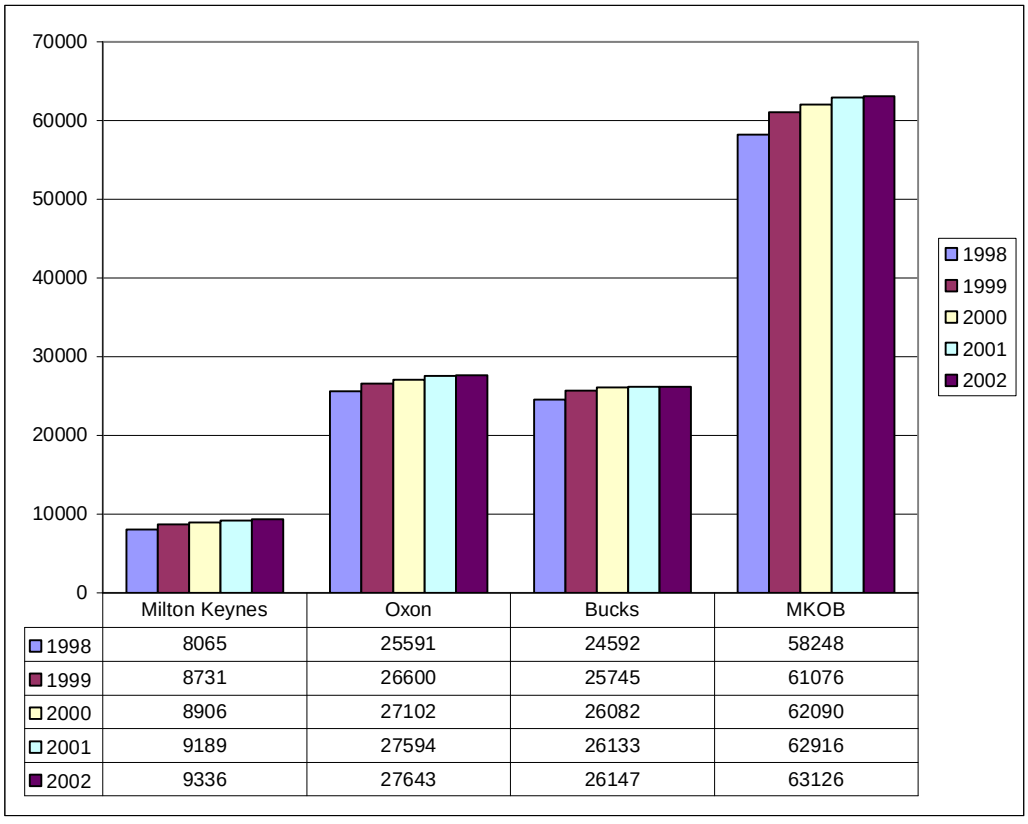
Oxford is host to the biggest proportion of Oxfordshire's large employers, while other clusters of large employers are to be found in Didcot and Abingdon. The main sectors represented by the largest employers in Oxfordshire are Health, other Public Sector (including Defence and the Police) and Research.

Policy point 3.1.1

As with most areas, public sector employers dominate the list of large employers. Research is also well represented within the county, and this sector clearly requires highly qualified people, of which there are many within Oxfordshire. However, it is also important not to lose sight of the importance of intermediate skills, which are required by sectors such as the motor industry.

3.1.2 Employer change – growth and decline

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

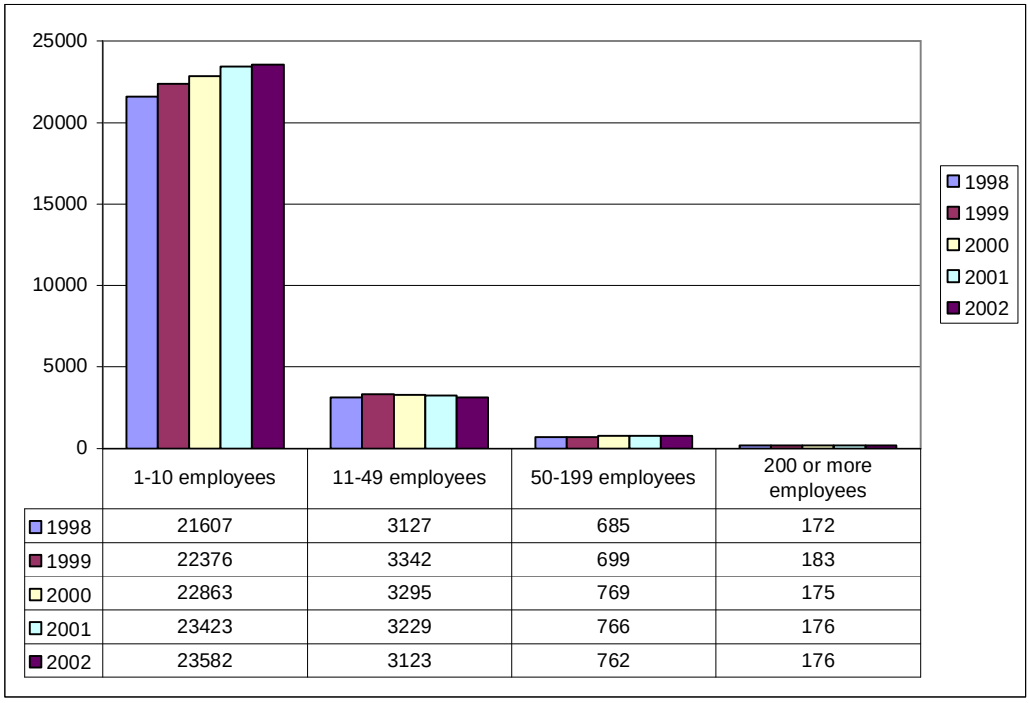
The overall number of employers in Oxfordshire increased by 2,052 between 1998 and 2002, or 8 per cent (chart 15, previous page). This was very close to the average rate of increase for the MKOB area of 8.4 per cent, and also meant that the county still accounts for the largest share (43.8 per cent) of businesses in the MKOB area.

Policy point 3.1.2
Oxfordshire's rate of growth in its overall employer base appears to be relatively steady. It lacks the dynamism of Milton Keynes, but this is probably to be expected for a longer established local economy. If this rate of growth in employers is continued and sustained in the future, it will still require significant new entrants to the labour market to meet employer demand (see section 3.3 below on employment forecasts).

3.1.3 Employers by size

Employers with 1-10 employees make up 85.3 per cent of the Oxfordshire employer population, which is close to the average compared with MKOB (86.2 per cent) for this sizeband (chart 16). The number of employers in this category increased by 1,975 or 9.1 per cent, above the average for all employers (8 per cent). This compares with net increases of 77 (11.2 per cent) for the 50-199 employee category, and just 4 (2.3 per cent) for employers with over 100 employees, while there was a net fall of 4 (-0.1 per cent) for employers in the 11-49 category.

Chart 16: Change in employers by size in Oxfordshire 1998-2002



	1-10 employees	11-49 employees	50-199 employees	200 or more employees
1998	21607	3127	685	172
1999	22376	3342	699	183
2000	22863	3295	769	175
2001	23423	3229	766	176
2002	23582	3123	762	176

