

EAST MIDLANDS

The East Midlands is an important UK hub for a number of key advanced manufacturing and engineering (AME) industries.

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Introduction

The East Midlands (AME) industries include aerospace (centred on Rolls-Royce at Derby), automotive (focused on Toyota in Derbyshire) and rail (with Bombardier in Derby being the key employer).

Although the region lacks the local economic and strategic levers of the West Midlands (which has a Mayoral Combined Authority and a significant devolution deal in place between the UK Government and local political leaders), as part of the UK Government's Midlands Engine

initiative the region is prioritising Next Generation Transport as a driver of economic growth and the region (East and West Midlands) has a target of 750,000 apprenticeships to help to secure the skills base for the future.

Regional Profile

In common with the rest of the UK, the East Midlands AME sector is largely comprised of micro-sized organisations.

Together with a strong contingent of small-sized employers, they provide much of the supply chain for the region's large employers.

Employer size	Micro (0-9 employees)	Small (10-49 employees)	Medium (50-249 employees)	Large (250+ employees)	Total	As percentage of total
East Midlands	9,920	1,315	325	50	11,610	7.4
East of England	13,905	1,610	400	75	15,990	10.2
London	14,705	995	225	50	15,975	10.2
North East	6,180	535	165	35	6,915	4.4
North West	15,120	1,625	375	75	17,195	10.9
Northern Ireland	2,660	370	85	15	3,130	2
Scotland	14,080	1,085	250	65	15,480	9.9
South East	21,125	2,125	470	125	23,845	15.2
South West	11,575	1,265	270	65	13,175	8.4
Wales	5,120	545	160	35	5,860	3.7
West Midlands	13,620	2,110	525	110	16,365	10.4
Yorkshire and the Humber	9,655	1,435	375	65	11,530	7.3
Total	137,665	15,015	3,625	765	157,070	100
As % of Total	87.6	9.6	2.3	0.5	100	

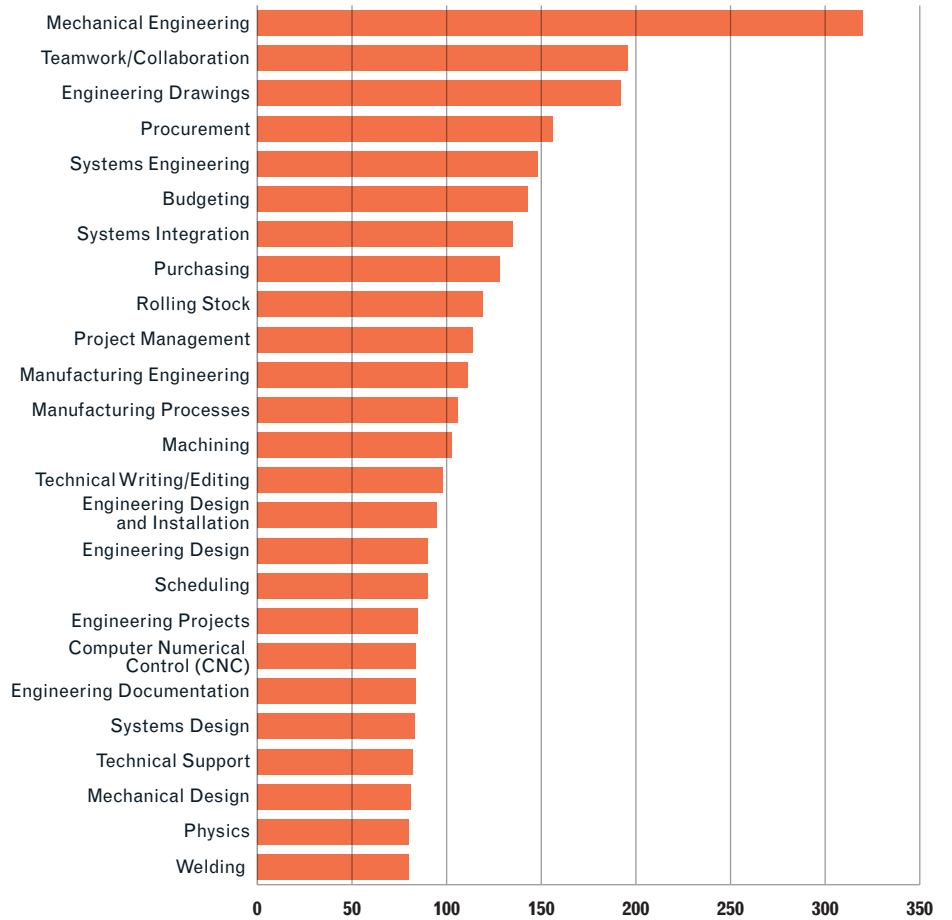
	2018 Employment in AME
East Midlands	112,377
East of England	139,623
London	102,730
North East	56,051
North West	161,874
Northern Ireland	38,878
Scotland	107,941
South East	189,627
South West	144,903
Wales	79,798
West Midlands	192,956
Yorkshire and Humber	120,346
Grand Total	1,447,103



