Annex A

Annex A is based on data provided by DfE and aims to provide a high level assessment of the labour market and skills landscape. This Annex follows the guidance issued by the Department. For completeness, the text below pulls data and analysis from The Cheshire and Warrington Labour Market Assessment[1] as well as Annex A. Where relevant, this is referenced in footnotes. Where additional data is cited that has been released since the production of The Cheshire and Warrington labour Market Assessment (end 2020) or for some other reason, the data source is referenced in a footnote.

1. Local Landscape

Local Landscape - Summary[2]

The population profile of Cheshire and Warrington is old and getting older. Job density (and business density) is significantly higher than the national average. This means employer demand for skills must be met by a combination of the education and training of young people, the upskilling and reskilling of the adult workforce, inward commuting from adjacent areas and immigration.

Inward commuting is already high, and the broader context makes increased migration less likely, so the focus will increasingly be on the resident population, and the capacity of the local skills system to deliver what is required.

Whilst the population is ageing, the only age band under 60 that is forecast to grow over the next eight years by more than 10% is the 16-18-year-old population where a growth of 15% is forecast. This growth will put additional pressure on the capacity of the Further Education and skills system.

In 2019, there were over 43,000 businesses in Cheshire and Warrington, employing 500,000 people. There are five sectors that employed more than 40,000. They are: “Manufacturing”; “Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles”; “Professional, Scientific and Technical Activities”; “Administrative and Support Service Activities”; and “Human Health and Social Work Activities”.

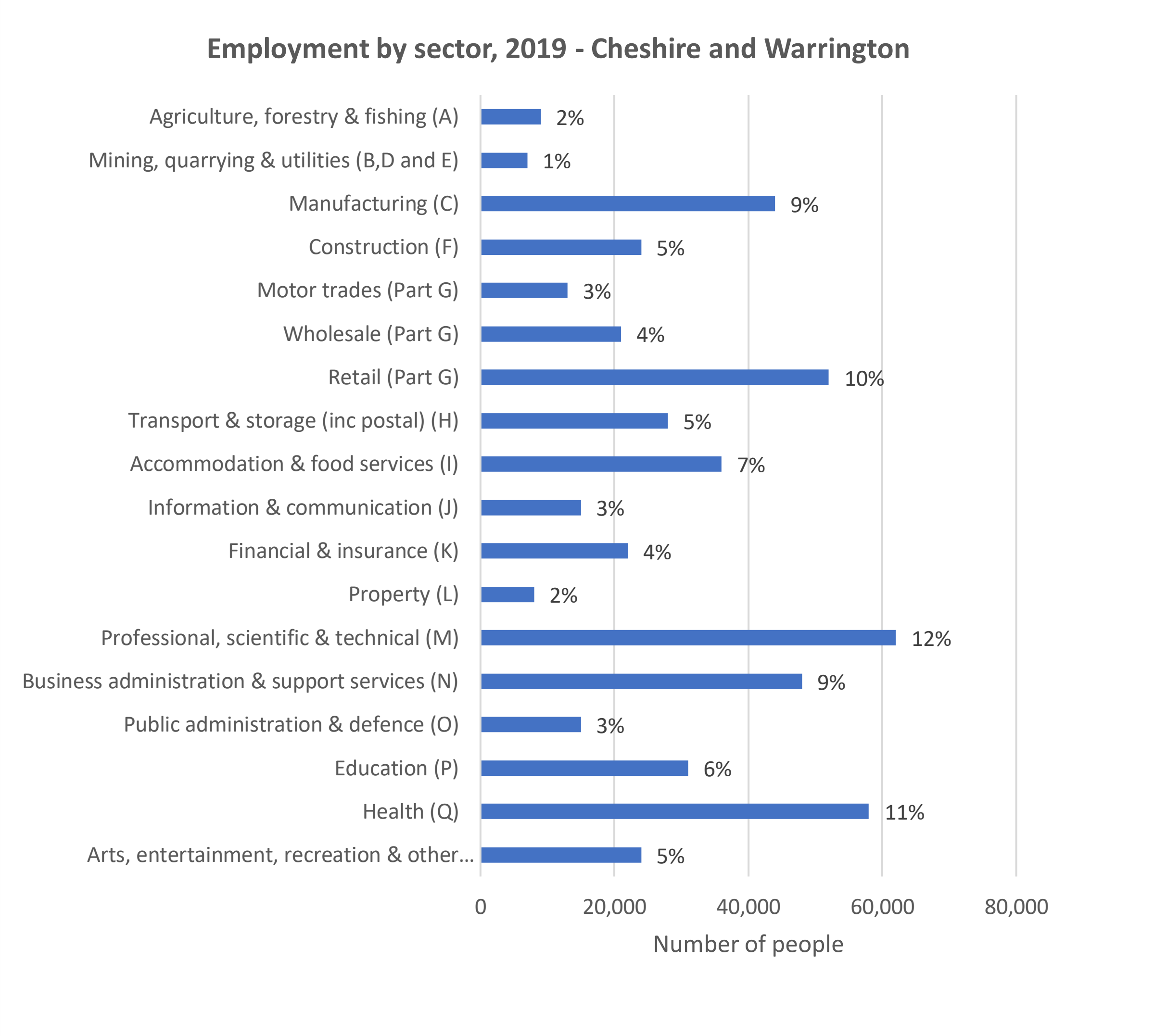
Sectoral strengths in the Cheshire and Warrington local economy (ie those sectors with the highest location quotients -LQs – calculated from the Business Register and Employment Survey) include: “Wholesale and retail trade; repair of motor vehicles and motorcycles” (LQ of 1.18); “Professional, scientific and technical activities” (LQ of 1.51); “Financial and insurance activities” (LQ of 1.18); and “Water supply; sewerage, waste management and remediation activities” (LQ of 1.19).

Economic inactivity is increasing in Cheshire and Warrington because of the Covid-19 labour market downturn, with the proportions of the working age economically inactive describing themselves as ‘wanting a job’ or ‘retired’ both increasing. The 50+ claimant count is at record levels. 16-24 claimants of out of work benefits are also at record levels and are concentrated in areas with already elevated levels of deprivation.

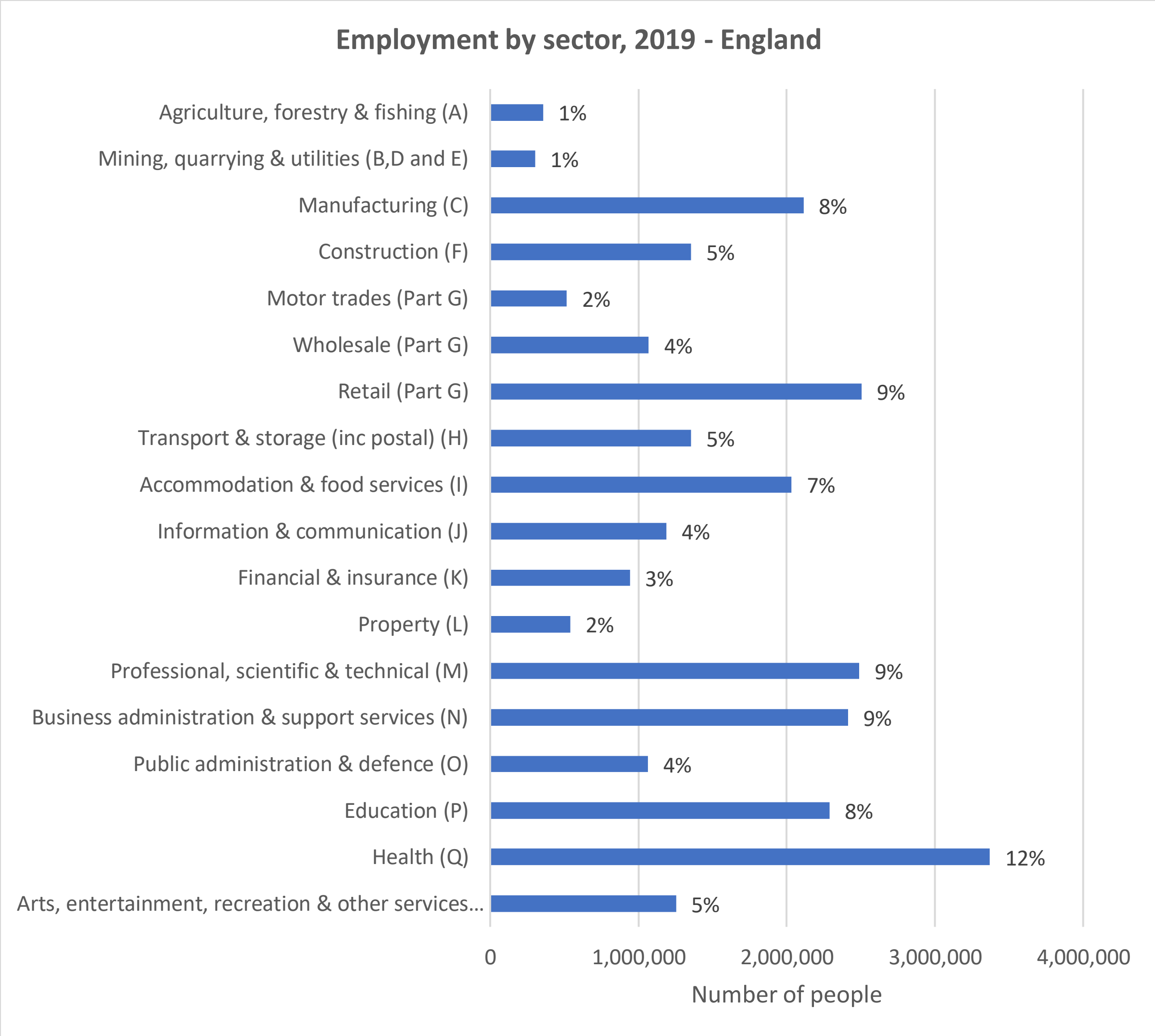
[1] The Labour Market Assessment can be found at this link http://www.871candwep.co.uk/data-and-labour-market-information/

[2] Ibid, Section 3, Pages 11-38

1.1 Employment by Sector



Source: Business Register and Employment Survey, 2019 (published 2020), 2020 SAP boundaries



Source: Business Register and Employment Survey, 2019 (published 2020), 2020 SAP boundaries

Employment by Sector[3]

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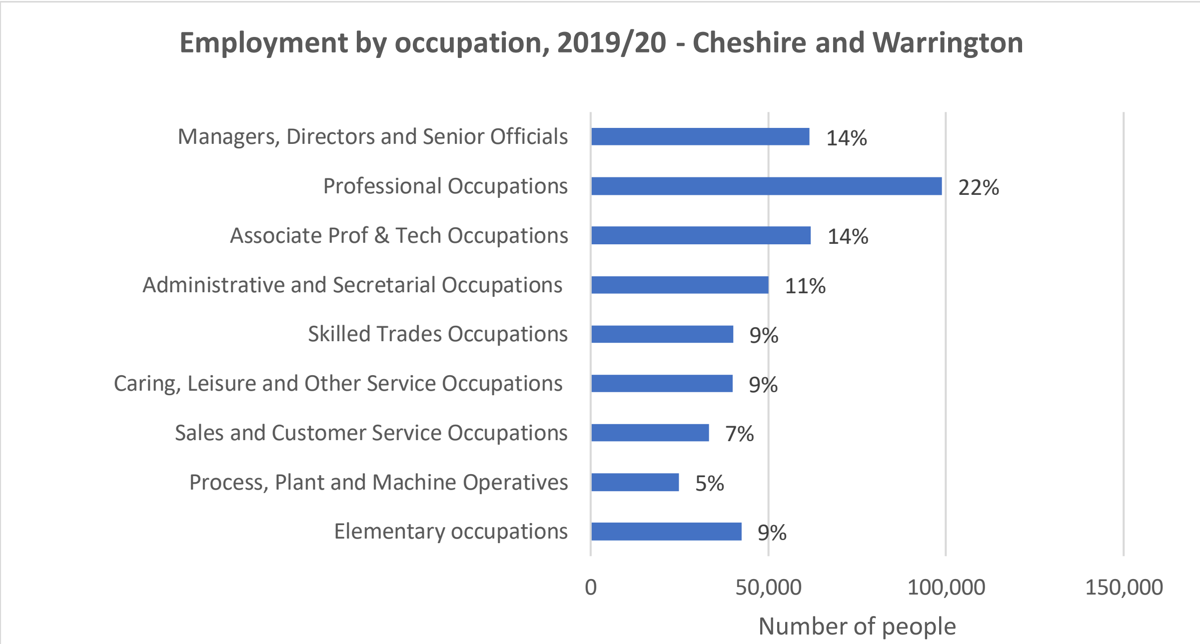
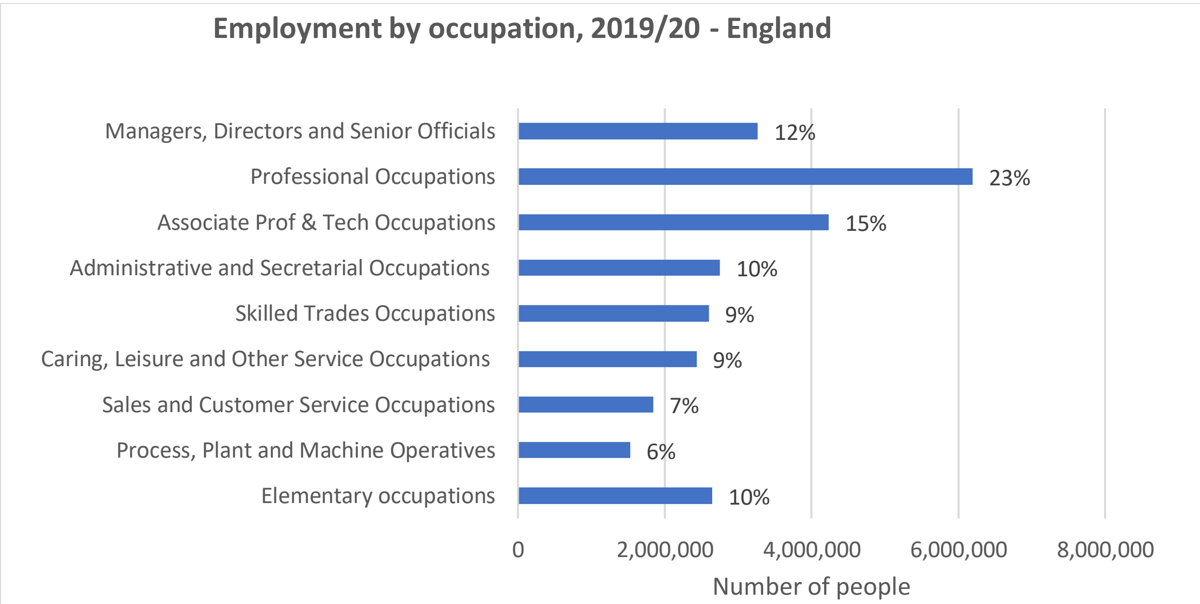
[3] Ibid, Section 3.4, Pages 26-29

1.2 Employment by Occupation



Source: NOMIS, APS, Oct 2019-Sep 2020



Source: NOMIS, APS, Oct 2019-Sep 2020

Employment by Occupation[4]

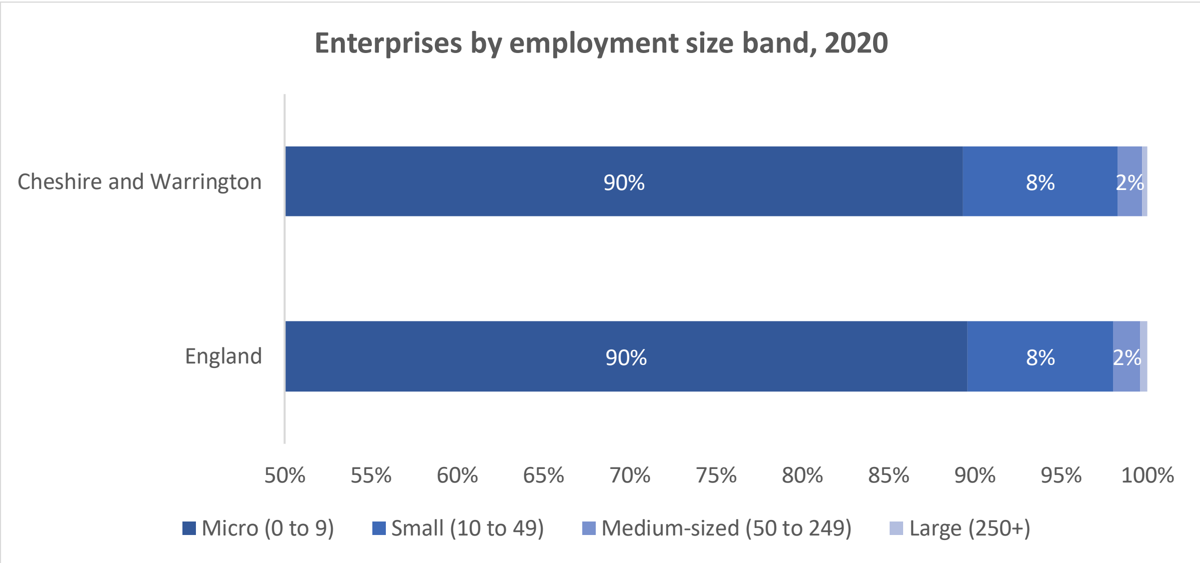
The occupational profile for residents of Cheshire and Warrington and all three Local Authorities is slightly skewed towards higher skilled, and generally higher paid, occupations. The proportion of LEP residents employed in SOC Major Groups 1-3 (1- Managers, directors and senior officials; 2- Professional occupations; and 3- Associate professional and technical occupations) is 1.8% higher than for those same groups at Great Britain level and similar for England (see graphs above). The

[4] Ibid, Section 3.5, Pages 29-31

proportion for these occupational groupings is higher in all three Local Authorities than for Great Britain.

