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**Skills for the Future:  
Final Report**

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Enterprise  
Partnership**



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## EXECUTIVE SUMMARY

### Introduction

1. This is the final report from the ‘Skills for the Future’ study undertaken on behalf of the Leicester and Leicestershire Enterprise (LLEP) in 2016. The study was commissioned in order to gather data on the changing patterns of employment within the LLEP area and to obtain input from employers on their future skills needs.
2. The report draws on three main inputs:
  - Employment forecasts, by industry and occupation, developed for the purposes of this study;
  - Primary research with 161 employers that have a base in the LLEP area;
  - Analysis of relevant sections of the 2015 UK Employer Skills Survey and the 2014 Leicester and Leicestershire Business Survey.

**Table ES.1: The LLEP area in summary**

<p><b>Population</b></p> <p><small>Source: Mid-Year Population Estimates and Office for National Statistics</small></p>	<p><i>Total population: 1.02m (2015)</i></p> <p>Population projections: between 2015 and 2025, the total population of the LLEP area is forecast to increase by 85,500 (+8.4%) to an estimated 1.1m.</p>
<p><b>Working Age Population (ages 16-64)</b></p> <p><small>Source: Mid-Year Population Estimates and Office for National Statistics</small></p>	<p><i>Working age population: 651,000 (2015)</i></p> <p>Population projections: between 2015 and 2025, the working age population of the LLEP area is forecast to increase by 21,500 (+3.3%) to an estimated 673,000.</p>
<p><b>Skills Levels</b></p> <p><small>Source: Annual Population Survey</small></p>	<p>In 2015, 32.5% of the working age population in the LLEP area were qualified to Level 4 or above, compared with 36.7% of the working age population nationally. A smaller skills deficit exists at Level 3: 56.1% of the LLEP working age population are qualified to at least Level 3 compared with 57.1% nationally.</p>
<p><b>Business Base</b></p> <p><small>Source: Inter Departmental Business Register</small></p>	<p><i>No. enterprises: 37,860</i></p> <p><i>No. business units (includes all sites of multi-site business): 43,620 (2015)</i></p> <p><i>Proportion of enterprises that are SME: 99.6%</i></p>
<p><b>Industry Sectors</b></p> <p><small>Source: Business Register and Employment Survey</small></p>	<p><i>Prominent sectors: Manufacturing (12% of employment), Health and Social Care (11%), Education (11%), Logistics and Distribution (10%), Retail (10%), Administrative and Support Service Activities (8%).</i></p>
<p><b>Productivity</b></p> <p><small>Source: Office for National Statistics</small></p>	<p><i>Total Gross Value Added (GVA – wages and profits): £2bn per annum (2015)</i></p> <p><i>Proportion of national GVA: 2% (2015)</i></p> <p><i>Average GVA per head: £21,900 compared with £23,050 nationally (2015).</i></p>

## Employment forecasts in summary

3. In 2015, there were 466,160 jobs in the LLEP area. By 2022, this is forecast to have risen to 483,370 – an increase of 3.7% against a forecast national increase of 4.8%. The increase of 17,210 jobs in the LLEP area is referred to ‘expansion demand’.
4. In addition to expansion demand, there will also be a requirement in all sectors to fill vacancies arising through ‘replacement demand’, i.e. people leaving the workforce due to retirement or mortality. It is estimated that replacement demand will equate to 134,700 vacancies in the LLEP area between 2015 and 2022<sup>1</sup>.
5. The total jobs requirement (expansion and replacement demand combined) for the LLEP area between 2015 and 2022 is therefore an estimated 151,910. Working on a pro rata basis, this is an average of 21,700 jobs per year.

## Sectors<sup>2</sup> with the highest forecast expansion demand

6. Between 2015 and 2022, the largest employment increases in the LLEP area in *absolute terms* are forecast in:
  - Construction (+3,430 jobs);
  - Human Health and Social Work (+2,980 jobs);
  - Professional, Scientific and Technical Activities (+2,550 jobs);
  - Accommodation and Food Services (+ 2,450 jobs).
7. The largest employment increases in *proportionate terms* are forecast in:
  - Information and Communication (+19%);
  - Construction (+17%);
  - Mining and Quarrying (+11%);
  - Wholesale and Retail Trade and Repair of Motor Vehicles (+10%).

## Sectors<sup>3</sup> with negative expansion demand

8. Reductions in employment in the LLEP area between 2015 and 2022 are forecast in:
  - Manufacturing (-4,960 jobs; -9%);
  - Wholesale Trade (except Motor) (-510 jobs; -2%);
  - Agriculture (-340 jobs; -8%).

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<sup>1</sup> The economic model used to generate the forecasts on this study provides an estimate of replacement demand at the level of individual occupations (Chapter 5). It is less straightforward within the model to do so at the level of individual sectors and, as such, a cross-sector average of 28.9% has been applied. This is calculated by dividing the total forecast replacement demand across the LLEP area between 2015 and 2022 by the total number of people in employment in the LLEP area in 2015.

<sup>2</sup> One-digit Standard Industrial Classifications.

<sup>3</sup> *ibid.*

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## Sectors<sup>4</sup> with the highest total jobs requirement

9. Human Health and Social Work, Education and Retail Trade (except Motor) are the sectors in which the total jobs requirements (expansion + replacement demand) are expected to be the largest between 2015 and 2022. The 10 sectors with the largest total jobs requirements are listed in Table ES.2 (further detail is provided in Chapter 2 of the main report).

<b>Sector</b>	<b>Expansion Demand</b>	<b>Replacement Demand</b>	<b>Total Requirement</b>
Human Health and Social Work Activities	2,980	14,770	17,750
Education	1,120	14,680	15,800
Retail Trade, Except of Motor Vehicles and Motorcycles	1,780	12,950	14,730
Professional, Scientific and Technical Activities	2,550	10,790	13,340
Administrative and Support Service Activities	1,290	11,310	12,600
Manufacturing	(4,960)	16,300	11,340
Accommodation and Food Service Activities	2,450	8,080	10,530
Construction	3,430	5,760	9,190
Transportation and Storage	1,070	7,950	9,020
Public Administration and Defence; Compulsory Social Security	1,490	5,430	6,920

Source: York Consulting

## Forecasts for the LLEP priority sectors

10. The LLEP has eight priority sectors. Together they currently account for 182,040 jobs; 39% of all jobs in the LLEP area.
11. The total jobs requirement in the LLEP's priority sectors is expected to exceed 57,000 between 2015 and 2022. This equates to 38% of the total growth in the LLEP area which is forecast over that period.
12. Expansion demand amongst the LLEP priority sectors is expected to be driven largely by Professional and Financial Services (+3,450 jobs) and Tourism and Hospitality (+2,600 jobs). These two sectors combined account for 84% of all expansion demand within the priority sectors between 2015 and 2022 (Table ES.3).
13. The forecasts show a significant decrease in employment in Textile Manufacturing. However, it is important to note that sector experts and local stakeholders consulted for this study do not foresee an employment reduction on such a significant scale.

<sup>4</sup> *ibid.*

**Table ES.3: Jobs demand in the LLEP priority sectors 2015 to 2022**

Priority Sector	Expansion Demand to 2022	Replacement Demand to 2022	Total Demand
Professional and Financial Services	3,450	11,700	15,150
Logistics & Distribution	650	13,400	14,050
Tourism and Hospitality	2,600	9,700	12,300
Engineering and Advanced Manufacturing	(1,170)	7,000	5,830
Creative Industries	1,380	3,400	4,780
Food and Drink Manufacturing	(180)	3,300	3,120
Energy <sup>5</sup>	470	2,350	2,820
Textile Manufacturing	(2,050)	1,750	(300)
<b>Total</b>	<b>5,150</b>	<b>52,600</b>	<b>57,750</b>

Source: York Consulting

### One-issue forecasts

14. As part of an associated piece of work running alongside this study, the local authorities in the LLEP area have identified where major economic development and housing investments are likely to go ahead and have estimated the associated employment figures. These investments are highly localised and, as such, are not captured by the forecasting work commissioned specifically for this study.
15. The headline message from the associated work is that substantial job creation (+3,900 new jobs<sup>6</sup>) is expected in the logistics sector to 2022. Should these jobs come to fruition, then the projections for the logistics sector, combining these figures and the forecasts presented above, would be:

$$\text{Expansion demand: } 4,550 + \text{Replacement demand: } 13,400 = \text{Total demand: } 17,950$$

### Occupations

16. In the LLEP area, increases in employment are forecast in all but one of the one-digit Standard Occupational Classification (SOC) groupings<sup>7</sup>. The largest increases, both in absolute and proportionate terms, are expected in Professional Occupations, Elementary Occupations and Caring, Leisure and Other Services (Figure ES.1).

<sup>5</sup> Note that the LLEP officially states Low Carbon, and not Energy, as a priority sector. However, defining the Low Carbon sector accurately through SIC codes remains challenging and Energy has therefore been used as a (more tangible) substitute for the purposes of this report.

<sup>6</sup> This figure may increase if the proposed developments at Magna Park take place.

<sup>7</sup> The SOC is a common classification of occupations for the United Kingdom. It classifies jobs in terms of their skill level and content. One-digit SOC groupings are the least detailed. The main body of this report includes data on four-digit SOC codes.



Figure ES.1: Forecast employment change in the LLEP area by one-digit SOC groupings



Source: York Consulting

17. It is also important to consider replacement demand in order to understand the total jobs requirement between 2015 and 2022 at occupational level. Table ES.4 does this and shows that:

- The total number of jobs to be filled in each one-digit SOC group, when expressed as a proportion of the current workforce, ranges from 29% in Sales and Customer Service Occupations to 39% in Caring, Leisure and Other Service Occupations.

- Replacement demand is forecast to be highest in Caring, Leisure and Other Service Occupations (34%);
- The largest total jobs requirements are expected to be in Professional Occupations (27,780 jobs to be filled) and Elementary Occupations (22,740 jobs to be filled).

<b>Occupation</b>	<b>Expansion Demand to 2022</b>	<b>Replacement Demand to 2022</b>	<b>Total Demand</b>	<b>Total demand as % of 2015 workforce</b>
Professional Occupations	4,390	23,390	27,780	35%
Elementary Occupations	3,560	19,180	22,740	32%
Administrative and Secretarial Occupations	1,840	17,760	19,600	35%
Associate Professional and Technical Occupations	2,030	15,370	17,400	31%
Caring, Leisure and Other Service Occupations	1,910	13,280	15,190	39%
Managers, Directors and Senior Officials	1,280	13,490	14,770	33%
Skilled Trades Occupations	1,520	11,100	12,620	30%
Sales and Customer Service Occupations	870	10,450	11,320	29%
Process, Plant and Machine Operatives	(170)	10,780	10,610	27%
<b>Total<sup>8</sup></b>	<b>17,230</b>	<b>134,800</b>	<b>152,030</b>	<b>33%</b>

Source: York Consulting

## The Employer Perspective

### Attracting and retaining graduate talent

18. While employers appear broadly satisfied with the volume of HE provision available in the LLEP area, many of those employing graduates harbour some concerns about the collective ability of the area to attract and retain the highest calibre graduates. This appears particularly true of businesses in professional services (law, accountancy and finance), architectural practices, high tech engineering companies and businesses in the low carbon sector.
19. Employers would welcome a co-ordinated, high profile effort to promote Leicester and Leicestershire as a more attractive first destination for graduates, emphasising the recent physical regeneration in Leicester and the relatively low cost of living.

### Developing undergraduate skills

20. Employers are increasingly interested in young people who can demonstrate commercial awareness, an entrepreneurial spirit, autonomy, an aptitude for project management and an understanding of e-commerce.

<sup>8</sup> Some of the figures in the 'Totals' row of Table ES.4 differ slightly from the equivalent figures earlier in the executive summary. This is due to rounding.

21. Some employers remain firmly of the view that the responsibility for developing these qualities rests with the education and skills system. Others, however, are interested in becoming involved in structured work placements and internships, undergraduate mentoring schemes and the co-design and co-delivery of HE modules and courses.
22. The effort required to co-ordinate and maintain any such schemes is not to be underestimated. Smaller businesses, in particular, may show an interest in being involved, but the demands and pressures of running a business will, for many, act as a significant barrier.

#### **Work readiness**

23. Only a third of the businesses that contributed to this study rate the work readiness of the young people they have interviewed and/or recruited recently as either 'excellent' or 'good'. The main issues appear to include communication/conversational skills, business/sector knowledge, unrealistic expectations, work ethic and timekeeping.
24. It is not new for employers to question the work readiness of young people entering the workforce, but LLEP employers evidently still see it as an area where improvements can be made. There is some interest amongst employers in working with skills providers to develop work readiness standards or charter marks (as has been done in some other LEP areas), although less than half of the businesses consulted for the study felt that employers have any role to play in improving the work readiness of young people.

#### **Low carbon sector opportunity**

25. Employment in the low carbon sector in the LLEP area almost doubled between 2010 and 2015 and employers now see an opportunity for the area to further strengthen its position. They predict future skills needs across all occupational areas and skills levels, but cite mechanical and electrical engineers and graduates in physics and chemistry as particular areas of need.
26. Employers would welcome the continued prioritisation of the sector by the LLEP and a greater focus being placed on low carbon/renewable issues and technologies within relevant post-16 provision.

#### **Apprenticeships**

27. Apprenticeship starts in the LLEP area have recovered following a dip in 2013/14 but they are not increasing.
28. It is also clear that some employers have an incomplete, outdated or inaccurate understanding of the breadth of Apprenticeship frameworks that are currently available and the business/commercial benefits that Apprenticeships can offer.
29. Those with a more informed understanding of Apprenticeships would like to see renewed efforts in schools and post-16 settings to establish parity between Apprenticeships and other post-16 routes.

### **Management skills**

30. Nearly three quarters (70%) of the employers consulted for the study expect leadership and management skills to become more important to their business over the next three years.
31. Currently, a lack of finance, strategy and business management skills amongst smaller businesses is impacting upon growth. Difficulties are also reported in filling the skills gap between supervisor and manager, especially in the manufacturing sector and especially in relation to lean manufacturing and Six Sigma techniques.

### **Manufacturing and engineering**

32. Manufacturing and engineering employers in the LLEP area have highlighted a number of specific employment and skills issues. These include an ageing workforce, concerns over the industry relevance of equipment and software packages within skills providers, and a reduction in sewing machine and pattern cutting content within post-16 provision.
33. Perhaps most significantly, employers feel that an outdated and unduly narrow image of the sector is being conveyed to young people in schools and other skills providers. They would welcome a more up to date and holistic message about the full range of career opportunities to be disseminated to young people via Careers Information, Advice and Guidance sessions and other related activities.

# 1 INTRODUCTION

## Purpose of this report

- 1.1 This is the final report from the ‘Skills for the Future’ study undertaken on behalf of the Leicester and Leicestershire Enterprise Partnership (LLEP) in 2016.
- 1.2 The study was commissioned in order to:
- Gather comprehensive and reliable data on the changing patterns of employment within the LLEP area;
  - Obtain input from employers on their future skills needs.
- 1.3 It is intended that the findings in this report will feed into the refresh of the LLEP’s Strategic Economic Plan and the Leicester and Leicestershire Area Review of post-16 education and training institutions.
- 1.4 Thanks are owed to all of the employers that have contributed to this study. Members of the ‘Skills for the Future’ steering group are also thanked for their support and guidance.

## Methods

- 1.5 Summarised in Table 1.1, there have been three main strands to the ‘Skills for the Future’ study.

<b>Table 1.1: Study method</b>	
<b>Strand</b>	<b>Summary</b>
Economic modelling	<ul style="list-style-type: none"> <li>• Employment forecasts, by industry and occupation, have been developed for the LLEP area, to 2022 and 2030. An overview of the forecasting methodology is provided in this chapter.</li> </ul>
Primary research	<ul style="list-style-type: none"> <li>• One-to-one telephone consultations have been completed with 48 employers that have a base in the LLEP area. A breakdown by sector and district, plus an overview of the sampling approach, is provided at Appendix A.</li> <li>• An online survey was developed for businesses with a base in the LLEP area. The survey generated 113 returns. A profile of the respondents is provided at Appendix B.</li> </ul>
Secondary analysis	<ul style="list-style-type: none"> <li>• Analysis has been undertaken of relevant sections of the UK 2016 Employer Skills Survey and the 2014 Leicester and Leicestershire Business Survey.</li> </ul>

## An overview of the modelling approach

- 1.6 Chapters Two, Three and Five of the report present selected results of a bespoke forecasting exercise undertaken for the purposes of this study. This forecasting exercise has covered the following (note that all references to ‘employment’ also include self-employment):
- **Industry analysis (one, two and four-digit Standard Industrial Classification (SIC) codes):**
    - Employment volumes and change 2010-2015;
    - Employment projections 2015-2022;
    - Employment projections 2015-2030 (one digit SIC code only<sup>9</sup>).
  - **LLEP priority sector analysis (constructed using four-digit SIC codes):**
    - Employment volumes and change 2010-2015;
    - Employment projections 2015-2022;
    - Staffing patterns (occupations driving employment change in each priority sector).
  - **Occupation analysis (two, three and four-digit Standard Occupational Classification (SOC)):**
    - Employment volume and change 2010-2015;
    - Employment projections 2015-2022;
    - Employment concentration.
- 1.7 The forecasts have been produced using a range of Government data sources, combined with occupational and replacement demand modules, to form a multi-sectoral, regional macroeconomic model.
- 1.8 The model does not intend to prescribe exactly ‘how many’ and of ‘what type’ will be needed in the future, although it does indicate the anticipated direction of travel and provide an estimate of the scale of change. As with all forecasting models, the figures are susceptible to external factors such as changes in the economic climate and new policy initiatives that impact upon employment.

### ‘Policy off’

- 1.9 The forecasts generated by the model are referred to as ‘policy off’ forecasts. This means that whilst they account for the ebbs and flows of economic cycles, they do not include the likely employment effects of forthcoming major investments (e.g. in infrastructure) that the LLEP is confident will go ahead and which will have a demonstrable impact upon local employment.
- 1.10 Some such investments are planned in the LLEP area, the estimated employment effects of which are presented in Chapter Four. Owing to the fact that those employment effects are, at the time of writing, broad estimates, it is difficult to incorporate them formally within the model at this stage.

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<sup>9</sup> Projections beyond 2022 are less robust than the 2015-2022 figures and are such as presented at one-digit SIC level only.

