

Strategic Analysis Cheshire & Warrington

December 2006



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Executive Summary

EKOS Consulting was commissioned by the North West Regional Skills Partnership (RSP) in August 2006 to develop a NW Statement of Skills Priorities to cover the period 2007/08 to 2009/10. The purpose of the Statement of Skills Priorities is to provide the region with a sound basis and rationale to guide the planning and purchasing of skills provision to meet the needs of employers and the economy in general. The Statement also articulates how the RSP will support the delivery of the Regional Economic Strategy.

The Regional Strategic Analysis report is the quantitative evidence base that underlies the North West Statement of Skills Priorities. It also acts as the evidence base for European social Fund (ESF) prioritisation and supports the Learning and Skills Council (LSC) planning and commissioning cycle. This sub-regional Strategic analysis report is designed to look at some key data on a district basis (where available) and to summarise some of the key data for the sub-region. It should be read in conjunction with the Regional report.

The economic performance of Cheshire & Warrington is strong when compared to the region and the England average:

- Economic activity is above the regional and England averages. In only two districts in the sub region – Ellesmere Port and Neston and Crewe & Nantwich – is the activity rate below the England average, and even then the gap is small. It is a relatively high rate of female economic activity that largely accounts for Cheshire & Warrington's strong performance.
- Strong performance in economic activity is one reason for the sub-regions relatively strong performance in terms of GVA per head. GVA per head is above the regional level by 24% and compared to the England average, it is 7% higher.
- Cheshire & Warrington is the only sub-region of the North West to have a new business start rate above the England average.
- The occupational structure is relatively high skilled (compared to the region and England), which is reflected in a relatively highly qualified workforce (the proportion of working age people qualified to Level 4 or above is 5% points above the England average).

Employment growth in the sub-region between 1996 and 2004 outperformed both the regional and national averages. However, during the latter two years, employment in the sub-region contracted, whilst that of the region and England continued to show growth. Forecasts from Working Futures for the period 2004-14 show Cheshire and Warrington with the highest growth rate in the region (4.1% v 3%).

The performance of the education system and its learners in Cheshire and Warrington is also strong:

- Attainment of Level 2 at age 16 and 19 is 57% and 76% respectively – 7% points and 6% points above corresponding national average rates.
- FE sector success rates for qualifications taken by 16-18 year olds and adults are above the regional and national averages at all levels of provision. The success rate for adults on full level 2 courses in FE institutions in Cheshire and Warrington is 73%, 11% points and 13% points above regional and England averages respectively.
- In the 2001/02-2005/06 FE college inspection round, Cheshire & Warrington was the only sub region to have no curriculum areas graded as poor or unsatisfactory. This was out of a total of 56 colleges/institutions.
- The proportion of young people who are Not in Education, employment or Training (NEET) at 6.8% is by far the lowest rate in the region, and is 2% points below the national average.

An exception is Level 2 provision in WBL institutions, where success rates for young people and adults are below national averages.

The key issue and risk to further growth for Cheshire & Warrington is the ageing population. Whilst this is an issue across the region, it is particularly the case in Cheshire & Warrington, where the proportion of over 65 year olds in the population is forecast to increase by 5 percentage points over the period 2005-2020. Migration patterns are likely to reinforce these trends, with migrants more likely to be attracted to sub-regions with large urban centres, particularly Manchester and Liverpool.

1 Introduction and Context

1.1 Background and Purpose of the Sub Regional Strategic Analysis

EKOS Consulting (UK) Ltd, was commissioned by the North West Regional Skills Partnership in August 2006 to develop a NW Statement of Skills Priorities to cover the period 2007/08 to 2009/10. The purpose of the Statement of Skills Priorities is to provide the region with a sound basis and rationale to guide the planning and purchasing of skills provision to meet the needs of employers and the economy in general. The Statement also articulates how the RSP will support the delivery of the Regional Economic Strategy.

As part of the work, we have produced a Regional Strategic Analysis, which is the quantitative evidence base that underlies the NW Statement of Skills Priorities. It also acts as the evidence base for ESF prioritisation and supports the LSC planning cycle and the regional strategic commissioning document, which is due for completion in November 2006.

This report presents a sub-regional Strategic Analysis or evidence base for the Cheshire & Warrington sub-region. It is primarily a quantitative report, with analysis conducted at the sub-regional and district level, where appropriate. Its purpose is to highlight the issues which are of particular importance for Cheshire & Warrington.

1.2 Policy Background

The Regional Strategic Analysis sets out the national policy context and the recent focus on skills as being vitally important to improving productivity levels in the UK.

1.3 LSC Cheshire & Warrington priorities

In addition to working towards national Learning and Skills Council (LSC) priorities, each local LSC produces an Annual Plan that focuses on issues that are specific to their areas. For Cheshire & Warrington, the latest version of the plan (2005/06) highlights a number of local priorities to be addressed including target sectors. In addition, a number of challenges facing young people and adults are drawn out separately for special attention.

Local Priorities

- Improving the participation of young people:
 - Implementing the Post 14-19 Area Inspection Action Plan within the six local Planning Areas.
 - Increasing the awareness of young people and adults of the skills and qualifications needed to access modern employment and career opportunities.
- Raising the level of skills:
 - Working in partnership to meet the local employer demand for Level 3 training.
 - Preparing for the introduction of the national employer training programme in 2006-07, focussing especially on Skills for Life because of the high proportion of the target group who are in employment.
 - Developing the partnership with Jobcentre Plus to maximise the potential of disadvantaged individuals and communities to increase the pool of skilled labour within Cheshire & Warrington. In particular, to plan and fund effective provision for offenders and develop provision for speakers of other languages.
 - Raising awareness of the implications of local demographic trends amongst employers, individuals and providers and developing joint strategies to address the impact of these changes.
- Taking forward the agenda for change – becoming more demand-led, improving the quality of provision, and increasing the responsiveness to the needs of employers:
 - Taking forward the recommendations of the Strategic Area Review
 - Developing a local capital strategy
 - Further development of the ‘no wrong door’ approach which enables local employers to access training as efficiently as possible.

Priority Sectors

Cutting across the local priorities, eight sectors have been identified by the Cheshire & Warrington local LSC as being important to the local economy and needing particular attention for skills development. These are:

- Business & Financial Services;
- Chemicals and Pharmaceuticals;
- Construction;
- Creative Industries;
- Engineering;
- Food Chain Technology;
- Hospitality and tourism; and

- Public sector (particularly Healthcare).

Issues and Challenges facing Young People

- High employment rates give opportunities for young people to access jobs without training. Employer engagement is needed to promote the benefits of apprenticeships.
- Effective engagement needed with local training providers – eight colleges and Total People Ltd – to raise success rates among relatively high participation rates. Also, to develop employer's attitudes from the prevalent culture of success being equated with academic and not vocational achievement.
- Among Young People, the priority groups are:
 - 14-19 year olds not in employment, education or training (NEET).
 - 16-19 year olds in employment but not in learning.

Issues facing Adults

- Given the high local employment rate, many adults with skills needs are in employment. Therefore, it is important to develop the relationship between training providers and employers to improve engagement and encourage training.
- Significant employment growth at centres such as Omega in Warrington and the South East Quadrant near Crewe will have a major impact on local employment patterns. There is a strong potential role in the sub region for high skills to attract economic development.
- Among Adults, the priority groups are:
 - Adults living in deprived areas with low levels of participation and achievement, including Skills for Life needs, many of whom are in employment;
 - Employed adults lacking a Level 2 qualification, particularly those who have not been engaged in learning for many years;
 - Unemployed adults and those with a limiting long-term illness; and
 - Offenders.

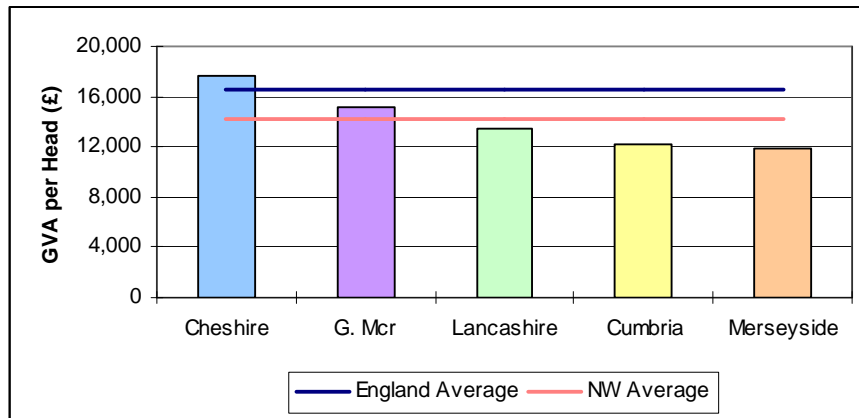
2 Economic Context

2.1 Productivity

Productivity in the economy is measured in terms of Gross Value Added – the value of the output produced. Gross Value Added per head gives an indication of the level of economic wealth of an area. Although GVA per head in the North West has increased substantially over the past six years, there remains a significant gap (13.3%) when compared to the England average. If levels of GVA per head could be raised to the England average, residents of the North West would be, on average, £2,280 better off than they are today.

The graph below shows GVA per head across the North West sub-regions of which Cheshire & Warrington has the highest rate. It is above the regional level by 24% and compared to the England average, it is 7% higher.

Gross Value Added per Head in the North West, 2003



Source: ONS GVA

GVA per head is determined by a number of factors, including:

- The industrial base;
- The relative size of the working age population compared to the dependent population;
- Activity levels within the working age population;
- The skills levels of those in employment; and
- The number of hours worked by those in employment.

Compared to the North West region, Cheshire & Warrington's performance in terms of economic activity and the skills base of the workforce is relatively strong.

2.2 Enterprise

An important determining factor in the economic success of an area is the level of enterprise, or the rate of new business start up. This is typically measured by the rate of new VAT registrations. The table below shows VAT registrations per 10,000 people in the North West. Cheshire & Warrington is the only sub-region of the North West to have new start rates that are higher than those for England.

New Starts / New VAT Business Registrations, 2004

2004	New Starts		
	Total	Per 10,000 adult pop'	Per 10,000 working age pop'
England	158,535	41	52
North West	17,640	33	43
Cheshire & Warrington	2,875	42	57
Cumbria	1,190	31	41
Lancashire	3,750	33	43
G. Manchester	6,990	36	46
G. Merseyside	2,830	25	31

Source: VAT Registrations; Small Business Service, 2004

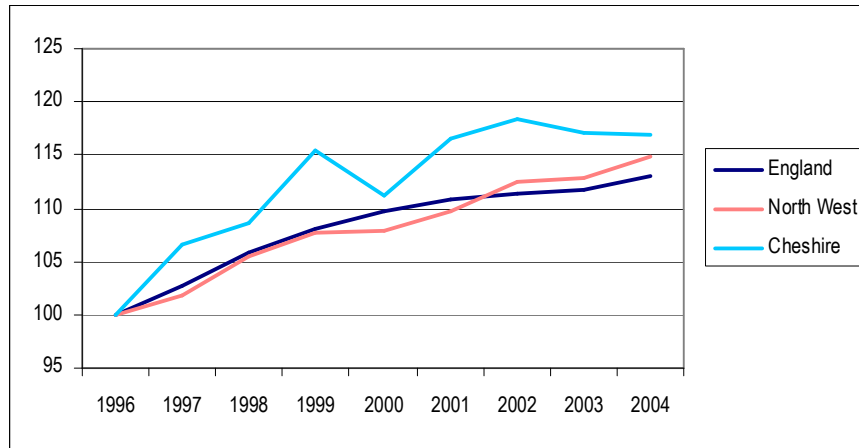
3 The Demand for Skills

3.1 Demand for Labour

Employment

The most recent figures on employment show that there are over 487,000 people employed in Cheshire & Warrington, an increase of 132,000 since 1996. Furthermore, employment growth in the sub-region between 1996 and 2004 outperformed both the regional and national averages. However, during the latter two years, employment in the sub-region contracted, whilst that of the region and England continued to show growth.

Rate of Employment Change, 1996-2004 (100 = Baseline Comparator)



Source: Annual Business Inquiry; NOMIS, 1996, 2004
 Note: employment based on workplace location

Employment by sector

Employment levels by sector for 1996 and 2004 are shown in the table below. The key points to note are:

- The high proportion of the population employed in Manufacturing relative to England (14.3% v 12%).
- The relatively low proportions of people employed in the public sector (Health and Social Work, Education, and Public Admin and Defence).

Employment by Industrial Sector, 1996 & 2004

	Cheshire & Warrington				England
	1996	%	2004	%	2004%
Agriculture, forestry & fishing*	1,057	0.3%	1,314	0.3%	0.2%
Mining and utilities	6,596	1.9%	3,235	0.8%	0.5%
Manufacturing	74,376	21.0%	59,121	14.3%	12.0%
Construction	15,618	4.4%	17,692	4.3%	4.5%
Wholesale and retail trade	72,920	20.5%	78,290	18.9%	18.2%
Hotels and restaurants	22,743	6.4%	35,977	8.7%	6.8%
Transport and communication	19,541	5.5%	29,990	7.2%	6.1%
Financial intermediation	11,574	3.3%	17,993	4.3%	4.1%
Real estate and business activities	50,214	14.1%	67,184	16.2%	16.6%
Public admin' and defence	13,691	3.9%	16,512	4.0%	5.4%
Education	19,815	5.6%	31,015	7.5%	9.2%
Health and social work	31,536	8.9%	40,887	9.9%	11.4%
Other community and personal services	15,254	4.3%	15,437	3.7%	5.1%
Total	354,934	100	414,648	100	100

Source: Annual Business Inquiry; NOMIS, 1996, 2004

*In-depth DEFRA Agriculture employment figures unavailable

Since 1996, employment growth has predominantly been in the service sectors and in particular, the Real Estate and business activities sector, where 17,000 new jobs were created in the eight year period. Other high performing sectors have included Hotels & Restaurants, and Education sectors where employment growth rates were nearly 60%. The Transport & Communications sector and Financial Intermediation sector also both experienced employment growth rates exceeding 50%.

SIC2 Industrial Sectors with the Largest Employment Growth, 1996-2004

	Cheshire & Warrington		England
	Change	% Change	% Change
Hotels and restaurants	13,234	58	22
Other business activities	11,830	32	29
Education	11,200	57	37
Health and social work	9,351	30	21
Retail & repair, exc' motor vehicles	6,575	14	26
Auxiliary travel/transport activities	5,042	98	41
Post and telecommunications	4,408	70	5
Auxiliary finance activities	3,883	271	34

Source: Annual Business Inquiry; NOMIS, 1996, 2004

Employment decline has come predominantly in the manufacturing sector – a decline of 25,000 jobs between 1996 and 2004, representing a reduction in the share of total employment from 20.2% to 14.3%. All other sectors, with the exception of Mining and Utilities, experienced increases in the absolute level of employment, although in some cases this is still reflected in a lower proportion of the share of total employment.

The scale of the decline in manufacturing is shown in the table below which lists the industrial sub-sectors with the highest employment declines.

SIC2 Industrial Sectors with the Largest Employment Decline, 1996-2004

	Cheshire & Warrington		England
	Change	% Change	% Change
Manufacture of coke, petrol, nuclear fuel	-3,846	-66	-24
Manufacture of apparel, dyeing of fur	-3,474	-82	-70
Collection & distribution of water	-2,701	-64	-53
Manufacture of fabricated metal products	-2,137	-31	-27
Manufacturing of food & beverages	-1,658	-22	-8
Insurance and pension funding	-1,213	-66	-15
Manufacture of other machinery	-1,196	-27	-27
Manufacture of chemicals	-1,160	-8	-20

Source: Annual Business Inquiry; NOMIS, 1996, 2004

Occupational Structure

The table below shows the number of people employed in different occupations in Cheshire & Warrington in 2005, and compares this to the profile for England. Key differences between the Cheshire & Warrington and England profiles are as follows:

- There is a higher proportion of higher skilled than in England. This is especially true for the Managerial and Professional categories which are both 2 percentage points above the national averages.
- Conversely, there are a lower proportion of lower skilled jobs, particularly for Elementary Occupations and Plant & Machine Operatives.

