

Chapter 4 - Employment and Skills

Introduction

- 4.1 This chapter profiles Leicester and Leicestershire in terms of employment and skills and how they impact on the current and potential economic performance of the sub-region.

Context

- 4.2 The employment and skills profile in Leicester and Leicestershire is indicative of how the sub-region accommodates/serves its residents in terms of opportunities and progression.
- 4.3 The City and County are considered to almost contrast in terms of their employment and skills profiles:
- The City workforce exhibits low levels of qualifications with 22.8% of City residents having no qualifications (Annual Population Survey, 2009) compared to 11.8% of County residents.
 - The two most deprived neighbourhoods for education and skills in the UK are located in Leicester City (IMD 2007) while Key Stage 3 attainment in the County was rated 2nd in the country in 2007.
 - Median gross weekly earnings are low for City residents at £397.80 compared to £500.20 for County residents (ASHE, 2010).
- 4.4 These contrasts are underpinned by evidence that the population structure and neighbourhoods of the City and County are also vastly different. The County exhibits little deprivation with only 1.3% of neighbourhoods falling within the most deprived 20% nationally, compared to 41% of neighbourhoods in the City being in the most deprived 20% (IMD, 2007).
- 4.5 Such contrasts between City and County alone fail to explore the complexities and interplays that exist within communities and across the sub-region as people travel between City and County for education, work and training. 15% of secondary school pupils living in the City travel to County schools. Moreover, 70,800 people commute into the City each day to work, compared to 27,600 commuting out, giving a net in-commuting balance of 43,200. 41.3% of working residents (aged between 16 and 74) in Oadby and Wigston work in Leicester City (Census 2001).
- 4.6 In the sub-region, 27% of the population (aged 16 to 64) are educated to degree level compared to 26% in the region and 30% nationally. Conversely, 15% of the

sub-regional population (16 to 64) have no qualifications compared to 13% in the East Midlands and 12% nationally (APS, 2009). In addition, 13% of City residents have qualifications classed as ‘other’.

Table 4.1 Summary of Qualification Levels (for the Population Aged 16-64)

	Level 4 [1] (%)	Level 3 (%)	Level 2 (%)	Level 1 (%)	No qualifications (%)	Other qualifications (%)
Leicester City	22.3	36.8	51.2	64.2	22.8	13.0
Leicestershire County	29.5	53.8	70.3	81.7	11.8	6.5
Leicester & Leicestershire	27.2	48.4	64.2	76.1	15.3	8.6
East Midlands	25.7	47.2	63.9	78.9	13.0	8.1
England	29.6	48.9	65	79	12.1	9.0

Source: Annual Population Survey (APS) 2009

4.7 Education, skills and training are recognised as major contributors to the future economic growth and success of an area. Developing a growing and sustainable economy depends on a workforce that is able to accommodate changing environments and advancing technology. Having low adult skill levels puts pressure on the economy through difficulties in recruitment, skills shortages and worklessness. In order to improve economic performance and take full advantage of the three universities, it is essential that partners work together to improve the skills and aspirations of local residents. Collaboration between universities, colleges, schools and employers will be important to develop local opportunities and also attract investment from outside the sub-region.

4.8 This following evidence is presented in two sections:

- **Young People’s Education** - this looks at educational attainment in City and County schools, factors influencing levels of attainment, such as deprivation, gender, etc and how performance is changing over time. Indicators include:
 - Key Stages 2 and 4 results
 - Post-16 destinations
 - Apprenticeships
 - Levels 2 and 3 by aged 19
 - HE applications
- **Workforce** - this looks at the overall picture of adult skills and employment in the sub-region in terms of qualification levels, employment sectors, earnings

and training. It considers graduate retention, skills shortages, skills gaps and recruitment difficulties. This section also considers which sectors are forecast to grow or decline. Indicators include:

- Employment structure
- Adult skills: Levels 2, 3 and 4 and no qualifications
- Average earnings
- Employees receiving training
- Graduates' destinations
- Skills shortages
- Skills gaps
- Recruitment difficulties
- Employment forecasts

4.9 Finally, findings from the two sections are brought together into a chapter summary and strengths, weaknesses, opportunities and threats (SWOT) analysis.

Young People's Education

4.10 Improving educational attainment often involves early intervention and identification of issues to address. Following the progression of people in the sub-region, as they make transitions through education and work, can highlight priorities for improvement.

Key Stage 2¹

4.11 68% of City pupils achieved Level 4 (or above) in both English and Maths at Key Stage 2. This is below the national average. Girls out-performed boys by one percentage point in the County and four percentage points in the City.

Table 4.2 Percentage of Pupils Achieving Level 4 or Above in both English and Maths at KS2

	2005	2006	2007	2008	2009	2010 ²
Leicester	58	62	61	67	69	68
Leicestershire	70	72	72	75	74	75
England	69	70	70	73	72	73

Source: Department for Children, Schools and Families (DCSF)

4.12 Pupils from Asian Ethnic backgrounds achieve similar to national averages in both Leicester and Leicestershire, although pupils from White backgrounds in the City achieve slightly lower than national averages.

¹ Key Stage 2 assessments take place in Year 6, when pupils are 10/11 years old

² 19% of KS2 SATS were boycotted in 2010 in the county, 24% in the city and 45% nationally

Table 4.3 Percentage of Pupils Achieving Level 4 or Above in both English and Maths 2010 at KS2 by Ethnic Background of Pupils (2010 provisional figures)

	White	Mixed	Asian	Black	Chinese
Leicester	69	77	81	71	x
Leicestershire	82	83	82	87	82
East Midlands	80	81	80	74	82
England	80	83	80	77	87

Source: DCSF

Key Stage 4³ (GCSEs)

- 4.13 Key Stage 4 relates to results at GCSE Level, prior to transitions into FE, training or employment. In 2010, 55.3% of Leicestershire pupils achieved 5 or more GCSEs at grades A*-C, including English and Maths, compared to 48.9% of City pupils. The Leicestershire figure is also higher than national and regional proportions.

Table 4.4 Percentage of Pupils Achieving at Least 5 GCSEs at Grades A* to C Including English & Maths

	2005	2006	2007	2008	2009	2010
Leicester	31.4	33.0	36.1	39.9	44.4	48.9
Leicestershire	45.7	46.6	48.6	51.9	52.6	55.3
England	42.6	43.8	45.5	47.6	49.8	53.4

Source: DCSF

- 4.14 Girls out-performed boys (in terms of the percentage achieving 5+ GCSEs at Grades A*-Cs (Including English and Maths) by twelve percentage points in the City and seven percentage points in the County in 2010. The gender gaps compare to nine percentage points in England and nine percentage points for the East Midlands.

Table 4.5 Percentage of Pupils Achieving at Least 5 GCSEs at Grades A* to C Including English & Maths (2010)

	Boys	Girls
City	42.8	55.1
County	52.2	58.7

Source: DCSF

- 4.15 For White pupils (2010) in the City, only 37% achieved 5 or more GCSEs at grades A* to C including English and Maths, the lowest in the region. 62% of Asian pupils in the City achieved the same level, higher than both regional and national averages. This disparity highlights the variation within the City.

