

**East Midlands Sector Skills Research
Leicestershire LSC Report**

Asset Skills

1. Introduction

This report is part of a wide-ranging programme of skills research covering all five Learning and Skills Council areas in the East Midlands region.

In relation to each of these Learning and Skills Council areas and the East Midlands region as a whole, a series of detailed reports have been produced that focus on the present and future skill needs of different sectors of the economy. The research outputs include:

- Individual reports for each Sector Skills Council footprint
- A further set of reports covering 39 of the 67 sectors defined by the Working Futures 2 employment forecasts. These sectors have been selected with reference to their importance in terms of numbers employed regionally and at an individual LSC area level and with consideration to the value each report will add to the Sector Skill Council reports.¹

This report focuses on the Asset Skills Sector footprint within the Leicestershire LSC area. The activities covered by the Asset Skills Sector footprint are set out in Appendix One.

The analysis contained in this report is entirely based on secondary data and includes use of data from the Working Futures 2 employment forecasts², National Employer Skills Survey 2005, Annual Business Inquiry 2004 and the Census 2001. Information compiled by Asset Skills Sector Skills Council has also been utilised.

The structure of this report is as follows:

- Current sector structure
- Sub sector analysis
- Workforce profile
- Historical trends
- Forecast employment change
- Drivers of change and key skill issues
- Human resource indicators
- Business and employment matrix

¹ A separate report setting out the full criteria for selection of reports has been produced and is available from Nottinghamshire Learning and Skills Council

² Working Futures: New Projections of Occupational Employment by Sector and Region, 2004, SSDA/LSC/IER/CE

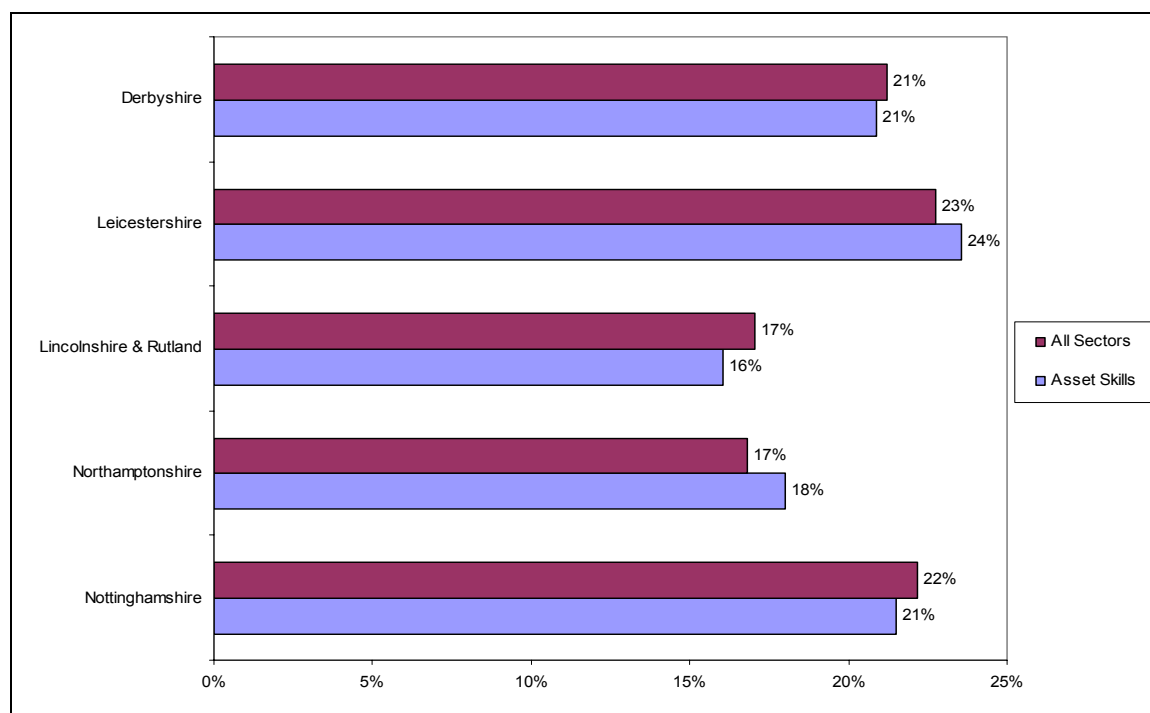
2. Current sector structure

Based on the Annual Business Inquiry 2004 there are an estimated 1,911 employers and 7,591 employees working in the Asset Skills sector in the Leicestershire LSC area³.

The sector accounts for 5% of all employers in Leicestershire LSC area and 2% of total employment⁴.

Chart 1 sets out the distribution of Asset Skills employers by LSC area within the East Midlands region and compares this with the distribution of all employers (All sectors)⁵.

Chart 1: Share of total employers by LSC area; Asset Skills and All sector average



Source: ABI 2004

³ The Annual Business Inquiry figures on employment excludes those self employed and casual labour, so is likely to under-estimate the total number of people working in the sector. Working Futures 2 data which takes account of numbers self employed estimate that the total numbers working in the sector in 2004 was 11,850.

⁴ The Annual Business Inquiry (ABI) estimates for employers cover all UK businesses registered for Value Added Tax (VAT) and/or Pay As you Earn (PAYE).

⁵ It should be noted that the figures on all charts in this report have been rounded to the nearest full percentage, but the bars on each chart still reflect any small decimal point differences

Analysis of the spatial distribution of the sector indicates that as a proportion of all Asset Skills employers within the East Midlands Region those in Leicestershire account for an estimated 24% and of all Asset Skills employers in England, those in Leicestershire account for 1.6%

In relation to employment, the respective figures are 19% of the regional total and 1.0% of the total for England. (See Table 1 for more details).

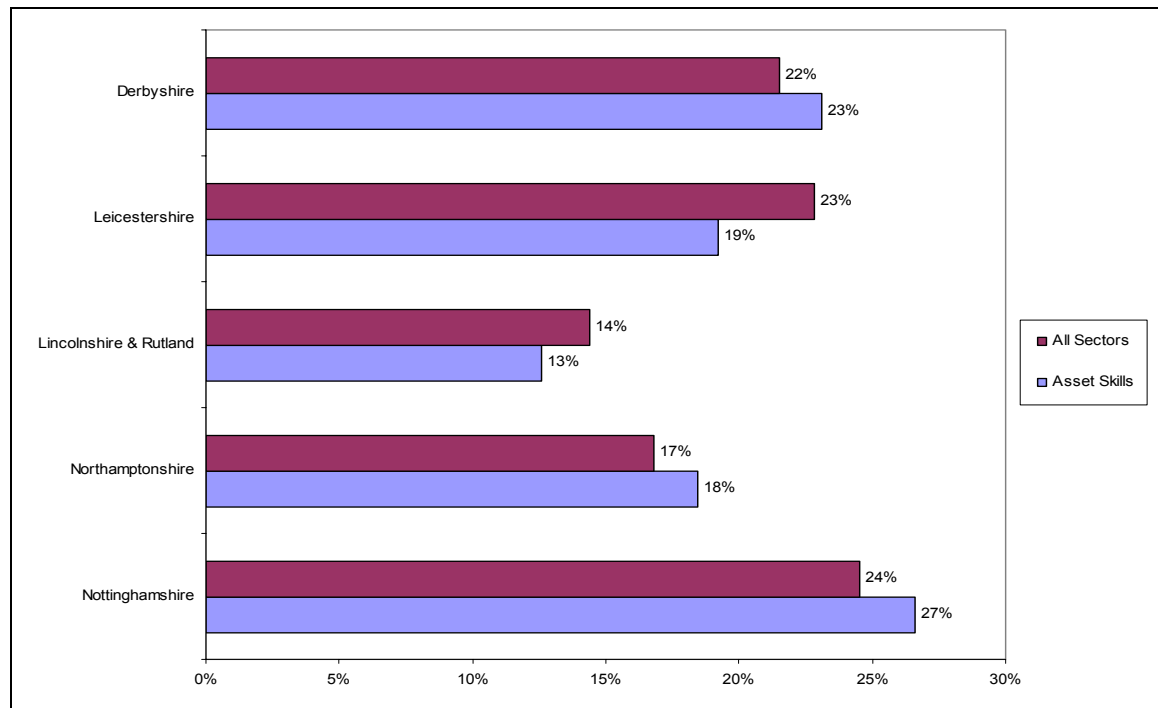
Table 1: Structure of employment and employers within Asset Skills; Leicestershire, East Midlands Region, England

	Number (LSC area)	As % of all in LSC area	As % of sector in East Midlands Region	As % of sector in England
Number of employers	1,911	5%	24%	1.6%
Number of employees	7,591	2%	19%	1.0%

Source: ABI 2004

Chart 2 sets out the distribution of Asset Skills employment by LSC area and compares this with the distribution of total employment (All sectors).

