Learning+Skills Council
Milton Keynes, Oxfordshire
and Buckinghamshire

Buckinghamshire
Skills and Economic Assessment

Version 2.0

December 2004

Research and Development Department

Contents

Buckinghamshire Skills and Economic Assessment

Introduction
This report aims to provide details of the skills and economic background of Buckinghamshire, 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 Buckinghamshire, 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
Buckinghamshire is a county which is largely rural in character, with no major city as a focal point. Its largest towns are High Wycombe and Aylesbury, with the rest of its population spread throughout smaller market towns such as Amersham, Beaconsfield, Buckingham, the Chalfonts, Chesham, Marlow and Princes Risborough, as well as the many rural villages which characterise the area. The attractive landscape around the Chilterns – which includes a designated Area of Outstanding Natural Beauty – along with its proximity to London combine to make it a very desirable area in which to live and work.

In addition to it being an attractive area to live, it also has a resident workforce with high levels of qualifications and skills, making it a sought after location for employers. Buckinghamshire hosts a number of major companies, particularly in the financial services and ‘knowledge-based’ sectors, which include Rank Xerox, Dun and Bradstreet, Equitable Life and Axa Equity and Law.

One of the factors in Buckinghamshire’s popularity for both people and businesses is its transport infrastructure. Much of the southern part of the county has relatively easy access to the motorway network via the M25, M40 and M4, and places such as High Wycombe, Beaconsfield and Marlow are only 30 minutes from London. Similar journey times are also possible via rail into London from much of the county via either Chiltern Railways or Thames Trains, while Chesham and Amersham have direct London Underground links. Heathrow Airport is also within easy reach – particularly from the southern part of the county – by car. The exception to these excellent transport links is the Aylesbury Vale district, with the towns of Aylesbury and

Buckingham being less well served by road, rail and air than the rest of the county.

Such is the popularity of the county that it now faces constraints to further growth. There is relatively little available land for development in the southern part of the county, while its very low unemployment levels mean that employers moving into the area would find difficulty in finding sufficient people to fill jobs. The proximity to London and excellent transport links mean that many people commute to work there, as well as to other nearby centres of employment such as Reading, Oxford and Milton Keynes, to the extent that Buckinghamshire is a net exporter of labour – in other words it has 20,000 more resident workers than jobs. The situation in Aylesbury Vale is slightly different, and this is where most of the county's planned growth – both in housing and employment, with accompanying infrastructural improvements – is due to take place.

The over-riding image of Buckinghamshire is therefore of a prosperous county with a well-educated workforce, which is very much part of the London commuter belt. However, this also contributes to it having some of the highest house prices in the country, which obviously has implications for the standard of living in the area. It also means that there is a danger that those people who live in the county who do suffer from relative disadvantage, deprivation or low qualifications and skills are obscured by the prosperous image. The challenge is therefore to ensure that all parts of the community – socially, economically and geographically – have the same opportunities to benefit from learning and participate in the prosperity of the county.

Section 1: Context

1.1 Planning issues: growth and development

1.1.1 Buckinghamshire County Structure Plan

- The existing Structure Plan outlining the County Council's strategy for the use and development of land was adopted in 1996, and covers the period to 2011.
- In 2003, Buckinghamshire 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 Buckinghamshire might develop.
- The consultation period for the plan closed at the end of 2003, and comments on the plan are currently being considered. It had originally been expected that the Plan would undergo Examination in Public in Spring 2004, with modifications to the plan being published later in the year. However, the county council has suspended further work on the Plan until it is known whether legislation due in Summer 2004 will abolish Structure Plans and transfer responsibility to Regional Planning Bodies[1].
- The existing Plan has the aims of:
    - Balancing the need for development and the need to protect the environment for existing and future generations.
    - Enhancing the quality of life of Buckinghamshire residents and the amenity value of the County.
    - Maintaining economic buoyancy in Buckinghamshire as a source of wealth and jobs.
    - Improving the access of Buckinghamshire households to homes which are appropriate to their needs.
    - Making the best use of available physical and financial resources.
- The Draft Plan to 2016 takes these aims forward, but also takes into consideration issues such as the reuse of previously developed land, the need to meet new Government housing requirements and to enhance the performance of the Buckinghamshire economy.

1.1.2 Housing developments outlined in the Plan

The draft Plan proposes 19,600 new houses in the county between 2001-2016, with locations for development within the county as follows:

- Aylesbury Vale – 11,100 new houses, with a significant amount of peripheral development around Aylesbury Town. However, there could be significantly more new houses built as a result of the Milton Keynes and South Midlands Sub-regional strategy (see 1.1.4 below).
- Chiltern – 1,800 new houses.
- South Bucks – 1,500 new houses.
- Wycombe – 5,200 new houses.

[1] For further details, see the Buckinghamshire County Council website www.buckscc.gov.uk/strategic_planning/structure_plan

1.1.3 Economic strategy and employment development

- The Plan focuses on Aylesbury for new employment generating development within Buckinghamshire, to coincide with expected population growth there and also to reduce the pressures on land and labour resources in the south of the county.
- Developments within Chiltern, South Bucks and Wycombe districts may also be possible, provided that they are in accessible locations for public transport and will not result in a net increase in employment land. This may include provision for a high quality business park on previously developed land within High Wycombe.
- The Plan states that encouragement and priority will be given to low impact, high value-added businesses and to the regeneration and re-use of existing employment sites and buildings.

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

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

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

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

In relation to Aylesbury Vale specifically, the strategy states that:
"Aylesbury should maximise its identified opportunities for growth in relation to both population and employment in a way that strengthens its traditional county town heritage and role. There should be particular emphasis on urban renaissance through improvements to the town centre so that it can develop an enhanced role commensurate with the needs of a larger urban location."

1.1.5 The future development of Aylesbury Vale as a result of the strategy

In practical terms, the implications of the strategy for the development of Aylesbury Vale are as follows:

- An additional 16,400 houses over the period 2001-16, with 40 per cent of them being affordable.
- The above total includes 2,500 houses which will be within Aylesbury Vale district, but will be seen as part of the Milton Keynes urban area.
- 10,600 of the houses will be within Aylesbury Town itself, mostly within the existing built-up area of the town. The additional requirement will be built at the following locations:

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

  - North of Aylesbury (Weedon Hill)
  - North West of Aylesbury (Berryfields)
  - East of Aylesbury (Aston Clinton)
  - South of Aylesbury (around Stoke Mandeville station)
- Further growth beyond 2016 may be sited to the south east of Aylesbury and south of Stoke Mandeville, subject to a further review.
- The provision of quality employment land and buildings to realise the economic potential of Aylesbury will be necessary – an important component of this is potential provided by the Aston Clinton Major Development Area.
- Transport infrastructure improvements necessary to support the growth are:
  - Bus priority measures and strategic bus corridors.
  - New station at Berryfields on Aylesbury Spur to East-West rail.
  - Additional station at Calvert.
  - Southern Distributor Road (Phase 1: Aston Clinton Road to Lower Road).
  - A418 Aylesbury to Wing.
- Delivering sustainable communities by providing community, economic, environmental and social infrastructure and services according to demand. As well as housing, public spaces, utilities, healthcare and other services, there are two areas of specific interest to the Learning and Skills Council:
  - School education – additional primary and secondary school provision
  - Further and Higher education – additional capacity should be sought at Aylesbury College.
- The overall levels of housing and economic growth that the MKSM study saw as realisable over the period to 2031 involve up to 102,000 dwellings and 99,000 jobs for the Milton Keynes unitary authority and Aylesbury Vale district council areas combined. This includes the housing growth to 2016 outlined above.

<u>1.1.6 Next steps</u>

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

<u>Policy points 1.1.1 – 1.1.6</u>

The Draft Buckinghamshire County Structure Plan envisages carefully managed growth and development for the county. No large housing or employment developments are expected for the southern part of the county (i.e. Chiltern, South Bucks and Wycombe). The exception to the general thrust of the Plan is Aylesbury Vale, where most of the county's growth in housing and employment is anticipated. However, if planning responsibility is shifted to Regional Planning Bodies, there may be a different emphasis for Buckinghamshire from that envisaged by the Structure Plan.

It is clear that significant growth will take place within Aylesbury Vale, the only question being to what extent. If the changes outlined in the MKSM strategy are adopted, this will have a huge impact on the district, and the town of Aylesbury in particular. The strategy is explicit in making clear that these changes need to be sustainable, and that transport and infrastructure need to be put in place to support them.

From the LSC perspective, it will be important to ensure that the learning and skills infrastructure within Aylesbury Vale continues to be able to meet the demands placed on it. This will range from construction skills for the building phase, to learning provision for the increased population within the area. It will entail working closely with those bodies whose responsibility it is to drive forward the changes in order to ensure that those learning and skills needs are met.

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

1.2 Economic Profile

1.2.1 Comparison of business formation rates

Table 1: VAT registrations 1998-2002						
	1998	1999	2000	2001	2002	% change 98-02
Bucks	2,310	2,275	2,270	2,100	2,165	-6.3
MKOB	5,300	5,220	5,385	5,005	5,125	-3.3
South East	30,120	29,115	29,285	28,520	28,480	-5.4
England	165,515	159,930	162,765	153,520	154,865	-6.4
Source: Business Competitiveness Indicators April 2004						

After falling in all areas between 1998 and 1999, the number of VAT registrations rose everywhere except Bucks in 2000 (table 1). The number fell again in all areas in 2001, but rose again across the board in 2002. The net percentage fall over the period for Bucks (-6.3 per cent) was above that for MKOB (-3.3 per cent) and the South East (-5.4 per cent), but close to the average for 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
Bucks	10.7	10.3	10.1	9.3	9.6	-1.1
MKOB	10.8	10.4	10.6	9.7	9.9	-0.9
South East	11.4	10.8	10.7	10.3	10.2	-1.4
England	11.3	10.8	10.9	10.2	10.3	-1.0
Source: Business Competitiveness Indicators April 2004						

VAT registrations have also fallen in all areas as a proportion of business stocks over the period 1998-2002 (table 2). Bucks's percentage point decrease was above MKOB and national averages, but below the regional average. The overall level of business stocks increased in all areas over the period, which will also 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
Bucks	1,730	1,840	2,005	2,035	2,065	16.2
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). This left large net percentage increases in all areas over the period 1998-2002, although Bucks (16.2 per cent) was slightly below the England average (16.4 per cent), and well below those for MKOB (26.6 per cent) and the South East (23.6 per cent).

Policy point 1.2.1
In contrast to previous data on business formations, the latest data suggests that Buckinghamshire has seen larger changes than other areas in terms of VAT registrations and registrations as a proportion of business stocks. A positive point has been the smaller than average increase in de-registrations, however the overall picture suggests that more needs to be done to help the development and start-up of small businesses.

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 (%)
Bucks	13,365	14,110	15,320	16,279	17,099	17,967	5.8
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

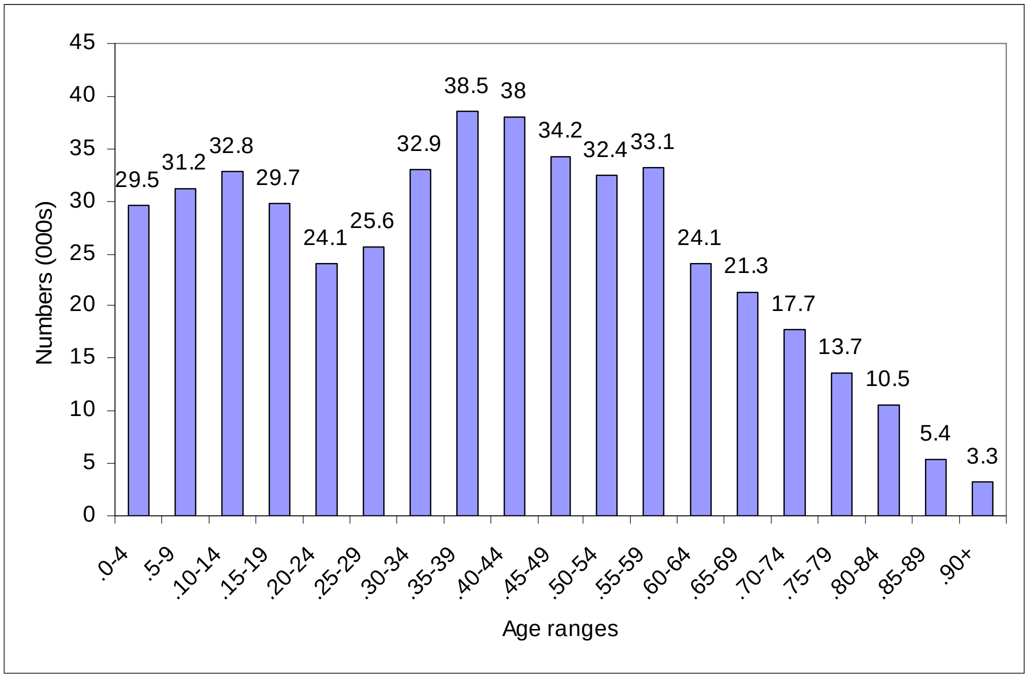
Buckinghamshire was above the South East and England averages in 1996 for Gross Value Added (GVA) per head, but below that for MKOB (including Berkshire) (table 4). All areas saw growth in GVA per head between 1996 and 2001, with Buckinghamshire having a similar average annual rate of increase (5.8 per cent) when compared with MKOB (6 per cent) and the South East (5.8 per cent), all of these being above the rate for England (5.1 per cent). By 2001, the Buckinghamshire GVA was £17,967 per head, well below the average for MKOB (£20,686), but above those for the South East (£15,880) and England (£14,781).

Policy point 1.2.2
Buckinghamshire is below the MKOB average, but above the regional and national when looking at figures for Gross Value Added per head. It has improved its position against the regional and national benchmarks, so that the growth of the mid-1990's has been maintained and strengthened in more recent years.

1.3 Population and Socio-economic Profile

1.3.1 Population in general

Chart 1: Buckinghamshire population by age bands (000s)



Source: ONS 2003 Mid Year Population Estimates

Table 5: Buckinghamshire population by Age Bands compared with MKOB, South East and England & Wales (percentages)

	(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
Buckinghamshire	478	19.6	6.2	5	28.2	25.9	15
Aylesbury Vale	166.6	19.7	6.7	4.9	30.1	25.3	13.2
Chiltern	88.9	19.3	5.7	4.3	25.1	28.1	17.2
South Bucks	62.0	19.0	5.8	4.2	25.8	27.4	17.6
Wycombe	160.5	19.7	6.2	5.9	29.0	24.8	14.5

Source: ONS 2003 Mid Year Population Estimates

- Buckinghamshire has a higher than average proportion of children aged 0-14 (19.6 per cent) compared with the averages for MKOB (19 per cent), the South East and England & Wales (both 18.3 per cent). Aylesbury Vale and Wycombe (both 19.7 per cent) are particularly noteworthy in this respect (chart 1 & table 5).
- At the same time, looking at the proportion of 20-44 year olds, Buckinghamshire is below average at 33.2 per cent, compared with MKOB

(36.1 per cent), the South East (34.3 per cent) and England & Wales (35.1 per cent). Chiltern (29.3 per cent) and South Bucks (30 per cent) are significantly below the Buckinghamshire average.

- People of retirement age (65 and older) make up a smaller than average proportion of Buckinghamshire's population (15 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). The highest district level proportions for this age group are in South Bucks (17.6 per cent) and Chiltern (17.2 per cent).

Policy point 1.3.1
Buckinghamshire has a slightly higher proportion of people aged 45 and over than the rest of MKOB, contributing to an image of it being an 'old' county. As a result, there are likely to be more of the problems associated with an ageing workforce and a high ratio of retired to working age residents. However, it does have a large proportion of children aged 14 and under – particularly in Aylesbury Vale and Wycombe – which means that learning providers in the county need to ensure that there is adequate provision to meet their needs.

1.3.2 Ethnicity

Table 6: Ethnicity (Percentages)

	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
Buckinghamshire	92.1	1.3	4.6	1.3	0.7
Aylesbury Vale	94.1	1.2	3.1	1.1	0.6
Chiltern	95.5	1.1	2.5	0.3	0.7
South Bucks	93.4	1.2	4.0	0.4	1.0
Wycombe	87.9	1.6	7.6	2.4	0.6

Source: 2001 Census

Table 7: Ethnicity (Numbers)

	Total	All White	All Mixed	Asian or Asian British	Black or Black British	Chinese or Other
Buckinghamshire	479026	441335	6284	22113	6169	3125
Aylesbury Vale	165748	155887	1993	5159	1728	981
Chiltern	89228	85170	928	2246	289	595
South Bucks	61945	57848	760	2487	261	589
Wycombe	162105	142430	2603	12221	3891	960

Source: 2001 Census

- Buckinghamshire has a lower than average proportion of people from an ethnic minority background (7.9 per cent) compared with England (9.1 per cent), but is above the South East average (4.9 per cent) (tables 6 & 7).
- The largest ethnic minority group within Buckinghamshire comprises people of Asian or Asian British origin (4.6 per cent).
- Wycombe has a very different ethnicity profile compared with the rest of Buckinghamshire, with an ethnic minority population of 12.1 per cent – well above regional and national as well as county averages.
- The next highest proportion is to be found in South Bucks (6.6 per cent), while only 4.5 per cent of people in Chiltern are from an ethnic minority background.

Policy point 1.3.2
Wycombe'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 district's learning and skills profile.

1.3.3 Household income
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).

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.

Policy point 1.3.3
The household income data indicates that Buckinghamshire 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 Buckinghamshire 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
- The proportion of owner occupied households in Buckinghamshire has risen by just over 1 percentage point between 1991 and 2001 to 76.7 per cent (table 9). It is nearly 3 percentage points above the South East

average of 74 per cent, and nearly 8 above the England & Wales average of 68.9 per cent.