## **Differences between local and national projections**

- 1.11 In most industries and occupations, both the historical employment trends and the forecast direction of travel (i.e. increases or reductions in employment) are the same in the LLEP area as they are nationally. However, the scale of the change (both in absolute and percentage terms) often differs, reflecting the composition and specialisations of the labour market in the LLEP area. The creation or closure of a significant factory or facility can also result in a large increase or reduction in local employment, whereas it will only limited consequence for the national figures.
- 1.12 However, there are examples where the 2015-2022 figures predict a different direction of travel locally to that which they predict nationally, despite the 2010-2015 trend being the same. One such example is Veterinary Activities (see Table 2.3), where a reduction in employment locally is forecast 2015 and 2022, despite strong growth in LLEP area employment between 2010 and 2015 and forecast growth nationally between 2015 and 2022.
- 1.13 In examples such as these, where the forecast directions of travel locally and nationally differ, the reason can usually be found in employment trends that are hidden within the composite 2010-2015 figures. This is true of Veterinary Activities, where there was large employment growth locally between 2010 and 2013, but a reduction between 2013 and 2015 (despite ongoing growth nationally). It is this reduction which has influenced the future projections.

## **Accompanying Documentation**

- 1.14 A complete set of results from the economic modelling exercise have been provided to the LLEP in Microsoft Excel format.

## **Brexit**

- 1.15 The full consequences for employment and economic development of Britain's vote to leave the European Union are not yet known. At this stage, no attempt has been made to adjust the forecasts for the effects of Brexit, but a re-run of the model may be required once the consequences become more clear.

## **The LLEP area in summary**

- 1.16 Table 1.2 (overleaf) provides a summary of key population, employment and skills statistics for the LLEP area.

**Table 1.2: The LLEP area in summary**

<p><b>Population</b></p> <p><small>Source: Mid-Year Population Estimates and Office for National Statistics</small></p>	<p><b>Total population:</b> 1.02m (2015)</p> <p><b>District breakdown:</b> Blaby (96,500), Charnwood (176,700), Harborough (83,900), Hinckley and Bosworth (108,800), Leicester (342,600), Melton (50,900), North West Leicestershire (97,200), Oadby and Wigston (55,800)</p> <p><b>Population projections:</b> between 2015 and 2025, the total population of the LLEP area is forecast to increase by 85,500 (+8.4%) to an estimated 1.1m.</p>
<p><b>Working Age Population (age 16-64)</b></p> <p><small>Source: Mid-Year Population Estimates and Office for National Statistics</small></p>	<p><b>Working age population:</b> 651,000 (2015)</p> <p><b>District breakdown:</b> Blaby (59,300), Charnwood (115,900), Harborough (54,200), Hinckley and Bosworth (66,800), Leicester (228,900), Melton (31,200), North West Leicestershire (60,500), Oadby and Wigston (34,300)</p> <p><b>Population projections:</b> between 2015 and 2025, the working age population of the LLEP area is forecast to increase by 21,500 (+3.3%) to an estimated 673,000.</p>
<p><b>Skills Levels</b></p> <p><small>Source: Annual Population Survey</small></p>	<p>In 2015, 32.5% of the working age population in the LLEP area were qualified to Level 4 or above, compared with 36.7% of the working age population nationally. A smaller skills deficit exists at Level 3: 56.1% of the LLEP working age population are qualified to at least Level 3 compared with 57.1% nationally.</p>
<p><b>Business Base</b></p> <p><small>Source: Inter Departmental Business Register</small></p>	<p><b>No. enterprises:</b> 37,860 (2015)</p> <p><b>No. business units (includes all sites of multi-site businesses):</b> 43,620 (2015)</p> <p><b>Proportion of enterprises that are SME:</b> 99.6%</p> <p><b>District breakdown of enterprises:</b> Blaby (3,955), Charnwood (5,965), Harborough (5,000), Hinckley and Bosworth (4,350), Leicester (10,340), Melton (2,445), North West Leicestershire (4,010), Oadby and Wigston (1,805)</p>
<p><b>Industry Sectors</b></p> <p><small>Source: Business Register and Employment Survey</small></p>	<p><b>Prominent sectors:</b> Manufacturing (12% of employment), Health and Social Care (11%), Education (11%), Logistics and Distribution (10%), Retail (10%), Administrative and Support Service Activities (8%).</p>
<p><b>Occupations</b></p> <p><small>Source: Annual Population Survey</small></p>	<p><b>Over-represented occupations<sup>10</sup>:</b> Process, Plant and Machine Operatives; Elementary Occupations.</p> <p><b>Under-represented occupations<sup>11</sup>:</b> Managers, Directors and Senior Officials; Professional Occupations; Associate Professional and Technical Occupations; Administrative and Secretarial Occupations; Caring, Leisure and Other Service Occupations.</p>
<p><b>Productivity</b></p> <p><small>Source: Office for National Statistics</small></p>	<p><b>Total Gross Value Added (GVA – wages and profits):</b> £2bn per annum (2015)</p> <p><b>Proportion of national GVA:</b> 2% (2015)</p> <p><b>Average GVA per head:</b> £21,900 compared with £23,050 nationally (2015).</p>

<sup>10</sup> At least 0.5 percentage points difference between the proportion of employment in the LLEP area and the proportion of employment nationally.

<sup>11</sup> As above.



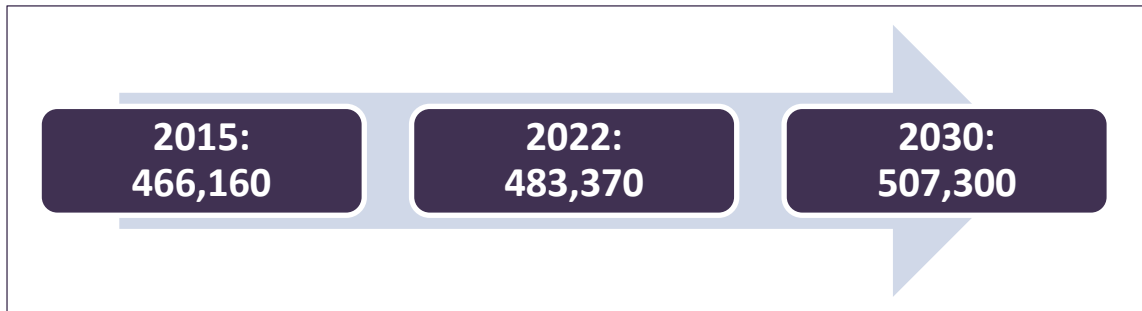
## 2 INDUSTRY PROJECTIONS

### One-digit SIC Code Projections

#### Expansion Demand

- 2.1 In 2015 there were 466,160 jobs in the LLEP area. By 2022, this is forecast to have risen to 483,370 – an increase of 3.7% against a forecast national increase of 4.8%. A further 4.9% increase is forecast to 2030, taking total employment in the LLEP area to 507,300 (Figure 2.1).

**Figure 2.1: Jobs in the LLEP area**



Source: York Consulting

- 2.2 As shown in Table 2.1, all but three of the 21 one-digit SIC code industries<sup>12</sup> (Manufacturing, Wholesale Trade (except Motor) and Agriculture) are forecast to increase in employment between 2015 and 2022. The largest employment increases in **absolute terms** are forecast in:
- Construction (+3,430 jobs);
  - Human Health and Social Work (+2,980 jobs);
  - Professional, Scientific and Technical Activities (+2,550 jobs);
  - Accommodation and Food Services (+2,450 jobs).
- 2.3 The largest employment increases in **proportionate terms** are forecast in the following sectors (in each case the LLEP forecast is larger, in proportionate terms, than the national forecast):
- Information and Communication (+19%);
  - Construction (+17%);
  - Mining and Quarrying (+11%);
  - Wholesale and Retail Trade and Repair of Motor Vehicles (+10%).

<sup>12</sup> There are, ordinarily, 19 one-digit SIC codes, although at the request of the LLEP, 'wholesale and retail trade; repair of motor vehicles and motorcycles' has been split into the following for the purposes of this study: 'wholesale and retail trade and repair of motor vehicles and motor cycles'; 'wholesale trade, except of motor vehicles and motorcycles'; and 'retail trade, except of motor vehicles and motorcycles'.

2.4 **Reductions** in employment are forecast in:

- Manufacturing (-4,960 jobs; -9%);
- Wholesale Trade (except Motor) (-510 jobs; -2%);
- Agriculture (-340 jobs; -8%).

**Replacement Demand**

2.5 In addition to new jobs or ‘expansion demand’, there will also be a requirement in all sectors to fill vacancies arising through replacement demand. The definition of replacement demand used in this study is based on that used in *Working Futures*<sup>13</sup> and includes:

- People leaving the workforce due to retirement;
- People leaving the workforce due to mortality.

2.6 Due to sample size limitations within national datasets, the definition does not include occupational mobility, i.e. people changing occupations but remaining in the workforce.

2.7 Using the above definition, replacement demand will equate to an estimated 134,700 vacancies in the LLEP area between 2015 and 2022 (Table 2.1).

2.8 Replacement demand is expected to be highest in:

- Manufacturing (16,300 vacancies);
- Human Health and Social Work (14,770);
- Education (14,680);
- Retail Trade (except Motor) (12,950).

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<sup>13</sup>

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/513801/Working\\_Futures\\_final\\_evidence\\_report.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/513801/Working_Futures_final_evidence_report.pdf)

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**Skills for the Future in Leicester and Leicestershire**

<b>Table 2.1: Expansion and replacement demand in the LLEP area at one-digit SIC level</b>								
<b>One-digit SIC</b>	<b>2015 jobs</b>	<b>2022 forecast</b>	<b>Expansion Demand (2015-2022)</b>			<b>Replacement Demand (2015-2022)</b>	<b>Expansion Demand (2015-2030)</b>	
			<b>2015-2022 change (no.)</b>	<b>2015-2022 change (%)</b>	<b>2015-2022 change GB (%)</b>	<b>2015-2022 change (no.)</b>	<b>2015-2030 change (no.)</b>	<b>2015-2030 change (%)</b>
Agriculture, Forestry and Fishing	4,370	4,030	(340)	(8%)	(4%)	1,260	(770)	(18%)
Mining and Quarrying	2,400	2,660	260	11%	(3%)	690	280	12%
Manufacturing	56,400	51,440	(4,960)	(9%)	(6%)	16,300	(9,180)	(16%)
Electricity, Gas, Steam and Air Conditioning Supply	7,130	7,670	540	8%	7%	2,060	1,120	16%
Water Supply; Sewerage, Waste Management and Remediation Activities	2,310	2,390	80	3%	7%	670	220	10%
Construction	19,940	23,370	3,430	17%	14%	5,760	6,550	33%
Wholesale and Retail Trade and Repair of Motor Vehicles and Motorcycles	11,420	12,560	1,140	10%	3%	3,300	1,590	14%
Wholesale Trade, Except of Motor Vehicles and Motorcycles	22,800	22,290	(510)	(2%)	3%	6,590	280	1%
Retail Trade, Except of Motor Vehicles and Motorcycles	44,800	46,580	1,780	4%	3%	12,950	3,440	8%
Transportation and Storage	27,520	28,590	1,070	4%	7%	7,950	2,790	10%
Accommodation and Food Service Activities	27,950	30,400	2,450	9%	9%	8,080	6,180	22%
Information and Communication	9,860	11,720	1,860	19%	9%	2,850	3,480	35%
Financial and Insurance Activities	9,460	9,890	430	5%	7%	2,730	910	10%
Real Estate Activities	5,330	5,350	20	0%	6%	1,540	50	1%
Professional, Scientific and Technical Activities	37,320	39,870	2,550	7%	9%	10,790	5,460	15%
Administrative and Support Service Activities*	39,150	40,440	1,290	3%	6%	11,310	3,420	9%
Public Administration and Defence; Compulsory Social Security	18,800	20,290	1,490	8%	(1%)	5,430	3,750	20%

**Skills for the Future in Leicester and Leicestershire**

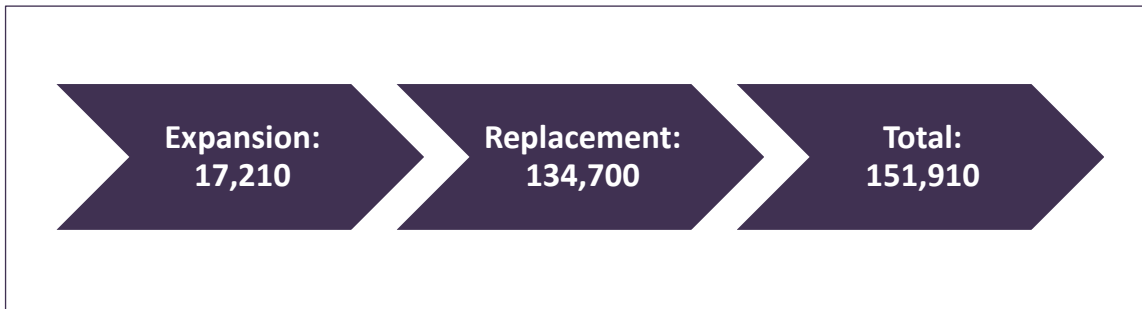
<b>Table 2.1: Expansion and replacement demand in the LLEP area at one-digit SIC level</b>								
Education	50,800	51,920	1,120	2%	(1%)	14,680	4,050	8%
Human Health and Social Work Activities	51,120	54,100	2,980	6%	8%	14,770	6,710	13%
Arts, Entertainment and Recreation	9,830	9,820	(10)	0%	5%	2,840	(40)	<1%
Other Service Activities	7,450	7,990	540	7%	6%	2,150	870	12%
<b>Total</b>	<b>466,160</b>	<b>483,370</b>	<b>17,210</b>	<b>4%</b>	<b>5%</b>	<b>134,700</b>	<b>41,160</b>	<b>9%</b>

Source: York Consulting

### Expansion and Replacement Demand in Summary

2.9 The total jobs requirement (expansion and replacement demand combined) for the LLEP area between 2015 and 2022 is 151,910 (Figure 2.2).

**Figure 2.2: Jobs to be filled between 2015 and 2022 in the LLEP area (all sectors)**



Source: York Consulting

2.10 Working on a pro rata basis, this is an average of 21,700 jobs per year. The vast majority (89%) of the total jobs requirement is accounted for by replacement demand; an average of 19,250 jobs per year<sup>14</sup>.

2.11 The total number of jobs to be filled in each sector, when expressed as a proportion of the current workforce, ranges from 20% in Agriculture, Forestry and Fishing, to 47% in Construction and Information and Communication.

2.12 Table 2.2 summarises the expansion, replacement and total demand for all industries at one-digit SIC code level.

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<sup>14</sup> The economic model used to generate the forecasts on this study provides an estimate of replacement demand at the level of individual occupations (Chapter 5). It is less straightforward within the model to do so at the level of individual sectors and, as such, a cross-sector average of 28.9% has been applied. This is calculated by dividing the total forecast replacement demand across the LLEP area between 2015 and 2022 by the total number of people in employment in the LLEP area in 2015.

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Table 2.2: Expansion and replacement demand in summary (one-digit SIC)				
One-digit SIC	2015-2022 Expansion Demand	2015-2022 Replacement Demand	2015-2022 Total Requirement	Total requirement as % of 2015 workforce
Agriculture, Forestry and Fishing	(340)	1,260	920	21%
Mining and Quarrying	260	690	950	40%
Manufacturing	(4,960)	16,300	11,340	20%
Electricity, Gas, Steam and Air Conditioning Supply	540	2,060	2,600	36%
Water Supply; Sewerage, Waste Management and Remediation Activities	80	670	750	32%
Construction	3,430	5,760	9,190	46%
Wholesale and Retail Trade and Repair of Motor Vehicles and Motorcycles	1,140	3,300	4,440	39%
Wholesale Trade, Except of Motor Vehicles and Motorcycles	(510)	6,590	6,080	27%
Retail Trade, Except of Motor Vehicles and Motorcycles	1,780	12,950	14,730	33%
Transportation and Storage	1,070	7,950	9,020	33%
Accommodation and Food Service Activities	2,450	8,080	10,530	38%
Information and Communication	1,860	2,850	4,710	48%
Financial and Insurance Activities	430	2,730	3,160	33%
Real Estate Activities	20	1,540	1,560	29%
Professional, Scientific and Technical Activities	2,550	10,790	13,340	36%
Administrative and Support Service Activities*	1,290	11,310	12,600	32%
Public Administration and Defence; Compulsory Social Security	1,490	5,430	6,920	37%
Education	1,120	14,680	15,800	31%
Human Health and Social Work Activities	2,980	14,770	17,750	35%
Arts, Entertainment and Recreation	(10)	2,840	2,830	29%
Other Service Activities	540	2,150	2,690	36%
<b>Total</b>	<b>17,210</b>	<b>134,700</b>	<b>151,910</b>	<b>33%</b>

Source: York Consulting

## What is driving the forecast growth/contraction?

2.13 In absolute terms, the largest employment increases in the LLEP area are forecast in Construction, Human Health and Social Work, Professional, Scientific and Technical Activities, and Accommodation and Food Services.

2.14 Table 2.3 shows the sub-industries, at two and four-digit SIC code level, within each of these sectors. It shows that:

- **Construction:** the employment increase is expected to occur primarily in Specialised Construction Activities and, within that, in Electrical Installation, Other Construction Installation and Joinery Installation.
- **Human Health and Social Work:** Human Health Activities and Social Work Activities will be the main drivers of growth. At the four-digit SIC level, Hospital Activities and Social Work for the Elderly and Disabled are expected to show the largest increases.
- **Professional, Scientific and Technical:** Activities of head offices, Engineering Activities and Related Technical Consultancy, and Specialised Design Activities are expected to make notable contributions to the growth in this sector.
- **Accommodation and Food Services:** growth in this sector is forecast to be driven exclusively by activities within the Food and Beverage Service two-digit SIC code, and with that, by Restaurants and Mobile Food Service Activities, where an additional 2,400 jobs are forecast between 2015 and 2022.

