APPENDIX 1

THREE RIVERS ECONOMIC DEVELOPMENT PROFILE DRAFT 2014

1. OVERVIEW

Figure 1 Three Rivers location

Three Rivers District in South West Hertfordshire straddles the north west corner of the M25 on the edge of Greater London.

Three Rivers has a diverse range of sectors and businesses, home to both to the head offices of national and international organisations and vibrant small firms. The main employment areas are at Croxley Green Business Park, Kings Langley, Maple Cross and Leavesden.

Business and financial services, along with IT constitute the largest employment sectors in Three Rivers, although it is a major centre for the film industry, with Warner Bros at Leavesden part of a studio cluster alongside neighbouring Elstree and Pinewood studios. It is the base for national names such as Camelot, Nestlé Waters, Ferrero, Kenwood, and Imagination Technologies.

In addition to the larger firms, there is a range of small and medium enterprises which make an important contribution to employment locally. These include financial services, independent retailers, builders and contractors, to be found chiefly in the urban centres of Rickmansworth, Chorleywood, Abbots Langley, Croxley Green, South Oxhey and Carpenders Park.

As well as businesses in the urban areas, 77% of the District is designated as Green Belt. This is home to several food and farming enterprises which play a part in the local economy.

While Three Rivers is a relatively prosperous district, there are significant constraints on business growth arising from a shortage of sites and premises for expansion, traffic congestion, lack of affordable housing, and skill gaps. Not all residents benefit from the economic buoyancy of the area: for instance, one in five adults receive working age benefits in South Oxhey.

2. POSITION IN A WIDER ECONOMY AND LABOUR MARKET

The location of Three Rivers on the edge of London with excellent transport links means that there is a high net daily outflow of commuters from the District. At Census 2001, 26,771 people commuted out of the district (mainly to the London area, 30% and Watford, 17%) whilst 16,988 commuted in: a daily net outflow of 9,783 people[1].

More than one in three commute more than 10km[2], rising to nearly half of those with higher qualifications.

Latest estimates (Annual Population Survey) for 2011[3] suggest higher levels of outward commuting: 28,102 contrasted with 8,637 in-commuting. The Hertfordshire Travel Survey 2012 suggests an increased level of commuting to London (40%) and lower to Watford (13%)[4].

Adjacent Watford serves as the principal regional shopping centre, while Rickmansworth High Street is the main retail centre within Three Rivers. The majority of shopping trips are made in Watford (37%), with 41% of residents travelling between 3 and 5 miles for their food shopping[5].

Figure 2 Commuting flows

Insert 2001 Census commuting flows map

[1] Comparable Census 2011 data will be available later in 2014.
[2] NOMIS, Census 2011
[3] http://www.ons.gov.uk/ons/publications/re-reference-tables.html?edition=tcm%3A77-300966
[4] Hertfordshire County Travel Survey 2012: Key Results for Three Rivers http://www.hertsdirect.org/docs/pdf/d/3riversdistpro.pdf
[5] Hertfordshire County Travel Survey 2012: Key Results for Three Rivers http://www.hertsdirect.org/docs/pdf/d/3riversdistpro.pdf

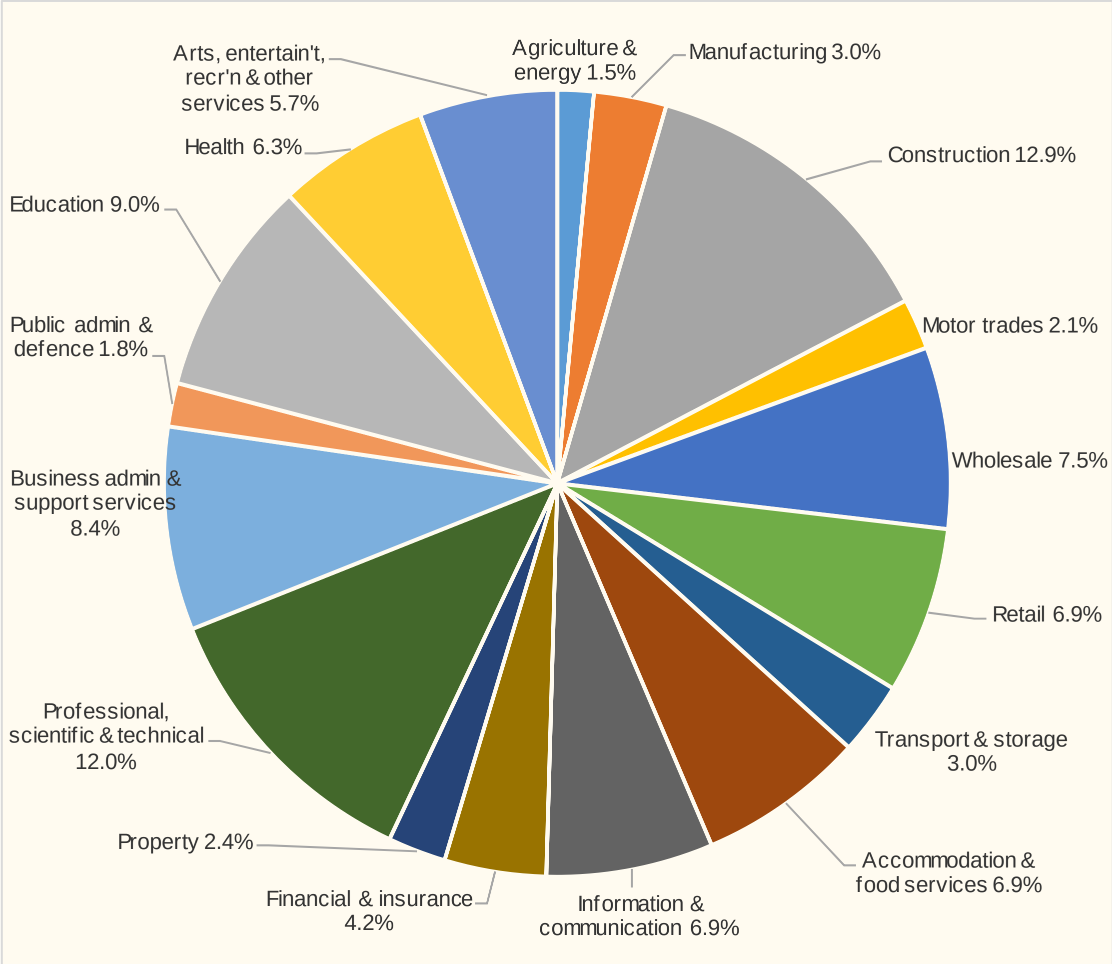
3. EMPLOYMENT STRUCTURE

Latest estimates of jobs provided in Three Rivers by employers and people working for themselves vary between 33,400[6] and 35,393[7]. In 2012 there were 4,550 business units (8.2% of the Hertfordshire total).
Professional, Scientific and Technical Services with 12% of jobs is the single largest employment sector in Three Rivers[8], and together with Business Administration and Support Services, Property, and Financial Services constituted 27% jobs. Construction follows with 13%, Education 9%, Wholesale 8%, Retail 7%, and Information & Communication 7%. Only 3% are in Manufacturing and 1.8% in Public Administration & Defence.

Professional and business services are expected to grow in Three Rivers by 40% over the decade 2011-2021, and provide two thirds of the net projected increase in employment[9]. This exceeds Hertfordshire and national projections.

The following sectors are more than 25% more likely to be found in Three Rivers than nationally[10]: Construction, Financial Services, Real Estate, Professional Services, Arts and Entertainment and Wholesale Distribution.

