Cheshire and Warrington
Local Enterprise Partnership

Cheshire and Warrington Labour Market Assessment

January 2023

Brennan Wilson Ltd

Please Note: This presentation has been commissioned for the Cheshire and Warrington Local Enterprise Partnership by the Cheshire and Warrington Data and Labour Market Steering Group on behalf of the Employers' Skills and Education Board with support from the Department for Education.

THIS PRESENTATION

- PEOPLE
- ECONOMY
- DEMAND
- SUPPLY
- DEMAND AND SUPPLY
- SUMMARY OF KEY ISSUES

PEOPLE

- **POPULATION**
- **ECONOMIC ACTIVITY AND EMPLOYMENT**
- **ECONOMIC INACTIVITY**
- **UNEMPLOYMENT**
- **DEPRIVATION**

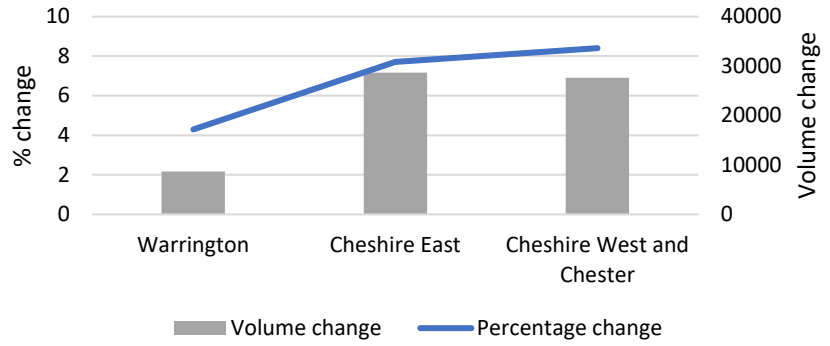
POPULATION

The usual resident population in Cheshire and Warrington has increased from 902,000 in 2011 to 967,000 in 2021, an increase of 7.2%. This compares with a population growth of 6.3% for England and Wales in the same period.

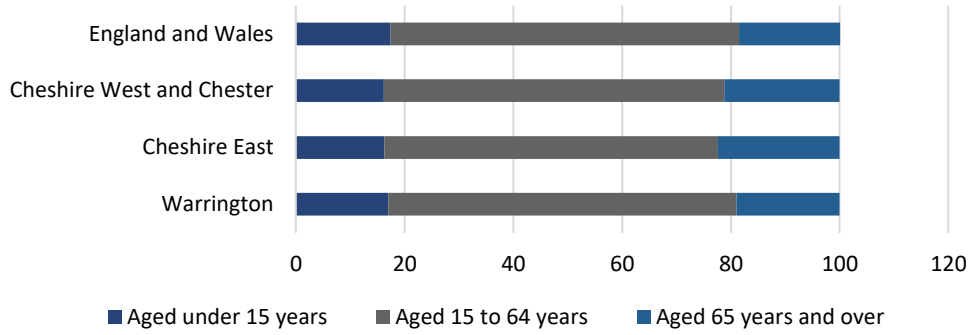
All three local authorities have lower proportions aged under 15, lower working age proportions, and higher proportions aged over 65 than England.

The C&W population is forecast to age further.

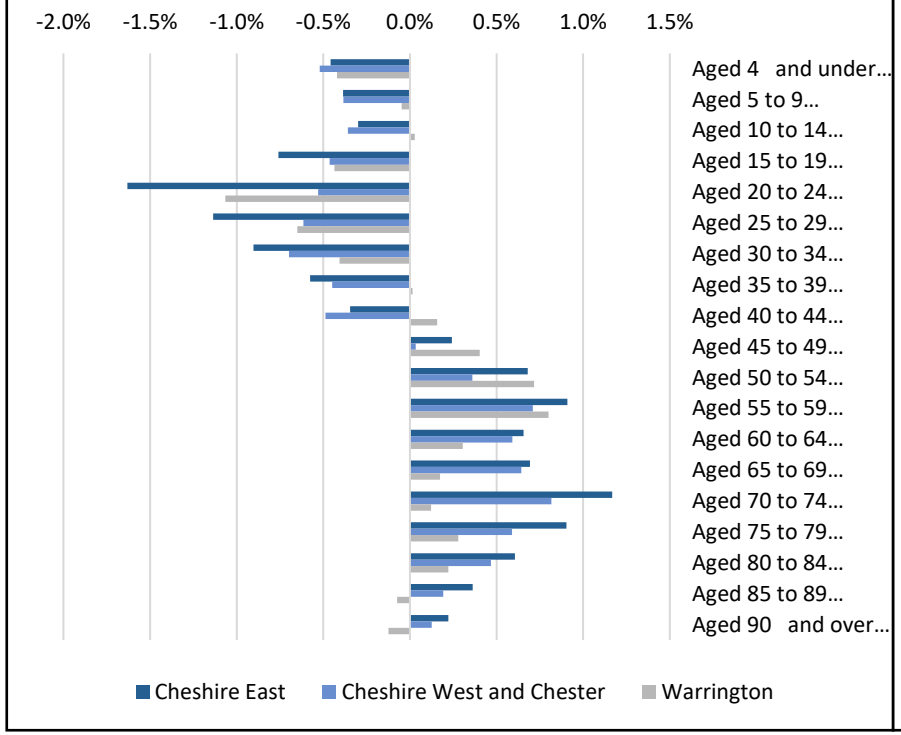
2011-2021, population change (% and volume) by local authority



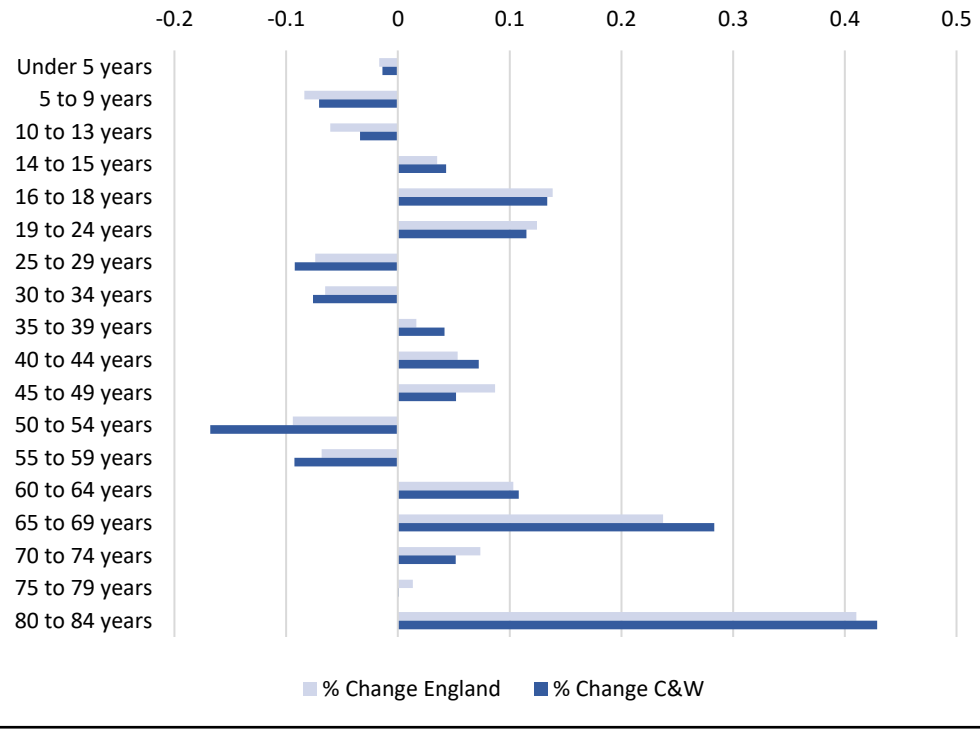
Population age (%), England and C&W local authorities



C&W LA populations 5 year age band percentage compared with England



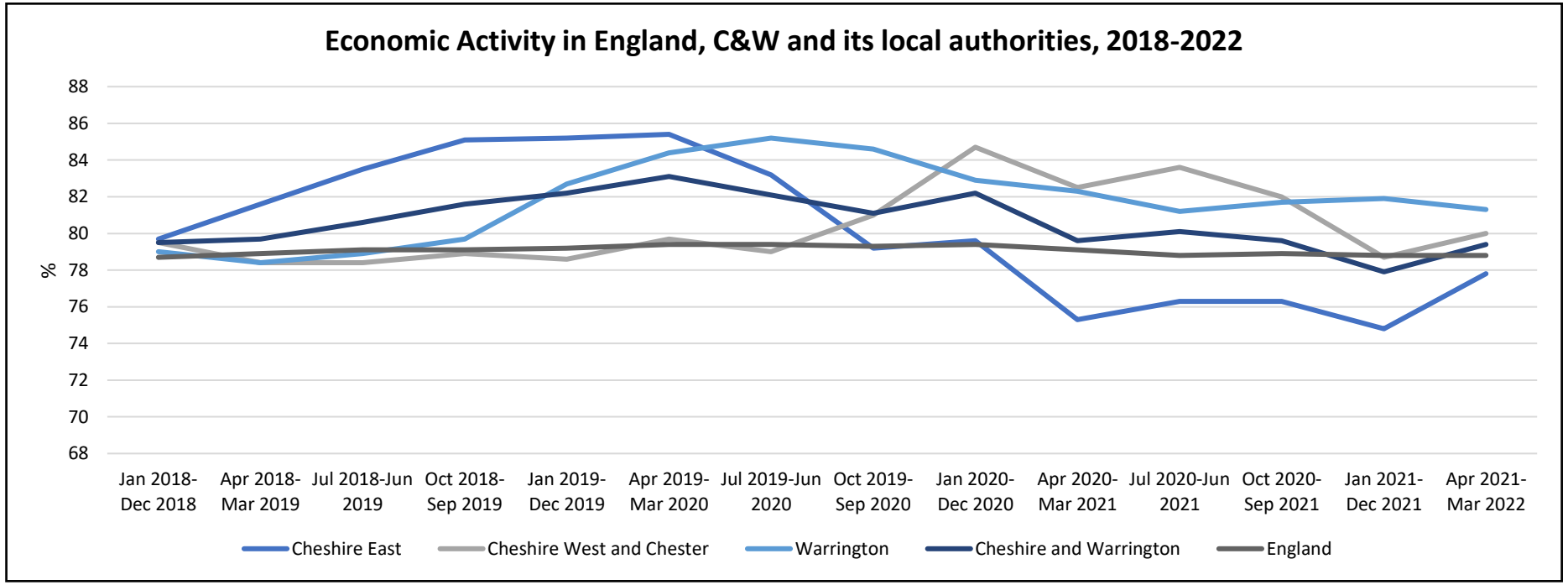
Forecast % population change by 5 year age band, England and Cheshire and Warrington, 2022-2030



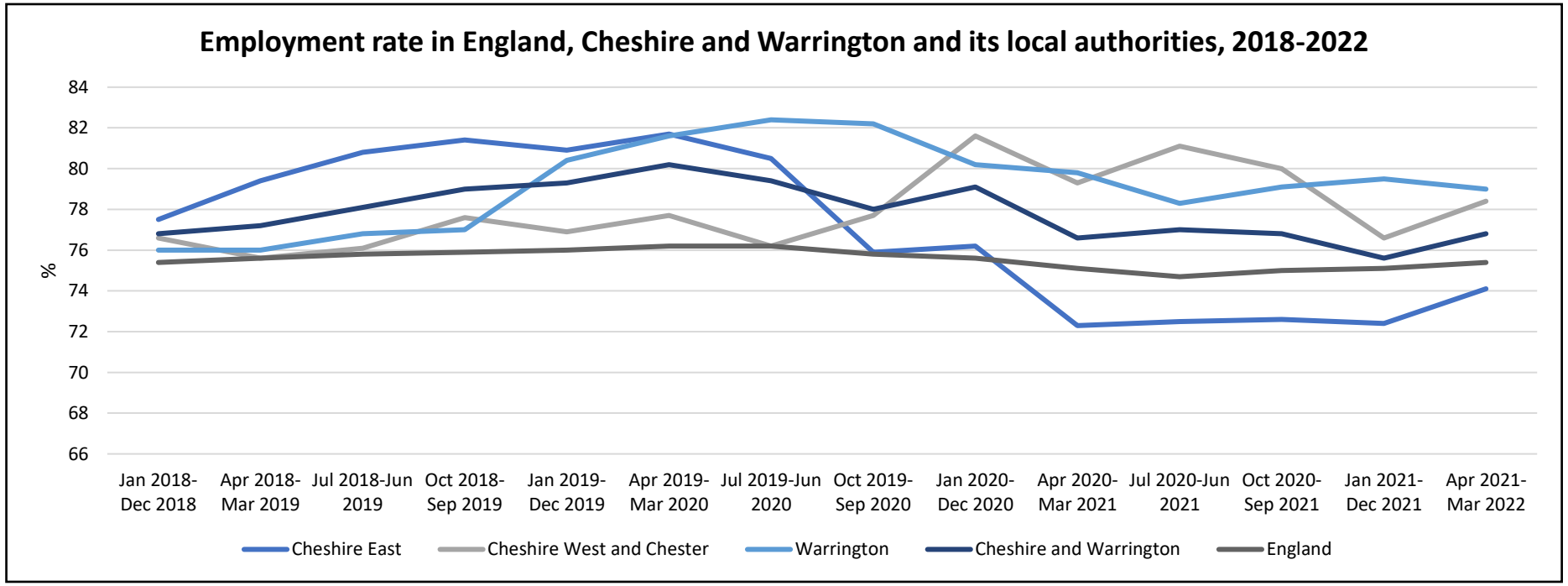
Sources: Census 2021 and Lightcast Analyst

ECONOMIC ACTIVITY AND EMPLOYMENT

Pre-pandemic economic activity for Cheshire and Warrington had been consistently higher than for England. From the onset of the pandemic the economic activity rates for England and Cheshire and Warrington have seen a convergence. In the period from the onset of the pandemic, the economic activity rate in Warrington and Cheshire West and Chester has generally been above that of England whilst that for Cheshire East has generally been below England.

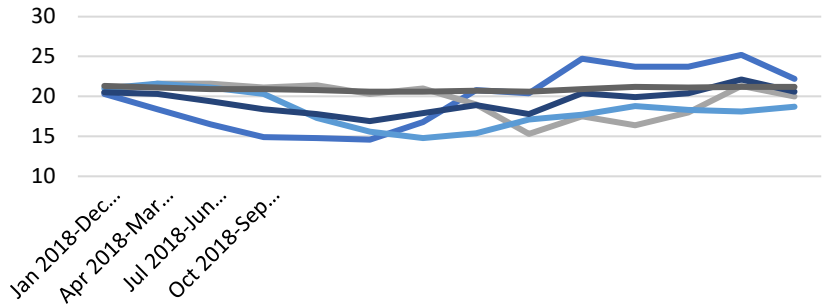


The employment rates in Cheshire and Warrington and Warrington and Cheshire West and Chester have remained consistently higher than England. Whilst the pre-pandemic employment rate for Cheshire East was above England pre-pandemic it has now been reported as below the English level for five consecutive quarters.

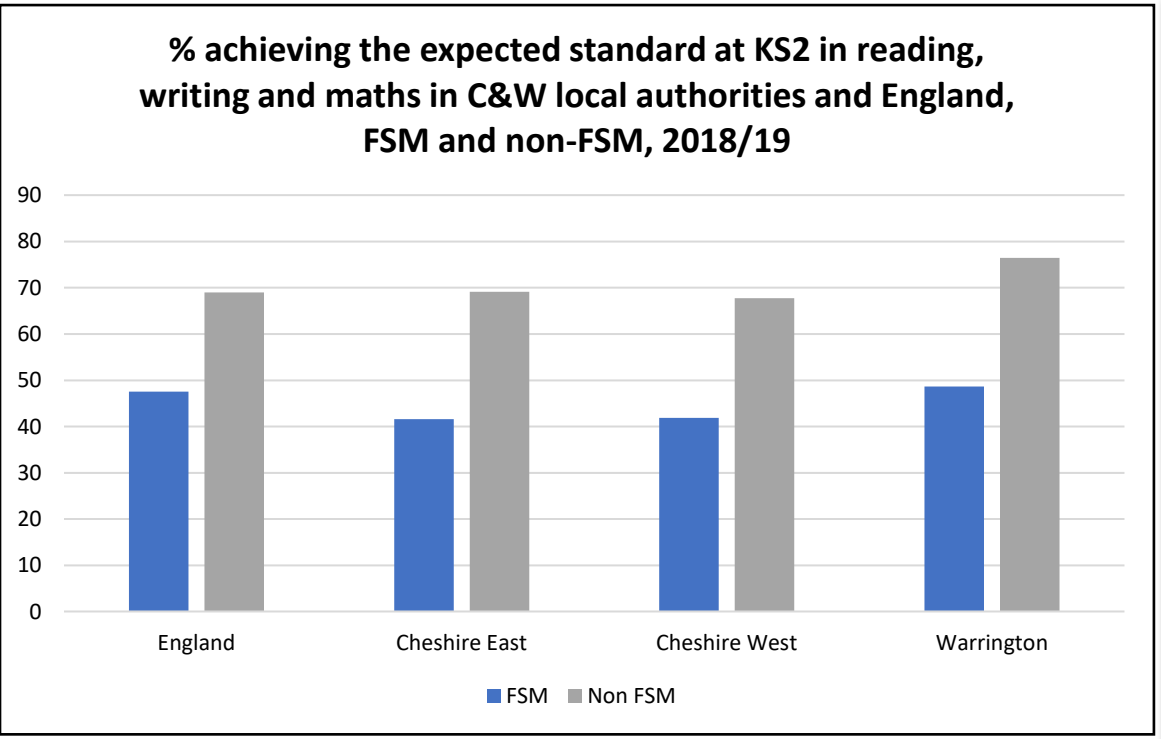


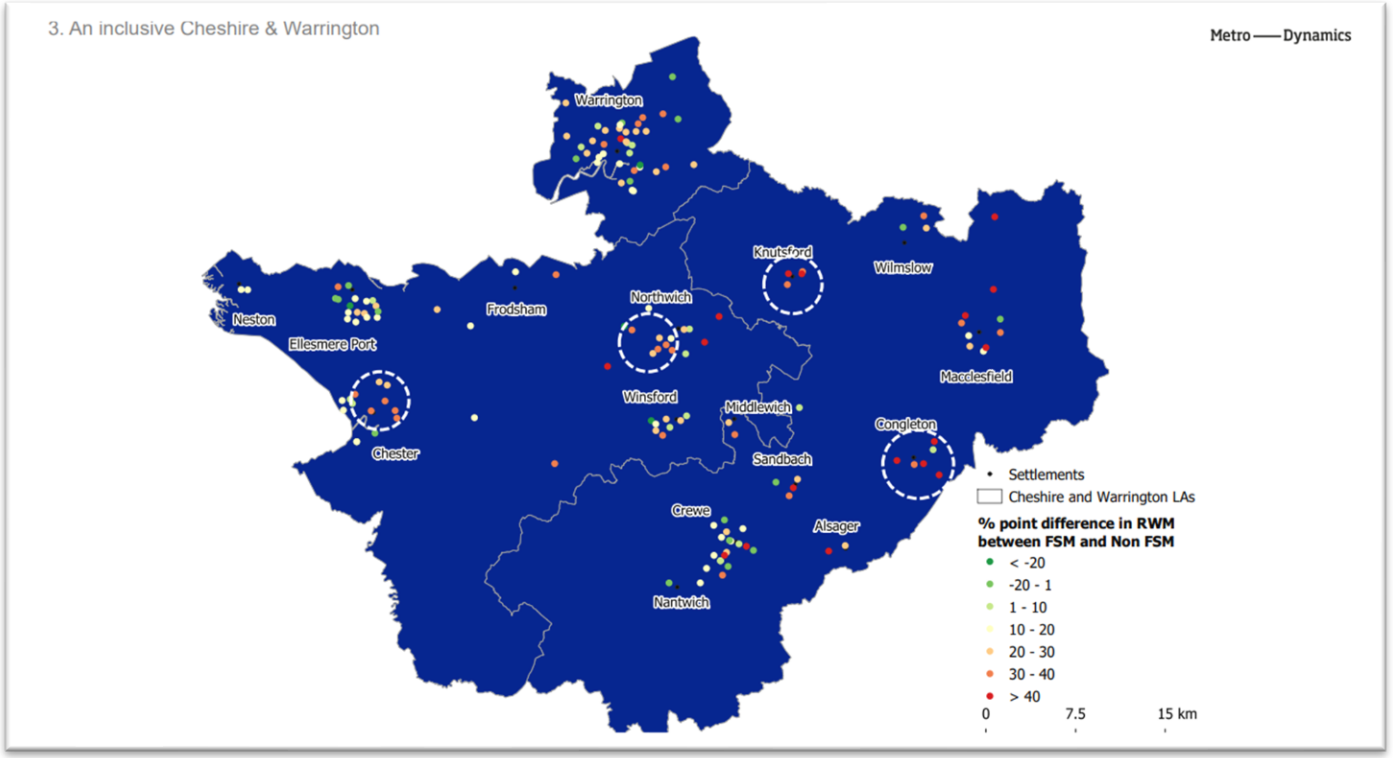
Source: LFS

ECONOMIC INACTIVITY


30
25
20
15
10
Jan 2018-Dec...
Apr 2018-Mar...
Jul 2018-Jun...
Oct 2018-Sep...