2.15 Note that abbreviation 'n.e.c.' stands for 'not elsewhere classified'

**Skills for the Future in Leicester and Leicestershire**

<b>Table 2.3: Industries in the LLEP area with the largest forecast employment increases (2015-2022)</b>				
<b>One-digit SIC</b>	<b>Two-digit Sub-industries</b>	<b>2015-2022 Expansion Demand</b>	<b>Four-digit Sub-Industries</b>	<b>2015-2022 Expansion Demand</b>
<b>Construction</b>	Construction of Buildings	+160	Development of Building Projects	(20)
			Construction of Residential and Non-Residential Buildings	+180
	Civil Engineering	(210)	Construction of roads and motorways	(160)
			Construction of railways and underground railways	+10
			Construction of bridges and tunnels	0
			Construction of utility projects for fluids	10
			Construction of other civil engineering projects n.e.c.	(70)
			Demolition	(20)
	Specialised Construction Activities	+3,480	Site preparation	(50)
			Electrical installation	+760
			Plumbing, heat and air-conditioning installation	(90)
			Other construction installation	+890
			Plastering	+80
			Joinery installation	+600
			Floor and wall covering	+260
			Painting and glazing	+260
			Other building completion and finishing	+360
			Roofing activities	+130
			Other specialised construction activities n.e.c.	+300
<b>Human Health and Social Work</b>	Human Health Activities	+1,440	Hospital activities	+2,040
			General medical practice activities	(270)
			Specialist medical practice activities	(30)
			Dental practice activities	(80)
			Other human health activities	(220)
	Residential Care Activities	+460	Residential nursing care activities	+220
			Residential care activities for learning disabilities, mental	(120)



**Skills for the Future in Leicester and Leicestershire**

**Table 2.3: Industries in the LLEP area with the largest forecast employment increases (2015-2022)**

			health and substance abuse	
			Residential care activities for the elderly and disabled	+210
			Other residential care activities	+160
	Social Work Activities without Accommodation	+1,080	Social work activities without accommodation for the elderly and disabled	+810
			Child day-care activities	+380
			Other social work activities without accommodation n.e.c.	(110)
<b>Professional, Scientific and Technical Activities</b>	Legal and Accounting Activities	+200	Legal activities	(80)
			Accounting, bookkeeping and auditing activities; tax consultancy	+280
	Activities of head offices; management consultancy activities	+900	Activities of head offices	+530
			Public relations and communication activities	+20
			Business and other management consultancy activities	+350
	Architectural and engineering activities; technical testing and analysis	+400	Architectural activities	+140
			Engineering activities and related technical consultancy	+390
			Technical testing and analysis	(130)
	Scientific Research and Development	(120)	Other research and experimental development on natural sciences and engineering	(110)
			Research and experimental development on social sciences and humanities	(20)
	Advertising and Market Research	+260	Advertising agencies	+160
			Media representation	+30
			Market research and public opinion polling	+60
	Other professional, scientific and technical activities	+930	Specialised design activities	+420
		Other professional, scientific and technical activities n.e.c.	+520	
Veterinary Activities	(10)	Veterinary Activities	(10)	
<b>Accommodation and Food Services</b>	Accommodation	(240)	Hotels and similar accommodation	(230)
			Holiday and other short-stay accommodation	0
			Camping grounds, recreational vehicle parks and trailer parks	(5)

**Skills for the Future in Leicester and Leicestershire**

**Table 2.3: Industries in the LLEP area with the largest forecast employment increases (2015-2022)**

			Other accommodation	(10)
			Restaurants and mobile food service activities	+2,400
	Food and Beverage Service Activities	+2,690	Event catering activities	(110)
			Other food service activities	+710
			Beverage serving activities	(320)

Source: York Consulting

2.16 Between 2015 and 2022, employment reductions in the LLEP area are forecast to occur in three sectors: Manufacturing, Wholesale Trade (except Motor), and Agriculture. Breakdowns of those sectors are provided in Table 2.4. In analysing that table, it is important to note the following:

- Due to the large number of sub-industries within Manufacturing, the breakdown in Table 2.4 is provided at two SIC code level only. Four-digit details are available in the forecasting spreadsheet which accompanies this report.
- Again in the interests of brevity and readability, the table shows the five sub-industries (four digit SIC code) within Wholesale Trade (except Motor) that have the largest forecast reductions in employment. The full (and considerably longer) list of sub-industries is available within the aforementioned spreadsheet.

2.17 Key messages emerging from Table 2.4 include:

- **Manufacturing:** across the vast majority of two-digit SIC codes within Manufacturing, employment reductions are forecast. The largest of these are forecast in Manufacture of Wearing Apparel (-1,330 jobs) and Manufacture of Fabricated Metal (-880 jobs). However, it is important to note here that sector experts and local stakeholders consulted for this work do not foresee a reduction in employment in the textile manufacturing sector on such a significant scale as that predicted through the modelling exercise. Rather, they remain confident about the sector's growth prospects.
- **Wholesale Trade (except Motor):** a series of relatively small reductions at the four-digit level to combine to give the overall reduction of 500 jobs.
- **Agriculture, Forestry and Fishing:** it is the 'Growing of Crops, Market Gardening, Horticulture; Farming of Animals' four-digit sub-industry which is expected to account for the majority of the overall reduction.

**Skills for the Future in Leicester and Leicestershire**

**Table 2.4: Industries in the LLEP area with the largest forecast employment decreases (2015-2022)**

One-digit SIC	Two-digit Sub-industries	2015-2022 Expansion Demand	Four-digit Sub-Industries	2015-2022 Expansion Demand
<b>Manufacturing</b>	Manufacture of food products	(240)	-	-
	Manufacture of beverages	+60		
	Manufacture of tobacco products	(20)		
	Manufacture of textiles	(690)		
	Manufacture of wearing apparel	(1,330)		
	Manufacture of leather and related products	(30)		
	Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	80		
	Manufacture of paper and paper products	(260)		
	Printing and reproduction of recorded media	(130)		
	Manufacture of coke and refined petroleum products	0		
	Manufacture of chemicals and chemical products	(60)		
	Manufacture of basic pharmaceutical products and pharmaceutical preparations	(130)		
	Manufacture of rubber and plastic products	(100)		
	Manufacture of other non-metallic mineral products	(60)		
	Manufacture of basic metals	(30)		
	Manufacture of fabricated metal products, except machinery and equipment	(880)		
	Manufacture of computer, electronic and optical products	(340)		
Manufacture of electrical equipment	(50)			

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**Table 2.4: Industries in the LLEP area with the largest forecast employment decreases (2015-2022)**

	Manufacture of machinery and equipment n.e.c.	(480)		
	Manufacture of motor vehicles, trailers and semi-trailers	(140)		
	Manufacture of other transport equipment	60		
	Manufacture of furniture	230		
	Other manufacturing	(130)		
	Repair and installation of machinery and equipment	(310)		
<b>Wholesale Trade except of Motor Vehicles and Motorcycles</b>	Wholesale Trade except of Motor Vehicles and Motorcycles	(510)	Wholesale of other machinery and equipment	(130)
			Wholesale of clothing and footwear	(130)
			Wholesale of other household goods	(75)
			Wholesale of fruit and vegetables	(75)
			Wholesale of textiles	(70)
<b>Agriculture, Forestry and Fishing</b>	Crop and animal production, hunting and related service activities	(320)	Growing of crops, market gardening, horticulture; farming of animals	(240)
			Support activities for crop production	(30)
			Support activities for animal production	(50)
			Post-harvest crop activities	0
			Support activities for animal production	(50)
			Post-harvest crop activities	0
	Forestry and logging	(20)	Silviculture and other forestry activities	(20)
			Logging	0
			Gathering of wild growing non-wood products	0
			Support services to forestry	0

Source: York Consulting

## Sub-Industries with Largest Job Changes 2015-2022

2.18 The previous sub-section looked at the drivers of growth/contraction within those industries that are forecast to show the greatest absolute change in employment between 2015 and 2022.

2.19 This sub-section looks at the sub-industries (at the four-digit SIC level) that are forecast to show the greatest change over that period, *regardless of the high level industry to which they belong*. Table 2.5 covers employment increases and Table 2.6 covers employment decreases.

2.20 Predictably there is some overlap between this and the previous sub-section, but there are also several sub-industries whose reasonably large increases or decreases would otherwise be hidden within a more modest change at headline industry level. For example:

- **Increases:**

- The forecast increase of +1,360 jobs in Warehousing and Storage equates to 11% employment growth. This compared with growth of 4% for the Transportation and Storage sector as a whole.
- Expansion demand of +1,000 jobs is forecast in Tertiary Education. This is an increase of 7% compared with a forecast increase of 2% for the Education sector as a whole.
- Expansion demand of +810 jobs in Social Work (without accommodation) for the Elderly and Disabled is an increase of 12% compared with a forecast increase of 6% for the full Human Health and Social Work sector.

- **Decreases:**

- The forecast reduction of 390 jobs in Post-Secondary Tertiary Education represents a -42% change compared with a 2% increase for the Education sector as a whole.
- The forecast reduction of 310 jobs (-5%) in Beverage Serving Activities contrasts sharply with 9% growth in the Accommodation and Food Service sector overall.

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Table 2.5: Sub-industries in the LLEP area with the largest forecast employment increases (2015-2022)						
Four-digit SIC	Description	2015 Jobs	2022 Jobs	2015-2022 Change (No.)	2015-2022 Change (%)	2015-2022 Change (%) GB
5610	Restaurants and mobile food service activities	13,440	15,850	2,410	18%	14%
8610	Hospital activities	20,480	22,530	2,050	10%	9%
8400	Public administration and defence; compulsory social security	18,800	20,290	1,490	8%	(1%)
5210	Warehousing and storage	12,160	13,520	1,360	11%	13%
7820	Temporary employment agency activities	17,830	19,060	1,230	7%	8%
8542	Tertiary education	14,190	15,190	1,000	7%	(1%)
4520	Maintenance and repair of motor vehicles	5,450	6,350	900	17%	2%
4329	Other construction installation	2,180	3,070	890	41%	25%
8810	Social work activities without accommodation for the elderly and disabled	6,870	7,680	810	12%	10%
4321	Electrical installation	3,340	4,110	770	23%	17%
5629	Other food service activities	2,190	2,900	710	32%	31%
4332	Joinery installation	1,790	2,400	610	34%	15%
6600	Activities auxiliary to financial services and insurance activities	4,060	4,630	570	14%	11%
6202	Computer consultancy activities	3,760	4,300	540	14%	12%
3522	Distribution of gaseous fuels through mains	5,300	5,830	530	10%	4%
9499	Activities of other membership organisations n.e.c.	1,720	2,250	530	31%	15%
7010	Activities of head offices	9,850	10,370	520	5%	8%
7490	Other professional, scientific and technical activities n.e.c.	2,120	2,640	520	25%	13%
4711	Retail sale in non-specialised stores with food, beverages or tobacco predominating	16,310	16,820	510	3%	3%
6311	Data processing, hosting and related activities	970	1,480	510	53%	19%

Source: York Consulting

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Table 2.6: Sub-industries in the LLEP area with the largest forecast employment decreases (2015-2022)						
Four-digit SIC	Description	2015 Jobs	2022 Jobs	2015-2022 Change (No.)	2015-2022 Change (%)	2015-2022 Change (%) GB
4941	Freight transport by road	4,260	3,780	(480)	(11%)	+/- 0%
1419	Manufacture of other wearing apparel and accessories	1,080	610	(470)	(44%)	(27%)
8299	Other business support service activities n.e.c.	3,600	3,190	(410)	(11%)	4%
1330	Finishing of textiles	930	530	(400)	(43%)	(19%)
8541	Post-secondary non-tertiary education	960	570	(390)	(41%)	(29%)
2562	Machining	2,310	1,930	(380)	(16%)	(8%)
5630	Manufacture of other outerwear	2,000	1,630	(370)	(19%)	(14%)
8621	Beverage serving activities	6,550	6,240	(310)	(5%)	7%
6820	Renting and operating of own or leased real estate	2,570	2,300	(270)	(11%)	6%
01A0	General medical practice activities	2,570	2,300	(270)	(11%)	8%
5510	Growing of crops, market gardening, horticulture; Farming of animals	4,080	3,840	(240)	(6%)	(4%)
8690	Hotels and similar accommodation	3,390	3,160	(230)	(7%)	2%
2892	Manufacture of machinery for mining, quarrying and construction	1,950	1,740	(210)	(11%)	2%
1439	Other human health activities	2,350	2,140	(210)	(9%)	11%
1072	Manufacture of rusks and biscuits; manufacture of preserved pastry goods and cakes	600	410	(190)	(32%)	(10%)
3312	Manufacture of other knitted and crocheted apparel	360	170	(190)	(53%)	(31%)
9602	Repair of machinery	830	650	(180)	(22%)	7%
9609	Processing and preserving of potatoes	720	550	(170)	(24%)	(10%)
1413	Hairdressing and other beauty treatment	1,280	1,110	(170)	(13%)	11%

Source: York Consulting



## **Skills Gaps, Skills Shortages and Training**

- 2.21 It is of note that some of the sectors with the highest forecast levels of expansion and/or replacement demand in the LLEP area also have above average levels of skills gaps and/or skills shortages (Table 2.7). Examples include Education, Manufacturing and Transportation and Storage. In Manufacturing and Construction, amongst other sectors, LLEP employers are also less likely than average to provide training for their workforce.

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Table 2.7: Skills gaps, shortages and training in the LLEP area by sector

Industry (SIC1)	Expansion demand to 2022	Replacement demand to 2022	Total demand	Skills gaps	Skills shortage	Training
Human health and social work activities	2,980	14,770	17,750			
Education	1,120	14,680	15,800			
Retail trade, except of motor vehicles and motorcycles	1,780	12,950	14,730			
Professional, scientific and technical activities	2,550	10,790	13,340	-	-	-
Administrative and support service activities	1,290	11,310	12,600			
Manufacturing	(4,960)	16,300	11,340			
Accommodation and food service activities	2,450	8,080	10,530			
Construction	3,430	5,760	9,190			
Transportation and storage	1,070	7,950	9,020			
Public administration and defence; compulsory social security	1,490	5,430	6,920	-	-	-
Wholesale trade, except of motor vehicles and motorcycles	(510)	6,590	6,080			
Information and communication	1,860	2,850	4,710	-	-	-
Wholesale and retail trade and repair of motor vehicles and motorcycles	1,140	3,300	4,440			
Financial and insurance activities	430	2,730	3,160			
Arts, entertainment and recreation	(10)	2,840	2,830			
Other service activities	540	2,150	2,690	-	-	-
Electricity, gas, steam and air conditioning supply	540	2,060	2,600	-	-	-
Real estate activities	20	1,540	1,560	-	-	-
Mining and quarrying	260	690	950	-	-	-
Agriculture, forestry and fishing	(340)	1,260	920			
Water supply; sewerage, waste management and remediation activities	80	670	750	-	-	-
<b>Total</b>	<b>17,210</b>	<b>134,700</b>	<b>151,910</b>			

Source: York Consulting and UK Employer Skills Survey

	Above national average		Below national average	-	Data not available
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Note that for 'Training', the green and amber keys are reversed. For example, in the case of Human health and social work activities, the proportion of Leicestershire employers that have provided training for their staff in the past 12 months is above the national average.

### 3 PROJECTIONS FOR THE LLEP PRIORITY SECTORS

#### Introduction

- 3.1 The LLEP has eight priority sectors. These sectors currently account for 182,040 jobs; 39% of all jobs in the LLEP area. In employment terms, Logistics and Distribution is the largest of the priority sectors (Table 3.1).

	<b>Jobs</b>	<b>% of LLEP Total Jobs</b>
Logistics and Distribution	46,390	10.0%
Professional and Financial Services	40,530	8.7%
Tourism and Hospitality	33,730	7.2%
Advanced Manufacturing and Engineering	24,230	5.2%
Creative Industries	11,690	2.5%
Food and Drink Manufacturing	11,290	2.4%
Energy	8,100	1.7%
Textile Manufacturing	6,080	1.3%
<b>Total</b>	<b>182,040</b>	<b>39%</b>

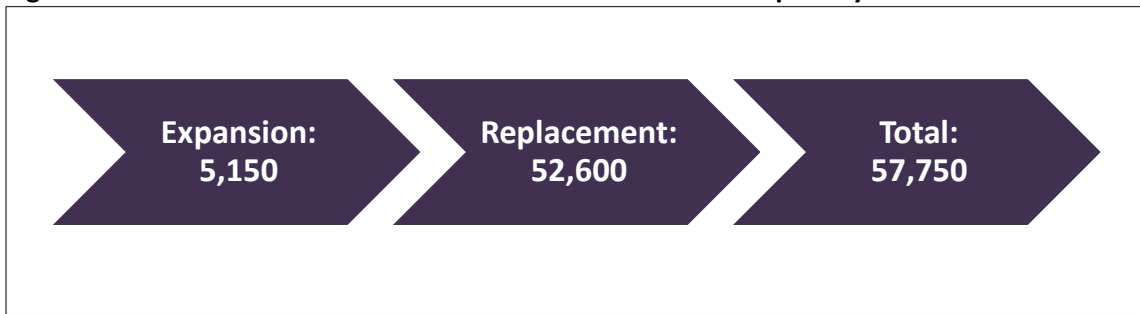
Source: Business Register and Employment Survey

- 3.2 The LLEP's priority sectors are defined by combinations of four-digit SIC codes (Appendix C). Note that the LLEP officially states Low Carbon, and not Energy, as a priority sector. However, defining the Low Carbon sector accurately through SIC codes remains challenging and Energy has therefore been used as a (more tangible) substitute for the purposes of this report.

#### Employment Projections for the Priority Sectors

- 3.3 The total jobs requirement in the LLEP's priority sectors is expected to exceed 57,000 between 2015 and 2022 (Figure 3.1). This equates to 38% of the total growth in the LLEP area which is forecast over that period.

**Figure 3.1: Jobs to be filled between 2015 and 2022 in the LLEP priority sectors**



Source: York Consulting

- 3.4 Expansion demand amongst the LLEP priority sectors is expected to be driven largely by Professional and Financial Services (+3,450 jobs) and Tourism and Hospitality (+2,600 jobs). These two sectors combined account for 84% of all expansion demand within the priority sectors between 2015 and 2022.
- 3.5 Despite a relatively static (policy off) position in terms of jobs growth, Logistics and Distribution is expected to have a high demand for labour due to a considerable level of replacement demand (Table 3.2).