Source: Annual Business Inquiry 1998-2002

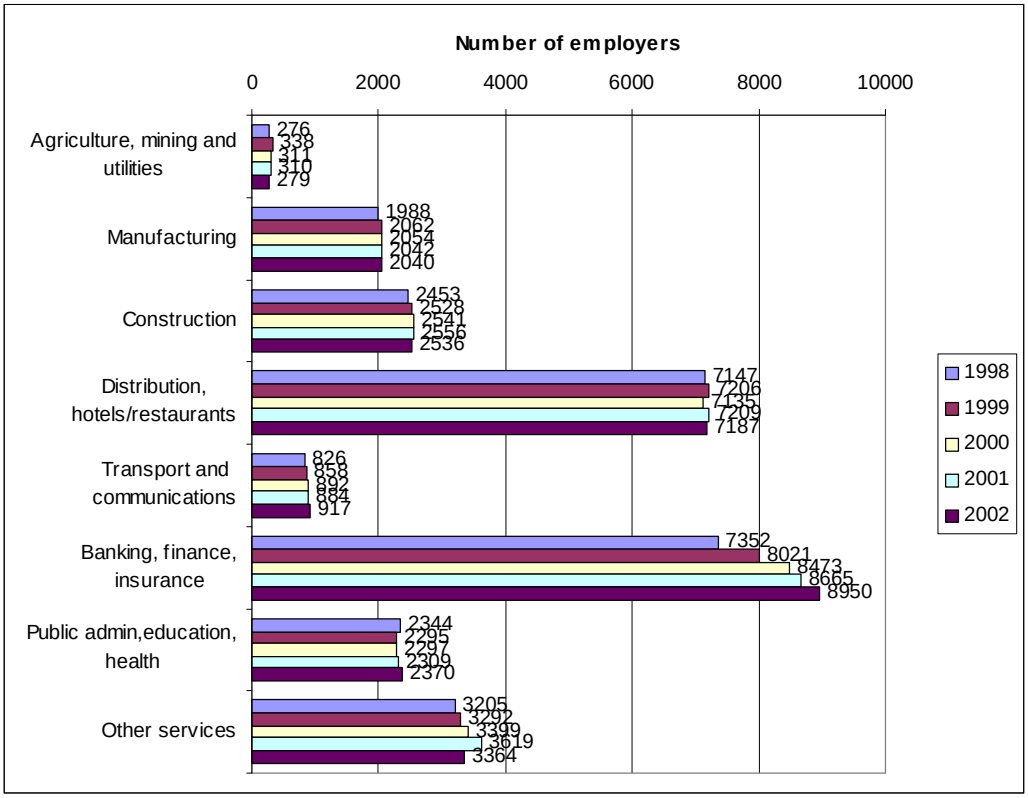
Policy point 3.1.3

The data suggests that small businesses are the real engine for growth within Oxfordshire, notwithstanding the large percentage – but relatively small numerical – increase in the 50-199 employee category. However, the smallest businesses do tend to be the ones 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

All sectors experienced increases in the number of employers over the period 1998-2002 (chart 17). The largest increase in employers came in the Banking, finance and insurance sector, where the number rose from 7,352 to 8,950. For other sectors, however, the increases have been relatively small.

Chart 17: Change in employers by sector in Oxfordshire 1998-2002



Source: Annual Business Inquiry 1998-2002

Policy point 3.1.4

Banking, finance and insurance has become the largest sector in terms of employers in Oxfordshire, and has enjoyed rapid growth more than 20 per cent over the period 1998-2002. This level of growth is probably not going to be sustained in future years, but even a lower level of growth does have

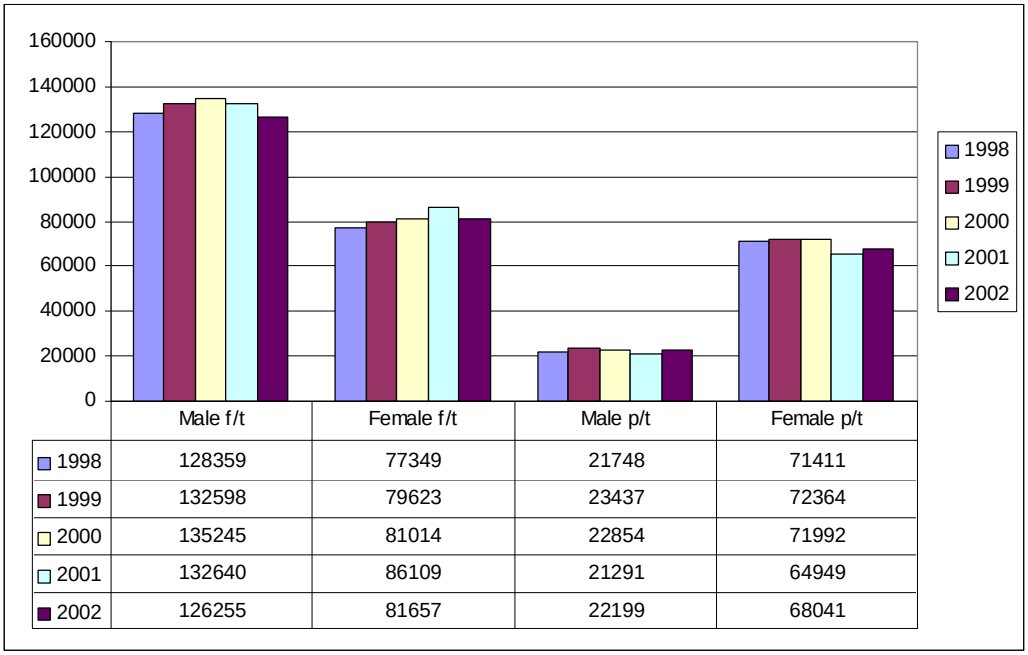
implications for ensuring that people are equipped with the relevant skills to work within the sector.

3.2 Profile of employees[11]

3.2.1 Employees by full-time/part-time

- After increasing between 1998 and 2000, male full-time employment fell in both 2001 and 2002 to give a net decrease of 2,104 (-1.6 per cent) over the period (chart 18).
- Female full-time employment increased steadily between 1998 and 2001, but then fell sharply in 2002 to give an overall net increase of 4,308 (5.6 per cent) for the period 1998-2002.
- Male part-time employment rose between 1998 and 1999, but then fell back in both 2000 and 2001, before rising again in 2002, giving a net increase of 451 (2.1 per cent).
- Female part-time employment showed a similar pattern, rising in 1999 and falling in both 2000 and 2001 before rising again, in this case giving an overall decrease for the period of 3,370 (-4.7 per cent).

Chart 18: Employment change in Oxfordshire by gender and type, 1998-2002



	Male f/t	Female f/t	Male p/t	Female p/t
1998	128359	77349	21748	71411
1999	132598	79623	23437	72364
2000	135245	81014	22854	71992
2001	132640	86109	21291	64949
2002	126255	81657	22199	68041

Source: Annual Business Inquiry 1998-2002

Policy point 3.2.1

The growth in female employment which has taken place nationally as well as locally in recent times seems to have become more erratic in Oxfordshire. Until 2001, the county was showing strong growth in female full-time employment, but this trend was reversed in 2002. This also coincided with a rise in female part-time employment after several years of decreases, perhaps

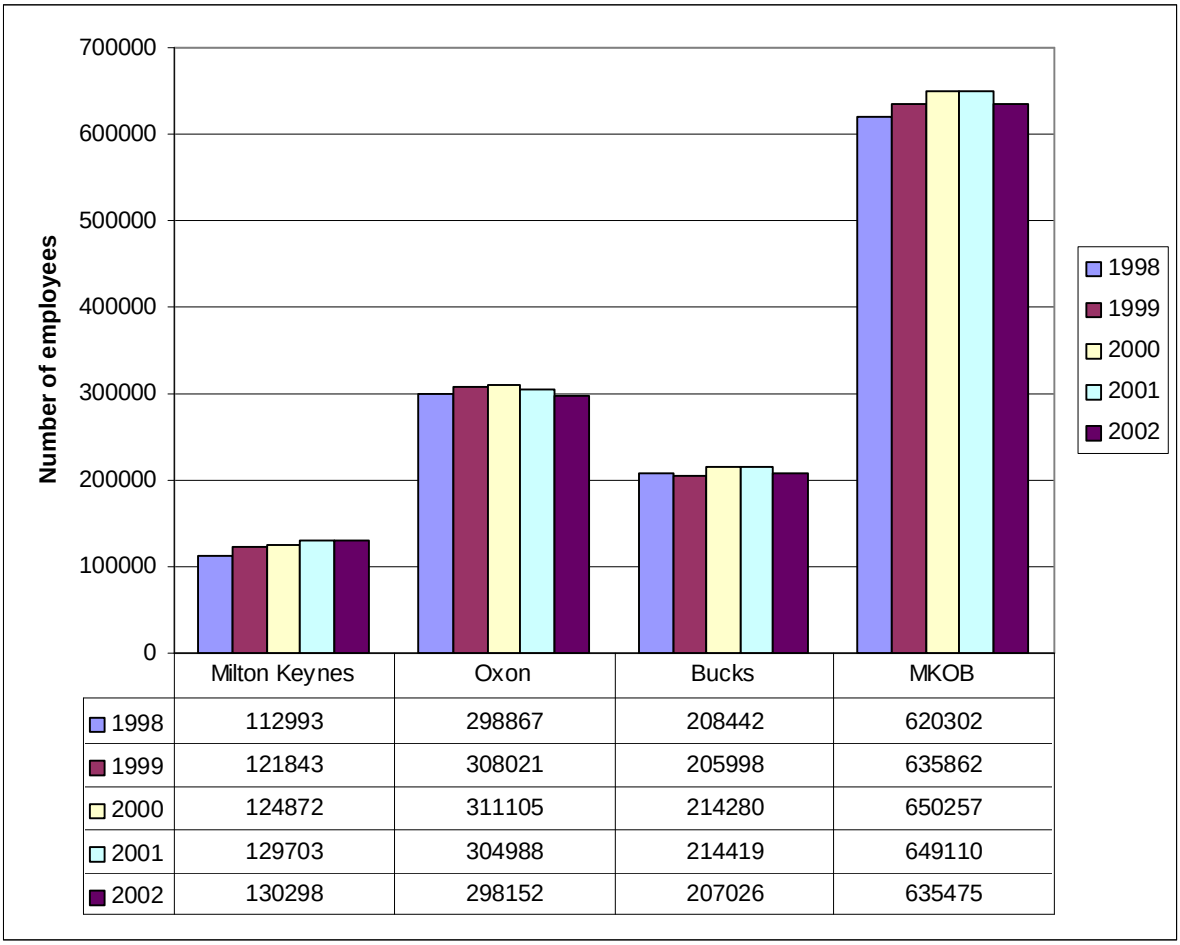
[11] Data on employees is taken from both the Annual Business Inquiry (ABI) and the Labour Force Survey (LFS). The ABI covers employers based in the Oxfordshire area i.e. it will include people who work in Oxfordshire but live outside. The LFS is a residence-based survey i.e. it will only include people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