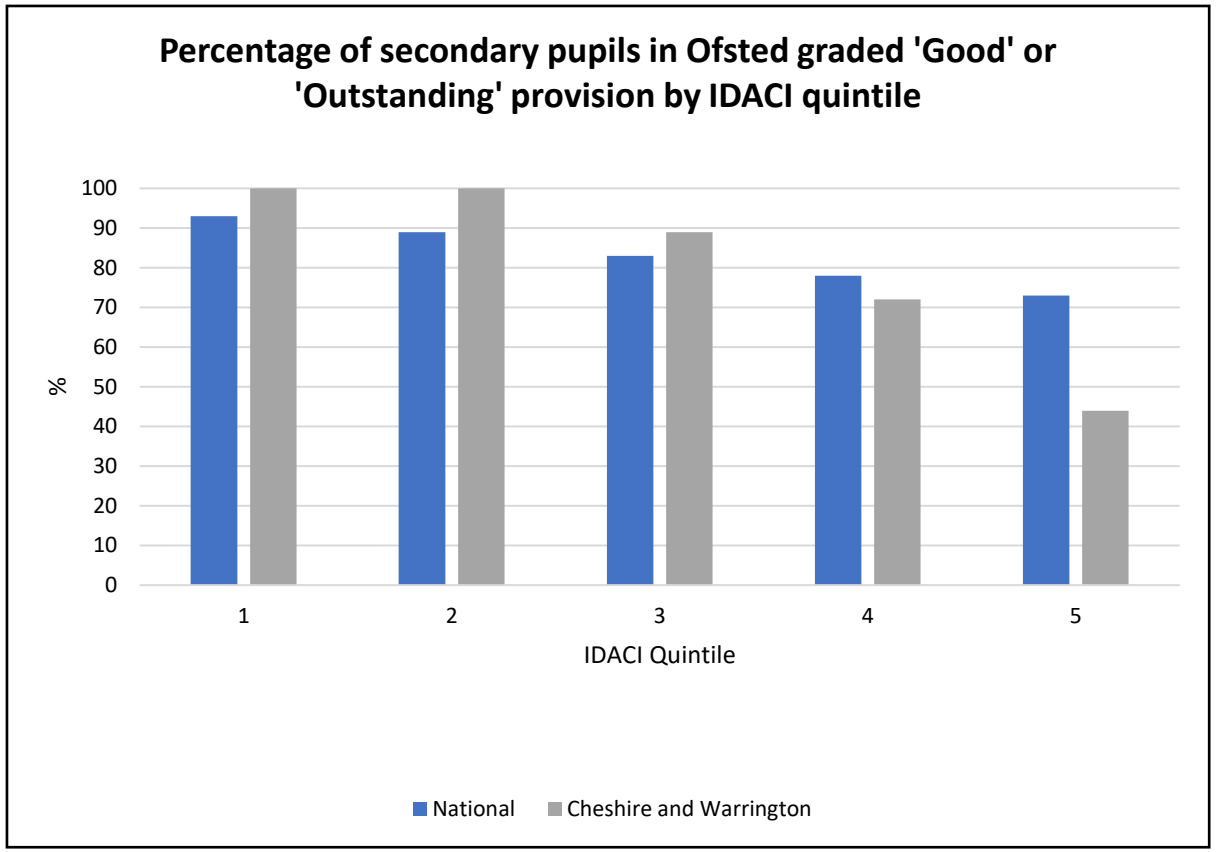
At Key Stage 2, there was a gap in the attainment of children on FSM and not on FSM in all three local authority areas and in England. The gap in Cheshire East, Cheshire West and Chester, and Warrington (27 ppt, 26 ppt, and 27 ppt respectively) was larger than that for England (21 ppt). Analysis undertaken by Metro-dynamics for Cheshire and Warrington LEP suggests that the attainment of children in Cheshire and Warrington on Free School Meals tends to be most problematic in schools with low numbers on FSM. Conversely, there are some primary schools with larger FSM cohorts where FSM children do better. The former schools might be able to identify good practice from the latter.

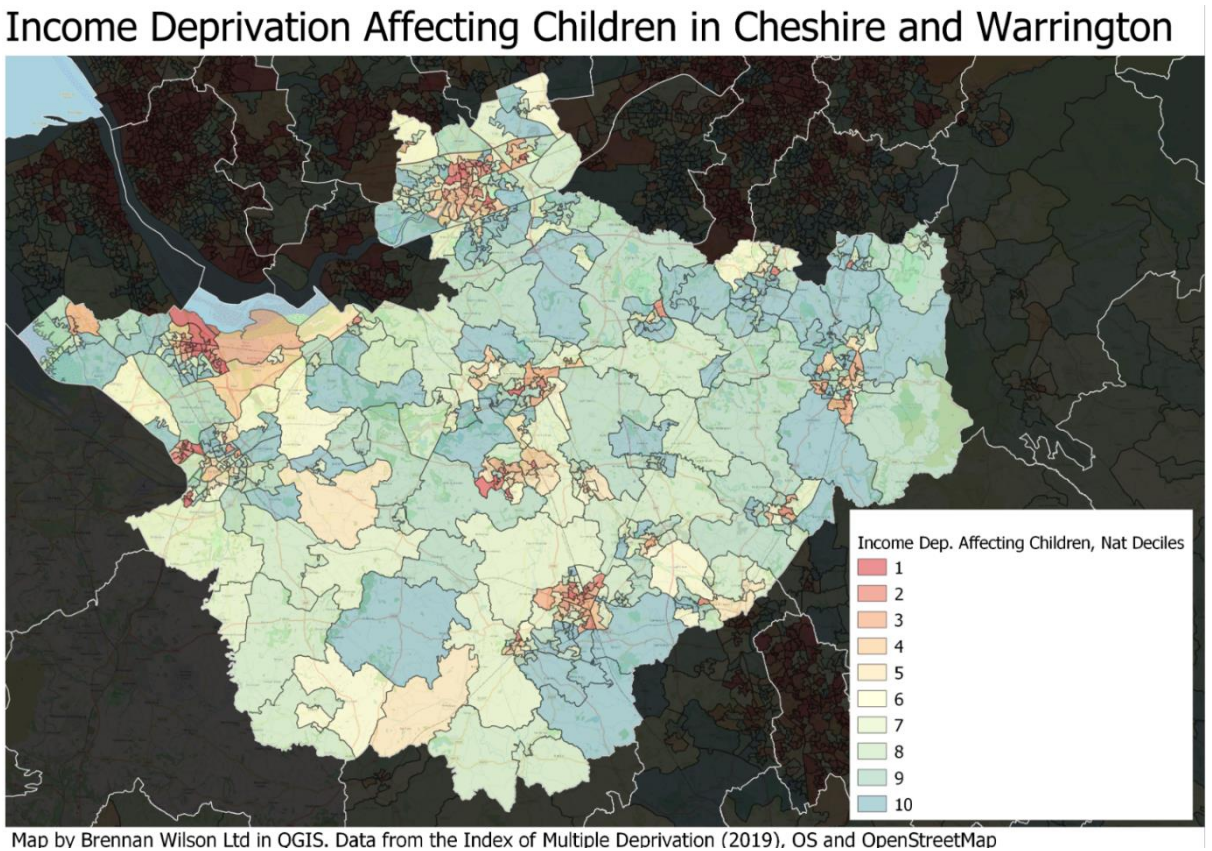




Source: Key stage 2 attainment, DfE

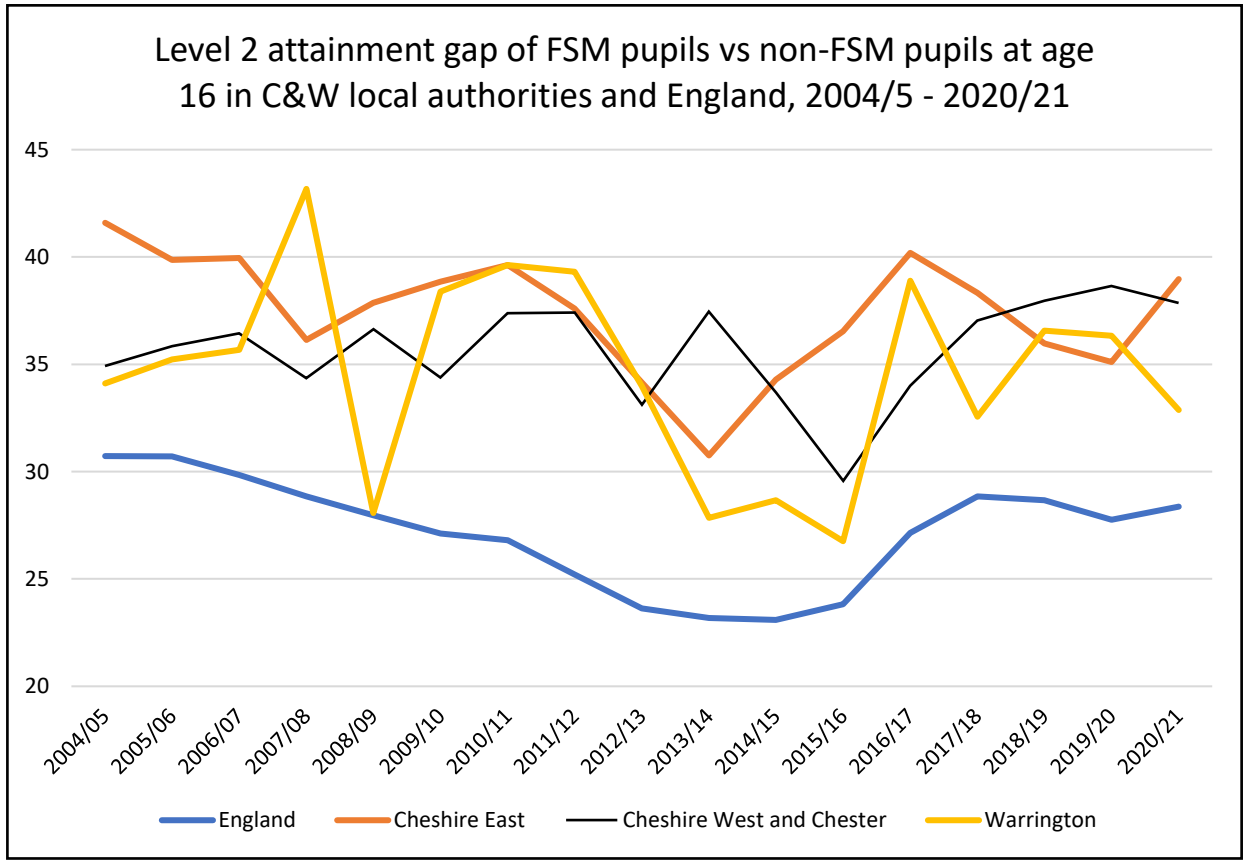
A higher proportion of secondary school places in IDACI quintiles 1-3 in Cheshire and Warrington are rated as good or }µš•š v]vP ÁZ v }u‰ Œ Á]šZ vPo v X dZ ‰Œ}‰}Œš]}v]v / / ð • Z}}o• Warrington is slightly below England. However, at IDACI 5 (the highest levels of deprivation) only 44% of secondary places are graded as good or outstanding in C&W, compared with 73% for England. The highest levels of IDACI deprivation occur in Ellesmere Port, Crewe, Warrington, areas to the northwest of Chester, and parts of Winsford.

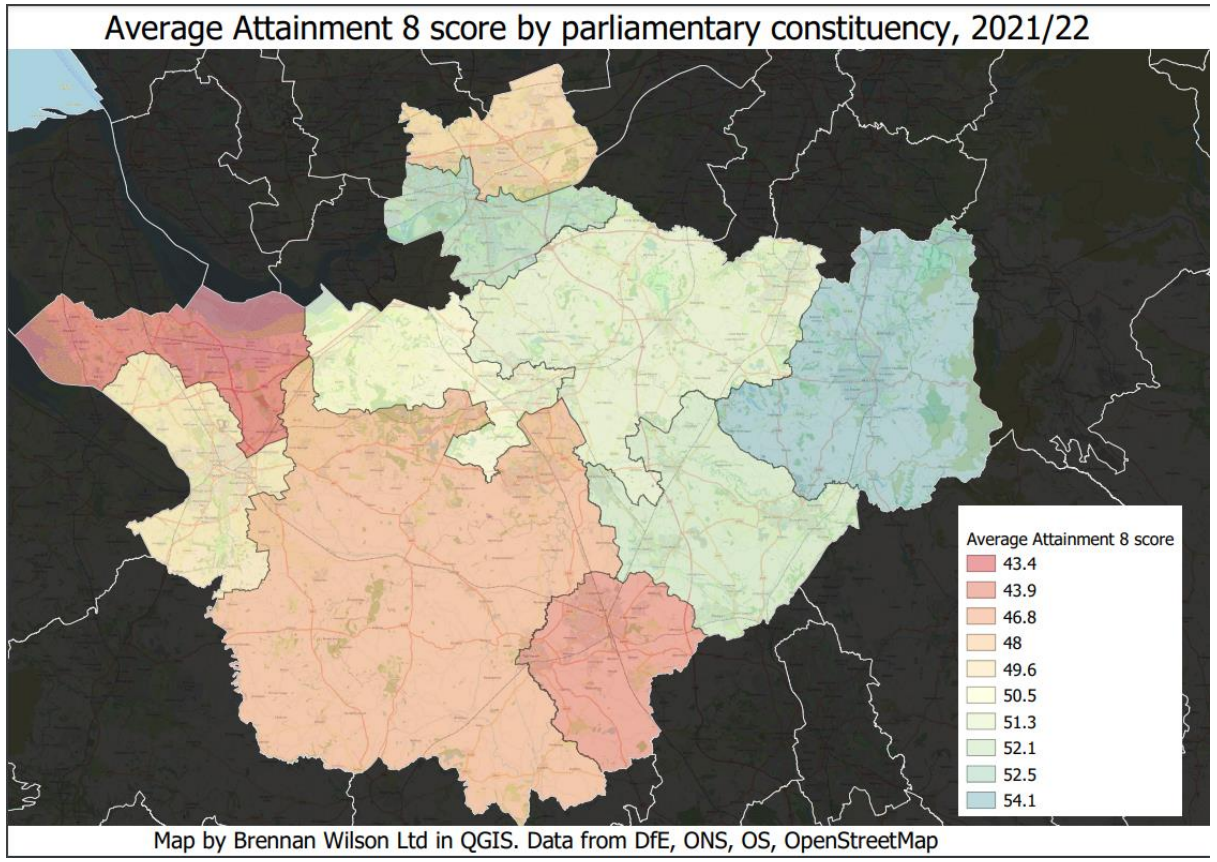




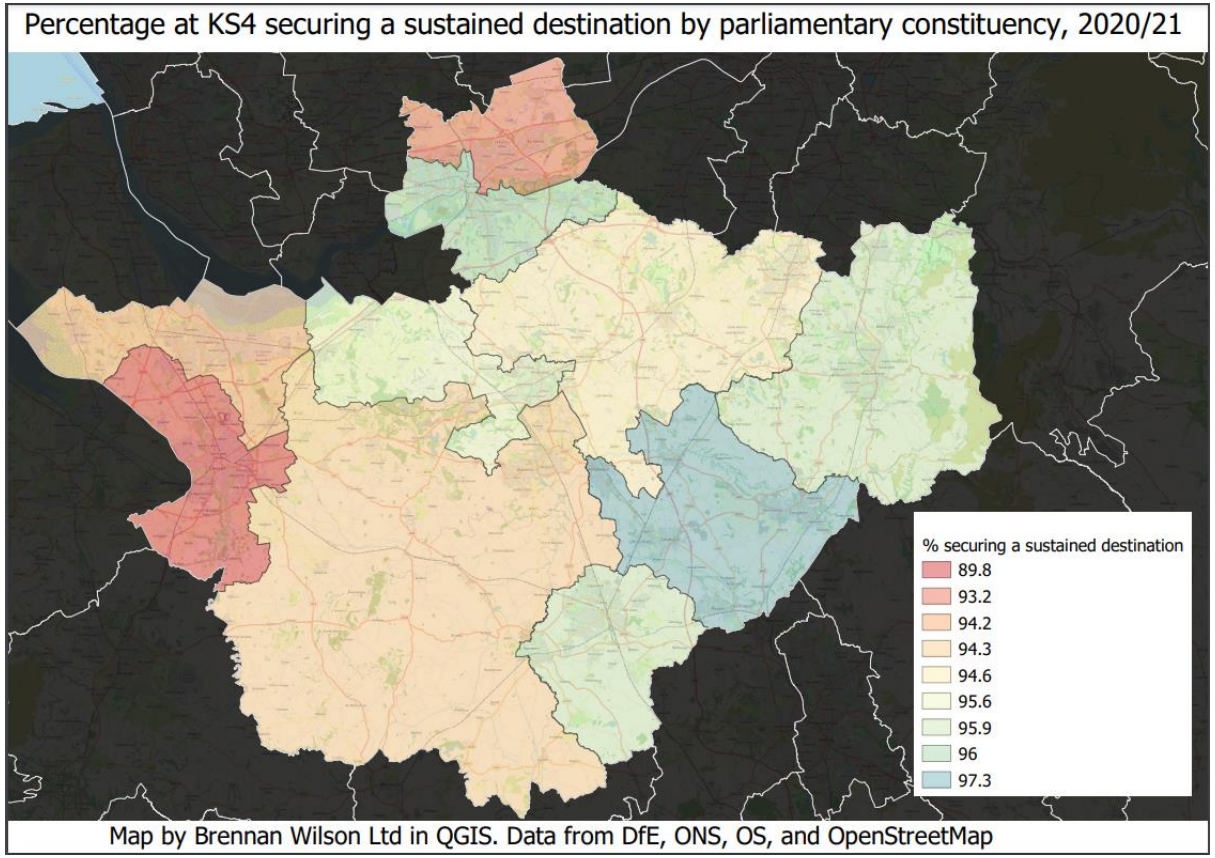
Ofsted: Management Information, State funded schools inspections and outcomes as at 30 September 2022

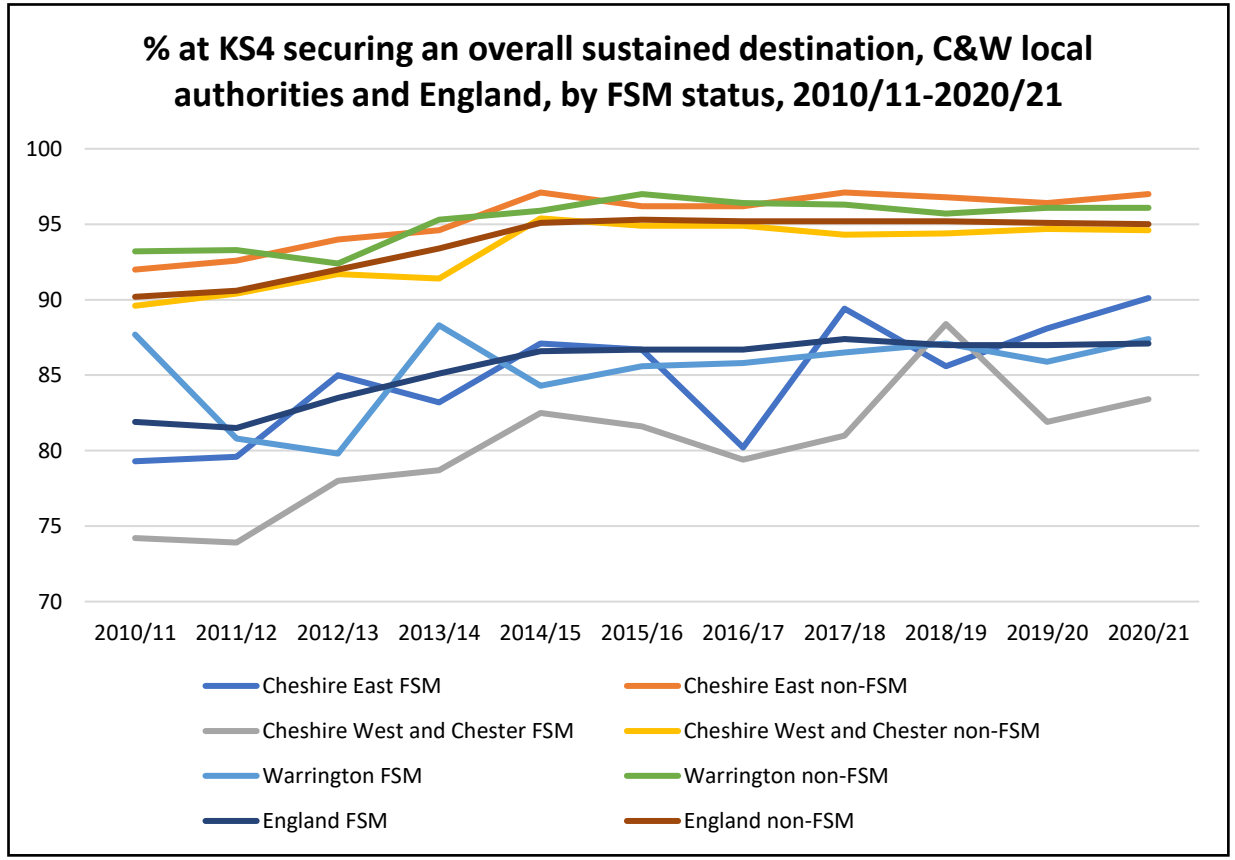
Considering the gap in attainment of Level 2 at age 16 between those eligible and not eligible for FSM, this gap has been larger in all three local authorities than England since this data series started in 2004/5. In 2021/22, the average national Attainment 8 score was 48.8. Four parliamentary constituencies in Cheshire and Warrington had average Attainment 8 scores below this. They were Ellesmere Port and Neston; Crewe and Nantwich; Eddisbury; and Warrington North.





