

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

Lantra

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

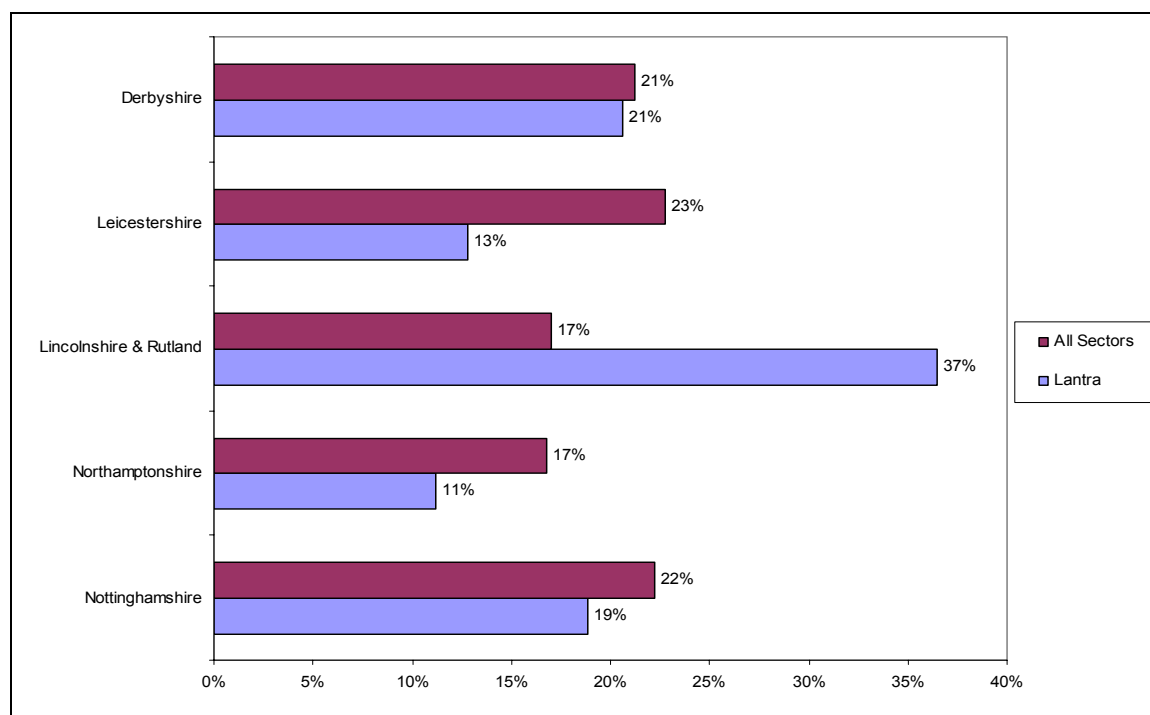
2. Current sector structure

Based on the Annual Business Inquiry 2004 there are an estimated 117 employers and 1,996 employees working in the Lantra sector in the Leicestershire LSC area³.

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

Chart 1 sets out the distribution of Lantra 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; Lantra 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 7,300.

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 Lantra employers within the East Midlands Region those in Leicestershire account for an estimated 13% and of all Lantra employers in England, those in Leicestershire account for 1.2%

In relation to employment, the respective figures are 21% of the regional total and 2.3% of the total for England. (See Table 1 for more details).

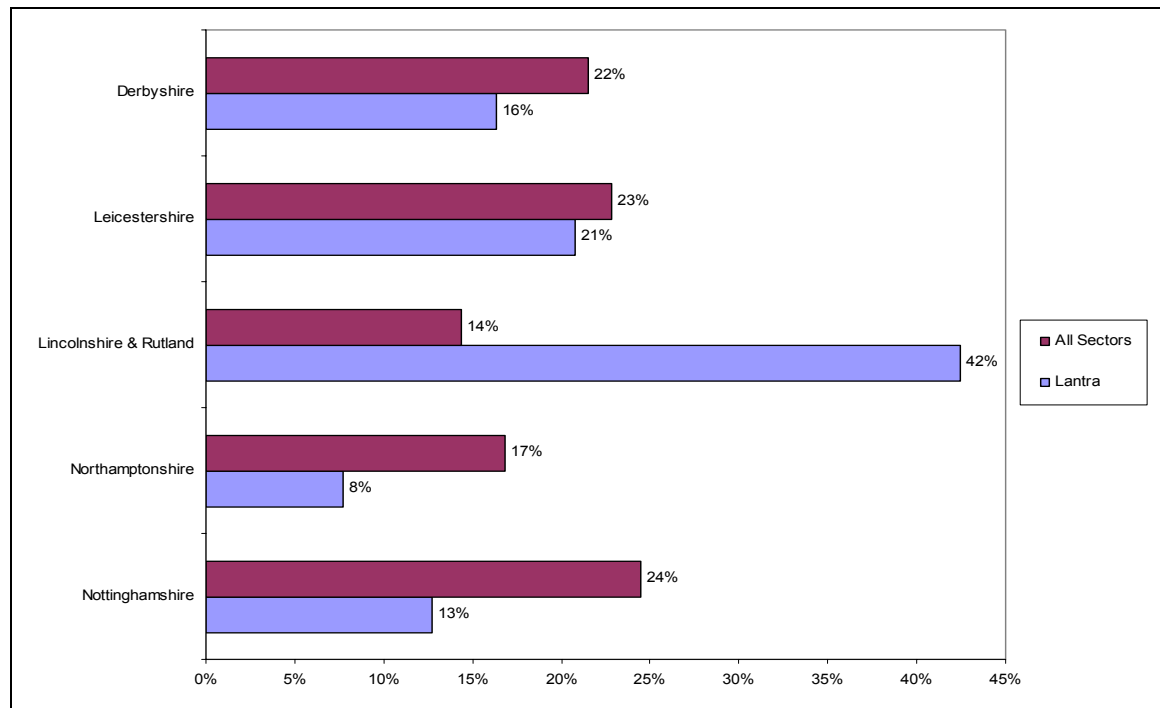
Table 1: Structure of employment and employers within Lantra; Leicestershire, East Midlands Region, England

	Number (LSC area)	As % of all in LSC area	As % of sector in East Midlands Region	As % of sector in England
Number of employers	117	0%	13%	1.2%
Number of employees	1,996	0%	21%	2.3%

