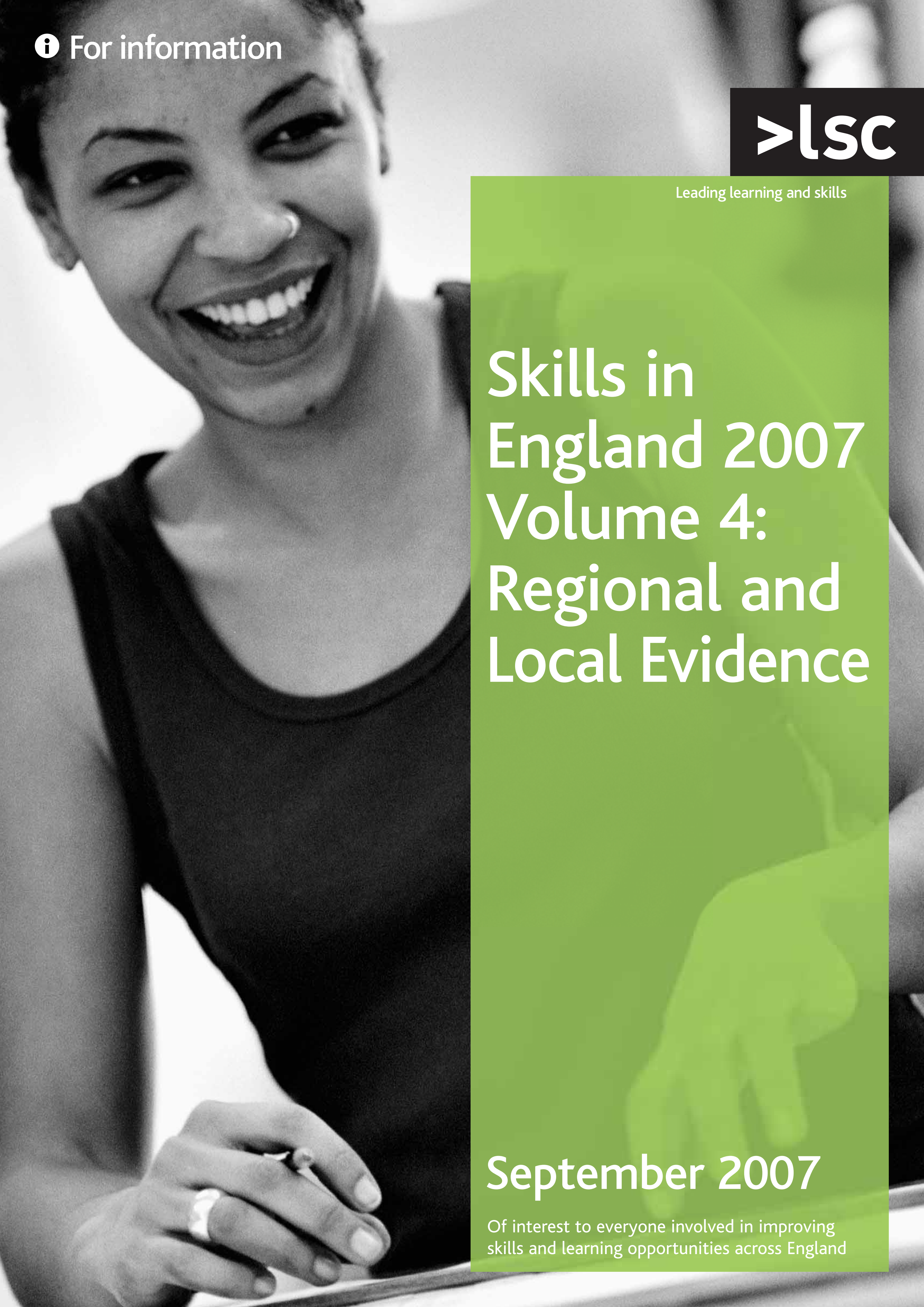

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Leading learning and skills

Skills in England 2007 Volume 4: Regional and Local Evidence

September 2007

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

Skills in England 2007 is presented in four volumes.

Volume 1 presents the key messages and an overview of the research findings contained in the other three volumes. Volume 2 is the main research report. It contains separate chapters on demand for and supply of skills, mismatches between supply and demand as well as social exclusion. Volume 3 provides sectoral evidence and Volume 4 provides evidence related to regional and local trends.

Skills in England 2007 has been produced by the Learning and Skills Council in partnership with the Department for Industries, Universities and Skills and the Sector Skills Development Agency.

For information

TABLE OF CONTENTS

LIST OF TABLES

LIST OF TABLES continued

LIST OF TABLES continued

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WARWICK INSTITUTE *for* EMPLOYMENT RESEARCH IER 1981-2006 *Celebrating 25 years*

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FOREWORD

I am pleased to be introducing our fifth *Skills in England*. This is the annual skills assessment, carried out by the Learning and Skills Council on behalf of ourselves and our key partners. It is designed to complement the key government publications in the skills arena, including the Leitch Review of Skills and the Freud Report.

Skills in England 2007 emphasises that, while globalisation provides many economic opportunities, understanding the phenomenon is increasingly crucial in order to appreciate any potential threats to low-skilled jobs and to those people with such jobs. With increasing international competition, not least from the rapidly developing economies in Asia, it is important that, to remain competitive, England produces high value-added goods for the world economy. To achieve this, employers need a highly skilled workforce. Many employers need to raise their game to capture high-value markets – to achieve this, skills need to be placed at the heart of an organisation's business plan. The report highlights that, collectively, we must continue to find ways to increase the demand for skills from employers and ensure that everyone, whether an employer or an individual, is able to access the learning opportunities that are suitable for them.

The benefits of economic growth have not been distributed evenly across society. Like many other countries, England has a large number of people who have effectively been excluded from participation in some parts of modern life. Although not the only factor linked to social exclusion, a lack of skills is a key determinant and, in fact, the gap between the employment rates of the unqualified and those with qualifications has widened during the 21st century. This underlines the importance of addressing the skills needs of the socially excluded. Succeeding in this is key to helping all citizens become active members of society.

The LSC is dedicated to improving the skills of people in England. Through our network of skills brokers, the Train to Gain service has already engaged with over 50,000 employers. Those trained as a result of this programme will contribute towards an increase in the number of people with Level 2 and Level 3 qualifications, lead to higher productivity for employers and lay the foundations to allow England to contribute extensively in a more value-added economy. An aim the LSC shares with all our key partners.

Mark Haysom

Chief Executive, Learning and Skills Council

Introduction: The Importance of the Regional Dimension

4.1 This document is the fourth volume in the *Skills in England 2007* report. This volume presents a set of regional and local profiles that covers the whole of the English economy.

4.2 A regional and local perspective is important because:

There are several reasons why a regional and local perspective is important.

- there are regional and local variations in economic structures and skills profiles; such that
- economic opportunities and life chances vary across space; leading to the recognition that
- there is a need to maximise opportunities for all people in *all places*; which is reflected in
- a greater emphasis than formerly on policy making at regional and local levels.

4.3 Areas differ in their spatial function and characteristics. The key feature of regional variation in the economy of England is the relative buoyancy and affluence of the three regions of the 'Greater South East' (that is, London, the South East and the East of England) vis-à-vis the other six English regions of the North, Midlands and West (Wong *et al*., 2006). The 'Greater South East' constitutes the powerhouse of the economy. This is where the largest numbers of commercial and industrial company headquarters are located, where knowledge intensive jobs are concentrated and where earnings are highest (Hepworth and Spencer, 2003).

The divide between the 'Greater South East' and the rest is the key feature of regional differentiation

4.4 Application of a 'Regional Economic Architecture' model using employment and skills indicators as building blocks, demonstrates that London accounts for around 30 per cent of 'knowledge-intensive' business employment in Britain (that is, private sector led industries where graduates make up at least 25 per cent of the workforce) (Hepworth *et al*., 2005). Outside London and the immediately surrounding regions the business drivers of the knowledge economy are weak and the public sector – notably education and health – plays a central role in knowledge-driven development and skills formation.

The public sector is the key employer of higher level skills outside the 'Greater South East'.

4.5 The skills base has been identified as being of crucial importance to the competitive economic performance of regions and local areas. In an analysis of the competitive performance of English

The skills base is crucial for a knowledge driven economy.

cities, Simmie *et al.* (2006, 10) contend that: “The importance of a highly qualified workforce as a prerequisite to compete among knowledge driven economies cannot overemphasised.” They note that during the 1990s the rate of increase in the proportions of their workforces with degree level qualifications was well above the average for England in London, Cambridge, Oxford, Reading and Bristol (that is, all southern cities). It was well below average in places like Hull, Hastings, Grimsby and Mansfield.

4.6 There have been references to this persistent North-South/ Severn-Wash economic divide for well over fifty years. Likewise, some regions and sub-regions have been recipients of regional assistance for decades. Geographical variations in employment rates are marked and long-established. The disparity in GVA growth rates between the best and worst performing regions has persisted for over eighty years (CLG, DTI and HM Treasury, 2006).

4.7 This ‘spatial inertia’ reflects the fact regions carry their history with them, and factors such as industry-mix, culture, and institutional performance can persist for a long time (Boschma, 2004). Hence, economic performance needs to be understood in a historical perspective because regional development is path dependent. As the information presented in this volume shows, regions and local areas differ in their industrial and occupational structures. They also vary in their institutional structures. Assets and economic histories of different areas have led to different sector and skill mixes and cultures of enterprise and innovation across the regions, so leading to diverse patterns of employment and productivity performance. Hence, differences in capital endowments, historical paths of development and current situations are important in shaping future regional trajectories.

Regional economic trajectories are shaped by historical and current circumstances.

4.8 Spatial and non-spatial trends and processes of change interact in complex ways, sometimes producing different outcomes in different areas. Amongst the important drivers shaping future patterns of regional and local economic development are:

- demographic factors – age structure, ethnic mix, migration and population change;
- socio-cultural factors;

Spatial and non-spatial trends and drivers of change interact in complex ways and may have different outcomes in different areas.

- knowledge economy and business competitiveness factors – including skills, qualifications, industrial structure and research capacity;
- technological change;
- environmental factors.

4.9 Although information in this volume is presented for administrative areas (that is, regions and local LSC areas) it is important to recognise that these trends and processes and associated driving forces may cut across administrative boundaries. The urban-rural shift in population and employment, for example, has occurred within and across regions and sub-regions. Administrative areas do not define functional entities and important functional linkages often cut across boundaries. Growing interest in the city-region concept reflects this reality (HM Treasury, ODPM, DTI, 2006). However, there are also some concerns that a focus on city-regions overlooks economics and skills issues facing peripheral areas and small towns outside major metropolitan areas.

It is important to note that processes and drivers of change may cut across administrative boundaries.

4.10 Employment opportunities and life chances vary by sub-groups of the population and across areas. Spatial variations in employment rates are particularly pronounced for those with poor skills (Green and Owen, 2006). In terms of absolute numbers of jobs those with poor skills have a smaller pool of jobs available to them than the higher skilled (who can 'bump down' to lower level jobs if they so wish). Furthermore because of differences in monetary and material resources, people with poor skills generally tend to travel over shorter distances to work than those with higher level skills. So from any given location, people with poor skills are likely to search and take up jobs over a spatially smaller area than their higher skilled counterparts. The fact that they are more constrained means that geography matters most for those with poor skills.

Regional characteristics and differentials are often persistent and long-standing.

4.11 Within local areas administrative statistics on benefit claims and indices of deprivation often reveal pronounced differences in circumstances at micro area level. Polarisation is apparent in many areas but is particularly stark in London. Despite strong growth in jobs the employment rate in London remains lower than in any other region. The majority – but not all – of London's lower employment rate reflects the composition of London's population: there are large numbers of

'People' and 'place' factors are important in understanding variations in employment rates between areas.

lone parents, people from ethnic minority groups and people facing multiple barriers to work who face particular disadvantages in the labour market. However, alongside these 'people' factors', 'place' factors matter too (HM Treasury, 2006, 2007). The precise nature of such 'place' factors is likely to differ

4.12 The Government is concerned with improving providing employment opportunity for all and improving the economic performance of every part of the UK. Government Departments have strong interests in regional economic and skills policy, so embracing both economic competitiveness and social cohesion agendas. They share Public Service Agreement (PSA) targets to make sustainable improvements in economic performance in different parts of England and over the long-term reduce the persistent gap in growth rates between regions. The regional policy framework (CLG, DTI, HM Treasury, 2006) involves:

Government regional economic policy is concerned with maintaining macroeconomic stability, implementing microeconomic reforms and devolving decision making to regional and local levels.

- maintaining macroeconomic stability to help businesses and individuals plan for the future;
- implementing microeconomic reforms to tackle market failures in the underlying drivers of growth – that is, skills, investment, enterprise, competition, innovation and employment
- devolving decision making to local and regional levels to ensure that policy design and delivery is responsive to the particular opportunities and challenges of each area.

4.13 A report on progress to date (CLG, DTI, HM Treasury, 2006) suggests that:

Emerging evidence suggests that some progress is being made on 'narrowing the gap' in regional economic performance.

- recent GVA outturn data provides emerging evidence of progress on narrowing the gap in growth rates between regions;
- differences in regional employment rates have narrowed since 2001; and
- skills data shows that the skills profile of all regions is changing with skills levels rising rapidly at all levels and demonstrating a significant reduction in all regions of the proportion of economically active adults with no qualifications and a narrowing of the gap between the 'bottom 6' and 'top 3' regions.

4.14 Regional Development Agencies (RDAs) were set up in 1999. Their Regional Economic Strategies set out the priorities for their region and sub-regions. Increasingly there is collaboration between RDAs to promote growth – for example, in northern England the three northern RDAs and partners have established the Northern Way growth strategy. Regional Skills Partnerships have been established to lead the skills agenda in the regions, with the regional Learning and Skills Council as a key player. Concerns here rest not only with the production of skills and alignment of supply with demand, but also on encouraging effective utilisation of skills. In some regions a key priority is tackling the 'low-skill equilibrium' - where employers, in general, compete in low-value added markets, and consequently demand relatively low skill levels from their employees which, ultimately, is reflected in the supply of skills. Regional Spatial Strategies are also taking account of skills policy. It is salient to note that increasingly at local level the adoption of 'floor targets' aims to promote a minimum standard which under-performing areas are required to achieve, so that 'headline targets' are not achieved at the expense of increasing inter-area disparities.

Skills policy is being embedded in wider regional and local development strategies

Regional Overview

4.15 The regional profiles presented below summarise the economic and labour market context for each locality. A summary table is presented for each RDA and LLSC 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.

Regional profiles are presented that summarise the economic and labour market context for each locality. A number of stylised facts are presented below.

In order to illustrate sectoral and occupational structure, the tables use measures of occupational employment shares and the per cent of total employment in the ten best and ten 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 average annual rate of employment change over 1996-2006, 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 (SOC 2000)

1	Managers and Senior Officials
2	Professional Occupations
3	Associate Professional and Technical Occupations
4	Administrative and Secretarial Occupations
5	Skilled Trades Occupations
6	Personal Service Occupations
7	Sales and Customer Service Occupations
8	Process, Plant and Machine Operatives
9	Elementary Occupations

Table 1.2: Ten Worst Performing English Industries

1	Textiles and Clothing
2	Mining
3	Engineering
4	Metals and Metal Goods
5	Agriculture
6	Wood and Paper
7	Chemicals and Non-Metallic Mineral Products
8	Utilities
9	Transport Equipment
10	Food, Drink and Tobacco

Note(s): 10 worst performing English industries of 27 by employment growth 1996-2006.
Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures. Differences with official sources may arise as Working Futures estimates are calculated using more than one source.
Source(s): CE and IER estimates based on *Working Futures, 2004-2014*.

Table 1.3: Ten Best Performing English Industries

1	Computing Services
2	Other Business Services
3	Professional Services
4	Construction
5	Miscellaneous Services
6	Education
7	Health and Social Work
8	Hotels and Catering
9	Other Retail Distribution
10	Transport

Note(s): 10 best performing English industries of 27 by employment growth 1996-2006.
Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures. Differences with official sources may arise as Working Futures estimates are calculated using more than one source.
Source(s): CE and IER estimates based on *Working Futures, 2004-2014*.

Table 1.4a: Regional Overview

		Pop density (above average)	House price to income ratio (above average)	Average earnings (above average)[1]	Importance of Manufacturing (above average)[1]
1	London	X	X	X	
2	South East	X	X	X	
3	East of England		X	X	
4	South West		X		
5	The West Midlands	X	X		X
6	The East Midlands				X
7	Yorkshire & The Humber				X
8	The North West	X			X
9	The North East				X

Note(s): All data refer to England except [1] where data refer to UK.
Source(s): Cambridge Econometrics (2007), ‘Regional Economic Prospects, February 2007’; DCLG; NOMIS.

Table 1.4b: Regional Overview

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

Note(s): All data refer to England except [1] where data refer to UK.
Source(s): Cambridge Econometrics (2007), 'Regional Economic Prospects, February 2007'; NESS (2005); NOMIS.

4.16 Manufacturing accounts for about 11.5 per cent of total employment in all regions. The proportion is the highest in East Midlands, West Midlands and Yorkshire & the Humber at 16.3 per cent, 15.9 per cent and 14.3 per cent respectively. This proportion is considerably lower in high-cost locations (5.7 per cent in London; 9.3 per cent in South East). Manufacturing employment is falling in all regions, for a variety of reasons; high cost regions typically experience a shift towards higher productivity (and higher skill) activities, while low-cost regions experience competition from low-wage economies elsewhere.

Manufacturing accounts for about 11.5 per cent of total employment in all regions. The proportion is the highest in East Midlands, West Midlands, and Yorkshire and the Humber, but manufacturing employment is falling in all regions

4.17 The change in the structure of the economy is reflected in the number of hard-to-fill and skill shortage vacancies because the skills base changes at a slower rate than the demands of employers. Hard-to-fill and skill shortage vacancies might therefore be expected to be most common in the more dynamic regions of England (for example,. the South East). In this respect it is somewhat surprising that London does not register as above average. The data, however, indicate that hard-to-fill and skill shortage vacancies 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

The change in the structure of the economy is reflected in the number of hard-to-fill and skill shortage vacancies because the skills base changes at a slower rate than the demands of employers.

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 skill shortage vacancies is also above the national average.

4.18 With respect to unemployment rates, the picture is less straightforward. London has a higher than average rate of unemployment and relatively small proportions of hard-to-fill and skill-shortage vacancies. Unemployment is also higher than the England average in the North East, where the region's economy is going through structural change.

In some regions unemployment is caused by skills mismatches and structural imbalances, and, in others, by weak demand for labour.

4.19 Population density across the regions is mixed. In London, the South East, the West Midlands and the North West population density is above the average for England; in all other regions it is below average. The South also has relatively more expensive houses. The average ratio of house prices to income is above the average for England in the South East, the South West, the West Midlands, London and the East of England. The ratio for the East Midlands is only just below the average, while in the north of England (Yorkshire and the Humber, the North West and the North East) the ratio is lower.

Population density across the regions is mixed. In London, the South East, the West Midlands and the North West population density is above the average for England; in all other regions it is below average.

4.20 House prices vary more than these ratios would suggest because earnings vary considerably. In London, the South East and the East of England earnings are greater than the UK average, particularly in the case of London. 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 refers 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

4.21 The London region had a population of just over 7.5 million in 2005, making it the second largest city in the EU after Paris. London employed some 4.6 million in 2006, 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% of the population classifies itself as white but not of British heritage.

The London region had a population of just over 7.5 million in 2005, making it the second largest city in the EU after Paris.

4.22 London is one of the world's 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.

London is one of the world's major international business and trading centres and the leading choice for international investment in Europe.

4.23 London's GVA (gross value added, the contribution individual sectors and industries make to gross domestic product) is the largest per worker of all the regions. Almost half 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 7 per cent of GVA in London compared with the UK average of 16 per cent. Over 2000-05 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.

London's GVA (gross value added, the contribution individual sectors and industries make to gross domestic product) is the largest per worker of all the regions.

4.24 London is a major centre for higher and further education, 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 higher education level in London.

Over one-third of the UK's publicly funded research is carried out in London, the largest of any region.