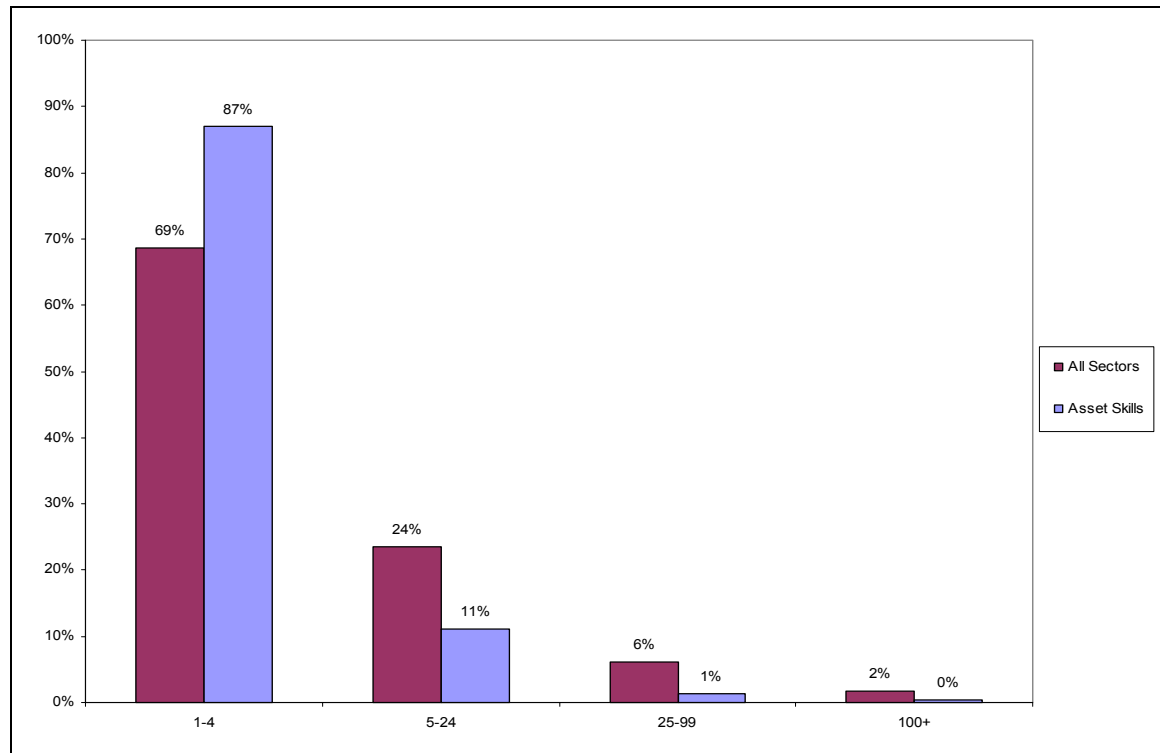
Chart 2: Share of total employment by LSC area; Asset Skills and All sector average



Source: ABI 2004

Chart 3 outlines the proportion of employers within different employment size bands in Leicestershire and indicates that by comparison with the average for all sectors within Leicestershire, there are relatively high concentrations of very small employers within the Asset Skills sector footprint (Those employing between 1-4 employees).

Chart 3: Proportion of employers by employment size band in Leicestershire; Asset Skills and All sector average



Source: ABI 2004

Table 2 identifies the proportion of employees working in different sized workplaces and highlights the relative concentrations of employment within very small establishments (Those employing between 1-4 employees).

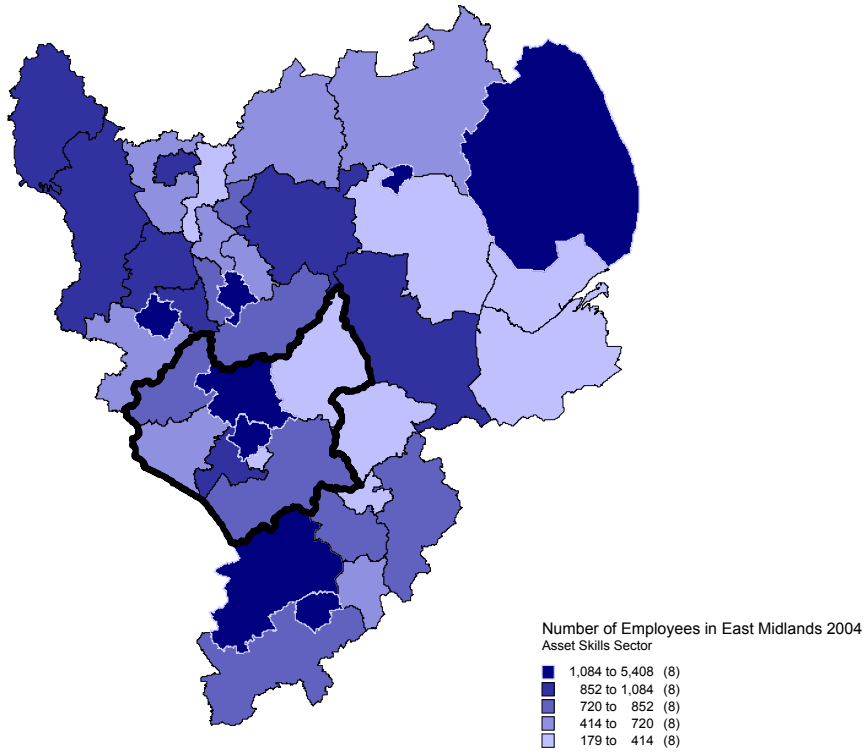
Table 2: Size structure of employment within Asset Skills; Number of employees within each employer size band; Leicestershire, East Midlands Region, England

	Number of employees in Asset Skills (LSC area)	% employees in Asset Skills (LSC area)	% employees in All sectors in LSC area	% employees in Asset Skills in East Midlands Region	% employees in Asset Skills in England
Number of employees (1-4 employees)	2,572	34%	11%	29%	23%
Number of employees (5-24) employees)	2,146	28%	22%	29%	22%
Number of employees (25-99) employees)	1,263	17%	24%	17%	16%
Number of employees (100+) employees)	1,610	21%	43%	26%	39%
All employees	7,591	100%	100%	100%	100%

