

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

Improve

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

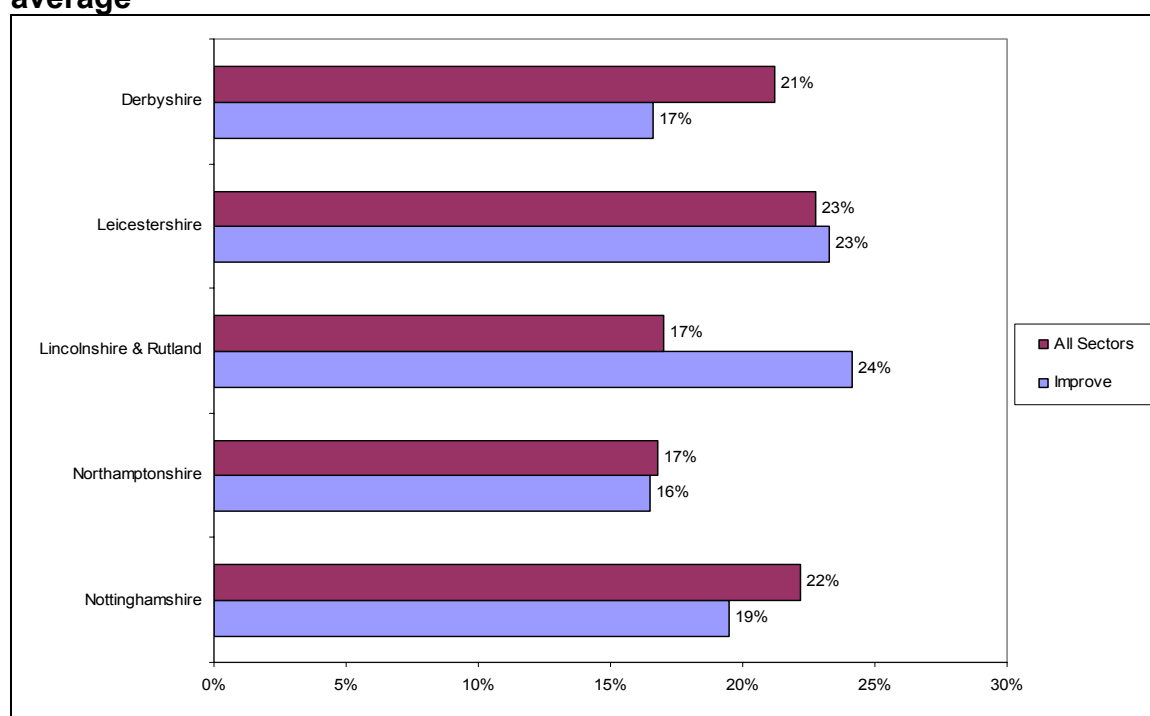
2. Current sector structure

Based on the Annual Business Inquiry 2004 there are an estimated 185 employers and 10,554 employees working in the Improve sector in the Leicestershire LSC area³.

The sector accounts for 1% of all employers in Leicestershire LSC area and 3% of total employment⁴.

Chart 1 sets out the distribution of Improve 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; Improve and All sector average



Source: ABI 2004

Analysis of the spatial distribution of the sector indicates that as a proportion of all Improve employers within the East Midlands Region those in

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 10,650.

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

Leicestershire account for an estimated 23% and of all Improve employers in England, those in Leicestershire account for 2.0%

In relation to employment, the respective figures are 20% of the regional total and 2.9% of the total for England. (See Table 1 for more details).

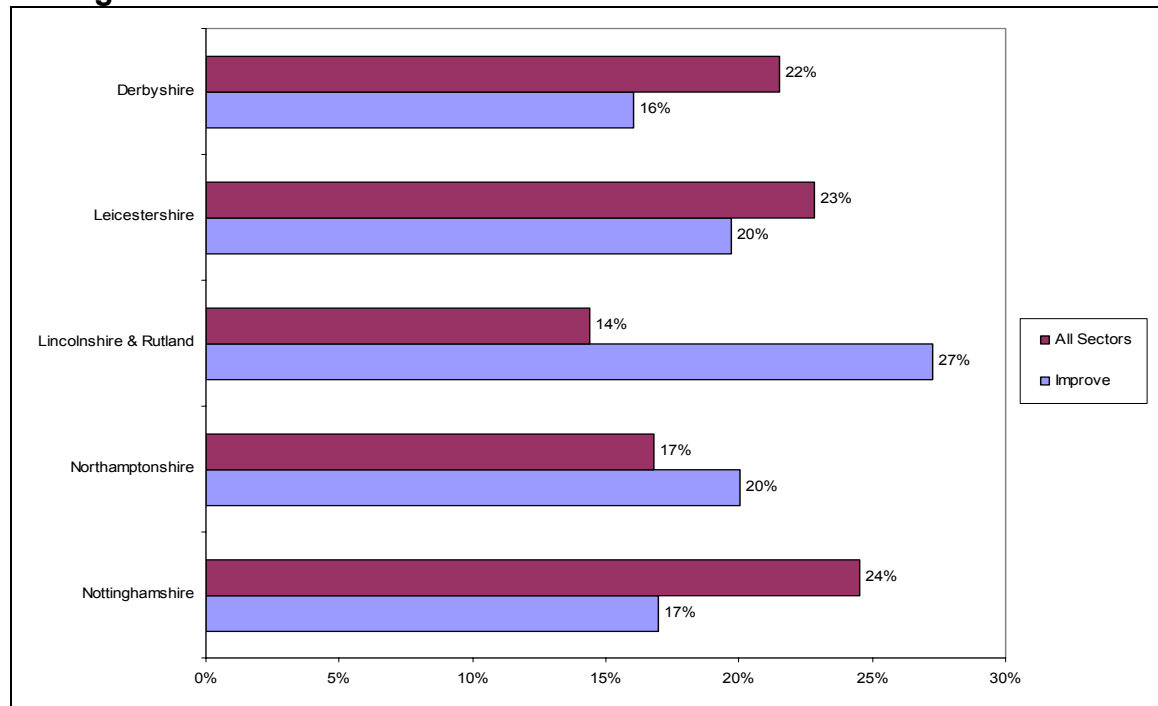
Table 1: Structure of employment and employers within Improve; Leicestershire, East Midlands Region, England

	Number (LSC area)	As % of all in LSC area	As % of sector in East Midlands Region	As % of sector in England
Number of employers	185	1%	23%	2.0%
Number of employees	10,554	3%	20%	2.9%

