APPENDIX H

New local plan for Cheshire East

Jobs, skills and economy topic paper (draft)

March 2024

Cheshire East Council

Open Fair Green

Front cover images (clockwise from top-left):

- Crewe Market Hall and Municipal Buildings
- Arclid north plant site and lake (image supplied by Bathgate Silica Sand Ltd)
- Jodrell Bank Observatory
- Lamberts Lane Bridge, Congleton
- Tabley Park, Northwich Road, Knutsford

Contents

1 Introduction

1.1 This topic paper provides further statistical information to support the ‘Jobs, skills, and economy’ section of the Issues Paper. For ease of reading, it uses the same headings that are set out in the Issues Paper for this topic.

1.2 A well-performing local economy is vital for the development of sustainable communities. Cheshire East has one of the most successful and resilient economies in the UK, which was valued at £14.4bn as of December 2019 (Gross Value Added). The borough’s economy includes successful multinational companies such as Bentley, Waters, AstraZeneca, Barclays, Royal London, and Mornflake, as well as a buoyant range of small and medium size enterprises. Furthermore, the borough has a rich cultural, heritage and visitor economy that contributes more than £920m to its overall economic output.

2 Employment land and premises

2.1 In terms of employment land supply, 55% of the gross supply is land that is allocated in the Local Plan Strategy and the Site Allocations and Development Policies Document; 20% has planning permission and 25% is under construction.[1] The supply has reduced since the previous monitoring period (2021/22), which had a supply of 390.80ha.

Table 2.1 Employment land supply as at 31 March 2023

	Egi	Egii	Egiii	Eg	B2	B8	Mixed use	Total
Gross supply (ha)	5.16	0.00	0.02	23.59	4.75	7.21	328.50	369.23

2.2 The land supply figures exclude extensions and infill developments on existing employment sites because this land is already considered to be in employment use. The gross supply figures include changes of use or the redevelopment of sites already in one form of employment use to another employment use.

2.3 Table 2.2[1] provides a 'gross' amount of land taken-up for employment uses. The second row of the table accounts for land that has been converted from one employment use to another; such land is deducted from the gross figure to calculate the 'net' take-up, as shown in the final row. The land take-up figures exclude extensions and infill developments on existing employment sites that are not available to the wider business community (for example owner occupier sites).

Table 2.2 Employment land take-up (2022/23)

	Egi	Egii	Egiii	Eg	B2	B8	Mixed use	Total
Gross land take-up (ha)	0.05	0.00	0.00	0.02	0.00	0.28	25.76	**26.11**
Redevelopments and change of uses (ha)	0.00	0.00	0.00	0.00	0.00	0.00	0.91	**0.91**
Net land take-up (ha)	0.05	0.00	0.00	0.02	0.00	0.28	24.85	**25.20**

2.4 In terms of net jobs growth rate, there was a net decrease of 6,000 jobs in 2022, which equates to a fall of 2.9% on the total number of jobs in 2021. The average annual jobs growth per annum between 2010 and 2022 is +1.0%. Between 2010 and 2015, 19,000 jobs were created (net of job losses), which is an increase of 10.9%. There was a further increase of 9,000 (4.6%) between 2015 and 2021, before the 2021-22 fall. The reported employment total has fluctuated somewhat since 2017, but not followed any long-term upward or downward trend: it fell by 6,000 in 2018 but then rose by 9,000 in 2019, before falling by 5,000 in 2020 and then growing again by 3,000 in 2021.[2]

1 CEC Employment Monitoring Database
2 BRES open access data series for 2010-15 (which excludes business units registered for PAYE only) and 2015-22, ONS, NOMIS. ONS Crown Copyright. Figures are work-place based and include self-employed people registered for VAT and PAYE schemes, as well as employees. Because of differences between the two data series, 2010-15 jobs levels and changes cannot be directly compared with the 2015-22 levels or the 2015-22 change.

