

Covid-19 Crisis: Current Impacts on the Cheshire and Warrington Labour Market

JULY 2020 REPORT
BRENNAN WILSON LTD

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1. Introduction

This short report provides a round-up of key labour market indicators that have been published in June and early July. It brigades what we know about the national position alongside information about Cheshire and Warrington. It also summarises key feedback received by the LEP from education and skills stakeholders, including members of the LEP's Data and Labour Market Steering Group.

It has five sections

- Key Points
- Office for Budget Responsibility (OBR) Fiscal Sustainability Report
- Government Policy Response – 'Plan for Jobs'
- Labour Market Indicators
- Stakeholder Feedback

2. Key Points

- The Office for Budget Responsibility has produced scenarios to underpin its Fiscal Sustainability Report. In the central scenario, GDP declines by 12.4% in 2020 and unemployment peaks at 12% in the fourth quarter of this year.
- The Chancellor has recently announced a number of initiatives to address the anticipated labour market downturn including: the Kickstart Scheme; new funding for National Careers Service; high quality traineeships for young people; payments for employers who hire new apprentices; high value courses for school and college leavers; expanded Youth Offer; enhanced work search support; expansion of the Work and Health Programme; job finding support service; Flexible Support Fund; and new funding for sector-based work academies.
- Payments from the Small Business Grants Fund (SBGF) scheme and the Retail, Hospitality and Leisure Business Grants Fund (RHLGF) total £185,470,000 in Cheshire and Warrington
- Nationally, 60% of employers are using the furlough scheme, with this figure being higher than 60% for all categories of employer other than sole traders. Three quarters of medium sized companies (50 to 250 employees) are using the scheme.
- 31% of the workforce is on furlough although this ranges from 19% of the workforce in large companies (more than 250 employees) to 57% of the workforce employed by employers that have 5-9 employees.
- There are 132,100 residents furloughed in Cheshire and Warrington. If the OBR central scenario, which assumes 15% of those furloughed will become unemployed, is correct, approximately 20,000 more people might be expected to lose their jobs in Cheshire and Warrington as furlough winds down.
- National data shows that a higher percentage of younger workers have been furloughed than is the case for the workforce overall.
- 39,400 people have made a claim to the Self-employment Income Support Scheme (SEIS) in Cheshire and Warrington, which is just less than three quarters of all those eligible to make a claim. Approximately a third of all claims come from self-employed construction workers.
- The claimant count in Cheshire and Warrington fell slightly in June compared to May (the rate fell from 5.3% to 5.1%). The numbers of 18-24 claimants in Cheshire and Warrington

increased slightly between May and June (the rate increased from 8.4% to 8.5%). 2 of 573 neighbourhoods saw no increase in the claimant count between March and June, the rest saw an increase.

- Having dramatically peaked at the end of March, weekly claim figures for Universal Credit (UC) in June were only 10% higher than early March levels.
- The number of UC claimants in Cheshire and Warrington has risen by 73% from 39,611 in March to 68,511 in June. There has been a significant difference between male and female with a 40% increase in female claimants (23,202 to 32,586) and a 119% increase in male claimants (16,402 to 35,911).
- About 10% of UC claimants in Cheshire and Warrington are aged 18 or 19.
- There has been a sharp decline in job vacancies nationally and within Cheshire and Warrington. Local data for May to June suggests that demand is now plateauing. Some national data suggests that there may have been a slight increase in vacancies between May and June.
- Data from Cheshire West and Chester Council suggests that demand for labour is strongest in the Health and Social Care sector and in Warehousing and Distribution.
- Intelligence from Cheshire East Council suggests a growing pipeline of local job losses.
- 16-18 Apprenticeship starts in Cheshire and Warrington are forecast to be at 20% of their August 2019 levels in August 2020.

3. Office for Budget Responsibility Fiscal Sustainability Report

In July, the Office for Budget Responsibility (OBR) published a Fiscal Sustainability Report¹ prior to the Chancellor's July statement. This included three scenarios for future economic performance. In the OBR's view, the UK is on track to record the largest decline in annual GDP for 300 years, with output falling by more than 10 per cent in 2020 in all three scenarios (and contracting by a quarter between February and April). In the central scenario, 2020 GDP declines by 12.4% and output recovers slowly, regaining its pre-virus peak by the end of 2022. Cumulative business investment is 6 per cent lower than in the March forecast over five years, while unemployment and business failures remain elevated. Real GDP is 3 per cent lower in the first quarter of 2025 than in the March OBR forecast.

In all the OBR scenarios, prospects for employment and unemployment will depend heavily on what happens to furloughed workers once the Coronavirus Job Retention Scheme (CJRS) is closed. The OBR make broad assumptions about the proportion that subsequently move into unemployment rather than back to work – of 10, 15 and 20 per cent in the upside, central and downside scenarios. This means that unemployment continues to rise and employment to fall beyond the second quarter, despite output recovering somewhat. The unemployment rate peaks at 10 per cent in the third quarter of 2020 in the upside scenario; at 12 per cent in the fourth quarter in the central scenario; and at 13 per cent in the first quarter of 2021 in the downside scenario.

¹ https://cdn.obr.uk/OBR_FSR_July_2020.pdf

OBR Scenarios: Key Economic Variables

	Percentage change on a year earlier, unless otherwise stated					
	Scenario period					
	2019	2020	2021	2022	2023	2024
Central scenario						
Gross domestic product (GDP)	1.4	-12.4	8.7	4.5	2.1	1.9
CPI inflation	1.8	0.7	1.3	1.9	2.0	2.0
Employment (million)	32.8	31.3	30.9	32.2	32.6	33.0
Unemployment (million)	1.3	3.0	3.5	2.4	2.1	1.9
Unemployment rate (per cent)	3.8	8.8	10.1	6.9	5.9	5.3
Upside scenario						
Gross domestic product (GDP)	1.4	-10.6	14.5	1.9	1.3	1.4
CPI inflation	1.8	0.7	1.3	1.9	2.0	2.0
Employment (million)	32.8	31.6	32.5	33.2	33.3	33.4
Unemployment (million)	1.3	2.7	1.9	1.4	1.4	1.4
Unemployment rate (per cent)	3.8	7.9	5.6	4.0	4.0	4.1
Downside scenario						
Gross domestic product (GDP)	1.4	-14.3	4.6	5.4	3.3	2.5
CPI inflation	1.8	0.7	1.3	1.9	2.0	2.0
Employment (million)	32.8	31.2	30.4	31.7	32.3	32.6
Unemployment (million)	1.3	3.1	4.0	2.8	2.4	2.2
Unemployment rate (per cent)	3.8	9.1	11.6	8.1	6.9	6.3

Source: Office for Budget Responsibility, Fiscal Sustainability Report, July 2020

4. Government's Policy Response – 'Plan for Jobs'

Alongside the Chancellor's statement at the start of July, Government published its 'Plan for Jobs'². This set out a range of new policy interventions intended to address the expected significant deterioration in the Labour Market. Key employment and skills interventions that were announced were described by the Government as follows:

"Kickstart Scheme – The government will introduce a new Kickstart Scheme in Great Britain, a £2 billion fund to create hundreds of thousands of high quality 6-month work placements aimed at those aged 16-24 who are on Universal Credit and are deemed to be at risk of long-term unemployment. Funding available for each job will cover 100% of the relevant National Minimum Wage for 25 hours a week, plus the associated employer National Insurance contributions and employer minimum automatic enrolment contributions.

New funding for National Careers Service – The government will provide an additional £32 million funding over the next 2 years for the National Careers Service so that 269,000 more people in England can receive personalised advice on training and work.

High quality traineeships for young people – The government will provide an additional £111 million this year for traineeships in England, to fund high quality work placements and training for 16-24 year olds. This funding is enough to triple participation in traineeships. For the first time ever, the government will fund employers who provide trainees with work experience, at a rate of £1,000

²

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/898421/A_Plan_for_Jobs_Web.pdf

per trainee. The government will improve provision and expand eligibility for traineeships to those with Level 3 qualifications and below, to ensure that more young people have access to high quality training.

Payments for employers who hire new apprentices – The government will introduce a new payment of £2,000 to employers in England for each new apprentice they hire aged under 25, and a £1,500 payment for each new apprentice they hire aged 25 and over, from 1st August 2020 to 31st January 2021. These payments will be in addition to the existing £1,000 payment the government already provides for new 16-18 year-old apprentices, and those aged under 25 with an Education, Health and Care Plan – where that applies.

High value courses for school and college leavers – The government will provide £101 million for the 2020-21 academic year to give all 18-19 year olds in England the opportunity to study targeted high value Level 2 and 3 courses when there are not employment opportunities available to them.