Source: ABI 2004

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

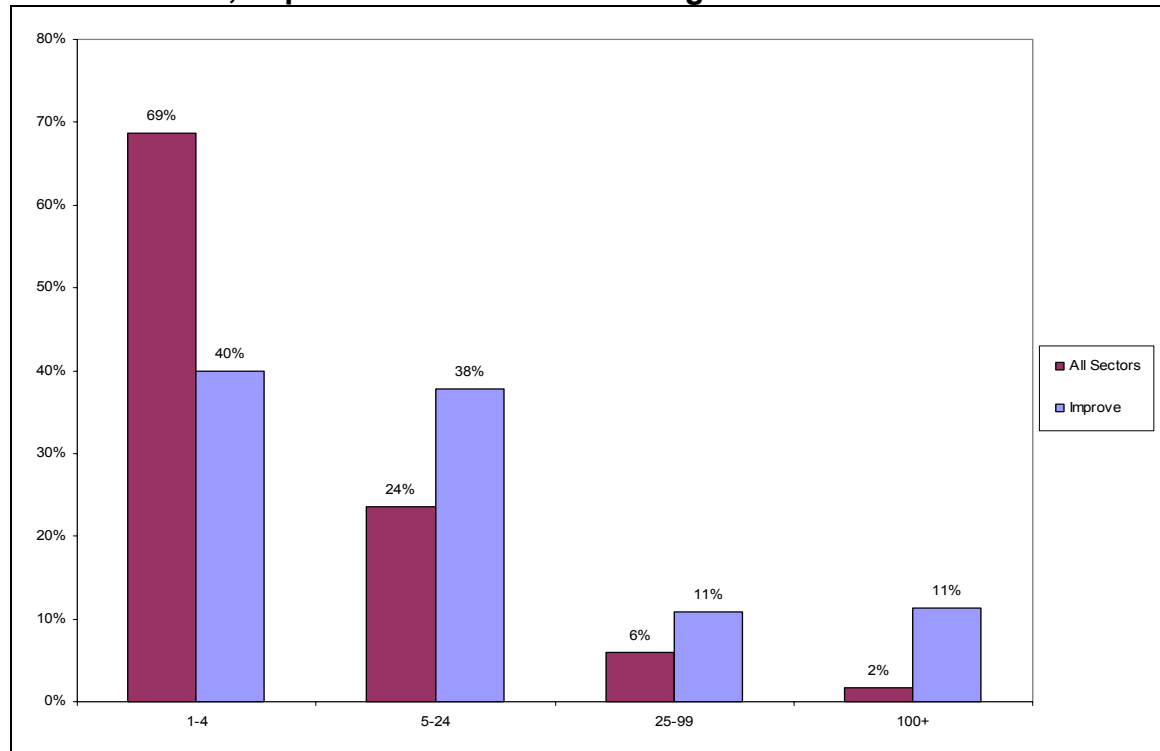
Chart 2: Share of total employment by LSC area; Improve and All sector average



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 low concentrations of very small employers within the Improve sector footprint (Those employing between 1-4 employees).

Chart 3: Proportion of employers by employment size band in Leicestershire; Improve 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+ employees).

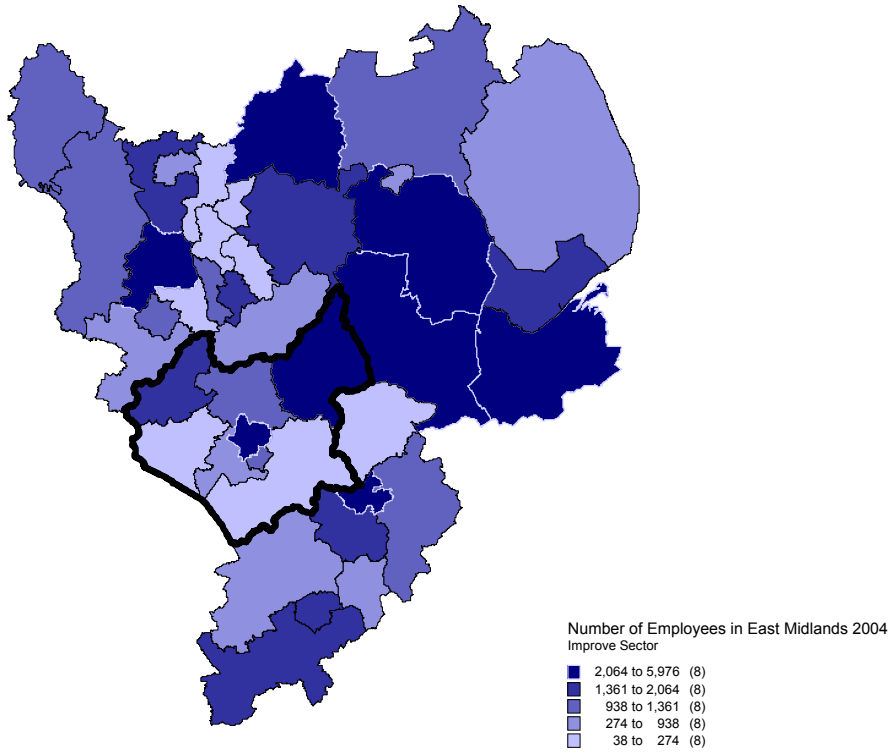
Table 2: Size structure of employment within Improve; Number of employees within each employer size band; Leicestershire, East Midlands Region, England

	Number of employees in Improve (LSC area)	% employees in Improve (LSC area)	% employees in All sectors in LSC area	% employees in Improve in East Midlands Region	% employees in Improve in England
Number of employees (1-4 employees)	143	1%	11%	1%	3%
Number of employees (5-24) employees)	762	7%	22%	5%	10%
Number of employees (25-99) employees)	989	9%	24%	11%	15%
Number of employees (100+) employees)	8,661	82%	43%	83%	73%
All employees	10,555	100%	100%	100%	100%

