

Adult Workforce and Skills in Cheshire and Warrington Report – Part 1 of 2 - Employment

Draft Report - November 2022
Brennan Wilson Ltd

Please Note: This report 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.

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Please note - chapters 4 – 10 are in Part 2 - Skills

1. Introduction

It is important that providers of learning to adults and other stakeholders have a well rounded understanding of the environment in which adults learn, and the key characteristics of those adults. This report aims to facilitate that understanding.

The report begins by providing a profile of the adult workforce in Cheshire and Warrington:

- Demography
- Employment and Economic Activity
- Economic inactivity and unemployment
- Out of work benefits
- Earnings and low pay
- Occupational Structure
- Skills Profile

There is then a deep dive into the data provided by the Education and Skills Funding Agency (ESFA) relating to the delivery of Further Education and apprenticeships to adults resident in Cheshire and Warrington. In addition to an overview of the ESFA data which is provided at Chapter 4, there are subsequent chapters providing a specific focus on:

- Community Learning
- European Social Fund
- Learning below Level 2
- Learning at Level 2
- Learning at Level 3
- Learning at Level 4+

2. Executive Summary

2.1 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. Cheshire East saw a population growth of 7.7%, Cheshire West and Chester's population grew by 8.4% and Warrington's by 4.3%.

As a proportion of total population, when compared with England, all three local authorities have lower populations aged under 15, lower working age populations and higher populations aged over 65, although Warrington is closer to the England proportions than the other local authorities. The current age profile of the Cheshire and Warrington population being older than that for England is forecast to continue.

2.2 Employment, economic activity and economic inactivity

At the time of writing, economic activity in Cheshire and Warrington was slightly below that for England with the economic activity rates for Cheshire East and Cheshire West and Chester both being below the English rate and Warrington being higher. The employment rate for Cheshire and Warrington was slightly higher than for England and the self-employment rate was slightly lower.

Since the first lockdown, the Cheshire and Warrington economic inactivity rate has increased from 16.9% to 20.6%. The number of those aged 50-64 reporting as economically inactive has increased by over 40% in the last two years with the percentage of this age group being economically inactive rising from 20.5% at the onset of the pandemic to 29.1%. The economic inactivity of the 16-24-year-old age group also increased slightly in this time. These two age groups were the primary drivers in the overall increase in economic inactivity in C&W in this time.

Consistent with this, retirement is now the most common reason given by respondents for becoming economically inactive with over a quarter of the economically inactive responding in this way. LFS data suggests that over 30,000 people in Cheshire and Warrington are now economically inactive due to retirement compared with less than 20,000 prior to the onset of the pandemic. The second most common reason given for being economically inactive is being a student.

2.3 Unemployment, claimant count and out of work benefits

The unemployment rate for Cheshire and Warrington has been consistently below the unemployment rate for England. The gap between the unemployment rates for Cheshire and Warrington increased from 0.6% pre-pandemic to 1% in 2022. The unemployment rate has also been consistently below the unemployment rate for England for both Warrington and for Cheshire West and Chester. The unemployment rate for Cheshire East has usually been below that for England, although the rate for Apr 21- Mar 22 was slightly higher.

Pre-pandemic, the claimant rate in Cheshire and Warrington was 0.7% lower than in England (2.3% and 3% respectively). This gap had increased to 1.2% by July 2022 (2.6% and 3.8%). The claimant count increases between February 2020 and July 2022 varied by local authority, with an increase of 19% in Cheshire East, 5% in Cheshire West and Chester and 14% in Warrington.

The number of individuals out of work claiming benefits in C&W was c10.5k higher than was the case pre-pandemic, whereas the claimant count was c4k higher. This increase in the numbers of those

out of work claiming benefits was driven by increases in Universal Credit claims and by increases in claims by those aged 30-44.

Notably, the volume of those out of work claiming UC with no requirement to seek work has almost doubled, increasing by over 9k. Analysis of claim durations suggests that this growth in those not required to seek work has arisen primarily as a consequence of UC claimants that were previously required to search for work now not being required to do so; rather than inflows of new UC claimants not being required to search for work.

With the exception of the 16-19 age band (where numbers are quite low – c500), there has been an increase in every age band in the numbers of working age claiming UC who were required to search for work between Feb 2020 and June 2022. The highest percentage increases, at over 40%, were for the 35-39 and the 60-65 age bands.

Claim duration analysis of the numbers of working age claiming UC who were required to search for work between Feb 2020 and June 2022 shows that the numbers that have claimed UC for 2 years or less declined between Feb 2020 and Jun 2022. By contrast, there have been very significant increases in the volumes that have claimed for over 2 years, with the volume of those having claimed for 5 years or more having increased by over 500% in this time.

2.4 Earnings

Median earnings for Warrington residents in 2021 exceeded the English median. This was the case for both males and females. Median earnings for Cheshire East residents in 2021 were below the English median. This was the case for both males and females. Median earnings for Cheshire West and Chester residents in 2021 were slightly below the English median, although median earnings for males were above England.

As of September 2022, the Real Living Wage was set at £10.90 in the UK. When measured nine months before this, in 2021, slightly fewer than 30% of employed residents in Cheshire and Warrington earned below the 2022 Real Living Wage with this proportion being above 30% in Cheshire East. It is unclear whether wage inflation in 2022 has enabled a significant proportion of these people to have now achieved the 2022 Real Living Wage.

Individuals in work on low pay are eligible to claim Universal Credit. The volume of people in work claiming UC in C&W increased from c14.5k pre-pandemic to a high of c30.5k during the pandemic and was c28.5k in June 2022, an increase of 95% between Feb 2020 and June 2022. There has been an increase in the numbers in work claiming UC between February 2020 and June 2022 for every age band, with the increase being more than double for every age band over 35.

2.5 Occupational structure

When compared with England, the occupational profile in Cheshire and Warrington is slightly skewed towards higher skilled occupations, with a higher proportion employed in SOC major groups 1-3 and a lower proportion employed in SOC major groups 8-9. However, this disguises variation between the three local authorities. For SOC major groups 1-3, the Cheshire and Warrington proportion is pulled up by the proportion in Cheshire East which is higher than England. By contrast both Cheshire West and Chester and particularly Warrington are both lower than England. Similarly, whilst Cheshire East and Cheshire West and Chester both have lower proportions employed in SOC major groups 8-9 than England, the proportion in Warrington is higher.

2.6 Skills profile

The proportion of working age residents qualified at Level 4 and above is slightly higher in Cheshire and Warrington than in England. However, this headline disguises variation across Cheshire and Warrington's three local authorities with Cheshire West and Chester having a similar proportion to England, but Cheshire East having a higher proportion and Warrington having a lower proportion. The proportion of the working age population with no qualifications is lower in Cheshire and Warrington, and all three local authorities, than is the case for England.

2.7 FE Overview

There is a reasonable alignment of areas with high FE enrolment with areas that have high numbers of UC claimants. In 2020/21, six of the ten wards with the highest density of FE enrolments also appeared in the top ten wards with highest UC claimant density. Every ward in the top two deciles for UC claimant density appeared in the top three deciles for FE enrolment density.

In 2020/21, 299 providers were responsible for 27,467 FE enrolments by adults resident in C&W. This was a decrease of more than a third from the 2018/19 figure of 41,457. Much, but possibly not all, of this decline can be attributed to the impact of the pandemic. 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%.

In 2020/21, the Adult Skills budget accounted for almost half of all FE enrolments, with a further fifth being funded by the European Social Fund (ESF). There were marked differences in the decline in enrolments between 2018/19 and 2020/21 when activity is considered by funding stream. Learning funded through the Community Learning budget declined by almost two thirds; non-funded and adult skill budget activity declined by just over a quarter; whereas activity funded by ESF declined only slightly.

Between 2018/19 and 2020/21, enrolments in the SSA 'Preparation for Life and Work' saw the largest volume reduction (4.5k). This 39% reduction was broadly in line with the overall reduction of 34% in this period. The largest percentage reductions were in 'Leisure, Travel and Tourism' at 85% (2.2k reduction in enrolments) and in 'Arts, Media and Publishing' at 69% (2k reduction in enrolments). Industries linked to these two sectors were particularly badly hit at the height of the pandemic and the reduction in learner demand reflects that.

In 2020/21, PeoplePlus delivered the highest volume of FE enrolments to Cheshire and Warrington residents by virtue of it being the prime contractor for an ESFA-led ESF programme. Cheshire College South and West, Warrington & Vale Royal College, and Cheshire West and Chester Council delivered the most enrolments funded through the Adult Skills Budget. Warrington & Vale Royal College, Cheshire West and Chester Council, Cheshire East Council, and the Workers' Educational Association delivered the most Community Learning enrolments.

Overall, 57% of enrolments by Cheshire and Warrington residents in FE in 2020/21 were female, with females accounting for a higher proportion of enrolments at every level of learning other than at below level 2, where males accounted for 55%. Just less than 10% of learners identified themselves as being from a Black and Minority Ethnic (BAME) background. Learners that considered themselves to have a learning difficulty and/or disability and/or health problem accounted for 22% of all enrolments.

Over half of Cheshire and Warrington residents that enrolled on an FE learning aim in 2020/21 were qualified at Level 2 or below. This shows, as might be expected, that delivery in FE was disproportionately focussed on the lower qualified.

Overall, there were more enrolments in FE by adults resident in Cheshire and Warrington from those not in employment (14.5k) than those employed/self-employed (10.3k) in 2020/21. These proportions varied significantly by funding route. The number of enrolments on Adult Skills Budget that were not in employment was slightly larger than the numbers employed/self-employed (6.5k and 6k respectively). However, the numbers receiving support from ESF were very skewed to those not in employment (5.3k vs 0.6k) and the numbers on non-ESFA funded provision were skewed to the employed/self-employed (2.8k vs 1.1k).

Generally speaking the higher the level of learning, the higher 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+.

2.8 Apprenticeships Overview

Apprenticeship starts by adults declined by almost 500 (4,670 to 4,194) between 2018/19 and 2019/20 but recovered partially to 4,407 in 2020/21 - a decline of 6% on 2018/19. This pattern over three years was repeated in all three local authorities with 2020/21 starts being 3% lower than 2018/19 in Cheshire East, 6% in Cheshire West and Chester and 10% in Warrington.

In 2020/21, the 4,407 starts on apprenticeships by adults resident in Cheshire and Warrington were delivered by 455 providers. Total People and Lifetime Training were the two largest apprenticeship providers for both 2020/21 and for the three years 2018/19-2020/21, with both providers delivering more than 200 starts in 2020/21.

Between 2018/19 and 2020/21 apprenticeship starts by adults at Level 2 decreased by 30% (1,230 to 855) and at Level 3 the decrease was 17% (2,259 to 1,880). By sharp contrast starts at Level 4+ increased by 42% in this period from 1,181 to 1,672. In 2020/21 19% of starts were at Level 2, 43% were at Level 3, and 38% were at Level 4+.

The overall decrease observed for starts on apprenticeships for adults resident in Cheshire and Warrington was not uniformly repeated across Sector Subject Areas (SSAs). Starts in 2020/21 were higher than for 2018/19 in Arts, Media and Publishing; Construction, Planning and the Built Environment; Education and Training; Health, Public Services and Care; and Information and Communications Technology.

There were more starts on apprenticeships by females aged 19+ resident in Cheshire and Warrington in 2020/21 than there were by males. Females accounted for 58% of starts. 5% of starts on adult apprenticeships by Cheshire and Warrington residents were by learners classified as BAME. The proportion of apprentices identifying as having a learning difficulty and/or disability and/or health problem was 11%, which is about half the proportion of adults that did so in Further Education.

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.

3. PROFILE OF THE ADULT WORKFORCE

3.1 Demography

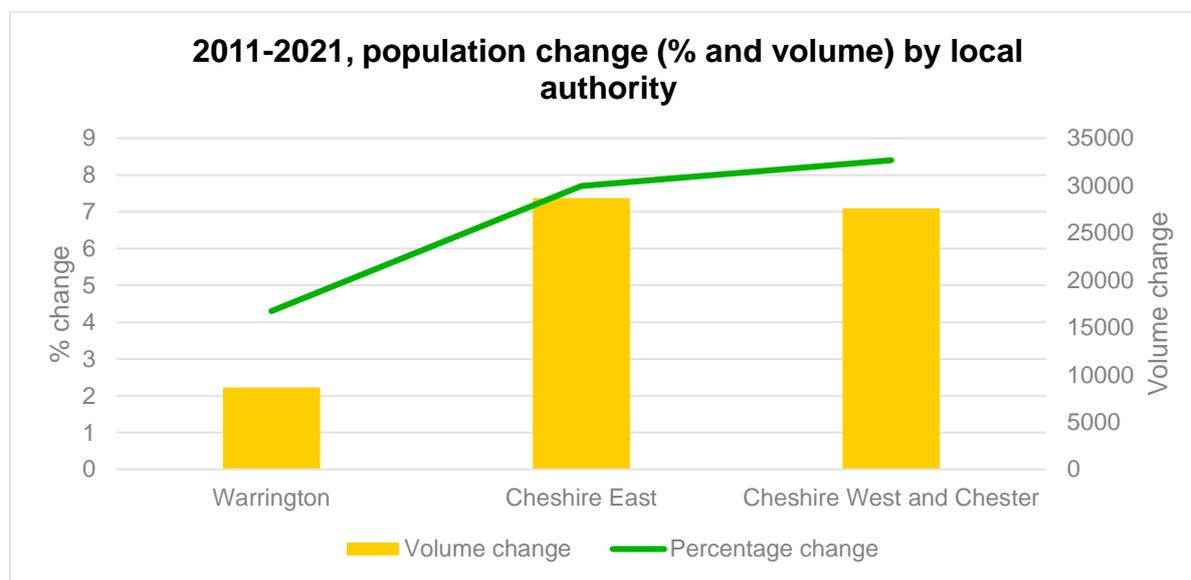
3.1.1 Population

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.

Usual resident population in Cheshire and Warrington and its local authorities, 2011 and 2021				
	2011	2021	% change	Volume change
Warrington	202228	210900	4.3	8672
Cheshire East	370127	398800	7.7	28673
Cheshire West and Chester	329608	357200	8.4	27592
Cheshire and Warrington	901963	966900	7.2	64937

Source: Census 2021, ONS

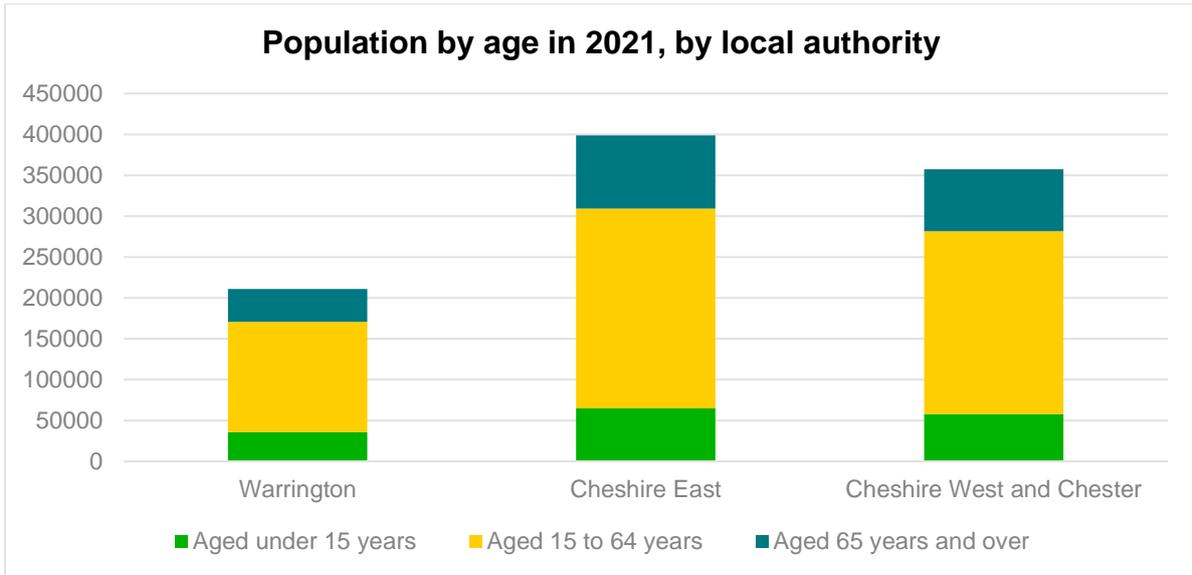
This population growth has not been uniformly distributed across the three local authorities. Cheshire East saw a population growth of 28,673 (7.7%), Cheshire West and Chester’s population grew by 27,592 (8.4%) and Warrington’s was 8,672 (4.3%).



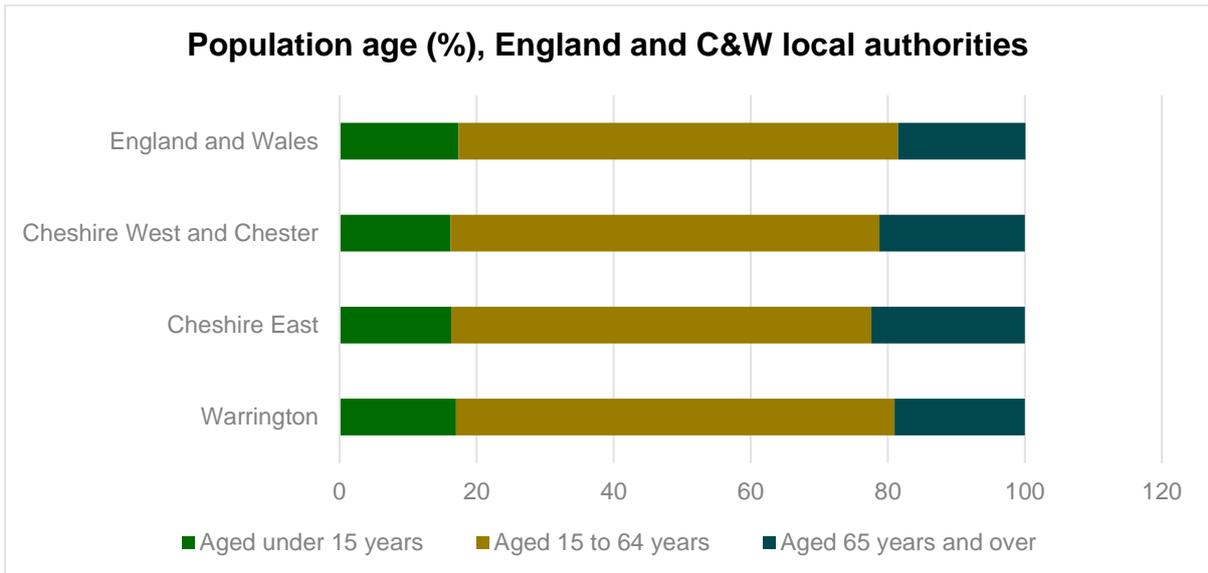
Source: Census 2021, ONS

Census 2021 data on local authority population characteristics such as ethnicity had not been published at the time this report was written.

As a proportion of total population, when compared with England, all three local authorities have lower populations aged under 15, lower working age populations and higher populations aged over 65, although Warrington is closer to the England proportions than the other local authorities.



Source: Census 2021, ONS



Source: Census 2021, ONS

Drilling down into the data reveals that Cheshire East and Cheshire West and Chester both have a lower proportion of the population than is the case for England for every 5-year age band from age 0-4 to age 40-44 and a higher proportion than England for every 5 year age ban from age 45-49 to age 90 and over.