Expanded Youth Offer – The government will expand and increase the intensive support offered by DWP in Great Britain to young jobseekers, to include all those aged 18-24 in the Intensive Work Search group in Universal Credit.

Enhanced work search support – The government will provide £895 million to enhance work search support by doubling the number of work coaches in Jobcentre Plus before the end of the financial year across Great Britain.

Expansion of the Work and Health Programme – The government will provide up to £95 million this year to expand the scope of the Work and Health Programme in Great Britain to introduce additional voluntary support in the autumn for those on benefits that have been unemployed for more than 3 months. This expansion will have no impact on the existing provision for those with illnesses or disabilities in England and Wales.

Job finding support service – The government will provide £40 million to fund private sector capacity to introduce a job finding support service in Great Britain in the autumn. This online, one-to-one service will help those who have been unemployed for less than three months increase their chances of finding employment.

Flexible Support Fund – The government will increase the funding for the Flexible Support Fund by £150 million in Great Britain, including to increase the capacity of the Rapid Response Service. It will also provide local support to claimants by removing barriers to work such as travel expenses for attending interviews.

New funding for sector-based work academies – The government will provide an additional £17 million this year to triple the number of sector-based work academy placements in England in order to provide vocational training and guaranteed interviews for more people, helping them gain the skills needed for the jobs available in their local area.”

5. Labour Market Indicators

5.1 Grants to Business

The table below shows the total amount of money that each local authority has received from central government and distributed to SMEs to date. This covers 2 coronavirus grant schemes:

- Small Business Grants Fund (SBGF) scheme
- Retail, Hospitality and Leisure Business Grants Fund (RHLGF)

In total, payments of £185,470,000 have been made from these schemes to businesses in Cheshire and Warrington

Coronavirus grant funding: local authority payments to SMEs @July 12th				
Local Authority	Initial Allocation	Number of hereditaments that the local authority has identified may be in scope to receive a grant as at 13 July	Number of grant payments made to hereditaments as at 13 July	Value of payments (£)
Cheshire East Council	£95,514,000	7,495	6,827	£82,595,000
Cheshire West & Chester Council	£71,084,000	5,866	5,549	£67,220,000
Warrington Borough Council	£36,552,000	3,048	2,811	£35,655,000
<i>Source: BEIS</i>				

5.2 Coronavirus Job Retention Scheme

The Government has published range of statistics on the Coronavirus Job Retention Scheme³ (CJRS) which is administered by the HMRC and supports companies that need to furlough employees. Headlines are reported below.

In the UK, 9.4 million employments had been placed on furlough, an increase of 678,000 compared with claims made until the end of May. 1.14 million employers had made at least one CJRS claim - this is an increase of 75,000 over claims made to the end of May. The total claimed was £26.5 billion at the end of June, representing an additional £9 billion in support claimed since the end of May

The data published in July has information by size of company for the first time. 60% of employers are using the furlough scheme, with this figure being higher than 60% for all categories of employer other than sole traders. Three quarters of medium sized companies (50 to 250 employees) are using the scheme.

Overall, 31% of the workforce is on furlough although this ranges from 19% of the workforce in large companies (more than 250 employees) to 57% of the workforce employed by employers that have 5-9 employees.

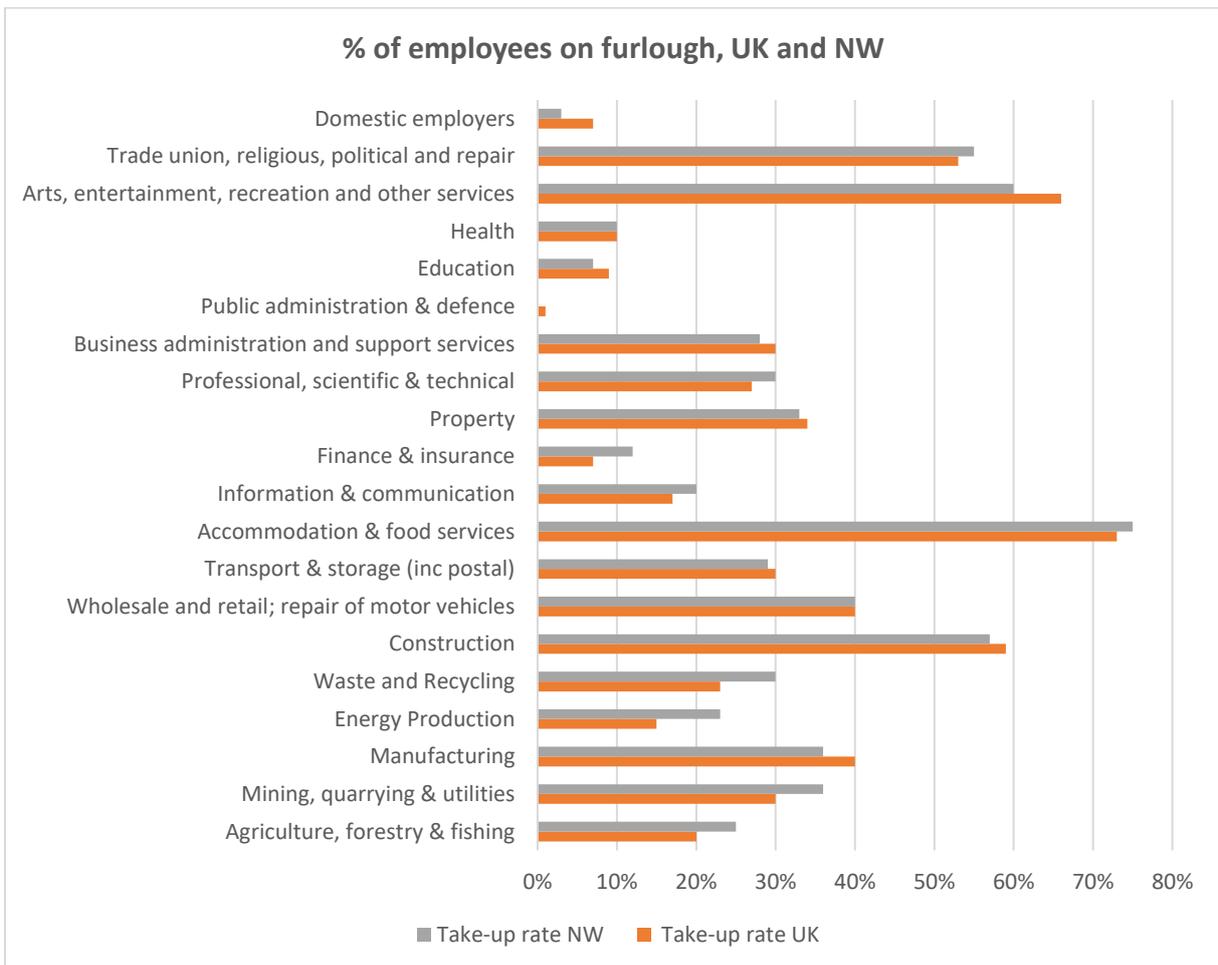
³ <https://www.gov.uk/government/statistics/coronavirus-job-retention-scheme-statistics-july-2020>

Coronavirus Job Retention Scheme take up by employer size, UK

Employer size	Employers Take-up rate	Employments Take-up rate
1	41%	41%
2 to 4	64%	55%
5 to 9	77%	57%
10 to 19	80%	53%
20 to 49	78%	44%
50 to 99	76%	37%
100 to 249	74%	31%
250+	69%	19%
Total	60%	31%