4.25 London's challenges include inner city poverty, increasing congestion, pollution, and the high cost of living, particularly where housing is concerned, and high industrial and commercial rents and other costs. 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 encompasses a wide range of communities and there are wide disparities in terms of prosperity between different parts of the city.

4.26 Although businesses in London, mainly in construction, hotels & catering and transport, are likely to benefit during the build up to the 2012 Olympics, there is also likely to be a shortage of workers with the required skills to satisfy the short-term boost to demand in some of these industries. Much of that demand is therefore likely to be satisfied by workers from outside of the capital. Perhaps the most likely industry to experience problems in this respect is construction, which, due to the wide fluctuations in labour requirements for large one-off projects, especially in London, often faces difficulties in recruiting workers with the necessary skills. The London Learning and Skills Council, in partnership with three regional development agencies (London, East of England and South East) is developing an LSC Learning and Skills Project Plan to define the employment and skills needs for the London Games. They concede that the Olympics is likely to exacerbate skills shortages that already exist in some sectors of the London economy, such as construction, hospitality and engineering. The organisation is working with others to try and reduce the problems that are likely to arise.

The London Learning and Skills Council, in partnership with three regional development agencies (London, East of England and South East) is developing an LSC Learning and Skills Project Plan to define the employment and skills needs for the Olympic Games.

LONDON	
LLSCs: London North; London West; London Central; London East; London South.	
Population (000)	7,518
Population of Working Age (000)	5,122
Ethnic Groups (%)	
White	71.2
Black	10.9
Indian	6.1
Bangladeshi/Pakistani	4.1
Other/Mixed	7.7
Population Change: 1995-2005 (% pa)	0.8
Population Density (persons per square km)	4,782
Employment (000) [1]	4,555
Change: 1996-2006 (% pa)	1.6
Change: 2001-2006 (% pa)	0
Change: 2006-2014 (forecast % pa)	0.6
Employment in the Ten Worst Performing Industries in England (%)[2]	3.3
Employment in the Ten Best Performing Industries in England (%)[2]	67.4
Top Three Occupational Groups (% of Total Emp.)	
Associate Professional and Technical Occupations	19.3
Managers and Senior Officials	18.7
Professional Occupations	14.9
Workforce with NQF4+ Qualifications (%)	33.3
Workforce with no Qualifications (%)	14.3
Average Gross Weekly Pay (£s) [1]	619
Unemployment Rate (ILO)	7.2
Establishments Reporting HtFVs (%)	5.6
Establishments Reporting SSVs (%)	4.2

Source(s): 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(s): Data are 2005 except [1] where data are 2006; 2. Performance based on average annual employment growth over 1996-2006.
Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures. Differences with official sources may arise as Working Futures estimates are calculated using more than one source.

London LLSC areas

4.27 London has in general been successful in generating employment and has had some of the highest rates of employment growth over the ten years before 2006. All five LLSC areas of London rank in the top eleven for employment growth over 1996 to 2006. The three fastest-growing were London Central, London East and London West, which all experienced approximately 1.7 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 41st for employment growth over the period 2001 to 2006, as markets slowed in the wake of 9/11 and the bursting of the dotcom bubble. London's success in generating employment is partly due to the higher representation of growth industries. All LLSC areas of London, except London East, rank in the top ten for employment in the ten best-performing industries in England with London Central first. In terms of employment in the ten worst-performing industries in England, the London LLSC areas occupy the five lowest ranks.

All five LLSC areas of London rank in the top eleven for employment growth over 1996 to 2006.

4.28 Despite the strong growth in employment, London's unemployment rate is relatively high. London East, London North, London Central, and London West rank 2nd, 3rd 4th and 5th for the unemployment rate, at 8.2 per cent, 7.9 per cent, 7.4 per cent and 7.3 per cent respectively. 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 addition, London's strong population growth due to international immigration means that the supply of labour is increasing quite rapidly. While the number of Britons emigrating to work overseas in managerial and professional jobs has increased in recent years, this has been exceeded by the sharp rise in the number of immigrant workers moving into the UK.

Despite the strong growth in employment, London's unemployment rate is relatively high.

4.29 London has some of the lowest rates of hard-to-fill and skill shortage vacancies anywhere in England. All London LLSCs have less than 6.5 per cent hard-to-fill vacancies (compared to a national average of 7.3 per cent) and the percentage of skill shortage vacancies is also below 5 per cent (compared to a national average of 5.1 per cent).

London has some of the lowest rates of hard-to-fill and skill shortage vacancies anywhere in England.

4.30 In general, the London LLSCs rank high in the level of qualifications held by the working population. Four of the five London LLSC areas are ranked in the top ten for qualifications at level NQF4 or above. The exception is London East, which ranks much lower in this category at 20th. Similarly, London East has a much higher proportion of the working population with no qualifications. It ranks 4th highest in the category with around 19 per cent of working-age population, whereas the other London LLSCs are ranked between 17th and 36th.

LONDON NORTH	
Population (000)	1,059
Population of Working Age (000)	707
Ethnic Groups (%)	
White	71
Black	12.2
Indian	5.1
Bangladeshi/Pakistani	3.4
Other/Mixed	8.3
Population Change: 1995-2005 (% pa)	0.7
Population Density (persons per square km)	4,468
Employment (000) [1]	373
Change: 1996-2006 (% pa)	1.4
Change: 2001-2006 (% pa)	0.3
Change: 2006-2014 (forecast % pa)	0.6
Employment in the Ten Worst Performing Industries in England (%)	5.5
Employment in the Ten Best Performing Industries in England (%)	65.3
Top Three Occupational Groups (% of Total Emp.)	
Associate Professional and Technical Occupations	17.9
Managers and Senior Officials	17.4
Professional Occupations	15.5
Workforce with NQF4+ Qualifications (%)	32.5
Workforce with no Qualifications (%)	14.1
Average Gross Weekly Pay (£s) [1]	456
Unemployment Rate (ILO)	7.9
Establishments Reporting HtFVs (%)	5.5
Establishments Reporting SSVs (%)	3.6

Source(s): 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(s): Data are 2005 except [1] where data are 2006.
Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures. Differences with official sources may arise as Working Futures estimates are calculated using more than one source.

LONDON WEST	
Population (000)	1,431
Population of Working Age (000)	975
Ethnic Groups (%)	
White	62.9
Black	9.1
Indian	14.8
Bangladeshi/Pakistani	3.4
Other/Mixed	9.7
Population Change: 1995-2005 (% pa)	0.6
Population Density (persons per square km)	4,245
Employment (000) [1]	790
Change: 1996-2006 (% pa)	1.8
Change: 2001-2006 (% pa)	-0.2
Change: 2006-2014 (% pa)	0.6
Employment in the Ten Worst Performing Industries in England (%)	5.4
Employment in the Ten Best Performing Industries in England (%)	70.3
Top Three Occupational Groups (% of Total Emp.)	
Managers and Senior Officials	18.6
Associate Professional and Technical Occupations	18.4
Professional Occupations	13.6
Workforce with NQF4+ Qualifications (%)	32.7
Workforce with no Qualifications (%)	11.3
Average Gross Weekly Pay (£s) [1]	534
Unemployment Rate (ILO)	7.3
Establishments Reporting HtFVs (%)	6.3
Establishments Reporting SSVs (%)	4.7

Source(s): 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(s): Data are 2005 except [1] where data are 2006.
Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures. Differences with official sources may arise as Working Futures estimates are calculated using more than one source.

LONDON EAST	
Population (000)	2,014
Population of Working Age (000)	1,333
Ethnic Groups (%)	
White	69.3
Black	12.1
Indian	5
Bangladeshi/Pakistani	7.5
Other/Mixed	6.1
Population Change: 1995-2005 (% pa)	0.7
Population Density (persons per square km)	4,740
Employment (000) [1]	1,145
Change: 1996-2006 (% pa)	1.6
Change: 2001-2006 (% pa)	0.3
Change: 2006-2014 (% pa)	0.6
Employment in the Ten Worst Performing Industries in England (%)	3.7
Employment in the Ten Best Performing Industries in England (%)	59.1
Top Three Occupational Groups (% of Total Emp.)	
Associate Professional and Technical Occupations	18.7
Managers and Senior Officials	18.5
Administrative and Secretarial Occupations	15.2
Workforce with NQF4+ Qualifications (%)	25.1
Workforce with no Qualifications (%)	18.5
Average Gross Weekly Pay (£s) [1]	519
Unemployment Rate (ILO)	8.2
Establishments Reporting HtFVs (%)	5.3
Establishments Reporting SSVs (%)	4.1

Source(s): 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(s): Data are 2005 except [1] where data are 2006.
Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures. Differences with official sources may arise as Working Futures estimates are calculated using more than one source.

LONDON CENTRAL	
Population (000)	1,658
Population of Working Age (000)	1,214
Ethnic Groups (%)	
White	71.2
Black	14.7
Indian	2.2
Bangladeshi/Pakistani	3
Other/Mixed	8.8
Population Change: 1995-2005 (% pa)	1.5
Population Density (persons per square km)	10,359
Employment (000) [1]	1,657
Change: 1996-2006 (% pa)	1.7
Change: 2001-2006 (% pa)	-0.1
Change: 2006-2014 (% pa)	0.7
Employment in the Ten Worst Performing Industries in England (%)	1.5
Employment in the Ten Best Performing Industries in England (%)	72.4
Top Three Occupational Groups (% of Total Emp.)	
Associate Professional and Technical Occupations	20.6
Managers and Senior Officials	19.4
Professional Occupations	15.3
Workforce with NQF4+ Qualifications (%)	42.5
Workforce with no Qualifications (%)	15.6
Average Gross Weekly Pay (£s) [1]	618
Unemployment Rate (ILO)	7.4
Establishments Reporting HtFVs (%)	5.8
Establishments Reporting SSVs (%)	4.6

Source(s): 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(s): Data are 2005 except [1] where data are 2006.
Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures. Differences with official sources may arise as Working Futures estimates are calculated using more than one source.

LONDON SOUTH	
Population (000)	1,356
Population of Working Age (000)	893
Ethnic Groups (%)	
White	82.6
Black	5.8
Indian	3.6
Bangladeshi/Pakistani	1.7
Other/Mixed	6.3
Population Change: 1995-2005 (% pa)	0.6
Population Density (persons per square km)	3,284
Employment (000) [1]	591
Change: 1996-2006 (% pa)	1.3
Change: 2001-2006 (% pa)	0.3
Change: 2006-2014 (% pa)	0.6
Employment in the Ten Worst Performing Industries in England (%)	3.7
Employment in the Ten Best Performing Industries in England (%)	66.8
Top Three Occupational Groups (% of Total Emp.)	
Associate Professional and Technical Occupations	18.4
Managers and Senior Officials	17.8
Professional Occupations	14.5
Workforce with NQF4+ Qualifications (%)	35.5
Workforce with no Qualifications (%)	10.4
Average Gross Weekly Pay (£s) [1]	468
Unemployment Rate (ILO)	5.4
Establishments Reporting HtFVs (%)	6.5
Establishments Reporting SSVs (%)	4.9

Source(s): 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(s): Data are 2005 except [1] where data are 2006.
Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures. Differences with official sources may arise as Working Futures estimates are calculated using more than one source.

South East

4.31 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, 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.

The South East region is the third largest geographically in England.

4.32 Economically the region is strong, providing 4.3 million jobs and accounting for just over 15 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.

Economically the region is strong, providing 4.3 million jobs and accounting for just over 15 per cent of the UK's GVA.

4.33 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.

Proximity to mainland Europe is important and as the 'gateway' region, the South East has attracted many global companies.

4.34 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.

4.35 London’s economy is one of the key factors for the prosperity of the several counties in the South East, but the benefits of being near London are not spread evenly. The contrast between West Sussex and East Sussex is one case of the general economic disparity between the counties to the south and west and those to the east of London. To the south and the west there is a crescent of relatively densely-populated and prosperous counties: Surrey, Hampshire, West Sussex and Berkshire. Not only is there much commuting to work in London, but there is also a considerable amount of economic activity, often in high-tech industries, spreading westwards from London along the route of the M4 through Berkshire and into the South West. To the north west Buckinghamshire has its own prosperous towns and Oxford provides a second focus after London for the development of high-tech clusters.

London’s economy is one of the key factors for the prosperity of the several counties in the South East.

SOUTH EAST	
LLSCs: Berkshire; Milton Keynes, Oxfordshire and Buckinghamshire; Sussex; Hampshire and the Isle of Wight; Kent and Medway; Surrey.	
Population (000)	8,164
Population of Working Age (000)	5,119
Ethnic Groups (%)	
White	95.1
Black	0.7
Indian	1.1
Bangladeshi/Pakistani	0.9
Other/Mixed	2.1
Population Change: 1995-2005 (% pa)	0.5
Population Density (persons per square km)	428
Employment (000) [1]	4,275
Change: 1996-2006 (% pa)	1.2
Change: 2001-2006 (% pa)	0.6
Change: 2006-2014 (% pa)	0.7
Employment in the Ten Worst Performing Industries in England (%)[2]	9.6
Employment in the Ten Best Performing Industries in England (%)[2]	63.2
Top Three Occupational Groups (% of Total Emp.)	
Managers and Senior Officials	18.1
Associate Professional and Technical Occupations	15
Administrative and Secretarial Occupations	12.5
Workforce with NQF4+ Qualifications (%)	29.5
Workforce with no Qualifications (%)	10.1
Average Gross Weekly Pay (£s) [1]	461
Unemployment Rate (ILO)	3.8
Establishments Reporting HtFVs (%)	8.2
Establishments Reporting SSVs (%)	5.5

Source(s): 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(s): Data are 2005 except [1] where data are 2006; 2. Performance based on average annual employment growth over 1996-2006.
Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures. Differences with official sources may arise as Working Futures estimates are calculated using more than one source.

South East LLSC areas

4.36 Although the South East has some of the best performing LLSC areas in terms of creating employment, the momentum of jobs growth has slowed recently. Hampshire, and Surrey, which were in the top ten for employment growth for the period 1994 to 2004, now rank 28th and 13th respectively for jobs growth over the period 1996 to 2006. Berkshire is the only LLSC that remains in the top 10 in 6th position. Milton Keynes, Oxfordshire and Buckinghamshire (MKOB) rank 14th with employment growth of 1.2 per cent a year. Kent and Medway, on the other hand is ranked in 20th place with employment growth of 1.1 per cent a year. However, with the exception of Hampshire, employment growth over 1996 to 2006 in all South East LLSCs exceeded the average rate for England. The success of most LLSC 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 Surrey and Sussex rank in the top ten for employment in the best-performing industries in the England, with 67.9 per cent and 62.8 percent, respectively, being employed in these industries. Surrey also has one of the lowest unemployment rates in England with only 3.1 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.

Although the South East has some of the best performing LLSC areas in terms of creating employment, the momentum of jobs growth has slowed recently. The success of most LLSC 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.

4.37 In terms of unemployment, Sussex is the worst-performing LLSC area in the South East with average unemployment of 4.6 per cent in 2005. The differences between the ranks of LLSCs in the South East are largely due to the benefits that some LLSCs receive from being in close proximity to London, not only in terms of commuter employment, but also due to high-tech companies spreading westwards from the capital.

4.38 In terms of hard-to-fill and skill shortage vacancies 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 hard-to-fill and skill shortage vacancies. These LLSC

In terms of hard-to-fill and skill shortage vacancies performance in the South East is mixed.

areas include areas with weak employment demand. Other more buoyant regions such as Milton Keynes, Oxfordshire and Buckinghamshire and Surrey have higher proportions of establishments reporting hard-to-fill and skill shortage vacancies.

4.39 Those employed in the LLSC areas of the South East have some of the highest levels of qualifications in England. With well over 30 per cent of the working-age population achieving level NQF4 or above, Surrey, Milton Keynes, Oxfordshire and Buckinghamshire, and Berkshire LLSC areas are all in the top ten in the category. Surrey ranks 2nd in England for level NQF4 or above, and 47th, the lowest in England, for no qualifications. The other three LLSC areas have between 23 per cent and 30 per cent of the working-age population with qualifications at level NQF4 or above. The South East has some of the lowest ranks in England for the proportion of employees with no qualifications. All its LLSC areas except Kent and Medway rank in the bottom ten for England on this measure.

Those employed in the LLSC areas of the South East have some of the highest levels of qualifications in England.

BERKSHIRE	
Population (000)	812
Population of Working Age (000)	536
Ethnic Groups (%)	
White	88.7
Black	2
Indian	3.4
Bangladeshi/Pakistani	2.9
Other/Mixed	3.1
Population Change: 1995-2005 (% pa)	0.4
Population Density (persons per square km)	644
Employment (000) [1]	516
Change: 1996-2006 (% pa)	1.5
Change: 2001-2006 (% pa)	0.3
Change: 2006-2014 (% pa)	0.8
Employment in the Ten Worst Performing Industries in England (%)	8.8
Employment in the Ten Best Performing Industries in England (%)	66.6
Top Three Occupational Groups (% of Total Emp.)	
Managers and Senior Officials	18.9
Associate Professional and Technical Occupations	15.4
Administrative and Secretarial Occupations	13
Workforce with NQF4+ Qualifications (%)	33.6
Workforce with no Qualifications (%)	9
Average Gross Weekly Pay (£s) [1]	570
Unemployment Rate (ILO)	3.7
Establishments Reporting HtFVs (%)	8.5
Establishments Reporting SSVs (%)	6.0

Source(s): 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(s): Data are 2005 except [1] where data are 2006.
Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures. Differences with official sources may arise as Working Futures estimates are calculated using more than one source.

MILTON KEYNES, OXFORDSHIRE AND BUCKINGHAMSHIRE	
Population (000)	1,327
Population of Working Age (000)	855
Ethnic Groups (%)	
White	93.3
Black	1.3
Indian	1
Bangladeshi/Pakistani	1.8
Other/Mixed	2.6
Population Change: 1995-2005 (% pa)	0.6
Population Density (persons per square km)	296
Employment (000) [1]	757
Change: 1996-2006 (% pa)	1.2
Change: 2001-2006 (% pa)	0.6
Change: 2006-2014 (% pa)	0.8
Employment in the Ten Worst Performing Industries in England (%)	10.1
Employment in the Ten Best Performing Industries in England (%)	62.4
Top Three Occupational Groups (% of Total Emp.)	
Managers and Senior Officials	18.5
Associate Professional and Technical Occupations	15.4
Professional Occupations	13
Workforce with NQF4+ Qualifications (%)	31.9
Workforce with no Qualifications (%)	9.3
Average Gross Weekly Pay (£s) [1]	475
Unemployment Rate (ILO)	3.4
Establishments Reporting HtFVs (%)	9.6
Establishments Reporting SSVs (%)	6.6

Source(s): 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(s): Data are 2005 except [1] where data are 2006.
Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures. Differences with official sources may arise as Working Futures estimates are calculated using more than one source.

SUSSEX	
Population (000)	1,517
Population of Working Age (000)	908
Ethnic Groups (%)	
White	96.6
Black	0.4
Indian	0.6
Bangladeshi/Pakistani	0.5
Other/Mixed	1.9
Population Change: 1995-2005 (% pa)	0.5
Population Density (persons per square km)	401
Employment (000) [1]	728
Change: 1996-2006 (% pa)	1.2
Change: 2001-2006 (% pa)	0.4
Change: 2006-2014 (% pa)	0.6
Employment in the Ten Worst Performing Industries in England (%)	8.8
Employment in the Ten Best Performing Industries in England (%)	62.8
Top Three Occupational Groups (% of Total Emp.)	
Managers and Senior Officials	17.6
Associate Professional and Technical Occupations	15.3
Administrative and Secretarial Occupations	12.5
Workforce with NQF4+ Qualifications (%)	29.5
Workforce with no Qualifications (%)	10
Average Gross Weekly Pay (£s) [1]	395
Unemployment Rate (ILO)	4.6
Establishments Reporting HtFVs (%)	8.5
Establishments Reporting SSVs (%)	5.9

Source(s): 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(s): Data are 2005 except [1] where data are 2006.
Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures. Differences with official sources may arise as Working Futures estimates are calculated using more than one source.

