Learning+Skills Council
Hampshire and Isle of Wight

Learning and Skills Council
Hampshire and the Isle of Wight

Local Strategic Plan 2002 - 2005

Part B

Local Needs Assessment

Contents

Note: further information is available in the two annual reports "Informing Our Future" (an economic assessment for Hampshire and the Isle of Wight 2002) and the Hampshire and Isle of Wight Skills Assessment 2002, both of which are available from the Council's website www.hampshire-iow-lsc.org.uk

Section 1 The economic context

1.1 Economic overview

Hampshire and the Isle of Wight LSC area (covering the unitary authorities of Hampshire, Southampton, Portsmouth and the Isle of Wight) is a key sub region of the South East economy, providing about one-fifth of the regional output, important gateway functions and the highest gross value added capita in the South East.

After London, the South East is the largest regional economy in the UK and its performance is critical to the success of the national economy. Projections suggest that the South East's economy will continue to grow, despite global economic uncertainty, driven by the concentrations of high technology and advanced service sector activities.

1.2 Industrial structure

Hampshire and the Isle of Wight is an important source of enterprise and employment and is home to 1 in 5 (21%) of jobs in the South East. There are over 67,841 business organisations in the Council area employing over 750,141 workers (ABI 1999). Most of these businesses are small, employing less than 10 people.

Table 1 Comparison of business size

	1-10 employees	11-49 employees	50-199 employees	200+ employees
Hants and IOW	57,095	8,438	1,914	394
South East	288,769	39,989	8,989	2,006
Great Britain	1,773,426	279,009	61,574	14,403

Source: Annual Business Inquiry, 1999

In terms of industrial structure by sector, employment is concentrated in three broad sectors: public administration, education and health (26.1%); distribution, hotels and catering (24.9%); and finance, real estate, renting and business activities (19.3%). The manufacturing sector remains a significant sector employing 14.2% of the workforce, slightly higher than the South East average of 12.5%.

Table 2 Comparison of sector concentration in terms of % of employment

1999	Hants & IOW	Hants	IOW	South East	GB
Agriculture, hunting and forestry	1.2	1.1	2.3	1.4	1.1
Mining and quarrying	0.1	0.1	0.1	0.1	0.3
Electricity, gas and water supply	0.4	0.4	0.2	0.5	0.5
Manufacturing	14.2	14.2	14.3	12.5	16.1
Construction	4.4	4.6	1.9	4.3	4.5
Wholesale and retail trade etc	18.3	18.3	18.5	19.1	17.5
Hotels and restaurants	6.6	6.2	13.0	6.2	6.5
Transport, storage and communication	4.8	4.9	4.2	6.2	6.0
Financial intermediation	4.1	4.2	1.8	4.1	4.3
Real estate, renting and business activities	15.2	15.7	5.7	18.3	14.5
Public admin and defence; compulsory social security	7.4	7.5	6.2	4.9	5.5
Education	8.6	8.6	8.2	8.0	7.9
Health and social work	10.1	9.6	17.5	9.7	10.3
Other community, social and personal service activities	4.7	4.6	6.3	4.7	4.9

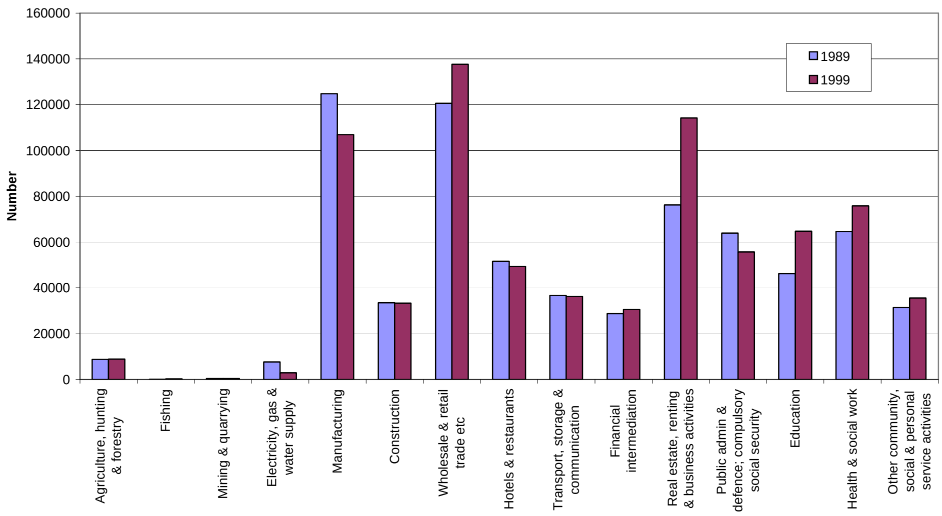
Source: Annual Business Inquiry supplied through Business Strategies Ltd, 2001

The Isle of Wight employment structure is dominated by wholesale and retail trade and health and social work. These two sectors account for 36% of total employment on the Island. The hotels and restaurants sector is a much larger sector on the Isle of Wight than in the Council area as a whole; 13% of total employment compared to 6% in Hampshire.

The main growth sectors in Hampshire and the Isle of Wight since 1989 have been in real estate, renting and business activities which has seen a rise of 49.9% from 1989-99, and Education, which has seen a rise of 40.1% for the same period.

For the Isle of Wight employment has risen in health and social work and education. A large fall in employment has occurred in hotels and restaurants, from 7,769 in 1989 to 5,341 in 1999.

Figure 1 Employment Change in Hampshire and the Isle of Wight 1989-1999



Source: Annual Business Inquiry data supplied through Business Strategies Ltd, 2001

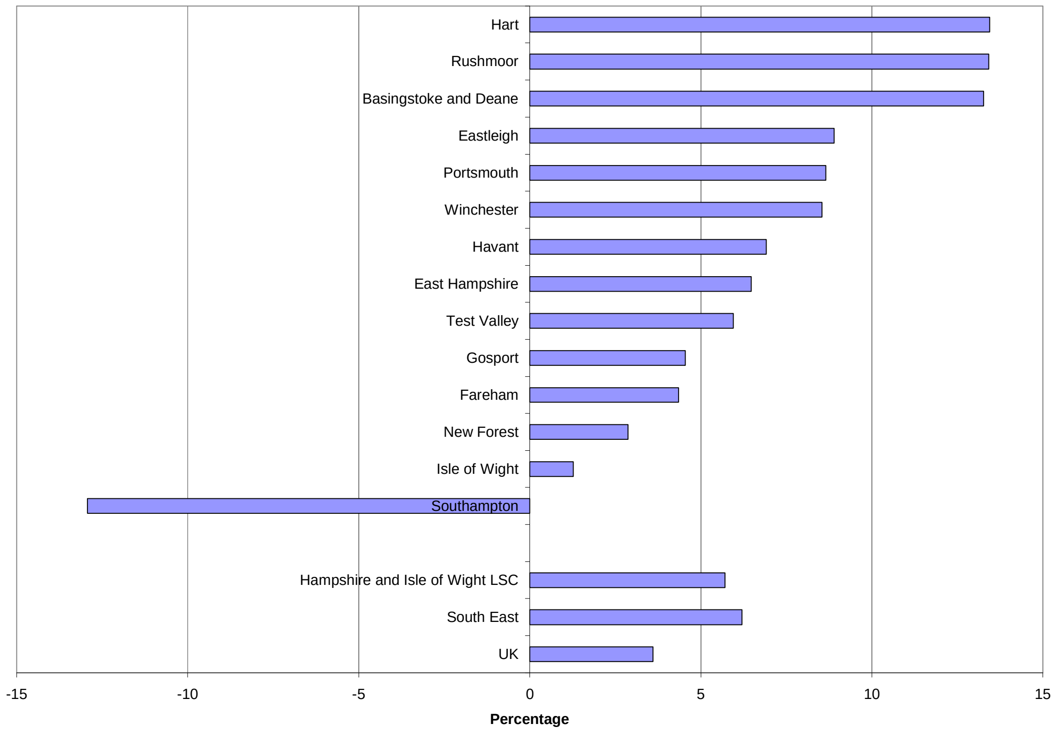
1.3 VAT registrations and business survival rates

VAT registrations[1] provide a clear indication of the number of companies which are active in the local economy and is especially useful for calculating the number of new business starts.

Overall, between 1996 and 2000, business stock at the start of the year has grown from 46,045 to 48,685, an increase of 5.7%. However, the rate of growth has not been uniform across the Council area. Analysis by local authority district reveals that the north and east of the area is growing faster than the south and west.

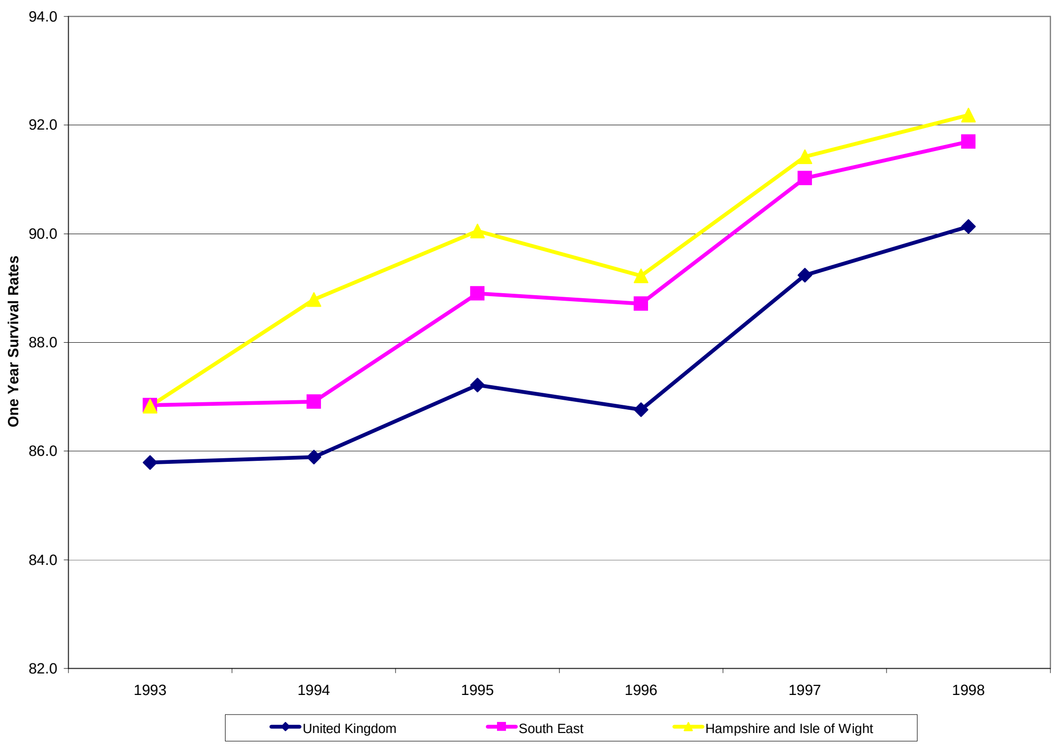
[1] The DTI estimates that the number of new business starts each year is approximately twice the number show by VAT registrations. It is also estimates that only 3 in 5 businesses register for VAT.

Figure 2 Percentage change in VAT registered business stock by Local Authority District 1996-2000



Source: Business Competitiveness Indicators supplied through the DTI, Nov 2001

Figure 3 One year survival rates

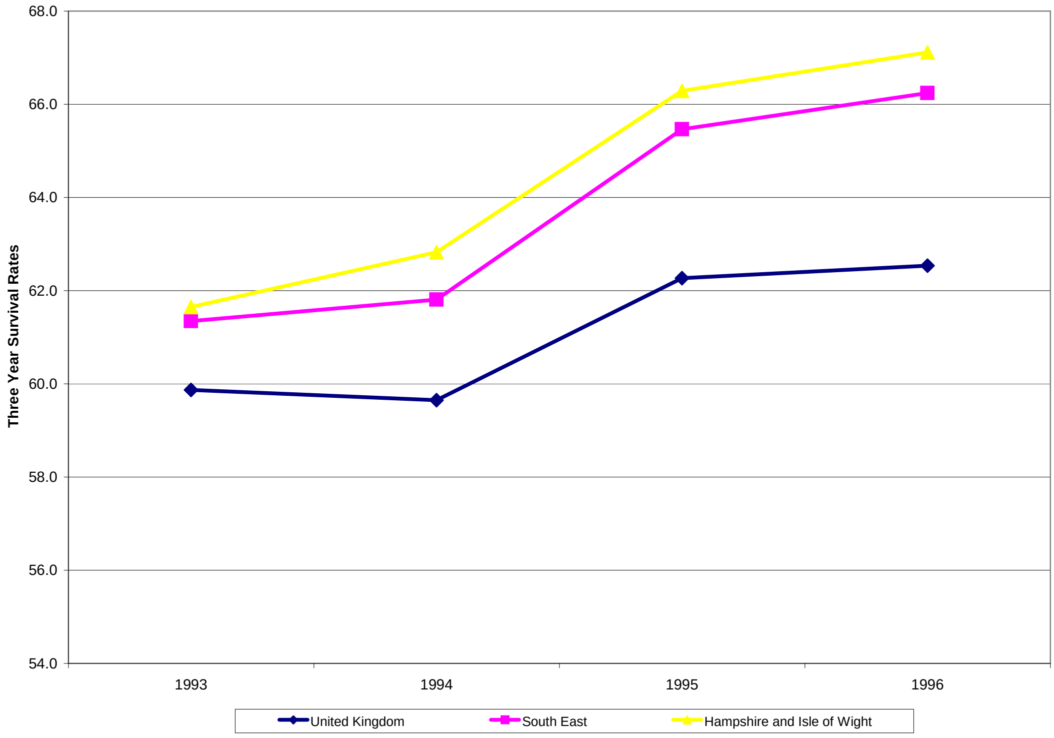


Source: Business Competitiveness Indicators supplied through the DTI, Nov 2001

In 2001 92% of new businesses in Hampshire and the Isle of Wight survived beyond their first year, slightly above the averages for the South East and the UK.

However, analysis of new businesses surviving beyond three years paints a very different picture, with only 67% of businesses surviving. Again, this was above the average for the South East (66%) and the UK (62%).

Figure 4 Three year survival rates



Source: Business Competitiveness Indicators supplied through the DTI, Nov 2001

1.4 Population

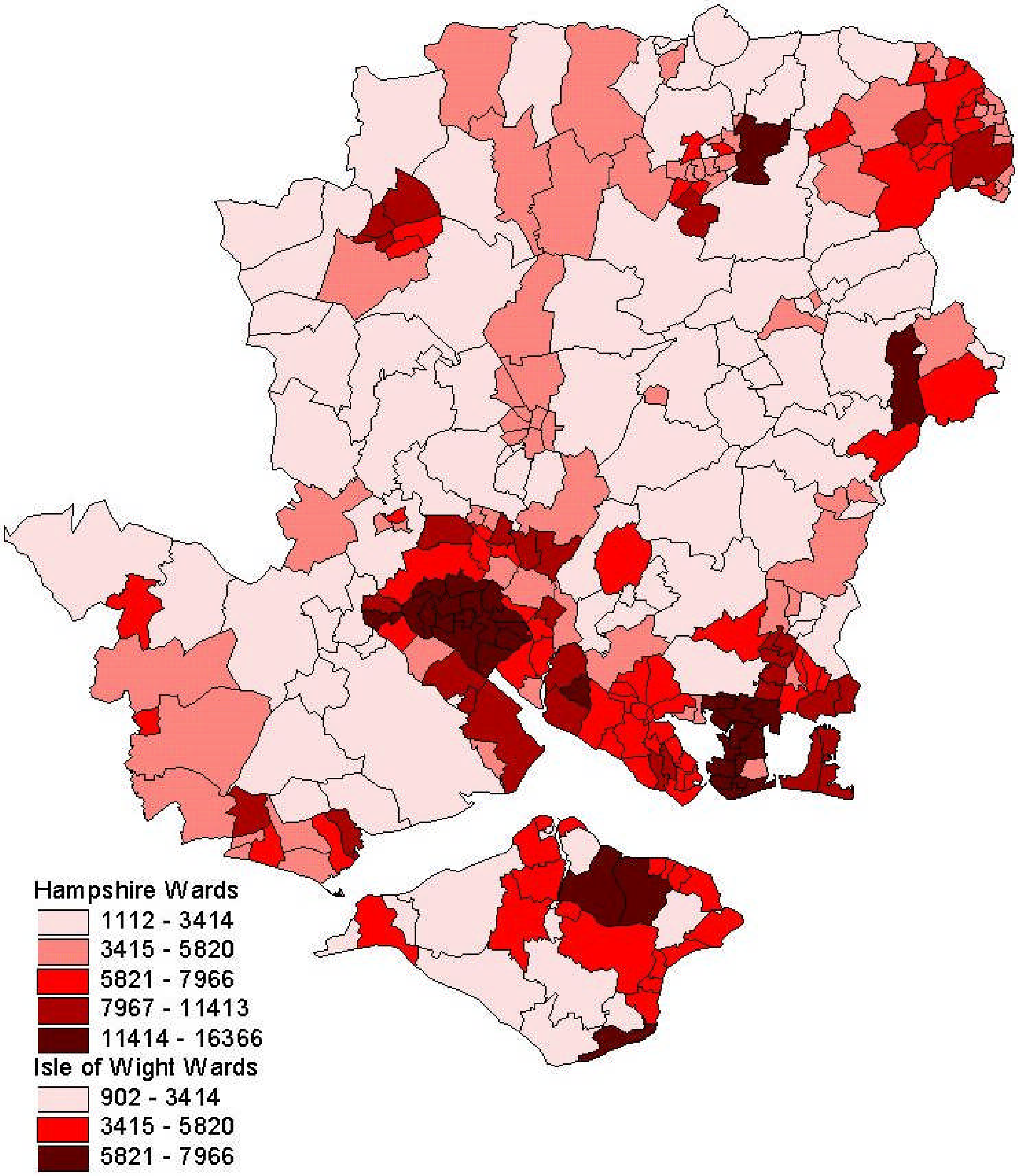
Hampshire and the Isle of Wight has an estimated population of approximately 1.8 million which is forecast to rise to 1.9 million by 2010.

Over the next 3 years the biggest increase is forecast in the 44-64 age group, but in time the greatest increases will be amongst the 65+ group (who are likely to be economically inactive).

Population density is concentrated along the M27 corridor between Southampton and Portsmouth, although there are also some highly populated areas in the north of the area. Mid, north west and the south west of Hampshire remain relatively rural and sparsely populated. The population density on the Isle of Wight is similar to that of rural Hampshire. The population on the Isle of Wight is also biased towards the elderly, but the number of over 65s is not projected to rise dramatically over the next five years

The ethnic minority population in Hampshire and the Isle of Wight is relatively low at around 1.5%. The largest ethnic minority population is within Southampton at just under 5% of the total population.

Figure 5 Population density 1998



Source: Hampshire County Council and Isle of Wight Partnership

1.5 Economic activity rates

The economic activity rate measures the proportion of the population that is either in work or looking for work, this includes people with full and part-time jobs, the self employed and the unemployed (ILO measure).

Economic activity rates in Hampshire and the Isle of Wight are comparable to the South East (83.2% and 83.5% respectively) and significantly above the average for Great Britain (79.4). Gosport (76.9%), Southampton (77.1%) and the Isle of Wight (78%) all have economic activity rates below that of Great Britain (79.4%).

Table 3 Economic activity rates

Local Authority District	All	Male	Female
Gosport	76.9	83.5	69.2
Southampton	77.1	84.8	69.4
Isle of Wight	78	86.5	67.4
Portsmouth	80.8	84	77.1
Havant	81.8	88.5	73
New Forest	83.1	87.6	78.2
East Hampshire	83.6	89	76.7
Rushmoor	84.3	90.8	77.3
Hart	84.9	90.8	77.5
Basingstoke and Deane	85.5	89.8	80.5
Winchester	86.5	90.1	82.7
Fareham	87.6	96.1	78
Test Valley	88.1	93.3	82.4
Eastleigh	91.7	96.2	85.6
Hampshire and the Isle of Wight	83.2	88.9	76.7
South East	83.5	89.3	77.1
Great Britain	79.4	85.0	73.1

Source: Labour Force Survey, Quarterly, August 2001

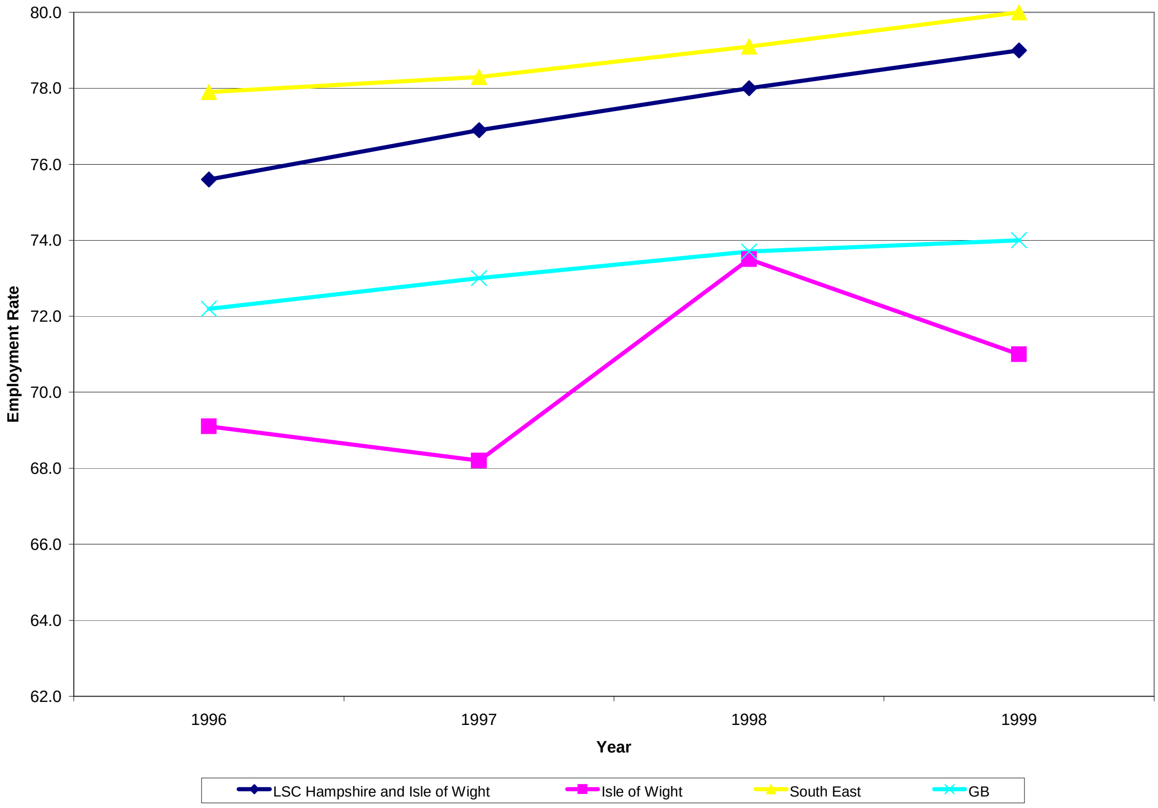
In terms of gender, the Isle of Wight (67.4%), Gosport (69.2%) and Southampton (69.4%) have comparatively low economic rates for women, all falling well below the Hampshire and Isle of Wight average of 76.7%.

1.6 Employment change

Employment rates across Hampshire and the Isle of Wight have risen steadily over the past five years from 75% to 79% and remain well above the average for Great Britain (74%), but slightly below the average for the South East (80%).

For the Isle of Wight there have been some marked fluctuations and the employment rate (71%) remains below the average for Great Britain.

Figure 6 Change in employment rate 1996-1999

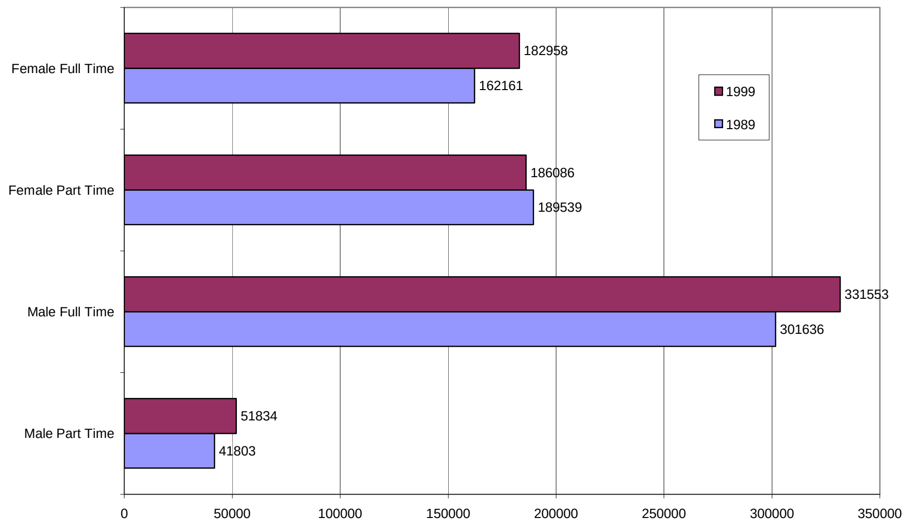


Source: Labour Force Survey supplied through DTI Business Competitiveness Indicators, Nov 2001

Male full and part-time employment has witnessed an increase since 1989 of 9.9% and 24.0% respectively. Female part-time employment has declined slightly by 1.8% in favour of a significant increase in full-time employment of 12.8%.

The trend in employment across the UK is for more flexible working patterns and part of this has seen an increase in the number of part-time workers. The increase in part-time working will also be accompanied by increasing participation of women in the workforce and a greater proportion of older workers.

Figure 7 Comparison of male and female employment



Source: Annual Business Inquiry data supplied through Business Strategies Ltd, 2000

1.7 Self employment

In 1999 10.8% of all employed residents in Hampshire and the Isle of Wight were self employed (Labour Force Survey). This is below the averages for the South East (12.5%) and the UK (11.6%). The Isle of Wight has a higher than average percentage of self employment at 14.5%.

