

East Midlands Sector Skills Research
Leicestershire LSC Report

GoSkills

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 GoSkills Sector footprint within the Leicestershire LSC area. The activities covered by the GoSkills 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 GoSkills 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

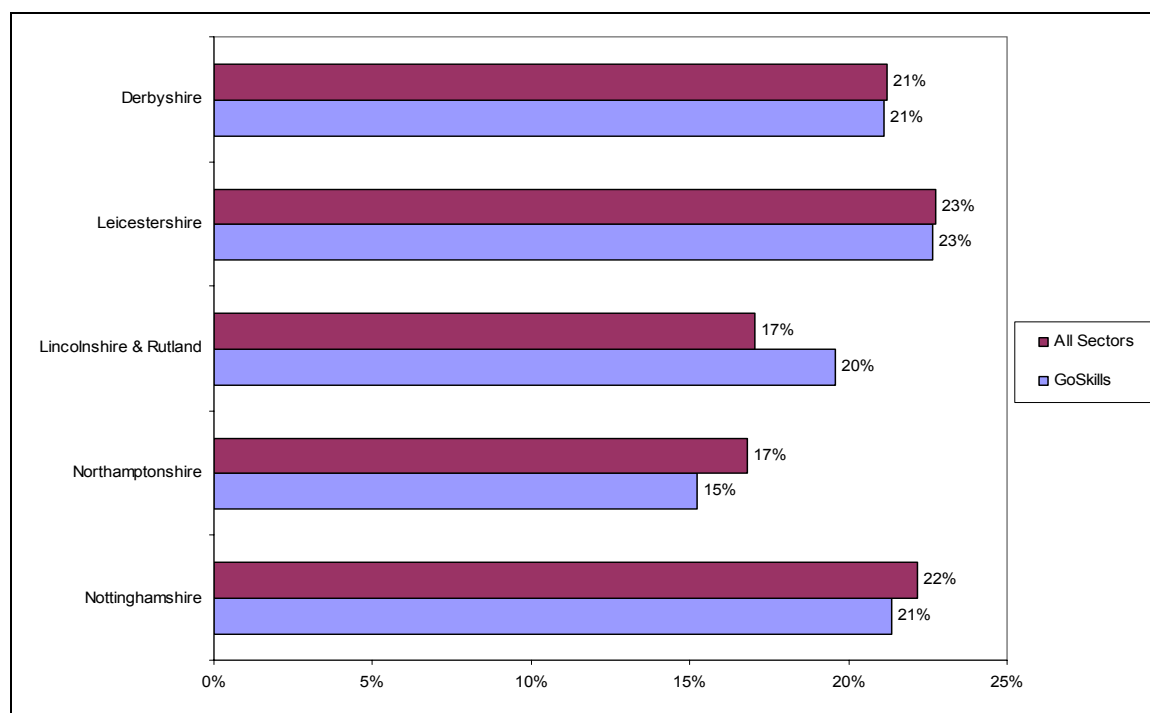
2. Current sector structure

Based on the Annual Business Inquiry 2004 there are an estimated 278 employers and 5,475 employees working in the GoSkills sector in the Leicestershire LSC area³.

The sector accounts for 1% of all employers in Leicestershire LSC area and 1% of total employment⁴.

Chart 1 sets out the distribution of GoSkills 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; GoSkills 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 11,900.

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 GoSkills employers within the East Midlands Region those in Leicestershire account for an estimated 23% and of all GoSkills employers in England, those in Leicestershire account for 1.6%

In relation to employment, the respective figures are 27% of the regional total and 1.3% of the total for England. (See Table 1 for more details).

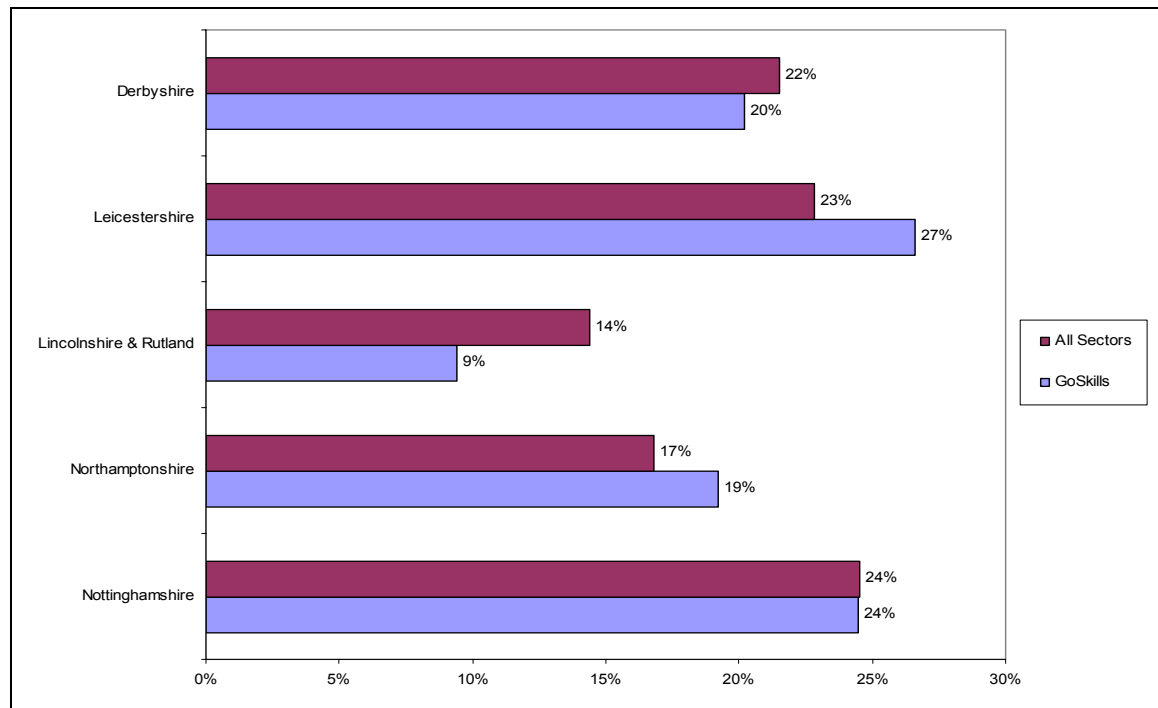
Table 1: Structure of employment and employers within GoSkills; Leicestershire, East Midlands Region, England

	Number (LSC area)	As % of all in LSC area	As % of sector in East Midlands Region	As % of sector in England
Number of employers	278	1%	23%	1.6%
Number of employees	5,475	1%	27%	1.3%