suggesting an end to the recent trend of some women increasing their hours from part-time to full-time.

3.2.2 Employee change in general – growth and decline

Although growth was steady between 1998 and 2000, it fell back sharply in both 2001 and 2002 (chart 19). This led to an overall net fall in employment in Oxfordshire between 1998 and 2002 of 715 or –0.2 per cent, which was in contrast to the area's overall net employment growth of 15,173 (2.4 per cent). Within MKOB, only Milton Keynes experienced net growth in employment over this period.

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

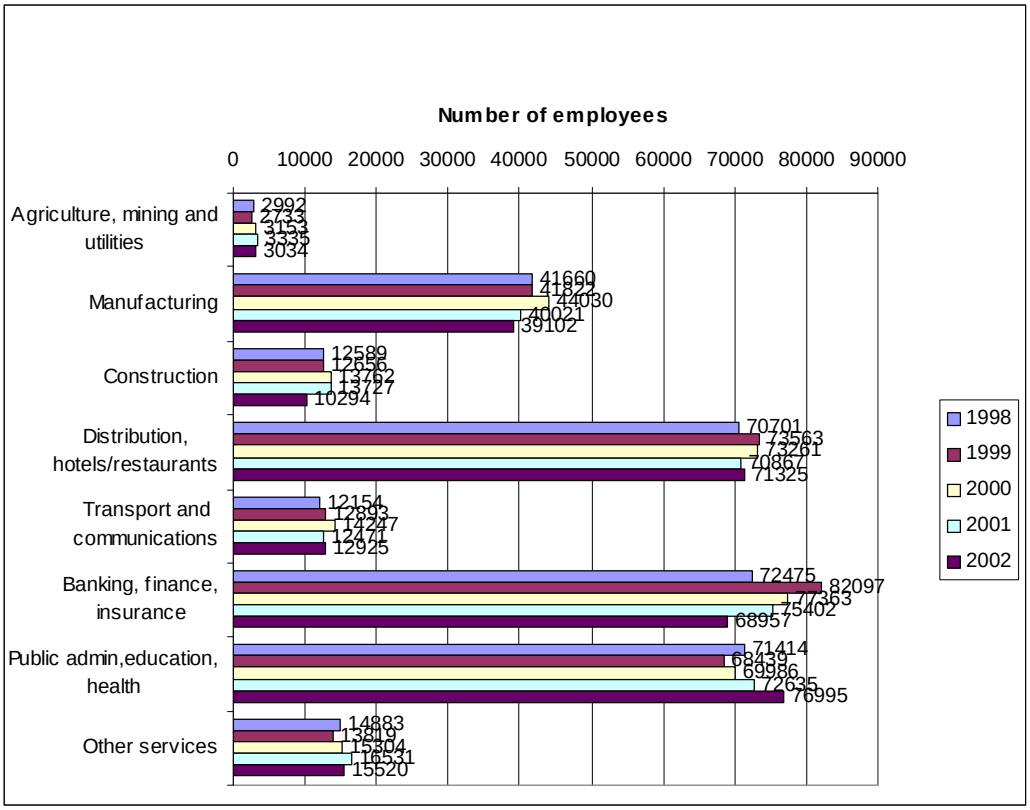
Policy point 3.2.2

It is interesting to note that the growth in the number of employers (see 3.1.2 above) has not been matched by overall employment growth in Oxfordshire. The increase in the number of smaller employers may actually involve a relatively small amount of employment growth, while larger employers obviously have a disproportionate impact because of the number of people they employ.

3.2.3 Employees by sector

- The largest sectors of employment for Oxfordshire are Public admin, education and health (76,995 employees, 25.8 per cent of the workforce), Distribution, hotels and restaurants (71,325; 23.9 per cent) and Banking, finance and insurance (68,957; 23.1 per cent). Together, these sectors account for nearly three quarters of the Oxfordshire workforce (chart 20).
- Two of the three above sectors have seen net increases over the period 1998-2002 – Public admin, education and health employment increased by 5,581 (7.8 per cent), and Distribution, hotels and restaurants grew by 624 (0.9 per cent). However, there have been large year-on-year fluctuations within this over the period.
- Banking, finance and insurance was formerly the largest sector of employment in Oxfordshire, but over the period 1998-2002 it experienced a net decrease in employment of 3,518 (-4.9 per cent).
- The next largest sector in employment terms is Manufacturing, which employs 39,102 (13.1 per cent of the workforce). This sector also saw a net fall (-2,558 employees or -6.1 per cent) over the period 1998-2002, as did the Construction sector (-2,295 or -18.2 per cent).

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



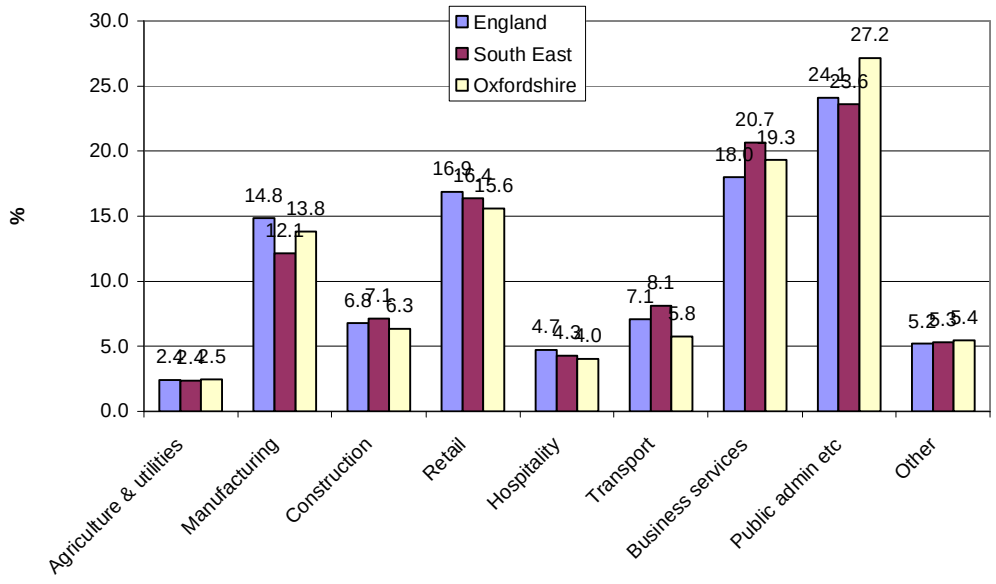
Source: Annual Business Inquiry 1998-2002

Policy point 3.2.3
See below

3.2.4 Comparison with 2001 Census
Data from the Annual Business Inquiry (ABI) shows employment with employers based in Oxfordshire, irrespective of where those people live. To get a truer picture of the sectors in which Oxfordshire residents work, it is necessary to look at data from the Census, as shown in chart 21.

More than one quarter (27.2 per cent) of Oxfordshire's workforce works within the Public sector (including education and health), which is above average when compared with the South East (23.6 per cent) and England (24.4 per cent). Just under one fifth (19.3 per cent) work in Business Services, below the regional average (20.7 per cent) but above the national (18 per cent). The next largest sector in employment terms is Retail (15.6 per cent), but in this the county is slightly under-represented compared with the South East (16.4 per cent) and England (16.9 per cent).