Figure 3 Sector shares of employment, Three Rivers 2012



[6] Business Register and Employment Survey 2012
[7] Census 2011 Workday Population
[8] HertsLIS, using BRES data for 2012
[9] East of England Forecasting Model (EEFM) projections for Three Rivers
[10] EEFM Employment Location Quotients

Significant employers in the District include:

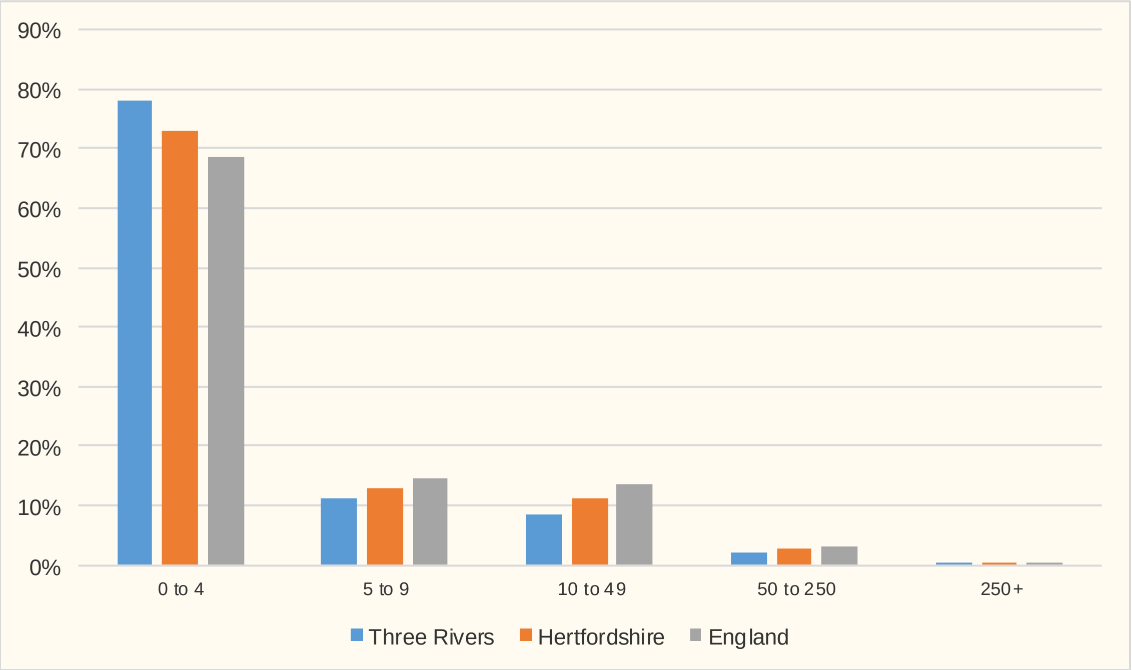
- Camelot Group plc (lottery)
- Ferrero UK (food producers)
- Freedom Communications (integrated communications)
- Holstein UK (agricultural charity)
- Imagination Technologies (multimedia, processor and communications technology)
- Kenwood Electronics UK (electrical/ electronic goods)
- Nestlé Waters (UK) Ltd (bottled water producer)
- Nissan Motors (GB) Ltd (sales and marketing)
- Renault (UK) Ltd (finance division)
- RES (renewable energy technologies and services)
- Skanska Civil Engineering (construction)
- Tesco plc (retail stores)
- Three Rivers District Council (local government)
- VocaLink (financial IT).

Figure 4 Significant employers in Three Rivers

Insert company logos

4. ENTERPRISE

Figure 5 Share of business units, by employee size bands, 2012



Three Rivers has a higher presence of very small business units with less than four employees (78%) than at the county (73%) and national (68%) levels, and a smaller share in all other size bands[11]. The size bands, micro (0-9 employees), small (10-49), medium (50-249) and large (250+) each account for roughly 25% of total employment.

Around 500 new businesses a year are created in Three Rivers. Between 2008 and 2012, the stock of active enterprises in Three Rivers increased by 185 (+4%), lower than that over the previous four years (+525) thanks to the recession[12]. At 4%, this rate of growth was higher than the national rate of 1.5% and that for Hertfordshire, 1.2%.

New enterprises in Three Rivers tend to have a better survival rate in their early years than the national and Hertfordshire averages. For example, the District saw the highest survival rates in Hertfordshire for businesses set up in 2008, with after four years 54.9% has survived compared to the county average of 49.5% (England 48.8%).

Three Rivers businesses have a similar age profile to Hertfordshire, but there are slightly more businesses aged less than two years, and slightly fewer businesses of ten or more years than the East of England and Great Britain.

The number of business registrations per 10,000 residents at 73.3 places Three Rivers well above the East of England average (53.2) and England (61.9)[13].

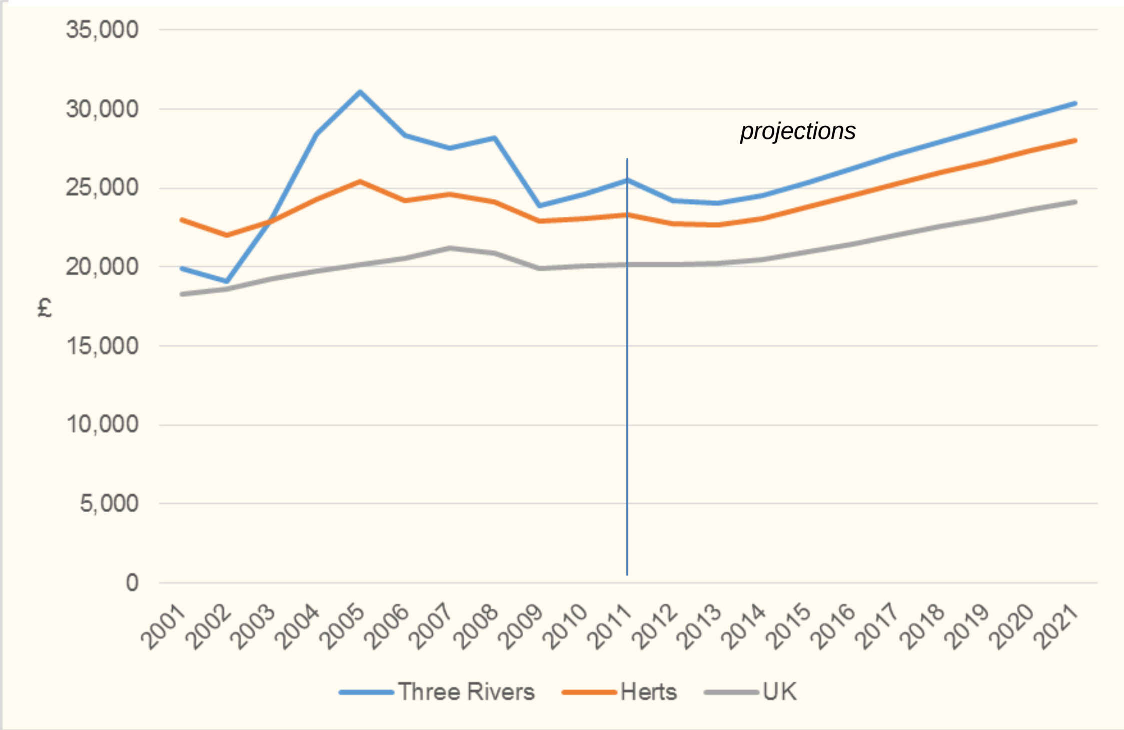
[11] ONS Business Register and Employment Survey 2012 – accessed via HertsLIS Economic Wellbeing Profile for Three Rivers
[12] ONS Business Demography 2012: Enterprise Births, Deaths and Survivals http://www.ons.gov.uk/ons/rel/bus-register/business-demography/2012/index.html
[13] Sourced via LG Inform http://lginform.local.gov.uk/

5. ECONOMIC OUTPUT & FORECASTS

Three Rivers 'punches above its weight' as far as economic output is concerned, with Gross Value Added (GVA)[14] per head higher than that for Hertfordshire, the East of England and Great Britain. Figures used in the East of England Forecasting Model put Three Rivers at £25,500 in 2011 compared to £23,300 for Hertfordshire and £20,200 for UK as a whole. These figures place Three Rivers 26% above the national average.

