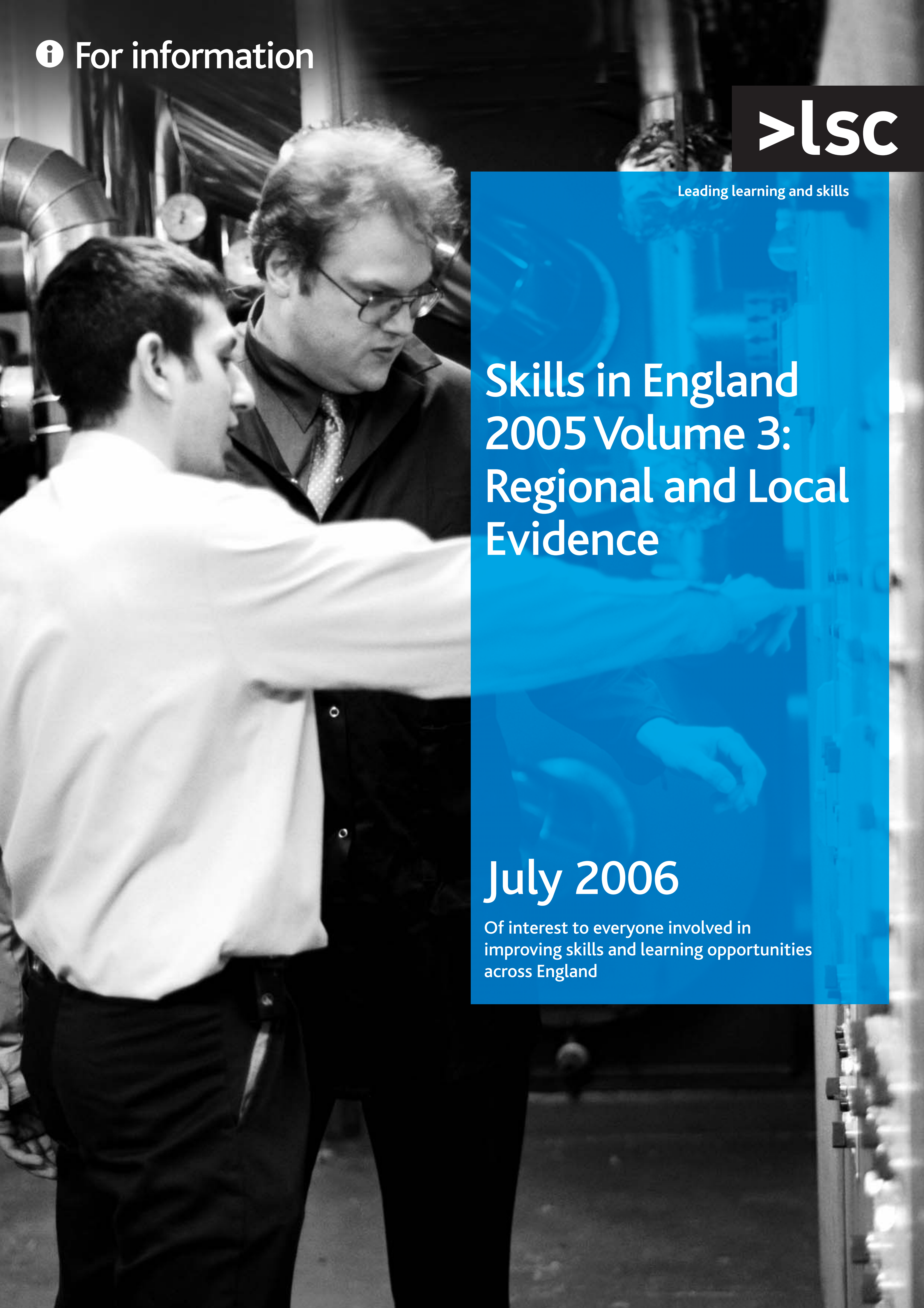

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Leading learning and skills

Skills in England 2005 Volume 3: Regional and Local Evidence

July 2006

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

Skills in England 2005 is presented in three volumes. Volume 1 presents the key messages and an overview of the research findings contained in the other two volumes. Volume 2 is the main research report. It contains separate chapters on the demand for and supply of skills, as well as mismatches between demand and supply. Finally, Volume 3 provides evidence related to regional and local trends.

Skills in England 2005 has been produced by the Learning and Skills Council in partnership with the Department for Education and Skills and the Sector Skills Development Agency.

For information

Contents

Tables

Preface and Acknowledgements

Key Messages sets out the main findings and broad policy implications from the assessment by the Learning and Skills Council (LSC) of *Skills in England 2005*. It highlights the key issues facing the LSC and its partners, identifying the key priorities for skills and informing the public debate on future skill needs.

Skills in England 2005 is presented in three volumes. *Key Messages* is Volume 1. The vast array of evidence from which this report has been distilled can be found in Volume 2, which is the *Research Report*. It contains separate chapters on the demand for and supply of skills, as well as the main mismatches between demand and supply. Finally, Volume 3*, Regional and Local Evidence*, provides more detailed trends and perspectives within England.

Skills in England 2005 was produced by the University of Warwick Institute for Employment Research (IER) and Cambridge Econometrics (CE). They were assisted by the steering group, which provided comments at various stages in the drafting process, for which the LSC is most grateful. The members of the steering group were:

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

Rob Wilson

Terence Hogarth

Series editors

Foreword

I have great pleasure in introducing *Skills in England 2005*. This is the annual national skills assessment carried out by the LSC on behalf of ourselves and our key partners.

Skills in England draws together the most current and pertinent research and analysis of skills. It is a critical tool in developing a shared understanding of the supply of skills and the demand for those skills, both now and into the medium-term future. It seeks to inform government strategy and local provision, and to inform and complement the work of the Leitch Review.

The report is the result of a partnership approach between the key government agencies involved in the skills agenda and it brings together expert views. The findings of *Skills in England* are critical in steering the LSC to transform learning and skills and achieve our priorities:

- ensuring that all 14–19 year olds have access to high-quality, relevant learning opportunities
- making learning truly demand led so that it better meets the needs of employers, young people and adults
- transforming the learning and skills sector through *agenda for change*
- strengthening the role of the LSC in economic development so that we provide the skills needed to help all individuals into jobs
- improving the skills of the workers who are delivering public services
- strengthening the capacity of the LSC to lead change nationally, regionally and locally.

Much progress has been made in England, with unemployment rates at historically low levels, employment rates among the highest in Europe and the country's productivity having improved relative to that of our main competitors. The qualification and skills profile of the workforce has changed beyond recognition, with many more people acquiring higher level qualifications and the number without qualifications having fallen substantially. More people are engaged in further and higher education now than in the past.

The findings in the report emphasise the importance of skills to the economy, to the employer and to the individual. It reminds us that failure to pay sufficient attention to skills will result in flagging international competitiveness and increasing social division and exclusion. The pace of change is accelerating and brings with it an increased demand for skills. Skills must keep pace with this change or face becoming out of date.

England has been better at acquiring skills over the last decade but our competitors have not stood still. We must not rest on our laurels. We must continue to look at how to raise the demand for skills from employers, how to transform attitudes to education and training, increase access to learning opportunities for all and continue to improve the research and information that we have to drive our policy and strategy development.

Skills alone are not the only success criteria. We must continue to get the right mix of policy that is necessary for prosperity and social inclusion, to foster innovation and to develop entrepreneurship, exporting, and research and development capability.

In closing, I urge you to consider the information presented here and how it will inform your way forward in developing your contribution to personal success and that of the economy. The LSC looks forward to working with you to make England better skilled and more competitive.

Christopher N Banks CBE
Chairman, Learning and Skills Council

Introduction: Regional and Local Evidence

3.1 This document is the third volume in the *Skills in England 2005* report. This volume presents a set of regional and local profiles that covers the whole of the English economy. The format of the report and the analysis is the same as in previous years and as such the focus of this volume remains on employment trends in the context of regional economic development. The profiles summarise the economic and labour market context for each locality. A summary table is presented for each regional development agency (RDA) and local LSC area showing comparable information on:

- demographic characteristics
- employment indicators
- sectoral structure (including the importance of manufacturing and rapidly growing and declining industries)
- indicators of skill deficiencies
- unemployment rate.

In order to illustrate sectoral and occupational structure, the tables use measures of occupational employment shares and the percentage of total employment in the 10 best- and 10 worst-performing industries in England by employment growth. It should be noted that the terms ‘best-performing’ and ‘worst-performing’ here refer solely to the rate of employment change, and not any other criterion for assessing ‘performance’ in some broader sense (such as efficiency or competitiveness). The categories used are summarised in Tables 1.1 to 1.3. Tables 1.4a and 1.4b provide a broad overview, showing how the various regions of England compare on this set of indicators.

Table 1.1: Major occupational groups (Standard Occupational Classification 2000).

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

Table 1.2: Ten worst-performing English industries.

1	Textiles and clothing
2	Agriculture
3	Utilities
4	Mining
5	Metals and metal goods
6	Wood and paper
7	Engineering
8	Chemicals and non-metallic mineral products
9	Sale and maintenance of motor vehicles
10	Food, drink and tobacco

Source: CE and IER estimates based on *Working Futures, 2004–2014*.
Note: 10 worst-performing English industries of 27 by employment growth 1994–2004.

Table 1.3: Ten best-performing English industries.

1	Health and social work
2	Construction
3	Transport
4	Education
5	Hotels and catering
6	Miscellaneous services
7	Communications
8	Other business services
9	Professional services
10	Computing services

Source: CE and IER estimates based on *Working Futures, 2004–2014*.
Note: 10 best-performing English industries of 27 by employment growth 1994–2004.

Table 1.4a: Regional overview.

		Pop density (below average)[1]	House price to income ratio (6.5 or above)*	Average earnings (above average)	Importance of manufacturing (above average)
1	London		X	X	
2	South East		X	X	
3	East of England	X		X	
4	South West	X	X		
5	West Midlands				X
6	East Midlands	X			X
7	Yorkshire and the Humber	X			X
8	North West				X
9	North East	X			X

Source: Cambridge Econometrics (2005a), 'UK Regional Report, July 2005'.
(*) Data come from Nationwide (2004).
Note: All data refer to UK except [1] where data refer to England.

Table 1.4b: Regional overview.

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

3.2 Manufacturing accounts for less than a fifth of total employment in all regions. The proportion is the highest in the East and West Midlands at 17 per cent and 16 per cent respectively. This proportion is considerably lower in high-cost locations (6 per cent in London). Manufacturing employment is falling in all regions, for a variety of reasons; high-cost regions typically experience a shift towards higher productivity (and higher skill) activities, while low-cost regions experience competition from low-wage economies elsewhere.

3.3 The change in the structure of the economy is reflected in the number of hard-to-fill vacancies (HtFVs) and skill-shortage vacancies (SSVs) because the skills base changes at a slower rate than the demands of employers. HtFVs and SSVs are therefore expected to be most common in the more dynamic regions of England (London and the South East). The data, however, indicate that HtFVs and SSVs are evident even in northern regions, where unemployment is above the average rate. Where a relatively high vacancy rate coexists with a relatively high unemployment rate, this indicates a mismatch between the skills required by employers and those held by the working population. One long-term factor contributing to this is the attraction of highly skilled workers to London and the surrounding regions. The proportion of firms in the West Midlands reporting SSVs is also above the national average.

3.4 With respect to unemployment rates, the picture is less straightforward. London has a higher than average rate of unemployment and relatively small proportions of HtFVs and SSVs. Unemployment is also higher than the UK average in the North East, where the region’s economy is going through structural change.

3.5 All the English regions except the South West have a higher population density than the UK average. The South, including London, also has relatively more expensive houses. The average ratio of house prices to income is more than 6.5 in London, the South East and the South West. In the East of England and the Midlands the ratio is around 6.0, while in the north of England (Yorkshire and the Humber, the North West and the North East) the ratio is lower, at 5.5 or less.

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

Notes for regional profile charts

Workforce qualifications refer to the qualifications amongst the total working-age population.

Employment statistics include self-employed workers.

Occupational employment statistics also include self-employed workers.

Regional Profiles

London

3.7 The London region had a population of just over 7.4 million in 2004, making it the second largest city in the European Union (EU) after Paris. Of this total, 4.5 million were employed, making London a very large market in its own right. London is also highly cosmopolitan with 29 per cent of its population made up from non-white ethnic groups, a larger proportion than any other region in England (non-white ethnic groups represent 9.1 per cent of the UK population). A further 11 per cent of the population classifies itself as white but not of British heritage.

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

3.9 London’s gross value added (GVA, i.e. the contribution individual sectors and industries make to gross domestic product (GDP)) is the largest per worker of all the regions. More than 40 per cent of this is generated by finance and business services, which employ over 1.4 million people. The figure may be more since many of the companies listed as involved in manufacturing and production have activities such as marketing and sales and other business support in their London branches. Manufacturing accounts for just over 9 per cent of GVA in London, compared with the UK average of 16 per cent. Between 2000 and 2005 it was a sector which lost jobs faster than elsewhere in the UK, making it partly responsible for inner London’s unemployment rate being well above the national average.

3.10 London is a major centre for higher education (HE) and further education (FE), with 28 universities, 12 HE colleges and 55 FE colleges. Over one-third of the UK's publicly funded research is carried out in London, the largest of any region. More than 300,000 students are studying at HE level in London.

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

3.12 London encompasses a wide range of communities and there are wide disparities in terms of prosperity between different parts of the city. Despite recent strong growth in London's economy, and the associated improvements in the well-being of its inhabitants, these differences remain and the capital has some of the country's most prosperous districts and also some of its most deprived. On the basis of the Index of Multiple Deprivation (IMD) 19 of London's 33 boroughs ranked amongst the 50 most deprived local authority areas in the country in 2004.

London.	
Local LSCs: London North; London West; London Central; London East; London South.	
Population (000s)	7,429
Population of working age (000s)	5,185
Ethnic groups (%)	
White	71.2
Black	10.9
Indian	6.1
Bangladeshi/Pakistani	4.1
Other/mixed	7.7
Population change: 1994–2004 (% pa.)	0.8
Population density (persons per square km)	4,679
Employment (000s)	4,496
Change: 1994–2004 (% pa)	1.6
Change: 1999–2004 (% pa)	1.0
Change: 2004–2014 (forecast % pa)	0.6
Employment in the 10 worst-performing industries in England (%)	4.6
Employment in the 10 best-performing industries in England (%)	67.1
Top 3 occupational groups (% of total emp.)	
Associate professional and technical occupations	18.8
Managers and senior officials	18.2
Professional occupations	14.4
Workforce with NQF 4+ qualifications (%)	30.8
Workforce with no qualifications (%)	13.9
Average gross weekly pay (£s)	602
Unemployment rate (ILO)	7.1
Establishments reporting HtFVs (%)[1]	5.6
Establishments reporting SSVs (%)[1]	4.2

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.
Note: Data are 2004 except [(1)] where data are 2005.

London local LSC areas

3.13 London has in general been successful in generating employment and has had some of the highest levels of employment growth over the 10 years before 2004. Three local LSC areas of London rank in the top 10 for employment growth over 1994 to 2004, with the exception of London South, which ranks 32nd and London North, which ranks 25th. Over the period 1994 to 2004, London Central, London East and London West all experienced approximately 1.8 per cent a year employment growth. The global slowdown, however, hit financial and business services in 2002, contributing to heavy job losses in the city. While employment has since recovered over 2003 and 2004, London Central has fallen to rank 27th for employment growth over the period 1999 to 2004. London's success in generating employment is partly due to the higher representation of growth industries. All local LSC areas of London, except London East, rank in the top 10 for employment in the 10 best-performing industries in England with London Central first. In terms of employment, in the 10 worst-performing industries in England, the London local LSC areas occupy the 5 lowest ranks.

3.14 Given the strong growth in employment, London's unemployment rate is high. By far the worst are London East, London Central and London North, which rank 2nd, 3rd and 4th for the unemployment rate, at 8.0 per cent, 7.7 per cent and 7.0 per cent respectively. However, the trend is more encouraging as these rates have all decreased from rates that were above 8 per cent in 2003. One likely reason for high unemployment is London's relatively fast shift away from manufacturing towards high value-added service industries, with the consequent effects on skills mismatches. In the latest data, covering the first part of 2005, quarterly employment growth in London slowed to 0 per cent and this is likely to have compounded the effect. In addition, London's strong population growth due to international immigration means that the supply of labour is increasing quite rapidly.

3.15 London has some of the lowest rates of HtFVs and SSVs anywhere in England. All London local LSCs have less than 6.5 per cent HtFVs (compared with a national average of 7.3 per cent) and the percentage of SSVs is also below 5 per cent (compared with a national average of 5.1 per cent).

3.16 In general, the London local LSCs rank high in the level of qualifications held by the working population. Four of the five London local LSC areas are ranked in the top 10 for qualifications at NQF Level 4 or above. The main exception is London East, which ranks much lower in this category at 27th. The main difference between London East and the other London local LSCs is the proportion of the working population with no qualifications. London East ranks 8th highest in the category with around 19 per cent of working-age population, whereas the other London local LSCs are ranked between 20th and 46th.

London North.	
Population (000s)	1,053
Population of working age (000s)	724
Ethnic groups (%)	
White	71.0
Black	12.2
Indian	5.1
Bangladeshi/Pakistani	3.4
Other/mixed	8.3
Population change: 1994–2004 (% pa)	0.7
Population density (persons per square km)	4,435
Employment (000s)	368
Change: 1994–2004 (% pa)	1.1
Change: 1999–2004 (% pa)	0.4
Change: 2004-2014 (forecast % pa)	0.6
Employment in the 10 worst-performing industries in England (%)	7.3
Employment in the 10 best-performing industries in England (%)	64.9
Top 3 occupational groups (% of total emp.)	
Associate professional and technical occupations	17.5
Managers and senior officials	16.9
Professional occupations	14.9
Workforce with NQF 4+ qualifications (%)	29.9
Workforce with no qualifications (%)	16.2
Average gross weekly pay (£s)	432
Unemployment rate (ILO)	7.0
Establishments reporting HtFVs (%)[1]	5.5
Establishments reporting SSVs (%)[1]	3.6

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.
Note: Data are 2004 except [(1)] where data are 2005.