Source: ABI 2004

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

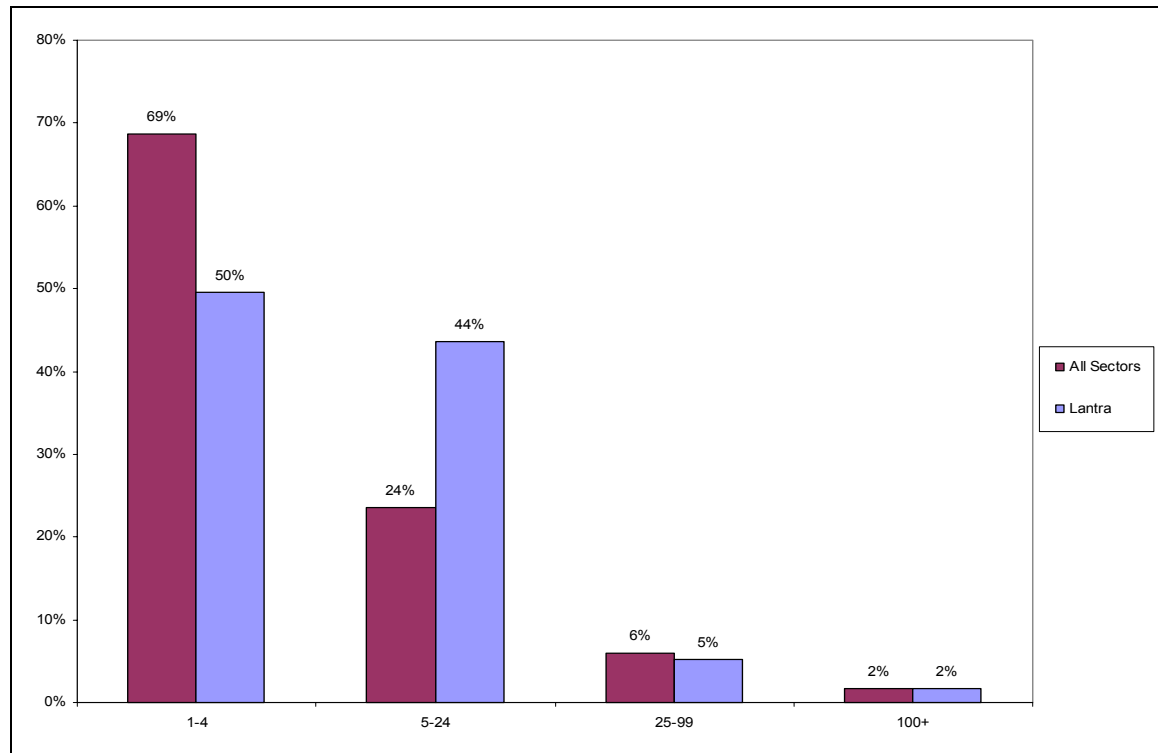
Chart 2: Share of total employment by LSC area; Lantra and All sector average



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 small employers within the Lantra sector footprint (Those employing between 5-24 employees).

Chart 3: Proportion of employers by employment size band in Leicestershire; Lantra 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 establishments employing between 5-24 and 100 or more employees.

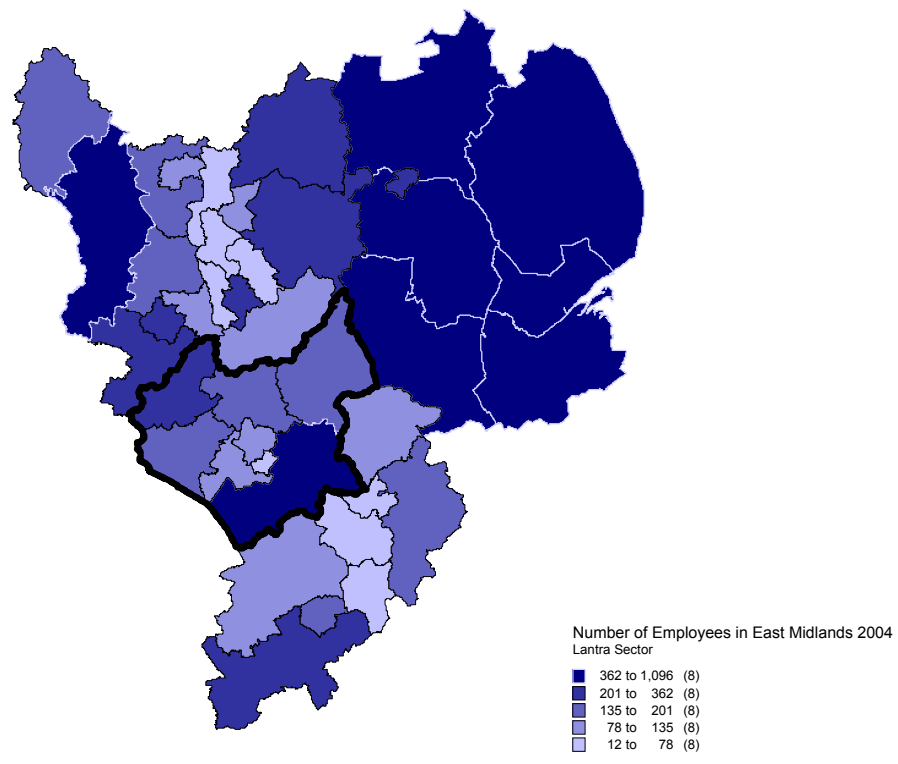
Table 2: Size structure of employment within Lantra; Number of employees within each employer size band; Leicestershire, East Midlands Region, England

	Number of employees in Lantra (LSC area)	% employees in Lantra (LSC area)	% employees in All sectors in LSC area	% employees in Lantra in East Midlands Region	% employees in Lantra in England
Number of employees (1-4 employees)	114	6%	11%	11%	14%
Number of employees (5-24) employees)	556	28%	22%	41%	41%
Number of employees (25-99) employees)	247	12%	24%	23%	27%
Number of employees (100+) employees)	1,079	54%	43%	25%	18%
All employees	1,996	100%	100%	100%	100%