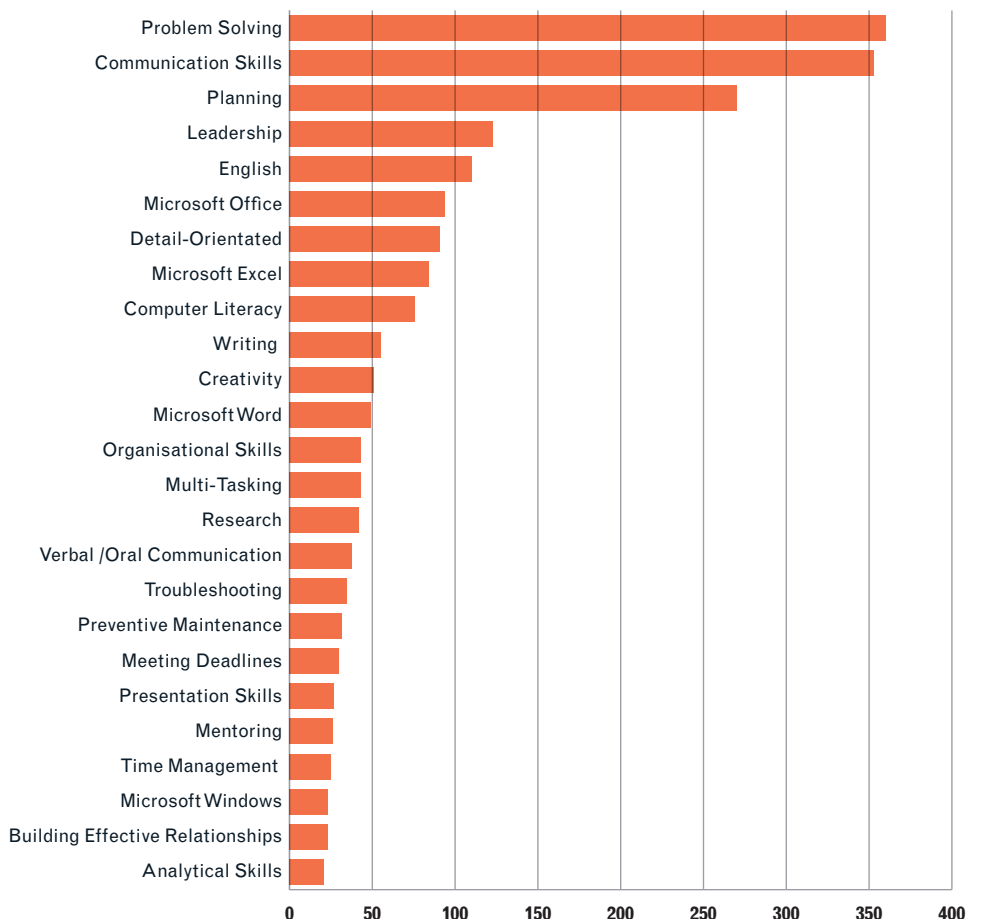
Demand for Skills

The result of the transport sector’s strength in the East Midlands is that there is a strong demand for mechanical engineering skills, as demonstrated by analysis of job advertisements by Labour Insight.

Engineering drawing skills and systems engineering skills are also demanded by the region’s employers – again, a function of the sectors where the East Midlands excels.