Employment by Occupational Group, 2005

(SOC 2000)	Cheshire & Warrington		England
	2005	%	% 2005
Managers & senior officials	72,000	17	15
Professional occupations	64,000	15	13
Associate prof & technical	63,000	15	14
Administrative & secretarial	54,000	13	13
Skilled trades	35,000	8	11
Personal services	29,000	7	8
Sales & customer services	36,000	8	8
Plant & machine operatives	27,000	6	7
Elementary occupations	45,000	11	12
		100	100

Source: Labour Force Survey, Quarterly Averages; NOMIS, 1996-2005

The Standard Occupational Classifications (SOC) changed in 2001/02, so that comparisons pre and post 2001 have to be undertaken with care. In the table below, we show changes in employment by occupational category between 1996-2001 and 2002-05.

Examination of employment by occupation over the past three years reinforces the picture of expanding opportunities for higher skilled jobs. For example, Professionals and Associate Professional occupations in Cheshire & Warrington have experienced employment growth at faster rates than the national average. In contrast, there has been a decline in opportunities for lower skilled occupations (Plant & Machine Operatives and Elementary occupations), as well as Skilled Trades and these changes are in line with national trends. This changing occupational structure will have significant implications for training provision and replacement demand.

Employment Change by Occupational Group in C&W, 1991-2001 & 2002-2005

Change 1996 - 2001 (SOC 1990)	Cheshire & Warrington		England
	Change	% Change	% Change
Managers & administrators	1,000	1	8
Professional occupations	-3,000	-6	12
Assoc. prof & technical	2,000	5	22
Clerical, secretarial	8,000	16	5
Craft & related occupations	5,000	12	-2
Personal, protective	11,000	31	10
Sales	-5,000	-13	13
Plant & machine operators	3,000	9	-4
Other occupations	-1,000	-3	-3
Change 2002 - 2005 (SOC 2000)	Change	% Change	% Change
Managers & senior officials	4,000	6	10
Professional occupations	11,000	21	10
Associate prof & technical	7,000	13	3
Administrative & secretarial	2,000	4	-5
Skilled trades	-5,000	-13	-1
Personal services	2,000	7	8
Sales & customer services	6,000	20	3
Plant & machine operatives	-6,000	-18	-9
Elementary occupations	-2,000	-4	-3

Source: Labour Force Survey, Quarterly Averages; NOMIS, 1996-2005

Employment by District

The Cheshire and Warrington sub-region is composed of the two counties of Cheshire and Warrington. The regional employment changes, in some cases, are experienced in differing proportions between the two areas:

- Whilst both counties experienced a decline in manufacturing employment, the decline was much greater in Warrington, declining by 41% compared with a decline of 16% in Cheshire.
- Warrington experienced employment growth of around 70% in the sectors of transport and communications, and public administration and defence, far in advance of the sub-region.

- The 6% sub-regional growth in employment of managers and senior officials was experienced exclusively in Cheshire; employment in these occupations remained constant in Warrington between 2002 and 2005.
- Both districts experienced a decline in skilled trade occupations between 2002 and 2005, but Warrington's employment decreased by over 36% compared to only 3% in Cheshire.
- Whilst Cheshire experienced reductions in employment in sales and customer services and elementary occupations of 7.1% and 28.3%, respectively, Warrington experienced significant employment growth (over 20%) for both occupations.

Employment Forecasts

The 2006 Working Futures report produced by the Institute of Employment Studies¹ gives some insights into the projected sector and occupational mix of the Cheshire & Warrington economy to 2014. The economic model which underpins Working Futures is trend based, and so the model will miss significant regeneration or other initiatives underway or planned in specific areas. We address this in a separate section below through qualitative analysis of major projects underway or planned in the sub-region.

The Working Futures forecasts show employment growth in Cheshire & Warrington of 4.1% between 2004 and 2014 (cumulative growth), which translates into 22,000 new jobs and exceeds the forecast employment growth for the North West by one percentage point.

Employment Change Forecasts by Sub-Region, 2004-2014

	Employment 2004 (000)	Employment 2014 (000)	Change (000)	Change (%)
Cheshire & Warrington	537	559	22	4.1%
Cumbria	235	239	4	1.7%
Greater Manchester	1318	1365	47	3.6%
Greater Merseyside	602	617	15	2.5%
Lancashire	666	680	14	2.1%
North West	3358	3459	101	3.0%

Source: Working Futures 2006

The table below shows forecast employment in Cheshire & Warrington by sector to 2014.

¹ Working Futures 2004-2014 Spatial Report (2006), Institute of Employment Studies

Employment Change Forecasts by Industrial Sector, 2004-2014

	Employment (000)		Change		North West Change (%)
	2004	2014	(000)	(%)	
Primary sector & utilities	11	10	-1	-9.1%	-11.1%
Manufacturing	73	63	-10	-13.7%	-11.0%
Construction	40	39	-1	-2.5%	-4.4%
Distribution, transport etc	168	177	9	5.4%	3.6%
Business & other services	138	158	20	14.5%	11.4%
Non-marketed services	107	111	4	3.7%	4.4%

Source: Working Futures 2006

- As would be expected, decreases in employment are forecast in the primary sector & utilities, manufacturing, and construction sectors.
- The rate of decline in employment in the manufacturing sector is predicted to be greater at the sub-regional level than regionally (-13.7% versus -11%).
- Business and other services sector employment is forecast to grow the fastest at 14.5%, exceeding the regional increase by more than 3 percentage points.

The table below shows forecast employment in the Cheshire & Warrington sub-region by occupational group to 2014.

Employment Forecasts by Occupational Group, 2004 - 2014

	Employment (000)		% of Total Employment		% Change	North West % Change
	2004	2014	2004	2014		
Managers & senior officials	76	84	14.2%	15.1%	10.5%	8.4%
Professionals	58	69	10.9%	12.4%	19.0%	18.4%
Associate professionals & technical	68	73	12.7%	13.0%	7.4%	5.5%
Admin, clerical, secretarial	71	73	13.3%	13.0%	2.8%	-1.8%
Skilled trades	65	62	12.1%	11.2%	-4.6%	-5.3%
Personal services	40	49	7.4%	8.8%	22.5%	19.0%
Sales & customer services	47	55	8.8%	9.8%	17.0%	14.2%
Machine & transport operatives	49	46	9.2%	8.3%	-6.1%	-5.7%
Elementary	62	47	11.5%	8.4%	-24.2%	-21.9%

Source: Working Futures 2006

Key points to note are:

- Cheshire & Warrington is forecast to experience higher growth in employment of managers and senior officials than regionally, 10.5% versus 8.4% respectively.
- Employment growth in the sub region in the occupations of personal services and sales and customer services is also predicted to outstrip the growth experienced regionally.
- A reduction is forecast for employment in skilled trades, machine and transport operatives, and elementary occupations, with only the former decreasing at a lower rate than regionally.

The table below shows forecast employment in Cheshire & Warrington by gender and employment status (part time, full time, self employed).

Employment Change Forecasts by Gender, 2004-2010

	Employment (000)		Change		North West Change (%)
	2004	2014	(000)	(%)	
Male Full Time	215	230	15	7.0%	6.3%
Male Part Time	33	36	3	9.1%	17.5%
Female Full Time	112	115	3	2.7%	2.5%
Female Part Time	112	120	8	7.1%	0.9%
Self-employed	64	58	-6	-9.4%	-12.5%
Total					
Male	295	306	11	3.7%	4.5%
Female	242	253	11	4.5%	1.3%
Full Time	327	344	17	5.2%	5.0%
Part Time	145	157	12	8.3%	5.1%

Source: Working Futures, 2006

- Self employment is predicted to decline, but at a lower rate than regionally.
- Positive growth is expected in both female part time and full time employment, and part time female employment in particular is forecast to increase at a level significantly higher than regionally at 7.1% compared to 0.9%.
- Whilst male full time employment is predicted to grow at a faster rate in the sub region than regionally, increases in male part time employment are forecast to be only half that predicted regionally.

3.2 Major developments not taken into account in forecasts

The Sub Regional Action Plan for Cheshire and Warrington anticipates that over £3 billion of investment and over 36,000 new jobs will be secured in the next couple of years. Major economic development projects planned for the region include:

- Omega (Warrington) will start to come on stream – see case study below.
- Chester Super Zoo; the vision is to create the finest visitor attraction in Britain and become a 'must see' international destination.
- Crewe's South East Quadrant; including the site at Basford has the potential to create up to 12,500 new jobs.
- Weaver Valley Action Plan; development of the Middlewich Easter Bypass will open up substantial trench of employment land.
- Macclesfield Learning Zone; includes enhanced FE and Sixth Form facilities, closer relationship between business and education, and a specialist aerospace training centre (European Centre for Aerospace Training) which will support the growth of Manchester airport.

Sub regional case study: Omega

Omega is a major new employment site covering 226 hectares in Warrington, adjacent to the M62 motorway. It is envisaged that the Omega development could provide more than 20,000 of 60,000 new jobs to be created over the next decade in the sub region. Jobs created could range from research and development, pharmaceutical, information technology, bio technology, telecoms and tourism to office based jobs in the service sectors. Over the next 25-30 years, the site will include offices, production and distribution space, as well as hotels, restaurants and bars, convenience retail, health and fitness clubs and training and conference suites. The highest level of gross job opportunities will come in non-administrative office jobs which reflects the high turnover of staff in jobs such as call-handling and sales.

Regional Selective Assistance (RSA) will be available to qualifying businesses locating in Omega with support focused on high quality knowledge based projects that provide skilled jobs.

Cheshire and Warrington LSC completed a detailed analysis in 2002 of the type and number of jobs likely to be needed by businesses attracted to Omega by 2011. Key issues which may have an impact on skills development include:

- Target sectors are male dominated, with men making up 79% of the workforce.

- Of females employed in the sectors around half were employed in a part time role.
- 40% of the workforce is aged 18-24 whilst 29% are aged 25-34, school leavers made up less than 2% of the workforce.
- It was felt that there would be very few jobs for unskilled people - although around 15% of jobs required no qualification, 10% required a trade qualification or apprenticeship, around 15% required a GCSE or equivalent, and 30% of jobs require a degree or higher degree.

4 The Supply of Skills

4.1 Introduction

This chapter looks at the supply of labour in Cheshire & Warrington, both in terms of the volume of people available for work, and their skills levels. Levels of economic activity (or inactivity) are covered in detail in Chapter 6.

4.2 Demographics

The resident population in Cheshire & Warrington increased by 31,964 or 3.8% between 1991 and 2001. This cumulative rate of growth was the highest of any of the North West sub-regions and compared to a stable population across the region as a whole. Between 2001 and 2005, the population has grown by a further 1.1%, slightly lower than the regional rate but still equating to an increase of 9,736 people.

Total Population, 1991 - 2005

	1991	2001	% Change 1991-2001	2005	% Change 2001-2005
Cheshire & Warrington	832,900	864,864	+3.8	874,600	+1.1
Lancashire	1,383,998	1,414,727	+2.2	1,439,200	+1.7
Cumbria	483,163	487,609	+0.9	498,900	+2.3
Greater Manchester	2,499,441	2,482,328	-0.7	2,547,600	+2.6
Greater Merseyside	1,527,358	1,480,229	-3.1	1,485,900	+0.4
North West	6,726,860	6,729,764	0	6,846,200	+1.7
England	47,055,204	49,138,831	+4.4	50,431,700	+2.6

Source: ONS Census 1991, 2001, Mid Year Population Estimates 2005

The table below shows population growth in Cheshire & Warrington by district between 1991 and 2005. Geographically, the percentage changes in the last four years have been similarly moderate across districts. The highest percentage change has been witnessed in Crewe & Nantwich at 4.5%. It is relevant to note that Crewe & Nantwich also had the highest growth rate between 1991 and 2001. In absolute terms, the largest growth has been in Warrington (+3,620 people). In contrast to

the sub-regional, regional and national trends, the district of Ellesmere Port & Neston has witnessed a decline in population between 2001 and 2005 of -1.3%.

Total Population by District, 1991 - 2005

	1991	2001	% Change 1991 - 2001	2005	% Change 2001 - 2005
Chester	115,971	118,210	1.9%	118,600	0.3%
Congleton	84,525	90,655	7.3%	91,800	1.3%
Crewe and Nantwich	103,164	111,007	7.6%	113,600	2.3%
Ellesmere Port and Neston	80,873	81,672	1.0%	80,600	-1.3%
Macclesfield	151,590	150,155	-0.9%	150,500	0.2%
Vale Royal	114,092	122,089	7.0%	124,600	2.1%
Warrington	182,685	191,080	4.6%	194,700	1.9%

Source: ONS Census 1991, 2001, Mid Year Population Estimates 2005

The age profile of the sub-region's working age population relative to the other North West sub-regions is shown in the table below. Cheshire & Warrington has an age profile which is somewhat skewed towards the older age categories, compared to the region and England

Age Profile of Working Age Population (% of Total), 2001

	16-19	20-34	35-49	50-59	60-64	Total
Cheshire & Warrington	7.2	28.3	36.6	21.5	8.4	552,903
Cumbria	7.2	27.1	34.1	22.4	9.2	306,346
Greater Manchester	8.1	32.7	32.6	19.1	7.5	1,585,596
Greater Merseyside	8.8	30.0	33.6	19.4	8.2	930,149
Lancashire	8.2	29.8	33.1	20.7	8.2	886,481
North West	8.1	30.5	33.3	20.1	8.0	4,261,475
England	7.7	31.8	33.3	19.6	7.6	31,429,250

Source: Census 2001

Overall, the age profiles are comparatively similar within the sub-region, as shown in the table below. Macclesfield stands out though as having relatively high proportions of people in the higher age bands.

Age Profile of Working Age Population (% of Total), 2001

	16 - 19	20 - 34	35 - 49	50 - 59	60 - 64	Total
Chester	7.4%	30.6%	32.5%	21.0%	8.4%	75,939
Congleton	7.1%	27.4%	34.1%	23.0%	8.3%	58,967
Crewe and Nantwich	7.4%	28.8%	34.3%	21.3%	8.2%	70,231
Ellesmere Port and Neston	7.4%	28.2%	34.9%	20.5%	8.9%	51,286
Macclesfield	6.6%	25.4%	35.7%	23.2%	9.0%	94,535
Vale Royal	7.2%	27.7%	35.0%	22.1%	8.1%	77,715
Warrington UA	7.4%	29.7%	35.0%	20.0%	7.9%	124,230

Source: Census 2001

The table below illustrates population forecasts by district for the years 2005-2020. A number of districts are forecast to experience significant population increases but Vale Royal and, to a lesser extent, Crewe & Nantwich, stand out as being especially high at 11.6% and 9.3% respectively. The only district with a forecast population decline is Ellesmere Port & Neston. It is forecast that Cheshire & Warrington’s population as a whole will increase by 4.7%, by 2020.

Population Forecasts by District, 2005 – 2020

000s	2005	2010	2015	2020	% Change 2005 - 2020
Chester	118.7	119.1	119.6	120.3	1.3
Congleton	92.3	94.4	96.1	97.7	5.9
Crewe & Nantwich	114.3	118.1	121.6	124.9	9.3
Ellesmere Port & Neston	80.6	79.9	79.5	79.2	-1.7
Macclesfield	150.3	150.4	151.2	152.5	1.5
Vale Royal	126.4	131.6	136.4	141.0	11.6
Warrington	194.2	196.7	199.4	202.2	4.1
Cheshire & Warrington	876.8	890.2	903.8	917.8	4.7

Source: ONS

Projected changes in the age profile by district are shown in the table below. The main points to note are:

- That the districts show an ageing population by 2020, with the percentage of people aged 65+ growing markedly in several areas;

- For the 0-14 and 15-24 age groups, there are forecast to be significant population declines in all districts but especially in Warrington, Vale Royal, and Ellesmere Port & Neston; and
- Population levels within the 25-34 age bracket are expected to grow in most districts, in contrast to age groups that sit either side of it. This is especially true for Ellesmere Port & Neston.

Population Forecasts (%) by District and by Age Group, 2005 - 2020

	0-14	15-24	25-34	35-44	45-54	55-64	65+
Chester	-8.9	-7.1	5.6	-24.3	5.7	2.6	23.7
Congleton	-13.8	-6.5	-4.6	-25.9	6.4	-1.1	40.8
Crewe & Nantwich	-14.2	-7.3	-0.1	-27.0	8.7	10.1	31.3
Ellesmere Port & Neston	-10.8	-12.4	10.7	-28.7	-1.2	13.8	28.8
Macclesfield	-6.5	-8.8	5.2	-23.6	-1.0	1.9	26.5
Vale Royal	-12.5	-9.5	-1.9	-25.5	8.3	8.1	33.7
Warrington	-11.2	-12.7	4.9	-28.5	8.1	14.7	32.9
Cheshire & Warrington	-11.0	-9.5	2.9	-26.2	5.4	7.4	30.6

Source: ONS

4.3 Economic Activity

The number of economically active people in Cheshire & Warrington has increased by 0.9% in the last ten years², and in 2005, the sub-region had an economic activity rate of 80.4%, higher than both the regional and national average rates. Within Cheshire & Warrington, Chester has the highest economic activity rate at 82.9%. The lowest rate is in Ellesmere Port & Neston at 76.6% and this rate is the same as the regional average.

