

Welcome to the thirty sixth edition of the quarterly economic bulletin for Gloucestershire, produced jointly by the Gloucestershire Labour Market Information Unit (GLMIU) and Gloucestershire First.

The bulletin aims to provide a reference source of economic statistics and business news to key players in the local economy.

In this issue:

- **Apprenticeships are good for business**
- **Back to Work project**
- **Going for Gold**
- **Be *Inform*-ed**
- **South West RDA's news**

Apprenticeships are good for business

Creating and maintaining a skilled workforce is a challenge faced by many businesses large and small across the UK today. It can be especially problematic in times of recession where employers are faced with the costs of not only recruiting and retaining suitably qualified staff, but also providing the right ongoing training so that their business remains competitive.

Increasingly, employers are turning to Apprenticeships to help provide the right skills development, not only to new employees but also to existing staff. There has been a large growth in Apprenticeships over the last 10 years and they are no longer the preserve of sectors such as plumbing, mechanics or hairdressing. There are now over 190 Apprenticeships available in 80 different industries covering a huge range of job roles and sectors.

Such is the popularity of the opportunity to 'earn and learn' that Apprenticeships are becoming more and more popular with young people who may otherwise have chosen a more traditional route through college and university. There are many examples in Gloucestershire of former apprentices now leading businesses across the County.

Apprenticeships are designed to be flexible around business needs. The majority of training takes place 'on the job', with the rest taking place at local colleges or training provider. If in-house training fits better with an employer's needs, this may also be available.

As well as representing a great return on investment, many employers are not aware that in most cases funding is available to help with training costs for apprentices – 100% if the apprentice is aged 16 to 18.

A new dedicated Employer Services team within the National Apprenticeship Service (NAS) means that managing the process is even easier, with support being provided from first enquiry to completion. The National Apprenticeship vacancies service enables employers to advertise their vacancies online at www.apprenticeships.org.uk as well as giving them the opportunity of finding high calibre candidates who match their criteria.

Local company Johnston Scotia Ltd, based in Bredon, has traditionally used apprentices in the heating and plumbing side of the business but until recently had not realised how the variety of frameworks could support other areas of their organisation.

Managing Director Scott Johnston said: *"In addition to our heating and plumbing business, we run a small but very successful call centre from our premises in Bredon - managing contracts for a number of blue chip companies. As an organisation we strive to offer extremely high standards of customer service and until recently have provided all of that training ourselves. Our Operations Manager Michelle Williams did this in addition to her 'day job' of managing the call centre.*



(Continued on page 2)

Key Gloucestershire Statistics:

▲ indicates an increase from the previous period.
▼ indicates a decrease from the previous period.
► indicates no change from the previous period.

Population (2008 mid-year estimates)	582,600 ►
Working age population (2008 mid-year estimates)	348,700 ▼
Economically active population (Working age people) (APS Jul'08-Jun'09)	286,200 ▼
Economic activity rate (Working age people) (APS Jul'08-Jun'09)	82% ▼
Total employees in employment (ABI 2008)	254,300 ▼
Employment in Manufacturing (ABI 2008)	35,700 ▼
Number unemployed (Claimant count Dec '09)	11,400 ▼
Gloucestershire unemployment rate (Claimant count Dec '09)	3.3% ▼
Cheltenham unemployment rate	3.8% ▼
Cotswold unemployment rate	2.1% ▼
Forest of Dean unemployment rate	3.2% ▼
Gloucester unemployment rate	4.3% ▼
Stroud unemployment rate	2.8% ▼
Tewkesbury unemployment rate	2.7% ▼
Annual Gross Value Added (Current basic prices, 2007)	£11.6bn ▲
GVA per head (Current basic prices, 2007)	£19,831 ▲
Average weekly Earnings - Resident based (Full time, gross, median) (ASHE 2009)	£481 ▲

(Continued from page 1)

2

"Gina Johnson from the NAS came to talk to us about recruiting a new heating and plumbing apprentice and told us about the wide range of other Apprenticeships that are now available. After speaking to Michelle and meeting the staff she suggested that this might be a way of training our existing call centre and office staff and arranged for a local training provider to talk us through how it would work."

