# Sector Studies Series for Kent and Medway

Leading learning and skills

# A Summary of Industrial Sectors in Kent and Medway

> The LSC is also committed to supporting the development and delivery of future Sector Skills Agreements brokered by Sector Skills Councils at a regional and national level.

# 1. Introduction

The Sector Study Series includes detailed papers on 12 sectors in Kent and Medway and this overview report. Together these reports outline workforce dynamics and skills and training issues in key sectors in Kent and Medway and across the South East as a whole. The coverage of the 12 sectors is outlined in **Appendix 1** and in more detail in the individual papers. Together the 12 sectors cover the whole of the economy.

The sector papers have been designed to aid cross-referencing between the different reports. As such, each follows the same broad layout and is structured into five main sections:

- **Context** –a summary of the economic significance of the sector, drivers of change and sector representation.
- **Sector Profile** – the relative importance of the sector within the Kent and Medway economy and a demographic profile of the workforce.
- **Sector Skills Issues** – a description of employment change and the skills issues affecting the sector, including the likely demand for and supply of new skills and workers.
- **Sector Prioritisation** – an overview of the South East Sector Prioritisation Framework.
- **The LSC Offer** – outlining the current and potential offer to the sector from the Learning and Skills Council.

Where appropriate, analysis within the papers distinguishes between sub-sectors, which are broadly reflective of the Sector Skills Council footprints or employers represented by the SSC.

The data presented both in the papers and in this overview is for Kent and Medway unless otherwise indicated.

### Economic context

Employment growth across Kent and Medway was above the South East, although the region was below the UK average in 2005 for the third year in a row; half the UK rate and a third of the rate in London.

The in-migration which has supported labour market expansion in other regions is partially deterred by the lack of affordable housing. Proportionally, net in-migration in the South East (20,700 in 2004) was much lower than in other regions such as the South West, and the East Midlands.

National forecasts suggest employment growth is projected to produce 370,000 net additional jobs by 2015, suggesting the labour market will tighten even further and put more pressure on prices and wages.[1] The consequences of a constrained labour market in the South East may lead to curtailed growth or pressure for a greater growth in housing provision, especially for first time buyers.

The overall output of the Kent and Medway economy is around £20 billion.[2] Despite slower rates of growth in 2002 and 2003, Kent and Medway's economic performance remains reasonably buoyant. Employment growth in the sub-region has also outstripped the South East as a whole in recent years (4% between 1999 and 2004 compared with 1%).

Capacity is a growth constraint *in parts* of Kent and Medway, with both space and labour in scarce supply in West Kent in particular. In areas such as these, full employment and average house prices over £250,000 are likely to restrict employment expansion and growth will be dependent on productivity improvements alone.

However, Kent and Medway also contains six of the 11 local authority areas in the South East with unemployment rates above the UK average and has significant pockets of social and economic deprivation. Nevertheless, this does mean Kent and Medway has the potential to significantly contribute to economic growth in the South East.

The redevelopment of the Thames Gateway area, which encompasses North Kent, East London and South Essex, will be a major contributor to this growth. This development, the largest in North West Europe, is being funded by £446 million of public money from the Office of the Deputy Prime Minister (ODPM) under its Sustainable Communities Plan.[3]

Developments planned and underway in the Kent Thameside and Medway area include the construction of over 40,000 new homes, the Channel Tunnel Rail Link, a new international station at Ebbsfleet and the expansion and refurbishment of a wide variety of industrial sites.

In addition, the *Universities at Medway Partnership* is developing a major new centre for Further and Higher Education in Chatham.[4] The partnership of four local universities, local colleges and other partners has recently opened a new Library in the flagship Chatham Maritime site and work is ongoing on development of a new four-storey academic building. The developments are expected to support a rise in student numbers of 2,000 or more by 2007.

Ashford has also been identified in the Sustainable Communities plan as an area for significant housing (31,000 new homes) and employment expansion in order to ease capacity constraints elsewhere in the South East.

Housing development plans in Ashford and the Thames Gateway include a requirement for 25% of the housing to be 'affordable', providing wider opportunities for those looking to gain a first foot on the property ladder and making relocation to, or within, Kent and Medway more flexible.

[1] Oxford Economic Forecasting, Spring 2006, *Regional Economic Outlook*
[2] Office for National Statistics 2006, *Region in Figures, 2005*
[3] Office of the Deputy Prime Minister, 2003, *Sustainable Communities: Building for the Future*
[4] www.medway.ac.uk Accessed 20/4/06

# 2. Sectors in Kent and Medway

### Regional Overview

There are around 4,250,000 workers in the South East of England. Around 3,600,000 people are directly employed by one of the region's 380,000 business establishments and a further 620,000 workers are estimated to be self-employed (15% of the overall workforce).

Across the region the largest broad sectors of employment include retail and wholesale (20% of employment) and finance and business services (15%).

Some 85% of business establishments in the region are micro-businesses, employing between 1-10 people. Nevertheless, larger businesses (over 50 employees) account for over half of total employment (52%).

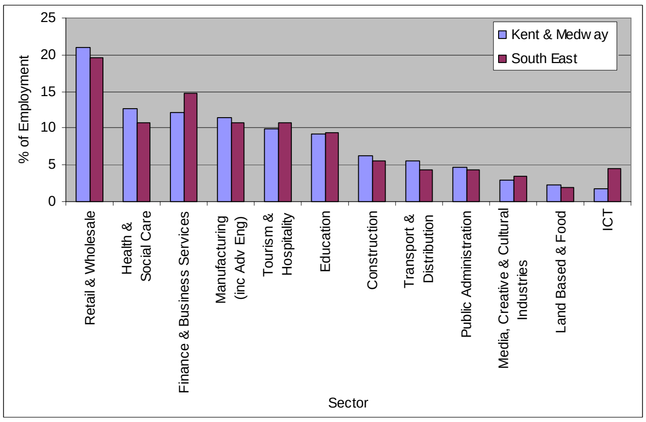
### Employment in Kent and Medway

The Annual Business Inquiry (ABI) suggests there are **over 67,300 business establishments in Kent and Medway employing approximately 623,000 people.**

It should be noted that the ABI does not include self-employed people. The Labour Force Survey (LFS), which does include the self-employed, suggests that there may be **an additional 114,000 self-employed people** working in Kent and Medway.

Figure 2.1 shows the proportion of the workforce in employment in each of the 12 sectors covered by the individual reports.

**Figure 2.1: Employment by sector**




Source: ONS Annual Business Inquiry 2004. Note figures do not include the self-employed.

Employment in the finance and business services and ICT sectors is lower in the sub-region than the regional average. Across the region the highest concentrations of employment within both of these sectors is found in Berkshire and Surrey.

Although the finance and business services sector is slightly under represented in Kent and Medway it is still one of the largest sectors in the sub-region.

Figure 2.2 shows the respective size of each industry in Kent and Medway. In terms of overall employment and number of business establishments the retail and wholesale sector is the largest sector. *In part this high level of employment can be related to retail developments such as the Bluewater shopping complex which remains the leading out of town shopping centre in the UK.*

Five sectors (retail and wholesale, health and social care, finance and business services, manufacturing and tourism and hospitality) account for over two thirds of employment in the sub-region (66% or 419,200 employees).

Figure 2.2 also shows that the highest relative concentration of employment in Kent and Medway is within the transport and distribution sector (LQ of 1.29) and the land based and food sector (1.23)[5].

The concentration of employment in the transport and distribution sector is likely to be related to the presence of the Channel Tunnel as well as the ports of Dover, Folkestone, Ramsgate and Sheerness.

**Figure 2.2: Economic Scale**

| Industry | Establish-ments | Employ-ment | % | LQ |
|---|---|---|---|---|
| Retail & Wholesale | 14,300 | 130,300 | 21 | 1.07 |
| Health & Social Care | 3,300 | 79,400 | 13 | 1.18 |
| Finance & Business Services | 9,700 | 76,000 | 12 | 0.83 |
| Manufacturing (inc Adv Engineering) | 5,000 | 71,600 | 11 | 1.07 |
| Tourism & Hospitality | 8,300 | 61,900 | 10 | 0.93 |
| Education | 1,500 | 57,300 | 9 | 0.98 |
| Construction | 9,500 | 39,000 | 6 | 1.12 |
| Transport & Distribution | 2,700 | 34,600 | 6 | 1.29 |
| Public Administration | 700 | 29,500 | 5 | 1.08 |
| Media, Creative & Cultural Industries | 4,100 | 18,300 | 3 | 0.84 |
| Land Based & Food | 5,500 | 14,000 | 2 | 1.23 |
| ICT | 2,900 | 10,700 | 2 | 0.38 |
| **All Industries** | **67,500** | **622,600** | **100** | **-** |

Source: ONS Annual Business Inquiry 2004. Notes: Figures do not include the self-employed. Total establishment figures exclude farm based agriculture. LQs indicate concentration of employment compared with the South East. Blue = sectors where employment is relatively strong. Green = sectors where employment is relatively uncommon.

Figure 2.3 highlights the degree of concentration of employment by industry across the four LSC partnership planning areas (East Kent, Kent Thameside and Medway, South East Kent and West and Mid Kent).

Employment in the transport and distribution sector is particularly important in the South East Kent area. This can be attributed to the presence of the cross-channel ferry service and Channel Tunnel operations.

Employment within the ICT sector in West and Mid Kent is also higher than might be expected. The ICT sector report highlights that there is a particularly large number of ICT employees in Maidstone (14% of the overall ICT workforce).

5 Location Quotients indicate the relative strength of the sector in the sub-region. An LQ of more than 1 signifies that a sector has a higher concentration of employment relative to the South East as a whole. LQs of less than 1 signify a lower concentration.

Nevertheless, it is important to bear in mind that employment levels within the sector are weak in Kent and Medway as a whole.
The education sector is highlighted as being particularly important within the East Kent area. This is likely to be related to the location of both the University of Kent at Canterbury and Canterbury Christchurch University.

