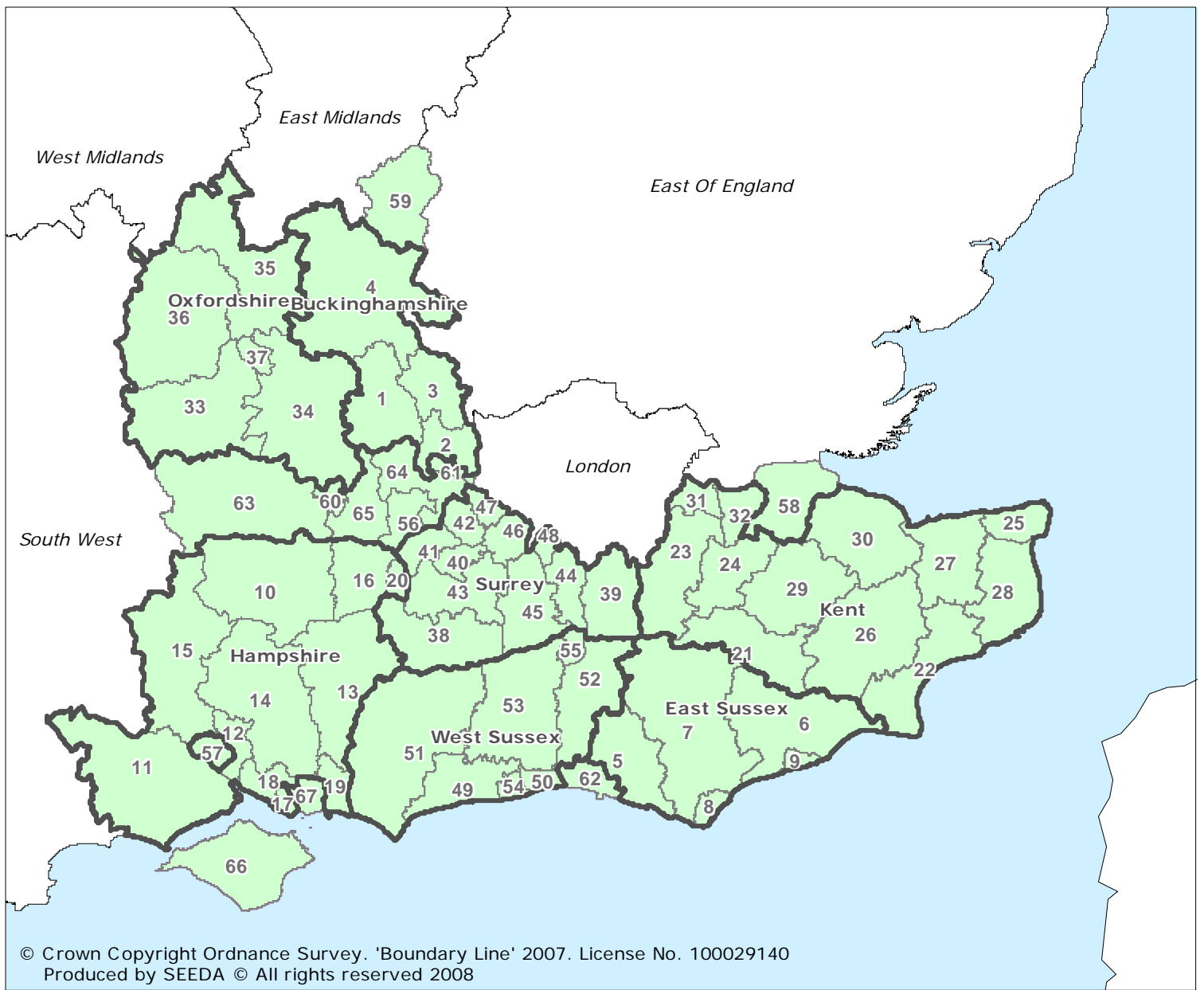


## The South East of England Profile

February 2011



- |                           |                          |                         |                           |
|---------------------------|--------------------------|-------------------------|---------------------------|
| 1 - Wycombe               | 17 - Gosport             | 34 - South Oxfordshire  | 51 - Chichester           |
| 2 - South Buckinghamshire | 18 - Fareham             | 35 - Cherwell           | 52 - Mid Sussex           |
| 3 - Chiltern              | 19 - Havant              | 36 - West Oxfordshire   | 53 - Horsham              |
| 4 - Aylesbury Vale        | 20 - Rushmoor            | 37 - Oxford             | 54 - Worthing             |
| 5 - Lewes                 | 21 - Tunbridge Wells     | 38 - Waverley           | 55 - Crawley              |
| 6 - Rother                | 22 - Shepway             | 39 - Tandridge          | 56 - Bracknell Forest     |
| 7 - Wealden               | 23 - Sevenoaks           | 40 - Woking             | 57 - Southampton          |
| 8 - Eastbourne            | 24 - Tonbridge & Malling | 41 - Surrey Heath       | 58 - Medway Towns         |
| 9 - Hastings              | 25 - Thanet              | 42 - Runnymede          | 59 - Milton Keynes        |
| 10 - Basingstoke & Deane  | 26 - Ashford             | 43 - Guildford          | 60 - Reading              |
| 11 - New Forest           | 27 - Canterbury          | 44 - Reigate & Banstead | 61 - Slough               |
| 12 - Eastleigh            | 28 - Dover               | 45 - Mole Valley        | 62 - Brighton & Hove      |
| 13 - East Hampshire       | 29 - Maidstone           | 46 - Elmbridge          | 63 - West Berkshire       |
| 14 - Winchester           | 30 - Swale               | 47 - Spelthorne         | 64 - Windsor & Maidenhead |
| 15 - Test Valley          | 31 - Dartford            | 48 - Epsom & Ewell      | 65 - Wokingham            |
| 16 - Hart                 | 32 - Gravesham           | 49 - Arun               | 66 - Isle of Wight        |
|                           | 33 - Vale of White Horse | 50 - Adur               | 67 - Portsmouth           |

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Images courtesy of SSTL, Westmil Wind Farm Co-operative and Green Marine.

## Overview

The South East covers an area of **19,000 square kilometres**. It encompasses **19 county and unitary authorities** and **55 districts**, stretching around London from Thanet in the East to the New Forest in the West and Aylesbury Vale and Milton Keynes in the North. It includes the counties of Kent, Surrey, East Sussex, West Sussex, Hampshire, Isle of Wight, Berkshire, Oxfordshire and Buckinghamshire.