Source: ABI 2004

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

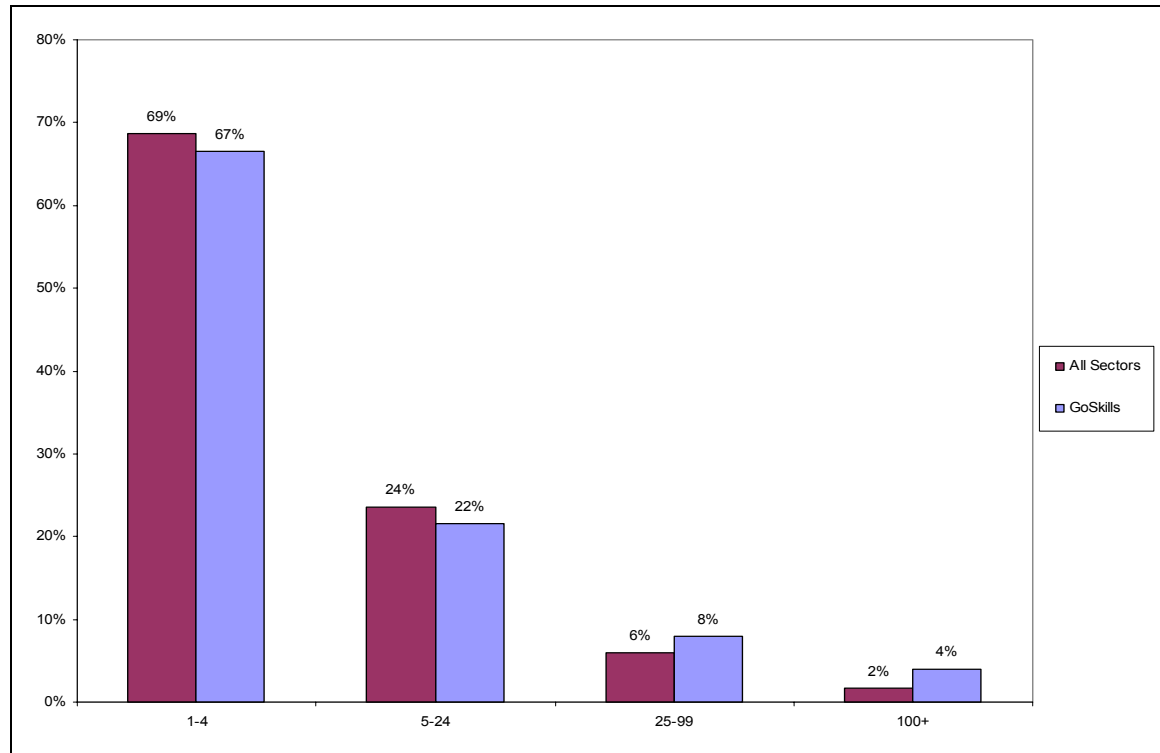
Chart 2: Share of total employment by LSC area; GoSkills and All sector average



Source: ABI 2004

Chart 3 outlines the proportion of employers within different employment size bands in Leicestershire and indicates and indicates that the size structure broadly reflects the average for all sectors within Leicestershire.

Chart 3: Proportion of employers by employment size band in Leicestershire; GoSkills 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 large establishments (Those employing 100 or more employees).

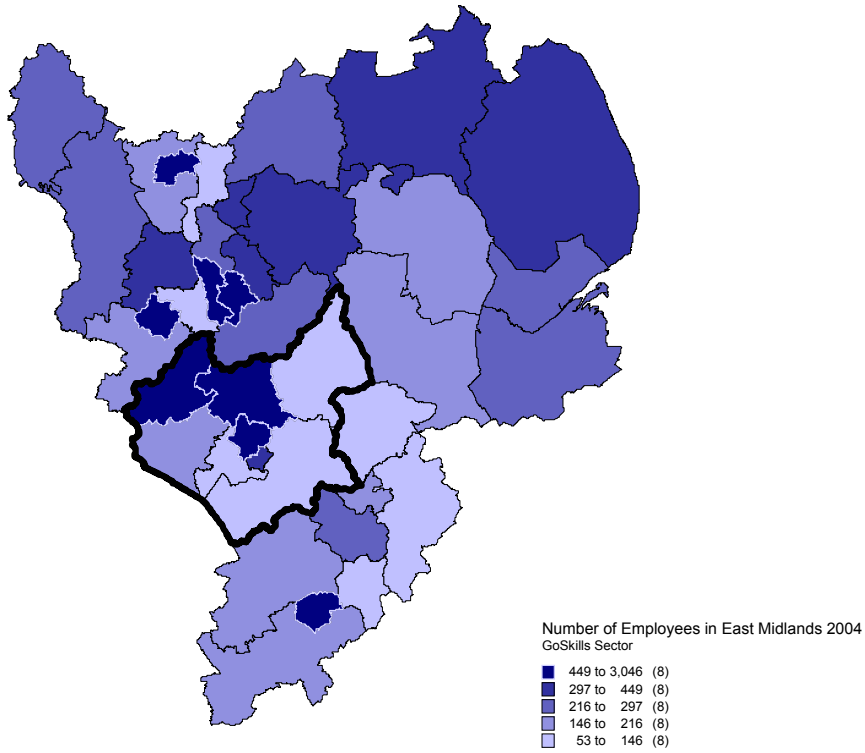
Table 2: Size structure of employment within GoSkills; Number of employees within each employer size band; Leicestershire, East Midlands Region, England

	Number of employees in GoSkills (LSC area)	% employees in GoSkills (LSC area)	% employees in All sectors in LSC area	% employees in GoSkills in East Midlands Region	% employees in GoSkills in England
Number of employees (1-4 employees)	354	6%	11%	8%	5%
Number of employees (5-24) employees)	676	12%	22%	15%	10%
Number of employees (25-99) employees)	1,021	19%	24%	17%	14%
Number of employees (100+) employees)	3,423	63%	43%	60%	70%
All employees	5,474	100%	100%	100%	100%