Source: ABI 2004

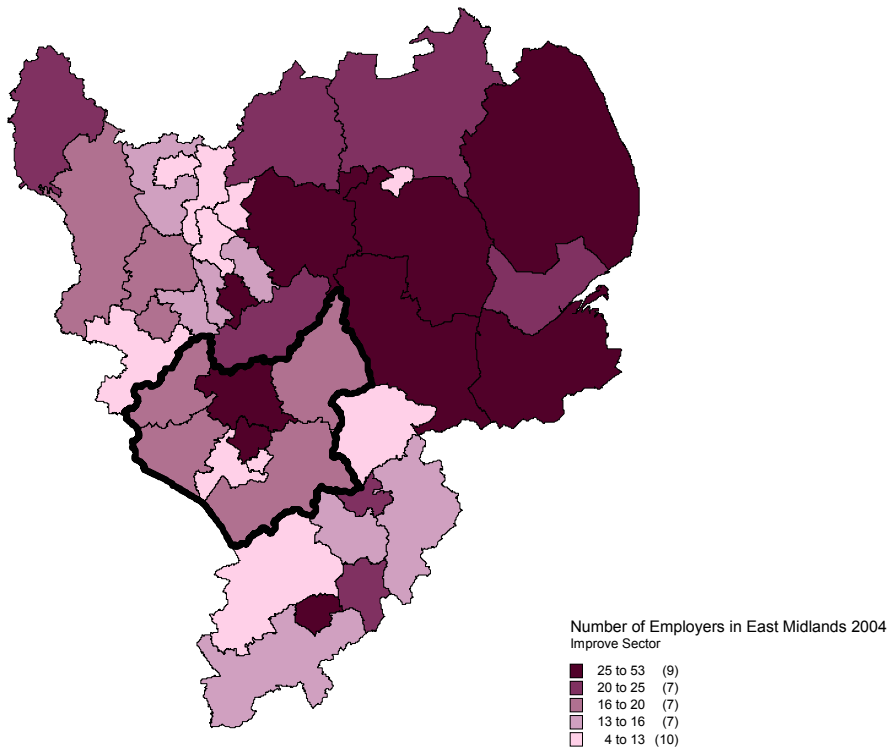
Maps 1 and 2 highlight the spatial concentrations of employees and numbers of businesses in the Improve Sector within each local authority area within the East Midlands region. Appendix Two contains a key to all local authority names within the East Midlands region.

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 Improve within the LSC area represents 2.9% of the total for England, employment in Improve activities within Leicestershire are somewhat over-represented.

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

The analysis indicates that Other food accounts for an estimated 42% of all employment in Improve activities in Leicestershire and Meat 21%.

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

	Number (LSC area)	As % of all in Improve sector in LSC area	As % of sub-sector in East Midlands Region	As % of sub-sector in England
Dairy	1,211	11%	61%	5.8%
Drink	293	3%	17%	1.0%
Feeds	1,146	11%	41%	10.2%
Fish	0	0%	0%	0.0%
Fruit	1,184	11%	14%	3.6%
Meat	2,187	21%	15%	2.5%
Oils	0	0%	0%	0.0%
Other food	4,471	42%	21%	2.9%
Starch	62	1%	2%	0.5%
Total for Improve	10,554	100%	20%	2.9%

Source: ABI 2004

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

⁶ Appendix One contains SIC definitions for each Improve sub sector

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

	Number (LSC area)	As % of all in Improve sector in LSC area	As % of sub-sector in East Midlands Region	As % of sub-sector in England
Dairy	15	8%	32%	3.0%
Drink	16	9%	26%	1.9%
Feeds	12	6%	16%	2.3%
Fish	0	0%	0%	0.0%
Fruit	14	8%	23%	3.2%
Meat	17	9%	15%	1.6%
Oils	0	0%	0%	0.0%
Other food	107	58%	26%	2.0%
Starch	4	2%	17%	2.5%
Total for Improve	185	100%	23%	2.0%

Source: ABI 2004

Table 5 identifies sub regional concentrations of employment within different Improve 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 Improve sub-sectors is very mixed with 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 Improve sub sectors within Leicestershire

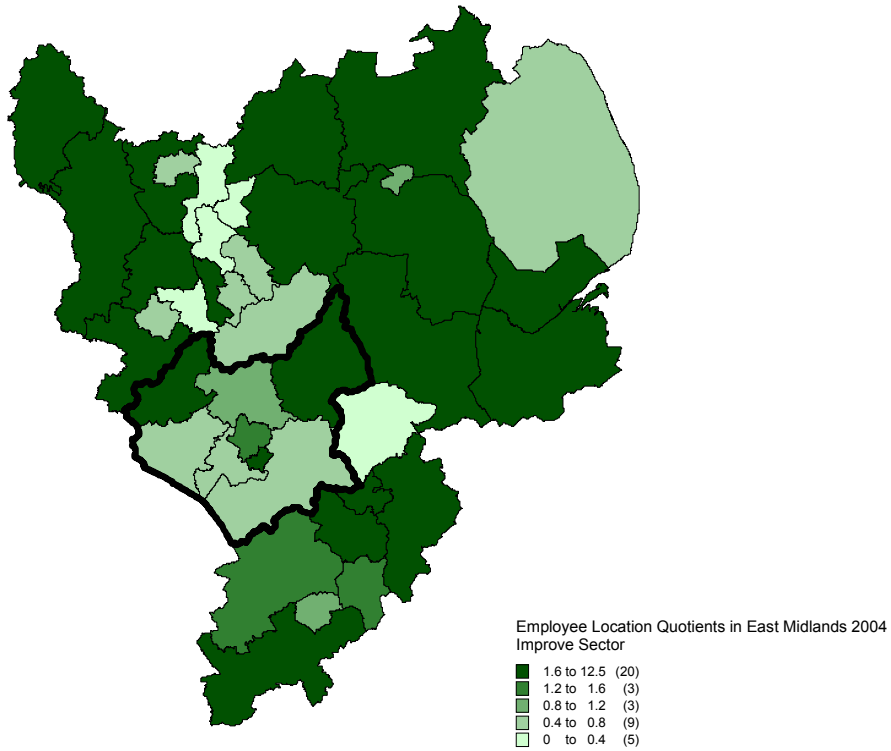
Sub-sector	Location Quotients for Improve sub-sectors in Leicestershire ⁷	Sub regional 'hot spots'
Dairy	3.17	Blaby (7.76), Melton (23.13), North West Leicestershire (5.88)
Drink	0.53	North West Leicestershire (4.38)
Feeds	5.57	Melton (120.42)
Fish	0.00	
Fruit	2.00	Leicester City (4.89)
Meat	1.39	Melton (8.47), Oadby and Wigston (9.55)
Oils	0.00	
Other food	1.59	North West Leicestershire (3.72), Oadby and Wigston (4.12)
Starch	0.29	Oadby and Wigston (3.95)
Total for Improve	1.61	Melton (7.53), Oadby and Wigston (4.20)
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 Improve sector for each local authority area in the East Midlands region.