2.5 It is likely that the overall net decline since 2019 (when the employment total peaked at 206,000) in part reflects a series of challenging economic events: the economic impact of COVID-19 on businesses' ability to trade and consequently on the numbers of people employed; the short-term (and perhaps also longer-term) effects of Brexit and the consequent transition to different trading arrangements with other countries; and the higher inflation and cost of living resulting partly from the conflict in Ukraine and the effect of that on the import costs and relative strength of Europe's major economies. However, it should also be noted that these statistics are based on the results of a national employment survey, and survey sampling error margins (due to samples of businesses not being completely representative of the whole business population) are much larger for small geographical areas such as local authorities. Therefore, some of the reported year-on-year changes in employment totals reflect survey sampling error, rather than actual changes in the number of local jobs.

Table 2.3 Jobs growth (in 000s)

Year	Net jobs growth (absolute change on previous year)	Annual jobs growth (% change on previous year)	Number of jobs (2010-15 data series)	Number of jobs (2015-22 data series[A])
2010	-	-	174	
2011	+2	+1.1%	176	
2012	+2	+1.1%	178	
2013	+3	+1.7%	181	
2014	+8	+4.4%	189	
2015	+4	+2.1%	193	195
2016	+4	+2.1%	-	199
2017	+4	+2.0%	-	203
2018	-6	-3.0%	-	197
2019	+9	+4.6%	-	206
2020	-5	-2.4%	-	201
2021	+3	+1.5%	-	204
2022	-6	-2.9%		198

A not directly comparable with 2010-15 data

2.6 An estimated 55.6% of Cheshire East's workers are in management/professional occupations, which is higher than the North West and UK averages. The proportion employed in personal service/sales occupations is also above the regional and national averages. Conversely, the estimated proportions of Cheshire East workers in admin/skilled and operative/elementary occupations are lower than the regional and national averages. The statistics shown below indicate that the proportion of Cheshire East workers in management/professional and personal service/sales occupations was slightly higher in 2022/23 than in 2021/22, while the opposite is true for the admin/skilled occupational group and the proportions in the personal service/sales and operative/elementary occupations have barely changed. However, these statistics are based on the results of a national employment survey, and survey sampling error margins (due to samples of workers not being completely representative of the whole working population) are much larger for small geographical areas such as local authorities. Therefore, some of the reported year-on-year changes in employment in different occupational groups reflect survey sampling error, rather than actual changes in the occupational mix of jobs in the borough.[3]

Table 2.4 Employment by occupation

	Cheshire East (Apr 2022 to Mar 2023)	North West (Apr 2022 to Mar 2023)	UK (Apr 2022 to Mar 2023)	Cheshire East (Apr 2021 to Mar 2022)
Management/ professional	55.6%	49.8%	51.3%	54.4%
Admin/skilled	13.0%	18.3%	18.8%	13.9%
Personal service/ sales	17.6%	15.4%	14.5%	17.5%
Operative/ elementary	13.9%	16.5%	15.4%	14.2%

2.7 ONS business counts data[4] indicate that, of the 19,540 businesses located in Cheshire East as of 2022 (an increase from the 19,510 businesses there were in 2021), 10,300 (52.7%) were based in Middle layer Super Output Areas (MSOAs) that were part rural and part urban, 4,455 (22.8%) were in completely rural MSOAs and 4,785 (24.5% were in completely urban MSOAs.[5]

3 Annual Population Survey (residence-based dataset), April 2021 to March 2022 and April 2022 to March 2023, ONS, NOMIS. ONS Crown Copyright https://www.nomisweb.co.uk/. Note: Figures are residence-based, that is, they relate to employed people living (but not necessarily working) in the geographical area in question. The analysis described above is based on SOC2020 (Standard Occupational Classification 2020) Major Group occupational classes: "management/professional" occupations means SOC2010 Major Groups 1-3, "admin/skilled" means Groups 4-5, "personal service/sales" is Groups 6-7 and "operative/elementary" covers Groups 8-9.

4 'UK Business Counts - Enterprises' data, ONS, NOMIS. ONS Crown Copyright. Note: Figures relate to enterprises, not local units. Hence an enterprise with 2 sites in Cheshire East (and none elsewhere) would be counted only once (under the location of its main site or HQ). Figures include public as well as private sector organisations.

