

## South East Region Employer Engagement Strategy

### 1. Introduction

1.1 The regional employer engagement strategy provides an analysis of the employer profile and Apprenticeship delivery within the South East Region and identifies the key areas for growing the number of Apprenticeship opportunities offered by employers.

1.2 The strategy addresses the three core components:

#### **Segmentation / Analysis**

- Brief analysis of the employer profile of the region
- The current penetration and potential of apprenticeships by sector in region
- Analysis to identify priority sectors for 16-18 employment in region

#### **Regional analysis of the number of employers needed to be engaged.**

- National Office has indicated a target of 2,240 new employers required to meet the Apprenticeship starts target in the South East Region for 2009/10.

#### **Engagement breakdown.**

The South East Region to specify what percentage of these employers will come from:

- Provider engagement and contracting activity within region (inc a sub section on GTA/ATA delivery in region)
- Employer Service Managers direct activity #
- Referrals from CRM via 0800 and website enquiries (IE employer leads generated by national marketing activity)
- Referrals from BLINK / SSCs / JCP and other employer engagement and representative bodies (named)
- The Public sector employers in region
- The other top 5 targeted sectors (named) in region

1.3 This strategy draws on a range of data and reports and will inform an employer engagement plan for the South East Region.

### 2. Employer Profile

2.1 Being the third largest of the English Regions, with a population of over 8.2 million and no single urban centre, the economy has had the second highest productivity of all the English regions and the highest economic activity rate at 82%. Overall, the South East has provided around 4.4 million jobs, a significant proportion of which are in the Public Sector, and in addition to this it makes a sizeable contribution to the labour force of neighbouring regions, especially London. This prosperity,

however, masks economic disparities within the region between a wealthier core (proximity to London) and a poorer fringe (coastal strip) with Milton Keynes, Oxfordshire and Buckinghamshire having the largest share of skill shortage vacancies (24%) and employment (18%), whilst Sussex has the slowest rate of growth. In addition, the 'diamonds for growth areas' identified in the Regional Economic Strategy are eight concentrations of economic activity with transport services which are considered to have potential for further growth linked to skills development.

- 2.2 12% of employers in the South East offer Apprenticeships (14% nationally). In terms of volumes the South East recruits the second largest share of Apprentices and has a larger percentage of Apprenticeships (18%) than its share of national employment (16%). Hampshire and the Isle of Wight have the largest proportion of employers offering Apprenticeships (14%) and Berkshire the least (10%). Employers in Hampshire and the Isle of Wight are most likely to recruit young people from education (27%), whilst those in Surrey are the least likely. It is therefore not surprising that a significant proportion of residents taking Apprenticeships live in Hampshire and the Isle of Wight. This illustrates the need for any growth in Apprenticeships to address cultural attitudes and participation amongst young people. The NAS will need to ensure that employers are aware of the opportunities to develop their skills base through recruiting young people, particularly in the current economic climate where it will be important to continue investing in skills training for the longer term.
- 2.3 In terms of volumes, small employers in the South East have recruited a significant proportion of Apprentices. Those employing 2-4 staff recruited 21% of the Apprentices in the last 12 months. By contrast, those with 100 plus staff employ around 40% of the region's workforce, but recruited only 16% of the Apprentices over the same time period.<sup>1</sup> There is potential to grow Apprenticeships in larger companies, and to find innovative ways to gain their support to over train, as this will help meet the needs of smaller employers.
- 2.4 The occupational areas where the LSC has been delivering Apprenticeships are consistent with the national picture although the South East has a very different occupational make up to many other regions.
- 2.5 In terms of sectors, the largest proportion of Apprenticeships (30%) have been in the Engineering and Manufacturing Technologies, a sector which is set to experience one of the slowest rates of growth. Nearly a quarter were undertaken in the Retail and Commercial Enterprise Sector, with Health, Public Services and Care, Construction, Planning and the Built Environment and Business, Administration and Law all providing 10% of the Apprenticeships. In line with London, delivery of Apprenticeships in the Cultural and Creative Sector, as well as Financial Services, has been low when compared to the potential opportunities in these sectors.
- 2.6 Over the next five years the region is predicted to have a very different occupational make up from the rest of the country with business, retail and other services,

including Health and the Public Sector, accounting for 70% of the workforce by 2014. Given the current recession, it will be more difficult to predict where growth could take place. Parts of the South East are now vulnerable in sectors where the NAS had previously hoped to grow Apprenticeship delivery. In the latest National Business Survey, South East businesses report that *'confidence has been hardest hit in the construction sector, where three in four expect things to get worse followed by the distribution and manufacturing sectors.*

### 3 Size of Employer Establishments by Sector

#### South East

Industry	1-10 employees	11-49 employees	50-199 employees	200 or more employees
	Number	Number	Number	number
1 : Agriculture and fishing (SIC A,B)	1,346	149	11	0
2 : Energy and water (SIC C,E)	329	31	6	8
3 : Manufacturing (SIC D)	18,437	3,025	851	201
4 : Construction (SIC F)	35,768	1,724	303	6
5 : Distribution, hotels and restaurants (SIC G,H)	74,699	13,280	1,880	378
6 : Transport and communications (SIC I)	11,955	1,647	589	127
7 : Banking, finance and insurance, etc (SIC J,K)	127,633	7,502	1,903	438
8 : Public administration, education & health (SIC L)	17,793	9,404	2,911	532
9 : Other services (SIC O,P,Q)	29,070	2,266	464	32
<b>Column Total</b>	<b>317,030</b>	<b>39,028</b>	<b>8,918</b>	<b>1,722</b>

### 4 Apprenticeship Penetration South East Region - Starts by Sector

	Aug-Jan 2007/08	Aug-Jan 2008/09	Change	% Change
Business Administration	2,020	3,970	1,960	97
Children's Care Learning & Development	3,930	5,110	1,180	30
Electro-technical	3,680	4,150	470	13
Engineering	11,490	11,890	410	4
Retail	2,240	4,570	2,330	104
Construction	5,860	6,160	300	5
Plumbing	2,200	2,250	50	2
Hairdressing	4,820	5,880	1,060	22
Hospitality and Catering	2,900	5,460	2,560	88
Active Leisure and Learning	1,370	2,930	1,550	113
Automotive Industry	100	10	-100	-92
Health and Social Care	2,230	4,370	2,140	96
Management	860	3,170	2,310	269
Customer Service	3,670	6,870	3,200	87
Vehicle Maintenance & Repair	5,560	5,010	-560	-10
Other subjects	12,100	18,160	6,060	50
<b>Total</b>	<b>65,020</b>	<b>89,950</b>	<b>24,940</b>	<b>38</b>

Note: Numbers may not be consistent with other data in the table, because all numbers have been rounded to nearest 10.

