Call Centres in Leicestershire

A Report to Leicester Shire Development Agency and Leicestershire TEC

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EXECUTIVE SUMMARY

Introduction

Call Centres in Leicestershire[1] has been prepared in response to a brief set by Leicester Shire Development Agency which set as a core objective.

> ..to provide research on the local area labour market, in order to ascertain the 'effective' labour catchment from which current and future call centre operators can draw staff for employment and the extent of any cap on the maximum labour pool that is (or will be) available.

The local relevant labour pool and associated human resource issues in the call centre sector have been investigated through a two-fold approach; the first a top-down official data gathering and analysis exercise, supported by a second layer of quantitative and qualitative research provided by detailed consultations with those operating in or servicing the sector.

Analysis of data has been conducted on several levels relevant to recruitment within Leicestershire; demographic and labour market analysis is presented by district or unitary authority area (see Annex 3 for detailed summaries). In actual fact, it has been found that the majority of call centre activity in the county currently takes place around three main axes; the Leicester city centre area, an area in the north of the county on the Nottinghamshire border, clustered around the East Midlands airport, and along a corridor running south and west from Leicester (the M69 corridor) taking in the various Business Parks and employment sites from Enderby to Hinckley.

A number of major employers in other areas of the county are believed to operate *quasi*-call centres. However, whilst these may be included in wider national work which is based on loose definitions of the sector, these are not dedicated operations nor are they viewed as call centres by the employers or employees themselves. Further issues highlighting the degree of overlap between labour market catchments in Leicestershire, ie those relating to the labour force (journey to work areas) rather than administrative boundaries such as local authority districts, with those of neighbouring counties are also discussed wherever relevant.

We have also been able to develop an understanding of both the core labour market issues and supporting factors (focusing on the overall attractiveness of Leicestershire to call centre businesses, the various business support measures encountered and location specific issues) through the consultation process.

[1] For the purposes of this report Leicestershire refers to the area covered by Leicestershire TEC which comprises Leicestershire County, Leicester City and Rutland County.

Key Conclusions

Consultations and Qualitative Issues

A small, but comprehensive, sample of call centre operators were contacted within Leicestershire. From these, in depth face to face and telephone consultations were conducted with fourteen firms. A number of firms declined to participate in the sample either due to overall corporate policy precluding contacts with external companies/organisations or because the personnel in situ felt unable to adequately respond to the broad set of issues contained within the interview format. Nevertheless, through ad hoc consultations in addition to the formalised interviews, and by consultation with other organisations that work closely with call centres in the region, we have been able to draw together the key issues for the sector as a whole in the county and any differences that are being experienced by sub-sector of activity and by geographical area.

Almost 50% of all call centres within the sample are drawn from Leicester city centre itself, with others being located elsewhere in Leicestershire. There are however, three broad areas of activity at present as detailed above and the large number of Leicester-based centres does not bias results. It is clearly the most dense area of call centre activity in the county by number of centres or employment generation.

A very broad range of activities is apparent from the call centres within the sample.
A fifth of operators contacted stated public/education sector as their area of activity. In other operators, there was generally a mixture of activities (for example manufacturing and distribution) being undertaken on site, with distribution and financial services also providing a fifth of the sample. Manufacturing and mail order were also prominent in the sample. The spread of activity reflects the historical development of many call centres in the county (even relatively large operations) around their core businesses.

Over a third of the sample was of call centres with between 20 and 25 agents, with half of all firms interviewed in Leicestershire with up to 100 staff. This concurs with national evidence that, in fact, most call centres are relatively small.

As was expected, and following national trends, the majority of employees in the call centres contacted were women. There is a great deal of variation within call centres in the county however, with the proportion of female employees in the workforce ranging from a low of 20% to a high of 100%, with the proportion of females in the workforce being higher in the larger call centres. In addition, the range of part time working was found to vary significantly, between 5% and 95%, with most operators reporting either extreme and very few with a balanced part-time : full-time workforce. National trends suggest that in future the most predominant types of employment will be part time (or other shorter hours contracts).

Additional key qualitative issues drawn from the interviews to date can be summarised as follows:

- The average age of call centre agents ranges from 21 to 40 (the average for the whole sample is 29), significantly higher than market perceptions on the make-up of staff at centres and possibly driven by the presence of smaller units operating within larger manufacturing firms.

- The use of students by centres in Leicester is relatively high when compared to the use of the student labour pool in other major cities. This has the effect of bringing down the average age of agents but also increases the incidence of males within the workforce.

- Two thirds of call centres handle both inbound and outbound calls and the majority are focused on calls with the general public. One third of the sample reported handling calls with other businesses and these were generally small, specialised, product support operators.

- A number of 24 hour operators can be identified, but the majority of operations remain daylight call centres (up to 10p.m.). Indeed, the 24 hour centres are significantly scaled down operations during night-time hours. However, over half of the sample were already found to be operating over a seven day week reflecting an increase in consumer demand for contact over the full week.

- 85% of the sample reported actively recruiting staff over the previous 12 month period. Whilst the labour market has grown tighter there is no significant evidence among the majority of centres that recruitment has become difficult or has grown severely worse over the same period. Most concerns over staff availability appear to be of perception rather than reality.

- Salary rates are increasing steadily (at or below industry averages) across the board. However, salaries and in particular non salary elements of packages offered by the financial services sector prove the exception to the rule. This is due to a mixture of increases nationally within the sector and identified local moves to increase agent remuneration in a selected number of operations. These should be expected to have knock-on effects in other centres over time.

- There is some, relatively weak, correlation between staff turnover rates and average starting salaries with turnover rates the highest in the two firms in the sample with the lowest average starting salary. However, many other non-salary factors must be considered among which appears to be the perception and general standing of the company in the local community. Household names appear to fare better than operators unknown to the populace.

- Recruitment targeting is used by the majority of call centres in the county. In this respect there is some evidence that the county's call centres are more advanced in thinking out and identifying particular target markets for recruitment than many of those in other parts of the country. This is felt to lend itself to the overall stability in the labour market even under generally tightening conditions. However, there is a marked bias towards geographic targeting rather than identifying niches in the local make-up of the workforce.

- Call centres in the county are more focused on their own businesses than competing with other centres for staff. There is, overall, a very low level of perception that operators are competing with each other for staff, partly assisted by the spatial separation that is evident in the sector and the fact that centres that are closer to each other, sharing in part local labour markets, are generally operating in very different sectors (and therefore offer staff very different job experiences and opportunities).

Implications of Findings

On the strength of current call centre and associated activity in the county, and factoring in the further expected growth that has been identified by existing operators, it is likely that the labour markets will remain relatively tight in the city centre and, to a lesser extent, the south west corridor. However, careful spatial planning of operations should avoid any significant wage-cost spiral as has happened elsewhere. In other parts of the county, availability is expected to continue at above average levels.

The stability of the northern sub-area is assisted by the labour pool effectively being drawn from a much larger radius than elsewhere in the county due to the proximity of Nottingham. There still remain issues associated with increasing the 'image' and acceptability of call centre employment. Current operators benefit from the high profile of their parent firms and any additional activity that is to be attracted to this area is highly likely to be of a similar form (and given the location of the airport) may well operate within the same sector of call centre activity. Human resource costs are more directly linked to the labour market of Nottingham and other parts of the East Midlands region here than elsewhere in the county.

The findings of consultations and the data analysis exercise set a clear focus on the need to continue to find new, and through cross-training activities transfer existing, sources of supply in all localised labour markets in the county. More specifically:

- to increase the number of young males leaving education and seeking work in the service sector and the customer care environment rather than traditional routes to employment;

- to investigate the employment requirements of currently inactive females resident outside of the major population areas of the county and whether, and under what conditions, they might consider entering the labour pool after a period of inactivity or, in some cases, for the first time;

- increasing the overall economic activity rate of those aged between 20 and 34, focusing principally on females in this sub-group within the major urban areas; and

- increasing the attractiveness of the sector to individuals who would value part time opportunities beyond retirement age.

Recommendations for Future Activity

Our key findings drive us to indicate a number of potential future activities that would benefit the call centre sector in Leicestershire, including:

- the possibility of a Call Centre Forum being kick-started within the county, whose ownership and therefore agenda and coverage would be driven by call centre operators rather than any recognisable public sector body;

- a series of discussions with relevant bodies as to the feasibility of pilot projects to address obvious skills gaps that exist, principally targeted at multi-tasking requirements of agents (parallel use of telephony and PC technologies) and business and e-mail language training for those centres using, or set to use, e-mail responses;

- identification of a pilot area - with existing funding in place - to undertake a community-business call centre training facility, with the possibility of the call centre being used to take live calls and/or overflow calls from operators in the county to assist in the training activity and/or subsequent operation of the centre by a community organisation.

- investigation and closer collaboration with call centres outside of the core Leicester city centre marketplace, particularly those in the north of the county who already identify, at least in part, with catchments outside of Leicestershire and may be encountering a somewhat tighter labour market;

- ongoing monitoring of conditions within the call centre sector in relation to the volume supply of staff and their relative cost, with a possible publication of key data on an annual or biennial basis (a countywide ‘benchmark’);

- inter-county (and inter-District) collaboration with respect to travel to work behaviour and training initiatives aimed at or useful to the call centre sector, particularly in relation to call centres close to Nottingham and Coventry;

- further close working with the education sector and training providers to understand not only the initial needs of call centres recruiting *new* staff, but also their ongoing requirements with respect to *existing* staff who might be promoted through the organisation. It is in this latter area that many current operators are reporting some difficulty in finding the right volume and calibre of individuals; and

- the possibility of embedding a ‘dummy’ call centre within an existing (Further/Higher) education establishment, both to train students and the unemployed and provide a realistic environment for existing firms to train staff outside of their usual working environment. Such a facility has been used elsewhere in pre-training new recruits for an inward investing firm during the fit-out phase of their operation, assisting in both the filtering of initial applicants for employment and significantly reducing ‘time to live’ for inward movers.

1.0 INTRODUCTION

The following report sets out our findings in relation to research on the call centre sector in Leicestershire. The original brief for our work was to…

> ..provide research on the local area labour market, in order to ascertain the 'effective' labour catchment from which current and future call centre operators can draw staff for employment and the extent of any cap on the maximum labour pool that is (or will be) available.

We have investigated local labour pools and associated human resource issues in each of the county's main call centre catchments through a two-fold approach; a top down data assessment exercise, and a more detailed, qualitative, series of consultations with businesses and organisations operating in the call centre sector.

Analysis of data has been conducted on several levels relevant to recruitment within Leicestershire; results are presented by district or unitary authority area. A detailed location matrix by district is presented as Annex 2 to support the main body of our analysis below.

The majority of call centre activity in the county actually takes place around three main axes; the Leicester city centre area, an area in the north of the county on the Nottinghamshire border, clustered around the East Midlands airport, and along a corridor running south and west from Leicester and taking in business parks and sites from Enderby to Hinckley. A number of major employers in other areas of the county are believed to operate *quasi*-call centres. However, these are not dedicated operations nor are they viewed as call centres by the employers or employees themselves. As such, identification and estimation of total employment in these operators is difficult but nevertheless important as a potential pool of skills for mainstream call centre operators.

Further issues highlighting the degree of overlap between the 'real' labour markets in Leicestershire (as opposed to the official district level data that is available) with those of neighbouring counties are also discussed wherever relevant. Through a flexible approach to face to face consultations, we have been able to develop not only an understanding of the core labour market issues but the supporting factors as viewed by the operators themselves (focusing on the overall attractiveness of Leicestershire to call centre businesses, the various business support mechanisms encountered and location specific issues).

2.0 CONTEXT OF THE STUDY

2.1 Call Centres Defined

The study has confined itself to an analysis of call centres as provided by the following definition:

> "a clearly defined business unit within an organisation consisting of 20 or more seats where the primary role is to make or receive telephone calls, be it for customer service, account handling, billing enquiries, technical support or telemarketing, working to pre-set measurable objectives. Its operation is usually dependent upon the use of sophisticated Information Technology and telecommunications hardware and software.."

This definition has been endorsed by the UK Call Centre Association as applicable to the operations of the majority of its members' centres.

Thus, smaller, so called 'pocket sized' call centres (those with less than 20 seats) have been excluded from the focus of findings. There are however, believed to be a large number of such operations in the county, usually co-located within larger firms in the manufacturing, wholesale and distribution businesses of the county. Indeed, national studies of the sector suggest that some 36% of the overall customer service sector is represented by operations employing fewer than 30 agents.

Despite the lack of coverage of these operators within the current study, it is important to note that most of the issues raised by the report in terms of current and likely future trends of call centre staff availability and cost will be as applicable to this sub-sector and may, in the case of staff costs to newer and smaller firms, have a more significant effect on the viability of the businesses themselves.

2.2 Call Centres in the UK Economy

Call centre growth in the UK has been averaging at least 20% per year since 1995, fuelled by a mixture of factors including:

- an increased role for customer service within all forms of organisation, from those dealing with members of the public in the retail sector to business to business suppliers;

- an increase in the number of retail channels to market (home shopping, internet shopping, etc) and thus contact points for potential and existing customers;

- a professionalisation of the customer service function, driving a second-tier growth of an industry of outsourced suppliers of customer service now selling back their services to those who may have operated their own departments previously;

- rapid development and sophistication of enabling technologies (voice over internet, integrated and neural network based databases), and the linkages that these now allow across several business functions and between several businesses (supply chain rationalisation and the drive to electronic order and invoice processing);

- a drive in some sectors to reduce operating costs through an increased centralisation of functions and remote operations (former High Street banking and financial services for example); or

- deregulation of the operating marketplace (telecommunications, utilities, financial services).

Despite some of the key drivers increasing the proliferation of call centres being relatively new, the volume of centres open in the UK has been increasing at an extremely rapid pace for at least the past 5 years. At one extreme MITIAL expect the number of call centres to increase by up to 75% between 1998 and 2000, with a more conservative estimate provided by Datamonitor of an average rate of increase in call centres of 22.2%. The latter growth sees the number of call centres increasing from 4,130 to 5,050 by the end of 2000.

If only larger call centres are considered, some 3,090 operations, each employing more than 30 agents, are expected to be in situ. Within the larger section of the market, those employing more than 250 agents, only 250 such centres (5% of the total) are expected to be operating by the end of 2000.

At the European level, growth in the number of call centres in the UK is forecast to be lower than all other countries over the next three to five years[2]. However, the relative scale of the market in the UK, as a percentage of total employment or relative to the total European call centre parc, is forecast to out-perform all other European countries.

1999 estimates of employment in call centres in the UK ranged between 223,000 and 330,000 people employed[3]. These figures represent 0.9% and 1.2% of the total employed workforce of the country during 1999. The latest data for 2000 provided by Datamonitor suggest a total full time equivalent employment of 386,400 people in the industry, up almost 19% on their 1999 estimate. Looking forward, the current Datamonitor forecast places total employment in 2002 at 435,600 employees, almost 2% of projected national employment and a growth of 12.8% on the sectors current employment generation. Longer term, therefore inherently less reliable, forecasts suggest that up to 3% of all UK employees will be employed within a call centre or customer service environment by 2005[4].

[2] With the most significant growth expected to occur in Germany.

[3] MITIAL (1999), Datamonitor (1999, 2000).

[4] It is worthwhile noting that the latest data from Glasgow Development Agency suggests that the city already has 3% of all employees employed in a customer service capacity.

Thus, although remaining very buoyant, the growth in the number of jobs created in dedicated call centres, of at least 6% per annum, is still therefore expected to fall behind growth in the absolute number of centres opened. This supports the currently held view in the industry that a new phase of development of typically smaller call centres, employing fewer than 500 staff, is now under way. This phase is also clear in the United States, the lead nation in terms of trends in the sector.

The nature of employment is also set to change based on emerging trends in the UK and forecasts of the split between full and part time positions in the industry. Current data suggests that in 1998 over half (54%) of all employees were in full time positions in the sector, with this proportion falling to 41% during 2000. A continued decline is set to drive full time employment lower than this with the proportion of part time and other posts (such as job share arrangements) set to rise beyond 70% within the medium term.

It is also significant that even by 2002 industry figures suggest that some 22% of non-full time posts, 13% of all positions, will also be outside of the usual part time classification. These positions include job sharing arrangements between two or more people and short-time working, typically second jobs undertaken for only a handful of hours per week rather than part time positions that create the primary source of income for an individual.