Source: Annual Business Inquiry 2004

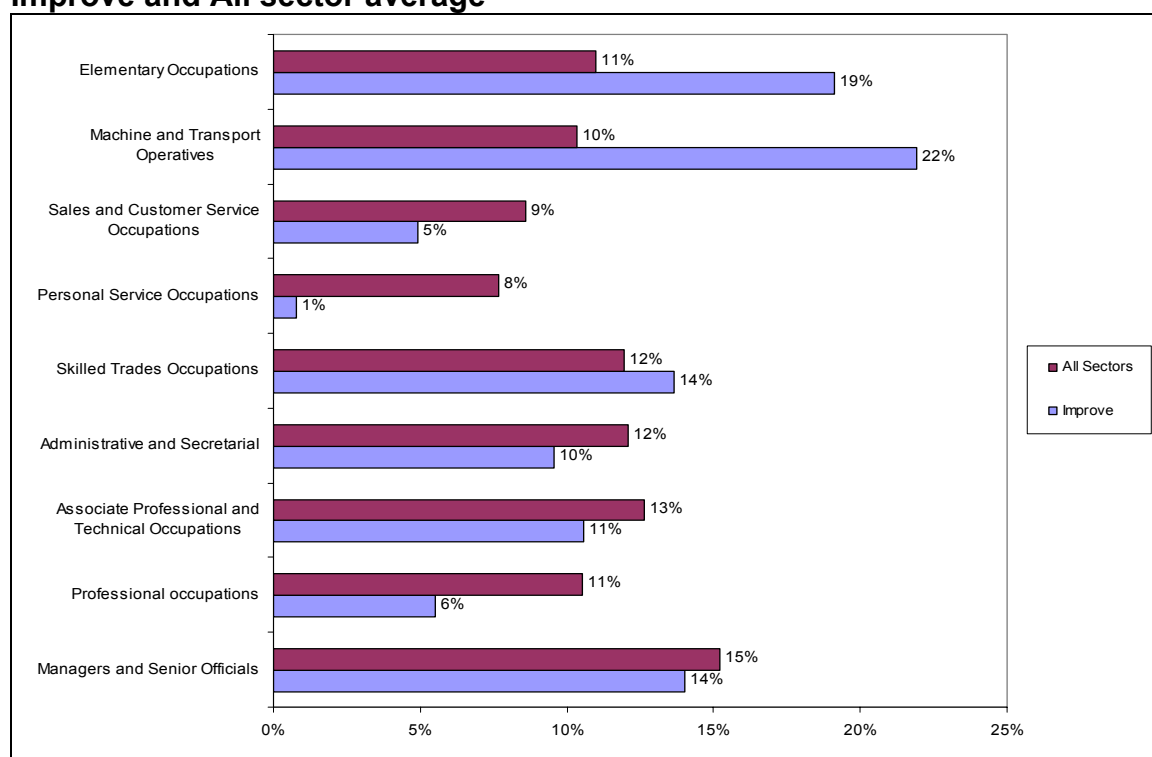
4. Workforce profile

This section examines the profile of those working within the Improve 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 Improve sector work as machine and transport operatives and in elementary occupations
- A lower proportion work in personal service, professional and associate professional and technical occupations

Chart 4: Occupational structure of employment within Leicestershire; Improve 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:

- Full time work is more prevalent within Improve

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

- A higher proportion of males are employed within the Improve workforce

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

	Improve			Average for all sectors in LSC area
	LSC area	Regional average	Average for England	
% part time employees ⁹	12%	12%	10%	28%
% full time employees ¹⁰	85%	86%	86%	60%
% self-employed ¹¹	3%	2%	3%	12%
% male ¹²	64%	63%	67%	54%
% female ¹³	36%	37%	33%	46%
% Non-White employees ¹⁴	18%	8%	7%	12% ¹⁵
% employed whose highest qualification is NVQ Level 4 or above ¹⁶	16%	12%	14%	18%
% employed whose highest qualification is NVQ Level 3	6%	6%	6%	8%
% employed whose highest qualification is NVQ Level 2	18%	19%	20%	21%
% employed whose highest qualification is NVQ Level 1	22%	24%	22%	21%
% employed with no qualifications	31%	32%	31%	24%
Other qualifications/Not known	7%	7%	7%	8%
% employed aged 16-17 ¹⁷	1%	2%	2%	2%
% employed aged 18-24	10%	12%	11%	12%
% employed aged 25-44	55%	52%	52%	50%
% employed aged 45+	34%	34%	36%	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.

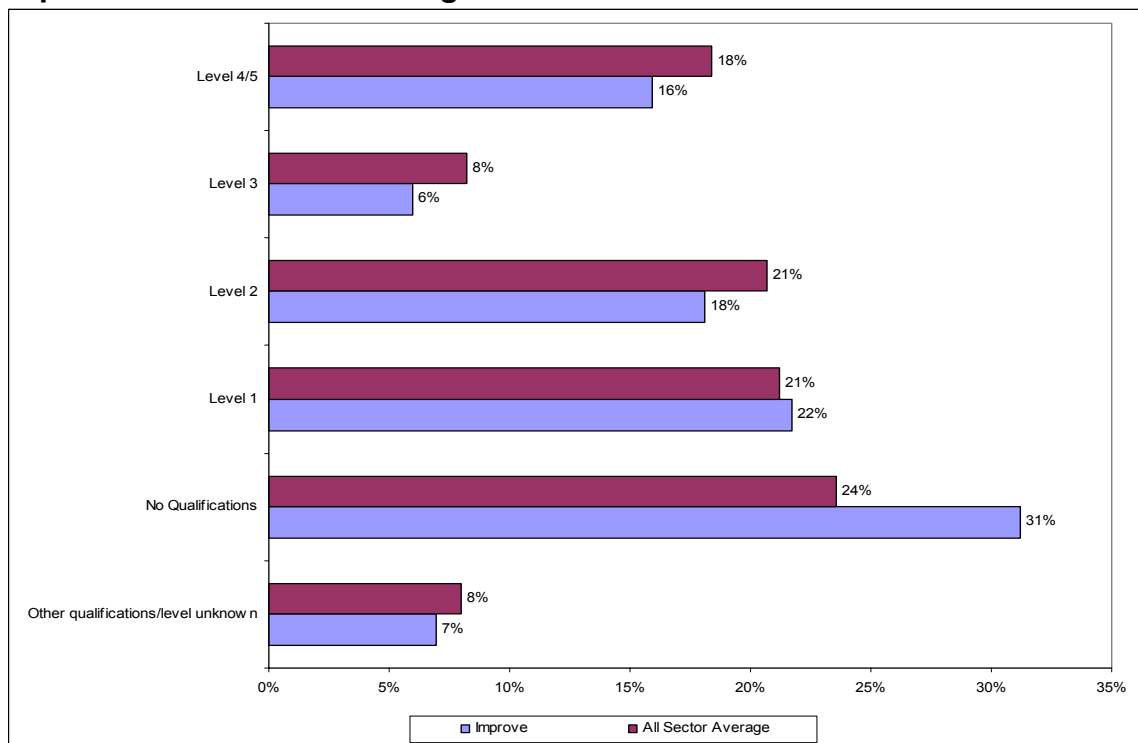
¹⁷ All age data has been derived from the Census 2001

