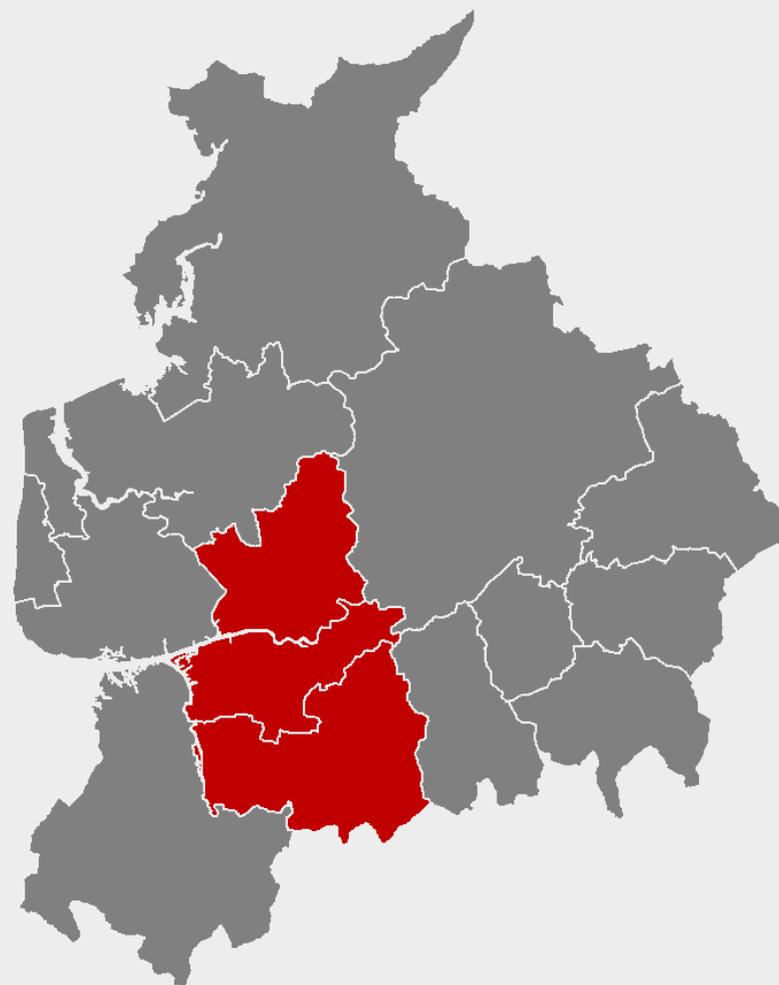




Lancashire  
Enterprise Partnership

# The Preston, Chorley and South Ribble Labour Market Intelligence Report

*Part of the 2018 Lancashire Labour Market Intelligence Toolkit*



European Union  
European Social Fund  
Investing in jobs and skills



# The Lancashire Labour Market Toolkit and Report Overview

This report is the **Travel to Work Area report for Preston, Chorley and South Ribble**, part of the **2018 Lancashire Labour Market Intelligence (LMI) Toolkit**.

Labour Market Intelligence is the term used to describe the wide range of information that helps inform decisions about work and training, covering topics such as jobs, salaries and employers, as well as education and skills.

The toolkit contains three parts:

- **LMI reports** covering **six Travel to Work Areas in Lancashire<sup>1</sup>**, alongside a stand-alone report covering **Lancashire as a whole**;
- **Fact sheets** on each area; and
- **A data matrix** that contains all of the underpinning data which has been analysed to inform the reports and the fact sheets. This includes time series data (typically for up to 10 years) and data for Local Authorities, the six Travel to Work Areas, Lancashire as a whole, the North West and the national average<sup>1</sup>. The Matrix includes Local Authority and Travel to Work Area summary sheets which allow users to access summary charts and tables for their selected area.

The report covers the four themes set out in the table below. Each theme includes a series of summary sheets, which set out key facts and figures, followed by more detailed analysis and commentary. Conclusions and key messages are also provided.

REPORT COVERAGE	
<b>Residents in Preston, Chorley and South Ribble</b>	This section provides data on the residents who live in Preston, Chorley and South Ribble – their employment, occupations, skills and earnings. It also provides information on unemployment and inactivity. It covers the overall resident base including those who work within and outside the Travel to Work Area. <i>The underpinning data is available in the Resident Matrix which can be accessed on the Lancashire Skills Hub website</i>
<b>The Economy in Preston, Chorley and South Ribble</b>	This section provides data on the jobs available at employers located in Preston, Chorley and South Ribble. This includes jobs that are filled by residents from within and outside the Travel to Work Area. <i>The underpinning data is available in the Economy and Business Matrix which is located on the Lancashire Skills Hub website</i>
<b>Economic Forecasts for Preston, Chorley and South Ribble to 2028</b>	This section provides forecasts of the jobs expected to be available at businesses located in Preston, Chorley and South Ribble in the 2018-2028 period. This includes jobs that could be filled by residents from within and outside the Travel to Work Area. <i>The underpinning data is available in the Economic Forecasts Matrix which can be accessed on the Lancashire Skills Hub website</i>
<b>The Skills and Education System in Preston, Chorley and South Ribble</b>	This section provides data on participation and attainment levels throughout the education system in Preston, Chorley and South Ribble – from Key Stage 1 through to Higher Education. <i>The underpinning data is available in the Skills and Education System Matrix which can be accessed on the Lancashire Skills Hub Website</i>
<b>Key Messages</b>	Key Messages

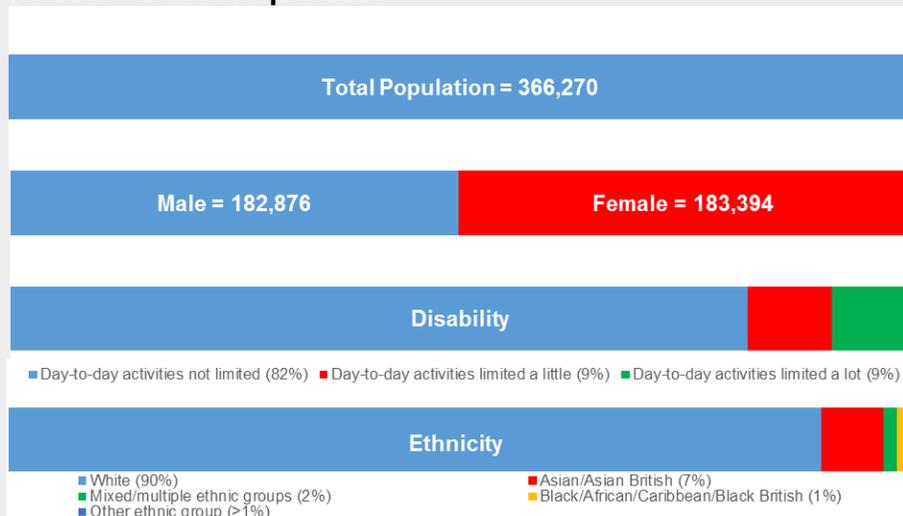
<sup>1</sup> Travel to Work Areas represent labour markets in which the residents of each local area are most likely to work. Not all residents work in the Travel to Work Area in which they live. England excluding London is used as the national comparator, to remove the distorting effects of the London economy (which differs markedly from the rest of England) from the comparison.

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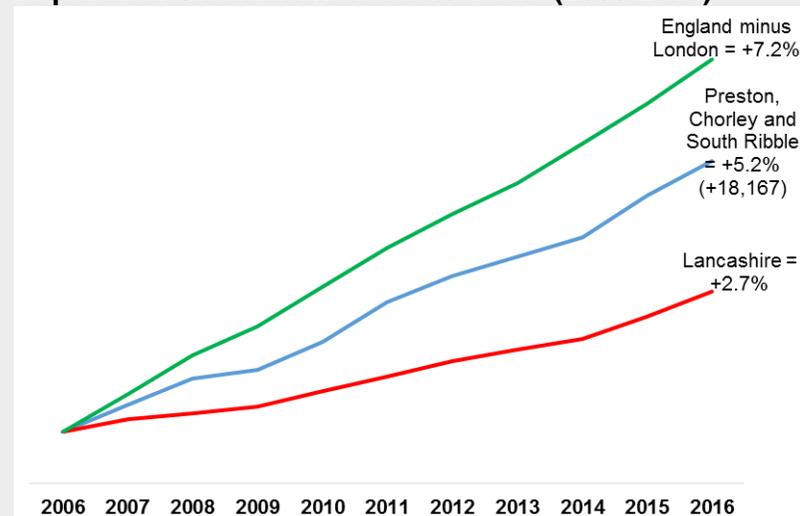
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# The Population in Preston, Chorley and South Ribble – Who Lives in the Area?

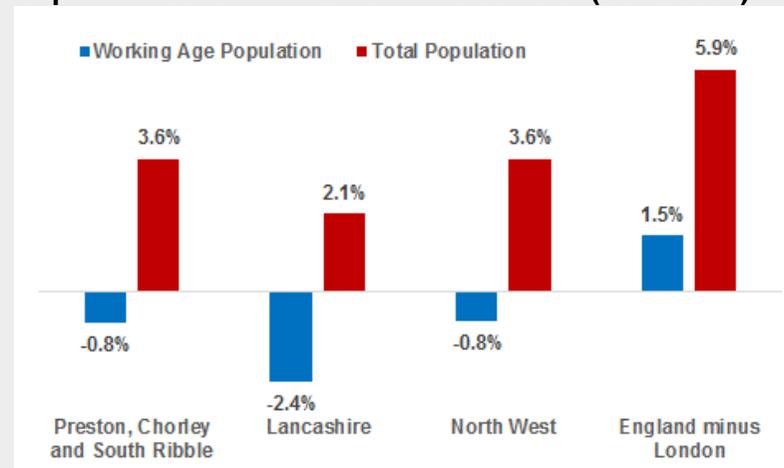
## Overview of the Population



## Population Growth: The Past 10 Years (2006-2016)



## Population Forecasts: The Next 10 Years (2018-2028)



While the population is expected to grow by over 13,100 residents between 2018 and 2028, the working population is expected to get smaller. By 2028, there will be almost 1,900 fewer residents of working age living in the area.

## Population by Age Band

	Preston, Chorley and South Ribble	Lancashire	North West	England minus London
0-14	64,800 18%	18%	18%	18%
15-19	21,200 6%	6%	6%	6%
20-24	25,500 7%	6%	7%	6%
25-34	47,700 13%	12%	13%	13%
35-44	45,600 12%	12%	12%	12%
45-54	53,100 14%	14%	14%	14%
55-64	42,700 12%	12%	12%	12%
65+	65,700 18%	20%	18%	19%

231,700 residents (63.3%) are of working age (aged 16-64). This is slightly higher than the share of the population that are working age in Lancashire (61.6%) and nationally (62%).

## Total Population

The Preston, Chorley and South Ribble Travel to Work Area is home to a population of 366,270 people, just under one quarter of the Lancashire total (24.7%). The population is the largest of the six Travel to Work Areas in Lancashire, marginally higher than in Blackburn with Darwen, Hyndburn, Ribble Valley, Rossendale (356,298) and Blackpool, Fylde and Wyre (327,446).

Preston is the largest of the three local authority areas, with just under 142,000 residents (38.7% of the Travel to Work Area total). Chorley and South Ribble have 114,000 and 110,000 residents respectively.

The population of the Travel to Work Area has grown by 5.2% over the past ten years (2006-2016), with an additional 18,167 residents. This rate of growth is more than double the population growth seen in Lancashire as a whole (+2.7%), but below the rate of growth seen nationally over the same period (+7.2%).

## Gender and Ethnic Make-Up of the Population

The population is split almost evenly between males and females, with a slightly higher proportion of females in South Ribble (51.1%) than in the other two areas.

Just over 90% of the population across the Travel to Work Area is of white ethnicity, with Asian / Asian British people accounting for a further 7%. Preston differs markedly from the other two local authority areas, with 15.5% of its population from the Asian / Asian British ethnic group, compared to 1.6% in Chorley and 1.5% in South Ribble. This is the third highest Asian / Asian British population in Lancashire, behind Blackburn with Darwen (28.1%) and Pendle (18.8%).

## Population Demographics

The age profile of Preston, Chorley and South Ribble is very slightly younger, on average, than is the case in Lancashire as a whole, across

the North West or nationally. The 20-34 years age group accounts for 20% of the total population, compared to 18% in Lancashire and 19% nationally. Only 18% are aged over 65, compared to 20% in Lancashire and 19% nationally.

## Working Age Population

There are 231,700 people of working age population (16-64 year olds) in Preston, Chorley and South Ribble, 63.3% of the total population. This is just over one quarter (25.3%) of the Lancashire total. Both Preston and Chorley have a higher proportion of residents of working age than is the case in Lancashire as a whole, with Preston having the highest proportion of all the local authority areas, at 65.7%.

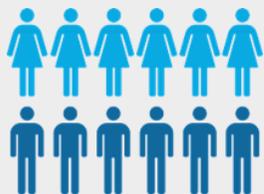
The working age population has grown more slowly over the past ten years than the population as a whole – by just 1,600 people, or 0.7%. This is a slower rate of growth than seen in the working age population nationally over the same period (+3.6%) but has outpaced growth in Lancashire as a whole, where the working age population has fallen by 1.0%.

## Population Projections

The population of Preston, Chorley and South Ribble is expected to continue to grow over the next ten years, with the Office for National Statistics forecasting an additional 13,167 residents (+3.6%). This is a faster rate of growth than is expected for Lancashire as a whole (+2.1%). Chorley is expected to have by far the fastest rate of growth (+8.2%).

In contrast, the working age population within the area is expected to fall, by 1,874 people, or -0.8%, reversing the growth seen over the past ten years. Some growth is expected in Chorley (+2,386) but this will be more than offset by declines in Preston and South Ribble.

## Labour Market Overview – What do residents in Preston, Chorley and South Ribble do?



### Employment

*Residents who have a job or are self-employed (either within or outside the Travel to Work Area)*

### Unemployment

*Residents without a job, who have been actively seeking work (within the last four weeks)*

### Inactivity

*Residents who are not in work and have not sought work in the last four weeks (e.g. looking after family/home, studying, long-term sick and retired)*

What is happening in the Preston, Chorley and South Ribble Travel to Work Area?

**176,600 people, 77.1%** of the resident working-age population (16-64) are in employment, a 7.5 percentage point increase from 2010

**6,300 people, 3.4%** of economically active residents are unemployed

**46,100 people, 20.1%** of the working-age population are economically inactive

How does this compare to what is happening in Lancashire and nationally?

Higher than Lancashire (**74.4%**) and National rates (**74.8%**)

Lower than Lancashire (**4.2%**) and National rates (**4.5%**)

Lower than Lancashire (**22.2%**) and National rates (**21.7%**)

What is happening at the local level?

South Ribble has the highest employment rate of the three local areas at **82.1%**  
Chorley's is above the Travel to Work Area average at **78.7%** and Preston's is the lowest at **72.3%**

The rate is higher in Preston (**5.4%**) than in Chorley (**3.0%**) or South Ribble\*\*

South Ribble has the lowest rate of the three local areas at **16.7%**  
(Chorley **18.9%**, Preston **23.6%**)

This means that across Preston, Chorley and South Ribble:

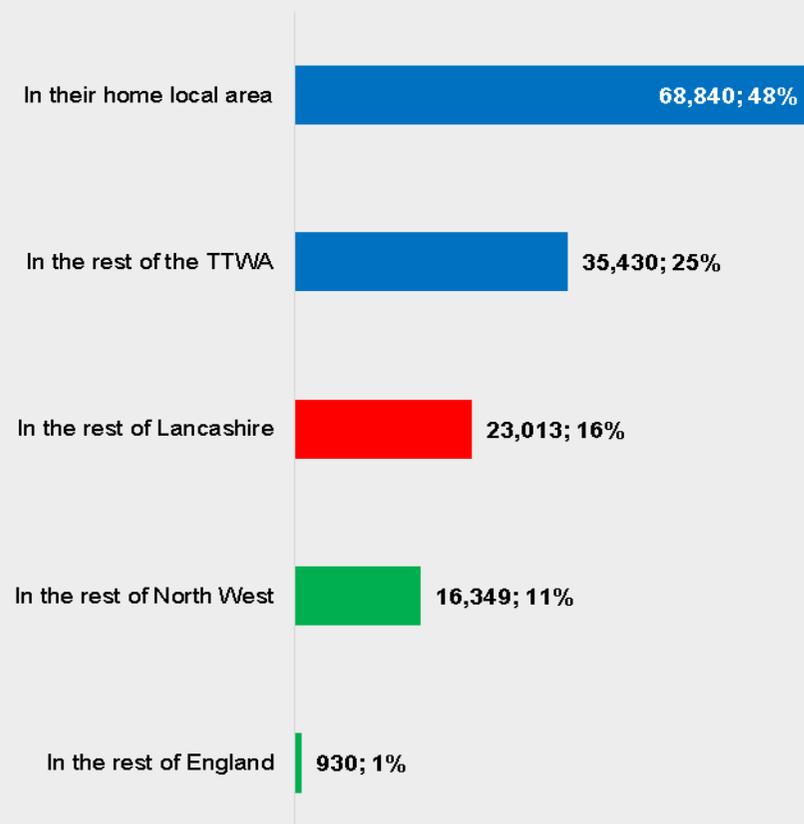
- 6,300 residents are unemployed and looking for work
- 46,100 residents are economically inactive - 11,600 of these residents (25%) would like to work

The main reasons for being economically inactive are: looking after family/home (25%), studying (25%), being long-term sick (21%), and being retired (17%).