The three most in-demand baseline skills in the East Midlands AME sector are the same as those in the other parts of the UK.

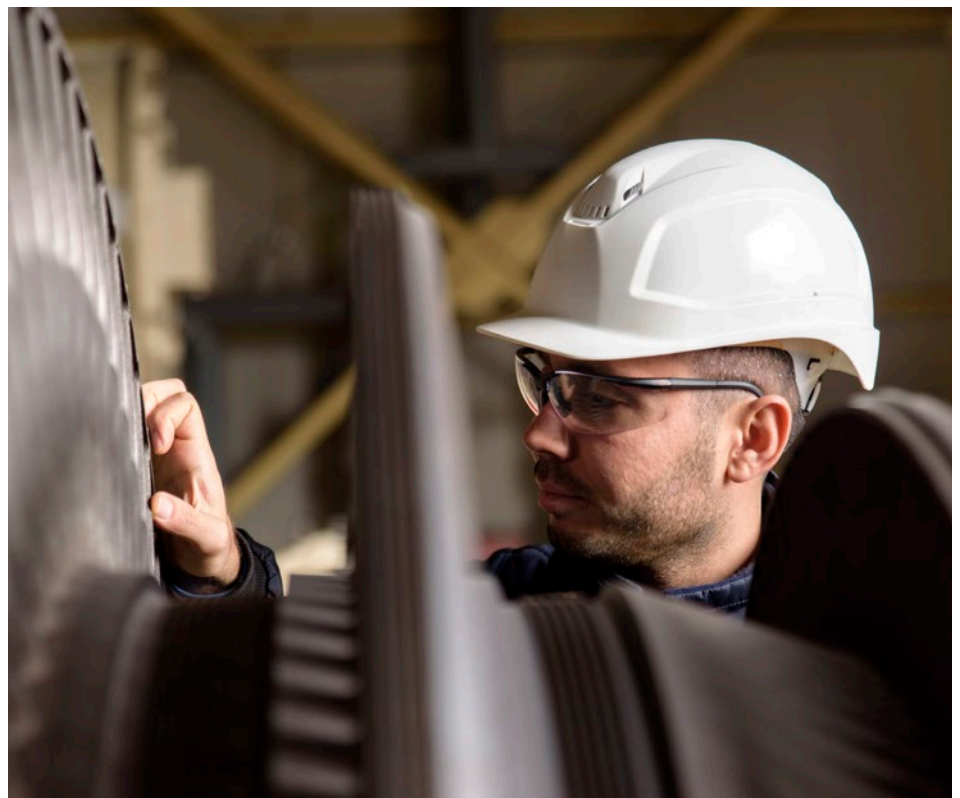


East Midlands employment by qualification level

Qualification level	East Midlands	East Midlands 2023	2018-23 East Midlands change	2018-23 UK change
No qualification	2994	1519	-49.3%	-45.8%
QCF1 GCSE (below grade C) & equivalent	14500	11865	-18.2%	-21.8%
QCF2 GCSE (A-C) & equivalent	23202	21592	-6.9%	-10.3%
QCF3 A Level & equivalent	26739	23543	-12.0%	-14.9%
QCF4 HE below Degree Level	11305	12084	6.9%	3.2%
QCF5 Foundation Degree	3637	4002	10.0%	6.4%
QCF6 First Degree	22225	25064	12.8%	10.2%
QCF7 Other Higher Degree	6401	7109	11.1%	4.0%
QCF8 Doctorate	1374	1518	10.5%	2.2%
Grand Total	112377	108296	-3.6%	-5.5%

A sizeable majority of the East Midlands AME workforce (60%) has not been through higher education, although by 2023 the shrinkage of the numbers employed who haven't and strong growth in the numbers who have will tip the balance towards the opposite direction. This pattern is consistent with the rest of the UK and is consistent with the expected technological developments to be seen in the sectors where the region is strong – e.g. the automotive sector will become much less reliant on human labour to do the work of putting cars together in future.

The East Midlands is quite well served where higher education is concerned, with Loughborough and Nottingham ranked in the top ten universities in the UK for Aeronautical and Manufacturing Engineering; Leicester is ranked eleventh for General Engineering. The region also accounted for 10% of the total Engineering & Manufacturing Technologies apprenticeship starts in England in 2016/7.