It is estimated that 18% of all Improve workers within Leicestershire are classified as Non-White, which compares with an England average of 7%. 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 Improve the proportion of those aged 45 or more within Leicestershire is 34%. 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 Improve 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 Improve 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; Improve and All sector average



Source: Census of Population 2001

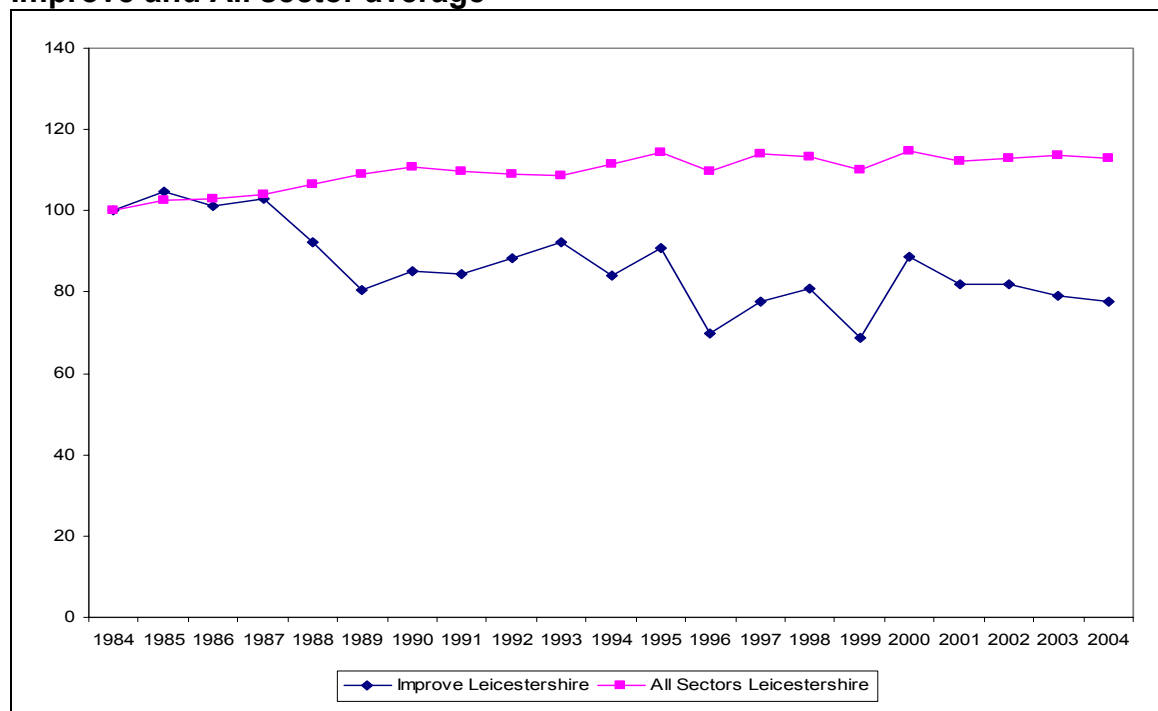
5. Historical trends

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

- Over the whole period 1984-2004 numbers employed within Improve in Leicestershire changed by an estimated -3,100, or -22%. This compares with +14% for the sector in the East Midlands Region and -22% within England. The average for all sectors within Leicestershire over this period was +13%.
- Over the more recent period 1994-2004 numbers employed within Improve in Leicestershire changed by an estimated -900, or -8%. This compares with +13% for the sector in the East Midlands Region and -5% 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 Improve 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; Improve and All sector average



Source: Working Futures 2;

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

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

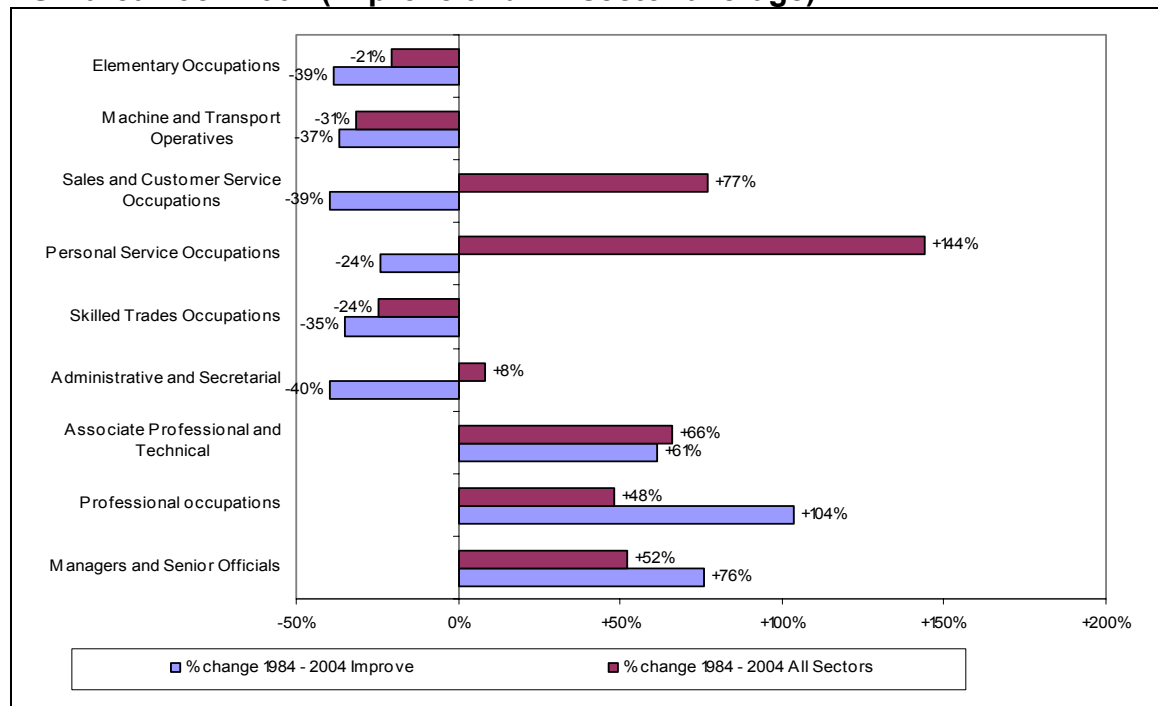
	LSC area Numbers	LSC area %	Regional average	Average for England	Average for all sectors in LSC area
Change in numbers employed 1984-1994	-2,200	-16%	+1%	-19%	+12%
Change in numbers employed 1994-2004	-900	-8%	+13%	-5%	+1%
Change in numbers employed 1984-2004	-3,100	-22%	+14%	-22%	+13%

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 there has been growth in a number of occupational areas within Improve in Leicestershire, particularly in professional occupations. However, in all other occupational areas there has been a decline. This is particularly noticeable in occupational areas such as personal service and sales and customer service, which have experienced considerable growth across all sectors in Leicestershire.