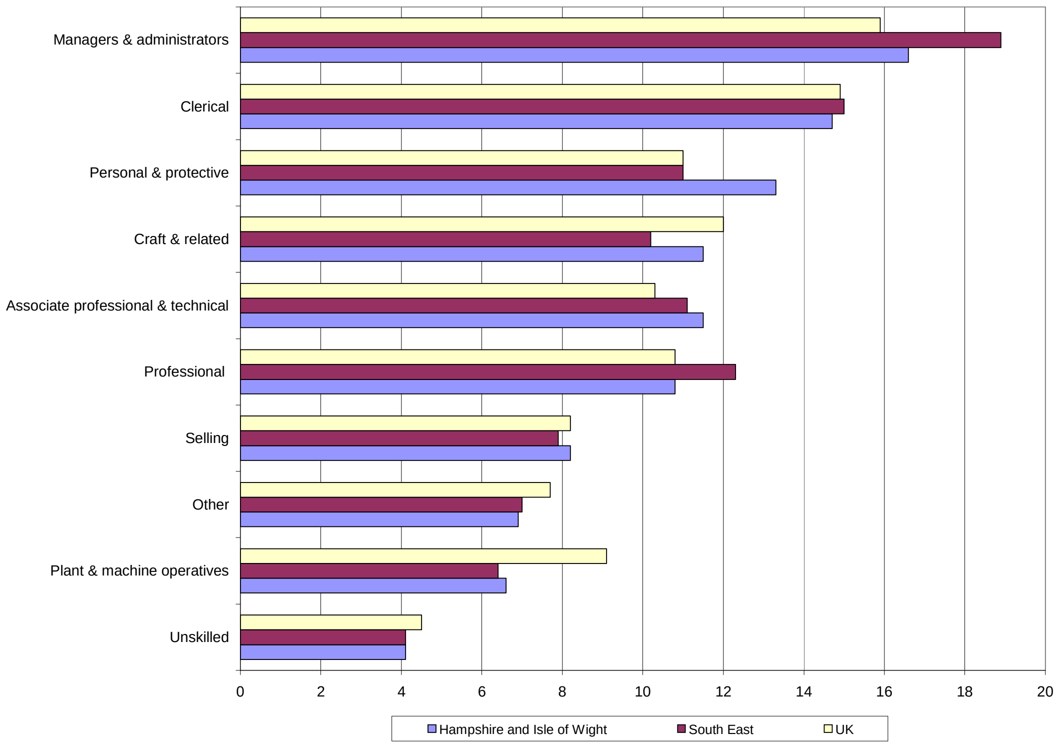
1.8 Occupational structure

The occupational structure for Hampshire and the Isle of Wight is broadly similar to that of the South East, but for a slightly:

- lower proportion of managers and administrators and professional occupations
- higher proportion of personal and protective and craft and related occupations

On the Island there is a marked difference in occupational structure with a far lower proportion of ‘higher order occupations' and a larger proportion employed in lower order jobs particularly craft and personal services.

Figure 8 Occupational structure



Source: Labour Force Survey, 1999

1.9 Earnings

Wage rates in the South East are the highest nationally outside of London at £10.90 per hour (including overtime) in 2000. Hourly earnings in the Council area are £10.40 per hour compared to £10.30 for the UK. The are wide variations throughout the area with hourly rates in Hart standing at £13.20 compared to £8.20 for Gosport.

The average annual growth rate from 1998-2000 for Hampshire and the Isle of Wight was 5%, but with significant variations (e.g. 8.4% for Hart District compared to 2% for Havant.

1.10 Unemployment

Unemployment in the Council area is relatively low at 1.6% (Oct 2001) which is close to the South East rate of 1.5% (compared with 3.0% for the UK). On the Isle of Wight rates are higher at 4.0%.

Table 4 Unemployment rates[2]

	Hants	IOW	South East	UK
Number	12,039	2,059	63,157	918,438
Rate %	1.4	4.0	1.5	3.0

Source: Office of National Statistics (ONS), Oct 2001

The unemployment rate throughout 2001 has been fairly stable with the exception of the Isle of Wight which has a strong seasonal cycle of employment as a result of its dependence on tourism. As the economic base continues to broaden these fluctuations should ease.

Unemployment varies considerably across the area. The highest levels of unemployment are generally concentrated in the south of the region with the Isle of Wight and Havant recording the highest rates of unemployment at 4.0% and 2.6% respectively. Unemployment statistics mask some local pockets of high unemployment, particularly in the rural and prosperous economies of mid and north Hampshire.

Table 5 Unemployment rates by area

Area	Number	Rate %
Basingstoke and Deane	844	1.0
East Hampshire	528	1.1
Eastleigh	536	0.9
Fareham	534	1.0
Gosport	537	1.8
Hart	185	0.5
Havant	1,182	2.6
Isle of Wight	2,059	4.0
New Forest	822	1.2
Portsmouth	2,488	2.0
Rushmoor	496	0.8
Southampton	2,898	2.4
Test Valley	477	0.8
Winchester	512	0.7

Source: Office of National Statistics (ONS) Oct 2001

Whilst the numbers of adults in receipt of unemployment benefit is low, the number of adults in receipt of working age benefits is significantly higher (almost three times higher). Increasing numbers of single parents are one such group that could benefit from learning.

In terms of duration of unemployment, approximately 50% of those who are unemployed in Hampshire find jobs within 13 weeks or less. On the Isle of

[2] There are two main measures of unemployment: claimant count and ILO. Claimant count statistics, collected by the Employment Service, have been used throughout this section.

Wight, approximately 27% of the unemployed have still not found jobs after 52 weeks, highlighting a serious problem of long term unemployment on the Island. This problem is exacerbated by high transport costs on the Island and when travelling to the mainland, thereby reducing their willingness to travel and reducing their field of job search.
The Isle of Wight Partnership undertook a study into the long term unemployed (LTU) on the Island. The study reported a number of key findings which included:

- Approximately a third of the Islands LTU have worked in the same job for over ten years. This often means that their skills are now out of date and redundant and are difficult to adapt to the needs of the Island's employers.
- Many of the LTU are reliant on public transport which is expensive and infrequent.
- A number of the LTU interviewed had had a negative experience of the world of work, for example being made redundant. This has adversely affected their motivation and confidence in finding new employment.
- 73.9% of the Islands employers stated that personal or motivation problems explain a client's difficulty in finding employment. Only 7.7% of the LTU cited this as a problem.

Section 2 Skills and qualifications on individuals

2.1 Skills and qualifications held by the existing workforce

Whilst the population and economic activity rates determine the size of the workforce, the quality of the workforce is determined by the qualifications and skills it holds.

In order to build a picture of the situation in Hampshire and the Isle of Wight two key sources of information have been used, namely:

- **The South East Skills Audit Survey 2000/2001 -** a household survey of economically active residents aged 16-60 which is conducted annually across the South East and is supported by all six Local Learning and Skills Councils

- **Local Area Labour Force Survey 2000** - a national survey undertaken quarterly.

2.2 Levels of qualifications

Nearly 80% of Hampshire and the Isle of Wight's economically active residents have at least one NVQ equivalent qualification, with attainment most likely amongst those aged 25-34 (87%), decreasing progressively with age thereafter.

Compared to the South East, Hampshire and the Isle of Wight does not compare as well, particularly at Level 3 (14.8% compared to 22.7%).

Table 6 Levels of qualifications (%) in Hampshire and the Isle of Wight by age

	16-24	25-34	35-44	45-54	55-64	Total	South East
No NVQ Equivalent	19.2	13.0	15.2	26.4	46.4	21.2	19.0
Level 1	12.4	12.9	11.9	9.2	8.7	11.2	9.4
Level 2	33.4	30.1	29.0	24.4	14.3	27.0	25.2
Level 3	21.3	14.0	17.2	12.9	8.3	14.8	22.7
Level 4	13.0	24.8	22.8	23.3	17.2	21.7	22.7
Level 5	0.6	5.2	3.9	3.7	5.1	4.0	5.3

Source: South East Skills Audit Survey 2000/20001

A similar pattern emerges for higher level qualifications. 17% and 4.5% of Hampshire and the Isle of Wight's economically active residents have an undergraduate degree and postgraduate degree respectively, compared to 21% and 5.8% for the South East.

The 1999/2000 South East Skills Audit Survey found that 10% of the economically active workforce within Hampshire were found to be disabled, of which 20% had no qualifications (compared to 15% for non-disabled).

Table 7 Levels of qualifications (%) in Hampshire and the Isle of Wight by gender

	No NVQ Equivalent	Level 1	Level 2	Level 3	Level 4	Level 5
Male	21.6	9.3	24.5	15.3	24.5	4.7
Female	21.1	13.1	29.3	14.6	18.4	3.5

Source: South East Skills Audit Survey 2000/2001

A significantly larger proportion of females compared to males hold Level 1 and 2 qualifications (34.2% and 30.9% respectively), whilst the reverse is true of Level 3, 4 and 5 qualifications.

2.3 National and local learning targets 2002-2004

As described in Part A, Chapter Two of the Local Strategic Plan, the National Council has set a number of **interim national targets,** up until 2004. As part of our local planning process, we have local targets which will contribute to the achievement of the targets. Table 8 below gives details of the current national and local position and the interim targets that have been set for 2004.

Table 8 National and local targets 2002-2004

Key national objectives	**Measure**	**National position**	**National target**	**Local position**	**Local target**
Extend participation in learning by young people and adults	% of 16-18 year olds in structured learning	75%** 1,364,071	80% 1,539,789	76%* 50,532	81% Increase of 6,462
	Set baseline and target for adults in next year's plan				
Increase engagement of employers in workforce development	Develop measure of employer engagement in next year's plan				
Increase the achievement of young people	% at [3]Level 2 by age 19	75%***	85%	77%* 16,827	84% Increase of 1,547
	% at Level 3 by age 19	51%***	55%	47%* 10,193	53% Increase of 1,259
Increase the achievement of adults	Raise literacy and numeracy skills of adults	24%** with poor literacy & numeracy	750,000	22%**	26,130
	% of adults at Level 2	58%***	Target to be set next year	62%***	Target to be set next year
	% of adults at Level 3	47%***	52%	48%***	56% Increase of 66,200
Raise the quality of learning provision	Set baselines and targets in next year's plan				

***** Figures calculated from administrative sources (Schools' Performance Tables, colleges' Individual Student Records (ISR), government sponsored training (GST) and population estimates) - note: administrative sources data tends to give lower results than those estimated using the Labour Force Survey.
****** Figures derived from the Basic Skills Agency (BSA) Survey 1996/97
*** Figures calculated from the Local Area Labour Force Survey 2001

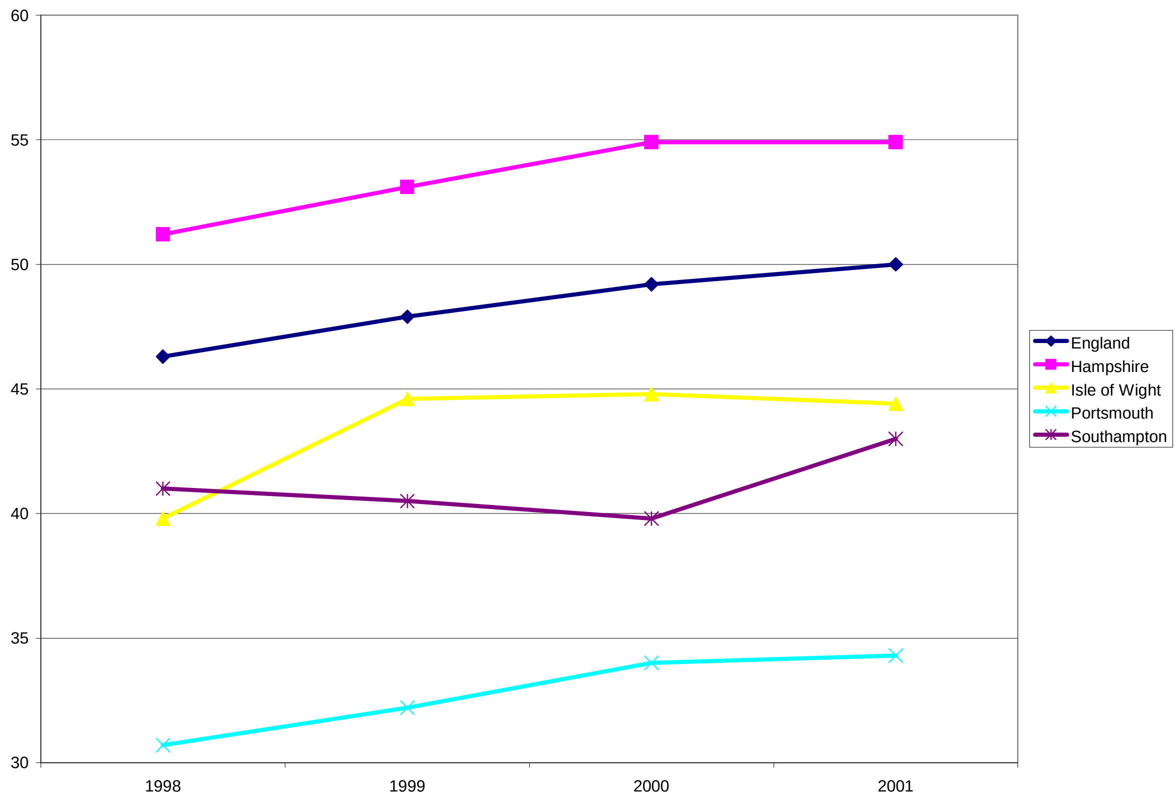
[3] See Annex G in Part A for explanation of the national qualifications framework

2.4 Schools performance

There is an established link between early performance at school, especially in literacy and numeracy, and later experiences in the labour market. Research has also shown that the formal qualifications that pupils achieve at the end of compulsory schooling are the most powerful predictor of participation in further education and training.

Key stage 2 results show the percentage of eligible pupils achieving level 4 or above, the level expected of most 11 year olds. In the Hampshire LEA the results achieved in 2001 exceed those recorded nationally. In English and Mathematics the LEA areas of Southampton, Portsmouth and the Isle of Wight are all below the average for England. Significantly, in Portsmouth and the Isle of Wight, 8.1% and 7.3% of pupils respectively, achieved no passes.

Figure 9 Secondary School Attainment Rates - at least 5 GCSE passes grades A*-C



Source: DfES Performance Tables, 2001

In the Hampshire LEA area 54.9% of schools attained at least 5 GCSE passes at grade A*-C, exceeding the National Learning Target of 50%. Southampton, Portsmouth and the Isle of Wight all fall below the National Target (43.0%, 34.3% and 44.4% respectively).

Table 9 Key Stage 2 Test Results in Hampshire and the Isle of Wight

	% of eligible pupils achieving Level 4 and above		
	English	**Mathematics**	**Science**
England	75	71	87
Hampshire	79	72	91
Isle of Wight	71	67	91
Portsmouth	70	64	86
Southampton	63	66	87

Source: DfES Performance Tables, 2001

2.5 Achievement at Level 2 and 3 by age 19

Achievement rates at Level 2 and Level 3 for young people by the age of 19 in Hampshire and the Isle of Wight are currently above the national average:

- 77% of young people are currently achieving a Level 2 qualification by the age of 19, compared to a national average of 73%

- 47% of young people are currently achieving a Level 3 qualification by the age of 19, compared to a national average of 43%

2.6 Analysis of individual's skills

The 2001 South East Skills Audit Survey asked respondents about the skills they currently hold. The key findings were:

- Generic skills such as communication skills (verbal and written), team working and ability to work on their own were the top ranking skill areas

- Key differences between full-time and part-time workers emerged, e.g. a larger proportion of full-time workers claimed to have professional or technical skills (55% compared to 29%), analytical skills (46% v 31%), computer literacy skills (58% v 46%) and management/supervisory skills (52% v 38%)

- Self-employed respondents were far more likely to have craft or manual dexterity skills compared to others (47% v 30%), creative or design skills (46% v 31%), manual production skills (38% v 29%) and entrepreneurial and business development skills (23% v 14%)

Table 10 Types of skills

Skill area	Hants and IOW %	South East %
Spoken communication skills	90	91
Working with others/team working	85	78
Working on own/with minimum supervision	82	75
Written communication skill	81	83
Problem solving/decision-making skills	70	73
Interpersonal skills	60	58
Numeracy/ability to use numerical data	57	58
PC/computer literacy	54	55
Professional/technical skills	49	49
Leading/managing/supervising others	49	46
Time management/organisational skills	43	48
Analytical skills	42	40
Creative skills/design	32	26
Crafts/manual dexterity	30	22
Manual production/assembly skills	29	21
Sales skills	27	27
Foreign language skills	18	15
Entrepreneurial/business development skills	14	14

Source: South East Skills Audit Survey 2000/2001

2.7 Basic skills

Throughout 1996 and 1997 a series of surveys were conducted on behalf of the Basic Skills Agency (BSA) to estimate basic literacy and numeracy levels. The data provided is for local authority areas. The survey covered the age group 16-60. Figures 9 and 10 give details on the percentage of working adults with poor basic literacy and numeracy skills.

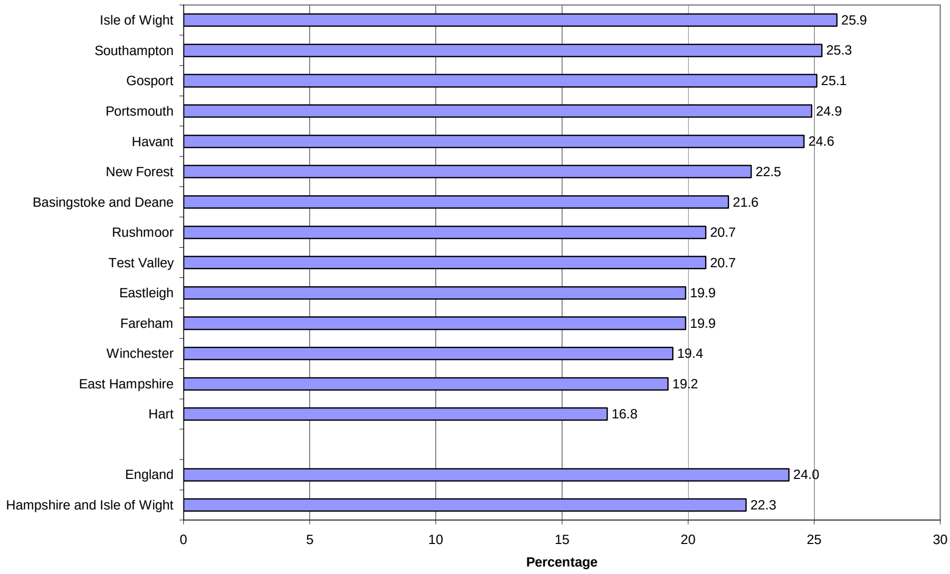
- Nationally, it is estimated that as many as one in five of the adult population experiences some difficulty with literacy and numeracy.

- In Hampshire and the Isle of Wight 235,560 adults of working age have poor literacy skills (22.6% of the adult population) and 230,011 have poor numeracy skills (22%). In Southampton, 26.7% and 25.6% of working age adults have low levels of numeracy and literacy skills respectively and on the Isle of Wight it is 26.1% and 24.8% respectively (Basic Skills Agency, 2000).

- It is estimated that current provision offers support to only 8% of adults with low literacy and numeracy skills. Retention on basic skills programmes is estimated to be only 55% (Southern Strategic Partnership, 2001). Research undertaken by the Learning Partnerships in Hampshire and the Isle of Wight has revealed a lack of coherence in the way in which basic skills is planned and delivered throughout the region.

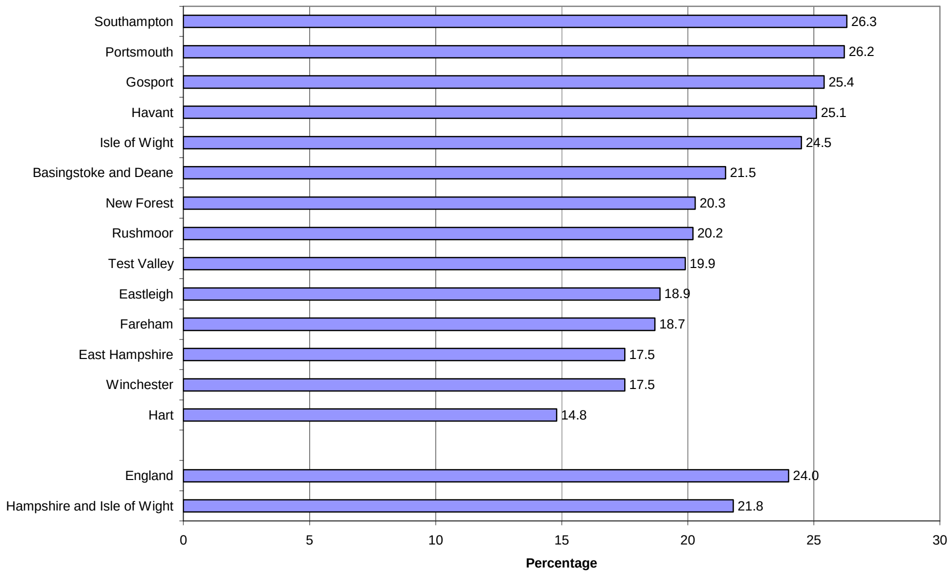
Those people without basic skills are more likely to be on lower incomes; be unemployed; be prone to ill health; have low levels of self confidence and motivation; and have children that struggle at school

Figure 10 Percentage of working age adults with poor basic literacy



Source: Basic Skills Agency, CACI, ORB 1996/97

Figure 11 Percentage of working adults with poor basic numeracy



Source: Basic Skills Agency, CACI, ORB 1996/97

The charts reveal the extent of the problem, particularly in the urban areas such as the Isle of Wight, Southampton, Portsmouth, Gosport and Havant where a quarter of all adults have basic skill problems. However, even in the more rural and affluent districts of Hampshire, there remain significant numbers of adults with poor literacy and basic skills ranging from 16 to 22% of the adult population.

Table 11 Estimates of the population aged 16-60 with poor literacy and numeracy skills

Unitary Authority	Total with Poor Literacy	Total with Poor Numeracy
Basingstoke and Deane	20,058	19,936
East Hampshire	13,020	11,876
Eastleigh	13,652	12,914
Fareham	12,746	11,967
Gosport	11,477	11,606
Hart	9,476	8,323
Havant	16,497	16,803
Isle of Wight	17,733	16,832
New Forest	21,521	19,435
Portsmouth	29,279	30,755
Rushmoor	11,219	10,946
Southampton	33,593	34,977
Test Valley	13,978	13,483
Winchester	12,053	10,878

Source: Basic Skills Agency, CACI, ORB 1996/97

Section 3 Skill needs of employers

3.1 Importance of skills

Businesses in the area are operating in a competitive global market where the skills, knowledge and creativity of the workforce are paramount. The importance of skills is increasing. Evidence suggests that occupations which require higher level skills are growing faster than those which require low skill levels and the skills needed in jobs, across the occupational spectrum, are also increasing (Skills for England 2001, DfES/LSC).

As businesses become increasingly knowledge-based and responsive to change generic skills will be needed by the workforce regardless of the sector, including the need for basic skills. Without these skills employees will be unable to cope with the changes in culture and working practices that are being demanded of businesses to ensure survival.

The workforce of the future will increasingly need to be adaptable, flexible, ICT literate and have the ability to learn.

3.2 Employer investment in training

Employers have a vital role to play and are a key partner in tackling skill deficiencies in terms of providing training, in enabling employees to undertake training to upgrade skills, and in recognising the business benefits that accrue through skill acquisition within their own firms.

Whilst there has been a substantial growth in workplace training in recent years access to such training is unevenly distributed amongst the workforce. Plant/machine operatives and those in elementary occupations, the less well-qualified, part-time, shift workers, casual staff and older workers are amongst those least likely to receive formal job-related training (Skills for England 2001, DfES/LSC).

Despite an expanding workforce, over 60% of all employees in Hampshire and the Isle of Wight had no structured job-related training in the last year (South East Skills Audit Survey, 2001).

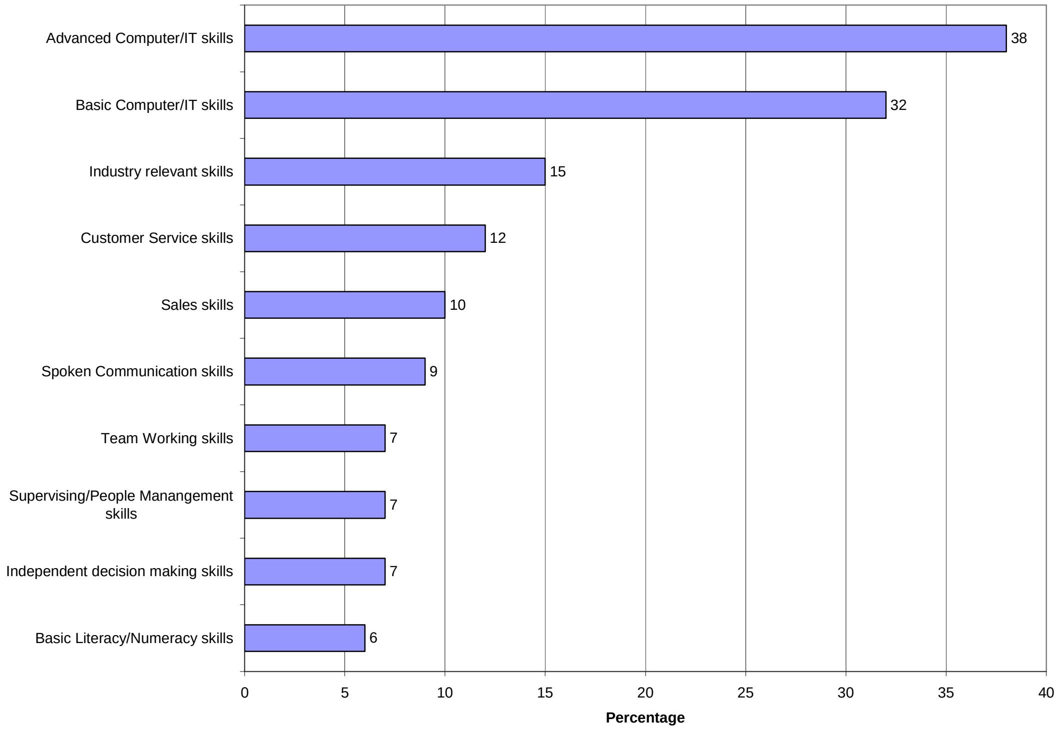
Small to medium sized enterprises (SMEs) and the self-employed invest significantly less in staff training than larger organisations due to available resources and cost. The provision of off-the-job training increases with employer size, from 33% of those with 1-4 employees to over 90% of those with 100+ (Learning and Training at Work, 2000).

Research from the DfES identified the main reasons why employers do not invest in training as lack of time, fear of staff being poached, financial constraints and the inadequate supply and relevance of courses and qualifications.

3.3 Employer skill gaps

The South East Business Competitiveness Survey 2000 asked businesses in Hampshire and the Isle of Wight about skill gaps within their workforce. 1 in 4 businesses reported skill gaps, the top 10 of which are given below.

Figure 12 Top 10 skills gaps



Source: South East Business Competitiveness Survey, 2000

Of those businesses reporting skill gaps 1 in 3 reported gaps in advanced (38%) and basic (32%) computer/IT skills. A lack of industry relevant skills were also cited by many businesses (15%).

In terms of sector, the results varied but overall it was the public administration, construction, manufacturing and finance sectors that reported the highest level of skill gaps.