- All of the local authority districts are above the national average for owner occupation, with the highest levels being in Chiltern (79.5 per cent) and South Buckinghamshire (78 per cent). Both of these districts are in the top 60 (out of 376) for owner occupation in England & Wales, which is also indicative of the general levels of prosperity in those areas.
- The greatest increase between 1991 and 2001 came in Aylesbury Vale, where owner occupation increased by more than 3 percentage points. In Wycombe, the rate of owner occupation fell – albeit by only 0.1 of a percentage point – between 1991 and 2001, even though the absolute number increased.

Table 9: Number and percentage of owner occupied households

	1991		2001		
	Number	%	Number	%	Ranking[3]
Bucks	128,731	75.5	144,168	76.7	N/a
Aylesbury Vale	39,657	72.5	48,864	75.7	119
Chiltern	26,647	79.4	28,047	79.5	35
South Bucks	17,864	76.9	19,322	78.0	60
Wycombe	44,563	75.6	47,935	75.5	125
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

Policy point 1.3.4

The data on owner occupation tends to confirm Buckinghamshire's relative affluence. Even the district with the lowest proportion of owner occupied households – Wycombe – is above regional and national averages. The data on deprivation (see 1.3.6 below) will give a clearer picture of the pockets of relative deprivation that are to be found even in areas of affluence.

1.3.5 Unemployment

Claimant count unemployment (chart 2, next page) currently stands at 1.2 per cent in Buckinghamshire (as at August 2004), which is identical to the MKOB rate and below average compared with rates of 1.4 per cent in the South East and 2.2 per cent in the UK. Claimant count unemployment rates have fallen in all areas over the period August 2003 – August 2004, in the case of Buckinghamshire by 0.2 of a percentage point.

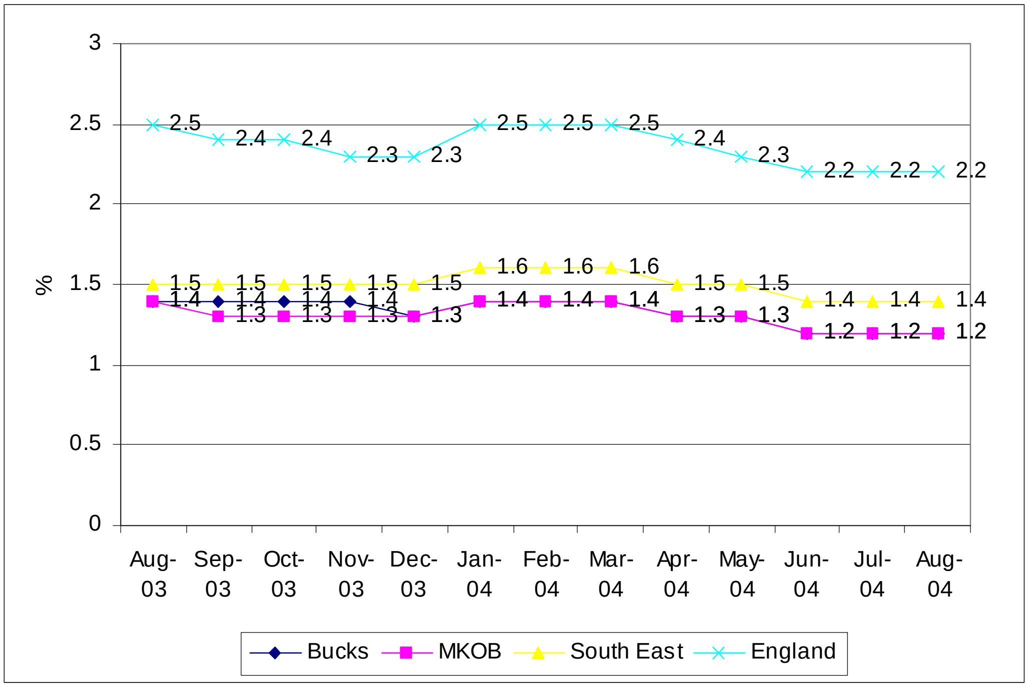
Policy point 1.3.5

The unemployment rate in Buckinghamshire remains below average compared with the South East and England, and has remained identical to the MKOB average in the course of 2004. The rate is very low at just over 1 per cent, and there is no lack of employment opportunities within the area, so it

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

seems unlikely that this will become an issue for the area in the foreseeable future.

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



Source: ONS October 2004

1.3.6 Indices of Deprivation (2004) in Buckinghamshire

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[4].

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 Buckinghamshire, 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 Buckinghamshire (out of 316 SOAs).

[4] 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

Table 10: Top ten most deprived SOAs in Buckinghamshire				
SOA name[5]	Local Authority name	Rank in England	Rank in MKOB	Rank in Buckinghamshire
Oakridge and Castlefield 06	Wycombe	6529	30	1
Chalfont Common 58	Chiltern	6980	34	2
Disraeli 57	Wycombe	8035	39	3
Quarrendon 07	Aylesbury Vale	9390	49	4
Oakridge and Castlefield 03	Wycombe	9486	52	5
Southcourt 12	Aylesbury Vale	9904	55	6
Totteridge 26	Wycombe	10307	56	7
Micklefield 02	Wycombe	10423	58	8
Southcourt 11	Aylesbury Vale	10805	61	9
Bowerdean 50	Wycombe	10947	63	10
Source: Indices of Deprivation (2004)				

None of Buckinghamshire's SOAs fall within the 20 per cent most deprived in England, although eight of those featured in table 10 are within the top third most deprived (table 10). Most of the SOAs listed are to be found in either High Wycombe or Aylesbury, which reflects the pattern of the findings of the ID2000 for Buckinghamshire. One key difference is the appearance on the list of an SOA from Chalfont Common in Chiltern district, which is largely due to it being the most employment deprived in MKOB.

To provide a context to the above, 212 of the SOAs in Buckinghamshire (67 per cent of the total) are within the 20 per cent least deprived SOAs in England. Of these, 33 SOAs (10 per cent of the Bucks total) are within the top one per cent least deprived in England, including one SOA in Haddenham (Aylesbury Vale) which is the sixth least deprived in England. This reflects the fact that although there are pockets of relative deprivation in Buckinghamshire, it is one of the most affluent and least deprived counties in England.

Policy point 1.3.6
Buckinghamshire has pockets of relative deprivation, principally affecting Aylesbury and Wycombe, and these need to be addressed by a targeted approach looking at the particular issues within those localities. The ID2004 has allowed for a more detailed analysis of data at the level of neighbourhoods i.e. SOAs, and this has helped to pinpoint areas suffering from particular difficulties, especially where they fall within otherwise affluent wards. This is true of Chalfont Common – only one of its SOAs appears on

[5] 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.

the list of most deprived, and the relative affluence of its other SOAs would have meant that these problems were hidden in a ward-level analysis.

1.3.7 District level summary of employment deprivation in Buckinghamshire

Table 11: Employment deprivation				
Local authority district	Number of employment deprived		Rank of employment scale	
	ID2000	ID2004	ID2000	ID2004
Aylesbury Vale	4,429	4,179	201	219
Chiltern	1,886	2,065	325	319
South Bucks	1,276	1,289	350	351
Wycombe	4,334	4,272	205	212
Least (Isles of Scilly)	33	32	354	354
Most (Birmingham)	84,679	91,123	1	1
Source: ID2000, ID2004				

'Employment deprived' people are defined as those who want to work but are unable to do so through unemployment, sickness or disability (table 11). To place the figures for Buckinghamshire in context, the district in 354th position (i.e. the least employment deprived) is the Isles of Scilly with just 33 people, while Birmingham is in 1st position with a total of 84,679. 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.

Aylesbury Vale and Wycombe have similar numbers of employment deprived people (4,179 and 4,272 respectively), ranking them both at just over 200 on this measure in England. Both have seen slight improvements in terms of both numbers and rankings since 2004. Chiltern and South Bucks are both in the least employment deprived decile in England – in fact, south Bucks is the fourth least employment deprived local authority district in England. However, both have also seen slight increases in the numbers of employment deprived people since 2000, and Chiltern's position on the rankings has worsened slightly (although it still remains emphatically one of the least deprived districts in England).

1.3.8 District level summary of income deprivation in Buckinghamshire
The indicators that determine income deprivation (table 12, next page) 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
Aylesbury Vale	18,390	9,834	189	206
Chiltern	7,678	4,347	325	322
South Bucks	5,572	3,323	348	343
Wycombe	20,656	12,707	161	152
Least (Isles of Scilly)	181	62	354	354
Most (Birmingham)	364,248	243,910	1	1

Source: ID2000, ID2004

All of Buckinghamshire's districts have higher numbers of people who are income deprived than are employment deprived, and all but one rank higher on the scale of income deprivation than they do on employment deprivation. However, the numbers of people affected are now much smaller – roughly 8,000 fewer people are income deprived in both Aylesbury Vale and Wycombe in 2004 compared with 2000, while the figure has fallen by considerable amounts in the other two 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, Wycombe still falls within the 50 per cent most income deprived districts, ranking 152nd in England – a worsening of its position since 2000. Aylesbury Vale is the next highest ranked at 206th (an improvement of 17 places), Chiltern is ranked at 322nd, while South Bucks is at 343rd. For the latter two, both have experienced a slight worsening in their relative position, but both are still within the least deprived decile for income deprivation.

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.

1.3.9 District level summary of average of SOA scores in Buckinghamshire

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[6] scores				
Local authority district	Average of ward/SOA scores		Rank of average of ward/SOA scores	
	ID2000	ID2004	ID2000	ID2004
Aylesbury Vale	11.57	8.48	292	328
Chiltern	6.26	6.07	350	351
South Bucks	7.58	7.55	339	334
Wycombe	12.33	9.61	284	310
Least (Hart, Hampshire)	4.43	4.70	354	354
Most in 2000 (Tower Hamlets)	61.34	45.36	1	4
Most in 2004 (Knowsley)	58.22	48.18	2	1
Source: ID2000, ID2004				

On this measure, all of the districts fall within the least deprived quartile, and Aylesbury Vale, Chiltern and South Bucks are within the least deprived decile (table 13). All but South Bucks have improved their relative positions since 2000, and Chiltern is the fourth 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). This indicates once again how little real deprivation there is within Buckinghamshire – particularly the south eastern corner of the county adjacent to London, which is among the most affluent areas in England.

Policy points 1.3.7- 1.3.9
Data on employment deprivation show that Buckinghamshire has very few people who fit into this category. Even in the case of income deprivation, the worst performing districts – Wycombe and Aylesbury Vale – do not fall within the worst performing half of local authorities. The average of ward scores gives an even better indication that Buckinghamshire is for the most part a very affluent county.

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

Section 2: 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[7]. Table 14 uses this data to identify the likely scope of Basic skills problems within Buckinghamshire.

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

	Number of adults with no qualifications	% of population	Number of adults with low qualifications	% of population
Buckinghamshire	73,600	21	128,900	37
MKOB	204,500	22	357,000	38
South East	1,379,000	24	2,367,000	41

Source: Census 2001

- An estimated 73,600 adults in Buckinghamshire 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 128,900 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[8]. 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 Buckinghamshire has below average proportions of people with no/low qualifications, there is no cause for complacency. Both the Census and Basic Skills Agency data show that a substantial minority of people have no qualifications and/or problems due to poor literacy and poor numeracy. MKOB has challenging targets to improve

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

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)				

<u>2.1.3 Basic skills by gender</u>

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.

<u>Policy point 2.1.3</u>
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.

<u>2.1.4 Basic skills by age</u>

- Nearly one quarter (23 per cent) of 16-24 year olds in Buckinghamshire have low or no qualifications, above average compared with MKOB overall (21 per cent), and identical to the South East average (table 16, next page).
- Looking at 25-49 year olds, less than one third (32 per cent) of this age group in Buckinghamshire 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 – 47 per cent in Buckinghamshire, 49 per cent in MKOB, and 52 per cent in the South East – have low or no qualifications.

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

	16-24 years	25-49 years	50-74 years	All aged 16-74
Buckinghamshire	23%	32%	47%	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)

Policy point

Buckinghamshire's position is better than LSC and regional averages for the older age groups, but there are still areas of concern regarding all of the age groups featured. The proportion of Buckinghamshire's 16-24 year olds with low or no qualifications is relatively high, especially when considering that the county has one of the highest post-16 learning participation rates in the country. Clearly, there is a significant minority of young people leaving school with few or no qualifications and then not participating in post-16 learning.

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[9] 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).

2.1.7 Basic skills problems by district in Buckinghamshire

- There is very little variation between districts over the proportions with no qualifications (Table 19 next page). Aylesbury Vale and Wycombe (both 22 per cent) are marginally above the Buckinghamshire average (21 per cent), but identical to the MKOB average and below the South East figure (24 per cent). However, the two districts combined account for more than two thirds of Buckinghamshire's population with no qualifications, although this probably has more to do with the size of each district's overall population than with the scale of the problem.

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

- Chiltern (18 per cent) has the lowest proportion of people with no qualifications, not just in Buckinghamshire but within the whole of MKOB.

Table 19: Numbers and proportions of Buckinghamshire local authority district populations (aged 16-74) without qualifications		
	Total with no qualifications	
	Number	Percentage
Aylesbury Vale	26,807	22
Chiltern	11,531	18
South Bucks	9,105	20
Wycombe	26,173	22
Buckinghamshire	73,616	21
MKOB	204,473	22
South East	1,379,247	24
Source: Census 2001		

Policy point 2.1.7
See 2.1.9 below.

2.1.8 Basic skills problems by ward in Buckinghamshire
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 Buckinghamshire – Oakridge and Castlefield in Wycombe, which has 2,142 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 areas within High Wycombe and Aylesbury, although the appearance of Chesham on this list shows that such problems can also appear in areas outside of the larger towns.

Policy points 2.1.7- 2.1.9
The problems of a lack of qualifications and basic skills are not felt to the same degree in Buckinghamshire as they are in other parts of MKOB. Even so, parts of the county – most notably in Aylesbury Vale and Wycombe – do have considerable numbers of people who lack qualifications and/or basic skills. It is therefore important to ensure that basic skills initiatives are targeted towards those areas that have the greatest need.

Table 20: Wards in Buckinghamshire with highest proportion of residents with poor literacy and numeracy

Ward	Sub-area	District	% with poor literacy	% with poor numeracy
Booker and Castlefield	High Wycombe	Wycombe	30.5%	32.3%
Southcourt	Aylesbury	Aylesbury Vale	30.4%	33.1%
Asheridge Vale	Chesham	Chiltern	29.8%	28.6%
Meadowcroft	Aylesbury	Aylesbury Vale	28.7%	31%
Oakridge and Tinkers Wood	High Wycombe	Wycombe	27.7%	27.7%

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

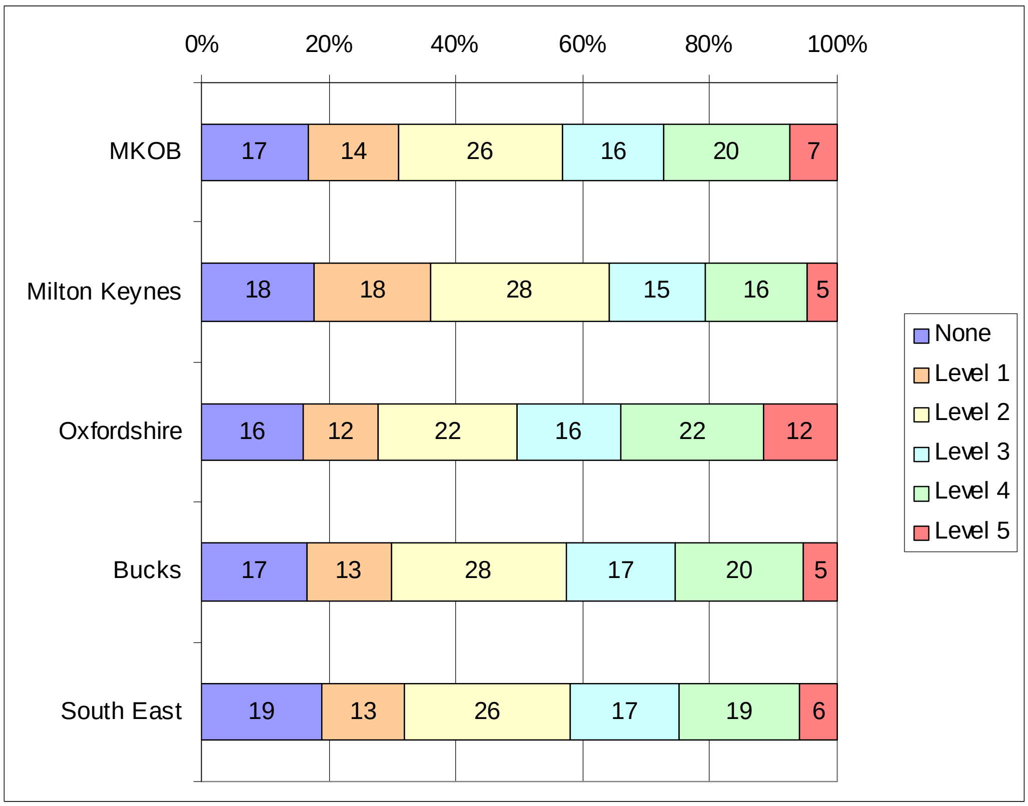
2.2 Skill levels in the population

2.2.1 Highest qualification held by NVQ equivalence

According to the 2003-04 Skills Audit (chart 3), less than one third (30 per cent) of people in Buckinghamshire have qualifications at NVQ level 1 or below, which is almost identical to the MKOB average (31 per cent) and that of the South East (32 per cent). Just over two fifths (42 per cent) is qualified to level 3 or above, which is equally close to the MKOB average (43 per cent) and identical to the South East average.

Policy point 2.2.1
See 2.2.3 below

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



Source: Skills Audit 2003-04

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.