The South East has the largest population of any Government region of England; more people live here than in Scotland and Wales together. According to ONS, the population of **8.4 million people** (2009) is expected to increase by more than 8% up to 2018.

With **442 people per square kilometre in 2009**, the region has the third highest average concentration of people after London and the North West. The average for England is 398 per square kilometre; for the UK as a whole, it is 255.

Although the population density in London of 4,932 people per square kilometre is more than 10 times the average for the South East, population densities in Portsmouth and Southampton do reach similar levels to London with 5,100 and 4,454 people per square kilometre respectively.

**Over 80% of the South East area is classified as rural.** However, three-quarters (78%) of the South East's population live in areas classified as urban (based on DEFRA's 2009 definition of rural and urban areas).

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## Economy

In 2009 South East residents contributed **£177 billion** to the UK economy. This was **more than 15% of the total Gross Value Added (GVA)**. This was the second highest after London (which made up 19% of the total).<sup>1</sup> Combined, these two regions accounted for over one third of the UK's total GVA. Source: ONS, December 2010.

*“South East residents contributed £177 billion to the UK economy”*

Residence-based **GVA per head of population in the South East was £22,500 in 2009**, again the second highest of any region in the country and 13% above the UK average. Source: ONS, December 2010.

Within the South East, **Berkshire, Buckinghamshire and Oxfordshire contributed 33% of regional GVA in 2008**, followed by Surrey, East and West Sussex (31%), Hampshire and the Isle of Wight (21%) and Kent (15%). Both the first two

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<sup>1</sup> Measured on a residence basis

groups of counties each generated in excess of the total GVA of the North East region. Source: ONS, December 2010.

Exports through the **South East were valued at approximately £30,708 billion worth of goods** in 2010. **This figure is the highest of all UK regions.** Source: HM Revenue and Customs, Regional Trade Statistics, December 2010.

**The region is a major gateway to the rest of the UK.** Its transport infrastructure is of national and international importance. Heathrow and Gatwick airports and the major South Coast ports, including Dover, Southampton and Portsmouth as well as the Channel Tunnel make the South East the country's natural access point to mainland Europe and the rest of the world.

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## Employment and skills

**The South East has the highest number of residents in employment out of all regions in the UK.** In November 2010 there were 4.2 million people in employment. Source: ONS, January 2011.