4.1 Over period August to January 2007/08 to August to January 2008/09 the percentage change in apprenticeship starts by sector was significant in:

- Management
- Active Leisure and Learning
- Retail
- Business Administration
- Health and Social Care
- Hospitality and Catering
- Customer Service

4.2 Management, business administration and customer service offer frameworks to employers across a range of sectors.

4.3 The sectors where apprenticeship starts were relatively flat or had declined are:

- Engineering
- Construction
- Plumbing
- Automotive Industry
- Vehicle Maintenance and Repair

## 5 Percentage of employers offering Apprenticeships

Size of Establishment	South East	Hampshire & Isle of Wight	Kent & Medway	Surrey	Sussex	Thames Valley
<b>All</b>	<b>12%</b>	<b>14%</b>	<b>12%</b>	<b>11%</b>	<b>12%</b>	<b>11%</b>
2 - 4		10	7	6	6	6
5 – 24		19	16	16	16	15
25 – 99		17	20	17	14	16
100 - 199		31	18	18	27	25
200 - 499		21	23	25	28	23 (200+)
500+		50	34	19	30	-

5.1 Hampshire & Isle of Wight

- Overall, 14% of employers in HIOW offer Apprenticeships to their staff.
- Large employers are far more likely to be involved with apprenticeships
- Almost a third of those employing 100 or more staff offer apprenticeships

5.2 Kent & Medway

- Overall, 12 per cent of employers in Kent and Medway offer Apprenticeships to their staff.
- This is the same as found across the South East as a whole (12 per cent), but lower than the England-wide figure (14 per cent).

### 5.3 Surrey

- Overall, 11 per cent of employers in Surrey offer Apprenticeships to their staff.
- This is slightly lower than the South East as a whole (12 per cent), and the England-wide figure (14 per cent).
- Six per cent of all employers had recruited an apprentice aged 16-24 in the last 12 months exactly matching the regional and national average.

### 5.4 Sussex

- Overall, 11 per cent of employers in Sussex offer Apprenticeships to their staff.
- This is slightly lower than the South East as a whole (12 per cent), and the England-wide figure (14 per cent).

### 5.5 Thames Valley

- Overall, 11 per cent of employers in Thames Valley offer Apprenticeships to their staff, and 6 per cent had recruited an apprentice aged 16-24 in the last 12 months. Large employers are far more likely to say they offer Apprenticeships though the proportion recruiting apprentices over the last 12 months differs little by size other than being lower for the smallest size of establishments (3 per cent).

## 6 Sectors predicted to offer growth in Apprenticeships 2009 – 2012

6.1 On the 3<sup>rd</sup> September 2009 a report was published identifying sectors with prospects for Apprenticeship expansion within the South East Region. The report was compiled by Experian. The report identified the following:

6.2 The top target sectors predicted to offer the strongest opportunities for Apprenticeship expansion in order of target are:

- Sectors not covered by a SSC (e.g. education, hair and beauty)
- Skillsmart Retail
- Construction Skills
- Summit Skills
- People 1st
- SEMTA
- Automotive Skills
- Cogent
- Skills for Care and Development

6.3 Sectors with untapped potential to grow apprenticeships includes, in order of target:

- Skills for Health

- Skills for Logistics
- Asset Skills
- Skills Active
- Skills Fast UK
- Improve
- E Skills
- Financial Services

6.4 Sectors with traditionally low take up of Apprenticeships but with potentially the greatest long term impact on growth are, in order of target:

- Lifelong Learning UK
- Proskills
- Go Skills
- Lantra
- Creative and Cultural Industries
- Government Skills
- Energy and Utility Skills
- Skillsset
- Skills for Justice

## 7 Regional analysis of the number of employers needed to be engaged

7.1 It is difficult to establish a baseline number for employers currently offering Apprenticeships within the region. Data from the latest Employer Skills Survey (2007) indicates that within the region 12% of employers (44,070) offer Apprenticeships. When looking at the number offering Apprenticeships for 16-24 year olds this figure drops to 6% (22,035).

7.2 The survey indicates there are a total of 367,248 employers across the region.

<b>LSC Office</b>	<b>1-10 employees</b>	<b>11-49 employees</b>	<b>50-199 employees</b>	<b>200+ employees</b>	<b>Total</b>
Hampshire & Isle of Wight	53,913	6,993	1,523	339	62,768
Kent & Medway	56,026	7,578	1,692	331	65,627
Surrey	50,707	5,301	1,358	268	57,634
Sussex	60,880	7,583	1,572	347	70,382
Thames Valley	95,582	11,660	2,948	647	110,837
<b>Totals</b>	<b>317,108</b>	<b>39,115</b>	<b>9,093</b>	<b>1,932</b>	<b>367,248</b>

7.3 The table below shows the number of Apprenticeship starts achieved In 2008/09, the 2009/10 targets and the increase this represents.

<b>Age</b>	<b>2008/09 starts</b>	<b>2009/10 starts target</b>	<b>Increase / decrease</b>
16-18	12,355	15,554	+3,199
19-24	13,468	14,366	+ 898
25+	7,973	2,419	- 5,554
<b>Total</b>	<b>33,796</b>	<b>32,339</b>	<b>- 1,457</b>

7.4 Whilst overall the region is required to reduce the number of starts by 1,457 between 2008/09 and 2009/10, this is as a result of the restrictions on 25+ funding. All other age groups require growth. Therefore the impact of 25+ recruitment is disregarded and the assumption made is that the region requires growth of 4,097 starts to achieve the 16-18 and 19-24 targets for 2009/10.