Source: ABI 2004

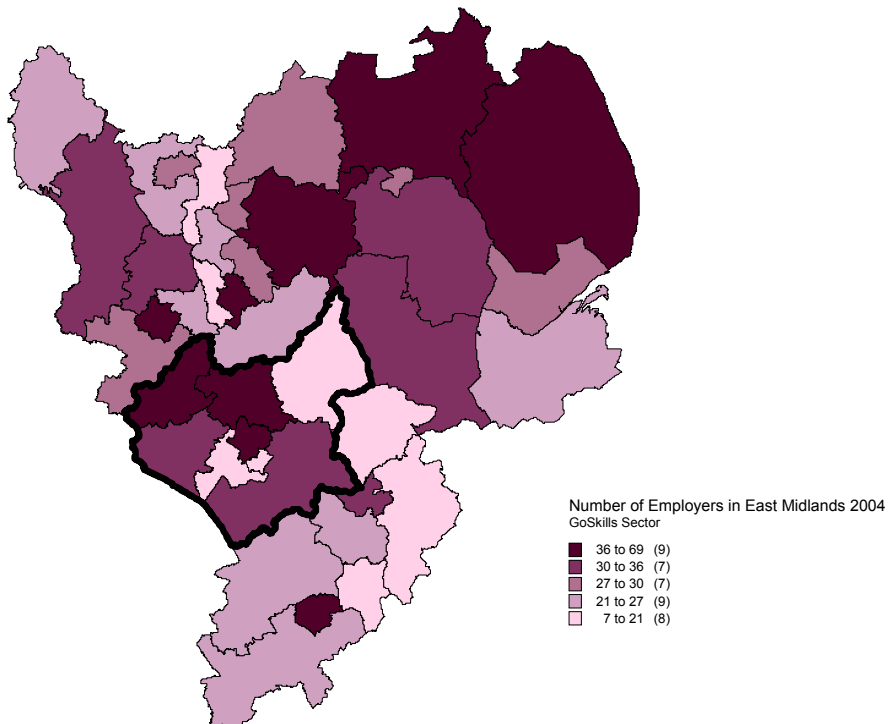
Maps 1 and 2 highlight the spatial concentrations of employees and numbers of businesses in the GoSkills Sector within each local authority area within the East Midlands region. Appendix Two contains a key to all local authority names within the East Midlands region.

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 GoSkills within the LSC area represents 1.3% of the total for England, employment in GoSkills activities within Leicestershire are somewhat under-represented.

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

The analysis indicates that air passenger transport accounts for an estimated 47% of all employment in GoSkills activities in Leicestershire, driving school activities 2%, land passenger transport 45%, taxi and private hire 4%, with water passenger transport 1%.

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

	Number (LSC area)	As % of all in GoSkills sector in LSC area	As % of sub-sector in East Midlands Region	As % of sub-sector in England
Air passenger transport	2,587	47%	88%	2.3%
Driving school activities	126	2%	17%	2.1%
Land passenger transport	2,477	45%	17%	1.0%
Taxi and private hire	229	4%	15%	1.1%
Water passenger transport	57	1%	11%	0.2%
Total for GoSkills	5,476	100%	27%	1.3%

Source: ABI 2004

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

⁶ Appendix One contains SIC definitions for each GoSkills sub sector

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

	Number (LSC area)	As % of all in GoSkills sector in LSC area	As % of sub-sector in East Midlands Region	As % of sub-sector in England
Air passenger transport	27	10%	27%	1.4%
Driving school activities	27	10%	23%	2.2%
Land passenger transport	136	49%	25%	1.8%
Taxi and private hire	78	28%	20%	1.5%
Water passenger transport	10	4%	15%	0.5%
Total for GoSkills	278	100%	23%	1.6%

Source: ABI 2004

Table 5 identifies sub regional concentrations of employment within different GoSkills 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 GoSkills sub-sectors with the exception of air passenger transport 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 GoSkills sub sectors within Leicestershire

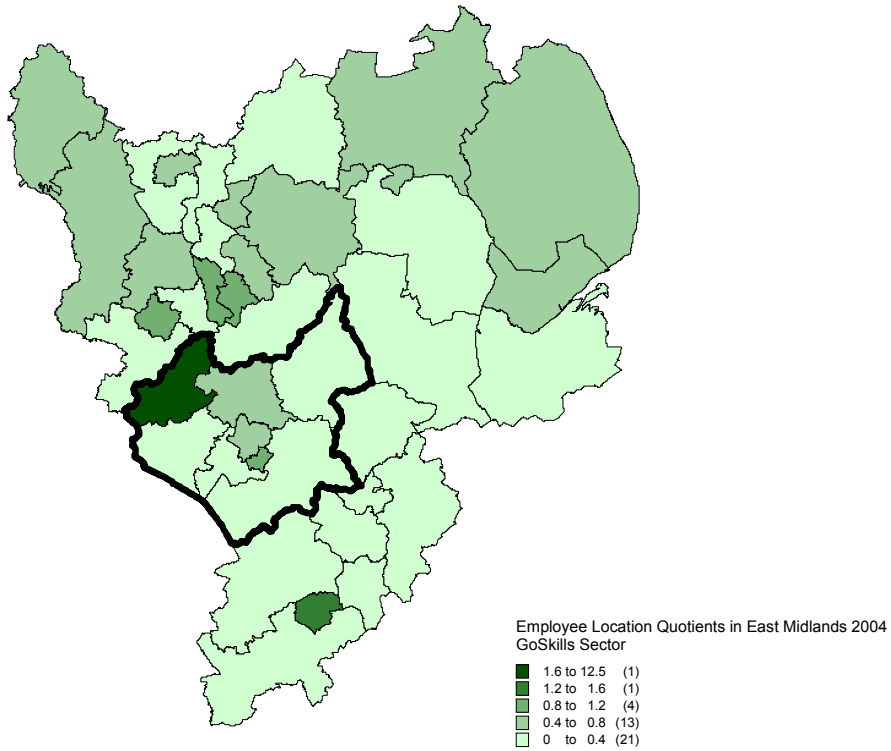
Sub-sector	Location Quotients for GoSkills sub-sectors in Leicestershire ⁷	Sub regional 'hot spots'
Air passenger transport	1.29	North West Leicestershire (11.47)
Driving school activities	1.16	Harborough (2.58), Blaby (2.43)
Land passenger transport	0.55	
Taxi and private hire	0.60	
Water passenger transport	0.11	
Total for GoSkills	0.73	North West Leicestershire (3.34)
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 GoSkills sector for each local authority area in the East Midlands region.