Textile Manufacturing is the only sector showing a forecast decrease in employment when both expansion and replacement demand are factored in. However, it is important to note that sector experts and local stakeholders consulted for this work do not foresee a reduction in employment on such a significant scale

**Table 3.2: Jobs demand in the LLEP priority sectors 2015 to 2022**

Priority Sector	Expansion Demand to 2022	Replacement Demand to 2022	Total Demand
Professional and Financial Services	3,450	11,700	15,150
Logistics & Distribution	650	13,400	14,050
Tourism and Hospitality	2,600	9,700	12,300
Engineering and Advanced Manufacturing	(1,170)	7,000	5,830
Creative Industries	1,380	3,400	4,780
Food and Drink Manufacturing	(180)	3,300	3,120
Energy	470	2,350	2,820
Textile Manufacturing	(2,050)	1,750	(300)
<b>Total</b>	<b>5,150</b>	<b>52,600</b>	<b>57,750</b>

Source: York Consulting

## Creative Industries

- 3.6 The Creative Industries priority sector in the LLEP area comprises 31 four-digit SIC codes. The largest of these are:
- Computer Consultancy Activities (3,750 jobs);
  - Specialised Design Activities (1,550 jobs);
  - Architectural Activities (1,500 jobs).
- 3.7 A full breakdown of employment in the sector can be found in the accompanying spreadsheet. The expected growth for all 31 sub-industries combined is expected to be 12% (+1,380 jobs) between 2015 and 2022.
- 3.8 The three largest occupations in the Creative Industries sector in the LLEP area, all of which typically require higher level qualifications, are:
- Programmers and Software Development Professionals (1,080 jobs);
  - Information Technology and Telecommunications Professionals n.e.c. (710 jobs);
  - Graphic Designers (490 jobs).
- 3.9 Table 3.3 shows the 2015 and 2022 forecast employment levels across *the largest 25 four-digit occupations* in the Creative Industries based on number of employees in 2015. Key points include:
- The largest increase in absolute terms is expected to occur in Programmers and Software Development Professionals (+200 jobs), which is already the largest occupation within the sector.
  - Net employment growth of 120 jobs is expected in Information Technology and Telecommunications Professionals n.e.c.
  - The largest proportionate increase is expected in Product, Clothing and Related Designers (+29%). Although not listed in the table by virtue of it not being amongst the 25 largest occupations, the greatest proportionate decrease is forecast in Library Clerks and Assistants (-26%) – a reduction of approximately 60 jobs.

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<b>Table 3.3: Employment projections in the Creative Industries</b>						
<b>SOC</b>	<b>Description</b>	<b>2015 Jobs</b>	<b>2022 Jobs</b>	<b>2015-2022 Change (No.)</b>	<b>2015-2022 Change (%)</b>	<b>2015-2022 Change (%) GB</b>
2136	Programmers and software development professionals	1,080	1,280	200	19%	13%
2139	Information technology and telecommunications professionals n.e.c.	710	830	120	17%	12%
3421	Graphic designers	490	610	120	24%	12%
3545	Sales accounts and business development managers	450	520	70	16%	12%
2431	Architects	450	500	50	11%	5%
2133	IT specialist managers	400	450	50	13%	12%
1136	Information technology and telecommunications directors	330	370	40	12%	11%
2135	IT business analysts, architects and systems designers	300	360	60	20%	12%
3422	Product, clothing and related designers	280	360	80	29%	17%
1132	Marketing and sales directors	270	320	50	19%	11%
4159	Other administrative occupations n.e.c.	270	300	30	11%	9%
2134	IT project and programme managers	250	280	30	12%	11%
3132	IT user support technicians	230	270	40	17%	13%
1259	Managers and proprietors in other services n.e.c.	220	250	30	14%	7%
3131	IT operations technicians	200	230	30	15%	12%
3543	Marketing associate professionals	190	230	40	21%	10%
3121	Architectural and town planning technicians	200	220	20	10%	4%
2137	Web design and development professionals	150	180	30	20%	12%
4122	Book-keepers, payroll managers and wages clerks	160	180	20	13%	9%
3417	Photographers, audio-visual and broadcasting equipment operators	180	180	0	0%	5%
2432	Town planning officers	150	170	20	13%	5%
2424	Business and financial project management professionals	140	160	20	14%	10%
2473	Advertising accounts managers and creative directors	120	140	20	17%	9%
3542	Business sales executives	120	140	20	17%	12%
4215	Personal assistants and other secretaries	130	140	0	8%	7%

Source: York Consulting

## Engineering and Advanced Manufacturing

3.10 The Engineering and Advanced Manufacturing sector comprises 82 four-digit SIC codes. The largest of these are:

- Engineering Activities and Related Technical Consultancy (6,250 jobs);
- Other Research and Experimental Development on Natural Sciences and Engineering (2,000 jobs);
- Manufacture of Machinery for Mining, Quarrying and Construction (825 jobs).

3.11 A full breakdown of employment in the sector can be found in the accompanying spreadsheet. Collectively, the 82 sub-industries are forecast to show a net decline of 1,170 jobs (-5%) between 2015 and 2022. Over the same period nationally, a smaller reduction of -2% is forecast.

3.12 Table 3.4 shows the 2015 and 2022 forecast employment levels across *the largest 25 four-digit occupations* in Engineering and Advanced Manufacturing based on the number of employees in 2015. Key points include:

- Very few occupations have a forecast increase in employment and, where they do, the increases are very small (no more than +15 jobs).
- The largest reductions in absolute terms are forecast to be in Metal Working Production and Maintenance Fitters (-90 jobs), Production Managers and Directors in Manufacturing (-50 jobs) Sales Accounts and Business Development Managers (-50 jobs) and Electricians and Electrical Fitters (-50 jobs).
- The largest proportionate reductions are expected in Welding Trades (-13%), Electrical and electronic trades n.e.c. (-12%) and Metal Working Production and Maintenance Fitters (-11%).

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<b>Table 3.4: Employment projections in Engineering and Advanced Manufacturing</b>						
<b>SOC</b>	<b>Description</b>	<b>2015 Jobs</b>	<b>2022 Jobs</b>	<b>2015-2022 Change (No.)</b>	<b>2015-2022 Change (%)</b>	<b>2015-2022 Change (%) GB</b>
1121	Production managers and directors in manufacturing	1,210	1,160	(50)	(4%)	(1%)
2126	Design and development engineers	1,120	1,140	20	2%	1%
5223	Metal working production and maintenance fitters	820	730	(90)	(11%)	1%
3545	Sales accounts and business development managers	740	690	(50)	(7%)	(5%)
2122	Mechanical engineers	560	570	10	2%	1%
4159	Other administrative occupations n.e.c.	590	560	(30)	(5%)	(3%)
2129	Engineering professionals n.e.c.	530	520	(10)	(2%)	(1%)
5241	Electricians and electrical fitters	540	490	(50)	(9%)	(5%)
3113	Engineering technicians	450	440	(10)	(2%)	(1%)
9260	Elementary storage occupations	450	410	(40)	(9%)	(6%)
4122	Book-keepers, payroll managers and wages clerks	420	400	(20)	(5%)	(4%)
8133	Routine inspectors and testers	360	350	(10)	(3%)	(2%)
5221	Metal machining setters and setter-operators	350	340	(10)	(3%)	(1%)
8125	Metal working machine operatives	350	340	(10)	(3%)	0%
2136	Programmers and software development professionals	330	320	(10)	(3%)	(3%)
2424	Business and financial project management professionals	310	310	0	0%	(2%)
8131	Assemblers (electrical and electronic products)	340	310	(30)	(9%)	(5%)
2121	Civil engineers	310	300	(10)	(3%)	(2%)
2112	Biological scientists and biochemists	320	300	(20)	(6%)	4%
2434	Chartered surveyors	280	300	20	7%	1%
5249	Electrical and electronic trades n.e.c.	330	290	(40)	(12%)	(4%)
2127	Production and process engineers	280	290	10	4%	(1%)
3542	Business sales executives	290	270	(20)	(7%)	(3%)
8132	Assemblers (vehicles and metal goods)	280	270	(10)	(4%)	(1%)
5215	Welding trades	300	260	(40)	(13%)	2%

Source: York Consulting



## Food and Drink Manufacturing

3.13 The Food and Drink Manufacturing sector comprises 32 four-digit SIC codes. The largest of these are:

- Manufacture of Other Food Products n.e.c. (2,520 jobs);
- Production of Meat and Poultry Meat Products (2,360 jobs);
- Manufacture of Prepared Meals and Dishes (1,420 jobs)

3.14 A full breakdown of employment in the sector can be found in the accompanying spreadsheet. Collectively, the 32 industries are forecast to show a net decline of 180 jobs (-2%) between 2015 and 2022. Over the same period nationally, a larger reduction of -5% is forecast.

3.15 Table 3.5 shows the 2015 and 2022 forecast employment levels across *the largest 25 four-digit occupations* in Food and Drink Manufacturing based on the number of employees in 2015. Key points include:

- Whilst most occupations are forecast to reduce in employment terms, the reductions are generally small. None of the 25 largest occupations, nor any of the other occupations in the industry, are expected to show a net reduction of more than 30 jobs.
- The only occupation forecast to increase by more than 10 jobs is Food, Drink and Tobacco Process Operatives.

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<b>Table 3.5: Employment projections in Food and Drink Manufacturing</b>						
<b>SOC</b>	<b>Description</b>	<b>2015 Jobs</b>	<b>2022 Jobs</b>	<b>2015-2022 Change (No.)</b>	<b>2015-2022 Change (%)</b>	<b>2015-2022 Change (%) GB</b>
8111	Food, drink and tobacco process operatives	3,690	3740	50	1%	(3%)
9134	Packers, bottlers, canners and fillers	1,420	1420	0	0%	(4%)
1121	Production managers and directors in manufacturing	550	520	(30)	(5%)	(4%)
9260	Elementary storage occupations	450	440	(10)	(2%)	(7%)
9132	Industrial cleaning process occupations	280	280	0	0%	(5%)
9272	Kitchen and catering assistants	260	260	0	0%	(10%)
3545	Sales accounts and business development managers	260	250	(10)	(4%)	(6%)
8222	Fork-lift truck drivers	250	240	(10)	(4%)	(6%)
5223	Metal working production and maintenance fitters	200	190	(10)	(5%)	(5%)
8133	Routine inspectors and testers	190	180	(10)	(5%)	(5%)
3116	Planning, process and production technicians	160	170	10	6%	1%
8212	Van drivers	170	160	(10)	(6%)	(10%)
5432	Bakers and flour confectioners	170	160	(10)	(6%)	(6%)
4122	Book-keepers, payroll managers and wages clerks	150	150	0	0%	(8%)
8211	Large goods vehicle drivers	140	140	0	0%	(9%)
9233	Cleaners and domestics	120	120	0	0%	(4%)
3542	Business sales executives	120	120	0	0%	(6%)
4159	Other administrative occupations n.e.c.	130	110	(20)	(15%)	(9%)
1132	Marketing and sales directors	100	100	0	0%	(4%)
5431	Butchers	90	90	0	0%	0%
9139	Elementary process plant occupations n.e.c.	80	70	(10)	(13%)	(6%)
4133	Stock control clerks and assistants	70	70	0	0%	(8%)
5434	Chefs	60	60	0	0%	(9%)
2462	Quality assurance and regulatory professionals	60	60	0	0%	(8%)
8129	Plant and machine operatives n.e.c.	60	60	0	0%	(7%)

Source: York Consulting

## Logistics and Distribution

3.16 The Logistics and Distribution sector comprises 60 four-digit SIC codes. The largest of these are:

- Warehousing and Storage (12,160 jobs);
- Freight Transport by Road (4,260 jobs);
- Other Postal and Courier Activities (2,640 jobs).

3.17 A full breakdown of employment in the sector can be found in the accompanying spreadsheet. Collectively, the 60 industries are forecast to show a net increase of 650 jobs (+1%) between 2015 and 2022. Over the same period nationally, a larger increase of +5% is forecast. However, it should be noted that significant job increases in this sector are expected as a result of large-scale investments in the LLEP area that are not currently included in the forecasts. These are explained in more detail in Chapter Four.

3.18 The three largest occupations in the Logistics and Distribution sector, all of which typically require a Level 2 qualification, are:

- Elementary Storage Occupations (9,450 jobs);
- Large Goods Vehicle Drivers (4,100 jobs);
- Fork-lift Truck Drivers (2,120 jobs).

3.19 Table 3.6 shows the 2015 and 2022 forecast employment levels across *the largest 25 four-digit occupations* in Logistics and Distribution based on the number of employees in 2015. Key points include:

- The number of Large Goods Vehicle Drivers is forecast to decline by 160 (-4%), although this sits somewhat at odds with the feedback obtained directly from logistics employers for this study, who typically reported an *increasing* demand for drivers.
- The largest employment increases, in both absolute and relative terms, are expected in Elementary Storage Occupations (+630; 7%), Fork-Lift Truck Drivers (+170; 8%) and Packers, Bottlers, Canners and Fitters (+150; 7%).

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<b>Table 3.6: Employment projections in Logistics and Distribution</b>						
<b>SOC</b>	<b>Description</b>	<b>2015 Jobs</b>	<b>2022 Jobs</b>	<b>2015-2022 Change (No.)</b>	<b>2015-2022 Change (%)</b>	<b>2015-2022 Change (%) GB</b>
9260	Elementary storage occupations	9,450	10,080	630	7%	8%
8211	Large goods vehicle drivers	4,100	3,940	(160)	(4%)	1%
8222	Fork-lift truck drivers	2,120	2,290	170	8%	8%
9134	Packers, bottlers, canners and fillers	2,000	2,150	150	8%	9%
3545	Sales accounts and business development managers	1,730	1,710	(20)	(1%)	5%
8212	Van drivers	1,680	1,670	(10)	(1%)	6%
9211	Postal workers, mail sorters, messengers and couriers	1,530	1,530	0	0%	7%
4159	Other administrative occupations n.e.c.	1,480	1,490	10	1%	4%
1162	Managers and directors in storage and warehousing	1,310	1,370	60	5%	6%
1190	Managers and directors in retail and wholesale	1,240	1,200	(40)	(3%)	2%
4122	Book-keepers, payroll managers and wages clerks	970	970	0	0%	3%
3542	Business sales executives	850	820	(30)	(4%)	3%
1161	Managers and directors in transport and distribution	780	780	0	0%	4%
4134	Transport and distribution clerks and assistants	780	770	(10)	(1%)	5%
7111	Sales and retail assistants	790	740	(50)	(6%)	4%
4133	Stock control clerks and assistants	640	660	20	3%	7%
1132	Marketing and sales directors	510	500	(10)	(2%)	2%
1121	Production managers and directors in manufacturing	490	490	0	0%	7%
1131	Financial managers and directors	450	440	(10)	(2%)	2%
7219	Customer service occupations n.e.c.	400	400	0	0%	6%
4161	Office managers	390	380	(10)	(3%)	5%
8111	Food, drink and tobacco process operatives	380	380	0	0%	10%
4151	Sales administrators	370	370	0	0%	5%
3541	Buyers and procurement officers	310	310	0	0%	4%
4121	Credit controllers	300	290	(10)	(3%)	3%

Source: York Consulting

## Professional and Financial Services

3.20 The Professional and Financial Services sector comprises 20 four-digit SIC codes. The largest of these are:

- Engineering activities and related technical consultancy (6,270 jobs);
- Financial Service Activities, except Insurance and Pension Funding (5,130 jobs);
- Business and Other Management Consultancy Activities (4,680 jobs).

3.21 A full breakdown of employment in the sector can be found in the accompanying spreadsheet. Collectively, the 20 sub-industries are forecast to show a net increase of 3,450 jobs (+9%), which is the largest absolute and proportionate increase of the eight priority sectors. A slightly smaller increase of 8% is forecast nationally over the same period.

3.22 The three largest occupations in the Financial and Professional Services sector are:

- Book-keepers, Payroll Managers and Wages Clerks (2,230 jobs);
- Programmers and Software Development Professionals (1,580 jobs);
- Chartered and Certified Accountants (1,420 jobs).

3.23 Table 3.7 shows the 2015 and 2022 forecast employment levels across *the largest 25 four-digit occupations* in Professional and Financial Services based on number of employees in 2015. Key points include:

- Employment increases are expected across the vast majority of the largest occupations in the sector. Only Bank and Post Office Clerks and Solicitors are expected to show a reduction in employment and, in both cases, the reductions are very small.
- In proportionate terms, Graphic Designers (+23%) and Programmers and Software Development Professionals (+14%) are expected to show the largest increases, in each case outperforming national growth.
- The largest increases in absolute terms are expected in Programmers and Software Development Professionals (+220 jobs), Book-keepers, Payroll Managers and Wages Clerks (+180 jobs) and IT and Telecommunications Professionals n.e.c. (+140 jobs).

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<b>Table 3.7: Employment projections in Professional and Financial Services</b>						
<b>SOC</b>	<b>Description</b>	<b>2015 Jobs</b>	<b>2022 Jobs</b>	<b>2015-2022 Change (No.)</b>	<b>2015-2022 Change (%)</b>	<b>2015-2022 Change (%) GB</b>
4122	Book-keepers, payroll managers and wages clerks	2,230	2,410	180	8%	9%
2136	Programmers and software development professionals	1,580	1,800	220	14%	11%
2421	Chartered and certified accountants	1,420	1,550	130	9%	9%
3534	Finance and investment analysts and advisers	1,290	1,360	70	5%	8%
3545	Sales accounts and business development managers	1,190	1,330	140	12%	5%
4159	Other administrative occupations n.e.c.	1,220	1,330	110	9%	9%
4123	Bank and post office clerks	1,250	1,240	(10)	(1%)	11%
2423	Management consultants and business analysts	1,150	1,230	80	7%	11%
2139	Information technology and telecommunications professionals n.e.c.	1,070	1,210	140	13%	10%
1131	Financial managers and directors	960	1,040	80	8%	11%
2424	Business and financial project management professionals	860	930	70	8%	9%
2133	IT specialist managers	810	880	70	9%	10%
1132	Marketing and sales directors	780	870	90	12%	6%
1150	Financial institution managers and directors	800	820	20	3%	12%
4215	Personal assistants and other secretaries	740	790	50	7%	8%
3538	Financial accounts managers	680	720	40	6%	8%
2135	IT business analysts, architects and systems designers	590	680	90	15%	4%
4129	Financial administrative occupations n.e.c.	600	640	40	7%	9%
3421	Graphic designers	490	610	120	24%	10%
2413	Solicitors	610	590	(20)	(3%)	11%
3543	Marketing associate professionals	520	590	70	13%	13%
1259	Managers and proprietors in other services n.e.c.	520	590	70	13%	5%
2431	Architects	510	560	50	10%	14%
1136	Information technology and telecommunications directors	490	540	50	10%	10%
1121	Production managers and directors in manufacturing	440	490	50	11%	9%

Source: York Consulting

## Textiles Manufacturing

3.24 The Textiles Manufacturing sector comprises 21 four-digit SIC codes. The largest of these are:

- Manufacture of other outerwear (2,000 jobs);
- Manufacture of other wearing apparel and accessories (1,080 jobs);
- Finishing of textiles (930 jobs).