7.5 Experience from the current Brokerage arrangements indicates that on average for every employer engaged two starts are achieved. Based on this assumption the indicated target of 2,240 new employers required to meet the Apprenticeship starts target in the South East Region for 2009/10 is too high. It is therefore proposed this target is revised to 2,050 new employers.

## **8 Engagement breakdown**

In order to achieve the required increase in the number of employers offering Apprenticeships NAS will focus on the following areas:

8.1 Public sector – it is anticipated that engagement with the sector will result in an increased number of new employers taking on apprentices. In addition to new employers there is good potential for a number of these employers to offer multiple Apprenticeship opportunities. This is particularly the case with the Local Authorities and the Health Sector.

8.2 Working as part of a network with Business Link, the relevant Sector Skill Council(s), and the Skills Funding Agency establish joint objectives for sector working and establish a shared sector plan in the following target sectors with predicted potential to expand:

- Sectors not covered by a SSC (e.g. education, hair and beauty)
- Skillsmart Retail
- Construction Skills
- Summit Skills
- People 1st
- SEMTA
- Automotive Skills
- Cogent
- Skills for Care and Development

8.3 Sector plans will also be scoped and developed for the following sectors offering untapped potential:

- Skills for Health
- Skills for Logistics
- Asset Skills
- Skills Active
- Skills Fast UK
- Improve
- E Skills
- Financial Services

8.4 Employers with 1000+ employees will be assessed and prioritised for their potential to offer Apprenticeships. NAS will proactively engage this group working with Business Link.

8.5 Given the number of employers (110,837) and the lower than average (11%) take up of Apprenticeships the Thames Valley area is well placed as a geographic focus for increasing the number of employers offering Apprenticeships.

8.6 The required increase of 2,050 new employers will be achieved as follows:

Source	Number of New Employers
Provider engagement	450 (21.9%)
GTA/ATA pilot	150 (7.4%)
Expansion pilot	50 (2.4%)
Employer services direct activity	600 (29.2%)
Other referrals	150 (7.3%)
Public sector	250 (12.3%)
Top 5 targeted sectors	400 (19.5%)

## Annex 1

### 9 Hampshire and Isle of Wight

#### 9.1 Size of employer establishments

#### Hampshire

Industry	1-10 employees	11-49 employees	50-199 employees	200 or more employees
	Number	Number	Number	number
1 : Agriculture and fishing (SIC A,B)	250	35	11	*
2 : Energy and water (SIC C,E)	66	10	6	*
3 : Manufacturing (SIC D)	3,174	571	167	47
4 : Construction (SIC F)	6,211	302	70	6
5 : Distribution, hotels and restaurants (SIC G,H)	11,197	2,176	279	68
6 : Transport and communications (SIC I)	1,810	260	100	18
7 : Banking, finance and insurance, etc (SIC J,K)	20,061	1,159	285	74

8 : Public administration,education & health (SIC L	2,503	1,412	411	90
9 : Other services (SIC O,P,Q)	4,067	354	63	9
<b>Column Total</b>	<b>49,339</b>	<b>6,279</b>	<b>1,392</b>	<b>317</b>

Source: Annual Business Inquiry, workplace analysis, 2006

### Isle of Wight

Industry	1-10 employees	11-49 employees	50-199 employees	200 or more employees
	Number	Number	Number	number
1 : Agriculture and fishing (SIC A,B)	39	*	*	*
2 : Energy and water (SIC C,E)	10	*	*	*
3 : Manufacturing (SIC D)	291	39	13	*
4 : Construction (SIC F)	450	34	*	*
5 : Distribution, hotels and restaurants (SIC G,H)	1,518	266	31	6
6 : Transport and communications (SIC I)	183	31	8	*
7 : Banking, finance and insurance, etc (SIC J,K)	1,371	70	*	*
8 : Public administration,education & health (SIC L	305	222	59	10
9 : Other services (SIC O,P,Q)	407	49	10	*
<b>Column Total</b>	<b>4,574</b>	<b>714</b>	<b>131</b>	<b>22</b>

Source: Annual Business Inquiry, workplace analysis, 2006

\* CONFIDENTIAL DATA: 1947 STATISTICS OF TRADE ACT. These figures must NOT be passed onto a third party (ie, appear in a paper/report/thesis or passed verbally to anyone not named on your Notice).

- Generally, the pattern of HIOW employer establishments by size category reflects that of the region as a whole and is characterised by the significant percentage of establishments employing between one and ten staff.
- With the exception of establishments employing five hundred or more staff, HIOW has slightly higher percentages of establishments in all size bands

### 9.2 Age distribution of working population

Age distribution of working age population by LA 2007			
LA	Aged 16 - 24	Aged 25 - 49	Aged 50+
Hampshire	13.6%	41.9%	44.4%
Isle of Wight	13.7%	33.7%	52.6%
Portsmouth	20.4%	44.9%	34.7%
Southampton	18.1%	45.1%	36.8%

Source: Annual Population Survey, 2007

- The greatest percentage of older people aged 50+ in the working population is on the Isle of Wight which also has the smallest percentage aged 25-49.
- Portsmouth and Southampton have a relatively larger percentage of people aged 16-24.
- SEEDA Older Workforce Analysis (draft Nov 2008) reports that coastal districts of the south east, particularly Sussex and Hampshire, have a significantly higher

portion of residents of pensionable age, compared to the inland more northerly parts of the region. 27 percent of the populations of Chichester and the New Forest and 26 percent of the Isle of Wight are of pensionable age

### 9.3 Proportion of people employed by occupation by LA 2007

<b>Occupations</b>	<b>Hampshire</b>	<b>P'tsmouth</b>	<b>S'mpton</b>	<b>Isle of Wight</b>
Managers & senior officials	16.8	13.1	9.0	14.0
Professional	14.0	11.8	14.8	9.1
Associate Prof & Tech	15.7	15.4	15.4	15.2
Admin & secretarial	12.6	10.9	12.2	11.3
Skilled trades	10.5	10.2	10.9	15.8
Personal Service	7.8	7.3	7.5	10.6
Sales & customer services	6.4	11.5	8.2	7.8
Process, plant & machine ops	5.7	5.7	9.6	5.5
Elementary	10.3	13.6	12.3	10.7

Source: Annual Population Survey, 2007

- The LLSC HIOW as a whole has a larger proportion of employed people in associate professional and technical occupations.