² Source: LFS Four Quarter Averages, 1995-2005

Economic Activity Rate, 2004 - 2005

	2004	2005	% Change
England	78.3%	78.4%	0.6%
North West	76.2%	76.6%	0.7%
Chester	80.1%	82.9%	3.1%
Congleton	82.3%	82.4%	0.0%
Crewe and Nantwich	77.3%	77.7%	1.3%
Ellesmere Port and Neston	77.1%	76.6%	-0.8%
Macclesfield	81.7%	81.3%	-0.4%
Vale Royal	79.4%	79.9%	1.3%
Warrington	82.2%	80.8%	-1.2%
Cheshire & Warrington	80.4%	80.4%	0.4%

Source: ONS; Labour Force Survey, 1995-2005 and Annual Population Survey, November 2005

The table below shows economic activity by age group and district in 2005. Points to note include:

- Across most Cheshire & Warrington districts, the economic activity rate for those aged 50-retirement age is above the England average - it is a small number of larger districts that are pulling the sub-region's rate downwards.
- Economic activity rates for the 20-24 age groups are higher than the national averages in all Cheshire & Warrington districts.

Economic Activity Rate by Age Group, 2005

	16-19	20-24	25-34	35-49	50-retirement age	Above retirement age
England	56.8%	75.2%	83.5%	85.0%	73.3%	10.3%
North West	56.0%	76.8%	83.0%	84.4%	67.6%	8.5%
Chester	66.9%	85.3%	89.6%	89.2%	76.5%	10.7%
Congleton	45.4%	83.8%	88.8%	88.3%	79.2%	10.8%
Crewe and Nantwich	52.9%	83.7%	85.2%	83.1%	71.7%	10.7%
Ellesmere Port and Neston	58.4%	83.0%	87.0%	80.3%	67.8%	11.4%
Macclesfield	58.7%	83.1%	89.1%	86.6%	74.4%	16.5%
Vale Royal	55.2%	77.6%	83.1%	86.7%	76.1%	11.5%
Warrington	61.6%	90.6%	85.4%	89.7%	67.9%	8.1%
Cheshire & Warrington	58.0%	84.4%	86.6%	86.8%	73.1%	11.5%

Source: ONS; Annual Population Survey, November 2005

The table below illustrates the economic activity rate by gender in 2005. Overall, Cheshire & Warrington has rates for both sexes that are higher than the regional and national averages, especially so for females. Relative to Cheshire & Warrington, rates for males are low in Crewe & Nantwich (80.7%) whereas for females, economic activity rates are lowest in Ellesmere Port & Neston (71.7%).

Economic Activity Rate by Gender, 2005

	Male	Female
England	83.5%	73.1%
North West	80.7%	72.2%
Chester	87.6%	77.7%
Congleton	87.2%	77.4%
Crewe and Nantwich	80.7%	74.4%
Ellesmere Port and Neston	81.2%	71.7%
Macclesfield	84.5%	77.7%
Vale Royal	84.8%	74.6%
Warrington	81.3%	80.3%
Cheshire & Warrington	83.7%	76.8%

Source: ONS; Annual Population Survey, November 2005

The table below illustrates rates of economic activity by disability. Whilst economic activity rates for the overall population in Cheshire & Warrington are relatively high, for those with disabilities, the activity rate is below the national average.

Economic Activity Rate by Disability, 2005

	Disabled	DDA & Work-limiting	DDA only	Work-limiting only	All Working Age
England	55.1%	38.2%	84.8%	74.9%	78.4%
North West	47.5%	31.6%	83.5%	71.6%	76.6%
Chester	67.5%	63.8%	82.2%	69.5%	82.9%
Congleton	56.9%	42.4%	57.9%	100.0%	82.4%
Crewe and Nantwich	49.1%	37.9%	82.4%	64.8%	77.7%
Ellesmere Port and Neston	39.6%	31.0%	65.4%	!	76.6%
Macclesfield	55.3%	43.9%	79.4%	56.1%	81.3%
Vale Royal	50.7%	36.0%	82.7%	76.3%	79.9%
Warrington	48.9%	34.5%	85.0%	74.0%	80.8%
Cheshire & Warrington	52.2%	40.4%	78.0%	70.4%	80.4%

Source: ONS; Annual Population Survey, November 2005

4.4 Qualifications

It is not just the number of people available for work which affects the supply of and demand for labour in the North West. The quality of the labour, in terms of the skills and expertise available to employers is also crucial, and more so given the occupational profile of much of the recent employment growth.

Qualifications are often used as a proxy indicator for the skills of the workforce. The following table shows the qualification profile of the economically active population in England, the North West and the five sub regions. Cheshire and Warrington has the most highly qualified economically active population, with 36% holding degree-level qualifications.

Qualification Profile (%) of the Economically Active Population, 2006

	Level 4	Level 3	Level 2	No Level 2
England	30.7%	19.6%	21.2%	28.5%
North West	29.2%	20.5%	21.6%	28.7%
Cheshire & Warrington	35.7%	19.1%	20.4%	24.8%
Cumbria	26.8%	21.6%	24.2%	27.4%
Lancashire	30.0%	21.3%	20.7%	28.1%
Greater Manchester	28.2%	20.8%	21.9%	29.1%
Gtr Merseyside	26.9%	19.4%	22.1%	31.6%

Source: DfES, 2006

The qualification profile of the economically inactive population is shown below. As can be seen, rates are significantly lower for the economically inactive compared to the active. However, within this group, the trends are broadly similar for Cheshire & Warrington. For example, relatively low proportions at below Level 2 and comparatively high proportions at Level 4.

Qualification Profile (%) of the Economically Inactive Population, 2006

	Level 4	Level 3	Level 2	No Level 2
England	11.8%	15.5%	23.1%	49.6%
North West	9.3%	14.4%	22.3%	54.0%
Cheshire & Warrington	16.2%	16.7%	21.0%	46.1%
Cumbria	11.2%	9.8%	26.5%	52.4%
Lancashire	9.5%	15.7%	24.2%	50.6%
Greater Manchester	8.5%	14.2%	21.6%	55.7%
Gtr Merseyside	6.9%	13.8%	21.0%	58.3%

Source: DfES, 2006 EKOS estimates derived from figures for working age population and economically active population.

Low skills have an impact on employment opportunities. For example, of working age people in Cheshire & Warrington with no qualifications, 57% are in employment. This compares to an average employment rate in Cheshire & Warrington of 77%.

Employment Rate (%) by Qualification Attainment, 2005/06

	Level 4+	Level 3+	Level 2+	< Level 2	No Quals	Overall
England	87.1%	78.0%	75.4%	72.7%	48.8%	74.7%
North West	87.9%	78.2%	74.4%	70.2%	45.3%	72.7%
C&W	87.2%	78.4%	78.0%	72.9%	56.8%	77.4%
Cumbria	86.4%	86.5%	78.4%	70.8%	50.8%	76.9%
G. Mcr	88.2%	78.2%	74.5%	70.0%	43.5%	72.1%
Lancashire	88.3%	78.4%	74.0%	70.7%	49.3%	73.9%
Merseyside	88.2%	74.9%	71.1%	68.2%	40.0%	68.3%

Source: Annual Population Survey

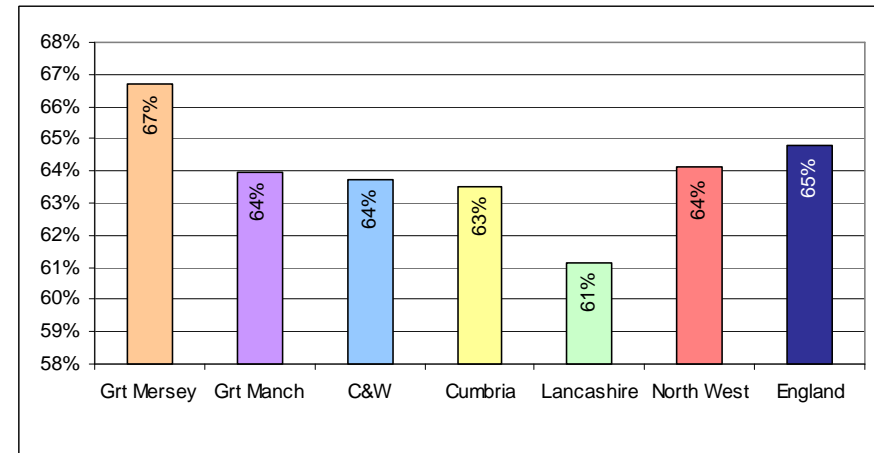
4.5 National Employer Skills Survey (NESS)

This section uses data from the National Employer Skills Survey 2005 to describe the training behaviour of employers in Cheshire & Warrington, particularly with regard to the skills gaps they identify in their workforce, and skills related recruitment difficulties they face.

The National Employers Skills Survey 2005 (NESS 2005) was commissioned by the Learning and Skills Council together with the Department for Education and Skills and the Sector Skills Development Agency. Its purpose is to provide a detailed analysis of the extent and nature of skills gaps, recruitment problems and training activity.

The chart below shows the proportion of employers who provided training during the previous twelve months. At 64% of employers, the Cheshire & Warrington figure is slightly below the England average but relatively similar to the other North West sub-regions.

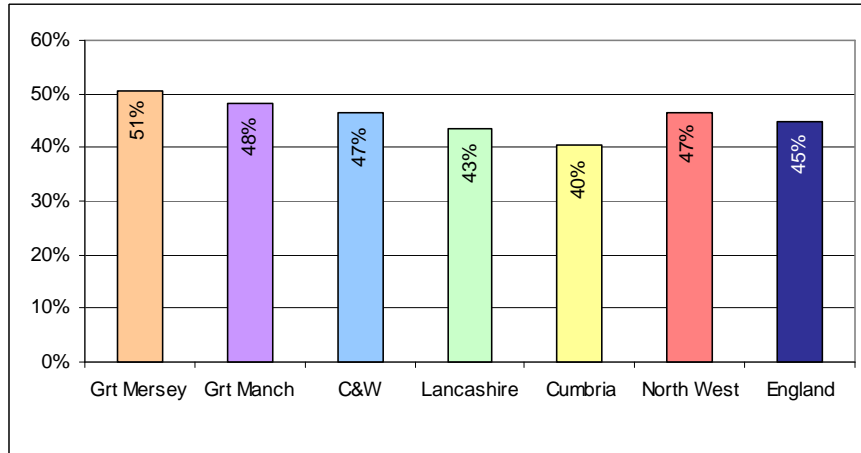
Proportion of Employers providing Training in the past 12 months



Source: NESS 2005

The figure below shows the proportion of employers with a formal training plan – this figure is 47% in Cheshire & Warrington, the same as the North West average proportion and slightly higher than the England average.

Proportion of establishments with a formal training plan



Source: NESS 2005

The NESS surveys employers about vacancies that they find difficult to fill due to skills deficits in candidates – skills shortage vacancies (SSVs). The table below shows the distribution of SSVs by occupation, in Cheshire & Warrington and in the North West.

Distribution of SSVs by Occupation, Cheshire & Warrington

	Cheshire & Warrington		North West	
	Number	%	Number	%
Managers	246	7%	947	4%
Professionals	184	5%	1,611	6%
Associate professionals	753	20%	5,102	19%
Admin/clerical	207	6%	1,220	5%
Skilled trades	397	11%	6,027	23%
Personal service	349	9%	2,130	8%
Sales/customer service	859	23%	4,056	15%
Machine operatives	169	5%	2,358	9%
Elementary	535	14%	2,550	10%
Unclassified	10	0%	222	1%
Total	3,708	100%	26,223	100%

Source: NESS 2005

At the regional level, the distribution of skills shortage vacancies is more concentrated for the occupations of: associate professionals; skilled trades; sales/customer services; and elementary occupations. Furthermore, Cheshire & Warrington has relatively high proportions of skills vacancies in higher skilled occupations; managers and associate professional categories.

The survey also asks employers about the skills lacking in their current workforce. The proportion of employers in Cheshire and Warrington reporting skills gaps is shown in the table below.

Distribution of Skills Gaps by Occupation, Cheshire & Warrington

	Cheshire & Warrington		North West	
	Number	%	Number	%
Managers	2,769	10%	14,890	9%
Professionals	1,054	4%	6,156	4%
Associate professionals	1,374	5%	9,361	6%
Admin/clerical	2,004	7%	17,144	10%
Skilled trades	3,427	13%	16,139	10%
Personal service	936	3%	10,817	7%
Sales/customer service	3,637	13%	31,498	19%
Machine operatives	6,496	24%	24,242	15%
Elementary	5,535	20%	34,738	21%
Total	27,232	100%	164,984	100%

Source: NESS 2005

The distribution of skills gaps in Cheshire & Warrington demonstrates a concentration of skills gaps in lower skilled occupations, and the high incidence of skills gaps in Machine Operative occupations is notable.

5 Provision and Participation³

5.1 Introduction

This chapter looks at participation in learning/skills development in Cheshire & Warrington, and the quality of provision, as measured by success rates and inspection scores. It focuses on learners whose main learning aim is a long course (greater than 24 weeks). The focus of this section is on post-compulsory education for young people and adults, excluding higher education which is covered in Chapter 10: Level 4+.

5.2 Young People

Post-16 participation

The proportion of young people in Cheshire & Warrington who remained in full-time education or training after leaving school aged 16 is 76.2%, higher than both the North West average of 72.6% and the England average of 74.2%⁴. The table below shows figures for each Local Education Authority within the sub-region.

Proportion of School Leavers in C&W in Full-Time Education, 2005

Area	% in full time education	Gap with England average (% pts)
England	74.2%	
North West	72.6%	-1.6%
Cheshire and Warrington	76.2%	2.0%
Cheshire LEA	76.6%	2.4%
Warrington LEA	74.6%	0.4%

Source: Connexions

³ We have not included an analysis of Adult and Community Learning. ACL is particularly important for addressing worklessness and has an important role to play in re-engaging people into learning.

⁴ Figures exclude young people in full time employment.

Further Education (FE)

FE Participation

The table below shows how participation of young people in the FE sector in Cheshire & Warrington has changed over the last four years.

FE Participation: Number of Learners (16-18 year olds)

FE 16-18	02/3	03/4	04/5	05/6	Change 02/3-05/6
Number of learners					
Cheshire & Warrington	11,111	11,054	11,188	12,240	1,129
Chester	1,149	1,124	1,111	1,205	56
Congleton	1,051	1,059	1,038	1,057	6
Crewe and Nantwich	1,795	1,684	1,744	1,853	58
Ellesmere Port & Neston	828	866	855	950	122
Macclesfield	1,357	1,348	1,357	1,506	149
Vale Royal	2,107	2,152	2,150	2,470	363
Warrington	2,824	2,821	2,933	3,199	375
% growth					
Cheshire & Warrington		-1%	1%	9%	10%
Chester		-2%	-1%	8%	5%
Congleton		1%	-2%	2%	1%
Crewe and Nantwich		-6%	4%	6%	3%
Ellesmere Port & Neston		5%	-1%	11%	15%
Macclesfield		-1%	1%	11%	11%
Vale Royal		2%	0%	15%	17%
Warrington		0%	4%	9%	13%

Source: LSC (Tables 16-18)

Participation has increased by 10% between 2002/03 and 2005/06, with variation between the districts.

FE Success Rates

The success rate is a qualification based measure which calculates the number of qualifications achieved as a proportion of qualifications started. Success rates are generally higher for short courses (less than 24 weeks' duration) than long courses (greater than 24 weeks duration). It is long course success rates that are of greatest interest, since these relate to more substantial qualifications. Success rates for long course qualifications taken by 16-18 year olds in FE institutions in the North West are displayed below.

Young People (16-18): FE Long Course Success Rates by Level, 2004

	Below Level 2	Level 2	Level 3	Level 4+
England	64%	63%	75%	50%
North West	65%	66%	77%	58%
Cheshire & Warrington	66%	64%	81%	!
Cumbria	63%	63%	76%	!
Lancashire	64%	68%	77%	!
G. Manchester	68%	68%	79%	!
G. Merseyside	62%	61%	72%	!