**Figure 2.3 Localisation of sector employment (LQs)**

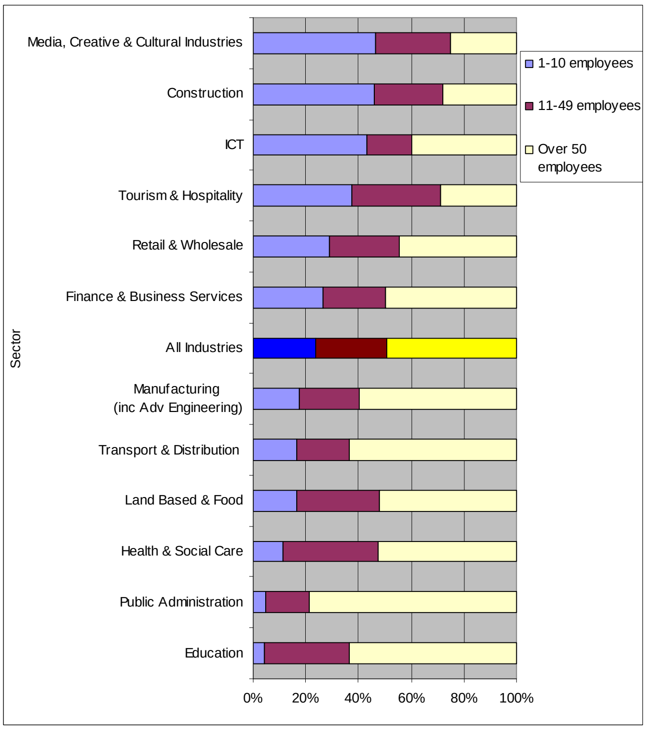
| | East Kent | Kent Thameside & Medway | South East Kent | West & Mid Kent |
|---|---|---|---|---|
| Retail & Wholesale | 0.97 | 1.12 | 0.91 | 0.97 |
| Health & Social Care | 1.19 | 0.92 | 1.03 | 0.92 |
| Finance & Business Services | 0.65 | 1.01 | 0.78 | 1.34 |
| Manufacturing (inc Adv Eng) | 1.03 | 1.01 | 1.23 | 0.85 |
| Tourism & Hospitality | 1.05 | 0.95 | 1.03 | 0.99 |
| Education | 1.40 | 1.03 | 0.85 | 0.80 |
| Construction | 0.86 | 1.00 | 0.94 | 1.12 |
| Transport & Distribution | 0.89 | 1.01 | 1.43 | 0.83 |
| Public Administration | 1.01 | 0.92 | 1.24 | 0.92 |
| Media, Creative & Cultural Industries | 0.79 | 0.87 | 0.81 | 1.34 |
| Land Based & Food | 1.05 | 0.72 | 1.36 | 0.98 |
| ICT | 0.95 | 0.76 | 0.64 | 1.41 |

Source: ONS Annual Business Inquiry 2004. Note figures do not include the self-employed. Total employment figures for planning areas exclude farm based agriculture data. Blue = sectors where employment is particularly strong compared with Kent and Medway as a whole. Green = sectors where employment is relatively uncommon.

Across Kent and Medway, around 85% of businesses are micro-businesses (employing 1-10 people). Nevertheless, establishments of this type only account for 24% of employment in the sub-region.

As shown in Figure 2.4 there is significant variation in employment by business size across the different sectors. For example, employment within micro-businesses is particularly prominent in the media, creative and cultural industries (47%), construction (46%) and ICT sectors (43%).

**Figure 2.4: Employment by Business Size**




Source: ONS Annual Business Inquiry 2004. Note figures do not include the self-employed.

In contrast, the public service sectors (education, public administration and health and social care) have the lowest levels of employment in micro-establishments. Both the public administration and education sectors are characterised by high proportions of employment in larger establishments (over 50 employees).

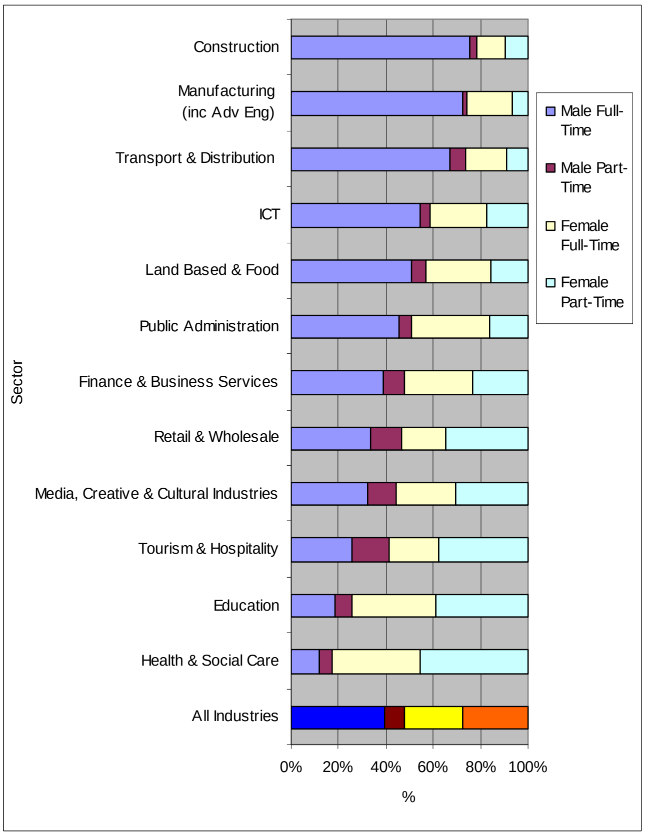
**The current workforce**

Across all sectors there are slightly more female than male employees in Kent and Medway (52% compared with 48%). Nevertheless, there is considerable variation in the gender profile of employees across different sectors. For example, the vast majority of employees in the construction sector are male (78%), whilst 82% of employees in the health and social care sector are female.

Around 36% of the sub-region's employees work on a part-time basis. Part-time working is significantly more common within female dominated sectors such as tourism and hospitality (53% work on a part-time basis) and health and social care (51%). *For these sectors, flexible labour is a key component of their workforce strategy.*

Traditionally male dominated industries (e.g. manufacturing, construction and transport and distribution) record the lowest incidence of part-time working.

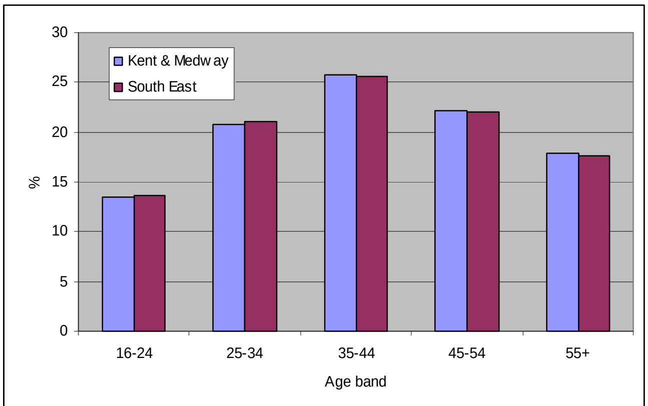
## Figure 2.5: Gender and employment status




Source: ONS Annual Business Inquiry 2004. Note figures do not include the self-employed.

As shown in Figure 2.6 the age profile of the Kent and Medway workforce is in line with that of the South East. Almost two thirds of the sub-region's workforce is over the age of 35. In particular, 18% are over the age of 55.

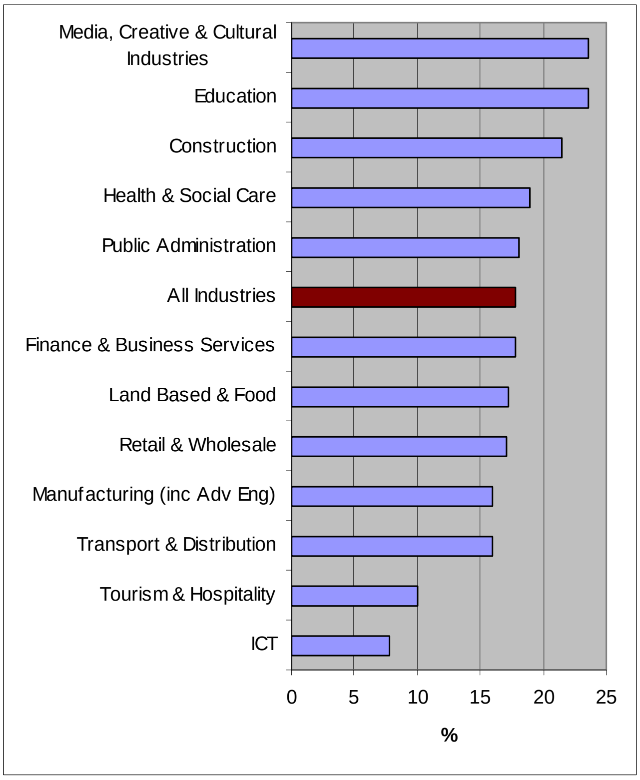
## Figure 2.6: Workforce Age Profile




Source: Labour Force Survey Spring 2005. Inferred data. Note figures include the self-employed.