Source: Annual Business Inquiry 2004

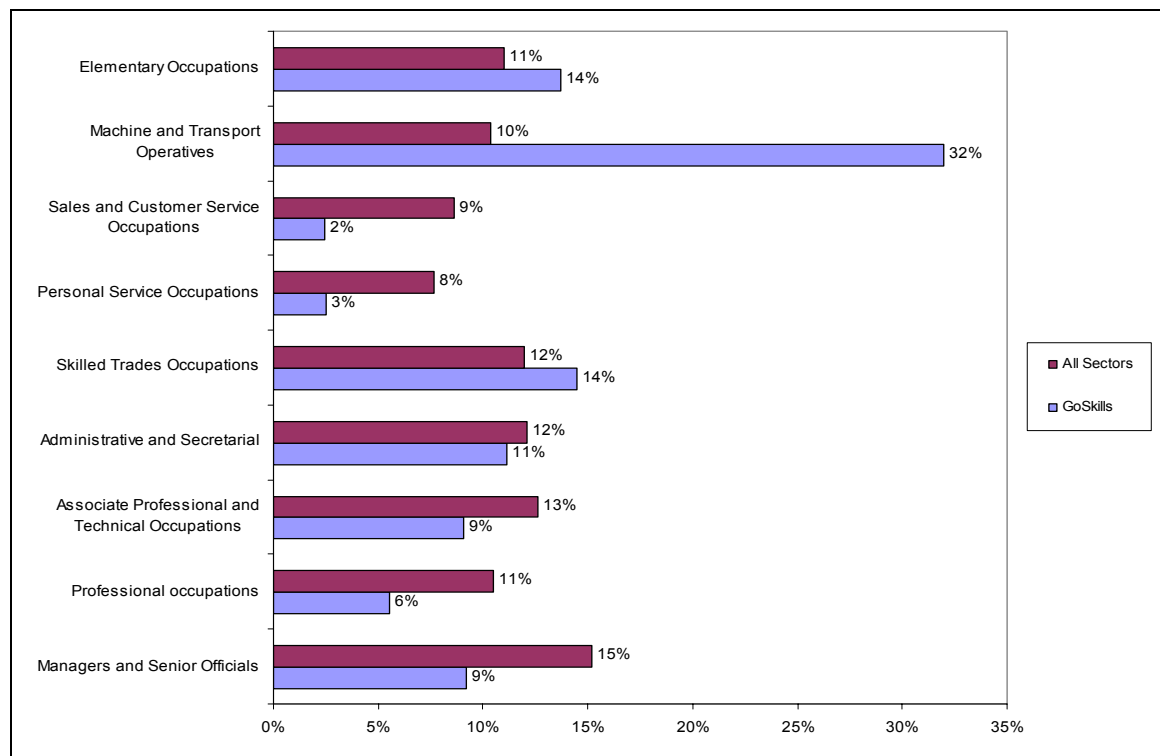
4. Workforce profile

This section examines the profile of those working within the GoSkills 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 significantly higher proportion of those employed in the GoSkills sector work in machine and transport operative occupations
- A lower proportion work in all other occupations with the exception of elementary and skilled trade occupations

Chart 4: Occupational structure of employment within Leicestershire; GoSkills 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

- Self-employed work is much more prevalent within GoSkills
- A much higher proportion of males work in the sector

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

	GoSkills			Average for all sectors in LSC area
	LSC area	Regional average	Average for England	
% part time employees ⁹	14%	10%	9%	28%
% full time employees ¹⁰	58%	56%	59%	60%
% self-employed ¹¹	28%	33%	33%	12%
% male ¹²	84%	86%	81%	54%
% female ¹³	16%	14%	19%	46%
% Non-White employees ¹⁴	8%	5%	9%	12% ¹⁵
% employed whose highest qualification is NVQ Level 4 or above ¹⁶	9%	6%	10%	18%
% employed whose highest qualification is NVQ Level 3	7%	5%	7%	8%
% employed whose highest qualification is NVQ Level 2	19%	17%	20%	21%
% employed whose highest qualification is NVQ Level 1	23%	23%	22%	21%
% employed with no qualifications	30%	35%	29%	24%
Other qualifications/Not known	12%	13%	12%	8%
% employed aged 16-17 ¹⁷	1%	0%	0%	2%
% employed aged 18-24	8%	6%	7%	12%
% employed aged 25-44	51%	47%	50%	50%
% employed aged 45+	40%	47%	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.

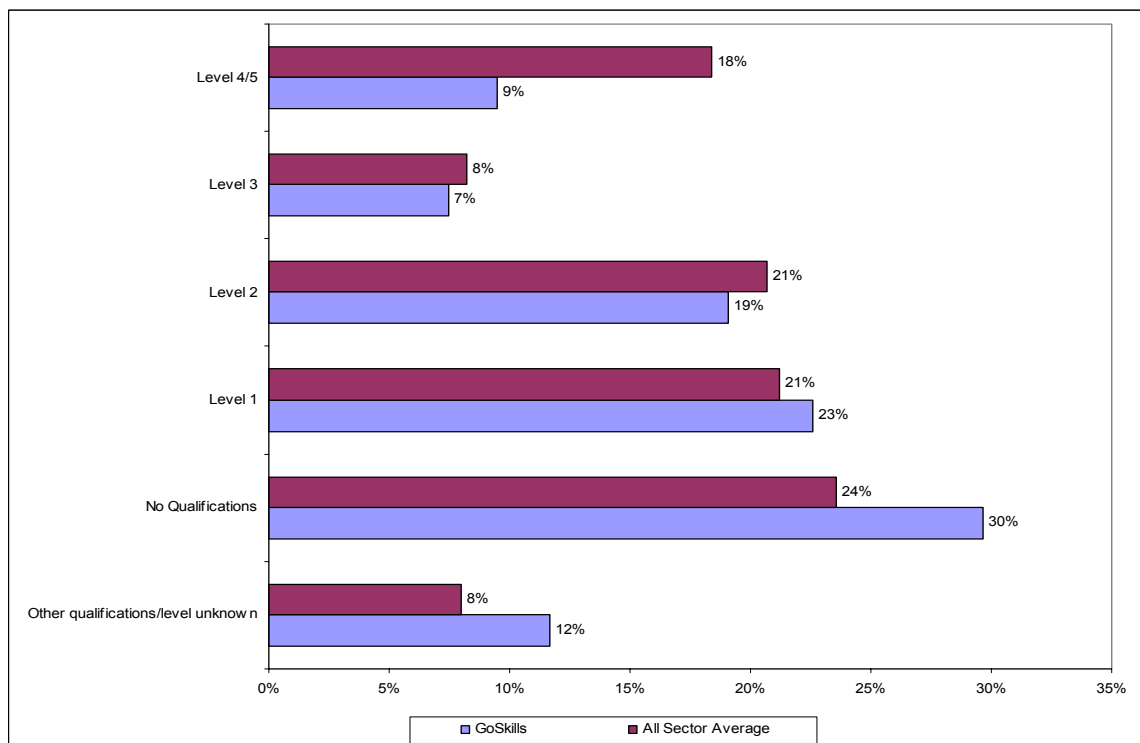
¹⁷ All age data has been derived from the Census 2001

It is estimated that 8% of all GoSkills workers within Leicestershire are classified as Non-White, which compares with an England average of 9%. 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 GoSkills the proportion of those aged 45 or more within Leicestershire is 40%. 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 30% of the GoSkills 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 9% of the GoSkills 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; GoSkills and All sector average