³ Key Stage 4 assessments (GCSEs) take place in Year 11, when pupils are 15/16 years old

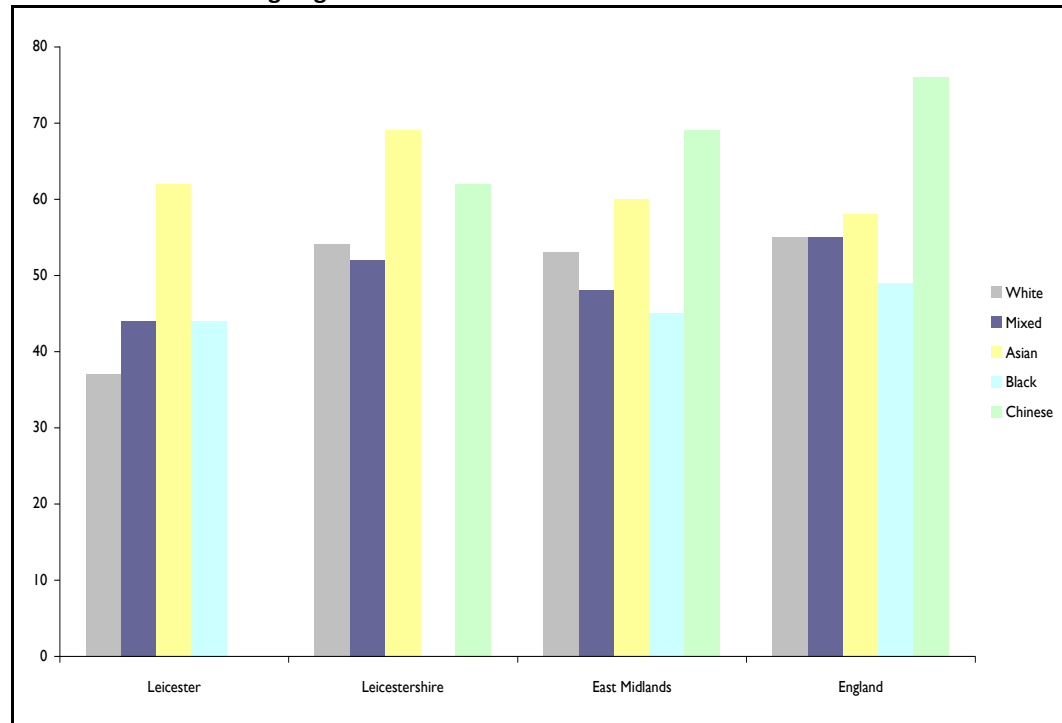
Table 4.6 Ethnic Background of Pupils 2010: Percentage of Pupils Achieving at Least 5 GCSEs at Grades A* to C Including English & Maths 2010

	White	Mixed	Asian	Black	Chinese
Leicester	37	44	62	44	x
Leicestershire	54	52	69	x	62
East Midlands	53	48	60	45	69
England	55	55	58	49	76

Source: DCSF x = can not be disclosed

4.16 The gap in the attainment rates of White pupils in City and White pupils in County schools is 17 percentage points. White pupils have the lowest rate of attainment in the City, whereas in the East Midlands, White Students have higher attainment rates than pupils from both Mixed and Black backgrounds. While cultural factors do contribute to differences in attainment, it is more likely that the lower proportions achieving expected Levels are associated with social factors such as poverty and low aspirations.

Figure 4.7 Ethnic Background of Pupils 2010. Percentage of Pupils Achieving at Least 5 GCSEs at Grades A* to C Including English & Maths 2010



Source: DCSF

- 4.17 The proportion of pupils who were eligible for Free School Meals (a proxy for deprivation) in the City achieving the expected level at GCSE exceeded regional and national levels (34%). However, the FSM gap in the County remains bigger than the national one.

Table 4.8 Free School Meal status of Pupils: Percentage of Pupils Achieving at Least 5 GCSEs at Grades A* to C Including English & Maths 2010

	FSM	Non-FSM
Leicester City	34	52
Leicestershire College	25	57
East Midlands	25	56
England	31	59

Further Education

- 4.18 87% of year 11 school leavers in 2010 in the City and 89% in the County went on to full-time Further Education⁴. These figures were the same in 2009 and show an increase from 85% in the sub-region in 2008, 81% in 2007 and 77% in 2006. Figures going into employment decreased in recent years from 8% in 2007 to 3% in 2009. In 2010 this was 3% in the County and 2% in the City. This reflects the current national policy to support young people to remain in some form of learning at 17. Only 4% in the City and 3% in the County were classed as 'Not settled but active in the labour market', in 2010 compared to 6% in the sub-region in 2007.

Qualifications by Age 19

- 4.19 Figures 4.9 and 4.10 show the proportion of 19 year olds with Level 2 and Level 3 qualifications⁵ and give an indication as to the success of further education in the sub-region. The proportions of 19 year olds with Levels 2 and 3 qualifications in the City are lower than regional and national rates,⁶ while the proportions in the County with Level 2 and 3 are higher, although the proportion with Level 2 is slightly lower than national rates.

⁴ Connexions Leicester Shire

⁵ Level 3 is equivalent to 2 GCE A Levels or NVQ3, Level 2 is equivalent to 5 GCSEs at Grades A*-C or NVQ2