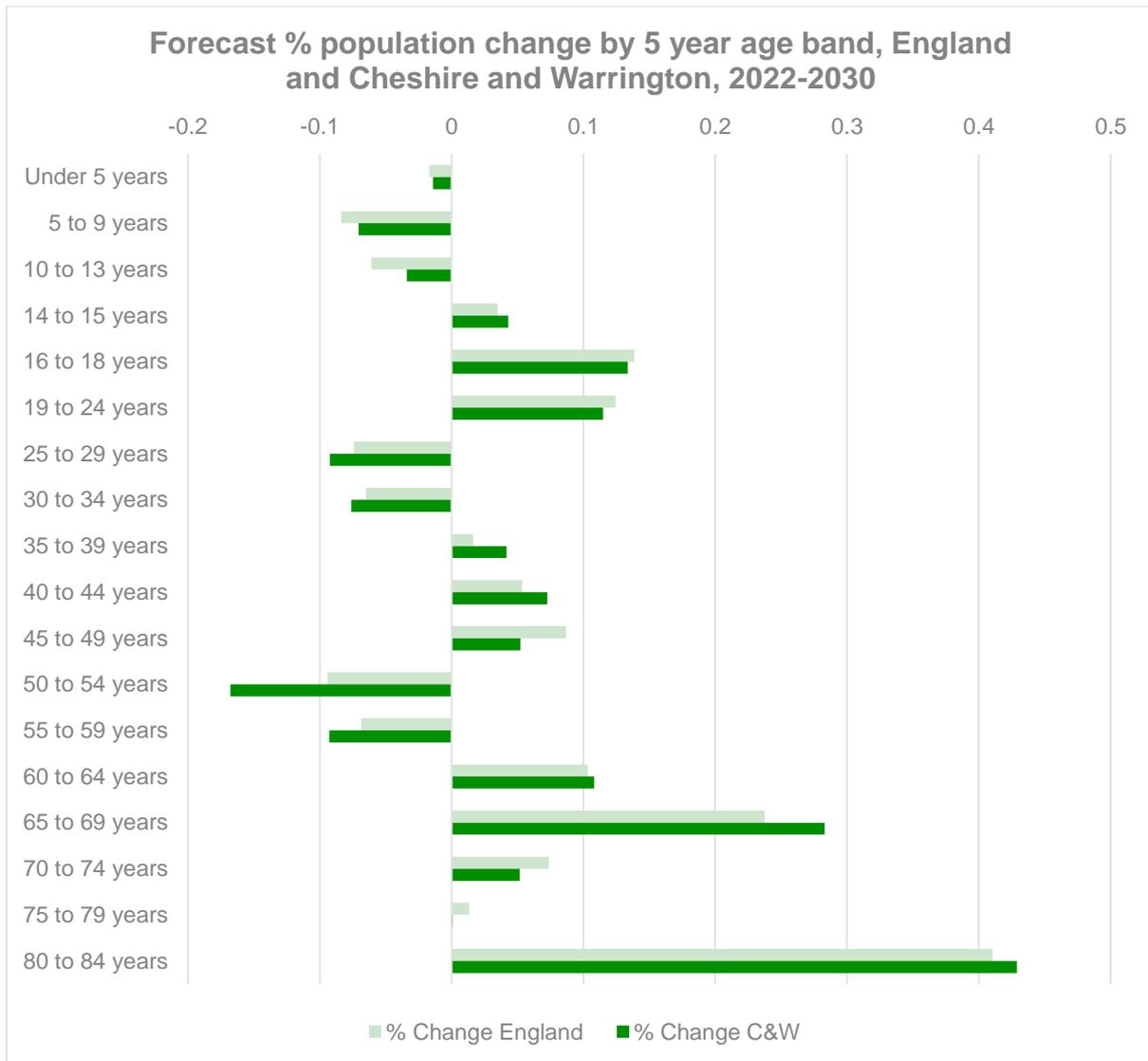
C&W LA populations 5 year age band percentage compared with England



Source: Census 2021, ONS

3.1.2 Population Forecasts

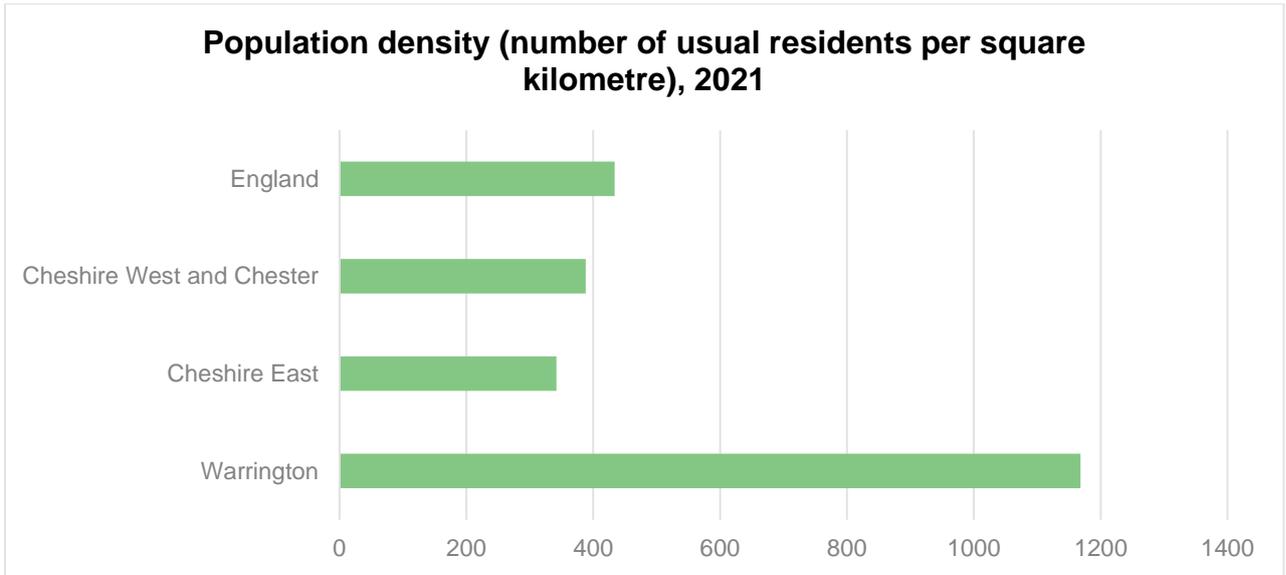
The current age profile of the Cheshire and Warrington population being older than that for England is forecast to continue. In particular, by 2030, the population in Cheshire and Warrington aged 60-69 and aged over 80 is forecast to grow at a faster rate than for England.



Source: Lightcast analyst

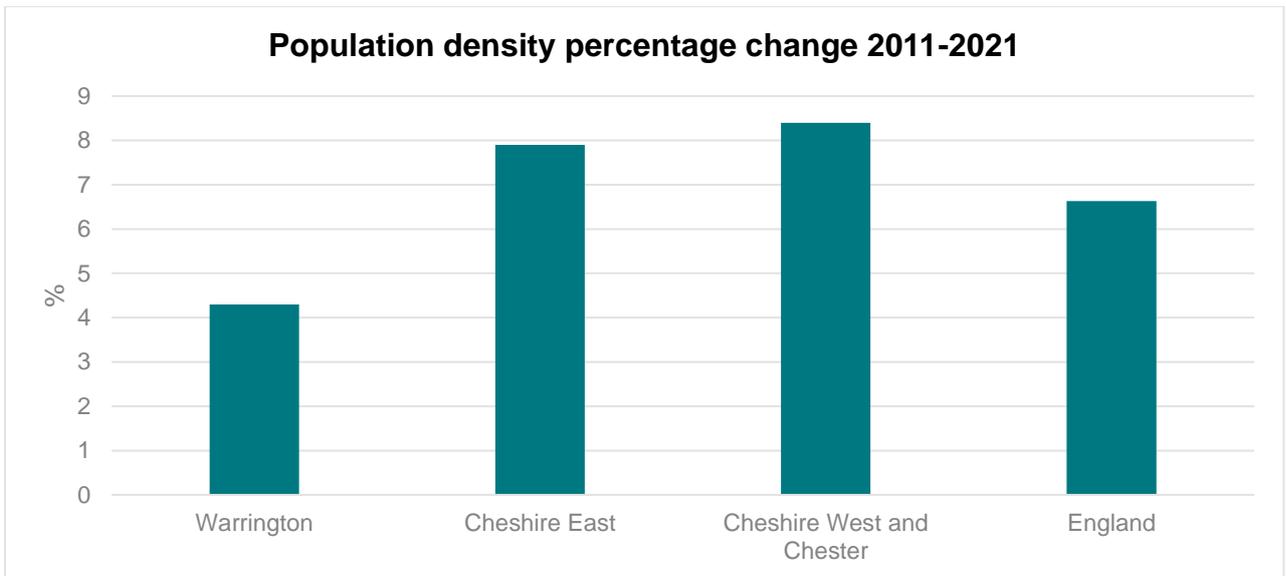
3.1.3 Population density

Population density is lower in Cheshire East (342 residents per sq km) and Cheshire West and Chester (388 residents per sq km) than for England (434 residents per sq km) but is more than double the English figure in Warrington (1168 per sq km).



Source: Census 2021, ONS

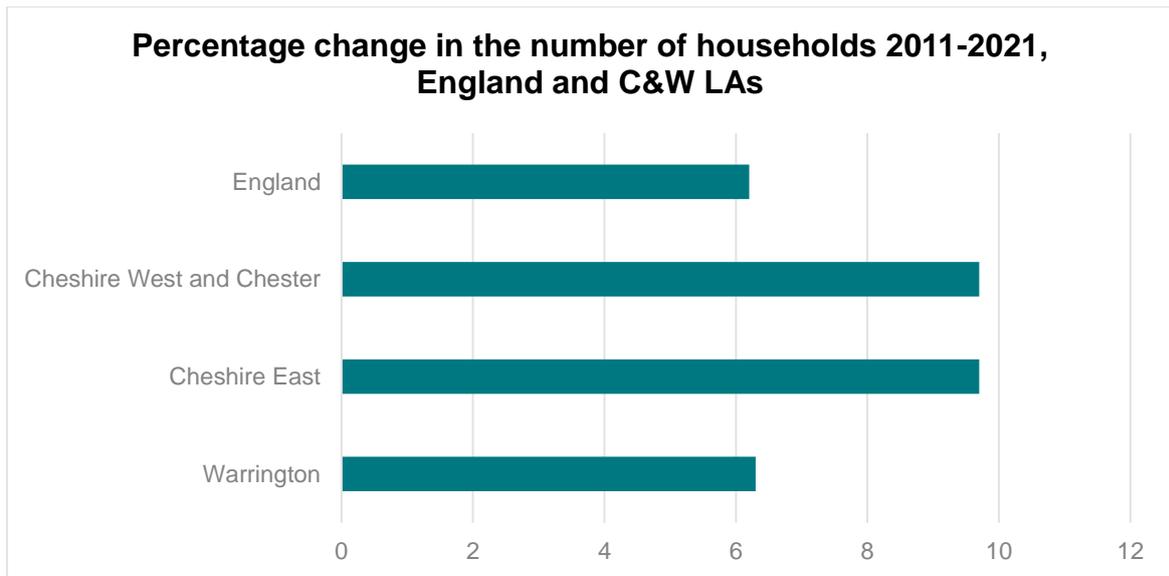
However, between 2011 and 2021, population density grew at a faster rate in Cheshire East (7.9%) and Cheshire West and Chester (8.4%) than was the case for England (6.6%). Conversely the rate of growth in Warrington (4.3%) was lower than for England.



Source: Census 2021, ONS

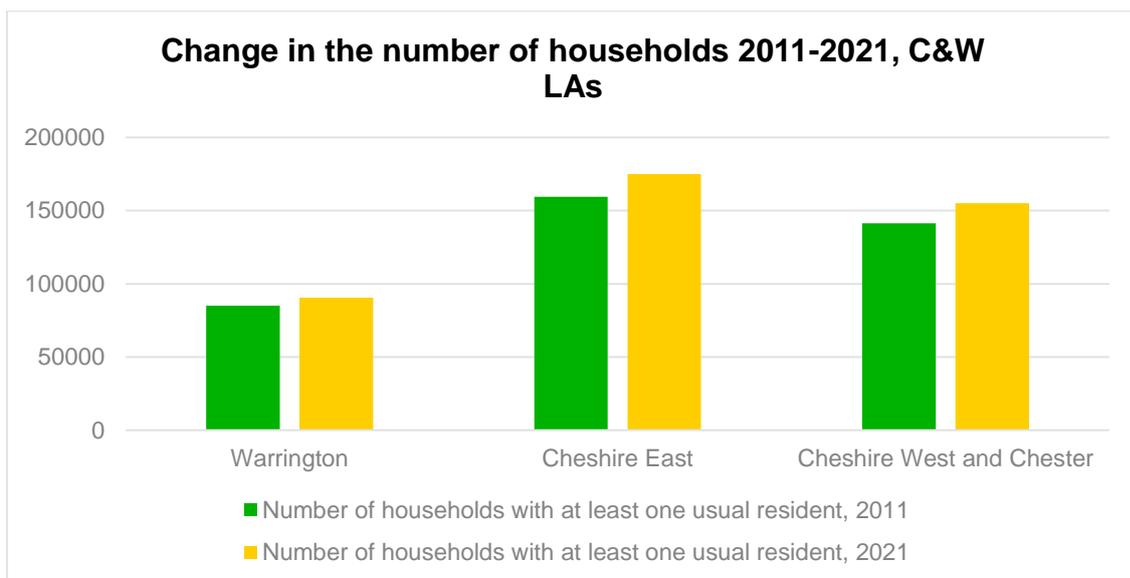
3.1.4 Households

Between 2011 and 2021, household growth at 9.7% (in both Cheshire East and in Cheshire West and Chester) and 6.3% (Warrington) was higher than England's 6.2%.



Source: Census 2021, ONS

This translated into a 2011-2021 growth in households of 5,360 in Warrington, 15,459 in Cheshire East and 13,758 in Cheshire West and Chester.



Source: Census 2021, ONS

3.2 Employment and Economic Activity

3.2.1 Economic activity, employment and unemployment overview

The table below presents the most recent data (at the time of writing) for economic activity, employment and unemployment for Cheshire and Warrington, the three local authorities, the North West and England. This shows that, at this time, economic activity in Cheshire and Warrington was slightly below that for England (78.4% compared with 78.8%) with the economic activity rates for Cheshire East and Cheshire West and Chester (76.6% and 78.3% respectively) both being below the English rate and Warrington being higher (81.7%). The employment rate for Cheshire and

Warrington was slightly higher than for England and the self-employment rate was slightly lower. The unemployment rate was lower in Cheshire and Warrington than in England.

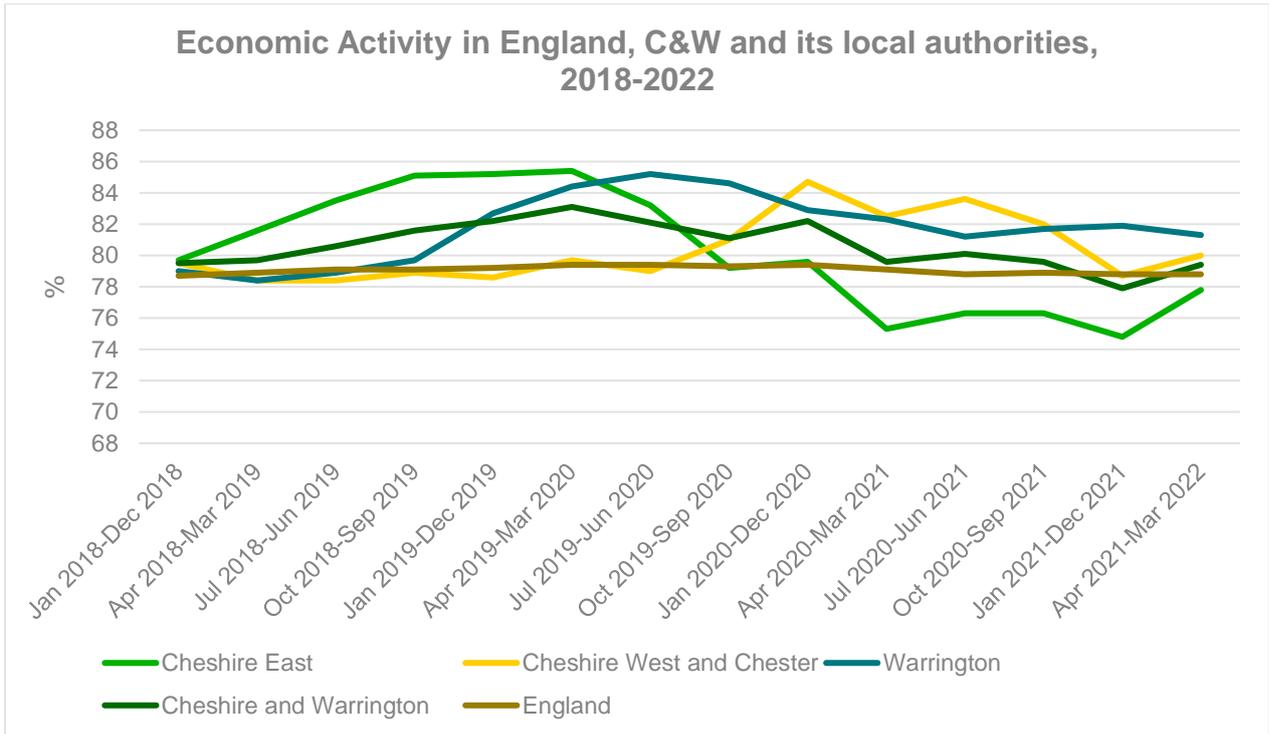
Employment and unemployment (Jul 2021-Jun 2022)							
	Cheshire and Warrington	Cheshire and Warrington (%)	Cheshire East (%)	Cheshire West and Chester (%)	Warrington (%)	NW (%)	England (%)
All People							
Economically Active†	451,500	78.4	76.6	78.3	81.7	76.6	78.8
In Employment†	437,400	76	73.4	76.8	79.3	73.3	75.7
Employees†	379,300	66.6	63.1	67.1	71.9	65.2	66.1
Self Employed†	56,000	9.2	9.9	9.6	7.4	7.8	9.4
Unemployed§	14,100	3.1	3.5	3.6	3.4	4.2	3.9
Males							
Economically Active†	234,100	82	80.4	82	84.9	80.9	82.8
In Employment†	226,600	79.5	77.3	79.9	82.4	77.1	79.5
Employees†	192,900	68.8	66.8	68.4	72.8	66.3	67.2
Self Employed†	31,600	10.2	9.7	11.2	9.6	10.5	12
Unemployed§	7,500	3.2	#	#	#	4.6	3.9
Females							
Economically Active†	217,400	74.9	73	74.8	78.4	72.3	74.9
In Employment†	210,800	72.6	69.6	73.8	76.2	69.5	72
Employees†	186,400	64.4	59.5	65.8	70.9	64.2	64.9
Self Employed†	24,400	8.2	10	8	5.3	5.1	6.8
Unemployed§	6,600	3	#	!	#	3.8	3.8
Source: ONS annual population survey [NOMIS 12 October 2022], † - numbers are for those aged 16 and over, % are for those aged 16-64							

3.2.2 Economic Activity Rate

The economic activity rate measures the proportion of the working age population (16 to 64) who are active or potentially active members of the labour market. 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, with the Apr 21 – Mar 22 economic activity rate for Cheshire and Warrington, at 79.4% being slightly higher than the English rate of 78.8% (and slightly lower than for England in the previous measurement period).

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.

Economic Activity in England, C&W and its local authorities, 2018-2022

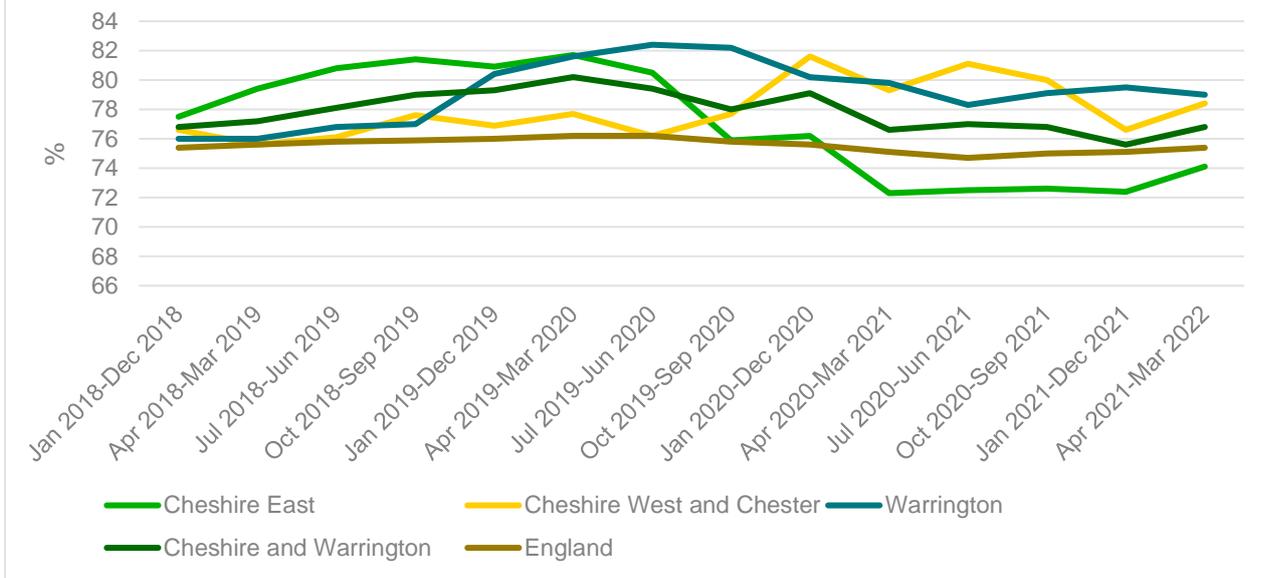


Source: ONS, annual population survey [from Nomis on 22 August 2022]

3.2.3 Employment Rate

The headline employment rate is calculated by dividing the employment level for those aged from 16 to 64 by the population for that age group. The employment rate in Cheshire and Warrington has remained consistently higher than that for England with the Apr 21 – Mar 22 employment rate at 76.8% being 1.4% higher than the rate for England (75.4%). The employment rates in Warrington and Cheshire West and Chester have also been consistently higher than for England. However, 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 and was 74.1% in Apr 21 – Mar 22.