Source: Census of Population 2001

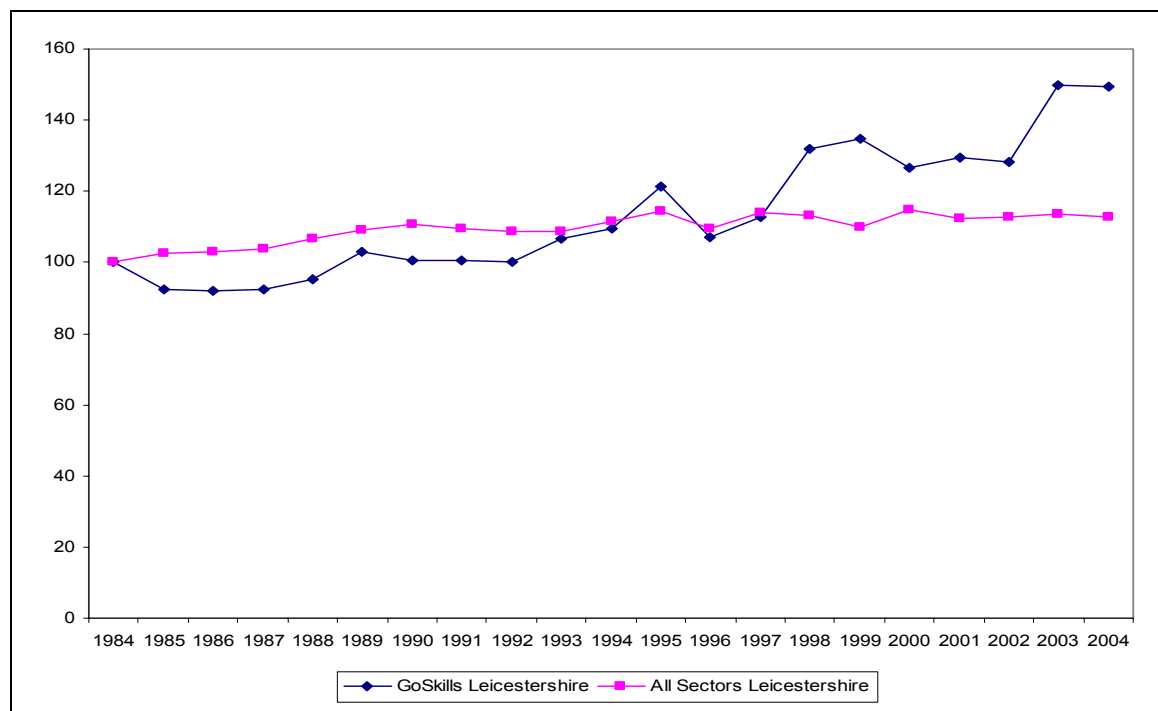
5. Historical trends

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

- Over the whole period 1984-2004 numbers employed within GoSkills in Leicestershire changed by an estimated 3,950, or +50%. This compares with +23% for the sector in the East Midlands Region and +2% within England. The average for all sectors within Leicestershire over this period was +13%.
- Over the more recent period 1994-2004 numbers employed within GoSkills in Leicestershire changed by an estimated 3,150, or +36%. This compares with +18% for the sector in the East Midlands Region and +6% 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 GoSkills 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; GoSkills and All sector average



Source: Working Futures 2;

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

**Table 7: GoSkills employment trends summary 1984, 1994, 2004;
Leicestershire, East Midlands, England**

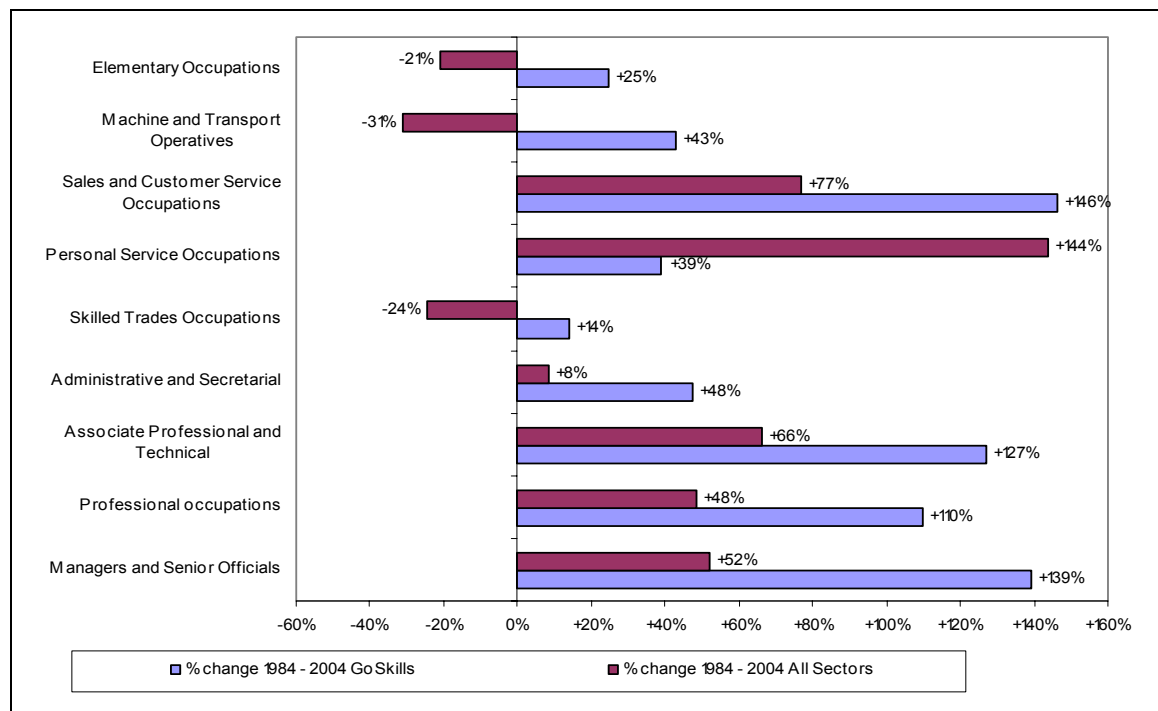
	LSC area Numbers	LSC area %	Regional average	Average for England	Average for all sectors in LSC area
Change in numbers employed 1984-1994	750	+10%	+4%	-3%	+12%
Change in numbers employed 1994-2004	3,150	+36%	+18%	+6%	+1%
Change in numbers employed 1984-2004	3,950	+50%	+23%	+2%	+13%

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 amongst those occupational groups that have experienced net growth, the rate of growth in all such occupational areas within GoSkills in Leicestershire has been lower than the average rate of growth of occupations across all sectors in the LSC area, with the exception of personal services.