Michelle Williams added: *"We now have four of our existing staff signed up on Business Administration or Customer Service courses. All of the training is being delivered in-house which is good for the business because it means there is limited down-time. In addition we are currently advertising for a technical assistant role, also using an Apprenticeship and we are using Apprenticeship vacancies to advertise that vacancy completely free of charge."*

"Our staff are our most important asset and we believe that offering structured training through the Apprenticeship programme will increase their job satisfaction and self-esteem and ultimately leads to an even better service for our customers."

When times are tough investing in training may drop to the bottom of the list, but in fact businesses that do retain a focus on training their staff are far more likely to survive a downturn than those that don't. Today's Apprenticeship programme offers a flexible, responsive and cost effective way of ensuring that organisations have a skilled and motivated workforce. This has a real impact on businesses, ensuring they are not only well prepared to weather the current economic climate but are in the best possible position to take advantage of the recovery.

A recent You Gov survey, commissioned by the NAS, revealed that 90 per cent of people in Gloucestershire are more likely to use a business if it offers Apprenticeships to young people.

The research asked a sample of consumers in the area what factors they considered when buying products or services. It found that people are just as keen to buy from a company that supports young people by employing an apprentice as they are from a firm that has fair trade agreements with its suppliers (96 per cent), or one that has strong environmental credentials (89 per cent).

As well as highlighting the potential business benefits of employing an apprentice, the research also shows local consumers' resounding support for young job seekers in today's economic climate with 94 per cent of people in the South West stating that they think it is important for companies to take on apprentices during the recession.

John Chudley, Regional Director for the National Apprenticeship Service, said: *"These results prove that there are definite business advantages for companies in Gloucestershire that take on apprentices as part of their workforce. In the current economic climate, businesses want to stand out from the crowd and offering Apprenticeships is one way of doing this."*

"When it comes to buying products or services, it's great that supporting young people is just as important to the area's consumers as is environmental and fair trade credentials. But this isn't the only benefit that hiring an apprentice can bring to a business. We know from previous research that 80 per cent of employers agree that apprentices make their workplace more productive."

To find out more about Apprenticeships, visit www.apprenticeships.org.uk or contact Gina Johnson direct on: 07917 2324751 or gina.johnson@apprenticeships.gov.uk

(Continued on page 3)

Acquisitions/Mergers

A £27.5m deal has been struck which will see South West-based **Mears Group** plc further expand its portfolio with the takeover of in-home care provider Supporta.

Waugh Haines Rigby and Morgan & Co have merged to create one of the largest accountancy firms in Gloucestershire-**Morgan Waugh Haines LLP**.

Lincoln National Corporation, the Gloucester-based UK headquarters of American-owned life & pension provider, is now owned by **Sun Life Financial of Canada** in a deal valued at £195m.

The **Watts Group** has been bought by Premia Group Limited.

Bespoke Hotels has taken over Wyck Hill House and intend to re-open the former Legacy Hotels Resort business in February 2010.

Gloucestershire Chamber of Commerce & Industry has decided to merge with a regional business organisation, **GWE Business West** after making a loss last year.

Contracts

The **Mears Group** has won 3 new contracts across all three operating divisions worth more than £200m.

Destination Marketing Group from Gloucester has been appointed to help drive the UK expansion of a major American software company Cvent.com.

Tewkesbury's **Gullivers Sports Travel** has been selected as an official licensed operator for the 2010/11 Ashes series by Cricket Australia. The deal could earn the firm £3m.

Laithwaites a wine delivery company signed a three-year £5.1m contract with **Omega Resource Group** to solve its staffing problem.

County-based exercise bike specialist, **Trixter Europe Ltd**, has clinched a £300,000 funding package with Venture Finance that will allow it to grow its presence in the lucrative health club market.

(Continued from page 2)

3

Back To Work project

The Back to Work Project has engaged and supported people on long term sickness related benefits to make steps towards returning to paid employment. Individuals have been referred to the project primarily through their GP or other health care professionals.

To date the project has received over 300 referrals. Of those, 14 people have gone into full time employment, 14 have gone into part time employment, and 229 people are now engaged in meaningful activity or learning that aims to enhance their employability and improve their chances of gaining employment. All of these individuals have returned to work within Gloucestershire.

Local businesses have been key to these appointments being successful and have worked with the project in order to identify other work opportunities for individuals on a voluntary basis.