## Local Residents in Employment – Who is working in Preston, Chorley and South Ribble?

Residents who work...	Preston, Chorley and South Ribble		Lancashire	England minus London
	No.	%		
In self-employment	18,500	10.5%	12.9%	13.8%
Full-time	129,700	73.4%	74.0%	74.0%
Part-time	47,000	26.6%	25.9%	25.8%
Under 10 hours weekly	7,200	4.3%	4.4%	3.7%
10-34 hours weekly	47,600	28.2%	28.9%	28.2%
35-44 hours weekly	75,600	44.7%	44.7%	44.5%
45 hours or more weekly	38,600	22.8%	22.0%	23.6%
In non-permanent employment	9,800	5.5%	5.7%	4.9%

### Where do residents work?



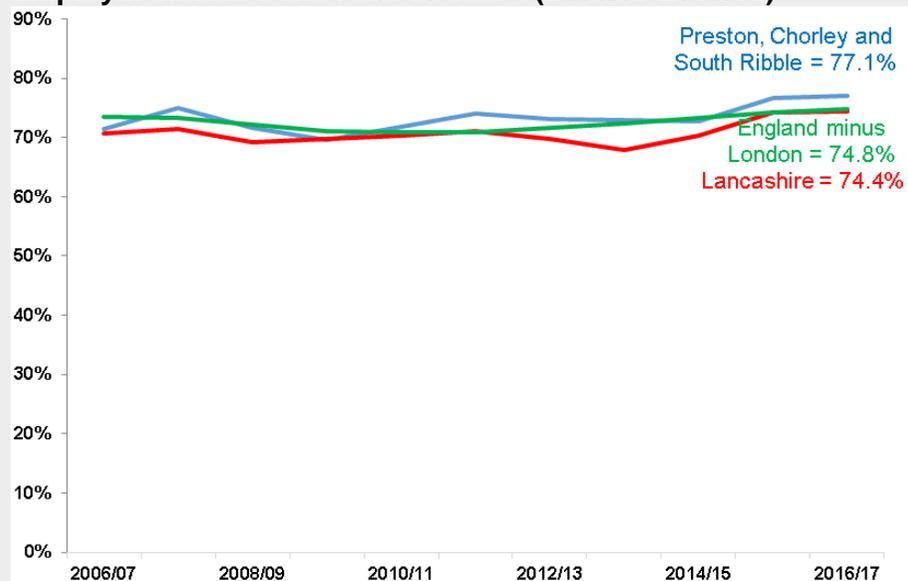
Median resident-based earnings range from £24,700 in Preston to £26,400 in South Ribble and £27,400 in Chorley, compared to £25,800 in Lancashire and £29,100 nationally.

Median workplace-based earnings are slightly higher in Preston (£25,900), but lower in Chorley (£24,900) and South Ribble (£25,300).



# Local Residents in Employment – Who is working in Preston, Chorley and South Ribble?

**Employment Rate: The Past 10 Years (2006/07-2016/17)**



**Employment Rate by Gender (2016/17)**

	Preston, Chorley and South Ribble	Lancashire	England minus London
	72%	70%	70%
	82%	79%	80%

The employment rate grew by 5.6 percentage points over the last 10 years, a higher growth than across Lancashire (3.7 percentage points) and nationally (1.3 percentage points). employment rates for both males and females are greater in Preston, Chorley and South Ribble than across Lancashire and nationally.

**Employment Rate by Age Band**

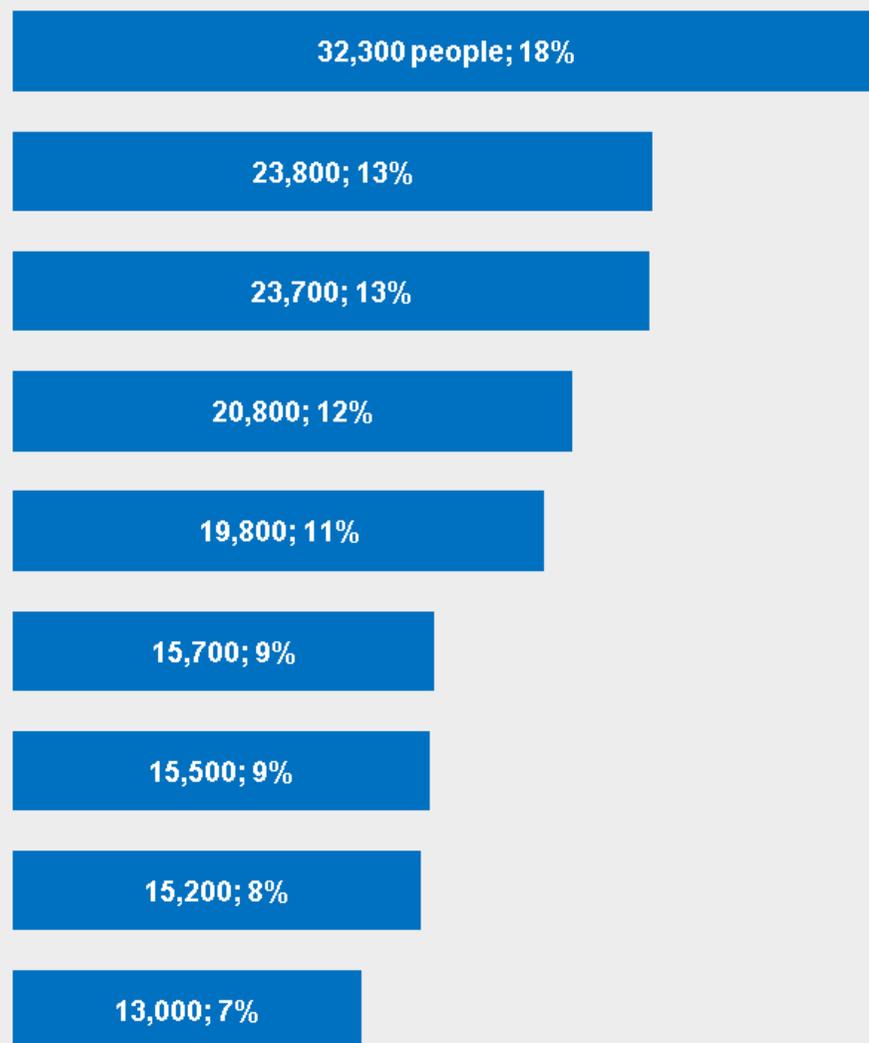
	Preston, Chorley and South Ribble	Lancashire	North West	England minus London
16-19	9,500 56%	40%	34%	37%
20-24	22,200 78%	71%	68%	68%
25-34	39,600 86%	82%	80%	83%
35-49	59,200 85%	86%	83%	85%
50-64	46,100 69%	68%	67%	71%
65+	3,200 6%	10%	9%	10%
<b>16-64</b>	<b>176,600 77%</b>	<b>74%</b>	<b>72%</b>	<b>75%</b>

**Employment Rate by Ethnicity**

	Preston, Chorley and South Ribble	Lancashire	England minus London
White	159,000 80%	77%	77%
Ethnic minority	17,700 61%	52%	64%
Mixed ethnic group	2,400 100%	77%	66%
Indians	6,500 56%	58%	73%
Pakistanis/Bangladeshis	1,100 33%	39%	55%
Black or black British	4,200 67%	57%	68%
All other ethnic groups	3,400 65%	59%	62%
<b>16-64</b>	<b>176,600 77%</b>	<b>74%</b>	<b>75%</b>

The employment rate is highest amongst the 25-34 and 35-49 age groups, similar to across Lancashire and nationwide. The rate for 16-19 year olds (56%) is significantly higher than in Lancashire and nationally. It is also highest amongst white and mixed ethnic groups, and higher than across Lancashire and nationally.

## Occupations of Local Residents – What jobs do people in Preston, Chorley and South Ribble do?



**Professional occupations**, including teachers, lawyers, doctors, nurses and other medical occupations, engineers, scientists, social workers, architects and surveyors

**Associate professional and technical occupations**, including engineering, building and lab technicians, IT technicians, paramedics, police, prison and fire service officers, graphic designers, accounting technicians, health and safety officers

**Skilled trades occupations**, including welders, mechanics, machinists, electricians, plumbers, plasterers, chefs, cooks

**Caring, leisure and other service occupations**, including teaching assistants, nursery workers, care workers, hairdressers, beauticians, caretakers and housekeepers

**Administrative and secretarial occupations**, including admin officers, finance officers, office managers, secretaries, Personal Assistants (PAs) and receptionists

**Managers, directors and senior officials**, including all types of managers (finance, HR, sales, production etc) in all types of organisations

**Sales and customer service occupations**, including sales assistants and shop workers, telesales and call centre workers and customer service managers

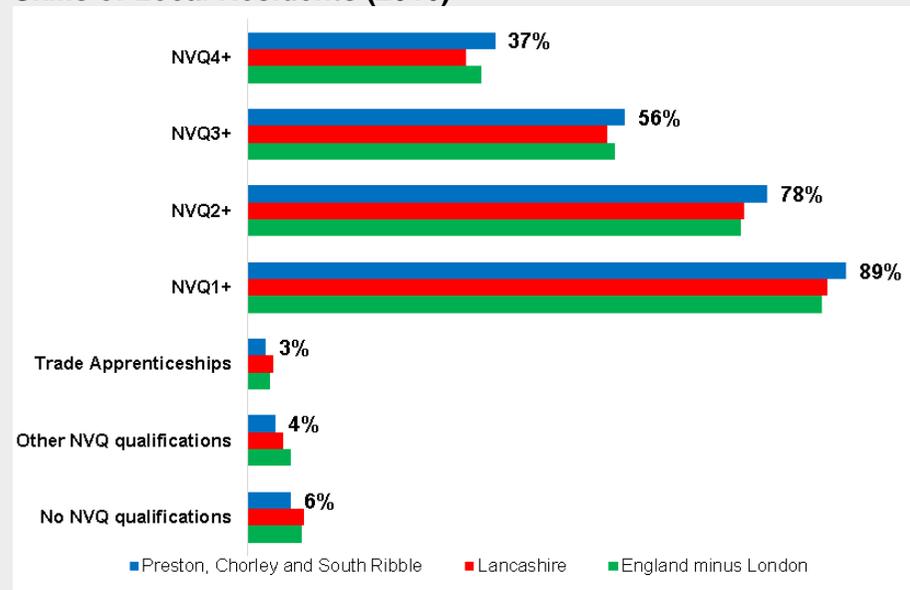
**Elementary occupations**, including construction labourers, postal workers, cleaners, security staff, catering assistants and waiting / bar staff

**Process, plant and machine operatives**, including factory workers, sewing machinists, tyre fitters, scaffolders, road and rail construction workers, lorry, bus and taxi drivers, train drivers and forklift truck drivers

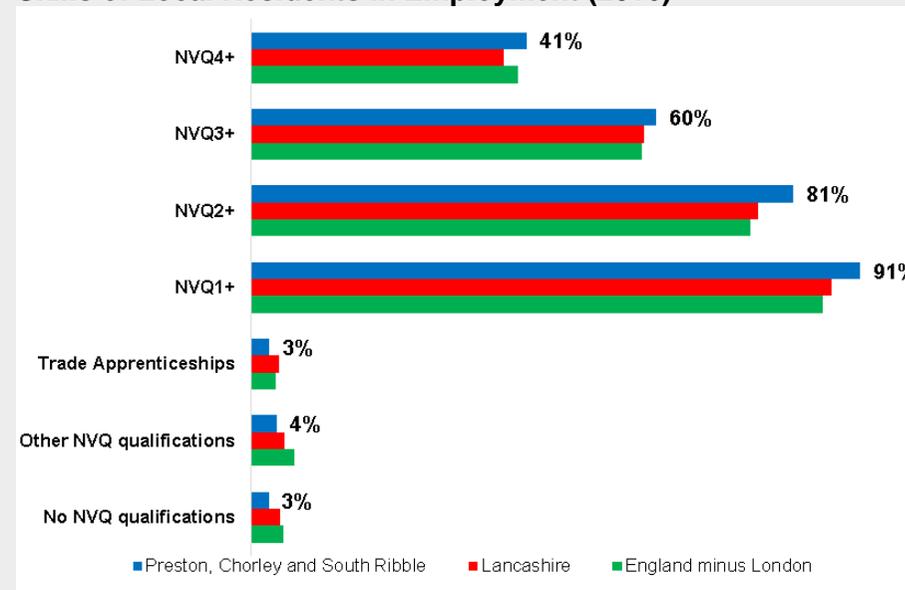
Preston, Chorley and South Ribble has a slightly greater share of residents in Professional occupations than in Lancashire as a whole (17%), but slightly below the national share (19%). There is also a lower share of Elementary occupations than Lancashire and nationally (both 11%), but a slightly greater share of Skilled trades occupations.

# The Skills of Local Residents – How well-qualified are people in Preston, Chorley and South Ribble?

## Skills of Local Residents (2016)



## Skills of Local Residents in Employment (2016)



How do the skills of local residents differ by gender?

- In general, females are more highly qualified, as is the case across Lancashire and nationally
- 40% of females hold qualifications at NVQ4 or above, greater than 34% for males
- Similarly, 90% of female hold qualifications at NVQ1 or above; 84% for males
- However, slightly more females have no qualifications (7%) than is the case for males (6%)

...and by age?

- Preston, Chorley and South Ribble residents are more qualified (at NVQ4 or above) at all age groups than across Lancashire as a whole
- Those aged 25-29 are most highly qualified, which is different to the picture across Lancashire and nationally, for which the 40-49 and 30-39 age groups are most qualified
- The 25-29 group also has the highest rate of qualifications at NVQ2+ (86%), while 21% of those aged 16-19 do not hold any formal qualifications.

Those in employment are more qualified, on average, than the working age population. A greater share of the resident population have no qualifications (6% v 3%), while a larger share of those in work have qualifications at NVQ4 and above (41% v 37%).

## Residents in Employment in Preston, Chorley and South Ribble

Approximately 176,600 (77.1%) of residents of working age (aged 16-64) are in employment. This includes residents who work both within and outside the Travel to Work Area. Preston, Chorley and South Ribble has the second highest employment rate of the Travel to Work Areas across Lancashire (after Lancaster and Morecambe) and exceeds both the Lancashire (74.4%) and national (74.8%) average.

The employment rate has fluctuated over the past ten years, consistently outperforming the average across Lancashire, and generally meeting or exceeding the national average. Overall, the employment rate has increased (by 5.6 percentage points) and this has outpaced increases across Lancashire (3.7 percentage points) and nationally (1.3 percentage points).

The high employment rate is driven by South Ribble and Chorley, where 82.1% and 78.8% of working age residents are employed respectively. In contrast, the employment rate in Preston (72.3%) is below both the Lancashire and national average. For Preston to close the gap with the national average, an additional 2,100 working age residents would need to enter employment (equivalent to a 3% increase).

## Characteristics of those in Employment

In line with national trends, the employment rate for men (82%) is higher than the employment rate for women (72%). The difference in the rates (of ten percentage points) aligns with the difference nationally. This does however mask differences at the local area, particularly in relation to Chorley, where the employment rate for females (81%) exceeds the rate for males (77%).

The employment rate varies by age group and is highest amongst those aged 25-49, as is the case across Lancashire and nationally. The key differences in the employment profile by age relate to the youngest and oldest age groups. While the employment rate for those aged 16-19 is significantly higher in Preston, Chorley and South Ribble than in Lancashire and nationally, the rate for those age 65+ is much lower.

There are also variances by ethnicity. The employment rate is highest amongst white and mixed ethnic groups, exceeding the employment rate for these groups in Lancashire and nationally. As is the case across Lancashire, there is a particularly low employment rate amongst the Pakistani and Bangladeshi group in Preston, Chorley and South Ribble, especially when compared to the national average.

## Types of Employment

The basis on which residents are employed varies. One in ten working age residents (10.5%) in Preston, Chorley and South Ribble are self-employed. This is one of the lowest rates across the Travel to Work Areas and is also lower than Lancashire (12.9%) and national (13.8%) average. The low rate across the Travel to Work Area reflects particularly low levels of self-employment in South Ribble (7.1%), while Preston (11.7%) and Chorley (12.6%) are much closer to the Lancashire average.

