The Leicester and Leicestershire Economy in 2022

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Introduction and summary

This report aims to describe the current economy of Leicester and Leicestershire (the LLEP area), highlighting the dominant industries, the occupations within those industries and the skills required by the local economy.

The report also includes how demand for skills has changed in the previous five years and which sectors are more prevalent locally compared to the rest of England. The report also looks to the future and considers which sectors will continue to grow and where future demand may be.

It is clear that two sectors emerge from the analysis as locally significant:

Manufacturing:

- Third highest industry with far more jobs than national levels (figure 1)
- Process, Plant and Machine Operatives far higher than national (figure 2)
- Machinery skills far higher demand than national (figure 3)
- Second highest total wages and high wages per capita (figure 8)
- Highest total sales and high job numbers (figure 10)

Logistics:

- Transport and Storage has far more jobs than national levels (figure 1)
- Greater Elementary jobs and huge demand for Warehousing skills (figure 2 and 3)
- Warehousing skills showing the fastest growth of any sector locally (figure 4 and 6) and growth in Transportation and storage jobs (figure 6)
- Large forecast growth (figure 7)

However, the second theme is the often unseen presence of 'white collar' jobs which are large in both volume and demand:

- 'Professional' is the largest occupation but far behind national levels. Associate Professional and Technical; and Administrative and Secretarial are also both large and behind national levels (figure 2)
- Specialised Financial, Accounting and Auditing skills all high volume but below national levels (figure 3)
- Finance and Accounting skills second and third respective in skills demand (figure 3)
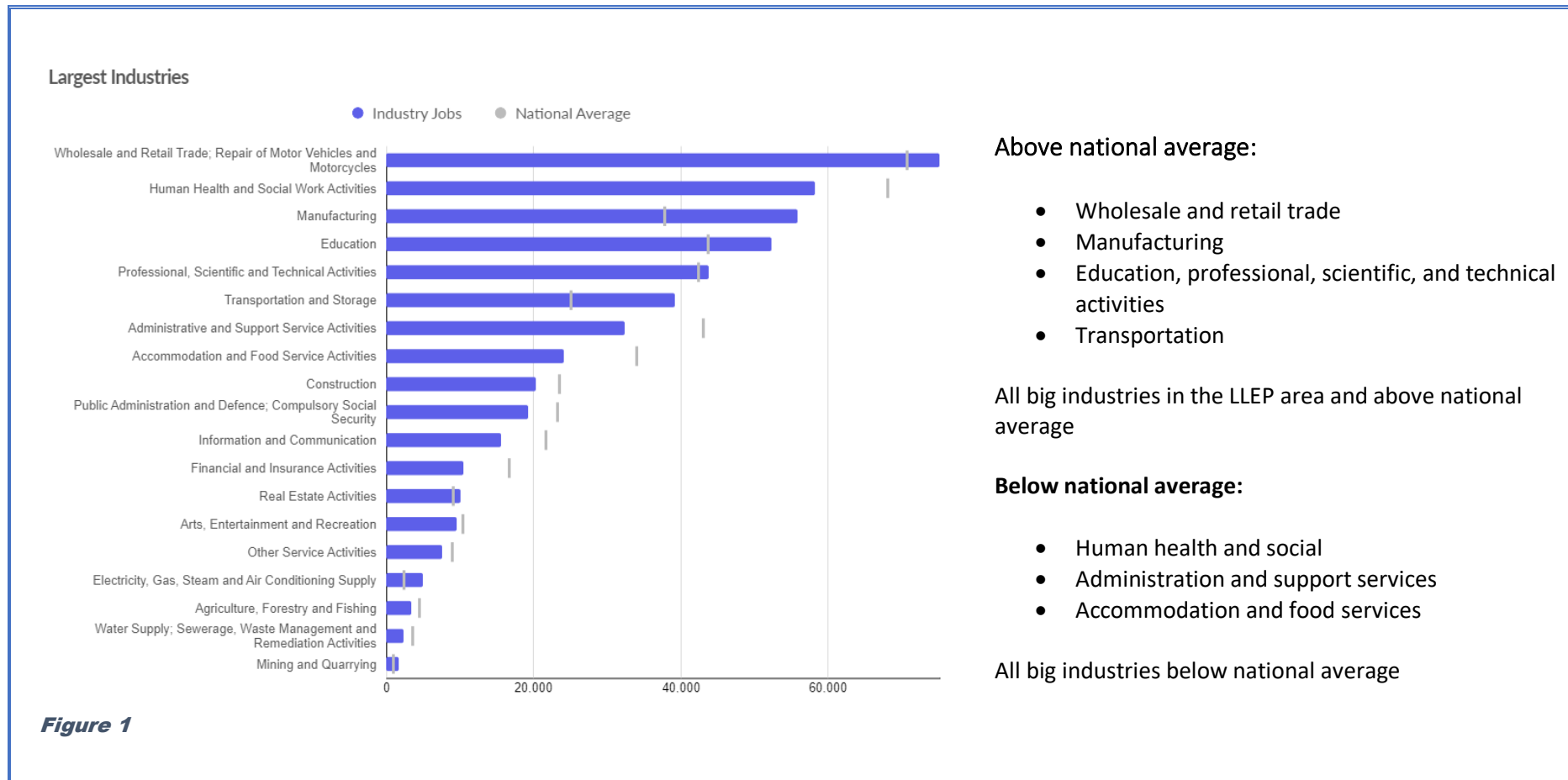- Professional, Scientific and Technical Activities high total wages and per capita (figure 8)