*The employment rate for people of working age in the South East was 75.1% in November 2010, the highest rate of any region of the UK and 5 percentage points above the UK average (70.4%). However, there are disparities across the South East. Source: ONS, January 2011.*

*Self-employment in the South East is higher than the UK average in June 2010. 13.9% of people in employment of working age were self-employed, compared to 12.8% in the UK as a whole. Source: Nomis/ONS, January 2011.*

*“Qualification levels in the South East are above average when compared to England and the rest of the UK”*

**Qualification levels in the South East are above average when compared to England and the rest of the UK,** whether measured on the proportion of population with high-level qualifications or with no or low-level qualifications.

**32.6% of the South East working age population held NVQ 4 and above or equivalent qualifications in 2009,** compared with 29.6% for England as a whole<sup>2</sup>. Furthermore, **52.6%**

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<sup>2</sup> National Vocational Qualifications (NVQs) are work-related, competence based qualifications. They reflect the skills and knowledge required to perform a job effectively, and show that a candidate is competent in the area of work the NVQ represents. NVQs are organised into five levels, based on the competencies required. In the case of NVQ4 level, the competencies are broad to allow the performance of a wide range of complex (technical or professional) work activities, moreover the job is performed with a substantial degree of personal responsibility (Learning and Skills Council, www.lsc.gov.uk). An NVQ 4 is equivalent to a degree, whilst an NVQ 3 equates to two or more A Levels.

**of the working age population held NVQ3 and above or equivalent qualifications,** compared with 48.9% for England as a whole. *Source: Nomis/ONS, January 2011.*

At 9.1%, the proportion of people of working age with no qualifications is the second lowest in the UK. *Source: Nomis/ONS, January 2011.*

The South East has a higher proportion of its resident population employed in high-skilled occupations than the country as a whole. Between July 2009 and June 2010, an estimated **18.3% of all residents in employment were employed as managers and senior officials,** the highest proportion nationally (15.6%). *Source: Nomis/ONS, January 2011.*

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## Enterprise, innovation and productivity

In 2010, there were **394,505 businesses** in the South East, the second highest number of any region in the UK<sup>3</sup>. *Source: ONS, UK Business: Activity, Size and Location – September 2010.*

*“In 2010, there were 394,505 businesses in the South East”*

**99.6% of businesses in the South East are small and medium enterprises (SMEs)** as they employ less than 250 people. In particular, **micro businesses (from 0-4 employees) account for 70% of total businesses in the South East,** small businesses (from 5 to 49 employees) for 27%, medium businesses (from 50 to 249 employees) for 3% and large

businesses (over 250 employees) for 0.4%. *Source: ONS, UK Business: Activity, Size and Location – 2010, September 2010.*

**The proportion of micro and small employee businesses in the South East is higher than the UK average,** while the proportion of medium and large businesses in the South East is smaller than the UK average. *Source: ONS, UK Business: Activity, Size and Location – 2010, September 2010.*

Businesses in the South East region are not evenly distributed across the different local authorities. **The majority of the region’s businesses operate in the high growth districts located in Berkshire and Buckinghamshire.** Indeed, **Milton Keynes, Aylesbury Vale, Wycombe, West Berkshire and Windsor and Maidenhead** have the largest number of businesses of all local authorities in the region. *Source: ONS, UK Business: Activity, Size and Location, September 2010.*

**There were a total of 36,320 business start-ups in the South East in 2009,** the second highest number after London. The number of start-ups within the South East was highest in

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<sup>3</sup> Number of local units in VAT and/or PAYE based enterprises in 2010

the county of Surrey at 6,075; the lowest was in the county of East Sussex at 2,010. *Source: ONS, Business Demography, 2010*

**Business survival rates are the highest in the South East.** Two year survival rates of VAT-registered businesses were 83.8%, compared to a UK average of 81.2% for businesses registered in 2007. Within the South East, the rate was highest in Buckinghamshire at 86%; it was highest in Kent at 82.1%. One-year survival rates were 96.3% in the South East, above the UK average of 95.5%. *Source: ONS, Business Demography, 2010.*

*“There were a total of 36,320 business start-ups in the South East in 2009, the second highest number after London.”*

**The South East total entrepreneurial activity (TEA) in 2009 stood at 6.2%.** Having increased by 0.7 percentage points between 2008 and 2009. The TEA rate for the UK was 5.8% in 2009.<sup>4</sup> *Source: Global Entrepreneurship Monitor UK, 2010.*