In 2020/21 the rate for securing some form of sustained destination at Key Stage 4 in England was 93.8%. The City of Chester and Warrington North both had lower rates than England. For the past decade, non-FSM pupils in Cheshire East and Warrington have been more successful than their English counterparts in securing a sustained destination. In the last five years, non-FSM pupils in Cheshire West and Chester have had a lower rate of securing a sustained destination than has been the case for England. For FSM pupils there has been variable performance compared with England in Cheshire East and Warrington with rates exceeding those for England on a handful of years for each authority over the past decade. Cheshire West and Chester have had lower rates of sustained destinations for FSM pupils than England for every year bar one in the last decade.

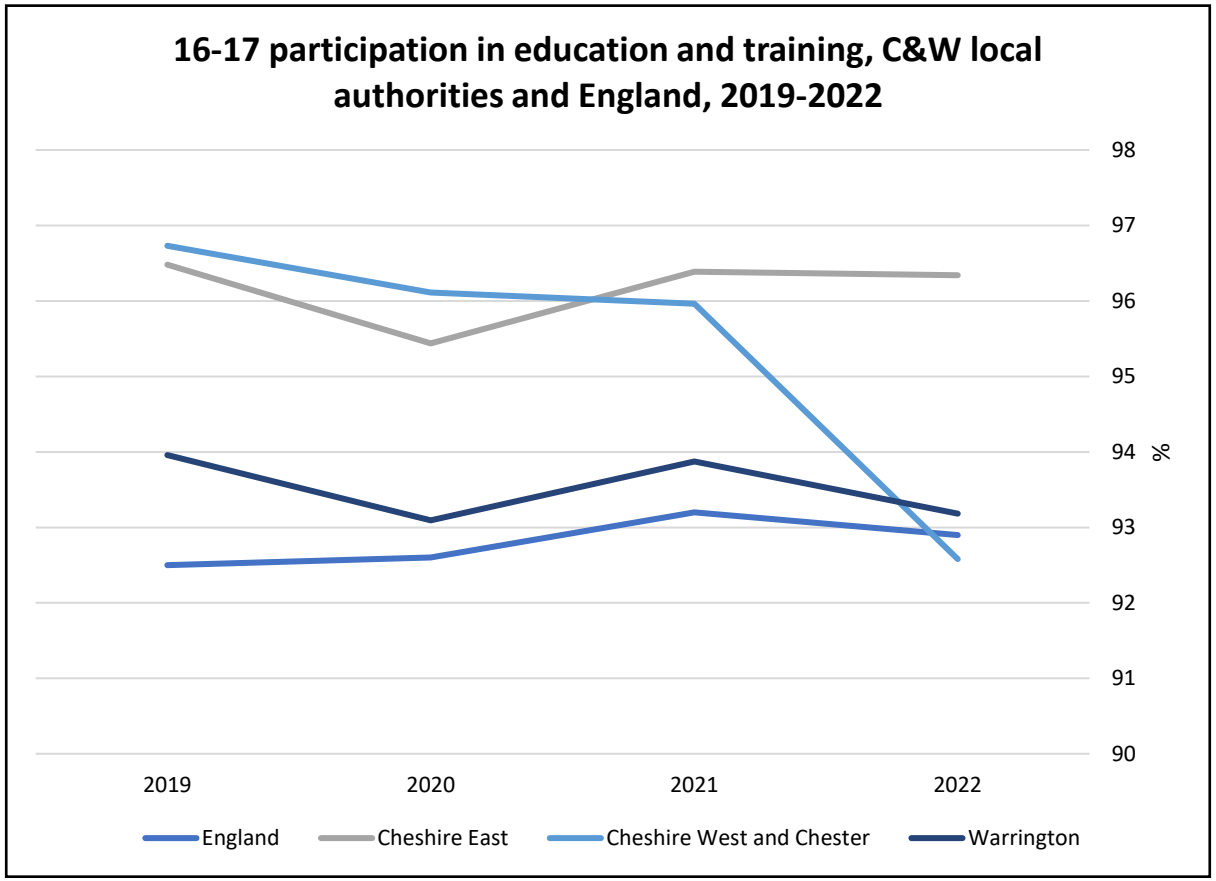


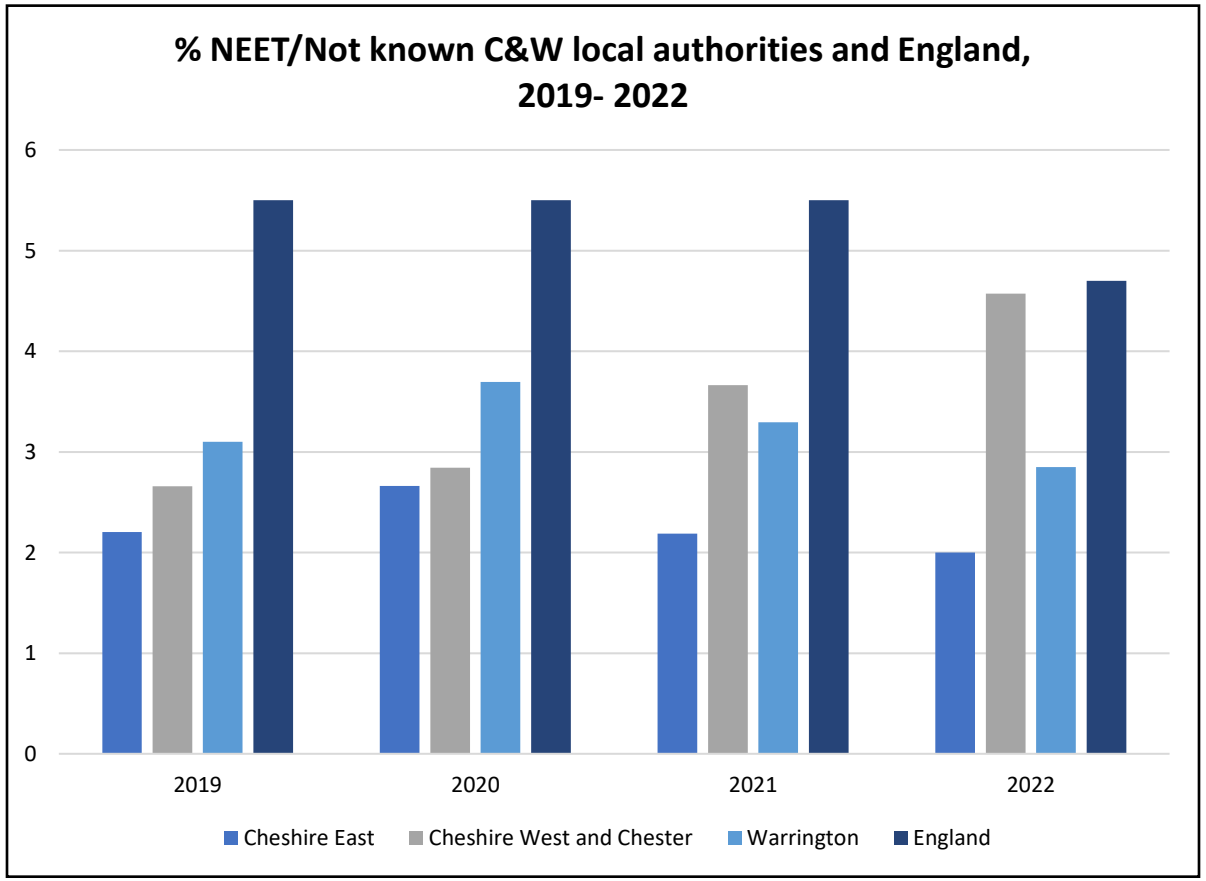


Source: Key Stage 4 destination measures, DfE

In recent years, participation in education and training by 16- and 17-year-olds has tracked above English levels for all three local authorities in C&W. However, participation levels declined by over 3% between 2021 and 2022 in Cheshire West and Chester to fall below the English level. This was the eighth sharpest decline in the country in this year for the total 16/17 participation proportion for a local authority.

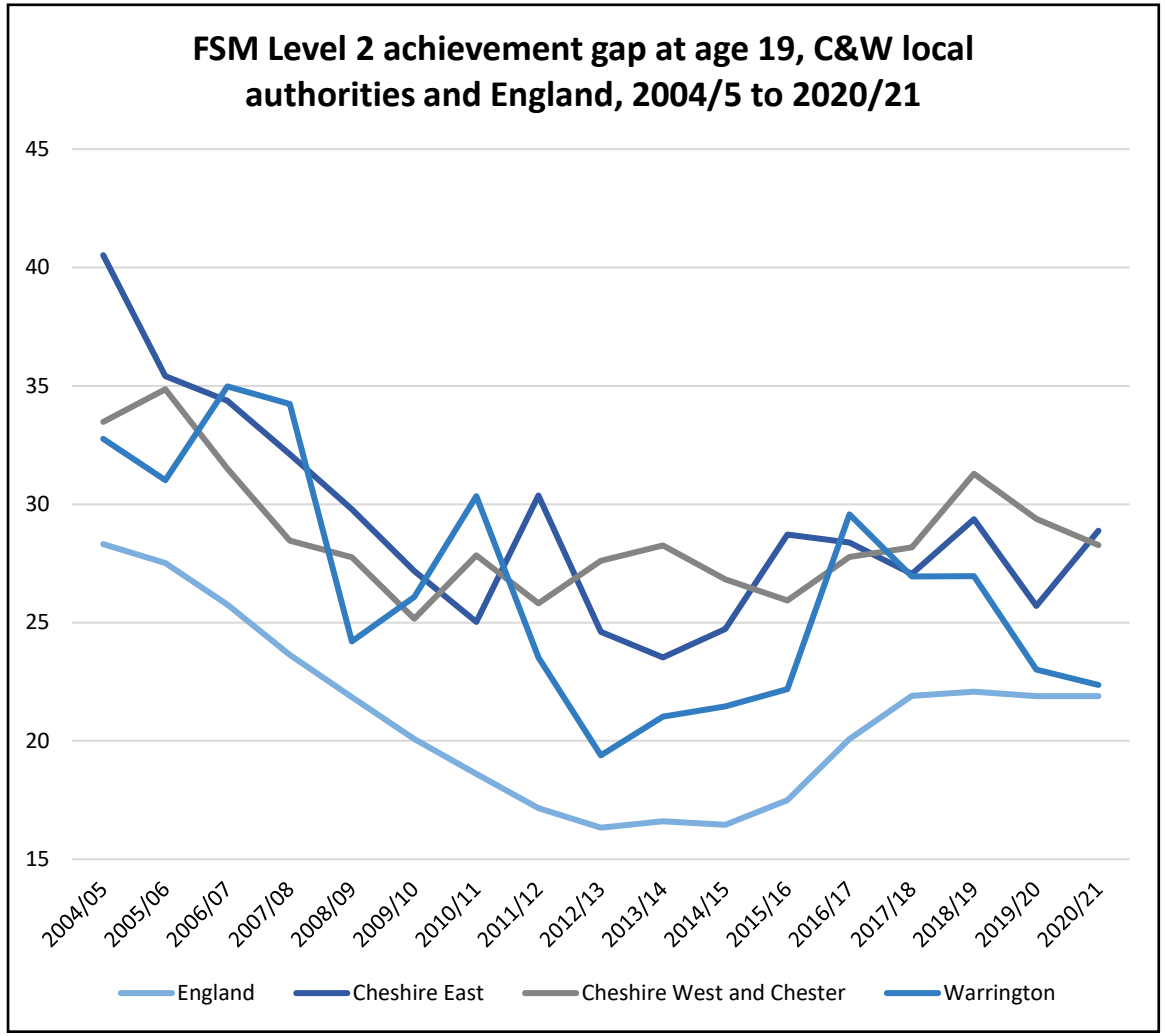
The three-year NEET/Not known trend (2020-2022) has been decreasing year on year in both Cheshire East and Warrington. By contrast, the three-year trend in NEET/not known in Cheshire West and Chester has seen year-on-year increases.

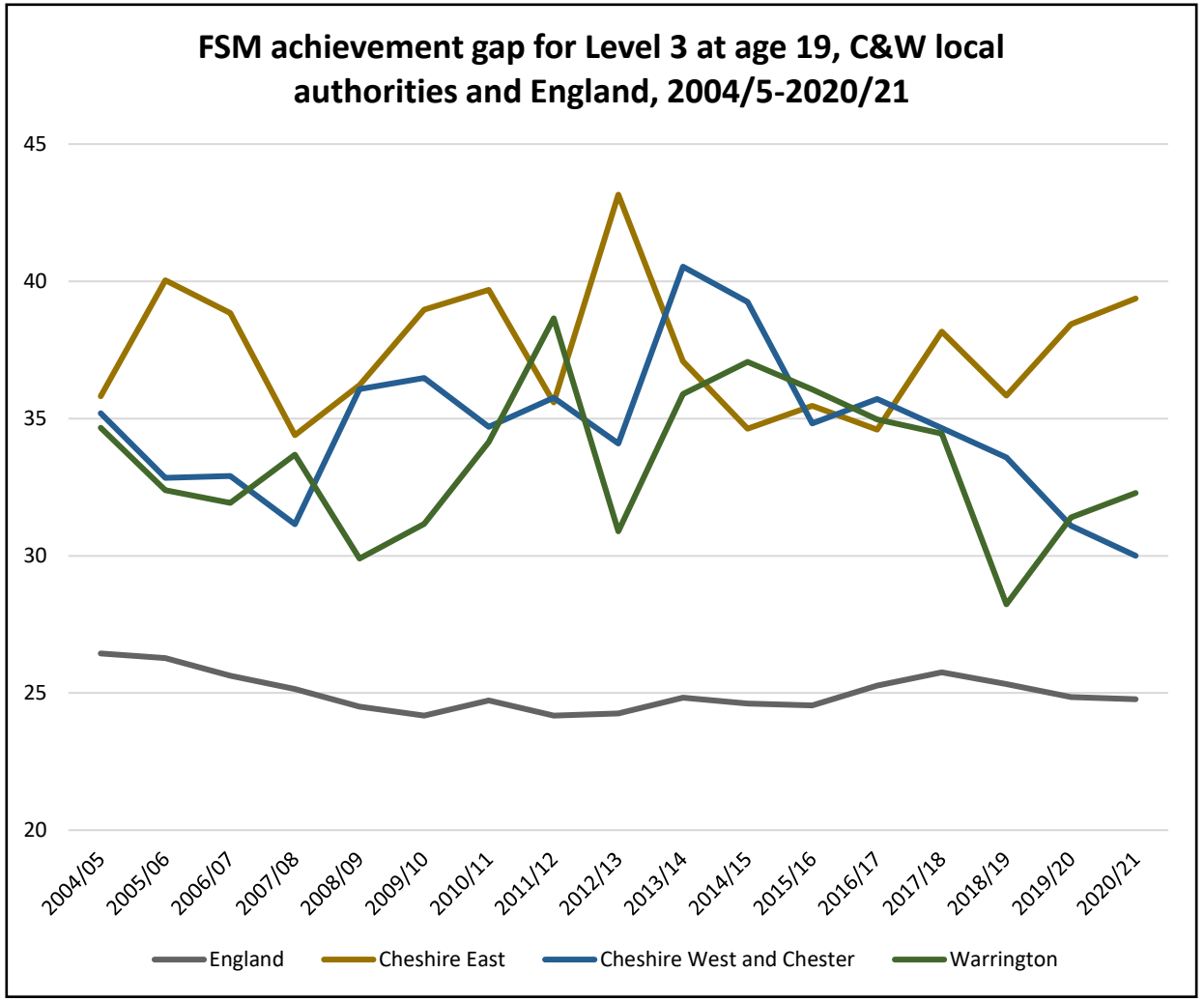




Source: DfE, 16-17 year olds recorded in education and training and NEET by local authority, 2022

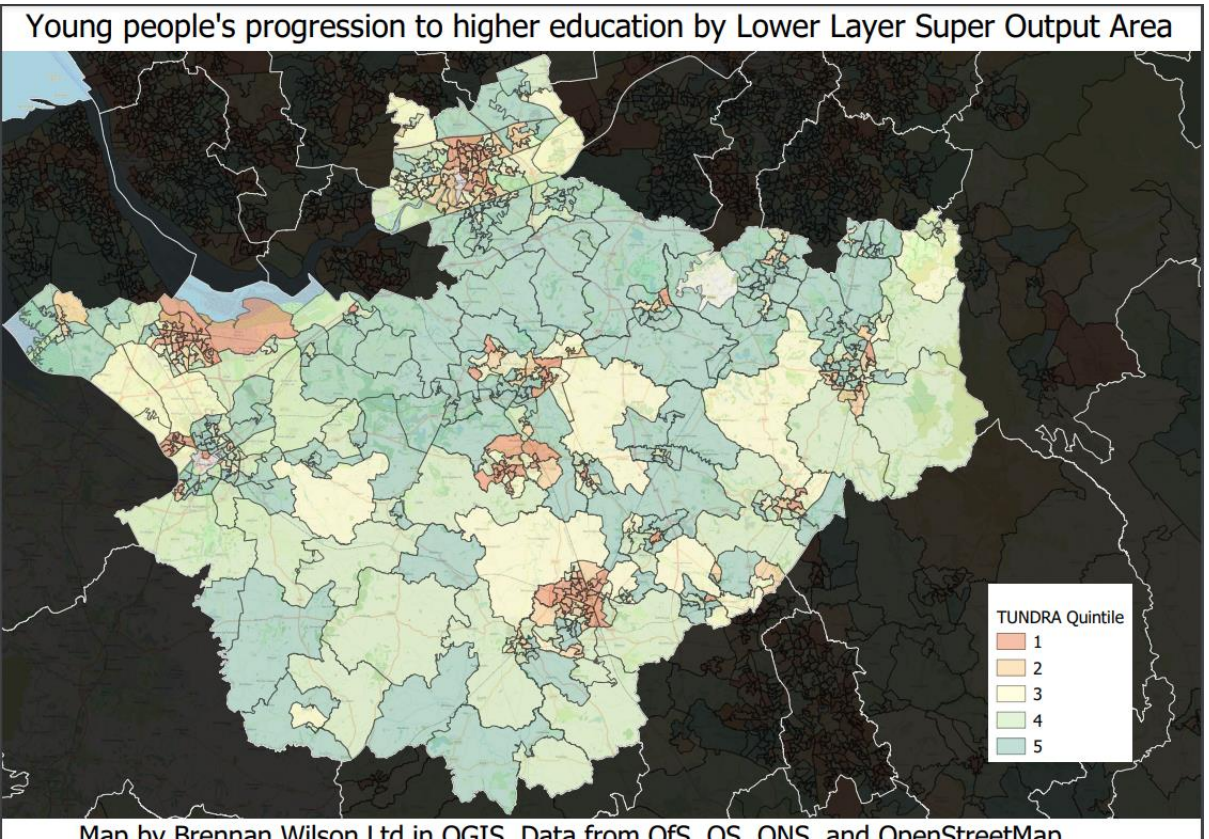
All three C&W local authorities have had a bigger Level 2 achievement at age 19 gap (between FSM and non-FSM) than England, and a bigger Level 3 at age 19 gap, since this data started to be collected (2004/5).