Contents

Setting the scene

The largest industries in the LLEP area compared to national levels

The chart below shows the largest industries in the LLEP area (blue bar) and how they compare to the national picture (grey line):

Largest Industries

● Industry Jobs   ● National Average

Above national average:

- Wholesale and retail trade
- Manufacturing
- Education, professional, scientific, and technical activities
- Transportation

All big industries in the LLEP area and above national average

Below national average:

- Human health and social
- Administration and support services
- Accommodation and food services

All big industries below national average

Figure 1

The most common occupations in the LLEP area compared to the national picture

Largest Occupations

● Occupation Jobs ● National Average

Occupation	
Professional	
Elementary	
Associate Professional and Technical	
Administrative and Secretarial	
Managers, Directors and Senior Officials	
Sales and Customer Service	
Caring, Leisure and Other Service	
Process, Plant and Machine Operatives	
Skilled Trades	

0   20.000   40.000   60.000   80.000

Figure 2

Above national average:

- Elementary and process
- Plant and machine roles

These two sectors include would include logistics and manufacturing, known large sectors in Leicestershire.

Below national average:

- Professional occupations
- Associate Professional and Technical roles
- Administrative and Secretarial

Many of the sectors below national level could be viewed as 'white collar occupations'

Top Specialised Skills - LLEP area compared to national

Figure 3

Above national average:

Warehousing significantly above national average – clear characteristic of the LLR economy

Below national average:

