

Chapter 4 - Employment and Skills

Introduction

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

Context

- 4.2 The employment and skills profile in Leicester and Leicestershire is indicative of how the sub-region accommodates/serves its residents in terms of opportunities and progression. The recent Multi Area Agreement (MAA) recognises the economic interplay between the City and County within its aim to improve economic performance of the sub-region. The evidence base for the MAA highlights work and school commuting patterns, retail catchments area and transport links that have built strong economic links between the City and County, whilst also functioning as a relatively self-contained sub-region.
- 4.3 The City and County are considered to almost contrast in terms of their employment and skills profiles:
- The City workforce exhibits low Levels of qualifications with 22.1% of City residents having no qualifications (Annual Population Survey, 2008) compared to only 9.7% of County residents.
 - The two most deprived neighbourhoods for education and skills in the UK are located in Leicester City (IMD 2007) while Key Stage 3 attainment in the County was rated 2nd in the country in 2007.
 - Median gross weekly earnings are low for City residents at £373.80 compared to £479.90 for County residents¹.
- 4.4 These contrasts are underpinned by evidence that the population of the City and County are also vastly different. The County exhibits little deprivation with only 1.3% of neighbourhoods in the most deprived 20% nationally, compared to 47% of neighbourhoods in the City being in the most deprived 20%. Furthermore, 43% of Leicester City's population are from BME backgrounds, with 30% of the population born outside the UK. Conversely, 92% of residents living in the County are White and UK born (Annual Population Survey, 2008)
- 4.5 Such contrasts between City and County alone fail to explore the complexities and interplays that exist within communities and across the sub-region as people travel between City and County for education, work and training. 15% of secondary school pupils living in the City travel to County schools. Moreover, 70,800 people commute into the City each day to work, compared to 27,600 commuting out, giving a net in-commuting balance of 43,200. 41.3% of working

¹ Source: ASHE 2008

residents (age between 16 and 74) in Oadby and Wigston work in Leicester City (Census 2001).

- 4.6 Although 15,000 students graduate from three local universities each year, only 26% of the sub-regional population (aged 19-59 for females and aged 19 to 64 for males) are educated to degree Level compared to 30.5% nationally. Similarly, 16% of the sub-regional population (19-59/64) have no qualifications compared to 12.8% in the East Midlands and 11.9% nationally.

Table 4.1 Summary of Qualification Levels (for the Population Aged 19-59 for Females and 19-64 for Males)

	Level 4 ² (%)	Level 3 (%)	Level 2 (%)	No qualifications (%)
Leicester	23.4	36.9	57.0	22.1
Leicestershire	27.4	46.3	66.7	14.7
Leicester & Leicestershire	26	44	64	16
East Midlands	27.0	46.3	67.0	12.8
England	30.5	49.5	69.4	11.9

Source: Annual Population Survey (APS) 2008

- 4.7 Education, skills and training are recognised as major contributors to future economic growth and success of an area. Developing a growing and sustainable economy depends on a workforce that is able to accommodate changing environments and advancing technology. Having low adult skill Levels puts pressure on the economy through difficulties in recruitment, worklessness and low rates of progression. In order to improve economic performance and take full advantage of the three universities, it is essential that the City and County work together to improve skills and aspirations to meet the demand for a sustainable economy. Collaboration between universities and employers can also encourage links and confidence between highly skilled people and develop local opportunities, whilst also attracting investment from outside the sub-region.

² Level 4 is equivalent to a first degree, Level 3 is equivalent to NVQ3 or 2 GCE A Levels, Level 2 is equivalent to 5 GCSEs at A* to C or NVQ2

- 4.8 The MAA identifies four key factors for improving the proportion of the workforce qualified to Level 4:
- Increasing graduate retention
 - Widening participation in HE
 - Improving workforce skills
 - Creating high value-added employment opportunities
- 4.9 It is important, therefore, to understand how employment and learning opportunities in the sub-region can enable and support residents to gain skills, and find and remain or progress in employment. It is also important to understand the demand for skills from employers and from growing sectors to identify current opportunities and areas for future skills investment.
- 4.10 This following evidence is split into two sections:
- **Young People's Education** - this looks at educational attainment in City and County schools, what influences Levels of attainment, such as deprivation, gender, etc and how performance is changing over time. Indicators include:
 - Key Stages 2 and 4 results
 - Post-16 destinations
 - September Guarantee
 - Apprenticeships
 - Levels 2 and 3 by aged 19
 - HE applications
 - **Workforce** - this looks at the overall picture of adult skills and employment in the sub-region in terms of the qualification Levels, employment sectors, earnings and training. It consider graduate retention, skills shortages, skills gaps and recruitment difficulties. This section also considers which sectors are forecast to grow or decline. Indicators include:
 - Employment structure
 - Adult skills: Levels 2, 3 and 4 and no qualifications
 - Average earnings
 - Employees receiving training
 - Graduates' destinations
 - Skills shortages
 - Skills gaps
 - Recruitment difficulties
 - Employment forecasts
- 4.11 Finally, findings from the two sections are brought together into a chapter summary and SWOT analysis.

Young People's Education

- 4.12 The 14-19 White Paper sets out the national aim to raise participation in education to 90% at age 17. This target is based on a focus to re-engage disaffected young people, improve standards of vocational education and skills, stretch talented young people, and also provide a competitive economy. Schools will also be more responsible for the progression of their students. Therefore, the standard of careers advice and guidance provided at school will become imperative in making positive transitions into the labour market. Many concerns have arisen from businesses regarding the basic skills of young people leaving education, and many young people choosing to take vocational routes are unclear about the progression choices to make. Moreover, few young people who receive no qualifications in school go on to receive a good standard of education. The 14-19 White Paper sets out clear progression routes for those studying at varying Levels and in chosen occupations, strengthening the progression and status of vocational routes.
- 4.13 Improving educational attainment often involves early intervention and identification of issues. Following the progression of people in the sub-region, as they make transitions through education and work, can highlight priorities for improvement.

Key Stage 2³

- 4.14 61% of City pupils achieved Level 4 (or above) in both English and Maths at Key Stage 2. This is below national and regional averages. Girls out-performed boys by one percentage point in the County and four percentage points in the City.

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

	2005	2006	2007
Leicester	58	62	61
Leicestershire	70	72	72
East Midlands	69	69	70
England	69	70	70

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

- 4.15 The number of pupils taking Key Stage 2 in 2007 was 3,553 in the City and 8,595 in the County. There were 877 students claiming eligibility for free school meals in the City (25%) and 1,109 in the County (13%) at Key Stage 2. Although County pupils are out-performing national and regional figures in terms of pupils achieving Level 4 or above in both English and Maths, the proportion of pupils claiming eligibility for free school meals achieving this expected level is lower than national proportions. Free school meals (FSM) is often used as a proxy for low income families. In 2005 and 2006 higher proportions of FSM pupils in City

³ Key Stage 2 assessments take place in yr 6, when pupils are 10/11 years old

schools than County schools achieved expected levels, but this was reversed in 2007.

Table 4.3 Difference Between FSM and non-FSM
Percentage Achieving Level 4 or Above in both English and Maths at KS2

	2005		2006		2007	
	FSM %	Non-FSM %	FSM %	Non-FSM %	FSM %	Non-FSM %
Leicester	42	65	49	67	47	66
Leicestershire	41	72	44	74	50	74
East Midlands	43	73	46	73	48	74
England	48	74	49	74	51	74

Source: DCSF

- 4.16 Pupils from Asian Ethnic backgrounds in the sub-region achieve higher than national averages in both City and County, although pupils from Black and Mixed backgrounds achieve slightly lower than national averages. White pupils in the City also achieve significantly lower than national figures.

Table 4.4 Ethnic Background of Pupils 2007
Percentage of Pupils Achieving Level 4 or Above in both English and Maths 2007 at KS2

	White	Mixed	Asian	Black	Chinese
Leicester	56	59	70	51	C ⁴
Leicestershire	72	70	76	53	85
East Midlands	69	67	65	52	78
England	71	71	66	59	82

Source: DCSF

Key Stage 4⁵ (GCSEs)

- 4.17 Key Stage 4 relates to results at GCSE Level, prior to transitions into FE, training or employment. In 2008, 51.9% of Leicestershire pupils achieved 5 or more GCSEs at grades A*-C, including English and Maths, compared to 39.9% of City pupils. This is also higher than national and regional proportions. However, the

⁴ Numbers too small for figure to be disclosed

⁵ Key Stage 4 assessments (GCSE's) take place in yr 11, when pupils are 15/16 years old

Contextualised Value Added (CVA)⁶ measures for pupils at the end of Key Stage 4 is higher in the City than the County (998.9 compared to 992.9).

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

	2005	2006	2007	2008
Leicester	31.4	33.0	36.1	39.9
Leicestershire	45.7	46.6	48.6	51.9
East Midlands	40.8	42.7	44.0	47
England	42.6	43.8	45.5	47.6

Source: DCSF

- 4.18 Girls out-performed boys by six percentage points in the City and seven percentage points in the County in 2008. This gender gap in the County is similar to the regional average but compares to gender difference of only one percentage point at Key Stage 2 in 2007.

Table 4.6 Percentage of Pupils Achieving at Least 5 GCSEs at Grades A* to C Including English & Maths (2008)

	Boys	Girls
City	37.1	43.0
County	48.6	55.5

Source: DCSF

- 4.19 For White pupils (2007) in the City, only 27.7% achieved 5 or more GCSEs at grades A* to C including English and Maths, the lowest in the region. 47.8% of Asian pupils in the City achieved the same level, similar to the national average. This disparity highlights the variation within the City.

Table 4.7 Ethnic Background of Pupils 2007: Percentage of Pupils Achieving at Least 5 GCSEs at Grades A* to C Including English & Maths 2007

	White	Mixed	Asian	Black	Chinese
Leicester	27.7	38.2	47.8	28.0	C
Leicestershire	47.9	45.3	67.3	43.3	75.0
East Midlands	44.0	39.4	49.6	28.0	68.2
England	45.8	44.2	48.1	36.8	70.5

Source: DCSF

- 4.20 The gap in the attainment rates of White pupils in City and White pupils in County schools is over 20 percentage points. White pupils have the lowest rate of

⁶ CVA measure the relative contribution that an institution had made to the students' performance between Key Stage 2 and Key Stage 4

attainment in the City, whereas in the County, White Students have higher attainment rates than pupils from both Mixed and Black backgrounds. While cultural factors do contribute to differences in attainment, it is more likely that the lower proportions achieving expected levels are associated with social factors such as poverty and low aspirations.

Figure 4.1 Ethnic Background of Pupils 2007
Percentage of Pupils Achieving at Least 5 GCSEs at Grades A* to C Including English & Maths 2007

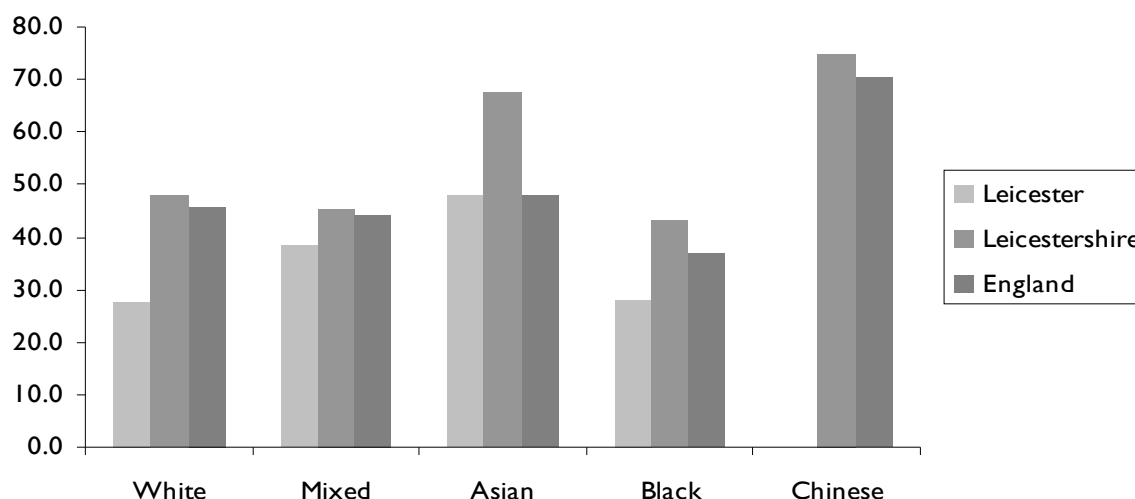


Table 4.8 Difference Between FSM and Non-FSM: Percentage of Pupils Achieving at Least 5 GCSEs at Grades A* to C Including English & Maths

	2005		2006		2007	
	FSM	Non-FSM	FSM	Non-FSM	FSM	Non-FSM
Leicester	14.8	35.3	16.3	37.1	21.2	39.6
Leicestershire	17.4	47.4	22.1	48.0	19.6	50.2
East Midlands	13.7	44.0	15.7	45.7	17.8	46.8
England	18.1	44.4	19.5	47.6	21.1	49.1

Source: DCSF

- 4.21 The number of pupils claiming eligibility for Free School Meals (FSM) taking GCSEs in 2007 was 470 in the County and 808 in the City. The percentage of pupils with FSM achieving at least 5 GCSEs at grades A* to C including English and Maths (expected level) has decreased in the County from 2006 to 2007, suggesting that the gap between FSM and non-FSM attainment is not closing. The percentage of FSM pupils achieving 5 or more grades A* to C including English and Maths is higher in City schools than County schools in 2007. City

