



# Learning and Labour Market Intelligence for Wales: North Wales

May 2005

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# **Learning and Labour Market Intelligence for Wales: The 2005 Regional Reports**

## **Introduction**

Successful economies are adapting to the increasingly competitive international environment by shifting production towards higher value-added products. Economic growth is now more dependent than ever on the accumulation of knowledge and skills that can generate increasing returns. The historical advantages of low wages, low taxes, and low input costs are less important in the “knowledge economy” where competitive advantage flows from innovation, quality, and productivity-driven cost reductions. It follows that those countries that can offer an environment where firms become more productive and innovative will generally experience superior performance to those that are only able to offer low costs.

Developing the nation’s stock of human capital resources has become a central platform of economic policy in the UK. In Wales, the National Assembly has assumed strategic responsibility for tackling a low skill, low wage and high dependency problem endemic to the region. Accordingly, investment in people is given priority and considered to be the key to successful community development, social inclusion and wealth creation.

However, it is necessary that decisions on learning provision are based on a sound understanding and evidence of need. Those responsible for planning and delivering learning and education need to know where best to target their resources, what is being achieved in return for those resources and whether the broad policy directions are being achieved. It follows that accurate and timely intelligence on the needs of employers and learners and the supply of skills within the framework of a rapidly changing labour market are made available to policymakers.

## **Using the Reports**

The 2005 Labour Market Intelligence reports for Wales succeed the previously published Baseline Data Reports (2003). The formula of 1 National, 4 Regional and 22 local area reports has been retained and as with the baseline documents, the purpose of the Labour Market Intelligence reports is to alert readers to the range of statistical and intelligence resources relevant to the learning agenda in Wales.

Several new data sets have been included and some older ones have been omitted pending revision. Where source materials can be accessed via the internet, the appropriate URLs have been referenced.

The structure and format of the new reports have been modified slightly. The main body of the national and regional reports is comprised of 3 chapters. Each of these is divided into separate text and exhibit sections with hypertext links at appropriate reference points. Many of the data exhibits have been annotated so as to emphasise the key messages. The new format should be especially welcome news to those users whose needs are well defined and specific. Those who require access to a broader information set will also find the shorter narrative and annotated data sections more convenient. While the regional reports are capable of being used as free-standing documents the common format makes for easier cross referencing between geographies and we would recommend that the reports are used in this way.

The data reported in the 2005 reports are up to date and timely in the sense of embodying most recent revisions. Notwithstanding discontinuities and some gaps this still means that in many instances data can be as much as two years old. A variety of education, training and learning market data beyond 2003 were not available at the time of publication. In addition release of the complete dataset for the 2002/2003 Welsh boost to the Labour Force Survey has been subjected to delay and full access was therefore not possible at the time of publication. However limited coverage and summary analyses of these data via NOMIS was unaffected.

Data sourced from the Office for National Statistics (ONS), Statistics Wales (SW) and NOMIS are Crown Copyright. Data sourced from ELWa are copyright ELWa. Other data sources are referenced in the text.

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## **Chapter 1**

### **Overview of North Wales - a brief economic profile**

#### **Introduction**

The National Report has given a picture of the pattern of change in Welsh employment, unemployment and inactivity. It also provides a comparison of Wales with the rest of Great Britain. The regional reports will also show how various indicators have been changing over time, but comparisons of labour market developments will be restricted to within Wales.

#### **Population**

In mid 2003 the population of North Wales came to just over 670,000 representing 23% of the Welsh total. However, its share of the working population was slightly less at just 22%. This is explained by the fact that a relatively greater proportion of the population is of retirement age. Since 1993, the size of this group has increased by 3.3% and the numbers aged 75 and over by almost 10% (around 5,000 people).

The relatively higher numbers in the retired and hence largely inactive population in North Wales reduces the dependency ratio<sup>1</sup> to just 2.8, compared to 3.03 for Wales. The consequences of this ageing process are difficult to predict. Evidently changes in the age profile impact on consumption patterns and this has implications for public service provision including learning requirements. Given the historically low propensity of older people to participate in learning, a predicted decline in the aggregate participation rate could be anticipated as the population ages. However, more people of retirement age may be economically active in the future and learning provision may need to take account of this.

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<sup>1</sup> The ratio of working age to retirement age population.



Elsewhere along the age spectrum, the effects of population change on the demand for learning are more certain. Since 1993, there has been a substantial fall in the number of pre-school and early school (age 5-9) children amounting to some 5,000. Consequently, the demand for school places is likely to decline substantially over the next few years ([Table 1.1](#)). Meanwhile, the working age population of North Wales has grown by almost 17,000 (4.3%) although this figure disguises a decline of over 14,000 in the group aged 15-29. As the composition of the working age population alters, this is likely to be reflected in different learning needs and may promote the demand for more flexible leaning provision.

Population size is determined by a combination of birth rates, death rates and net migration. With the exception of Flintshire the natural component of population change at Unitary Authority level in North Wales is negative as deaths exceed births<sup>2</sup>. Population increase is therefore driven by net inward migration and in every Unitary Authority area there is positive net in-migration ([Table 1.2](#)). However, these migration flows must be qualified in several respects.

- There is a large movement of population into and out of every Unitary Authority area. Many of these may represent short distance relocations across local authority boundaries rather than long distance (migratory) moves.
- These flows have a distinctive age profile. The largest gross flows occur in the age range 25 and 44. In terms of net inflows, these are positive and greatest among those aged 45-64.
- In all but 1 Unitary Authority area (Wrexham) there is a net outflow of population aged 16 to 24 with 90% of these generated in the Objective One area.
- At the upper end of the age distribution (age 65 and over) net in-migration is non-existent or negligible. Conwy is the exception, but elsewhere there is no net in-migration of retirement age population into North Wales. On the contrary, in one Unitary Authority area (Anglesey) the direction of the net flow is outwards.

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<sup>2</sup> Digest of Welsh Local Area Statistics, 2004

## **Gross Value Added**

In 2002, the Gross Value Added of North Wales came to £7.9 billion or 22.5 % of the all-Wales total. Measured in current basic prices (and therefore before allowing for inflation), North Wales' GVA grew on average by around 4% per annum between 1995 and 2002. This is just slightly below the Welsh average of 4.9% and is responsible for a fall of 0.5% points in North Wales' share of the Welsh total.

At the NUTS 3 level there are significant inter-area disparities in growth rates ([Table 1.3](#)). The largest and smallest increases are both observed in the Objective One area - in Anglesey (5.5% p.a.) and Gwynedd (2.7% p.a.). In spite of the strong growth in Anglesey, GVA when measured on a per capita basis remains among the lowest in Wales. At £8,133 per head, this is barely one half of the UK average. Given the Island's falling population this gives cause for concern.

More generally, per capita GVA comparisons indicate a narrowing of the prosperity gap between North East and North West Wales in recent years. However, this appears to be due to a relative deterioration in North East Wales' position rather than a "catching up" in the Objective One area of North West Wales.

As in the rest of Wales, significant structural change has been taking place resulting in a reduced emphasis on manufacturing activity and greater production in the service economy. Since 1995 the share of manufacturing and "other industrial output" in total GVA has fallen from 42% to 37% in 2002, while that of the service industries has correspondingly increased ([Figure 1.1](#)).

Whether an increasing reliance on the service economy will provide a robust basis for future advances in prosperity remains to be seen. For instance, much activity in the service economy is directed inwardly in the sense of being dependent on local consumption demand and hence on income within the region. Although there are exceptions (e.g. tourism and hospitality) the lack of export orientation (i.e. markets outside North Wales) limits the service sector's capacity to create (net) wealth and contribute to economic growth in the region. At the same time, pockets of deteriorating

prosperity levels within the home region may act as a brake on expansion in the sector generally.

## **Business Formation and Survival**

VAT registrations and de-registrations are the best official guide to business start-ups and closures. They are crude indicators of entrepreneurship and used judiciously can yield insights about business formation and survival rates. It is common to express registrations and deregistrations either as a percentage of the stock of VAT businesses or as proportion of the resident population. Both conventions have been adopted in this report because levels of entrepreneurship can sometimes appear high or low depending on which denominator is applied ([Table 1.4](#)).

In 2003, registrations in North Wales amounted to 8.1% of the VAT stock and slightly lower than Wales generally. However, expressed relative to its population, the business formation rate in North Wales is marginally greater than the Welsh average. This reversal in rank can be explained by differences in business density. Wales has a lower density (businesses per 10,000 population) than North Wales; the effect of the smaller density is to artificially inflate the ratio of registration to VAT stock.

The highest and the lowest business formation rates occur in the Objective One area in Conwy and Anglesey respectively. Business density is lower in North East Wales (Wrexham and Flintshire) than in the remainder of the region, though this has to be qualified by the higher average firm size.

Regions with high levels of registrations also tend to exhibit higher de-registration. This reflects the short lifespan of many new enterprises. Typically in North Wales, the 12 month survival rate of new registrations is around 88% falling to 61% by 48 months after registration ([Figure 1.2](#)).

The statistical association between registrations and deregistrations implies that estimated closure rates are subject to the same problems of interpretation as are encountered with the business formation rate. Fortunately however, the difference between registrations and deregistrations – the net registration rate, is less prone to

this. Thus in Table 1.4 the net rate of business closure is unambiguously greater in North West Wales than North East Wales irrespective of how it is measured. Net business closure rates are especially severe on the Isle of Anglesey.

At the close of 2003 there were just over 20,000 VAT registered establishments in North Wales. This compares with an estimate of the total business stock of just over 22,000 provided by the ABI (2003). In fact neither of these sources provides an accurate picture and in fact significantly understates the true population.<sup>3</sup> In terms of its industrial structure, North Wales mirrors the rest of Wales; 1 in 5 businesses are in the primary sector and almost 60% in the service economy. Location quotients suggest a slightly reduced presence of activity in financial services, manufacturing and real estate/business services, but the differences are negligible. Coincidentally, the highest mortality rates are also exhibited by financial services, real estate/business services along with hotels & restaurants. However, in only one of these sectors (Financial Services) is high mortality associated with a fall in the number of such business ([Table 1.5](#)).

### **Firm Size Distribution**

At 91%, the North Wales region has proportionately fewer micro enterprises (employing less than 10 people) than Wales generally (94%). Yet it has a greater share of its employment in micro enterprises than Wales (33% as against 31%) while a correspondingly smaller proportion of the North Wales workforce (36.8%) is employed in firms of size 250+ employees ([Table 1.6](#)).

The size distribution of businesses exhibit a strong East-West dimension with North East Wales (Flintshire and Wrexham) having roughly twice the concentration of medium and large firms as North West Wales. Flintshire has the greatest share of employment in large firms and Gwynedd the greatest proportion in micro-enterprises ([Table 1.7](#)).

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<sup>3</sup> Estimates obtained by the WDA (MGS Economics, 2003) predicted the stock of businesses in North Wales to be of the order of 35,000.

## **Synthesis and Themes**

The economic make-up of North Wales closely resembles that of the Welsh economy and as in Wales as a whole, the population of the region is ageing. The advancing age profile of the population need not restrict labour supplies but meeting the skill needs of employers could present some challenges should the propensity to learn or willingness to train decline as the average age of the workforce rises. Consequently strategies may be needed to overcome the natural reluctance of middle-aged and older people to re-skill and which recognise the more varied family and caring circumstances which older people are likely to find themselves in.

A notable feature of the North Wales region is the long-standing contrast in economic prosperity between the border areas of North East Wales and the remainder of the region. Mostly rural and in economic terms “marginal” North West Wales qualifies for assistance under the Objective One programme. Since the beginning of the decade, the share of North Wales’ gross value added accounted for by the Objective One area has fallen by 2 percentage points.

Economic conditions in North Wales are also the product of structural changes that have also been taking place in other economies and which have entailed de-industrialisation alongside expansion of service economy. But whether an increasing dependence on the service economy will provide a robust basis for future advances in prosperity remains to be seen. The lack of “export orientation” means there are limits to the capacity of some industries to contribute to wealth creation in the region. Furthermore, the existence of pockets of relative located within the same region may act as a brake on expansion of the service sector generally.

Arguably the survival of firms can be just as important as their ability to grow and in deprived communities, even those businesses with no plans to expand often perform an essential social cohesion role. A learning environment that promotes business retention and survival may therefore be just as vital as that which seeks to stimulate economic growth and expansion. It may especially relevant for rural communities.

Micro and small businesses comprise virtually the whole of the business environment in North Wales – ranging from 95% in the border areas to 98% in extreme rural parts. Research on the behaviour of such firms indicates that they are less likely to provide formal learning opportunities for employees, yet at the same time will feel the impact of skills shortages disproportionately. In rural areas fragmentation and lower population densities make it generally more expensive to deliver business support and learning to rural than to comparable urban-based businesses. This gap has to be bridged by the public sector while measures to break down barriers to learning created by isolation may also be necessary.