Source: ABI 2004

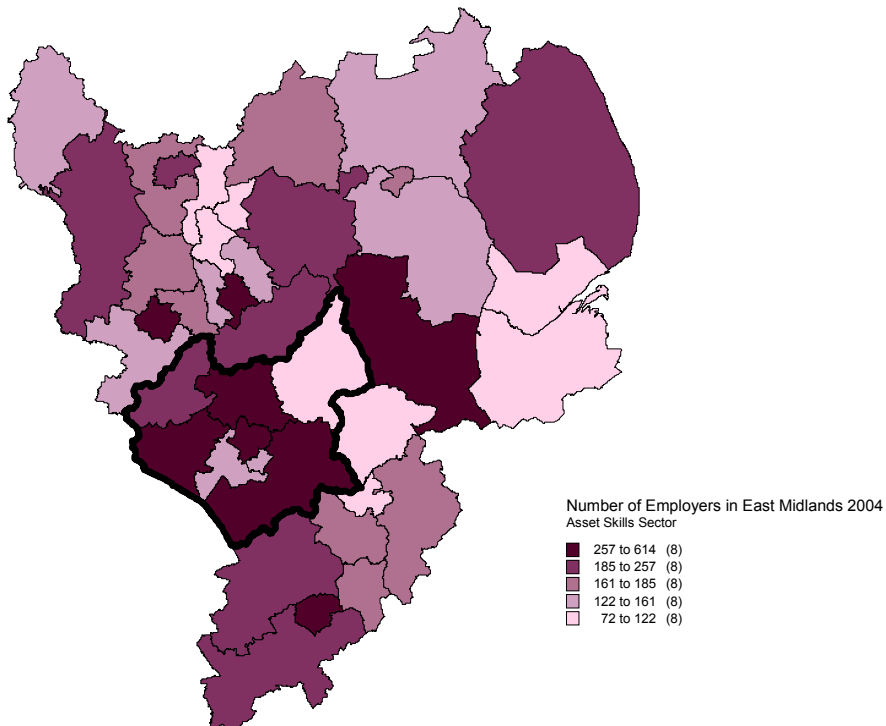
Maps 1 and 2 highlight the spatial concentrations of employees and numbers of businesses in the Asset Skills Sector within each local authority area within the East Midlands region. Appendix Two contains a key to all local authority names within the East Midlands region.

MAP 1



Source: Annual Business Inquiry 2004

MAP 2



Source: Annual Business Inquiry 2004

3. Sub sector analysis

Total employment within all sectors in Leicestershire represents about 1.8% of the total for England. Given that employment within Asset Skills within the LSC area represents 1.0% of the total for England, employment in Asset Skills activities within Leicestershire are somewhat under-represented.

Table 3 provides a breakdown of employment within different Asset Skills sub-sectors⁶.

The analysis indicates that cleaning accounts for an estimated 43% of all employment in Asset Skills activities in Leicestershire, facilities management 5% and housing and property 53%.

Table 3: Number and % of employment by Asset Skills sub-sector; Leicestershire, East Midlands Region, England

	Number (LSC area)	As % of all in Asset Skills sector in LSC area	As % of sub-sector in East Midlands Region	As % of sub-sector in England
Cleaning	3,252	43%	19%	0.9%
Facilities management	343	5%	15%	0.5%
Housing & Property	3,996	53%	20%	1.3%
Total for Asset Skills	7,591	100%	19%	1.0%

Source: ABI 2004

Table 4 provides a breakdown of employers within each Asset Skills sub-sector.

⁶ Appendix One contains SIC definitions for each Asset Skills sub sector

Table 4: Number and % of employers by Asset Skills sub-sector; Leicestershire, East Midlands Region, England

	Number (LSC area)	As % of all in Asset Skills sector in LSC area	As % of sub-sector in East Midlands Region	As % of sub-sector in England
Cleaning	308	16%	19%	1.3%
Facilities management	110	6%	21%	1.1%
Housing & Property	1,493	78%	25%	1.7%
Total for Asset Skills	1,911	100%	24%	1.6%

Source: ABI 2004

Table 5 identifies sub regional concentrations of employment within different Asset Skills sub-sectors, using location quotients. Location quotients use the local share of national employment for the sub-sector or sector and compare it with the local share of national employment overall. The difference gives an indication of whether there is a higher level of employment in the sub-sector/sector than average, or a lower level. In this example, the average for all sectors is 1.0. Therefore, a figure for a sub-sector/sector below 1.0 indicates an under-representation of employment and a figure above 1.0 represents a relative concentration of employment.

The analysis indicates that in relation to Leicestershire LSC as a whole, employment in all Asset Skills sub-sectors is under-represented. However, within this overall pattern, there are considerable sub-regional variations in employment. Table 5 identifies a number of relative concentrations of employment or 'hot spots' at a local authority area level.

Table 5: Sub regional concentrations of employment within Asset Skills sub sectors within Leicestershire

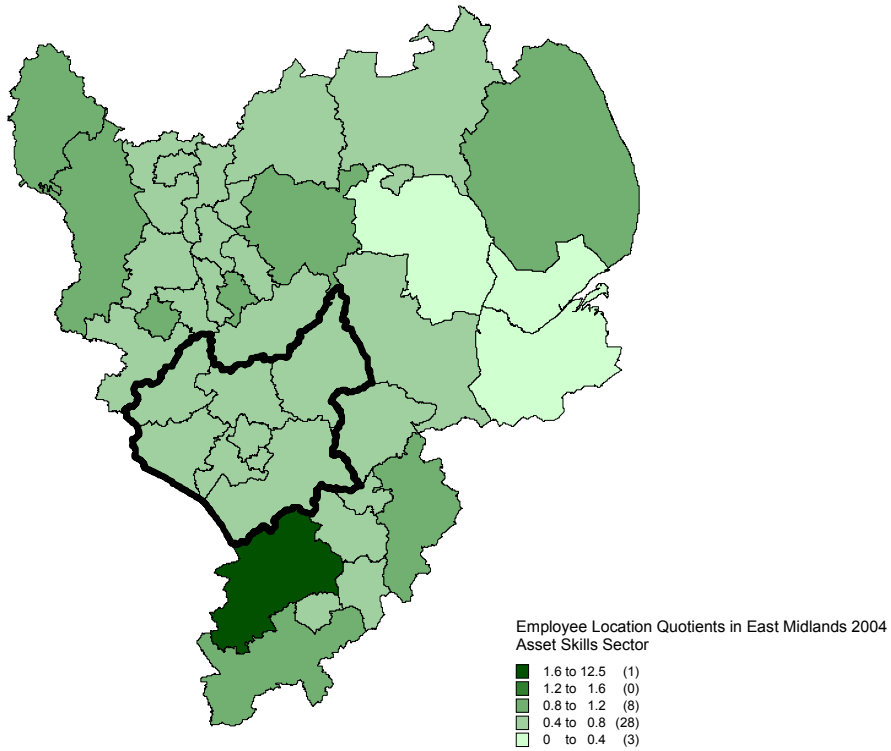
Sub-sector	Location Quotients for Asset Skills sub-sectors in Leicestershire ⁷	Sub regional 'hot spots'
Cleaning	0.49	
Facilities management	0.28	
Housing & Property	0.71	Harborough (1.03)
Total for Asset Skills	0.56	
Total for All Sectors	1.00	

Source: ABI 2004

⁷ The share of employment in England within each sub sector or sector in Leicestershire by comparison with the share of employment in England in Leicestershire of all sectors.

MAP 3

Map 3 identifies spatial differences in location quotients for the Asset Skills sector for each local authority area in the East Midlands region.



