

Cheshire and Warrington Labour Market Intelligence Programme: Phase 2

Main Findings and Key Issues to Date

Cheshire and Warrington Labour Market Intelligence Programme: Phase 2

Work Programme

- **Adult Skills** ✓
- **Digital Skills** ✓
- **The immediate impact of Covid-19 (monthly)** ✓ ✓
- **Young People**
- **The supply of training and education**
- **Employer Demand for skills and the alignment of supply**

Cheshire and Warrington Labour Market Intelligence Programme: Phase 2

Learner Segmentation

	Covid 19 Monthly Report	Adult Skills	Digital Skills	Supply of Training and Education	Young People	Employer Demand and Skills Supply
Adults in work	✓	✓	✓	✓		✓
Adults out of Work	✓	✓	✓	✓		✓
Young People	✓	✓	✓	✓	✓	✓

Cheshire and Warrington Labour Market Intelligence Programme: Phase 2

Covid-19 Impacts to date:

Employer Demand

- Unique job postings online for vacancies in C&W declined by 45% between March and May.
- The decline of job postings in C&W has been higher in every main occupational area than for England
- CIPD report that 22% of employers will make redundancies by the end of July.
- YouGov Report that nationally 51% of employers will make redundancies within 3 months of the furlough scheme ending. 31% estimate 20% of employees being made redundant, 21% estimate 30% of employees being made redundant.

Adults in Work

- 109,300 Cheshire and Warrington residents were on furlough at the end of May.
- Over 27,000 C&W residents have made a claim to the national Self-employment Income Support Scheme

Cheshire and Warrington Labour Market Intelligence Programme: Phase 2

Covid-19 Impacts to date:

Unemployment

- March to April saw the sharpest rise in the claimant count and rate in C&W this century, and April has recorded the highest claimant count and rate in that time.
- May's count rose sharply again and is 124% higher than in March.
- Every neighbourhood (573 Lower Super Output Areas in C&W) saw a rise in the claimant count March-May

Young People

- The 18-24 claimant rate has risen sharply and is now slightly lower in C&W than for GB
- Nationally there was an overall 50% decline in Apprenticeship starts comparing April 2020 with April 2019, and a 74% decrease in 16-18 Apprenticeship starts.
- 2019/20 data confirms that August, September and October have been the peak months for Apprenticeship recruitment in Cheshire and Warrington.
- It is estimated that 5,300 18 year olds and 1,400 16 year olds will be 'at risk' this summer in Cheshire and Warrington because of the expected decline in apprenticeship and employment opportunities.
- Resolution Foundation research suggests that, nationally, employment rates for lower qualified education leavers three years after leaving education could be as low as 40%.

Cheshire and Warrington Labour Market Intelligence Programme: Phase 2

The Adult Workforce and Skills Delivery in Cheshire and Warrington Main Findings:

- The working age population is ageing and currently constitutes a lower % of the total population for C&W than is the case for GB. Employer demand for skills will not be solely met from the in-flow of skilled young people.
- The C&W workforce is better qualified than Great Britain. However, the proportion qualified to Level 3 or above is approximately 20 percentage points lower than in Germany. For the same proportion of people to be qualified at Level 3 as is the case in Germany this would need over 100,000 more people to attain Level 3.
- The delivery in FE of substantial level 3 qualifications for adults is low and declining. Furthermore, between 2016 and 2019 there was an 18% decline in Level 3 apprenticeship starts by adults.
- In FE, L4+ qualification starts declined 12% between 2016/17 and 2018/19. L4+ Apprenticeship starts increased by c600 in the same period
- Overall, there is an excellent alignment of FE provision with the most deprived areas for Adult Skills, However, analysis suggests that this alignment could still be improved for some neighborhoods and types of provision.
- 2016 to 2019 saw a 30% reduction in 19-24 year old apprentices and a 24% reduction in 25+ apprentices in C&W. In Eddisbury, there was a 35% decline in 19+ apprenticeship starts compared to a 17% decline in Congleton.
- In 2018/19, ESF funded starts accounted for 22% of all learning aim starts for adults in Cheshire and Warrington. Less than a quarter of ESF starts were by females.
- Over 3 years there was a 40% decline in adults taking GCSE English and Maths.

Cheshire and Warrington Labour Market Intelligence Programme: Phase 2

Digital Skills in Cheshire and Warrington:

Employer Demand

- Covid-19 is accelerating automation and digitisation across the economy.
- The CBI believes 'The UK is at a tipping point on digital skills. Demand already outstrips supply and is set to skyrocket'.
- The number of people employed in the Digital Sector in C&W is 13% lower than the proportion employed nationally. 78% of the Digital Sector in C&W is made up of companies with between 1 and 4 employees (87% in England).
- In 2019, the average wage per job in the C&W Digital sector was £37,165. This is £11,565 more than the median advertised wage for all roles in Cheshire and Warrington of £25,600.
- Early evidence suggests that demand for the job roles across all industrial sectors requiring the Specific Digital skillsets that carry the highest wage premium is more resilient in C&W than for other types of roles in the Covid-19 crisis.

Digital Inclusion

- An estimated 8% of the population nationally do not have online access and 58% of internet non-users are women. 12% of 11-18 year olds do not have access to an appropriate internet device. 70% of the employees in the sector are male.
- Among those of working age, the economically inactive are the most likely to be internet non-users. In C&W, many of the working age economically inactive live in the neighbourhoods with the highest levels of employment deprivation - which are in Warrington, Ellesmere Port, Crewe and Chester with clusters also evident in Winsford, Northwich and Macclesfield.