**Table 1.1 Population and Migration: Population Change, 1993 to 2003, by Age**

Population and Migration: Population Change, 1993 to 2003, by Age						
					Change from 1993	
			Mid 1993	Mid 2003	1993-2003	%
<b>Total population</b>		<b>All ages</b>	<b>652,100</b>	<b>670,600</b>	<b>18,500</b>	<b>2.8%</b>
		Children:				
	Pre-school	0-4	40,800	36,200	-4,600	-11.3%
	School age	5-9	41,000	40,200	-800	-2.0%
		10-14	41,200	43,700	2,500	6.1%
<b>Total</b>		<b>Under 15</b>	<b>123,000</b>	<b>120,100</b>	<b>-2,900</b>	<b>-2.4%</b>
		Working age				
		15-29	127,000	112,500	-14,500	-11.4%
		30-44	127,200	137,800	10,600	8.3%
		45-59	118,500	136,400	17,900	15.1%
		60-64M	16,500	19,300	2,800	17.0%
<b>Total</b>		<b>15-59F/64M</b>	<b>389,200</b>	<b>406,000</b>	<b>16,800</b>	<b>4.3%</b>
		Retirement age				
		60-64F	18,300	20,100	1,800	9.8%
		65-74	66,800	64,500	-2,300	-3.4%
		75-84	41,000	44,600	3,600	8.8%
		85+	13,800	15,300	1,500	10.9%
<b>Total</b>		<b>60F/65M+</b>	<b>139,900</b>	<b>144,500</b>	<b>4,600</b>	<b>3.3%</b>

Source: Mid Year Population Estimates (NOMIS)

The population of North Wales reached 670,000 in mid 2003, up by 2.8% on the 1993 figure.

The other key feature of these data is the changing age distribution – by 2003:

- 3,000 fewer children
- 17,000 more people of working age
- 5,000 more people above aged 75 or over



Table 1.2 Population Migration across UA boundaries: 2002- 2003

Internal migration within the United Kingdom: Unitary Authorities 2002-2003				
Thousands		Persons		
AREA	Age	Inflow	Outflow	Balance
	0-15	0.9	0.7	0.2
	16-24	0.8	1.0	-0.2
	25-44	1.6	1.3	0.3
	45-64	1.3	0.7	0.6
	65+	0.7	0.4	0.3
<b>Conwy</b>	<b>All Ages</b>	<b>5.2</b>	<b>4.0</b>	<b>1.1</b>
	0-15	0.9	0.7	0.2
	16-24	0.8	1.0	-0.2
	25-44	1.6	1.2	0.4
	45-64	1.2	0.6	0.6
	65+	0.5	0.4	0.1
<b>Denbighshire</b>	<b>All Ages</b>	<b>5.1</b>	<b>3.9</b>	<b>1.1</b>
	0-15	0.9	0.8	0.1
	16-24	0.9	1.0	-0.1
	25-44	1.9	1.7	0.2
	45-64	0.8	0.7	0.1
	65+	0.3	0.3	-
<b>Flintshire</b>	<b>All Ages</b>	<b>4.8</b>	<b>4.6</b>	<b>0.2</b>
	0-15	0.6	0.5	0.1
	16-24	1.5	1.8	-0.3
	25-44	1.5	1.4	0.1
	45-64	1.0	0.6	0.4
	65+	0.4	0.3	-
<b>Gwynedd</b>	<b>All Ages</b>	<b>4.9</b>	<b>4.6</b>	<b>0.3</b>
	0-15	0.5	0.5	-
	16-24	0.4	0.6	-0.2
	25-44	0.8	0.9	-0.2
	45-64	0.6	0.4	0.2
	65+	0.3	0.4	-0.1
<b>Isle of Anglesey</b>	<b>All Ages</b>	<b>2.5</b>	<b>2.0</b>	<b>0.5</b>
	0-15	0.7	0.5	0.2
	16-24	0.9	0.8	-
	25-44	1.4	1.2	0.2
	45-64	0.6	0.5	0.1
	65+	0.3	0.2	-
<b>Wrexham</b>	<b>All Ages</b>	<b>3.9</b>	<b>3.3</b>	<b>0.6</b>

Source: National Statistics, *Internal Migration 2002-2003 Local Authority Flows by Broad Age Group and Gender*  
<http://www.statistics.gov.uk/StatBase/ssdataset.asp?vlnk=8488&Pos=1&ColRank=1&Rank=272>  
<http://www.statistics.gov.uk/StatBase/Expodata/Spreadsheets/D8488.xls>

There is positive net in-migration in every Unitary Authority area.

These flows have a distinctive age profile:

- The largest gross flows occur in the age range 25 and 44.
- Net inflows are positive and greatest among those aged 45-64.
- In all but 1 Unitary Authority area (Wrexham) there is a net outflow of population aged 16 to 24 with 90% of these generated in the Objective One area.

Table 1.3 Gross Value Added at NUTS 3 Level

<b>Gross Value Added at current basic prices (£ mill)</b>				
£ million	Isle of Anglesey	Gwynedd	Conwy and Denbighshire	Flintshire and Wrexham
1995	400	1,025	1,543	3,196
1996	416	1,054	1,591	3,339
1997	432	1,044	1,643	3,525
1998	450	1,040	1,681	3,659
1999	454	1,034	1,704	3,678
2000	485	1,065	1,785	3,697
2001	535	1,147	1,915	3,874
2002	553	1,222	2,043	4,074
Annual % change	5.5%	2.7%	4.6%	3.9%

<b>Gross Value Added per head at current basic prices</b>				
£ per year	Isle of Anglesey	Gwynedd	Conwy and Denbighshire	Flintshire and Wrexham
1995	5,843	8,725	7,762	11,823
1996	6,063	8,974	8,013	12,384
1997	6,344	8,877	8,267	13,042
1998	6,641	8,857	8,430	13,432
1999	6,682	8,885	8,525	13,435
2000	7,137	9,122	8,871	13,414
2001	7,891	9,816	9,446	13,976
2002	8,133	10,431	10,001	14,654
Annual % change	5.6%	2.8%	4.1%	3.4%

<b>GVA per head Index (UK=100)</b>				
	Isle of Anglesey	Gwynedd	Conwy and Denbighshire	Flintshire and Wrexham
1995	54	81	72	110
1996	53	79	70	109
1997	52	73	68	108
1998	52	69	66	105
1999	50	67	64	101
2000	51	66	64	97
2001	54	67	65	96
2002	53	68	65	96
Percent Point Change since 1995	-1	-13	-7	-14

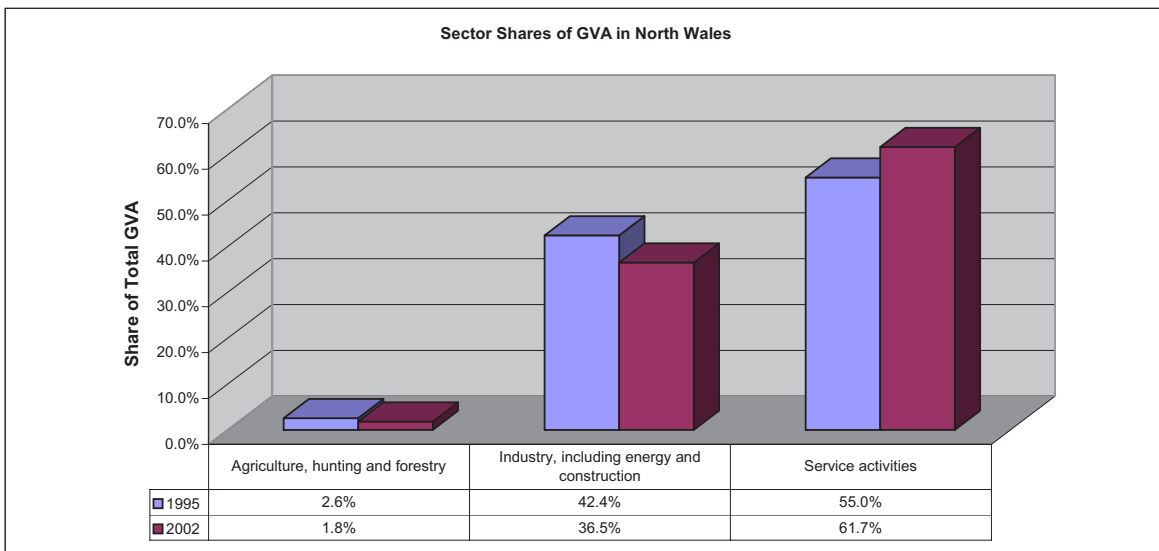
Source link:  
<http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=7359>  
[http://www.statistics.gov.uk/downloads/theme\\_economy/Nuts3\\_Tables\\_1-12.xls](http://www.statistics.gov.uk/downloads/theme_economy/Nuts3_Tables_1-12.xls)

North Wales' GVA grew on average by around 4% per annum between 1995 and 2002.

At the NUTS 3 level there are significant inter-area disparities in growth rates:

- The largest and smallest increases are both observed in the Objective One area - in Anglesey (5.5% p.a.) and Gwynedd (2.7% p.a.).
- Anglesey's GVA per capita remains among the lowest in Wales at £8,133 per head, this is barely one half of the UK average. Given the Island's falling population this gives cause for concern.
- The narrowing prosperity gap between North East and North West Wales in recent years appears to be due to a relative deterioration in North East Wales' position rather than a "catching up" in the Objective One area of North West Wales.

Figure 1.1 Structural Change in GVA 1995-2002



Source: National Statistics: [http://www.statistics.gov.uk/downloads/theme\\_economy/Nuts3\\_Tables\\_1-12.xls](http://www.statistics.gov.uk/downloads/theme_economy/Nuts3_Tables_1-12.xls) (Location N39)

Since 1995, the share of industry GVA in North Wales has fallen from 42% to 37% while the service industry's contribution has increased from 55% to 62%.

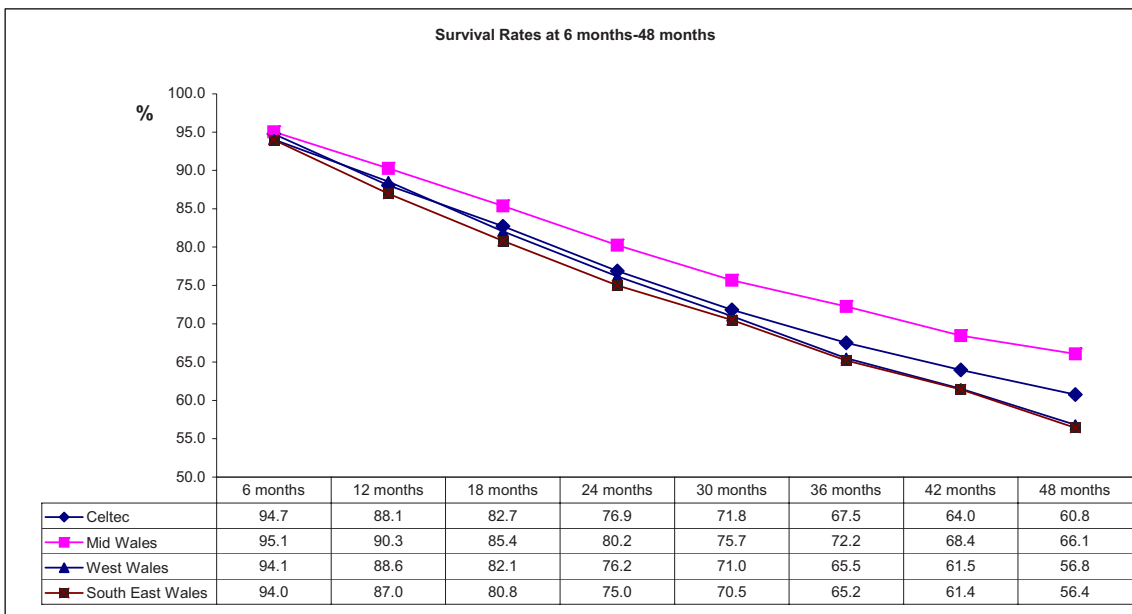
Table 1.4 Business Density, formation and survival, 2003.