The UK's ageing population presents a challenge for many employers. However, the situation is more acute in some sectors (Figure 2.7). Within the media, creative and cultural industries and education sectors around a quarter (24%) of workers belong to this age cohort. This is closely followed by the construction sector, where almost 22% are over the age of 55. *Attracting and retaining young workers will remain an important issue to these sectors.*

## Figure 2.7: Proportion of workers aged 55+



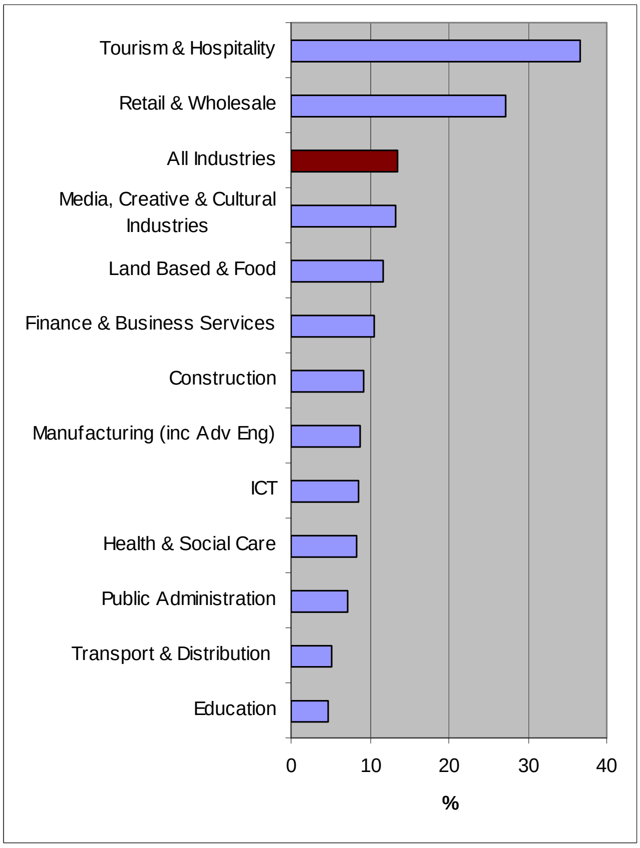

Source: Labour Force Survey Spring 2005. Inferred data. Note figures include the self-employed.

As shown in Figure 2.8, the tourism and hospitality and retail and wholesale sectors have higher than average proportions of young workers (37% and 27% respectively). *One possible explanation could be the high number of students using the sectors as a starter job before moving into another sector.*

Sectors with large graduate workforces, such as the public service sectors are less likely to employ young people aged 16-24. *Nevertheless, these sectors could also suffer from difficulties attracting young people.*

The transport and distribution sector also employs relatively few young people. *This is likely to be related to licence age restrictions and insurance costs for younger drivers.*

## Figure 2.8: Proportion of workers aged 16-24

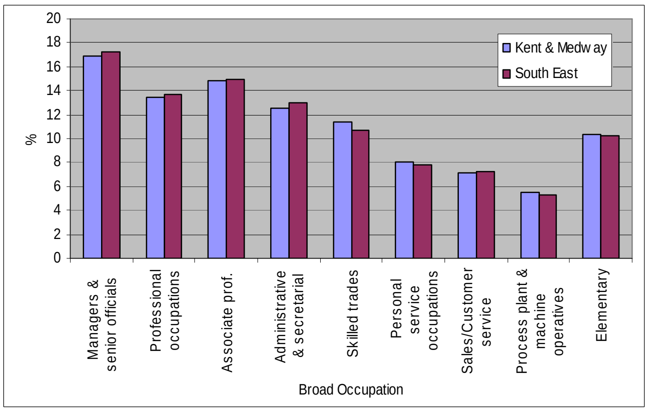



Source: Labour Force Survey Spring 2005. Inferred data. Note figures include the self-employed.

## Occupational profile

Figure 2.9 shows the broad occupational breakdown of the sub-region's workforce compared with that of the South East. Around 17% of jobs in Kent and Medway are within managerial occupations. A further 28% of jobs are within professional and associate professional occupations.

## Figure 2.9: Broad occupational breakdown




Source: Labour Force Survey Spring 2005. Inferred data. Note figures include the self-employed.

Figure 2.10 shows the occupations that are particularly significant within each of the 12 broad sectors. Indices of greater than 1 indicate that employment in a particular occupation is significantly higher within the sector than the all industry average. For example, there are six times as many process, plant and machine operatives in the transport and distribution sector as might be expected from the average for all sectors.

## Figure 2.10: Index of employment by sector and occupation

| Sector | Managers & senior officials | Professional occupations | Associate prof. | Administrative & secretarial | Skilled trades | Personal service | Sales/Customer service | Process plant & m'hine op | Elementary |
|---|---|---|---|---|---|---|---|---|---|
| Construction | 0.95 | 0.71 | 0.55 | 0.77 | 3.93 | 0.00 | 0.12 | 1.06 | 0.51 |
| Tourism & Hospitality | 1.15 | 0.10 | 0.76 | 0.62 | 0.87 | 1.09 | 0.50 | 0.25 | 3.56 |
| (inc Adv Engineering) | 1.30 | 0.95 | 0.75 | 0.80 | 1.63 | 0.04 | 0.35 | 2.67 | 0.76 |
| Transport & Distribution | 0.98 | 0.04 | 0.68 | 1.02 | 0.39 | 0.37 | 0.40 | 6.00 | 1.60 |
| Health & Social Care | 0.63 | 0.82 | 1.81 | 1.09 | 0.10 | 3.85 | 0.06 | 0.09 | 0.50 |
| & Cultural Industries | 1.08 | 0.67 | 2.60 | 0.77 | 0.54 | 0.64 | 0.43 | 0.18 | 0.92 |
| Business Services | 1.36 | 1.17 | 1.29 | 1.95 | 0.15 | 0.22 | 0.69 | 0.03 | 0.97 |
| Education | 0.23 | 3.65 | 0.43 | 0.77 | 0.09 | 2.71 | 0.04 | 0.03 | 0.78 |
| Retail & Wholesale | 1.25 | 0.18 | 0.41 | 0.70 | 0.83 | 0.64 | 4.61 | 0.74 | 0.98 |
| ICT | 2.01 | 2.32 | 1.09 | 0.76 | 0.46 | 0.00 | 0.45 | 0.00 | 0.08 |
| Public Administration | 0.70 | 0.82 | 2.62 | 2.36 | 0.21 | 0.16 | 0.10 | 0.12 | 0.39 |
| Land Based & Food | 0.94 | 0.44 | 0.25 | 0.77 | 3.24 | 0.80 | 0.21 | 1.11 | 1.33 |

Source: Labour Force Survey Spring 2005. Inferred data. Note figures include the self-employed.

Figure 2.11 shows the reliance of different sectors on specialist occupations (where the majority of the workforce is employed in occupations not commonly found in other sectors). The education sector records the highest levels of employment in specialist occupations. This is followed by the health and social care and retail and wholesale sectors.

*Those sectors that are more reliant on specialist occupations are more likely to benefit from sector based initiatives.*

## Figure 2.11: Employment in specialist occupations

| Sector | % workforce in sector specific occupations |
|---|---|
| Education | 67 |
| Health and Social Care | 60 |
| Retail and Wholesale | 58 |
| Construction | 57 |
| Tourism and Hospitality | 55 |
| Public Administration | 49 |
| Land Based and Food | 41 |
| Transport and Distribution | 39 |
| Finance and Business Services | 28 |
| Manufacturing (inc Adv Engineering) | 23 |
| Media, Creative and Cultural Industries | 23 |
| ICT | 11 |

Source: Labour Force Survey Spring 2005. Inferred data. Note figures include the self-employed.

The low proportion of employment in sector specific occupations in the ICT sector is likely to be due to the cross-sector demand for ICT skills. For example, many larger organisations have in-house ICT support.

# 3. Skills Issues

### Regional Overview

Between 1999 and 2004 employment in the South East grew by around 1% (45,900 jobs). Forecast data suggests that employment in the region will continue to grow between 2006 and 2014 (by 5% over the period). While projections of changes in the level of employment are useful, the majority of annual demand for new staff in any sector is to address natural turnover in the labour market (e.g. where people leave their current job through retirement, sickness and job changes).

The National Employers Skills Survey (NESS) suggests that around 18% of employers in the South East have unfilled vacancies. Nearly half (46%) of those with unfilled vacancies have vacancies they consider hard to fill and around 31% have skill shortage vacancies (where they believe there is a shortage of people in the labour market with the required skills).

Nearly one in five employers (18%) report skills gaps amongst their existing workforce. A lack of experience and/or being recently recruited is considered the main cause of skills gaps.

### Skill needs in Kent and Medway

The NESS offers *some* insight into sector **skill shortages** (a lack of suitably skilled people in the labour market) and **skill gaps** (skill deficiencies in the existing workforce).[6]

Employers in Kent and Medway are slightly less likely to report vacancies, hard to fill vacancies and skill shortage vacancies than employers regionally.

Hard to fill vacancies were reported by around 6% of employers in Kent and Medway, whilst 4% of employers report skill shortage vacancies (compared with 8% and 5% across the South East as a whole).

As highlighted in Figure 3.1, the public service sectors are most likely to report recruitment difficulties. Around 15% of public administration employers and 12% of education employers report hard to fill vacancies. These sectors also record the highest incidence of skills shortage vacancies (11% and 9% respectively).

The transport and distribution sector also suffers from significant recruitment difficulties. Evidence from *GoSkills* suggests that engineering, maintenance and driver occupations are causing particular recruitment difficulties in passenger transport[7]. *Skills for Logistics* highlight that poor sector image acts as a major contributor to recruitment difficulties and skill shortages in the sector[8].

The average size of business establishment is also an important factor in understanding the pattern of skill shortages. Larger businesses by virtue of their size are more likely to have vacancies at any one time. Figure 2.4 highlighted that both the public services sectors and the transport and distribution sector have high proportions of medium sized establishments (with more than 50 employees).