Source: Annual Business Inquiry 2004

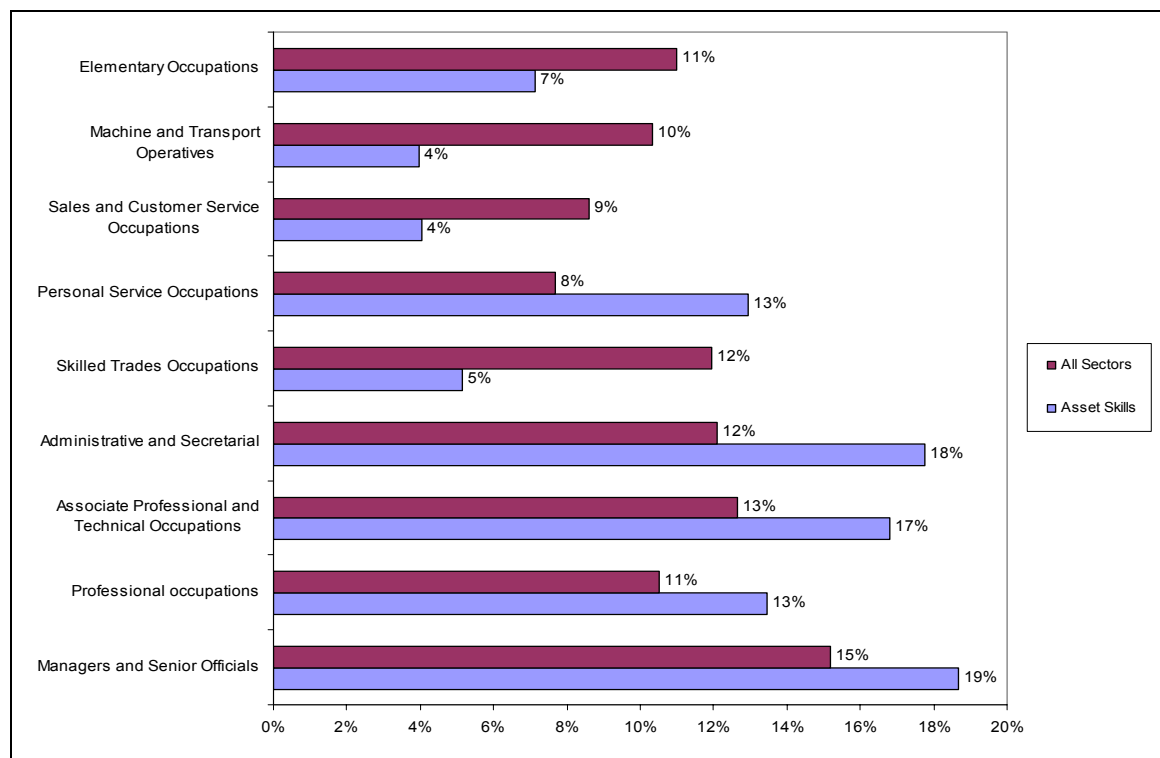
4. Workforce profile

This section examines the profile of those working within the Asset Skills sector in Leicestershire in relation to occupations, employment status, ethnicity, age and attainment level.

Chart 4 sets out the occupational structure and indicates that by comparison with the average for all sectors:

- A somewhat higher proportion of those employed in the Asset Skills sector work in administrative, clerical and secretarial, personal service, associate professional and technical and managerial occupations
- A lower proportion work in elementary, transport and machine operative, sales and customer service and skilled trade occupations

Chart 4: Occupational structure of employment within Leicestershire; Asset Skills and All sector average



Source: Working Futures 2

Table 6 indicates that by comparison with the average for all sectors within the Leicestershire LSC area⁸:

⁸ The employment data relating to the workforce profile in terms of part time and full time employees, self-employment and gender is drawn from Working Futures 2 and are estimates. At an individual LSC area level these figures need to be treated with caution

- Part time and self-employed work is more prevalent within Asset Skills
- The gender profile is broadly similar

Table 6: Asset Skills workforce profile summary; Leicestershire, East Midlands, England

	Asset Skills			Average for all sectors in LSC area
	LSC area	Regional average	Average for England	
% part time employees ⁹	36%	36%	35%	28%
% full time employees ¹⁰	43%	42%	45%	60%
% self-employed ¹¹	22%	21%	20%	12%
% male ¹²	53%	51%	51%	54%
% female ¹³	47%	49%	49%	46%
% Non-White employees ¹⁴	8%	4%	8%	12% ¹⁵
% employed whose highest qualification is NVQ Level 4 or above ¹⁶	16%	14%	18%	18%
% employed whose highest qualification is NVQ Level 3	7%	7%	8%	8%
% employed whose highest qualification is NVQ Level 2	19%	20%	21%	21%
% employed whose highest qualification is NVQ Level 1	20%	20%	19%	21%
% employed with no qualifications	31%	32%	28%	24%
Other qualifications/Not known	6%	7%	7%	8%
% employed aged 16-17 ¹⁷	2%	1%	1%	2%
% employed aged 18-24	8%	8%	8%	12%
% employed aged 25-44	48%	47%	48%	50%
% employed aged 45+	42%	44%	43%	36%

⁹ Working Futures 2

¹⁰ Working Futures 2

¹¹ Working Futures 2

¹² Working Futures 2

¹³ Working Futures 2

¹⁴ Census 2001. All Census data utilised is workplace based

¹⁵ In relation to ethnicity, qualifications and age, the average for all sectors has been derived from the average for all SSC footprints

¹⁶ All attainment level data has been derived from Census 2001.

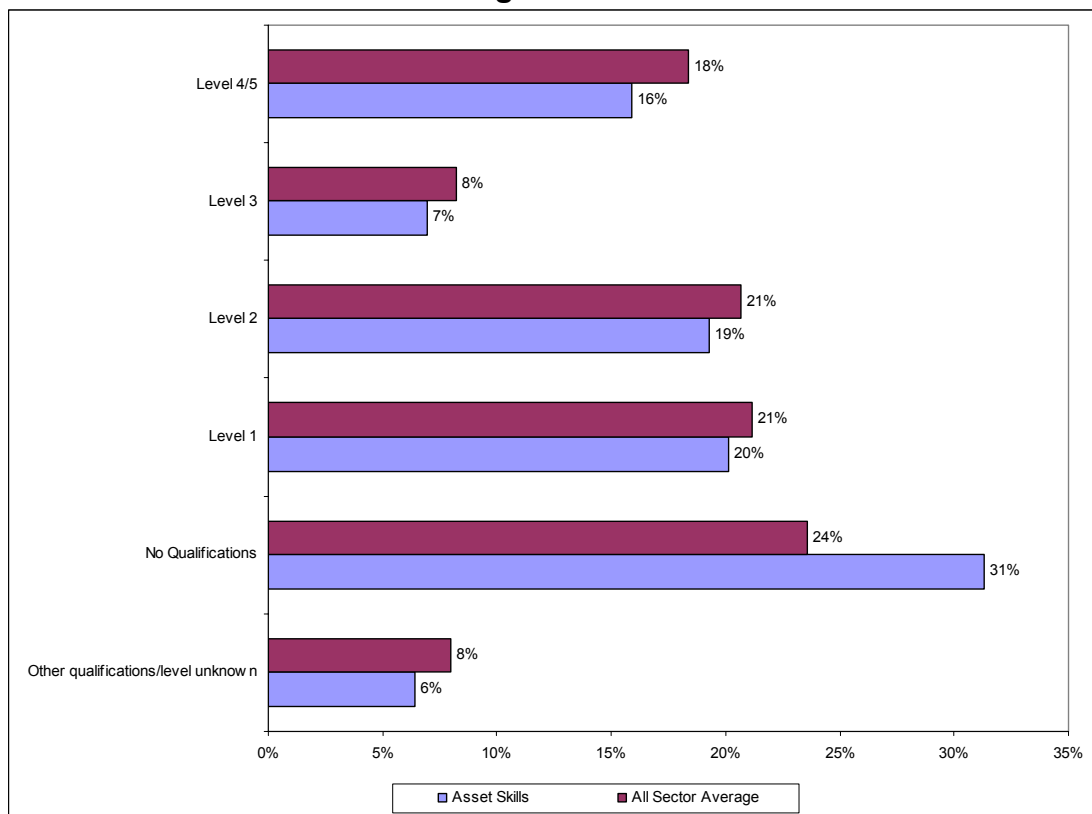
¹⁷ All age data has been derived from the Census 2001

It is estimated that 8% of all Asset Skills workers within Leicestershire are classified as Non-White, which compares with an England average of 8%. The average for all sectors in the Leicestershire LSC area is 12%.

Examination of the existing age profile of the workforce can help highlight a number of potential recruitment, retention and succession issues employers may need to address. Within Asset Skills the proportion of those aged 45 or more within Leicestershire is 42%. This compares with an average for all sectors in the LSC area of 36%.

In relation to workforce attainment levels, Table 6 and Chart 5 indicate that while it is estimated that 31% of the Asset Skills workforce within Leicestershire have no qualifications, the average for all sectors in the LSC area is 24%. At the other end of the spectrum, while an estimated 16% of the Asset Skills workforce in Leicestershire has attained an NVQ Level 4 or above qualification, the respective average for all Sector Skill Councils in Leicestershire is 18%.

