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Leading learning and skills

# Skills in England 2004 Volume 4: Regional and Local Evidence Report

July 2005

Of interest to everyone involved in improving skills and learning opportunities across England

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*Skills in England 2004* is presented in four volumes. Volume 1 provides key messages and an overview of the research findings in the other three volumes. Volume 2 is the main research report. It contains separate chapters on the demand for and supply of skills as well as mismatches between demand and supply. Finally, Volumes 3 and 4 provide evidence related to industrial sector, and regional and local trends respectively.

Skills in England 2004 has been produced by the Learning and Skills Council (LSC) in partnership with the Department for Educations and Skills (DfES) and Sector Skills Development Agency (SSDA)

## For information

Of interest to everyone involved in improving skills and learning opportunities across England

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# Acknowledgements

Many people have contributed to *Skills in England 2004*. The Steering Group comprised:

| | |
|---|---|
| Joyce Findlater (chair) | LSC National Office |
| Lesley Giles | SSDA |
| Richard Garrett | SSDA |
| Gary Clarkson | DfES |
| Jacqui Hansbro | DWP |
| David Campbell | DTI |
| Alan Martin | LSC Birmingham and Solihull |
| Gareth Ashcroft | LSC London South |
| Nathan Dodd | LSC National Office |
| Rebecca Riley | North West RDA |

Skills in England 2004 was prepared for the LSC by the Warwick Institute for Employment Research (IER) and Cambridge Econometrics (CE)

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The authors of the report remain solely responsible for the opinions expressed, the detailed content of the report and any remaining errors.

Terence Hogarth

Dr Rob Wilson

(Series editors)

## Contributors

**Professor Derek Bosworth,** Associate Fellow, Institute for Employment Research, University of Warwick

**Dr Andy Dickerson**, Principal Research Fellow, Institute for Employment Research, University of Warwick

**Terence Hogarth,** Principal Research Fellow, Institute for Employment Research, University of Warwick

**Harriet Livesey**, Cambridge Econometrics

**Sasha Thomas**, Cambridge Econometrics

**Dr Rob Wilson**, Principal Research Fellow, Institute for Employment Research, University of Warwick

In addition, W.W. Daniel assisted with the editing. Sarah Watson undertook extensive literature searches.

# Foreword

I am very pleased to introduce Skills in England 2004. This is the fourth in an annual series of national skills assessments produced by the Learning and Skills Council (LSC) in collaboration with its key partners.

Skills in England 2004 draws upon current analysis, particularly on the demand and supply of skills in England. It is a cross-government publication with views from major departments and agencies involved in the government's skills agenda, helping to identify and focus on priorities. The findings are critical in helping the LSC achieve improvements in transforming learning and skills, including help fulfil its strategic objectives in:

- economic development to provide the skills needed to help all individuals into jobs and to keep them
- collaborating with partners at a national and sectoral level to identify the skills most crucial for economic prosperity; and
- working effectively at a regional level – particularly with regional development agencies and regional skills partnerships.

The report warns that unless Britain has the requisite stock of skills, including entrepreneurship, innovation, and technical capability, then the goal of achieving a high-value added, high-productivity economy would remain elusive. One of the ways to achieve this will be to ensure that skills strategies go hand-in-hand with those policies and strategies that aim to increase levels of capital investment within companies, develop new products and processes, and capture new markets.

And while young people are now leaving Britain's education system with higher-level, more relevant qualifications, there is still a substantial proportion of young people who lack the skills necessary for the workplace. The LSC is determined to transform the outcomes for learners and employers, to ensure that the productivity, employability and lifetime earnings of these groups are not hampered by low skill levels.

Whilst important, skills are only part of the policy mixture necessary to create a more prosperous and socially inclusive Britain and that is why the LSC's work with key partners and stakeholders is critical to help drive forward improvements in the learning and skills development opportunities available to employers and individuals.

In closing, may I take this opportunity to commend Skills in England 2004 to all those who are interested and have a role to play in driving forward the nation's skills agenda. The LSC looks forward to working with you to help achieve world class skills for a more competitive economy.

Christopher N Banks CBE

Chairman, Learning and Skills Council

# Summary


The overarching message in the Key Messages volume of *Skills in England 2004* is that **skills matter**: for individuals, organisations and society more generally. This point cannot be made too strongly. Unless Britain has the requisite stock of skills, incorporating entrepreneurship, innovation, managerial effectiveness and technical capability, then the goal of achieving a high value-added, high productivity economy will remain elusive.

But **skills are not a panacea**. First, the vocational education and training (VET) system cannot fully compensate for disadvantages and deficiencies that stem from the compulsory education system. Second, skills strategies need to go hand-in-hand with those policies and strategies that seek, amongst other things, to increase levels of capital investment within companies, develop new products and processes, and capture new markets.

Many of the key messages highlight long-standing themes and many reflect concerns that are currently being addressed by government policy.

- Ultimately the performance of the UK economy is dependent upon the abilities the population can bring to the labour market. Of course, skills are not the only thing that matters and, as with other investments, it is important to channel resources to those areas with the highest return.
- The world economy is becoming more open. The increasing capacity of countries, such as China and India, to produce goods and services at a much lower price than in Britain, has seen work being transferred to these locations. The most constructive response to this development for employers faced with global competition is to develop or move into markets where they are not at a price disadvantage.
- This means increasingly moving into knowledge-intensive, high value, high productivity activities. But for any country, the sustainable shift into higher value-added markets is a formidable challenge. At the very least it requires a mix of entrepreneurial flair, the effective deployment of skills, and access to capital investment.
- On the credit side, the most recent evidence suggests that Britain's competitiveness is improving. Recent years have seen a narrowing of the productivity gap between Britain and its major competitors. But there is still concern that output per hour is less than that recorded in France, Germany and the USA.

- The latest evidence suggests that the gap with France and Germany arises primarily from a lower level of capital investment. The major difference between the UK and the USA relates to total factor productivity. The most plausible explanations for this are, first, more efficient systems of work organisation; and, secondly, greater levels of information and communications technology (ICT) diffusion in the USA. But skills cannot be discounted from the explanation of differences between either France and Germany or the USA. The capacity of organisations to capture capital investment or create high performance work organisations will depend upon the ability of management.
- This highlights the crucial importance of **management skills**: the ability to create a successful strategic vision for an organisation, to implement it, and effectively to deploy the labour force. The evidence points to management skills being an area where there remains a particular need for improvement in the UK. But as management skills are improved and the strategic outlook of business alters, this is likely to give rise to a demand for other higher-level skills within organisations.
- The shift to an even more service-oriented economy, and the greater availability of data to firms about consumption patterns, creates a demand for **customer and information handling skills** at all levels. Competitive advantage can be readily fostered through knowing more about the customer and being able to manage that information effectively to deliver a good or service to the specific requirements of customers as well as to generate new business.
- The skills debate is not just about higher-level skills. It is about improving the quality of the labour force at all levels. Britain's education system is now producing a much larger number of young people with formal, higher-level qualifications, but it still leaves a substantial proportion of young people who lack any formal qualifications or who are deficient in basic skills. The employability and lifetime earnings of this group are hampered by their skill deficiencies.

But, as noted above, **skills will not provide the complete answer on their own**. Developing high performance workplaces is, for instance, also dependent upon capital investment. Improving the lot of the most skill deficient in society is heavily dependent upon a wide range of policies designed to combat social exclusion. Skills, whilst important, are only part of the policy mixture necessary to create a more prosperous and socially inclusive Britain.

# Chapter 1: Introduction

*The review has been divided into 9 Government Office Regions and 47 local Learning and Skills Council areas.*

1.1 This volume presents a set of regional and local profiles that covers the whole of the English economy. These profiles summarise the economic and labour market context for each locality. A summary table is presented for each regional development agency (RDA) and local Learning and Skills Council (local LSC) area showing comparable information on:

- demographic characteristics
- economic indicators (including house prices to income ratios and earnings)
- sectoral structure (including the importance of manufacturing and services and rapidly growing and declining industries)
- indicators of skill deficiencies
- unemployment rate.

In order to illustrate sectoral and occupational structure, the tables use measures of occupational employment shares and the percentage of total employment in the 10 best- and 10 worst-performing industries in England by employment growth. The categories used are summarised in Tables 1.1 to 1.3. Table 1.4a and Table 1.4b provide a broad overview, showing how the various regions of England compare on this set of indicators.

**Table 1.1: Major occupational groups (SOC 2000)**

| | |
|---|---|
| 1 | Managers and senior officials |
| 2 | Professional occupations |
| 3 | Associate professional and technical occupations |
| 4 | Administrative and secretarial occupations |
| 5 | Skilled trades occupations |
| 6 | Personal service occupations |
| 7 | Sales and customer service occupations |
| 8 | Process, plant and machine operatives |
| 9 | Elementary occupations |

**Table 1.2: Ten worst-performing English industries**

| | |
|---|---|
| 1 | Textiles and clothing |
| 2 | Utilities |
| 3 | Agriculture |
| 4 | Wood and paper |
| 5 | Metals and metal goods |
| 6 | Mining |
| 7 | Engineering |
| 8 | Chemicals and non-metallic minerals (NMM) |
| 9 | Sale and maintenance of motor vehicles |
| 10 | Public administration and defence |

**Sources:** CE and IER.
**Notes:** 10 worst-performing English industries of 27 by employment growth 1993–2003.

**Table 1.3: Ten best-performing English industries**

| | |
|---|---|
| 1 | Other retail distribution |
| 2 | Manufacturing not elsewhere specified (nes) and recycling |
| 3 | Transport |
| 4 | Hotels and catering |
| 5 | Education |
| 6 | Communications |
| 7 | Miscellaneous services |
| 8 | Professional services |
| 9 | Other business services |
| 10 | Computing services |

**Sources:** CE and IER.
**Notes:** 10 best-performing English industries of 27 by employment growth 1993–2003.

**Table 1.4a: Regional overview**

| | | Pop. density (below average) | House price to income ratio (3.5 or above) | Average earnings (above average) | Importance of manufacturing (above average) |
|---|---|---|---|---|---|
| 1 | London | | X | X | |
| 2 | South East | | X | X | |
| 3 | East of England | | X | X | |
| 4 | South West | X | X | | |
| 5 | The West Midlands | | | | X |
| 6 | The East Midlands | | | | X |
| 7 | Yorkshire and the Humber | | | | X |
| 8 | The North West | | | | X |
| 9 | The North East | | | | X |

**Source:** CE (2004), *UK Regional Report, July 2004*.
**Notes:** All data refer to UK.

**Table 1.4b: Regional overview**

| | Importance of financial and business services (above average) | Skill-shortage vacancies (above average)[1] | HtFVs vacancies (above average)[1] | Unemployment rate (above average) |
|---|---|---|---|---|
| 1 London | X | | | X |
| 2 South East | X | | | |
| 3 East of England | | | | |
| 4 South West | | | X | |
| 5 The West Midlands | | X | X | X |
| 6 The East Midlands | | X | X | |
| 7 Yorkshire and the Humber | | X | | X |
| 8 The North West | | | | X |
| 9 The North East | | | | X |

**Sources:** CE (2004), *UK Regional Report, July 2004.*
**Notes:** All data refer to UK except [1] data refer to England.

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1.2 Manufacturing accounts for less than one-fifth of total employment in all regions. The proportion is the highest in the West and East Midlands at 18 per cent and 17 per cent respectively. This proportion is considerably lower in high-cost locations (6 per cent in London). Manufacturing employment is falling in all regions for a variety of reasons; high-cost regions typically experience a shift towards higher productivity (and higher skill) activities, while low-cost regions experience competition from low-wage economies elsewhere.

*Manufacturing accounts for less than one-fifth of employment in all regions and this continues to decline.*

1.3 The change in the structure of the economy and the resultant demand for skills is not simply reflected in the percentage of establishments reporting hard-to-fill or skill-shortage vacancies. It is notable that in some of the most dynamic regions – notably London – the percentage of establishments reporting either HtFVs or SSVs is relatively low. In contrast, the West Midlands has a higher percentage of establishments reporting HtFVs and SSVs than the national average.

*In some of the most dynamic regions, the percentage of establishments reporting either HtFVs or SSVs is relatively low.*
*In some regions unemployment is caused by skills mismatches and structural imbalances, and, in others, by weak demand for labour.*

1.4 In terms of unemployment, the picture is less straightforward. Despite a large number of HtFVs and SSVs, London also has a higher than average rate of unemployment, indicating a skills imbalance and/or mismatch in London. Unemployment is also higher than the UK average in areas such as the West Midlands, where the region's economy is going through structural change. Further north the higher rate of unemployment is more likely to reflect weak demand for labour.

1.5 All of the English regions except the South West have a higher population density than the UK average. The South, including London, also has the more expensive houses. The average ratio of house prices to income is more than 3.5 in London, the South East and the South West. In the East of England and the Midlands the ratio is around 3.5, while in the north of England (Yorkshire and the Humber, the North West and the North East) the ratio is much lower at 3 or less.

1.6 House prices vary more than these ratios would suggest, however, because earnings also vary in the same way. In London, the South East and the East of England earnings are much greater than the UK average. Elsewhere earnings are below average, emphasising the gap between these three regions and the rest. In some parts of the South West the region's attractiveness as a location for retirement has pushed up house prices relative to the incomes of people working there; they also reflect the more buoyant economy in the eastern part of the region.

# Chapter 2: Regional Profiles

## London

*London is a leading international business and trading centre.*
*Financial and business services dominate London's economy.*

2.1 The London region has a population of almost 7.4 million, making it the second largest city in Europe after Paris. Of the almost 7.4 million residents, 4.5 million are employed, making London a very large market in its own right. London is also highly cosmopolitan with 29 per cent of its population made up from ethnic minorities, a larger proportion than any other region in England (ethnic minorities represent 7.9 per cent of the UK population).

2.2 London is one of the major international business and trading centres and the leading choice for international investment in Europe. The London Stock Exchange has more foreign company listings than any other in the world. As a result it is the base for around 240 foreign banks, of which one-third are from EU countries, as well as the headquarters of many international companies. Excellent air links with the rest of the world, through nearby airports at Heathrow, Gatwick, Stansted and Luton, and fast Eurostar rail links to mainland Europe contribute to London's global position.

2.3 London's gross value added (GVA – the contribution individual sectors and industries make to gross domestic product) is the largest per head of all the regions. More than 40 per cent of this is generated by finance and business services, which employ over 1.4 million people. The figure may be more, however, since many of the companies listed as involved in manufacturing and production have activities such as marketing and sales and other business support in their London branches. Manufacturing accounts for 10 per cent of GVA in London compared with the UK average of 17 per cent. It is a sector which has lost jobs in London twice as fast as elsewhere in the UK, making it partly responsible for inner London's unemployment rate being twice the national average.

2.4 London is a major centre for higher education (HE) and further education (FE), with 28 universities, 12 HE colleges and 54 FE colleges. Over one-third of the UK's publicly funded research is carried out in London, the largest of any region. More than 300,000 students are studying at HE level in London.

2.5 London's problems include inner city poverty, increasing congestion, pollution and the high cost of living, particularly where housing is concerned, and high industrial and commercial rents and other costs.

2.6 London encompasses a wide range of communities and there are wide disparities in terms of prosperity between different parts of the city. Despite recent strong growth in London's economy, and the associated improvements in the well-being of its inhabitants, these differences remain and the capital has some of the county's most prosperous districts and also some of its most deprived.

*There are wide disparities between different parts of London in terms of prosperity.*

**Table 2.1: London**

Local LSCs: London North; London West; London Central; London East; London South.

| | |
|---|---|
| Population (000) | 7,388 |
| Population of working age (000) | 5,140 |
| Minority ethnic groups (%) | |
| White | 71.2 |
| Black | 10.9 |
| Indian | 6.1 |
| Bangladeshi/Pakistani | 4.1 |
| Other/mixed | 7.7 |
| Population change: 1993–2003 (% pa) | 0.8 |
| Population density (persons per square km) | 4679 |
| Employment (000) | 4481 |
| Change: 1993–2003 (% pa) | 1.8 |
| Change: 1998–2003 (% pa) | 1.6 |
| Change: 2003–2008 (forecast % pa) | 0.6 |
| Employment in 10 worst-performing UK industries (%) | 9.3 |
| Employment in 10 best-performing UK industries (%) | 58.1 |
| Top three occupational groups (% of total emp.) | |
| Associate professional and technical occupations | 19.2 |
| Managers and senior officials | 18.2 |
| Professional occupations | 14.2 |
| Workforce with NVQ4+ qualifications (%) | 30.5 |
| Workforce with no qualifications (%) | 13.9 |
| Average gross weekly pay (£) | 546 |
| Unemployment rate (ILO) | 7.4 |
| Establishments reporting HtFVs (%) | 4.5 |
| Establishments reporting SSVs (%) | 3.7 |

**Sources:** CE and IER estimates based on various sources (see Annex for details).

## London local LSC areas

*London has a good representation of growth industries.*

2.7 London has in general been successful in generating employment and has had some of the highest levels of employment growth over the 10 years before 2003. Three local LSC areas of London rank in the top 10 for employment growth with the exception of London South, which ranks 30th and London North, which ranks 40th. Over the period 1993 to 2003 London Central was ranked first in employment growth. However, the global slowdown hit financial and business services, contributing to heavy job losses in the city, and London Central fell to second in the rank for employment growth over the period 1998 to 2003. London's success in generating employment is partly due to the greater representation of growth industries. All local LSC areas of London rank in the top 10 for employment in the 10 best-performing industries in England with London Central first. In terms of employment, in the 10 worst-performing industries in England, the London local LSC areas occupy the 5 lowest ranks.

*High unemployment reflects London's skills mismatches.*

*London has the lowest rate of HtFVs and SSVs in England.*

*London's working population is highly qualified.*

2.8 However, in terms of the unemployment rate, London is not doing as well as this employment growth rate might suggest. By far the worst are London Central and London East, which rank second and fourth for the worst unemployment rate in England, at 8.5 per cent and 8.2 per cent respectively. Other local LSC areas of London do not have a much better unemployment rate than the UK average. One reason for this is the large number of commuters who are often better qualified for the jobs available than the local workforce in London. Another reason, however, is London's relatively fast shift away from manufacturing towards service industries, which has caused skills mismatches especially in the northern parts of London. In addition, London's strong population growth due to international in-migration means that employment growth does not necessarily help those currently unemployed.

2.9 London has the lowest rate of HtFVs and SSVs anywhere in England. In HtFVs London local LSCs rank in the lowest five positions in England.

2.10 In general, the London local LSCs rank high in the level of qualifications held by the working population. Four of the five London local LSC areas are ranked in the top 10 for qualifications at national vocational qualification (NVQ) Level 4 or above. The main exception is London East, which ranks much lower in this category at 23rd. The main difference between London East and the other London local LSCs is the number of working population with no qualifications. London East ranks 8th in the category with around 19 per cent of working age population, whereas the other London local LSCs are ranked between 26th and 45th.