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

	Improve				Average for all sectors in LSC area (%)
	Leicestershire area (Numbers)	Leicestershire area (%)	Regional average (%)	Average for England (%)	
Change in total numbers employed	-1,000	-10%	-10%	-11%	+2%
Expected change part time employees	-1,050	-83%	-86%	-85%	+9%
Change full time employees	250	+3%	+2%	-1%	+1%
Change in numbers self employed	-200	-57%	-67%	-51%	-8%
Change in numbers of males	-150	-3%	+5%	+4%	+1%
Change in numbers of females	-850	-22%	-37%	-41%	+3%
Net requirement (Total numbers)	3,000	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

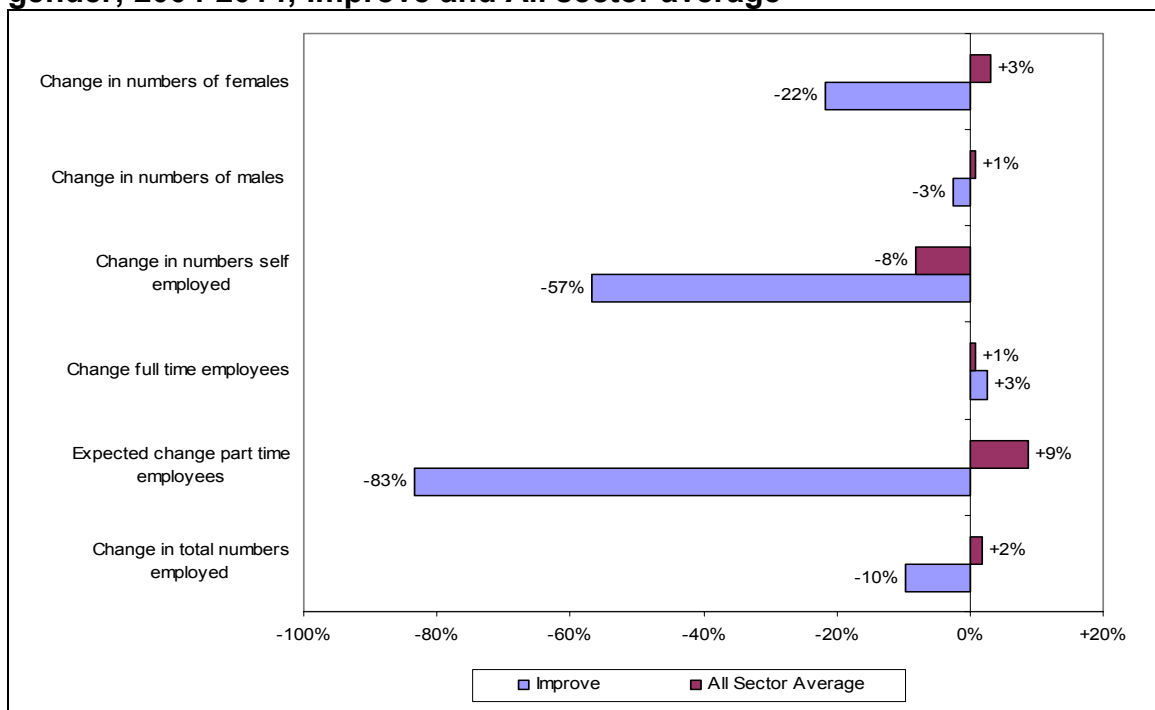
Note: Numbers have been rounded to the nearest 50

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

- overall employment within the Improve sector will decline by about -1,000, implying an estimated change of -10% 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 Improve sector will decrease by about -1,050, implying an estimated change of -83% over this period. This compares with an estimated -86% change in relation to the sector regionally and -85% within England. The respective figure for all sectors in the LSC area is +9%.

- full time employment within the Improve sector will increase by about 250, implying an estimated change of +3% over this period. This compares with an estimated +2% in relation to the sector regionally and -1% within England. The respective figure for all sectors in the LSC area is +1%.
- self-employment within the Improve sector will decrease by about -200, implying an estimated change of -57% over this period. This compares with an estimated -67% in relation to the sector regionally and -51% within England. The respective figure for all sectors in the LSC area is -8%.
- male employment within the Improve sector will decrease by about -150, implying an estimated change of -3% over this period. This compares with an estimated +5% in relation to the sector regionally and +4% within England. The respective figure for all sectors in the LSC area is +1%.
- female employment within the Improve sector will decrease by -850, implying an estimated change of -22% over this period. This compares with an estimated -37% in relation to the sector regionally and -41% 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; Improve and All sector average

