

12 Rural Sector Factsheet

South East in context

With a population of just over 8 million, the South East has the largest population of all regions in the UK, with a share of UK employment of just over 14%, second only to London. The workforce in the South East contributes to 15.9% of GDP¹ in the UK, higher than all other regions with the exception of London and was the most productive region during the 1990's. 23% of the South East's working age population hold a degree level qualification or above, almost 2 percentage points more than the national average.

Analysis of the Rural sector

	SE employees					SE share of GB employment
	1-10	11-49	50-199	200+	Total	
Growing of crops, market gardening, horticulture etc	3%	11%	16%	2%	4,600	26%
Farming of animals	3%	6%	7%	6%	3,100	25%
Growing of crops combined with farming of animals	1%	2%	#%	2%	700	31%
Agricultural and animal husbandry service activities	8%	8%	4%	7%	4,000	21%
Hunting, trapping and game propagation	#%	0%	0%	0%	#	5%
Forestry and logging	7%	2%	4%	0%	1,800	17%
Fishing and the operation of fish hatcheries	1%	0%	0%	0%	100	2%
Total	3,400	4,300	4,500	2,200	14,400	21%

Figures rounded to nearest hundred employees and nearest one percent.

represents an amount below 1% or 50. Source: ABI 2002.

Employee percentages (by business size) sum to 100% for the whole sector.

- The South East makes an important contribution to the rural sector nationally, accounting for 1 in 5 jobs in the sector in the UK
- The growing of crops, market gardening and horticultural activities accounts for nearly a third of all rural employment in the South East compared a quarter of rural employment nationally. Conversely, forestry and fishing activities make up a smaller proportion of rural employment in the South East than they do nationally.
- The figures above do not include self-employment which is estimated to make up around 49 of the land-based workforce.² This varies from activity to activity. Over 80% of farmers are said to be self-employed.

Future employment in the Rural sector

	SE employees			
	1997	2002	2007*	2012*
Growing of crops, market gardening, horticulture etc	4,800	4,600	3,800	3,400
Farming of animals	3,200	3,100	2,600	2,300
Growing of crops combined with farming of animals	700	700	600	500
Agricultural and animal husbandry service activities	4,100	4,000	3,300	3,000
Hunting, trapping and game propagation	#	#	#	#
Forestry and logging	1,900	1,800	1,500	1,400
Fishing and the operation of fish hatcheries	100	100	100	100
Total	14,900	14,400	11,900	10,700

* Forecast. Source: Skills Insight / EBS Regional Planning Strategy. Figures rounded to nearest hundred.

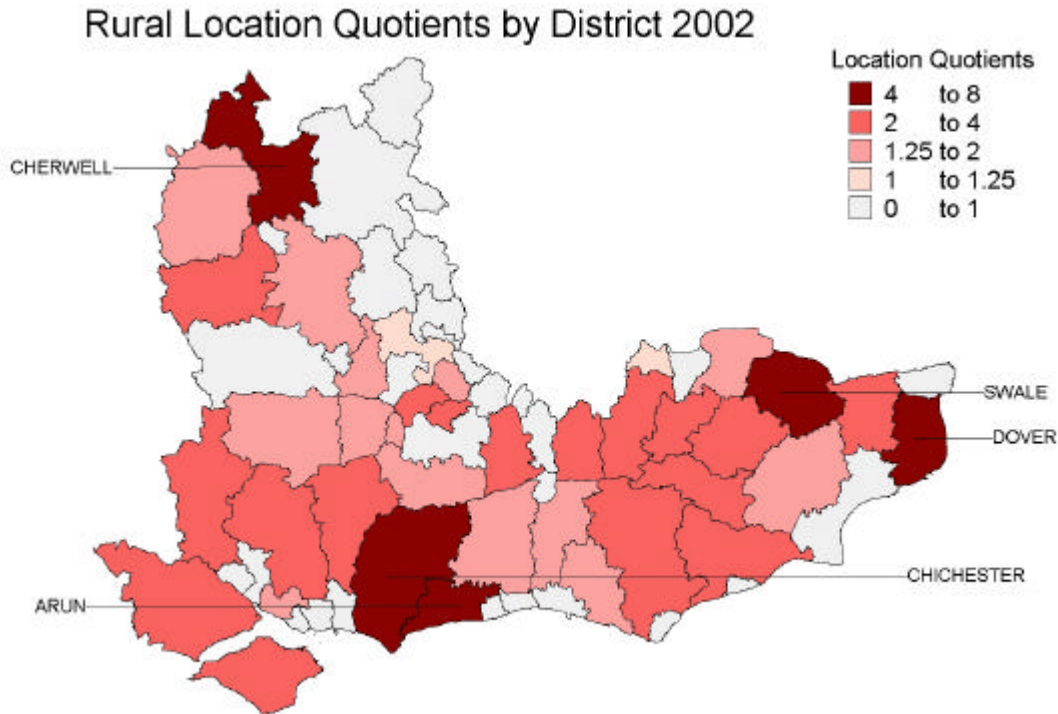
represents an amount below 50

¹ Gross Value Added (GVA) 2001 (provisional figure)