**Chart 7: % change in numbers employed by broad occupation within
LSC area 1984-2004 (GoSkills 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: GoSkills employment forecast summary; 2004-2014

	GoSkills				Average for all sectors in LSC area (%)
	Leicestershire area (Numbers)	Leicestershire area (%)	Regional average (%)	Average for England (%)	
Change in total numbers employed	-250	-2%	-1%	-0%	+2%
Expected change part time employees	1,500	+89%	+105%	+68%	+9%
Change full time employees	-550	-8%	+1%	-11%	+1%
Change in numbers self employed	-1,200	-37%	-37%	-0%	-8%
Change in numbers of males	-1,150	-12%	-13%	-11%	+1%
Change in numbers of females	900	+49%	+74%	+43%	+3%
Net requirement (Total numbers)	4,000	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

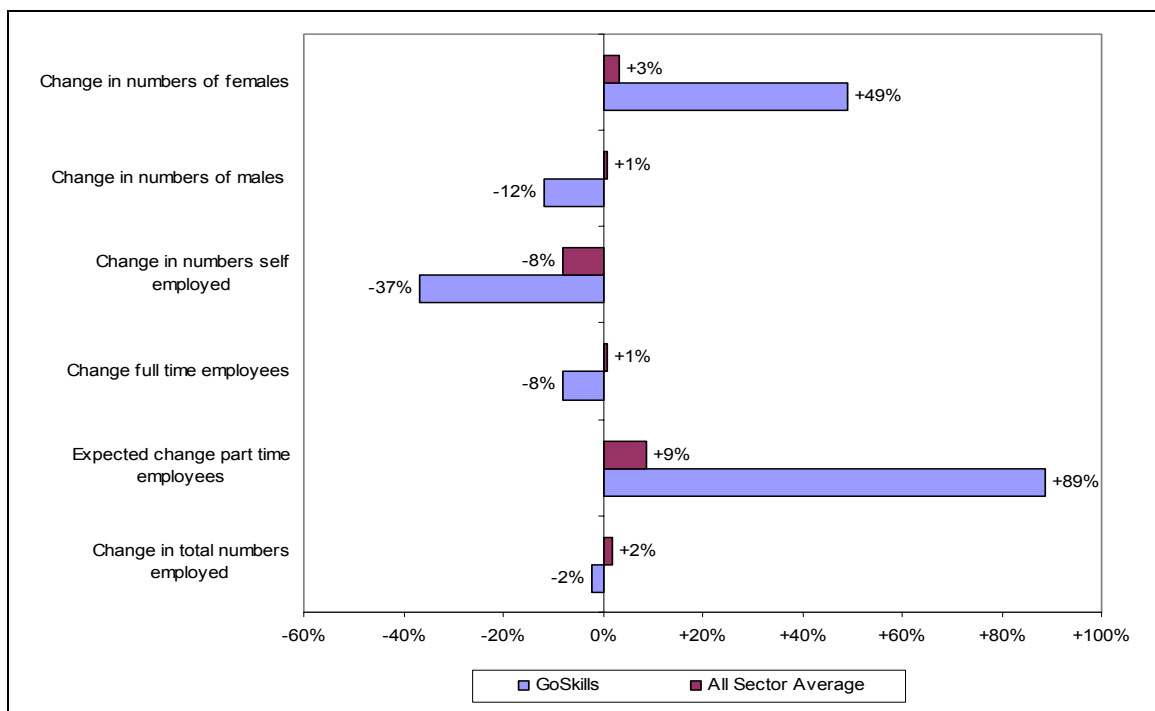
Note: Numbers have been rounded to the nearest 50, except replacement demand and net requirement figures which have been rounded to the nearest 1000

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

- overall employment within the GoSkills sector will decrease by about -250, implying an estimated change of -2% over this period. This compares with an estimated -1% in relation to the sector regionally and -0% within England. The respective figure for all sectors in the LSC area is +2%.
- part time employment within the GoSkills sector will increase by about 1,500, implying an estimated change of +89% over this period. This compares with an estimated +105% change in relation to the sector regionally and +68% within England. The respective figure for all sectors in the LSC area is +9%.

- full time employment within the GoSkills sector will decrease by about 550, implying an estimated change of -8% over this period. This compares with an estimated +1% in relation to the sector regionally and -11% within England. The respective figure for all sectors in the LSC area is +1%.
- self-employment within the GoSkills sector will decrease by about 1,200, implying an estimated change of -37% over this period. This compares with an estimated -37% in relation to the sector regionally and -0% within England. The respective figure for all sectors in the LSC area is -8%.
- male employment within the GoSkills sector will decrease by about 1,150, implying an estimated change of -12% over this period. This compares with an estimated -13% in relation to the sector regionally and -11% within England. The respective figure for all sectors in the LSC area is +1%.
- female employment within the GoSkills sector will increase by about 900, implying an estimated change of +49% over this period. This compares with an estimated +74% in relation to the sector regionally and +43% 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; GoSkills and All sector average