	Percent of VAT Stock			Per 10,000 resident population				Firm Size Employees per ABI Workplace Unit
	Registration	Deregistration	Net Registration	Registration	Deregistration	Net Registration	Business Density	
Anglesey	6.2	8.9	(2.7)	19.7	28.5	(8.8)	311	10
Gwynedd	6.9	7.6	(0.8)	27.2	30.2	(3.0)	393	10
Conwy	9.1	8.5	0.6	28.4	26.6	1.8	313	9
Denbighshire	8.0	8.7	(0.7)	24.8	26.9	(2.1)	307	10
Flintshire	9.0	9.1	(0.1)	23.1	23.4	(0.3)	257	13
Wrexham	9.0	8.6	0.4	20.8	20.0	0.8	233	13
<b>North Wales</b>	<b>8.1</b>	<b>8.5</b>	<b>(0.4)</b>	<b>24.2</b>	<b>25.5</b>	<b>(1.3)</b>	<b>298</b>	<b>11</b>
Wales	8.7	8.8	(0.1)	23.5	23.6	(0.1)	269	12

Source: NOMIS tables: vat registrations/deregistrations by industry 2003 ; midyear population estimates 2003  
annual business inquiry workplace analysis 2003

Registrations in North Wales amounted to 8.1% of the VAT stock and slightly lower than Wales generally. However, expressed relative to its population, the business formation rate in North Wales is marginally greater than the Welsh average. This is because Wales has a lower density (businesses per 10,000 population) than North Wales; The highest and the lowest business formation rates occur in the Objective One area in Conwy and Anglesey respectively. Business density is lower in North East Wales (Wrexham and Flintshire) than in the remainder of the region, though this has to be qualified by the higher average firm size.

Figure 1.2 Business Survival Rates by Training and Enterprise Areas<sup>(a)</sup>



Note: Geographies and labels are as they appear in the DTI database.

Source: DTI Small Business Service, *VAT Survival Statistics*, 2004 (Businesses registered in 1998)

Typically in North Wales, the 12 month survival rate of new registrations is around 88% falling to 61% by 48 months after registration.



**Table 1.5 VAT registered businesses by industrial group, 2003**

	Number of VAT businesses	%	LQ (Benchmark =Wales)	Registrations as % of stock beginning 2003	Deregistrations as % of stock beginning 2003	Absolute change in VAT Stock
Agriculture; fishing	4,415	22.1	1.1	2.5	6.3	-175
Mining; energy/water	25	0.1	1.0	25.0	0.0	5
Manufacturing	1,410	7.0	0.9	7.0	8.4	-20
Construction	2,295	11.5	1.0	9.2	8.4	20
Wholesale & retail	4,340	21.7	1.0	7.7	8.5	-35
Hotels & restaurants	1,965	9.8	1.1	15.0	11.3	70
Transport & communications	915	4.6	1.0	8.7	9.2	-5
Finance	65	0.3	0.8	0.0	18.8	-15
Real estate, business services	3,135	15.7	0.9	11.8	11.5	10
Public administration; other	1,150	5.7	0.9	8.4	7.0	15
Education; health	290	1.4	1.0	11.1	3.7	20
Total	20,005	100.0	1.0	8.1	8.6	-110

Source: National Statistics

North Wales has an almost identical structure to the Welsh economy. 1 in 5 VAT businesses are in Agriculture and Fishing; while the service economy accounts for 59% of the business stock. Nevertheless, Finance and Business Services are under-represented by comparison to the Wales benchmark. High turnover of the VAT register is evident in several industries. Among hotels & restaurants as well as real estate and business services (where registrations exceed deregistrations), this is associated with increasing numbers of business.

**Table 1.6 Size Structure of Welsh Business, 2003**

Employee Size band	Enterprises			Employment		
	North Wales	Wales	UK	North Wales	Wales	UK
Micro (0 - 9)	91.2	93.8	94.5	33.4	31.3	28.2
Small (10 - 49)	4.7	4.2	4.5	16.8	14.8	15.1
Medium (50 – 249)	1.2	1.0	0.8	13.0	12.4	13.3
Large (250+)	2.9	0.9	0.2	36.8	41.5	43.4
All	100.0	100.0	100.0	100.0	100.0	100.0

Source: National Statistics, Size analysis of Welsh business, Sept 2004

<http://www.wales.gov.uk/keypubstatisticsforwales/content/publication/economy/2004/sdr69-2004/sdr69-2004.pdf>

North Wales has proportionately fewer micro enterprises than Wales generally (91% as against 94%).

Yet it has a greater share of its employment in micro enterprises than Wales (33% as against 31%)

While a correspondingly smaller proportion of the North Wales workforce (36.8%) is employed in firms of size 250+ employees.

**Table 1.7 Enterprises by Unitary Authority Area, 2003**

Local Authority	Percent				Total %	Number
	Micro 0-9	Small 10-49	Med 50-249	Large 250+		
Anglesey	94	4	1	2	100	4,215
Gwynedd	94	3	1	2	100	10,385
Conwy	91	5	1	3	100	7,755
Denbighshire	92	5	1	3	100	6,970
Flintshire	87	7	2	4	100	6,815
Wrexham	90	5	2	4	100	7,850

Source: As in Table 1.6

North East Wales has roughly twice the concentration of medium and large firms as North West Wales.

**Table 1.8 Employment by Unitary Authority Area, 2003**

Local Authority	Percent				Total %	Number
	Micro 0-9	Small 10-49	Med 50-249	Large 250+		
Anglesey	39	16	11	34	100	17,860
Gwynedd	43	14	12	31	100	39,790
Conwy	40	21	10	29	100	32,280
Denbighshire	40	20	12	29	100	28,790
Flintshire	22	16	15	47	100	54,595
Wrexham	27	15	15	42	100	44,755

Source: National Statistics, Size analysis of Welsh business, Sept 2004

<http://www.wales.gov.uk/keypubstatisticsforwales/content/publication/economy/2004/sdr69-2004/sdr69-2004.pdf>

Flintshire has the greatest share of employment in large firms and Gwynedd the greatest proportion in micro-enterprises.

## **Chapter 2**

### **Participation in Learning**

#### **Introduction**

Learning is a necessary undertaking for securing a range of economic, social and personal rewards. The amount of learning undertaken within society is difficult to gauge precisely. Using a broad definition of learning (to encompass reading and practicing) NIACE (2003) have estimated that 42% of adults in Wales (people aged 17 or over) were either currently engaged in learning or had undertaken some sort of learning activity during the previous 3 years<sup>1</sup>. This was a higher proportion than for any other UK country. Yet it still means that nearly 6 out of 10 people had had no exposure to any form of learning in the preceding 3 years. In fact almost one third of the NIACE sample (32%) had not undertaken any learning since leaving full-time education.

The results of the NIACE survey in North Wales are only marginally different ([Table 2.1](#)) with 43% of people claiming to be current or recent learners and just 29% having not participated in any learning post compulsory education. In view of small sample sizes at the regional level, these differences may not be statistically robust.

#### **Participation Rates**

Participation rates in formal learning are highest among 16-18 year olds and tail off quickly thereafter. The participation of young people in post compulsory education and training is largely governed by their destinations after completion of their GCSEs.

Destinations data are published by Careers Wales and at the all-Wales level these indicate that the participation of 16 year olds in full-time education may have fallen since the beginning of the decade. However, the change is slight and perhaps a reaction to an increasingly buoyant labour market. Overall the participation of 16 year olds in education and training has remained relatively steady (at around 82%) since the beginning of the decade.

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<sup>1</sup> This is a small sample survey (approximately 1,000 individuals) with especially small samples outside of South East Wales. Standard deviations are not reported and the robustness of the estimated proportions cannot be ascertained.

In 2003, 7,900 16 year-olds completed statutory education in North Wales of which 80% (6,300) went into some form of continued learning in education or work-based training). Nearly three quarters (73%) continued their full time education at a school or a college. Within the region the proportion staying on in full-time education is 10 percentage points more in North West Wales compared to North East Wales. Most of this - 6 percentage points - can be attributed to the fact that the proportion entering employment is twice as high in North East Wales as North West Wales. The remaining 4% is distributed between higher rates of work based later (+1%) inactivity (+1%) and non-response (+2%) in North East Wales ([Table 2.2](#)).

At 5.2% the proportion known not to be involved in any learning or employment in North Wales is roughly at the same level as observed in the all-Wales data. However, as previously indicated in the National Baseline report these “first destinations” data may considerably understate the true level of inactivity among 16 year olds. A considerable proportion of people who may start a learning opportunity but will either not complete, or not progress.

## **Learning Pathways**

Roughly 75% of 16 year olds will remain in full time education either at school or a Further Education Institution. This stage of the learning process involves further testing and filters individuals into and along particular careers and labour market pathways.

Just over 5,000 pupils above school leaving age attended maintained schools in North Wales in 2002/03 of which some 1,800 were entered for 2 or more A/AS levels or advanced GNVQs. Their performance in these assessments was identical to all-Wales average with 68% achieving two or more grades A-C and 94% gaining two or more grades A-E.<sup>2</sup> The 2003/04 cohort shows a marginal improvement in results with 95% gaining two or more grades A-E. Once again, the North Wales results were identical to the all-Wales average ([Table 2.3](#)).

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<sup>2</sup> For further details see statistical bulletin SDR 72/2003 released by NAW , 27 Nov. 2003

Opportunities to progress onto formal or vocational learning are available at Further and Higher Education institutions. Higher Education in Wales is provided in 13 HE institutions, the Open University, and (to a much lesser extent) in 18 Further Education institutions in Wales. In all some 53,488 students from Wales attended HE institutions in the UK in 2002/03. Almost 90% of these (47,998) were undergraduates and 62 % were studying at Welsh institutions. This proportion of home students has been increasing steadily since the early 1990s.

North Wales has 2 HE Institutions located at Bangor (University of Wales) and Wrexham (North East Wales Institute). Between them they account for 11% of enrolments (13,700) in the Welsh HE sector. Student numbers in the Welsh HE sector have increased by steadily at around 4.5 % per annum since 1998. However in North Wales, growth in the HE population has been more restrained, at just 1% per annum.

## **Further Education**

By far the largest increase in the learning population has occurred in the Further Education sector. Since 1995/96, the total number of further education students in Wales has risen by 30%, a trend driven by increasing numbers of people electing to study on a part-time basis. More than 8 out of 10 FE students in Wales are enrolled on part-time courses and since 1995, their numbers have grown by 42%.

There are 6 colleges of Further Education in North Wales that during the academic year 2002/03 had a combined population of over 70,000 students ([Table 2.4](#)). A further 8,000 students attended Coleg Meirion-Dwyfor and Coleg Harlech. For recording purposes these are classified as within the ELWa Mid Wales region although in practice they also deliver a significant amount of provision within North Wales. Coleg Llandrillo is by far the largest FE provider in North Wales with 22,000 students – almost one third of the North Wales FE market. Deeside College is the second largest provider in the region with a population of around 15,000 students followed by Yale College (with 14,000 students). Between them, these three institutions account for almost 75% of the FE market in North Wales ([Table 2.5](#))

Part time students outnumber the full time population by 6:1 but this varies considerably by institution. Rates of part-time study are considerably above the average in Llysfasi, the Welsh College of Horticulture and Deeside College and this is perhaps a reflection of fundamental difference in the type of learning provision afforded by these institutions ([Figure 2.1](#)). Adult learners (i.e. those aged 19 or over) make up the bulk of the part-time population while more than two thirds (68%) of the full-time student population are 16-18 years olds ([Table 2.6](#)).

Just over a third (32%) of FE students in North Wales are supported by employers. This is well above the all-Wales average of 22% and in two North Wales institutions the proportion exceeds 40% ([Table 2.7](#)). Without further knowledge of what learning is being supported and for what purpose, such data have to be interpreted cautiously. But they give an indication of how far learning providers are able to match their provision with the requirements of the business sector.

The total number of FE student registrations for courses leading to qualifications (i.e. qualification aims) came to just over 148,000 indicating that many students were pursuing more than one qualification. GNVQs, Key Skills, GCSE's and A/AS level qualifications figured strongly among the qualification aims of the full-time (and generally younger) student body. Among those registered for part-time and other modes of study, Open College Network credits and 'Other' qualifications accounted for more than  $\frac{3}{4}$  of qualification aims ([Table 2.8](#)).

Many if not most of new employment opportunities in Wales are located in the service economy and in activities such as administration, health care and social services. Not surprisingly this pattern is also reflected in the subject choices of students. Just over a third of the subject qualifications aimed for by students on FE courses are in IT and Care subjects. The 5 most popular subject areas accounting for over one half (55%) of all qualification aims are IT, Care, Health, Business and Management, and Cultural studies ([Figure 2.2](#)).

In 2002/03, almost 8 out of 10 students (79%) at FE institutions across Wales completed their programme of study. In North Wales the completion rate was slightly lower at 75% suggesting that on average 1 in 4 North Wales FE students are not



achieving their learning objectives. In some institutions however, rates of student attrition are considerably higher and range from over 40% at Llysfasi to just 19% at Yale. The reasons for this turnover are likely to be complex and are certainly not well understood. While just over one quarter of leavers appear to have left for financial reasons, to take up employment or else transfer to other institutions, almost 3 out of 4 were motivated by “personal”, “other” or “unknown” reasons ([Table 2.9](#)).