The most rapidly developing sub-sector of the call centre industry has been the telecommunications sector over the past five years and, indeed, rapid growth here has continued to outstrip all other forms of activity (centres opened and staff recruited) during the past 12 months. This is due both to a drive to increase on the complexity of centres and the types of calls they can handle and the sheer volume of demand in the end-market for the products of the sector (led by mobile telecommunications and internet service provision).

Future developments in the type of activity taking place in the call centre marketplace are more difficult to predict. Whether the sector will continue to follow trends set by the larger U.S. market, where a clear distinction can now be made between high technology and low-technology (mass standardised calls) centres can now be made, or whether a different European model for the industry is being set must remain open to question. However, one aspect of the industry in Europe (and the UK in particular) that has followed earlier U.S. experience has been the continual strong growth in the use of outsourcing firms by companies requiring a customer service solution, or those requiring overspill capacity from their own operations. Datamonitor now report that 27% of the total European outsourcing market is now found in the UK. Moreover, on the order of 19,000 agent positions are to be found in UK outsourcing operations, equivalent to around 8.5% of total call centre employment.

The UK market remains a rapidly developing environment in which newer forms of operator and operation are constantly emerging with particular growth at the end of 1999 and the start of 2000 occurring in the areas of business to business outsourced customer service centres and community-based centres developing skills in the local unemployed population as well as operating commercial contracts with existing staff[5]. The number of (in part) publicly-funded initiatives to develop call centre training colleges or agreements with (Further Education) colleges and training providers to deliver recognised national customer service qualifications has also been rising sharply over the last 12 months.

There are presently very few true web enabled call centres in the UK. At the end of 1999 there were reported to be only 30 nationally for example. Along with the take-up and use of internet access by end-consumers, and the even faster rate of adoption of e-commerce and internet based software technologies by companies, this number is expected to grow very rapidly with estimates set at around 900 web-enabled centres operating by 2002 alone. The most obvious immediate change that this is beginning to have on call centres nationally, and in Leicestershire, is the enhanced need for employees with good quality spoken and written English where e-mail responses are being handled. However, as we discuss below, the existing UK education system appears poorly matched to the needs of employers when specific, web-based, English skills are required.

In contrast to the up-scaling of call centre activity, trends in terms of the scope of activities appear to be less rapid. Most call centres continue to operate extended daylight hours, typically between 8 a.m. and 10 p.m. and across six not seven days per week. The number of 24-hour call centres has not kept pace with growth in the overall number of call centres in the UK and there is a view that most of the 24-hour centres needed by current businesses in the country have now been opened.

One certainty over the short to medium term is the continuing tight condition of the labour market that is now facing most employers in the UK economy. This is particularly the case where advanced call handling skills or specialist product knowledge is also required. Indeed, most call centres have, in fact, preferred to take recruits with little or no knowledge of their company or products and to train them in-house in the non-core skills of call handling and wider customer support.

[5] An increasing trend has been noted within the industry of a rise in so called community based call centres. These are generally part publicly funded initiatives which aim to bridge the gap unemployment, vocational training and sustainable employment opportunities. A small number of these have been successful in winning (small) outsourced contracts.

Unemployment rates have been in decline in most areas of the country for at least 24 months and this has led to particular difficulties in recruiting those with experience of call handling technology and/or customer facing skills. Rates are decreasing most rapidly among the younger segments of the labour market and those who have been without work for only a short period of time. Somewhat surprisingly, labour costs are increasing only slowly, by an equivalent annual rate of around 4% in the non-managerial service sector. However, increases in temporary rates, and critically, the availability of temporary staff are being reported as principal areas of most concern to employers in the service sector as the busiest time for temporary recruitment (summer) is now being approached.

2.3 The Baseline Leicestershire Economy

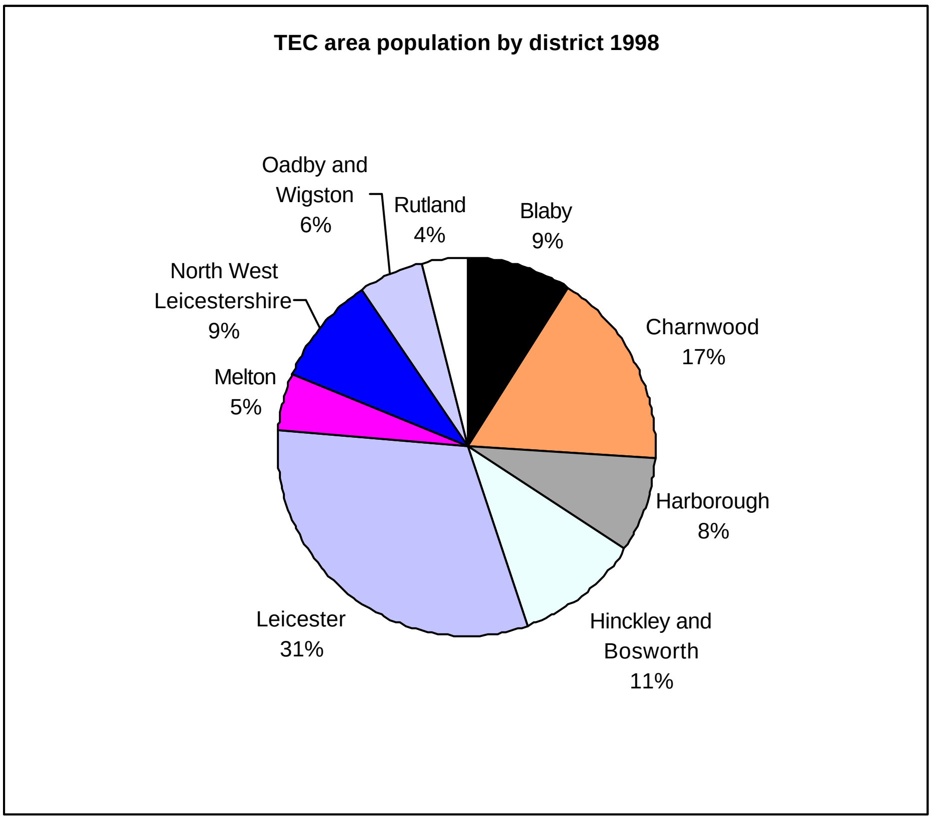
Annex 3 contains detailed assessments of each of the sub areas comprising the Leicestershire TEC area. This includes the seven districts that make up the Leicestershire County, Leicester City and Rutland County. Below, we present a brief overview of the key indicators in the TEC area. This is useful in contrasting population, employment and unemployment scales with other sub-regional areas of the country but also provides a benchmark with which to compare the individual district level data contained within the Annex.

Key Statistics

Population (1998)	928,700
Employment	473,000
Unemployment rate (January 2000)	3.2%
Official Labour Pool[6]	488,243
Working age qualified to NVQ Level 3	231,000
Working age qualified to NVQ Level 4	118,000

[6] The official labour pool is found by the addition of those in work and those registered as seeking employment. This therefore is a minimum estimate of the potential workforce as it does not include those off-labour market who may be attracted into work given the right conditions, salary or other benefits. An important component of this population set for the call centre sector are work returners with very high rates of return being reported by many operators.

Figure 2.1: Population by District 1998



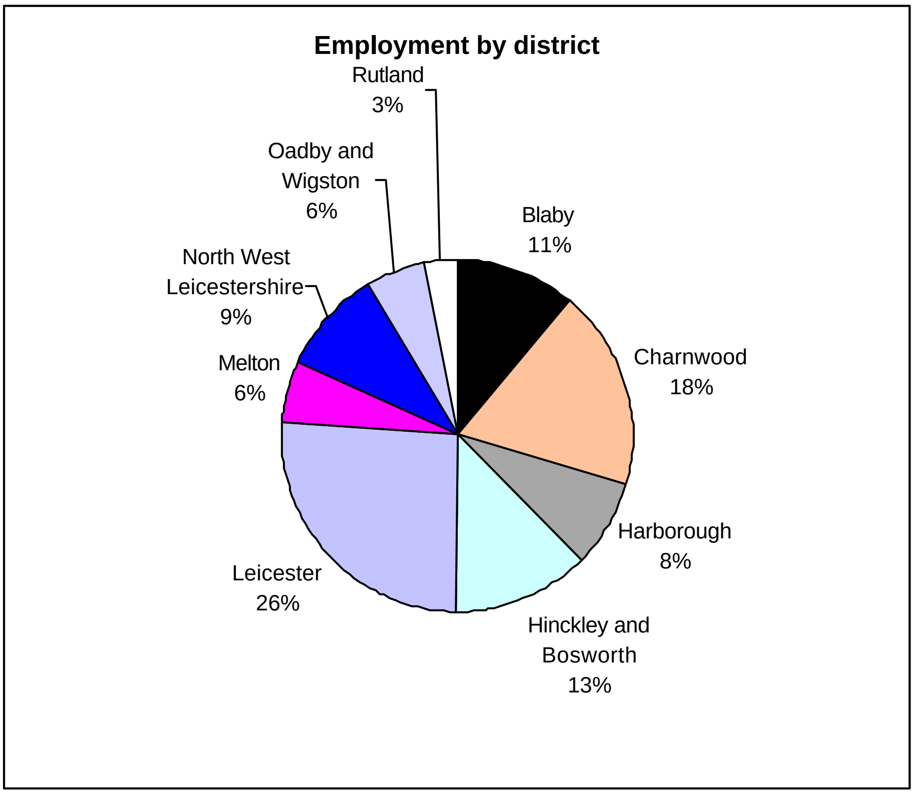
Source: Leicestershire County Council Mid Year Population Estimates 1998

There are over 925,000 people in the TEC area with Figure 2.1 showing that Leicester accounts for the largest share of the county population, in fact it is almost twice as large as the next largest area (Charnwood). Population growth in the county has, at 7.1% between 1991 and 1998, been relatively high when compared to regional and national averages. There are 466,500 women in the county, with almost 300,000 (64.3%) of these of working age. The total working age population is 608,200, growing at a slightly faster rate than the overall population (7.4%). However, following a national trend, growth of the working age population is concentrated in the older (45-65 year old) segment of the population.

Figure 2.2 shows how employment is distributed by district. Not unsurprisingly given the scale of its population catchment, Leicester accounts for the largest share. However, when considered against its share of the county's population the number of employees resident in Leicester is, in fact, some 5% below the overall share of the population. This suggests that there may be a significant number of people who travel out of the city to their place of work as well as signalling the higher rates of unemployment that exist in small sub-areas of the City itself.

Employment in Leicestershire is concentrated into three sectors, manufacturing, distribution and public services, which together account for over two thirds of all employment. The nature of employment in the county has been changing in recent years with more high technology manufacturing and business and financial services taking the share of employment left by the longer term decline and gradual shift away from more traditional industries in the manufacturing sector. As part of a more general increase in service sector employment, the county has been a beneficiary of the rapid development of call centres in the national economy due to existing firms diversifying their own activities into call centres and, more recently, through inward investment to the area.

Figure 2.2: Employment by District



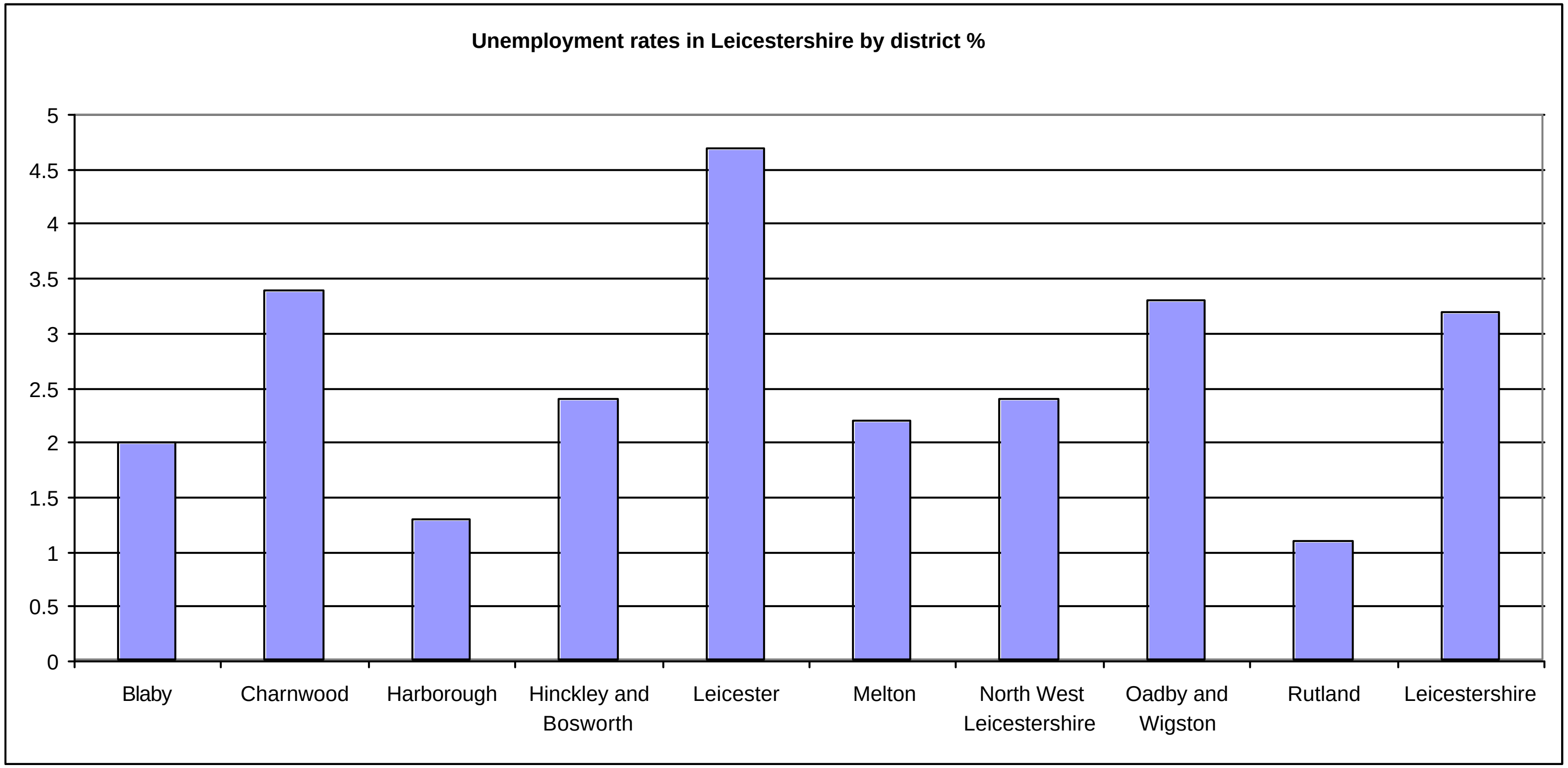
Source: Labour Force Survey Autumn 1999

Unemployment in most parts of the county is relatively low. As a consequence, the unemployment rate for the county as a whole was 3.2% during January 2000, standing well below regional (3.9%) and national (4.3%) rates. Figure 2.3 overleaf shows how unemployment rates compare between the districts and the county average.

Clearly, and as one would expect from its city status and density of urban population, unemployment is highest in Leicester[7]. The importance of considering the diversity of unemployment rates across the county is also clearly shown, with districts such as Harborough, Blaby and the unitary authority area of Rutland currently enjoying an unemployment rate of 2% or less. In all cases, the effective unemployment rates for the younger segment of the labour market, until recently the usual target market for call centre operators, were lower than the overall average at district level.

[7] Unofficial unemployment rates in Leicester can be as high as 17% (Leicestershire County Council) for certain inner city areas.