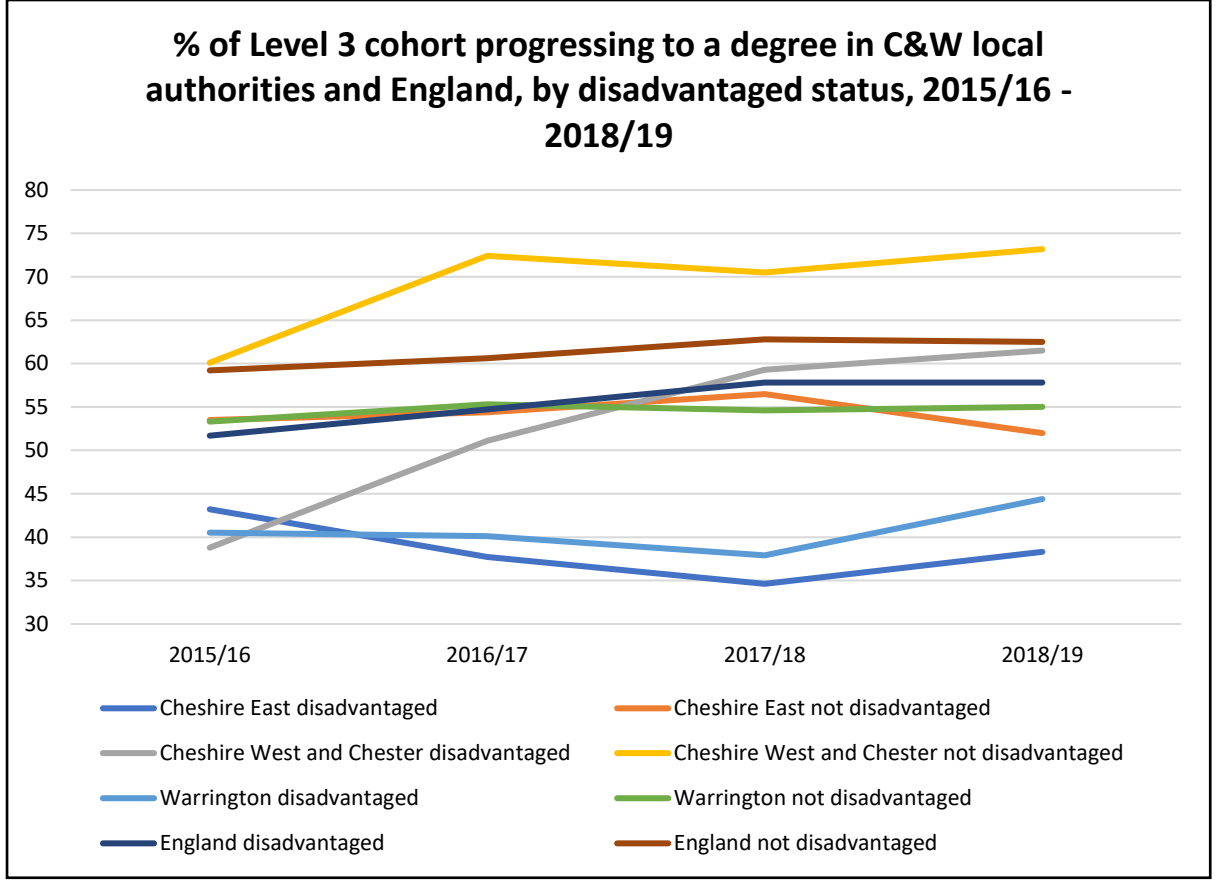


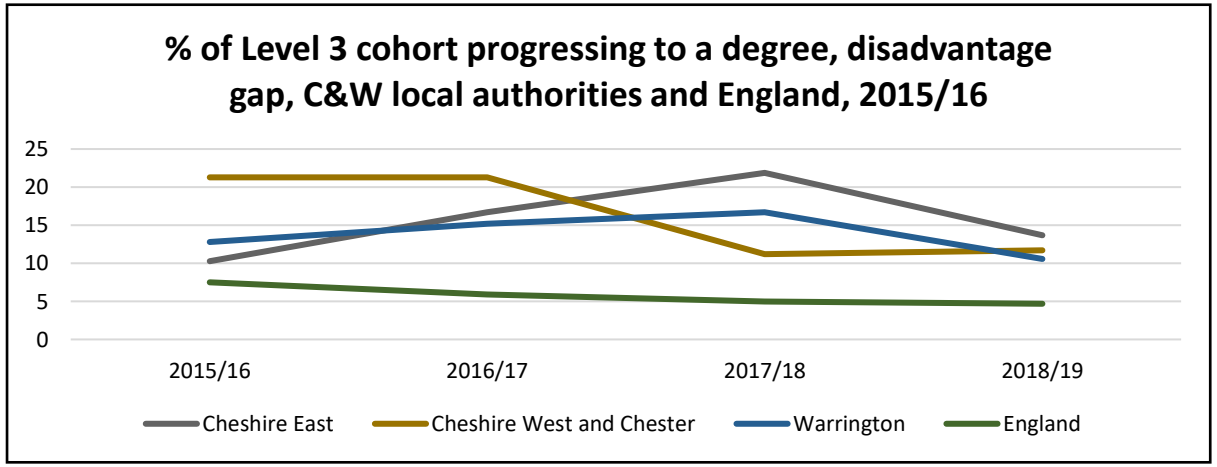


Source: DfE Attainment SFR

The LSOAs with the lowest levels of young HE progression are concentrated in Ellesmere Port, Warrington and Crewe. The proportions of disadvantaged L3 learners that progress to a degree have been lower for every year in Cheshire East and Warrington than in England. However, in Cheshire West and Chester the proportion of this cohort that progressed to a degree has shown a marked increase. The gap between the proportion of disadvantaged KS5 leavers and the proportion of not disadvantaged KS5 leavers being able to secure a degree place has been larger in the Cheshire and Warrington local authorities than for England in every year that this data has been available. In 2018/19, the gap was more than double that for England in all three local authorities. However, this is in the context of higher progression rates in Cheshire West and Chester than in England for both disadvantaged and not disadvantaged cohorts.



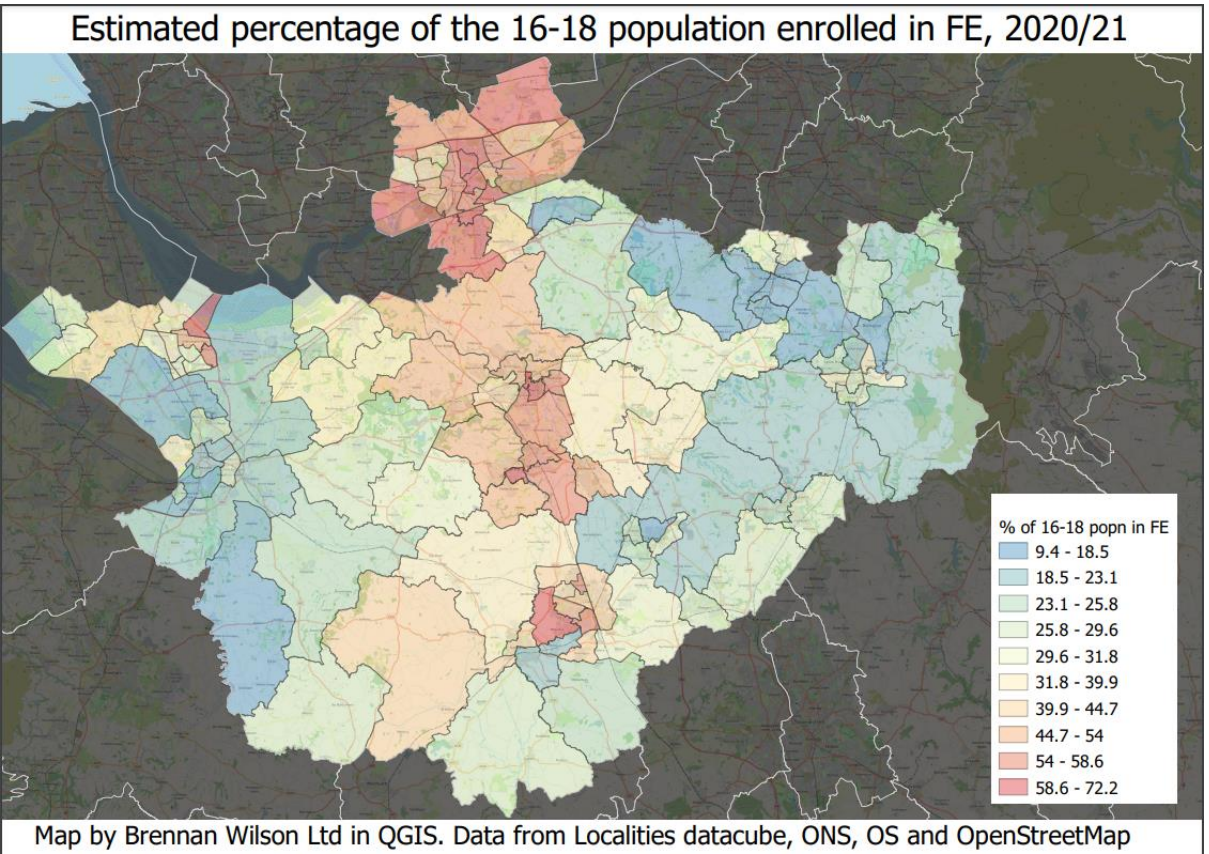


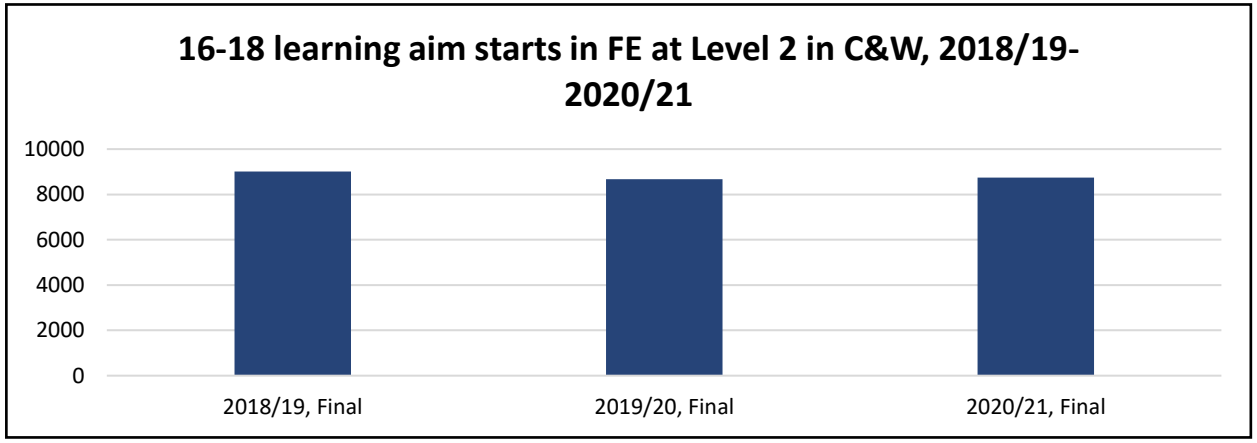


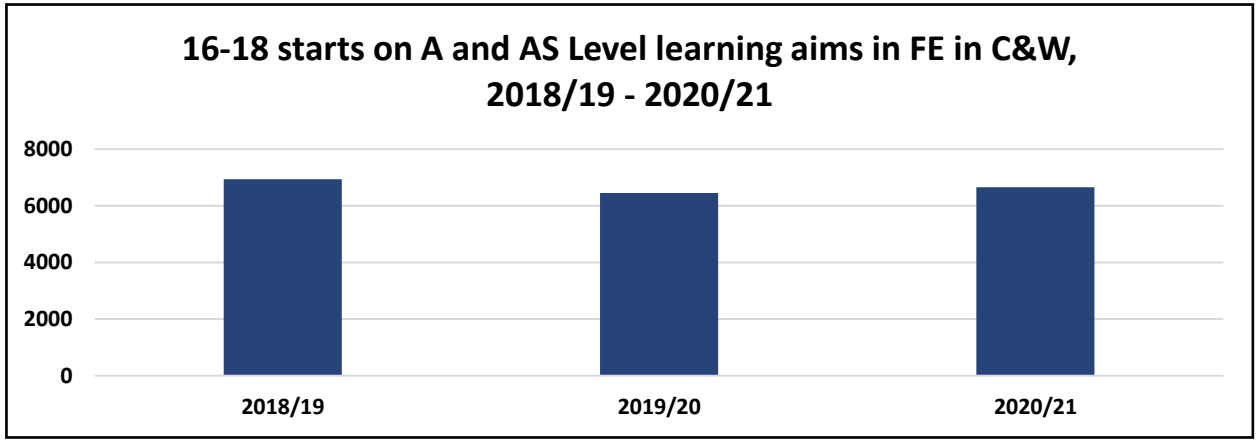
Source: Key Stage 5 destination measures, DfE

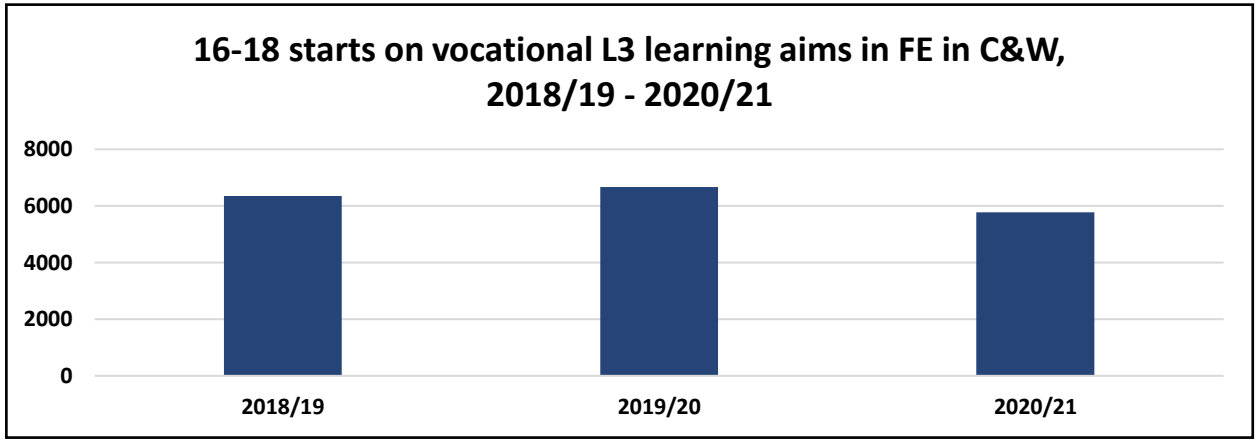
The wards with the highest proportions of 16-18 participation in FE run in a band through the centre of C&W going from Warrington in the north, through Winsford, to Crewe in the South.

The delivery of learning aims in FE at to 16-18 year olds has remained relatively stable at headline level with a decline of 3% for L2, 4% for academic L3 and 9% for vocational L3.





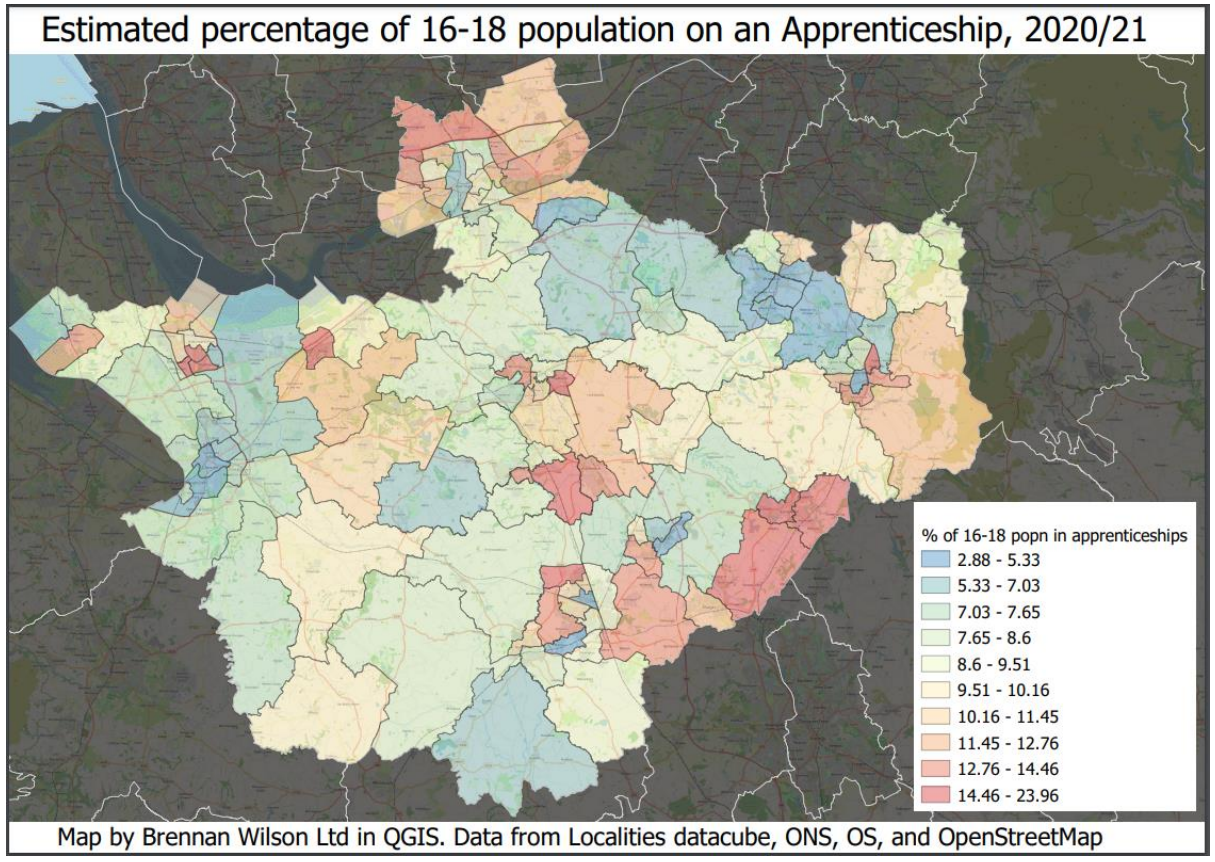


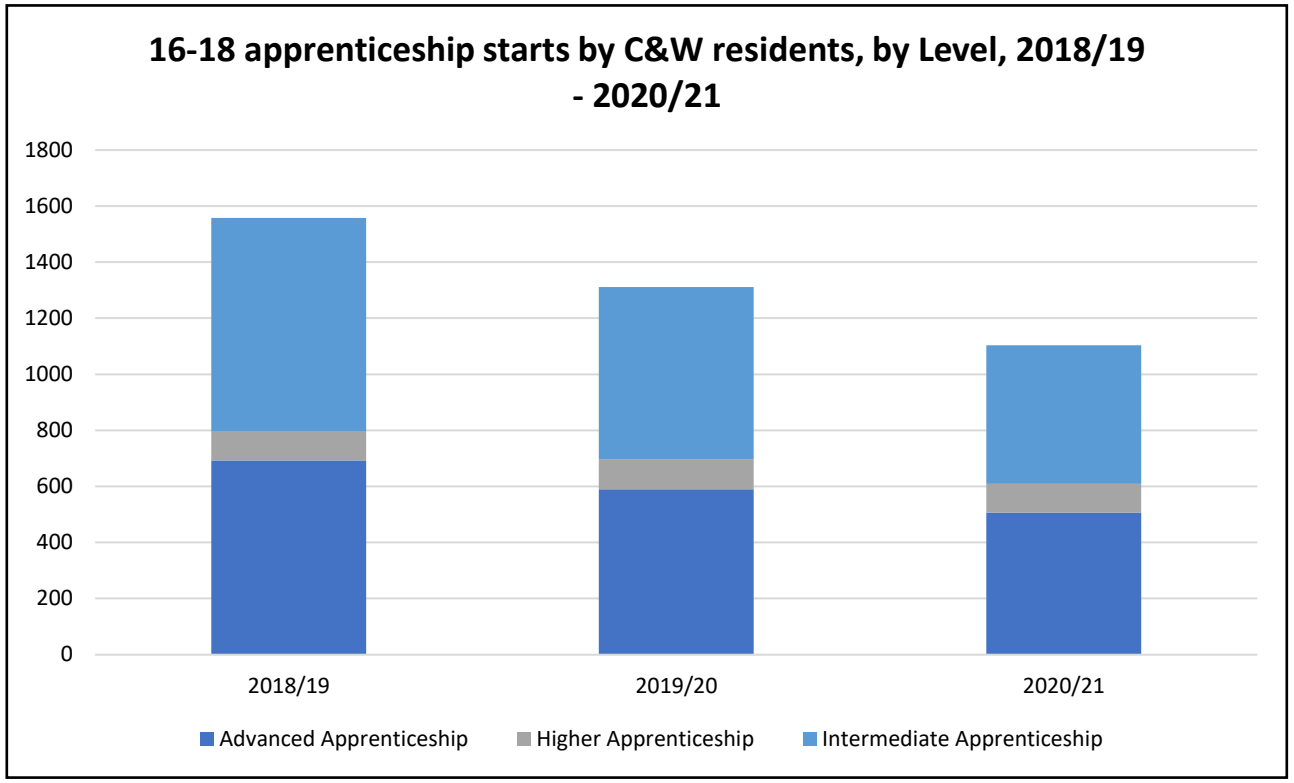


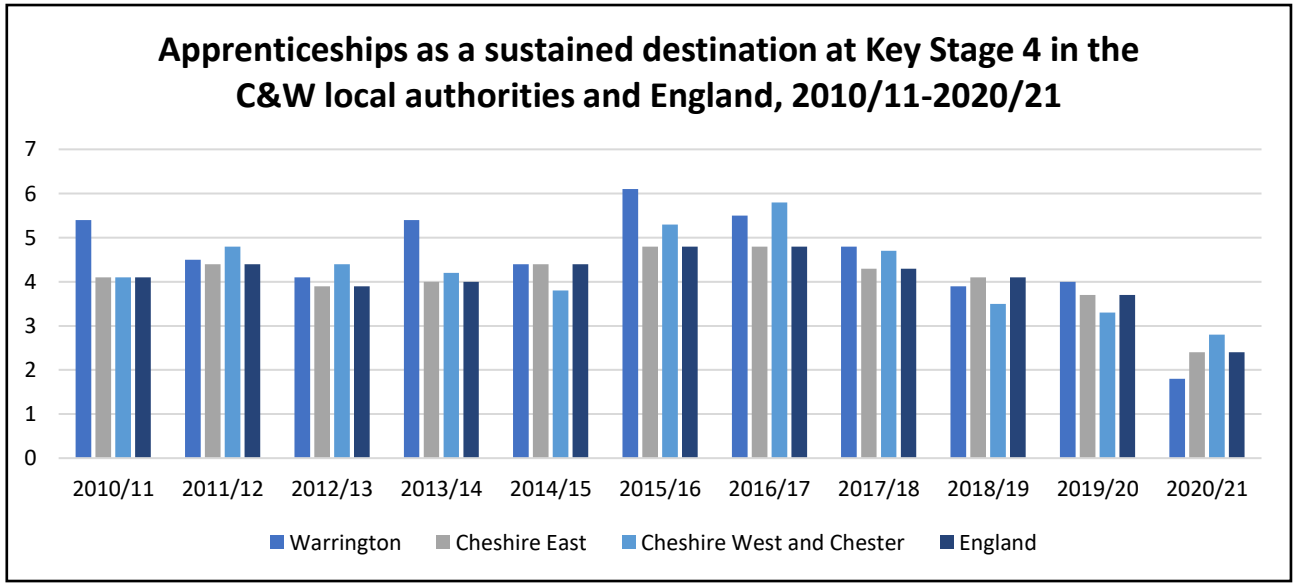
Source: starts analysis, ESFA localities datacube (residency), 2020/21