Source: ABI 2004

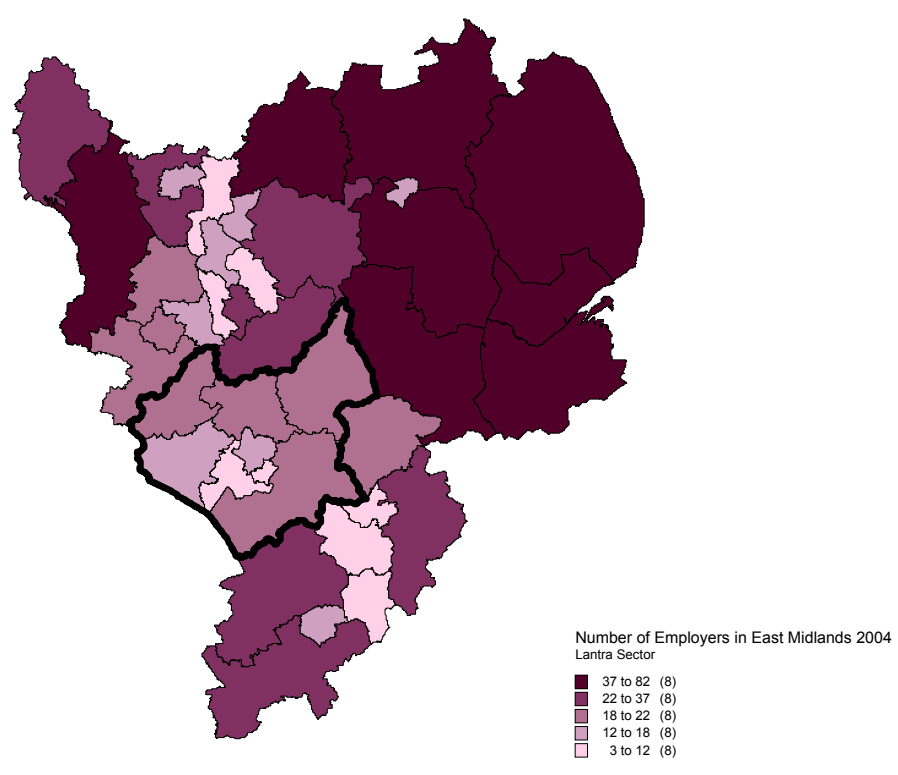
Maps 1 and 2 highlight the spatial concentrations of employees and numbers of businesses in the Lantra Sector within each local authority area within the East Midlands region. Appendix Two contains a key to all local authority names within the East Midlands region.

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 Lantra within the LSC area represents 2.3% of the total for England, employment in Lantra activities within Leicestershire are slightly more concentrated.

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

The analysis indicates that agricultural service activities account for an estimated 3% of all employment in Lantra activities in Derbyshire, farming of animals accounts for 3%, forestry and logging 7%, gardens and nature reserves 5%, growing of crops 58%, mixed farming 1% and veterinary activities 24%.

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

	Number (LSC area)	As % of all in Lantra sector in LSC area	As % of sub-sector in East Midlands Region	As % of sub-sector in England
Agriculture service activities	62	3%	4%	0.4%
Farming of animals	54	3%	4%	0.5%
Forestry and logging	146	7%	25%	2.7%
Gardens and nature reserves	103	5%	16%	1.4%
Growing of crops	1,148	58%	39%	7.0%
Hunting and fishing	0	0%	0%	0.0%
Mixed farming	11	1%	4%	0.6%
Veterinary activities	472	24%	21%	1.6%
Total for Lantra	1,996	100%	21%	2.3%

Source: ABI 2004

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

⁶ Appendix One contains SIC definitions for each Lantra sub sector

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

	Number (LSC area)	As % of all in Lantra sector in LSC area	As % of sub-sector in East Midlands Region	As % of sub-sector in England
Agriculture service activities	23	20%	12%	1.1%
Farming of animals	6	5%	7%	0.6%
Forestry and logging	19	16%	15%	1.0%
Gardens and nature reserves	1	1%	3%	0.3%
Growing of crops	11	9%	8%	1.0%
Hunting and fishing	1	1%	5%	0.4%
Mixed farming	4	3%	12%	1.8%
Veterinary activities	52	44%	19%	1.5%
DELETE		0%	#DIV/0!	#DIV/0!
Total for Lantra	117	100%	13%	1.2%

Source: ABI 2004

Table 5 identifies sub regional concentrations of employment within different Lantra 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 the Lantra sub-sectors of forestry and logging and growing of crops is relatively concentrated. 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 Lantra sub sectors within Leicestershire

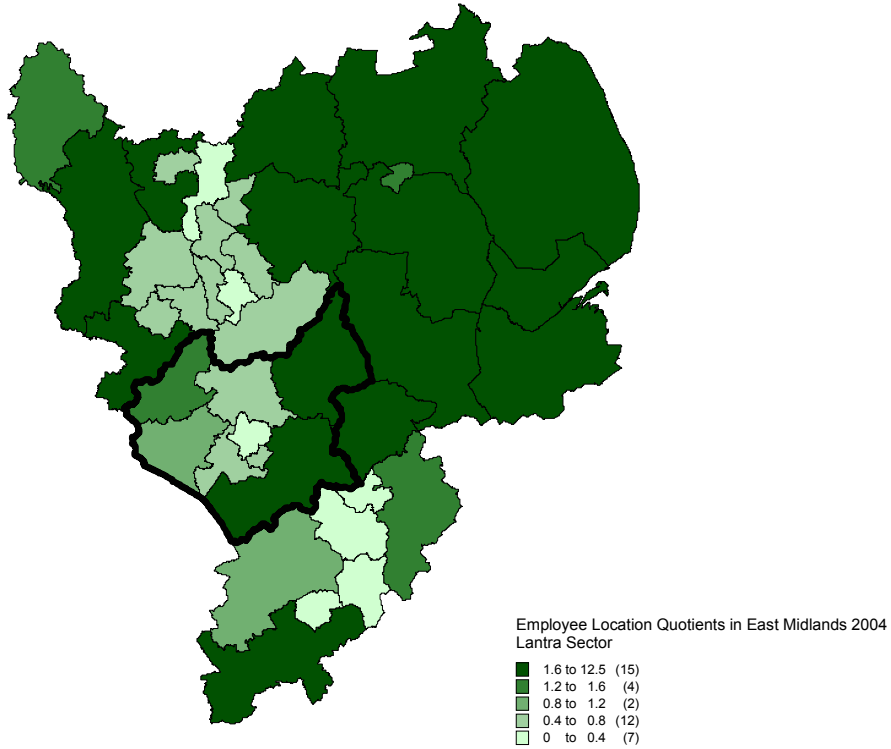
Sub-sector	Location Quotients for Lantra sub-sectors in Leicestershire ⁷	Sub regional 'hot spots'
Agriculture service activities	0.21	
Farming of animals	0.29	
Forestry and logging	1.46	Melton (7.51), North West Leicestershire (5.93)
Gardens and nature reserves	0.78	Hinckley and Bosworth (8.16)
Growing of crops	3.85	Harborough (41.74), Melton (4.93)
Hunting and fishing	0.00	
Mixed farming	0.32	Melton (6.03)
Veterinary activities	0.89	Melton (1.85)
Total for Lantra	1.26	Harborough (8.77), Melton (2.36)
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 Lantra sector for each local authority area in the East Midlands region.