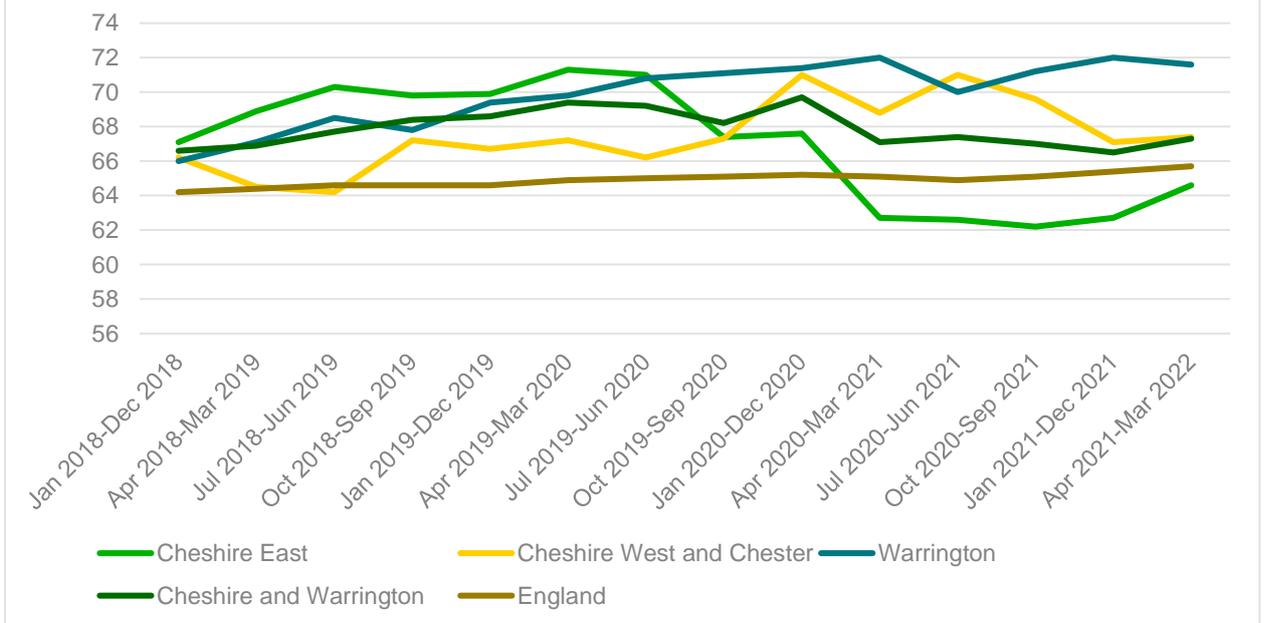
Employment rate in England, Cheshire and Warrington and its local authorities, 2018-2022



Source: ONS, annual population survey [from Nomis on 22 August 2022]

As might be expected the profile of the percentage of those aged 16-64 who are employees is very similar to the profile of the employment rate, with the percentages for Cheshire and Warrington, Warrington and Cheshire West and Chester being consistently above that for England and the percentage for Cheshire East being below the English level for the last five consecutive quarters.

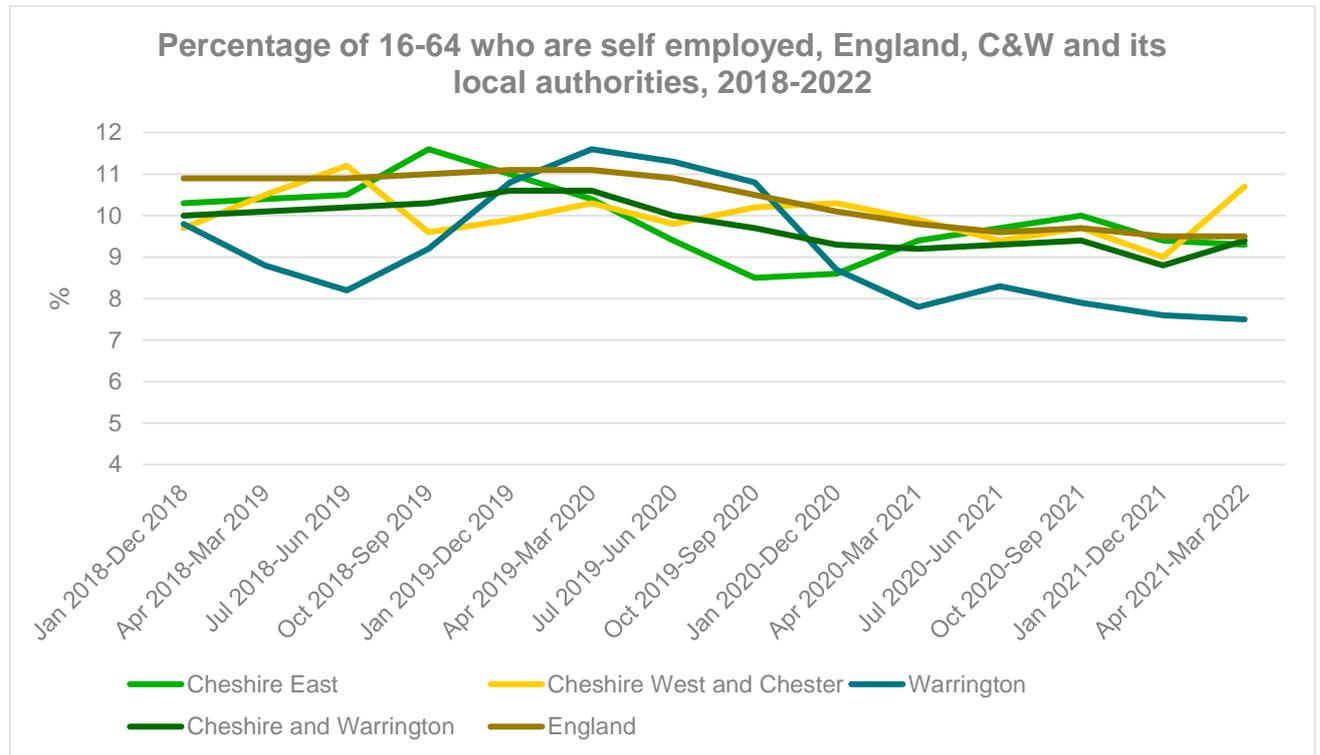
Percentage of those aged 16-64 who are employees, England, C&W and its local authorities, 2018-2022



Source: ONS, annual population survey [from Nomis on 22 August 2022]

By contrast the percentage of those aged 16-64 who are self-employed has generally been lower in Cheshire and Warrington than for England, although the most recently reported data (Apr 21 – Mar

22) saw a lowering of the gap between the two to 0.1% (9.5% England, 9.4% Cheshire and Warrington).

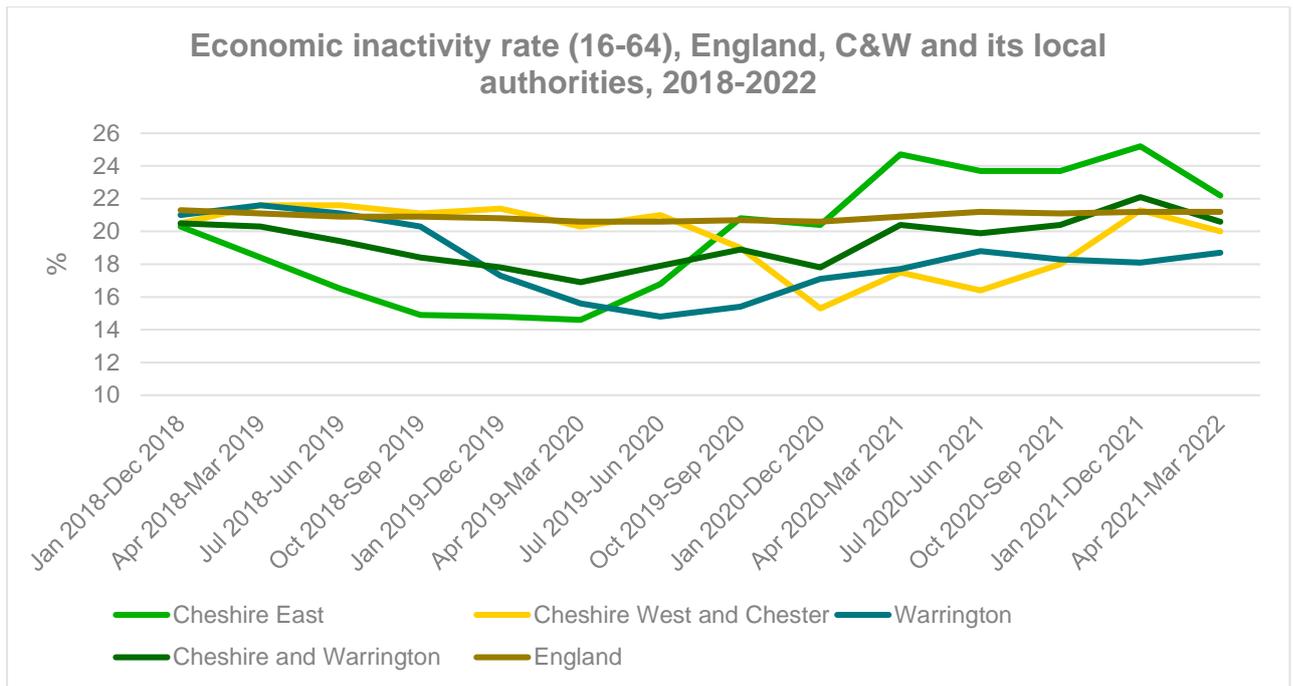


Source: ONS, annual population survey [from Nomis on 22 August 2022]

3.3 Economic inactivity and unemployment

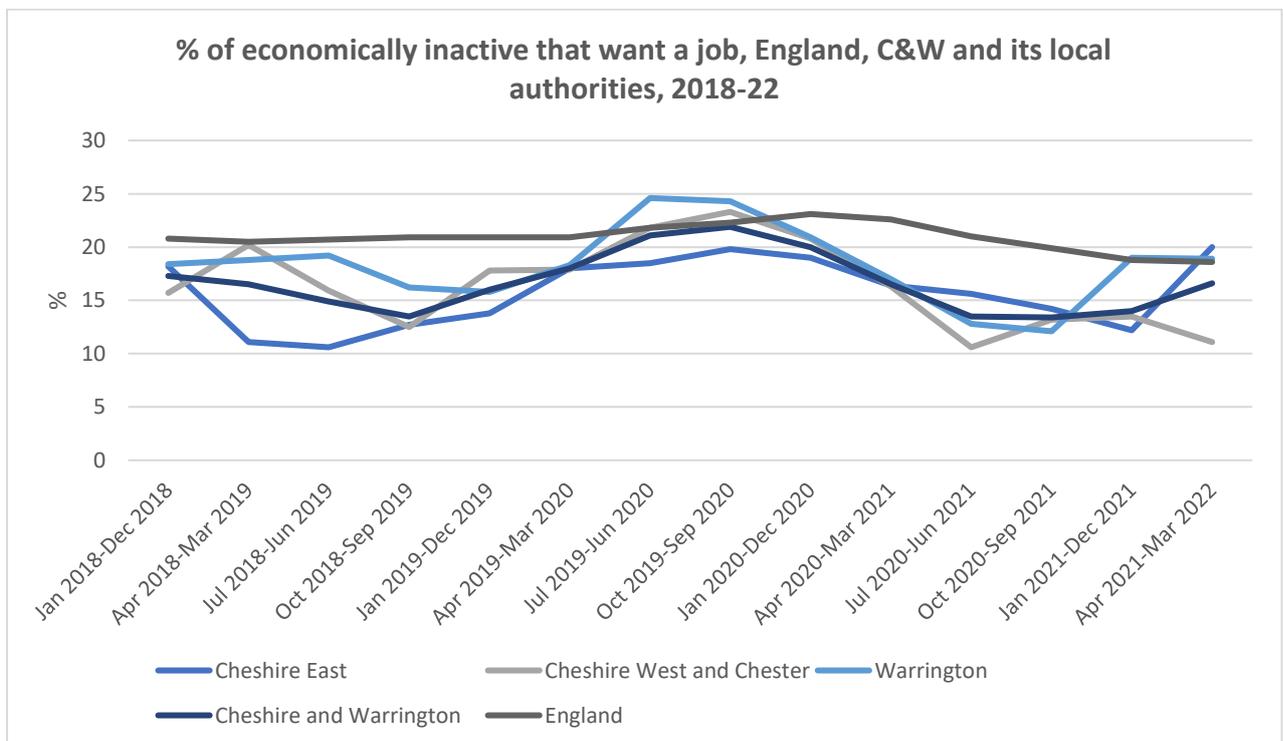
3.3.1 Economic inactivity

Economic inactivity is defined as those who are not working, have not been looking for work within the last 4 weeks or who are unable to start work within the next 2 weeks. The economic inactivity rate is the mirror image of the economic activity rate reported above. From the onset of the pandemic the economic inactivity rates for England and Cheshire and Warrington have seen a convergence, with the Apr 21 – Mar 22 economic activity rate for Cheshire and Warrington, at 20.6% being slightly lower than the English rate of 21.2% (and slightly higher than for England in the previous measurement period). Since the first lockdown, the Cheshire and Warrington economic inactivity rate has increased from 16.9% to 20.6%. In the period from the onset of the pandemic, the economic inactivity rate in Warrington and Cheshire West and Chester has generally been below that of England whilst that for Cheshire East has generally been above England.



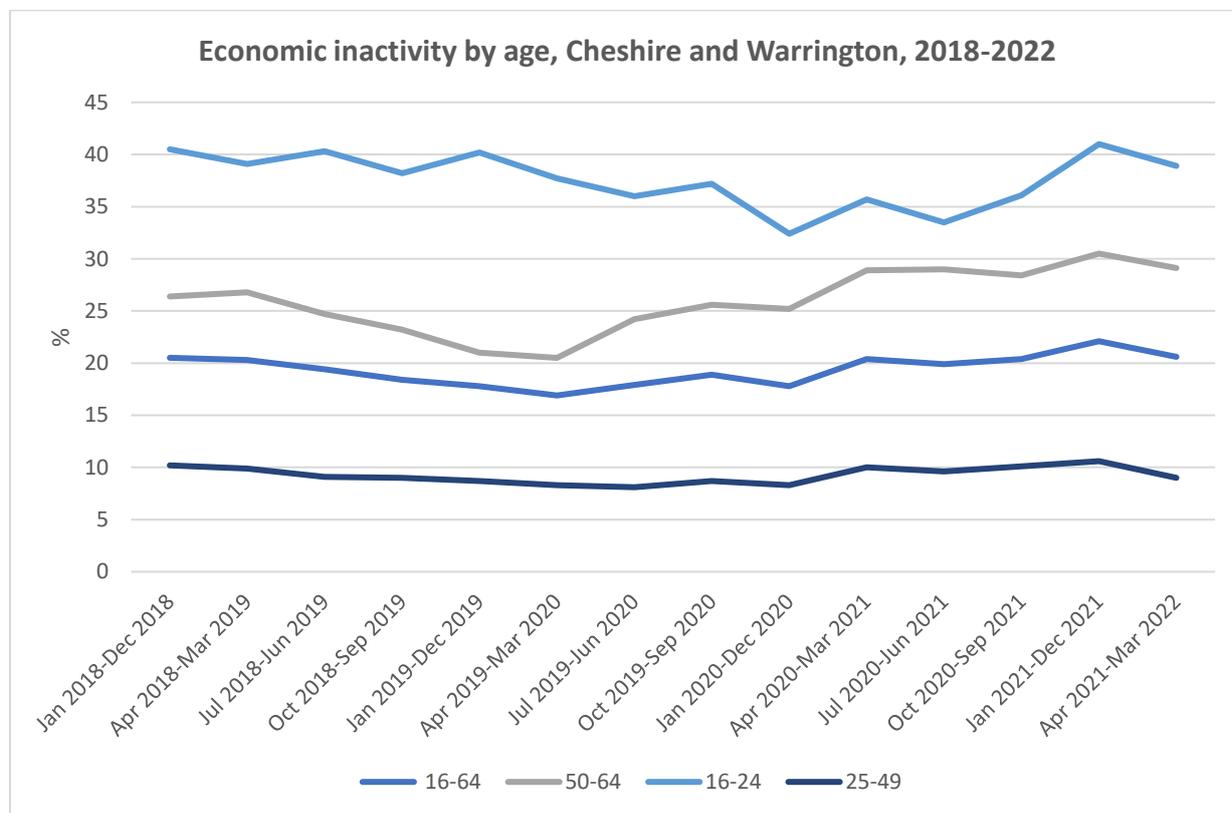
Source: ONS, annual population survey [from Nomis on 22 August 2022]

The percentage of the economically inactive in Cheshire and Warrington that want a job has generally, over time, been lower than for England in recent years although there has been a convergence with England over the last four quarters - driven by increases in this percentage in both Warrington and Cheshire East.



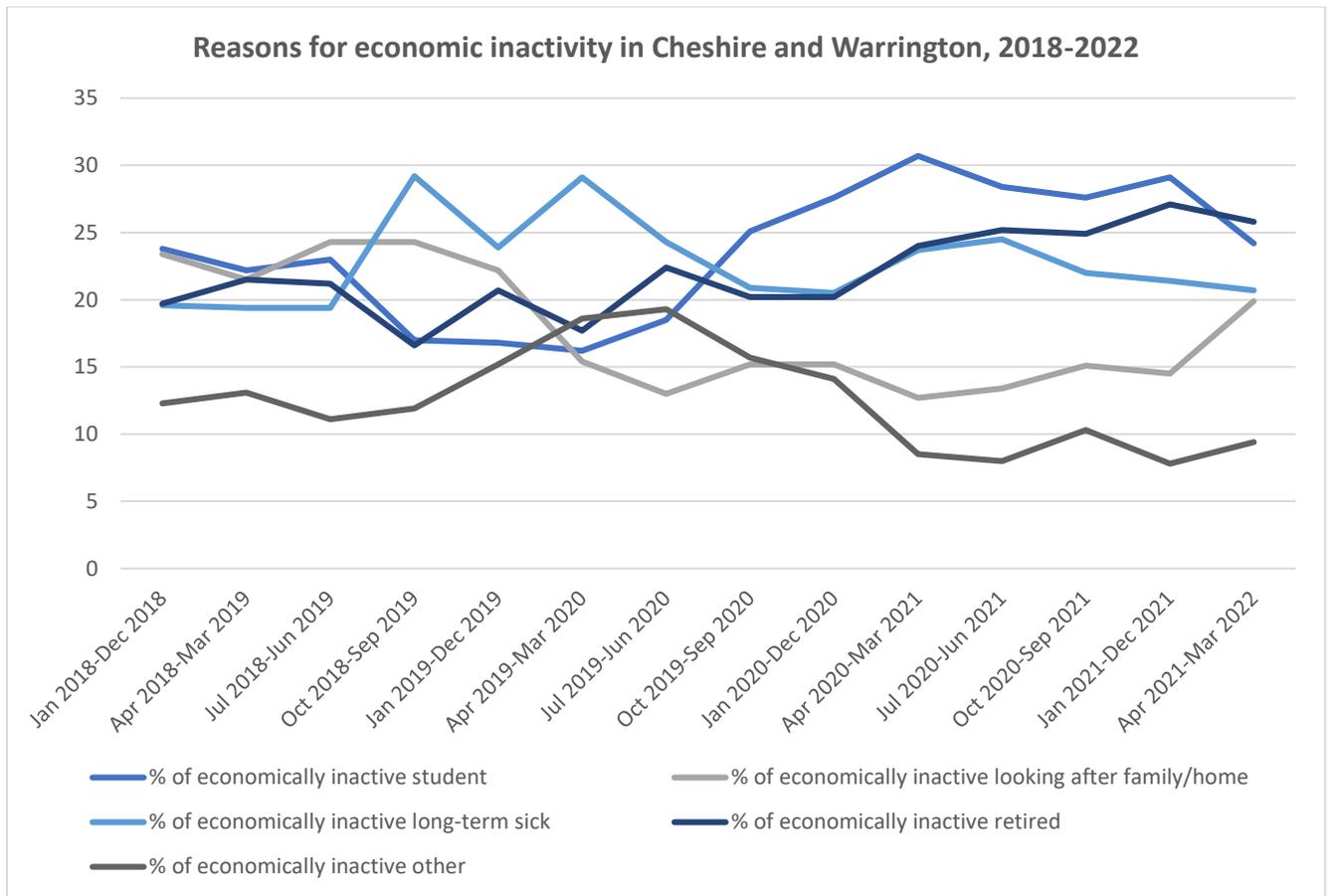
Source: ONS, annual population survey [from Nomis on 22 August 2022]

The number of those aged 50-64 reporting as economically inactive has increased by over 40% in the last two years (between Apr 19-Mar 20 and Apr 21 – Mar 22) with the percentage of this age group being economically inactive rising from 20.5% at the onset of the pandemic to 29.1% for Apr 2021-Mar 2022. The economic inactivity of the 16–24-year-old age group also increased slightly in this time (37.7% to 38.9%). These two age groups were the primary drivers in the overall increase in economic inactivity in this time.