When considering the change in employment, by occupational area, in Cheshire and Warrington local authorities between 2014 and 2019, it is evident every 1-digit SOC occupational area grew in all C&W local authorities with the single exception of "Elementary Occupations" in Warrington, which declined by 237 jobs. The greatest increase in the number of jobs, by job type, between 2014 and 2019 was for: Book-keepers, payroll managers and wages clerks; Chartered and certified accountants; and Sales and retail assistants. Each of these occupational areas grew by more than 2,000 jobs in this period.

1.3 Enterprises by size

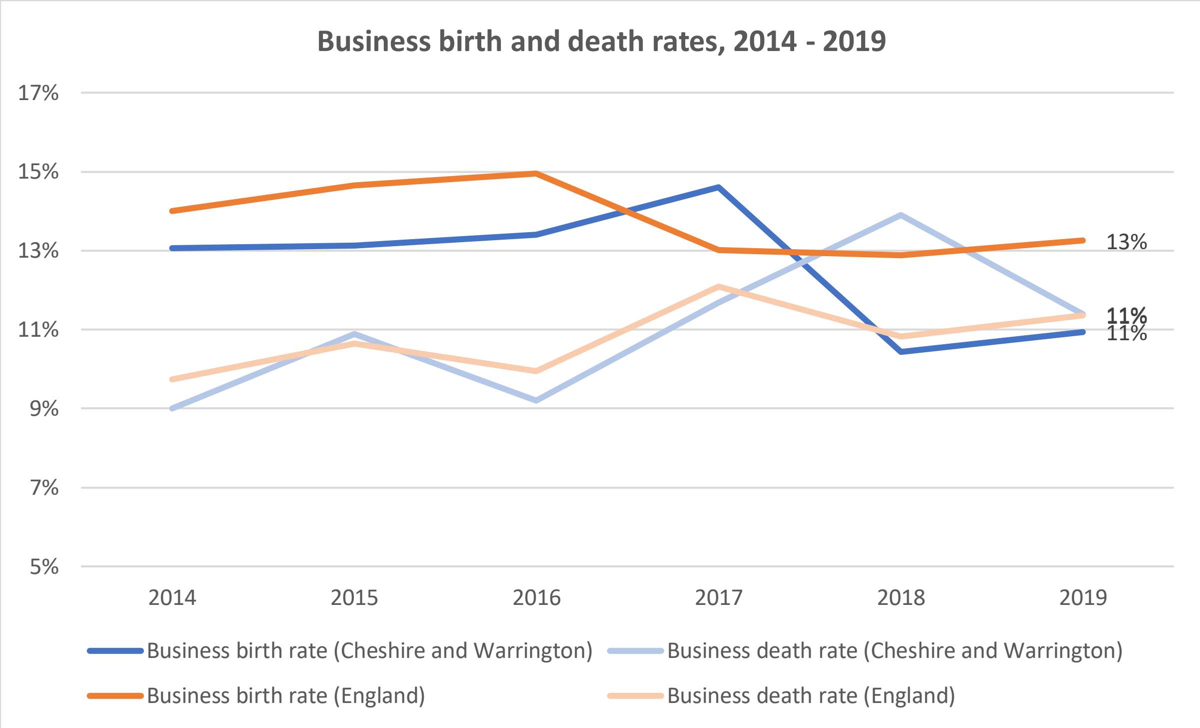


Source: UK Business Counts 2020

Enterprises by employment size band

The chart above sets out the data for the size structure of companies in Cheshire and Warrington and England. Proportions of micro, small, medium, and large companies are the same for Cheshire and Warrington as England.

1.4 Business birth and death rates

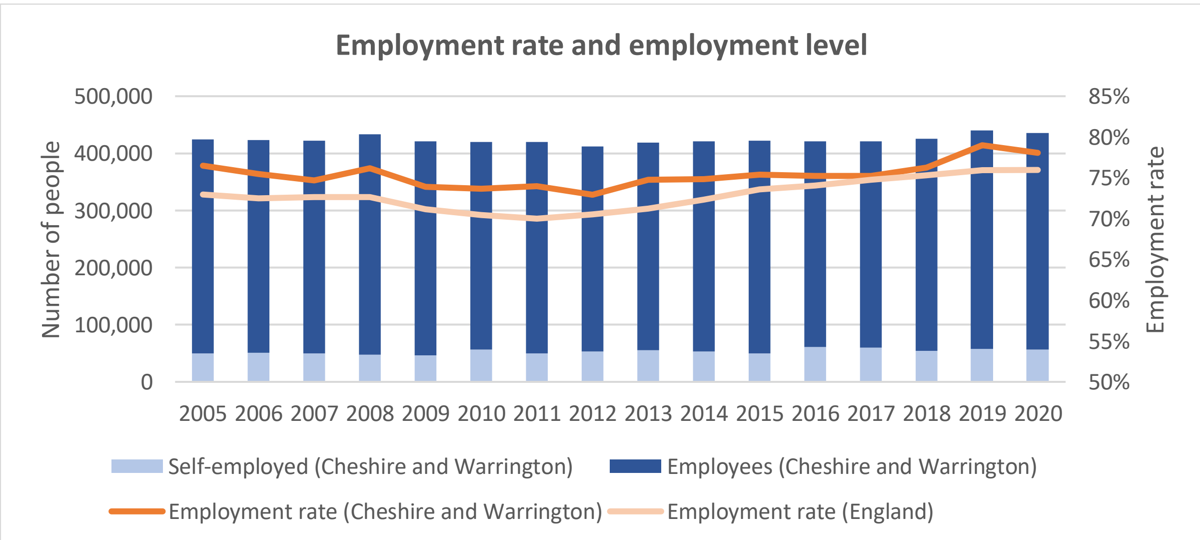


Source: ONS Business Demography

Business birth and death rates

Business birth and death rates are published by ONS. ONS advice on this data is that rates for geographies smaller than regions (eg sub-regions such as Cheshire and Warrington) should be treated with caution since factors such as management companies or virtual offices can cause large volatility to the data year-on-year[5]. However, the reported data is shown above for information.

1.5 Employment rate and employment level



Source: NOMIS, Annual population Survey

[5] See, for example, 'Business demography, UK: 2019' Section 4 commentary published by ONS at https://www.ons.gov.uk/businessindustryandtrade/business/activitysizeandlocation/bulletins/businessdemography/2019

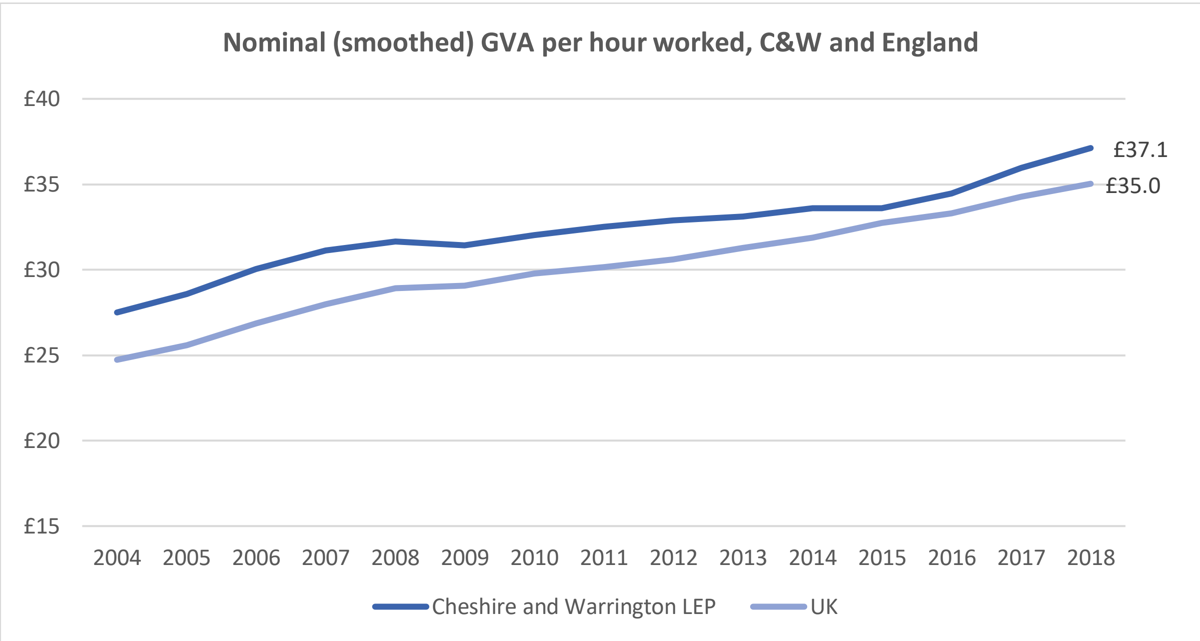
Employment rate and level[6]

Between 2005 and 2020, the employment rate in Cheshire and Warrington has consistently been higher than England and has grown in this time from 76% to 79%. There has also been growth in the numbers of self-employed in the sub-region, rising from 49,000 in 2005 to 58,000 in 2020.

Whilst the latest LFS data confirms that the economic inactivity rate continues to be lower in Cheshire and Warrington than in the North West or Great Britain, the gap appears to be closing with a sharper uptick in the Cheshire and Warrington economic inactivity rate. This appears to be driven by increases in the economic inactivity rate in Cheshire East and Cheshire West and Chester.

The proportion economically inactive that want a job has recently increased in all three local authorities. Similarly, the proportion that state that they are now retired has increased in all three local authorities. This, together with the overall increase in economic inactivity, suggests that some formerly employed people may have moved straight from employment to inactivity during the pandemic – either with the intention of seeking work later or with the intention of retiring early.

1.6 GVA per hour worked



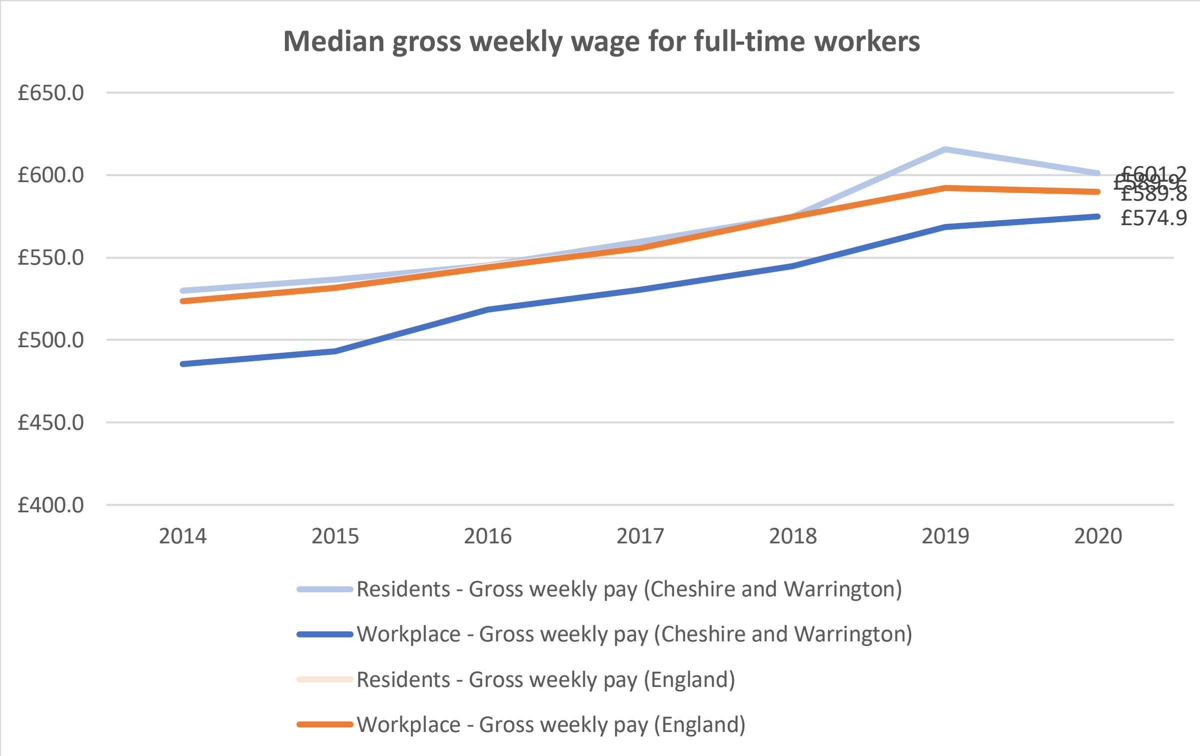
Source: SAP Core Indicators/ONS Subregional Productivity, 2004 - 2018 (published 2020)

Nominal GVA per hour worked

Labour productivity increased in 32 out of 44 enterprise regions in the UK between 2010 and 2018. As can be seen from the chart above this was the case for Cheshire and Warrington whose productivity (as measured by GVA per hour worked) has consistently been above that of the UK. In 2018, the Cheshire and Warrington GVA per hour worked was 6% higher than for the UK (£37.10 compared with £35).

[6] Labour Market Assessment (http://www.871candwep.co.uk/data-and-labour-market-information/), Section 3.2, Pages 14-22

1.7 Wages



Source: SAP Core Indicators/Annual Survey of Hours and Earnings

Median gross weekly wage for full-time workers[7]

The chart above sets out the data, over time, for the median gross weekly wage for full-time workers in Cheshire and Warrington and England. Wages have been slightly higher for residents of Cheshire and Warrington than England over recent years. On the other hand, Cheshire and Warrington workplace wages have been consistently lower than England and lower than resident's wages.

The differences between the figures for residency and workplaces suggest that either residents commute for higher paid jobs outside of Cheshire and Warrington, or that non-residents commute to do lower paid jobs within Cheshire and Warrington, or a combination of the two. The job density in Cheshire and Warrington is high, and data from census 2011 has established that the LEP was a net importer of Labour. It therefore seems probable that both explanations will apply to some extent.

Both male and female full-time workers were paid more in Cheshire and Warrington than in Great Britain, although female and male residents of Warrington were both paid less than the Great Britain average. When hourly rates are considered, the hourly rates in Cheshire and Warrington were higher overall and for male and female full-time workers than in Great Britain, although again female and male residents of Warrington were both paid less than their counterparts in Great Britain.

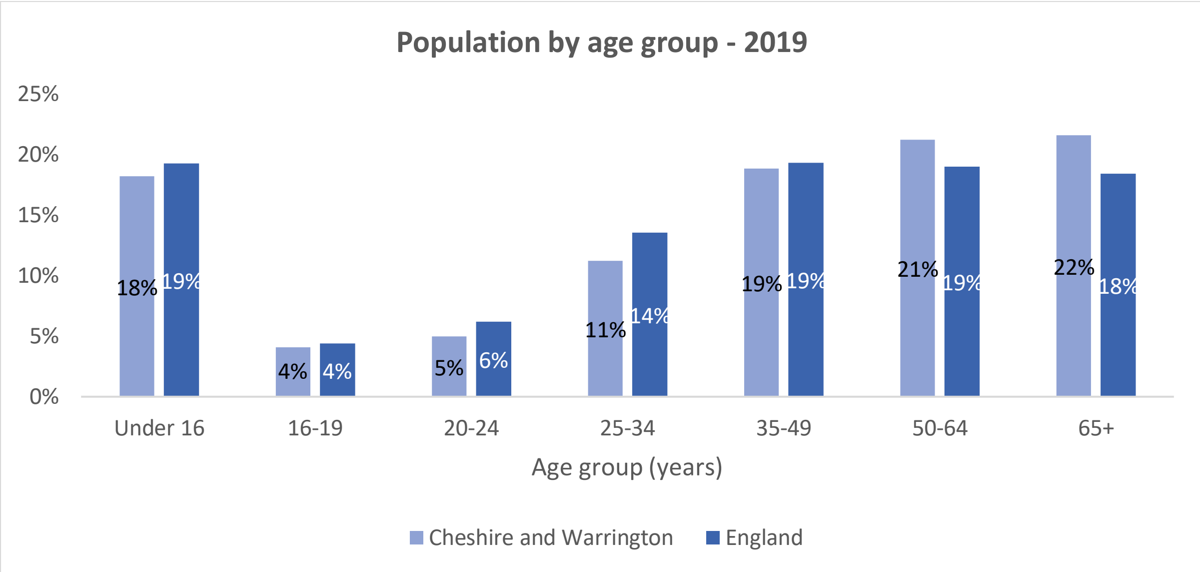
When median earnings by place of work is considered, the overall levels for gross weekly earnings; the levels for male full-time weekly earnings; and the levels for female weekly earnings were all lower for Cheshire and Warrington than for Great Britain. The hourly rates for both male and female full-time workers were also below those for Great Britain. The official data is confirmed by EMSI

[7] Ibid, Section 3.6, Pages 31-34

analysis of publicly advertised job roles in Cheshire and Warrington. This reports that the average wage per job advertised in Cheshire and Warrington is £28,700 which was £1,600 below the national average wage of £30,300 per job.