**Table 2.2: London North**

| | |
|---|---|
| Population (000) | 1,051 |
| Population of working age (000) | 722 |
| Minority ethnic groups (%) | |
| White | 71 |
| Black | 12.2 |
| Indian | 5.1 |
| Bangladeshi/Pakistani | 3.4 |
| Other/mixed | 8.3 |
| Population change: 1993–2003 (% pa) | 0.7 |
| Population density (persons per square km) | 4,435 |
| Employment (000) | 366 |
| Change: 1993–2003 (% pa) | 0.4 |
| Change: 1998–2003 (% pa) | -0.2 |
| Change: 2003–2008 (forecast % pa) | 0.4 |
| Employment in the 10 worst-performing industries in England (%) | 11.9 |
| Employment in the 10 best-performing industries in England (%) | 57.1 |
| Top three occupational groups (% of total emp.) | |
| Associate professional and technical occupations | 17.9 |
| Managers and senior officials | 17.3 |
| Professional occupations | 14.5 |
| Workforce with NVQ4+ qualifications (%) | 30.8 |
| Workforce with no qualifications (%) | 14.4 |
| Average gross weekly pay (£) | 409 |
| Unemployment rate (ILO) | 7.3 |
| Establishments reporting HtFVs (%) | 4.1 |
| Establishments reporting SSVs (%) | 3.5 |

**Sources:** CE and IER estimates based on various sources (see Annex for details).

**Table 2.3: London West**

| | |
|---|---|
| Population (000) | 1,418 |
| Population of working age (000) | 992 |
| Minority ethnic groups (%) | |
| White | 62.9 |
| Black | 9.1 |
| Indian | 14.8 |
| Bangladeshi/Pakistani | 3.4 |
| Other/mixed | 9.7 |
| Population change: 1993–2003 (% pa) | 0.7 |
| Population density (persons per square km) | 4,208 |
| Employment (000) | 792 |
| Change: 1993–2003 (% pa) | 2 |
| Change: 1998–2003 (% pa) | 1.7 |
| Change: 2003–2008 (forecast % pa) | 0.7 |
| Employment in the 10 worst-performing industries in England (%) | 10.4 |
| Employment in the 10 best-performing industries in England (%) | 63 |
| Top three occupational groups (% of total emp.) | |
| Associate professional and technical occupations | 18.6 |
| Managers and senior officials | 17.9 |
| Professional occupations | 13 |
| Workforce with NVQ4+ qualifications (%) | 28.9 |
| Workforce with no qualifications (%) | 12.2 |
| Average gross weekly pay (£) | 483 |
| Unemployment rate (ILO) | 6.2 |
| Establishments reporting HtFVs (%) | 4.9 |
| Establishments reporting SSVs (%) | 4.2 |

**Sources:** CE and IER estimates based on various sources (see Annex for details).

**Table 2.4: London East**

| | |
|---|---|
| Population (000) | 2,000 |
| Population of working age (000) | 1,351 |
| Minority ethnic groups (%) | |
| White | 69.3 |
| Black | 12.1 |
| Indian | 5 |
| Bangladeshi/Pakistani | 7.5 |
| Other/mixed | 6.1 |
| Population change: 1993–2003 (% pa) | 0.7 |
| Population density (persons per square km) | 4,707 |
| Employment (000) | 1,095 |
| Change: 1993–2003 (% pa) | 1.7 |
| Change: 1998–2003 (% pa) | 1.4 |
| Change: 2003–2008 (forecast % pa) | 0.5 |
| Employment in the 10 worst-performing industries in England (%) | 8.3 |
| Employment in the 10 best-performing industries in England (%) | 56.1 |
| Top three occupational groups (% of total emp.) | |
| Associate professional and technical occupations | 18.7 |
| Managers and senior officials | 18.1 |
| Administrative and secretarial occupations | 16.7 |
| Workforce with NVQ4+ qualifications (%) | 23 |
| Workforce with no qualifications (%) | 19.4 |
| Average gross weekly pay (£) | 511 |
| Unemployment rate (ILO) | 8.2 |
| Establishments reporting HtFVs (%) | 5.2 |
| Establishments reporting SSVs (%) | 4.3 |

**Sources:** CE and IER estimates based on various sources (see Annex for details).

**Table 2.5: London Central**

| | |
|---|---|
| Population (000) | 1584 |
| Population of working age (000) | 1173 |
| Minority ethnic groups (%) | |
| White | 71.2 |
| Black | 14.7 |
| Indian | 2.2 |
| Bangladeshi/Pakistani | 3 |
| Other/mixed | 8.8 |
| Population change: 1993–2003 (% pa) | 1.2 |
| Population density (persons per square km) | 9,898 |
| Employment (000) | 1,656 |
| Change: 1993–2003 (% pa) | 2.6 |
| Change: 1998–2003 (% pa) | 2.4 |
| Change: 2003–2008 (forecast % pa) | 0.7 |
| Employment in the 10 worst-performing industries in England (%) | 8.9 |
| Employment in the 10 best-performing industries in England (%) | 68.8 |
| Top three occupational groups (% of total emp.) | |
| Associate professional and technical occupations | 20.3 |
| Managers and senior officials | 18.9 |
| Professional occupations | 14.6 |
| Workforce with NVQ4+ qualifications (%) | 38.7 |
| Workforce with no qualifications (%) | 12.1 |
| Average gross weekly pay (£) | 578 |
| Unemployment rate (ILO) | 8.5 |
| Establishments reporting HtFVs (%) | 4.2 |
| Establishments reporting SSVs (%) | 3.5 |

**Sources:** CE and IER estimates based on various sources (see Annex for details).

**Table 2.6: London South**

| | |
|---|---|
| Population (000) | 1,334 |
| Population of working age (000) | 901 |
| Minority ethnic groups (%) | |
| White | 82.6 |
| Black | 5.8 |
| Indian | 3.6 |
| Bangladeshi/Pakistani | 1.7 |
| Other/mixed | 6.3 |
| Population change: 1993–2003 (% pa) | 0.6 |
| Population density (persons per square km) | 3,231 |
| Employment (000) | 572 |
| Change: 1993–2003 (% pa) | 0.8 |
| Change: 1998–2003 (% pa) | 0.5 |
| Change: 2003–2008 (forecast % pa) | 0.7 |
| Employment in the 10 worst-performing industries in England (%) | 9.7 |
| Employment in the 10 best-performing industries in England (%) | 59.5 |
| Top three occupational groups (% of total emp.) | |
| Associate professional and technical occupations | 18.5 |
| Managers and senior officials | 17.5 |
| Professional occupations | 14.1 |
| Workforce with NVQ4+ qualifications (%) | 32.7 |
| Workforce with no qualifications (%) | 9.8 |
| Average gross weekly pay (£) | 243 |
| Unemployment rate (ILO) | 5 |
| Establishments reporting HtFVs (%) | 3.5 |
| Establishments reporting SSVs (%) | - |

**Sources:** CE and IER estimates based on various sources (see Annex for details).

## South East

2.11 The South East region is the third largest geographically in England, forming an arc around London, from Kent in the south east, to Hampshire in the south and Buckinghamshire in the north. It encompasses 19 counties and unitary authorities and includes 7 cities with populations of over 100,000 and a total population of over 8 million. The region represents an attractive environment with about 40 per cent of the land subject to some form of protective legislation. This is dampening growth prospects as transport congestion increases.

*The South East is economically strong. The South East is a 'gateway' region to mainland Europe.*

2.12 Economically the region is strong, providing 4.3 million jobs and accounting for 16 per cent of the UK's GVA. There are over 280,000 VAT-registered companies in an economy which is, in the main, advanced, high cost, high income, broadly based and service orientated. The region's relationship with London is critical to its success. London is a key market, a key provider of employment (20 per cent of London's workforce live in the South East), and a key provider of business services to the area. However its proximity to London is thought to be responsible for the high average price of houses, which is second only to London itself.

2.13 Proximity to mainland Europe is very important and as the 'gateway' region, the South East has attracted many global companies. There are good national and international communications, with the region containing 24 per cent of the national motorway system, the UK's second busiest airport, Gatwick, and access to mainland Europe via the Channel Tunnel and ferry ports. Heathrow airport, although in the London region, is immediately adjacent to the South East region and exerts a strong influence on it in terms of jobs and communications facilities.

2.14 The workforce is generally well educated and the South East is the most prosperous region in England in terms of real household disposable income. However, there are pockets of relative disadvantage, particularly in the east (Kent), in the towns along the south coast and on the Isle of Wight. There are also problems with pressure of population and industry on the available land.

**Table 2.7: South East**

Local LSCs: Berkshire; Milton Keynes, Oxfordshire and Buckinghamshire; Sussex; Hampshire and the Isle of Wight; Kent and Medway; Surrey.

| | |
|---|---|
| Population (000) | 8,080 |
| Population of working age (000) | 5,270 |
| Minority ethnic groups (%) | |
| White | 95.1 |
| Black | 0.7 |
| Indian | 1.1 |
| Bangladeshi/Pakistani | 0.9 |
| Other/mixed | 2.1 |
| Population change: 1993–2003 (% pa) | 0.5 |
| Population density (persons per square km) | 421 |
| Employment (000) | 4,185 |
| Change: 1993–2003 (% pa) | 1.5 |
| Change: 1998–2003 (% pa) | 1.5 |
| Change: 2003–2008 (forecast % pa) | 0.7 |
| Employment in the 10 worst-performing industries in England (%) | 15.6 |
| Employment in the 10 best-performing industries in England (%) | 55.9 |
| Top three occupational groups (% of total emp.) | |
| Managers and senior officials | 17.5 |
| Associate professional and technical occupations | 15 |
| Administrative and secretarial occupations | 13.6 |
| Workforce with NVQ4+ qualifications (%) | 27.7 |
| Workforce with no qualifications (%) | 11.3 |
| Average gross weekly pay (£) | 414 |
| Unemployment rate (ILO) | 4 |
| Establishments reporting HtFVs (%) | 8.5 |
| Establishments reporting SSVs (%) | 5.8 |

**Sources:** CE and IER estimates based on various sources (see Annex for details).

## South East local LSC areas

*The South East benefits from its proximity to London.*

2.15 The South East has some of the best-performing local LSC areas in terms of creating employment. Berkshire, Sussex, Surrey, and Kent and Medway are all in the top 10 for employment growth for the period 1998 to 2003, with Berkshire and Sussex ranked 3rd and 4th respectively. Hampshire and the Isle of Wight, and Milton Keynes, Oxfordshire and Buckinghamshire, on the other hand, rank lower down at 21st and 25th respectively. The success of most local LSC areas in creating employment is partly due to their relative specialisation in the best-performing industries in England, especially in service industries which dominate the region. Much of the area has near full employment. Berkshire ranks in the top five for employment in the best-performing industries in England, while Surrey has the lowest unemployment rate in England, and Hampshire and the Isle of Wight, and Milton Keynes, Oxfordshire and Buckinghamshire are in the lowest 10 local LSCs ranked by unemployment rates.

*The South East has a highly skilled workforce.*

2.16 In terms of unemployment, Kent and Medway is the worst-performing local LSC area in the South East. The differences between the ranks of local LSCs in the South East are largely due to the benefits that some local LSCs receive from being in close proximity to London, not only in terms of commuter employment, but also due to high-technology companies spreading westwards from the capital.

2.17 In terms of HtFVs and SSVs, performance in the South East is mixed. Sussex and Kent and Medway rank the lowest in the region for both HtFVs and SSVs.

2.18 Those employed in the local LSC areas of the South East have the highest levels of qualifications in England. With around 30 per cent of working age population achieving NVQ Level 4 or above, Surrey, Milton Keynes, Oxfordshire and Buckinghamshire, and Berkshire local LSC areas are all in the top 10 in the category. Surrey ranks second in England for NVQ Level 4 or above, and 47th, the lowest in England, for no qualifications. The other three have between 20 per cent and 25 per cent of the working age population with qualifications at NVQ Level 4 or above. The South East has some of the lowest ranks in England for the proportion of employees with no qualifications. All except Kent and Medway rank in the bottom 10 for England.

**Table 2.8: Berkshire**

| | |
|---|---|
| Population (000) | 804 |
| Population of working age (000) | 548 |
| Minority ethnic groups (%) | |
| White | 88.7 |
| Black | 2 |
| Indian | 3.4 |
| Bangladeshi/Pakistani | 2.9 |
| Other/mixed | 3.1 |
| Population change: 1993–2003 (% pa) | 0.5 |
| Population density (persons per square km) | 637 |
| Employment (000) | 507 |
| Change: 1993–2003 (% pa) | 2.2 |
| Change: 1998–2003 (% pa) | 2.3 |
| Change: 2003–2008 (forecast % pa) | 1 |
| Employment in the 10 worst-performing industries in England (%) | 14 |
| Employment in the 10 best-performing industries in England (%) | 60.1 |
| Top three occupational groups (% of total emp.) | |
| Managers and senior officials | 18.1 |
| Associate professional and technical occupations | 15.1 |
| Administrative and secretarial occupations | 13.5 |
| Workforce with NVQ4+ qualifications (%) | 29.7 |
| Workforce with no qualifications (%) | 9.6 |
| Average gross weekly pay (£) | 499 |
| Unemployment rate (ILO) | 4.1 |
| Establishments reporting HtFVs (%) | 7.4 |
| Establishments reporting SSVs (%) | 5.1 |

**Sources:** CE and IER estimates based on various sources (see Annex for details).

**Table 2.9: Milton Keynes, Oxfordshire and Buckinghamshire**

| | |
|---|---|
| Population (000) | 1,309 |
| Population of working age (000) | 876 |
| Minority ethnic groups (%) | |
| White | 93.3 |
| Black | 1.3 |
| Indian | 1 |
| Bangladeshi/Pakistani | 1.8 |
| Other/mixed | 2.6 |
| Population change: 1993–2003 (% pa) | 0.7 |
| Population density (persons per square km) | 292 |
| Employment (000) | 749 |
| Change: 1993–2003 (% pa) | 2 |
| Change: 1998–2003 (% pa) | 0.9 |
| Change: 2003–2008 (forecast % pa) | 0.8 |
| Employment in the 10 worst-performing industries in England (%) | 15.7 |
| Employment in the 10 best-performing industries in England (%) | 55.8 |
| Top three occupational groups (% of total emp.) | |
| Managers and senior officials | 17.7 |
| Associate professional and technical occupations | 14.8 |
| Administrative and secretarial occupations | 13.3 |
| Workforce with NVQ4+ qualifications (%) | 31.4 |
| Workforce with no qualifications (%) | 12 |
| Average gross weekly pay (£) | 431 |
| Unemployment rate (ILO) | 3.8 |
| Establishments reporting HtFVs (%) | 9.6 |
| Establishments reporting SSVs (%) | 6.8 |

**Sources:** CE and IER estimates based on various sources (see Annex for details).

**Table 2.10: Sussex**

| | |
|---|---|
| Population (000) | 1,506 |
| Population of working age (000) | 941 |
| Minority ethnic groups (%) | |
| White | 96.6 |
| Black | 0.4 |
| Indian | 0.6 |
| Bangladeshi/Pakistani | 0.5 |
| Other/mixed | 1.9 |
| Population change: 1993–2003 (% pa) | 0.6 |
| Population density (persons per square km) | 398 |
| Employment (000) | 718 |
| Change: 1993–2003 (% pa) | 1.3 |
| Change: 1998–2003 (% pa) | 1.9 |
| Change: 2003–2008 (forecast % pa) | 0.6 |
| Employment in the 10 worst-performing industries in England (%) | 14.3 |
| Employment in the 10 best-performing industries in England (%) | 56.1 |
| Top three occupational groups (% of total emp.) | |
| Managers and senior officials | 17.1 |
| Associate professional and technical occupations | 15.2 |
| Administrative and secretarial occupations | 14.6 |
| Workforce with NVQ4+ qualifications (%) | 26.1 |
| Workforce with no qualifications (%) | 12.1 |
| Average gross weekly pay (£) | 351 |
| Unemployment rate (ILO) | 4.3 |
| Establishments reporting HtFVs (%) | 7.2 |
| Establishments reporting SSVs (%) | 4.4 |

**Sources:** CE and IER estimates based on various sources (see Annex for details).

## Table 2.11: Hampshire and the Isle of Wight

| | |
|---|---|
| Population (000) | 1,797 |
| Population of working age (000) | 1,179 |
| Minority ethnic groups (%) | |
| White | 96.9 |
| Black | 0.4 |
| Indian | 0.6 |
| Bangladeshi/Pakistani | 0.5 |
| Other/mixed | 1.6 |
| Population change: 1993–2003 (% pa) | 0.5 |
| Population density (persons per square km) | 433 |
| Employment (000) | 907 |
| Change: 1993–2003 (% pa) | 1.3 |
| Change: 1998–2003 (% pa) | 1 |
| Change: 2003–2008 (forecast % pa) | 0.5 |
| Employment in the 10 worst-performing industries in England (%) | 17.5 |
| Employment in the 10 best-performing industries in England (%) | 54.1 |
| Top three occupational groups (% of total emp.) | |
| Managers and senior officials | 17.2 |
| Associate professional and technical occupations | 14.7 |
| Administrative and secretarial occupations | 13.5 |
| Workforce with NVQ4+ qualifications (%) | 26.7 |
| Workforce with no qualifications (%) | 9.8 |
| Average gross weekly pay (£) | 379 |
| Unemployment rate (ILO) | 3.7 |
| Establishments reporting HtFVs (%) | 9.7 |
| Establishments reporting SSVs (%) | 6.7 |

**Sources:** CE and IER estimates based on various sources (see Annex for details).

**Table 2.12: Kent and Medway**

| | |
|---|---|
| Population (000) | 1,600 |
| Population of working age (000) | 1,029 |
| Minority ethnic groups (%) | |
| White | 96.5 |
| Black | 0.4 |
| Indian | 1.1 |
| Bangladeshi/Pakistani | 0.3 |
| Other/mixed | 1.7 |
| Population change: 1993–2003 (% pa) | 0.5 |
| Population density (persons per square km) | 428 |
| Employment (000) | 710 |
| Change: 1993–2003 (% pa) | 1 |
| Change: 1998–2003 (% pa) | 1.7 |
| Change: 2003–2008 (forecast % pa) | 0.6 |
| Employment in the 10 worst-performing industries in England (%) | 18 |
| Employment in the 10 best-performing industries in England (%) | 51.8 |
| Top three occupational groups (% of total emp.) | |
| Managers and senior officials | 16.8 |
| Associate professional and technical occupations | 14.3 |
| Administrative and secretarial occupations | 12.8 |
| Workforce with NVQ4+ qualifications (%) | 21.7 |
| Workforce with no qualifications (%) | 14.4 |
| Average gross weekly pay (£) | 368 |
| Unemployment rate (ILO) | 4.8 |
| Establishments reporting HtFVs (%) | 7.1 |
| Establishments reporting SSVs (%) | 5.0 |

**Sources:** CE and IER estimates based on various sources (see Annex for details).

**Table 2.13: Surrey**

| | |
|---|---|
| Population (000) | 1,065 |
| Population of working age (000) | 697 |
| Minority ethnic groups (%) | |
| White | 95 |
| Black | 0.5 |
| Indian | 1 |
| Bangladeshi/Pakistani | 0.8 |
| Other/mixed | 2.7 |
| Population change: 1993–2003 (% pa) | 0.4 |
| Population density (persons per square km) | 640 |
| Employment (000) | 595 |
| Change: 1993–2003 (% pa) | 1.9 |
| Change: 1998–2003 (% pa) | 1.7 |
| Change: 2003–2008 (forecast % pa) | 0.9 |
| Employment in the 10 worst-performing industries in England (%) | 12.9 |
| Employment in the 10 best-performing industries in England (%) | 60.1 |
| Top three occupational groups (% of total emp.) | |
| Managers and senior officials | 18.2 |
| Associate professional and technical occupations | 16 |
| Administrative and secretarial occupations | 13.5 |
| Workforce with NVQ4+ qualifications (%) | 34 |
| Workforce with no qualifications (%) | 9 |
| Average gross weekly pay (£) | 486 |
| Unemployment rate (ILO) | 2.9 |
| Establishments reporting HtFVs (%) | 8.2 |
| Establishments reporting SSVs (%) | 5.2 |

**Sources:** CE and IER estimates based on various sources (see Annex for details).

## East of England

2.19 The East of England region contains six counties and four unitary authorities. There is significant diversity across the counties with Cambridgeshire, one of the fastest-growing of the counties in England, contrasting with the more remote coastal and rural areas to the north and the east. The region has the highest GVA after London, the South East and the North West, and contributes 10 per cent to the UK's GVA. It has a population of over 5.4 million spread across a large number of relatively small towns and cities, which are coming under increasing pressure due to strong population growth in the region.

*There are significant differences in employment across the counties of the East of England. There are also marked differences in educational achievement between the counties of the East of England.*

2.20 Of the region's population almost 2.7 million are employed. The region has been one of the best-performing over the last few years and this favourable economic performance is set to continue. Although manufacturing employment has slowed, there is strong growth in electronics, pharmaceuticals and biotechnology in the region. Most of these industries are concentrated in the more urbanised area, while coastal and rural areas rely on tourism.

2.21 Higher education and research and development facilities are important employers and contributors to the regional economy. The region has a strong research and development base with telemetric networks, innovation and the development of knowledge-based activities. Cambridge University is a key institution in this activity.

2.22 The strong educational performance at the higher level (qualifications at NVQ Level 4 or above) contrasts with a much more patchy performance at lower levels. There is a marked split between the regional and national achievement levels of Hertfordshire and Cambridgeshire and the rest of the region, where there is a tailing-off of qualification levels after a strong school performance.

2.23 The strongest sectoral growth is expected in finance and business services. Manufacturing is also expected to see faster growth than the national average. Hertfordshire and Cambridgeshire are the strongest growth points. Essex, Bedfordshire and the Norfolk coast are expected to perform relatively poorly. There are good road and rail links with regions north and south but east-west routes are still problematic. The ports of Harwich and Felixstowe, the UK's largest container port, have grown in significance as gateways to Europe. Luton and Stansted airports also show strong growth, helped by their role as centres for low-cost airlines.

**Table 2.14: East of England**
Local LSCs: Bedfordshire and Luton; Essex; Hertfordshire; Cambridgeshire; Norfolk; Suffolk.

| | |
|---|---|
| Population (000) | 5,463 |
| Population of working age (000) | 3,544 |
| Minority ethnic groups (%) | |
| White | 95.1 |
| Black | 0.9 |
| Indian | 0.9 |
| Bangladeshi/Pakistani | 1.1 |
| Other/mixed | 2 |
| Population change: 1993–2003 (% pa) | 0.6 |
| Population density (persons per square km) | 284 |
| Employment (000) | 2,618 |
| Change: 1993–2003 (% pa) | 1.3 |
| Change: 1998–2003 (% pa) | 1.1 |
| Change: 2003–2008 (forecast % pa) | 0.8 |
| Employment in the 10 worst-performing industries in England (%) | 16.1 |
| Employment in the 10 best-performing industries in England (%) | 54.1 |
| Top three occupational groups (% of total emp.) | |
| Managers and senior officials | 16.4 |
| Associate professional and technical occupations | 13.8 |
| Administrative and secretarial occupations | 12.8 |
| Workforce with NVQ4+ qualifications (%) | 22.2 |
| Workforce with no qualifications (%) | 14.8 |
| Average gross weekly pay (£) | 387 |
| Unemployment rate (ILO) | 3.6 |
| Establishments reporting HtFVs (%) | 8.2 |
| Establishments reporting SSVs (%) | 5.8 |

**Sources:** CE and IER estimates based on various sources (see Annex for details).

## East of England local LSC areas

*Employment growth performance has been diverse in the East of England.*

2.24 The performance of employment growth is diverse in the East of England. In the period 1998 to 2003 only Essex is in the top 10 performers. Over the longer period 1993 to 2003, Hertfordshire and Essex are in the top 10 performers in England, and Cambridgeshire is 14th. Other areas rank much lower with Suffolk 22nd, Norfolk 35th, and Bedfordshire and Luton 41st. The performance is diverse, not only between local LSC areas, but also between time periods within particular local LSC areas. Between the periods 1993 to 2003 and 1998 to 2003 Hertfordshire experienced a large fall of employment growth from 2 per cent to 0.6 per cent, which implies that the growth rate experienced in the early half of the 1990s could not be sustained.