Source: Annual Business Inquiry 2004

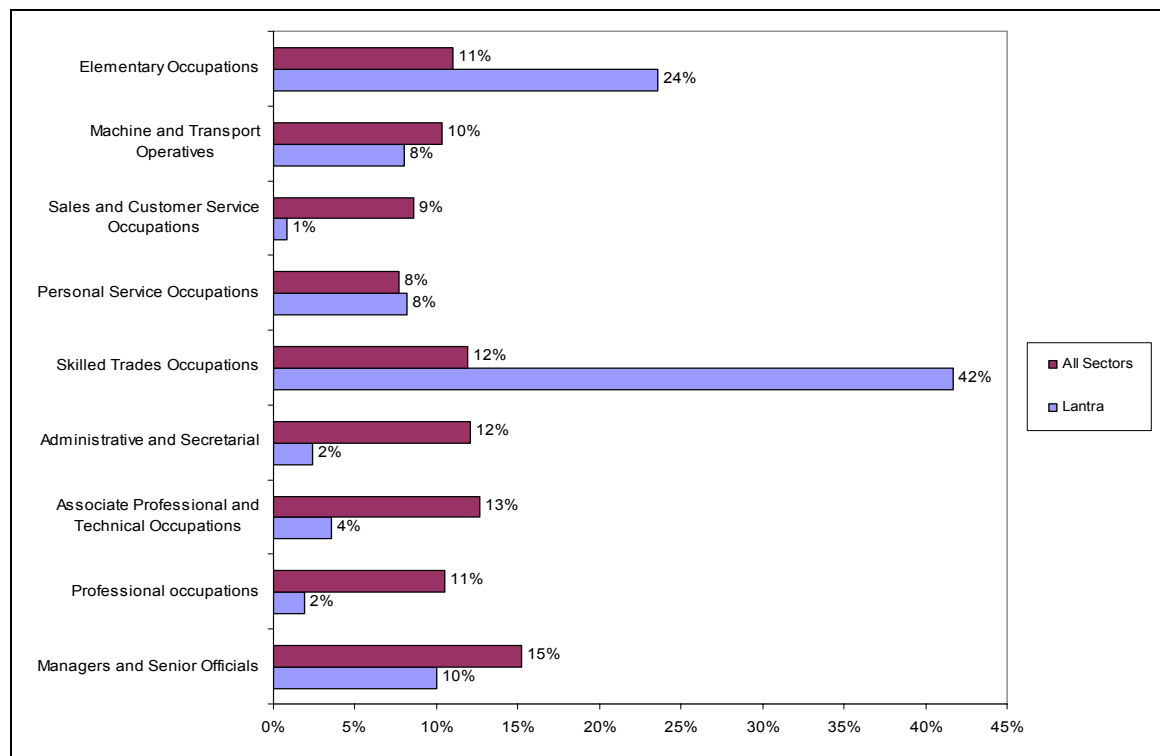
4. Workforce profile

This section examines the profile of those working within the Lantra 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 Lantra sector work in elementary and skilled trade occupations
- A lower proportion work in transport and machine operative, sales and customer service, administrative and secretarial, associate professional and technical, professional and managerial occupations

Chart 4: Occupational structure of employment within Leicestershire; Lantra 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 more prevalent within Lantra
- A higher proportion of males work in the sector

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

	Lantra			Average for all sectors in LSC area
	LSC area	Regional average	Average for England	
% part time employees ⁹	14%	15%	15%	28%
% full time employees ¹⁰	51%	50%	42%	60%
% self-employed ¹¹	35%	35%	43%	12%
% male ¹²	70%	71%	68%	54%
% female ¹³	30%	29%	32%	46%
% Non-White employees ¹⁴	2%	1%	1%	12% ¹⁵
% employed whose highest qualification is NVQ Level 4 or above ¹⁶	11%	11%	13%	18%
% employed whose highest qualification is NVQ Level 3	6%	5%	6%	8%
% employed whose highest qualification is NVQ Level 2	21%	20%	21%	21%
% employed whose highest qualification is NVQ Level 1	24%	24%	22%	21%
% employed with no qualifications	28%	32%	30%	24%
Other qualifications/Not known	10%	9%	8%	8%
% employed aged 16-17 ¹⁷	2%	2%	2%	2%
% employed aged 18-24	11%	11%	11%	12%
% employed aged 25-44	46%	45%	45%	50%
% employed aged 45+	40%	43%	42%	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.

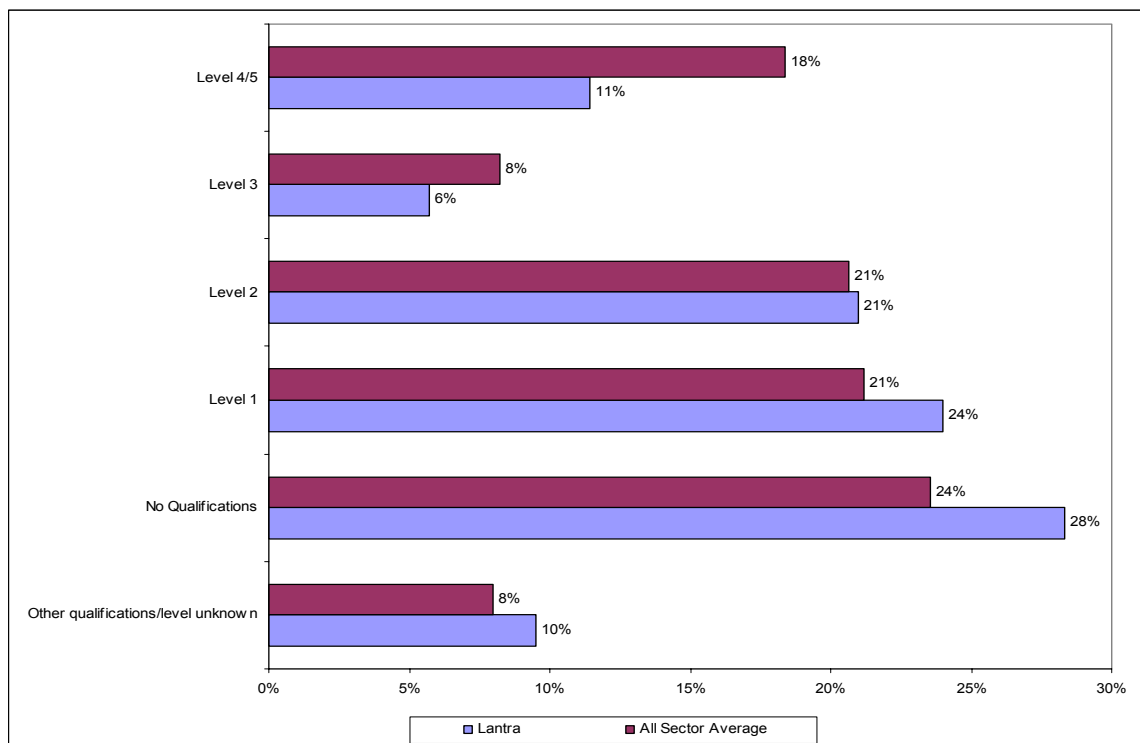
¹⁷ All age data has been derived from the Census 2001