Finance, accounting, and auditing all significantly below national average

The agrees with previous information that 'white collar' occupations have lower prevalence in the LLEP area.
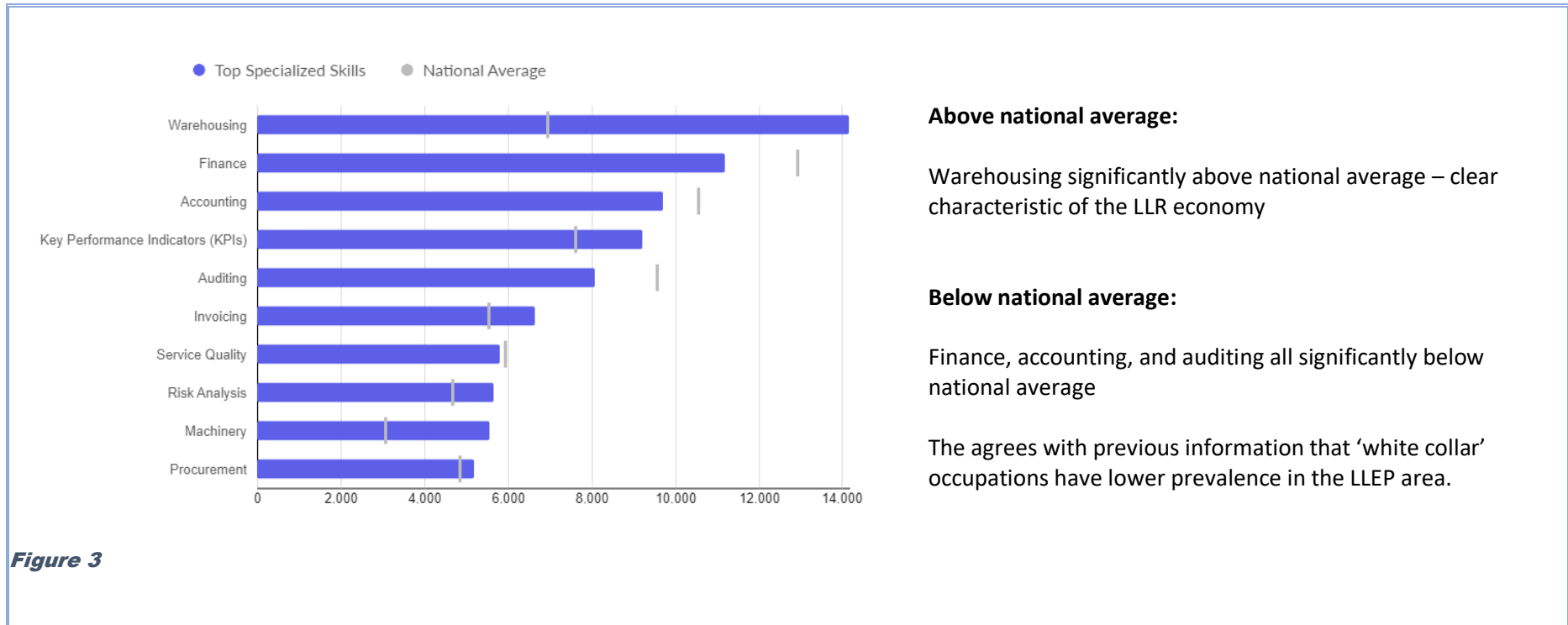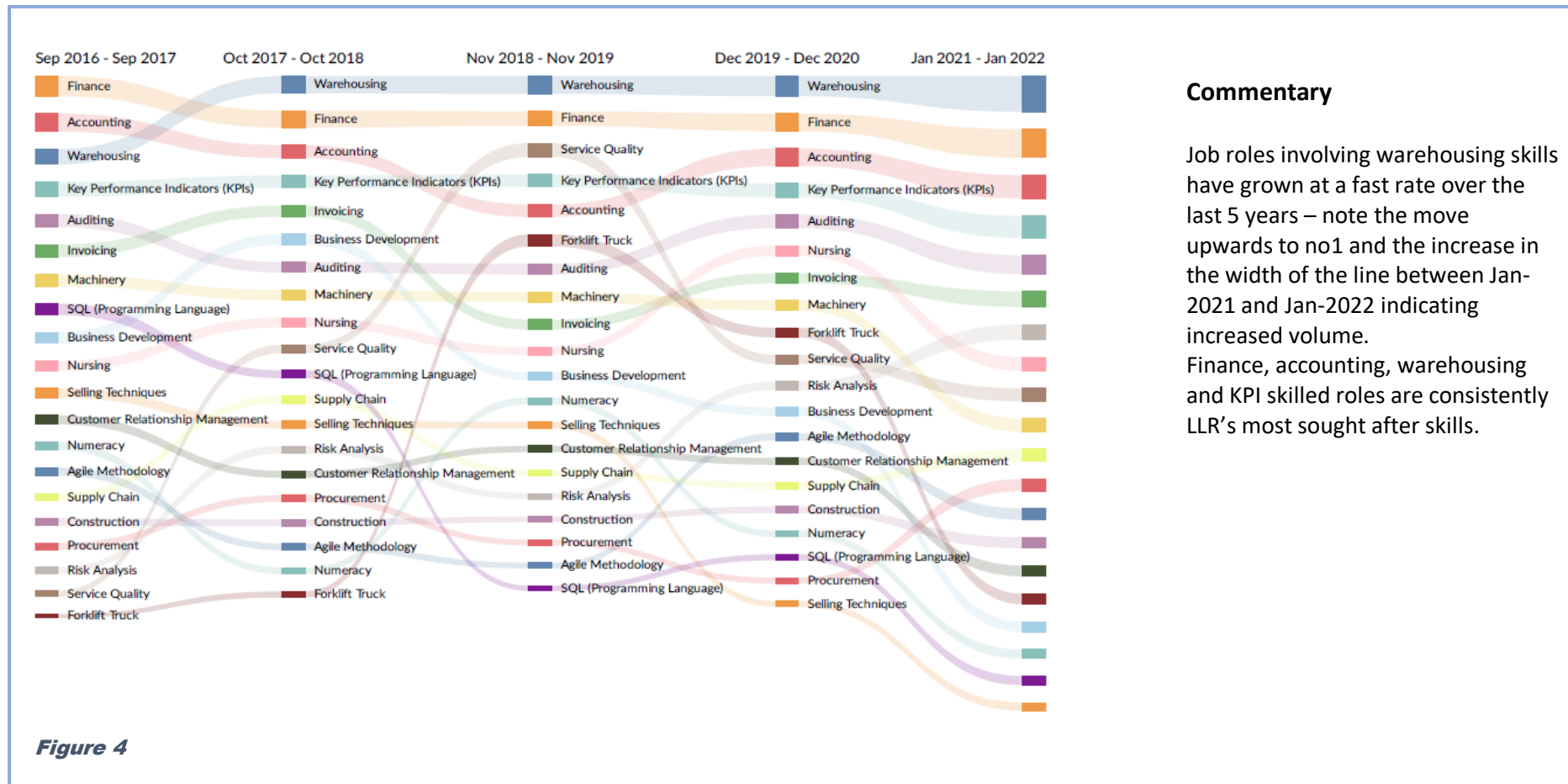
How the local skills demand has changed in the past 5 years:

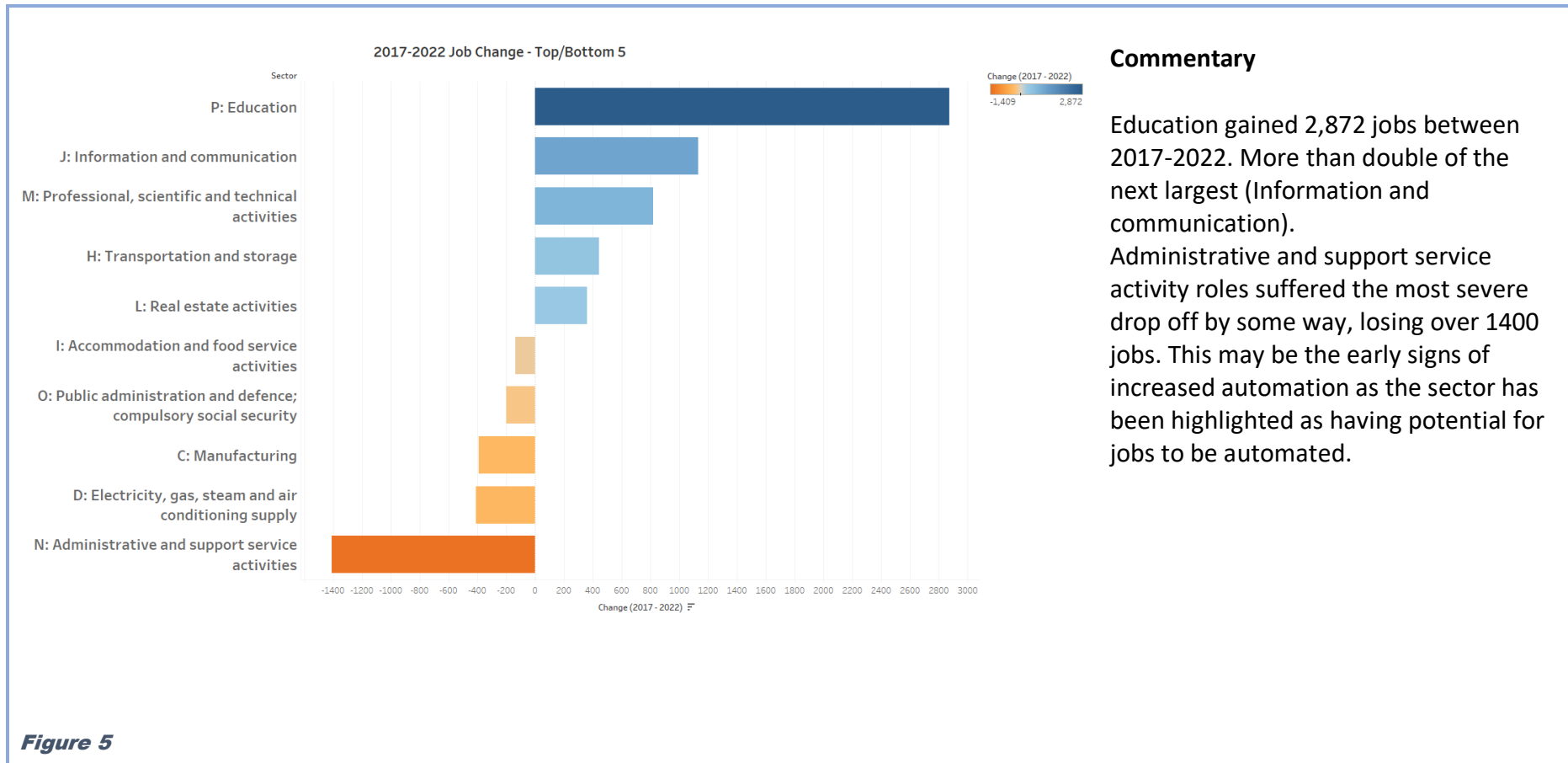**Headline skills demand**

Figure 4

Commentary

Job roles involving warehousing skills have grown at a fast rate over the last 5 years – note the move upwards to no1 and the increase in the width of the line between Jan-2021 and Jan-2022 indicating increased volume.
Finance, accounting, warehousing and KPI skilled roles are consistently LLR's most sought after skills.

Job-change by industry 2017 – 2022

The graph below shows the top 5 sectors for job increases and job decreases:

Commentary

Education gained 2,872 jobs between 2017-2022. More than double of the next largest (Information and communication).
Administrative and support service activity roles suffered the most severe drop off by some way, losing over 1400 jobs. This may be the early signs of increased automation as the sector has been highlighted as having potential for jobs to be automated.

Figure 5

Change in demand for Specialised Skills 2017-2022

The graph below shows the specialised skills that have grown or reduced in demand over the past 5 years:

Top 10 Increases –
Warehousing (+198%) and Finance (+92%), two large skill areas in high demand.
Exponential increases in postings involving Sales Administration (+1,409%) and Agriculture (+9,125%)
Procurement (+284%), Purchasing (+270%), and Mental Health (+291%) skills all approaching a 300% increase.