Of those who remain in learning, most will successfully complete their programmes of study. However attainment rates do appear to vary with mode and level of study. For Mainstream A qualifications such as GCSEs and A Levels, full-time students tend to enjoy higher success rates than part-timers. This perhaps is not altogether surprising given that those engaged in part-time study differ markedly from the full-time student population and may be confronted by greater obstacles to learning. Nevertheless, for Mainstream B qualifications such as OCN units, part-time students universally exhibit higher attainment rates than full-time students ([Table 2.10](#)).

## **Work Based Learning (WBL)**

There were almost 11,000 ELWafunded Work Based Learners in North Wales in the financial year to March 2003<sup>3</sup>. Almost all of these were regarded as being in full-time training with many receiving that training in the work place either in full-time employment or with non-employed status. Modern Apprenticeships and Foundation Modern Apprenticeships accounted for over 75% of trainees most of whom were under 25 years of age ([Table 2.11](#); [Figure 2.3](#))

This is also reflected in a similar distribution of qualification outcomes most of which were at Level 1 or 2. Just 12% of qualification outcomes were at Level 3. Overall, 9,135 qualifications were achieved by trainees (including 467 continuing training episodes) in 2002-03. The most frequently achieved qualifications were Key Skills at Levels 1 and 2 (52%) followed by NVQs or GNVQs at Levels 1 and 2 (27%) - [Table 2.12](#).

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<sup>3</sup> Financial year totals for 2003/04 are not currently available.

Destinations of leavers from WBL show that many of those leaving the youth programme will go on to further training and education. Employment is the most likely outcome accounting for 40% of all leavers and 56% of those aged 19-24. However, not all outcomes are positive and post training transition to unemployment is a particular problem for adults, especially the over 50s. One quarter of those aged 25-49 and more than 1 in 3 aged 50-64 enter unemployment following training. Given the relatively high incidence of unemployment among trainees generally (19%), it is interesting<sup>4</sup> that there are almost no flows in self-employment ([Table 2.13](#)).

## **Adult and Continuing Education**

Adult education provision in Wales is currently either provided or facilitated by local education authorities (LEAs). Objectives for adult education are not wholly economic and enable community objectives such as social inclusion and regeneration to be promoted.

Maintained provision has traditionally been “General” in nature - comprising, for example, Foreign (“holiday”) Languages, Physical Education/Sport/Fitness and Practical Crafts/Skills. “General” courses accounted for over 14,300 enrolments (88 per cent of the total) in Wales in 2002/03 and almost four fifths of students enrolling on “General” courses were female. In 2002/03 two fifths of all enrolments in Wales were in Practical Crafts/Skills and around a half of enrolments were part-time day and half evening only.

There has been a sustained fall in the number of venues for maintained provision in Wales and local authority maintained provision in North Wales is provided in Anglesey only ([Table 2.14](#)). The bulk of provision in the region is on an assisted basis<sup>5</sup> accounting for 77% of all venues and 96% of enrolments. The total number of enrolments for sessions in 2002/03 in North Wales came to just 2,600. No venues / enrolments were reported in Gwynedd ([Table 2.15](#)).

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<sup>4</sup> in the sense that some displacement into self employment might be expected

<sup>5</sup> These are courses controlled and managed by another organisation, but which the local authority supports either financially, or by providing premises or other facilities free of charge or at subsidised rates.

## **Welsh Language Provision**

The last decade has marked a substantial change in the way Welsh speakers have addressed their Welsh language skills. This ranges from experiencing and using Welsh mainly in a social context to using Welsh in a professional context. At the same time, more employers and non-Welsh speakers have come to regard bilingual competences as advantageous.

The demographics of the Welsh language vary considerably across North Wales and Welsh is provided as a first language in all schools in Anglesey and Gwynedd ([Table 2.16](#)). In Flintshire and Wrexham the majority of maintained schools offer Welsh as a second language only (92% and 80% respectively). For North Wales in general 28% of pupils in maintained secondary schools in 2002/2003 were taught Welsh as a first language. By LEA this ranged from 79% in Gwynedd to 4% in Flintshire.

In addition, courses providing “Welsh for Adults” (funded through ELWa) are offered by all Higher and Further Education institutions in North Wales. During the academic year 2002/03 there were 6,166 Welsh for Adults enrolments at these institutions<sup>6</sup>. The bulk of these enrolments (75%) were at UWB and Llandrillo ([Table 2.17](#))

## **Workforce Development**

Workforce development is a broader concept than education or training alone and encompasses those interventions (including education and training) that equip individuals with the knowledge and skills to participate more effectively in the workplace and in society. The most robust aggregate information relates to training received by those in employment and is provided by the Local Area Labour Force Survey. This shows the numbers of people who received training (other than Government-supported work-based learning) in the preceding four weeks before the survey.

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<sup>6</sup> For further details and analysis see *Evaluation of the national Welsh for Adults programme*, NFER, ELWa, 2003

Results from the 2002/2003 LFS for the North Wales region are remarkably similar to the all-Wales data ([Table 2.18](#)). On average,

- 16% of the North Wales workforce had received some form of training in the 4 weeks preceding the survey;
- Women were more likely to receive training than men;
- Part-time workers received marginally less training than full time ones.

The distribution of training also favours those already well qualified. Of those who were already qualified to Level 4 and above (mostly graduates), 26% had received job-related training in the previous four weeks. For those qualified to Level 3 or lower, the equivalent figure was just 13% ([Table 2.19](#)). It may be that employers anticipate a higher return from investment in those workers who are already highly qualified and thus perceived as more productive. Alternatively, those who are more qualified may be more amenable / inclined to take up further training opportunities. In this respect some of the higher level of training for those at already high levels of qualification may be due to requirements of various professions to be able to demonstrate continuing professional development to retain qualified status. The same will apply to a number of craft trades, such as electricians, who require to up-date themselves to a competence in the latest electrical regulations.

The likelihood of receiving training also differs markedly by sector, and this seems to underlie many of the other differences noted. In the public sector, 27% of staff had received training in the last four weeks, compared to 12% in private services and 14% in production industries. As the public sector employs a high proportion of women, and a high proportion of highly qualified workers, sectoral differences could account for some of the observed difference in workforce development. Structural explanations, such as the relative size of the public sector may also be important in accounting for variations in the incidence of workforce training by Unitary Authority area ([Table 2.20](#)).

Qualifications act as a proxy for skill levels and provide an objective basis for assessing what progress is being made in up-skilling the workforce. On this measure the North Wales results are mixed with relatively fewer high achievers but equally fewer low achievers ([Table 2.21](#)). Compared against the Wales or Great Britain

benchmark North Wales has the lowest proportion qualified to NVQ 1 while its share of unqualified workers is also below the Welsh average. Significantly there is a bulge at NVQ 2 level. This could indicate a progression towards the attainment of additional higher level qualifications. It could also indicate a phenomenon that has progressed to its limits.

## **Conclusions**

The experience of learning can be a powerful stimulus helping to create a virtuous cycle of learning. But not all learning outcomes are necessarily positive ones. Even in the currently favourable labour market conditions 1 in 4 training episode leavers over 25 and 35% of those over 50 end up unemployed. While first destinations suggest high participation in learning immediately following compulsory education, subsequent drop out may significantly reduce the learning cohort. Among Further Education students, on average 1 in 5 do not complete their intended programme of study and in some institutions attrition rates are high as 40%. Few of these premature leavers do so in order to take up employment.

By Welsh standards the skills profile of the workforce in North Wales is favourable. However, comparison with Great Britain indicates a need to stimulate and sustain more learning activity especially among those who need it most, but are inclined to participate least. This is not just a matter of encouraging individual participation but equally of convincing employers of the benefits of training. The relatively low incidence of employer support in the FE sector generally suggests a narrow view of the benefits from learning. This is reinforced by inequalities in the distribution of workplace training and which tends to favour those who are perceived to have most to offer – invariably these are often already well qualified.

**Table 2.1 Participation in Learning, 2003**

<b>Current, Recent and Past Learning</b>		
	North Wales %	Wales %
Current Learning	27	22
Recent learning (within the last 3 years)	15	20
Past learning (over 3 years ago)	28	26
Not since full-time education	29	32

Source: Moving Forward, Survey on Adult Participation in Learning in Wales 2004; Table 11.

42% of adults in Wales are current or recent learners. This is very similar to North Wales (43%) 32% in Wales and 29% in North Wales had not undertaken any learning since leaving full-time education.

**Table 2.2: Destinations of pupils at the end of compulsory education in North Wales 2003**

<b>Destinations of School Leavers in North Wales 2003</b>						
	North East	%	North West	%	North Wales	%
Continuing in full-time education	3,085	68.8%	2,671	78.1%	5,756	72.9%
Work-based training (employed and non employed status)	337	7.5%	225	6.6%	562	7.1%
Employed-Other	530	11.8%	198	5.8%	728	9.2%
Known not to be in education, training or employment	254	5.7%	159	4.7%	413	5.2%
No response to survey/Left the area	275	6.1%	166	4.9%	441	5.6%
In learning	<b>3,422</b>	<b>76.4%</b>	<b>2,896</b>	<b>84.7%</b>	<b>6,318</b>	<b>80.0%</b>
Total	4,481	100.0%	3,419	100.0%	7,900	100.0%

Source: Careers Wales

Careers Wales North West includes the whole of Gwynedd, Anglesey, and Conwy and therefore includes part of Mid Wales ELWa region. Careers Wales North East includes Denbighshire, Flintshire and Wrexham.

The proportion staying on in full-time education is 5 percentage points more in North West Wales compared to North East Wales. However, the proportion entering employment is twice as high in North East Wales as North West Wales – also a difference of 5 percentage points.

**Table 2.3: Pupils aged 17 at the start of the academic year, 2002/03 and 2003/04, by Local Education Authority**

maintained schools in.....	percentage of pupils entering two or more A/AS levels or achieved vocational equivalent who...					
	number of pupils entering two or more A/AS levels or achieved vocational equivalent		achieved two or more A/AS levels grade A-C or vocational equivalent		achieved two or more A/AS levels grade A-E or vocational equivalent	
	2002/03	2003/04	2002/03	2003/04	2002/03	2003/04
Isle of Anglesey	236	260	77	69	98	95
Gwynedd	262	273	67	70	97	96
Conwy	412	402	71	70	95	93
Denbighshire	367	383	66	67	92	96
Flintshire	475	520	64	66	92	94
Wrexham	74	79	70	72	96	95
<b>North Wales</b>	<b>1,825</b>	<b>1,917</b>	<b>68</b>	<b>68</b>	<b>94</b>	<b>95</b>
<b>Wales</b>	<b>9,848</b>	<b>10,041</b>	<b>68</b>	<b>68</b>	<b>94</b>	<b>95</b>

Includes independent schools, but excludes further education institutions.

Source: Statistical Directorate, NAFW, November 2003

Performance at A level or equivalent in North Wales is identical to the all-Wales average.

**Table 2.4 Students enrolled at FE Institutions in North Wales 2002/2003**

Students	Full-time	Part-time	All modes
FE students at FE institutions	9,210	61,083	70,293
HE students at FE institutions	310	1,467	1,777
<b>Total students at FE institutions</b>	<b>9,520</b>	<b>62,550</b>	<b>72,070</b>

Source: ELWa (extract from "HE, FE and Training Statistics in Wales 2002/2003")

Notes: 1) All students enrolled in 2002/03 are counted

2) Includes all FE and HE institutions excluding some Welsh for Adults provision in HE institutions.

3) Extract from tables F1.1 and F1.2

Part-time students outnumber the full time population by around 6:1



**Table 2.5 Further Education Students in North Wales by Institution**

Further Education Institutions in North Wales		
Institution	Student Numbers	Market Share %
Deeside College	14,675	20.9%
Coleg Llandrillo	22,312	31.7%
Coleg Llysfasi	4,682	6.7%
Coleg Menai	10,124	14.4%
Welsh College of Horticulture	4,432	6.3%
Yale College	14,068	20.0%
<b>All North Wales</b>	<b>70,293</b>	<b>100.0%</b>

Source: ELWa, "HE, FE and Training Statistics in Wales 2002/2003"

Deeside and Llandrillo colleges account for over one half of the FE student sector in North Wales.