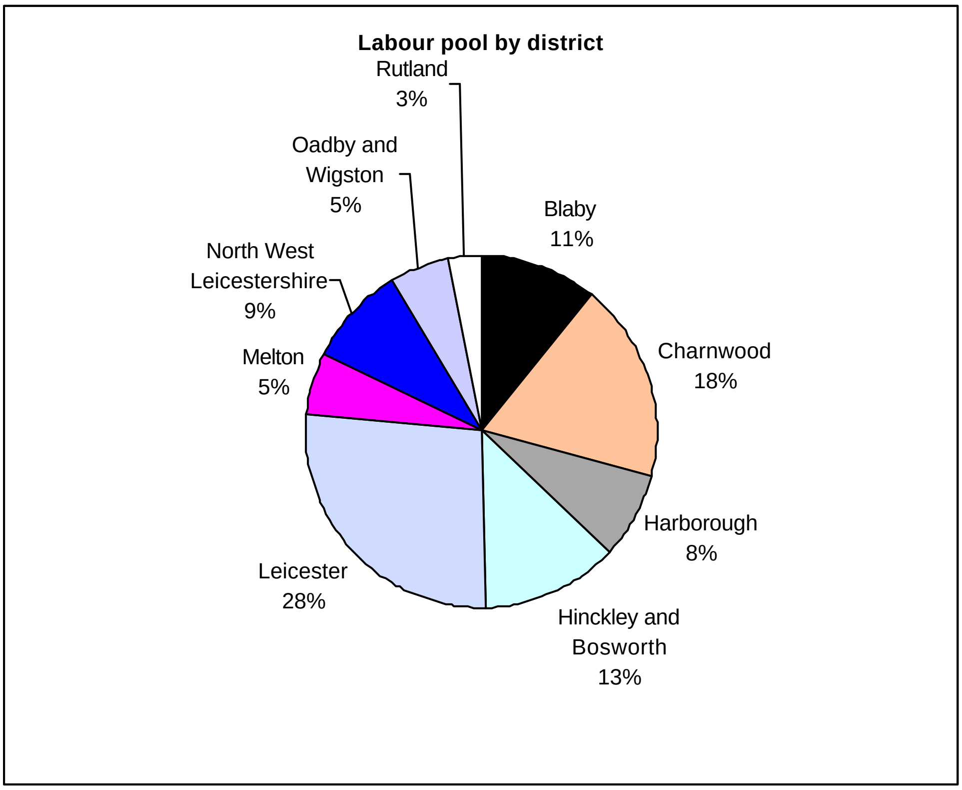
Figure 2.3: Unemployment by District in Leicestershire, January 2000 Claimant Count



Source: Claimant Count Series January 2000, NOMIS

Adding together the employed and those registered as unemployed on the claimant count[8] gives a measure of the official labour pool in the county. This amounts to nearly 500,000 people and is distributed between the districts as shown by Figure 2.4 below. The figure shows that Leicester accounts for 28% of the official labour pool in the county, a lower share than would be expected given its share of the population (due to the larger proportion of unemployed individuals there).

Figure 2.4: Official Labour Pool by District



Source: Labour Force Survey Autumn 1999 and the Claimant Count Series January 2000, NOMIS

[8] The ILO measure of unemployment from the Labour Force Survey is not available in Leicestershire due to the small sample sizes involved.

3.0 RESEARCH STAGES AND THE SAMPLE

3.1 Research Stages

Both quantitative and qualitative information was collected by the research methods used. A mixture of in-depth face to face and telephone surveys was carried out with call centre operators themselves (see below). However, in addition, and to add more depth and context to the responses made by the call centre operators, a number of consultations with other organisations, from both public and private sector, were undertaken. These were critical in providing an understanding of the local context of the labour market, core skills and any gaps in skills or training provision that may have been inherent in the area before the call centre operator became active and therefore not been caused by the centre's operations or requirements.

3.2 The Sample

A total of fourteen companies have been interviewed for this survey. Despite the lower than expected participation rate in the in-depth interview schedule, the companies within the sample have been spread throughout the county and across a range of sectors of activity. They also range from relatively small call centres, usually being operated as part of much larger operations by established firms, to a number of large dedicated call centre operators that have only call centre activity taking place on the site.

Geography

The geographical distribution of the sample is shown in Table 3.1 by postcode area. As was expected a large proportion of the sample is from within or very close to the city centre of Leicester. This does not reflect any bias within the sample, merely the fact that the largest density of call centres and call centre jobs are to be found in the city itself. The reasons for this are two-fold.

Most of the firms operating larger call centres reported a historical link with the city before their need for call centre operations, with only a small number being inward investors to the city itself as call centre operators per se. Beyond call centres operating in the new media industries and outsourcing companies this appears to be a feature of other locations also, accounting for the continuing predominance of the South East as a call centre location.

Secondly, some operators held the belief that as the single largest population area in the county Leicester was the right location for sourcing staff. Internal analysis of the location of operations appears to be frequently based on the absolute numbers involved in an area (and the headline rate of unemployment), rather than any more detailed analysis of relative supply of niches within the local labour market. Again, this is a national phenomenon displayed by most firms in the sector and is arguably driven by the types of statistics prepared by regional inward investment agencies in attracting employers as much as a lack of knowledge of the relative issues in a localised area by the operators themselves.

Table 3.1: The Sample by Postcode Area

Postcode	% of sample	Number
LE1	21.4	3
LE3	7.1	1
LE5	21.4	3
LE8	7.1	1
LE9	7.1	1
LE10	7.1	1
LE11	7.1	1
LE18	7.1	1
LE67	7.1	1
DE74	7.1	1

There are however, a number of locations outside of Leicester that appear to act as clusters of call centre activity for the larger operations. Given the responses in our sample and market knowledge of the wider call centre market these include Narborough, Castle Donnington, Wigston and Coalville.

In general terms, there appear to be three clusters, or corridors, of activity in the sector. The first is in the extreme north of the county, and closely follows the physical developments around the East Midlands Airport site. This area has arguably been driven by the availability of good quality bespoke space for call centre operations as much as the proximity of Nottingham and Derby outside of the county as recruitment sources. Secondly, the area surrounding and including the city centre of Leicester itself, which accounts for some 50% of our sample. The principal reasons for much of the cluster of activity here have been discussed above. The third concentrated area of activity appears to be developing along the M69 corridor taking in the Business Parks to the south and west of Leicester and extending to Hinckley and the border of Leicestershire with the West Midlands and Warwickshire[9]. Both the availability of physical developments and the high quality road and transport infrastructure – for fulfilment activities (distribution) and access to work - have been cited here as ‘comfort’ factors.

Activity

The sample contains companies that operate across a broad range of sectors including education and the public sector, financial services, retail and distribution. The complete breakdown is shown by Table 3.2. The public and education sector, financial services and distribution are the sectors most represented in the sample. The presence of a number of distribution companies reflects the concentration of distribution opportunities that are afforded by the county’s strategic location along two arterial road routes serving the north and the south of the country, a factor that is reflected in the nature of some operators locating on the M69 corridor connecting the East and West Midlands too.

[9] The call centre sector in Coventry and parts of Warwickshire has also developed on the same timescale as much of the activity within Leicestershire and it is worthy of note that two new operators have been announced for Coventry (Cahoot, Abbey National internet banking) and Leamington Spa (HSBC internet banking) within the last month.

Table 3.2: Main Activity of Operators in the Sample

Activity	% of sample	Number*
Manufacturing	14.3	2
Retail	7.1	1
Financial Services	21.4	3
Marketing/Business Services	14.3	2
Telecommunications	7.1	1
Distribution	21.4	3
IT/New Media	0.0	0
Leisure	0.0	0
Outsourcing provider	7.1	1
Mail order company	14.3	2
Utility	0.0	0
Public sector/education	21.4	3

* Note, some operators are involved in significant levels of more than one activity and therefore totals add to greater than sample totals.

3.3 Size of Operation

The sample contains a range of operators including small (part-of-the-year) operations set up by the universities to large dedicated call centres operated by some of the major companies in the county and the call centre industry, including Alliance & Leicester, British Telecom, Next Directory and Hays Customer Solutions. The distribution of the sample by number of employees is shown in Table 3.3.

Table 3.3: The Sample by Size of Operation (Employees in Call Centre only)

Size (employees)	% of sample	Number
0-25	35.7	5
25-100	14.3	2
100-200	7.1	1
200-400	14.3	2
400+	28.6	4

The majority of employees in most of the call centres in the sample are women. In only two out of the fourteen in our sample are there more male employees than female employees. The proportion of female employees in the call centre workforce ranges from a low of 20% to a high of 100%. It is generally the case that female employment levels are highest in the largest call centres, which closely reflects the national situation.

Part-time working is evident in significant proportions within most (twelve out of fourteen) of the call centres in our sample. It accounts for between 5% and 95% of employment (the sample average is 52.8%), with most centres reporting levels close to either extreme, suggesting that where part-time work is used it represents a very important part of the business case for the centre. In all but one of the call centres there are more females in part-time employment than males which reflects both the needs of many women employees to work only part-time and, as one respondent observed, the fact that unemployed men continue to hold out for a full-time position when seeking work.

The size of the teams operating in the sample varies from around a low of 10 agents to a high of 25 agents per team leader. There are then around 6 teams per manager. This structure is common in call centres elsewhere in the country,

The average age of call centre employees in the sample ranges from a low of 21 to a high of 40 (the average for the sample is 29). These are both in the University sector. There is no clear correlation between age and the size of call centre or the sector that they operate in.

Clearly most, if not all, call centres use an element of pre-scripted responses to calls, however the extent to which agents depend upon the script is more a function of individual operator's corporate policy rather than the size or nature of activity.

3.4 The Nature of Call Centre Activity

The sample contains call centres that solely take inbound calls and those that make outbound calls. The labour market characteristics of these centres are often quite different and it is important to include both types in any survey. Table 3.4 shows the sample by inbound/outbound call split. Two thirds of the centres in our sample handle both types of call to varying degrees. Of those that handle only one type of call, three fifths handle solely inbound calls and two fifths handle solely outbound calls.

Table 3.4: Sample by Proportion of Inbound/Outbound Calls Handled

Range (%)	Inbound		Outbound	
	%	Number	%	Number
0	14.3	2	21.4	3
1-10	0.0	0	28.6	4
11-20	0.0	0	14.3	2
21-50	14.3	2	14.3	2
51-80	14.3	2	7.1	1
81-90	14.3	2	0.0	0
91-99	21.4	3	0.0	0
100	21.4	3	14.3	2

Call centres can handle calls from members of the public, from businesses or from other organisations but there are some whose purpose is to work internally and provide services to a company's workforce. Of all the operations within our sample, the majority of calls handled are with members of the public (Table 3.5 below). Next, BT and Alliance & Leicester all have large call centres that deal solely with members of the public. Only two (relatively small) companies in our sample handle calls solely with other businesses and here calls are generally highly technical and relate to specific enquiries that trade customers or stockists of the particular product have. Furthermore, only one of the operators, the University of Leicester, handles internal enquiries to their centre and even here these account for a very small proportion of all calls handled by operators.

Table 3.5: Clients Served by Call Centre Operators

Client	% of sample	Number
Public	78.6	11
Business	35.7	5
Other organisations	0.0	0
Within the firm/organisation	7.1	1

Of those operators whose main users are businesses, the major functions served by the call centre are taking orders and providing technical support relating to the firm and its products. For those call centres who serve mainly members of the public, the main role of the call centre is to take orders and provide information (of a general nature) about the firm and its products.

Of the call centres sampled, the majority of calls handled originate in the UK. In fact, most operators found it difficult to provide information on where their calls originate from within the UK. There were two operators in the sample who handle international as well as domestic calls.

Predictably, no call centres interviewed were open for six hours or less per day. There are a number of 24 hour call centres in the county, generally clustered into those of larger scale, but most of the centres (around three quarters of those interviewed) are open for less than 24 hours. The full breakdown of opening hours is shown by Table 3.6. Half of the sample were also found to be open seven days per week. This contrasts quite distinctly with many other locations outside of the South East of England where 24 hour operations are still relatively scarce.

Overall, the findings support the fact that Leicester (and the county) is now viewed as an area whose ability to absorb and support call centre activity (in its widest operating definition) is now well established. Demonstrable successes in operating at difficult times for staff recruitment are evident in particular in recruiting for early morning shifts and (though to a lesser extent) evening shifts. Importantly the take up of these shift patterns are not constrained to the operators located in the city centre or other areas of the City of Leicester. A relatively high degree of flexibility in this respect is apparent within many parts of the county's workforce, and has been reported as one of the key strengths of the county as a location by operators with comparative experience from other parts of the country. This is most likely to be due to a relatively high incidence of shift working in former manufacturing employment among the local population.

Table 3.6: Opening Hours of Call Centres

Hours per day	% of sample	Number
< 6	0.0	0
6-8	28.6	4
9-11	21.4	3
12-23	28.6	4
24	21.4	3

4.0 HUMAN RESOURCES AND OTHER OPERATIONAL ISSUES

4.1 Recruitment

In line with the significant growth in employment opportunities within call centres nationally, the majority of call centres in the Leicestershire sample (85.6%) have recruited staff during the past 18 months[10]. Table 4.1 below shows how recruitment is undertaken. The single most popular method is the use of local press, generally the Leicester Mercury, but most of the operators in the sample tend to use a combination of the press, employment agencies and the Employment Service. The Universities in the sample target students specifically through advertisements in the Students Union.

Table 4.1: Mechanism Used for Recruitment of Staff

	% of sample	Number
Advertising in local press	71.4	10
Private employment agency	64.3	9
Employment Service	42.9	6
Other	14.3	2

Around one fifth of the sample identified specific gaps in terms of staff and skills that were currently hard to fill (a skills gap is the difference between the skills the current workforce has and what is required whereas a skills shortage is a lack of potential recruits with suitable skills). In the financial services sector, where most of the gaps were in fact identified, the major gap appears to be in generalised PC literacy and the ability to work in a sometimes pressurised environment.

Across the board, and particularly in the case of new recruits of school/college leaving age, skills appeared to be judged to be poor in the most basic aspects of telephony and people to people communication skills. This is not a finding that is unique to Leicestershire but has, in fact, been identified in most other call centre locations. The concerns appear to be strongest in those centres who employ above the average number of younger people and there would therefore appear to be somewhat of a mis-match in the skills taught at secondary school level and the needs of employers. This is also backed up by an important additional aspect of identified skills scarcity.

[10] We also understand that in addition to the operations within the formal sample, almost all other year-round operators – regardless of size – have been active in the recruitment market within the last 12 months.

A number of call centres have also been able to identify a specific problem in terms of the level of written English and grammatical ability of agents. This has quickly become an issue for those centres who are now accepting contact and responding via e-mail rather than over the more traditional voice-telephony network. The requirement of some agents to respond in writing has thrown up two issues of note. The first is the overall poorer quality of written English, heightened among the youngest recruits. The second issue relates to differences between the style of grammar used within the call centre and that as taught by the schooling system. Traditional schooling clearly does not prepare individuals for the specific style of language used in a business to business or a customer service situation, and in particular the brevity with which e-mails are often prepared. This requirement is expected to increase with the advent of additional non-voice customer service contact channels which are beginning to proliferate across all types of call centre.

4.2 Availability and Retention of Staff

It was reported that, on balance, over the past twelve months the availability of staff has become worse. However, when probed on this issue, only one quarter of the sample stated that the availability had become severely worse. Breaking down these responses by sector, the situation with respect to availability of staff appears to have become most difficult in the financial services and retail sectors.

The overall results suggest that the fear of a tightening labour market is stronger than the actual experience. There may also be an element of ‘looking over one’s shoulder’ at the financial services call centres and larger operators at work in driving perceptions of a tighter market. The latter types of operator have clearly found greater difficulty in achieving recruitment targets than smaller firms, who tend to be more localised and often more deeply rooted within the local area. Indeed, nationally as well as within Leicestershire there now appears to be a trend among certain larger scale operators to identify and connect with local communities to a greater extent. This has arisen through a desire among industry leaders to disprove much of the negative publicity that has arisen in the national media with respect to call centres as ‘sweatshop environments’ or the new ‘dark satanic mills’, which in the main they are clearly not.

The only sector where availability of staff was identified as improving was among the Universities. Here it was suggested that the main difference is their (increased) ability to draw upon the student population who have become increasingly amenable to subsidising their own financial resources in order to continue studying. This slightly contradicts the finding that many other call centres (and certainly those in Leicester itself) mentioned students as being an important part of their recruitment process when looking for additional or temporary workers. It would seem that these operators have not yet identified students as being a significant resource for future additional recruitment and continue to view the student population as useful for temporary or short period employment only.

A majority of operators (64.3%) target recruitment either geographically or at individual sectors of the population. However, when probed on the extent and complexity of this activity it was found that the call centres did not in fact have a clear strategy towards segments of their recruitment market. Geography was the overall defining factor in any targeting of effort. Most of those who target geographically target Leicester simply because they use the Leicester Mercury for recruitment purposes. As noted above the Universities also specifically target students.

All of the call centres in the sample had staff leave the call centre in the last 6 months. Some of the smaller operators have lost just a handful of staff but there have been more substantial numbers, in both absolute and relative terms, leaving the larger call centres in the retail and financial services sectors. The distribution of the sample by turnover rate is shown in Table 4.2 below. Turnover rates vary from a low of less than 5% to 100% (this happens in the Universities where they set up temporary call centres at the August/September peak period for course/accommodation enquiries). However, over one quarter of the sample had a turnover rate of between 11% and 20%. The total turnover rate for the sample is 18.3%. Excluding the universities, sample turnover is 17.9%.