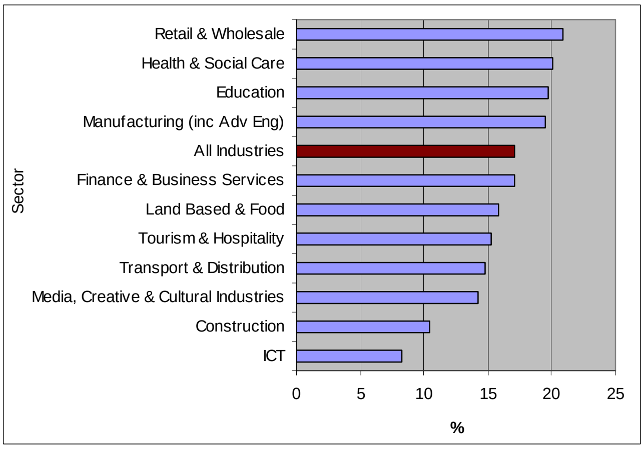
**Figure 3.1: Skill Shortages**

| | Vacancies (% of employers) | Hard to Fill vacancies (% of employers) | Skill shortage vacancies (% of employers) |
|---|---|---|---|
| Education | 30 | 12 | 9 |
| Health and Social Care | 27 | 11 | 5 |
| Public Administration | 25 | 15 | 11 |
| Transport and Distribution | 21 | 11 | 7 |
| Tourism and Hospitality | 16 | 8 | 4 |
| Finance and Business Services | 15 | 5 | 4 |
| Manufacturing (inc Adv Eng) | 14 | 6 | 6 |
| Construction | 14 | 6 | 4 |
| Retail and Wholesale | 13 | 4 | 3 |
| ICT | 13 | 2 | 2 |
| Land Based and Food | 12 | 5 | 4 |
| Media, Creative and Cultural Industries | 10 | 3 | 3 |
| **All Industries** | **16** | **6** | **4** |

Source: NESS 2005. Note figures do not include the self-employed or businesses with only one employee.

Skill gaps were reported by 17% of employers in Kent and Medway. As shown in Figure 3.2, skills gaps are particularly prominent in the retail and wholesale, health and social care, education and manufacturing sectors. Employers in the ICT and construction sectors are the least likely to report skills gaps (8% and 10% respectively).

**Figure 3.2: Skill Gaps**




Source: NESS 2005. Note figures do not include the self-employed or businesses with only one employee. Chart excludes Public Administration due to small sample size.

Employers across the South East are most likely to report that the main consequence of skill gaps is increased workloads for other staff (71%). Other significant impacts include increased operating costs and difficulties meeting quality standards.

The most commonly cited cause of skill gaps across all sectors is that staff lack experience and/or they have been recently recruited (75% of employers with skill gaps).

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[6] The NESS does not include the self-employed or businesses with only one employee.
[7] Skills Needs Assessment: Sector Skills Agreement Stage 1, GoSkills, 2006.
[8] http://www.skillsforlogistics.org/ssa.shtml (accessed on 10/3/06).

Figure 3.3 shows the three broad occupational groups in which skill gaps are most severe across sectors. For example, within the tourism and hospitality sector, elementary occupations account for the greatest proportion of skill gaps.

Interestingly, every occupational group is highlighted as having skill gaps.

**Figure 3.3: Skill gaps by occupation (top 3 by sector)**

| Sector | Managers & senior officials | Professional occupations | Associate prof. | Administrative & secretarial | Skilled trades | Personal service | Sales/Customer service | Process plant & m'hine ops | Elementary |
|---|---|---|---|---|---|---|---|---|---|
| Construction | 13.6 | 10.5 | 12.4 | 12.5 | 33.5 | 0.6 | 3.8 | 2.0 | 11.1 |
| Tourism & Hospitality | 9.5 | 0.7 | 1.4 | 5.2 | 6.4 | 10.2 | 12.5 | 0.5 | 53.6 |
| Manufacturing (inc Adv Eng) | 13.2 | 5.7 | 5.8 | 11.2 | 17.8 | 0.2 | 12.9 | 20.8 | 12.5 |
| Transport & Distribution | 12.1 | 0.0 | 1.2 | 12.9 | 4.2 | 1.3 | 9.1 | 25.5 | 33.5 |
| Health & Social Care | 8.2 | 2.2 | 7.4 | 13.8 | 3.1 | 49.9 | 3.8 | 2.0 | 9.6 |
| Media, Creative & Cultural Industries | 13.4 | 15.3 | 8.0 | 16.9 | 2.0 | 4.1 | 17.8 | 3.2 | 19.3 |
| Finance & Business Services | 10.9 | 8.5 | 12.7 | 27.0 | 1.9 | 7.1 | 20.4 | 1.2 | 10.3 |
| Education | 9.1 | 38.8 | 7.5 | 11.3 | 1.1 | 16.8 | 2.0 | 0.2 | 13.2 |
| Retail & Wholesale | 8.5 | 0.4 | 1.5 | 5.8 | 5.5 | 1.6 | 54.8 | 4.1 | 17.7 |
| ICT | 21.4 | 11.9 | 12.9 | 9.2 | 8.6 | 0.0 | 30.7 | 0.8 | 4.6 |
| Public Administration | 11.5 | 12.0 | 18.4 | 24.8 | 1.0 | 22.1 | 4.4 | 1.0 | 4.8 |
| Land Based & Food | 7.9 | 0.4 | 2.4 | 6.9 | 10.6 | 2.0 | 5.1 | 11.7 | 53.0 |
| Total | | | | | | | | | |

Source: NESS 2005. Note figures do not include the self-employed or businesses with only one employee. Blue = ranked highest in sector, green = ranked second highest in sector and yellow = ranked third highest in sector.

Across all industries[9] employers highlight a number of skills that are in need of improvement. The most significant include:

***Technical, practical or job specific skills*** – Around 52% of employers with skills gaps report this as an area in need of improvement. A higher than average proportion of employers in the construction, finance and business, manufacturing, land based and food, ICT and health and social care sectors believe that this skill area needs improving.

***Customer handling skills***- 46% of employers with skills gaps believe that this skill area needs improving. The need for improvement is more important within the tourism and hospitality, transport and distribution and retail and wholesale sectors.

***Problem solving*** – 40% of employers with skills gaps identify problem solving as an area in need of improvement. Employers in the media, creative and cultural industries and public administration sectors are more likely than average to report a need to improve in this skill area.

***Oral communication skills*** –Reported by around 40% of employers with skills gaps. The need to improve this skill area is more common within the transport and distribution, education and land based and food sectors.

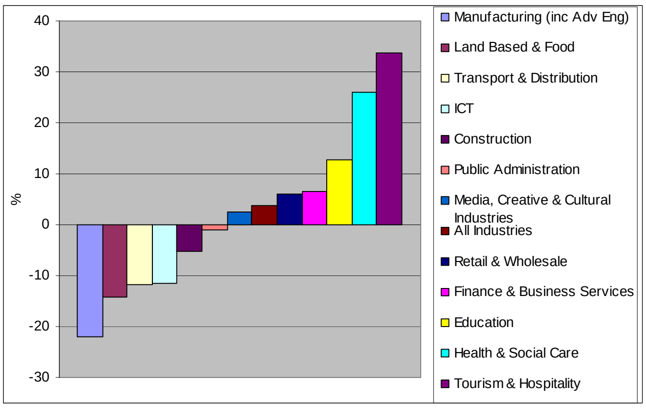
***Team working skills*** – Reported by 40% of employers across all industries. Employers in the education sector are most likely to believe that employees need to improve in this skill area. An above average proportion of employers in the tourism and hospitality and land based and food sectors also believe that team working skills are in need of improvement.

## Employment Change

The ABI suggests that employment in Kent and Medway has increased by around 4% between 1999 and 2004 (approximately 22,400 jobs). Employment in the sub-region rose at a greater rate than across the South East as a whole (1%).

Figure 3.4 shows the change in employment across sectors over this period. The tourism and hospitality sector experienced the most positive rate of growth (34% or 14,300 jobs), followed by health and social care (26% or 16,400 jobs). In contrast, the greatest declines in employment were experienced in the manufacturing (-22%), land based and food (-14%), transport and distribution (-12%) and ICT[10] sectors (-12%).

**Figure 3.4: Employment change 1999-2004 by sector**




Source: ABI 1999 and 2004. Note: Figures do not include the self-employed. Best fit sectors used as SIC updated between 1999 and 2004.

Forecast data from Working Futures 2 suggests that employment across Kent and Medway will continue to grow between 2006 and 2014 (by 5% over the period).

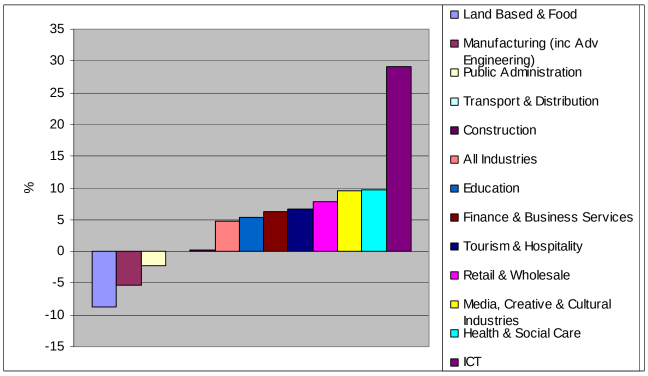
Despite recent declines in employment, the greatest rate of growth is expected in the ICT sector (29% or 4,100 jobs), a rate which is higher than that expected in the region as a whole (23%).

Significant growth is also expected within the health and social care and media, creative and cultural industries sectors (10% and 9% respectively). The land based and food, manufacturing and public administration sectors are expected to see further declines in employment (9%, 5% and 2% respectively).

[9] Regional level, due to small sample sizes at local level.

[10] Principally within the telecommunications sub-sector.

**Figure 3.5: Forecast employment change 2006-2014 by sector**




Source: IER/Warwick, Working Futures 2.

Forecasts reveal that personal service occupations are expected to experience the most significant rate of growth between 2006 and 2014 (17%). Nevertheless managerial occupations will see the largest increases in terms of absolute employment (15,800 jobs).

In contrast, significant declines in employment are expected within elementary occupations and administrative and secretarial roles (12% and 11% respectively).