Source: LSC

! = data suppressed due to small sample size

As shown, success rates for qualifications taken by 16-18 year olds in Cheshire & Warrington are above the regional and national averages at all levels of provision. This is particularly the case at level 3 where the success rate in Cheshire & Warrington is higher than any other North West sub region.

Within levels, participation numbers and success rates show significant variation according to the sector subject area of the courses. In the appendix, tables A to D compare success rates for Cheshire & Warrington and England⁵. Points to note for Cheshire & Warrington are that:

- Below level 2, the Preparation for Life and Work subject accounts for almost one third of 16-18 year olds taking <level 2 courses in Cheshire & Warrington. The success rate for this subject is one percentage point above the England average. Overall, there are nine subjects that have success rates above their equivalent England averages.
- For Level 2, the three most significant subjects in Cheshire & Warrington by participation numbers are; Retail and Commercial Enterprise; Health, Public Services and Care; and Preparation for Life and Work. Whilst the success rate in Cheshire & Warrington for retail courses is above the equivalent national average, performance for the latter two subjects are 5 and 4 percentage points below the England scores respectively. Over half of subjects in Cheshire & Warrington have rates above the national average.
- The two most significant subjects in 2005/06, by participation number at Level 3, are: Arts, Media and Publishing; and Science and Mathematics. Success rates for these subjects are 3 and 6 percentage points above the England averages respectively.

⁵ All success rates are for long courses. Level 4 success rates for 16-18 year olds not shown because of the small numbers of learners.

Work Based Learning (WBL)**WBL Participation**

The table below shows how participation of young people in the WBL sector has changed over the last four years in the Cheshire & Warrington districts.

WBL Participation: Number of Learners (16-18 year olds)

WBL 16-18	02/3	03/4	04/5	05/6	Change 02/3-05/6
Number of learners					
Cheshire & Warrington	3,302	3,523	3,481	3,392	90
Chester	357	370	382	379	22
Congleton	343	361	367	361	18
Crewe and Nantwich	519	528	509	474	-45
Ellesmere Port & Neston	411	439	405	392	-19
Macclesfield	436	466	461	453	17
Vale Royal	498	574	588	581	83
Warrington	737	785	769	751	14
% growth					
Cheshire & Warrington		7%	-1%	-3%	3%
Chester		4%	3%	-1%	6%
Congleton		5%	2%	-2%	5%
Crewe and Nantwich		2%	-4%	-7%	-9%
Ellesmere Port & Neston		7%	-8%	-3%	-5%
Macclesfield		7%	-1%	-2%	4%
Vale Royal		15%	2%	-1%	17%
Warrington		7%	-2%	-2%	2%

Source: LSC

Whilst work based learning participation by 16-18 year olds has grown at a rate of 3% for Cheshire & Warrington overall, rates of change have been significantly higher in Vale Royal (17%). In contrast, Crewe & Nantwich and Ellesmere Port & Neston have experienced declines over the period (-9% and -5% respectively).

WBL Success Rates

WBL success rates are calculated in a similar way to FE success rates. Success rates for qualifications taken by 16-18 year olds in WBL are shown below for level 2 and level 3 qualifications.

Young People (16-18): WBL Success Rates (full framework) by Course Level

	Level 2			Level 3		
	03/04	04/05	05/06	03/04	04/05	05/06
England	31%	41%	54%	36%	41%	56%
North West	30%	40%	53%	37%	42%	59%
Cheshire & Warrington	30%	40%	52%	39%	46%	56%
Cumbria	36%	47%	53%	53%	57%	65%
Lancashire	37%	46%	56%	46%	53%	64%
G. Manchester	N/A	41%	48%	33%	38%	57%
G. Merseyside	23%	37%	47%	N/A	36%	53%

Source: LSC

In Cheshire & Warrington, Level 2 WBL success rates have consistently been slightly below those for England. For Level 3 courses, Cheshire & Warrington has improved significantly over the past three years, although at a lower rate than in England.

School Sixth Forms

The table below shows how participation of young people in school sixth forms in Cheshire & Warrington has changed over the last three years.

Sixth Form Participation: Number of Learners (16-18 year olds)

School Sixth Form 16-18	02/3	03/4	04/5	Change 02/3-04/5
Number of learners				
Cheshire & Warrington	6,613	6,633	6,665	52
Chester	1,181	1,128	1,136	-45
Congleton	854	816	801	-53
Crewe and Nantwich	433	472	456	23
Ellesmere Port & Neston	861	847	893	32
Macclesfield	1,544	1,580	1,626	82
Vale Royal	540	585	540	0
Warrington	1,200	1,205	1,213	13
% growth				
Cheshire & Warrington		0%	0%	1%
Chester		-4%	1%	-4%
Congleton		-4%	-2%	-6%
Crewe and Nantwich		9%	-3%	5%
Ellesmere Port & Neston		-2%	5%	4%
Macclesfield		2%	3%	5%
Vale Royal		8%	-8%	0%
Warrington		0%	1%	1%

Source: DfES

Overall, Cheshire & Warrington has experienced a slight increase in sixth form participation between 2002/03 and 2004/05, and this compares to no change at the regional level and +6% for England. Within the sub region, there is greater variation. For example, the district of Congleton has experienced a change of -6%, whilst participation in both Crewe & Nantwich and Macclesfield has increased by 5% over the period.

The table below shows the education routes of young people as a proportion of all 16-18 year olds in education in 2004/05.

Education Route: as a Proportion of All Young People (16-18) in Full Time Education, 2004/05

Area	FE	Sixth Form	WBL	All in FT Education
Cumbria	44%	32%	25%	100%
Lancashire	67%	14%	20%	100%
Greater Merseyside	51%	28%	21%	100%
Greater Manchester	72%	10%	18%	100%
Cheshire and Warrington	52%	31%	16%	100%
North West	62%	19%	19%	100%
England	56%	28%	15%	100%

There is considerable variation across the sub regions. In England, 56% of 16-18 year olds are in FE institutions, 28% are in school sixth forms, and 15% are in WBL. In Cheshire & Warrington, the distribution is reasonably similar to that of the England average. There is a slightly higher proportion of young people enrolled at school sixth forms in Cheshire & Warrington, balanced by a slightly lower proportion in FE.

5.3 Adults (19+)**FE Participation**

The table shows how participation of adults in the FE sector has changed over the last four years.

FE Participation: Number of Learners (Adults)

FE 19+	02/3	03/4	04/5	05/6	Change 02/3-05/6
Number of learners					
Cheshire & Warrington	50,667	49,172	45,046	40,457	-10,210
Chester	6,703	6,802	6,065	5,409	-1,294
Congleton	5,112	4,997	4,716	3,760	-1,352
Crewe and Nantwich	5,852	5,947	5,853	4,953	-899
Ellesmere Port & Neston	4,357	4,210	4,058	3,720	-637
Macclesfield	8,304	6,966	6,618	6,395	-1,909
Vale Royal	8,229	8,152	6,632	5,996	-2,233
Warrington	12,110	12,098	11,104	10,224	-1,886
% growth					
Cheshire & Warrington		-3%	-8%	-10%	-20%
Chester		1%	-11%	-11%	-19%
Congleton		-2%	-6%	-20%	-26%
Crewe and Nantwich		2%	-2%	-15%	-15%
Ellesmere Port & Neston		-3%	-4%	-8%	-15%
Macclesfield		-16%	-5%	-3%	-23%
Vale Royal		-1%	-19%	-10%	-27%
Warrington		0%	-8%	-8%	-16%

Source: LSC

In England, adult participation has fallen in each of the past three years, with a particularly significant drop between 2004/05 and 2005/06, reflecting funding pressures on the adult participation budget. Over the period 2002/03 to 2005/06, adult participation fell by 23% in England and 32% in the North West. For Cheshire & Warrington, the percentage decline is 20% - this equates to 10,260 fewer learners in 2005/06 compared to 2002/03.

FE Success Rates

Success rates for long course qualifications taken by adults in FE are shown below.

Adults (19+): FE Success Rates by Course Level, 2004

	Below Level 2	Level 2	Level 3	Level 4+
England	61%	60%	57%	50%
North West	62%	61%	59%	51%
Cheshire & Warrington	69%	63%	63%	61%
Cumbria	64%	64%	65%	63%
Lancashire	56%	62%	54%	44%
G. Manchester	60%	59%	59%	51%
G. Merseyside	65%	62%	61%	53%

Source: LSC

As is the case for young people, success rates for adults in North West institutions compare favourably to the England average. This is similarly true for Cheshire & Warrington at all levels, with success rates for sub-level 2 courses being particularly high in the sub region.

Within levels, participation numbers and success rates show significant variation according to the sector subject area of the courses. In the appendix, tables E to H compare success rates for Cheshire & Warrington and England⁶. Points to note for Cheshire & Warrington are that:

- Below level 2, there are three subjects that dominate learning provision numbers: Languages, Literature and Culture; Preparation for Life and Work; and ICT. In 2004, success rates for all three subjects were above the England averages.
- At level 2, there are four subject areas that had participation numbers greater than 600 in 2005/06 of which ICT stands out with a figure of 983. Success rates for this subject in Cheshire & Warrington are six percentage points higher than the national equivalent.
- At level 3, by far the most significant subject by participation number is; Health, Public Services and Care (835 long course participants in 2005/06). The success rate for this course is 65%, six percentage points above the national average.
- The three most significant subjects, by participation number, at level 4+ are; Business, Administration and Law; Education and Training; and Health Public Services and Care. Success rates for all three subjects are above their equivalent national averages.

⁶ All success rates are for long courses.

Work Based Learning (WBL)**WBL Participation**

The table below shows how participation of adults in WBL in Cheshire & Warrington has changed over the last four years.

WBL Participation: Number of Learners (Adults), 2002/03 – 2005/06

WBL 19+	02/3	03/4	04/5	05/6	Change 02/3 - 05/6
Number of learners					
Cheshire & Warrington	2,149	2,289	2,404	2,248	98
North West	16,857	17,878	17,575	16,398	-459
England	100,013	111,125	106,962	101,101	1,088
% growth					
Cheshire & Warrington		7%	5%	-6%	5%
North West		6%	-2%	-7%	-3%
England		11%	-4%	-5%	1%

Source: LSC

Between 2002/03 and 2005/06, WBL participation has increased by 1% in England, compared to a decline of 3% in the North West. Cheshire and Warrington is the only sub region in the North West that has experienced growth (+5%), equivalent to 100 additional people taking WBL courses in 2005/06 relative to 2002/03.

WBL Participation: Number of Learners (Adults), 2003/04 – 2005/06

WBL 19+	03/4	04/5	05/6	Change 03/4-05/6
Number of learners				
Cheshire & Warrington	2,289	2,401	2,243	-47
Chester	278	279	269	-10
Congleton	266	261	236	-30
Crewe and Nantwich	337	362	312	-25
Ellesmere Port & Neston	259	260	208	-51
Macclesfield	332	345	339	8
Vale Royal	369	423	415	46
Warrington	449	470	464	15
% growth				
Cheshire & Warrington		5%	-7%	-2%
Chester		0%	-4%	-3%
Congleton		-2%	-9%	-11%
Crewe and Nantwich		7%	-14%	-7%
Ellesmere Port & Neston		1%	-20%	-20%
Macclesfield		4%	-2%	2%
Vale Royal		15%	-2%	12%
Warrington		5%	-1%	3%

Source: LSC

Over the past three years, data is available at district level in Cheshire & Warrington. From the table above, it can be seen that just over half of the districts have experienced declining numbers over the period, the highest being in Ellesmere Port & Neston. In contrast, the number of WBL participants in Vale Royal has increased by 12% since 2003/04.

WBL Success Rates

WBL success rates are calculated in a similar way to FE success rates. Success rates for qualifications taken by adults in WBL are shown below.

Adults: WBL Success Rates (full framework) by Course Level

	Level 2			Level 3		
	03/04	04/05	05/06	03/04	04/05	05/06
England	29%	40%	53%	30%	35%	50%
North West	29%	38%	54%	27%	30%	47%
Cheshire & Warrington	33%	41%	47%	N/A	36%	50%
Cumbria	33%	44%	53%	36%	40%	58%
Lancashire	N/A	40%	57%	N/A	37%	48%
G. Manchester	26%	35%	51%	27%	28%	44%
G. Merseyside	29%	36%	46%	25%	27%	42%

Source: LSC

WBL success rates at Level 2 in the North West have fluctuated around the England average over the past three years and are now slightly higher than the national rate. In 2005/06, Cheshire & Warrington had the second lowest success rate of any of the North West sub-regions at 47%. In comparison, the most recent WBL success rate in Cheshire & Warrington at Level 3 compares favourably to the regional average, but is still below the national average.

5.4 Participation and Success rates by Learner Characteristics

The purpose of this section is to investigate the extent to which FE and WBL participation and success rates vary by learner characteristics, including gender, ethnic group, and disability.

Chapter 5 of the Regional Strategic Analysis contains a detailed analysis of participation but there are a number of specific points to note for Cheshire & Warrington:

- Nationally and regionally, males are more likely to take FE courses – for both 16-18 year olds and adults. This is also true at the sub-regional level, although to a lesser degree for 16-18 year olds.
- The female:male ratio of those in WBL is less imbalanced than it is regionally, although males are still more likely to participate in WBL compared to females (Cheshire & Warrington = 1:1.2, North West = 1:1.4).
- The ethnic minority population in Cheshire & Warrington is relatively small and only a few groups are large enough to give reliable conclusions about participation. Of these, the Indian ethnic group has a participation rate below the national average for the group, in contrast to the Chinese group, which has a participation rate slightly above the corresponding national average.

Success Rates

For FE, we also have data available to compare success rates of learners with different characteristics. The LSC Data Team provided EKOS with breakdowns of FE long course success rates for 16-18 year olds and adults by level, according to the following characteristics:

- Gender (male and female);
- Ethnicity (white and non-white); and
- Deprivation (entitled to Disadvantage Uplift⁷, not entitled).

A summary of the main points from a comparison of success rates for learners with different combinations of characteristics (by age and level) is shown below for Cheshire & Warrington. Detailed data tables for Cheshire & Warrington are in the appendix, table 1 onwards.

Analysis of Success Rates (Long Courses) by Disadvantage, Ethnicity and Gender: Summary of Key Points

Age of Learner and Level of Course	Points to note (all relate to 04/5 unless stated)
16-18 Level 1	In 04/5, the success rate on courses taken by Non White Males not entitled to Disadvantage Uplift is 23% points below that for White Males in this cohort, and also 21% below the regional average for Non White Males not entitled to Disadvantage Uplift. The success rate on courses taken by Non White Males entitled to Disadvantage Uplift is however 13% points above the regional average for Non White Males in this group. The success rate on courses taken by all Females is 3% points above that for all Males.
16-18 Level 2	In 04/5, the success rate on courses taken by Non White Females entitled to Disadvantage Uplift is 20% points below that for Non White Females not entitled to this allowance (taking into account that numbers for the former group are slightly lower than for the latter). The success rate on courses taken by Non White Males entitled to Disadvantage Uplift is 10% points below that for Non White Males not entitled to the allowance.
16-18 Level 3	In 04/5, the success rate on courses taken by Non White Females entitled to Disadvantage Uplift is 24% points lower than for Non White Females not entitled to this allowance. The success rate on courses taken by all Females is 4% point above that for all

⁷ Disadvantage Uplift is an element of additional funding that can be claimed by institutions if a learner is resident in a post code with low incomes, or is claiming benefit.

	Males. The success rates on courses taken by all Females and all Males exceed regional averages (by 4% points for both gender groups).
Adult Level 1	The success rate on courses taken in 04/5 by White Males eligible for Disadvantage Uplift exceeds that for White Males not eligible for this allowance by 10% points. The success rates of courses taken by Males and Females are the same, and in both cases exceed regional averages.
Adult Level 2	In 04/5, the success rate on courses taken by Non White Females entitled to Disadvantage Uplift is 11% points higher than for Non White Females not entitled to this allowance. The success rate on courses taken by all Females is marginally higher than for all Males (by 4%). Success rates on courses taken by all Males and all Females are comparable to regional averages.
Adult Level 3	The success rate on courses taken by White Females entitled to Disadvantage Uplift is 9% points below that for Females not entitled to this allowance. Equally, for Non White Females entitled to Disadvantage Uplift this is 13% points below the success rate on courses taken by Non White Females not entitled to the allowance. The success rate on courses taken by White Males entitled to Disadvantage Uplift is 8% points lower than for White Males not entitled to this allowance.
Adult Level 4	At Level 4 numbers are smaller (especially for Non White Learners), therefore comparisons are less reliable. In 04/5 the success rate on courses taken by White Females entitled to Disadvantage Uplift is 16% points below that for White Females not entitled to this allowance. The success rate on courses taken by all Females is 9% points higher than for all Males, although both rates are above regional averages.