**Table 2.6 Students enrolled by age group and mode of attendance, North Wales 2002/03**

Age Group	Full Time		Part Time		Total	
	No	%	No	%	No	%
Under 16	192	2	1,664	3	1,856	3
16-18	6,221	68	4,373	7	10,594	15
19-20	689	7	2,776	5	3,465	5
21-24	558	6	4,999	8	5,557	8
25-39	1,024	11	19,514	32	20,538	30
40-59	479	5	20,924	35	21,403	31
60+	33	0	5,968	10	6,001	9
<b>Total</b>	<b>9,210</b>	<b>100</b>	<b>61,083</b>	<b>100</b>	<b>70,293</b>	<b>100</b>

Source: ELWa (extract from "HE, FE and Training Statistics in Wales 2002/2003" Table F3.4)  
Instances of unknown age are excluded from individual age rows but included in the total. Percentages are based on totals excluding age not known

Adult learners (i.e. those aged 19 or over) make up the bulk of the part-time population while more than two thirds (68%) of the full-time student population are 16-18 years olds

**Table 2.7: FE Students enrolled at FE Institutions who were supported by employers 2002/2003**

College	Number of students	Supported by employers	Percent
Deeside College	14,675	6,172	42%
Coleg Llandrillo	22,312	10,200	46%
Coleg Lllysfasi	4,682	1,282	27%
Coleg Menai	10,124	1,542	15%
Welsh College of Horticulture	4,432	979	22%
Yale College	14,068	3,604	26%
<b>All North Wales</b>	<b>70,293</b>	<b>23,779</b>	<b>34%</b>
Wales	258,600	57,699	22%

Source: ELWa (extract from "FE Performance Indicators 2002/2003")

Extract from Target 7

Rates of employer support are above average in North Wales

**Table 2.8: Qualification Aims of FE Students enrolled at FE Institutions by Qualification Type, Level 2002/2003**

Level of qualification	Full Time		Part Time	
	Number	Percent	Number	Percent
GNVQ Foundation	339	1	32	0
NVQ Level 1	610	1	1,317	1
GCSE	1,849	4	1,199	1
GNVQ Intermediate / First	794	2	267	0
NVQ Level 2	1,617	3	6,971	7
GCE A/AS Level	5,451	11	849	1
GNVQ Advanced / National / AVCE	2,808	6	690	1
NVQ Level 3 and above	258	1	3,802	4
Key Skills	15,364	32	6,536	7
OCN Units	7,881	16	22,347	23
SLDD Course	1,000	2	1,432	1
Other	10,751	22	53,671	54
<b>Total</b>	<b>48,722</b>		<b>99,113</b>	

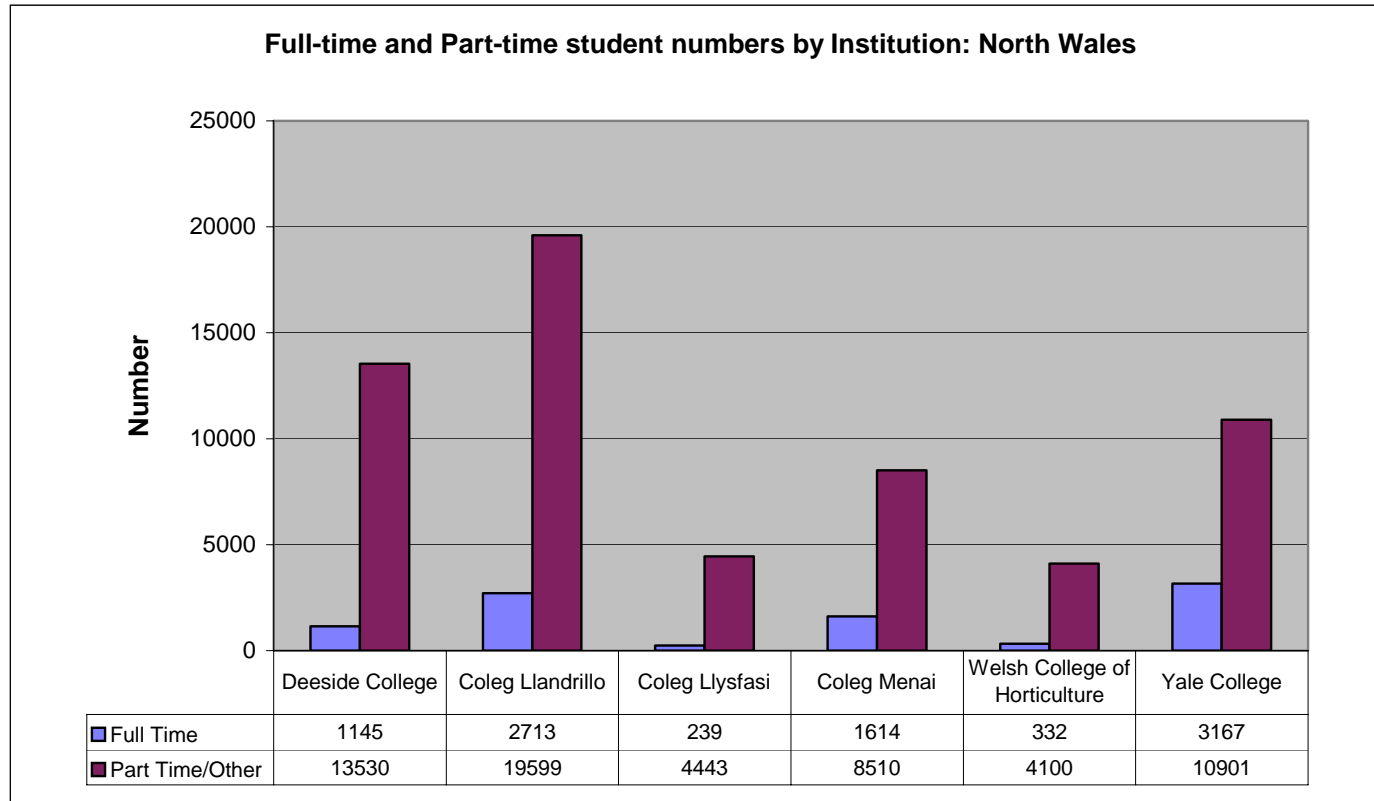
Source: ELWa (extract from "HE, FE and Training Statistics in Wales 2002/2003")

Notes: 1) All qualification aims being taken by FE students, however they are funded, in 2002/2003

4) Extract from table F4.3

FE student registrations for courses leading to qualifications indicate that many students are pursuing more than one qualification. GNVQs, Key Skills, GCSE's and A/AS level qualifications figure more strongly among the qualification aims of the full-time student body. Among those registered for part-time and other modes of study, Open College Network credits and 'Other' qualifications accounted for more than ¾ of qualification aims

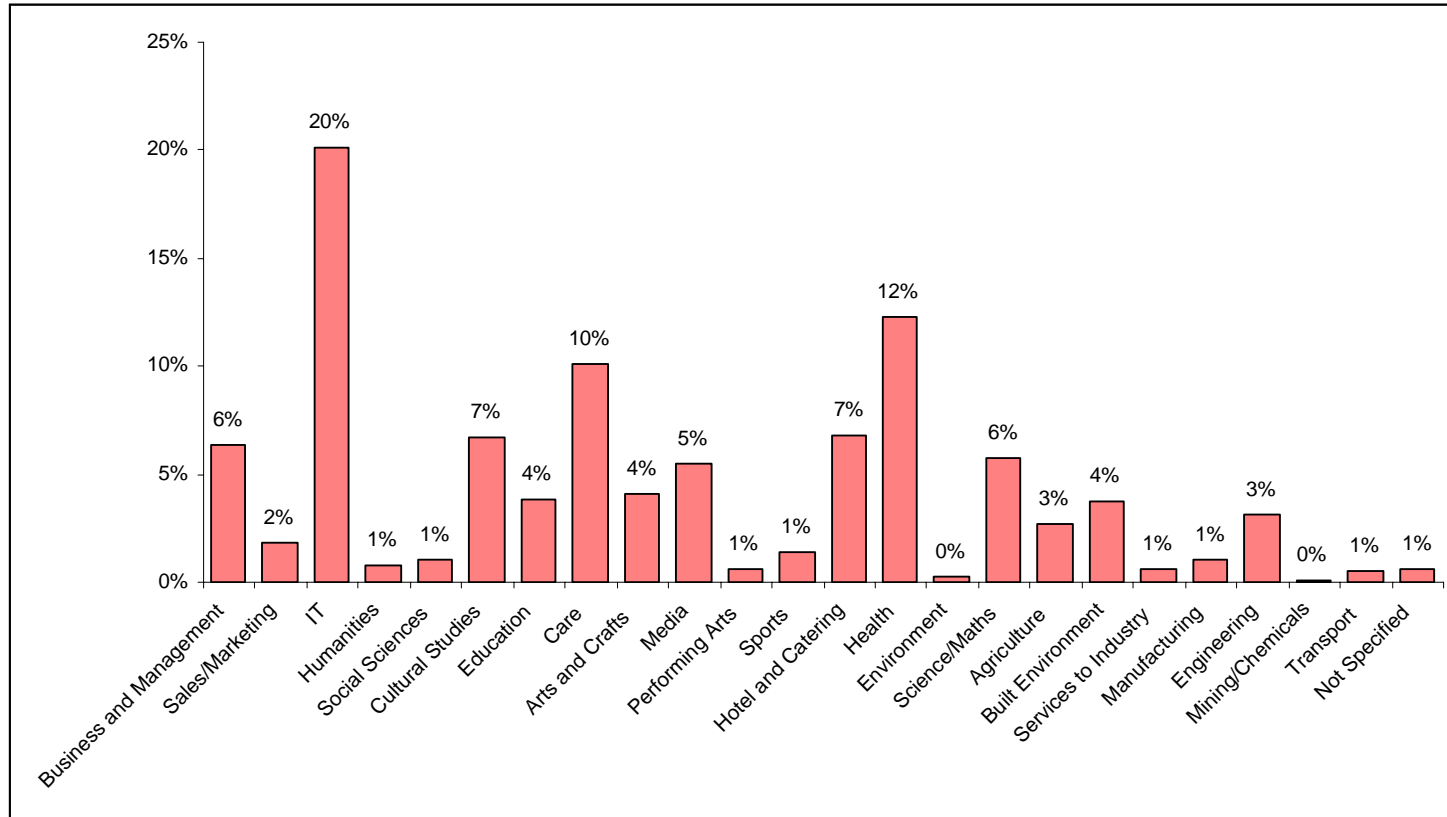
Figure 2.1 FE Student numbers by Institution: North Wales 2002/2003



Source: ELWa Performance Indicators, 2002/03 (PI 1)

Part time students outnumber the full time population by 6:1 but this varies considerably by institution.

Figure 2.2 Qualification Aims of FE Students by Subject, North Wales 2002/2003



Source: ELWa (extract from "HE, FE and Training Statistics in Wales 2002/2003, Table F4.1

Just over a third of qualification aims are in IT and Care subjects. The 5 most popular subjects accounting for 55% of all qualification aims are IT, Care, Health, Business and Management, and Cultural studies.

**Table 2.9: Student Completion Rates for all FE students at FE institutions who completed or terminated their programme of study, 2002/03**

	All students	Percent completed programme of study	Transferred to another Institution	Left without completing programme of study				Total leavers
				Entered Employment	Financial Reasons	Personal Reasons (incl. dropped out)	Other incl not known	
Deeside College	760	67%	1%	4%	1%	9%	19%	33%
Coleg Llandrillo	1,691	74%	1%	5%	1%	8%	10%	26%
Coleg Llysfasi	58	59%	3%	9%	2%	14%	14%	41%
Coleg Menai	1,051	69%	0%	3%	1%	4%	22%	31%
Welsh College of Horticulture	134	62%	0%	1%	0%	18%	19%	38%
Yale College	2,774	81%	0%	7%	0%	6%	5%	19%
<b>North Wales</b>	<b>6,468</b>	<b>75%</b>	<b>1%</b>	<b>6%</b>	<b>1%</b>	<b>7%</b>	<b>11%</b>	<b>25%</b>
<b>Wales</b>	<b>30,761</b>	<b>79%</b>	<b>1%</b>	<b>4%</b>	<b>0%</b>	<b>6%</b>	<b>11%</b>	<b>21%</b>

Source: ELWa, FE Performance Indicators (Table PI3)

Rates of student attrition are above average and especially high in agricultural (Llysfasi) and horticultural (WCH) institutions

**Table 2.10: Attainment rates for full-time and part-time FE students at FE institutions who completed their qualification aims in 2002/2003**

	Mainstream A Qualifications			Mainstream B Qualifications			All Other Qualifications		
	Number of individual qualifications fully achieved (Q)	Number of qualification-based learning progs. completed whether successfully or not (P)	Q/P (%)	Number of individual qualifications fully achieved (Q)	Number of qualification-based learning progs. completed whether successfully or not (P)	Q/P(%)	Number of individual qualifications fully achieved (Q)	Number of qualification-based learning progs. completed whether successfully or not (P)	Q/P(%)
<b>Full Time</b>									
Deeside College	531	635	84%	1,700	3151	54%	620	658	94%
Coleg Llandrillo	1,104	1,394	79%	2,768	4,554	61%	609	718	85%
Coleg Llysfasi	73	91	80%	265	435	61%	128	129	99%
Coleg Menai	954	1,159	82%	1,813	3,531	51%	239	256	93%
Welsh College of Horticulture	93	120	78%	453	911	50%	122	141	87%
Yale College	4,001	4,489	89%	4,432	7,903	56%	2,000	2,742	73%
<b>All North Wales</b>	<b>6,756</b>	<b>7,888</b>	<b>86%</b>	<b>11,431</b>	<b>20,485</b>	<b>56%</b>	<b>3,718</b>	<b>4,644</b>	<b>80%</b>
<b>Part Time</b>									
Deeside College	1,357	1,672	81%	5,301	6,473	82%	3,584	4,088	88%
Coleg Llandrillo	1,407	1,791	79%	8,026	10,118	79%	6,740	7,362	92%
Coleg Llysfasi	334	352	95%	1,453	1,804	81%	1,292	1,310	99%
Coleg Menai	564	817	69%	4,546	6,087	75%	534	673	79%
Welsh College of Horticulture	181	273	66%	1,622	1,874	87%	1627	1,815	90%
Yale College	670	1,091	61%	3,358	5,681	59%	1,362	2,763	49%
<b>All North Wales</b>	<b>4,513</b>	<b>5,996</b>	<b>75%</b>	<b>24,306</b>	<b>32,037</b>	<b>76%</b>	<b>15,139</b>	<b>18,011</b>	<b>84%</b>

**Source:** ELWa, FE Performance Indicators (PI4)

Mainstream A = GNVQ, Advanced VCE, NVQ, GCSE, First, National, A/AS Level and Access to HE

Mainstream B = All other qualifications formerly categorised as Schedule 2a, b and c.