The Real Living Wage Foundation calculates each year the hourly rate that people need to receive based on living cost. The Real living Wage for 2020/2021 is £9.50. More than 20% of employees in Cheshire and Warrington earn less than the Real Living Wage with this also being the case in Warrington and Cheshire East. Slightly fewer than 20% earn below the Real Living Wage in Cheshire West and Chester.

1.8 Population



Source: ONS Population estimates

Population by age group[8]

The Office for National Statistics (ONS) estimates that Cheshire and Warrington has a population of 930,800 people with 380,800 resident in Cheshire East, 340,500 resident in Cheshire West and Chester and 209,500 resident in Warrington. Overall, the population in Cheshire and Warrington is 51% female, 49% male; with a similar gender split being reflected in all three local authorities. The working age population (ie aged 16-64) constitutes a lower percentage of the total population for Cheshire and Warrington and all three of its Local Authorities than is the case for Great Britain. This is also true for both the male and female working age population.

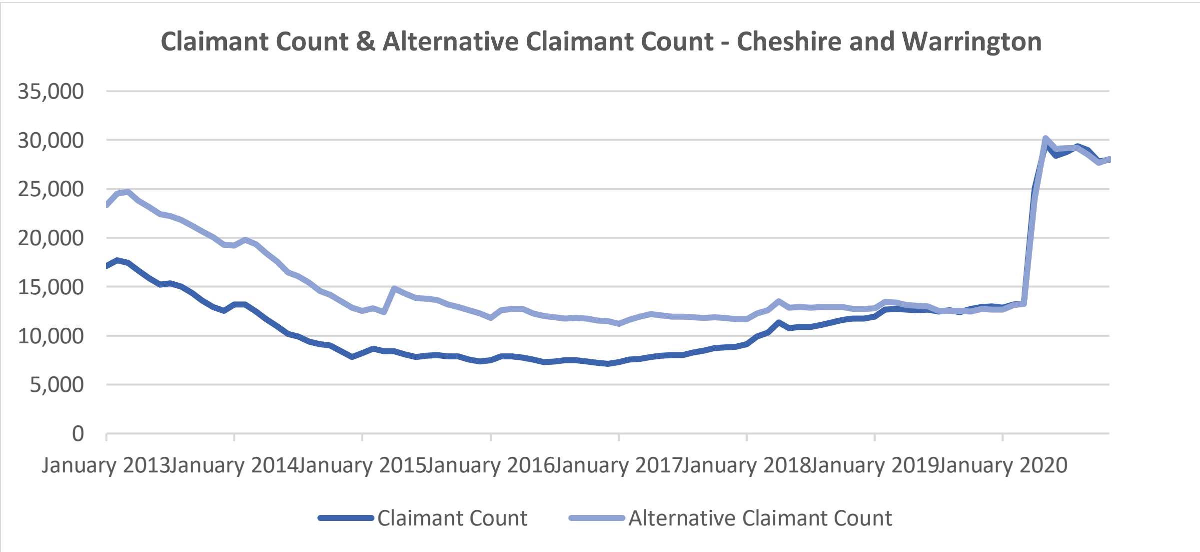
Over the past 15 years, the adult population of Cheshire and Warrington has aged, with the proportion of the population aged over 65 increasing from 20% to 26% and the proportion aged 50-64 increasing from 24% to 26%. Cheshire and Warrington's current age profile is skewed towards the older age groups. In particular, the proportion of those aged between 19-39 (for every 5-year age band in this range) is lower than the national, whereas the proportion of those aged 45 and above (for every 5 year age band in this range) is higher.

[8] Ibid, Section 3.1, Pages 11-14

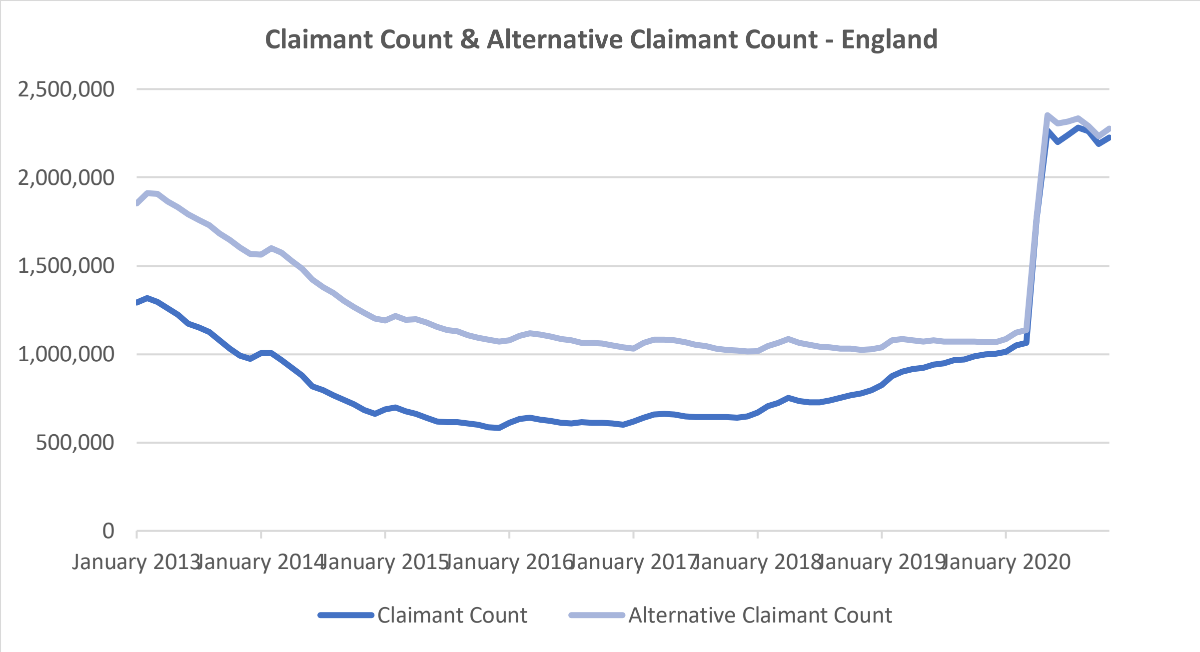
Not only is the age profile of Cheshire and Warrington older than for the country, but the area's population is also forecast to age further. Quite significant population increases are forecast for 5 of the 6 age bands over 60 (the exception being for those aged 70-74 years). Conversely the only age band forecast to grow by more than 10% for the under 60s is the 16–18-year-old population where a growth of 15% is forecast for 2028. This population growth of 16–18-year-olds will put pressure on the capacity of the Further Education system in Cheshire and Warrington.

This pattern of change over the next 8 years sees large outflows from the working age population which will not be fully offset by inflows of young people. This will mean that a significant proportion of employers' future demand for skills will need to be met from either the existing resident adult population, or increased inward commuting, or increased migration, rather than solely from the in-flow of skilled young people. Inward commuting is already high, and the broader context makes increased migration less likely, so the focus will increasingly be on the resident population. This will put increased pressure on the capacity of the existing Further Education system in Cheshire and Warrington.

1.9 Claimant Count



Source: Claimant Count (NOMIS)/StatXplore (DWP)



Source: Claimant Count (NOMIS)/StatXplore (DWP)

Claimant Count and Alternative Claimant Count[9]

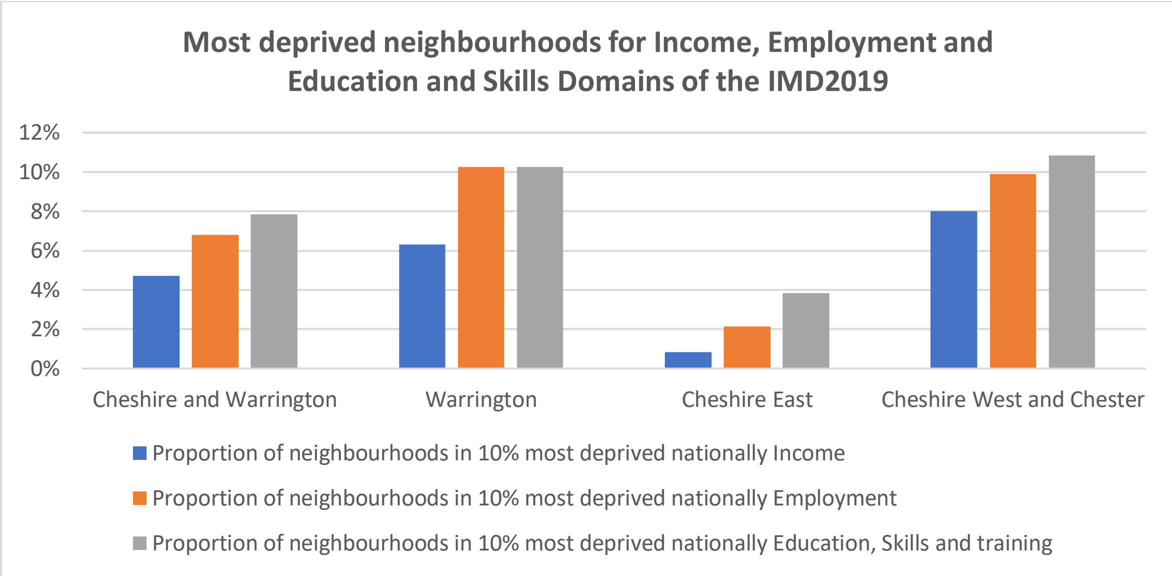
The percentage claiming benefit is lower in Cheshire and Warrington and all three Local Authorities as compared with the North West Region and Great Britain. This is also the case for the claimant count for males and females.

A higher percentage of 18-24-, and 18–21-year-olds are claimants in Cheshire and Warrington than is the case for the population as a whole. This is also the case for Great Britain and the North West Region. The numbers of 18-24 claimants are the highest on record for the LEP area (data series from 2013).

The numbers of over 50s claiming during the pandemic has been the highest on record for this data series. This is the case for Cheshire and Warrington LEP (data series from 2013) and for all three local authorities (data series from 1986).

The wards with the highest claimant rates are: Westminster; Central & Grange; Crewe Central; Wolverham; Blacon; Bewsey and Whitecross; Fairfield and Howley; Crewe South; Poplars and Hulme; Crewe St Barnabas; Macclesfield Hurdsfield; and Latchford East.

[9] Ibid, Section 3.2, Pages 19-21



Source: SAP Core Indicators/IMD2019

1.10 Deprivation

Income, Employment and Education deprivation[10]

The most deprived Lower Super Output Areas (LSOAs) in Cheshire and Warrington, as measured by the 2019 Index of Multiple Deprivation (IMD2019), are concentrated in Warrington, Crewe and Ellesmere Port, with further pockets in Chester, Winsford, Northwich and Macclesfield.

The chart above provides data on the proportion of neighbourhoods in the most deprived decile for three Domains of the IMD2019 – Income; Employment; and Education and Skills.

A high proportion of C&W LSOAs fall into the most deprived national decile for the 'geographical barriers' subdomain of IMD2019.

2. Skills Supply

Skills Supply – Summary[11]

Residents of Cheshire and Warrington have higher skills and higher skilled occupations. However, the proportion of the workforce qualified to Level 3 or above is approximately 20 percentage points lower than in Germany. German levels would see over 100,000 more people in Cheshire and Warrington with this type of qualification. This equates to approximately 14,000 full Level 3 achievements or above per annum between now and 2028.

The delivery of substantial Level 3 qualifications for adults is low and declining across Further Education and apprenticeships in Cheshire and Warrington. In 2018/19, there were 6,049 substantial L3 starts across both routes (ESFA localities datacube). On current success rates that might equate to c4,500 achievements per annum. Compared to lower Levels of learning in FE, the take up of Certificates and Diplomas at Level 3 by adults (2016-2019) is low. For example, a ward with a rate of

[10] Ibid, Section 3.7, Pages 34-36
[11] Ibid, Section 5

9 learning aim starts per 1000 adult population would appear in the top decile for Level 3 Certificate and Diploma delivery and the bottom decile for Level 2 Certificate and Diploma delivery.

GCSEs in English and Maths are prerequisites for success at Level 3. There has been a 40% decline over three years in the number of adults starting GCSE English and Maths in Cheshire and Warrington.

Although a higher proportion of employers in Cheshire and Warrington provided training than their English counterparts, a lower proportion of employees received training in Cheshire and Warrington. Overall, 57% of employees received some form of training compared to 60% in England. The proportion of employees trained to a qualification was 9% in Cheshire and Warrington compared to 11% in England.

Too few disadvantaged 16-year-olds progress to a sustained place in education; too few disadvantaged young people achieve Level 2 aged 19; and too few disadvantaged young people achieve a Level 3 aged 19. The attainment of Young People is linked to where they live: young people do less well in the parliamentary constituencies of Ellesmere Port and Neston and Crewe and Nantwich than elsewhere. 12% of children do not have satisfactory access to the internet.

There are very significant gender disparities in Level 3 delivery to young people across all routes (apprenticeship, vocational, academic). This further embeds a significant structural deficiency in the labour market where some occupations only draw on the talents of half of the population. For example, males started 75% of apprenticeships in Information and Communication Technologies, 98% in Construction, Planning and the Built Environment, 93% in Engineering and Manufacturing Technologies. Conversely 92% of Advanced Apprenticeships in Health, Public Services and Care were started by females.

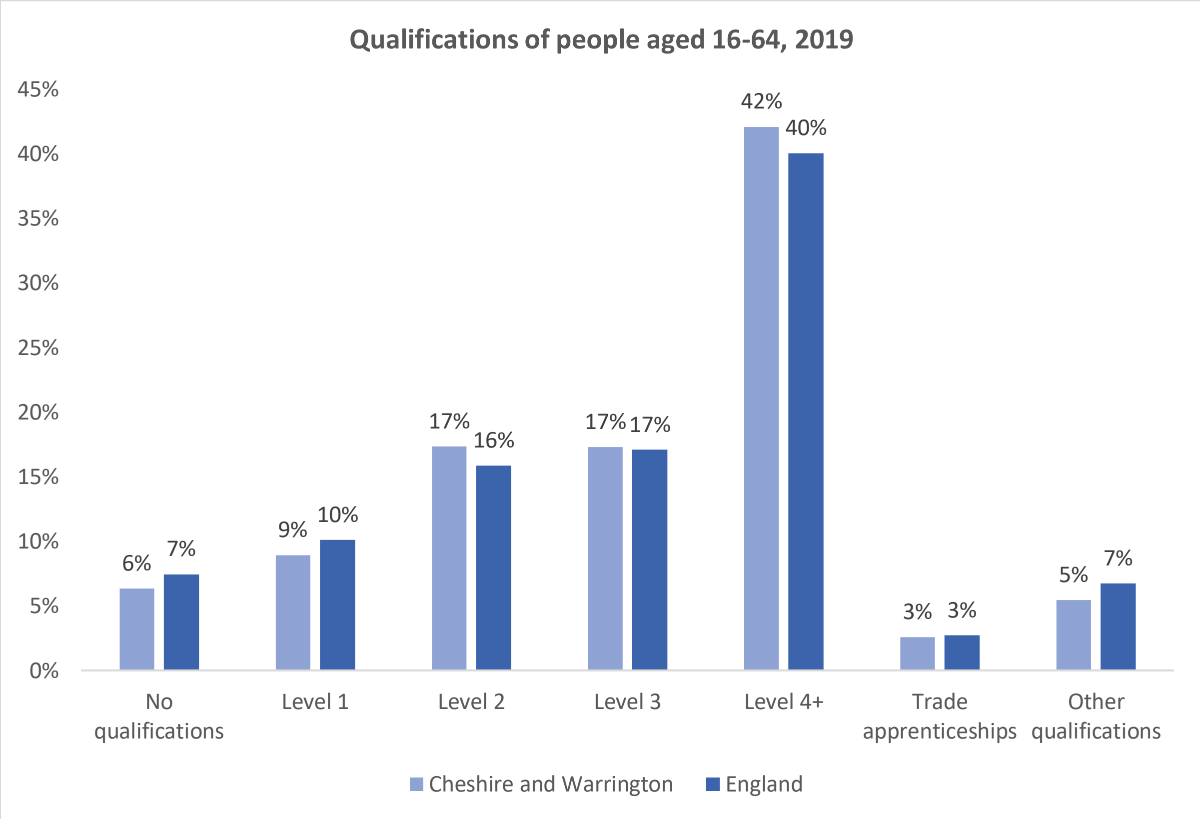
The delivery of “digital skills” learning aims at all levels in FE has decreased by 19% from 2016/17 to 2018/19 (a 22% decrease for Level 3). The proportion of female participation in digital skills in Cheshire and Warrington is too low at every level, and across all ages, being as low as 25% for Level 4+ provision.