Source: EKOS analysis of LSC data. Note: all comparisons relate to 04/05 data.

5.5 Independent Quality Assessment: Inspection

The Regional Strategic Analysis contains an analysis of FE College inspection scores from the 2001/02 to 2005/06 inspection cycle. Within the 'Leadership and Management' category, colleges in Cheshire & Warrington are better than the North West average score (1.9 against 2.2 – a lower score denotes a better result).

The inspections also grade each curriculum area. For all colleges inspected, the table below shows the number of curriculum areas graded as 'Poor' (4) or 'Unsatisfactory' (5). In the North West,

Cheshire & Warrington was the only sub region to have no curriculum areas graded as poor or unsatisfactory. This was out of a total of 56 colleges/institutions.

Inspection Scores for Curriculum Areas - % Poor or Unsatisfactory, 2001/02 - 2005/06

Area	Total scores awarded	Poor / Unsatisfactory	
		Number	%
Cheshire & Warrington	56	0	0%
Cumbria	27	2	7%
Greater Manchester	120	5	4%
Greater Merseyside	87	9	10%
Lancashire	101	3	3%
North West	391	19	5%

Source: EKOS analysis of OfSTED data provided by the LSC

Work based learning providers are inspected by the Adult Learning Inspectorate. Of the WBL providers in the North West, as well as nationally, a large number required a full re-inspection after an initial poor inspection. In the past two years, the LSC has reduced the number of WBL providers with which it contracts and the quality in the sector has improved, as shown by the significant improvements in success rates.

6 Employability & Worklessness

6.1 Employment, unemployment and economic inactivity

Of the working age population in the North West:

- 72.6% are in employment;
- 4.0% are unemployed; and
- 23.4% are economically inactive.

Whereas, of the working age population in Cheshire & Warrington:

- 77.7% are in employment;
- 2.7% are unemployed; and
- 19.6% are economically inactive.

The table below shows the employment, unemployment and economic inactivity rates for England, the North West and each of the sub regions.

Employment Status of Working Age Population (by %), 2005

	Economically Active		Economically Inactive	Working Age Population
	Employed	Unemployed		
England	74.6%	3.9%	21.6%	100%
North West	72.6%	4.0%	23.4%	100%
Cheshire & Warrington	77.7%	2.7%	19.6%	100%
Cumbria	76.2%	3.1%	20.7%	100%
Lancashire	73.5%	3.7%	22.8%	100%
G. Manchester	72.0%	4.2%	23.7%	100%
G. Merseyside	68.4%	5.0%	26.6%	100%

Source: Annual Population Survey, December 2005

Cheshire & Warrington has an employment rate of 77.7%, a rate that is above both the regional and national averages. Similarly, rates of unemployment and of economic inactivity in Cheshire & Warrington are lower than the regional and national averages. Converted into population numbers,

the table below shows that 412,400 people are in employment, 14,300 are unemployed and 104,000 are economically inactive in Cheshire & Warrington.

Employment Status of Working Age Population (by number), 2005

	Economically Active		Economically Inactive	Working Age Population
	Employed	Unemployed		
England	22,776,000	1,177,400	6,582,100	30,535,500
North West	2,975,300	164,500	959,800	4,099,600
Cheshire & Warrington	412,400	14,300	104,000	530,700
Cumbria	220,900	9,000	60,100	290,000
Lancashire	628,700	31,900	195,000	855,600
G. Manchester	1,109,500	65,000	365,600	1,540,100
G. Merseyside	603,800	44,200	235,100	883,100

Source: Annual Population Survey, December 2005

To improve its economic performance, the North West needs to increase the proportion of working age people in employment, especially those who are currently economically inactive. To enable effective targeting of individuals, to ensure they get the support they need to enter employment, it is important to understand the key characteristics of the unemployed and inactive groups. The next sections look at the characteristics of these groups in detail.

6.1.1 The Unemployed

The unemployment figure for the North West is 164,500 and of this, Cheshire & Warrington accounts for 14,300 people only. Detailed analysis of the unemployed can be found in the regional version of the strategic analysis but for this report, the section below highlights the key points for Cheshire & Warrington.

- By gender, unemployment rates are consistently higher for males than for females across regions. In England, the rate is 5.3% for males and 4.5% for females (as a % of the economically active). This compares to 5.8% and 4.5% respectively for the North West. Continuing to the sub regional scale, the unemployment rates for both males and females in Cheshire & Warrington (4.0% and 2.6% respectively) are much lower than the regional and national averages. The female rate is particularly low relative to other sub regions.
- Compared to the overall population, those who are disabled have consistently higher unemployment rates. In the North West, the unemployment rate for all disabled people is 7.5%, just below the England average of 7.6%. Lower than both of these figures, the rate in Cheshire & Warrington is 5.5%.

- Because the sample populations of ethnic groups in Cheshire & Warrington are relatively small, no reliable unemployment rates can be calculated except for the white ethnic group. In keeping with other unemployment trends in Cheshire & Warrington, the unemployment rate for the white ethnic group is lower than both the regional and national averages as well as all other sub regions in the North West.

Analysis of unemployment claimant count data (those claiming Job Seeker's Allowance (JSA)), shows that only 4% of the unemployed (4,700 people) in the region have been unemployed for over two years. In Cheshire & Warrington, the figure is even lower at 1.8% and this indicates that, unlike in the 1980s and 1990s, long-term unemployment is no longer a major issue. However, it should be noted that the majority of incapacity benefit recipients are long-term claimants.

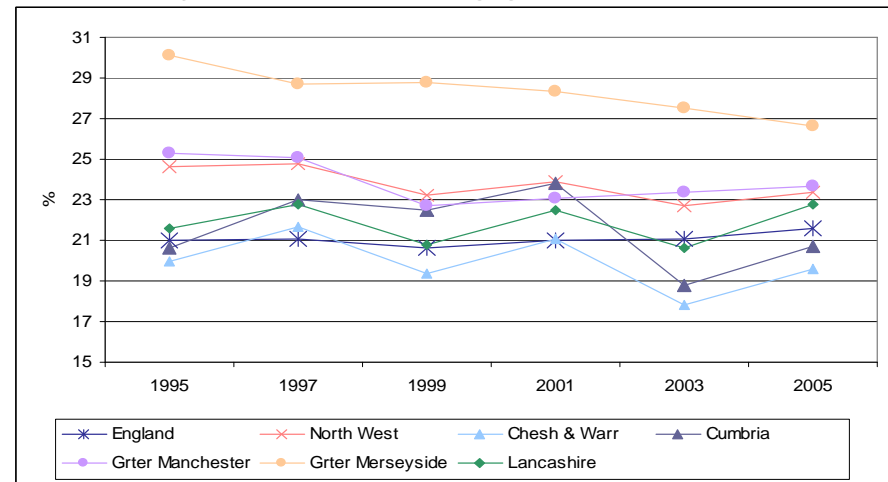
6.1.2 Economically Inactive

Context

Of the 1,124,300 people in the North West who are not in work, and excluding those who are classed as unemployed, 959,800 people are economically inactive. This figure equates to nearly a quarter of the working age population in the North West at 23.4%. In comparison, the economic inactivity rate for England is 21.6%, whilst the figure for Cheshire & Warrington is even lower at 19.6%.

As shown in the figure below, the North West's gap with England has been a consistent feature of the past ten years. The rate of economic inactivity in Cheshire & Warrington has fluctuated markedly over the past ten years although the current rate of 19.6% is almost the same as it was in 1995. The rate of economic inactivity in Cheshire & Warrington has consistently been below the regional average and most years, it has fallen below the average for England. However, recent trends have seen the figure rising in line with most other North West sub regions.

Economic Inactivity as a Proportion of the Working Age Population, 1995-2005



Source: ONS; LFS – Quarter Averages and Annual Population Survey, 1995-2005

As shown in the table below, the Annual Population Survey gives us an estimate of the proportion of the economically inactive who wish to work. In Cheshire & Warrington, this figure is 15.8%, equivalent to 16,400 people.

Profile of Economically Inactive Population, 2005

% of economically inactive	DO NOT want a job	DO want a job	DO want a job (Breakdown)			
			Long-term sick	Looking after family/home	Students	Other reason
England	76.1%	23.9%	6.6%	6.8%	3.0%	4.3%
North West	80.1%	19.9%	6.6%	5.2%	2.1%	3.4%
Cheshire & Warrington	84.2%	15.8%	4.2%	4.7%	1.5%	2.2%
Cumbria	76.2%	23.8%	7.9%	6.2%	2.4%	5.0%
Lancashire	80.2%	19.8%	5.7%	5.7%	2.3%	3.3%
G. Manchester	78.8%	21.2%	7.9%	5.2%	2.0%	3.9%
G. Merseyside	81.3%	18.7%	6.3%	4.9%	2.2%	2.7%

Source: Annual Population Survey, December 2005

Across the region, there is a high level of variation in economic inactivity rates. In total, there are 42 districts in the North West and of these, no districts from Cheshire & Warrington fall within the top fifteen highest rates. The district with the highest rate in Cheshire & Warrington is Ellesmere Port & Neston at 23.4% although this is the same as than the regional average. Meanwhile, Chester has one of the lowest economic inactivity rates out of the 42 (17.1%) whilst most other districts are also below the average for England.

Economic Inactivity by gender

Nationally, the rate of economic inactivity is higher for females than for males - 26.9% versus 16.5%. In the North West, the rate of inactivity for males is notably higher than the national average (by 2.8% points), indicating that economic inactivity amongst males is a particular issue for the region. In Cheshire & Warrington, economic inactivity rates for both males and females fall below the national and regional averages. For females in Cheshire & Warrington, the rate is significantly lower than the England averages.

Economic Inactivity Rate (of Working Age Population) by Gender, 2005

	Male		Female		Total	
	%	Number	%	Number	%	Number
England	16.5	2,591,200	26.9	3,990,900	21.6	6,582,100
North West	19.3	406,800	27.8	553,000	23.4	959,800
Cheshire & Warrington	16.3	44,800	23.2	59,200	19.6	104,000
Cumbria	17.7	26,800	24.0	33,300	20.7	60,100
Lancashire	18.8	82,900	27.1	112,100	22.8	195,000
G. Manchester	19.3	152,700	28.5	212,900	23.7	365,600
G. Merseyside	22.3	99,600	31.1	135,500	26.6	235,100

Source: Annual Population Survey, December 2005

Economic Inactivity by disability

Across all areas, the rate of economic inactivity for people with a disability is significantly higher than the rate for the overall population. This is particularly true for the North West, which has an inactivity rate for people with a disability of 52.5%, 7.6% points above the national average. In comparison, Cheshire & Warrington has a rate of 47.8%, slightly above the England rate.

Economic Inactivity by ethnicity

Nationally, the highest rate of inactivity exists for people in the Pakistani/Bangladeshi ethnic group, whereas the lowest rate exists for people in the White ethnic group. In Cheshire & Warrington, the relatively small ethnic minority populations mean that reliable data is mostly unavailable. The only ethnic groups that can be examined are the white and Other ethnic populations. Compared to other North West sub regions, the economic inactivity rates for both of these groups are relatively low.

Economic Inactivity Rate (of Working Age Population) by Ethnicity, 2005

	White	Indian	Pakistani/Bangladeshi	Black/Black British	Other Ethnic
England	20.0	25.3	49.4	28.5	34.9
North West	22.3	35.8	50.7	28.8	32.2
Cheshire & Warrington	19.3	!	!	!	23.9
Cumbria	20.8	!	!	!	!
Lancashire	21.1	43.1	51.9	24.5	39.0
G. Manchester	21.7	34.1	50.8	28.6	37.5
G. Merseyside	26.6	21.9	30.1	31.8	20.2

Source: Annual Population Survey, December 2005

! = Data is suppressed due to small sample size

6.1.3 Incapacity Benefit (IB) and Severe Disablement Allowance (SDA)

Context

A high proportion of workless people are in receipt of Incapacity Benefit, and this is a key target group for efforts to reduce worklessness. There is a reasonable level of characteristics data on IB/SDA claimants, which is summarised in the following paragraphs. This gives some indication of the type of barriers to employment that exist for IB/SDA claimants.

IB/SDA Claimants by Number and as a Proportion of the Working Age Population by Benefit Type, 2006

	Incapacity Benefit		Severe Disablement Allowance		IB + SDA	
	%	Number	%	Number	%	Number
England	6.1	1,882,900	0.7	229,300	6.8	2,112,200
North West	8.9	372,600	0.9	37,400	9.8	410,000
Cheshire & Warrington	5.5	29,600	0.7	3,800	6.3	33,400
Chester	6.0	4,400	0.8	600	6.8	5,000
Congleton	4.4	2,500	0.5	300	5.0	2,800
Crewe and Nantwich	6.1	4,200	0.6	400	6.7	4,600
Ellesmere Port and Neston	6.2	3,000	1.0	500	7.2	3,500
Macclesfield	4.2	3,800	0.8	700	5.0	4,500
Vale Royal	5.7	4,300	0.8	600	6.5	4,900
Warrington	6.1	7,400	0.6	700	6.7	8,100

Source: ONS; DWP Benefits Data, February 2006

Note: Claimants and working age population are based on location of residence

Relative to the averages for England and the North West, Cheshire & Warrington has a low rate of incapacity benefit claiming, with 5.5% of the working age population in receipt of the benefit. Within Cheshire & Warrington, rates are relatively consistent although there are some differences. Referring to the table above, the IB rate in Ellesmere Port & Neston is the highest rate in the sub region although this is only slightly higher than the England average. Meanwhile, figures for Congleton and Macclesfield are among the lowest in the region. Most districts in Cheshire & Warrington fall below the national average of 6.1%.

The IB data allows us to look at some of the principal reasons for economic inactivity in the population and the table below shows the most common conditions of those claiming IB/SDA. By far the most common condition of claimants in England, the North West and Cheshire & Warrington relates to the mental/behavioural disorder category, with 38.3% of recipients in Cheshire & Warrington having a condition in this category.

IB/SDA Claimants by (6 most common) Conditions, 2006

% of all IB/SDA claimants	Mental / behavioural	Nervous system	Circulatory system	Muscular-skeletal	Abnormal clinical findings	Injury	All Other
England	39.8	6.4	5.7	18.5	11.5	5.3	12.7
North West	40.6	5.7	6.2	18.7	11.3	5.3	12.3
Cheshire & Warrington	38.3	6.3	6.9	18.9	10.8	5.7	13.2
Cumbria	35.7	6.4	6.8	20.9	11.1	6.8	12.3
Lancashire	38.6	6.0	6.4	19.4	11.8	5.4	12.3
G. Manchester	42.9	5.5	6.0	17.6	11.2	5.2	11.7
G. Merseyside	40.4	5.3	5.9	19.2	11.2	5.0	13.1

Source: ONS; DWP Benefits Data, February 2006

Considering IB/SDA by duration of claiming, unlike unemployment benefit, a very high proportion of IB/SDA claimants have been in receipt of benefit for more than two years – 78.1% of recipients in the region, compared to 76.1% nationally. In Cumbria, the figure is higher than both at 78.7%.

6.2 Demand for Training

Potential demand for training from within the workless group

We have undertaken analysis to get an indication of the potential demand for training by people who are unemployed or economically inactive in the North West.

We derived these estimates on the assumption that all unemployed people and approximately 20% of the economically inactive are potentially in the market for training. The economically inactive figure of 20% is based on the proportion of IB recipients who stated that they wanted to work, and does vary somewhat across sub-region (we used the sub-regional figures to derive the estimates).

We apply these proportions to the unemployed and inactive populations for the region and sub-regions, to derive estimates of the potential demand for training from workless people by level of qualification. The level breakdown is based on applying the qualification profile of the economically inactive population to our total need estimates. The qualification profile of the economically inactive is derived from a comparison of qualification attainment profiles for the working age and economically active populations.

The qualification profiles of the economically active and inactive populations in the North West (and each sub-region) are shown in the table below; the qualification profile of the inactive population is

heavily skewed toward lower levels of qualification, when compared to the profile for the economically active.