The East of England Forecasting Model estimates that, between 2011 and 2021, employment in Three Rivers will grow by 9% and economic output by 26%, at a lower rate than for Hertfordshire as a whole (+12% and +31% respectively) though closer to UK projections of +7.6% for employment and +27.4% for output.

Figure 6 GVA/head estimates 2001-2021



[14] Gross Value Added measures productivity: the value of goods and services produced minus the cost of the raw materials and other inputs

6. BUSINESS FLOORSPACE

Three Rivers provides 1,410 business properties with 400,000m^2 of floorspace. Most business floorspace in Three Rivers is occupied by offices. When compared to Hertfordshire and the East of England, Three Rivers has a lower proportion of business properties in retail and factory use. CHECK LATEST

Since 2005, business floorspace has reduced by 3,000m^2, with a reduction in factory floorspace (15,000m^2 reduction) offset by gains in warehousing (8,000m^2) and retail (5,000m^2) uses. CHECK LATEST There continues to be pressure for new homes on previously developed sites.

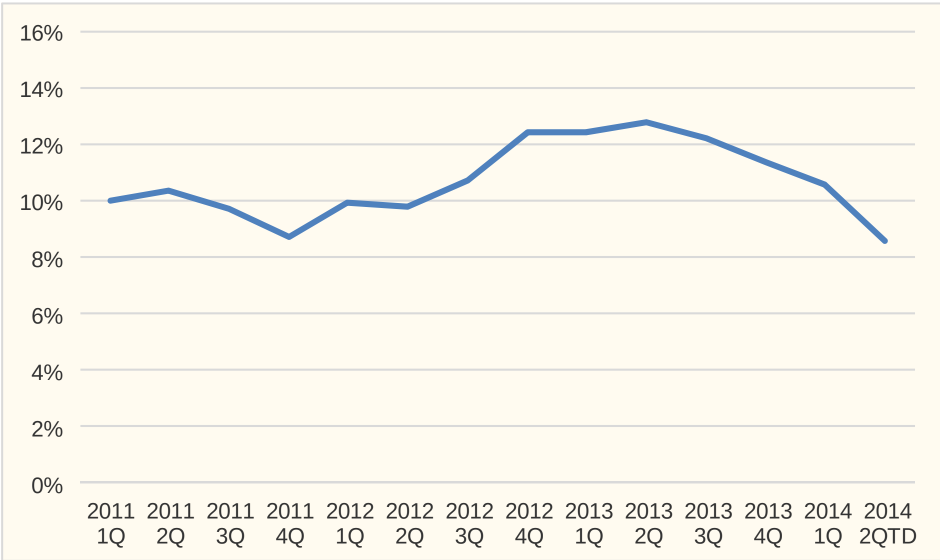
Figure 7 Changes in business floorspace

Insert chart showing change in floorspace

Research by property agents in 2012[15] questioned the potential viability of new commercial development in Three Rivers, given a fall in investment at national level and increased availability of commercial space locally. However, they expected a return to healthier demand conditions and advocated regular monitoring of the market. Data available to Hertfordshire LEP shows that demand remained sluggish some way into 2013 but has since improved, with the property vacancy rate in Three Rivers falling from a peak of 12.8% in Q3 2013 to 8.6% in Q2 2014[16]. The 2012 research highlighted that much of the space may no longer meet contemporary business needs and thus require refurbishment.

There is growing evidence of demand for space for business expansion across neighbouring authorities, and serious concerns about local ability to accommodate this. Plans in Watford, notably the Health Campus, the redevelopment of Watford Business Park[17] and Watford Junction should have a positive impact in the medium to longer term.

Figure 8 Vacant commercial floorspace as % stock, 2011-14



[15] Lambert Smith Hampton (2012) Community Infrastructure Levy: A Stage 2 Economic Viability Assessment prepared for Three Rivers District Council http://www.threerivers.gov.uk/GetResource.aspx?file=Three%20Rivers%20Stage%202%20CIL%20Assessment%20FINAL.pdf

[16] Data supplied by Hertfordshire LEP.

[17] Adjacent to Croxley Green Business Park in Three Rivers

7. BUSINESS GROWTH ISSUES

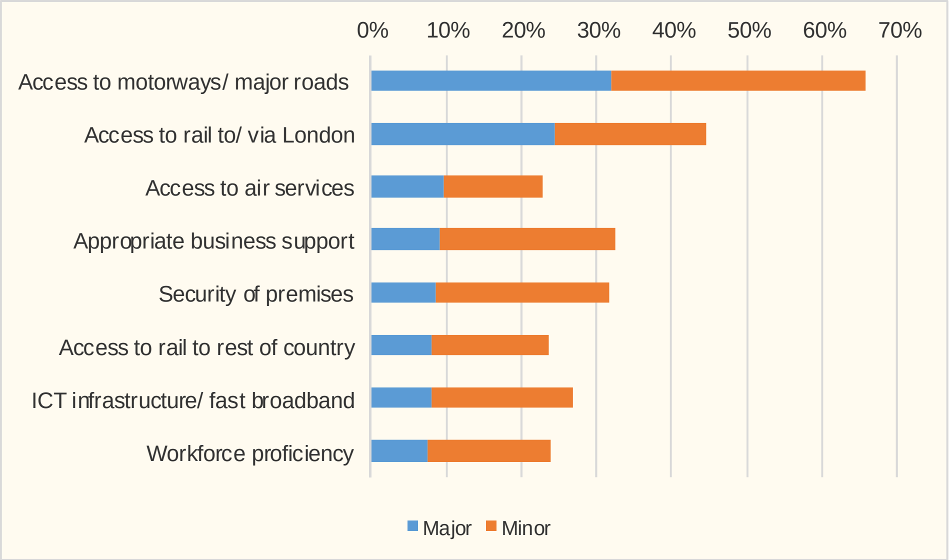
Transport and traffic

The Hertfordshire Business Survey in 2011[18] highlighted the vital importance of transport to local businesses of:

- rail access to London and via London (26% citing this as a major positive factor underpinning their business performance, and 32% a minor factor)
- road access via the motorway network (38% major and 42% minor).

At the same time, road congestion featured as the top constraint, an issue for 59% businesses. Car parking was an issue for 36%, and transport costs for 32%. In 2009, perception of traffic congestion was highest amongst residents in Three Rivers compared to all other Hertfordshire districts[19].

Figure 9 Top positive factors for Hertfordshire businesses



County monitoring shows recent improvement in journey times, with a reduction in overall journey times since 2011, other than in neighbouring Watford[20]. Traffic is forecast to increase by 7.1% in Three Rivers between 2012 and 2021.

[18] ICM for Hertfordshire Chamber of Commerce and Industry and Hertfordshire CC - Summary at http://mediafiles.thedms.co.uk/Publication/BH-Herts/cms/pdf/Herts%20Business%20Survey%20(item%203).pdf. Tables at http://www.hertfordshirelep.com/docs/view/research-studies/Herts_Business_Survey_2011_REPORT_(28-04-11).pdf The analysis covers responses from 749 businesses county-wide
[19] Hertfordshire CC (2010) County Travel Survey 2009
[20] Hertfordshire CC (2013) Hertfordshire's 2012 Traffic and Transport Data Report http://www.hertsdirect.org/docs/pdf/t/ttda2012rev.pdf

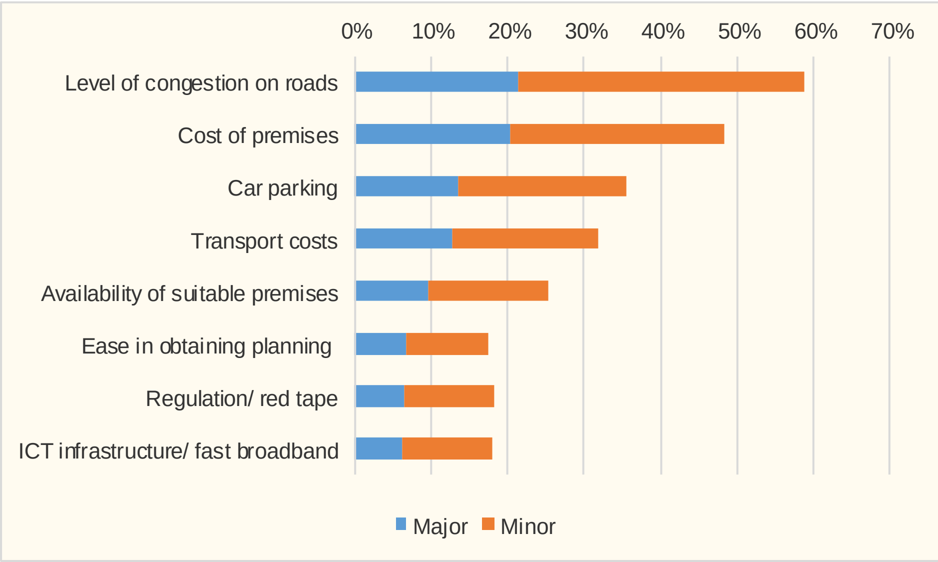
Premises

The availability of suitable premises was seen as an important factor affecting performance by 69% of businesses in 2011 (very important for 39%).