London West.	
Population (000s)	1,421
Population of working age (000s)	994
Ethnic groups (%)	
White	62.9
Black	9.1
Indian	14.8
Bangladeshi/Pakistani	3.4
Other/mixed	9.7
Population change: 1994–2004 (% pa)	0.6
Population density (persons per square km)	4,208
Employment (000s)	781
Change: 1994–2004 (% pa)	1.8
Change: 1999–2004 (% pa)	1.0
Change: 2004–2014 (forecast % pa)	0.6
Employment in the 10 worst-performing industries in England (%)	7.3
Employment in the 10 best-performing industries in England (%)	70.0
Top 3 occupational groups (% of total emp.)	
Managers and senior officials	18.2
Associate professional and technical occupations	18.1
Professional occupations	13.1
Workforce with NQF 4+ qualifications (%)	31.0
Workforce with no qualifications (%)	11.9
Average gross weekly pay (£s)	541
Unemployment rate (ILO)	6.9
Establishments reporting HtFVs (%)[1]	6.3
Establishments reporting SSVs (%)[1]	4.7

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.
Note: Data are 2004 except [(1)] where data are 2005.

London East.	
Population (000s)	2,002
Population of working age (000s)	1,357
Ethnic groups (%)	
White	69.3
Black	12.1
Indian	5.0
Bangladeshi/Pakistani	7.5
Other/mixed	6.1
Population change: 1994–2004 (% pa)	0.7
Population density (persons per square km)	4,707
Employment (000s)	1,129
Change: 1994–2004 (% pa)	1.9
Change: 1999–2004 (% pa)	1.4
Change: 2004–2014 (forecast % pa)	0.6
Employment in the 10 worst-performing industries in England (%)	4.5
Employment in the 10 best-performing industries in England (%)	58.8
Top 3 occupational groups (% of total emp.)	
Associate professional and technical occupations	18.3
Managers and senior officials	18.0
Administrative and secretarial occupations	16.0
Workforce with NQF 4+ qualifications (%)	22.9
Workforce with no qualifications (%)	18.6
Average gross weekly pay (£s)	507
Unemployment rate (ILO)	8.0
Establishments reporting HtFVs (%)[1]	5.3
Establishments reporting SSVs (%)[1]	4.1

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.
Note: Data are 2004 except [(1)] where data are 2005.

London Central.	
Population (000s)	1,610
Population of working age (000s)	1,198
Ethnic groups (%)	
White	71.2
Black	14.7
Indian	2.2
Bangladeshi/Pakistani	3.0
Other/mixed	8.8
Population change: 1994–2004 (% pa)	1.3
Population density (persons per square km)	9,898
Employment (000s)	1,635
Change: 1994–2004 (% pa)	1.8
Change: 1999–2004 (% pa)	0.8
Change: 2004–2014 (forecast % pa)	0.7
Employment in the 10 worst-performing industries in England (%)	2.4
Employment in the 10 best-performing industries in England (%)	72.2
Top 3 occupational groups (% of total emp.)	
Associate professional and technical occupations	20.2
Managers and senior officials	19.1
Professional occupations	14.8
Workforce with NQF 4+ qualifications (%)	39.7
Workforce with no qualifications (%)	12.4
Average gross weekly pay (£s)	609
Unemployment rate (ILO)	7.7
Establishments reporting HtFVs (%)[1]	5.8
Establishments reporting SSVs (%)[1]	4.6

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.
Note: Data are 2004 except [(1)] where data are 2005.

London South.	
Population (000s)	1,344
Population of working age (000s)	911
Ethnic groups (%)	
White	82.6
Black	5.8
Indian	3.6
Bangladeshi/Pakistani	1.7
Other/mixed	6.3
Population change: 1994–2004 (% pa)	0.6
Population density (persons per square km)	3,231
Employment (000s)	583
Change: 1994–2004 (% pa)	1.0
Change: 1999–2004 (% pa)	1.0
Change: 2004–2014 (forecast % pa)	0.6
Employment in the 10 worst-performing industries in England (%)	5.3
Employment in the 10 best-performing industries in England (%)	66.5
Top 3 occupational groups (% of total emp.)	
Associate professional and technical occupations	17.9
Managers and senior officials	17.3
Professional occupations	14.0
Workforce with NQF 4+ qualifications (%)	32.3
Workforce with no qualifications (%)	9.1
Average gross weekly pay (£s)	446
Unemployment rate (ILO)	5.5
Establishments reporting HtFVs (%)[1]	6.5
Establishments reporting SSVs (%)[1]	4.9

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.
Note: Data are 2004 except [(1)] where data are 2005.

South East

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

3.18 Economically the region is strong, providing 4.3 million jobs and accounting for around 16 per cent of the UK's GVA. There are over 280,000 VAT-registered companies in an economy which is, in the main, technologically advanced, high cost, high income, broadly based and service orientated. The region's relationship with London is critical to its success. London is a key market, a key provider of employment (20 per cent of London's workforce live in the South

East) and a key provider of business services to the area. But its proximity to London is responsible for the high average price of houses, which is second only to London itself.

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

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

South East.	
Local LSCs: Berkshire; Milton Keynes, Oxfordshire and Buckinghamshire; Sussex; Hampshire and the Isle of Wight; Kent and Medway; Surrey.	
Population (000s)	8,110
Population of working age (000s)	5,292
Ethnic groups (%)	
White	95.1
Black	0.7
Indian	1.1
Bangladeshi/Pakistani	0.9
Other/mixed	2.1
Population change: 1994–2004 (% pa)	0.5
Population density (persons per square km)	421
Employment (000s)	4,227
Change: 1994–2004 (% pa)	1.5
Change: 1999–2004 (% pa)	0.9
Change: 2004–2014 (forecast % pa)	0.7
Employment in the 10 worst-performing industries in England (%)	11.4
Employment in the 10 best-performing industries in England (%)	63.0
Top 3 occupational groups (% of total emp.)	
Managers and senior officials	17.8
Associate professional and technical occupations	15.0
Administrative and secretarial occupations	13.0
Workforce with NQF 4+ qualifications (%)	28.5
Workforce with no qualifications (%)	10.8
Average gross weekly pay (£s)	441
Unemployment rate (ILO)	3.8
Establishments reporting HtFVs (%)[1]	8.2
Establishments reporting SSVs (%)[1]	5.5

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.
Note: Data are 2004 except [(1)] where data are 2005.

South East local LSC areas

3.21 The South East has some of the best-performing local LSC areas in terms of creating employment. Berkshire, Hampshire and Surrey are all in the top 10 for employment growth for the period 1994 to 2004, with Surrey ranking 3rd in England. Milton Keynes, Oxfordshire and Buckinghamshire ranked just outside the top 10 in 11th place with employment growth of 1.6 per cent a year. Kent and Medway, on the other hand, is ranked much lower down in 27th place with employment growth of 1.1 per cent a year. The success of most local LSC areas in creating employment is partly due to their relative specialisation in the best-performing industries in England, especially in service industries which dominate the region. Much of the area has near full employment. Both Berkshire and Surrey rank in the top 5 for employment in the best-performing industries in the England, with 66.5 per cent and 67.3 per cent, respectively, being employed in these industries. Surrey also has one of the lowest unemployment rates in England with only 3.4 per cent of the working population being unemployed. Similarly Berkshire, Hampshire and the Isle of Wight (taken together) and Milton Keynes, Oxfordshire and Buckinghamshire have unemployment rates well below the national average of 4.9 per cent.

3.22 In terms of unemployment, Kent and Medway is the worst-performing local LSC area in the South East with average unemployment of 4.3 per cent in 2004. The differences between the ranks of local LSCs in the South East are largely due to the benefits that some local LSCs receive from being in close proximity to London, not only in terms of commuter employment, but also due to high-technology companies spreading westwards from the capital.

3.23 In terms of HtFVs and SSVs performance in the South East is mixed. Hampshire and the Isle of Wight and Kent and Medway rank the lowest in the region for both HtFVs and SSVs. These local LSC areas include areas with weak employment demand. Other regions such as Milton Keynes, Oxfordshire and Buckinghamshire have higher proportions of establishments reporting HtFVs and SSVs.

3.24 Those employed in the local LSC areas of the South East have the highest levels of qualifications in England, with around 30 per cent of the working-age population achieving NQF Level 4 or above. Surrey, Milton Keynes, Oxfordshire and Buckinghamshire and Berkshire local LSC areas are all in the top five in the category. Surrey ranks 2nd in England for NQF Level 4 or above, and 47th, the lowest in England, for no qualifications. The other three local LSC areas have between 22 per cent and 28 per cent of the working-age population with qualifications at NQF Level 4 or above. The South East has some of the lowest ranks in England for the proportion of employees with no qualifications. All its local LSC areas, except Kent and Medway, rank in the bottom 10 for England on this measure.

Berkshire.	
Population (000s)	806
Population of working age (000s)	549
Ethnic groups (%)	
White	88.7
Black	2.0
Indian	3.4
Bangladeshi/Pakistani	2.9
Other/mixed	3.1
Population change: 1994–2004 (% pa)	0.5
Population density (persons per square km)	637
Employment (000s)	511
Change: 1994–2004 (% pa)	1.7
Change: 1999–2004 (% pa)	0.9
Change: 2004–2014 (forecast % pa)	0.8
Employment in the 10 worst-performing industries in England (%)	11.2
Employment in the 10 best-performing industries in England (%)	66.5
Top 3 occupational groups (% of total emp.)	
Managers and senior officials	18.6
Associate professional and technical occupations	15.4
Administrative and secretarial occupations	13.5
Workforce with NQF 4+ qualifications (%)	31.7
Workforce with no qualifications (%)	9.7
Average gross weekly pay (£s)	548
Unemployment rate (ILO)	3.7
Establishments reporting HtFVs (%)[1]	8.5
Establishments reporting SSVs (%)[1]	6.0

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.
Note: Data are 2004 except [(1)] where data are 2005.

Milton Keynes, Oxfordshire and Buckinghamshire.	
Population (000s)	1,315
Population of working age (000s)	880
Ethnic groups (%)	
White	93.3
Black	1.3
Indian	1.0
Bangladeshi/Pakistani	1.8
Other/mixed	2.6
Population change: 1994–2004 (% pa)	0.7
Population density (persons per square km)	292
Employment (000s)	749
Change: 1994–2004 (% pa)	1.6
Change: 1999–2004 (% pa)	0.7
Change: 2004–2014 (forecast % pa)	0.8
Employment in the 10 worst-performing industries in England (%)	12.1
Employment in the 10 best-performing industries in England (%)	62.3
Top 3 occupational groups (% of total emp.)	
Managers and senior officials	18.2
Associate professional and technical occupations	15.3
Professional occupations	12.9
Workforce with NQF 4+ qualifications (%)	32.1
Workforce with no qualifications (%)	10.9
Average gross weekly pay (£s)	452
Unemployment rate (ILO)	3.5
Establishments reporting HtFVs (%)[1]	9.6
Establishments reporting SSVs (%)[1]	6.6

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.
Note: Data are 2004 except [(1)] where data are 2005.

Sussex.	
Population (000s)	1,510
Population of working age (000s)	945
Ethnic groups (%)	
White	96.6
Black	0.4
Indian	0.6
Bangladeshi/Pakistani	0.5
Other/mixed	1.9
Population change: 1994–2004 (% pa)	0.5
Population density (persons per square km)	398
Employment (000s)	721
Change: 1994–2004 (% pa)	1.3
Change: 1999–2004 (% pa)	0.8
Change: 2004–2014 (forecast % pa)	0.6
Employment in the 10 worst-performing industries in England (%)	10.6
Employment in the 10 best-performing industries in England (%)	62.6
Top 3 occupational groups (% of total emp.)	
Managers and senior officials	17.4
Associate professional and technical occupations	15.2
Administrative and secretarial occupations	13.0
Workforce with NQF 4+ qualifications (%)	27.8
Workforce with no qualifications (%)	10.6
Average gross weekly pay (£s)	376
Unemployment rate (ILO)	4.2
Establishments reporting HtFVs (%)[1]	8.5
Establishments reporting SSVs (%)[1]	5.9

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.
Note: Data are 2004 except [(1)] where data are 2005.

Hampshire and the Isle of Wight.	
Population (000s)	1,802
Population of working age (000s)	1,183
Ethnic groups (%)	
White	96.9
Black	0.4
Indian	0.6
Bangladeshi/Pakistani	0.5
Other/mixed	1.6
Population change: 1994–2004 (% pa)	0.5
Population density (persons per square km)	433
Employment (000s)	914
Change: 1994–2004 (% pa)	1.6
Change: 1999–2004 (% pa)	1.4
Change: 2004–2014 (forecast % pa)	0.5
Employment in the 10 worst-performing industries in England (%)	12.2
Employment in the 10 best-performing industries in England (%)	61.0
Top 3 occupational groups (% of total emp.)	
Managers and senior officials	17.3
Associate professional and technical occupations	14.7
Administrative and secretarial occupations	12.8
Workforce with NQF 4+ qualifications (%)	27.7
Workforce with no qualifications (%)	10.4
Average gross weekly pay (£s)	420
Unemployment rate (ILO)	3.3
Establishments reporting HtFVs (%)[1]	8.4
Establishments reporting SSVs (%)[1]	4.7

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.
Note: Data are 2004 except [(1)] where data are 2005.

Kent and Medway.	
Population (000s)	1,610
Population of working age (000s)	1,038
Ethnic groups (%)	
White	96.5
Black	0.4
Indian	1.1
Bangladeshi/Pakistani	0.3
Other/mixed	1.7
Population change: 1994–2004 (% pa)	0.5
Population density (persons per square km)	428
Employment (000s)	730
Change: 1994–2004 (% pa)	1.1
Change: 1999–2004 (% pa)	1.1
Change: 2004–2014 (forecast % pa)	0.6
Employment in the 10 worst-performing industries in England (%)	12.5
Employment in the 10 best-performing industries in England (%)	60.8
Top 3 occupational groups (% of total emp.)	
Managers and senior officials	17.2
Associate professional and technical occupations	14.3
Administrative and secretarial occupations	12.2
Workforce with NQF 4+ qualifications (%)	22.0
Workforce with no qualifications (%)	13.4
Average gross weekly pay (£s)	391
Unemployment rate (ILO)	4.3
Establishments reporting HtFVs (%)[1]	6.0
Establishments reporting SSVs (%)[1]	4.2

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.
Note: Data are 2004 except [(1)] where data are 2005.

Surrey.	
Population (000s)	1,067
Population of working age (000s)	698
Ethnic groups (%)	
White	95.0
Black	0.5
Indian	1.0
Bangladeshi/Pakistani	0.8
Other/mixed	2.7
Population change: 1994–2004 (% pa)	0.4
Population density (persons per square km)	640
Employment (000s)	603
Change: 1994–2004 (% pa)	1.9
Change: 1999–2004 (% pa)	0.0
Change: 2004–2014 (forecast % pa)	0.8
Employment in the 10 worst-performing industries in England (%)	9.1
Employment in the 10 best-performing industries in England (%)	67.3
Top 3 occupational groups (% of total emp.)	
Managers and senior officials	18.5
Associate professional and technical occupations	15.2
Administrative and secretarial occupations	13.6
Workforce with NQF 4+ qualifications (%)	33.5
Workforce with no qualifications (%)	8.3
Average gross weekly pay (£s)	516
Unemployment rate (ILO)	3.4
Establishments reporting HtFVs (%)[1]	9.2
Establishments reporting SSVs (%)[1]	6.3

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.
Note: Data are 2004 except [(1)] where data are 2005.

East of England

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

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

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

3.28 The below-average educational performance at the higher level (qualifications at NQF Level 4 or above) masks a marked divide between Cambridgeshire and Hertfordshire on the one hand, and the rest of the region on the other, where there is a tailing off of qualification levels after a strong school performance.

3.29 The strongest sectoral growth in the East of England is expected in finance and business services. Manufacturing is also expected to see faster growth than the national average. Hertfordshire and Cambridgeshire are the strongest growth points. Bedfordshire and the Norfolk coast are expected to perform relatively poorly. Some parts of Essex, along the Thames Gateway area, however, have been recently targeted with policies to help improve long-term employment growth. The results of these policies can be expected to be borne out over the next 10 years. There are good road and rail links with regions north and south but east–west routes are still problematic. The ports of Harwich and Felixstowe, the UK’s largest container port, have grown in significance as gateways to Europe and beneficiaries of the boost to trade given by increasing globalisation. Luton and Stansted airports also show strong growth, helped by their role as centres for low-cost airlines.

East of England.	
Local LSCs: Bedfordshire and Luton; Essex; Hertfordshire; Cambridgeshire; Norfolk; Suffolk.	
Population (000s)	5,491
Population of working age (000s)	3,562
Ethnic groups (%)	
White	95.1
Black	0.9
Indian	0.9
Bangladeshi/Pakistani	1.1
Other/mixed	2.0
Population change: 1994–2004 (% pa)	0.6
Population density (persons per square km)	284
Employment (000s)	2,751
Change: 1994–2004 (% pa)	1.6
Change: 1999–2004 (% pa)	1.5
Change: 2004–2014 (forecast % pa)	0.5
Employment in the 10 worst-performing industries in England (%)	12.7
Employment in the 10 best-performing industries in England (%)	60.1
Top 3 occupational groups (% of total emp.)	
Managers and senior officials	16.6
Associate professional and technical occupations	13.8
Administrative and secretarial occupations	12.8
Workforce with NQF 4+ qualifications (%)	23.2
Workforce with no qualifications (%)	14.8
Average gross weekly pay (£s)	416
Unemployment rate (ILO)	3.8
Establishments reporting HtFVs (%)[1]	6.8
Establishments reporting SSVs (%)[1]	5.2

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.
Note: Data are 2004 except (1) where data are 2005.