Source: HMRC Data for CJRS claims to June 30th

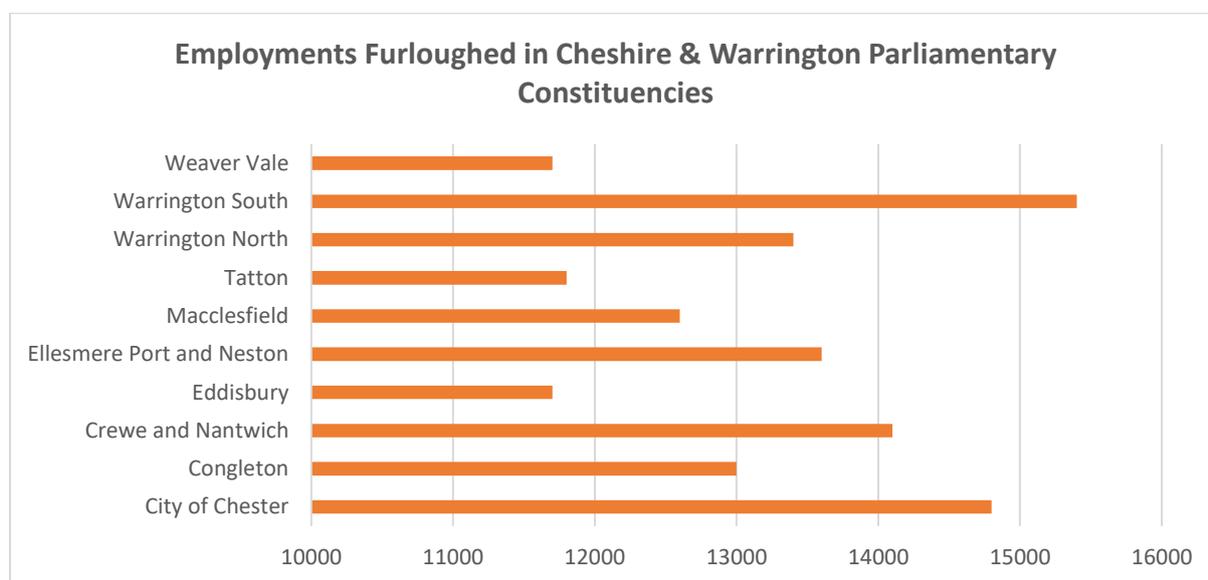
Information for take-up of the scheme by sector has previously only been available for the UK. This data is now available for the North West. The UK and North West data are presented in the chart below. It is evident from this that the sectoral pattern of furlough is broadly similar in the North West compared to the national position.



The sectors where the proportion of employees furloughed is at least 5 percentage points higher than the UK are: agriculture, forestry and fishing (5%); mining, quarrying and utilities (6%); energy production (8%); waste and recycling (7%); and finance and insurance (5%). The arts, entertainment, recreation and other services sector has a rate of employees on furlough in the North West which is 6 percentage points lower than the UK.

Furlough is most prevalent in the arts, entertainment, recreation and other services sector; the accommodation and food services sector; and the construction sector.

The chart below presents the data on the number of employees furloughed in parliamentary constituencies in Cheshire and Warrington. All constituencies have significant volumes on furlough, ranging from 11,700 in Weaver Vale and in Eddisbury, to 15,400 in Warrington South. In total, there are 132,100 residents furloughed in Cheshire and Warrington. The OBR central scenario assumes that 15% of those currently on furlough would become unemployed. If this were to be correct that would amount to a further 20,000 people losing their jobs in Cheshire and Warrington as furlough winds down.

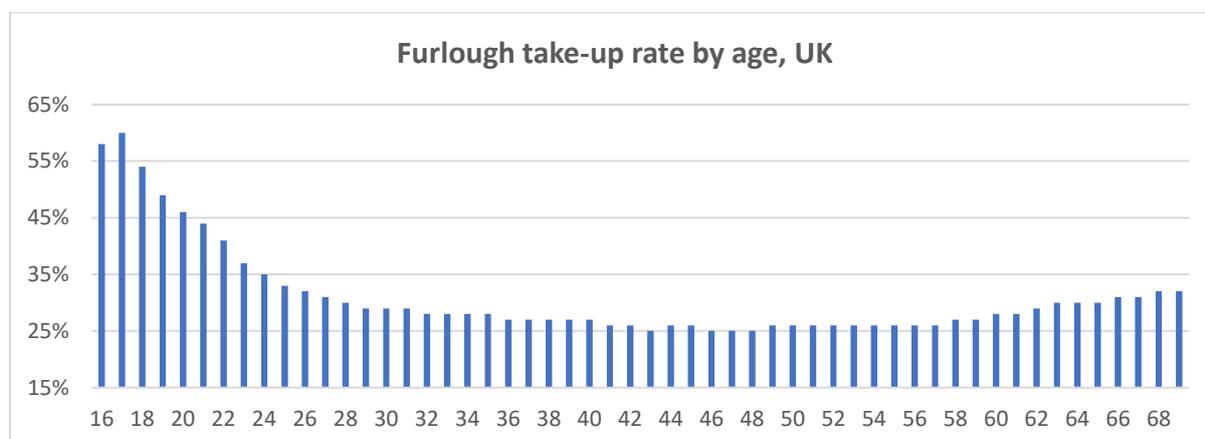


The table below presents data on the take-up of the Coronavirus Job Retention Scheme by Local Authority. The take-up rate both nationally and in the North West is 30% of employees. This is the same as that in Cheshire West and Chester. The take-up rate in both Warrington and Cheshire East is slightly lower at 28%.

Job Retention Scheme Take-up by Local Authority			
	Employments furloughed	Eligible employments	Take-up rate
Cheshire East	50400	181000	0.28
Cheshire West and Chester	49300	163200	0.3
Warrington	28800	104600	0.28

Source: HMRC Data for CJRS claims to June 30th

HMRC has now published national data on the take-up rates of furlough by age. This is presented in the chart below. It can be seen from this that younger workers have a higher prevalence of being furloughed than the rest of the workforce.



Across the age bands and by gender, employments with male employees aged 41 to 49 were least likely to be furloughed (28%), while for females, employments where the employees were aged 41 to 57 were the least likely to be furloughed (23%).

5.3 Self-employment Income Support Scheme

On July 15th the Government published statistics on the Self-employment Income Support Scheme⁴ (SEIS). Some of the headlines from this are discussed in this section.

Information on the age profile (in the UK) of people accessing SEIS is presented below. Claims cover a three-month period and cover up to 80% of monthly ‘profits’ as calculated by HMRC from previous tax returns. The average value of a claim ranged from £2,100 for those aged 16-24 to £3,300 for those aged 65+. The take-up rate varied from 60% for those aged 65+ to 78% for those aged 45-54.

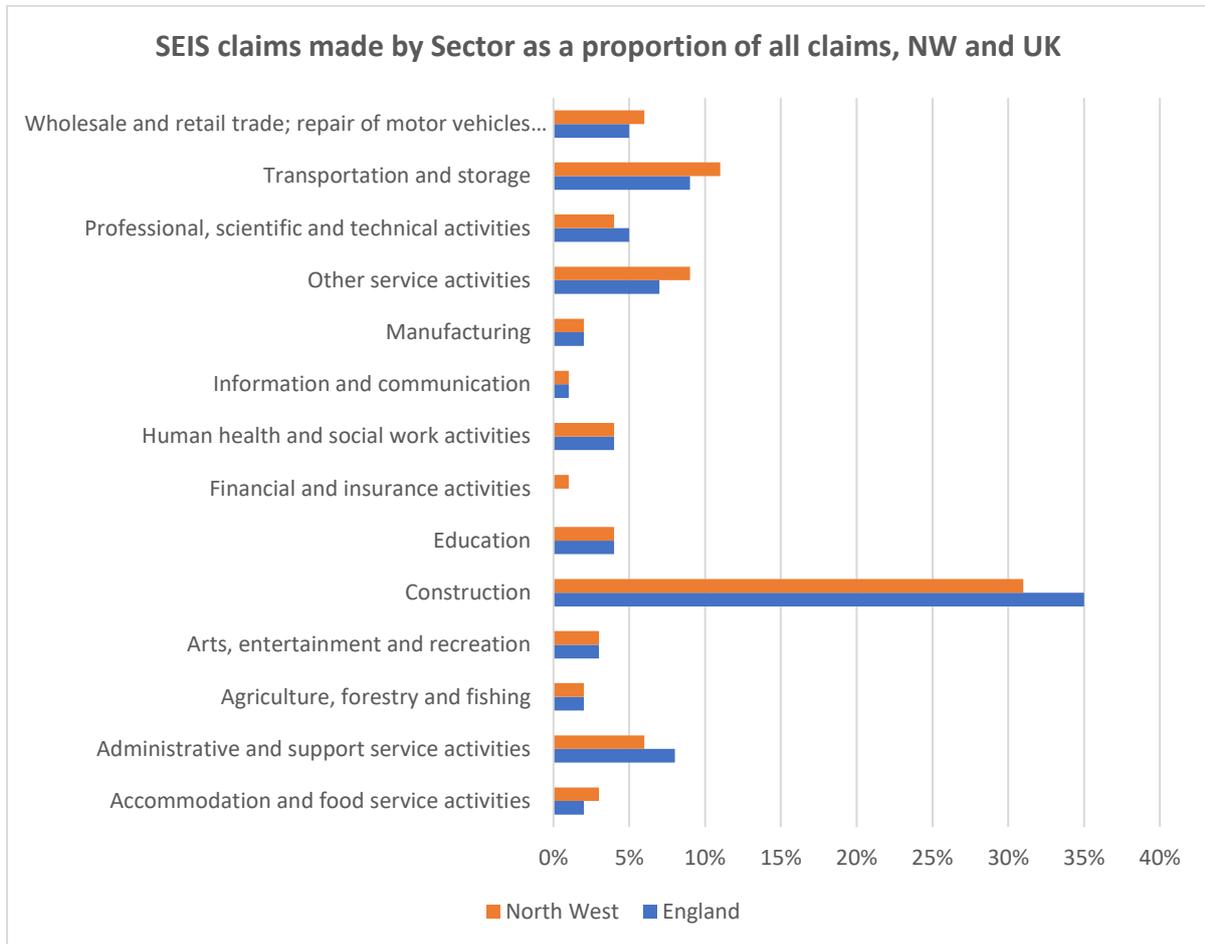
Self-employment income support scheme take-up by age				
Age group	Average value of claims made (£)	Proportion of total eligible population	Proportion of total number of claims made	Take-Up Rate
16-24	2100	4%	3%	68%
25-34	2900	20%	20%	76%
35-44	2900	24%	24%	77%
45-54	2900	25%	26%	78%
55-64	2900	21%	21%	75%
65+	3300	6%	5%	60%

