Skills Research – Nottingham East Midlands Airport

A report for *emda*

Experian

December 2004

east midlands development agency

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Introduction

BACKGROUND

The economic strategy for the East Midlands expresses ambitious targets for the regional economy.[1] One component of the strategy is Nottingham East Midlands Airport (NEMA), which is viewed as being of key economic importance to the region, linked to its potential for growth as a national freight hub and regional passenger airport.

In recent years a number of national and regional publications have addressed the future of air transport. The government has recently published its White Paper for aviation policy across the UK, which sets out a strategy for the sector over the next 30 years.[2] Alongside this is focus at a local level, highlighted by the East Midlands Development Agency in their support for a joint Regional Development Agency (RDA) response to government consultation[3] and an economic development strategy for NEMA.[4]

While London airports currently account for the greatest proportion of passenger and freight transport, NEMA is the largest airport in terms of the volume handled on dedicated freight aircraft. However, passenger numbers at NEMA have increased rapidly in recent years, as bmibaby and easyJet airlines have boosted their services from the airport. Furthermore, passenger traffic over the next two decades is forecast to increase significantly, from 4.5m currently to between 12m and 14m in 2030.[5]

NEMA is well served by the road network, situated just off the M1 at Junction 24, with plans to widen the M1 around this area to address congestion problems in the locality. However, concerns have been expressed that the public transport infrastructure may limit expansion of the airport, both for passengers and staff. For example, plans to open a new station to serve the airport, offering direct services to Derby, Nottingham and Leicester, have been delayed. That said, in February 2004 a bus service (funded by EMDA, NEMA and Nottingham City Council) was announced which provides a link between NEMA and Nottingham city centre.

It is vital that a suitable supply of labour supports the growth in airport freight and passengers. Projections suggest that between 2001 and 2030, total employment at NEMA will increase from 9,000 to 36,000.[6] In February 2004, NEMA held a jobs fair to recruit for 300 vacancies to keep up with the pace of expansion. However, the supply of labour could become a constraint on future development – recruitment problems and skills shortages are important issues at present.

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[1] *Destination 2010: Regional Economy Strategy for the East Midlands 2003-2010*, East Midlands Development Agency, March 2003.
[2] *The Future of Air Transport*, Department for Transport, December 2003.
[3] *The Future Development of Air Transport in the United Kingdom*, England's Regional Development Agencies, November 2002.
[4] *East Midlands International Airport Economic Development Strategy*, East Midlands Development Agency, December 2003.
[5] *The Future of Air Transport*, Department for Transport, December 2003.
[6] Source: York Aviation.

NOTTINGHAM EAST MIDLANDS AIRPORT SKILLS RESEARCH

In September 2004, the East Midlands Development Agency (EMDA) commissioned Experian Business Strategies to undertake a review of the current and future labour supply and skills requirements for NEMA.

This report presents the findings of the review and is designed to improve the ability of NEMA employers to attract and retain appropriately skilled staff. We first map current and future skills requirements at the airport, followed by an assessment of the extent and nature of travel to work, and potential barriers to employment for future employees.

The research was undertaken in two strands: an assimilation of existing research, and primary research in the form of a survey of current employers at NEMA, using both telephone survey and face-to-face interviews.

Secondary research – desk-based

The purpose of the secondary research was to bring together existing research and official statistics on the local labour market with thoughts for the future.

The location and nature of industries which make up NEMA is a key parameter for the use of official statistics. The airport is located within Castle Donington, North West Leicestershire. However, NEMA is central to three counties – Nottinghamshire, Leicestershire and Derbyshire – and our analysis considers all these areas.

Official statistics are collected using standard industry and occupational classifications. Employment at NEMA stretches beyond the primary industry of air transport, to include retail, hospitality, engineering, car rental and cleaning, for example. Consequently, when we refer to the airport industry, we access information based on the following Standard Industrial Classifications (SIC):

Manufacturing

- 33.2 (testing, inspection and calibration services) e.g. L K Tools Ltd.
- 35.3 (manufacture of aircraft and spacecraft) e.g. Donington Aviation Engineering Ltd.

Retail

- 52 (retail) e.g. Alpha Retail.

Hotels & restaurants

- 55.1 (hotels) e.g. Thistle.
- 55.3 (restaurants) e.g. Select Service Partner.
- 55.5 (canteen and catering) e.g. Alpha Flight Services.

Transport

- 60.24 (freight transport by road) e.g. TNT International, UPS and DHL.
- 62 (air transport) e.g. bmibaby, easyJet, Ryanair, MyTravel and Servisair.
- 63.1 (cargo handling and storage) e.g. National Car Parks.
- 63.4 (freight forwarding) e.g. Derwent Freight Services.

Business services

- 71.1 (renting of automobiles) e.g. National, Avis, Hertz and Europcar.
- 74.7 (industrial cleaning) e.g. Blue Diamond Services and In Flight Cleaning Services.

Primary research – employer survey

The employer research was conducted between October and November 2004, using a mixture of face-to-face and telephone interviews with the businesses and organisations operating on site at the airport.

The research covered the following key areas:[7]

- Recruitment methods and rates.
- Hard-to-fill vacancies.
- Current skills needs.
- Current skills gaps.
- Skills needs in the future.
- Training activity.
- Current employee retention and staff turnover.
- Employee packages offered (with emphasis on transport issues).

Interviews were conducted with 93 NEMA employers by telephone and lasted around 15 minutes. In order to encourage participation before commencing fieldwork, we sent out a letter on NEMA-headed paper explaining the project and the benefits of participating in this research. Simultaneously, we conducted face-to-face in-depth interviews with 10 key employers based at NEMA.

Further information

For further information about this work, please contact Alison Bingham at the East Midlands Development Agency (AlisonBingham@emd.org.uk) or Corinne Church at Experian (corinne.church@uk.experian.com).

[7] A copy of the questionnaire is provided in Appendix 1.

Executive summary

RESEARCH OVERVIEW

Between September and November 2004, Experian Business Strategies undertook a review of the current and future labour supply requirements at the Nottingham East Midlands Airport (NEMA). Experian Business Strategies undertook this work on behalf of the East Midlands Development Agency (EMDA), with the full support of NEMA.

The work was carried out in the context of forecast significant expansion of the airport in both freight (NEMA is the largest UK airport in terms of volume of freight on dedicated freight aircraft) and passenger numbers, and concerns over the sustainability of the expansion given tight labour market conditions in the East Midlands region.

The airport is located in Castle Donnington, but is central to the three counties of Nottinghamshire, Leicestershire and Derbyshire. The continued successful growth of the airport is seen as essential to the region's economic success.

The study involved both secondary analysis of official data sources and the local NEMA 2003 Employee Survey and Travel to Work Survey. As part of the work, in October and November 2004 primary research in the form of an employer recruitment and skills needs survey was also carried out, via a combination of telephone and face-to-face interviews. This survey covered all employers at the airport.

HEADLINE FINDINGS

NEMA workforce – In the summer of 2003, the Nottingham East Midlands Airport site – including the Pegasus Business Park and Donnington Hall just north of the site, the HQ of bmibaby – accounted for the **employment of just over 7,000 people**.

- Around a third of all staff are in some way involved with **passengers**, necessitating communication and customer-handling skills. Just under a quarter are employed in **cargo handling**, which has various requirements including driving multiple forms of transport and operating valuable machinery. Eight per cent are involved in **maintenance** activities, which require specialist knowledge and skills.
- Two-thirds of all employees are on a **fixed work pattern**, meaning that their days and hours remain constant from week to week. The remainder work a **shift pattern** where working times vary on a rolling or regular basis.
- Just under a third of all staff are involved in **night work**, but it should be noted that many of the remaining employees, whilst technically working days, may be working during unsociable hours including very early morning starts (e.g. 5a.m.) and late nights (11p.m. to as late as 2 a.m.).
- During the preceding year, almost two-thirds of NEMA employers experienced **staff turnover, predominantly among drivers, ground staff and night loader and operations staff** – roles that involve unsociable working hours. The most typical rate of turnover was 10-25 per cent, reported by a quarter of NEMA employers. Sixteen per cent reported 25-50 per cent turnover and 3 per cent reported turnover as high as 50-75 per cent.

- While turnover is arguably high for many employers, it appears to be in line with UK-wide company experiences and industry norms. Furthermore, many employers regard it as a fact of life for the types of industry and occupations they recruit for at the airport. However, it does mean that many employers are continually recruiting to meet replacement demand (i.e. to fill posts created as existing workers leave), in addition to recruiting to meet expansion needs.

- Most NEMA employers are of the view that the **wages offered are competitive**, with many of the larger companies benchmarking against their industries and competitors. While unsociable hours may be off-putting to potential employees, for others they offer the opportunity to increase wages through compensatory allowances. However, there is recognition among employers that the additional time and cost of travelling to the airport often makes equivalent jobs in the city centres a more attractive offer.
- **Retention is critical** to most employers. While those experiencing substantial turnover are often on an ongoing recruitment drive, they also implement policies aimed at both the recruitment and retention of workers.

  - **Free parking** is available to most employees. **Training** is offered by 85 per cent of employers at the airport, in large part because all staff need to be able to abide by health and safety regulations before beginning work, as well as undertake annual refresher courses in many instances.

  - **Financial reward** packages include unsocial hours, overtime and bonus payments and are offered by over two-thirds of employers.

- **NEMA employers rate the right attitude as the most important quality when recruiting**, emphasising the opportunities that exist at NEMA for individuals usually excluded due to a lack of qualifications. This is followed by the right skills, the right experience and the right qualifications.

'When they sit down for an interview, if they're chewing gum and looking scruffy they don't want to be here…They should want to work in a hotel for the right reasons…want to meet people…willing to work unsocial hours…We're a service industry.' (Hotels & Restaurant firm)

- **When looking to recruit, NEMA employers use newspapers as their main channel**, followed by Jobcentre Plus (relationships are mainly with the Long Eaton branch) or recruitment or employment agencies (including Aviation Resources and Forward Prospects). However, with a view to meeting the future recruitment needs of NEMA, it is of some concern that employers are making very little use of the NEMA website, a readily available portal that should be seen as a central source of job information for potential applicants.

Travel to work patterns – NEMA's location in Castle Donnington is predominantly rural, but with relatively easy road/car access from the neighbouring urban areas of Nottingham, Derby, Loughborough, Long Eaton and Leicester. Consequently, the time and cost of commuting to the airport and the suitability of public transport are critical issues, impacting on the flow of both workers and passengers.

- **There is no direct link to the airport by rail**.
- **Bus services are the only available form of public transport** (for both employees of the airport and passengers): the *Airline Shuttle* connecting Loughborough and Derby to the airport; Nottingham *Skylink* from the city centre to the airport; and the *Rainbow 5* route between Nottingham and Loughborough via the airport and servicing the nearby residential areas of Long Eaton, Castle Donnington, Hathern and Kegworth.
- However, at the moment just 10 per cent of Skylink customers are people who work at the site. The rest are airline passengers.
- **Within the East Midlands, people are less likely to travel long distances** to work than people in England as a whole. The majority (51 per cent) of people in the region commute less than 5km to work; 21 per cent commute between 5km and 10km and 16 per cent between 10km and 20km.
- Travel to work information reinforces the fact that **NEMA employees are mainly drawn from local areas** to the airport. Eighty-eight per cent of airport employees come from Derbyshire, Nottinghamshire or Leicester. Within these areas, employees are concentrated in clusters to the south of Derby and Nottingham and to the north of Leicester, which are proximal to the airport site.
- **The vast majority of NEMA employees travel to the airport by car** (93 per cent according to the 2003 NEMA Travel to work survey) and just 6 per cent use the bus. Furthermore, more than three-quarters of employers interviewed in the EMDA/NEMA employer survey agreed that the airport is difficult to access without a car.

  - In-depth interviews with employers reinforce the difficulty employees face in meeting the unsociable hours demanded by many airport jobs using public transport. Although buses are available, they do not run late at night and into the early hours of the morning when many workers begin their shift. The length of time the journey takes (longer than car journeys because of passenger pick-ups and restricted routes) is a further disincentive.

'Most staff drive…(Buses) not practical for a 5 o'clock shift and not many buses running at that time… staff have to drive out rampside… so in reality need licence.' (Transport firm)

'In Birmingham buses run 24 hours a day and draw from one local population… NEMA is having to draw widely so it wouldn't work in the same way.' ('Other' firm)

  - Whilst employers with employees struggling to come to work via public transport have often been willing to adapt shift patterns and so on, typically this proves insufficient to support public transport commuting as a viable longer-term option.

'People have to have their own vehicles. It's less of an issue here than Birmingham where people are used to public transport. It's more rural here – all have own vehicles or access to vehicles. Only one recruit in two years (used public transport). We changed their shifts to use public transport – (they've) since left – too much of a nightmare even with us altering shift patterns.' (Retailer)

Local policies for airport, transport and workforce development – The airport has been through a period of substantial expansion that is expected to continue. This means more workers are required as business grows. As passenger numbers rise, there is also increasing demand on transport and service infrastructures.

- With easyJet and bmibaby operating out of NEMA, passenger numbers have grown by 1m since 2002. This is on top of continued growth preceding this period. The government white paper on Transport Aviation forecasts **a rise in passenger traffic at NEMA from 4.5m in 2003 to 12-14m in 2030**. NEMA is also the largest airport in the UK measured in terms of freight carried on dedicated aircraft; **freight is also forecast to grow**. The airport's central location has attracted DHL, UPS, TNT and Royal Mail.
- EMDA, the Three Cities and the Government Office for the East Midlands all support **expansion of the airport as central to promoting business development in the Three Cities and economic prosperity across the region**.
- However, countering the expansion process, **noise concerns among residents around night freight flights** may halt plans for a second runway. The Civil Aviation Authority has also delayed until 2005 a decision on airspace, which would have accommodated an increase in planes and changes to flight paths.
- A further threat to the growth and sustainability of airport expansion is the dependence on car access – by both passengers and employees – to reach the airport, given its rural location. Consequently, the Economic Development Strategy for the airport emphasises the **importance of improving the public transport infrastructure to facilitate expansion**.
- The main hope seems to lie in the **development of Parkway Station**, a new mainline station on the Ratcliffe Power Station site providing rail access to the airport. However, the Midland Mainline rail operating company and Powergen who own the site have as yet been unable to resolve their issues and at present there are no signs of this development going ahead. In the short to medium term, busses appear to be the only form of public transport likely to be available.
- There are **plans to improve the quality of road access**, including Highway Agency plans for the A453 to widen access between Clifton and the M1, and to widen the M1 between Junctions 21 and 30. These improvements will impact on the airport in the medium to long term, as works are not scheduled for completion until beyond 2010.

Skills demand – The extent and nature of skills needs, gaps and shortages in the East Midlands and in airport-related industries will directly influence the ability to meet NEMA's future demands.

- At the time of research, **42 per cent of employers at NEMA have vacancies**. These are across a range of occupations, but with the greatest requirement being for night warehouse staff, loaders and clerical assistants.
- While wider evidence from the National Employer Skills Survey is not directly comparable, it does allow us to place the NEMA survey findings in some form of context. It suggests that **vacancies at NEMA are running at a far higher level than in the region as a whole**.

'All of us have exhausted the local labour markets. They're here if they want to be, we're all fighting for the same people.' (Transport firm)

- Hard-to-fill vacancies had been experienced by 35 per cent NEMA employers over the past year. **The main reasons cited for hard-to-fill vacancies were the shift work/unsociable hours, and the airport's remote location with poor public transport**. Other critical factors were the lack of applicants with the required skills, a low number of applicants generally and too few people interested in doing the type of work on offer.

'It was a glamorous industry, now really struggling to get people in through the door. The supermarkets can pay more per hour and they're easy to get to.' (Transport firm)

- **Airport security is a primary concern**. Most employees needing to go airside – that is in the vicinity of the runway and aircraft – are subject to criminal record checks before working. Depth interviews suggest that in the past this has been a major problem and has impacted on working efficiency, with delays of more than two months taking place. However, it seems that the problems have been ironed out and processing is now far faster and therefore less of an issue.
- **Just over a quarter of employers at NEMA reported skills gaps** (that is where the level of skills their employees have is insufficient to meet the demands of the business), which is in line with the East Midlands findings from the National Employer Skills Survey. Of those NEMA employers who report skills gaps among their staff, they are most common among new recruits who lack customer service and job-specific skills. Positively, the overwhelming response by employers is to train.

Skills supply – The East Midlands market is relatively tight.

- **Rates of unemployment are below the English average**, at 1.9 per cent of adults of working age (compared with 2.2 per cent nationally). Furthermore, in the immediate vicinity of the airport, rates are well below the regional average, at 1.2 per cent for North West Leicestershire and 1.1 per cent in Castle Donnington.
- However, **there is a highly concentrated spatial spread of unemployment**, with significant pockets in the urban centres of Nottingham, Derby and Leicester. Leicester in particular has more than half of all wards with an unemployment claimant count of over 5 per cent. At present, the airport is not directly accessible to people in Leicester using public transport, although by car it is around 30 minutes away.
- **Patterns of deprivation across the region are closely associated with higher levels of unemployment** (among other factors) and are mainly in urban wards within and in the nearby vicinity of the Three Cities. These are also the areas where people are least likely to have access to a car: across the region 24 per cent of people lack access to a private car or van, while in Nottingham the figure is 45 per cent, in Leicester 38 per cent and in Derby 31 per cent.
- In addition to the pockets of unemployment in the urban areas, manufacturing employment, which is in decline, is over-represented in the area. The **fallout from the manufacturing sector is a potential source of labour for the airport**.

SUPPORTING RECRUITMENT AT NEMA – RECOMMENDATIONS

- A number of employers at NEMA have had/do have some relationship with Long Eaton Jobcentre Plus, which is the Jobcentre nearest to the airport. Ideally the NEMA employer relationship – possibly via the NEMA Employer Forum – needs to **broaden out and direct relationships with job centres in the Three Cities and in the vicinity of areas of deprivation**. We would particularly highlight Leicester, which has significant levels of deprivation and unemployment (although successful recruitment will be dependent on the setting up of a public transport initiative from Leicester).
- To facilitate social inclusion and meet the recruitment needs of airport employers, **it is in the interests of Jobcentre Plus, the LSCs, EMDA and the NEMA Employer forum to work in close partnership**. An Away Day at the airport would be valuable for Jobcentre Plus staff and would offer an opportunity for the needs of airport employers to be articulated. Jobcentre staff could also experience working life at the airport to put them in a position to explain the advantages and disadvantages to potential recruits.
- A number of individual employers have built up successful relationships with colleges and universities delivering courses in the hospitality, leisure and tourism areas. The NEMA Employer Forum is already exploring some of these links and could usefully **establish relationships between all local colleges/universities and the airport**.
- Raising the profile of employment opportunities at the airport across the region was an issue mentioned by some employers. However, regular newspaper and radio recruitment advertisements are costly for individual companies. The possibility of **collectively raising awareness** could be explored through the Employer Forum.
- A process for **facilitating linkages between manufacturing firms planning restructuring/closures with the NEMA Employer Forum** would ensure that airport authorities would be in an advance position to re-employ workers being made redundant. EMDA may be a useful intermediary if the organisation has a system in place for monitoring job losses across the region. Alternatively, an awareness-raising campaign may be required to let all employers in the region know that there is a designated point of contact (which will need to be determined) to facilitate redundancy/re-employment brokering.
- **Stansted Airport is operating some successful initiatives** with a variety of local partnerships including local Jobcentres, Learning and Skills Councils and the Chambers of Commerce. A similar partnership could be brokered between the NEMA Employment Forum (to represent the training needs of airport employers), the LSC (given that recruits are likely to be drawn from a number of LSC areas, it is likely that cross funding will need to be negotiated) and relevant Sector Skills and local Jobcentres.
- From our analysis, we have identified **one potential gap in the public transport infrastructure serving NEMA**. This is the link with Leicester, which is not served by busses, while train links are via Nottingham. Considering the wider social inclusion agenda, we would propose that a thorough review be undertaken into this opportunity.
- With the advent of the new Nottingham Skylink bus service, one enterprising employer used the slogan ‘No car, no problem’ in a small-scale postcard campaign designed to recruit more staff from the Nottingham area. A similar campaign with postcards or flyers left in public places as well as Jobcentres, colleges and universities in the region may help to **promote job opportunities at the airport that can be accessed by public transport**.
- However, in addition to a review of the geographical coverage, a **review of the timings of the bus service is also required** in relation to employees’ working patterns. Employers are not universally convinced that bus services through the night will necessarily help workers trying to meet very unsocial shift and night work patterns.

1. The NEMA workforce

Key messages

In the summer of 2003, the Nottingham East Midlands Airport site – including the Pegasus Business Park and Donnington Hall just north of the site and the HQ of bmi baby – employed just over 7,000 people. In the year preceding the EMDA/NEMA employers survey, 55 per cent of employers said employment levels were constant while 37 per cent experienced growth and 8 per cent a decline. Looking forward over the coming year, just over half of employers anticipate employment growth, with 40 per cent expecting employment to stay at current levels.

Of the NEMA workforce, the majority, 63 per cent, were employed in the transport industry (including freight and airlines) and 6 per cent in the hotels & restaurants sector. Roughly a quarter of the workforce was employed in 'Other' while the remainder was comprised of employment in retail, business services and manufacturing.

Around one-third of all staff were in some way involved with passengers, necessitating communication and customer-handling skills. Just under a quarter were employed in cargo handling, which has varying requirements including driving multiple forms of transport and operating valuable machinery. Eight per cent were involved in maintenance activities, which require specialist knowledge and skills.

Three-quarters of employees at NEMA are employed full-time, according to the EMDA/NEMA 2004 survey, although depth interviews suggest that employer definitions of full-time vary and are typically below the statutory level of 35 hours per week. Part-time employment is more prevalent in the retail and business service establishments at the airport, where roughly one-third are part-time compared with an average of one-fifth across all airport employment (NEMA 2003 employee survey).

Men make up 6/10 airport workers and women 4/10. The spread across ages is fairly broad. A quarter are aged less than 25 years, a half are aged between 25 and 44 years and a quarter are aged 45 and over.

Two-thirds of all employees are on a fixed work pattern, meaning that their days and hours remain constant from week to week. The remainder work a shift pattern where working times vary on a rolling or regular basis. Just under one-third of all staff are involved in night work, but it should be noted that many of the remaining two-thirds of employees, whilst technically working days, will be working during unsociable hours including very early morning starts (e.g. 5a.m.) and late nights (11p.m. to as late as 2 a.m.).

Thirty-seven per cent of employers at the airport experienced totally stable employment, with no turnover during the preceding year. Among the 63 per cent who did report turnover, the most typical rate was between 10 per cent and 25 per cent, reported by a quarter of NEMA employers; while 16 per cent reported 25.1 per cent to50 per cent turnover; and 3 per cent experienced turnover as high as 50.1 per cent to 75 per cent. Turnover is predominantly an issue among drivers, ground staff, and night loader and operations staff, roles involving unsociable working hours.

While turnover is arguably high for many employers, this is often in line with UK-wide company experiences and industry norms and is regarded by many employers as a fact of life for the types of industry and occupations they recruit for at the airport.

More than half of airport employers use local newspapers to advertise vacancies, including the Nottingham Evening Post, the Derby Telegraph and the Leicester Mercury. Around one-third of NEMA employers use Jobcentre Plus. Relationships are mainly reported with the Long Eaton branch, although vacancies are advertised across the jobcentre network including in the major cities. Depth interviews suggest that Jobcentre plus is not proving to be a particularly fruitful recruitment channel for employers, despite a willingness to take on the long-term unemployed if they have a suitable attitude to work. Jobcentres in the Three Cities do not generally seem to put forward potential recruits for NEMA.

Recruitment and employment agencies are another important route for recruitment, particularly for freight-related businesses. Aviation Resources, which is located on site at the airport, was cited, along with Forward Prospects and Randstad. Specialist agencies are also used for recruitment to some occupations and management appointments. Where staff are recruited on a temporary basis, most employers aim to recruit the suitable applicants to become permanent employees.

From depth interviews it seems that the airline companies experience little difficulty recruiting staff, with companies holding waiting lists of suitable applicants awaiting a job opening. Their ease of recruiting is felt to be down to the strong brand names involved and a desire among applicants to work in the 'airline industry' with all it entails. Furthermore, those who are successful and come into the job with realistic expectations about early starts and late nights tend to stay for long periods of time.

On the basis of a small sample of face-to-face interviews, NEMA employers are of the view that the wages they offer are competitive. Many of the larger companies benchmark against their industries and competitors. While unsocial hours may be off-putting to potential employees, for others they offer the opportunity to increase wages through compensatory allowances. However, there is recognition among employers that the additional time and cost of travelling to the airport often makes equivalent jobs in the city centres a more attractive offer.

Retention is critical to most employers. While those experiencing substantial turnover are often on an ongoing recruitment drive, they also implement policies aimed at both the recruitment and retention of workers. Free parking is available to most employees and training is offered by 85 per cent of employers at the airport (in large part because all staff need to be able to abide by health and safety regulations before beginning work, as well as undertake annual refresher courses in many instances). Financial reward packages include unsocial hours, overtime and bonus payments and are offered by over two-thirds of employers.

Childcare provision or vouchers as a recruitment and retention offer are provided by just over a tenth of employers. Depth interviews suggest that carers chose instead to balance working patterns around domestic care arrangements, and that providing childcare on site would not be practical given the unsocial hours worked by many employees and the highly variable start and end times among workers on site at the airport.

1.1 EMPLOYMENT

In summer 2003, NEMA, Pegasus Park[8] and Donnington Hall[9] employed just over 7,000 people,[10] a figure which is projected to increase rapidly over the next decade. For example, on the basis of the RASCO Reference Case forecasts of passenger and freight transport, York Consulting estimate that employment in the East Midlands would almost quadruple by 2030.[11]

The 2003 NEMA Employee Survey[12] shows that a significant number of those employed at NEMA are resident in the East Midlands. Consequently, it is within the context of the regional background that we discuss the make-up of the NEMA workforce in this section.

1.1.1 Industrial and occupational employment

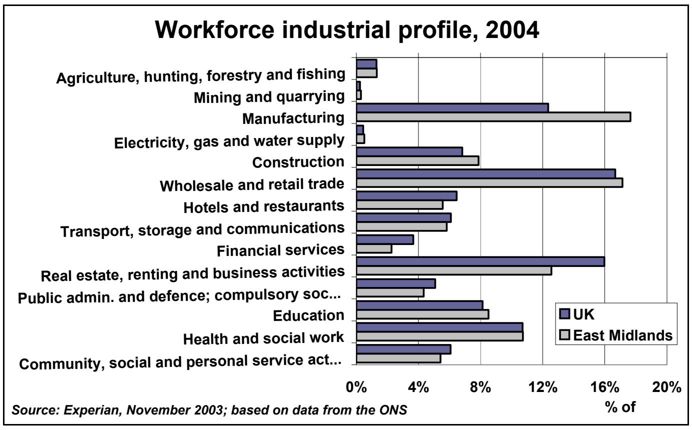
Industry

Figure 1.1 shows the current industrial structure of the East Midlands workforce. In contrast to the whole of the UK, manufacturing accounts for the greatest proportion of regional employment. Furthermore, the proportion of regional employment in the manufacturing sector significantly exceeds the UK average (18 per cent and 12 per cent respectively).

Consequently, service sector employment is under-represented in the East Midlands compared with the UK. For example, financial and business services[13] accounts for 15 per cent of total employment in the region, below the UK average (20 per cent).

Across the UK and the East Midlands, employment in the land, water and air transport sector[14] accounts for 4 per cent of employment, rising to 6 per cent if we include post and telecommunications (as illustrated in Figure 1.1). The representation of wholesale and retail trade, and hotels & restaurants employment, is also similar to the UK average.

Figure 1.1



As we would expect, of the 7,010 NEMA employees recorded in the 2003 Employee Survey, 63 per cent were employed in the transport sector (Figure 1.2). British Midland, DHL, Servisair and UPS are the largest companies included in this category.

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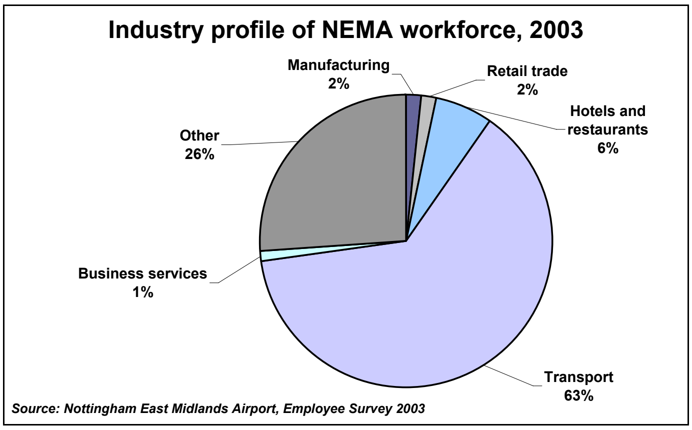
[8] Pegasus Park is a business park located on the NEMA site.
[9] Donnington Hall is the headquarters of British Midland, located just north of the NEMA site.
[10] Source: Nottingham East Midlands Airport Employee Survey, 2003.
[11] *East Midlands International Airport Economic Development Strategy*, York Aviation, December 2003.
[12] Full details of the 2003 NEMA Employee Survey is provided in Appendix 2.
[13] Standard Industrial Classification 65 to 74.
[14] Standard Industrial Classification 60 to 63.