### 9.4 Training

- Over two thirds of employers in HIOW had provided training or development in the previous 12 months –an identical proportion to the south east as a whole
- Larger establishments are markedly more likely to provide training
- Smaller establishments are less likely to train and overall they provide training for a smaller proportion of their workforce

<b>Training</b>	<b>HIOW</b>	<b>SE</b>
% of establishments training staff over last 12 months	69%	69%
% of establishments providing off-the-job training	47%	45%
% of establishments providing on-the-job training	55%	55%
% of employees trained over the last 12 months	65%	61%
% with a training plan	51%	48%

% with a budget for training	40%	37%

Source: LSC South East Employer Skills Survey 2007

## 9.5 Apprenticeships

	<b>% offering apprenticeships</b>
South East	12
<b>HIOW</b>	<b>14</b>
Size of establishment	
2-4	<b>10</b>
5-24	<b>19</b>
25-99	<b>17</b>
100-199	<b>31</b>
200-499	<b>21</b>
500+	<b>50</b>

Source: LSC South East Employer Skills Survey 2007

- Overall, 14% of employers in HIOW offer Apprenticeships to their staff.
- Large employers are far more likely to be involved with apprenticeships
- Almost a third of those employing 100 or more staff offer apprenticeships

## 9.6 Changes in Employment

- Overall economic performance in the south east weakened during October.
- Overall the volume of output and new orders was lower than the previous month with small independent retailers in coastal areas being affected to a greater extent by the slowdown in consumer spending than larger business elsewhere in the region.
- The retail, financial, housing and automotive sectors are facing tougher conditions. Alternatively, IT companies, businesses in the security industry, export orientated engineering and those who supply government markers are reporting that sales volumes are up.
- Employment has remained broadly flat. The largest number of redundancies in September and October were in Kent, Hampshire and Sussex. The sectors that have been most affect by the current downturn are construction, retail and financial services and in general all those that are highly exposed to consumer demand such as the marine leisure sector. There is some uncertainty and concern in Hampshire where there is a significant concentration of insurance companies.

## 9.7 Inward Investment

- Portsmouth Continental Ferry Port has won permission to build a new GBP 15m passenger terminal by the end of 2010.
- Qinetiq has secured a £150m, 15 year deal with the MOD for the Marine Strategic Capabilities Agreement, securing highly skilled jobs for Gosport

- Cisco Systems is re-sourcing to suppliers based on the Isle of Wight, due to the more favourable £/\$ exchange rate.

## 10 Kent & Medway

### 10.1 Size of employer establishments

#### Kent

Industry	1-10 employees	11-49 employees	50-199 employees	200 or more employees
	Number	Number	Number	number
1 : Agriculture and fishing (SIC A,B)	239	54	*	*
2 : Energy and water (SIC C,E)	60	*	*	*
3 : Manufacturing (SIC D)	3,026	544	156	46
4 : Construction (SIC F)	6,510	357	65	*
5 : Distribution, hotels and restaurants (SIC G,H)	13,583	2,257	326	58
6 : Transport and communications (SIC I)	2,281	316	116	28
7 : Banking, finance and insurance, etc (SIC J,K)	16,380	995	226	40
8 : Public administration, education & health (SIC L)	3,052	1,732	498	85
9 : Other services (SIC O,P,Q)	4,047	368	65	*
<b>Column Total</b>	<b>49,178</b>	<b>6,638</b>	<b>1,469</b>	<b>273</b>

Source: Annual Business Inquiry, workplace analysis, 2006

#### Medway

Industry	1-10 employees	11-49 employees	50-199 employees	200 or more employees
	Number	Number	Number	number
1 : Agriculture and fishing (SIC A,B)	*	*	0	*
2 : Energy and water (SIC C,E)	*	*	*	0
3 : Manufacturing (SIC D)	415	89	*	*
4 : Construction (SIC F)	1,207	51	*	0
5 : Distribution, hotels and restaurants (SIC G,H)	1,855	296	43	*
6 : Transport and communications (SIC I)	347	41	*	*
7 : Banking, finance and insurance, etc (SIC J,K)	2,014	151	35	*
8 : Public administration, education & health (SIC L)	458	252	87	*

9 : Other services (SIC O,P,Q)	536	54	*	*
<b>Column Total</b>	<b>6,848</b>	<b>940</b>	<b>223</b>	<b>58</b>

Source: Annual Business Inquiry, workplace analysis, 2006

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- In Kent and Medway the largest number of employees can be found in the Banking, finance and insurance and distribution, hotels and restaurants sectors.
- There are more sectors employing 1-10 employees than any other size band.

## 10.2 Age distribution of working population

<b>Age distribution of working age population by LA 2007</b>			
LA	Aged 16 - 24	Aged 25 - 49	Aged 50+
Kent	13.4	41.8	44.8
Medway	16.7	43.9	39.5

Source: Annual Population Survey, 2007

- Comparing the Kent and Medway areas, the greatest percentage of older people aged 50+ in the working age population is in Kent which also has the smallest percentage aged 25-49.
- Medway has the largest percentage of people aged 16-24.