2.25 In terms of HtFVs and SSVs, the overall performance is mixed for the region. Cambridgeshire ranks highest for HtFVs vacancies (40th) and Hertfordshire (42nd) highest for SSVs.

2.26 There is great variation in the number of qualifications at NVQ Level 4 or above. Whereas the Hertfordshire local LSC area is in the top 10 for the percentage of working age population with qualifications at NVQ Level 4 or above, Essex and Norfolk are in the bottom 10 in England. At lower levels, however, these areas are not ranked so low. Essex is ranked first for the highest qualification at NVQ Level 2 and 15th at NVQ Level 1. The only other top 10 appearances in any category of qualifications are Norfolk in 8th for NVQ Level 2 and first for NVQ Level 1, and Suffolk in 3rd for NVQ Level 2 (see Table A.2 in the Annex). There is therefore a sharp tailing off of qualifications achieved by working age population in the East of England.

**Table 2.15: Bedfordshire and Luton**

| | |
|---|---|
| Population (000) | 574 |
| Population of working age (000) | 380 |
| Minority ethnic groups (%) | |
| White | 86.3 |
| Black | 2.9 |
| Indian | 2.7 |
| Bangladeshi/Pakistani | 5.2 |
| Other/mixed | 2.8 |
| Population change: 1993–2003 (% pa) | 0.7 |
| Population density (persons per square km) | 465 |
| Employment (000) | 258 |
| Change: 1993–2003 (% pa) | 0.2 |
| Change: 1998–2003 (% pa) | 1 |
| Change: 2003–2008 (forecast % pa) | 0.4 |
| Employment in the 10 worst-performing industries in England (%) | 17.1 |
| Employment in the 10 best-performing industries in England (%) | 54.1 |
| Top three occupational groups (% of total emp.) | |
| Managers and senior officials | 16.5 |
| Associate professional and technical occupations | 13.7 |
| Skilled trades occupations | 12.2 |
| Workforce with NVQ4+ qualifications (%) | 22.1 |
| Workforce with no qualifications (%) | 13 |
| Average gross weekly pay (£) | 366 |
| Unemployment rate (ILO) | 4.6 |
| Establishments reporting HtFVs (%) | 7.5 |
| Establishments reporting SSVs (%) | 6.5 |

**Sources:** CE and IER estimates based on various sources (see Annex for details).

**Table 2.16: Essex**

| | |
|---|---|
| Population (000) | 1,630 |
| Population of working age (000) | 1,052 |
| Minority ethnic groups (%) | |
| White | 96.8 |
| Black | 0.6 |
| Indian | 0.6 |
| Bangladeshi/Pakistani | 0.3 |
| Other/mixed | 1.7 |
| Population change: 1993–2003 (% pa) | 0.5 |
| Population density (persons per square km) | 444 |
| Employment (000) | 685 |
| Change: 1993–2003 (% pa) | 1.6 |
| Change: 1998–2003 (% pa) | 1.9 |
| Change: 2003–2008 (forecast % pa) | 0.7 |
| Employment in the 10 worst-performing industries in England (%) | 15.6 |
| Employment in the 10 best-performing industries in England (%) | 54.5 |
| Top three occupational groups (% of total emp.) | |
| Managers and senior officials | 16.5 |
| Associate professional and technical occupations | 13.8 |
| Administrative and secretarial occupations | 13.3 |
| Workforce with NVQ4+ qualifications (%) | 19.2 |
| Workforce with no qualifications (%) | 17.9 |
| Average gross weekly pay (£) | 360 |
| Unemployment rate (ILO) | 4.5 |
| Establishments reporting HtFVs (%) | 7.2 |
| Establishments reporting SSVs (%) | 5.3 |

**Sources:** CE and IER estimates based on various sources (see Annex for details).

**Table 2.17: Hertfordshire**

| | |
|---|---|
| Population (000) | 1,041 |
| Population of working age (000) | 681 |
| Minority ethnic groups (%) | |
| White | 93.7 |
| Black | 1.1 |
| Indian | 1.6 |
| Bangladeshi/Pakistani | 1 |
| Other/mixed | 2.6 |
| Population change: 1993–2003 (% pa) | 0.5 |
| Population density (persons per square km) | 634 |
| Employment (000) | 588 |
| Change: 1993–2003 (% pa) | 2 |
| Change: 1998–2003 (% pa) | 0.6 |
| Change: 2003–2008 (forecast % pa) | 1.2 |
| Employment in the 10 worst-performing industries in England (%) | 12.9 |
| Employment in the 10 best-performing industries in England (%) | 58.9 |
| Top three occupational groups (% of total emp.) | |
| Managers and senior officials | 16.8 |
| Associate professional and technical occupations | 13.9 |
| Administrative and secretarial occupations | 12.7 |
| Workforce with NVQ4+ qualifications (%) | 29 |
| Workforce with no qualifications (%) | 11 |
| Average gross weekly pay (£) | 448 |
| Unemployment rate (ILO) | 3.6 |
| Establishments reporting HtFVs (%) | 9.0 |
| Establishments reporting SSVs (%) | 7.6 |

**Sources:** CE and IER estimates based on various sources (see Annex for details).

**Table 2.18: Cambridgeshire**

| | |
|---|---|
| Population (000) | 730 |
| Population of working age (000) | 489 |
| Minority ethnic groups (%) | |
| White | 94.6 |
| Black | 0.7 |
| Indian | 0.9 |
| Bangladeshi/Pakistani | 1.4 |
| Other/mixed | 2.4 |
| Population change: 1993–2003 (% pa) | 0.8 |
| Population density (persons per square km) | 215 |
| Employment (000) | 386 |
| Change: 1993–2003 (% pa) | 1.4 |
| Change: 1998–2003 (% pa) | 1 |
| Change: 2003–2008 (forecast % pa) | 1.2 |
| Employment in the 10 worst-performing industries in England (%) | 18.1 |
| Employment in the 10 best-performing industries in England (%) | 54.8 |
| Top three occupational groups (% of total emp.) | |
| Managers and senior officials | 16.3 |
| Associate professional and technical occupations | 14.5 |
| Administrative and secretarial occupations | 13 |
| Workforce with NVQ4+ qualifications (%) | 26.8 |
| Workforce with no qualifications (%) | 13.5 |
| Average gross weekly pay (£) | 406 |
| Unemployment rate (ILO) | 3.8 |
| Establishments reporting HtFVs (%) | 10.0 |
| Establishments reporting SSVs (%) | 6.7 |

**Sources:** CE and IER estimates based on various sources (see Annex for details).

**Table 2.19: Norfolk**

| | |
|---|---|
| Population (000) | 811 |
| Population of working age (000) | 512 |
| Minority ethnic groups (%) | |
| White | 98.5 |
| Black | 0.2 |
| Indian | 0.2 |
| Bangladeshi/Pakistani | 0.1 |
| Other/mixed | 1 |
| Population change: 1993–2003 (% pa) | 0.7 |
| Population density (persons per square km) | 151 |
| Employment (000) | 361 |
| Change: 1993–2003 (% pa) | 0.6 |
| Change: 1998–2003 (% pa) | 0.1 |
| Change: 2003–2008 (forecast % pa) | 0.6 |
| Employment in the 10 worst-performing industries in England (%) | 17.3 |
| Employment in the 10 best-performing industries in England (%) | 47 |
| Top three occupational groups (% of total emp.) | |
| Managers and senior officials | 15.9 |
| Associate professional and technical occupations | 13.5 |
| Skilled trades occupations | 12.2 |
| Workforce with NVQ4+ qualifications (%) | 17.1 |
| Workforce with no qualifications (%) | 14.1 |
| Average gross weekly pay (£) | 334 |
| Unemployment rate (ILO) | 4.3 |
| Establishments reporting HtFVs (%) | 8.1 |
| Establishments reporting SSVs (%) | 4.6 |

**Sources:** CE and IER estimates based on various sources (see Annex for details).

**Table 2.20: Suffolk**

| | |
|---|---|
| Population (000) | 678 |
| Population of working age (000) | 429 |
| Minority ethnic groups (%) | |
| White | 97.2 |
| Black | 0.6 |
| Indian | 0.2 |
| Bangladeshi/Pakistani | 0.3 |
| Other/mixed | 1.6 |
| Population change: 1993–2003 (% pa) | 0.6 |
| Population density (persons per square km) | 178 |
| Employment (000) | 340 |
| Change: 1993–2003 (% pa) | 1.2 |
| Change: 1998–2003 (% pa) | 1.5 |
| Change: 2003–2008 (forecast % pa) | 0.7 |
| Employment in the 10 worst-performing industries in England (%) | 18.2 |
| Employment in the 10 best-performing industries in England (%) | 52.1 |
| Top three occupational groups (% of total emp.) | |
| Managers and senior officials | 16.1 |
| Associate professional and technical occupations | 13.2 |
| Administrative and secretarial occupations | 12.7 |
| Workforce with NVQ4+ qualifications (%) | 19.6 |
| Workforce with no qualifications (%) | 16.8 |
| Average gross weekly pay (£) | 343 |
| Unemployment rate (ILO) | 4.1 |
| Establishments reporting HtFVs (%) | 8.2 |
| Establishments reporting SSVs (%) | 5.5 |

**Sources:** CE and IER estimates based on various sources (see Annex for details).

## South West

*Low GVA per capita reflects the South West's specialisation in low value-added activities.*

2.27 Geographically the South West is the largest of the English regions, spreading from Bristol in the north and Bournemouth in the south and through to Cornwall and the Isles of Scilly in the south west. The South West has a population of nearly 5 million, but as one of the most rural regions of England, it has a population density below UK average. Employment in agriculture continues to decline and employs only 3 per cent of the workforce. The environmental assets, which include attractive coast and moorland (and cultural centres including the city of Bath), are being harnessed for tourism. The region attracts more tourist spending than any other region outside London.

*Skill shortages and recruitment problems are affecting the South West's economic performance.*

2.28 A number of dynamic urban centres contribute to the region's economic performance, principally Bristol, Plymouth, Swindon, Bath, Bournemouth, Poole, Torbay, Exeter, Gloucester and Cheltenham. Economic performance is uneven, however, with the eastern part contributing most to regional economic performance and regions to the west contributing less. Devon and Cornwall mainly lag behind. Despite its unevenness, GVA growth in the region as a whole has been rapid and now accounts for 7.5 per cent of national GVA. High-technology manufacturing, knowledge industries, food and drink, health, welfare and education, and tourism are all important sectors. However, GVA per capita is 10 per cent below the national average reflecting the region's specialisation in lower value-added sectors.

2.29 The population has been added to by those seeking retirement locations but also by those of workforce age seeking to take up the region's employment opportunities. Around one-third of the workforce works in the highest skill level occupations, due mainly to the high growth, high technology, high value-added sectors in the north and east of the region.

2.30 Important problem issues for the region include the large number of low value-added industries, lower overall levels of business investment than the national average, and skills shortages in technical and information technology (IT) areas. Some sub-regions lag behind in educational and training attainment. Skill shortages and recruitment problems are having an effect on workforce expansion, domestic and export orders, productivity, turnover and profitability.

**Table 2.21: South West**
Local LSCs: West of England; Devon and Cornwall; Bournemouth, Dorset and Poole; Gloucestershire; Somerset; Wiltshire and Swindon.

| | |
|---|---|
| Population (000) | 4,999 |
| Population of working age (000) | 3,192 |
| Minority ethnic groups (%) | |
| White | 97.7 |
| Black | 0.4 |
| Indian | 0.3 |
| Bangladeshi/Pakistani | 0.2 |
| Other/mixed | 1.3 |
| Population change: 1993–2003 (% pa) | 0.5 |
| Population density (persons per square km) | 208 |
| Employment (000) | 2,480 |
| Change: 1993–2003 (% pa) | 1.3 |
| Change: 1998–2003 (% pa) | 1.3 |
| Change: 2003–2008 (forecast % pa) | 0.4 |
| Employment in the 10 worst-performing industries in England (%) | 18 |
| Employment in the 10 best-performing industries in England (%) | 52.4 |
| Top three occupational groups (% of total emp.) | |
| Managers and senior officials | 14.7 |
| Associate professional and technical occupations | 13 |
| Skilled trades occupations | 12.6 |
| Workforce with NVQ4+ qualifications (%) | 25 |
| Workforce with no qualifications (%) | 11.2 |
| Average gross weekly pay (£) | 359 |
| Unemployment rate (ILO) | 2.9 |
| Establishments reporting HtFVs (%) | 9.2 |
| Establishments reporting SSVs (%) | 5.7 |

**Sources:** CE and IER estimates based on various sources (see Annex for details).

## South West local LSC areas

2.31 In the period 1993 to 2003, Wiltshire and Swindon ranked second in terms of employment growth in the local LSC areas, but dropping into 12th in the period 1998 to 2003. However, Somerset and West of England did better in the 5-year period, and ranked in the top 10. Employment growth for the rest of the local LSC areas of the South West rank between 12th and 29th. Only West of England and Wiltshire and Swindon rank in the top 20 for employment in the 10 best-performing industries in the England. Gloucestershire on the other hand ranks in the top 10 for employment in the worst-performing industries. However, in terms of unemployment, the region's local LSC areas are doing well and rank in the lower half for England.

*The north and east have experienced higher employment growth than the rest of the South West.*

*A large proportion of the workforce has low qualification levels.*

2.32 The South West has one of the worst performances in England for HtFVs. Devon and Cornwall has one of the highest rankings for HtFVs (45th) and SSVs (44th). For contrast, the West of England has one of the lowest rankings for SSVs (sixth).

2.33 In the South West region only the West of England ranks in the top 10 for qualifications at NVQ Level 4 or above, in 7th place, although Gloucestershire ranks 11th. Other South West local LSC areas rank from 19th to 22nd. Overall, the working age population in the South West is well qualified. West of England ranks first and Wiltshire and Swindon fourth for qualification at NVQ Level 3. However, the more remote local LSCs in the South West tend to see qualification levels tailing off sooner. Bournemouth, Dorset and Poole is ranked third and Wiltshire and Swindon fourth in qualification levels at NVQ Level 1, with Somerset and Devon and Cornwall in sixth and seventh place respectively. The South West has the best overall performance in England for the working age population with no qualification levels, with all local LSC areas below 13 per cent.

## Table 2.22: West of England

| | |
|---|---|
| Population (000) | 1,001 |
| Population of working age (000) | 664 |
| Minority ethnic groups (%) | |
| White | 95.5 |
| Black | 1.1 |
| Indian | 0.7 |
| Bangladeshi/Pakistani | 0.6 |
| Other/mixed | 2.1 |
| Population change: 1993–2003 (% pa) | 0.4 |
| Population density (persons per square km) | 754 |
| Employment (000) | 580 |
| Change: 1993–2003 (% pa) | 1.3 |
| Change: 1998–2003 (% pa) | 1.6 |
| Change: 2003–2008 (forecast % pa) | 0.3 |
| Employment in the 10 worst-performing industries in England (%) | 15.6 |
| Employment in the 10 best-performing industries in England (%) | 53.6 |
| Top three occupational groups (% of total emp.) | |
| Managers and senior officials | 14.8 |
| Associate professional and technical occupations | 13.5 |
| Administrative and secretarial occupations | 12.8 |
| Workforce with NVQ4+ qualifications (%) | 29.1 |
| Workforce with no qualifications (%) | 10 |
| Average gross weekly pay (£) | 398 |
| Unemployment rate (ILO) | 3.8 |
| Establishments reporting HtFVs (%) | 7.3 |
| Establishments reporting SSVs (%) | 4.4 |

**Sources:** CE and IER estimates based on various sources (see Annex for details).

**Table 2.23: Devon and Cornwall**

| | |
|---|---|
| Population (000) | 1,601 |
| Population of working age (000) | 1,010 |
| Minority ethnic groups (%) | |
| White | 98.8 |
| Black | 0.1 |
| Indian | 0.1 |
| Bangladeshi/Pakistani | 0.1 |
| Other/mixed | 0.9 |
| Population change: 1993–2003 (% pa) | 0.6 |
| Population density (persons per square km) | 156 |
| Employment (000) | 709 |
| Change: 1993–2003 (% pa) | 0.9 |
| Change: 1998–2003 (% pa) | 1.2 |
| Change: 2003–2008 (forecast % pa) | 0.4 |
| Employment in the 10 worst-performing industries in England (%) | 18 |
| Employment in the 10 best-performing industries in England (%) | 52.5 |
| Top three occupational groups (% of total emp.) | |
| Managers and senior officials | 14.5 |
| Associate professional and technical occupations | 12.9 |
| Skilled trades occupations | 12.7 |
| Workforce with NVQ4+ qualifications (%) | 23.1 |
| Workforce with no qualifications (%) | 11.1 |
| Average gross weekly pay (£) | 311 |
| Unemployment rate (ILO) | 4 |
| Establishments reporting HtFVs (%) | 12.0 |
| Establishments reporting SSVs (%) | 8.2 |

**Sources:** CE and IER estimates based on various sources (see Annex for details).

**Table 2.24: Bournemouth, Dorset and Poole**

| | |
|---|---|
| Population (000) | 699 |
| Population of working age (000) | 431 |
| Minority ethnic groups (%) | |
| White | 98.1 |
| Black | 0.2 |
| Indian | 0.2 |
| Bangladeshi/Pakistani | 0.1 |
| Other/mixed | 1.3 |
| Population change: 1993–2003 (% pa) | 0.5 |
| Population density (persons per square km) | 264 |
| Employment (000) | 321 |
| Change: 1993–2003 (% pa) | 1.4 |
| Change: 1998–2003 (% pa) | 1.3 |
| Change: 2003–2008 (forecast % pa) | 0.4 |
| Employment in the 10 worst-performing industries in England (%) | 16.2 |
| Employment in the 10 best-performing industries in England (%) | 51.9 |
| Top three occupational groups (% of total emp.) | |
| Managers and senior officials | 15 |
| Associate professional and technical occupations | 13.1 |
| Administrative and secretarial occupations | 12.9 |
| Workforce with NVQ4+ qualifications (%) | 23.4 |
| Workforce with no qualifications (%) | 11.2 |
| Average gross weekly pay (£) | 346 |
| Unemployment rate (ILO) | 4 |
| Establishments reporting HtFVs (%) | 8.0 |
| Establishments reporting SSVs (%) | 4.8 |

**Sources:** CE and IER estimates based on various sources (see Annex for details).

**Table 2.25: Gloucestershire**

| | |
|---|---|
| Population (000) | 568 |
| Population of working age (000) | 366 |
| Minority ethnic groups (%) | |
| White | 97.2 |
| Black | 0.6 |
| Indian | 0.7 |
| Bangladeshi/Pakistani | 0.2 |
| Other/mixed | 1.4 |
| Population change: 1993–2003 (% pa) | 0.5 |
| Population density (persons per square km) | 214 |
| Employment (000) | 292 |
| Change: 1993–2003 (% pa) | 1.2 |
| Change: 1998–2003 (% pa) | 0.3 |
| Change: 2003–2008 (forecast % pa) | 0.2 |
| Employment in the 10 worst-performing industries in England (%) | 22.6 |
| Employment in the 10 best-performing industries in England (%) | 48.9 |
| Top three occupational groups (% of total emp.) | |
| Managers and senior officials | 14.8 |
| Skilled trades occupations | 14 |
| Associate professional and technical occupations | 12.3 |
| Workforce with NVQ4+ qualifications (%) | 27.1 |
| Workforce with no qualifications (%) | 13 |
| Average gross weekly pay (£) | 382 |
| Unemployment rate (ILO) | 3.7 |
| Establishments reporting HtFVs (%) | 7.7 |
| Establishments reporting SSVs (%) | 4.5 |

**Sources:** CE and IER estimates based on various sources (see Annex for details).

**Table 2.26: Somerset**

| | |
|---|---|
| Population (000) | 508 |
| Population of working age (000) | 318 |
| Minority ethnic groups (%) | |
| White | 98.8 |
| Black | 0.1 |
| Indian | 0.1 |
| Bangladeshi/Pakistani | 0.1 |
| Other/mixed | 0.8 |
| Population change: 1993–2003 (% pa) | 0.7 |
| Population density (persons per square km) | 147 |
| Employment (000) | 229 |
| Change: 1993–2003 (% pa) | 1 |
| Change: 1998–2003 (% pa) | 1.7 |
| Change: 2003–2008 (forecast % pa) | 0.4 |
| Employment in the 10 worst-performing industries in England (%) | 18.7 |
| Employment in the 10 best-performing industries in England (%) | 52.2 |
| Top three occupational groups (% of total emp.) | |
| Managers and senior officials | 14.6 |
| Associate professional and technical occupations | 12.6 |
| Elementary occupations | 12.4 |
| Workforce with NVQ4+ qualifications (%) | 23.8 |
| Workforce with no qualifications (%) | 12.1 |
| Average gross weekly pay (£) | 340 |
| Unemployment rate (ILO) | 3.5 |
| Establishments reporting HtFVs (%) | 7.8 |
| Establishments reporting SSVs (%) | 4.7 |

**Sources:** CE and IER estimates based on various sources (see Annex for details).

**Table 2.27: Wiltshire and Swindon**

| | |
|---|---|
| Population (000) | 622 |
| Population of working age (000) | 405 |
| Minority ethnic groups (%) | |
| White | 97.5 |
| Black | 0.4 |
| Indian | 0.5 |
| Bangladeshi/Pakistani | 0.2 |
| Other/mixed | 1.4 |
| Population change: 1993–2003 (% pa) | 0.7 |
| Population density (persons per square km) | 178 |
| Employment (000) | 349 |
| Change: 1993–2003 (% pa) | 2.5 |
| Change: 1998–2003 (% pa) | 1.6 |
| Change: 2003–2008 (forecast % pa) | 0.4 |
| Employment in the 10 worst-performing industries in England (%) | 19.3 |
| Employment in the 10 best-performing industries in England (%) | 53.6 |
| Top three occupational groups (% of total emp.) | |
| Managers and senior officials | 14.9 |
| Administrative and secretarial occupations | 13.2 |
| Associate professional and technical occupations | 12.8 |
| Workforce with NVQ4+ qualifications (%) | 23.7 |
| Workforce with no qualifications (%) | 11 |
| Average gross weekly pay (£) | 393 |
| Unemployment rate (ILO) | 3.3 |
| Establishments reporting HtFVs (%) | 8.0 |
| Establishments reporting SSVs (%) | 5.1 |

**Sources:** CE and IER estimates based on various sources (see Annex for details).

## West Midlands

2.34 The West Midlands comprises the counties of Herefordshire, Worcestershire, Shropshire, Staffordshire and Warwickshire, the unitary authorities of the city of Stoke on Trent, and Telford and Wrekin, as well as the seven metropolitan boroughs of Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton. This makes for a diverse region, with large tracts of agricultural as well as large urban industrial conurbations. The region's central location makes it well positioned for transport connections with the rest of the UK. The ports of Dover, Felixstowe and Hull are less than 4.5 hours away and 75 per cent of the UK population is within half a day's drive.