East of England local LSC areas

3.30 The performance of employment growth is diverse in the East of England. In the period 1999 to 2004 only Essex and Suffolk are in the top 10 performers. Over the longer period 1994 to 2004, Cambridgeshire, ranking 7th, and Essex, ranking 1st, are in the top 10 performers in England, and Hertfordshire is 12th. Other areas rank much lower over the 1994 to 2004 period; with Suffolk 35th, Norfolk 21st and Bedfordshire and Luton 45th. The performance is diverse, not only between local LSC areas, but also between time periods within particular local LSC areas. Between the periods 1994 to 2004 and 1999 to 2004 Hertfordshire experienced a sharp slowdown in employment growth from 1.5 per cent to 0.6 per cent, which implies that the growth rate experienced in the second half of the 1990s could not be sustained. In contrast, Suffolk experienced an increase in employment growth from 0.9 per cent to 1.6 per cent over the same period.

3.31 In terms of HtFVs and SSVs, the overall performance is mixed for the region. Bedford and Luton is the best-ranked for the proportion of establishments reporting HtFVs (37th) and SSVs (36th), indicating that, relative to other local LSC areas, these are less significant problems; whereas Cambridgeshire is the poorest ranked for the proportion of establishments reporting HtFVs (20th) and SSVs (5th), demonstrating a greater concentration of skill shortages.

3.32 There is great variation in the number of qualifications at NQF Level 4 or above. Whereas Hertfordshire and Cambridgeshire rank just outside the top 10 for the percentage of working-age population with qualifications at NQF Level 4 or above (11th and 12th respectively), Essex, Suffolk and Norfolk are in the bottom 10 in England. At lower levels, however, these areas are not ranked so low. Essex is ranked first for the highest qualification at NQF Level 2 and 6th at NQF Level 1. The only other top 10 appearances in any category of qualifications are Norfolk in 3rd for NQF Level 1 and Suffolk in 2nd for NQF Level 2 (see Table A.2). There is, therefore, a sharp tailing off of qualifications achieved by the working-age population across the East of England.

Bedfordshire and Luton.	
Population (000s)	576
Population of working age (000s)	382
Ethnic groups (%)	
White	86.3
Black	2.9
Indian	2.7
Bangladeshi/Pakistani	5.2
Other/mixed	2.8
Population change: 1994–2004 (% pa)	0.6
Population density (persons per square km)	465
Employment (000s)	260
Change: 1994–2004 (% pa)	0.2
Change: 1999–2004 (% pa)	0.3
Change: 2004–2014 (forecast % pa)	0.2
Employment in the 10 worst-performing industries in England (%)	13.7
Employment in the 10 best-performing industries in England (%)	60.2
Top 3 occupational groups (% of total emp.)	
Managers and senior officials	16.5
Associate professional and technical occupations	14.1
Administrative and secretarial occupations	12.7
Workforce with NQF 4+ qualifications (%)	23.1
Workforce with no qualifications (%)	12.2
Average gross weekly pay (£s)	409
Unemployment rate (ILO)	4.0
Establishments reporting HtFVs (%)[1]	6.0
Establishments reporting SSVs (%)[1]	4.4

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.

Note: Data are 2004 except (1) where data are 2005.

Essex.	
Population (000s)	1,636
Population of working age (000s)	1,056
Ethnic groups (%)	
White	96.8
Black	0.6
Indian	0.6
Bangladeshi/Pakistani	0.3
Other/mixed	1.7
Population change: 1994–2004 (% pa)	0.5
Population density (persons per square km)	444
Employment (000s)	781
Change: 1994–2004 (% pa)	2.5
Change: 1999–2004 (% pa)	2.9
Change: 2004–2014 (forecast % pa)	0.4
Employment in the 10 worst-performing industries in England (%)	10.9
Employment in the 10 best-performing industries in England (%)	59.4
Top 3 occupational groups (% of total emp.)	
Managers and senior officials	16.9
Associate professional and technical occupations	13.5
Administrative and secretarial occupations	13.0
Workforce with NQF 4+ qualifications (%)	18.4
Workforce with no qualifications (%)	17.5
Average gross weekly pay (£s)	414
Unemployment rate (ILO)	4.0
Establishments reporting HtFVs (%)[1]	6.3
Establishments reporting SSVs (%)[1]	4.6

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.
Note: Data are 2004 except (1) where data are 2005.

Hertfordshire.	
Population (000s)	1,041
Population of working age (000s)	681
Ethnic groups (%)	
White	93.7
Black	1.1
Indian	1.6
Bangladeshi/Pakistani	1.0
Other/mixed	2.6
Population change: 1994–2004 (% pa)	0.5
Population density (persons per square km)	634
Employment (000s)	582
Change: 1994–2004 (% pa)	1.5
Change: 1999–2004 (% pa)	0.6
Change: 2004–2014 (forecast % pa)	0.6
Employment in the 10 worst-performing industries in England (%)	10.2
Employment in the 10 best-performing industries in England (%)	62.8
Top 3 occupational groups (% of total emp.)	
Managers and senior officials	16.9
Associate professional and technical occupations	13.9
Administrative and secretarial occupations	13.1
Workforce with NQF 4+ qualifications (%)	29.8
Workforce with no qualifications (%)	10.8
Average gross weekly pay (£s)	474
Unemployment rate (ILO)	3.6
Establishments reporting HtFVs (%)[1]	7.0
Establishments reporting SSVs (%)[1]	5.2

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.
Note: Data are 2004 except [(1)] where data are 2005.

Cambridgeshire.	
Population (000s)	738
Population of working age (000s)	495
Ethnic groups (%)	
White	94.6
Black	0.7
Indian	0.9
Bangladeshi/Pakistani	1.4
Other/mixed	2.4
Population change: 1994–2004 (% pa)	0.9
Population density (persons per square km)	215
Employment (000s)	412
Change: 1994–2004 (% pa)	1.8
Change: 1999–2004 (% pa)	1.4
Change: 2004–2014 (forecast % pa)	0.7
Employment in the 10 worst-performing industries in England (%)	14.3
Employment in the 10 best-performing industries in England (%)	61.3
Top 3 occupational groups (% of total emp.)	
Managers and senior officials	16.7
Associate professional and technical occupations	14.4
Professional occupations	12.7
Workforce with NQF 4+ qualifications (%)	28.6
Workforce with no qualifications (%)	11.4
Average gross weekly pay (£s)	454
Unemployment rate (ILO)	3.9
Establishments reporting HtFVs (%)[1]	7.7
Establishments reporting SSVs (%)[1]	6.7

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.
Note: Data are 2004 except [(1)] where data are 2005.

Norfolk.	
Population (000s)	816
Population of working age (000s)	516
Ethnic groups (%)	
White	98.5
Black	0.2
Indian	0.2
Bangladeshi/Pakistani	0.1
Other/mixed	1.0
Population change: 1994–2004 (% pa)	0.7
Population density (persons per square km)	151
Employment (000s)	381
Change: 1994–2004 (% pa)	1.2
Change: 1999–2004 (% pa)	1.0
Change: 2004–2014 (forecast % pa)	0.4
Employment in the 10 worst-performing industries in England (%)	15.7
Employment in the 10 best-performing industries in England (%)	58.4
Top 3 occupational groups (% of total emp.)	
Managers and senior officials	16.2
Associate professional and technical occupations	13.7
Skilled trades occupations	12.3
Workforce with NQF 4+ qualifications (%)	21.0
Workforce with no qualifications (%)	13.7
Average gross weekly pay (£s)	363
Unemployment rate (ILO)	4.7
Establishments reporting HtFVs (%)[1]	7.2
Establishments reporting SSVs (%)[1]	5.9

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.
Note: Data are 2004 except [(1)] where data are 2005.

Suffolk.	
Population (000s)	684
Population of working age (000s)	432
Ethnic groups (%)	
White	97.2
Black	0.6
Indian	0.2
Bangladeshi/Pakistani	0.3
Other/mixed	1.6
Population change: 1994–2004 (% pa)	0.6
Population density (persons per square km)	178
Employment (000s)	335
Change: 1994–2004 (% pa)	0.9
Change: 1999–2004 (% pa)	1.6
Change: 2004–2014 (forecast % pa)	0.4
Employment in the 10 worst-performing industries in England (%)	15.2
Employment in the 10 best-performing industries in England (%)	58.0
Top 3 occupational groups (% of total emp.)	
Managers and senior officials	16.0
Associate professional and technical occupations	13.4
Administrative and secretarial occupations	12.9
Workforce with NQF 4+ qualifications (%)	20.9
Workforce with no qualifications (%)	21.6
Average gross weekly pay (£s)	358
Unemployment rate (ILO)	2.6
Establishments reporting HtFVs (%)[1]	7.0
Establishments reporting SSVs (%)[1]	5.7

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.
Note: Data are 2004 except [(1)] where data are 2005.

South West

3.33 Geographically the South West is the largest of the English regions, spreading from Bristol in the north to Bournemouth in the south and from Wiltshire in the east through to Cornwall and the Isles of Scilly in the south west. The South West has a population of just over 5 million, but as one of the most rural regions of England, it has a population density below the UK average. Employment in agriculture continues to decline and employs just under 2.5 per cent of the workforce. The environmental assets, which include attractive coast and moorland (and cultural centres including the city of Bath), are being harnessed for tourism. The region attracts more tourist spending than any other region outside London.

3.34 A number of dynamic urban centres contribute to the region's economic performance, principally Bristol, Plymouth, Swindon, Bath, Bournemouth, Poole, Torbay, Exeter, Gloucester and Cheltenham. Economic performance is uneven, however, with the eastern part contributing most to regional economic performance and regions to the west contributing less. Devon and Cornwall mainly lag behind. Although unevenly spread, GVA growth in the region as a whole has been rapid and the South West now accounts for around 7.5 per cent of national GVA. High-technology manufacturing, knowledge industries, food and drink, health, welfare and education and tourism are all important sectors. But GVA per capita remains about 10 per cent below the national average, reflecting the presence of some relatively poor areas in the region and a greater representation of lower value added sectors.

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

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

South West.	
Local LSCs: West of England; Devon and Cornwall; Bournemouth, Dorset and Poole; Gloucestershire; Somerset; Wiltshire and Swindon.	
Population (000s)	5,038
Population of working age (000s)	3,226
Ethnic groups (%)	
White	97.7
Black	0.4
Indian	0.3
Bangladeshi/Pakistani	0.2
Other/mixed	1.3
Population change: 1994–2004 (% pa)	0.6
Population density (persons per square km)	208
Employment (000s)	2,545
Change: 1994–2004 (% pa)	1.3
Change: 1999–2004 (% pa)	1.4
Change: 2004–2014 (forecast % pa)	0.4
Employment in the 10 worst-performing industries in England (%)	13.4
Employment in the 10 best-performing industries in England (%)	58.8
Top 3 occupational groups (% of total emp.)	
Managers and senior officials	15.1
Associate professional and technical occupations	13.1
Skilled trades occupations	12.7
Workforce with NQF 4+ qualifications (%)	26.1
Workforce with no qualifications (%)	10.7
Average gross weekly pay (£s)	380
Unemployment rate (ILO)	3.4
Establishments reporting HtFVs (%)[1]	7.0
Establishments reporting SSVs (%)[1]	4.4

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.
Note: Data are 2004 except [(1)] where data are 2005.

South West local LSC areas

3.37 In the period 1994 to 2004, Wiltshire and Swindon ranked 14th in terms of employment growth in the local LSC areas, and then 7th in the period 1999 to 2004. Somerset, Devon and Cornwall and West of England ranked much higher over the 1999 to 2004 period than in the 5 years before: all were ranked in the top 10 or very close to it. Employment growth for the rest of the local LSC areas of the South West rank between 13th and 33rd. Only West of England and Devon and Cornwall rank in the top 20 for employment in the 10 best-performing industries in England. Gloucestershire, on the other hand, ranks 11th for employment in the worst-performing industries. In terms of unemployment, the region's local LSC areas are doing well and rank in the lower half for England.

3.38 The South West has had a mixed performance relative to the rest of England for HtFVs and SSVs. While the West of England has the highest proportion of establishments reporting vacancies in all of England, relatively fewer of these vacancies are caused by skill shortages as the West of England ranks only 39th in SSVs. Wiltshire and Swindon ranks 17th, with 5.4 per cent of establishments reporting SSVs, while the other local LSCs in the South West all rank better on this criterion. Similarly no local LSC in the region ranks worse than 18th in HtFVs.

3.39 In the South West region only the West of England ranks in the top 10 for qualifications at NQF Level 4 or above, in 9th place, although Gloucestershire ranks 15th. Other South West local LSC areas rank from 16th to 20th. West of England ranks 2nd and Wiltshire and Swindon 4th for qualifications at NQF Level 3. The more remote local LSCs in the South West tend to see qualification levels tailing off at a lower level. Devon and Cornwall is ranked fourth for qualifications at NQF Level 2 and Somerset is ranked second for qualifications at NQF Level 1. Compared with England as a whole, local LSCs in the South West have a lower proportion of their working-age population without qualifications.

West of England.	
Population (000s)	1,007
Population of working age (000s)	670
Ethnic groups (%)	
White	95.5
Black	1.1
Indian	0.7
Bangladeshi/Pakistani	0.6
Other/mixed	2.1
Population change: 1994–2004 (% pa)	0.4
Population density (persons per square km)	754
Employment (000s)	608
Change: 1994–2004 (% pa)	1.5
Change: 1999–2004 (% pa)	1.5
Change: 2004–2014 (forecast % pa)	0.5
Employment in the 10 worst-performing industries in England (%)	9.6
Employment in the 10 best-performing industries in England (%)	60.6
Top 3 occupational groups (% of total emp.)	
Managers and senior officials	15.2
Associate professional and technical occupations	13.9
Administrative and secretarial occupations	12.9
Workforce with NQF 4+ qualifications (%)	30.3
Workforce with no qualifications (%)	9.8
Average gross weekly pay (£s)	416
Unemployment rate (ILO)	4.0
Establishments reporting HtFVs (%)(1)	7.8
Establishments reporting SSVs (%) (1)	4.2

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.

Note: Data are 2004 except (1) where data are 2005.

Devon and Cornwall.	
Population (000s)	1,619
Population of working age (000s)	1,025
Ethnic groups (%)	
White	98.8
Black	0.1
Indian	0.1
Bangladeshi/Pakistani	0.1
Other/mixed	0.9
Population change: 1994–2004 (% pa)	0.6
Population density (persons per square km)	156
Employment (000s)	726
Change: 1994–2004 (% pa)	1.2
Change: 1999–2004 (% pa)	1.5
Change: 2004–2014 (forecast % pa)	0.4
Employment in the 10 worst-performing industries in England (%)	13.8
Employment in the 10 best-performing industries in England (%)	60.2
Top 3 occupational groups (% of total emp.)	
Managers and senior officials	14.9
Skilled trades occupations	13.2
Associate professional and technical occupations	12.8
Workforce with NQF 4+ qualifications (%)	24.4
Workforce with no qualifications (%)	10.2
Average gross weekly pay (£s)	335
Unemployment rate (ILO)	4.0
Establishments reporting HtFVs (%)[1]	7.6
Establishments reporting SSVs (%)[1]	4.8

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.
Note: Data are 2004 except (1) where data are 2005.

Bournemouth, Dorset and Poole.	
Population (000s)	700
Population of working age (000s)	432
Ethnic groups (%)	
White	98.1
Black	0.2
Indian	0.2
Bangladeshi/Pakistani	0.1
Other/mixed	1.3
Population change: 1994–2004 (% pa)	0.5
Population density (persons per square km)	264
Employment (000s)	328
Change: 1994–2004 (% pa)	1.3
Change: 1999–2004 (% pa)	0.6
Change: 2004–2014 (forecast % pa)	0.4
Employment in the 10 worst-performing industries in England (%)	11.5
Employment in the 10 best-performing industries in England (%)	58.8
Top 3 occupational groups (% of total emp.)	
Managers and senior officials	15.5
Associate professional and technical occupations	13.2
Skilled trades occupations	12.4
Workforce with NQF 4+ qualifications (%)	24.2
Workforce with no qualifications (%)	11.7
Average gross weekly pay (£s)	359
Unemployment rate (ILO)	2.8
Establishments reporting HtFVs (%)[1]	5.8
Establishments reporting SSVs (%)[1]	3.5

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.
Note: Data are 2004 except [(1)] where data are 2005.

Gloucestershire.	
Population (000s)	573
Population of working age (000s)	369
Ethnic groups (%)	
White	97.2
Black	0.6
Indian	0.7
Bangladeshi/Pakistani	0.2
Other/mixed	1.4
Population change: 1994–2004 (% pa)	0.5
Population density (persons per square km)	214
Employment (000s)	306
Change: 1994–2004 (% pa)	1.3
Change: 1999–2004 (% pa)	1.5
Change: 2004–2014 (forecast % pa)	0.2
Employment in the 10 worst-performing industries in England (%)	17.5
Employment in the 10 best-performing industries in England (%)	56.8
Top 3 occupational groups (% of total emp.)	
Managers and senior officials	15.5
Associate professional and technical occupations	13.2
Skilled trades occupations	12.9
Workforce with NQF 4+ qualifications (%)	26.1
Workforce with no qualifications (%)	11.9
Average gross weekly pay (£s)	406
Unemployment rate (ILO)	3.7
Establishments reporting HtFVs (%)[1]	6.7
Establishments reporting SSVs (%)[1]	4.4

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.
Note: Data are 2004 except [(1)] where data are 2005.

Somerset.	
Population (000s)	512
Population of working age (000s)	321
Ethnic groups (%)	
White	98.8
Black	0.1
Indian	0.1
Bangladeshi/Pakistani	0.1
Other/mixed	0.8
Population change: 1994–2004 (% pa)	0.8
Population density (persons per square km)	147
Employment (000s)	233
Change: 1994–2004 (% pa)	1.0
Change: 1999–2004 (% pa)	1.7
Change: 2004–2014 (forecast % pa)	0.3
Employment in the 10 worst-performing industries in England (%)	16.7
Employment in the 10 best-performing industries in England (%)	54.9
Top 3 occupational groups (% of total emp.)	
Managers and senior officials	14.7
Skilled trades occupations	13.2
Associate professional and technical occupations	13.0
Workforce with NQF 4+ qualifications (%)	26.0
Workforce with no qualifications (%)	11.3
Average gross weekly pay (£s)	354
Unemployment rate (ILO)	2.9
Establishments reporting HtFVs (%)[1]	6.0
Establishments reporting SSVs (%)[1]	4.0

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.
Note: Data are 2004 except [(1)] where data are 2005.