It is estimated that 2% of all Lantra workers within Leicestershire are classified as Non-White, which compares with an England average of 1%. 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 Lantra 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 28% of the Lantra 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 11% of the Lantra 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; Lantra and All sector average



Source: Census of Population 2001

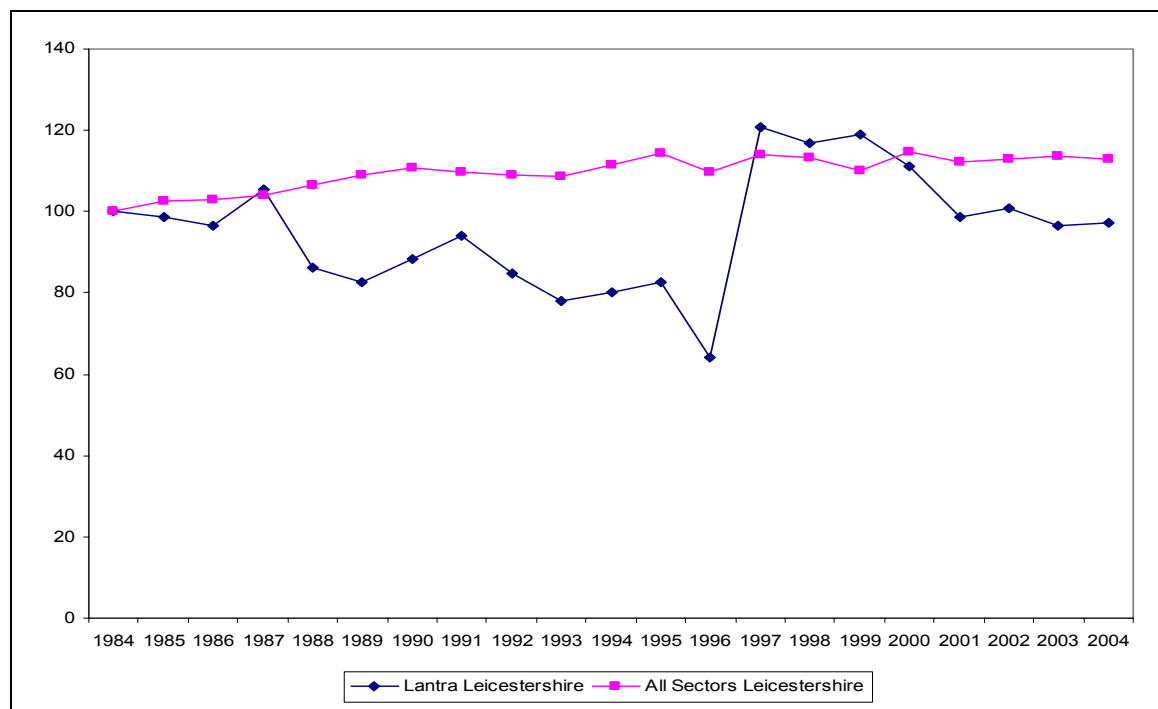
5. Historical trends

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

- Over the whole period 1984-2004 numbers employed within Lantra in Leicestershire changed by an estimated -200, or -3%. This compares with -40% for the sector in the East Midlands Region and -32% within England. The average for all sectors within Leicestershire over this period was +13%.
- Over the more recent period 1994-2004 numbers employed within Lantra in Leicestershire changed by an estimated 1,300, or +21%. This compares with -21% for the sector in the East Midlands Region and -24% 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 Lantra 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; Lantra and All sector average



Source: Working Futures 2;

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

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

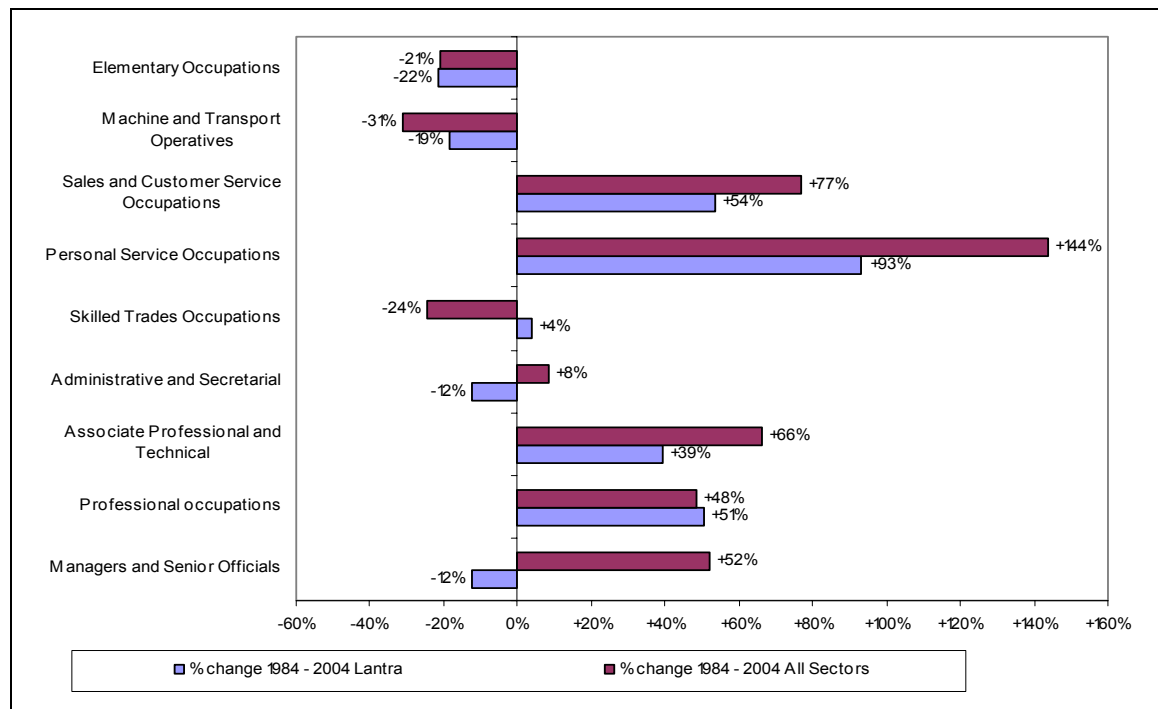
	LSC area Numbers	LSC area %	Regional average	Average for England	Average for all sectors in LSC area
Change in numbers employed 1984-1994	-1,500	-20%	-24%	-11%	+12%
Change in numbers employed 1994-2004	1,300	+21%	-21%	-24%	+1%
Change in numbers employed 1984-2004	-200	-3%	-40%	-32%	+13%