There appears to be some correlation between turnover and the average starting salary. Within the sample turnover is highest in the two companies that have the lowest average starting salary. In support of this, turnover is also lower in the higher paying companies. Beyond salary, there is no clear correlation between turnover and the number of hours of training employees receive. Neither does the sample show any clear correlation between the proportion of outbound calls handled and turnover, which contrasts with the often held view, notably outside of the industry, that the levels of stress placed on new recruits are too high due to relatively high expectations of targets to be achieved.

Table 4.2: Staff Turnover within the Sample

Turnover rate (%)	% of sample	Number
0-5	7.1	1
6-10	21.4	3
11-20	28.6	4
21-30	14.3	2
31-50	7.1	1
51-100	21.4	3

Within the sample there is a small majority who claim that the number of staff leaving the centres has been at a stable level over the past six months but there is also a sizeable minority of just over one quarter who say that the number of staff leaving has increased. The full distribution is shown in Table 4.3 overleaf. The most significant finding from the sample is that no call centres reported a significant increase in staff turnover at all.

Thus, on current evidence, Leicestershire appears to be a relatively stable market for recruitment of agents. This is borne out by comments made by many of the respondents that levels of competition for staff between the indigenous call centres are not as high as in other areas with which the particular companies have had experience. Although still not as significant as elsewhere, there would appear to be more competition for staff evident in the call centres located on the fringe of the county and Nottinghamshire. However, whether this competition is partly driven by being located close to Nottingham is not clear.

Table 4.3: Staff Leaving within the Last 6 Months

Staff leaving	% of sample	Number
Significant increase	0.0	0
Small increase	28.6	4
The same	57.1	8
Slightly lower	14.3	2
Significantly lower	0.0	0

4.3 The Advantages and Disadvantages of Leicestershire as a Location

Interviewees were asked to summarise Leicestershire as a location using 10 indicators covering staff availability, skills, business support infrastructure and access. The results of this exercise are recorded in Table 4.4. The average score of all respondents is shown here using the scale direct from the questionnaire, *where a score of one represents a 'trouble free' location and five indicates that there are considered to be 'severe difficulties' with Leicestershire as an operating location. A score of three is 'average' so the table below shows that Leicestershire is rated as above average on all but one indicator.*

Table 4.4: Advantages and Disadvantages of Leicestershire as a Location

Issue	Average score
General availability of staff	2.8
Level of basic skills	2.6
Quality of specialised skills	3.1
Availability of multi-lingual skills	2.0
Staff turnover rates	2.7
Absenteeism	2.7
Provision of local training	2.1
Non-training related business support	2.4
Other private business support	2.7
Local non-car access	2.1

The county is rated most highly (i.e. has the lowest score) on the availability of multi-lingual staff. This is somewhat surprising as it is not considered nationally as being one of the core multi-lingual locations for call centres. This may reflect the fact that the levels of demand for multi-lingual staff are still low relative to other locations such as Newcastle, South Manchester and the South West of London. Some commentators mentioned the supply of good quality language students as being important additional elements to their centres but not centrally important to their operating strategy.

Conversely, the county scores poorly on the quality of specialised skills required of call centre staff and the general availability of staff. The latter poor performance appears to be driven by recent changes in availability experienced by some operators and the all pervasive fear of staff shortages rather than actual experience (see above). When asked to qualify the poorer scores given to availability no hard evidence was provided to suggest Leicestershire has little additional potential in recruitment.

The general feeling in scoring the county in this way is that Leicestershire is a good operating environment for a call centre when compared with other areas in the Midlands and the North of England (in respect of staff availability and quality). This view was held particularly among those operators who have call centres elsewhere in the country. This clearly supports the statistical evidence - overall nine of the ten characteristics scored were above average (i.e. achieving a score below three).

4.4 Salary

The sample was then asked to provide information on salaries for the most junior staff in their centres and also an average for all employees[11]. These are shown by salary range in Table 4.5.

Table 4.5: Salaries in Leicestershire Call Centres

Salary range (£)	Junior staff		Average	
	%	Number	%	Number
8,000-8,999	14.3	2	0.0	0
9,000-9,999	21.4	3	7.1	1
10,000-10,999	28.6	4	21.4	3
11,000-11,999	14.3	2	14.3	2
12,000-12,999	21.4	3	14.3	2
13,000+	0.0	0	14.3	2

[11] In fact most operators were more transparent than this, providing information on the scales of salary at each agent level.

The table shows that, among junior staff, a significant variation in the range of starting salaries is apparent. The difference between the lowest and highest starting salary stated by respondents was around £3,500 per year. The average salary for all call centre staff is higher and here there is a greater range between the lowest and highest than in the case of only junior staff which is expected given the greater range of roles and responsibilities that can exist at this level.

Differences in salary were tested against geographic location and sub-sector of activity. Geography does not appear to play a significant role in salary offers around the county. More important is the sector of activity that the parent company of the call centre is operating within[12]. Salaries are generally highest in the financial services sector as one might expect. There are a number of large operators in this sector, some expanding, and the labour market in this segment appears extremely tight. A recent round of increased salary offers has been experienced in order to secure existing, and recruit additional, staff. This was reported to have been initiated by the entrance of one firm into the area. The lowest salaries are found in the University sector, a mixture of the alternative salaries offered within the institutions themselves and the higher than average use of part time staff and students.

The figures on salary levels obtained through consultations agree broadly with those suggested to us by local employment agencies. A full time call centre agent (with some experience) would expect to earn between £8,750 (outside of the city) and £12,500 (city centre) and with a 1999 average salary of £9,700. Temporary rates (subject to a much higher degree of variation with respect to experience and location) are currently being achieved between £4.50 per hour and £6.00 per hour in the city. Annual salaries of Team Leaders are currently grouped between £14,600 and £27,000, the latter an exceptional case believed to be set in the financial services industry to attract specific high calibre individuals.

Bonuses were used as part of the salary package by 42.9% of the sample. This is in general a higher than usual level of bonuses and believed to be driven by the higher number of local companies with other infrastructure (and therefore a mature policy with respect to additional employee benefits) and the concentration of financial services firms around Leicester who tend to operate corporate-wide benefits policies. However, the nature of the bonus varied widely between operators. For some it took the form of vouchers and, in one case, 10% of gross salary. Again, much depends on the sector within which the company works and, in most cases, the wider corporate incentive system used.

4.5 Training

All of the operators within the sample provide training for their employees. The nature of the training varies between operators but there are some factors common to operators throughout the county.

[12] This follows national evidence.

Table 4.6 shows how the training is provided. The majority of the training is provided in-house with a small number of operators using external trainers, again mainly on-site, in combination with their own training programmes. This is indicative of the sector as a whole in the UK as most operators favour in-house solutions tailored to their own technology and software packages. There was a general view that products, and the need for detailed product knowledge, also differ and, in most cases, are not amenable to the use of external training providers.

Table 4.6: How is Training Provided?

Provision	% of sample	Number
Entirely in-house	42.9	6
Mostly in-house with some outside assistance	35.7	5
Mix of in-house resources and external trainers on site	21.4	3
Mix with some training off site	0.0	0
Entirely outsourced but still on site	0.0	0
Outsourced training delivered off site	0.0	0

Table 4.7 shows how much time is spent on training. There is a clear and consistent correlation here between the size of the operator and the amount of training provided.

Table 4.7: Amount of Training Provided (Hours per Agent)

Training	On site				Off site			
	Internal		External		Internal		External	
	%	Number	%	Number	%	Number	%	Number
<10 hours	14.3	2	35.7	5	64.3	9	57.1	8
11-20 hours	21.4	3	7.1	1	0.0	0	7.1	1
21-100 hours	35.7	5	21.4	3	0.0	0	0.0	0
100+ hours	28.6	4	0.0	0	0.0	0	0.0	0

The main elements of the training provided generally include an induction to the company and the operations of the call centre and training in PC skills and various, specific, software packages. Operators nationally tend to view new recruits as being in need of their own tailored basic training and rarely do they seek to recruit agents who have all of the necessary attributes to work effectively in their centres. As such, any mismatch between public sector training activity and the initial needs of call centres is unlikely to have a major competitiveness impact on any one location. Indeed, training activities are in the main based on national initiatives and, therefore, do not vary significantly from location to location.

There appears to be a distinct difference between the number of hours of training per agent undertaken in-house and the number provided externally and off-site. In-house training appears to be delivered for a longer period of time whereas most companies using external training provide less than 10 hours per agent per year. In extended discussions this appeared to be driven by the fact that external training was very specific and targeted at a small number of individuals with wider career development needs. Typically, agents with promotion possibilities were the principal subjects of the external training, and this was aimed at providing the individual with person management or other non-core agent skills.

Datamonitor report that a half of all call centres in the UK provide between 0.5 and 2 days of training per agent per month, say between 6 and 24 days per year. Thus, the results of the sample suggest that centres in Leicestershire are significantly above average in training provision, with more than 60% providing over 20 days of in-house training per agent per year.

4.6 Expected Future Activities

Table 4.8 shows what the firms within the sample expect over the next 12 months in terms of the number of staff employed by their call centres and the scale of operations undertaken. Somewhat surprisingly, given the bullishness of the whole sector nationally and forecasts for overall employment in call centres in the medium term (section 2 above), half of the operators expect no change in staff size. Somewhat less surprisingly, only one operator in the sample was expecting the number of staff to fall.

Considering the scale of employment, most operators expect there to be no change and once again this appears to counter national forecasts of activity levels. A partial explanation may be the rapid increase in outsourced, or third party, call centres taking on the work of former in-house call centres. However, those in the financial services sector are unlikely to follow such a trend due to their need to retain the majority of customer information and correspondence in-house.

Table 4.8: Future Size and Activity of Call Centres

	Staff		Activity	
	%	Number	%	Number
Smaller	7.1	1	7.1	1
Larger	42.9	6	35.7	5
Same size	50.0	7	57.1	8

It is thought that the growth of e-commerce will impact upon the operation of nearly three quarters of call centres in the sample. However, there is clearly a high degree of uncertainty as to the scope and scale of such effects on call centre activities and employment levels. Much of the confusion exists due to the term 'e-commerce' being linked with a very broad range of changes that are currently impacting on the call centre environment; from hard-edged technological changes to the demand for services linked with higher take-up of internet access by UK residents and, to a lesser extent, European customers.

The general *perceived* effect of changing technologies linked with e-commerce was that they may bring about an increase in the volume of calls handled, at least in the short term. Most respondents were less clear about what the longer term effects would be and whether telephone based call centres will be supplanted or supplemented by e-mail centres. In the US, by contrast, many call centre operators are already viewing a rise in e-mail contact (and subsequent reduction in call volumes) as an opportunity to shift work patterns to times of the day when calls are less frequent, and thereby increase on both the range of tasks undertaken by a typical agent and the productivity of the call centre itself.

There appears to be a surprising degree of conservatism being exhibited by those within call centres in Leicestershire given that this is a sector more used to rapid and large scale step changes in the working environment than many others. This may of course simply reflect a lack of knowledge over the strategic direction of the overall business that the call centre supports.

Table 4.9: Impact of E-Commerce

	% of sample	**Number**
Yes	71.4	10
No	14.3	2
Don't know	14.3	2

Linking the concerns of respondents over perceived lower than average levels of English language and styles of e-mail or business grammar with the take-up of e-mail responders within the call centre environment, it is surprising that respondents did not highlight a greater need for bilateral discussions (and projects) between schools, further education training institutions and the industry to address clear skills gaps in this respect.

5.0 CONCLUDING REMARKS

Concluding Remarks : General Drivers for Change

The call centre industry in the UK will continue to develop with further centres and expansion of existing operations at significant rates. However, the contribution of smaller centres – employing fewer than 500 agents – to total employment is likely to increase relative to the more established, somewhat mature, larger centres.

In geographical terms this change should benefit Leicestershire as most of the larger units were among the first wave of development that occurred in the north of England in contrast to the operators to be found in the South East. The Midlands area has under performed in terms of the number of large call centres, though Leicestershire (and Leicester) appear to have a significant number of such operations. Smaller operators appear to favour locations outside of the South East but are also keen to avoid the larger and more mature centres, providing an element of competitive advantage for areas in Leicestershire to exploit.

Existing call centres appear to be less bullish about their future scale of operations than national trends suggest. Most of those interviewed suggested that their centres would operate at around the same level of staffing as previously. This may be a symptom of largely consulting with individuals who are not directly responsible for the strategic direction of the business itself and/or sales. It is however clear, that the outsource market in Leicestershire is underepresented given the scale of activity taking place in such centres nationally and the fact that this segment of the market will be one of the highest growth areas over the medium term. At present there is only one dedicated outsource provider located in Leicestershire.

Technological changes will focus on two factors; the use of technology to enable smaller units but integrated to a larger national (possibly international) infrastructure, and the increase in the number of channels of contact to customers of the call centre. This latter driver will have profound knock-on effects on both the scale of demand for additional employees and the quality and range of skills that will be required of agents. Call centre operators in the county are clear that there will be a reduction in dependency on agents solely trained to staff telephony equipment.

However, there appears to be some uncertainty as to the overall effect of an increased use of e-mail and other internet and e-technologies on the level of staffing of centres. Short term reductions, through the use of e-mail auto-responder software, may indeed occur. However, in the longer term (and already apparent in the US market and some European sectors) end consumers appear to continue to favour human interaction and thus technological solutions that involve person to person contact rather than anonymous e-mail and similar technologies. The most advanced companies have already begun to 'leap-frog' the use of automated responses and move towards manned e-mail chatroom environments (and potentially webcam agents) to provide online customer service solutions.

There is an emerging consensus in the industry that such technologies will continue to depend on the agents recruited to call centres and will not be as labour saving as some commentators have suggested. Thus, call centres should provide longer term employment options to local communities than the worst media coverage has suggested. This, in turn, also increases the importance of understanding all aspects of each local labour market (and the population and workforce dynamics of each area) in the location decision of operators.

Concluding Remarks : Leicestershire as a Call Centre Location

The results of our consultations and interviews with call centre operators are generally favourable in terms of the current operating environment for centres in the county. Labour markets appear able to supply sufficient volumes of individuals to call centres already in situ and, critically, relatively new entrants to the county report no significant problems in achieving recruitment targets. The short term outlook is for no significant change in the adequate availability of staff at most levels of operation throughout the county. Only in the financial services industry does there appear to be any real tightening of the labour market and supply of agents with skills and knowledge of specific products. In all other areas concerns over supply of employees appear to be perceived rather than actual.

The turnover rates of incumbent call centres are currently stable, and at least as good as national averages[13]. A very small proportion of centres reported any increase in staff turnover rates and none at all have reported a significant upwards movement.