Qualification Profile (%) of the Economically Active Population, 2006

	Level 4+	Level 3	Level 2	No Level 2
England	30.7	19.6	21.2	28.5
North West	29.2	20.5	21.6	28.7
Cheshire & Warrington	35.7	19.1	20.4	24.8
Cumbria	26.8	21.6	24.2	27.4
Lancashire	30.0	21.3	20.7	28.1
G. Manchester	28.2	20.8	21.9	29.1
G. Merseyside	26.9	19.4	22.1	31.6

Source: DfES, 2006

Qualification Profile (%) of the Economically Inactive Population, 2006

Area	Level 4+	Level 3	Level 2	No Level 2
Cheshire & Warrington	16.2	16.7	21.0	46.1
Cumbria	11.2	9.8	26.5	52.4
Lancashire	9.5	15.7	24.2	50.6
Greater Manchester	8.5	14.2	21.6	55.7
Gtr Merseyside	6.9	13.8	21.0	58.3

Source: DfES, 2006

Our estimates of the potential demand for training by workless people are shown in the table below. These are by their nature of calculation only indicative, but they give some feel for the potential scale of demand. Given the high proportion of economically inactive people with a low level of educational attainment, the figures indicate that the greatest potential demand is for learning/training opportunities at or below level 2. In Cheshire & Warrington, we estimated that 16,600 workless people potentially demand support at this level.

Potential Training Demand by Workless Adults

Area	Level 4+	Level 3	Level 2	No Level 2	Total
Cheshire & Warrington	4980	5125	6453	14174	30732
Cumbria	2618	2289	6181	12216	23304
Lancashire	6697	11068	17038	35707	70510
Greater Manchester	12073	20273	30824	79337	142507
Gtr Merseyside	6058	12181	18553	51372	88164
Total	32426	50936	79048	192806	355217

Source: EKOS estimate based on data from DfES, 2006

Not in Education, Employment or Training (NEET)

Worklessness is an issue that primarily affects the adult population. For young people, the definition of worklessness is known as NEET. The group includes 16-18 year olds who are not in education, employment or training. NEET numbers for the North West and each sub-region are shown in the table below.

Percentage of 16 – 18 year olds in NEET, June 2006 and June 2005

	Jun-05	Jun-06	Number
England	8.6%	8.6%	94,163
North West	9.9%	10.5%	19,905
Greater Merseyside	12.0%	12.2%	5,442
Greater Manchester	10.0%	11.4%	6,514
Lancashire*	8.9%	8.9%	5,287 *
Cumbria	7.7%	7.7%	1,028
Cheshire & Warrington	6.9%	6.8%	1,634

Source: Connexions

* Lancashire figure inferred from March 06 rate and 05/06 16-18 cohort size

The North West has a high proportion of 16-18 year olds classed as NEET compared to England (10.5% against 8.6%). Within the North West, Cheshire & Warrington has a NEET rate of 6.8%, significantly lower than both the national and regional averages.

6.3 Supply (provision) of Training

Many people who are unemployed or economically inactive will access learning opportunities through LSC mainstream provision. Most people in the workless group would be entitled to complete fee remission, and would not therefore need to pay for learning provided in a college setting. Many people who are workless do face barriers to participating in learning, such as medical conditions, lone parenthood, or carer responsibilities.

There is provision available specifically for the workless group. The LSC provides training through the Entry to Employment Programme for young people in the NEET group (a small number of adults also participate in the programme) who require significant support to enable progression to employment or more substantial learning programmes.

JobCentrePlus funds (and contracts for) a substantial amount of learning provision under the New Deal, which is available to a range of benefit recipients, including the unemployed, lone parents, and target groups with specific characteristics – for example, unemployed disabled people. Details of the Entry to Employment and JobCentrePlus funded programmes are given below.

The ESF programme that was funded under the 2000-2006 funding round also funded provision that was primarily target at workless groups. We estimate that of £26m of funds committed in the North West, just over half the total was targeted at people outside the workforce – approximately £1.5m per annum on average (funding under the 2000-06 programme can be spent up to 2008).

Entry to Employment: Cheshire & Warrington⁸

Entry to Employment is an LSC programme that focuses on the needs of relatively low skilled young people. It aims to provide the skills necessary for young people to either secure employment, or to progress to a more substantial learning programme.

Levels of participation in the Entry to Employment programme in Cheshire & Warrington reflect the scheme's aim to target those aged 16–18, with almost all participants falling into this age bracket. Referring to the table below, levels of participation fell between 2003 and 2006. This equates to a fall of 9.1% for the 16–18 year old age group.

⁸ The data in this section reflects mainstream provision. Other funds, such as ESF, have been used to address this issue.

Entry to Employment Starts, 2003 - 2006

	2003/04	2004/5	2005/6
16 - 18	581	535	528
19+	11	3	1
Total	592	538	529

Source: LSC

The volume of Entry to Employment provision is indicated by the number of people in learning by November of the respective years of their course. The table below shows a decline in the volume of provision in Cheshire & Warrington. Again, the decline is absolute for those participants aged 19+, whereas the rate of decrease is 33.9% for 16-18 year olds. This compares to a decrease of 30.5% for 16–18 year olds at the regional level.

Entry to Employment Occupancy, 2003 - 2006

	2003/04	2004/5	2005/6
16-18	280	286	188
19+	4	1	0
Total	284	287	188

Source: LSC

As shown below, the average length of stay in learning in Cheshire & Warrington has averaged around 19 weeks over the past three years and this is slightly lower than national and regional durations of stay. The exception to this was a peak of 21 weeks in 2004/05. Of note, the average for the latest year, 2005/06, is the lowest of all three years.

Average Length of Stay (Weeks)

	2003/04	2004/5	2005/6
16-18	19	21	17
19+	19	35	4
All leavers	19	21	17

Source: LSC

The table below shows the destination of participants on the Entry to Employment programme in Cheshire & Warrington. This gives an indication of the success of the programme in the sub region. Figures suggest an upward trend in positive destinations for participants with 59% of 16–18 year olds continuing into further education, work-based learning or employment with or without training in 2005/06. This is still significantly higher than both the regional average of 49% and national average of 46%.

Leavers into Positive Destinations (%)

	2003/04	2004/5	2005/6
16-18	43%	20%	58%
19+	45%	33%	100%
All leavers	43%	20%	59%

Source: LSC

In 2005/06, of those going on to a positive destination, 23% went on to further education; 11% on to work based learning; 15% to employment with training and 51% into employment without training. There are two key differences in distribution between the sub-region and the North West average. Firstly, the rate of participants who continue into employment without training is much higher in Cheshire & Warrington (51% in the sub-region compared to 40% regionally). Also, considerably fewer participants continue into work based learning (11% in the sub region compared to 23% regionally).

Destinations of Leavers with Positive Destinations (%)

	2003/4		2004/5		2005/6	
	Number	Proportion (%)	Number	Proportion (%)	Number	Proportion (%)
Further education	29	14	N/A	53	82	23
Work based learning	37	18	N/A	47	41	11
Employment with training	145	69	N/A	N/A	54	15
Employment without training	N/A	N/A	N/A	N/A	183	51
Total	211	100		100	360	100

Source: LSC

Entry to Employment: Sub-regional figures

The table below shows the sub-regional figures for E2E starts and proportion of leavers into positive destinations in 2005/06. There is substantial variation in the proportion of leavers progressing to a positive destination, with a high of 58% in Cheshire and Warrington and a low of 40% in Cumbria.

E2E Starts and Outcomes by Sub Region, 2005/06

Sub-region	E2E Starts 05/6	% positive destination
C&W	528	58%
Cumbria	701	40%
G Manchester	2,944	50%
G Merseyside	2,874	47%
Lancashire	1,778	50%
North West	8,825	49%

Source: LSC

JobCentrePlus Provision

The current programme of JobCentrePlus provision in the North West, most of which is delivered under the New Deal programme, represents a £24m investment in the period mid-2006 to mid-2008 (approx £12m per annum). Of the provision that is currently contracted as part of this programme in the North West, relatively little has been allocated to Cheshire & Warrington due to its relatively strong skills performance. However, there are region-wide provisions such as those relating to self employment.

6.4 Matching Demand and Supply**Young people**

By comparing current NEET numbers (as of June 2006) and E2E starts for 2006 (16-18 year olds only), we can derive a ratio for the region and each sub region. The ratio shows E2E starts against the number of young people in the NEET group. As shown in the table below, there is considerable variation across the region in the extent to which the E2E programme is taken up against those in NEET need – the ratio varies from 1:3.1 in Cheshire and Warrington to 1:1.5 in Cumbria. In Cheshire and Warrington it is possible that some harder to reach young people are not engaged in the E2E programme – this is hinted at by the relatively high ratio and relative high rate of positive destinations.

E2E penetration into the NEET group

Sub-region	E2E Starts 05/6	NEET number	E2E : NEET Ratio	% Positive Destination
Cheshire & Warrington	528	1,634	1 : 3.1	58%
Cumbria	701	1,028	1 : 1.5	40%
G. Manchester	2,944	6,514	1 : 2.2	50%
G. Merseyside	2,874	5,442	1 : 1.9	47%
Lancashire	1,778	5,287	1 : 3.0	42%
North West	8,825	19,905	1 : 2.3	49%

Source: Connexions

Adults

We have derived some indicative estimates of the potential demand for learning opportunities from within the workless population – this indicates substantial potential demand for below Level 2 learning, with an estimated 16,600 people with a need at this level in Cheshire & Warrington.

Workless adults are able to access general learning opportunities in community based providers and FE colleges, and tailored programmes funded by JobCentrePlus and the European Social Fund. It is not possible to identify how many workless adults currently take up learning opportunities in the North West.

Many workless adults face barriers to employment, including health problems and child and adult care responsibilities. Worklessness is more common in older adults, and many adults in the workless group are likely to have been out of formal education for some time. Combined, these factors suggest a need for tailored packages of support to individuals, with training linked to job opportunities, and progression in learning a key objective.

7 Lower Level Skills, Including Basic Skills

7.1 Context

Below Level 2 qualifications, the focus is on providing individuals with the skills they need to participate in the labour market, including literacy and numeracy skills. The focus is as much about getting people onto the 'skills ladder' as meeting the needs of employers. However, the underpinning skills of literacy, language and numeracy are vital to ensure the region has a workforce which is able to support a move to higher productivity levels. Provision for those lower level skills, is delivered under the umbrella of the national 'Skills for Life' programme.

The North West Skills for Life Strategy (July 2006) is the region's response to developments at a national level and shows how the region intends to implement the policy. This is summarised in the Regional Strategic Analysis report.

7.2 Scale of need

The Regional Strategic Analysis report explores the scale of need for Skills for Life provision in the region. Over 1.4m adults of working age in the North West do not hold qualifications at Level 2 or above (35.1% compared to 33.5% in England) – the minimum considered necessary for productive participation in the modern labour market. In Cheshire and Warrington, there are 156,000 adults below Level 2.

Across the region only 70.2% of those without a Level 2 qualification are employed, compared to 87.9% of those qualified to Level 4 – this equates to nearly 250,000 fewer people in work than would be the case if the employment rates were in line with the national average. For those with no qualifications at all, the employment rate is just 45.3%. Many people without any qualifications are also likely to have basic skills needs. Therefore, Skills for Life provision should be targeted at those who are currently unemployed, inactive, or in low-skilled employment but vulnerable to redundancy.

Basic skills gaps are causing North West employers recruitment difficulties. Based on the results of the 2005 National Employer Skills Survey, employers in the North West are more likely than employers anywhere else in the country to cite written communication, literacy, and numeracy skills as lacking amongst applicants for skills shortage vacancies. Of employers reporting skills shortage vacancies, 38% noted that written communication skills were lacking amongst applicants, 31% noted literacy skills as lacking, and 30% numeracy skills. In all cases, these were the highest responses of the nine English regions.

7.3 Targets

The region's PSA target is to support 109,670 adults to improve their literacy, language or numeracy skills between 2004-2007. The October 2006 data shows an achievement figure of 128,063 (non-discounted). This means that the region has already over achieved its Skills for Life PSA target for 2007 by 117%, with further achievements due for 2006-7.

Not all Skills for Life achievements can be counted towards the target. There is a national benchmark set which encourages providers to work towards the balance and mix of 80% of Skills for Life provision to be target or approved provision, and the remaining 20% to be non-accredited provision. Current performance in the North West and Cheshire and Warrington is shown in the table below. The table shows for 16-18 year olds and adults separately, the proportion of basic skills achievements which count towards the target in 2004/05. The last two columns show how achievements split between young people and adults.

In 2004/05, in the North West, 89% of Skills For Life achievements by young people count towards the target - this is to be expected, as a large proportion of under 19 learners will be following key skills programme or re-taking GCSEs, which also contribute towards the target. Cheshire and Warrington, the proportion is higher, at 91%.

Most adults follow discrete Skills for Life programmes, which are less substantial in terms of guided learning hours. For adults in the North West, only 35% of achievements count towards the target. The Cheshire and Warrington figure is higher at 41%. The challenge is to increase the number of adults on basic skills courses that count towards the target, and this challenge is likely to increase over time if school performance continues to improve, as this will have the affect that fewer 16-18 year olds require Skills for Life provision.

Skills for Life Achievements (Target / Non-Target) in 2004/05

	Age	% count towards target	% achievements
Cheshire & Warrington	16-18	91%	34%
	19+	41%	66%
	All ages	58%	
North West	16-18	89%	29%
	19+	35%	71%
	All ages	51%	

Source: LSC

7.4 Demand**The Survey**

The Regional Strategic Analysis report describes the results of the 2002 Skills for Life (SfL) Survey commissioned by DfES in 2002. Section 8.4 of the Regional report sets out estimated literacy, numeracy, ESOL and ICT needs in the region and sub-regions based on the survey proportions. In this report, we show the analysis at the district level, to get a picture of the areas with the greatest basic skills needs.

Literacy

The tables below show the proportion and number of people (adults aged 16-65) in each district with literacy skills at each of the three levels. There is a significant basic skills needs across Cheshire and Warrington - 60% of 16-65 year olds have literacy skills which are below Level 2. This compares to 56% for England and 60% for the region.

Within the sub-region, Warrington has the highest proportion of people with below Level 2 skills in literacy. The highest number of people below Level 2 is also in Warrington.

Adults (16-65): Distribution of Literacy Skills by Level of Need

	Entry Level	Level 1	Level 2 or higher
Chester	8%	42%	50%
Congleton	8%	43%	49%
Crewe & Nantwich	9%	50%	40%
Ellesmere	10%	47%	42%
Macclesfield	7%	39%	54%
Vale Royal	10%	43%	48%
Warrington	8%	51%	41%
C&W	9%	50%	40%
North West	13%	47%	40%
England	16%	40%	44%

Source: SfL Survey 2002/3, DfES

Number of Adults by Literacy Skill Level of Need

	Entry Level	Level 1	Below L2	L2 or higher
Chester	5,875	31,780	37,655	37,340
Congleton	4,475	25,180	29,655	28,790
Crewe & Nantwich	6,395	35,040	41,435	28,020
Ellesmere	5,335	24,230	29,565	21,580
Macclesfield	6,410	36,860	43,270	50,460
Vale Royal	7,560	33,060	40,620	36,890
Warrington	9,850	62,870	72,720	49,840
C&W	51,610	276,300	327,910	219,900
North West	536,760	1,991,600	2,528,360	1,674,800
England	5,021,930	12,232,620	17,254,550	13,682,015

Source: SfL Survey 2002/3, DfES

Numeracy

The table below shows the proportion of people (adults aged 16-65) in each district with numeracy skills at each of the three levels. At the regional level, there is a significant basic skills need, with 53%

of people at Entry Level and 30% at Level 1. In total, 83% of 16-65 year olds have numeracy skills which are below level 2, and this compares to 75% for England.

There is some variation across the sub-regions; Greater Merseyside has the highest proportion of adults with less than Level 2 numeracy skills, at 87%, and Cheshire and Warrington has the lowest, at 79%. All sub-regions have a higher proportion of adults with numeracy skills below Level 2 than the England average.

Within the sub region, there are very high proportions of people with below Level 2 numeracy skills in Ellesmere and Warrington.