In 2020/21, the wards with the highest proportions of 16 t18-year-olds on apprenticeships were: Burtonwood & Winwick; Whitby Park; Rudheath; Macclesfield Hurdsfield; Whitby Groves; Winsford Gravel; Congleton East; Strawberry; Odd Rode; and Congleton West.

Between 2018/19 and 2020/21, the number of 16-18 Apprenticeship starts declined by 35% on Intermediate and by 27% on Advanced. Between 2015/16 and 2020/21 the rate of KS4 progression to a sustained apprenticeship declined in all LAs, and in Warrington by over two thirds.



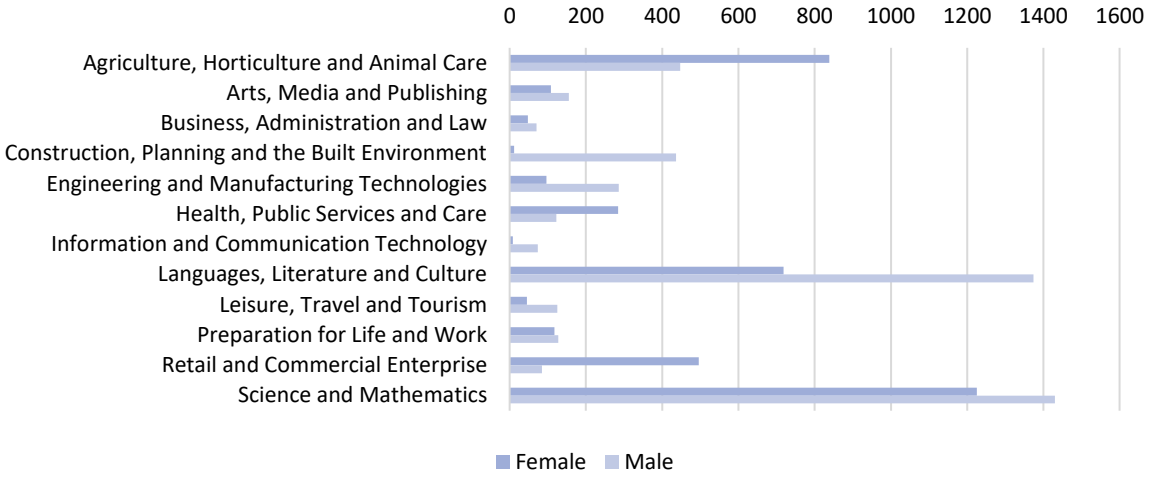




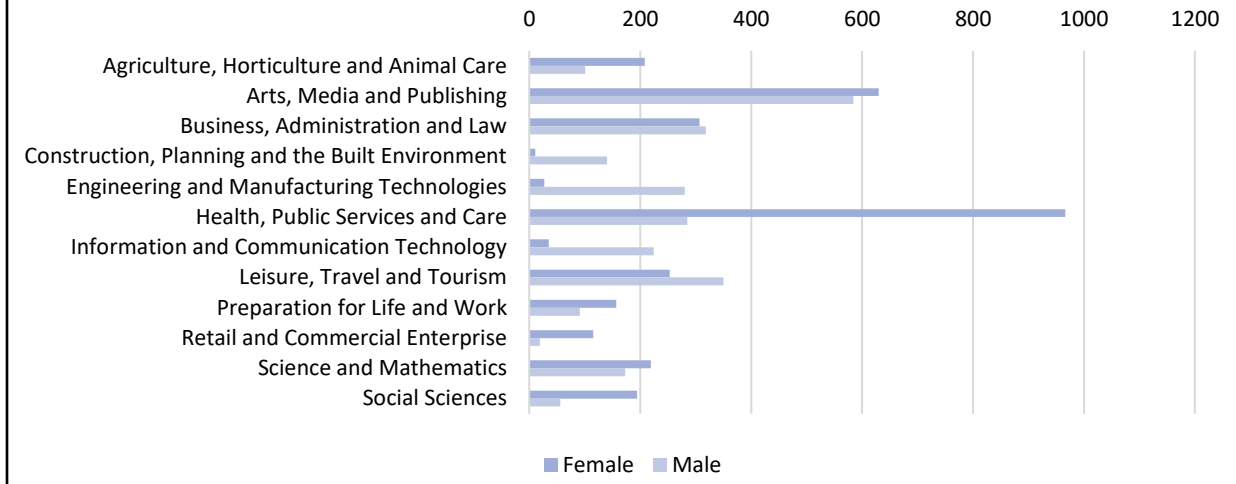
Sources: Key Stage 4 destination measures, DfE and ESFA localities datacube (residency), 2020/21

There are significant gender disparities in 16-18 apprenticeships and 16-18 FE, with males dominating starts in Engineering, Construction and ICT; and females dominating starts in Retail and Commercial Enterprise, and in Health, Public Services and Care.

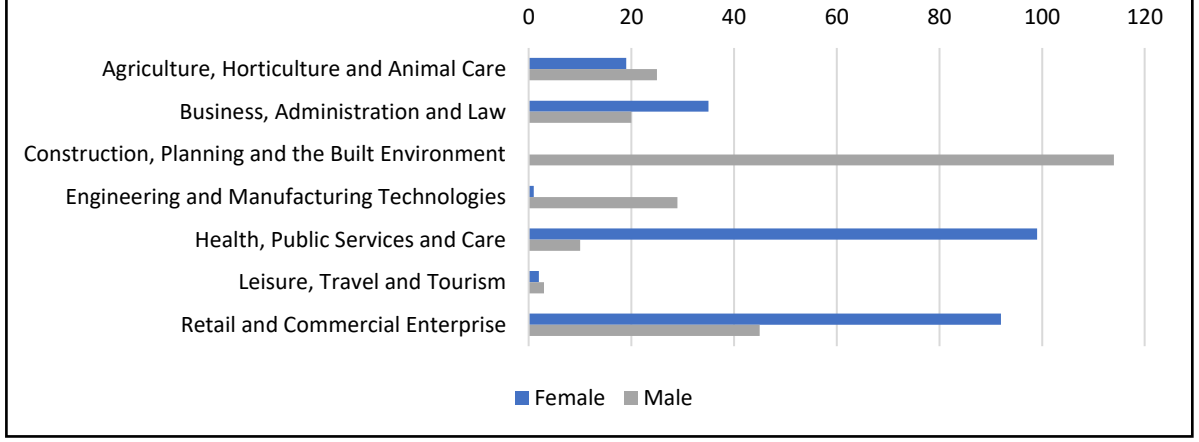
16-18 learning aim starts in FE in C&W at L2, by gender and SSA, 2020/21



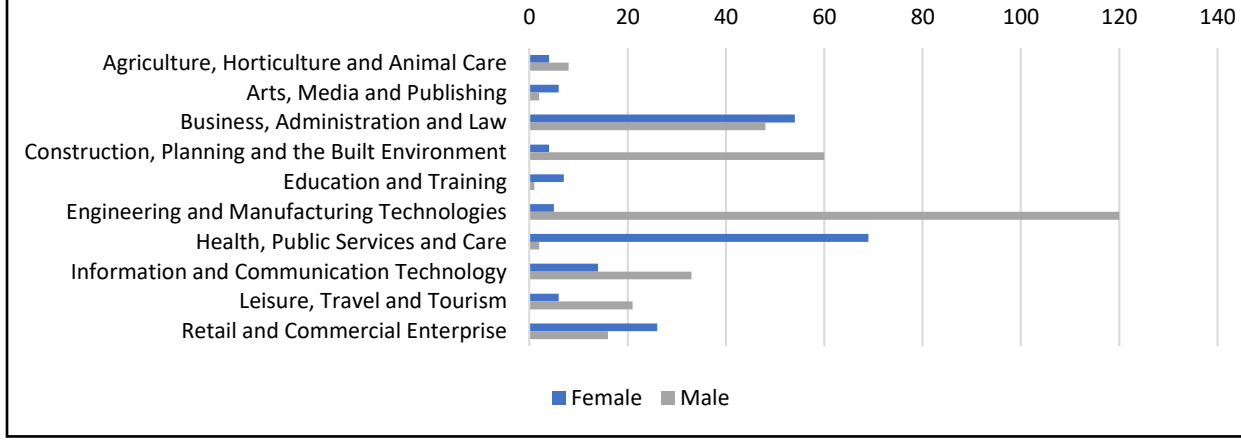
16-18 L3 vocational learning aims in FE in C&W, by SSA and gender, 2020/21



16-18 intermediate apprenticeships in C&W by SSA and gender, 2020/21



16-18 advanced apprenticeships in C&W by gender and SSA, 2020/21

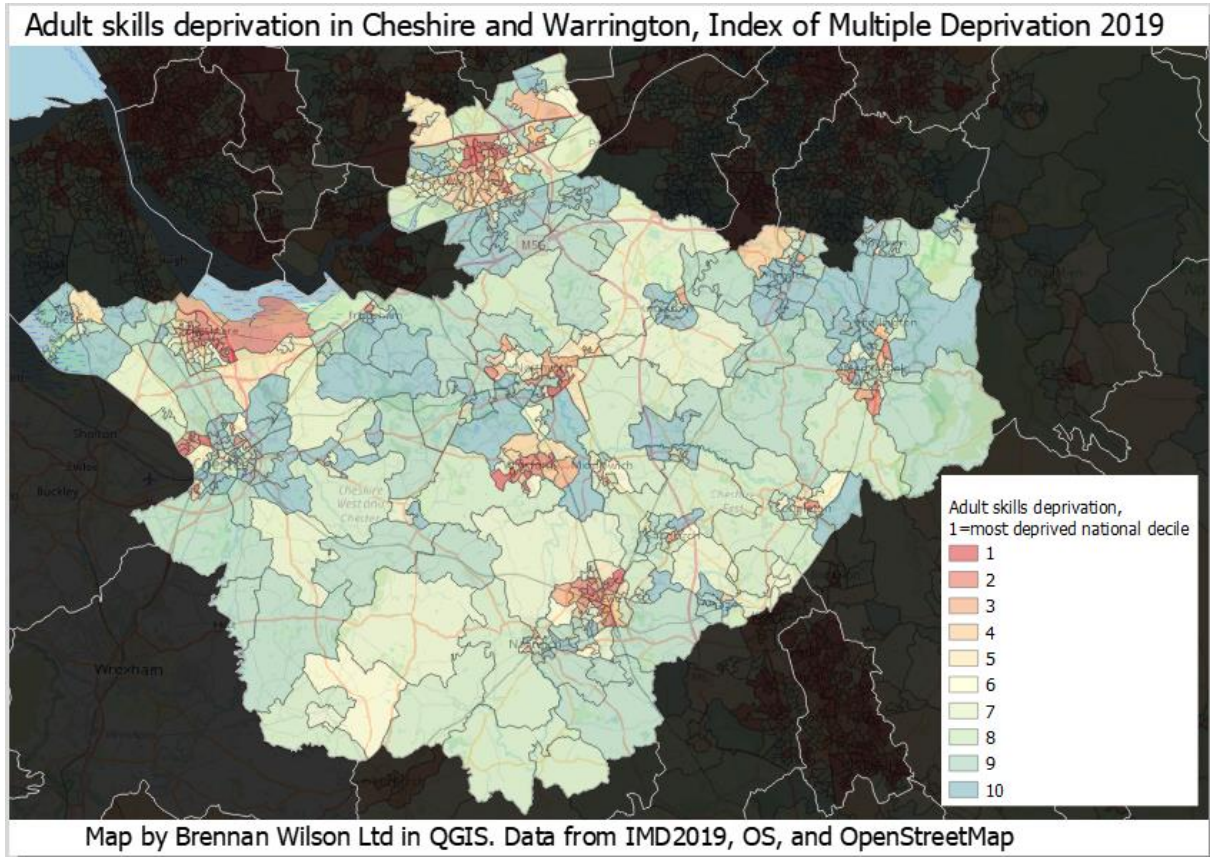


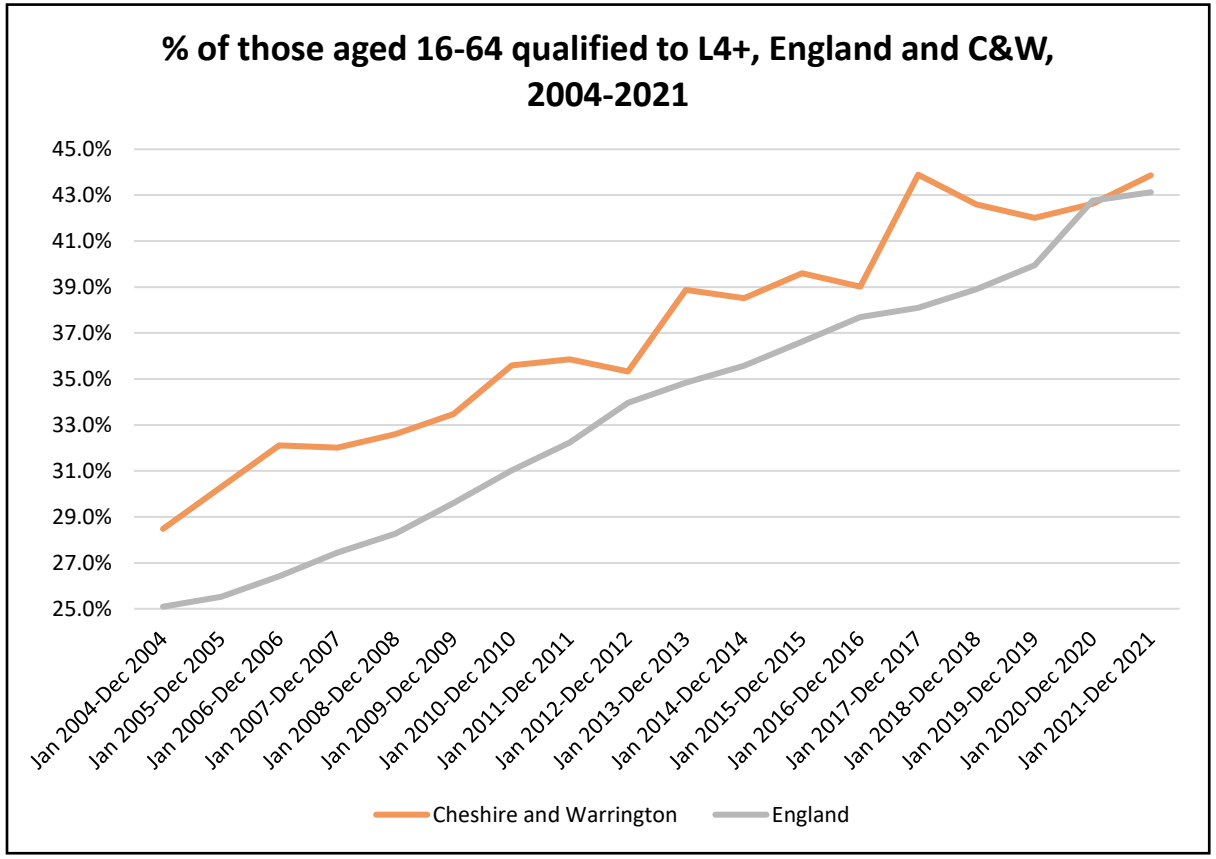
ADULTS

The proportion of working age residents qualified at L4+ is slightly higher in C&W than in England. Cheshire West and Chester has a similar proportion to England, Cheshire East has a higher proportion and Warrington has a lower. The proportion of the working age population with no qualifications is lower in C&W and all 3 LAs. Whilst the % of those qualified to L4+ sits slightly higher in C&W than England, the gap between the two has narrowed since 2017.
The most deprived areas for adult skills can be found in Warrington, Crewe, Ellesmere Port and Winsford, with further pockets in and around Chester, Northwich, and Macclesfield.