Cheshire and Warrington Labour Market Intelligence Programme: Phase 2

Digital Skills in Cheshire and Warrington:

Digital Skills Delivery

- Whilst the need for Digital Skills is increasing in the economy, the delivery of digital skills learning aims at all levels in FE has decreased by 19% from 2016/17 to 2018/19 (22% decrease for Level 3). This is driven by a decline in young people's participation.
- Female participation in digital skills in C&W is too low at every level, and across all ages, being as low as 25% for Level 4+ provision.
- Analysis of learner participation by neighbourhood suggests that digital skills participation should be promoted in a number of identified communities.
- Historically the proportion of digital learning aims funded by ESF has been quite low (3%).
- Between 2016/17 and 2018/19, starts on Apprenticeships delivering Baseline Digital Skills declined by 36%. By contrast, starts on Apprenticeships that deliver 'Specific Digital Skills' saw a growth of 65%

Cheshire and Warrington Labour Market Intelligence Programme: Phase 2

Initial Issues for Partners to Consider

- Mitigating the Downturn
- Delivering the Recovery – Emerging Questions

Cheshire and Warrington Labour Market Intelligence Programme: Phase 2

Issues for Partners to Consider - Mitigating the Downturn

Young People

- Do we need to focus on the transition at 16 to minimise NEET in October 2020?
- Is there a need to fast-track the development of an offer for Key Stage 5 leavers for delivery in September?
- Is work with employers and providers required to sustain apprenticeships (eg planned deferred entry with pre-apprenticeship learning)?

Adults in Work

- Should Accelerate be used to support furloughed staff and those threatened with redundancy?
- Is action required to place adults serving notice of redundancy in new jobs or provide support for the self-employment route?

Unemployed Adults

- What support will the recently redundant need to return to employment?
- What support will the recently redundant need to access self-employment?
- Do the existing mechanisms that support those furthest from the labour market need to be changed?

Cheshire and Warrington Labour Market Intelligence Programme: Phase 2

Emerging Issues for Partners to Consider– Delivering the Recovery

- Drawing on the initial findings, are there any pointers as to how the Pledge should work with employers to ensure that young people receive good quality information on careers in Cheshire and Warrington.
- Women's participation (all ages) in digital skills programmes (all levels) is low. What, if anything, can be done about that?
- Level 3 participation by adults has dropped in both FE and apprenticeships. It is estimated that, if Cheshire and Warrington had the same percentage of the population qualified to Level 3 as Germany, over 100,000 more people would be qualified to this level. Do partners want to work together to increase adult participation in economically relevant level 3 skills programmes?
- The data suggests that joint arrangements for curriculum planning between FE and Community Learning providers - that targets identified neighbourhoods and supports progression of learners onto vocational further learning (including digital skills) and apprenticeships - is an option that might be considered.
- Should partners target employment deprived neighbourhoods to deliver digital inclusion? Is any further action required to address the issue that c12% of 11-18 year olds do not have satisfactory access to the internet?
- Is there a need to better understand what learning activity has been delivered by historic ESF programmes so as to inform the delivery of the 'Accelerate' programme?
- Is there a need to work with providers to understand why there has been such a steep decline in the take up of GCSE Maths and English by adults? These qualifications will often be pre-requisites for progression to Level 3

Skills and Education Priorities – Geographical Areas to Target

01	Crewe : the LSOA containing residences bounded by West St and Middlewich Rd and south of the Legends Sports Centre
02	Middlewich : the LSOA containing residences west of Lewin St and Booth Lane
03	Sandbach : the LSOA containing residences north and south of the High St
04	Knutsford : the LSOA containing residences adjacent to St. John's Wood
05	Knutsford : the LSOA containing Barclays Technology Centre south of Knutsford
06	Poynton : the LSOA containing Barnaby Rd Play area south of Poynton
07	Middlewich : LSOAs in Middlewich including the one directly to the east of Cledford Primary school and the one adjacent to it containing Middlewich High School
08	Willaston: the LSOA containing Willaston CoE Primary School
09	Malpas : the LSOA containing Old Hall St in Malpas
10	Neston : the LSOA containing Neston Town Centre;
11	Winsford : the LSOAs on the south of Winsford including the one containing Oaklands school and the one covering St Johns
12	Northwich : the low income LSOAs in Northwich including the LSOA covering Northwich Town Centre
13	Wilmslow: Colshaw Farm, Wilmslow
14	Frodsham: North of the High St/Bridge Lane
15	Stanlow
16	Chester: The neighbourhood adjacent to Westlea Primary School
17	Poynton: The neighbourhood south of Vernons Primary School, bounded by Dickens Lane and London Rd South

Skills and Education Priorities – Geographical Areas to Target

Geographical Barriers and Targetting													
Lower Super Output Areas to Target to Improve Skill Levels	Source	01	02	03	04	05	06	07	08	09	10	11	12
The following small areas might benefit from proactive outreach from providers, possibly community learning providers, linking to FE programmes, including Basic Skills, English, Maths and ESOL.	Adult report p25, p35 and 51	Y	Y	Y	Y								
Providers may wish to consider proactively targeting Level 2 starts by adults in the following wards with average or higher levels of employment deprivation against the wards with low and low levels per 1000 adult population.	Adult report p60	Y				Y	Y		Y	Y			
Providers may wish to consider proactively targeting Level 3 starts by adults in the following areas income deprivation is significant and takeup of substantial level 3 is lowest.	Adult report p69	Y		Y	Y			Y			Y	Y	Y
Lower Super Output Areas to Target for Digital Skills	Source	13	14	15	16	17							
There are areas of Cheshire and Warrington, particularly in Cheshire West and Chester and Chester East, that should be targeted in order to support and encourage their residents to access digital skills provision.	Digital Skills report p51	Y	Y	Y	Y	Y							