3.4 Future skill needs of employers

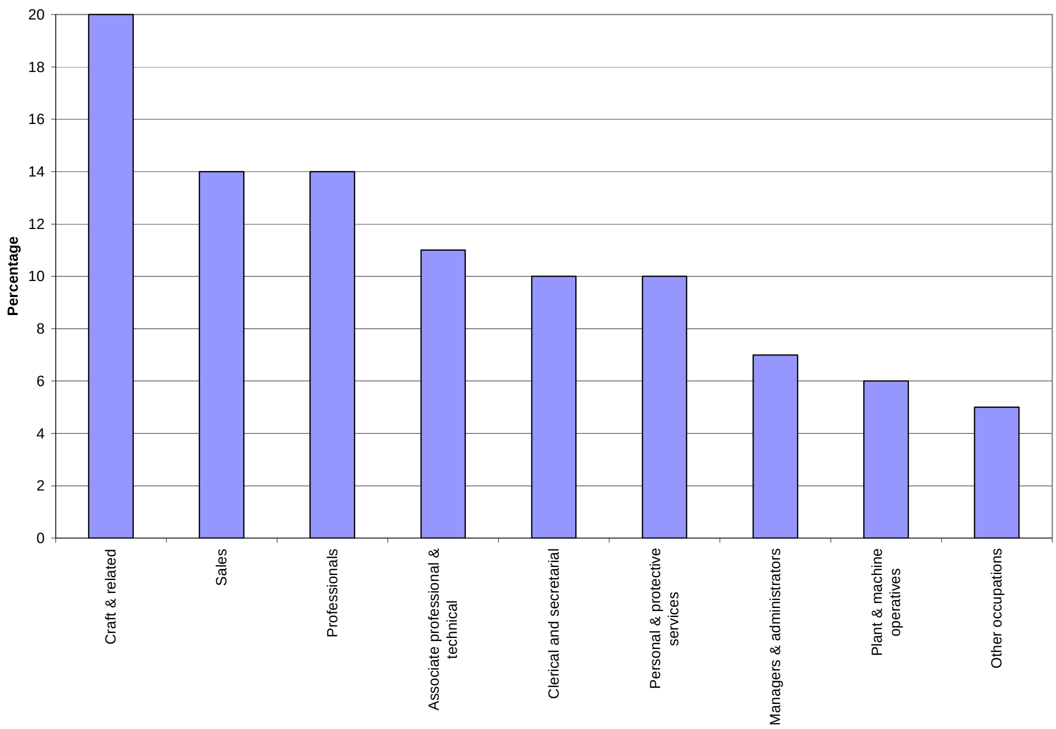
The development of new products and services, introduction of new working practices and new technology were regarded as the key areas that will have a major impact on future skill needs. The greatest impact will be on skilled and higher occupational groups.

3.5 Recruitment difficulties and skill shortages

The South East Business Competitiveness Survey 2000 found that well over a third (37%) of all businesses in Hampshire and the Isle of Wight had vacancies and 21% reported hard-to-fill vacancies. This was particularly acute amongst the medium to larger sized businesses and in the manufacturing (44%), transport and communications (43%) and construction (42%) sectors.

The most frequently stated vacancies were in the occupations of craft and related, sales and professionals.

Figure 13 Percentage of vacancies by occupation



Source: South East Business Competitiveness Survey 2000

The most commonly cited reasons for hard-to-fill vacancies were: too few applicants (38%); lack of experience in applicants (30%); and lack of relevant qualifications in applicants (28%).

Other key areas of concern include:

- Lack of management skills are increasingly being recognised by employers as a key impediment to growth

- Loss of skilled 18-29 year olds from the Isle of Wight is leading to a shortage of managerial and graduate level skills for firms on the Island

- Out-commuting of high level skills in the region is another cause for concern. A lack of affordable housing, particularly in North and Mid Hampshire is exacerbating the situation across all sectors

Employers were asked about what action, if any, was being taken to address the problem of hard-to-fill vacancies. 1 in 3 (34%) claimed they would simply put up with the problem. Of those that stated they were committed to undertaking specific action, 55% said they would carry out more recruitment and 37% said they would develop within to ensure that existing staff could fill the vacancies.

Section 4 Participation in learning

4.1 Participation in post-16 education and training

Nationally the proportion of young people participating in education post-16 has increased considerably over recent years. However, compared to most other countries the participation of 18 year olds in full-time education in England is low, with a ranking of 26 out of 28 countries. Furthermore, we are well below the rates of many of our major competitor countries such as the USA, Netherlands, Ireland, Germany and Sweden (Skills in England 2001, DfES/LSC).

In Hampshire and the Isle of Wight, participation in full-time and part-time education and training of 16 year olds is 81%. The highest participation rates exist on the Isle of Wight (87%) and in Southampton (85%).

4.2 Progression to higher education

In the UK an average of 1 in 5 (20.4%) 18 year olds enter full-time undergraduate courses via the Universities and Colleges Admission Service (UCAS). In Hampshire and the Isle of Wight there are significant variations. Portsmouth and Southampton are well below the national average (11.7% and 11.6% respectively) and apart from Hull, Hackney, Nottingham and Manchester, are the lowest in the UK. The Isle of Wight and Hampshire are slightly above the national average, 20.7% and 22.1% respectively (UCAS, Sept 2000)

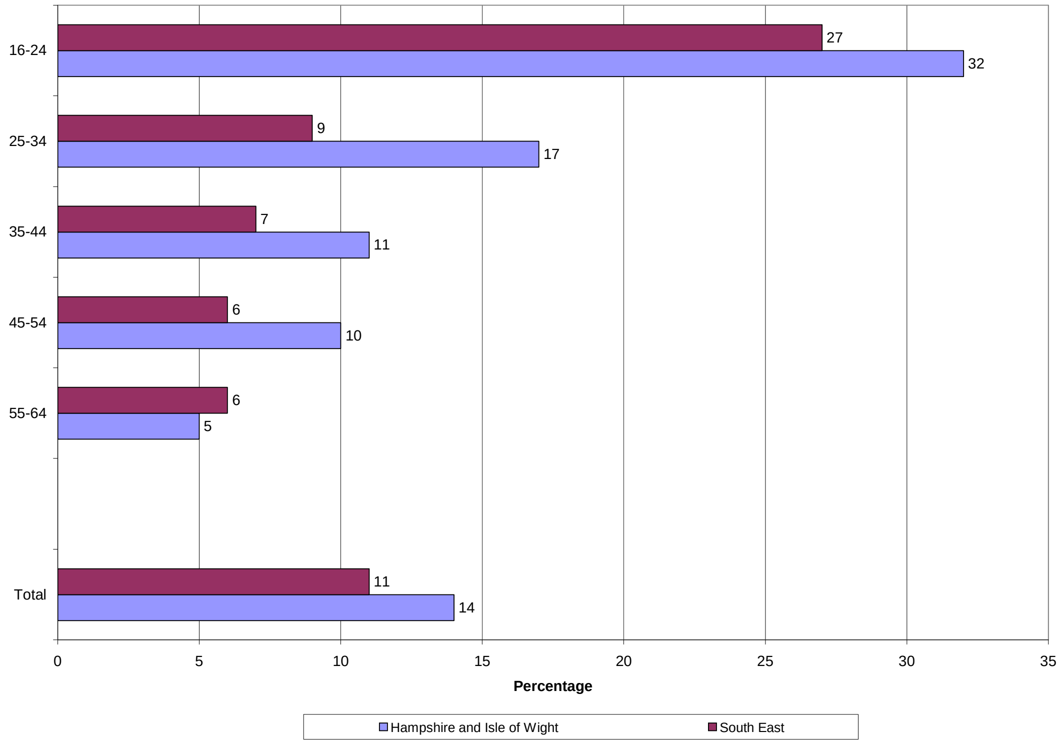
4.3 Participation in learning that leads to a qualification

Findings from the South East Skills Audit Survey 2001 revealed that 14% of working age adults are currently studying towards a qualification. Not surprisingly there is a pronounced age effect where young people (aged 16-24) are by far the most likely group to study for a qualification (32%).

Overall the findings revealed that the majority of people who are studying towards a qualification are either under 35 years of age, are studying for a work-related qualification and/or are studying at a college or a university.

Whilst learning at college or at work are still the most popular learning locations, an increasing number of people are learning at home/distance learning; 20% in 2000 compared to 17% in 1999.

Figure 14 Percentage of people studying towards a qualification by age



Source: South East Skills Audit Survey 2000/2001

4.4 Participation in work-related training

The South East Skills Audit survey revealed that 39% of adults of working age had participated in work-related training within the last 12 months. Whilst 23% of 16-24 year olds had never trained, 48% had. These figures reflect the fact that a large majority of this group were still in full-time education, but once in employment are more likely to be participate in work-related training. Conversely only 18% of 55-64 year olds participated in work-related training.

Table 12 Participation (%) in work-related training by age group

	16-24	25-34	35-44	45-54	55-64	Total	South East
Within last 12 months	48	43	40	40	18	39	38
Longer ago	28	48	50	51	68	50	54
Never trained	23	9	10	9	15	12	8

Source: South East Skills Audit Survey 2000/2001

4.5 Participation in learning by adults

Nationally, adult participation in learning has remained relatively constant over the last few years with around 40% of adults of working age being classed as current or recent (last three years) learners, and just less than 40% who have not participated in learning since they completed their full time education. Significant disparities exist with low levels of participation found amongst older workers and those in skilled, semi and unskilled manual and service occupations (Skills in England 2001, DfES/LSC).

Participation in learning by adults in Hampshire and the Isle of Wight appears to have slowed and there is a need to re-engage people in learning, especially untapped talent such as returners to the labour market, minority ethnic groups, third-age non-learners and people with disabilities and special needs. Furthermore, the South East Skills Audit Survey 2001 revealed that 62% of adults of working age in Hampshire and the Isle of Wight had not had any form of job-related training within the last 12 months.

4.6 Destination of Year 11 school leavers

Destination survey data from Southern Careers in 2000 shows that of the Year 11 pupils that left school in Hampshire, Southampton, Portsmouth and the Isle of Wight (19,441), 73.9% went on into further education and a total of 86.1% continued in learning either in education or employment. Whilst these figures are encouraging and are part of an increasing trend, they still fall below the averages for the South East and England Significantly, nearly 1 in 10 school leavers were either unsettled (not active in the labour market or not in learning) or in a job without any training.

Table 13 Destination of Year 11 school leavers

	Hants and IOW	South East	England
Full-time education	73.9	75.5	71.3
Government supported training	5.1	3.7	7.7
- Training scheme funded by Government	1.8	1.6	4.4
- Job, including training which is supported by Government funding	3.2	2.1	3.4
Employment outside Government supported training	9.5	10.2	8.7
- Job, including planned training which is not supported by Government funding	7.1	7.7	5.8
- Job without planned training	2.4	2.5	2.9
Not settled	6.7	5.7	7.3
- Not active in the labour market	6.2	5.0	1.3
- Economically active but not in full-time education, training or employment	0.5	0.7	6.1
Moved out of contact of careers service	2.7	3.0	2.6
No response to follow-up	2.1	2.0	2.3
TOTAL in Survey	**19,441**	**85,348**	**570,279**
of whom in learning %	**86.1**	**86.8**	**84.8**

Source: The Careers Service Activity Survey 2000

Note: Row totals may not correspond to the sum of the subcategories, nor the overall total to the sum of rows due to independent rounding effects.

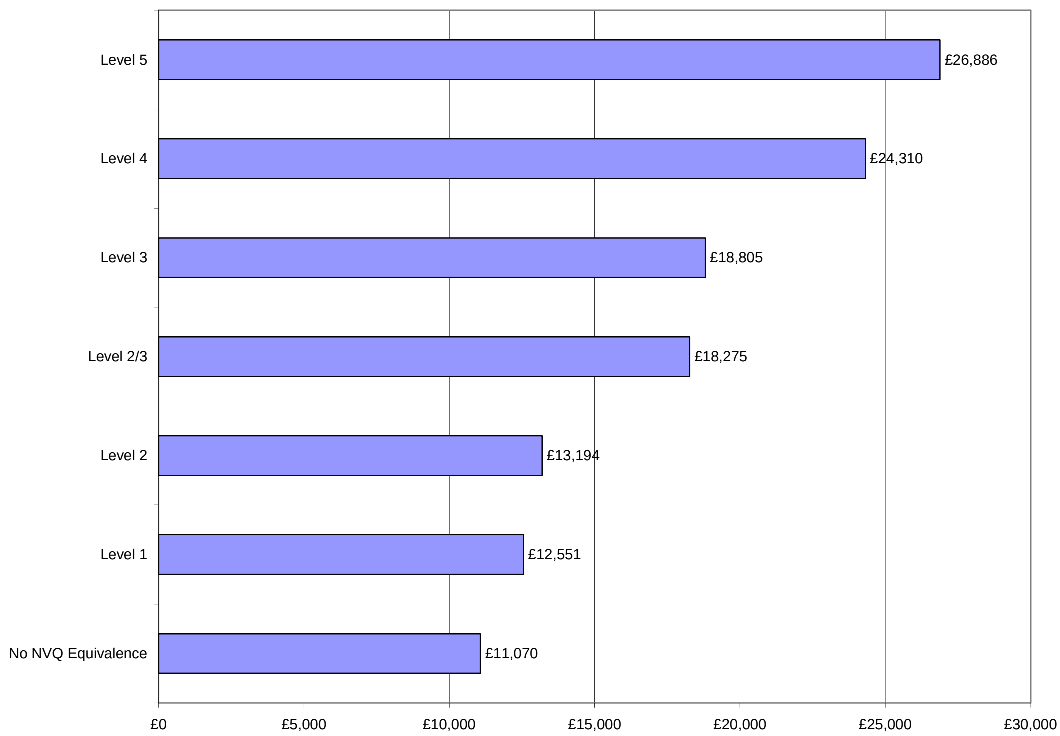
Section 5 Benefits, barriers and motivation to learn

5.1 The benefits of learning to individuals and communities

For **individuals** the advantages of undertaking learning include improved earnings, better employment opportunities and raised self-esteem.

The relation between raising skill levels and raising earning levels has long been highlighted in many studies. This is borne out by a skills audit survey undertaken by Hampshire Training and Enterprise Council in 1999, details of which are given below.

Figure 15 Mean gross annual earnings analysed by NVQ equivalence



Source: Hampshire TEC Skills Audit Survey 1999/2000

There is also a strong link between individuals qualification levels and their chances of becoming unemployed (Skills in England 2001). The ILO unemployment rate for those with a degree or higher is 2.2% compared to 9.3% for those with no qualifications (Working Brief, Nov 2001).

Learning is also thought to benefit individuals through a number of social factors such as: improved health status; reduction in the numbers of children with learning difficulties; and raised self esteem.

In terms of communities there appears to be an association between qualification levels and employment growth, competitiveness, earnings and deprivation, demonstrating that raising qualification levels within communities can help to reduce deprivation and social inclusion issues and raise general economic growth within the area.

5.2 The benefits of learning to businesses and the economy

The benefits to **businesses** that train include: raised productivity; an increase in profits; higher staff morale; and better retention rates. Employers, however, tend to focus on the direct benefits to the business, i.e. raised productivity and increased profits, rather than give consideration to other factors. Employers also tend to concentrate on job specific training as they feel this is the best way to benefit the business.

Research conducted suggests that there appears to be a strong connection between training and productivity. An increase in sector wide training rate of 50% has been associated with a 4% rise in productivity. This productivity effect is around twice as high as the effect on workers wages (Dearden, Reed and Van Reenan 2000).

In research carried out for the Learning and Skills Council (QBO - Learning and Skills Council Study, June 2001) it was calculated that companies who spent nothing on training last year had a profit growth of 7.2% over a three year period compared to a growth rate of 9.1% for those companies who did invest in training.

UK productivity is currently lower than in other advanced economies. Output per UK employees is 42% below that of an American worker and 14% below that of French or German workers (Meeting the Sector Skills and Productivity Challenge, DfES 2001). This highlights the need to raise skill levels throughout the workforce and in so doing raise the productivity levels in the UK which are currently being hindered by skill shortages.

Studies show that a rise in learning within the economy raises economic growth within the whole economy. A study completed by Sianesi and Van Reenan in 2000 showed that a 1% point increase in school enrolment rates can generate economic growth of up to 3% points.

5.5 Barriers to learning

The obstacles people face with regard to learning fall into three different groups:

- Physical and material barriers e.g. cost and time constraints;
- Structural barriers e.g. lack of local learning opportunities and availability of work-related training; and
- Attitudinal barriers e.g. lack of confidence, negative attitudes to education and training.

The South East Skills Audit Survey revealed a number of key barriers that people face in Hampshire and the Isle of Wight

Table 14 Top 10 barriers to learning in Hampshire and the Isle of Wight

Barriers	%
Lack of time	21
Just not interested	13
Cost/cannot afford to	11
Have to look after children/dependants	6
Have all the skills/qualification I need	4
Not able to get time off work	3
Too young/too old to train	3
Cost of childcare	2
Family circumstances	2
There are no qualifications needed for my job	2

Source: South East Skills Audit Survey 2000/2001

Key findings from the survey included:

- Although not listed above, nearly half of the respondents (49%) in Hampshire and the Isle of Wight stated that nothing was preventing them from participating in learning. This was particularly true for those falling outside full-time employment, e.g. part-time workers, unemployed, etc.

- Over 1 in 5 (21%) respondents in the Hampshire & Isle of Wight LSC area quoted 'lack of time' as a significant barrier to learning. Self-employed people are more likely to cite 'lack of time' as an obstacle to learning as much of their time is devoted to running their business.

- 13% of respondents said they were not interested in learning. There were many reasons for this, including: preference to use free time for other purposes; unable to see the relevance or benefits of learning; previous negative learning experience has put them off returning to learning; family and cultural negative attitudes towards learning; etc.

- The cost of learning is seen to be the most prominent barrier to those in the 16-24 and 25-34 age bands, those on low incomes and the unemployed. It is not only the direct costs (fees) that people find difficult to meet, but also indirect costs such as transport, books and childcare.

- Childcare and other care responsibilities was quoted by female respondents as a major barrier to learning (11%).

In summary, those who are in work, are young, and employed in a higher level occupation, are most likely to have a positive attitude towards lifelong learning. Those who would appear in most need of it are those who are least likely to be considering education and training in the future.

5.6 The motivation to learn

The South East Skills Audit Survey 2001 found that 69% of respondents in Hampshire and the Isle of Wight had a very positive or positive attitude to undertaking future training compared to 77% in the South East.

The motivation to learn varied according to a number of factors. For example:

- Females have a slightly more positive attitude to learning than males - 70.3% compared to 67.4%.

- The older the age group the less positive the attitude towards learning. 76.2% of 25-34 year olds had a very positive or positive attitude to future learning, compared to 42.4% of 55-64 year old males and 46.4% of 55-59 year old females.

- Computer usage was shown to encourage a more positive attitude towards future learning, giving individuals access to a growing range of flexible learning such as Learndirect. Of those that used a computer 81.7% had a very positive or positive attitude to future learning, this is compared to 45.6% who did not use a computer.

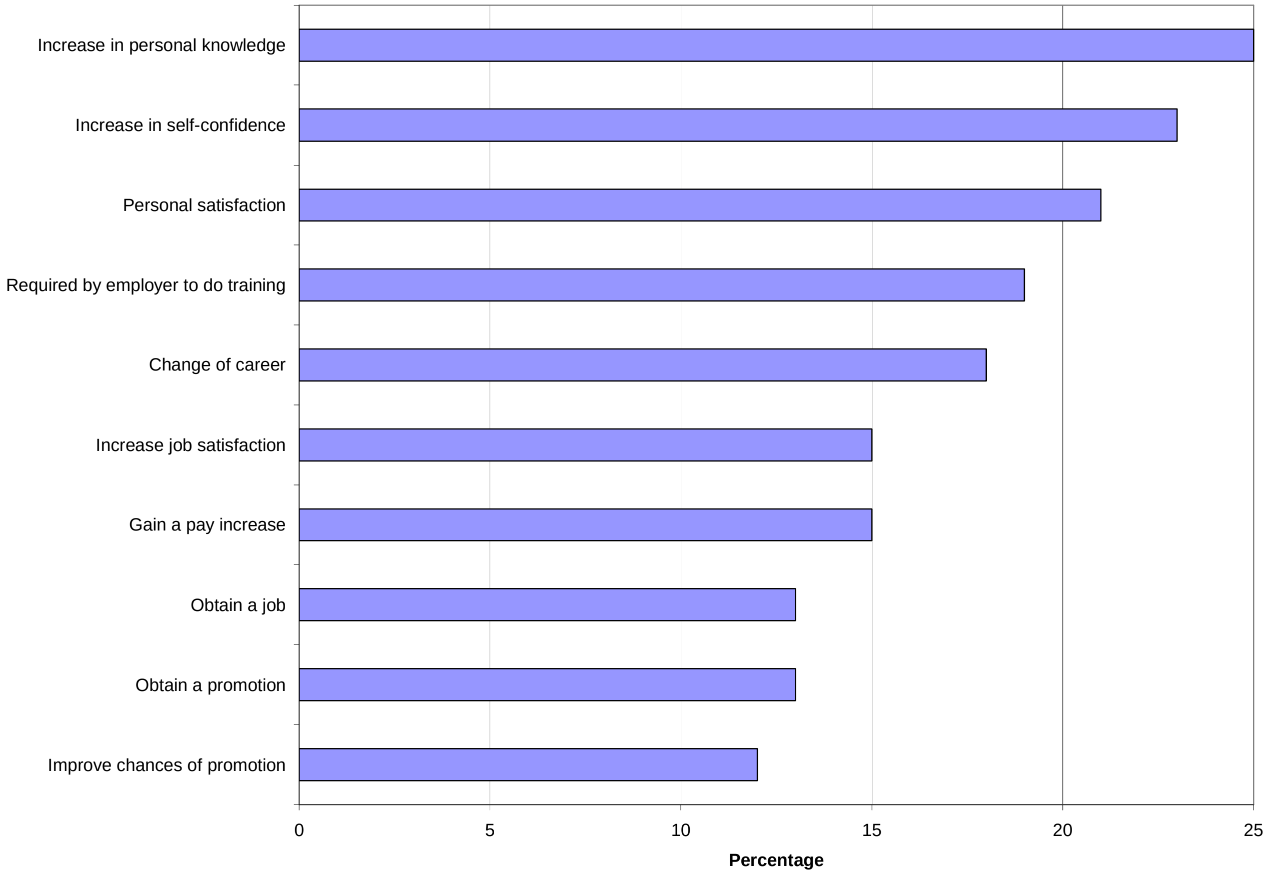
- Wage levels have a clear effect on attitudes to future learning. The results from the survey clearly show that the higher the current wage earned the more positive the attitude towards future learning. Of the respondents in the wage band £2,601-£5,200, 55.9% had a very positive or positive attitude to future learning. In the wage band £26,001-£31,200 the figure was 74.5%.

5.7 Factors which encourage future learning

The South East Skills Audit Survey 2001 asked respondents which factors might encourage them to undertake future training or study.

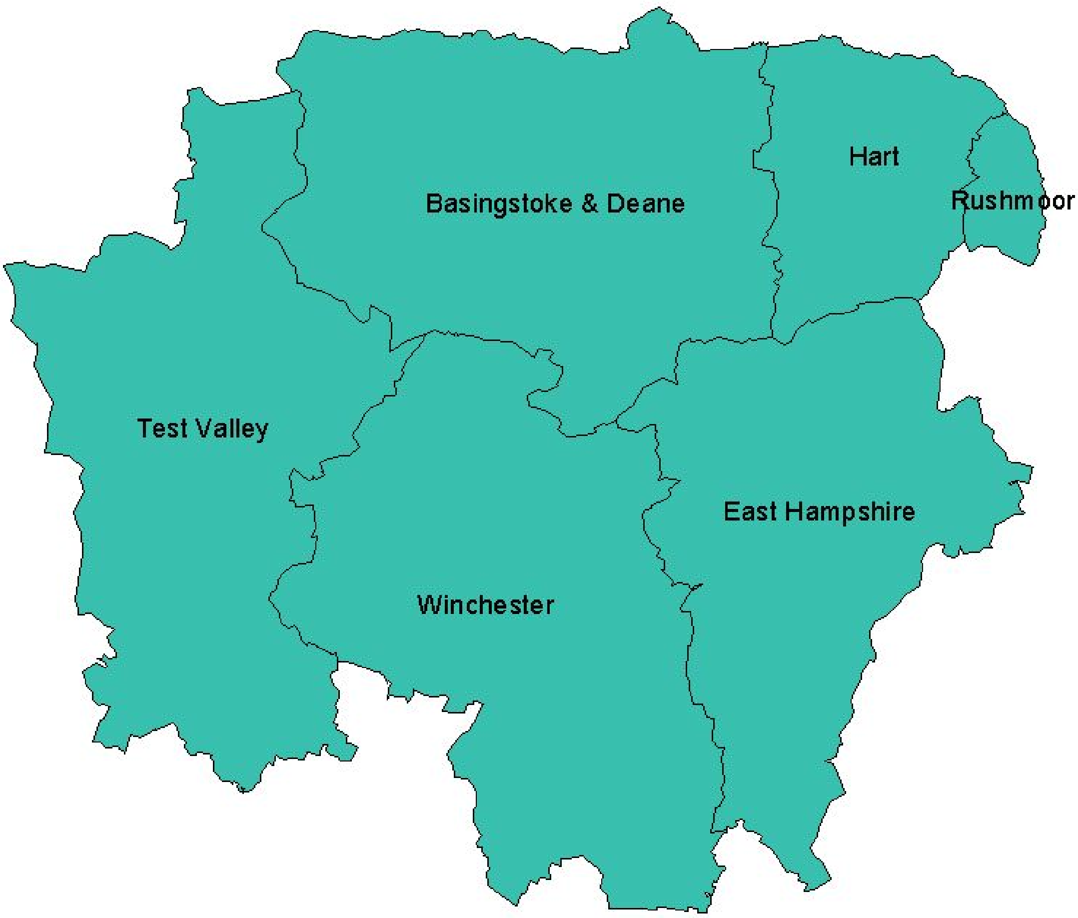
The top three factors were 'intrinsic', namely: increase in personal knowledge (25%), increase in self-confidence (23%) and personal satisfaction (21%). The remaining seven were all job related, the most important of which was the requirement by their employer to do the training (18%).

Figure 16 Factors Which Encourage Respondents to Undertake Future Training or Study



Source: South East Skills Audit Survey 2000/2001

Mid and North Hampshire Area Profile



6.1 Area profile

The Mid and North Hampshire (Mid and North Hants) area is made up of the Local Authorities of Basingstoke and Deane, East Hampshire, Hart, Rushmoor, Test Valley and Winchester.

Mid Hampshire is essentially rural and both agriculture and tourism are important sectors. The City of Winchester is in the Mid Hampshire area and is important both as a major tourist attraction and as a large employer of public administration employees.

The North of Hampshire is the most prosperous part of Hampshire and the Isle of Wight. It has many high-tech, finance and communications businesses especially in the Basingstoke area. The North sees a considerable amount of out-commuting to London.

The whole area has low unemployment, and in some wards it is almost zero.