A further 11 per cent of the NEMA workforce is spread between manufacturing, retail, hotels & restaurants and business services. Furthermore, a number of other large companies are located at NEMA that we have not categorised as key airport-related industries, but are important in this research. These include Powergen and Price Waterhouse Coopers, which are classed as 'other' in Figure 1.2. In total, the 'other' group accounts for 26 per cent of total NEMA employment, which reflects the level of industry and occupational diversity in the NEMA workforce.

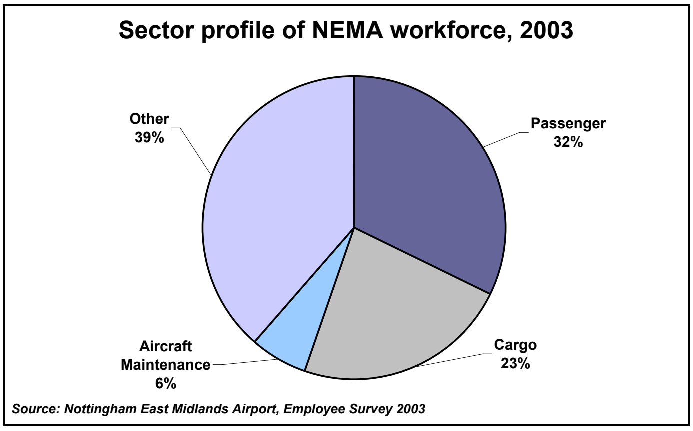
Figure 1.2



The 2003 Employee Survey also divides NEMA employment by the nature of work. As shown in Figure 1.3, 32 per cent were involved with passengers, suggesting a strong demand for customer-handling and communication skills from a large proportion of the workforce.

A further 23 per cent of NEMA workers were employed in the cargo field and 8 per cent in aircraft maintenance. The skills associated with these jobs are likely to differ from the passenger facing staff. We discuss skills needs in more detail in Section 4.2.

Figure 1.3

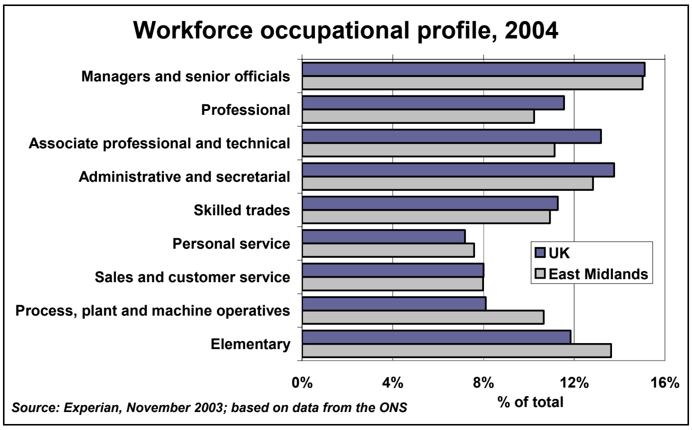


Occupation

It is a concern in the East Midlands that the region is caught in a low-pay, low-skills equilibrium, preventing the region from raising the skills levels of its residents and improving its competitiveness.[15] This equilibrium occurs where relatively high employment rates (see Appendix 3, Table A3.2) are, to an extent, maintained by an above average reliance on employment in lower-value activities.

Using occupations as a proxy for skills,[16] the East Midlands does have an over-reliance on lower-order occupations (Figure 1.4). For example, 24 per cent of the East Midlands workforce are currently employed as process, plant and machine operatives, or in elementary occupations, compared with 20 per cent of the UK workforce. Conversely, at the higher end, professional and associate professional and technical occupations are under-represented in the region.

Figure 1.4



There is a strong link between the occupation profile of a region and its industrial structure; the importance of manufacturing in the East Midlands explains the number of operatives in employment. However, in general the region has an over-reliance on lower-order occupations that perpetuates a cycle of low skills demand from employers. This is one of the key areas of focus for the East Midlands Regional Skills for Productivity Partnership (see Section 3.3 for further information).

1.1.2 Characteristics

Most industries are distinguished by their workforce characteristics. Identification of these characteristics paints a picture of both the current and potential sources of labour for employers.

This section draws on evidence from the Labour Force Survey, a survey of households in the UK conducted on a quarterly basis. The survey makes inferences about the whole population, but due to the small sample size estimates made at a local level are less reliable than estimates made for the whole of the UK.

We also make full use of the 2003 NEMA Employee Survey, which records the work status of the 7,010 NEMA employees, and the 2004 EMDA/NEMA Employer Survey.

[15] For example, *Destination 2010: The Regional Economic Strategy for the East Midlands*, East Midlands Development Agency, March 2003.
[16] There is a strong correlation between an individual's occupation and the qualifications they are likely to possess.

Gender

- Across the UK and the East Midlands, 54 per cent of the workforce is male and 46 per cent female (Table 1.1). Importantly, though, there are significant differences in the gender profile by industry.
- For example, 86 per cent of the UK airport-related manufacturing sector workforce is male. The equivalent proportion for the East Midlands is 81 per cent.
- Males are also over-represented in transport activities – in the East Midlands, 82 per cent of employment in this sector is male.
- In contrast, the gender profile of the retail workforce is female-dominated. This is also the case for the workforce in hotels & restaurants and business services activities.

Table 1.1
Gender profile of the airport-related* workforce, by sub-sector
(% of total)

	East Midlands		UK		*Weighted base*	
	Male	Female	Male	Female	*East Midlands*	*UK*
Whole economy	54%	46%	54%	46%	*1,906,900*	*27,870,100*
Airport-related*						
Manufacturing	81%	(19%)	86%	14%	*19,100*	*181,000*
Retail	37%	63%	40%	60%	*243,100*	*3,114,700*
Hotels & restaurants	49%	51%	44%	56%	*47,300*	*903,900*
Transport	82%	(18%)	80%	20%	*54,100*	*579,300*
Business services	(47%)	(53%)	48%	52%	*15,400*	*255,500*

Note: (1) Rows may not sum to 100% due to rounding.
(2) Data for the East Midlands is workplace based.
(3) Values in brackets () represent employment of less than 10,000. Quarterly LFS estimates of less than 10,000 are not published as they are likely to be unreliable. The 10,000 threshold equates to a sample size of about 30.
(4) Applies to all persons in employment other than those on college-based schemes.
* Manufacturing: SIC 33.2 and 35.3; Retail: SIC 52; Hotels & restaurants: SIC 55.1, 55.3 and 55.5; Transport: SIC 60.24, 62, 63.1 and 63.4; Business services: SIC 71.1 and 74.7.

Source: Labour Force Survey, 4-quarter average: Autumn 2003 to Summer 2004.

Age

- It is well documented that the manufacturing sector has a relatively old workforce. This is borne out by the statistics in Table 1.2.[17] Forty-two per cent of the UK airport-related manufacturing workforce are aged over 45, compared with 37 per cent of the whole economy workforce.

  - Research from SEMTA (the Sector Skills Council for science, engineering and manufacturing technologies) predicts a severe shortage of licensed engineers involved in aircraft maintenance in the next few years, a direct result of the sector not recruiting young apprentices.[18]

- In contrast, young people aged between 16 and 24 account for around one-third of total employment in the retail and hotels & restaurant sector.

[17] The age profile of the East Midlands airport-related workforce is detailed in Appendix 3, Table A3.1.
[18] *Aerospace Sector Skills Agreement: Stage 1*, SEMTA, June 2004.

- For the hospitality sector, People 1st (the Sector Skills Council for the hospitality, leisure, travel and tourism sector) suggests that due to the large number of unfilled vacancies in the sector (see Section 4 for further details), employers are increasingly turning to older workers to fill vacancies.[19]

- The retail sector offers good opportunities in part-time occupations for students. However, some employers are seeking the skills and experience they require in more mature workers, helping to integrate older workers back into the labour market. Stores such as B&Q and ASDA have made considerable efforts to attract older workers, valuing their maturity and experience of household and family needs.

Table 1.2
Age profile of the UK airport-related* workforce, by sub-sector
(% of total)

	16 to 24	25 to 34	35 to 44	45 to 54	55 to 64	65+	*Weighted base*
Whole economy	14%	22%	26%	22%	14%	2%	*27,870,100*
Airport-related*							
Manufacturing	7%	20%	31%	25%	16%	(1%)	*181,000*
Retail	31%	18%	21%	17%	11%	2%	*3,114,700*
Hotels & restaurants	36%	20%	21%	13%	8%	2%	*903,900*
Transport	9%	23%	29%	22%	15%	(2%)	*579,300*
Business services	14%	17%	28%	21%	16%	5%	*255,500*

Note: (1) Rows may not sum to 100% due to rounding.
(2) Values in brackets () represent employment of less than 10,000. Quarterly LFS estimates of less than 10,000 are not published as they are likely to be unreliable. The 10,000 threshold equates to a sample size of about 30.
(3) Applies to all persons in employment other than those on college-based schemes.
* Manufacturing: SIC 33.2 and 35.3; Retail: SIC 52; Hotels & restaurants: SIC 55.1, 55.3 and 55.5; Transport: SIC 60.24, 62, 63.1 and 63.4; Business services: SIC 71.1 and 74.7.

Source: Labour Force Survey, 4-quarter average: Autumn 2003 to Summer 2004.

Ethnicity

The ethnic profile of an industry often reflects the profile of the local population from which it recruits its workforce. However, as we show in Table 1.3, ethnicity also differs quite significantly by industry, indicating an element of under or over-representation for some ethnic groups, compared with the average.

Labour Force Survey statistics show that:

- The East Midlands has a slightly higher proportion of White employment than the UK as a whole.
- There is very little employment of non-white individuals in the airport-related manufacturing sector at a UK level, a profile also evident in the transport sector.

[19] *Market Assessment for the hospitality, leisure, travel and tourism sector*, People 1st, 2004.

- At a UK level, the ethnic profile of retail and business services employment is similar to the whole economy average. (This is not the case for business services in the East Midlands, although care should be taken as the sample size is relatively small.)
- Non-white employment is over-represented in the hotels & restaurants sector, at both a UK and East Midlands level.

  - According to the People 1st Market Assessment, the high percentage of black and ethnic minority employees in restaurants is partly explained by the size of the Asian and Oriental restaurant sector.

Table 1.3
Ethnic profile of the airport-related* workforce, by sub-sector
(% of total)

	East Midlands		UK		*Weighted base*	
	White	Non-white	White	Non-white	*East Midlands*	*UK*
Whole economy	95%	5%	93%	7%	*1,906,900*	*27,870,100*
Airport-related*						
Manufacturing	97%	(3%)	98%	(2%)	*19,100*	*181,000*
Retail	94%	6%	91%	9%	*243,100*	*3,114,700*
Hotels & restaurants	85%	(15%)	83%	17%	*47,300*	*903,900*
Transport	95%	(5%)	95%	5%	*54,100*	*579,300*
Business services	90%	(10%)	92%	8%	*15,400*	*255,500*

Note: (1) Rows may not sum to 100% due to rounding.
(2) Data for the East Midlands is workplace based.
(3) Values in brackets () represent employment of less than 10,000. Quarterly LFS estimates of less than 10,000 are not published as they are likely to be unreliable. The 10,000 threshold equates to a sample size of about 30.
(4) Applies to all persons in employment other than those on college-based schemes.
* Manufacturing: SIC 33.2 and 35.3; Retail: SIC 52; Hotels & restaurants: SIC 55.1, 55.3 and 55.5; Transport: SIC 60.24, 62, 63.1 and 63.4; Business services: SIC 71.1 and 74.7.

Source: Labour Force Survey, 4-quarter average: Autumn 2003 to Summer 2004.

Work status

Across the whole economy, around one-quarter of employment is on a part-time basis and three-quarters on a full-time basis, in the UK and in the East Midlands (Table 1.4). However, there are significantly greater opportunities for part-time work in the retail, hotels & restaurants and business services sectors, while the manufacturing and transport airport-related industries are almost entirely dominated by full-time work.

Table 1.4
Work status profile of the airport-related* workforce, by sub-sector
(% of total)

	East Midlands		UK		*Weighted base*	
	Full-time	Part-time	Full-time	Part-time	*East Midlands*	*UK*
Whole economy	73%	27%	74%	26%	*1,906,900*	*27,870,100*
Airport-related*						
Manufacturing	95%	(5%)	96%	(4%)	*19,100*	*181,000*
Retail	51%	49%	51%	49%	*243,100*	*3,114,700*
Hotels & restaurants	54%	46%	54%	46%	*47,300*	*903,900*
Transport	92%	(8%)	90%	10%	*54,100*	*579,300*
Business services	(43%)	(57%)	51%	49%	*15,400*	*255,500*

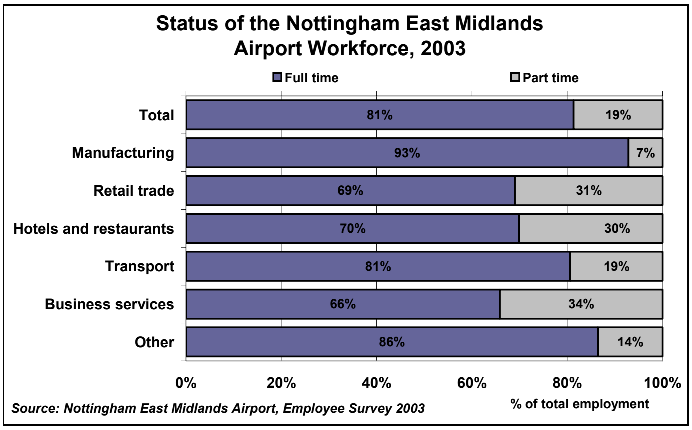
Note: (1) Rows may not sum to 100% due to rounding.
(2) Data for the East Midlands is workplace based.
(3) Values in brackets () represent employment of less than 10,000. Quarterly LFS estimates of less than 10,000 are not published as they are likely to be unreliable. The 10,000 threshold equates to a sample size of about 30.
(4) Applies to all persons in employment other than those on college-based schemes.
* Manufacturing: SIC 33.2 and 35.3; Retail: SIC 52; Hotels & restaurants: SIC 55.1, 55.3 and 55.5; Transport: SIC 60.24, 62, 63.1 and 63.4; Business services: SIC 71.1 and 74.7.

Source: Labour Force Survey, 4-quarter average: Autumn 2003 to Summer 2004.

NEMA characteristics

At a more local level, Figure 1.5 illustrates the work status of the 7,010 NEMA employees in the 2003 Employee Survey. The patterns of employment at NEMA reflect the wider trends from the Labour Force Survey (Table 1.4).

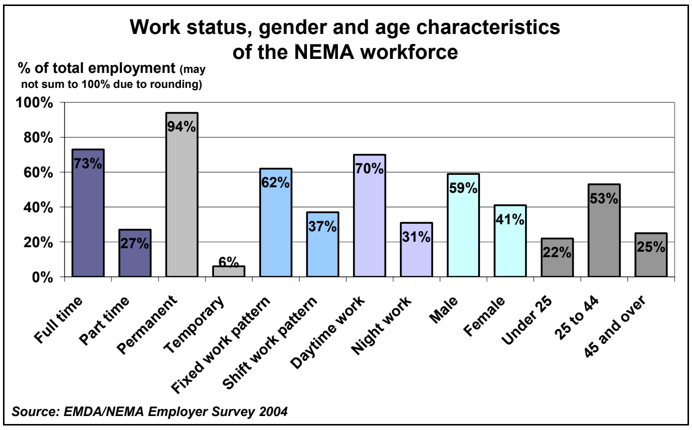
Figure 1.5



According to the 2004 Employer Survey, around three-quarters of total employment at NEMA is on a full-time basis and almost all is permanent. A large proportion (31 per cent) of the workforce are involved in night work.

The 2004 Employer Survey also recorded that across all employers at NEMA, the gender split was 59 per cent male and 41 per cent female. The profile is also distributed across the age ranges of under 25 (22 per cent), 25 to 44 (53 per cent) and 45 and over (25 per cent).

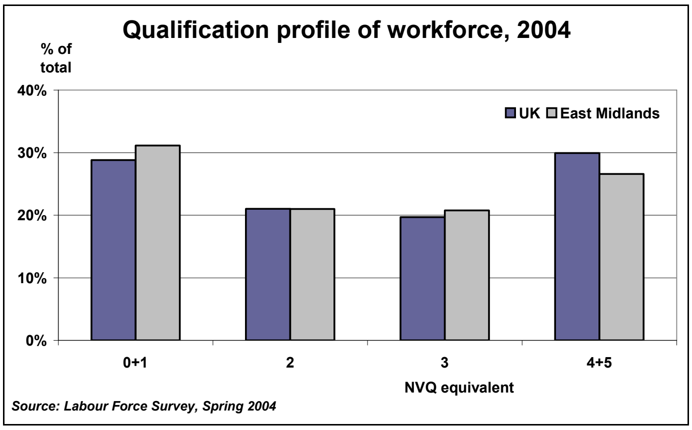
Figure 1.6



1.1.3 Skills and qualifications

Figure 1.7 illustrates the qualification profile of the UK and the East Midlands. This shows the under-representation of level 4 and 5 qualifications in the region, which is not just accounted for at level 2 and 3 but also in the above-average proportion of workers with none or level 1 qualifications.

Figure 1.7



At a UK level, as shown in Table 1.5, there are some important distinctions between the qualification profile of those employed in airport-related activities and those employed in the whole economy.

- The manufacturing sector demands that the majority of its workers hold level 3, 4 or 5 qualifications. According to the SEMTA Sector Skills Agreement, graduates currently account for about 30 per cent of aerospace employment, while there are Modern Apprenticeships for the sector available up to level 3 (craft).

- The qualification profile lowers for retail, hotels & restaurants and transport, where level 2 is more likely to be held than the average, although a large number only have level 1 or no qualifications.

  - Skills for Logistics (the Sector Skills Council for the logistics sector) highlights that statutory requirements for licences and other certification mean that many people in the transport sector do hold such qualifications rather than academic awards or S/NVQs.[20]

- Strikingly, over half of all those employed in the airport-related business services sector have none or level 1 qualifications. CINTO (Cleaning Industry National Training Organisation), in its Labour Market Intelligence Update,[21] highlights qualifications at this level including the BICS[22] Cleaning Operators Proficiency Certificate.

Table 1.5
Qualification profile of the airport-related* workforce, by sub-sector
(% of total)

	East Midlands				UK				*Weighted base*	
NVQ equivalent level	0 or 1	2	3	4 or 5	0 or 1	2	3	4 or 5	*East Midlands*	*UK*
Whole economy	22%	28%	23%	27%	29%	21%	20%	30%	*1,916,600*	*27,938,100*
Airport-related*										
Manufacturing	(16%)	(19%)	(19%)	(46%)	14%	18%	30%	37%	*19,500*	*177,500*
Retail	43%	25%	20%	12%	40%	26%	19%	11%	*245,200*	*3,078,000*
Hotels & restaurants	41%	28%	(13%)	(15%)	43%	26%	19%	11%	*41,800*	*905,400*
Transport	43%	26%	18%	(10%)	43%	26%	20%	10%	*54,800*	*578,400*
Business services	(51%)	(18%)	(7%)	(20%)	64%	20%	9%	6%	*17,400*	*265,600*

Note: (1) Rows may not sum to 100% due to rounding.
(2) Data for the East Midlands is workplace based.
(3) Values in brackets () represent employment of less than 10,000. Quarterly LFS estimates of less than 10,000 are not published as they are likely to be unreliable. The 10,000 threshold equates to a sample size of about 30.
(4) Applies to all persons in employment other than those on college-based scheme.
* Manufacturing: SIC 33.2 and 35.3; Retail: SIC 52; Hotels & restaurants: SIC 55.1, 55.3 and 55.5; Transport: SIC 60.24, 62, 63.1 and 63.4; Business services: SIC 71.1 and 74.7.

Source: Labour Force Survey, Spring 2004.

[20] *Market Assessment*, Skills for Logistics, July 2003.
[21] *The UK Cleaning Industry 2003: Labour Market Intelligence Update*, Cleaning Industry National Training Organisation, October 2003.
[22] The British Institute of Cleaning Science.

1.2 PAST AND FUTURE TRENDS

In this section we review the recent history of the airport-related business services sector and present forecasts for the future. The information is drawn from the Annual Business Inquiry, Experian forecasts and the Working Futures project.

According to the Annual Business Inquiry, since 1998 employment across the whole of Great Britain has grown at an average annual rate of 1.2 per cent (Table 1.6). Furthermore, the pattern of employment has been consistently upward, reaching 25.5m in 2002.

The East Midlands has failed to keep up with the pace of the country as a whole, recording static employment growth over the period 1998-2002. That said, there have been rather erratic changes year-on-year and mixed fortunes for the individual counties. Only Northamptonshire and Lincolnshire & Rutland recorded positive growth in employment between 1998 and 2002, with employment contraction in Derbyshire and Leicestershire.

A recent review of the state of the region's economy highlighted that the region's major cities – particularly Derby and Leicester – are underperforming as 'motors of growth', which would explain the underperformance as a whole.[23] However, it should be noted that any analysis of employment growth should consider that the regions' employment levels are relatively high in general.

Table 1.6
Employment trends
(number of employees)

	1998	1999	2000	2001	2002	Average annual growth (1998 to 2002)*
Great Britain	24,355,000	24,827,400	25,225,700	25,490,300	25,548,100	1.2%
East Midlands	**1,752,400**	**1,715,200**	**1,741,500**	**1,760,800**	**1,750,100**	**0.0%**
Derbyshire (inc. Derby)	388,600	389,200	367,800	390,200	378,100	-0.7%
Leicestershire (inc. Leicester)	399,200	372,600	395,400	390,600	388,400	-0.7%
Lincolnshire and Rutland	242,100	236,800	240,600	246,200	247,400	0.5%
Northamptonshire	264,600	288,300	289,800	288,900	282,600	1.7%
Nottinghamshire (inc. Nottingham)	437,400	409,000	430,900	427,900	437,800	0.0%

Note: (1) The figures for the East Midlands counties are aggregates from which agriculture class 0100 (1992 SIC) have been excluded. Consequently, they do not add to the East Midlands total.
* The average annual growth rate is calculated using the average annual change between 1998 and 2002, compared to employment in 1998.

Source: Annual Business Inquiry.

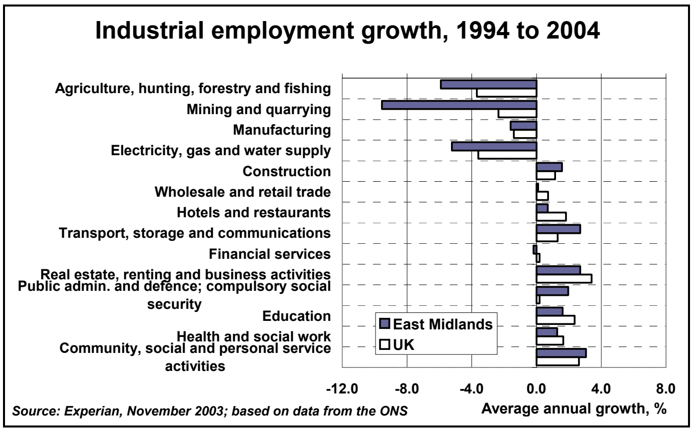
[23] *The East Midlands: the State of the Region's Economy*, East Midlands Development Agency, 2002.

Industry

To illustrate where the employment gains and losses have been experienced, we draw on Experian forecasts for the region. As shown in Figure 1.8, East Midlands employment in the primary sectors – agriculture, hunting forestry and fishing; mining and quarrying; manufacturing; and electricity, gas and water supply – has contracted in line with the UK, although at a faster pace. That said, despite these trends the manufacturing sector is still over-represented in the region in 2004 (as we have shown in Section 1.1.1).

Past history suggests that the over-reliance on lower-order occupations has enabled the region to maintain a high employment rate in the face of job losses in the manufacturing sector. Employment growth has been positive in the service sectors of the economy, although the absorption of those redundant from the manufacturing sector has been in relatively low-order occupations.[24]

Figure 1.8



Looking at airport-related industries in more detail, Table 1.7 presents the employment trends in the region, as recorded by the Annual Business Inquiry.

- In line with the whole of Great Britain, regional employment in both manufacturing and the business services activities of car rental and industrial cleaning has experienced a strong decline, and at a faster rate than the UK. In manufacturing, job losses totalled around 2,400 between 1998 and 2002; in business services the equivalent figure was 7,600.
- In contrast, the performance of the East Midlands transport sector exceeded the Great Britain average, with employment growth of 3.8 per cent per annum between 1998 and 2002. This was equivalent to an additional 7,200 jobs in the sector.

  - The UK logistics sector has experienced rapid growth in recent years, through growing customer demand and the ability to offer logistics services that were previously undertaken by companies in-house. The sector has also benefited from technological and competitive advances that have supported this growth.

- The regional retail and hotels & restaurant sectors both experienced employment growth above the whole economy average, albeit at a slower pace than Great Britain. Retail employment saw an increase of 12,000 between 1998 and 2002; in hotels & restaurants the equivalent rise was 4,800.

[24] *Employment quality and the knowledge economy in the East Midlands*, East Midlands Development Agency.

Table 1.7
Employment trends in the airport-related* industries, 1998 to 2002
(number of employees)

	Whole economy	Manufacturing	Retail	Hotels & restaurants	Transport	Business services
Great Britain						
Average annual change (1998 to 2002)	298,300	-4,400	71,400	33,500	5,100	-9,700
Average annual growth (1998 to 2002)*	1.2%	-2.7%	2.4%	3.0%	1.0%	-2.2%
East Midlands						
Average annual change (1998 to 2002)	-600	-600	3,000	1,200	1,800	-1,900
Average annual growth (1998 to 2002)*	0.0%	-3.3%	1.6%	2.0%	3.8%	-8.3%

* The average annual growth rate per annum is calculated using the average annual change between 1998 and 2002, compared with employment in 1998.

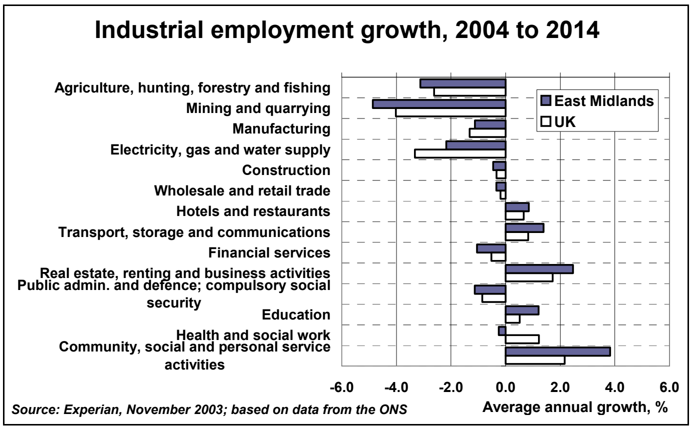
* Manufacturing: SIC 33.2 and 35.3; Retail: SIC 52; Hotels & restaurants: SIC 55.1, 55.3 and 55.5; Transport: SIC 60.24, 62, 63.1 and 63.4; Business services: SIC 71.1 and 74.7.

Source: Annual Business Inquiry.

Experian's employment forecasts for the next decade are primarily a continuation of previous trends (Figure 1.9):

- Employment contraction in the manufacturing sector will continue, leading to a declining proportion of total East Midlands employment by 2014 – employment in manufacturing is forecast to account for 15 per cent of total employment, compared with 18 per cent in 2004.
- Across the UK and in the East Midlands, employment in financial services and the public administration and defence sector is forecast to fall, reflecting decisions to relocate financial services jobs abroad and a scale-down of employment in the public sector.
- In the UK and the East Midlands, employment growth will be strongest in the service sectors of community, social and personal service activities; and in real estate, renting and business activities.