Almost three quarters of working age residents in employment are employed on a full time basis, with over two thirds working over 35 hours per week. The split between full time and part time jobs and the profile of the number of hours that people typically work largely aligns with the Lancashire and national profiles.

There are also residents who work on a non-permanent basis, including fixed period contracts, agency temping, casual work and seasonal work. This applies to 5.5% of working age residents in Preston, Chorley and South Ribble, compared to 4.9% nationally. While this is in line with the Lancashire wide average, the rate of non-permanent work varies across local authorities, from 3.4%-4.8% in Chorley and South Ribble respectively, to 7.7% in Preston.

## Occupations

Residents in employment hold jobs across all occupational categories. The largest occupational group amongst residents is professional occupations, accounting for almost a fifth of those in employment. This is followed by associate, professional and technical occupations, and skilled trades occupations.

# Residents in Employment in Preston, Chorley and South Ribble

The occupational profile of residents largely aligns with the Lancashire and national profile. The greatest differences with the national profile include the higher proportion of residents working in skilled trades and caring, leisure and other service occupations, and the lower proportion of residents working in manager, director and senior official roles and in elementary occupations. Although these differences only tend to be 2-3 percentage points and mask further variation at the local level.

Key points to note at the local level include:

**Highly skilled occupations:** Overall, two fifths of residents from the Travel to Work Area are employed in highly skilled occupations (managers, directors and senior officials; professional occupations; and associate professional and technical occupations). This is in line with the Lancashire average (39%), but lower than the national average (44%).

This reflects the much lower proportion of Preston's residents that work in highly skilled occupations (35% compared to 42% in South Ribble and 44% in Chorley). Amongst Preston's residents each of the highly skilled occupational groups is underrepresented, particularly managers, directors and senior officials and associate professional and technical occupations.

**Across the remaining occupational groups:** South Ribble has a particularly high proportion of residents (14%) working in **administrative and secretarial occupations**, compared to Preston and Chorley (9-10%) which largely align with the Lancashire (11%) and national (10%) average.

Chorley has a particularly high proportion of residents (15%) working in **skilled trade occupations**, while the proportion in Preston and South Ribble (12%) is largely in line with the Lancashire (12%) and national (11%) average.

In line with the Lancashire wide average, Preston and Chorley have a high proportion of residents working in **caring, leisure and service occupations** (13% and 12% respectively), whereas South Ribble is in line with the national average (10%).

Preston also has a higher proportion of residents working in **sales and customer service; process, plant and machine; and elementary occupations** than South Ribble and Chorley.

## Travel to Work

Seventy-three per cent of residents live and work within the Preston, Chorley and South Ribble Travel to Work Area. Almost half of residents in employment work in their home local area, while 25% work within the wider Travel to Work Area. The large majority of residents who work outside the area, travel to other parts of Lancashire (16%) or across the wider North West region (11%).

## Earnings

Across the Travel to Work Area, the median earnings of residents are below the national average, ranging from £24,700 in Preston to £26,400 in South Ribble and £27,400 in Chorley. This is equivalent to between 85% and 94% of the national average (£29,100). The median earnings of South Ribble and Chorley residents exceed the average for Lancashire (£25,800).

When the median earnings of residents from each local area (i.e. resident-based earnings) are compared to the median earnings of the jobs based in each area (i.e. workplace-based earnings), the data suggests that:

- Residents from South Ribble and Chorley typically travel to access higher paid employment, with workplace-based earnings lower than resident based earnings.
- Residents in Preston are typically employed in lower paid jobs, despite jobs in Preston offering the highest median earnings across the Travel to Work Area.

It should also be noted that workplace-based earnings across the Travel to Work Area are equivalent to between 86% and 89% of the national average.

## The Skills Profile

Overall, the working age population in Preston, Chorley and South Ribble are more qualified than the working age population across Lancashire and nationally. At all skills levels, including higher level skills (level 4+), the

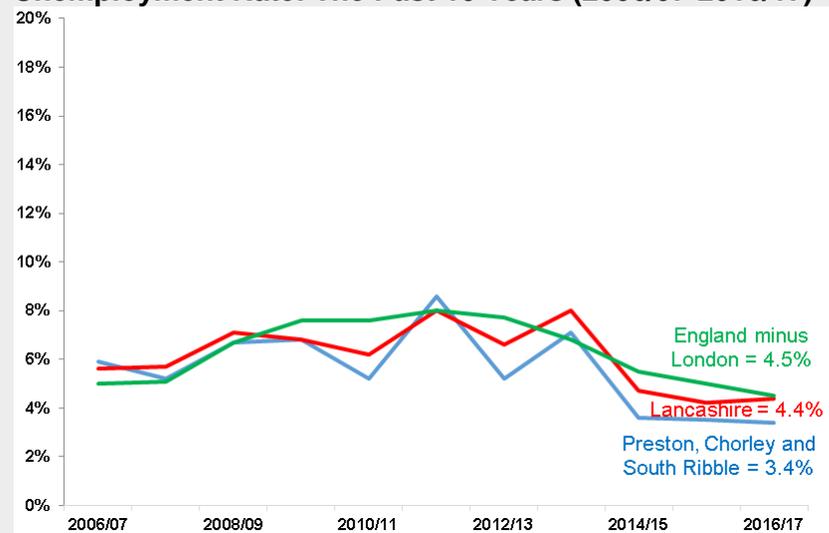
area outperforms the Lancashire and national average. There is also a smaller proportion of working age residents that hold no qualifications.

At the local level the profile varies, with the strong overall performance driven by South Ribble and Chorley, with both areas typically exceeding the national average at all levels. The skills profile of residents in Preston, however, is quite different, with only 30% holding qualifications at Level 4 or above (compared to 35% nationally and 50% in Chorley). Similarly, a lower proportion of residents hold qualifications at Level 3 or above (50% compared to 55% nationally) and Level 2 or above (70% compared to 74%).

Residents who are in employment are, on average, more qualified than the working age population. For example, 91% of those in employment hold qualifications at Level 1 or above compared to 89% of the working age population. The difference is starker as skills levels increase, with 41% of those in employment holding qualifications at Level 4 or above, compared to 37% of the working age population. This highlights the importance of qualifications in securing employment.

# Unemployment – Who is unemployed in Preston, Chorley and South Ribble?

**Unemployment Rate: The Past 10 Years (2006/07-2016/17)**



**Unemployment Rate by Gender (2016/17)**

	Preston, Chorley and South Ribble	Lancashire	England minus London
	2%	4%	4%
	5%	5%	5%

The unemployment rate fell by 2.5 percentage points over the last 10 years, a greater fall than across Lancashire (-1.2 percentage points) and nationally (-0.5 percentage points). The unemployment rate for females is lower in Preston Chorley and South Ribble than across Lancashire and nationally, while the male rate is the same.

**Unemployment Rate by Age Band**

	Preston, Chorley and South Ribble	Lancashire	North West	England minus London
16-19	n/a	n/a	15%	21%
20-24	1,900	8%	8%	10%
25-34	1,600	4%	4%	4%
35-49	1,100	2%	3%	3%
50-64	1,800	4%	3%	3%
65+	n/a	n/a	1%	2%
<b>16-64</b>	<b>6,300</b>	<b>3%</b>	<b>5%</b>	<b>5%</b>

There are 668 young people who are not in education, employment or training in Burnley and Pendle (NEET) – 5.7% of 16-17 years old, compared to 5.3% across Lancashire and 4.7% nationally.

**Unemployment Rate by Ethnicity**

	Preston, Chorley and South Ribble	Lancashire	England minus London
White	2,800	2%	3%
Ethnic minority	3,500	17%	14%
Mixed ethnic group	n/a	n/a	9%
Indians	1,400	18%	10%
Pakistanis/Bangladeshis	n/a	n/a	25%
Black or black British	n/a	n/a	9%
All other ethnic groups	n/a	n/a	6%
<b>16-64</b>	<b>6,300</b>	<b>3%</b>	<b>5%</b>

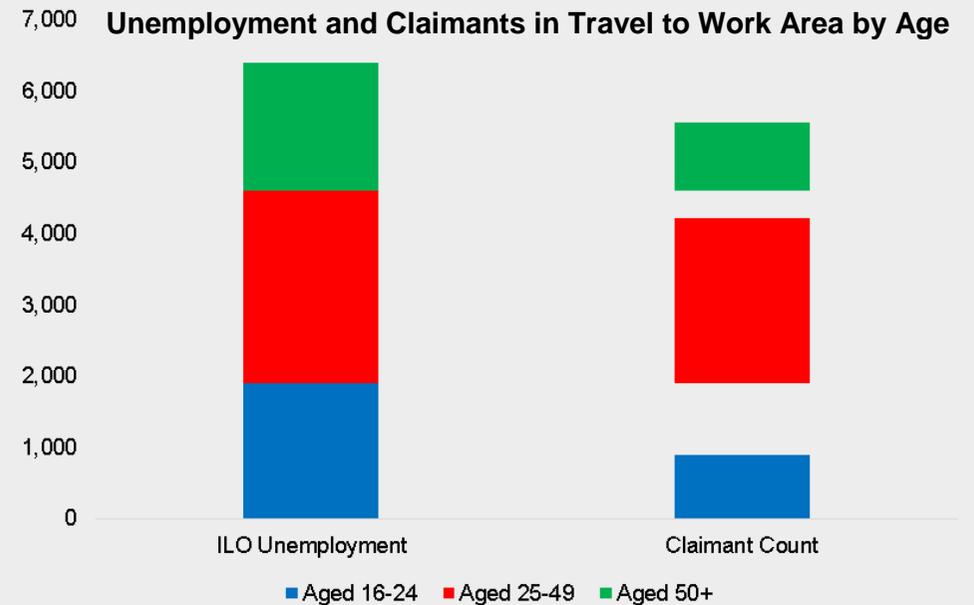
Where data allows comparison, the unemployment rate is highest amongst the 20-24 age group, similar to the picture across Lancashire and nationwide. The rate for 16-19 year olds (56%) is significantly higher in Lancashire, North West and nationally, although data is not available for the Travel to Work Area. By ethnicity, the rate is lower in the white population but higher in the ethnic minority and Indian groups, than across Lancashire and nationally.

# Unemployment – The Difference between Unemployment and the Claimant Count in Preston, Chorley and South Ribble

'Unemployment' refers to people who are actively seeking and available for work, and is measured using an internationally agreed definition (ILO unemployment).

The Claimant Count measures the number of people who are receiving benefits principally because they are unemployed. From April 2015, the Claimant Count includes all Universal Credit claimants who are required to seek work and be available for work, as well as the remaining Jobseeker's Allowance claimants. Not everyone who is unemployed is eligible to claim unemployment-related benefits.

This page compares the number of unemployed in people in Preston, Chorley and South Ribble, with the number who are claiming unemployment-related benefits.



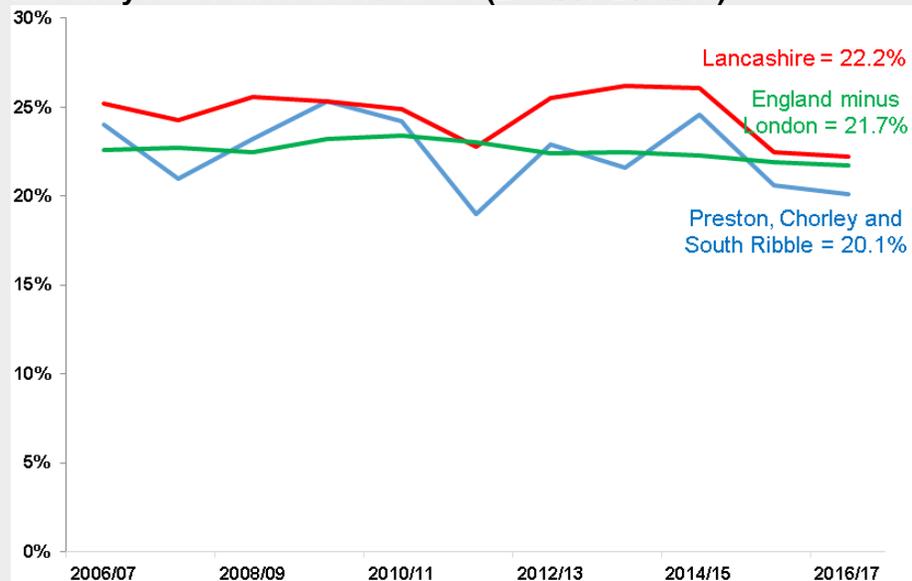
Unemployed people aged 16-24 and over 50 are less likely to receive unemployment benefits, as is the case nationally. While there is a higher claimant count amongst males, a much smaller proportion of males who are unemployed receive benefits (57%) when compared to females (87%),

Residents	Preston, Chorley and South Ribble	Lancashire	England minus London
Claimant Count (no.)	4,175	21,505	525,290
Claimant Count (% of working age population)	1.8%	2.4%	1.8%
Claimants as % of those Unemployed	66%	70%	52%

Preston, Chorley and South Ribble	Unemployment	Claimant Count	Claimants as % of those unemployed
	1,900	1,645	87%
	4,400	2,530	56%

# Economic Inactivity – Who is economically inactive in Preston, Chorley and South Ribble?

**Inactivity Rate: The Past 10 Years (2006/07-2016/17)**



**Top 3 Reasons for Inactivity (2016/17)**



**1. Looking after family and home (25%)**



**2. Studying (25%)**



**3. Long-term sick (21%)**

The main reasons for economic inactivity in Preston, Chorley and South Ribble are the same as across Lancashire and nationally, although the area has a lower share suffering from long-term sickness than in Lancashire (25%) and nationally (22%).

**Inactivity Rate by Age Band**

	Preston, Chorley and South Ribble		Lancashire	North West	England minus London
16-19	7,600	44%	53%	58%	54%
20-24	4,600	16%	23%	25%	26%
25-34	5,200	11%	14%	16%	14%
35-49	9,500	14%	12%	14%	13%
50-64	19,300	29%	29%	31%	27%
65+	53,800	94%	90%	91%	90%
<b>16-64</b>	<b>46,100</b>	<b>20%</b>	<b>22%</b>	<b>24%</b>	<b>22%</b>

Inactivity rates are highest in the 16-19 age group at 44% although this is still well below the Lancashire and national average. Rates are particularly high in the Pakistani/Bangladeshi ethnic group at 50%, although this is similar to the picture across Lancashire.

**Inactivity Rate by Ethnicity**

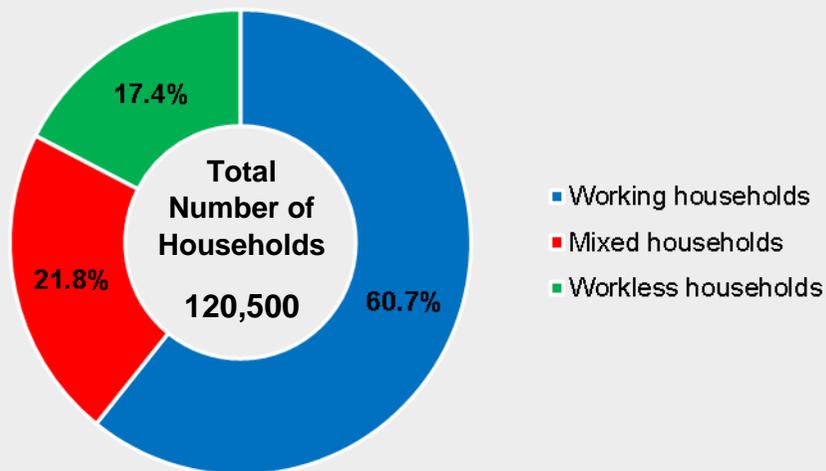
	Preston, Chorley and South Ribble		Lancashire	England minus London
White	38,100	19%	20%	21%
Ethnic minority	8,000	27%	40%	32%
Mixed ethnic group	n/a	n/a	22%	28%
Indians	3,800	33%	35%	25%
Pakistanis/Bangladeshis	1,700	50%	48%	39%
Black or black British	n/a	n/a	32%	27%
All other ethnic groups	n/a	29%	39%	36%
<b>16-64</b>	<b>46,100</b>	<b>20%</b>	<b>22%</b>	<b>22%</b>

**Inactivity Rate by Gender**

	Preston, Chorley and South Ribble		Lancashire	England minus London
Female	30,100	26%	27%	27%
Male	16,000	14%	17%	17%
<b>16-64</b>	<b>46,100</b>	<b>20%</b>	<b>22%</b>	<b>22%</b>

# Household Economic Inactivity – How many workless households are in Preston, Chorley and South Ribble?

## Composition of Households (2016)



Preston, Chorley and South Ribble has a higher share of working households than across Lancashire and nationally (both 57%). However, the Travel to Work Area also has a greater proportion of workless households than in Lancashire as a whole (16%) and nationally (15%). This includes student households. As a result, mixed households – which contain both working and workless members – are less common in Preston, Chorley and South Ribble than across Lancashire (27%) and nationally (28%).