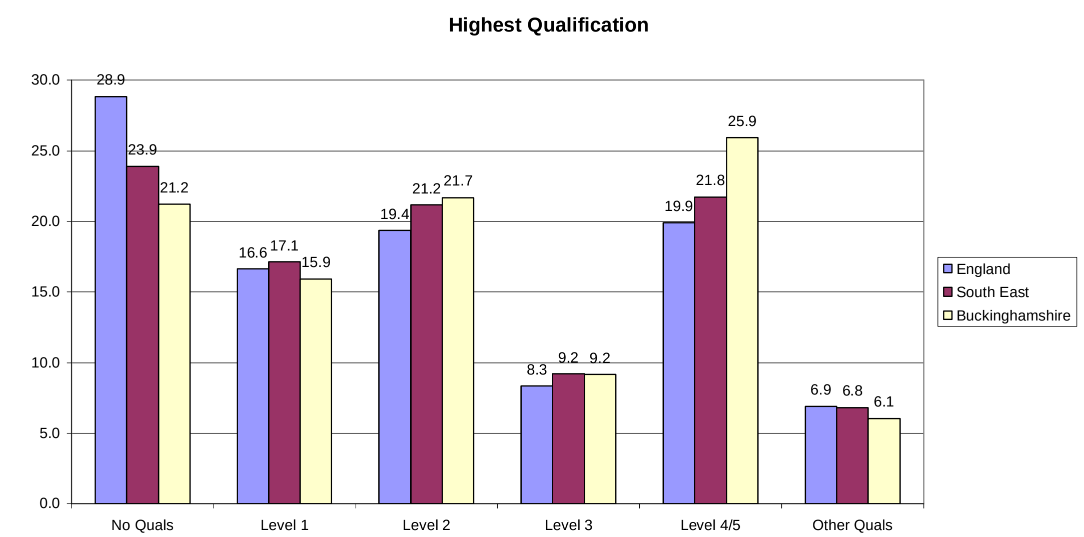
2.2.2 Comparison with Census data

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

Policy points 2.2.2
See 2.2.3 below

2.2.3 Qualification profile
Buckinghamshire has a higher than average qualification profile compared with both regional and national averages (chart 4). Even so, 37 per cent of Buckinghamshire'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, more than one third (35 per cent) are qualified to level 3 or above, compared with 31 per cent regionally and 28 per cent nationally.

Chart 4: Highest Qualification by NVQ Equivalence in Buckinghamshire, the South East and England (Percentages)



Source: 2001 Census

Chiltern has the best qualified population among the local authority districts in Buckinghamshire (table 21, next page). Nearly one third (31.3 per cent) of the district's population is qualified to level 4/5 and above, and more than two-fifths (41.2 per cent) is at level 3 and above. South Bucks (37.5 per cent) is also above the county average (35.1 per cent) for the proportion of people with level 3 and above. The lowest qualified district is Aylesbury Vale, where less than a third (31.2 per cent) of the district's population is qualified to level 3 and above, while more than two-fifths (40.3 per cent) has low or no qualifications.

Table 21: Highest Qualification by Local Authority (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
Buckinghamshire	21.2	15.9	21.7	9.2	25.9	6.1
Aylesbury Vale	22.3	18.0	22.2	8.4	22.8	6.4
Chiltern	18.0	13.4	21.8	9.9	31.3	5.7
South Bucks	20.5	14.3	21.5	8.9	28.6	6.3
Wycombe	22.2	15.9	21.2	9.7	25.1	5.9

Source: 2001 Census

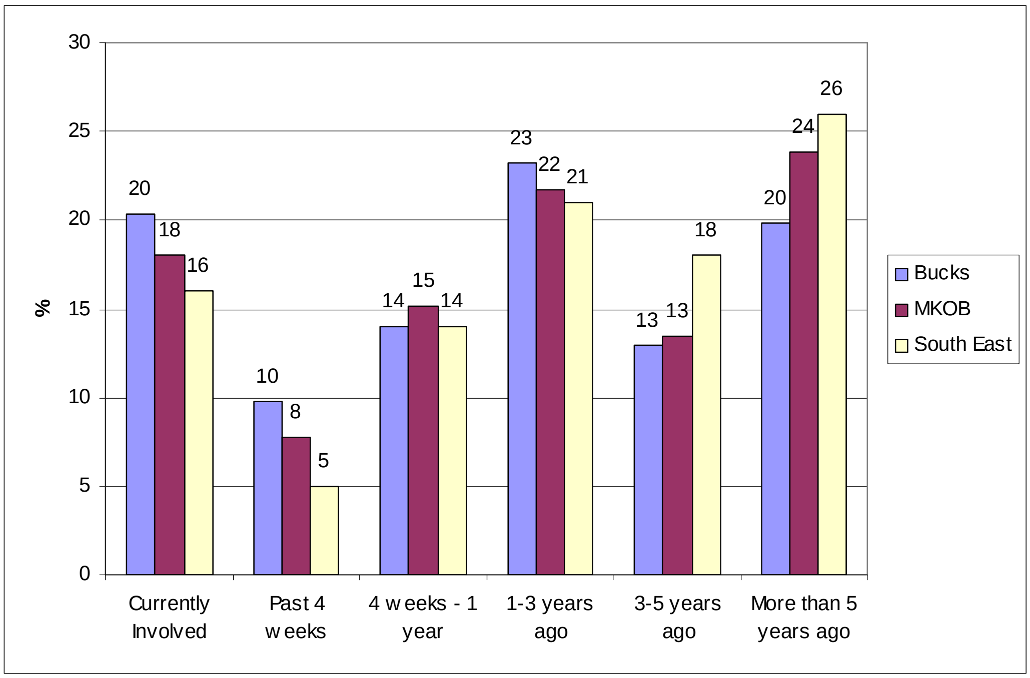
Policy points 2.2.1-2.2.3

Buckinghamshire's population is well qualified compared with the South East average, and has a similar qualification profile to the MKOB average. However, this should not obscure the fact that a substantial minority of the county's population has qualifications at below level 2 equivalence. This is particularly true of Aylesbury Vale, which indicates that this is an area which needs targeting in order to improve skill levels.

2.3 Participation

- Just over two fifths (44 per cent) of people in Buckinghamshire have undertaken learning in the past year, or are currently undertaking learning (chart 5). This is slightly above average compared with MKOB (41 per cent), and well above the South East average (35 per cent).
- Nearly one in three (30 per cent) of Buckinghamshire respondents are currently involved in learning or have learned in the past 4 weeks, compared with 26 per cent for MKOB, and 21 per cent for the South East.
- Regarding the proportion who last learned more than 3 years ago, Buckinghamshire (33 per cent) is below average compared with MKOB (37 per cent), and both are well below the South East average (44 per cent).

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



Source: Skills Audit 2003-04

Policy point 2.3

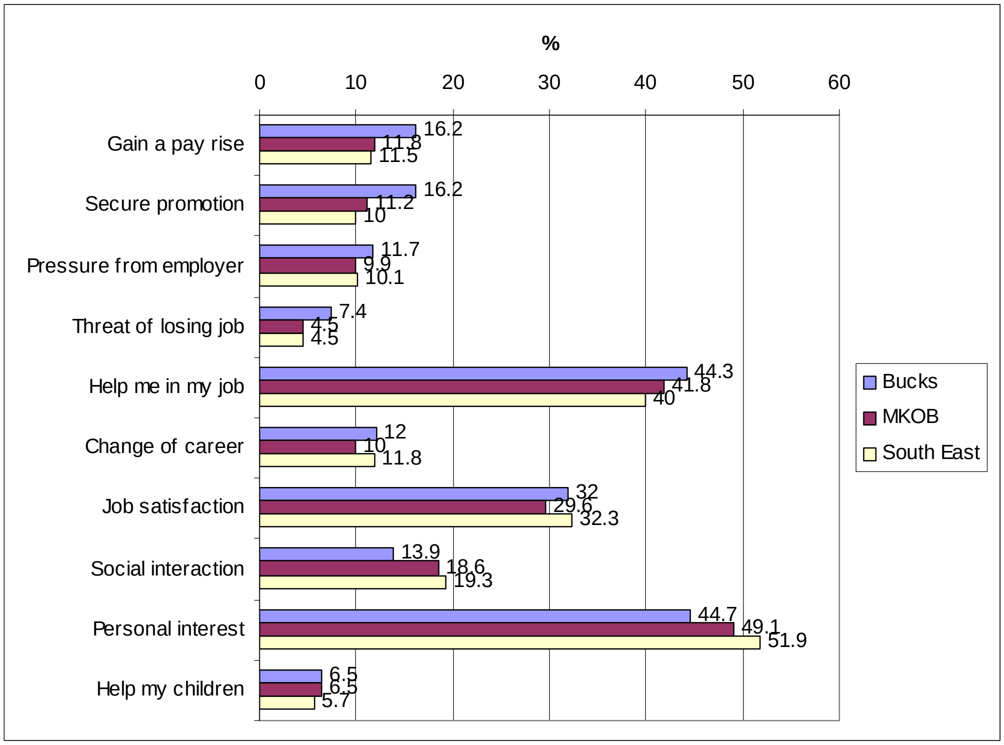
As befits a relatively well-qualified area, Buckinghamshire shows good levels of participation in learning. In spite of this, there is still a significant hard core of one third of people who are non-learners who have not been involved in learning for over three years. It is important that this group is encouraged and enabled to participate in learning in order to ensure that a learning-poor ‘underclass’ is not allowed to develop.

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 Buckinghamshire compared with MKOB and the South East



Source: Skills Audit 2003-04

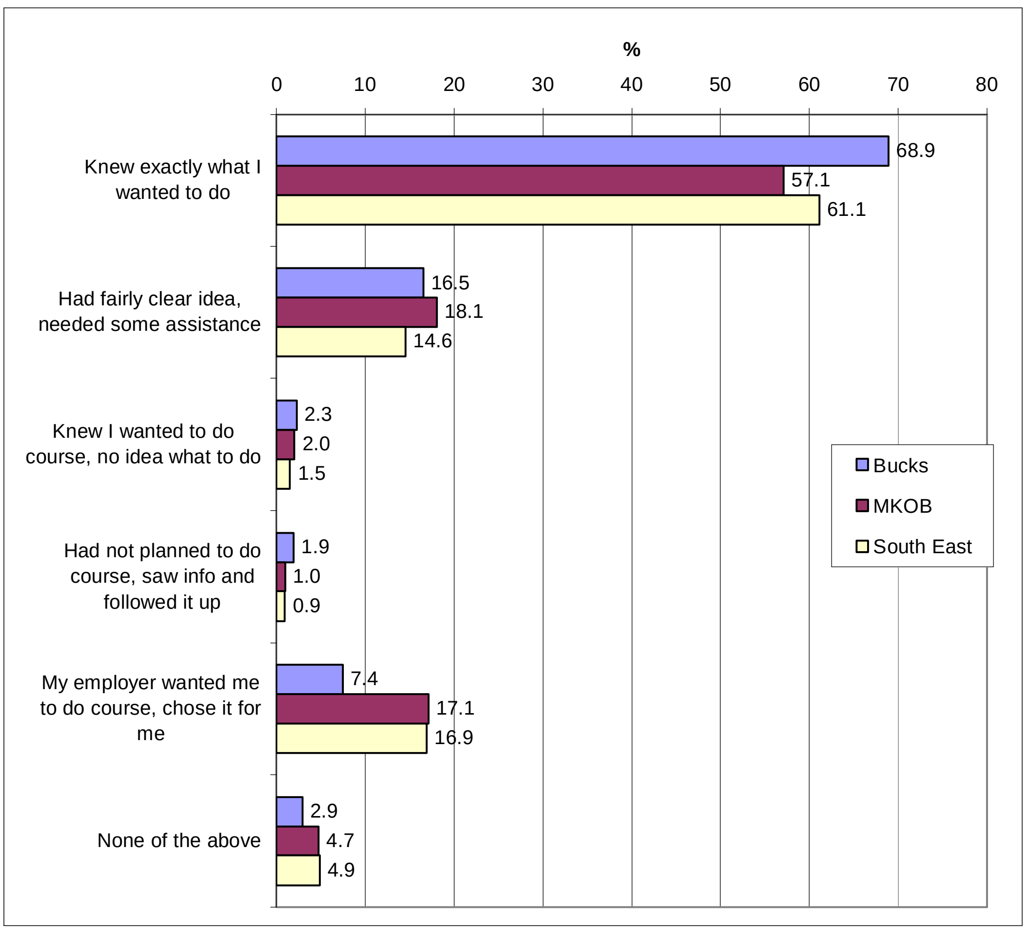
- More than two-fifths (44.7 per cent) of Buckinghamshire respondents cited personal interest as being a major influence, well below average for both MKOB (49.1 per cent) and the South East (51.9 per cent). However, a similar proportion (44.3 per cent) said that learning helping them in their job significantly influenced their decision, slightly more than the average for both MKOB (41.8 per cent) and the South East (40 per cent).
- The third most popular influence was job satisfaction, cited by nearly one third (32 per cent), and again this was above average compared with MKOB (29.6 per cent), although slightly below the South East average (32.3 per cent). In most cases, people in Buckinghamshire were more likely to cite the reasons listed as influences than the MKOB and South East averages, one notable exception being social interaction (13.9 per cent compared with 18.6 per cent and 19.3 per cent).
- Overall, Buckinghamshire respondents tended to view job-related influences as being more significant than the average for MKOB and the South East. These included positive factors such as gaining a pay rise or

securing promotion (both 16.2 per cent, compared with 11.8 per cent and 11.2 per cent for MKOB, and 11.5 per cent and 10 per cent for the South East). However, there were also negative reasons, namely pressure from employer (11.7 per cent compared with 9.9 per cent for MKOB and 10.1 per cent for the South East), and the threat of losing their job (7.4 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 people in learning in Buckinghamshire tend to learn for job-related reasons. They are less likely than average to be learning because of less tangible benefits such as personal interest and social interaction. Although most of the job-related factors are positive – e.g. to help in the job, job satisfaction – pressure from their employer and the threat of losing jobs does play a part. In other words, people tend not to believe in learning for learning's sake, but instead see it as a means to an end. Arguably, this could be because the message that 'learning pays' has been understood to a greater degree in Buckinghamshire than it has in other parts of MKOB and the South East.

2.4.2 How people choose their learning activity

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



Source: Skills Audit 2003-04

- Chart 7 (previous page) shows that the majority of people know exactly what they want to do before undertaking learning activity. This applies to more than two-thirds in Buckinghamshire (68.9 per cent), compared with about three-fifths in MKOB (57.1 per cent) and the South East (61.1 per cent).
- Less than one in ten people in Buckinghamshire (7.4 per cent) had their course chosen for them at their employer's request. This is well below average compared with both MKOB (17.1 per cent) and the South East (16.9 per cent).

Policy point 2.4.2
As shown in 2.4.1, learners in Buckinghamshire tend to look at learning in terms of the tangible financial benefits it can bring. In this context, it is not surprising that an above average proportion of people in the county know exactly what learning they want to do. What was surprising was that such a small proportion had their course chosen for them by their employer, given that a higher proportion of people than average in Buckinghamshire cite pressure from their employer as a reason for learning (see 2.4.1).

2.4.3 What learning is currently/most recently undertaken

Table 22: Most recent learning in Buckinghamshire by subject type compared with MKOB and the South East (percentages)

Subject type	Bucks	MKOB	South East
Business admin/management/professional	18.3	15.8	13.9
ICT	17.2	19.9	17.0
Health/social care/public services	14.4	12.1	12.4
English/languages/communications	8.6	8.3	6.3
Other	5.7	5.3	3.9
Science/maths	5.5	5.9	6.6
Engineering/technology/manufacturing	5.2	5.9	4.8
Visual & performing arts/media	5.0	5.0	3.9
Hospitality/sports/leisure/travel	5.0	3.8	2.9
Humanities	3.4	6.2	4.3
Retailing/customer service/transport	3.1	3.6	2.8
Construction	3.1	2.7	2.5
Foundation programmes	2.3	2.3	1.2
Hairdressing/beauty therapy	2.1	1.6	1.3
Land-based provision	0.5	0.6	0.8
Refused	0.5	1.1	0.8

Source: Skills Audit 2003-04

- Table 22 illustrates that the most popular subjects in Buckinghamshire are Business admin/management/professional (18.3 per cent), ICT (17.2 per cent), and Health/social care/public services (14.4 per cent).

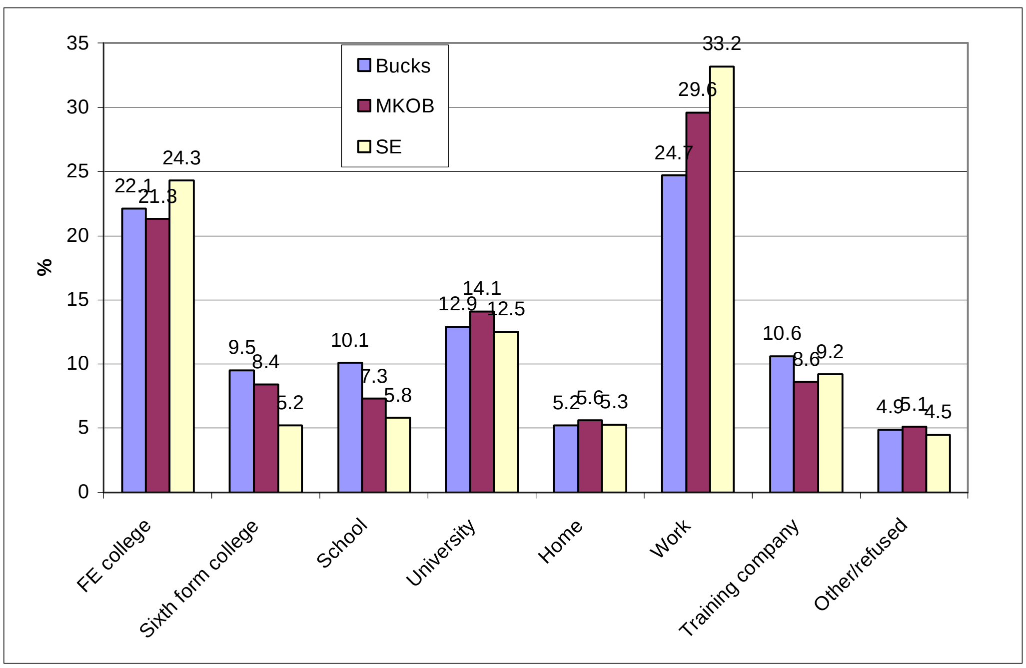
- For Business admin etc and Health etc, the proportion undertaking these courses is above average compared with MKOB (15.8 per cent and 12.1 per cent respectively) and the South East (13.9 per cent and 12.4 per cent respectively).
- By contrast, ICT is less popular in Buckinghamshire than in MKOB (19.9 per cent), although it is very similar to the South East average (17 per cent).