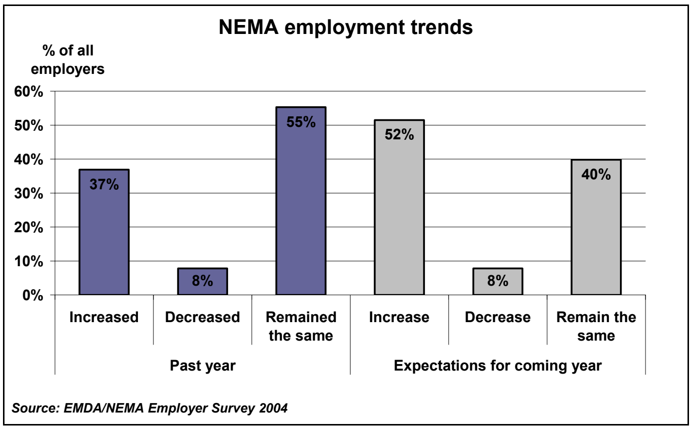
Figure 1.9



Employment expansion at NEMA is the primary driver behind this research. In a study for the East Midlands Development Agency and the airport, it was reported that employment at NEMA could almost quadruple between now and 2030.[25] The forecast growth in passengers is outlined in more detail in Section 3.1. Freight handling is also a large employer and the freight industry is forecast for strong growth over the next two decades (see Section 3.1).

The 2004 Employer Survey questioned the employment experiences and expectations of employers at NEMA. Many (55 per cent) reported that employment levels had remained the same in the past year, but over one-third reported an increase. In the future, NEMA employers consider the projected employment growth at the airport a strong possibility – over half believe that employment levels in their company will increase in the coming year.

Figure 1.10



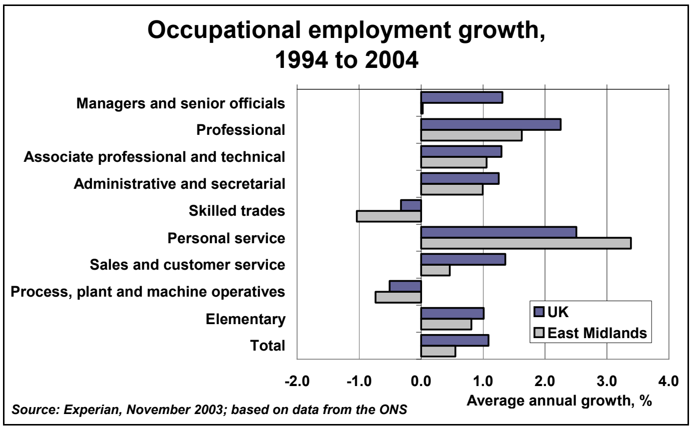
[25] *East Midlands International Airport Economic Development Strategy*, York Aviation, December 2003.

Occupation

Trends in the occupational profile of a region often reflect its changing industrial structure, supported by the activities of agencies responsible for upskilling and providing employment opportunities for local people. In this section we look at the changing nature of the East Midlands workforce and review Experian's projections for the next decade.

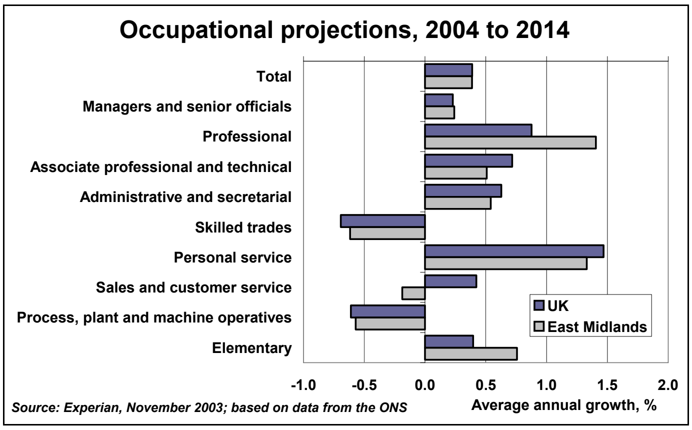
- As we have illustrated previously, in recent years employment growth in the East Midlands has been below the UK average. This is primarily a consequence of the faster than average fall in employment in skilled trades occupations and of process, plant and machine operatives (Figure 1.11). Due to the nature of the industry in the East Midlands, the job losses in the manufacturing sector have primarily been in these occupations.
- The strongest growth in employment has been in personal service occupations, which are mainly employed in the health and social work sector, but also in the education sector.
- Notably, the slower than average growth in higher-order occupations remains the driver behind the low-pay, low-skills equilibrium which the East Midlands currently faces. Between 1994 and 2004 there was static growth in the number of managers and senior officials in the region, while growth in professional and associate professional and technical occupations lagged the UK.

Figure 1.11



Projections for the future indicate a degree of change in the occupational structure of the region. Growth in professional employment is to exceed the UK significantly, while the contraction of employment in skilled trades and process, plant and machine operatives will continue, at a UK and regional level. However, the evidence suggests that the bulk of the displaced employment from the manufacturing sector will be employed in elementary occupations, a trend which will only act to maintain the region's low-pay, low-skills equilibrium.

Figure 1.12



Replacement demand

There are two sources of employment demand: expansion and replacement. Thus far we have only discussed expansion demand, which is the result of growth in an industry.

Replacement demand is labour required to replace those leaving an industry through retirement, sickness or leaving to work in other sectors of the economy or geographical locations. The resulting total net requirement is the sum of the expansion and replacement demand and indicates the total recruitment need.

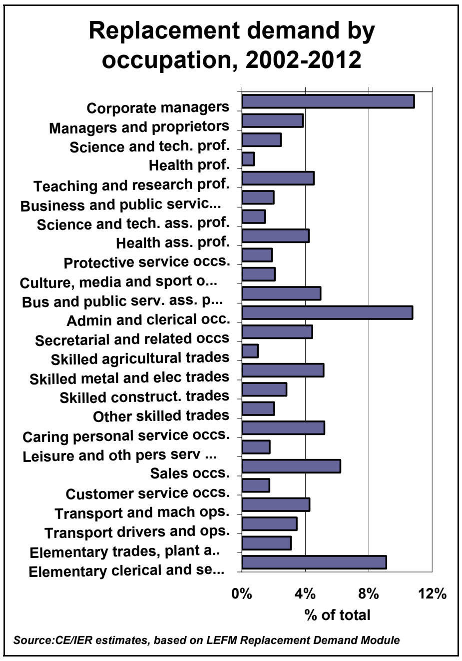
In this section we review the replacement demand forecasts from the Working Futures project, so it is important that direct comparisons are not made between the following analysis and the employment forecasts illustrated previously in Section 1.2. However, there are still strong messages to be taken from the data.

Figure 1.13 shows the replacement demand of 25 occupations.[26] Corporate managers, administrative occupations, and elementary administration and service occupations are the three major sub-groups in which the degree of replacement demand is the highest. All these occupations also have strong expansion demand forecasts.

The occupations that will contract in number – namely skilled trades and process, plant and machine operatives (Figure 1.12) – are subject to significant levels of replacement demand, which is one of the key concerns of employers in the industry. The ageing workforce of this group, and the under-representation of young people entering these occupations, is the main contributor.

[26] Data on net migration is not readily available, so this is set equal to zero by assumption in Figure 1.11. Furthermore, the forecasters were unable to develop occupational mobility estimates, so the replacement demands shown in Figure 1.11 are based solely on estimates of retirements and mortality.

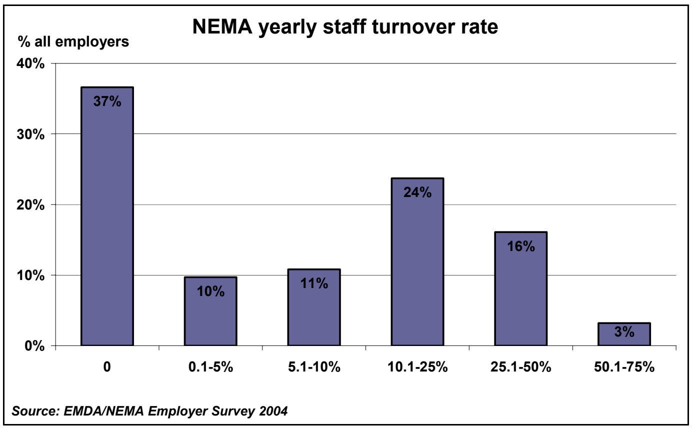
Figure 1.13



Turnover

The 2004 EMDA/NEMA Employer Survey devoted a section of questioning to turnover issues at NEMA. Turnover rates range from zero to 75 per cent, but the bulk of NEMA employers have not experienced any turnover (Figure 1.14). For those who have, it was primarily at a rate of between 10 per cent and 25 per cent.

Figure 1.14



Turnover rates have remained more or less constant for two-thirds of NEMA employers, while the remaining employers equally report either that turnover rates are higher than last year or lower than last year. Turnover is mainly reported as a problem by air transport and distribution employers, in occupations such as drivers, ground staff, night loaders and operations staff.

1.3 EMPLOYER PRACTICES

Using the 2003 National Employers Skills Survey, the 2004 EMDA/NEMA Employer Survey and Sector Skills Council research, we now highlight employer practices in the airport-related industry. By practices, we refer to recruitment, training and employee incentives, which will develop our understanding of the behaviour of employers at NEMA.

1.3.1 Recruitment

East Midlands employers were questioned about the type of people they had recruited in the previous 12 months. Table 1.8 shows that across the whole economy, employers were looking to recruit people with a number of years' experience in the role they were applying for, followed by the recruitment of younger and older workers.

The differences by industry are worthy of note:

- Manufacturing employers seem to be maintaining the relatively old profile of the workforce by recruiting a greater number of older people than the average and fewer younger people than the average. However, the manufacturing sector is also giving greater opportunity for employment to the long-term unemployed.
- Maintaining the age profile of the workforce is also evident in other airport-related sectors – 52 per cent of recruiting establishments in the wholesale & retail sector recruited people aged under 20, rising to 72 per cent of recruiting establishments in the hotels & restaurants sector.
- Compared with the whole economy, employers in hotels & restaurants are more likely to recruit women returners, the long-term unemployed and ethnic minorities. The latter two groups are also likely to find employment in the transport, storage and communications sector.
- Establishments in wholesale and retail trade appear to place less emphasis on recruiting people with experience in the role they are applying for.

Table 1.8
Type of people recruited in the last 12 months by industry*, East Midlands
(% of respondents)

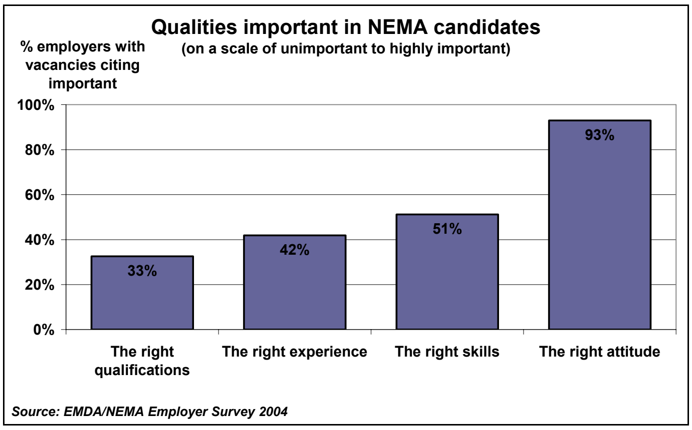
	Manufacturing	Wholesale and retail trade	Hotels & restaurants	Transport, storage and communications	Real estate, renting and business activities	Whole economy
People aged over 45	56%	41%	32%	(49%)	32%	42%
People aged under 20	38%	52%	72%	(31%)	30%	44%
Women returning to work	33%	32%	45%	(20%)	33%	33%
People who have a least two years experience in role	64%	49%	63%	(58%)	66%	61%
Long-term unemployed (more than 6 months)	33%	22%	40%	(42%)	18%	25%
Recent graduates	12%	14%	19%	(7%)	20%	16%
Ethnic minorities	19%	16%	32%	(36%)	14%	18%
People with disabilities	12%	9%	19%	(13%)	6%	11%
Ex-forces	9%	6%	15%	(26%)	7%	9%
Weighted base	*3,440*	*8,080*	*2,986*	*2,227*	*7,860*	*35,683*
Unweighted base	*188*	*403*	*153*	*71*	*353*	*1,673*

Note: (1) Values in brackets () represent a sample of less than 75. Estimates of less than 75 should not be considered statistically reliable.
(2) Base equals all establishments recruiting in previous 12 months.
(3) National and regional estimates weighted by national-level weights.
(4) Coverage: Derbyshire and Northamptonshire only.
* Manufacturing: SIC 15 to 37; Wholesale and retail trade: SIC 50 to 52; Hotels & restaurants: SIC 55; Transport, storage and communications: SIC 60 to 64; Real estate, renting and business activities: SIC 70 to 74.

Source: National Employers Skills Survey, 2003.

When asked which qualities were assessed when recruiting (Figure 1.15), NEMA employers rated the right attitude as the most important (72 per cent of employers with vacancies believed this quality to be highly important). This was followed by the right skills, the right experience and the right qualifications.

Figure 1.15

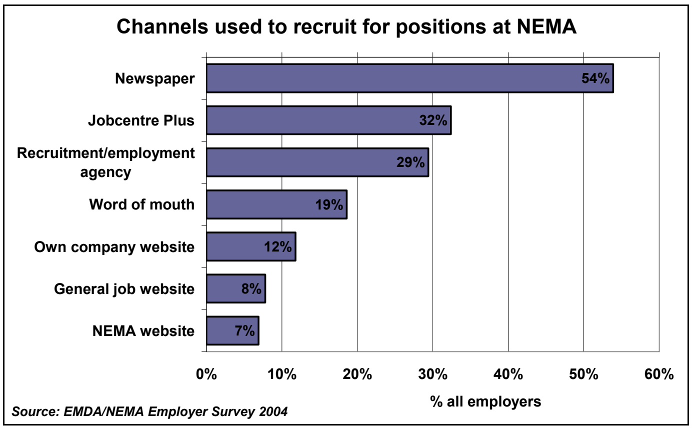


While the term ‘right attitude’ is not exact, the general idea is clear from some employer quotes:

> ‘When they sit down for an interview if they’re chewing gum and looking scruffy they don’t want to be here…They should want to work in a hotel for the right reasons…want to meet people…willing to work unsocial hours…We’re a service industry’ (Hotels & Restaurant firm)
>
> ‘Some are not bothered, not enthusiastic.’ (Transport firm)

Figure 1.16 shows that when looking to recruit, NEMA employers use newspapers as their main channel, followed by Jobcentre Plus (relationships are mainly with the Long Eaton branch) or recruitment or employment agencies (including Aviation Resources and Forward Prospects). However, with a view to meeting the future recruitment needs of NEMA, it is of some concern that employers are making very little use of the NEMA website, a readily available portal that should be seen as a central source of job information for potential applicants.

Figure 1.16



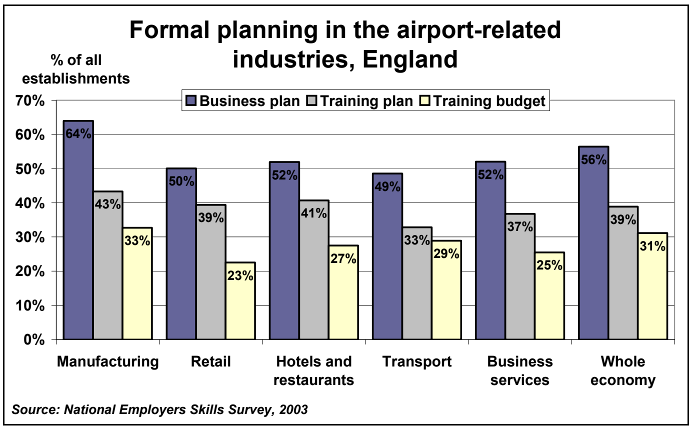
1.3.2 Training

The provision of training is often seen as a good indicator of the level of investment an employer is willing to make in its workforce. Training is also central to the wider government agenda of improving the productivity and competitiveness of UK businesses and upskilling the working population.

Across England, 56 per cent of establishments have a formal business plan that specifies the objectives for the coming year (Figure 1.17). However, the proportion of establishments with a training plan falls to 39 per cent, while just 31 per cent have a training budget set aside.

Among the airport-related industries, business planning is above average in manufacturing but below average in all others. However, training plans are least evident in the transport sector and there is scarce evidence of training budgets in retail.

Figure 1.17



Training can be delivered in many ways and across a variety of subjects – although much of the training provided is job-specific, other types include health and safety and training in new technology (Table 1.9). This pattern is also reflected in the provision of training in the airport-related industries across England:

- Health and safety and induction training is a key area of training for employers in hotels & restaurants, while the latter is also evident in retail and business services.
- The manufacturing sector is inclined to provide training in new technology and foreign languages, but of concern is its lack of supervisory and management training, compared with the average.
- Almost three-quarters of establishments in the transport sector that provide training do so through health and safety development.

Table 1.9
Type of training provided in the airport-related* industries, England
(% of respondents)

	Manufacturing	Retail	Hotels & restaurants	Transport	Business services	Whole economy
Induction	53%	60%	62%	51%	61%	51%
Health and safety	70%	76%	92%	74%	76%	69%
Supervisory	21%	43%	45%	33%	46%	33%
Management	22%	42%	44%	31%	35%	35%
Training in new technology	72%	39%	26%	49%	36%	53%
Training in foreign languages	12%	1%	4%	4%	1%	2%
Job-specific	79%	78%	72%	79%	80%	80%
Weighted base	*3,548*	*124,764*	*44,795*	*13,104*	*7,223*	*1,133,413*
Unweighted base	*154*	*6,632*	*2,518*	*919*	*450*	*52,102*

Note: (1) Base equals all establishments providing training.
(2) National and regional estimates weighted by national-level weights.
* Manufacturing: SIC 33.2 and 35.3; Retail: SIC 52; Hotels & restaurants: SIC 55.1, 55.3 and 55.5; Transport: SIC 60.24, 62, 63.1 and 63.4; Business services: SIC 71.1 and 74.7.

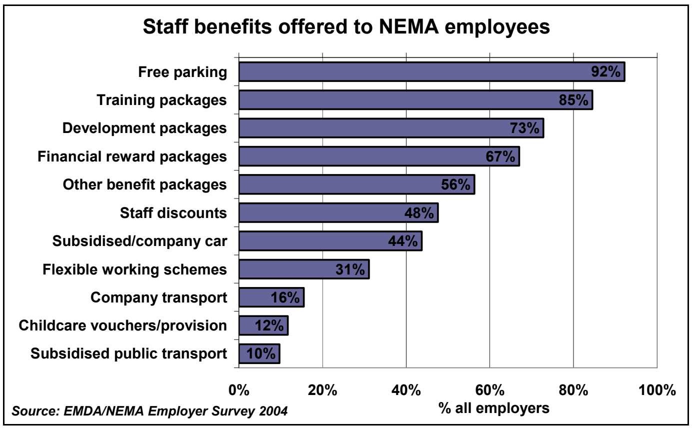
Source: National Employers Skills Survey, 2003.

1.3.3 Incentives

Almost all employers offer free parking as part of their benefits package (Figure 1.18), with the specific intention of attracting and retaining employees at NEMA. Two-thirds of employers report that free parking is offered company-wide, a further 12 per cent report that it is available at certain sites only, while 22 per cent of NEMA employers offer free parking at NEMA only.

There are also a large number of employers who provide training, development, financial reward and other benefit packages. Around 20 per cent of NEMA employers report that these packages are offered only at NEMA, while the remaining employers are able to offer these packages company-wide.

Figure 1.18



For 29 per cent of NEMA employers, offering discounts on good or services is not applicable to their line of business. Aside from these employers, there is an equal split between those who do offer discounts and those who do not. The offer of discounts is generally to their own employees at the NEMA site, with only 18 per cent of employers offering discounts to other companies based at the airport.

If a scheme was initiated which offered staff discounts across a number of NEMA-based companies, one-third of NEMA employers stated that they would be interested in taking part. A further 20 per cent would have to consult with their head office before making any decision. A potential work-sharing scheme was also suggested to NEMA employers, of which 25 per cent reported a definite interest and 14 per cent would refer it to head office. However, work sharing was not of interest to 57 per cent of NEMA employers.

1.4 COMPETING INDUSTRIES

In the current environment of high employment in the East Midlands (see Appendix 3, Table A3.2), NEMA employers are continually competing with others to recruit the level and quality of staff required to meet their business needs. Consequently, in this section we identify other industries in which potential employees of NEMA may currently be employed.

As we would expect, the occupational profile of each of the five airport-related industries differs from the whole economy average (Figure 1.4). The main areas of interest from Table 1.10 are as follows:[27]

- Professional, skilled trades and process, plant and machine operatives are over-represented in the airport-related manufacturing sector. These occupations include engineers, metal working production and maintenance fitters, metal working machine operatives and routine inspectors and testers.
- Almost half of all those employed in the retail sector are in sales and customer service roles, but managers and senior officials also account for a significant proportion of the workforce.
- Elementary roles, such as kitchen and catering assistants and waiters/waitresses, account for 48 per cent of the airport-related hotels & restaurants sector. Representation at a managerial level is also higher than the whole economy average;

[27] Where reference is made to specific occupations, the relevant information can be found in Appendix 3 Table A3.3.

- Occupations such as heavy goods vehicle, van and fork-lift truck drivers dominate process, plant and machine operative occupations in the airport-related transport sector. Elementary occupations such as good handling and storage account for a further 23 per cent of the workforce.
- Three-quarters of the airport-related business services sector are employed in elementary occupations, primarily as cleaners.

Table 1.10
Occupation profile of UK airport-related* industries, 2004
(% of total)

	Whole economy	Manufacturing	Retail	Hotels & restaurants	Transport	Business services
Managers and senior officials	15%	17%	19%	21%	13%	10%
Professional	12%	22%	2%	0%	1%	0%
Associate professional and technical	14%	9%	4%	1%	5%	2%
Administrative and secretarial	13%	6%	7%	5%	10%	5%
Skilled trades	11%	29%	5%	15%	2%	1%
Personal service	8%	0%	0%	2%	4%	3%
Sales and customer service	8%	1%	49%	6%	2%	2%
Process, plant and machine operatives	7%	13%	3%	2%	39%	3%
Elementary	12%	2%	11%	48%	23%	75%
Base	*27,961,600*	*177,500*	*3,078,000*	*905,400*	*578,100*	*265,600*

Note: Applies to all persons in employment other than those on college-based schemes.
* Manufacturing: SIC 33.2 and 35.3; Retail: SIC 52; Hotels & restaurants: SIC 55.1, 55.3 and 55.5; Transport: SIC 60.24, 62, 63.1 and 63.4; Business services: SIC 71.1 and 74.7.

Source: Labour Force Survey, Spring 2004.

Comparing the occupations associated with the airport with other industries in the economy, we find the following NEMA competition:

- Management roles are relatively transferable across industries – for example, production, work and maintenance managers in the manufacturing sector are also employed in the construction and wholesale sectors. The nature of management means that while job-specific skills are vital to ensure the smooth running of a business, managers are also required to demonstrate management, leadership and entrepreneurial skills, which can be employed across a wide range of industries.
- Professionals important to the airport-related manufacturing sector are also employed in many other manufacturing sub-sectors. Furthermore, a large proportion of engineers are employed in consultancy activities, rather than being employed directly by manufacturing firms.
- Administrative and secretarial employment in airport-related industries includes a wide range of activities, such as credit and accounts, stock control, transport and distribution clerks, general office assistants and secretaries. Due to the nature of these occupations, they are also employed in many industries not related to the airport, namely other manufacturing, construction, wholesale, financial services and the public sector.

- While skilled trades are employed across many of the manufacturing and construction sub-sectors, the skills that are demanded of them are very much job-specific. However, while this may suggest that there are no directly competing industries to NEMA, the individuals employed in these occupations will have an aptitude for skilled work that can be applied to other industries outside the airport, if the correct training is provided.
- The majority of the sales and customer service workforce are employed in the retail sector, but there are a number of other opportunities for employment. For example, it is vital for industries such as manufacturing, utilities and financial services to sell their products to consumers, so all employ a sales force to ensure this is achieved. In addition, customer service staff employed in the retail sector can apply the same skills to work in call centres, for example.
- Process, plant and machine operatives and elementary occupations currently account for a significant proportion of both airport-related industries and the East Midlands as a whole (see Section 1.1.1). It is also in these occupations that NEMA is experiencing the greatest difficulty in recruiting (see Section 4.3). Operatives are employed across many of the manufacturing sub-sectors, where the previous argument concerning an aptitude to this type of employment is equally applicable. Outside of the airport-related industries, elementary goods handling occurs in the wholesale sector, while kitchen and catering assistants are employed in the health and education sectors. The public, education and health sectors are also direct employers of cleaners.

2. Travel to work patterns

Key messages

NEMA's location in Castle Donnington is predominantly rural, but with relatively easy road/car access from the neighbouring urban areas of Nottingham, Loughborough, Long Eaton and Leicester.

There is no direct link to the airport by rail. Public transport to the airport (for employees and passengers) is in the form of bus services: the *Airline Shuttle* connecting Loughborough and Derby to the airport; Nottingham *Skylink* from the city centre to airport; and the *Rainbow 5* route between Nottingham and Loughborough via the airport and servicing the nearby residential areas of Long Eaton, Castle Donnington; Hathern and Kegworth.

Analysis of worker flows from the 2001 Census shows that 45 per cent of those working in North West Leicestershire (the local authority in which the airport is located) come from outside the area. Those that are commuting in come from the nearby local authority areas of Derby, Erewash, Hinley, Bosworth, East Staffordshire, Leicester and Rushcliffe.

Within the East Midlands, people are less likely to travel long distances to work than people in England as a whole. The majority (51 per cent) of people in the region commute less than 5km to work, 21 per cent between 5km and 10km, and 16 per cent between 10km and 20km.

Travel to work information from the 2003 NEMA survey reinforces the fact that employees are mainly drawn from local areas to the airport: 88 per cent of airport employees come from Derbyshire, Nottinghamshire or Leicester. Within these areas, employees are concentrated in clusters to the south of Derby and Nottingham and to the north of Leicester, which are proximal to the airport site and from which access by car is easy.

For retail-related jobs at the airport, few employees travel in from the city centres, suggesting that the airport is not a sufficient draw to lure employees away from the city centres' plentiful retail opportunities.

The vast majority of employees – 84 per cent according to the NEMA Travel to work survey – travel to the airport by car, as a driver only. A further 9 per cent take part in a car-share scheme and just 6 per cent use the bus. More than three-quarters of employers interviewed in the EMDA/NEMA employer survey agreed that the airport was difficult to access without a car.

Depth interviews with employers reinforce the difficulties that employees face in meeting the unsociable hours often demanded by airport jobs using public transport. Although buses are available, they do not run late at night and into the early hours of the morning when many workers begin their shift. The length of time the journey takes (longer than car journeys because of passenger pick-ups and restricted routes) is a further disincentive. Although employers with employees struggling to come to work via public transport have often been willing to adapt shift patterns and so on, typically this proves insufficient to support public transport commuting as a viable longer-term option.

A car-sharing scheme is in operation, but is used by only 9 per cent of employees. Employers have suggested that it does not always work successfully, with car breakdowns or issues resulting in the absence of multiple workers rather than one. The scheme can also be complicated to manage given rolling work shifts, which many employers operate.

2.1 INTRODUCTION

To fully understand the current and potential supply of workers to NEMA, we now illustrate patterns of travel to work, using local data from the 2001 Census and the 2003 NEMA Employee Survey and Travel to Work Survey.[28] Through this analysis we develop a greater understanding of the extent people are willing to travel, the methods that they use and the opportunities for greater intervention by EMDA, local authorities and NEMA.

2.2 TRANSPORT LINKS

As Figure 2.1 illustrates, NEMA is situated just to the north of the A253, close to Junctions 23 and 24 of the M1, a major motorway running from London to the north of England. However, the airport's fairly rural location means it is less accessible to the north from major routes such as the A50 and A600.

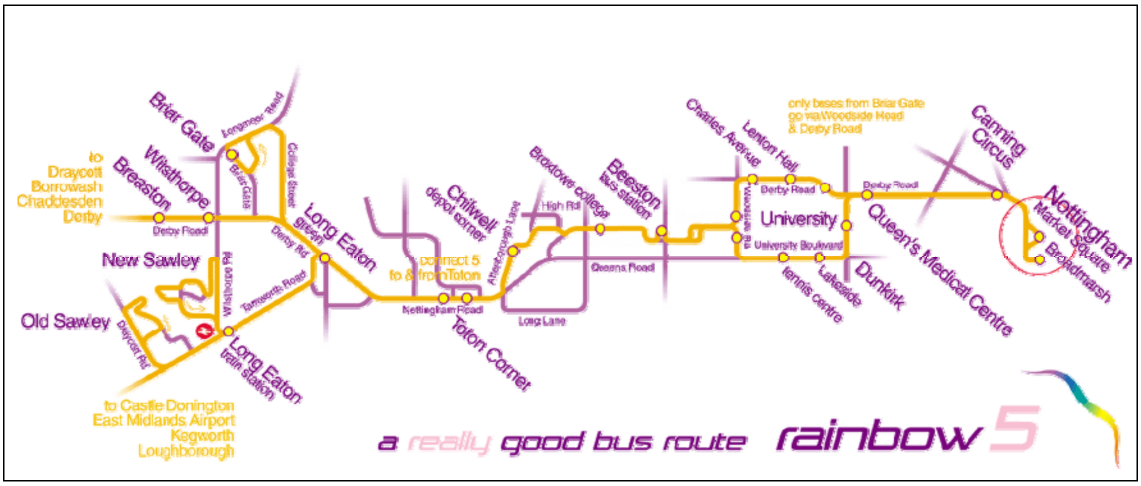
[28] Appendix 2 contains full details of the 2003 NEMA Travel to Work Survey.