In 2018/19 Halton, Wirral, St Helens and Wigan each had in excess of 1,000 adult (19+) learners enrolled with Cheshire and Warrington providers. Funding for adult learning has now been devolved (from 2019/20) in all these places and these volumes are expected to have decreased significantly as a consequence in 2019/20.

10% of adult apprentices reported that they had a disability, learning difficulty or health problem. This is less than half the proportion of adult learners in Further Education. It is not clear why the difference between the two routes should be so marked.

In 2018/19, one fifth of all learning aims for adults in Cheshire and Warrington were funded by ESF. Only a quarter of ESF funded learning aims for adults were started by females.

2.1 Qualifications



Source: NOMIS/APS

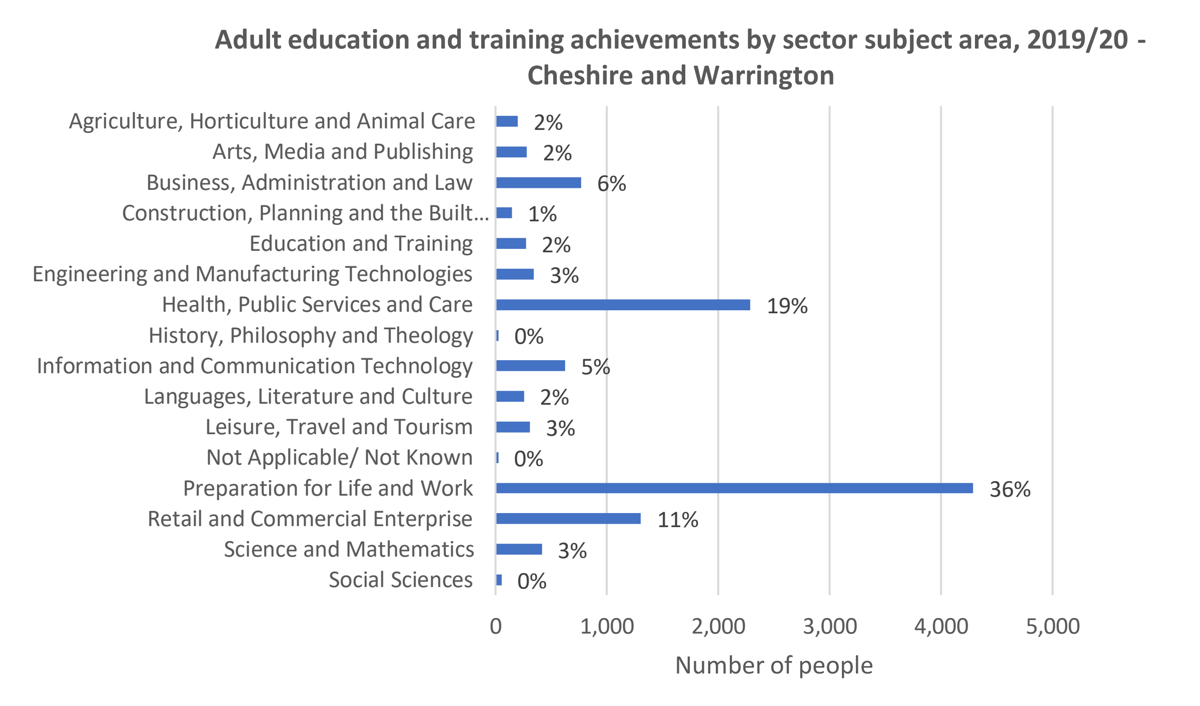
Qualifications levels[12]

The skills profile of C&W residents is skewed to higher skills compared with Great Britain and England. 42% of LEP residents are qualified at or above NVQ Level 4 compared to 40% for Great Britain, 40% for England and 36% for the North West Region. All three constituent Local Authorities have a higher proportion of residents qualified at NVQ 4 and above than Great Britain, England, and the North West. Similarly, C&W and all three Local Authorities have a lower proportion qualified below level 2 than is the case in the region, England or for Great Britain.

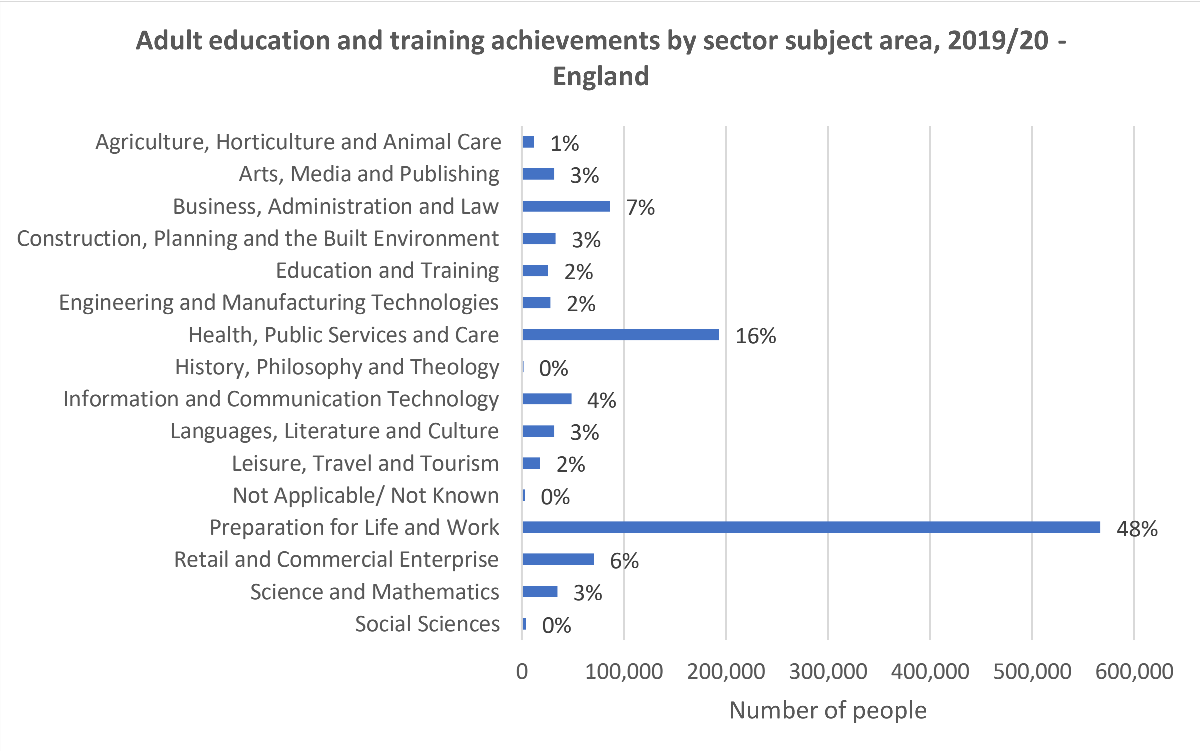
The most deprived areas for the IMD2019 Adult Skills Subdomain can be found in Warrington, Crewe, Ellesmere Port and Winsford, with further pockets in and around Chester, Northwich, and Macclesfield.

[12] Ibid, Section 5.3, Pages 82-83

2.2 Adult Education



Source: Localism dashboard



Source: Localism dashboard

Further Education and Training Achievements[13]

There were 363 Learning Providers that delivered one or more FE learning aims to adults in Cheshire and Warrington LEP between 2016 and 2019 (ESFA Localities data cube).

Between 2016 and 2019, starts on non-European Social Fund (ESF) funded learning aims grew 10% from 19,350 in 2016/17 to 21,289 in 2018/19. 41% of all starts between 2016 and 2019 were below Level 2 and a further 37% were at Level 2.

Overall, 56% of starts not funded by ESF were associated with female learners and 44% with male learners. The general population of Cheshire and Warrington splits 51% female, 49% male. However, only 24% of ESF-funded starts were by females. It is important that future Shared Prosperity Fund investment does not repeat this gender disparity.

The volume and sector subject area split of learning aim achievements for 2019/19 is set out in the chart above. In interpreting data that aggregates all learning aims, it is important to understand that not all learning aims are equal. For example, an unemployed person on a Sector Work Based Academy programme (ie a skills programme linked to a specific employment vacancy) might enrol at the same time on four or five short units of learning/learning aims (eg safe handling, customer service, employability etc) which, in total, constitute their programme of learning. Conversely an Access to Higher Education Diploma will have several quite substantial modules, but it will be recorded as a single 'learning aim'. In the chart above, for example, the very high volume of learning aim achievements in 'Preparation for Life and Work' will reflect the volume of delivery of English, Maths and ESOL; but will also, in part, reflect that learners will undertake short learning aims classified as being in this SSA alongside other learning aims which may be more substantial.

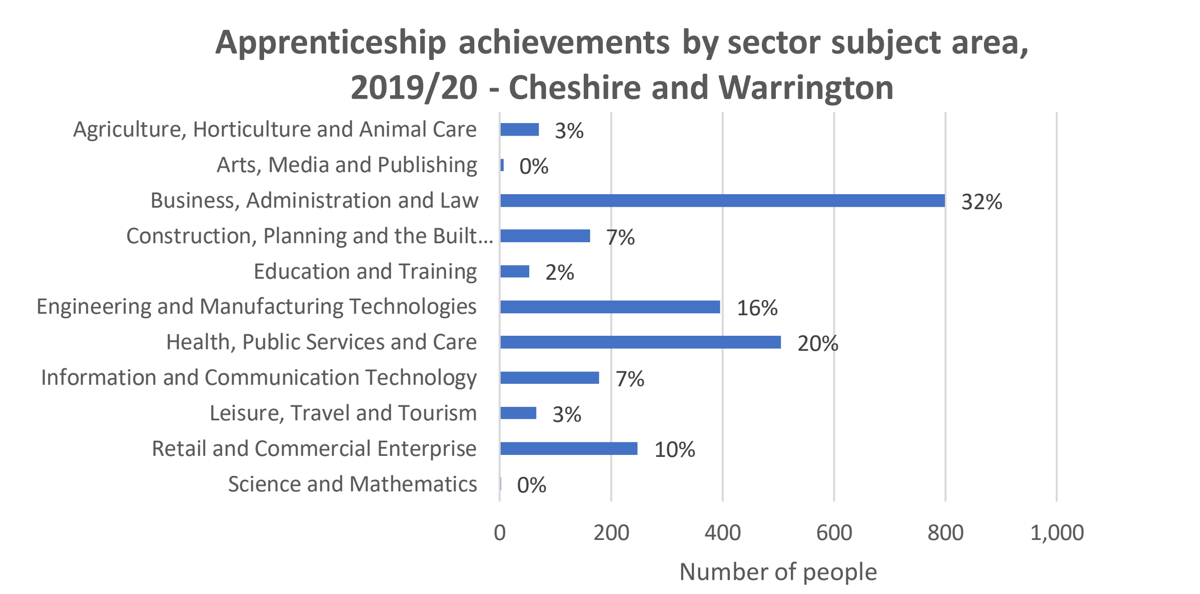
Gender disparities are apparent in the volume of achievements in several vocational areas including 'Health, Public Services and Care' and 'Leisure, Travel and Tourism' (high proportions of female learners); and in 'Engineering and Manufacturing Technologies' and 'Construction, Planning and the Built Environment' (high proportions of male learners).

The Overall Achievement Rate for 19+ Learners in Education and Training (ie in ESFA funded provision, normally classroom based, excluding apprenticeships) for learners resident in Cheshire and Warrington (all institutions) stood at 90.6%, 1.5% higher than the national rate of 89.1% (National Achievement Rate Tables - NARTs). Both the pass rate and the retention rate were higher than the national figures. The achievement rate for residents in General FE colleges was very slightly lower (0.3%) in Cheshire and Warrington than was the case nationally with this being attributable to a lower (0.5%) retention rate. Whilst volumes in Other Public (eg Local Authorities) and Private Sector providers were lower than those delivered in colleges, the achievement rate in both exceeded the national benchmarks, significantly so in the case of Other Public (9.3% higher). This had the effect of pulling up the overall achievement rate for residents in Cheshire and Warrington.

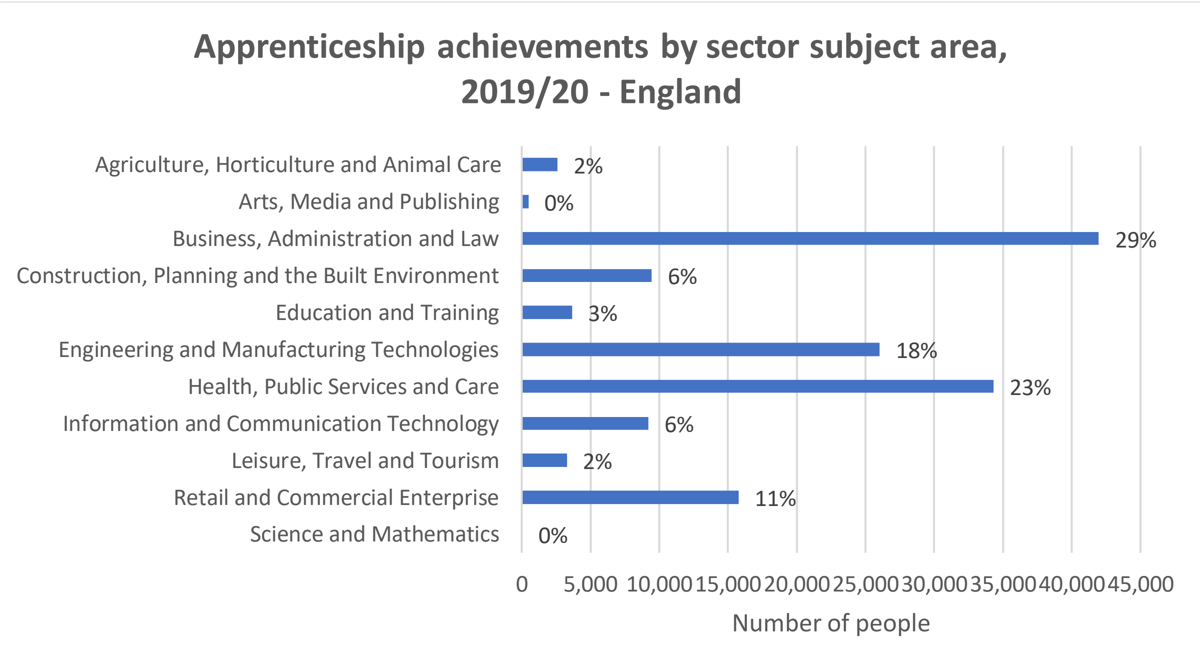
Analysis of FE learner achievement by ward suggests that there does not appear to be a straightforward relationship between deprivation and overall FE adult achievement rates.

[13] Ibid, Section 5.4.1, Pages 83-86

2.3 Apprenticeships



Source: DfE, Apprenticeship Achievements Underlying data



Source: DfE, Apprenticeship Achievements Underlying data

Apprenticeship Achievements[14]

In line with national reductions, there was a decline of 28% in apprenticeship starts by LEP residents between 2016/17 and 2018/19; with a 31% reduction in starts by 16-18 year olds; a 30% reduction in 19-24 year old apprentices; and a 24% reduction in 25+ apprentices (ESFA localities data cube).

For young people, there was a large decline (44%) in apprenticeship starts at Level 2. Every local authority suffered a decline in 16-18 participation in apprenticeships, the largest percentage decline

[14] Ibid, Section 5.4.2, Pages 86-87

being in Cheshire West and Chester. There were large drops in young people's apprenticeship starts in Business, Administration and Law, and Retail and Commercial Enterprise.

For adults, the most significant decline was 60% in Level 2 apprenticeships. Level 3 adult apprenticeships declined by 18%. By contrast, adult apprenticeship volumes at Level 4+ almost doubled (98% increase) over this period. The decline in adult apprenticeship starts was not uniform across all sector subject areas. In fact, there was an increase of adult apprentices in Information and Communication Technology and in Agriculture, Horticulture and Animal Care. On the other hand, adult apprenticeships in Retail and Commercial Enterprise declined by 40%; Health, Public Services and Care declined by 32%; Engineering and Manufacturing Technologies declined by 38%; and adult apprenticeships in Business, Administration and Law declined by 21%.

There were significant gender disparities in FE and apprenticeships by learners aged 16-18 in 2018/19. There were high proportions of female starts in Retail and Commercial Enterprises, and in Health, Public Services and Care. There were high proportions of male starts in Engineering and Manufacturing Technologies; Construction and the Built Environment; and Information and Communications Technology. There is a similar picture for adults. Only 14% of adult apprenticeships in Health, Public Services and Care were started by males. Similarly, only 11% of adult apprentices in Engineering and Manufacturing Technologies were female and only 5% of adult apprentices in Construction, Planning and the Built Environment were female.