Chart 5: Proportion of Leicestershire workforce by highest qualification; Asset Skills and All sector average



Source: Census of Population 2001

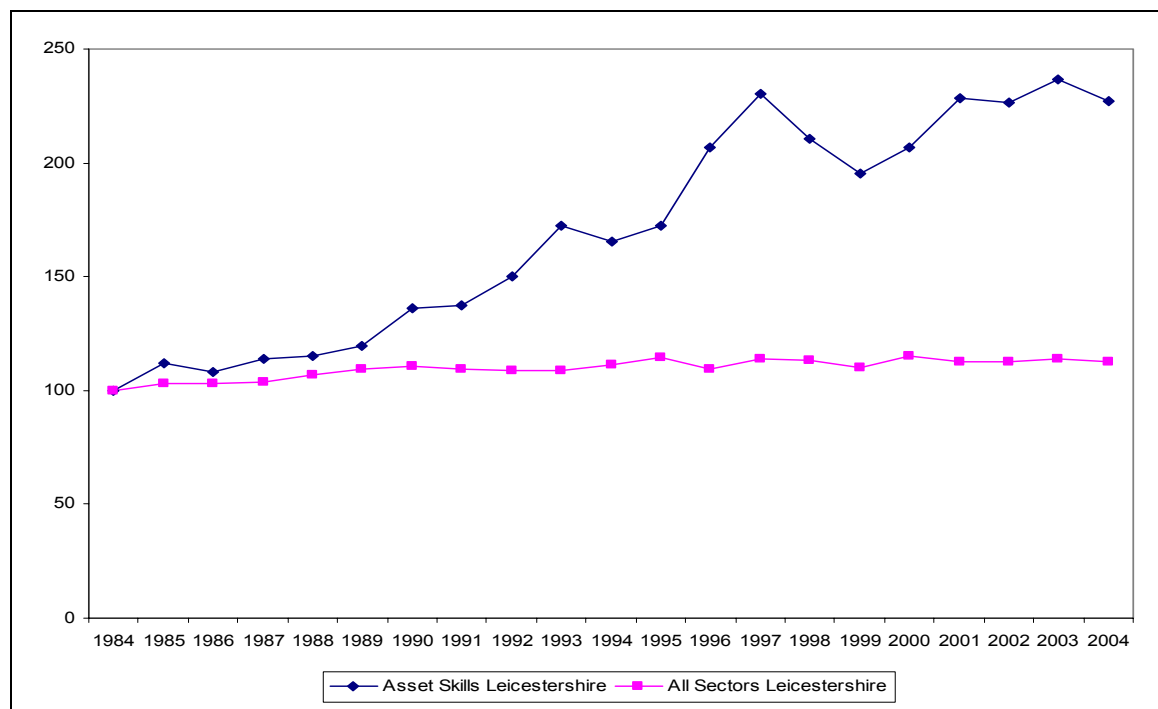
5. Historical trends

Table 7 identifies employment trends over the period 1984-2004. The analysis indicates that:

- Over the whole period 1984-2004 numbers employed within Asset Skills in Leicestershire changed by an estimated 6,650, or +127%. This compares with +149% for the sector in the East Midlands Region and +150% within England. The average for all sectors within Leicestershire over this period was +13%.
- Over the more recent period 1994-2004 numbers employed within Asset Skills in Leicestershire changed by an estimated 3,250, or +37%. This compares with +43% for the sector in the East Midlands Region and +47% within England. The average for all sectors within Leicestershire over this period was +1%.

Chart 6 outlines the year on year changes over the period 1984-2004. It shows how the growth/decline in employment in the Asset Skills sector compares with the growth/decline in employment across all sectors. It maps the change in employment, with the figure for both sets of data being indexed to 100 in 1984.

Chart 6: Historical employment trends in Leicestershire 1984-2004; Asset Skills and All sector average



Source: Working Futures 2;

Note: Both the Asset Skills and All sector average have been indexed to 100 in 1984

Table 7: Asset Skills employment trends summary 1984, 1994, 2004; Leicestershire, East Midlands, England

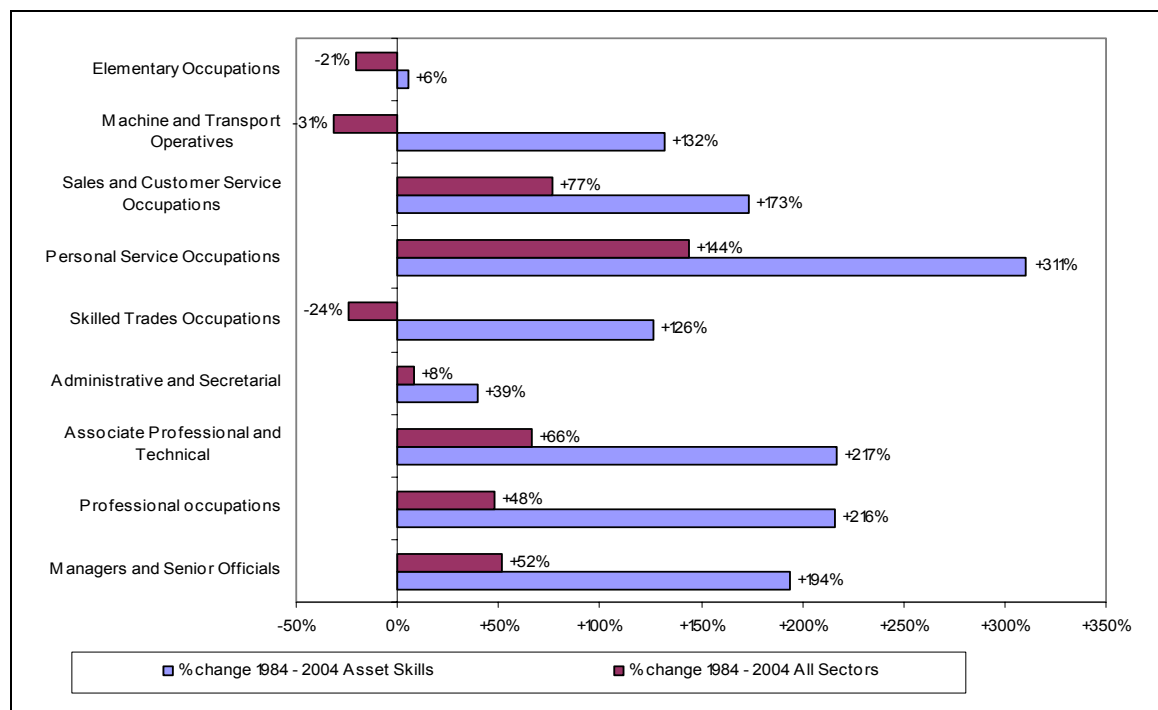
	LSC area Numbers	LSC area %	Regional average	Average for England	Average for all sectors in LSC area
Change in numbers employed 1984-1994	3,400	+65%	+74%	+70%	+12%
Change in numbers employed 1994-2004	3,250	+37%	+43%	+47%	+1%
Change in numbers employed 1984-2004	6,650	+127%	+149%	+150%	+13%

Source: Working Futures 2

Note: Numbers have been rounded to the nearest 50

Chart 7 sets out changes in employment by occupation and indicates that the rate of growth in all occupational areas within Asset Skills in Leicestershire has exceeded the average rate of growth of occupations across all sectors in the LSC area.

Chart 7: % change in numbers employed by broad occupation within LSC area 1984-2004 (Asset Skills and All sector average)



Source: Working Futures 2

6. Forecast employment change

Table 8 and Chart 8 provide a summary of forecast employment change over the period 2004-2014.