Source: Working Futures 2

Note: Numbers have been rounded to the nearest 50

Chart 7 sets out changes in employment by occupation over the period 1984-2004 and indicates that with the exception of skilled trade occupations and machine and transport operatives (which have both declined by a slightly lower rate), together with skilled trade and professional occupations, the rate of growth in all other occupational areas within Lantra in Leicestershire has been lower, or the decline more severe than 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 (Lantra 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: Lantra employment forecast summary; 2004-2014

	Lantra				Average for all sectors in LSC area (%)
	Leicestershire area (Numbers)	Leicestershire area (%)	Regional average (%)	Average for England (%)	
Change in total numbers employed	-400	-5%	-11%	-14%	+2%
Expected change part time employees	-300	-33%	-15%	-7%	+9%
Change full time employees	50	+1%	-9%	-15%	+1%
Change in numbers self employed	-100	-4%	-11%	-16%	-8%
Change in numbers of males	-850	-16%	-21%	-23%	+1%
Change in numbers of females	450	+20%	+15%	+5%	+3%
Net requirement (Total numbers)	2,000	N/A	N/A	N/A	169,000
Replacement demand (Total numbers)	3,000	N/A	N/A	N/A	161,000

Source: Working Futures 2

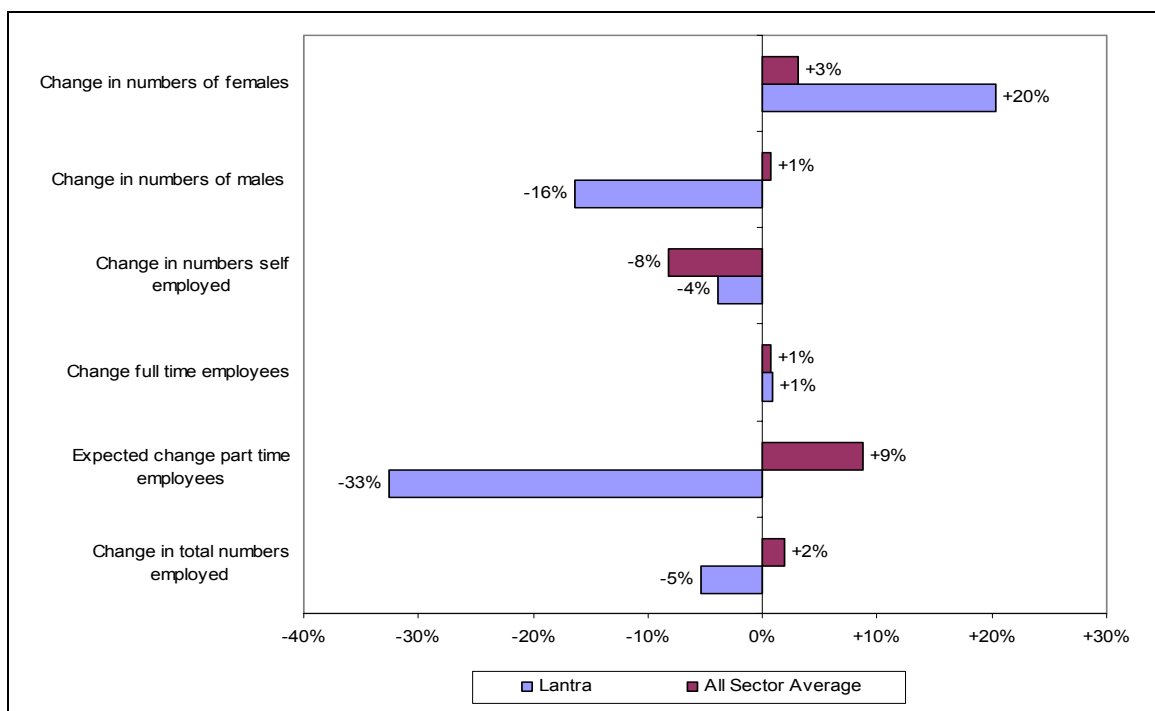
Note: Numbers have been rounded to the nearest 50, except replacement demand and net requirement figures which have been rounded to the nearest 1000

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

- overall employment within the Lantra sector will decrease by about -400, implying an estimated change of -5% over this period. This compares with an estimated -11% in relation to the sector regionally and -14% within England. The respective figure for all sectors in the LSC area is +2%.
- part time employment within the Lantra sector will decrease by about -300, implying an estimated change of -33% over this period. This compares with an estimated -15% change in relation to the sector regionally and -7% within England. The respective figure for all sectors in the LSC area is +9%.

- full time employment within the Lantra sector will increase by about 50, implying an estimated change of +1% over this period. This compares with an estimated -9% in relation to the sector regionally and -15% within England. The respective figure for all sectors in the LSC area is +1%.
- self-employment within the Lantra sector will decrease by about -100, implying an estimated change of -4% over this period. This compares with an estimated -11% in relation to the sector regionally and -16% within England. The respective figure for all sectors in the LSC area is -8%.
- male employment within the Lantra sector will decrease by about -850, implying an estimated change of -16% over this period. This compares with an estimated -21% in relation to the sector regionally and -23% within England. The respective figure for all sectors in the LSC area is +1%.
- female employment within the Lantra sector will increase by about 450, implying an estimated change of +20% over this period. This compares with an estimated +15% in relation to the sector regionally and +5% 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; Lantra and All sector average