HAMPSHIRE AND THE ISLE OF WIGHT	
Population (000)	1,811
Population of Working Age (000)	1,142
Ethnic Groups (%)	
White	96.9
Black	0.4
Indian	0.6
Bangladeshi/Pakistani	0.5
Other/Mixed	1.6
Population Change: 1995-2005 (% pa)	0.5
Population Density (persons per square km)	437
Employment (000) [1]	924
Change: 1996-2006 (% pa)	0.9
Change: 2001-2006 (% pa)	0.5
Change: 2006-2014 (% pa)	0.5
Employment in the Ten Worst Performing Industries in England (%)	11.3
Employment in the Ten Best Performing Industries in England (%)	61.3
Top Three Occupational Groups (% of Total Emp.)	
Managers and Senior Officials	17.6
Associate Professional and Technical Occupations	14.7
Administrative and Secretarial Occupations	12.4
Workforce with NQF4+ Qualifications (%)	27
Workforce with no Qualifications (%)	10
Average Gross Weekly Pay (£s) [1]	443
Unemployment Rate (ILO)	3.6
Establishments Reporting HtFVs (%)	8.4
Establishments Reporting SSVs (%)	4.7

Source(s): 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(s): Data are 2005 except [1] where data are 2006.
Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures. Differences with official sources may arise as Working Futures estimates are calculated using more than one source.

KENT AND MEDWAY	
Population (000)	1,621
Population of Working Age (000)	1,003
Ethnic Groups (%)	
White	96.5
Black	0.4
Indian	1.1
Bangladeshi/Pakistani	0.3
Other/Mixed	1.7
Population Change: 1995-2005 (% pa)	0.5
Population Density (persons per square km)	434
Employment (000) [1]	741
Change: 1996-2006 (% pa)	1.1
Change: 2001-2006 (% pa)	1
Change: 2006-2014 (% pa)	0.6
Employment in the Ten Worst Performing Industries in England (%)	10.6
Employment in the Ten Best Performing Industries in England (%)	61
Top Three Occupational Groups (% of Total Emp.)	
Managers and Senior Officials	17.6
Associate Professional and Technical Occupations	14.4
Administrative and Secretarial Occupations	12.2
Workforce with NQF4+ Qualifications (%)	23
Workforce with no Qualifications (%)	12.9
Average Gross Weekly Pay (£s) [1]	408
Unemployment Rate (ILO)	4.4
Establishments Reporting HtFVs (%)	6.0
Establishments Reporting SSVs (%)	4.2

Source(s): 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(s): Data are 2005 except [1] where data are 2006.
Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures. Differences with official sources may arise as Working Futures estimates are calculated using more than one source.

SURREY	
Population (000)	1,076
Population of Working Age (000)	676
Ethnic Groups (%)	
White	95
Black	0.5
Indian	1
Bangladeshi/Pakistani	0.8
Other/Mixed	2.7
Population Change: 1995-2005 (% pa)	0.4
Population Density (persons per square km)	647
Employment (000) [1]	610
Change: 1996-2006 (% pa)	1.2
Change: 2001-2006 (% pa)	0.7
Change: 2006-2014 (% pa)	0.8
Employment in the Ten Worst Performing Industries in England (%)	7.1
Employment in the Ten Best Performing Industries in England (%)	67.4
Top Three Occupational Groups (% of Total Emp.)	
Managers and Senior Officials	18.8
Associate Professional and Technical Occupations	15.2
Administrative and Secretarial Occupations	13.1
Workforce with NQF4+ Qualifications (%)	36.8
Workforce with no Qualifications (%)	8.1
Average Gross Weekly Pay (£s) [1]	527
Unemployment Rate (ILO)	3.1
Establishments Reporting HtFVs (%)	9.2
Establishments Reporting SSVs (%)	6.3

Source(s): 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(s): Data are 2005 except [1] where data are 2006.
Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures. Differences with official sources may arise as Working Futures estimates are calculated using more than one source.

East of England

4.40 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 5.5 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.

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.

4.41 Some 2.7 million are employed in the East of England. The region has seen employment grow reasonably strongly 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.

The region has seen employment grow reasonably strongly over the last few years and this favourable economic performance is set to continue.

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

4.43 The below-average educational performance at the higher level (qualifications at level NQF4 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.

4.44 The East of England has established a broad-based economy relying on high-technology industry and high-quality services in areas for which demand is likely to remain strong: electronics and software, food processing, industries related to tourism, transport & communications and high-level financial and other business services. It does not rely preponderantly on any one or small number of activities and it is not heavily dependent on industries that are turning into producers of commodities.

The East of England has established a broad-based economy relying on high-technology industry and high-quality services in areas for which demand is likely to remain strong.

4.45 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, are now 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 ten 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.

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.

EAST OF ENGLAND	
LLSCs: Bedfordshire and Luton; Essex; Hertfordshire; Cambridgeshire; Norfolk; Suffolk.	
Population (000)	5,542
Population of Working Age (000)	3,452
Ethnic Groups (%)	
White	95.1
Black	0.9
Indian	0.9
Bangladeshi/Pakistani	1.1
Other/Mixed	2
Population Change: 1995-2005 (% pa)	0.6
Population Density (persons per square km)	290
Employment (000) [1]	2,767
Change: 1996-2006 (% pa)	1.4
Change: 2001-2006 (% pa)	0.8
Change: 2006-2014 (% pa)	0.5
Employment in the Ten Worst Performing Industries in England (%)[2]	11.5
Employment in the Ten Best Performing Industries in England (%)[2]	60.7
Top Three Occupational Groups (% of Total Emp.)	
Managers and Senior Officials	16.9
Associate Professional and Technical Occupations	13.9
Administrative and Secretarial Occupations	12.5
Workforce with NQF4+ Qualifications (%)	24.8
Workforce with no Qualifications (%)	13.2
Average Gross Weekly Pay (£s) [1]	426
Unemployment Rate (ILO)	4.0
Establishments Reporting HtFVs (%)	6.8
Establishments Reporting SSVs (%)	5.2

Source(s): 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(s): Data are 2005 except [1] where data are 2006; 2. Performance based on average annual employment growth over 1996-2006.
Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures. Differences with official sources may arise as Working Futures estimates are calculated using more than one source.

East of England LLSC areas

The performance of employment growth is varied in the East of England. In the period 2001 to 2006 only Essex is in the top ten performers.

4.46 The performance of employment growth is varied in the East of England. In the period 2001 to 2006 only Essex is in the top ten performers. Over the longer period 1996 to 2006, Cambridgeshire, ranking 7th, and Essex, ranking 1st, are in the top ten performers in England, and Hertfordshire is 19th. Other areas rank much lower over the 1996 to 2006 period; with Suffolk 27th; Norfolk 22nd; and Bedfordshire and Luton 36th. The performance is diverse, not only between LLSC areas, but also between time periods within particular LLSC areas. Despite achieving employment growth of 1.5 per cent a year over 1996 to 2006 as a whole, Hertfordshire experienced a fall in employment of -0.6 per cent a year over 2001-06. Suffolk and Bedfordshire and Luton experienced similar reversals in employment growth turning from positive to negative.

4.47 In terms of hard-to-fill and skill shortage vacancies, the overall performance is mixed for the region. Bedfordshire and Luton is the best ranked for the proportion of establishments reporting hard-to-fill vacancies (37th) and skill shortage vacancies (36th), but given its relatively weak employment growth this may reflect its less dynamic economy. Consistent with this, Cambridgeshire is the poorest ranked for the proportion of establishments reporting hard-to-fill vacancies (20th) and skill shortage vacancies (5th).

4.48 There is great variation in the number of qualifications at level NQF4 or above. Whereas Hertfordshire and Cambridgeshire rank fairly high in the percentage of working-age population with qualifications at level NQF4 or above (at 8th and 13th respectively), Essex and Norfolk are in the bottom ten in England. Norfolk's weak position with regard to qualifications is also reflected in the fact that it ranks 3rd for the highest qualification at level NQF1 and 2nd in NQF2. The only other top ten appearances in any category of qualifications are Essex in 3rd for NQF2 and Suffolk in 6th for NQF1 (*see Table A.2*). There is, therefore, a sharp tailing off of qualifications achieved by the working-age population across the East of England.

BEDFORD AND LUTON	
Population (000)	583
Population of Working Age (000)	374
Ethnic Groups (%)	
White	86.3
Black	2.9
Indian	2.7
Bangladeshi/Pakistani	5.2
Other/Mixed	2.8
Population Change: 1995-2005 (% pa)	0.7
Population Density (persons per square km)	472
Employment (000) [1]	260
Change: 1996-2006 (% pa)	0.6
Change: 2001-2006 (% pa)	-0.2
Change: 2006-2014 (% pa)	0.3
Employment in the Ten Worst Performing Industries in England (%)	13.2
Employment in the Ten Best Performing Industries in England (%)	60.5
Top Three Occupational Groups (% of Total Emp.)	
Managers and Senior Officials	16.8
Associate Professional and Technical Occupations	14.2
Administrative and Secretarial Occupations	12.4
Workforce with NQF4+ Qualifications (%)	24.1
Workforce with no Qualifications (%)	13.4
Average Gross Weekly Pay (£s) [1]	422
Unemployment Rate (ILO)	4.8
Establishments Reporting HtFVs (%)	6.0
Establishments Reporting SSVs (%)	4.4

Source(s): 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(s): Data are 2005 except [1] where data are 2006.
Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures. Differences with official sources may arise as Working Futures estimates are calculated using more than one source.

ESSEX	
Population (000)	1,646
Population of Working Age (000)	1,017
Ethnic Groups (%)	
White	96.8
Black	0.6
Indian	0.6
Bangladeshi/Pakistani	0.3
Other/Mixed	1.7
Population Change: 1995-2005 (% pa)	0.5
Population Density (persons per square km)	448
Employment (000) [1]	785
Change: 1996-2006 (% pa)	2.2
Change: 2001-2006 (% pa)	2.5
Change: 2006-2014 (% pa)	0.5
Employment in the Ten Worst Performing Industries in England (%)	10.4
Employment in the Ten Best Performing Industries in England (%)	59.8
Top Three Occupational Groups (% of Total Emp.)	
Managers and Senior Officials	17.3
Associate Professional and Technical Occupations	13.6
Administrative and Secretarial Occupations	12.7
Workforce with NQF4+ Qualifications (%)	21.4
Workforce with no Qualifications (%)	15.2
Average Gross Weekly Pay (£s) [1]	415
Unemployment Rate (ILO)	4.0
Establishments Reporting HtFVs (%)	6.3
Establishments Reporting SSVs (%)	4.6

Source(s): 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(s): Data are 2005 except [1] where data are 2006.
Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures. Differences with official sources may arise as Working Futures estimates are calculated using more than one source.

HERTFORDSHIRE	
Population (000)	1,048
Population of Working Age (000)	662
Ethnic Groups (%)	
White	93.7
Black	1.1
Indian	1.6
Bangladeshi/Pakistani	1
Other/Mixed	2.6
Population Change: 1995-2005 (% pa)	0.5
Population Density (persons per square km)	638
Employment (000) [1]	586
Change: 1996-2006 (% pa)	1.1
Change: 2001-2006 (% pa)	-0.6
Change: 2006-2014 (% pa)	0.7
Employment in the Ten Worst Performing Industries in England (%)	8
Employment in the Ten Best Performing Industries in England (%)	63.2
Top Three Occupational Groups (% of Total Emp.)	
Managers and Senior Officials	17.2
Associate Professional and Technical Occupations	14
Administrative and Secretarial Occupations	12.7
Workforce with NQF4+ Qualifications (%)	32
Workforce with no Qualifications (%)	9.6
Average Gross Weekly Pay (£s) [1]	479
Unemployment Rate (ILO)	3.5
Establishments Reporting HtFVs (%)	7.0
Establishments Reporting SSVs (%)	5.2

Source(s): 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(s): Data are 2005 except [1] where data are 2006.
Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures. Differences with official sources may arise as Working Futures estimates are calculated using more than one source.

CAMBRIDGESHIRE	
Population (000)	749
Population of Working Age (000)	485
Ethnic Groups (%)	
White	94.6
Black	0.7
Indian	0.9
Bangladeshi/Pakistani	1.4
Other/Mixed	2.4
Population Change: 1995-2005 (% pa)	0.9
Population Density (persons per square km)	221
Employment (000) [1]	417
Change: 1996-2006 (% pa)	1.5
Change: 2001-2006 (% pa)	1.1
Change: 2006-2014 (% pa)	0.7
Employment in the Ten Worst Performing Industries in England (%)	12.9
Employment in the Ten Best Performing Industries in England (%)	61.9
Top Three Occupational Groups (% of Total Emp.)	
Managers and Senior Officials	16.9
Associate Professional and Technical Occupations	14.6
Professional Occupations	13.0
Workforce with NQF4+ Qualifications (%)	29.3
Workforce with no Qualifications (%)	9.8
Average Gross Weekly Pay (£s) [1]	459
Unemployment Rate (ILO)	4.2
Establishments Reporting HtFVs (%)	7.7
Establishments Reporting SSVs (%)	6.7

Source(s): 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(s): Data are 2005 except [1] where data are 2006.
Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures. Differences with official sources may arise as Working Futures estimates are calculated using more than one source.

NORFOLK	
Population (000)	824
Population of Working Age (000)	496
Ethnic Groups (%)	
White	98.5
Black	0.2
Indian	0.2
Bangladeshi/Pakistani	0.1
Other/Mixed	1
Population Change: 1995-2005 (% pa)	0.7
Population Density (persons per square km)	153
Employment (000) [1]	383
Change: 1996-2006 (% pa)	1.1
Change: 2001-2006 (% pa)	1
Change: 2006-2014 (% pa)	0.4
Employment in the Ten Worst Performing Industries in England (%)	14.5
Employment in the Ten Best Performing Industries in England (%)	59.1
Top Three Occupational Groups (% of Total Emp.)	
Managers and Senior Officials	16.5
Associate Professional and Technical Occupations	13.8
Skilled Trades Occupations	12.3
Workforce with NQF4+ Qualifications (%)	19.9
Workforce with no Qualifications (%)	14.8
Average Gross Weekly Pay (£s) [1]	381
Unemployment Rate (ILO)	4.6
Establishments Reporting HtFVs (%)	7.2
Establishments Reporting SSVs (%)	5.9

Source(s): 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(s): Data are 2005 except [1] where data are 2006.
Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures. Differences with official sources may arise as Working Futures estimates are calculated using more than one source.

SUFFOLK	
Population (000)	692
Population of Working Age (000)	419
Ethnic Groups (%)	
White	97.2
Black	0.6
Indian	0.2
Bangladeshi/Pakistani	0.3
Other/Mixed	1.6
Population Change: 1995-2005 (% pa)	0.6
Population Density (persons per square km)	182
Employment (000) [1]	336
Change: 1996-2006 (% pa)	0.9
Change: 2001-2006 (% pa)	-0.1
Change: 2006-2014 (% pa)	0.5
Employment in the Ten Worst Performing Industries in England (%)	13.4
Employment in the Ten Best Performing Industries in England (%)	58.5
Top Three Occupational Groups (% of Total Emp.)	
Managers and Senior Officials	16.2
Associate Professional and Technical Occupations	13.6
Administrative and Secretarial Occupations	12.7
Workforce with NQF4+ Qualifications (%)	23.2
Workforce with no Qualifications (%)	15.8
Average Gross Weekly Pay (£s) [1]	370
Unemployment Rate (ILO)	3.5
Establishments Reporting HtFVs (%)	7.0
Establishments Reporting SSVs (%)	5.7

Source(s): 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(s): Data are 2005 except [1] where data are 2006.
Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures. Differences with official sources may arise as Working Futures estimates are calculated using more than one source.

South West

4.49 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. It is one of the least densely-populated regions in the UK, although most of the population is concentrated around urban centres. 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.

Geographically the South West is the largest of the English regions.

4.50 The main reasons why the South West continues to be among the faster-growing economies in the UK have to do with the steady movement of businesses and people into the region from the other surrounding prosperous regions in southern England. Companies move along the M4 corridor in search of more space, lower costs and a pleasanter environment. Many people retire to the South West from other parts of England, and tourism also plays a central role in the region's economy. Consequently, the South West relies more than many regions on the general state of the UK economy. As a result of these factors, the South West has had strong population growth for decades. Such population growth inevitably creates an increased demand for goods, services and associated labour. The movement of companies also means that the South West benefits from a relocation of activity within the UK. Consequently, employment in services has risen faster than the UK average, while employment in manufacturing has declined less rapidly. Around one-third of those employed work in the highest skill level occupations, due mainly to the high growth, high-tech, high value added sectors in the north and east of the region.

The main reasons why the South West continues to be among the faster-growing economies in the UK have to do with the steady movement of businesses and people into the region from the other surrounding prosperous regions in southern England.

4.51 A number of dynamic urban centres contribute to the region’s economic performance, principally Bristol, Plymouth, Swindon, Bath, Bournemouth, Poole, 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 8 per cent of national GVA. High-tech 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.

Economic performance is uneven, however, with the eastern part contributing most to regional economic performance and regions to the west contributing less.

4.52 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 ICT areas. Some sub-regions lag behind in educational and training attainment. However, there are signs that this has been recognised and authorities are trying to address this. In Cornwall for example, the mid-term evaluation of the Objective One European Structural Fund spending for 2000-06 emphasised the need to focus on the development of high-value sectors and businesses, on economic infrastructure, on developing intermediate and high-level skills and on other initiatives designed to further the knowledge-based economy.

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 ICT areas.

SOUTH WEST	
LLSCs: West of England; Devon and Cornwall; Bournemouth, Dorset and Poole; Gloucestershire; Somerset; Wiltshire and Swindon.	
Population (000)	5,068
Population of Working Age (000)	3,101
Ethnic Groups (%)	
White	97.7
Black	0.4
Indian	0.3
Bangladeshi/Pakistani	0.2
Other/Mixed	1.3
Population Change: 1995-2005 (% pa)	0.6
Population Density (persons per square km)	213
Employment (000) [1]	2,548
Change: 1996-2006 (% pa)	1.1
Change: 2001-2006 (% pa)	0.9
Change: 2006-2014 (% pa)	0.5
Employment in the Ten Worst Performing Industries in England (%)[2]	12.1
Employment in the Ten Best Performing Industries in England (%)[2]	59.2
Top Three Occupational Groups (% of Total Emp.)	
Managers and Senior Officials	15.3
Associate Professional and Technical Occupations	13.3
Skilled Trades Occupations	12.5
Workforce with NQF4+ Qualifications (%)	26.5
Workforce with no Qualifications (%)	9.9
Average Gross Weekly Pay (£s) [1]	398
Unemployment Rate (ILO)	3.5
Establishments Reporting HtFVs (%)	7.0
Establishments Reporting SSVs (%)	4.4

Source(s): 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(s): Data are 2005 except [1] where data are 2006; 2. Performance based on average annual employment growth over 1996-2006.
Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures. Differences with official sources may arise as Working Futures estimates are calculated using more than one source.

South West LLSC areas

4.53 In the period 1996 to 2006, Wiltshire and Swindon ranked 33rd in terms of employment growth in the LLSC areas, and 37th in the period 2001 to 2006. By contrast, Gloucestershire, Devon and Cornwall, and West of England ranked much higher over the 2001-2006 period than in the whole ten-year period: all were ranked in the top ten or very close to it. Employment growth for the rest of the LLSC areas of the South West rank between 21st and 25th. Only West of England and Devon and Cornwall rank in the top twenty for employment in the ten best-performing industries in England. Gloucestershire on the other hand ranks 13th for employment in the worst-performing industries. In terms of unemployment, the region's LLSC areas are doing well and rank in the lower half for England.

4.54 The South West has had a mixed performance relative to the rest of England for hard-to-fill and skill shortage vacancies. 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 skill shortage vacancies. Wiltshire and Swindon ranks 17th, with 5.4 per cent of establishments reporting skill shortage vacancies, while the other LLSCs in the South West all rank better on this criterion. Similarly no LLSC in the region ranks worse than 18th in hard-to-fill vacancies.

The South West has had a mixed performance relative to the rest of England for hard-to-fill and skill shortage vacancies.