² LANTRA – Skills Foresight 2001: A Dialogue for Action

- The forecasts anticipate a steady decline in employment across all rural activities throughout the stated period. The overall forecast is for employment to fall by almost 4,000 or 26% by 2012

Concentration of businesses within the region



Source: ABI 2002, Skills Insight, © Crown Copyright. All rights reserved. License number [100040851]

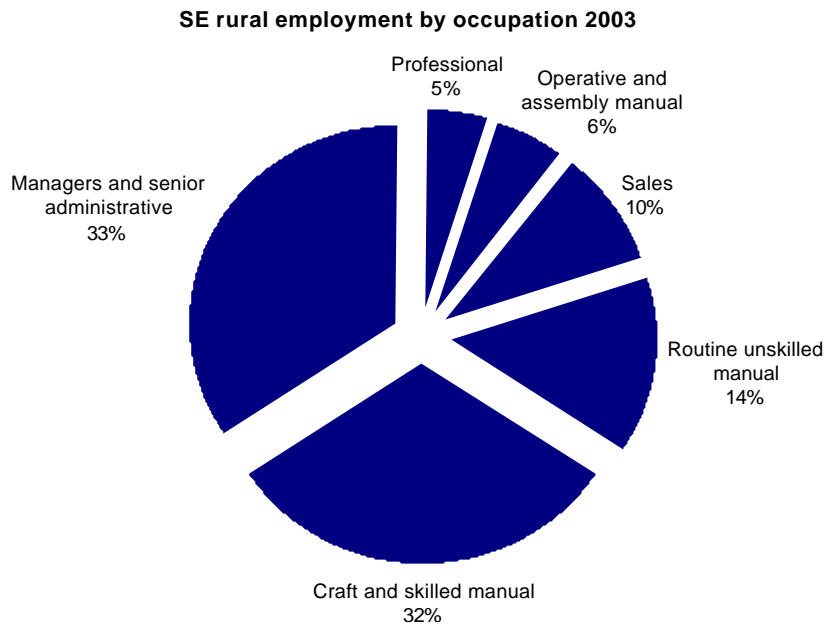
- 36 out of 67 districts have concentrations of employment greater than 25% above the national average for the rural sector. The location quotients illustrate this above, as they create an index for comparing the number of rural sector employees working in the district compared to the national average, where 1 equals the national average.
- Arun has a significant concentration of employment in both the growing of crops and the farming of animals.
- Cherwell has a significant concentration of employment in both agricultural service activities and forestry and logging activities.
- Chichester has a significant concentration of employment in both the growing of crops and agricultural service activities.
- Dover has a significant concentration of employment in the growing of crops.
- Swale has a significant concentration of employment in both the growing of crops and forestry and logging activities.

Main factors affecting competitiveness

- In Skills Insight's Business Needs / Competitiveness Survey (BNCS) in 2002/2003, the main factor affecting business competitiveness within the rural sector was rising customer expectations, with 82% of businesses being affected.
- Other factors affecting competitiveness were:
 - Legislation & regulation (81% of businesses being affected)
 - Taxation (80%)
 - Cost of living in the local area (66%)
 - Skills shortages (62%)
 - Transport Issues (60%).

- Rising customer expectations have come to the forefront in recent years, partly due to a growing interest in environmental issues within the rural sector. This has affected many rural activities, as customers demand more organic, free-range products.

Key occupations within the Rural sector



Source: Business Needs and Competitiveness Survey 2002

- The majority of employment in the sector falls between two occupations: managers and senior administrative occupations and craft and skilled manual occupations. These account for approximately two-thirds of all employment in the sector.
- The skills dialogue for land based industries also finds that these two occupations account for the majority of employment in the industry, although in different proportions. Managers account for 47% of the land-based workforce, with a further 24% accounted for by skilled trades.³ The majority of these managers are also proprietors.
- Despite around two thirds of employment in the rural sector being accounted for by managers, senior administrative roles and craft and skilled manual occupations, this figure may be slightly distorted by the high number of voluntary workers in the sector. LANTRA estimate that nationally, as many as half a million persons are involved in voluntary work in the land based sector.⁴ With employment generally on the downturn, voluntary and casual work could become more a prominent feature of the sector, especially where focused towards environmental issues.