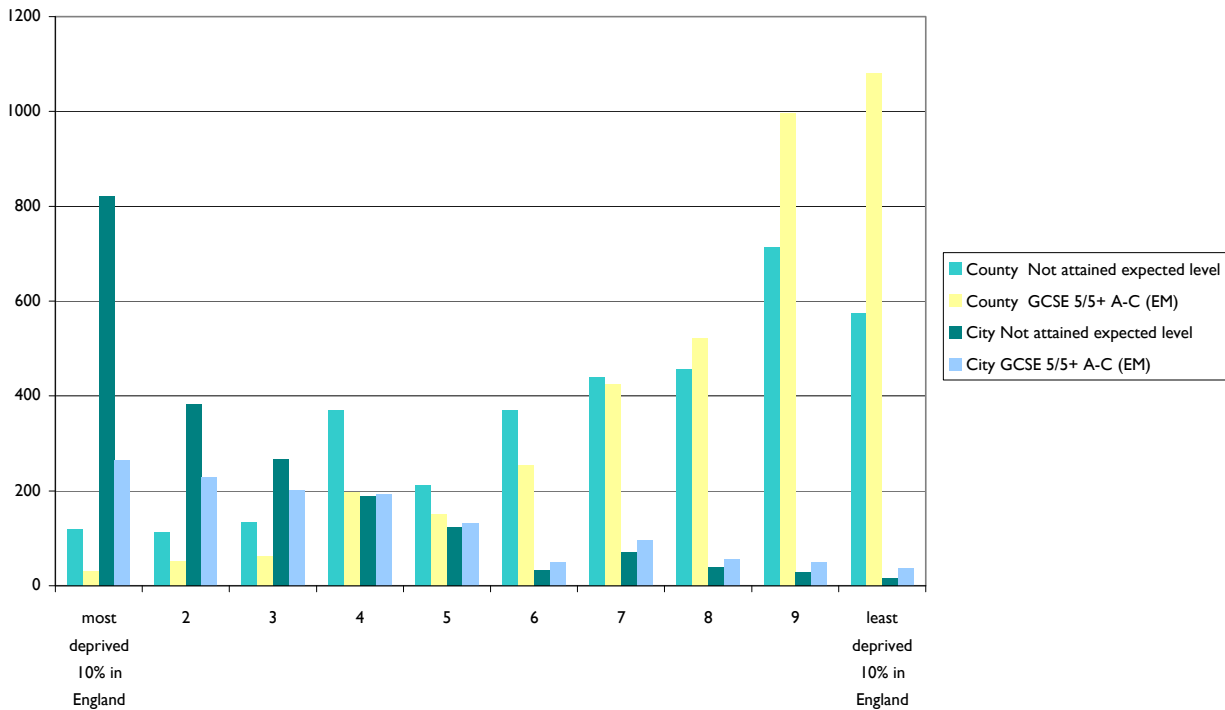
school pupils also out-perform against regional and national figures for FSM attainment according to 2007 data. Further analysis of 2007 education data shows that, in the City, Free School Meals pupils from Asian and Somalian ethnic backgrounds were more likely than other FSM pupils to achieve the expected level. Over 30% in all Asian groups (with the exception of Bangladeshi pupils) reached the expected level, whereas only 11% of White British City pupils with FSM achieved the expected level. This compares with 14% of White British pupils with FSM in County schools achieving the expected level at Key Stage 4.

- 4.22 Rushey Mead was recently cited in an Ofsted report that case-studied 12 schools that had been rated as “outstanding in at least two inspections, despite challenging circumstances”. The 12 schools highlighted defied the association of disadvantage with low standards, achieving high Levels of educational standards while serving communities where pupils come from poorer backgrounds and above average numbers receive FSM.

‘The school is a vibrant and highly successful learning community, providing for a very mixed community with a majority of families from an Indian Hindu background, with Muslim Asian, some African Caribbean and very few White British students. Over 30 home languages are spoken and English is an additional language for most. Not surprisingly, students show a facility with languages on which the school capitalises by including a modern foreign language within the core subjects for all students to 16 years. The school is housed in an unprepossessing assortment of buildings, awaiting its turn for Building Schools for the Future money. The school has a number of intelligent and exploratory approaches to learning, geared to the needs of learners. It successfully moulds teaching and learning and the curriculum so that they fit the needs of individual students very closely. This is accompanied by a philosophy of nurture that contributes to effective learning through assuring students’ well-being and developing their self-confidence.’ OFSTED

- 4.23 Free School Meal data for measuring progress in terms of attainment trends of disadvantaged groups is limited because a significant number of eligible students do not claim for free school meals. Indices of Deprivation have more recently been considered a more appropriate proxy for deprivation as they consider a range of social, economic and environmental factors about a neighbourhood. By comparing similar neighbourhoods in terms of their IMD decile and pupil attainment in City and County schools it can be found that, in 2008, similar neighbourhoods often under-performed in County schools. More than half of City school pupils in neighbourhoods within each of the 7 least deprived deciles achieved five or more grades A*-C including English and Maths, whereas, in the County, this was only apparent in the top 3 deciles.

Figure 4.2 Number of Pupils Achieving at Least 5 GCSEs at Grades A*-C Including English & Maths by IMD category – City and County schools, 2008



Source: Local Authority Data

Cross-border

4.24 In 2008, 14.6% of secondary school pupils living in the City travelled to County schools, equivalent to 2,777 pupils, while only 853 County pupils were educated in the City (2%). 16.6% of City pupils in year 7 were attending County schools, compared to 13.2% of City pupils in year 11. Unlike other cities such as Bristol, where low attainment and reputation of inner cities' schools pushes pupils out to higher attaining schools to a range of different counties, the geography of the City dictates that all cross-border travel from the City is to the schools within Leicestershire rather than dispersed into a variety of other counties. However, analysis of the data suggests that movement can be grouped into two types:

- The first group, "Convenience", describes pupils from concentrated areas, mainly Braunstone and Eyres Monsell, at the edge of City, typically deprived areas of social housing. Travelling is likely to be more convenient in terms of distance and staying with peers. Relatively high proportions may have Free School Meals (FSM).
- The second group, "Aspirational", describes pupils from more dispersed areas of the City. Relatively low proportions have Free School Meals (FSM) and

smaller numbers from neighbourhoods move together. Feeder neighbourhoods are not necessarily close to County schools but may be defined by being more affluent than their local/surrounding area.

- 4.25 From the City, 1.7% of pupils from Black ethnic groups and 5.2% from Asian groups travel to County schools, compared to 16.4% of Mixed ethnicity and 24.7% of White groups. Eyres Monsell ward has the highest proportion of pupils attending County schools at 67.7%

Table 4.9 Percentage of City Pupils Attending County Secondary Schools

City Ward	% educated in County Secondary schools
Spinney Hills	0.4
Charnwood	0.6
Coleman	2.1
Latimer	2.4
Belgrave	2.6
Stoneygate	3.2
Evington	3.8
Fosse	4.4
Westcotes	5.2
Castle	6.3
Thurncourt	7.4
Humberstone and Hamilton	12.5
Knighton	16.6
Braunstone Park and Rowley Fields	18.0
Freemen	19.1
Rushey Mead	20.9
Abbey	22.2
New Parks	22.4
Beaumont Leys	25.4
Western Park	33.6
Aylestone	46.1
Eyres Monsell	67.7
Total	14.6

Source: School Census, 2008

- 4.26 In most neighbourhoods, those travelling to County schools are less likely to have FSM. Oadby Beauchamp has the largest number of pupils from the City (404) based on 2008 data, predominantly from Knighton ward, although pupils are dispersed around the City. Other popular County schools include Longslade, Roundhill, Brookvale, Guthlaxton and Bosworth.

- 4.27 Overall, attainment at Key Stage 4 of pupils living in the City are lower than County averages and therefore City pupils attending County secondary schools tend to impact negatively on County school results. However, City pupils attending County schools tend to achieve similar attainment scores at Key Stage 4 to City pupils attending City schools (and City pupils at City schools scored higher than City students at County schools in 2007).
- 4.28 In 2008,
- 13.2% of City year 11 pupils were educated in County schools.
 - 41% of City pupils attending County schools obtained at least 5 GCSEs at grades A*-C (including English & Maths) compared to 38% of those who remained in City schools
- 4.29 This suggests that attending a County school did slightly improve attainment. However,
- Only 8.6% of City pupils travelling to County schools had FSM, compared to 23% remaining in City schools.
 - For pupils without FSM living in the City, 43.4% in County schools obtained at least 5 GCSEs at grades A*-C (including English & Maths) and 43.8% in City schools.
 - Of those pupils with FSM living in the City, 22.0% in County schools obtained at least 5 GCSEs at grades A*-C (including English & Maths) and 22.7% in City schools.

Table 4.10 Percentage of Pupils Achieving at Least 5 GCSEs at Grades A*-C including English & Maths 2008

	County School	City School
City pupil non FSM	43.4	43.8
City pupil FSM	22.0	22.7
County pupil non-FSM	53.8	Too small to disclose
County pupil FSM	23.1	Too small to disclose

Source: Local Authorities

- 4.30 This suggests that it is the selection of less deprived pupils to County schools that influences results. Using Output Area Classification (OAC), it was found that within neighbourhoods classified as Struggling Urban Families in the City (these make up a quarter of pupils travelling from City to County), only 5% of City pupils with Free School Meals attending County schools obtained at least 5 GCSEs at grades A*-C (including English & Maths), compared to 19% in City schools. For more affluent City pupils, results vary with 71% of non-FSM pupils from Affluent Urban Commuter neighbourhoods in the City achieving 5 or more GCSEs at grades A*-C in County schools compared to 67% in City schools. In Eyres Monsell, FSM pupils were more likely to achieve the expected level in City

schools than County schools, but non-FSM pupils were more likely to achieve the expected level in County schools.

- 4.31 The impact on attainment is complex and the large number of high-attaining BME pupils remaining in the City does have an impact on the analysis. However, the findings do suggest that there is little evidence that City pupils in deprived areas benefit from attending a County school, particularly in wards such as Eyres Monsell. Findings do infer that increasing educational attainment involves more than increasing school choice. In fact, increasing school choice can assist in segregating pupils from mixed neighbourhoods by either social background (FSM) or ethnicity. There are also further implications with regards to transport with many pupils from the City, living within walking distance of local schools, relying on public transport or cars to travel to school. 'Good' schools can not necessarily expand to meet demand and, when a school's 'intake' is so often influenced by reputation and league tables, it can become difficult for 'failing' schools to improve when it is the background of students that has the biggest impact on attainment.

Building Schools for the Future

- 4.32 Leicester is among the first UK authorities to be part of the Government's Building Schools for the Future (BSF) programme which is a new approach to investing in schools to create the best possible setting for young people to learn in and to meet their educational needs. The project will see all 16 secondary schools in Leicester rebuilt or re-modelled and upgraded to provide flexible and attractive learning environments that better support learning. Construction on the first phase of schools began in summer 2007. In April 2009, Beaumont Leys School moved to a new 10,147sq m state-of-the-art building. Fullhurst Community College has also seen an 80 per cent re-model and 20 per cent new build. Although it is too early to assess the impact on attainment, there was a slight shift in pupils' school preferences in 2009, with 26.4% of 1st choice applications from pupils transferring from year 6 to 7 in the City being to County schools. For City pupils, the largest percentage increases from the previous year were applications to Market Bosworth, Crown Hills and Beaumont Leys. Beaumont Leys school had the largest annual increase in numbers of 1st choice applications.

Further Education

- 4.33 85% of year 11 school leavers in 2008 in the sub-region went on to full-time Further Education (85% in the County and 84% in the City⁷). This compares with just 77% in 2006. Figures entering training courses have also increased while numbers going into employment have decreased. This reflects the current agenda to support young people to remain in some form of learning at 17. However, 5% were classed as 'Not settled but active in the labour market'

⁷ Connexions Leicester Shire

suggesting that a small proportion require extra support to make positive transitions post-16. 98% of both African and Indian pupils remained in full-time education. Other ethnic groups such as White Irish, White & Black Caribbean and Caribbean had lower proportions staying on in education. 73% of White British pupils stayed on in Further Education in the City. The Learning and Skills Council (LSC) reported that over 1,800 Leicestershire resident learners access FE provision in Leicester City, nearly 1,400 of these at Leicester College. This is 17.5% of Leicestershire resident learners. 896 Leicester City resident learners accessed their FE learning provision outside the City. The greatest proportion of these (85%) chose Leicestershire providers of which Loughborough College and South Leicestershire College are the most popular. 36% of learners living in the City, attended Leicester College and a further 23% attended Wyggeston and Queen Elizabeth I Sixth Form College.

September Guarantee

- 4.34 The Government have recently confirmed that the September Guarantee is a national priority in terms of public spending. This guarantee ensures that all young people are offered a place of learning or training. Leicester and Leicestershire have high rates of offers made and low proportions of young people not ready for learning. This is encouraging, particularly for 17 year old cohorts, where offer rates are well above national and regional Levels.