Bottom 10 Increases -
It is notable that all the top 10 bottom specialised skills are computer programming languages / software skills. This does not necessarily suggest reduced demand for IT skills in general but that skills demand changes in the sector as different languages and software are used.
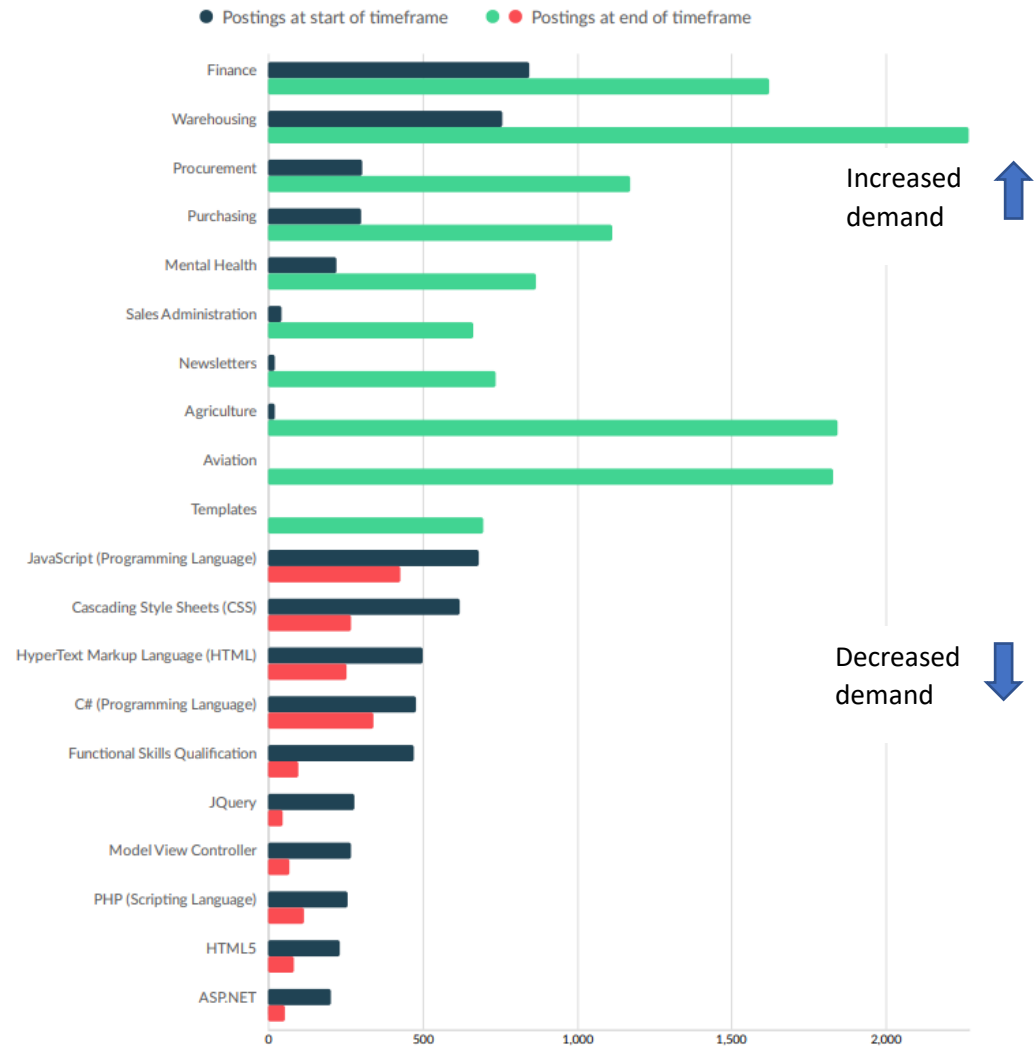

Figure 6

Forecast of future economy

Predicted changes by industry 2022-2031

- Transportation and Storage (i.e. Logistics) is expected to grow in local significance by approximately 7%

- Manufacturing, the LLEPs largest sector, is predicted to shrink by approximately 4%

Transportation and storage looks to be the growth industry for LLR in the next ten years, with both a strong LQ in 2022 and a positive rate of change for the LQ over the next 10 years.

Manufacturing is an industry that posts a strong LQ in 2022 but that is predicted to decrease over the next 10 years.