The project has helped those identified as 'outside the labour market'. In essence it helps those individuals who are or have been out of work for many years and are not engaging with mainstream return to work programs. A number of the individuals supported back into work have been out of work for over 20 years. The journey for each person is planned and delivered based upon their unique needs, often including a variety of learning, volunteering and work trials. These first steps often act as a hook into reconnecting and engaging with peers and having a social and work related outlet for clients who may otherwise be isolated, lonely and enduring poor health.

Throughout the continuous evaluation and review of the project, it has become evident the project is enabling family units to progress forward into work, rather than just individuals. Many of the individuals that the project has supported are second or third generation benefit claimants. By working within the community and engaging with people in their own environments the project has been able to work across the generations and encourage other family members to take steps back to work.

The project has been funded by Gloucestershire County Council, Gloucestershire NHS Trust and others and delivered through Gloucestershire First.

Going for Gold

Organisers of the 2012 Olympic last month announced a series of contracts worth a mouth-watering £700 million, presenting golden opportunities for firms in the South West. Around 5,000 businesses from Cornwall to Swindon have already registered to supply the Games in some way since the ODA (Olympic Delivery Authority) first began building work on the sites where the athletes will be competing.

Now West Country firms are being urged to put themselves forward to supply goods and services to furnish the sporting venues and accommodation which will be used for the Games.

Almost 80 regional firms have already been contacted by the ODA to see if they are interested. Many hundreds more operating within a seven-tier supply system have provided equipment, consultation and logistics as back-up to major contractors servicing the Games.

In this latest round of contract opportunities, the London Organising Committee of the Olympic Games (LOCOG) – the private company which has been set up to stage and run the Games – is looking for businesses to supply the Olympic venues and village with goods ranging from beds, uniforms, bag-scanners and flowers, to performing arts, IT backup and transport. *For more information please register at www.competefor.com.*

(Continued on page 4)

Business Creations

A controversial new hotel, **Mystiques Hotel & Restaurant** has opened its doors in Gloucester's Southgate Street.

Roots & Fruits is a new fruit & vegetable store specialising in local produce. It is based on what used to be the Robert Young florist site in Cheltenham.

A **99p Store** has opened in the former Woolworths building in Stroud.

McCaffrey's Male Grooming is Cheltenham's first male grooming salon where metrosexual males can smarten up and enjoy a pint at the same time.

Hallam & Co Lettings have opened their newest branch in Gloucester's Worcester Street.

CW Pearce, a new butcher has opened on Tennyson Road in Cheltenham.

Holland & Barrett, a new health food store, opened in December 2009, creating 4 new jobs.

The Bank House owned by Wetherspoons, opened in Cheltenham creating 60 new jobs in the town.

Closures

Threshers off-licences across the West Country are to close with the loss of more than 100 jobs. The closures come after First Quench, the company that owns Threshers & Wine Rack went into administration in October 2009.

More than 20 staff claim they are owed thousands of pounds after **D & H Packaging** went bust.

The George, a Tewkesbury High Street Pub ceased trading in January 2010.

Blacks & Freespirit shut with the loss of at least 8 jobs as part of parent company, Blacks Leisure's, closure of 89 loss-making stores.

(Continued from page 3)

4

Be Infom-ed

A free and useful online resource for Gloucestershire has recently been launched. This new website entitled **Inform Gloucestershire** is a product of Gloucestershire County Council, in partnership with Gloucestershire Conference.

Inform Gloucestershire presents a wide range of facts & figures about the County relating to its population, economy, environment, health, crime & much more.

Whether one is keen to know the impact of the recession on the construction industry, incidences of anti-social behaviour in Cheltenham or looking for data on disabled residents in Coleford, then *Inform Gloucestershire* is the answer.

To view the website please visit www.gloucestershire.gov.uk/inform

South West RDA's News

RDPE has committed £76 million to supporting the rural economy

£76 million of the Rural Development Programme for England's (RDPE's) £156.7 million funding that has been allotted to the SW Region for improving the competitiveness of the agricultural and forestry sectors has already been committed— with four years still to run.