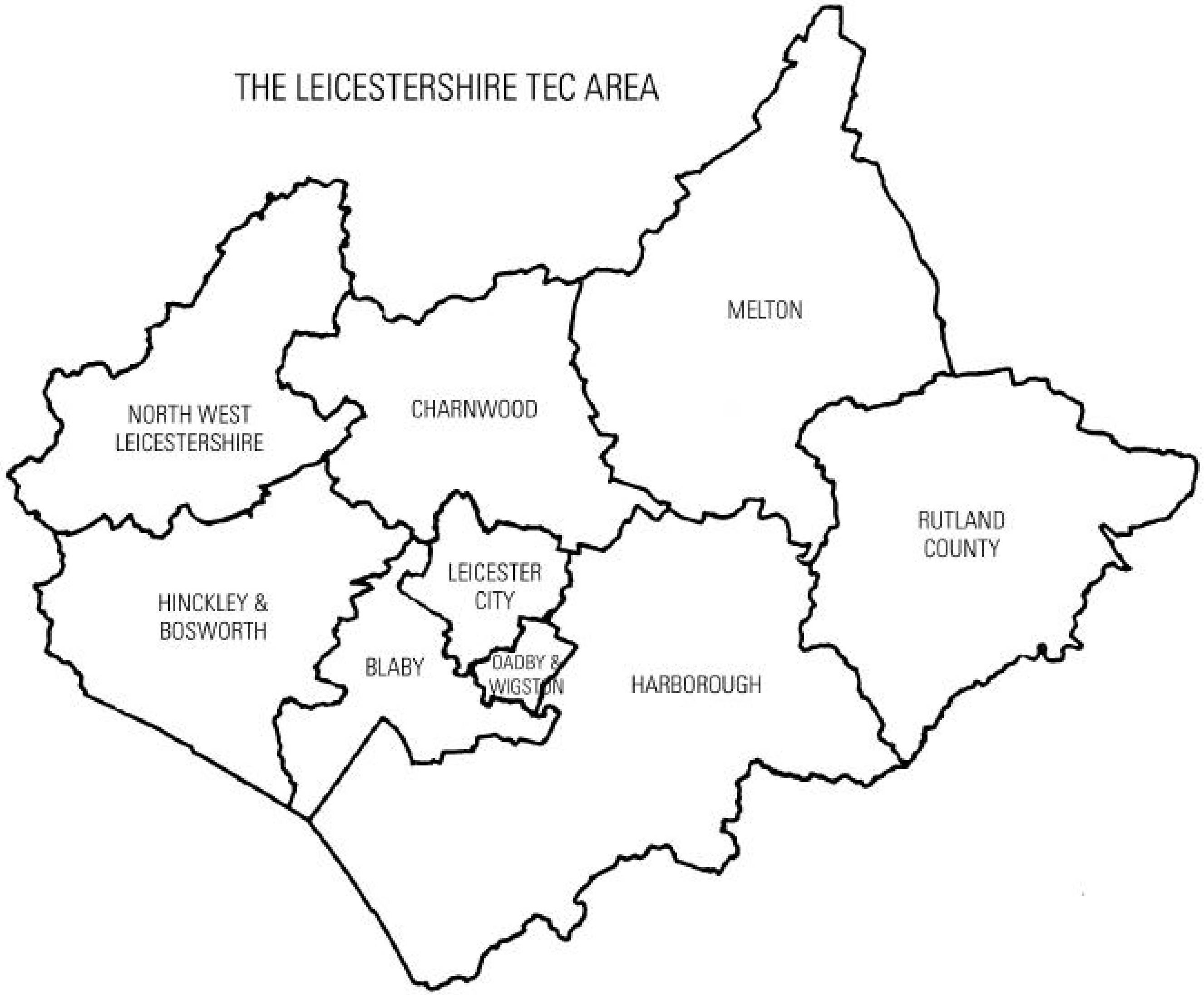
Salary rates are commensurate with industry standards by sector and sub-sector of activity. The financial services industry sector is the only one in which any identifiable increases (above average inflation) are evident. Moreover, this is believed to be a short term phenomenon linked to the introduction of a competitor centre to the Leicester and environs labour market. Similar changes have occurred in other locations where there is a higher than average incidence of financial services call centres.

In relative terms, there are no clear difficulties being experienced by call centres in the county. Shortcomings that have been identified in Leicestershire are shared by most other call centre locations and include a generally lower than expected level of basic communication skills among the younger segments of the labour market, lack of people to people skills in the local unemployed, an apparent inability to operate two technologies (telephony equipment and PCs) at the same time and, although only emerging recently, a mis-match between the style of English language training and the needs of the business. These are clearly all areas where pilot projects could be undertaken to address skills gaps relatively quickly.

13 Direct national comparisons are difficult as turnover rates tend to vary more significantly between company cultures and sectors of activity than local or regional areas.

ANNEX 1

MAP OF LEICESTERSHIRE TEC AREA



Source: Unemployment Bulletin January 2000, Leicestershire County Council

ANNEX 2

LOCATION MATRIX DATA

ALL LOCATIONS - LEICESTERSHIRE

CALL CENTRES IN LEICESTERSHIRE TEC AREA - LOCATION MATRIX, BASE DATA

LS	Labour Supply Data	Blaby	Charnwood	Harborough	Hinckley and Bosworth	Leicester City	Melton	North West Leicestershire	Oadby and Wigston	Rutland	Leicestershire TEC area	East Midlands	Great Britain
LS1	City/Town Population	86,400	155,400	75,200	97,700	294,300	46,300	85,000	52,700	35,700	928,700	4,141,500	58,801,000
LS2	Population, 15 - 29	14,400	31,700	13,100	18,000	69,500	7,800	16,300	10,100	7,000	187,800	827,400	n/a
LS2b	male	7,300	16,600	6,500	9,600	35,900	4,200	8,600	4,900	3,000	96,700	425,100	n/a
LS2c	female	7,100	15,100	6,600	8,400	33,600	3,600	7,700	5,200	4,000	91,100	402,300	n/a
LS3	Population, 30 - 44	21,000	34,100	16,800	21,600	66,800	10,900	18,500	10,500	7,900	208,200	899,800	n/a
LS3b	male	10,900	17,400	8,300	10,900	34,100	5,400	9,400	5,400	3,900	105,600	454,800	n/a
LS3c	female	10,100	16,700	8,500	10,700	32,700	5,500	9,100	5,100	4,000	102,600	445,000	n/a
LS4	Population of working age	58,000	103,700	49,300	64,700	189,300	30,400	56,200	34,200	23,500	608,200	2,692,700	36,045,000
LS4b	male	29,500	53,100	24,800	33,300	96,700	15,300	28,800	17,000	11,000	309,500	1,364,600	18,907,000
LS4c	female	28,500	50.600	24,500	31,400	92,600	15,100	27,400	17,200	12,500	298,700	1,328,100	17,138,000
LS5	Official Labour Force (LS6 + LS13)	52,923	89,198	38,502	61,144	132,036	26,427	45,079	26,763	15,171	488,243	2,101,436	28,103,982
LS6	Total Employed	52,000	87,000	38,000	60,000	124,000	26,000	44,000	26,000	15,000	473,000	2,023,000	26,912,000
LS6b	Male	28,000	48,000	21,000	31,000	70,000	15,000	25,000	15,000	n/a	261,000	1,120,000	14,866,000
LS6c	Female	24,000	40,000	17,000	29,000	54,000	12,000	19,000	11,000	n/a	212,000	903,000	12,046,000
LS7	Total Employed 25 - 34	13,000	22,000	n/a	16,000	33,000	n/a	11,000	n/a	n/a	116,000	519,000	6,797,000
LS7b	Male 25 - 34	7,000	12,100	n/a	8,300	18,600	n/a	6,300	n/a	n/a	64,000	287,300	3,754,600
LS7c	Female 25 - 34	6,000	9,900	n/a	7,700	14,400	n/a	4,700	n/a	n/a	52,000	231,700	3,042,400
LS8	Total service sector employment	38,000	54,000	26,000	37,000	80,000	15,000	30,000	17,000	12,000	308,000	1,349,000	19,533,000
LS10	Total Employed in Selling Occupations	n/a	n/a	n/a	n/a	12,000	n/a	n/a	n/a	n/a	36,000	162,000	2,231,000
LS11	Total 'New Grey' Employees, recent retired	1,000	1,000	0	2,000	3,000	1,000	1,000	2,000	0	11,000	51,000	788,000
LS11b	Proportion of employed workforce of retirement age (LS11 / LS6)	1.9	1.1	0	3.3	2.4	3.8	2.3	7.7	0	2.3	2.5	2.9

LS12	Rate of Unemployment	2	3.4	1.3	2.4	4.7	2.2	2.4	3.3	1.1	3.2	3.9	4.3
LS13	Total Registered Unemployed	923	2,198	502	1,144	8,036	427	1,079	763	171	15,243	78,436	1,191,982
LS13b	male	645	1,569	333	775	6,147	307	781	548	115	11,220	59,320	912,084
LS13c	female	278	629	169	369	1,889	120	298	215	56	4,023	19,116	279,898
LS14	Total Unemployed 20 - 35	354	882	178	457	3,654	179	428	304	64	6,500	33,738	517,299
LS14b	male 20 - 35	255	644	116	316	2,858	139	317	234	42	4,921	26,431	407,783
LS14c	female 20 - 35	99	238	62	141	796	40	111	70	22	1,579	7,307	109,516
LS15	% of workforce in part-time employment	21.5	23.6	n/a	26.9	24.9	n/a	28.9	n/a	n/a	26.3	25.3	24.5
LS16	Economically inactive females of working age	n/a	11,000	n/a	n/a	29,000	n/a	n/a	n/a	n/a	70,000	302,000	4,445,000
LS17	Economically inactive females of working age as % of official labour force	n/a	12.3	n/a	n/a	22.0	n/a	n/a	n/a	n/a	14.3	14.4	15.9

Ed	Education/Training Data	Notes	Leicester	Leicestershire	East Midlands	Great Britain
Ed1	% of school leavers with 5+ GCSEs at A* - C grades	* indicates figure for England	37.1	48.3	n/a	47.9*
Ed2	Average point score for those with 2+ A Levels	* indicates figure for England	14.4	17.2	n/a	18.2*
Ed3	% of working age population receiving work-related training		11	13.1	12.4	13.4
Ed3b	% of service sector employees receiving work-related training		n/a	14.4	15.3	16.3
Ed4	Total working age residents with NVQ Level 3		61,000	231,000	993,000	14,358,000
Ed4b	Number currently employed with NVQ Level 3		44,000	194,000	826,000	11,911,000
Ed5	Total working age residents with NVQ Level 4		35,000	118,000	524,000	7,959,000
Ed5b	Number currently employed with NVQ Level 4		26,000	102,000	454,000	6,895,000

Source: Labour Force Survey Autumn 1999, Claimant Count Series January 2000 (NOMIS), DfEE School Performance Tables 1999

ANNEX 3

LEICESTERSHIRE TEC AREA

SUMMARY PROFILES BY DISTRICT

LEICESTERSHIRE TEC AREA - SUMMARY PROFILES

This section sets out the analysis of key data for each of the districts comprising Leicestershire County, and the unitary authority areas of Leicester City and Rutland. A comprehensive location matrix, detailing all relevant variables associated with the local area labour markets is presented as Annex 2 and should be read in conjunction with the district summaries below.

1.0 BLABY DISTRICT

Key Statistics

Population (1998)	86,400
Employment	52,000
Unemployment rate[14] (January 2000)	2%
Official Labour Pool	52,923
Working age qualified to NVQ Level 3	25,000
Working age qualified to NVQ Level 4	12,000

Blaby District lies to the south west of the City of Leicester. A significant proportion of the population of Blaby and Narborough travel to Leicester to work but the south of the district becomes more rural in nature. The district is a key link in the motorway network: the M1 and M69 intersect at Junction 21 of the M1 (there are problems of congestion around peak hours). There is a direct rail link between Narborough and Leicester. Major employers in the district include: GEC Alsthom, Next Plc, Alliance & Leicester, Mattel (UK) Ltd. and Everards Brewery.

1.1 Population

In 1998 the estimated population of the district was 86,400, an increase of 4.5% on the 1991 figure. This growth, although above the national rate, is below the county wide growth of 7.1% in the 1990's. Unlike the rest of the county, there are more men than women in Blaby (the gender split is 50.1: 49.9 compared to 49.8: 50.2 at county level). Population growth, as elsewhere in the country has been higher among men than among women.

The working age population was 58,000 in 1998, an increase of 3.6% since 1991 (below county and regional growth of 7.4% and 4.5% respectively). In the working age population there are more men than women. The working age population is ageing. Since 1991 the 45-64 age band (which was the largest segment of the population) has grown by over 17% while the 15-29 age band has contracted by over 17%. These changes have occurred at county level but have been much more pronounced in Blaby.

[14] All unemployment figures are taken from the Claimant Count Series January 2000.

The 5-14 year old age band is important because it represents a future supply of labour as in 3-5 years many will be reaching the end of their education and will be available for employment. In 1998 there were 10,700 in this age band, which has grown by 5.0% since 1991 (this is below the rate achieved at county level). Growth in this age band has been predominantly among males, rather than the much more balanced growth that has occurred at county level.

1.2 Workforce Characteristics

In the autumn of 1999 there were 52,000 in employment in Blaby. Of this 46.2% were women (above both county and regional levels). Blaby accounts for around 11% of all employment in the county. A quarter of the workforce in the district are between the ages of 25 and 34, between the county and regional averages. Service industries account for nearly three quarters of all jobs and within this the public sector is the largest employer, accounting for 12,000 (over one fifth) of all jobs.

Unemployment is particularly low in the district. In January the rate of unemployment was just 2.0% compared with 3.2% at county level, 3.9% at regional level and a national rate of 4.3%. The rate of 2.0% is equivalent to 923 claimants. Of these 30.1% are women, a significantly higher proportion than at county or regional level. Among the 20-35 age band, which is particularly important for call centre operators, there are 354 claimants, 99 (28.0%) of which are women, again relatively more than at county and regional levels.

It is instructive to look at the flows into and out of unemployment. This gives a more accurate indication of the number of people a call centre operator may be able to recruit during a short (3 month) recruitment drive. In January 2000 309 people joined the pool of unemployed while 189 left the claimant count, implying an increasing pool of unemployed labour in the district. Flows out of unemployment were equivalent to 20.5% of the stock, relatively higher than at county and regional levels. If only 10% of these were suitable for employment then around 20 people per month could be recruited from the district to work in a call centre.

Taking the employed and the unemployed together we get the total official workforce. In Blaby this is 52,923. Adding to this a factor of 10% which accounts for the hidden labour market (discussed in more detail below) then we get an unofficial labour force of around 58,200.

1.3 Alternative Labour Supply

There is a pool of labour that may be attracted into call centre type employment but who are not covered by official data. This pool is made up from a variety of individuals; the unemployed (but not currently seeking employment), partners of those in the workforce who are not registered for state benefits, students, those of pension age and those who have opted for early retirement but may still value (shorter) shift work or part-time positions.

There are two such groups that are relatively easy to quantify in Blaby: the economically inactive and the ‘new grey’ segments of the population (the ‘new grey’ population is those in the employed workforce over the age of 65 (men and women)). In the district it is estimated that there are 10,000 of working age who are economically inactive (a rate of 16.3%, lower than county and regional rates). There are around 1,000 in the new grey segment of the population in employment (1.9% of the employed workforce). This is relatively fewer than in other parts of the county which suggests that with the right marketing of opportunities there may be scope to bring more of these into the labour market.

1.4 Education and Qualifications

School performance is only available at unitary authority level so Blaby is covered by the Leicestershire LEA. The proportion of school leavers leaving with 5 or more GCSEs at grades A-C was 48.3% compared to a figure of 47.9% for England. The average point score for those doing advanced GNVQ was also higher in Leicestershire than nationally. However the average points score for those doing two or more A levels is lower in Leicestershire than the national average.

Data on NVQ attainment is available from the Labour Force Survey. This shows that in the Autumn of 1999 40.2% of those of working age were qualified to NVQ level 3 or equivalent (compared to 38.4% at county level). Attainment at level 4, 19.0%, was below the county average of 19.6%.

1.5 Current Call Centre Activity

At the moment call centre activity is limited to the Alliance & Leicester site at Carlton Park which employs around 350 people in a 200 seat call centre. However, further tranches of development land are available at this site and additional call centre space may become available over the medium term.

2.0 CHARNWOOD

Key Statistics

Population (1998)	155,400
Employment	87,000
Unemployment rate (January 2000)	3.4%
Official Labour Pool	89,198
Working age qualified to NVQ Level 3	45,000
Working age qualified to NVQ Level 4	21,000

Charnwood District lies to the north of Leicester City. The main town in the district is Loughborough, the second largest town in the county. Links to the rest of the country are good. Junction 23 of the M1 is on the outskirts of Loughborough and there is a direct rail service to London St Pancras. There is significant commuting (in both directions) along the A6. East Midlands International Airport is also just outside of the district. The University of Loughborough is based within the district. Major employers in the borough include: Astra Pharmaceuticals, 3M Health Care and Redland Aggregates.

2.1 Population

In 1998 the estimated population of the district was 155,400, an increase of 9.5% on the 1991 figure. This is above both county and national growth in the 1990's. There are more women than men in the district (the gender split is in line with the average for the county which is more even than regional and national splits). Although population growth has been higher among men than women, as in the rest of the county, the differential is much smaller in Charnwood.

The working age population was 103,700 in 1998. This is an increase of 10.1% on the 1991 figure and is well above the growth experienced at both county and regional level. The working age population is ageing. In 1991 the 30-44 year olds were the largest group but in 1998 it was the 45-64 year old group that was the largest. This group has grown by around one fifth between 1991 and 1998. Growth among 15-29 year olds was just 2.5% and the number of females in this age band fell.

Outside the working age population there are 19,800 5-14 year olds (nearly a quarter of the county total). Growth of 12% in this age band is well above the county level growth. In Charnwood, unlike at county level, growth in this age band has been higher among females than among males.