Table 4.11 September Guarantee Status for Year 11 Students, 2008/09

	Offer made	Not ready for learning	No offer made	Not recorded
England	94.2%	2.9%	2.7%	0.2%
East Midlands	93.4%	5.1%	1.5%	0.0%
Derby	93.0%	5.1%	1.9%	0.0%
Derbyshire	89.8%	8.4%	1.8%	0.0%
Leicester	95.3%	3.4%	1.3%	0.0%
Leicestershire	95.3%	3.8%	0.8%	0.0%
Lincolnshire	94.5%	4.0%	1.5%	0.0%
Northamptonshire	92.5%	5.6%	1.9%	0.0%
Nottingham	93.7%	4.1%	2.2%	0.0%
Nottinghamshire	93.9%	5.2%	0.9%	0.0%
Rutland	95.9%	2.5%	1.7%	0.0%

Table 4.12 September Guarantee status for 17 year olds, 2008/09

	offer made	not ready for learning	no offer made	not recorded
England	79.7%	9.6%	7.2%	3.4%
East Midlands	78.6%	16.8%	4.6%	0.0%
Derby	78.2%	20.3%	1.5%	0.0%
Derbyshire	67.5%	30.7%	1.8%	0.0%
Leicester	87.1%	8.7%	4.2%	0.0%
Leicestershire	88.7%	9.4%	1.9%	0.0%
Lincolnshire	73.7%	20.7%	5.6%	0.0%
Northamptonshire	65.8%	27.8%	6.4%	0.0%
Nottingham	80.0%	13.2%	6.9%	0.0%
Nottinghamshire	78.2%	17.7%	4.1%	0.0%
Rutland	83.3%	16.7%	0.0%	0.0%

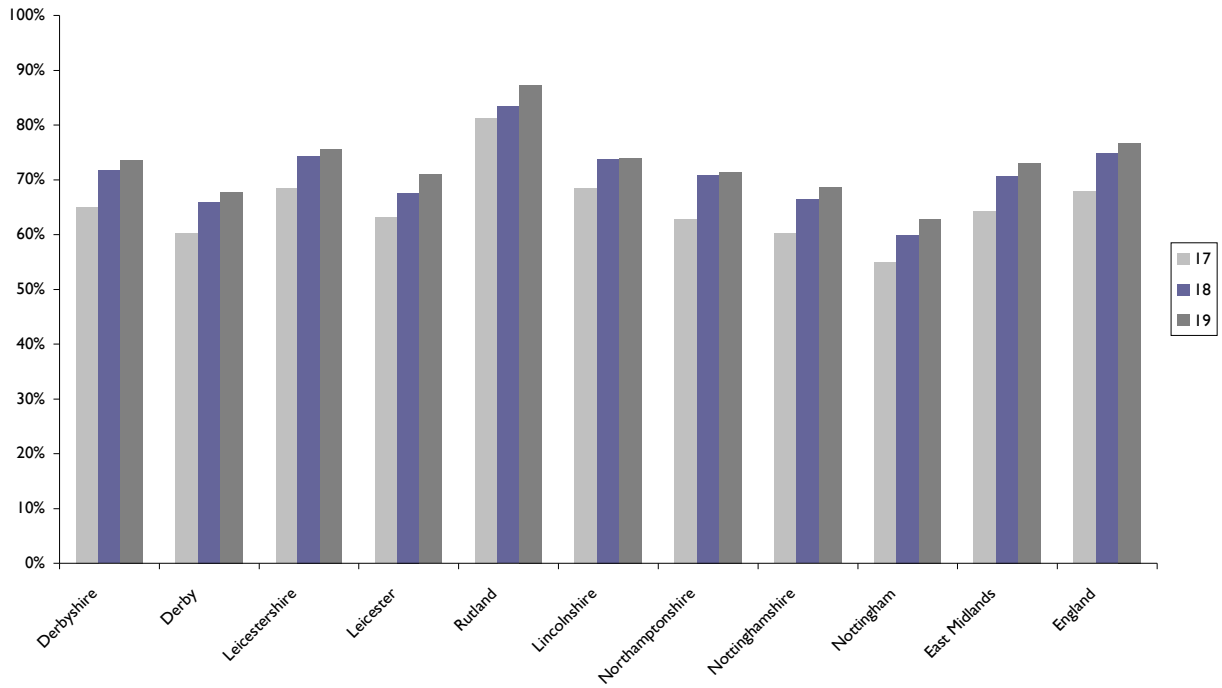
Source: Connexions via Department of Children, Schools and Families NCCIS data system

Qualifications by age 19

4.35 National indicators to increase the proportion of 19 year olds with Level 2 and Level 3 qualifications⁸ give an indication as to the success of further education in the sub-region. At 17, the sub-region already performs well on this indicator, with County rates the highest in the region and City proportions higher than regional and national at both Levels 2 and 3. However, at 19, proportions with Levels 2 and 3 in both City and County are lower than national rates.

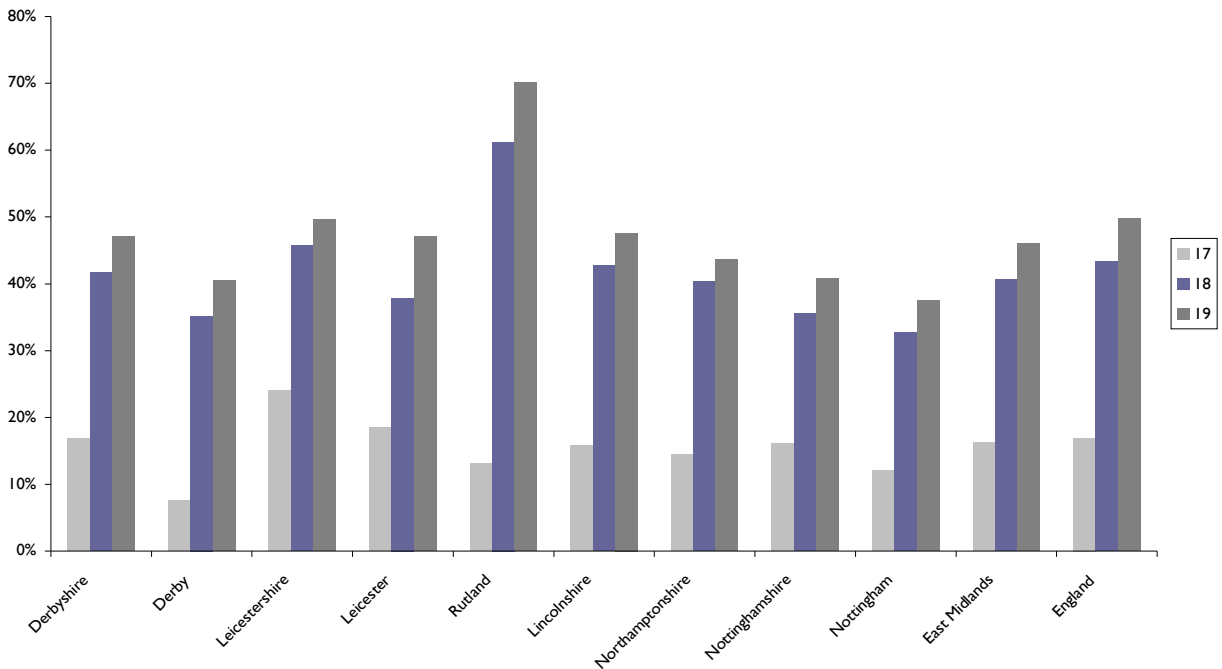
⁸ Level 3 is equivalent to A Levels or advanced NVQ, Level 2 is equivalent to 5 GCSE's or GNVQ

Figure 4.3 Progress Towards PSA Target NI 79
Achievement of Level 2 by Ages 17,18,19 in 2007/08



Source: LSC

Figure 4.4 Progress Towards PSA target NI 80
Achievement of Level 3 by Ages 17, 18, 19 in 2007/08



Source: LSC

Apprenticeships

- 4.36 4% of school leavers in the sub-region went into Full-time Training in 2008 (approx. 480 young people). Apprenticeships allow young people to train in a vocational subject while earning an allowance. They can help also bridge the gap between unemployment and work although young people were more likely to enter an apprenticeship from an employment status. National research suggests that there is a disparity between both outcomes and economic benefits between males and females completing apprenticeships. This can be linked to the types of apprenticeship chosen by males and females. Males are more likely to choose construction or engineering apprenticeships that tend to lead to better paid jobs. However, apprenticeships that were more gender-mixed, such as retail and business, still found males to have higher wages on completion⁹. In 2008, Connexions Leicester Shire reported that the most popular apprenticeships applied for in the sub-region were Bricklaying, Hairdressing, Children's Care, Learning and Development and Vehicle Maintenance and Repair. There was a fall in interest in Plumbing and Carpentry apprenticeships, possibly due to current instability in these occupations. As a sector, the number of applications for Construction apprenticeships through LeCap has halved since 2008¹⁰ possibly due to the current insecurity in this sector, although this did not appear to apply to bricklaying.
- 4.37 The East Midlands Learning and Skills Council Regional Strategic Analysis 2008/09 reported that the numbers of young people participating in apprenticeships had been falling year on year until 2007 when there was a significant increase. This is likely to be due to the September Guarantee improving tracking and providing better information about learning choices to school leavers. A particular increase was reported of Level 2 apprenticeships in Construction and Engineering in 2007. However, completion rates indicated a decline in the proportion of successful completions of Level 2 and Level 3 apprenticeships in 2007, compared to 2006 in the East Midlands¹¹, with the exception of Construction and Health. The report suggested that the reduction in success rate may be due to a widening of participation to boost the number of learners starting a programme.
- 4.38 The 16–19 Strategic Analysis for Leicestershire found that Leicestershire LSC's overall success rate for completed apprenticeship and advanced apprenticeship delivery in 2007/08 was slightly below the regional average (64%). However, completion numbers had increased in both City and County between 2007 and 2008 by 0.5% in the County and 6.9% in the City while the region saw a decrease of 5.9%. In the City, there was a 15.4% increase in Advanced Apprenticeship completions. Of those providers with a higher volume of

⁹ The Benefit of Completing an Apprenticeship, LSC, April 2009

¹⁰ Connexions Leicester Shire

¹¹ This position was as of July. Final year data may have shown some improvement to this.

successful framework completions, the following had good success rates which were above the local and regional average: Brooksby Melton College (78%); Heart Of England Training Ltd (75%); North Warwickshire And Hinckley College (78%), Triangle Training Ltd (76%) and Stephenson College (69%).

Progression to Higher Education

- 4.39 The LSC 2007 Leicestershire Household Survey found that, although just under half of parents of a child aged 11 to 16 had a family member who went to university, 93% would encourage their child to go to university. While there has been some debate over the government target to encourage 50% of young people to go on to Higher Education, attainment at Level 4 is often required for higher skilled and professional occupations and can provide opportunities for young people from deprived backgrounds to realise their potential. A recent Aim Higher project tracked pupils from City and County schools for three years after leaving year 11 in 2001/2002. Despite low attainment at Key Stage 4 (GCSE), rates of converting Level 2 to Level 3 qualifications in the City are the highest in the region, with overall Level 3 attainment only just below average national Levels. Furthermore, 36% of pupils from the City (2002 Cohort) went on to successfully apply to Higher Education at age 18 or 19 compared to 34% in the County. Rates of successful applicants to Higher Education also appear to be increasing at a faster rate for those from more deprived backgrounds (according to Index of Multiple Deprivation analysis).
- 4.40 Table 4.13 shows the proportions of students who were/were not in receipt of FSM aged 15 in 2001/02, who went to an HE Institution aged 18 in 2004/05 or aged 19 in 2005/06.

Table 4.13 Progression to HE
Proportion of 18/19 Year Olds

	FSM	Non-FSM	All
Nottingham	9%	22%	18%
Nottinghamshire	9%	30%	28%
Leicester	19%	40%	36%
Leicestershire	14%	36%	34%
Total	13.6%	33.0%	30.2%

Source: Aim Higher

- 4.41 The Aim Higher report¹² found that in 2006, 1,366 males and 1,464 females from Leicester City successfully applied to HE courses through UCAS, with males accounting for 48.3% of successful applicants. In the County the gap widened in 2006, when there were 2,045 male and 2,467 female applicants, with males

¹² Kerrigan, M. Aim Higher East Midlands

representing just 45.3% of the total. Females were more likely to apply for courses in Education (85.1% female), European Languages (75.4%), Subjects allied to Medicine (78.9% female), Veterinary Science, Agriculture & related (74.0%) and Linguistics, Classics & related (72.6%). Males, however, were significantly more likely to apply for courses in Engineering (91.4% male), Mathematical & Computer Sciences (81.2%), and Architecture, Building & Planning (76.5%).