In 2007, **total R&D expenditure as a percentage of GVA in the South East was 2.9%**, the second highest in the country after the East of England. *Source: Business Enterprise R&D Survey and Regional Accounts, ONS, March 2010.*

**Employment in R&D carried out by businesses in the South East accounts for more than 23% of all UK employment in R&D and it is the highest in the country.** *Source: ONS, January 2009.*

The number of foreign direct investments into the South East was 160 in 2009-10 accounting for **9% of total UK foreign direct investment**. The South East is home to over **9,900 foreign-owned enterprises**, the second highest number of any region in the UK after London, and representing **15% of the total foreign-owned enterprises within the UK**. *Source: BvD, FAME, January 2011.*

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<sup>4</sup> The TEA index measures the numbers of people who are engaged in entrepreneurial activity in the UK. It comprises:

- All the people who are setting up a business by themselves or with other people as a stand-alone activity.
- All the people who are setting up a business by themselves or with other people as part of their work.
- All the people who own or run a business that has been paying salaries for more than 42 months.

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## Manufacturing in the South East

**In 2008, manufacturing accounted for 10% of the region's GVA**, compared with 12% for the UK (*Source: ONS, December 2010*). Despite a relatively low concentration of manufacturing businesses in the region, the sector retains a strategic importance both regionally and nationally.

**In 2008 the value of real manufacturing output in the South East totalled £18.4 billion, 12.2% of the total UK manufacturing output.** *Source: ONS, December 2010.*

Contributions to GVA from sub-sectors within manufacturing varied greatly. **Electrical and optical equipment forms the largest sub-sector and contributed some £3.7bn** (accounting for 20% of South East manufacturing), followed by chemicals & chemical products and pulp & paper products (both 16% of South East manufacturing). *Source: ONS, December 2010.*

**The number of employees in manufacturing in 2009 in the South East was 260,000**, a figure surpassed only by North West (329,000) and the West Midlands (279,000). *Source: Nomis/ONS, January 2011.*

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## International comparisons

The South East not only performs better than most other UK regions; it also impresses compared to European and world regions<sup>5</sup>:

**East Berkshire, Buckinghamshire and Oxfordshire have one of the highest GDP per capita in Europe (56% above the EU average)**, GVA per capita in Surrey, East and West Sussex is some 22% above the EU average. *Source: Eurostat, Regional Yearbook 2010.*

*“The unemployment rate in the South East is amongst the lowest in Europe”*

**The unemployment rate in the South East is amongst the lowest in Europe.** The gender difference in employment rates is also one of the lowest in Europe, while the employment rate of older workers (55-64 years) is among the highest. **These are signals of a relatively inclusive labour market.** *Source: Eurostat, Regional Yearbook 2010.*

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<sup>5</sup> Eurostat, Regional Yearbook 2009; Robert Huggins Associates, World Knowledge Competitiveness Index, 2008.



Patent applications to the European Patent Office per million inhabitants are among the highest in Europe. **Moreover, in 2007 Berkshire, Buckinghamshire and Oxfordshire form the leading sub-region of Europe in terms of number of people employed in high-tech knowledge intensive services, ranking 1st out of all 207 NUTS2 regions.** *Source: Eurostat, Regional Yearbook 2010.*

**In 2009, the proportion of students in upper-secondary and post-secondary non-tertiary education as a percentage of the population aged 15-24 is, together with the other UK regions, among the highest in Europe<sup>6</sup>.** Counties in the South East report some of the country's highest percentages of 25 to 64 years olds with tertiary education. *Source: Eurostat, Regional Yearbook 2010.*

**The South East ranks 74<sup>th</sup> among 145 world regions with the highest level of GDP per capita,** according to the World Knowledge Competitiveness Index<sup>7</sup>. In particular, the South East is in the top 20 regions on the index of number of managers (2<sup>nd</sup>), the index of regional employment in high-tech sectors (12<sup>th</sup>) and the index of unemployment (10<sup>th</sup>). *Source: Robert Huggins Associates, 2008.*

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## Untapped potential

Although the South East is one of the UK's most prosperous regions, there are pockets of severe deprivation. In particular, **parts of the coastal fringe of the region perform significantly below regional and national averages.** Enhancing the growth rates in these areas will contribute to the overall prosperity of the region.

