

TECHNICAL APPENDICES A – G

APPENDIX A Knowledge based industries¹ and creative industries² codes from UK Standard Industrial Classification of Economic Activities 2003 – SIC (2003)

Knowledge based manufacturing (8)	Creative industries (24)	
2441: Manufacture of pharmaceutical products	2211: Publishing of books	
2442: Manufacture of pharmaceutical preparations	2212: Publishing of newspapers	
3001: Manufacture of office machinery	2213: Publishing of journals and periodicals	
3002: Manufacture of computers etc	2214: Publishing of sound recordings	50%
3210: Manufacture of electronic valves etc	2215: Other publishing	25%
3220: Manufacture of TV/radio transmitters etc	2231: Reproduction of sound recording	25%
3230: Manufacture of TV/radio receivers etc	2232: Reproduction of video recording	25%
3520: Manufacture of aircraft and spacecraft	2233: Reproduction of computer media	5%
	5248: Other retail sale: specialised stores	5%
Knowledge based services (28)	5250: Retail sale: second-hand goods in stores	25%
6420: Telecommunications	7220: Software consultancy and supply	
6511: Central banking	7420: Architectural/engineering activities	25%
6512: Other monetary intermediation	7440: Advertising	2.5%
6521: Financial leasing	7481: Photographic activities	
6522: Other credit granting	7484: Other business activities nec	
6523: Other financial intermediation nec	9211: Motion picture and video production	
6601: Life insurance	9212: Motion picture and video distribution	
6602: Pension funding	9213: Motion picture projection	
6603: Non-life insurance	9220: Radio and television activities	50%
6711: Administration of financial markets	9231: Artistic and literary creation and interpretation	50%
6712: Security broking and fund management	9232: Operation of arts facilities	
7210: Hardware consultancy	9234: Other entertainment activities nec	
7220: Software consultancy and supply	9240: News agency activities	
7230: Data processing	9272: Other recreational activities nec	
7240: Data base activities		
7250: Maintenance/repair: office machinery etc		
7260: Other computer related activities		
7310: Research: natural sciences/engineering		
7320: Research: social sciences/humanities		
7411: Legal activities		
7412: Accounting/book-keeping activities etc		
7413: Market research/public opinion polling		
7414: Business/management consultancy activities		
7415: Management activities: holding companies		
7420: Architectural/engineering activities		
7430: Technical testing and analysis		
7440: Advertising		
7460: Investigation and security activities		

The elements of knowledge based industries and creative industries overlap in three areas, i.e. software consultancy and supply, architectural/engineering activities and advertising. The reason for this comes from different sources of definitions.

¹ Ian Bridges, Portsmouth City Council, based on the OECD definition

² Creative Industries: Mapping Document by CITF, Department for Culture, Media and Sport 1998; website: <http://www.culture.gov.uk/NR/rdonlyres/efssmxvvg3zehj4b3ih3qjcb3cy6l7edg5zv53ivuofk5y13a3pg4sw5pm4qptbberitsidv6tbwy4iynwcm6eb77a/CreativeIndustrieseconomicestimatesJuly04.pdf>

APPENDIX B Tables 1-5 Knowledge economy statistics

Table 1 Comparison of knowledge based manufacturing and services in 2002

	High tech manufacturing		Knowledge based services	
	number	% of all employees	number	% of all employees
Southampton	700	0.59	17,600	15.50
Portsmouth	2000	1.92	9,300	9.05
Hampshire	13,200	2.54	66,100	12.74
South East	54,400	1.48	532,200	14.49
Great Britain	290,400	1.14	3,044,600	11.92

Source: Knowledge based manufacturing and services, ABI, NOMIS, 2004; the numbers are rounded to the nearest 100