⁶ YPLA, 2010

Figure 4.9 Progress Towards Achievement of Level 2 by Age 19

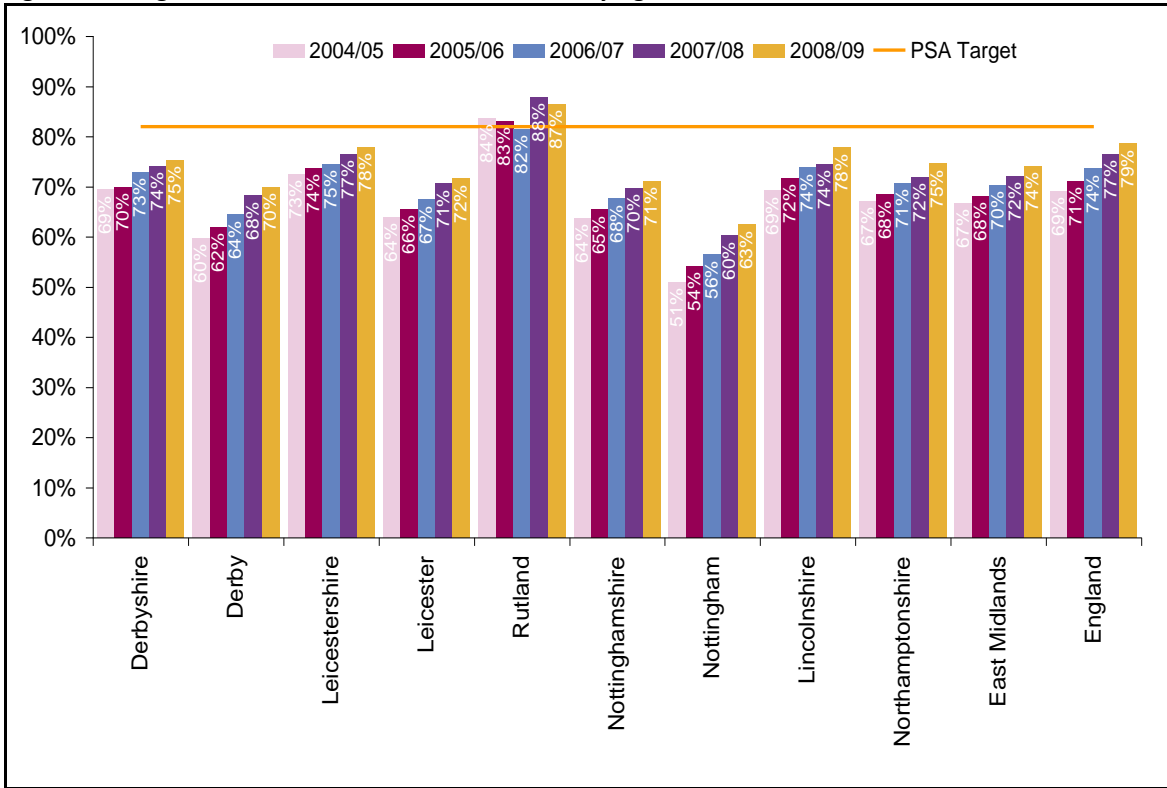
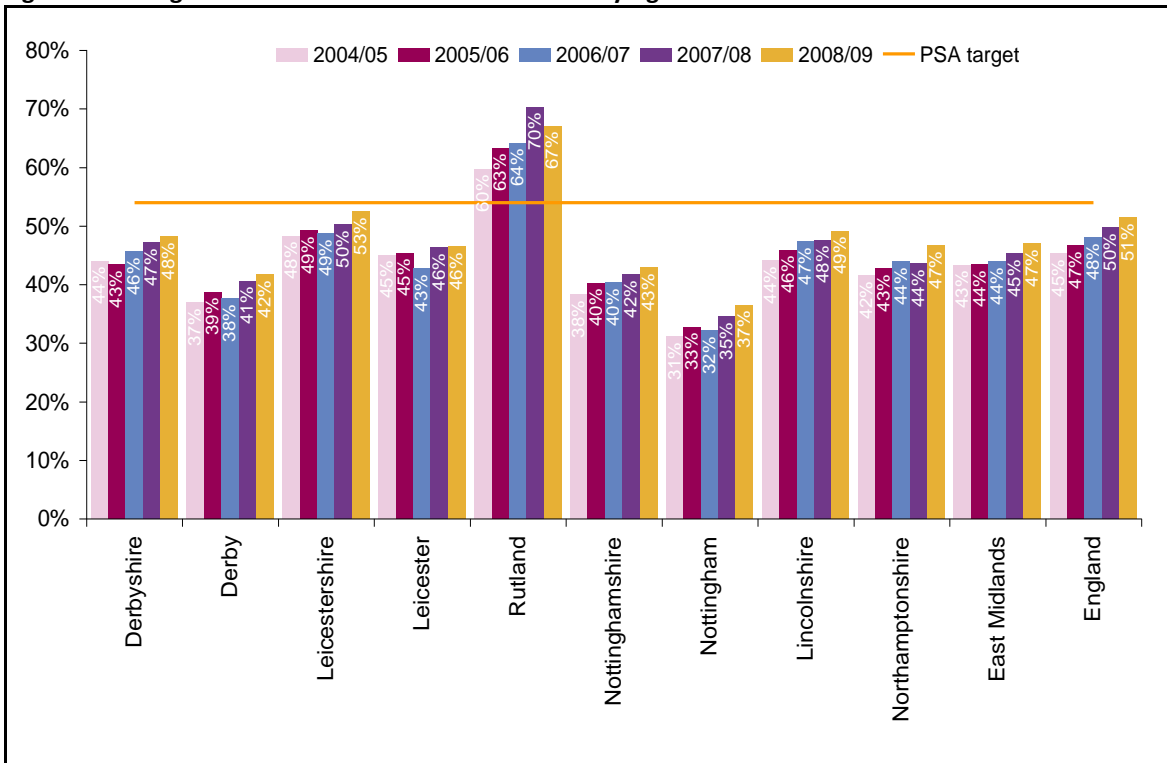


Figure 4.10 Progress Towards Achievement of Level 3 by Age 19



Source Figure 4.9 and 4.10: YPLA

Apprenticeships

- 4.20 In the City, 6% of school leavers went into Full-time Training in 2010, compared to 3% in the County. Apprenticeships allow young people to train in a vocational subject while earning an allowance. They can also help bridge the gap between unemployment and work although young people were more likely to enter an apprenticeship from an employment status.

Progression to Higher Education

- 4.21 The LSC 2007 Leicestershire Household Survey found that, although just under half of parents of a child aged 11 to 16 had a family member who went to university, 93% would encourage their child to go to university. While there has been some debate over the government target to encourage 50% of young people to go on to Higher Education, attainment at Level 4 is often required for higher skilled and professional occupations and can provide opportunities for young people from deprived backgrounds to realise their potential. In 2007/2008, 33.2% of pupils from the City went on to successfully apply to Higher Education (HE) at age 18 or 19, compared to a similar 32.8% in the County. While this has decreased slightly from previous years the percentage of FSM pupils from the City progressing to HE increased from 17.0% in 2006/2007, to 21.6% in 2007/2008. This rate is now higher than the non-FSM cohort in Nottingham and is the third highest local authority in the UK, after Slough and Luton.
- 4.22 Table 4.11 shows the proportions of students who were/were not in receipt of FSM aged 15 who progressed to a HE Institution by 19 in 2007/2008.

Table 4.11 Progression to HE

	FSM	Non-FSM	All
Nottingham	9.5%	21.1%	17.6%
Nottinghamshire	8.7%	29.4%	27.3%
Leicester	21.6%	36.1%	33.2%
Leicestershire	14.5%	33.8%	32.8%
Total	15.2%	33.3%	30.8%

Source: Aim Higher 2007/2008

Workforce Characteristics

Economic Activity

- 4.24 The Annual Population Survey (APS) June 2010 shows that the economic activity rate⁷ for the working age population was 69.2%, in the City and 79.1% in the County. As a sub-region, the economic activity rate was 75.9%. This is slightly lower than the regional average of 87.2% but higher than national average of 76.5%. Only 60.9% of females in Leicester City were economically active compared to 71.4% in the East Midlands.

Employment Rates

- 4.25 APS June 2010 suggests that 121,300 people living in the City were in employment, giving an employment rate of 61.0% of the working age population. In the County, 311,300 people were employed, a rate of 73.9%. As a sub-region, the employment rate was 69.7%. Again, this is slightly lower than the regional rate of 71.6% and the national average of 70.5%. Only 54.1% of working age females were in employment in Leicester City. The East Midlands Learning and Skills Council Regional Strategic Analysis 2008/09 suggests that the decline of the textiles industry in Leicestershire has affected women's employment opportunities, particularly for those who need to work close to home.