## Overview of Workless Households (2016)

Households where no (16+) member is working

**17.4%**

Households where all (16+) members are inactive

**14.1%**

**1.9%**  
of households are workless with a mix of unemployment and inactivity

Households where all (16+) members are unemployed

**1.4%**

**7,662**

children live in workless households

## Unemployment in Preston, Chorley and South Ribble

Based on the ILO definition of unemployment, 6,300 people are unemployed in Preston, Chorley and South Ribble. This equates to 3.4% of economically active residents and is lower than the Lancashire (4.2%) and national (4.5%) average. It is also one of the lowest rates across the Lancashire Travel to Work Areas (along with Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley).

The unemployment rate has fluctuated over the past ten years and has been particularly low since 2015. Overall, it has decreased by 2.5 percentage points, representing a greater fall than across Lancashire (-1.2 percentage points) and nationally (-0.5 percentage points).

The low unemployment rate, reflects the particularly low levels of unemployment in Chorley (3%) and potentially South Ribble (although data is not available for the South Ribble due to the small sample size and confidence levels). In contrast, unemployment in Preston (5.4%) exceeds both the Lancashire and national average.

## Characteristics of those who are unemployed

In line with national trends, the unemployment rate for men (5%) is higher than the unemployment rate for women (2%). While the unemployment rate for men aligns with the Lancashire and national average, the unemployment rate for women is much lower (equivalent to half the Lancashire and national average).

Where data is available, it shows that the unemployment rate varies by age group and is highest amongst those aged 20-24 (8%). In comparison, the rate for 16-19 year olds is much higher in Lancashire (15%) and nationally (20%), although data is unavailable for the Travel to Work Area (due to the small size of the survey sample).

There are also variances by ethnicity. As is the case across Lancashire and nationally, unemployment is lower amongst those who are white and higher amongst ethnic minority and mixed ethnic groups.

## The claimant count

Focusing on those who are receiving benefits principally because they are unemployed, there are over 4,100 claimants in Preston, Chorley and South Ribble. This is equivalent to 1.8% of the working age population, lower than the Lancashire average (2.4%) and in line with the national average (1.8%). As with unemployment, the low claimant rate is reflective of the low levels of claimants in Chorley (1.6%) and South Ribble (1.4%), while the rate in Preston (2.3%) exceeds the national average.

As all of those who are unemployed will not receive and/or claim benefits, the claimant group is a sub-set of those who are ILO unemployed. In Preston, Chorley and South Ribble, two thirds of those who are unemployed receive benefits compared to 70% in Lancashire and 52% nationally. Across the local areas, a much higher proportion of unemployed residents receive benefits in Chorley (70%) than in Preston (56%).

When the ILO unemployment and claimant counts are broken down and compared in terms of age and gender, the data shows unemployed people aged 16-24 and over 50 are less likely to receive unemployment benefits, as is the case nationally. It also showed that while there is a higher claimant count amongst males, a much smaller proportion of males who are unemployed receive benefits (57%) when compared to females (87%), although this is not the case across Lancashire or nationally and is likely to reflect the very low female unemployment rate across the Travel to Work Area.

## Economic Inactivity in Preston, Chorley and South Ribble

Across Preston, Chorley and South Ribble, 46,100 people are economically inactive (i.e. are not in work and have not sought work in the last four weeks for a variety of reasons). This equates to 20.1% of the working age population and is lower than the inactivity rate in Lancashire (22.2%) and nationally (21.7%). Along with Burnley and Pendle and Lancaster and Morecambe, it is one of the lowest economic inactivity rates across the Travel to Work Areas.

As with employment and unemployment, levels of inactivity vary by local area. The low rate of the Travel to Work Area is reflective of low levels of inactivity in South Ribble (16.7%) and Chorley (18.9%) which are both below the Lancashire and national average. In contrast, Preston's inactivity rate is higher (23.6%).

## Reasons for economic inactivity

The three main reasons for inactivity in Preston, Chorley and South Ribble – looking after family and home (25% of those who are inactive), studying (25%), and long term sickness (21%) – are the same as across Lancashire and nationally. Although, the Travel to Work Area has a lower share suffering from long-term sickness than in Lancashire (25%). The other main reason is being retired, which accounts for 17% of those who are inactive in the Travel to Work Area compared to 16% in Lancashire and 15% nationally.

## Characteristics of those who are inactive

As is the case nationally, a much higher proportion of working age females (26%) are economically inactive than males (14%). The lower economic inactivity rate across Preston, Chorley and South Ribble is reflective of a lower inactivity rate amongst males (14% compared to 17% in Lancashire and nationally). This does however mask differences at the local area, particularly in relation to Chorley, where the inactivity rate for males (22%) exceeds the rate for females (16%).

The inactivity rate varies by age group and is highest amongst those aged 16-19, as is the case across Lancashire and nationally. The key differences in the inactivity profile by age relate to the youngest and oldest age groups. While the inactivity rate for those aged 16-19 and 20-24 is lower in Preston, Chorley and South Ribble than in Lancashire and nationally, the rate for those age 65+ is higher.

There are also variances by ethnicity. The inactivity rate is highest amongst the Pakistani and Bangladeshi group in Preston, Chorley and South Ribble as is the case in Lancashire and nationally (although both the Travel to Work Area and Lancashire rates for this group significantly

exceed the national average). Other groups with high inactivity rates include Indian and ethnic minority groups.

## Economic Activity by Household

It is also possible to look at economic activity patterns by household as well as by individual. Of the 120,500 households located in Preston, a higher share are classed as working households (61%) than in Lancashire and nationally (both 57%).

However, the Travel to Work Area also has a greater proportion of workless households than in Lancashire as a whole (16%) and nationally (15%). This includes student households. As a result, mixed households – which contain both working and workless members – are less common in Preston, Chorley and South Ribble than across Lancashire (27%) and nationally (28%). In line with varying trends on employment, unemployment and inactivity, there are variances in the household profile at the local level including:

- **Working households** are more prevalent in Chorley and particularly South Ribble (accounting for 61% and 65% of households respectively). This compares to 57% in Preston which is in line with the Lancashire and national average.
- **Workless households**, including student households, are more prevalent in Chorley and Preston (accounting for 20% of households in both areas) than in South Ribble where there is a particularly low concentration of workless households (12%).
- **Mixed households**: are more prevalent in in South Ribble and Preston (accounting for 23% of households in both areas) than in Chorley (19%), although all areas remain below the Lancashire and national average.

Focusing on workless households, the large majority of workless households in Preston, Chorley and South Ribble are occupied by residents who are economically inactive. Overall, in 14% of households all (16+) members are inactive, while in 1.9% of households there is a mix of unemployment and inactivity, and in 1.4% of households all (16+) members are unemployed. Over 7,600 children live in households where no-one is in work.

# Employment by Sector in Preston, Chorley and South Ribble – What sectors do people work in?

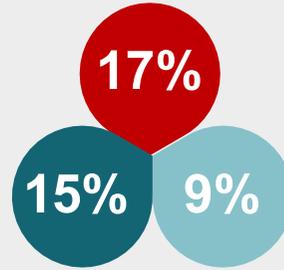
## Total Employment



**181,000 JOBS**

28% of all jobs in Lancashire

## Three Largest Employment Sectors



**Wholesale and Retail**  
Health  
Construction

## Jobs in the Largest Sectors



**30,000 JOBS**

1. Wholesale and Retail



**28,000 JOBS**

2. Health



**16,000 JOBS**

3. Construction



**16,000 JOBS**

4. Administration and Support



**14,000 JOBS**

8. Education



**13,000 JOBS**

7. Public Administration



**13,000 JOBS**

6. Manufacturing



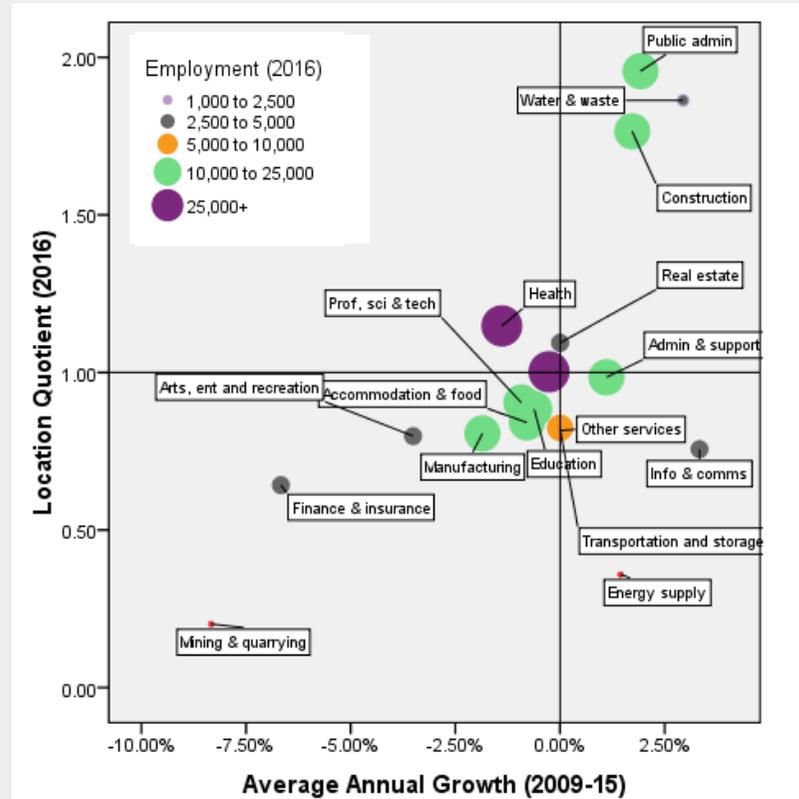
**12,000 JOBS**

5. Professional, scientific and technical

## Employment Growth and Specialisation

**Top left:** Sectors that have seen employment fall since 2009, and are more highly represented in the local area than the national average

**Top right:** Sectors that have seen employment growth since 2009 and are more highly represented in the local area than the national average



**Bottom left:** Sectors that have seen employment fall since 2009 and are less highly concentrated in the local area than the national average

**Bottom right:** Sectors that have seen employment growth since 2009 and are less highly concentrated in the local area than the national average

## Employment by Sector in Preston, Chorley and South Ribble – Lancashire’s priority sectors

The Lancashire Skills and Employment Strategic Framework has seven designated priority sectors. The sectors have been selected due to their high replacement demand needs and significant growth potential.

Lancashire's Priority Sectors			
Sector	Definition	Relation to SIC Sections	Total Employment in Preston, Chorley and South Ribble
Finance and Professional Services	From accountants and law firms, financial advisors and insurance brokers, specialist property related consultancies and recruitment agencies through to large business process outsourcing organisations.	All of: <i>Financial and insurance activities; Real estate activities</i> Parts of: <i>Information and communication</i> <i>Professional, scientific and technical activities</i> <i>Administrative and support service activities</i>	31,000
Health and Social Care	The sector covers a range of subsectors from hospital activities to childcare services, and from dentistry to residential and non-residential social care	All of: <i>Human health and social work activities</i>	27,500
Energy and Environmental Technologies	Includes activities relating to gas, electricity, renewables, nuclear, water, waste management and environmental technologies	All of: <i>Electricity, gas, steam and air conditioning supply</i> Parts of: <i>Mining and quarrying</i> <i>Manufacturing</i> <i>Water supply; sewerage etc.</i> <i>Construction</i> <i>Professional, scientific and technical activities</i>	17,500
Construction	Includes the construction of buildings, civil engineering and specialised construction activities.	All of: <i>Construction</i>	15,500
Advanced Manufacturing	Manufacturing which involves the use of technology to improve products and/or processes, with the relevant technology being described as "advanced," "innovative," or "cutting edge."	Parts of: <i>Manufacturing</i> <i>Professional, scientific and technical activities</i>	14,300
Visitor Economy	Includes industries relevant to the entire visitor experience. From accommodation and food and drink to attractions and tour operators.	All of: <i>Accommodation and food service activities</i> Parts of: <i>Transport and storage</i> <i>Administrative and support service activities</i> <i>Arts, entertainment and recreation</i>	13,500
Creative and Digital	Industries such as: Advertising; Architecture; Crafts; Design; Film & TV, etc.; IT and computing; Publishing; Museums & galleries, etc.; Music & arts, etc.	Parts of: <i>Manufacturing</i> <i>Information and communication</i> <i>Professional, scientific and technical activities</i> <i>Education</i> <i>Arts, entertainment and recreation</i>	4,500

# The Business Base in Preston, Chorley and South Ribble – What Businesses are in the area?

There are 13,400 different businesses in Preston, Chorley and South Ribble:



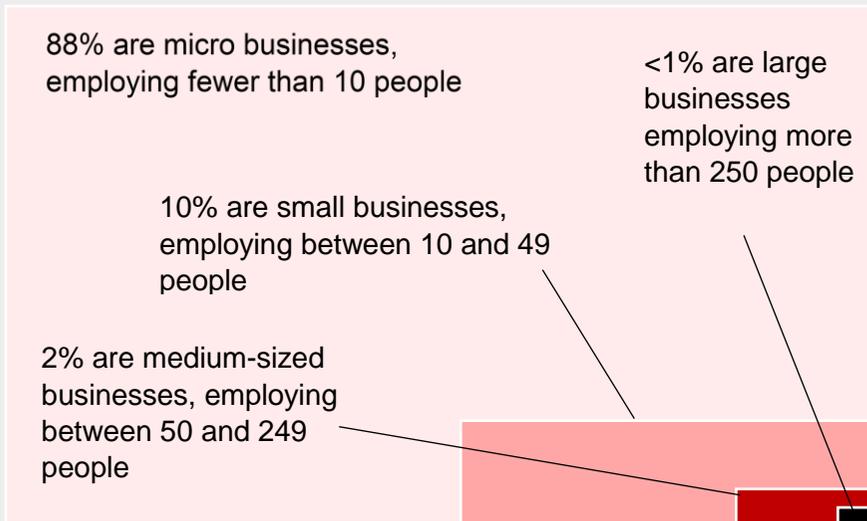
**Private  
Businesses**



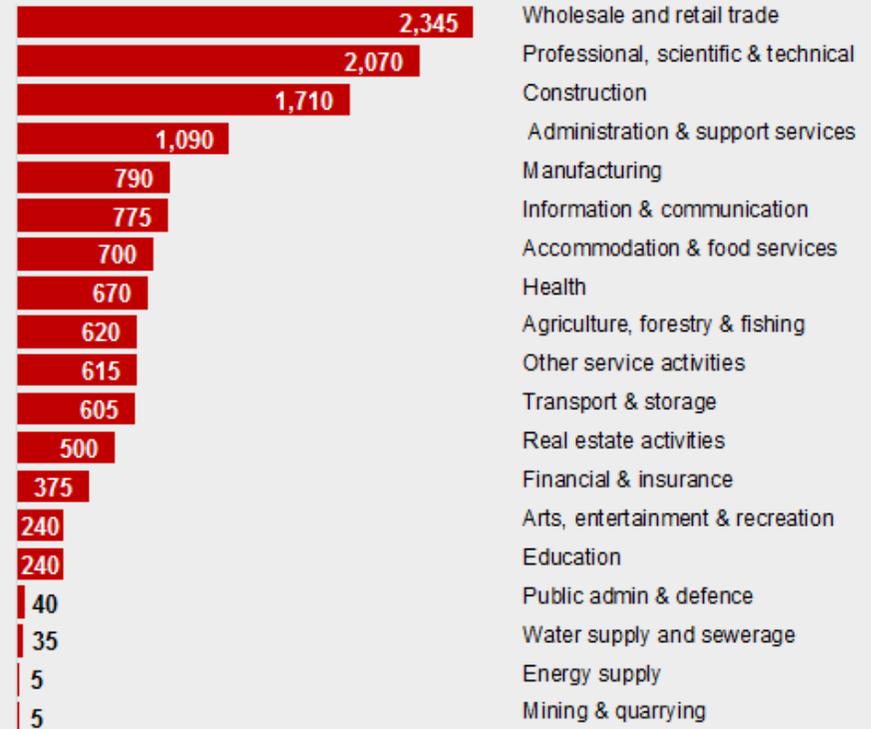
**The Public  
Sector**



**Charities and Voluntary  
Organisations**



The split by size of businesses is in line with the Lancashire average. Micro businesses account for a slightly smaller proportion of the business base than nationally (89%). Fewer than 1% of employers, around 50, in Preston, Chorley and South Ribble are classed as large employers, employing over 250 people.