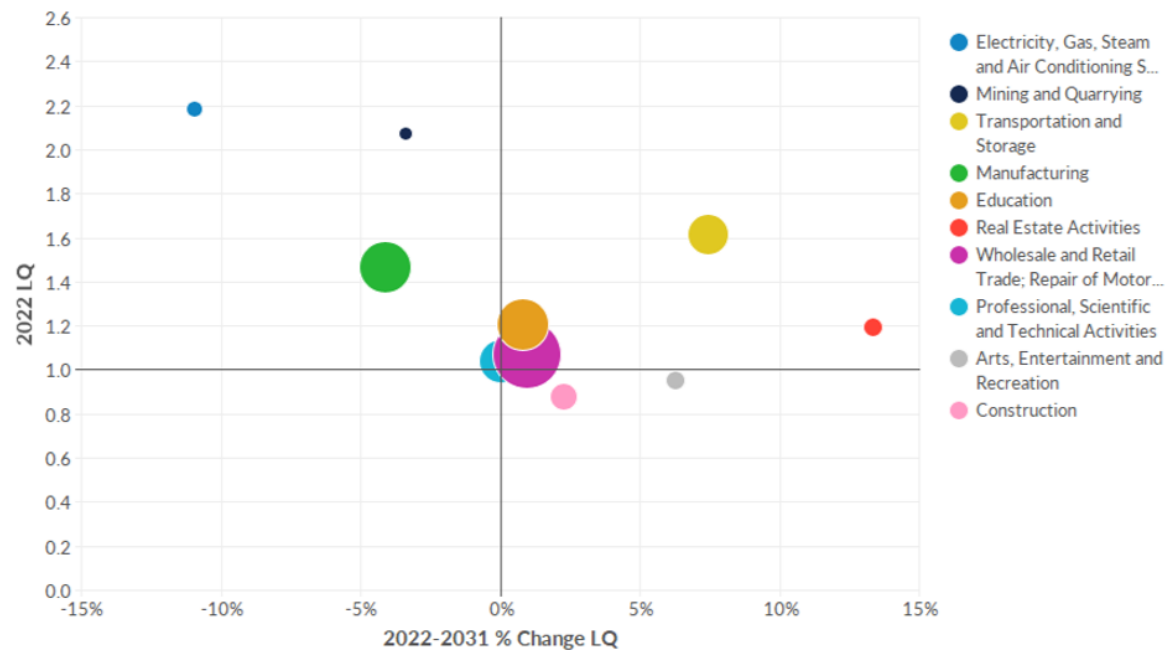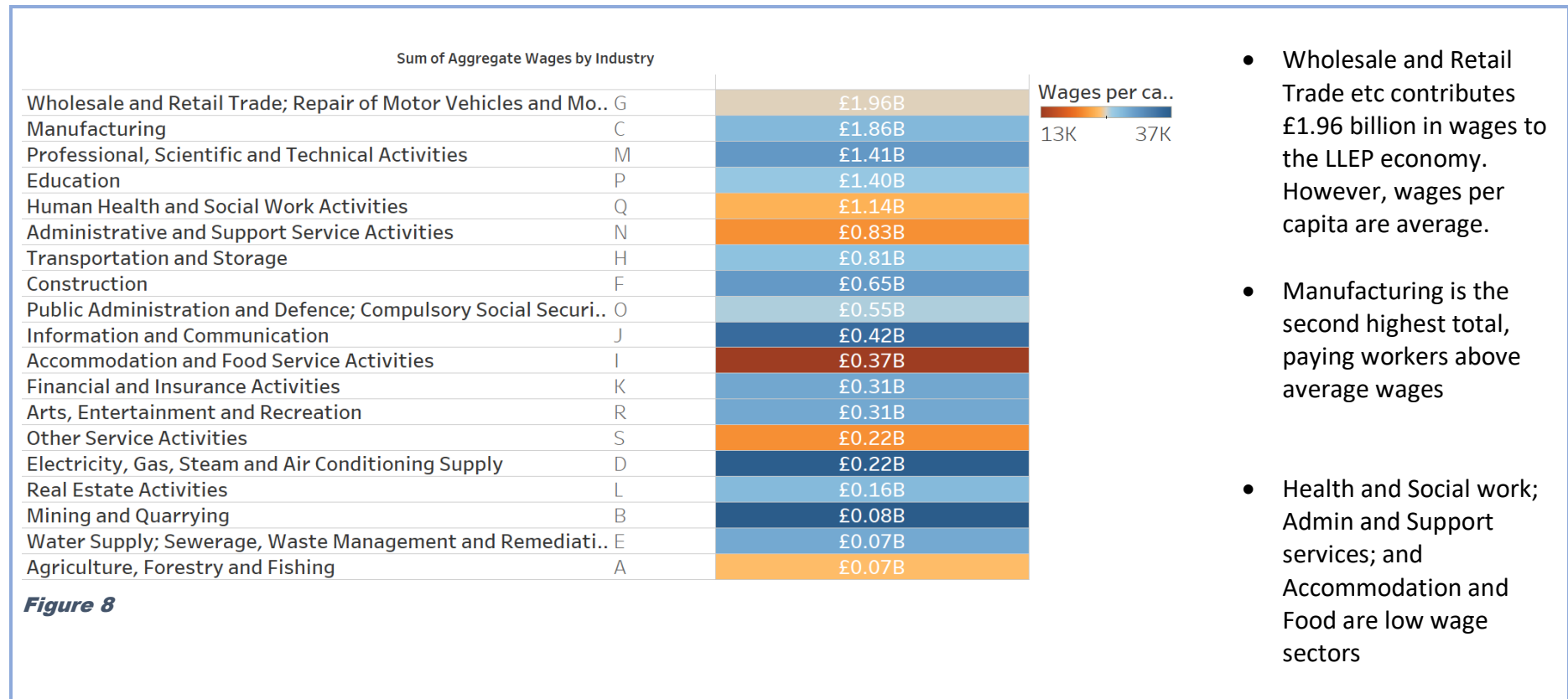Large industries like wholesale trade and education look to be stable.

Figure 7

Financial data

Total wages per Industry in the LLEP area

The graph below shows total wages paid per Industry and is coloured by the average wage per capita. For example, although Manufacturing has less total wages than Whole and Retail Trade etc, average wages in the Industry are higher.

Sum of Aggregate Wages by Industry

Industry	Code	Wages
Wholesale and Retail Trade; Repair of Motor Vehicles and Mo..	G	£1.96B
Manufacturing	C	£1.86B
Professional, Scientific and Technical Activities	M	£1.41B
Education	P	£1.40B
Human Health and Social Work Activities	Q	£1.14B
Administrative and Support Service Activities	N	£0.83B
Transportation and Storage	H	£0.81B
Construction	F	£0.65B
Public Administration and Defence; Compulsory Social Securi..	O	£0.55B
Information and Communication	J	£0.42B
Accommodation and Food Service Activities	I	£0.37B
Financial and Insurance Activities	K	£0.31B
Arts, Entertainment and Recreation	R	£0.31B
Other Service Activities	S	£0.22B
Electricity, Gas, Steam and Air Conditioning Supply	D	£0.22B
Real Estate Activities	L	£0.16B
Mining and Quarrying	B	£0.08B
Water Supply; Sewerage, Waste Management and Remediati..	E	£0.07B
Agriculture, Forestry and Fishing	A	£0.07B

Wages per ca..
13K   37K

Figure 8

- Wholesale and Retail Trade etc contributes £1.96 billion in wages to the LLEP economy. However, wages per capita are average.