Source: ONS, annual population survey [from Nomis on 22 August 2022]

Consistent with this, retirement is now the most common reason given by respondents for becoming economically inactive with over a quarter of the economically inactive responding in this way. This data suggests that over 30,000 people in Cheshire and Warrington are now economically inactive due to retirement compared with less than 20,000 prior to the onset of the pandemic. The second most common reason given for being economically inactive is being a student which is also consistent with the increase in economic inactivity of 16–24-year-olds reported above.



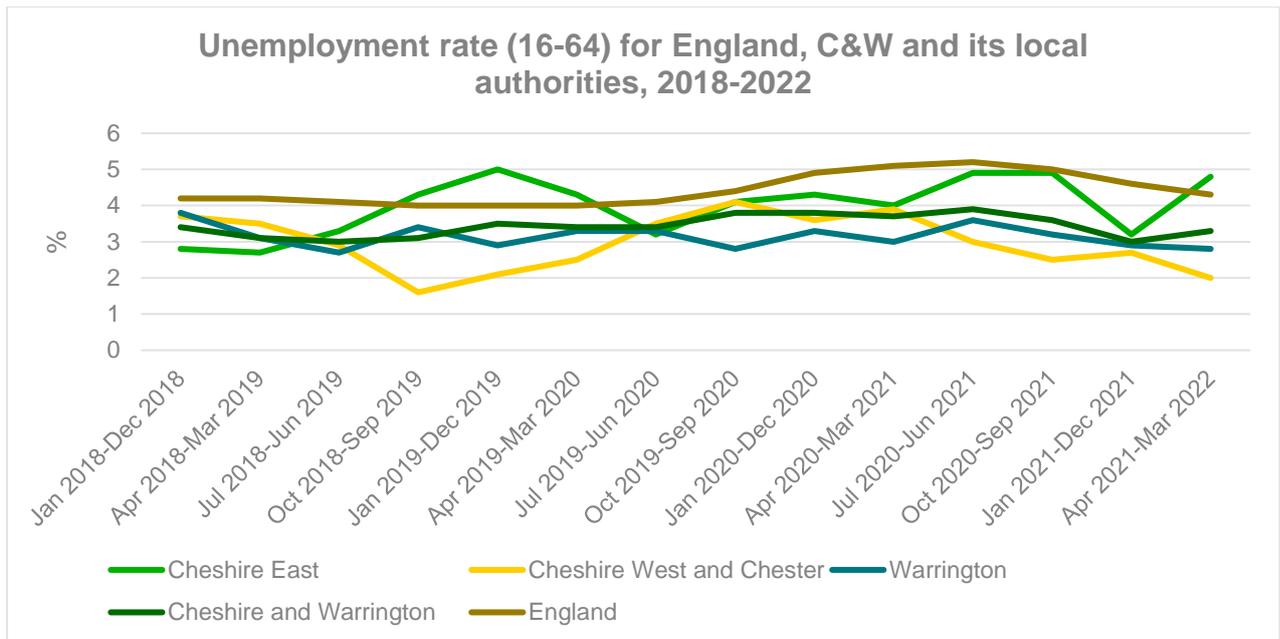
Source: ONS, annual population survey [from Nomis on 22 August 2022]

3.3.2 Unemployment

The number of unemployed people in the UK is measured by the Labour Force Survey (LFS)/Annual Population Survey (APS) and includes people who meet the international definition of unemployment specified by the International Labour Organisation (ILO). This ILO definition defines unemployed people as being:

- without a job, have been actively seeking work in the past four weeks and are available to start work in the next two weeks
- out of work, have found a job and are waiting to start it in the next two weeks

The unemployment rate for Cheshire and Warrington has been consistently below the unemployment rate for England. The gap between the unemployment rates for Cheshire and Warrington increased from 0.6% pre-pandemic to 1% for Apr 21 – Mar 22. The unemployment rate has also been consistently below the unemployment rate for England for both Warrington and for Cheshire West and Chester. The unemployment rate for Cheshire East has usually been below that for England, although the rate for Apr 21- Mar 22 was slightly higher (4.8% compared with 4.3% for England).



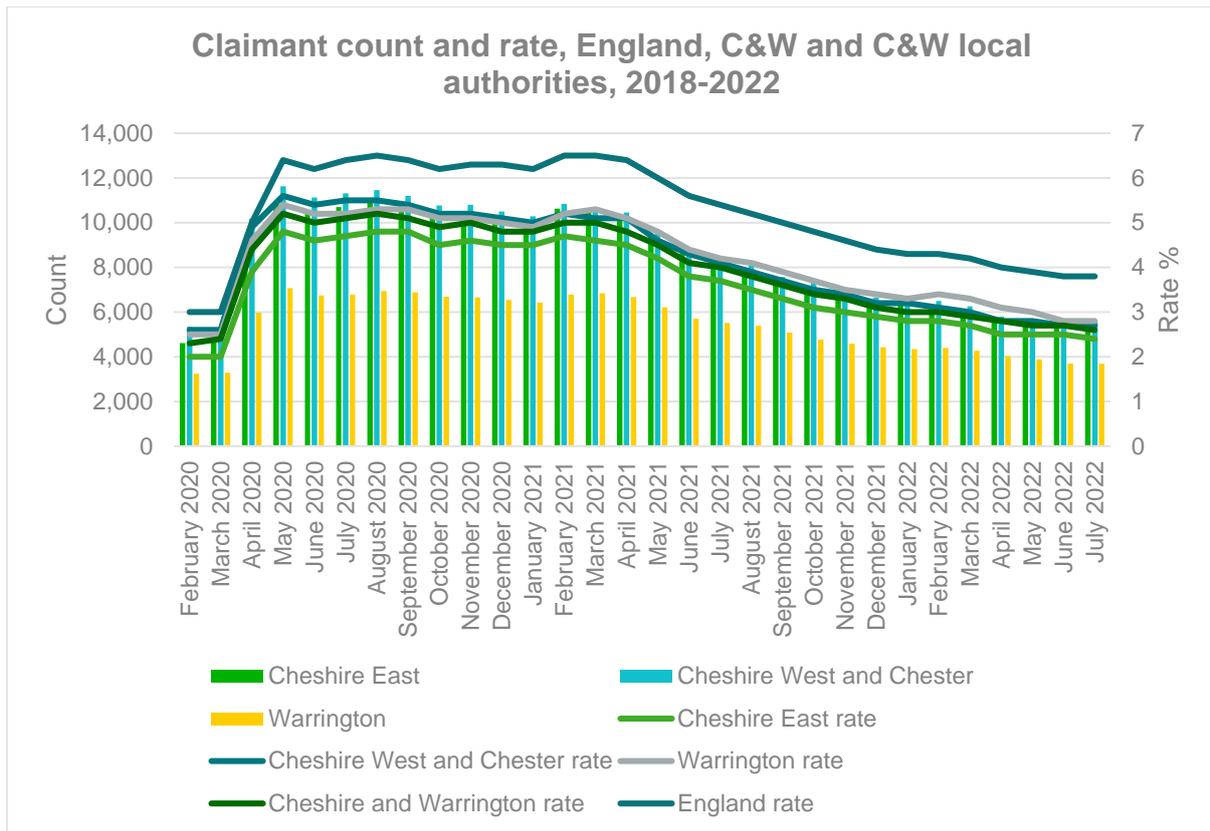
Source: ONS, annual population survey [from Nomis on 22 August 2022]

3.4 Out of work benefits

3.4.1 Claimant Count

The Claimant Count is a measure of the number of people claiming benefits for unemployment related purposes taken from DWP administrative sources. Currently the Claimant Count is a composite of the number of people claiming Jobseeker’s Allowance (JSA) and those claiming Universal Credit (UC) who are required to seek work to qualify for their benefits. Combining these two identifies all the people claiming benefit principally for the reason of being unemployed.

Taking February 2020 as the pre-pandemic position, the claimant rate in Cheshire and Warrington was 0.7% lower than in England (2.3% and 3% respectively). This gap had increased to 1.2% by July 2022 (2.6% and 3.8%). The claimant count increases varied by local authority between February 2020 and July 2022, with an increase of 19% in Cheshire East, 5% in Cheshire West and Chester and 14% in Warrington.

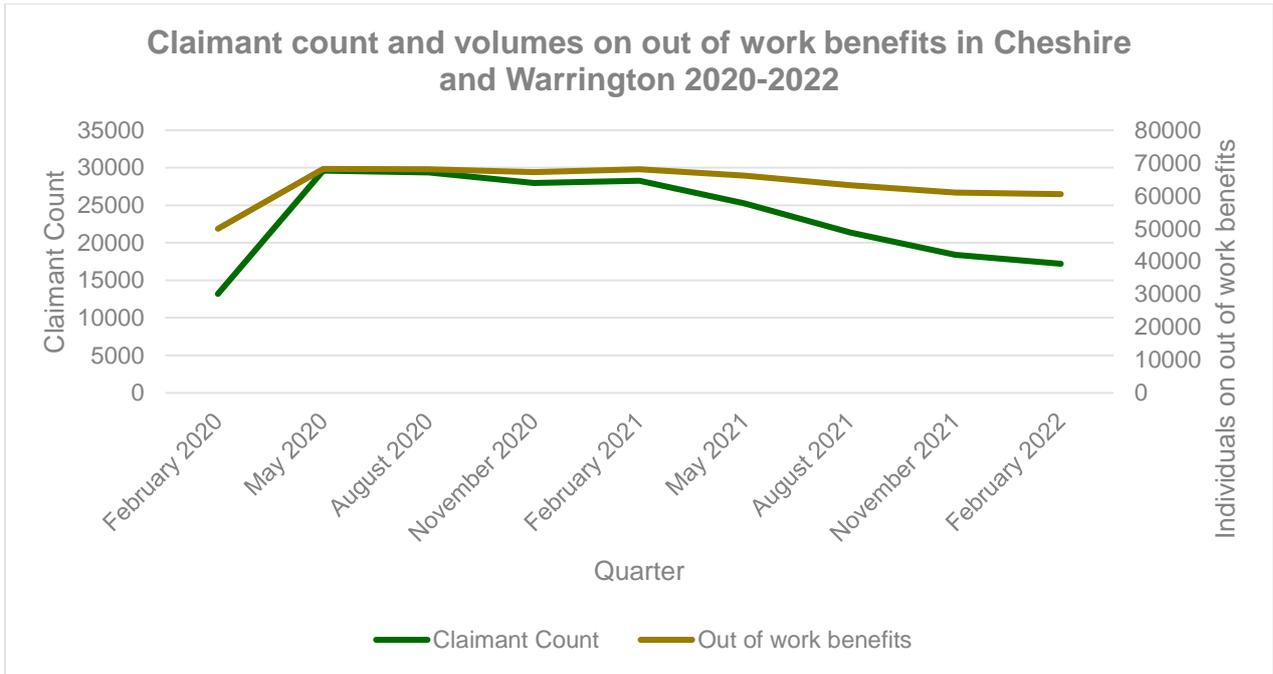


Source: NOMIS, Claimant count

3.4.2 Out of work benefit combinations

The DWP benefit combinations dataset allows analysis of the number of individuals claiming benefits or a combination of benefits resident in a designated geography. It is possible to filter this dataset to provide information on individuals that are out of work. The chart below illustrates that at Feb 2022, the number of individuals out of work claiming benefits was c10.5k higher than was the case pre-pandemic, whereas the claimant count was c4k higher.

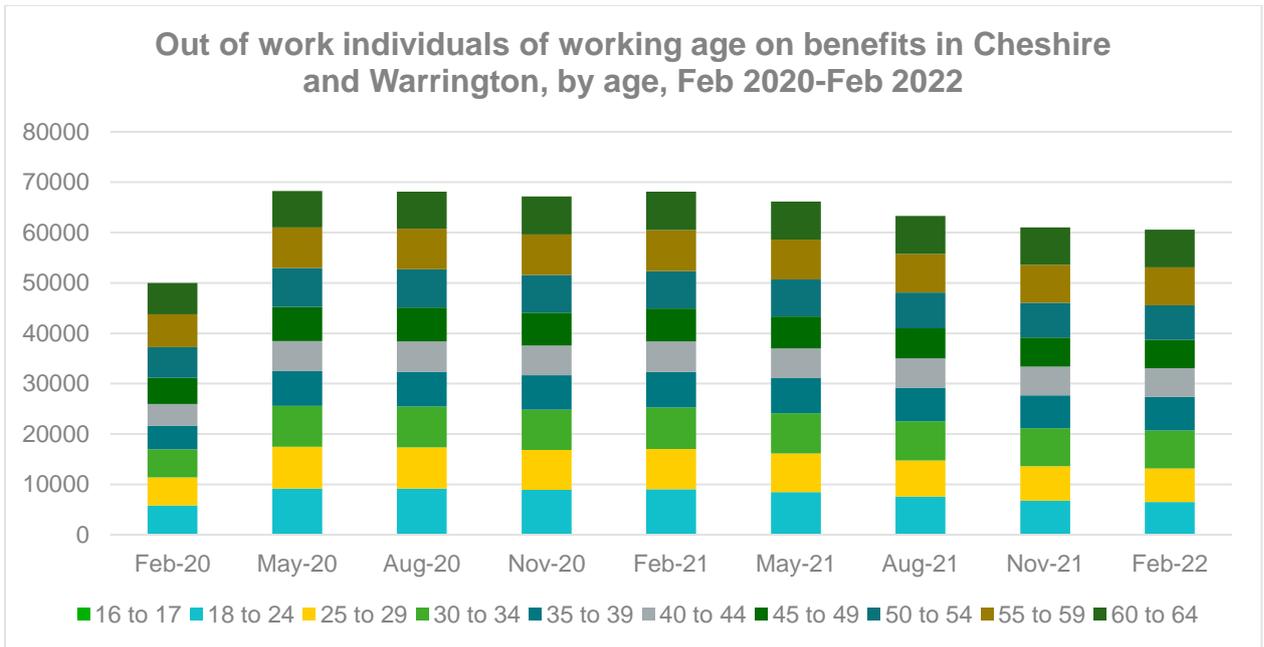
Claimant count and volumes on out of work benefits in Cheshire and Warrington 2020-2022



Source: StatXplore, Benefit combinations dataset

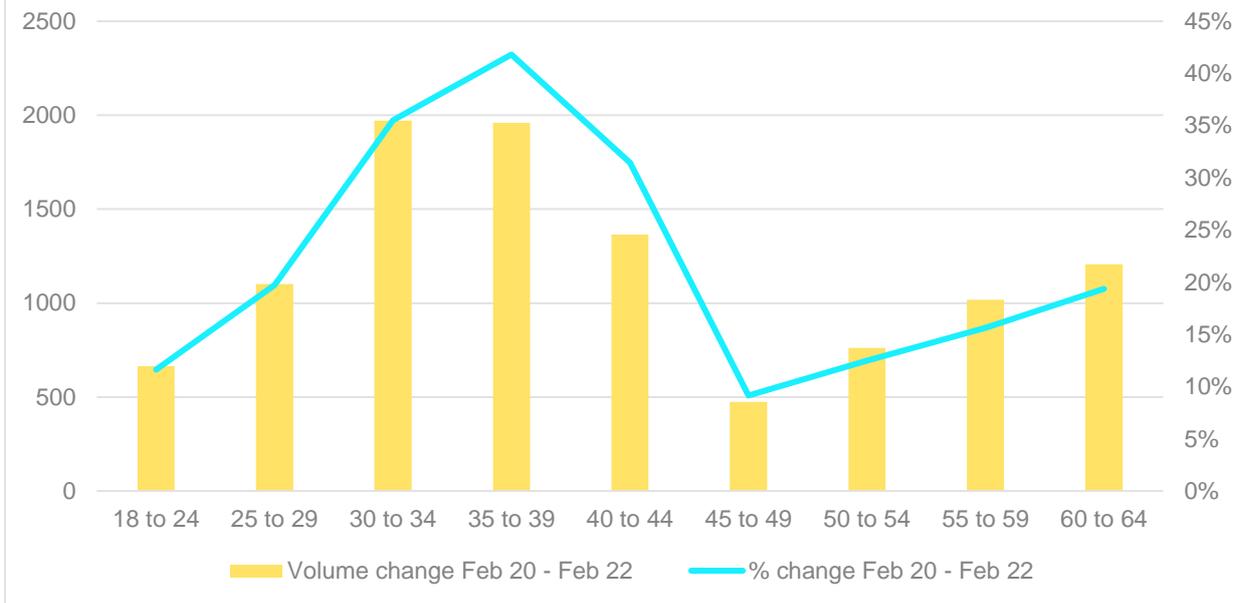
This increase in the numbers of those out of work claiming benefits was driven by increases in those aged 30-44. These age bands saw both the highest volume and highest percentage increases between February 2020 and February 2022.

Out of work individuals of working age on benefits in Cheshire and Warrington, by age, Feb 2020-Feb 2022



Source: StatXplore, Benefit combinations dataset

Out of work individuals of working age on benefits, by age, volume change and % change, Feb 2020- Feb 2022

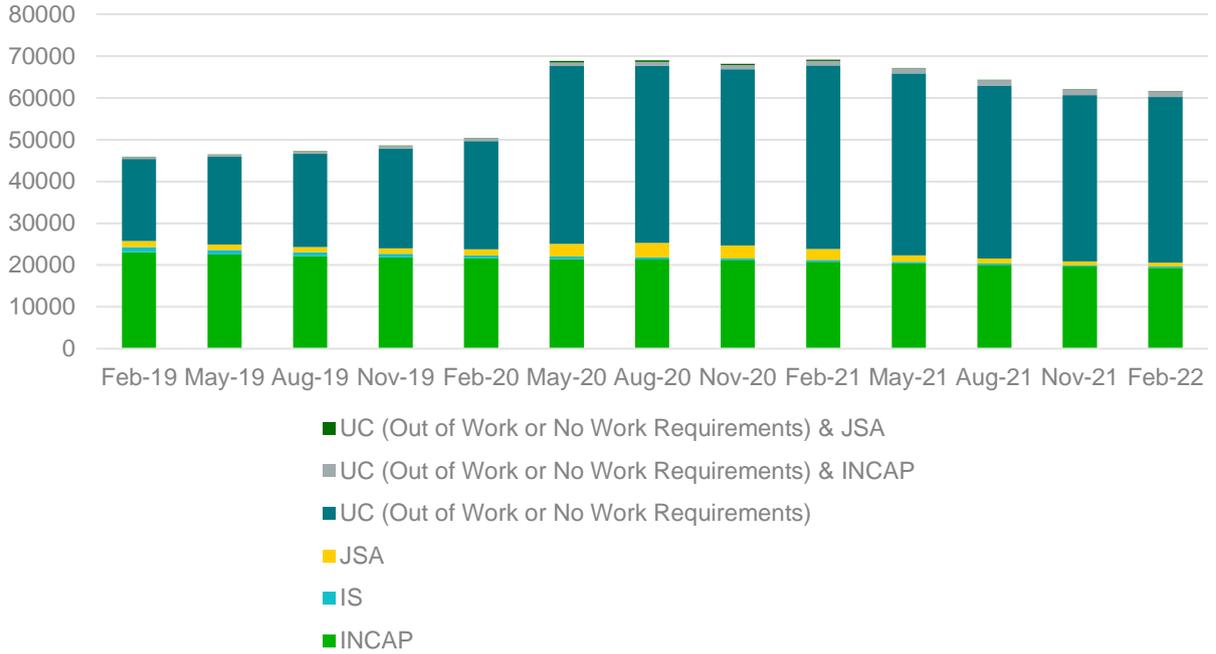


Source: StatXplore, Benefit combinations dataset

It is possible to consider the benefit (or benefit combinations) data for out of work claimants of working age. The main benefit categories in the charts below are referred to as UC, which is short for Universal Credit, and INCAP. INCAP is short hand for ESA/IB/SDA/IS(IB). Incapacity Benefit (IB), Severe Disablement Allowance (SDA) (for those under SPA), and Income Support for those claiming on the basis of incapacity (IS(IB)) closed to new claimants from 2008, with existing claimants migrated to Employment and Support Allowance (ESA) on a rolling program since that date. Migration is not yet fully completed. Essentially these four benefits each offer help for similar sets of circumstances, although under slightly different qualifying conditions. As such they have been banded together and the benefit combinations statistics simply show INCAP, where at the reference date the individual could be on any of ESA; IB and/or SDA (separately or in combination); and IS where IB and/or SDA is also in payment.