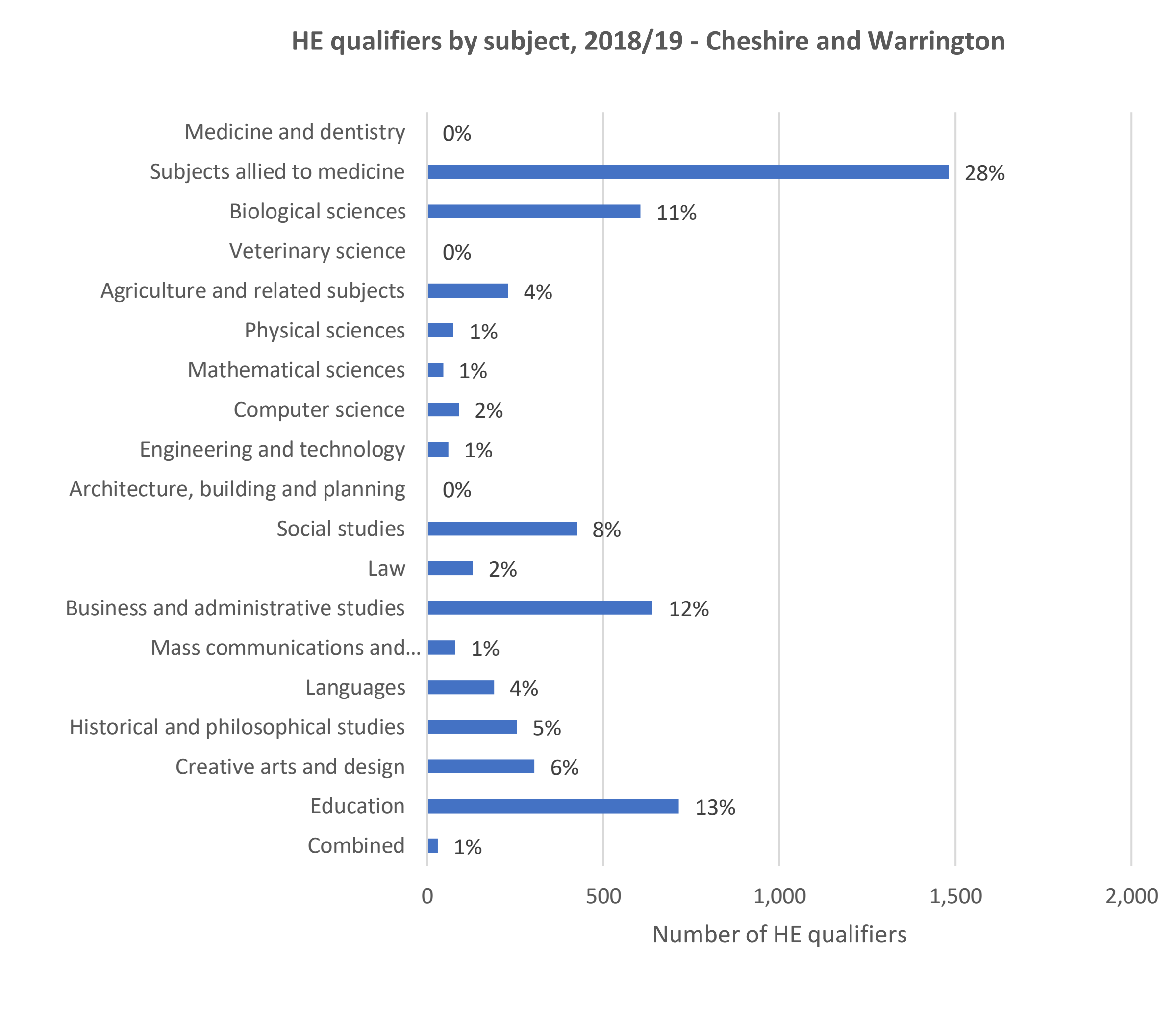
10% of adult apprentices reported that they had a disability, learning difficulty or health problem. This is less than half the proportion of adult learners in Further Education. It is not clear why the difference between the two routes should be so marked.

The tables above illustrate that differences in the proportions of apprenticeship achievements in Cheshire and Warrington compared to England tend to mirror the differences in the respective industrial structures (reported above).

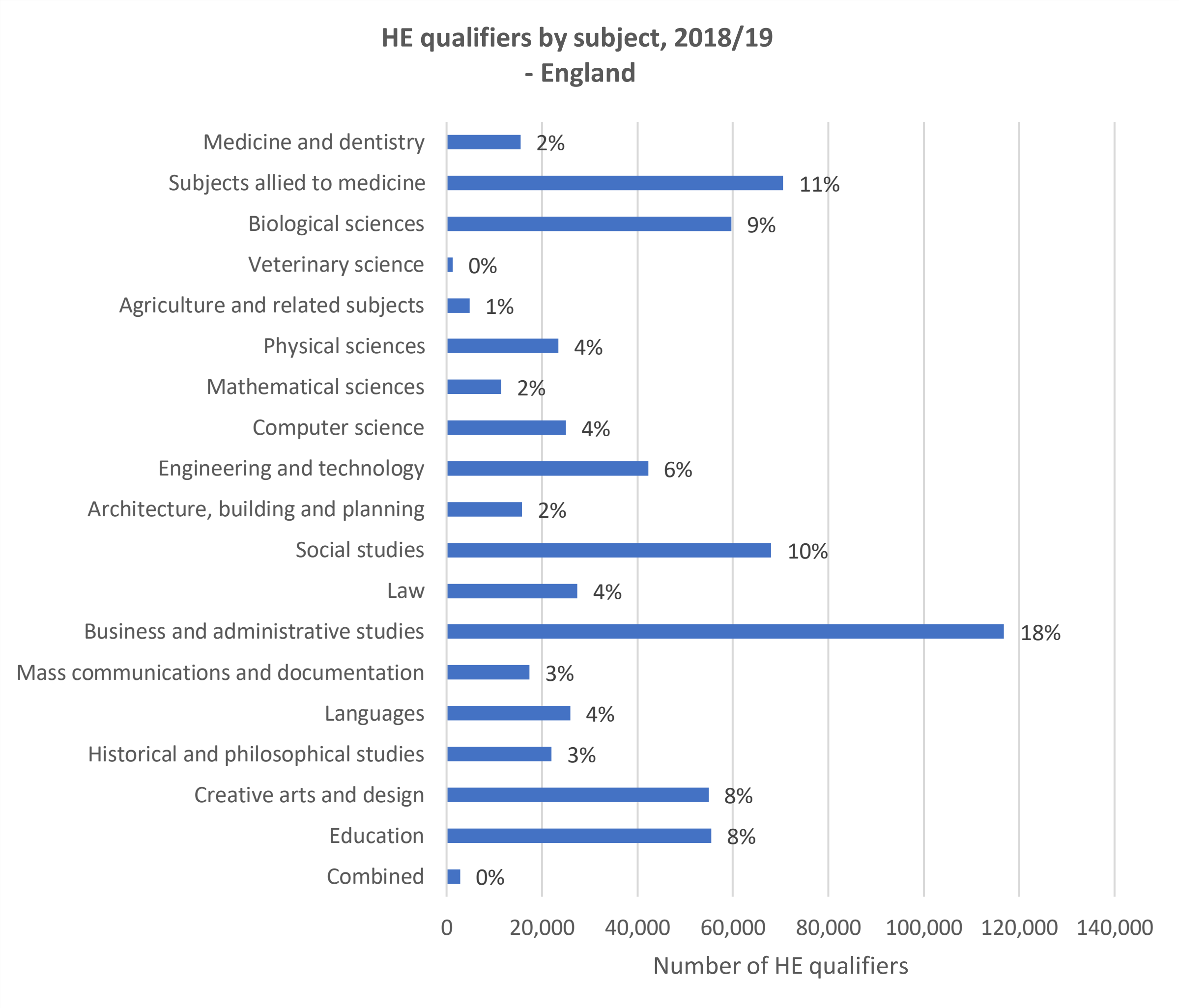
The apprenticeship achievement rate for residents of Cheshire and Warrington aged 16-18 in all providers in 2018/19 was 65.3% which was 2.9% lower than the rate for England. The apprenticeship achievement rate for every type of provider was lower for Cheshire and Warrington residents than for England as a whole. The achievement rate for 19-23 apprenticeships in Cheshire and Warrington in 2018/19 was very slightly lower than the National (67.6% vs 67.7%). The achievement rate for 24+ apprenticeships was higher overall and higher for all Levels in Cheshire and Warrington than national.

The 16-18 FE achievement rate for all types of provider at all levels in Cheshire and Warrington in 2018/19 was 85.6% which was higher than that for England (82.6%). The Cheshire and Warrington wards with an estimated 16-18 achievement rate below 70% in 2018/19 were Wolverham; Neston; Wilmslow Dean Row; Blacon; Central & Grange; Culcheth, Glazebury and Croft; Macclesfield South; Odd Rode; Wilmslow Lacey Green; Disley; and Lache

2.4 Higher Education



Source: HESA



Source: HESA

HE Qualifiers[15]

The data in the chart above reflects students studying at HE providers in the local area, rather than students who are domiciled here. Since the Level 6 and above labour market is national (or international), and providers recruit to their specialisms and areas of excellence, it would be surprising to find an exact alignment between a HE provider's delivery and local economic demand.

The Cheshire and Warrington chart tells us that the specialisms of the University of Chester (UoC) are subjects allied to medicine, biological sciences, business, and education. In 2018/19 subject areas with over 1,000 students at UoC included Education (1,530), Business and Administrative Studies (2,090), Social Studies (1,300), Biological Sciences (1,620), and Subjects Allied to Medicine (3,485). The full impact of Covid-19, particularly on starts by Overseas students is still not fully quantified.

In 2018/19, 6,875 adult residents of Cheshire and Warrington secured a qualification from a Higher Education Institution; 1,200 adult residents started a Level 4+ Apprenticeship programme; and there were 949 Level 4+ class-room based learning aim starts by adults in Further Education.

[15] Ibid, Section 5.4.7, Pages 92-95

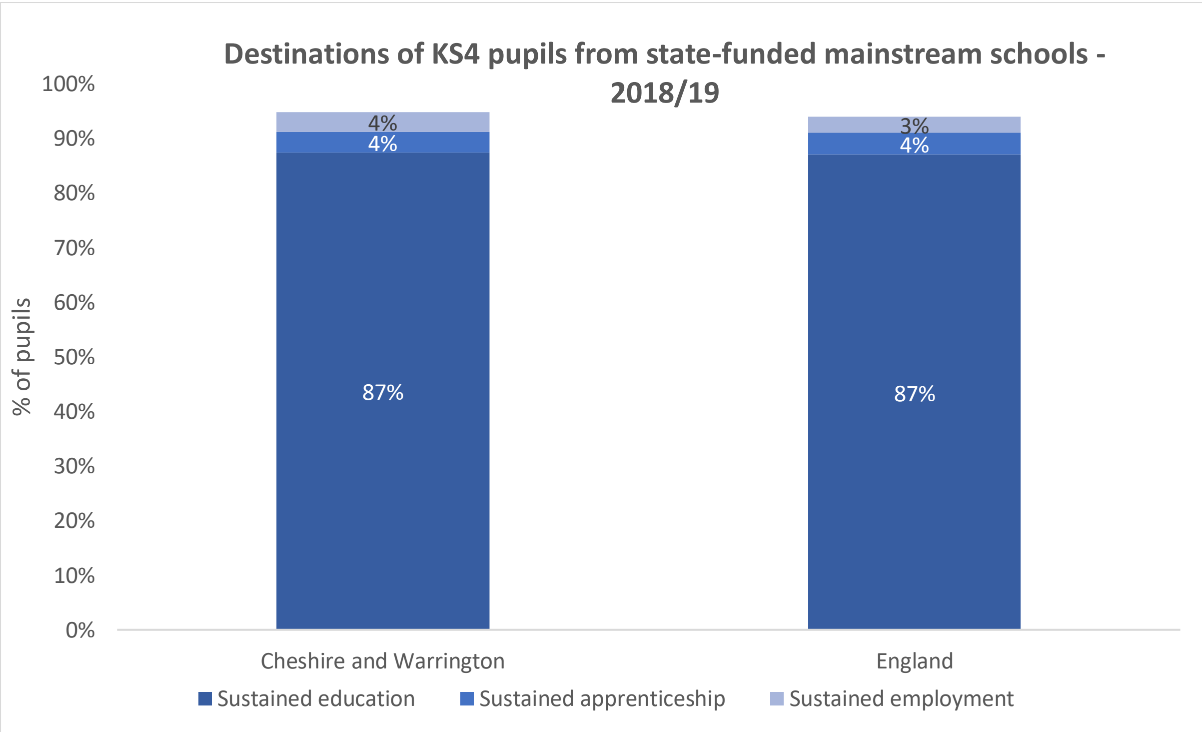
The main class-room based Level 4+ qualifications for adults delivered in Further Education were Certificates, Diplomas and 'Other Non-Regulated' (these can be Degrees and Foundation Degrees awarded by universities) learning aims. Between 2016 and 2019, 2,951 such learning aims were delivered. Level 4+ starts declined 12% from 1080 in 2016/17 to 949 in 2018/19. In this period, starts on Level 4+ Certificates increased by 72%, whilst there were decreases of 35% in Level 4+ Diplomas and of 17% in 'Other Non-Regulated' starts.

Eight FE providers delivered 20 or more Level 4+ non-regulated learning aims to Cheshire and Warrington adult residents between 2016 and 2019. Only two of these providers were Cheshire-based (Cheshire College South and West and Reaseheath College), although Cheshire College South and West delivered more than 1 in 5 of all such starts.

Level 4+ Certificates and Diplomas were overwhelmingly delivered by providers headquartered in Cheshire and Warrington LEP, with Warrington & Vale Royal College and Cheshire College South and West both having delivered over 400 starts between 2016/17 and 2018/19. The most popular qualifications of this type were linked to Human Resource Management.

By contrast with adult Apprenticeships at lower Levels, starts by C&W residents on Level 4+ Adult apprenticeships almost doubled between 2016/17 and 2018/19. The most significant volume increases in this period were in Business, Administration and Law which increased from 395 starts to 697 starts; Health, Public Services and Care which increased from 156 to 251; Information and communications Technology which increased from 36 to 104; and Engineering and Manufacturing Technologies that increased from 15 to 79.

2.5 Key Stage 4



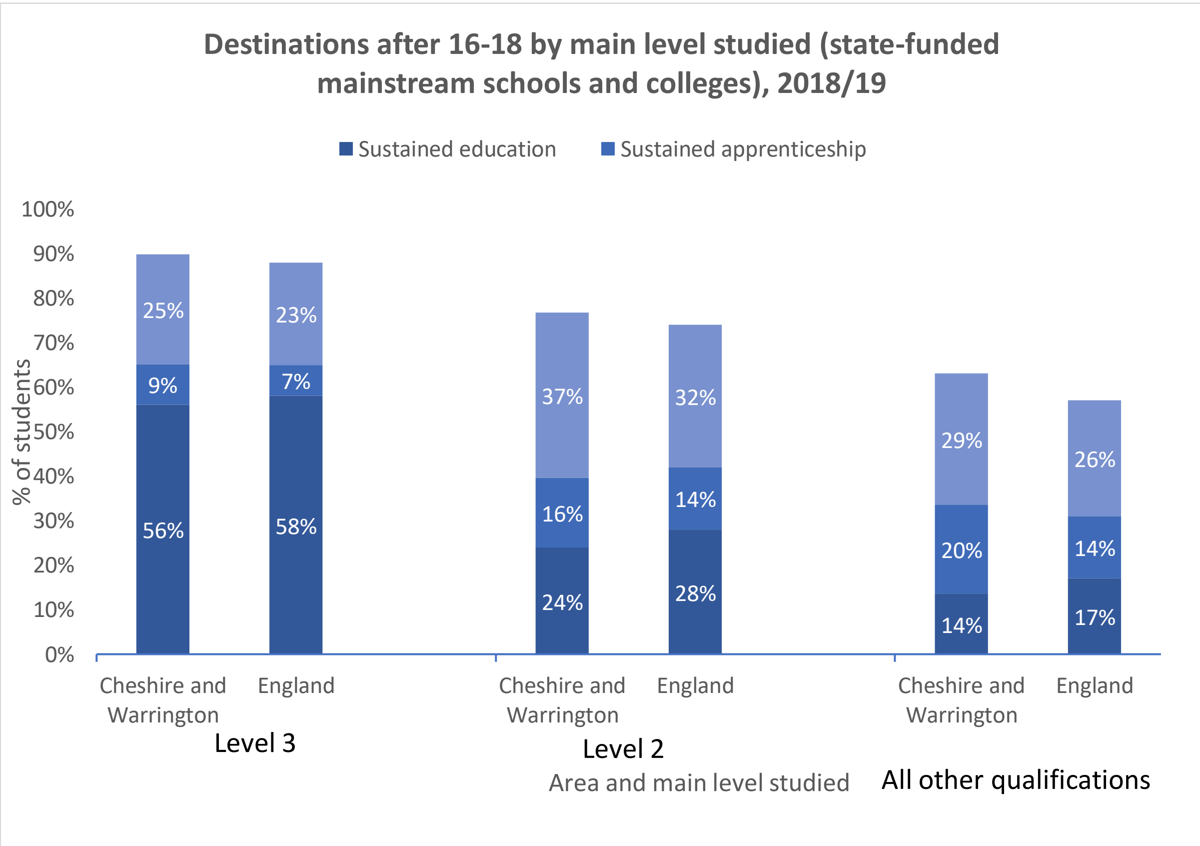
Source: DfE

KS4 Destinations[16]

Overall a similar percentage of Key Stage 4 leavers secure a sustained destination in Cheshire and Warrington as in England (chart above). A slightly higher percentage of disadvantaged pupils (89%) progressed to sustained education or employment in Cheshire East and in Warrington (88%) compared to England. Cheshire West and Chester was at the English level of 87%.