# Location of Employment and Key Employers – Where do people work in Preston, Chorley and South Ribble?

This map shows where employment is concentrated across Preston, Chorley and South Ribble. Darker regions correspond to higher numbers of jobs. Employment is in the 13,400 micro, small, medium and large employers based in the area.

The following text boxes highlight the location some of the area's key employers.

## >> Major employer just outside the area...

*BAE Systems (Manufacturing)*  
*Westinghouse Springfields Fuels Ltd (Energy supply)*

## Preston City Centre

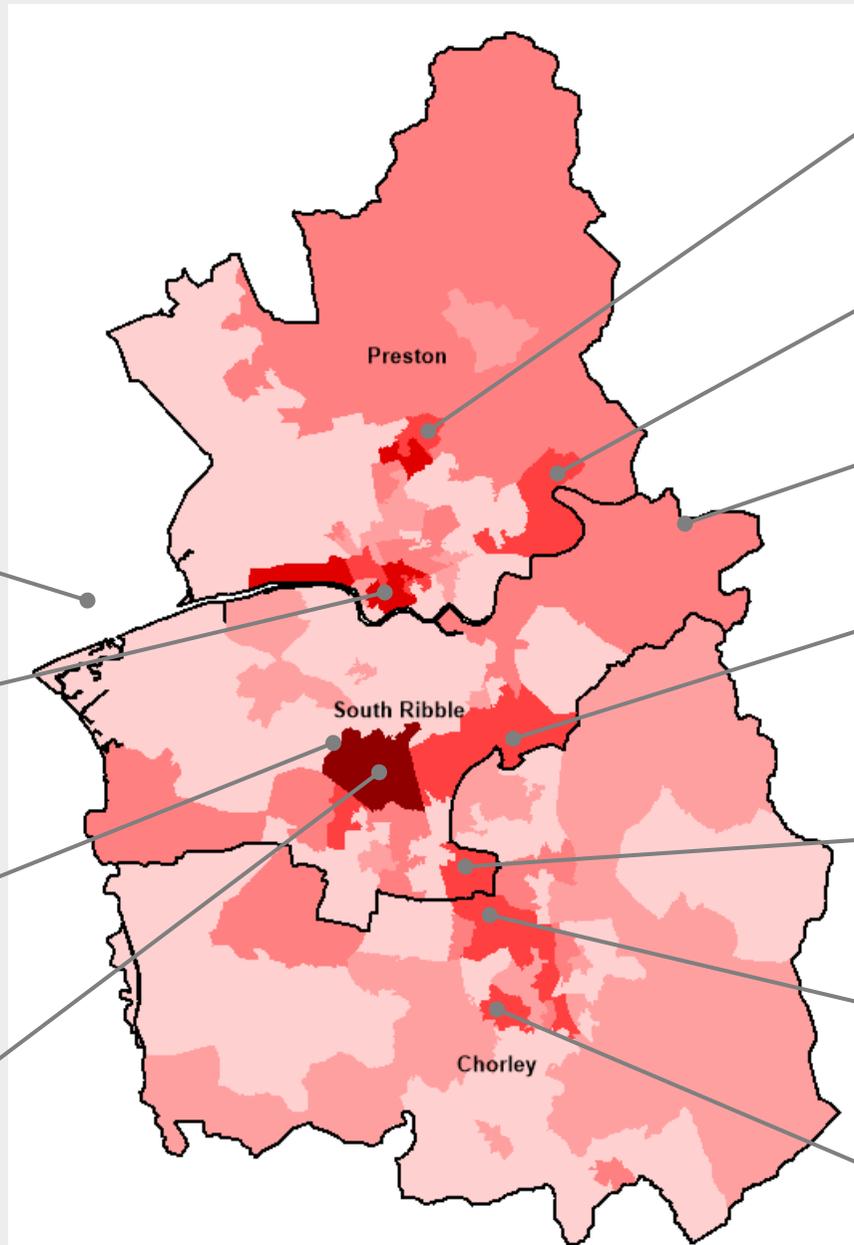
*UCLan (Education)*  
*Lancashire County Council (Public administration)*  
*Net Flights (Administrative and support service activities)*  
*Moore and Smalley (Professional, scientific and technical activities)*

## Hutton

*Police headquarters (Public administration)*

## Lancashire and Leyland Business Parks and Moss Side

*Leyland Trucks (Manufacturing)*  
*Amazon (Transport and storage)*  
*Doctor Oetker (Manufacturing)*  
*NHS Clinical Commissioning Group (Health and social care)*  
*Lunar Caravans (Manufacturing)*



## North Preston

*Royal Preston Hospital (Health)*  
*Homeserve Insurance (Financial and insurance activities)*  
*Royal Mail (Transport and storage)*  
*EKM (Information and communication)*

## Red Scar Business Park / Roman Way Industrial Estate

*James Hall & Co. (Wholesale and retail)*  
*Motionlab (Information and communication)*

## Samlesbury Aerodrome/ Samlesbury

*BAE Systems (Manufacturing)*  
*AB InBev (Manufacturing)*

## Walton Summit Centre / Bamber Bridge

*Evans Vanodine International (Manufacturing)*  
*Baxi (Manufacturing)*  
*Conlon Construction (Construction)*  
*Bespoke Internet (Information and communication)*  
*Eric Wright Group (Construction)*

## Matrix Industrial Park

*Elite (Information and communication)*  
*Waitrose (Wholesale and retail)*  
*Synergy Health (Health and social care)*  
*Speed Medical (Health and social care)*  
*North West Projects (Manufacturing)*

## Chorley Hospital and Buckshaw Village

*John Reilly Civil Engineering Ltd. (Construction)*  
*DXC Technology (Information and Communication)*  
*Story Homes (Construction)*  
*GA Petfood (Manufacturing)*

## Chorley

*Chorley Building Society (Financial and insurance activities)*  
*Forbes Solicitors (Professional, scientific and technical activities)*

# Employer Skill Requirements – What skills shortages are employers reporting in Lancashire?

The **UK Employer Skills Survey** provides a comprehensive source of information on employer skills needs. 1,900 businesses in Lancashire were surveyed. The sample size means that data is only available at Lancashire level.

<b>Skills Gaps</b> within the current workforce	<b>Skills Shortages</b> – a lack of suitably skilled people when trying to recruit new workers																						
<p><b>17%</b> of employers in Lancashire report skills gaps compared with 14% in the North West and nationally</p>	<p><b>17%</b> of employers reported at least one vacancy, lower than the North West (18%) and national (19%) average</p>	<p><b>Hard to fill vacancies</b> in Lancashire, by occupation:</p>	<table border="1"> <caption>Hard to fill vacancies in Lancashire, by occupation</caption> <thead> <tr> <th>Occupation</th> <th>Percentage</th> </tr> </thead> <tbody> <tr><td>Skilled trades occupations</td><td>20%</td></tr> <tr><td>Sales and customer services staff</td><td>17%</td></tr> <tr><td>Caring, leisure and other services</td><td>17%</td></tr> <tr><td>Machine operatives</td><td>16%</td></tr> <tr><td>Elementary staff</td><td>13%</td></tr> <tr><td>Professionals</td><td>12%</td></tr> <tr><td>Administrative/clerical staff</td><td>11%</td></tr> <tr><td>Associate professionals</td><td>8%</td></tr> <tr><td>Managers</td><td>1%</td></tr> </tbody> </table>	Occupation	Percentage	Skilled trades occupations	20%	Sales and customer services staff	17%	Caring, leisure and other services	17%	Machine operatives	16%	Elementary staff	13%	Professionals	12%	Administrative/clerical staff	11%	Associate professionals	8%	Managers	1%
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<p><b>The top ten reasons reported by employers for employee skills gaps:</b></p> <ol style="list-style-type: none"> <li>1. Their training is currently only partially completed 69%</li> <li>2. They are new to the role 66%</li> <li>3. They have not received the appropriate training 28%</li> <li>4. Staff lack motivation 24%</li> <li>5. They have been on training but their performance has not improved sufficiently 22%</li> <li>6. The introduction of new working practices 21%</li> <li>7. Unable to recruit staff with the required skills 17%</li> <li>8. The introduction of new technology 14%</li> <li>9. The development of new products and services 13%</li> <li>10. Problems retaining staff 6%</li> </ol>	<p>Lancashire employers reported a higher proportion of hard to fill and skill shortage vacancies than both the North West and national averages in:</p> <p><b>administrative and clerical occupations; caring, leisure and other service staff; and machine operatives</b></p> <p>They also reported above average skills shortages in <b>skilled trades</b>, and hard to fill vacancies in <b>caring, leisure and other services</b></p>	<p><b>Skills shortage vacancies</b> in Lancashire by occupation:</p>	<table border="1"> <caption>Skills shortage vacancies in Lancashire by occupation</caption> <thead> <tr> <th>Occupation</th> <th>Percentage</th> </tr> </thead> <tbody> <tr><td>Skilled trades occupations</td><td>28%</td></tr> <tr><td>Sales and customer services staff</td><td>17%</td></tr> <tr><td>Machine operatives</td><td>16%</td></tr> <tr><td>Caring, leisure and other services staff</td><td>13%</td></tr> <tr><td>Professionals</td><td>13%</td></tr> <tr><td>Administrative/clerical staff</td><td>12%</td></tr> <tr><td>Associate professionals</td><td>10%</td></tr> <tr><td>Elementary staff</td><td>6%</td></tr> <tr><td>Managers</td><td>1%</td></tr> </tbody> </table>	Occupation	Percentage	Skilled trades occupations	28%	Sales and customer services staff	17%	Machine operatives	16%	Caring, leisure and other services staff	13%	Professionals	13%	Administrative/clerical staff	12%	Associate professionals	10%	Elementary staff	6%	Managers	1%
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### Employment Numbers and Trends

The 181,000 jobs in Preston, Chorley and South Ribble account for 28.1% of the total in Lancashire, making it the largest of the six Travel to Work Areas in employment terms.

The number of jobs in the area has remained relatively stable over the past few years<sup>2</sup>, with a 1.1% increase in the number of jobs between 2015 and 2016. This is a slightly slower rate of increase than seen in Lancashire as a whole over the period, with total employment increasing by 1.6%. It is also a slower rate of increase than in the North West as a whole (+2.3%) or nationally<sup>3</sup> (+1.8%).

Preston is the largest of the Lancashire local authority districts in employment terms, with 83,000 jobs (13% of the Lancashire total). There are 57,000 jobs in South Ribble and 40,000 in Chorley (9% and 6% of the Lancashire total respectively). Chorley has seen the fastest increase in employment over the past year, gaining around 1,000 additional jobs, whilst the number in Preston has fallen by a similar amount.

### Sectoral Employment

Two sectors – wholesale and retail, and health – account for around one-third of all employment in Preston, Chorley and Ribble Valley, some 58,000 jobs. These are also the two largest sectors in Lancashire as a whole. However, beneath this, the sectoral pattern in Preston, Chorley and South Ribble differs markedly from that in Lancashire:

- **Construction** is the third largest sector in Preston, Chorley and South Ribble, with 9% of all workers employed in the sector. This compares to just 5% across Lancashire as whole and means that half of Lancashire's construction workforce (16,000) are based in the area. Construction is particularly prominent in South Ribble, where 10,000 are employed in the sector (17.5% of all

<sup>2</sup> Although the dataset was subject to a discontinuity in 2015, which means that data should not really be compared before and after this point in time.

employment). This reflects the location in South Ribble of a number of major construction companies<sup>4</sup>.

- **Administrative and support services** is the next largest sector, accounting for 9% of total employment, compared to 6.6% in Lancashire as a whole. This sector includes business support activities such as building management, office administration and employment agencies, and the high percentage reflects Preston's role as a key business centre within Lancashire.
- Although **education** employs some 14,000 people in Preston, Chorley and South Ribble, the share of total employment is lower than in Lancashire as a whole (7.7% compared to 9.5%).
- Only 7% of workers in Preston, Chorley and South Ribble are employed in the **manufacturing** sector, compared to 13% in Lancashire as a whole. There are a number of major manufacturing plants just outside the Travel to Work Area.

### Sectoral Trends

Four sectors have seen growth of around 1,000 jobs over the past six years: **information and communications** (part of the creative and digital Industries priority sector) (which has had the fastest growth in percentage terms); **construction; administrative and support services** (part of financial and professional services); and **public administration and defence** which has grown in Preston, Chorley and South Ribble in contrast to the picture in Lancashire and nationally.

Employment has fallen in seven sectors. In percentage terms, the fall has been greatest in **financial services**, which has seen the loss of 1,750 jobs (-44%) since 2009. This mirrors the position in Lancashire as whole. Around 2,000 jobs have been lost in the **manufacturing** sector, which has also seen a fall in Lancashire as a whole. The **health and social care, education** and **accommodation and food service** (part of the visitor economy) sectors have all seen the total number employed fall locally,

<sup>4</sup> Particularly in the construction sector, the place of work may not be where the job is registered in the official BRES data (e.g. if workers are employed out on site)

whilst growing across Lancashire as a whole. There have also been declines in employment in the **transport and storage** and **arts and entertainment** sectors.

### Local Authority District Sectoral Employment

**Preston's** role as a service centre for the wider area is clear from the sectoral make-up of employment in the city. Around 40% of those employed in the city work in the health (15,000), public administration (10,000) or education (7,000) sectors, with a further 15,000 working in the wholesale and retail sector and 4,500 in accommodation and food services. Nine thousand people work in administrative and support services, with 4,500 in the professional, scientific and technical sector.

**Chorley** also has a largely service-based economy. The five largest service sectors account for 25,000 of the 40,000 jobs locally – wholesale and retail, health and social care, education, professional, scientific and technical services and accommodation and food services. Manufacturing, employing 3,000, is the next largest employer.

**South Ribble's** employment base is less service-focussed than Preston or Chorley. As noted above, employment is dominated by the construction sector, which accounts for 10,000 jobs or 17.5% of all employment. Manufacturing is also more prevalent in South Ribble than the rest of the Travel to Work Area, with 7,000 employed in the sector which accounts for over 12% of total employment. Two other sectors employ over 5,000 people – wholesale and retail, and the health and social care sector. South Ribble also hosts a significant level of business-related employment, with 4,500 people employed in the professional, scientific and technical sector (a greater percentage share (7.9%) than in Preston (5.4%)) and 4,000 in administrative and support roles.

### Employment Locations

Employment is distributed across the Preston, Chorley and South Ribble area, with concentrations in the key centres, along transport routes and at major employment locations such as the Leyland and Lancashire Business Parks, where more than 10,000 jobs are located. Many local people are

also employed at the two BAE Systems sites one of which (Warton) is located just outside the Travel to Work Area at Warton, while the other (Samlesbury) is on the South Ribble border.

### Employer Skill Requirements

The UK Employer Skills Survey provides a comprehensive source of information on employer skills needs. Data is available for Lancashire based on responses from 1,900 businesses.

This highlights that employers continue to face skills gaps within their current workforce and experience skills shortages when trying to recruit new workers, and these issues tend to be more common in Lancashire than in the North West and nationally.

Employers have a reported a range, and often multiple reasons for skills gaps. The main reasons reported are:

- Employee training is currently only partially complete (reported by 69% of employers)
- They are new to the role (66%)
- They have not received the appropriate training (28%)
- Staff lack motivation (24%)
- They have been on training but their performance has not improved sufficiently (22%).

In terms of hard to fill vacancies and skills shortages vacancies, employers most commonly reported hard to fill vacancies in skilled trades (20%), sales and customer services (17%), caring, leisure and other services (17%) and machine operative (16%) occupations. Skills shortage vacancies were also most common across these occupations.

Compared to the regional and national average, Lancashire employers reported a higher proportion of hard to fill and skills shortage vacancies in administrative and clerical occupations; caring, leisure and other services; and machine operatives.