Figure 2.1: Transport infrastructure around NEMA

A number of bus routes serve NEMA, directly linking the airport to nearby towns and cities.

- Since January 2004, the Airline Shuttle Bus has been in operation serving Loughborough and Derby, via the airport.
- The newly launched Skylink provides a frequent service between NEMA and Nottingham, operating every 30 minutes between the hours of 4am and 11pm, seven days a week. A half-price fare discount is offered to airport employees through their employers.
- The Rainbow 5 route (Figure 2.2) also runs to Nottingham and Loughborough via the airport, serving the residents of a number of nearby towns and villages such as Long Eaton, Castle Donington, Hathern and Kegworth.

Figure 2.2: Rainbow 5 route map



Although NEMA is not served directly by rail, these bus services provide access to the airport from Nottingham, Derby, Loughborough and Long Eaton railway stations. Long Eaton railway station offers the closest rail services, opening the airport to Leicester (20 minutes), Birmingham (1 hour) and London St Pancreas (2 hours).

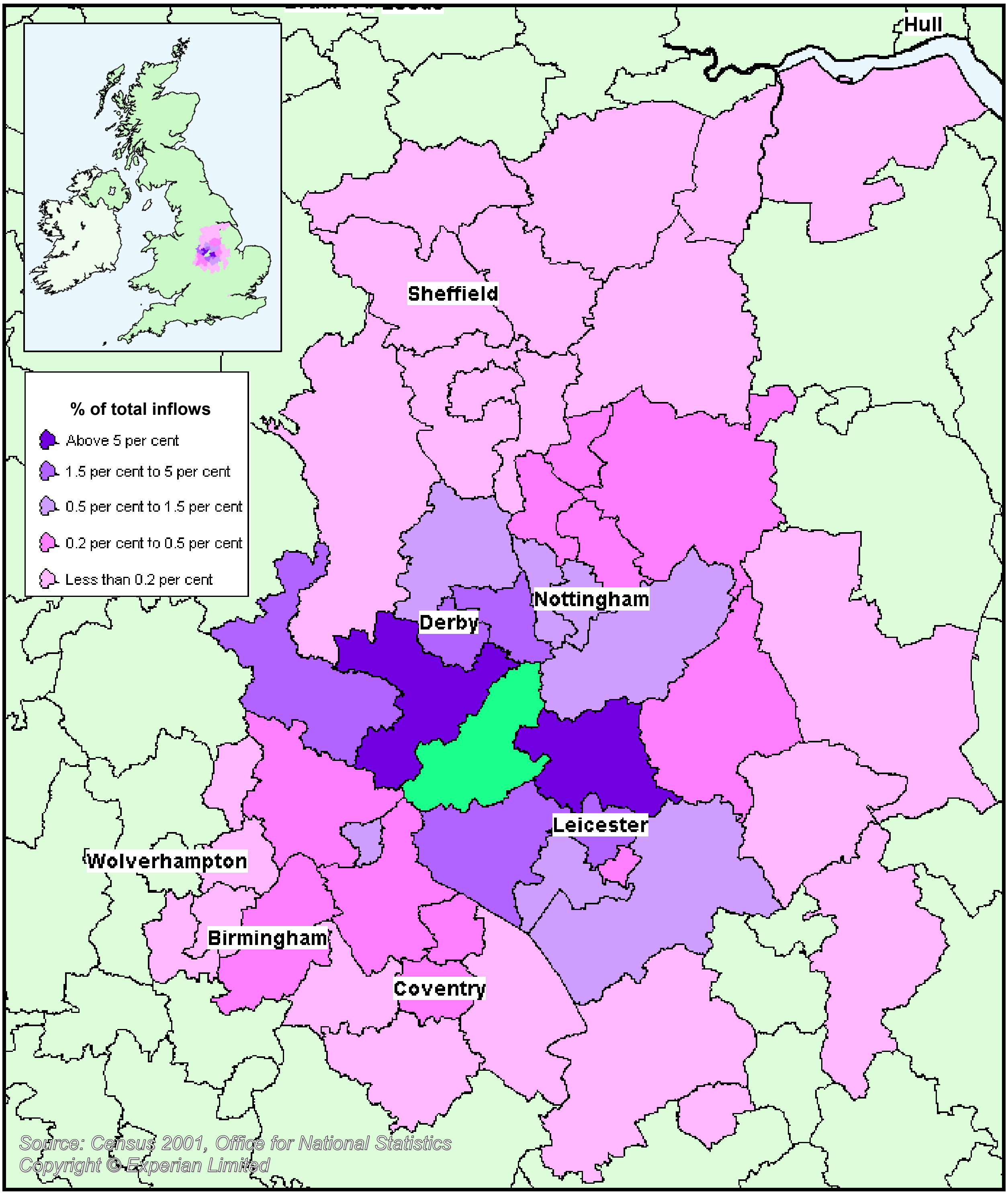
2.3 INFLOWS

The 2001 Census origin-destination data allows us to look at the flow of workers into (and out of) a local area, thereby identifying the perimeters of the 'key market' for workers. From this, we now illustrate the inflows of workers into North West Leicestershire, the local authority in which NEMA is situated (Figure 2.3).

The statistics reveal the following:

- Over 45 per cent of those working in North West Leicestershire are resident outside of the local authority.
- Around one-third of those travelling to work in North West Leicestershire are resident in the nearby local authorities of South Derbyshire and Charnwood.
- Residents of Derby, Erewash, Hinkley and Bosworth, East Staffordshire, Leicester and Rushcliffe also account for a significant proportion of the North West Leicestershire workforce.
- Workers from these local authorities, together with those resident in North West Leicestershire itself, comprise 85 per cent of the workforce in the local authority, suggesting that travel to work into North West Leicestershire is predominantly on a local scale.

Figure 2.3: Travel to work inflows into North West Leicestershire

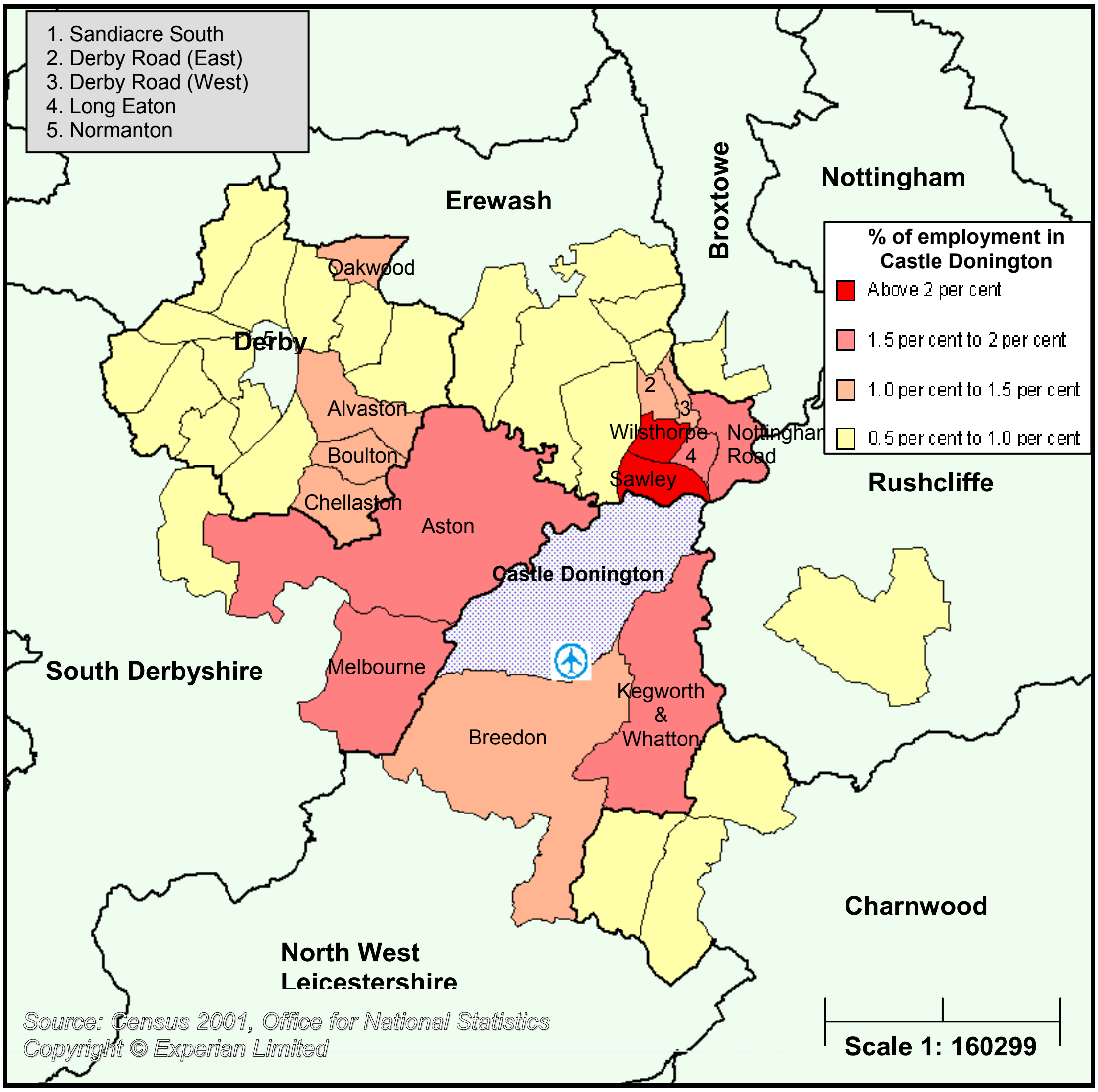


The 2001 Census data also allows us to look at travel to work patterns at a ward level. NEMA lies within the ward of Castle Donington, which includes the town of Castle Donington itself but is set in relatively rural surroundings with a population of 6,500.

The majority of workers are resident in the local authorities of North West Leicestershire, Erewash, Derby and South Derbyshire, which are illustrated in Figure 2.4.[29] Just 16 per cent of those working in Castle Donington are resident within the ward.

- Residents of neighbouring Sawley and Wilsthorpe in Erewash, through which the B6540 passes, comprise the largest individual ward shares of employment in Castle Donington (2.2 per cent and 2.1 per cent respectively).
- A significant proportion of the Castle Donington workforce are also resident in Long Eaton Central and Nottingham Road to the North East, Kegworth and Whatton to the South East and Melbourne and Aston to the west.

Figure 2.4: Concentrations of inflows into the ward of Castle Donington



While employment in Castle Donington is typically on a local scale, it is less so than the average for North West Leicestershire, the three surrounding counties and across the East Midlands and England as a whole (Table 2.1).

[29] Please note that due to the size of wards, individual wards account for a relatively small proportion of the total number of inflows.

- Just 18 per cent of the daytime population of Castle Donington travel less than 5km to their place of work, far lower than is average.
- One-third of the daytime population in Castle Donington typically travel between 10km and 20km to work.
- Fourteen per cent of those present in Castle Donington during the daytime travel between 20km and 40km to work and one in 10 commute over 40km – above the average for North West Leicestershire and the East Midlands (6 per cent and 4 per cent respectively).

Table 2.1
Distance travelled to work
(% of the day time population in employment, excluding those working mainly from home)

	Less than 5km	Between 5km and 10km	Between 10km and 20km	Between 20km and 40km	More than 40km
England	47%	21%	18%	9%	6%
East Midlands	51%	21%	16%	8%	4%
Derbyshire (inc. Derby)	53%	20%	17%	7%	3%
Leicestershire (inc. Leicester)	50%	22%	16%	8%	4%
North West Leicestershire	38%	23%	22%	10%	6%
Castle Donington	18%	23%	34%	14%	10%
Nottinghamshire (inc. Nottingham)	48%	24%	16%	8%	4%

Source: Census 2001, Office for National Statistics.

Inflow workforce profile

The Census 2001 origin-destination matrix also allows us to develop a profile of those that travel to work in Castle Donington. As Figure 2.5 illustrates, 61 per cent are male, 86 per cent are employed on a full-time basis and an overwhelming 97 per cent are employees.

Figure 2.5

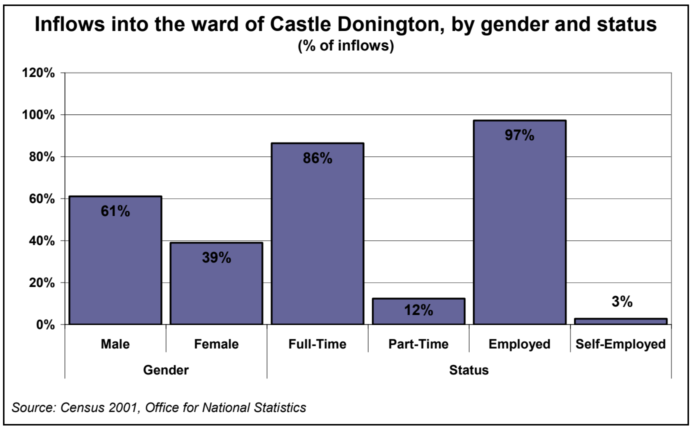
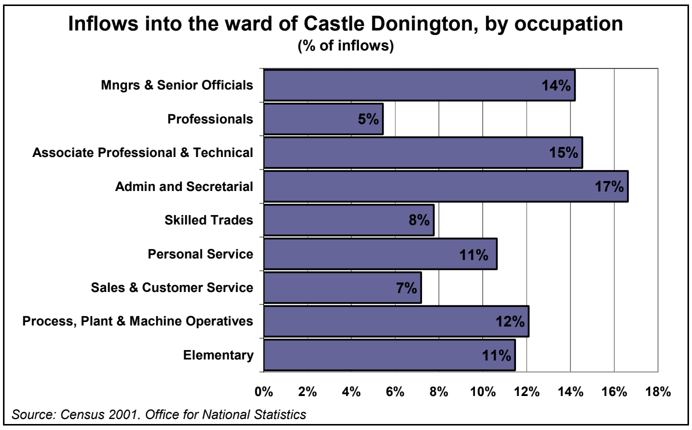


Figure 2.6 illustrates the occupational profile of those working in Castle Donington but resident outside of the ward. Whilst the occupations of those travelling to work in Castle Donington will to some degree reflect the employment on offer, the general ability and inclination to travel to work also varies by occupation.

- Seventeen per cent of the Castle Donington inflows are employed within administrative and secretarial positions. A further 15 per cent are managers and senior officials, or work within associate professional and technical occupations.
- Few of those travelling to work in Castle Donington are employed within professional (5 per cent), sales and customer service (7 per cent) or skilled trades occupations (8 per cent).

Figure 2.6



2.4 NEMA EMPLOYEES

Data from the 2003 NEMA Employee Survey and Travel to Work Survey allows us to assess more closely the pattern of travel to work of those employed at the airport.

The 2003 Employee Survey finds that:

- Eighty-eight per cent of NEMA employees are recruited from within Derbyshire, Nottinghamshire or Leicestershire (Table 2.2).
- Many of those working at NEMA are resident in the immediate vicinity, with clusters to the south of Derby and Nottingham and to the north of Leicester, suggesting a highly localised workforce.
- Fifty-four per cent of retail employees are recruited from the immediate vicinity of south of Derby City and north of Leicester City. Furthermore, very few travel from the cities, suggesting that the airport is not yet viewed as an attractive alternative to city centre employment.
- Nottingham City is a key source of employment for the business services sector at NEMA.

Table 2.2
Residence of the Nottingham East Midlands Airport employees, by sector
(% of employees)

	Total	Manufacturing	Retail	Hotels & restaurants	Transport	Business services	Other Industries
North of Derby City	8%	7%	8%	7%	7%	7%	9%
Derby City	15%	15%	10%	9%	18%	18%	10%
South of Derby City	21%	25%	27%	25%	23%	15%	14%
North of Nottingham City	7%	4%	6%	2%	5%	5%	11%
Nottingham City	7%	2%	8%	4%	6%	18%	8%
South of Nottingham City	10%	10%	9%	19%	9%	21%	12%
North of Leicester City	16%	17%	27%	21%	16%	11%	14%
Leicester City	2%	2%	0%	1%	2%	1%	2%
South of Leicester City	3%	2%	5%	8%	1%	0%	4%
Elsewhere	12%	15%	1%	3%	12%	4%	15%
Not Stated	*661*	-	-	*7*	*337*	-	*317*
Total	*7,010*	*126*	*113*	*452*	*4,408*	*82*	*1,829*

Source: Nottingham East Midlands Airport, Employee Survey 2003.

To illustrate the geographical draw of NEMA visually, Figure 2.7 plots the residence of the 1,101 NEMA employees who completed the 2003 Travel to Work survey. From this we can see that, consistent with findings from the 2003 Employee Survey, clusters of workers are evident in Castle Donington, Long Eaton, Shepshed and around the periphery of Derby, Nottingham and Loughborough.

Appendix 4, Figure A4.1 illustrates the residence of NEMA workers in relation to the transport infrastructure surrounding the airport. Later in this section we show that 93 per cent of NEMA employees travel to work by car (Figure 2.9), so it is unsurprising that large numbers of airport employees are resident near major or direct road routes, providing access to NEMA by car.

Figure 2.7: Residence of NEMA employees

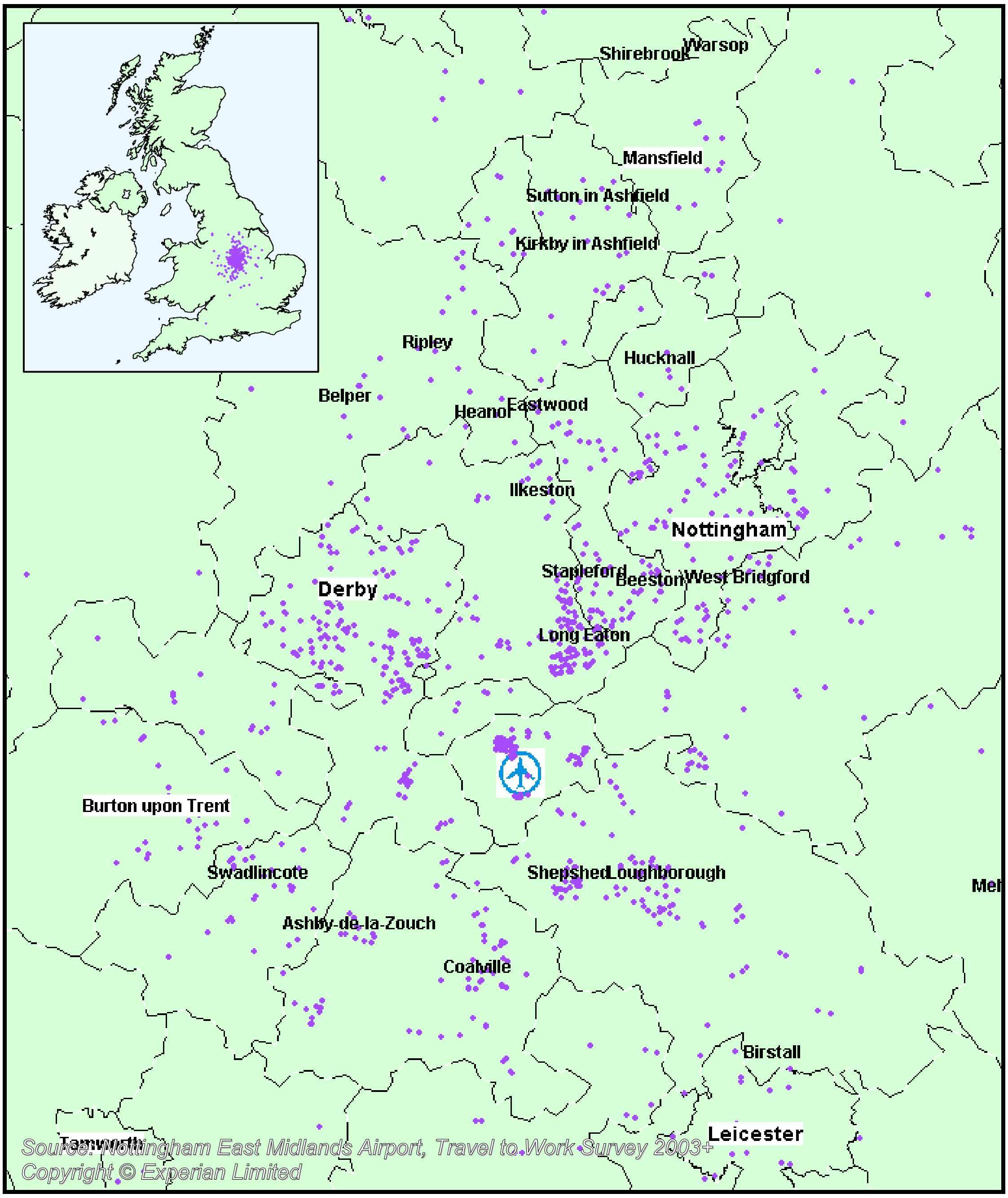


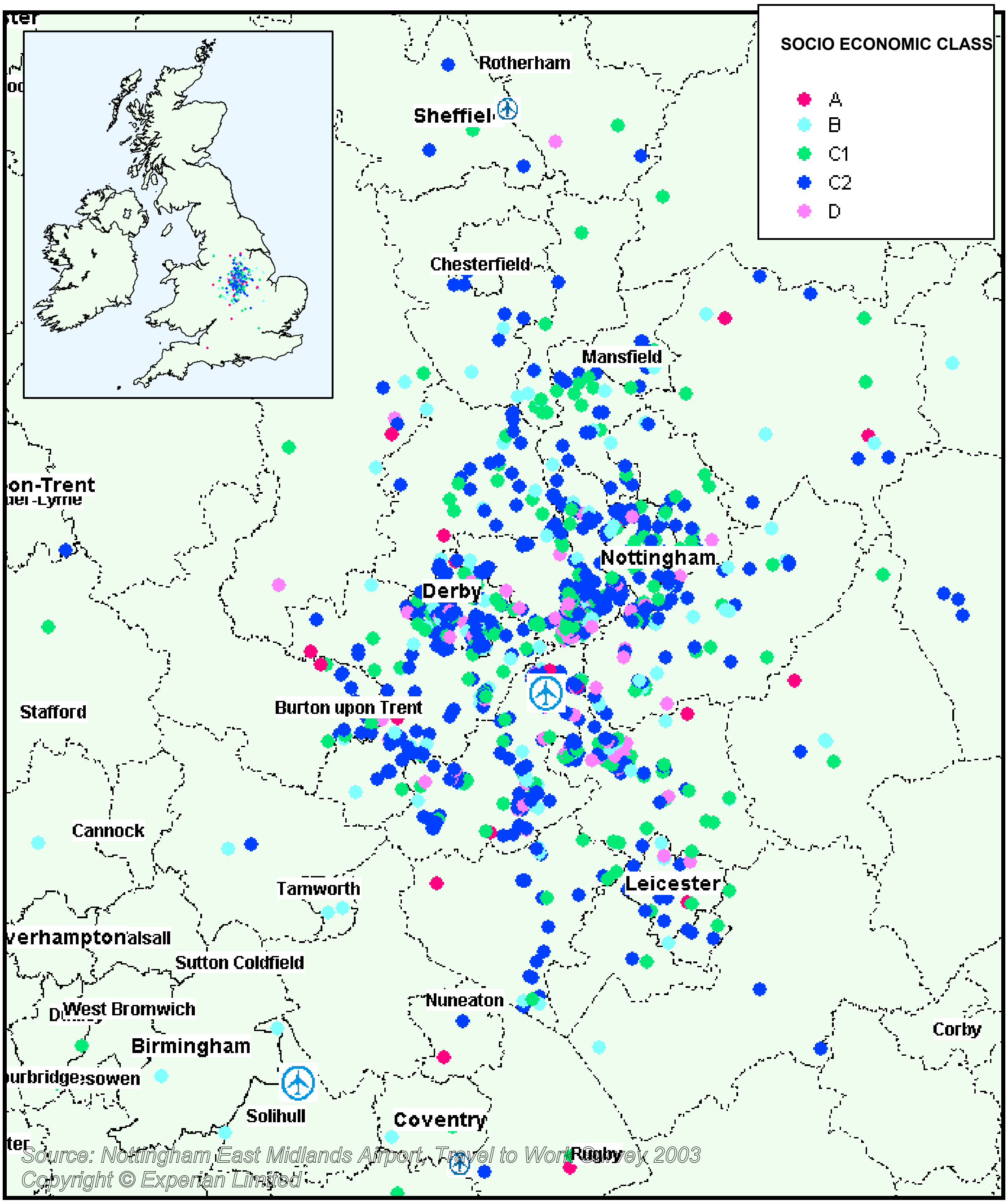
Figure 2.8 illustrates the residence of the NEMA employees by socio economic class.[30] It highlights some interesting trends:

- Those of higher socio-economic class (SEC A and B) typically travel a greater distance to work, with many located quite far from the airport itself but close to major road routes. It is likely that the job content and higher wage offer of occupations in these groups will attract those from further afield.

[30] The socio-economic class of a NEMA employee is predominantly based on occupation and is divided into the five groups (A, B, C1, C2 and D). A represents those in managerial roles, B in professional occupations through to D who are individuals working within elementary or manual roles. It should be noted that although socio-economic class is typically calculated from the head of household, NEMA employee data assesses the socio-economic class of the individual.

- Conversely, employees that fall within socio-economic class C2 and D are clustered notably closer to their place of work.

Figure 2.8: Socio-economic class of NEMA employees

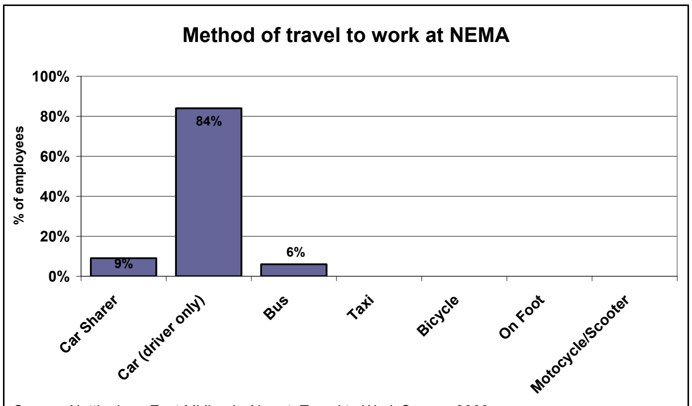


Methods of travel to work

An overwhelming majority (93 per cent) of NEMA workers travel to work by car (Figure 2.9). Indeed, a significant finding from the 2004 EMDA/NEMA Employer Survey is that 76 per cent of all NEMA employers agree that it is difficult to access the airport site without a car. That said, there is relatively little take-up of the NEMA car-share scheme among employees, with only 9 per cent of airport workers using the scheme.

Furthermore, although a large proportion of employees at NEMA are resident in Nottingham, Derby, Loughborough and Long Eaton, which lie on direct bus routes to the airport, only 6 per cent of workers travel to work by bus. Moreover, of those that do travel to work by bus, only 18 per cent do so by choice; 82 per cent cite bus travel as the only viable option.

Figure 2.9



Source: Nottingham East Midlands Airport, Travel to Work Survey, 2003

It is of concern that such a large proportion of the airport workforce travel to work by car, as the road infrastructure surrounding the airport is unlikely to cope with the projected growth in both employment, passenger and freight use in the future (further information is provided in Section 3.1 and 3.2). From these findings, we can also suggest that addressing the accessibility of NEMA to non-car drivers may be key to alleviating the recruitment issues faced by employers.