4.55 In the South West region only the West of England ranks in the top ten for qualifications NQF4 or above, in 7th place, although Gloucestershire ranks 11th. These two rankings are an improvement on the numbers from a year ago. Other South West LLSC areas rank from 18th to 36th. Somerset ranks first, Devon and Cornwall 2nd and Bournemouth, Dorset and Poole ranks 3rd for qualification level NQF3. Compared to England as a whole LLSCs in the South West have a lower proportion of their working-age population without qualifications.

Compared to England as a whole LLSCs in the South West have a lower proportion of their working-age population without qualifications.

WEST OF ENGLAND	
Population (000)	1,015
Population of Working Age (000)	652
Ethnic Groups (%)	
White	95.5
Black	1.1
Indian	0.7
Bangladeshi/Pakistani	0.6
Other/Mixed	2.1
Population Change: 1995-2005 (% pa)	0.5
Population Density (persons per square km)	765
Employment (000) [1]	610
Change: 1996-2006 (% pa)	1.2
Change: 2001-2006 (% pa)	1.2
Change: 2006-2014 (% pa)	0.5
Employment in the Ten Worst Performing Industries in England (%)	8.5
Employment in the Ten Best Performing Industries in England (%)	60.9
Top Three Occupational Groups (% of Total Emp.)	
Managers and Senior Officials	15.4
Associate Professional and Technical Occupations	14
Professional Occupations	12.7
Workforce with NQF4+ Qualifications (%)	32.4
Workforce with no Qualifications (%)	10
Average Gross Weekly Pay (£s) [1]	449
Unemployment Rate (ILO)	3.3
Establishments Reporting HtFVs (%)	7.8
Establishments Reporting SSVs (%)	4.2

Source(s): 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(s): Data are 2005 except [1] where data are 2006.
Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures. Differences with official sources may arise as Working Futures estimates are calculated using more than one source.

DEVON AND CORNWALL	
Population (000)	1,629
Population of Working Age (000)	982
Ethnic Groups (%)	
White	98.8
Black	0.1
Indian	0.1
Bangladeshi/Pakistani	0.1
Other/Mixed	0.9
Population Change: 1995-2005 (% pa)	0.6
Population Density (persons per square km)	159
Employment (000) [1]	727
Change: 1996-2006 (% pa)	1.1
Change: 2001-2006 (% pa)	0.9
Change: 2006-2014 (% pa)	0.5
Employment in the Ten Worst Performing Industries in England (%)	12.2
Employment in the Ten Best Performing Industries in England (%)	60.7
Top Three Occupational Groups (% of Total Emp.)	
Managers and Senior Officials	15.1
Associate Professional and Technical Occupations	13.0
Skilled Trades Occupations	13.0
Workforce with NQF4+ Qualifications (%)	22.6
Workforce with no Qualifications (%)	9.5
Average Gross Weekly Pay (£s) [1]	351
Unemployment Rate (ILO)	3.9
Establishments Reporting HtFVs (%)	7.6
Establishments Reporting SSVs (%)	4.8

Source(s): 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(s): Data are 2005 except [1] where data are 2006.

Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures. Differences with official sources may arise as Working Futures estimates are calculated using more than one source.

BOURNEMOUTH, DORSET AND POOLE	
Population (000)	702
Population of Working Age (000)	411
Ethnic Groups (%)	
White	98.1
Black	0.2
Indian	0.2
Bangladeshi/Pakistani	0.1
Other/Mixed	1.3
Population Change: 1995-2005 (% pa)	0.4
Population Density (persons per square km)	265
Employment (000) [1]	330
Change: 1996-2006 (% pa)	1.1
Change: 2001-2006 (% pa)	0.8
Change: 2006-2014 (% pa)	0.5
Employment in the Ten Worst Performing Industries in England (%)	10.3
Employment in the Ten Best Performing Industries in England (%)	59.2
Top Three Occupational Groups (% of Total Emp.)	
Managers and Senior Officials	15.6
Associate Professional and Technical Occupations	13.3
Skilled Trades Occupations	12.2
Workforce with NQF4+ Qualifications (%)	25.1
Workforce with no Qualifications (%)	9.4
Average Gross Weekly Pay (£s) [1]	365
Unemployment Rate (ILO)	3.0
Establishments Reporting HtFVs (%)	5.8
Establishments Reporting SSVs (%)	3.5

Source(s): 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(s): Data are 2005 except [1] where data are 2006.
Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures. Differences with official sources may arise as Working Futures estimates are calculated using more than one source.

GLOUCESTERSHIRE	
Population (000)	575
Population of Working Age (000)	355
Ethnic Groups (%)	
White	97.2
Black	0.6
Indian	0.7
Bangladeshi/Pakistani	0.2
Other/Mixed	1.4
Population Change: 1995-2005 (% pa)	0.5
Population Density (persons per square km)	217
Employment (000) [1]	305
Change: 1996-2006 (% pa)	1.3
Change: 2001-2006 (% pa)	1.2
Change: 2006-2014 (% pa)	0.3
Employment in the Ten Worst Performing Industries in England (%)	15.8
Employment in the Ten Best Performing Industries in England (%)	57.3
Top Three Occupational Groups (% of Total Emp.)	
Managers and Senior Officials	15.7
Associate Professional and Technical Occupations	13.3
Skilled Trades Occupations	12.7
Workforce with NQF4+ Qualifications (%)	29.5
Workforce with no Qualifications (%)	10.4
Average Gross Weekly Pay (£s) [1]	405
Unemployment Rate (ILO)	3.0
Establishments Reporting HtFVs (%)	6.7
Establishments Reporting SSVs (%)	4.4

Source(s): 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(s): Data are 2005 except [1] where data are 2006.
Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures. Differences with official sources may arise as Working Futures estimates are calculated using more than one source.

SOMERSET	
Population (000)	516
Population of Working Age (000)	308
Ethnic Groups (%)	
White	98.8
Black	0.1
Indian	0.1
Bangladeshi/Pakistani	0.1
Other/Mixed	0.8
Population Change: 1995-2005 (% pa)	0.7
Population Density (persons per square km)	149
Employment (000) [1]	232
Change: 1996-2006 (% pa)	1.1
Change: 2001-2006 (% pa)	0.7
Change: 2006-2014 (% pa)	0.4
Employment in the Ten Worst Performing Industries in England (%)	15.8
Employment in the Ten Best Performing Industries in England (%)	55.5
Top Three Occupational Groups (% of Total Emp.)	
Managers and Senior Officials	14.8
Associate Professional and Technical Occupations	13.2
Skilled Trades Occupations	13
Workforce with NQF4+ Qualifications (%)	25.1
Workforce with no Qualifications (%)	12.4
Average Gross Weekly Pay (£s) [1]	385
Unemployment Rate (ILO)	3.9
Establishments Reporting HtFVs (%)	6.0
Establishments Reporting SSVs (%)	4.0

Source(s): 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(s): Data are 2005 except [1] where data are 2006.
Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures. Differences with official sources may arise as Working Futures estimates are calculated using more than one source.

WILTSHIRE AND SWINDON	
Population (000)	631
Population of Working Age (000)	394
Ethnic Groups (%)	
White	97.5
Black	0.4
Indian	0.5
Bangladeshi/Pakistani	0.2
Other/Mixed	1.4
Population Change: 1995-2005 (% pa)	0.7
Population Density (persons per square km)	181
Employment (000) [1]	344
Change: 1996-2006 (% pa)	0.7
Change: 2001-2006 (% pa)	0.1
Change: 2006-2014 (% pa)	0.5
Employment in the Ten Worst Performing Industries in England (%)	14.4
Employment in the Ten Best Performing Industries in England (%)	56.9
Top Three Occupational Groups (% of Total Emp.)	
Managers and Senior Officials	15.3
Associate Professional and Technical Occupations	12.6
Skilled Trades Occupations	12.4
Workforce with NQF4+ Qualifications (%)	26.3
Workforce with no Qualifications (%)	9.0
Average Gross Weekly Pay (£s) [1]	429
Unemployment Rate (ILO)	3.5
Establishments Reporting HtFVs (%)	7.3
Establishments Reporting SSVs (%)	5.4

Source(s): 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(s): Data are 2005 except [1] where data are 2006.
Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures. Differences with official sources may arise as Working Futures estimates are calculated using more than one source.

West Midlands

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

The region's central location makes it well positioned for transport connections with the rest of the UK.

4.57 More than 2.6 million people are employed in the region across a range of activities. Manufacturing accounts for around 14 per cent of total employment and 18 per cent of GVA. Minerals & metals is by far the largest employer within manufacturing, followed by motor vehicles and mechanical engineering. Motor vehicles still represents 14 per cent of manufacturing employment, but this is likely to fall as larger car manufacturers close plants in the region. The West Midlands has already suffered the loss of 6,000 jobs following the closure of Rover's Longbridge plant in 2005 and 2,300 jobs in December 2006 when Peugeot closed its Ryton plant earlier than originally planned. 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. The motor vehicles industry in the West Midlands will have been boosted by Nanjing Automobile's plans to restart production at Longbridge in 2007, even if it is small scale, and Ford's plans to invest £1bn in its UK-based engineering centres over 2007-13 towards the development of fuel-efficient technology. Ford's Gaydon and Whitley centres in the West Midlands will be two of the beneficiaries.

More than 2.6 million people are employed in the region across a range of activities. Manufacturing accounts for around 14 per cent of total employment and 18 per cent of GVA.

4.58 Financial and business services represent a substantial sector of the region's economy in terms of employment and output. Financial and business services represent 21 per cent of total GVA in the West Midlands. The significant growth of the sector in the 1980s and 1990s has continued in recent years 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, Shakespeare at Stratford and its attractive countryside with many towns and villages of historical interest.

Financial and business services represent a substantial sector of the region's economy in terms of employment and output. Tourism is also a growing sector.

4.59 While the economic and social profile of the region is generally positive, GVA per head remains below the national average. Manufacturing industry has contracted since 2000 and this has contributed to above average rates of unemployment in some LLSC areas. Furthermore, the region faces certain skills challenges. 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 2005 only 23 per cent of working-age population were qualified to NQF 4 level or above, compared to about 26 per cent for England as a whole.

GVA per head remains below the national average. Among the nine English regions, the West Midlands has the highest proportion of unqualified workers.

WEST MIDLANDS	
LLSCs: Herefordshire and Worcestershire; Shropshire; Staffordshire; Coventry and Warwickshire; The Black Country; Birmingham and Solihull.	
Population (000)	5,365
Population of Working Age (000)	3,352
Ethnic Groups (%)	
White	88.7
Black	2.0
Indian	3.4
Bangladeshi/Pakistani	3.5
Other/Mixed	2.4
Population Change: 1995-2005 (% pa)	0.2
Population Density (persons per square km)	413
Employment (000) [1]	2,614
Change: 1996-2006 (% pa)	0.3
Change: 2001-2006 (% pa)	0.5
Change: 2006-2014 (% pa)	0.4
Employment in the Ten Worst Performing Industries in England (%)[2]	16.3
Employment in the Ten Best Performing Industries in England (%)[2]	57.5
Top Three Occupational Groups (% of Total Emp.)	
Managers and Senior Officials	14.1
Associate Professional and Technical Occupations	13.3
Skilled Trades Occupations	12.9
Workforce with NQF4+ Qualifications (%)	23.0
Workforce with no Qualifications (%)	17.7
Average Gross Weekly Pay (£s) [1]	406
Unemployment Rate (ILO)	5.2
Establishments Reporting HtFVs (%)	7.4
Establishments Reporting SSVs (%)	5.5

Source(s): 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(s): Data are 2005 except [1] where data are 2006; 2. Performance based on average annual employment growth over 1996-2006.
Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures. Differences with official sources may arise as Working Futures estimates are calculated using more than one source.

West Midlands LLSC areas

4.60 Employment growth in the region's LLSC areas was below the England average over 1996-2006. The performance was better over 2001-2006 with employment growth in Staffordshire and Birmingham and Solihull outpacing the average for England. Herefordshire and Worcestershire and the Black Country recorded only 0.1 per cent growth a year over the same period. For the West Midlands as a whole, employment growth over 2001-2006 was only just below the England average. Staffordshire and Birmingham and Solihull are also the only LLSC areas in the region that show a more rapid employment growth rate in the last five years compared to the 1996-2006 average, while Herefordshire and Worcestershire stands out due to the recent weaker employment growth compared to 1996-2006. The general experience of slowdown in employment growth reflects the region's relatively high exposure to manufacturing, with two of the LLSC areas being ranked in the top ten for the proportion of employees in manufacturing and three more in 11th, 12th and 14th position. Manufacturing GVA has fallen by around 0.5 per cent a year over 2001-06 while employment has fallen by nearly 2.5 per cent a year over the same period.

For the West Midlands as a whole, employment growth over 2001-2006 was only just below the England average.

4.61 Four of the LLSC areas are ranked in the top ten for the proportion of workers employed in the ten worst performing industries. Shropshire, the Black Country, Herefordshire and Worcestershire and Staffordshire all have around a fifth of employees in the ten worst performing industries, which are all primary or heavy industry. Coventry and Warwickshire, which ranks 12th, has around a sixth of employees in these industries. Birmingham and Solihull ranks much better than the region's other LLSC areas with just 12 per cent employed in the worst performing industries, and over 60 per cent of employment in the ten best performing industries, earning it a position in the top ten regions for the proportion of workers in this category. The other areas all have around 53-59 per cent employed in the ten best performing industries, ranking them in the lower half of the 47 LLSC areas, with Shropshire and the Black Country as the bottom two.

4.62 Skill deficiencies and recruitment difficulties in the West Midlands are about the same as England as a whole. 7.4 per cent of establishments report hard to fill vacancies and 5.5 per cent report skill shortage vacancies compared to 7.3 per cent and 5.1 per cent respectively in England. Within the region, Birmingham and Solihull and Coventry and Warwickshire have relatively high incidences in hard to fill vacancies (8.7 per cent and 8.4 per cent respectively) and skill shortage vacancies (7 per cent and 5.7 per cent respectively). The level of skill shortage vacancies in Birmingham and Solihull is the second highest in England.

Skill deficiencies and recruitment difficulties in the West Midlands are about the same as England as a whole.

4.63 Skills levels in the West Midlands LLSC areas are generally relatively low. The worst are the Black Country, Birmingham and Solihull and Staffordshire, which rank first, third and eight for working-age population with no qualifications. The Black Country also has the lowest proportion of working-age population with qualifications at NQF4 level or above, the lowest in England. Staffordshire and Birmingham and Solihull also rank poorly on this measure at 28th and 42nd respectively. Coventry and Warwickshire and Herefordshire and Worcestershire have the highest proportions with NQF4 or above and rank 15th and 17th respectively.

Skills levels in the West Midlands LLSC areas are generally relatively low.

HEREFORDSHIRE AND WORCESTERSHIRE	
Population (000)	735
Population of Working Age (000)	453
Ethnic Groups (%)	
White	97.9
Black	0.3
Indian	0.3
Bangladeshi/Pakistani	0.6
Other/Mixed	1.0
Population Change: 1995-2005 (% pa)	0.6
Population Density (persons per square km)	187
Employment (000) [1]	340
Change: 1996-2006 (% pa)	0.6
Change: 2001-2006 (% pa)	0.1
Change: 2006-2014 (% pa)	0.4
Employment in the Ten Worst Performing Industries in England (%)	17.9
Employment in the Ten Best Performing Industries in England (%)	56.7
Top Three Occupational Groups (% of Total Emp.)	
Managers and Senior Officials	14.5
Skilled Trades Occupations	14.0
Associate Professional and Technical Occupations	12.9
Workforce with NQF4+ Qualifications (%)	26.5
Workforce with no Qualifications (%)	15.7
Average Gross Weekly Pay (£s) [1]	364
Unemployment Rate (ILO)	3.4
Establishments Reporting HtFVs (%)	6.5
Establishments Reporting SSVs (%)	5.1

Source(s): 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(s): Data are 2005 except [1] where data are 2006.
Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures. Differences with official sources may arise as Working Futures estimates are calculated using more than one source.

SHROPSHIRE	
Population (000)	451
Population of Working Age (000)	279
Ethnic Groups (%)	
White	98.8
Black	0.1
Indian	0.2
Bangladeshi/Pakistani	0.1
Other/Mixed	0.8
Population Change: 1995-2005 (% pa)	0.7
Population Density (persons per square km)	129
Employment (000) [1]	206
Change: 1996-2006 (% pa)	0.5
Change: 2001-2006 (% pa)	0.5
Change: 2006-2014 (% pa)	0.5
Employment in the Ten Worst Performing Industries in England (%)	19.3
Employment in the Ten Best Performing Industries in England (%)	53
Top Three Occupational Groups (% of Total Emp.)	
Managers and Senior Officials	14
Skilled Trades Occupations	13.3
Associate Professional and Technical Occupations	13.2
Workforce with NQF4+ Qualifications (%)	24.9
Workforce with no Qualifications (%)	14.2
Average Gross Weekly Pay (£s) [1]	375
Unemployment Rate (ILO)	3.6
Establishments Reporting HtFVs (%)	6.7
Establishments Reporting SSVs (%)	4.3

Source(s): 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(s): Data are 2005 except [1] where data are 2006.
Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures. Differences with official sources may arise as Working Futures estimates are calculated using more than one source.

STAFFORDSHIRE	
Population (000)	1,055
Population of Working Age (000)	664
Ethnic Groups (%)	
White	96.7
Black	0.4
Indian	0.6
Bangladeshi/Pakistani	1.1
Other/Mixed	1.2
Population Change: 1995-2005 (% pa)	0.1
Population Density (persons per square km)	389
Employment (000) [1]	483
Change: 1996-2006 (% pa)	0.3
Change: 2001-2006 (% pa)	0.9
Change: 2006-2014 (% pa)	0.4
Employment in the Ten Worst Performing Industries in England (%)	17.4
Employment in the Ten Best Performing Industries in England (%)	56.6
Top Three Occupational Groups (% of Total Emp.)	
Managers and Senior Officials	13.7
Skilled Trades Occupations	13.1
Associate Professional and Technical Occupations	12.9
Workforce with NQF4+ Qualifications (%)	20.5
Workforce with no Qualifications (%)	17.3
Average Gross Weekly Pay (£s) [1]	394
Unemployment Rate (ILO)	3.8
Establishments Reporting HtFVs (%)	7.4
Establishments Reporting SSVs (%)	5.2

Source(s): 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(s): Data are 2005 except [1] where data are 2006.
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COVENTRY AND WARWICKSHIRE	
Population (000)	838
Population of Working Age (000)	534
Ethnic Groups (%)	
White	91.3
Black	0.9
Indian	4.5
Bangladeshi/Pakistani	1.1
Other/Mixed	2.2
Population Change: 1995-2005 (% pa)	0.5
Population Density (persons per square km)	404
Employment (000) [1]	414
Change: 1996-2006 (% pa)	0.3
Change: 2001-2006 (% pa)	0.2
Change: 2006-2014 (% pa)	0.6
Employment in the Ten Worst Performing Industries in England (%)	16.1
Employment in the Ten Best Performing Industries in England (%)	58.9
Top Three Occupational Groups (% of Total Emp.)	
Managers and Senior Officials	14.6
Associate Professional and Technical Occupations	13.1
Administrative and Secretarial Occupations	12.6
Workforce with NQF4+ Qualifications (%)	26.9
Workforce with no Qualifications (%)	14.6
Average Gross Weekly Pay (£s) [1]	447
Unemployment Rate (ILO)	4.8
Establishments Reporting HtFVs (%)	8.4
Establishments Reporting SSVs (%)	5.7

Source(s): 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(s): Data are 2005 except [1] where data are 2006.
Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures. Differences with official sources may arise as Working Futures estimates are calculated using more than one source.