Source: HMRC SEIS data to June 30th

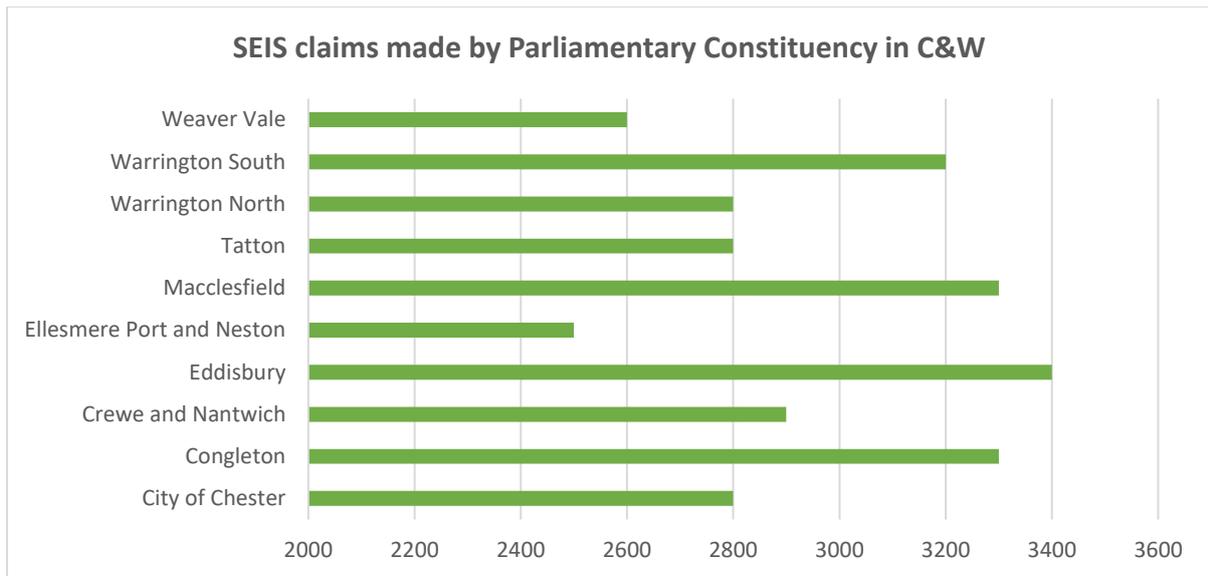
The table below presents data on the claims made to SEIS by sector as a proportion of all claims made for the UK and North West. The construction sector accounts for approximately a third of all

⁴ <https://www.gov.uk/government/statistics/self-employment-income-support-scheme-statistics-july-2020>

claims both nationally (35%) and in the region (31%). Only one other sector – transport and storage - accounts for more than 10% of all claims made in the North West (11%).



There has been a significant volume of claims made to SEIS across all parliamentary constituencies in Cheshire and Warrington, ranging from 2,500 in Ellesmere Port and Neston to 3,400 in Eddisbury. The data is illustrated in the chart below.

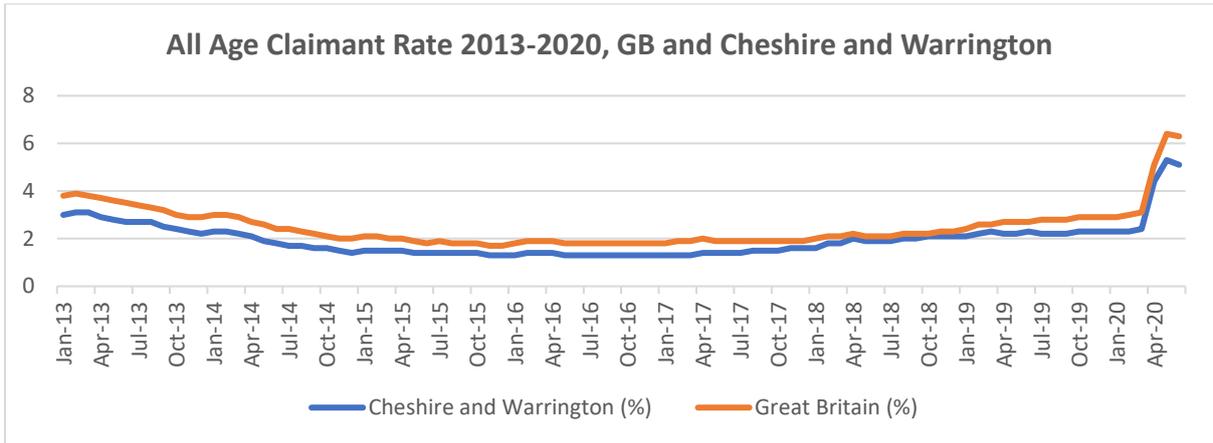


The Table below presents data on the take-up of SEIS by local authority. 39,400 people have made claims and the take up rate is roughly three quarters of the eligible population in all three local authorities.

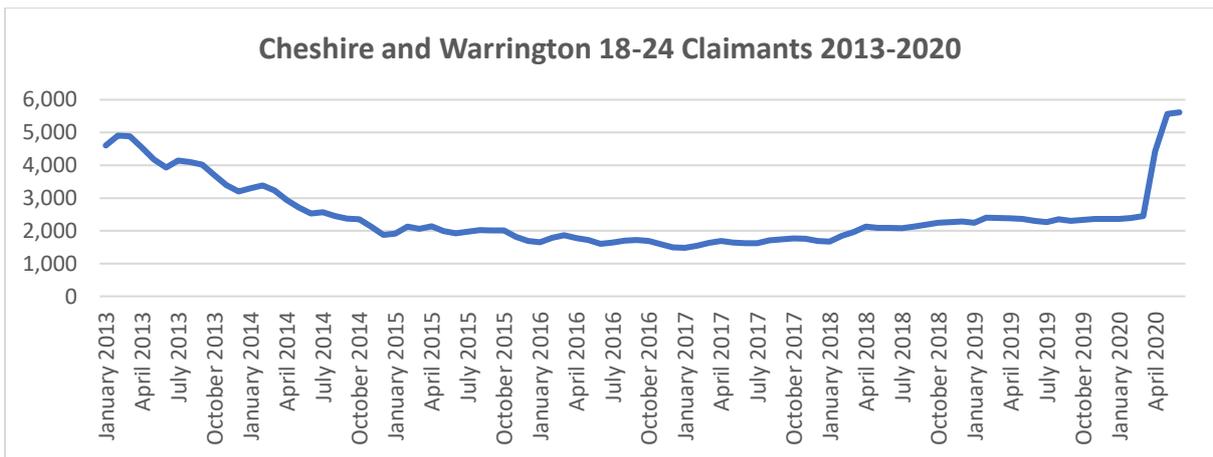
Self-employment income support scheme data by Local Authority					
	Total potentially eligible popn	Total no. of claims made	Total value of claims made (£)	Av value of claims made (£)	Take-Up Rate
Cheshire East	17100	12300	36300000	2900	72%
Cheshire West And Chester	14300	10600	29300000	2800	74%
Warrington	8000	6000	16300000	2700	75%
<i>Source: HMRC SEIS data to June 30th</i>					

5.4 Claimant Count

Claimant count data for June 2020 was published on July 16th. The headline changes to the rate are presented in the graph below. It can be seen from this that, following significant increases to the rate in April and May, there was a slight decrease from May to June. The rate decreased from 6.4% to 6.3% in Great Britain and from 5.3% to 5.1% in Cheshire and Warrington. This represented a decrease of 830 claimants in Cheshire and Warrington between May and June 2020.