Cost of premises was viewed as a negative location factor by 61% and availability of suitable premises was seen as a constraint for 25%[21]. Some 18% cited concern about the ease of obtaining planning permission.

Some 26% of businesses expected to be in the market for alternative premises in the next few years, and 14% for additional premises. Of these, nearly half (47%) thought that there is insufficient choice of premises in the county.

Figure 10 Top negative factors for Hertfordshire businesses



Just over a quarter were unsure whether or not they would be needing new premises. Where they were surer, most will look locally (within 20 miles) within Hertfordshire (57% of those looking to expand) or in London or neighbouring counties (36% of this group). Top factors in the choice of new premises were identified as lower running costs (58% of those of who expect to relocate or expand), lower property costs (55%) and better car parking (47%). Larger accommodation mattered for 38% and space for further expansion, for 34%. Just over half would be looking for premises under 2,000sq ft.

Energy costs

Energy costs were identified as a important competitiveness factor by 82% of Hertfordshire businesses in 2011, though only 13% saw these as a particular constraint relative to their Hertfordshire location. Efforts to reduce energy costs are reflected in falling levels of industrial and commercial CO_2 emissions, which fell by 30% in Three Rivers between 2005 and 2011, compared to 23% nationally[22].

[21] This is very similar to national findings – see BIS (2013) Small Business Survey 2012: Growth special report https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/204183/bis-13-883-small-business-survey-2012-growth-special-report.pdf

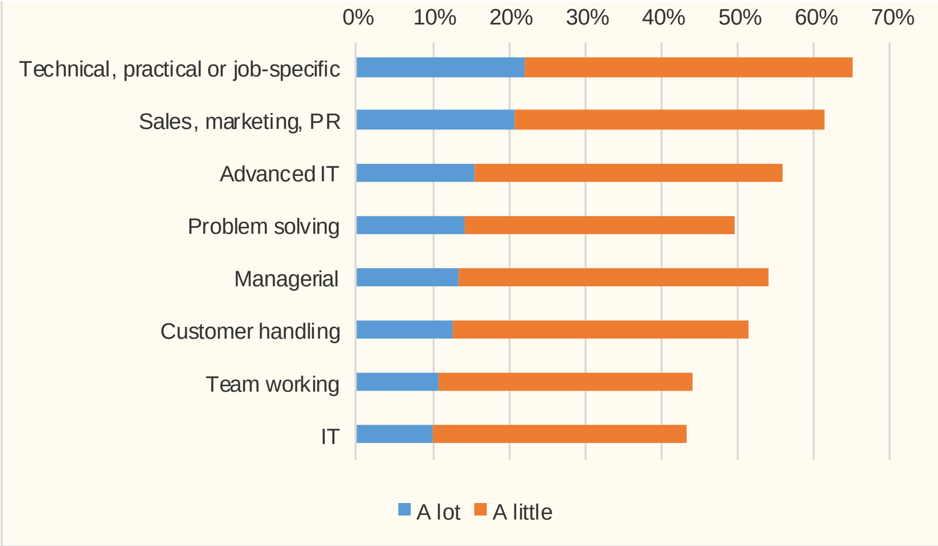
[22] DECC (2013) Local authority carbon dioxide emissions https://www.gov.uk/government/publications/local-authority-emissions-estimates Over the same period in Three Rivers, domestic emissions fell by 14% and Transport by 11%.

Skills

Employers in the Hertfordshire Business Survey rated the overall proficiency of their workforce as the second most important factor behind ICT/ broadband infrastructure affecting their business performance. Availability of graduate level labour was seen as a constraint by 8% businesses, and by 12% for below graduate staff. Cost of graduate level staff was seen by 11% as a constraint, with 13% citing cost of below graduate level.

The majority of employers (56%) identified skill gaps in their existing workforces as an important factor influencing business performance (19% very important). The top three gaps ranked as harmful to business performance were technical, practical or job-specific (for 65% of companies identifying gaps), sales/ marketing/ promotional/ PR (63%) and advanced IT (57%), followed by managerial skills (53%) and customer handling (51%).

Figure 11 Skill gaps amongst Hertfordshire businesses



The UK Employer Skills Survey 2013 asked a different question and found that 15% of Hertfordshire employers had a skills gap and 6% at least one hard-to-fill vacancy[23]. Just over a quarter (26.2%) vacancies are skill shortage (nearly a fifth higher than the average for England of 22.3%). A high proportion of relate to Associate Professional jobs (39% in Hertfordshire compared to 21% for England).

Tactics to deal with hard-to-fill vacancies mainly related to intensified advertising/ recruitment expenditure (44%) and using new recruitment methods or channels (43%). Some 9% have redefined jobs and 7% expanded training programmes, with only 2% being prepared to offer training to less well qualified recruits.

One in ten establishments with identified skill gaps were not acting on these, and over a third (36%) provided no training in the past year (just above the national average of 34%). Some 28% establishments have neither a business plan, training plan not a training budget (the same as at national level).

The main barriers to undertaking more training are 'Lack of funds for training / training expensive' (64% of those who would have provided more training if they could have) and 'Can't spare more staff time' (50%). Finding time to organise training was cited by 14%.

[23] UKCES Employer Skill Survey 2013 – secondary analysis of local data for Hertfordshire https://www.gov.uk/government/publications/employer-skills-survey-local-data. 1577 employers were surveyed in the county.

UKCES Employer Perspectives Survey 2012[24] found across the East of England as a whole that:

- of those employers recruiting, 40% did not take on a young person. Just under half attributed this to quality factors in what young people had to offer, most notably lack of experience (34%) and lack of skills (27%)
- only a quarter of employers offer work experience opportunities for young people, which can help address these concerns (17% with schools, 8% with colleges and 4% with universities). Of these employers, a third had offered jobs at the end of placements or after the learner had completed their course. National data indicates that 67% of establishments with more than 100 employees offered work placements, falling to 20% for those employing two to four people.
- less than half (43%) of employers reckoned that they had good or better knowledge of Apprenticeships while 16% admitted little or no knowledge. Some 41% were unaware of government subsidy for 16-18 year old Apprentices.

Figure 12 Reasons for not employing young people

The Chamber survey found that in 2011, across all skill gaps, only a minority of employers believe that cost-effective training is available locally. High proportions fell into the 'don't know' category.

Housing

Housing affordability and choice can be significant factors in recruiting and retaining staff. Some 44% of the businesses surveyed in 2011 viewed increasing the supply of local housing 'at below market cost' as benefit to their business (17% rating this as major benefit). In the past four years (2010/11-2013/14) 167 (gross) affordable housing units have been delivered in Three Rivers.

Average house prices at £432,000 are 12% below the level for Greater London and 26% above the Hertfordshire average[25]. These are now 10.4 times the median earnings of local residents[26]. Prices in Rickmansworth are very close to the Greater London average, and in Kings Langley a little lower.