2.2 Workforce Characteristics

In the autumn of 1999 there were 87,000 employed in Charnwood. This is the second largest labour market in the county, accounting for 18.0% of total employment in the county. There are 40,000 women in employment, 46% of the total (higher than both county and regional figures). There are 22,000 in employment in the important 25-34 age band (a quarter of the total). The manufacturing sector accounts for the largest share of employment (27%, well above county, regional and national levels). The largest occupational group is craft and related occupations which account for nearly one fifth of employment.

Unemployment in Charnwood is relatively high. In January the claimant count rate was 3.4%. While this is below the regional and national rates it is higher than the average for the county. The rate of 3.4% represents 2,198 claimants (14% of the county wide total). Of the claimants 28.6% are women, a much higher proportion than is the case at county or regional level. Among the 20-35 age band there are 882 claimants. This group accounts for a relatively smaller share of the unemployed than it does at county or regional level. Among this age band there are 238 unemployed women.

It is instructive to look at the flows into and out of unemployment. This gives a more accurate indication of the numbers of people that a call centre operator would be able to recruit from this source in a relatively short space of time. In January 2000 587 people joined the claimant count and 391 left it, implying that unemployment rose at the end of that month. Flows out of unemployment were equivalent to 17.8% of the stock, a higher proportion than at county or regional level. These out flows were significantly higher among women than among men. If only 10% of those who left the claimant count were suitable for employment in a call centre then a potential operator would be able to recruit around 35-40 people per month.

Taking the employed and the unemployed together gives the size of the total official workforce. In Charnwood this is 89,198. Adding to this a factor of 10% to account for the hidden labour (which is discussed in more detail below) then we get an unofficial workforce of over 98,000.

2.3 Alternative Labour Supply

There is an identifiable pool of labour in the Charnwood District that may be attracted into call centre type employment but who are not covered by official data. This pool is made up from a variety of individuals; the unemployed (but not currently seeking employment), partners of those in the workforce who are not registered for state benefits, students (which may be a potentially large market given the presence of Loughborough University in the district), those of pension age and those who have opted for early retirement but may still value (shorter) shift work or part-time positions.

There are two such groups that are relatively easy to quantify in Charnwood: the economically inactive and the 'new grey' segments of the population (the 'new grey' population is those in the employed workforce over the age of 65 (men and women)). In the district it is estimated that there are 18,000 of working age who are economically inactive (a rate of 17%, lower than county and regional rates). Of these 11,000 are women. There are around 1,000 in the new grey segment of the population in employment (1.1% of the employed workforce). This is a relatively smaller proportion than in other parts of the county and suggests that with the right marketing of opportunities there may be scope to bring more of these into the labour market.

2.4 Education and Qualifications

School performance is only available at unitary authority level so Charnwood is covered by the Leicestershire LEA. The proportion of school leavers leaving with 5 or more GCSEs at grades A-C was 48.3% compared to a figure of 47.9% for England. The average point score for those doing advanced GNVQ was also higher in Leicestershire than nationally. However the average points score for those doing two or more A levels is lower in Leicestershire than the national average.

Data on participation in training and NVQ attainment is available from the Labour Force Survey. This shows that in the Autumn of 1999 14.9% of the working age population were involved in workplace training. This is a higher proportion than the county and region. There were 45,000 qualified to NVQ Level 3 or equivalent (41%, above the county level of 38.4%) and 21,000 were qualified to NVQ Level 4 (19.4%, below the county level of 19.6%).

2.5 Current Call Centre Activity

At the moment current call centre activity is believed to be limited to a series of 'pocket' call centres operated by the major employers in the location. The University also operates a call centre for part of the year as part of student recruitment activities but its short operating period and the lack of an integrated and centralised call centre environment leads us to preclude this from aggregation of call centre seats locally.

3.0 HARBOROUGH

Key Statistics

Population (1998)	75,200
Employment	38,000
Unemployment rate (January 2000)	1.3%
Official Labour Pool	38,502
Working age qualified to NVQ Level 3	20,000
Working age qualified to NVQ Level 4	10,000

Harborough District covers much of south Leicestershire. It is a predominantly rural area with Market Harborough being the largest town. Agriculture and land-based industries are important sectors of the economy in the rural areas. The M1 runs through the west of the district and Market Harborough is linked to Leicester by the A6. The Midland Mainline provides a direct link to London St Pancras (average journey time is 1 hour 10 mins). Major employers in the district include: Argos, Asda, Golden Wonder (Foods) and Tungstone Batteries.

3.1 Population

In 1998 the estimated population of Harborough was 75,200. Population growth between 1991 and 1998 was 11.2%, the second highest of the districts in the county, and well above regional and national rates of growth. Unlike the rest of the county population growth has been almost identical among men and women (growth of 11.2% and 11.3% respectively).

The working age population in 1998 was 49,300. This is an increase of 10.1% on the 1991 figure (above both county and regional levels of growth). There are more men than women in the working age population (the gender split is 50.3: 49.7). The 45-64 age band was the largest group within the working age population in 1991, accounting for 35% of the total. In 1998 this group accounted for around 40% of the total. There has been a decline in the number of 15-29 year olds (this age band contracted by 1%).

Outside of the working age population in the important 5-14 age band there has been significant growth. Between 1991 and 1998 growth was 13.6% in Harborough, well above the growth at county level. In this age band, as in the total population, there has been no significant difference in growth by gender.

3.2 Workforce Characteristics

There were 38,000 in employment in Harborough in the autumn of 1999. Of these 44.7% were women, below the average for the county. Harborough is a relatively small market: it accounts for just 8% of total employment in the county. Unfortunately the sample size in Harborough is too small to provide an indication of the size of employment in the important 25-34 year age band. Major employers in the district are the manufacturing and distribution sectors (Lutterworth is the home of Magna Park, one of Europe's largest dedicated distribution parks).

Unemployment in Harborough is particularly low. In January 2000 the rate was 1.3%. This compares with 3.2% at county level and higher rates regionally and nationally. The rate of 1.3% is equivalent to just 502 claimants. The proportion of women among claimants, at 33.6%, is much higher than it is at county or regional level. There are just 178 claimants among the 20-35 age band. Again the proportion of women in this group is significantly higher than at county or regional level.

A more accurate indication of the number of people a potential call centre operator could recruit in a relatively short period of time can be found by looking at the flows into and out of unemployment. As in the rest of the county flows into unemployment were greater than flows out of unemployment in January 2000 which means that the stock is rising. The size of the flows, as a proportion of the total unemployed stock, are significantly higher in Harborough than they are elsewhere. In January 179 flowed into the unemployed pool while 101 flowed out of the pool. If only 10% of those who leave the unemployed pool were suitable for employment in a call centre environment then around 30 people may be recruited over a standard three month recruitment period.

Taking the employed and the unemployed together we get the total official workforce. In Harborough this is around 38,500. Adding to this a factor of 10% to account for the hidden labour market (discussed in more detail below) then we get an unofficial labour force of around 42,300.

3.3 Alternative Labour Supply

There is a pool of labour in Harborough that may be attracted into call centre type employment but who are not covered by official data. This pool is made up from a variety of individuals; the unemployed (but not currently seeking employment), partners of those in the workforce who are not registered for state benefits, students, those of pension age and those who have opted for early retirement but may still value (shorter) shift work or part-time positions.

The only latent pool of individuals not yet recorded by official employment and unemployment statistics in Harborough that are relatively easy to quantify are the economically inactive men and women within the population. Sampling issues mean that an indication of the size of the 'new grey' market is unavailable from official data (the 'new grey' population is those in the employed workforce over the age of 65 (men and women)). Within the district it is estimated that there are 18,000 people over the age of 16 who are inactive (proportionately more than at county and regional levels) and 11,000 of these are women. Figures for the economically inactive of working age are not available. There is no appreciable student population in residence throughout the year.

3.4 Education and Qualifications

School performance is only available at unitary authority level. Therefore, Harborough is covered by the Leicestershire LEA. The proportion of school leavers leaving with 5 or more GCSEs at grades A-C was 48.3% compared to a figure of 47.9% for England. The average point score for those doing advanced GNVQ was also higher in Leicestershire than nationally. However the average points score for those doing two or more A levels is lower in Leicestershire than the national average.

Data on NVQ attainment is available from the Labour Force Survey and attainment is higher in Harborough than it is in the rest of the county. This shows that in the autumn of 1999 there were 20,000 people of working age qualified to NVQ Level 3 or its equivalent (a rate of 43% compared to a county rate of 38.4%). There were also 10,000 qualified to NVQ Level 4 or its equivalent (a rate of 22.4% compared to a county rate of 19.6%).

3.5 Current Call Centre Activity

A small call centre operated by Tangible Results is located in Harborough, employing around a dozen full time agents.

4.0 HINCKLEY AND BOSWORTH

Key Statistics

Population (1998)	97,700
Employment	60,000
Unemployment rate (January 2000)	2.4%
Official Labour Pool	61,144
Working age qualified to NVQ Level 3	26,000
Working age qualified to NVQ Level 4	13,000

The borough of Hinckley and Bosworth lies in the south west of Leicestershire. Hinckley is the major town of the district, with the north eastern area of the district a former mining area. A significant amount of commuting takes place from the district to both Leicester and towns in the West Midlands (Coventry and Warwick in particular).

Transport links are extremely good, with both the M1 and the M69 passing through the district and forming the gateway to either part of the Midlands region. The A5 also provides a link to the M42. Regular rail services are available to Leicester, Birmingham and London. Major employers in the district include Rexam Corrugated Steels, Transco, Caterpillar and Triumph Motorcycles.

4.1 Population

In 1998 the estimated population of Hinckley and Bosworth was 97,700. There was population growth of just 1.6% between 1991 and 1998, the lowest of any of the districts in Leicestershire and well below the county average of 7.1%. The population is fairly evenly split by gender (the male-female ratio is 49.8:50.2). The population growth that has occurred has been almost entirely down to an increase in the number of men in the district.

The working age population in the district in 1998 was 64,700, an increase of just 1.2% on the 1991 figure and well below county and regional level growth. There has been a decline in the number of females of working age in the district (the number of women fell by 1.1%). The population is ageing. Between 1991 and 1998 there were falls in the number of 15-29 year olds (10.7%) and the number of 30-44 year olds (3.5%). These falls are in sharp contrast with the other districts in the county. The 45-64 year age band now account for 38.8% of the working age population, up from around one third in 1991.

The district is also losing young people, those in the 5-14 age band who represent a future increase in the supply of labour. There are 12,000 in this age band and between 1991 and 1998 this age band contracted by 0.4%. Hinckley and Bosworth is the only district where there has been a fall. There was a significant difference by gender though: the number of males fell by 3.5% while the number of females increased by 2.8%.

4.2 Workforce Characteristics

In the autumn of 1999 there were 60,000 in employment in Hinckley and Bosworth, around 12.6% of the total in Leicestershire. A significantly higher proportion of these are female than at county or regional level (the figures are 48.3% compared to 44.8% and 44.6% respectively). Over a quarter of those currently in employment are in the 25-34 age band. The largest sectors are manufacturing and distribution. The largest occupational group are managers and administrators.

Unemployment in the district is relatively low compared to the county and wider region. In January 2000 the unemployment rate was 2.4%. This equates to 1,144 claimants. Nearly 370 of these are women (over 32%, well above the proportion at county and regional levels). Among those aged 20-35 there were 457 claimants and again the proportion of women in this group is higher than at county or regional levels.

It instructive to look at the flows into and out of unemployment as these give an indication of turnover in the labour market and of how many people could be recruited by a potential call centre operator in a relatively short period of time. Over 440 joined the pool of unemployed in January 2000. This represents 38.9% of the stock, a higher rate than in any other district in the county. At the same time over 220 left the unemployed pool so the pool has increased by around 220 during the month. If around 10% of those who left the unemployed pool were suitable for employment in a call centre then around 20 per month could be recruited from Hinckley and Bosworth.

Taking the employed and the unemployed together we get the total of the official labour force. In Hinckley and Bosworth this is over 61,100. Adding to this a factor of 10% to account for the hidden labour market (which is discussed in more detail below) we get the total unofficial labour force. This is around 67,300 in the district.

4.3 Alternative Labour Supply

There is a pool of labour in Hinckley and Bosworth that may be attracted into call centre type employment but who are not covered by official data. This pool is made up from a variety of individuals; the unemployed (but not currently seeking employment), partners of those in the workforce who are not registered for state benefits, students, those of pension age and those who have opted for early retirement but may still value (shorter) shift work or part-time positions.

There are two such groups that are relatively easy to quantify in the district: the economically inactive and the ‘new grey’ market (the ‘new grey’ population is those in the employed workforce over the age of 65 (men and women)). It is estimated that there are 19,000 people over the age of 16 who are inactive (proportionately more than at county and regional levels) and 13,000 of these are women. Figures showing the economically inactive of working age are not available. In the ‘new grey’ segment of the population there are 2,000 in employment. This is equal to 3.3% of total employment and is a much higher proportion than at county and regional levels. This suggests that conditions in this segment of the labour market are relatively tight and that it may be difficult to increase employment from this source.

4.4 Education and Qualifications

School performance is only available at unitary authority level so Hinckley and Bosworth is covered by the Leicestershire LEA. The proportion of school leavers leaving with 5 or more GCSEs at grades A-C was 48.3% compared to a figure of 47.9% for England. The average point score for those doing advanced GNVQ was also higher in Leicestershire than nationally. However the average points score for those doing two or more A levels is lower in Leicestershire than the national average.

Data on NVQ attainment is available from the Labour Force Survey and it shows that attainment in the district is generally higher than the county average. There are 26,000 people of working age who are qualified to NVQ Level 3 or its equivalent (40.7% compared to 38.4% at county level) and 13,000 who are qualified to NVQ Level 4 (21.8% compared to 19.6% at county level).

4.5 Current Call Centre Activity

Known call centre activity in the district includes a large dedicated call centre operated by Transco. This is, in fact, one of Leicestershire’s few 24 hour call centres, currently employing around 300 people. However, the night-time activity is reduced to an estimated figure of between 25 and 50 agents. It is likely, given the balance of local demographics, that a significant proportion of those who work in this centre will, in fact, come from the West Midlands given the proximity of Coventry and Warwickshire.

5.0 LEICESTER

Key Statistics

Population (1998)	294,300
Employment	124,000
Unemployment rate (January 2000)	4.7%
Official Labour Pool	132,036
Working age qualified to NVQ Level 3	61,000
Working age qualified to NVQ Level 4	35,000

Leicester is located at the centre of the county and is, by far, the county's largest urban area. As a consequence, it acts as a sub-regional centre and attracts people to employment from a much wider area within the county (and beyond) than other areas. It has extensive road links with the rest of the county with the M1 running to the west of the city boundary. The Midland Mainline links Leicester directly to London and major cities to the north. East Midlands airport is situated 19 miles to the north of the city centre.

There are pockets of multiple deprivation in the city and, as a result of this, it is part of the European Objective 2 Programme for the East Midlands for the period 2000-2006. Major employers in the city - many of which operate call centres and generate a considerable amount of back office service sector employment opportunities - include the Midlands Co-operative Society, British Telecom, Natwest, Barclays and Alliance & Leicester.

5.1 Population

In 1998 the population of Leicester was estimated at 294,300 (over 30% of the total in the county). The population has grown by 9.0% between 1991 and 1998. This is higher than regional and national growth and it accounts for nearly two fifths of the county wide increase in population. The population is split fairly evenly by gender (the male:female ratio is 49.8:50.2) after strong growth among men in recent years. Growth among the male population has been significantly higher than among the female population (12.8% for men compared to 5.1% for women).

The working age population in the city is 189,300 and has grown by 11.9%, a higher rate than the total population. As in the wider population growth has been significantly higher among men than women. In 1991 men accounted for 48.9% of the working age population and by 1998 this had increased to 51.1%. Unlike other areas in the county, the 15-29 year old age band is the largest within the working age population, accounting for 36.8% of the total (there has been a marginal fall in the number of women in this group). However the most significant growth in recent years has been in the 30-44 age band which has grown by nearly 25%.

Leicester accounts for over half of the 5-14 age band in the county. There were 42,600 in this age group in the city in 1998, an increase of 13.6% on the 1991 figure. Growth in this age band has been much more balanced by gender than in other parts of the county but has been slightly higher among young men.

5.2 Workforce Characteristics

There were 124,000 in employment in Leicester in the autumn of 1999. The proportion of those women in employment is lower in Leicester than it is at county or regional levels (43.5% compared to 44.8% and 44.6% respectively). Of total employment, 33,000 are between the ages of 25 and 34. The manufacturing sector is the largest employer accounting for 27% of all jobs. In the service sector, distribution and public administration each account for around one fifth of total employment. By occupation, the largest employment groups are craft and related occupations and plant and machine operatives.