**Figure 3.6: Forecast employment by occupation**

| ***Growth occupations*** | ***Estimated Number of jobs (KandM)*** | ***%*** |
|---|---|---|
| Personal service occupations | 10,100 | 17 |
| Sales/Customer service occupations | 6,800 | 13 |
| Professional occupations | 12,700 | 13 |
| Managers and senior officials | 15,800 | 12 |
| Associate professionals | 8,700 | 8 |
| Skilled trades occupations | 2,200 | 3 |
| ***Declining occupations*** | ***Estimated Number of jobs (K&M)*** | ***%*** |
| Elementary occupations | -8,900 | -12 |
| Administrative and secretarial | -10,100 | -11 |
| Process plant and machine operatives | -200 | <1% |

Source: IER/Warwick University, Working Futures 2.

## Skills and qualification issues

The analysis of skills in this paper uses qualifications as a proxy measure for skill level. Whilst this is not ideal, qualifications are the best measure available. Three broad skill levels are used:

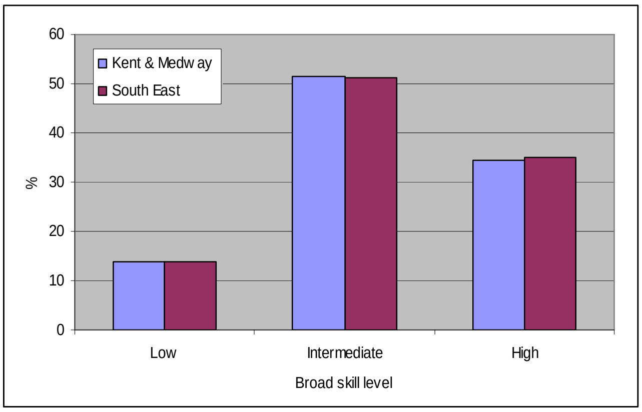
**Low skill** (NVQ 1 or less including those with no qualifications). Common skills requirements for these jobs at this level include basic literacy, numeracy and IT skills and a range of generic skills.

**Intermediate skill** (NVQ 2-3). Skill requirements in these occupations are often vocational or technical in nature. They may also require higher level generic skills including analytical and problem solving abilities.

**High skill** (NVQ 4+). These skills are important in managerial and professional and associate professional roles. They are sometimes technical in nature but usually require high level analytical, communication and people management skills.

Over half of the Kent and Medway workforce has intermediate level skills (52%). A further 35% have high level skills and the remaining 14% have low level skills. As shown in Figure 3.7 this is in line with the regional average.

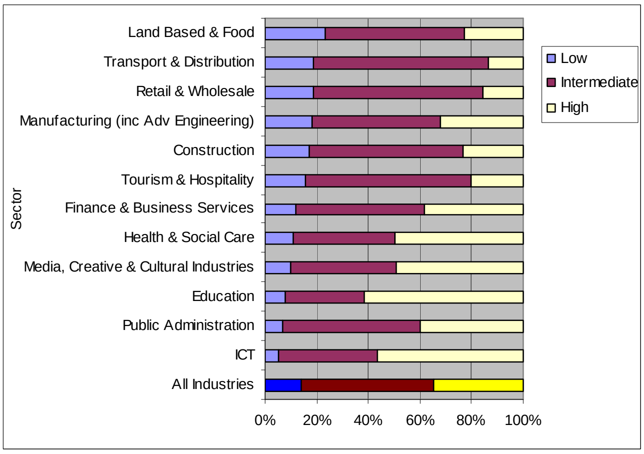
**Figure 3.7: Skill Levels – Broad Analysis**




Source: LFS Spring 2005. Inferred data. Note: Figures include the self-employed.

The degree of variation between sectors is particularly significant in terms of higher level skills (Figure 3.8). Nearly two thirds (62%) of the education sector have high level skills compared with 14% of the transport and distribution sector. Low skilled employment is most prevalent within the land based and food (23%), transport and distribution (19%) and retail and wholesale sectors (19%).

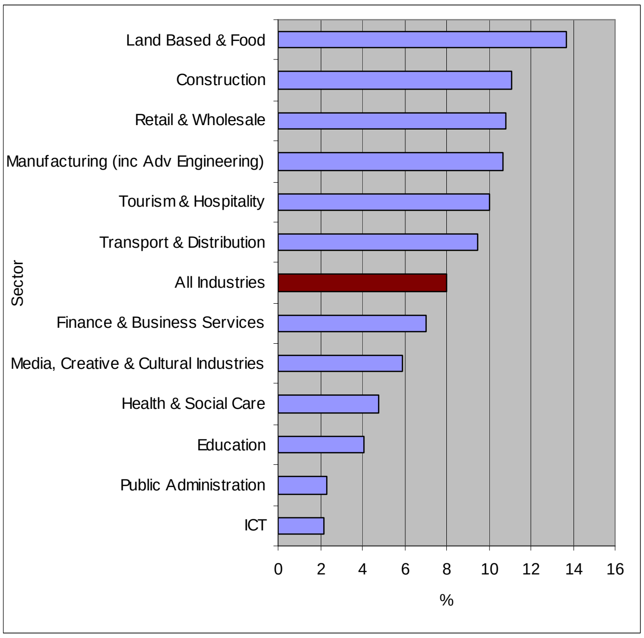
**Figure 3.8: Skill Levels – Broad Analysis by sector**




Source: LFS Spring 2005. Inferred data. Note: Figures include the self-employed.

The proportion of workers with no qualifications gives an indication of the likely extent of basic skills needs (see Figure 3.9). Across the sub-region around 8% of the workforce holds no formal qualifications (on par with the regional average). Workers in the land based and food sector are significantly more likely to have no qualifications than those across all industries (14%).

**Figure 3.9: Proportion of workforce with no qualifications by sector**




Source: LFS Spring 2005. Inferred data. Note: Figures include the self-employed.

## Learning Provision

In 2004 around **97,350** learners were undertaking **Further Education** courses in Kent and Medway (Figure 3.8). Almost two thirds of learners were following programmes broadly relating to the ICT sector and around 59% in courses relating to the finance and business services sector. However, courses in both areas have broad cross-sector relevance and the number of learners does not imply a direct flow of new entrants into ICT or finance and business services.

Around 22% were following courses related to the health and social care sector. The smallest proportions of learners were found in subjects related to the education and transport and distribution sectors.

Overall, 39% of learners were studying towards Level 1 or entry level qualifications. The proportion of learners undertaking qualifications of this type is particularly high within the ICT and transport and distribution sectors (70% and 67% respectively).

Around 27% of learners were following Level 2 qualifications. A significantly higher than average proportion of learners following programmes relating to the land based and food and retail and wholesale sector were studying at this level (61% and 57% respectively).

Across all areas of learning around 57% of FE learners were female. Despite being the dominant gender amongst the majority of programme areas, female learners form the minority in subject areas relating to some sectors, including construction (4% are female), transport and distribution (18%) and manufacturing (39%).

**Figure 3.10: FE Provision 2004/05 By sector**

| Sector | Number of Learners | Level 1 & entry level | Level 2 | Level 3 | Level 4+ | Other |
|---|---|---|---|---|---|---|
| Construction | 6,371 | 19% | 51% | 22% | 4% | 4% |
| Tourism & Hospitality | 4,645 | 27% | 37% | 35% | 0% | 1% |
| Manufacturing (inc Adv Engineering) | 6,269 | 14% | 45% | 25% | 2% | 15% |
| Transport & Distribution | 2,258 | 67% | 14% | 12% | 0% | 7% |
| Health & Social Care | 22,108 | 37% | 24% | 16% | 3% | 20% |
| Media, Creative & Cultural Industries | 15,575 | 58% | 21% | 16% | 0% | 4% |
| Finance & Business Services | 57,226 | 53% | 29% | 9% | 4% | 5% |
| Education | 2,370 | 27% | 27% | 45% | 18% | 10% |
| Retail & Wholesale | 4,083 | 25% | 57% | 14% | 0% | 3% |
| ICT | 63679 | 70% | 21% | 6% | 1% | 3% |
| Public Administration | 3,052 | 21% | 20% | 48% | 0% | 10% |
| Land Based & Food | 3,308 | 10% | 61% | 23% | 1% | 4% |
| **All areas of learning** | **97,351** | **39%** | **27%** | **17%** | **2%** | **15%** |

Source: LSC – Kent and Medway ILR. Note: Only includes programme areas used in sector reports.

Figure 3.11 shows that around **6,400** learners were enrolled on Work Based Learning qualifications in 2004/05.[11] Health, social care and public services programmes account for 20% of WBL learners and engineering, technology and manufacturing courses 16%.

Overall, the majority of learners were following Level 2 programmes (58%). Qualifications at this level were particularly common within hairdressing and beauty, construction, land based provision and retail, customer service and transportation courses.

A higher than average proportions of engineering, technology and manufacturing and health, social care and public services learners were following Level 3 programmes.

**Figure 3.11: WBL Provision 2004/05**

| Area of Learning | No Learners | Level 1 & entry level | Level 2 | Level 3 | Level 4+ | Other |
|---|---|---|---|---|---|---|
| Construction | 441 | 0% | 87% | 13% | 0% | 0% |
| Hospitality, sports, leisure & travel | 564 | 5% | 65% | 31% | 0% | 0% |
| Engineering, technology & manufacturing | 1021 | <1% | 57% | 43% | 0% | 0% |
| Retail, customer service & Transportation | 709 | 3% | 71% | 26% | 0% | 0% |
| Health, Social Care & Public Services | 1264 | 0% | 63% | 37% | 0% | 0% |
| Business administration, management and professional | 586 | 3% | 64% | 27% | 6% | 0% |
| Hairdressing & Beauty Therapy | 712 | 1% | 90% | 8% | 0% | 0% |
| Information & Communication Technology | 269 | 40% | 47% | 13% | 0% | 0% |
| Land Based Provision | 239 | 0% | 72% | 23% | 0% | 0% |
| **All areas of learning** | **6,403** | **4%** | **58%** | **24%** | **1%** | **14%** |

Source: LSC – Kent and Medway ILR. Note: Figures are a snapshot of learners as of January 2005 to take account of the fact that WBL provision is not governed by term dates. Note: Only includes programme areas used in sector reports.