[24] UKCES (2012) UK Employer Perspectives Survey data tables https://www.gov.uk/government/publications/employer-perspectives-survey-local-data
[25] HertsLIS: house price data for Q1, 2014. http://atlas.hertslis.org/IAS/profiles/profile?profileId=994&geoTypeId=16&geoIds=26#iasProfileSection3
[26] http://www.theguardian.com/money/ng-interactive/2014/may/23/-sp-see-how-house-prices-have-risen Earnings data from the ONS Annual Survey of Hours and Earnings

Broadband & mobile phones

ICT infrastructure and broadband was rated by Hertfordshire businesses as the most important factor affecting business performance, by 94% (69% rating this as 'very important'). Fibre broadband is available to some parts of Three Rivers through existing infrastructure. The Connected Counties programme is extending coverage in the District from 2014 onwards, though superfast is not guaranteed for all premises[27].

Regulation

Regulation was rated as an important factor by 80% of businesses in the 2011 Chamber survey, but only as having a major or minor adverse impact on business performance by 18%.

[27] http://www.connectedcounties.org/. There is a commitment to provide at least 2Mbps for all without superfast broadband in South Oxhey by April 2016.

8. POPULATION

In 2012, Three Rivers had an estimated population of 88,800, 7.9% of the Hertfordshire total[28]. The population is expected to grow to 99,300 people by 2021[29] (+13% over the decade, above the county projection of +10%).

The working age population is 55,500.

Some 86.2% population is White (England 85.4%) and 9.2% Asian/ Asian British (England 7.8%)[30]. There has been an increase in the proportion of minority ethnic other white populations including those from Eastern Europe; the percentage of 'any other than White British' category in Three Rivers is now 20.35% (England 20.25%).

Analysis of Mosaic geo-demographic data shows that the largest socio-economic segments in the Three Rivers population are 'Middle income suburbia' (20.5%) and 'Alpha territory' (19.6%), followed by 'Careers & kids' (12.4%) and 'Professional rewards' (11.7%). The first two are in higher percentages than Hertfordshire (16.4% and 11.1% respectively). The only categories where there are noticeable differences with Hertfordshire are 'New homemakers' (7.2% Three Rivers v 12.2% Hertfordshire) and 'Educated young urbanites' (4.3% and 7.7%)[31].

[28] ONS Mid Year Population Estimates via HertsLIS http://atlas.hertslis.org/IAS/profiles/profile?profileId=79&geoTypeId=16&geoIds=26
[29] HertsLIS - 2011-based interim subnational population projections for Hertfordshire and Districts http://atlas.hertslis.org/IAS/dataviews/view?viewId=1096
[30] Census 2011
[31] HertsLIS JSNA Mosaic Customer Segmentation for Three Rivers. Alpha territory: "Wealthy people living in the most sought after neighbourhoods"; Professional rewards: "Successful professionals living in suburban or semi-rural homes"

9. EMPLOYMENT

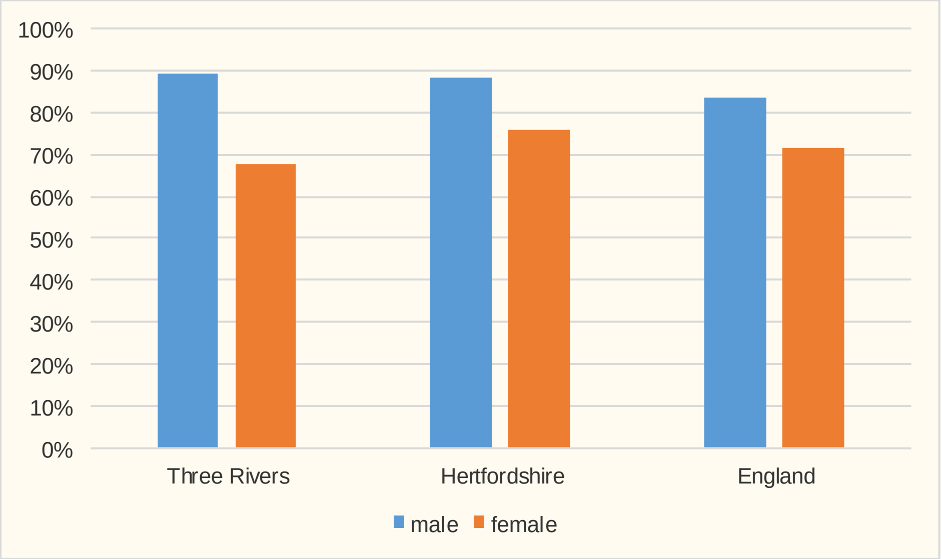
Three Rivers employers provide approximately 39,000 jobs. This gives a job density of 0.71 jobs for every resident of working age. This is lower than the job density of Hertfordshire (0.84) and Great Britain (0.78), and reflects the extent of outward commuting from the District.

At 78.3%, the proportion of Three Rivers residents who are economically active is below that for Hertfordshire (82.2%) and slightly above the national rate (77.4%)[32].

The employment rate of people aged 16-64, at 71.2% is lower than Hertfordshire (75.5%) but similar to the national average (71.5%)[33]. Where there is a striking difference is in the female economic activity rate: in Three Rivers (62.9%), this is below the national average (66.4%) and well below that for Hertfordshire (71.9%). Census 2011 showed that the employment rate for White residents is lower than that for other ethnic groups.

Census 2011 found the self-employment rate is higher than average at 13.7%, compared to 11.6% for Hertfordshire and 9.8% nationally[34].

Figure 13 Economic activity rates, 2013



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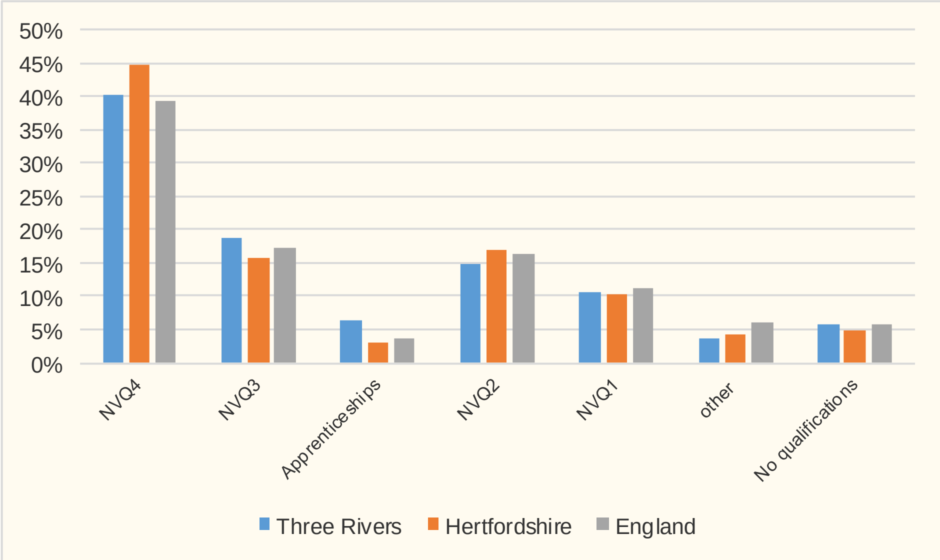
[32] NOMIS: ONS data from Annual Population Survey: January-December 2013

[33] The employment rate is the economic activity rate less those unemployed. It includes all individuals who carried out some paid work in the survey period (whether as an employee or self-employed); those who were temporarily away from a job (eg, on holiday); those on government-supported training and employment programmes; and those doing unpaid family work.

[34] ONS Census 2011, via HertsLIS

10. QUALIFICATIONS

Figure 14 Qualification levels



Three Rivers residents tend to be well qualified when compared to the East of England and Great Britain. Nearly two in five (36.7%) of the working age population have at least NVQ4+, well above the national average (29.8%)[35]. One in 10 (10.5%) had no qualifications, below the national average of 14.8%.