Wiltshire and Swindon.	
Population (000s)	627
Population of working age (000s)	408
Ethnic groups (%)	
White	97.5
Black	0.4
Indian	0.5
Bangladeshi/Pakistani	0.2
Other/mixed	1.4
Population change: 1994–2004 (% pa)	0.7
Population density (persons per square km)	178
Employment (000s)	343
Change: 1994–2004 (% pa)	1.4
Change: 1999–2004 (% pa)	1.7
Change: 2004–2014 (forecast % pa)	0.4
Employment in the 10 worst-performing industries in England (%)	15.2
Employment in the 10 best-performing industries in England (%)	56.8
Top 3 occupational groups (% of total emp.)	
Managers and senior officials	15.2
Associate professional and technical occupations	12.5
Skilled trades occupations	12.5
Workforce with NQF 4+ qualifications (%)	25.5
Workforce with no qualifications (%)	10.6
Average gross weekly pay (£s)	407
Unemployment rate (ILO)	3.2
Establishments reporting HtFVs (%)[1]	7.3
Establishments reporting SSVs (%)[1]	5.4

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.
Note: Data are 2004 except [(1)] where data are 2005.

West Midlands

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

3.41 In the region 2.6 million people are employed across a range of activities. Manufacturing accounts for around 16 per cent of total employment and 20 per cent of GVA. The main sectors are the metals industries, motor vehicles, mechanical engineering and electronics. Motor vehicles and other transport equipment used to represent 14 per cent of the region's manufacturing employment but this is likely to fall as margins in the industry come under intense pressure in the current trading conditions. The West Midlands has already suffered the loss of 6,000 jobs following the closure of Rover's Longbridge plant in 2005 and in 2007 Peugeot will close its Ryton plant with the loss of 2,300 jobs. Land Rover and Jaguar remain in the region with Toyota and Honda nearby. Universities, particularly Aston and Warwick, provide strong support for industry along with specialist research centres offering industrial support on a Europe-wide scale.

3.42 Financial and business services represent a substantial sector of the region's economy, in terms of both employment and output. Financial and business services represent 18 per cent of total GVA in the West Midlands. The sector has experienced strong growth over the last 5 years (5 per cent a year) and is driving service and total output growth in the region. Tourism is also a growing sector, trading largely on the region's industrial heritage, its Shakespeare industry at Stratford and its attractive countryside with many towns and villages of historical interest.

3.43 While the economic and social profile of the region is generally positive, the GVA per head remains below the national average. Manufacturing, which accounts for around 20 per cent of total GVA in the region, has contracted between 2000 and 2005 and this has contributed to above average rates of unemployment in some local LSCs. Furthermore, the working-age population in the West Midlands is not among the most skilled, by UK standards. Among the nine English regions, the West Midlands has the highest proportion of unqualified workers, and literacy and numeracy skills among school leavers remain poor. In 2004 just over 50 per cent of the West Midlands' working-age population were qualified to NQF Level 2 or above, compared with about 55 per cent for England as a whole

West Midlands.	
Local LSCs: Herefordshire and Worcestershire; Shropshire; Staffordshire; Coventry and Warwickshire; the Black Country; Birmingham and Solihull.	
Population (000s)	5,334
Population of working age (000s)	3,470
Ethnic groups (%)	
White	88.7
Black	2.0
Indian	3.4
Bangladeshi/Pakistani	3.5
Other/mixed	2.4
Population change: 1994–2004 (% pa)	0.2
Population density (persons per square km)	408
Employment (000s)	2,599
Change: 1994–2004 (% pa)	0.9
Change: 1999–2004 (% pa)	0.3
Change: 2004–2014 (forecast % pa)	0.3
Employment in the 10 worst-performing industries in England (%)	16.8
Employment in the 10 best-performing industries in England (%)	56.6
Top 3 occupational groups (% of total emp.)	
Managers and senior officials	13.9
Skilled trades occupations	13.2
Associate professional and technical occupations	13.1
Workforce with NQF 4+ qualifications (%)	21.1
Workforce with no qualifications (%)	18.7
Average gross weekly pay (£s)	390
Unemployment rate (ILO)	4.9
Establishments reporting HtFVs (%)[1]	7.4
Establishments reporting SSVs (%)[1]	5.5

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.
Note: Data are 2004 except [(1)] where data are 2005.

West Midlands local LSC areas

3.44 With the exception of Birmingham and Solihull, employment growth between 1999 and 2004 in the region's local LSC areas has been generally poor. Staffordshire is the best-ranked of the rest with an average of 0.7 per cent a year between 1999 and 2004; Coventry and Warwickshire and the Black Country recorded falling employment over the period, ranking them 45th and 44th respectively. Birmingham and Solihull had the best employment growth between 1999 and 2004, averaging 1.1 per cent a year. For Birmingham and Solihull this represents little change from the longer term performance between 1994 and 2004; but for some of the others it represents a marked slowdown in employment growth compared with 1994 to

1999. This reflects the region's relatively high exposure to manufacturing, with 5 of the local LSC areas being ranked in the top 10 for the proportion of employees in manufacturing. Manufacturing GVA has fallen by around 1 per cent a year between 2000 and 2005 while employment in the sector has fallen by 4.4 per cent a year over the same period.

3.45 Four of the areas are ranked in the top 10 for the proportion of workers employed in the 10 worst-performing industries. The Black Country, Staffordshire, Shropshire and Herefordshire and Worcestershire all have around a fifth of employees in the 10 worst-performing industries, which are all primary or heavy industry. Coventry and Warwickshire and Birmingham and Solihull rank much better, with 14 per cent and 10.6 per cent employed in the worst-performing industries respectively. Birmingham and Solihull is also the only one to rank highly for the proportion of the working-age population employed in the 10 best-performing industries. The others all have around 52 to 58 per cent employed in the 10 best-performing industries, ranking them in the lower half of the 47 local LSC areas, with Shropshire and the Black Country the bottom two.

3.46 The region experiences HtFVs to the same extent as the country as a whole (7.4 per cent of establishments reporting HtFVs, compared with 7.3 per cent in England). But within the region, Birmingham and Solihull (8.7 per cent) and Coventry and Warwickshire (8.4 per cent) reveal relatively high incidences. The region also reveals relatively high levels of SSVs (5.5 per cent compared with 5.1 per cent in England). Within the region, it is Birmingham and Solihull that exhibits the highest level of SSVs (7.4 per cent – the second highest level in England).

3.47 With 20 to 22 per cent of the working-age population without qualifications, the Black Country and Birmingham and Solihull rank 2nd and 5th respectively for this measure, so that there is a high percentage of working-age population in the West Midlands with no qualification levels. The Black Country also has the smallest percentage of the working-age population with qualification levels at NQF Level 4 or above, ranking last in England. Birmingham and Solihull and Staffordshire also rank poorly on this measure at 31st and 42nd respectively. Coventry and Warwickshire and Herefordshire and Worcestershire have the highest proportions of the population with NQF Level 4 and are ranked 21st and 19th respectively.

Herefordshire and Worcestershire.	
Population (000s)	730
Population of working age (000s)	472
Ethnic groups (%)	
White	97.9
Black	0.3
Indian	0.3
Bangladeshi/Pakistani	0.6
Other/mixed	1.0
Population change: 1994–2004 (% pa)	0.6
Population density (persons per square km)	185
Employment (000s)	338
Change: 1994–2004 (% pa)	1.1
Change: 1999–2004 (% pa)	0.3
Change: 2004–2014 (forecast % pa)	0.4
Employment in the 10 worst-performing industries in England (%)	19.8
Employment in the 10 best-performing industries in England (%)	55.9
Top 3 occupational groups (% of total emp.)	
Skilled trades occupations	14.2
Managers and senior officials	14.2
Associate professional and technical occupations	12.6
Workforce with NQF 4+ qualifications (%)	24.3
Workforce with no qualifications (%)	16.3
Average gross weekly pay (£s)	359
Unemployment rate (ILO)	3.0
Establishments reporting HtFVs (%)[1]	6.5
Establishments reporting SSVs (%)[1]	5.1

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.
Note: Data are 2004 except [(1)] where data are 2005.

Shropshire.	
Population (000s)	449
Population of working age (000s)	292
Ethnic groups (%)	
White	98.8
Black	0.1
Indian	0.2
Bangladeshi/Pakistani	0.1
Other/mixed	0.8
Population change: 1994–2004 (% pa)	0.7
Population density (persons per square km)	82
Employment (000s)	205
Change: 1994–2004 (% pa)	1.1
Change: 1999–2004 (% pa)	0.1
Change: 2004–2014 (forecast % pa)	0.4
Employment in the 10 worst-performing industries in England (%)	20.2
Employment in the 10 best-performing industries in England (%)	52.2
Top 3 occupational groups (% of total emp.)	
Managers and senior officials	13.8
Skilled trades occupations	13.6
Associate professional and technical occupations	13.0
Workforce with NQF 4+ qualifications (%)	23.2
Workforce with no qualifications (%)	15.6
Average gross weekly pay (£s)	356
Unemployment rate (ILO)	3.4
Establishments reporting HtFVs (%)[1]	6.7
Establishments reporting SSVs (%)[1]	4.3

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.
Note: Data are 2004 except [(1)] where data are 2005.

Staffordshire.	
Population (000s)	1,051
Population of working age (000s)	692
Ethnic groups (%)	
White	96.7
Black	0.4
Indian	0.6
Bangladeshi/Pakistani	1.1
Other/mixed	1.2
Population change: 1994–2004 (% pa)	0.1
Population density (persons per square km)	387
Employment (000s)	480
Change: 1994–2004 (% pa)	1.1
Change: 1999–2004 (% pa)	0.7
Change: 2004–2014 (forecast % pa)	0.4
Employment in the 10 worst-performing industries in England (%)	19.9
Employment in the 10 best-performing industries in England (%)	55.8
Top 3 occupational groups (% of total emp.)	
Managers and senior officials	13.5
Skilled trades occupations	13.5
Associate professional and technical occupations	12.6
Workforce with NQF 4+ qualifications (%)	19.5
Workforce with no qualifications (%)	17.9
Average gross weekly pay (£s)	372
Unemployment rate (ILO)	4.0
Establishments reporting HtFVs (%)[1]	7.4
Establishments reporting SSVs (%)[1]	5.2

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.
Note: Data are 2004 except (1) where data are 2005.

Coventry and Warwickshire.	
Population (000s)	830
Population of working age (000s)	549
Ethnic groups (%)	
White	91.3
Black	0.9
Indian	4.5
Bangladeshi/Pakistani	1.1
Other/mixed	2.2
Population change: 1994–2004 (% pa)	0.4
Population density (persons per square km)	397
Employment (000s)	411
Change: 1994–2004 (% pa)	1.2
Change: 1999–2004 (% pa)	-0.3
Change: 2004–2014 (forecast % pa)	0.5
Employment in the 10 worst-performing industries in England (%)	14.0
Employment in the 10 best-performing industries in England (%)	58.1
Top 3 occupational groups (% of total emp.)	
Managers and senior officials	14.4
Skilled trades occupations	12.9
Associate professional and technical occupations	12.9
Workforce with NQF 4+ qualifications (%)	23.4
Workforce with no qualifications (%)	16.9
Average gross weekly pay (£s)	430
Unemployment rate (ILO)	4.0
Establishments reporting HtFVs (%)[1]	8.4
Establishments reporting SSVs (%)[1]	5.7

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.
Note: Data are 2004 except [(1)] where data are 2005.

The Black Country.	
Population (000s)	1,082
Population of working age (000s)	694
Ethnic groups (%)	
White	84.8
Black	2.6
Indian	6.8
Bangladeshi/Pakistani	3.1
Other/mixed	2.7
Population change: 1994–2004 (% pa)	-0.2
Population density (persons per square km)	3,028
Employment (000s)	505
Change: 1994–2004 (% pa)	0.2
Change: 1999–2004 (% pa)	-0.2
Change: 2004–2014 (forecast % pa)	0.1
Employment in the 10 worst-performing industries in England (%)	21.0
Employment in the 10 best-performing industries in England (%)	52.1
Top 3 occupational groups (% of total emp.)	
Skilled trades occupations	14.7
Managers and senior officials	13.8
Associate professional and technical occupations	12.6
Workforce with NQF4+ qualifications (%)	16.8
Workforce with no qualifications (%)	21.9
Average gross weekly pay (£s)	379
Unemployment rate (ILO)	6.7
Establishments reporting HtFVs (%)[1]	5.8
Establishments reporting SSVs (%)[1]	4.9

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.
Note: Data are 2004 except (1) where data are 2005.

Birmingham and Solihull.	
Population (000s)	1,193
Population of working age (000s)	771
Ethnic groups (%)	
White	74.5
Black	5.2
Indian	5.0
Bangladeshi/Pakistani	10.7
Other/mixed	4.5
Population change: 1994–2004 (% pa)	-0.1
Population density (persons per square km)	2,674
Employment (000s)	661
Change: 1994–2004 (% pa)	0.9
Change: 1999–2004 (% pa)	1.1
Change: 2004–2014 (forecast % pa)	0.3
Employment in the 10 worst-performing industries in England (%)	10.6
Employment in the 10 best-performing industries in England (%)	61.6
Top 3 occupational groups (% of total emp.)	
Associate professional and technical occupations	14.2
Managers and senior officials	13.9
Administrative and secretarial occupations	13.8
Workforce with NQF 4+ qualifications (%)	22.1
Workforce with no qualifications (%)	20.3
Average gross weekly pay (£s)	414
Unemployment rate (ILO)	8.3
Establishments reporting HtFVs (%)[1]	8.7
Establishments reporting SSVs (%)[1]	7.0

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.
Note: Data are 2004 except [(1)] where data are 2005.

East Midlands

3.48 The region comprises the five counties of Derbyshire, Leicestershire, Lincolnshire, Northamptonshire and Nottinghamshire, and the unitary authorities of the cities of Derby, Leicester and Nottingham. It has a population of nearly 4.3 million in what is geographically the 3rd largest region in England. The geographical size of the region and the diverse urban or industrial and rural spread makes great demands on systems and services. Population density for this region is 270 persons per square kilometre, making it the second most sparsely populated of the English regions.

3.49 Since the early 1990s, output and employment growth in the East Midlands have both been driven by services. That said, the overall share of services in total GVA is much lower in the East Midlands (61.5 per cent) than the UK average (71.25 per cent). Because the region's economy has been traditionally based on manufacturing, the share of manufacturing in the total employment of the region is higher than in the UK as a whole. Historically, the largest manufacturing sector in the region (in terms of both output and employment) was textiles, clothing and leather, but it has been in decline for many years and the ending of the Multi-Fibre Agreement in January 2005 is expected to perpetuate this. Food, drink and tobacco (a long-established industry in the region) now accounts for the highest share of manufacturing output and employment.

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

3.51 Manufacturing output in the East Midlands accounts for 22 per cent of the total GVA output. Despite services' comparatively low share of GVA output, they have supported growth in the region, especially finance and other business services. The importance of construction looks to be moderating as its dependence on public sector work is hit by tighter control over government spending.

3.52 Transport communications vary, with good north–south access provided by the M1 and the A1, while east–west access is relatively poor. Poor transport networks in Lincolnshire inhibit economic development, but the building of a dual carriageway on the A46 between Lincoln and the A1 trunk at Newark has improved access to the rest of the Midlands. Plans to turn a 17-mile stretch of the A46 from Newark to Widmerpool into a dual carriageway were published in December 2005. The East Midlands also enjoys a substantial international transport infrastructure. Passenger numbers and freight traffic at East Midlands airport (near Nottingham) have been growing strongly since 2000, and this expansion is expected to continue over the 2005 to 2015 period. The rail network in the region is also good, since a number of key national routes pass through the region. Together, the Department for Transport and Network Rail currently have a large programme of planned investments in place that are intended to improve the rail infrastructure over the 2005 to 2015 period.

3.53 The expansion of Nottingham's universities has been of great advantage, stimulating strong growth in distribution, hotels and catering and many bars and night-clubs. Many of these industries provide low-skilled employment and so the region continues to have a relatively low skills base and lower than average productivity. In addition it ranks relatively poorly for the proportion of workers with high-level qualifications (NQF Level 4 or above), suggesting a failure to generate jobs for graduates.

East Midlands.	
Local LSCs: Derbyshire; Leicestershire; Lincolnshire and Rutland; Northamptonshire; Nottinghamshire.	
Population (000s)	4,280
Population of working age (000s)	2,813
Ethnic groups (%)	
White	93.5
Black	0.9
Indian	2.9
Bangladeshi/Pakistani	0.8
Other/mixed	1.8
Population change: 1994–2004 (% pa)	0.5
Population density (persons per square km)	270
Employment (000s)	2,004
Change: 1994–2004 (% pa)	0.8
Change: 1999–2004 (% pa)	0.0
Change: 2004–2014 (forecast % pa)	0.3
Employment in the 10 worst-performing industries in England (%)	17.5
Employment in the 10 best-performing industries in England (%)	57.0
Top 3 occupational groups (% of total emp.)	
Managers and senior officials	15.1
Associate professional and technical occupations	12.5
Skilled trades occupations	12.1
Workforce with NQF 4+ qualifications (%)	22.2
Workforce with no qualifications (%)	16.6
Average gross weekly pay (£s)	383
Unemployment rate (ILO)	4.3
Establishments reporting HtFVs (%)[1]	5.4
Establishments reporting SSVs (%)[1]	3.6

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.
Note: Data are 2004 except [(1)] where data are 2005.