- 4.42 Almost half (46%) of successful Higher Education (HE) applicants from the City were of Indian Asian background compared to 27% from White applicants. Applicants from Mixed and Black backgrounds have shown the highest growth since 2001 with the number of Black accepted applicants from Leicester increasing by almost 4 times over the last 8 years. 63% of HE applicants (under the age of 20) of Indian Asian background were from low socio-economic backgrounds. The high proportion of Indian applicants progressing to HE is likely to have had a large impact on City progression rates. 2008 data from Connexions Leicester Shire suggested that the wards with the highest proportions of 19 year olds in HE in the City were:
- Knighton,
 - Rushey Mead
 - Latimer
 - Evington
- 4.43 New Parks and Eyres Monsell wards had the lowest proportions of 19 year olds in HE in the City.
- 4.44 In the County wards with the highest proportions of 19 year olds in HE were:
- Nevill
 - Billson
 - Oadby Woodlands
 - Oadby Grange
- 4.45 Loughborough Storer, Melton Dorian, Loughborough Ashby and Measham had the lowest proportions of 19 year olds in HE in the County. The Aim Higher report stated that only 17.1% of the White cohort leaving school in 2001 were accepted on a full-time HE course through UCAS aged either 18 or 19. This compares with estimated participation rates of 62.3% Indian, and 37.5% other BME. In all areas of the City, Indian pupils were more likely to progress to HE. The Aim Higher report also indicated that, in the City, Latimer, Belgrave, Stonegate and Evington wards have higher proportions of young people progressing to HE than proportions achieving at least 5 GCSEs at Grades A*-C. Conversely, Eyres Monsell had particularly low rates of progression to HE taking into account Key Stage 4 attainment.

4.46 Data from HESA¹³ 2005/2006 shows that 46% of pupils from Leicester City applying to Higher Education applied to universities within the sub-region compared to 23% of County pupils. This preference for locality is more pronounced for City students from Indian backgrounds, with 37% applying to De Montfort University, compared to 23% of White students.

Summary of Young People's Education Section

4.47 Some key issues emerging from this section are summarised below:

- There is a significant gap between the attainment of pupils in City and County schools at both Key Stage 2 and Key Stage 4. 51.9% of pupils in County schools achieved at least 5 GCSEs at A*-Cs including English and Maths compared to 39.9% of pupils in City schools.
- There is a marked poor attainment of White young people in the City. This under-performance is already apparent at Key Stage 2.
- Free School Meals pupils are actually more likely to achieve the expected Level in City schools. Pupils from neighbourhoods matched on IMD deprivation deciles are also often more likely to achieve in City schools.
- 14.7% of City pupils travel to County schools for secondary education. Eyres Monsell ward has the highest proportion of pupils travelling to County schools. A quarter of all year 7 White pupils living in the City travel to County schools.
- Taking into account the fact that more non-Free School Meals pupils than FSM pupils travel from the City to County Schools, City students do not appear to be more likely to achieve the expected level at County schools.
- The sub-region performs well against regional and national rates in terms of proportions of 17 year olds qualified to Levels 2 and 3, suggesting that post-16 transitions are good.
- The sub-region has higher than average proportions of young people offered places in learning or training at 16 and 17 years old.
- Progression rates are exceptionally high in the City, particularly those progressing to Higher Education. In all areas of the City, Indian pupils are more likely to progress to Higher Education, with over a third applying to De Montfort University.

¹³ HESA – Higher Education Statistics Agency

Workforce

Economic activity

4.48 The Annual Population Survey (APS) March 2009 shows that the economic activity rate¹⁴ for the working age population was 72.9%, in the City and 83.7% in the County. As a sub-region, the economic activity rate was 80.2%. This is slightly lower than the regional average of 80.7% but higher than national average of 79.0%. Only 63.3% of females in Leicester City were economically active compared to 76.5% in the East Midlands.

Employment rates

4.49 APS March 2009 suggests that 120,700 people living in the City were in employment, giving an employment rate of 63.6% of the working age population. In the County, 317,900 people were employed, a rate of 79.5%. As a sub-region, the employment rate was 74.4%. Again, this is lower than the regional rate of 75.4% but slightly higher than the national average of 74.0%. Only 55.9% of working age females were in employment in Leicester City. The East Midlands Learning and Skills Council Regional Strategic Analysis 2008/09 suggests that the decline of the textiles industry in Leicestershire has affected women's employment opportunities, particularly for those who need to work close to home.

Employment structure

4.50 In 2008, 271,400 people were employed in the County and 156,300 were employed in the City (ABI, 2008). Almost half of women working in the County were employed on a part-time basis. There are 70,800 in-commuters to Leicester City, and 27,600 out-commuters, giving a net balance of 43,200 in-commuters. North West Leicestershire is the only district to have more in-commuters than out-commuters, amounting to a gain of 3,000 people. Charnwood has the largest out-commuting net balance, with 11,500 more residents commuting out than workers travelling in.

¹⁴ **Economically active:** People who are either in employment or unemployed.

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

Table 4.14 Overview of Numbers of Jobs by Gender and Hours Worked by Workplace

	Leicester	Leicestershire
Male Full-time Workers	62,800	127,1007
Male Part-time Workers	12,700	20,200
Female Full-time Workers	44,700	62,800
Female Part-time Workers	36,100	61,300

Source: ABI 2008

Industries

- 4.51 Leicester City employment has traditionally been in manufacturing and textiles. This has declined over recent decades but the City has not had the same growth of jobs in the services and financial sectors that other cities have seen. Consequently, employment rates decreased during a period when, nationally, there was a growth of jobs. However, from 2006, rates appeared to increase as numbers employed in transport and communications sectors increased.
- 4.52 As discussed in the Business and Enterprise chapter, the Leicester and Leicestershire sub-region continues to have a high representation in terms of manufacturing jobs, as well as in terms of transport and communications and retail jobs. Compared with national, regional and district averages, public sector employment is highly represented in Leicester City. At a district Level, Hinckley and Bosworth, Melton and Oadby and Wigston have relatively high Levels of employment in terms of manufacturing (ABI, 2008).
- 4.53 In terms of the more detailed industrial codes¹⁵, the five largest employment sectors in the City from ABI 2008 figures were:
- Hospital activities
 - Labour recruitment and provision of personnel
 - Higher Education
 - General public service activities
 - Social work activities
- 4.54 The largest employment sectors in the County from ABI 2008 figures were¹⁶:
- Retail of non-specialist goods
 - Primary education
 - Social work activities
 - Bars
 - Higher Education

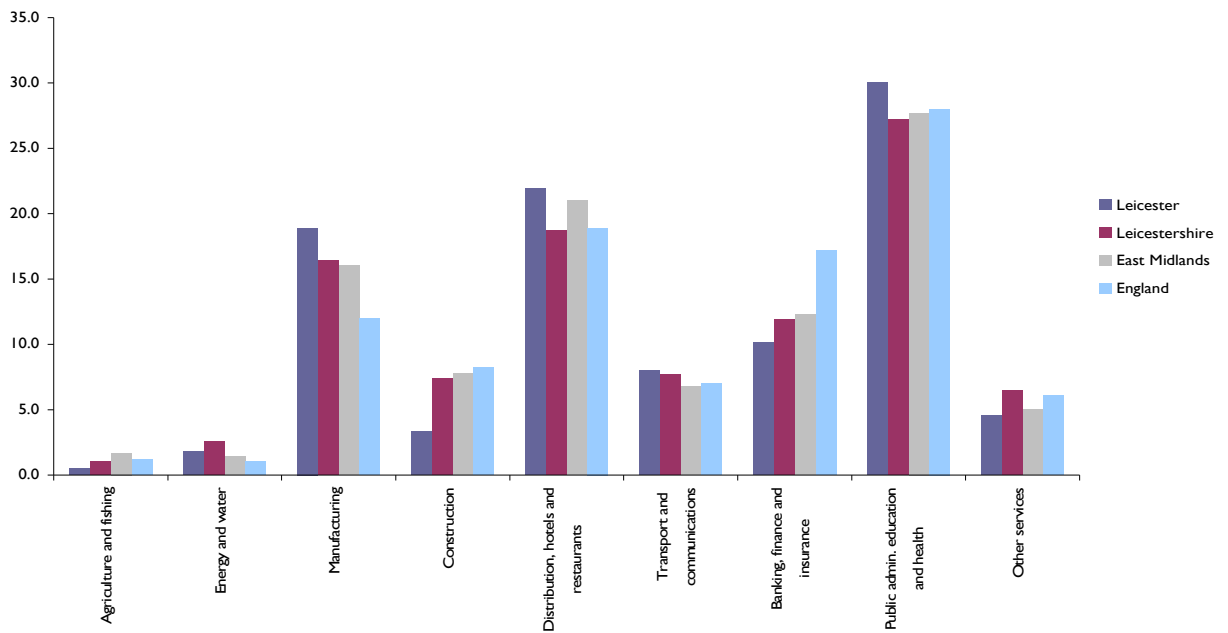
¹⁵ 4 digit Standard Industrial Classification (SIC) codes

¹⁶ Using 4 digit SIC codes

4.55 Due to the nature of businesses located in the sub-region, the numbers of “freight transport by road” jobs are also much higher in the County than regional and national proportions of such jobs. Higher Education jobs are proportionately higher in the sub-region than regionally and nationally, ‘hospital activities’ is the largest employment sector in the City totalling 15,100 jobs. It is the largest employment sector for females in the City, both part-time (4,700 employees) and full-time (7,000 employees). ‘Retail of non-specialist goods’ is the largest employment sector in the County. It is the largest employment sector for males, both in full-time and part-time employment, in the County providing 4,500 and 3,000 jobs respectively. The primary and higher education sectors employ substantial numbers of people in both the City and the County. Primary education is the largest sector of female employment in the County, employing 2,400 full-time and 6,000 part-time females. Male full-time workers in the County make up 30% of all employment in the sub-region. Therefore, other sectors, such as construction, storage and plumbing, which are more specific to the male full-time group, should be recognised as having a substantial influence on the overall employment structure.

4.56 Compared to national and regional averages, the Annual Population Survey (2008) indicates that County residents were more likely to be employed in manufacturing and transport and communications than regional and national averages, whilst City employees were relatively more likely to work in manufacturing, distribution and the public sector.

Figure 4.5 Proportion of Workforce Employed by Industry, by Residency

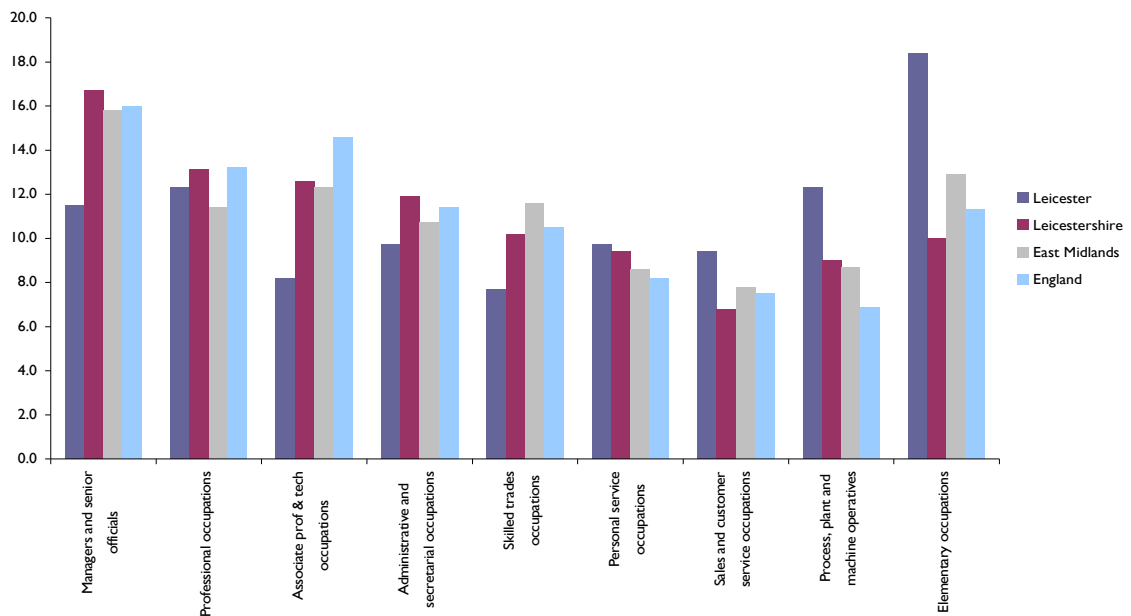


Source: APS March 2009

Occupations

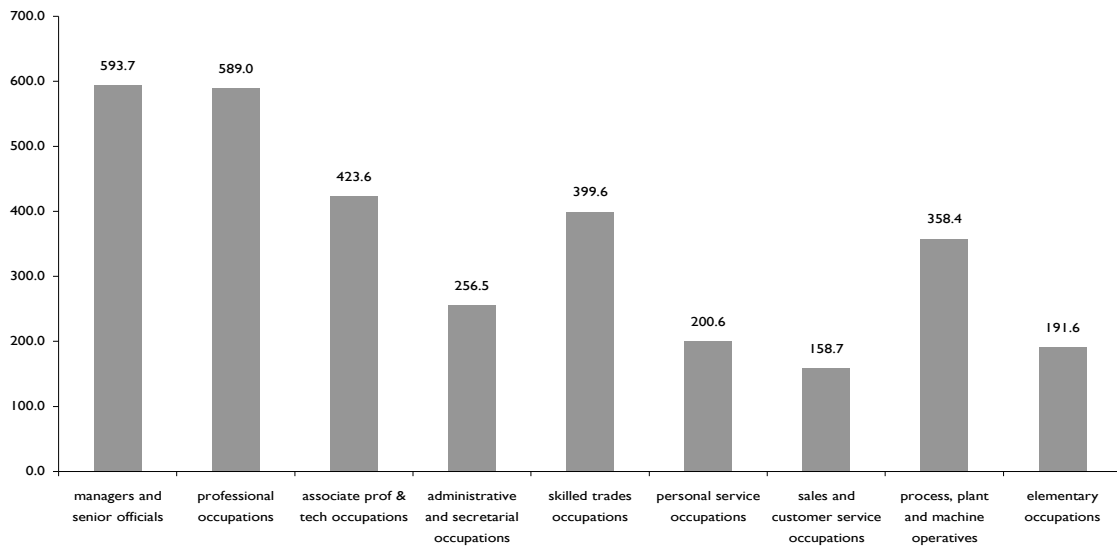
4.57 In terms of occupations, the Annual Population Survey (March 2009) shows that employed City residents were more likely than County employed residents to be working in elementary occupations or as process, plant and machine operatives. Health and social welfare professionals were also over-represented in the City compared to the County. On the other hand, County residents were more likely than City residents to be employed as managers or senior officials. Administrators were also over-represented in the County. Only 11% of City residents were employed as managers and senior officials compared to a regional average of 16%. This is reflected in the lower wages of City residents, although the high proportion of residents in process, plant and machine operative jobs, with a median gross annual wage of £18,636, tend to be paid higher than residents in other low-skilled occupations and only approximately £3,400 a year less than associate professionals.