3.25 A full breakdown of employment in the sector can be found in the accompanying spreadsheet.

3.26 The economic model used for this study predicts a large reduction in employment of 34% (-2,050 jobs) in Textiles Manufacturing between 2015 and 2022. However, as previously stated, local employers and stakeholders would challenge that forecast and, overall, share a sense of optimism about the sector's prospects over the coming years.

3.27 The three largest occupations in Textiles Manufacturing are:

- Sewing machinists (1,370 jobs);
- Production managers and directors in manufacturing (330 jobs),
- Textile process operatives (330 jobs).

3.28 Table 3.8 shows the 2015 and 2022 forecast employment levels across *the largest 25 four-digit occupations* in Textiles Manufacturing based on the number of employees in 2015. Key points include:

- The largest absolute reduction in employment – by some margin – is forecast in Sewing Machinists (-420 jobs). Production Managers and Directors in Manufacturing (-130 jobs) and Textile Process Operatives (-110 jobs) have the next highest forecast reductions.
- Many of the largest occupations in the sector are forecast to reduce in employment by more than a third between 2015 and 2022 (noting once again the views of local stakeholders/employers which tend not to recognise such large declines). Two occupations – Printers and Stock Control Clerks and Assistants – are forecast to contract by 50%.

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<b>Table 3.8: Employment projections in Textile Manufacturing</b>						
<b>SOC</b>	<b>Description</b>	<b>2015 Jobs</b>	<b>2022 Jobs</b>	<b>2015-2022 Change (No.)</b>	<b>2015-2022 Change (%)</b>	<b>2015-2022 Change (%) GB</b>
8137	Sewing machinists	1,370	950	(420)	(31%)	(17%)
1121	Production managers and directors in manufacturing	330	200	(130)	(39%)	(21%)
8113	Textile process operatives	330	210	(120)	(36%)	(19%)
5414	Tailors and dressmakers	320	260	(60)	(19%)	(15%)
9260	Elementary storage occupations	260	160	(100)	(38%)	(26%)
9134	Packers, bottlers, canners and fillers	250	160	(90)	(36%)	(23%)
3545	Sales accounts and business development managers	210	120	(90)	(43%)	(25%)
5413	Footwear and leather working trades	160	140	(20)	(13%)	(13%)
3422	Product, clothing and related designers	150	100	(50)	(33%)	(24%)
4159	Other administrative occupations n.e.c.	140	80	(60)	(43%)	(23%)
1190	Managers and directors in retail and wholesale	130	80	(50)	(38%)	(24%)
4122	Book-keepers, payroll managers and wages clerks	110	70	(40)	(36%)	(19%)
5419	Textiles, garments and related trades n.e.c.	100	60	(40)	(40%)	(19%)
3543	Marketing associate professionals	90	50	(40)	(44%)	(25%)
8133	Routine inspectors and testers	90	60	(30)	(33%)	(18%)
4151	Sales administrators	90	60	(30)	(33%)	(20%)
5411	Weavers and knitters	90	60	(30)	(33%)	(18%)
9139	Elementary process plant occupations n.e.c.	80	50	(30)	(38%)	(25%)
7125	Merchandisers and window dressers	80	60	(20)	(25%)	(19%)
1132	Marketing and sales directors	80	50	(30)	(38%)	(23%)
7111	Sales and retail assistants	80	50	(30)	(38%)	(23%)
8139	Assemblers and routine operatives n.e.c.	70	50	(20)	(29%)	(19%)
4215	Personal assistants and other secretaries	70	40	(30)	(43%)	(23%)
4133	Stock control clerks and assistants	60	30	(30)	(50%)	(27%)
5422	Printers	60	30	(30)	(50%)	(21%)

Source: York Consulting



## Tourism and Hospitality

3.29 The Textiles Manufacturing sector comprises 17 four-digit SIC codes. The largest of these are:

- Restaurants and Mobile Food Service Activities (13,450 jobs);
- Beverage Serving Activities (6,550 jobs);
- Hotels and Similar Accommodation (3,390 jobs).

3.30 A full breakdown of employment in the sector can be found in the accompanying spreadsheet. Collectively, the 17 sub-industries are forecast to grow in employment by 8% between 2015 and 2022; an increase of 2,600 jobs. Employment growth of 8% is also forecast nationally over the same period.

3.31 The three largest occupations in the Tourism and Hospitality sector are:

- Kitchen and Catering Assistants (5,740 jobs);
- Waiters and waitresses (4,550 jobs);
- Bar staff (3,800 jobs).

3.32 Table 3.9 shows the 2015 and 2022 forecast employment levels across *the largest 25 four-digit occupations* in Tourism and Hospitality based on the number of employees in 2015. Key points include:

- All but four of the largest occupations are forecast to increase in employment between 2015 and 2022. Where employment reductions are forecast (e.g. for Publicans and Hotel Managers), those reductions are very small.
- Growth in the sector is expected to be driven by Kitchen and Catering Assistants (+800 jobs), Waiters and Waitresses (+450 jobs) and Chefs (+270 jobs). These three occupations account for 58% of the forecast growth across the sector as a whole.

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<b>Table 3.9: Employment projections in Tourism and Hospitality</b>						
<b>SOC</b>	<b>Description</b>	<b>2015 Jobs</b>	<b>2022 Jobs</b>	<b>2015-2022 Change (No.)</b>	<b>2015-2022 Change (%)</b>	<b>2015-2022 Change (%) GB</b>
9272	Kitchen and catering assistants	5,740	6,540	800	14%	12%
9273	Waiters and waitresses	4,550	5,000	450	10%	9%
9274	Bar staff	3,800	3,850	50	1%	6%
5434	Chefs	2,810	3,080	270	10%	9%
1223	Restaurant and catering establishment managers and proprietors	1,570	1,770	200	13%	10%
9233	Cleaners and domestics	1,260	1,260	0	0%	8%
5435	Cooks	1,090	1,280	190	17%	15%
5436	Catering and bar managers	830	910	80	10%	8%
7111	Sales and retail assistants	830	930	100	12%	13%
6211	Sports and leisure assistants	820	860	40	5%	5%
1224	Publicans and managers of licensed premises	720	700	(20)	(3%)	5%
4216	Receptionists	580	580	0	0%	3%
3442	Sports coaches, instructors and officials	420	460	40	10%	6%
4129	Financial administrative occupations n.e.c.	400	410	10	3%	8%
4159	Other administrative occupations n.e.c.	380	410	30	8%	8%
1225	Leisure and sports managers	370	390	20	5%	7%
8212	Van drivers	340	390	50	15%	14%
7219	Customer service occupations n.e.c.	300	310	10	3%	8%
3546	Conference and exhibition managers and organisers	260	250	(10)	(4%)	1%
1259	Managers and proprietors in other services n.e.c.	240	250	10	4%	11%
6240	Cleaning and housekeeping managers and supervisors	230	220	(10)	(4%)	5%
4122	Book-keepers, payroll managers and wages clerks	220	230	10	5%	7%
9279	Other elementary services occupations n.e.c.	200	200	0	0%	4%
1221	Hotel and accommodation managers and proprietors	200	190	(10)	(5%)	5%
3545	Sales accounts and business development managers	200	200	0	0%	4%

Source: York Consulting

## Energy

- 3.33 The definition of the Energy sector used for this study comprises 15 four-digit SIC codes. The largest of these, by a considerable margin, is Distribution of Gaseous Fuels through Mains (5,300 jobs). This is followed by Manufacture of Gas (800 jobs) and the Distribution of Electricity (620 jobs).
- 3.34 A full breakdown of employment in the sector can be found in the accompanying spreadsheet. Collectively, the 17 sub-industries in the sector are forecast to grow in employment by 6% (+470 jobs) between 2015 and 2022. This compares with forecast growth nationally of 2%.
- 3.35 The three largest occupations in the Energy sector (based on the definition used for this study) are:
- Plumbers and Heating and Ventilating Engineers (1,350);
  - Call and Contact Centre Occupations (390 jobs);
  - Customer Service Occupations n.e.c. (380 jobs).
- 3.36 Table 3.10 shows the 2015 and 2022 forecast employment levels across *the largest 25 four-digit occupations* in Energy based on the number of employees in 2015. Key points include:
- 11 of the 15 occupations in the sector are forecast to show employment growth between 2015 and 2022.
  - Plumbing and Heating and Ventilating Engineers are forecast to show the largest absolute increase (+70 jobs).
  - Electricians and Electrical Fitters is the only occupation forecast to reduce in employment.

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<b>Table 3.10: Employment projections in Energy</b>						
<b>SOC</b>	<b>Description</b>	<b>2015 Jobs</b>	<b>2022 Jobs</b>	<b>2015-2022 Change (No.)</b>	<b>2015-2022 Change (%)</b>	<b>2015-2022 Change (%) GB</b>
5314	Plumbers and heating and ventilating engineers	1,350	1,420	70	5%	1%
7211	Call and contact centre occupations	390	420	30	8%	5%
7219	Customer service occupations n.e.c.	380	410	30	8%	6%
3545	Sales accounts and business development managers	340	360	20	6%	0%
2129	Engineering professionals n.e.c.	260	280	20	8%	4%
5241	Electricians and electrical fitters	210	200	(10)	(5%)	(2%)
8149	Construction operatives n.e.c.	200	220	20	10%	4%
2462	Quality assurance and regulatory professionals	180	200	20	11%	3%
4159	Other administrative occupations n.e.c.	170	190	20	12%	3%
7220	Customer service managers and supervisors	160	170	10	6%	2%
2424	Business and financial project management professionals	140	150	10	7%	3%
1121	Production managers and directors in manufacturing	130	140	10	8%	0%
5223	Metal working production and maintenance fitters	120	130	10	8%	3%
2419	Legal professionals n.e.c.	120	140	20	17%	9%
2134	IT project and programme managers	110	120	10	9%	11%
3131	IT operations technicians	110	110	0	0%	5%
5449	Other skilled trades n.e.c.	110	120	10	9%	6%
2423	Management consultants and business analysts	100	100	0	0%	1%
4131	Records clerks and assistants	90	100	10	11%	3%
3520	Legal associate professionals	90	100	10	11%	7%
2127	Production and process engineers	90	100	10	11%	4%
3113	Engineering technicians	90	90	0	0%	5%
4122	Book-keepers, payroll managers and wages clerks	80	90	10	13%	(2%)
5224	Precision instrument makers and repairers	80	90	10	13%	5%
8124	Energy plant operatives	80	90	10	13%	13%

Source: York Consulting

## 4 ONE-ISSUE FORECASTS

### Introduction

- 4.1 The Leicestershire local authorities and the LLEP have commissioned a Housing and Economic Development Needs Assessment (HEDNA) to determine the extent to which, if at all, existing targets need to be updated. This work will help to identify the broad scale of development that will need to be accommodated within Leicester and Leicestershire, both as a whole and individually for each borough and district.
- 4.2 In the case of new housing, this will be an objective assessment of needs based on national statistics for population and households, modified to reflect local circumstances within the Housing Market Area. In the case of economic development, forecasts for economic growth will be adjusted to take account of local circumstances.
- 4.3 At the time of writing, work on the HEDNA is ongoing. As part of the HEDNA process, local authorities have identified where major developments are likely to go ahead and have estimated the associated impact on job numbers. These developments are highly localised and, as such, are not captured by the economic modelling work commissioned for this study.

### HEDNA Job Estimates

- 4.4 The job estimates arising from the HEDNA work are summarised in Table 4.1. This shows that substantial job creation (+3,900 new jobs) is expected in the logistics sector to 2022, and even more so to 2030 (+12,300 new jobs<sup>15</sup>). Were all of the logistics jobs in the 2022 forecast to come to fruition, then our projections for the logistics sector, combining these figures and the policy-off forecasts presented in Chapter Three, would be:

**Expansion demand: 4,550 + Replacement demand: 13,400 = Total demand: 17,950**

- 4.5 Working on a pro rata basis, this equates to c. 2,560 logistics jobs per year to be filled in the LLEP area between 2015 and 2022.

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<sup>15</sup> Both the 2022 and 2030 figures will increase if the proposed developments at Magna Park take place. Currently those Magna Park developments are not included within the figures in paragraph 4.4.

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<b>Table 4.1: HEDNA employment forecasts</b>		
<b>Sector</b>	<b>Estimated new jobs 2015-22</b>	<b>Estimated new jobs 2015-30</b>
Retail	1,400	1,400
Finance and Professional Services	50	60
Food and Drink	250	250
Logistics	3,900	12,300
Office	6,800	8,300
General Industrial	2,300	3,700
<b>Totals</b>	<b>14,700</b>	<b>26,210</b>

Source: Leicestershire County Council

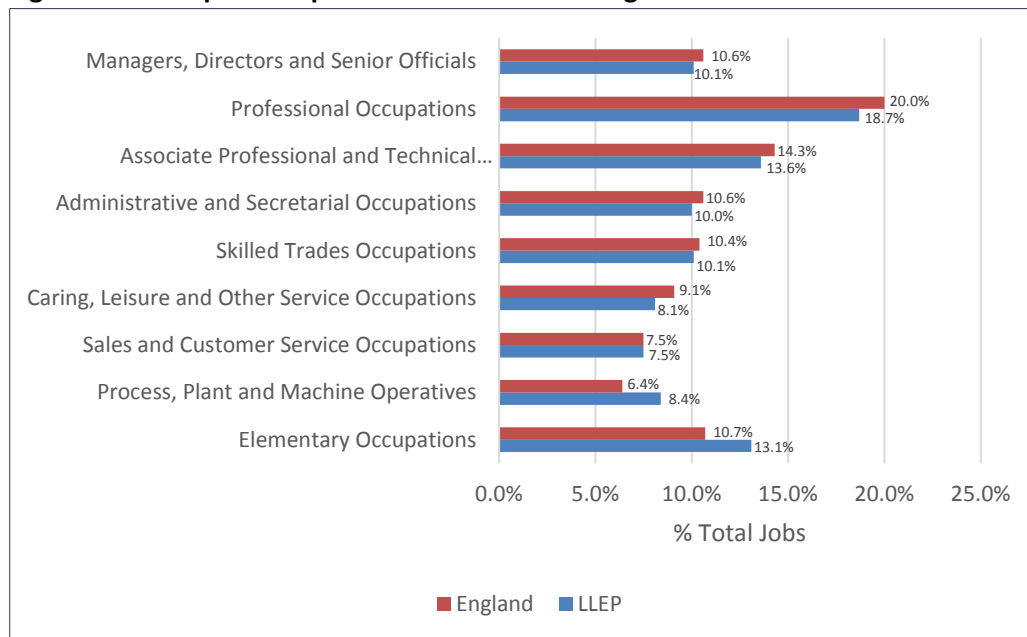
- 4.6 Table 4.1 also shows significant job creation in ‘office’. It is not currently possible to map these jobs accurately against any SIC codes or LLEP priority sectors, nor to provide a breakdown of the jobs currently grouped under ‘General Industrial’. However, stakeholders involved the HEDNA work expect a notable number of jobs to be created in engineering (as a result of the expansion of the MIRA Technology Park) and in technical disciplines (through the expansion of the Loughborough Science Park).

## 5 OCCUPATION PROJECTIONS

### Introduction: the 2015 position

- 5.1 Leicester and Leicestershire currently has an above average representation of Process, Plant and Machine Operatives (reflecting the local prevalence of manufacturing) and Elementary Occupations (Figure 5.1). Typically these occupations require lower level skills/qualifications and generate below average GVA.
- 5.2 Managers, Directors and Senior Officials, Professional Occupations and Associate Professional and Technical Occupations are underrepresented in the LLEP area. These occupations typically deliver higher GVA and require intermediate or advanced level skills/qualifications.

**Figure 5.1: Occupational profile – LLEP area and England**



Source: York Consulting

### One-digit SOC Code Projections

- 5.3 In the LLEP area, increases in employment are forecast in all but one of the one-digit Standard Occupational Classification (SOC) groupings. The largest increases, both in absolute and proportionate terms, are expected in Professional Occupations, Elementary Occupations and Caring, Leisure and Other Services (Figure 5.2).

Figure 5.2: Forecast employment change in the LLEP area by one-digit SOC groupings



Source: York Consulting

5.4 As with the industry level projections, it is also important to consider replacement demand for occupations. Table 5.1 shows replacement demand (alongside expansion demand), while Table 5.2 provides a summary of the total employment requirement for each one-digit SOC. Key points are:

- The total number of jobs to be filled in each one-digit SOC group, when expressed as a proportion of the current workforce, ranges from 29% in Sales and Customer Service Occupations to 39% in Caring, Leisure and Other Service Occupations.



### Skills for the Future in Leicester and Leicestershire

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- Replacement demand is forecast to be highest in Caring, Leisure and Other Service Occupations (34%);
- The largest total jobs requirements are expected to be in Professional Occupations (27,780 jobs to be filled) and Elementary Occupations (22,740 jobs to be filled).

Skills for the Future in Leicester and Leicestershire

Table 5.1: Expansion and replacement demand in the LLEP area at one-digit SOC level									
One-digit SOC	2015 jobs	2022 forecast	Expansion Demand (2015-2022)			Replacement Demand (2015-2022)		Expansion Demand (2015-2030)	
			2015-2022 change (no.)	2015-2022 change (%)	2015-2022 change GB (%)	2015-2022 change (no.)	2015-2022 change (%)	2015-2030 change (no.)	2015-2030 change (%)
Managers, Directors and Senior Officials	44,930	46,210	1,280	3%	5%	13,490	30%	3,390	8%
Professional Occupations	79,170	83,560	4,390	6%	5%	23,390	30%	9,570	12%
Associate Professional and Technical Occupations	56,450	58,480	2,030	4%	5%	15,370	27%	5,030	9%
Administrative and Secretarial Occupations	56,390	58,230	1,840	3%	5%	17,760	31%	4,440	8%
Skilled Trades Occupations	42,550	44,070	1,520	4%	4%	11,100	26%	3,740	9%
Caring, Leisure and Other Service Occupations	38,620	40,530	1,910	5%	6%	13,280	34%	4,330	11%
Sales and Customer Service Occupations	39,020	39,890	870	2%	4%	10,450	27%	2,200	6%
Process, Plant and Machine Operatives	38,800	38,630	(170)	(0.4%)	2%	10,780	28%	380	1%
Elementary Occupations	70,220	73,780	3,560	5%	5%	19,180	27%	8,090	12%
<b>Totals</b>	<b>466,150</b>	<b>483,380</b>	<b>17,230</b>	<b>4%</b>	<b>5%</b>	<b>134,800</b>	<b>29%</b>	<b>41,170</b>	<b>9%</b>

Source: York Consulting

Note that some of the figures in the 'Totals' row differ slightly from the equivalent figures in the industry projections in Chapter Two. This is due to rounding.