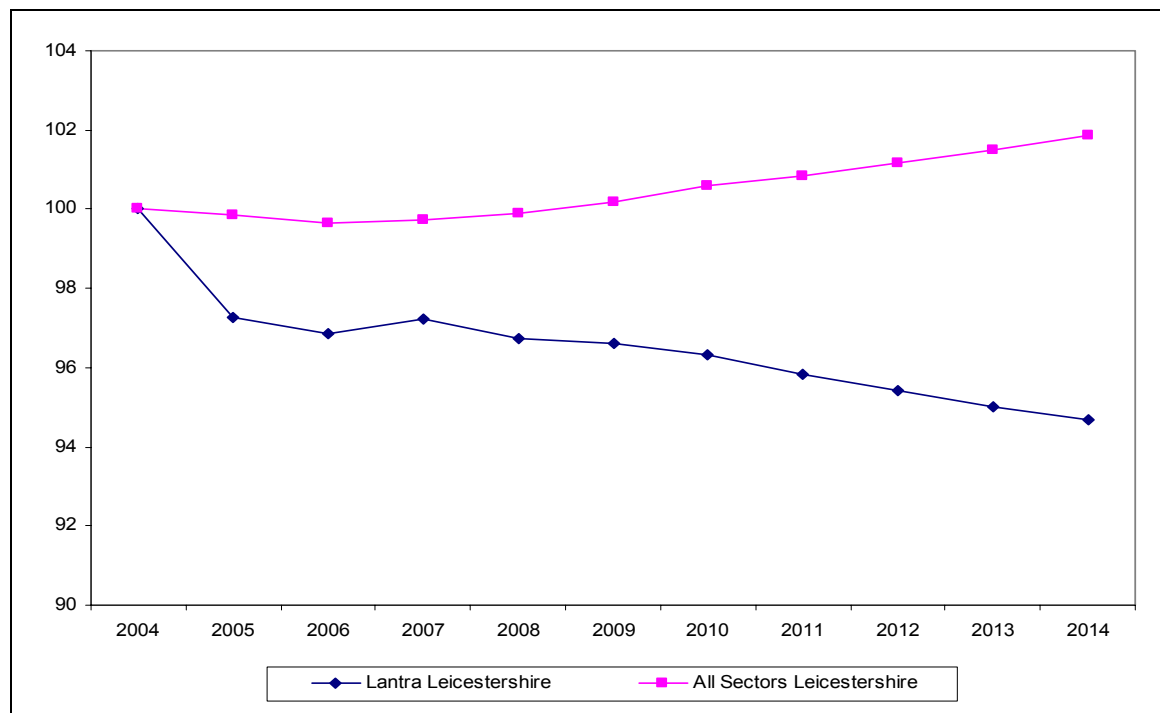


Source: Working Futures 2

The forecasts set out in Table 8 and Chart 8 indicate that set against the small net decline in numbers employed within Lantra in Leicestershire over the period 2004-2014 there are likely to be an additional 3,000 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 2,000 workers, or an average annual net requirement of about 200 workers¹⁸. This accounts for about 1.2% of the total estimated annual net requirement for all sectors in Leicestershire.

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

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



Source: Working Futures 2;

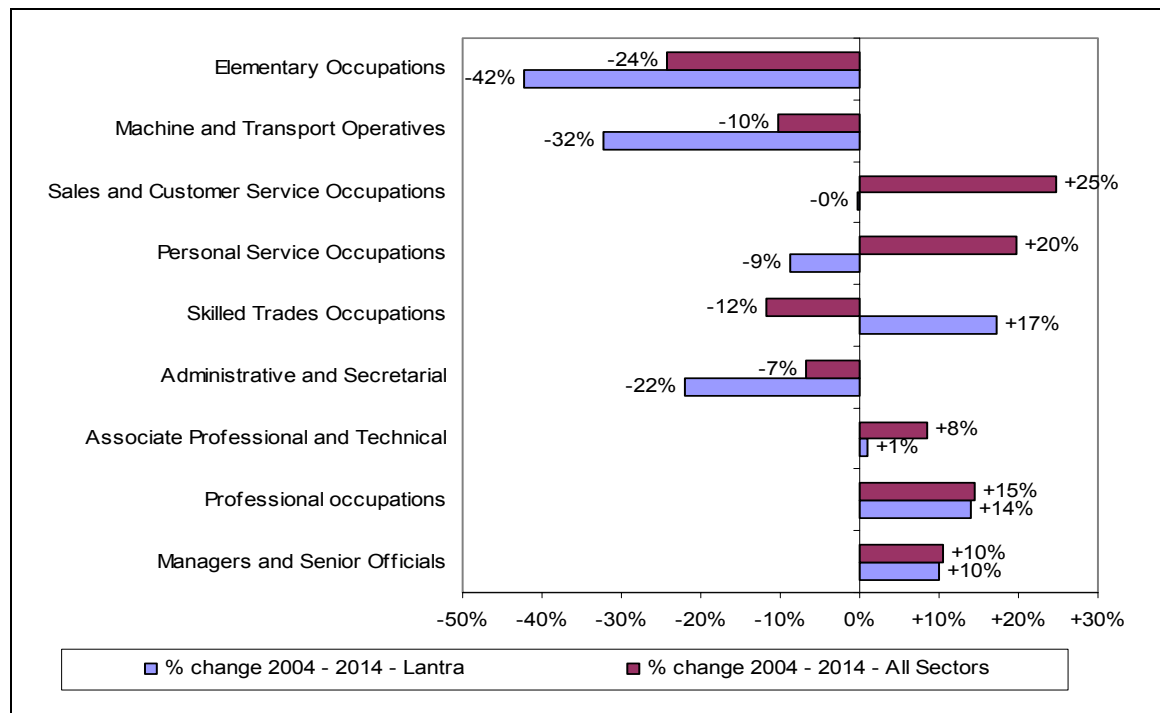
Note: Both the Lantra and all sector average have been indexed to 100 in 2004

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 Lantra sector with the all sector average within Leicestershire.

The only occupational areas within the Leicestershire Lantra sector expected to experience growth over the period 2004-2014 are skilled trade, associate professional and technical, professional and managerial occupations.

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



Source: Working Futures 2

7. Drivers of change and key skill issues

Drivers of change

The research that underpinned the development of Lantra's strategic plan identified a number of complex external factors which impact on businesses within the sector. Some of these factors have an impact across the whole sector whilst others are cluster specific. These drivers will require the sector's industries to adapt, change and develop if they are to remain competitive and sustainable. The generic external drivers identified by Lantra include¹⁹:

Governments and regulation – the sector works in a regulatory environment much of which is controlled by the European Community. This includes the CAP and the Water Framework Directive. Increased devolution within the UK also means that businesses have to operate within different political environments.

Globalisation - the changing nature of competitive frameworks in which businesses now increasingly have to operate will radically alter the nature of production and the consequential impact on the viability of businesses

Sustainable development – the centrality of this to the sector has been fully established. Sustainable policies on fossil fuels and greenhouse gases will reduce the harmful effects of global warming and climate change (for future generations)

Rural and urban regeneration – Rural regeneration must build economically viable businesses and healthy communities. There is a potent, causal link between economic and environmental enhancement in both urban and rural economies

Technological advances – embracing innovation and new technologies to respond to changing market patterns both in terms of products (such as genetically modified organisms) and working practices

Health and Safety – the sector continues to sustain significant injuries and ill health with high personal and economic costs. New legislation must reshape attitudes and practices with regard to both environmental and personal health as well as safety in the workplace

Demography – this includes changing markets brought about by consumer behaviour, demands, and taste; increased leisure time and recreational choice; decline in birth rates and changes in education patterns leading to a more competitive jobs market; changes in migration and employment resulting from the expansion of the European Union.