Policy point 2.4.3

The greater than average emphasis on Business admin etc. based learning suggests that a considerable part of what is taking place is geared towards the immediate needs of employers. However, it also indicates that people are seeking to improve their professional qualifications, a point that certainly ties in with the findings of 2.4.1 above. Health/social care/public services courses are also more popular than average in Buckinghamshire, perhaps as a result of the need for social care staff to gain qualifications to meet the needs of legislation.

2.4.4 Where learning takes place

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



Source: Skills Audit 2003-04

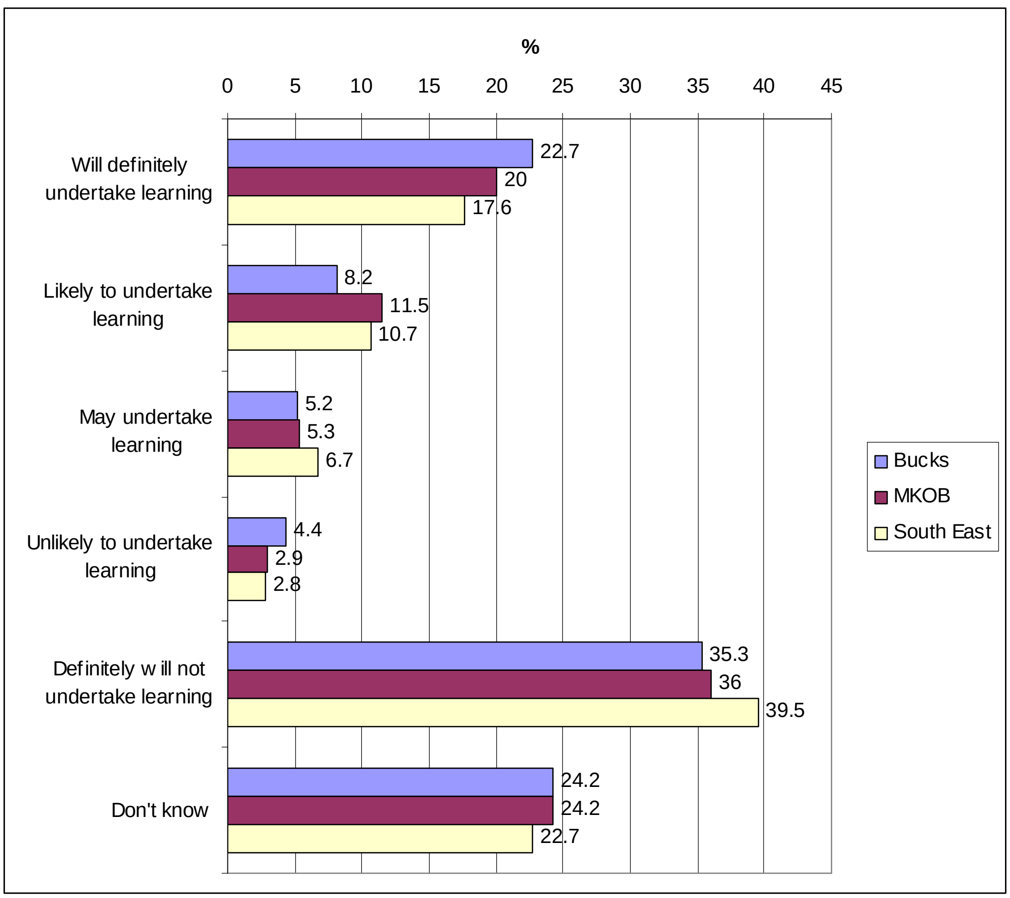
- When asked where their learning had taken/was taking place, nearly a quarter (24.7 per cent) of Buckinghamshire respondents mentioned their work place (chart 8). Although the largest single category, this was below average compared with the MKOB area as a whole (29.6 per cent) and the South East (33.2 per cent).

- FE colleges were the next most popular sites, mentioned by 22.1 per cent of Buckinghamshire respondents, which was slightly above average compared with MKOB (21.3 per cent), but below the South East (24.3 per cent).
- A total of 12.9 per cent of Buckinghamshire respondents used universities, making them the third most popular sites, although this was below average compared with MKOB (14.1 per cent – probably skewed by the impact of Oxfordshire) but similar to the South East (12.5 per cent).
- Two further venues for learning which were more popular in Buckinghamshire than the rest of MKOB and the South East are training companies (10.6 per cent compared with 8.6 per cent and 9.2 per cent) and schools (10.1 per cent compared with 7.3 per cent and 5.8 per cent).

Policy point 2.4.4
Although the highest proportion of learning does take place at work, this is much less significant in Buckinghamshire than in the rest of MKOB and the South East. Learning does seem to be more evenly spread across a range of sites than is the case for people in the rest of MKOB and the South East.

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

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



Source: Skills Audit 2003-04

- Less than one third (30.9 per cent) of respondents in Buckinghamshire say that they will definitely or are likely to undertake learning in the next 12 months (chart 9, previous page). This is slightly below the average for MKOB (31.5 per cent), but above that for the South East (28.3 per cent).
- However, nearly two-fifths (39.7 per cent) say that they are unlikely to or definitely will not undertake learning, which is above average compared with MKOB (38.9 per cent) but below the South East average (42.3 per cent).
- Just under a quarter (24.2 per cent) of people in Buckinghamshire responded 'Don't know' to this question, identical to the MKOB average and slightly above that of the South East (22.7 per cent). This factor needs to be taken into account when looking at the other responses to this question.

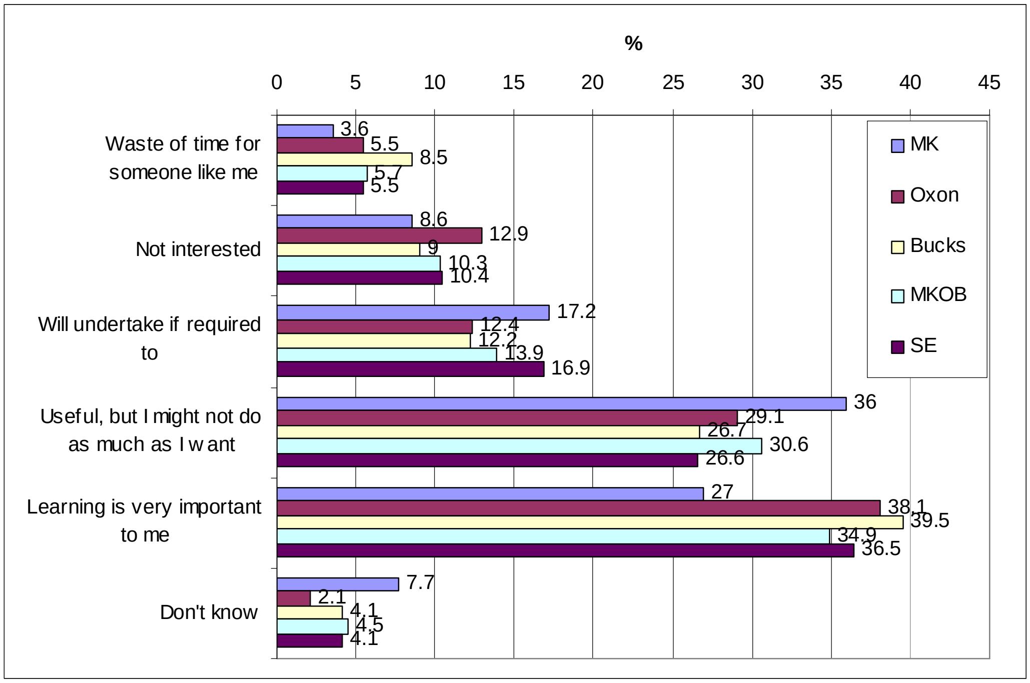
Policy point 2.4.5
The proportion of people who definitely will not undertake learning is very similar to the proportion who have not been involved in learning in the last 3 years (see 2.3 above), and it is likely that there is considerable overlap between the two. As indicated in 2.3 above, there is a need to encourage and enable people in this group to see the benefits of learning and to become involved in it.

2.4.6 Attitudes to learning

- Nearly two-fifths (39.5 per cent) of people in Buckinghamshire 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, Buckinghamshire (26.7 per cent) is below the MKOB average (30.6 per cent) although nearly identical to the South East average (26.6 per cent).
- Additionally, a higher than average proportion of Buckinghamshire respondents say they are not interested or regard learning as a waste of time (17.5 per cent) compared with MKOB (16 per cent) and the South East (both about 16 per cent).

Policy point 2.4.6
These findings further illustrate the points made about there being a significant minority of people who are not convinced of the benefits of 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.

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



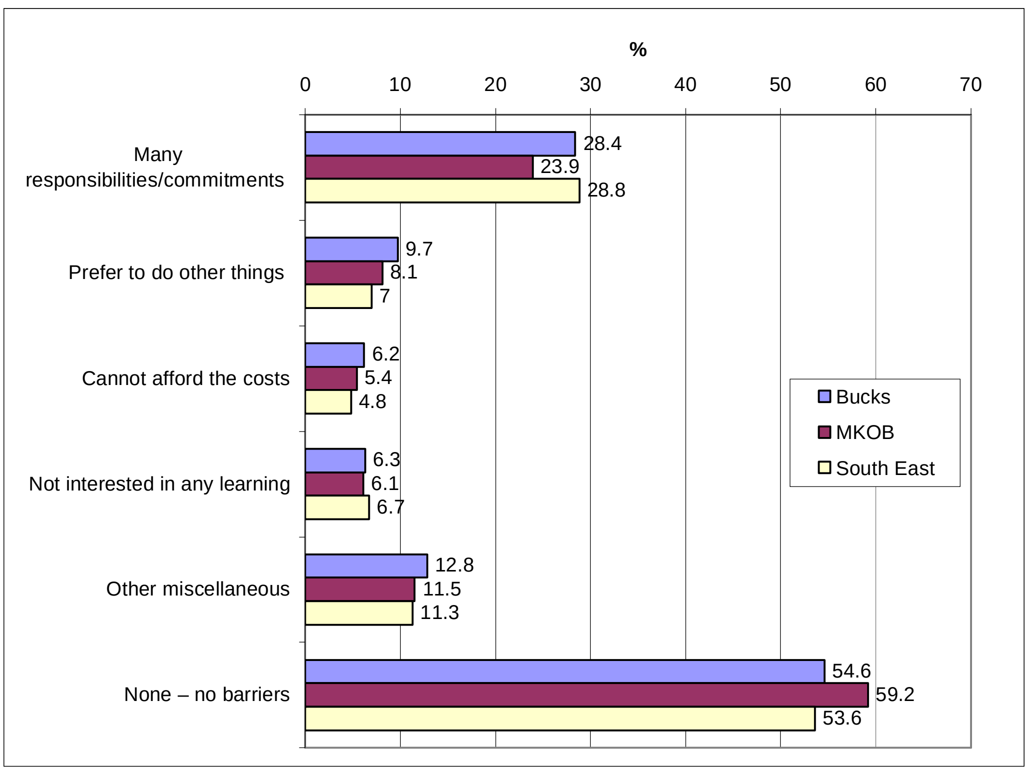
Source: Skills Audit 2003-04

2.5 Barriers to learning

2.5.1 What are the types of barriers in existence?

- More than half (54.6 per cent) of respondents in Buckinghamshire say that there are no barriers to them undertaking learning (chart 11). This is below average compared with MKOB (59.2 per cent) but above the South East average (53.6 per cent).
- Of those people reporting barriers, the key issue is many responsibilities or commitments that take up their time, cited by more than a quarter (28.4 per cent) of Buckinghamshire respondents. This figure is above the MKOB average (23.9 per cent) and close to the South East figure (28.8 per cent).
- Buckinghamshire also has slightly higher than average proportions of people who say they prefer to do other things (9.7 per cent compared with 8.1 per cent for MKOB and 7 per cent for the South East), and who say they cannot afford the costs (6.2 per cent compared with 5.4 per cent and 4.8 per cent). However, these differences are fairly marginal.

Chart 11: Main barriers to learning in learning in Buckinghamshire 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

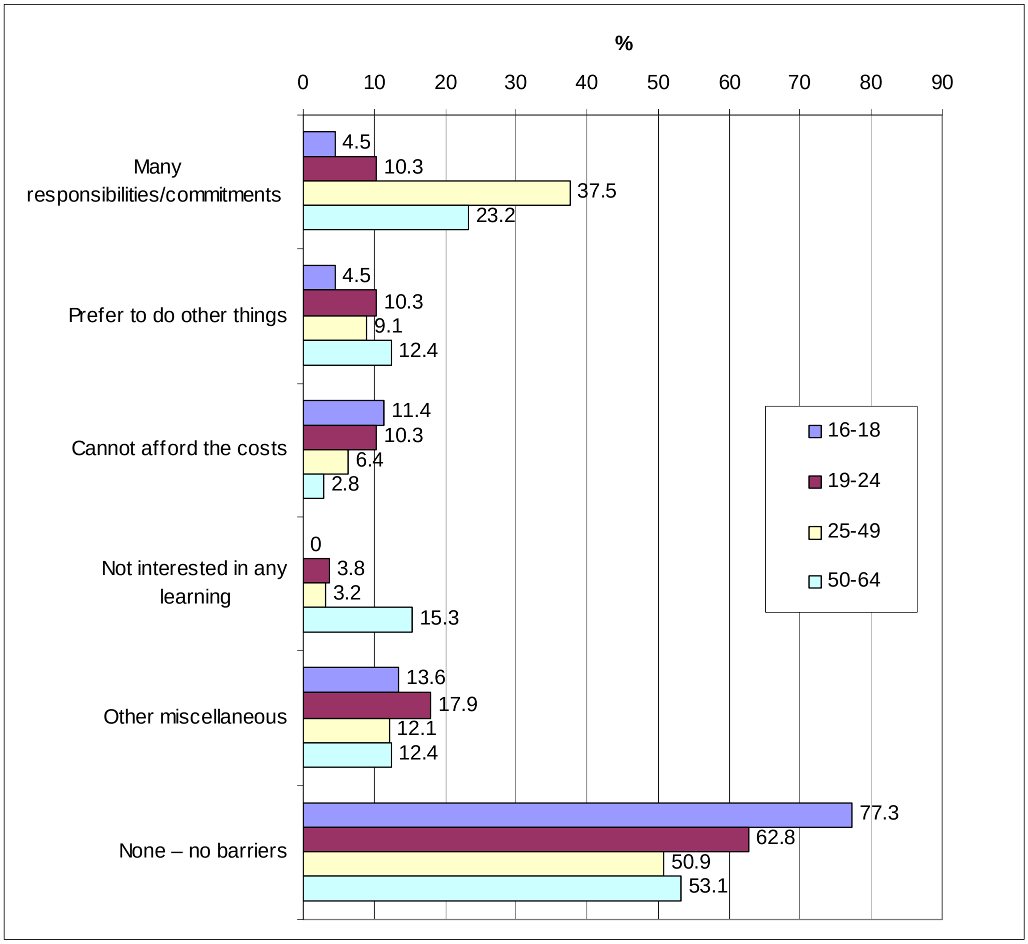
Buckinghamshire is above average for most of the barriers to learning listed, and below the MKOB (but not the South East) averages for having no barriers to learning. However, the question remains that if more than half of people see no barriers to being involved in learning, why are participation levels 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 (next page) shows, there are some significant variations in barriers to learning by age group. The group with the least barriers of any kind is 16-18 year olds – nearly four in five (77.3 per cent) of this group report no barriers to learning, with the highest proportion for any barrier being 13.6 per cent for other miscellaneous barriers.
- More than three-fifths (62.8 per cent) of people aged 19-24 years old say that they have no barriers to learning, which is above average compared with Buckinghamshire overall. This age group is also more likely than average to mention other miscellaneous barriers (17.9 per cent), although it is well below average in terms of citing responsibilities or commitments as barriers (10.3 per cent).
- Just over half (50.9 per cent) of people aged 25-49 report no barriers to learning, which is slightly below the Buckinghamshire average. The main barrier for this age group is responsibilities or commitments – nearly two-fifths (37.5 per cent) describe this as a barrier, more than seven percentage points above the Buckinghamshire average.
- More than half (53.1 per cent) of people aged 50-64 report no barriers to learning. The proportion of people who say they have responsibilities or commitments is below average, but this still accounts for nearly one in four (23.2 per cent) of people. This age group is also above average for proportions saying they are not interested in learning (15.3 per cent) and preferring to do other things (12.4 per cent).

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, but a significant proportion say they are not interested in learning or prefer to do other things, so more work needs to be done to help this group overcome these barriers and become enthused about learning.