Just over half of learners following WBL programmes were female. However, there is a particularly small proportion of

[11] Figures are for January 2005 (Period 6 of the academic year) and provide a 'snapshot' of those in learning to take account of the fact that WBL does not follow term times. The number of learners in each area of learning has then been identified based on the highest qualification level of the learner. Where the learners highest level of learning is in a programme area they have been included.

females following construction and engineering, technology and manufacturing courses (1% of learners).
Another route for workforce development within Kent and Medway is the *Profit from Learning* (PfL) initiative.[12] Profit from Learning statistics for Kent and Medway reveal that over **1,700** businesses participated in the initiative.

Overall, over **10,600** employees undertook training as part of the programme. Around 86% undertook NVQ Level 2 qualifications and a further 9% undertook basic skills training. As shown in Figure 3.10, basic skills training was more common within the media, creative and cultural industries, public administration and transport and distribution sectors.

**Figure 3.12: Profit from Learning Provision 2004/05**

| PfL | No of Learners | Basic Skills (%) | NVQ 2 (%) | Other (%) |
|---|---|---|---|---|
| Construction | 250 | 8 | 90 | 2 |
| Tourism & Hospitality | 658 | 9 | 76 | 15 |
| Manufacturing (inc Adv Eng) | 660 | 9 | 89 | 2 |
| Transport & Distribution | 550 | 22 | 75 | 3 |
| Health & Social Care | 4,765 | 8 | 92 | 0 |
| Media, Creative & Cultural Industries | 76 | 42 | 58 | 0 |
| Finance & Business Services | 1,080 | 5 | 69 | 26 |
| Education | 754 | 4 | 96 | 0 |
| Retail & Wholesale | 741 | 8 | 91 | 1 |
| ICT | 231 | 0 | 94 | 6 |
| Public Administration | 259 | 37 | 63 | 0 |
| Land Based & Food | 219 | 12 | 78 | 10 |
| All Industries | 10,243 | 9 | 86 | 5 |
| ***All Industries*** | ***10,640*** | ***9*** | ***86*** | ***4*** |

Source: LSC – Kent and Medway. Note: Only includes programme areas used in sector reports.

Around 36,400 learners were undertaking courses with **Adult and Community Learning (ACL)** providers in Kent and Medway during 2004/05. The majority of which were following entry or Level 1 qualifications (83%).

Over half of all learners following ACL programmes were following visual and performing arts and media or hospitality, sports, leisure and travel courses (58%).

[12] The Profit from Learning initiative was launched in Kent and Medway in September 2003 as a pilot scheme. The programme was available to companies in the area up until 31st March 2006. Train 2 Gain has now replaced Profit from Learning.

**Figure 3.13: ACL Provision 2004/05**

| Area of Learning | No of Learners | Level 1 & entry level | Level 2 | Level 3 | Level 4+ | Other |
|---|---|---|---|---|---|---|
| Construction | 660 | 97% | 3% | 0% | 0% | 0% |
| Hospitality, sports, leisure & travel | 8720 | 98% | 2% | 0% | 0% | 0% |
| Health, Social Care & Public Services | 1758 | 95% | 1% | 0% | <1% | 4% |
| Visual and Performing Arts & Media | 12,304 | 78% | 22% | 0% | 0% | 0% |
| Business administration, management and professional | 231 | 90% | 10% | 0% | 0% | 0% |
| Hairdressing & Beauty Therapy | 974 | 95% | 1% | 4% | 0% | 0% |
| Information & Communication Technology | 2400 | 99% | 1% | 0% | 0% | 0% |
| Land Based Provision | 455 | 98% | 2% | 0% | 0% | 0% |
| **All areas of learning** | 36371 | 83% | 13% | 3% | <1% | <1% |

Source: LSC – Kent and Medway ILR. Note: Only includes programme areas used in sector reports.

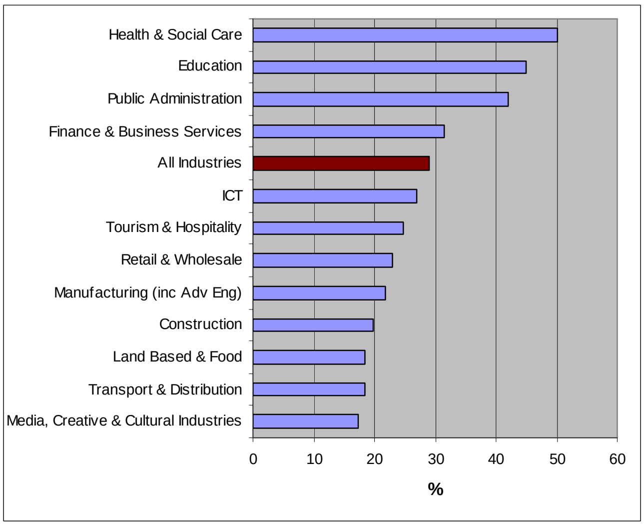
An important priority in current government policy is developing a **"vocational ladder"** into employment for young people from the age of 14, from vocational GCSEs and Young Apprenticeships through Foundation and Advanced Apprenticeships to Foundation Degrees. [13]

Foundation Degrees are vocational Higher Education qualifications at Level 3-4. They aim to integrate academic and work based learning through close collaboration between employers, universities and FE colleges. Since 2003, the government has been working to expand the number and range of Foundation Degrees available.

## Current Training Levels

For the workforce in work, employer led training is the most significant resource of skills improvement. Around 29% of workers in Kent and Medway report undertaking job-related training in the last 3 months (in line with the regional average).

**Figure 3.14: Job-related training in previous 13 weeks**




Source: LFS Spring 2005. Inferred data. Note: Figures include the self-employed.

Figure 3.14 highlights that there are significant variations in the levels of work-related training being undertaken in each sector. Those employed in public services sectors are the most likely to have recently undertaken training. The level of

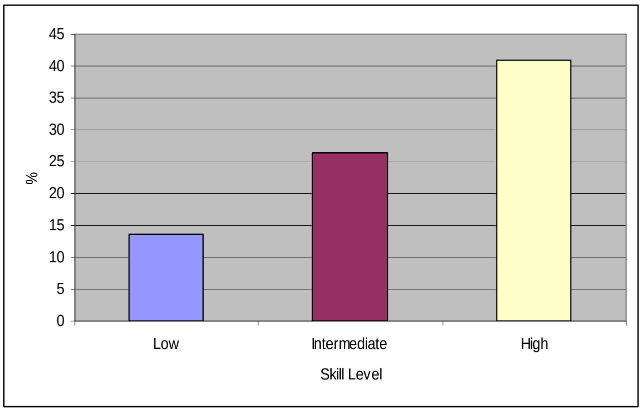
[13] Department for Education and Skills website – www.dfes.gov

job-related training is also higher than average in the finance and business services sector.

As shown in Figure 3.15, high skilled workers are more likely than intermediate and low skilled workers to have undertaken work-related training. This is reflective of the situation across the majority of sectors (excluding ICT, tourism and hospitality and media, creative and cultural industries sectors).

*The higher level of training amongst higher skilled workers is likely to reflect, in part, the professional and legislative requirements of some occupations (e.g. doctors, care managers, teachers and financial advisors).*

**Figure 3.15: Job-related training in the previous 3 weeks by skill level**

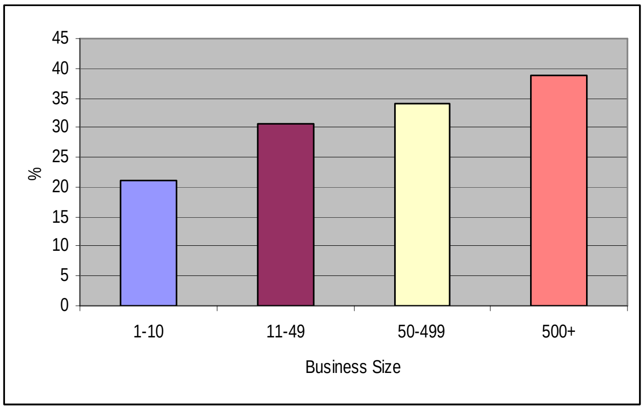



Source: LFS Spring 2005. Inferred data. Note: Figures include the self-employed.

Figure 3.16 shows that size of business can have implications on the extent to which employers participate in workforce development initiatives.

*It should be noted that owners and managers of small and micro-businesses are often difficult to engage in workforce development initiatives. For many the difficulty is as much to do with providing cover for people engaged in learning and replacing lost income as the direct cost of training.*

**Figure 3.16: Job-related training in the previous 3 weeks by business size**




Source: LFS Spring 2005. Inferred data. Note: Figures include the self-employed.

# 4. Sector Prioritisation

In recent years, the LSC has introduced a wide range of initiatives to improve the responsiveness of vocational learning provision to the needs of employers from all sectors. Nevertheless, the LSC has also sought to identify key industries and occupations where the allocation of additional resources and the development of a more bespoke 'employer offer' could make most impact.

In 2005, the LSC, in conjunction with SEEDA, undertook an exercise to formalise and update its process for identifying priority sectors in South East England.

The revised **South East Sector Prioritisation Framework** scores broad industrial sectors and occupations on a range of economic indicators that measure relative importance to the LSC and partners in terms of three dimensions:

1. **Economic scale:** The indicators prioritise larger sectors which are more likely to require significant resource allocations
2. **Growth potential:** The indicators highlight growing sectors as more likely to support future regional competitiveness
3. **Skills and learning needs:** The indicators identify sectors with unmet skills needs and/or intermediate level skills needs where LSC provision can make most difference

For each dimension there are several measures, each given equal weight. Each indicator has been given a score as follows:

0 significantly below the average,
1 at or above the average,
3 significantly above average (1.5 times the mean)

The sum of the scores across each indicator gives the sector an overall score. Figures 4.1 and 4.2 (overleaf) show the detailed indicators and scores for thirteen sectors in Kent and Medway and the South East as a whole. Light green boxes within the indicator columns represent a score of 1, darker green a score of 3.