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



Source: 2001 Census

Nearly two-fifths (37.2 per cent) of Oxford's employed workforce works in the Public admin, education and health sector – ten percentage points above the overall average for Oxfordshire (table 23, next page). Cherwell's specialism is in Manufacturing, which employs 17.4 per cent of the workforce, above county (13.8 per cent), regional (12.1 per cent) and national (14.8 per cent) averages. Nearly a quarter (24 per cent) of South Oxfordshire's workforce is in financial intermediation and business activities, compared with averages for Oxfordshire of 19.3 per cent, 20.7 per cent in the South East and 18 per cent for England.

Table 23: Employment by Local Authority District (percentages)

	Agriculture, fishing, mining & utilities	Manufacturing	Construction	Retail	Hospitality	Transport	Financial intermediation and business activities	Public admin, education & health	Other
Cherwell	2.4	17.4	6.7	18.7	3.7	6.7	16.2	23.7	4.7
Oxford	0.9	10.8	4.4	12.6	5.5	5.1	17.9	37.2	5.7
South Oxfordshire	3.0	12.0	6.7	15.4	3.8	6.3	24.0	22.9	6.0
Vale of White Horse	2.8	13.6	6.6	15.0	3.4	5.5	21.3	26.5	5.2
West Oxfordshire	3.4	15.3	7.4	15.8	4.1	4.8	16.8	26.6	5.7
Oxfordshire	2.5	13.8	6.3	15.6	4.0	5.8	19.3	27.2	5.4

Source: 2001 Census

Policy points 3.2.3 & 3.2.4

Both the ABI and the Census indicate how important the Public sector is as an employer in Oxfordshire, with both showing that it employs more than a quarter of the workforce. This is largely a result of the influence of Oxford, for which the Public sector (particularly Education) is a crucial employer. The fall in employment in the Banking, finance and insurance sector runs counter to the strong growth in the number of employers in the sector (3.1.4 above). Two possible explanations are either sampling error in the ABI survey, or that larger employers within the sector have reduced their staffing.

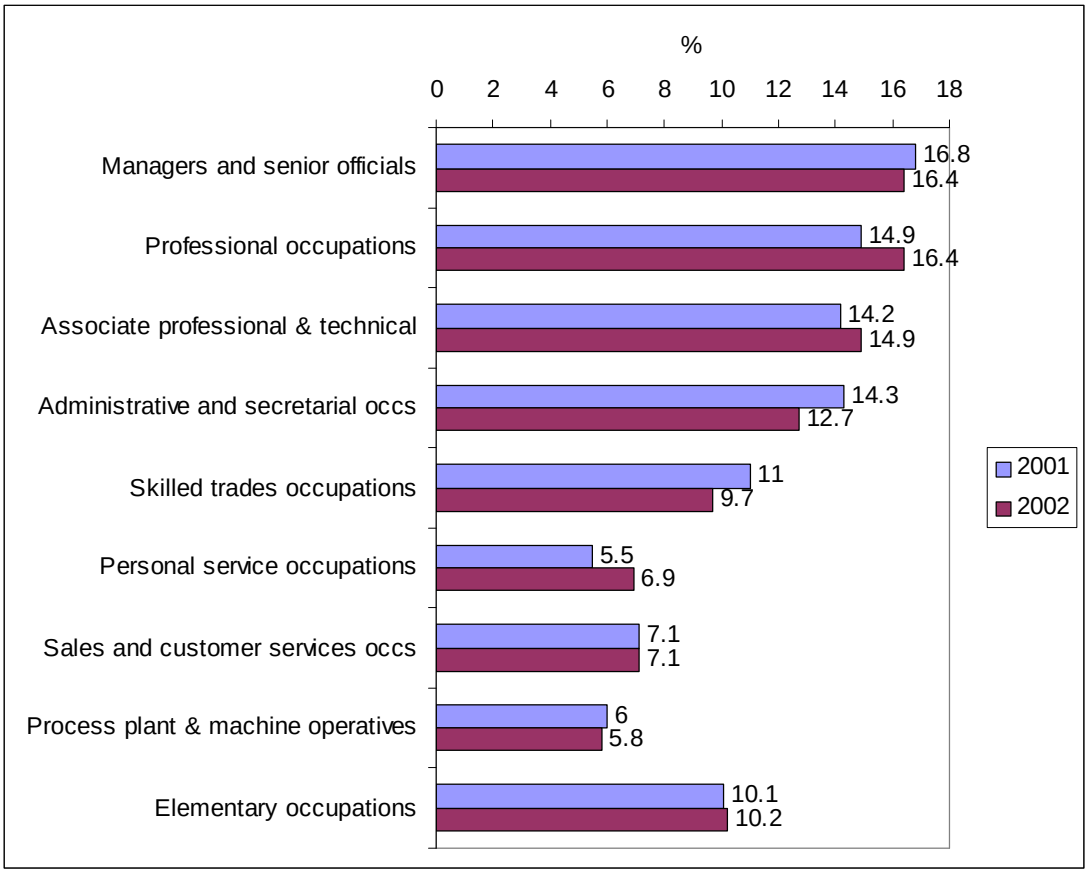
3.2.5 Employees by occupation

- The largest occupational sectors are Managers and senior officials and Professional occupations, each employing 16.4 per cent of the Oxfordshire working population (chart 22, next page). While for Managers this represented a slight fall, for Professionals there was a growth of 1.5 percentage points in the number of people employed between 2001 and 2002.
- Associate professional occupations employ the next largest proportion of people at 14.9 per cent, and this also represented an increase (0.7 percentage points) compared with 2001.
- The greatest percentage point falls in the share of employment have been for Administrative and secretarial occupations (-1.6) and Skilled trades (-1.3), while Personal service occupations have seen their share increase by 1.4 percentage points.

Policy point 3.2.5

See below

Chart 22: Employment change by occupation in Oxfordshire, 2001-2002



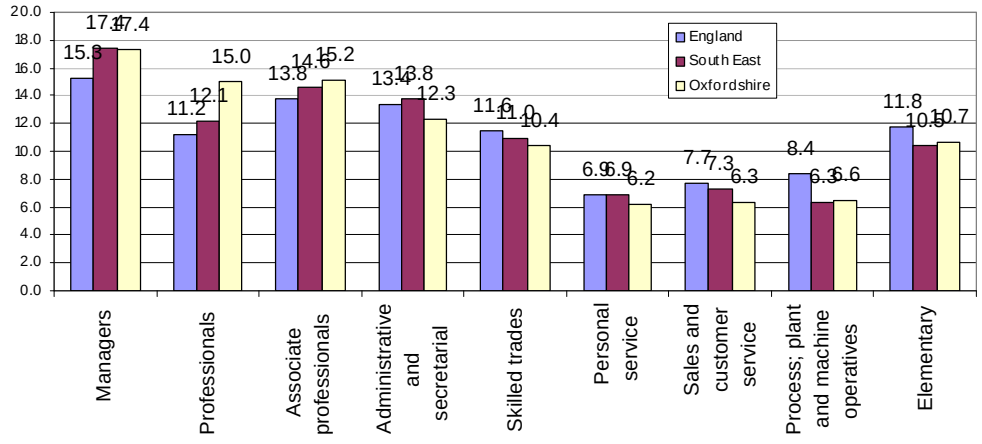
Source: Labour Force Survey 2001-2002

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 data is for the working age population. Chart 23 (next page) shows the occupational structure of Oxfordshire based on the 2001 Census.

Nearly half (47.6 per cent) of Oxfordshire's workforce is employed in Managerial, Professional or Associate Professional occupations, above average compared with both the South East (44.1 per cent) and England (40.3 per cent). The proportion working in Skilled trades, Process, plant and machine operative and Elementary occupations (27.7 per cent) is close to the regional average (27.8 per cent), but well below the national average (31.8 per cent).

Chart 23: Persons aged 16-74 in Employment by Occupation (percentages)



Source: 2001 Census

Nearly one quarter (23.4 per cent) of Oxford's workforce is made up of Professionals, well above county (15 per cent), regional (12.1 per cent) and national (11.2 per cent) averages (table 24). For Managerial positions, South Oxfordshire (20.8 per cent) and Vale of White Horse (18.6 per cent) are both above average compared with county (17.4 per cent), regional (17.6 per cent) and national (15.3 per cent) figures. West Oxfordshire has a higher than average proportion of people working in Skilled trades (12.7 per cent) compared with Oxfordshire (10.4 per cent), South East (11 per cent) and England (11.6 per cent) averages.