Qualifications (Jan 2021-Dec 2021), percentage of those aged 16-64						
	Cheshire and Warrington	North West	England	Cheshire East	Cheshire West and Chester	Warrington
NVQ4+	43.9	38.6	43.2	45.5	43.6	41.6
NVQ3+	62.3	58.2	61.4	64.5	60.7	61
NVQ2+	82.1	77.2	78.1	82.1	81.7	82.4
NVQ1+	90.6	87.2	87.7	92	89.1	90.7
Other Quals	4.3	5.2	5.9	3.5	4.8	4.7
No Quals	5.1	7.5	6.4	4.4	6.1	4.6

Source: ONS annual population survey

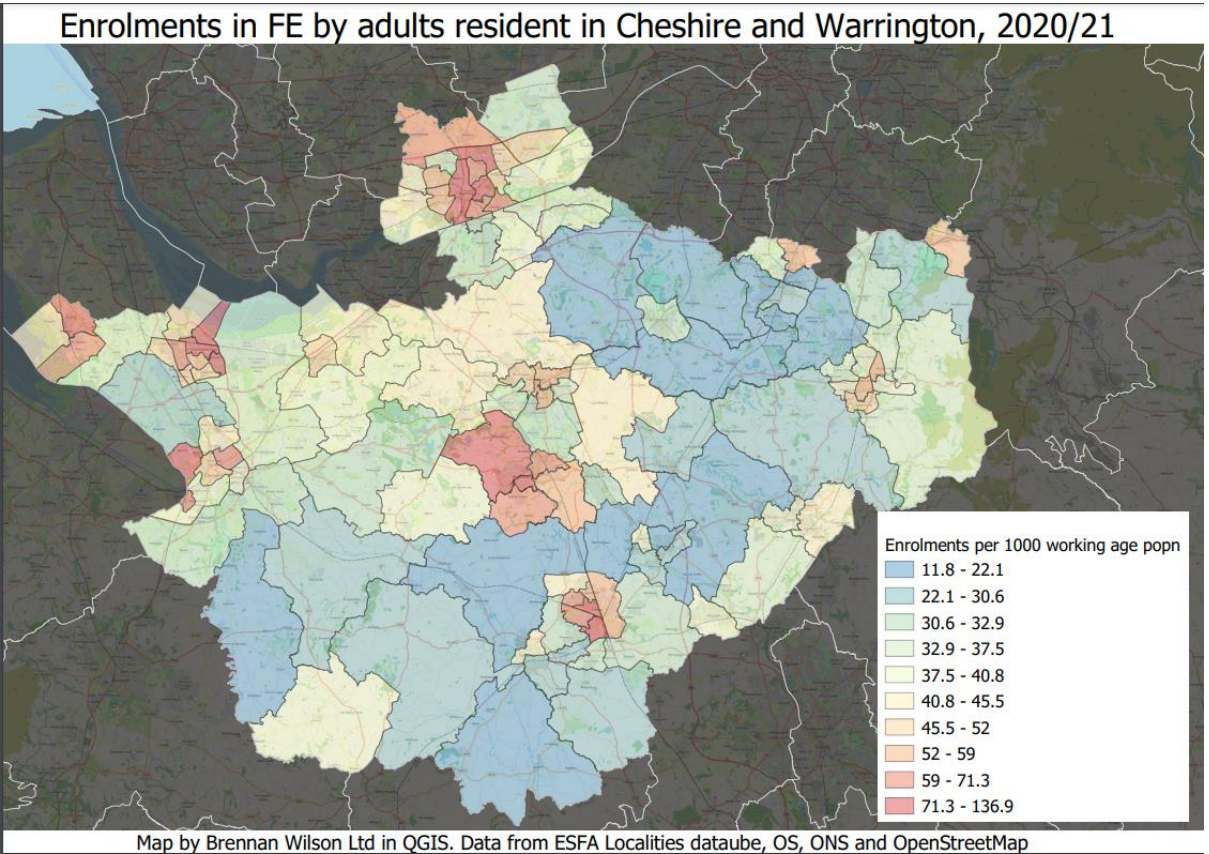


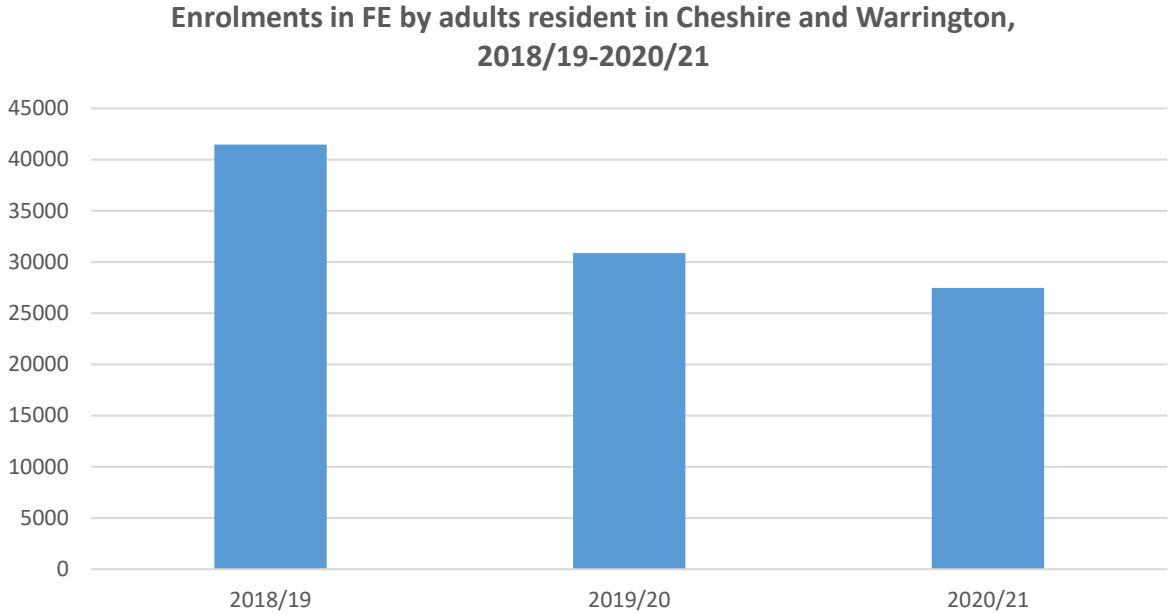


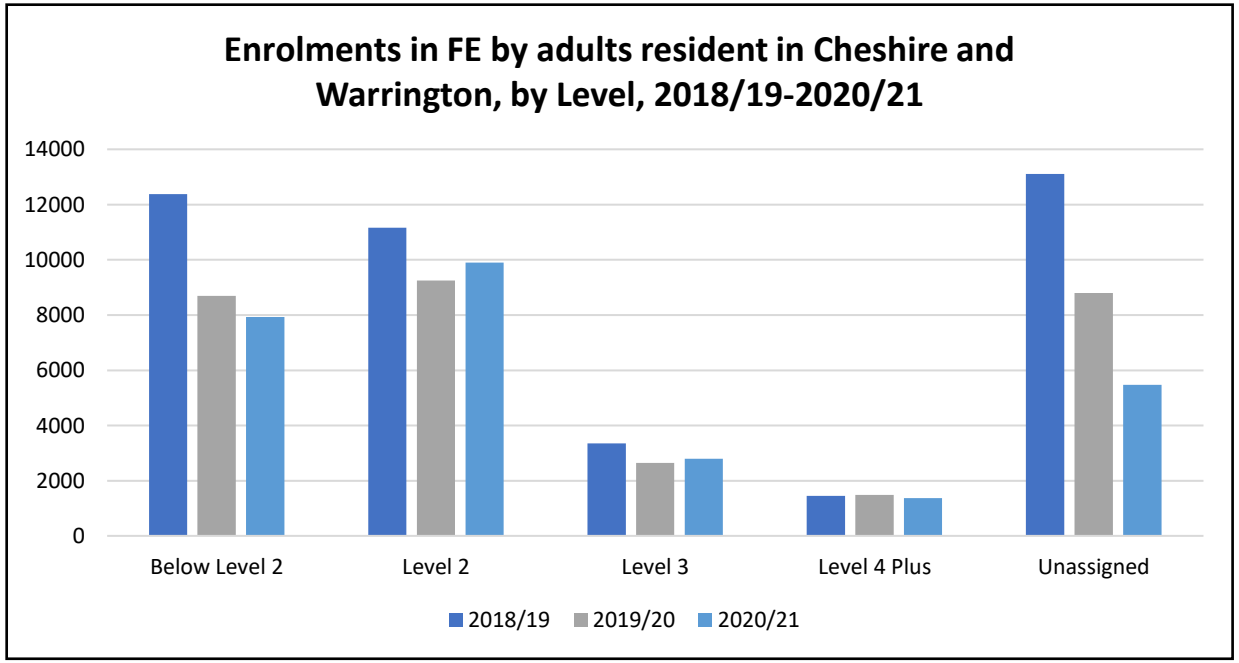
The total number of learning aim enrolments by adults resident in C&W in FE in 2020/21 was 27,467. This was a decrease of more than a third from 2018/19.

The decline in enrolments between 2018/19 and 2020/21 at Level 2, Level 3 and Level 4+ (-11%, -17%, -5% respectively) was less than the overall decline in enrolments of 34%. Learning aims with no assigned Level (primarily a feature of Community Learning) declined by 58%.

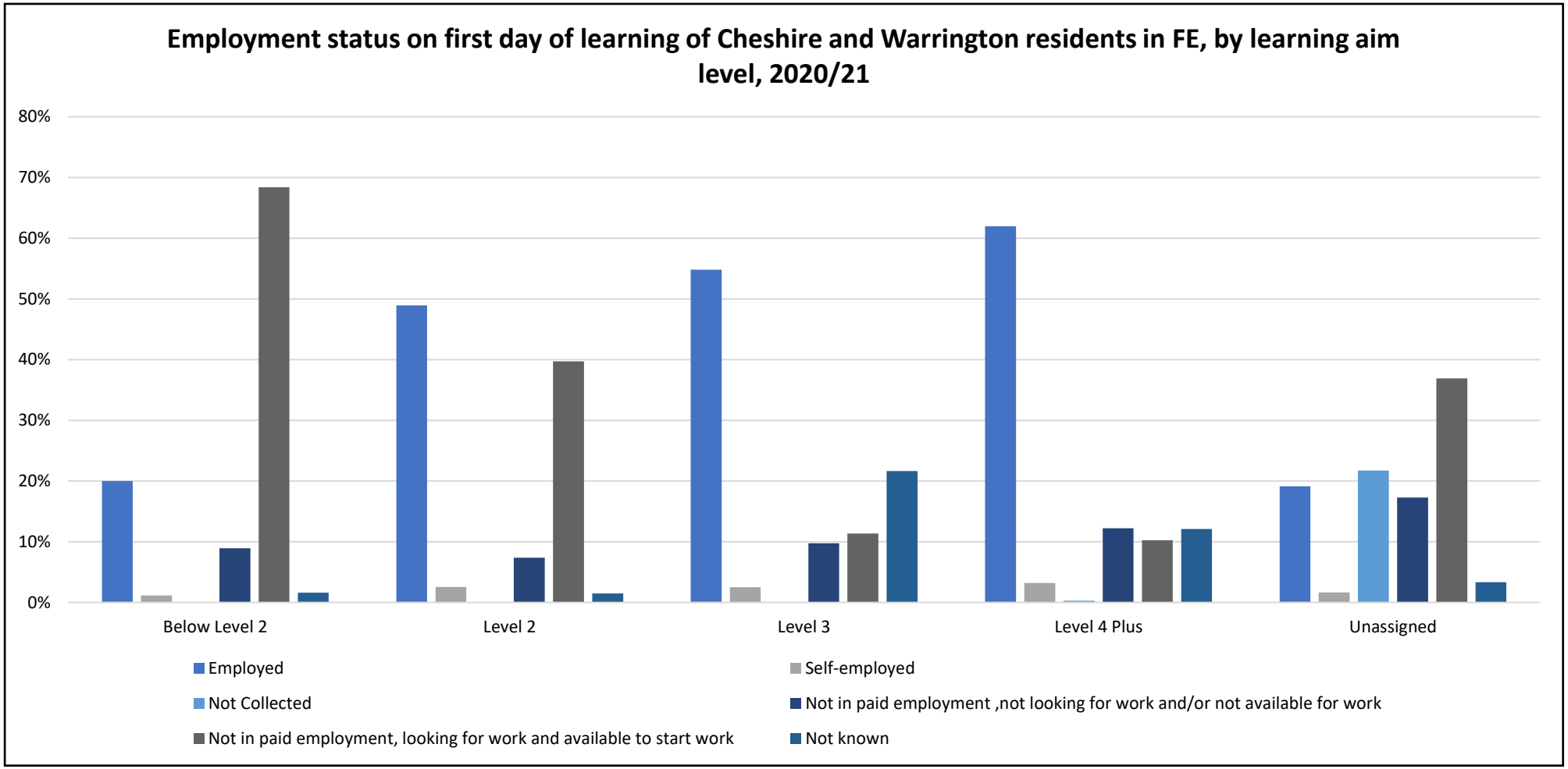
Adult FE ward enrolment rates were highest in Warrington, Ellesmere Port, Crewe and Winsford.





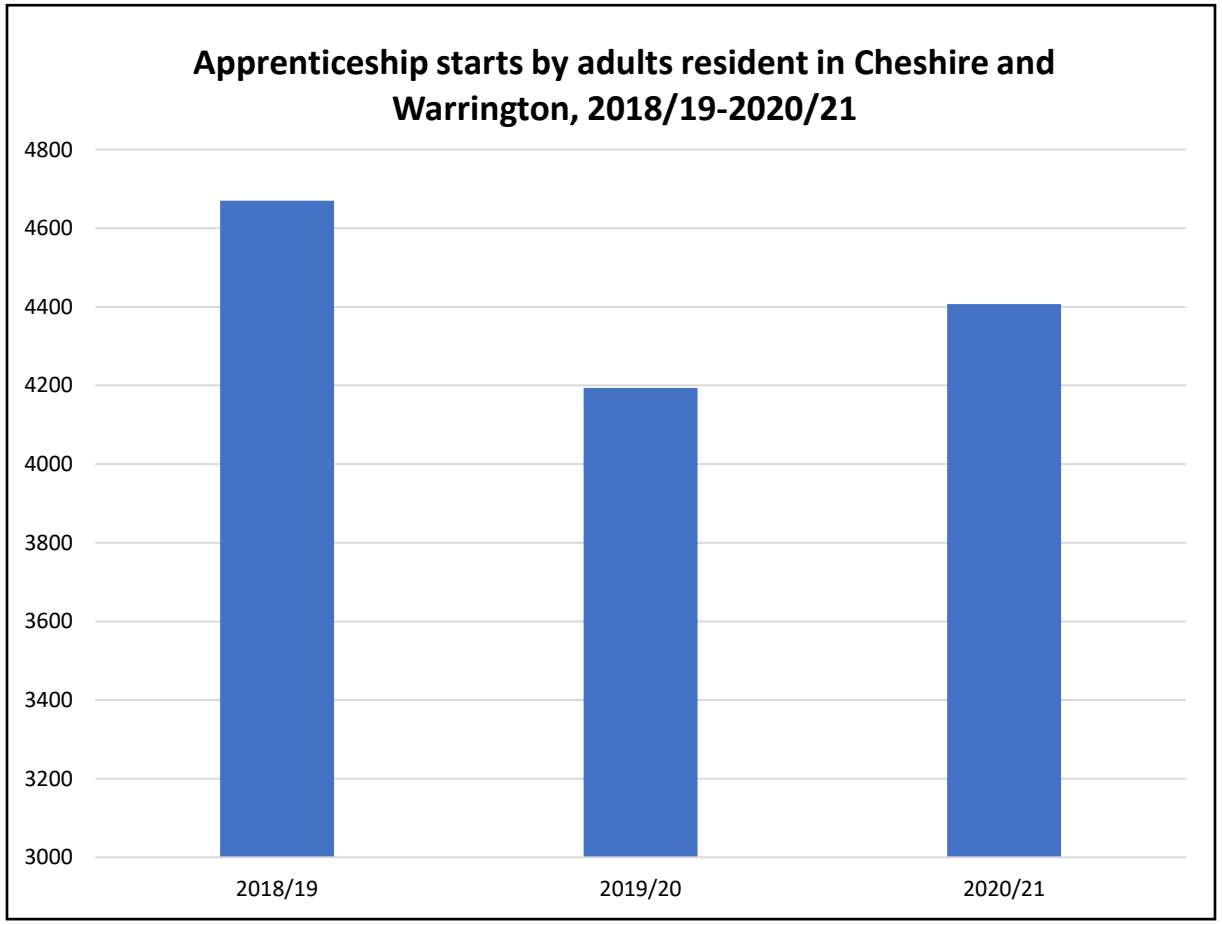


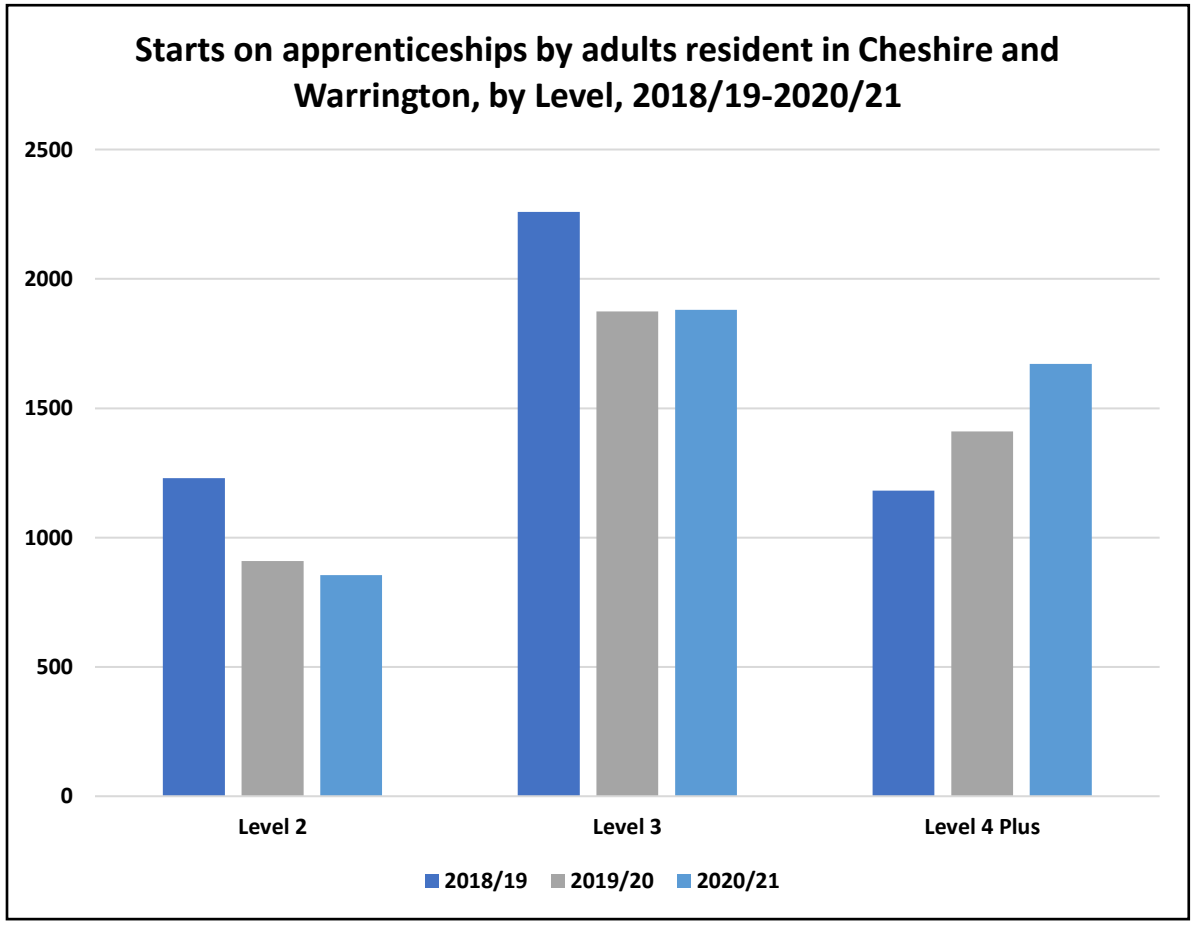
The higher the level of learning by adults in FE, the higher was the proportion of learners that were employed on the first day of learning, with this going from 20% of learners on learning aims below Level 2 to 62% of learners on learning aims at Level 4+.



Source: ESFA Localities datacube (residency)

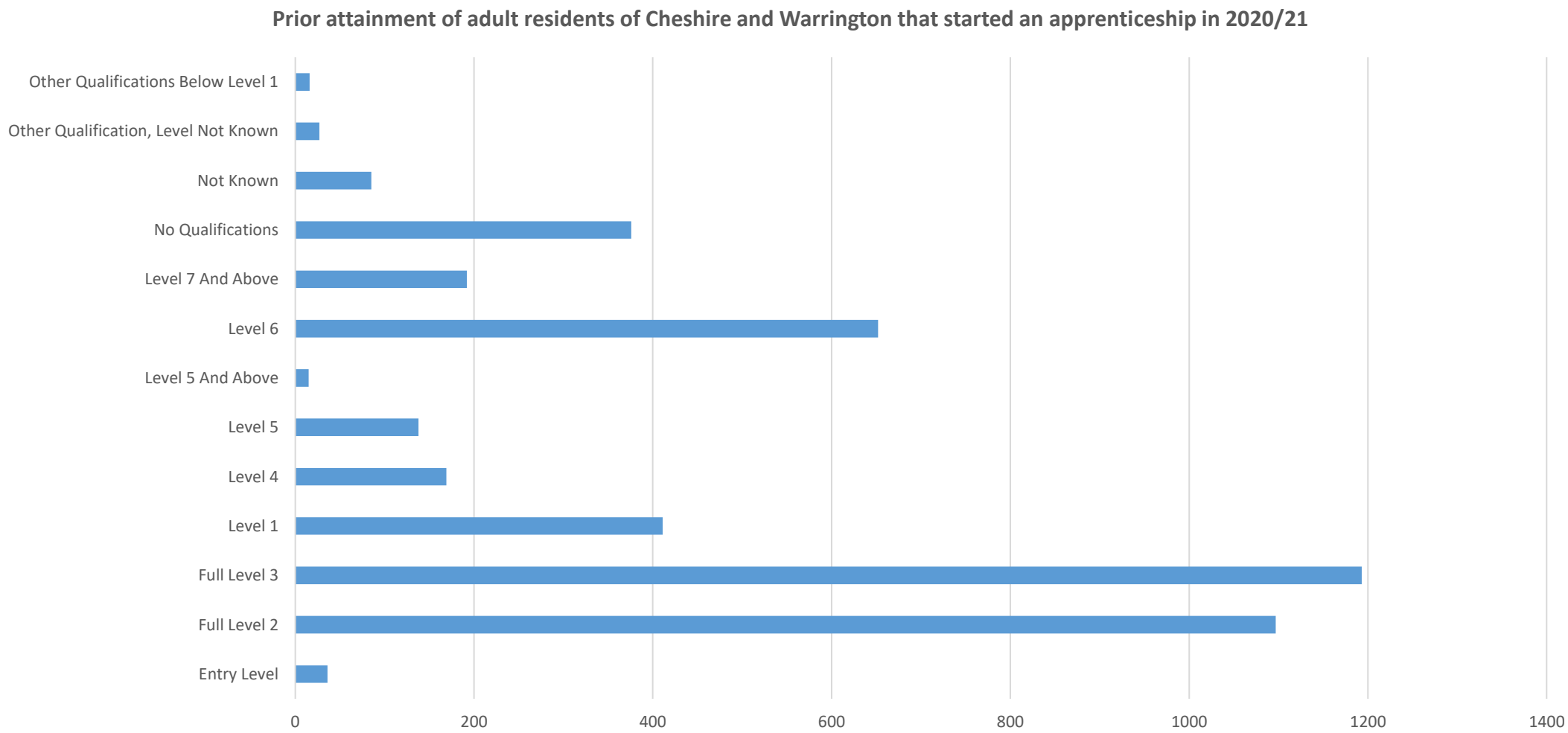
Apprenticeship starts by adults in C&W declined by almost 500 between 2018/19 and 2019/20 but recovered partially - a decline of 6% on 2018/19. Starts by adults at Level 2 decreased by 30% and at Level 3 the decrease was 17%. By sharp contrast starts at Level 4+ increased by 42%. In 2020/21 19% of starts were at Level 2, 43% were at Level 3, and 38% were at Level 4+.