Figure 4.6 Proportion of All Those in Employment by Occupation, by Residency



Source: APS March 2009

Figure 4.7 Median Gross Weekly Full-time Pay in East Midlands by Occupation



Source: ASHE, 2008

Ethnicity

- 4.58 Despite high educational attainment and progression rates, employment rates for the BME population were relatively low in the sub-region. This may be due to the transient population in some areas in the City and Charnwood. Exploration of work sectors show that the BME workforce were not equally distributed in all sectors, with some sectors appearing almost exclusively White in most recent estimates (APS 2009).
- 4.59 Most recent Annual Population Survey estimates for March 2009 suggested that 96% of construction workers living in the City were White compared to only 47% of manufacturing workers. 26.9% of the Indian workforce in the City worked in manufacturing in 2008 compared to only 15.0% of the White workforce.

Table 4.15 Percentage of Aged 16+ Workforce Living in the City who were Employed in each Sector by Ethnicity

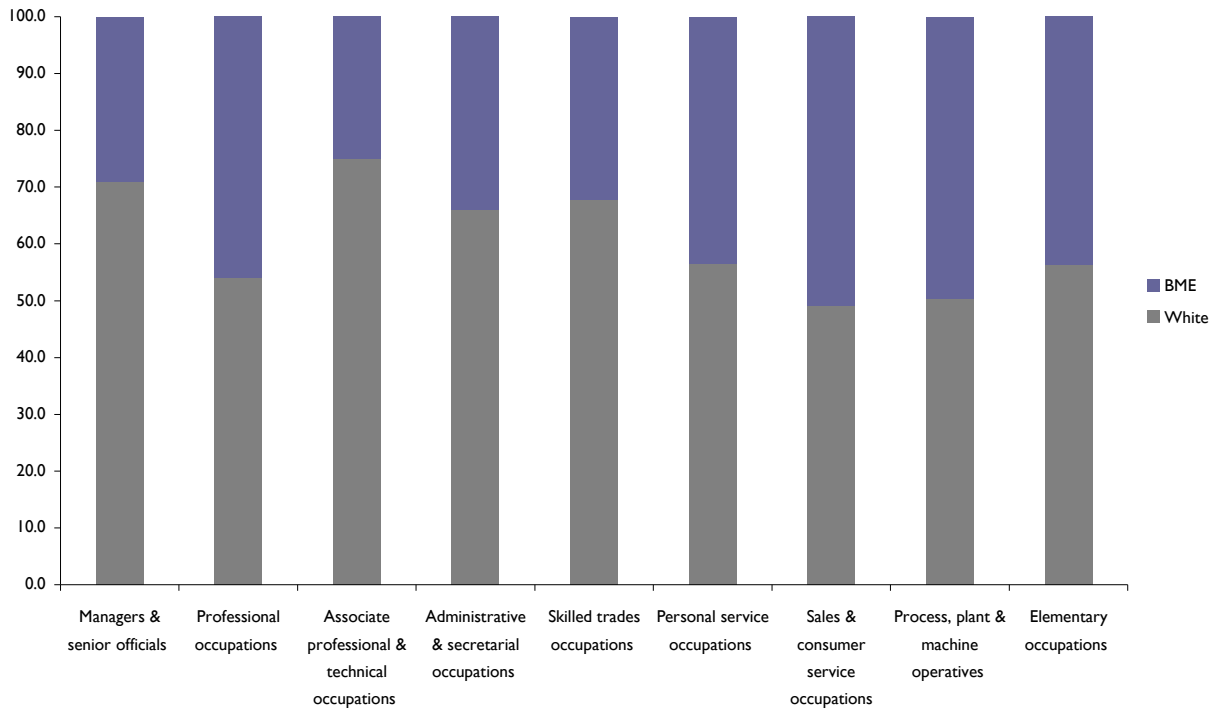
Sector	White	BME
Agriculture and fishing	75.7	!
Energy and water	46.3	53.7
Manufacturing	47.0	53.0
Construction	96.0	!
Distribution, hotels and restaurants	59.5	40.5
Transport and communication	51.0	49.0
Banking, finance and business services	62.2	37.8
Public administration, education and health	64.0	36.0
Other services	72.4	27.6
Total services	61.6	38.4

Source: APS March 2009

! Estimate and confidence interval not available since the group sample size is zero or too small for disclosure (0-2).

- 4.60 In March 2009, 13.7% of the White workforce were employed as “managers and senior officials” compared to 8.3% of the BME workforce living in the City. White workers living in the City were also more likely to be in associate professional jobs than BME workers. 17.8% of the Indian workforce in the City worked in “process, plant and operative jobs” compared to 10.5% of the White workforce. In total, 28% of the employed BME workforce living in the City were employed in high-level jobs compared to 36% of the White workforce.

Figure 4.8 Percentage of Aged 16+ Workforce Living in the City who were Employed in each Occupation by Ethnicity



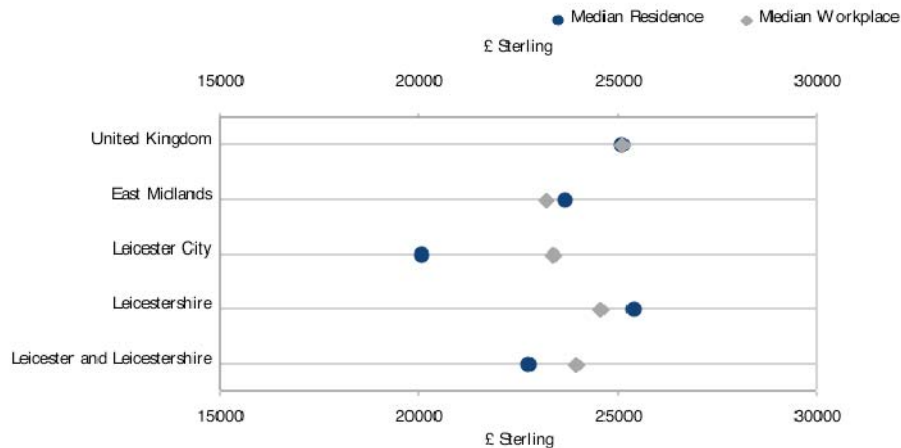
Source: APS March 2009

4.61 In the County, however, 52% of the BME workforce are in professional jobs, compared to 42% of the White workforce. This may be due to settled BME groups moving to the County and new, more transient BME populations moving into the City into lower-skilled jobs. For ethnic minorities not born in the UK living in the City, economic inactivity is relatively high at 34.5%

Earnings

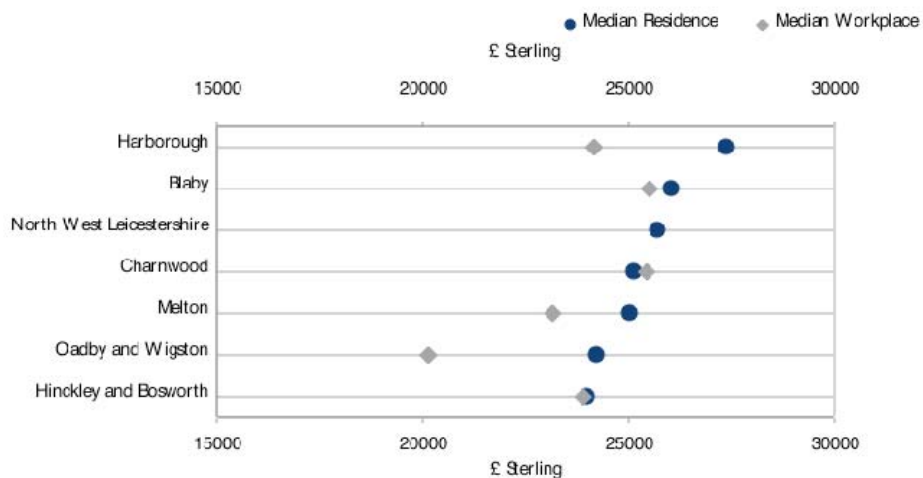
4.62 ASHE 2008 data shows that whilst the median gross earnings for those *working* in the City were similar to regional averages, the earnings of those *living* in the City were well below regional averages. Consequently, the sub-region also exhibited lower residential earnings than workplace earnings.

Figure 4.9 Variation between Residential and Workplace Median Gross Annual Earnings in Leicester and Leicestershire, 2008



Source: ASHE, 2008

Figure 4.10 Variation between Residential and Workplace Median Gross Annual Earnings in Leicestershire Districts, 2008



Source: ASHE, 2008

4.63 Workplace earnings were higher in Leicestershire County than Leicester City, whereas for other sub-regions in the East Midlands (e.g. Nottinghamshire and Derbyshire) workplace earnings were higher in the Cities than in the Counties.

The lack of highly paid jobs would appear to have a significant impact on the low median earnings for City residents. Whilst identification of skills shortages and gaps in the labour market might help tackle issues of worklessness in the City, improving the higher-level skills of City residents will only help in increasing City earnings if appropriate high-level jobs become available for them to work in.

Table 4.16 Median Weekly Earnings of Full-time Workers by Residency

	City	County	East Midlands	England
Male Full-time Workers	£384.70	£528.50	£495.1	£529.9
Female Full-time Workers	£357.50	£398.50	£382.2	£417.8

Source: ASHE 2008

- 4.64 The difference between full-time earnings of males and females living in the County was approximately £7,000 a year whereas there was little difference between male and female full-time earnings for City residents. Male earnings in the City were lowest in the region and over £100 a week lower than the regional average. Median earnings of females in the City were higher than females living in Nottingham City and close to the regional median. The low proportion of females in employment should also be taken into account. The East Midlands Learning and Skills Council Regional Strategic Analysis 2008/09 suggested that, in deprived areas, the tax and benefit system might be a disincentive for women to gain employment, particularly if the only choice of employment was low-paid.

Table 4.17 Median Weekly Earnings of Full-time Workers by Workplace

	City	County	East Midlands	England
Male Full-time Workers	£467.70	£507.20		
Female Full-time Workers	£384.0	£379.70		

Source: ASHE 2008

- 4.65 In terms of workplace analysis, females earn less in the County than in the City, whereas males earn more in the County. The median workplace earnings for females in the City were higher than regional median figures (£379.40), whereas male earnings were lower than the regional median (£488.70).

Impact of recession

- 4.66 One of the most reliable and up-to-date indicators to measure the impact of the recession on employment is the Job Seekers Allowance (JSA) claimant counts. Between April 2008 and April 2009, JSA claimant numbers increased from 4,631 to 12,008 in the County and from 7,485 to 12,085 in the City. Claimant rates significantly increased in the first few months of 2009 although rates then remained stable in the County whilst they continued to increase in the City

throughout 2009. North West Leicestershire had the highest claimant rate in the County in April 2009 whereas, traditionally, Oadby and Wigston had exhibited the highest claimant rates. North West Leicestershire has also been identified as relatively self-contained in terms of residents travelling to work, whereas Oadby and Wigston has a high proportion working in the City. Moreover, analysis of the education domain within the Index of Multiple Deprivation (IMD) identified clusters of skills deprivation within North West Leicestershire. Males have been particularly at risk of becoming claimants, with rates increasing from 1.5% to 4.2% in the County. JSA rates in the City were relatively high before the onset of the recession. It may, therefore, be argued that the City has the infrastructure and support in place to cope better with rising unemployment. However, JSA rates were 7% in October 2009 in Leicester compared to 6.2% in Nottingham. This difference between the two cities is 0.5% points larger than the difference in October 2008.

- 4.67 Analysis of Job Centre Plus vacancies and JSA claimants by occupation has found that the current economic climate has created a pool of claimants searching for jobs that are no longer available. Conversely, vacancies in other occupations are still hard to fill due to claimants having different skills/experience/interest or the jobs having poor working conditions. In April 2009, there were 11.82 JSA claimants per unfilled vacancy notified to Jobcentre Plus¹⁷ in the sub-region. This is a significant increase on the same month last year, where there were 2.1 claimants per unfilled vacancy. The largest decreases over the year were in process, plant and operative jobs, specifically transport operatives. Over the same 12 months, there was an increase in claimants seeking these types of jobs, particularly in the County. Claimants seeking skilled trades have also increased disproportionately in the County. Migration trends have also identified a surplus of vacancies in some low-skilled employment, particularly in health care personal services which has seen stability in the number of unfilled vacancies and claimants. Higher-skilled occupations in the teaching and health care professions have shown increasing numbers of vacancies despite the economic climate. It is generally more difficult for those without any qualifications to find work. Even if they are not needed to do the job, they are often used as a screening process. Therefore those without formal qualifications will be particularly at risk of becoming long-term unemployed. Improving qualifications can improve outcomes for both the individual and businesses in the sub-region.