The South East contains **318 Super Output Areas (SOAs)<sup>8</sup> in the most deprived 20% nationally,** more than either the East of England or the South West. **These 318 SOAs are home to more than 485,000 people.** *Source: Index of Multiple Deprivation, CLG 2007.*

There are **over 485,000 people living in the 20% most income-deprived areas; almost 320,000 live in employment-deprived areas in the South East.** *Source: Index of Multiple Deprivation, CLG 2007.*

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<sup>6</sup> "Upper secondary education usually begins at the end of full-time compulsory education and typically requires nine years or more of full-time education (since the beginning of primary level) for admission. General upper secondary education includes school programmes which, upon successful completion, would normally give access to university-level programmes. Post-secondary non-tertiary education (ISCED level 4) covers programmes which are beyond the boundary of upper secondary education but are not considered university level. Often they are more advanced technical and vocational programmes for teacher training or the medical professions and/or commerce and marketing programmes." Eurostat, Statistical Yearbook 2007, p. 138.

<sup>7</sup> World Knowledge Competitiveness Index (Centre of international Competitiveness, Cardiff Metropolitan University) is a composite measure of the knowledge economies of the world's leading regions. Some of the main variables included in the index are: Economic Activity Rate, Employment in a number of selected high-tech sectors, Expenditure in R&D, Labour Productivity and Internet Hosts.

<sup>8</sup> Super Output Areas (SOAs) are aggregations of Output Areas and form part of the NeSS geography hierarchy. They are not generally subject to boundary change and within each layer of the hierarchy, the SOAs are reasonably consistent in terms of size of population.

**Over 240,000 children in the South East (15% of the total) live in income-deprived households**, more than in the North East (122,500), South West (154,200), East Midlands (158,900), East of England (179,900) and Yorkshire & Humber (224,800). *Source: The English Indices of Deprivation, CLG 2007.*

**Over 230,000 older people<sup>9</sup> in the South East (13% of the total of older people) live in income-deprived households**, more than in the North East (131,200), East Midlands (161,400), East of England (185,200), South West (188,200) and Yorkshire & Humber (217,900). *Source: The English Indices of Deprivation, CLG 2007.*

Although figures are **better than in** the North West, London and West Midlands, **in 2009, 488,100 people of working age in the South East had no qualifications**. *Source: Nomis/ONS, January 2011.*

*“Over 230,000 older people in the South East live in income-deprived households, more than in most other UK regions”*

**Between July 2009 and June 2010, there were 264,400 ILO<sup>10</sup> unemployed people in the South East**, more than any other region in the UK apart from London and the North West. *Source: Nomis/ONS, January 2011.*

In the South East **there were 1,119,400 people of working age economically inactive** in 2009/10, **26% of them declared that they wanted a job**. *Source: Nomis/ONS, January 2011.*

**In December 2010, 131.6 people over the age of 16 claimed income (claimant count) support in the region**. In absolute terms, this is more than in Yorkshire & Humber (144.3), East of England (107.3), Wales (71.0), East Midlands (96.7), and *South West (81.7)*. *Source: Nomis/ONS.*

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## Transport and infrastructure

Together, the South East and London form the nation's principal gateway to Europe and the rest of the world. **After London, South East airports reported the highest number of**

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<sup>9</sup> People aged 60 and over.

<sup>10</sup> International Labour Organisation (ILO) unemployment is the Government's preferred measure of unemployment, since it includes those people actively seeking work, whether claiming benefit or not.

**passengers (34.2 million) in the UK** in 2009. This is a 9.6% increase on ten years previous.

*Source: Civil Aviation Authority, October 2010.*

**People in the South East travel further than in most other regions:** 7,673 miles per person per year against the Great Britain average of 6,848 miles per year in 2008/09. *Source:*

*Department for Transport, September 2010.*

In 2009 the South East region had **the largest share of traffic on all roads in Great Britain.** The vehicle flow is the highest in Great Britain (5,000 vehicles per day compared with a Great Britain average of 3,500). *Source: Department for Transport, June 2010.*

*“After London, the South East reported the highest number of destination passengers to the UK in 2009”*

Between October and December 2009, **73% of residents in the South East**

**travelled to work by car.** The South East has the highest percentage of adults who hold a driving licence of any region and the second highest number of cars per household behind the East Midlands. *Source: Department for Transport, September 2010.*

Moreover, **road traffic in the South East is expected to increase by over 25% by 2025, compared to 2003.** *Source: Department for Transport, March 2010.*

In spite of the high and increasing level of vehicle flows, both **the total number of casualties on South East roads has decreased by 27.5% over the last ten years.** *Source: Department for Transport, October 2010.*