Source: ESFA Localities datacube (residency)

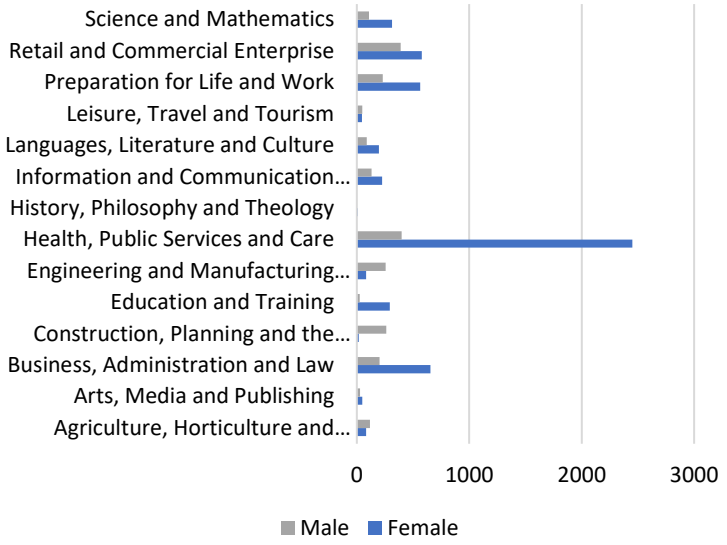
In 2020/21, more than a quarter (26%) of adult apprentices were already qualified at Level 4 or above, and over half were already qualified at Level 3+. This suggests that adult apprenticeships are an important vehicle for employer-led adult retraining.



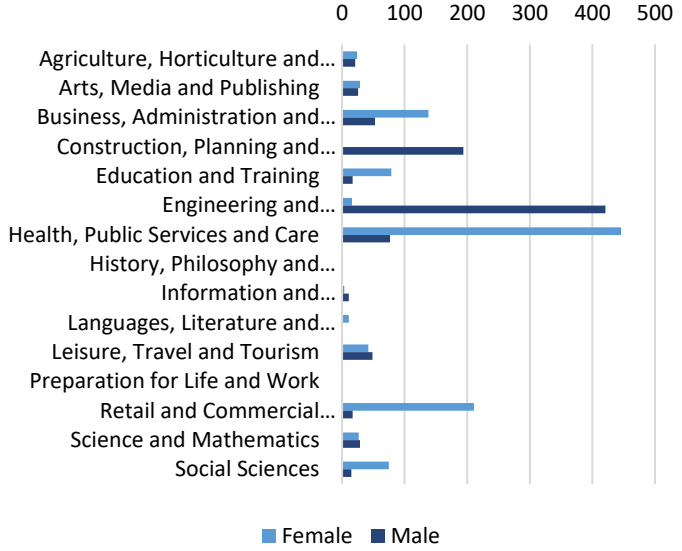
Source: ESFA Localities datacube (residency)

Adult FE and apprenticeships show large gender disparities at all levels. Males dominate Engineering, Construction, ICT. Females dominate Retail and Commercial Enterprise, and Health, Public Services and Care.

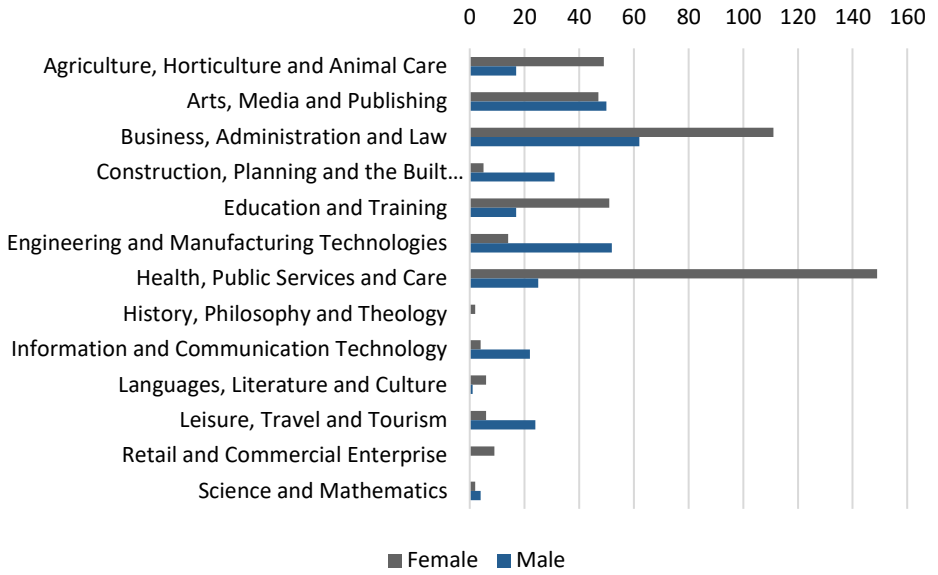
Sector Subject area of enrolments at Level 2 in FE by adult residents of Cheshire and Watrrington, 2020/21



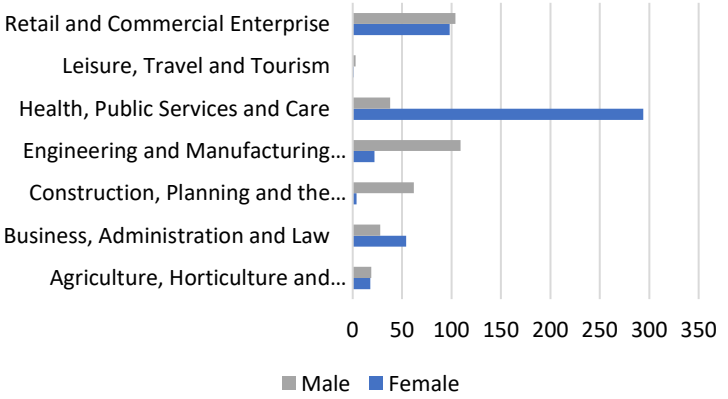
Enrolments on L3 learning aims in FE by adult residents of Cheshire and Warrington, by Gender, 2020/21



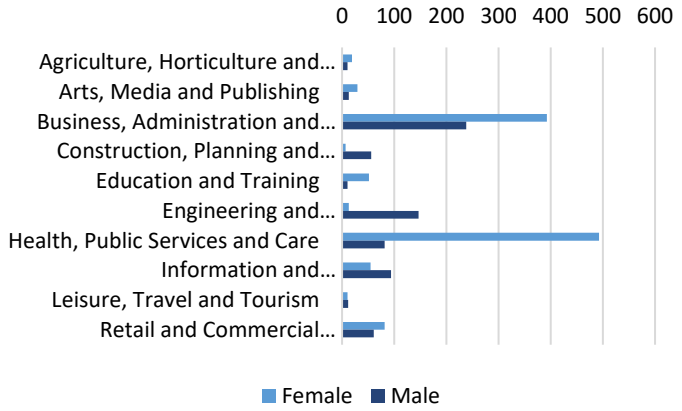
Enrolments at Level 4+ in FE by adult residents of Cheshire and Warrington, by gender, 2020/21



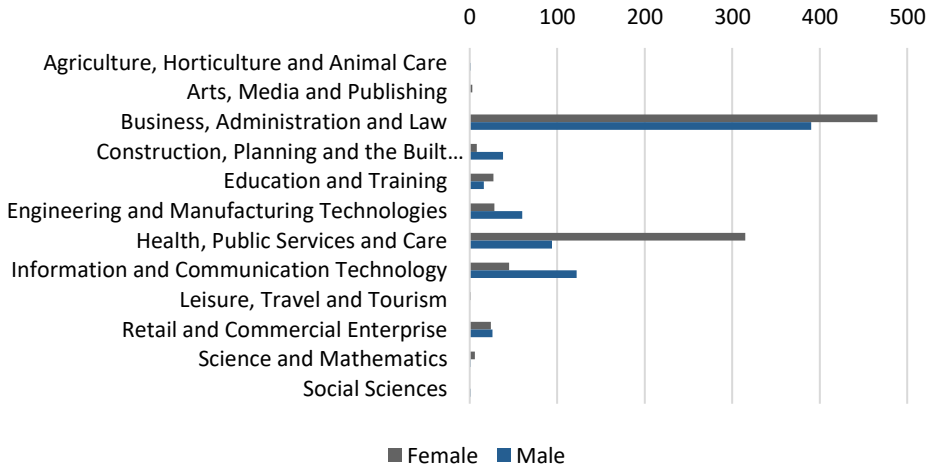
Apprenticeship starts at Level 2 by adults resident in Cheshire and Warrington, by SSA and gender, 2020/21



Starts on Level 3 apprenticeships by adults resident in Cheshire and Warrington, by gender and SSA, 2020/21

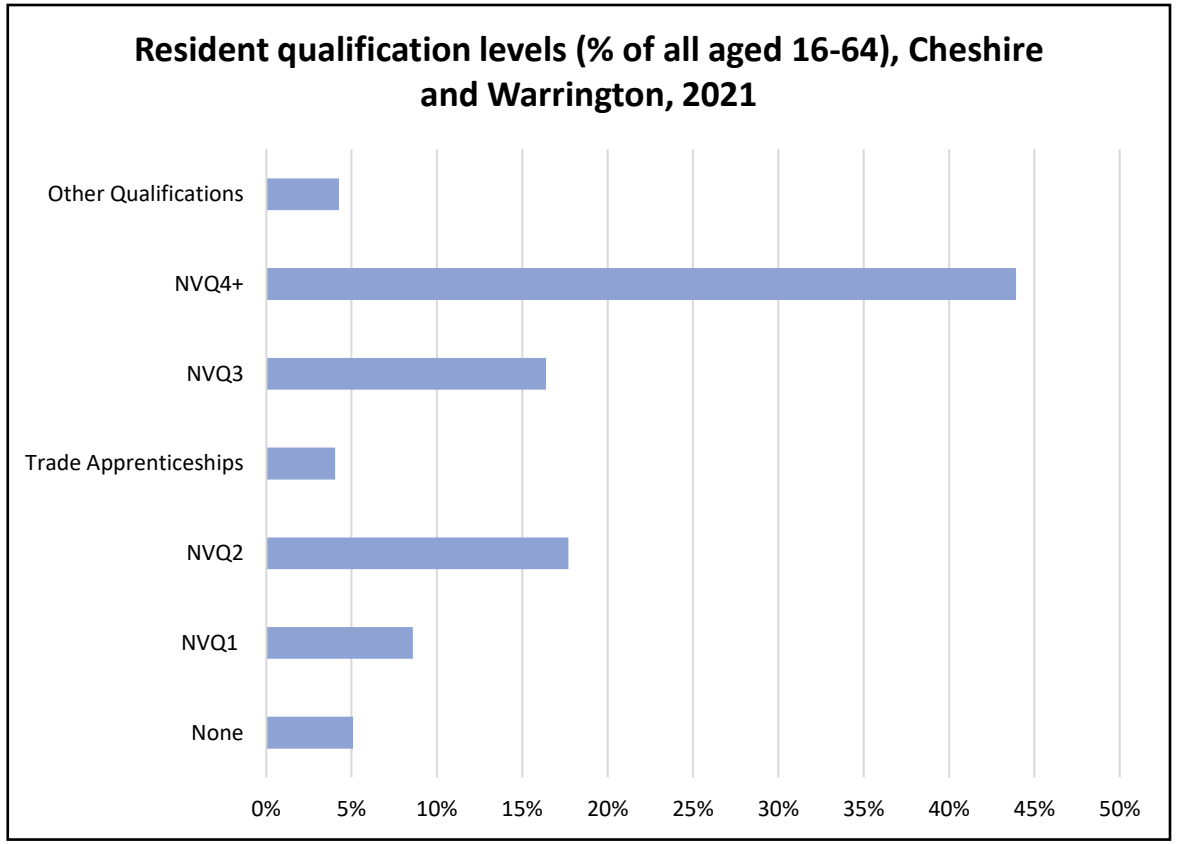


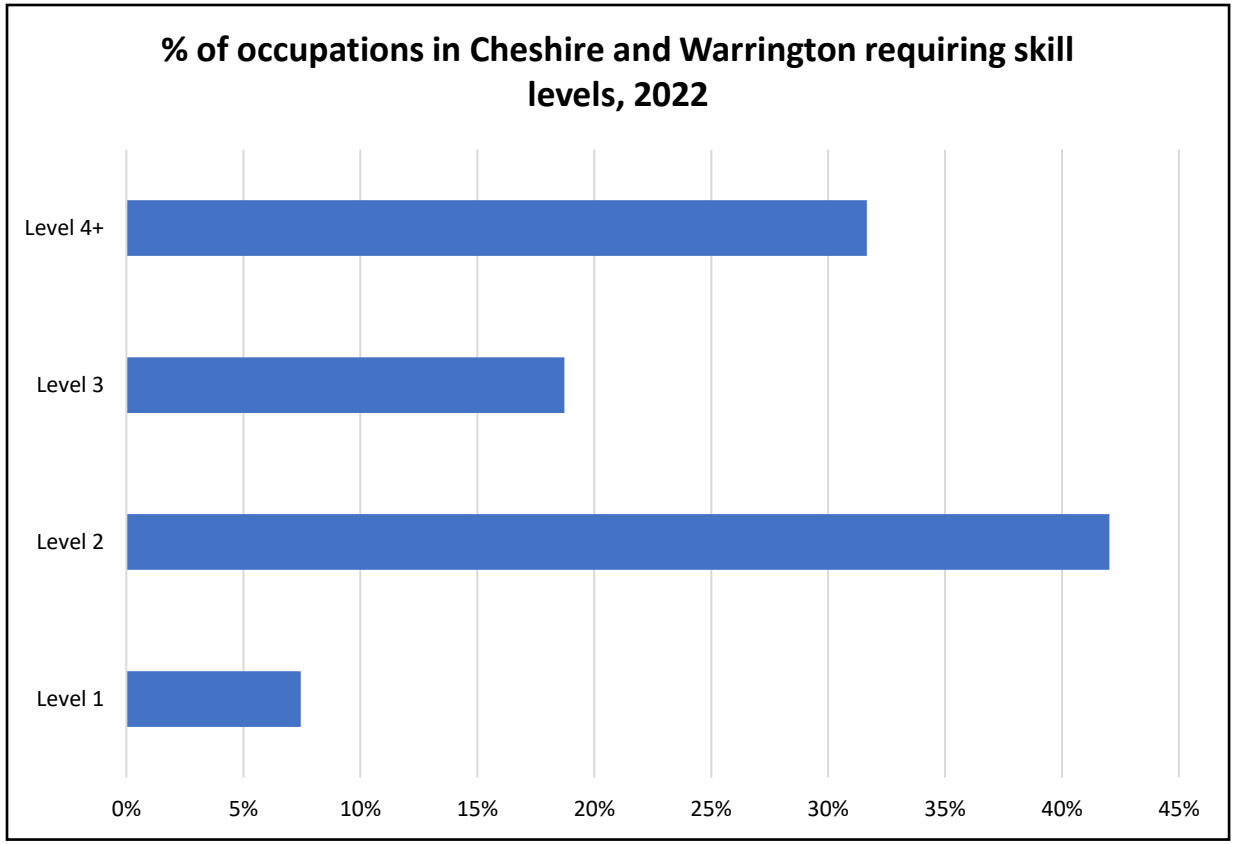
Apprenticeship starts at Level 4+ by adult residents of Cheshire and Warrington, by SSA and gender, 2020/21



DEMAND AND SUPPLY

The % of residents holding a L4+ qualification is higher than the % of occupations employed in C&W requiring L4+. Because C&W has a high jobs density, the volume difference is relatively smaller than the % difference. In volume terms, there are about 30k more C&W residents qualified to L4+ than there are L4+ roles. However, many L4+ residents work in adjacent subregions t which is why C&W resident wages are higher than workplace wages in C&W.