THE BLACK COUNTRY	
Population (000)	1,085
Population of Working Age (000)	668
Ethnic Groups (%)	
White	84.8
Black	2.6
Indian	6.8
Bangladeshi/Pakistani	3.1
Other/Mixed	2.7
Population Change: 1995-2005 (% pa)	-0.2
Population Density (persons per square km)	3,039
Employment (000) [1]	505
Change: 1996-2006 (% pa)	0.1
Change: 2001-2006 (% pa)	0.1
Change: 2006-2014 (% pa)	0.1
Employment in the Ten Worst Performing Industries in England (%)	18.7
Employment in the Ten Best Performing Industries in England (%)	53
Top Three Occupational Groups (% of Total Emp.)	
Skilled Trades Occupations	14.3
Managers and Senior Officials	14.1
Associate Professional and Technical Occupations	12.9
Workforce with NQF4+ Qualifications (%)	18.2
Workforce with no Qualifications (%)	21.3
Average Gross Weekly Pay (£s) [1]	391
Unemployment Rate (ILO)	5.5
Establishments Reporting HtFVs (%)	5.8
Establishments Reporting SSVs (%)	4.9

Source(s): 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(s): Data are 2005 except [1] where data are 2006.
Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures. Differences with official sources may arise as Working Futures estimates are calculated using more than one source.

BIRMINGHAM AND SOLIHULL	
Population (000)	1,202
Population of Working Age (000)	754
Ethnic Groups (%)	
White	74.5
Black	5.2
Indian	5.0
Bangladeshi/Pakistani	10.7
Other/Mixed	4.5
Population Change: 1995-2005 (% pa)	0.0
Population Density (persons per square km)	2,695
Employment (000) [1]	666
Change: 1996-2006 (% pa)	0.4
Change: 2001-2006 (% pa)	0.9
Change: 2006-2014 (% pa)	0.3
Employment in the Ten Worst Performing Industries in England (%)	12
Employment in the Ten Best Performing Industries in England (%)	62.5
Top Three Occupational Groups (% of Total Emp.)	
Associate Professional and Technical Occupations	14.4
Managers and Senior Officials	14.1
Administrative and Secretarial Occupations	13.8
Workforce with NQF4+ Qualifications (%)	23.6
Workforce with no Qualifications (%)	19.6
Average Gross Weekly Pay (£s) [1]	431
Unemployment Rate (ILO)	8.3
Establishments Reporting HtFVs (%)	8.7
Establishments Reporting SSVs (%)	7.0

Source(s): 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(s): Data are 2005 except [1] where data are 2006.
Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures. Differences with official sources may arise as Working Futures estimates are calculated using more than one source.

East Midlands

4.64 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 more than 4.3 million in what is geographically the third largest region in England. The geographical size of the region and the diverse urban/industrial and rural spread makes great demands on systems and services. With a population density of just over 270 persons per square km, it is the second most sparsely populated region in England.

The East Midlands has a population of more than 4.3 million in what is geographically the third largest region in England.

4.65 Since the mid 1990s, output and employment growth in the East Midlands have been driven by services. However, the share of manufacturing output in the East Midlands is still around 20 per cent, well above the 14 per cent England average. Historically the largest manufacturing sector in the region (in terms of both output and employment) was textiles, clothing & leather, but this has been in decline for many years in the face of low-cost competition from abroad, and the ending of the Multi-Fibre Agreement in January 2005 has intensified this effect. Minerals & metals and food & drink, both long-established industries in the region, now account for the highest shares of manufacturing output and employment.

The share of manufacturing output in the East Midlands is around 20 per cent, above the 14 per cent England average.

4.66 The economy of the East Midlands is now quite diverse. 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.

4.67 Services output in the East Midlands now accounts for 64 per cent of the total GVA. Especially financial & business services have supported growth in the region, increasing their share of output from 13 per cent in 1996 to 18 per cent in 2006 and employment from 13 per cent to 16 per cent. However, 22 per cent of output and 30 per

Services output in the East Midlands now accounts for 64 per cent of the total GVA.

cent of employment is still Government & other services, which makes the region vulnerable to tighter constraints on central government spending. Construction also makes an important contribution to output and employment in the regions with 7 per cent of output and employment. This is expected to be buoyed by increased private and public sector investment in the region.

4.68 Good north-south transport communications are provided by the M1 and the A1, while east-west access is relatively poor. Poor transport networks inhibit economic development in Lincolnshire in particular, although converting the A46 between Lincoln and the A1 trunk at Newark into a dual carriageway has improved access to the rest of the Midlands. Plans to turn a further 17-mile stretch of the A46 from Newark to Widmerpool into a dual carriageway were published in December 2005, but construction is not likely to start before 2012/2013. The East Midlands also enjoys a substantial international transport infrastructure. Passenger numbers and freight traffic at East Midlands Airport: Nottingham, Leicester, Derby has been growing strongly since 2000 and this expansion is expected to continue. 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 in the region.

The region continues to have a relatively low skills base and lower than average productivity.

4.69 The expansion of Nottingham's universities has been of great advantage to the region and the many bars and night-clubs they support have stimulated strong growth in distribution, hotels & catering. Because the sector provides low-skilled employment, 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 working-age population with high-level qualifications (NQF4 or above).

EAST MIDLANDS	
LLSCs: Derbyshire; Leicestershire; Lincolnshire and Rutland; Northamptonshire; Nottinghamshire.	

Population (000)	4,306
Population of Working Age (000)	2,719
Ethnic Groups (%)	
White	93.5
Black	0.9
Indian	2.9
Bangladeshi/Pakistani	0.8
Other/Mixed	1.8
Population Change: 1995-2005 (% pa)	0.5
Population Density (persons per square km)	276
Employment (000) [1]	2,000
Change: 1996-2006 (% pa)	0.6
Change: 2001-2006 (% pa)	0.1
Change: 2006-2014 (% pa)	0.3
Employment in the Ten Worst Performing Industries in England (%)[2]	16.1
Employment in the Ten Best Performing Industries in England (%)[2]	57.7
Top Three Occupational Groups (% of Total Emp.)	
Managers and Senior Officials	15.3
Associate Professional and Technical Occupations	12.7
Skilled Trades Occupations	11.7
Workforce with NQF4+ Qualifications (%)	23.4
Workforce with no Qualifications (%)	15.0
Average Gross Weekly Pay (£s) [1]	404
Unemployment Rate (ILO)	4.7
Establishments Reporting HtFVs (%)	5.4
Establishments Reporting SSVs (%)	3.6

Source(s): 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(s): Data are 2005 except [1] where data are 2006; 2. Performance based on average annual employment growth over 1996-2006.
Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures. Differences with official sources may arise as Working Futures estimates are calculated using more than one source.

East Midlands LLSC areas

All of the LLSC areas in the region, with the exception of Nottinghamshire, rank poorly for the proportion of workers in the ten best performing industries.

4.70 Employment growth in the East Midlands has generally lagged the England average. Derbyshire ranks the lowest for employment growth in 2001-2006 of all the LLSC areas with employment falling at an annual rate of 0.8 per cent over the period. Employment growth in the other regions has not been much better, with Leicestershire showing no growth over 2001-2006 and Northamptonshire and Nottinghamshire achieving 0.2 per cent a year and 0.4 per cent a year growth respectively. Lincolnshire and Rutland was the only region to better the England average with 0.8 per cent a year growth. This was despite the region ranking second in England for employment in the ten worst performing industries. Derbyshire and Leicestershire, which have had the worst employment record in recent years, rank fifth and ninth respectively. All of the LLSC areas in the region, with the exception of Nottinghamshire, rank poorly for the proportion of workers in the ten best performing industries. Nottinghamshire ranks 12th with 62 per cent of its working-age population employed in the ten best performing industries. The next best region, Northamptonshire, only ranks in 28th place with 59 per cent employed in these industries. Exposure to industries facing restructuring, reflected in the generally high proportion of workers in manufacturing across all the areas in the East Midlands (all but Nottinghamshire rank in the top ten), goes some way to explaining the poor employment growth over 2001-2006, particularly as the manufacturing sector in the East Midlands remains focused on the declining, traditional industries. Derbyshire, Leicestershire and Northamptonshire have 19.3 per cent, 17.3 per cent and 17 per cent employed in manufacturing, the third, seventh and eight highest proportions among England's LLSCs respectively. Unemployment rates also therefore vary greatly. Nottinghamshire has the ninth highest rate in England with 5.7 per cent. In contrast Northamptonshire ranks 34th, with 3.7 per cent, closely followed by Lincolnshire and Rutland in 29th place with 3.9 per cent.

4.71 The East Midlands does not rank highly for the working-age population with qualification level NQF4 or above, and its LLSC areas rank between 19th and 41st. The worst LLSC areas in terms of qualification levels are Derbyshire, Leicestershire and Lincolnshire and Rutland. Derbyshire and Leicestershire rank seventh and 11th respectively for working-age population with no qualifications. Lincolnshire and Rutland on the other hand ranks fifth on lower level of skills (NQF1 and 'other' qualifications). On the whole the region ranks slightly higher on NQF1 and NQF3 qualifications than NQF2. Although 20-25 per cent have NQF4 level, this is still relatively low compared to the England average of 26.2 per cent.

The East Midlands does not rank highly for the working-age population with qualification level NQF4 or above.

4.72 The East Midlands has the lowest rate of hard-to-fill and skill shortages vacancies in England. Northamptonshire, Derbyshire and Lincolnshire and Rutland are the three lowest ranked areas of all 47 LLSC areas. Among establishments in these areas, 4.1-4.7 per cent report hard-to-fill vacancies while 2.6-3.3 per cent report skills shortage vacancies. More establishments in Leicestershire and Nottinghamshire report difficulties with both kinds of vacancies but they are still in the lower half of the rankings.

The East Midlands has the lowest rate of hard-to-fill and skill shortages vacancies in England.

DERBYSHIRE	
Population (000)	981
Population of Working Age (000)	613
Ethnic Groups (%)	
White	96
Black	0.6
Indian	1.2
Bangladeshi/Pakistani	1.0
Other/Mixed	1.3
Population Change: 1995-2005 (% pa)	0.4
Population Density (persons per square km)	374
Employment (000) [1]	429
Change: 1996-2006 (% pa)	0.8
Change: 2001-2006 (% pa)	-0.8
Change: 2006-2014 (% pa)	0.4
Employment in the Ten Worst Performing Industries in England (%)	18.6
Employment in the Ten Best Performing Industries in England (%)	58.1
Top Three Occupational Groups (% of Total Emp.)	
Managers and Senior Officials	14.7
Associate Professional and Technical Occupations	12.4
Skilled Trades Occupations	11.9
Workforce with NQF4+ Qualifications (%)	22.8
Workforce with no Qualifications (%)	17.4
Average Gross Weekly Pay (£s) [1]	417
Unemployment Rate (ILO)	4.7
Establishments Reporting HtFVs (%)	4.6
Establishments Reporting SSVs (%)	2.6

Source(s): 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(s): Data are 2005 except [1] where data are 2006.
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LEICESTERSHIRE	
Population (000)	916
Population of Working Age (000)	587
Ethnic Groups (%)	
White	85
Black	1.2
Indian	10.2
Bangladeshi/Pakistani	1.0
Other/Mixed	2.7
Population Change: 1995-2005 (% pa)	0.4
Population Density (persons per square km)	425
Employment (000) [1]	444
Change: 1996-2006 (% pa)	0.3
Change: 2001-2006 (% pa)	0.0
Change: 2006-2014 (% pa)	0.3
Employment in the Ten Worst Performing Industries in England (%)	17.4
Employment in the Ten Best Performing Industries in England (%)	54.1
Top Three Occupational Groups (% of Total Emp.)	
Managers and Senior Officials	15.4
Associate Professional and Technical Occupations	12.8
Administrative and Secretarial Occupations	11.9
Workforce with NQF4+ Qualifications (%)	23.0
Workforce with no Qualifications (%)	16.2
Average Gross Weekly Pay (£s) [1]	403
Unemployment Rate (ILO)	4.9
Establishments Reporting HtFVs (%)	6.2
Establishments Reporting SSVs (%)	4.4

Source(s): 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(s): Data are 2005 except [1] where data are 2006.
Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures. Differences with official sources may arise as Working Futures estimates are calculated using more than one source.

LINCOLNSHIRE AND RUTLAND	
Population (000)	716
Population of Working Age (000)	433
Ethnic Groups (%)	
White	98.6
Black	0.2
Indian	0.2
Bangladeshi/Pakistani	0.1
Other/Mixed	0.9
Population Change: 1995-2005 (% pa)	1.0
Population Density (persons per square km)	114
Employment (000) [1]	304
Change: 1996-2006 (% pa)	0.9
Change: 2001-2006 (% pa)	0.8
Change: 2006-2014 (% pa)	0.3
Employment in the Ten Worst Performing Industries in England (%)	19.8
Employment in the Ten Best Performing Industries in England (%)	53.8
Top Three Occupational Groups (% of Total Emp.)	
Managers and Senior Officials	15.4
Skilled Trades Occupations	13.2
Associate Professional and Technical Occupations	12.4
Workforce with NQF4+ Qualifications (%)	20.6
Workforce with no Qualifications (%)	13.2
Average Gross Weekly Pay (£s) [1]	370
Unemployment Rate (ILO)	3.9
Establishments Reporting HtFVs (%)	4.7
Establishments Reporting SSVs (%)	3.3

Source(s): 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(s): Data are 2005 except [1] where data are 2006.
Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures. Differences with official sources may arise as Working Futures estimates are calculated using more than one source.

NORTHAMPTONSHIRE	
Population (000)	652
Population of Working Age (000)	416
Ethnic Groups (%)	
White	95.1
Black	1.2
Indian	1.3
Bangladeshi/Pakistani	0.5
Other/Mixed	1.8
Population Change: 1995-2005 (% pa)	0.9
Population Density (persons per square km)	276
Employment (000) [1]	330
Change: 1996-2006 (% pa)	1.1
Change: 2001-2006 (% pa)	0.2
Change: 2006-2014 (% pa)	0.5
Employment in the Ten Worst Performing Industries in England (%)	14.8
Employment in the Ten Best Performing Industries in England (%)	59.0
Top Three Occupational Groups (% of Total Emp.)	
Managers and Senior Officials	15.7
Associate Professional and Technical Occupations	12.6
Administrative and Secretarial Occupations	12.2
Workforce with NQF4+ Qualifications (%)	25.5
Workforce with no Qualifications (%)	13.5
Average Gross Weekly Pay (£s) [1]	409
Unemployment Rate (ILO)	3.7
Establishments Reporting HtFVs (%)	4.1
Establishments Reporting SSVs (%)	3.1

Source(s): 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(s): Data are 2005 except [1] where data are 2006.
Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures. Differences with official sources may arise as Working Futures estimates are calculated using more than one source.

NOTTINGHAMSHIRE	
Population (000)	1,041
Population of Working Age (000)	670
Ethnic Groups (%)	
White	94.1
Black	1.5
Indian	1.1
Bangladeshi/Pakistani	1.2
Other/Mixed	2.1
Population Change: 1995-2005 (% pa)	0.2
Population Density (persons per square km)	482
Employment (000) [1]	493
Change: 1996-2006 (% pa)	0.1
Change: 2001-2006 (% pa)	0.4
Change: 2006-2014 (% pa)	0.3
Employment in the Ten Worst Performing Industries in England (%)	11.3
Employment in the Ten Best Performing Industries in England (%)	62.1
Top Three Occupational Groups (% of Total Emp.)	
Managers and Senior Officials	15.4
Associate Professional and Technical Occupations	13.2
Professional Occupations	11.8
Workforce with NQF4+ Qualifications (%)	24.6
Workforce with no Qualifications (%)	14.0
Average Gross Weekly Pay (£s) [1]	398
Unemployment Rate (ILO)	5.7
Establishments Reporting HtFVs (%)	6.9
Establishments Reporting SSVs (%)	4.6

Source(s): 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(s): Data are 2005 except [1] where data are 2006.
Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures. Differences with official sources may arise as Working Futures estimates are calculated using more than one source.

Yorkshire and the Humber

4.73 Yorkshire and the Humber consists of four clearly defined sub-regions (West Yorkshire, North Yorkshire, the Humber, 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 coal field areas. Alongside this are the large conurbations in West and South Yorkshire: 65 per cent of the Yorkshire and the Humber population is concentrated around Leeds and Bradford in West Yorkshire and around Sheffield in South Yorkshire. For the region as whole, the population density is just under 330 persons per square km, slightly less than the average for England (387 persons per square km). 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.

Yorkshire and the Humber consists of four clearly defined sub-regions (West Yorkshire, North Yorkshire, the Humber, and South Yorkshire) with a combined population of just over 5 million.

4.74 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 1995 and 2005, employment increased by 0.7 per cent a year between 1996 and 2006. This has been driven in recent years by strong output and employment growth in financial & business services and government & other services. Over 2001-06 employment growth was 1.4 per cent per year, outstripping the England average of 0.6 per cent, but over 2006-14 employment growth in Yorkshire and the Humber is expected to slip behind the England average again.

Over 2001-06 employment growth was 1.4 per cent per year, outstripping the England average of 0.6 per cent, but is expected to slip behind the England average in the future.

4.75 The region has experienced substantial economic upheaval in the last 25 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 to England as a whole, Yorkshire & the Humber continues to employ more people in manufacturing and fewer in financial & business services. Within the region, the balance between manufacturing and financial & business services has, however, tipped and the latter now employs more people (16 per cent of total employment) than the former (13 per cent of total employment). In England as a whole, financial & business services

The region has experienced substantial economic upheaval in the last 25 years.

contribute 21 per cent of total employment whereas manufacturing only contributes 10 per cent of total employment. In terms of GVA the gap is smaller with manufacturing contributing 18 per cent of total GVA compared to 19 per cent for financial & business services, which contrasts with the much larger gap in the England averages of 14 per cent and 29 per cent respectively. Within manufacturing Yorkshire & the Humber specialises in a slightly different set of industries compared to the England average. However, some parts of the region are diversifying away from traditional industries. Leeds, which has traditionally been a legal and financial centre for the north of England, is strengthening its position further and Sheffield is also developing its service sectors. North Yorkshire, meanwhile, is becoming less reliant on hill farming and more on tourism. Yorkshire Forward, the regional development agency, is attempting to promote a sector approach to economic development as part of the current Regional Economic Strategy (2006–2015). The sectors that are being actively promoted in an attempt to create linkages and benefit from spillovers are: AEM (Advanced Engineering and Materials), Food & Drink, CDI (Creative & Digital Industries), Healthcare Technologies, Environmental Technologies and Chemicals & Bioscience. As indicated in the Regional Economic Strategy, Yorkshire Forward will also review its activities in the Construction, Logistics and Financial Services industries in order to focus activities on building capacity within these and the priority sectors. The Northern Way Growth Strategy adopts a largely place-based focus (including the city-regions of Leeds, Sheffield and 'Hull and Humber Ports' among its eight city-regions) rather than an explicitly sector-based approach, although the strategy does include reference to key sectoral activities.

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4.76 A relatively high proportion of establishments in Yorkshire and the Humber report hard-to-fill vacancies (9.5 per cent compared to the England average of 7.3 per cent) and skill shortage vacancies (6.8 per cent compared to 5.1 per cent in England). Yorkshire and the Humber also has a greater proportion of companies with vacancies, thereby offering more employment opportunities for its residents.

A relatively high proportion of establishments in Yorkshire and the Humber report hard-to-fill vacancies and skill shortage vacancies.

YORKSHIRE AND THE HUMBER	
LLSCs: The Humber; North Yorkshire; West Yorkshire; South Yorkshire.	
Population (000)	5,064
Population of Working Age (000)	3,193
Ethnic Groups (%)	
White	93.5
Black	0.7
Indian	1.0
Bangladeshi/Pakistani	3.2
Other/Mixed	1.6
Population Change: 1995-2005 (% pa)	0.2
Population Density (persons per square km)	329
Employment (000) [1]	2,477
Change: 1996-2006 (% pa)	0.7
Change: 2001-2006 (% pa)	1.4
Change: 2006-2014 (% pa)	0.3
Employment in the Ten Worst Performing Industries in England (%)[2]	13.7
Employment in the Ten Best Performing Industries in England (%)[2]	58.2
Top Three Occupational Groups (% of Total Emp.)	
Managers and Senior Officials	14.4
Associate Professional and Technical Occupations	12.5
Administrative and Secretarial Occupations	12.2
Workforce with NQF4+ Qualifications (%)	22.2
Workforce with no Qualifications (%)	15.8
Average Gross Weekly Pay (£s) [1]	392
Unemployment Rate (ILO)	4.8
Establishments Reporting HtFVs (%)	9.5
Establishments Reporting SSVs (%)	6.8

Source(s): 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(s): Data are 2005 except [1] where data are 2006; 2. Performance based on average annual employment growth over 1996-2006.
Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures. Differences with official sources may arise as Working Futures estimates are calculated using more than one source.