Table 24: Occupations by Local Authority District (percentages)

	Managers and senior officials	Professional occupations	Associate professional and technical occupations	Administrative and secretarial occupations	Skilled trades occupations	Personal service occupations	Sales and customer service occupations	Process; plant and machine operatives	Elementary occupations
Cherwell	17.0	10.3	14.4	13.3	11.3	6.1	7.6	8.5	11.6
Oxford	12.8	23.4	15.8	10.6	7.6	6.4	6.4	4.7	12.2
South Oxfordshire	20.8	14.3	15.4	12.4	10.5	6.1	5.4	5.4	9.6
Vale of White Horse	18.6	15.6	14.3	12.9	10.4	5.9	5.7	6.6	10.0
West Oxfordshire	17.4	11.4	16.0	12.0	12.7	6.8	6.2	7.4	10.2
Oxfordshire	17.4	15.0	15.2	12.3	10.4	6.2	6.3	6.6	10.7

Source: 2001 Census

Policy points 3.2.5 & 3.2.6

Oxfordshire's occupational profile is strongly biased towards high-level occupations, namely Managers, Professionals and Associate Professionals.

This is apparent from looking at both the Labour Force Survey and Census data, and is particularly noticeable when looking at Oxford and South Oxfordshire. However, the diversity of employment within Oxfordshire should not be ignored, since the Census data shows significant variations between districts. Cherwell has quite a different occupational profile from Oxford and South Oxfordshire, with a greater emphasis on manual occupations i.e. Skilled Trades and Process, plant and machine operatives. As with the sectoral differences (see 3.2.3 & 3.2.4 above), these factors need to be taken into account when considering the skill needs of different localities.

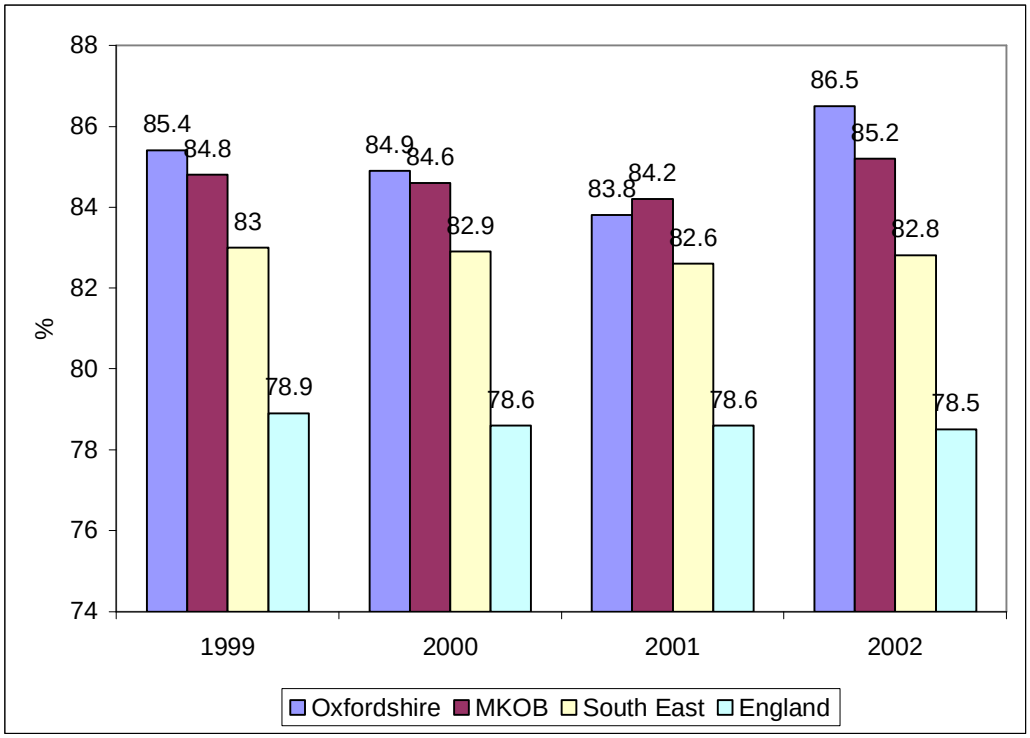
Another important point to consider when looking at falls in the share of employment by occupation (3.2.5) is that these are percentage decreases. In other words, it is possible that where overall employment levels have increased, occupations whose share of employment has fallen may in fact have maintained (or even increased) their absolute numbers in employment.

3.3 Economic Activity

3.3.1 Economic activity by area

- The overall economic activity rate in Oxfordshire (86.5 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).
- Oxfordshire has shown a net increase of 1.1 percentage points since 1999, with a large increase in 2002 cancelling out falls in both 2000 and 2001.
- MKOB has had a smaller net increase 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 Oxfordshire compared with MKOB, the South East and England, 1999-2002



Source: Labour Force Survey 1999-2002

Policy point 3.3.1

Overall, Oxfordshire 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.

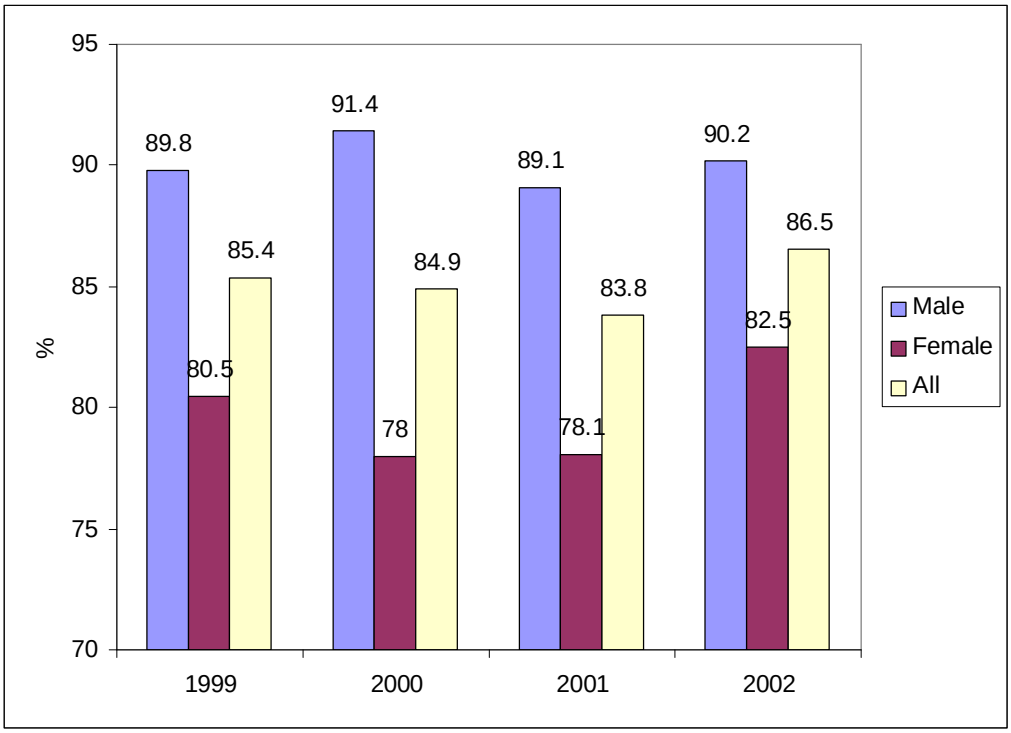
3.3.2 Economic activity by gender

- The economic activity rate for males in Oxfordshire has fluctuated slightly over the period 1999-2002, rising as high as 91.4 per cent in 2000, but ultimately showing a small net rise of 0.4 of a percentage point (chart 25).

However, it remains very high at more than nine in ten (90.2 per cent), and is well above the overall Oxfordshire average (86.5 per cent)

- The rate for women showed a large net increase of 2 percentage points over the period 1999-2002, although it did fall in 2000. A large increase in 2002 left it at 82.5 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 Oxfordshire by gender, 1999-2002



Source: Labour Force Survey 1999-2002

Policy point 3.3.2

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.