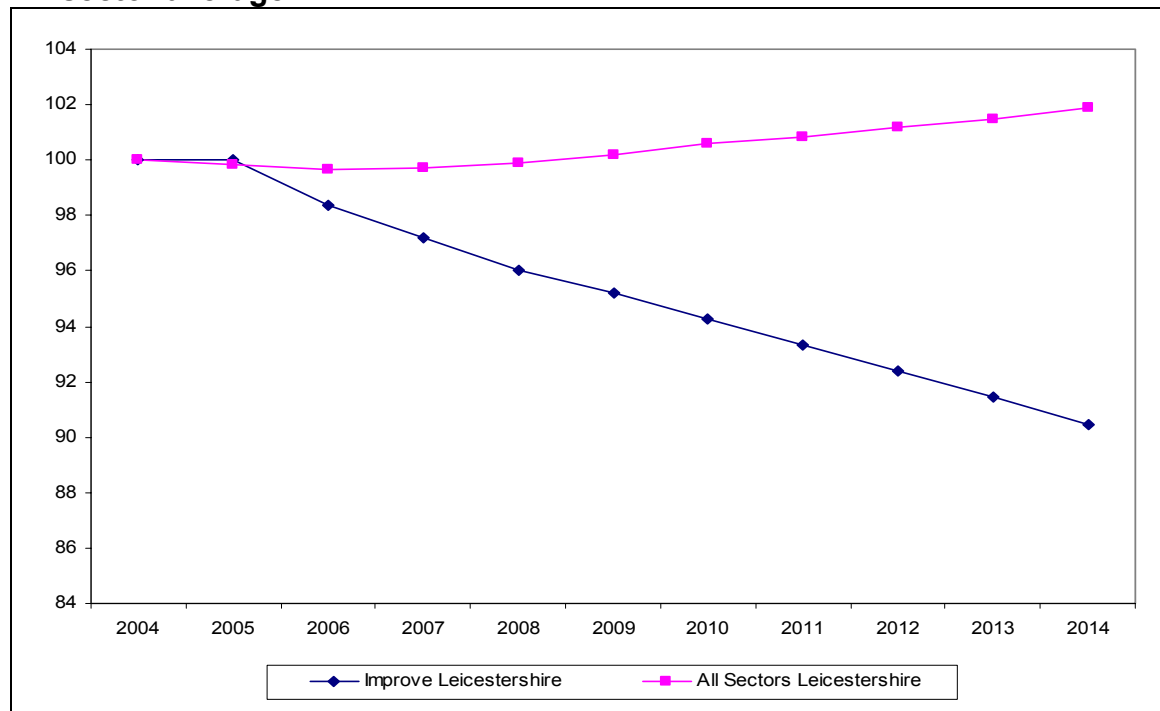


Source: Working Futures 2

The forecasts set out in Table 8 and Chart 8 indicate that in addition to the net decrease in numbers employed within Improve 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 3,000 workers, or an average annual net requirement of about 300 workers¹⁸. This accounts for about 1.8% of the total estimated annual net requirement for all sectors in Leicestershire.

Chart 9 outlines year on year forecast changes within the Leicestershire Improve 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 Improve sector is likely to underperform the all sector average over this period.

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



Source: Working Futures 2;

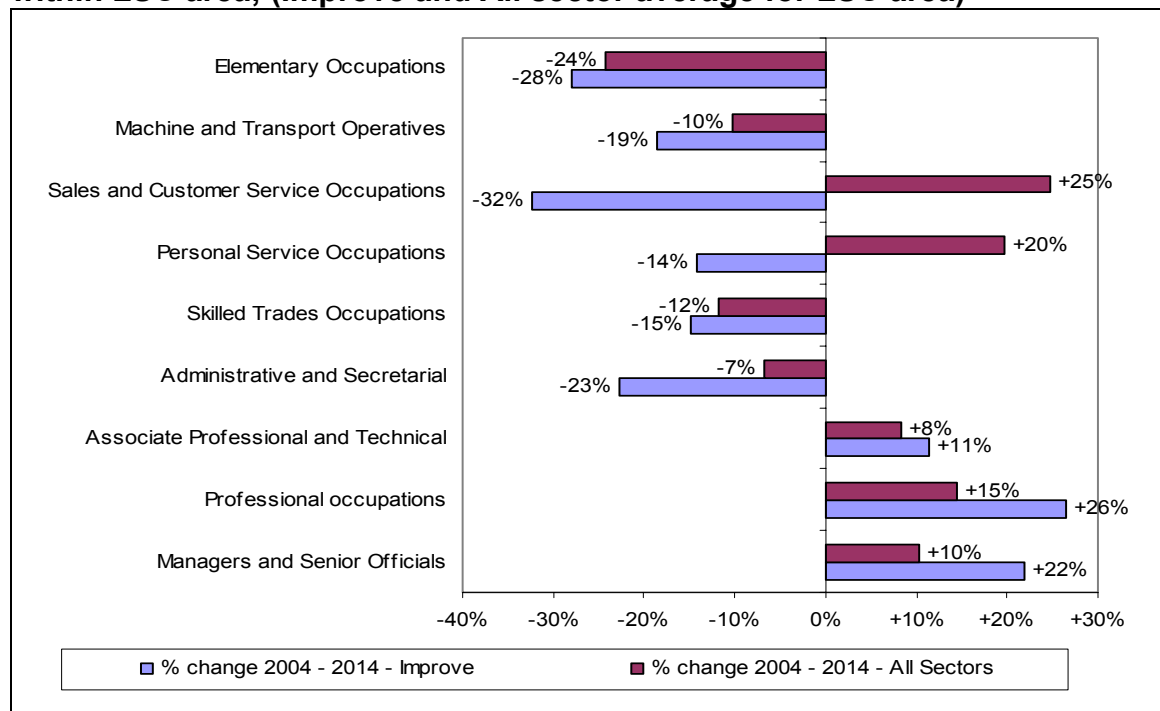
Note: Both the Improve and all sector average have been indexed to 100 in 2004

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 Improve sector with the all sector average within Leicestershire.

A number of occupational areas within the Derbyshire Improve sector are expected to experience significant net decline. These include sales and customer service, elementary and administrative and secretarial occupations. By contrast a number of occupational areas including professional, and managers and senior officials are expected to experience growth.

Chart 10: Forecast change 2004-2014 by main occupational categories within LSC area; (Improve 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 Improve has highlighted the complexities that food and drink manufacturing companies face in satisfying ever-changing consumer demands¹⁹. It was commented that:

“A food manufacturer has to respond to purchase/packaging orders from supermarkets and caterers that are often delivered at the last possible minute in order to accommodate changing consumer demands and to minimize storage and transport costs. At the same time, the average food and drink manufacturing company has to deal with the variability of raw material supplies provided by farmers and the weather. As a final complication, many of these food products are perishable and all have the capacity to damage health or even kill. It’s quite a complex problem”.

Improve have summarised the main drivers of change impacting upon the food and drink manufacturing industry as follows:

- *consumer change*; Above all, the food and drink manufacturing sector is driven by consumer preferences. i.e. the changes in demand caused by increasing disposable incomes, increasing population, tastes, lifestyles and concerns. It is considered that the rate and extent of change that consumers have shown in the last decade has been remarkable. These changing consumer demands are driving increasing skills in marketing, NPD, forecasting, business planning, change management and implementation skills on the factory floor.
- *changing technology*; i.e. the search for and adoption of new products, new processes, new distribution methods, storage systems etc. It is considered by Improve that the future food and drink manufacturing industry will continue to change to the extent that new technology continues to enable and facilitate this service process. This requires a workforce capable of analysing potential technological benefits and being able to deliver and maintain this technological change within the manufacturing process cost-effectively.
- *market power*; i.e. the changing scope and direction of competition as globalisation and retail concentration occurs leading to new routes to market develop, including own-label versus brands, and the Internet/web shopping vs supermarkets/farmer’s markets.