## 10.3 Proportion of people employed by occupation by LA 2007

<b>Occupations</b>	<b>Kent</b>	<b>Medway</b>
Managers & senior officials	15.5	12.4
Professional	13.5	10.4
Associate Prof & Tech	13.4	14.8
Admin & secretarial	12.1	12.3
Skilled trades	12.1	13.7
Personal Service	7.8	8.0
Sales & customer services	7.6	10.2
Process, plant & machine ops	5.9	8.2
Elementary	12.0	9.6

Source: Annual Population Survey, 2007

- Kent has the largest proportion of people employed in the managers and senior officials sector while Medway has the largest employment based in the associate professional and technical occupations sector.

## 10.4 Training

- Approaching three-quarters of Kent and Medway employers (72 per cent) had provided any training or development in the previous 12 months.
- 46 per cent had provided any off-the-job training.
- Both are slightly higher than found across the South East as a whole.

<b>Training</b>	<b>Kent &amp; Medway</b>	<b>SE</b>
% of establishments training staff over last 12 months	72%	69%
% of establishments providing off-the-job training	46%	45%
% of establishments providing on-the-job training	57%	55%
% of employees trained over the last 12 months	64%	61%
% with a training plan	50%	48%
% with a budget for training	36%	37%

Source: LSC South East Employer Skills Survey 2007

## 10.5 Apprenticeships

	<b>% offering apprenticeships</b>
South East	12
<b>Kent &amp; Medway</b>	<b>12</b>
Size of establishment	
2-4	<b>7</b>
5-24	<b>16</b>
25-99	<b>20</b>
100-199	<b>18</b>
200-499	<b>23</b>
500+	<b>34</b>

Source: LSC South East Employer Skills Survey 2007

- Overall, 12 per cent of employers in Kent and Medway offer Apprenticeships to their staff.
- This is the same as found across the South East as a whole (12 per cent), but lower than the England-wide figure (14 per cent).

## 10.6 Changes in Employment

- There remains a mixed picture across a range of sectors and businesses in the South East. The retail, financial, housing and automotive sectors are facing tougher trading conditions. IT, security, exports orientated engineering and government suppliers are reporting sales volumes holding up. Those businesses with diversified products and markets are generally doing better.
- Manufacturing, and in particular engineering, report marginally lower output than in the previous month, but profit margins and cash flow position have marginally improved. Export orientated engineering businesses appear to be doing better than other parts of manufacturing helped by the recent sterling depreciation.
- The largest number of redundancies in September and October were in Kent, Hampshire and Sussex.
- Several local authorities in the region (notably in Berkshire and Kent) have been exposed to bad debt through their deposits in Icelandic banks, however this is unlikely to impact on service provision.

## 10.7 Inward Investment

- In the retail and distribution sector, Morrisons is building a depot in Sittingbourne which will create around 1,000 jobs. The depot will open in October 2009.

## 11 Surrey

### 11.1 Size of employer establishments

#### Surrey

Industry	1-10 employees	11-49 employees	50-199 employees	200 or more employees
	Number	Number	Number	number
1 : Agriculture and fishing (SIC A,B)	176	*	*	*
2 : Energy and water (SIC C,E)	58	*	*	0
3 : Manufacturing (SIC D)	2,585	307	96	*
4 : Construction (SIC F)	5,072	238	52	*
5 : Distribution, hotels and restaurants (SIC G,H)	10,788	1,831	258	60
6 : Transport and communications (SIC I)	1,780	206	75	*
7 : Banking, finance and insurance, etc (SIC J,K)	22,957	1,271	333	89
8 : Public administration, education & health (SIC L)	2,295	1,112	453	75
9 : Other services (SIC O,P,Q)	4,996	306	78	*
<b>Column Total</b>	<b>50,707</b>	<b>5,301</b>	<b>1,358</b>	<b>268</b>

Source: Annual Business Inquiry, workplace analysis, 2006

\* CONFIDENTIAL DATA: 1947 STATISTICS OF TRADE ACT. These figures must NOT be passed onto a third party (ie, appear in a paper/report/thesis or passed verbally to anyone not named on your Notice).

- In the whole Surrey area and similarly across the South East, the largest number of employees can be found in the Banking, finance and insurance and distribution, hotels and restaurants sectors.
- There are more sectors employing 1-10 employees than any other size band, showing the large number of small businesses in Surrey.

### 11.2 Age distribution of working population

Age distribution of working age population by LA 2007			
LA	Aged 16 - 24	Aged 25 - 49	Aged 50+
Surrey	12.5	44.5	43

Source: Annual Population Survey, 2007

- Compared to other areas in the South East, Surrey has a relatively high proportion of the working age population in the 50+ group.

### 11.3 Proportion of people employed by occupation by LA 2007

Occupations	Surrey
Managers & senior officials	21.5

Professional	17.2
Associate Prof & Tech	16.9
Admin & secretarial	12.4
Skilled trades	8.7
Personal Service	7.0
Sales & customer services	6.7
Process, plant & machine ops	2.2
Elementary	7.0

Source: Annual Population Survey, 2007

- Surrey has the largest proportion of people employed in the managers and senior officials sector whilst the process, plant and machine operatives sector employs the smallest proportion of people.

#### 11.4 Training

- Two-thirds of Sussex employers (66 per cent) had provided any training or development in the previous 12 months.
- Overall 42 per cent of employers provided any off-the-job training in the last 12 months, slightly lower than the South East and national figures (45 and 46 per cent respectively).

Training	Surrey	SE
% of establishments training staff over last 12 months	66%	69%
% of establishments providing off-the-job training	42%	45%
% of establishments providing on-the-job training	52%	55%
% of employees trained over the last 12 months	62%	61%
% with a training plan	45%	48%
% with a budget for training	33%	37%

Source: LSC South East Employer Skills Survey 2007

#### 11.5 Apprenticeships

	% offering apprenticeships
South East	12
<b>Surrey</b>	<b>11</b>
Size of establishment	
2-4	<b>6</b>
5-24	<b>16</b>
25-99	<b>17</b>
100-199	<b>18</b>
200-499	<b>25</b>
500+	<b>19</b>

Source: LSC South East Employer Skills Survey 2007

- Overall, 11 per cent of employers in Surrey offer Apprenticeships to their staff.
- This is slightly lower than the South East as a whole (12 per cent), and the England-wide figure (14 per cent).