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<b>Table 5.2: Expansion and replacement demand in summary (one digit SOC)</b>				
<b>One-digit SOC</b>	<b>2015-2022 Expansion Demand</b>	<b>2015-2022 Replacement Demand</b>	<b>2015-2022 Total Requirement</b>	<b>Total requirement as % of 2015 workforce</b>
Professional Occupations	4,390	23,390	27,780	35%
Elementary Occupations	3,560	19,180	22,740	32%
Administrative and Secretarial Occupations	1,840	17,760	19,600	35%
Associate Professional and Technical Occupations	2,030	15,370	17,400	31%
Caring, Leisure and Other Service Occupations	1,910	13,280	15,190	39%
Managers, Directors and Senior Officials	1,280	13,490	14,770	33%
Skilled Trades Occupations	1,520	11,100	12,620	30%
Sales and Customer Service Occupations	870	10,450	11,320	29%
Process, Plant and Machine Operatives	(170)	10,780	10,610	27%
<b>Total</b>	<b>17,230</b>	<b>134,800</b>	<b>152,030</b>	<b>33%</b>

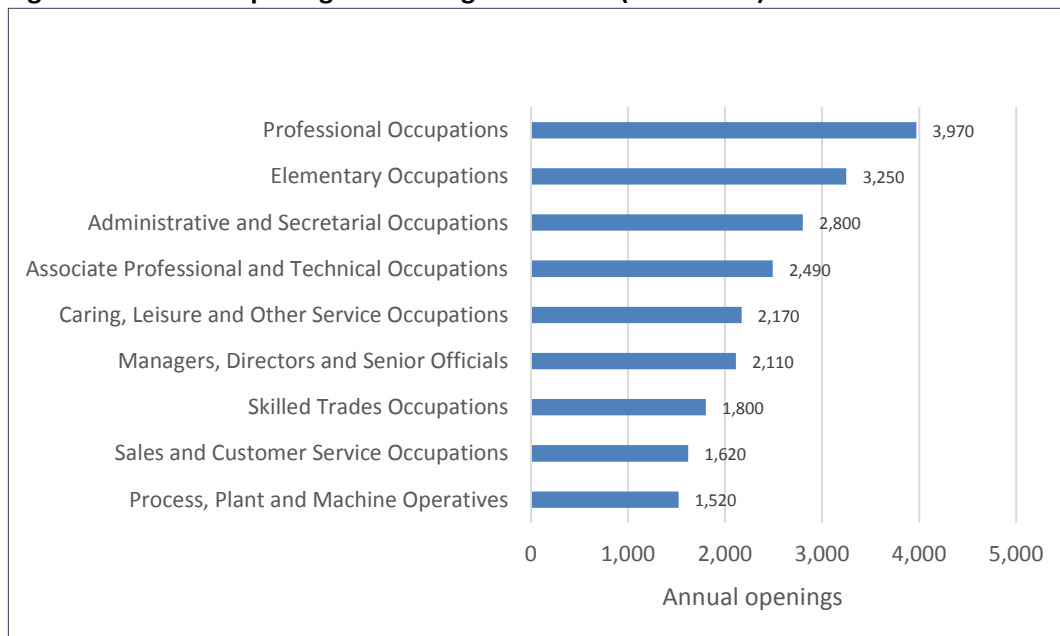
Source: York Consulting

Note that some of the figures in the 'Totals' row differ slightly from the equivalent figures in the industry projections in Chapter Two. This is due to rounding.

### Annual openings

- 5.5 The term ‘annual openings’ refers to the total number of job vacancies, across expansion and replacement demand combined, to be filled each year. For the period from 2015 to 2022, the annual openings figure is calculated by dividing the total requirement (as shown in Table 5.2) by seven (the number of years).
- 5.6 The results are shown in Figure 5.3. They show that Professional Occupations are expected to have almost 4,000 annual openings, followed by Elementary Occupations (3,250), Administrative and Secretarial Occupations (2,800) and Associate Professional and Technical Occupations (2,490).

**Figure 5.3: Annual openings at one-digit SOC level (2015-2022)**



Source: York Consulting

### Mapping SOC codes to Qualification Levels

- 5.7 Although not an exact fit, it tends to be broadly the case that:
- Jobs in the following SOC code groupings typically require qualifications at **Level 4 or above**:
    - Managers, Directors and Senior Officials;
    - Professional Occupations;
    - Associate Professional and Technical Occupations.
  - Jobs in the following SOC code groupings typically require qualifications at **Level 3 or above**:
    - Administrative and Secretarial Occupations;
    - Skilled Trades Occupations;
    - Caring, Leisure and Other Service Occupations.

- Jobs in the following SOC code groupings typically require qualifications at **Level 2 or below**:
  - Sales and Customer Service Occupations;
  - Process, Plant and Machine Operatives;
  - Elementary Occupations.

5.8 Based on this categorisation, Table 5.3 shows the proportion of jobs in the LLEP area in 2022 split by typical qualification level. Alongside this it shows the proportion of the working age population in the LLEP area currently qualified to that level. The largest difference is at Level 4 and above, where 33% of the working age population hold qualifications compared with an estimated 39% of all jobs in 2022.

Typical qualification of jobs	% of jobs in 2022 (LLEP area)	% working age population qualified (LLEP area)
Level 4 or above	39%	33%
Level 3	30%	20%
Level 2 or below	31%	47%

Source: York Consulting

5.9 Using the same categorisation for the jobs growth covered by the forecasting undertaken for this study (the equivalent calculations cannot yet be made for the HEDNA forecasts), we can approximate that:

- 44% of the new jobs will typically require skills/qualifications at Level 4 or above;
- 31% of the new jobs will typically require skills/qualifications at Level 3;
- 25% of the new jobs will typically require skills/qualifications at Level 2 or below.

## Two-digit SOC Code Projections

### Expansion Demand

5.10 There are 25 two-digit SOC codes. For each of these, the 2015 and 2022 employment figures, the expansion demand, the replacement demand and the total requirement are shown in Table 5.4. Points of note from the figures in the table include:

- The five occupations with the largest total requirements account for 45% of the total jobs requirement between 2015 and 2022. These are Elementary Administration and Service Occupations; Administrative Occupations; Caring Personal Service Occupations; Business and Public Service Associate Professionals; and Corporate Managers and Directors (combined total requirement of 68,160 jobs).
- The ten occupations with the largest total requirement account for more than two thirds (69%) of the total jobs demand.
- Expansion demand as a proportion of 2015 employment varies considerably, from -2.2% in Process, Plant and Machine Operatives to +5.7% in Caring Personal

Service Occupations and +6.3% in Science, Research, Engineering and Technology Professionals.

- In absolute terms, the replacement demand requirement will, not surprisingly, be highest in the two largest two-digit occupational groups: Elementary Administration and Service Occupations and Administrative Occupations. In proportionate terms, however, replacement demand is forecast to be highest in Skilled Agricultural and Related Trades and Leisure, Travel and Related Personal Service Occupations (both 38%).
- The total number of jobs to be filled in each two-digit SOC group, when expressed as a proportion of the current workforce, ranges from 20% in Process, Plant and Machine Operatives to 39% four different groups: Skilled Agricultural and Related Trades; Leisure, Travel and Related Personal Service Occupations; Other Managers and Proprietors; and Caring Personal Service Occupations.

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<b>Table 5.4: Employment projections at two-digit SOC code level</b>						
<b>Two-digit SOC</b>	<b>2015 Jobs</b>	<b>2022 Forecast</b>	<b>2015-2022 Expansion Demand</b>	<b>2015-2022 Replacement Demand</b>	<b>2015-2022 Total Requirement</b>	<b>2015-2022 Total Requirement as % of 2015 Workforce</b>
Elementary Administration and Service Occupations	58,270	61,530	3,260	16,090	19,350	33%
Administrative Occupations	45,050	46,580	1,530	13,980	15,510	34%
Caring Personal Service Occupations	32,000	33,820	1,820	10,800	12,620	39%
Business and Public Service Associate Professionals	33,880	34,980	1,100	9,430	10,530	31%
Corporate Managers and Directors	33,230	34,110	880	9,270	10,150	31%
Sales Occupations	30,170	30,790	620	8,080	8,700	29%
Teaching and Educational Professionals	23,790	24,980	1,190	7,430	8,620	36%
Business, Media and Public Service Professionals	19,270	20,300	1,030	6,160	7,190	37%
Transport and Mobile Machine Drivers and Operatives	18,780	19,050	270	6,040	6,310	34%
Science, Research, Engineering and Technology Professionals	20,800	22,120	1,320	4,980	6,300	30%
Health Professionals	15,300	16,150	850	4,830	5,680	37%
Skilled Metal, Electrical and Electronic Trades	17,490	17,890	400	4,340	4,740	27%
Other Managers and Proprietors	11,700	12,100	400	4,210	4,610	39%
Secretarial and Related Occupations	11,330	11,650	320	3,780	4,100	36%
Process, Plant and Machine Operatives	20,020	19,580	(440)	4,470	4,030	20%
Textiles, Printing and Other Skilled Trades	12,010	12,490	480	2,920	3,400	28%
Elementary Trades and Related Occupations	11,950	12,250	300	3,090	3,390	28%
Skilled Construction and Building Trades	9,530	10,130	600	2,500	3,100	33%
Customer Service Occupations	8,850	9,100	250	2,370	2,620	30%

**Skills for the Future in Leicester and Leicestershire**

<b>Table 5.4: Employment projections at two-digit SOC code level</b>						
Leisure, Travel and Related Personal Service Occupations	6,620	6,710	90	2,480	2,570	39%
Science, Engineering and Technology Associate Professionals	8,390	8,700	310	1,960	2,270	27%
Culture, Media and Sports Occupations	5,400	5,660	260	1,700	1,960	36%
Health and Social Care Associate Professionals	5,420	5,650	230	1,620	1,850	34%
Skilled Agricultural and Related Trades	3,520	3,560	40	1,330	1,370	39%
Protective Service Occupations	3,360	3,490	130	640	770	23%
<b>Totals</b>	<b>466,130</b>	<b>483,370</b>	<b>17,240</b>	<b>134,500</b>	<b>151,740</b>	<b>33%</b>

Source: York Consulting

Note that some of the figures in the 'Totals' row differ slightly from the equivalent figures in the industry projections in Chapter Two. This is due to rounding.



### Three and Four-digit SOC Code Projections

5.11 At three-digit SOC code level, the 25 occupations forecast to have the highest demand for jobs (expansion and replacement demand combined) account for 68% of the estimated total number of jobs that will need to be filled in the LLEP area between 2015 and 2022 (Table 5.5).

<b>Three-digit SOC</b>	<b>Expansion Demand to 2022</b>	<b>Replacement Demand to 2022</b>	<b>Total Demand</b>
Teaching and Educational Professionals	1,200	7,430	8,630
Caring Personal Services	1,240	6,600	7,840
Other Elementary Services Occupations	1,440	5,310	6,750
Sales Assistants and Retail Cashiers	480	6,260	6,740
Elementary Storage Occupations	800	4,340	5,140
Sales, Marketing and Related Associate Professionals	440	4,620	5,060
Administrative Occupations: Finance	580	4,470	5,050
Other Administrative Occupations	550	4,270	4,820
Elementary Cleaning Occupations	860	3,600	4,460
Road Transport Drivers	60	4,310	4,370
Childcare and Related Personal Services	580	3,640	4,220
Secretarial and Related Occupations	320	3,780	4,100
Functional Managers and Directors	500	3,240	3,740
Business, Research and Administrative Professionals	520	2,850	3,370
Information Technology and Telecommunications Professionals	930	2,420	3,350
Nursing and Midwifery Professionals	580	2,740	3,320
Public Services and Other Associate Professionals	320	2,400	2,720
Managers and Proprietors in Other Services	170	2,550	2,720
Administrative Occupations: Records	110	2,520	2,630
Elementary Process Plant Occupations	280	2,260	2,540
Food Preparation and Hospitality Trades	650	1,750	2,400
Business, Finance and Related Associate Professionals	330	2,050	2,380
Construction and Building Trades	380	1,910	2,290
Production Managers and Directors	10	2,140	2,150
Customer Service Occupations	180	1,810	1,990
<b>Totals</b>	<b>13,510</b>	<b>89,270</b>	<b>102,780</b>

Source: York Consulting

5.12 Table 5.6 shows the top 25 occupations based on expansion and replacement demand combined at *four-digit* SOC level. These occupations account for 40% of the total requirement for 2015-2022.

5.13 Note that full three and four-digit SOC listings are available in the accompanying Excel spreadsheet of forecasting results.

**Skills for the Future in Leicester and Leicestershire**

**Table 5.6: Four-digit SOC occupations with the highest forecast demand for jobs (2015-2022)**

<b>Four-digit SOC</b>	<b>Expansion Demand to 2022</b>	<b>Replacement Demand to 2022</b>	<b>Total Demand</b>
Elementary storage occupations	800	4,340	5,140
Sales and retail assistants	330	4,560	4,890
Care workers and home carers	820	3,940	4,760
Other administrative occupations n.e.c.	540	3,780	4,320
Cleaners and domestics	740	2,950	3,690
Kitchen and catering assistants	850	2,340	3,190
Nurses	530	2,540	3,070
Book-keepers, payroll managers and wages clerks	430	2,510	2,940
Sales accounts and business development managers	200	2,260	2,460
Large goods vehicle drivers	30	2,200	2,230
Primary and nursery education teaching professionals	250	1,970	2,220
Teaching assistants	260	1,890	2,150
Nursing auxiliaries and assistants	370	1,770	2,140
Waiters and waitresses	470	1,430	1,900
Secondary education teaching professionals	270	1,560	1,830
Packers, bottlers, canners and fillers	210	1,580	1,790
Managers and directors in retail and wholesale	80	1,710	1,790
Van drivers	90	1,280	1,370
Fork-lift truck drivers	210	1,150	1,360
Higher education teaching professionals	280	1,080	1,360
Production managers and directors in manufacturing	(110)	1,440	1,330
Vehicle technicians, mechanics and electricians	350	970	1,320
Receptionists	50	1,220	1,270
Bar staff	80	1,180	1,260
Customer service occupations n.e.c.	130	1,100	1,230
<b>Totals</b>	<b>8,260</b>	<b>52,850</b>	<b>61,010</b>

Source: York Consulting

## 6 THE EMPLOYER PERSPECTIVE

### Introduction

- 6.1 Between June and August 2016, 48 employers with a base in Leicestershire were consulted for this study via a programme of one-to-one telephone consultations. The main focus of the consultations was employer’s future employment and skills needs, although other lines of enquiry were also explored. These included employers’ views on the work readiness of job applicants and the suitability of any training they had recently accessed from LLEP skills providers.
- 6.2 An online survey, covering the same lines of enquiry as the consultations, was undertaken during July and August 2016. Employers contributed to the study either via a consultation or by responding to the survey (not both).
- 6.3 A total of 113 employers responded to the online survey. In total, therefore, 161 employers have contributed to this study. This gives a margin of error of 7.7% in the results overall, with a confidence level of 95%. Tables 6.1 and 6.2 show the sectoral and size profile of the employers.

<b>Sector</b>	<b>No. Employers</b>	<b>% Employers</b>
Manufacturing	25	15.5%
Professional, scientific and technical	19	11.8%
Education	18	11.2%
Arts, entertainment, recreation and other services	17	10.6%
Construction	8	5.0%
Engineering	8	5.0%
Information & communication	8	5.0%
Property	8	5.0%
Financial and insurance	7	4.3%
Health	7	4.3%
Transport and storage	7	4.3%
Unclassified	6	3.7%
Business administration and support services	5	3.1%
Retail	5	3.1%
Accommodation and food services	3	1.9%
Agriculture, forestry and fishing	3	1.9%
Architectural and engineering activities	2	1.2%
Public administration and defence	2	1.2%
Food & beverage service activities	1	0.6%
Libraries, museums and other cultural activities	1	0.6%
Public relation services	1	0.6%
<b>Totals</b>	<b>161</b>	<b>100%</b>

Source: York Consulting

<b>Company size</b>	<b>No. Employers</b>	<b>% Employers</b>
1 (sole trader)	12	7.5%
2 to 9	55	34.2%
10 to 49	40	24.8%
50 to 249	28	17.4%
250+	26	16.1%
<b>Totals</b>	<b>161</b>	<b>100%</b>

Source: York Consulting

- 6.4 Disaggregating the results by sector increases the margin of error. As such, the sectoral findings included in this chapter, whilst few in number, should be considered anecdotal rather than statistically robust.
- 6.5 The feedback provided by employers was understandably varied, although seven main themes emerged. Covered in turn in this chapter, these are:
- Attracting and retaining graduate talent;
  - Developing undergraduate skills;
  - Work readiness;
  - Low carbon sector opportunity;
  - Apprenticeships;
  - Management and leadership;
  - Engineering.
- 6.6 A summary of the types of skills that employers expect to become more important to them over the next three years is also included in this chapter.

## Context

- 6.7 The figures in Table 6.2 provide some background context for the findings obtained through the primary research with employers. Obtained from the 2015 UK Employer Skills Survey<sup>16</sup>, these figures show that:
- Against each of the topics, there is relatively little difference between the results for the LLEP area and the results for the UK as whole.
  - Skills gaps are, however, more prevalent in the LLEP area than they are nationally.
  - A slightly lower proportion of employers in the LLEP area than nationally had funded or arranged in the 12 months preceding the survey.