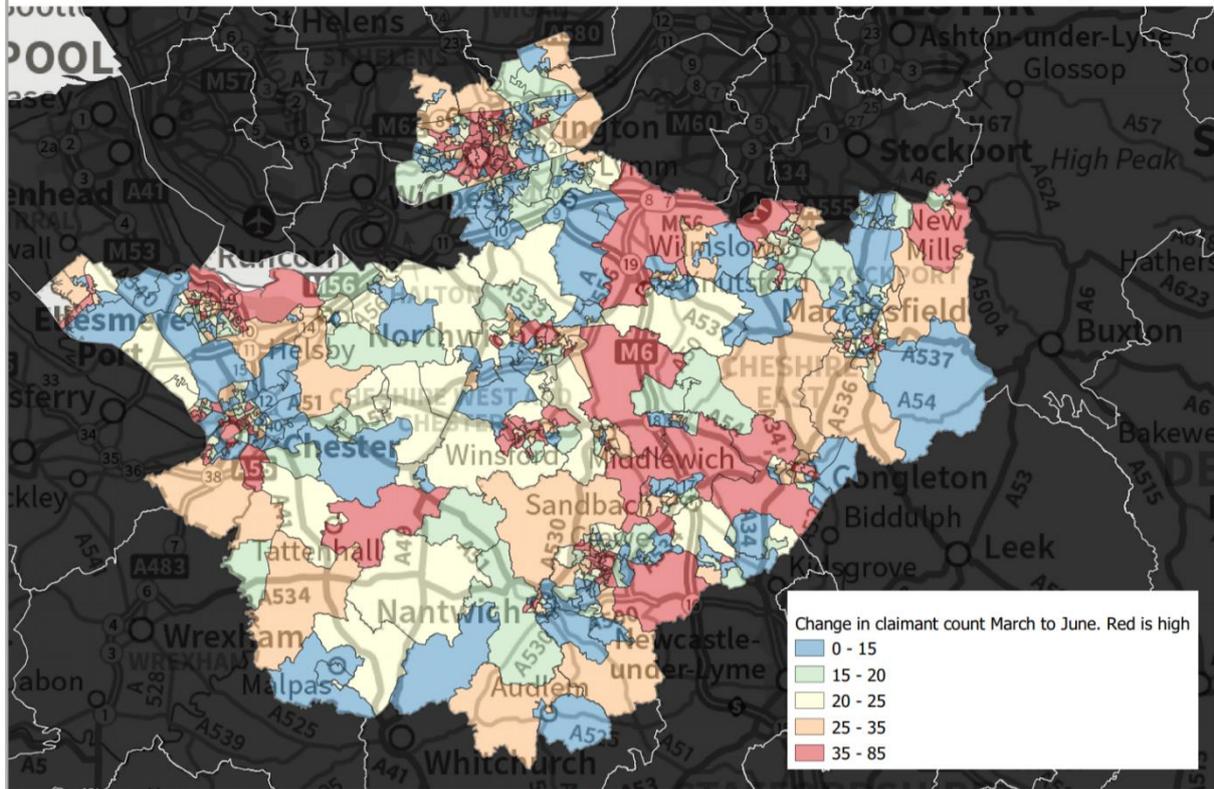


Claimant data for 18-24 year olds can be seen in the graph below. It can be seen from this that the large increases experienced between March and April and April and May were followed by a slight increase of 45 between May and June. This led to the 18-24 rate increasing from 8.4% to 8.5%. This was a lower rate of increase than for Great Britain which saw the 18-24 claimant rate increase from 8.7% to 9.0% between May and June 2020.



Lower Super Output Areas (LSOAs) are communities/neighbourhoods with a population of approximately 1,500. The map below shows changes to the claimant count in every LSOA in Cheshire and Warrington. There are over 500 LSOAs. Two LSOAs experienced no increase in the claimant count between March and June. The highest increase was 85. The areas with the highest increases are shaded red in the map below.

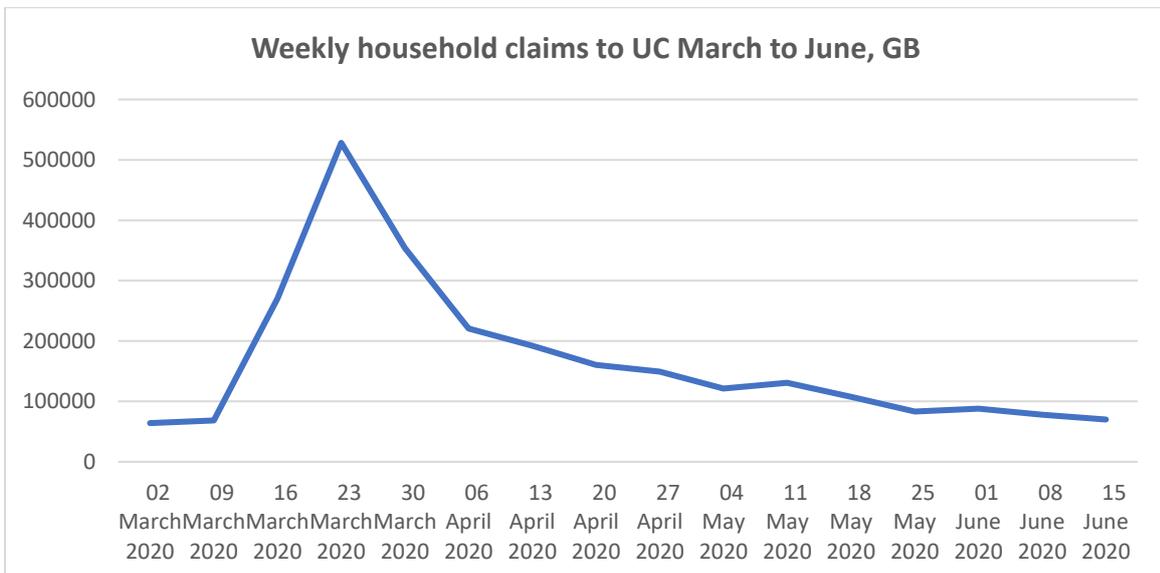
Change to the claimant count in Cheshire and Warrington March to June 2020 by LSOA



Map by Brennan Wilson Ltd in OGIS. Data from the Claimant Count and OS

5.5 Universal Credit

Management Information on the administration of Universal Credit (UC) is available nationally and locally. The graph below provides national data on claims made each week between w/c March 2nd and w/c June 15th. It can be seen from this that there was a very significant increase in national claims to UC around lockdown. Since then there has been a decline in weekly UC claims. By the middle of June, volumes were similar to volumes at the start of March (about 10% higher in June).



Data provided by Jobcentre Plus shows that the total number of UC claimants in Cheshire and Warrington has risen by 73% from 39,611 in March to 68,511 in June. There has been a significant difference between male and female with a 40% increase in female claimants (23,202 to 32,586) and a 119% increase in male claimants (16,402 to 35,911).