Andover within the Test Valley district authority has experienced some diversification away from manufacturing to services in recent years. It is now poised for further expansion when development of the Ministry of Defence's (MoD) Defence Logistics Organisation Headquarters unlocks land allocated for a major business park at Andover airfield.

The Centre of Basingstoke is currently undergoing a major redevelopment, with the Festival Place Scheme, which will transform New Market Square and The Walks.

The rural nature of the area causes communication difficulties owing to the lack of public transport and the reliance on the car. The M3 provides a road link for the area with London. Gatwick and Heathrow are also within easy driving distance.

6.2 Partnerships

Table 15 Key partnerships covering the Mid and North Hants area

Name	Area of Work
Hampshire Economic Partnership	To encourage partnership, a focus on shared strategy and co-ordinated action between private and public sector bodies.
Aldershot Regeneration Partnership (ARP)	The strategic agency responsible for management and implementation of regeneration.
North East Hampshire Economic Forum (NEHEF)	To act in partnership with other private and public sector companies. To act as a focus for economic development in the area and to carry out projects with businesses that will enhance their performance and sustain economic growth.
Hampshire and Portsmouth Learning Partnership (formerly Southern Strategic Partnership)	The Local Learning Partnership for Hampshire and Portsmouth. To act as a voice for the learner and promote provider collaboration by identifying issues, commissioning reports and setting up networks to remedy the issues.
Rushmoor Learning Partnership Basingstoke Training Consortium	Local learning/training partnerships

6.3 Local Authority Classification

The Office for National Statistics (ONS) produced area classification schemes based on socio-economic and demographic variables from the 1991 census. This work was also undertaken for the 1971 and 1981 census. The data is used to provide an indicator of the characteristics of areas and the similarity between areas.

There are 27 Clusters, 15 Groups and 7 Families.

Table 16 Local Authority family, group and cluster membership

Local Authority	Family	Group	Cluster
Basingstoke and Deane	Prosperous England	Growth Areas	Prosperous Growth Area
East Hampshire	Prosperous England	Growth Areas	Prosperous Growth Areas
Eastleigh	Prosperous England	Growth Areas	Town and Country Growth

Fareham	Prosperous England	Growth Areas	Town and Country Growth
Gosport	Urban Fringe	New and Developing Areas	Developing Towns
Hart	Prosperous England	Growth Areas	Prosperous Growth Areas
Havant	Urban Fringe	Established Manufacturing Fringe	Established Manufacturing Fringe
Isle of Wight	Coast and Services	Coast and Country Resorts	Traditional Rural Coast
New Forest	Rural Areas	Rural Amenity	Rural Amenity
Portsmouth	Coast and Services	Established Service Centres	Established Service Centres
Rushmoor	Urban Fringe	New and Developing Areas	Developing Towns
Southampton	Coast and Services	Established Service Centres	Established Service Centres
Test Valley	Prosperous England	Growth Areas	Prosperous Growth Areas
Winchester	Prosperous England	Most Prosperous	Most Prosperous

Source: Office for National Statistics, The ONS Classification of Local and Health Authorities of Great Britain, 1999

6.4 Key facts

6.4.1 Basingstoke and Deane

- Population of 155,155 in 2001, which is the largest in the Mid and North Hants area. The population is expected to rise by 8.7% between 1996 and 2011.
- Unemployment is low at 1.0% in December 2001.
- The main industry sector is Distribution, hotels and restaurants.
- Basingstoke and Deane is an employment provider for a wider area than the borough itself, due to the large number of major companies located there.
- The area has a large service sector base.
- The Borough is in a good location within close proximity to major road and rail networks, in particular it is close to London.
- The area suffers from skill shortages.
- Basingstoke and Deane Borough Council in conjunction with Oakfern Housing Association are replacing housing in areas such as Oakridge, where there is a need for more and better homes. Oakfern has put up most of the £1.45 million needed, with the council adding a further £77,000 for a new community centre.
- Large residential developments are taking place in the Park Prewett Hospital and Aldermaston Road areas. The Park Prewett Hospital development will provide 1,250 houses.

- The Festival Place Scheme in the centre of Basingstoke will transform the shopping areas of New market Square and The Walks.

6.4.2 East Hampshire

- Population of 113,352 in 2001, which is projected to rise by 1.3% between 1996 and 2011.
- The highest unemployment rate in the Mid and North Hants area although still only 1.2% in Dec 2001, which is 0.5% below that of Hampshire and the Isle of Wight as a whole.
- The largest sector in the area is Distribution, hotels and restaurants.
- East Hampshire as a whole is an area of low deprivation.
- The three main towns are Alton, Petersfield and Whitehill.
- 40% of employment in the East Hampshire area is located in and around Alton. The main sectors in the town are advanced manufacturing and services.
- Proposals have been put forward to make the South Downs a national park. The Countryside Agency is consulting on the proposals until the end of February 2002. Local residents are being encouraged to put forward their views.

6.4.3 Hart

- Population of 87,868 in 2001, which is projected to rise by 0.1% between 1996 and 2011.
- Unemployment in December 2001 stood at 0.5%, the lowest rate in Hampshire and the Isle of Wight.
- The largest sector is Banking, finance and insurance.
- Two thirds of Harts population out commute.
- Hart has the lowest rank in the Multiple Index of Deprivation 2000.
- The area has a high proportion of professionals and managers with a small number of low skilled workers. The high skilled are more likely to out commute, therefore demanding a need to attract businesses to the area, which match the skill profile of the resident workforce.
- The high skill profile of the area should be a strength when trying to attract businesses to the area.
- The change in defence requirements will affect Harts defence related businesses, resulting in new sources of employment needing to be found within the district which could accommodate employees that are no longer needed in the defence sector.
- Retail activity is weak. The town of Fleet loses potential business to out of town shopping centres.
- The Fleet Inner Relief Road is currently being built to enable improvements to the shopping and business environment of Fleet town centre.

- Development of the MoD Guillemont Barracks at the M3 junction 4A, for high quality business development accommodating an expanding high-tech company.
- Development of Bartley Wood Phase II at M3 junction 5 for high quality business developments to create local business opportunities and jobs to suit local employment needs.

6.4.4 Rushmoor

- Population of 88,307 in 2001, which is projected to fall by 0.7% between 1996 and 2011.
- Low unemployment rate at 1.0% in December 2001.
- The main industrial sector is Distribution, hotels and restaurants.
- The towns are Aldershot and Farnborough. Aldershot is known as the home of the British army. Farnborough holds the Biennial International Farnborough Airshow.
- 47.5 hectares of factory site in Farnborough Aerodrome have been allocated for employment development.
- Pockets of deprivation exist within the Aldershot area.
- Skills and labour shortages are the biggest threat to the Rushmoor area.
- The plans to regenerate the Wellington Avenue area of Aldershot have been drawn and include development of a hotel, offices and commercial leisure unit, including a cinema, night club and bowling alley. Residential development is planned for the North West of the site. Alfred McAlpine Special Projects and London & Lisbon Properties Ltd have been selected as the preferred developer of the site.

6.4.5 Test Valley

- Population of 111,875 in 2001, which is projected to rise by 10.8% between 1996 and 2011, the largest rise in the Mid and North Hants area.
- Low unemployment at 0.8% in December 2001.
- The main industry sector is Distribution, hotels and restaurants.
- Manufacturing and engineering provided for 24.9% of employment in Andover in 1998. With the current decline in the manufacturing sector this is a cause for concern for the Test Valley area.
- Although unemployment is low in the Test Valley area it is also low in neighbouring districts (some of which can offer salaries with London weightings). Andover in particular has to compete with Basingstoke, Newbury and Winchester to preserve its workforce.
- As with other rural areas Foot and Mouth has impacted on the agricultural and tourism industries in the Test Valley area.
- A new neighbourhood is planned at Abbotswood providing affordable housing, a primary school, community hall, health centre and shops. The Council aims to make this the greenest in Hampshire, incorporating energy and water saving devices.

- A large number of affordable homes are planned at Redbridge Lane, in Nursling and Rownhams and will provide open space and funding for local traffic measures, including a new cycle/footpath to the village.
- Land has been identified for the expansion of the Chantry Centre Development in Andover. This will include a new shopping area, enhanced bus station and bus lane, multi-storey car park, a cycle and pedestrian route and a further retail development site.
- The former airfield site in Andover has been earmarked for a modern business park, which it is hoped, will broaden job opportunities.
- Expansion of Walworth and Portway Industrial Estates will provide opportunities for local firms to grow and new companies to establish themselves.
- A new neighbourhood for 2,500 people is planned for Picket Twenty and will be served by a new primary school, local centre and community hall.
- A new neighbourhood is planned at East Anton and Finkley Down for a community of 5,000 people. It will include a new school, swimming pool, local shop, health centre, community hall, open spaces and a network of cycle routes.
- Stockbridge Common and Quarley Hill will form the centre of a new park for Andover. The golf course will also be moved to this site as part of the current golf course is to be developed for housing.

6.4.6 Winchester

- Population of 105,530 in 2001, which is projected to rise by 6.3% between 1996 and 2011.
- Low unemployment at 0.7% in December 2001.
- The main industry sector is Public administration, education and health.
- The Winchester district is dominated by the service sector, especially public services. It is important for the area to control the dominance of this sector to be able to maintain a variety of employment within the Winchester district.
- Skill shortages exist in some service employment sectors.
- With a relatively small manufacturing base, Winchester is vulnerable to even a small decline in the manufacturing sector.
- Foot and Mouth have affected tourism and agriculture in the District.
- Winchester City Council has selected Thornfield Properties as their preferred developer for the redevelopment of the Broadway and Friarsgate area of the city. The scheme will include a retail development, a new bus station, homes, car parking and leisure facilities.

6.5 People and work

6.5.1 Population

The table below shows population forecasts for the Local Authorities that make up the Mid and North Hants area in 2001.

Table 17 Population by gender

Area	Male	Female	Total
Basingstoke and Deane	77,142	78,013	155,155
East Hampshire	56,053	57,299	113,352
Hart	44,415	43,453	87,868
Rushmoor	45,179	43,128	88,307
Test Valley	55,742	56,133	111,875
Winchester	51,872	53,658	105,530
Mid and North Hants	330,403	331,684	662,087

Source: Hampshire County Council Planning Department (1999-based Small Area Population Forecasts)

The table above shows that the largest population is within the Basingstoke and Deane area. Hart and Rushmoor have a larger male than female population, which could be due to the large defence sectors within these areas.

Table 18 Percentage population change in population by age 1996-2011

District	0-4	5-15	16-29	30-44	45-64	65-74	75-84	85+	Total
Basingstoke & Deane	-5.7	-1.3	4.7	-3.7	26.5	25.6	18.5	45.0	8.7
East Hampshire	-14.3	-8.3	-4.9	-11.8	15.7	21.4	10.4	40.0	1.3
Hart	-14.0	-19.4	-6.8	-10.1	13.1	41.3	39.4	44.0	0.1
Rushmoor	-8.6	-11.5	-4.0	-9.5	13.1	16.3	15.2	47.8	-0.7
Test Valley	-5.4	-0.1	7.8	0.5	22.3	25.1	22.0	55.1	10.8
Winchester	-4.8	-4.8	0.3	-3.2	16.7	15.6	16.4	49.6	6.3

Source: Hampshire County Council Planning Department

In all areas the projected population growth is in the 45+ age groups. The 85+ group in particular is projected to grow to the greatest extent. This has implications on the workforce as its age profile increases. A larger elderly population also puts pressures on the state and increases the need for care services.

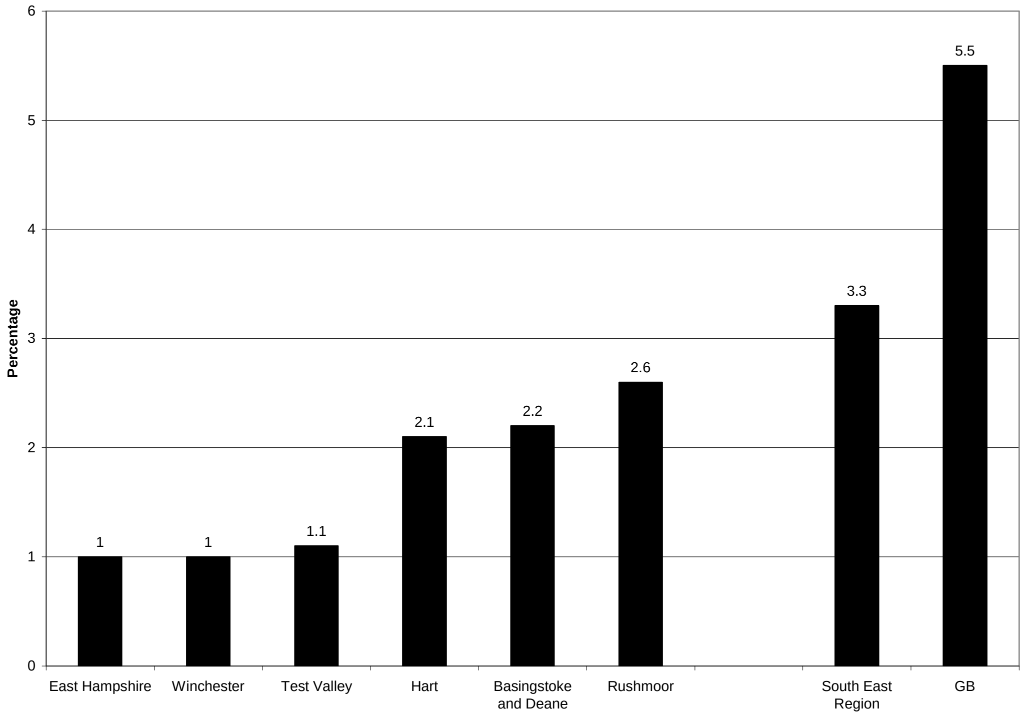
6.5.2 Ethnic minorities

The ethnic minority population is low throughout Mid and North Hants. Rushmoor has the largest ethnic minority population at 2.6%.

The graph below shows the breakdown for the Mid and North Hants area and also highlights the differences between the local authorities and the figures for the South East region and the UK.

A note of caution is needed when reviewing the figures as the data is for 1991 and is now 10 years old.

Figure 17 Percentage of ethnic minorities by area



Source: ONS Census 1991

6.5.3 Industrial structure

Table 19 Industrial structure

Percent	Basingstoke and Deane	East Hampshire	Hart	Rushmoor	Test Valley	Winchester	Mid and North Hants
Agriculture and fishing	0.5	0.9	0.4	0.4	0.6	0.7	0.6
Energy and water	0.1	0.1	0.2	0.1	0.1	0.1	0.1
Manufacturing	14.9	15.2	7.5	13.7	17.9	5.6	12.5
Construction	4.4	4.4	5.1	4.1	5.1	4.1	4.5
Distribution, hotels and restaurants	27.4	28.4	21.2	27.2	27.9	22.8	26.0
Transport and communications	4.2	3.7	6.9	8.0	6.2	3.2	5.1
Banking, finance and	23.9	18.5	34.8	23.8	20.6	22.0	23.6

insurance							
Public admin, education and health	18.2	23.6	14.8	19.6	17.1	36.3	22.1
Other services	6.3	5.2	9.2	3.0	4.4	5.1	5.5

Source: Annual Business Inquiry, 2000

The dominant sectors throughout the Mid and North Hants area are Distribution, hotels and restaurants and Banking, finance and insurance.

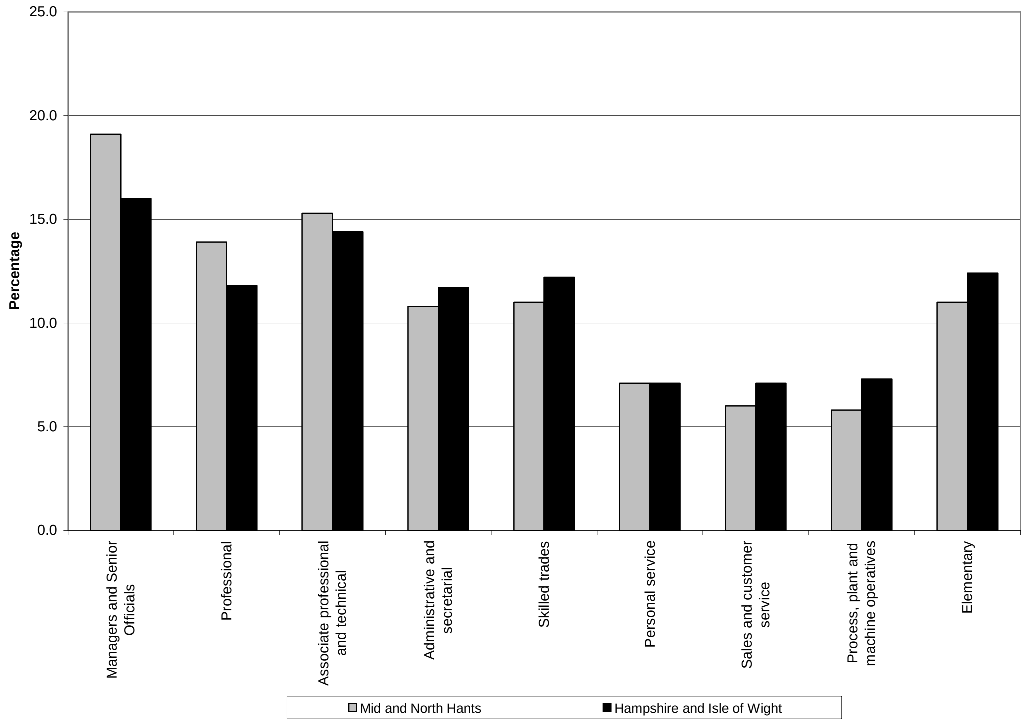
Manufacturing is a large sector in the Test Valley area.

Winchester as mentioned previously is dominated by the service sector, especially Public administration, education and health.

Banking, finance and insurance are particularly strong in the Hart area and this corresponds with the high skill profile of the area.

6.5.4 Occupational structure

Figure 18 Occupational structure



Source: Labour Force Survey, Quarterly Nov 2001

Mid and North Hants has a larger proportion of higher order occupations than Hampshire and the Isle of Wight as a whole. This also can help to explain the skill shortages in the area as the need is for higher level skills, which are more difficult to recruit.

6.5.5 Unemployment

Although the overall unemployment rate in Hampshire and the Isle of Wight is low, the rates vary throughout the area. The table below shows the claimant count figures for December 2001.

Table 20 Unemployment rates

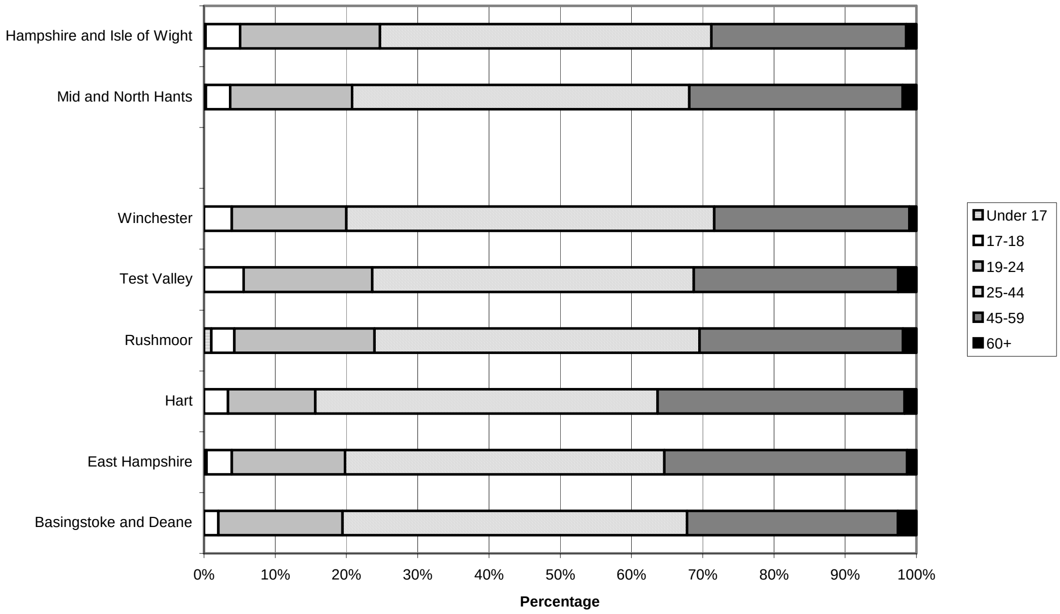
Area	Male (%)	Female (%)	Total (%)
Basingstoke and Deane	1.3	0.7	1.0
East Hampshire	1.6	0.7	1.2
Hart	0.6	0.3	0.5
Rushmoor	1.2	0.7	1.0
Test Valley	0.9	0.5	0.8
Winchester	1.1	0.3	0.7
Mid and North Hants	1.1	0.5	0.9
Hampshire and Isle of Wight	2.3	0.9	1.7

Source: ONS, supplied through NOMIS

The table above shows the low average unemployment rate within the Mid and North Hants area. This low level of unemployment helps to contribute to the skill shortages found throughout the area.

All local authorities in the Mid and North Hants area have unemployment rates below the Hampshire and the Isle of Wight average. Male unemployment is higher than females in across the area. This is partly affected by the rules on claiming job seekers allowance and partly because males are more likely to be seeking full time employment.

Figure 19 Unemployment levels by age



Source: ONS supplied through NOMIS

For all the local authority areas unemployment is concentrated in the 25-44 age band. However in Hart and Rushmoor they have a larger percentage in the 45-59 age group. This may reflect the older population in the Mid and North Hants area.

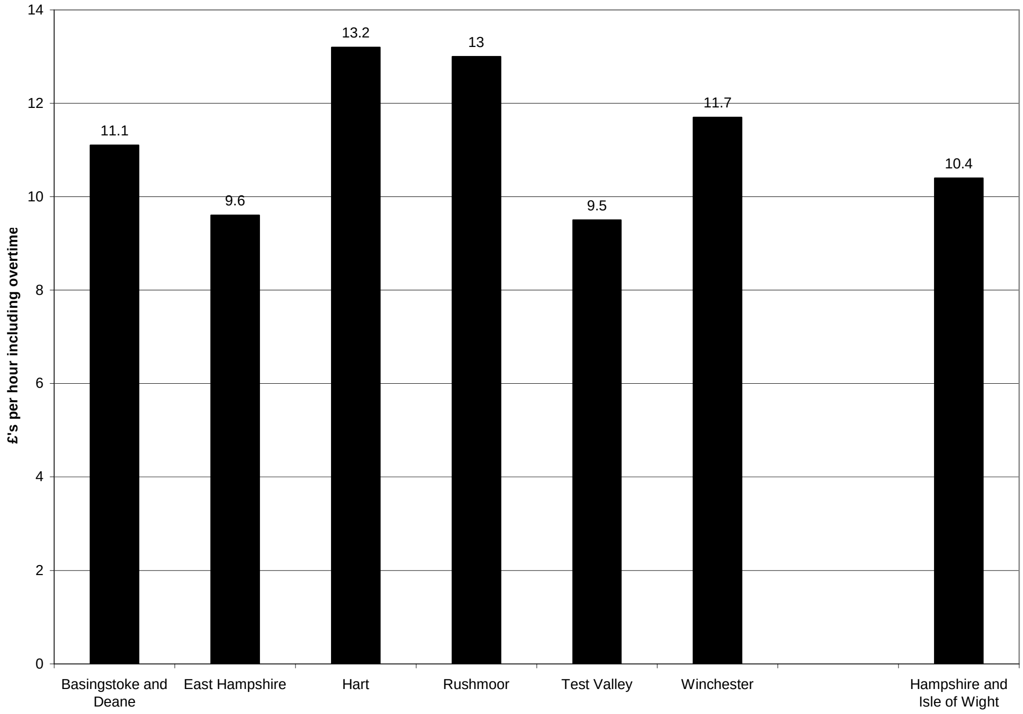
6.5.6 Earnings

In the Mid and North Hants area on average earning levels are higher than in the other two programme areas. The graph below shows average weekly earnings.

East Hampshire and Test Valley have average earnings below that for Hampshire and the Isle of Wight as a whole. Hart and Rushmoor have high average earnings above those for the South East region.

The North of Hampshire is a prosperous area and the high average earnings as shown in the graph below support this.

Figure 20 Average earnings (£s per hour including overtime)



Source: New Earnings Survey supplied through DTI Business Competitiveness Indicators, Nov 2001

6.6 Multiple index of deprivation 2002

Although deprivation is low throughout Hampshire and the Isle of Wight there are pockets centred mainly around Southampton and Portsmouth, with high levels of deprivation throughout the Isle of Wight.

Within England there are 354 local authority districts, Hart therefore is the least deprived district authority in England.