The 2018/19 data reveals that the proportion of disadvantaged pupils at Key Stage 4 who secure a sustained *education* destination was lower in Cheshire West and Chester (75%) and Warrington (78%) than for England (81%), which had the same level as Cheshire East (81%). The gap between disadvantaged pupils securing a sustained education destination compared to all other pupils was larger for all three local authorities (10%, 13%, 13%) than the English figure of 8%[17]. This may help explain, in part, why the proportion of C&W 19-year-olds eligible for free school meals that achieved a Level 2 has been at or below the English proportion for this cohort every year between 2005 and 2019. Similarly, the proportion of C&W 19-year-olds eligible for free school meals that achieved a Level 3 has been at or below the English proportion for this cohort for most years between 2005 and 2019. In England, the gap in attainment of Level 3 for those eligible and those not eligible for FSM has been approximately 25% in this period. The three Cheshire and Warrington local authorities have all consistently had a gap more than England, usually greater than 5 percentage points in any given year.

2.6 Key Stage 5



Source: DfE, KS5 destinations

[16] Ibid Section 5.1.2, Pages 72-77
[17] DfE, Key Stage 4 Destination Measures https://explore-education-statistics.service.gov.uk/find-statistics/key-stage-4-destination-measures/2018-19

KS5 Destinations[18]

In 2018/19 the proportion of leavers at Key stage 5 that were able to secure a sustained destination was higher in Cheshire and Warrington than England for every level of attainment (chart above).

In 2017/18, the percentage of Key Stage 5 (KS5) leavers securing any sustained destination was higher than England (81%) for all three Cheshire and Warrington local authorities. The percentage securing employment as a sustained destination was also higher than England in all three local authorities. Nine of the ten parliamentary constituencies had percentages that secured any sustained destination that were the same or higher than the English. However, in Warrington North only 73% of 18 year olds were able to secure a sustained destination.

When the 2017/18 destinations for Cheshire and Warrington's KS5 leavers are considered by their prior educational attainment, the most common destination for Level 1 KS5 leavers tends to be 'failure to secure a destination'; the most common destination for Level 2 KS5 leavers is to secure sustained employment; and the most common destination for Level 3 KS5 leavers is a sustained education destination.

The national Office for Students publishes TUNDRA data on HE participation rates for Middle Layer Super Output Areas (MSOAs). In Cheshire and Warrington many areas perform reasonably well on this measure. The areas with the lowest levels of HE participation are in Warrington, Ellesmere Port, Crewe, Winsford, Nantwich and parts of Macclesfield.

2.7 FE and Apprenticeship Destinations

Destinations for adult FE and skills learners						
	Cheshire and Warrington LEP			**England**		
	Sustained employment	**Sustained learning**	**Any learning**	**Sustained employment**	**Sustained learning**	**Any learning**
All FE & Skills Learners	71%	19%	40%	61%	24%	45%
Level 1	64%	13%	37%	50%	15%	40%
Level 1 ESOL	63%	29%	47%	43%	42%	65%
Level 1 English & Maths	60%	22%	52%	54%	31%	54%
Level 2	78%	14%	36%	75%	14%	36%
Full Level 2	73%	38%	54%	66%	32%	47%
Level 2 ESOL	77%	32%	48%	56%	33%	52%
Level 2 English & Maths	70%	36%	59%	68%	37%	56%
Full Level 3	67%	38%	50%	65%	42%	52%
Level 3 Other	84%	37%	48%	77%	24%	38%
Level 4	92%	13%	15%	82%	14%	25%
Level 5	100%	-	-	81%	12%	21%
Level 6	-	-	-	79%	13%	19%
Other	-	43%	57%	30%	37%	50%
Source: SAP Core Indicators/DfE						

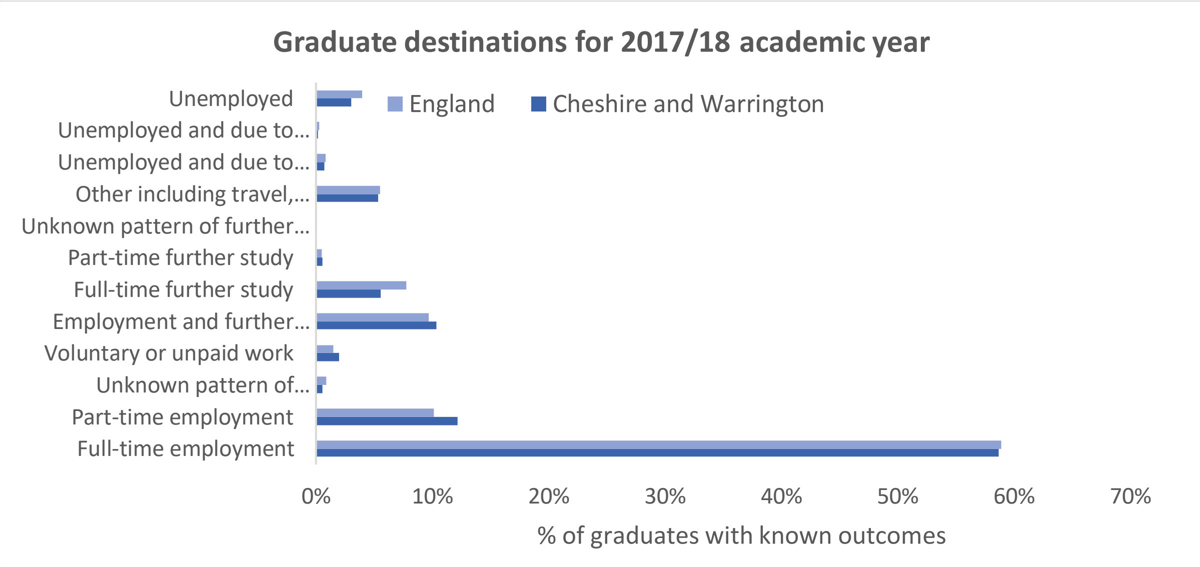
[18] Labour Market Assessment (http://www.871candwep.co.uk/data-and-labour-market-information/), Section5.1.2, Pages 72-76

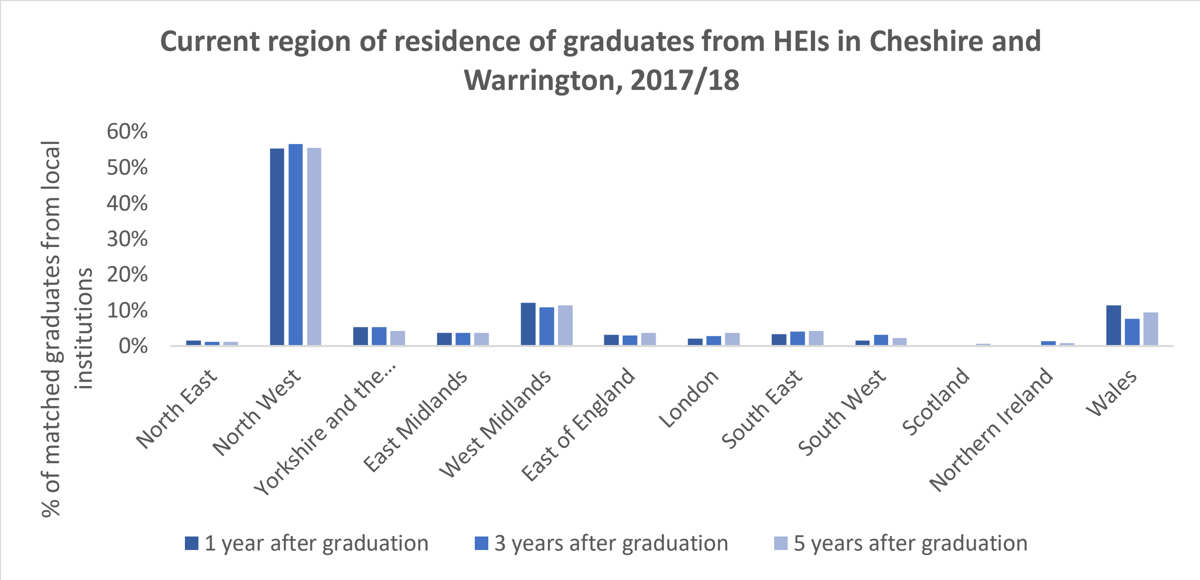
Apprenticeship destinations (all age) 2018/19				
		Sustained employment	Sustained learning	Any learning
Cheshire and Warrington LEP	All Apprenticeships	92%	16%	25%
	Advanced Apprenticeship	93%	12%	20%
	Higher (Level 4) Apprenticeship	94%	23%	27%
	Higher (Level 5+) Apprenticeship	91%	6%	24%
	Intermediate Apprenticeship	91%	19%	29%
England	All Apprenticeships	91%	16%	25%
	Advanced Apprenticeship	91%	13%	20%
	Higher (Level 4) Apprenticeship	93%	18%	25%
	Higher (Level 5+) Apprenticeship	93%	7%	19%
	Intermediate Apprenticeship	90%	20%	29%
Source: SAP Core Indicators/DfE				

FE and Apprenticeship Destinations

Compared with England, a higher proportion of C&W adult FE learners secure sustained employment on leaving FE; but a lower proportion progress to sustained learning. A higher proportion secure sustained employment in C&W for every category of learner. The pattern of sustained destinations following participation in apprenticeships is similar in C&W to England.

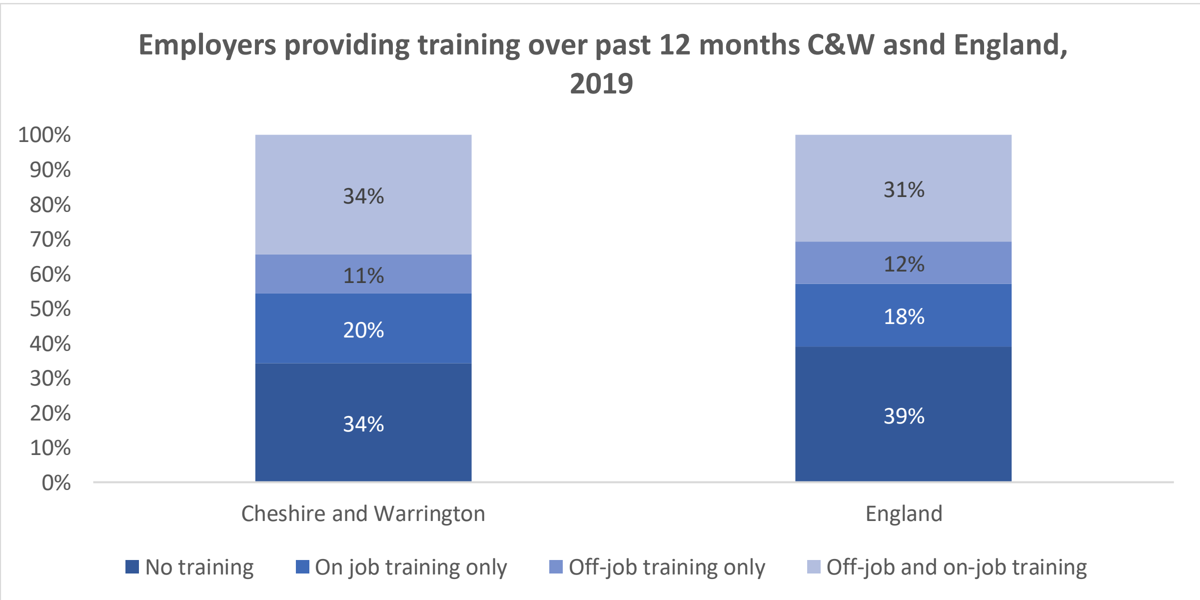
2.8 HE Destinations and Region of Residence after Graduation





HE Destinations and Region of Residence after Graduation
Information about the destinations of 2016/17 graduates in 2017/18 is provided in the first chart above. This data reflects students studying at providers in Cheshire and Warrington, rather than students who are domiciled here. Graduates from Cheshire and Warrington were slightly less likely to be unemployed; to be employed full time; and to be engaged in full-time further study. Conversely, they were more likely to be combining employment with further study, and more likely to be employed part-time.
The second chart above illustrates that most graduates from Cheshire and Warrington will still be resident in the North West region 1 year, 3 years and 5 years after graduation.

2.9 Employer Training



Employer Training[19]

When asked (ie between June 2019 and Dec 2019) employers in Cheshire and Warrington were more likely to have provided training over the previous 12 months than was the case in England, with a higher percentage providing some sort of training, a higher percentage providing off-the-job training and a higher percentage providing on-the-job training (chart above).

However, although a higher proportion of employers in Cheshire and Warrington provided training than their English counterparts, a lower proportion of employees received training in Cheshire and Warrington. Overall, 57% of employees received some form of training compared to 60% in England. The proportion of employees trained to a qualification was 9% in Cheshire and Warrington compared to 11% in England. The density of training in most occupational areas tended to be at, or below, English levels, except for training for 'Elementary staff' and training for 'Caring, leisure and other staff' which were higher.

Employers in Cheshire and Warrington were less likely to fund or arrange external training for their staff than is the case in England. Those employers in Cheshire and Warrington that do provide off the job training make use of different types of training providers in a similar way to employers in England as a whole. About three quarters of employers use commercial organisations in both England and Cheshire and Warrington and about a quarter use colleges in both geographies. Employers in Cheshire and Warrington are more likely to source external training from regulatory bodies or government institutions than is the case for employers across England, and are slightly more likely to use universties or other HEIs.

Employers in Cheshire and Warrington are slightly less likely to train at Level 4 and above than is the case in England (12% in Cheshire and Warrington compared to 14% in England) and are slightly more likely to offer training that does not lead to nationally recognised qualifications (58% compared to 55% in England).

The proportion of employers in Cheshire and Warrington that have an apprentice, at 9%, was slightly lower than for England (11%). However, the proportion who normally have an apprentice but did not at the time of the survey was slightly higher in Cheshire and Warrington (10% vs 8%). Overall, the proportion of employers that normally have or offer apprenticeships is just less than 1 in 5 for both Cheshire and Warrington and England (19% for both).

3. Skills Demand

Skills Demand - Summary[20]

The sectors which added the most jobs between 2014 and 2019 were "Wholesale and retail trade; repair of motor vehicles and motorcycles" (+13,000 jobs) and "Professional, scientific and technical activities" (c18,000 jobs).

The skills associated with Cheshire and Warrington growth sectors carry a wage premium. Fourteen of the seventeen 2-digit SIC industry sectors that have grown more than 10% between 2015 and 2020 and currently employ more than 3,000 people in Cheshire and Warrington have an average

[19] Ibid, Section 5.5, Pages 95-102
[20] ibid Section 4, Pages 38-67

wage higher than the current Cheshire and Warrington average of £28,700. However, more than 20% of employees in Cheshire and Warrington earn less than the Real Living Wage.

Six 'Digital occupations' deliver a wage premium of over £15,000 in Cheshire and Warrington. These are: Information technology and telecommunications directors; IT specialist managers; IT project and programme managers; IT business analysts, architects and systems designers; Programmers and software development professionals; and Information technology and telecommunications professionals n.e.c.

Between 2014 and 2019, every 1-digit SOC occupational area grew in every local authority area with the single exception of "Elementary Occupations" in Warrington.

The greatest increase in the number of 4-digit SOC jobs between 2014 and 2019 was for: Book-keepers, payroll managers and wages clerks; Chartered and certified accountants; and Sales and retail assistants. Each of these occupational areas grew by more than 2,000 jobs in this period.

Data from job postings indicates that demand for skills in Nursing and Warehousing and, to a lesser extent in Accounting and SQL are higher than might be expected if demand in Cheshire and Warrington were to mirror the national picture.

Demand for skills is likely to be increased by key economic development initiatives that will drive demand for higher level technical skills. These include:

- The High-Speed Growth Corridor that runs from Crewe to Warrington. This includes significant opportunities around hub stations at Crewe (HS2) and Warrington Bank Quay (HS2 / Northern Powerhouse Rail). It will build on traditional strengths in high value manufacturing, engineering and logistics as well as growing financial and professional services in Crewe and Warrington.
- The digital infrastructure plan for Cheshire and Warrington which includes: enabling Gigabit Capable infrastructure; extended 4G rollout and the encouragement and promotion of the role of next generation mobile technology, including 5G trials; and driving adoption of digital connectivity by increasing participation/skills and take-up of services making sure people have the right skills required to realise the benefits and opportunities of enhanced digital connectivity
- The £1 billion Hynet Project, which has the potential to add £17 billion of GVA, create 5,000 new jobs by 2025 and save over 1 million tonnes of CO_2 per annum: the equivalent of taking more than 600,000 cars off the road.
- Proposals for a £40m National Translational Technology Development Centre and a Catapult Quarter to enable stimulus and capacity building for the UK diagnostics sector.

If the sectoral pattern of redundancies in Cheshire and Warrington brought about by Covid-19 is similar to the national picture then the sectors worst affected to date (over 1,000 redundancies) in Cheshire and Warrington are likely to have been: Wholesale, retail & repair of motor vehicles; Accommodation & food services; Professional, scientific & technical activities; and, Administrative & support services.