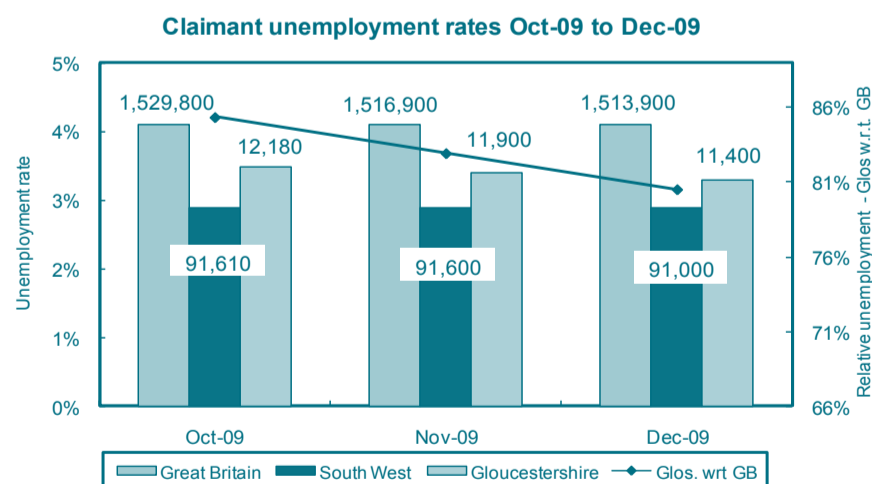
For more information about RDPE, please visit: www.sw-ruralgateway.info

100 South West Business Challengers

Inspirational ideas from 100 South West companies are being used to help drive the region's small and growing businesses forward in a pioneering campaign staged by the RDA & Business Link. For more information, please visit: www.businesslink.gov.uk/southwest/challengers

Unemployment Data for October to December 2009

In December 2009 unemployment in Gloucestershire amounted to 11,400 people at a rate of 3.3%. Male unemployment was 8,400 at a rate of 4.6% and female unemployment was 3,000 at a rate of 1.8%. Unemployment in Gloucestershire relative to Great Britain was 85.4% in October, it decreased to 82.9% in November and to 80.5% December.



(Continued on page 5)

Awards

Mira Showers is celebrating winning a gold award in the Eco Product of the Year category in the prestigious House Beautiful Awards 2009.

JP Construction Group has been given the Institute of Management's Automotive Construction Specialist Company Award 2010.

Coln Park Construction pipped 13 others to win the Best Housing Developer at the West England Building Excellence Awards.

Nick Bevan Consulting, an access consulting firm won the Start-up Business of the Year Award in The Citizen & Echo Business Awards.

Severn Controls enables companies to monitor & control their energy use and are the 38th company in Gloucestershire to receive a Beacon accreditation from leading business forum Beacon South West.

Vivid won an award for each of the categories it was short listed for the Chartered Institute of Public Relations (CIPR) West of England Pride Awards 2009, collecting a gold & two silver prizes.

Fortis (Insurance, UK) has been awarded the Incisive Media 'Gold Standard Award for Insurance' for the second year running.

Lakes Bathrooms from Tewkesbury has been awarded 'Bathroom Supplier of the Year for 2009' by Gardiner Haskins, the leading independent home retailer.

Research into the economic value of SW voluntary activities

South West Forum has secured a grant of £470,000 from the Big Lottery Fund for a four year project which will measure the economic value of services provided by voluntary groups in the region.

The project will get underway early in 2010 and further information can be obtained by calling South West Forum on 01392 823758.

(Continued from page 4)

5

Company News

The information contained in the Bulletin relating to acquisitions, contracts, awards, job losses and creations, closures and other news has been taken from the local press within Gloucestershire between October and December 2009. Full copies of relevant articles are available from the GLMIU.

Job Creations

Over the past quarter, there have been a number of job creations announced in Gloucestershire the most significant of which are tabulated below.

Company	Activity	No. of Jobs	Date	Comment
Dunelm Mill	Soft Furnishing Retailer	90	24/11/09	The company's 100th UK store is believed to have created up to 90 full & part time jobs in Cheltenham.
MX Group	Shower Tray manufacturer	15	15/12/09	Leading shower tray maker MX Group implemented its expansion plans earlier in 2009, in order to meet the increased demand, by investing in new machinery, premises and created 15 jobs.
Howard Tenens	Logistics	25	15/12/09	Stroud-based logistics company Howard Tenens is expanding its UK operation. It is taking additional space at its Andover depot at the West Portway Industrial Estate, creating an extra 25 jobs.
Sainsbury	Supermarket	150*	16/12/09	Up to 150 new jobs will be on offer when recruitment starts for the long-awaited Sainsbury's supermarket in Dursley.