- Six per cent of all employers had recruited an apprentice aged 16-24 in the last 12 months exactly matching the regional and national average.

## 11.6 Changes in Employment in the Region

- Overall, the volume of output and new orders (particularly domestic orders) was lower in October than in the previous month. However, the impact across the region is less than uniform, with small independent retailers in coastal areas being affected to a greater extent by the slowdown in consumer spending than larger businesses elsewhere in the South East. Buckinghamshire, Berkshire and Surrey appear to be faring better than the rest of the region.
- There remains a mixed picture across a range of sectors and businesses in the South East. The retail, financial, housing and automotive sectors are facing tougher trading conditions. IT, security, exports orientated engineering and government suppliers are reporting sales volumes holding up. Those businesses with diversified products and markets are generally doing better.
- Manufacturing, and in particular engineering, report marginally lower output than in the previous month, but profit margins and cash-flow position have marginally improved. Export orientated engineering businesses appear to be doing better than other parts of manufacturing helped by the recent sterling depreciation.
- In the financial services sector, currently uncertainty about potential impacts appears to be just as significant as actual adverse effects on businesses. Anxiety is a particular concern in Surrey and Buckinghamshire.

## 11.7 Inward investment

- Recent new investments in Surrey include a Dutch recycling company and a French IT firm.

## 12 Sussex

### 12.1 Size of employer establishments

#### Brighton and Hove

Industry	1-10 employees	11-49 employees	50-199 employees	200 or more employees
	Number	Number	Number	number
1 : Agriculture and fishing (SIC A,B)	*	*	0	0
2 : Energy and water (SIC C,E)	*	*	0	8
3 : Manufacturing (SIC D)	571	46	*	*
4 : Construction (SIC F)	896	51	*	0
5 : Distribution, hotels and restaurants (SIC G,H)	2,788	507	48	*
6 : Transport and communications (SIC I)	316	36	*	*
7 : Banking, finance and insurance, etc (SIC J,K)	4,292	292	72	*
8 : Public administration, education & health (SIC L)	953	404	79	23
9 : Other services (SIC O,P,Q)	1,304	89	27	*

<b>Column Total</b>	<b>11,139</b>	<b>1,429</b>	<b>256</b>	<b>66</b>
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Source: Annual Business Inquiry, workplace analysis, 2006

### East Sussex

Industry	1-10 employees	11-49 employees	50-199 employees	200 or more employees
	Number	Number	Number	number
1 : Agriculture and fishing (SIC A,B)	160	*	0	0
2 : Energy and water (SIC C,E)	*	*	*	0
3 : Manufacturing (SIC D)	1,307	205	56	*
4 : Construction (SIC F)	2,493	97	*	*
5 : Distribution, hotels and restaurants (SIC G,H)	5,027	686	83	*
6 : Transport and communications (SIC I)	643	60	23	*
7 : Banking, finance and insurance, etc (SIC J,K)	6,827	286	46	*
8 : Public administration, education & health (SIC L)	1,316	785	196	30
9 : Other services (SIC O,P,Q)	1,772	118	*	0
<b>Column Total</b>	<b>19,606</b>	<b>2,256</b>	<b>440</b>	<b>66</b>

Source: Annual Business Inquiry, workplace analysis, 2006

### West Sussex

Industry	1-10 employees	11-49 employees	50-199 employees	200 or more employees
	Number	Number	Number	number
1 : Agriculture and fishing (SIC A,B)	196	28	*	*
2 : Energy and water (SIC C,E)	34	*	*	*
3 : Manufacturing (SIC D)	1,982	325	90	32
4 : Construction (SIC F)	3,313	153	22	*
5 : Distribution, hotels and restaurants (SIC G,H)	7,450	1,359	169	33
6 : Transport and communications (SIC I)	1,160	180	59	29
7 : Banking, finance and insurance, etc (SIC J,K)	11,536	647	169	49
8 : Public administration, education & health (SIC L)	1,640	995	317	62
9 : Other services (SIC O,P,Q)	2,824	201	39	*
<b>Column Total</b>	<b>30,135</b>	<b>3,898</b>	<b>876</b>	<b>215</b>

Source: Annual Business Inquiry, workplace analysis, 2006

\* CONFIDENTIAL DATA: 1947 STATISTICS OF TRADE ACT. These figures must NOT be passed onto a third party (ie, appear in a paper/report/thesis or passed verbally to anyone not named on your Notice).

- In the whole Sussex area the largest number of employees can be found in the Banking, finance and insurance and distribution, hotels and restaurants sectors.
- There are more sectors employing 1-10 employees than any other size band, showing the large number of small businesses in Sussex.

## 12.2 Age distribution of working population

<b>Age distribution of working age population by LA 2007</b>			
LA	Aged 16 - 24	Aged 25 - 49	Aged 50+
Brighton & Hove	16.4	47	36.6
East Sussex	12	37.3	50.7
West Sussex	11.7	40.1	48.1

Source: Annual Population Survey, 2007

- The greatest percentage of older people aged 50+ in the working age population is in East Sussex which also has the smallest percentage aged 25-49.
- Brighton and Hove has the largest percentage of people aged 16-24.

## 12.3 Proportion of people employed by occupation by LA 2007

Occupations	Brighton & Hove	East Sussex	West Sussex
Managers & senior officials	20.2	16	18.4
Professional	17.3	11.8	13.2
Associate Prof & Tech	17.3	13.6	14.1
Admin & secretarial	8.8	11.1	12.5
Skilled trades	7.5	13.7	10.1
Personal Service	7.4	10.1	7.9
Sales & customer services	8.3	8.8	8.7
Process, plant & machine ops	3.6	5.0	4.6
Elementary	9.6	10.1	10.1

Source: Annual Population Survey, 2007

- Brighton and Hove has the largest proportion of people employed in the managers and senior officials sector while West Sussex has the largest employment based in the administrative and secretarial sector.