It is widely anticipated by expert commentators (including the Office for Budget Responsibility) that there will be a spike in unemployment in the second quarter of 2021 following the end of the furlough scheme, driven by redundancies of previously furloughed workers. Those people at most risk of this are likely to be those on furlough at the end of September 2020. There was a higher proportion of female workers on furlough than male at the end of September 2020 in Cheshire and Warrington.

Sectors estimated to have at, or above, 3,000 employees on furlough in Cheshire and Warrington at the end of September 2020 were: Manufacturing; Wholesale and retail trade; Accommodation and food; Professional, scientific, and technical; Administrative and support services; and Arts, entertainment, and recreation.

3.1 Sector growth forecasts

Cheshire and Warrington LEP	
Sectors with highest forecast growth (2017-2027)	**Sectors with lowest forecast growth (2017-2027)**
1) Real estate	1) Agriculture
2) Health and social work	2) Rest of manufacturing
3) Arts and entertainment	3) Food drink and tobacco
4) Information technology	4) Transport and storage
5) Professional services	5) Education

Source: IER Working Futures 2017-2027, LEP tables

Sector Growth Forecasts

Working Futures considers demand for labour driven by two factors: growth demand and replacement demand. Growth demand is the demand for labour because of the overall volume employed in an occupational sector growing (or declining). Replacement demand is the demand for labour arising from people leaving employment in the sector (eg through retirement). In general, an older age profile in an occupational sector will give rise to higher levels of replacement demand.

At the best of times, a ten-year labour market forecasting model will not consistently deliver accurate forecasts across its many dimensions. This is even more so of a model which was published a month before the declaration of a global pandemic by the World Health Organisation and in a Brexit transition year. The full impact of Covid-19 on the Labour Market remains unknown. It is clear there will be a very significant labour market downturn; that a number of previously observed trends are likely to be accelerated (eg automation or town centre decline); and that changes to working practices (eg working from home) may become embedded. The pandemic has almost certainly invalidated a central assumption of the Working Futures forecast – that there will be slow but steady GDP growth of 1.1% per annum between 2017 and 2027.

A key driver of demand for labour in Cheshire and Warrington will be the plans for major economic development initiatives in the medium term. Some of the most significant of these are detailed briefly below.

Levelling Up - There are plans to exploit the opportunities offered by the arrival of HS2 services at Crewe and Northern Powerhouse Rail (NPR) and HS2 at Warrington. The LEP is proposing to create a High-Speed Growth Corridor that runs from Crewe to Warrington. This includes significant opportunities around hub stations at Crewe (HS2) and Warrington Bank Quay (HS2 / NPR). It will build on traditional strengths in high value manufacturing, engineering and logistics as well as growing financial and professional services in Crewe and Warrington. The proposals have the potential to deliver 39,000 new homes, 6m sq ft of new office space, 9,000 new jobs and a £280+ million of investment.

Digital Infrastructure - Detailed work is nearing completion to develop a digital infrastructure plan for Cheshire and Warrington which includes: enabling Gigabit Capable infrastructure; extended 4G rollout and the encouragement and promotion of the role of next generation mobile technology, including 5G trials; and driving adoption of digital connectivity by increasing participation/skills and take-up of services making sure people (citizens and businesses) have the right skills required to realise the benefits and opportunities of enhanced digital connectivity.

Decarbonisation and Nuclear - Cheshire and Warrington is recognised as being a leader in the drive to deliver low carbon energy and clean growth, with decades of industry-leading experience in energy distribution systems, fuels and nuclear engineering and design.

The LEP has identified both the incentive and opportunity to be a world leader in developing and applying low carbon technologies driving economic growth and delivering a reduction in carbon emissions. The initial focus is the industrial cluster centred around Ellesmere Port, one of the UK's largest, covering 100km2 and consuming approximately 5% of the UK's energy for industrial processes, heat, and transport. It includes some of Cheshire's major manufacturing employers covering oil refining, glass manufacture, nuclear fuel enrichment, chemical production and automotive manufacture. Government has recognised the potential with over £25 million provided in the last year alone to support project development.

Central to the LEP's plans is the £1 billion Hynet Project, which has the potential to add £17 billion of GVA, create 5,000 new jobs by 2025 and save over 1 million tonnes of CO2 per annum; the equivalent of taking more than 600,000 cars off the road.

The nuclear sector supports over 6,000 jobs in Cheshire and Warrington including a significant concentration of design and engineering expertise at Birchwood, Warrington and at Capenhurst. From engineering design, construction, operation, and decommissioning there are huge opportunities to boost the capacity and capability for R&D into next generation and fusion and small modular reactors, and in doing so delivering more highly skilled, productive jobs.

Life Sciences - The LEP is working with the Medicines Discovery Catapult, to exploit the area's critical mass of expertise and infrastructure in the development/commercialisation of novel complex medicines. The Catapult has developed proposals for a £40m National Translational Technology Development Centre and a Catapult Quarter to enable stimulus and capacity building for the UK diagnostics sector. This builds upon its success in delivering the COVID19 lab testing platform and proven national impact across adjacent sectors of new medicines and biomarkers. It also complements government's recent investment through Strength in Places Fund into the Liverpool School of Tropical Medicine and Alderley Park-based Anti-Microbial Research Centre.

3.2 Occupational growth forecasts

Cheshire and Warrington LEP			
Occupations with highest forecast growth (2017-2027)		**Occupations with lowest forecast growth (2017-2027)**	
1)	Caring personal service occupations	1)	Secretarial and related occupations
2)	Health and social care associate professionals	2)	Process, plant and machine operatives
3)	Customer service occupations	3)	Skilled metal, electrical and electronic trades
4)	Health professionals	4)	Textiles, printing and other skilled trades
5)	Corporate managers and directors	5)	Administrative occupations

Source: IER Working Futures 2017-2027, LEP tables

Occupational Growth Forecasts[21]

Working Futures has not lost all its utility following the pandemic. Over time it may be useful as a statement of a pandemic-free counterfactual. What is also useful in the Working Futures model is its forecasting of levels of replacement demand. Even if some occupational areas decline, they will continue to generate replacement demand and the pandemic is likely to have a limited impact on the scale of replacement demand in an occupational sector.

Replacement demand is driven by the numbers that leave an occupation and need to be replaced (eg because of retirement). In the Working Futures model for Cheshire and Warrington, replacement demand invariably drives demand for labour at a higher rate than the forecast growth (or decline) of the overall number of jobs in an occupation.

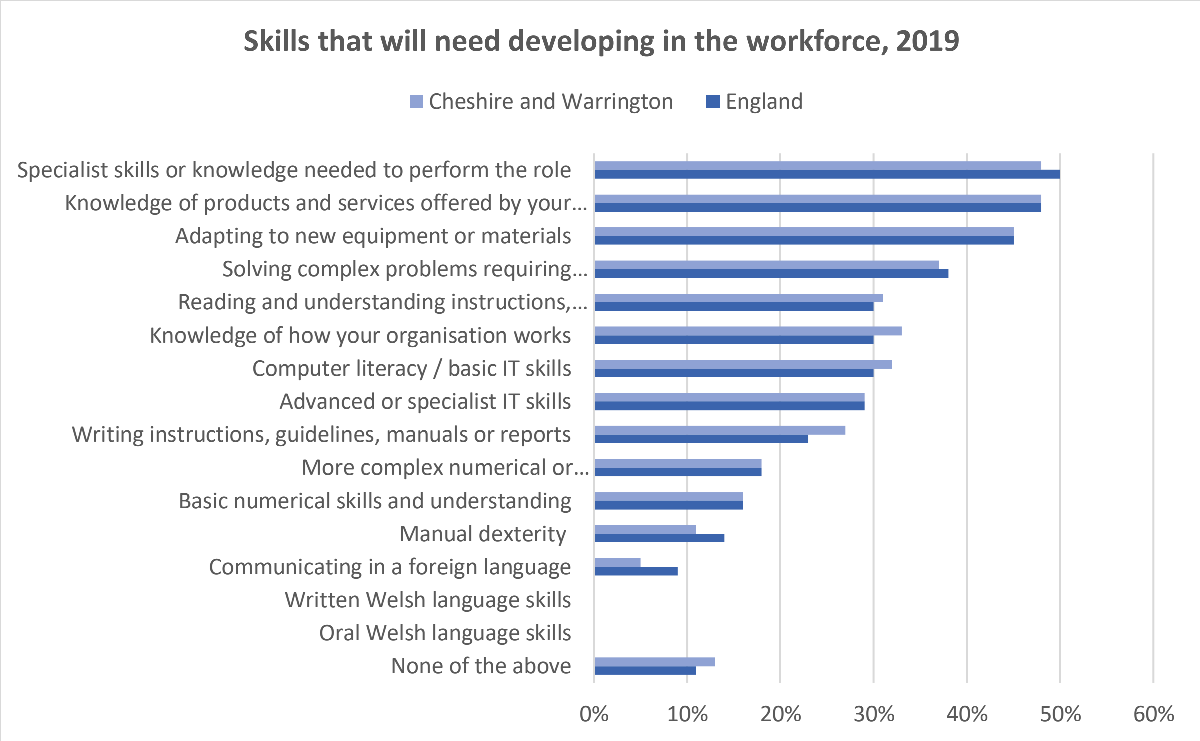
For every main occupational group, replacement demand to 2027 will exceed 10,000 jobs in Cheshire and Warrington. Replacement demand will exceed 20,000 in the following occupations: Professional Occupations; Caring, Leisure and Other Service Occupations; Associate Professional and Technical Occupations; Elementary Occupations; Caring, Leisure and Other Service Occupations; and Administrative and Secretarial Occupations.

Levels of replacement demand are expected to vary significantly for different occupations, ranging from 22% to 42%. Occupational areas that are expected to experience replacement demand of more than 35% are: Caring personal service occupations; Other managers and proprietors; Health professionals; Corporate managers and directors; Business, media, and public service professionals; Teaching and educational professionals; and Transport and mobile machine drivers and operatives. Only the last of these is exposed to a high risk of automation.

Working Futures also provides a forecast for the overall demand for different skill levels in the Cheshire and Warrington labour market. Demand for skills at Levels 4 to 8 (higher technical to doctorate) are forecast to significantly increase by 75k jobs, demand for skills at Level 3 are forecast to be stable, and demand for skills below Level 3 are forecast to decline. Demand at Level 3 and above is forecast to increase from 333,000 in 2017 to 404,000 qualified workers in 2027.

[21] Ibid, Section 4.6, Pages 59-67

3.3 Employer skill needs



Source: Employer Skills Survey, 2019 (ESS2019)

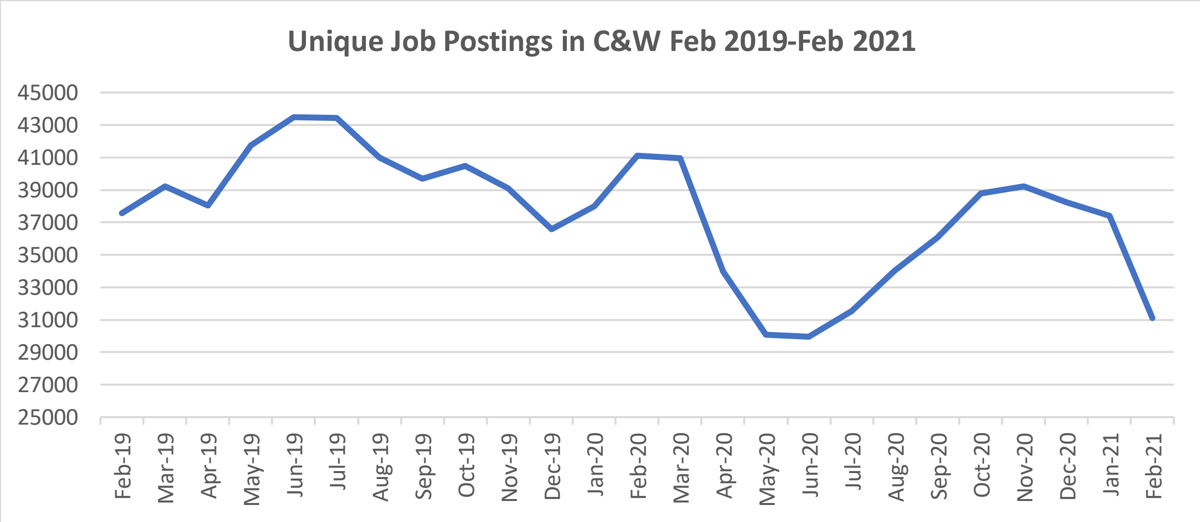
Skills that need developing[22]

A pre-pandemic snapshot of employer demand for skills is available from the 2019 Employer Skills Survey. The data is presented above. A timelier picture of employer demand for skills can be gleaned through analysis of the skills currently being requested in jobs postings. The top 'hard' skills sought be employers in job postings in Cheshire and Warrington are: Accounting; Auditing; Nursing; Warehousing; Business Development; Selling Techniques; Agile Software Development; SQL (Programming Language); and Forecasting. The demand for skills in Nursing and Warehousing and, to a lesser extent in Accounting and SQL are higher than might be expected if demand in Cheshire and Warrington were to mirror the national picture.

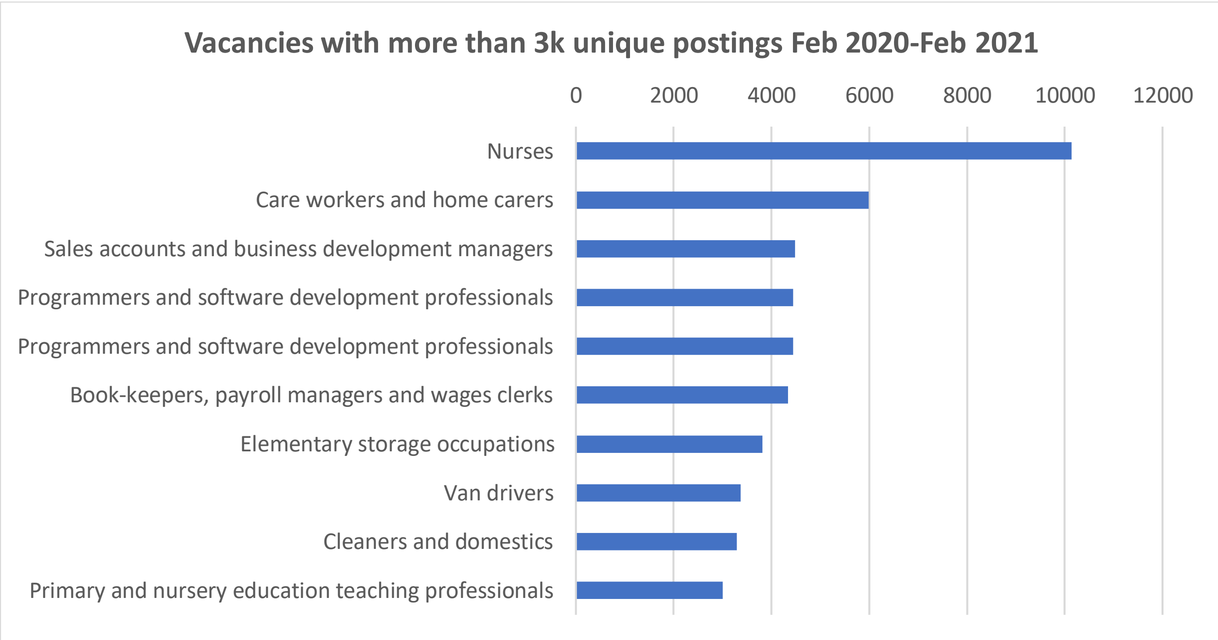
The Employer Skills Survey 2019 suggests that, when seeking appropriately skilled employees, employers in Cheshire and Warrington place a slightly higher premium than employers in England on the importance of: relevant work experience; a relevant vocational qualification; Maths and English GCSE; and a particular academic qualification.

[22] ibid, Pages 56-58

3.4 Recent Vacancies and Job Postings



Source: EMSI Analyst



Source: EMSI Analyst

Hard to fill vacancies in Cheshire and Warrington Mar 2020-Feb 2021		
Occupation	Unique Postings from Feb 2020 - Feb 2021	Avg. Posting Intensity (Feb 2020 - Feb 2021)
Programmers and software development professionals	4440	11 : 1
Design and development engineers	819	10 : 1
IT business analysts, architects and systems designers	813	10 : 1
Web design and development professionals	1851	10 : 1
Civil engineers	1456	9 : 1
Production and process engineers	665	9 : 1
IT specialist managers	1496	9 : 1
Nurses	10144	9 : 1
Primary and nursery education teaching professionals	3007	9 : 1
Quantity surveyors	815	9 : 1
Human resources and industrial relations officers	2329	9 : 1
Book-keepers, payroll managers and wages clerks	4333	9 : 1
Metal working production and maintenance fitters	2085	9 : 1
Electrical and electronic trades n.e.c.	972	9 : 1
Teaching assistants	1781	9 : 1
Customer service occupations n.e.c.	1584	9 : 1
Source: EMSI Analyst		

Recent Vacancies and Job Postings

Demand for labour as expressed through job postings from employers has mirrored the phases of the pandemic. The line chart above presents the volume of postings in Cheshire and Warrington between Feb 2019 and Feb 2021. There was a sharp decline in postings concurrent with the first lock down, with a recovery as the initial restrictions were eased. The second and third lockdowns have triggered another decline, albeit not quite as sharp as experienced initially with levels of demand in February 2021 being slightly higher than the previous low experienced in May/June 2020.