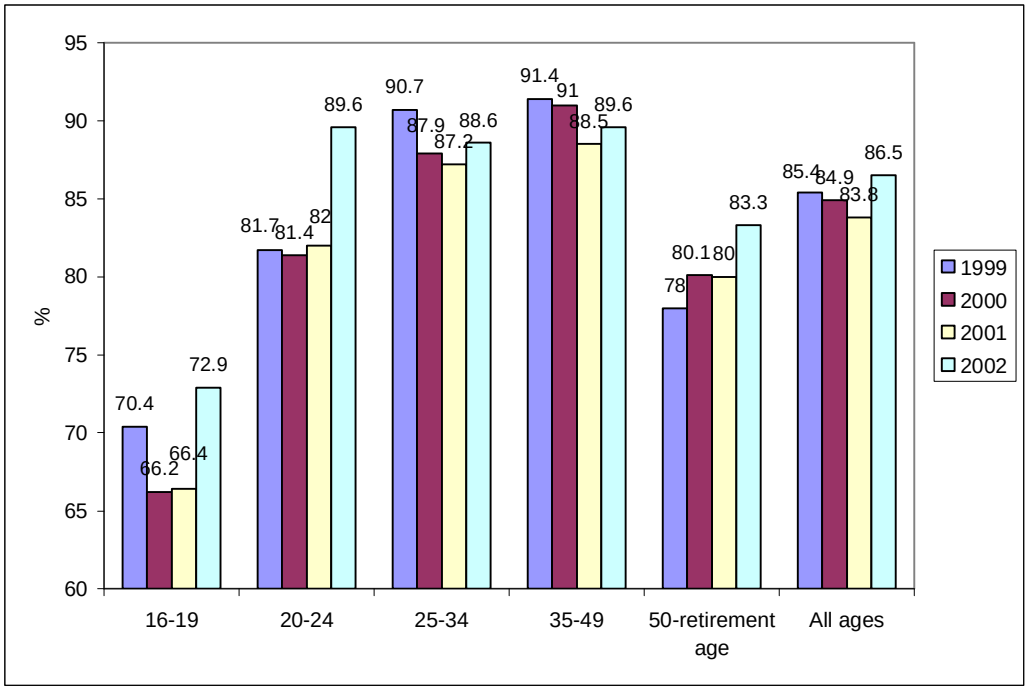
3.3.3 Economic activity by age

- Economic activity for 16-19 year olds rose by 2.5 percentage points over the period 1999-2002, although this included a large fall in 2000 followed by an even sharper increase in 2002 (chart 26). This was in line with

trends in MKOB, the South East and England, all of which saw slight increases in activity for this age group.

- The largest net increase in activity – nearly 8 percentage points – was for 20-24 year olds. The position remained relatively unchanged between 1999 and 2001, but then rose very sharply in 2002. This left activity at 89.6 per cent, more than 3 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 5 percentage points to 83.3 per cent, still considerably below the average for all ages.
- The age group which experienced the biggest drop in economic activity was 25-34 year olds. Activity in this group fell from a high of more than nine in ten (90.7 per cent) to 88.6 per cent by 2002, although remaining above the average for all ages.
- There was also a net decrease in economic activity for 35-49 year olds, from 91.4 per cent to 89.6 per cent over the period. This still left this age group with the joint highest levels of economic activity along with that for 20-24 year olds.

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



Source: Labour Force Survey 1999-2002

Policy point 3.3.3

Oxfordshire has maintained very high rates of economic activity, and it is important that this continues in order to meet the demands of the economy. Recent rises in economic activity for 16-19 and 20-24 year olds have been particularly striking, but they also pose questions over the reliability of the data. The implications of them are also mixed; in one sense a high activity

rate is generally positive, but for this age range it might also mean that there has been a decrease in participation in education.

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 useful in looking at likely changes to the Oxfordshire economy.

3.4.1 Employment forecasts by industry sector

Table 25: 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 25, 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

No separate forecasts are available for Oxfordshire, but given that the county represents nearly half of MKOB's employment, the forecasts should be fairly representative of what will happen there. The sectors in which the largest growth is expected – Business services, Education and Health – already account for a large proportion of the Oxfordshire workforce, and the former in particular has shown strong growth in recent years.

3.4.2 Employment forecasts 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 26, 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 26: Number of 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					

Policy point 3.4.2
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.

3.4.3 Comparison between LSC/IER and Skills Insight/Experian BSL Forecasts for MKOB

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.

Policy point 3.4.3
See 3.4.5 below

3.4.4 Occupational forecast comparisons

- Table 27 (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 27: 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 28, 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 28: 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[12]	747	770	+23	739	778	+39

Policy point 3.4.5

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).*

[12] NB Due to rounding these totals may not sum to the totals in Table 27.

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, 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 29: Vacancies and skills gaps by employer size in Oxfordshire

Sizeband (employees)	*Sample base*	Have vacancies	Have hard-to-fill vacancies	Have skill shortage vacancies	Have skills gaps
1-4	*319*	15%	7%	4%	12%
5-24	*564*	21%	10%	6%	36%
25-99	*139*	44%	14%	5%	54%
100+	*60*	70%	19%	10%	70%
Oxon total	*1082*	19%	8%	5%	21%
MKOB total	*2968*	17%	7%	5%	20%

Source: National Employer Skills Survey 2003

- A total of 19 per cent of employers in Oxfordshire have current vacancies (compared with the MKOB average of 17 per cent), although this figure varies by employer size (table 29). Only 15 per cent of employers with 1-4 employees have vacancies, compared with over two-thirds (70 per cent) of those with more than 100 employees.
- Eight per cent of Oxfordshire employers have hard-to-fill vacancies (slightly above the MKOB average), although again this varies by employer size. Seven per cent of employers with 1-4 employees are affected, compared with nearly one in five (19 per cent) of those with more than 100 employees.
- Overall, 5 per cent of Oxfordshire employers (identical to the MKOB average) have skill shortage vacancies. However, this figure does rise to one in ten (10 per cent) for employers with more than 100 employees.
- Slightly over one in five Oxfordshire employers (21 per cent) have skills gaps, which is above average compared with MKOB. This ranges from just over one in ten (12 per cent) of those with 1-4 employees, to more than two-thirds (70 per cent) of those with 100 or more employees.

Policy point 3.5.1

Oxfordshire employers are slightly more prone to hard-to-fill vacancies and skills gaps than employers in the rest of the MKOB area, while skill shortage vacancies present a similar level of difficulty. All three are more prevalent for larger employers, but this is to be expected as the latter are more likely to be recruiting than smaller employers, while skills gaps are more noticeable in larger employers. Nevertheless, all employers who are experiencing skills gaps need to be encouraged to recognise the importance of investing in their staff, and given help where necessary in doing so.

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

Table 30: Vacancies, hard-to-fill vacancies, skill shortage vacancies and skills gaps by sector in Oxfordshire

Sector	*Sample base*	Have vacancies	Have hard-to-fill vacancies	Have skill shortage vacancies	Have skills gaps
Agriculture	*9**	7%	5%	5%	59%
Manufacturing	*92*	19%	12%	5%	22%
Construction	*99*	16%	7%	6%	20%
Retail/wholesale	*198*	17%	10%	5%	25%
Hotels and restaurants	*76*	20%	12%	2%	25%
Transport and communication	*33*	15%	8%	3%	21%
Financial intermediation	*17**	35%	4%	0%	15%
Real estate, renting and business	*334*	20%	8%	6%	18%
Public admin	*13**	54%	17%	6%	32%
Education	*28*	21%	3%	0%	26%
Health and social work	*64*	25%	9%	4%	26%
Other community, personal & social	*114*	12%	4%	1%	13%
Oxon total	*1077*	19%	8%	5%	21%
MKOB total	*2968*	17%	7%	5%	20%

Source: National Employer Skills Survey 2003

* NB Very small sample base – treat with extreme caution. These sectors are shown here for indicative purposes only, and excluded from the analysis below.

- One quarter (25 per cent) of Health and social work employers have current vacancies, while a fifth of Education (21 per cent), Real estate, renting and business (20 per cent) and Hotels and restaurants (20 per cent) employers also have vacancies – all above the average for all sectors of 19 per cent (table 30).
- Hard-to-fill vacancies affect proportionately more employers in Manufacturing (12 per cent), Hotels and restaurants (12 per cent) and Retail/wholesale (10 per cent) than average (8 per cent). They seem to be much less of an issue for Education (3 per cent) and Other community, personal and social (4 per cent).
- Concerning skill shortage vacancies, only the Construction and Real estate, renting and business sectors (both 6 per cent) seem to be affected to a greater extent than average both for Oxfordshire and MKOB (both 5

per cent). By contrast, Education employers in Oxfordshire reported no skill shortage vacancies at all.

- More than one quarter of employers in the Education and Health and social work sectors (both 26 per cent) report experiencing skills gaps. Other sectors with above average proportions of employers reporting skills gaps were Hotels and restaurants and Retail/wholesale (both 25 per cent).