Table 8: Asset Skills employment forecast summary; 2004-2014

	Asset Skills				Average for all sectors in LSC area (%)
	Leicestershire area (Numbers)	Leicestershire area (%)	Regional average (%)	Average for England (%)	
Change in total numbers employed	1,650	+14%	+10%	+11%	+2%
Expected change part time employees	350	+8%	-3%	+10%	+9%
Change full time employees	100	+2%	+5%	+10%	+1%
Change in numbers self employed	1,200	+47%	+45%	+17%	-8%
Change in numbers of males	1,400	+22%	+21%	+19%	+1%
Change in numbers of females	250	+5%	0%	+3%	+3%
Net requirement (Total numbers)	6,000	N/A	N/A	N/A	169,000
Replacement demand (Total numbers)	4,000	N/A	N/A	N/A	161,000

Source: Working Futures 2

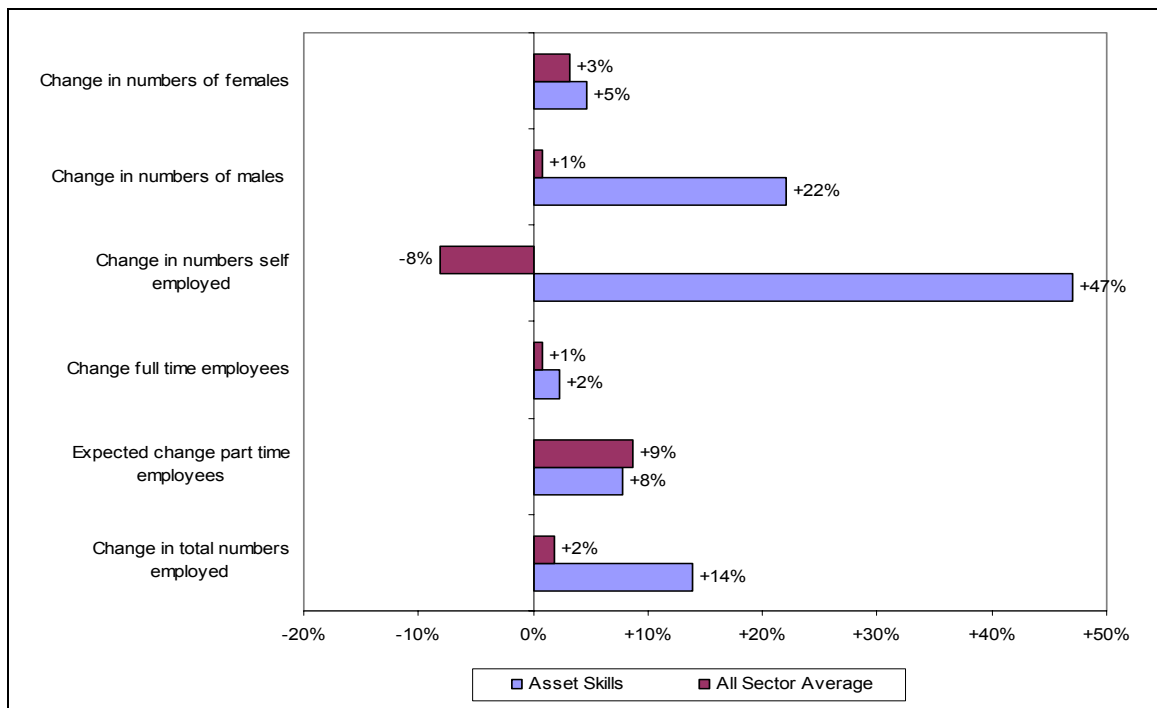
Note: Numbers have been rounded to the nearest 50, except replacement demand and net requirement figures which have been rounded to the nearest 1000

The analysis set out in Table 8 indicates that over the period 2004-2014 it is estimated that:

- overall employment within the Asset Skills sector will increase by about 1,650, implying an estimated change of +14% over this period. This compares with an estimated +10% in relation to the sector regionally and +11% within England. The respective figure for all sectors in the LSC area is +2%.
- part time employment within the Asset Skills sector will increase by about 350, implying an estimated change of +8% over this period. This compares with an estimated -3% decrease in relation to the sector regionally and +10% within England. The respective figure for all sectors in the LSC area is +9%.

- full time employment within the Asset Skills sector will increase by about 100, implying an estimated change of +2% over this period. This compares with an estimated +5% in relation to the sector regionally and +10% within England. The respective figure for all sectors in the LSC area is +1%.
- self-employment within the Asset Skills sector will increase by about 1,200, implying an estimated change of +47% over this period. This compares with an estimated +45% in relation to the sector regionally and +17% within England. The respective figure for all sectors in the LSC area is -8%.
- male employment within the Asset Skills sector will increase by about 1,400, implying an estimated change of +22% over this period. This compares with an estimated +21% in relation to the sector regionally and +19% within England. The respective figure for all sectors in the LSC area is +1%.
- female employment within the Asset Skills sector will increase by about +250, implying an estimated change of +5% over this period. This compares with no change projected in relation to the sector regionally and +3% within England. The respective figure for all sectors in the LSC area is +3%.

Chart 8: Forecast change in numbers employed by nature of work and gender; 2004-2014; Asset Skills and All sector average

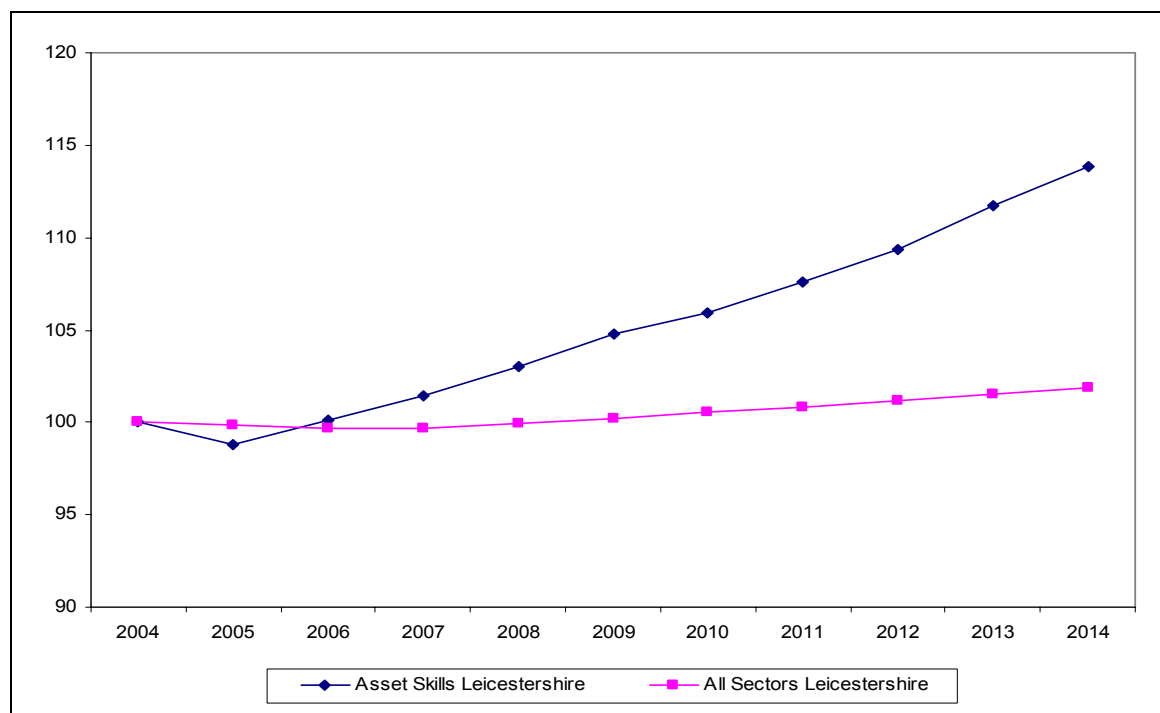


Source: Working Futures 2

The forecasts set out in Table 8 and Chart 8 indicate that in addition to the net increase in numbers employed within Asset Skills in Leicestershire over the period 2004-2014 there are likely to be an additional 4,000 workers required as a result of replacement demand, as people retire, move into other jobs in the sector or leave the sector altogether. This implies a net requirement for workers over the whole period 2004-2014 of about 6,000 workers, or an average annual net requirement of about 600 workers¹⁸. This accounts for about 3.6% of the total estimated annual net requirement for all sectors in Leicestershire.