East Midlands local LSC areas

3.54 Employment growth in the East Midlands has generally been poor. Derbyshire reported negative employment growth between 1999 and 2004, making it the lowest ranked of all the English regions. Employment growth in the other regions has not been much better, with Lincolnshire and Rutland the best at 0.8 per cent a year between 1999 and 2004; this makes it 29th among the 47 local LSC areas. To a large extent this can be traced to the region's comparatively high proportion of workers in the 10 worst-performing industries. In Lincolnshire and Rutland 22 per cent of workers are employed in these industries, while Leicestershire has 20 per cent in them. This ranks these areas in 1st and 7th place respectively. Not far behind, Derbyshire and Northamptonshire are ranked 12th and 14th respectively. At the same time, all the areas rank poorly for the proportion of workers in the 10 best-performing industries, except for Nottinghamshire. It is ranked 12th, with 61.5

per cent of its working-age population employed in the 10 best-performing industries. Northamptonshire is the next best-placed area of the East Midlands in 27th place with 58 per cent. Exposure to industries facing restructuring, reflected in the generally high proportion of workers in manufacturing across all the areas in the East Midlands (all ranked in the top 20) goes some way to explaining the poor employment growth between 1999 and 2004, particularly as the manufacturing sector in the East Midlands remains focused on the declining, traditional industries. Derbyshire and Northamptonshire have 24 per cent and 20 per cent employed in manufacturing, the first and sixth highest proportions respectively. Unemployment rates vary greatly. Nottinghamshire has the 10th highest rate in England, 5.8 per cent. In contrast, Northamptonshire is ranked 41st, with 3.3 per cent. This suggests that Nottinghamshire has some way to go in dealing with pit closures and regenerating affected areas.

3.55 The East Midlands does not rank highly for the working-age population with qualifications at NQF Level 4 or above, with the areas ranking between 22nd and 38th. The East Midlands local LSCs are all in the top 25 of the working-age population with no qualification, with Northamptonshire in the top 10. A slightly higher proportion of employees tend to have an NQF Level 1 qualification than NQF Level 2 or NQF Level 3. Indeed, Derbyshire and Lincolnshire and Rutland rank 7th and 10th respectively for the proportion of the working-age population with NQF Level 1. As already outlined, although 21 to 24 per cent have NQF Level 4, this is still relatively low by UK standards. Across the region, a slightly higher proportion of the working-age population have NQF Level 3 rather than NQF Level 2, but there is a greater difference by rank. For NQF Level 3 all the areas in the East Midlands are ranked between 6th and 17th, but for NQF Level 2 they are ranked between 20th and 44th.

3.56 With regard to HtFVs and SSVs, the East Midlands has some of the lowest rates in England. For both types of vacancies, Derbyshire, Lincolnshire and Rutland and Northamptonshire together are the three lowest ranked areas of all 47 areas. Among establishments in these areas, 4.1 to 4.7 per cent report HtFVs while 2.6 to 3.3 per cent report SSVs. More establishments in Leicestershire and Nottinghamshire report difficulties with both types of vacancies but they are still in the lower half of the rankings.

Derbyshire.	
Population (000s)	979
Population of working age (000s)	638
Ethnic groups (%)	
White	96.0
Black	0.6
Indian	1.2
Bangladeshi/Pakistani	1.0
Other/mixed	1.3
Population change: 1994–2004 (% pa)	0.4
Population density (persons per square km)	372
Employment (000s)	429
Change: 1994–2004 (% pa)	0.8
Change: 1999–2004 (% pa)	–1.2
Change: 2004–2014 (forecast % pa)	0.3
Employment in the 10 worst-performing industries in England (%)	17.2
Employment in the 10 best-performing industries in England (%)	57.2
Top 3 occupational groups (% of total emp.)	
Managers and senior officials	14.5
Skilled trades occupations	12.3
Associate professional and technical occupations	12.2
Workforce with NQF 4+ qualifications (%)	21.3
Workforce with no qualifications (%)	16.9
Average gross weekly pay (£s)	399
Unemployment rate (ILO)	4.1
Establishments reporting HtFVs (%)[1]	4.6
Establishments reporting SSVs (%)[1]	2.6

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.
Note: Data are 2004 except [(1)] where data are 2005.

Leicestershire.	
Population (000s)	909
Population of working age (000s)	604
Ethnic groups (%)	
White	85.0
Black	1.2
Indian	10.2
Bangladeshi/Pakistani	1.0
Other/mixed	2.7
Population change: 1994–2004 (% pa)	0.4
Population density (persons per square km)	419
Employment (000s)	446
Change: 1994–2004 (% pa)	0.1
Change: 1999–2004 (% pa)	0.5
Change: 2004–2014 (forecast % pa)	0.2
Employment in the 10 worst-performing industries in England (%)	19.6
Employment in the 10 best-performing industries in England (%)	53.4
Top 3 occupational groups (% of total emp.)	
Managers and senior officials	15.2
Associate professional and technical occupations	12.6
Administrative and secretarial occupations	12.1
Workforce with NQF 4+ qualifications (%)	22.0
Workforce with no qualifications (%)	16.7
Average gross weekly pay (£s)	384
Unemployment rate (ILO)	4.1
Establishments reporting HtFVs (%)[1]	6.2
Establishments reporting SSVs (%)[1]	4.4

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.
Note: Data are 2004 except [(1)] where data are 2005.

Lincolnshire and Rutland.	
Population (000s)	710
Population of working age (000s)	452
Ethnic groups (%)	
White	98.6
Black	0.2
Indian	0.2
Bangladeshi/Pakistani	0.1
Other/mixed	0.9
Population change: 1994–2004 (% pa)	1.1
Population density (persons per square km)	111
Employment (000s)	304
Change: 1994–2004 (% pa)	1.4
Change: 1999–2004 (% pa)	0.8
Change: 2004–2014 (forecast % pa)	0.3
Employment in the 10 worst-performing industries in England (%)	22.4
Employment in the 10 best-performing industries in England (%)	53.1
Top 3 occupational groups (% of total emp.)	
Managers and senior officials	15.1
Skilled trades occupations	13.6
Associate professional and technical occupations	12.1
Workforce with NQF 4+ qualifications (%)	21.7
Workforce with no qualifications (%)	14.1
Average gross weekly pay (£s)	353
Unemployment rate (ILO)	4.1
Establishments reporting HtFVs (%)[1]	4.7
Establishments reporting SSVs (%)[1]	3.3

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.
Note: Data are 2004 except [(1)] where data are 2005.

Northamptonshire.	
Population (000s)	647
Population of working age (000s)	429
Ethnic groups (%)	
White	95.1
Black	1.2
Indian	1.3
Bangladeshi/Pakistani	0.5
Other/mixed	1.8
Population change: 1994–2004 (% pa)	0.9
Population density (persons per square km)	272
Employment (000s)	331
Change: 1994–2004 (% pa)	1.6
Change: 1999–2004 (% pa)	-0.6
Change: 2004–2014 (forecast % pa)	0.3
Employment in the 10 worst-performing industries in England (%)	16.4
Employment in the 10 best-performing industries in England (%)	58.4
Top 3 occupational groups (% of total emp.)	
Managers and senior officials	15.4
Associate professional and technical occupations	12.4
Administrative and secretarial occupations	12.4
Workforce with NQF 4+ qualifications (%)	22.7
Workforce with no qualifications (%)	17.8
Average gross weekly pay (£s)	389
Unemployment rate (ILO)	3.3
Establishments reporting HtFVs (%)[1]	4.1
Establishments reporting SSVs (%)[1]	3.1

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.
Note: Data are 2004 except [(1)] where data are 2005.

Nottinghamshire.	
Population (000s)	1,035
Population of working age (000s)	689
Ethnic groups (%)	
White	94.1
Black	1.5
Indian	1.1
Bangladeshi/Pakistani	1.2
Other/mixed	2.1
Population change: 1994–2004 (% pa)	0.1
Population density (persons per square km)	477
Employment (000s)	494
Change: 1994–2004 (% pa)	0.7
Change: 1999–2004 (% pa)	0.7
Change: 2004–2014 (forecast % pa)	0.2
Employment in the 10 worst-performing industries in England (%)	13.4
Employment in the 10 best-performing industries in England (%)	61.5
Top 3 occupational groups (% of total emp.)	
Managers and senior officials	15.1
Associate professional and technical occupations	13.1
Administrative and secretarial occupations	11.6
Workforce with NQF 4+ qualifications (%)	23.3
Workforce with no qualifications (%)	17.2
Average gross weekly pay (£s)	372
Unemployment rate (ILO)	5.8
Establishments reporting HtFVs (%)[1]	6.9
Establishments reporting SSVs (%)[1]	4.6

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.
Note: Data are 2004 except [(1)] where data are 2005.

Yorkshire and the Humber

3.57 Yorkshire and the Humber has four clearly defined sub-regions (West Yorkshire, North Yorkshire, Humberside and South Yorkshire) with a combined population of just over 5 million. Four-fifths of the region is rural in nature, including the east coast, the uplands of North Yorkshire, the Pennines and the former coalfield areas. Alongside this are the large conurbations in West and South Yorkshire: 65 per cent of the Yorkshire and the Humber population are concentrated around Leeds and Bradford in West Yorkshire and around Sheffield in South Yorkshire. For the region as whole, population density is 323 persons per square kilometre, slightly less than the average for England (380 persons per square kilometre). Among the region’s strengths are its environmental assets, including three National Parks, and its well-developed communications infrastructure. There is also a strong educational infrastructure.

3.58 Yorkshire and the Humber is more ethnically diverse than the North West or North

East, with 6.5 per cent of the population being non-white. While the population increased by 0.2 per cent a year between 1994 and 2004, employment increased by 0.9 per cent a year, driven by strong output and employment growth in financial and business services and government and other (largely personal) services. Between 2004 and 2014 employment in the Yorkshire and the Humber economy is expected to grow in line with the national average.

3.59 The region has experienced substantial economic upheaval in the last 20 years. This has seen the running down of the coal industry, decline in heavy engineering, textiles and fishing and the restructuring of the steel industry. Nevertheless, compared with the UK, Yorkshire and the Humber continues to specialise more in manufacturing and less in financial services, with the former accounting for a greater share of employment and output within the region. Otherwise, the industrial structures of Yorkshire and the Humber and the UK are much the same. Within manufacturing, it is not so much that Yorkshire and the Humber is more or less specialised, but rather that it specialises in different industries. Some parts of the region are diversifying away from traditional industries. Leeds has become a leading centre for legal and financial services, and Sheffield is also developing services industries. North Yorkshire is beginning to rely less on hill farming and more on tourism. Yorkshire Forward, the regional development agency, is attempting to promote greater specialisation by encouraging the creation of industrial clusters. The sectors that are being actively promoted in an attempt to create linkages and benefit from spillovers are: food and drink; chemicals; metals and engineering; bioscience; and digital industries. The Northern Way Growth Strategy adopts a largely city-based focus (and includes Leeds, Sheffield and ‘Hull and Humber Ports’ among its eight city-regions) rather than an explicitly sector- or cluster-based approach, although the strategy for each city typically includes reference to key sectoral activities.

3.60 A relatively high proportion of establishments report HtFVs (9.5 per cent compared with the national average of 7.3 per cent), and a relatively high share of SSVs (6.8 per cent compared with 5.1 per cent in England).

Yorkshire and the Humber.	
Local LSCs: Humberside; North Yorkshire; West Yorkshire; South Yorkshire.	
Population (000s)	5,039
Population of working age (000s)	3,298
Ethnic groups (%)	
White	93.5
Black	0.7
Indian	1.0
Bangladeshi/Pakistani	3.2
Other/mixed	1.6
Population change: 1994–2004 (% pa)	0.2
Population density (persons per square km)	323
Employment (000s)	2,444
Change: 1994–2004 (% pa)	0.9
Change: 1999–2004 (% pa)	1.3
Change: 2004–2014 (forecast % pa)	0.4
Employment in the 10 worst-performing industries in England (%)	15.6
Employment in the 10 best-performing industries in England (%)	57.5
Top 3 occupational groups (% of total emp.)	
Managers and senior officials	14.1
Associate professional and technical occupations	12.5
Administrative and secretarial occupations	12.4
Workforce with NQF 4+ qualifications (%)	22.3
Workforce with no qualifications (%)	16.0
Average gross weekly pay (£s)	382
Unemployment rate (ILO)	4.6
Establishments reporting HtFVs (%)[1]	9.5
Establishments reporting SSVs (%)[1]	6.8

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.
Note: Data are 2004 except [(1)] where data are 2005.

Yorkshire and the Humber local LSC areas

3.61 With regard to employment growth, the period 1994 to 2004 was a period of two distinct halves. Over the 10-year period, employment growth in all the areas except North Yorkshire was poor such that Humberside, West Yorkshire and South Yorkshire were all ranked among the poorer performing English regions, with Humberside ranked 44th. Between 1999 and 2004, however, three of the areas were ranked in the top five regions for employment growth. West Yorkshire remained the exception, ranked 40th with employment growth of 0.2 per cent a year. Industrial structure does not seem a likely reason for West Yorkshire's poor performance as Humberside has a higher proportion of workers in the 10 worst-performing industries and a lower proportion in the 10 best-performing industries. North Yorkshire, relatively sparsely populated and without the tradition of specialisation in heavy industry, is reasonably well-placed for growth. It has the lowest proportion of workers in manufacturing, the highest proportion in the 10 best-performing industries and by far the lowest unemployment rate (2.4 per cent) in Yorkshire and the Humber. The problem for employment growth is not so much the over-representation of manufacturing in the region, but the under-representation of the most advanced and most rapidly growing parts of manufacturing. Manufacturing is concentrated in traditional manufacturing sectors such as textiles and clothing, metals and mechanical engineering, which are nationally some of the worst-performing industries. Of course, a decline in a sector's net employment does not preclude the possibility that some firms are increasing in size. Nor does it imply that there is no need for additional workers for replacement, or that the sector is unimportant for skills strategy: sectors undergoing rapid structural change typically also face rapid changes in the kinds of skills required for successful adaptation.

3.62 Yorkshire and the Humber reports relatively high levels of HtFVs and SSVs, but there are some disparities in the experiences of the local LSC areas. North Yorkshire and South Yorkshire are ranked 1st and 2nd for the proportion of firms reporting HtFVs (both around 10 per cent), and 3rd and 4th for SSVs (both just under 7 per cent). Both of these areas enjoyed quite strong employment growth between 1999 and 2004, and so it would seem labour demand has grown faster than supply, compounded in the case of South Yorkshire by the legacy of skills mismatch arising from past restructuring. Humberside, meanwhile, has enjoyed just as strong employment growth, but a smaller proportion of firms reported either HtFVs or SSVs, suggesting that the labour market in Humberside has more spare capacity. West Yorkshire is similar to North and South Yorkshire in that it has a comparatively high proportion of establishments reporting HtFVs and SSVs, but this is against a backdrop of low employment growth between 1999 and 2004 (0.2 per cent a year). West Yorkshire was ranked highest in England on the skill-shortages measure.

3.63 There is a split in the qualification levels in Yorkshire and the Humber. Humberside and South Yorkshire rank low for the percentage of the working-age population with qualifications at NQF Level 4 or above, at 46th and 41st respectively. South Yorkshire and Humberside rank highly (5th and 1st respectively) for the percentage of the working-age population with NQF Level 1 as their highest level of qualification. But with regard to the percentage of the working-age population with no qualifications they are ranked roughly in the middle of the LSCs. About a third of Humberside's working-age population holds intermediate qualifications (NQF Level 2 and NQF Level 3), slightly above the average for England. In the case of West Yorkshire, for most of the qualification levels, achievement by its working-age population is slightly below the average for England. Compared with the other areas, North Yorkshire has the most highly qualified working-age population. For the proportion of the working-age population with NQF Level 4 and NQF Level 3, it is ranked 7th and 1st respectively. For NQF Level 2 and NQF Level 1 it is ranked in the 40s. In North Yorkshire, 12 per cent of the working-age population has no qualifications; for the other three counties, the figure is around 16 to 17 per cent.

Humberside.	
Population (000s)	888
Population of working age (000s)	575
Ethnic groups (%)	
White	98.2
Black	0.2
Indian	0.3
Bangladeshi/Pakistani	0.3
Other/mixed	0.9
Population change: 1994–2004 (% pa)	0.1
Population density (persons per square km)	251
Employment (000s)	409
Change: 1994–2004 (% pa)	0.2
Change: 1999–2004 (% pa)	2.2
Change: 2004–2014 (forecast % pa)	0.2
Employment in the 10 worst-performing industries in England (%)	18.7
Employment in the 10 best-performing industries in England (%)	54.5
Top 3 occupational groups (% of total emp.)	
Managers and senior officials	13.6
Skilled trades occupations	13.2
Elementary occupations	12.5
Workforce with NQF 4+ qualifications (%)	18.1
Workforce with no qualifications (%)	16.1
Average gross weekly pay (£s)	364
Unemployment rate (ILO)	5.3
Establishments reporting HtFVs (%)[1]	7.4
Establishments reporting SSVs (%)[1]	5.6

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.
Note: Data are 2004 except [(1)] where data are 2005.

North Yorkshire.	
Population (000s)	765
Population of working age (000s)	496
Ethnic groups (%)	
White	98.6
Black	0.1
Indian	0.1
Bangladeshi/Pakistani	0.1
Other/mixed	1.0
Population change: 1994–2004 (% pa)	0.6
Population density (persons per square km)	91
Employment (000s)	393
Change: 1994–2004 (% pa)	1.8
Change: 1999–2004 (% pa)	1.9
Change: 2004–2014 (forecast % pa)	0.6
Employment in the 10 worst-performing industries in England (%)	15.6
Employment in the 10 best-performing industries in England (%)	60.3
Top 3 occupational groups (% of total emp.)	
Managers and senior officials	15.0
Elementary occupations	13.0
Skilled Trades occupations	12.4
Workforce with NQF 4+ qualifications (%)	30.4
Workforce with no qualifications (%)	12.3
Average gross weekly pay (£s)	361
Unemployment rate (ILO)	2.4
Establishments reporting HtFVs (%)[1]	10.3
Establishments reporting SSVs (%)[1]	6.9

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.
Note: Data are 2004 except [(1)] where data are 2005.