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



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

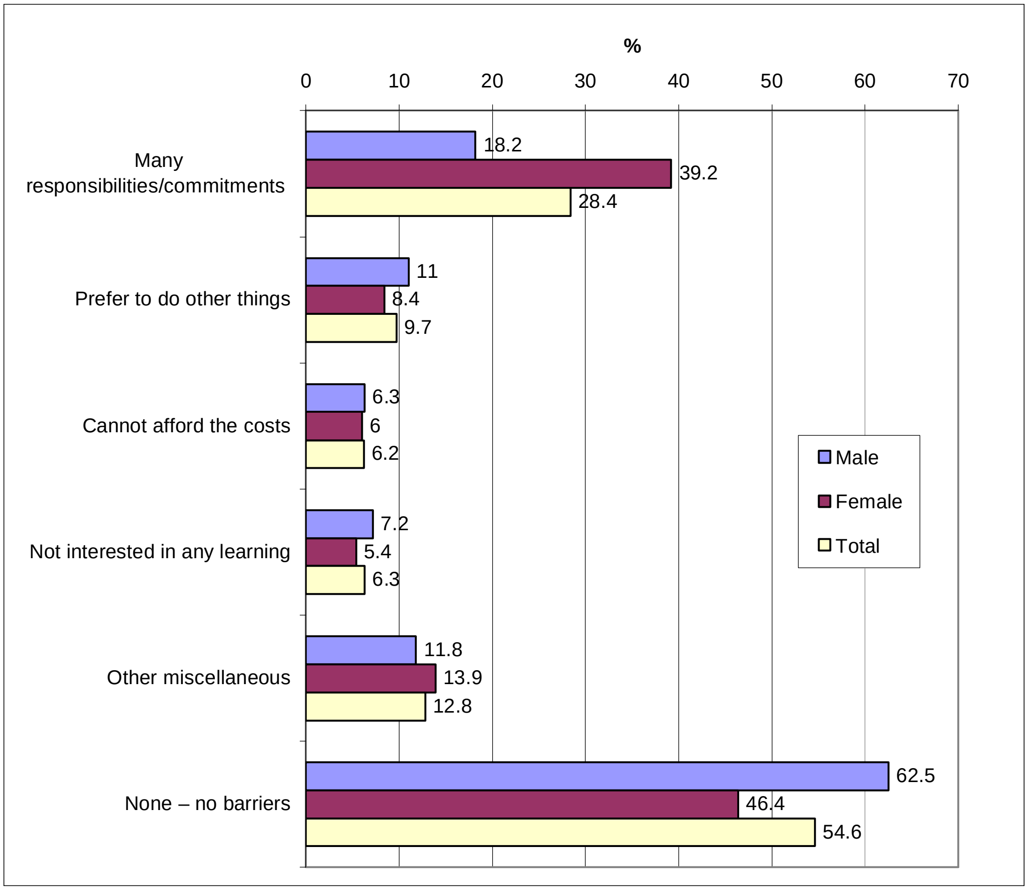
2.5.3 Barriers to learning by gender

There is significant variation in the reporting of certain key barriers by gender as might be expected (chart 13, next page). Women are more likely than men to have responsibilities or commitments that prevent them from engaging in learning (39.2 per cent compared with 18.2 per cent), while men are much more likely than women to say that there are no barriers to learning (62.5 per cent compared with 46.4 per cent). Other differences are too marginal to be of any significance.

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.*

Chart 13: Main barriers to learning in Buckinghamshire by gender



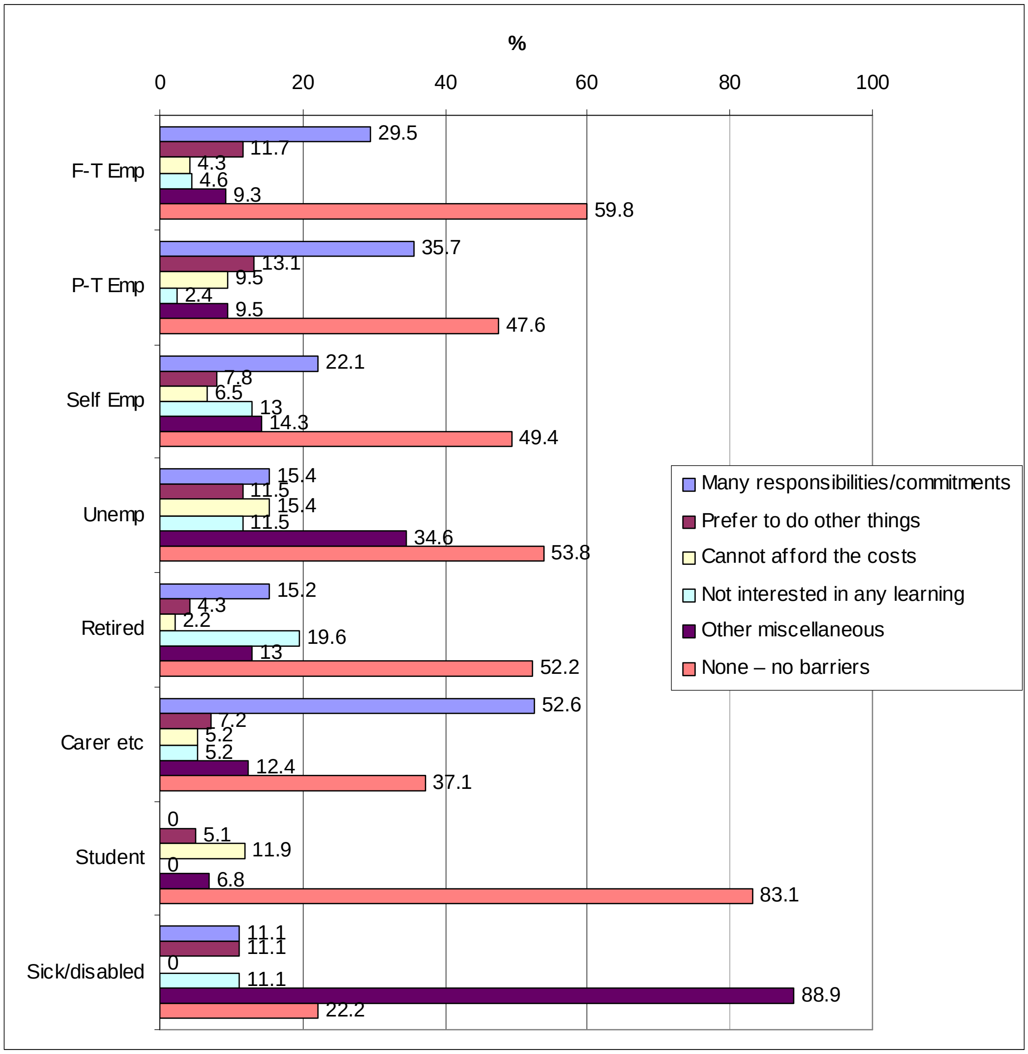
Source: Skills Audit 2003-04 (NB Multiple response so totals may not sum to 100)

<u>2.5.4 Barriers to learning by employment status</u>

- As chart 14 (next page) shows, there are significant variations in barriers to learning according to employment status. Not surprisingly, responsibilities and commitments are most likely to feature as a barrier for people caring for children or the elderly (52.6 per cent). It is also a key barrier for part-time workers, cited by nearly two-fifths (35.7 per cent) – again not surprisingly since this group is predominantly female.
- As might be expected, the vast majority (83.1 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. The other group which is above average in this respect is full-time employed people (59.8 per cent). Those groups least likely to say they have no barriers are the sick or disabled (22.2 per cent) and carers etc (37.1 per cent).

- Other miscellaneous reasons were given by more than nine in ten (88.9 per cent) of sick or disabled people, and more than one third (34.6 per cent) of unemployed people.

Chart 14: Main barriers to learning in Buckinghamshire 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)

<u>Policy point 2.5.4</u>
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 Buckinghamshire

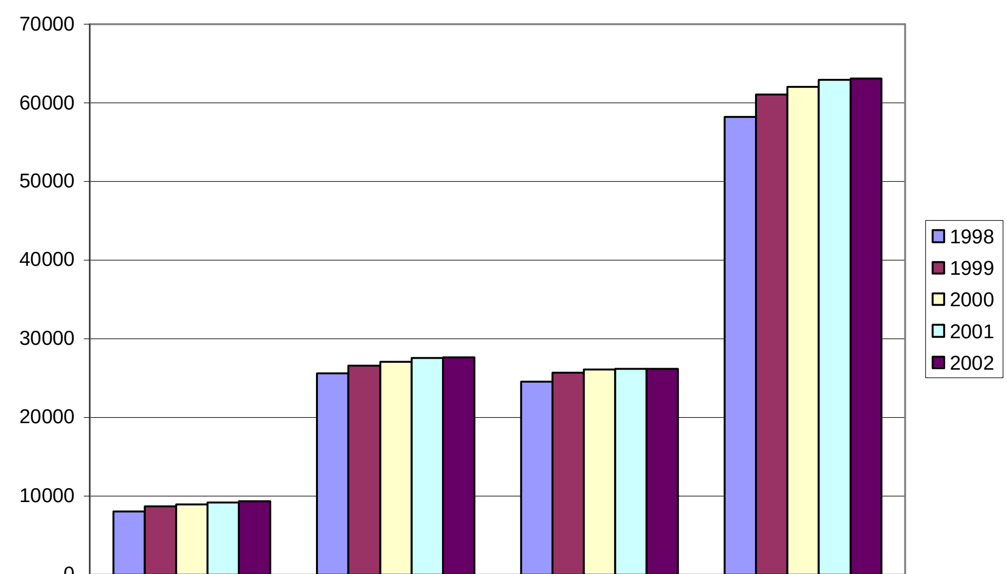
Public sector employers – particularly in Health and Education – feature strongly among the largest employers in Buckinghamshire. Other than this, there is a range of sectors represented, including Printing and publishing, Manufacturing, Retail and Wholesale distribution, Logistics and Business services.

Policy point 3.1.1

As with most areas, public sector employers dominate the list of large employers. Interestingly, many of the largest employers are based in the High Wycombe area – this perhaps reflects both the town's relatively large size and its proximity to the motorway network via the M40 and the M25.

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

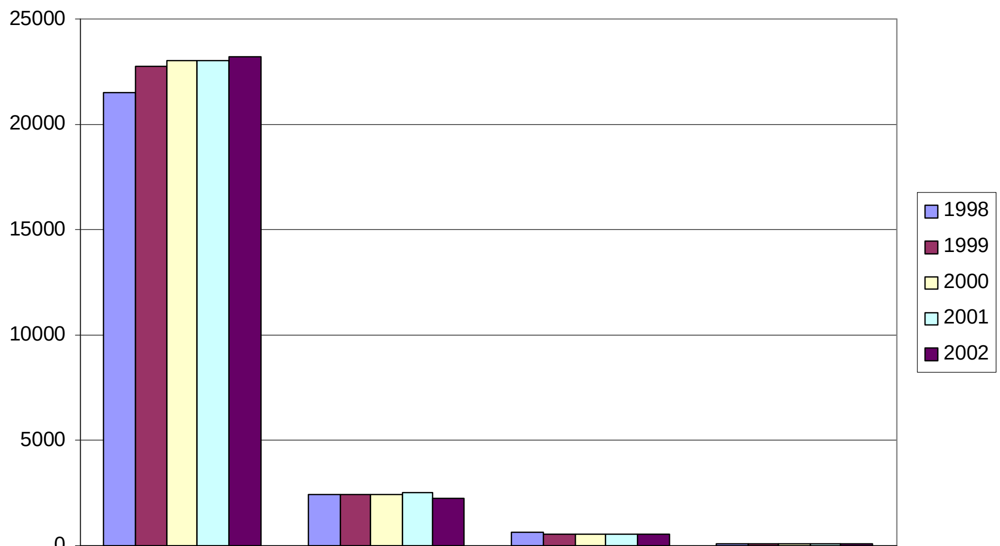
Source: Annual Business Inquiry 1998-2002

The overall number of employers in Buckinghamshire increased by 1,555 between 1998 and 2002, or 6.3 per cent (chart 15, previous page). This was below the average rate of increase for the MKOB area of 8.4 per cent, and meant that the county had the lowest rate of increase for the number of businesses in the MKOB area.

<u>Policy point 3.1.2</u>
The fact that Buckinghamshire's rate of growth in its overall employer base is below the MKOB average is partly due to the influence of Milton Keynes, which has experienced exceptional rates of growth, and Oxfordshire, whose rate of growth was more modest but involved many more employers. If Buckinghamshire's 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).

<u>3.1.3 Employers by size</u>

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



	1-10 employees	11-49 employees	50-199 employees	200 or more employees
1998	21494	2392	589	117
1999	22734	2370	520	121
2000	23019	2380	566	117
2001	22992	2460	568	113
2002	23208	2268	561	110

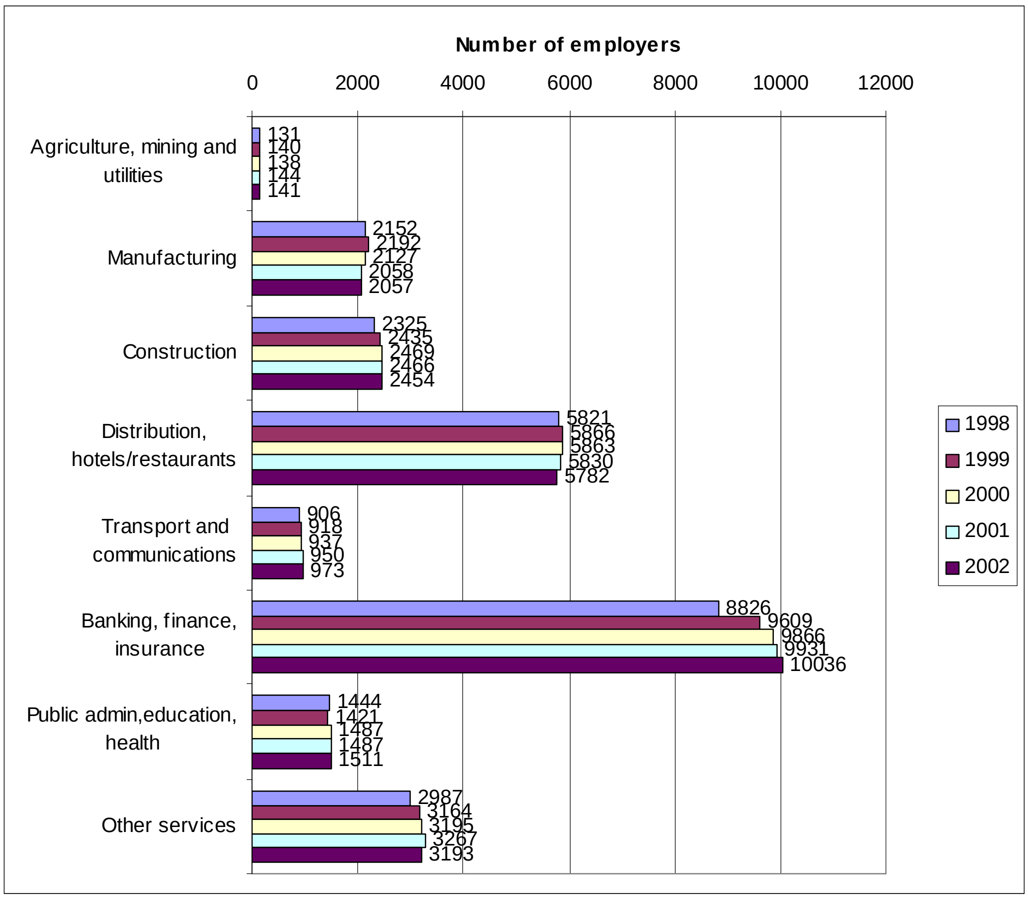
Source: Annual Business Inquiry 1998-2002

Employers with 1-10 employees make up 88.8 per cent of the Buckinghamshire employer population, above the MKOB average (86.2 per cent) for this sizeband (chart 16). The number of employers in this category increased by 1,714 or 8 per cent, above the average for all employers (6.3 per cent). By contrast, there were net falls for all other size categories: 124 (-5.2 per cent) for those with 11-49 employees, mainly due to a sharp fall between 2001 and 2002; 28 (-4.8 per cent) for employers with 50-199 employees; and 7 (-6 per cent) for those with over 100 employees.

<u>Policy point 3.1.3</u>
Small businesses are even more significant in terms of numbers in Buckinghamshire than they are in other parts of MKOB, and they also provide all of the growth in numbers. 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

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



Source: Annual Business Inquiry 1998-2002

Most sectors saw very little change in the number of employers over the period 1998-2002 (chart 17), while the Distribution, hotels and restaurants and Manufacturing sectors experienced small net decreases. The largest increase in employers came in the Banking, finance and insurance sector, where the number rose from 8,826 to 10,036 (13.7 per cent), which means that this sector represents 38.4 per cent of employers in Bucks. The Other services[10] sector also saw a notable net increase between 1998 and 2002, from 2,987 to 3,193, although this included a small decrease between 2001 and 2002.

Policy point 3.1.4
As with other areas, Banking, finance and insurance is the largest sector in terms of employers in Buckinghamshire, and has enjoyed growth of more than 10 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.

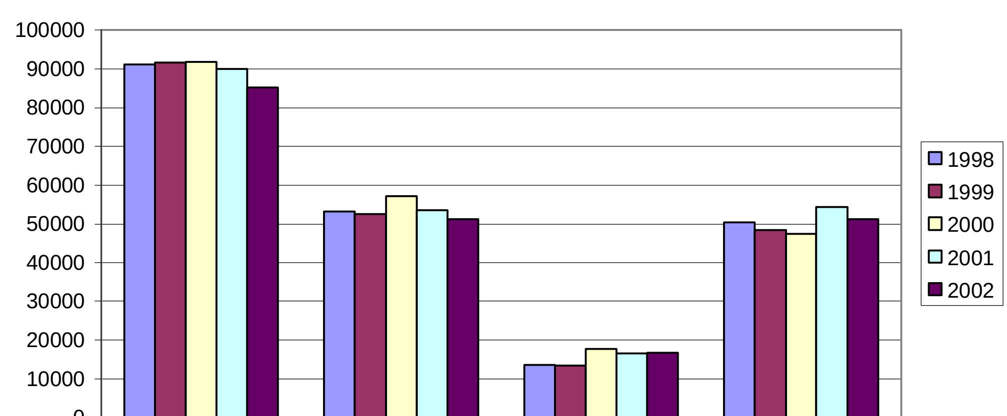
[10] Includes Sewage and refuse disposal; Business, professional, trade union, political and other membership organisations; Recreation, cultural and sporting activities (e.g. film and video, radio and t.v., sport and leisure facilities); Other activities including hairdressers and funeral directors.