Attainment rates vary with mode and level of study. For Mainstream A qualifications full-time students tend to be more successful than part-timers but the opposite tends to be true for those pursuing Mainstream B qualifications.

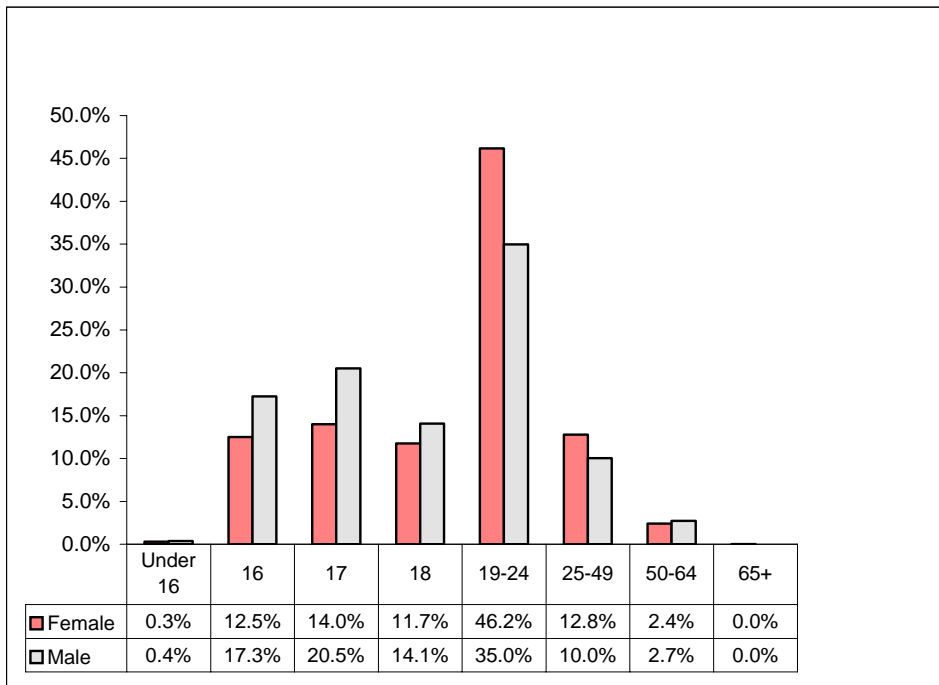
**Table 2.11 Trainees by programme and region 2002-03**

	No	North Wales %	Wales %
Skillbuild	1,150	11	16
Foundation Modern Apprenticeship	5,121	47	37
Modern Apprenticeship	3,221	29	29
Other Youth Programmes	24	0	0
Employability Training	155	1	3
Skills Training	700	6	7
Recruit and Train	228	2	4
Modern Skills Diploma	394	4	3
<b>Total</b>	<b>10,993</b>	<b>100</b>	<b>100</b>

Source: ELWa, Higher Education, Further Education and Training Statistics, 2002/03; T2.6

Modern Apprenticeships and Foundation Modern Apprenticeships accounted for over 75% of trainees most of whom were under 25 years of age.

**Fig. 2.3 Trainees by age and gender: North Wales**



Source: National Trainee Database; ELWa, Higher Education, Further Education and Training Statistics, 2002/03- Table T2.1

Modern Apprenticeships and Foundation Modern Apprenticeships accounted for over 75% of trainees most of whom were under 25 years of age.

**Table 2.12: Qualification Outcomes by type and age group: North Wales 2002-03**

Outcome Type	Leaving Age Group						Continuing Training Episode	Total
	Under 16	16-18	19-24	25-49	50-64	65+		
(G)NVQ Level 1	1	514	304	276	105	0	74	1,274
(G)NVQ Level 2	0	351	702	63	20	0	88	1,224
(G)NVQ Level 3	0	103	405	67	10	0	24	609
(G)NVQ Level 4	0	0	30	14	1	0	0	45
(G)NVQ Level 5	0	0	0	1	0	0	0	1
Key Skill Level 1	2	1,037	568	214	48	0	31	1,900
Key Skill Level 2	0	629	1,646	349	43	0	220	2,887
Key Skill Level 3	0	57	320	79	12	0	16	484
Key Skill Level 4	0	0	0	0	0	0	0	0
C&G Profile of Achievement	0	0	0	0	0	0	0	0
OCR Skills Profile	0	1	2	0	0	0	1	4
Pacific Institute Award	0	256	19	87	45	0	5	412
ASDAN	0	156	16	0	0	0	0	172
Vocational Access Certificate	0	0	0	0	0	0	0	0
Wordpower	0	42	0	1	1	0	3	47
Numberpower	0	51	0	0	1	0	1	53
Language Units	0	20	0	0	0	0	4	24
Management Units	0	0	0	0	0	0	0	0
Other Qualification	0	0	0	0	0	0	0	0
<b>Total</b>	<b>3</b>	<b>3,217</b>	<b>4,012</b>	<b>1,151</b>	<b>286</b>	<b>0</b>	<b>467</b>	<b>9,136</b>

Source: (National Trainee Database): ELWa, FE Performance Indicators, Table T3.3

Just 12% of qualification outcomes are Level 3.

**Table 2.13 Training episode leavers by destination and age group: North Wales 2002-03**

Leaver Destination	Leaving Age Group						Total
	Under 16	16-18	19-24	25-49	50-64	65+	
Education	1	160	56	59	20	0	296
Training	0	278	156	42	16	0	492
Employed	0	551	1568	266	50	1	2,436
Self-employed	0	2	9	3	2	0	16
Unemployed	0	568	287	170	66	0	1,091
Other	1	630	719	157	37	1	1,545
<b>Total</b>	<b>2</b>	<b>2189</b>	<b>2795</b>	<b>697</b>	<b>191</b>	<b>2</b>	<b>5876</b>
<b>%</b>							
Education	50%	7%	2%	8%	10%	0%	5%
Training	0%	13%	6%	6%	8%	0%	8%
Employed	0%	25%	56%	38%	26%	50%	41%
Self-employed	0%	0%	0%	0%	1%	0%	0%
Unemployed	0%	26%	10%	24%	35%	0%	19%
Other	50%	29%	26%	23%	19%	50%	26%

Source: (National Trainee Database): ELWa, FE Performance Indicators, Table T3.5



Not all training episodes end positively with 24% of 25-49 year olds and 35% of 50-64 year olds unemployed. Despite the high risk of unemployment, virtually none chose self employment.

**Table 2.14: Adult and Continuing Education Learners in 2002/2003 by Type of Provision**

Type of provision	North Wales		Wales	
	N	%	N	%
Maintained provision	101	4	16,231	29
Contracted out	-	-	3,457	6
Contracted in	-	-	30,812	55
Assisted	2,538	96	5,120	9
<b>All</b>	<b>2,639</b>	<b>100</b>	<b>55,710</b>	<b>100</b>

Source: ELWa ; NafW Statistical Bulletin SB52, 2003  
Learners enrolled in the week of 1<sup>st</sup> December

The bulk of provision in North Wales is on an assisted basis<sup>1</sup> accounting for 77% of all venues and 96% of enrolments. The total number of enrolments in 2002/03 in came to just 2,600. No venues / enrolments were reported in Gwynedd.

**Table 2.15: Adult and Continuing Education Learners in 2002/2003 by Type of Provision and LEA.**

	Maintained		Assisted		All	
	Venues	Enrolments	Venues	Enrolments	Venues	Enrolments
Anglesey	7	101	-	-	7	101
Gwynedd	-	-	-	-	-	-
Conwy	-	-	4	99	4	99
Denbighshire	-	-	5	607	5	607
Flintshire	-	-	5	830	5	830
Wrexham	-	-	10	1,002	10	1002
<b>North Wales</b>	<b>7</b>	<b>101</b>	<b>24</b>	<b>2,538</b>	<b>31</b>	<b>2,639</b>

Source: ELWa ; NafW Statistical Bulletin SB52, 2003

The total number of enrolments for sessions in 2002/03 in North Wales came to just 2,600.

**Notes:** There are 4 categories of provision:

*Maintained:* Courses controlled and managed by the local authority, or by a local authority maintained institution of Further Education for adults..

*Assisted:* Courses controlled and managed by another organisation, but which the local authority supports either financially, or by providing premises or other facilities free of charge or at subsidised rates.

*Contracted out:* Provision that the local authority purchases under a formal contractual arrangement from another Further Education provider (e.g. a college).

*Contracted In:* Provision where the learner is enrolled at a further education institution but is taught at a local authority site under a third party arrangement.

**Table 2.16 Maintained secondary schools teaching Welsh, 2002/03**

	Welsh as a both first and second language	Welsh as a first language only	Welsh as a second language only	All schools
Isle of Anglesey	100.0	0.0	0.0	100.0
Gwynedd	92.9	7.1	0.0	100.0
Conwy	14.3	14.3	71.4	100.0
Denbighshire	37.5	12.5	50.0	100.0
Flintshire	8.3	0.0	91.7	100.0
Wrexham	10.0	10.0	80.0	100.0

Source: Digest of Welsh Local Area Statistics, 2004

The demographics of the Welsh language vary considerably across North Wales and this is reflected in the demand for Welsh language provision in schools.

**Table 2.17: Welsh for Adults Enrolments at FE and HE Institutions located in North Wales - 2002/2003**

Welsh for Adult Enrolments at FE and HE Institutions located in North Wales - 2002/2003	
Institution	Total
Deeside College	226
Coleg Llandrillo	1,361
Coleg Llysfasi	248
Coleg Menai	443
Welsh College of Horticulture	160
WEA (North)	181
Yale College	165
University of Wales, Bangor	3,239
North East Wales Institute	143
<b>Total</b>	<b>6,166</b>

Source: ELWa (extract from "HE, FE and Training Statistics in Wales 2002/2003" extract from tables F1.4

The bulk of adult enrolments (75%) are at UWB and Llandrillo

**Table 2.18: Workforce Development: ELWa North Wales (March 2003 – Feb 2004)**

<b>Workforce development training North Wales</b>		
	North Wales	Wales
Working age population	380,000	1,742,000
In employment	282,000	1,218,000
Training in last 4 weeks (in work)	46,000	197,000
Training as % of in employment (employees + self employed)	16%	16%
Males: Training as % of in employment (employees + self employed)	13%	14%
Females: Training as % of in employment (employees + self employed)	20%	18%
Full-time workers: Training as % of in employment	17%	17%
Part-time workers: Training as % of in employment	15%	15%

Source: Welsh Local Area Labour Force Survey 2003-04, National Statistics

- 16% of the North Wales workforce had received some form of training in the 4 weeks preceding the survey;
- Women were more likely to receive training than men;
- Part-time workers received marginally less training than full time ones.

**Table 2.19: Workforce Development by Sector and Qualification, ELWa North Wales (March 2003 – Feb 2004)**

<b>Workforce development training:</b>			
	North Wales		Wales
Training in last 4 weeks	Number	%	%
Production Industries	7,000	14%	13%
Private services	14,000	12%	13%
Public Sector	22,000	27%	24%
NVQ 4 +	19,000	26%	25%
NVQ 3 and below	28,000	13%	18%

Source: Welsh Local Area Labour Force Survey 2003-04, National Statistics

The distribution of training favours those already well qualified.  
The likelihood of receiving training also differs markedly by sector.