Table 21 Multiple Index of Deprivation, 2000 by district area

Local Authority District and Unitary	Local Concentration Score	Local Concentration Rank (Top district is the most deprived)
Havant	7889.45	94
Portsmouth	7754.85	108
Isle of Wight	7516.43	137
Southampton	7495.01	139
Rushmoor	6252.55	245
Gosport	6161.42	253
Basingstoke and Deane	6011.82	259
Test Valley	5992.37	260
New Forest	4894.77	308
Eastleigh	4857.01	310
Winchester	4099.14	325
Fareham	4034.25	327
East Hampshire	4027.26	328
Hart	1297.27	354

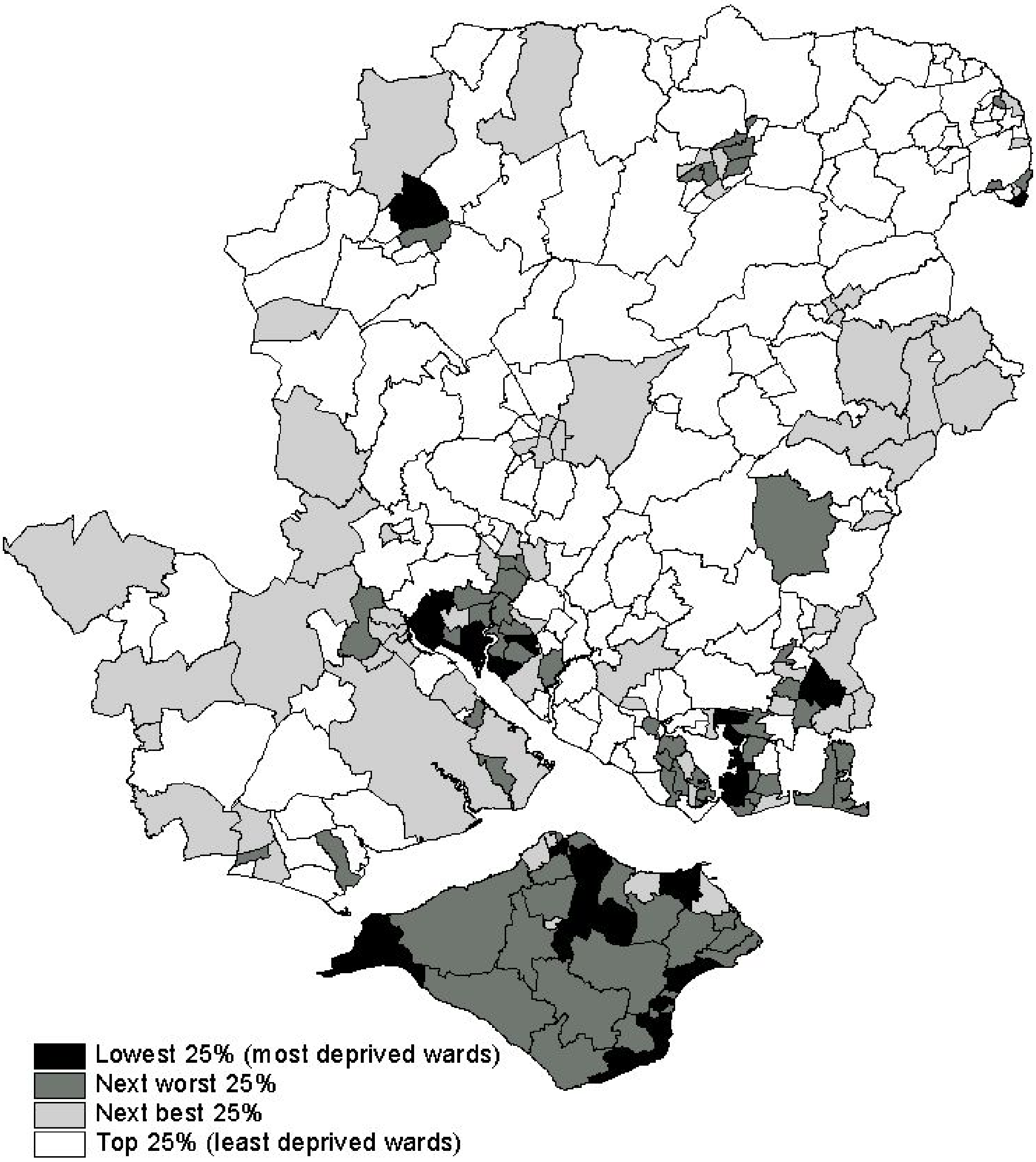
Source: DETR, 2000

Rushmoor is the most deprived local authority area in Mid and North Hants, however it is ranked 245 out of 354, which emphasises the prosperous nature of the area.

Figure 21

The new Multiple Index of Deprivation 2000 is a ward level index, made up of six ward level domain indices: Income, Employment, Health Deprivation and Disability, Education, Skills and Training, Housing and Geographical Access to Services.

MULTIPLE INDEX OF DEPRIVATION 2000 – HAMPSHIRE AND THE ISLE OF WIGHT



Source: DETR, 2000

N.B. Quartile position relates to England as a whole.

Multiple Index of Deprivation 2000 - Ward Rank for Hampshire and the Isle of Wight. (8414 wards in England)

Table 22 Multiple Index of Deprivation, 2000 by ward area

Ward Name	LA Name	Rank of Index of Multiple Deprivation
Heron Wood	Rushmoor	1589
Alamein	Test Valley	1991
Norden	Basingstoke and Deane	2317
Popley	Basingstoke and Deane	2484
Mayfield	Rushmoor	2684
Buckskin	Basingstoke and Deane	2874
Belle Vue	Rushmoor	3233
Alexandra	Rushmoor	3456
South Ham	Basingstoke and Deane	3513
Eastrop	Basingstoke and Deane	3913
St. Mary's	Test Valley	3926
East Meon and Langrish	East Hampshire	4027
St. John and All Saints	Winchester	4237
The Hangers	East Hampshire	4277
Headley	East Hampshire	4415
Burghclere	Basingstoke and Deane	4426
Wickham	Winchester	4434
Grange	Rushmoor	4494
Whitehill-Bordon and Whitehill	East Hampshire	4630
Winklebury	Basingstoke and Deane	4641
Newport	Rushmoor	4680
Alton North East	East Hampshire	4767
Horndean-Murray	East Hampshire	4779
St. Bartholomew	Winchester	4839
St. Luke	Winchester	4868
Brighton Hill	Basingstoke and Deane	4869
Alton South East	East Hampshire	5009
Brookvale	Basingstoke and Deane	5012
Abbey	Test Valley	5290
Liss	East Hampshire	5358
Alton-Holybourne	East Hampshire	5422

Petersfield-Heath	East Hampshire	5725
St. Marks	Rushmoor	5830
Bramshott and Liphook	East Hampshire	5872
Rowlands Castle	East Hampshire	5897
Over Wallop	Test Valley	5904
Itchen Valley	Winchester	5912
Dun Valley	Test Valley	5924
Selborne	East Hampshire	6042
Blackwater	Test Valley	6218
Bourne Valley	Test Valley	6272
St. Michael	Winchester	6308
Weyhill	Test Valley	6406
Upton Grey	Basingstoke and Deane	6422
Tedworth	Test Valley	6443
Westheath	Rushmoor	6458
Shedfield	Winchester	6566
Highclere and Bourne	Basingstoke and Deane	6575
Manor	Rushmoor	6600
Whitehill-Lindford	East Hampshire	6635
Farringdon	East Hampshire	6713
Kings Somborne and Michelmersh	Test Valley	6756
Micheldever	Winchester	6763
Petersfield-St. Peters	East Hampshire	6779
Boarhunt and Southwick	Winchester	6814
Kingsclere	Basingstoke and Deane	6928
Cheriton	Winchester	6931
Nether Wallop and Broughton	Test Valley	6944
Harroway	Test Valley	7004
St. Barnabas	Winchester	7007
Hartley Wintney	Hart	7031
Cupernham	Test Valley	7060
Curdridge	Winchester	7064
Sparsholt	Winchester	7099
Overton and Laverstoke	Basingstoke and Deane	7102
Clanfield and Buriton	East Hampshire	7106
Froyle and Bentley	East Hampshire	7109
Queens	Rushmoor	7119
Winton	Test Valley	7164
Fernhill	Rushmoor	7185
Whitewater	Hart	7191
Durley and Upham	Winchester	7238
Ropley and West Tisted	East Hampshire	7247
Sherborne St. John	Basingstoke and	7300

	Deane	
Romsey Extra	Test Valley	7319
Medstead	East Hampshire	7320
Chilworth and Nursling	Test Valley	7322
Frogmore and Darby Green	Hart	7356
Binsted	East Hampshire	7357
Long Sutton	Hart	7360
Froxfield and Steep	East Hampshire	7364
Stockbridge	Test Valley	7389
Baughurst and Heath End	Basingstoke and Deane	7409
North Downland	East Hampshire	7424
Grove	Basingstoke and Deane	7437
Cove	Rushmoor	7448
Droxford, Soberton and Hambledon	Winchester	7460
Petersfield-St. Mary's	East Hampshire	7467
Upper Meon Valley	Winchester	7490
Knellwood	Rushmoor	7560
Calleva	Basingstoke and Deane	7639
Millway	Test Valley	7662
Bishops Sutton	Winchester	7663
Harewood	Test Valley	7721
Alton North West	East Hampshire	7731
Tadley	Basingstoke and Deane	7753
Owslebury and Colden Common	Winchester	7758
Yateley East	Hart	7794
Bishops Waltham	Winchester	7835
Horndean-Hazleton	East Hampshire	7844
Denmead	Winchester	7847
Anna	Test Valley	7879
Four Marks	East Hampshire	7887
Grayshott	East Hampshire	7896
Whitchurch	Basingstoke and Deane	7905
Alton South West and Beech	East Hampshire	7909
Tadburn	Test Valley	7921
Odiham	Hart	7926
Horndean-Catherington	East Hampshire	7928
The Worthys	Winchester	7933
Horndean-Kings	East Hampshire	7964
Eversley	Hart	7974
Field	Test Valley	8012

North Baddesley	Test Valley	8034
Hatch Warren	Basingstoke and Deane	8035
St. Johns	Rushmoor	8058
Otterbourne and Hursley	Winchester	8068
East Woodhay	Basingstoke and Deane	8076
New Alresford	Winchester	8087
Compton	Winchester	8091
Basing	Basingstoke and Deane	8114
Swanmore	Winchester	8155
Oakley and North Waltham	Basingstoke and Deane	8173
Littleton	Winchester	8186
Yateley North	Hart	8194
Empress	Rushmoor	8200
Twyford	Winchester	8243
Wonston	Winchester	8246
Crondall	Hart	8249
Waltham Chase	Winchester	8258
Yateley West	Hart	8260
Fleet West	Hart	8277
Church Crookham	Hart	8288
Hawley	Hart	8290
Olivers Battery	Winchester	8308
Hook	Hart	8316
Kempshott	Basingstoke and Deane	8330
St. Paul	Winchester	8346
Fleet Courtmoor	Hart	8365
Badger Farm	Winchester	8368
Chineham	Basingstoke and Deane	8371
Fleet Pondtail	Hart	8383

Source: DETR

Table 23 Local Authority Rank for Employment and Income Deprivation, 2000

	Rank of Employ		Rank of Income
Southampton	64	Southampton	60
Portsmouth	80	Portsmouth	71
Isle of Wight	97	Isle of Wight	99
Havant	159	Havant	131
New Forest	174	New Forest	144
Basingstoke and Deane	217	Basingstoke and Deane	200
Eastleigh	255	Gosport	238
Gosport	258	Eastleigh	245
East Hampshire	288	Test Valley	278
Test Valley	292	East Hampshire	280
Fareham	297	Rushmoor	290
Winchester	300	Fareham	293
Rushmoor	302	Winchester	294
Hart	351	Hart	350

Source: DETR, 2000

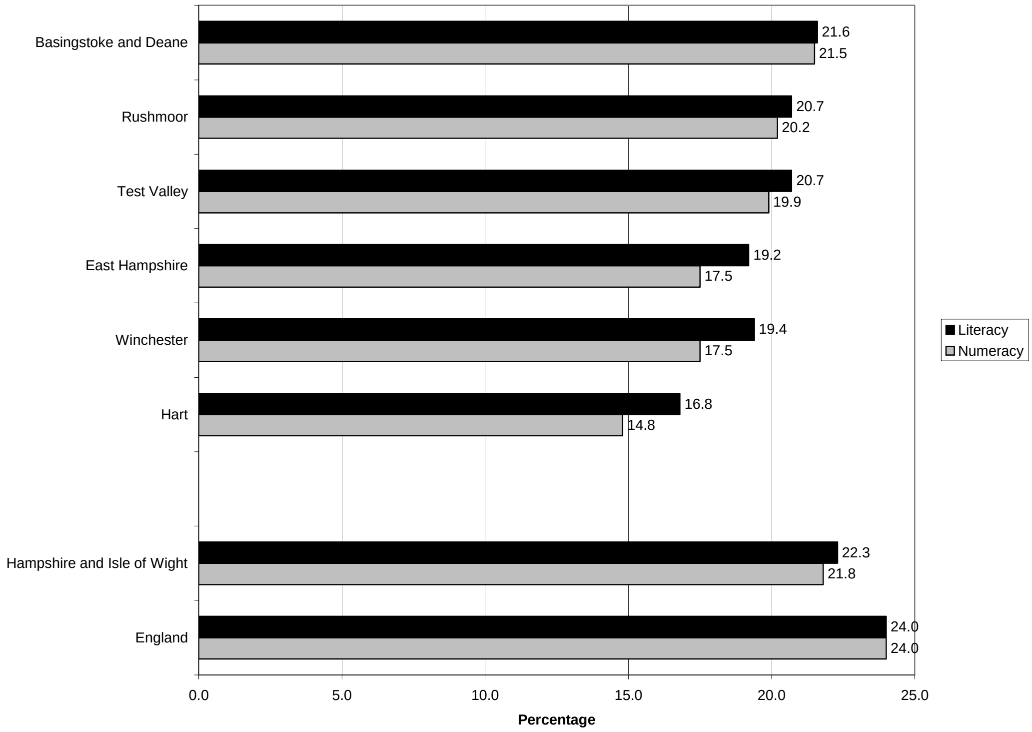
The Multiple Index of Deprivation 2000 was made up of six domain indices, these included Employment and Income. The table above shows the rank of Hampshire and the Isle of Wight's local authorities for the individual indices, of employment and income.

- The Income domain measures people who are on low income. The indicators in this domain are in the form of non-overlapping counts of people in families in receipt of means tested benefits.
- 'Employment deprived' are defined as those who want to work but are unable to do so through unemployment, sickness or disability. The domain measures forced exclusion from the world of work. The indicators in this domain constitute non-overlapping counts of those excluded from the labour market through unemployment, ill health or disability.

6.7 Education, skills and qualifications

6.7.1 Basic literacy and numeracy

Figure 22 Percentage with poor literacy and numeracy



Source: Basic Skills Agency, 1997

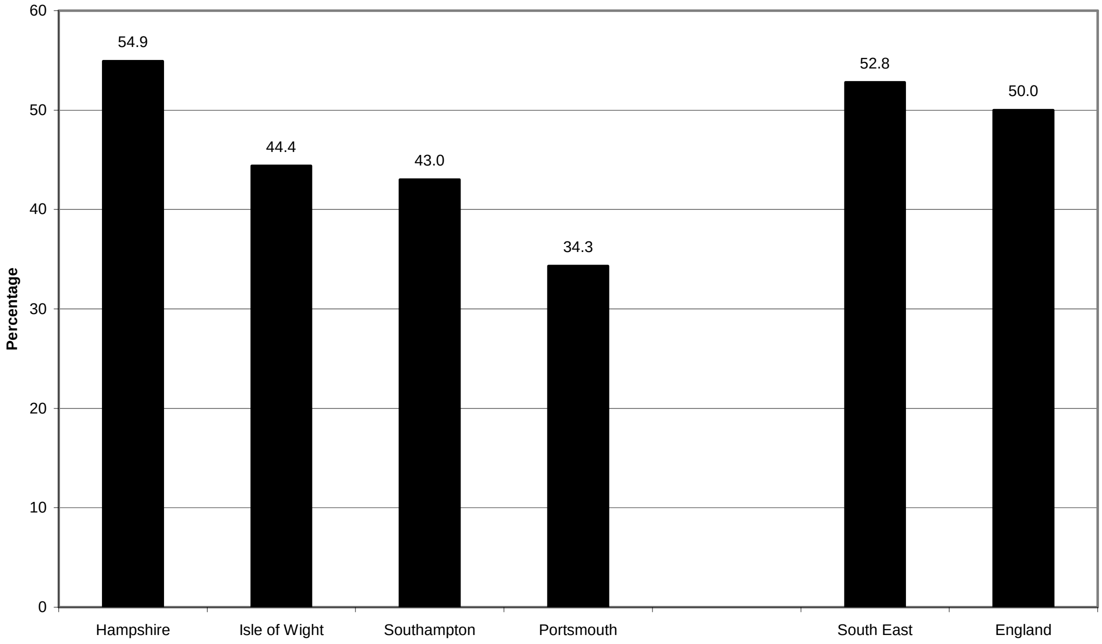
All the Local Authorities have lower percentages than the Hampshire and Isle of Wight area as a whole.

6.7.2 GCSE and A Level (and equivalents) Results 2000/01

Levels of GCSE and A Level attainments are generally high within the South East and this pattern is followed in the Hampshire County Council area (HCC) which has a larger percentage of 15 year olds obtaining 5+ A*-C GCSEs than for the South East overall. For GCSEs and A Levels the unitary authorities generally have lower attainment levels.

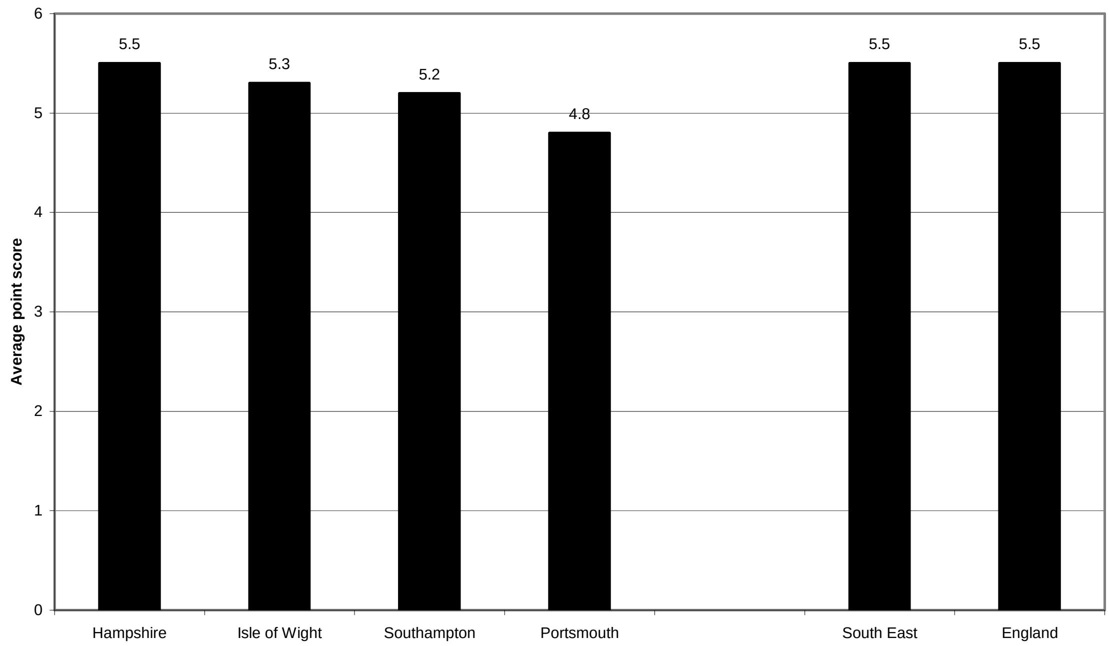
The graphs overleaf show the breakdowns by Local Education Authority.

Figure 23 Percentage of 15 year old pupils achieving 5+ A*-C GCSE/GNVQ



Source: DfES

Figure 24 Average Point Score per A/AS/VCE/AGNVQ Examination Entry



Source: DfES

6.7.3 School Leavers Destinations

The table below shows the destinations of Year 11 school leavers as at the 31st October 2001. 20,545 students were surveyed. (Areas are Southern Careers administrative areas).

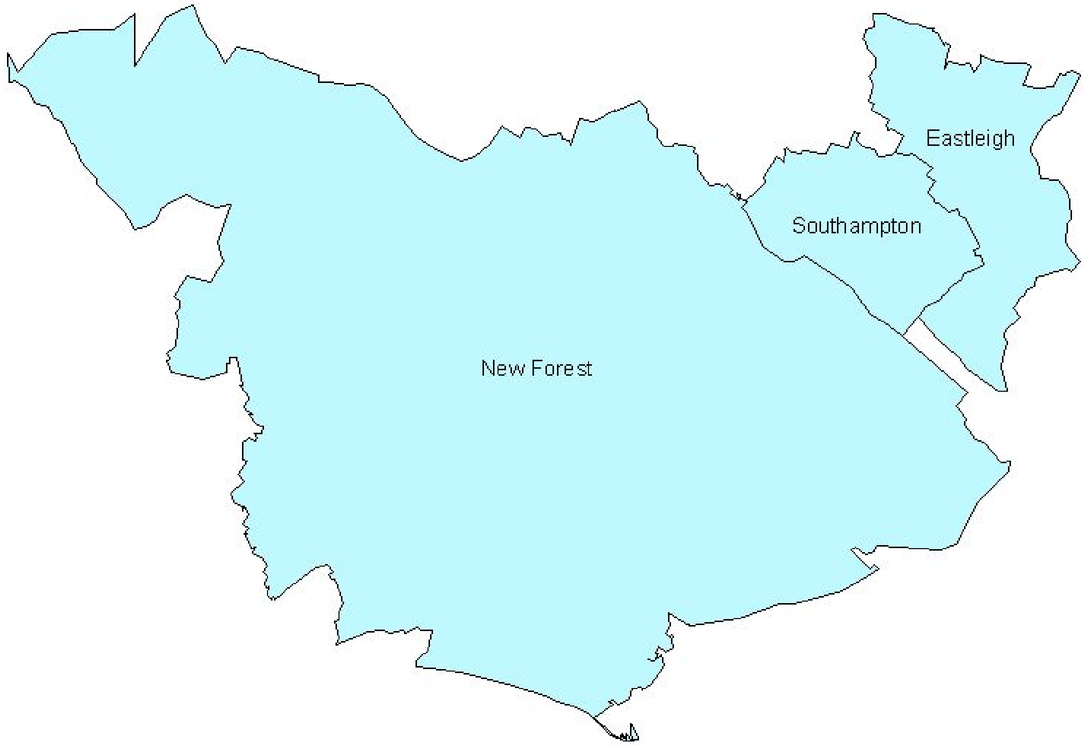
Table 24 Year 11 Destinations, 31st October 2001

Percentage	Education	Employment and Training	Training Non Employment	Unemployed	Not Settled
Andover	73.0	14.5	0.2	5.3	7.0
Basingstoke	76.9	12.4	0.4	3.7	6.6
Aldershot	78.2	11.9	0.4	3.8	5.7
Alton	79.3	10.5	0.3	3.5	6.4
Winchester	85.3	6.3	0.8	2.2	5.4
Hampshire and IOW	73.3	12.8	1.4	5.5	7.0

Source: Southern Careers

As can be seen from the table above in all geographical areas the majority of students remain in full time education once they leave school, this is highest in the Winchester area (85.3%).

Southampton and South West Hampshire
Area Profile



7.1 Area profile

The Southampton and South West Hampshire (South West Hants) area is made up of the Unitary Authority of Southampton and the Local Authorities of Eastleigh and the New Forest. The area itself is diverse, incorporating the City of Southampton with its strong service sector base, Eastleigh with its emphasis on construction and distribution and the large rural areas of the New Forest, with its strong tourism sector.

Tourism is important to the South West Hants area, especially in the New Forest which has numerous historical sites. The New Forest has been designated as an Area of Outstanding Natural Beauty.

The retail centre of Southampton has undergone a huge redevelopment with the construction of the West Quay retail, business and leisure centre. The development holds 8 major stores, eighty shops, cafes and restaurants and 250,000 sq ft of office space.

South West Hants is heavily populated in the urban areas, but population is sparse in some rural areas. South West Hants is distinctive due to its higher proportion of ethnic minorities, specifically in Southampton where ethnic minorities account for 5% of the population.

Unemployment is generally low but there are pockets of deprivation in some inner city wards within Southampton.

The M27 and the M3 link the South West of Hampshire with the rest of the area. The M3 provides a 45 minute connection to the M25 from junction 12 (Eastleigh North).

Rail connections to London are also good. Southampton International Airport is situated just off junction 5 of the M27. Destinations include Paris, Brussels and the Channel Islands.

The Port of Southampton is a cargo port, handling freight. Southampton is also home to liners such as the QE2 and the Arcadia. Plans for a port to be built at Dibden Bay are currently the subject of a Public Enquiry.

7.2 Partnerships

Table 25 Key partnerships covering the South West Hants area

Name	Area of Work
Hampshire Economic Partnership	To encourage partnership, a focus on shared strategy and co-ordinated action between private and public sector bodies.
Southampton Strategic Partnership	Development of a city-wide strategy for regeneration ensuring that it links with other interagency work and investment plans and provides a clear framework for approval of bids and projects and effective implementation of regeneration work.
Outer Shirley Regeneration Partnership	Working with Southampton City Council to manage and deliver SRB programmes.
Thornhill New Deal for Communities Partnership	To represent all sections of the Thornhill community and to work with those in the community to make Thornhill a better place to live.
Southampton & Eastleigh Employment in Construction (SEECON)	Training and support within the construction building services industry in Southampton and Eastleigh.
Hampshire and Portsmouth Learning Partnership (formerly Southern Strategic Partnership)	The Local Learning Partnership for Hampshire and Portsmouth. To act as a voice for the learner and promote provider collaboration by identifying issues, commissioning reports and setting up networks to remedy the issues.
Partnership4Learning	The Local Learning Partnership for Southampton.

7.3 Local Authority Classification

The Office for National Statistics (ONS) produced area classification schemes based on socio-economic and demographic variables from the 1991 census. This work was also undertaken for the 1971 and 1981 census. The data is used to provide an indicator of the characteristics of areas and the similarity between areas.

There are 27 Clusters, 15 Groups and 7 Families.

Table 26 Local Authority family, group and cluster membership

Local Authority	Family	Group	Cluster
Basingstoke and Deane	Prosperous England	Growth Areas	Prosperous Growth Area
East Hampshire	Prosperous England	Growth Areas	Prosperous Growth Areas
Eastleigh	Prosperous England	Growth Areas	Town and Country Growth
Fareham	Prosperous England	Growth Areas	Town and Country Growth
Gosport	Urban Fringe	New and Developing Areas	Developing Towns
Hart	Prosperous England	Growth Areas	Prosperous Growth Areas
Havant	Urban Fringe	Established Manufacturing Fringe	Established Manufacturing Fringe
Isle of Wight	Coast and Services	Coast and Country Resorts	Traditional Rural Coast
New Forest	Rural Areas	Rural Amenity	Rural Amenity
Portsmouth	Coast and Services	Established Service Centres	Established Service Centres
Rushmoor	Urban Fringe	New and Developing Areas	Developing Towns
Southampton	Coast and Services	Established Service Centres	Established Service Centres
Test Valley	Prosperous England	Growth Areas	Prosperous Growth Areas
Winchester	Prosperous England	Most Prosperous	Most Prosperous

Source: Office for National Statistics, The ONS Classification of Local and Health Authorities of Great Britain, 1999

The Local Authority classification above highlights the diversity of the South West Hants area.

7.4 Key facts

7.4.1 Eastleigh

- Population of 116,339 in 2001, which is projected to rise by 2.9% between 1996 and 2011.
- Unemployment is low at 0.9%, in December 2001.
- The main industry sector is Distribution, hotels and restaurants.
- The area has seen a move away from its reliance on the older transport and manufacturing industries towards new high-tech manufacturing and service industries.
- This change in industrial structure has led to a move away from the economy being dominated by a relatively small number of large employers towards an economy with a number of key large employers and an expanding small business sector.
- The advance of new technology has increased the demand for skills across all occupational groups.
- The number of self-employed has increased and is predicted to represent nearly a quarter of all employment in the Borough by 2011, although women are projected to remain under represented.
- Planning permission has been granted for the development of a new, 3800 square meter, Waitrose supermarket in Chandlers Ford. There will be parking for 310 cars and Waitrose will also provide funding for highway improvements including a roundabout at the Oakmount/Winchester Road junction.
- An outline application has been put forward by Barratt Homes for the proposed redevelopment of the eastern part of the Pirelli site in central Eastleigh. All of the existing industrial buildings are to be demolished to make way for 665 new dwellings, 7432 square metres of office space, parking and roads.