3.2 Profile of employees[11]

3.2.1 Employees by full-time/part-time

- Male full-time employment fell by 5,886 (6.5 per cent) overall between 1998 and 2001, all of which was a result of a fall between 2000 and 2002 (chart 18).
- Female full-time employment also showed a net decrease, in this case of 1,917 people (3.6 per cent). The overall change included a sharp rise in 2000, but it was followed by similarly sharp falls in 2001 and 2002.
- Male part-time employment showed a significant net increase of 3,133 (23 per cent) over the period 1998-2002, which might have been even greater but for a decrease between 2000 and 2001.
- Female part-time employment appeared to fall back in both 1999 and 2000 before rising very sharply in 2001 and then falling again in 2002 to give an overall increase for the period of 851 (1.7 per cent). However, sampling error may have played a part in these erratic apparent changes.

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



	Male f/t	Female f/t	Male p/t	Female p/t
1998	91167	53219	13603	50451
1999	91590	52533	13491	48383
2000	91884	57176	17704	47515
2001	89930	53639	16511	54339
2002	85281	51302	16736	51302

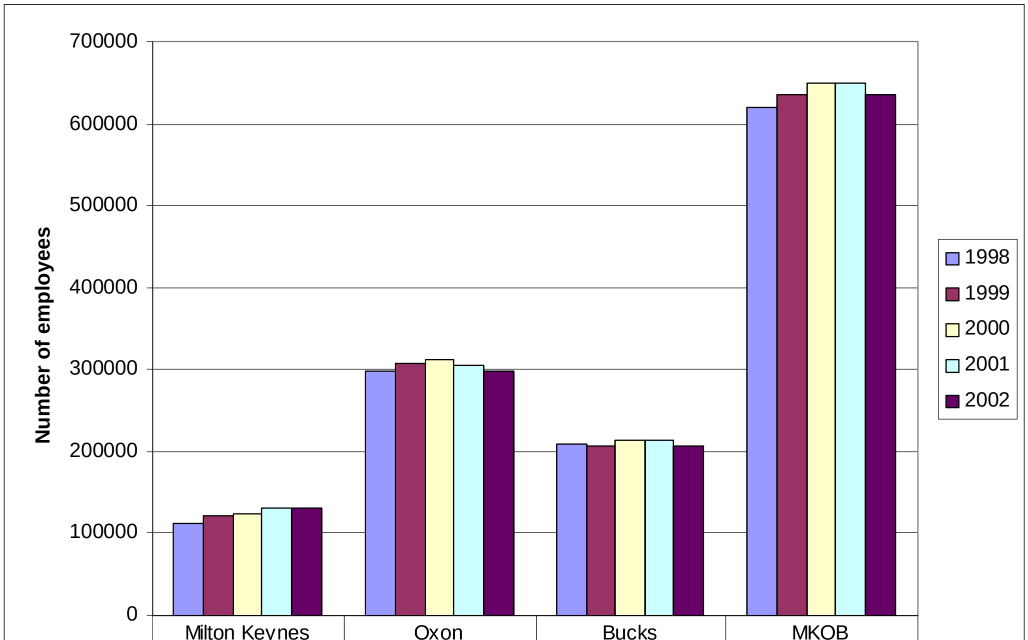
Source: Annual Business Inquiry 1998-2002

[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 Buckinghamshire area i.e. it will include people who work in Buckinghamshire but live outside. The LFS is a residence-based survey i.e. it will only include people who live in Buckinghamshire, irrespective of where they might work. Data from the two surveys will therefore not correspond.

<u>Policy point 3.2.1</u>
The most notable change has been in male employment, with a clear trend from full-time to part-time working apparent over the period 1998-2002. The change in female employment has been more erratic, with a net fall in full-time employment and only a small rise in part-time employment. This tends to contradict recent trends both locally and nationally which have seen strong growth in female employment generally, and female full-time employment in particular.

<u>3.2.2 Employee change in general – growth and decline</u>
There has been a net decline in employment in Buckinghamshire between 1998 and 2002 of 1,416 or -0.7 per cent (chart 19). Employment in the county fell between 1998 and 1999, but then rose sharply in 2000 before levelling off in 2001. However, it then fell by more than 7,000 in the year to 2002. Buckinghamshire experienced the largest net fall in employment in MKOB, in contrast to the area's overall net employment growth of 15,173 (2.4 per cent).

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



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

Source: Annual Business Inquiry 1998-2002

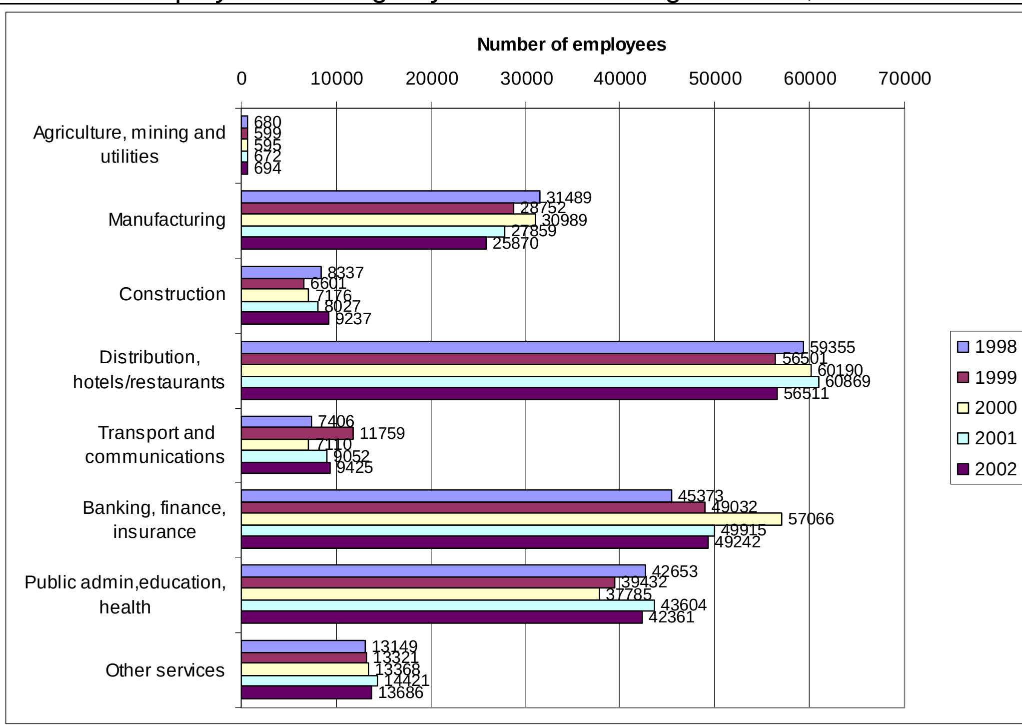
<u>Policy point 3.2.2</u>
As was shown in 3.1.3 above, the Buckinghamshire economy is dominated by smaller employers, and this is where all of the growth has been. The increase in the number of smaller employers may actually involve a relatively small amount of employment growth, while the decrease in the number of larger

employers has obviously had a disproportionate impact on employment totals because of the number of people they employ.

3.2.3 Employees by sector

- The largest sectors of employment for Buckinghamshire are Distribution, hotels and restaurants (56,611 employees, 27.3 per cent of the workforce), Banking, finance and insurance (49,242, 23.8 per cent) and Public admin, education and health (42,361; 20.5 per cent). Together, these sectors account for nearly three quarters of the Buckinghamshire workforce (chart 20, next page).
- Of the three, only Banking, finance and insurance has seen a net increase over the period 1998-2002 of 3,869 (8.5 per cent). Distribution, hotels and restaurants (-2,844 or -4.8 per cent) and Public admin, education and health (-292 or -0.7 per cent) both experienced net falls, although there have been large year-on-year fluctuations within this over the period.
- The next largest sector in employment terms is Manufacturing, which employs 25,870 (12.5 per cent of the workforce). This was another sector which saw a significant net fall over the period, from 31,489 (15.1 per cent of the workforce) in 1998.
- The other sectors which had notable net increases in employment between 1998 and 2002 were Transport and communications (2,019) and Construction (900).

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



Source: Annual Business Inquiry 1998-2002

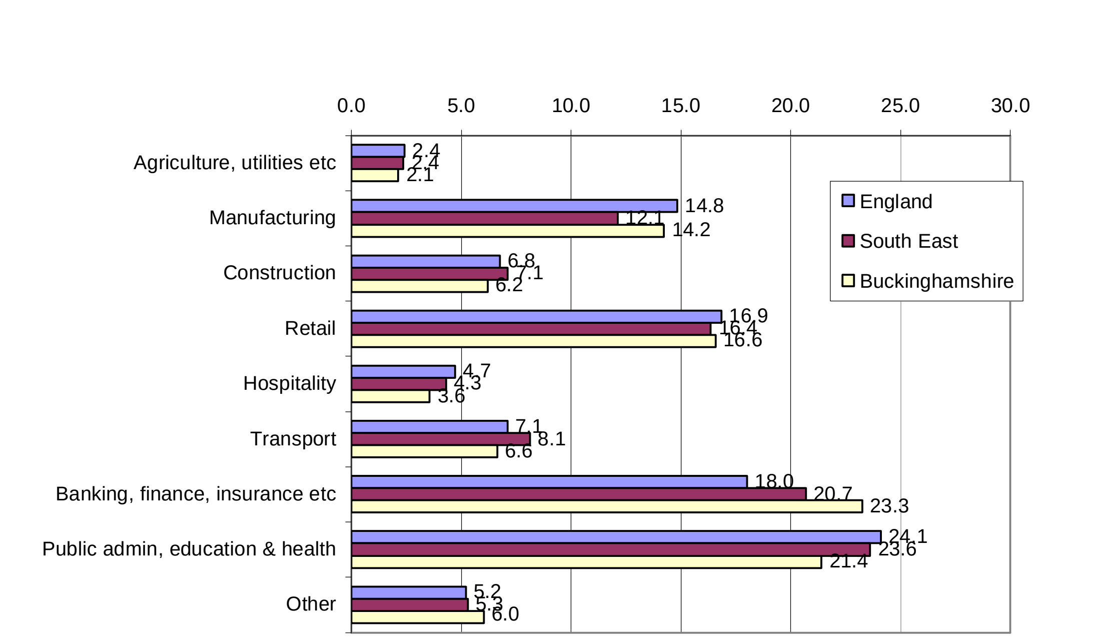
Policy point 3.2.3
See below

3.2.4 Comparison with 2001 Census

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

- A very similar proportion of Buckinghamshire's population work in the Banking, finance, insurance etc sector (23.3 per cent) according to the Census data. This is the largest sector of employment in the county, employing a higher proportion than both regional (20.7 per cent) and national (18 per cent) averages.
- The next largest sector of employment is Public admin, education and health (21.4 per cent). This proportion is below average when compared with the South East (23.6 per cent) and England (24.1 per cent), but it is higher than that shown by the ABI for employers in Buckinghamshire (20.5 per cent).
- The largest discrepancy between Buckinghamshire's resident workforce and Buckinghamshire's employer-based workforce affects the Distribution, hotels and restaurants sector (shown separately as 'Retail' and 'Hospitality' in the Census chart). According to the ABI, a total of 27.3 per cent (56,611 people) work in this sector, but only 20.2 per cent of Buckinghamshire's residents (47,190 people) are employed in it. In other words, people who travel in from outside Buckinghamshire to work fill many of the jobs in this sector.

Chart 21: Employment by Industry (Percentages)



Source: 2001 Census

Looking at differences in employment by sector and local authority district (table 23, next page), both Chiltern (26.5 per cent) and South Bucks (25.3 per cent) have high proportions of people working in Banking, finance, insurance etc., which probably reflects their proximity to London. Aylesbury Vale's employment specialism is in the Public sector (24.3 per cent), while Wycombe has a higher than average proportion working in Manufacturing (16.1 per cent).

Table 23: Employment by Sector and Local Authority District

	Agriculture, fishing, mining & utilities	Manufacturing	Construction	Retail	Hospitality	Transport	Financial intermediation and business activities	Public admin, education & health	Other
Aylesbury Vale	2.7	13.4	6.7	17.1	3.6	6.4	20.5	24.3	5.3
Chiltern	2.0	13.1	5.6	15.6	3.0	6.2	26.5	21.4	6.6
South Bucks	1.9	13.1	6.1	15.6	4.2	8.7	25.3	18.4	6.7
Wycombe	1.7	16.1	6.0	16.8	3.6	6.4	23.7	19.5	6.2
Bucks	2.1	14.2	6.2	16.6	3.6	6.6	23.8	21.4	6.0

Source: 2001 Census

<u>Policy points 3.2.3 & 3.2.4</u>
Looking at sectoral employment for people who work in Buckinghamshire, Distribution, hotels and restaurants is the largest sector, followed by Business services etc. However, when looking at the employment of people who live in Buckinghamshire, the situation is reversed – while the proportion working in the Business services sector is the same, the proportion working in Distribution, hotels and restaurants is much smaller. This suggests that many of the jobs in this sector are taken by people who travel in from outside Buckinghamshire to work there. Although it is not directly evident from this data, the influence of London is also likely to be felt quite strongly in the south of the county, with historical data[12] on working patterns showing that a significant proportion of people travelling from Buckinghamshire to work there.

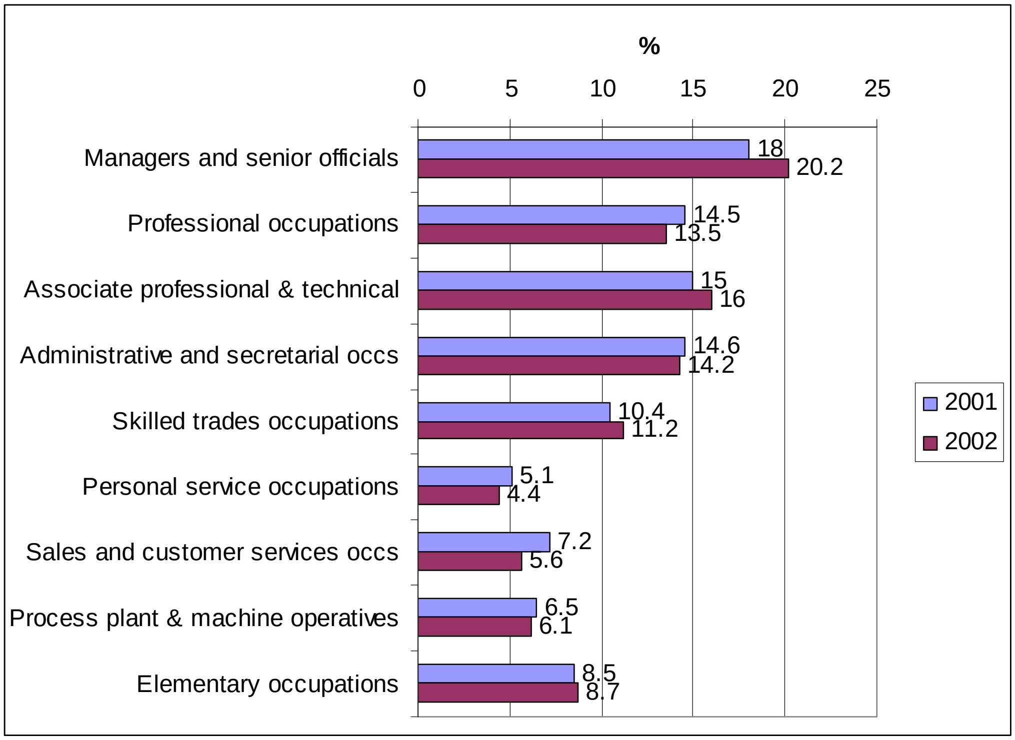
<u>3.2.5 Employees by occupation</u>

- The largest occupational sector is Managers and senior officials, employing more than a fifth (20.2 per cent) of the Buckinghamshire working population (chart 22, next page). There was a rise of more than 2 percentage points in the number of people employed in these occupations between 2001 and 2002.
- Associate professional and technical occupations employ the next largest proportion of people at 16 per cent, a figure which rose from 15 per cent in 2001.
- While the above two occupational areas experienced the largest percentage point increases in employment share, several others showed decreases. The largest of these were in Sales and customer service occupations (-1.6 percentage points) and Professionals (-1).

[12] New data on travel to work patterns from the 2001 Census is expected to be available during 2004.

Policy point 3.2.5
See below

Chart 22: Employment change by occupation in Bucks, 2001-2002[13]



Source: Labour Force Survey 2001-2002

3.2.6 Comparison with 2001 Census

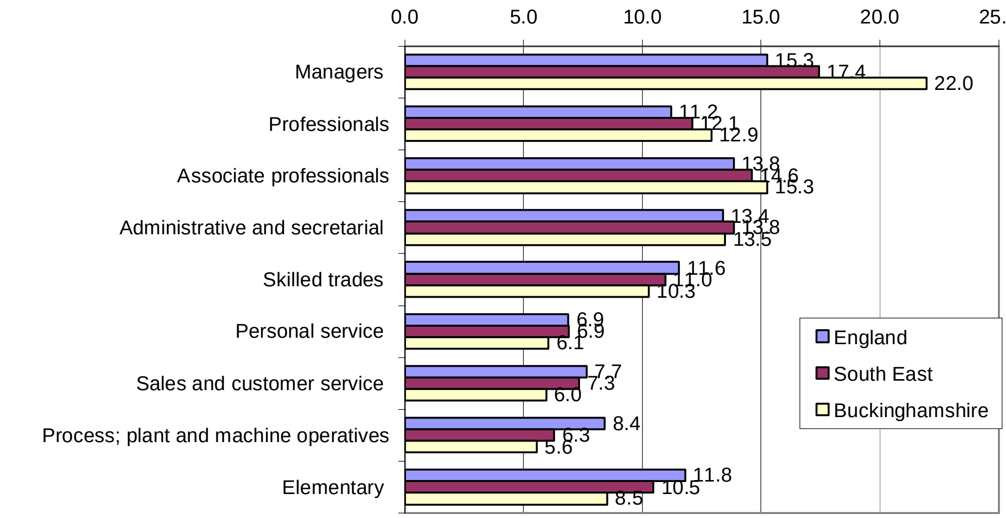
Census data provides a more reliable picture of employment by occupation, although what it cannot provide is data on recent changes in occupational employment. It also refers to 16-74 year olds, whereas the Labour Force Survey data is for the working age population. Chart 23 (next page) shows the occupational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

- According to the Census (chart 23), Buckinghamshire has a much higher than average proportion of people working as Managers (22 per cent) when compared with the South East (17.4 per cent) and England (15.3 per cent). This figure is also above the Labour Force Survey total for 2002 (20.2 per cent).
- The next highest proportion work as Associate professionals (15.3 per cent), again above regional (14.6 per cent) and national (13.8 per cent) averages. This is relatively close to the Labour Force Survey average of 16 per cent for Associate professionals.
- Administrative and secretarial occupations account for the third largest proportion at 13.5 per cent, and the Labour Force Survey also suggests

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

that these occupations employ the third largest proportion of the Buckinghamshire workforce at 14.2 per cent.