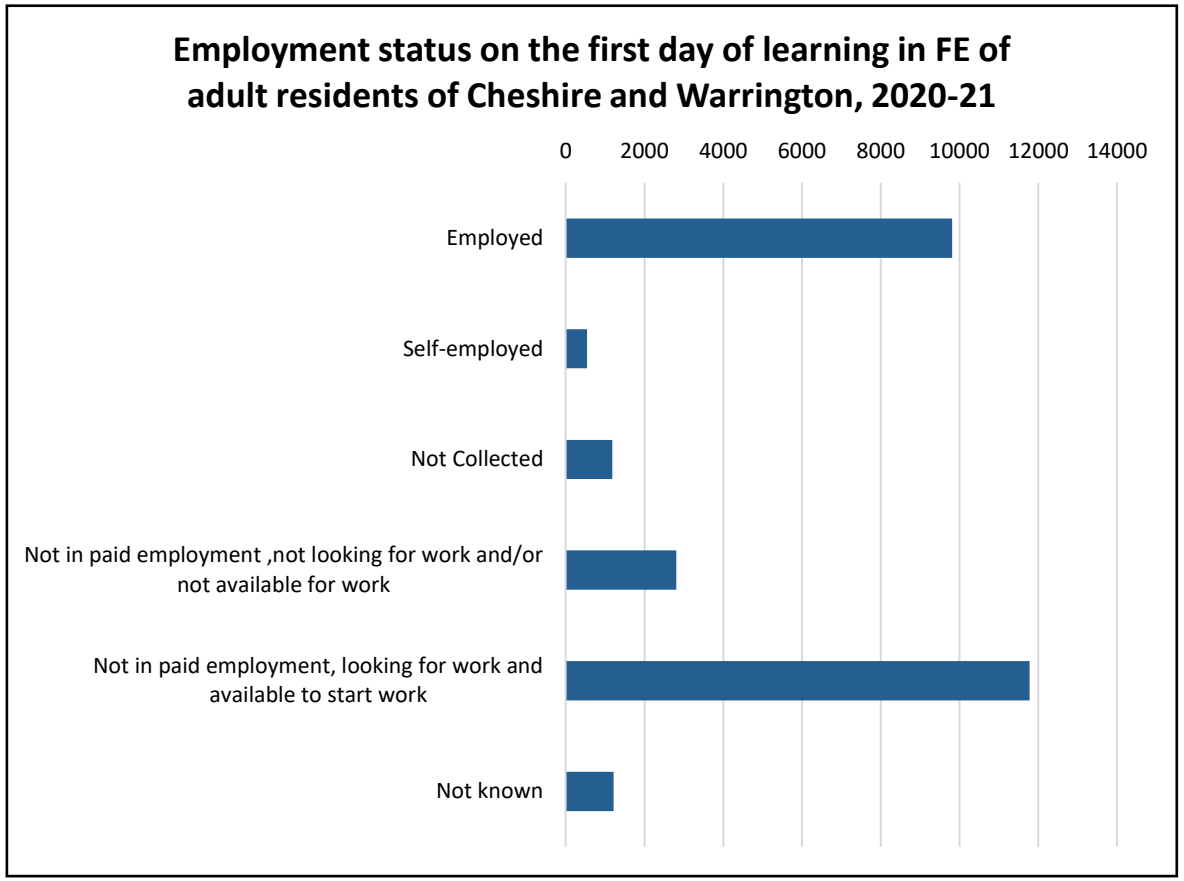


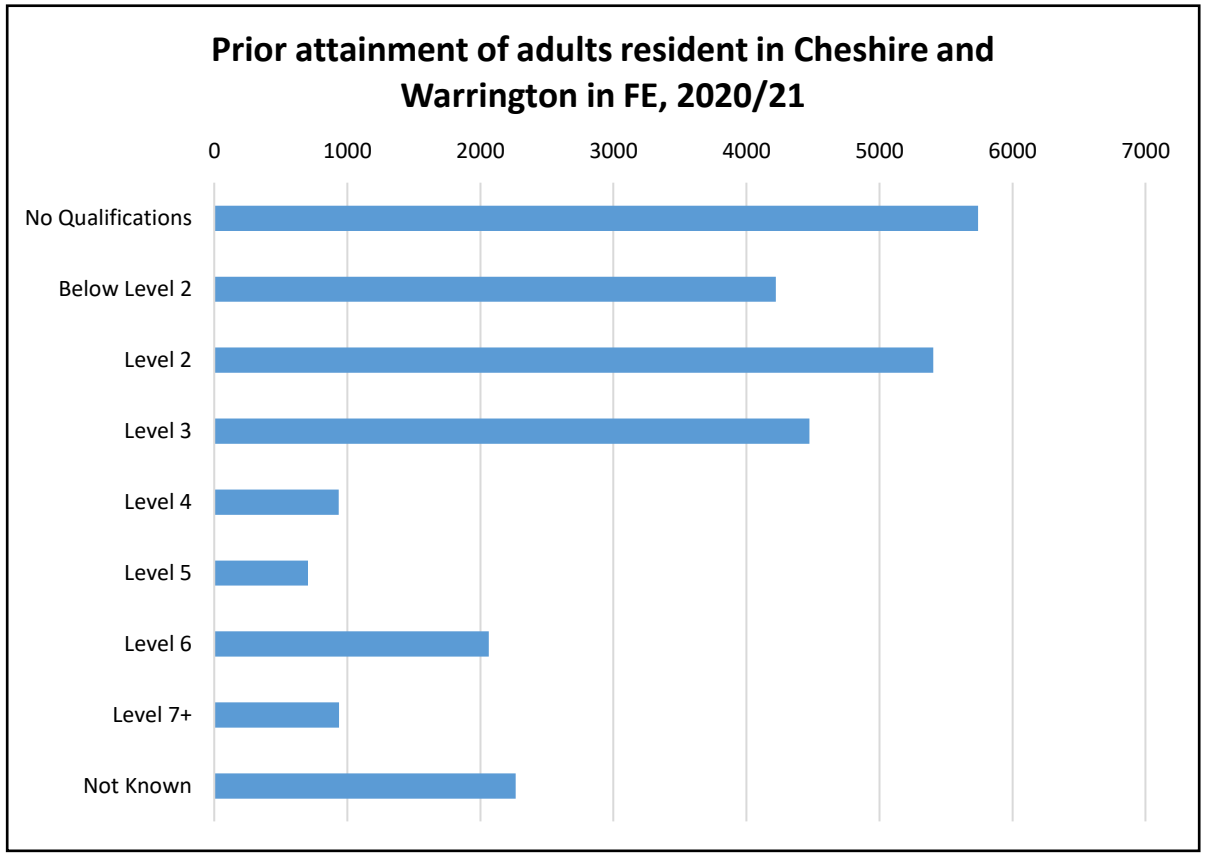


Sources: APS, ONS; and Lightcast Analyst

LFS unemployment in C&W stands at 3.3%. By contrast, in 2020/21, there were more enrolments in FE from those not in employment (14.5k) than those employed/self-employed (10.3k). FE delivery is disproportionately focused on those without employment.

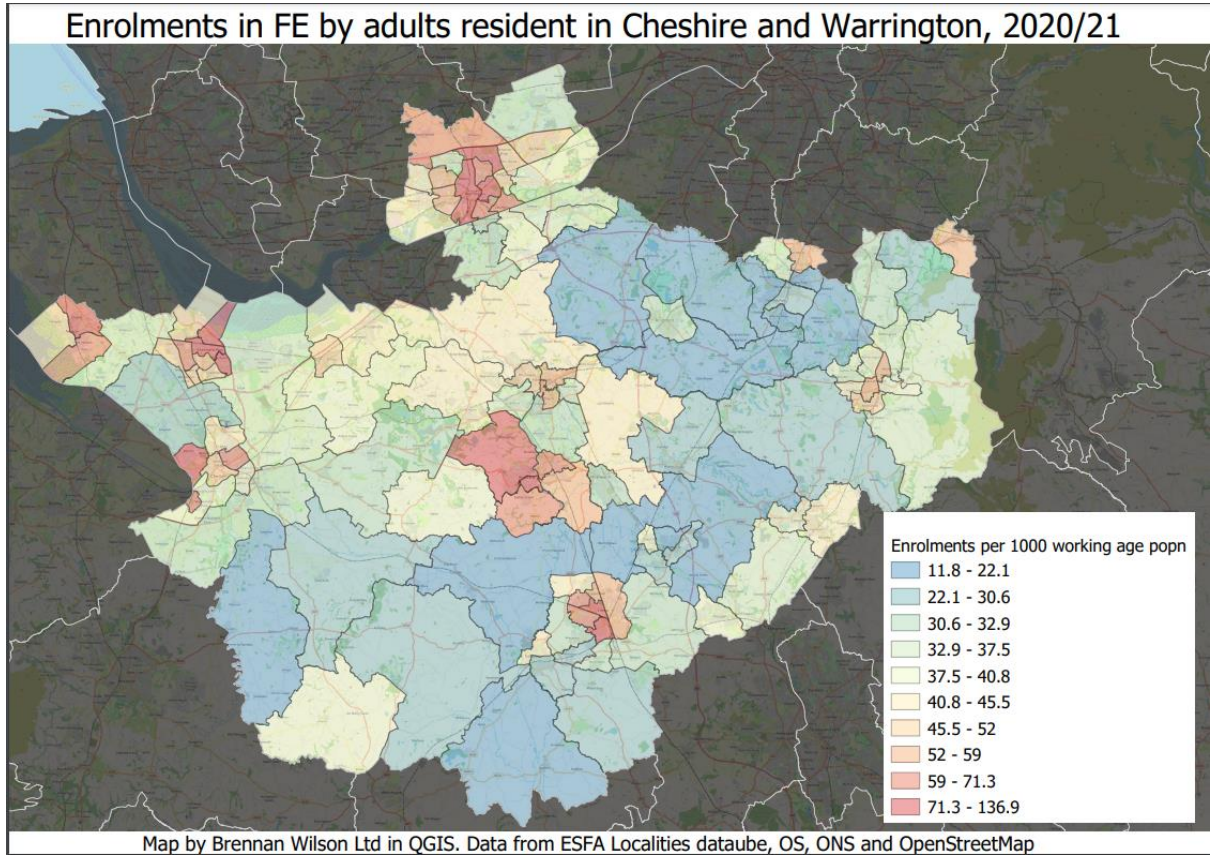
37% of C&W adult residents that enrolled on an FE learning aim in 2020/21 were qualified below Level 2. This compares with 18% of the overall working age population that is not qualified to Level 2.

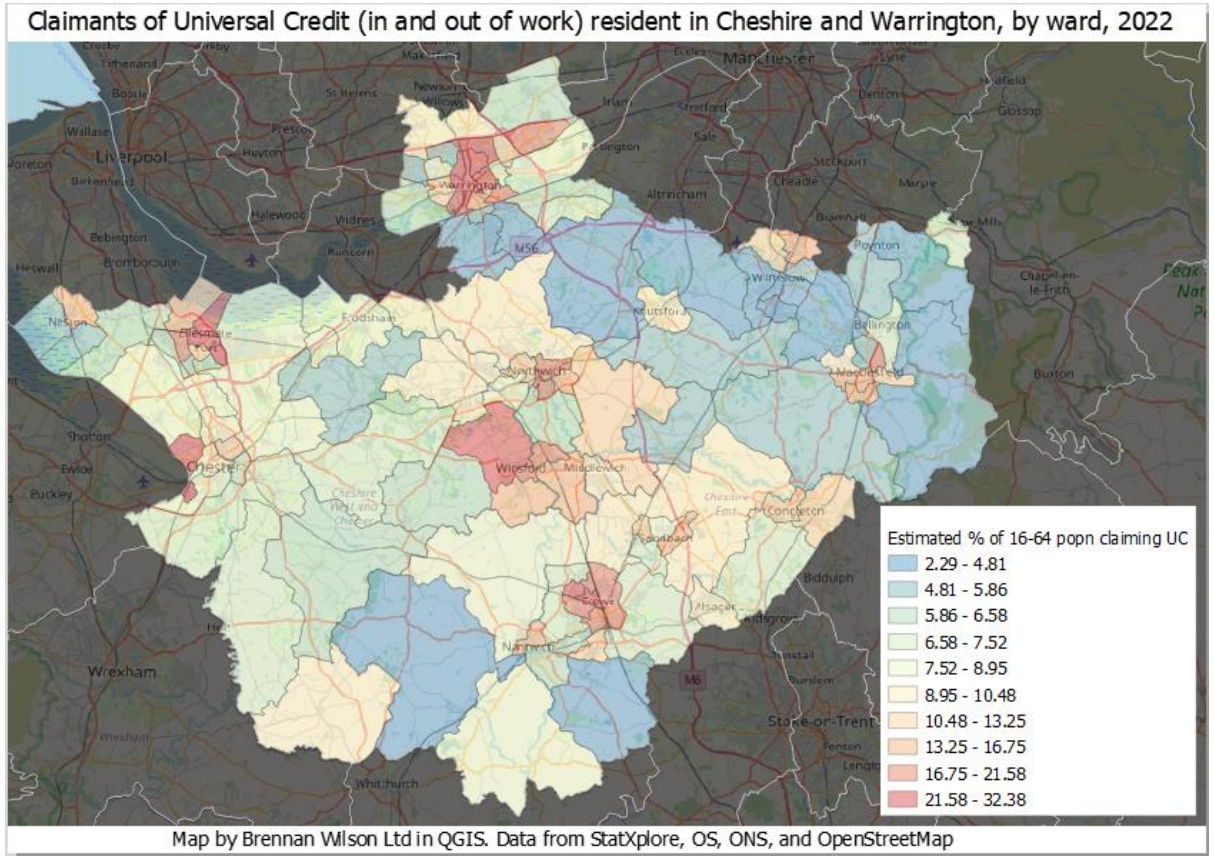




Source: ESFA Localities datacube (residency)

There is a good alignment of areas with high FE enrolment with areas that have high numbers of UC claimants. Six of the ten wards with the highest density of FE enrolments also appear in the top ten wards with highest UC claimant density. Every ward in the top two deciles for UC claimant density appears in the top three deciles for FE enrolment density.





If C&W were to have the same level of skills attainment as currently pertains in Germany, the proportion of the workforce qualified at Level 3+ would be 20 percentage points higher. That equates to approximately an additional 90,000 people qualified to Level 3+.

If it is a policy objective to provide the skills that C&W employers need from C&W residents, then the skills system in C&W is delivering too few qualifications at L3+ - approximately 4.5k per annum compared to a replacement demand requirement of c10k per annum.

1. Estimated annual outflow of L3+ qualified residents (from LFS and ONS population estimates)	7,500
2. Estimated annual inflow of L3 qualified 19-year-olds (from DfE SFR and ONS population estimates)	6,000
3. Estimated annual L3 inflow from FE/Apprenticeships for adults (6k starts in the residency datacube for 2018/19 with a 75% achievement rate assumption)	4,500
4. Estimated net inflow of L3+ qualified into workforce (3+2-1)	3,000
5. IER forecast of annual replacement demand at L3+	13,000
6. Estimated annual shortfall of L3 qualified inflow to meet IER replacement demand (5-4)	10,000
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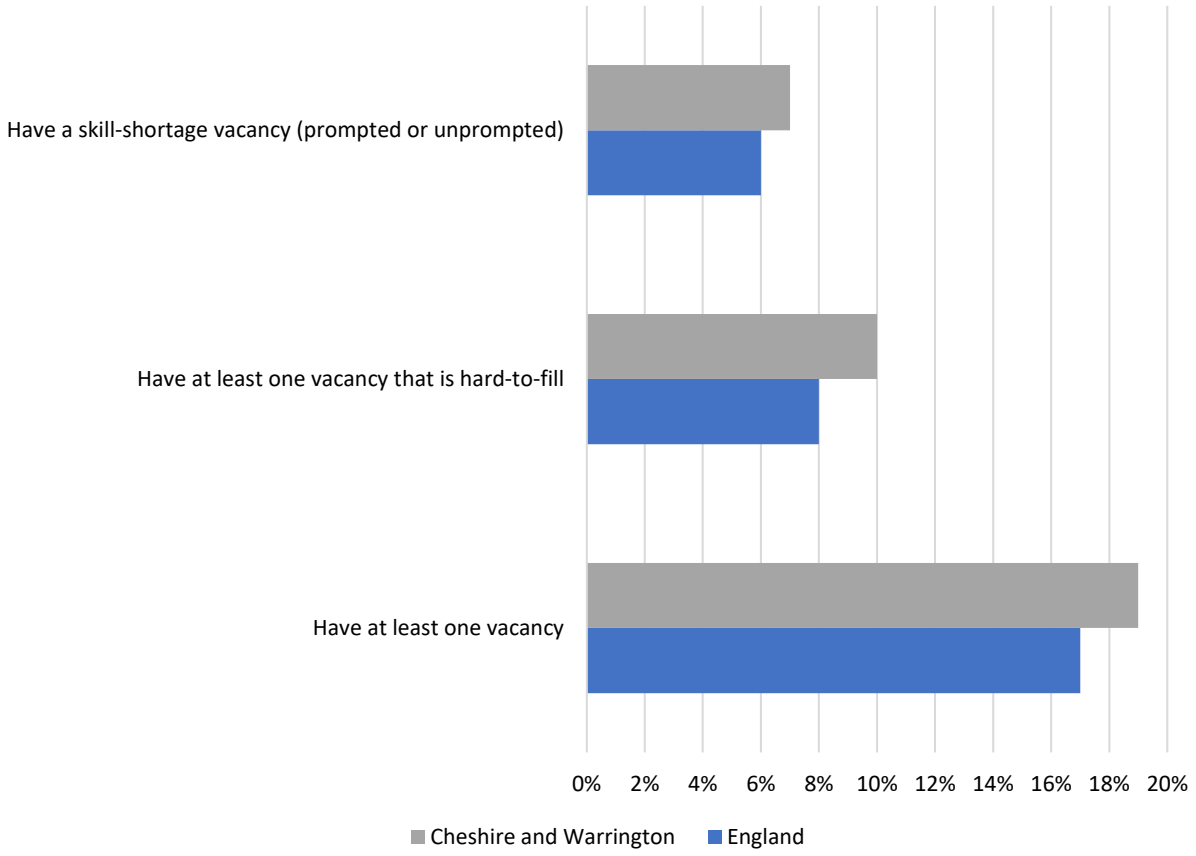
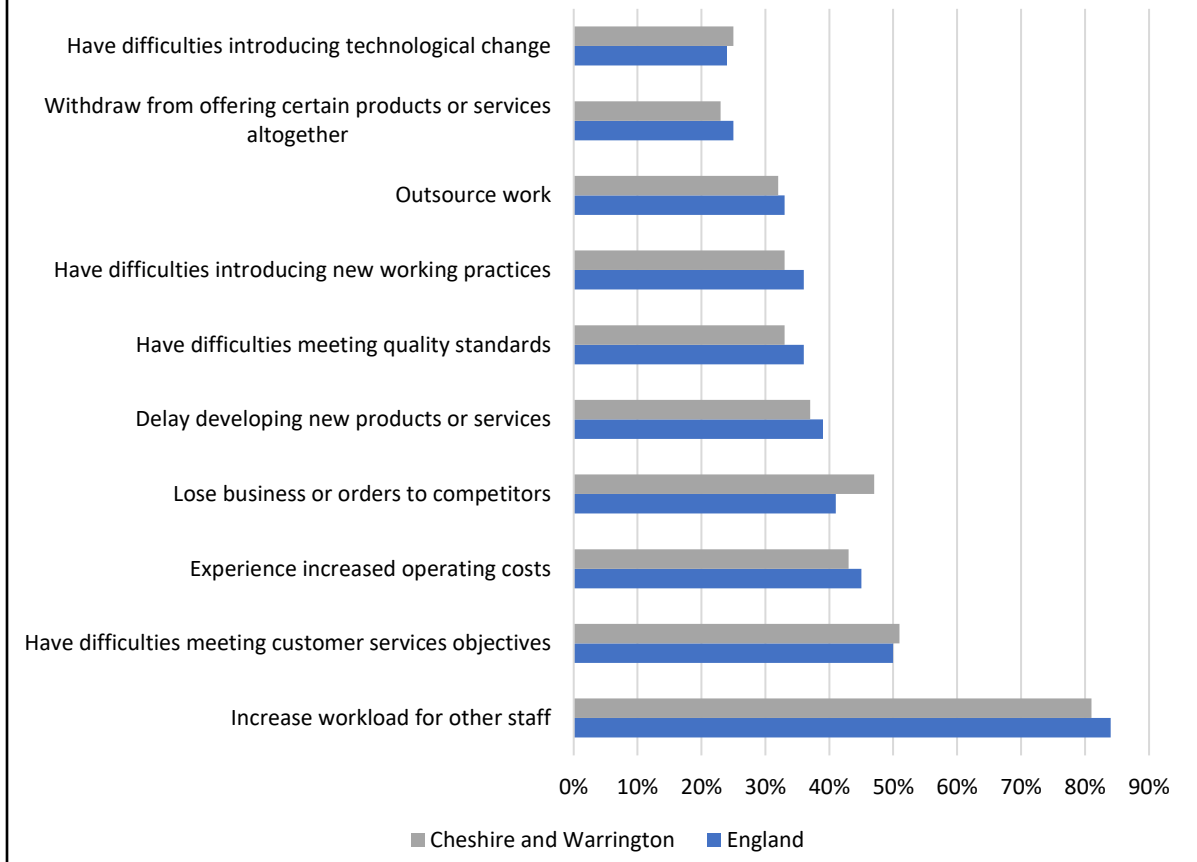
When the national Employer Skills Survey was undertaken in 2019, employers in C&W were more likely than their English counterparts to have at least one vacancy; to have at least one hard to fill vacancy; and to have a skill shortage vacancy.

A higher proportion of C&W employers felt that the impact of skill shortage vacancies on their business would be to lose business or orders to competitors than was the case in England (47% vs 41%).

Vacancies, skill shortage vacancies and hard to fill vacancies



The impact of SSVs on employers



Source: ESS 2019

In 2022, with the economy entering recession, roles with high job posting intensity were mostly in the health sector.

Hard to fill Vacancies (4-digit SOC Occupations>100 unique postings) in Cheshire and Warrington, 2022		
	Postings	Intensity
Midwives	134	8.7
Nurses	6375	7.2
Dental Nurses	114	6.1
Nursing Auxiliaries and Assistants	1915	5.6
Counsellors	167	5.5
Driving Instructors	173	5.2
Health Associate Professionals n.e.c.	643	5.2
Health Services and Public Health Managers and Directors	839	5.1
Medical Secretaries	169	5.0
Psychologists	305	4.7
Therapy Professionals n.e.c.	165	4.5
Speech and Language Therapists	135	4.5
Care Workers and Home Carers	7033	4.3
Elementary Storage Occupations	3027	4.2
Prison Service Officers (Below Principal Officer)	230	4.0
Source: Lightcast Analyst, Jan 2023		

SUMMARY OF KEY ISSUESDEMAND AND SUPPLY

KEY ISSUES FROM THE ANALYSIS

1. As the economy enters recession, a labour market legacy of the pandemic and other factors is increased long-term unemployment and increased structural economic inactivity. It is a key priority to tackle these issues urgently. Failure to do so will lead to increased social exclusion.
2. To meet current demand, we need to fill at least 20K vacancies, many at Level 3+; and to meet future employer demand, Cheshire and Warrington needs 71,000 more adults qualified to Level 3+, and 75,000 more qualified to level 4+ by 2027 compared to 2017. Many of these roles will require higher technical and digital skills.
3. Employers in C&W are much more likely to have skills shortage vacancies in high skill roles and more likely to experience bottom line business impacts from this. A range of action is needed to support employers, including skills support and support to develop flexible employment offers. A key priority should be to support low and declining productivity sectors.
4. The gap between those young people in receipt of free school meals (FSM) and those not in receipt of FSM for progression to a sustained place in education at Key Stage 4 is too big, as it is for attainment of Level 3 at age 19. This failure to maximise the skills of our young people puts unnecessary constraints on economic growth.
5. Where young people live in Cheshire and Warrington links to their level of attainment. Young people tend to do less well in Ellesmere Port, North Warrington and Crewe.
6. There are significant gender disparities in learning in ICT, Engineering, Health and Social Care, and Construction across all learning routes. This embeds a structural deficiency in the labour market where some occupations only draw on the talents of half of the population. Female participation in digital skills is too low.