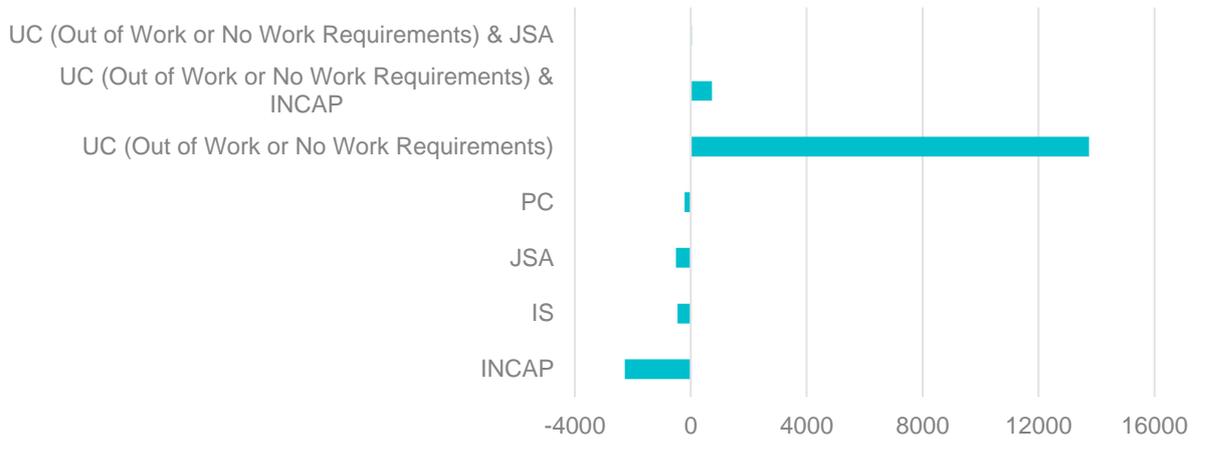
The charts below illustrate the volumes (and % change) of individuals of working age who were out of work on key benefits or benefit combinations in Cheshire and Warrington between Feb 2020 and Feb 2022. From this, it is clear that the numbers of those solely on Universal Credit, or Universal Credit combined with another benefit, increased by c14.5k between Feb 2020 and Feb 2022. Conversely those categorised as ‘INCAP’, or being on Income Support, or Job Seeker’s Allowance, decreased by 3.3k. This was equivalent to an 11% decrease in those categorised as ‘INCAP’ and a 53% increase of those solely in receipt of Universal Credit.

Out of work individuals of working age on benefits, by benefit type, in C&W Feb 20-Feb 22



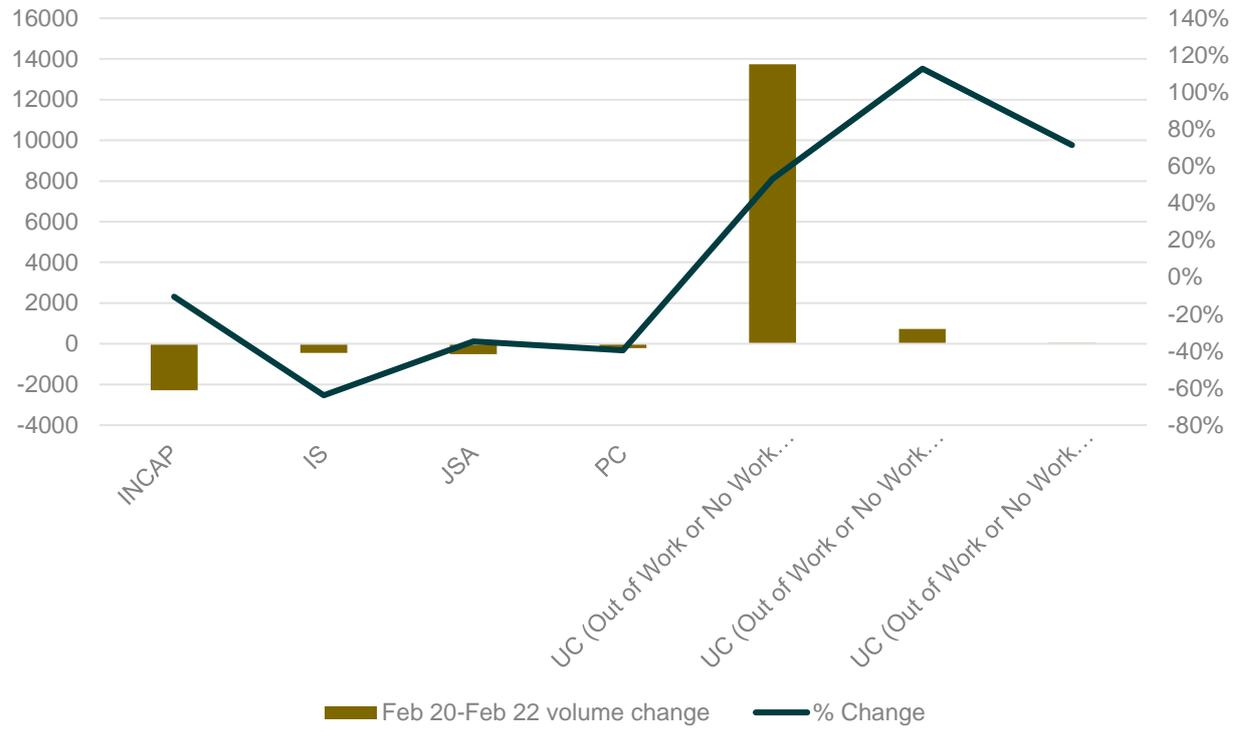
Source: StatXplore, Benefit combinations dataset

Volume change in out of work individuals on benefits, by benefit type, in C&W, Feb 2020-Feb 2022



Source: StatXplore, Benefit combinations dataset

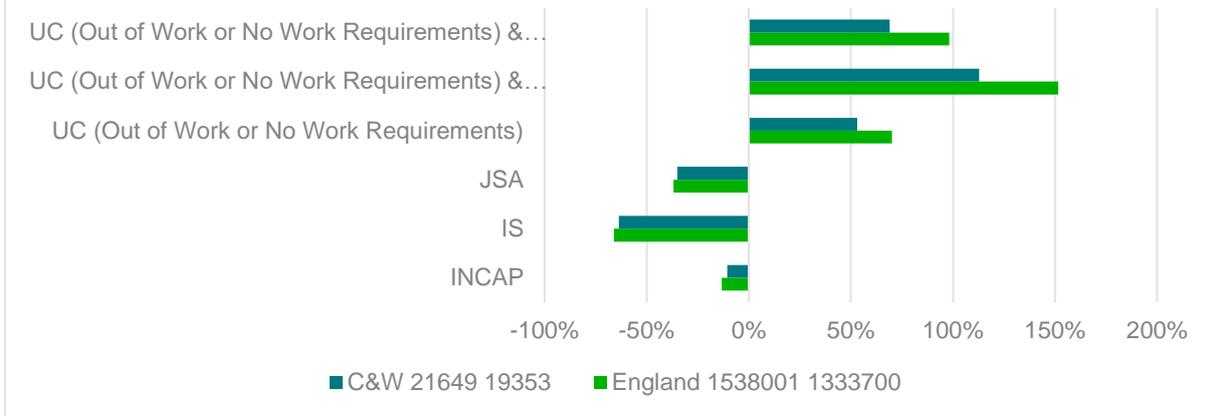
Individuals claiming out of work benefits in C&W, by volume change and % change, Feb 2020-Feb 2022



Source: StatXplore, Benefit combinations dataset

Comparing the % change in the number of individuals on different benefit types in Cheshire and Warrington and England in this time frame shows that the percentage decrease of those classified as 'INCAP' was slightly lower for Cheshire and Warrington (11%) than for England (13%). By contrast, whilst the numbers solely on UC increased by a half (53%) in Cheshire and Warrington, the increase in England – at 70% - was somewhat higher.

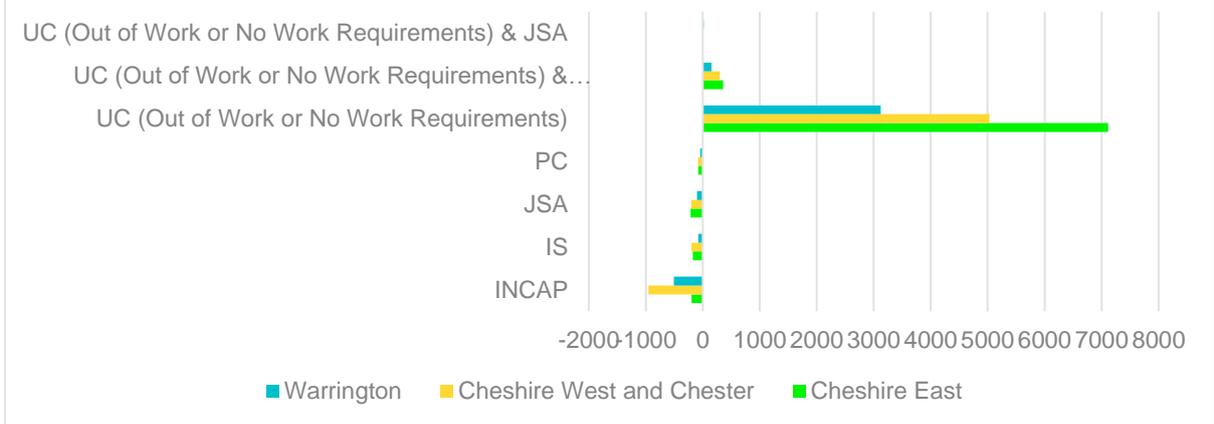
% change in the number of working age out of work individuals in receipt of different benefit types, C&W and England, Feb 20 - Feb 22



Source: StatXplore, Benefit combinations dataset

The charts below show the volume change and percentage change of working age out of work individuals, by benefit type, between Feb 2020 and Feb 2022. The scale of the changes differ significantly by local authority with the decrease in the numbers classified as 'INCAP' being -3%, -12%, and -10% in Cheshire East, Cheshire West and Chester, and Warrington respectively; whilst the increase in those solely claiming UC in this time was 85%, 32%, and 45% in Cheshire East, Cheshire West and Chester, and Warrington respectively.

Working age individuals on out of work benefits by benefit type and local authority, volume change Feb 2020 - Feb 2022



Source: StatXplore, Benefit combinations dataset

% change of working age, out of work individuals on benefit combinations, by local authority, Feb 20 - Feb 22



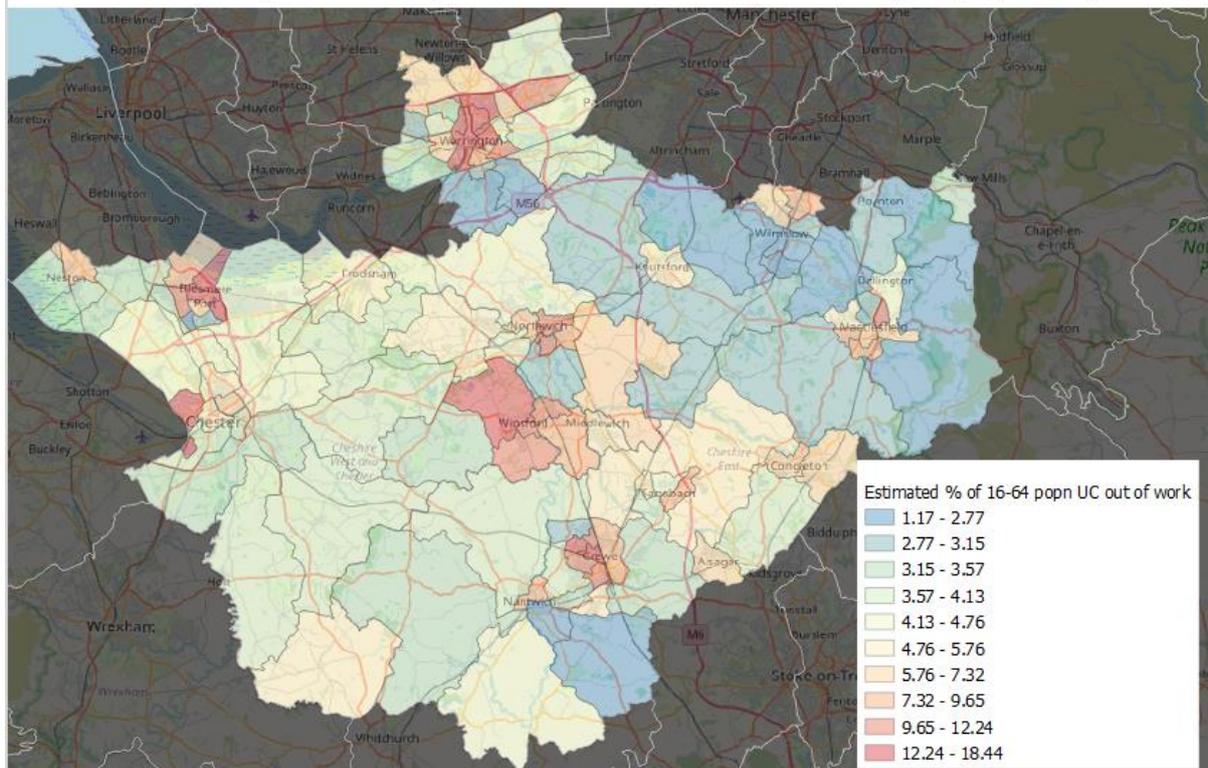
Source: StatXplore, Benefit combinations dataset

3.4.3 Out of work Universal Credit claimants

The main benefit claimed by out of work claimants is Universal Credit (UC). Claimants of UC have a ‘conditionality regime’ applied to their claim. There are two main types of conditionality applied:

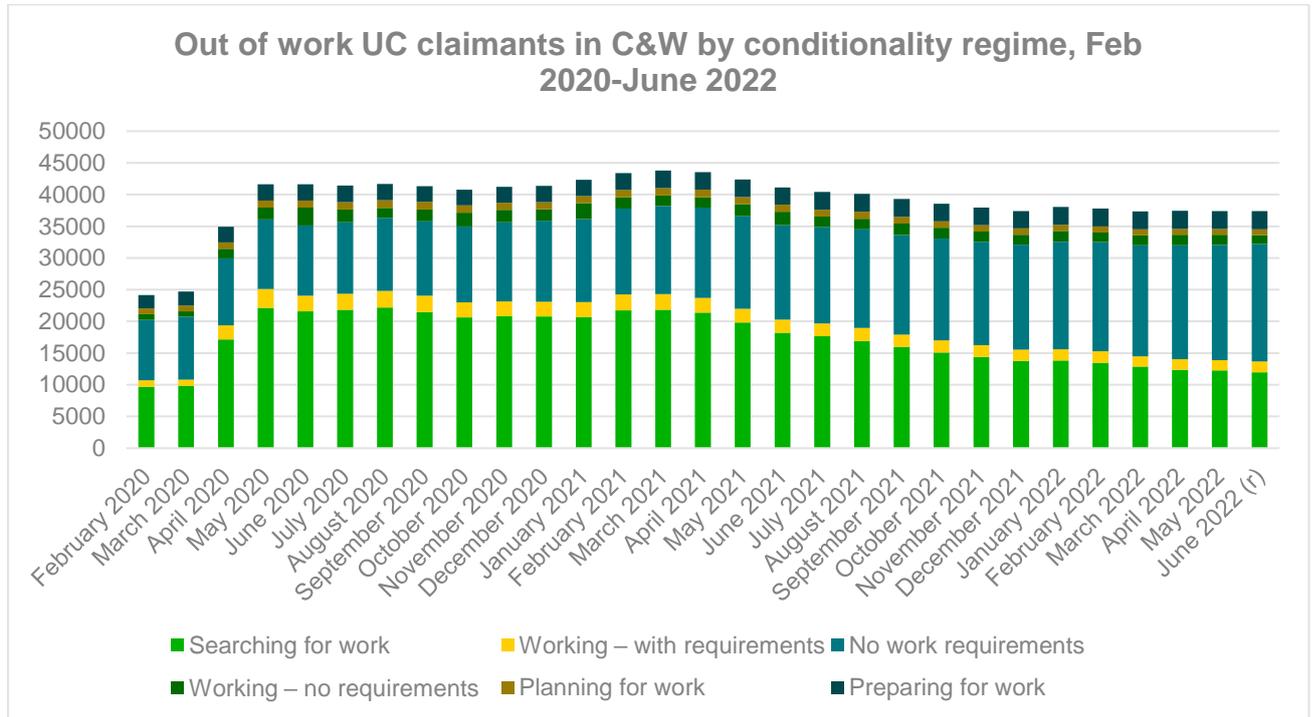
- Claimants are required to search for work – ‘Searching for work’
- Claimants are not required to search for work – ‘no work requirements’ Claimants are not required to searching for work if their circumstances (eg health condition or caring responsibilities) prevents them from doing so.

Claimants of UC (out of work) resident in Cheshire and Warrington, by ward, 2022



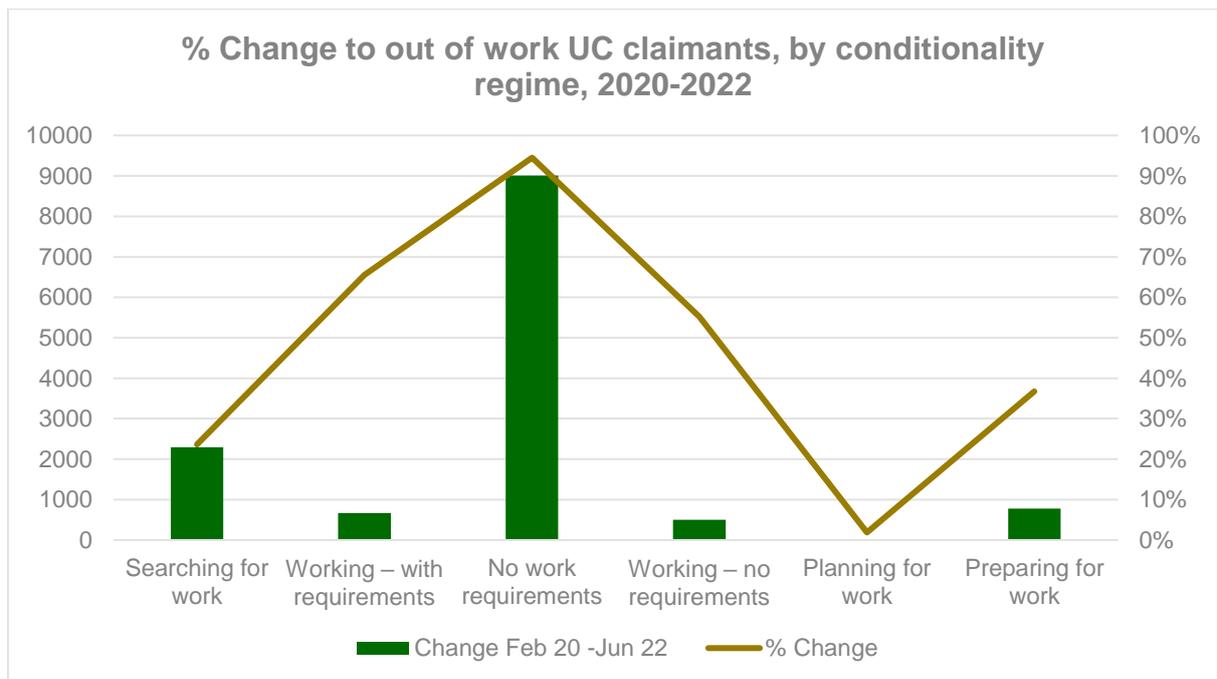
Map by Brennan Wilson Ltd in QGIS. Data from StatXplore, OS, ONS and OpenStreetMap

The charts below provides data on working age out of work UC claimants by conditionality regime between Feb 2020 and Feb 2022. The trend for those on UC searching for work mirrors the Claimant Count trend reported above.



Source: StatXplore, People on UC

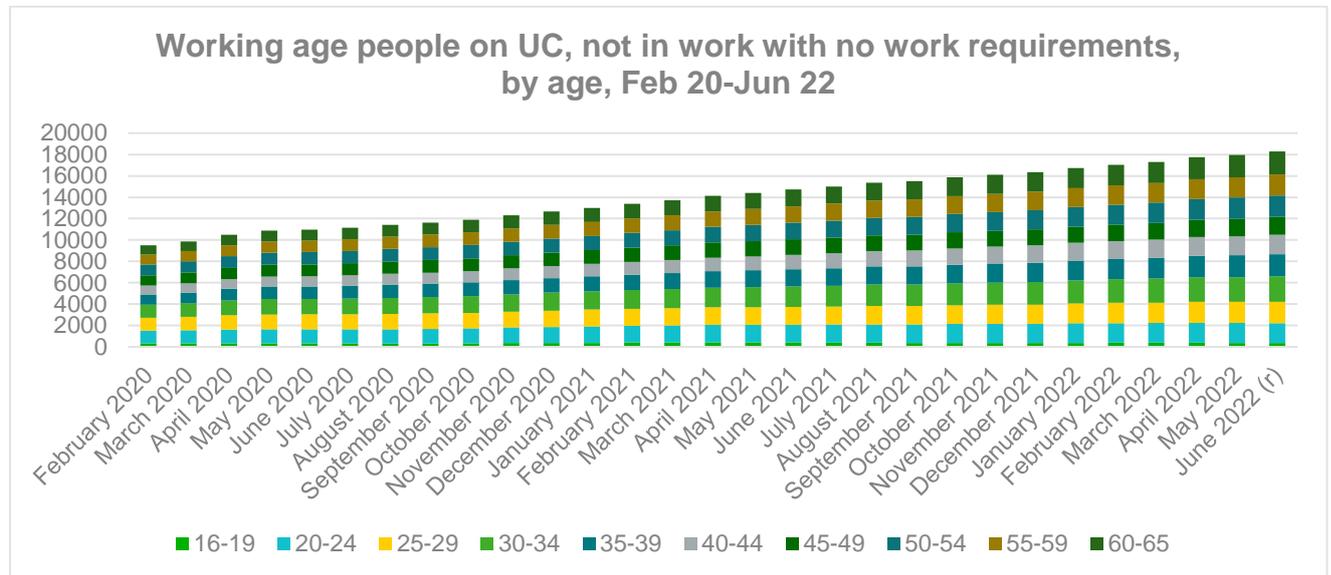
The number of claimants has increased for every type of UC conditionality regime over this time, with the highest volume (and percentage increase) being for those on UC with no requirements whose number almost doubled (95% increase) in this time.