*The West Midlands is well positioned for transport connections with the rest of the UK.*

2.35 The workforce of almost 2.6 million is employed across a huge range of activities. The main sectors are automotive; plastics and rubber; software; food and drink; electronics and telecommunications; and business services. Motor vehicles and other transport equipment represent 14 per cent of the region's manufacturing employment, although this will decline with the rundown of Rover. Land Rover, Jaguar and Peugeot remain in the region with Toyota and Honda nearby. Universities, particularly Aston and Warwick, provide strong support for industry along with specialist research centres offering industrial support on a Europe-wide scale.

*Manufacturing is a key industry in the West Midlands. The region's financial and business services sector is second only to London.*

2.36 The region is the largest financial and business services centre outside London and this is driving service output growth in the region. Financial and business services represent 18 per cent of total GVA in the West Midlands. Tourism is also a growing sector, trading largely on the region's industrial heritage, its Shakespeare industry at Stratford and its attractive countryside with many towns and villages of historical interest.

2.37 While the economic and social profile of the region is generally positive, the GVA per head is below the national average. Manufacturing, which accounts for around 23 per cent of total GVA in the region, has grown only slightly in recent years. There are also problems with overall school performance, which threatens the region's tradition of a skilled workforce, and unemployment rates are above the national average. Transport links need to improve to reduce congestion and to improve north-south access and access to Europe. However, the completion of the west coast line has been set back from 2005 to 2008.

**Table 2.28: West Midlands**
Local LSCs: Herefordshire and Worcestershire; Shropshire; Staffordshire; Coventry and Warwickshire; The Black Country; Birmingham and Solihull.

| | |
|---|---|
| Population (000) | 5,320 |
| Population of working age (000) | 3,456 |
| Minority ethnic groups (%) | |
| White | 88.7 |
| Black | 2 |
| Indian | 3.4 |
| Bangladeshi/Pakistani | 3.5 |
| Other/mixed | 2.4 |
| Population change: 1993–2003 (% pa) | 0.1 |
| Population density (persons per square km) | 408 |
| Employment (000) | 2,556 |
| Change: 1993–2003 (% pa) | 0.9 |
| Change: 1998–2003 (% pa) | -0.1 |
| Change: 2003–2008 (forecast % pa) | 0.3 |
| Employment in the 10 worst-performing industries in England (%) | 20.5 |
| Employment in the 10 best-performing industries in England (%) | 50.3 |
| Top three occupational groups (% of total emp.) | |
| Managers and senior officials | 13.2 |
| Associate professional and technical occupations | 12.7 |
| Administrative and secretarial occupations | 12.7 |
| Workforce with NVQ4+ qualifications (%) | 20.7 |
| Workforce with no qualifications (%) | 18.7 |
| Average gross weekly pay (£) | 363 |
| Unemployment rate (ILO) | 6 |
| Establishments reporting HtFVs (%) | 10.5 |
| Establishments reporting SSVs (%) | 7.4 |

**Sources:** CE and IER estimates based on various sources (see Annex for details).

## West Midlands local LSC areas

2.38 Employment growth in the region's local LSC areas has generally been poor, but there has been wide variation in the performance of the different local LSC areas. The Black Country and Birmingham and Solihull had the worst employment growth in the region for the period 1993 to 2003, but the best for 1998 to 2003. The ranking for these two local LSC areas contrasts with the rest of the West Midlands region where employment growth was lower in the period 1998 to 2003 than in 1993 to 2003.

*Poor employment growth in the region's local LSC areas reflects the regions specialisation in manufacturing. A high proportion of the working age population are without formal qualifications.*

2.39 The generally poor performance of the local LSC areas reflects the fact that most of them rank high in manufacturing employment, with the Black Country ranking first on this measure. Also the West Midlands local LSCs are generally specialised in the 10 worst-performing industries in England. The Black Country and Birmingham and Solihull stand out for having the highest proportion of employment in the 10 best-performing industries, but also have the worst unemployment in the region, whereas the other local LSC areas are around the UK average.

2.40 Generally employers in the West Midlands report a relatively higher percentage of HtFVs and SSVs compared with the rest of England. That is especially the case in Shropshire, and Herefordshire and Worcestershire.

2.41 With around 22 per cent of working age population without qualifications, the Black Country and Birmingham and Solihull rank second and third respectively for this measure, indicating that there is a high percentage of working age population in the West Midlands with no qualification levels. The Black Country also has the smallest percentage of the working age population with qualifications at NVQ Level 4 or above, ranking last in England. Birmingham and Solihull and Staffordshire also rank poorly on this measure at 36th and 37th respectively. The best qualified populations in the region are in Shropshire, Herefordshire and Worcestershire, and Coventry and Warwickshire, ranking between 16th and 19th for the number of working age population with a qualification at NVQ Level 4 or above. Herefordshire and Worcestershire also ranks in the top 10 for qualification at NVQ Level 3.

## Table 2.29: Herefordshire and Worcestershire

| | |
|---|---|
| Population (000) | 726 |
| Population of working age (000) | 470 |
| Minority ethnic groups (%) | |
| White | 97.9 |
| Black | 0.3 |
| Indian | 0.3 |
| Bangladeshi/Pakistani | 0.6 |
| Other/mixed | 1 |
| Population change: 1993–2003 (% pa) | 0.6 |
| Population density (persons per square km) | 185 |
| Employment (000) | 339 |
| Change: 1993–2003 (% pa) | 1.3 |
| Change: 1998–2003 (% pa) | 0 |
| Change: 2003–2008 (forecast % pa) | 0.5 |
| Employment in the 10 worst-performing industries in England (%) | 21.7 |
| Employment in the 10 best-performing industries in England (%) | 50.3 |
| Top three occupational groups (% of total emp.) | |
| Managers and senior officials | 13.2 |
| Skilled trades occupations | 12.8 |
| Elementary occupations | 12.5 |
| Workforce with NVQ4+ qualifications (%) | 25.1 |
| Workforce with no qualifications (%) | 14.9 |
| Average gross weekly pay (£) | 316 |
| Unemployment rate (ILO) | 3.5 |
| Establishments reporting HtFVs (%) | 12.0 |
| Establishments reporting SSVs (%) | 7.9 |

**Sources:** CE and IER estimates based on various sources (see Annex for details).

**Table 2.30: Shropshire**

| | |
|---|---|
| Population (000) | 287 |
| Population of working age (000) | 184 |
| Minority ethnic groups (%) | |
| White | 98.8 |
| Black | 0.1 |
| Indian | 0.2 |
| Bangladeshi/Pakistani | 0.1 |
| Other/mixed | 0.8 |
| Population change: 1993–2003 (% pa) | 0.6 |
| Population density (persons per square km) | 82 |
| Employment (000) | 202 |
| Change: 1993–2003 (% pa) | 1.2 |
| Change: 1998–2003 (% pa) | -0.4 |
| Change: 2003–2008 (forecast % pa) | 0.7 |
| Employment in the 10 worst-performing industries in England (%) | 22.3 |
| Employment in the 10 best-performing industries in England (%) | 47.8 |
| Top three occupational groups (% of total emp.) | |
| Managers and senior officials | 13.1 |
| Associate professional and technical occupations | 12.9 |
| Administrative and secretarial occupations | 12.9 |
| Workforce with NVQ4+ qualifications (%) | 25.8 |
| Workforce with no qualifications (%) | 13.8 |
| Average gross weekly pay (£) | 321 |
| Unemployment rate (ILO) | 4.6 |
| Establishments reporting HtFVs (%) | 10.2 |
| Establishments reporting SSVs (%) | 8.4 |

**Sources:** CE and IER estimates based on various sources (see Annex for details).

**Table 2.31: Staffordshire**

| | |
|---|---|
| Population (000) | 1,049 |
| Population of working age (000) | 690 |
| Minority ethnic groups (%) | |
| White | 96.7 |
| Black | 0.4 |
| Indian | 0.6 |
| Bangladeshi/Pakistani | 1.1 |
| Other/mixed | 1.2 |
| Population change: 1993–2003 (% pa) | 0.1 |
| Population density (persons per square km) | 387 |
| Employment (000) | 463 |
| Change: 1993–2003 (% pa) | 1 |
| Change: 1998–2003 (% pa) | -1.8 |
| Change: 2003–2008 (forecast % pa) | 0.4 |
| Employment in the 10 worst-performing industries in England (%) | 24.5 |
| Employment in the 10 best-performing industries in England (%) | 48.4 |
| Top three occupational groups (% of total emp.) | |
| Skilled trades occupations | 13.2 |
| Managers and senior officials | 12.9 |
| Associate professional and technical occupations | 12.3 |
| Workforce with NVQ4+ qualifications (%) | 19.3 |
| Workforce with no qualifications (%) | 17.6 |
| Average gross weekly pay (£) | 341 |
| Unemployment rate (ILO) | 4.4 |
| Establishments reporting HtFVs (%) | 10.6 |
| Establishments reporting SSVs (%) | 7.1 |

**Sources:** CE and IER estimates based on various sources (see Annex for details).

**Table 2.32: Coventry and Warwickshire**

| | |
|---|---|
| Population (000) | 824 |
| Population of working age (000) | 544 |
| Minority ethnic groups (%) | |
| White | 91.3 |
| Black | 0.9 |
| Indian | 4.5 |
| Bangladeshi/Pakistani | 1.1 |
| Other/mixed | 2.2 |
| Population change: 1993–2003 (% pa) | 0.4 |
| Population density (persons per square km) | 397 |
| Employment (000) | 411 |
| Change: 1993–2003 (% pa) | 1.1 |
| Change: 1998–2003 (% pa) | -0.8 |
| Change: 2003–2008 (forecast % pa) | 0.4 |
| Employment in the 10 worst-performing industries in England (%) | 10.6 |
| Employment in the 10 best-performing industries in England (%) | 33.1 |
| Top three occupational groups (% of total emp.) | |
| Managers and senior officials | 13.4 |
| Administrative and secretarial occupations | 13 |
| Skilled trades occupations | 12.8 |
| Workforce with NVQ4+ qualifications (%) | 24.2 |
| Workforce with no qualifications (%) | 16.4 |
| Average gross weekly pay (£) | 397 |
| Unemployment rate (ILO) | 5 |
| Establishments reporting HtFVs (%) | 9.6 |
| Establishments reporting SSVs (%) | 6.8 |

**Sources:** CE and IER estimates based on various sources (see Annex for details).

**Table 2.33: The Black Country**

| | |
|---|---|
| Population (000) | 1,081 |
| Population of working age (000) | 692 |
| Minority ethnic groups (%) | |
| White | 84.8 |
| Black | 2.6 |
| Indian | 6.8 |
| Bangladeshi/Pakistani | 3.1 |
| Other/mixed | 2.7 |
| Population change: 1993–2003 (% pa) | -0.2 |
| Population density (persons per square km) | 3,028 |
| Employment (000) | 507 |
| Change: 1993–2003 (% pa) | 0.4 |
| Change: 1998–2003 (% pa) | 0.9 |
| Change: 2003–2008 (forecast % pa) | 0 |
| Employment in the 10 worst-performing industries in England (%) | 30.2 |
| Employment in the 10 best-performing industries in England (%) | 63.1 |
| Top three occupational groups (% of total emp.) | |
| Skilled trades occupations | 14 |
| Managers and senior officials | 13.2 |
| Process, plant and machine operatives | 12.3 |
| Workforce with NVQ4+ qualifications (%) | 16.8 |
| Workforce with no qualifications (%) | 22.1 |
| Average gross weekly pay (£) | 341 |
| Unemployment rate (ILO) | 6.8 |
| Establishments reporting HtFVs (%) | 7.3 |
| Establishments reporting SSVs (%) | 5.6 |

**Sources:** CE and IER estimates based on various sources (see Annex for details).

**Table 2.34: Birmingham and Solihull**

| | |
|---|---|
| Population (000) | 1,192 |
| Population of working age (000) | 768 |
| Minority ethnic groups (%) | |
| White | 74.5 |
| Black | 5.2 |
| Indian | 5 |
| Bangladeshi/Pakistani | 10.7 |
| Other/mixed | 4.5 |
| Population change: 1993–2003 (% pa) | -0.1 |
| Population density (persons per square km) | 2,674 |
| Employment (000) | 634 |
| Change: 1993–2003 (% pa) | 0.7 |
| Change: 1998–2003 (% pa) | 1 |
| Change: 2003–2008 (forecast % pa) | 0.2 |
| Employment in the 10 worst-performing industries in England (%) | 14.8 |
| Employment in the 10 best-performing industries in England (%) | 53.4 |
| Top three occupational groups (% of total emp.) | |
| Administrative and secretarial occupations | 14 |
| Associate professional and technical occupations | 13.9 |
| Managers and senior officials | 13.1 |
| Workforce with NVQ4+ qualifications (%) | 19.3 |
| Workforce with no qualifications (%) | 21.9 |
| Average gross weekly pay (£) | 400 |
| Unemployment rate (ILO) | 9.5 |
| Establishments reporting HtFVs (%) | 8.8 |
| Establishments reporting SSVs (%) | 6.1 |

**Sources:** CE and IER estimates based on various sources (see Annex for details).

## East Midlands

2.42 The region comprises the five counties of Derbyshire, Leicestershire, Lincolnshire, Northamptonshire and Nottinghamshire and the unitary authorities of the cities of Derby, Leicester and Nottingham. It has a population of nearly 4.2 million in what is geographically the third largest region in England. The geographical size of the region and the diverse urban and/or industrial and rural spread makes great demands on systems and services.

*The East Midlands has had to come to terms with huge job losses in coal mining.*

2.43 North Nottinghamshire and North East Derbyshire have had to come to terms with huge job losses in coal mining which have been largely in the rural areas. The cities of Nottingham, Leicester and Derby are still relatively dependent on manufacturing, particularly engineering, and have ongoing problems of urban deprivation. Northamptonshire, with its close links to the South East, is the most prosperous county in the region. Along the Lincolnshire coastline, tourism is a key employer, which results in seasonal unemployment in the area.

*Northamptonshire is at a clear advantage over the rest of the region due to transport networks. Northamptonshire also benefits from its proximity to the South East.*

2.44 Manufacturing output in the East Midlands accounts for 23 per cent of the total, and services account for 61 per cent of total regional GVA (lower than the UK average of 71 per cent). However, growth in the region is supported by services, especially finance and other business services. Construction remains strong, as the large number of infrastructure projects, particularly in Nottinghamshire and Leicester, continue to support the sector.

2.45 Transport communications vary, with good north-south access provided by the M1 and the A1, while east-west access is relatively poor. Poor transport networks in Lincolnshire inhibit economic development, but the proposal to build a dual carriageway on the A46 between Lincoln and the A1 trunk at Newark will provide better access to the rest of the Midlands. However, the upgrade of the east coast mainline is now in doubt. This would have also been of great benefit to Lincoln. Some 6 million people live within one hour of the East Midlands airport, which is conveniently situated in the centre of the Nottingham, Leicester and Derby triangle. It is hoped that the expansion of low-cost flights from the airport will promote stronger growth in the region. There are also excellent rail links for these cities, particularly with London.

2.46 The expansion of Nottingham's universities has been of great advantage, stimulating strong growth in distribution, hotels and catering, and many bars and night-clubs. However, the region suffers from a relatively low skill base and the lowest incidence of job-related training in England. Productivity levels are also behind other regions in England except for the West Midlands.

**Table 2.35: East Midlands**
Local LSCs: Derbyshire; Leicestershire; Lincolnshire and Rutland; Northamptonshire; Nottinghamshire.

| | |
|---|---|
| Population (000) | 4,252 |
| Population of working age (000) | 2,789 |
| Minority ethnic groups (%) | |
| White | 93.5 |
| Black | 0.9 |
| Indian | 2.9 |
| Bangladeshi/Pakistani | 0.8 |
| Other/mixed | 1.8 |
| Population change: 1993–2003 (% pa) | 0.5 |
| Population density (persons per square km) | 270 |
| Employment (000) | 1,972 |
| Change: 1993–2003 (% pa) | 0.9 |
| Change: 1998–2003 (% pa) | 0.3 |
| Change: 2003–2008 (forecast % pa) | 0.2 |
| Employment in the 10 worst-performing industries in England (%) | 20.5 |
| Employment in the 10 best-performing industries in England (%) | 48.6 |
| Top three occupational groups (% of total emp.) | |
| Managers and senior officials | 14.4 |
| Associate professional and technical occupations | 12.1 |
| Elementary occupations | 12 |
| Workforce with NVQ4+ qualifications (%) | 19.9 |
| Workforce with no qualifications (%) | 17.5 |
| Average gross weekly pay (£) | 356 |
| Unemployment rate (ILO) | 4.7 |
| Establishments reporting HtFVs (%) | 9.4 |
| Establishments reporting SSVs (%) | 6.6 |

**Sources:** CE and IER estimates based on various sources (see Annex for details).

## East Midlands local LSC areas

*The East Midlands has low levels of qualifications among the working age population.*

2.47 Employment growth in the East Midlands has generally been poor. Only Northamptonshire is ranked in the top 10 for employment growth over 1993 to 2003 and is ranked first in the period 1998 to 2003. Northamptonshire benefits from its proximity to London and the South East, experiencing a strong growth in services. Other local LSC areas of the East Midlands are doing less well, which is hardly surprising since Leicestershire is ranked 12th among the worst-performing industries in England for employment and other areas rank between 12th and 17th. Northamptonshire is the exception at 31st. In terms of employment in manufacturing, all regions, with the exception of Nottinghamshire, rank in the top 10 in England. Derbyshire and Nottinghamshire still suffer from the affects of pit closures, during which 7,000 jobs were lost. Little progress has been made in the regeneration of former mining areas, and this contributes to the high unemployment rates in these local LSCs.

2.48 Employers in the East Midlands report many HtFVs and SSVs. Both Derbyshire and Leicestershire rank highly for HtFVs and SSVs. In Derbyshire 9.8 per cent of employers report HtFVs, while 6.8 per cent report SSVs. With 10 per cent of employers reporting SSVs Leicestershire ranks highly (46th) in England for SSVs.

2.49 The East Midlands does not rank highly for the working age population with qualification at NVQ Level 4 or above, ranking between 28th and 42nd. The East Midlands local LSCs are all in the top 25 of the working age population with no qualification, although only Derbyshire is in the top 10. Employees’ qualifications tend to be at NVQ Level 1, especially in Derbyshire and Lincolnshire and Rutland which rank 8th and 11th respectively.