Policy point 3.5.2

In spite of the fact that much of the employment growth has been – and is forecast to be – in Business services, the problems of hard-to-fill vacancies and skill shortage vacancies have been more keenly felt in a range of other sectors. The Hotels and restaurants sector has above average levels of hard-to-fill vacancies and skills gaps, and given that this is a sector (see 3.3.1 above) where strong employment growth is expected, those problems are likely to increase unless some action is taken.

Public sector employers appear to be relatively unaffected by difficulties in filling vacancies, but there does to be an issue with skills gaps. In Health and social work, this probably applies in particular to care workers, where there is a need for large numbers of staff to obtain qualifications to comply with new legislation.

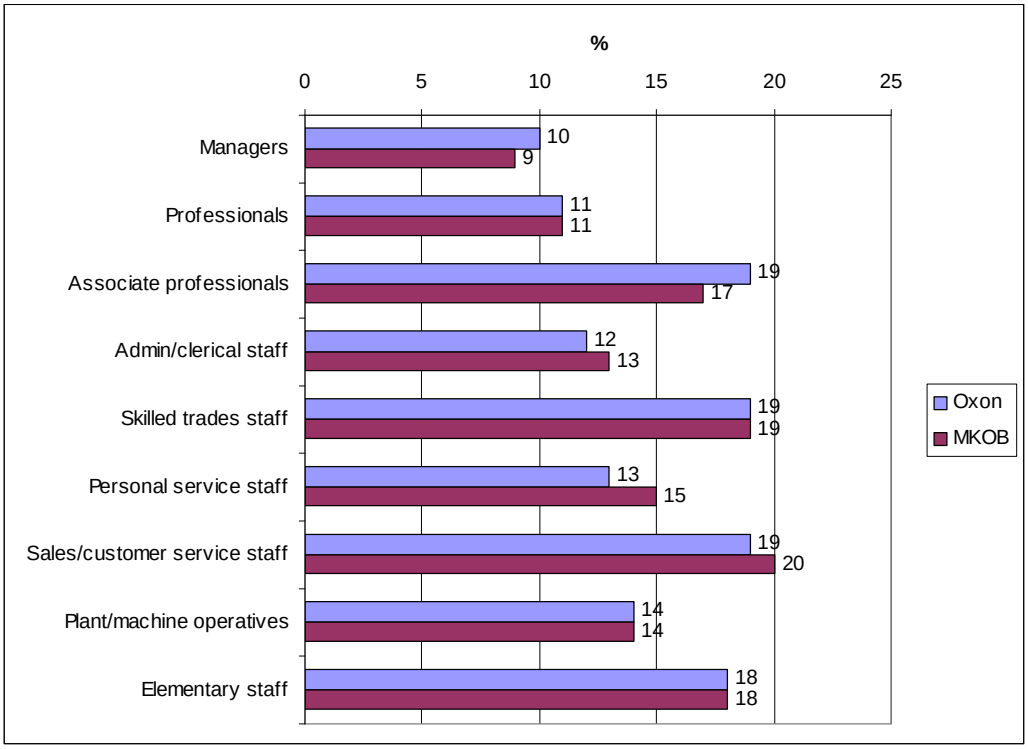
3.5.3 Skills gaps by occupation

- As chart 27 (next page) shows, slightly more Oxfordshire employers reported skills gaps among Associate professional staff (19 per cent) than the MKOB average (17 per cent).
- Other occupations with relatively high proportions of employers reporting skills gaps were Skilled trade staff (19 per cent), Sales/customer service staff (19 per cent) and Elementary staff (18 per cent). In each case, these proportions were either identical or close to the MKOB average.
- Personal service staff represented another occupational area for which there was a discrepancy between employers in Oxfordshire (13 per cent) and the MKOB average (15 per cent).
- The fewest skills gaps were reported by Oxfordshire employers in relation to Managers (10 per cent), marginally above the MKOB average (9 per cent).

Policy point 3.5.3

Oxfordshire is relatively close to the MKOB average for skills gaps in most of the occupational areas listed. Where it tends to be above the average is in the higher-level occupations, notably Associate professionals. However, gaps at the intermediate and advanced level within Oxfordshire should not obscure the fact that many of the gaps within the county are being experienced in occupations requiring Level 2 and Level 3 skills, such as Sales/customer service staff and Skilled trades.

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



Source: National Employer Skills Survey 2003

3.5.4 External skills shortages

- Table 31 (next page) shows that the skills which proved most difficult to obtain in relation to hard-to-fill vacancies were Communication skills (49 per cent of vacancies) and Technical and practical skills (44 per cent). In the case of Communication skills, this proportion was well above average compared with MKOB (40 per cent).
- Team working and Problem solving skills (both 38 per cent) were also regarded as significantly lacking, and in both cases this was to a degree which was also above average compared with MKOB (33 per cent and 31 per cent respectively).
- Customer handling skills were seen as absent by 36 per cent of employers, but this was only slightly above the MKOB average (33 per cent).
- Nearly a third of employers (32 per cent) felt that there were no particular skills difficulties that they could identify in relation to hard-to-fill vacancies, well above the MKOB average (23 per cent).

Table 31: Skills difficult to obtain for hard-to-fill vacancies in Oxfordshire compared with MKOB			
Skill type	Oxfordshire	MKOB	Difference (Oxon +/- MKOB)
Communication skills	49	40	9
Technical & practical skills	44	45	-1
Team working skills	38	33	5
Problem solving skills	38	31	7
Customer handling skills	36	33	3
No particular skills difficulties	32	23	9
Management skills	27	25	2
Literacy skills	26	24	2
Numeracy skills	22	22	0
General IT user skills	14	11	3
IT professional skills	14	13	1
Personal attributes	6	5	1
Foreign language skills	5	5	0
Experience/product knowledge	4	4	0
Relevant qualifications	0	0	0
Other	1	3	-2
Don't know	11	14	-3
Unweighted sample base	*110*	*277*	*N/a*
Source: National Employer Skills Survey 2003			

Policy point 3.5.4

Oxfordshire employers are less likely than average to be experiencing problems in relation to the skills found difficult to obtain for hard-to-fill vacancies, in spite of being more likely than average in MKOB to be experiencing such vacancies. 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 Communication, Team working and Problem-solving.

3.6 Employer engagement

3.6.1 Business plan, training plan and training budget

- As table 32 shows, nearly three-fifths of employers in Oxfordshire (56 per cent) possess a business plan, close to average compared with MKOB (58 per cent) and identical to the England figure, but well below the South East average (66 per cent).
- Nearly two-fifths of employers in Oxfordshire have a training plan, identical to the MKOB average, and only marginally below the South East (38 per cent) and England (39 per cent) averages. An above average proportion have a training budget – 34 per cent, compared with 31 per cent in MKOB, the South East and England.

Table 32: Possession of a business plan, training plan or a budget for training expenditure

	Oxfordshire	MKOB	South East	England
Business plan	56	58	66	56
Training plan	37	37	38	39
Training budget	34	31	31	31
Sample base	*1082*	*2968*	*12883*	*72,100*
Source: National Employers Skills Survey 2003				

Policy point 3.6.1

Given that Oxfordshire has a disproportionate number of employers which tend to be at the higher-value added end of the spectrum e.g. Research and applied technologies, it is surprising to see that the county is below MKOB and regional averages for possession of business and training plans. This tends to underline once again that behind the headlines and impressions about the nature of Oxfordshire's economy, there are many businesses which lack the motivation or wherewithal to plan.

3.6.2 Training and development spend

Employers in Oxfordshire are marginally less likely than average to spend nothing on the training and development of their employees (10 per cent), compared with 11 per cent in MKOB, 10 per cent in the South East and 13 per cent in England (table 33, 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. Oxfordshire employers are slightly less likely than average to spend nothing on their training i.e. to arrange training which costs nothing to provide, but even with this the difference is far from clear-cut.

Table 33: Amount spent per employee on training and development (percentages)				
Amount spent per employee	Oxfordshire	MKOB	South East	England
Nothing	10	11	10	13
Less than £50	6	7	7	8
£50-99	6	5	7	6
£100-199	12	12	11	12
£200-299	10	8	8	7
£300-399	7	7	7	6
£400-499	1	2	2	2
£500-749	9	9	7	5
£750-999	2	3	4	4
£1000-1499	5	4	5	4
£1500-1999	2	2	3	3
£2000-4999	3	4	3	3
£5000+	1	1	1	1
Don't know	26	25	25	26
Sample base	*703*	*2197*	*7730*	*42,539*
Source: National Employers Skills Survey 2003				

3.6.3 Employers providing training in last 12 months

Nearly two-thirds (65 per cent) of employers in Oxfordshire had provided training in the previous 12 months (table 34). This was above average compared with MKOB (62 per cent), the South East (60 per cent) and England (59 per cent).