The top five/six sectors identified by the prioritisation exercise for Kent and Medway and the South East are outlined in Figure 4.3.

**Figure 4.3: Top scoring sectors – regional prioritisation**

| Kent & Medway | South East |
|---|---|
| 1. Wholesale and retail | 1. Real estate, renting and business activities |
| 2. Real estate, renting and business activities | 2. Wholesale and retail |
| 3. Health and care | 3= Hotels and restaurants |
| 4. Hotels and restaurants | 3=Health and care |
| 5=Manufacturing/engineering | 5. Manufacturing/engineering |
| 5= Construction | |

Source: South East Sector Prioritisation Framework 2006.

*Wholesale and retail*
This sector scores on every indicator (except GVA per employee). It is particularly strong in terms of economic scale and also scores on all three skill need measures, suggesting that the sector has an unmet need for skills development.

*Real estate, renting and business activities*
This sector's score largely reflects the size of the sector and forecast growth in employment.

*Health and care*
The sector has a large share of employment, high levels of forecast employment growth and outstanding skills needs (hard to fill vacancies).

*Hotels and restaurants*
This sector is expected to see considerable employment growth between 2004 and 2014. The sector also has a high proportion of employees with qualifications below Level 2.

*Manufacturing/engineering*
This sector's position is explained by the relative scale of the sector within Kent and Medway, rather than its growth prospects. The scale of the sector in terms of output (GVA) is particularly.

*Construction*
The sector scores joint 5$^{th}$ in the sector prioritisation framework for Kent and Medway. Construction has also been indirectly identified as a regional priority through the occupational scorecards developed for the Prioritisation Framework.

**Sector prioritisation and current LSC priorities**
Whilst the sector definitions used in the regional prioritisation exercise do not exactly match those used in this paper, it is clear to see that the exercise broadly supports three of the four current LSC priority sectors for Kent and Medway (construction, advanced engineering, and health and social care).

Transport and distribution, the fourth current priority sector, was not directly highlighted in the prioritisation exercise. Whilst the sector scored in terms of economic scale, growth potential, and skill needs, it was not exceptional in any of the measures. However, transport and distribution is clearly of strategic importance to Kent and Medway as the sub-region acts as a major transport link to mainland Europe.

ICT is recognised as a significant component of the business services sector, a regional priority sector, principally as a result of its growth potential. Due to the way in which the ICT sector is categorised within the Standard Industrial Classification (SIC) system, the sector is not directly represented within the overall South East Sector Prioritisation framework, which scores sectors only on a broad industry 'section' basis.

**Figure 4.1: Sector Prioritisation Framework – South East scorecard**

| South East England | GVA Share 2002 | GVA per employee 2002 | Employment share 2003 | Relative employment concentration 2003 | Forecast Employment Growth 2004-14 | Proportion of employees with sub-level 2 qualifications | Proportion of employees with level 2 or 3 qualifications | Hard to fill vacancies as a % of total employment | Score |
|---|---|---|---|---|---|---|---|---|---|
| Agriculture, forestry, mining | 1% | £ 27,706 | 1% | 1.04 | -5% | 34% | 50% | 0.1% | 5 |
| Manufacturing/ engineering | 12% | £ 45,698 | 10% | 0.78 | -7% | 24% | 47% | 1.0% | 7 |
| Utilities | 1% | £ 96,353 | 1% | 1.42 | -10% | 16% | 38% | 1.2% | 5 |
| Construction | 6% | £ 55,894 | 4% | 0.92 | 1% | 25% | 60% | 1.3% | 4 |
| Wholesale and retail | 13% | £ 26,561 | 20% | 1.09 | 10% | 24% | 62% | 1.2% | 11 |
| Hotels and restaurants | 3% | £ 17,586 | 7% | 1.00 | 11% | 31% | 58% | 1.3% | 9 |
| Transport and communication | 9% | £ 46,414 | 6% | 1.01 | 2% | 24% | 57% | 1.4% | 6 |
| Financial services | 6% | £ 50,691 | 4% | 0.88 | 7% | 9% | 56% | 1.0% | 3 |
| Real estate, renting and business activities | 29% | £ 58,537 | 19% | 1.21 | 13% | 17% | 37% | 1.2% | 14 |
| Public admin. and defence | 5% | £ 37,467 | 4% | 0.79 | -3% | 12% | 48% | 1.2% | 2 |
| Education | 5% | £ 23,142 | 9% | 1.01 | 7% | 11% | 28% | 0.7% | 3 |
| Health and care | 5% | £ 20,312 | 11% | 0.93 | 12% | 18% | 36% | 3.0% | 9 |
| Other (mainly leisure) services | 5% | £ 36,191 | 5% | 1.02 | 7% | 21% | 52% | 1.3% | 5 |
| **Average / expected value** | **7.7%** | **£ 37,932** | **7.7%** | **1.00** | **7%** | **20%** | **48%** | **1.3%** | **6.4** |
| **Source:** | Region in Figures 2005 (this gives data for 2002) | Region in Figures 2005 ONS, ABI 2002 | ABI 2003 | ABI 2003, SE LQs relative to GB 2003, Value >1.00 indicates greater than average concentration | Working Futures 2 | LFS Spring 2005 (excluding don't knows) | LFS2005 | NESS 2004. Percent of employers with HTF vacancies, regional business weights | |

**Figure 4.2: Sector Prioritisation Framework – Kent and Medway scorecard**

| Sector | GVA Share 2002 | GVA per employee 2002 | Employment share 2003 | Relative employment concentration 2003 | Forecast Employment Growth 2004-14 | Percent of employees with sub-level 2 qualifications (regional data) | Proportion of employees with level 2 or 3 qualifications (regional data) | Hard to fill vacancies as a % of total employment (regional data) | Score |
|---|---|---|---|---|---|---|---|---|---|
| Agriculture, forestry, mining etc | 1.7% | £ 29,701 | 2% | 1.31 | -5% | 34% | 50% | 0.1% | 5 |
| Manufacturing/ engineering | 16.9% | £ 44,712 | 10% | 1.03 | -5% | 24% | 47% | 1.0% | 7 |
| Utilities | 2.7% | £ 134,956 | 0% | 0.73 | -15% | 16% | 38% | 1.2% | 4 |
| Construction | 7.6% | £ 55,901 | 6% | 1.42 | 2% | 25% | 60% | 1.3% | 7 |
| Wholesale and retail | 13.8% | £ 21,461 | 21% | 1.09 | 10% | 24% | 62% | 1.2% | 13 |
| Hotels and restaurants | 3.8% | £ 15,928 | 7% | 1.09 | 12% | 31% | 58% | 1.3% | 9 |
| Transport and communication | 8.1% | £ 40,049 | 6% | 0.98 | 2% | 24% | 57% | 1.4% | 5 |
| Financial services | 5.3% | £ 47,757 | 4% | 0.96 | 7% | 9% | 56% | 1.0% | 3 |
| Real estate, renting and business activities | 18.8% | £ 46,260 | 13% | 0.66 | 12% | 17% | 37% | 1.2% | 11 |
| Public admin. and defence | 4.9% | £ 34,162 | 5% | 1.10 | -2% | 12% | 48% | 1.2% | 4 |
| Education | 5.3% | £ 21,284 | 9% | 0.95 | 7% | 11% | 28% | 0.7% | 2 |
| Health and care | 6.9% | £ 19,359 | 13% | 1.21 | 14% | 18% | 36% | 3.0% | 10 |
| Other (mainly leisure) services | 4.3% | £ 31,711 | 5% | 0.96 | 5% | 21% | 52% | 1.3% | 3 |
| **Average** | **7.7%** | **£ 32,523** | **7.7%** | **1.00** | **6%** | **20%** | **48%** | **1.3%** | **6.4** |
| Source: | Regional GVA by NUTS 2 area and 17 industries, Region in Figures 2005 | Region in Figures 2005 ONS, ABI 2002 Agriculture data has had SIC0100 re-apportioned within it | ABI 2003 (Average is based on 13 equal shares of 100%). Agriculture data has had SIC0100 re-apportioned within it | ABI 2003, LQs relative to SE 2003, Value >1.00 indicates greater than average concentration. Agriculture data has had SIC0100 re-apportioned within it | Working Futures 2 - Local LSC data | LFS Spring 2005, data shown ifor South East, (includes 'other qualifications/don't knows') | LFS Spring 2005, data shown is for South East | NESS 2004. Percent of employers with HTF vacancies, regional business weights | All columns |

# 5. The LSC Offer

**The core offer**
The LSC will continue to provide a range of vocational learning opportunities for young people (aged 14-19) wishing to enter the labour market. Kent and Medway's seven Further Education colleges offer a range of provision for both employers and individual learners and a wide range of LSC funded apprenticeships will continue to be available through both colleges and private training providers.

Following a series of Employer Training Pilots (e.g. Profit from Learning) the LSC is also introducing a National Employer Training Programme (Train 2 Gain). This will give employers across all sectors access to free Level 2 training for staff who do not hold qualifications at Level 2 or above. The government has also pledged to match the offer for those who want to study full-time at college in order to gain equivalent qualifications.[14]

The LSC is also developing a national quality kitemark to recognise colleges that are responsive to local employer needs, building on standards such as Action for Business Colleges (A4BC) in the South East. Three colleges in Kent and Medway are accredited A4BC colleges (Canterbury, West Kent and Mid-Kent College).[15]

The LSC will also continue to fund a range of Skills for Life programmes for individuals with basic literacy and numeracy problems.

**Sector Skills Agreements**
Employers have been asked to shape the process through their Sector Skills Council by discussing and agreeing what their skills requirements are now and in the future, and proposing how these can best be met.