# Employment Forecasts 2018-2028 – Which Sectors will employ people in Preston, Chorley and South Ribble in future?

## Forecast 10-Year Employment Change

	Preston, Chorley & South Ribble		Lancashire	UK
2018-2028	10,570	5.1%	2.6%	5.2%

### Top 5 Sectors requiring employees due to sector growth (expansion demand)



- **Administrative and Support Services** (+290 new jobs each year)
- **Construction** (+230 new jobs each year)
- **Professional, scientific and technical activities** (+130 new jobs each year)
- **Wholesale and retail trade** (+110 new jobs each year)
- **Health and social work** (+80 new jobs each year)

### Top 5 Sectors requiring employees to fill jobs to replace people leaving or changing jobs (replacement demand)



- **Wholesale and retail trade** (2,730 jobs each year)
- **Administrative and support services** (2,610 jobs each year)
- **Health and social work** (2,000 jobs each year)
- **Accommodation and food services** (1,320 jobs each year)
- **Construction** (1,160 jobs each Year)

## Total Employment Requirement Across all Sectors 2018-2028

To meet sector growth and replace people leaving or changing jobs

Sector	Part of priority sector?	Average Annual Requirement	Total Requirement
Administrative and support service activities	- Finance and Professional services - Visitor economy	2,900	31,870
Wholesale and retail trade		2,840	31,240
Human health and social work activities	- Health and social care	2,080	22,910
Construction	- Construction - Energy and Environmental tech	1,390	15,280
Accommodation and food service activities	- Visitor economy	1,360	14,990
Professional, scientific and technical activities	- Finance and professional services - Advanced manufacturing - Creative and digital - Energy and Environmental tech	920	10,100
Education	- Creative and digital	900	9,930
Public administration and defence		890	9,770
Information and communication	- Creative and digital - Finance and professional services	720	7,870
Transportation and storage	- Visitor economy	700	7,680
Arts, entertainment and recreation	- Creative and digital - Visitor economy	650	7,160
Other service activities		580	6,330
Manufacturing	- Advanced manufacturing - Creative and digital - Energy and Environmental tech	500	5,510
Real estate activities	- Finance and professional services	230	2,540
Financial and insurance activities	- Finance and professional services	160	1,760
Water supply; sewerage etc.	- Energy and Environmental tech	140	1,520
Agriculture, forestry and fishing		120	1,290
Electricity, gas, steam and air conditioning supply	- Energy and Environmental tech	<50	160
Mining and quarrying	- Energy and Environmental tech	<50	<50

## Forecast 10-Year Employment Change

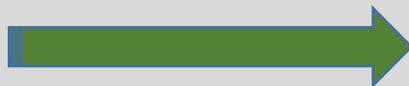
	Preston, Chorley & South Ribble		Lancashire	UK
2018-2028	10,570	5.1%	2.6%	5.2%

### Top 5 Occupations requiring employees due to sector growth (expansion demand)



- **Skilled trades occupations** (+120 jobs each year)
- **Professional occupations** (+110 jobs each year)
- **Elementary occupations** (+110 jobs each year)
- **Caring, leisure and other service occupations** (+100 jobs each year)
- **Managers, directors and senior officials** (+90 jobs each year)

### Top 5 Occupations requiring employees to fill jobs to replace people leaving or changing jobs (replacement demand)



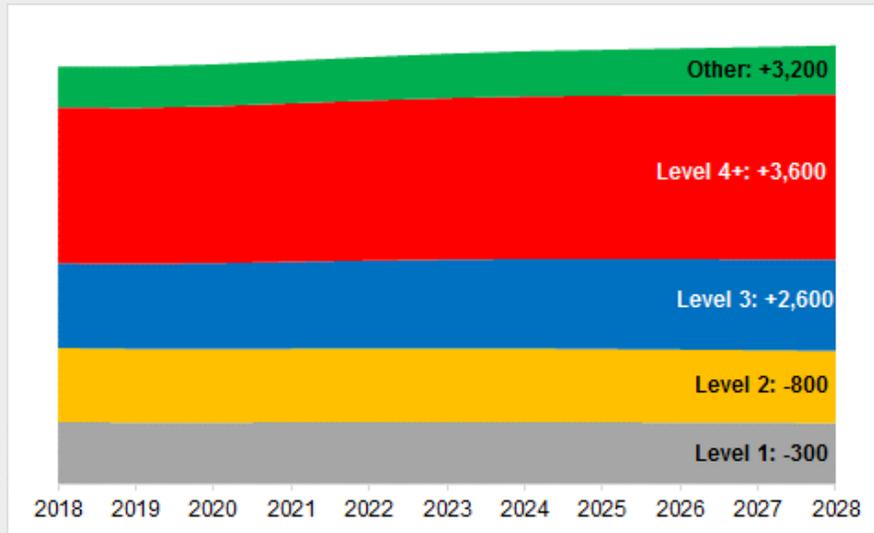
- **Professional occupations** (2,720 jobs each year)
- **Elementary occupations** (2,290 jobs each year)
- **Administrative and secretarial occupations** (1,990 jobs each year)
- **Caring, leisure and other service occupations** (1,960 jobs each year)
- **Associate professional & tech occupations** (1,950 jobs each year)

## Total Employment Requirement Across all Occupations 2018-2028

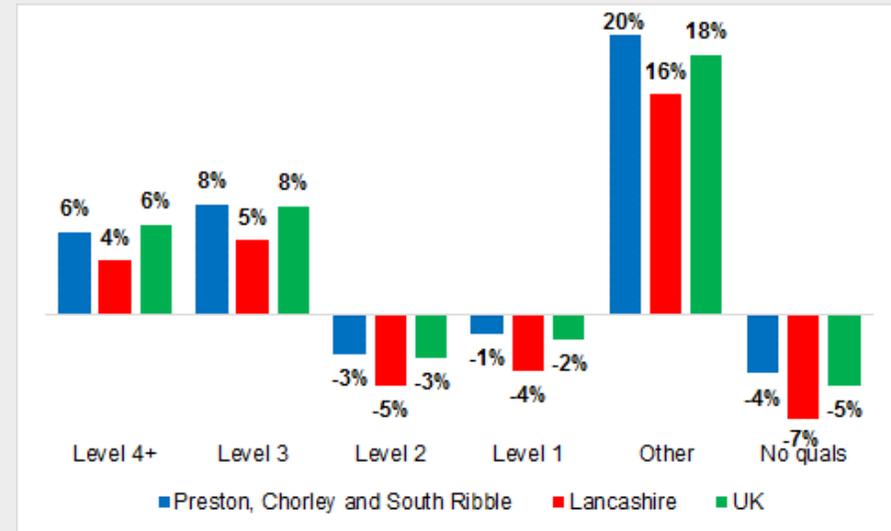
*To meet occupational growth and replace people leaving or changing jobs*

Sector	Average Annual Requirement	Total Requirement
Professional occupations	2,840	31,200
Elementary occupations	2,400	26,360
Caring, leisure and other service occupations	2,060	22,630
Associate professional & tech occupations	2,010	22,110
Administrative and secretarial occupations	1,990	21,910
Managers, directors and senior officials	1,930	21,240
Sales and customer service occupations	1,740	19,170
Skilled trades occupations	1,160	12,720
Process, plant and machine operatives	960	10,560

Change in employment by highest qualification, 2018-2028



Change in employment by highest qualification level, 2018-2028



In line with forecast trends across the county and country, the typical qualifications held by people employed within Preston, Chorley and South Ribble are expected to shift upwards. The Preston, Chorley and South Ribble economy is anticipated to employ over 6,000 more people with Level 3 or higher by 2028, whilst the total employment of people with qualifications lower than Level 2 is set fall over the next ten years.

At a Lancashire level there is forecast to be a particular rise in Level 3 and 4 qualified workers in: administrative and secretarial occupations, and caring, leisure and other service occupations. Other qualifications (mainly Apprenticeships) are expected to be required in skilled trade occupations and sales and customer service occupations.

## Employment Forecasts – Total Employment

Between 2018 and 2028, over 10,500 new jobs are expected to be created in Preston, Chorley and South Ribble, representing a 5% increase in total employment. This exceeds the growth forecast across Lancashire as a whole (2.6%) and is in line with the national average (5.2%). Over the same period, the working age population is expected to fall.

## Job Opportunities

There will be a wide range of job opportunities available between 2018 and 2028, with recruitment across all sectors and occupations, including in each of Lancashire's priority sectors and in sectors which have recently experienced overall employment decline such as manufacturing, accommodation and food and arts, entertainment and recreation. This will include recruitment for new jobs created through sector growth (expansion demand) and jobs that become available as people leave or change jobs (replacement demand).

Typically across all sectors and occupations, replacement demand will be much greater than expansion demand, meaning that people are more likely to enter existing rather than newly created jobs. The high levels of replacement demand reflect factors such as the ageing population with many current workers due to retire from the workforce over this period.

## Job Opportunities by Sector

**Administrative and support services** and **wholesale and retail trade** will provide the highest number of opportunities in Preston, Chorley and South Ribble – both requiring over 31,000 people to fill jobs between 2018 and 2028. On average, this will equate to 2,800-2,900 people being recruited to these sectors each year.

This is followed by **human health and social work activities**, where there is a total requirement for almost 23,000 people between 2018 and 2028 – or approximately 2,000 people per annum on average, and **construction** and **accommodation and food services**, which will both have opportunities for over 14,000 people (or over 1,300 per annum).

Other sectors offering opportunities for over 5,000 people between 2018 and 2028 include:

- Professional, scientific and technical activities (920 per annum)
- Education (900 per annum)
- Public administration and defence (890 per annum)
- Information and communication (720 per annum)
- Transportation and storage (700 per annum)
- Arts, entertainment and recreation (650 per annum)
- Other service activities (580 per annum)
- Manufacturing (500 per annum)

## Job Opportunities by Occupation

Across the sectors, a range of occupations will be available. In Preston, Chorley and South Ribble, there will be opportunities for at least 10,000 people within each occupational group (equivalent to at least 960 per annum) between 2018 and 2028.

Requirements will be highest for **professional occupations**, with opportunities for over 31,000 people (2,800 per annum), followed by **elementary occupations** with opportunities for over 26,300 people (2,400 per annum). There will also be opportunities for over 20,000 people in **caring, leisure and other service; associate professional and technical; administrative and secretarial; and manager, director and senior official** roles.

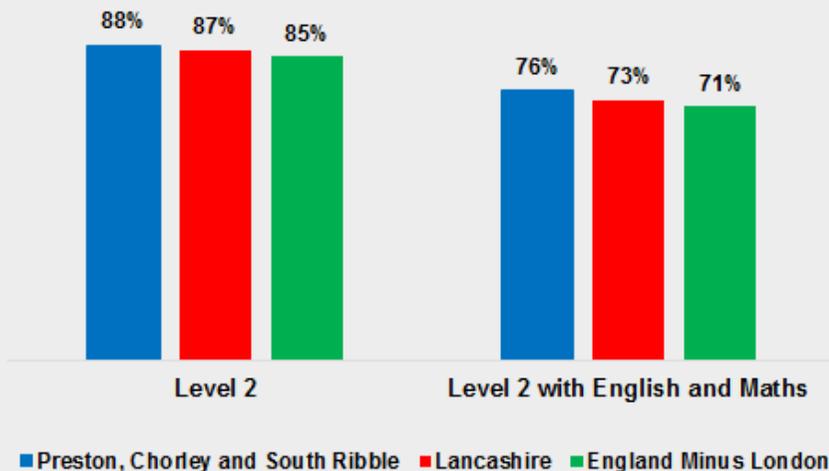
## Skills Requirements

In line with trends forecast for Lancashire and nationally, demand for higher level skills is expected to increase, as reflected by an upwards shift in the skills profile of the workforce. By 2028, a higher number of people employed in the Preston, Chorley and South Ribble economy will hold qualifications at Level 3 and above, while the number in employment with qualifications at level 2 or below or no qualifications will fall. The number of people in employment with other qualifications, such as apprenticeships is also expected to increase. This trend typically applies across all occupations.

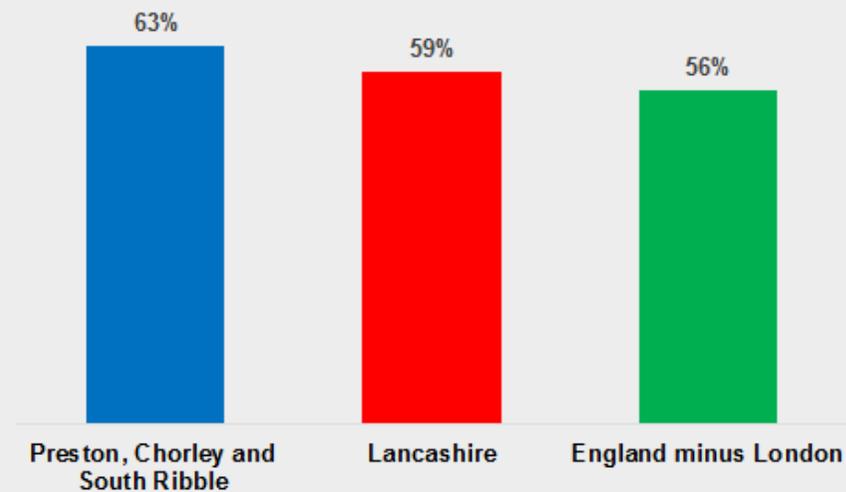
## Key Stage 1 to 4 (GCSE) in Preston, Chorley and South Ribble

Age Group	Performance Measure	What is happening in Preston, Chorley and South Ribble?	National comparison
<b>Key Stage 1 5-7 years</b>	% of pupils who meet the required standard of 'phonic decoding': using knowledge of phonics to accurately read words	Across the LEP area approximately <b>80%</b> of Year 1 pupils meet the standard, and <b>90%</b> of Year 2 pupils	Year 1 – 81% Year 2 – 92%
<b>Key Stage 2 8-11 years</b>	% of pupils who meet the required standards in reading, writing and mathematics	<b>58%</b> of pupils meet the standard, ranging from 57% in Preston and South Ribble to 59% in Chorley, compared to 53% in Lancashire	North West – 53% England excluding London – 53%
<b>Key Stage 4 14-16 years</b>  <i>(Recent changes to the GCSE system mean there are three separate performance measures)</i>	<b>Average Attainment 8 score:</b> A measure of attainment – a pupil's average score across a set of eight subjects including English and maths	<b>51</b> , ranging from 50 in Preston to 51 in South Ribble and 52 in Chorley, compared to 49 across Lancashire	England excluding London – 50
	<b>Average Progress 8 score:</b> A measure of relative progress - the comparison of pupils' Attainment 8 score with the average Attainment 8 score of all pupils nationally who had a similar KS2 results (0.0 = the national average)	<b>-0.03</b> Ranges from -0.06 in Chorley and -0.05 in Preston to 0.01 in South Ribble, compared to -0.11 across Lancashire	England excluding London: -0.06
	<b>% achieving English Baccalaureate:</b> grade 5 or above in English and maths GCSE, plus C or above in science, a language and history or geography	<b>23%</b> achieve the EBacc, ranging from 22% in Preston and South Ribble, to 25% in Chorley compared to 21% across Lancashire as a whole	North West – 23% England excluding London – 24%
<b>Destinations at age 16</b>	Percentage of pupils in overall sustained education and / or employment / training destination	<b>95%</b> compared to 94% across Lancashire as a whole	England excluding London - 94%

Level 2 attainment by age 19

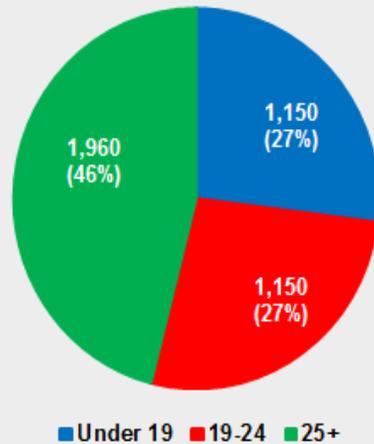


Level 3 attainment by age 19



<p><b>90%</b> of students in Preston, Chorley and South Ribble enter sustained education or employment after Key Stage 5</p>		
<p><b>69%</b> enter sustained education</p>		<p><b>20%</b> enter sustained employment</p>
<p><b>56%</b> Higher education institutions</p>	<p><b>12%</b> Further education institutions</p>	<p>Of which <b>9%</b> are apprentices</p>

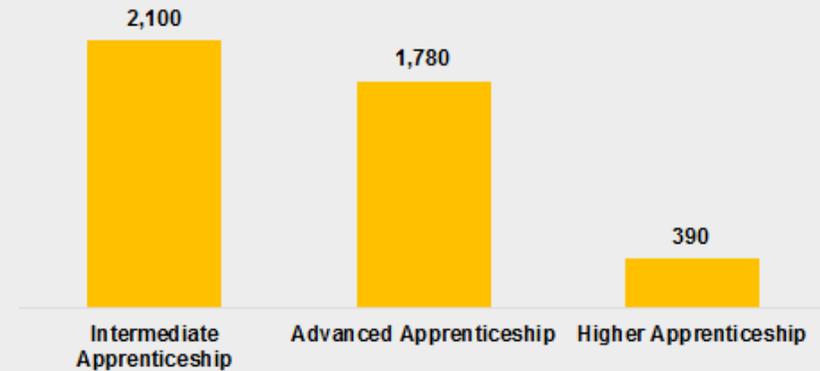
Apprenticeship starts 2016/17 in Preston, Chorley and South Ribble by age



Apprenticeships in Preston, Chorley and South Ribble by subject



Apprenticeships in Preston, Chorley and South Ribble by Level



The age profile of apprentices in Preston, Chorley and South Ribble is younger than typical. A larger proportion of apprenticeship starts in the area are by under 19s than in Lancashire (25%) and nationally (25%).