Current key skills issues/shortages for the Rural sector

- In the 2003 LSC National Employer Skills Survey, 36% of rural businesses reported hard to fill vacancies amongst some occupations in the region.
- A wide range of skills were stated as difficult to obtain from respondent organisations reporting hard to fill vacancies. The most difficult to obtain being problem solving skills, management skills and team working skills, each with 14% of businesses with hard-to-fill vacancies indicating these as difficult to obtain.
- According to the skills dialogue on the land-based sector, 17% of all estimated businesses in the sector reported a 'skills gap' within their workforce. Skills gaps

³ It should be noted that the composition of businesses, whilst similar, is different for the rural sector and the wider land-based industries on which the skills dialogue was undertaken.

⁴ LANTRA – Skills Foresight 2001: A Dialogue for Action

were found mostly in management positions and skilled trades occupations. The most often reported skill gaps were in:

- o job specific skills,
- o management skills,
- o basic IT skills,
- o generic skills such as communication and leadership skills,
- o customer service skills

Future key skills issues/shortages for the Rural sector

Across all occupations, the demand for skills at a high and advanced level is expected to grow as follows:

	High/advanced now	High/advanced in three years	Change
General IT user skills	16%	24%	8%
Problem solving skills	47%	51%	3%
Customer handling skills	61%	65%	4%
Team working skills	64%	66%	3%
Communication skills	66%	70%	4%
Technical and practical skills	66%	69%	3%

Source: LSC, NESS 2003

- Two in three employers in the rural sector in the South East stated that high or advanced level technical and practical skills and communication skills were required to do the job now.
- The need for general user IT skills are expected to grow in demand the most over the next three years although in the future as businesses continue to modernise
- The Learning and Skills Council anticipate important future skill areas for the agriculture and farm enterprise sector to include: environmental awareness and appreciation; technical farm management; legislative compliance; cost management; customer relationships and marketing; product knowledge; quality control; traditional skills combined with modern scientific knowledge; and managing diversification, including market research.⁵

Key challenges for the Rural sector

The key challenges to emerge from the DfES skills dialogue were:

- A substantial development programme is required to correct the balance of supply and demand for workers at higher skill levels. A further 275,000 (over a quarter of the workforce) require skills at NVQ/SVQ level 3 or above.
- In agriculture, a third of the workforce is aged 55 or over.
- Better management and business skills are required, particularly for the high number of owner/managers within the sector.
- Better ICT, key skills, initiative and problem solving skills are required by all who work in the rural industries.
- CAP reform has meant that funding has moved away from production, towards environmental management, creating a need for the sector to refocus.

Key networks (employer and training provider/FE/HE networks)

- **Lantra** is the Sector Skills Council for the Environmental and Land-based sector. Within the rural sector, it concentrates on land management and production industries such as agriculture, horticulture, floristry and forestry. Lantra works to support individuals entering and progressing within the sector and businesses to meet their skills needs.
- **Napaeo**, the Association for Land based Colleges has established a training network of colleges specialising in agricultural and horticultural based learning programmes. In the South East, the member colleges are: the Berkshire College of Agriculture (Maidenhead),

⁵ Source: Skills and Education Network website – <http://senet.lsc.gov.uk/> - May 2004

Brinsbury Campus (Chichester), Hadlow College (Tonbridge), Merrist Wood (Guildford), Plumpton College (Lewes) and Sparsholt College (Winchester).

- The **England Rural Development Programme (ERDP)** is part of the government's strategy on food and farming. Its aim is to help rural sector employers become more competitive and flexible and respond better to changing consumer needs. In the South East, ERDP has introduced project-based schemes with the objective of broadening the skills base of agricultural and forestry workers to meet the modern challenges of skills issues in these sectors.
- The aim of the **Rural Business Advice and Training Network (RBAT)** is to raise the skills levels of rural businesses throughout the South East region. This will be achieved by developing and strengthening the strategic partnership of training and advice providers in the region, and by enhancing the capabilities of partnership members to act proactively, flexibly and in a co-ordinated manner in response to the skills and training demands of the region's rural sector. The project will promote the importance of training and will provide improved services to rural businesses through the provision of a centralised information service.