Adults (16-65): Distribution of Numeracy Skills by Level of Need

	Entry Level	Level 1	Level 2 or higher
Chester	42%	34%	25%
Congleton	42%	33%	25%
Crewe & Nantwich	51%	29%	20%
Ellesmere	50%	33%	17%
Macclesfield	38%	33%	29%
Vale Royal	45%	34%	22%
Warrington	54%	28%	18%
C&W	49%	30%	21%
North West	53%	30%	17%
England	47%	28%	25%

Source: Sfl Survey 2002/3, DfES

There is a substantial need for basic skills training in numeracy across the North West. The table below shows the number of adults with numeracy skills at the different levels. There are about 3.5 million adults in the region with numeracy below Level 2, indicating a significant requirement for provision to address this need. Of these, Cheshire and Warrington accounts for 430,300 adults in need below Level 2. Warrington has a particularly high number of adults below Level 2.

Number of Adults by Numeracy Skill Level of Need

	Entry Level	Level 1	Below L2	L2 or higher
Chester	31,200	25,330	56,530	18,470
Congleton	24,380	19,520	43,900	14,540
Crewe & Nantwich	35,660	19,930	55,590	13,860
Ellesmere	25,690	16,770	42,460	8,685
Macclesfield	35,890	30,520	66,410	27,320
Vale Royal	34,580	26,070	60,650	16,860
Warrington	65,830	34,380	100,210	22,350
C&W	266,500	163,800	430,300	117,600
North West	2,229,200	1,264,300	3,493,500	710,220

Source: Sfl Survey 2002/3, DfES

ICT

The table below shows the results of the ICT assessment. In total, 66% of adults in the sub-region are classified as having ICT skills at Entry Level; this equates to 606,300 adults with a basic skills need in ICT. The proportion at Entry level is well above the England average of 53%. There are 2.5 million people in the region with ICT skills below Level 1.

Again there is some variation by District: Ellesmere Port & Neston has the highest proportion of adults at Entry Level (61%), and Macclesfield the lowest (46%).

Number of Adults by ICT Skills Level (and as % total)

	Number		Proportion (%)	
	Entry Level	Level 1	Entry Level	Level 1
Chester	35,500	39,500	47%	53%
Congleton	28,300	30,140	48%	52%
Crewe & Nantwich	37,410	32,045	54%	46%
Ellesmere Port & Neston	31,450	19,695	61%	39%
Macclesfield	42,960	50,775	46%	54%
Vale Royal	45,490	32,015	59%	41%
Warrington	68,720	53,840	56%	44%
Cheshire & Warrington	308,000	239,840	56%	44%
North West	2,462,100	1,741,530	59%	41%
England	16,538,095	14,398,470	53%	47%

Source: Sfl Survey 2002/3, DfES

ESOL

As noted earlier, the survey provides an estimate of the number of people who may require ESOL training. The numbers for the sub-region are shown in the table below. The greatest need is in Warrington.

The North West Skills for Life Strategy notes that there is now higher demand for ESOL in the region. This is not reflected in the 2003 Survey. This is a result of an inflow of migrants with ESOL needs. The North West has established an ESOL task group to identify the scale of demand and suggest ways to plan and address the increase in demand.

Adults in the ESOL group

	ESOL (number)*	ESOL (%)
Chester	1,265	2%
Congleton	435	1%
Crewe & Nantwich	750	1%
Ellesmere Port & Neston	420	1%
Macclesfield	1,405	1%
Vale Royal	605	1%
Warrington	1,715	1%
Cheshire & Warrington	6,595	1%
North West	173,915	4%
England	2,358,060	8%

Source: Sfl Survey 2002/03, DfES

7.5 Matching Supply and Demand

The table below shows the total basic skills needs in each sub-region (based on a summation of the numeracy, literacy, ESOL and ICT needs derived from the DfES SfL survey discussed above. The provision figures relate to achievements of all basic skills qualifications.

Basic skills: need versus provision

	Need (no.)	Provision (no.)	Provision as % of need
Cheshire & Warrington	1,275,105	61,030	4.8%
Cumbria	731,140	10,359	1.4%
Greater Manchester	3,876,650	80,115	2.1%
Greater Merseyside	2,228,765	146,935	6.6%
Lancashire	2,103,875	134,143	6.4%
North West	10,215,535	432,582	4.2%

Source: Sfl Survey 2002/03 (DfES) and LSC

The table indicates that annual provision meets only a small proportion of need (4.2% in the region, and 4.8% in Cheshire and Warrington). This is partly a result of the nature of the survey, which across England results in very high proportions of people identified with basic skills needs. However, it does suggest that there is a need for sustained action to tackle the basic skills requirements of the North West population.

Figures by district are shown below.

Basic skills: need versus provision (by district)

	Need (no.)	Provision (no.)	Provision as % of need
Chester	170,450	6805	4.0%
Congleton	132,430	5152	3.9%
Crewe & Nantwich	167,230	7628	4.6%
Ellesmere	123,590	5863	4.7%
Macclesfield	204,820	8172	4.0%
Vale Royal	179,380	8696	4.8%
Warrington	297,205	18714	6.3%
C&W	1,312,645	61030	4.8%

Source: Sfl Survey 2002/03 (DfES) and LSC

7.6 Issues and Conclusions

There is a major need identified in the region in terms of basic skills requirements and it is clearly an issue for employers. People without qualifications (a proxy for basic skills needs) are significantly more likely than those who have qualifications to be excluded from the labour market. Given the importance of addressing basic skills needs – both for employers and individuals - the issue arises of whether sufficient resources are being directed to meeting adult basic skills needs. On current volumes, only a small proportion of the region's basic skills needs are being addressed each year.

The challenges for Cheshire and Warrington include how to convert need into demand – and in particular, how to make provision more accessible – and finally ensuring that providers have the capacity and capability to deliver.

8 Level 2

8.1 Context

National focus on level 2

The Regional strategic analysis explains in some detail the reasons for the national focus on Level 2. The importance placed on Level 2 attainment reflects a belief that this level is the minimum a person requires for employability. Attainment of Level 2 is also a platform for progression to developing intermediate and higher level skills. The DfES has PSA targets that relate to Level 2 attainment by young people and adults.

Level 2 attainment – young people

Population forecasts indicate that young people will become an increasingly scarce resource in future. Set against this, future forecasts of employment by occupational category indicate significant replacement demand at Level 2 in a number of occupational categories which have traditionally been major employers of young people, in particular, Sales and Customer Services, and Personal Services.

Looking at the cohort of young people in the North West who reached age 19 in 2005, 48% had attained Level 2 at age 16, rising to 68% age 19. The performance of the North West is somewhat below the England average, with comparable figures of 50% and 70%. Cheshire and Warrington performs above the regional and England averages, with Level 2 attainment rates of 57% for 16 year olds and 76% for 19 year olds. This is shown in the table below.

Level 2 attainment of young people by sub-region

Cohort: Reaching age 19 in 2005	Eng.	NW	Cum	Lanc	G. Mer	G. Man	C&W
Level 2 at 16	50%	48%	53%	48%	45%	47%	57%
Level 2 at 19	70%	68%	72%	67%	65%	67%	76%
% cohort achieving Level 2 post 16	19%	20%	19%	19%	20%	20%	19%
Level 2 at 16 including GCSE Maths and English	43%	41%	45%	42%	37%	41%	50%
Level 2 at 19 including GCSE Maths and English	45%	44%	47%	44%	39%	43%	51%
% cohort achieving Level 2 (inc Maths/English) post 16	2%	2%	2%	2%	2%	2%	2%

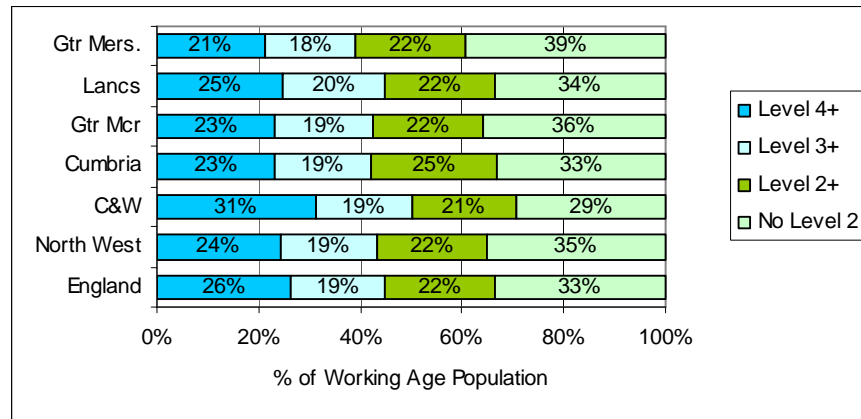
Source: LSC

Concerns that many young people lack basic numeracy and literacy skills have led to an increased focus nationally on the number of young people attaining Level 2 including good GCSE passes (A*-C) in Maths and English. Of the cohort of young people in Cheshire and Warrington who reached age 19 in 2005, 50% had attained Level 2 including GCSE Maths and English at age 16. By age 19, the figure was little changed, at 51%.

Level 2 attainment – Adults

Of the working age population in Cheshire and Warrington, 29% have not attained Level 2 (England = 33%, North West = 35%) – this is the lowest proportion of the five sub-regions. This is shown in the graph below. A far higher proportion of the economically inactive lack a Level 2 (58%), compared to the economically active (32%). The corresponding regional figures are 25% and 46%.

Qualification Profile of the Working Age Population, 2005/06



Source: DfES, 2006

8.2 Targets

Reflecting the high profile given to Level 2, the North West has its own regional trajectories for Level 2 attainment at 19 and for adults. The trajectories show the number of full Level 2 achievements to be delivered in 2007/08 and include 2 components:

- FE - full Level 2 achievements⁹
- WBL – Apprenticeship achievements at Level 2.

The targets for young people appear achievable on current volumes of provision and success rates. The adult Level 2 trajectory appears to be within striking distance; to meet the FE trajectory of 18,701 achievements in 2007/08, requires an additional 950 completions on the 2004/05 total.

⁹ A full level 2 qualification, is a qualification that if successfully completed, would on its own, result in the learner attaining the Level 2 threshold – that is equivalent to 5 GCSE passes at grades A*-C – independent of their prior attainment.

Taking as our base line the learner volume in 2005/06 and the 2004/05 success rate, this would require an additional 1,523 learners (on top of the 28,451 2005/06 baseline volume). The distribution of learner numbers by region would be as shown below, if we assumed an equal proportionate increase in each sub-region, adjusted for differences in success rates. In all sub-regions, FE learner volume would need to increase by 5%.

Estimates of additional Full L2 adult learners to meet target

Sub-region	Baseline volume	Baseline success rate %	Baseline estimated completions	07/8 completions needed	Volume to meet completions needed	Increase in volume on baseline
C&W	3,097	73%	2,261	2,382	3,263	5%
Cumbria	1,631	68%	1,106	1,165	1,718	5%
G Man.	10,358	59%	6,150	6,479	10,912	5%
G Mer.	6,698	61%	4,076	4,294	7,057	5%
Lancs	6,667	62%	4,158	4,380	7,024	5%
NW	28,451		17,751	18,701	29,974	5%

Source: EKOS estimates

If the trajectory was to be met by adjusting for need – that is, recruiting more full Level 2 adult learners in Greater Manchester and Greater Merseyside, where the proportion of adults without Level 2 is relatively high – then a greater volume increase would be needed in these areas. This is shown in the table below. The last column shows the revised volume increases needed on baseline. On this basis, numbers in Cheshire and Warrington would fall.

Estimates of additional Full L2 adult learners to meet target (need adjusted)

Sub-region	Baseline volume	Baseline success rate %	Baseline estimated completions	07/8 completions needed	Volume to meet completions needed	Increase in volume on baseline
C&W	3,097	73%	2,261	1,996	2,734	-12%
Cumbria	1,631	68%	1,106	1,102	1,626	0%
G Man.	10,358	59%	6,150	6,618	11,146	8%
G Mer.	6,698	61%	4,076	4,796	7,880	18%
Lancs	6,667	62%	4,158	4,204	6,741	1%
NW	28,451		17,751	18,701	29,974	5%

Source: EKOS estimates

8.3 Demand

In the Regional Strategic Analysis, we derive estimates of the region-wide demand for people with Level 2 qualifications by sector – both expansion and replacement demand.

In the North West as a whole, the greatest potential demands for Level 2 qualified people by sector are as follows:

- Retail – additional 7,547 Level 2 employees per annum;
- Health and Social Care – additional 7,151 Level 2 employees per annum;
- Financial Services – additional 5,139 Level 2 employees per annum;
- Logistics - additional 4,362 Level 2 employees per annum; and
- Education - additional 3,515 Level 2 employees per annum.

In some sectors, there are likely to be additional demands for Level 2 qualifications, as employers need to up-skill a large proportion of their existing workforce. In some sectors such as construction, new regulations mean that all employees must attain Level 2. Other sectors with a substantial potential demand for up-skilling of the existing workforce are: retail; logistics; and hospitality, leisure and tourism.

Supply

Young people

The number of young people studying for a full Level 2 qualification in the FE sector in 2005/06 by sector subject area and sub-region (residency) is shown in the table below. In Cheshire and Warrington, there were 2,176 people studying towards a full Level 2, representing 10% of the regional total.

Full Level 2 learners in FE by SSA (2005/06)

Subject area	C&W	Cumbria	G Man	G Mer	Lancs	NW
Agriculture	80	25	145	109	132	492
Arts, media & publ.	197	52	647	352	254	1,502
Business, admin and law	116	86	533	196	302	1,232
Construction	170	169	685	421	286	1,731
Education and Training	2	4	0	4	0	11
Eng. & man. Tech	181	164	800	524	430	2,099
Health	314	174	1,436	549	709	3,183
History, Philosophy and Theology	1	0	18	2	10	31
ICT	128	61	561	237	235	1,223
Languages, Lit. and Culture	19	14	127	36	84	280
Leisure, travel, tourism	196	55	667	346	345	1,608
Preparation for Life and Work	221	137	999	516	413	2,286
Retail	447	272	1,488	1,017	753	3,976
Science & Maths	35	8	219	74	120	456
Social Sciences	2	3	6	4	13	29
Unknown	67	16	610	185	394	1,273
All subject areas	2,176	1,242	8,939	4,573	4,480	21,410

Source: LSC

Success rates for 16-18 year olds on full Level 2 courses in FE by sub-region are shown below. The latest data available is for 2004/05. The Cheshire and Warrington success rate of 66% is above the regional and England averages.

Success rate: 16-18 year olds on full Level 2 courses

Sub-region	Success rate % (04/5)
C&W	66%
Cumbria	67%
G Man	66%
G Mer	59%
Lancs	66%
North West	64%
England	63%

Source: LSC

Note: success rates by sub-region relate to the location of the institution, not the learner

The number of young people studying for a Level 2 apprenticeship in the WBL sector in 2005/06 by sector subject area and sub-region is shown in the table below. In Cheshire and Warrington, there were 1904 people studying towards a full Level 2, representing 11% of the regional total.

Number of Young People (16-18) in WBL, 2005/06

Sector Subject Area	C&W	Cum	G. Man	G. Mer	Lans	NW
Agriculture	73	47	94	74	108	396
Arts, Media and Publishing	0	0	15	0	3	18
Business, Admin and Law	294	217	1037	590	500	2638
Construction	393	493	1719	1076	1033	4715
Education and Training	0	1	0	0	0	1
Eng. and Man Tech.	285	239	1202	646	720	3092
Health, Public Serv. & Care	258	116	706	658	292	2030
ICT	13	11	49	55	16	144
Leisure, Travel and Tourism	17	19	83	147	47	313
Preparation for Life and Work	0	0	0	0	0	0
Retail	571	292	1519	1106	850	4337
Science & Maths	0	0	0	1	0	1
Total	1904	1435	6423	4353	3570	17685

Source: LSC

For Cheshire and Warrington, the full framework success rate in WBL at Level 2 across all sectors is currently 52%, below the England average of 54%.

Adults

The number of adults studying for a full Level 2 qualification in the FE sector in 2005/06 by sector subject area and sub-region is shown in the table below. In Cheshire and Warrington, there were 3,097 people studying towards a full Level 2, representing 11% of the regional total.

Number of Adult Learners in FE: Full Level 2, 2005/06

Subject area	C&W	Cumbria	G Man	G Mer	Lancs	NW
Agriculture	88	35	286	234	159	802
Arts, media & publ.	51	6	93	88	40	278
Business, admin and law	550	335	1,360	896	1,115	4,256
Construction	402	167	1,644	919	900	4,033
Education and Training	68	20	68	162	93	411
Eng. & man. Tech	386	232	1,173	861	613	3,265
Health	504	356	2,538	1,217	1,732	6,346
History, Philosophy and Theology	0	1	1	1	3	7
ICT	150	21	315	400	157	1,044
Languages, Literature and Culture	3	3	16	10	7	39
Leisure, travel, tourism	94	120	515	246	307	1,282
Preparation for Life and Work	61	45	254	184	169	713
Retail	728	286	1,995	1,423	1,275	5,707
Science & Maths	2	2	50	21	8	85
Social Sciences	0	0	4	3	2	10
Unknown	9	2	45	33	86	174
All subject areas	3,097	1,631	10,358	6,698	6,667	28,451

Source: LSC

Success rates for adults on full Level 2 courses in FE by sub-region are shown below. The latest data available is for 2004/05. The Cheshire and Warrington success rate of 73% is well above the England and regional averages.