Unemployment in Leicester is higher than in any other area in the county and it is the only area that has an unemployment rate above the regional and national rates. In January 2000 the unemployment rate in the city was 4.7%. This equates to a total of 8,036 claimants which is more than half of the total in the county. The proportion of women among the unemployed is in line with the national average but is below both regional and county averages. Of the 8,036 claimants 3,654 are in the 20-35 age band. Women account for around one fifth of the unemployed in this age group.

Looking at the flows into and out of unemployment gives a clearer indication of the numbers of people that a potential call centre operator may be able to recruit in a relatively short period of time. Total flows into unemployment were 1,826 (22.7% of the stock) and flows out of unemployment were 1,244 (15.5% of the stock and of which 348 were women). This means that the pool of unemployed increased during the month. The size of the flows are relatively smaller in Leicester than at county and regional levels. However if only 10% of those who leave the pool of unemployed were suitable for call centre type employment then immediate recruitment of around 120 per month could take place for a short period of time.

Adding those in employment to those who are unemployed gives the official total labour force. In Leicester this is 132,036 which is 28% of the total labour force of the county. Adding to this a factor of 10% to account for the hidden labour market (which we discuss in more detail below) then the total unofficial labour force is around 145,000.

5.3 Alternative Labour Supply

There is a pool of labour in Leicester that may be attracted into call centre type employment but who are not covered by official data. This pool is made up from a variety of individuals; the unemployed (but not currently seeking employment), partners of those in the workforce who are not registered for state benefits, students (there are two large universities based in the city and students are attracted by the flexible nature of the work), those of pension age and those who have opted for early retirement but may still value (shorter) shift work or part-time positions.

There are two such groups that are relatively easy to quantify in the city: the economically inactive and the ‘new grey’ market (the ‘new grey’ population is those in the employed workforce over the age of 65 (men and women)). It is estimated that there are 45,000 people of working age who are inactive and 29,000 of these are women. In the ‘new grey’ segment of the population there are 3,000 in employment. This is equal to 2.4% of total employment, a lower proportion than at county and regional levels. This suggests that with the right marketing of opportunities there may be scope to increase employment from this source.

5.4 Education and Qualifications

School and college attainment is much lower in Leicester LEA than it is in Leicestershire or nationally. In Leicester just 37.1% of school leavers have five or more GCSEs at grade A-C compared to 47.9% in England. Among those who have completed their A levels, the average point score for those taking two or more is 14.4 in Leicester compared to the national average of 18.2.

Data showing NVQ attainment is available from the Labour Force Survey and this shows that performance in Leicester is below regional and national performance. There were 61,000 people of working age qualified to NVQ Level 3 or its equivalent (34% compared to a national average of 41%) and 35,000 were qualified to NVQ Level 4 or its equivalent (19.3% compared to the national average of 22.7%).

5.5 Current Call Centre Activity

Leicester is recognised as an active location for call centres and there are a number of major operators already located within the city boundary. It forms the hub of the county’s call centre activity. Identified dedicated call centres operating within the district boundary are shown by Table A1.

Table A1: Current Call Centre Operators, Leicester

Operator	Employment
Alliance & Leicester	360
Barclays	950
British Telecom	1,000
East Midlands Electricity	150
Hays Customer Solutions	1,000
National Westminster Bank	600
Viking Direct	900
Next Directory	500
Next Retail (Debt Recovery)	100
People’s Choice	450
Total	**6,010**

In addition to the 6,010 people employed by Leicester's dedicated call centres there are also a significant number of companies/institutions that have small groups of people whose job description would match that of those who work in the dedicated call centres. For example, banks of staff at the two Universities in the city spend much of the time around the publication of A level results doing nothing but taking calls from students or potential students enquiring about the availability of courses and accommodation. In addition, and not aggregated in Table A1, the Universities have begun to set up specialised call centre environments that handle both live calls and training sessions. As a result of this we have included the Universities in our sample.

6.0 MELTON

Key Statistics

Population (1998)	46,300
Employment	26,000
Unemployment rate (January 2000)	2.2%
Official Labour Pool	26,427
Working age qualified to NVQ Level 3	15,000
Working age qualified to NVQ Level 4	n/a

Melton lies in the north east of Leicestershire and is, largely, a rural district. The largest settlement is the market town of Melton Mowbray, about 15 miles from Leicester city centre. As with all rural locations in close proximity to city centres, there is a significant amount of commuting into Leicester, but also to Nottingham. Facilitating access, there are hourly rail services to Leicester and Birmingham. Major employers in the district include: Pedigree Petfoods Ltd, Rugby Joinery (UK) Ltd and Melton Foods Ltd.

6.1 Population

In 1998 the estimated population of Melton district was 46,300. Population growth between 1991 and 1998 was 2.6%, well below the much higher rates experienced in other districts in the county. The gender split in the population is fairly even (the male female ratio is 49.9:50.1). As in other districts in the county, growth among males has been much higher than among females.

In 1998 the working age population in Melton was estimated at 30,400. Growth in this population was just 1.5%, below that in the wider population. This growth is accounted for entirely by growth among males- there has been a decline in the number of females of working age. The working age population is getting older. The fastest growing sub-group between 1991 and 1998 was the 45-64 year old age group which grew by over 13%. This group now accounts for 38% of the working age population. At the same time the number of 15-29 year olds has fallen by over 17% and the number of females in this age band has fallen by a quarter.

There are nearly 6,000 in the 5-14 age band and this had grown by 3.7% between 1991 and 1998. This is well below the average for the county and only Hinckley and Bosworth has experienced slower growth. This has been entirely down to growth in the number of females which has increased by nearly 7%.

6.2 Workforce Characteristics

There were 26,000 in employment in the district in the autumn of 1998. Of these 46.2% were women (a higher proportion than at both county and regional levels). Melton is one of the smaller labour markets accounting for just 5.5% of the total employment in the county. It is not possible, due to sampling issues in the LFS, to give an indication of the size of the 25-34 age band. The manufacturing sector accounts for the largest share of employment in the county.

Unemployment is relatively low in Melton. In January 2000 the unemployment rate was just 2.2%, below county, regional and national rates. There are just 427 unemployed claimants in the district. Of these, 120 are female, which is a slightly higher proportion than at county or regional level. Among the 20-35 age band, which is particularly important for potential call centre operators there are just 179 claimants. There are just 40 women claimants in this group, a relatively lower proportion than at county level.

Looking at the flows into and out of unemployment gives a clearer indication of the number of people who may be recruited from this source of labour in a relatively short period of time. As in other areas more people joined the claimant count in Melton in January of 2000. Flows into unemployment were 171 (or 40% of the stock) and flows out of unemployment were 91 (or 21.3% of the stock). Assuming that a modest 10% of these were suitable for employment in a call centre then only a small number, around 30, may be recruited over a three month period.

Taking the employed and the unemployed together gives the total official labour force. In Melton this is 26,427. Adding to this a factor of 10% to account for the hidden labour market (which is discussed in more detail below) then we arrive at a total unofficial labour force of 29,070.

6.3 Alternative Labour Supply

There is a pool of labour that may be attracted into call centre type employment but who are not covered by official data. This pool is made up from a variety of individuals; the unemployed (but not currently seeking employment), partners of those in the workforce who are not registered for state benefits, students, those of pension age and those who have opted for early retirement but may still value (shorter) shift work or part-time positions.

There are two such groups that are relatively easy to quantify in the district: the economically inactive and the ‘new grey’ market (the ‘new grey’ population is those in the employed workforce over the age of 65 (men and women)). It is estimated that there are 11,000 people over the age of 16 who are inactive (proportionately more than at county and regional levels). It is not possible to give a break down by gender. Figures for the economically inactive of working age are not available. In the ‘new grey’ segment of the population there are 1,000 in employment. This is equal to 3.8% of total employment, a higher proportion than at county and regional levels. This suggests that conditions in this segment of the labour market are quite tight and that it may prove difficult to increase employment from this source.

6.4 Education and Qualifications

Schools statistics for Melton are covered by the Leicestershire LEA global figures. The proportion of school leavers leaving with 5 or more GCSEs at grades A-C was 48.3% compared to a figure of 47.9% for England. The average point score for those achieving Advanced GNVQ's was also higher in Leicestershire than nationally. However the average points score for those doing two or more A levels is lower in Leicestershire than the national average which may signal a more vocationally trained school leaving population.

Data on NVQ attainment is available from the Labour Force Survey for the Melton District. This shows that in the autumn of 1999 there were 15,000 people of working age qualified to NVQ level 3 or its equivalent, a rate of 46.1% which is well above both regional and national levels.

6.5 Current Call Centre Activity

There is no known dedicated call centre activity within the district but we understand a number of the largest employers may operate small in-house units - a small proportion of which will operate 52 weeks per year - as call centre 'departments'. These are unlikely to exceed 100 full and part-time staff in total within the district.

7.0 NORTH WEST LEICESTERSHIRE

Key Statistics

Population (1998)	85,000
Employment	44,000
Unemployment rate (January 2000)	2.4%
Official Labour Pool	45,079
Working age qualified to NVQ Level 3	18,000
Working age qualified to NVQ Level 4	n/a

North West Leicestershire is a former mining area and in recent years has restructured its economy away from coal. There are strong links between the district and Leicester to the south, Derby and Nottingham to the north, and Burton to the west. Junction 24 of the M1 at the East Midlands Airport in the north of the district is a key hub in the transport infrastructure. The M42 runs through the district giving direct access to the West Midlands. However rail links are less developed. Major employers in the district include Nestle, United Biscuits and Canon.

7.1 Population

In 1998 the estimated population of the district was 85,000. Since 1991 the population has grown by 5.5%, above the regional and national rates but below that experienced by the county. Unlike many of the other districts in the county there are more men than women in the population. In 1998 50.2% of the population were men compared to 49.8% at county level. In common with other districts, growth has been stronger among the male population than the female population.

The working age population in 1998 was estimated to be 56,200. Since 1991 this has grown by 6.1%, a higher rate than regionally but below that at county level. Over 51% of the working age population are male. The working age population is ageing. In 1998 the largest group within the working age population was the 45-64 age band who accounted for 38% of the total. This group has also been the fastest growing, by over 15% since 1991. The number of people in the 15-29 age band has fallen by around 300 (a fall of 1.6%). The number of females in this group has fallen by over 5%.

There are 10,800 in the 5-14 age band. This is a significant source of labour in the future. Growth in this age band has been 7.7%, below the average growth in the county. As in the other age bands discussed, it has been the male population where growth has been the highest.

7.2 Workforce Characteristics

In the autumn of 1999 there were 44,000 in employment in North West Leicestershire. Of these 19,000 were women, a lower proportion than at county, regional or national levels. A quarter of the workforce were between the ages of 25 and 34. The largest sectors are the manufacturing and distribution sectors which together account for around half of all employment in the district.

Unemployment is relatively low in the district. In January 2000 the unemployment rate was just 2.4%, below the county, regional and national rates. There were 1,079 claimants in the district of which 298 (27.8%) were women, a higher proportion than regionally, nationally or at county level. There were 428 claimants between the ages of 20 and 35. Just over a quarter of these are women.

Looking at the flows into and out of unemployment gives a clearer indication of the numbers of people who would be able to be recruited by a potential call centre operator in a short period of time. Just over 300 joined the pool of unemployed in January and 216 left the count. Of the 216 who left the unemployed pool, 80 were female. If just a modest 10% of those who leave the pool of unemployed are suitable for employment in a call centre then around 20 people per month could be recruited from the district in the short term.

Taking the employed and the unemployed together gives the total official labour force. In North West Leicestershire this is 45,079. Adding to this a factor of 10% to account for the hidden labour market (which is discussed in more detail below) then we arrive at a total unofficial labour force of 49,587.

7.3 Alternative Labour Supply

There is a pool of labour that may be attracted into call centre type employment in the district but who are not covered by official data. This pool is made up from a variety of individuals; the unemployed (but not currently seeking employment), partners of those in the workforce who are not registered for state benefits, students, those of pension age and those who have opted for early retirement but may still value (shorter) shift work or part-time positions.

There are two such groups that are relatively easy to quantify in the district: the economically inactive and the ‘new grey’ market (the ‘new grey’ population is those in the employed workforce over the age of 65 (men and women)). It is estimated that there are 20,000 people over the age of 16 who are inactive (proportionately more than at county and regional levels). Of these 13,000 are women. Figures for the economically inactive of working age are not available. In the ‘new grey’ segment of the population there are 1,000 in employment. This is equal to 2.3% of total employment, a similar proportion to that at county but below regional levels. This suggests that with the right marketing of opportunities there may be some scope to increase employment from this source.

7.4 Education and Qualifications

School performance is only available at unitary authority level so North West Leicestershire is covered by the Leicestershire LEA. The proportion of school leavers leaving with 5 or more GCSEs at grades A-C was 48.3% compared to a figure of 47.9% for England. The average point score for those doing advanced GNVQ was also higher in Leicestershire than nationally. However the average points score for those doing two or more A levels is lower in Leicestershire than the national average.

Data on NVQ attainment is available from the Labour Force Survey. This shows that in the autumn of 1999 there were 18,000 people of working age qualified to NVQ level 3 or its equivalent. This is equal to 33.5% of the working age population and is a lower proportion than at county, regional or national level. Data on attainment at level 4 is unavailable.

7.5 Current Call Centre Activity

There are a couple of large dedicated call centres in the district, based mainly around Castle Donnington and the airport. British Midland Airways operate a centre that employs around 700 people and DHL also has a centre there employing around 450 staff.

8.0 OADBY AND WIGSTON

Key Statistics

Population (1998)	52,700
Employment	26,000
Unemployment rate (January 2000)	3.3%
Official Labour Pool	26,763
Working age qualified to NVQ Level 3	10,000
Working age qualified to NVQ Level 4	n/a

Oadby and Wigston is immediately to the south of Leicester and is a predominantly urban district. The Leicester ring road runs through the north of the district which gives access to both the M1 and M69 as well as the city centre. There are rail services into Leicester, Nottingham and Birmingham. Major employers in the district include: Jacobs Bakery Ltd, RF Brookes and Colorgraphic (Leicester) Ltd.

8.1 Population

Oadby and Wigston has one of the smallest populations in Leicestershire (only Rutland has fewer people). In 1998 the estimated population of the district was 52,700. It also has one of the slowest growth rates in the county - just 2.2% between 1991 and 1998, well below rates in other parts of the county. Of the population, 49.1% are male and, as in other parts of the county, growth has been higher among the male population than it has among the female population.

In 1998 the working age population was 34,200. The working age population has fallen by 1.3% between 1991 and 1998 (there has been a fall in the number of both men and women). This is the only district in the county that has experienced such a fall. This population is ageing too. The 45-64 year old age band is the only group to experience a growth in population and now accounts for two fifths of this population. There have been falls of 7.6% and 4.8% respectively in the 15-29 and 30-44 age groups.

Outside of the working age population in the 5-14 age band there has been growth of 8% between 1991 and 1998 so that there are now 6,800 in this age band.

8.2 Workforce Characteristics

In the autumn of 1998 there were 26,000 in employment in the district. Of these 11,000 were women, a relatively low proportion compared to other parts of the county and the region. The major employment sectors in the district are manufacturing and distribution.

Unemployment is high compared to other districts. The unemployment rate in January 2000 was 3.3% compared to 3.2% at county level and 3.9% at regional level. The unemployment rate represents 763 claimants. There are 215 female claimants among these, a higher proportion than at county level or regionally. Among the 20-35 age band there are 304 claimants of which 70 are women.

It is useful to look at flows into and out of the pool of unemployed. This gives a clearer indication of the number of people who could be recruited by a potential call centre operator in a short period of time. In January 2000 232 people joined the unemployed pool and 141 people left, implying that the number of unemployed has increased. If only 10% of those who leave the unemployed pool are suitable for a potential call centre operator, then around 40-45 may be recruited over a three month period in the district.

Adding the employed and the unemployed together gives the total official labour force. This is 26,763 in Oadby and Wigston. Adding a factor of 10% to account for the hidden labour market (which is discussed in more detail below) gives a total unofficial labour force of 29,439.

8.3 Alternative Labour Supply

There is a pool of labour that may be attracted into call centre type employment in the district but who are not covered by official data. This pool is made up from a variety of individuals; the unemployed (but not currently seeking employment), partners of those in the workforce who are not registered for state benefits, students, those of pension age and those who have opted for early retirement but may still value (shorter) shift work or part-time positions.