**Table 6.2: Summary of information from the 2015 UK Employer Skills Survey**

<sup>16</sup> Full results from the survey at LEP level can be found at: <https://www.gov.uk/government/publications/ukces-employer-skills-survey-2015-england-and-local-toolkit>

Topic	LLEP	UK
% employers with skills gaps	16%	14%
Main cause of skills gaps	Staff training is only partially complete (63%)	Staff training is only partially complete (63%)
% employers with hard-to-fill vacancies	8%	8%
Main cause of hard-to-fill vacancies	Low number of applicants with the required skills (46%)	Low number of applicants with the required skills (37%)
% employers that have recruited within the past 12 months	51%	51%
% establishments that have funded or arranged training over the past 12 months	65%	66%
Main reason for not providing training	All staff are fully proficient (70%)	All staff are fully proficient (68%)

Source: UK Employer Skills Survey 2015

## Attracting and retaining graduate talent

6.8 The LLEP area is well served by HE providers, including the University of Leicester, De Montfort University, the University of Loughborough and FE colleges delivering HE provision. While employers appear broadly satisfied with the volume of HE provision available in the county, many of those employing graduates harbour some concerns about the collective ability of the LLEP area to attract and retain the highest calibre graduates. This appears particularly true of businesses in professional services (law, accountancy and finance), architectural practices, high tech engineering companies and businesses in the low carbon sector (noting the previous point about robustness in the employer results at sector level).

6.9 Employers' concerns stem from the following two challenges:

- **Regional competition:** many employers believe that Nottingham is typically viewed as a more attractive first destination for graduates than Leicester, partly due to Nottingham's image and reputation as a desirable place for young people to live and work and partly due to it having a greater number of medium sized and large companies. Derby (Rolls Royce), Birmingham, Coventry, Solihull and Wolverhampton (Jaguar/Land Rover) also offer strong competition for graduate talent.
- **Capital drain:** a common scenario is for graduates to choose London as a place to live and start a career or to move to London after a relatively short period of time (a year to 18 months) working with a local employer.

*"If a graduate does not have any roots in Leicester, we find it very difficult to keep them for more than a couple of years."* Employer, public relations services sector

6.10 Employers in the LLEP area are, of course, by no means alone in facing these challenges, but that should not detract from their significance. That is true both of the present situation, where the LLEP area has a higher level skills gap that affects

productivity, and in the future, where nearly half of the fastest growing occupations (based on the forecasts produced for this study) will typically require qualifications at Level 4 or above.

6.11 Employers would welcome a co-ordinated, high profile effort to promote Leicester/Leicestershire as a more attractive first destination for graduates, emphasising:

- **City centre development:** Leicester has benefited from physical regeneration in recent years and now has a much stronger offer for young professionals and their families.
- **Lower cost of living:** the average house price in Leicester is £152,000, whereas in London it is £477,000 and across the country's 20 largest cities it averages £240,000<sup>17</sup>. Employers feel that this aspect of Leicester and Leicestershire's financial appeal could be more strongly promoted.

### Developing undergraduate skills

6.12 Employers recognise and accept that graduates who join their companies will typically have some, rather than all, of the skills and aptitudes needed for their new role.

6.13 Even so, employers are increasingly interested in, and are more likely to recruit young people with, well developed non-academic and non-technical skills in the following areas:

- **Commercial awareness:** including a sound understanding of the core principles of how a business functions.
- **Entrepreneurial spirit:** whilst less of a skill and more of a character trait, employers repeatedly expressed their desire for graduates who can, and who want to, identify and explore new business opportunities, develop strong relationships with clients and think beyond the roles and responsibilities of their role.
- **Autonomy:** the ability of graduates to work effectively on their own and to lead discrete strands of work was repeatedly cited as important by the small businesses that contributed to this study.
- **Project management skills:** graduates who have the planning, organisation and communication skills to successfully execute projects (as opposed to discrete tasks) are held in high regard and, based on employer feedback, are in short supply.
- **e-commerce awareness:** few businesses are now without an online presence and many have automated various business processes using the internet. Smaller businesses that employ graduates will often turn to those graduates

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<sup>17</sup> <https://www.hometrack.com/uk/insight/uk-cities-house-price-index/june-2016-cities-index/>

to help develop and maintain their online presence, despite it not necessarily being part of their core role.

*“We expect graduates to be self-starters and autonomous. We don’t have time to micro manage.”* Employer, engineering sector services sector

*“Often we find, even with graduates, that they have no knowledge of how a business works.”* Employer, business administration and support

6.14 It is, of course, far easier to provide a list of attributes that employers would like graduates to have than it is to prescribe the solutions. Some employers remain firmly of the view that the responsibility for those solutions rests with the education and skills system. However, others recognise, and indeed harbour an interest to become involved in, the some or all of the following:

- Structured work placements and internships;
- Undergraduate mentoring schemes;
- The design and delivery of HE modules and courses.

6.15 The LLEP area’s largest employers are typically already engaged in this type of activity and whilst there may well be scope for stronger education-industry alignment amongst these employers, it is the area’s medium sized and smaller businesses that would naturally be the focus of any co-ordinated efforts by the LLEP and its partners in this area.

6.16 However, the likely extent of this co-ordination is not to be underestimated. Smaller businesses, in particular, may show an interest in being involved, but the demands and pressures of running a business will, for many, act as a significant barrier.

6.17 It is also important to note that skills providers make great efforts to develop employability and enterprise skills (Loughborough University, for example, provides work shadowing and employer mentoring for all undergraduates) and as such any new initiatives should learn from and build upon existing practice where it is working well.

### **Work readiness**

6.18 Only a third of the businesses that contributed to this study would rate the work readiness of the young people they have interviewed and/or recruited recently as either ‘excellent’ or ‘good’. In the Leicester and Leicestershire Business Survey 2014 (which obtained input from over 1,000 employers), issues around attitude, motivation and personality were cited by one in four of the employers who said they’d had difficulties recruiting staff.

6.19 Employers' main concerns in these areas appear to include:

- Communication/conversational skills;
- Business/sector knowledge;
- Unrealistic expectations;
- Work ethic;
- The ability not to give up when faced with challenges (i.e. resilience or grit);
- Timekeeping.

*"Too many young people leave university and expect to walk into a highly paid, high position job."* Employer, architectural and engineering services sector

*"Communication skills and a good work ethic are two areas that we feel are essential....we have struggled to see many positives in these areas with some candidates ."* Employer, manufacturing sector

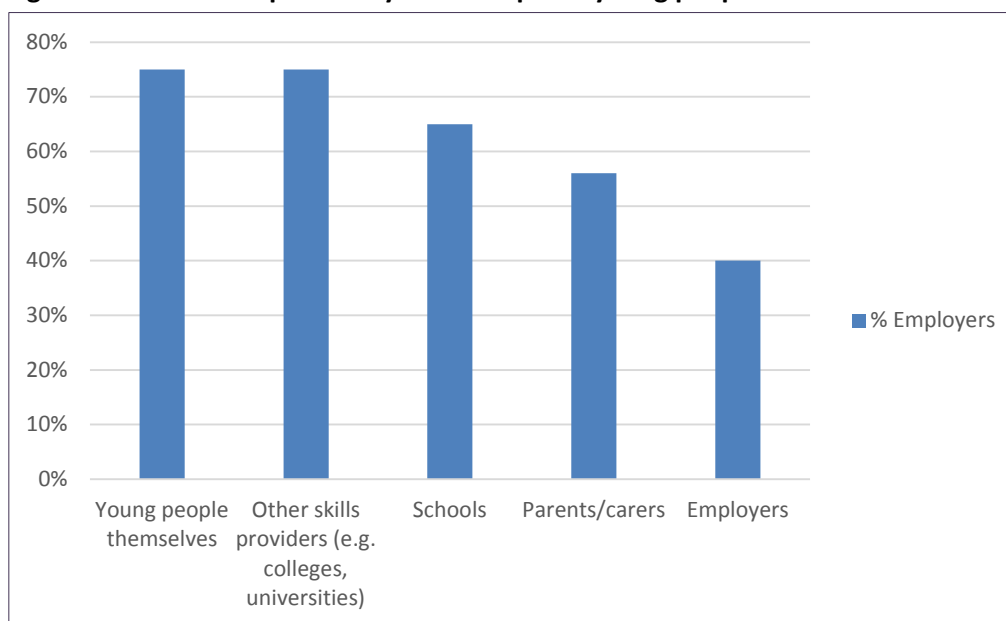
6.20 It is not new for employers to question the work readiness of young people entering the workforce, but LLEP employers evidently still see it as an area where improvements can be made. Activities in which they would be interested include the following:

- Structured work placements and internships;
- Skills providers and employers working together to develop work readiness standards or charter marks (as in some other LLEP areas).

6.21 However, these too would require considerable co-ordination and promotion, especially as less than half of the businesses consulted for the study felt that employers have a role to play in improving the work readiness of young people (see Figure 6.1).



**Figure 6.1: Whose responsibility is it to improve young people’s work readiness?**



Source: York Consulting. Base = 161

### Low-carbon sector opportunity

6.22 Employment in the low carbon sector in the LLEP area almost doubled between 2010 and 2015 and employers now see an opportunity for the area to further strengthen its position. This is based upon:

- A strong HE offer/capability in low carbon technologies;
- A critical mass and steadily increasing number of local businesses operating in the low carbon and renewables industries.

*“De Montfort, Loughborough and Nottingham universities are leading the way in low carbon research.”* Employer, low carbon sector

6.23 Employers in the sector predict future skills needs across all occupational areas and skills levels, but cite mechanical and electrical engineers and graduates in physics and chemistry as particular areas of need. They would like to see:

- Continued prioritisation of the sector by the LLEP;
- Greater focus on low carbon/renewable issues and technologies within relevant post-16 provision;
- The introduction of a sector forum or network.

*“We see the renewables sector growing quickly.....there is a critical skills shortage in this area and a big opportunity for someone who is willing to take the lead.”*  
Employer, low carbon sector

*“We (low carbon fuel cell technology) need highly skilled mechanical, electro-chemical engineers preferably with PhDs who also understand the cost implications of manufacturing and assembly.”* Employer, low carbon sector

## Apprenticeships

6.24 Apprenticeships are consistently shown to be an economically advantageous learning route for individuals, businesses and the wider economy. They are also a key focus of the government’s skills agenda. Yet whilst Apprenticeship starts in the LLEP area have recovered following a dip in 2013/14, they are not increasing. In the city of Leicester, in particular, participation rates are low. In addition, higher Apprenticeships currently account for less than 5% of all starts in the LLEP area.

6.25 It is also clear from the employer consultations undertaken for this study that some employers have an incomplete, outdated or inaccurate understanding of:

- The breadth of Apprenticeship frameworks that are currently available;
- The composition of an Apprenticeship;
- The business/commercial benefits that Apprenticeships can offer.

*“We had no idea we could recruit an apprentice in Digital Marketing.”* Employer, creative and digital industry

6.26 Employers with a more informed understanding of Apprenticeships, and especially those for whom apprentices form an important part of their current and future workforce, would welcome:

- Renewed efforts in schools and post-16 settings to establish parity between Apprenticeships and other post-16 routes;
- Support mechanisms to enable more of the smaller businesses in the LLEP area to employ apprentices.

## Management skills

- 6.27 Across the 150+ businesses that contributed to the Skills for the Future study, 70% said that leadership and management skills will become more important to them over the next three years. Only 4% said that these skills will become less important (see ‘Which skills will become more important to our employers?’ later in this section).
- 6.28 Related issues that were raised through the employer consultations and survey include:
- A lack of finance, strategy and business management skills. This can impact upon business growth, most commonly in smaller businesses.
  - Difficulties in filling the skills gap between supervisor and manager, especially in the manufacturing sector and especially in relation to lean manufacturing and Six Sigma techniques.
- 6.29 The above is due to a combination of not having the in-house training capacity to develop these skills and external training being, in their view, prohibitively expensive.
- 6.30 It is also of note that in the Leicester and Leicestershire Business Survey 2014, more than three quarters of the businesses who reported a shortage of job applicants with the required skills said this was a particular issue when recruiting managers and senior officials.

## Manufacturing and engineering

- 6.31 Manufacturing and engineering employers in the LLEP area have highlighted a number of specific employment and skills issues. These include:
- An ageing workforce;
  - Concerns over replacing highly skilled non-UK national workers (if required) following the EU referendum vote;
  - Equipment and software packages within skills providers lagging behind current industry standards;
  - Specific disciplines that are routinely in demand from local employers, e.g. sewing machine use and pattern cutting, no longer being covered by FE courses.
- 6.32 Perhaps most significantly, employers feel that an outdated and unduly narrow image of the sector is being conveyed to young people in schools and other skills providers. They would welcome a more up to date and holistic message about the full range of career opportunities to be disseminated to young people via Careers Information, Advice and Guidance sessions and other related activities.

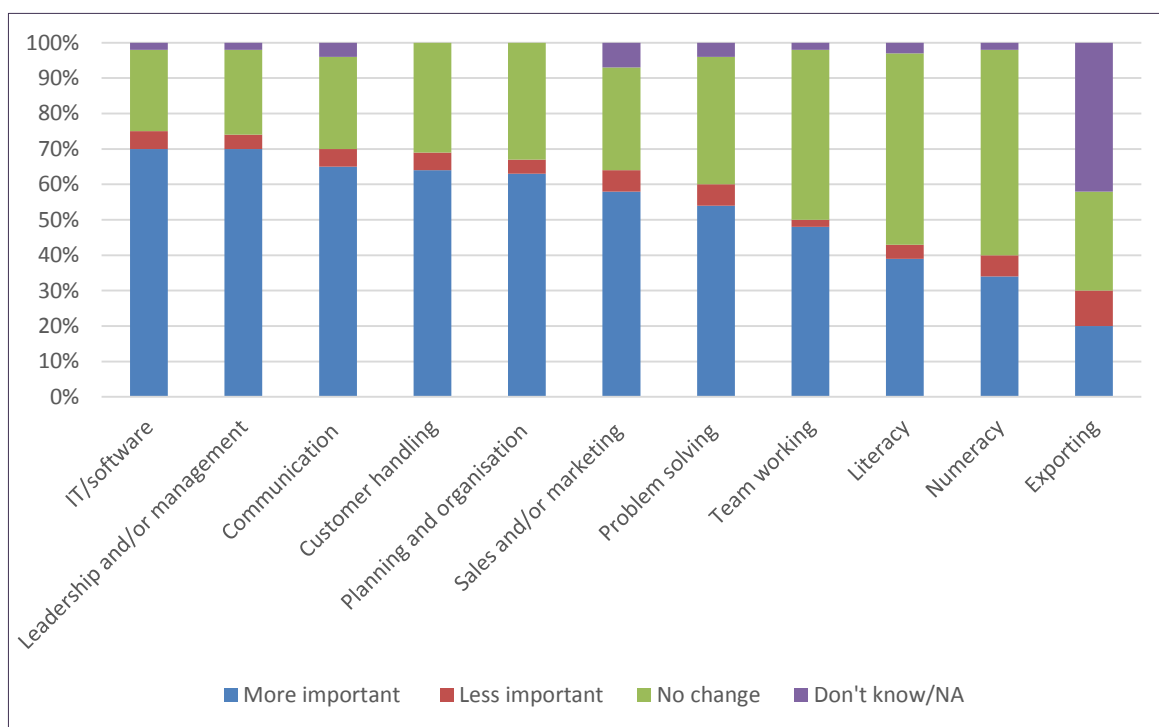
*“There seems to be a lack of interest in engineering.....it’s still seen by too many young people and parents as dirty work in overalls.”* Employer, manufacturing sector

## Engineering

### Skills that will become more important to employers in the future

6.33 IT, leadership and management and communication skills are amongst a broad range of skills areas that more than half of the 150+ employers consulted for this study said will become more important to them over the next three years (Figure 6.2). Others include customer handling skills, planning and organisation and sales and marketing skills. A fifth of the business expect the skills needed for exporting to become more important.

**Figure 6.2: Skills that are expected to become more important to LLEP employers over the next 3 years**



Source: York Consulting. Base = 161

### Views on local skills supply

6.34 Sixty-two percent of the employers that contributed to the study reported having accessed training from either an FE college, private training provider or university in Leicestershire at some point in the preceding two years<sup>18</sup>. Of these, 38% had accessed more than one type of training. The breakdown by type of training is as follows<sup>19</sup>:

- 38% had accessed training from an FE college;

<sup>18</sup> This is slightly higher than the 54% recorded through the 2014 Leicester and Leicestershire Business Survey.

<sup>19</sup> These figures sum to more than the 100% as some employers had accessed training via more than one source.

- 82% had accessed training from a private training provider;
- 25% had accessed training from a university.

6.35 Views towards this provision were generally positive. For example:

- Over two thirds of the employers said they were satisfied with the extent to which FE and university provision had met their needs, rising to more than four fifths for private training provider provision.
- Over two thirds of the employers were satisfied with the value for money they felt they had received through FE college and private provider training, reducing slightly to just over half for university training<sup>20</sup>.

6.36 Whilst noting that the samples are different, a positive message on external training also emerged from the Leicester and Leicestershire Business Survey in 2014. Of the 1,000 business that responded to the survey, 60% said that the last time they had sought training for their staff, it had been easy to find. Only 8% said it had not been easy (the remainder were unsure).

6.37 Cost appears to be the most significant barrier preventing employers from engaging in further workforce development activity. More than two thirds of the businesses that contributed to this study, and in particular smaller businesses, said they would provide more training for their staff if the cost was lower. Just under half of the employers (48%) said that they would provide more training if it was available nearer to their base, while 44% said that they would do so if training was more up to date with developments and techniques in their industry.

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<sup>20</sup> Employers were not asked in the survey/consultations whether the cost of training had been subsidised, e.g. through the European Social Fund.

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## **7 IN CONCLUSION**

### **Jobs growth**

- 7.1 Between 2015 and 2022, a net increase of approximately 32,000 jobs is expected in the LLEP area. Based on the data available at the time of writing, approximately 15,000 of these jobs will be generated as a result of major infrastructure investments.
- 7.2 Job growth of 32,000 equates to a 6.8% increase on 2015 levels. This is more than double the anticipated rate of growth in the working age population of the LLEP area over the same period.
- 7.3 The apportionment of forecast job growth across industry sectors is still to be finalised, but the current expectation is that the largest increase in absolute terms will occur in Logistics (+4,550 jobs) while the largest increase in proportionate terms will be in Information and Communication (+19%).

### **Replacement demand**

- 7.4 In addition to new job creation, an estimated 134,700 job vacancies will need to be filled in the LLEP area between 2015 and 2022 as a result of replacement demand. This equates to approximately 19,250 vacancies per year.
- 7.5 It has been necessary to apply a flat rate of replacement demand across all sectors for the purposes of the forecasting in this report, but in practice the following sectors are likely to be particularly susceptible to replacement demand: Manufacturing (ageing workforce), Logistics (ageing workforce), Human Health and Social Work (high level of staff turnover), Accommodation and Food Service (high level of staff turnover).