**Table 2.20: Workforce development: Unitary Authorities (March 2003 – Feb 2004)**

	Population (working age)	In employment	Training in last 4 weeks (employed + self empl)	Training as % of employment
Anglesey	40,000	28,000	4,000	15%
Conwy	61,000	44,000	7,000	17%
Denbighshire	54,000	41,000	7,000	17%
Flintshire	93,000	72,000	12,000	16%
Gwynedd	70,000	50,000	9,000	18%
Wrexham	80,000	60,000	9,000	15%
North Wales	396,000	295,000	48,000	16%

Source Source: Welsh Local Area Labour Force Survey 2003-04, National Statistics  
 Note: North Wales as defined above does not conform to the same ELWa region

There are variations in the incidence of workforce training by Unitary Authority area

**Table 2.21: Skills and qualifications: ELWa North Wales (Mar 2003-Feb 2004)**

Skills and qualifications – North Wales and Wales				
Working age population	North Wales	North Wales	Wales	GB
	No.	%	%	%
with NVQ4+	85,000	22.4	22.5	25.2
with NVQ3	54,000	14.1	14.3	14.7
with trade apprenticeships	29,000	7.6	6.7	6.5
with NVQ2	72,000	19.1	16.7	15.2
with NVQ1	50,000	13.2	13.9	14.6
with other qualifications	29,000	7.5	8.0	8.8
with no qualifications	61,000	16.2	17.8	15.1

Source: Welsh Local Area Labour Force Survey 2003-04, National Statistics

North Wales results are mixed with relatively fewer high achievers but equally fewer low achievers  
 Compared against the Wales or Great Britain benchmark North Wales has the lowest proportion qualified to NVQ 1 while its share of unqualified workers is also below the Welsh average.

## **Chapter 3**

### **Patterns of Employment, Unemployment and Inactivity**

#### **Patterns of employment**

North Wales has continued the vibrant progress that was noted in the last of these reports. Over the two-year period between 2001 and 2003, the economic activity rate in the region increased from 75.4% to 77.2%, which means that in 2003 there were about 12,000 more people employed or seeking work than there were in 2001. ([Table 3.1](#)) Changes in the activity rate are made up of changes in both the employment and the unemployment rates. Over this same two year period, employment in North Wales rose to 72% and unemployment fell to 3.3%. This unemployment rate is substantially less than the rate for Wales as a whole, which was 5.1% in 2003.

By all these indicators, then, the North Wales economy has shown remarkable improvement in providing jobs for a greater proportion of the working age population. Furthermore, the benefits of these changes have been evenly spread across the age spectrum, and across genders.

The current figures for employment by age are given in [Table 3.2](#), where the rates are also compared with the rest of Wales and with the UK as a whole. Employment rates are higher in North Wales than in Wales as a whole by substantial margins in every age group, and they are also higher than in the UK, except for the over-50 group. It is also worthwhile pointing out that the employment rates recorded in Table 3.2 are also substantially higher than the rates recorded for 2001 in the last of these reports. For instance, in the 25-34 age band the employment rate rose from 80% to 82.5%. The most striking rise, though, is in the over-50 group, where employment rates rose from 61.2% to 66.6%.

[Tables 3.3](#) and [3.4](#) show employment rates for men and women respectively. Once again employment rates are high in North Wales when compared with the rest of Wales. Compared to the UK, employment rates among women are almost 2 percentage points higher, but men's employment rates are lower. Note, though, that this last effect is concentrated among men in the over-50 age group. In 2001, this report showed both

men's and women's employment rates lower than the UK, so that employment rates in North Wales have increased relatively as well as absolutely in recent years.

## **Geographical Distribution**

Despite this generally buoyant picture of the North Wales economy, the recorded increases in employment rates are not evenly distributed throughout the region. [Table 3.5](#) presents a breakdown of the data by parliamentary constituency, showing employment and inactivity rates for 2003, and the change in the employment rate since 2001. The table also shows the rank order of the constituencies according to employment rate in both years. There is little obvious pattern to any of these figures at this level of disaggregation. There have been four clear gainers in employment rates: Alyn & Deeside, Caernarfon, Delyn and Wrexham. One constituency (albeit a small one: Meirionydd Nant Conwy) experienced a slightly lower employment rate. The employment increases in Caernarfon and Delyn resulted in considerably improved standings in the rankings.

## **Industrial sectors of employment**

There are two sources of information about employment that enable a breakdown by industrial sector: the Labour Force Survey (LFS), which has been the source of most of the information in this report so far; and the Annual Business Inquiry (ABI). These two sources differ in that the LFS is a survey of households, while the ABI is a survey of businesses. The LFS is probably a more reliable source for many issues to do with employment, because the ABI includes only businesses that are VAT or PAYE registered. Small enterprises (such as self-employed building workers) are therefore excluded. Despite this, we report figures from both surveys in [Tables 3.6](#) and [3.7](#).

In common with Wales as a whole, the single largest sector providing employment in North Wales is the public sector: public administration, education and health. The LFS gives the share of this sector in total employment as 29.1% which is slightly lower than in Wales as a whole (30.8%). ABI gives similar, if slightly larger, figures. Both sources indicate an increase in the share of this sector in total employment. For comparison, the 2001 LFS figure was 27.0.

The second largest employment sector is Distribution, Hotels and Restaurants, which accounts for almost exactly 1/5 of employment within North Wales as well as within Wales as a whole. This sector's share of employment has been static since 2001.

Only slightly smaller is the Manufacturing sector, which has decreased in relative size over the last two years, from 19.3% to 17.2%. Construction and Banking, Finance and Insurance each account for about 9% of North Wales' employment. The Banking sector is a little larger than in Wales as a whole, but Construction is a little smaller. Construction has grown in North Wales by about 1 percentage point since 2001, which is about twice as fast as for Wales as a whole.

Altogether, the industrial sectors described above account for almost 85% of employment in North Wales. This proportion is unchanged over the last two years, according to the LFS figures.

## **Occupational patterns of employment**

[Table 3.8](#) shows the occupational distribution of employment in Wales and in North Wales. The two distributions are not substantially different from each other. Administrative and Secretarial jobs are slightly (1.5 percentage points) less frequent in North Wales than in the country as a whole, while Process, Plant and Machine Operatives are slightly more frequent. However, there have been some changes since 2001, with the proportion of Professional Occupations now more or less equal where before North Wales had a 1.4 percentage point deficit.

### *Self-employment*

There has been a large increase in the self-employed in North Wales, from 31,000 to 37,000 or about 20% since 2001. This change is not common to Wales, since the increase in all of Wales was only 3,000. It appears that the generally buoyant labour market described above includes a particularly large increase in the level of self-employment in the region. As [Table 3.9](#) indicates, while the working age population increased by 8,000, the total number employed rose by 15,000, of whom 6,000 were self-employed.

## **Levels of Earnings**

The New Earnings Survey (NES) was published for the last time in 2003 and has been replaced by the Annual Survey of Hours and Earnings (ASHE), the results of which have just become available. This gives rise to a discontinuity in earnings data as estimates of average weekly pay are higher in ASHE than in the NES. Further, the increase is higher for men than for women, thereby widening the estimated gender earnings differential. There are also regional effects with the level of earnings for people working in London rising more than in other regions. This in part is a consequence of the wider coverage of ASHE.<sup>1</sup> The statistics in [Table 3.10](#) refer to the Unitary Authorities that make up the North Wales region. Some of these are based on sample sizes that are too small to produce reliable results. These are indicated by (!), or (!!), and should be treated with some circumspection.

Between 2003 and 2004, earnings in Wales rose by 5.4 per cent compared to a 4.1 per cent rise for the UK as a whole, so that average earnings in Wales in April 2004 were £441.7, a figure 12.5 per cent below the UK average and 4.4 per cent below the UK average excluding London and the South-East ([Table 3.10](#)). As noted in the national report, within Wales there are substantial differences in earnings between the Objective One area and the rest of Wales (Objective Three). In 2004 the gross weekly wage was £467.6 in the Objective Three area and £419.6 in the Objective One area. However, this impression is not so clear when the North of the country is considered. Flintshire is in line with the rest of the Objective 3 area, with an average gross weekly earnings figure of £469.70, but Wrexham (also in the Objective 1 area) is closer to the Objective 1 mean at £423.20. Among the Objective 1 UA's, Gwynedd has the lowest recorded earnings of £398.50, Anglesey's earnings are above the Welsh average at £454.90, but these figures are not reliable.

It should be noted too that these figures take no account of different price levels between and within regions and, therefore, do not necessarily point to differences in the standard of living. Nor do they take into account differences in the occupation mix, so that they do not necessarily point to differences in pay for like work.

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<sup>1</sup> See C. Daffin, An Analysis of Historical ASHE Data 1998 to 2003, *Labour Market Trends*, December, 2004, pp 493-



The national report observed that the gender pay gap in Wales is smaller than in the UK generally. [Table 3.11](#) indicates that it has also declined in Wales as a whole over the last 5 years. This decline also appears to have occurred across the North Wales region in the sense that nearly all UA's show a reduction in the pay gap. The only exceptions are Denbighshire, where the gap apparently increased slightly, and Anglesey, where the sample sizes are small and the results of the survey unreliable.

## **Skills of the Employed**

The skills of the employed workforce in North Wales have improved since 2001, with 25.4% now being qualified to NVQ Level 4 or above ([Table 3.12](#)). This represents an increase of almost 1 percentage point in the last two years. The down side of this statistic is that skills in Great Britain generally have improved, so that North Wales' position with regards the whole of Wales has changed little, and with regards Great Britain even less. The difference now is 3.2 percentage points, whereas in 2001 it was 3.5.

## **Non-employment – who is not working?**

Non-employment in this report includes both those who are economically inactive and those who are classed as unemployed under the ILO definition<sup>2</sup>. We have already seen in [Table 3.1](#), that economic inactivity in 2003 in North Wales was 22.8% compared with 25.8% for Wales as a whole. Consistent with the employment fact noted above, unemployment in North Wales indicates that the local economy has not only been growing, but that it has been growing relatively to that of the rest of Wales.

### *Low qualifications*

The recent work by WELMERC<sup>3</sup> on patterns of inactivity in Britain has been summarised at some length in the National report. One of the main findings of that study is that: "Differences in economic activity rates between Wales and other regions are due in part to differences in the composition of populations and in part due to differences in propensities towards economic activity for individuals with similar characteristics. In most

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<sup>2</sup> The ILO definition is self-reported in work or actively seeking work. It is now generally regarded as preferable to the claimant count measure that is still published in Britain – not least because it is not directly affected by changes in the rules for claiming benefits.

<sup>3</sup> WELMERC: "Identifying barriers to economic activity in Wales" <http://www.wales.gov.uk/subiresearch/content/eru/rpt03-04-e.htm>.

of the regional comparisons made, around half of the observed difference in regional economic activity rates cannot be accounted for by characteristic effects.” It is also true that one of the characteristics driving differences in inactivity rates is educational achievement: “Economic inactivity rates are lower the higher is an individual’s educational achievement. ... In 2001 economic inactivity rates were lowest among those with a degree and highest for those with no qualifications. For example, the economic inactivity rate in Wales (GB) in 2001 for individuals with no qualifications was 47 (42) per cent, while for individuals whose highest qualification was a degree the inactivity rate was only 12 (10) per cent.”

### *Disabilities*

For the analysis of the employment situation of people with disabilities, we use a wide definition of disability. Firstly, there are people who are defined as disabled within the meaning of the Disability Discrimination Act. This covers people who are defined as disabled within the meaning of the Disability Discrimination Act. This covers people who have “a physical or mental impairment which has a substantial and long-term adverse effect on his ability to carry out normal day-to-day activities”. An additional category is those who have a work-limiting disability. This has been identified in surveys as being a health problem which limits the type or amount of work which a person can undertake. In this analysis, we include people who are either DDA disabled or work-limited disabled, or both (the largest category). Therefore we include a wide range of people with health limitations to possible employment as well as people with more immediately recognisable forms of disability.

[Table 3.13](#) shows the breakdown of the working age populations of North Wales and Wales as a whole. These are virtually unchanged from the figures reported in the last of these reports for 2001. 19.6% of the working age population of North Wales had at least one of the types of disability described above. This compares with 19.9% in 2001, and 23.0% in Wales as a whole. The employment rate for people with disabilities in North Wales (as recorded in the Welsh boost to the Local Area Labour Force Survey) is 44.6%. This is higher than the Wales rate of 39.8%, but still only just under half the employment rate for those without disabilities.