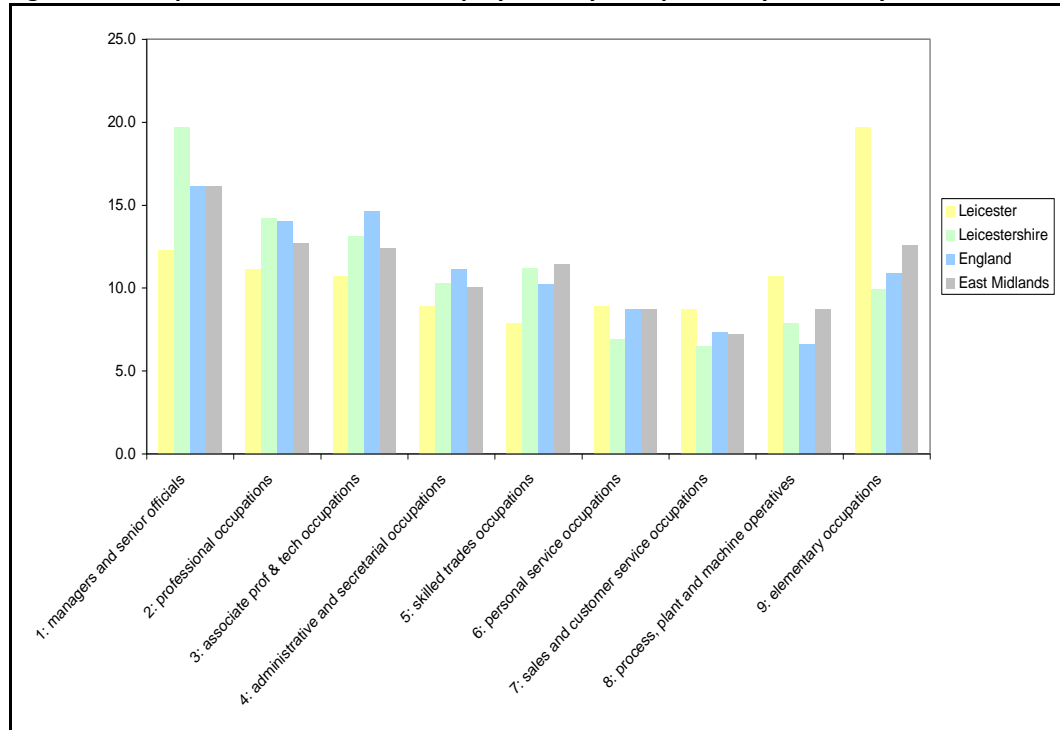
Occupations

- 4.26 In terms of occupations, the Annual Population Survey (June 2010) shows that employed City residents were more likely than County employed residents to be working in elementary occupations or as process, plant and machine operatives. Health and social welfare professionals were also 'over-represented' in the City compared to the County. On the other hand, County residents were more likely than City residents to be employed as managers or senior officials. Administrators were also 'over-represented' in the County. Only 12.3% of City residents were employed as managers and senior officials compared to a regional average of 16.1%. This is reflected in the lower wages of City residents.

⁷ **Economically active:** People who are either in employment or unemployed.

Economic activity rate: People, who are economically active, expressed as a percentage of all people

Figure 4.12 Proportion of All Those in Employment by Occupation, by Residency

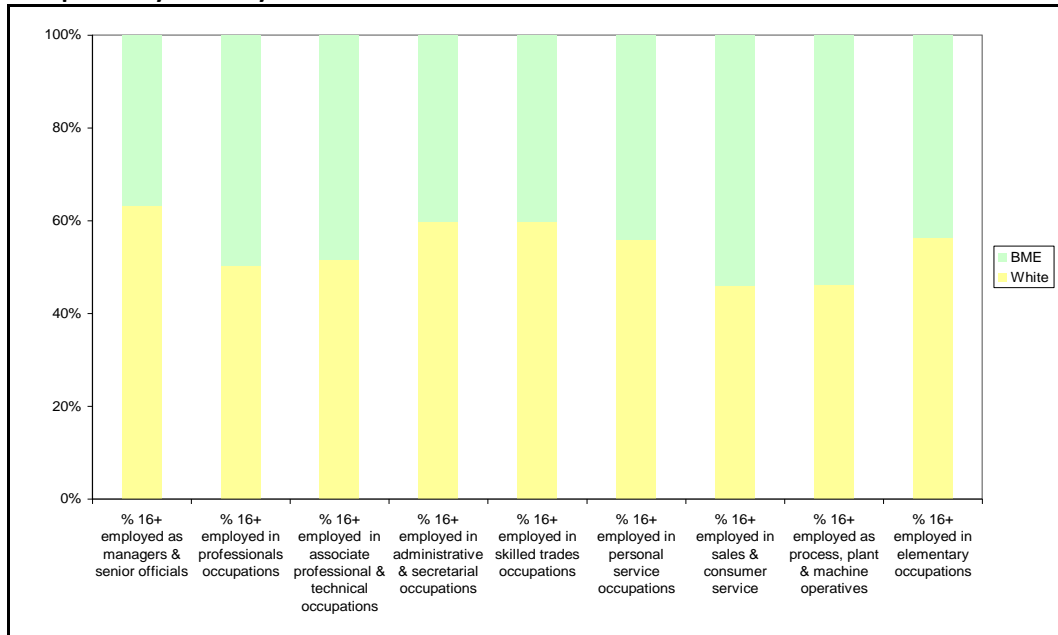


Source: APS June 2010

Ethnicity

4.27 In June 2010, 14.7% of the White workforce living in Leicester were employed as “managers and senior officials” compared to 10.1% of the BME workforce. However, BME workers living in Leicester were more likely to be in professional occupations (12.2%) than White workers (10.3%). 12.8% of the BME workforce in the City worked in “process, plant and operative jobs” compared to 9.2% of the White workforce. In total, 33.7% of the employed BME workforce living in the City, were employed in high-level jobs compared to 34.8% of the White workforce, indicating that the gap is closing.

Figure 4.13 Percentage of Aged 16+ Workforce Living in Leicester who were Employed in each Occupation by Ethnicity



Source APS June 2010

- 4.28 In Leicestershire County 50.4% of the BME workforce are in high-level jobs, compared to 47.0% of the White workforce. This is likely to be influenced by settled BME groups living in the County.

Earnings

- 4.29 ASHE 2010 data shows that whilst the median gross earnings for those *working* in Leicester were similar to regional averages, the earnings of those *living* in Leicester were well below regional averages.

Figure 4.14 Median Weekly Earnings of Full-time Workers by Residency

Local Authority	Weekly pay - gross
Leicester	397.7
Leicestershire	500.2
Nottingham	421.6
Nottinghamshire	469.6
Coventry	448.5
Warwickshire	508.8
Derby	508.1
Derbyshire	478.9
England	506.0
East Midlands	470.3

Source: ASHE 2010

- 4.30 In terms of variations by residency in the sub-region the higher earners live in Oadby and Wigston, followed by Harborough, and the lowest earners live in the city.

Figure 4.15 Median Weekly Earnings of Full-time Workers in the sub region by Residency

District	Weekly pay - gross	
	number	conf %
Blaby	532.2	7.7
Charnwood	489.8	6.6
Harborough	575.1	8.0
Hinckley and Bosworth	491.6	6.9
Melton	460.4	9.6
North West Leicestershire	480.2	7.0
Oadby and Wigston	485.0	8.3

Source: ASHE 2010

- 4.31 Workplace earnings were higher in Leicestershire County than Leicester City, whereas for other sub-regions in the East Midlands (e.g. Nottinghamshire and Derbyshire) workplace earnings were higher in the cities than in the counties. The lack of highly paid jobs would appear to have a significant impact on the low median earnings for City residents. Whilst identification of skills shortages and gaps in the labour market might help tackle issues of worklessness in the City, improving the higher-level skills of City residents will only help in increase City earnings if appropriate high-level jobs become available for them to work in.

Figure 4.16 Median Weekly Earnings of Full-time Workers by Workplace

Local Authority	Weekly pay - gross
Leicester	466.9
Leicestershire	471.5
Nottingham	466.4
Nottinghamshire	450.2
Coventry	503.5
Warwickshire	488.6
Derby	624.9
Derbyshire	450.5
England	504.5
East Midlands	465.2

Cities	Weekly pay - gross
Leicester	466.9
Birmingham	500.2
Coventry	503.5
Bristol	498.3
Reading	582.9
Manchester	507.6
Newcastle	477.2
Sheffield	464.5

Source: ASHE 2010

- 4.32 In terms of variations by workplace in the sub-region the higher earners work in Blaby and the lowest work in Melton

Table 4.17 Median Weekly Earnings of Full-time Workers by Workplace in the sub-region

Local Authority: district / unitary	Weekly pay - gross	
	number	conf %
Blaby	495.9	6.1
Charnwood	480.6	7.1
Harborough	478.3	9.2
Hinckley and Bosworth	476.5	6.6
Melton	408.6	9.3
North West Leicestershire	464.3	7.0
Leicester	466.9	4.4
Leicestershire	471.5	3.0

- 4.33 The difference between full-time earnings of males and females living in the County was approximately £6,900 a year, whereas the difference between male and female full-time earnings for City residents was only £1,154. Male earnings in the City were lowest in the region and over £7,108 a year lower than the regional average. Median earnings of females in the City were higher than females living in Nottingham City and close to the regional median. The low proportion of females in employment should also be taken into account. The East Midlands Learning and Skills Council Regional Strategic Analysis 2008/09 suggested that, in deprived areas, the tax and benefit system might be a disincentive for women to gain employment, particularly if the only choice of employment was low-paid.