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



Source: 2001 Census

- Both South Bucks (25.8 per cent) and Chiltern (24.9 per cent) have proportions of people working as Managers which are well above average (table 24).
- Chiltern's proportion of Professionals (15.5 per cent) is also well above the county (12.9 per cent), regional (12.1 per cent) and national (11.2 per cent) averages.
- At the same time, Chiltern (4.2 per cent) and South Bucks (4.6 per cent) have lower than average proportions working as Process, plant and machine operatives compared with Buckinghamshire (5.6 per cent), the South East (6.3 per cent) and England (8.4 per cent).

Table 24: Occupations by Local Authority District

	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
Aylesbury Vale	20.0	11.6	15.3	13.4	11.2	6.4	6.1	6.0	9.9
Chiltern	24.9	15.5	15.8	12.8	8.5	6.1	5.4	4.2	6.9
South Bucks	25.8	13.5	15.3	14.0	9.2	5.6	5.2	4.6	6.7
Wycombe	21.0	12.7	15.0	13.8	10.6	5.9	6.4	6.1	8.6

Source: 2001 Census

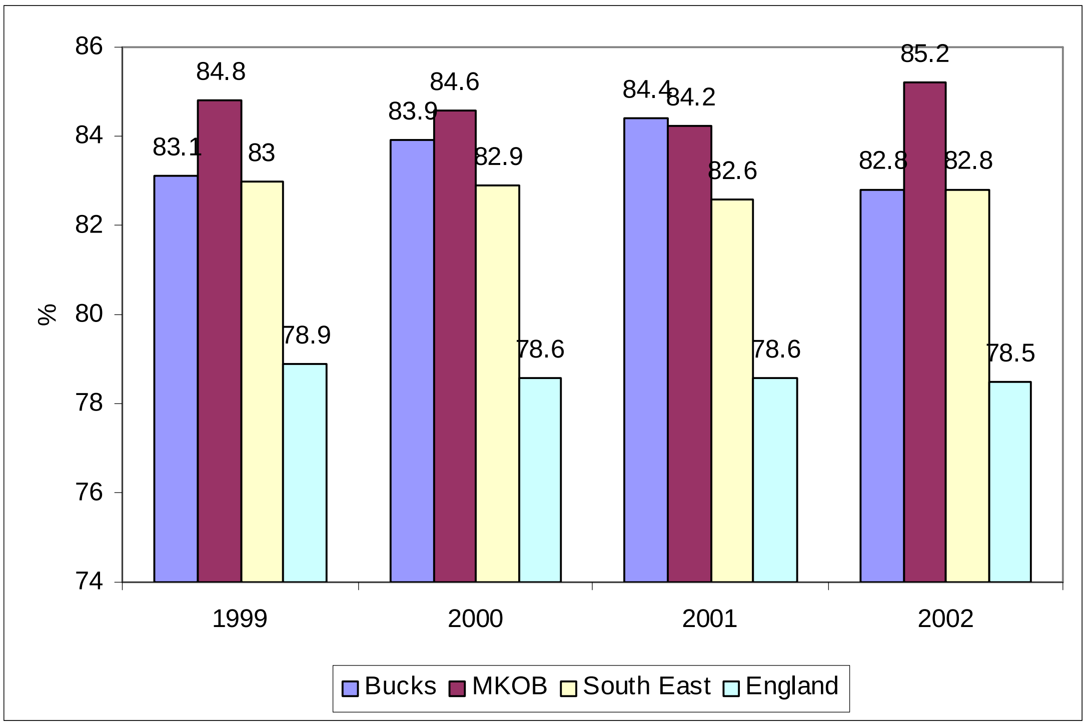
<u>Policy points 3.2.5 & 3.2.6</u>
Buckinghamshire's occupational profile is strongly biased towards high-level occupations, particularly Managers but also to a lesser degree Professionals (despite recent apparent falls) and Associate Professionals. This is apparent from looking at both the Labour Force Survey and Census data, and is particularly noticeable when looking at Chiltern and South Bucks. However, the diversity of employment within Buckinghamshire should not be ignored, since the Census data shows significant variations between districts. Aylesbury Vale and Wycombe have quite a different occupational profile from Chiltern and South Bucks, 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.

3.3 Economic Activity

3.3.1 Economic activity by area

- The overall economic activity rate in Buckinghamshire (83.1 per cent) is above the national average (79.8 per cent) and almost identical to the South East average (83 per cent) (chart 24).
- Buckinghamshire has experienced a small net decrease of 0.3 of a percentage point since 1999, after increases in both 2000 and 2001 were cancelled out by a fall in 2002.
- MKOB has had a 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 similar to that of Buckinghamshire.

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



Source: Labour Force Survey 1999-2002

Policy point 3.3.1

Overall, Buckinghamshire has a relatively high rate of economic activity, identical to the regional average and above the national. However, it does lag behind the rest of MKOB, which suggests that there is some scope to increase it in order to help meet the high demand for labour that the county faces.

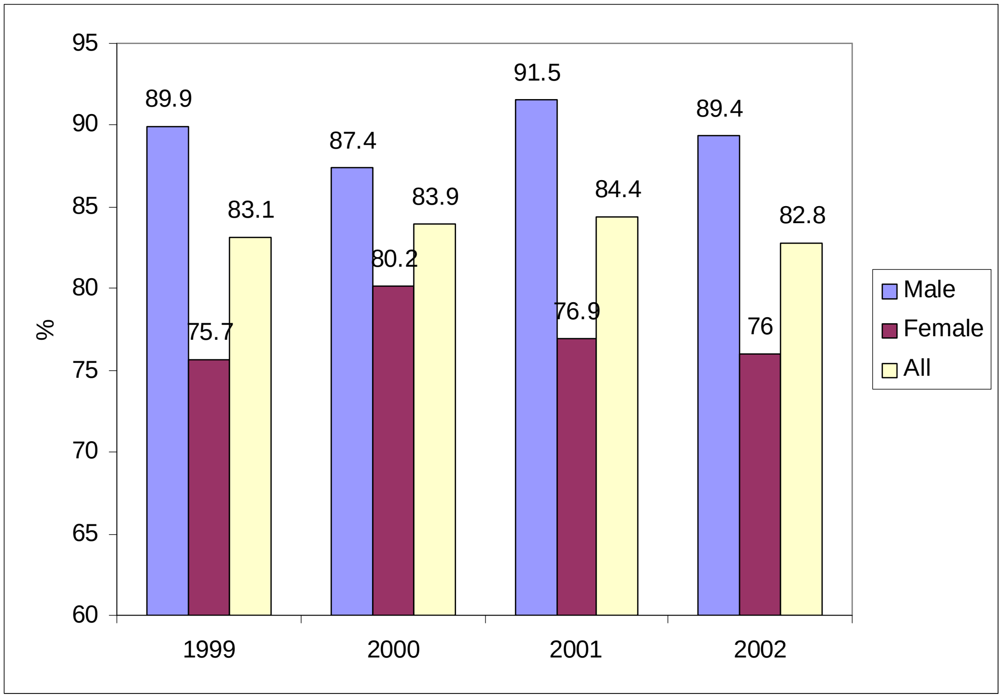
3.3.2 Economic activity by gender

- The economic activity rate for males in Buckinghamshire has fluctuated slightly over the period 1999-2002, rising as high as 91.5 per cent in 2001, but ultimately showing a small net fall of 0.5 of a percentage point (chart 25, next page). However, it remains very high at nearly nine in ten (89.4

per cent), and is well above the overall Buckinghamshire average (82.8 per cent)

- The rate for women showed a small net increase of 0.3 of a percentage point over the period 1999-2002, although it did rise sharply in 2000. Decreases in both 2001 and 2002 left it at 76 per cent, below the averages for women in MKOB (80.1 per cent), and the South East (76.9 per cent), but above the England average (72.7 per cent).

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



Source: Labour Force Survey 1999-2002

<u>Policy point 3.3.2</u>

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

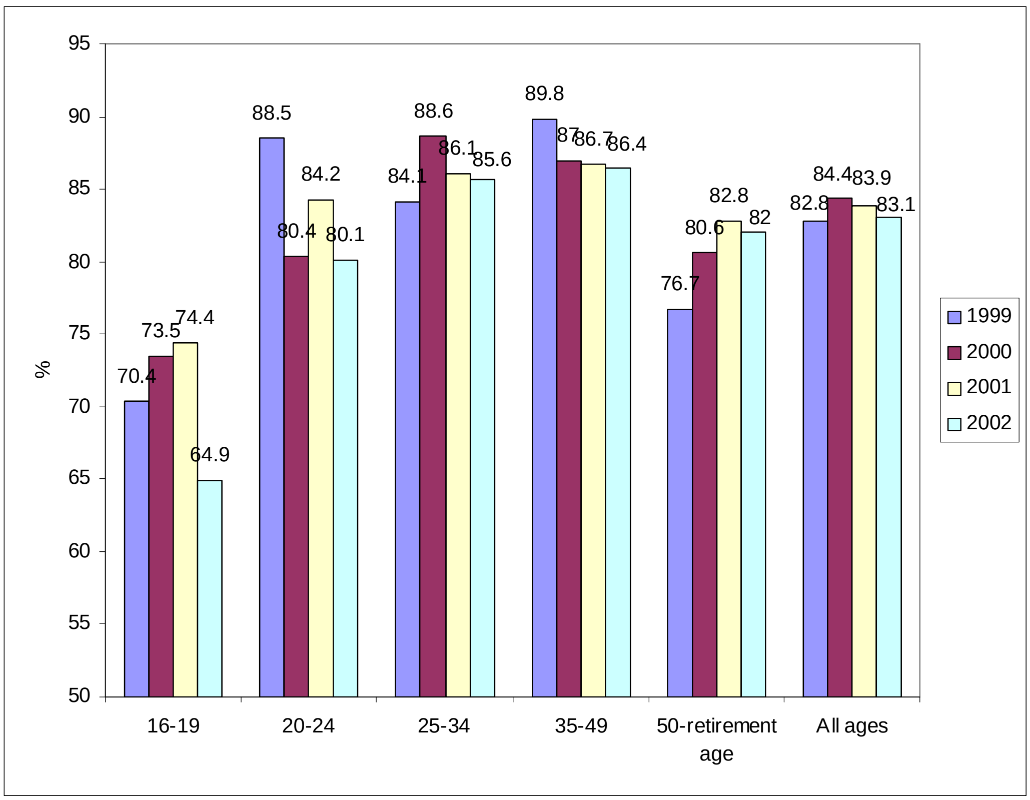
<u>3.3.3 Economic activity by age</u>

- After two years of rising levels of economic activity for 16-19 year olds, there was a fall of nearly 10 percentage points between 2001 and 2002, to just 64.9 per cent. This went against trends in MKOB, the South East and England, all of which saw slight increases in activity for this age group.
- There was also a large net fall-off in activity – more than 8 percentage points – among 20-24 year olds between 1999 and 2002, although most of

this took place between 1999 and 2000. This left activity at 80.1 per cent, 3 percentage points below the average for all ages.

- The other age group which experienced a drop in economic activity was 35-49 year olds. Activity in this group fell from a high of nearly nine in ten (89.8 per cent) to 86.4 per cent by 2002, although remaining well above the average for all ages.
- The 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 82 per cent, leaving it slightly below the average for all ages.
- There was also a net increase in economic activity for 25-34 year olds, from 84.1 per cent to 85.6 per cent over the period. However, activity was as high as 88.6 per cent in 2000, and has fallen back since then.

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



Source: Labour Force Survey 1999-2002

<u>Policy point 3.3.3</u>

The most striking change is the fall in economic activity for 16-19 year olds. Although this may in part be a statistical anomaly, similar trends of a smaller magnitude have been seen in other areas, which may reflect higher levels of participation in education for this age group. This may also have affected the activity levels of 20-24 year olds, as increased proportions of this age group stay on in higher education. At the same time, increased activity rates for the 50-retirement age group may reflect the need to retain older workers in the workforce in order to meet demand from the economy.

3.4 MKOB forecasts for employment change 2001-10

These forecasts are derived from the Skills Insight Forecasting Model for the South East region, produced in conjunction with Experian Business Strategies Ltd. (EBSL). They are based on EBSL's economic forecasts for industry sectors and occupations across the South East, which have then been applied to data specific to the MKOB sub-region. They should be treated as guides to how the economy may look in the future, not statements of fact. Although they refer to the MKOB area as a whole, they are still useful in looking at likely changes to the Buckinghamshire 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 Buckinghamshire, but the forecasts should be fairly representative of what will happen there. The sector in which the largest growth is expected – Business services– already accounts for a large proportion of the Buckinghshire workforce, and 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: Change in employees forecast for each occupational group 2001-2010					
Change	2001-4	2004-7	2007-10	2001-10	% change 2001-10
Corporate Managers	-700	**2,600**	**3,200**	**5,000**	**7%**
Managers & Proprietors in Agriculture & Services	200	**1,300**	**1,700**	**3,200**	**10%**
Science & Technology Professionals	0	**2,100**	**2,300**	**4,500**	**17%**
Health Professionals	700	400	100	**1,200**	**23%**
Teaching & Research Professionals	**5,200**	**1,300**	600	**7,100**	**22%**
Business & Public Service Professionals	400	**2,100**	**2,800**	**5,300**	**21%**
Science & Technology Associate Professionals	-400	600	700	900	**6%**
Health & Social Welfare Associate Professionals	**1,300**	**1,600**	1,000	**3,900**	**21%**
Protective Service Occupations	0	-200	-200	-300	-5%
Culture, Media & Sports Occupations	900	**1,700**	**1,800**	**4,400**	**25%**
Business & Public Service Associate Professionals	200	**1,900**	**2,000**	**4,100**	**10%**
Administrative Occupations	**1,100**	**2,900**	**3,300**	**7,200**	**9%**
Secretarial & Related Occupations	900	**1,300**	900	**3,000**	**10%**
Skilled Agricultural Trades	-700	-400	-200	-1,300	-17%
Skilled Metal & Electrical Trades	-1,200	0	400	-800	-2%
Skilled Construction & Building Trades	700	-500	-700	-500	-2%
Textiles, Printing & Other Skilled Trades	-400	100	700	500	2%
Caring Personal Service Occupations	**3,200**	**3,100**	**2,400**	**8,800**	**26%**
Leisure & Other Personal Service Occupations	300	600	600	**1,500**	**12%**
Sales Occupations	**1,300**	**1,100**	900	**3,200**	**6%**
Customer Service Occupations	200	200	200	600	**14%**
Process, Plant & Machine Operatives	-1,900	300	300	-1,300	-5%
Transport & Mobile Machine Drivers & Operatives	-800	-100	-100	-1,000	-4%
Elementary Trades, Plant & Storage Related Occupations	-100	700	700	**1,300**	**6%**
Elementary Administration & Service Occupations	**2,200**	**4,000**	**5,000**	**11,200**	**15%**
Total	**12,800**	**28,700**	**30,400**	**71,800**	**10%**
Source: Skills Insight/Experian Business Strategies Ltd 2004					

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 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). 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[14]	747	770	+23	739	778	+39

<u>Policy points 3.4.3 - 3.4.5</u>
This comparison illustrates the importance of considering more than one forecast when developing policies to deal with changes anticipated for the future. The IER forecasts have the advantage of being nationally based, which means that they are consistent with forecasts for regions and LLSCs outside the South East. However, they do not take account of specific developments taking place within regions, and this is an element which has been factored into the EBSL forecasts for the South East LLSCs.

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

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

[14] 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 Buckinghamshire

Sizeband (employees)	*Sample base*	Have vacancies	Have hard-to-fill vacancies	Have skill shortage vacancies	Have skills gaps
1-4	*298*	12%	5%	4%	12%
5-24	*392*	24%	13%	8%	34%
25-99	*103*	32%	15%	7%	51%
100+	*40*	57%	13%	2%	81%
Bucks total	*833*	15%	7%	5%	19%
MKOB total	*2968*	17%	7%	5%	20%

Source: National Employer Skills Survey 2003

- A total of 15 per cent of employers in Buckinghamshire have current vacancies (below the MKOB average), although this figure varies by employer size. Just over one in ten (12 per cent) of employers with 1-4 employees have vacancies, compared with nearly three-fifths (57 per cent) with more than 100 employees (table 29).
- Seven per cent of Buckinghamshire employers have hard-to-fill vacancies (identical to the MKOB average), although again this varies by employer size. Just 5 per cent of employers with 1-4 employees are affected, compared with 13 per cent of those with more than 100 employees.
- Overall, just 5 per cent of Buckinghamshire employers (again, identical to the MKOB average) have skill shortage vacancies. However, this figure does rise to 7 per cent for employers with 5-24 employees.
- Just under one in five Buckinghamshire employers (19 per cent) have skills gaps, which is below average compared with MKOB. This ranges from just over one in ten (12 per cent) of those with 1-4 employees, to four-fifths (81 per cent) of those with 100 or more employees.