East Midlands employment by sector (SIC groups)

Sector	East Midlands	East Midlands 2023	2018-23 East Midlands change	2018-23 UK change
Fabricated Metal Products	23,700	22,458	-5.20%	-6.10%
Mechanical Equipment	15,127	12,558	-17.00%	-18.80%
Aerospace	14,843	15,189	2.30%	-3.50%
Engineering design activities for industrial process and production	9,591	9,483	-1.10%	-1.30%
Automotive	8,751	8,595	-1.80%	-10.60%
Electrical Equipment	6,021	5,363	-10.90%	-7.40%
Marine	5,659	5,794	2.40%	-3.50%
Research and experimental development on natural sciences and engineer	4,470	4,843	8.30%	7.20%
Basic Metals	4,162	3,771	-9.40%	-10.10%
Repair of machinery Installation of industrial machinery and equipment	4,038	4,482	11.00%	0.20%
Technical testing and analysis	3,523	3,492	-0.90%	-1.10%
Manufacture of computer, electronic and optical products	3,007	2,304	-23.40%	-21.50%
Wholesale of metals and metal ores	2,772	2,801	1.00%	0.40%
Other Transport Equipment	1,688	1,729	2.40%	-3.30%
Repair and maintenance of aircraft and spacecraft	1,496	1,657	10.80%	-0.10%
Repair and maintenance of other transport equipment	909	1,006	10.70%	-0.30%
Repair of fabricated metal products, machinery and equipment	630	697	10.60%	-0.20%
Repair of electrical equipment	625	695	11.20%	0.40%
Repair and maintenance of ships and boats	573	635	10.80%	0.00%
Rubber Tyres	460	372	-19.10%	-12.80%
Repair of electronic and optical equipment	335	372	11.00%	0.30%
Grand Total	112,377	108,296	-3.60%	-5.50%

The strongest growth in the East Midlands over the next five years will be in research and development, in common with other parts of the UK.

There will be a shrinkage in the workforce in automotive, and a decline in fabricated metal products (although less sizeable than in other parts of the UK), but an increase in the aerospace workforce (bucking the general trend across the UK).

Occupations, qualifications and the skills shift

In the medium term there is expected to be a small growth in the numbers employed in professional occupations in the East Midlands AME sector, and a decline in most other families of workers (with growth in the numbers in service occupations and management roles). This mirrors the shift across the UK as a whole.

East Midlands employment by occupational area

The East Midlands is set to see a relatively stronger level of upskilling than the wider UK, with professional occupational growth outstripping the country as a whole.

Across all job families, growth in the East Midlands is predicted to be stronger than for the wider UK.

Occupational area	East Midlands	East Midlands 2023	2018-23 East Midlands change	2018-23 UK change
Skilled trades occupations	28,659	26,079	-9.00%	-11.70%
Professional occupations	24,312	24,882	2.30%	0.20%
Associate professional and technical	15,135	15,132	0.00%	-1.90%
Process, plant and machine operatives	14,619	13,158	-10.00%	-12.90%
Managers, directors and senior officials	12,614	12,775	1.30%	-0.70%
Administrative and secretarial	9,237	8,846	-4.20%	-8.50%
Elementary occupations	4,491	4,143	-7.70%	-9.60%
Sales and customer service	2,616	2,562	-2.10%	-4.20%
Caring, leisure and other service	694	720	3.70%	2.30%
Grand Total	112,377	108,296	-3.60%	-5.50%



Gender

There is expected to be a greater decline in the numbers of males employed in the East Midlands AME sector than the number of females in the medium term. The region is amongst the least diverse when it comes to the AME workforce, with 17% being female.

There is expected to be an increase in female employment in the medium term, whereas across the UK there is expected to be a slight decline.

Gender	East Midlands	East Midlands 2023	2018-23 East Midlands change	2018-23 UK change
Females	18,986	19,324	1.8%	-0.6%
Males	93,390	88,972	-4.7%	-6.7%
Grand Total	112,377	108,296	-3.6%	-5.5%