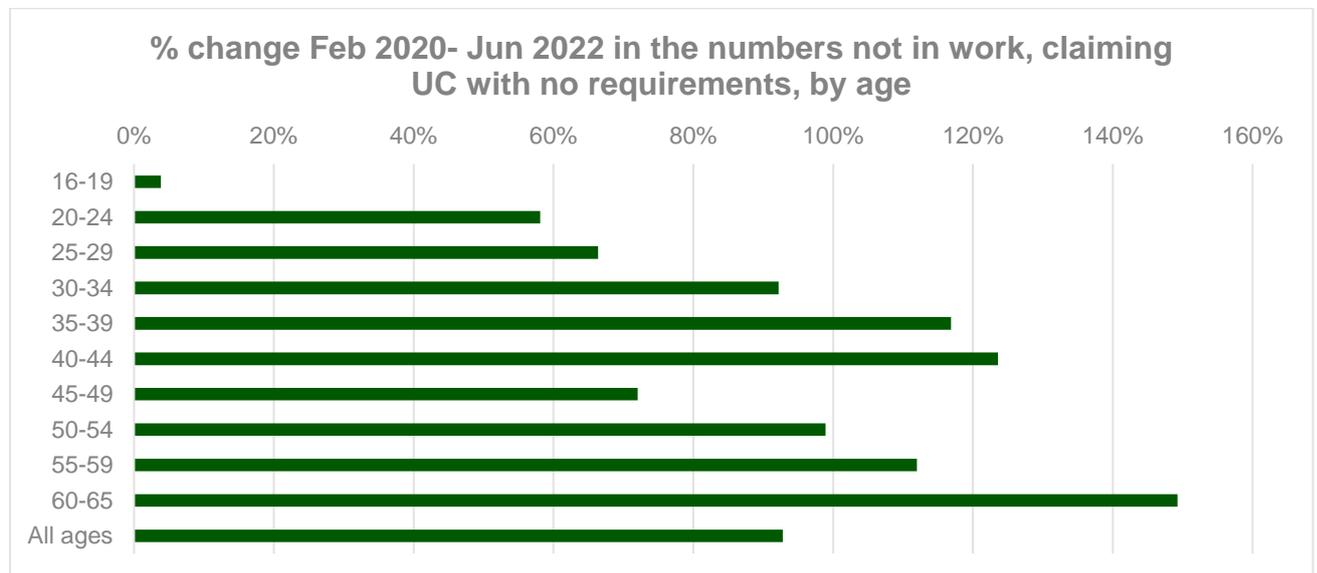
Source: StatXplore, People on UC

3.4.3.1 Out of work UC claimants with no work requirements

The two charts below show the volume and percentage change by age of those who were of working age and out of work, claiming UC with no work requirements. It can be seen from this that the volume in this category increased for every age band, with the overall volume increasing from 9,530 to 18,537, with the highest percentage increases being for those aged 35-44 and those aged 55-65 where numbers more than doubled in this period.



Source: StatXplore, People on UC



Source: StatXplore, People on UC

The chart below shows the volume change by local authority of those who were of working age and out of work, claiming UC with no work requirements. The overall growth of claimants in this category in Cheshire and Warrington of 95% was made up of a growth in Cheshire East of 117%, a growth in Cheshire West and Chester of 91%, and a growth in Warrington of 75%.

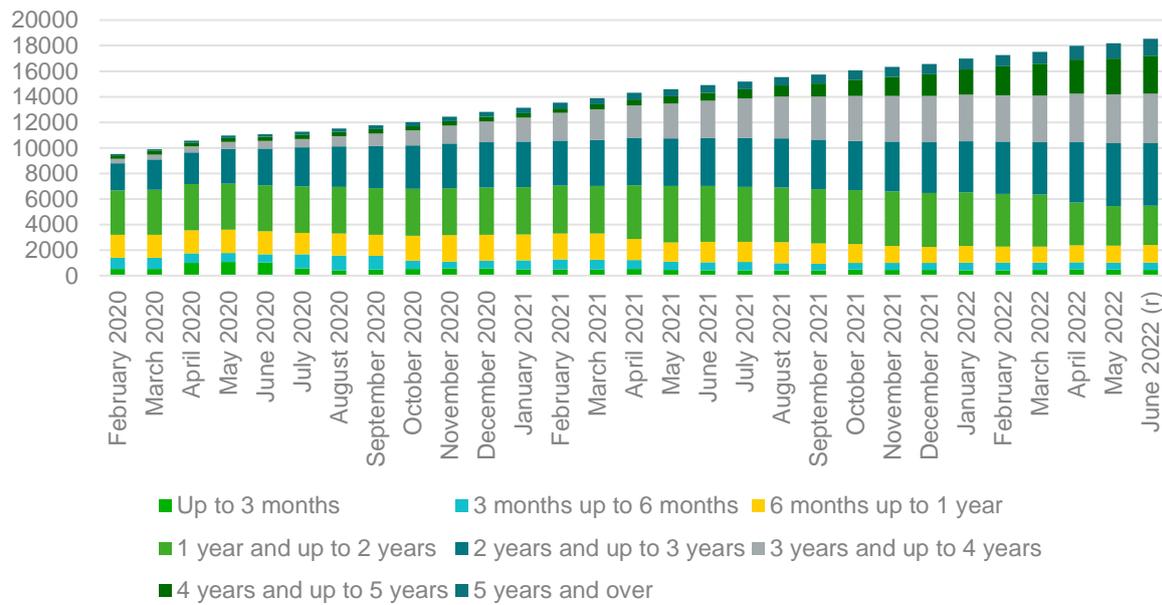
Working age people out of work claiming UC with no work requirements, by local authority, Feb 2020 - Jun 2022



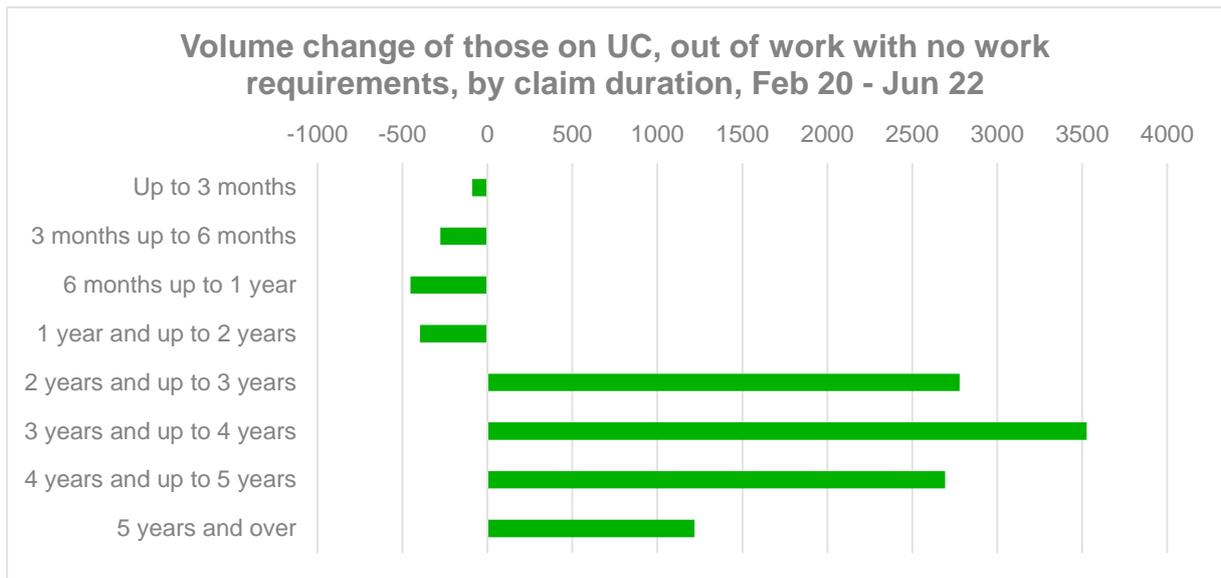
Source: StatXplore, People on UC

The charts below show the volume and percentage change by claim duration of those who were of working age and out of work, claiming UC with no work requirements between February 2020 and June 2022. The growth in this time can be entirely attributed to a growth in the number assigned to this conditionality regime with claims of 2 years duration or above. Volumes fell for those with a claim duration of 2 years or less. The highest volume increase was for those with a claim duration of 3-4 years (3.5k increase). The numbers on this conditionality regime increased by more than tenfold for people whose claim duration exceeded 3 years.

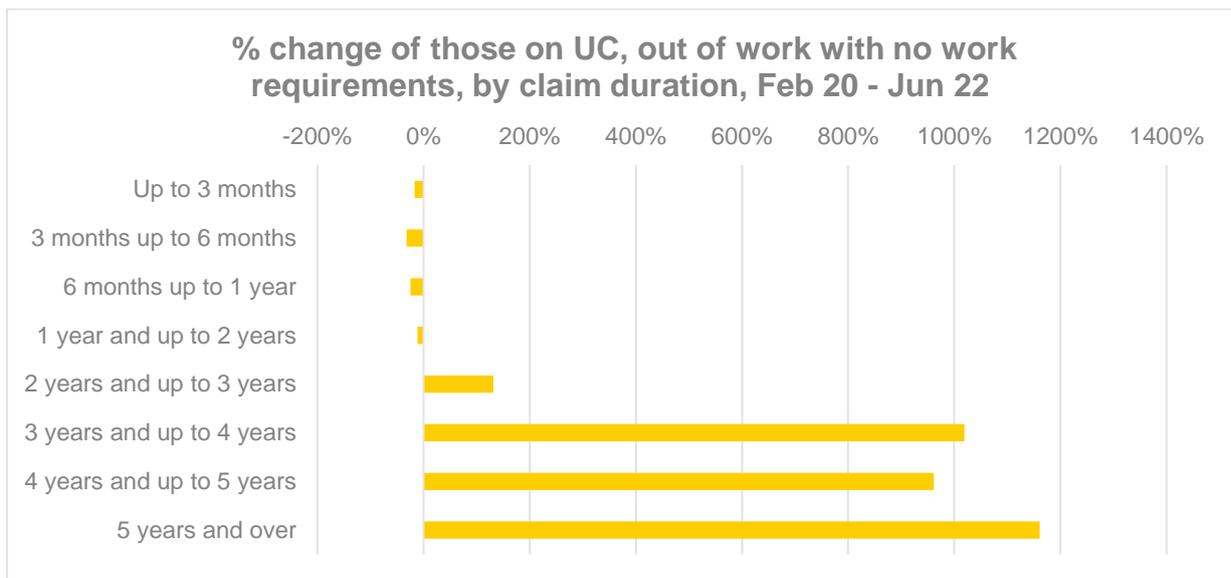
On UC in C&W, Out of work, no work requirements, by claim duration, Feb 2020-June 2022



Source: StatXplore, People on UC

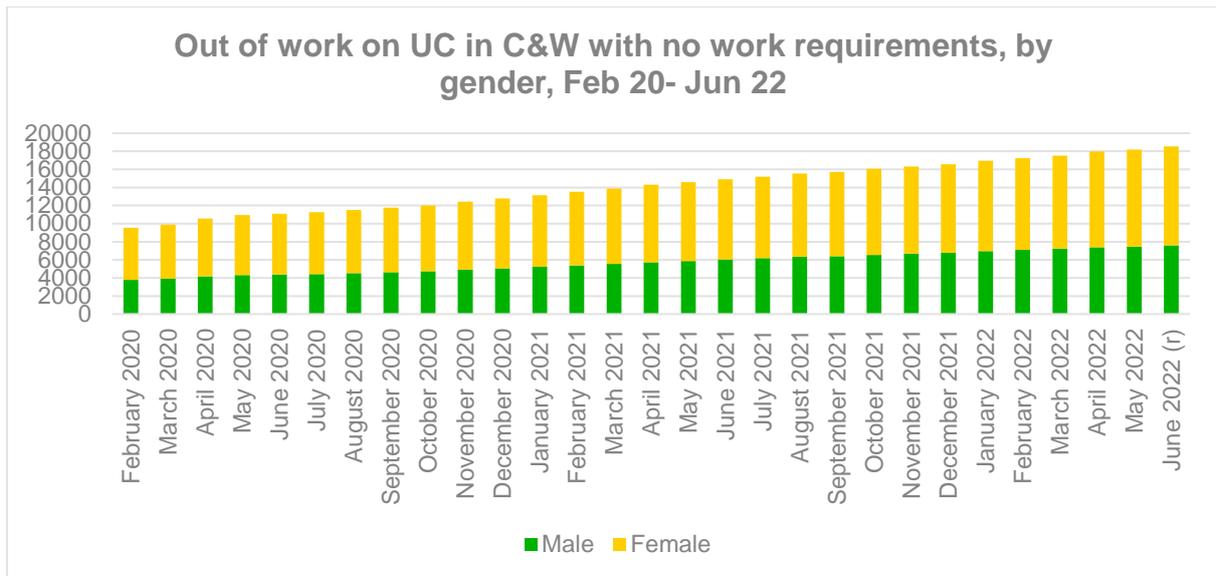


Source: StatXplore, People on UC



Source: StatXplore, People on UC

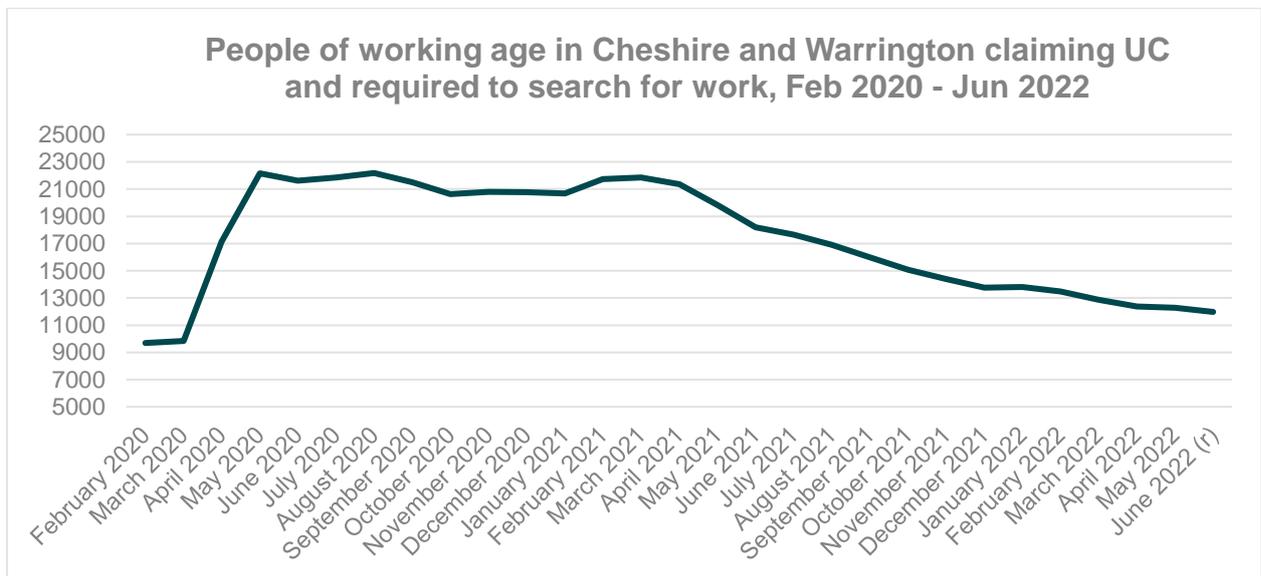
The chart below shows the volume change by gender of those who were of working age and out of work, claiming UC with no work requirements. Overall, the gender split in June 2022 for claimants in this category was 41% male (7,595) and 59% female (10,938). Between Feb 2020 and June 2022, the number of males in this category grew by 101% and the number of females by 90%.



Source: StatXplore, People on UC

3.4.3.2 UC Searching for work

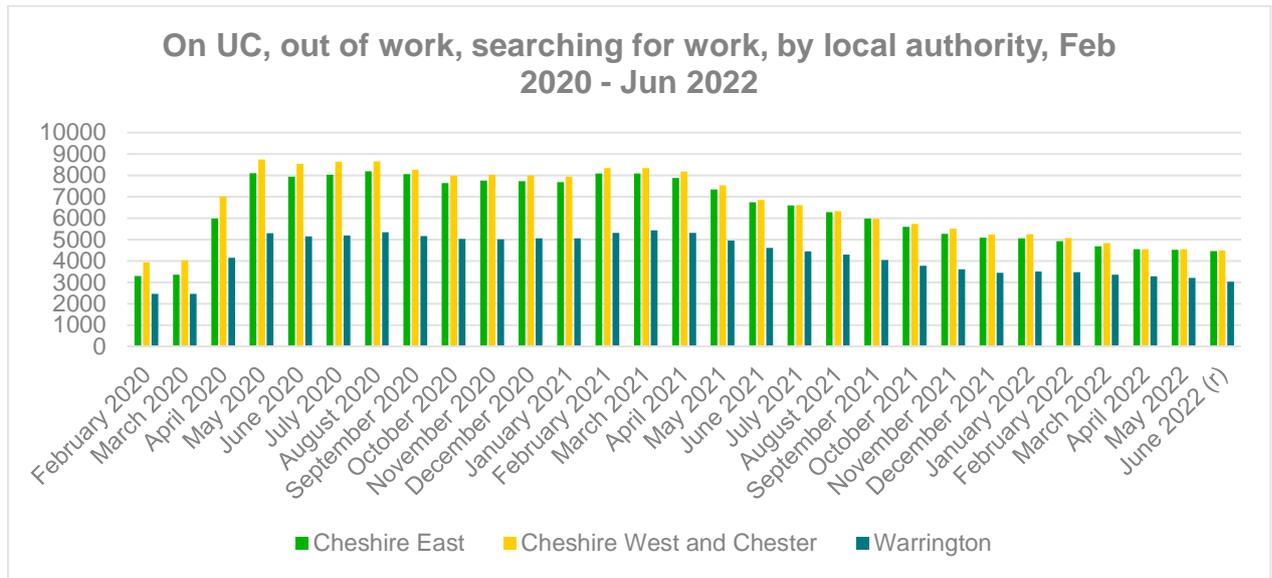
Between Feb 2020 and June 2022, the trend for the numbers of working age claiming UC who were required to search for work mirrored the claimant count with numbers peaking at the height of the pandemic at c22k and falling back to c12k by June 2022. The numbers in this category were 24% higher in June 2022 compared with the pre-pandemic level in February 2020. For males the increase was 26% and for females it was 20%.