## 12.4 Training

- Over two-thirds of Sussex employers (68 per cent) had provided any training or development in the previous 12 months.
- Overall 44 per cent of employers provided any off-the-job training in the last 12 months, slightly lower than the South East and national figures (45 and 46 per cent respectively).

Training	Sussex	SE
% of establishments training staff over last 12 months	68%	69%

% of establishments providing off-the-job training	44%	45%
% of establishments providing on-the-job training	53%	55%
% of employees trained over the last 12 months	60%	61%
% with a training plan	47%	48%
% with a budget for training	34%	37%

Source: LSC South East Employer Skills Survey 2007

## 12.5 Apprenticeships

	% offering apprenticeships
South East	12
<b>Sussex</b>	<b>12</b>
Size of establishment	
2-4	<b>6</b>
5-24	<b>16</b>
25-99	<b>14</b>
100-199	<b>27</b>
200-499	<b>28</b>
500+	<b>30</b>

Source: LSC South East Employer Skills Survey 2007

- Overall, 11 per cent of employers in Sussex offer Apprenticeships to their staff.
- This is slightly lower than the South East as a whole (12 per cent), and the England-wide figure (14 per cent).

## 12.6 Changes in Employment in the Region

- Overall, the volume of output and new orders (particularly domestic orders) was lower in October than in the previous month. However, the impact across the region is less than uniform, with small independent retailers in coastal areas being affected to a greater extent by the slowdown in consumer spending than larger businesses elsewhere in the South East.
- There remains a mixed picture across a range of sectors and businesses in the South East. The retail, financial, housing and automotive sectors are facing tougher trading conditions. IT, security, exports orientated engineering and government suppliers are reporting sales volumes holding up. Those businesses with diversified products and markets are generally doing better.
- Prime Care Community Services has secured GBP 5m from private equity firm Close Ventures to fund the expansion of its Sussex-based care business over the next five years, with the creation of up to 1,000 jobs.
- In September and October alone, more than 1,000 people were assisted. A large proportion of these people work in manufacturing, transport and communications, with some redundancies in the retail and tourism and health and education sectors. The largest number of redundancies in September and October were in Kent, Hampshire and Sussex

## 12.7 Inward investment

- Brighton's gaming industry has been boosted by recent inward investment and a big contract from Disney.

## 13 Thames Valley

### 13.1 Size of employer establishments

#### Thames Valley 1-10 employees

local authority: county/unitary	Agriculture & fishing	Energy & water	Manufacturing	Construction	Distribution, hotels and restaurants	Transport & comms	Banking, finance & insurance	Admin, education & health	Other services
Bracknell Forest	*	*	164	499	738	148	1,907	206	335
Buckinghamshire	86	22	1,436	2,685	4,969	779	11,051	1,240	2,618
Milton Keynes	*	*	446	825	1,875	428	3,964	489	667
Oxfordshire	102	41	1,491	2,823	6,228	764	10,810	1,932	2,790
Reading	*	*	252	464	1,376	199	2,475	301	374
Slough	*	*	195	290	1,042	337	1,398	158	249
West Berkshire	28	*	393	807	1,504	291	3,344	325	766
Windsor and Maidenhead	*	*	364	549	1,713	276	3,819	358	790
Wokingham	*	*	327	674	1,048	213	3,427	262	528
Column Total	<b>286</b>	<b>101</b>	<b>5,068</b>	<b>9,616</b>	<b>20,493</b>	<b>3,435</b>	<b>42,195</b>	<b>5,271</b>	<b>9,117</b>

*Annual Business Inquiry workplace analysis, 2007*

#### Thames Valley 11-49 employees

local authority: county/unitary	Agriculture & fishing	Energy & water	Manufacturing	Construction	Distribution, hotels and restaurants	Transport & comms	Banking, finance & insurance	Admin, education & health	Other services
Bracknell Forest	*	0	21	*	151	21	135	102	40
Buckinghamshire	*	*	236	91	747	92	495	538	155
Milton Keynes	*	0	104	38	472	61	288	252	64
Oxfordshire	*	*	279	172	1,154	131	701	85	217
Reading	0	*	49	25	358	42	235	194	52
Slough	*	*	58	26	221	81	155	71	28
West Berkshire	*	*	59	32	302	38	198	159	79
Windsor and Maidenhead	*	0	53	27	286	30	241	168	40
Wokingham	*	*	40	22	211	21	183	155	52
Column Total	32	21	899	441	3,902	517	2,631	2,490	727

*Annual Business Inquiry workplace analysis, 2007*

#### Thames Valley 50-199 employees

local authority: county/unitary	Agriculture & fishing	Energy & water	Manufacturing	Construction	Distribution, hotels and restaurants	Transport & comms	Banking, finance & insurance	Admin, education & health	Other services
Bracknell Forest	*	*	*	*	32	*	45	29	*
Buckinghamshire	*	*	61	*	128	33	116	192	39

Milton Keynes	*	*	55	*	108	36	111	84	*
Oxfordshire	*	*	76	21	151	42	164	241	51
Reading	*	*	*	*	59	*	86	73	*
Slough	*	*	21	*	53	31	74	55	*
West Berkshire	*	*	22	*	50	21	50	43	*
Windsor and Maidenhead	*	*	*	*	40	*	51	51	*
Wokingham	*	*	*	*	22	*	40	43	*
Column Total	*	*	273	94	643	208	737	811	182

Annual Business Inquiry workplace analysis, 2007

### Thames Valley 200+ employees

local authority: county/unitary	Agriculture & fishing	Energy & water	Manufacturing	Construction	Distribution, hotels and restaurants	Transport & comms	Banking, finance & insurance	Admin, education & health	Other services
Bracknell Forest	*	*	*	0	*	*	*	*	*
Buckinghamshire	*	*	*	*	27	*	21	23	*
Milton Keynes	*	*	*	0	22	*	31	*	*
Oxfordshire	*	*	27	*	35	*	30	57	*
Reading	*	*	*	*	*	*	22	*	*
Slough	*	*	*	*	*	*	*	*	*
West Berkshire	*	*	*	0	*	*	*	*	0
Windsor and Maidenhead	*	*	*	*	*	*	*	*	*
Wokingham	*	*	*	0	*	0	*	*	0
Column Total	*	*	76	*	153	52	186	157	23

Annual Business Inquiry workplace analysis, 2007

\* CONFIDENTIAL DATA: 1947 STATISTICS OF TRADE ACT. These figures must NOT be passed onto a third party (ie, appear in a paper/report/thesis or passed verbally to anyone not named on your Notice).