Chart 9 outlines year on year forecast changes within the Leicestershire Asset Skills sector for the period 2004-2014 and compares these trends with the all sector average, forecast by indexing both sets of data to 100 in 2004. The chart indicates that the Leicestershire Asset Skills sector is likely to outperform the all sector average over this period.

Chart 9: Indexed forecast employment change 2004-2014; Asset Skills and All sector average



Source: Working Futures 2;

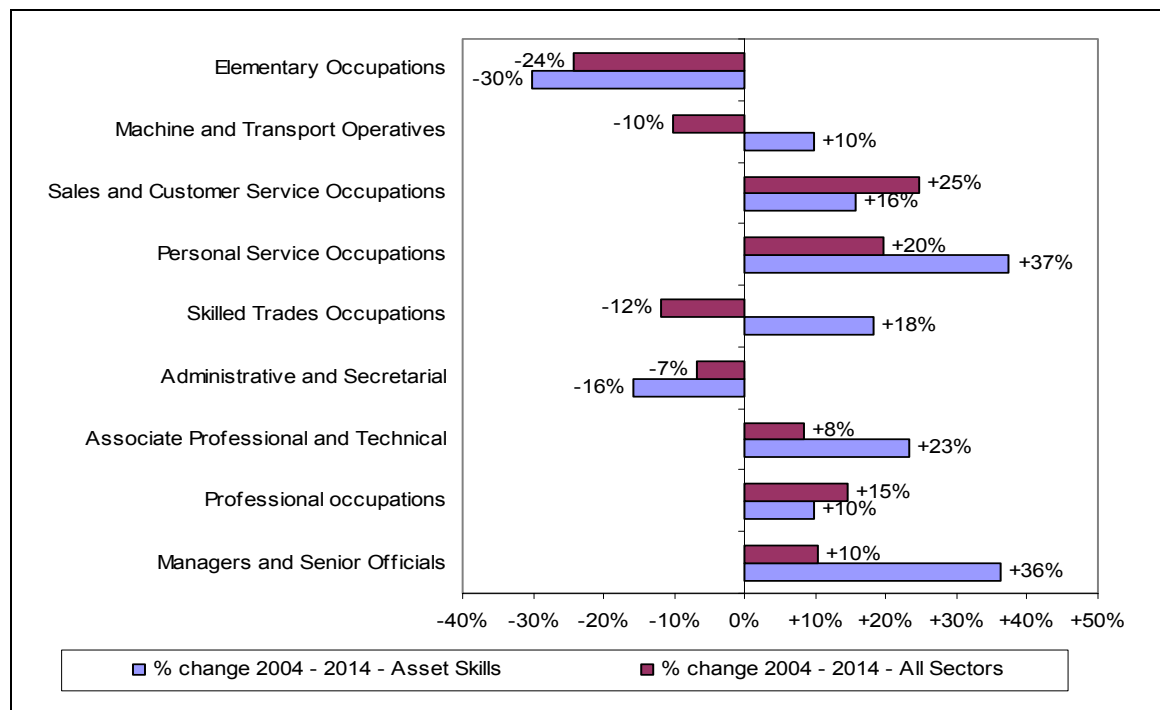
Note: Both the Asset Skills and all sector average have been indexed to 100 in 2004

¹⁸ The actual annual net requirement will of course vary from year to year

Chart 10 identifies forecast change by occupational area over the period 2004-2014 and compares expected trends within the Asset Skills sector with the all sector average within Leicestershire.

All occupational areas within the Leicestershire Asset Skills sector are expected to experience growth, with the exception of administrative and secretarial and elementary occupations, which are expected to experience significant net decline.

Chart 10: Forecast change 2004-2014 by main occupational categories within LSC area; (Asset Skills and All sector average for LSC area)



Source: Working Futures 2

7. Drivers of change and key skill issues

Drivers of change

Many of the factors driving change within the Asset Skills sector, such as globalisation or technological advances, are not unique to Asset Skills, but nevertheless have a considerable impact on the demand for skills within the sector. An understanding of these factors is therefore crucial in understanding how skill requirements for the sector are likely to change.

The variation of businesses and the roles they perform within the Asset Skills' sector is considerable. However, there are some common drivers of change emerging, which are likely to impact on the skills that exist in each of the four main industries of Asset Skills. These include:

- *The shape of the economy:* Levels of investment within property services are highly dependent upon consumer confidence. The need for affordable housing, high levels of unemployment and high energy prices are also considered to be economic drivers amongst the housing industry.
- *Competitive pressures:* The emphasis now is more on quality as well as a competitive price. Profit margins are notoriously low in some segments of the sector, ranging from 2-6% and companies generally find it difficult to lower their prices any further¹⁹. Therefore, firms are increasingly finding alternative ways of adding value to their services in order to meet the increasing levels of customer expectations and gain competitive advantage. Finding niche markets that are less susceptible to competition is advantageous but not always achievable. However, improving the quality of services and customer relationships is a more feasible option to improve competitiveness.
- *Globalisation:* More people are investing in properties abroad and umbrella companies are providing services for international companies; competing against local supply. As such, UK based businesses are finding it increasingly difficult to compete on low costs alone in labour intensive industries exposed to international competition. The challenge for businesses is to compete on the basis of unique value. As a result, companies within the Asset Skills' sector have to turn their attention to revising business strategies to incorporate a response to international drivers of change.
- *Growing sophistication of consumer demand:* In parts of the sector, for example, Facilities Management, consumer behaviour appears to be quite steady and loyal. To establish this trend, sectors are seeking to offer long-term contracts, which gains loyalty and limits competition but also allows for more personal attention to be given, and niche markets to be explored.

¹⁹ See, for example, MSI Databrief, 2002, Contract Cleaning: UK, in relation to the cleaning sector

Consumers are influenced by cost but increasingly they are looking for high quality and value at a competitive price. For provision to meet both dynamics, the sector must invest in the skills needed to produce high quality goods and services, and harbour the skills necessary to form economies of scale so that costs can be kept to a minimum.

- *A steep increase in the use of technology:* The use of IT has become ubiquitous amongst many of Asset Skills' firms and is not only changing the way businesses are run, but also changing the way in which services are delivered. Progressively more and more workers are expected to make use of ICT as part of their daily tasks, requiring further development of operatives' skills. The Facilities Management industry is still considered to be 'behind the game' in adopting e-commerce, although a number of examples are evident of where technology had been integrated into Facilities Management activities.
- *Sustainability and regeneration:* The challenge for the Asset Skills sector is to prolong and rejuvenate operating environments. For example, the regeneration of neighbourhoods can help limit the cyclical motion of housing and re-housing and dealing with the same problems surrounding benefits and payments again and again. By helping the residents help themselves, a lot of the processes and procedures will not need to be duplicated, allowing resources to be spent on other priorities. This application of sustainability can be imitated across the Asset Skills sector.
- *Changing demographics:* An increase in the numbers of people working at home and/or working flexibly will put demands on employers to provide roles that can accommodate such practices. It will also require staff to obtain skills such as enhanced communication skills, ICT skills and organisational skills, enabling them to either work remotely, or work with non-office based employees. Asset Skills has some sectors that are characterised by an ageing workforce (for example, property) creating issues of retraining employees in new technologies and developments that the sector adopts. It also has important implications for future recruitment activities.
- *Legislation and regulation:* Across the Asset Skills' sector, the impact of Government policies and regulations has been intensely felt. From social policy to economic strategy the sector has had to respond to the changing regulatory environment. The sector has also been able to lobby for change through its recognised and respected professional institutes. A key requirement placed upon large parts of the public sector by government has been the need to meet 'Best Value' criteria – the successor to Compulsory Competitive Tendering. This has led to the requirement for particular skills with reference to audits, contract completion and monitoring²⁰.

²⁰ Pye Tait, September 2004, Asset Skills Consolidated Workforce Development Plan, p.27

Key Skill issues

In relation to *qualification levels*, although there are a large proportion of jobs where workers hold no qualifications, this can present a skewed picture of an overwhelmingly low qualification sector. The reality is somewhat more complex, with the sector highly polarised, with a number of highly qualified staff at one end and a relatively high proportion poorly qualified at the other.