## Table 2.36: Derbyshire

| | |
|---|---|
| Population (000) | 976 |
| Population of working age (000) | 636 |
| Minority ethnic groups (%) | |
| White | 96 |
| Black | 0.6 |
| Indian | 1.2 |
| Bangladeshi/Pakistani | 1 |
| Other/mixed | 1.3 |
| Population change: 1993–2003 (% pa) | 0.4 |
| Population density (persons per square km) | 374 |
| Employment (000) | 444 |
| Change: 1993–2003 (% pa) | 1.5 |
| Change: 1998–2003 (% pa) | 0.4 |
| Change: 2003–2008 (forecast % pa) | 0.3 |
| Employment in the 10 worst-performing industries in England (%) | 19.7 |
| Employment in the 10 best-performing industries in England (%) | 47.9 |
| Top three occupational groups (% of total emp.) | |
| Managers and senior officials | 13.9 |
| Skilled trades occupations | 12.4 |
| Elementary occupations | 12.4 |
| Workforce with NVQ4+ qualifications (%) | 19.4 |
| Workforce with no qualifications (%) | 18.9 |
| Average gross weekly pay (£) | 386 |
| Unemployment rate (ILO) | 4.6 |
| Establishments reporting HtFVs (%) | 9.8 |
| Establishments reporting SSVs (%) | 6.8 |

**Sources:** CE and IER estimates based on various sources (see Annex for details).

**Table 2.37: Leicestershire**

| | |
|---|---|
| Population (000) | 903 |
| Population of working age (000) | 599 |
| Minority ethnic groups (%) | |
| White | 85 |
| Black | 1.2 |
| Indian | 10.2 |
| Bangladeshi/Pakistani | 1 |
| Other/mixed | 2.7 |
| Population change: 1993–2003 (% pa) | 0.4 |
| Population density (persons per square km) | 419 |
| Employment (000) | 437 |
| Change: 1993–2003 (% pa) | -0.1 |
| Change: 1998–2003 (% pa) | -0.9 |
| Change: 2003–2008 (forecast % pa) | 0.1 |
| Employment in the 10 worst-performing industries in England (%) | 25.6 |
| Employment in the 10 best-performing industries in England (%) | 48.9 |
| Top three occupational groups (% of total emp.) | |
| Managers and senior officials | 14.5 |
| Administrative and secretarial occupations | 12.3 |
| Skilled trades occupations | 12 |
| Workforce with NVQ4+ qualifications (%) | 20.9 |
| Workforce with no qualifications (%) | 17.8 |
| Average gross weekly pay (£) | 356 |
| Unemployment rate (ILO) | 4.6 |
| Establishments reporting HtFVs (%) | 12.2 |
| Establishments reporting SSVs (%) | 10.0 |

**Sources:** CE and IER estimates based on various sources (see Annex for details).

**Table 2.38: Lincolnshire and Rutland**

| | |
|---|---|
| Population (000) | 701 |
| Population of working age (000) | 445 |
| Minority ethnic groups (%) | |
| White | 98.6 |
| Black | 0.2 |
| Indian | 0.2 |
| Bangladeshi/Pakistani | 0.1 |
| Other/mixed | 0.9 |
| Population change: 1993–2003 (% pa) | 1 |
| Population density (persons per square km) | 111 |
| Employment (000) | 287 |
| Change: 1993–2003 (% pa) | 0.9 |
| Change: 1998–2003 (% pa) | 0.1 |
| Change: 2003–2008 (forecast % pa) | 0.3 |
| Employment in the 10 worst-performing industries in England (%) | 20.1 |
| Employment in the 10 best-performing industries in England (%) | 41.6 |
| Top three occupational groups (% of total emp.) | |
| Managers and senior officials | 14 |
| Elementary occupations | 12.9 |
| Skilled trades occupations | 12.9 |
| Workforce with NVQ4+ qualifications (%) | 18.8 |
| Workforce with no qualifications (%) | 14.9 |
| Average gross weekly pay (£) | 332 |
| Unemployment rate (ILO) | 4.4 |
| Establishments reporting HtFVs (%) | 7.5 |
| Establishments reporting SSVs (%) | 5.3 |

**Sources:** CE and IER estimates based on various sources (see Annex for details).

**Table 2.39: Northamptonshire**

| | |
|---|---|
| Population (000) | 643 |
| Population of working age (000) | 426 |
| Minority ethnic groups (%) | |
| White | 95.1 |
| Black | 1.2 |
| Indian | 1.3 |
| Bangladeshi/Pakistani | 0.5 |
| Other/mixed | 1.8 |
| Population change: 1993–2003 (% pa) | 0.9 |
| Population density (persons per square km) | 272 |
| Employment (000) | 326 |
| Change: 1993–2003 (% pa) | 1.9 |
| Change: 1998–2003 (% pa) | 2.6 |
| Change: 2003–2008 (forecast % pa) | 0.3 |
| Employment in the 10 worst-performing industries in England (%) | 17 |
| Employment in the 10 best-performing industries in England (%) | 50.8 |
| Top three occupational groups (% of total emp.) | |
| Managers and senior officials | 15 |
| Administrative and secretarial occupations | 12.8 |
| Elementary occupations | 11.8 |
| Workforce with NVQ4+ qualifications (%) | 19.5 |
| Workforce with no qualifications (%) | 17.5 |
| Average gross weekly pay (£) | 375 |
| Unemployment rate (ILO) | 3.5 |
| Establishments reporting HtFVs (%) | 8.9 |
| Establishments reporting SSVs (%) | 5.6 |

**Sources:** CE and IER estimates based on various sources (see Annex for details).

**Table 2.40: Nottinghamshire**

| | |
|---|---|
| Population (000) | 1,029 |
| Population of working age (000) | 683 |
| Minority ethnic groups (%) | |
| White | 94.1 |
| Black | 1.5 |
| Indian | 1.1 |
| Bangladeshi/Pakistani | 1.2 |
| Other/mixed | 2.1 |
| Population change: 1993–2003 (% pa) | 0.1 |
| Population density (persons per square km) | 477 |
| Employment (000) | 478 |
| Change: 1993–2003 (% pa) | 0.5 |
| Change: 1998–2003 (% pa) | 0 |
| Change: 2003–2008 (forecast % pa) | 0.2 |
| Employment in the 10 worst-performing industries in England (%) | 19.2 |
| Employment in the 10 best-performing industries in England (%) | 51.7 |
| Top three occupational groups (% of total emp.) | |
| Managers and senior officials | 14.6 |
| Associate professional and technical occupations | 13 |
| Administrative and secretarial occupations | 12 |
| Workforce with NVQ4+ qualifications (%) | 20.5 |
| Workforce with no qualifications (%) | 18 |
| Average gross weekly pay (£) | 349 |
| Unemployment rate (ILO) | 5.4 |
| Establishments reporting HtFVs (%) | 7.6 |
| Establishments reporting SSVs (%) | 4.9 |

**Sources:** CE and IER estimates based on various sources (see Annex for details).

## Yorkshire and the Humber

2.50 Yorkshire and the Humber has four clearly defined sub-regions (West Yorkshire, North Yorkshire, Humberside and South Yorkshire) with a combined population of nearly 5 million. Four-fifths of the region is rural in nature, including the east coast, the uplands of North Yorkshire, the Pennines and the former coalfield areas. Alongside this are the large conurbations in West and South Yorkshire; 65 per cent of the population of Yorkshire and the Humber are concentrated around Leeds and Bradford in West Yorkshire and around Sheffield in South Yorkshire. Among the region's strengths are its environmental assets, including three National Parks, and its well-developed communications infrastructure. There is also a strong educational infrastructure.

*The region has experienced substantial economic upheaval, but is still heavily dependent on manufacturing. The over-representation of manufacturing inhibits employment growth in Yorkshire and the Humber.*

2.51 The region has experienced substantial economic upheaval in the last 20 years. This has seen the running down of the coal industry, decline in heavy engineering, textiles and fishing, and the restructuring of the steel industry. South Yorkshire has been hit the hardest, with total population falling between 1981 and 2000 as industry declined. Although the other three sub-regions are performing at a level around the UK average in terms of employment growth, they need to tackle the disadvantages resulting from the 'two-speed' economies in many cities, towns and rural areas including in former coalfield areas. There are significant intra-regional and inter-regional differences. Some parts of Yorkshire and the Humber have begun to diversify. Leeds has become the leading financial centre of the north of England, and Sheffield is also developing a service industries sector. North Yorkshire is coming to rely less on hill farming and more on tourism. However the region is still more dependent on manufacturing than the national average.

2.52 The two key problems for the region's economy identified by the RDA are under-production and under-employment. Around a quarter of employment and output is generated by the public sector. The top 10 industries in terms of employment and output do not contain any industrial sectors that contribute high added-value to the economy.

**Table 2.41: Yorkshire and the Humber**
Local LSCs: Humberside; North Yorkshire; West Yorkshire; South Yorkshire.

| | |
|---|---|
| Population (000) | 5,009 |
| Population of working age (000) | 3,268 |
| Minority ethnic groups (%) | |
| White | 93.5 |
| Black | 0.7 |
| Indian | 1 |
| Bangladeshi/Pakistani | 3.2 |
| Other/mixed | 1.6 |
| Population change: 1993–2003 (% pa) | 0.1 |
| Population density (persons per square km) | 323 |
| Employment (000) | 2,296 |
| Change: 1993–2003 (% pa) | 0.5 |
| Change: 1998–2003 (% pa) | -0.2 |
| Change: 2003–2008 (forecast % pa) | 0.5 |
| Employment in the 10 worst-performing industries in England (%) | 19.9 |
| Employment in the 10 best-performing industries in England (%) | 50.1 |
| Top three occupational groups (% of total emp.) | |
| Managers and senior officials | 13.5 |
| Administrative and secretarial occupations | 12.5 |
| Elementary occupations | 12.4 |
| Workforce with NVQ4+ qualifications (%) | 20.8 |
| Workforce with no qualifications (%) | 17.3 |
| Average gross weekly pay (£) | 353 |
| Unemployment rate (ILO) | 4.9 |
| Establishments reporting HtFVs (%) | 9.1 |
| Establishments reporting SSVs (%) | 6.5 |

**Sources:** CE and IER estimates based on various sources (see Annex for details).

## Yorkshire and the Humber local LSC areas

*There is a split in the level of qualifications in Yorkshire and the Humber.*

2.53 Humberside stands out with its particularly poor performance in terms of employment growth. It has had the worst employment growth performance in the Yorkshire and Humber region, at 46th in England for both 1993 to 2003 and 1998 to 2003. It ranks in the top 10 for the number of employees in manufacturing, employment in the 10 worst-performing industries, and unemployment rates in England. West Yorkshire and South Yorkshire have also performed particularly badly. North Yorkshire stands out having the lowest unemployment level in the region and England, ranking 46th on this measure. The problem for employment growth is the over-representation of manufacturing in the region, but the under-representation of the most advanced and most rapidly growing parts of manufacturing, such as electronics. Manufacturing is concentrated in traditional manufacturing sectors such as textiles and clothing, metals and mechanical engineering, which are nationally some of the worst-performing industries.

2.54 Yorkshire and Humberside reports relatively high levels of HtFVs and SSVs. All the local LSC areas rank relatively highly on both measures.

2.55 There is a split in the qualifications levels in Yorkshire and the Humber. Humberside and South Yorkshire rank low for the percentage of the working age population with qualification at NVQ Level 4 or above, at 41st and 43rd respectively. South Yorkshire also ranks 5th in the percentage of the working age population with no qualifications. For qualification at NVQ Level 1, Humberside ranks 2nd and South Yorkshire ranks 12th. Therefore, in both of these areas a majority of the workforce has qualification at NVQ Level 1 or less. Only North Yorkshire stands out as having much higher qualification levels for the percentage of the working age population with qualification at NVQ Level 4 or above, ranking 14th in England.

**Table 2.42: Humberside**

| | |
|---|---|
| Population (000) | 882 |
| Population of working age (000) | 569 |
| Minority ethnic groups (%) | |
| White | 98.2 |
| Black | 0.2 |
| Indian | 0.3 |
| Bangladeshi/Pakistani | 0.3 |
| Other/mixed | 0.9 |
| Population change: 1993–2003 (% pa) | 0.1 |
| Population density (persons per square km) | 251 |
| Employment (000) | 371 |
| Change: 1993–2003 (% pa) | -0.8 |
| Change: 1998–2003 (% pa) | -1.8 |
| Change: 2003–2008 (forecast % pa) | 0.4 |
| Employment in the 10 worst-performing industries in England (%) | 22.1 |
| Employment in the 10 best-performing industries in England (%) | 46.4 |
| Top three occupational groups (% of total emp.) | |
| Managers and senior officials | 13.4 |
| Elementary occupations | 13.2 |
| Skilled trades occupations | 12.3 |
| Workforce with NVQ4+ qualifications (%) | 18.9 |
| Workforce with no qualifications (%) | 15.4 |
| Average gross weekly pay (£) | 341 |
| Unemployment rate (ILO) | 6.1 |
| Establishments reporting HtFVs (%) | 8.4 |
| Establishments reporting SSVs (%) | 6.2 |

**Sources:** CE and IER estimates based on various sources (see Annex for details).

**Table 2.43: North Yorkshire**

| | |
|---|---|
| Population (000) | 759 |
| Population of working age (000) | 492 |
| Minority ethnic groups (%) | |
| White | 98.6 |
| Black | 0.1 |
| Indian | 0.1 |
| Bangladeshi/Pakistani | 0.1 |
| Other/mixed | 1 |
| Population change: 1993–2003 (% pa) | 0.6 |
| Population density (persons per square km) | 91 |
| Employment (000) | 377 |
| Change: 1993–2003 (% pa) | 1.3 |
| Change: 1998–2003 (% pa) | 1 |
| Change: 2003–2008 (forecast % pa) | 0.8 |
| Employment in the 10 worst-performing industries in England (%) | 18.5 |
| Employment in the 10 best-performing industries in England (%) | 51 |
| Top three occupational groups (% of total emp.) | |
| Elementary occupations | 14.4 |
| Managers and senior officials | 13.6 |
| Administrative and secretarial occupations | 12.2 |
| Workforce with NVQ4+ qualifications (%) | 26.3 |
| Workforce with no qualifications (%) | 12.3 |
| Average gross weekly pay (£) | 350 |
| Unemployment rate (ILO) | 3.2 |
| Establishments reporting HtFVs (%) | 10.3 |
| Establishments reporting SSVs (%) | 6.9 |

**Sources:** CE and IER estimates based on various sources (see Annex for details).

**Table 2.44: West Yorkshire**

| | |
|---|---|
| Population (000) | 2,096 |
| Population of working age (000) | 1,374 |
| Minority ethnic groups (%) | |
| White | 88.6 |
| Black | 1 |
| Indian | 2 |
| Bangladeshi/Pakistani | 6.3 |
| Other/mixed | 2.1 |
| Population change: 1993–2003 (% pa) | 0.1 |
| Population density (persons per square km) | 1,033 |
| Employment (000) | 1,013 |
| Change: 1993–2003 (% pa) | 0.6 |
| Change: 1998–2003 (% pa) | 0 |
| Change: 2003–2008 (forecast % pa) | 0.6 |
| Employment in the 10 worst-performing industries in England (%) | 20.3 |
| Employment in the 10 best-performing industries in England (%) | 50.4 |
| Top three occupational groups (% of total emp.) | |
| Managers and senior officials | 13.6 |
| Administrative and secretarial occupations | 13 |
| Associate professional and technical occupations | 12.7 |
| Workforce with NVQ4+ qualifications (%) | 21.3 |
| Workforce with no qualifications (%) | 18.4 |
| Average gross weekly pay (£) | 364 |
| Unemployment rate (ILO) | 5.5 |
| Establishments reporting HtFVs (%) | 9.7 |
| Establishments reporting SSVs (%) | 6.8 |

**Sources:** CE and IER estimates based on various sources (see Annex for details)

**Table 2.45: South Yorkshire**

| | |
|---|---|
| Population (000) | 1,273 |
| Population of working age (000) | 833 |
| Minority ethnic groups (%) | |
| White | 95.2 |
| Black | 0.8 |
| Indian | 0.4 |
| Bangladeshi/Pakistani | 1.9 |
| Other/mixed | 1.7 |
| Population change: 1993–2003 (% pa) | -0.1 |
| Population density (persons per square km) | 820 |
| Employment (000) | 535 |
| Change: 1993–2003 (% pa) | 0.9 |
| Change: 1998–2003 (% pa) | -0.3 |
| Change: 2003–2008 (forecast % pa) | 0.2 |
| Employment in the 10 worst-performing industries in England (%) | 20 |
| Employment in the 10 best-performing industries in England (%) | 48.6 |
| Top three occupational groups (% of total emp.) | |
| Managers and senior officials | 13.2 |
| Administrative and secretarial occupations | 12.4 |
| Associate professional and technical occupations | 12.4 |
| Workforce with NVQ4+ qualifications (%) | 18.4 |
| Workforce with no qualifications (%) | 19.9 |
| Average gross weekly pay (£) | 338 |
| Unemployment rate (ILO) | 5.6 |
| Establishments reporting HtFVs (%) | 8.8 |
| Establishments reporting SSVs (%) | 7.2 |

**Sources:** CE and IER estimates based on various sources (see Annex for details).

## North West

*The North West is a region of huge diversity.*

2.56 The North West is the largest region outside the South East and London in terms of population, and it contains a wide variety of geographical areas including Cumbria, Lancashire, Greater Manchester, Merseyside and Cheshire. There is huge diversity within the region from rural countryside to areas of urban deprivation and some of the most prosperous suburbs in the UK. Within the region, Merseyside represents a special area of relative economic under-development (the ‘Merseyside gap’), where GDP per capita is 30 per cent below the UK average. This contrasts sharply with Cheshire which is 13 per cent above the UK average for GDP per capita.

2.57 The population of more than 6.7 million is unevenly spread. The largest concentrations are in Merseyside and the Greater Manchester sub-regions, with population density more than eight times the UK average. The highest unemployment rates in the North West tend to be concentrated in these densely populated areas. As a result Greater Manchester and Merseyside have experienced migration out of their region as increasingly available road transport has encouraged migration from decaying inner city areas to accessible countryside locations. Transport within the region includes good north-south road and rail links and the increasingly important Manchester airport.

*Merseyside and Greater Manchester tend to have the highest unemployment rates in the North West. Motor vehicles and aerospace have a strong presence in the North West.*

2.58 Traditional industries still play an important role in the region. Motor vehicles and aerospace have a strong presence in the region, which is of concern as the industries continue to decline. While in the future, manufacturing output is forecast to recover, employment levels are expected to continue to fall.

2.59 The North West has a stronger representation of universities than most other regions and these play a vital role in supporting a high-technology centre of excellence to encourage small and medium-sized enterprises (SMEs), particularly in the software industry. Although not far removed from the UK average, the region has a serious skills deficit compared with the best-performing areas nationally. There is a particular problem with the large proportion of over-50s in the male workforce, who have a low level of key skills on which to base skills development. Some of the more traditional industries in the region, such as chemicals and the broad sector of engineering, suffer the problems of an ageing workforce as a result of low recruitment in the past.

**Table 2.46: North West**
Local LSCs: Cheshire and Warrington; Greater Manchester; Lancashire; Greater Merseyside; Cumbria.

| | |
|---|---|
| Population (000) | 6,804 |
| Population of working age (000) | 4,442 |
| Minority ethnic groups (%) | |
| White | 94.4 |
| Black | 0.6 |
| Indian | 1.1 |
| Bangladeshi/Pakistani | 2.1 |
| Other/mixed | 1.7 |
| Population change: 1993–2003 (% pa) | -0.1 |
| Population density (persons per square km) | 480 |
| Employment (000) | 3,187 |
| Change: 1993–2003 (% pa) | 0.7 |
| Change: 1998–2003 (% pa) | 1 |
| Change: 2003–2008 (forecast % pa) | 0.2 |
| Employment in the 10 worst-performing industries in England (%) | 18.2 |
| Employment in the 10 best-performing industries in England (%) | 52.1 |
| Top three occupational groups (% of total emp.) | |
| Managers and senior officials | 13.5 |
| Associate professional and technical occupations | 13.4 |
| Administrative and secretarial occupations | 13 |
| Workforce with NVQ4+ qualifications (%) | 21.4 |
| Workforce with no qualifications (%) | 18.9 |
| Average gross weekly pay (£) | 366 |
| Unemployment rate (ILO) | 5.1 |
| Establishments reporting HtFVs (%) | 8.6 |
| Establishments reporting SSVs (%) | 6.0 |

**Sources:** CE and IER estimates based on various sources (see Annex for details).

## North West local LSC areas

2.60 In terms of employment growth, the North West local LSC areas have performed badly compared with the UK average, except for Cheshire and Warrington, which ranks 12th over 1993 to 2003 and 13th over 1998 to 2003. The regions with higher urbanisation, like Greater Merseyside and Greater Manchester, experienced a greater improvement in employment growth than the rest of the region. Greater Merseyside moved from 38th over 1993 to 2003 to 17th over 1998 to 2003; while Greater Manchester moved from 31st over 1993 to 2003 to 11th over 1998 to 2003. However, Greater Merseyside also has the sixth highest unemployment rate in England and by far the highest in the region, which indicates deep skill gaps in the region. The improvement in Greater Manchester may be due to the 2002 Commonwealth Games. The Games brought more than 6,000 jobs to the area and £600 million investment, providing a boost for manufacturing and construction in the area.