¹⁹The information contained in this section has been kindly provided by Improve from an unpublished draft report being prepared as part of the Stage 1 Skill Needs Assessment process. The title of the draft report is ‘Drivers for the Food and Drink Manufacturing Sector, The Demand for Skills in the UK Food and Drink Manufacturing Sector, Improve’

The food and drink retailing sector in the UK is recognised by all commentators for its dominant position in the food chain. It's sobering to think that 200,000 farmers and more than 9,000 food and drink manufacturing companies channel 80% of their production through 5 main retailers. In 2005, just four multiple retailers are responsible for around 75% of retail food sales.

Many food and drink manufacturing industry managers would readily describe the multiple retailer as the real driver of food and drink manufacturing decisions. Employees within the sector will need to respond to the challenges from 1st line managers to Technical operators, Logistical coordinators and senior managers involved in developing the 5 year strategic vision.

- *continuing regulation*; i.e. the changes in farming, food and drink processing and food and drink distribution that are constrained or encouraged by new dictates on health and nutrition, the environment, and international trade preferences. This year's hot topics for regulators are obesity and healthy food. Last year it was food safety and traceability (FSA 2002) stimulated by BSE and e Coli. Next year, avian flu will undoubtedly have an impact. Regulation is in place to ban junk foods in schools, stop advertising junk food to children and place traffic lights on food. All of these issues are the remit of the Food Standards Agency (FSA). regulatory change that affects the food and drink manufacturing industry is seen in various other forms including the EU's single hygiene policy, Kyoto-inspired climate change levies and other environmental regulations – land-fill tax, CAP reform and WTO Round of trade liberalisation. Again the workforce will need to take the regulation and interpret what it means to their businesses /consumers and find a mechanism to implement the regulations effectively – maybe even as a competitive advantage?

Key skill needs

Recent years have seen the largest contraction in employment in food and drink manufacturing, particularly in the manufacture of grains, beer, confectionery and dairy products.

The UK has an ageing population which reflects upon the age structure of the food and drink manufacturing workforce. Improve estimate that a minimum of 56,000 workers are expected to retire from the sector over the next 8 years while there are fewer 16-29 year olds available to replace this older cohort. It is considered that the ageing of the UK's population will have a significant impact on the age structure of the workforce and consequently the skills held.

The employment of overseas nationals in the food and drink manufacturing industry has been and will continue to be beneficial for the sector. If the industry is to maximise this opportunity it must work to improve communication and language skills together with raising the overall skill levels of this group of workers.

If the industry is to attract the people and talent it requires to raise productivity then it must make itself more aware, more attractive and more accessible to the majority of the population i.e. female, ethnic and younger sections of the population

Skill shortages identified by Improve across the whole UK food and drink manufacturing industry include:

- technical skills - food scientists and technologists, engineers, electricians
- skilled workers (bakers, butchers, fishmongers, cheese makers)
- management and supervisory skills – especially in operational people management and softer skills such as leadership, motivation and confidence building.

Projections developed by Improve indicate that a transition is taking place within the food and drink manufacturing industry to a higher skilled workforce. For example, 50% more managers will be required in eight years time.

As a consequence, the level of training carried out by the sector's workforce needs to move from basic to higher level provision in order to meet the skills demanded by the sector. In turn, this should decrease staff turnover, increase off the job training and increase accessibility to the industry for the whole of the working population.

Although the data for different regions and countries are not always comparable, there appears to be little difference in overall appreciation of skills shortages within companies between the different nations in the UK.

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: Improve Human Resource indicators summary

	East Midlands Improve average	England Improve average	Average for All sectors in East Midlands
% employers reporting skill gaps	17%	21%	16%
Skill shortage vacancies (SSVs) as a % of all vacancies	3%	16%	20%
% employers reporting hard to fill vacancies	4%	7%	5%
Hard to fill vacancies as a % of all vacancies	14%	25%	29%
% employers undertaking training over the previous 12 months	78%	62%	66%
% employees undertaking training over the previous 12 months	94%	59%	84%
% establishments with a business plan	63%	56%	55%
% establishments with a training plan	52%	44%	47%
% establishments with a training budget	40%	31%	34%
% of establishments that formally assess whether individual employees have gaps in their skills	63%	51%	56%
% of establishments formally assess the performance of employees who have received training and development	55%	62%	46%
Employer engagement score ²⁰	54.4	48.8	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

²⁰ 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 Improve 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 Improve within the East Midlands region of 17% compares with a figure for Improve in England of 21% 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 Improve within the East Midlands region of 4% compares with a figure for Improve in England of 7% 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 Improve within the East Midlands region of 3% compares with a figure for Improve in England of 16% 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 Improve within the East Midlands region is 14% compared with a figure for Improve in England of 25% 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 Improve within the East Midlands region of 78% compares with a figure for Improve in England of 62% 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 Improve within the East Midlands region of 94% compares with a figure for Improve in England of 59% 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 Improve sector has an overall score of 54.4, compared with 48.8 for Improve 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 Improve 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 Improve in relation to each indicator.

Table 10: Business and employment matrix

Indicator	Improve	SSC Ranking
Number of businesses 2004	185	22
Numbers employed 2004	10,650 ²¹	14
% change in numbers employed 1984-2004	-22%	22
Absolute change in numbers employed 1984-2004	-3,100	23
Expected % change in numbers employed 2004-2014	-10%	22
Expected absolute change in numbers employed 2004-2014	-1,000	22
Expected absolute replacement demand 2004-2014	+4,000	12
Skill Shortage Vacancies as a % of all vacancies 2005	3%	24
% of employers reporting skill gaps 2005	17%	5
% workforce with no qualifications	31%	2
% employed whose highest qualification is NVQ Level 1	22%	12
% employed whose highest qualification is NVQ Level 2	18%	19
% employed whose highest qualification is NVQ Level 3	6%	18
% employed whose highest qualification is NVQ Level 4 or higher	16%	11
% non-white employees 2001	18%	2
% employees aged 45+	34%	15
An occupational employment change score ²²	0.21	8

²¹ 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

²² 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 Improve. 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 Improve Sector footprint

SSC industry	Sub sectors	SIC sub sector definitions
Improve [15.11-15.91, 15.93-15.98, Meat 51.38]	Fish	15.11, 15.12, 15.13, 15.20,
	Fruit	15.31, 15.32, 15.33,
	Oils	15.41, 15.42, 15.43,
	Dairy	15.51, 15.52,
	Starch	15.61, 15.62,
	Feeds	15.71, 15.72,
	Other food	15.81, 15.82, 15.83, 15.84, 15.85, 15.86, 15.87, 15.88, 15.89, 51.38
	Drink	15.91, 15.93, 15.94, 15.95, 15.96, 15.97, 15.98

Appendix Two