Policy point 3.5.1

Buckinghamshire employers are slightly less prone to vacancies and skills gaps than employers in the rest of the MKOB area, while hard-to-fill and skill shortage vacancies present a similar level of difficulty. All except skill shortage vacancies 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 Buckinghamshire

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

Sector	*Sample base*	Have vacancies	Have hard-to-fill vacancies	Have skill shortage vacancies	Have skills gaps
Agriculture	*4**	0%	0%	0%	6%
Manufacturing	*73*	7%	3%	1%	27%
Construction	*80*	12%	5%	4%	19%
Retail/wholesale	*148*	17%	8%	6%	23%
Hotels and restaurants	*46*	40%	18%	11%	27%
Transport and communication	*30*	16%	14%	14%	2%
Financial intermediation	*8**	3%	3%	3%	16%
Real estate, renting and business	*274*	13%	5%	4%	16%
Public admin	*9**	33%	9%	9%	33%
Education	*25*	14%	5%	3%	37%
Health and social work	*34*	27%	19%	12%	24%
Other community, personal & social	*100*	15%	5%	3%	14%
Bucks total	*832*	15%	7%	5%	18%
MKOB total	*2968*	17%	7%	5%	20%
Source: National Employer Skills Survey 2003					

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

- Two fifths (40 per cent) of Hotels and restaurants employers have current vacancies, while more than a quarter of Health and social work employers (27 per cent) also have vacancies – both well above the average for all sectors of 15 per cent (table 28).
- Hard-to-fill vacancies affect proportionately more employers in Health and social work (19 per cent), Hotels and restaurants (18 per cent) and Transport and communication (14 per cent) than average (7 per cent). They seem to be much less of an issue for Manufacturing employers (3 per cent).
- Skill shortage vacancies are experienced to the greatest degree by employers in Transport and communication (14 per cent), Health and social work (12 per cent) and Hotels and restaurants (11 per cent). The least problems were in Manufacturing (1 per cent), Education and Other community, social and personal (both 3 per cent).
- Skills gaps are most keenly felt in the Education sector, with nearly two fifths (37 per cent) of employers reporting experiencing them. Other

sectors with above average proportions of employers reporting skills gaps were Manufacturing and Hotels and restaurants (both 27 per cent).

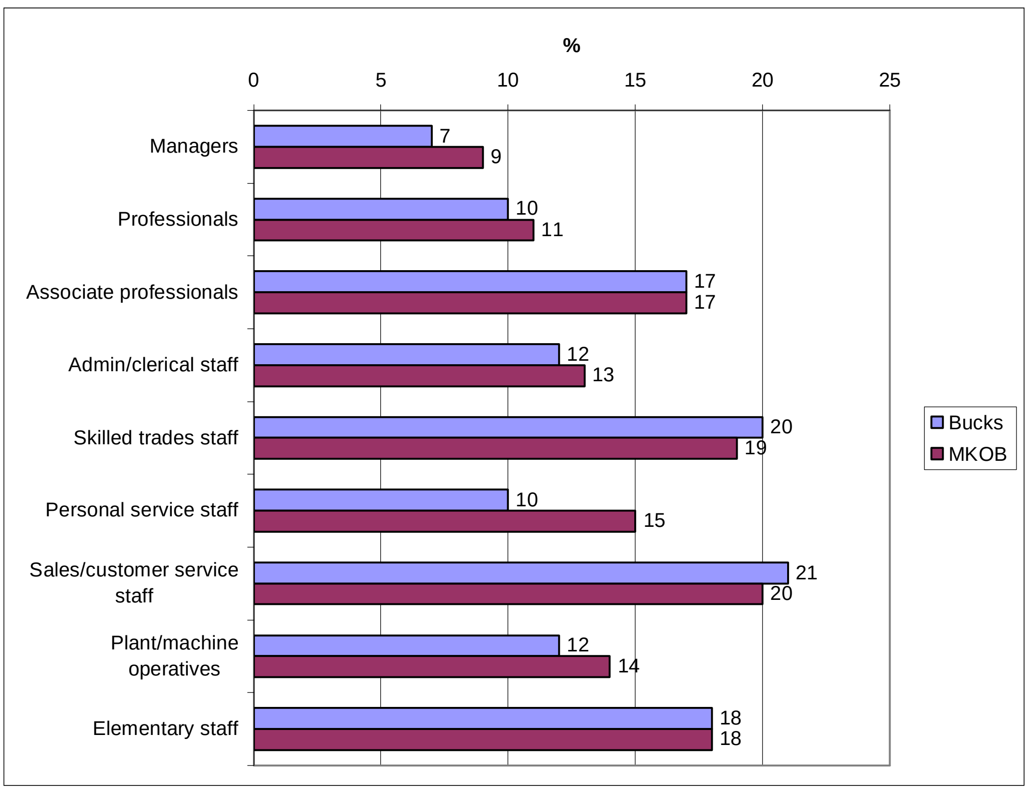
<u>Policy point 3.5.2</u>

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, skill shortage vacancies and skills gaps, and given that this is a sector (see 3.4.1 above) where strong employment growth is expected, those problems are likely to increase unless some action is taken.

Education sector employers appear to be relatively unaffected by difficulties in filling vacancies (although anecdotal data from schools suggests otherwise), but there does to be an issue with skills gaps. In Health and social work, there are problems across the board in relation to hard-to-fill vacancies, skill shortage vacancies and skills gaps. 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.

<u>3.5.3 Skills gaps by occupation</u>

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



Source: National Employer Skills Survey 2003

- The occupations with relatively high proportions of employers reporting skills gaps were Sales/customer service staff (21 per cent), Skilled trade staff (20 per cent) and Elementary staff (18 per cent). In each case, these proportions were either identical or close to the MKOB average (chart 27, previous page).
- Personal service staff represented the occupational area for which there was the main discrepancy between employers in Buckinghamshire (10 per cent) and the MKOB average (15 per cent).
- The fewest skills gaps were reported by Buckinghamshire employers in relation to Managers (7 per cent), slightly below the MKOB average (9 per cent). For most occupations, employers in Buckinghamshire were less likely than average to report skills gaps than the MKOB average.

Policy point 3.5.3
Buckinghamshire is either close to or below the MKOB average for skills gaps in most of the occupational areas listed, and only marginally above average for Skilled trades and Sales/customer service staff. However, the fact that skills gaps are not as severe within Buckinghamshire as other parts of MKOB should not obscure the fact that as many as one in five people working in certain occupations within the county are not seen as being fully proficient within their jobs.

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 Technical and practical skills (44 per cent of vacancies) and Communication skills (29 per cent). In the case of Communication skills, this proportion was well below average compared with MKOB (40 per cent).
- Customer handling skills were seen as absent by 26 per cent of employers, but this was some way below the MKOB average (33 per cent).
- Literacy (24 per cent) and numeracy (23 per cent) skills were regarded as lacking by some employers, with the proportions involved being either on a par with or slightly above the MKOB average.
- Only one in ten employers (10 per cent) felt that there were no particular skills difficulties that they could identify in relation to hard-to-fill vacancies, well below the MKOB average (23 per cent).

Policy point 3.4.4
For most of the skills listed, Buckinghamshire employers are less likely than average to be experiencing problems in finding those skills in relation to hard-to-fill vacancies. At the same time, only one in ten report no particular skills difficulties – in other words, the range of skills found to be lacking among potential recruits by employers with hard-to-fill vacancies in Buckinghamshire is smaller than is the case for other parts of MKOB.

Table 31: Skills difficult to obtain for hard-to-fill vacancies in Buckinghamshire compared with MKOB			
Skill type	Bucks	MKOB	Difference (Bucks +/- MKOB)*
Technical & practical skills	44	45	-1
Communication skills	29	40	**-11**
Customer handling skills	26	33	-7
Literacy skills	24	24	0
Team working skills	23	33	**-10**
Numeracy skills	23	22	1
Problem solving skills	19	31	**-12**
Management skills	19	25	-6
IT professional skills	11	13	-2
No particular skills difficulties	10	23	**-13**
Other	6	3	3
General IT user skills	5	11	-6
Personal attributes	5	5	0
Experience/product knowledge	5	4	1
Foreign language skills	4	5	-1
Relevant qualifications	3	0	3
Don't know	20	14	6
Unweighted sample base	*82*	*277*	*N/a*
Source: National Employer Skills Survey 2003			

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

3.6 Employer engagement

3.6.1 Business plan, training plan and training budget

- As table 32 shows, nearly three-fifths of employers in Buckinghamshire (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).
- Only one third of employers in Buckinghamshire have a training plan, well below the MKOB (37 per cent), the South East (38 per cent) and England (39 per cent) averages. Similarly, a below average proportion have a training budget – 27 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

	Bucks	MKOB	South East	England
Business plan	56	58	66	56
Training plan	33	37	38	39
Training budget	27	31	31	31
Sample base	*832*	*2968*	*12883*	*72,100*

Source: National Employers Skills Survey 2003

Policy point 3.6.1

Buckinghamshire has a relatively well-qualified workforce and a large number of high value employers, so it is surprising to see that the county is below MKOB and regional averages for possession of business plans and training plans and budgets. It is similar in some respects to Oxfordshire, in that behind the headlines and impressions about the nature of the economy, there are many businesses which lack the motivation or wherewithal to plan.

3.6.2 Training and development spend

Employers in Buckinghamshire tend to spend slightly less on the training and development of their employees on average. Two thirds (66 per cent) spend less than £1000 per employee, compared with 64 per cent in MKOB, and 63 per cent in the South East and 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. Buckinghamshire employers are slightly less likely than average to spend significant amounts on training their staff, 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	Bucks	MKOB	South East	England
Nothing	11	11	10	13
Less than £50	8	7	7	8
£50-99	4	5	7	6
£100-199	11	12	11	12
£200-299	6	8	8	7
£300-399	7	7	7	6
£400-499	2	2	2	2
£500-749	12	9	7	5
£750-999	5	3	4	4
£1000-1499	3	4	5	4
£1500-1999	2	2	3	3
£2000-4999	5	4	3	3
£5000+	1	1	1	1
Don't know	24	25	25	26
Sample base	*491*	*2197*	*7730*	*42,539*
Source: National Employers Skills Survey 2003				

3.6.3 Employers providing training in last 12 months

About three-fifths (59 per cent) of employers in Buckinghamshire had provided training in the previous 12 months (table 34). This was identical to the figure for England, and marginally below the averages for MKOB (62 per cent) and the South East (60 per cent).

Table 34: Proportion of employers providing training in last 12 months in Buckinghamshire compared with MKOB, the South East and England				
	Bucks	MKOB	South East	England
Proportion of employees	59	62	60	59
Sample base	*491*	*2968*	*12883*	*72,100*
Source: National Employers Skills Survey 2003				

Policy point 3.6.3

In common with the points made in 3.5.1 above, this is not an impressive figure. Although Buckinghamshire does have a relatively well-qualified workforce, it has a significant minority of people who hold qualifications below level 2, as well as skills gaps. Employers need to be encouraged to see training as a solution to these issues.

3.6.4 Annual performance reviews

- In over half of Buckinghamshire employers (52 per cent), all staff receive annual performance reviews (table 35, next page). This is close to the England average (51 per cent), but below average compared with MKOB (54 per cent) and the South East (60 per cent).

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

Table 35: Proportion of employees receiving annual performance reviews				
Proportion of employees	Bucks	MKOB	South East	England
None	40	38	28	40
1-99%	7	7	10	8
100%	52	54	60	51
Don't know	1	1	2	1
Sample base	*832*	*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 Buckinghamshire (71 per cent) provide formal job descriptions to all of their staff. This is identical to the MKOB average, but below those for the South East (76 per cent) and England (72 per cent).
- One in five (21 per cent) employers do not provide formal job descriptions to any of their staff, which is slightly above the MKOB figure (20 per cent) 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	Bucks	MKOB	South East	England
None	21	20	13	19
1-99%	7	8	11	9
100%	71	71	76	72
Don't know	1	1	1	<1
Sample base	*832*	*2968*	*12883*	*72,100*
Source: National Employers Skills Survey 2003				

Policy points 3.6.4 & 3.6.5
As with business and training plans, Buckinghamshire employers perform less well against these measures than their MKOB, regional and/or national 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, less than half of Buckinghamshire's employers assess the skills gaps of their employees, a figure which is below average compared with MKOB (49 per cent), the South East (59 per cent) and England (52 per cent).

Table 37: Proportion of employers assessing skills gaps				
	Bucks	MKOB	South East	England
Yes	46	49	59	52
No	53	50	39	48
Don't know	1	1	1	1
Sample base	*832*	*2968*	*12883*	*72,100*
Source: National Employers Skills Survey 2003				

Policy point 3.6.6

While nearly half of employers do assess skills gaps, the corollary is that more than 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 Buckinghamshire'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).
- Nearly two-fifths (37 per cent) of employers in Buckinghamshire do not assess the performance of trained employees either before or after training. This is slightly above the MKOB average (35 per cent), 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				
	Bucks	MKOB	South East	England
Before training	6	6	5	5
After training	8	9	10	10
Both	47	48	58	57
Neither	37	35	25	28
Don't know	2	1	2	1
Sample base	*832*	*2968*	*12883*	*72,100*
Source: National Employers Skills Survey 2003				

Policy point 3.6.7

As with many of the other employer engagement measures, Buckinghamshire'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 Buckinghamshire 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

- Buckinghamshire is planning carefully managed growth, with most of it due to take place in Aylesbury Vale and very little in the more populous and developed south of the county. However, the Milton Keynes and South Midlands strategy, if adopted, will lead to further significant growth in Aylesbury Vale to 2016 and beyond. Many new houses are proposed, with associated employment, education and infrastructure improvements. (1.1.1 – 1.1.4)

1.2 Economic Profile

- Previous data suggested a benign environment for business growth and development, but the latest data on VAT registrations, de-registrations and business stocks shows a more volatile picture. The position on value added has improved, however. (1.2.1 – 1.2.2)

1.3 Population and Socio-economic Profile

- Buckinghamshire's population is slightly older than average, although this is less true of the districts of Aylesbury Vale and Wycombe, and the latter area also has a large ethnic minority population. Overall, the county is very prosperous as most of the indicators show, but it does also have pockets of disadvantage and deprivation, chiefly to be found in the towns of Aylesbury and High Wycombe. (1.3.1 – 1.3.9)

Section 2: Increasing the demand for learning

2.1 Basic Skills

- More than 50,000 people in Buckinghamshire have no qualifications and/or poor literacy and numeracy skills according to Census and Basic Skills Agency data, particularly affecting Wycombe and Aylesbury Vale. 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

- Buckinghamshire's population is well qualified compared with the South East average, and has a similar qualification profile to the MKOB average. However, nearly a third of the county's population has its highest qualifications at below level 2 equivalence, and this figure rises to two-fifths for Aylesbury Vale, indicating that this is an area which needs targeting in order to improve skill levels. (2.2.1 – 2.2.3)

2.3 Participation

- As befits a relatively well-qualified area, Buckinghamshire shows good levels of participation in learning – more than two-fifths have undertaken learning in the past year. Nevertheless, there is still a significant hard core of one third of people who are non-learners who have not been involved in learning for over three years. (2.3)

2.4 Propensity to learn

- People undertaking learning in Buckinghamshire are more likely than average to see learning as a positive benefit for job-related reasons. They are more likely than average to be have known exactly what course they wanted, and less likely to have had their course chosen for them by their employer. The most popular courses are Business admin, ICT and Health/social care/public services, and there is a range of different sites being used for learning. (2.4.1 – 2.4.4)

- A larger than average proportion of people in Buckinghamshire say they will undertake learning in the next 12 months, and a larger than average proportion say that learning is important to them. However, a significant minority – above average compared with MKOB – say that learning is a waste of time or they are not interested in it. (2.4.5 – 2.4.6)

2.5 Barriers to learning

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

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

3.1 Profile of employers

- Buckinghamshire experienced growth in its employer base of more than 6 per cent over the period 1998 – 2002, which was the lowest level of increase in MKOB. All 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

- There was significant growth in part-time employment for men and – to a lesser extent – women between 1998 and 2002, within the context of a slight fall in overall employment. By sector, the only significant net increase over the period has been in Banking, finance, insurance and business services. Managers make up more than a fifth of the Buckinghamshire workforce, well above MKOB, regional and national averages, with the greatest concentrations in Chiltern and South Bucks. (3.2.1 – 3.2.6)

3.3 Economic activity

- Buckinghamshire has a relatively high economic activity rate (82.8 per cent), which is below the MKOB rate but above the national average.

Nearly nine in ten men and three quarters of women are economically active; less than two thirds of 16-19 year olds are active, well below MKOB, regional and national averages (3.3.1 – 3.3.3)

3.4 MKOB forecasts for employment change 2001-10

- Experian BSL's forecasts for 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 and 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

- Buckinghamshire employers have average levels of hard-to-fill and skill shortage vacancies, and below average levels of skills gaps. Hard-to-fill vacancies and skills gaps particularly affect larger employers, while skills shortages are more keenly felt by medium-sized employers. Hard-to-fill and skill shortage vacancies disproportionately affect Hotels and restaurants and Health and social work employers, while skills gaps present more of a problem for Education employers. (3.5.1 – 3.5.2)

- Skills gaps tend to be found most often in occupations such as Sales/customer service, Skilled trades and elementary staff. 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

- Buckinghamshire employers are less likely than average to have business plans, training plans or training budgets, to provide training, to provide annual performance reviews, to provide job descriptions, to assess skills gaps or to assess the performance of employees they train. It is similar in some respects to Oxfordshire, in that behind the headlines and impressions about the nature of the economy, there are many businesses which lack the motivation or wherewithal to plan, train, assess and review. (3.6.1 – 3.6.7)