Depth interviews with employers bring alive some of the transport challenges faced by workers accessing NEMA:

> ‘People have to have their own vehicles. It’s less of an issue here than Birmingham where people are used to public transport. It’s more rural here – all have own vehicles or access to vehicles’. ‘Only 1 recruit in 2 years (used public transport). We changed their shifts to use public transport - (they’ve) since left – too much of a nightmare even with us altering shift patterns.’ (Retailer)
>
> ‘Buses don’t run when we turn shifts…After a 12 hour shift you don’t want to be standing around at bus stops’. (‘Other’ firm)
>
> ‘Day workers use public transport and friends car share (but) at night it’s not feasible to get a bus here…and there’s no direct transport from Leicester.’ (Transport firm) (UPS)
>
> ‘Birmingham has excellent train links and shuttle services…at NEMA – have to have car’ (Transport firm)
>
> ‘Most staff drive…(Buses) not practical for a 5 O’clock shift and not many buses running at that time…staff have to drive out rampside…so in reality need license.’ (Transport firm)

The interviews also point to some of the difficulties of designing a viable bus service that would successfully operate given the complex start and finish shift patterns across the airport, and also why car sharing is necessarily a popular or practical option:

> ‘(Transport) needs are so specific to us it may be no good for other companies. (‘Other’ firm)
>
> ‘In Birmingham buses run 24 hours a day and draw from one local population…NEMA is having to draw widely so it wouldn’t work in the same way.’ (‘Other’ firm)
>
> ‘It’s never going to work ever…(staff would) be late for shifts.’ (‘Other’ firm) (Securicor)
>
> ‘Car sharing didn’t work. It was too unreliable and there were problems rostering (shifts)’ (Transport firm)

3. Local strategies

Key messages

Various policies and plans are in place that will impact on the future of the airport and demand for workers.

With Easy Jet and bmibaby operating out of NEMA, passenger numbers have grown by 1m since 2002. This is on top of continued growth preceding this period. The government white paper on Transport Aviation forecasts a rise in passenger traffic at NEMA from 4.5m in 2003 to 12-14m in 2030.

NEMA is the largest airport measured in terms of freight carried on dedicated aircraft. Its central location has attracted DHL, UPS, TNT and Royal Mail. The amount of freight handled by the airport is also forecast to grow.

EMDA, the Three Cities and the Government Office for the region all support expansion of the airport as central to promoting business development in the Three Cities and economic prosperity across the region.

However, countering the expansion process, noise concerns among residents around night freight flights may halt plans for a second runway. The Civil Aviation Authority has also delayed until 2005 a decision on airspace, which would have accommodated an increase in planes and changes to flight paths.

A further threat to the growth and sustainability of airport expansion is the dependence on car access – by both passengers and employees – to reach the airport, given its rural location. Consequently, the Economic Development Strategy for the airport emphasises the importance of improving the public transport infrastructure to facilitate expansion.

Bus links are already operating, although the main problem is the lack of night/early morning service. Furthermore, evidence suggests that the primary users are passengers rather than employees, which further militates against the cost efficiency of 24-hour services.

The main hope seems to lie in the development of Parkway Station, a new mainline station on the Ratcliffe Power Station site providing rail access to the airport. However, the Midland Mainline rail operating company and Powergen who own the site have as yet been unable to resolve their issues and at present there are no signs of this going ahead.

There are also plans to improve the quality of road access, including highway agency plans for the A453 to widen access between Clifton and the M1, and to widen the M1 between Junctions 21 and 30. These improvements will impact on the airport in the medium to long term, as works are not scheduled for completion until beyond 2010.

The airport's centrality to regional economic development plans also stems from the job opportunities it affords. According to employers on site, airport-related jobs require people with the right attitude but not necessarily qualifications or even specific experience (although this can be helpful). Health and safety issues mean that training is provided to many airport occupations prior to an employee starting work, without expectation of prior knowledge. This offers plentiful opportunities for the less well qualified and experienced to access employment opportunities, provided they have a good attitude to work and there are no complications with passing the Criminal Bureau Check (CRC), which is mandatory for many jobs at NEMA.

3.1 NOTTINGHAM EAST MIDLANDS AIRPORT

NEMA has ambitious plans for the future and its recent renaming is evidence of this – by attaching the tag 'Nottingham' to the airport in January 2004, the hope was to attract many more overseas travellers to the region. This strategy seems to have been a success. For example, the number of visitors using bmibaby to fly to the East Midlands from European cities has grown by 25 per cent since the name change.[31]

Rather than being a one-off, growth in 2004 has built on the rapid expansion of the airport in recent years. Since the introduction of the low-cost airlines such as bmibaby and easyJet in 2002, passenger numbers have risen by almost 1m, with substantial passenger growth forecast for the next two decades. The government's white paper for the air industry[32] forecasts passenger traffic at NEMA to rise from 4.5m in 2003 to between 12m and 14m in 2030.

The evidence supporting this growth is already apparent. New services are being offered by airlines operating from the airport. First Choice flights to Cancun in Mexico, Orlando in Florida and the Dominican Republic start in May 2005, while Ryanair has announced the introduction of a route to Rome from February 2005.

However, growth is not just forecast for passenger activity. NEMA is the largest UK airport in terms of the volume of freight handled on dedicated freight aircraft and the government's white paper reports that the airport could be handling as much as 2.5m tonnes of freight by 2030.

NEMA has an ideal central location, which attracts large operators such as DHL, UPS, TNT and Royal Mail to base at the airport. However, to meet the demands of the industry – much of the freight forwarding occurs overnight to guarantee next-day delivery – talk of expanding freight travel has raised concerns among local residents. More than anything, the environmental and noise concerns may hinder a proposed second runway at NEMA, as outlined in the white paper:

> *'We believe that the projected expansion of passenger and freight traffic at East Midlands Airport should be permitted, but only with strict controls on night noise. We do not support a second runway or safeguarding of land for one, but will keep this under review'*

The Civil Aviation Authority has just announced a further setback in the proposed expansion of NEMA. The airport had hoped to expand the airspace it controls to accommodate a growing number of planes and change its flight paths. The changes were due to come into effect in the near future, but a decision has been delayed until early 2005.

Despite this, NEMA is viewed as being of key economic importance to the region, linked to its potential for growth. Its strategic importance to the Three Cities Initiative has been harnessed by each of the local councils, through a billboard in the immigration hall which is part of the collaborative campaign to promote the region to businesses in the UK and overseas.[33] The Three Cities of Nottingham, Leicester and Derby circle the airport, and its location means it can strengthen the growth of the sub-region and fulfil the goal of EMDA for the East Midlands region to become one of the top 20 European regions by 2010.

The regional planning of the Government Office for the East Midlands is also supportive of further expansion of the airport (subject to the views of the national government and

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[31] *Airport name change boost*, Nottingham Evening Post, 17th August 2004.
[32] *The Future of Air Transport – White Paper, Department for Trade and Industry, December 2003.*
[33] *Lighting the way ahead*, Nottingham Evening Post, 6th October 2004.

assessments of environmental impact). It considers any development of NEMA as attractive for businesses looking to locate in the Three Cities.[34]

The airport is also central to the future of the tourism sector in the East Midlands, borne out by the impact of the name change on European passenger numbers. One of the focal tasks of the new tourist board, East Midlands Tourism, will be to increase the number of overseas visitors using the airport to visit the region.[35] Indeed, Graham Keddie (Managing Director of the Manchester Airport Group Regional Airports Division, which includes Nottingham East Midlands Airport) is on its board.

3.2 TRANSPORT

As we illustrate in Section 2.2, NEMA is well served by the road network, situated just off the M1 at Junction 24. The main line rail stations of Nottingham, Loughborough, Leicester and Derby also offer relatively easy access, with bus connections to the airport.

That said, at present much of the travel to NEMA, both for staff (Section 2.4) and for passengers, is by car. This is a direct consequence of the rural location of the airport, remote from each of the Three Cities. Consequently, the Economic Development Strategy[36] for the airport continually stresses the importance of improving the public transport network if NEMA is to fulfil its plans for expansion.

The progress that has been made in this respect has been very positive. Since its launch in May 2004, the Skylink (Section 2.2) has proved successful, as passenger numbers have more than doubled since it was introduced. Consequently, Nottingham City Council is reviewing the possibility of making the service 24-hour, though this may depend on attracting more NEMA staff to use the service – at the moment around 10 per cent of customers are people who work at the site and the rest are airline passengers.[37] To support this, NEMA has now launched an incentive scheme, which offers employees a half-price fare discount if they purchase their Skylink tickets from their employers.

Other bus services which serve the airport include the Air-Line Shuttle, running from Loughborough to Derby via the airport, and Rainbow 5B between Nottingham and Loughborough. However, it is widely felt that growth at NEMA will require significant investment in rail access to the airport, particularly connecting to the Three Cities of Derby, Leicester and Nottingham.[38]

First proposed in 1998, for a number of years there has been talk of the development of Parkway Station, a new mainline railway station on the site of Ratcliffe Power Station. However, a dispute continues between Midland Mainline and Powergen with regards to the purchase of land. A public inquiry was announced for June 2004.

Despite the dependency of car travel, unsuitable road access around the airport is also in the news. Highway Agency plans for the A453 include a massive £90m scheme to widen the road

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[34] *Regional Planning Guidance for the East Midlands (RPG8)*, Government Office for the East Midlands, January 2002.
[35] *Destination East Midlands: The East Midlands Tourism Strategy 2003-2010*, East Midlands Development Agency, October 2003.
[36] *East Midlands International Airport Economic Development Agency*, York Aviation for East Midlands Development Agency and East Midlands International Airport Ltd, December 2003.
[37] *24-hour hope for airport bus runs*, Nottingham Evening Post, 30th September 2004.
[38] *Destination 2010: Regional Economic Strategy for the East Midlands 2003-2010*, East Midlands Development Agency, March 2003.

between Clifton and the M1.[39] This proposal is part of the government's priority work programme and was developed from the recommendations of the government's A453 multi-modal study. Work could start by 2008 but will not be completed until 2011.[40] Plans to widen the M1 between Junction 21 and 30 are also being considered by the Highway Agency. The project is scheduled to begin in 2005/06 and run through to 2014/15.[41]

3.3 WORKFORCE DEVELOPMENT

In this section we look at the work of stakeholders in raising the qualification and skills profile of both the East Midlands population and those employed in airport-related industries. This is against a background that we have highlighted previously – much research into the region has shown that the region is caught in a low-pay, low-skills equilibrium.[42]

In 2002, each of the nine Regional Development Agencies (RDAs) were tasked with producing and actioning a Framework for Regional Employment and Action (FRESA). The regional skills structure has now evolved and EMDA is developing a Regional Skills for Productivity Partnership (EMRSPP) to be launched officially in April 2005.

The development of the EMRSPP stemmed from the Government Skills Strategy, 2*1st Century Skills – Realising Our Potential.* This strategy called for the creation of strong partnerships between those that deliver skills and training, business support, employment and productivity services at a regional and local level.

The remit of the EMRSPP will cover the development of a Regional Skills Intelligence Unit, targeting priority sectors and clusters, input into Sector Skills Agreements (SSAs), identification of economic 'hotspots', providing support for large companies and agreement of funding for level 3 qualifications. EMRSPP's headline aspiration will be to '*get more people into better quality jobs, deployed more effectively by employers'.* The partnership will continue to work to the headline challenges outlined in the FRESA, which are to:

- drive up demand for skills from regional business through improvements in business productivity;
- ensure that improvements in demand are matched by parallel improvements in skills supply; and
- raise the aspirations of the people in the region.

At a sectoral level, the Skills for Business Network (SfBN), which includes the Sector Skills Development Agency (SSDA) and the Sector Skills Councils (SSCs), is responsible for tackling the skills and productivity needs of sectors across the UK. The SSCs relevant to airport-related industries are as follows:[43]

- Skills for Logistics (airfreight, storage and warehousing).
- Skillsmart (retail).
- People 1st (hospitality, leisure and tourism).

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[39] *Major road widening goes on show*, BBC news, 9th September 2004.
[40] http://www.highways.gov.uk/roads/projects/a_roads/a453/widening_m1_jct_24_to_a52/index.htm
[41] http://www.highways.gov.uk/roads/projects/motorways/m1/j21_30/index.htm
[42] For example, *Destination 2010: The Regional Economic Strategy for the East Midlands*, East Midlands Development Agency, March 2003; and *Employment Quality and the Knowledge Economy in the East Midlands*, East Midlands Development Agency, unknown date.
[43] Reference to the research of a number of these SSCs is made throughout this document.

- SEMTA (science, engineering and manufacturing technologies).
- Automotive Skills (vehicle rental, leasing and fleet management and insurance).
- Asset Skills (cleaning).

Each SSC is in the development phase of a SSA, which will target skills demand through the partnership of government departments, delivery providers, the SfBN and other key partners including the Trades Union Congress, the CBI and the Small Business Council. For example, the SEMTA SSA outlines many of the key issues facing the sector, including the lack of licensed maintenance engineers in the aerospace sector and a relatively low-skilled equilibrium that needs to be tackled through effective communication and tailoring of education.

The providers of education and training, namely the Learning and Skills Council (LSC) and education institutions, also have a strategic objective to meet the skills needs of employers at a local level.

NEMA has looked to BAA Stansted, located in Essex, for examples of best practice in supporting its expansion through employment. Stansted is similar to NEMA in that it is located in a relatively rural location away from large areas of population, but with relatively high levels of employment.

In 2001, Stansted created an Airport Employment Forum that to date has targeted transport issues through an Airport Travelcard and a night-time airport staff bus. Stansted has also reviewed its recruitment and training issues and is now actively involved in the North London Stansted Partnership and the Thames Gateway Stansted Partnership. Through these, the airport offers basic skills training and employment opportunities to residents in North London, Barking, Dagenham, Redbridge and Stratford. The Stansted Airport Skills Training Programme also offers prospects for improving the knowledge, personal skills, interview techniques and basic airport knowledge of jobseekers.

4. Skills demand

Key messages

At the time of research, 42 per cent of employers at NEMA have vacancies. These are across a range of occupations, but the greatest requirement is for night warehouse staff, loaders and clerical assistants.

Hard-to-fill vacancies had been experienced by 35 per cent NEMA employers over the past year. The main reasons cited were the shift work/unsociable hours, or because the airport was in a remote location with poor public transport. Other critical factors were the lack of applicants with the required skills, a low number of applicants generally and also too few people interested in doing the type of work on offer.

While wider evidence from the English Employer Skills Survey is not directly comparable, it does allow us to place the NEMA survey findings in some form of context. It suggests that vacancies at NEMA are running at a far higher level than in the region as a whole, where around a fifth of employers report vacancies. However, within the region, vacancies are most likely to be reported by employers in the transport and the hotels & restaurants sectors, which are dominant employers at NEMA. Equally, it is these sectors at the regional level where employers are more likely to report hard-to-fill vacancies.

Airport security is a primary concern. Most employees that need to go airside – that is in the vicinity of the runway and aircraft – have to be security cleared (a criminal record check or CRC) before working. Depth interviews suggest that in the past this has been a major problem, impacting on working efficiency due to delays of more than two months occurring at times. However, it now seems that the problems have been ironed out and processing is now far faster and therefore less of an issue. There is an even split between the number of employers feeling that the CRC reduces the pool of labour and those that think it does not. Furthermore, more than half of all airport employers do not agree that the CRC is having an adverse effect on their business.

Just over a quarter of employers at NEMA report skills gaps (that is where the level of skills their employees have is insufficient to meet the demands of the business), which is in line with the East Midlands findings from the English Employer Skills Survey. Of those NEMA employers who report skills gaps among their staff, they are most common among new recruits who lack customer service and job-specific skills. Positively, the overwhelming employer response is to train.

4.1 INTRODUCTION

This section explores the extent and nature of skills needs, gaps and shortages in the East Midlands and in airport-related industries. The main sources of information are the 2003 LSC National Employers Skills Survey, skills research undertaken by relevant Sector Skills Councils, and the findings of the 2004 EMDA/NEMA Employer Survey.

Some 72,100 employers took part in the 2003 National Employers Skills Survey across England. The scale of the survey allows us to analysis skills at a detailed local or sectoral level. Consequently, where possible we present information for the airport-related industries as defined in the introduction to this report, although for some analysis at the regional and national level we may refer to broader definitions of relevant industries. Full detail is provided in the table notes.

4.2 SKILLS NEEDS

The 2003 National Employers Skills Survey devotes a section of questioning to employers' current and future skills requirements for different occupations within the organisation. Skills levels are asked about in relation to occupations, with each respondent being asked about the skills needs of a randomly selected occupation within their workforce. Employers chose from five options – not required; basic; intermediate; high; and advanced.

4.2.1 Current skills

In this section we consider the skills needs of the largest occupation within each of the airport-related industries.[44] But first we look at the skills needs of managers and senior officials, which are employed across all industries and whose skills are central to the competitiveness and business success of an industry.

Table 4.1 shows that across the whole economy, customer-handling and communication skills top the list of skills needs in England, followed by team-working and management skills. Foreign language and IT skills are among those considered less important for managers and senior officials.

There are a number of interesting differences by airport-related industry:

- Compared with the whole economy, literacy, technical and practical and IT skills are required at a higher level in the manufacturing sector.
- Customer-handling, communication and team-working skills also top the skills needs of the retail sector. However, for all other skills the level required in retail is below the whole economy average. IT skills are particularly undervalued.
- Managers and senior officials employed in the hotels & restaurants sector demand strong customer-handling skills, but also undervalue IT skills. In contrast to the whole economy, foreign language skills are relatively important to hotels & restaurants employers.
- The transport sector looks to its managers and senior officials to hold skills at a lower level than the whole economy average, most notably when demonstrating team working and management ability.
- The skills needs of managers and senior officials in business services are similar to the whole economy, and customer-handling and communication skills are required at the highest level. That said, literacy and numeracy skills are less important in business services than in many other industries.

[44] Section 1.4 provides further detail on the occupation profile of the airport-related industries.

Table 4.1
Skills needs of managers and senior officials in airport-related* industries, England
(mean score: not required = 1, advanced = 5)

	Whole economy	Manufacturing	Retail	Hotels & restaurants	Transport	Business services
Customer handling	4.1	3.9	4.2	4.1	4.0	4.2
Communication	4.1	4.1	4.0	3.9	4.0	4.1
Team working	3.9	3.8	3.9	3.9	3.6	3.9
Management	3.8	3.9	3.7	3.8	3.4	3.8
Problem solving	3.7	3.7	3.5	3.5	3.4	3.7
Literacy	3.7	3.9	3.5	3.3	3.5	3.4
Numeracy	3.6	3.6	3.5	3.4	3.4	3.3
Technical and practical	3.4	3.6	3.2	3.3	3.2	3.3
General IT user	2.9	3.4	2.3	2.4	2.9	3.0
IT professional	2.3	2.5	1.8	1.9	1.9	2.3
Foreign language	1.4	1.4	1.3	1.7	1.4	1.2

Note (1) Base equals all establishments answering for managers and senior officials, varies by skill.
(2) National and regional estimates weighted by national-level weights.
(3) For all skills the mean score is calculated by multiplying the number of establishments citing each level of skill needed and the value of each level of skill, summed and divided by the base number of establishments. The value of the level of skill equals 1 when not required through to 5 when advanced.
* Manufacturing: SIC 33.2 and 35.3; Retail: SIC 52; Hotels & restaurants: SIC 55.1, 55.3 and 55.5; Transport: SIC 60.24, 62, 63.1 and 63.4; Business services: SIC 71.1 and 74.7.

Source: National Employers Skills Survey, 2003.

Focusing on the largest occupations in the airport-related industries (Table 4.2), we find that:

- the skills needs of each are below the level required for managers and senior officials;
- technical and practical skills rank highest for skilled trades in the manufacturing sector;
- customer-handling and communication skills are required at the most advanced level in retail;
- elementary occupations in hotels & restaurants require communication, customer-handling and team-working skills. This is also the case for elementary occupations in business services, although to a much lower level; and
- the skills needs in the transport sector are focused on communication, customer handling, team working and technical and practical.

Table 4.2
Skills needs in airport-related* industries, England
(mean score: not required = 1, advanced = 5)

	Skilled trades: Manufacturing	**Sales and customer service**: Retail	**Elementary**: Hotels & restaurants	**Process, plant and machine operatives**: Transport	**Elementary**: Business services
Communication	2.8	3.7	3.4	3.1	2.8
Customer handling	2.2	3.8	3.5	3.1	2.9
Foreign language	1.1	1.2	1.4	1.1	1.1
General IT user	1.7	1.9	1.5	1.4	1.4
IT professional	1.4	1.5	1.3	1.3	1.3
Literacy	2.8	3.0	2.6	2.6	2.2
Management	2.2	2.6	2.2	2.0	1.6
Numeracy	2.5	3.1	2.7	2.7	2.1
Problem solving	2.5	2.8	2.4	2.6	2.3
Team working	2.9	3.5	3.5	2.9	3.1
Technical and practical	3.4	2.7	2.7	2.9	2.6

Note (1) Base equals all establishments answering by occupation, varies by skill.
(2) National and regional estimates weighted by national-level weights.
(3) For all skills the mean score is calculated by multiplying the number of establishments citing each level of skill needed and the value of each level of skill, summed and divided by the base number of establishments. The value of the level of skill equals 1 when not required through to 5 when advanced.
* Manufacturing: SIC 33.2 and 35.3; Retail: SIC 52; Hotels & restaurants: SIC 55.1, 55.3 and 55.5; Transport: SIC 60.24, 62, 63.1 and 63.4; Business services: SIC 71.1 and 74.7.

Source: National Employers Skills Survey, 2003.

4.2.2 Future skills

The 2003 National Employers Skills Survey asked employers their views on the future skills needs within its workforce. The findings (Appendix 3, Table A3.4 and Table A3.5) suggest that across all skills, the level required in three years' time will exceed the level required now. In addition, communication and customer handling will remain at the top of the list for managers and senior officials, and also for many of the occupations employed in airport-related industries. This is with the exception of skilled trades in the manufacturing sector, which will still demand the highest level of technical and practical skills.

At NEMA, employers report a range of reasons why skills needs will change in the future, including legislation, business and airport growth, and operational requirements. The 2004 EMDA/NEMA Employer Survey links these views to a belief that employment would need to grow and a wider range of skills and levels would need to be recruited.

4.3 SKILLS SHORTAGES

This section examines the skills situation in the East Midlands and at NEMA, reviewing where the labour market pressures are in the form of hard-to-fill vacancies. This type of analysis suggests pinch-points in the labour market and where supply and demand for skills is misaligned.

There are three commonly used measures of recruitment problems:

- **Vacancies** – a measure of the level of recruitment activity in the labour market.
- **Hard-to-fill vacancies** – vacancies that establishments understand to be hard to fill for whatever reason.
- **Skills-shortage vacancies** – vacancies that establishments believe are difficult to fill due to skills-related factors. Skills-related factors are ‘applicants lack the qualifications employers want’, ‘applicants lack the relevant experience’ and ‘applicants lack the relevant skills we require’.

4.3.1 Incidence of skills shortages

Across the whole of England, 17 per cent of establishments reported vacancies in the 2003 National Employers Skills Survey (Table 4.3). Nineteen per cent of all East Midlands establishments reported vacancies, an above-average trend that is also reflected in the reporting of hard-to-fill and skills-shortage vacancies.

By industry, hotels & restaurants were the most active in the labour market – one-quarter had vacancies at the time of the survey (in England and in the East Midlands). Hard-to-fill vacancies were also a greater concern to the hotels & restaurants sector compared with the whole economy.

In the East Midlands, 20 per cent of employers in the transport sector reported vacancies, a greater proportion than the England average. Furthermore, 14 per cent of East Midlands transport establishments reported hard-to-fill vacancies, significantly above the figure for the region as a whole.

Table 4.3
Incidence of skill-shortages by industry*
(% of establishments reporting)

	Manufacturing of transport equipment	Retail trade	Hotels & restaurants	Transport	Real estate, renting and business activities	Whole economy
England						
Vacancies	15%	16%	25%	17%	14%	17%
Hard-to-fill vacancies	6%	7%	12%	9%	5%	8%
Skill-shortage vacancies	3%	3%	5%	5%	3%	4%
Weighted base	*5,644*	*252,083*	*131,493*	*68,257*	*411,830*	*1,915,053*
Unweighted base	*332*	*10,016*	*5,140*	*2,512*	*15,457*	*72,100*
East Midlands						
Vacancies	(12%)	16%	25%	20%	16%	19%
Hard-to-fill vacancies	(12%)	7%	12%	14%	7%	9%
Skill-shortage vacancies	(5%)	3%	5%	9%	5%	6%
Weighted base	*528*	*20,022*	*10,226*	*6,046*	*25,874*	*147,627*
Unweighted base	*24*	*823*	*446*	*218*	*947*	*5,666*

Note: (1) Values in brackets () represent a sample of less than 75. Estimates of less than 75 should not be considered statistically reliable.
(2) Base equals all establishments.
(3) National and regional estimates weighted by national-level weights.
* Manufacturing of transport equipment: SIC 34 and 35; Retail trade: SIC 52; Hotels & restaurants: SIC 55; Transport: SIC 60 to 63; Real estate, renting and business activities: SIC 70, 71, 73 and 74.

Source: National Employers Skills Survey, 2003.

4.3.2 Vacancies by occupation

Appendix 3, Table A3.6 profiles the vacancies reported in airport-related industries by occupation. Across England, the findings show that:

- the concentration of vacancies by occupation is similar to the employment profile of the workforce as a whole;
- compared with the whole of England, the East Midlands has a higher proportion of skilled trades and process, plant and machine operative vacancies, concentrated in the manufacturing sector.[45]
- almost one-third of vacancies in the manufacturing of transport equipment are for skilled trades, followed by process, plant and machine operatives (28 per cent);
- the majority (69 per cent) of vacancies in the retail sectors are for sales and customer service occupations;
- employers in hotels & restaurants and business services are primarily looking to recruit elementary occupations; and

[45] SIC 15 to 37.

- around half (47 per cent) of vacancies in the transport sector are process, plant and machine operatives.

At the time of reporting (November 2004), vacancies advertised on the NEMA website were for retail sales assistants, freight night operations assistants, freight account managers, catering customer service assistants and freight office administrative assistants.

4.3.3 Hard-to-fill vacancies

We use the results of the 2003 National Employers Skills Survey to look in more detail at the causes and consequences of hard-to-fill vacancies in airport-related industries. The following findings are taken from Tables A3.7 to A3.10 in Appendix 3.

- Across the whole economy, hard-to-fill vacancies are attributed to a difficulty obtaining technical and practical, communication and customer-handling skills.

  - technical and practical skills are a particular hindrance for establishments in the manufacturing sector, while a lack of communication and customer-handling skills from applicants into the retail and hotels & restaurants sectors is their greater concern.

  - a significant proportion of employers in both the transport and business services sectors does not attribute hard-to-fill vacancies to difficulties obtaining skills, suggesting a lack of understanding around the reasons for hard-to-fill vacancies.

- The main causes of hard-to-fill vacancies are the low number of applicants with the required skills, followed by not enough people interested in doing the type of job and a low number of applicants generally.

  - hotels & restaurants and the transport sector also highlight too much competition from employers and the shift work that the job entails. Transport employers are also concerned by the poor terms and conditions they can offer for the post and that applicants lack work experience.

  - the hotels & restaurants sector also strongly believes that hard-to-fill vacancies are caused by not enough people interested in doing the type of job and the location and accessibility of the establishment.

  - by far the primary concern of manufacturing employers is the low number of applicants with the required skills, while business service are hindered by the low number of applicants generally.

- The focus of hard-to-fill vacancies is on the increased workload they create for other staff, cited by 82 per cent of establishments experiencing hard-to-fill vacancies across England, and 78 per cent of East Midlands establishments. This is followed by difficulties meeting customer service objectives.

  - across the board, employers in business services are concerned about the impact of hard-to-fill vacancies to a greater extent than the average.

  - a loss of business or orders to competitors and increased operating costs has a significant impact on the manufacturing and transport sectors. Manufacturers are also concerned that hard-to-fill vacancies create difficulties meeting customer service objectives.

- Across the whole economy, hard-to-fill vacancies lead employers to increase advertising or recruitment spend, expand recruitment channels or increase salaries.

4.3.4 NEMA experiences

The 2004 EMDA/NEMA Employer Survey allows us to look at the experiences of NEMA employers in more detail. From this we find that 42 per cent of employers currently have vacancies at the site, across a wide range of occupations. However, the greatest number of vacancies recorded is for night warehouse staff, loaders and clerical assistants.