Table 4.18 Median Weekly Earnings of Full-time Workers by Gender by Residency

	Leicester City	Leicestershire County	East Midlands	England
Male Full-time Workers	£410.50	£556.30	£513.20	£547.20
Female Full-time Workers	£388.30	£426.10	£399.10	£443.00

Source: ASHE 2010

- 4.34 In terms of workplace analysis, females earn less in the County than in the City, whereas males earn more in the County. The median workplace earnings for females in the City were higher than national median figures (£393.50 a week), whereas male earnings were lower than the regional median (£505.70 a week).

Table 4.19 Median Weekly Earnings of Full-time Workers by Workplace by Gender

	Leicester City	Leicestershire County	East Midlands	England
Male Full-time Workers	£497.7	£513.8	£546.2	£507.7
Female Full-time Workers	£429.3	£392.4	£442.2	£393.5

Source: ASHE 2010

Entry-Level Qualifications

- 4.35 The proportion of the 16+ working age population with no recognised qualifications in the City declined between 2004 and 2007. However, since 2007 rates have started to increase slightly, remaining significantly higher than regional and national averages.

Table 4.20 Percentage of 16-64 aged Population with No Qualifications 2004-2009

	2004	2005	2006	2007	2008	2009
Leicester	26.2	25.0	24.0	22.0	22.7	22.8
Leicestershire	13.5	12.2	9.5	10.1	12.8	11.8
East Midlands	14.9	14.1	13.7	13.1	13.3	12.1
England	17.1	15.0	14.0	13.7	14.5	13.0

Source: Annual Population Survey

Table 4.21 Percentage of 16-64 aged Population with No Qualifications, LEP areas 2009

LEP Area	% No Qualifications
LEP- Coventry & Warwickshire	14.6
LEP- Greater Cambridge & Peterborough	10.3
LEP- Leeds City Region	12.9
LEP- Leicester & Leicestershire	15.3
LEP- Nottingham, Derby	12.3
LEP- Oxfordshire City Region	7.4
LEP- Sheffield City Region	13.1
LEP- West of England	8.4

Source: Annual Population Survey 2009

- 4.36 The Learning and Skills Council (LSC) household study in 2006 found that 31% of the non-white population in the sub-region had no qualifications compared to an average of 21.3%. Furthermore, 39.2% of the unemployed in the sub-region had no qualifications and 38.9% with a limiting illness or disability had no qualifications. The high proportion of unemployed without qualifications may exhibit specific barriers to participation such as low aspirations or lack of worthwhile/attractive opportunities. Low-skilled, low-paid work available may be insecure or associated with poor working conditions. Providing suitable training with stability and opportunities to progress may, therefore, be more appropriate, taking into account other barriers such as poor health, caring responsibilities, low confidence, etc. While there is little difference between the proportion of BME and non-BME group qualified to Level 4, there is a marked difference between the proportions of BME and non-BME group with no qualifications.⁸ This suggests that, perhaps, the older BME population, or those born outside the UK, who were not able to take advantage of the qualification progression routes in the sub-region, may have more specific needs such as language or cultural barriers.

Level 2⁹

- 4.37 There remains an assumption that a Level 2 qualification or higher is required to compete in the labour market. Although such a qualification may not always be necessary or relevant in order to carry out tasks required for a job, it is often used as a screening process in recruitment which can disadvantage those with low or unrecognised qualifications. In the 2006 LSC household study, only 55% of 45 to 64 year olds in Leicestershire were qualified to Level 2 and only 16.5% of those unemployed had a Level 2 qualification. In the City over half of residents now have a level 2 qualification, and in the county over 70% now have this level.

⁸ LSC Household Survey 2006

⁹ A Level 2 Qualification is equivalent to 5 GCSEs at A*-C, or NVQ2

Table 4.22 Percentage of 16-64 Population with at Least a Level 2 Qualification 2004-2009

	2004	2005	2006	2007	2008	2009
Leicester	48.9	49.2	49.8	50.8	49.5	51.2
Leicestershire	64.8	64.2	65.8	66.0	66.2	70.3
East Midlands	61.7	62.5	63.2	63.9	63.5	65.0
England	60.2	60.4	62.1	62.2	60.9	63.9

Source: Annual Population Survey

Table 4.23 Percentage of 16-64 Population with at Least a Level 2 Qualification by LEP area 2009

LEP Area	% Level 2
LEP- Coventry & Warwickshire	64.9
LEP- Greater Cambridge & Peterborough	64.7
LEP- Leeds City Region	63.7
LEP- Leicester & Leicestershire	64.2
LEP- Nottingham, Derby	64.2
LEP- Oxfordshire City Region	70.8
LEP- Sheffield City Region	62.5
LEP- West of England	69.1

Source: Annual Population Survey 2009

Level 3¹⁰ and Level 4¹¹

- 4.38 The percentage of the 16+ working age population qualified to Level 4 has increased in both Leicester and Leicestershire between 2004 and 2009. As a sub-region, the proportion of the 16+ working age population qualified to Level 4 was estimated at 27.2% in 2009, compared to 23.7% in 2004¹². Increasing Level 3 qualifications improves opportunities to progress to the next level. However, whilst over half (53.8%) of the 16+ working age residents in the County were qualified to Level 3 in 2008, only 29.5% were qualified to Level 4. In the City, the gap between Level 3 and Level 4 was smaller, supporting evidence that progression routes are well established in the City for those wishing to study at Level 4.

¹⁰ A Level 3 Qualification is equivalent to 2 GCE A levels or NVQ3

¹¹ A Level 4 Qualification is equivalent to a university degree

¹² Note the APS is subject to sampling error

Table 4.24 Percentage of 16-64 Population Qualified to Level 3, 2004-2009

	2004	2005	2006	2007	2008	2009
Leicester	35.5	35.8	35.2	37.0	33.7	36.8
Leicestershire	49.2	49.3	51.3	50.7	48.7	53.8
East Midlands	46.3	46.6	47.3	48.0	47.6	48.9
England	45.0	45.1	46.6	46.3	44.7	47.2

Source: Annual Population Survey

Table 4.25 Percentage of 16-64 Population Qualified to Level 4, 2004-2009

	2004	2005	2006	2007	2008	2009
Leicester	17.7	18.6	19.8	22.1	21.2	22.3
Leicestershire	26.5	24.7	27.8	27.2	26.9	29.5
East Midlands	23.1	23.1	24.6	25.5	24.9	25.7
England	25.8	26.3	27.1	28.2	28.2	29.6

Source: Annual Population Survey

Table 4.26 Percentage of 16-64 Population Qualified to Level 4 by LEP area-2009

LEP Area	% Level 4
LEP – Coventry and Warwickshire	29.5
LEP – Greater Cambridge and Peterborough	31.5
LEP – Leeds City Region	27.7
LEP – Leicester and Leicestershire	27.2
LEP – Nottingham, Derby	26.4
LEP – Oxfordshire City Region	35.0
LEP – Sheffield City Region	24.3
LEP – West of England	32.4

- 4.39 It is worth noting that higher level technical and entrepreneurial skills at Level 5 and above are also important in developing and maintaining high-technology and high-growth industries. However, this data is currently unavailable.