7.4.2 New Forest

- Population of 171,985 in 2001, which is projected to fall by 0.4% between 1996 and 2011.
- Unemployment is average for the local Council area at 1.5% in December 2001.
- The main industry sector is Distribution, hotels and restaurants.
- Tourism is an important sector in the New Forest area.
- The economic structure is moving away from manufacturing employment and towards lower paid service employment.
- The area has a lack of the new "knowledge based" industries and has seen a fall in the rate of new business formation.
- The economic base is diverse.
- The area itself is diverse with the rural area covering the New Forest itself and the surrounding areas which include the built up areas of the Waterside (home to the Fawley refinery), and the towns of Totton, Ringwood and New Milton.

- A Harbour Revision Order has been submitted to develop a container port and associated facilities including new road and rail accesses at Dibden Bay. This has led to planning applications to alter roads and railway lines in the surrounding area to give better access to the site. A public enquiry is currently being conducted into the Dibden Bay proposal.

7.4.3 Southampton

- Population of 208,191 in 2001, which is projected to fall by 1.4% between 1996 and 2011.
- Unemployment is above the rate for Hampshire and the Isle of Wight at 2.6%.
- The main industry sector is Banking, finance and insurance.
- Employment in Southampton is moving away from Manufacturing and towards the Service industries.
- Southampton is the 2nd largest container port in the country.
- Redevelopment is taking place in three key sites at Charlotte Place, Andersons Road and the Waterfront areas.
- There is a need to raise skill levels if the area is able to compete.
- Southampton has a restriction on land usage and the land that is available for industrial and office development is threatened by increasing pressure from housing, retail and leisure uses.

More than £75 million of Government regeneration money is being used to fund over 100 schemes throughout Southampton. Much of this money is being used to renew Southampton's inner city with jobs, homes, businesses and facilities. The largest of these regeneration schemes are:

- Work on a new multi-million pound school has just begun in Southampton. The school will provide an all-through primary school amalgamating the former Thronhill Infant and Junior schools.
- Thornhill - the area gained £49 million under the government's New Deal for Communities scheme.
- St Mary's - a range of measures are underway to improve the environment and the gateways to the area and to promote public safety.
- West Itchen - A consortium to provide around 300 homes on various sites in West Itchen.
- Bevois Valley - the improvement programme covers environmental works and grants for businesses and empty buildings.

7.5 People and work

7.5.1 Population

The table below shows population forecasts for the Local Authorities, which make up the South West Hants area in 2001.

Table 27 Population by gender

Area	Male	Female	Total
Eastleigh	57,502	58,837	116,339
New Forest	83,132	88,853	171,985
Southampton	103,876	104,315	208,191
South West Hants	244,510	252,005	496,515

Source: Hampshire County Council Planning Department (1999-based Small Area Population Forecasts)

Southampton has the largest population in Hampshire and the Isle of Wight although it is predicted to fall between 1996 and 2011.

All three areas have a larger female than male population.

Table 28 Percentage population change in population by age 1996-2011

District	0-4	5-15	16-29	30-44	45-64	65-74	75-84	85+	Total
Eastleigh	-12.6	-9.1	-2.3	-8.2	22.2	11.1	10.8	49.7	2.9
New Forest	-16.7	-10.5	-3.4	-10.7	14.0	-2.3	1.1	41.9	-0.4
Southampton	-14.1	-8.4	-12.2	-10.0	23.7	0.4	3.5	30.6	-1.4

Source: Hampshire County Council Planning Department

In all areas the projected population growth is in the 45+ age groups, except for the 65-74 age band in the New Forest. The 85+ group in particular is projected to grow to the greatest extent, although the rise is smallest in the Southampton area. This has implications on the workforce as its age profile increases. A larger elderly population also puts pressures on the state and increases the need for care services.

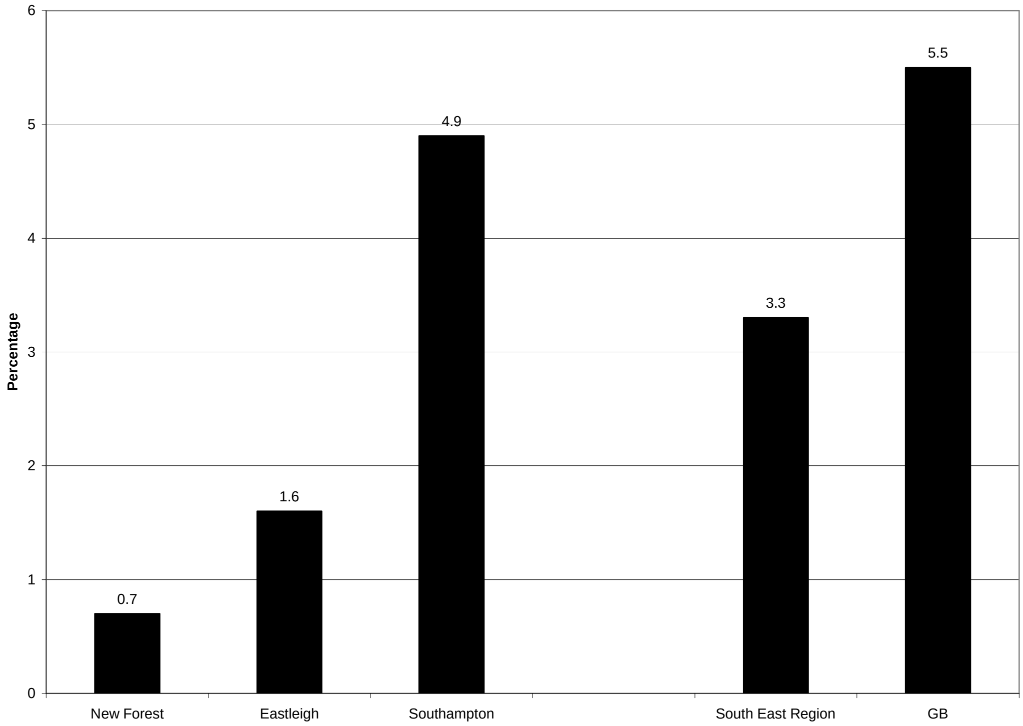
7.5.2 Ethnic minorities

The ethnic minority population in the South West Hants area is varied with low rates in Eastleigh and the New Forest and the highest percentage in the Council area in Southampton at 4.9%.

Southampton has a large proportion of its ethnic minority population from an Indian background.

A note of caution is needed when reviewing the figures as the data is for 1991 and is now 10 years old.

Figure 25 Percentage of ethnic minorities by area



Source: ONS Census 1991

7.5.3 Industrial structure

Table 29 Industrial structure

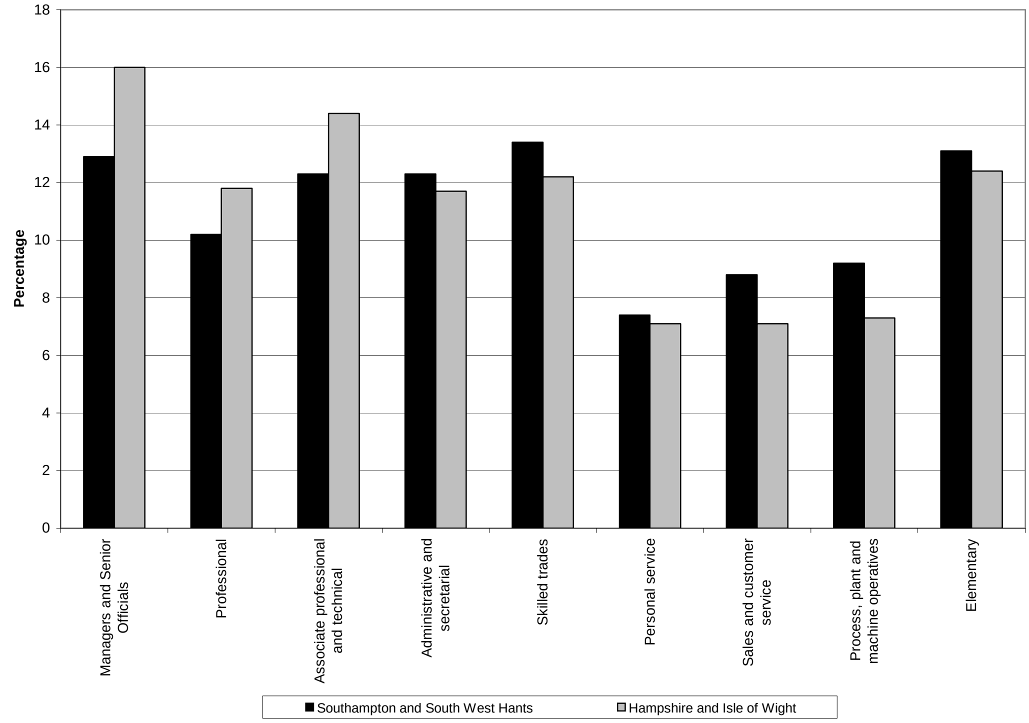
Percent	Eastleigh	New Forest	Southampton	South West Hants
Agriculture and fishing	0.0	0.9	0.0	0.3
Energy and water	0.1	0.3	1.2	0.7
Manufacturing	19.6	16.7	8.6	13.4
Construction	7.4	6.8	4.8	5.9
Distribution, hotels and restaurants	29.5	28.7	23.8	26.5
Transport and communications	5.1	3.5	6.4	5.3
Banking, finance and insurance	19.4	14.8	25.5	21.2
Public admin, education and health	14.3	22.5	24.8	21.6
Other services	4.6	5.8	4.9	5.0

Source: Annual Business Inquiry, 2000

As can be seen in table 3.3, Southampton has a strong service sector base. In Eastleigh and the New Forest the dominant industry is Distribution, hotels and restaurants.

7.5.4 Occupational structure

Figure 26 Occupational structure



Source: Labour Force Survey, Quarterly Nov 2001

South West Hants has a larger percentage of its workforce in lower order occupations than for Hampshire and the Isle of Wight as a whole. The largest occupational group is Skilled trades.

7.5.5 Unemployment

Although the unemployment rate in Hampshire and the Isle of Wight is low, the rates vary throughout the area. The table below shows the claimant count figures for December 2001.

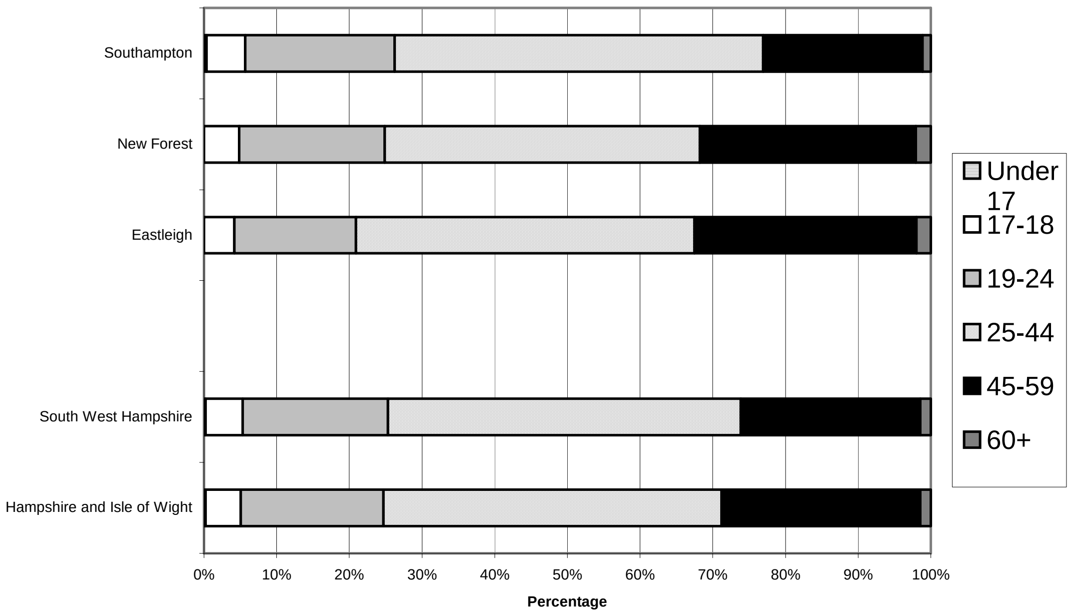
Table 30 Unemployment rates, December 2001

Area	Male (%)	Female (%)	Total (%)
Eastleigh	1.1	0.6	0.9
New Forest	2.1	0.8	1.5
Southampton	4.0	1.0	2.6
South West Hants	2.7	0.8	1.9
Hampshire and Isle of Wight	2.3	0.9	1.7

Source: ONS, supplied through NOMIS

South West Hants has an unemployment rate just above the Hampshire and Isle of Wight figure. When broken down by local authorities Southampton has one of the highest unemployment rates within the Hampshire and Isle of Wight area. In some Southampton wards such as the Bargate unemployment rates are as high as 7.4% (Oct 01).

Figure 27 Unemployment levels by age, December 2001

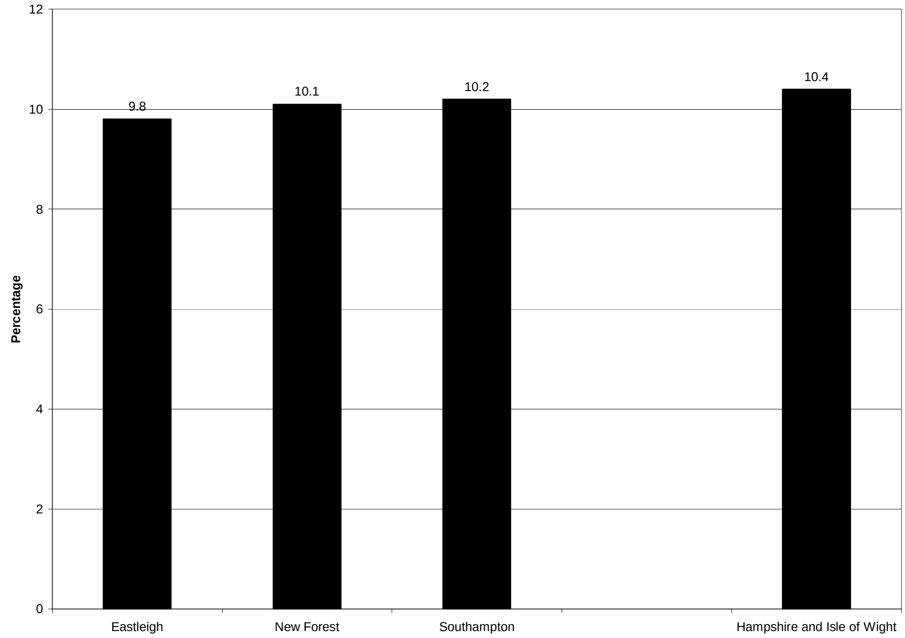


Source: ONS supplied through NOMIS

For all the local authority areas unemployment is concentrated in the 25-44 age band. However in Eastleigh and the New Forest it is worth noting the higher percentage of unemployed in the 45-59 age group.

7.5.6 Earnings

Figure 28 Average earnings (£s per hour including overtime)



Source: New Earnings Survey supplied through DTI Business Competitiveness Indicators, Nov 2001

All three local authority areas have average earnings just below the Council average, although average yearly growth from 1998 to 2000 for Eastleigh and the New Forest was higher than that for the Council, (6.26%, 7.36% and 5.04% respectively). For Southampton the growth was 4.64% which although below the Council average is still above the UK figure of 4.22%.

7.6 Multiple Index of Deprivation, 2000

Although deprivation is low throughout Hampshire and the Isle of Wight, there are pockets centred mainly around Southampton and Portsmouth, with high levels of deprivation throughout the Isle of Wight.

Within England there are 354 local authority districts, Hart therefore is the least deprived district authority in England.

Table 31 Multiple Index of Deprivation, 2000 by district area

Local Authority District and Unitary	Local Concentration Score	Local Concentration Rank (Top district is the most deprived)
Havant	7889.45	94
Portsmouth	7754.85	108
Isle of Wight	7516.43	137
Southampton	7495.01	139

Rushmoor	6252.55	245
Gosport	6161.42	253
Basingstoke and Deane	6011.82	259
Test Valley	5992.37	260
New Forest	4894.77	308
Eastleigh	4857.01	310
Winchester	4099.14	325
Fareham	4034.25	327
East Hampshire	4027.26	328
Hart	1297.27	354

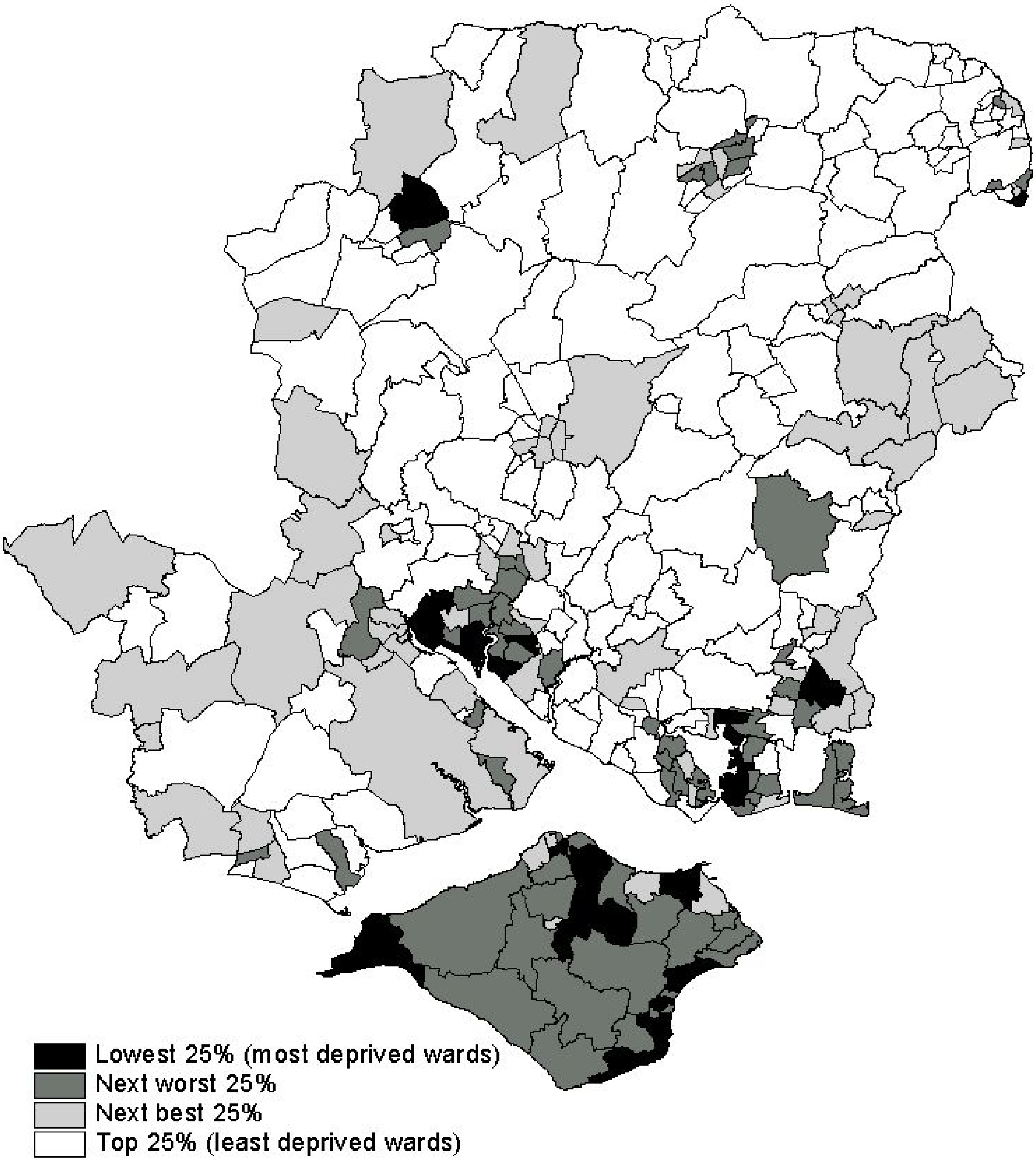
Source: DETR, 2000

Southampton contains some of the most deprived wards in Hampshire and the Isle of Wight. The New Forest and Eastleigh have no wards in the bottom quartile as shown in Figure 4.1. The New Forest however has fairly high deprivation levels when the domain "access to geographical services" is taken into consideration. This is mainly due to the rural nature of the area.

Figure 29

The new Multiple Index of Deprivation 2000 is a ward level index, made up of six ward level domain indices: Income, Employment, Health Deprivation and Disability, Education, Skills and Training, Housing and Geographical Access to Services.

MULTIPLE INDEX OF DEPRIVATION 2000 – HAMPSHIRE AND THE ISLE OF WIGHT



Source: DETR, 2000

N.B. Quartile position relates to England as a whole.

Multiple Index of Deprivation 2000 - Ward Rank for Hampshire and the Isle of Wight. (8414 wards in England)

Table 32 Multiple Index of Deprivation, 2000 by ward area

Ward Name	Local Authority Name	Rank of Index of Multiple Deprivation
Redbridge	Southampton	817
Bargate	Southampton	1120
Woolston	Southampton	1271
Bitterne	Southampton	1282
Millbrook	Southampton	1550
Coxford	Southampton	1985
St. Lukes	Southampton	1989
Netley Marsh	New Forest	2251
Freemantle	Southampton	2487
Harefield	Southampton	2533
Peartree	Southampton	2665
Sholing	Southampton	2688
Bitterne Park	Southampton	2905
Eastleigh South	Eastleigh	2947
Blackfield and Langley	New Forest	3658
Hythe South	New Forest	3698
Bassett	Southampton	3731
Portswood	Southampton	3890
Milton	New Forest	3946
Pennington	New Forest	3994
Eastleigh Central	Eastleigh	4022
Bursledon	Eastleigh	4206
Eastleigh West	Eastleigh	4210
Fawley Holbury	New Forest	4218
Ringwood South	New Forest	4257
Hound	Eastleigh	4329
Shirley	Southampton	4389
Forest North	New Forest	4644
Becton	New Forest	4699
Bashley	New Forest	5129
Totton South	New Forest	5403
Downlands	New Forest	5482
Eastleigh North	Eastleigh	5501
Forest South	New Forest	5556
Totton Central	New Forest	5710
Bishopstoke	Eastleigh	5724
Dibden and Hythe North	New Forest	5764
Totton North	New Forest	5775
Colbury	New Forest	5869
Bransgore and Sopley	New Forest	6179

West End South	Eastleigh	6223
Ringwood North	New Forest	6280
Hordle	New Forest	6326
Lymington Town	New Forest	6355
Boldre	New Forest	6430
Milford	New Forest	6482
Hedge End St. John's	Eastleigh	6525
Fordingbridge	New Forest	6860
Forest West	New Forest	6946
Barton	New Forest	6994
Copythorne South	New Forest	7021
Hamble	Eastleigh	7027
Marchwood	New Forest	7051
Brockenhurst	New Forest	7170
West End North	Eastleigh	7211
Sway	New Forest	7330
Botley	Eastleigh	7374
Hedge End Wildern	Eastleigh	7520
Forest North West	New Forest	7521
Lyndhurst	New Forest	7866
Chandler's Ford	Eastleigh	8045
Dibden Purlieu	New Forest	8167
Fair Oak	Eastleigh	8205
Hiltingbury East	Eastleigh	8328
Hiltingbury West	Eastleigh	8375

Source: DETR, 2000

When looking at South West Hants, Southampton has the largest number of deprived wards.

Table 33 Local Authority rank for employment and income deprivation

	Rank of Employ		Rank of Income
Southampton	64	Southampton	60
Portsmouth	80	Portsmouth	71
Isle of Wight	97	Isle of Wight	99
Havant	159	Havant	131
New Forest	174	New Forest	144
Basingstoke and Deane	217	Basingstoke and Deane	200
Eastleigh	255	Gosport	238
Gosport	258	Eastleigh	245
East Hampshire	288	Test Valley	278
Test Valley	292	East Hampshire	280
Fareham	297	Rushmoor	290
Winchester	300	Fareham	293
Rushmoor	302	Winchester	294
Hart	351	Hart	350

Source: DETR, 2000

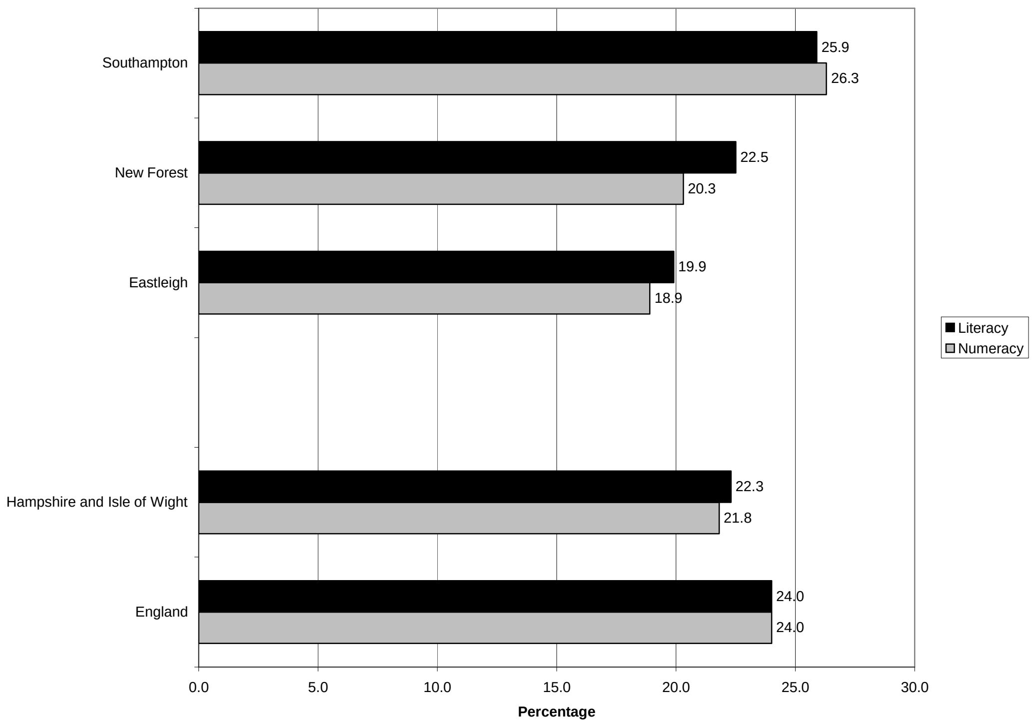
Southampton is the most deprived local authority when considering income and employment deprivation.
The Multiple Index of Deprivation 2000 was made up of six domain indices, these included Employment and Income. The table above shows the rank of Hampshire and the Isle of Wight's local authorities for the individual indices, of employment and income.

- The Income domain measures people who are on low income. The indicators in this domain are in the form of non-overlapping counts of people in families in receipt of means tested benefits.
- 'Employment deprived' are defined as those who want to work but are unable to do so through unemployment, sickness or disability. The domain measures forced exclusion from the world of work. The indicators in this domain constitute non overlapping counts of those excluded from the labour market through unemployment, ill health or disability.