Table 2 Southampton knowledge based manufacturing and services in 1998-2002

	High tech manufacturing		Knowledge based services	
	number	% of all employees	number	% of all employees
1998	900	0.82	16,200	15.19
1999	700	0.62	16,200	15.23
2000	600	0.52	17,600	16.32
2001	600	0.51	17,900	16.74
2002	700	0.59	17,600	15.50
Change	-200	-24.78	1400	8.66

Source: Knowledge based manufacturing and services, ABI, NOMIS, 2004; the numbers are rounded to the nearest 100 so may not show the exact percentages

Table 3 Comparison of creative industries in 1998 and 2002

	Creative industries 1998		Creative industries 2002	
	number	% of all employees	number	% of all employees
Southampton	2,800	2.49	3,600	3.04
Portsmouth	1,300	1.32	2,100	2.03
Hampshire	15,300	3.07	18,800	3.61
South East	140,100	4.09	157,300	4.28
Great Britain	730,300	3.00	840,200	3.29

Source: Creative industries, ABI, NOMIS, 2004; the numbers are rounded to the nearest 100

Table 4 Share of selected creative industries in the total employment that employ the highest number of people in Southampton in 1998 and 2002

	% of total employment in Southampton	
	% 1998	% 2002
Publishing of newspapers	0.27	0.42
Software consultancy and supply	0.38	0.37
Architectural/engineering activities	0.23	0.38
Advertising	0.35	0.40
Radio and television activities	0.49	0.53
Artistic and literary creation etc	0.23	0.27

Source: Creative industries, ABI, NOMIS, 2004

Table 5 Comparison of the number of data units³ within the knowledge economy in 1998-2002

	Data units within the knowledge economy		
	number 1998	number 2002	% rate
Southampton	1,304	1,544	118.40
Portsmouth	977	1,099	112.49
Hampshire	9,898	12,266	123.92
South East	66,972	82,843	123.70
Great Britain	390,184	461,756	118.34

Source: Knowledge based and creative industries, ABI, NOMIS, 2005

³ The data units do not readily correspond to the commonly used terms firms, companies or businesses by which employers are sometimes identified. They are roughly equivalent to workplaces but because of the way the data is collected two or more units can be present in the same workplace.

APPENDIX C Tables 6-8 Gross Value Added statistics

Table 6 GVA at current basic prices (£ million) 1995-2001

	1995	1996	1997	1998	1999	2000	2001	change	%rate
Southampton	2 701	2 860	3 052	3 232	3 332	3 333	3 415	714	26
Portsmouth	2 165	2 308	248	2 639	2 752	2 817	2 955	790	36
Hampshire and Isle of Wight	18 173	19 257	20 606	22 090	23 241	23 924	25 019	6 846	38
South East	87 672	93 024	99 983	108 591	116 329	121 156	127 377	39 705	45
UK	639 908	679 620	720 692	762 363	796 273	838 065	874 227	234 319	37

Source: Regional Trends No.38, National Statistics, ONS 2004

Table 7 GVA per head at current basic prices (£) 1995-2001

	1995	1996	1997	1998	1999	2000	2001	change	%rate
Southampton	12 691	13 326	14 179	15 003	15 390	15 386	15 542	2 851	22
Portsmouth	11 534	12 274	13 200	14 083	14 783	15 114	15 698	4 164	36
Hampshire and Isle of Wight	10 507	11 064	11 779	12 575	13 158	13 511	14 070	3 563	34
South East	11 292	11 918	12 725	13 761	14 623	15 178	15 908	4 616	41
UK	11 047	11 709	12 390	13 075	13 616	14 291	14 852	3 805	34

Source: Regional Trends No.38, National Statistics, ONS 2004

Table 8 GVA values for the knowledge based services and creative industries (£)

	Knowledge based services			Creative industries		
	1998	2002	%rate	1998	2002	%rate
Southampton	441,293	427,441	97	293,599	196,911	67
Portsmouth	178,767	389,157	218	120,244	170,334	142
Hampshire	1,646,284	2,425,208	147	1,097,023	1,624,836	148
London	28,286,793	36,765,897	130	21,915,317	28,990,756	132
South East	15,915,378	20,439,096	128	10,585,912	13,719,128	130
Great Britain	80,762,990	97,275,459	120	55,205,908	74,836,952	136