Table 34: Proportion of employers providing training in last 12 months in Oxfordshire compared with MKOB, the South East and England				
	Oxfordshire	MKOB	South East	England
Proportion of employees	65	62	60	59
Sample base	*703*	*2968*	*12883*	*72,100*
Source: National Employers Skills Survey 2003				

Policy point 3.6.3

In contrast to the data on training plans (3.6.1. above), these findings show that Oxfordshire employers lead the way in terms of providing training to their employees. However, it is important not to be complacent about these figures, since they tell us nothing about the nature of the training, while a significant minority of employers are not providing training to their employees.

3.6.4 Annual performance reviews

- In over half of Oxfordshire employers (54 per cent), all staff receive annual performance reviews (table 35, next page). This is identical to the MKOB average, above average compared with England (51 per cent), but some way below the South East average (60 per cent).

- Nearly two-fifths (38 per cent) of Oxfordshire employers do not provide annual performance reviews to any staff, identical to the MKOB average, slightly below the England figure (40 per cent), but well above the South East average (28 per cent).

Table 35: Proportion of employees receiving annual performance reviews				
Proportion of employees	Oxfordshire	MKOB	South East	England
None	38	38	28	40
1-99%	6	7	10	8
100%	54	54	60	51
Don't know	1	1	2	1
Sample base	*1077*	*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 36 shows that more than two-thirds of employers in Oxfordshire (69 per cent) provide formal job descriptions to all of their staff. This is below average compared with MKOB (71 per cent), the South East (76 per cent) and England (72 per cent).
- One in five (20 per cent) employers do not provide formal job descriptions to any of their staff, which is identical to the MKOB figure and close to the England average (19 per cent), but well above the South East average (13 per cent).

Table 36: Proportion of employees with formal job descriptions				
Proportion of employees	Oxfordshire	MKOB	South East	England
None	20	20	13	19
1-99%	9	8	11	9
100%	69	71	76	72
Don't know	2	1	1	<1
Sample base	*1077*	*2968*	*12883*	*72,100*
Source: National Employers Skills Survey 2003				

Policy points 3.6.4 & 3.6.5
As with business and training plans, Oxfordshire employers perform less well against these measures than their MKOB and regional counterparts. This is not entirely surprising, as without business plans it is difficult to put job descriptions and performance reviews into any proper context. All are important in ensuring that individuals know how their job and performance within it contribute to the overall success of both themselves and their employer.

3.6.6 Employers assessing skills gaps

As table 37 shows, exactly half of Oxfordshire's employers assess the skills gaps of their employees, a figure which is close to both the MKOB (49 per cent) and England (52 per cent) averages. However, all are well below the South East average (59 per cent).

Table 37: Proportion of employers assessing skills gaps				
	Oxfordshire	MKOB	South East	England
Yes	50	49	59	52
No	49	50	39	48
Don't know	1	1	1	1
Sample base	*1077*	*2968*	*12883*	*72,100*
Source: National Employers Skills Survey 2003				

Policy point 3.6.6

While 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

- Less than half of Oxfordshire's employers (47 per cent) assess the performance of their employees both before and after training (table 38). This is marginally below the MKOB average (48 per cent), but well below that of the South East (58 per cent) and England (57 per cent).
- More than a third (35 per cent) of employers in Oxfordshire do not assess the performance of trained employees either before or after training. This is identical to the MKOB average, but well above the averages for both the South East (25 per cent) and England (28 per cent).

Table 38: Proportion of employers assessing performance of trained employees				
	Oxfordshire	MKOB	South East	England
Before training	7	6	5	5
After training	10	9	10	10
Both	47	48	58	57
Neither	35	35	25	28
Don't know	1	1	2	1
Sample base	*1077*	*2968*	*12883*	*72,100*
Source: National Employers Skills Survey 2003				

Policy point 3.6.7

As with many of the other employer engagement measures, Oxfordshire's performance is similar to the MKOB average but worse than the regional and national averages. Once again, this suggests that a significant minority of Oxfordshire employers do not necessarily recognise the importance of training

even when they carry it out. If the performance of trained employees is not assessed both before and after the training, this begs two questions:

1. *How was the training need identified?*
2. *How is it possible to tell if there has been any improvement as a result of the training?*

Section 4: Summary of key findings and implications

Section 1: Context

1.1 Planning issues

- Oxfordshire is planning carefully managed growth, with particular emphasis in the north of the county (Banbury and Bicester), as well as Didcot in the south. (1.1.1 – 1.1.4)

1.2 Economic Profile

- Oxfordshire bucked trends in other areas with an increase in VAT registrations, and also showed a higher than average rate of growth in gross value added, reversing earlier trends. (1.2.1 – 1.2.2)

1.3 Population and Socio-economic Profile

- Oxford and – to a lesser extent – Cherwell are young, ethnically diverse places. However, Oxford in particular has a small but significant level of disadvantage and deprivation within the overall context of a prosperous, well-educated city. (1.3.1 – 1.3.9)

Section 2: Increasing the demand for learning

2.1 Basic Skills

- Approximately one in five people in Oxfordshire have poor literacy and numeracy skills, although in some areas – notably in Oxford – 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 – 2.1.9)

2.2 Skill levels in the population

- Oxfordshire has a relatively well-qualified population – half are qualified to level 3 and above – and Oxford in particular has a high qualification profile. However, more than a quarter of the county's population are qualified to below level 2, and in some districts e.g. Cherwell, this proportion is much higher. (2.2.1 – 2.2.3)

2.3 Participation

- Considering that Oxfordshire is a relatively well-qualified area, it has a high proportion of people – two-fifths – who could be described as non-learners, having not learned in the past three years. There is a danger of a 'duality' in attitudes to learning between the 'learning-rich' and 'learning-poor.' (2.3)

2.4 Propensity to learn

- People undertaking learning in Oxfordshire tend to see learning as a positive benefit for social as well as job-related reasons. They tend to be more vague about which course to undertake, more likely than average to be studying arts or humanities, and more likely than average to be using a university for their learning. (2.4.1 – 2.4.4)

- However, future prospects for learning and attitudes to learning illustrate once again the duality of the population, with a hard core of people unable to see the benefits of learning and as a result, unlikely to engage in it in the future. (2.4.5 – 2.4.6)

2.5 Barriers to learning

- People in Oxfordshire are less likely than average to identify barriers to learning, and those that do are most likely to mention responsibilities and commitments that prevent them from learning. This is particularly true for women, people aged 25-49, part-time workers and those with caring responsibilities. (2.5.1 – 2.5.4)

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

3.1 Profile of employers

- Oxfordshire experienced growth in its employer base of 8 per cent over the period 1998 – 2002. Much of the growth was among the very small businesses, and within the banking, finance, insurance and business service sector. (3.1.1 – 3.1.4)

3.2 Profile of employees

- Female full-time employment rose by more than 5 per cent between 1998 and 2002, but overall employment fell slightly during this period. By sector, the biggest rise has been in Public admin, education and health employment, while the Banking, finance, insurance and business services sector saw a net fall in employment. Managers, Professionals and Associate professionals form a disproportionately large part of Oxfordshire's workforce, particularly in Oxford – Cherwell has a much greater emphasis on manual occupations. (3.2.1 – 3.2.6)

3.3 Economic activity

- Oxfordshire has a very high economic activity rate (86.5 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

- Oxfordshire employers have above average levels of hard-to-fill vacancies and skills gaps, and these particularly affect larger employers and – in the case of skills gaps – employers in Education and Health and social work. Hard-to-fill vacancies disproportionately affect employers in Manufacturing, Hotels and restaurants and retail/wholesale, while skill shortage vacancies present more of a problem in Construction and Real estate, renting and business. (3.5.1 – 3.5.2)
- Skills gaps tend to be found most often in occupations such as Associate professional, Skilled trades and Sales/customer service. Communication skills and technical/practical skills are those most often found to be lacking in relation to hard-to-fill vacancies. (3.5.3 – 3.5.4)

3.6 Employer engagement

- Oxfordshire employers are less likely than average to have business or training plans, to provide job descriptions, to assess skills gaps or to assess the performance of employees they train. Even though Oxfordshire employers are more likely than average to have a training budget and train their employees, the other employer engagement findings raise concerns about how training needs are identified, and how useful the training is. (3.6.1 – 3.6.7)