7.7 Education, skills and qualifications

7.7.1 Basic literacy and numeracy

Figure 30 Percentage with poor literacy and numeracy



Source: Basic Skills Agency, 1997

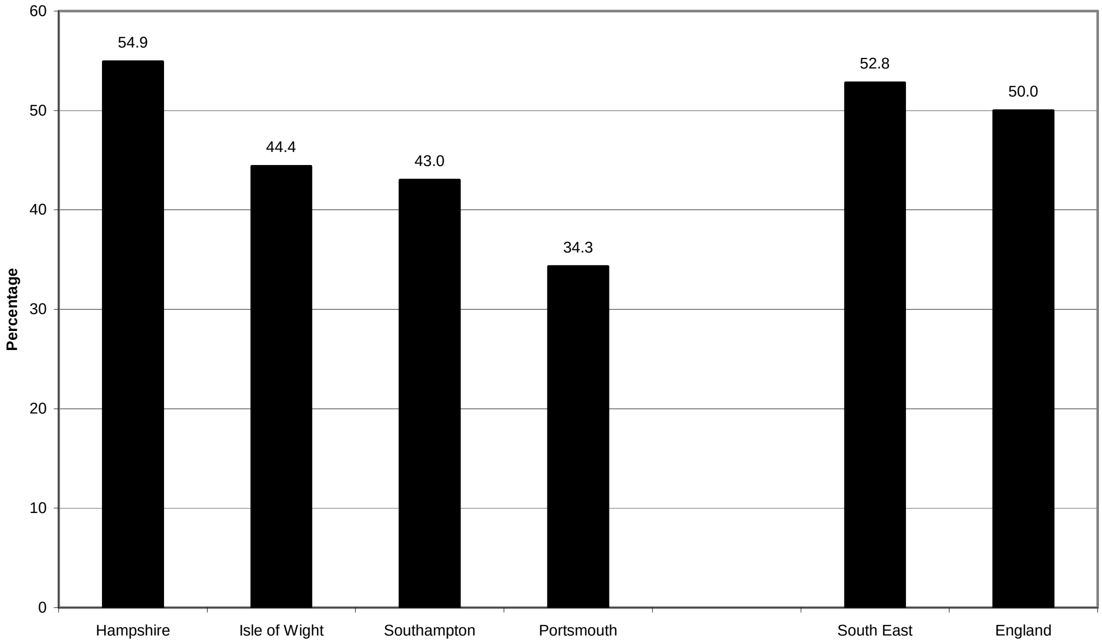
Southampton has the highest percentages with poor numeracy and literacy in the South West Hants area. The New Forest and Eastleigh do not score as low, but the numbers involved are still high and the problem needs to be addressed.

7.7.2 GCSE and A Level (and equivalents) results 2000/01

Levels of GCSE and A Level attainments are generally high within the South East and this pattern is followed in the Hampshire County Council area (HCC) which has a larger percentage of 15 year olds obtaining 5+ A*-C GCSEs than for the South East overall. For GCSEs and A Levels the unitary authorities generally have lower attainment levels.

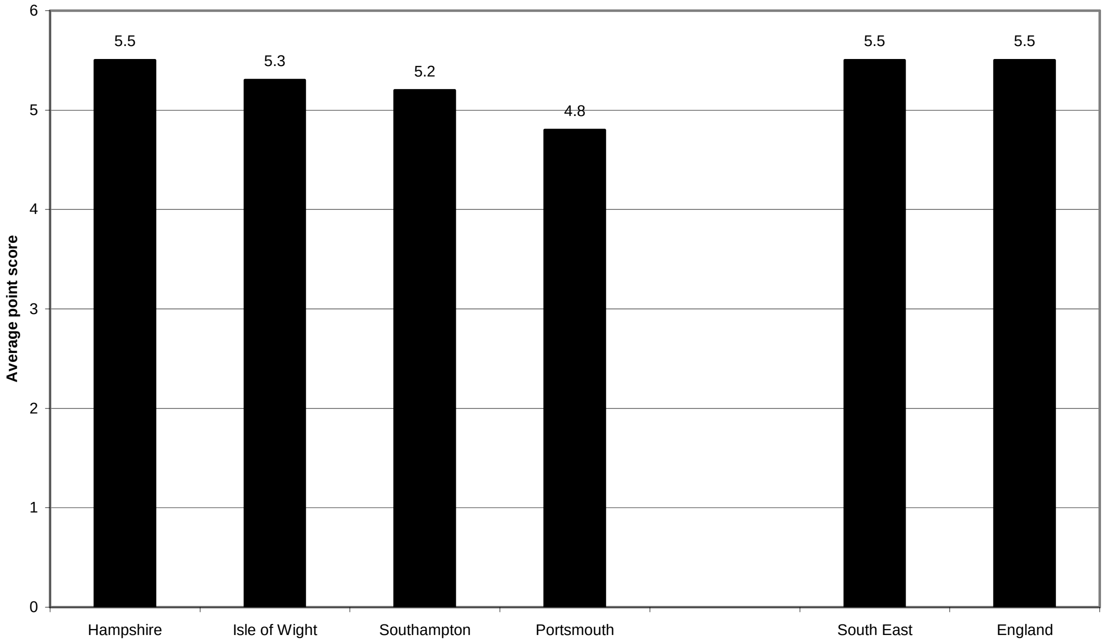
The graphs overleaf show the breakdowns by Local Education Authority.

Figure 31 Percentage of 15 year old pupils Achieving 5+ A*-C GCSE/GNVQ



Source: DfES

Figure 32 Average Point Score per A/AS/VCE/AGNVQ Examination Entry



Source: DfES

7.7.3 School leavers destinations

The table below shows the destinations of Year 11 school leavers as at the 31st October 2001. 20,545 students were surveyed. (Areas are Southern Careers administrative areas).

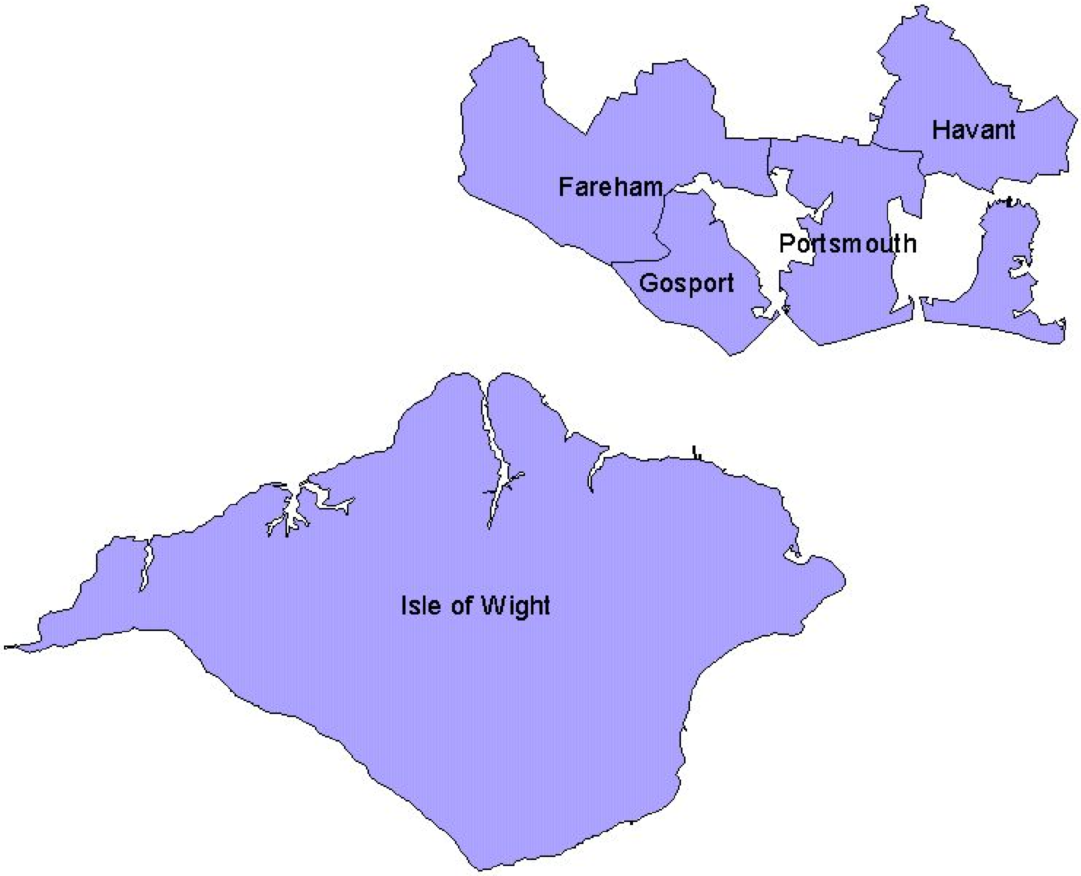
Table 34 Year 11 Destinations, 31st October 2001

Percentage	Education	Employment and Training	Training Non Employment	Unemployed	Not Settled
Eastleigh	77.0	14.0	1.2	3.8	4.0
Forest	74.6	13.0	1.0	5.0	6.4
Southampton	68.8	14.4	1.7	7.0	8.1
Hampshire and IOW	73.3	12.8	1.4	5.5	7.0

Source: Southern Careers

As can be seen from the table above in all geographical areas the majority of students remain in full time education once they leave school, this is highest in the Eastleigh area (77.0%). Southampton has a high percentage going into unemployment.

Portsmouth, South East Hampshire and Isle of Wight Area Profile



8.1 Area profile

The Portsmouth, South East Hampshire and Isle of Wight (South East Hants and IW) area comprises Portsmouth and Isle of Wight unitary authorities plus the local authorities of Fareham, Gosport and Havant. The area has pockets of deprivation and high unemployment particularly in parts of Portsmouth, Havant and the Isle of Wight.

There are a number of regeneration programmes being carried out along the coastal region mainly in Portsmouth and Gosport, such as Gunwharf in Portsmouth which should establish Portsmouth Harbour as a world class tourist resort.

The South East of Hampshire is densely populated (particularly in Portsmouth and Gosport) and has some of the highest unemployment rates in Hampshire. Unemployment is mainly concentrated in the urban areas. The unemployment rate on the Isle of Wight is consistently higher than that of the South East region or the UK. This is particularly true during the winter months when the seasonal nature of the tourism industry is evident.

For the Isle of Wight tourism is a key industry and employs around 20% of the workforce and generates 24% of the island's GDP. Public administration also employs a relatively high percentage of the working population. The Island is currently experiencing growth in composite manufacturing industries. A cluster of major manufacturers in the marine composites, plastics and electronic sector provides new opportunities for the island's economy. As quality of life issues and environmental considerations play a greater part in investment decisions, this sectoral growth is expected to continue.

In the South East of Hampshire there is a high dependency on manufacturing and defence, which presents challenges for the area as these sectors are in long term decline in terms of employment. The area has more large businesses as a whole and this is partly due to the high proportion of manufacturing businesses.

The main road links in the South East of Hampshire are the M27 and the A3M, which both suffer from severe bottlenecks along certain sections. The South East England Development Agency (SEEDA) have highlighted the infrastructure problems faced by the South East of Hampshire and have pledged to try and improve the road and rail links.

The cost and coverage of public transport on the Isle of Wight has been identified as a barrier to economic competitiveness.

8.2 Partnerships

Table 35 Key partnerships covering the South West Hants area

Name	Area of Work
Hampshire Economic Partnership	To encourage partnership, a focus on shared strategy and co-ordinated economic development action between private and public sector bodies.
Portsmouth & South East Hampshire Partnership (PSEHP)	To co-ordinate and take forward major economic development initiatives in Portsmouth, Havant, Fareham, Gosport and East Hampshire.
Harbour Regeneration Employment Programme (HREP)	To help local individuals, businesses and communities gain advantage from the Renaissance of Portsmouth Harbour Millennium Scheme and other major local regeneration schemes.
Isle of Wight Economic Partnership	The strategic economic partnership on the Island responsible for co-ordinated action, inward investment and regeneration.
Isle of Wight Learning Partnership	The Local Learning Partnership for the Isle of Wight.
Isle of Wight Tertiary Group	Established following a review of post-14 education and training on the Island.
Havant Borough Partnership (HBP)	Under contract to Havant Borough Council to deliver projects of importance to the Borough and to assist with local regeneration efforts, encourage economic growth, support business and community activity and to enhance the environment.
Hampshire and Portsmouth Learning Partnership (formerly Southern Strategic Partnership)	The Local Learning Partnership for Hampshire and Portsmouth. To act as a voice for the learner and promote provider collaboration by identifying issues, commissioning reports and setting up networks to remedy the issues.

8.3 Local Authority Classification

The Office for National Statistics (ONS) produced area classification schemes based on socio-economic and demographic variables from the 1991 census. This work was also undertaken for the 1971 and 1981 census. The data is used to provide an indicator of the characteristics of areas and the similarity between areas.

There are 27 clusters, 15 groups and 7 families.

Table 36 Local Authority family, group and cluster membership

Local Authority	Family	Group	Cluster
Basingstoke and Deane	Prosperous England	Growth Areas	Prosperous Growth Area
East Hampshire	Prosperous England	Growth Areas	Prosperous Growth Areas
Eastleigh	Prosperous England	Growth Areas	Town and Country Growth
Fareham	Prosperous England	Growth Areas	Town and Country Growth
Gosport	Urban Fringe	New and Developing Areas	Developing Towns
Hart	Prosperous England	Growth Areas	Prosperous Growth Areas
Havant	Urban Fringe	Established Manufacturing Fringe	Established Manufacturing Fringe
Isle of Wight	Coast and Services	Coast and Country Resorts	Traditional Rural Coast
New Forest	Rural Areas	Rural Amenity	Rural Amenity
Portsmouth	Coast and Services	Established Service Centres	Established Service Centres
Rushmoor	Urban Fringe	New and Developing Areas	Developing Towns
Southampton	Coast and Services	Established Service Centres	Established Service Centres
Test Valley	Prosperous England	Growth Areas	Prosperous Growth Areas
Winchester	Prosperous England	Most Prosperous	Most Prosperous

Source: Office for National Statistics, The ONS Classification of Local and Health Authorities of Great Britain, 1999

8.4 Key facts

8.4.1 Fareham

- Population of 107,530 in 2001, which is expected to fall by 1.6% from 1996 to 2011.
- Unemployment is low at 1.1% in December 2001.
- The main industry sector is Distribution, hotels and restaurants.
- There are 100 acres of business development land available in a key strategic location.
- Plans supported by Fareham Borough Council for a business incubator which will build upon the emerging centre of excellence, the Fareham Teleport at Cams Hall.
- Fareham Borough Council has entered into a legal agreement with a development company to construct a retail and leisure site in Fareham. The site will be known as Market Quay and will comprise up to 12 shops, two or three licensed bars and restaurants, a health and fitness club and a surface car park.
- The Cams Estate in Fareham is designed to attract technology driven businesses. There is now new space on the Estate at Carnac Court which will comprise of five new buildings totalling 38,462 sq ft.

8.4.2 Gosport

- Population of 78,258 in 2001, which is predicted to rise by 4.6% from 1996 to 2011.
- Unemployment was 2.1% in December 2001.
- The main industry sector is Public administration, education and health.
- Out-commuting is high in the area.
- The Ministry of Defence (MoD) owns approximately 30% of all the land in the Borough and provides a similar percentage of total employment.
- Due to the strong presence of the MoD in the area, the infrastructure and skills have been developed to meet their needs therefore Gosport has become relatively uncompetitive compared to other areas in the ability to attract new businesses, particularly in the service sector.
- The ongoing release of MoD land presents an opportunity to allow the development of employment sites. Restricting the growth of Gosport in the past has been the lack of sites suitable for employment uses.
- Gosport is competitive both in price and the availability of labour.

Gosport has undertaken major schemes to regenerate the areas around the harbour. These include:

- Priddy's Hard Heritage Area - the naval armaments museum, Explosion, is now open to the public.
- Priddy's Hard Development Area site is currently being developed by Barratts (Southampton), Bovis and Westbury Homes for residential development. Planning permission has been granted for 700 homes.
- The Cherque Farm site is being developed by Persimmon Homes. The scheme will also provide additional public space for the neighbouring Alver Valley Country Park.
- Royal Clarance Yard and St George Barracks North – The Berkeley Group has been granted planning permission to develop this site. Developments will include residential (380 units), leisure and commercial uses. There will also be a maritime events centre with associated marine development.
  St George Barracks South - Wildbrook Properties have planning permission to develop this site for a mixed-use development comprising residential (167 units), offices and community uses.
- Leesland Park - work is continuing to transform the area and will house a skate park and multi sport play area.

8.4.3 Havant

- Population of 120,291 in 2001, which is predicted to fall by 1.5% from 1996 to 2011.
- Unemployment fairly high for Hampshire and the Isle of Wight at 2.8%.
- The main industry sector is Manufacturing.
- High levels of out-commuting due to the lack of appropriate jobs.
- Shortage of land available to meet the needs of business.
- The tourism industry in the area is centred in and around Hayling Island.
- The area is traditionally manufacturing based with a strong skill representation in electrical and mechanical engineering, which supports the Portsmouth defence sector. The decline of the manufacturing sector has led to a diversification of skills into computers and electronics although many of the Havant workforce lack the necessary skills for modern industry, which is reflected in the high levels of unemployment within the area.

Havant has been successful in Round 5 and 6 of the Single Regeneration Budget.

- Round 5 saw a successful bid for the Leigh Park and Warren Park area, totalling £9,000,000 from 1999-2006. The key themes of this programme are:
  - Enterprise - a range of employment, training and business support projects including new training centres in Leigh Park, a new Enterprise Centre creating business units for local people

  wanting to run their own businesses and new community facilities in Warren Park.
  - Transport - A range of schemes including community transport services will tackle the lack of transport in the area.
  - Community Development - A very broad range of projects aimed at building confidence and ability of the local community to tackle issues for itself.
- In round 6 Wecock Farm twinned with Rowner estate in Gosport, this raised £2,500,000 of SRB funding to be spent over the seven years up to 2007. It is likely that projects under this programme will include:
  - Capacity Building for the community and staffing for the community association.
  - Community Arts projects.
  - Community laundrette.
  - Training and employment projects.
  - Work to reduce teenage pregnancies.
  - Environmental work to tidy up woods and paths.
  - Activity trails for children.

8.4.5 Isle of Wight

- Population of 128,892 in 2001.
- High unemployment at 5.1% in December 2001. The Isle of Wight has a strong tourism sector which causes seasonal unemployment, so figures fluctuate from winter to summer.
- Main industry sector is Distribution, hotels and restaurants.
- The economy is dominated by a limited range of sector activities, which are generally not areas where growth is forecast.
- The manufacturing base is vulnerable as it is dominated by two companies. However the innovation Centre on St Cross Business Park in Newport is the focus for the development of a composites cluster which could help to reduce this vulnerability.
- Average earnings are some 20% below the national average.
- The Island has a higher than average proportion of elderly retired people and young single parents. This leads to a disproportionate demand on the health and social service agencies.
- There is a net migration of young people leaving the Island to undertake Higher Education study and not returning. The problem is exacerbated by the fact that qualified non-islanders tend not to move to the Island. This worsens the level of skill shortages and the recruitment difficulties found by local firms.

  SRB funding is being used for the following programmes:

  - Improve and re-develop Ryde Esplanade and transport interchange.

- Refurbishment of Ryde Baptist Church to include a church, training facilities and move-on housing for young people currently residing at the Foyer in Ryde.
- Complete Ventnor Harbour.
- Improve 1,000 houses throughout the Isle of Wight.
- Improve and manage 6 hectares of open space in Ryde.
- Improve and service the development of 12 hectares of land in Ryde.
- Provide 3,750^{m2} of new business floor space in Ryde.
- Provide 2,900^{m2} of improved business floor space in Ryde.
- Establish 6 new sports/cultural facilities.

8.4.6 Portsmouth

- Population of 189,800 in 2001, which is predicted to rise by 2.8% from 1996 to 2011.
- Unemployment was 2.1% in December 2001.
- The main industry sector is Public administration, education and health.
- Skills for the 21st Century is an initiative within Portsmouth for skills development and training. The aim is to raise the skills of local employees, improve local job prospects, enhance career development so local businesses can benefit from a more able and flexible workforce.
- Large defence sector, employing 4,832 in defence activities (ABI 2000).

The Renaissance of Portsmouth harbour project is an £86 million scheme made up of six main elements:

- A 550ft millennium tower built on Gunwharf.
- Two waterfront promenades that physically link existing and new attractions.
- Expansion and improvement of the Historic Dockyards.
- A waterbus network across the harbour stopping at Gunwharf.
- Modern berthing facilities for tall ships.
- New Heritage Museum at Priddy's Hard.

Other regeneration projects include:

- Tipner site - a 12 hectare semi-derelict site at the gateway to the city.
- The City Centre - plans are underway to revitalise the city centre shopping area including redevelopment of the Tricorn centre.
- Fratton Goods Yard - a 22 hectare site is to be refurbished to attract new business opportunities.
- Blueprint Business Park - proposals for this site include construction of a range of small industrial units with outline planning permission

in place for the remainder of the site to be used for industrial and warehouse development.

- Portsdown Main - an 18 hectare site. Current proposals are to use the site as a science park, which would be a centre of excellence for innovation and technology.
- Portsea Regeneration Area and the heart of the City - This will receive targeted support for a range of initiatives aimed at social and economic regeneration.
- Portsmouth Technopole - a scheme is being planned for an innovation centre for new technology related enterprise.
- Landport is three years into a 5 year regeneration programme which has three elements - housing, community development and employment training. Work so far includes
- Replacement of 157 high density council flats with 90 new Housing Association Homes.
- A Local Labour in Construction scheme providing employment and training for local residents
- An open access IT centre, in the community centre.

8.5 People and work

8.5.1 Population

The table below shows population forecasts for the Local Authority Districts that make up the South East Hants and IW area in 2001.

Table 37 Population by gender, 2001

Area	Male	Female	Total
Fareham	52,673	54,857	107,530
Gosport	38,516	39,742	78,258
Havant	58,531	61,760	120,291
Isle of Wight	62,206	66,686	128,892
Portsmouth	95,601	94,199	189,800
South East Hants and IW	307,527	317,244	624,771

Source: Hampshire County Council Planning Department (1999-based Small Area Population Forecasts) and Isle of Wight figures from Hampshire County Council Planning Department (1992 based).

The female population is larger than the male except in Portsmouth. South East Hampshire is a densely populated area.

Table 38 Percentage population change in population by age 1996-2011

District	0-4	5-15	16-29	30-44	45-64	65-74	75-84	85+	Total
Fareham	-18.6	-20.0	-9.6	-14.0	11.6	20.4	20.6	63.6	-1.6
Gosport	-5.4	-1.5	6.4	-3.4	17.5	4.2	8.1	24.2	4.6
Havant	-11.9	-9.8	-7.0	-13.8	8.4	5.8	20.4	52.1	-1.5
Portsmouth	-7.4	-0.9	-1.2	-3.0	22.3	-0.4	-6.7	24.2	2.8

Source: Hampshire County Council Planning Department

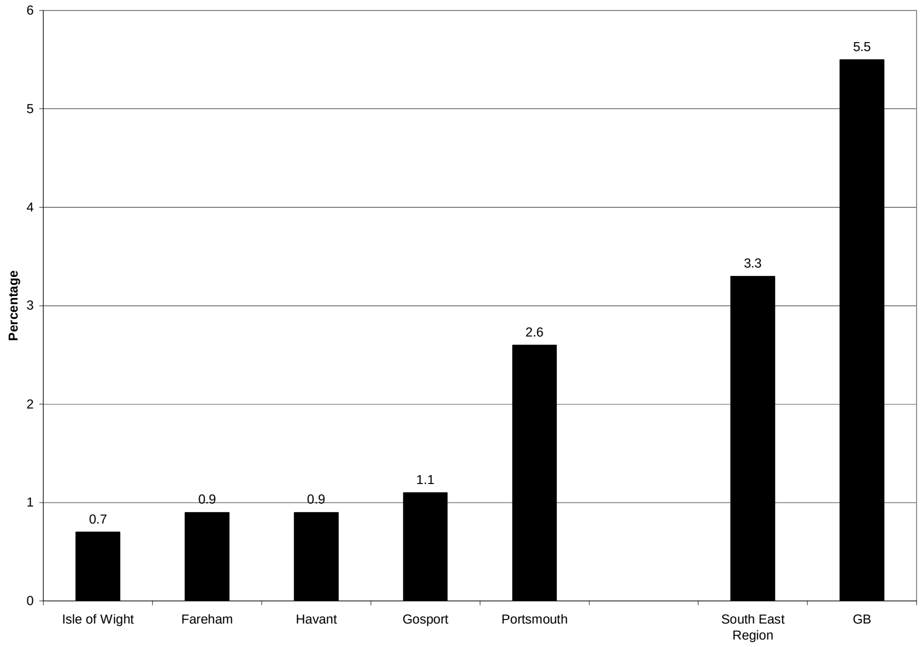
Figures are unavailable for the Isle of Wight.
The projected population growth is in the 45+ age groups. The 85+ group in particular is projected to grow to the greatest extent, this is especially evident in Fareham and Havant (63.3 and 52.1 respectively). This has implications on the workforce as its age profile increases. A larger elderly population also puts pressures on the state and increases the need for care services.

8.5.2 Ethnic minorities

The ethnic minority population in South East Hants and IW is small. Portsmouth has the highest rate in the area at 2.6%. Of Portsmouth's ethnic minority population a large majority are from a Bangladeshi background.

A note of caution is needed when reviewing the figures as the data is for 1991 and so is 10 years old.