Source: Gross Value Added, ABI, NOMIS, 2004

APPENDIX D Tables 9-10 Local population statistics – qualifications and wages

Table 9 NVQ for the Southampton working age population (%) Mar 1999-Feb 2004

	NVQ4+	NVQ3	Trade apprentice.	NVQ2	NVQ1	Other qualif.	No qualif.
Mar99-Feb00	23.0	14.6	7.8	10.5	19.6	7.0	17.5
Mar00-Feb01	20.7	17.4	7.1	13.5	16.0	6.5	17.6
Mar01-Feb02	23.7	17.9	7.4	14.3	16.2	6.3	14.1
Mar02-Feb03	23.4	18.4	6.4	13.9	17.5	8.4	12.1
Mar03-Feb04	23.6	18.1	5.7	14.9	17.6	7.7	12.3

Source: Qualifications, Local Area Labour Force Survey, NOMIS, 2005

Table 10 Comparison of gross weekly wages for both full and part-time workers on a workplace and residence base in 2003 (£)

	Workplace base			Residence base		
	Total	Male	Female	Total	Male	Female
Southampton	397.60	533.98	262.17	348.70	432.62	248.97
Portsmouth	404.98	502.00	306.81	359.33	425.31	279.66
Hampshire	404.80	521.27	282.59	430.01	575.98	291.05
South East	414.10	525.40	301.83	445.68	569.13	315.94
Great Britain	394.75	492.62	293.33	394.75	492.62	293.33

Source: Gross weekly wages, New Earnings Survey, NOMIS 2003

APPENDIX E Table 11

Table 11 Networks and organisations that influence the local knowledge economy

NETWORKS	
Business Link Wessex (BLW)	Supports initiatives to nurture high technology business via its technology counsellors, the Virtual Company initiative, support for sector and cluster development via sponsorships and other initiatives, e.g. MareNet; in 2005 is to deliver business advice and information across Hampshire, Dorset and the Isle of Wight
Partnership for Urban South Hampshire (PUSH) 11 local authorities	The authorities are seeking an economic growth target of at least three per cent a year and to reverse South Hampshire's relatively poor economic performance which is below the regional average.
South East England Development Agency (SEEDA)	Main areas of activity are: competitive businesses, successful people, vibrant communities, effective infrastructure and sustainable use of natural resources; focuses on improving competitiveness through nurturing the knowledge economy; the key sponsor of the Southampton Enterprise Hub
Southampton Partnership (SP)	The aim is to improve the overall quality of life. Involves different institutions and organisations in the redevelopment of the city. Its strategic document the Community Strategy includes targets to develop the knowledge economy. SP is responsible for preparing the AIF.
Area Investment Framework (AIF)	SEEDA's Regional Economic Framework funds for 5-10 year projects Independent source of business advice for established, developed and grown businesses

Southampton Business Support Network (SBSN)	Delivers services to business start-up and established businesses, a network of business advice and information organisations, including these with a specific remit for knowledge-based businesses, e.g. Centre for Enterprise and Innovation
Southampton and Fareham Chamber of Commerce and Industry	Represent the business community to local and central government
Wessex Round Table of Inventors (WRTI)	A catalyst for ideas and a forum for like-minded individuals to meet and share views; committed to stimulate, encourage and promote the development of members' innovative new invention ideas, concepts and/or products
Wired Wessex	Offers support for small businesses in the media and ICT sectors; encourages networking, broadband connectivity and the provision of services and support to IT, new media and e-commerce initiatives

Source: Own analysis

APPENDIX F DTZ Pieda Consulting Audit of Economic Drivers and Growth for Urban South Hampshire – selected recommendations