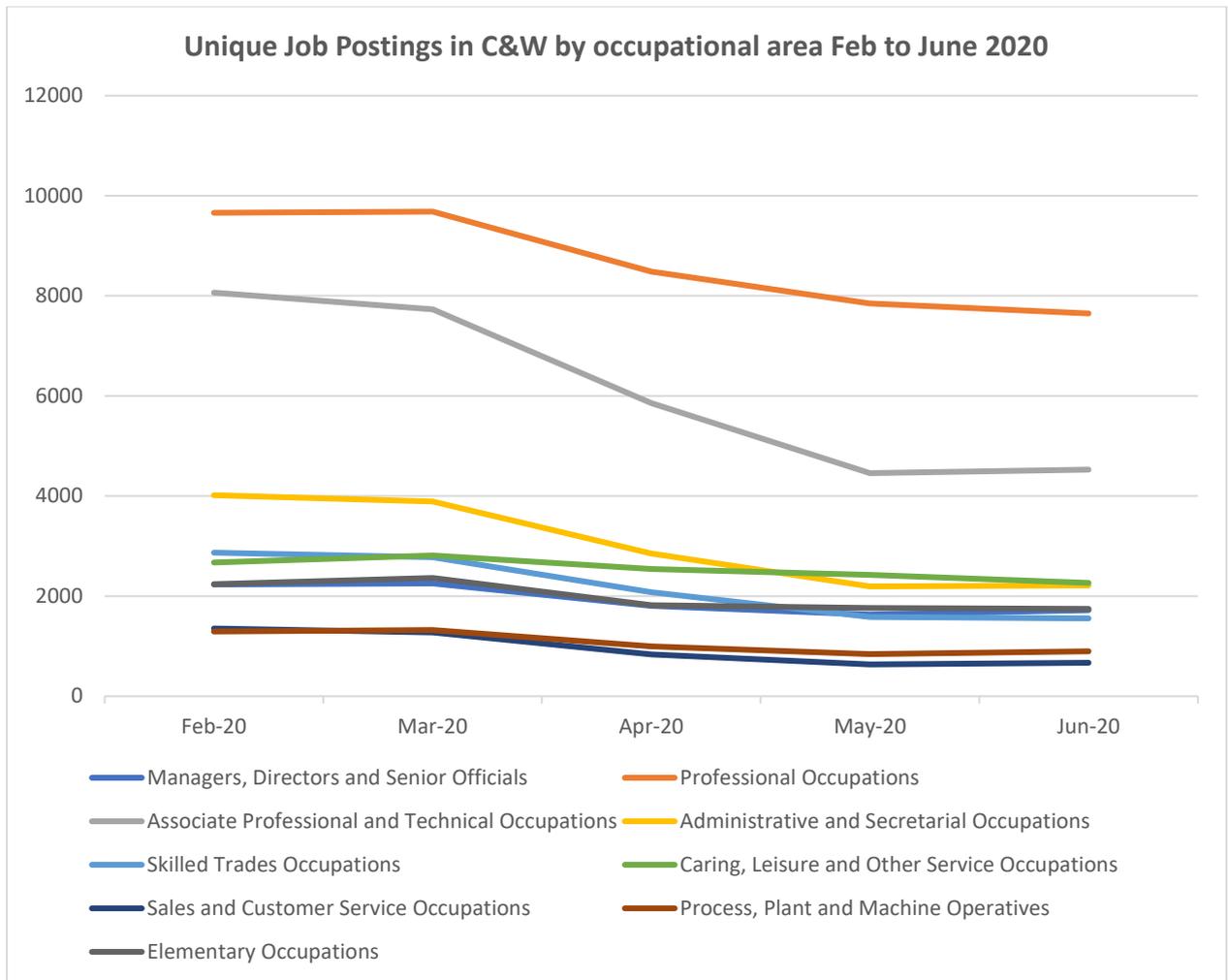
The table below provides claimant information, by age, for Jobcentre Plus offices. It can be seen from this that 16% of UC claimants in Cheshire and Warrington are aged 16-24, 12% are aged 16-19. The numbers of 16 and 17 year olds that are entitled to claim UC are very low. What this means is that about 10% of UC claimants in Cheshire and Warrington are aged 18 or 19.

UC Claimants in Cheshire and Warrington, All Age and 16-24					
	Total 16-24	Total 16-19	Total All Age	% 16-24	% 16-19
Chester	1,581	1,280	10,672	15%	12%
Congleton	334	263	2,056	16%	13%
Crewe	2,248	1,814	13,837	16%	13%
Ellesmere Port	1,174	929	6,688	18%	14%
Macclesfield	1,096	854	7,541	15%	11%
Neston	159	113	997	16%	11%
Northwich	710	545	4,905	14%	11%
Warrington	2,643	2,047	17,518	15%	12%
Winsford	759	584	4,301	18%	14%
Total	10,701	8,437	68,515	16%	12%
<i>Source: JCP</i>					

5.6 Vacancies

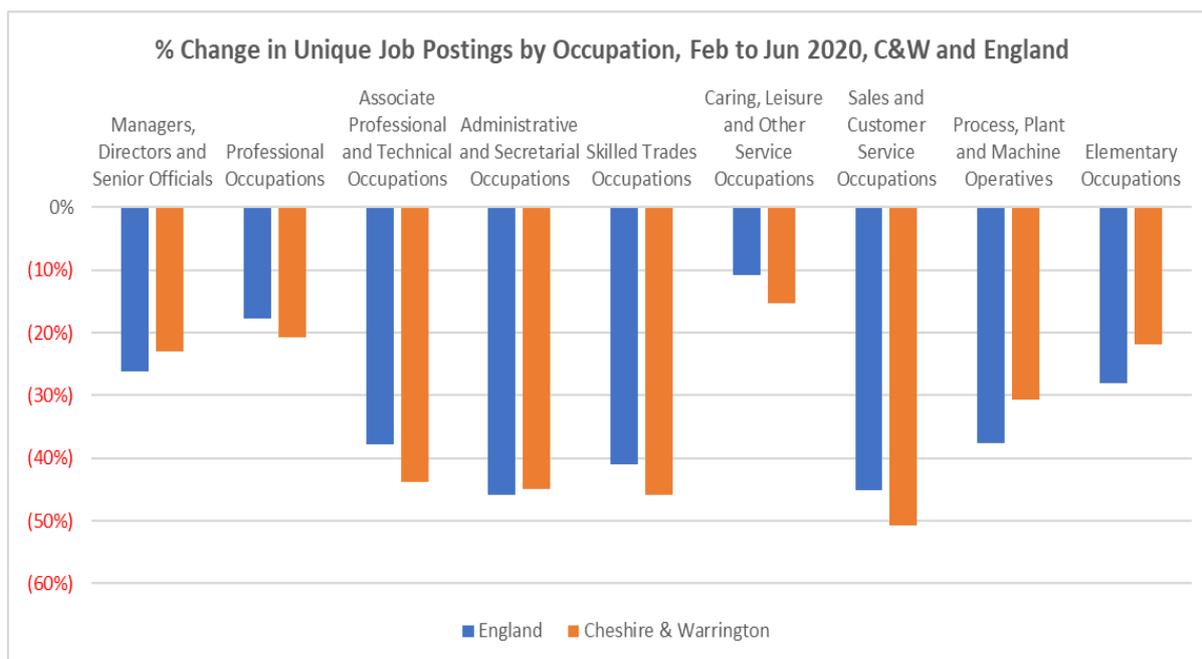
The Office for National Statistics (ONS) report that the ratio of unemployment to vacancies increased between January and April 2020, indicating growing imbalance between labour supply and labour demand; the increase was driven more by falling demand for labour than by increasing supply. The number of vacancies in the wholesale and retail trade (67,000), accommodation and food service activities (27,000) and information and communication industries (21,000) reached their lowest levels on record in the period March to May 2020. The number of vacancies in small and medium-sized enterprises declined by 48.9% on the quarter to 180,000 in the period March to May 2020. Experimental online job adverts data imply that the worst impact of the pandemic on labour demand was experienced in May and some sectors increased hiring in June 2020.

Local data on vacancies is provided by EMSI. The chart below illustrates a significant decline in every occupational area between February and June. However, data between May and June suggests that demand is starting to plateau and, in some occupational areas, there have been slight increases in month-on-month postings.



Source: EMSI

The chart below presents data, by occupational area, on the change in the volume of job postings between February and June 2020 in Cheshire and Warrington and England. This shows a similar pattern of decline across occupational areas in the two geographies, with the decline being less in Cheshire and Warrington in the following occupations: managers, directors and senior officials; administrative and secretarial occupations; process, plant and machine operatives; and elementary occupations. This is an improvement on the situation last month where a similar analysis demonstrated higher decreases in Cheshire and Warrington in every occupational area compared with England.