¹⁹ These drivers were obtained from Lantra's strategy document: 21st Century Skills for Environmental and Land-based Businesses, Strategic Plan 2004-2009, Lantra

Cluster specific drivers include:

Land management and production:

Regulatory frameworks, e.g. CAP; rights to access, traceability of products
Diversification and changing patterns of land use and management

Animal health and welfare:

New legislation and welfare regulations; ban on hunting legislation
Improved standards for animal health and welfare

Environmental industries:

Biodiversity and conservation of species and habitats
Conservation of the historic/natural environment

All these drivers are likely to have a direct impact upon the future skills and business requirements of industries within the environmental and land-based sector over the next 5 to 10 years.

Key skill needs

Lantra's Market Assessment gives a full description of the changing skills needs, occupational shifts and employment patterns anticipated within the sector²⁰. The report revealed common features across the sector and similarities in skills needs including:

- the predominance of micro-businesses and sole traders
- the importance of diversification
- the three pillars of sustainable development as business drivers
- skills and business development for micro-businesses and the self-employed
- issues over access and availability of advice and development providers

There is a predominance of very small and micro-sized businesses in the environmental and land based sector with 60% of the businesses being sole traders. There is now an increasing need for business management skills resulting from increasing competition and commercial pressures. In agriculture for example there is a need for skills relating to farm diversification, the balancing of 'multiple' business interests and developing alternative income streams. There is also a need for better management skills to deal with increasing use of contractors and part time and migrant workers.

Recent research has indicated that the majority of businesses identified skills gaps in financial management (50%) and health and safety skills (51%)²¹.

²⁰ Environmental and Land-based Market Assessment, Lantra, 2003

²¹ Articulating Demand: Skills for Business Review, Lantra, March 2003.

Higher business management skill needs were also identified as a further skills gap indicating that the introduction of such skills would have direct business benefits. However, of particular note was that whilst most businesses perceived they had skills gaps, only a small proportion of those respondent businesses had recognised a need to undertake training or development.

Because of their size, most employers lack the specialist resources to support business functions such as recruitment, training, and business and financial planning. The rural nature of most businesses also inhibits access to support services. The research highlights the need for innovative approaches to learning delivery to meet the sector's requirements.

Recently, the impact of new organisational and technological developments has had an increasing effect on occupational change, e.g. the introduction of ICT having considerable impact in the workplace and therefore demanding new skills from the workforce.

The Skills Foresight report produced by Lantra²² indicated that the need for higher level job specific skills, the increasing use and application of ICT and demand for higher level business and management skills are leading to a higher proportion of jobs requiring people to work at NVQ/SVQ skill levels of 3 and above. Many land-based industries have traditionally provided significant numbers of jobs requiring skills at level 2. However, it is now estimated that currently over 70% of all land-based jobs demand skill levels at NVQ/SVQ level 3 and above, and this is forecast to increase to over 80% by 2006²³. This appears to be an important trend towards higher skill levels with an increased need for training to level 3 in both occupational specific skills and in generic business skills.

The Market Assessment undertaken by Lantra also identified the following Skill needs for the sector:

- an increased need for multi skilled workforce to cope with increasing diversification in the sector
- a need for continual technological updating to ensure that businesses can compete in a global economy
- better marketing and sales skills to promote the value added products produced from diversified businesses
- The need to understand consumers' requirements to develop products which meet ever increasing public expectations around quality, traceability and consistency

²² Skills Foresight 2001, A dialogue for action, Lantra National Training Organisation

²³ Environmental and Land-based Market Assessment, Lantra, 2003

- the development of skills to maximise potential from latent local markets
- the need to increase skills levels in rural and urban environmental management to make best use of land and other social capital
- the need to develop volunteer management skills over the next 5-10 years
- the requirement for managers to properly reflect health and safety issues in their businesses
- an ability to understand consumer responses to economic, social, environmental and technological changes to make best business decisions.

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: Lantra Human Resource indicators summary

	East Midlands Lantra average	England Lantra average	Average for All sectors in East Midlands
% employers reporting skill gaps	12%	10%	16%
Skill shortage vacancies (SSVs) as a % of all vacancies	25%	32%	20%
% employers reporting hard to fill vacancies	4%	5%	5%
Hard to fill vacancies as a % of all vacancies	54%	52%	29%
% employers undertaking training over the previous 12 months	49%	50%	66%
% employees undertaking training over the previous 12 months	65%	54%	84%
% establishments with a business plan	44%	44%	55%
% establishments with a training plan	32%	26%	47%
% establishments with a training budget	18%	18%	34%
% of establishments that formally assess whether individual employees have gaps in their skills	42%	36%	56%
% of establishments formally assess the performance of employees who have received training and development	29%	50%	46%
Employer engagement score ²⁴	32.9	34.7	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

²⁴ 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 Lantra 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 Lantra within the East Midlands region of 12% compares with a figure for Lantra in England of 10% 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 Lantra within the East Midlands region of 4% compares with a figure for Lantra in England of 5% 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 Lantra within the East Midlands region of 25% compares with a figure for Lantra in England of 32% 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 Lantra within the East Midlands region is 54% compared with a figure for Lantra in England of 52% 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 Lantra within the East Midlands region of 49% compares with a figure for Lantra in England of 50% 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 Lantra within the East Midlands region of 65% compares with a figure for Lantra 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 Lantra sector has an overall score of 32.9, compared with 34.7 for Lantra 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 Lantra 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 Lantra in relation to each indicator.

Table 10: Business and employment matrix

Indicator	Lantra	SSC Ranking
Number of businesses 2004	117	24
Numbers employed 2004	7,300 ²⁵	18
% change in numbers employed 1984-2004	-3%	20
Absolute change in numbers employed 1984-2004	-200	20
Expected % change in numbers employed 2004-2014	-5%	17
Expected absolute change in numbers employed 2004-2014	-400	17
Expected absolute replacement demand 2004-2014	+3,000	15
Skill Shortage Vacancies as a % of all vacancies 2005	25%	8
% of employers reporting skill gaps 2005	12%	18
% workforce with no qualifications	28%	8
% employed whose highest qualification is NVQ Level 1	24%	8
% employed whose highest qualification is NVQ Level 2	21%	12
% employed whose highest qualification is NVQ Level 3	6%	18
% employed whose highest qualification is NVQ Level 4 or higher	11%	16
% non-white employees 2001	2%	24
% employees aged 45+	40%	6
An occupational employment change score ²⁶	0.22	7

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

²⁵ 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

²⁶ 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 Lantra. 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 Lantra Sector footprint

SSC industry	Sub sectors	SIC sub sector definitions
Lantra [01, 02, 05.02, 85.2, 92.53]	Growing of crops	0111, 0112, 0113
	Farming of animals	0121, 0122, 0123, 0124, 0125
	Mixed farming	0130
	Hunting and fishing	0502, 0150
	Agriculture service activities	0141, 0142
	Forestry and logging	0201, 0202
	Veterinary activities	8520
	Gardens and nature reserves	9253
	Growing of crops	0111, 0112, 0113

Appendix Two