Within local skills provision, there has been a shift towards Advanced Apprenticeships (Level 3), and numbers of Higher Apprenticeships are growing from a low base, with 30 starts in the first half of 2013/14. Of 500 starts in 2012/13, 60% were Intermediate Apprenticeships and 36% Advanced.

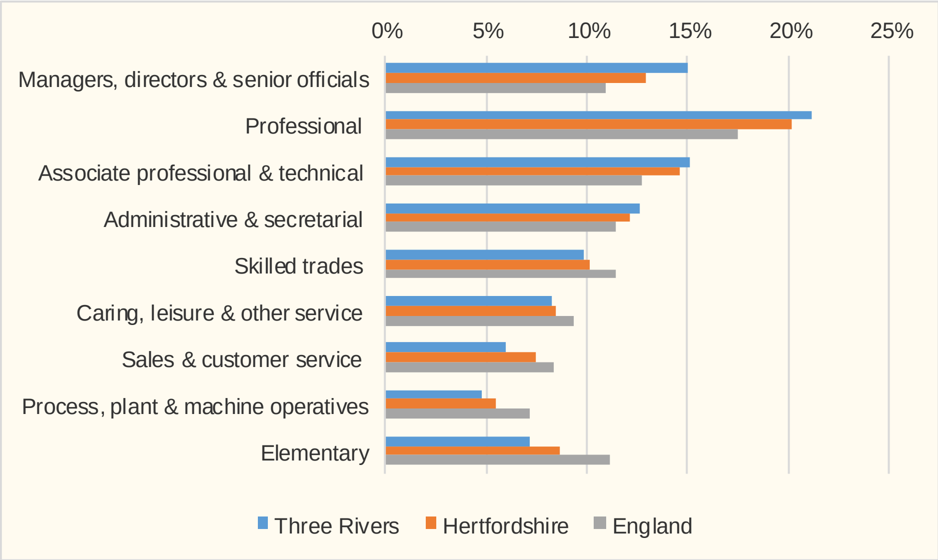
Nearly half of all Apprenticeship starts in Hertfordshire were in smaller businesses: 43% in those employing up to 49, and 18% in those employing between 50 and 499[36], above their shares of total employment[37]. This is low relative to their share of businesses (96% of those that employ at least one person) but well above their share of employment (32%). Smaller businesses are especially important as a source of Apprenticeships for 16-18 year olds, accounting for 59% of starts.

[35] ONS Census, via NOMIS
[36] National Apprenticeship Service Quarterly MI Report for Hertfordshire 05/02/13. Data for 2011/12
[37] The regional share of employment for businesses employing 1-49 is 27.3% and for 50-499, 14.1%.

11. OCCUPATIONS

Just over half (51.4%) of the Three Rivers population of working age are employed in managerial, professional and associated roles compared to 41.2% nationally[38]. The breakdown is Managers, directors and senior officials, 15.1%; Professional occupations, 21.2%; and Associate professional and technical occupations, 15.1%.

Figure 15 Occupational breakdown, 2011



These are the same occupational sectors as those forecast to grow by the fastest rates between 2012 and 2022[39], increasing their share of employment by 5 percentage points. Net growth is also forecast in Caring, leisure and other service occupations, and there is significant replacement demand across all broad occupational categories. Such demand – to fill posts as people move jobs or retire – is expected to run at six or seven times the level of new jobs.

Vacancies notified to Jobcentre Plus are predominantly in lower skilled occupations[40], with nearly half in 2012 in three categories: Elementary Administration & Service Occupations 16.8%, Caring & Personal Service Occupations 15%, and Transport and Mobile Machine Drivers & Operatives 13.5%.

[38] Census 2011 via NOMIS
[39] UKCES (2014) Working Futures 2012-22 https://www.gov.uk/government/publications/working-futures-2012-to-2022
[40] NOMIS. JCP data available only to November 2012

12. YOUNG PEOPLE IN THE LABOUR MARKET

There are high levels of participation in learning amongst 16-18 year olds in Hertfordshire (86% in full-time education, 3% in part-time education and 4% in work-based learning including Apprenticeships)[41] – in the top ten for local education authority areas.

There has been a substantial improvement in educational outcomes from below the national average to well above, with a closing of the gap for most vulnerable groups. KS4 results (5 A* to C GCSE) improved from 59% in 2004 to 84% in 2012/13[42]. Achievement by non-White ethnic groups exceeds that for the White population, especially amongst the Asian population (eg, 74.6% 5+GCSE including English and Maths compared to 65.4% for White).

There is still a considerable gap in educational attainment between pupils eligible for Free School Meals: 35.2% of those eligible for FSM attained 5+GCSE including English and Maths, 68.8% for the rest, a bigger gap than nationally (38.1% and 64.8% respectively)[43].

The percentage of 19 year olds achieving a Level 3 qualification (65%) is higher in Hertfordshire than anywhere else in the East of England[44].

The level of participation in higher education in Hertfordshire is rising and, at 44%, is well above the national average of 34%[45].

In 2012/13, 280 young people under 24 started an Apprenticeship, and a further 140 in the first half of 2013/14[46]. This level of take-up is on a par with Three Rivers share of jobs in Hertfordshire.

UK Employer Perspectives Survey data[47] suggests that 8% employers in the East of England and 10% nationally were offering Apprenticeships in 2012. The number of workplaces in South West Hertfordshire offering Apprenticeships, however, has increased by over a quarter in the past two years[48].

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[41] DfE (2014) Participation in education, training and employment, age 16 to 18 – data for 2012 https://www.gov.uk/government/publications/participation-in-education-training-and-employment-by-16-to-18-year-olds-in-england-end-2012
[42] DfE (2014) GCSE and equivalent results in England, 2012 to 2013 (revised) https://www.gov.uk/government/publications/gcse-and-equivalent-results-in-england-2012-to-2013-revised
[43] DfE: GCSE and equivalent attainment by pupil characteristics https://www.gov.uk/government/publications/gcse-and-equivalent-attainment-by-pupil-characteristics-2012-to-2013
[44] DfE: Level 2 and 3 Attainment by Young People in England Measured Using Matched Administrative Data: Attainment by Age 19 in 2012 www.gov.uk/government/collections/statistics-attainment-at-19-years SFR10/2014
[45] BIS (2013) Widening participation in Higher Education 2013 https://www.gov.uk/government/publications/widening-participation-in-higher-education-2013
[46] FE Data Library: Apprenticeships https://www.gov.uk/government/statistical-data-sets/fe-data-library-apprenticeships--2
[47] UKCES (2012) Employer Perspectives Survey – national data tables https://www.gov.uk/government/publications/employer-perspectives-survey-local-data
[48] FE Data Library: Apprenticeships https://www.gov.uk/government/statistical-data-sets/fe-data-library-apprenticeships--2

The national Employer Perspectives Survey data[49] further indicates that employers in manufacturing, construction and public services are most likely to offer Apprenticeships (c20%) compared to 8% in the primary sector, 13% in trade, accommodation and transport, and 14% in business and other services . By establishment size, nearly half (48%) employing over 100 offer Apprenticeships, falling to 23% where there are 10 to 24 employees, and 10% where there are 2 to 4. Young, growing businesses are more likely than average to offer Apprenticeships (26% compared to the average overall of 15%).

There are concerns about take-up of Apprenticeships by gender[50]. Nationally, for instance, in 2011-12, female recruits in Construction comprised 2% of all starts and in Engineering, 3%. Male recruits accounted for 7% in Child Care and 17% in Health and Social Care. Male participation in 'traditionally female' apprenticeships is rising faster than vice versa[51].

The UK Employer Skills Survey 2013[52] revealed some dissatisfaction of Hertfordshire employers who had taken on education leavers since 2011, especially around their 'lack of working world / life experience or maturity' (20% for 16 year olds, 15% for 17-18 year olds and 10% for older FE and HE leavers).

Many young people, their advisers, parents and influencers lack good information about the local economy, career and job opportunities or adequate business connections[53].