**Seaports are important to the South East as an international gateway.** Dover, Portsmouth, and Ramsgate together account for 63% of foreign and domestic passenger traffic at GB ports in 2009. Almost **88 million freight tonnes passed through South East ports in 2009, the highest amount recorded for all UK ports.** *Source: Department for Transport, October 2010.*

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## Housing

Average **house prices in the South East have risen by almost 200% since the end of 1995**, from £70,474 to £208,799 in December 2010 (Q4). However, similarly to the rest of the UK, **house prices in the region have fallen since the beginning of 2008.** House prices in the South East are some **8.8% below their peak in 2007.** *Source: Land Registry, House Price Index, January 2011.*

At sub-regional level, **Surrey is the most expensive county in the UK, with an average house price of £298,106 in December 2010.** *Source: Land Registry, House Price Index, January 2011.*

**“At £208,799 the average house price in the South East is 27% above the UK average”**

In 2010, **six of the ten most expensive streets in the South East are in Surrey.** These include Woodland Road West in Virginia Water (£2,770,000), Blackhill in Esher (£2,666,000) and Moles Hill in Leatherhead (£2,591,000). Philippines Shaw in Sevenoaks is the most expensive street in Kent (£2,352,000). *Source: Lloyds TSB, January 2011.*

**Over the decade to December 2010, house prices in the South East have risen by 73%. At £208,799 the average house price in the South East is 27% above the England and Wales average of £163,814.** In Surrey, West Sussex, Berkshire, Oxfordshire, Hampshire and Buckinghamshire, house prices are above the South East average. *Source: Land Registry, House Price Index, January 2011.*

The South East contains **8,900 hectares of previously developed land which is unused or could become available for redevelopment**, the highest quantity in England after the North West; 19.5% of the total has been judged as suitable for employment land and 18% as suitable for housing. *Source: CLG, 2008.*

The **South East is the fourth most deprived region in England in the Housing and Services domain**, as measured by the Index of Multiple Deprivation (IMD).<sup>11</sup> *Source: Local knowledge on the basis of IMD 2007.*

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## Environmental resources and quality of life

The environment in the South East is an important asset. **Over 47% of the region is protected by some form of conservation designation.**

Designated **Areas of Outstanding Natural Beauty (AONB)** form one third of the region – and nearly one third of all AONBs in England. Another **16% of land is designated Green Belt.** There are 72 km of designated **heritage coast.** *Source: Environment Agency, 2008.*

The South East is the **most wooded** of Northern Europe: **over 14% of the region is covered by woodland, which includes nearly 40% of England's total ancient woodlands.** Furthermore, one third of England's meadows and lowland heaths are found in the South East. There are over **700 Sites of Special Scientific Interest** (out of a total of

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<sup>11</sup> Measured as average score of the regional Super Output Areas.

4,000 in England) in the South East, as well as **approximately 93,000 designated historic buildings, sites and areas**. *Source: Environment Agency, 2008.*

The **percentage of household waste recycled or composted in the South East is amongst the highest of all UK regions at 40%**. Total household waste generated within the South East equals 467 kilograms per person in 2009/2010. *Source: DEFRA, 2011.*

**Bathing-water quality in the South East has improved**, measured against the EU Bathing Water Directive; river-water quality has improved significantly over the last decade. *Source: Environment Agency, 2007.*

The **percentage of children living in poverty in the South East is 15%, 7 percentage points lower than the national average**. The percentage of **pensioners living in poverty** is 19%, 3 percentage points below the national average.<sup>12</sup> *Source: DWP, 2009.*

*“Fifteen of the top 20 local authorities with the highest quality of life are located within the South East”*

**Fifteen of the top 20 local authorities with the highest quality of life are located within the South East**, with Elmbridge in Surrey ranking as number one for the third consecutive year. *Source: Halifax, December 2010.*

There is **high life-satisfaction** in the South East: 90.1% of people living in the South East are satisfied or very satisfied with their local area, 3.1% above the English average and ranked second among the nine English regions. *Source: Defra, 2009.*

As perceived by its population, the main strengths of the South East compared to other regions in England are: **low unemployment/strong economy, proximity to London, links to Europe, attractive countryside, pleasant environment, coastline / beaches, good weather / climate and local airports**. *Source: MORI / South East England Regional Assembly, 2006.*

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<sup>12</sup> Defined as those households whose income is below 60% of the median income, before housing costs.

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