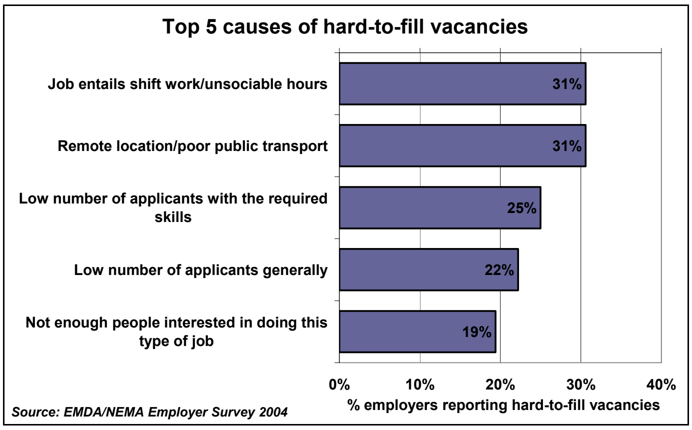
Hard-to-fill vacancies have affected 35 per cent of all NEMA employers in the past 12 months (Figure 4.1). Just 48 per cent of all NEMA employers agreed with the statement that it is easy to recruit staff to work at NEMA.

As some employers express it:

> ‘All of us have exhausted the local labour markets. They’re here if they want to be, we’re all fighting for the same people.’ (Transport firm)
>
> ‘It was a glamorous industry, now really struggling to get people in through the door. The supermarkets can pay more per hour and they’re easy to get to’ (Transport firm)
>
> ‘It’s probably easier to recruit for the city centre than here (NEMA). (Transport firm)

The main causes of hard-to-fill vacancies are because the vacancy on offer entails shift work or unsociable hours, or because NEMA is in a remote location with poor public transport links. Employers are also concerned that there are a low number of applicants with the required skills, both job-specific and basic skills such as IT, building relationships with others and the ‘3 R’s’.

Figure 4.1



Due to the security issues surrounding airports, all NEMA employees must provide a five-year history and have a criminal records check before being allowed into any restricted area. However, there is no consensus as to whether having to conduct a criminal record check restricts the pool of labour from which employers can recruit – 44 per cent of all NEMA employers disagree with this statement, but 41 per cent agree. That said, a picture emerges from the 2004 Employer Survey that suggests criminal checks are a greater concern for employers outside the air transport and distribution activities.

NEMA employers ought to accept that criminal checks are linked to their location at NEMA. Furthermore, the length of time it takes to perform a criminal record check is generally not having an undesirable effect on their business (almost half of all NEMA employers disagreed with the statement that the check was having an adverse effect). However, the group of employers outside air transport and distribution is more likely to be concerned about the business impact of criminal checks. It is this group of employers who would find it most useful to receive advice on how to conduct the criminal check as efficiently as possible.

4.4 SKILLS GAPS

Skills gaps exist when there is a difference between the skill levels of a firm's existing staff and the level required to meet the firm's business objectives. Consequently, to drive the industry forward it is vital that the skills missing within the airport-related workforce are understood and addressed.

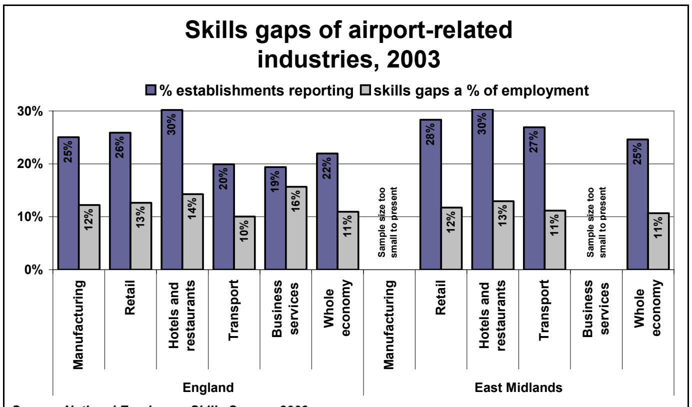
4.4.1 Incidence of skills gaps

The 2003 National Employers Skills Survey asked employers whether any of their staff were not fully proficient at their job. Across the whole economy, 22 per cent of establishments in England reported skills gaps, rising to 25 per cent of East Midlands' establishments.

In England, skills gaps were of the greatest concern to the airport-related manufacturing, retail and hotels & restaurants industries. The pattern was similar in the East Midlands, although an above-average proportion of the region's transport employers reported skills gaps.

As a proportion of employment, skills gaps accounted for 11 per cent across England and the East Midlands.

Figure 4.2



Source: National Employers Skills Survey, 2003

4.4.2 Skills gaps by occupation

According to the 2003 National Employers Skills Survey, skills gaps in England are distributed across a number of occupations (Appendix 3, Table A3.11) – 19 per cent sales and customer service, 16 per cent elementary, 13 per cent administrative and secretarial and 12 per cent managers and senior officials.

In the East Midlands the profile differs slightly from the whole of England – while 20 per cent of skills gaps in the region are in sales and customer service occupations, an above average proportion are also found in process, plant and machine operatives and in elementary occupations. When we consider the concentration of employment in the region in these occupations, these findings highlight a cause for concern. The sectors in which these skills gaps are found are the manufacture of transport equipment, hotels & restaurants, transport and business services.

4.4.3 Nature of skills gaps

The body of evidence used in the following analysis is contained in Appendix 3, Table A3.12 to A3.15. From this, a review of the causes, skills, impacts and actions associated with skills gaps in the airport-related industries shows:

- High staff turnover is considered a primary cause of skills gaps in the retail, hotels & restaurants and business services sectors. Hotels & restaurants and business services also highlight recruitment problems, but employers in business services are unlikely to attribute skills gaps to their failure to train and develop staff. Of concern in the manufacturing sector is the inability of the workforce to keep up with change, while lack of staff motivation hinders transport employers.
- The main skills associated with skills gaps are communication, customer handling and problem solving. The retail and hotels & restaurants sectors strongly highlight these missing skills, while employers in the manufacturing sector are also concerned with a lack of IT (both general and professional), technical and practical, management and foreign language skills. However, as we discovered in Section 1.3.2, while training in foreign languages is evident in the manufacturing sector, management training is not (compared with the average).
- In the hotels & restaurants sector, skills gaps are believed to create difficulties meeting customer service objectives and required quality standards. The latter is also a concern for the business services sector, while transport sector employers cite increased operating costs as a consequence of skills gaps.
- Across all industries, firms primarily resort to providing further training to target skills gaps, while other responses include increasing trainee programmes and changing working practices. Notably, business services establishments are less likely to train, while the hotels & restaurants sector also chooses to increase recruitment.

4.4.4 NEMA experiences

Skills gaps are reported by 26 per cent of employers in the 2004 EMDA/NEMA Employer Survey. Gaps are primarily reported among new recruits in their customer service or job-specific skills.

Consequently, NEMA employers believe lack of experience is the main cause of skills gaps in the workforce, but almost three-quarters of NEMA employers with skills gaps believe they do not cause any particular problems. The most common action to overcome the existence of skills gaps in the workforce is to provide further training.

5. Supply of labour

Key messages

The East Midlands market is relatively tight: levels of unemployment are below the English average, at 1.9 per cent of adults of working age compared with 2.2 per cent. Rates in the immediate vicinity of the airport are well below the regional average, at 1.2 per cent for North West Leicestershire and 1.1 per cent in Castle Donnington.

The spatial spread of unemployment is highly concentrated. Significant pockets of unemployment exist in the urban centres of Nottingham, Derby and Leicester. Leicester in particular has more than half of all wards with an unemployment claimant count of over 5 per cent. At present, the airport is not directly accessible to people in Leicester using public transport, although by car it is around 30 minutes away.

Growth and employment expansion at NEMA offers great potential for encouraging social inclusion, meeting employers' needs for more staff in a tight labour market and providing a suitable level of jobs for those previously out of the labour market.

Patterns of deprivation across the region are closely associated with higher levels of unemployment (among other factors) and are mainly in urban wards within and in the nearby vicinity of the Three Cities. These are also the areas in which people are least likely to have access to a car: across the region 24 per cent of people lack access to a private car or van, while in Nottingham the figure is 45 per cent, in Leicester 38 per cent and in Derby 31 per cent.

In addition to the pockets of unemployment in the urban areas, manufacturing employment, which is in decline, is over-represented in the area. The fallout from the manufacturing sector is a potential source of labour for the airport. Depth interviews reveal that one company has had positive recruitment experiences linking up with a factory that was implementing restructuring resulting in job losses. These workers were successfully wooed and made the transfer from manufacturing to working at NEMA.

5.1 INTRODUCTION

In light of the projected growth in employment at NEMA, we now turn to the potential supply of labour to the airport and assess how well the resident population meets labour and skills needs. We first consider projections for population growth at the national, regional and sub-regional level and consider the impact demographic changes may have on labour supply.

In this section we also look at activity and inactivity, deprivation and cultural factors and the education and skills levels of the East Midlands population.

5.2 POPULATION GROWTH

Table 5.1 details Experian's forecasts for the East Midlands, which integrate official ONS mid-year estimates and the Government Actuary Department population projections. The main trends are outlined below:

- In line with the trend across the UK, population growth in the East Midlands over the last decade was minimal, expanding at an average annual rate of 0.4 per cent between 1994 and 2004.
- Furthermore, forecasts suggest that this trend will persist over the next 10 years, with an absolute increase in the regional population of a little over 125,000 people expected by 2014.
- At a sub-regional level, expansion of the population will be stronger in Lincolnshire and Rutland, whilst the population in Nottinghamshire is expected to remain largely static over the next decade.
- Growth of the population in Northamptonshire may indeed be stronger than the regional average, as Northampton lies within the Milton Keynes and South Midlands growth area, with an extra 30,000 houses planned for the town by 2021.
- Another issue that will have important implications for the supply of labour to NEMA is that the East Midlands has an aging population, mirroring the trend across the UK. Population growth in the region is predominantly within the 45 to 64 age cohorts, with declining numbers of those aged between 35 and 44 and little growth among the 25 to 34 age group.

Table 5.1
Population growth in the East Midlands

	Average annual growth (%)		Level ('000)		
	1994-2004	2004-2014	1994	2004	2014
UK	0.3	0.3	57,874	59,543	61,298
East Midlands	**0.4**	**0.3**	**4,076**	**4,243**	**4,369**
Derbyshire (inc. Derby)	0.2	0.2	944	967	983
Leicestershire (inc. Leicester)	0.4	0.4	876	905	948
Lincolnshire and Rutland	0.9	0.5	640	702	740
Northamptonshire	0.8	0.5	594	647	678
Nottinghamshire (inc. Nottingham)	0.0	0.0	1,022	1,021	1,021

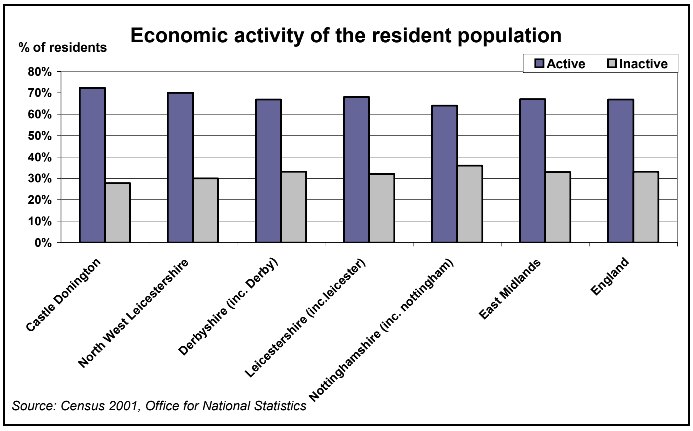
Source: Experian, November 2003; based on data from the ONS.

5.3 ACTIVITY AND INACTIVITY

With the local population remaining largely static over the next decade, employers may have to turn to typically underused pools of labour to fulfil recruitment needs, such as the inactive and unemployed.

As Figure 5.1 illustrates, the ward of Castle Donington within which NEMA falls is subject to high rates of economic activity compared with North West Leicestershire, the three surrounding counties and the trend across the East Midlands and England.

Figure 5.1



Source: Census 2001, Office for National Statistics

Indeed, only 28 per cent of the resident population in Castle Donington are economically inactive, which includes the retired, students, those looking after the home or family and the permanently sick or disabled (Table 5.2).

In terms of the availability of labour to NEMA, inactivity is above average in Nottinghamshire (including Nottingham), predominantly due to its large student population. However, the retail sector and some elements of business services find a useful source of labour in students, who are attracted by the flexibility offered by shift work.

Table 5.2
Economic activity of the East Midlands population*
(% of all residents)

		Inactive					
	Active	Total	Retired	Student	Looking after home/family	Permanently sick/disabled	Other
England	67%	33%	14%	5%	7%	5%	3%
East Midlands	**67%**	**33%**	**14%**	**4%**	**6%**	**5%**	**3%**
Derbyshire (inc. Derby)	67%	33%	15%	3%	6%	6%	3%
Leicestershire (inc. Leicester)	68%	32%	13%	6%	6%	4%	3%
North West Leicestershire	70%	30%	14%	3%	6%	5%	2%
Castle Donington	72%	28%	13%	2%	7%	4%	2%
Lincolnshire and Rutland	66%	34%	17%	3%	6%	5%	3%
Northamptonshire	72%	28%	12%	3%	6%	4%	2%
Nottinghamshire (inc. Nottingham)	64%	36%	14%	6%	6%	6%	3%

* All people aged between 16 and 74.

Source: Census 2001, Office for National Statistics.

5.3.1 Unemployment

The inactive can represent a useful source of untapped labour for employers. However, it often proves more difficult to engage this group of the population in the labour market than it does to exploit pockets of the unemployed, who are outside of the labour market but are seeking employment.

Table 5.3 details claimant count rates of unemployment and shows that the labour market in the proximity of NEMA is already tight:

- A little over 1 per cent of the working age resident population are registered as unemployed, compared with a regional average of 1.9 per cent and national average of 2.2 per cent.
- Derbyshire is more in line with the trend across the region (1.9 per cent), whilst rates of unemployment in Leicestershire and Nottinghamshire exceed the regional average (2.3 per cent and 2.1 per cent respectively).

Table 5.3
Unemployment in the East Midlands

	Claimant count	% of working age * resident population+
England	669,880	2.2
East Midlands	**50,260**	**1.9**
Derbyshire (inc. Derby)	12,080	2.0
Leicestershire (inc. Leicester)	13,060	2.3
North West Leicestershire	660	1.2
Castle Donington	50	1.1
Lincolnshire and Rutland	5,630	1.3
Northamptonshire	6,150	1.5
Nottinghamshire (inc. Nottingham)	13,350	2.1

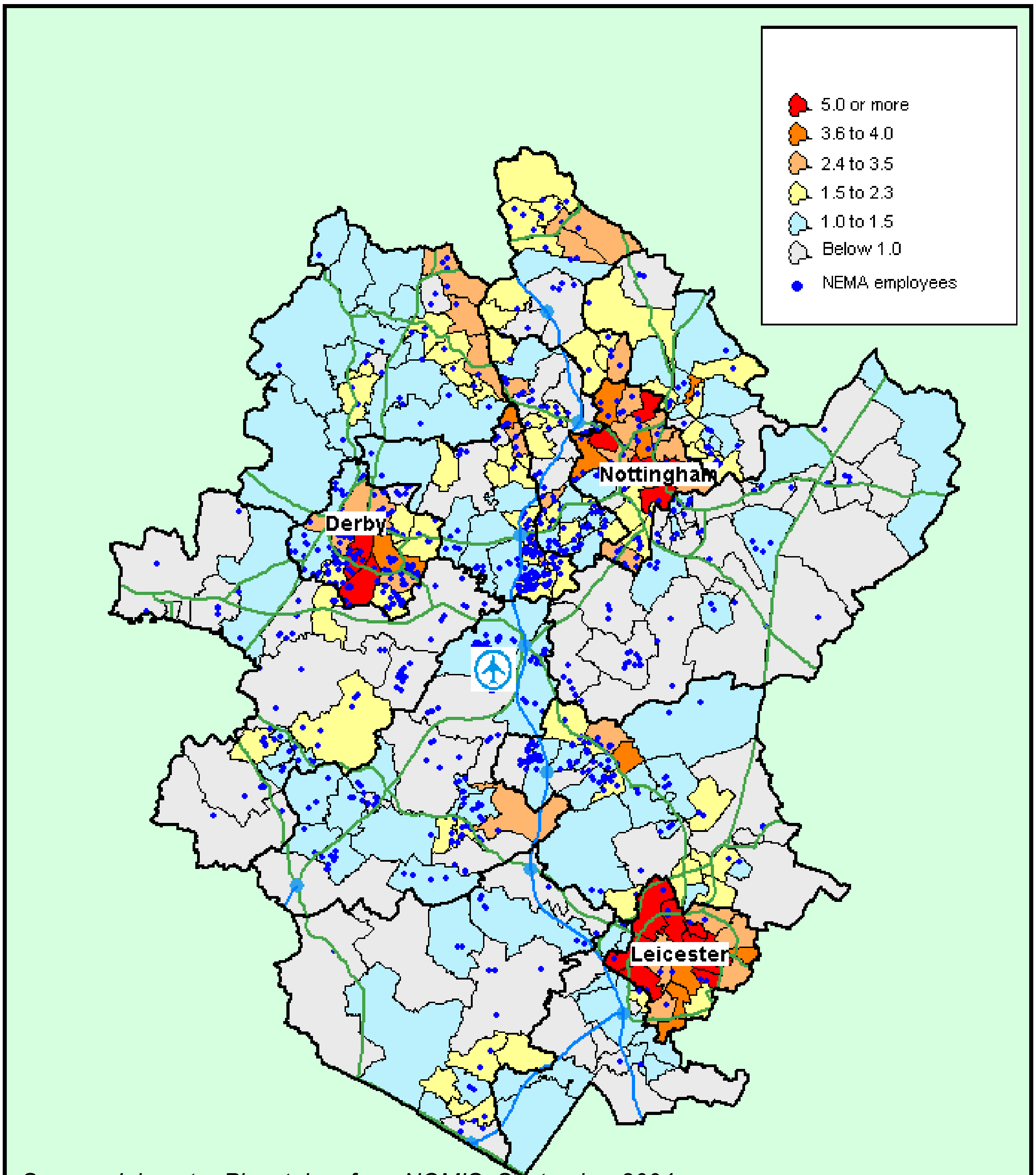
* Males aged between 15 and 64 and females ages between 15 and 59.
+ Mid-year population estimates for 2002. Ward-level data (Castle Donington) uses 2001 estimates.

Source: Job Centre Plus, taken from NOMIS, September 2004.

Figure 5.2 takes a more detailed look at rates of unemployment in the vicinity of NEMA to help identify potential sources of untapped labour for employers at the airport. As we show, although unemployment is low in the East Midlands, pockets of severe levels are clearly evident, particularly around the urban centres of Nottingham, Leicester and Derby.

Most notably, over half of the wards with a claimant count exceeding five per cent are in Leicester. Leicester lies just 20 miles to the south of NEMA and drive times to the airport are between 25 and 30 minutes. The provision of transport services (such as buses which mirror the Skylink service between Nottingham and NEMA) could open up a valuable pool of labour to employers at the airport. However, transport provision alone is unlikely to encourage greater travel to NEMA to work, as the effectiveness of transport provision will depend on a range of interventions to engage this group.

Figure 5.2: Pockets of unemployment in the vicinity of NEMA



Source: Jobcentre Plus, taken from NOMIS, September 2004
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Participants on the government's New Deal programme could also prove a valuable source of labour for employers at NEMA. Across the East Midlands there are just over 20,000 people enrolled on the New Deal for Young People, New Deal 25 Plus, New Deal for the Disabled and New Deal for Lone Parents schemes (Table 5.4). But many people in these typically hard-to-reach groups will be unable to provide a full five-year work history, and thus may not pass Criminal Records Checks. Individuals from these groups may therefore not prove a viable labour source for a number of NEMA employers, whose staff are required to undertake these checks.

Table 5.4 Participation in the New Deal (Current number of participants)				
	New Deal for Young People	New Deal 25 Plus	New Deal for the Disabled	New Deal for lone parents
East Midlands	5,120	3,830	5,050	6,270
Job Centre Plus District				
Derbyshire	1,310	1,180	NA	1,530
Greater Nottingham	930	370	NA	1,340
Leicestershire	1,330	1,380	NA	1,120
Source: Department for Work and Pensions (DWP), June 2004.				

Stansted Airport offers an example of best practice in proactively targeting hard-to-reach groups for suitable roles at the airport. Its accredited Airport Skills Training Programme complements the Government's New Deal initiative. As part of this programme, airport employers work in partnership with training providers, local authorities, Local Learning and Skills Councils and Chambers of Commerce, as well as JobCentre Plus, to provide training centred around the basic employability skills required in the different employment sectors at the airport.

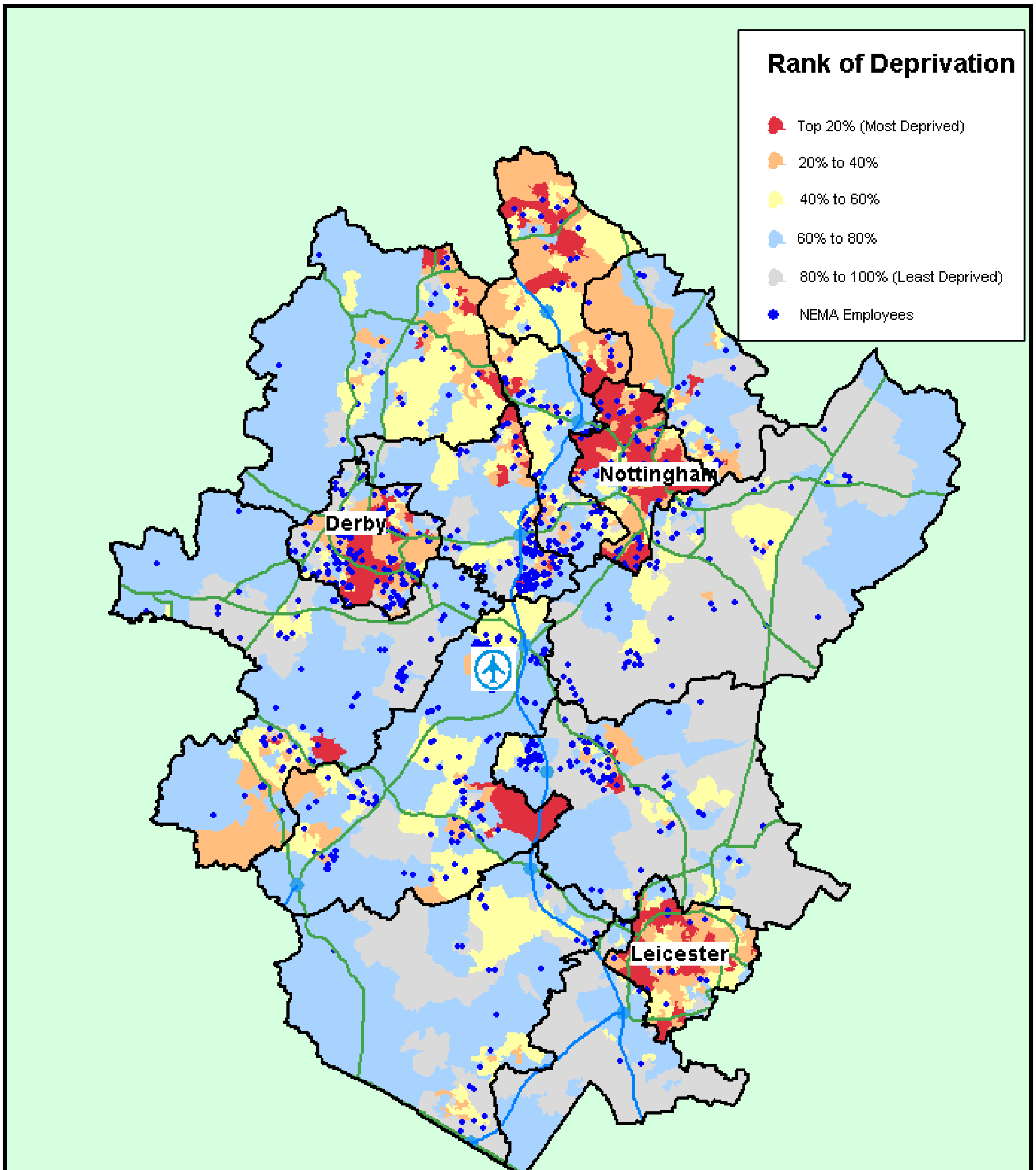
The first stage of the training is aimed at the long-term unemployed and those lacking the skills required to gain an interview, complementing Jobcentre Plus' New Deal Gateway Training. Tailored training modules are also available for use by airport employers to upskill their current workforce, in line with the government's Lifelong Learning agenda. Ultimately, BAA Stansted hopes that the Airport Skills Training Programme will lead to a new Airport Skills Award and that the scheme will be rolled out across BAA's whole airport group.

5.4 DEPRIVATION AND CULTURAL FACTORS

The vast employment creation anticipated for NEMA over the next 25 years provides a unique opportunity to promote social inclusion and aid areas of deprivation in the region. This will meet employer needs whilst offering employment opportunities to those who need them most.

Although a large proportion of the wards surrounding the airport rank in the bottom 40 per cent of deprived wards, some areas, particularly in the vicinity of the Three Cities, suffer severe deprivation. This is particularly notable in Nottingham, which is the seventh most deprived local/unitary authority in England. Ninety per cent of Nottingham falls within the top 40 per cent of most deprived wards, with 65 per cent in the most deprived quartile.

Figure 5.3: Areas of deprivation in the vicinity of NEMA

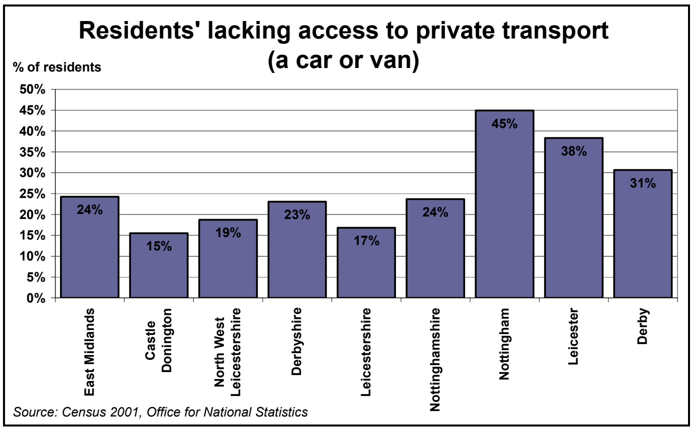


Source: Indices of Multiple Deprivation 2004, Office of the Deputy Prime Minister (ODPM)
Copyright © Experian Limited

While these areas of deprivation may prove a useful source of labour for employers at NEMA, they are also likely to face severe restrictions on accessibility to the airport. This is highlighted in Figure 5.4, which illustrates residents lacking access to private transport in the vicinity of NEMA.

Forty five per cent of the resident population in Nottingham do not own their own car or van, compared with a regional average of less than one-quarter. An above-average proportion of residents in Leicester and Derby also lack their own private transport. Provision of public transport will therefore be required in order to further integrate into the workforce those from these areas of deprivation.