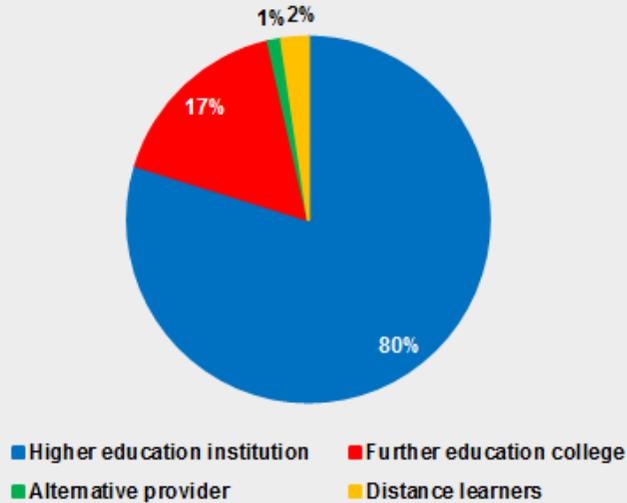
The proportion of advanced and higher starts is higher: 51% compared with 48% in Lancashire and 47% nationally.

The profile of subjects studied is largely similar to the Lancashire wide and national picture, with the main differences including:

- A higher proportion of apprentices (33%) start **business administration and law** than across Lancashire (30%) and nationally (28%).
- The proportion that start **health, public services and care** is in line with the national average (both 28%), but slightly lower than the average across Lancashire (30%).
- The proportion that start **engineering and manufacturing technology** and **retail and commercial enterprise** is lower than the Lancashire and national average (13% compared to 14% and 16% for engineering and manufacturing technology, and 12% compared to 13% and 15% for retail and commercial enterprise).

There are 53,700 students studying with 16 different higher education providers in Lancashire (including FE and alternative providers)

## Location of provision for HE Students in Lancashire



Further education colleges are a very important part of higher education provision in Lancashire and teach a greater share of higher education students (17%) than nationally, where they only provide 7% of higher education provision.

Nationally more students are taught in higher education institutions (87%) and from distance (4%) than in Lancashire.

## Domicile of HE students study in Lancashire by institution type

	North West	Rest of UK	EU	Rest of the World
Higher Education Institution	67%	22%	3%	8%
Further Education College	84%	13%	1%	3%
Alternative Provider	33%	59%	5%	2%

## Where do Lancashire's higher education students come from?

1. Lancashire (39%)
2. Greater Manchester (17%)
3. Liverpool City Region (14%)
4. Cheshire and Warrington (4%)
5. Cumbria (3%)

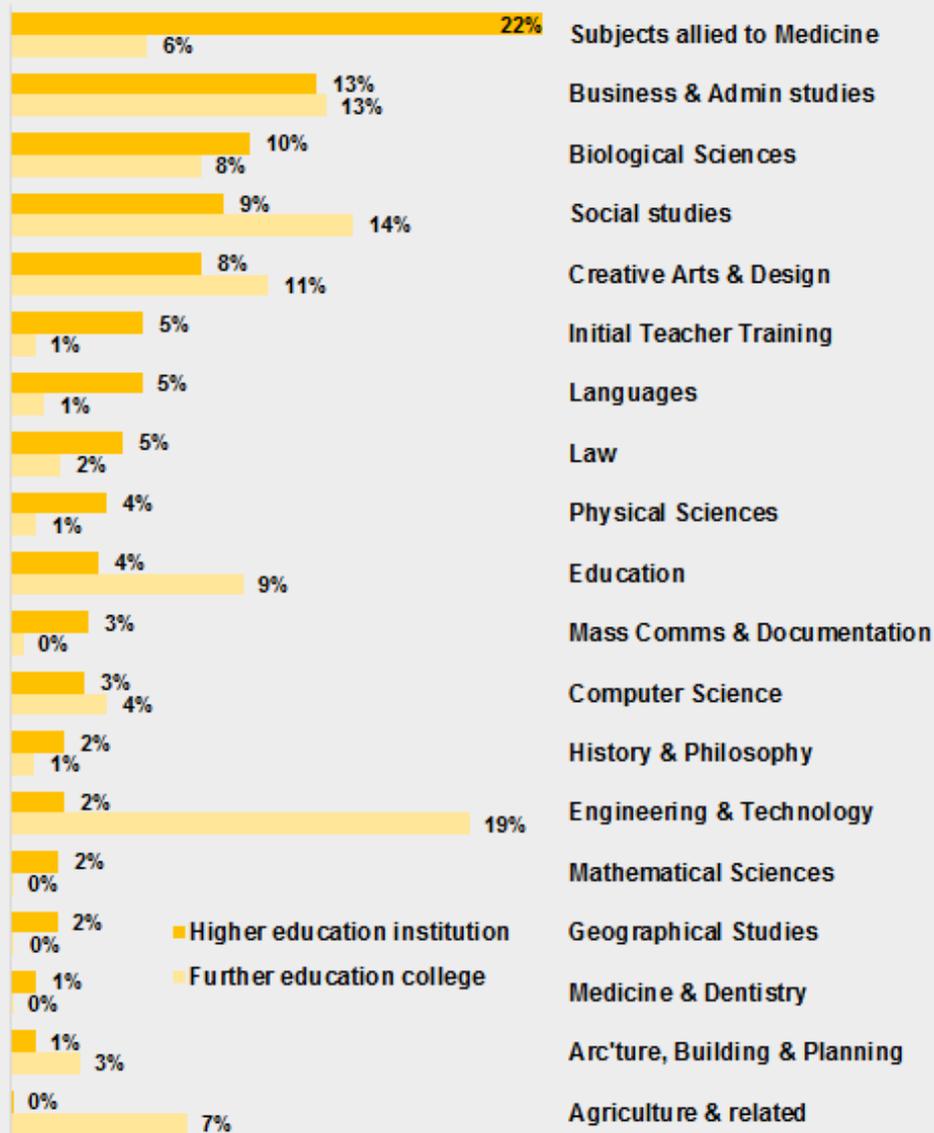
More than two-thirds of students at Lancashire's higher education institutes are from the North West. This is a very high proportion when compared to the national position: across England less than half of students (46%) at HEIs are studying in their home region.

The proportion of International HEI students in Lancashire (11%) is below the national average (14%)

The proportion of HE students in FE colleges in Lancashire who are from the North West with is in line with national proportion who study in their home region: 83%.

# Higher Education – What HE courses are studied in Lancashire?

## Higher Education students by subject in Lancashire



## Higher Education Providers in Lancashire

>> *Based in Preston, Chorley and South Ribble:*

- University of Central Lancashire (HE)
- Cardinal Newman College (FE)
- Preston College (FE)
- Runshaw College (FE)

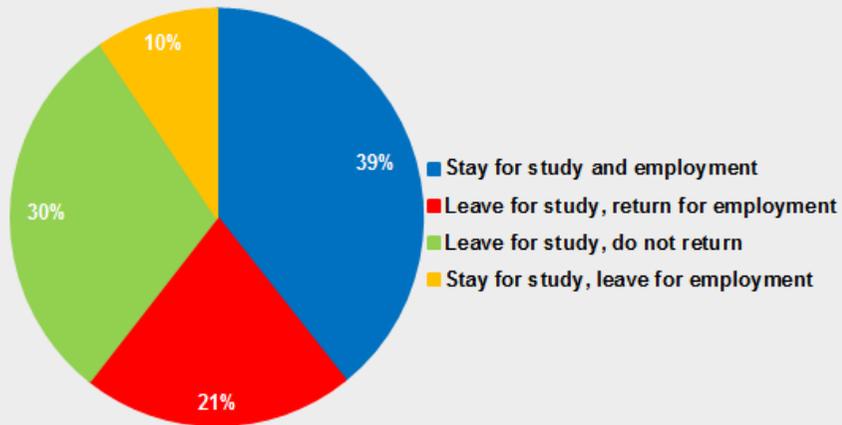
>> *Based elsewhere in Lancashire:*

- The University of Lancaster (HE)
- Edge Hill University (HE)
- University of Cumbria (HE)
- Accrington and Rossendale College (FE)
- Blackburn College (FE)
- Blackpool and Fylde College (FE)
- Burnley College (FE)
- Lancaster and Morecambe College (FE)
- Myerscough College (FE)
- Nelson and Colne College (FE)
- St Mary's College (FE)
- West Lancashire College\* (FE)
- UCFB College of Football Business (AP)

In Lancashire's HE institutions, more than 20% of students are studying subjects allied to medicine, compared to 13% nationally. In contrast, only 2% of students at HE institutions in Lancashire study engineering and technology, compared to 7% nationally.

Engineering and technology accounts for a much higher proportion of higher education students studying in FE: 19% of higher education students. This compares to 17% nationally. In Lancashire, there are also more students choosing social studies (14% compared with 8% nationally), and fewer studying creative arts and design (11% compared with 17%).

## Lancashire Residents Participating in Higher Education



60% of Lancashire residents who participate in higher education go into employment in Lancashire. This proportion is similar to the national average for a LEP (59%).

The share of those who stay for study and employment is higher than the LEP average (29%) while the share of those who leave for study and return for employment is lower than the LEP average (30%).

## HE Destinations

## Where do Lancashire’s students go to work?

### The top 5 LEP area destinations:

1. Lancashire (37%)
2. Greater Manchester (19%)
3. Liverpool City Region (12%)
4. Cheshire and Warrington (4%)
5. London (4%)

### Outcomes achieved by students of Lancashire’s Higher Education:

#### One year

After one year 79% of graduates from Lancashire’s Higher Education Institutions are in sustained employment. 10% of graduates have no sustained destination, slightly lower than the average for all institutions in the North West where the figure is 11%.

#### Three years

After three years, the proportion in sustained employment rises to 81%, and only 7% have no sustained destination, again below the North West figure (8%).

#### Five years

After five years, the proportion in sustained employment remains at 81%. The number with no sustained destination drops again to 6%, still below the regional average (7%).

## The Education and Skills System

Data is available for all levels of the education and skills system, from Key stage 1 through to Higher Education. The data to Key Stage 5 shows how well education, skills and training providers and residents in the Travel to Work Area are performing, as well as providing an indication of the choices that residents make after leaving school.

Data for Higher Education is available at the Lancashire level. It is based on data gathered for the higher education institutions (including further education colleges and alternative providers that deliver higher education) based in Lancashire and therefore generally covers students that study in the area, regardless of where they come from unless otherwise stated.

### Key Stage 1 and 2

Across the LEP area between 80% and 81% of Year 1 pupils meet the required standard of phonic decoding compared to 80% in the North West and 81% across England as a whole.

Data that is available for the Travel to Work Area shows that by the end of Key Stage 2, 58% of pupils are meeting the required standards in reading, writing and mathematics in Preston, Chorley and South Ribble. This is the second highest of Lancashire's six Travel to Work Areas (after West Lancashire) and outperforms the Lancashire and national average (both 53%). Performance across the three local authorities is largely similar, ranging from 57% in in Preston and South Ribble to 59% in Chorley.

### Key Stage 4 (GCSE)

In terms of measuring performance at Key Stage 4 (GCSE), the Department for Education implemented a new secondary school accountability system in 2016, using Attainment 8 and Progress 8 measures.

**Attainment 8** measures the average achievement of pupils in up to 8 qualifications including English (double weighted if the combined English qualification, or both language and literature are taken), maths (double weighted), three further qualifications that count in the English

Baccalaureate (EBacc) and three further qualifications that can be GCSE qualifications (including EBacc subjects) or any other non-GCSE qualifications on the DfE approved list.

**Progress 8** aims to capture the progress a pupil makes from the end of Key Stage 2 to the end of Key Stage 4. It compares pupils' achievement – their Attainment 8 score – with the average Attainment 8 score of all pupils nationally who had a similar starting point (or 'prior attainment'), calculated using assessment results from the end of primary school. Progress 8 is a relative measure, therefore the national average Progress 8 score for mainstream schools is zero.

Across Preston, Chorley and South Ribble:

- The **average attainment 8 score** is 51 exceeding 49 in Lancashire and 50 nationally (excluding London). Along with West Lancashire and Lancaster and Morecambe, this is the highest average score across the Lancashire Travel to Work Areas. Performance across the three local authorities is largely similar, ranging from 50 in Preston to 51 in South Ribble and 52 in Chorley.
- On average, pupils make greater progress from the end of Key Stage 2 to the end of Key Stage 4 than across Lancashire as a whole and nationally (excluding London), although all areas are below the national average when London is included. **The average progress 8 score** in Preston, Chorley and South Ribble is -0.03 (compared to -0.11 for Lancashire and -0.06 for England minus London). Along with West Lancashire, this is the strongest progress score of the six Lancashire Travel to Work Areas. Progress is strongest in South Ribble (which has a positive score of 0.01 indicating progress ahead of the national average when London is included), compared to average progress scores of -0.06 in Chorley and -0.05 in Preston.
- Just under a quarter (23%) **achieve the English Baccalaureate** (a grade 5 or above in English and maths and a grade C or above in science, a language, and geography or history), outperforming the Lancashire average (21%), but below the average nationally

(excluding London -24%). Each of the local authority areas is above the Lancashire average, while Chorley also outperforms the national average (22% in South Ribble and Preston and 25% in Chorley).

Upon completion of Key Stage 4, 95% of leavers remain in sustained education and/or an employment / training destination. Along with West Lancashire and Lancaster and Morecambe, this is the highest proportion across all of the Lancashire Travel to Work Areas and is largely in line with the Lancashire and national average (94%). There are, however, variances by local area with the proportion in sustained education and/or an employment / training destination ranging from 93% in Preston (slightly below the Lancashire and national average) to 95% in South Ribble and 96% in Chorley.

### Young People aged 16-19

Between aged 16 and 19, attainment at Level 2 / Key Stage 4 (equivalent to GCSE) and Level 3 / Key Stage 5 (equivalent to A-Levels) is measured.

Across Preston, Chorley and South Ribble, by the age of 19:

- 88% have **achieved Level 2** and 76% have **achieved Level 2 with English and maths**, outperforming the Lancashire (87% and 73%) and national averages (85% and 71%). The strong performance is driven by South Ribble (88% and 78%) and Chorley (91% and 79%), although Preston is still largely in line with the national average (85% and 70%).
- 63% have **achieved Level 3**, again outperforming the Lancashire (59%) and national averages (56%). As with Level 2, the strong performance is driven by South Ribble and Chorley (both 65%), although Preston (59%) also exceeds the national average.

Upon completion of Key Stage 5, 90% of leavers enter sustained education or employment – the highest rate of the Lancashire Travel to Work Areas along with Lancaster and Morecambe, exceeding the Lancashire (88%) and national (89%) averages. This proportion is similar

across all local areas within Preston, Chorley and South Ribble (ranging from 89% to 90%).

The split between education (69%) and employment (20%) is largely in line with the split across Lancashire and similar in local areas, but differs slightly from the national profile (65% and 24%) where a higher proportion enter sustained employment, although education remains the preferred choice.

The large majority of those entering sustained education (81%) go to Higher Education Institutions (within and outside Lancashire), while approximately one in five attend further education institutions. Nationally a higher proportion of students that enter sustained education attend further education colleges (23%) although higher education remains the preferred choice (73%). Just under one in ten students start an apprenticeship upon completion of Key Stage 5, in line with the Lancashire and national average.

### Apprenticeships

More employers are choosing apprenticeships as a way to get the people and skills they need. In 2016/17, there were over 4,200 apprenticeship starts in Preston, Chorley and South Ribble.

This was the second highest number of starts across the Travel to Work Areas (following Blackburn with Darwen, Hyndburn, Rossendale and South Ribble) and accounted for almost a quarter (24%) of the starts across Lancashire as a whole (in line with the area's share of the working age population).

The highest number of starts were in Preston (39%), followed by South Ribble (31%) and Chorley (30%).

Almost half of the starts (46%) were by learners aged 25+, while the remainder were split between learners aged under 19 (27%) and aged 19-24 (27%).

Across the Travel to Work Area, the apprentice age profile is younger than typical with a larger proportion of starts accounted for by under 19s when compared with the Lancashire and national average (both 25%). This is,

however, driven by Chorley and particularly South Ribble (where 27% and 33% of starts are accounted for by under 19s compared to just 22% in Preston). In contrast, a higher proportion of starts in Preston (49%) are accounted for by those aged 25 and over (this compares to 44% in South Ribble and 45% in Chorley) and is higher than the Lancashire (47%) and national (46%) average. There are three main levels of apprenticeships:

- **Intermediate apprenticeship:** This is classed as Level 2 and equivalent to 5 good GCSEs
- **Advanced apprenticeship:** This is classed as Level 3 and equivalent to 2 A-Levels
- **Higher apprenticeship:** This can cover level 4, 5, 6 and 7 and is equivalent to foundation degrees and above.