This has been done in conjunction with trade associations or employer bodies to get a truer representation of a whole sector both geographically and by size of company.

The LSC and organisations which supply and fund education and training are then consulted about the way in which they can ensure that the needs of employers are met within a set timeframe.

In all, it is a five stage process:

**Stage 1**: A sophisticated assessment of each sectors' needs to cover the long-term, medium-term and short-term, mapping the drivers of change in the sector five to ten years down the track, and determining skill needs.

**Stage 2**: A review of the range, nature and employer relevance of current training provision across all levels.

**Stage 3**: An analysis of the main gaps and weaknesses in workforce development, leading to agreed priorities to be addressed.

**Stage 4**: A review of the scope for collaborative action – engaging employers to invest in skills development to support improved business performance – and an assessment of what employers are likely to sign up to.

**Stage 5**: A final agreement of how the SSC and employers will work with key partners to secure the necessary supply of training.

Within the Agreements, a series of benchmarks and milestones will be identified, negotiated with the key delivery partners including the LSC, to monitor progress in the development of appropriate provision and employer engagement in workforce development. SSAs will be subject to constant updates and development to ensure they are responding to the changing needs of business.

The current timetable for the production of SSAs appropriate to the key sectors in this series is listed in **Annex 2**. Four pathfinder SSCs (SEMTA, ConstructionSkills, e-skills UK, Skillset) have already published Sector Skills Agreements.

## Beyond the core
Specialist sector expertise and provision will continue to be developed through Centres of Vocational Excellence (CoVEs).

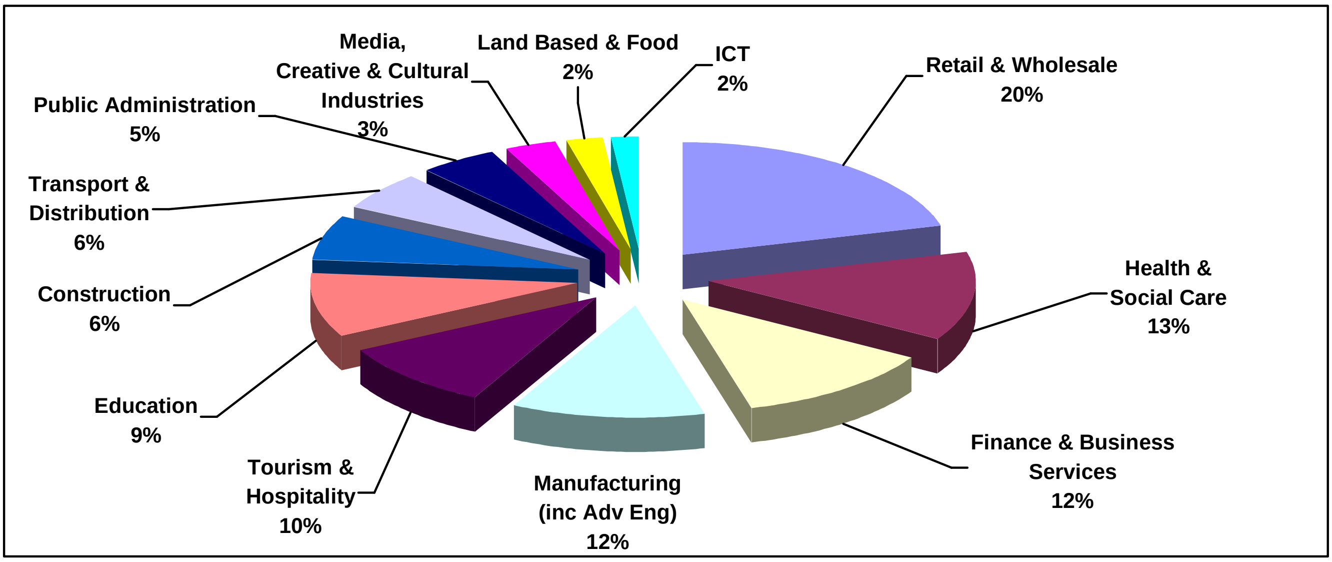
There are currently eight CoVEs in operation in Kent and Medway and these are listed in Figure 5.1.

**Figure 5.1: Kent and Medway CoVE Network**

| Title of CoVE | Lead Provider | Sector Skill Council | Area of Learning |
|---|---|---|---|
| **Travel and Tourism** | Canterbury College | People 1st<br>Go Skills<br>CCI | Hospitality<br>Sports<br>Leisure<br>Travel |
| **Training Equine Excellence in the Workplace** | Kent Equine Industry Training Services | LANTRA | Land-based Provision |
| **Electrical Installation** | Mid-Kent College | Summitskills | Construction |
| **Accounting and Financial Services** | North West Kent College | Financial Services SC | Business Management Admin Professional |
| **Construction** | South Kent College | Construction-Skills | Construction |
| **Hospitality and Catering** | Thanet College | People 1st | Hospitality<br>Sports<br>Leisure<br>Travel |
| **Health and Care Sector** | **West Kent College** | Skills for Care<br>Skills for Health | Health<br>Social Care<br>Public Services |
| **Advanced Maintenance Engineering** | IPS International Limited | SEMTA | Engineering<br>Technology<br>Manufacturing |

[14] DfES 2005. 'Skills: Getting on in Business, Getting on at Work' White Paper available at www.dfes.gov.uk/publications
[15] LSC 2006 'Regional Statement of Priorities: South East Region.' www.lsc.gov.uk

# Appendix 1: Kent and Medway sectors – employment and definitions




**Land Based and Food:** Includes farm based agriculture, agriculture, hunting and related services, forestry, logging and related services, fish farming and related services, wholesale of agricultural machinery and accessories and implements, veterinary activities, manufacture of food and beverages, and wholesale of other food including fish, crustaceans and molluscs.

**Manufacturing (inc advanced engineering):** Includes the vast majority of manufacturing industries in Kent and Medway with the exception of food processing (see land based industries sector paper).

**Construction (inc building services):** Includes architectural design, civil engineering and public works, the construction and refurbishment of domestic and commercial properties and installation work, including plumbing and electrical wiring.

**Retail and Wholesale:** Includes retail, automotive retail and wholesale sub-sectors.

**Tourism and Hospitality (inc leisure and sport):** Includes hotels and restaurants, bars, canteens and catering, travel agencies and tour operators, gambling and betting activities, camping sites and short-stay accommodation, physical well being activities and other sporting activities.

**Transport and Distribution:** Includes land transport (excluding freight); water transport; driving school activities; other supporting transport; freight logistics by road; cargo handling, storage and other transport agencies; and post and courier activities.

**Finance and Business Services:** Includes financial intermediation, insurance and pension funding, auxiliary financial intermediation, real estate activities, the renting of machinery and equipment and other business activities.

**ICT:** Includes ICT consultancy and technical services, software and hardware engineering, telecommunications and call centres.

**Media, Creative and Cultural Industries:** Includes advertising, artistic and literary creation and interpretation, operation of arts facilities, museum activities, manufacture of musical instruments and jewellery, photographic activities, motion picture activities, radio and television activities, publishing, activities of religious, political and membership organisations, and other recreational and service activities.

**Education and Lifelong Learning:** Includes primary education, general secondary education, technical and vocational education, higher education, adult education and library and archive activities.

**Health and Social Care:** Includes hospital activities, medical practice, dentistry, other human health activities and social work activities with, and without accommodation.

**Public Administration:** Includes central and local government administration and policy activities, fire, security and judicial services, compulsory social security activities and other unclassified public service activities.

Standard Industrial Classification definitions are outlined in the individual papers.

# Appendix 2: Kent Sectors, Sector Skills Councils and Sector Skills Agreements

| Sector | Sector Skills Council | SSA publication date |
|---|---|---|
| Land Based and Food | **LANTRA**<br>**Improve** | August 2006<br>January 2007 |
| Manufacturing Industries (including advanced engineering) | **COGENT**<br>**Energy and Utility**<br>**Proskills**<br>**SEMTA**<br>**Skillsfast** | September 2006<br>May 2007<br>August 2007<br>Pathfinder<br>June 2006 |
| Construction (including building services) | **CITB ConstructionSkills**<br>**Summit skills** | Pathfinder<br>Q3 2007 |
| Retail and Wholesale | **Skillsmart**<br>**Automotive skills** | April 2007<br>January 2007 |
| Tourism and Hospitality (including leisure and sport) | **People 1st**<br>**Skills Active** | January 2007<br>July 2006 |
| Transport and Distribution | **Go Skills**<br>**Skills for Logistics** | November 2006 |
| Finance and Business Services | **Financial Services SC**<br>**Asset Skills** | June 2007<br>December 2006 |
| ICT | **e-skills** | Pathfinder |
| Media, Creative and Cultural Industries | **Creative and Cultural Skills**<br>**Skillset** | January 2008<br>Pathfinder |
| Education and Lifelong Learning | **Lifelong Learning UK** | July 2007 |
| Health and Social Care | **Skills for Health**<br>**Skills for Care and Development** | July 2006<br>October 2007 |
| Public Administration | **Central Government SSC**<br>**Skills for Justice** | To be confirmed<br>January 2007 |

Source: SSDA April 2006

## Useful Publications

**'Kent Economic Report', Kent County Council**

**'Kent Prospects', Kent County Council**

**'Learning and Skills Assessment', Learning and Skills Council for Kent and Medway**

## Useful Links

**Learning and Skills Council: www.lsc.gov.uk**

**Learning and Skills Council for Kent and Medway: www.lsc.gov.uk/kentandmedway**

**Department for Education and Skills: www.dfes.gov.uk**

**South East England Development Agency: www.seeda.co.uk**

**Sector Skills Development Agency: www.ssda.org.uk**

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LSC-P-KEN-060017



**Disclaimer:**

**Whilst every attempt has been made to ensure the accuracy of the data in this report, the Learning and Skills Council for Kent and Medway does not accept responsibility for any errors that should occur.**