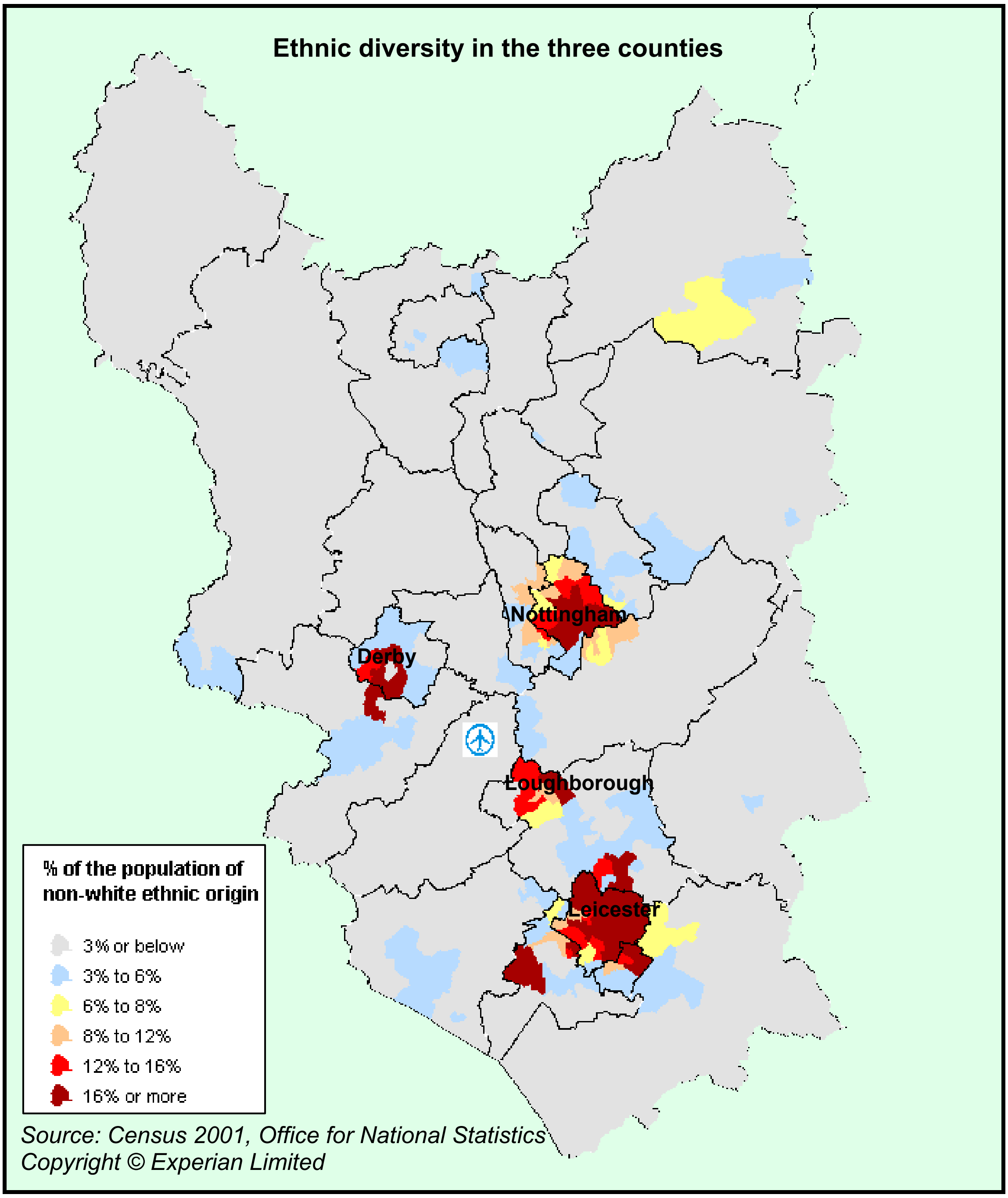
Figure 5.4



Expansion of the airport will also offer the opportunity to integrate those from ethnic minority groups into the NEMA workforce, whilst facilitating social inclusion. Although there is little ethnic diversity in the East Midlands as a whole, there are pockets of highly diverse areas around Nottingham, Derby and Loughborough. This is particularly notable in Leicester, where 36 per cent of residents are of minority ethnic origin.

Whilst businesses in the hotels & restaurants sector are typically large employers of ethnic minority groups, those of non-White origin are under-represented in manufacturing activities (Section 1.2). Highlighting the diverse skills and experience that those from ethnic minority groups can offer will prove important in encouraging the further integration of these groups into the NEMA workforce.

Figure 5.5



In line with evidence from the Experian forecasts (Section 1.1.1), a greater proportion of the population in the East Midlands is employed in the manufacturing sector compared with the trend across England (Table 5.5).

As the East Midlands economy restructures away from traditional manufacturing industry towards a more service-driven knowledge economy, there will be a supply of workers from these industries looking to enter the labour market. These may provide a useful source of labour to NEMA, particularly for the manufacturing-related activities at the airport, as well as other elementary occupations.

Table 5.5
Industries within which residents are employed
(% of residents in employment)

	Castle Donington	North West Leicestershire	Derbyshire (inc. Derby)	Leicestershire (inc. Leicester)	Nottinghamshire (inc. Nottingham)	East Midlands
Agriculture, Forestry & Fishing	1%	2%	1%	1%	1%	2%
Mining & quarrying	1%	1%	1%	0%	1%	0%
Manufacturing	20%	22%	23%	22%	18%	20%
Electricity, gas & water supply	1%	1%	1%	1%	1%	1%
Construction	4%	7%	7%	6%	7%	7%
Wholesale & retail trade	16%	18%	17%	18%	18%	18%
Hotels & restaurants	6%	4%	5%	4%	5%	5%
Transport; storage & communications	17%	8%	6%	6%	6%	6%
Financial Intermediation	2%	2%	3%	3%	3%	3%
Real estate, renting & business activities	12%	11%	10%	10%	11%	10%
Public admin & defence; social security	4%	4%	5%	4%	5%	5%
Education	6%	7%	8%	9%	8%	8%
Health & social work	7%	8%	11%	10%	12%	11%
Other community; social & personal service activities	3%	4%	4%	4%	5%	4%

Source: Census 2001, Office for National Statistics.

5.5 EDUCATION AND SKILLS

In previous sections we have made reference to the skills levels of the East Midlands workforce. In general, the region is in a low-skills, low-pay equilibrium, which is in part due to the lower than average qualification profile of its residents.

For example, the East Midlands FRESA reports that around a quarter of those living in the East Midlands have poor literacy and numeracy skills. In both cases, these proportions are slightly above the national average. Almost one in 20 people in the region have severe literacy and numeracy difficulties.[46]

As Table 5.6 illustrates, analysis of the qualification profile of the resident population surrounding NEMA reveals that the East Midlands population is slightly less qualified than is average across England.

- Thirty-two per cent of those resident in the East Midlands possess no qualifications, compared with 29 per cent of the population in England. Furthermore, only 17 per cent have achieved level 4 or 5 NVQ or equivalent qualifications.

[46] *East Midlands Framework for Regional Employment and Skills Action*, East Midlands FRESA Forum, October 2002.

- Although this trend is prevalent throughout Nottinghamshire, Leicestershire, Derbyshire and more locally in North West Leicestershire, the qualification profile of those resident in the ward of Castle Donington is more in line with the national average.

Table 5.6
Qualification profile of the resident population
(% of residents in employment)

	No qualifications	NVQ equivalents Level 1	Level 2	Level 3	Level 4 or 5	Other qualifications/ level unknown
Castle Donington	28%	18%	19%	7%	19%	8%
North West Leicestershire	33%	18%	18%	7%	16%	8%
Derbyshire (inc. Derby)	32%	18%	18%	7%	17%	8%
Leicestershire (inc. Leicester)	31%	17%	18%	9%	18%	7%
Nottinghamshire (inc. Nottingham)	33%	17%	18%	9%	17%	7%
East Midlands	32%	18%	19%	8%	17%	7%
England	29%	17%	19%	8%	20%	7%

Source: Census 2001, Office for National Statistics.

Of the 18 per cent of East Midlands employers who have identified basic skills issues, many do not appear to take much responsibility for developing them. As Table 5.7 shows, although East Midlands employers questioned in the 2003 National Employers Skills Survey did fund or arrange training on basic skills issues, many did nothing.

Table 5.7
Actions taken to address basic skills issues in the East Midlands
(% of respondents)

Funded or arranged training on basic skills issues	37%
No action taken	26%
One-to-one support	24%
Feedback to individuals/informal discussions	8%
Changed job roles for staff with basic skills problems	7%
Made people redundant	6%
Stricter recruitment practises	4%
Weighted base	*10,228*
Unweighted base	*505*

Note: (1) Base equals all establishments recognising any staff as having basic skills problems.
(2) National and regional estimates weighted by national-level weights.
(3) Coverage: Nottinghamshire and Lincolnshire and Rutland only.

Source: National Employer Skills Survey, 2003.

As we discuss in Section 3.3, it will be the responsibility of the newly created East Midlands Regional Skills for Productivity Partnership to drive up the skills of the region's population and increase the aspirations of the people in the region. The overall aim is to push the region forward in meeting its goals for competitiveness and productivity.

6. Priorities and recommendations

6.1 RECRUITMENT

- A number of employers at NEMA have had/do have some relationship with Long Eaton Jobcentre Plus, which is the nearest Jobcentre Plus to the airport. Ideally the NEMA employer relationship – possibly via the NEMA Employer Forum – needs to broaden out and direct relationships built with job centres in the Three Cities and in the vicinity of areas of deprivation. We would particularly highlight Leicester, which has significant levels of deprivation and unemployment (although successful recruitment will be dependent on the setting up of a public transport initiative).
- On a practical level there seem to be two ways in which Jobcentre Plus outlets across the region could help to support recruitment at the airport:
    1. Through raising awareness of opportunities offered at NEMA among people coming through their door. This would need to encompass the types and diversity of jobs on offer; the realities of working at the airport including transport issues (and whether it is possible for the individual to meet the demands of the job using public transport); the unsocial hours; and the pay (including overtime and unsocial working allowances).
    2. Filtering out suitable applicants – those that are likely to be successful in a Criminal Record Check (CRC) (if this is required for the role); have the ability to reach the airport either by existing public transport infrastructure or through private transport; and, critically, have a suitable attitude to work.
- To facilitate social inclusion as well as to meet the recruitment needs of airport employers, it is in the interests of Jobcentre Plus, the LSCs, EMDA and the NEMA Employer forum to work in close partnership. Some sort of an away day at the airport would be valuable for Jobcentre Plus staff where the needs of airport employers could be articulated. This would also enable Jobcentre staff to experience working life at the airport, thus putting them in a position to explain the advantages and disadvantages to potential recruits.
- Birmingham airport faces similar, although possibly not such acute, recruitment pressures. It has successfully introduced Jobcentre Plus weekends onsite at the airport to provide interested parties with an idea of job opportunities at the airport. According to one interviewee, who recruits at both NEMA and Birmingham, this works very well. The Jobcentre also filters applicants through a first round interview process before employers see recruits, helping to identify suitable potential staff.
- A number of individual employers have built up successful relationships with colleges and universities delivering courses in the hospitality, leisure and tourism areas. The NEMA Employer Forum is already exploring some of these links and could usefully establish relationships between all local colleges/universities and the airport.
- As well as a source of potential skilled labour, these institutions also provide a source of temporary labour during the peak summer period, holidays and weekends. Numerous companies use students as a source of labour. While promoting employment among students does not meet social inclusion priorities, it does provide a qualified and useful source of labour for peak times at the airport. Student-friendly shift patterns might be considered by employers to open up this labour source. On a more practical level, links

between education institution websites and part-time job opportunities advertised on the NEMA website might be made.

- Some employers mentioned the issue of raising the profile of employment opportunities at the airport across the region. However, the cost of regular newspaper and radio recruitment advertisements is costly for individual companies. The possibility of collective raising of recruitment awareness could usefully be explored through the Employer Forum. This might include radio advertising or leaflet drops or posters or recruitment stands in key city centre locations. One employer also suggested a recruitment hotline at NEMA
- In terms of total employment, the manufacturing sector is over-represented in the East Midlands, despite a significant number of job losses in the sector. Individuals who have, and will be, made redundant from the manufacturing sector need to be equipped with the necessary skills to gain employment in other areas of the economy. For example, customer-facing positions in the service sector demand a higher level of communication and customer-handling skills than would have been expected in the manufacturing sector.
- Given the importance that NEMA employers place on recruits having the right attitude over and above experience, skills and qualifications, lack of directly relevant skills need not be a barrier to employment at NEMA. One firm has already successfully taken on manufacturing workers made redundant and trained them for work at the airport site.
- A process for facilitating linkages between manufacturing firms planning restructuring/closures with the NEMA Employer Forum would ensure that airport authorities would be in an advance position to re-employ workers being made redundant. EMDA may be a useful intermediary if the organisation has a system for monitoring job losses across the region in place at the organisation. Alternatively, a campaign to raise awareness may be required to let all employers in the region know that there is a designated point of contact (which will need to be determined) to facilitate redundancy/re-employment brokering.
- NEMA should actively promote its website and encourage firms recruiting via their own website to link to the NEMA job vacancies site.
- Employers' responses to the NEMA Jobs Fair are mixed. Some found it helpful in finding recruits, others said that the quality of the individuals coming forward from the fair failed to meet their recruitment needs. It seems to be a valuable service but one that could be improved if a more suitable cohort could be targeted effectively (although this may not be practical).
- A mini jobs fair representing those employers that have vacancies at any one time might also be taken on the road to targeted areas of deprivation. To be viable, this will probably need to be resourced via the public sector – the Jobcentre or the LSC or EMDA.

6.2 TRAINING

- Stansted airport is operating some successful initiatives with a variety of local partnerships including local Jobcentres, local Learning and Skills Councils and the Chambers of Commerce to deliver the government's New Deal scheme. These initiatives provide a source of labour for the airport. The development of bespoke 'Employability Training' for the airport is key and was designed with airport employers to produce people that were work-ready.
- A similar partnership could be brokered between the NEMA Employment Forum (to represent the training needs of airport employers) and the LSC (the airport falls within the geographical boundary of Leicestershire LSC but, given that recruits are likely to be drawn from the Nottinghamshire and Derbyshire LSC area as well, it is likely that cross

funding will need to be negotiated). Relevant Sector Skills could also be brought on board, alongside local Jobcentres.

- Forty-two per cent of NEMA employers currently report vacancies, with 35 per cent reporting hard-to-fill vacancies. However, the methods used to recruit employees are limited. Many use Jobcentre Plus, but this is restricted to the Long Eaton branch, while few use the NEMA website to advertise their vacancies. As the airport expands, potential recruits will increasingly look to the website to access recruitment information; NEMA needs to actively promote this resource.
- There are many initiatives co-ordinated by Jobcentre Plus that are designed to support the unemployed and inactive back into work, such as New Deal and Welfare to Work. However, by only having relationships at a local level, NEMA employers may be bypassing potential recruits from the Three Cities.
- Skills gaps among the NEMA workforce are concentrated at the new recruit level, primarily in their customer service and job-specific skills. This signifies a direct link between the skills needs of NEMA employers and the local education structure, which can be influenced by the local LSCs and EMDA.

6.3 ADDRESSING THE TRANSPORT CHALLENGE

- The remote location of NEMA and the unsociable hours and shift work that characterise some NEMA employers is, at present, inherent to the opportunities available. Addressing the transport issues surrounding the airport, particularly at night, will present non-car drivers with a viable means of accessing employment around the clock.
- The majority of NEMA employees travel to work by car. This is primarily a consequence of its remote location, supported by free parking offered by most employers. Consequently, while schemes are being put in place to improve the accessibility of NEMA to non-drivers, it is hard to foresee a significant shift away from this mode of transport. The scheduled improvements to the M1 and A453 will be central to the planned employment expansion of the airport by freeing up travel by car and bus.
- From our analysis, we have identified one potential gap in the public transport infrastructure serving NEMA. This is the links with Leicester, which is not served by a bus link, while train links are via Nottingham. Considering the wider social inclusion agenda, we would propose that a more thorough review be undertaken into this opportunity.
- ‘No car, no problem’ was a slogan used in a small-scale postcard campaign by one enterprising employer in a bid to recruit more staff from the Nottingham area, following the advent of the new Nottingham Skylink bus service. A similar campaign with postcards or flyers left in public places as well as Jobcentres, colleges and universities in the region may help to promote job opportunities at the airport that can be accessed by public transport.
- However, in addition to a review of the geographical coverage of the bus service, a review of the timings is also required in relation to employees’ working patterns. Employers are not universally convinced that bus services through the night will necessarily help workers trying to meet very unsocial shift and night work patterns.
- A major issue appears to be the variety of work patterns both within and across businesses at all times of the day and night. Designing a commercial bus service around such competing and complex demands is not easy. The viability is also questionable given that at present most employees use a car to access the airport. A more practical alternative may be to use pools of workers from one locality to meet one shift pattern. Minibus hire to ferry workers during unsocial hours would then be practical in terms of

workers being on time for the shift. It would also be economical in that sufficient people would use the service. This is an approach sometimes used by recruitment agencies. A small number of employers have their own mini busses, which are used to ferry workers to and from car parks, or to service customers and staff needs in the hotel trade. These vehicles might be utilised more widely.

6.4 OTHER

- NEMA employers accept that criminal checks are part and parcel of their business, particularly in the case of those employed in air transport and distribution activities. After initial problems, the processes are now quicker and more streamlined for many employers. However, the responses of employers in other activities, such as retail, suggest that any best practice experience around speeding up the criminal record check process would be helpful.

Appendix 1

EMDA/NEMA Employer Survey 2004 – questionnaire and sample information

NEMA Employer Consultation - Methodology

The employer consultation was conducted using a mixture of face-to-face and telephone interviews during October and November 2004. The sample for the employer consultation was drawn from NEMA's own employer database, as well as their tenant records. This final combined sample consisted of 123 employers based at the airport site.

In order to encourage participation, before commencing fieldwork all employers were sent a letter from John Froggatt, Planning & Development Director at NEMA, detailing the project and why they should participate.

Ten face-to-face interviews were conducted with large employers based at the airport spread across all the airport industry-related sectors. The remaining 113 employers were contacted by telephone and 93 were able to take part in the 15-minute telephone interview. The outcome from each telephone call can be seen below.

Table A1.1 Outcomes	
Interviews completed	**103**
Face-to-face interviews completed	10
Telephone interviews completed	93
Interviews not completed	**20**
Duplicates	4
No answer/straight to voicemail and no other number available	8
Wrong number and no other number available	1
Closing down/moving off site	2
Closed down/moved off site	3
Refused	2
Total	**113**

- This gives a total response rate to the survey of 84 per cent.
- The telephone interviews collected quantitative data using the questionnaire. Employers who took part in the face-to-face interviews were asked to complete the questionnaire before the interview. Their answers were then discussed more widely and in more detail during the face-to-face interview.
- Table A1.2 shows the sector and size distribution of the employers interviewed.

Figure A1.2
Sector and size of employers

	Count
Sector	
Manufacturing	3
Retail	9
Hotels & Restaurants	8
Transport	38
Business services	6
Other	39
Size	
Micro (1 to 10 employees)	41
Small (11 to 49 employees)	37
Medium (50 to 199 employees)	16
Large (200 or more employees)	9

EMDA/NEMA Skills Research - Employer Questionnaire – Final

INTRODUCTION

Good morning/afternoon, my name is XXXX XXXX and I'm calling from Experian, on behalf of Nottingham East Midlands Airport (NEMA) and the East Midlands Development Agency (EMDA). Experian is conducting a research project on behalf of these organisations and you should have received a letter from John Froggatt, Planning & Development Director at NEMA, regarding the employer consultation stage of the project.

(If they have not received letter)

The East Midlands Development Agency (EMDA), on behalf of Nottingham East Midlands Airport (NEMA), has commissioned a research project to investigate recruitment and employment issues with respect to future planned expansion of the airport's facilities.

EMDA is one of nine Regional Development Agencies in England and brings a regional focus to economic development. NEMA is of key economic importance to the East Midlands region. The ability to recruit and retain quality staff is central to its future success and growth.

As part of the project, we are conducting a survey among all employers at the airport to understand their needs and views with regards to employment and other wider issues. This work will help NEMA to develop strategies and programmes that make it easier for employers at the airport to recruit and retain quality staff. This survey takes the form of a 15-minute telephone interview.

Are you happy to conduct the interview now or can I arrange a more convenient time to call back?

(Use if necessary)
Experian is a member of the Market Research Society and always adheres to its strict code of conduct. You can be assured that your answers will be treated in the strictest confidence and all results will be aggregated to ensure anonymity.

(Use only if respondent require verification of project)

Dawn Price, Employer Network Manager, NEMA, 01332 852956
Alison Bingham, Enterprise Development Manager, EMDA, 0115 988 8571

SECTION A: EMPLOYMENT

A1: Has employment at that site increased/decreased/stayed the same in the past year?

Increased	
Decreased	
Remained the same	

A2: Would it be possible to give approximate splits for the workforce at that site into the following categories? (Write in percentages)

A: Full time	
B: Part time	
	(A and B must add to 100%)
C: Permanent	
D: Temporary	
	(C and D must add to 100%)
E: Fixed work pattern	
F: Shift work pattern	
	(E and F must add to 100%)
G: Daytime work	
H: Night work	
	(G and H must add to 100%)

A3 Could you give an approximate gender split of your workforce at that site?

Male	
Female	

(Must add to 100%)

A4 Could you give an approximate age split of your workforce at that site

Under 25	
25-44	
45 and over	

(Must add to 100%)

SECTION B: RECRUITMENT

I'm now going to ask you some questions about recruitment at that site?

B1: Do you currently have vacancies at that site?

Yes (Go to B2)	
No (Go to B4)	

B2: What vacancies are these? And how many positions are available

Position (Write in Job Title)	Number of jobs available

B3: Please rate on a scale of 1 to 5 (with 1 being very unimportant and 5 being highly important) the following qualities that you are looking for in the candidates?

	1- LOW	2	3	4	5- HIGH
The right experience					
The right qualifications					
The right skills					
The right attitude					

B4: Have you had any hard to fill vacancies in the past 12 months at that site?

Yes (Go to B5)	
No (Go to B7)	

B5: What were/are the main causes of these hard to fill vacancies? (Probe, do not read out, code to fit, tick all that apply).

B6: (If list options 1, 2, 3 or 4) What is it you were/are seeking? (Probe for specific skill/attitude/experience/qualification - write in)

	B5	B6 (Write in)
1. Low number of applicants with the required skills		
2. Low number of applicants with the required attitude, motivation or personality		
3. Lack of work experience the company demands		
4. Lack of qualifications the company demands		
5. Too much competition from other employers		
6. Not enough people interested in doing this type of job		
7. Poor terms and conditions (e.g. pay) offered for post		
8. Low number of applicants generally		
9. Poor career progression / lack of prospects		
10. Job entails shift work/unsociable hours		
11. Seasonal work		
12. Remote location/poor public transport		
13. Other (WRITE IN)		
14. No particular reason		
15. Don't know		

B7 Through which channels do you recruit for positions at NEMA?

Recruitment/Employment agency	
Jobcentre Plus	
NEMA website	
Your own company website	
General job website	
Newspaper	
Other (WRITE IN)	

(If use recruitment/employment agency)

B8 Do you use any particular agency? (Write in) ______________________

(If use Jobcentre Plus)

B9 Do you have a particular relationship with any specific branch?
(Write in) ___________________________

B10: Could you tell me whether you strongly agree, agree, neither agree nor disagree, disagree or strongly disagree with the following statements?

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
"Having to conduct a criminal record check restricts the pool of labour from which we can recruit"					
"The length of time it take to do a criminal record check is having adverse effects on the business"					

B11 Could you tell me on a scale of 1 to 5 how useful you would find advice on how to conduct the criminal record check as efficiently as possible? (Where 1 is not at all useful and 5 is very useful).

1 - LOW	2	3	4	5 - HIGH

(Interviewer note: Please make it clear that this question is hypothetical and may or may not be developed)

SECTION C: STAFF TURNOVER, RETENTION AND STAFF PACKAGES

I'd now like to ask you some questions about your current staff situation.

C1: Could you tell me your currently yearly staff turnover rate? (Write in as percentage)

_____________%

(If Don't know only) How many members of staff have you had to replace in the past year? (Write in number – interviewer to calculate)

C2: Is your staff turnover rate higher/lower/the same as last year?

Higher	
Lower	
The same	

C3: Is staff turnover level a problem for any particular occupations?

Yes (write in occupations)		
No		

C4: Do you offer any of the following benefits to staff working at NEMA? (Read out, Tick below if applicable)

C5: (For all answered yes) Are these benefits company wide, offered at certain sites only or offered to employees at NEMA only? (Single code)

C6: (For all answered yes) Are any of these **specifically** aimed at:

A: Increasing staff retention? (Tick if applicable)
B Attracting new recruits (Tick if applicable)
C: Or both (Tick if applicable)

	C4	C5			C6		
		Company wide	At certain sites only	At NEMA only	A	B	C
Training packages							
Development packages (e.g. appraisals, opportunities for promotion etc)							
Financial reward packages (bonus schemes, commission)							
Other benefit packages (health insurance, gym membership, social clubs etc)							
Flexible working schemes							
Staff discounts							
Childcare vouchers/provision							
Free parking							
Subsidised car/company car							
Company transport							
Subsidised public transport							
Other (write in)							

SECTION D: SKILLS GAPS

Now I'd like to ask you a little bit more about the skills of your current workforce.

D1: What proportion of your workforce do you think are fully proficient at their job? (Collect as percentage)

(If asked proficient = a proficient employee is someone who is able to do the job to the required level)

______________%

If D1 = 100%, go to Section E. Else, go to D2.

D2: Is there any particular group of employees who are not fully proficient? (Probe for occupations/job roles).

D3: And which skills do you consider to be below the required level within this group?

	D2 (occupation group)	D3 (skills)
Occupation1		
Occupation2		
Occupation3		

D4: What do you believe are the main causes of some of your staff not being fully proficient in their job?

Failure to train and develop staff	
Recruitment problems	
High staff turnover	
Inability of workforce to keep up with change	
Lack of experience or their being recently recruited	
Staff lack motivation	
Any other cause (WRITE IN)	
No particular cause	
Don't Know	

D5: Is the fact that some of your staff are not fully proficient causing this establishment

Loss of business or orders to competitors	
Delays developing new products or services	
Difficulties meeting customer service objectives	
Difficulties meeting required quality standards	
Increased operating costs	
Difficulties introducing new working practices	
No particular problems / None of the above	
Don't know	

D6: Which if any of the following actions are being taken to overcome the fact that some of your staff are not fully proficient in their job?

Increased recruitment	
Providing further training	
Changing working practices	
Reallocating work within the company	
Expand recruitment channels	
Increase/expand trainee programmes	
Any other action (WRITE IN)	
No particular action being taken	
Don't know	

SECTION E: WORKING LIFE AT NEMA

I'd now like to talk to you about being an employer at NEMA.

E1: Do you offer discounts on goods or services to:

A: your own employees at NEMA site?
B: employees of other companies based at the airport?

	A	B
Yes		
No		
Not applicable to our line of business		

(Interviewer note: Please make it clear that the schemes in E2 and E3 are hypothetical and may or may not happen in the future)

E2: Would you be willing to take part in a scheme where companies based at NEMA were able to offer discounts at a number of different NEMA companies?

Yes	
No	
Head office decision	
Don't know	

E3: Would you be interested in a scheme that allowed companies at the NEMA site to share employees according to different shift patterns?

Yes	
No	
Head office decision	
Don't know	

E4: Could you tell me whether you strongly agree, agree, neither agree nor disagree, disagree or strongly disagree with the following statements?

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
It is easy to recruit staff to work at NEMA					
A lot of the staff at this site have been here a long time					
It is difficult to access the airport site without a car					
We offer competitive wage rates to similar companies/sites within the East Midlands					

SECTION F: THE FUTURE

I'd now like to ask you about employment in the future at NEMA.

F1: Do you expect employment to increase/decrease/stay the same in the coming year?

Increase	
Decrease	
Remain the same	

F2: Do you believe there are any issues/drivers that will change your recruitment or skills requirements?

Yes (Go to F3)	
No (Go to Section G)	
Don't know (Go to Section G)	

F3: What do you believe these issues/drivers to be? (Write in)

____

F4: How do you think they will change your skills requirements? (Write in)

____

Section G: Classification

Finally, I would like to ask you some questions about your company.

G1: Is that your companies site at NEMA a…?

Head office – Go to G2	
Single site – Go to G4	
Branch – Go to G2	
Franchise – go to G2	

G2: Does the company have sites at other airports in the UK?

Yes (Go to G3)	
No (Go to G4)	

G3: Do these other airport sites have similar employment issues to your site?

Yes	
No	
Don't know/Unaware of circumstances	

G4: Main line of business (check against sample)

(Write in) ________________________

Write in SIC from sample if correct & available _________________________

G5: Could you tell me the number of employees contracted to your company working at that site (not including agency staff & contractors)?

(Write in)____________________________

G6: And the number of agency staff

(Write in)____________________________

G7: And the number of contractors (self-employed) working at that site?

(Write in)____________________________

G8: (Check contacts details on database and write in)

Contact name	
Job Title	
Company name	
Address	
Postcode	
Telephone	
E-mail	

G9: As you may be aware, NEMA has recently appointed an employment network manager, Dawn Price. Dawn's role at NEMA will be to ensure improved recruitment, retention and development of employees for all employers on the Airport in the coming years. She may wish to contact you to discuss these issues further.

To this end, would you willing to have name and contact details passed onto NEMA or EMDA as having participated in this survey?

Yes	
No	

Would you willing to have your responses to this survey passed onto NEMA or EMDA in connection with your name and contact details?

Yes	
No	

Should you wish to discuss any issues further Dawn Price can be contacted on 01332 852956.

Many thanks for your time and help.

Close interview.

Appendix 2

2003 NEMA Employee Survey and Travel to Work Survey - methodology

Survey methodology

2003 NEMA EMPLOYEE SURVEY

The Summer 2003 Employee Survey was carried out in order to establish on-site and nearby employee statistics.

All 106 companies listed in the Airports most recent tenant list were sent a copy of the Employee Survey, along with a covering letter, list of postcodes and a map of the local Counties.

The survey forms were sent out at the beginning of August 2003 and the response to the Employee Survey was 100 per cent.

2003 TRAVEL TO WORK SURVEY

The Travel to Work Survey was conducted during December 2003 for the purpose of gaining and analysing travel patterns and needs of the employees who work on the airport site.

The Travel to Work Survey was mailed to 6,474 employees within a total of 106 companies based on site.