West Yorkshire.	
Population (000s)	2,108
Population of working age (000s)	1,388
Ethnic groups (%)	
White	88.6
Black	1.0
Indian	2.0
Bangladeshi/Pakistani	6.3
Other/mixed	2.1
Population change: 1994–2004 (% pa)	0.2
Population density (persons per square km)	1,033
Employment (000s)	1,064
Change: 1994–2004 (% pa)	0.7
Change: 1999–2004 (% pa)	0.2
Change: 2004–2014 (forecast % pa)	0.4
Employment in the 10 worst-performing industries in England (%)	14.7
Employment in the 10 best-performing industries in England (%)	56.3
Top 3 occupational groups (% of total emp.)	
Managers and senior officials	14.2
Administrative and secretarial occupations	13.1
Associate professional and technical occupations	12.9
Workforce with NQF 4+ qualifications (%)	22.7
Workforce with no qualifications (%)	16.7
Average gross weekly pay (£s)	396
Unemployment rate (ILO)	4.3
Establishments reporting HtFVs (%)[1]	9.5
Establishments reporting SSVs (%)[1]	7.1

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.
Note: Data are 2004 except [(1)] where data are 2005.

South Yorkshire.	
Population (000s)	1,278
Population of working age (000s)	840
Ethnic groups (%)	
White	95.2
Black	0.8
Indian	0.4
Bangladeshi/Pakistani	1.9
Other/mixed	1.7
Population change: 1994–2004 (% pa)	0.0
Population density (persons per square km)	820
Employment (000s)	578
Change: 1994–2004 (% pa)	1.1
Change: 1999–2004 (% pa)	2.2
Change: 2004–2014 (forecast % pa)	0.3
Employment in the 10 worst-performing industries in England (%)	15.3
Employment in the 10 best-performing industries in England (%)	59.7
Top 3 occupational groups (% of total emp.)	
Managers and senior officials	13.6
Skilled trades occupations	13.0
Associate professional and technical occupations	12.5
Workforce with NQF 4+ qualifications (%)	19.7
Workforce with no qualifications (%)	17.0
Average gross weekly pay (£s)	369
Unemployment rate (ILO)	5.3
Establishments reporting HtFVs (%)[1]	10.0
Establishments reporting SSVs (%)[1]	6.7

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.
Note: Data are 2004 except (1) where data are 2005.

North West

3.64 With 6.8 million inhabitants, the North West is the largest region outside the South East and London by population. It comprises a wide variety of geographical areas including Cumbria, Lancashire and Merseyside. There is substantial diversity within the region from rural countryside to areas of urban deprivation and some of the most prosperous suburbs in the UK. This diversity extends to income, with Merseyside and north Manchester representing a specific area of relative economic under-development. GDP per capita in Merseyside is only 62 per cent of that in Cheshire and Warrington.

3.65 The population of the North West is unevenly spread across the regions. The largest concentrations are in Merseyside and the Greater Manchester conurbations. The highest unemployment rates in the North West tend to be concentrated in these densely populated areas. As a result, until recently Greater Manchester and Merseyside typically experienced out-migration as young workers searched for work. Increasingly available road transport encouraged migration from decaying inner city areas to accessible countryside locations. Transport within the region includes good north–south road and rail links, the increasingly important Manchester airport and the smaller, but fast-growing, Liverpool John Lennon airport. The population in these areas (and the North West) is now on the increase due in part to the policy of urban regeneration, particularly in Manchester and Liverpool. This has helped to create more attractive living environments along with increasing job opportunities and, as such, young people feel less inclined to migrate at the start of their careers.

3.66 Growth in the North West has, for a long time, been supported mainly by services as the economic structure of the region has come to depend less upon traditional heavy manufacturing industries. This trend is expected to persist. Manufacturing remains sensitive to world demand and is coming under increasing pressure from the effects of globalisation. The region's relative specialisation in chemicals has also not been helped by the rise in the price of oil and other commodities, with the result that manufacturing growth is expected to be at, or slightly below, the UK average in the short term at least. In terms of employment, mineral and metals, chemicals and food and drink are the region’s most important manufacturing industries.

3.67 Within services, the sectors doing most to drive the changing economic structure of the region are transport and communications, non-financial business services and education and health. They are all industries that have an equally strong national performance. The fact that services in the North West have the same share of employment as the UK at present but a lower share of output is an indication of the poorer productivity in the North West. The fast output growth of services means that services will largely shape the overall economic performance of the North West. By 2010 around 81 per cent of jobs in the North West are expected to be in services, compared with 79.5 per cent at present. This is the same share as that expected for the UK as a whole.

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

North West.	
Local LSCs: Cheshire and Warrington; Greater Manchester; Lancashire; Greater Merseyside; Cumbria.	
Population (000s)	6,827
Population of working age (000s)	4,471
Ethnic groups (%)	
White	94.4
Black	0.6
Indian	1.1
Bangladeshi/Pakistani	2.1
Other/mixed	1.7
Population change: 1994–2004 (% pa)	0.0
Population density (persons per square km)	480
Employment (000s)	3,358
Change: 1994–2004 (% pa)	1.2
Change: 1999–2004 (% pa)	1.1
Change: 2004–2014 (forecast % pa)	0.3
Employment in the 10 worst-performing industries in England (%)	13.2
Employment in the 10 best-performing industries in England (%)	59.7
Top 3 occupational groups (% of total emp.)	
Managers and senior officials	13.9
Associate professional and technical occupations	13.5
Administrative and secretarial occupations	13.0
Workforce with NQF 4+ qualifications (%)	23.1
Workforce with no qualifications (%)	17.7
Average gross weekly pay (£s)	396
Unemployment rate (ILO)	4.6
Establishments reporting HtFVs (%)[1]	8.0
Establishments reporting SSVs (%)[1]	5.6

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.
Note: Data are 2004 except [(1)] where data are 2005.

North West local LSC areas

3.69 In terms of employment growth, the North West local LSC areas do not have the best record, but performance has improved. Between 1994 and 2004, only 1 of the regions (Cheshire and Warrington) was ranked in the top 20, but between 1999 and 2004 3 of the North West regions were ranked in the top 20 for employment growth: Cumbria (6th), Greater Merseyside (12th) and Lancashire (17th). This serves to highlight the recent success of regeneration projects in Merseyside and Manchester, and the improvements in communications and transport networks which allow more people to live outside the major conurbations. With regard to unemployment, the regions are quite varied indicating deep skills gaps within the region. Cheshire and Warrington is best placed with an unemployment rate of just 3.3 per cent, well below the England average; but despite the benefits of regeneration, Greater Merseyside continues to have the highest rate in the local LSCs (6.6 per cent), placing it 8th highest among the English regions. The rates for Cumbria and Lancashire are both below the England average.

3.70 The importance of manufacturing to the labour force is mixed across the regions. It remains much more important in Lancashire and Cumbria, employing about 18 per cent in each case. This places them in the top 10 among all English regions; in the other North West regions manufacturing employs around 13 per cent of the workers, ranking them around 26th to 31st across all regions. This reflects the declining importance of manufacturing in the North West as services come to represent a greater share of output and employment, and the more urbanised areas have been in a better position to create new jobs generated by services. More generally, the sub-regions are spread out with regard to employment in the top 10 worst-performing industries. With nearly 19 per cent employed in the 10 worst-performing industries, Cumbria is high and comes 8th highest out of the 47 local LSC areas. In Greater Merseyside, on the other hand, only 9.6 per cent is employed in these same industries, placing it 40th among all the English regions. In the other 3 North West regions, 12 to 15 per cent is employed in the 10 worst-performing industries.

3.71 In the North West, the percentage of employment in the top 10 best performing industries is mixed across the areas. Lancashire and Cumbria are ranked lowly with about 55 to 56 per cent employed in these industries. Greater Merseyside and Greater Manchester are ranked more highly with 60 to 62 per cent, suggesting that some of benefits from regeneration have been localised. Cheshire and Warrington, with 59 per cent, is the median of the 47 local LSC areas. With a higher proportion of employees in manufacturing and a stronger skew towards employment in the 10 worst-performing industries, Cumbria appears to be a step behind the rest of the North West, despite its low unemployment rate.

3.72 Reports of HtFVs and SSVs in the North West are mixed and reflect the relative dynamism of the different parts of the region. In both cases the pattern is the same. Cheshire and Warrington is the worst-placed of the local LSC areas with 8.7 per cent of establishments reporting HtFVs and 6.3 per cent reporting SSVs. The national averages are 7.3 per cent and 5.1 per cent respectively. Across Greater Manchester, Lancashire, Greater Merseyside and Cumbria these rates fall in that order. Only in Cumbria are the rates below the national averages: 6.7 per cent and 4.7 per cent respectively.

3.73 Greater Merseyside stands out with regard to qualification levels among the working-age population: only 19 per cent are qualified to NQF Level 4 while 23 per cent have no qualifications. On these measures, therefore, it is ranked 43rd and 1st respectively among the 47 local LSC areas. Of the others, Greater Manchester also has a high incidence of workers without qualifications (18.6 per cent); the other areas in the North West are in the 13 to 15 per cent range and ranked in the 20s. Across all the areas in the North West the proportion of workers with NQF Level 1, NQF Level 2 or NQF Level 3 as the highest level of qualifications lies in the 14 to 17 per cent range. The differences between areas are small, however, and so in terms of rankings, for the proportion of workers with NQF Level 1, all the areas except Cumbria are ranked in the lower half of the English regions. For the proportion of workers with NQF Level 2, the North West areas all lie roughly in the middle of sample (14th to 29th), except for Greater Merseyside which is ranked 5th. Looking at NQF Level 4 qualification levels, Cheshire and Warrington stands out: 30 per cent of the working-age population is qualified to that level. Aside from Greater Merseyside, the others all have around 23 per cent of their working-age population qualified to NQF Level 4 or higher, ranking them in the mid-20s.

Cheshire and Warrington.	
Population (000s)	874
Population of working age (000s)	570
Ethnic groups (%)	
White	98.3
Black	0.2
Indian	0.3
Bangladeshi/Pakistani	0.2
Other/mixed	1.1
Population change: 1994–2004 (% pa)	0.3
Population density (persons per square km)	379
Employment (000s)	537
Change: 1994–2004 (% pa)	1.3
Change: 1999–2004 (% pa)	0.5
Change: 2004–2014 (forecast % pa)	0.4
Employment in the 10 worst-performing industries in England (%)	14.1
Employment in the 10 best-performing industries in England (%)	58.9
Top 3 occupational groups (% of total emp.)	
Managers and senior officials	14.2
Administrative and secretarial occupations	13.3
Associate professional and technical occupations	12.7
Workforce with NQF 4+ qualifications (%)	30.3
Workforce with no qualifications (%)	12.8
Average gross weekly pay (£s)	411
Unemployment rate (ILO)	3.3
Establishments reporting HtFVs (%)[1]	8.7
Establishments reporting SSVs (%)[1]	6.3

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.
Note: Data are 2004 except [(1)] where data are 2005.

Greater Manchester.	
Population (000s)	2,539
Population of working age (000s)	1,684
Ethnic groups (%)	
White	91.1
Black	1.2
Indian	1.4
Bangladeshi/Pakistani	3.8
Other/mixed	2.5
Population change: 1994–2004 (% pa)	0.0
Population density (persons per square km)	1,983
Employment (000s)	1,318
Change: 1994–2004 (% pa)	1.2
Change: 1999–2004 (% pa)	1.0
Change: 2004–2014 (forecast % pa)	0.3
Employment in the 10 worst-performing industries in England (%)	12.4
Employment in the 10 best-performing industries in England (%)	62.2
Top 3 occupational groups (% of total emp.)	
Managers and senior officials	13.9
Administrative and secretarial occupations	13.6
Associate professional and technical occupations	13.5
Workforce with NQF 4+ qualifications (%)	22.8
Workforce with no qualifications (%)	18.6
Average gross weekly pay (£s)	392
Unemployment rate (ILO)	4.8
Establishments reporting HtFVs (%)[1]	8.2
Establishments reporting SSVs (%)[1]	5.8

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.
Note: Data are 2004 except [(1)] where data are 2005.

Lancashire.	
Population (000s)	1,435
Population of working age (000s)	928
Ethnic groups (%)	
White	93.4
Black	0.2
Indian	2.1
Bangladeshi/Pakistani	3.0
Other/mixed	1.3
Population change: 1994–2004 (% pa)	0.1
Population density (persons per square km)	470
Employment (000s)	666
Change: 1994–2004 (% pa)	1.0
Change: 1999–2004 (% pa)	1.2
Change: 2004–2014 (forecast % pa)	0.2
Employment in the 10 worst-performing industries in England (%)	15.4
Employment in the 10 best-performing industries in England (%)	56.2
Top 3 occupational groups (% of total emp.)	
Managers and senior officials	13.8
Associate professional and technical occupations	13.3
Skilled trades occupations	12.4
Workforce with NQF 4+ qualifications (%)	23.1
Workforce with no qualifications (%)	15.3
Average gross weekly pay (£s)	391
Unemployment rate (ILO)	4.7
Establishments reporting HtFVs (%)[1]	7.8
Establishments reporting SSVs (%)[1]	5.1

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.
Note: Data are 2004 except (1) where data are 2005.

Cumbria.	
Population (000s)	495
Population of working age (000s)	318
Ethnic groups (%)	
White	99.3
Black	0.1
Indian	0.1
Bangladeshi/Pakistani	0.1
Other/mixed	0.5
Population change: 1994–2004 (% pa)	0.2
Population density (persons per square km)	72
Employment (000s)	235
Change: 1994–2004 (% pa)	1.0
Change: 1999–2004 (% pa)	1.8
Change: 2004–2014 (forecast % pa)	0.2
Employment in the 10 worst-performing industries in England (%)	18.8
Employment in the 10 best-performing industries in England (%)	54.8
Top 3 occupational groups (% of total emp.)	
Managers and senior officials	14.0
Elementary occupations	12.6
Skilled trades occupations	12.3
Workforce with NQF 4+ qualifications (%)	23.1
Workforce with no qualifications (%)	13.6
Average gross weekly pay (£s)	362
Unemployment rate (ILO)	3.8
Establishments reporting HtFVs (%)[1]	6.7
Establishments reporting SSVs (%)[1]	4.7

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.
Note: Data are 2004 except [(1)] where data are 2005.

Greater Merseyside.	
Population (000s)	1,485
Population of working age (000s)	969
Ethnic groups (%)	
White	97.3
Black	0.5
Indian	0.3
Bangladeshi/Pakistani	0.2
Other/mixed	1.8
Population change: 1994–2004 (% pa)	-0.4
Population density (persons per square km)	2,048
Employment (000s)	602
Change: 1994–2004 (% pa)	1.1
Change: 1999–2004 (% pa)	1.5
Change: 2004–2014 (forecast % pa)	0.2
Employment in the 10 worst-performing industries in England (%)	9.6
Employment in the 10 best-performing industries in England (%)	60.6
Top 3 occupational groups (% of total emp.)	
Associate professional and technical occupations	14.7
Managers and senior officials	13.8
Administrative and secretarial occupations	13.2
Workforce with NQF 4+ qualifications (%)	19.3
Workforce with no qualifications (%)	22.8
Average gross weekly pay (£s)	384
Unemployment rate (ILO)	6.6
Establishments reporting HtFVs (%)[1]	7.7
Establishments reporting SSVs (%)[1]	5.3

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.
Note: Data are 2004 except [(1)] where data are 2005.

North East

3.74 The North East region covers the area from Berwick-upon-Tweed in the north to the Tees Valley in the south and spreads inland to the Pennines. It includes the population concentrations of Tyneside, Wearside and Teesside. Much of the region has an exceptionally attractive environment and several outstanding cultural attributes. There are still some areas of deprivation in the region, however. The 2004 Index of Multiple Deprivation showed that 38 per cent of the Special Output Areas (SOAs) in the North East fell in the most deprived 20 per cent of SOAs in England. The North East region has a population of over 2.5 million, with 70 per cent living in the cities and towns along the rivers Tyne, Wear and Tees where traditionally they provided the labour force for mining, steel, shipbuilding and other heavy manufacturing. This concentration of the population in the cities contrasts with the county of Northumberland, which is the most sparsely populated LSC area in England. While some areas have good access to services in the county and Tyneside, others are less well served due to their relative isolation. In these areas problems include some difficulty in accessing jobs, education and social services.

3.75 Compared with the UK as a whole, the North East has a less ethnically diverse population: 97.6 per cent of the population is white. In contrast to the 2.4 per cent for the North East, non-white ethnic groups make up around 9 per cent of the population in the UK.

3.76 In the last 25 years the region has been transformed with huge job losses in primary and heavy manufacturing industry. Coal mining in Northumberland and Durham and the steel industry in Consett were major casualties of the transformation. Between 1980 and 2005 around 220,000 jobs were lost in mining and manufacturing. Nevertheless, in 2003 manufacturing still employed 14.5 per cent of the working-age population, compared with 12.6 per cent nationally. Moreover, the North East Regional Information Partnership (NERIP) State of the Region (2006) shows that manufacturing contributes to 21 per cent of regional GVA. Within manufacturing mechanical engineering, minerals and metals and food and drink have the largest employment shares. The competitive forces imposed by globalisation are continuing to put pressure on these labour forces and employment is forecast to continue to decline.

3.77 Reflecting the weakness of private sector employment growth over the long term, government and other services account for a higher proportion of both employment (36 per cent) and output (27 per cent) in the North East than nationally (30 per cent and 23 per cent, respectively). The processes of rationalisation among local councils and ongoing downsizing among other services firms have now been completed, and recent data show steady growth in output and employment. The service sector in the North East has tended to grow at a slower pace than the UK service sector but in recent years the gap has narrowed, with service sector growth rates for the North East matching and in some cases beating those for the UK service sector between 2004 and 2005. Even so, growth rates for services in the North East are forecast to be just below those for services in the UK as a whole over the 2005 to 2015 period. Combined with the poor performance of primary and manufacturing industries, this means that GVA per head for the North East remains below the national average. At the same time, however, the gap is not widening. GVA growth between 2001 and 2003 exceeded the UK average rate in each of those years, halting the trend of the 1990s when growth was at much lower rates than the UK average.