Entry-Level qualifications

- 4.68 The proportion of the 19+ working age population with no recognised qualifications in the City has generally declined since 2001. However, the proportion without qualifications increased in 2008, particularly in the County, and remains high compared to the national average of 11.9% in 2008.

¹⁷ Approximately 25% to 30% of vacancies are notified to Job Centre Plus

Table 4.18 Percentage of 19-59/64 aged Population with No Qualifications

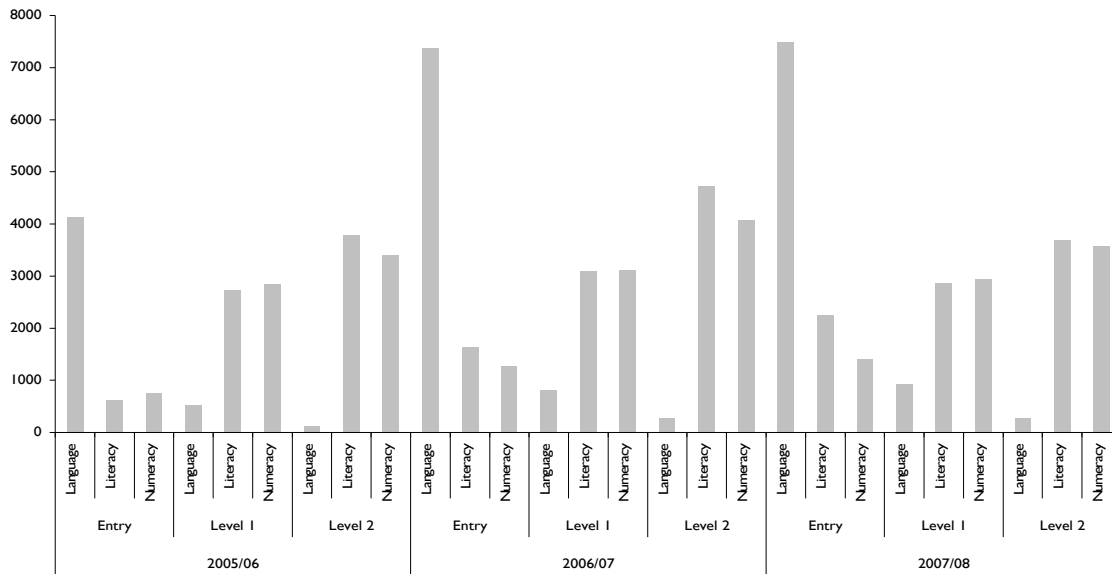
	2001	2002	2003	2004	2005	2006	2007	2008
Leicester	26.7	24.8	23.4	25.7	24.6	24.1	21.4	22.1
Leicestershire	14	14	12.4	12.8	10.9	8.7	9.7	14.7
East Midlands	18.1	17.3	15.9	16.3	14.3	13.4	13.1	12.8
England	15.7	14.9	14.3	14.2	13.5	13	12.5	11.9

Source: Annual Population Survey 2008

- 4.69 The Learning and Skills Council (LSC) household study in 2006 found that 31% of the non-white population in the sub-region had no qualifications compared to an average of 21.3%. Furthermore, 39.2% of the unemployed in the sub-region had no qualifications and 38.9% with a limiting illness or disability had no qualifications. The high proportion of unemployed without qualifications may exhibit specific barriers to participation such as low aspirations or lack of worthwhile/attractive opportunities. Low-skilled, low-paid work available may be insecure or associated with poor working conditions. Providing suitable training with stability and opportunities to progress may, therefore, be more appropriate, taking into account other barriers such as poor health, caring responsibilities, low confidence, etc. While there is little difference between the proportion of BME and non-BME group qualified to Level 4, there is a marked difference between the proportions of BME and non-BME group with no qualifications.¹⁸ This suggests that, perhaps, the older BME population, or those born outside the UK, who were not able to take advantage of the qualification progression routes in the sub-region, may have more specific needs such as language or cultural barriers.
- 4.70 Research from the Aim Higher report suggests that learning is more likely to follow non-traditional routes in deprived areas. 'Skills for Life' supports the idea of life-long learning, incorporating a more holistic approach. 'Skills for Life' data from LSC shows that, since 2005/2006, there has been a large increase in numbers enrolling on Entry Level courses in the sub-region, in language, literacy and numeracy skills. 7,491 people enrolled on Entry Level Language courses in Leicestershire in 2007/2008, totalling 30% of all pre-Level 3 courses.

¹⁸ LSC Household Survey 2006

Figure 4.11 Leicestershire 2005/06 to 2007/09 Number of Enrolments



Source: LSC 2009

Level 2¹⁹

4.71 There remains an assumption that a Level 2 qualification or higher is required to compete in the labour market. Although such a qualification may not always be necessary or relevant in order to carry out tasks required for a job, it is often used as a screening process in recruitment which can disadvantage those with low or unrecognised qualifications. By 2020, there is a national target for 80% of the working age population to be qualified to Level 2 or higher. Taking into account the low rates in the City, local 2010/11 targets were set at 76.3% in the County and at 61.8% in the City. In the 2006 LSC household study, only 55% of 45 to 64 year olds in Leicestershire were qualified to Level 2 and only 16.5% of those unemployed had a Level 2 qualification.

Table 4.19 Percentage of 19-59/64 Population with at Least a Level 2 Qualification

	2001	2002	2003	2004	2005	2006	2007	2008
Leicester	53.5	54.5	56.1	55.7	56.2	55.9	57.6	57
Leicestershire	64.1	65	67.8	68.2	68.7	70.6	70.9	66.7
East Midlands	60.8	62	64.1	64.5	65.2	66.8	67.2	67
England	63.9	65.1	66	66.6	67.3	68.2	68.9	69.4

Source: APS 2008

¹⁹ A Level 2 Qualification is equivalent to 5 GCSEs at A*-C, or NVQ2

Level 3²⁰ and Level 4²¹

4.72 The percentage of the 19+ working age population qualified to Level 4 has increased in both the City and County since 2002, with 2007 figures exceeding the 2010/11 target in the City. As a sub-region, the proportion of the 19+ working age population qualified to Level 4 was estimated at 26% in 2008.²² The Leitch target is for 40% of adults to be qualified to Level 4 by 2020, whilst the local target is 30% of working age population qualified to Level 4 across the sub-region. Increasing Level 3 qualifications improves opportunities to progress to the next level. However, whilst almost half the 19+ working age residents in the County were qualified to Level 3 in 2008, only 27.4% were qualified to Level 4. In the City, this gap between Level 3 and Level 4 was smaller, supporting evidence that progression routes are well established in the City for those wishing to study at Level 4.

Table 4.20 Percentage of 19- 59/64 Population Qualified to Level 3, 2002-2007

	2001	2002	2003	2004	2005	2006	2007	2008
Leicester	35.7	37.5	38	37.3	38.3	36.9	39.4	36.9
Leicestershire	43.4	44.4	46.8	48.6	49	51.2	50.8	46.3
East Midlands	40.1	41.2	44.3	44.9	45.1	46.5	47.0	46.3
England	43.6	44.5	45.7	46.4	47.0	47.9	49.0	49.5

Source: APS 2008

Table 4.21 Percentage of 19- 59/64 Population Qualified to Level 4 2002-2007

	2001	2002	2003	2004	2005	2006	2007	2008
Leicester	18.4	20.2	20.5	19.2	20.5	21.6	24.0	23.4
Leicestershire	23.2	23.7	25.5	28.2	26.4	29.8	28.9	27.4
East Midlands	20.6	21.2	23.8	24.6	24.8	26.3	27.3	27.0
England	25.0	25.5	26.7	27.6	28.0	29.0	30.2	30.5

Source: APS 2008

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

4.74 National research suggests that those with higher Levels of qualifications are more likely to be in employment and that high-level skills are needed to meet employer demands. Significantly, higher rates of females and BME groups progress to higher education in the sub-region, although in the City only 5% of the Indian workforce are employed in manager or senior official occupations.

²⁰ A Level 3 Qualification is equivalent to 2 GCE A levels or NVQ3

²¹ A Level 4 Qualification is equivalent to a university degree

²² Note the APS is subject to sampling error

2001 Census data also indicates that Belgrave and Latimer, predominantly Asian wards, have the highest proportions of graduates in routine or semi-routine jobs. It is therefore important to understand what happens to graduates when they leave the universities in the sub-region, in terms of the area's ability to retain graduates in high-level jobs matched to the broad subject areas being studied.

Graduates

4.75 Leicester and Leicestershire is home to three large universities: De Montfort, Leicester and Loughborough. Together they produce approximately 15,000 graduates each year. The most popular degree place accepted in 2008 was Creative Art and Design. This is primarily studied at De Montfort University (993 students). De Montfort also accepted 843 students in subjects allied to medicine (including nursing). Loughborough accepted the majority of engineering students (864), while the University of Leicester accepted large numbers in law (443) and social studies (408).

4.76 According to UCAS applications in 2008, the most popular five degree subject with accepted application in the three sub-regional universities combined were in:

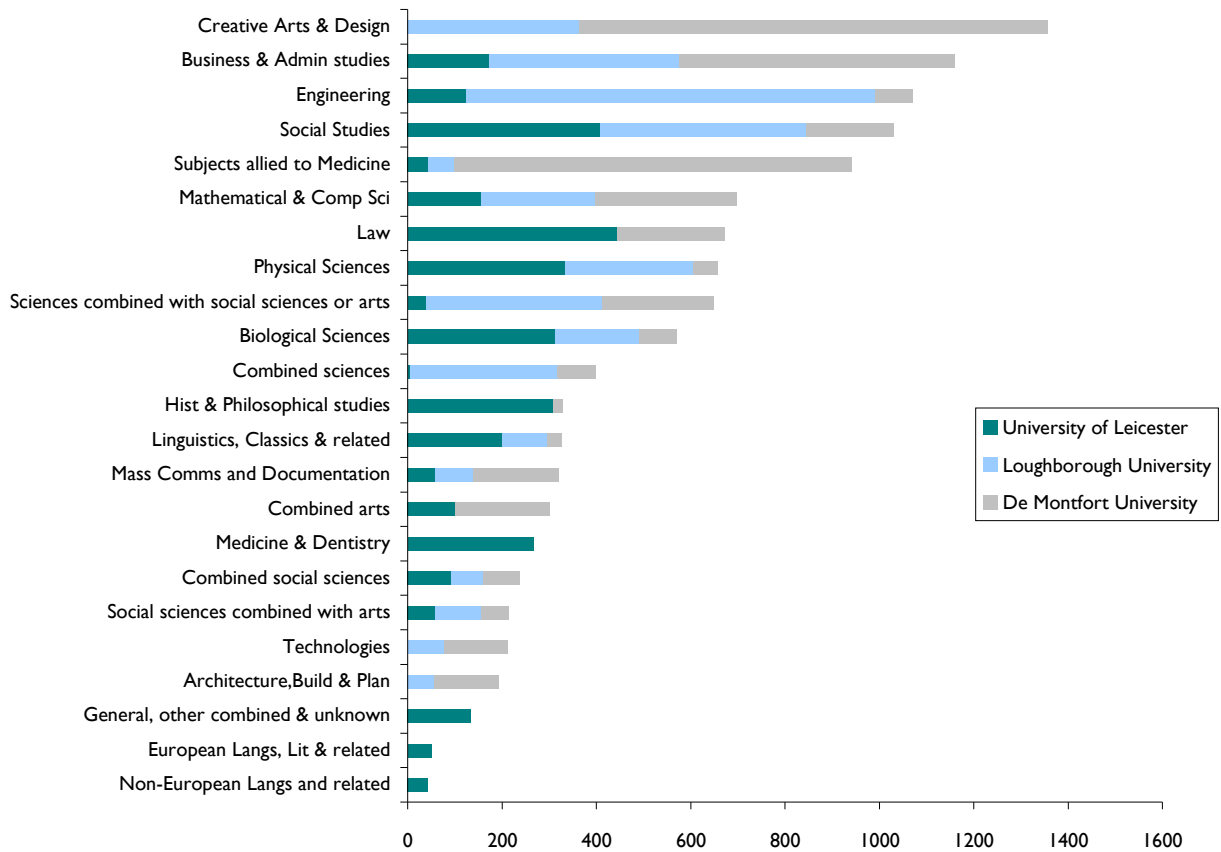
Creative Arts & Design	1,358	11.5%
Business & Admin Studies	1,160	9.8%
Engineering	1,070	9.0%
Social Studies	1,031	8.7%
Subjects allied to Medicine	941	8.0%

4.77 This compares to the five most popular subjects of degree applications accepted in England:

Business & Admin studies	44,305	11.8%
Creative Arts & Design	42,511	11.3%
Subjects allied to Medicine	37,681	10.0%
Social Studies	29,534	7.9%
Biological Sciences	28,537	7.6%

Source: UCAS, 2008

Figure 4.12 Numbers of Students Accepted in Sub-Regional Universities by Subject and Institution 2008



Source: UCAS, 2008

- 4.78 The most popular subjects for students living and educated to Key Stage 4 in the sub-region were Business and Administration studies, Biological Sciences, Creative Arts & Design, Subjects allied to Medicine, Social Studies and Mathematical & Computer Sciences (HESA DATA 05/06), suggesting that significant proportions of students numbers studying Engineering at Loughborough University are from outside the sub-region.
- 4.79 Census data (2001) indicates that the greatest proportion of graduates working in the sub-region work in the public sector (47%). In the City, 56.5% of employees in this sector had a degree whereas in the County the proportion of people working in the public sector with a degree was 37.7%. It is important to assess the range of opportunities available for the large number of graduates in the sub-region to move into after graduating in order to retain these high skills.