5 These statistics are based on Cheshire East Council's 2015 Rural-Urban Classification developed by the Council's corporate research team. This classification system assigned each of Cheshire East's 234 Lower layer Super Output Areas (LSOAs) to one of six narrow rural-urban categories and one of two broad rural-urban categories. The statistics presented here are based on the two-category classification. However, the business count data are available only at and above MSOA level. Therefore, the resulting statistics are split into three categories: "rural only" MSOAs (those containing only rural LSOAs); "mixed" MSOAs (those containing both rural and urban LSOAs); and "urban only" MSOAs (those containing only urban LSOAs).

2.8 Cheshire East's business breakdown percentile is comparable to the national average. Cheshire East's micro business percentile is 89.8%, slightly higher than England's 88.6%, while the small business breakdowns are 8.4% and 8.5%, respectively. The same is true for the medium business breakdown, which stands at 1.4% for Cheshire East and 1.5% for England. However, large enterprises account for only 0.4% of Cheshire East's total business, which is lower than the 1.5% national average.[6]

2.9 Around 192,00 Cheshire East usual residents aged 16 and over were in employment in 2021, with, 71% full-time and 29% part-time.[7] 16% of employees worked in the wholesale and retail trade; repair of motor vehicles and motor cycles sector, with human health and social work activities (14%), with manufacturing (10%) also accounting for a large proportion of the employee total.[8]

6 Businesses by size (employment) band, 2022 UK Business Counts, ONS, NOMIS (https://www.nomisweb.co.uk/)

7 Hours work data, ONS, NOMIS, ONS (Crown Copyright) 2021 https://www.nomisweb.co.uk/sources/census_2021/report?compare=E06000049#section_6

8 Industry data, ONS, NOMIS, ONS (Crown Copyright) 2021 https://www.nomisweb.co.uk/sources/census_2021/report?compare=E06000049#section_6

3 Green economy

3.1 In relation to carbon dioxide emissions by sector (CO_2), total emissions (including the domestic sector) fell by 9% between 2016 and 2021 (the latest year for which data are available). CO_2 emissions from transport (which accounted for over two fifths of all CO_2 emissions in 2021) declined by 11% during 2016-21, while emissions from the commercial sector declined by 53% and domestic emissions fell by 7%. In contrast, emissions from industry, which made up nearly a fifth of all CO_2 emissions as of 2021, increased by 8%. Emissions from the public sector also rose (by 13%) as did those from agriculture (by 12%). However, the figures for 2020 and 2021 will have been affected by the reduced levels of economic activity arising from COVID-19 and associated Government restrictions in those years. Hence the percentage changes between 2016 and 2021 may exaggerate the long-term rate of reduction in overall emissions, as well as the long-term rate of progress achieved in some specific sectors. Indeed, CO_2 emissions in all the sectors listed above rose between 2020 and 2021, as did overall CO_2 emissions (up 7%), probably in response to increased economic activity as COVD-19 restrictions were removed.[9]

Table 3.1 Emissions of carbon dioxide in Cheshire East (kt of carbon dioxide equivalent)

Sector	2016	2017	2018	2019	2020	2021
Industry	442.1	433.1	467.5	452.8	442.1	477.2
Commercial	229.4	200.6	120.7	97.5	82.9	108.5
Public sector	59.9	61.4	74.8	68.6	61.8	67.5
Domestic	722.0	688.4	686.5	662.9	644.3	672.3
Transport	1,207.0	1,208.2	1,200.9	1,200.1	1,008.9	1,078.1
Land use, land use change and forestry	-30.9	-33.7	-34.3	-36.0	-34.3	-36.7
Agriculture	76.3	80.0	86.3	80.0	77.7	85.6
Waste management	0.4	0.5	0.5	0.5	0.4	0.4
Total	2,706.3	2,638.5	2,602.9	2,526.3	2,283.8	2,453.0

9 UK local authority and regional greenhouse gas emissions national statistics: 2005 to 2021, DESNZ,2023 – revised (July 2023) data file: https://www.gov.uk/government/statistics/uk-local-authority-and-regional-greenhouse-gas-emissions-national-statistics-2005-to-2021

4 Freight and logistics

4.1 As set out in 'The Logistics Report Summary 2023'[10] according to the latest national figures, in 2021, logistics businesses added £163 billion to the UK economy and generated just over £1 trillion in revenues, which is a 19.2% increase on the previous year and the same as 2019. The logistics industry in the UK comprises 227,000 logistics enterprises directly employing 1.8 million people across England, Wales, Scotland, and Northern Ireland. This is in addition to the 890,000 people employed in logistics roles in non-logistics businesses, meaning there are 2.7 million people employed in logistics overall. This is 8.2% of the UK workforce, making logistics a significant employer.