There can be a mismatch between the career ambitions of young people and employment prospects, with the risk that many young people find that their mix of qualifications and experience inhibits their ability to compete for available jobs, leading to a period of adjustment while they gain what they need for alternative employment.

Research for UKCES looking into opportunities for unemployed people to gain entry-level jobs has identified a lack of skills specific to the vacancies on offer as the primary barrier[54]. This is uniformly the case across entry-level occupations. Other missing skills vary across occupations, eg: employers hiring production workers report a lack of problem-solving and technical skills, while communication skills are highlighted in caring occupations, customer-handling and teamwork skills in service jobs, and customer-handling and communication in sales jobs. While skills that can be acquired in education (eg, IT skills, numeracy and literacy) are also important, these appear to be a less frequent cause of skills shortages than more job-specific skills. This presents an additional obstacle for young jobseekers whose lack of work experience limits their opportunities.

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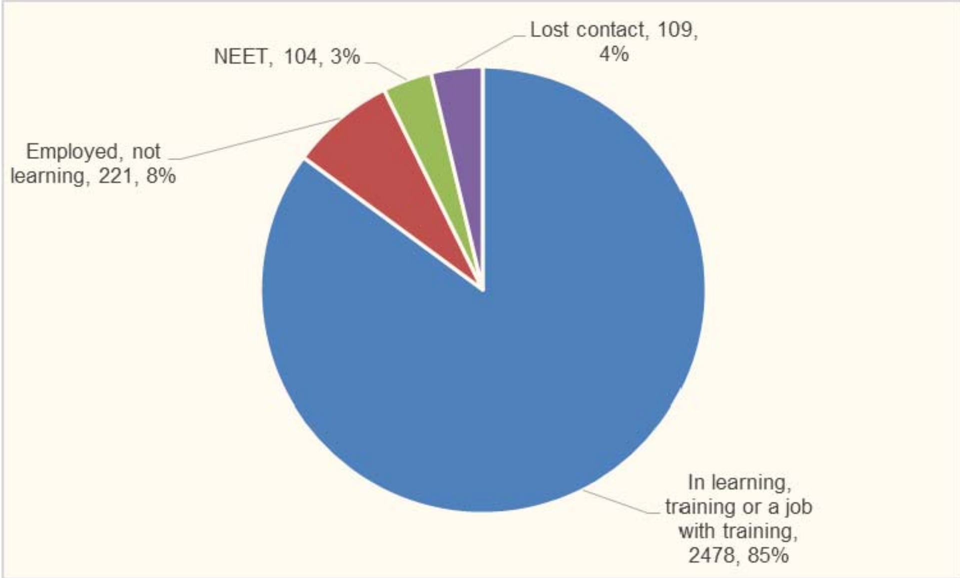
[49] UKCES (2012) Employer Perspectives Survey – national data tables https://www.gov.uk/government/publications/employer-perspectives-survey-local-data
[50] See, eg, unionlearn (2013) Under-representation by gender and race in Apprenticeships: Research summary http://www.tuc.org.uk/equality-issues/research-reveals-gender-stereotyping-apprenticeships
[51] FE Data Library: Apprenticeships https://www.gov.uk/government/statistical-data-sets/fe-data-library-apprenticeships--2
[52] UK Employer Skills Survey https://www.gov.uk/government/publications/employer-skills-survey-local-data
[53] Ofsted (2013) Going in the right direction? Careers guidance in schools from September 2012 http://www.ofsted.gov.uk/resources/going-right-direction-careers-guidance-schools-september-2012
UKCES (2013) Scaling the Youth Employment Challenge https://www.gov.uk/government/publications/scaling-the-youth-employment-challenge
[54] McIntosh, S (2013) Skills Conditionality: Preparation and Training for Entry-Level Jobs – UKCES https://www.gov.uk/government/publications/preparation-and-training-for-entry-level-jobs

NEET – Not in Education, employment or training

Across Hertfordshire there is a low rate of 16 to 18 year olds not in employment, education or training (NEET) [55], 4.1%, though there are concerns in the county that there is a mismatch between apprenticeship opportunities and the employment needs and aspirations of the current NEET group[56]. In February 2014, the comparable rate in Three Rivers was 3.7%, some 104 NEET, with a further 109 who were no longer in contact and could not be classified. The NEET rate in Three Rivers has fallen by 10% in the past year, faster than that at county level.

Figure 16 16-18 year olds in education, employment or training, or NEET



[55] NEET data by local authority https://www.gov.uk/government/publications/neet-data-by-local-authority-2012-16-to-18-year-olds-not-in-education-employment-or-training. A further 4% of young people are 'not known', also below the national average (7.5%).
[56] Hertfordshire LEP Apprenticeship Strategy 2014 http://www.hertfordshirelep.com/news/lep-launch-apprenticeship-strategy.aspx

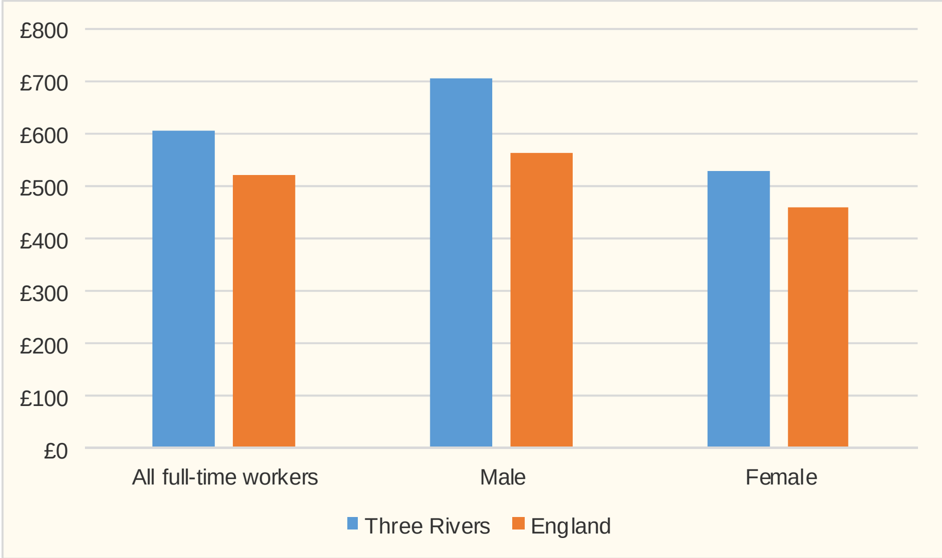
13. EARNINGS

High levels of economic output are reflected in weekly pay levels: the median for people working in Three Rivers in 2013 was £607, 17% above that for England (£521)[57]. The differential is greater for men than women, with median male full-time earnings of £705 (+26% above the national figure) and £531 (+15%) for women working full-time.

The median weekly pay for Three Rivers *residents* was higher, £631, and above the Hertfordshire figure of £610. It was 21% above the England average of £521.

The 10% lowest paid full-time residents earn £299 a week, close to the corresponding national figure of £288. Given above average living costs in Three Rivers, it follows that poorer households face greater financial challenges than many elsewhere.