The highest percentage of the workforce without a qualification are road sweepers, cleaners domestic and launderers, dry cleaners and pressers, elementary cleaning operations and caretakers.

In relation to recruitment, detailed analysis of the National Employers Skills Survey 2005²¹ for England indicates that the most frequently cited specific hard to fill vacancies were health care and related personal services, which includes residential wardens, elementary cleaning occupations such as domestics and cleaners, sales and related associate professionals, which includes estate agents, and architects, town planners and surveyors.

Common *skill gaps* emerging across different areas of the UK are customer handling, communication and problem solving. Analysis of the National Employers Skills Survey 2005 indicates that skill gaps are most likely to occur in the following specific occupations: residential wardens, elementary cleaning occupations and general office assistants/clerks.

The analysis across different countries and regions indicates that skill gaps amongst current employees are much more of an issue than hard to fill vacancies. This has particular implications for assessing workforce development priorities.

Adult literacy and numeracy is a key strand in Asset Skills' development activity. An important goal must be to improve basic skills and reduce the proportion of people working within the sector that do not have any qualifications. In this regard there appear to be considerable merit in targeting the Cleaning industry.

Workforce turnover amongst cleaning staff is frequently reported as being very high with an average of three months length of stay often quoted²². A case study produced by Asset Skills Research Team in 2005 reported an annual staff turnover rate of 70% amongst larger companies in the sector²³. Pay is considered to be an important factor in this. However, other factors impact on high turnover rates including²⁴ the recruitment skills of employers, lack of long time investment in staff and poor earning potentials.

²¹ The National Employers Skills Survey 2005 only allows analysis by 3-digit SOC and therefore only provides a broad indication of the occupations within the Asset Skills sector in which employers are experiencing recruitment difficulties

²² Asset Skills, September 2004, Employment & Skills in Asset Skills SSC Area, p.23

²³ Asset Skills Research Team, August 2005 (a), Cleaning Case Study, p.1

²⁴ Asset Skills, September 2004, Employment & Skills in Asset Skills SSC Area, p.24

8. Human resource indicators

Table 9 is based on the results of the National Employer Skills Survey (NESS) 2005. In order to ensure the data utilised is reasonably robust, all analysis is restricted to a regional or national level.

Table 9: Asset Skills Human Resource indicators summary

	East Midlands Asset Skills average	England Asset Skills average	Average for All sectors in East Midlands
% employers reporting skill gaps	6%	11%	16%
Skill shortage vacancies (SSVs) as a % of all vacancies	10%	20%	20%
% employers reporting hard to fill vacancies	7%	6%	5%
Hard to fill vacancies as a % of all vacancies	21%	32%	29%
% employers undertaking training over the previous 12 months	67%	69%	66%
% employees undertaking training over the previous 12 months	89%	79%	84%
% establishments with a business plan	62%	60%	55%
% establishments with a training plan	50%	48%	47%
% establishments with a training budget	39%	40%	34%
% of establishments that formally assess whether individual employees have gaps in their skills	55%	58%	56%
% of establishments formally assess the performance of employees who have received training and development	44%	51%	46%
Employer engagement score ²⁵	50.0	51.4	47.6

Source: National Employer Skills Survey 2005

Note: The sample size for data from NESS at a detailed sector level is likely to be too small at an LSC level. All data has been weighted

²⁵ This has been compiled by summing the % of establishments with a business plan, establishments with a training plan, establishments with a training budget, establishments that formally assess whether individual employees have gaps in their skills and establishments that formally assess the performance of employees who have received training and development divided by 5

Table 9 compares the Asset Skills sector within the East Midlands with the respective figures for England and also the average for all sectors within the East Midlands region. The analysis indicates that in relation to:

- the proportion of employers reporting skill gaps, the figure for Asset Skills within the East Midlands region of 6% compares with a figure for Asset Skills in England of 11% and an average for all sectors in the East Midlands region of 16%
- the proportion of employers reporting hard to fill vacancies, the figure for Asset Skills within the East Midlands region of 7% compares with a figure for Asset Skills in England of 6% and an average for all sectors in the East Midlands region of 5%
- reported skill shortage vacancies as a proportion of all vacancies, the figure for Asset Skills within the East Midlands region of 10% compares with a figure for Asset Skills in England of 20% and an average for all sectors in the East Midlands region of 20%
- hard to fill vacancies as a proportion of all vacancies, the figure for Asset Skills within the East Midlands region is 21% compared with a figure for Asset Skills in England of 32% and an average for all sectors in the East Midlands region of 29%
- the proportion of employers undertaking training over the previous 12 months, the figure for Asset Skills within the East Midlands region of 67% compares with a figure for Asset Skills in England of 69% and an average for all sectors in the East Midlands region of 66%
- the proportion of employees undertaking training over the previous 12 months, the figure for Asset Skills within the East Midlands region of 89% compares with a figure for Asset Skills in England of 79% and an average for all sectors in the East Midlands region of 84%

A number of indicators of levels of employer engagement have been utilised as part of the analysis. A composite employer engagement score based on five different indicators has been derived, these being the % of establishments with a business plan, establishments with a training plan, establishments with a training budget, establishments that formally assess whether individual employees have gaps in their skills and establishments that formally assess the performance of employees who have received training and development.

The composite employer engagement score provides an indication of the overall commitment of employers to these human resource planning and management techniques. The analysis indicates that the East Midlands Asset Skills sector has an overall score of 50.0, compared with 51.4 for Asset Skills in England and an All Sector regional average of 47.6.

9. Business and employment matrix

Table 10 sets out a series of business and employment indicators for Asset Skills in Leicestershire. Each of these indicators has also been set in the context of a ranking of all 25 Sector Skills Councils in Leicestershire, which provides an SSC ranking (1-25) for Asset Skills in relation to each indicator.

Table 10: Business and employment matrix

Indicator	Asset Skills	SSC Ranking
Number of businesses 2004	1,911	4
Numbers employed 2004	11,850 ²⁶	13
% change in numbers employed 1984-2004	+127%	1
Absolute change in numbers employed 1984-2004	+6,150	5
Expected % change in numbers employed 2004-2014	+14%	4
Expected absolute change in numbers employed 2004-2014	+6,650	1
Expected absolute replacement demand 2004-2014	+4,000	12
Skill Shortage Vacancies as a % of all vacancies 2005	10%	23
% of employers reporting skill gaps 2005	6%	24
% workforce with no qualifications	31%	2
% employed whose highest qualification is NVQ Level 1	20%	13
% employed whose highest qualification is NVQ Level 2	19%	16
% employed whose highest qualification is NVQ Level 3	7%	14
% employed whose highest qualification is NVQ Level 4 or higher	16%	11
% non-white employees 2001	8%	14
% employees aged 45+	42%	4
An occupational employment change score ²⁷	0.24	6

Note: For ranking purposes, % figures have been rounded to the nearest decimal place. Some SSC's are therefore equally ranked for some indicators. Qualifications, age and ethnicity indicators are ranked 1-24, as no data is available for Summit Skills

²⁶ This figure is derived from Working Futures 2 and is an estimate that includes employees and those working on a self employed basis. The figure therefore differs from data derived from the Annual Business Inquiry – It is rounded to the nearest 50

²⁷ This occupational employment change score has been developed in order to provide an indication of the extent of occupational restructuring expected to occur in the future within different sectors. The score is derived from Working Futures 2 data and is calculated by summing each element of expected occupational change (using broad occupational groupings) over the period 2004-2014 and expressing this as a ratio in relation to total numbers employed in 2004 in all occupations within Asset Skills. The direction of change in occupational employment, whether negative or positive is treated as positive when calculating this ratio. The score provides an indication of the extent of expected occupational restructuring, with the highest scores pointing to a greater level of expected occupational restructuring.

Activities covered by the Asset Skills Sector footprint

SSC industry	Sub sectors	SIC sub sector definitions
Asset Skills [70, 74.7]	Cleaning	74.7
	Facilities management	70.32
	Housing and property	70.11, 70.12, 70.2, 70.31