Figure 33 Percentage of ethnic minorities by area



Source: ONS Census 1991

8.5.3 Industrial structure

Table 39 Industrial structure

Percent	Fareham	Gosport	Havant	Isle of Wight	Portsmouth	South East Hants and IW
Agriculture and fishing	0.5	0.1	0.2	1.0	0.0	0.3
Energy and water	0.2	0.0	0.6	0.1	0.0	0.1
Manufacturing	19.4	9.3	24.9	17.2	11.5	15.8

Construction	6.5	2.2	6.0	3.5	3.3	4.2
Distribution, hotels and restaurants	24.5	21.0	24.2	31.6	27.0	26.4
Transport and communications	3.9	1.7	2.1	3.7	5.4	4.0
Banking, finance and insurance	20.4	7.1	15.5	7.9	14.5	13.7
Public admin, education and health	20.7	55.7	21.0	30.0	34.1	31.1
Other services	3.8	2.8	5.4	5.0	4.2	4.3

Source: Annual Business Inquiry, 2000

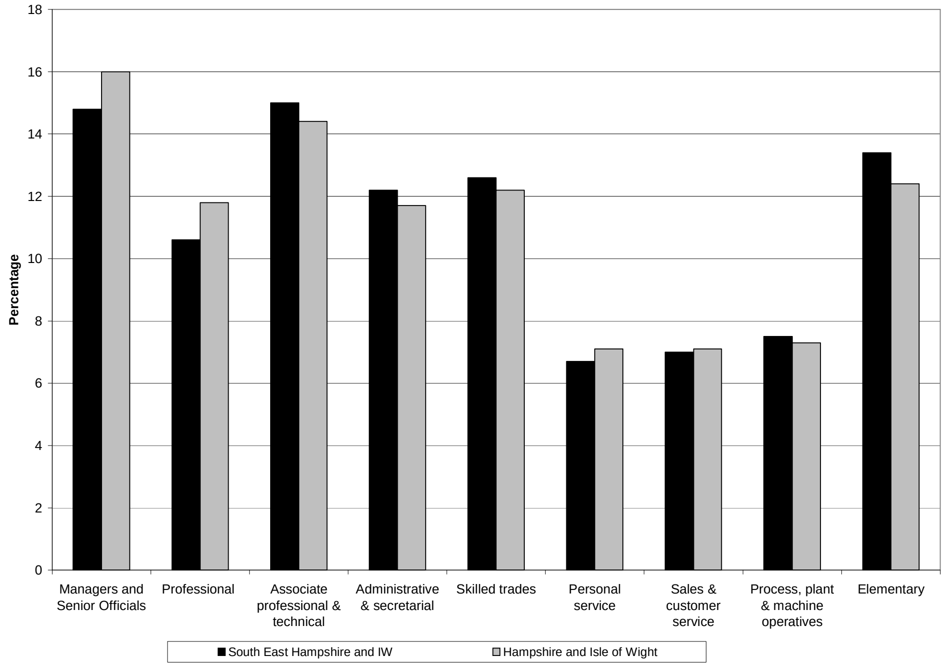
Manufacturing is the dominant sector in Havant.

The large defence sector in Gosport and Portsmouth is highlighted by the large Public administration, education and health sector.

In Fareham and the Isle of Wight Distribution, hotels and restaurants is the biggest sector. The Isle of Wight has a large tourism sector.

8.5.4 Occupational structure

Figure 34 Occupational structure



Source: Labour Force Survey, Quarterly Nov 2001

The occupational structure in the area is higher in the lower order occupational groups, than for Hampshire and the Isle of Wight as a whole.

8.5.5 Unemployment

Although the overall unemployment rate in Hampshire and the Isle of Wight is low, the rates vary throughout the area. The table below shows the claimant count figures for December 2001.

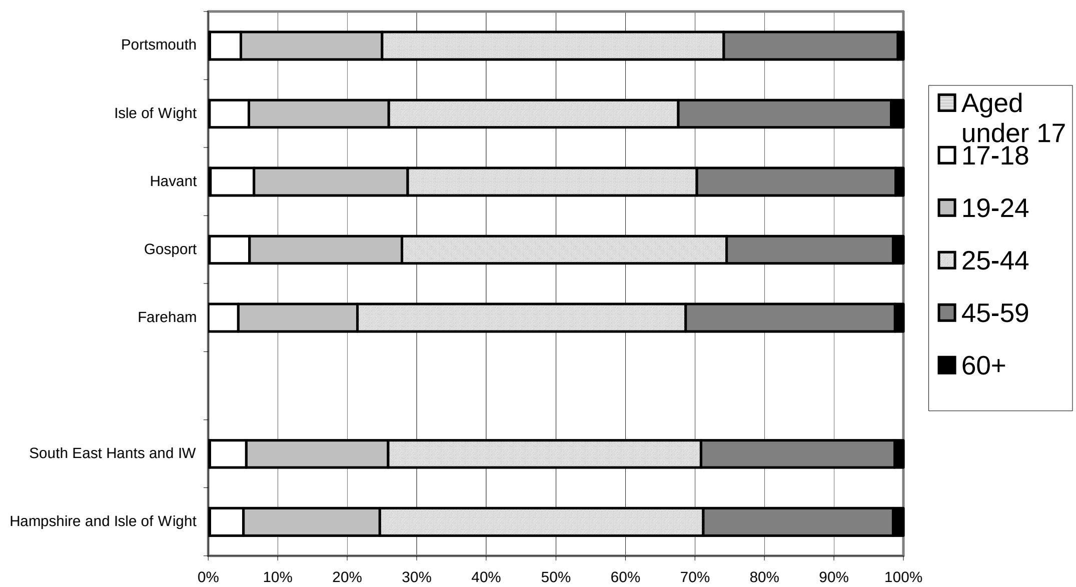
Table 40 Unemployment rates, December 2001

Area	Male (%)	Female (%)	Total (%)
Fareham	1.4	0.8	1.1
Gosport	3.0	1.1	2.1
Havant	3.8	1.6	2.8
Isle of Wight	7.3	2.7	5.1
Portsmouth	3.0	1.0	2.1
South East Hants and IW	3.5	1.4	2.6
Hampshire and Isle of Wight	2.3	0.9	1.7

Source: ONS, supplied through NOMIS

The South East Hants and IW unemployment rate is above that for Hampshire and the Isle of Wight. When broken down by local authority the area has two of the highest unemployment rates within Hampshire and the Isle of Wight, Isle of Wight 5.1% and Havant 2.8%.

Figure 35 Unemployment levels by age, December 2001

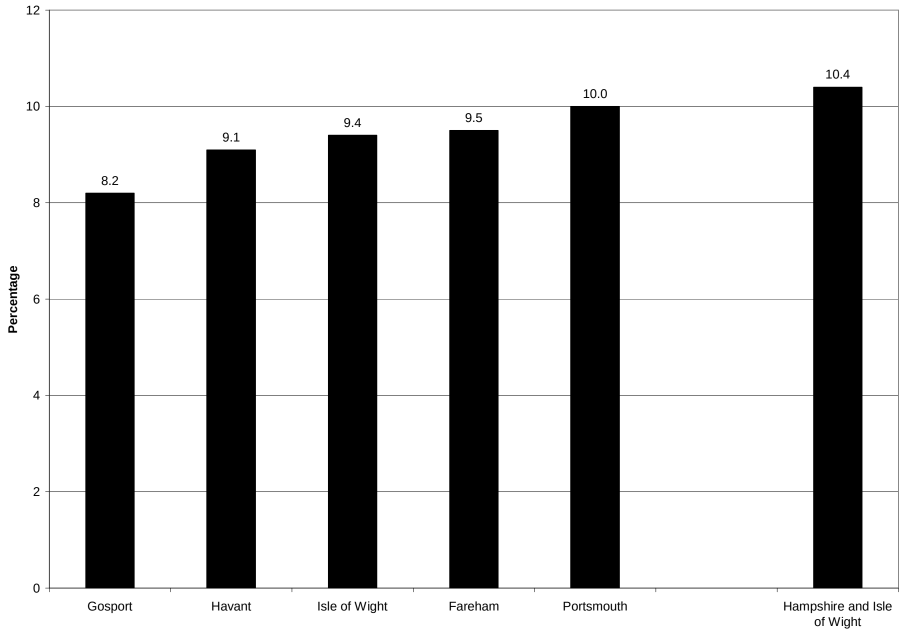


Source: ONS supplied through NOMIS

For all the local authority areas unemployment is concentrated in the 25-44 age band, although in Fareham and the Isle of Wight they have a large percentage in the 45-59 age group.

8.5.6 Earnings

Figure 36 Average earnings (£s per hour including overtime)



Source: New Earnings Survey supplied through DTI Business Competitiveness Indicators, Nov 2001

Earning levels are below the Hampshire and Isle of Wight average in all areas. However Fareham and the Isle of Wight have seen a higher percentage rise from 1998 to 2000, than Hampshire and the Isle of Wight (6.74%, 6.98% and 5.04% respectively).

8.6 Multiple Index of Deprivation 2000

Although deprivation is low throughout the Hampshire and the Isle of Wight there are pockets centred mainly around Southampton and Portsmouth, with high levels of deprivation throughout the Isle of Wight.

Within England there are 354 local authority districts, Hart therefore is the least deprived district authority in England.

Table 41 Multiple Index of Deprivation, 2000 by district area

Local Authority District and Unitary	Local Concentration Score	Local Concentration Rank (Top district is the most deprived)
Havant	7889.45	94
Portsmouth	7754.85	108
Isle of Wight	7516.43	137
Southampton	7495.01	139
Rushmoor	6252.55	245

Gosport	6161.42	253
Basingstoke and Deane	6011.82	259
Test Valley	5992.37	260
New Forest	4894.77	308
Eastleigh	4857.01	310
Winchester	4099.14	325
Fareham	4034.25	327
East Hampshire	4027.26	328
Hart	1297.27	354

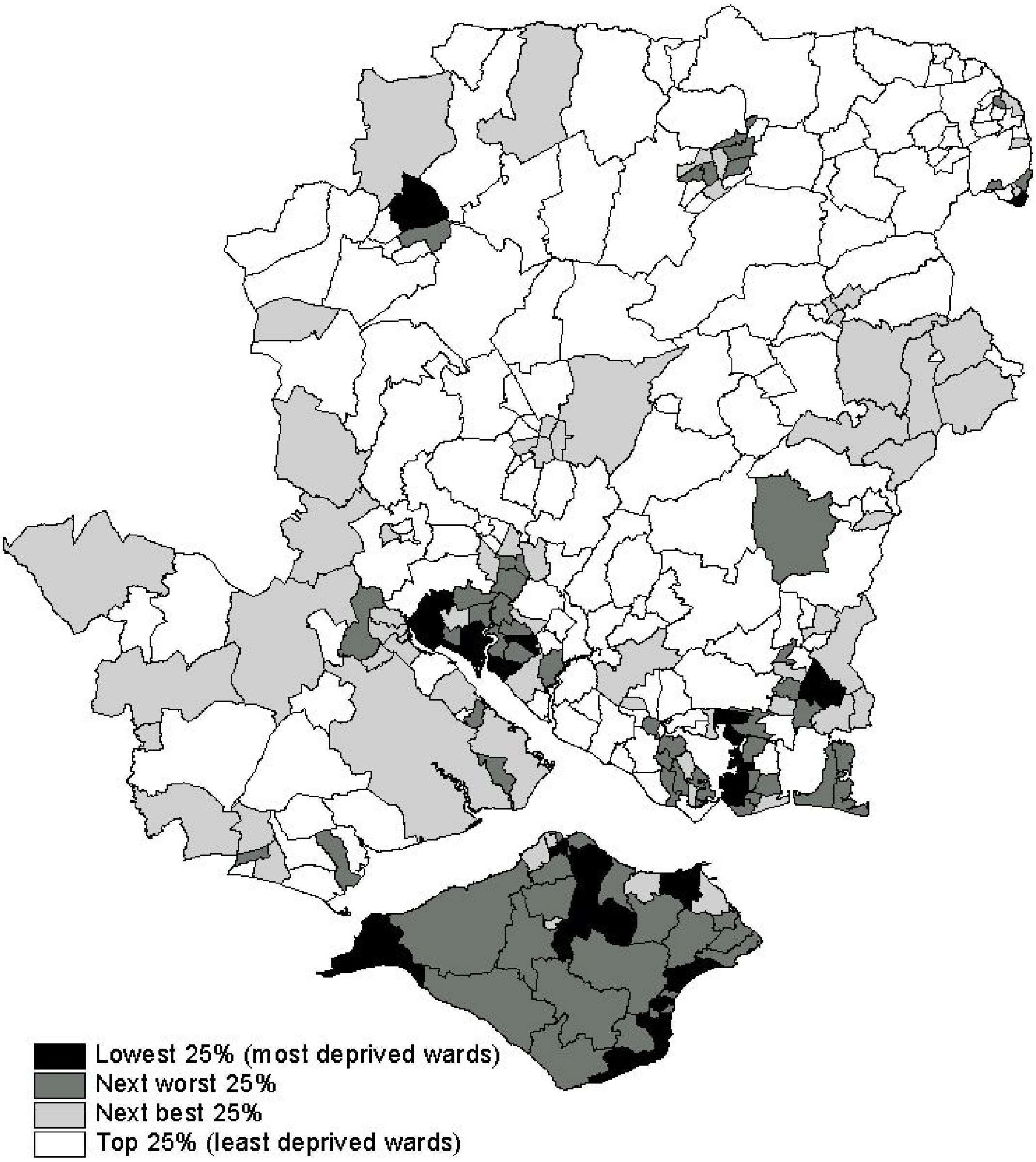
Source: DETR, 2000

Deprivation is concentrated around Portsmouth, Havant and the Isle of Wight.

Figure 37

The new Multiple Index of Deprivation 2000 is a ward level index, made up of six ward level domain indices: Income, Employment, Health Deprivation and Disability, Education, Skills and Training, Housing and Geographical Access to Services.

MULTIPLE INDEX OF DEPRIVATION 2000 – HAMPSHIRE AND THE ISLE OF WIGHT



Source: DETR, 2000

N.B. Quartile position relates to England as a whole.

Multiple Index of Deprivation 2000 - Ward Rank for Hampshire and the Isle of Wight. (8414 wards in England)

Table 43 Multiple Index of Deprivation, 2000 by ward area

Ward Name	LA Name	Rank of Index of Multiple Deprivation
Warren Park	Havant	286
Charles Dickens	Portsmouth	601
St. Johns-1	Isle of Wight	677
Pan	Isle of Wight	742
Ryde North East	Isle of Wight	849
Barncroft	Havant	853
Bondfields	Havant	870
Battins	Havant	889
Paulsgrove	Portsmouth	956
Ventnor-1	Isle of Wight	1149
Newport Central	Isle of Wight	1283
Totland	Isle of Wight	1295
Lake-1	Isle of Wight	1323
Shanklin North	Isle of Wight	1446
Osborne	Isle of Wight	1450
Sandown-2	Isle of Wight	1454
Sandown-1	Isle of Wight	1464
Ryde South West	Isle of Wight	1465
Cowes Medina	Isle of Wight	1552
Ryde North West	Isle of Wight	1582
Ventnor-2	Isle of Wight	1587
Shanklin South	Isle of Wight	1709
St. Johns-2	Isle of Wight	1710
Nelson	Portsmouth	1712
St. Thomas	Portsmouth	1715
Ryde South East	Isle of Wight	1739
Mount Joy	Isle of Wight	1890
Freshwater Norton	Isle of Wight	1929
Freshwater Afton	Isle of Wight	1944
Fairlee	Isle of Wight	2041
Cowes Central	Isle of Wight	2062
East Cowes-2	Isle of Wight	2098
Brading	Isle of Wight	2128
Hart Plain	Havant	2138
Shanklin Central	Isle of Wight	2152
Town	Gosport	2246
Lake-2	Isle of Wight	2341
Wroxall	Isle of Wight	2358
Cosham	Portsmouth	2362
Parkhurst	Isle of Wight	2372

Ashey	Isle of Wight	2442
East Cowes-1	Isle of Wight	2493
Stakes	Havant	2554
Calbourne, Shalfleet and Yarmouth	Isle of Wight	2618
St. Jude	Portsmouth	2698
Fratton	Portsmouth	2795
Hardway and Forton	Gosport	2815
Bembridge-2	Isle of Wight	2828
Brockhurst	Gosport	2893
Northwood	Isle of Wight	2937
Bedhampton	Havant	2986
Bridgemary	Gosport	3006
Alverstoke	Gosport	3021
Carisbrooke West	Isle of Wight	3101
Chale, Niton and Whitwell	Isle of Wight	3113
Arreton and Newchurch	Isle of Wight	3203
Hayling East	Havant	3235
Havelock	Portsmouth	3243
Wootton	Isle of Wight	3259
Gatcombe, Godshill and Rookley	Isle of Wight	3265
Cowes Castle-1	Isle of Wight	3480
Bembridge-1	Isle of Wight	3661
Brighstone and Shorwell	Isle of Wight	3724
St. Helens	Isle of Wight	3762
Milton	Portsmouth	3808
Rowner	Gosport	3858
Hilsea	Portsmouth	3868
Hayling West	Havant	4023
Fareham South	Fareham	4069
Seaview and Nettlestone	Isle of Wight	4316
Cowes Castle-2	Isle of Wight	4395
Gurnard	Isle of Wight	4427
Highland	Portsmouth	4461
Carisbrooke East	Isle of Wight	4563
Leesland	Gosport	4625
Purbrook	Havant	4846
Fareham North-West	Fareham	4876
St. Faith's	Havant	4902
Binstead	Isle of Wight	4918
Elson	Gosport	5320
Emsworth	Havant	5949
Waterloo	Havant	6243
Portchester East	Fareham	6281
Copnor	Portsmouth	6363
Portchester Central	Fareham	6850
Lee	Gosport	6876

Drayton and Farlington	Portsmouth	7077
Anglesey	Gosport	7242
Cowplain	Havant	7346
Portchester West	Fareham	7436
Fareham East	Fareham	7535
Titchfield	Fareham	7536
Fareham West	Fareham	7778
Warsash	Fareham	7920
Fareham North	Fareham	7968
Sarisbury	Fareham	8063
Stubbington	Fareham	8090
Hill Head	Fareham	8244
Locks Heath	Fareham	8304

Source: DETR

Table 43 Local Authority rank of employment and income deprivation

	Rank of Employ		Rank of Income
Southampton	64	Southampton	60
Portsmouth	80	Portsmouth	71
Isle of Wight	97	Isle of Wight	99
Havant	159	Havant	131
New Forest	174	New Forest	144
Basingstoke and Deane	217	Basingstoke and Deane	200
Eastleigh	255	Gosport	238
Gosport	258	Eastleigh	245
East Hampshire	288	Test Valley	278
Test Valley	292	East Hampshire	280
Fareham	297	Rushmoor	290
Winchester	300	Fareham	293
Rushmoor	302	Winchester	294
Hart	351	Hart	350

Source: DETR, 2000

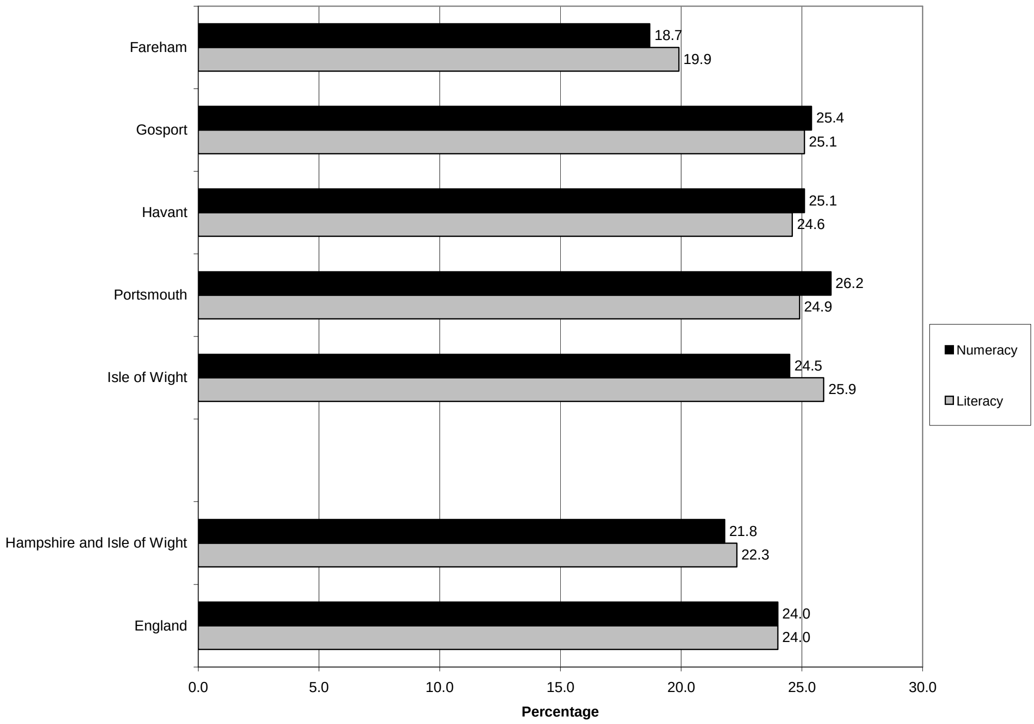
The Multiple Index of Deprivation 2000 was made up of six domain indices, these included Employment and Income. The table above shows the rank of Hampshire and the Isle of Wight's local authorities for the individual indices, of employment and income.

- The Income domain measures people who are on low income. The indicators in this domain are in the form of non-overlapping counts of people in families in receipt of means tested benefits.
- 'Employment deprived' are defined as those who want to work but are unable to do so through unemployment, sickness or disability. The domain measures forced exclusion from the world of work. The indicators in this domain constitute non overlapping counts of those excluded from the labour market through unemployment, ill health or disability.

8.7 Education, skills and qualifications

8.7.1 Basic literacy and numeracy

Figure 38 Percentage with poor literacy and numeracy



Source: Basic Skills Agency, 1997

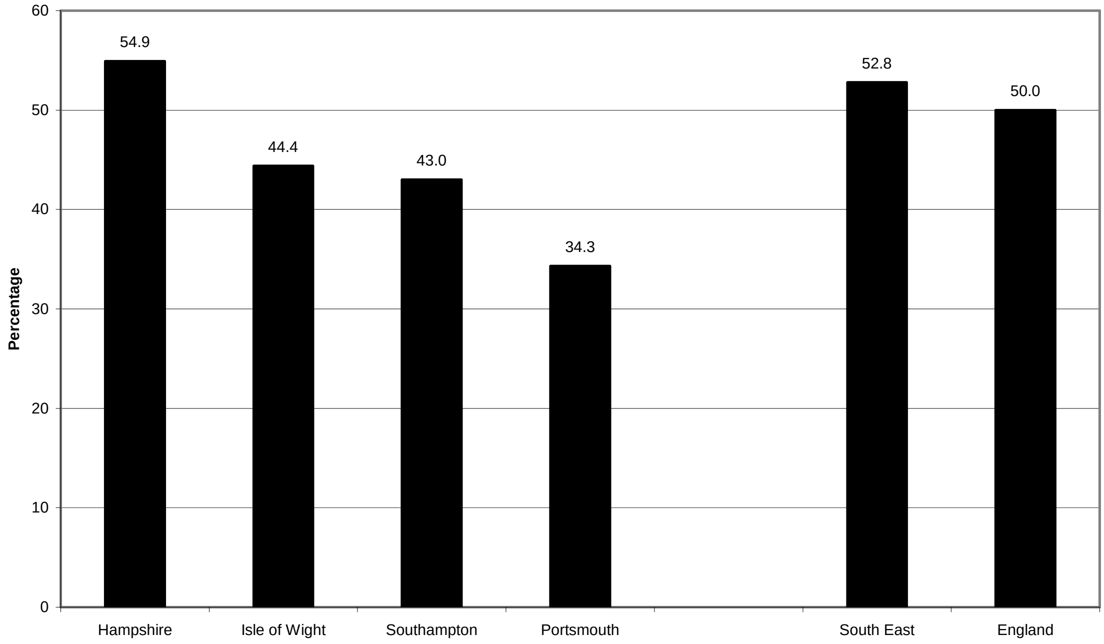
The graph above shows that apart from Fareham, South East Hants and IW has higher poor literacy and numeracy levels than for Hampshire and the Isle of Wight as a whole. This is obviously an area to be addressed.

8.7.2 GCSE and A Level (and equivalents) results 2000/01

Levels of GCSE and A Level attainments are generally high within the South East and this pattern is followed in the Hampshire County Council area (HCC) which has a larger percentage of 15 year olds obtaining 5+ A*-C GCSEs than for the South East overall. For GCSEs and A Levels the unitary authorities generally have lower attainment levels.

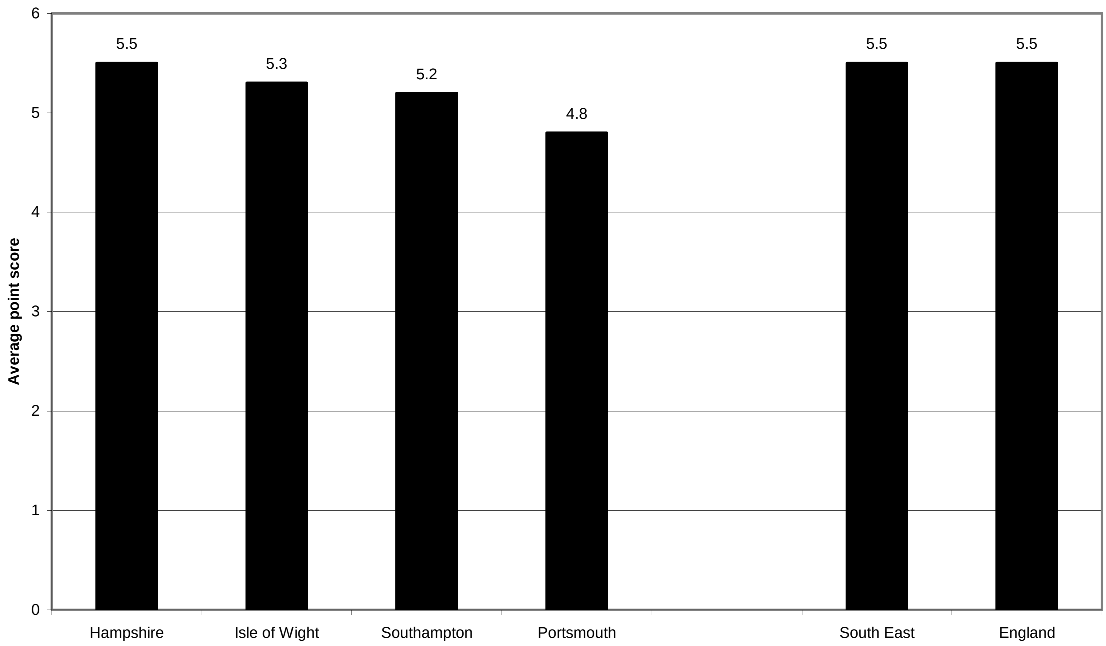
The graphs overleaf show the breakdowns by Local Education Authority.

Figure 39 Percentage of 15 year old pupils achieving 5+ A*-C GCSE/GNVQ, 2000/2001



Source: DfES

Figure 40 Average point score per A/AS/VCE/AGNVQ examination entry, 2000/2001



Source: DfES

8.7.3 School leavers destinations

The table below shows the destinations of Year 11 school leavers as at the 31st October 2001. 20,545 students were surveyed. (Areas are Southern Careers administrative areas).

Table 44 Year 11 destinations, 31st October 2001

Percentage	Education	Employment and Training	Training Non Employment	Unemployed	Not Settled
Fareham	71.0	12.5	2.3	6.3	7.9
Havant	73.7	16.6	0.9	4.3	4.5
Isle of Wight	78.4	12.0	1.7	4.2	3.7
Portsmouth	66.5	12.8	3.4	8.7	8.6
Hampshire and IOW	73.3	12.8	1.4	5.5	7.0

Source: Southern Careers

As can be seen from the table above in all geographical areas the majority of students remain in full time education once they leave school, this is highest on the Isle of Wight (78.4%). Portsmouth has a fairly high percentage who are unemployed.