Source: StatXplore, People on UC

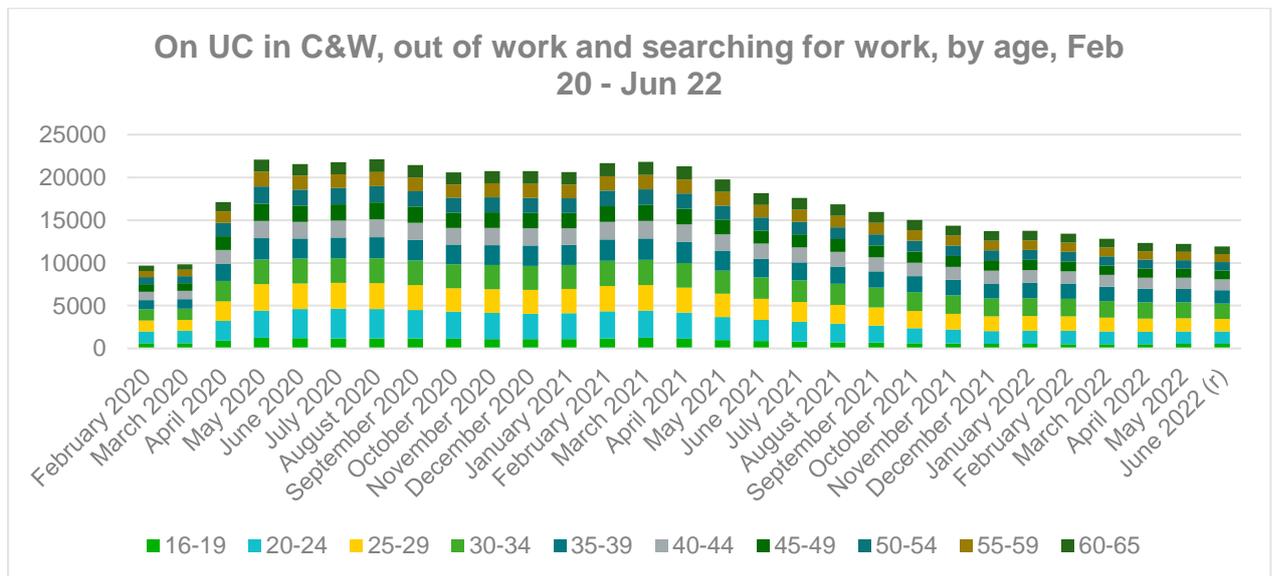
Whilst there was a similar pattern followed in all three local authorities in the trend for the numbers of working age claiming UC who were required to search for work, there is some variation in the

percentage increase between Feb 2020 and June 2022, with it standing at 35% for Cheshire East, 14% for Cheshire West and Chester, and 23% for Warrington



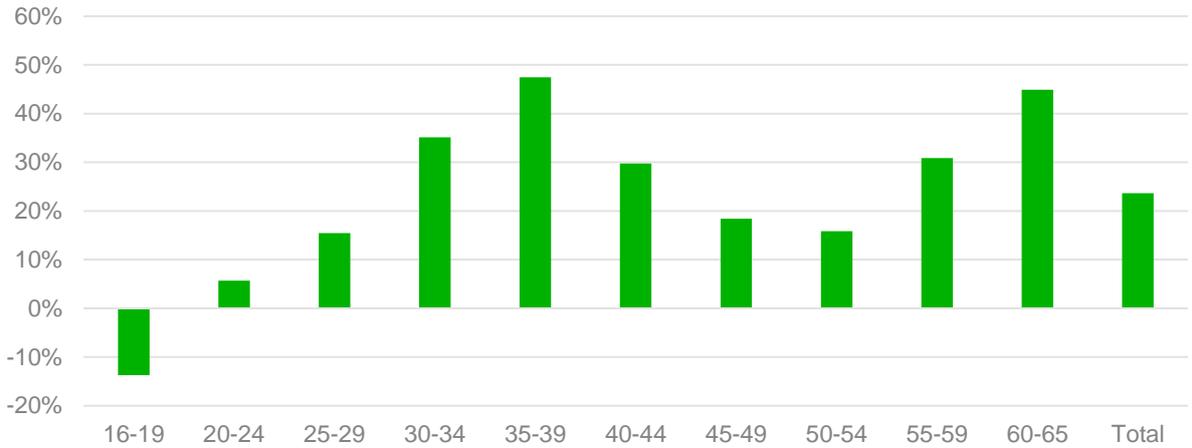
Source: StatXplore, People on UC

With the exception of the 16-19 age band (where numbers are quite low – c500), there has been an increase in every age band in the numbers of working age claiming UC who were required to search for work between Feb 2020 and June 2022. The highest increases, at over 40%, were for the 35-39 and the 60-65 age bands.



Source: StatXplore, People on UC

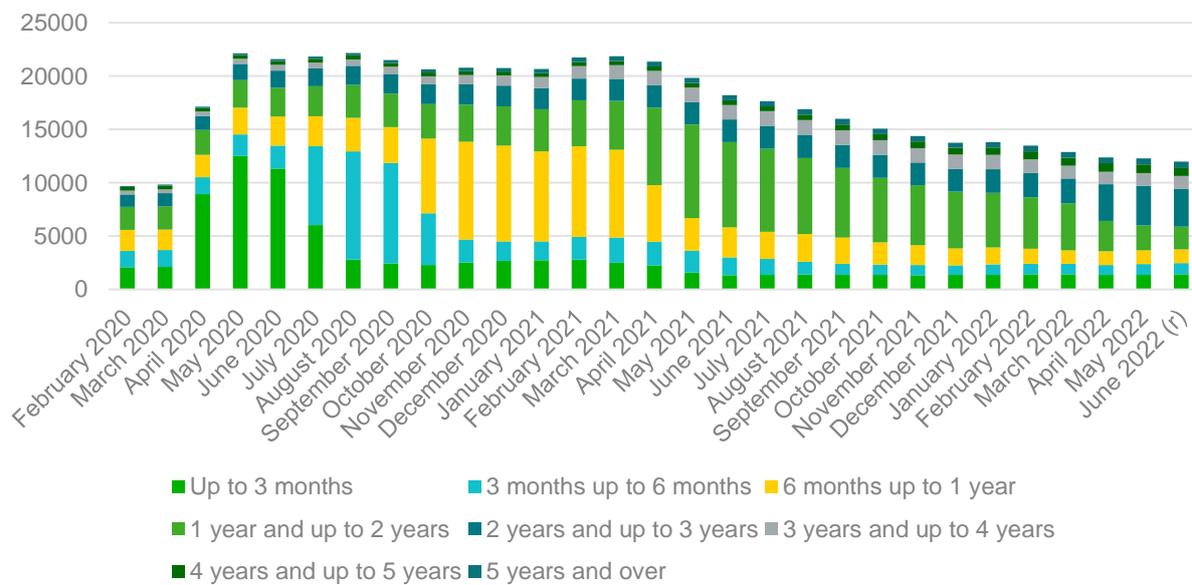
On UC in C&W, out of work and searching for work, by age, % change, Feb 2020 - Jun 2022



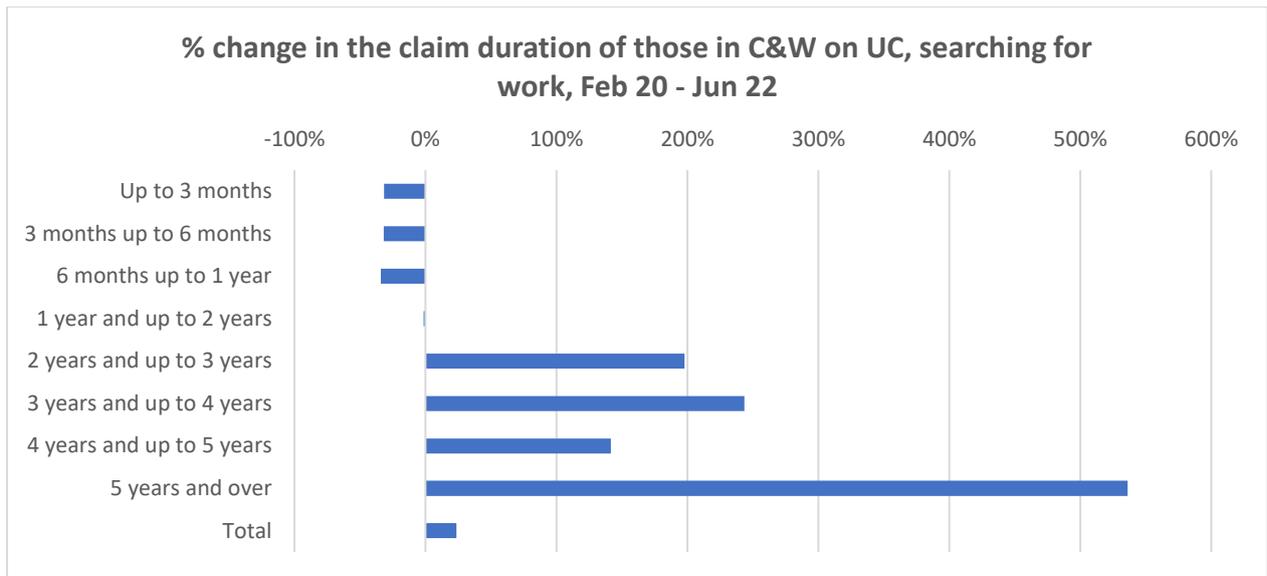
Source: StatXplore, People on UC

Claim duration analysis of the numbers of working age claiming UC who were required to search for work between Feb 2020 and June 2022 shows that the numbers that have claimed UC for 2 years or less *declined* between Feb 2020 and Jun 2022. By contrast, there have been very significant increases in the volumes that have claimed for over 2 years, with the volume of those having claimed for 5 years or more having increased by over 500% in this time.

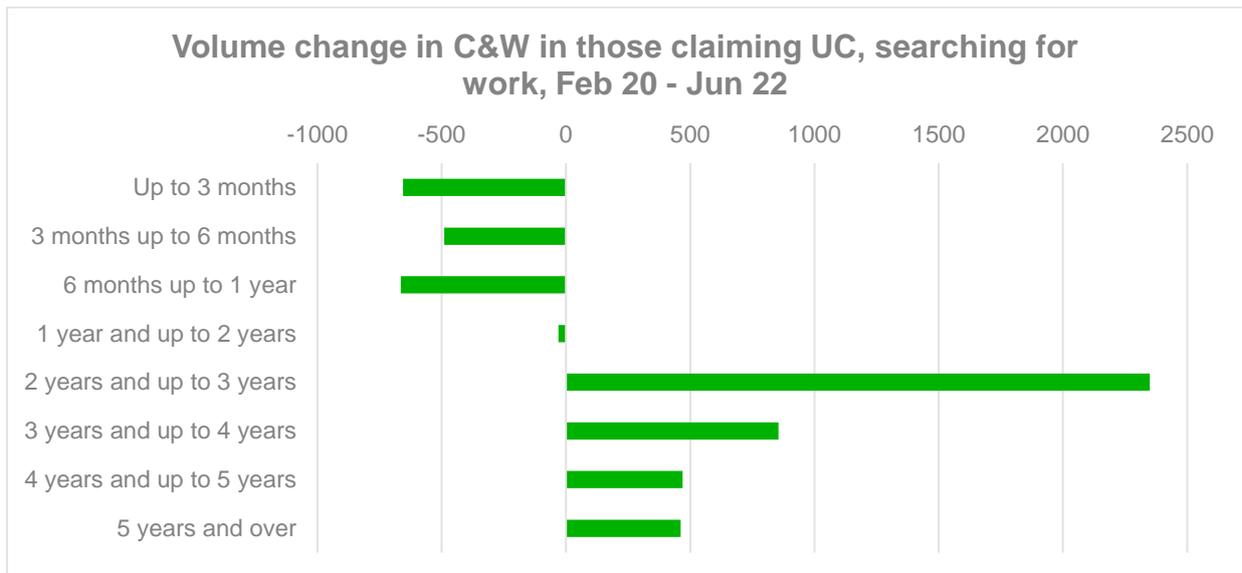
On UC in C&W, out of work and searching for it, by claim duration, Feb 2020 - Jun 2022



Source: StatXplore, People on UC



Source: StatXplore, People on UC



Source: StatXplore, People on UC

3.5 Earnings and low pay

3.5.1 Resident and workplace earnings

The table below sets out the latest available data for median gross weekly earnings of residents in the three local authorities in Cheshire and Warrington and for England. Median earnings for Warrington residents in 2021 exceeded the English median. This was the case for both males and females. Median earnings for Cheshire East residents in 2021 were below the English median. This was the case for both males and females. Median earnings for Cheshire West and Chester residents in 2021 were slightly below the English median, although median earnings for males were above England.

Median gross weekly earnings (£s) of all employed residents by gender and local authority, 2021			
	Male	Female	Total
Cheshire East	579.2	404.1	493.6
Cheshire West and Chester	637.3	411.7	507.9
Warrington	602.6	442.1	511.2
England	600.8	420.8	509.3

Source: annual survey of hours and earnings - resident analysis, NOMIS October 2022

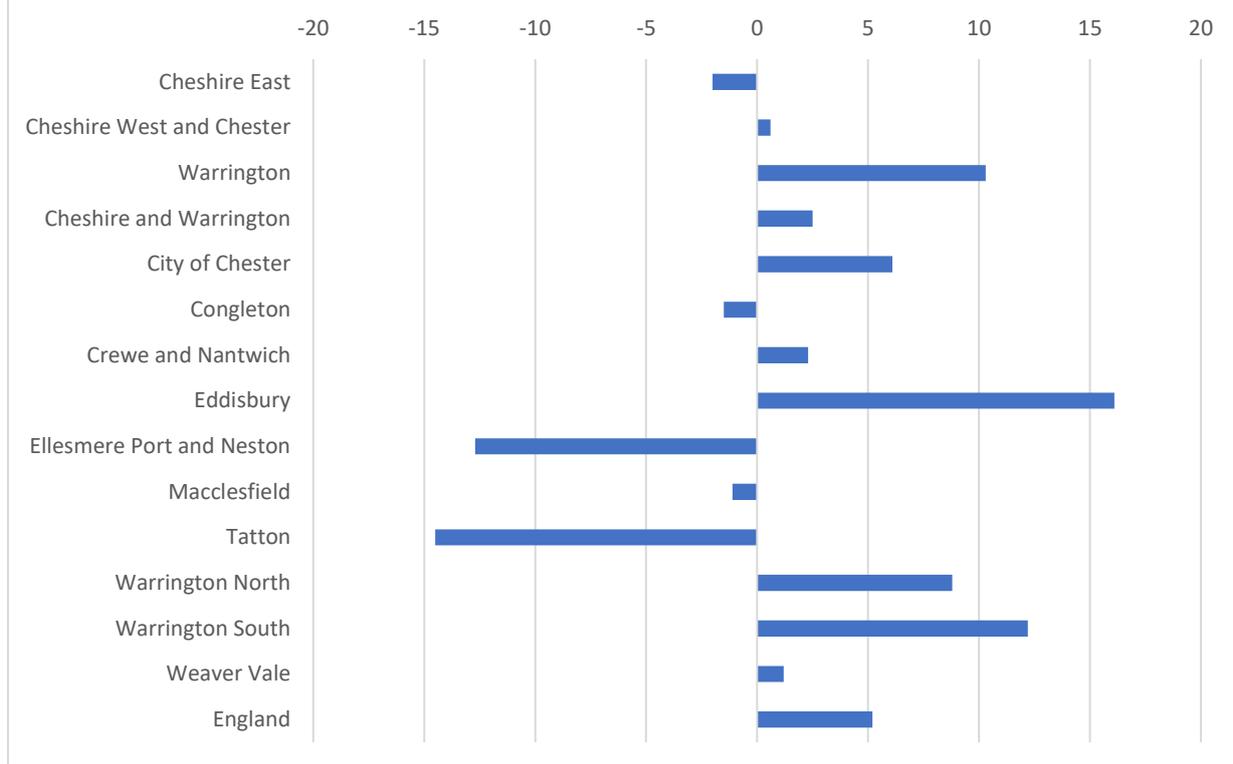
Examining this dataset at the level of parliamentary constituency reveals that there were four parliamentary constituencies from ten where median gross weekly earnings for residents exceeded the English level (City of Chester, Congleton, Eddisbury, and Warrington South). Six parliamentary constituencies exceeded England for male median gross weekly earnings and four exceeded England for female median gross weekly earnings.

Median gross weekly earnings (£s) of all employed residents by gender and parliamentary constituency, 2021			
Area	Male	Female	Total
City of Chester	617.6	445.5	545.2
Congleton	570.3	415.5	516.2
Crewe and Nantwich	563.8	399.5	490
Eddisbury	754.5	449.4	600.9
Ellesmere Port and Neston	612	404.2	440.3
Macclesfield	632.8	405.2	483.5
Tatton	618.9	376.5	453.5
Warrington North	542.6	406.1	494.7
Warrington South	665.8	471.3	532.8
Weaver Vale	566	421.2	484.6
England	600.8	420.8	509.3

Source: annual survey of hours and earnings - resident analysis, NOMIS October 2022

Between 2020 and 2021 there was volatility in median earnings levels across Cheshire and Warrington. Overall earnings saw a growth of 2.5% in Cheshire and Warrington, compared with 5% for England. On this measure, each of the local authorities performed differently with a decline in Cheshire East (-2%), stability in Cheshire West and Chester (+0.6%), and growth double that of England in Warrington (+10.3%). At parliamentary constituency level, there were reported large declines in Ellesmere Port and Neston (-12.7%) and Tatton (-14.5%); and growth in excess of England in Eddisbury (16.1%), Warrington North (8.8%), and Warrington South (12.2%).

Percentage change in median gross weekly pay of residents 2020-2021



Source: annual survey of hours and earnings - resident analysis, NOMIS October 2022

The table below sets out the latest available data for median gross weekly earnings of workplaces in the three local authorities in Cheshire and Warrington and for England. Median earnings for Warrington workplaces in 2021 exceeded the English median. Median earnings for Cheshire East workplaces and Cheshire West and Chester workplaces in 2021 were below the English median.

Median gross weekly earnings (£s) of workplaces by gender and local authority, 2021

Area	Male	Female	Total
Cheshire East	599.4	394.3	488.8
Cheshire West and Chester	600.1	418.9	490.5
Warrington	582.3	420.5	513.5
England	601	421.1	509.7

Source: annual survey of hours and earnings - workplace analysis, NOMIS October 2022

Examining this dataset at the level of parliamentary constituency reveals that there were three parliamentary constituencies from ten where median gross weekly earnings for workplaces exceeded the English level (Weaver Vale, Ellesmere Port and Neston and Warrington South). Five parliamentary constituencies exceeded England for male median gross weekly earnings and only two exceeded England for female median gross weekly earnings.

Median gross weekly earnings (£s) of workplaces by gender and parliamentary constituency, 2021			
Area	Male	Female	Total
City of Chester	549.9	458.2	480
Congleton	529.3	344.3	454.4
Crewe and Nantwich	639	386.4	507
Eddisbury	561.7	418.1	490.7
Ellesmere Port and Neston	687.3	399.6	528.8
Macclesfield	635	383.3	484.7
Tatton	580.8	421.7	505.1
Warrington North	666.4	483	581.5
Warrington South	513.7	355.2	439.5
Weaver Vale	613	406.8	519.6
England	601	421.1	509.7

Source: annual survey of hours and earnings - workplace analysis, NOMIS October 2022

3.5.2 Low wages

The real Living Wage is an hourly rate of pay set independently and updated annually (not the UK government’s National Living Wage). It is calculated according to the basic cost of living in the UK, and employers choose to pay the Living Wage on a voluntary basis. According to the Living Wage Foundation, since 2011 the campaign has impacted over 390,000 employees and delivered over £2bn extra to some of the lowest paid workers in the UK. As of September 2022, Real Living Wage increased to £10.90 in UK. Nine months before this, in 2021, slightly fewer than 30% of employed residents in Cheshire and Warrington earned below the 2022 Real Living Wage with this proportion being above 30% in Cheshire East. It is unclear whether wage inflation in 2022 will enable a significant proportion of these people to achieve the 2022 Real Living wage.

Low pay in C&W and its local authorities, hourly pay – bottom three percentiles, 2021				
Area	10 percentile	20 percentile	25 percentile	30 percentile
Cheshire East	8.98	9.81	10.19	10.81
Cheshire West and Chester	9.07	9.89	10.27	10.9
Warrington	9.14	10.12	10.64	11.18
Cheshire and Warrington	9.06	9.9	10.32	10.92

Source: annual survey of hours and earnings - resident analysis, NOMIS October 2022

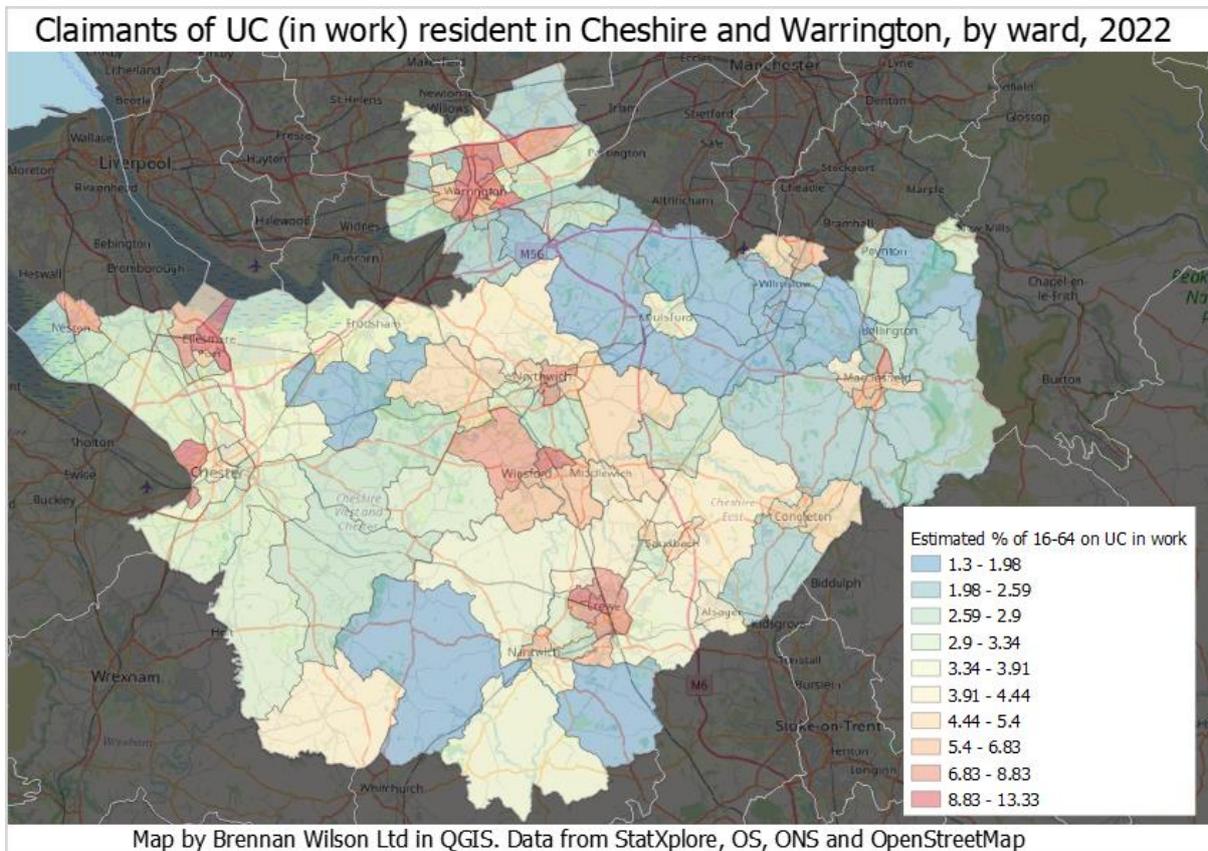
In 2021, more than 30% of residents received below the 2022 Real Living wage in half of Cheshire and Warrington’s ten parliamentary constituencies. Crewe and Nantwich, Tatton and Ellesmere Port and Neston had the lowest hourly pay (ie the lowest hourly rate for the 30th percentile).