Yorkshire and the Humber LLSC areas

Over 2001-06 all of the LLSC areas ranked in the top ten regions for employment growth.

4.77 Employment growth over the period 1996-2006 had two distinct halves. Over the ten year period, employment growth in all the areas except North Yorkshire was poor such that the Humber, West Yorkshire and South Yorkshire were all ranked among the poorer performing English regions. However, over 2001-06 all of the LLSC areas ranked in the top ten regions for employment growth. The North Yorkshire LLSC area, with its relatively sparse population and lacking the tradition of specialisation in heavy industry, is exceptional to the region and has been well-placed for growth. It has the lowest proportion of workers in manufacturing and the highest proportion in the ten best performing industries in Yorkshire and the Humber. It also has the lowest unemployment rate in England (2.4 per cent). The problem for employment growth in the other LLSC areas is not so much the over-representation of manufacturing but the under-representation of the most rapidly growing parts of manufacturing. Manufacturing specialises in the more traditional manufacturing sectors such as textiles & clothing and metals & mechanical engineering, which are among those experiencing the highest rate of employment decline in England, typically in response to globalisation and the need to move into higher value added segments. 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.

4.78 Yorkshire and the Humber reports some of the highest levels of hard-to-fill and skill-shortage vacancies in England, although the variation among regions is not particularly great, but there are some disparities between the LLSC areas. North Yorkshire, West Yorkshire and South Yorkshire are ranked first, fourth and second for the proportion of firms reporting hard-to-fill vacancies (around 10 per cent), and third, first and fourth for skills-shortages vacancies (around 7 per cent). These LLSC areas enjoyed quite strong employment growth over 2001-06 and 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. The Humber, meanwhile, has enjoyed just as strong employment growth, but a smaller proportion of firms reported either hard-to-fill or skills-shortages, suggesting that the labour market in the Humber has more spare capacity and is better matched to skills demands.

4.79 There is a split in the qualifications levels in Yorkshire and the Humber. The Humber and South Yorkshire rank low for the percentage of the working-age population with qualification level NQF4 or above, at 46th and 44th respectively, and relatively high for qualification level NQF1 or 'other' qualifications. Both also rank relatively high for no qualifications. In the case of West Yorkshire, for most of the qualification levels, achievement by its working-age population is around the England average, except for NQF4 or above, for which it ranks lower. Compared to the other areas, North Yorkshire has the most highly qualified working-age population. For the proportion of the working-age population with NQF4 and NQF3, it is ranked 16th and 8th respectively. For NQF2 and NQF1 it is ranked in around the middle of the 47 LLSC areas. In North Yorkshire 13.2 per cent of the working-age population has no qualifications, while the figure for the other three LLSC areas is around 16-17 per cent.

THE HUMBER	
Population (000)	891
Population of Working Age (000)	553
Ethnic Groups (%)	
White	98.2
Black	0.2
Indian	0.3
Bangladeshi/Pakistani	0.3
Other/Mixed	0.9
Population Change: 1995-2005 (% pa)	0.1
Population Density (persons per square km)	253
Employment (000) [1]	412
Change: 1996-2006 (% pa)	-0.2
Change: 2001-2006 (% pa)	1.4
Change: 2006-2014 (% pa)	0.1
Employment in the Ten Worst Performing Industries in England (%)	17.9
Employment in the Ten Best Performing Industries in England (%)	55.4
Top Three Occupational Groups (% of Total Emp.)	
Managers and Senior Officials	13.9
Skilled Trades Occupations	13.0
Associate Professional and Technical Occupations	12.0
Workforce with NQF4+ Qualifications (%)	19.1
Workforce with no Qualifications (%)	15.8
Average Gross Weekly Pay (£s) [1]	377
Unemployment Rate (ILO)	5.2
Establishments Reporting HtFVs (%)	7.4
Establishments Reporting SSVs (%)	5.6

Source(s): 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(s): Data are 2005 except [1] where data are 2006.
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NORTH YORKSHIRE	
Population (000)	769
Population of Working Age (000)	476
Ethnic Groups (%)	
White	98.6
Black	0.1
Indian	0.1
Bangladeshi/Pakistani	0.1
Other/Mixed	1.0
Population Change: 1995-2005 (% pa)	0.6
Population Density (persons per square km)	93
Employment (000) [1]	400
Change: 1996-2006 (% pa)	1.4
Change: 2001-2006 (% pa)	1.4
Change: 2006-2014 (% pa)	0.6
Employment in the Ten Worst Performing Industries in England (%)	13.0
Employment in the Ten Best Performing Industries in England (%)	61.0
Top Three Occupational Groups (% of Total Emp.)	
Managers and Senior Officials	15.2
Elementary Occupations	12.3
Skilled Trades Occupations	12.2
Workforce with NQF4+ Qualifications (%)	26.9
Workforce with no Qualifications (%)	13.2
Average Gross Weekly Pay (£s) [1]	371
Unemployment Rate (ILO)	2.4
Establishments Reporting HtFVs (%)	10.3
Establishments Reporting SSVs (%)	6.9

Source(s): 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(s): Data are 2005 except [1] where data are 2006.
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WEST YORKSHIRE	
Population (000)	2,119
Population of Working Age (000)	1,350
Ethnic Groups (%)	
White	88.6
Black	1.0
Indian	2.0
Bangladeshi/Pakistani	6.3
Other/Mixed	2.1
Population Change: 1995-2005 (% pa)	0.2
Population Density (persons per square km)	1,044
Employment (000) [1]	1,079
Change: 1996-2006 (% pa)	0.6
Change: 2001-2006 (% pa)	1.2
Change: 2006-2014 (% pa)	0.4
Employment in the Ten Worst Performing Industries in England (%)	12.4
Employment in the Ten Best Performing Industries in England (%)	57.1
Top Three Occupational Groups (% of Total Emp.)	
Managers and Senior Officials	14.5
Associate Professional and Technical Occupations	13.0
Administrative and Secretarial Occupations	13.0
Workforce with NQF4+ Qualifications (%)	23.1
Workforce with no Qualifications (%)	16.2
Average Gross Weekly Pay (£s) [1]	402
Unemployment Rate (ILO)	5.3
Establishments Reporting HtFVs (%)	9.5
Establishments Reporting SSVs (%)	7.1

Source(s): 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(s): Data are 2005 except [1] where data are 2006.
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SOUTH YORKSHIRE	
Population (000)	1,286
Population of Working Age (000)	814
Ethnic Groups (%)	
White	95.2
Black	0.8
Indian	0.4
Bangladeshi/Pakistani	1.9
Other/Mixed	1.7
Population Change: 1995-2005 (% pa)	0.0
Population Density (persons per square km)	828
Employment (000) [1]	585
Change: 1996-2006 (% pa)	1.0
Change: 2001-2006 (% pa)	1.8
Change: 2006-2014 (% pa)	0.2
Employment in the Ten Worst Performing Industries in England (%)	13.5
Employment in the Ten Best Performing Industries in England (%)	60.3
Top Three Occupational Groups (% of Total Emp.)	
Managers and Senior Officials	13.9
Skilled Trades Occupations	12.8
Associate Professional and Technical Occupations	12.5
Workforce with NQF4+ Qualifications (%)	20.0
Workforce with no Qualifications (%)	16.7
Average Gross Weekly Pay (£s) [1]	387
Unemployment Rate (ILO)	5.2
Establishments Reporting HtFVs (%)[1]	10.0
Establishments Reporting SSVs (%)[1]	6.7

Source(s): 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(s): Data are 2005 except [1] where data are 2006.
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North West

4.80 With more than 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, while Cheshire and Warrington are wealthy by national comparison.

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4.81 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 have moved away in search of work. 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. The renewed growth of population is in part due to the policy of urban regeneration in the North West, particularly in Manchester and Liverpool, which has helped to create more attractive living environments together with increasing job opportunities so that young people feel less inclined to migrate at the start of their careers. The city-regions are seen as central to renewed economic growth in the North West, especially in areas such as creative industries and tourism.

The city-regions of the North West are seen as central to renewed economic growth in the North West, especially in sectors such as creative industries and tourism.

4.82 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 and the region is investing heavily to strengthen its science and industrial base. Manufacturing however 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 helped, given the rise in the

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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 & metals, chemicals, and food & drink are the region's most important manufacturing industries.

4.83 Within services, the sectors doing most to drive the changing economic structure of the region are transport & communications, non-financial business services, and education & health. They are all industries that have an equally strong national performance. The fact that services in the North West has 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. However, service sectors lead growth in investment in the North West, which should improve its productivity. The fast output growth of services means that services will largely shape the overall economic performance of the North West.

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4.84 The North West has a stronger representation of universities than most other regions and these play an important role in supporting high-tech centres of excellence and encouraging SMEs. 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 ageing labour force as a result of low recruitment in the past.

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NORTH WEST	
LLSCs: Cheshire and Warrington; Greater Manchester; Lancashire; Greater Merseyside; Cumbria.	
Population (000)	6,846
Population of Working Age (000)	4,314
Ethnic Groups (%)	
White	94.4
Black	0.6
Indian	1.1
Bangladeshi/Pakistani	2.1
Other/Mixed	1.7
Population Change: 1995-2005 (% pa)	0.0
Population Density (persons per square km)	485
Employment (000) [1]	3,385
Change: 1996-2006 (% pa)	1.1
Change: 2001-2006 (% pa)	1.0
Change: 2006-2014 (% pa)	0.3
Employment in the Ten Worst Performing Industries in England (%)[2]	12.4
Employment in the Ten Best Performing Industries in England (%)[2]	60.0
Top Three Occupational Groups (% of Total Emp.)	
Managers and Senior Officials	14.1
Associate Professional and Technical Occupations	13.5
Administrative and Secretarial Occupations	12.8
Workforce with NQF4+ Qualifications (%)	24.2
Workforce with no Qualifications (%)	17.0
Average Gross Weekly Pay (£s) [1]	409
Unemployment Rate (ILO)	5.2
Establishments Reporting HtFVs (%)	8.0
Establishments Reporting SSVs (%)	5.6

Source(s): 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(s): Data are 2005 except [1] where data are 2006; 2. Performance based on average annual employment growth over 1996-2006.
Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures. Differences with official sources may arise as Working Futures estimates are calculated using more than one source.

North West LLSC areas

As a whole, employment growth in the North West has been in line with or just ahead of the national average.

4.85 As a whole, employment growth in the North West has been in line with or just ahead of the national average. There are, however, some marked differences between the LLSC areas. Over 1996-2006, only Greater Merseyside and Cheshire and Warrington were ranked in the top ten LLSC areas in terms of employment growth. In the last five years employment growth in these areas has, however, slowed, while growth in the region's other LLSC areas has improved. As a result the differences in the employment growth performance have evened out. Cumbria is an exception. Employment fell sharply in 2001 as a result of the foot-and-mouth crises and then recovered strongly. Consequently, employment growth over 2001-06 appears very strong and above the 1.5-2 per cent per annum that is more typical. As a result, Cumbria ranks first among the LLSC areas in terms of employment growth over 2001-06. The evening out of employment growth in the North West highlights the improvements in communications and transport networks which allow more people to live outside the major conurbations. Variations in unemployment remain, however, indicating deep skills gaps within the region. Cheshire and Warrington is best placed with an unemployment rate of just 3.4 per cent, well below the England average; but despite the benefits of regeneration, Greater Manchester and Greater Merseyside continue to have the highest rate in the LLSC areas (5.5 per cent and 6.8 per cent respectively), placing them tenth and sixth highest among the English regions. The unemployment rates for Cumbria and Lancashire are both below the England average, but only just in the case of the latter.

4.86 The importance of manufacturing to the labour force is mixed across the regions. It remains much more important in Lancashire and Cumbria, employing more than 17 per cent of the labour force in both LLSC areas. This places them sixth and fifth among all English regions; in the other North West regions manufacturing employs 10-13 per cent of the workers, ranking them between 20th and 33rd across all LLSC areas. 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 service jobs. More generally, the sub-regions are spread out with regard to employment in the top ten worst performing industries. With 18 per cent employed in the ten worst performing industries, Cumbria ranks sixth highest out of the 47 LLSC areas. In Greater Merseyside and greater Manchester, on the other hand, only 8.9 per cent and 10.5 per cent are employed in these same industries, placing them 37th and 33rd among the LLSC areas. In Cheshire and Warrington and Lancashire, 13.6 per cent and 16.3 per cent are employed in these sectors, placing them 20th and 11th in the ranking for the ten worst performing industries.

4.87 In the North West, the percentage of employment in the top ten best performing industries is similarly mixed across the areas. Lancashire and Cumbria rank low with about 55-56 per cent employed in these industries. Greater Merseyside and Greater Manchester are ranked higher with 60-62 per cent, reflecting the restructuring typical of larger cities. Cheshire and Warrington, with 59.2 per cent, is in the middle. With a higher proportion of employees in manufacturing and a stronger skew towards employment in the ten worst performing industries, Cumbria's employment prospects are not strong, despite its low unemployment rate.

4.88 Reports of hard-to-fill vacancies and skill shortage vacancies 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 LLSC areas with 8.7 per cent of establishments reporting hard-to-fill vacancies and 6.3 per cent reporting skills shortage vacancies. 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 pretty much in that order. Only in Cumbria are the rates below the national averages: 6.7 per cent and 4.7 per cent respectively.

Reports of hard-to-fill vacancies and skill shortage vacancies in the North West are mixed and reflect the relative dynamism of the different parts of the region.

4.89 Greater Merseyside stands out with regard to qualification levels among the working-age population: only 21.2 per cent are qualified to NQF4 level while 21.1 per cent have no qualifications. On these measures therefore, it is ranked 38th and second respectively among the 47 LLSC areas. Of the others, Greater Manchester also has a high incidence of workers without qualifications (17.8 per cent); the other areas in the North West are in the

11-18 per cent range and ranked between 15th and 33rd. Across all the areas in the North West the proportion of workers with NQF1, NQF2 or NQF3 as the highest level of qualifications lies in the 13-18 per cent range. The differences between areas are small however, and so in terms of rankings, for the proportion of workers with NQF1, all the areas except Cumbria are ranked in the lower half of the English regions. For the proportion of workers with NQF2, the North West areas all lie roughly in the middle of sample (14th to 36th). Looking at NQF4 qualification levels, Cheshire and Warrington stands out: 31.4 per cent of the working-age population is qualified to that level, ranking it tenth in England. Aside from Greater Merseyside, the others all have 23-25 per cent of their working-age population qualified to NQF level 4 or higher, ranking them in the mid twenties to mid thirties.

CHESHIRE AND WARRINGTON	
Population (000)	875
Population of Working Age (000)	544
Ethnic Groups (%)	
White	98.3
Black	0.2
Indian	0.3
Bangladeshi/Pakistani	0.2
Other/Mixed	1.1
Population Change: 1995-2005 (% pa)	0.2
Population Density (persons per square km)	380
Employment (000) [1]	542
Change: 1996-2006 (% pa)	1.4
Change: 2001-2006 (% pa)	0.7
Change: 2006-2014 (% pa)	0.4
Employment in the Ten Worst Performing Industries in England (%)	13.6
Employment in the Ten Best Performing Industries in England (%)	59.2
Top Three Occupational Groups (% of Total Emp.)	
Managers and Senior Officials	14.3
Administrative and Secretarial Occupations	13.1
Associate Professional and Technical Occupations	12.8
Workforce with NQF4+ Qualifications (%)	31.4
Workforce with no Qualifications (%)	13.0
Average Gross Weekly Pay (£s) [1]	419
Unemployment Rate (ILO)	3.4
Establishments Reporting HtFVs (%)	8.7
Establishments Reporting SSVs (%)	6.3

Source(s): 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(s): Data are 2005 except [1] where data are 2006.
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GREATER MANCHESTER	
Population (000)	2,548
Population of Working Age (000)	1,633
Ethnic Groups (%)	
White	91.1
Black	1.2
Indian	1.4
Bangladeshi/Pakistani	3.8
Other/Mixed	2.5
Population Change: 1995-2005 (% pa)	0.0
Population Density (persons per square km)	1997
Employment (000) [1]	1329
Change: 1996-2006 (% pa)	0.9
Change: 2001-2006 (% pa)	1.1
Change: 2006-2014 (% pa)	0.3
Employment in the Ten Worst Performing Industries in England (%)	10.5
Employment in the Ten Best Performing Industries in England (%)	62.5
Top Three Occupational Groups (% of Total Emp.)	
Managers and Senior Officials	14.0
Associate Professional and Technical Occupations	13.5
Administrative and Secretarial Occupations	13.5
Workforce with NQF4+ Qualifications (%)	23.2
Workforce with no Qualifications (%)	17.8
Average Gross Weekly Pay (£s) [1]	414
Unemployment Rate (ILO)	5.5
Establishments Reporting HtFVs (%)	8.2
Establishments Reporting SSVs (%)	5.8

Source(s): 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(s): Data are 2005 except [1] where data are 2006.
Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures. Differences with official sources may arise as Working Futures estimates are calculated using more than one source.

LANCASHIRE	
Population (000)	1,439
Population of Working Age (000)	894
Ethnic Groups (%)	
White	93.4
Black	0.2
Indian	2.1
Bangladeshi/Pakistani	3.0
Other/Mixed	1.3
Population Change: 1995-2005 (% pa)	0.2
Population Density (persons per square km)	473
Employment (000) [1]	670
Change: 1996-2006 (% pa)	0.8
Change: 2001-2006 (% pa)	0.7
Change: 2006-2014 (% pa)	0.2
Employment in the Ten Worst Performing Industries in England (%)	16.3
Employment in the Ten Best Performing Industries in England (%)	56.6
Top Three Occupational Groups (% of Total Emp.)	
Managers and Senior Officials	14.0
Associate Professional and Technical Occupations	13.4
Skilled Trades Occupations	12.3
Workforce with NQF4+ Qualifications (%)	24.8
Workforce with no Qualifications (%)	15.8
Average Gross Weekly Pay (£s) [1]	391
Unemployment Rate (ILO)	4.8
Establishments Reporting HtFVs (%)	7.8
Establishments Reporting SSVs (%)	5.1

Source(s): 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(s): Data are 2005 except [1] where data are 2006.
Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures. Differences with official sources may arise as Working Futures estimates are calculated using more than one source.

CUMBRIA	
Population (000)	499
Population of Working Age (000)	307
Ethnic Groups (%)	
White	99.3
Black	0.1
Indian	0.1
Bangladeshi/Pakistani	0.1
Other/Mixed	0.5
Population Change: 1995-2005 (% pa)	0.2
Population Density (persons per square km)	74
Employment (000) [1]	237
Change: 1996-2006 (% pa)	0.9
Change: 2001-2006 (% pa)	2.9
Change: 2006-2014 (% pa)	0.1
Employment in the Ten Worst Performing Industries in England (%)	18.0
Employment in the Ten Best Performing Industries in England (%)	55.1
Top Three Occupational Groups (% of Total Emp.)	
Managers and Senior Officials	14.2
Associate Professional and Technical Occupations	12.2
Skilled Trades Occupations	12.1
Workforce with NQF4+ Qualifications (%)	23.2
Workforce with no Qualifications (%)	11.6
Average Gross Weekly Pay (£s) [1]	373
Unemployment Rate (ILO)	3.9
Establishments Reporting HtFVs (%)	6.7
Establishments Reporting SSVs (%)	4.7

Source(s): 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(s): Data are 2005 except [1] where data are 2006.
Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures. Differences with official sources may arise as Working Futures estimates are calculated using more than one source.