Graduate Retention

- 4.40 Local retention rates for graduates studying at universities within the sub-region have declined slightly between 2003/4 and 2007/8 for students from the University of Leicester and Loughborough University. Retention rates from De Montfort University remained relatively stable with 29.3% of graduates in work finding work within Leicester and 49.5% within the East Midlands. However, more recent data suggests that rates have decreased, with only 23.7% of those working, finding work in Leicester. Of all graduates this made up only 15.9% of all graduates from De Montfort University.

Table 4.27 Percentage of graduates in Employment who Found Work Locally

East Midlands Retention			
Year	Institution		
	De Montfort	Leicester	Loughborough
2007-8	49.5%	31.3%	23.8%
2006-7	48.2%	36.1%	23.1%
2005-6	46.8%	31.3%	23.8%
2004-5	55.1%	35.4%	25.4%
2003-4	45.2%	39.7%	27.3%

Leicestershire Retention			
Year	Institution		
	De Montfort	Leicester	Loughborough
2007-8	36.7%	22.5%	12.5%
2006-7	34.6%	24.8%	11.7%
2005-6	33.9%	22.5%	12.5%
2004-5	40.5%	24.3%	12.8%
2003-4	32.9%	28.8%	14.7%

Leicester Retention			
Year	Institution		
	De Montfort	Leicester	Loughborough
2007-8	29.3%	17.6%	3.1%
2006-7	28.8%	18.8%	3.0%
2005-6	29.0%	17.6%	3.1%
2004-5	32.8%	19.8%	3.2%
2003-4	26.9%	25.1%	4.2%

Skills Shortages

- 4.41 Skills shortages are vacancies or existing roles where the workforce does not have the required skills, experience or qualifications. The number of firms reporting skills shortages in the 2011 Leicester and Leicestershire Business Survey has remained much the same since the Winter 2009/10 survey. Overall, 21% of firms surveyed agreed that skill shortages were having a serious impact on their business with 64% disagreeing with this statement. A higher proportion

of manufacturing businesses reported skills shortages (31%) compared to service sector businesses (18%). The electrical/engineering (40%), construction (36%) and transport (36%) sub-sectors were the most concerned about skills shortages.

Recruitment

- 4.42 A high proportion (66%) of respondents had recruited staff in the last twelve months, slightly higher than the 60% found in the Winter 2009/10 survey. This figure is now approaching levels seen before the economic downturn of 2008/9. (For example, 70% had recruited in the last 12 months when businesses were surveyed in October 2008). The percentage recruiting ranged from 37% of firms with fewer than 10 staff to 79% of those with 20-199 staff and 97% of firms with 200+ employees. The proportion of manufacturing firms recruiting has increased markedly from the 48% found in Winter 2009/10 to 62% in Winter 2011. The figure for the service sector has increased much less from 64% to 67% over the same twelve month period.
- 4.43 74% of those companies which had taken on staff had recruited full-time employees, whilst 54% recruited part-time employees. This shows an increase in the proportion of companies recruiting part-time staff with a corresponding reduction in those recruiting full-time staff. In line with previous findings, manufacturing firms were less likely to have taken on part-time employees (29%, compared with 61% of service sector firms). The wholesale, retail and hospitality and the education, health and social work sub-sectors were the most likely to have recruited part-time staff. The majority of recruiting companies (83%) have taken on permanent employees, whilst 27% have taken on temporary staff and 12% staff on fixed term contracts.
- 4.44 The percentage of firms experiencing recruitment difficulties has increased slightly and now stands at 25% (of recruiting companies) compared with 16% in Winter 2009/10. This means that 16% of all companies surveyed had experienced difficulties with recruiting staff. Manufacturers (31%) were more likely than service sector companies (23%) to report recruitment difficulties. The sub-sectors reporting the greatest difficulty with recruitment were engineering/electrical (35%) and health and education (36%).
- 4.45 Overall, firms have had the greatest difficulty recruiting associate technical and professional occupations (21% of those reporting recruitment difficulties) and skilled craft occupations (18%). Manufacturing firms experienced particular problems with skilled craft occupations (33% of those reporting problems). Problem occupations were more widespread in the service sector. The most frequently mentioned hard to recruit occupations were: care assistants, sales representatives and sales assistants. This has been the case for a number of years.

- 4.46 36% of companies planning to recruit said they were likely to consider recruiting an apprentice, with 51% saying they would not. 17% described this as very likely and 19% fairly likely. Manufacturers (49%) indicated they more likely to consider an apprentice than the service sector (32%). This means that 18% of all companies surveyed would at least consider recruiting an apprentice.

Employability of Young People

- 4.47 In 2010, when asked what skills graduates lacked, 44% of businesses employing graduates in the last 3 years stated that they lacked 'business or commercial awareness', 33% stated that they lacked leadership skills and 33% stated that they lacked common sense.
- 4.48 In addition, 23% of businesses felt that young people (16-18) had a lack of knowledge of the working world or life in 2010. This increased to 44% for businesses who had employed a young person in the last year. Only 18% stated that young people had a poor attitude, although this was 37% for those who had taken on a young person in the last year.

Skills Gaps

- 4.49 The National Employer Skills Survey (NESS) in 2009 found that less than one in twenty employers in Leicester City (3%) had at least one vacancy that is hard-to-fill. As a proportion of all vacancies, 17% were hard-to-fill. This compares with 18% across the East Midlands Region. Hard-to-fill vacancies in Leicester were most likely to be found for associate professionals (37%), professionals (15%) and skilled trades people (also 15%). Locally, the low number of applicants with required skills was more likely to be cited as a reason for hard-to-fill vacancies than the regional average. There was also more likely to be issues around poor terms and conditions and shift-working/unsociable hours locally than nationally
- 4.50 Skills that were lacking in the City reflected those of the East Midlands region; although Leicester employers were more likely to indicate a wider range of skill needs locally. Most notably, Leicester employers were more likely than the regional average to cite written communication skills as lacking.
- 4.51 Hard-to-fill vacancies in the County were most likely to be found for associate professionals (37%), professionals (16%) and elementary staff. Leicestershire employers were most likely to cite the low number of applicants with required skills. Lack of qualifications amongst applicants was significantly more likely to be mentioned by Leicestershire employers than by those across the East Midlands

region. The skills found lacking in Leicestershire were most likely to involve technical, practical and job-specific skills, Leicestershire employers were significantly more likely than employers across the East Midlands region to cite problem solving, management and team working skills.

4.52 Skills gaps are the extent to which employers feel that employees are not proficient at doing their job. In the 2011 Leicester and Leicestershire Business Survey, when read a list of possible skills gaps, over 50% of businesses indicated that they had some skills gaps in their current workforce. The most significant were customer care (24%), oral communication skills within the company (23%), management/supervisory skills (21%), and team working skills (20%). However, over one in ten businesses reported skills gaps with: marketing/sales, general IT, job specific technical skills, basic literacy, problem solving, basic numeracy, professional and English language skills. Overall, small companies were less likely to report that they had skills gaps

Vacancies

4.53 The number of job vacancies available decreased locally and nationally between 2008 and 2009 as the number of people out of work increased. In 2010, some vacancies returned to 2008 levels, while others remained low. In Leicester City, vacancies in administration and secretarial occupations notified to Job Centre Plus almost halved in 2010, compared to 2009.