*The urbanised areas of the North West have experienced a greater improvement in employment than the rest of the region.*

*Merseyside has the highest proportion of the working age population with no qualifications in England.*

2.61 In terms of the 10 best- and the 10 worst-performing industries in England, the local LSC areas of the North West do not rank particularly high. In terms of employment in manufacturing, Lancashire and Cumbria rank in the top 10 local LSC areas in England, where between 18 per cent and 19 per cent of the working age population are employed in the sector. In the more urbanised areas of the North West, between 11 per cent and 13.5 per cent are employed in manufacturing. This is because the more urbanised areas have been in a better position to create new jobs generated by services. Retail and distribution, hotels, and financial and businesses services have become the main employers in the region.

2.62 Reports of HtFVs vacancies and SSVs in the North West are mixed. Cumbria and Cheshire and Warrington both rank highly on both measures, whereas the other local LSC areas report relatively low levels of other kinds of vacancy.

2.63 Cheshire and Warrington stands apart in this region, ranked tenth for the percentage of working age population with qualifications at NVQ Level 4 or above, at just over 27.5 per cent. In Greater Merseyside and Cumbria only around 19 per cent of the working age population have qualification at NVQ Level 4 or above. Greater Merseyside has the highest percentage of the working age population with no qualifications in the North West and England. All of the local LSC areas with the exception of Cheshire and Warrington and Cumbria rank in the top 10 for this category.

## Table 2.47: Cheshire and Warrington

| | |
|---|---|
| Population (000) | 872 |
| Population of working age (000) | 569 |
| Minority ethnic groups (%) | |
| White | 98.3 |
| Black | 0.2 |
| Indian | 0.3 |
| Bangladeshi/Pakistani | 0.2 |
| Other/mixed | 1.1 |
| Population change: 1993–2003 (% pa) | 0.3 |
| Population density (persons per square km) | 379 |
| Employment (000) | 523 |
| Change: 1993–2003 (% pa) | 1.5 |
| Change: 1998–2003 (% pa) | 1.5 |
| Change: 2003–2008 (forecast % pa) | 0.4 |
| Employment in the 10 worst-performing industries in England (%) | 18.6 |
| Employment in the 10 best-performing industries in England (%) | 52.9 |
| Top three occupational groups (% of total emp.) | |
| Managers and senior officials | 13.6 |
| Administrative and secretarial occupations | 13.2 |
| Associate professional and technical occupations | 12.5 |
| Workforce with NVQ4+ qualifications (%) | 27.6 |
| Workforce with no qualifications (%) | 13.4 |
| Average gross weekly pay (£) | 395 |
| Unemployment rate (ILO) | 3.5 |
| Establishments reporting HtFVs (%) | 10.9 |
| Establishments reporting SSVs (%) | 6.6 |

**Sources:** CE and IER estimates based on various sources (see Annex for details).

**Table 2.48: Greater Manchester**

| | |
|---|---|
| Population (000) | 2,531 |
| Population of working age (000) | 1,673 |
| Minority ethnic groups (%) | |
| White | 91.1 |
| Black | 1.2 |
| Indian | 1.4 |
| Bangladeshi/Pakistani | 3.8 |
| Other/mixed | 2.5 |
| Population change: 1993–2003 (% pa) | -0.1 |
| Population density (persons per square km) | 1,983 |
| Employment (000) | 1,250 |
| Change: 1993–2003 (% pa) | 0.7 |
| Change: 1998–2003 (% pa) | 1.6 |
| Change: 2003–2008 (forecast % pa) | 0.2 |
| Employment in the 10 worst-performing industries in England (%) | 17.3 |
| Employment in the 10 best-performing industries in England (%) | 54.1 |
| Top three occupational groups (% of total emp.) | |
| Associate professional and technical occupations | 13.6 |
| Managers and senior officials | 13.6 |
| Administrative and secretarial occupations | 13.2 |
| Workforce with NVQ4+ qualifications (%) | 21.6 |
| Workforce with no qualifications (%) | 19.9 |
| Average gross weekly pay (£) | 355 |
| Unemployment rate (ILO) | 5.3 |
| Establishments reporting HtFVs (%) | 7.1 |
| Establishments reporting SSVs (%) | 4.5 |

**Sources:** CE and IER estimates based on various sources (see Annex for details).

**Table 2.49: Lancashire**

| | |
|---|---|
| Population (000) | 1,429 |
| Population of working age (000) | 922 |
| Minority ethnic groups (%) | |
| White | 93.4 |
| Black | 0.2 |
| Indian | 2.1 |
| Bangladeshi/Pakistani | 3 |
| Other/mixed | 1.3 |
| Population change: 1993–2003 (% pa) | 0.1 |
| Population density (persons per square km) | 470 |
| Employment (000) | 642 |
| Change: 1993–2003 (% pa) | 0.7 |
| Change: 1998–2003 (% pa) | 0 |
| Change: 2003–2008 (forecast % pa) | 0.2 |
| Employment in the 10 worst-performing industries in England (%) | 19.7 |
| Employment in the 10 best-performing industries in England (%) | 48.3 |
| Top three occupational groups (% of total emp.) | |
| Managers and senior officials | 13.5 |
| Associate professional and technical occupations | 13.3 |
| Administrative and secretarial occupations | 12.6 |
| Workforce with NVQ4+ qualifications (%) | 20.5 |
| Workforce with no qualifications (%) | 18.5 |
| Average gross weekly pay (£) | 340 |
| Unemployment rate (ILO) | 4.4 |
| Establishments reporting HtFVs (%) | 7.0 |
| Establishments reporting SSVs (%) | 5.2 |

**Sources:** CE and IER estimates based on various sources (see Annex for details).

**Table 2.50: Cumbria**

| | |
|---|---|
| Population (000) | 490 |
| Population of working age (000) | 314 |
| Minority ethnic groups (%) | |
| White | 99.3 |
| Black | 0.1 |
| Indian | 0.1 |
| Bangladeshi/Pakistani | 0.1 |
| Other/mixed | 0.5 |
| Population change: 1993–2003 (% pa) | 0.1 |
| Population density (persons per square km) | 72 |
| Employment (000) | 202 |
| Change: 1993–2003 (% pa) | -0.6 |
| Change: 1998–2003 (% pa) | -1.7 |
| Change: 2003–2008 (forecast % pa) | -0.1 |
| Employment in the 10 worst-performing industries in England (%) | 20.9 |
| Employment in the 10 best-performing industries in England (%) | 49.9 |
| Top three occupational groups (% of total emp.) | |
| Managers and senior officials | 13.5 |
| Skilled trades occupations | 12.6 |
| Elementary occupations | 12.6 |
| Workforce with NVQ4+ qualifications (%) | 19 |
| Workforce with no qualifications (%) | 14.8 |
| Average gross weekly pay (£) | 339 |
| Unemployment rate (ILO) | 4.9 |
| Establishments reporting HtFVs (%) | 9.5 |
| Establishments reporting SSVs (%) | 7.1 |

**Sources:** CE and IER estimates based on various sources (see Annex for details).

**Table 2.51: Greater Merseyside**

| | |
|---|---|
| Population (000) | 1,482 |
| Population of working age (000) | 963 |
| Minority ethnic groups (%) | |
| White | 97.3 |
| Black | 0.5 |
| Indian | 0.3 |
| Bangladeshi/Pakistani | 0.2 |
| Other/mixed | 1.8 |
| Population change: 1993–2003 (% pa) | -0.4 |
| Population density (persons per square km) | 2,048 |
| Employment (000) | 570 |
| Change: 1993–2003 (% pa) | 0.5 |
| Change: 1998–2003 (% pa) | 1.2 |
| Change: 2003–2008 (forecast % pa) | -0.1 |
| Employment in the 10 worst-performing industries in England (%) | 17 |
| Employment in the 10 best-performing industries in England (%) | 52.2 |
| Top three occupational groups (% of total emp.) | |
| Associate professional and technical occupations | 14.4 |
| Administrative and secretarial occupations | 13.7 |
| Managers and senior officials | 13.2 |
| Workforce with NVQ4+ qualifications (%) | 19 |
| Workforce with no qualifications (%) | 22.6 |
| Average gross weekly pay (£) | 352 |
| Unemployment rate (ILO) | 6.9 |
| Establishments reporting HtFVs (%) | 6.6 |
| Establishments reporting SSVs (%) | 5.7 |

**Sources:** CE and IER estimates based on various sources (see Annex for details).

## North East

2.64 The region covers the area from Berwick-upon-Tweed in the north to the Tees Valley in the south and spreads inland to the Pennines. It includes the population concentrations of Tyneside, Wearside and Teesside. Much of the region has an exceptionally attractive environment and several outstanding cultural attributes. There are also some areas of extreme industrial dereliction and social deprivation, particularly in Teesside and Tyne and Wear. The region has a population of over 2.5 million, with 70 per cent living in the cities and towns along the rivers Tyne, Wear and Tees where traditionally they supported mining, steel, shipbuilding and heavy manufacturing. This concentration of the population contrasts with Northumberland which is the most sparsely populated rural area in England, with attendant problems of relative isolation. Problems include some difficulty in accessing jobs, education and social services.

*The North East combines some exceptionally attractive areas with areas of extreme industrial dereliction and social deprivation.*

2.65 In the last 25 years the region has been transformed with huge job losses in primary, heavy and manufacturing industry. Coal mining in Northumberland and Durham and the steel industry in Consett were major casualties of the transformation. Chemicals, metal manufacture and mechanical engineering continue to be the largest manufacturing sectors and remain important employers. However, cost pressures have led to job losses as the sectors try to remain competitive.

*Chemicals, metal manufacture and mechanical engineering remain as important employers.*

*Growth in the service sector is slower than the national average. Slow growth in services cannot offset job losses in manufacturing.*

2.66 Government and other services account for a higher proportion of both employment (35 per cent of the total workforce) and output (27 per cent) in the North East than nationally (30 per cent and 23 per cent respectively). Many local authorities have shed jobs, but in the long term the Government's current spending priorities are expected to sustain output and employment growth in the sector. The service sector in the North East has a slower rate of growth than the rest of the UK. With financial and business services providing the main source of growth nationally, the North East is in a weak position, resulting in lower GVA per head and employment rates than the national average.

2.67 The educational attainment of young people in the North East is well below the national average. The workforce is less well qualified than in other regions and the population suffers more health problems.

**Table 2.52: North East**
Local LSCs: Tees Valley; County Durham; Northumberland; Tyne and Wear.

| | |
|---|---|
| Population (000) | 2,539 |
| Population of working age (000) | 1,662 |
| Minority ethnic groups (%) | |
| White | 97.6 |
| Black | 0.2 |
| Indian | 0.4 |
| Bangladeshi/Pakistani | 0.8 |
| Other/mixed | 1 |
| Population change: 1993–2003 (% pa) | -0.2 |
| Population density (persons per square km) | 293 |
| Employment (000) | 1,040 |
| Change: 1993–2003 (% pa) | 0 |
| Change: 1998–2003 (% pa) | -0.9 |
| Change: 2003–2008 (forecast % pa) | 0.1 |
| Employment in the 10 worst-performing industries in England (%) | 21.5 |
| Employment in the 10 best-performing industries in England (%) | 48.3 |
| Top three occupational groups (% of total emp.) | |
| Elementary occupations | 13.4 |
| Associate professional and technical occupations | 12.7 |
| Skilled trades occupations | 12.2 |
| Workforce with NVQ4+ qualifications (%) | 19.3 |
| Workforce with no qualifications (%) | 18.4 |
| Average gross weekly pay (£) | 334 |
| Unemployment rate (ILO) | 6.4 |
| Establishments reporting HtFVs (%) | 8.0 |
| Establishments reporting SSVs (%) | 5.4 |

**Sources:** CE and IER estimates based on various sources (see Annex for details).

## North East local LSC areas

*A large number of the working age population has no qualifications.*

2.68 The North East region has the worst employment growth performance in England. All local LSC areas in the region, except County Durham, rank in the bottom 10 in terms of employment growth. Specialisation in slow-growth industries is a problem. County Durham and Northumberland rank first and third respectively for employment in the 10 worst-performing industries in England. Northumberland also ranks 44th for employment in the top 10 performing industries and Tees Valley ranks 46th. Manufacturing is still an important employer in the North East, but the industry is in decline. As service industries are growing more slowly than the national average, job losses in manufacturing are not offset, resulting in high unemployment rates in the region. All local LSC areas in the region are some of the worst unemployment areas in England, with Tees Valley having the third highest unemployment rate of any local LSC area in England.

2.69 The North East has a range of middling performers with respect to HtFVs and SSVs. The exception is County Durham which records a relatively low incidence of each type of vacancy.

2.70 The North East is characterised by a large percentage of the working age population with no qualifications. Both County Durham and Tees Valley are ranked in the top 10, at 4th and 7th respectively. Northumberland and Tyne and Wear have a higher proportion of employees with a qualification at NVQ Level 4 or above at around 20 per cent of working age population. The other two regions rank in the bottom 10 in England for this category. All local LSC regions rank in the top 25 for employees with a qualification at NVQ Level 1. Generally the region is therefore characterised by some of the lowest levels of formal qualifications in England.

**Table 2.53: Tees Valley**

| | |
|---|---|
| Population (000) | 653 |
| Population of working age (000) | 424 |
| Minority ethnic groups (%) | |
| White | 97.2 |
| Black | 0.2 |
| Indian | 0.4 |
| Bangladeshi/Pakistani | 1.3 |
| Other/mixed | 1 |
| Population change: 1993–2003 (% pa) | 0 |
| Population density (persons per square km) | 822 |
| Employment (000) | 267 |
| Change: 1993–2003 (% pa) | -0.2 |
| Change: 1998–2003 (% pa) | -1.3 |
| Change: 2003–2008 (forecast % pa) | 0.1 |
| Employment in the 10 worst-performing industries in England (%) | 17.3 |
| Employment in the 10 best-performing industries in England (%) | 38.6 |
| Top three occupational groups (% of total emp.) | |
| Elementary occupations | 13.5 |
| Associate professional and technical occupations | 12.7 |
| Skilled trades occupations | 12.3 |
| Workforce with NVQ4+ qualifications (%) | 18.2 |
| Workforce with no qualifications (%) | 19.5 |
| Average gross weekly pay (£) | 331 |
| Unemployment rate (ILO) | 8.4 |
| Establishments reporting HtFVs (%) | 8 |
| Establishments reporting SSVs (%) | 5.4 |

**Sources:** CE and IER estimates based on various sources (see Annex for details).

**Table 2.54: County Durham**

| | |
|---|---|
| Population (000) | 494 |
| Population of working age (000) | 325 |
| Minority ethnic groups (%) | |
| White | 99 |
| Black | 0.1 |
| Indian | 0.2 |
| Bangladeshi/Pakistani | 0.1 |
| Other/mixed | 0.7 |
| Population change: 1993–2003 (% pa) | -0.1 |
| Population density (persons per square km) | 222 |
| Employment (000) | 177 |
| Change: 1993–2003 (% pa) | 0.7 |
| Change: 1998–2003 (% pa) | -0.1 |
| Change: 2003–2008 (forecast % pa) | -0.1 |
| Employment in the 10 worst-performing industries in England (%) | 31.5 |
| Employment in the 10 best-performing industries in England (%) | 60.9 |
| Top three occupational groups (% of total emp.) | |
| Elementary occupations | 14.2 |
| Skilled trades occupations | 14.1 |
| Associate professional and technical occupations | 11.9 |
| Workforce with NVQ4+ qualifications (%) | 17.9 |
| Workforce with no qualifications (%) | 20.3 |
| Average gross weekly pay (£) | 347 |
| Unemployment rate (ILO) | 5.1 |
| Establishments reporting HtFVs (%) | 6.8 |
| Establishments reporting SSVs (%) | 4.6 |

**Sources:** CE and IER estimates based on various sources (see Annex for details).

**Table 2.55: Northumberland**

| | |
|---|---|
| Population (000) | 309 |
| Population of working age (000) | 201 |
| Minority ethnic groups (%) | |
| White | 99 |
| Black | 0.1 |
| Indian | 0.2 |
| Bangladeshi/Pakistani | 0.1 |
| Other/mixed | 0.5 |
| Population change: 1993–2003 (% pa) | 0.1 |
| Population density (persons per square km) | 62 |
| Employment (000) | 103 |
| Change: 1993–2003 (% pa) | -1.1 |
| Change: 1998–2003 (% pa) | -3.8 |
| Change: 2003–2008 (forecast % pa) | 0.3 |
| Employment in the 10 worst-performing industries in England (%) | 26.9 |
| Employment in the 10 best-performing industries in England (%) | 44.2 |
| Top three occupational groups (% of total emp.) | |
| Elementary occupations | 14.6 |
| Associate professional and technical occupations | 12.8 |
| Skilled trades occupations | 12.6 |
| Workforce with NVQ4+ qualifications (%) | 19.5 |
| Workforce with no qualifications (%) | 17.3 |
| Average gross weekly pay (£) | 305 |
| Unemployment rate (ILO) | 4.7 |
| Establishments reporting HtFVs (%) | 8.4 |
| Establishments reporting SSVs (%) | 6.0 |

**Sources:** CE and IER estimates based on various sources (see Annex for details).

**Table 2.56: Tyne and Wear**

| | |
|---|---|
| Population (000) | 1,083 |
| Population of working age (000) | 712 |
| Minority ethnic groups (%) | |
| White | 96.8 |
| Black | 0.2 |
| Indian | 0.6 |
| Bangladeshi/Pakistani | 1.1 |
| Other/mixed | 1.3 |
| Population change: 1993–2003 (% pa) | -0.4 |
| Population density (persons per square km) | 2,006 |
| Employment (000) | 493 |
| Change: 1993–2003 (% pa) | 0.2 |
| Change: 1998–2003 (% pa) | -0.3 |
| Change: 2003–2008 (forecast % pa) | 0.2 |
| Employment in the 10 worst-performing industries in England (%) | 19 |
| Employment in the 10 best-performing industries in England (%) | 49.9 |
| Top three occupational groups (% of total emp.) | |
| Administrative and secretarial occupations | 13.4 |
| Associate professional and technical occupations | 12.9 |
| Elementary occupations | 12.7 |
| Workforce with NVQ4+ qualifications (%) | 20.4 |
| Workforce with no qualifications (%) | 17.5 |
| Average gross weekly pay (£) | 334 |
| Unemployment rate (ILO) | 6.3 |
| Establishments reporting HtFVs (%) | 8.2 |
| Establishments reporting SSVs (%) | 5.1 |

**Sources:** CE and IER estimates based on various sources (see Annex for details).

# Annex to Volume 4: Statistical Sources

All data in the broad regional and detailed regional summary tables were taken from Wilson, R. A., A. Dickerson and K. Homenidou (2003), *'Working Futures': New Projections of Occupational Employment by Sector and Region.* Sector Skills Development Agency: Wath-upon-Dearne.

**National statistics sources**

Most of the estimates for Government office regions and local LSC areas, detailed regional and summary regional indicators tables, are based on various national statistics sources (see below).

Population estimates, working age population estimates and population density estimates are based on data from Midyear Population Estimates.

Ethnic minority estimates are based on data from Census 2001.

Unemployment and qualification levels estimates are based on Labour Force Survey data.

Weekly wage estimates are based on New Earnings Survey data.

**Other sources**

Employment and occupational estimates are based on *Working Futures* data.

Vacancy data were obtained from the *National Employer Skills Survey 2004*.