GREATER MERSEYSIDE	
Population (000)	1,486
Population of Working Age (000)	936
Ethnic Groups (%)	
White	97.3
Black	0.5
Indian	0.3
Bangladeshi/Pakistani	0.2
Other/Mixed	1.8
Population Change: 1995-2005 (% pa)	-0.3
Population Density (persons per square km)	2,052
Employment (000) [1]	607
Change: 1996-2006 (% pa)	1.5
Change: 2001-2006 (% pa)	0.9
Change: 2006-2014 (% pa)	0.2
Employment in the Ten Worst Performing Industries in England (%)	8.9
Employment in the Ten Best Performing Industries in England (%)	60.9
Top Three Occupational Groups (% of Total Emp.)	
Associate Professional and Technical Occupations	14.8
Managers and Senior Officials	14.1
Administrative and Secretarial Occupations	13.1
Workforce with NQF4+ Qualifications (%)	21.2
Workforce with no Qualifications (%)	21.1
Average Gross Weekly Pay (£s) [1]	396
Unemployment Rate (ILO)	6.8
Establishments Reporting HtFVs (%)	7.7
Establishments Reporting SSVs (%)	5.3

Source(s): 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(s): Data are 2005 except [1] where data are 2006.
Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures. Differences with official sources may arise as Working Futures estimates are calculated using more than one source.

North East

4.90 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. But the region also has significant areas of deprivation. The 2004 Index of Multiple Deprivation showed that 38 per cent of the Super 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 providing the labour force for mining, steel, shipbuilding and other heavy manufacturing. This concentration of population in urban areas contrasts with the county of Northumberland, which is the most sparsely populated LLSC 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.

The North East region has a population of over 2.5 million, with 70 per cent living in the cities and towns.

4.91 Compared to 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 9.1 per cent of the population in England.

4.92 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 2006 manufacturing still employed 12 per cent of the working-age population, compared to less than 11 per cent nationally. Moreover, manufacturing contributes 29 per cent of regional GVA. Even with further declines projected for manufacturing employment, replacement demand is still significant. Within manufacturing mechanical engineering, minerals & metals and food & drink have the largest employment shares. The

In the last 25 years the region has been transformed with huge job losses in primary and heavy manufacturing industry, although replacement demands are high.

competitive forces imposed by globalisation are continuing to put pressure on these labour forces and employment is forecast to continue to decline.

4.93 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 (28 per cent) in the North East than nationally (31 per cent and 23 per cent, respectively). The processes of rationalisation among local councils and 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 sector in England but in recent years the gap has narrowed. 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 2006-14 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.

Reflecting the weakness of private sector employment growth over the long term, Government and other services account for a higher proportion of both employment and output in the North East than nationally.

4.94 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 1995 and 2005, population fell by 0.1 per cent a year, although the level has been increasing very slightly in more recent years.

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.

4.95 The supply of labour in the North East consistently lags behind national levels for the attainment of qualifications, and includes some of the most poorly-performing areas in the country in NQF achievement: nearly 16 per cent 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.

NORTH EAST	
LLSCs: Tees Valley; County Durham; Northumberland; Tyne and Wear.	
Population (000)	2,558
Population of Working Age (000)	1,618
Ethnic Groups (%)	
White	97.6
Black	0.2
Indian	0.4
Bangladeshi/Pakistani	0.8
Other/Mixed	1.0
Population Change: 1995-2005 (% pa)	-0.1
Population Density (persons per square km)	298
Employment (000) [1]	1,102
Change: 1996-2006 (% pa)	0.6
Change: 2001-2006 (% pa)	1.0
Change: 2006-2014 (% pa)	0.2
Employment in the Ten Worst Performing Industries in England (%)[2]	13.8
Employment in the Ten Best Performing Industries in England (%)[2]	58.2
Top Three Occupational Groups (% of Total Emp.)	
Associate Professional and Technical Occupations	13.3
Managers and Senior Officials	12.7
Elementary Occupations	12.0
Workforce with NQF4+ Qualifications (%)	21.3
Workforce with no Qualifications (%)	15.6
Average Gross Weekly Pay (£s) [1]	381
Unemployment Rate (ILO)	5.7
Establishments Reporting HtFVs (%)	8.2
Establishments Reporting SSVs (%)	5.3

Source(s): 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(s): Data are 2005 except [1] where data are 2006; 2. Performance based on average annual employment growth over 1996-2006.
Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures. Differences with official sources may arise as Working Futures estimates are calculated using more than one source.

North East LLSC areas

Specialisation in slow growth industries has been a problem for the North East, but some LLSC areas seem to be breaking away from this trend.

4.82 Specialisation in slow growth industries has been a problem for the North East, but some LLSC areas seem to be breaking away from this trend. The annual rate of employment growth over 1996-2006 was 0.6 per cent, below the England average of 1 per cent. All of the LLSC areas in the region rank in the thirties for employment growth over this period. In the 2001-06 period, some differentials in employment growth have emerged with Northumberland and Tees Valley ranking in the top ten for employment growth performance among the 47 LLSC areas and Tyne and Wear ranking 11th. County Durham, on the other hand, ranks 42nd for employment growth in the 2001-06 period as well as ranking first for employment in the ten worst-performing industries in England and second for employment in manufacturing. County Durham also ranks 40th for employment in the top ten performing industries; only Tees Valley ranks in the top half. Manufacturing is still an important employer in the North East, but employment is shrinking. 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 North East remains high and above the national average: the rates for Tees Valley and Tyne and Wear are two of the worst ten in England.

4.83 With regard to reported vacancies, there is a dichotomy among the LSC areas in the North East. Tyne and Wear and Tees Valley are second and ninth 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 LSC areas, around 8-9 per cent of establishments report hard-to-fill vacancies, placing them all, except County Durham, in the 14th to 16th range; County Durham is 7th. With regard to skills shortage vacancies the LSC areas are spread out. County Durham is worst, at 11th, with 5.9 per cent of establishments reporting skills shortage vacancies; Northumberland is best placed, at 34th, with 4.6 per cent.

4.84 Around 12-18 per cent of the working-age population in the North East has no qualifications, and low qualifications also seems to be associated with economic inactivity. Both County Durham and

Tees Valley are ranked in the top ten, at fifth and tenth respectively. Across all four LSCs, roughly 15 per cent of the working-age populations are qualified to only NQF1, and around 18 per cent to only NQF2. For NQF3 it is around 15 per cent. Northumberland has the highest level of NQF4 or higher level qualifications at almost a quarter of the working-age population. The other three LLSC areas have lower rates in the region of 21 per cent. This means that, for the share of the working-age population with NQF4 qualifications or higher, all the LLSC areas are ranked in the bottom half with Northumberland ranking 24th out of 47. Taken together, these results suggest that aside from NQF4 the qualification levels attained by the working-age population in the North East are generally in line with or ahead of the national average. Attainment of NQF4 among the working-age population in the North East is a little behind the England average.

TEES VALLEY	
Population (000)	652
Population of Working Age (000)	408
Ethnic Groups (%)	
White	97.2
Black	0.2
Indian	0.4
Bangladeshi/Pakistani	1.3
Other/Mixed	1.0
Population Change: 1995-2005 (% pa)	-0.1
Population Density (persons per square km)	821
Employment (000) [1]	289
Change: 1996-2006 (% pa)	0.8
Change: 2001-2006 (% pa)	1.4
Change: 2006-2014 (% pa)	0.2
Employment in the Ten Worst Performing Industries in England (%)	13.6
Employment in the Ten Best Performing Industries in England (%)	60.3
Top Three Occupational Groups (% of Total Emp.)	
Associate Professional and Technical Occupations	13.1
Managers and Senior Officials	12.7
Elementary Occupations	12.1
Workforce with NQF4+ Qualifications (%)	20.9
Workforce with no Qualifications (%)	17.9
Average Gross Weekly Pay (£s) [1]	370
Unemployment Rate (ILO)	5.9
Establishments Reporting HtFVs (%)	8.0
Establishments Reporting SSVs (%)	5.3

Source(s): 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(s): Data are 2005 except [1] where data are 2006.
Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures. Differences with official sources may arise as Working Futures estimates are calculated using more than one source.

COUNTY DURHAM	
Population (000)	500
Population of Working Age (000)	316
Ethnic Groups (%)	
White	99.0
Black	0.1
Indian	0.2
Bangladeshi/Pakistani	0.1
Other/Mixed	0.7
Population Change: 1995-2005 (% pa)	0.0
Population Density (persons per square km)	225
Employment (000) [1]	180
Change: 1996-2006 (% pa)	0.5
Change: 2001-2006 (% pa)	-0.1
Change: 2006-2014 (% pa)	0.2
Employment in the Ten Worst Performing Industries in England (%)	20.4
Employment in the Ten Best Performing Industries in England (%)	55.6
Top Three Occupational Groups (% of Total Emp.)	
Skilled Trades Occupations	14.4
Elementary Occupations	12.9
Associate Professional and Technical Occupations	12.4
Workforce with NQF4+ Qualifications (%)	20.5
Workforce with no Qualifications (%)	16.6
Average Gross Weekly Pay (£s) [1]	374
Unemployment Rate (ILO)	4.5
Establishments Reporting HtFVs (%)	8.7
Establishments Reporting SSVs (%)	5.9

Source(s): 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(s): Data are 2005 except [1] where data are 2006.
Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures. Differences with official sources may arise as Working Futures estimates are calculated using more than one source.

NORTHUMBERLAND	
Population (000)	311
Population of Working Age (000)	193
Ethnic Groups (%)	
White	99.0
Black	0.1
Indian	0.2
Bangladeshi/Pakistani	0.1
Other/Mixed	0.5
Population Change: 1995-2005 (% pa)	0.2
Population Density (persons per square km)	62
Employment (000) [1]	113
Change: 1996-2006 (% pa)	0.5
Change: 2001-2006 (% pa)	1.4
Change: 2006-2014 (% pa)	0.2
Employment in the Ten Worst Performing Industries in England (%)	14.1
Employment in the Ten Best Performing Industries in England (%)	58.1
Top Three Occupational Groups (% of Total Emp.)	
Elementary Occupations	13.2
Associate Professional and Technical Occupations	13.0
Managers and Senior Officials	12.9
Workforce with NQF4+ Qualifications (%)	24.9
Workforce with no Qualifications (%)	11.7
Average Gross Weekly Pay (£s) [1]	353
Unemployment Rate (ILO)	4.5
Establishments Reporting HtFVs (%)	8.0
Establishments Reporting SSVs (%)	4.6

Source(s): 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(s): Data are 2005 except [1] where data are 2006.
Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures. Differences with official sources may arise as Working Futures estimates are calculated using more than one source.

TYNE AND WEAR	
Population (000)	1095
Population of Working Age (000)	701
Ethnic Groups (%)	
White	96.8
Black	0.2
Indian	0.6
Bangladeshi/Pakistani	1.1
Other/Mixed	1.3
Population Change: 1995-2005 (% pa)	-0.2
Population Density (persons per square km)	2028
Employment (000) [1]	519
Change: 1996-2006 (% pa)	0.5
Change: 2001-2006 (% pa)	1.1
Change: 2006-2014 (% pa)	0.2
Employment in the Ten Worst Performing Industries in England (%)	11.5
Employment in the Ten Best Performing Industries in England (%)	58.0
Top Three Occupational Groups (% of Total Emp.)	
Associate Professional and Technical Occupations	13.7
Managers and Senior Officials	12.8
Administrative and Secretarial Occupations	12.8
Workforce with NQF4+ Qualifications (%)	21.0
Workforce with no Qualifications (%)	15.0
Average Gross Weekly Pay (£s) [1]	390
Unemployment Rate (ILO)	6.5
Establishments Reporting HtFVs (%)	8.1
Establishments Reporting SSVs (%)	5.1

Source(s): 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(s): Data are 2005 except [1] where data are 2006.
Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures. Differences with official sources may arise as Working Futures estimates are calculated using more than one source.

ANNEX A: STATISTICAL SOURCES

STATISTICAL ESTIMATES FOR SOURCES

Population	2005	*Midyear Population Estimates* obtained from NOMIS (15 Feb 2007)
Population of Working Age	2005	*Midyear Population Estimates* obtained from NOMIS (15 Feb 2007)
Ethnic Group (%)	2001	*Census 2001*
Population Density	2005	*Midyear Population Estimates* obtained from NOMIS (15 Feb 2007)
Employment	2006 (est)	*Working Futures II* (2005), CE and IER
Employment in Manufacturing Sector	2006 (est)	*Working Futures II* (2005), CE and IER
Employment in Ten Worst Performing Industries in England (%)	2006 (est)	*Working Futures II* (2005), CE and IER
Employment in Ten Best Performing Industries in England (%)	2006 (est)	*Working Futures II* (2005), CE and IER
Top Three Occupational Groups (% of Total Emp.)	2006 (est)	*Working Futures II* (2005), CE and IER
Workforce with NQF4+ Qualifications (%)	2005	*Annual Population Survey (APS)* obtained from Nomis (22 Feb 2007)
Workforce with no Qualifications (%)	2005	*Annual Population Survey (APS)* obtained from Nomis (22 Feb 2007)
Average Gross Weekly Pay	2006	*Annual Survey of Hours and Earnings data (ASHE)* obtained from NOMIS (1 Mar 2007)
Unemployment Rate (ILO)	2005	*Annual Population Survey (APS)* obtained from Nomis (22 Feb 2007; 17 May 2007)
Establishments Reporting HtFVs (%)	2005	*2005 National Employer Skills Survey*
Establishments Reporting SSVs (%)	2005	*2005 National Employer Skills Survey*

TABLE A.1: QUALIFICATION STRUCTURES OF THE WORKING-AGE POPULATION BY LOCAL LSC

	Proportion of working age with qualification level (%)					
	NQF4+	NQF3	NQF2	NQF1	Other	None
London North	32.5	11.2	12.1	11	19.3	14.1
London West	32.7	12.6	10.7	9.1	23.7	11.3
London Central	42.5	9.8	9.2	7.2	15.9	15.6
London East	25.1	11.5	12.8	13.5	18.5	18.5
London South	35.5	14.6	13.5	11.7	14.2	10.4
Berkshire	33.6	15.7	14.7	12.5	14.5	9
Milton Keynes, Oxford & Buckinghamshire	31.9	17.2	16.8	13.4	11.5	9.3
Sussex	29.5	16.3	17.4	14.5	12.3	10
Hampshire and The Isle of Wight	27	17	15.7	17	13.3	10
Kent and Medway	23	15.8	16.8	18.2	13.2	12.9
Surrey	36.8	16.9	16.1	11.8	10.4	8.1
Bedfordshire and Luton	24.1	15.8	16.3	16.8	13.6	13.4
Essex	21.4	13.9	18.8	17.5	13.3	15.2
Hertfordshire	32	17.3	14.8	14.2	12.2	9.6
Cambridgeshire	29.3	13.9	16.3	15.8	15	9.8
Norfolk	19.9	14.5	18.8	18	14.1	14.8
Suffolk	23.2	13.8	18.3	15.4	13.5	15.8
West of England	32.4	14.4	15.9	14.6	12.5	10
Devon and Cornwall	22.6	18	18.5	16	15.4	9.5
Bournemouth, Dorset and Poole	25.1	17.6	17.6	15.4	14.9	9.4
Gloucestershire	29.5	15.4	16.5	16.5	11.7	10.4
Somerset	25.1	19.4	17.3	15	10.8	12.4
Wiltshire and Swindon	26.3	16.1	17.6	18.1	13	9
Herefordshire and Worcestershire	26.5	14.9	17.4	13.4	12	15.7
Shropshire	24.9	15.2	18.3	15.9	11.4	14.2
Staffordshire	20.5	15.2	16.1	16.7	14.2	17.3
Coventry and Warwickshire	26.9	15.7	17.7	12.8	12.2	14.6
The Black Country	18.2	13.1	18.3	15	14.2	21.3
Birmingham and Solihull	23.6	14.1	16.1	13.7	12.9	19.6
Derbyshire	22.8	14.9	15.6	16.4	12.9	17.4
Leicestershire	23	15.8	14.2	14.7	16	16.2
Lincolnshire and Rutland	20.6	15.2	16.1	17.8	17.1	13.2
Northamptonshire	25.5	15	17.2	16.8	11.9	13.5
Nottinghamshire	24.6	17.4	13.7	16.5	13.8	14
The Humber	19.1	15.4	17.5	17.8	14.4	15.8
North Yorkshire	26.9	17	16.5	14.9	11.4	13.2
West Yorkshire	23.1	15.9	15.8	14	14.9	16.2
South Yorkshire	20	14.8	16.4	16.5	15.7	16.7
Cheshire and Warrington	31.4	15.1	16	14.1	10.4	13
Greater Manchester	23.2	15.5	16.5	14.6	12.5	17.8
Lancashire	24.8	15.9	16	14.6	13	15.8
Greater Merseyside	21.2	14.4	16.8	14.8	11.9	21.1
Cumbria	23.2	12.9	16.7	17	18.6	11.6
Tees Valley	20.9	16.4	18	14.5	12.3	17.9
County Durham	20.5	16.1	18.3	16.2	12.4	16.6
Northumberland	24.9	15.4	20.5	14	13.6	11.7
Tyne and Wear	21	14.5	17.8	16.2	15.6	15
England	26.2	15	15.9	14.6	14.1	14.1

Note(s): 'Other' includes trade apprenticeships.

Source(s): Annual Population Survey (APS) (NOMIS).

TABLE A.2: RANKING OF QUALIFICATION STRUCTURES OF THE WORKING-AGE POPULATION BY LOCAL LSC

	Rank NQF4+	NQF3	NQF2	NQF1	Other	None
London North	6	46	45	45	2	23
London West	5	44	46	46	1	34
London Central	1	47	47	47	7	17
London East	20	45	44	38	4	4
London South	3	33	43	44	17	36
Berkshire	4	20	40	42	14	46
Milton Keynes, Oxford & Buckinghamshire	9	6	21	40	42	44
Sussex	12	11	15	32	34	39
Hampshire and The Isle of Wight	14	7	37	8	25	37
Kent and Medway	33	16	19	1	26	30
Surrey	2	9	32	43	47	47
Bedfordshire and Luton	27	18	27	9	22	26
Essex	37	40	3	6	24	18
Hertfordshire	8	5	39	33	37	41
Cambridgeshire	13	39	28	20	11	40
Norfolk	45	34	2	3	19	20
Suffolk	29	41	6	22	23	14
West of England	7	36	35	28	32	38
Devon and Cornwall	36	2	4	18	10	42
Bournemouth, Dorset and Poole	21	3	12	21	13	43
Gloucestershire	11	23	25	13	41	35
Somerset	22	1	17	24	45	31
Wiltshire and Swindon	18	13	13	2	27	45
Herefordshire and Worcestershire	17	30	16	39	38	16
Shropshire	23	26	5	19	44	22
Staffordshire	42	27	31	11	16	8
Coventry and Warwickshire	15	19	11	41	36	21
The Black Country	47	42	8	23	18	1
Birmingham and Solihull	28	38	29	37	30	3
Derbyshire	35	31	38	15	29	7
Leicestershire	34	17	41	27	6	11
Lincolnshire and Rutland	41	25	30	5	5	28
Northamptonshire	19	29	18	10	39	25
Nottinghamshire	26	4	42	12	20	24
The Humber	46	22	14	4	15	13
North Yorkshire	16	8	23	25	43	27
West Yorkshire	32	14	36	35	12	12
South Yorkshire	44	32	26	14	8	9
Cheshire and Warrington	10	28	34	34	46	29
Greater Manchester	31	21	24	29	31	6
Lancashire	25	15	33	30	28	15
Greater Merseyside	38	37	20	26	40	2
Cumbria	30	43	22	7	3	33
Tees Valley	40	10	9	31	35	5
County Durham	43	12	7	17	33	10
Northumberland	24	24	1	36	21	32
Tyne and Wear	39	35	10	16	9	19

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

TABLE A.3: INDICATORS OF SKILL DEFICIENCIES AND RECRUITMENT DIFFICULTIES

Region	Rank	% of establishments with vacancies	Rank	% of establishments with hard-to-fill vacancies	Rank	% of establishments with any skill shortage vacancies
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 & 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%

TABLE A.3: INDICATORS OF SKILL DEFICIENCIES AND RECRUITMENT DIFFICULTIES continued						
Region	Rank	% of establishments with vacancies	Rank	% of establishments with hard-to-fill vacancies	Rank	% of establishments with any skill shortage vacancies
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%**
The Humber	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						

Note(s): Rank 1 is highest concentration of qualification and 47 lowest.
Source(s): NESS 2005.