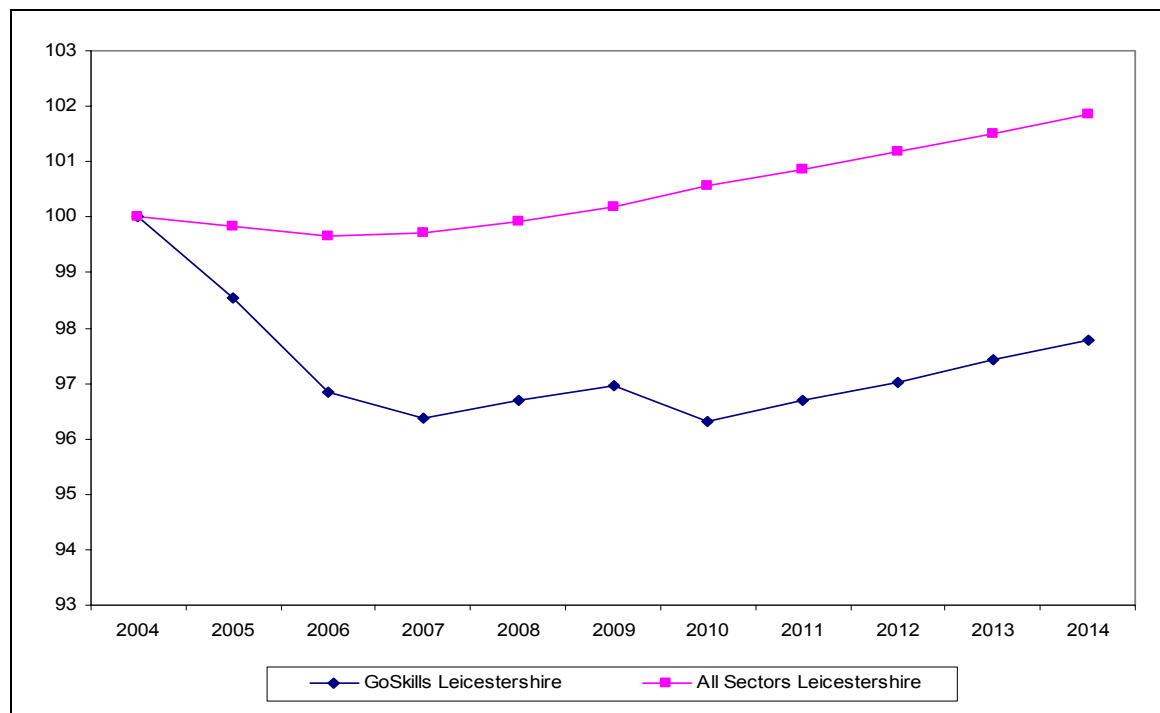


Source: Working Futures 2

The forecasts set out in Table 8 and Chart 8 indicate that set against the marginal net decline in numbers employed within GoSkills 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 4,000 workers, or an average annual net requirement of about 400 workers¹⁸. This accounts for about 2.4% of the total estimated annual net requirement for all sectors in Leicestershire.

Chart 9 outlines year on year forecast changes within the Leicestershire GoSkills 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 GoSkills sector is likely to under-perform the all sector average over this period.

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



Source: Working Futures 2;

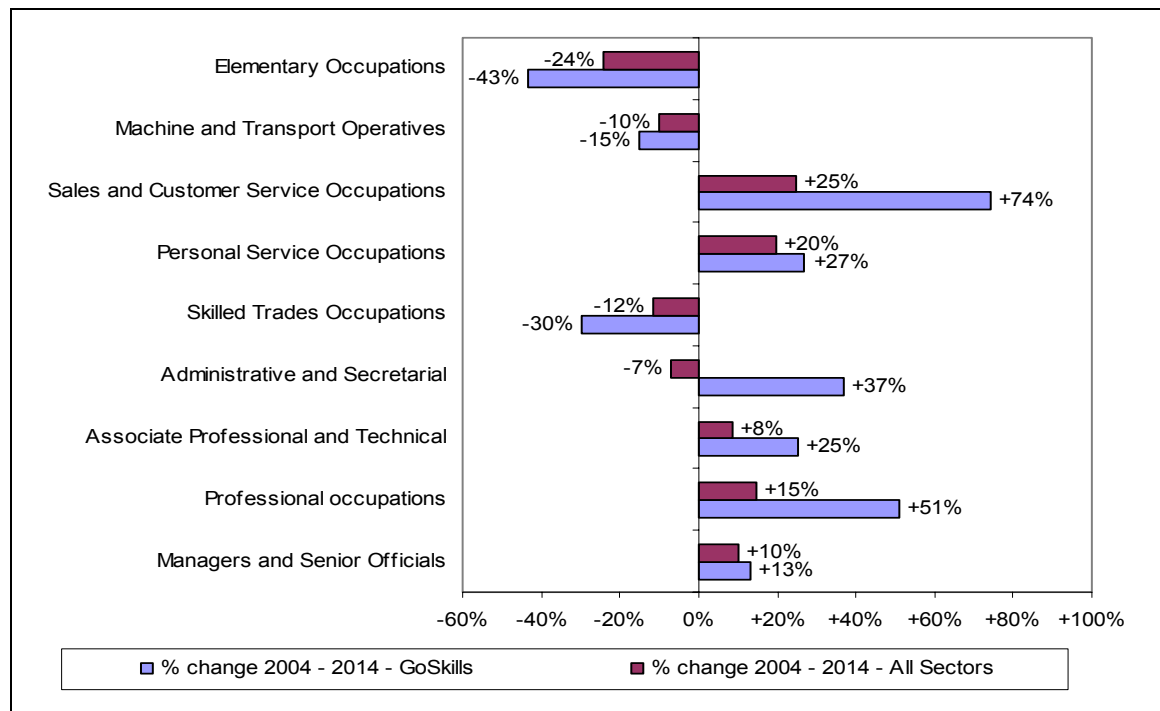
Note: Both the GoSkills and all sector average have been indexed to 100 in 2004

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 GoSkills sector with the all sector average within Leicestershire.

Amongst those occupational groups within the Leicestershire GoSkills sector that are expected to experience growth, all are expected to outperform the average for all sectors in Leicestershire. However, significant net declines are expected in elementary, skilled trades and machine operative and transport occupations.

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



Source: Working Futures 2

7. Drivers of change and key skill issues

Drivers of change

Research undertaken by *GoSkills* has indicated that the expansion of the passenger transport sector is partly due to the fact that people now need longer and more frequent journeys both for work and leisure purposes¹⁹.

New legislation is also a particularly important factor driving current and future change in the sector. New legislative provisions include:

- The European Working Time Directive – This is expected to lead to an increased demand for LGV drivers linked to restrictions on driving hours, the downsizing of large national centres in favour of a growth in local and regional centres and an increase in congestion on roads
- The introduction of the EU Driver training Directive impacting on new and existing drivers. This will impact on new drivers (after September 2008) and existing drivers will be required to undertake five days' of training every five years in order to maintain their Driver's Certificate of Professional Competence.

The Increased use of ICT, coupled with the introduction of complex legislation is also increasing the skill requirements of drivers

A number of key drivers of change within the East Midlands region are considered by *GoSkills* to have contributed to a growth in the sector:

- East Midlands Airport (EMA) is the 2nd largest airport in the Midlands and employs 6,500 staff. In the last two years alone EMA has doubled its passenger numbers from around 2.2 million to 4.5 million and it is hoped that by 2030 the airport will see over 15 million passengers a year²⁰
- Since 2003 the Corby area in the East Midlands has had approximately £3.24 million towards its bus network. This has led to over a 35% growth in passenger numbers, and with its new investment in low access buses, it has enabled easier travel for people with pushchairs and those with disabilities²¹
- East Midlands Airport has grown in recent years and is now the UK's largest freight airport. There are further plans to build a 4 Hectare Cargo Village nearby and also to add an extra three terminals.²²

¹⁹ *GoSkills* East Midlands Labour Market Profile

²⁰ www.emda.org.uk

²¹ www.emda.org.uk

²² www.eastmidlandsairport.com

- Current transport plans in progress, which include Leicester West Transport Scheme, Nottingham City Centre Major Scheme, Chesterfield integrated Public Transport Scheme and Nottingham Ring Road Major Scheme. There has been provisional funding for the A612 Gedling Public Transport Plan and funding for the Derby Major Integrated Public Transport Plan has been agreed²³

Underpinning these passenger transport developments within the East Midlands are the changing requirements and needs of customers and the increasing requirement for:

- Reliability
- Comfort
- Access
- Information associated with their services.