Figure 17 Weekly earnings of people working in Three Rivers



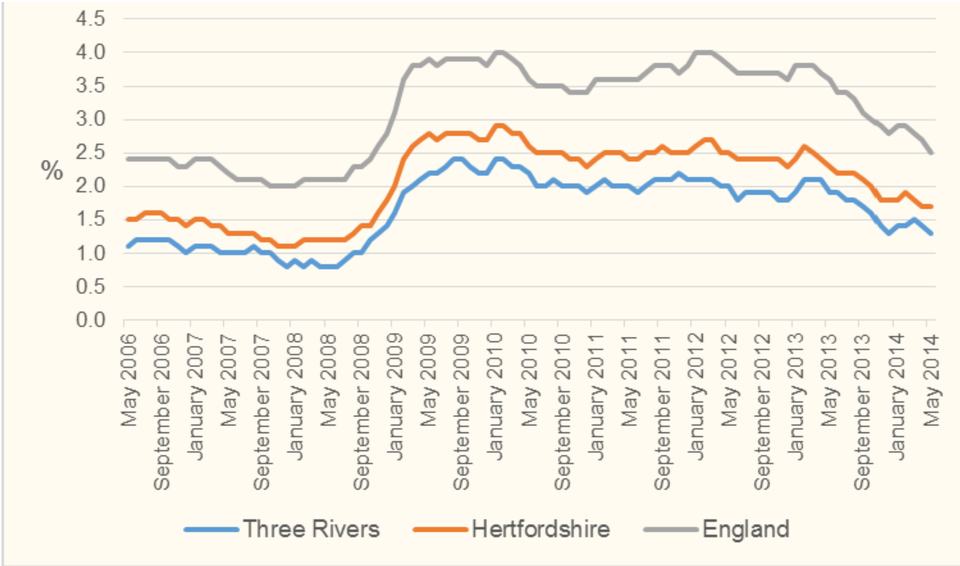
[57] Annual Survey of Hours and Earnings 2013 via NOMIS. Earnings quoted are gross.

14. UNEMPLOYMENT & WORKLESSNESS

Unemployment is lower than Hertfordshire and national levels, for all age groups. The rate based on numbers claiming Jobseekers' Allowance (JSA) was 1.4% in April 2014 (Hertfordshire, 1.7% and England, 2.7%)[58]. The Three Rivers rate fell by a third between February 2013 and February 2014. Of the total of 780, 180 (23%) had been unemployed for over a year. The rate for men is 1.8% and for women, 1%.

In common with the county and nationally, the rate in Three Rivers is highest among those aged 18 to 24 (2.8% compared to 2.9% and 5.2% respectively). This group (165 people) makes up 22% of all those on JSA in the District. This figure at one point in time understates the numbers experiencing unemployment during the course of the year: between May 2013 and April 2014, 920 18 to 24 year olds registered for JSA, while 830 came off this benefit.

Figure 18 Unemployment rate (Jobseekers Allowance)



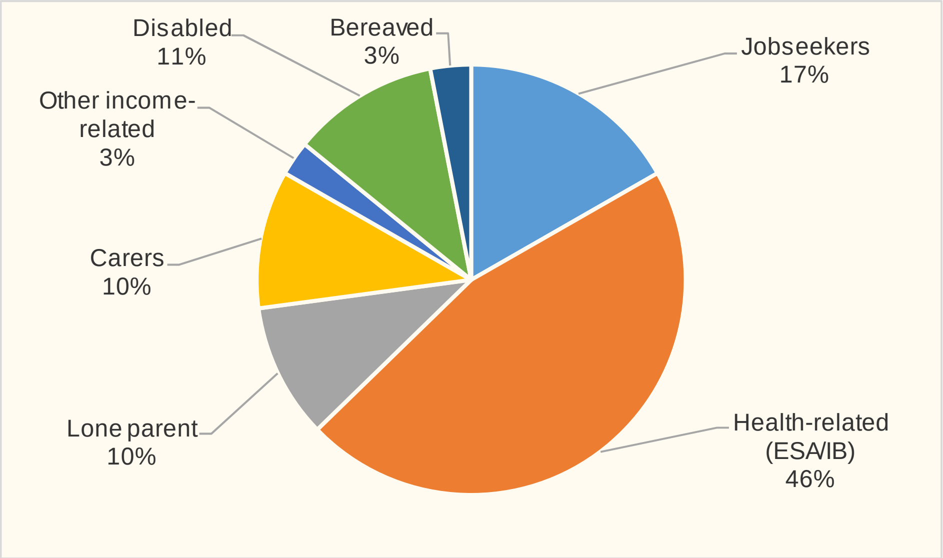
[58] NOMIS

In Three Rivers in November 2013 there were 4,230 adults on DWP working age benefits (7.6% compared to 8.8% in Hertfordshire and 13.3% nationally). Of these, 1,950 were on Employment Support Allowance (ESA) or Incapacity Benefit (IB) (a rate of 3.5%), 430 Lone Parents (0.8%), 440 Carers (0.8%), and 470 disabled (0.8%). Of those on ESA around 45% have 'mental and behavioural disorders' and 15% musculoskeletal diseases. Nationally, the employment rate for disabled people has hovered just below 50% in recent years, though appears to be around 10% higher in Hertfordshire[59].

Of those in Three Rivers on health-related benefits, one in five[60] had been for over five years and a further fifth for between two and five years. Two fifths were in their first year of their claim.

The total of 18-24 year olds on JSA *and* ESA in November 2013 was 290, some 5.6% of the age group.

Figure 19 Working age claimants by benefit type, November 2013



Census 2011 data indicates that unemployment amongst Black and mixed ethnic groups runs about double that for the rest of the population.

Estimates provided by the national Skills for Life survey in 2011 suggest that 16% of the working population in Hertfordshire have literacy skills at the standard expected of 9-11 year olds (Entry Level 3 or below) and 51% on numeracy. These are above corresponding estimates for the East of England of 12% and 45%[61].

Hertfordshire Adult and Family Learning Service (HAFLS) provides for learners who have had least opportunity or poor experience of learning in the past. Most provision is intended to lead into further learning, employment or volunteering when health, confidence and skills have improved. Some HAFLS supported 1,134 learners in Three Rivers in 2011/12, 8.3% of the Hertfordshire total[62]. At county level, 13% HAFLS learners progressed into new or improved employment and 12% into volunteering, while 32% took up further learning. Digital inclusion and pathways to employment continue to be priorities, and there is an imperative to address very low take-up by BME men. HAFLS have also been encouraged by Ofsted to do more to understand and meet the needs of local businesses, particularly around IT. HAFLS identifies a gap in provision in Rickmansworth, and their local stakeholder group identified a need for more IT provision for individual learners (especially relating to smart phones and tablets), and construction-related courses.

[59] Annual Population Survey via NOMIS
[60] DWP Tabulation Tool analysis. Proportions relate to those on ESA and Incapacity Benefit, where the latter are still of working age
[61] https://www.gov.uk/government/statistical-data-sets/2011-skills-for-life-survey-small-area-estimation-data
[62] Hertfordshire Adult and Family Learning Service Needs Analysis 2014/15 http://www.hertsdirect.org/docs/pdf/h/haflsna14-15

Some 770 Three Rivers residents have joined DWP's Work Programme[63] since July 2011, of whom 200 started during 2013. Nearly one in five, 150 have gained employment (19%, similar to the regional average). All of these were previously on Jobseekers' Allowance. No Three Rivers resident on health-related (ESA or IB) has gained employment since the launch of the Work Programme.

While the District as a whole is ranked low in terms of deprivation, there are inequalities, with three small Census areas[64] in the most deprived 10% nationally, and a further five in the next 10%. Northwick ward in South Oxhey is the most deprived in Hertfordshire, scoring low on income, barriers to education, skills and training, living environment and crime and disorder[65]. Parts of Maple Cross and Mill End also score relatively low on income, barriers to housing and services and living environment indicators.

One in five adults (20.1%, 685 people) were on working age benefits in South Oxhey (Northwick Ward) in November 2013. Some 165 were on Jobseekers' Allowance (4.8% of the working age population) and 315 (9.2%) on Employment Support Allowance.

Figure 20 Concentrations of employment disadvantage within Three Rivers

Insert map indicating these Census areas

Some 21% of all working age adults on out-of-work benefits within Three Rivers district reside in South Oxhey, and a further 12% in Oxhey Hall[66]. These proportions compare with 7% and 8% of the working age population of Three Rivers.

More rural parts of the District are also affected by barriers to housing and access to services (EXPAND).

Disclaimer: The data and analysis used in this profile is in draft format and will need to be updated/verified before being finalised.

[63] http://tabulation-tool.dwp.gov.uk/WorkProg/wp_vis.html
[64] Lower Super Output Areas
[65] CLG (2011) English indices of deprivation 2010 https://www.gov.uk/government/publications/english-indices-of-deprivation-2010
[66] NOMIS data for November 2013