There are two such groups that are relatively easy to quantify in the district: the economically inactive and the ‘new grey’ market. It is estimated that there are 15,000 people over the age of 16 who are inactive (proportionately more than at county and regional levels). A figure showing the number of economically inactive of working age is not available. In the ‘new grey’ segment of the population there are 2,000 in employment. This is equal to 7.7% of total employment, a much higher proportion than at county, regional and national levels. This suggests that this segment of the labour market is tight and that it would be difficult to increase recruitment from this source.

8.4 Education and Qualifications

School performance is only available at unitary authority level so Oadby and Wigston is covered by the Leicestershire LEA. The proportion of school leavers leaving with 5 or more GCSEs at grades A-C was 48.3% compared to a figure of 47.9% for England. The average point score for those doing advanced GNVQ was also higher in Leicestershire than nationally. However the average points score for those doing two or more A levels is lower in Leicestershire than the national average.

Data on NVQ attainment is available from the Labour Force Survey and this shows that attainment in Oadby and Wigston is relatively low. There are 10,000 of working age qualified to NVQ level 3 or its equivalent. This is relatively fewer than at county or regional level (33.7% compared to 38.4% and 38.6%).

8.5 Current Call Centre Activity

No dedicated call centres have been identified within Oadby and Wigston.

9.0 RUTLAND

Key Statistics

Population (1998)	35,700
Employment	15,000
Unemployment rate (January 2000)	1.1%
Official Labour Pool	15,171
Working age qualified to NVQ Level 3	n/a
Working age qualified to NVQ Level 4	n/a

Rutland is a unitary authority area to the east of Leicester. It gained unitary authority status in 1997 after being part of Leicestershire since 1974. The main population centre is Oakham. The tourism and agricultural sectors are important to the local economy. Major employers in the county include: Land's End Direct Merchandising, RPC Containers Ltd and Castle Cement Ltd.

9.1 Population

The population of Rutland in 1998 was estimated at 35,700. As in Leicestershire there are more women than men in the population. Between 1991 and 1998 the population grew by 13.4%, higher than any area in Leicestershire. This increase was driven by growth in the number of women in the area which increased by nearly 20%.

There were 23,500 people of working age in Rutland in 1998, an increase of 12.2% on the 1991 figure and over 5% higher than the associated growth in the whole of the county. However, as in Leicestershire, the working age population is ageing. As a consequence, the largest (and fastest growing) group among the working age population is the 45-64 age group. The population within this age group grew by 16.5% between 1991 and 1998.

From an overall rate of change in those aged between 15 and 29 of 16.7%, the pattern of population change differs very significantly between men and women. There has been a large rise in the number of women of this age in the area (almost 30%), but a large fall in the number of similarly aged men (equivalent to 18% of the 1991 population).

Below the current working age population, in the 5-14 age grouping, there has been growth of over 12% so that in 1998 there were an estimated 4,500 in this age band. This growth is higher than that which occurred in Leicestershire during the same period. Growth in Rutland was concentrated in males which should serve to (partially) balance the recent significant growth in females within the working age population over the medium term.

9.2 Workforce Characteristics

In the autumn of 1999 there were 15,000 in employment in the county. The largest employment sectors were public administration, distribution and manufacturing. The unemployment rate in the unitary authority area is significantly lower than any comparable area in Leicestershire at just 1.1% (January 2000). In absolute terms, there were only 171 claimants with 56 (32.7%) of these being women. Only 64 unemployed claimants were between the ages of 20 and 35, equivalent to 37.4% of the total. However, as in Leicestershire the flows into unemployment were larger than those out of unemployment (57 joined the claimant count and 35 left in January 2000).

Taking the employed and the unemployed together we obtain a total official labour pool of 15,171 in Rutland. Adding a factor of 10% to this to account for individuals off-labour market but who may be attracted into seeking work in a call centre environment, the total unofficial labour pool would amount to only 16,700 within the district.

9.3 Education and Qualifications

School performance compares favourably in Rutland to both Leicestershire and the national averages. The proportion of school leavers leaving with 5 or more GCSEs at grades A-C was 58.9% compared to a figure of 48.3% for Leicestershire and 47.9% for England. The average points score for those doing two or more A levels in Rutland is 18.4 compared to 17.2 in Leicestershire and 18.2 nationally.

Data on NVQ attainment in the county is unavailable.

9.4 Current Call Centre Activity

Current call centre activity in the county is dominated by Land's End Direct which operates a call centre in Oakham believed to employ up to 400 people handling both inbound and outbound calls. Land's End are in a rapidly growing business area and reports in the specialist call centre press suggest that they will be expanding their operations further in the near future. Whether this is through expansion of the existing site or an entirely additional call centre elsewhere is, as yet, unknown.

ANNEX 4

INTERVIEW QUESTIONNAIRE

STRUCTURED INTERVIEW RESPONSE SHEET

Good morning/afternoon. I am calling as part of a study on behalf of Leicestershire Development Agency and Leicestershire Training and Enterprise Council. The Agency and TEC are seeking to gather information on the call centres that operate in the county, in particular on what call centres need in terms of business support and how local business support agencies might be able to offer more targeted and better value services to firms in the future.

You should already have been contacted by a member of our team to arrange this time for a short telephone interview. Is it still convenient to take the next 20 minutes of your time to take part in the research?
*If not, please re-arrange time to call.. *re-call* ____________________________ *at* ________________

Thank you - I must also point out that all contributions to the study are valuable but that your responses are provided in total confidence. None of the information you supply can be linked back to individual firms - we are simply collecting information to assemble a picture of the call centre sector in the county as a whole.

Note: If interviewee requests information or further verification of study, etc. the contact point is <u>Mr. Mick Evans, Leciestershire TEC, 0116 265 1515</u>

ORGANISATION DETAILS *(complete as much as possible prior to interview)*

Organisation ____
Postcode __________________________
Name of Interviewee ____
Date of Interview ____

CONSULTATION TYPE

[Interviewer: may need to be coded after interview]

	Employer with current call centre operation
	Employer with planned call centre operation
	Employer with no firm plans for call centre operation

INTRO: Could you first please briefly describe the nature of the business carried out by the firm, and on your particular site?

Interviewer: code below

PRINCIPAL AREA OF ACTIVITY (CODE ALL THAT APPLY)

	Firm	On Site		Firm	On Site
Manufacturing Retail			Distribution Information Technology / New Media		
Financial Services - Bank			Leisure		
Financial Services - Non-Bank			Outsourcing Provider		
Marketing / Business Services			Mail Order Company		
Telecommunications			Utility		
			Public Sector / Education		

And, how long has the company operated from that particular site?

	years
	months

A. Setting the Context

1. How many people are employed by the firm **at the site**, and how are these broken down into part time and full time staff?

	1 – Total	2 - Total in Call Centre only: Agents	T Leaders	Managers
Total Employment				
Full Time				
Part Time				
FTEs (interviewer to code)				

2. And of these, how many work in the call centre itself as opposed to other managerial or non-call centre operations (again also broken down by part time and full time but also by agents, Team Leaders and higher level managerial staff)?
   Interviewer: code in column 2 above

2b. In the call centre itself, on average how do full-time and part-time staff breakdown into men and women?

	Male	Female
Full Time staff	%	%
Part Time staff	%	%

3. And, what would you say is the approximate average age of the staff currently employed?

..average age	
..males *(if information offered)*	
..females *(if information offered)*	

4. In total, how many seats (or desks) are there in the call centre?

   Total Seats ____________

   Interviewer: on completion of survey work out average FTEs : seats ratio..
   Seats : FTEs ratio ____________

5. And, how long has the call centre been in operation at that site?

	years
	months

Thank you, I will now ask a short set of questions about the types of calls handled by staff in the call centre...

6. Of the total calls made into or out of the call centre, approximately what percentage are inbound calls?

	% calls made	*scripted*	*non-scripted*
% inbound	%	%	%
% outbound	* %	%	%

*(*interviewer: for outbound code 1-% above)*

Interviewer, if outbound calls made..

7. Of the total outbound calls made, what percentage of these would you say are scripted as opposed to non-scripted? *(Interviewer: insert above)*

8. On an average day, what is the split of calls that agents make or take from members of the public, businesses, other organisations or people from within your firm?

Members of the public	%
Businesses	%
Other organisations	%
From within the firm itself?	%

b. Interviewer: If any calls involve business clients..

8b. And how would you say the calls to or from other businesses break down into the following categories.. *(code all that apply)*

*** manufacturing sector companies as against firms in the service sector?**

..manufacturing companies	%	
..service sector companies	%	
a. new business calls (cold calls with no leads)		%
b. new business calls (that are not cold calling)		
c. providing general information to customers about products and services or the firm?		
d. providing specific or technical advice or support to the customer relating to a product or service of the firm?		
e. ongoing support calls of a more general nature?		
f. managing complaints, problems or queries?		
g. undertaking market research of other businesses or customers?		
h. taking orders from customers?		
i. some other reason for call (brief details)		

Interviewer: If more than one type of call is provided

And which of these would you say is the predominant type of call handled?

Interviewer: code number from list above [ ]

Interviewer: Ask only if any calls involve members of the public..

8c. And what is the breakdown of calls with members of the public in the following similar areas?

j. providing general information to customers about products and services *or* the firm?	%
k. providing specific technical advice or assistance to inbound callers?	%
l. ongoing customer support of a more general nature?	%
m. selling or marketing products or services to customers (through cold calling)?	%
n. selling products or services following a sales lead of some form?	%
o. taking orders from customers who already know what they want to purchase?	%
p. undertaking market research of some form?	%
q. managing complaints, problems or queries?	%
r. ..or some other reason for call (brief details)	%

____

____

Interviewer: If more than one type of call is provided

And, again, which would you say is the most common type of call handled

Interviewer: code number from list above [ ]

9. Thinking now about the destination or source of calls handled by the call centre, what proportion would you say are..

local or regional calls	%
other national calls	%
non-UK European calls	%
calls outside of Europe	%

interviewer: check = 100%

10. And finally, how many hours a day does the 'call centre' (but not the wider firm) operate across? *(do not prompt - code in ranges below)*

less than 6 hours		over 12 but less than 24 hours	
between 6 and 8		24 hours	
more than 8 but less than 12			

10b. Could I also ask whether the call centre operates a standard 5 day working week or is open at the weekend?

5 day week	
5 days + Saturday	
7 day week	
other (specify)	

B. Current Recruitment Activities

B1 - I would now like to turn to a short set of questions about your experience with operating a call centre in Leicestershire and your more local area.

11. Have you recruited staff to the call centre within the last 18 months?

Yes	
No *(move to Q15)*	
Don't Know *(to Q15)*	

12. And which of the following mechanisms have been used to recruit staff?

Own advertising in local press?	
Use of a private employment agency?	
Use of the local Jobcentre network?	
or something else? *Please specify*	

____

13. Are there any specific levels of staff, particular skills or vacancies within the call centre that you have found hard to fill?

Yes	
No	
Don't Know	

If yes, please specify levels of staff etc and key reasons given…

____

____

____

____

14. And do you have any preferences in terms of the age range and prior experience of recruits that work in the call centre?
(interviewer: open response, please probe issues around part time and full time roles, and whether any particular target group has been identified and recruited locally)

____

____

____

____

15. Thinking about your local area now, would you say that over the last 12 months the availability of call centre staff has..

a. become severely worse	
b. got slightly worse	
c. not changed	
d. improved slightly	
e. or, significantly improved.	
f. don't know/unable to answer	

Interviewer: If respondent gives an extreme answer (a or e) to Q15...

..Why do do you think this is the case?

____

____

____

____

16. And has the firm ever attempted to target any specific geographic areas or recruited particular groups of individuals (such as the very young, graduates, unemployed or older workers) in filling recruitment needs for the call centre?

		Do you think this has been successful?	
		Yes	**No**
Yes	⇒		
No (move to Q_)			

Interviewer: probe brief details of who has been targeted and why?

____

____

____

____

17. Over the last year, how many staff would you say have left the call centre? *(Interviewer: note we are trying to get to the gross staff leavers, not net change in size of staffing i.e. strip out any replenishment)*

Insert code	staff	%

18. And has the number of staff leaving the call centre over the last **6** months been a..

significant increase,	
a small increase,	
about the same,	
slightly lower, or	
significantly less than the previous period?	

19. And finally in this section, would you say there are any readily identifiable gaps in skills among your employees in the call centre?

Yes	
No	
Don’t Know	

If yes, could you please briefly outline the main areas where skills have not matched your expectations?

____

____

____

____

____

Note: If respondent does not give a full response to Q19 - follow up with telephone call one week later and provide chance for reflection on some of the issues discussed during interview.

B2 - I'd like now to briefly cover the advantages and disadvantages you feel Leicestershire offers as a location for your call centre..

20. Using a scale of 1 to 5 (where 1 is extremely trouble-free and 5 would represent severe difficulties) could you score how well you think you operate from your current location in the following areas…

In each case could you also indicate whether you think that your experience would be better, worse or the same in another location outside of Leicestershire?

(Interviewer: where respondent unable to provide score please rank as 0)

Issue	***Score***	***better?***	***worse?***	***same?***
The general availability of call centre staff.				
The level of basic skills, such as interpersonal or keyboard skills, among call centre staff recruits.				
The quality of more specialised skills required by call centre staff.				
The availability - if relevant - of staff with multilingual skills.				
Staff turnover rates.				
The extent of staff absenteeism or lost time due to illness.				
The provision of training available through local training and education organisations compared to your own business' needs.				
The non-training related business support infrastructure available through local public sector organisations,				
..and other private sector business support infrastructure (i.e. accountancy, legal functions).				
Local non-car transport access to and from work				

(INTERVIEWER: WHERE RELEVANT MAKE NOTES..)

20b. And why do you say that the situation would be better or worse elsewhere?

Finally in this section, a few questions about pay and conditions…

21. Broadly speaking, what is the average gross annual salary for the most junior staff in the call centre?

Average starting salary	£

Notes if necessary

____

____

21b. And, how different is the average gross annual salary for all staff in the call centre?

Average salary (all staff)	£

Notes if necessary

____

____

22. Are agents paid a bonus in addition to their gross salary and, if so, what percentage of basic annual salary would this amount to?

Yes		% of gross
No		

C. Future Outlook

This is now the final section of the interview. I am particularly interested in how you view the future for your own operations and how you feel local business support organisations might help improve your competitiveness.

23. To set the scene, would you say that any training that is undertaken is carried out…

entirely in-house with no outside assistance	
mostly in-house with some assistance from outside training bodies	
provided by a mix of in-house resources and external trainers on-site	
provided by a mix with some training being undertaken off-site	
entirely outsourced training but still delivered on-site	
outsourced training delivered in another location	

(Interviewer: if necessary, please provide brief details…)

24. And, how many hours or days do new recruits usually undertake training for?

	On-site	**Off-site**
Internal training		
External training		

25. And, what would you describe as the main elements of training for new recruits?

26. And, do you see this changing in any way over the next 12 months or so?

Yes	
No	

(Interviewer: If yes, please provide brief details..)

27. If we were able to look at the call centre in 12 months time, in terms of recruitment of staff or the range of activities do you think that the call centre would be..

27a. ..smaller, larger or the same size?

	staff size	***activity scale***
smaller		
larger		
same size		

*(Interviewer: if smaller/larger, please probe by how much is the call centre expected to grow/reduce in size? **AND NATURE OF KEY STAFF THAT WILL BE IN DEMAND (i.e. type of agent, experience, etc**)*

27b. ..and would you expect to be performing the same tasks, entirely different ones or be doing something in addition to what the call centre does today?

same tasks?	
entirely different ones?	
a different mix?	

(Interviewer: if different or additional tasks, please probe as to nature of the change?)

27c. ..and would you say that the growth of e-commerce is going to have an impact on the nature of work undertaken in the call centre over the coming year?

Yes	
No	
Don't Know	

(Interviewer: If yes, probe for plans, likely developments in the area of e-technology etc)

And finally, an opportunity for you to provide any other information about the future that we have not yet covered…

28. Looking forward over the next five years, what do you feel will be the three most important issues of change that the call centre will have to deal with?

1 ____

2 ____

3 ____

ANNEX 5

LIST OF CONSULTEES

International Centre for Law
University of Leicester
Alliance & Leicester (2 separate sites)
British Telecom
DHL
Next Directory
Riviera Components Ltd
Hays Customer Solutions
Hatz GB Limited
Loughborough University
Next (Debt Collection)
People's Choice
Tangible Results