Source: EMSI

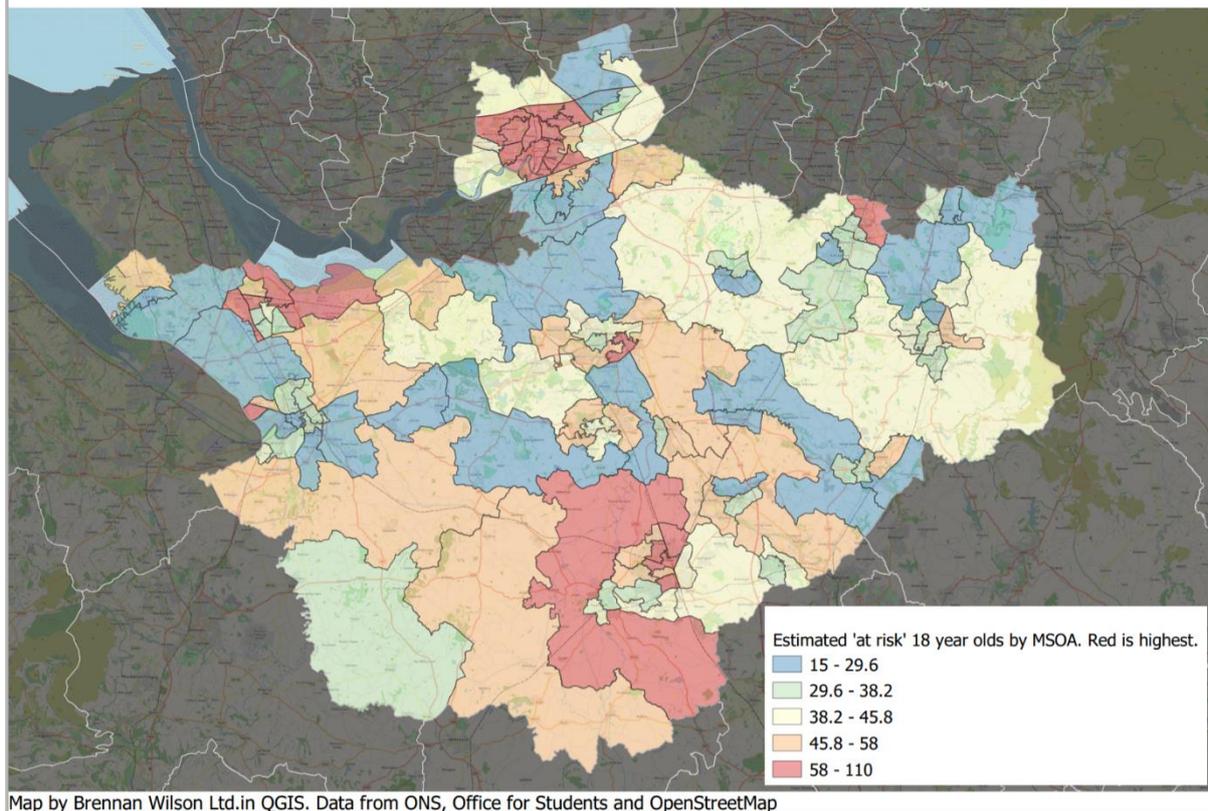
5.7 Young People at Risk

Last month's report focussed on those young people aged 16 and 18 in Cheshire and Warrington that are at risk of unemployment this summer as they enter the labour market. One of the 'at risk' groups are those young people age 18 who will be looking for jobs or apprenticeships rather than remaining in education. This is because demand for labour is anticipated to be weak over the summer.

The Office for Students has produced a dataset called 'TUNDRA'. TUNDRA (tracking underrepresentation by area) is an area-based measure that uses tracking of state-funded mainstream school pupils in England to calculate young participation in Higher Education. The dataset generates a participation rate for each middle layer super output area (MSOA). On average a middle layer super output area will have a resident population of 7,200 with a minimum population of 5,000.

The Office for National Statistic published mid-year population estimates, by age, for every middle layer super output area in 2018. By taking the 2018 population of 16 year olds for each MSOA and applying to it the TUNDRA participation rate, it is possible to generate an estimate of how many 18 year olds may be at risk of unemployment this summer in each MSOA. The map below does this for every MSOA in Cheshire and Warrington. Areas of concern are clustered in Warrington, Ellesmere Port and Crewe.

Estimated numbers of 18 year olds 'at risk' in Cheshire and Warrington in the Summer of 2020 by MSOA

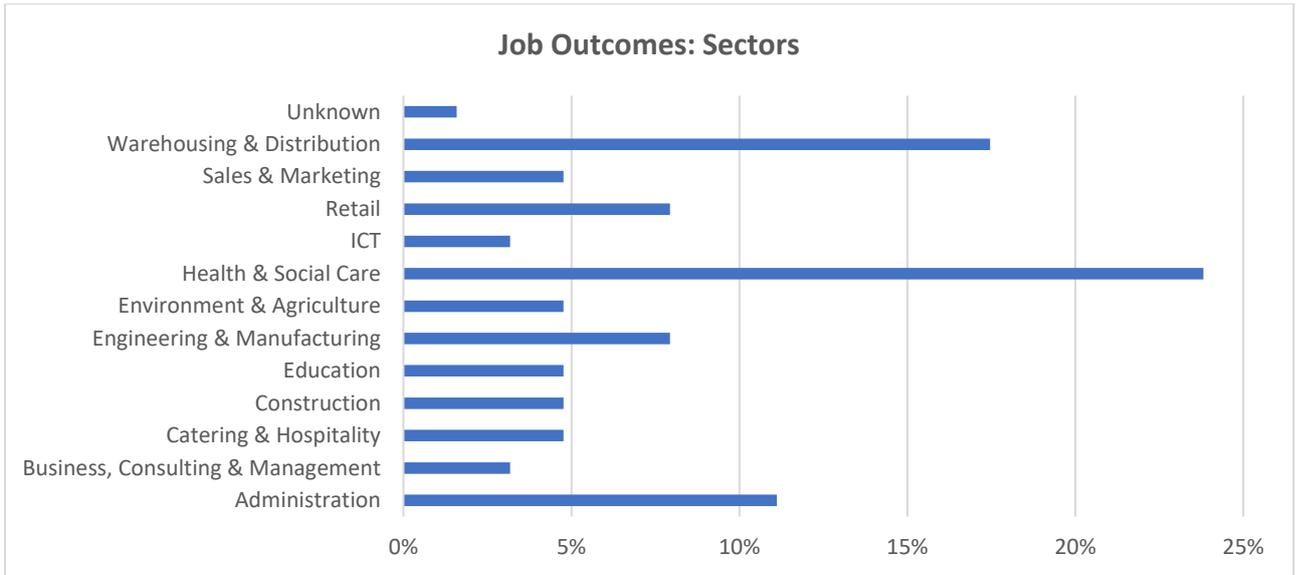


6 Stakeholder Feedback

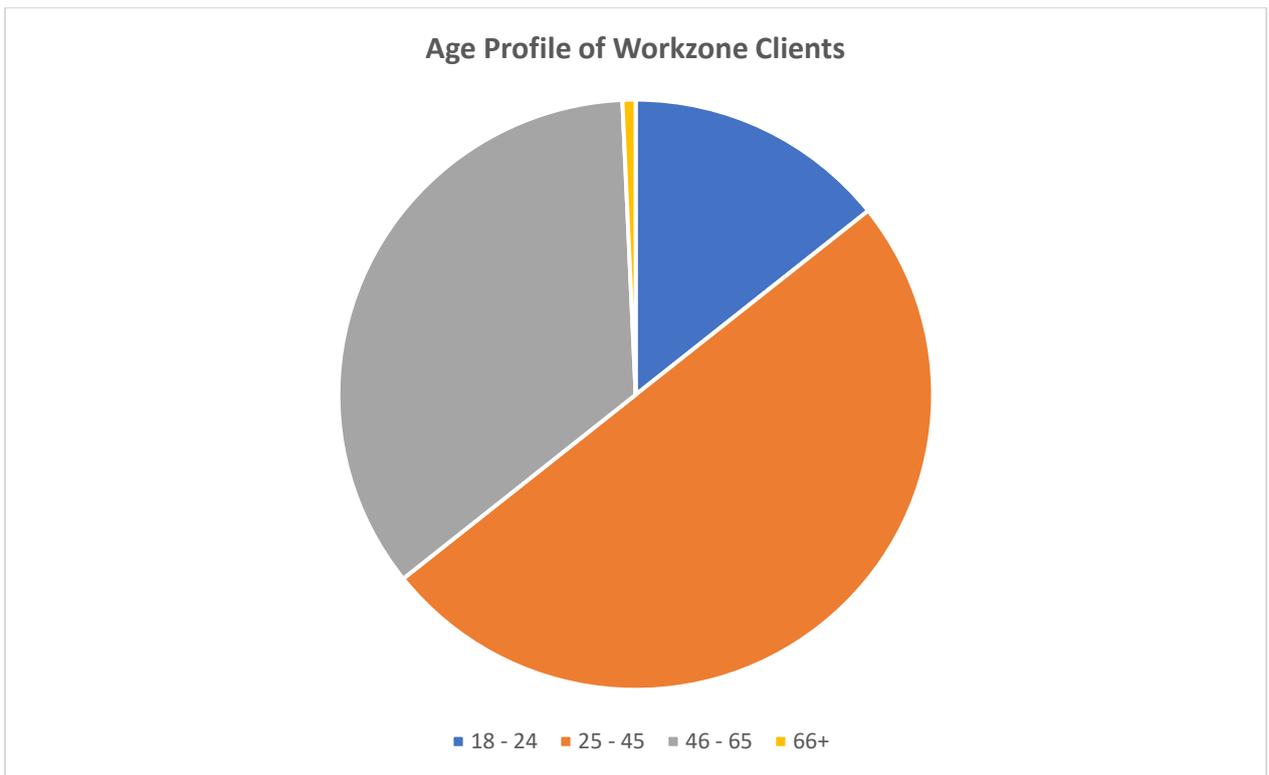
Skills and employment stakeholders have agreed to provide feedback to the Labour Market and Data Steering Group on how Covid-19 is impacting on the labour market and on the delivery of skills and employment support. Returns for this month are summarised below.