3.78 The North East is not well positioned for long-term growth. It suffers from a lack of demand in the economy and from a lack of highly skilled workers, which is exacerbated by a tendency to move out of the region in search of better-paid jobs elsewhere. Between 1994 and 2004, the population fell by 0.2 per cent a year, although the level has been increasing recently, with an increase of around 7,000 between 2002 and 2004.

3.79 The supply of labour in the North East consistently lags behind national levels for the attainment of qualifications and skills, and includes some of the most poorly-performing areas in the country in NQF achievement: nearly a fifth of the working-age population in the North East have no qualifications. However, since 2001 GCSE achievements of young people in the region leaving school, whilst still below the national average, have improved at a much faster rate than the national average, and show signs of narrowing this gap.

North East.	
Local LSCs: Tees Valley; County Durham; Northumberland; Tyne and Wear.	
Population (000s)	2,545
Population of working age (000s)	1,670
Ethnic groups (%)	
White	97.6
Black	0.2
Indian	0.4
Bangladeshi/Pakistani	0.8
Other/mixed	1.0
Population change: 1994–2004 (% pa)	-0.2
Population density (persons per square km)	293
Employment (000s)	1,093
Change: 1994–2004 (% pa)	0.5
Change: 1999–2004 (% pa)	0.9
Change: 2004–2014 (forecast % pa)	0.2
Employment in the 10 worst-performing industries in England (%)	15.2
Employment in the 10 best-performing industries in England (%)	57.8
Top 3 occupational groups (% of total emp.)	
Associate professional and technical occupations	13.2
Elementary occupations	12.6
Managers and senior officials	12.5
Workforce with NQF 4+ qualifications (%)	20.7
Workforce with no qualifications (%)	18.0
Average gross weekly pay (£s)	370
Unemployment rate (ILO)	6.1
Establishments reporting HtFVs (%)[1]	8.2
Establishments reporting SSVs (%)[1]	5.3

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.
Note: Data are 2004 except [(1)] where data are 2005.

North East LSC areas

3.80 Among the nine regions of England, the North East region had the worst employment growth performance between 1994 and 2004. Specialisation in slow-growth industries has been a problem. Employment growth improved between 2000 and 2003, outpacing the national average. This boosted the North East's average for 1999 to 2004, and lifted it above both the West Midlands and East Midlands in the rankings for the nine Government office regions. Despite the North East's better performance between 1999 and 2004 three of the local LSCs are still ranked in the lower half of the regions. In contrast, County Durham had the fourth fastest growth in employment over this time period. County Durham and Northumberland rank 3rd and 10th respectively for employment in the 10 worst-performing industries in England. County Durham also ranks 40th for employment in the top 10 performing industries; only Tees Valley ranks in the top half. Manufacturing is still an important employer in the North East, but the industry is in decline. Over a broader timeframe, growth in service industries remains below the national average and so job losses in manufacturing are not being offset. As a result, unemployment in the region remains high and above the national average: the rates for Tees Valley and Tyne and Wear are 2 of the worst 10 in England.

3.81 With regard to reported vacancies, there is a dichotomy among the LSC areas in the North East. Tyne and Wear and Tees Valley are 2nd and 9th respectively with regard to the proportion of establishments reporting unfilled vacancies; Northumberland and County Durham are 27th and 29th respectively. In all the North East local LSC areas, around 8 to 9 per cent of establishments report HtFVs, placing them all, except County Durham, in the 14th to 16th range; County Durham is 7th. With regard to SSVs the LSC areas are spread out. County Durham is worst, at 11th, with 5.9 per cent of establishments reporting SSVs; Northumberland is best placed, at 34th, with 4.6 per cent.

3.82 Around 13 to 20 per cent of the working-age population in the North East has no qualifications. Both County Durham and Tees Valley are ranked in the top 10, at 4th and 6th respectively. In other words, they have a relatively high proportion of their working-age population without any qualifications. Across all 4 local LSCs, roughly 15 to 17 per cent of the working-age populations are qualified to only NQF Level 1 or NQF Level 2, while for NQF Level 3 it is around 12 to 15 per cent. In Tyne and Wear, which accounts for around half the jobs and population in the North East in roughly 5 per cent of the landmass, just over 21 per cent of the working-age population have attained NQF Level 4 or higher. County Durham and Northumberland have similar rates while for Tees Valley it is about 18.5 per cent. These rates mean that, for the share of the working-age population with NQF Level 4 qualifications or higher, all the LSC areas are ranked in the bottom third; Tees Valley comes 45th out of 47. Taken together, all these results highlight that the qualification levels attained by the working-age population in the North East are generally below the national average.

Tees Valley.	
Population (000s)	652
Population of working age (000s)	424
Ethnic groups (%)	
White	97.2
Black	0.2
Indian	0.4
Bangladeshi/Pakistani	1.3
Other/mixed	1.0
Population change: 1994–2004 (% pa)	-0.1
Population density (persons per square km)	822
Employment (000s)	287
Change: 1994–2004 (% pa)	0.4
Change: 1999–2004 (% pa)	0.9
Change: 2004–2014 (forecast % pa)	0.3
Employment in the 10 worst-performing industries in England (%)	15.7
Employment in the 10 best-performing industries in England (%)	59.8
Top 3 occupational groups (% of total emp.)	
Associate professional and technical occupations	13.0
Elementary occupations	12.7
Managers and senior officials	12.5
Workforce with NQF 4+ qualifications (%)	18.4
Workforce with no qualifications (%)	18.8
Average gross weekly pay (£s)	361
Unemployment rate (ILO)	6.2
Establishments reporting HtFVs (%)[1]	8.0
Establishments reporting SSVs (%)[1]	5.3

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.
Note: Data are 2004 except [(1)] where data are 2005.

County Durham.	
Population (000s)	497
Population of working age (000s)	328
Ethnic groups (%)	
White	99.0
Black	0.1
Indian	0.2
Bangladeshi/Pakistani	0.1
Other/mixed	0.7
Population change: 1994–2004 (% pa)	-0.1
Population density (persons per square km)	222
Employment (000s)	180
Change: 1994–2004 (% pa)	0.6
Change: 1999–2004 (% pa)	2.0
Change: 2004–2014 (forecast % pa)	0.2
Employment in the 10 worst-performing industries in England (%)	20.8
Employment in the 10 best-performing industries in England (%)	55.0
Top 3 occupational groups (% of total emp.)	
Skilled trades occupations	14.7
Elementary occupations	13.5
Associate professional and technical occupations	12.3
Workforce with NQF 4+ qualifications (%)	21.7
Workforce with no qualifications (%)	20.7
Average gross weekly pay (£s)	359
Unemployment rate (ILO)	4.8
Establishments reporting HtFVs (%)[1]	8.7
Establishments reporting SSVs (%)[1]	5.9

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.
Note: Data are 2004 except [(1)] where data are 2005.

Northumberland.	
Population (000s)	311
Population of working age (000s)	202
Ethnic groups (%)	
White	99.0
Black	0.1
Indian	0.2
Bangladeshi/Pakistani	0.1
Other/mixed	0.5
Population change: 1994–2004 (% pa)	0.1
Population density (persons per square km)	62
Employment (000s)	112
Change: 1994–2004 (% pa)	0.3
Change: 1999–2004 (% pa)	0.1
Change: 2004–2014 (forecast % pa)	0.2
Employment in the 10 worst-performing industries in England (%)	17.8
Employment in the 10 best-performing industries in England (%)	57.4
Top 3 occupational groups (% of total emp.)	
Elementary occupations	13.8
Associate professional and technical occupations	12.8
Managers and senior officials	12.7
Workforce with NQF 4+ qualifications (%)	21.6
Workforce with no qualifications (%)	13.4
Average gross weekly pay (£s)	342
Unemployment rate (ILO)	5.1
Establishments reporting HtFVs (%)[1]	8.0
Establishments reporting SSVs (%)[1]	4.6

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.
Note: Data are 2004 except [(1)] where data are 2005.

Tyne and Wear.	
Population (000s)	1,086
Population of working age (000s)	716
Ethnic groups (%)	
White	96.8
Black	0.2
Indian	0.6
Bangladeshi/Pakistani	1.1
Other/mixed	1.3
Population change: 1994–2004 (% pa)	-0.3
Population density (persons per square km)	2,006
Employment (000s)	514
Change: 1994–2004 (% pa)	0.5
Change: 1999–2004 (% pa)	0.8
Change: 2004–2014 (forecast % pa)	0.3
Employment in the 10 worst-performing industries in England (%)	12.3
Employment in the 10 best-performing industries in England (%)	57.7
Top 3 occupational groups (% of total emp.)	
Associate professional and technical occupations	13.6
Administrative and secretarial occupations	12.9
Managers and senior officials	12.6
Workforce with NQF 4+ qualifications (%)	21.4
Workforce with no qualifications (%)	17.6
Average gross weekly pay (£s)	379
Unemployment rate (ILO)	6.7
Establishments reporting HtFVs (%)[1]	8.1
Establishments reporting SSVs (%)[1]	5.1

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.
Note: Data are 2004 except [(1)] where data are 2005.

Annex: Statistical Sources

A.1 Most of the data in the broad regional and detailed regional summary tables were taken from Wilson, Dickerson and Homenidou (2003). *'Working Futures': New Projections of Occupational Employment by Sector and Region.* Sector Skills Development Agency: Wath-upon-Dearne.

National Statistics Sources

A.2 Most of the estimates for government office regions and local LSC areas, detailed regional and summary regional indicators tables, are based on various National Statistics sources:

A.3 Population estimates, working-age population estimates and population density estimates are based on data from Midyear Population Estimates.

A.4 Ethnic group estimates are based on data from Census 2001.

A.5 Unemployment and qualification levels estimates are based on Labour Force Survey (LFS) data.

A.6 Weekly wage estimates are based on Annual Survey of Hours and Earnings (ASHE) data.

Other Sources

A.7 Employment and occupational estimates are based on *Working Futures* data.

A.8 Vacancy data were obtained from the National Employer Skills Survey 2005 (NESS05).

A.9 ODPM (2004), *The English Indices of Deprivation 2004 (revised)*.

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

	Proportion of working age with qualification level (%)					
	NQF 4+	NQF 3	NQF 2	NQF 1	Other	None
London North	29.9	11.5	13.1	11.5	17.8	16.2
London West	31.0	13.0	10.9	8.7	24.6	11.9
London Central	39.7	10.2	9.1	6.9	21.6	12.4
London East	22.9	12.1	13.9	13.0	19.4	18.6
London South	32.3	15.3	13.4	13.4	16.5	9.1
Berkshire	31.7	15.3	15.2	13.1	15.0	9.7
Milton Keynes, Oxford and Buckinghamshire	32.1	14.7	14.6	14.4	13.1	10.9
Sussex	27.8	15.8	16.3	14.7	14.7	10.6
Hampshire and the Isle of Wight	27.7	15.5	16.2	16.2	13.9	10.4
Kent and Medway	22.0	15.2	16.8	18.2	14.4	13.4
Surrey	33.5	15.7	16.2	12.3	14.0	8.3
Bedfordshire and Luton	23.1	16.2	17.8	14.4	16.3	12.2
Essex	18.4	13.7	19.5	17.6	13.4	17.5
Hertfordshire	29.8	17.3	15.8	13.6	12.6	10.8
Cambridgeshire	28.6	13.9	16.0	15.4	14.8	11.4
Norfolk	21.0	13.5	16.7	19.2	16.0	13.7
Suffolk	20.9	11.4	17.8	14.5	13.8	21.6
West of England	30.3	17.3	14.7	15.2	12.5	9.8
Devon and Cornwall	24.4	16.2	17.5	16.9	14.8	10.2
Bournemouth, Dorset and Poole	24.2	15.9	16.8	16.8	14.6	11.7
Gloucestershire	26.1	16.3	14.3	16.3	15.1	11.9
Somerset	26.0	13.9	15.5	19.6	13.6	11.3
Wiltshire and Swindon	25.5	16.9	16.9	16.8	13.5	10.6
Herefordshire and Worcestershire	24.3	14.9	14.7	17.2	12.6	16.3
Shropshire	23.2	14.0	16.9	13.9	16.4	15.6
Staffordshire	19.5	14.2	15.4	16.5	16.4	17.9
Coventry and Warwickshire	23.4	16.4	15.5	14.6	13.1	16.9
The Black Country	16.8	13.4	15.2	16.1	16.6	21.9
Birmingham and Solihull	22.1	15.0	14.2	15.1	13.4	20.3
Derbyshire	21.3	15.6	15.4	17.3	13.4	16.9
Leicestershire	22.0	15.4	14.9	14.3	16.7	16.7
Lincolnshire and Rutland	21.7	16.4	15.9	17.0	14.9	14.1
Northamptonshire	22.7	15.9	13.3	16.2	13.9	17.8
Nottinghamshire	23.3	16.0	15.1	15.5	12.9	17.2
Humberside	18.1	15.1	16.7	19.8	14.1	16.1
North Yorkshire	30.4	17.5	14.1	12.9	13.0	12.3
West Yorkshire	22.7	15.0	15.2	14.9	15.6	16.7
South Yorkshire	19.7	14.6	15.3	17.7	15.7	17.0
Cheshire and Warrington	30.3	14.0	15.7	14.6	12.6	12.8
Greater Manchester	22.8	15.1	16.0	14.0	13.4	18.6
Lancashire	23.1	15.3	16.5	15.3	14.4	15.3
Greater Merseyside	19.3	14.6	17.3	14.1	11.9	22.8
Cumbria	23.1	13.2	15.3	16.4	18.5	13.6
Tees Valley	18.4	14.7	17.0	16.5	14.6	18.8
County Durham	21.7	12.5	15.3	15.6	14.2	20.7
Northumberland	21.6	14.8	16.8	16.2	17.1	13.4
Tyne and Wear	21.4	13.9	14.9	17.1	15.0	17.6
England	25.0	14.7	15.3	14.9	15.2	14.8

Source: Labour Force Survey (NOMIS).

Note: ‘Other’ includes trade apprenticeships.

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

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

Source: Labour Force Survey (NOMIS) and CE.
Note: Rank 1 is highest concentration of qualification and 47 lowest. 'Other' includes trade apprenticeships.

Table A.3: Indicators of skill deficiencies and recruitment difficulties.						
Region	**Rank**	**% of establishments with vacancies**	**Rank**	**% of establishments with HtFVs**	**Rank**	**% of establishments with any SSVs**
London		**16.6%**		**5.6%**		**4.2%**
London North	32	16.0%	43	5.5%	43	3.6%
London West	26	16.9%	34	6.3%	30	4.7%
London Central	17	17.9%	42	5.8%	33	4.6%
London East	44	14.9%	44	5.3%	41	4.1%
London South	20	17.5%	32	6.5%	25	4.9%
South East		**17.6%**		**8.2%**		**5.5%**
Berkshire	10	18.9%	10	8.5%	9	6.0%
Milton Keynes, Oxford and Buckinghamshire	4	19.9%	3	9.6%	6	6.6%
Sussex	23	17.2%	9	8.5%	12	5.9%
Hampshire and the Isle of Wight	28	16.7%	12	8.4%	28	4.7%
Kent and Medway	31	16.0%	39	6.0%	40	4.2%
Surrey	13	18.4%	5	9.2%	8	6.3%
East of England		**16.0%**		**6.8%**		**5.2%**
Bedfordshire and Luton	40	15.1%	37	6.0%	36	4.4%
Essex	35	15.5%	35	6.3%	31	4.6%
Hertfordshire	19	17.6%	26	7.0%	20	5.2%
Cambridgeshire	16	17.9%	20	7.7%	5	6.7%
Norfolk	36	15.5%	25	7.2%	10	5.9%
Suffolk	39	15.2%	27	7.0%	14	5.7%
South West		**17.5%**		**7.0%**		**4.4%**
West of England	1	22.4%	18	7.8%	39	4.2%
Devon and Cornwall	30	16.0%	21	7.6%	27	4.8%
Bournemouth, Dorset and Poole	34	15.5%	41	5.8%	44	3.5%
Gloucestershire	12	18.4%	30	6.7%	35	4.4%
Somerset	41	15.1%	38	6.0%	42	4.0%
Wiltshire and Swindon	24	17.1%	24	7.3%	17	5.4%
West Midlands		**17.3%**		**7.4%**		**5.5%**
Herefordshire and Worcestershire	21	17.4%	33	6.5%	24	5.1%
Shropshire	45	14.7%	29	6.7%	38	4.3%
Staffordshire	38	15.3%	23	7.4%	21	5.2%
Coventry and Warwickshire	5	19.8%	11	8.4%	15	5.7%
The Black Country	42	15.1%	40	5.8%	26	4.9%
Birmingham and Solihull	6	19.8%	6	8.7%	2	7.0%

continued…

Table A.3: Indicators of skill deficiencies and recruitment difficulties (continued).						
Region	**Rank**	**% of establishments with vacancies**	**Rank**	**% of establishments with HtFVs**	**Rank**	**% of establishments with any SSVs**
East Midlands		**15.9%**		**5.4%**		**3.6%**
Derbyshire	37	15.5%	46	4.6%	47	2.6%
Leicestershire	33	16.0%	36	6.2%	37	4.4%
Lincolnshire and Rutland	46	14.4%	45	4.7%	45	3.3%
Northamptonshire	43	15.0%	47	4.1%	46	3.1%
Nottinghamshire	11	18.7% %	28	6.9%	32	4.6%
Yorkshire and the Humber		**19.5%**		**9.5%**		**6.8%**
Humberside	25	16.9%	22	7.4%	16	5.6%
North Yorkshire	15	18.1%	1	10.3%	3	6.9%
West Yorkshire	3	21.1%	4	9.5%	1	7.1%
South Yorkshire	7	19.7%	2	10%	4	6.7%
North West		**18.0%**		**8.0%**		**5.6%**
Cheshire and Warrington	14	18.2%	8	8.7%	7	6.3%
Greater Manchester	8	19.7%	13	8.2%	13	5.8%
Lancashire	22	17.3%	17	7.8%	23	5.1%
Greater Merseyside	18	17.6%	19	7.7%	19	5.3%
Cumbria	47	14.1%	31	6.7%	29	4.7%
North East		**18.7%**		**8.2%**		**5.3%**
Tees Valley	9	19.1%	16	8.0%	18	5.3%
County Durham	29	16.4%	7	8.7%	11	5.9%
Northumberland	27	16.7%	15	8.0%	34	4.6%
Tyne and Wear	2	21.2%	14	8.1%	22	5.1%
National total (region based)		**17.3%**		**7.3%**		**5.1%**
Sum of all localities						

Source: *National Employers Skills Survey 2005* (Shury et al, 2006)
Note: Rank 1 is highest concentration of qualification and 47 lowest.