* denotes potential job creations

Job Losses

The last three months have also seen some instances of job losses in the County.

Company	Activity	No. of Jobs	Date	Comment
University of Gloucestershire	University	30	28/10/09	A further 30 jobs have been axed at the University of Gloucestershire in addition to up to 100 jobs already having been cut. It is hoped the new cuts could save up to £800,000 of the £3m required by July 2010.
Tewkesbury MoD depot	Vehicle Depot	1,000*	11/12/09	Up to 1,000 jobs could be lost in a wider defence efficiency programme, if plans to move the Ministry of Defence's vehicle depot in Tewkesbury get the green light.
Elliott & Sons	Building Supplies	20	21/12/09	Struggling Elliott & Sons axed 20 staff days before Christmas, telling many of its drivers not to return to work following the downturn in building trade.
The Riverside nightclub	Nightclub	6	28/12/09	The Riverside nightclub, which until earlier in December 2009 was Tewkesbury's only late-night venue, has closed with a loss of 6 jobs.

* denotes jobs at risk

(Continued on page 6)

Other News

Gloucestershire First successfully bid for £180,000 in funding from the South West RDA for a marketing campaign to enhance Gloucestershire's profile as a key and competitive location for investment and business growth.

The **Spice Lodge** restaurant was named in the top three curry houses in the South West at the British Curry Awards 2009 and was also awarded a five star certificate to honour its high standards of cuisine, service and ambience.

Supergroup, the Gloucestershire-based fashion retailer behind the Superdry clothing brand will be listed on the stock-market in 2010 at the value of £400m.

Montpellier Marketing Communications Group has won the "fiercely contested" Crisis Management Award at the prestigious Public Relations Consultant Association (PRCA) awards in London.

The Royal in Charlton Kings is being taken over by Exmouth Arms owners and is ear-marked to re-open in December after undergoing a revamp.

The **Fosseway Texaco** station won the industry award for the best rural franchise at a prestigious ceremony in London.

160 staff at **Federal Mogul** face three-day weeks because Ford cancelled a major contract.

Around 77 staff at Lydney & Coleford **Somerfield's** have been told their jobs are safe after the Harry Tuffins group bought the two stores.

Gloucestershire County Council has announced it has awarded the £2.1m contract for Gloucester Linkages to **Balfour Beatty Regional Civil Engineering Ltd.**

Cotswold Leisure centre reopened the doors to the facility following a major upgrade after the District Council invested £2.25m making it treble its original size.

One of Gloucestershire's longest established companies, **George Bence and Sons**, has won two major national awards at the Builders Merchants National Awards.

The company which runs one of Gloucestershire's best-known managed business parks, **Kestrel Court** at **Waterwells** has gone into administration.

Epsilon Test Services is being merged with its sister company Power+ by the parent group, workplace service provider PHS Group. The combined electrical and fire safety testing business will continue under the Epsilon brand.

Newly formed company **BladeRoom** (Modular Data Centre) has taken on six people to replace the 28 jobs lost when the previous factory tenant, CKS, went into administration 14 months after having opened.

Business Champions is a new business "ambassador" organisation to help promote and attract investment in Gloucester. It has been created by Marketing Gloucester, the publicly-funded company set up to raise the profile of the city.



For more information on any of the articles contained in this bulletin, please contact:

**Gloucestershire Labour Market Information Unit,
Chief Executive's Support Unit, Gloucestershire County Council,
Shire Hall, Gloucester, GL1 2TH,
Tel: 01452 426747, Fax: 01452 425636
Email: info@glmiu.co.uk, Internet: www.gloucestershire.gov.uk/inform**

or

**Gloucestershire First,
Chargrove Business Centre,
Main Road, Shurdington, Cheltenham, GL51 4GA,
Tel: 01242 864190, Fax: 01242 864197
Email: info@glosfirst.co.uk, Internet: www.glosfirst.co.uk**