A letter was sent to the Human Resource Manager at each company, along with the survey forms, asking them to distribute the surveys amongst their employees. In order to encourage employees to participate in the survey, it was accompanied with a prize incentive.

Out of the 6,474 survey forms that were distributed a total of 1,101 were completed and returned (17 per cent).

Appendix 3

Detailed statistical tables

Table A3.1
Age profile of the East Midlands' airport-related* workforce, by sub-sector
(% of total)

	16 to 24	25 to 34	35 to 44	45 to 54	55 to 64	65+	*Weighted base*
Whole economy	15%	20%	26%	22%	14%	2%	*1,906,900*
Airport-related*							
Manufacturing	(5%)	(26%)	(33%)	(20%)	(14%)	(2%)	*19,100*
Retail	30%	17%	24%	16%	11%	(2%)	*243,100*
Hotels & restaurants	40%	(17%)	(21%)	(13%)	(9%)	-	*47,300*
Transport	(9%)	23%	27%	21%	(18%)	(2%)	*54,100*
Business services	(17%)	(27%)	(18%)	(23%)	(6%)	(9%)	*15,400*

Note: (1) Rows may not sum to 100% due to rounding.
(2) Data for the East Midlands is workplace based.
(3) Values in brackets () represent employment of less than 10,000. Quarterly LFS estimates of less than 10,000 are not published as they are likely to be unreliable. The 10,000 threshold equates to a sample size of about 30.
(4) Applies to all persons in employment other than those on college-based schemes.
* Manufacturing: SIC 33.2 and 35.3; Retail: SIC 52; Hotels & restaurants: SIC 55.1, 55.3 and 55.5; Transport: SIC 60.24, 62, 63.1 and 63.4; Business services: SIC 71.1 and 74.7.

Source: Labour Force Survey, 4-quarter average: Autumn 2003 to Summer 2004.

Table A3.2
Regional labour market summary (ranked by employment rate)
(Rate, %)

	Economically active	Employment	Unemployment
East	82.5	79.4	3.7
South West	81.6	78.7	3.5
South East	81.4	78.3	3.7
East Midlands	79.4	76.3	3.9
England	**78.8**	**75.0**	**4.6**
Scotland	79.7	74.8	6.0
Great Britain	**78.7**	**74.8**	**4.7**
UK	**78.5**	**74.6**	**4.7**
Yorkshire and the Humber	77.8	74.3	4.4
North West	77.4	73.9	4.4
West Midlands	78.0	73.8	5.2
Wales	75.2	71.7	4.6
North East	74.4	70.3	5.4
London	75.1	69.7	7.2
Northern Ireland	70.8	67.1	5.1

Note: Base for economically active and employment rates = all persons of working age; base for unemployment rates = total economically active.

Source: Labour Force Survey (May to July 2004), sourced from Labour Market Trends, October 2004.

Table A3.3
Occupational profile of UK airport-related* industries, 2004
(% of total)

	Manufacturing	Retail	Hotels & restaurants	Transport	Business services
Managers and senior officials	**17%**	**19%**	**21%**	**13%**	**10%**
Production, works and maintenance managers	6%	-	-	-	-
Marketing and sales managers	4%	1%	1%	2%	1%
Transport and distribution managers	-	-	-	5%	-
Retail and wholesale managers	-	9%	-	-	-
Restaurant and catering managers	-	-	15%	-	-
Shopkeepers and wholesale/retail dealers	-	4%	-	-	-
Managers and proprietors in other services nec.	-	-	-	-	6%
Professional	**22%**	**2%**	**-**	**1%**	**-**
Design and development engineers	5%	-	-	-	-
Mechanical engineers	3%	-	-	-	-
Electronics engineers	3%	-	-	-	-
Associate professional and technical	**9%**	**4%**	**1%**	**5%**	**2%**
Engineering technicians	3%				
Administrative and secretarial	**6%**	**7%**	**5%**	**10%**	**5%**
Skilled trades	**29%**	**5%**	**15%**	**2%**	**1%**
Metal working production and maintenance fitters	16%	-	-	1%	-
Chefs, cooks	-	-	14%	-	-
Personal service	**-**	**-**	**2%**	**4%**	**3%**
Air travel assistants	-	-	-	4%	-
Sales and customer service	**1%**	**49%**	**6%**	**2%**	**2%**

Table A3.3
Occupational profile of UK airport-related* industries, 2004
(% of total)

	Manufacturing	Retail	Hotels & restaurants	Transport	Business services
Sales and retail assistants	-	36%	5%	-	-
Retail cashiers and check-out operators	-	8%	1%	-	-
Process, plant and machine operatives	**13%**	**3%**	**2%**	**39%**	**3%**
Metal working machine operatives	3%	-	-	-	-
Routine inspectors and testers	3%	-	-	-	-
Heavy goods vehicle drivers	-	1%	-	28%	-
Van drivers	-	1%	1%	3%	-
Fork-lift truck drivers	-	-	-	3%	-
Elementary	**2%**	**11%**	**48%**	**23%**	**75%**
Other goods handling and storage occ. nec.	1%	2%	-	18%	-
Kitchen and catering assistants	-	1%	20%	-	-
Waiters, waitresses	-	-	18%	-	-
Window cleaners	-	-	-	-	12%
Cleaners, domestics	-	1%	5%	-	59%
Shelf fillers	-	4%	-	-	-

* Manufacturing: SIC 33.2 and 35.3; Retail: SIC 52; Hotels & restaurants: SIC 55.1, 55.3 and 55.5; Transport: SIC 60.24, 62, 63.1 and 63.4; Business services: SIC 71.1 and 74.7.

Source: Labour Force Survey, Spring 2004.

Table A3.4
Future skills needs of managers and senior officials in airport-related* industries, England
(mean score: not required = 1, advanced = 5)

	Whole economy	Manufacturing	Retail	Hotels & restaurants	Transport	Business services
Customer handling	4.2	4.0	4.3	4.3	4.1	4.3
Communication	4.1	4.1	4.1	4.0	4.1	4.1
Team working	4.0	3.9	4.0	4.0	3.7	4.0
Management	4.0	4.0	3.9	4.0	3.6	3.8
Problem solving	3.8	3.8	3.6	3.7	3.6	3.7
Literacy	3.7	3.9	3.5	3.5	3.6	3.5
Numeracy	3.7	3.7	3.6	3.6	3.5	3.4
Technical and practical	3.5	3.7	3.3	3.4	3.3	3.4
General IT user	3.2	3.6	2.7	2.7	3.1	3.3
IT professional	2.4	2.6	2.0	2.1	2.0	2.5
Foreign language	1.5	1.6	1.3	1.9	1.4	1.3

Note (1) Base equals all establishments answering for managers and senior officials, varies by skill.
(2) National and regional estimates weighted by national-level weights.
(3) For all skills the mean score is calculated by multiplying the number of establishments citing each level of skill needed and the value of each level of skill, summed and divided by the base number of establishments. The value of the level of skill equals 1 when not required through to 5 when advanced.
* Manufacturing: SIC 33.2 and 35.3; Retail: SIC 52; Hotels & restaurants: SIC 55.1, 55.3 and 55.5; Transport: SIC 60.24, 62, 63.1 and 63.4; Business services: SIC 71.1 and 74.7.

Source: National Employers Skills Survey, 2003.

Table A3.5
Future skills needs in airport-related* industries, England
(mean score: not required = 1, advanced = 5)

	Skilled trades: Manufacturing	**Sales and customer service**: Retail	**Elementary**: Hotels & restaurants	**Process, plant and machine operatives**: Transport	**Elementary**: Business services
Communication	2.8	3.8	3.4	3.2	2.9
Customer handling	2.5	3.9	3.6	3.2	3.0
Foreign language	1.1	1.3	1.5	1.2	1.2
General IT user	2.0	2.1	1.6	1.6	1.7
IT professional	1.7	1.6	1.4	1.4	1.4
Literacy	2.8	3.1	2.7	2.7	2.2
Management	2.2	2.7	2.3	2.1	1.8
Numeracy	2.5	3.2	2.7	2.7	2.3
Problem solving	2.5	2.9	2.5	2.7	2.4
Team working	2.8	3.6	3.6	2.9	3.1
Technical and practical	3.4	2.8	2.7	3.0	2.8

Note (1) Base equals all establishments answering by occupation, varies by skill.
(2) National and regional estimates weighted by national-level weights.
(3) For all skills the mean score is calculated by multiplying the number of establishments citing each level of skill needed and the value of each level of skill, summed and divided by the base number of establishments. The value of the level of skill equals 1 when not required through to 5 when advanced.
* Manufacturing: SIC 33.2 and 35.3; Retail: SIC 52; Hotels & restaurants: SIC 55.1, 55.3 and 55.5; Transport: SIC 60.24, 62, 63.1 and 63.4; Business services: SIC 71.1 and 74.7.

Source: National Employers Skills Survey, 2003.

Table A3.6
Distribution of airport-related* vacancies by occupation
(% of total)

	England						East Midlands
	Manufacturing of transport equipment	Retail	Hotels & restaurants	Transport	Business services	Whole economy	Whole economy
Managers and senior officials	5%	7%	4%	2%	4%	5%	5%
Professional	4%	1%	0%	1%	1%	8%	6%
Associate professional and technical	6%	2%	1%	2%	2%	12%	8%
Administrative and secretarial	3%	4%	5%	8%	11%	12%	9%
Skilled trades	32%	6%	14%	1%	3%	9%	14%
Personal service	0%	0%	3%	0%	0%	11%	11%
Sales and customer service	15%	69%	16%	6%	5%	17%	16%
Process, plant and machine operatives	28%	2%	2%	47%	7%	9%	16%
Elementary	7%	8%	54%	32%	65%	16%	15%
Weighted base	*3,600*	*73,200*	*57,000*	*8,400*	*5,800*	*677,100*	*52,800*
Unweighted base	*400*	*6,800*	*5,600*	*1,200*	*600*	*56,200*	*4,500*

Note (1) Base equals all vacancies.
(2) Columns may not sum too 100% as exclude vacancies for unclassified staff.
(3) National and regional estimates weighted by national-level weights.
* Manufacturing of transport equipment: SIC 34 and 35; Retail: SIC 52; Hotels & restaurants: SIC 55.1, 55.3 and 55.5; Transport: SIC 60.24, 62, 63.1 and 63.4; Business services: SIC 71.1 and 74.7.

Source: National Employers Skills Survey, 2003.

Table A3.7
Skills found difficult to obtain for hard-to-fill vacancies in airport-related industries*
(% of establishments reporting)

	England						East Midlands
	Manufacturing	Retail	Hotels & restaurants	Transport	Business services	Whole economy	Whole economy
General IT user	9%	9%	8%	1%	10%	12%	8%
IT professional	8%	7%	8%	0%	9%	11%	7%
Communication	32%	46%	52%	32%	26%	40%	28%
Customer handling	25%	47%	45%	32%	41%	37%	25%
Team working	28%	36%	46%	26%	34%	32%	25%
Foreign language	9%	5%	11%	3%	2%	6%	3%
Problem solving	31%	29%	31%	19%	31%	30%	22%
Management	19%	21%	21%	7%	4%	20%	9%
Numeracy	21%	26%	26%	11%	5%	22%	15%
Literacy	21%	25%	26%	24%	10%	24%	17%
Technical and practical	56%	33%	39%	47%	31%	46%	37%
No particular skills difficulties	13%	19%	21%	26%	34%	17%	20%
Weighted base	*13,367*	*16,692*	*10,754*	*2,094*	*1,532*	*145,371*	*13,985*
Unweighted base	*641*	*850*	*689*	*146*	*80*	*7,541*	*727*

Note: (1) Base equals all establishments reporting hard-to-fill vacancies.
(2) National and regional estimates weighted by national-level weights.
(3) Respondents could give more than one answer.
* Manufacturing: SIC 15 to 37; Retail: SIC 52; Hotels & restaurants: SIC 55.1, 55.3 and 55.5; Transport: SIC 60.24, 62, 63.1 and 63.4; Business services: SIC 71.1 and 74.7.

Source: National Employers Skills Survey, 2003.

Table A3.8
Main causes of hard-to-fill vacancies in airport-related industries*
(% of establishments reporting)

	England						East Midlands
	Manufacturing	Retail	Hotels & restaurants	Transport	Business services	Whole economy	Whole economy
Too much competition from other employers	11%	11%	21%	22%	13%	16%	13%
Not enough people interested in doing the type of job	32%	40%	47%	38%	41%	37%	37%
Poor terms and conditions offered for the post	16%	24%	26%	29%	11%	21%	20%
Low number of applicants with the required skills	56%	36%	35%	51%	37%	45%	50%
Low number of applicants with the required attitude, motivation or personality	29%	31%	35%	28%	41%	30%	24%
Low number of applicants generally	30%	32%	40%	38%	52%	36%	38%
Lack of work experience the company demands	28%	20%	20%	35%	11%	25%	28%
Lack of qualifications the company demands	21%	12%	12%	7%	10%	18%	21%
Poor career progression/lack of prospects	6%	8%	13%	14%	11%	8%	7%
Job entails shift work/ unsociable hours	5%	22%	30%	36%	24%	15%	11%
Seasonal work	0%	6%	6%	1%	0%	3%	3%
Remote location/ poor public transport	8%	8%	14%	3%	13%	9%	5%
No particular reason	1%	1%	2%	0%	-	1%	0%
Weighted base	*13,367*	*16,692*	*10,754*	*2,094*	*1,532*	*145,371*	*13,985*
Unweighted base	*641*	*850*	*689*	*146*	*80*	*7,541*	*727*

Note: (1) Base equals all establishments reporting hard-to-fill vacancies.
(2) National and regional estimates weighted by national-level weights.
(3) Respondents could give more than one answer.
* Manufacturing: SIC 15 to 37; Retail: SIC 52; Hotels & restaurants: SIC 55.1, 55.3 and 55.5; Transport: SIC 60.24, 62, 63.1 and 63.4; Business services: SIC 71.1 and 74.7.

Source: National Employers Skills Survey, 2003.

Table A3.9
Consequences of hard-to-fill vacancies in airport-related industries*
(% of establishments reporting)

	England						East Midlands
	Manufacturing	Retail	Hotels & restaurants	Transport	Business services	Whole economy	Whole economy
Loss of business or orders to competitors	45%	22%	26%	57%	51%	38%	40%
Delays developing new products or services	48%	31%	31%	15%	41%	36%	37%
Difficulties meeting customer service objectives	57%	38%	45%	47%	54%	50%	44%
Difficulties meeting required quality standards	34%	32%	39%	29%	50%	36%	34%
Increased operating costs	49%	22%	33%	51%	49%	35%	35%
Difficulties introducing new working practices	33%	29%	41%	26%	45%	35%	26%
Increased workload for other staff	80%	85%	84%	85%	96%	82%	78%
No difficulties	7%	8%	9%	3%	1%	5%	7%
Weighted base	*13,367*	*16,692*	*10,754*	*2,094*	*1,532*	*145,371*	*13,985*
Unweighted base	*641*	*850*	*689*	*146*	*80*	*7,541*	*727*

Note: (1) Base equals all establishments reporting hard-to-fill vacancies.
(2) National and regional estimates weighted by national-level weights.
(3) Respondents could give more than one answer.
* Manufacturing: SIC 15 to 37; Retail: SIC 52; Hotels & restaurants: SIC 55.1, 55.3 and 55.5; Transport: SIC 60.24, 62, 63.1 and 63.4; Business services: SIC 71.1 and 74.7.

Source: National Employers Skills Survey, 2003.

Table A3.10
Action taken for hard-to-fill vacancies in airport-related industries*
(% of establishments reporting)

	England						East Midlands
	Manufacturing	Retail	Hotels & restaurants	Transport	Business services	Whole economy	Whole economy
Increase salaries	41%	26%	41%	39%	49%	36%	42%
Increase training given to existing workforce in order to fill the vacancies	37%	26%	34%	20%	30%	32%	23%
Redefine existing jobs	37%	29%	43%	21%	24%	35%	36%
Increase advertising/ recruitment spend	50%	45%	58%	69%	46%	55%	51%
Increase/ expand trainee programmes	32%	21%	28%	19%	26%	26%	23%
Expand recruitment channels	46%	38%	46%	49%	38%	45%	42%
No particular action	12%	17%	12%	5%	11%	12%	14%
Weighted base	*13,367*	*16,692*	*10,754*	*2,094*	*1,532*	*145,371*	*13,985*
Unweighted base	*641*	*850*	*689*	*146*	*80*	*7,541*	*727*

Note: (1) Base equals all establishments reporting hard-to-fill vacancies.
(2) National and regional estimates weighted by national-level weights.
(3) Respondents could give more than one answer.
* Manufacturing: SIC 15 to 37; Retail: SIC 52; Hotels & restaurants: SIC 55.1, 55.3 and 55.5; Transport: SIC 60.24, 62, 63.1 and 63.4; Business services: SIC 71.1 and 74.7.

Source: National Employers Skills Survey, 2003.

Table A3.11
Distribution of airport-related* skills gaps by occupation
(% of total)

	England						East Midlands
	Manufacturing of transport equipment	Retail	Hotels & restaurants	Transport	Business services	Whole economy	Whole economy
Managers and senior officials	14%	11%	9%	9%	3%	12%	10%
Professional	20%	1%	1%	1%	1%	10%	6%
Associate professional and technical	8%	1%	0%	2%	1%	8%	8%
Administrative and secretarial	4%	3%	3%	10%	3%	13%	10%
Skilled trades	20%	2%	8%	2%	23%	8%	9%
Personal service	0%	0%	1%	1%	0%	6%	6%
Sales and customer service	2%	72%	18%	7%	3%	19%	20%
Process, plant and machine operatives	26%	2%	1%	29%	7%	8%	14%
Elementary	6%	7%	58%	39%	60%	16%	18%
Weighted base	*44,000*	*310,700*	*144,100*	*42,900*	*38,200*	*2,398,300*	*184,900*
Unweighted base	*4,800*	*35,700*	*16,900*	*6,500*	*3,900*	*259,100*	*19,200*

Note (1) Base equals all skills gaps.
(2) National and regional estimates weighted by national-level weights.
(3) Columns may not sum to 100% due to rounding.
* Manufacturing of transport equipment: SIC 34 and 35; Retail: SIC 52; Hotels & restaurants: SIC 55.1, 55.3 and 55.5; Transport: SIC 60.24, 62, 63.1 and 63.4; Business services: SIC 71.1 and 74.7.

Source: National Employers Skills Survey, 2003.

Table A3.12
Main causes of skills gaps in airport-related industries*
(% of establishments reporting)

	England						East Midlands
	Manufacturing	Retail	Hotels & restaurants	Transport	Business services	Whole economy	Whole economy
Failure to train and develop staff	(23%)	25%	26%	23%	16%	24%	21%
Recruitment problems	(18%)	20%	28%	22%	26%	19%	20%
High staff turnover	(3%)	18%	26%	12%	22%	13%	11%
Inability of workforce to keep up with change	(35%)	21%	22%	24%	21%	23%	21%
Lack of experience of their being recently recruited	(69%)	74%	75%	63%	65%	71%	72%
Staff lack motivation	(31%)	31%	33%	39%	32%	28%	28%
No particular causes	(3%)	4%	3%	3%	1%	4%	3%
Weighted base	*1,151*	*65,206*	*25,294*	*4,879*	*2,762*	*420,153*	*36,337*
Unweighted base	*72*	*4,054*	*1,664*	*450*	*202*	*24,013*	*2,139*

Note: (1) Base equals all establishments reporting skills gaps.
(2) National and regional estimates weighted by national-level weights.
(3) Respondents could give more than one answer.
(4) Values in brackets () represent a sample of less than 75. Estimates of less than 75 should not be considered statistically reliable.
* Manufacturing: SIC 33.2 and 35.3; Retail: SIC 52; Hotels & restaurants: SIC 55.1, 55.3 and 55.5; Transport: SIC 60.24, 62, 63.1 and 63.4; Business services: SIC 71.1 and 74.7.

Source: National Employers Skills Survey, 2003.

Table A3.13
Skills associated with skills gaps in airport-related industries*
(% of establishments reporting)

	England						East Midlands
	Manufacturing	Retail	Hotels & restaurants	Transport	Business services	Whole economy	Whole economy
General IT user	(38%)	24%	18%	28%	14%	30%	28%
IT professional	(27%)	11%	10%	13%	8%	16%	16%
Communication	(54%)	56%	65%	50%	38%	53%	52%
Customer handling	(29%)	60%	63%	41%	52%	50%	47%
Team working	(40%)	45%	55%	44%	40%	43%	43%
Foreign language	(22%)	6%	15%	10%	4%	7%	7%
Problem solving	(31%)	48%	49%	48%	43%	47%	47%
Management	(52%)	32%	32%	26%	13%	32%	30%
Numeracy	(18%)	23%	27%	21%	18%	21%	19%
Literacy	(9%)	18%	25%	25%	15%	22%	22%
Technical and practical	(55%)	36%	38%	34%	45%	43%	42%
No particular skills difficulties	(0%)	6%	7%	7%	9%	6%	5%
Weighted base	*1,151*	*65,206*	*25,294*	*4,879*	*2,762*	*420,153*	*36,337*
Unweighted base	*72*	*4,054*	*1,664*	*450*	*202*	*24,013*	*2,139*

Note: (1) Base equals all establishments reporting skills gaps.
(2) National and regional estimates weighted by national-level weights.
(3) Respondents could give more than one answer.
(4) Values in brackets () represent a sample of less than 75. Estimates of less than 75 should not be considered statistically reliable.
* Manufacturing: SIC 33.2 and 35.3; Retail: SIC 52; Hotels & restaurants: SIC 55.1, 55.3 and 55.5; Transport: SIC 60.24, 62, 63.1 and 63.4; Business services: SIC 71.1 and 74.7.

Source: National Employers Skills Survey, 2003.

Table A3.14
Impact of skills gaps in airport-related industries*
(% of establishments reporting)

	England						East Midlands
	Manufacturing	Retail	Hotels & restaurants	Transport	Business services	Whole economy	Whole economy
Loss of business of orders to competitors	(11%)	21%	24%	21%	16%	21%	20%
Delays developing new products or services	(29%)	18%	24%	16%	20%	22%	22%
Difficulties meeting customer service objectives	(23%)	35%	44%	41%	36%	36%	38%
Difficulties meeting required quality standards	(12%)	34%	44%	37%	45%	35%	36%
Increased operating costs	(34%)	26%	38%	44%	34%	34%	33%
Difficulties introducing new working practices	(28%)	26%	32%	28%	28%	29%	30%
No particular problems	(38%)	34%	27%	29%	30%	31%	28%
Weighted base	*1,151*	*65,206*	*25,294*	*4,879*	*2,762*	*420,153*	*36,337*
Unweighted base	*72*	*4,054*	*1,664*	*450*	*202*	*24,013*	*2,139*

Note: (1) Base equals all establishments reporting skills gaps.
(2) National and regional estimates weighted by national-level weights.
(3) Respondents could give more than one answer.
(4) Values in brackets () represent a sample of less than 75. Estimates of less than 75 should not be considered statistically reliable.
* Manufacturing: SIC 33.2 and 35.3; Retail: SIC 52; Hotels & restaurants: SIC 55.1, 55.3 and 55.5; Transport: SIC 60.24, 62, 63.1 and 63.4; Business services: SIC 71.1 and 74.7.

Source: National Employers Skills Survey, 2003.

Table A3.15
Action taken to overcome skills gaps in airport-related industries*
(% of establishments reporting)

	England						East Midlands
	Manufacturing	Retail	Hotels & restaurants	Transport	Business services	Whole economy	Whole economy
Increased recruitment	(13%)	17%	29%	22%	21%	20%	19%
Provide further training	(86%)	81%	84%	70%	61%	81%	81%
Changing working practices	(43%)	39%	45%	45%	43%	43%	40%
Reallocating work within the company	(41%)	30%	32%	34%	41%	38%	42%
Expand recruitment channels	(8%)	16%	26%	23%	19%	18%	19%
Increase/ expand trainee programmes	(48%)	47%	54%	47%	34%	50%	50%
No particular action	(11%)	7%	6%	10%	18%	7%	5%
Weighted base	*1,151*	*65,206*	*25,294*	*4,879*	*2,762*	*420,153*	*36,337*
Unweighted base	*72*	*4,054*	*1,664*	*450*	*202*	*24,013*	*2,139*

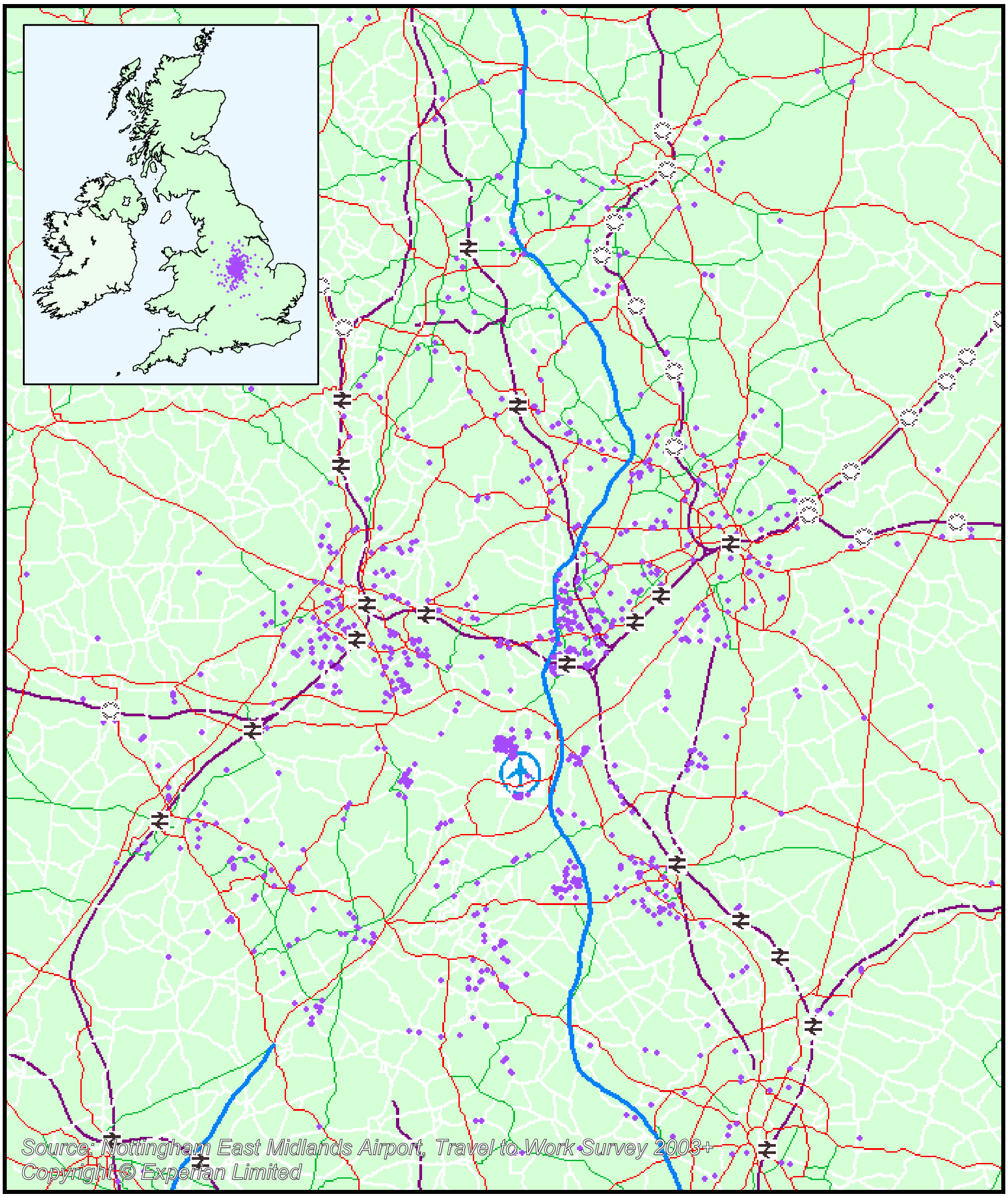
Note: (1) Base equals all establishments reporting skills gaps.
(2) National and regional estimates weighted by national-level weights.
(3) Respondents could give more than one answer.
(4) Values in brackets () represent a sample of less than 75. Estimates of less than 75 should not be considered statistically reliable.
* Manufacturing: SIC 33.2 and 35.3; Retail: SIC 52; Hotels & restaurants: SIC 55.1, 55.3 and 55.5; Transport: SIC 60.24, 62, 63.1 and 63.4; Business services: SIC 71.1 and 74.7.

Source: National Employers Skills Survey, 2003.

Appendix 4

Maps

Figure A4.1



Source: Nottingham East Midlands Airport, Travel to Work Survey 2003+
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