- In the whole Thames Valley area the largest number of employees can be found in the Banking, finance and insurance, distribution, hotels and restaurants and public administration, education and health sectors.
- There are more sectors employing 1-10 employees than any other size band, showing the large number of small businesses in Thames Valley.

### 13.2 Age distribution of working population

Age distribution of working age population by LA 2007			
LA	Aged 16 - 24	Aged 25 - 49	Aged 50+
Bracknell Forest	13.5	49.0	37.6
Buckinghamshire	11.6	44.5	43.9
Milton Keynes	16.7	48.5	34.8
Oxfordshire	16.1	44.9	39.0
Reading	19.2	50.3	30.5
Slough	17.7	51.4	30.9
West Berkshire	12.7	45.3	42.0

Windsor & Maidenhead	10.9	46.5	42.6
Wokingham	13.2	48.1	38.7
Column Total	14.5	46.5	39.0

Source: Annual Population Survey, 2007

- The greatest percentage of older people aged 50+ in the working age population is in Windsor and Maidenhead which also has the smallest percentage aged 16-24.
- Slough has the largest percentage of people aged 25-49.

### 13.3 Proportion of people employed by occupation by LA 2007

local authority: county/unitary	Managers and senior officials	Professional occupations	Associate professional and technical occupations	Administrative and secretarial occupations	Skilled trade occupations	Personal service occupations	Sales and customer service occupations	Process, plant and machine operatives	Elementary occupations
Bracknell Forest	18.7	16.9	15.8	13.5	10.6	6.6	5.6	2.8	9.4
Buckinghamshire	21.3	13.6	18.6	12.5	9.4	8.4	3.4	4.2	8.6
Milton Keynes	16.0	12.7	15.1	14.1	8.9	6.0	7.3	6.7	13.1
Oxfordshire	16.3	17.0	15.5	11.5	9.2	7.2	5.6	6.4	11.2
Reading	15.0	19.4	15.5	9.8	7.8	5.6	9.3	5.1	12.2
Slough	13.3	10.0	11.6	11.7	10.2	7.6	8.7	10.2	16.1
West Berkshire	19.6	15.5	14.8	12.4	10.4	5.8	6.9	5.7	8.7
Windsor and Maidenhead	25.5	18.1	18.2	10.9	6.7	4.6	4.4	4.2	7.3
Wokingham	23.9	18.3	16.4	13.1	6.5	7.8	5.0	3.3	5.7
Column Total	18.6	15.7	16.1	12.1	9.0	7.0	5.7	5.4	10.2

Source: Annual Population Survey 2007

- Windsor and Maidenhead has the largest proportion of people employed in the managers and senior officials sector while Milton Keynes has the largest employment based in the administrative and secretarial sector.

### 13.4 Training

- Over two-thirds of Thames Valley employers (68 per cent) had provided any training or development in the previous 12 months, and 45 per cent had provided any off-the-job training. As shown in the table below these results are similar to the regional and national figures.
- The number of staff trained in Thames Valley in the 12 months prior to NESS07 is equivalent to 61 per cent of the current workforce employed in organisations with 2

or more staff. This matches the regional average but is lower than found England-wide (63 per cent).

<b>Training</b>	<b>Thames Valley</b>	<b>SE</b>
% of establishments training staff over last 12 months	68%	69%
% of establishments providing off-the-job training	45%	45%
% of establishments providing on-the-job training	54%	55%
% of employees trained over the last 12 months	61%	61%
% with a training plan	48%	48%
% with a budget for training	37%	37%

Source: LSC South East Employer Skills Survey 2007

### 13.5 Apprenticeships

	<b>% offering apprenticeships</b>
South East	12
<b>Thames Valley</b>	<b>11</b>
Size of establishment	
2-4	<b>6</b>
5-24	<b>15</b>
25-99	<b>16</b>
100-199	<b>25</b>
200+	<b>23</b>

Source: LSC South East Employer Skills Survey 2007

- Overall, 11 per cent of employers in Thames Valley offer Apprenticeships to their staff, and 6 per cent had recruited an apprentice aged 16-24 in the last 12 months. Large employers are far more likely to say they offer Apprenticeships though the proportion recruiting apprentices over the last 12 months differs little by size other than being lower for the smallest size of establishments (3 per cent).

### 13.6 Changes in Employment in the Region

- Overall, the volume of output and new orders (particularly domestic orders) was lower in October than in the previous month. However, the impact across the region is less than uniform, with small independent retailers in coastal areas being affected to a greater extent by the slowdown in consumer spending than larger businesses elsewhere in the South East. Buckinghamshire, Berkshire and Surrey appear to be faring better than the rest of the region.
- There remains a mixed picture across a range of sectors and businesses in the South East. The retail, financial, housing and automotive sectors are facing tougher trading conditions. IT, security, exports orientated engineering and government suppliers are reporting sales volumes holding up. Those businesses with diversified products and markets are generally doing better.
- There is current uncertainty about potential impacts and this appears to be just as significant as actual adverse effects on businesses. Anxiety is a particular concern in Surrey and Buckinghamshire where there are concerns over the future of HBOS staff in Aylesbury.

### 13.7 Inward investment

- In some areas in the region, such as Milton Keynes, the retail sector appears to be relatively buoyant, with several million pounds' worth of development projects committed and new stores opening and footfall up 4% in the year to September 2008.