In this period, demand for individual occupations to some extent mirrored the functions that came to the fore with the onset of the pandemic with strong demand for nurses, care workers, storage occupations and van drivers. But there was also strong demand for some IT/finance roles. This is illustrated in the bar chart above. However, the areas of strong demand were not the same as the roles that were hardest to fill. The average posting intensity[23] for all roles in C&W in this period was 6:1. All the roles with a posting intensity higher than 10:1 were in IT/STEM (table above).

[23] The average posting intensity is the average number of times a vacancy in that occupation has been posted on the internet. Occupations with high average posting intensities are likely to be those that employers find hardest to fill.

4. Mapping Skills Supply and Demand

Mapping Skills Supply and Demand - Summary[24]

High job posting intensity indicates hard to fill vacancies in the local labour market and suggests that the following occupational areas should be considered priorities for action by skills and employment partners: Managers and directors in storage and warehousing; Programmers and software development professionals; IT business analysts, architects and systems designers; Web design and development professionals; Quantity surveyors; IT user support technicians; Book-keepers, payroll managers and wages clerks; Customer service occupations.

When asked in the Employer Skills Survey about the main causes of having a hard to fill vacancy, employers in Cheshire and Warrington were more likely than their English counterparts to identify: low number of applicants with the required skills; not enough people interested in doing this type of job; and a low number of applicants generally. Cheshire and Warrington employers were almost twice as likely to cite remoteness/poor public transport as a main cause of hard to fill vacancies as those in England (18% vs 10%). This is consistent with Cheshire and Warrington's scores for the 'Barriers to Housing and Services Domain' of the 2019 Index of Multiple Deprivation.

The Employer Skills Survey has found that employers in Cheshire and Warrington are much more likely to have skills shortage vacancies in high skill roles than their counterparts in England and say they are more likely to have bottom line impacts as a result of skills shortage vacancies than is the case in England.

Levels of replacement demand to 2027 are expected to vary significantly for different occupations, ranging from 22% to 42%. Occupational areas that are expected to experience replacement demand of more than 35% are: Caring personal service occupations; Other managers and proprietors; Health professionals; Corporate managers and directors; Business, media, and public service professionals; Teaching and educational professionals; Transport and mobile machine drivers and operatives. Providers should offer curriculum pathways that can lead to these occupations and careers and enterprises organisations should flag these types opportunities with young people.

In Cheshire and Warrington, there is an excellent alignment of FE provision with the most deprived areas for Adult Skills (as measured on IMD 2019), however, there are identified neighbourhoods in Crewe, Middlewich, Sandbach and Knutsford that might benefit from proactive outreach from providers; possibly with community learning providers linking to mainstream FE programmes. Analysis of learner participation by neighbourhood also suggests that digital skills participation should be promoted in several identified neighbourhoods.

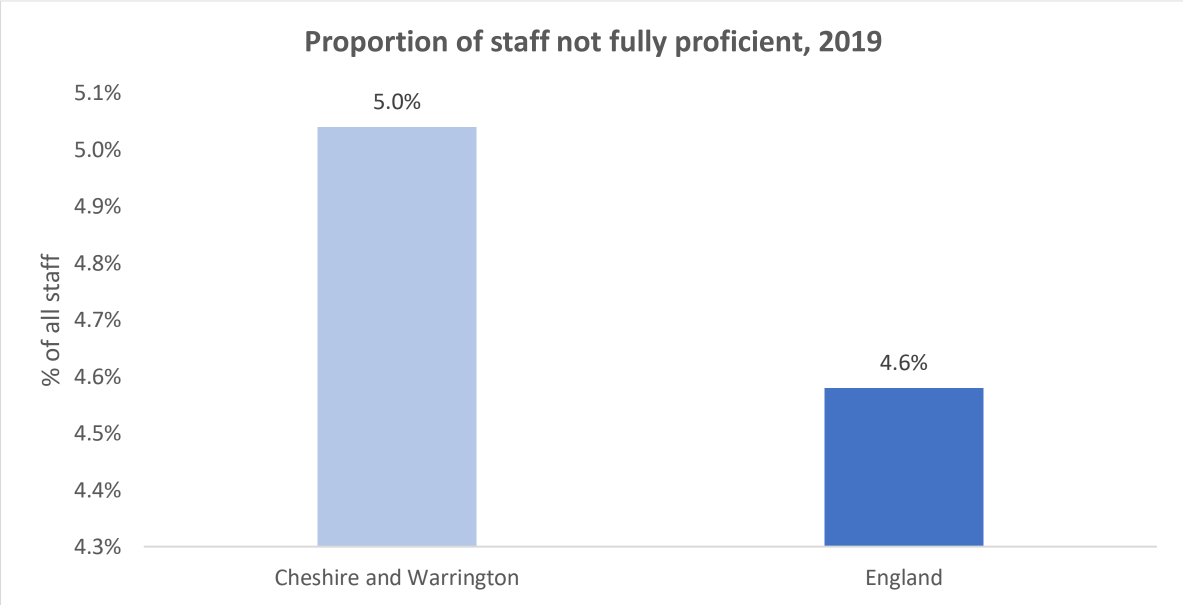
Among those of working age, the economically inactive are the most likely to be internet non-users, particularly those adults on long-term sick leave or disabled. To address this, those areas most deprived as measured on the Employment Domain of the IMD2019 should be targeted for Digital Inclusion investment.

Demand for skills at Level 3 and above is forecast to increase 71,000 in Cheshire and Warrington, from 333,000 in 2017 to 404,000 qualified workers in 2027. Demand for skills at level 4 and above is forecast to increase by 75,000 from 216,000 to 291,000 between 2017 and 2027. This means that Cheshire and Warrington needs approximately 7,500 per annum qualifying at Level 3. The age profile

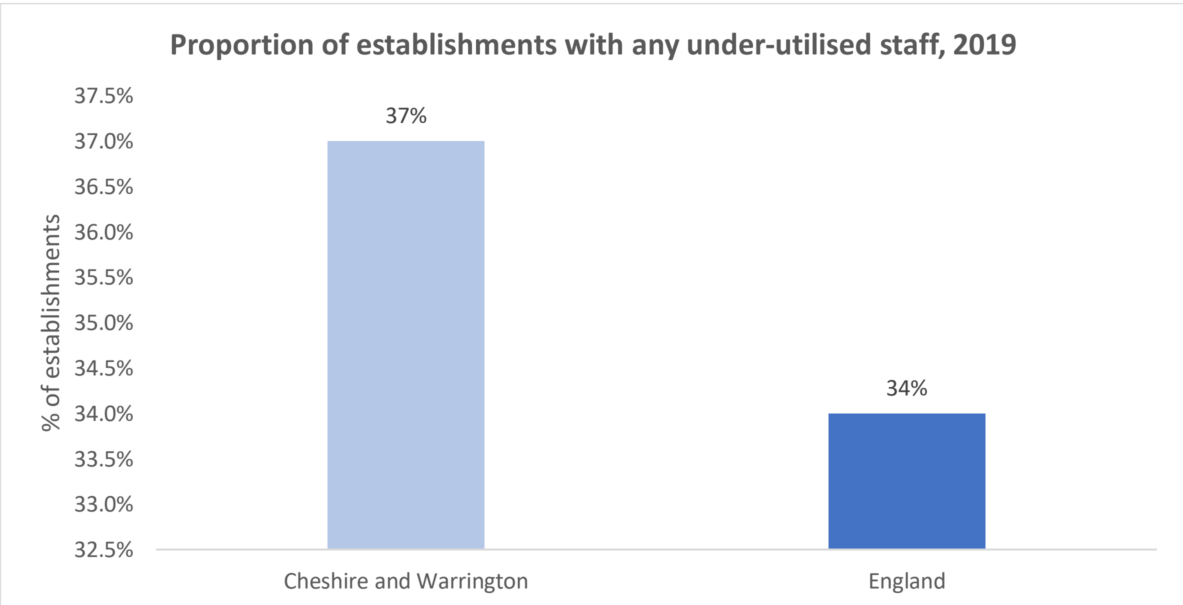
[24] Ibid, Section 6, Pages 101-108.

of the Cheshire and Warrington workforce means that inflows of young people into the workforce will be more than offset by outflows of older residents out of the workforce over the next few years. This means that the adult skills system will need to play a key role in delivering the new Level 3 and above qualifications that the economy needs. This presents a significant challenge to a system that is estimated to currently be delivering approximately 4,500 Level 3 qualifications to adults per annum in Cheshire and Warrington.

4.1 Proficiency of the workforce



Source: ESS2019



Source: ESS2019

Proficiency of the workforce[25]

In the Employers Skills Survey 2019, employers were asked about the proportion of the workforce that were lacking in full proficiency – skills gaps. The survey finding was that a slightly higher proportion of the workforce lacked proficiency in Cheshire and Warrington than in England (5% compared to 4.6%). This was the eleventh highest rate of skill gaps for LEPs in the country. In the same survey, employers were asked about staff utilisation. The proportion of employers that had any under-utilised staff in Cheshire and Warrington stood at 37% compared to 34% in England. This was the third highest rate of underutilisation in the country.

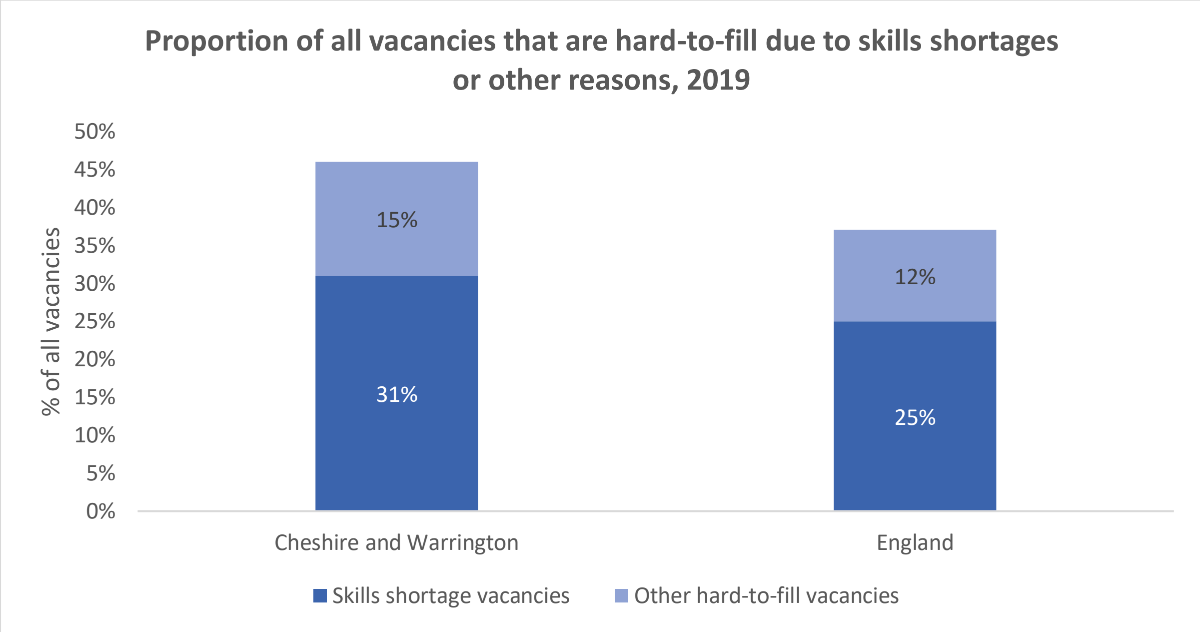
Employers were asked about the technical/practical skills that need improving to address skills gaps in the workforce. There are some differences in responses from employers in Cheshire and Warrington compared with England. In particular, the need for staff to acquire specialist skills or knowledge needed to perform the role; gain knowledge of products and services offered; and gain knowledge of how their organisation works was all higher in Cheshire and Warrington than for England. Overall, the need for staff with skills gaps to improve proficiency on operational skills was significantly higher in Cheshire and Warrington than in England (68% compared to 53%); the need to improve basic skills was slightly higher; whilst the need to improve complex analytical skills and digital skills were both slightly lower.

When the IT skills that need improving in occupations with IT skill gaps are considered there is a lower level of basic and foundation IT skills that need improving in Cheshire and Warrington compared with England, and a higher level of skills associated with specialist software or hardware/internal systems. Specifically, for those occupations with IT skills that needed improving, a lower proportion needed to improved basic digital and basic internet skills in Cheshire and Warrington compared to England, whilst a higher proportion needed to improve Design/Animation/Graphic skills in Cheshire and Warrington compared with England.

Employers were asked about the actions they have taken to overcome a lack of proficiency amongst staff. Broadly, responses from employers in Cheshire and Warrington were akin to those made by employers in England as a whole. However, the following were more likely in Cheshire and Warrington than in England: more staff appraisals / performance reviews; implementation of mentoring / buddying scheme; changing working practices; and increase recruitment activity / spend. Employers in Cheshire and Warrington were less likely to recruit workers who are non-UK nationals than their English counterparts.

[25] Ibid, Section 6.1.1, Pages 103-107

4.2 Hard to fill and skill shortage vacancies.



Source: ESS2019

Hard to fill and skill-shortage vacancies[26]

One of the key issues explored in the ESS 2019 is the issue of vacancies, hard to fill vacancies and, in particular, skill shortage vacancies. When the survey was undertaken (June-December 2019), employers in Cheshire and Warrington were more likely than their English counterparts to have at least one vacancy (19% vs 17%); to have at least one hard to fill vacancy (10% vs 8%); and to have a skill shortage vacancy (7% vs 6%). Of employers with at least one vacancy, 52% in Cheshire and Warrington had at least one vacancy that was hard to fill (England 44%) and 38% had at least one that was hard to fill because a skills shortage (32% England).

When vacancies, hard to fill vacancies and skill shortage vacancies are considered as a proportion of all jobs, the proportion was slightly higher in Cheshire and Warrington for all three categories than was the case for England. 46% of all vacancies in Cheshire and Warrington were hard to fill (England 36%), 31% were skill shortage vacancies (England 25%) and 15% were hard to fill for another reason (England 12%).

As a percentage of all vacancies, elementary staff, machine operatives and sales and customer service accounted for the three highest proportions in the Cheshire and Warrington vacancies pool. This contrasts with England where the highest number of vacancies were also for elementary staff in England, but the next highest volumes were for Associate Professionals and Professionals. Overall, there were higher proportions of vacancies for service-intensive and labour-intensive roles in Cheshire and Warrington compared with England and a lower proportion of vacancies were in high-skill roles locally.

However, when hard to fill vacancies (rather than all vacancies) are considered by occupational type, a different picture emerges with the two occupational areas of skilled trades and associate

[26] Ibid, Section 6.1.2, Pages 108-116

professional accounting for 45% of all hard to fill vacancies in Cheshire and Warrington (38% in England).

When asked about the main causes of having a hard to fill vacancy, employers in Cheshire and Warrington were more likely than their English counterparts to identify: low number of applicants with the required skills; not enough people interested in doing this type of job; and a low number of applicants generally.

Cheshire and Warrington employers were almost twice as likely to cite remoteness/poor public transport as a main cause of hard to fill vacancies as those in England (18% vs 10%). This is consistent with Cheshire and Warrington's scores for the 'Barriers to Housing and Services Domain' of the 2019 Index of Multiple Deprivation (see deprivation section above) which measures the physical and financial accessibility of housing and local services. It is highly probable that if local services are difficult to access similar difficulties will be encountered accessing local employment opportunities.

The proportion of vacancies that were attributable to skill shortages were much higher (46% vs 26%) in Cheshire and Warrington in high-skill roles and somewhat higher (28% vs 22%) for labour-intensive roles than in England.

Employers were asked about the technical/practical skills that they found difficult to obtain from applicants for all their skill shortage vacancies. For 11 of the 13 categories of skill types discussed, employers in Cheshire and Warrington found these skill-types less difficult to obtain from applicants than their counterparts in England. However, a much higher proportion of Cheshire and Warrington employers (78% vs 63%) found it difficult to obtain "Specialist skills or knowledge needed to perform the role" and a slightly higher proportion found it difficult to obtain "Advanced or specialist IT skills".

A higher proportion of Cheshire and Warrington 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%).

One indication that employers are having difficulty recruiting to a type of occupation is the frequency with which they advertise for a particular role. This frequency is known as 'posting intensity'. For those role-types with a high average posting intensity and high current volumes, this suggests vacancies for these roles are hard to fill. On this basis, the following occupational areas have had the highest average posting intensity[27] over the past five years and should be considered priorities for action by skills and employment partners in Cheshire and Warrington: Managers and directors in storage and warehousing; Programmers and software development professionals; IT business analysts, architects and systems designers; Web design and development professionals; Quantity surveyors; IT user support technicians; Book-keepers, payroll managers and wages clerks; and Customer service occupations n.e.c..

[27] Data from EMSI analyst