Table A.4: Labour market indicators.						
	Growth (% pa)		Proportion (%)			%
	Emp. 1994–2004	Emp. 1999–2004	Emp. Bottom 10	Emp. Top 10	Emp. Manuf.	ILO Unemp.
London North	1.1	0.4	7.3	64.9	9.5	7.0
London West	1.8	1	7.3	70	8	6.9
London Central	1.8	0.8	2.4	72.2	2.8	7.7
London East	1.9	1.4	4.5	58.8	5.6	8.0
London South	1	1	5.3	66.5	8.3	5.5
Berkshire	1.7	0.9	11.2	66.5	10.5	3.7
Milton Keynes, Oxford and Buckinghamshire	1.6	0.7	12.1	62.3	12.4	3.5
Sussex	1.3	0.8	10.6	62.6	10.5	4.2
Hampshire and the Isle of Wight	1.6	1.4	12.2	61	13.9	3.3
Kent and Medway	1.1	1.1	12.5	60.8	11.7	4.3
Surrey	1.9	0	9.1	67.3	8.4	3.4
Bedfordshire and Luton	0.2	0.3	13.7	60.2	16.9	4.0
Essex	2.5	2.9	10.9	59.4	15	4.0
Hertfordshire	1.5	0.6	10.2	62.8	10.7	3.6
Cambridgeshire	1.8	1.4	14.3	61.3	12.1	3.9
Norfolk	1.2	1	15.7	58.4	13.3	4.7
Suffolk	0.9	1.6	15.2	58	15.4	2.6
West of England	1.5	1.5	9.6	60.6	11.4	4.0
Devon and Cornwall	1.2	1.5	13.8	60.2	12	4.0
Bournemouth, Dorset and Poole	1.3	0.6	11.5	58.8	11.9	2.8
Gloucestershire	1.3	1.5	17.5	56.8	13.8	3.7
Somerset	1	1.7	16.7	54.9	14.7	2.9
Wiltshire and Swindon	1.4	1.7	15.2	56.8	13.7	3.2
Herefordshire and Worcestershire	1.1	0.3	19.8	55.9	20.3	3.0
Shropshire	1.1	0.1	20.2	52.2	19	3.4
Staffordshire	1.1	0.7	19.9	55.8	22.2	4.0
Coventry and Warwickshire	1.2	-0.3	14	58.1	20.7	4.0
The Black Country	0.2	-0.2	21	52.1	20.5	6.7
Birmingham and Solihull	0.9	1.1	10.6	61.6	13.1	8.3
Derbyshire	0.8	-1.2	17.2	57.2	23.6	4.1
Leicestershire	0.1	0.5	19.6	53.4	17.9	4.1
Lincolnshire and Rutland	1.4	0.8	22.4	53.1	16.4	4.1
Northamptonshire	1.6	-0.6	16.4	58.4	20.4	3.3
Nottinghamshire	0.7	0.7	13.4	61.5	15	5.8
Humberside	0.2	2.2	18.7	54.5	18.2	5.3
North Yorkshire	1.8	1.9	15.6	60.3	11.1	2.4
West Yorkshire	0.7	0.2	14.7	56.3	15.2	4.3
South Yorkshire	1.1	2.2	15.3	59.7	16.4	5.3
Cheshire and Warrington	1.3	0.5	14.1	58.9	13.4	3.3
Greater Manchester	1.2	1	12.4	62.2	13	4.8
Lancashire	1	1.2	15.4	56.2	18.5	4.7
Greater Merseyside	1.1	1.5	9.6	60.6	13.2	6.6
Cumbria	1	1.8	18.8	54.8	18.3	3.8
Tees Valley	0.4	0.9	15.7	59.8	15.9	6.2
County Durham	0.6	2	20.8	55	23.5	4.8
Northumberland	0.3	0.1	17.8	57.4	14.6	5.1
Tyne and Wear	0.5	0.8	12.3	57.7	13	6.7
England	1.2	1	12.4	60.7	13.1	4.9

Source: CE and IER estimates based on *Working Futures*, *2004–2014*; LFS (NOMIS).

Table A.5: Ranking of labour market indicators.

	Rank Emp. 1994–2004	Emp. 1999–2004	Emp. Bottom 10	Emp. Top 10	Emp. Manuf.	ILO Unemp.
London North	25	37	44	6	42	4
London West	4	23	43	2	45	5
London Central	6	27	47	1	47	3
London East	2	16	46	26	46	2
London South	32	21	45	4	44	11
Berkshire	8	24	35	5	41	33
Milton Keynes, Oxford and Buckinghamshire	11	30	33	9	32	36
Sussex	19	26	37	8	40	21
Hampshire and the Isle of Wight	9	15	32	14	23	39
Kent and Medway	27	18	29	15	36	19
Surrey	3	43	42	3	43	37
Bedfordshire and Luton	45	39	27	20	13	28
Essex	1	1	36	23	20	30
Hertfordshire	12	34	39	7	39	35
Cambridgeshire	7	14	23	13	33	31
Norfolk	21	20	16	28	27	17
Suffolk	35	9	20	30	17	46
West of England	13	11	41	17	37	29
Devon and Cornwall	20	10	26	19	34	27
Bournemouth, Dorset and Poole	17	33	34	25	35	45
Gloucestershire	18	13	11	34	24	34
Somerset	34	8	13	41	21	44
Wiltshire and Swindon	14	7	21	35	25	42
Herefordshire and Worcestershire	24	38	6	38	7	43
Shropshire	29	42	4	46	8	38
Staffordshire	30	32	5	39	3	25
Coventry and Warwickshire	22	45	25	29	4	26
The Black Country	46	44	2	47	5	7
Birmingham and Solihull	36	19	38	11	29	1
Derbyshire	37	47	12	33	1	22
Leicestershire	47	35	7	44	12	24
Lincolnshire and Rutland	15	29	1	45	15	23
Northamptonshire	10	46	14	27	6	41
Nottinghamshire	38	31	28	12	19	10
Humberside	44	3	9	43	11	13
North Yorkshire	5	5	17	18	38	47
West Yorkshire	39	40	22	36	18	20
South Yorkshire	28	2	19	22	14	12
Cheshire and Warrington	16	36	24	24	26	40
Greater Manchester	23	22	30	10	31	15
Lancashire	31	17	18	37	9	18
Greater Merseyside	26	12	40	16	28	8
Cumbria	33	6	8	42	10	32
Tees Valley	42	25	15	21	16	9
County Durham	40	4	3	40	2	16
Northumberland	43	41	10	32	22	14
Tyne and Wear	41	28	31	31	30	6

Source: CE and IER estimates based on *Working Futures, 2004–2014*; LFS (NOMIS).
Note: Rank 1 is highest growth rate or proportion and 47 lowest.

Table A.6: Occupational structure of employment.

	Proportion of occupations (%)								
	Managers	Prof.	Ass. Prof.	Admin.	Skilled	Personal	Sales	Operatives	Other
London North	17.1	15.0	17.7	11.0	10.0	6.7	7.8	5.4	10.4
London West	18.2	13.2	18.1	11.3	10.2	6.0	7.0	5.9	10.5
London Central	19.2	14.9	20.3	12.5	7.3	6.1	5.7	4.3	10.3
London East	18.0	14.6	18.3	16.1	8.3	5.3	6.2	4.5	8.9
London South	17.5	14.1	18.1	12.0	10.4	6.5	7.6	4.9	9.9
Berkshire	18.4	12.7	15.2	13.4	10.0	6.3	7.3	5.9	9.7
Milton Keynes, Oxford and Buckinghamshire	18.0	12.8	15.2	12.8	9.8	6.9	7.6	6.1	10.0
Sussex	17.3	11.7	15.2	13.0	10.2	7.9	7.9	6.1	10.5
Hampshire and the Isle of Wight	17.4	11.8	14.7	12.9	11.2	7.4	7.9	6.2	10.7
Kent and Medway	17.4	11.0	14.5	12.4	12.3	7.5	8.2	6.7	11.2
Surrey	18.4	12.0	15.1	13.5	10.0	7.2	7.5	5.5	10.2
Bedfordshire and Luton	16.7	12.2	14.2	12.8	11.4	7.2	7.9	7.7	10.9
Essex	17.3	10.9	13.8	13.3	12.5	7.0	8.5	7.4	11.4
Hertfordshire	17.2	11.7	14.1	13.3	11.7	6.9	8.7	7.1	10.9
Cambridgeshire	17.0	13.0	14.8	12.7	11.1	7.6	7.4	7.2	11.6
Norfolk	16.5	10.8	13.9	12.4	12.5	7.8	8.1	8.0	11.7
Suffolk	16.2	10.1	13.7	13.1	11.9	7.6	8.3	8.7	12.2
West of England	15.5	12.5	14.2	13.2	12.5	7.9	8.7	7.2	10.6
Devon and Cornwall	15.2	11.1	13.1	11.4	13.4	8.8	9.2	7.2	12.6
Bournemouth, Dorset and Poole	15.8	11.4	13.4	12.4	12.6	8.3	9.6	7.0	11.5
Gloucestershire	15.7	11.6	13.3	11.9	13.1	8.1	8.3	7.8	11.6
Somerset	14.9	11.5	13.3	11.5	13.4	8.1	9.6	8.4	11.2
Wiltshire and Swindon	15.5	10.7	12.7	12.1	12.7	7.9	9.1	8.2	12.7
Herefordshire and Worcestershire	14.3	9.6	12.7	11.9	14.3	8.4	7.7	9.7	11.9
Shropshire	13.9	10.3	13.0	11.8	13.6	8.3	8.0	10.0	11.5
Staffordshire	13.5	10.3	12.6	12.1	13.5	8.0	8.4	10.2	11.4
Coventry and Warwickshire	14.4	10.9	12.9	12.7	13.0	7.9	7.8	9.8	11.1
The Black Country	13.9	9.9	12.7	12.1	14.7	7.3	7.9	11.4	10.4
Birmingham and Solihull	13.9	12.0	14.2	13.8	11.5	8.3	7.0	9.4	10.1
Derbyshire	14.4	10.9	12.2	10.8	12.3	8.9	8.0	10.1	12.0
Leicestershire	15.1	10.4	12.5	12.0	11.8	7.6	8.5	10.3	10.9
Lincolnshire and Rutland	15.1	10.4	12.1	10.3	13.6	8.5	8.3	10.0	11.9
Northamptonshire	15.4	10.2	12.4	12.3	11.6	7.8	8.0	10.7	11.0
Nottinghamshire	15.1	11.4	13.1	11.5	11.4	9.0	8.5	8.7	10.9
Humberside	13.8	10.2	12.1	11.7	13.4	7.9	9.1	10.7	12.7
North Yorkshire	15.5	10.1	12.1	12.0	12.8	8.1	9.2	10.0	13.4
West Yorkshire	14.6	10.7	13.2	13.5	11.8	7.9	9.1	10.2	11.4
South Yorkshire	13.9	10.9	12.8	12.2	13.2	8.3	8.8	9.9	11.9
Cheshire and Warrington	14.3	11.0	12.9	13.5	12.3	7.5	8.9	9.3	11.6
Greater Manchester	14.1	11.9	13.6	13.7	10.8	7.8	8.8	9.0	11.3
Lancashire	13.9	11.9	13.4	11.9	12.5	8.1	8.1	9.3	11.7
Greater Merseyside	14.0	12.9	14.9	13.4	9.5	9.1	8.4	7.7	11.3
Cumbria	14.2	10.0	12.3	11.6	12.4	8.2	10.1	9.5	12.8
Tees Valley	12.3	10.4	12.8	11.4	12.3	8.0	9.3	9.7	12.6
County Durham	11.7	10.5	12.0	10.1	14.4	6.9	8.6	10.6	13.2
Northumberland	12.5	10.4	12.7	10.7	12.5	8.4	9.3	8.5	13.7
Tyne and Wear	12.5	11.1	13.6	12.9	11.1	7.9	9.5	9.1	12.0
England	15.8	11.8	14.4	12.6	11.3	7.4	8.0	7.7	11.0

Source: CE and IER estimates based on *Working Futures, 2004–2014*.

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

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

Source: CE and IER estimates based on *Working Futures, 2004–2014*.
Note: Rank 1 is highest concentration of occupations and 47 lowest.

Table A.8: Other indicators.

	Rank				(%) pa	Per sq km	(000s)	£
	Pop. 1994–2004	Pop. density	Pop. work age	Gross weekly pay	Pop. 1994–2004	Pop. density	Pop. work age	Gross weekly pay
London North	10	3	17	10	0.7	4435	724	432
London West	16	4	9	3	0.6	4208	994	541
London Central	1	1	4	1	1.3	9898	1198	609
London East	8	2	3	5	0.7	4707	1357	507
London South	12	5	13	9	0.6	3231	911	446
Berkshire	24	16	30	2	0.5	637	549	548
Milton Keynes, Oxford and Buckinghamshire	9	30	14	8	0.7	292	880	452
Sussex	26	25	11	30	0.5	398	945	376
Hampshire and the Isle of Wight	23	22	5	12	0.5	433	1183	420
Kent and Medway	22	23	7	24	0.5	428	1038	391
Surrey	27	15	19	4	0.4	640	698	516
Bedfordshire and Luton	18	20	41	17	0.6	465	382	409
Essex	20	21	6	15	0.5	444	1056	414
Hertfordshire	25	17	23	6	0.5	634	681	474
Cambridgeshire	3	35	33	7	0.9	215	495	454
Norfolk	11	41	31	35	0.7	151	516	363
Suffolk	15	38	37	42	0.6	178	432	358
West of England	31	14	24	13	0.4	754	670	416
Devon and Cornwall	14	40	8	47	0.6	156	1025	335
Bournemouth, Dorset and Poole	19	32	36	40	0.5	264	432	359
Gloucestershire	21	36	42	19	0.5	214	369	406
Somerset	5	42	44	44	0.8	147	321	354
Wiltshire and Swindon	6	39	40	18	0.7	178	408	407
Herefordshire and Worcestershire	13	37	34	39	0.6	185	472	359
Shropshire	7	45	46	43	0.7	82	292	356
Staffordshire	36	27	21	31	0.1	387	692	372
Coventry and Warwickshire	30	26	29	11	0.4	397	549	430
The Black Country	45	6	20	29	-0.2	3028	694	379
Birmingham and Solihull	42	7	16	14	-0.1	2674	771	414
Derbyshire	29	29	25	20	0.4	372	638	399
Leicestershire	28	24	26	26	0.4	419	604	384
Lincolnshire and Rutland	2	43	35	45	1.1	111	452	353
Northamptonshire	4	31	38	25	0.9	272	429	389
Nottinghamshire	39	18	22	32	0.1	477	689	372
Humberside	35	33	27	34	0.1	251	575	364
North Yorkshire	17	44	32	38	0.6	91	496	361
West Yorkshire	33	11	2	21	0.2	1033	1388	396
South Yorkshire	41	13	15	33	0.0	820	840	369
Cheshire and Warrington	32	28	28	16	0.3	379	570	411
Greater Manchester	40	10	1	22	0.0	1983	1684	392
Lancashire	37	19	12	23	0.1	470	928	391
Greater Merseyside	47	8	10	27	-0.4	2048	969	384
Cumbria	34	46	45	36	0.2	72	318	362
Tees Valley	44	12	39	37	-0.1	822	424	361
County Durham	43	34	43	41	-0.1	222	328	359
Northumberland	38	47	47	46	0.1	62	202	342
Tyne and Wear	46	9	18	28	-0.3	2006	716	379
England					0.4	380	32986	436

Source: NOMIS (LFS, ASHE, Midyear Population Estimates) and 2001 Census (for population density).
Note: See Table A.7

Table A.9: Summary indicators for England.

Nine Government Office regions: London; South East; East of England; South West; West Midlands; East Midlands; Yorkshire and the Humber; North West; North East.

Population (000s)	50,093
Population of working age (000s)	32,986
Ethnic groups (%)	
White	90.9
Black	2.3
Indian	2.1
Bangladeshi/Pakistani	2.0
Other/mixed	2.7
Population change: 1994–2004 (% pa)	0.4
Population density (persons per square km)	380
Employment (000s)	25,517
Change: 1994–2004 (% pa)	1.2
Change: 1999–2004 (% pa)	1.0
Change: 2004–2014 (forecast % pa)	0.5
Employment in the 10 worst-performing industries in England (%)	12.4
Employment in the 10 best-performing industries in England (%)	60.7
Top 3 occupational groups (% of total emp.)	
Managers and senior officials	15.8
Associate professional and technical occupations	14.4
Administrative and secretarial occupations	12.6
Workforce with NQF 4+ qualifications (%)	25.0
Workforce with no qualifications (%)	14.8
Average gross weekly pay (£s)	436
Unemployment rate (ILO)	4.9
Establishments reporting HtFVs (%)[1]	7.3
Establishments reporting SSVs (%)[1]	5.1

Source: CE and IER estimates based on *Working Futures, 2004–2014* and various other sources (see Annex for details). Ethnicity data come from the 2001 census.
Note: Data are 2004 except [(1)] where data are 2005.

Related publications
Skills in England 2005 Index
Publication reference: LSC-P-NAT-060312

Skills in England 2005 Volume 1: Key Messages
Publication reference: LSC-P-NAT-060308

Skills in England 2005 Volume 2: Research Report
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