Low pay in C&W and its parliamentary constituencies, hourly pay – bottom three percentiles, 2021				
Area	10 percentile	20 percentile	25 percentile	30 percentile
Cheshire and Warrington	9.06	9.9	10.32	10.92
City of Chester	9.01	9.96	10.75	11.73
Congleton	8.91	9.83	10.21	10.76
Crewe and Nantwich	8.92	9.43	9.82	10.02
Eddisbury	9.5	10.27	11.03	11.59
Ellesmere Port and Neston	9	9.89	10.1	10.35
Macclesfield	9.32	10.2	10.81	11.23
Tatton	8.91	9.58	10.04	10.42
Warrington North	9.14	10.11	10.51	10.98
Warrington South	9.13	10.15	10.7	11.45
Weaver Vale	9.02	9.58	10.11	10.79

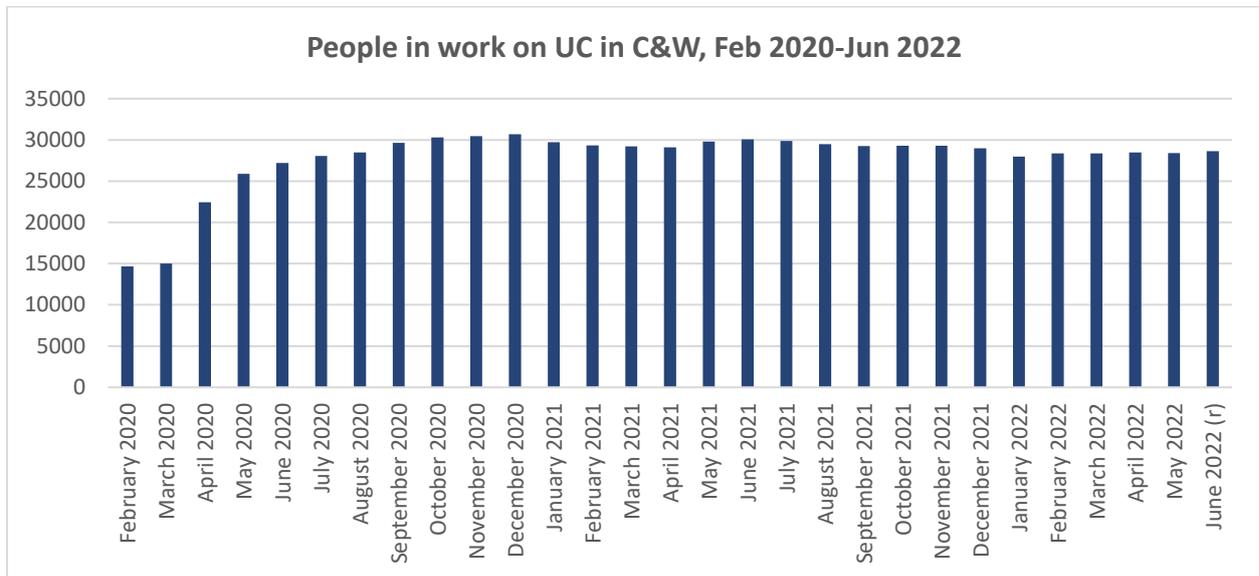
Source: annual survey of hours and earnings - resident analysis, NOMIS October 2022

3.5.3 Universal credit claims by those in work

Individuals in work on low pay are eligible to claim Universal Credit. Historically, the low paid were eligible for tax credit (working tax credit/child tax credit) and some people are still in receipt of that although data for this is not available.

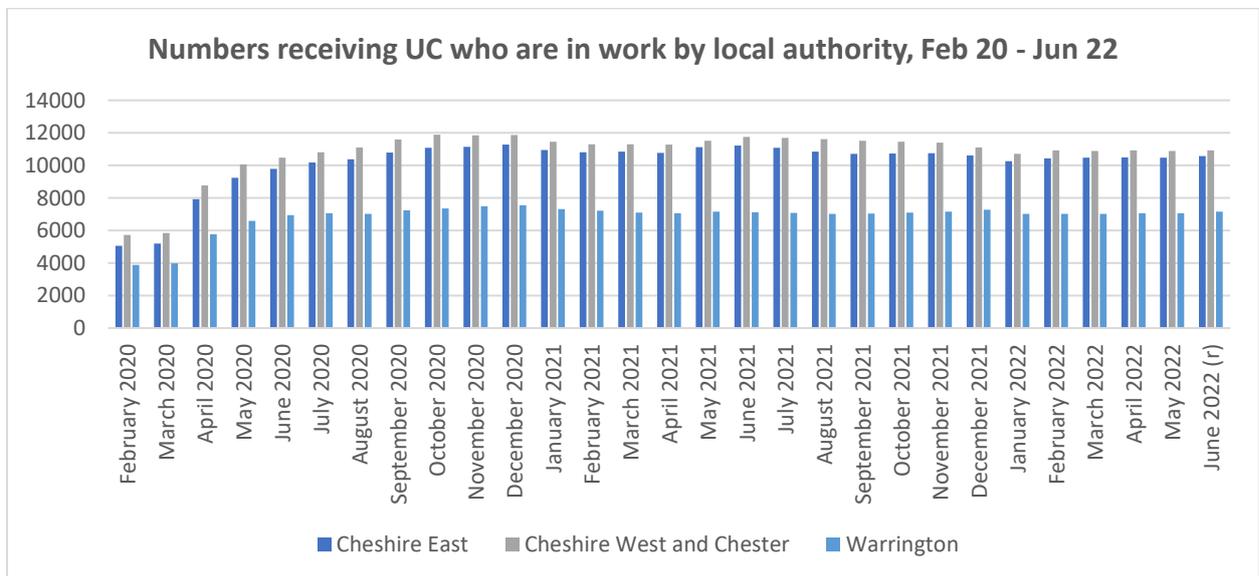


The volume of people in work claiming UC increased from c14.5k pre-pandemic to a high of c30.5k during the pandemic and was c28.5k in June 2022, an increase of 95% between Feb 2020 and June 2022.



Source: StatXplore, People on UC

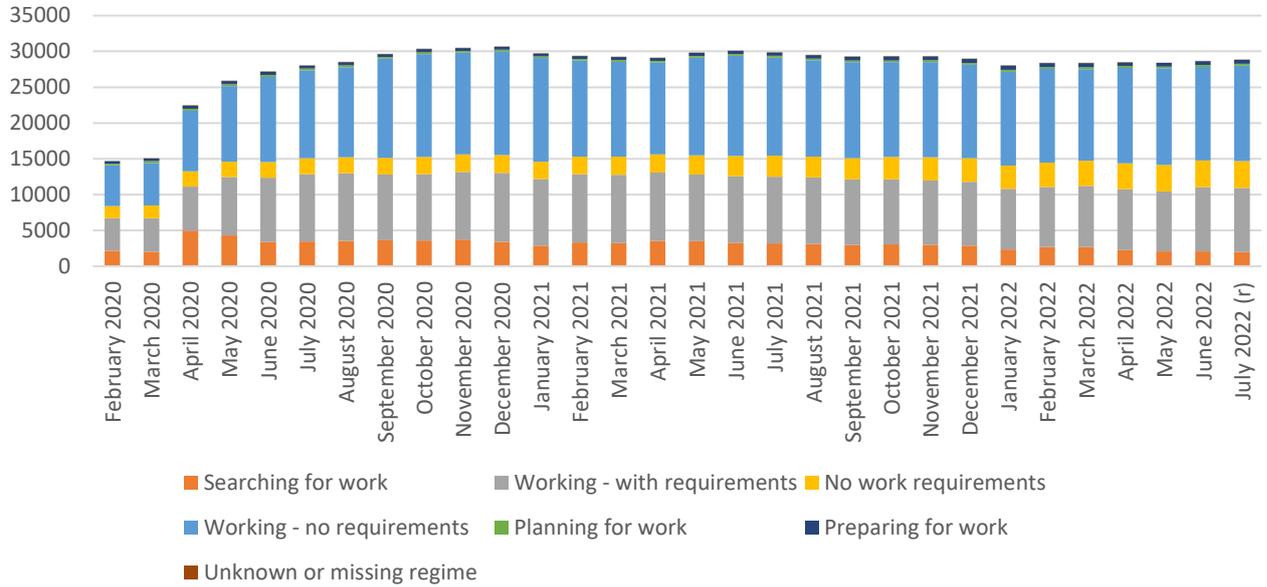
Every local authority saw an increase of those in work claiming UC between February 2020 and June 2022. Cheshire East saw an increase of 109%, Cheshire West and Chester an increase of 91%, and Warrington an increase of 84%.



Source: StatXplore, People on UC

Like those that claim UC who are out of work, a conditionality regime also operates for those claiming UC that are in employment. The main categories are 'working - no requirements'/'no work requirements' and 'working with requirements'. The proportion of claimants working with requirements has remained stable pre and post pandemic with 31% in this category in February 2020 and 31% in this category in June 2022.

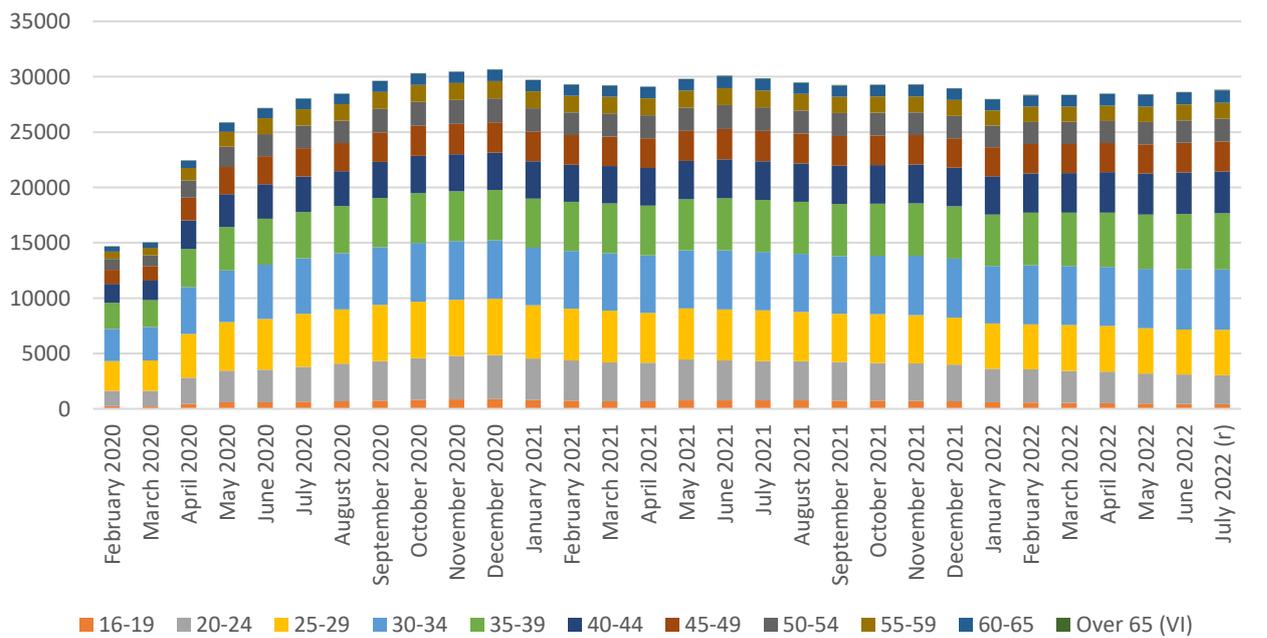
People claiming UC in work in C&W, by conditionality regime, Feb 2020 - July 2022



Source: StatXplore, People on UC

There has been an increase in the numbers in work claiming UC between February 2020 and June 2022 for every age band, with the increase for every age band over 35 being over double in this time. The highest percentage increase has been 145% for those aged 60-65 (an increase of 666). The highest volume increase has been 2,733 for those aged 35-39 (an increase of 117%).

People claiming UC, in work in C&W, by age, Feb 2020 - July 2022



Source: StatXplore, People on UC

3.6 Occupational Structure

It is possible to establish from the Annual Population Survey the occupations held by employees in Cheshire and Warrington and its three constituent local authorities. This data is presented in the table below. This shows that, when compared with England, the occupational profile in Cheshire and Warrington is slightly skewed towards higher skilled (and generally higher paid) occupations, with a higher proportion employed in SOC major groups 1-3 and a lower proportion employed in SOC major groups 8-9.

However, this headline data disguises variation between the three local authorities. For SOC major groups 1-3, the Cheshire and Warrington proportion is pulled up by the proportion in Cheshire East which, at 57.9%, is 5.9% higher than England (52%). By contrast both Cheshire West and Chester (50.4%) and particularly Warrington (48%) are both lower than England. Similarly, whilst Cheshire East and Cheshire West and Chester both have lower proportions employed in SOC major groups 8-9 (13.1% and 12.8% respectively) than England (15.3%); the proportion in Warrington is higher at 18.1%.

Employment by occupation (Jul 2021-Jun 2022)						
	C&W	NW	England	Cheshire East	Cheshire West and Chester	Warrington
Soc 2020 Major Group 1-3	52.8	48.9	52	57.9	50.4	48
1 Managers, Directors and Senior Officials	11.6	9	10.6	15.3	10.4	7.5
2 Professional Occupations	26.1	24.5	26.1	27.9	23.5	26.7
3 Associate Professional Occupations	14.9	15.1	15.1	14.2	16.5	13.6
Soc 2020 Major Group 4-5	17.8	19	18.7	14.9	22.5	15.6
4 Administrative & Secretarial Occupations	10.6	11.2	10.2	8.6	13.8	9.1
5 Skilled Trades Occupations	7.1	7.8	8.4	6.2	8.7	6.4
Soc 2020 Major Group 6-7	15.2	15.5	14.2	14.1	14.3	18.3
6 Caring, Leisure and Other Service Occupations	9.4	8.1	7.8	8.9	9.5	10.2
7 Sales and Customer Service Occs	5.7	7.3	6.4	5	4.8	8.1
Soc 2020 Major Group 8-9	14.2	16.6	15.2	13.1	12.8	18.1
8 Process Plant & Machine Operatives	5.9	6.2	5.6	6.8	5	5.7
9 Elementary Occupations	8.3	10.3	9.5	6.2	7.7	12.4
Source: ONS annual population survey, NOMIS, numbers and % are for those of 16+, % is a proportion of all persons in employment						

3.7 Skills Profile

The proportion of working age residents qualified at Level 4 and above is slightly higher in Cheshire and Warrington than in England. However, this headline statistic disguises variation across Cheshire and Warrington's three local authorities with Cheshire West and Chester (43.6%) having a similar proportion to England (43.2%), but Cheshire East having a higher proportion (45.5%) and Warrington having a lower proportion (41.6%).

The proportion of the working age population with no qualifications is lower in Cheshire and Warrington than is the case for England. At local authority level, this proportion is lower than England for all three local authorities.

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, % are for those of aged 16-64, % is a proportion of resident population of area aged 16-64

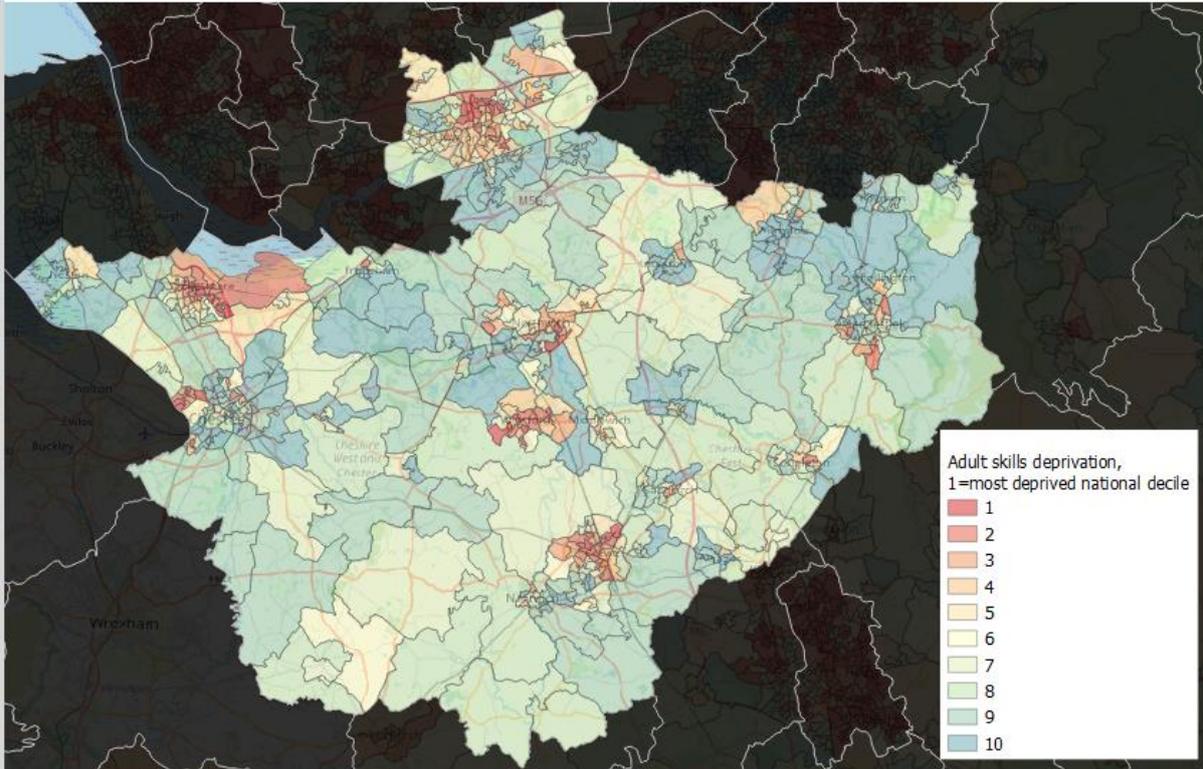
The Education, Skills and Training Domain of the IMD 2019 measures the lack of attainment and skills in the local population. The indicators fall into two sub-domains: one relating to children and young people and one relating to adult skills. These two sub-domains are designed to reflect the 'flow' and 'stock' of educational disadvantage within an area respectively. That is, the 'children and young people' sub-domain measures the attainment of qualifications and associated measures ('flow'), while the 'skills' sub-domain measures the lack of qualifications in the resident working-age adult population ('stock').

The Adult Skills sub-domain index is constructed by combining two indicators:

- Adult skills: The proportion of working-age adults with no or low qualifications, women aged 25 to 59 and men aged 25 to 64
- English language proficiency: The proportion of working-age adults who cannot speak English or cannot speak English well, women aged 25 to 59 and men aged 25 to 64

The map below illustrates the Adult Skills Subdomain scores for Lower Super Output Areas in Cheshire and Warrington LEP. The map illustrates the most deprived areas for this Subdomain can be found in Warrington, Crewe, Ellesmere Port and Winsford, with further pockets in and around Chester, Northwich and Macclesfield.

Adult skills deprivation in Cheshire and Warrington, Index of Multiple Deprivation 2019



Map by Brennan Wilson Ltd in QGIS. Data from IMD2019, OS, and OpenStreetMap