**Table A.1: Qualification structures of the working age population by local LSC**

| | Proportion of working age with qualification level (%) | | | | | |
|---|---|---|---|---|---|---|
| | NVQ4+ | NVQ3 | NVQ2 | NVQ1 | Other | None |
| London North | 30.8 | 10.8 | 12.6 | 10.5 | 17.7 | 14.4 |
| London West | 28.9 | 13.4 | 12.2 | 9.3 | 19.4 | 12.2 |
| London Central | 38.7 | 10 | 9.2 | 7 | 19.7 | 12.1 |
| London East | 23 | 12.6 | 14.2 | 12.9 | 13.8 | 19.4 |
| London South | 32.7 | 14.4 | 13.6 | 13.2 | 11.8 | 9.8 |
| Berkshire | 29.7 | 15.8 | 15 | 14.4 | 10 | 9.6 |
| Milton Keynes, Oxford and Buckinghamshire | 31.4 | 13.7 | 15.5 | 13.3 | 7.7 | 12 |
| Sussex | 26.1 | 16 | 16.4 | 15.3 | 7.7 | 12.1 |
| Hampshire and the Isle of Wight | 26.7 | 16.1 | 15.4 | 17.1 | 7.2 | 9.8 |
| Kent and Medway | 21.7 | 15.7 | 15.8 | 17.4 | 8.1 | 14.4 |
| Surrey | 34 | 15.3 | 15.2 | 12.8 | 8.5 | 9 |
| Bedfordshire and Luton | 22.1 | 15 | 15.9 | 16.4 | 9.9 | 13 |
| Essex | 19.2 | 13.5 | 19.2 | 16.9 | 7.3 | 17.9 |
| Hertfordshire | 29 | 15.3 | 15.8 | 15.4 | 8.5 | 11 |
| Cambridgeshire | 26.8 | 14 | 15.3 | 14.9 | 9 | 13.5 |
| Norfolk | 17.1 | 14.3 | 16.9 | 19.4 | 10.5 | 14.1 |
| Suffolk | 19.6 | 12.3 | 17.6 | 15.8 | 9.9 | 16.8 |
| West of England | 29.1 | 17.7 | 15.1 | 15.1 | 6.7 | 10 |
| Devon and Cornwall | 23.1 | 14.8 | 16.4 | 17.7 | 8.5 | 11.1 |
| Bournemouth, Dorset and Poole | 23.4 | 14.3 | 17.1 | 18.3 | 7.1 | 11.2 |
| Gloucestershire | 27.1 | 13.3 | 15.6 | 16.8 | 6.8 | 13 |
| Somerset | 23.8 | 14.5 | 16.2 | 17.9 | 8.3 | 12.1 |
| Wiltshire and Swindon | 23.7 | 16.1 | 15.3 | 18 | 7.5 | 11 |
| Herefordshire and Worcestershire | 25.1 | 15.6 | 16.3 | 14.3 | 6.2 | 14.9 |
| Shropshire | 25.8 | 14.4 | 16.2 | 13.2 | 10.2 | 13.8 |
| Staffordshire | 19.4 | 14.5 | 15.9 | 16.9 | 7.8 | 17.6 |
| Coventry and Warwickshire | 24.2 | 14.8 | 15.6 | 14 | 8.2 | 16.4 |
| The Black Country | 16.8 | 12.8 | 15.4 | 15.9 | 10.4 | 22.1 |
| Birmingham and Solihull | 19.3 | 14.3 | 14.9 | 14.9 | 10.2 | 22 |
| Derbyshire | 19.4 | 14.8 | 15.3 | 17.7 | 6.3 | 18.9 |
| Leicestershire | 20.9 | 15 | 13.9 | 16 | 9.4 | 17.8 |
| Lincolnshire and Rutland | 18.8 | 14.9 | 18.1 | 17.3 | 8.2 | 14.9 |
| Northamptonshire | 19.5 | 13.7 | 16.2 | 14.4 | 11.7 | 17.5 |
| Nottinghamshire | 20.5 | 16.4 | 14.8 | 15.4 | 7.3 | 18 |
| Humberside | 18.9 | 15.4 | 16.2 | 18.7 | 7.7 | 15.4 |
| North Yorkshire | 26.3 | 17.6 | 16 | 13.6 | 6.2 | 12.3 |
| West Yorkshire | 21.3 | 15.3 | 14.4 | 14.9 | 8.4 | 18.4 |
| South Yorkshire | 18.4 | 13.6 | 15.1 | 17.3 | 7.5 | 19.9 |
| Cheshire and Warrington | 27.6 | 13.1 | 17.4 | 14.6 | 6.1 | 13.4 |
| Greater Manchester | 21.6 | 14 | 15.1 | 14.9 | 6.5 | 19.9 |
| Lancashire | 20.5 | 15.5 | 15.9 | 14.6 | 6.5 | 18.5 |
| Greater Merseyside | 19 | 14.6 | 16.5 | 15.4 | 6.1 | 22.6 |
| Cumbria | 19 | 12.8 | 17.6 | 17.6 | 7.6 | 14.8 |
| Tees Valley | 18.2 | 14.1 | 15.9 | 16.7 | 6.8 | 19.5 |
| County Durham | 17.9 | 13.6 | 15.9 | 17.9 | 6.7 | 20.3 |
| Northumberland | 19.5 | 14.1 | 17.3 | 15.7 | 6.5 | 17.3 |
| Tyne and Wear | 20.4 | 14.2 | 15.4 | 15.7 | 7 | 17.5 |

**Source:** NOMIS (www.nomisweb.co.uk/).

**Table A.2: Ranking of qualification structures of the working age population by local LSC**

| | Rank NVQ4+ | NVQ3 | NVQ2 | NVQ1 | Other | None |
|---|---|---|---|---|---|---|
| London North | 5 | 46 | 45 | 45 | 3 | 26 |
| London West | 9 | 39 | 46 | 46 | 2 | 34 |
| London Central | 1 | 47 | 47 | 47 | 1 | 35 |
| London East | 23 | 44 | 42 | 43 | 4 | 8 |
| London South | 3 | 24 | 44 | 41 | 5 | 45 |
| Berkshire | 6 | 7 | 38 | 35 | 11 | 46 |
| Milton Keynes, Oxford and Buckinghamshire | 4 | 35 | 27 | 40 | 27 | 38 |
| Sussex | 15 | 6 | 11 | 27 | 25 | 36 |
| Hampshire and the Isle of Wight | 13 | 5 | 29 | 13 | 33 | 44 |
| Kent and Medway | 25 | 8 | 23 | 10 | 23 | 25 |
| Surrey | 2 | 12 | 34 | 44 | 17 | 47 |
| Bedfordshire and Luton | 24 | 15 | 22 | 18 | 13 | 31 |
| Essex | 38 | 38 | 1 | 15 | 31 | 13 |
| Hertfordshire | 8 | 13 | 24 | 25 | 16 | 41 |
| Cambridgeshire | 12 | 33 | 31 | 31 | 15 | 29 |
| Norfolk | 46 | 26 | 8 | 1 | 7 | 27 |
| Suffolk | 32 | 45 | 3 | 21 | 12 | 19 |
| West of England | 7 | 1 | 35 | 28 | 38 | 43 |
| Devon and Cornwall | 22 | 19 | 10 | 7 | 18 | 40 |
| Bournemouth, Dorset and Poole | 21 | 28 | 7 | 3 | 34 | 39 |
| Gloucestershire | 11 | 40 | 25 | 16 | 36 | 32 |
| Somerset | 19 | 23 | 13 | 6 | 20 | 37 |
| Wiltshire and Swindon | 20 | 4 | 32 | 4 | 29 | 42 |
| Herefordshire and Worcestershire | 17 | 9 | 12 | 37 | 45 | 22 |
| Shropshire | 16 | 25 | 16 | 42 | 10 | 28 |
| Staffordshire | 36 | 22 | 20 | 14 | 24 | 15 |
| Coventry and Warwickshire | 18 | 18 | 26 | 38 | 21 | 20 |
| The Black Country | 47 | 42 | 28 | 20 | 8 | 2 |
| Birmingham and Solihull | 37 | 27 | 39 | 30 | 9 | 3 |
| Derbyshire | 35 | 20 | 33 | 8 | 43 | 9 |
| Leicestershire | 28 | 16 | 43 | 19 | 14 | 14 |
| Lincolnshire and Rutland | 42 | 17 | 2 | 11 | 22 | 23 |
| Northamptonshire | 33 | 34 | 14 | 36 | 6 | 17 |
| Nottinghamshire | 29 | 3 | 40 | 24 | 32 | 12 |
| Humberside | 41 | 11 | 15 | 2 | 26 | 21 |
| North Yorkshire | 14 | 2 | 17 | 39 | 44 | 33 |
| West Yorkshire | 27 | 14 | 41 | 32 | 19 | 11 |
| South Yorkshire | 43 | 37 | 36 | 12 | 30 | 5 |
| Cheshire and Warrington | 10 | 41 | 5 | 34 | 47 | 30 |
| Greater Manchester | 26 | 32 | 37 | 29 | 40 | 6 |
| Lancashire | 30 | 10 | 19 | 33 | 42 | 10 |
| Greater Merseyside | 39 | 21 | 9 | 26 | 46 | 1 |
| Cumbria | 40 | 43 | 4 | 9 | 28 | 24 |
| Tees Valley | 44 | 30 | 21 | 17 | 37 | 7 |
| County Durham | 45 | 36 | 18 | 5 | 39 | 4 |
| Northumberland | 34 | 31 | 6 | 22 | 41 | 18 |
| Tyne and Wear | 31 | 29 | 30 | 23 | 35 | 16 |

**Source:** NOMIS.
**Notes:** Rank 1 is highest concentration of qualification and 47 lowest.

## Table A.3: Indicators of skill deficiencies and recruitment difficulties

| Region | Rank | % of establishments with vacancies | Rank | % of establishments with HtFVs vacancies | Rank | % of establishments with any SSVs |
|---|---|---|---|---|---|---|
| | | (c.) | | (g.) | | (q.) |
| **West Midlands** | | **20.8** | | **10.5** | | **7.4** |
| Shropshire | 24 | 19.0 | 41 | 10.2 | 45 | 8.4 |
| Staffordshire | 27 | 19.1 | 43 | 10.6 | 40 | 7.1 |
| The Black Country | 30 | 19.5 | 13 | 7.3 | 25 | 5.6 |
| Birmingham and Solihull | 46 | 23.6 | 30 | 8.8 | 28 | 6.1 |
| Herefordshire and Worcestershire | 34 | 20.3 | 46 | 12.0 | 43 | *7.9* |
| Coventry and Warwickshire | 42 | 21.9 | 36 | 9.6 | 37 | *6.8* |
| | | | | | | |
| **East Midlands** | | **18.6** | | **9.4** | | **6.6** |
| Derbyshire | 25 | 19.0 | 39 | 9.8 | 34 | 6.8 |
| Nottinghamshire | 40 | 21.3 | 18 | 7.6 | 13 | 4.9 |
| Lincolnshire and Rutland | 8 | 15.8 | 17 | 7.5 | 22 | *5.3* |
| Leicestershire | 37 | 20.9 | 47 | 12.2 | 46 | 10.0 |
| Northamptonshire | 14 | 17.1 | 32 | 8.9 | 24 | *5.6* |
| | | | | | | |
| **East of England** | | **18.0** | | **8.2** | | **5.8** |
| Norfolk | 9 | 16.0 | 24 | 8.1 | 10 | 4.6 |
| Cambridgeshire | 21 | 18.2 | 40 | 10.0 | 33 | 6.7 |
| Suffolk | 36 | 20.7 | 26 | 8.2 | 23 | 5.5 |
| Bedfordshire and Luton | 19 | 17.9 | 16 | 7.5 | 30 | 6.5 |
| Hertfordshire | 41 | 21.8 | 33 | 9.0 | 42 | 7.6 |
| Essex | 22 | 18.3 | 12 | 7.2 | 21 | 5.3 |
| | | | | | | |
| **London** | | **13.7** | | **4.5** | | **3.7** |
| London North | 1 | 10.0 | 2 | 4.1 | 1 | 3.5 |
| London West | 2 | 11.0 | 4 | 4.9 | 3 | 4.2 |
| London Central | 7 | 15.3 | 3 | 4.2 | 2 | 3.5 |
| London East | 3 | 13.7 | 5 | 5.2 | 4 | 4.3 |
| London South | 5 | 14.5 | 1 | 3.5 | 47 | * |
| | | | | | | |
| **North East** | | **16.9** | | **8.0** | | **5.4** |
| Northumberland | 10 | 16.0 | 28 | 8.4 | 27 | 6.0 |
| Tyne and Wear | 35 | 20.6 | 27 | 8.2 | 17 | 5.1 |
| County Durham | 4 | 13.8 | 7 | 6.8 | 9 | 4.6 |
| Tees Valley | 26 | 19.1 | 21 | 8.0 | 20 | 5.2 |
| | | | | | | |
| **North West** | | **19.1** | | **8.6** | | **6.0** |
| Cumbria | 11 | 16.2 | 34 | 9.5 | 39 | *7.1* |
| Lancashire | 33 | 20.0 | 8 | 7.0 | 19 | 5.2 |
| Greater Merseyside | 15 | 17.2 | 6 | 6.6 | 26 | *5.7* |
| Greater Manchester | 18 | 17.9 | 10 | 7.1 | 7 | 4.5 |
| Cheshire and Warrington | 39 | 21.1 | 44 | 10.9 | 31 | 6.6 |

(continued)

## Table A.3: Indicators of skill deficiencies and recruitment difficulties (continued)

| Region | Rank | % of establishments with vacancies | Rank | % of establishments with HtFVs vacancies | Rank | % of establishments with any SSVs |
|---|---|---|---|---|---|---|
| **South East** | | **18.9** | | **8.5** | | **5.8** |
| Milton Keynes, Oxfordshire and Buckinghamshire | 43 | 22.0 | 35 | 9.6 | 36 | 6.8 |
| Berkshire | 23 | 18.7 | 15 | 7.4 | 16 | 5.1 |
| Hampshire and the Isle of Wight | 32 | 19.9 | 38 | 9.7 | 32 | 6.7 |
| Surrey | 16 | 17.2 | 25 | 8.2 | 18 | 5.2 |
| Sussex | 12 | 16.3 | 11 | 7.2 | 5 | 4.4 |
| Kent and Medway | 17 | 17.5 | 9 | 7.1 | 14 | 5.0 |
| | | | | | | |
| **South West** | | **18.8** | | **9.2** | | **5.7** |
| Devon and Cornwall | 45 | 22.6 | 45 | 12.0 | 44 | 8.2 |
| Somerset | 13 | 16.5 | 20 | 7.8 | 11 | 4.7 |
| Bournemouth, Dorset and Poole | 6 | 15.2 | 23 | 8.0 | 12 | 4.8 |
| West of England | 28 | 19.2 | 14 | 7.3 | 6 | 4.4 |
| Wiltshire and Swindon | 31 | 19.6 | 22 | 8.0 | 15 | 5.1 |
| Gloucestershire | 38 | 21.1 | 19 | 7.7 | 8 | 4.5 |
| | | | | | | |
| **Yorkshire and Humberside** | | **20.8** | | **9.1** | | **6.5** |
| North Yorkshire | 29 | 19.4 | 42 | 10.3 | 38 | 6.9 |
| West Yorkshire | 44 | 22.3 | 37 | 9.7 | 35 | 6.8 |
| South Yorkshire | 47 | 25.0 | 31 | 8.8 | 41 | 7.2 |
| Humberside | 20 | 18.1 | 29 | 8.4 | 29 | 6.2 |
| | | | | | | |
| **National total (region based)** | | **18.2** | | **8.2** | | **5.7** |
| **Sum of all localities** | | | | | | |

**Sources:** NESS 2003.
**Notes:** Rank 1 is highest concentration of qualification and 47 lowest.

**Table A.4: Labour market indicators**

| | Growth (% pa) | | Proportion (%) | | % | |
|---|---|---|---|---|---|---|
| | Emp 93–03 | Emp 98–03 | Emp Bot 10 | Emp Top 10 | Emp Manuf | ILO Unemp |
| London North | 0.4 | -0.2 | 11.9 | 57.1 | 6.6 | 7.3 |
| London West | 2 | 1.7 | 10.4 | 63 | 6.8 | 6.2 |
| London Central | 2.6 | 2.4 | 8.9 | 68.8 | 3.8 | 8.5 |
| London East | 1.7 | 1.4 | 8.3 | 56.1 | 5.7 | 8.2 |
| London South | 0.8 | 0.5 | 9.7 | 59.5 | 5.6 | 5 |
| Berkshire | 2.2 | 2.3 | 14 | 60.1 | 9 | 4.1 |
| Milton Keynes, Oxford and Buckinghamshire | 2 | 0.9 | 15.7 | 55.8 | 10.6 | 3.8 |
| Sussex | 1.3 | 1.9 | 14.3 | 56.1 | 8.4 | 4.3 |
| Hampshire and the Isle of Wight | 1.3 | 1 | 17.5 | 54.1 | 10.3 | 3.7 |
| Kent and Medway | 1 | 1.7 | 18 | 51.8 | 11 | 4.8 |
| Surrey | 1.9 | 1.7 | 12.9 | 60.1 | 5.7 | 2.9 |
| Bedfordshire and Luton | 0.2 | 1 | 17.1 | 54.1 | 13.2 | 4.6 |
| Essex | 1.6 | 1.9 | 15.6 | 54.5 | 11.9 | 4.5 |
| Hertfordshire | 2 | 0.6 | 12.9 | 58.9 | 9 | 3.6 |
| Cambridgeshire | 1.4 | 1 | 18.1 | 54.8 | 12.8 | 3.8 |
| Norfolk | 0.6 | 0.1 | 17.3 | 47 | 13.1 | 4.3 |
| Suffolk | 1.2 | 1.5 | 18.2 | 52.1 | 12.5 | 4.1 |
| West of England | 1.3 | 1.6 | 15.6 | 53.6 | 9.9 | 3.8 |
| Devon and Cornwall | 0.9 | 1.2 | 18 | 52.5 | 10.5 | 4 |
| Bournemouth, Dorset and Poole | 1.4 | 1.3 | 16.2 | 51.9 | 9.7 | 4 |
| Gloucestershire | 1.2 | 0.3 | 22.6 | 48.9 | 14.2 | 3.7 |
| Somerset | 1 | 1.7 | 18.7 | 52.2 | 15 | 3.5 |
| Wiltshire and Swindon | 2.5 | 1.6 | 19.3 | 53.6 | 13.1 | 3.3 |
| Herefordshire and Worcestershire | 1.3 | 0 | 21.7 | 50.3 | 14.7 | 3.5 |
| Shropshire | 1.2 | -0.4 | 22.3 | 47.8 | 8.9 | 4.6 |
| Staffordshire | 1 | -1.8 | 24.5 | 48.4 | 18.9 | 4.4 |
| Coventry and Warwickshire | 1.1 | -0.8 | 10.6 | 33.1 | 15.5 | 5 |
| The Black Country | 0.4 | 0.9 | 30.2 | 63.1 | 21.6 | 6.8 |
| Birmingham and Solihull | 0.7 | 1 | 14.8 | 53.4 | 15 | 9.5 |
| Derbyshire | 1.5 | 0.4 | 19.7 | 47.9 | 20 | 4.6 |
| Leicestershire | -0.1 | -0.9 | 25.6 | 48.9 | 18.8 | 4.6 |
| Lincolnshire and Rutland | 0.9 | 0.1 | 20.1 | 41.6 | 16.7 | 4.4 |
| Northamptonshire | 1.9 | 2.6 | 17 | 50.8 | 18 | 3.5 |
| Nottinghamshire | 0.5 | 0 | 19.2 | 51.7 | 13.7 | 5.4 |
| Humberside | -0.8 | -1.8 | 22.1 | 46.4 | 18.9 | 6.1 |
| North Yorkshire | 1.3 | 1 | 18.5 | 51 | 11.2 | 3.2 |
| West Yorkshire | 0.6 | 0 | 20.3 | 50.4 | 15.5 | 5.5 |
| South Yorkshire | 0.9 | -0.3 | 20 | 48.6 | 15.4 | 5.6 |
| Cheshire and Warrington | 1.5 | 1.5 | 18.6 | 52.9 | 11.1 | 3.5 |
| Greater Manchester | 0.7 | 1.6 | 17.3 | 54.1 | 12.8 | 5.3 |
| Lancashire | 0.7 | 0 | 19.7 | 48.3 | 17.9 | 4.4 |
| Greater Merseyside | 0.5 | 1.2 | 17 | 52.2 | 13.4 | 6.9 |
| Cumbria | -0.6 | -1.7 | 20.9 | 49.9 | 19 | 4.9 |
| Tees Valley | -0.2 | -1.3 | 17.3 | 38.6 | 15.3 | 8.4 |
| County Durham | 0.7 | -0.1 | 31.5 | 60.9 | 21.1 | 5.1 |
| Northumberland | -1.1 | -3.8 | 26.9 | 44.2 | 12 | 4.7 |
| Tyne and Wear | 0.2 | -0.3 | 19 | 49.9 | 13.7 | 6.3 |

**Sources:** NOMIS and SSDA 2003.

**Table A.5: Ranking of labour market indicators**

| | Rank Emp 93–03 | Emp 98–03 | Emp Bot 10 | Emp Top 10 | Emp Manuf | ILO Unemp |
|---|---|---|---|---|---|---|
| London North | 40 | 37 | 42 | 9 | 43 | 5 |
| London West | 4 | 8 | 44 | 3 | 42 | 9 |
| London Central | 1 | 2 | 46 | 1 | 47 | 2 |
| London East | 9 | 15 | 47 | 10 | 45 | 4 |
| London South | 30 | 27 | 45 | 7 | 46 | 16 |
| Berkshire | 3 | 3 | 39 | 5 | 39 | 32 |
| Milton Keynes, Oxford and Buckinghamshire | 6 | 25 | 34 | 12 | 33 | 37 |
| Sussex | 17 | 4 | 38 | 11 | 41 | 29 |
| Hampshire and the Isle of Wight | 19 | 21 | 26 | 15 | 35 | 38 |
| Kent and Medway | 24 | 7 | 24 | 27 | 32 | 19 |
| Surrey | 7 | 6 | 40 | 6 | 44 | 47 |
| Bedfordshire and Luton | 41 | 19 | 30 | 16 | 22 | 21 |
| Essex | 10 | 5 | 36 | 14 | 29 | 25 |
| Hertfordshire | 5 | 26 | 41 | 8 | 38 | 40 |
| Cambridgeshire | 14 | 23 | 23 | 13 | 26 | 36 |
| Norfolk | 35 | 31 | 28 | 42 | 23 | 30 |
| Suffolk | 22 | 14 | 22 | 25 | 27 | 31 |
| West of England | 15 | 10 | 35 | 18 | 36 | 35 |
| Devon and Cornwall | 27 | 18 | 25 | 22 | 34 | 34 |
| Bournemouth, Dorset and Poole | 13 | 16 | 33 | 26 | 37 | 33 |
| Gloucestershire | 20 | 29 | 6 | 35 | 18 | 39 |
| Somerset | 26 | 9 | 19 | 23 | 16 | 43 |
| Wiltshire and Swindon | 2 | 12 | 16 | 19 | 24 | 45 |
| Herefordshire and Worcestershire | 18 | 33 | 9 | 32 | 17 | 44 |
| Shropshire | 21 | 40 | 7 | 41 | 40 | 23 |
| Staffordshire | 25 | 45 | 5 | 38 | 5 | 26 |
| Coventry and Warwickshire | 23 | 41 | 43 | 47 | 11 | 17 |
| The Black Country | 39 | 24 | 2 | 2 | 1 | 7 |
| Birmingham and Solihull | 34 | 20 | 37 | 20 | 15 | 1 |
| Derbyshire | 11 | 28 | 14 | 40 | 3 | 24 |
| Leicestershire | 43 | 42 | 4 | 36 | 7 | 22 |
| Lincolnshire and Rutland | 28 | 30 | 12 | 45 | 10 | 27 |
| Northamptonshire | 8 | 1 | 31 | 30 | 8 | 42 |
| Nottinghamshire | 37 | 32 | 17 | 28 | 19 | 13 |
| Humberside | 46 | 46 | 8 | 43 | 6 | 10 |
| North Yorkshire | 16 | 22 | 21 | 29 | 30 | 46 |
| West Yorkshire | 36 | 34 | 11 | 31 | 12 | 12 |
| South Yorkshire | 29 | 38 | 13 | 37 | 13 | 11 |
| Cheshire and Warrington | 12 | 13 | 20 | 21 | 31 | 41 |
| Greater Manchester | 31 | 11 | 29 | 17 | 25 | 14 |
| Lancashire | 32 | 35 | 15 | 39 | 9 | 28 |
| Greater Merseyside | 38 | 17 | 32 | 24 | 21 | 6 |
| Cumbria | 45 | 44 | 10 | 33 | 4 | 18 |
| Tees Valley | 44 | 43 | 27 | 46 | 14 | 3 |
| County Durham | 33 | 36 | 1 | 4 | 2 | 15 |
| Northumberland | 47 | 47 | 3 | 44 | 28 | 20 |
| Tyne and Wear | 42 | 39 | 18 | 34 | 20 | 8 |

**Sources:** NOMIS and SSDA 2003.
**Notes:** Rank 1 is highest growth rate or proportion and 47 lowest except for unemployment rate where rank 1 is lowest and 47 highest.