Figure 4.28 Number of notified vacancies by occupation in Leicester City

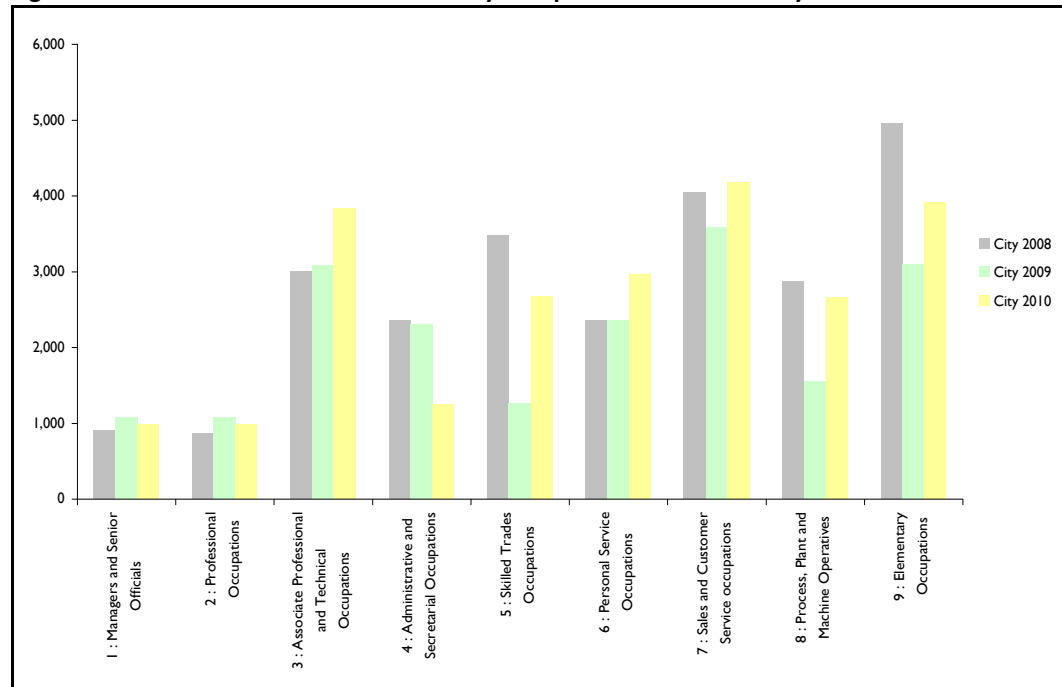


Figure 4.29 Number of notified vacancies by occupation in Leicestershire County

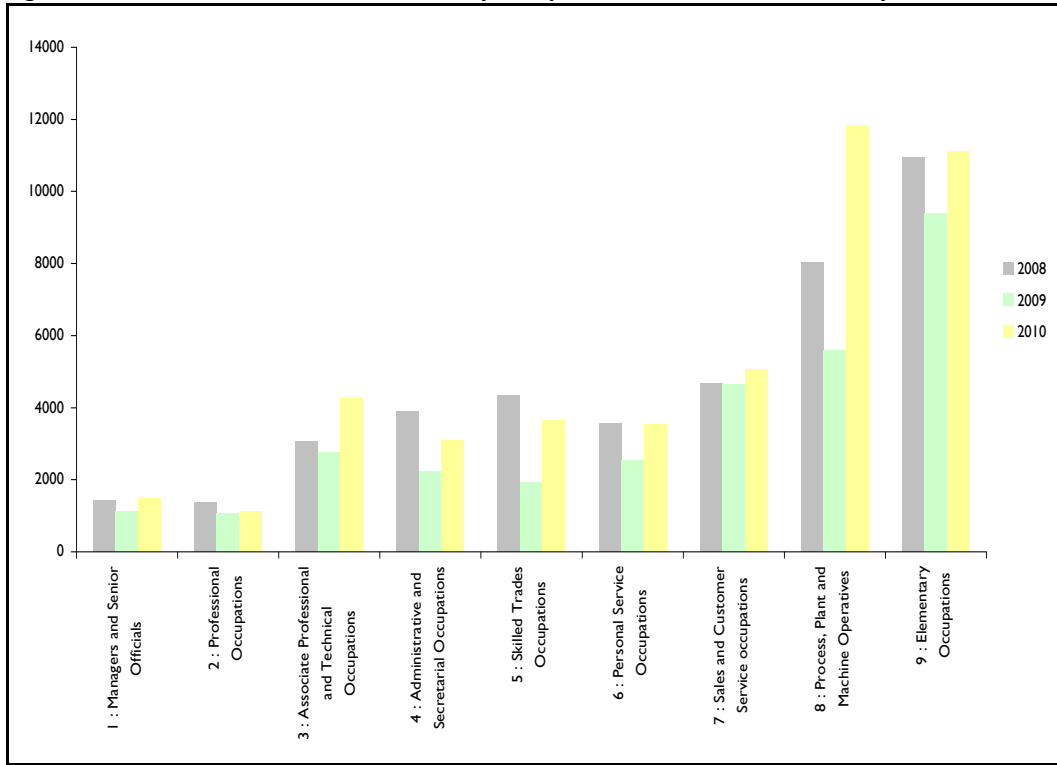


Figure 4.30 Average Number of JSA Claimants by occupation sought in Leicester City

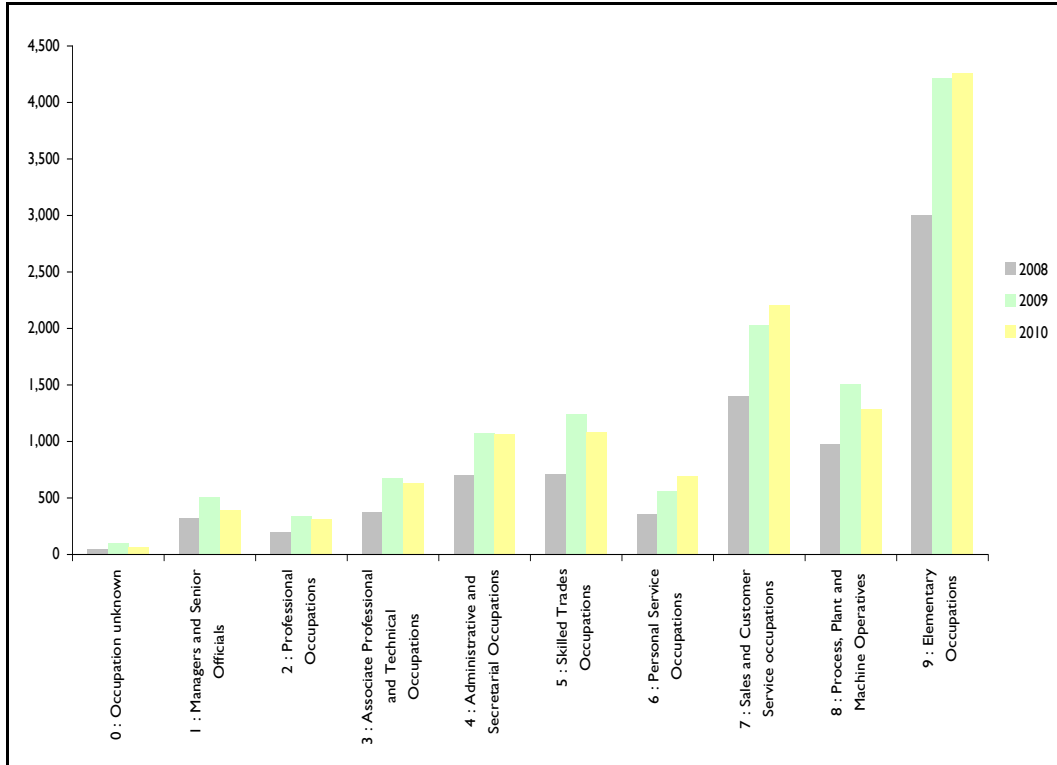
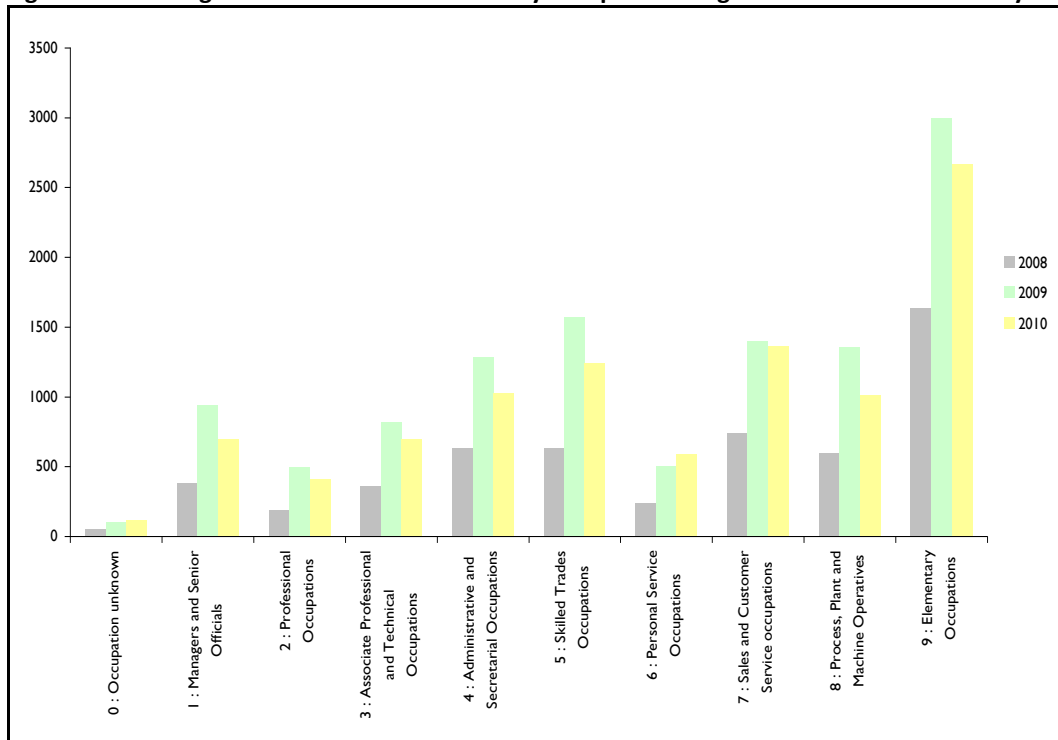