AREA	RECOMMENDATIONS
The Quality of the Business Infrastructure	<p>A need to improve the current business support mechanisms that are demand led and that contribute to increasing levels of enterprise and growing businesses</p> <p>Promote business networks to help with information and knowledge transfer by identifying cluster/sector groups and promoting networking events and opportunities</p> <p>Proactively assist the relationships of the business community and educational sector in collaborating in knowledge transfer programmes</p> <p>Technological connectivity such as high bandwidth broadband telecommunications infrastructure should be provided for business operations by more than one supplier</p> <p>Provide place marketing and business investment support</p>
The Level of Strategic Accessibility	<p>Upgrade the road network within South Hampshire in order to facilitate movement throughout the sub-region and avoid heavy congestion at peak periods</p> <p>Assure that train journey times are as short as possible from the sub-region to London</p> <p>Improve access to Heathrow is an important driver of growth in business services, both for road and rail</p> <p>Investigate the feasibility of further expansion of Southampton airport</p> <p>Improve transport within the sub-region to cope with the expected increase in population and to improve social inclusion</p>
Quality of Life	<p>Reinforce and develop the quality of life across the whole sub-region of South Hampshire</p> <p>Positively reinforce the economic drivers which have underpinned the growth in Distribution, Hotels and Catering as proxy for retail, tourism and leisure</p> <p>Develop critical mass in Portsmouth and Southampton</p> <p>Ensure that those suffering job losses as a result of decline in manufacturing can be retrained in order to move into other activities</p>

Source: Partnership for Urban South Hampshire, Economic Drivers and Growth, DTZ Pieda Consulting, March 2005

**APPENDIX G Local Futures Group Audit of the Knowledge Economy in South Hampshire
– recommendations and areas for further research**

AREA	RECOMMENDATIONS
Urban-rural drivers of the knowledge economy	<p>Emphasise urban and rural drivers, and business relationships between different parts of South Hampshire, London, the Thames Valley and Surrey</p> <p>Learning from growing European sub-regions or city-regions, such as Berlin, Hamburg and Stockholm, with similar economic and social profiles as south Hampshire is competing with other parts of Europe rather than the north or midlands of the UK</p>
Exploiting the sub-region's 'knowledge assets'	<p>Develop a South Hampshire programme that promotes business' links with public and private sector research centres with a series of events to disseminate these links, e.g. building on the 'Festival of Innovation' in Portsmouth</p> <p>Research the commercial usage of these facilities from the processes of engagement with businesses to tailoring research capabilities to a specific need of the private sector</p>
Stimulating a more diverse knowledge economy	<p>Limit further losses of the knowledge-intensive manufacturing through a thorough appraisal of perceptions of South Hampshire as a place to do business</p> <p>Support the creative industries, which has implications for the kind of business support</p> <p>Develop a South Hampshire business network programme with key partners, e.g. the incubation centres of the Solent Enterprise Hub and the Local Chambers of Commerce and Business Link</p> <p>Develop and fund a package of service sector skills support to help attract firms to the region and grow existing firms, including management, customer care and finance short courses, etc</p>
Public sector levers	<p>The public sector has a series of levers over the wider economy, such as:</p> <ul style="list-style-type: none"> Recruitment Procurement Monitoring and evidence Facilitating knowledge exchange between local businesses
Skills deprivation in coastal and urban areas	<p>Develop a South Hampshire strategy to support local community groups to develop innovative approaches to learning</p> <p>Coordinate a network of South Hampshire Skills Champions to encourage people from within their own group to engage in learning</p>
Transport, connectivity and quality of life	<p>Develop a South Hampshire marketing offer for the sub-region, emphasising the quality attractors in urban, rural and coastal areas as part of a package of support and promotion to attract inward investment and retain existing jobs in the sub-region</p>

Source: Knowledge Economy Audit for South Hampshire, Local Futures Group, March 2005