TABLE A.4: LABOUR MARKET INDICATORS						
	Growth (% pa)		Proportion (%)			%
	Emp 1996-06	Emp 2001-06	Emp Bot10	Emp Top10	Emp Manuf	ILO Unemp
London North	1.4	0.3	5.5	65.3	7.1	7.9
London West	1.8	-0.2	5.4	70.3	7.2	7.3
London Central	1.7	-0.1	1.5	72.4	4.5	7.4
London East	1.6	0.3	3.7	59.1	6.1	8.2
London South	1.3	0.3	3.7	66.8	5.8	5.4
Berkshire	1.5	0.3	8.8	66.6	8.6	3.7
Milton Keynes, Oxford & Buckinghamshire	1.2	0.6	10.1	62.4	10.9	3.4
Sussex	1.2	0.4	8.8	62.8	9.3	4.6
Hampshire and Isle of Wight	0.9	0.5	11.3	61.3	10.1	3.6
Kent and Medway	1.1	1	10.6	61	9.5	4.4
Surrey	1.2	0.7	7.1	67.4	6.2	3.1
Bedfordshire and Luton	0.6	-0.2	13.2	60.5	14.1	4.8
Essex	2.2	2.5	10.4	59.8	10.9	4
Hertfordshire	1.1	-0.6	8	63.2	9.7	3.5
Cambridgeshire	1.5	1.1	12.9	61.9	12.2	4.2
Norfolk	1.1	1	14.5	59.1	12.9	4.6
Suffolk	0.9	-0.1	13.4	58.5	12.8	3.5
West of England	1.2	1.2	8.5	60.9	9.3	3.3
Devon and Cornwall	1.1	0.9	12.2	60.7	9.7	3.9
Bournemouth, Dorset and Poole	1.1	0.8	10.3	59.2	9.4	3
Gloucestershire	1.3	1.2	15.8	57.3	13.9	3
Somerset	1.1	0.7	15.8	55.5	15.4	3.9
Wiltshire and Swindon	0.7	0.1	14.4	56.9	12.9	3.5
Herefordshire and Worcestershire	0.6	0.1	17.9	56.7	16.2	3.4
Shropshire	0.5	0.5	19.3	53	16.5	3.6
Staffordshire	0.3	0.9	17.4	56.6	16.9	3.8
Coventry and Warwickshire	0.3	0.2	16.1	58.9	14.7	4.8
The Black Country	0.1	0.1	18.7	53	19.9	5.5
Birmingham and Solihull	0.4	0.9	12	62.5	12.7	8.3
Derbyshire	0.8	-0.8	18.6	58.1	19.3	4.7
Leicestershire	0.3	0	17.4	54.1	17.3	4.9
Lincolnshire and Rutland	0.9	0.8	19.8	53.8	16.6	3.9
Northamptonshire	1.1	0.2	14.8	59	17	3.7
Nottinghamshire	0.1	0.4	11.3	62.1	12	5.7
The Humber	-0.2	1.4	17.9	55.4	17.5	5.2
North Yorkshire	1.4	1.4	13	61	9.9	2.4
West Yorkshire	0.6	1.2	12.4	57.1	14.6	5.3
South Yorkshire	1	1.8	13.5	60.3	14.6	5.2
Cheshire and Warrington	1.4	0.7	13.6	59.2	13.2	3.4
Greater Manchester	0.9	1.1	10.5	62.5	11.6	5.5
Lancashire	0.8	0.7	16.3	56.6	17.3	4.8
Greater Merseyside	1.5	0.9	8.9	60.9	10	6.8
Cumbria	0.9	2.9	18	55.1	17.4	3.9
Tees Valley	0.8	1.4	13.6	60.3	13.4	5.9
County Durham	0.5	-0.1	20.4	55.6	19.8	4.5
Northumberland	0.5	1.4	14.1	58.1	11	4.5
Tyne and Wear	0.5	1.1	11.5	58	12.1	6.5
England	1	0.6	11.1	61.1	11.5	4.9

Note(s): Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures. Differences with official sources may arise as Working Futures estimates are calculated using more than one source.

Source(s): CE and IER estimates based on *Working Futures, 2004-2014*; APS (NOMIS).

TABLE A.5: RANKING OF LABOUR MARKET INDICATORS

	Rank					
	Emp 1996-06	Emp 2001-06	Emp Bot10	Emp Top10	Emp Manuf	ILO Unemp
London North	10	34	43	6	43	3
London West	2	45	44	2	42	5
London Central	3	41	47	1	47	4
London East	4	32	46	26	45	2
London South	11	31	45	4	46	12
Berkshire	6	33	39	5	41	34
Milton Keynes, Oxford & Buckinghamshire	14	26	36	11	30	41
Sussex	15	29	38	8	39	22
Hampshire and The Isle of Wight	28	27	30	14	32	36
Kent and Medway	20	15	32	15	37	26
Surrey	13	24	42	3	44	45
Bedfordshire and Luton	36	44	23	20	17	18
Essex	1	2	34	23	31	28
Hertfordshire	19	46	41	7	35	39
Cambridgeshire	7	12	25	13	25	27
Norfolk	22	14	16	27	22	22
Suffolk	27	43	22	30	23	39
West of England	16	8	40	17	40	44
Devon and Cornwall	21	17	27	19	36	29
Bournemouth, Dorset and Poole	23	21	35	24	38	46
Gloucestershire	12	9	13	34	18	46
Somerset	17	25	14	41	13	29
Wiltshire and Swindon	33	37	17	36	21	36
Herefordshire and Worcestershire	35	39	8	37	12	41
Shropshire	40	28	3	47	11	36
Staffordshire	42	16	10	39	9	29
Coventry and Warwickshire	43	35	12	29	14	18
The Black Country	46	38	4	46	1	10
Birmingham and Solihull	41	18	28	10	24	1
Derbyshire	31	47	5	32	3	21
Leicestershire	44	40	9	44	7	16
Lincolnshire and Rutland	29	20	2	45	10	29
Northamptonshire	18	36	15	28	8	34
Nottinghamshire	45	30	31	12	27	9
The Humber	47	4	7	42	4	14
North Yorkshire	8	6	24	16	34	48
West Yorkshire	34	10	26	35	16	13
South Yorkshire	24	3	21	21	15	14
Cheshire and Warrington	9	23	20	25	20	41
Greater Manchester	26	13	33	9	28	10
Lancashire	30	22	11	38	6	18
Greater Merseyside	5	19	37	18	33	6
Cumbria	25	1	6	43	5	29
Tees Valley	32	7	19	22	19	8
County Durham	37	42	1	40	2	24
Northumberland	39	5	18	31	29	24
Tyne and Wear	38	11	29	33	26	7

Note(s): Rank 1 is highest growth rate or proportion and 47 lowest. Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures. Differences with official sources may arise as Working Futures estimates are calculated using more than one source.
Source(s): CE and IER estimates based on *Working Futures, 2004-2014*; APS (NOMIS).

TABLE A.6: OCCUPATIONAL STRUCTURE OF EMPLOYMENT

	Proportion of occupations (%)								
	Managers	Prof.	Ass. Prof.	Admin.	Skilled	Personal	Sales	Operatives	Other
London North	17.4	15.5	17.9	10.2	9.8	6.6	7.8	5.1	9.7
London West	18.6	13.6	18.4	10.6	10.1	6	7.1	5.7	9.9
London Central	19.4	15.3	20.6	11.6	7.2	6.1	5.9	4.1	9.8
London East	18.5	15.1	18.7	15.2	8.2	5.3	6.2	4.4	8.4
London South	17.8	14.5	18.4	11.1	10.3	6.4	7.7	4.7	9.2
Berkshire	18.9	12.9	15.4	13	10	6.6	7.6	5.9	9.6
Milton Keynes, Oxford & Buckinghamshire	18.5	13	15.4	12.4	9.8	7.1	7.9	6.1	9.8
Sussex	17.6	12	15.3	12.5	10.1	8.2	8.1	6	10.2
Hampshire and The Isle of Wight	17.6	12	14.7	12.4	11.1	7.7	8.1	6.1	10.3
Kent and Medway	17.6	11	14.4	11.8	12.2	7.6	8.3	6.5	10.7
Surrey	18.8	12.2	15.2	13.1	10	7.5	7.8	5.4	10
Bedfordshire and Luton	16.8	12.3	14.2	12.4	11.2	7.3	7.9	7.6	10.4
Essex	17.3	10.9	13.6	12.7	12.2	7.1	8.4	7.2	10.7
Hertfordshire	17.2	11.8	14	12.7	11.4	7	8.7	6.9	10.3
Cambridgeshire	16.9	13	14.6	12.1	10.7	7.7	7.3	6.9	10.9
Norfolk	16.5	10.9	13.8	11.8	12.3	7.9	8.1	7.8	11
Suffolk	16.2	10.2	13.6	12.7	11.5	7.8	8.2	8.3	11.6
West of England	15.4	12.7	14	12.6	11.9	8	8.7	6.9	9.9
Devon and Cornwall	15.1	11.3	13	10.8	13	9	9.1	7	11.8
Bournemouth, Dorset and Poole	15.6	11.6	13.3	11.9	12.2	8.4	9.6	6.7	10.7
Gloucestershire	15.7	11.8	13.3	11.5	12.7	8.2	8.4	7.6	10.8
Somerset	14.8	11.8	13.2	10.9	13	8.3	9.6	8.1	10.4
Wiltshire and Swindon	15.3	10.9	12.6	11.6	12.4	8.2	9.2	7.9	11.9
Herefordshire and Worcestershire	14.5	9.9	12.9	11.6	14	8.7	7.8	9.4	11.2
Shropshire	14	10.5	13.2	11.6	13.3	8.7	8.1	9.8	10.8
Staffordshire	13.7	10.7	12.9	12	13.1	8.3	8.5	9.9	10.8
Coventry and Warwickshire	14.6	11.2	13.1	12.6	12.5	8.2	7.9	9.5	10.4
The Black Country	14.1	10.2	12.9	12	14.3	7.7	7.9	11.1	9.9
Birmingham and Solihull	14.1	12.3	14.4	13.8	11.1	8.6	7.1	9.2	9.5
Derbyshire	14.7	11.5	12.4	10.6	11.9	9.4	8.2	9.9	11.4
Leicestershire	15.4	10.9	12.8	11.9	11.6	8	9	10.1	10.4
Lincolnshire and Rutland	15.4	10.8	12.4	10	13.2	8.9	8.5	9.8	11.2
Northamptonshire	15.7	10.6	12.6	12.2	11.3	8.2	8.3	10.5	10.5
Nottinghamshire	15.4	11.8	13.2	11.3	11.1	9.4	8.8	8.6	10.4
The Humber	13.9	10.3	12	11.4	13	7.9	9.2	10.4	11.9
North Yorkshire	15.2	10	11.8	11.6	12.2	8.1	9.2	9.5	12.3
West Yorkshire	14.5	10.8	13	13	11.4	7.9	9.1	9.9	10.6
South Yorkshire	13.9	10.9	12.5	11.9	12.8	8.4	8.9	9.6	11.2
Cheshire and Warrington	14.3	11.2	12.8	13.1	12	7.6	9	9	10.9
Greater Manchester	14	12.1	13.5	13.5	10.5	8	8.9	8.7	10.7
Lancashire	14	12.1	13.4	11.6	12.3	8.4	8.1	9.1	11
Greater Merseyside	14.1	13.1	14.8	12.9	9.3	9.1	8.4	7.6	10.7
Cumbria	14.2	10.2	12.2	11.3	12.1	8.5	10.3	9.2	11.9
Tees Valley	12.7	10.8	13.1	11.4	12.1	8.2	9.8	9.7	12.1
County Durham	12.2	11.1	12.4	10.1	14.4	7.2	9	10.7	12.9
Northumberland	12.9	10.9	13	10.7	12.2	8.6	10	8.5	13.2
Tyne and Wear	12.8	11.3	13.7	12.8	10.9	8	9.9	9.1	11.4
England	16.1	12.1	14.6	12.2	11.1	7.7	8.2	7.6	10.5

Note(s): Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures. Differences with official sources may arise as Working Futures estimates are calculated using more than one source.
Source(s): 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	11	1	5	45	44	43	38	44	43
London West	4	5	3	44	40	46	44	42	38
London Central	1	2	1	32	47	45	47	47	42
London East	6	3	2	1	46	47	46	46	47
London South	7	4	4	39	38	44	41	45	46
Berkshire	2	9	6	6	42	42	42	41	44
Milton Keynes, Oxford & Buckinghamshire	5	7	7	18	43	39	35	38	41
Sussex	9	17	8	15	39	18	31	40	36
Hampshire and The Isle of Wight	8	16	11	16	32	32	32	39	35
Kent and Medway	10	29	14	27	18	35	26	37	22
Surrey	3	13	9	5	41	36	40	43	37
Bedfordshire and Luton	15	12	15	17	31	37	37	30	31
Essex	12	30	20	11	20	40	24	31	26
Hertfordshire	13	21	16	10	28	41	18	33	34
Cambridgeshire	14	8	12	20	36	31	43	34	18
Norfolk	16	34	18	26	15	27	33	27	16
Suffolk	17	45	21	12	27	30	27	24	9
West of England	23	10	17	14	24	24	19	35	39
Devon and Cornwall	27	25	31	41	9	4	10	32	8
Bournemouth, Dorset and Poole	20	22	25	25	19	11	5	36	24
Gloucestershire	19	19	24	34	11	16	23	28	20
Somerset	28	20	28	40	8	15	6	25	32
Wiltshire and Swindon	25	32	40	31	13	21	7	26	6
Herefordshire and Worcestershire	32	47	35	28	3	6	39	15	12
Shropshire	38	41	27	29	4	7	30	10	19
Staffordshire	43	39	34	21	6	14	20	6	21
Coventry and Warwickshire	30	26	29	13	12	19	36	14	29
The Black Country	37	43	36	22	2	33	34	1	40
Birmingham and Solihull	35	11	13	2	34	9	45	17	45
Derbyshire	29	23	43	43	25	1	28	7	11
Leicestershire	21	33	37	24	26	25	14	5	30
Lincolnshire and Rutland	22	36	44	47	5	5	21	9	14
Northamptonshire	18	40	39	19	30	20	25	3	28
Nottinghamshire	24	18	26	38	33	2	17	22	33
The Humber	41	42	46	36	7	29	8	4	7
North Yorkshire	26	46	47	33	17	22	9	13	3
West Yorkshire	31	38	32	7	29	28	11	8	27
South Yorkshire	42	35	41	23	10	12	16	12	13
Cheshire and Warrington	33	27	38	4	23	34	12	20	17
Greater Manchester	39	14	22	3	37	26	15	21	23
Lancashire	40	15	23	30	14	13	29	19	15
Greater Merseyside	36	6	10	8	45	3	22	29	25
Cumbria	34	44	45	37	22	10	1	16	5
Tees Valley	46	37	30	35	21	17	4	11	4
County Durham	47	28	42	46	1	38	13	2	2
Northumberland	44	31	33	42	16	8	2	23	1
Tyne and Wear	45	24	19	9	35	23	3	18	10

Note(s): Rank 1 is highest concentration of occupations and 47 lowest.
Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures.
Differences with official sources may arise as Working Futures estimates are calculated using more than one source.
Source(s): CE and IER estimates based on *Working Futures, 2004-2014*.

TABLE A.8: OTHER INDICATORS

	Rank				(%) pa	Per sq km	(000)	£
	Pop 95-05	Pop Density	Pop Work Age	Gross Weekly Pay	Pop 95-05	Pop Density	Pop Work Age	Gross Weekly Pay
London North	11	3	18	10	0.7	4,468	707	456
London West	14	4	9	3	0.6	4,245	975	534
London Central	1	1	4	1	1.5	10,359	1,214	618
London East	8	2	3	5	0.7	4,740	1,333	519
London South	13	5	13	8	0.6	3,284	893	468
Berkshire	27	16	30	2	0.4	644	536	570
Milton Keynes, Oxford & Buckinghamshire	17	30	14	7	0.6	296	855	475
Sussex	26	26	11	28	0.5	401	908	395
Hampshire and The Isle of Wight	23	22	5	13	0.5	437	1,142	443
Kent and Medway	22	23	7	22	0.5	434	1,003	408
Surrey	30	15	19	4	0.4	647	676	527
Bedfordshire and Luton	7	20	41	16	0.7	472	374	422
Essex	20	21	6	19	0.5	448	1,017	415
Hertfordshire	25	17	23	6	0.5	638	662	479
Cambridgeshire	3	35	32	9	0.9	221	485	459
Norfolk	5	41	31	35	0.7	153	496	381
Suffolk	15	38	36	43	0.6	182	419	370
West of England	21	14	24	11	0.5	765	652	449
Devon and Cornwall	12	40	8	47	0.6	159	982	351
Bournemouth, Dorset and Poole	28	32	38	44	0.4	265	411	365
Gloucestershire	24	36	42	23	0.5	217	355	405
Somerset	10	42	44	34	0.7	149	308	384
Wiltshire and Swindon	6	39	40	15	0.7	181	394	429
Herefordshire and Worcestershire	18	37	34	45	0.6	187	453	364
Shropshire	9	43	46	37	0.7	129	279	375
Staffordshire	38	27	22	29	0.1	389	664	394
Coventry and Warwickshire	19	25	29	12	0.5	404	534	447
The Black Country	46	6	20	30	-0.2	3,039	668	391
Birmingham and Solihull	43	7	16	14	0	2,695	754	431
Derbyshire	29	29	25	18	0.4	374	613	417
Leicestershire	31	24	26	24	0.4	425	587	403
Lincolnshire and Rutland	2	44	35	42	1	114	433	370
Northamptonshire	4	31	37	21	0.9	276	416	409
Nottinghamshire	32	18	21	26	0.2	482	670	398
The Humber	39	33	27	36	0.1	253	553	377
North Yorkshire	16	45	33	40	0.6	93	476	371
West Yorkshire	35	11	2	25	0.2	1,044	1,350	402
South Yorkshire	40	12	15	33	0	828	814	387
Cheshire and Warrington	34	28	28	17	0.2	380	544	419
Greater Manchester	42	10	1	20	0	1,997	1,633	414
Lancashire	37	19	12	31	0.2	473	894	391
Greater Merseyside	47	8	10	27	-0.3	2,052	936	396
Cumbria	33	46	45	39	0.2	74	307	373
Tees Valley	44	13	39	41	-0.1	821	408	370
County Durham	41	34	43	38	0	225	316	374
Northumberland	36	47	47	46	0.2	62	193	353
Tyne and Wear	45	9	17	32	-0.2	2,028	701	390
England					0.4	387	31,989	449

Note(s): Rank 1 is highest growth rate, proportion or level and 47 lowest.
Source(s): NOMIS (APS, LFS, ASHE, Midyear Population Estimates).

TABLE A.9: SUMMARY INDICATORS FOR ENGLAND	
9 Government Office regions: London; South East; East of England; South West; West Midlands; East Midlands; Yorkshire & the Humber; North West; North East.	
Population (000)	50,432
Population of Working Age (000)	31,989
Ethnic Groups (%)	
White	90.9
Black	2.3
Indian	2.1
Bangladeshi/Pakistani	2.0
Other/Mixed	2.7
Population Change: 1995-2005 (% pa)	0.4
Population Density (persons per square km)	387
Employment (000) [1]	25,723
Change: 1996-2006 (% pa)	1
Change: 2001-2006 (% pa)	0.6
Change: 2006-2014 (% pa)	0.5
Employment in the Ten Worst Performing Industries in England (%)	11.1
Employment in the Ten Best Performing Industries in England (%)	61.1
Top Three Occupational Groups (% of Total Emp.)	
Managers and Senior Officials	16.1
Associate Professional and Technical Occupations	14.6
Administrative and Secretarial Occupations	12.2
Workforce with NQF4+ Qualifications (%)	26.2
Workforce with no Qualifications (%)	14.1
Average Gross Weekly Pay (£s) [1]	449
Unemployment Rate (ILO)	4.9
Establishments Reporting HtFVs (%)	7.3
Establishments Reporting SSVs (%)	5.1

Source(s): 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(s): Data are 2005 except [1] where data are 2006.
Given the availability of data at the time, Working Futures estimates provide the best and most consistent figures. Differences with official sources may arise as Working Futures estimates are calculated using more than one source.

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