Figure 4.31 Average Number of JSA Claimants by occupation sought in Leicestershire County



Employment and Skills Chapter Summary

4.54 Skills and Employment

- A major challenge is the contrast between the labour market profiles of Leicester City at the core of the sub-region and the surrounding Leicestershire County area. There is a risk that potential investors might look at the City skills profile alone and reach the conclusion that the area has a low skill, low wage economy.
- 23% of Leicester City's resident working age population have no recognised qualifications (compared to 12% in England) - Leicester is one of the worst performing areas in the country on this indicator. A further 13% have 'other or overseas qualifications' which do not readily match UK qualifications.
- The under-performance of White students in Leicester City is a significant issue, with problems concentrated in deprived areas in the west of the City. This is apparent as early as age 11 (Key Stage 2). Only 37% of White pupils in Leicester City achieved five or more GCSEs at grades A*-C (including English and Maths) compared to 62% of Asian pupils in the City. The gap between White and Asian students is also significant in the County but not quite so marked (54% of White and 69% of Asian students).
- 22% of Leicester City's resident working age population have a level 4 qualification¹³ compared to 30% in England.
- Only 54% of Leicester City's working age females are in employment
- Marked poor educational performance of white young people resident in Leicester City, already apparent at age 11.
- Employers report lack of "applicants" that are "job-ready", especially young people.
- In the recent Business Survey, 51% of those with recruitment problems stated that there was a lack of applicants with suitable skills. However, 37% of firms with recruitment difficulties stated that there was a lack of applicants with the right attitude, motivation or personality.
- In terms of occupations, City residents are more likely to be working in elementary occupations or as process, plant and machine operatives than is the case with County residents.
- Only 11% of Leicester City resident workers are employed as managers or senior officials compared to a regional average of 16% (this is reflected in the lower wages of City residents) A relatively high proportion (17%) of Leicestershire County's resident workers are working in managerial occupations.
- Although the sub-region benefits from three large universities, graduate retention is relatively low. Six months after graduating, 36.7% of De

¹³ Level 4 is equivalent to a first degree

Montfort University graduates, 22.5% of the University of Leicester graduates and 12.5% of Loughborough University graduates had found employment in the sub-region.

4.55 **Deprivation and Worklessness**

- 40% of the neighbourhoods in Leicester City fall into the 20% most deprived nationally (based on ID 2010)
- In general, the most deprived Leicestershire County neighbourhoods have become relatively more deprived between 2007 and 2010.
- Oadby and Wigston are now eligible for ERDF funding linked to its indices of deprivation.
- 17% of working age residents in Leicester City are claiming out-of-work benefits.
- Median Weekly earnings for residents of Leicester (£397.70) are low in comparison to Leicestershire (£500.20) and England (£506).
- Leicester has relatively low median workplace earnings for a city indicative of its employment structure and a relatively low number of high skilled, high paid jobs for a city of its size. This in turn makes graduate retention and attraction difficult, given the limited range of opportunities available.

Employment and Skills SWOT

<p>Strengths</p> <ul style="list-style-type: none"> • Workforce qualifications in the County are amongst the highest in the region • Progression rates to Higher Education are exceptionally high in the City (especially amongst the Indian population) • Proportion of the workforce qualified to Level 4 has increased in both the City and County • Three world class universities are located in the sub-region and there is a strong and improving FE sector • Leicestershire has a slightly higher proportion of the workforce employed as managers and in professional occupations when compared to the region • The health sector in Leicester City employs large numbers of women, part- time workers, migrants and graduates. 	<p>Weaknesses</p> <ul style="list-style-type: none"> • City wages for both residents and workplace jobs are lower than expected for a City. • 23% of residents in the City have no qualifications and workforce qualifications are amongst the poorest in the region • Marked poor performance of White young people resident in the City, which is already apparent at age 11 • The 2 most deprived neighbourhoods for education skills and training in the UK are located in the City • Leicester has a high proportion of resident workers employed in low-skilled occupations and a relatively small proportion employed in management/professional roles • Only 54% of females in the City are in employment • Low graduate retention - especially arts and engineering graduates
<p>Opportunities</p> <ul style="list-style-type: none"> • 3 universities produce approximately 17,000 graduates each year and strong FE sector • Young and culturally diverse workforce in the City • Food and drink sector employment is expected to increase and also employment in the health sector • Completion rates for apprenticeships have improved, which is against the regional trend • Qualification Levels in the City are improving with higher achievement at Levels 2 and 3 at age 19 • Promoting the good progress in City schools rather than league tables would improve reputation of the City, inspire pupils and encourage inward investment 	<p>Threats</p> <ul style="list-style-type: none"> • Potential increase in the claimant count as a result of public sector cuts and falling consumer confidence • Fluctuation in vacancies notified to Job Centre Plus over the past 12 months • Significant proportion of City employment in public sector and related sectors, which is a risk given potential future cuts in public spending • Public sector is important source of graduate employment & cuts likely to have negative impact on graduate retention • Apprenticeship participation has been affected by the economic downturn and ongoing uncertainty, employers not willing to take on apprentice • Low aspirations of young people in deprived areas of the City • Employers report lack of applicants with ‘the right attitude • Skills gaps reported by many businesses, in both manufacturing and services sectors • Less government funding available to invest in workforce training