- Manufacturing is the second highest total, paying workers above average wages

- Health and Social work; Admin and Support services; and Accommodation and Food are low wage sectors

Wages per capita compared to Jobs

Commentary

Professional, Scientific and Technical Activities job roles as well as Manufacturing roles are above average in both wages per capita and total jobs in the LLEP area.

Other Service Activities and Agriculture, Forestry and Fishing are below average in both metrics.

Accommodation and Food Service Activities is one of a few industries above average in terms of total jobs, but below the wages per capita average LLEP sets.

Other industries include Administrative and Support Service Activities and Human Health and Social Work Activities.
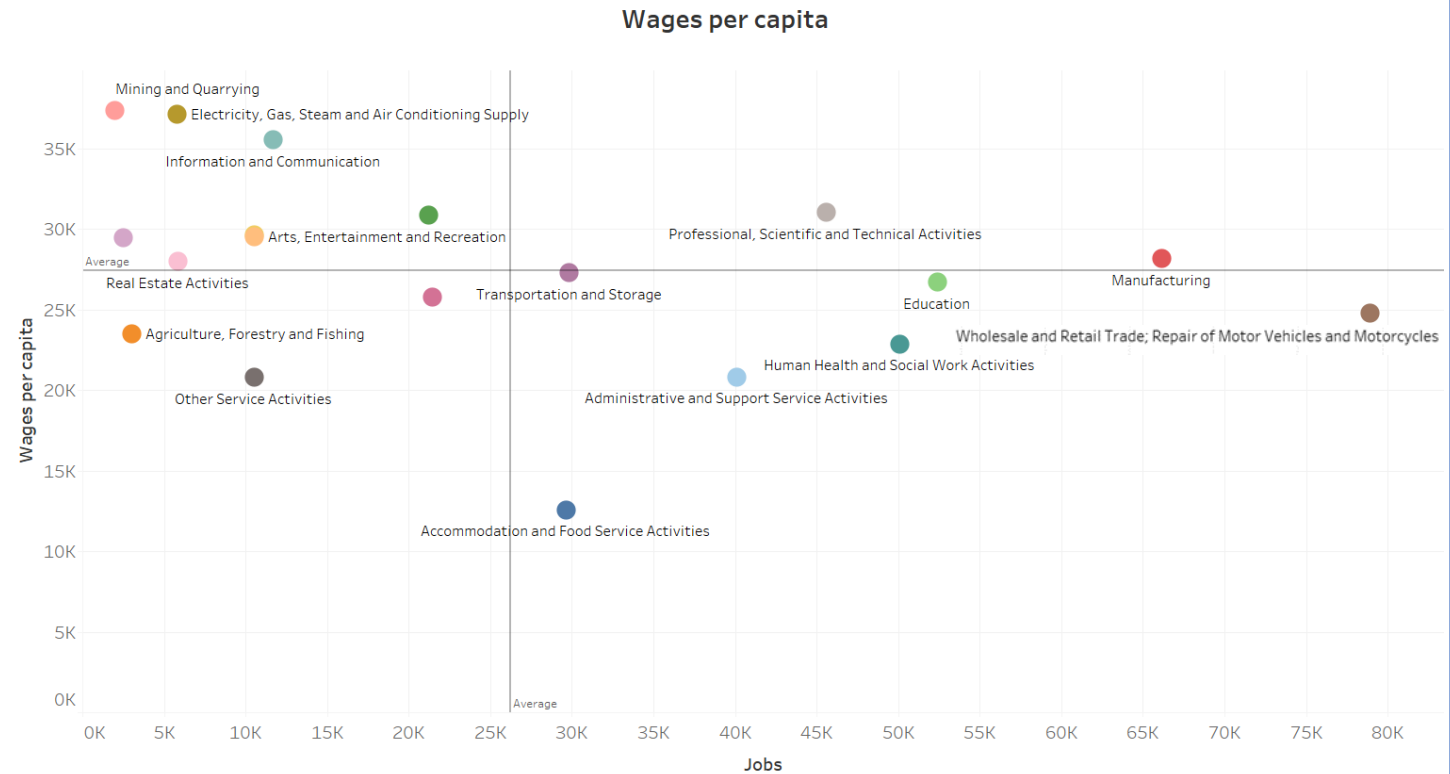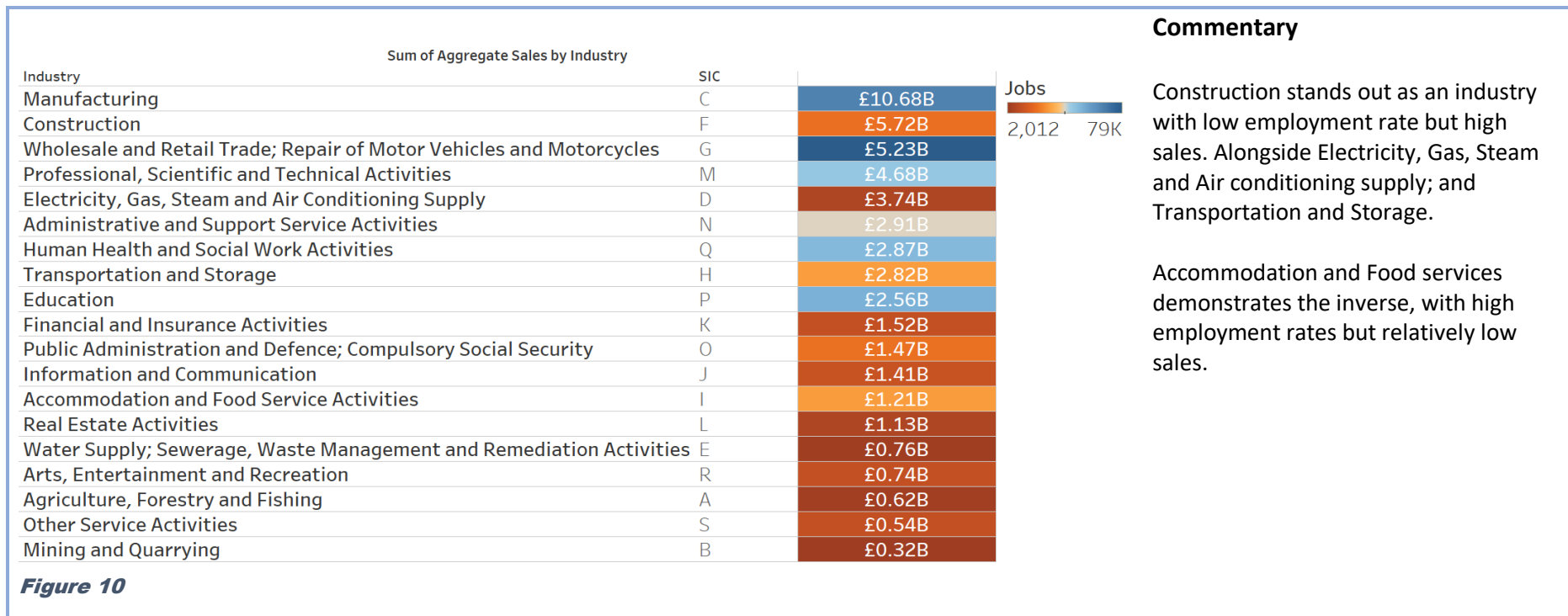