### **Focus on higher level skills**

- 7.6 It is estimated that by 2022, 39% of the jobs in the LLEP area will (typically) require skills/qualifications at Level 4 or above. In addition, nearly half (44%) of the new jobs forecast between 2015 and 2022 will typically require skills/qualifications at this level.
- 7.7 Currently, 33% of the working age population in the LLEP area is qualified to this level. As such, addressing the higher level skills challenge should feature in the design and implementation of future workforce development activities.

### **The importance of developing workforce skills**

- 7.8 An above average proportion of employers in the LLEP area have skills gaps. Similarly, an above average proportion have difficulties retaining staff. However, a below average proportion provide training for their staff. This impacts upon productivity which is a key issue in the LLEP area.

- 7.9 Efforts are therefore needed to encourage more employers to invest in, and to realise the commercial benefits of, the development of their staff. Partners in the LLEP area should also seek to maximise the potential of the Apprenticeship Levy as a means of stimulating greater levels of workforce development activity.

### **The work readiness challenge**

- 7.10 Skills providers in the LLEP area have made considerable efforts to improve the work readiness skills of young people. Collectively, and regardless of the route through which they have joined the business (school, college/training provider or university), employers' view on work readiness in the LLEP area are broadly similar to employers' view nationally.
- 7.11 Nonetheless, the primary research undertaken for this study shows that many employers remain dissatisfied and that more work is needed to make further inroads into the issue. This is especially important given the number of job opportunities that are forecast between 2015 and 2022.
- 7.12 Any new activities should be collaborative in nature but are likely to require considerable co-ordination and promotion, especially as fewer than half of the businesses consulted for this study feel that employers have a role to play in improving the work readiness of young people.

### **Responding to changing skills needs**

- 7.13 LLEP employers have identified the skills areas that they expect to become more important over the next three years. These include IT, leadership and management, communication, customer handling and planning.
- 7.14 Further dialogue with employers will be needed, e.g. on a sector by sector basis, to distil these needs into more specific requirements, but they nonetheless provide important messages that can be factored into future workforce development initiatives.

### **Recognising local need and circumstance**

- 7.15 Whilst the LLEP area is often talked about as a whole, it is important to acknowledge that the needs and characteristics of its districts, both in skills terms and more generally, do differ. In many cases the most pronounced differences are between the city of Leicester and the rest of the county (although the districts in the county themselves differ as well). For example, unlike Leicester, the rest of the county has an above average skills profile, but it faces other employment and skills challenges such as having an older population and issues of rurality that limit travel-to-learn options.
- 7.16 As responses to the skills challenges across the LLEP area are implemented, it is necessary to do so with an acknowledgement and understanding of these local variations in mind.

## APPENDIX A: EMPLOYER CONSULTATION SAMPLE

A total of 48 employers were consulted via one-to-one telephone consultations for this study. The main sectors of operation of these employers are shown in Table A.1.

<b>Main Sector of Operation</b>	<b>No. Employers</b>
Engineering	8
Manufacturing	8
Professional, scientific and technical	8
Financial and insurance	5
Arts, entertainment, recreation and other services	4
Business administration and support services	3
Unclassified	3
Architectural and engineering activities	2
Information and communication	2
Agriculture, forestry and fishing	1
Construction	1
Food & beverage service activities	1
Libraries, museums and other cultural activities	1
Public relation services	1
<b>Total</b>	<b>48</b>

Source: York Consulting

The employers were selected from a database of employer contacts provided to the researchers by the LLEP. The database contained 694 unique records. Whilst the original intention had been to take a stratified approach to sampling, in practice all of the employers on the database were contacted (some of them numerous times) in order to arrive at the achieved sample of 48.



## APPENDIX B: EMPLOYER SURVEY SAMPLE

A total of 113 employers completed an online survey for this study. The main sectors of operation of these employers are shown in Table B.1.

<b>Table B.1: Sector profile of the employers that completed the Skills for the Future online survey</b>	
<b>Main Sector of Operation</b>	<b>No. Employers</b>
Education	18
Manufacturing	17
Arts, entertainment, recreation & other services	12
Professional, scientific & technical	11
Health	7
Property	7
Transport & storage	7
Construction	6
Information & communication	5
Retail	5
Business administration & support services	4
Financial & insurance	4
Accommodation & food services	3
Don't know	3
Agriculture, forestry & fishing	2
Public administration & defence	2
<b>Total</b>	<b>113</b>

Source: York Consulting

Table B.2 shows where the headquarters of the respondents are located.

<b>Table B.2: Headquarters location of the employers that completed the Skills for the Future online survey</b>	
<b>Main Sector of Operation</b>	<b>No. Employers</b>
Leicester	54
Elsewhere in the UK	23
North West Leicestershire	13
Charnwood	6
Hinckley and Bosworth	6
Melton	4
Blaby	3
Harborough	3
Oadby and Wigston	1
<b>Total</b>	<b>113</b>

Source: York Consulting

Table B.3 shows the size profile (no. employees) of the respondents.

<b>Table B.2: Size profile of the employers consulted one-to-one for Skills for the Future</b>	
<b>Main Sector of Operation</b>	<b>No. Employers</b>
0 (sole trader)	3
1 to 9	36
10 to 49	32
50 to 249	22
250+	20
<b>Total</b>	<b>113</b>

Source: York Consulting

A link to the online survey was sent to all of the employers on the LLEP's Evolutive contacts database (c. 10,000 records).

## APPENDIX C: SIC CODES OF THE LLEP PRIORITY SECTORS

3212	Manufacture of jewellery and related articles
5811	Book publishing
5812	Publishing of directories and mailing lists
5813	Publishing of newspapers
5814	Publishing of journals and periodicals
5819	Other publishing activities
5821	Publishing of computer games
5829	Other software publishing
5911	Motion picture, video and television programme production activities
5912	Motion picture, video and television programme post-production activities
5913	Motion picture, video and television programme distribution activities
5914	Motion picture projection activities
5920	Sound recording and music publishing activities
6010	Radio broadcasting
6020	Television programming and broadcasting activities
6201	Computer programming activities
6202	Computer consultancy activities
7021	Public relations and communication activities
7111	Architectural activities
7311	Advertising agencies
7312	Media representation
7410	Specialised design activities
7420	Photographic activities
7430	Translation and interpretation activities
8552	Cultural education
9001	Performing arts
9002	Support activities to performing arts
9003	Artistic creation
9004	Operation of arts facilities
9101	Library and archive activities
9102	Museum activities

Table C.2: Engineering and Advanced Manufacturing	
2011	Manufacture of industrial gases
2012	Manufacture of dyes and pigments
2013	Manufacture of other inorganic basic chemicals
2014	Manufacture of other organic basic chemicals
2015	Manufacture of fertilisers and nitrogen compounds
2016	Manufacture of plastics in primary forms
2017	Manufacture of synthetic rubber in primary forms
2020	Manufacture of pesticides and other agrochemical products
2030	Manufacture of paints, varnishes and similar coatings, printing ink and mastics
2041	Manufacture of soap and detergents, cleaning and polishing preparations
2042	Manufacture of perfumes and toilet preparations
2051	Manufacture of explosives
2052	Manufacture of glues
2053	Manufacture of essential oils
2059	Manufacture of other chemical products n.e.c.
2060	Manufacture of man-made fibres
2110	Manufacture of basic pharmaceutical products
2120	Manufacture of pharmaceutical preparations
2611	Manufacture of electronic components
2612	Manufacture of loaded electronic boards
2620	Manufacture of computers and peripheral equipment
2630	Manufacture of communication equipment
2640	Manufacture of consumer electronics
2651	Manufacture of instruments and appliances for measuring, testing and navigation
2652	Manufacture of watches and clocks
2660	Manufacture of irradiation, electromedical and electrotherapeutic equipment
2670	Manufacture of optical instruments and photographic equipment
2680	Manufacture of magnetic and optical media
2711	Manufacture of electric motors, generators and transformers
2712	Manufacture of electricity distribution and control apparatus
2720	Manufacture of batteries and accumulators
2731	Manufacture of fibre optic cables
2732	Manufacture of other electronic and electric wires and cables
2733	Manufacture of wiring devices
2740	Manufacture of electric lighting equipment
2751	Manufacture of electric domestic appliances
2752	Manufacture of non-electric domestic appliances
2790	Manufacture of other electrical equipment
2811	Manufacture of engines and turbines, except aircraft, vehicle and cycle engines
2812	Manufacture of fluid power equipment
2813	Manufacture of other pumps and compressors
2814	Manufacture of other taps and valves
2815	Manufacture of bearings, gears, gearing and driving elements

<b>Table C.2: Engineering and Advanced Manufacturing</b>	
2821	Manufacture of ovens, furnaces and furnace burners
2822	Manufacture of lifting and handling equipment
2823	Manufacture of office machinery and equipment (except computers and peripheral equipment)
2824	Manufacture of power-driven hand tools
2825	Manufacture of non-domestic cooling and ventilation equipment
2829	Manufacture of other general-purpose machinery n.e.c.
2830	Manufacture of agricultural and forestry machinery
2841	Manufacture of metal forming machinery
2849	Manufacture of other machine tools
2891	Manufacture of machinery for metallurgy
2892	Manufacture of machinery for mining, quarrying and construction
2893	Manufacture of machinery for food, beverage and tobacco processing
2894	Manufacture of machinery for textile, apparel and leather production
2895	Manufacture of machinery for paper and paperboard production
2896	Manufacture of plastics and rubber machinery
2899	Manufacture of other special-purpose machinery n.e.c.
2910	Manufacture of motor vehicles
2920	Manufacture of bodies (coachwork) for motor vehicles; manufacture of trailers and semi-trailers
2931	Manufacture of electrical and electronic equipment for motor vehicles
2932	Manufacture of other parts and accessories for motor vehicles
3020	Manufacture of railway locomotives and rolling stock
3030	Manufacture of air and spacecraft and related machinery
3040	Manufacture of military fighting vehicles
3091	Manufacture of motorcycles
3092	Manufacture of bicycles and invalid carriages
3099	Manufacture of other transport equipment n.e.c.
3311	Repair of fabricated metal products
3312	Repair of machinery
3313	Repair of electronic and optical equipment
3314	Repair of electrical equipment
3315	Repair and maintenance of ships and boats
3316	Repair and maintenance of aircraft and spacecraft
3317	Repair and maintenance of other transport equipment
3319	Repair of other equipment
3320	Installation of industrial machinery and equipment
7112	Engineering activities and related technical consultancy
7211	Research and experimental development on biotechnology
7219	Other research and experimental development on natural sciences and engineering
7220	Research and experimental development on social sciences and humanities

Table C.3: Food and Drink Manufacturing four-digit SIC codes	
1011	Processing and preserving of meat
1012	Processing and preserving of poultry meat
1013	Production of meat and poultry meat products
1020	Processing and preserving of fish, crustaceans and molluscs
1031	Processing and preserving of potatoes
1032	Manufacture of fruit and vegetable juice
1039	Other processing and preserving of fruit and vegetables
1041	Manufacture of oils and fats
1042	Manufacture of margarine and similar edible fats
1051	Operation of dairies and cheese making
1052	Manufacture of ice cream
1061	Manufacture of grain mill products
1062	Manufacture of starches and starch products
1071	Manufacture of bread; manufacture of fresh pastry goods and cakes
1072	Manufacture of rusks and biscuits; manufacture of preserved pastry goods and cakes
1073	Manufacture of macaroni, noodles, couscous and similar farinaceous products
1081	Manufacture of sugar
1082	Manufacture of cocoa, chocolate and sugar confectionery
1083	Processing of tea and coffee
1084	Manufacture of condiments and seasonings
1085	Manufacture of prepared meals and dishes
1086	Manufacture of homogenised food preparations and dietetic food
1089	Manufacture of other food products n.e.c.
1091	Manufacture of prepared feeds for farm animals
1092	Manufacture of prepared pet foods
1101	Distilling, rectifying and blending of spirits
1102	Manufacture of wine from grape
1103	Manufacture of cider and other fruit wines
1104	Manufacture of other non-distilled fermented beverages
1105	Manufacture of beer
1106	Manufacture of malt
1107	Manufacture of soft drinks; production of mineral waters and other bottled waters

**Skills for the Future in Leicester and Leicestershire**

<b>Table C.4: Logistics and Distribution four-digit SIC codes</b>	
4611	Agents involved in the sale of agricultural raw materials, live animals, textile raw materials and semi-finished goods
4612	Agents involved in the sale of fuels, ores, metals and industrial chemicals
4613	Agents involved in the sale of timber and building materials
4614	Agents involved in the sale of machinery, industrial equipment, ships and aircraft
4615	Agents involved in the sale of furniture, household goods, hardware and ironmongery
4616	Agents involved in the sale of textiles, clothing, fur, footwear and leather goods
4617	Agents involved in the sale of food, beverages and tobacco
4618	Agents specialised in the sale of other particular products
4619	Agents involved in the sale of a variety of goods
4621	Wholesale of grain, unmanufactured tobacco, seeds and animal feeds
4622	Wholesale of flowers and plants
4623	Wholesale of live animals
4624	Wholesale of hides, skins and leather
4631	Wholesale of fruit and vegetables
4632	Wholesale of meat and meat products
4633	Wholesale of dairy products, eggs and edible oils and fats
4634	Wholesale of beverages
4635	Wholesale of tobacco products
4636	Wholesale of sugar and chocolate and sugar confectionery
4637	Wholesale of coffee, tea, cocoa and spices
4638	Wholesale of other food, including fish, crustaceans and molluscs
4639	Non-specialised wholesale of food, beverages and tobacco
4641	Wholesale of textiles
4642	Wholesale of clothing and footwear
4643	Wholesale of electrical household appliances
4644	Wholesale of china and glassware and cleaning materials
4645	Wholesale of perfume and cosmetics
4646	Wholesale of pharmaceutical goods
4647	Wholesale of furniture, carpets and lighting equipment
4648	Wholesale of watches and jewellery
4649	Wholesale of other household goods
4651	Wholesale of computers, computer peripheral equipment and software
4652	Wholesale of electronic and telecommunications equipment and parts
4661	Wholesale of agricultural machinery, equipment and supplies
4662	Wholesale of machine tools
4663	Wholesale of mining, construction and civil engineering machinery
4664	Wholesale of machinery for the textile industry and of sewing and knitting machines
4665	Wholesale of office furniture
4666	Wholesale of other office machinery and equipment
4669	Wholesale of other machinery and equipment
4671	Wholesale of solid, liquid and gaseous fuels and related products
4672	Wholesale of metals and metal ores
4673	Wholesale of wood, construction materials and sanitary equipment

Table C.4: Logistics and Distribution four-digit SIC codes	
4674	Wholesale of hardware, plumbing and heating equipment and supplies
4675	Wholesale of chemical products
4676	Wholesale of other intermediate products
4677	Wholesale of waste and scrap
4690	Non-specialised wholesale trade
4920	Freight rail transport
4941	Freight transport by road
4942	Removal services
5020	Sea and coastal freight water transport
5040	Inland freight water transport
5121	Freight air transport
5210	Warehousing and storage
5222	Service activities incidental to water transportation
5224	Cargo handling
5229	Other transportation support activities
5310	Postal activities under universal service obligation
5320	Other postal and courier activities



Table C.5: Professional and Financial four-digit SIC codes	
6201	Computer programming activities
6202	Computer consultancy activities
6203	Computer facilities management activities
6209	Other information technology and computer service activities
6400	Financial service activities, except insurance and pension funding
6500	Insurance, reinsurance and pension funding, except compulsory social security
6600	Activities auxiliary to financial services and insurance activities
6910	Legal activities
6920	Accounting, bookkeeping and auditing activities; tax consultancy
7021	Public relations and communication activities
7022	Business and other management consultancy activities
7111	Architectural activities
7112	Engineering activities and related technical consultancy
7120	Technical testing and analysis
7311	Advertising agencies
7312	Media representation
7320	Market research and public opinion polling
7410	Specialised design activities
7420	Photographic activities
7430	Translation and interpretation activities
7490	Other professional, scientific and technical activities n.e.c.

<b>Table C.6: Textile Manufacturing four-digit SIC codes</b>	
1310	Preparation and spinning of textile fibres
1320	Weaving of textiles
1330	Finishing of textiles
1391	Manufacture of knitted and crocheted fabrics
1392	Manufacture of made-up textile articles, except apparel
1393	Manufacture of carpets and rugs
1394	Manufacture of cordage, rope, twine and netting
1395	Manufacture of non-wovens and articles made from non-wovens, except apparel
1396	Manufacture of other technical and industrial textiles
1399	Manufacture of other textiles n.e.c.
1411	Manufacture of leather clothes
1412	Manufacture of workwear
1413	Manufacture of other outerwear
1414	Manufacture of underwear
1419	Manufacture of other wearing apparel and accessories
1420	Manufacture of articles of fur
1431	Manufacture of knitted and crocheted hosiery
1439	Manufacture of other knitted and crocheted apparel
1511	Tanning and dressing of leather; dressing and dyeing of fur
1512	Manufacture of luggage, handbags and the like, saddlery and harness
1520	Manufacture of footwear

Table C.7: Tourism and Hospitality four-digit SIC codes	
5510	Hotels and similar accommodation
5520	Holiday and other short-stay accommodation
5530	Camping grounds, recreational vehicle parks and trailer parks
5590	Other accommodation
5610	Restaurants and mobile food service activities
5621	Event catering activities
5629	Other food service activities
5630	Beverage serving activities
7990	Other reservation service and related activities
9004	Operation of arts facilities
9102	Museum activities
9103	Operation of historical sites and buildings and similar visitor attractions
9104	Botanical and zoological gardens and nature reserve activities
9200	Gambling and betting activities
9311	Operation of sports facilities
9321	Activities of amusement parks and theme parks
9329	Other amusement and recreation activities

Table C.8: Energy four-digit SIC codes	
1920	Manufacture of refined petroleum products
2011	Manufacture of industrial gases
2446	Processing of nuclear fuel
2521	Manufacture of central heating radiators and boilers
2712	Manufacture of electricity distribution and control apparatus
2720	Manufacture of batteries and accumulators
2740	Manufacture of electric lighting equipment
2825	Manufacture of non-domestic cooling and ventilation equipment
3511	Production of electricity
3512	Transmission of electricity
3513	Distribution of electricity
3521	Manufacture of gas
3522	Distribution of gaseous fuels through mains
3530	Steam and air conditioning supply
4222	Construction of utility projects for electricity and telecommunications