Half of the apprenticeship starts in Preston, Chorley and South Ribble in 2016/17 were on intermediate apprenticeships, while a further 41% were advanced apprenticeships. The remaining 9% were higher apprenticeships.

The proportion of advanced and higher level starts in the Travel to Work Area (51%) is higher than the Lancashire (48%) and national (47%) average. This applies across all local areas (where advanced and higher level apprenticeships account for between 50% and 52% of starts).

A wide range of subjects are covered by apprenticeships, including subjects which align with Lancashire's priority sectors.

The most popular subject in Preston, Chorley and South Ribble is business administration and law (which accounted for 33% of starts in 2016/17), followed by health, public services and care (accounting for 28% of starts). There were also at least 500 starts in engineering and manufacturing technology and retail and commercial enterprise (accounting for 13% and 12% of starts respectively).

Other subjects studied include construction, planning and the built environment (5%); leisure travel and tourism (3%); information and communication technology (2%); education and training (2%); and agriculture/horticulture and animal care (1%).

The profile of subjects studied is largely similar to the Lancashire wide and national picture, with the main differences including:

- A higher proportion of apprentices (33%) start **business administration and law** than across Lancashire (30%) and nationally (28%). This is the same across all local areas, and particularly South Ribble (where the subject accounts for 35% of starts).
- The proportion that start **health, public services and care** is in line with the national average (both 28%), but slightly lower than the average across Lancashire (30%). This varies by local area and is a more popular choice in Preston (accounting for 32% of starts) than in South Ribble (accounting for 24%).
- The proportion that start **engineering and manufacturing technology** and **retail and commercial enterprise** is lower than the Lancashire and national average (13% compared to 14% and 16% for engineering and manufacturing technology, and 12% compared to 13% and 15% for retail and commercial enterprise). The profile across the local areas is similar, although South Ribble is more in line with the Lancashire and national average for engineering and manufacturing technology starts).

### Higher Education in Lancashire

Overall, there are 53,700 studying at 16 different higher education providers in Lancashire. The large majority (80%) are based at the four higher education institutions– the University of Lancaster, the University of Central Lancashire (which has its main campus based in Preston), University of Cumbria and Edge Hill University. A further 17% are based in further education colleges, including Cardinal Newman, Preston and Runshaw Colleges in the Travel to Work Area. The remainder are either based at an alternative provider (1%) or are distance learners (2%).

Compared to the national profile, a much higher share of students in Lancashire study at further education colleges (17% compared to 7%). In contrast, a smaller share of learners attend higher education institutions (80% compared to 87%) or are distance learners (2% compared to 4%).

The higher education institutions and further education colleges have a strong regional draw. Approximately two thirds of students at Lancashire's higher education institutions are from the North West, which is much higher than the proportion of students (46%) that typically study at higher education institutions in their home region across England. At Lancashire based further education providers, the proportion of higher education students from the North West is even higher (84%) in line with the national average (83%).

Overall, almost two fifths of students are from Lancashire and choose to stay in Lancashire to undertake higher education. Other LEP areas from which students are attracted include Greater Manchester, Liverpool City Region, Cheshire and Warrington and Cumbria. International students account for between 3% (at further education providers) and 8% (at higher education institutions) of higher education students in Lancashire. The latter is below the national average (10%).

A wide range of subjects are available, covering all sectors and priority sectors. The popularity of subjects varies by provider type. Across higher education institutions, the most popular subject choice is subjects allied to medicine (accounting for 22% of students), followed by business and admin studies (13%), biological sciences (10%), social studies (9%) and creative arts and design (8%). When compared with the national profile, the key differences include:

- A much higher proportion of students studying subjects allied to medicine in Lancashire (22% compared to 13% nationally).
- A lower proportion of students studying engineering and technology (2% compared to 4%)

At further education colleges the most popular subjects are engineering and technology (accounting for 19% of students), followed by social studies (14%), business and admin studies (13%), creative arts and design (11%) and education (9%). When compared with the national profile, the key differences include:

- A higher proportion of students studying engineering and technology (19% compared to 17% nationally) and social studies (14% compared to 8%)
- A lower proportion of students studying creative arts and design (11% compared to 17%)

The large majority of students (77%) at Lancashire's single alternative Higher Education provider study business and admin studies, while the remainder study mass communication (13%) and law (2%).

### Higher Education Destinations

Data on higher education destinations is available for: (a) higher education students studying in Lancashire regardless of where they are originally from; and (b) Lancashire residents participating in higher education regardless of where they are studying.

**Lancashire based higher education students:** Over a third (37%) of students studying in Lancashire stay in Lancashire upon completion of their higher education students. Other popular destinations include Greater Manchester, Liverpool City Region and Cheshire and Warrington, which is to be expected given the high proportion of students that originate from across the North West. The other most popular destination is London, although this only applies to 4% of students.

One year after completing higher education, 79% of Lancashire's students are in sustained employment, and this increases to 81% five years after. This is slightly higher than the North West average of 77% and 79% respectively.

**Lancashire residents participating in higher education:** In terms of Lancashire residents that participate in higher education, 60% subsequently enter employment in Lancashire. This is similar to the national average for LEP areas (59%). However, this is made up of a much higher proportion of students that stay for study and employment (39% in Lancashire compared to the LEP average of 29%) than those who leave for study and return for employment (21% in Lancashire compared to LEP average of 30%).

### Key messages for partners across Preston, Chorley and South Ribble

The data and analysis set out in this Travel to Work Area Report and in the wider Labour Market Intelligence Toolkit provides an overview of employment and skills in Preston, Chorley and South Ribble, and across Lancashire more widely.

This provides local partners with intelligence that can be used to identify and set skills and employment priorities and to design, influence, develop and implement intervention that supports skills development and tackles skills and employment issues, maximising the resources available.

This intervention could take a variety of forms, ranging from providing advice and guidance to learners and employers through to delivering projects targeted at specific groups such as unemployed adults, and designing and shaping the curriculum in schools, further education and higher education providers.

This section of the report summarises the key messages to help guide partners in Preston, Chorley and South Ribble.

### The Largest Population and Employment Centre in Lancashire

As the largest of the Lancashire Travel to Work Areas in both population and employment terms, the Preston, Chorley and South Ribble economy has an important role to play. Located in the centre of Lancashire, Preston is the administrative centre for the LEP area and acts as a service centre for residents from across and outside the Travel to Work Area.

Overall the area has experienced both population and employment growth in recent years, although this has been below the national average and has varied at the local level.

### A Diverse Economy with Varied Employment Opportunities

The Preston, Chorley and South Ribble economy is diverse, offering a range of employment opportunities to residents from within and outside the Travel to Work Area. The employment opportunities available cover all

sectors, including Lancashire's priority sectors, and all occupations. The largest sectors are wholesale and retail and health, followed by construction and administration and support services. Each of these sectors, and particularly construction, are well represented in the Travel to Work Area.

While the area has a lower concentration of manufacturing employment than other parts of Lancashire, there are a number of major manufacturing plants within and just outside the area which offer a significant number of highly skilled and high value employment opportunities for local residents.

The composition of the business base, further adds to the diversity of the employment opportunities. In addition to key large employers, there is also a significant SME base in each sector offering jobs at all skills levels.

Employment is distributed across the area, with concentrations in the key centres, along transport routes and at major employment locations such as Leyland and Lancashire Business Parks.

Overall, the diversity and distribution of the employment base helps to support a reasonably high concentration of residents to both live and work in Preston, Chorley and South Ribble. It also benefits residents from other parts of Lancashire who travel into the area to access employment (often highly skilled and well paid jobs).

### Future Employment Opportunities

Employment is forecast to grow between 2018 and 2028, with the creation of over 10,500 new jobs. The level of growth in Preston, Chorley and South Ribble is expected to exceed the Lancashire wide average. Forecasts indicate that there will be recruitment across all sectors and occupations, including in each of Lancashire's priority sectors, and sectors that have recently experienced employment decline such as manufacturing. This will include recruitment for new jobs created through sector growth and jobs that become available as people leave or change jobs. Overall, there are expected to be opportunities for over 187,900 people between 2018 and 2028, equivalent to just under 17,100 per annum.

In Preston, Chorley and South Ribble, the sectors offering the most employment opportunities each year are expected to be administrative and support services, wholesale and retail, human health and social work, construction and accommodation and food services. In terms of occupations, recruitment is expected to be highest for professional and elementary occupations reflecting a move towards an 'hourglass' shaped labour market with opportunities at the top and bottom end but fewer mid-level roles.

A key trend, which will be of particular importance to local partners, is the forecast change in skills requirements. In line with trends forecast for Lancashire and nationally, demand and the need for residents to have higher level skills is expected to increase.

Specifically, the number of people in employment in Preston, Chorley and South Ribble which hold qualifications at Level 3 or above will increase, while the number in employment with qualifications at Level 2 or below or no qualifications will fall. The number of people in employment with other qualifications, such as apprenticeships is also expected to increase. This trend typically applies across all occupations.

Both the forecast growth in the economy and the changing skills requirements highlight the need to ensure that the local labour supply is of an appropriate scale and suitably qualified to meet the future needs of employers and support local economic growth. This will require partners to address a series of challenges as set out in the following sections.

### **Maximising Labour Supply in Preston, Chorley and South Ribble**

While the population is expected to grow over the next ten years across Preston, Chorley and South Ribble, the population is ageing – as is the case nationally - and this will present challenges for the economy, and especially local employers, in terms of labour supply and recruitment.

In particular, the working age population in Preston, Chorley and South Ribble is expected to fall, reversing the growth seen over the past 10 years. To add to the challenge, this is a Lancashire wide trend (with decline at the Lancashire level expected to be more severe than in

Preston, Chorley and South Ribble) further limiting the labour supply that will be available from neighbouring areas.

This challenge reinforces the need to maximise the participation of local residents in the economy. While the Travel to Work Area generally benefits from having a well-qualified working age population and high levels of working age residents in employment, there continues to be a significant cohort of unemployed and inactive adults, many of whom would like to work, as well as adults with low or no qualifications. Identifying opportunities to engage these group will help to boost prosperity and tackle wider labour market challenges across the area.

There are also variances by gender, age and ethnicity and across the local areas, including lower levels of employment and higher levels of unemployment and inactivity in Preston, which are masked by the Travel to Work Area average and which will require targeted intervention.

In addition to increasing participation, there is a need to consider how residents that are already in work are employed and if support can be provided to aid development and progression, and to ensure that these residents are able to continue to find work as employer and skills requirements continue to change.

One particular example that highlights this issue, is the lower skills profile of residents from Preston and the high proportion that work in lower skilled and lower paid occupations including elementary occupations. This is reflected in the average annual earnings of residents which are below the average for residents Lancashire wide, despite the fact that many Preston based employers offer jobs with higher wages which have been taken up by people commuting in from elsewhere.

### **Meeting Employers Skills Needs – Now and in the Future**

In recent years, there has been an increasing focus on responding to and meeting employer needs as a means of supporting local economic growth. In addition to the forecast changes in skills levels, employers continue to report skills gaps in the current workforce and skills shortages when trying to recruit new workers. Some of the most commonly reported reasons for

## Key Messages for Preston, Chorley and South Ribble

skills gaps amongst employers relate to employees and potential recruits undertaking and completing relevant training.

The data available suggests that training provision linked to all sectors and occupations is available across Lancashire, and generally the most popular subject choices for apprenticeships and higher education align with key sectors and employment opportunities locally. Ensuring that the content, availability and level of this provision, aligns with employer needs

is an important priority for local partners, especially as a number of changes in the way people learn and their learning choices, including changes through Technical Education reform, are implemented. Alongside this, and of equal importance, there is a need to ensure that the current and future labour supply are aware of employer requirements and gain the skills, qualifications and employability skills they need.

## Sectors, Occupations and Educational Routes

The table below shows (in broad terms) the relationship between sectors (including Lancashire's priority sectors), occupations and the emerging technical education routes which will provide a pathway into many skilled occupations in future. There is a large degree of overlap between occupations and sectors, with many occupations found across a large number of sectors, e.g. management roles, administrative occupations and support roles such as IT, human resources, etc. The allocation of a technical education route to a specific sector therefore is somewhat simplistic – many routes will be relevant to a number of sectors.

It is also important to note that many occupations require similar underlying skills and qualifications, including numeracy, literacy and IT skills. Technical education is only one route into employment – many people will progress into higher education, where the link between subject studied and occupation subsequently taken up can be less direct.

Sectors, Occupations and Education Routeways			
Sector	Relationship to Lancashire's Priority Sectors	Occupations*	Technical Education Routes**
Agriculture, forestry and fishing	n/a	Vast majority of jobs are in skilled trades and elementary occupations, e.g. farmers, groundsmen, farm workers etc. plus a small number of higher level occupations e.g. managers, veterinarians, environmental professionals	Agriculture, environmental and animal care
Mining and quarrying	Some elements are part of Energy and Environmental Technologies		
Electricity, gas, steam and air conditioning supply	Energy and Environmental Technologies	One-third work in higher level occupations, including engineers, production managers, health and safety officers etc. 20% are process, plant and machine operatives, e.g. plant workers	Construction Engineering and manufacturing
Water supply, sewerage, waste management and remediation	Some elements are part of Energy and Environmental Technologies	Relatively high proportion of administrative and secretarial occupations	

## Sectors, Occupations and Educational Routes

Manufacturing	<p>Some elements are part of Advanced Manufacturing</p> <p>Some elements are part of Energy and Environmental Technologies</p> <p>Some elements are part of Creative and Digital Industries</p>	<p>30% of workers are in professional or technical roles, e.g. production managers, engineers.</p> <p>One quarter are in skilled trades (e.g. welding, machining etc).</p> <p>20% are in less skilled processing and packing roles.</p>	Engineering and manufacturing
Construction	<p>Construction</p> <p>Some elements are part of Energy and Environmental Technologies</p>	<p>Over half of workers are in skilled trades jobs such as bricklayers, plumbers, carpenters etc</p> <p>1 in 10 are in professional occupations, including engineers, surveyors etc</p>	Construction
Wholesale and retail, repair of motor vehicles	n/a	As well as sales and customer service jobs, people work as managers, in finance roles, and as cleaners and security staff.	Sales, marketing and procurement
Transportation and storage	Some elements are part of Visitor Economy	One third work in plant and machine operative roles, including bus, train, van, truck and taxi drivers	Transport and logistics
Accommodation and food service activities	Visitor Economy	Jobs include chefs, kitchen and catering assistants, waiters and waitresses, bar staff and cleaners. Some people work as managers, but there are very few professional roles in this sector.	Catering and hospitality
Information and Communication	<p>Some elements are part of Creative and Digital Industries</p> <p>Some elements are part of Finance and Professional Services</p>	<p>A large proportion of workers are in elementary occupations – largely postal workers</p> <p>Professional and associate professional occupations include IT professionals and IT technician roles.</p>	Digital

## Sectors, Occupations and Educational Routes

Financial and insurance activities	Part of Finance and Professional Services	<p>44% of roles are in professional and associate professional occupations, including legal roles such as solicitors and barristers, accountancy, advertising etc.</p> <p>13% work as managers and senior officials</p> <p>1 in 5 work in administrative and secretarial roles, including as finance clerks</p>	Legal, financial and accounting	
Real estate activities	Part of Finance and Professional Services			
Professional, scientific and technical activities	Some elements are part of Finance and Professional Services			Legal, financial and accounting
	Some elements are part of Advanced Manufacturing			
	Some elements are part of Energy and Environmental Technologies			
Administrative and support service activities	Some elements are part of Finance and Professional Services			Business and Administration
	Some elements are part of Visitor Economy			
Public administration and defence	n/a	<p>One third of occupations are in professional roles, including medical personnel, social work, teaching roles etc.</p> <p>12% are in associate professional roles such as paramedics</p> <p>1 in 4 are in caring occupations such as carers, nursery nurses etc.</p>	Business and Administration	
Education	Some elements are part of Creative and Digital Industries		Protective services	
Human health and social work activities	Health and Social Care		Education and childcare	
			Health and science	
			Care services	

## Sectors, Occupations and Educational Routes

Arts, entertainment and recreation	Parts included in Visitor Economy; Parts included in Creative and Digital	Relatively few people are employed in professional roles	Creative and design
Other service activities	n/a	One-third of people work in caring, leisure and other service occupations, such as hairdressing and beauty therapy  Associate professional occupations include artistic occupations such as artists, authors, actors, dancers, musicians, photographers	Hair and beauty

Source: BRES, Annual Population Survey

\* Occupations data based on broad sector definitions and applied to SIC sections

\*\* Technical education routes will prepare people for occupations which may be found within a number of sectors