4.2 UK logistics is multi-modal, moving 208 billion tonne-kilometres of goods domestically in 2022 through warehouses to businesses and consumers.

4.3 In the North West 11% or 200,217 people are employed in logistics (the third highest number of employees), similar to that in the West Midlands and London, and slightly less than that in the South East.

4.4 Online retail sales have increased to 26.6% in 2022, compared to 19.2% before COVID-19.

4.5 Transport remained the highest greenhouse gas emitting sector across the UK in 2022.

10 Logistics UK (2023) The Logistics Report Summary, https://logistics.org.uk/research-hub/reports/logistics-report

5 Tourism

5.1 Tourism remains one of the fastest growing areas of the Cheshire East economy and is worth £735 million to the local area, employing 8,648 full time equivalent.[11]

5.2 Cheshire East has published a Visitor Economy Strategy 2023-2028 , which sets the strategic direction for the Borough. It reflects economic recovery from COVID-19, any impact of changes due to Brexit, impacts of climate change, and the impact of changes in the cost of living.

5.3 The Strategy's strategic themes and priorities are:

1. Position Cheshire East as a destination of choice for staycations – both day and staying visits.
2. Consideration of new, emerging and changing trends in the Cheshire visitor economy.
3. Develop initiatives focused on sustainability and the green agenda to support business growth and extend options for customers.
4. Ensuring accessibility and inclusivity are prioritised in tourism development in Cheshire East.
5. Working together with business to address staff shortage, recruitment, and retention in the hospitality sector.
6. Evolve the business visits and events market in Cheshire East as part of a wider place-based strategy across Cheshire and Warrington.

11 https://www.cheshireeast.gov.uk/business/business-growth-and-investment/industry-sectors/tourism_sector.aspx

6 Skills

6.1 The percentage of the working age population whose highest qualification is NVQ Level 4 and above is (as of 2021) higher than that in the North West or the UK. However, these gaps are not statistically significant, that is, they may just be the result of survey sampling error. The Cheshire East proportion is higher than in 2020, though this change is not statistically significant. The percentage of the working age population with no qualifications is lower (though not by a statistically significant margin) than those in the North West and UK.[12]

Table 6.1 Percentage of working age population whose highest qualification is NVQ level 1/2/3/4 or higher/other/none

	Cheshire East (2021)	North West (2021)	UK (2021)	Cheshire East (2020)
NVQ4+	45.5%	38.6%	43.5%	41.3%
NVQ3	17.9%	17.9%	16.5%	23.2%
Trade apprenticeship	2.2%	3.3%	2.8%	2.4%
NVQ2	16.5%	17.4%	15.2%	17.7%
NVQ1	9.9%	10.0%	9.3%	8.6%
Other	3.5%	5.2%	5.8%	2.4%
None	4.4%	7.5%	6.8%	4.4%

6.2 The number of unqualified residents in Cheshire East has been declining over time. Since January 2019, Cheshire East has witnessed a decrease in the percentage of people without a qualification, from 6.4% to 4.4%, according to the ONS annual population survey. This is significantly less than the Northwest average of 7.5% and the overall British figure of 6.6% for the year 2021.[13]

12 Annual Population Survey (residence-based dataset), Jan-Dec 2020 to Jan-Dec 2021, ONS, NOMIS. ONS Crown Copyright https://www.nomisweb.co.uk/.

13 Highest qualification held by residents aged 16 to 64, Cheshire East and England, 2021, Annual Population Survey, ONS, NOMIS (https://www.nomisweb.co.uk/)