Success rate: Full Level 2 courses taken by Adults

Sub-region	Success rate 04/05	
	%	
C&W	73%	
Cumbria	68%	
G Man	59%	
G Mer	61%	
Lancs	62%	
North West	62%	
England	60%	

Source: LSC

For Cheshire and Warrington, the adult full framework success rate in WBL at Level 2 across all sectors is currently 47%, below the England average of 53%.

The number of adults studying for a Level 2 apprenticeship in the WBL sector in 2005/06 by sector subject area and sub-region is shown in the table below. In Cheshire and Warrington, there were 985 people studying towards a full Level 2, representing 12% of the regional total.

Number of Adults (19+) in WBL, 200506

Sector Subject Area	C&W	Cum	G. Man	G. Mer	Lans	NW
Agriculture	29	13	56	38	46	182
Arts, Media and Publishing	0	0	3	0	1	4
Business, Admin and Law	277	134	834	622	380	2247
Construction	103	84	476	274	194	1132
Education and Training	0	0	2	3	0	5
Eng. and Man Tech.	92	50	330	123	230	826
Health, Public Serv.& Care	155	71	423	403	248	1300
ICT	49	5	51	67	22	194
Leisure, Travel and Tourism	29	12	81	50	55	227
Preparation for Life and Work	0	0	0	0	0	0
Retail	251	174	711	365	300	1800
Science & Maths	0	0	0	2	0	2
Total	985	544	2965	1949	1476	7920

Source: LSC (average in learning)

9 Level 3

9.1 Context

There is a growing body of evidence (including the ongoing Leitch review) that highlights the increasing importance of Level 3 skills. For example, the interim Leitch report notes that evidence of spillover effects, where lower skilled workers become more productive as a result of working with higher skilled colleagues, is only present for Level 3 and above qualifications. Strong earnings returns to Level 3 qualifications are also seen, indicating an impact on productivity.

It is also important to note that Level 3 attainment is the platform for progression to HE and higher level skills, and the additional earnings and productivity benefits that this brings. These issues are discussed in further detail in the regional strategic analysis.

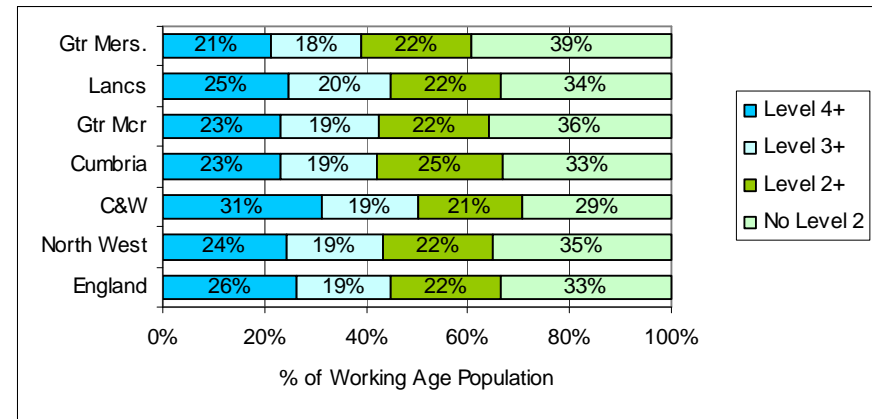
Level 3 attainment – young people

Looking at the cohort of young people in the North West who reached age 19 in 2005, 43% of this group had achieved Level 3. This compares to 46% of the national cohort. We have been unable to source Level 3 data by sub region.

Level 3 attainment – Adults

Of the working age population in Cheshire and Warrington, 50% have not attained Level 3 (England = 55%, North West = 57%). This is shown in the graph below. A far higher proportion of the economically inactive in Cheshire and Warrington lack a Level 3 (67%) compared to the economically active (45%). Comparable figures for England are 73% and 50%.

Qualification Profile of the Working Age Population, 2005/06



Source: DfES, 2006

9.2 Demand

In the Regional Strategic Analysis, we derive estimates of the region-wide demand for people with Level 3 qualifications by sector – both expansion and replacement demand.

In the North West as a whole, the greatest potential demands for Level 3 qualified people by sector are as follows:

- Health & Social Care – additional 3,131 Level 3 employees per annum;
- Retail – additional 2,746 Level 3 employees per annum;
- Construction – additional 2,115 Level 3 employees per annum;
- Financial Services - additional 1,578 Level 3 employees per annum; and
- Education - additional 1,190 Level 3 employees per annum.

For Construction and Retail, these additional numbers equate to a large proportion of their existing workforce. Furthermore, in some sectors, there are likely to be additional demands for Level 3 qualifications, as employers need to up-skill a large proportion of their existing workforce.

9.3 Supply

Young people

The numbers of young people studying for a full Level 3 qualification in the FE sector in 2005/06 by sector subject area (SSA) are shown in the table below. In Cheshire and Warrington, there were 5,769 people studying towards a full Level 3, representing 12% of the North West total.

Number of 16-18 year olds in FE on Full Level 3 course by SSA (North West), 2005/06

Subject area	C&W	Cumbria	G Man	G Mer	Lancs	NW
Agriculture	186	28	192	135	283	823
Arts, media & publ.	1,185	217	3,427	1,609	1,959	8,398
Business, admin and law	366	86	1,452	394	943	3,241
Construction	70	38	224	109	150	592
Education and Training	3	3	1	3	3	13
Eng. & man. Tech	170	69	466	177	369	1,250
Health	652	264	2,267	943	1,658	5,784
History, Philosophy and Theology	176	38	1,008	292	563	2,077
ICT	325	119	1,215	506	696	2,862
Languages, Literature and Culture	302	79	1,340	519	805	3,045
Leisure, travel, tourism	545	158	1,198	691	1,093	3,685
Preparation for Life and Work	373	163	1,145	502	627	2,809
Retail	156	79	514	274	346	1,370
Science & Maths	698	134	3,024	1,046	1,839	6,742
Social Sciences	202	31	859	278	564	1,934
Unknown	361	51	1,984	470	1,234	4,101
All subject areas	5,769	1,559	20,315	7,948	13,133	48,724

Source: LSC

Success rates for 16-18 year olds in the North West on full Level 3 courses in FE are shown below by SSA.

FE Success Rate (%): North West Full Level 3

	Success Rate %
Agriculture, Horticulture and Animal Care	56%
Arts, Media and Publishing	66%
Business, Administration and Law	56%
Construction, Planning and the Built Environment	56%
Education and Training	30%
Engineering and Manufacturing Technologies	53%
Health, Public Services and Care	58%
Information and Communication Technology	57%
Languages, Literature and Culture	50%
Leisure, Travel and Tourism	60%
Preparation for Life and Work	42%
Retail and Commercial Enterprise	67%
Science and Mathematics	59%

Source: LSC

The number of young people studying for a Level 3 apprenticeship in the WBL sector in 2005/06 by sector subject area and sub region is shown in the table below. In Cheshire and Warrington, there were 1,082 people studying towards a full Level 3, representing 11% of the regional total.

Number of 16-18 year olds on Full Level 3 Courses in WBL by SSA (North West), 2005/06

Sector Subject Area	C&W	Cumbria	G. Man	G. Mer	Lancs	NW
Agriculture	8	18	5	8	28	67
Arts, Media and Publishing	16	10	20	7	11	64
Business, Admin and Law	69	42	224	105	210	650
Construction	167	185	696	325	539	1,913
Education and Training	-	0	0	1	0	1
Eng. and Man Tech.	605	833	1,350	809	1,189	4,786
Health, Public Serv. & Care	102	113	345	233	217	1,010
ICT	15	14	39	25	33	126
Leisure, Travel and Tourism	30	22	168	115	84	419
Preparation for Life and Work	-	0	1	2	3	6
Retail	66	22	159	162	73	482
Science & Maths	4	10	3	2	0	18
Total	1,082	1,269	3,011	1,794	2,387	9,543

Source: LSC

For Cheshire and Warrington, the full framework success rate in WBL at Level 3 across all sectors is currently 56%. The comparative figure for England is 56%.

Adults

The number of adults studying for a full Level 3 qualification in the FE sector in 2005/06 by sector subject area is shown in the table below. In Cheshire and Warrington, there were 2,554 people studying towards a full Level 3, representing 11% of the regional total.

Number of 19+ year olds on Full Level 3 courses in FE by SSA (North West), 2005/06

Subject area	C&W	Cumbria	G Man	G Mer	Lancs	NW
Agriculture	47	20	102	72	111	351
Arts, media & publ.	185	48	566	353	228	1,380
Business, admin and law	367	212	1,062	663	566	2,870
Construction	160	145	427	260	354	1,346
Education and Training	145	179	319	318	328	1,289
Eng. & man. Tech	118	117	322	191	193	941
Health	623	458	3,314	1,537	2,187	8,119
History, Philosophy and Theology	4	98	262	22	70	457
ICT	50	38	226	115	112	541
Languages, Literature and Culture	37	11	74	62	30	214
Leisure, travel, tourism	62	18	117	88	64	349
Preparation for Life and Work	499	36	1,405	1,051	196	3,187
Retail	206	83	633	382	365	1,670
Science & Maths	34	8	235	100	111	487
Social Sciences	6	19	63	44	97	229
Unknown	11	8	100	36	69	225
All subject areas	2,554	1,498	9,225	5,295	5,083	23,655

Source: LSC

Regional success rates for 19+ year olds on full Level 3 courses by SSA are shown below.

FE Success Rate (%): North West Full Level 3

	Success Rate %
Agriculture, Horticulture and Animal Care	35%
Arts, Media and Publishing	61%
Business, Administration and Law	61%
Construction, Planning and the Built Environment	59%
Education and Training	58%
Engineering and Manufacturing Technologies	52%
Health, Public Services and Care	58%
Information and Communication Technology	48%
Languages, Literature and Culture	51%
Leisure, Travel and Tourism	47%
Preparation for Life and Work	48%
Retail and Commercial Enterprise	66%
Science and Mathematics	66%

Source: LSC

The number of adults studying for a Level 3 apprenticeship in the WBL sector in 2005/06 by sector subject area and sub regions is shown in the table below. In Cheshire and Warrington, there were 1,081 people studying towards a full Level 3 representing 15% of the regional total.

Number of 19+ year olds on Full Level 3 Courses in WBL by SSA (North West), 2005/06

	C&W	Cumbria	G. Man	G. Mer	Lancs	NW
Agriculture	26	2	33	32	22	115
Arts, Media and Publishing	3	3	20	3	10	39
Business, Admin and Law	272	110	606	463	288	1,740
Construction	112	75	297	191	225	900
Education and Training	0	0	3	1	1	5
Eng. and Man Tech.	167	154	418	353	295	1,388
Health, Public Serv. & Care	242	46	619	462	242	1,612
ICT	42	8	89	33	36	208
Leisure, Travel and Tourism	19	8	76	70	32	205
Preparation for Life and Work	10	0	5	30	6	51
Retail	184	66	332	222	180	984
Science & Maths	2	1	3	3	0	9
Total	1,081	473	2,502	1,864	1,337	7,257

Source: LSC (average in learning)

For Cheshire and Warrington, the success rate in WBL at Level 3 across all sectors is currently 50%, above the regional average and in line with the England average.

10 Higher Level Skills (Level 4+)

10.1 Context

Higher level skills at Level 4 and above are vitally important for ensuring that the North West is able to improve its regional competitiveness. The Leitch review is highlighting the importance of intermediate and higher level skills to support international competitiveness and productivity, in increasingly open global markets. Sector level evidence often points to intermediate and higher level skills needs.

In the North West, recent growth in new jobs has been concentrated in occupations requiring intermediate and higher level skills. Employment forecasts by occupational category suggest significant demand for Level 3 or higher qualifications, particularly in the Associate Professional and Professional occupational categories.

Currently, the North West has a deficit in intermediate and high level skills when compared to England. If the qualification profile of the North West working age population was in-line with the England average, the region would currently have an additional 80,000 people with higher level qualifications.

The National Employer Skills Survey 2005 indicates that recruitment difficulties in the North West are most prevalent in Skilled Trades and Associate Professional occupations, where intermediate (Level 3) and high level skills will typically be required. Sector level qualitative evidence tends to highlight skills gaps at intermediate and higher levels. This reflects the forward looking nature of these studies and the projected expansion in jobs that require higher skills levels, to support value-added corporate strategies in an increasingly competitive global market place.

There is a strong sector dimension to intermediate and higher skills needs, with significant demand from the regions high growth sectors. Specific examples taken from the RES include: Energy and Environmental Technologies - deliver the National Nuclear Skills Academy; Advanced Engineering & Materials - extend "Grow Your Future Workforce" which delivers more science and engineering skills; Digital and Creative Industries - digital content development skills to support the Media Enterprise

Zone, linked to the BBC relocation; and Business and Professional Services - support the development of the regional arm of the Financial Services National Skills Academy.

10.2 Demand

In the Regional Strategic Analysis, we derive estimates of the region-wide demand for people with Level 4 qualifications by sector – both expansion and replacement demand.

In the North West as a whole, the greatest potential demands for Level 4 qualified people by sector are as follows:

- Health & Social Care – additional 7,309 Level 4 employees per annum;
- Financial Services - additional 9,011 Level 4 employees per annum; and
- Education - additional 8,652 Level 4 employees per annum.

As well as needing to recruit people with Level 4 attainment, these and other sectors will need to source training at Level 4 – often Continuous Professional Development for professional staff.

10.3 Supply

We are interested in the extent to which provision is available at Level 4 for adults.

The LSC funds a number of learners to study Level 4 learning aims within FE, but volumes are generally small. Figures for Cheshire and Warrington are shown below.

Cheshire and Warrington: Level 4 long and short course participation (2005/06)

Level 4+	Cheshire & Warrington
Agriculture, Horticulture and Animal Care	5
Arts, Media and Publishing	20
Business, Administration and Law	364
Construction, Planning and the Built Environment	15
Education and Training	246
Engineering and Manufacturing Technologies	13
Health, Public Services and Care	144
History, Philosophy and Theology	0
Information and Communication Technology	35
Languages, Literature and Culture	4
Leisure, Travel and Tourism	5
Preparation for Life and Work	3
Retail and Commercial Enterprise	7
Science and Mathematics	1
Social Sciences	0
Unknown	0
Total	863

Source: LSC

Many larger employers will have their own in-house training courses for Level 4 provision, focusing on higher level technical, leadership, and management skills. For smaller employers, there is a need to access relevant provision within public or private providers.

Full and part-time learner numbers are shown in the table below for all North West universities. In 2004/05, the University of Chester had 5,560 part-time learners.

North West: All Full Time and Part Time HE Provision by Institution, 2004/05

	First Degree		Other Undergraduate		Post graduate		All Students
	Full Time	Part time	Full Time	Part time	Full Time	Part time	
The University of Manchester	22,300	850	1,785	4,025	6,155	4,870	39,985
The Manchester Metropolitan University	20,810	1,895	1,040	2,260	2,330	3,885	32,215
The University of Central Lancashire	11,975	1,890	3,500	6,295	1,035	2,030	26,725
Liverpool John Moores University	12,795	2,405	1,635	2,265	1,325	2,530	22,955
The University of Liverpool	13,245	660	120	2,885	1,860	2,440	21,210
The University of Salford	10,000	995	2,855	1,990	1,415	2,850	20,100
The University of Lancaster	8,120	30	70	5,570	1,760	1,785	17,340
Edge Hill College of Higher Education	3,975	600	1,500	4,185	640	3,720	14,620
University of Chester	4,625	815	1,980	2,630	445	2,015	12,510
St Martin's College	3,630	645	885	3,840	725	2,625	12,355
Liverpool Hope University	4,080	905	240	585	775	1,085	7,670
The University of Bolton	2,570	1,150	765	1,480	595	915	7,475
Cumbria Institute of the Arts	945	25	25	15	0	40	1,045
Royal Northern College of Music	375	0	30	0	150	0	555

Source: North West Universities Association