Wages per capita

Figure 9

Sum of Sales by Industry – Jobs in colour

The graph below shows the total sales in each sector and is coloured by the number of jobs in that sector. Manufacturing has the highest sales, almost double that of the second highest, construction.

Industry	SIC	Sum of Aggregate Sales by Industry	
Manufacturing	C	£10.68B	
Construction	F	£5.72B	
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	G	£5.23B	
Professional, Scientific and Technical Activities	M	£4.68B	
Electricity, Gas, Steam and Air Conditioning Supply	D	£3.74B	
Administrative and Support Service Activities	N	£2.91B	
Human Health and Social Work Activities	Q	£2.87B	
Transportation and Storage	H	£2.82B	
Education	P	£2.56B	
Financial and Insurance Activities	K	£1.52B	
Public Administration and Defence; Compulsory Social Security	O	£1.47B	
Information and Communication	J	£1.41B	
Accommodation and Food Service Activities	I	£1.21B	
Real Estate Activities	L	£1.13B	
Water Supply; Sewerage, Waste Management and Remediation Activities	E	£0.76B	
Arts, Entertainment and Recreation	R	£0.74B	
Agriculture, Forestry and Fishing	A	£0.62B	
Other Service Activities	S	£0.54B	
Mining and Quarrying	B	£0.32B	

Jobs: 2,012 — 79K

Commentary

Construction stands out as an industry with low employment rate but high sales. Alongside Electricity, Gas, Steam and Air conditioning supply; and Transportation and Storage.

Accommodation and Food services demonstrates the inverse, with high employment rates but relatively low sales.

Figure 10

Data Sources

All data points have been sourced from Economic Modelling Specialists Intl (EMSI). They collate accurate and up-to-date labour market data from varies sources, including the following datasets:

Annual Business Inquiry (ABI) • Annual Population Survey (APS) • Annual Survey of Hours and Earnings (ASHE) • Business Register and Employment Survey (BRES) • Department for Environment, Food and Rural Affairs (DEFRA) • Labour Force Survey (LFS) • Working Futures (WF) • Workforce Job Series (WJS) • Office for National Statistics (ONS) • National Records of Scotland (NRS) • National Statistics Wales (NSW)

These sources are collected and combined to create Emsi's industry and occupation data, as well as staffing patterns used to connect the two. More information can be found at: https://www.economicmodeling.com/

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