University of Leicester

- 4.80 Data from the University of Leicester Destinations survey shows that 57.2% of graduates completing a first degree in 2007 were in employment 6 months after graduating. This was highest for medical students with 98% in full-time employment. 22% of all graduates finding employment within six months entered into 'non-graduate' jobs. This compares to 39% in 2005. There was some variation dependent on the faculty of study. All medical graduates in employment were in traditional graduate jobs. Overall, 4.7% of graduates were assumed to be unemployed at the time of the survey. This was highest for computer science and geology graduates.
- 4.81 36.4% of all University of Leicester graduates of 2007 in employment remained in the East Midlands, 24.8% of these within the sub-region and 18.8% in the City. Of those finishing first degrees and entering full-time employment, 21.2% remained in the City (24.2% of these in the sub-region). 35% of students graduating in medicine and biology in employment found work in the sub-region compared to only 16% of arts graduates. Few arts graduates appeared to have gained full-time employment in the sub-region in a job related to the degree, with half in either intermediate or lower-level jobs.

Table 4.22 Local Retention of University of Leicester, First Degree, Full-time Graduates Entering Full-time Paid Employment by Faculty 2007

Faculty	% of those in employment employed in the sub-region
Arts	16.2
Law	20.9
Medicine & Biological Sciences	34.6
Science	20.9
Social Sciences	19.9

Source: 2006/07 Destinations of Leavers from Higher Education (DLHE) survey

Loughborough University

- 4.82 Data from the Loughborough University Destinations survey shows that 60% of graduates completing a first degree in 2008 were in employment 6 months after graduating. This was highest for engineering students, at 69%, although science students were more likely to go on to further study or training. 8.4% of graduates were assumed to be unemployed at the time of the survey. This was highest for computer science graduates, at 20%.
- 4.83 24.2% of all Loughborough University graduates of 2007 in employment remained in the East Midlands, although only 9.6% found employment within the sub-region and 3.1% found employment in the City. Of those finishing first degrees and entering full-time employment, 6.4% remained in the sub-region.

Only 3.8% of students graduating in engineering finding full-time employment remained in the sub-region, compared to 9.3% of science graduates.

Table 4.23 Local Retention of Loughborough University, First Degree, Full-time Graduates Entering Full-time Paid Employment by Faculty 2007

Faculty	% of those in employment employed in the sub-region
Engineering	3.8
Science	9.3
Social Sciences & Humanities	6.7

De Montfort University

- 4.84 Data from the De Montfort University Destinations survey shows that 68.8% of graduates completing a first degree in 2007 were in employment 6 months after graduating. 5.7% of graduates were unemployed at the time of the survey.
- 4.85 48.2% of all De Montfort University graduates of 2007 in employment remained in the East Midlands, 34.6% of these within the sub-region and 28.8% in the City. Of those finishing first degrees and entering full-time employment, 27% remained in the City and 33.7% remained in the sub-region. 37.1% of students graduating in humanities and 36.4% graduating in business and law in employment found work in the sub-region compared to 29.6% of art and design graduates. However, humanities graduates were more likely to be working in lower-level employment in the sub-region. Health and life science students remaining in the sub-region were most likely to be in high-level jobs.

Table 4.24 Local Retention of De Montfort University, First Degree, Full-time Graduates Entering Full-time Paid Employment by Faculty 2007

Faculty	% of those in employment employed in the sub-region
Art & Design	29.6
Business & Law	36.4
Technology	35.6
Health & Life Sciences	31.4
Humanities	37.1

Source: 2006/07 Destinations of Leavers from Higher Education (DLHE) survey

Training

- 4.86 Many employers suggest that they have difficulty in recruiting due to a lack of applicants with job-specific skills, rather than formal qualifications. Many prefer to train their staff in skills that may not be recognised within the formal qualification structure. Annual Population Survey 2008 shows that 11.6% of the

workforce in the City received job-related training in the previous 4 weeks, an increase from 10.4% in 2004. This compares to 11.4% in the County, down from 12.5% in 2004. Rates also decreased over this time in England and in the East Midlands. Rates were particularly high for those in managerial and professional occupations in the City, at 23.5%, compared to a national rate of 17.3%. The Leicestershire 2006 LSC Household survey found that respondents in lower-order occupations, particularly “process, plant and machine operatives” were less likely than average to have undertaken any training and learning. Also, the training and learning was more likely to have been mandatory rather than due to personal choices to develop skills or progress in their career.

- 4.87 Training for part-time workers in the City increased from 16.5% in 2004 to 24.9% in 2008. This suggests that rates in training have improved from the below average figures in 2004/2005 in the City. However, in the County, rates have decreased over the same time-period, particularly for females and those working part-time. This may have further implications in terms of progression and self-development, as well as in terms of the ability to apply for new jobs.

Skills Shortages

- 4.88 Skills shortages are vacancies or existing roles where the workforce do not have the required skills, experience or qualifications. The number of firms reporting skills shortages had decreased slightly in Spring 2009, compared to the Summer 2008 Leicestershire Business Survey. Overall, 22% of firms surveyed agreed that skills shortages were having a serious impact on their business, compared to 27% the previous year and 33% in 2007. 66% disagreed with this statement, compared to 61% in 2008 and 54% in 2007. In manufacturing businesses, there was a higher proportion of firms reporting skills shortages (32% down from 35% in 2008) than in the service sector (18%, down from 24% in 2008).

Recruitment

- 4.89 23% of manufacturing firms also reported difficulties in recruiting staff compared to 18% of service sector companies. Businesses in the County were more likely to experience difficulty in recruiting. However, overall only 19% reported difficulties in recruiting, compared to 28% in 2008. In 2007, this was much higher at 34%.
- 4.90 57% of those businesses with recruitment problems stated that there was a lack of applicants with suitable skills. 84% of manufacturing firms with recruitment difficulties stated that this was a reason for their recruitment difficulties. However, 40% of firms with recruitment difficulties stated that there was a lack of applicants with the right attitude/personality. This was higher for small businesses (52% for businesses with under 10 employees) and retail/hospitality businesses (56%). Construction and transport companies were more likely to report a lack of applicants with qualifications, at 61% and 63%. Only 39% of

businesses stated that there was a lack of applications with work experience but, again, this was higher for manufacturing firms at 52%.

- 4.91 The construction sector was more likely to employ apprenticeships, with 14% taking on an apprentice in the previous 6 months. The retail sector was more likely to have taken on a young person (under 19) not on an apprenticeship (51% compared to 30% of companies overall). Interestingly, the retail sector was also much more likely to cite 'lack of applicants with right attitude' as a recruitment problem. Finance and business service sector firms were much more likely to have taken on a recent graduate (42% compared to 23% of all firms) and more likely to have taken on a recruit from a BME background. This may be due to high numbers of BME business students in the sub-region. Transport and communications firms were more likely to have taken on workers aged over 50 (46%, compared to 31% of all firms) while manufacturing companies were more likely to take on placements from redundancies. The health and education sectors were more likely to have taken on unemployed people, those with no qualifications, migrant workers and lone parents. A quarter of those taking on migrants recruited workers from Africa. Indeed, carer vacancies have remained high over the last 12 months despite the economic downturn and this sector reports the least negative impact from the recession. 4% said they had been negatively affected by migrants returning home, compared to 2% of all companies. This sector also had the highest proportion of businesses reporting difficulties in recruiting.

Skills Gaps

- 4.92 Skills gaps are the extent to which employers feel that employees are not proficient at doing their job. In the 2008 Leicester and Leicestershire Business Survey, the most common skills gaps reported were technical, practical or job-specific, followed by communication skills. Manufacturing firms were more likely to report job-specific skills gaps as opposed to communication skills.

The National Employer Skills Survey (NESS) 2007, commissioned by the LSC and partners, provides information on skills deficiency and workforce development. In proportional terms, sectors with the highest **number of skills shortage vacancies tend to comprise a higher proportion of total vacancies in manufacturing, public transport, construction and land-based industries and engineering.** 23% of employers stated that 16 year olds were poorly prepared. The main reason that was given was that they lacked life/ work experience and motivation. This supports the drive for an increase in apprenticeships and the development of diplomas for 14-19 year olds.

4.93 Overall, it appears that, with the current economic downturn, companies are having fewer difficulties with recruitment and skills shortages. However, this makes it more difficult for people to find jobs if the competition is high. Some manufacturing firms still appear to have specific skills needs, with 84% of those with recruitment difficulties reporting a lack of skilled applicants.

Employment Forecasts

4.94 Following the recent boom in employment through 2006 and 2007, overall numbers in full-time employment are forecast to decrease from 413,700 in 2008 to 404,000 in 2016 (based on Experian forecasts). Despite this decrease, numbers are not expected to fall below 2005 figures. The largest contraction is forecast in the construction sector, predicted to lose 4,200 jobs between 2008 and 2010, then a further 2,400 over the following 6 years. The health sector is forecast to have the biggest growth in terms of both employment numbers and share of employment, increasing from 8.7% to 10.4% of employment in the sub-region equivalent to an increase in 6,091 jobs. Whilst education jobs are forecast to increase over two years, the eight year forecast is a contraction of 4,900 jobs. Conversely, employment in hotels and catering is predicted to increase after a short-term contraction. Food and drink employment is also expected to increase in the sub-region, (2.4 to 2.6% of employment) while, nationally, it is expected to decrease (1.5% to 1.4%) between 2008 and 2016.

Table 4.25 Leicester and Leicestershire Sub-region Employment Forecasts
Produced by Experian²³

Sector	Share of employment in 2008	8 year employment change forecast (2008-2016)	Predicted share of employment in 2016	Predicted % change 2008 to 2016
Construction	8.5	-6,700	7.0	-1.45
Textiles & Clothing	1.8	-4,500	0.7	-1.08
Education	7.7	-4,900	6.7	-1.03
Machinery & Equipment	1.7	-2,100	1.2	-0.49
Rubber & Plastics	1.2	-1,500	0.9	-0.34
Paper, Printing & Publishing	2.1	-1,400	1.8	-0.30
Gas, Electricity & Water	1.1	-1,000	0.9	-0.22
Wood & Wood Products	0.3	*	0.1	-0.18
Banking & Insurance	2.4	*	2.3	-0.10
Chemicals	1.0	*	0.9	-0.09
Metals	2.0	*	1.9	-0.08
Agriculture, Forestry & Fishing	1.1	*	1.0	-0.06
Other Financial & Business Services	2.8	*	2.8	-0.06
Other Mining	0.3	*	0.2	-0.06
Public Admin & Defence	4.6	*	4.6	-0.03
Communications	1.5	*	1.5	-0.03
Fuel Refining	0.0	*	0.0	0.00
Oil & Gas Extraction	0.0	*	0.0	0.00
Minerals	0.7	*	0.8	0.02
Wholesaling	7.9	*	7.9	0.04
Other Manufacturing NEC	1.1	*	1.2	0.04
Transport Equipment	1.0	*	1.0	0.08
Electrical & Optical Equipment	1.6	*	1.8	0.12
Retailing	9.0	*	9.1	0.14
Hotels & Catering	3.7	*	3.9	0.22
Food, Drink & Tobacco	2.4	*	2.6	0.22
Transport	6.1	2,000	6.7	0.65
Other Services	4.9	2,300	5.6	0.69
Business Services	13.0	5,500	14.6	1.67
Health	8.7	6,100	10.4	1.72

Source: Experian

*Numbers are below 1,000 and cannot be disclosed

²³ Forecasts do not take into account current or planned interventions so should be used with caution

Summary from Workforce Section

4.95 Some key issues emerging from this section are summarised below:

- 26% of the working age population in the sub-region are qualified to Level 4, lower than regional and national levels.
- There has been an increase in people in the sub-region enrolling for Entry Level courses, with English languages courses the most popular.
- A high proportion of graduates are employed in the public sector, particularly in the City.
- BME groups are not at all well represented in some sectors such as construction and very few are employed in managerial jobs in the City.
- City earnings for both residents and workplace jobs are lower than expected for a City. Median weekly earnings for City residents is £373.80 compared to £479.90 in the County.
- Proportions of the workforce qualified to Level 4 have generally increased since 2001 and support good progression rates in the City.
- The most popular degree places accepted in the sub-region are Creative Art and Design, Business Administration and Engineering.
- Training for employees appears to have increased in the City but decreased in the County, particularly for women and part-time workers.
- Managers and senior officials are the most common occupation in the county, whilst elementary occupations are the most common in the City.
- With the current economic downturn, companies are having fewer difficulties with recruitment and skills shortages. However, this makes it more difficult for people to find jobs if the competition is high.
- Some manufacturing firms still appear to have specific skills needs, with 84% of those with recruitment difficulties reporting a lack of skilled applicants.
- Sectors such as retail and small businesses reported recruitment difficulties due to attitude of applicants. The National Employer Skills Survey also found that motivation was an issue for young people.
- Experian predict that the largest contraction will be in the construction sector, predicted to lose 4,200 jobs between 2008 and 2010, then a further 2,400 over the following 6 years.