6.1 Employment Support Management Information

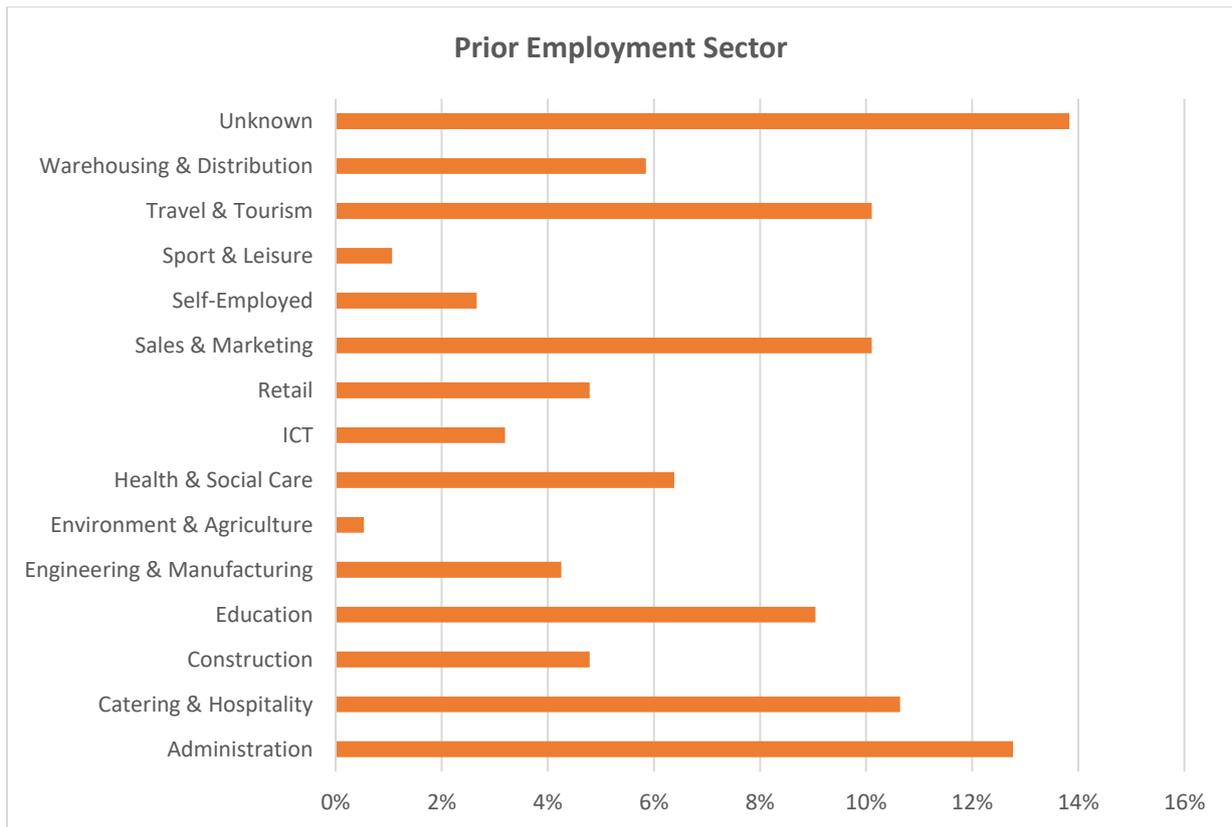
Cheshire West and Chester Council have shared Management Information from their Work Zones service. The chart below illustrates the employment sectors in which Work Zone clients are securing employment. It can be seen from this that the sectors with the highest share of positive job outcomes are Health and Social Care, and Warehousing and Distribution.



The age profile of Work Zone clients is illustrated in the pie chart below. 14% of clients are aged 18-24.



The prior employment sector of Work Zone clients is shown in the bar chart below. It can be seen from this that job losses have occurred across the economy.



6.2 New Economic Developments

Colleagues in Cheshire East Council have provided a range of intelligence on how the downturn is impacting on local employers. This is presented below.

Company	Location(s)	Sector	Jobs/£	Source/Detail
Airbus	Broughton (NE Wales), Filton	Aerospace	Loss of 1,700 jobs at UK sites	1,700 jobs in UK at risk as Airbus sheds 15,000 jobs worldwide in response to the impact of COVID - and this is likely to have a knock-on effect on companies in the supply chain, such as Senior Aerospace Bird Bellows in Congleton. Airbus' consultation process has begun on these losses, which are expected to come into being by summer 2021. Commercial aircraft activity in recent months is down nearly 40% and traffic not expected to return to its pre-COVID levels until 2023-25. Source: insidermedia.com, 1/7/20
Aldi	Crewe	Retail	Net gain of 11 jobs	Relocation of store to new premises, creating 11 new jobs. The new store, which opens on 25th June, will employ a total of 37 people (including the existing staff). Source: cheshire-live.co.uk, 19/6/20

Bentley	Crewe	Car manufacturing	Up to 1,000 jobs	Update on 1,000 job losses announced at start of June: there will be a 60-day consultation on compulsory redundancies, as not enough workers have applied for voluntary redundancy. Of the 1,000 jobs to be cut, which are mainly office-based, 300 will be contractors and 700 permanent staff. Source: cheshire-live.co.uk, 22/6/20
Casual Dining Group	Across UK, but local outlet in Crewe	Cafes and restaurants		The Group, which owns Bella Italia, Café Rouge and Las Iguanas, among others, has gone into administration and will shed 1,909 of its 6,000 jobs and close 91 of its 250 outlets. We do not know whether the Bella Italia in Crewe will lose staff or close. Source: insidermedia.com, 3/7/20
Harveys Furniture	Across UK, but local outlet in Macclesfield	Retail of furniture		Business has gone into administration, but continues to trade for now. 240 employees across UK being made redundant, whilst 1,330 are being retained while options being explored. We do not know whether staff at the Macclesfield store are among those already made redundant. The firm faced difficult trading conditions in recent months, with COVID impacting on the supply chain, customer sales and cash flow. Source: insidermedia.com, 1/7/20
Redeem	Macclesfield	Mobile phones (refurbisher, processor and reseller of mobile phones)		The company, which is Macclesfield-based, employed 130 staff in the UK, the majority of which had been furloughed. 118 of these staff have already been made redundant. The remaining staff are being retained to assist with the wind-down of the business. The company has been severely impacted by COVID-19 and the business has been in hibernation since March. Source: thebusinessdesk.com, 8/7/20

6.3 Apprenticeships

Cheshire and Warrington providers that have been able to generate an August 2020 forecast for apprenticeship starts are forecasting an 82% decline in 16-18 August 2020 starts compared to August 2019. When applied to August 2019 data this results in a forecast of 18 16-18 apprenticeship starts in August in Cheshire and Warrington. A similar decline in September 2020 would result in about 100 apprenticeship starts that month. Whole year estimates from providers are more optimistic with 2020/21 starts being forecast at 50-60% of 2019/2020 levels.

Forecast 16-18 Starts in August 2020 by Sector Subject Area in Cheshire and Warrington				
	Cheshire East	Cheshire West and Chester	Warrington	Total
Agriculture, Horticulture and Animal Care	0	0	0	0
Arts, Media and Publishing	0	0	0	0
Business, Administration and Law	1	2	1	4
Construction, Planning and the Built Environment	1	0	2	3
Education	0	0	0	0
Engineering and Manufacturing Technologies	1	1	1	3
Health, Public Services and Care	0	2	0	2
Information and Communication Technology	1	0	0	1
Leisure, Travel and Tourism	0	0	0	0
Retail and Commercial Enterprise	2	3	1	6
Social Science	0	0	0	0
Grand Total	6	8	4	18
<i>Source: Department for Education 2019 Actual Starts and C&W provider estimates for August 2020</i>				

A provider reports that the following sectors have been particularly impacted by Covid-19:

- Construction Plant – 41 apprentices furloughed (reduction of 7)
- Land based Service Engineers (Ag Eng) – 12 apprentices furloughed (reduction of 14)
- Construction – 7 apprentices furloughed (reduction of 6)

For this provider, total apprentices furloughed reduced from 118 to 78 across all sectors. Since the start of the Covid-19 lockdown the three sectors above have been continually impacted the most. These employers are national and have adopted a consistent approach across all depots regardless of geographic location. The provider is starting to see a recovery plan being implemented within the sector which is being reflected in the number of apprentices returning to work.