Key skill issues

The *recruitment* of staff is considered by GoSkills to be affected by both:

- Genuine skill shortages²⁴, with nearly half (48%) of passenger transport operators facing difficulties finding job applicants with the appropriate skills and just nearly a third finding that applicants lacked the required qualifications, experience and interest to work unsociable hours.(see Chart 3). Half cite problems with customer handling skills which is worrying and over a third cite problems with technical and practical skills, numeracy skills, problem solving skills and communication skills
- A lack of interest in many road passenger transport industries as a career choice and relatively few applicants for the jobs on offer. Over a quarter faced recruitment difficulties due to the lack of interest in the sector and problems with the lack of applicants. Nationally this is particularly the case for driver vacancies and reflects issues such as the requirement to work unsociable hours.

The following factors contribute to both *recruitment and staff retention* problems currently being experienced in the sector:

- The Transport sector has a poor image in employment terms. Many work overtime as the basic pay is perceived to be poor, however this results in the drivers working unsociable hours, which isn't popular
- Harmful publicity and safety problems linked to falling standards of public behaviour

²³ Department for Transport East Midlands Regional Factsheet

²⁴ Shortages of people in the recruitment market with the required skills, experience and/or qualifications

- Age restrictions – while 18 is the minimum age at which a Category D PCV license can be obtained the normal age is 21. In the coach industry, insurance arrangements mean that the minimum age for drivers is normally 25
- The requirement for an additional D1 license to drive a minibus means that many bus, coach and community transport operators are also competing in the recruitment market with schools and the out patient services of the ambulance network

There are also notable *skill gaps* within the existing passenger transport workforce. Operators are likely to cite skill gaps among engineering / maintenance staff and, in particular, among drivers and operative staff. Nationally skills gaps include:

- Vehicle maintenance staff require better developed technical skills in electronic fault finding to work with new vehicles, mechanical skills to service older vehicles and skills in body repair
- Many drivers in the bus, coach, taxi and private hire industries lack adequate literacy and numeracy skills and the communication, customer care and problem solving skills required in their evolving role.

Skill gaps are having a serious impact on the development of the passenger transport sector in the East Midlands. Over 40% of operators believe that skill gaps are leading to increased operating costs. Over a quarter of operators with skill gaps claim that these are leading to difficulties meeting customer service objectives, difficulties meeting quality standards, and loss of business to competitors.

Goskills has indicated that operators report significant recruitment difficulties and critical skill gaps, but that investment in training lags behind many other sectors. A critical issue for the sector therefore is to encourage and stimulate parallel investments in training and workforce development to maintain and improve standards of service. This will require staff to develop better interpersonal and customer service skills and management and business development skills. The expertise to operate new ICT systems is likely to be an on-going requirement.

One issue affecting investment in training and for drivers in particular, are minimum age thresholds for vocational licensing which limit the availability of public funding. Another important matter is the lack of training provision in the East Midlands to deal with industry specific qualifications.

The turnover of staff creates challenges for training; it also creates a situation where managers have been promoted rapidly and have management training needs. The workforce is an ageing workforce and this, coupled with difficulties in filling posts, has led to recruitment overseas, particularly recruitment in Eastern Europe for bus drivers. As a result there are ESOL needs in most parts of the sector.

The rapid growth of the aviation industry also presents challenges for training. The areas of particular need are airports and ground handlers. New occupational standards have been developed which have been designed to assist the industry in upskilling its workforce.

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: GoSkills Human Resource indicators summary

	East Midlands GoSkills average	England GoSkills average	Average for All sectors in East Midlands
% employers reporting skill gaps	12%	14%	16%
Skill shortage vacancies (SSVs) as a % of all vacancies	37%	28%	20%
% employers reporting hard to fill vacancies	14%	13%	5%
Hard to fill vacancies as a % of all vacancies	60%	41%	29%
% employers undertaking training over the previous 12 months	47%	49%	66%
% employees undertaking training over the previous 12 months	51%	54%	84%
% establishments with a business plan	43%	47%	55%
% establishments with a training plan	30%	35%	47%
% establishments with a training budget	23%	27%	34%
% of establishments that formally assess whether individual employees have gaps in their skills	46%	44%	56%
% of establishments formally assess the performance of employees who have received training and development	28%	49%	46%
Employer engagement score ²⁵	33.9	40.3	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 GoSkills 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 GoSkills within the East Midlands region of 12% compares with a figure for GoSkills in England of 14% 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 GoSkills within the East Midlands region of 14% compares with a figure for GoSkills in England of 13% 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 GoSkills within the East Midlands region of 37% compares with a figure for GoSkills in England of 28% 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 GoSkills within the East Midlands region is 60% compared with a figure for GoSkills in England of 41% 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 GoSkills within the East Midlands region of 47% compares with a figure for GoSkills in England of 49% 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 GoSkills within the East Midlands region of 51% compares with a figure for GoSkills in England of 54% 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 GoSkills sector has an overall score of 33.9, compared with 40.3 for GoSkills 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 GoSkills 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 GoSkills in relation to each indicator.

Table 10: Business and employment matrix

Indicator	GoSkills	SSC Ranking
Number of businesses 2004	278	20
Numbers employed 2004	11,900 ²⁶	12
% change in numbers employed 1984-2004	+50%	10
Absolute change in numbers employed 1984-2004	+3,950	9
Expected % change in numbers employed 2004-2014	-2%	15
Expected absolute change in numbers employed 2004-2014	-250	14
Expected absolute replacement demand 2004-2014	+4,000	12
Skill Shortage Vacancies as a % of all vacancies 2005	37%	2
% of employers reporting skill gaps 2005	12%	18
% workforce with no qualifications	30%	4
% employed whose highest qualification is NVQ Level 1	23%	9
% 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	9%	18
% non-white employees 2001	8%	14
% employees aged 45+	40%	6
An occupational employment change score ²⁷	0.28	3

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 GoSkills. 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 GoSkills Sector footprint

SSC industry	Sub sectors	SIC sub sector definitions
GoSkills [60.1, 60.21-60.23, 61, 62.1, 62.2, 63.2, 80.41]	Land passenger transport	60.10, 60.23, 63.21, 6021
	Taxi and private hire	6022
	Driving school activities	8041
	Air passenger transport	62.10, 62.20, 63.23
	Water passenger transport	61.20, 61.10, 63.22

Appendix Two