- Experian also forecast that the health sector is to have the biggest growth in terms of both employment numbers and share of employment, increasing from 8.7% to 10.4% of employment in the sub-region, equivalent to an increase in 6,100 jobs.

Employment and Skills Chapter Summary

- 4.96 A major challenge is the contrast between the labour market profiles of Leicester City at the core of the sub-region and the surrounding Leicestershire County area. There is a risk that potential investors may look at the City skills profile alone and reach the conclusion that the area has a low-skill, low-wage economy. This conclusion would fail to take into account the strength of the labour market in the surrounding County, which is one of the strongest-performing areas in the region. Therefore, improving qualification Levels amongst City residents is one of the most significant challenges facing the sub-region. Although there has been some improvement, there are still 22.1% of working age City residents with no qualifications. There are also some pockets of poor performance in the County which are masked in the high level statistics.

Table 4.26 Summary of Qualification Levels (19-59/64)

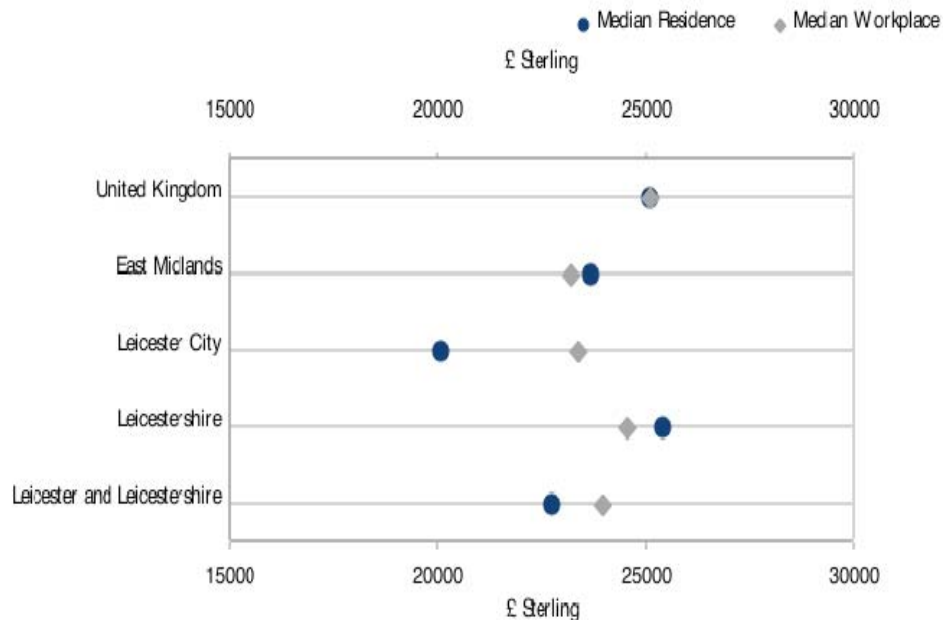
	Level 4 (%)	Level 3 (%)	Level 2 (%)	no qualifications (%)
Leicester	23.4	36.9	57.0	22.1
Leicestershire	27.4	46.3	66.7	14.7
Leicester & Leicestershire	26	44	64	16
East Midlands	27.0	46.3	67.0	12.8
England	30.5	49.5	69.4	11.9

Source: APS 2008

- 4.97 Degree Level qualifications (Level 4) in the workforce are below national levels for the sub-region as a whole and especially low in Leicester City. In Leicester City over 42% of the workforce do **not** currently have a Level 2 qualification. Although this is still a high statistic, the situation has improved considerably in recent years. This results from several factors including: the success of the Train to Gain programme, a strong FE sector, employer investment in training and, to some extent, a higher proportion of those entering the labour market having Level two qualifications.

- 4.98 Understanding the barriers and needs of learners and retraining those learners in appropriate job opportunities will be important in improving overall qualification Levels in the sub-region. The up-skilling of residents, particularly those from the most deprived areas, those from new communities and those currently out of work, is critically important. Only 56% of working age females in Leicester City are currently in employment. This could suggest a need for more flexible working opportunities, appropriate training and progression opportunities.
- 4.99 Leicester has relatively low median workplace earnings for a city and male resident earnings are the lowest in the region. The lack of highly skilled jobs in the City is a key feature, with below average employment in management and professional occupations. This, in turn, makes graduate retention difficult with a limited range of opportunities available. Whilst it is important to maintain a diverse economic structure, some increase in knowledge-based employment is needed if the sub-region is to increase wealth generation, and average earnings, and improve the range of jobs on offer.

Figure 4.13 Variation between Residential and Workplace Median Annual Earnings in Leicester and Leicestershire, 2008

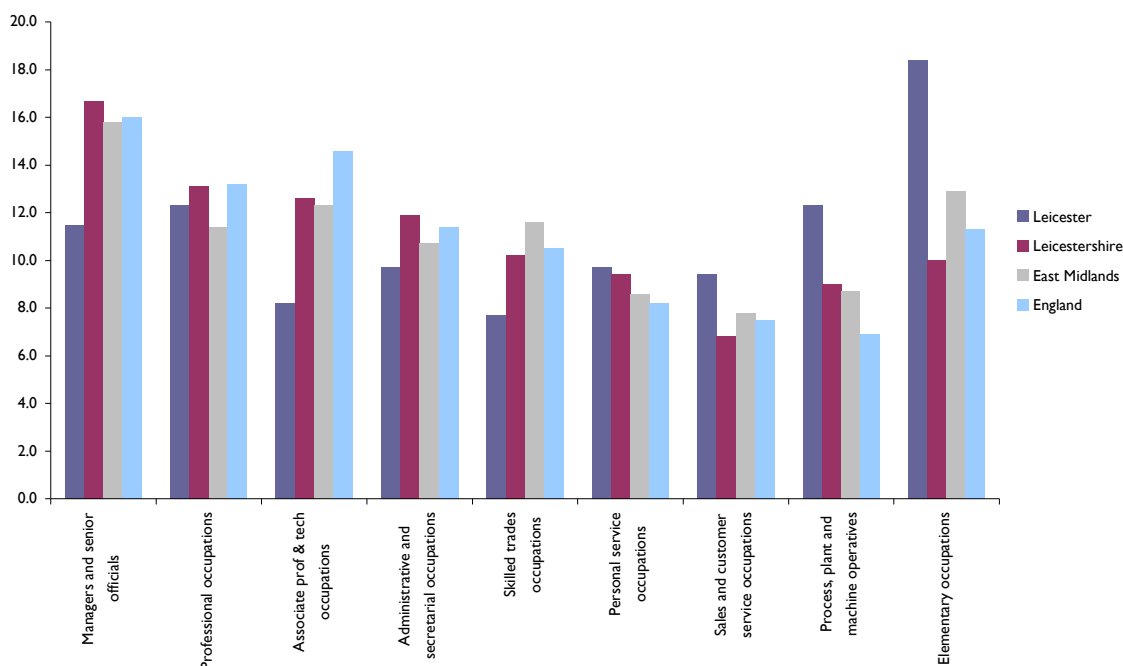


4.100 Median weekly earnings for Leicester City residents in 2008 were £373.80 compared to £479.90 in Leicestershire County. Weekly resident earnings in both Nottingham (£406.80) and Derby (£457.70) were considerably higher.

4.101 In March 2009, the employment rate for the sub-region was 74.4%, with a lower rate of 63.6% in Leicester City and a higher rate of 79.1% in Leicestershire

County. In terms of occupations, City residents are more likely to be working in elementary occupations or as process, plant and machine operatives. There are also relatively high proportions working in health and social welfare. Only 11% of Leicester workers are employed as managers or senior officials compared to a regional average of 16%. This is reflected in the lower wages of City residents. A relatively high proportion (17%) of Leicestershire workers are working in managerial occupations.

Figure 4.14 Proportion of Employment by Occupation, by Residency



Source: APS March 2009

4.102 Some businesses continue to experience recruitment difficulties, skills shortages and skills gaps. This is more marked in manufacturing businesses than amongst those in the services sector. 22% of businesses in the 2009 Business Survey reported that skills shortages were having a serious impact on their business. However, this has reduced from 35% in 2005. Over half the businesses surveyed could identify some skills gaps in their current workforce²⁴. This highlights the importance of local training infrastructure which needs to meet current and future employer needs. There is significant variation by sector in terms of recruitment and skills requirements suggesting the importance of sector-based initiatives and a role for apprenticeships in developing sector-specific skills.

4.103 In the recent Business Survey, 57% of those with recruitment problems stated that there was a lack of applicants with suitable skills. 84% of manufacturing

²⁴ Question asked in 2008 but not 2009

firms stated that this was a reason for their recruitment difficulties. However, 40% of firms with recruitment difficulties stated that there was a lack of applicants with the right attitude/personality.

- 4.104 The manufacturing sector employs a high proportion of Leicester City and BME workers. Although the sector has declined overall, it remains important and there are potential opportunities for growth in high-technology manufacturing and food and drink.
- 4.105 There is a significant gap between the attainment of pupils in City and County schools at key stage 4 (age 16). 52% of pupils in County schools achieved at least 5 GCSEs at A*-C including English and Maths compared to 40% of pupils in Leicester City.
- 4.106 The under-performance of White students in Leicester City is a significant issue, with problems concentrated in deprived areas in the west of the City. This is apparent as early as age 11 (Key Stage 2). At present, only 17% of White British pupils living in Leicester progress to Higher Education, compared to 62% of Indian pupils. Overall, a high proportion of 17 year olds in both the City and County remain in education post-16 compared to the region as a whole.
- 4.107 Although 15% of secondary school pupils living in the City travel to County schools, there is little evidence that this has any impact on attainment.
- 4.108 The sub-region benefits from three large universities: De Montfort, Leicester and Loughborough. Destinations data from 2007 shows that 24.8% of University of Leicester graduates are in employment in the sub-region six months after graduating compared to 9.6% for Loughborough University and 34.6% for De Montfort University.
- 4.109 In 2008, 4% of school leavers went into full-time training which includes apprenticeship programmes. The most popular apprenticeships applied for in 2008 were bricklaying, hairdressing, children's care, learning and development and vehicle maintenance/repair. There was a fall in those entering plumbing and carpentry linked to the instability in the construction sector.
- 4.110 Unemployment has increased significantly in the last year and this has been accompanied by a decrease in notified vacancies, especially in process, plant and operative jobs. It will be more difficult for those without formal qualifications to find employment and there is a risk that the long-term unemployed will find it increasingly difficult to enter or return to the labour market. Unemployment is covered in more detail in the following section on worklessness.
- 4.110 The key findings from this chapter have been summarised in the following SWOT framework.

4 SWOT Employment and Skills

<p>Strengths</p> <ul style="list-style-type: none"> • Workforce qualifications in the County are amongst the highest in the region • Age 17 County achievements at Level 2 and Level 3 are highest in the region and above national averages • Progression rates to Higher Education are exceptionally high in the City (especially amongst Indian population) • Proportion of the workforce qualified to Level 4 has increased in both the City and County • Three world class universities are located in the sub-region and there is a strong and improving FE sector • Leicestershire has a slightly higher proportion of the workforce employed as managers and in professional occupations when compared to the region • The health sector in Leicester City employs large numbers of women, part- time workers, migrants and graduates. 	<p>Weaknesses</p> <ul style="list-style-type: none"> • City wages for both residents and workplace jobs are lower than expected for a City. Median weekly earnings for City residents is £373.80 compared to £479.90 in the County • 22.1% of residents in the City have no qualifications and workforce qualifications are amongst the poorest in the region • Marked poor performance of White young people resident in the City, which is already apparent at age 11 • The 2 most deprived neighbourhoods for education skills and training in the UK are located in the City • Leicester has a high proportion of workers employed in low-skilled occupations and a relatively small proportion employed in management/professional roles • Only 56% of females in the City are in employment • Low graduate retention - especially arts and engineering graduates
<p>Opportunities</p> <ul style="list-style-type: none"> • 3 universities produce approximately 15,000 graduates each year and strong FE sector • Young and culturally diverse workforce in the City • Food and drink sector employment is expected to increase and also employment in the health sector • Completion rates for apprenticeships have improved, which is against the regional trend • Qualification Levels in the City are improving with higher achievement at Levels 2 and 3 at age 19 • Promoting the good progress in City schools rather than league tables would improve reputation of the City, inspire pupils and encourage inward investment 	<p>Threats</p> <ul style="list-style-type: none"> • Significant increase in the claimant count as a result of the current economic downturn • Decrease in vacancies notified to Job Centre Plus over the past 12 months • Significant proportion of City employment in the public sector which is a risk given potential future cuts in public spending • Public sector is important source of graduate employment & cuts could have negative impact on graduate retention • Apprenticeship participation has been affected by the economic downturn • Poor perception of the City's schools potentially detracts inward investors • Low aspirations of young people in deprived areas of the City • Employers report lack of applicants with 'the right attitude' • Skills gaps reported by many businesses, especially in manufacturing