## Table A.6: Occupational structure of employment

Proportion of occupations (%)

| | Managers | Prof. | Ass. Prof. | Admin. | Skilled | Personal | Sales | Operatives | Other |
|---|---|---|---|---|---|---|---|---|---|
| London North | 17.3 | 14.5 | 17.9 | 11.3 | 9.9 | 6.4 | 7.7 | 5.8 | 9.1 |
| London West | 17.9 | 13 | 18.6 | 12.3 | 9.6 | 6.4 | 6.9 | 5.7 | 9.7 |
| London Central | 18.9 | 14.6 | 20.3 | 13.2 | 7 | 6.3 | 5.9 | 4.4 | 9.4 |
| London East | 18.1 | 14.3 | 18.7 | 16.7 | 8.1 | 5.2 | 6 | 4.7 | 8.2 |
| London South | 17.5 | 14.1 | 18.5 | 12.2 | 9.8 | 6.3 | 7.7 | 4.8 | 9 |
| Berkshire | 18.1 | 12.3 | 15.1 | 13.5 | 10.5 | 6.5 | 7.6 | 6.5 | 10 |
| Milton Keynes, Oxford and Buckinghamshire | 17.7 | 11.9 | 14.8 | 13.3 | 10.5 | 6.8 | 8.1 | 6.7 | 10.1 |
| Sussex | 17.1 | 11.7 | 15.2 | 14.6 | 9.5 | 8.1 | 7.7 | 5.8 | 10.3 |
| Hampshire and the Isle of Wight | 17.2 | 11.8 | 14.7 | 13.5 | 10.9 | 7.4 | 7.8 | 6.2 | 10.6 |
| Kent and Medway | 16.8 | 10.5 | 14.3 | 12.8 | 11.3 | 7.6 | 8.2 | 6.9 | 11.5 |
| Surrey | 18.2 | 12.6 | 16 | 13.5 | 9.6 | 7.1 | 7.6 | 5.9 | 9.6 |
| Bedfordshire and Luton | 16.5 | 11.6 | 13.7 | 11.8 | 12.2 | 6.8 | 7.2 | 8.7 | 11.4 |
| Essex | 16.5 | 10.4 | 13.8 | 13.3 | 11.5 | 6.9 | 8.5 | 7.8 | 11.2 |
| Hertfordshire | 16.8 | 11.7 | 13.9 | 12.7 | 12.2 | 6.7 | 7.9 | 7.6 | 10.5 |
| Cambridgeshire | 16.3 | 12.9 | 14.5 | 13 | 10.6 | 7.1 | 7.2 | 7.7 | 10.7 |
| Norfolk | 15.9 | 10.4 | 13.5 | 12.2 | 12.2 | 7.9 | 8 | 8.1 | 11.9 |
| Suffolk | 16.1 | 9.4 | 13.2 | 12.7 | 11.9 | 7.3 | 8.1 | 8.7 | 12.6 |
| West of England | 14.8 | 11.8 | 13.5 | 12.8 | 12.4 | 7.5 | 8.7 | 7.8 | 10.6 |
| Devon and Cornwall | 14.5 | 11.1 | 12.9 | 11 | 12.7 | 8.8 | 9 | 7.6 | 12.5 |
| Bournemouth, Dorset and Poole | 15 | 10.9 | 13.1 | 12.9 | 12.1 | 8.5 | 9.1 | 7.2 | 11.3 |
| Gloucestershire | 14.8 | 10.1 | 12.3 | 12.2 | 14 | 7.3 | 8.9 | 8.2 | 12.2 |
| Somerset | 14.6 | 10.5 | 12.6 | 11.1 | 12.1 | 8.4 | 9.9 | 8.5 | 12.4 |
| Wiltshire and Swindon | 14.9 | 10.3 | 12.8 | 13.2 | 12.5 | 7.7 | 8.8 | 8 | 11.8 |
| Herefordshire and Worcestershire | 13.2 | 9.4 | 12.2 | 11.8 | 12.8 | 8.5 | 9.1 | 10.4 | 12.5 |
| Shropshire | 13.1 | 9.8 | 12.9 | 12.9 | 12.4 | 8.2 | 8.4 | 10.6 | 11.7 |
| Staffordshire | 12.9 | 10.1 | 12.3 | 11.9 | 13.2 | 8 | 8.3 | 11 | 12.3 |
| Coventry and Warwickshire | 13.4 | 10.5 | 12.4 | 13 | 12.8 | 7.6 | 8.1 | 10.4 | 11.9 |
| The Black Country | 13.2 | 9.5 | 12.1 | 12.2 | 14 | 7.5 | 8 | 12.3 | 11.1 |
| Birmingham and Solihull | 13.1 | 11.2 | 13.9 | 14 | 11.3 | 8.5 | 7.2 | 10.1 | 10.7 |
| Derbyshire | 13.9 | 11 | 12.1 | 11.5 | 12.4 | 8.8 | 7.6 | 10.5 | 12.4 |
| Leicestershire | 14.5 | 10.2 | 11.9 | 12.3 | 12 | 7.9 | 7.8 | 11.6 | 11.9 |
| Lincolnshire and Rutland | 14 | 9.4 | 11.7 | 11.1 | 12.9 | 8.9 | 9.1 | 10 | 12.9 |
| Northamptonshire | 15 | 9.5 | 11.6 | 12.8 | 11.6 | 8.2 | 8.6 | 10.9 | 11.8 |
| Nottinghamshire | 14.6 | 10.9 | 13 | 12 | 10.8 | 9.3 | 8.5 | 9.4 | 11.4 |
| Humberside | 13.4 | 8.8 | 11.6 | 11.8 | 12.3 | 8.1 | 9.4 | 11.4 | 13.2 |
| North Yorkshire | 13.6 | 9.9 | 11.9 | 12.2 | 11.7 | 8.4 | 8.7 | 9.2 | 14.4 |
| West Yorkshire | 13.6 | 10.5 | 12.7 | 13 | 11.4 | 8 | 8.7 | 10.6 | 11.6 |
| South Yorkshire | 13.2 | 10.3 | 12.4 | 12.4 | 12.3 | 8.5 | 8.9 | 10.1 | 11.9 |
| Cheshire and Warrington | 13.6 | 10.7 | 12.5 | 13.2 | 12.3 | 6.9 | 8.8 | 10.1 | 11.9 |
| Greater Manchester | 13.6 | 12.1 | 13.6 | 13.2 | 11 | 7.8 | 8.2 | 9.6 | 11 |
| Lancashire | 13.5 | 10.7 | 13.3 | 12.6 | 12.2 | 7.9 | 8.4 | 9.7 | 11.7 |
| Greater Merseyside | 13.2 | 12 | 14.4 | 13.7 | 9.7 | 8.8 | 9 | 8.3 | 11 |
| Cumbria | 13.5 | 10 | 12.3 | 11 | 12.6 | 7.8 | 9.6 | 10.5 | 12.6 |
| Tees Valley | 11.8 | 10 | 12.7 | 11.4 | 12.3 | 8 | 9.7 | 10.5 | 13.5 |
| County Durham | 11.6 | 10.5 | 11.9 | 10.3 | 14.1 | 7.3 | 8.2 | 11.9 | 14.2 |
| Northumberland | 11.2 | 10.3 | 12.8 | 11.2 | 12.6 | 9 | 8.6 | 9.7 | 14.6 |
| Tyne and Wear | 12.1 | 9.9 | 12.9 | 13.4 | 11.5 | 8.1 | 9.6 | 9.8 | 12.7 |

**Source:** SSDA 2003.

## Table A.7: Ranking of local LSCs by occupational structure of employment

| | Rank | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Managers | Prof. | Prof. Assoc. | Admin. | Skilled | Personal | Sales | Operatives | Other |
| London North | 8 | 2 | 5 | 41 | 40 | 43 | 37 | 42 | 45 |
| London West | 5 | 5 | 3 | 28 | 43 | 44 | 45 | 44 | 42 |
| London Central | 1 | 1 | 1 | 11 | 47 | 45 | 47 | 47 | 44 |
| London East | 4 | 3 | 2 | 1 | 46 | 47 | 46 | 46 | 47 |
| London South | 7 | 4 | 4 | 32 | 41 | 46 | 36 | 45 | 46 |
| Berkshire | 3 | 8 | 8 | 7 | 39 | 42 | 39 | 39 | 41 |
| Milton Keynes, Oxford and Buckinghamshire | 6 | 11 | 9 | 9 | 38 | 40 | 28 | 38 | 40 |
| Sussex | 10 | 15 | 7 | 2 | 45 | 16 | 38 | 43 | 39 |
| Hampshire and the Isle of Wight | 9 | 13 | 10 | 6 | 35 | 31 | 34 | 40 | 36 |
| Kent and Medway | 11 | 27 | 13 | 20 | 32 | 28 | 25 | 37 | 26 |
| Surrey | 2 | 7 | 6 | 5 | 44 | 36 | 40 | 41 | 43 |
| Bedfordshire and Luton | 13 | 16 | 17 | 38 | 21 | 39 | 43 | 24 | 27 |
| Essex | 14 | 29 | 16 | 10 | 29 | 37 | 20 | 31 | 30 |
| Hertfordshire | 12 | 14 | 15 | 23 | 20 | 41 | 33 | 35 | 38 |
| Cambridgeshire | 15 | 6 | 11 | 15 | 37 | 35 | 42 | 33 | 34 |
| Norfolk | 17 | 30 | 20 | 31 | 19 | 23 | 31 | 29 | 18 |
| Suffolk | 16 | 44 | 22 | 24 | 26 | 33 | 29 | 25 | 8 |
| West of England | 21 | 12 | 19 | 21 | 12 | 29 | 15 | 32 | 37 |
| Devon and Cornwall | 26 | 18 | 27 | 45 | 8 | 4 | 9 | 34 | 11 |
| Bournemouth, Dorset and Poole | 18 | 21 | 23 | 18 | 23 | 10 | 7 | 36 | 29 |
| Gloucestershire | 22 | 36 | 36 | 30 | 3 | 34 | 12 | 28 | 15 |
| Somerset | 24 | 26 | 32 | 43 | 24 | 12 | 1 | 26 | 13 |
| Wiltshire and Swindon | 20 | 33 | 29 | 13 | 11 | 26 | 14 | 30 | 22 |
| Herefordshire and Worcestershire | 37 | 46 | 39 | 37 | 6 | 7 | 8 | 12 | 10 |
| Shropshire | 41 | 41 | 25 | 19 | 14 | 13 | 23 | 7 | 24 |
| Staffordshire | 43 | 35 | 37 | 35 | 4 | 20 | 24 | 5 | 14 |
| Coventry and Warwickshire | 35 | 28 | 34 | 17 | 7 | 27 | 30 | 13 | 17 |
| The Black Country | 38 | 42 | 40 | 29 | 2 | 30 | 32 | 1 | 31 |
| Birmingham and Solihull | 42 | 17 | 14 | 3 | 33 | 8 | 44 | 14 | 35 |
| Derbyshire | 28 | 19 | 41 | 39 | 13 | 5 | 41 | 11 | 12 |
| Leicestershire | 25 | 34 | 43 | 27 | 25 | 22 | 35 | 3 | 20 |
| Lincolnshire and Rutland | 27 | 45 | 45 | 44 | 5 | 3 | 6 | 17 | 6 |
| Northamptonshire | 19 | 43 | 47 | 22 | 28 | 14 | 19 | 6 | 21 |
| Nottinghamshire | 23 | 20 | 24 | 34 | 36 | 1 | 21 | 22 | 28 |
| Humberside | 36 | 47 | 46 | 36 | 18 | 17 | 5 | 4 | 5 |
| North Yorkshire | 29 | 40 | 44 | 33 | 27 | 11 | 17 | 23 | 2 |
| West Yorkshire | 31 | 25 | 31 | 16 | 31 | 19 | 16 | 8 | 25 |
| South Yorkshire | 40 | 32 | 35 | 26 | 15 | 9 | 11 | 15 | 16 |
| Cheshire and Warrington | 30 | 23 | 33 | 12 | 16 | 38 | 13 | 16 | 19 |
| Greater Manchester | 32 | 9 | 18 | 14 | 34 | 25 | 26 | 21 | 33 |
| Lancashire | 34 | 22 | 21 | 25 | 22 | 21 | 22 | 19 | 23 |
| Greater Merseyside | 39 | 10 | 12 | 4 | 42 | 6 | 10 | 27 | 32 |
| Cumbria | 33 | 37 | 38 | 46 | 10 | 24 | 3 | 10 | 9 |
| Tees Valley | 45 | 38 | 30 | 40 | 17 | 18 | 2 | 9 | 4 |
| County Durham | 46 | 24 | 42 | 47 | 1 | 32 | 27 | 2 | 3 |
| Northumberland | 47 | 31 | 28 | 42 | 9 | 2 | 18 | 20 | 1 |
| Tyne and Wear | 44 | 39 | 26 | 8 | 30 | 15 | 4 | 18 | 7 |

**Source:** SSDA 2003.
**Notes:** Rank 1 is highest concentration of occupations and 47 lowest.

## Table A.8: Other indicators

| | Rank Pop 93–03 | Pop Density | Pop Work Age | HH Income | (%) pa Pop 93–03 | Per sq km Pop Density | (000) Pop Work Age | £ HH Income |
|---|---|---|---|---|---|---|---|---|
| London North | 11 | 3 | 17 | 8 | 0.7 | 4435 | 722 | 409 |
| London West | 6 | 4 | 9 | 5 | 0.7 | 4208 | 992 | 483 |
| London Central | 1 | 1 | 5 | 1 | 1.1 | 9898 | 1173 | 578 |
| London East | 8 | 2 | 3 | 2 | 0.7 | 4707 | 1351 | 511 |
| London South | 13 | 5 | 13 | 47 | 0.6 | 3231 | 901 | 243 |
| Berkshire | 24 | 16 | 29 | 3 | 0.5 | 637 | 548 | 499 |
| Milton Keynes, Oxford and Buckinghamshire | 5 | 30 | 14 | 7 | 0.7 | 292 | 876 | 431 |
| Sussex | 26 | 25 | 11 | 26 | 0.5 | 398 | 941 | 351 |
| Hampshire and the Isle of Wight | 23 | 22 | 4 | 17 | 0.5 | 433 | 1179 | 379 |
| Kent and Medway | 22 | 23 | 7 | 19 | 0.5 | 428 | 1029 | 368 |
| Surrey | 27 | 15 | 19 | 4 | 0.4 | 640 | 697 | 486 |
| Bedfordshire and Luton | 7 | 20 | 41 | 20 | 0.7 | 465 | 380 | 366 |
| Essex | 20 | 21 | 6 | 22 | 0.5 | 444 | 1052 | 360 |
| Hertfordshire | 25 | 17 | 23 | 6 | 0.5 | 634 | 681 | 448 |
| Cambridgeshire | 4 | 35 | 33 | 9 | 0.8 | 215 | 489 | 406 |
| Norfolk | 12 | 41 | 31 | 39 | 0.7 | 151 | 512 | 334 |
| Suffolk | 15 | 38 | 37 | 31 | 0.6 | 178 | 429 | 343 |
| West of England | 31 | 14 | 24 | 11 | 0.4 | 754 | 664 | 398 |
| Devon and Cornwall | 14 | 40 | 8 | 45 | 0.6 | 156 | 1010 | 311 |
| Bournemouth, Dorset and Poole | 19 | 32 | 36 | 30 | 0.5 | 264 | 431 | 346 |
| Gloucestershire | 21 | 36 | 42 | 16 | 0.5 | 214 | 366 | 382 |
| Somerset | 10 | 42 | 44 | 35 | 0.7 | 147 | 318 | 340 |
| Wiltshire and Swindon | 9 | 39 | 40 | 14 | 0.7 | 178 | 405 | 393 |
| Herefordshire and Worcestershire | 18 | 37 | 34 | 44 | 0.6 | 185 | 470 | 316 |
| Shropshire | 16 | 45 | 47 | 43 | 0.6 | 82 | 184 | 321 |
| Staffordshire | 34 | 27 | 21 | 33 | 0.1 | 387 | 690 | 341 |
| Coventry and Warwickshire | 30 | 26 | 30 | 12 | 0.4 | 397 | 544 | 397 |
| The Black Country | 45 | 6 | 20 | 32 | -0.3 | 3028 | 692 | 341 |
| Birmingham and Solihull | 43 | 7 | 16 | 10 | -0.1 | 2674 | 768 | 400 |
| Derbyshire | 29 | 29 | 25 | 15 | 0.4 | 372 | 636 | 386 |
| Leicestershire | 28 | 24 | 26 | 23 | 0.4 | 419 | 599 | 356 |
| Lincolnshire and Rutland | 2 | 43 | 35 | 41 | 1 | 111 | 445 | 332 |
| Northamptonshire | 3 | 31 | 38 | 18 | 0.9 | 272 | 426 | 375 |
| Nottinghamshire | 36 | 18 | 22 | 28 | 0.1 | 477 | 683 | 349 |
| Humberside | 39 | 33 | 28 | 34 | 0 | 251 | 569 | 341 |
| North Yorkshire | 17 | 44 | 32 | 27 | 0.6 | 91 | 492 | 350 |
| West Yorkshire | 35 | 11 | 2 | 21 | 0.1 | 1033 | 1374 | 364 |
| South Yorkshire | 42 | 13 | 15 | 38 | -0.1 | 820 | 833 | 338 |
| Cheshire and Warrington | 32 | 28 | 27 | 13 | 0.3 | 379 | 569 | 395 |
| Greater Manchester | 44 | 10 | 1 | 24 | -0.1 | 1983 | 1673 | 355 |
| Lancashire | 37 | 19 | 12 | 36 | 0.1 | 470 | 922 | 340 |
| Greater Merseyside | 47 | 8 | 10 | 25 | -0.5 | 2048 | 963 | 352 |
| Cumbria | 33 | 46 | 45 | 37 | 0.1 | 72 | 314 | 339 |
| Tees Valley | 40 | 12 | 39 | 42 | -0.1 | 822 | 424 | 331 |
| County Durham | 41 | 34 | 43 | 29 | -0.1 | 222 | 325 | 347 |
| Northumberland | 38 | 47 | 46 | 46 | 0.1 | 62 | 201 | 305 |
| Tyne and Wear | 46 | 9 | 18 | 40 | -0.4 | 2006 | 712 | 334 |

**Source:** NOMIS.
**Notes:** Rank 1 is highest growth rate, proportion or level and 47 lowest. HH income = household income.

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Learning and Skills Council
**National Office**

Cheylesmore House
Quinton Road
Coventry CV1 2WT
T 0845 019 4170
F 024 7682 3675
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