It should be noted though that North Wales' good economic health over the last two years has reflected on the disabled, as well as on others. The increase in their employment rate of just over four percentage points since 2001, has been greater than in Wales as whole, where the employment rate for the disabled rose by just 2.5 percentage points. ([Table 3.14](#))

Finally, [Table 3.15](#) breaks down the economically inactive and unemployed by disability status. These figures are virtually unchanged from 2001, except that the proportion of the unemployed who are disabled has fallen quite sharply in North Wales. In 2001, this figure was 23.1%, it is now 20.0%.

#### *People aged over 50*

In 2003, 74.7% of people aged over 50, but under retirement age were working, which is about the same as the rate for Great Britain, and 4.2 percentage points higher than for Wales as a whole ([Table 3.16](#)). Comparing these statistics with those from 2001 indicates no change in the GB figure, an increase from 69.1% for Wales, and an increase from 71.7% for North Wales<sup>4</sup>. The issue of low qualifications among the older age groups appears to have ameliorated somewhat in North Wales, with 47% of those of working but aged over 50 now having qualifications below NVQ2, compared with 52.4% 2 years ago.

## **Unemployment**

Unemployment on the ILO international standard measure was 10,000 in North Wales in 2003 ([Table 3.1](#)), which is 3.3% of the economically active. There is considerable variation in the unemployment rate across Wales. In [Table 3.17](#), Economy inactivity and non-employment rates are shown for the 6 UA's making up North Wales. Both rates are lower than for Wales as a whole in all the Unitary Authorities, reinforcing the impression that employment in North Wales is relatively buoyant. Flintshire has the lowest of both rates within Wales.

Benefit claims are also low relative to the rest of Wales. Claims for all the main benefits (JSA, Incapacity Benefit, Disability Allowances and Income Support) are lower as a

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<sup>4</sup> Table 59 in this report's predecessor gives figures different from these. We have been unable to reconstruct how these numbers were computed.

percentage of the working age population in all UA's other than Conwy ([Table 3.18](#)). Conwy's excess over the claim rate for all Wales is accounted for entirely by a relatively high rate of claims for Incapacity Benefit and Disability Allowances. In [Table 3.19](#) data are provided for claimant count of Job Seekers' Allowance in June 2004 in the 6 Unitary Authorities making up the North Wales area. The rate varies between 1.5 per cent in Wrexham to 3.1 per cent in Conwy. It should, however, be pointed out that some of these absolute figures are below the minimum publishable due to small sample size (1,000 or 2,000 being the minimum depending on area). The claimant count for the whole of Wales fell from 45,000 in June 2003 to 38,220 in June, 2004 (i.e. from 2.6 to 2.2 per cent).

As shown in the National Report, New Deal statistics for March 2003 show that Wales was the second most successful region in securing sustained jobs for both 18-24 year olds unemployed for six months or more and for longer term unemployed adults. There is some difficulty in extracting regional information from the New Deal statistics, since the Jobcentre Plus districts are not conformable with the Assembly regions. In [Tables 3.20](#) and [3.21](#), we give the summary statistics for New Deal performance in the two districts that include the North Wales area: North West Wales and Powys (NWWP), and Wrexham & North Wales Coast (WNWC) respectively. The Tables show that, as of December 2004, in WNWC 82.1% of those entering the New Deal for Young People obtained sustained employment. The corresponding figure for NWWP was 83.5%. The New Deal 25 Plus delivered 80.5% entrants to sustained employment in WNWC, and 91.3% in NWWP. These figures are all rather better than the figures for Wales as a whole given in the National Report.

A new data source that became available in 2003 is Job Centre Plus's district level statistics of performance relative to the Performance and Resources agreement. In 2003-4 the target for Wales as a whole was missed by 2.9 per cent, but the two North Wales districts performed very differently, with WNWC missing its target profile by a little over 5%, and NWWP exceeding it by almost 20% ([Table 3.22](#)). For lone parents job entries for Wales as a proportion of the client base rose to 13.9 per cent compared to the GB average of 10.1 per cent ([Table 3.23](#)). In both the North Wales districts, job entries for lone parents were higher than in Wales generally, reaching almost 20% in WNWC. In the case of people with disabilities, job entries as a proportion of the client base in Wales

were only 2.1 per cent, but ([Table 3.24](#)) they were even lower in the North Wales districts, especially WNWC, where the rate was under 1%. Wales' performance comfortably exceeds that of GB in relation to job entries for customers unemployed for six months or more and for other disadvantaged clients – 48.7 per cent as opposed to 36.8 per cent. North Wales is slightly below the Welsh average, but still comfortably above GB ([Table 3.25](#)). For customers unemployed for less than six months the difference is more marginal – 10.91 per cent as opposed to 9.1 per cent ([Table 3.26](#)). Of the North Wales districts, NWWP performed well above the (Welsh) national average – 13.5% - while WNWC was slightly above it.

We have referred to the WELMERC study of inactivity in Wales already in this chapter. This not only points to the fact that economic inactivity is substantial in Wales relative to other regions in Britain, but also that it varies significantly across Wales and so has a geographical dimension. The WELMERC study was not, however, structured in such a way as to be able to extract from it statistics that are reliable on a regional basis, some basic facts can, however, be extracted from the Labour Force Survey. In 2003, the inactivity rate in North Wales was 22.8%. This is lower than the rate for Wales as a whole ([Table 3.1](#)). Of the economically inactive, 17.2% wanted a job, in comparison to 23.8% for Wales ([Table 3.27](#)).

## **The Demand for Skills**

Most of what we have discussed above focuses on the supply of labour. As in the National Report, we also consider the employers' demand for labour as expressed in the current number employed, hours of work, vacancies and labour cost. Labour demand is closely linked to the business cycle. Thus during periods of growth, firms may initially respond by increasing the input of labour from their existing workforce, by increasing paid and unpaid overtime, and only when the additional demand seems longer term, recruit extra workers to produce the higher output required. In the recession, the initial response may be to cut hours and then lay-off workers. Some workers, who have particular skills which are in short supply may, however, be hoarded, so that they are readily available when product demand recovers. For these reasons we expect hours of work to fluctuate much more than numbers employed over the cycle and employment only to react after a time lag.

In the National Report, we examine job starts in Wales using the Labour Force Survey 2003-04. However, the relevant figures are not readily available at a more disaggregated level, so we are unable to carry out a parallel regional analysis.

Job density is defined as the number of filled jobs in an area (including self-employed, government supported trainees and HM forces) divided by the number of working-age residents in that area. It is an alternative measure of the demand for labour in the local area. Job Density figures are available for 2000, 2001 and 2002 and show little change for the constituent countries of the UK apart from Scotland. ([Table 3.28](#)) Within Wales job density is much higher in the Objective Three (O3) area than in the Objective One (O1) area. North Wales is partly in the O1 area and partly in the O3 area<sup>5</sup>, it is no surprise to find a spread of job density values within the region.

Another means of meeting greater product demand is increasing labour productivity.<sup>6</sup> This may be measured in a number of ways including productivity per worker and productivity per hour. Long-term UK productivity growth is around 2 per cent per annum. In comparison of productivity across counties allowance should be made for differences in the vintage of the capital stock, in the capital/labour ratio and in the skill distribution of the workforce.

In [Table 3.29](#) productivity is measured in terms of gross value added per person employed and in 2002 Wales' productivity was only 83 per cent of the UK average. However, within Wales there are substantial differences in productivity. While none of the NUTS areas that make up the North Wales region have productivity levels close to the UK average, there is a clear divide between the Objective 1 area and the rest. Wrexham and Flintshire's productivity is 91% of the UK average, while the rest of the North is only 70% of the UK average.

## **Conclusions**

According to the three main indicators the employment rate, ILO unemployment and inactivity the labour market in North Wales has shown signs of considerable improvement. Indeed, North Wales' performance in respect of employment has

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<sup>5</sup> This is true of all the Assembly regions, except for South West Wales.

<sup>6</sup> A useful discussion is contained in C. Lindsay, Labour Productivity, *Labour Market Trends*, November 2004, pp 447-454.

generally been better than in the UK generally, although the relative employment rates for men are low. The ILO unemployment rate is now lower in North Wales than in Britain as a whole, but inactivity rates are lower than in Wales. By all these measures, then, North Wales appears to have had something of a labour market boom in recent years.

The service sector continues to expand in North Wales, while manufacturing continues to decline in terms of employment. North Wales has fewer of its workforce in occupations requiring higher level skills and higher proportions in those requiring lower level skills relative to Britain as a whole. As elsewhere in Britain self employment continues to increase.

Aspects of particular concern in the North Wales labour market are the relative lack of qualifications, low earnings, and the low productivity levels of its industries.

**Table 3.1: Labour market statistics 2003**

Labour market statistics (2003)			
	North Wales	Wales	Difference from Wales
Economically active	293,000	1,293,000	
In employment	283,000	1,227,000	
Unemployed	10,000	66,000	
Economically inactive	86,000	449,000	
Economic activity rate	77.2	74.2	3.0
Employment rate	74.7	70.5	4.2
Unemployment rate	3.3	5.1	-1.8
Economic inactivity rate	22.8	25.8	-3.0

All are working age

Source: National Statistics ,Welsh Local Area Labour Force Survey , 2003 <http://www.nomisweb.co.uk>

Between 2001 and 2003, the economic activity rate in North Wales has increased from 75.4% to 77.2%.

Since 2001, employment in North Wales has risen to 72%.

Since 2001, unemployment has fallen to 3.3% in North Wales, which is substantially less than the rate for Wales as a whole.

**Table 3.2: Employment rates by age 2003**

Employment rates by age %					
	North Wales	Wales	UK	Difference from Wales	Difference from UK
16-19	51.4	47.1	49.9	4.3	1.5
20-24	73.3	68.1	69.1	5.2	4.2
25-34	82.5	77.2	79.2	5.3	3.3
35-49	83.1	80.1	81.7	3	1.4
50-retirement age	66.6	61.9	69	4.7	-2.4

Source: National Statistics ,Welsh Local Area Labour Force Survey, 2003 <http://www.nomisweb.co.uk>

Employment rates are higher in North Wales than in Wales as a whole by substantial margins in every age group, and they are also higher than in the UK, except for the over-50 group.



**Table 3.3: Male employment rates by age 2003**

Employment rates by age %					
	North Wales	Wales	UK	Difference from Wales	Difference from UK
All Males	78.0	74.0	78.7	4.0	-0.7
16-19	49.8	46.5	48.9	3.3	0.9
20-24	80.1	73.8	73.5	6.3	6.6
25-34	89.3	85.5	87.5	3.8	1.8
35-49	88.4	85.6	88.4	2.8	0
50-retirement age	67.8	62.6	71.0	5.2	-3.2

Source: National Statistics , Welsh Local Area Labour Force Survey, 2003 <http://www.nomisweb.co.uk>

Employment rates for males are high in North Wales when compared with the rest of Wales. Compared to the UK, men's employment rates are lower; particularly in older age groups.

**Table 3.4: Female employment rates by age 2003**

Employment rates by age %					
	North Wales	Wales	UK	Difference from Wales	Difference from UK
All Women	71.1	66.7	69.2	4.4	1.9
16-19	53.1	47.8	50.9	5.3	2.2
20-24	66.5	62.6	64.8	3.9	1.7
25-34	75.9	69.4	71.2	6.5	4.7
35-49	78.0	74.9	75.1	3.1	2.9
50-retirement age	65.0	60.8	66.3	4.2	-1.3

Source: National Statistics, Welsh Local Area Labour Force Survey, 2003 <http://www.nomisweb.co.uk>

Employment rates for females are high in North Wales when compared with the rest of Wales. Compared to the UK, employment rates among women are almost 2 percentage points higher.

**Table 3.5: Patterns of employment and economic inactivity by parliamentary constituency, 2003**

	Employed	Rank	Change since 2001	Rank in 2001	Inactive
Alyn & Deeside	79.2	1	3.6	1	18.0
Caernarfon	75.1	4	6.1	10=	22.7
Clwyd South *>	73.9	6	0.8	2	23.6
Clwyd West <*	74.5	5	2.7	6	22.3
Conwy	70.7	10	0.6	8	26.5
Delyn	77.1	2	5.5	7	20.9
Meirionnydd Nant Conwy	72.0	8	-0.7	4	24.1
Vale of Clwyd	73.0	7	0.8	5	24.2
Wrexham	76.8	3	4.0	3	22.0
Ynys-Mon	70.8	9	1.8	10=	25.7

Source: National Statistics Welsh Local Area Labour Force Survey, 2003 <http://www.nomisweb.co.uk>

Employment rates are not evenly distributed throughout the region.

There have been four clear gainers in employment rates: Alyn & Deeside, Caernarfon, Delyn and Wrexham.

Meirionnydd nant Conwy experienced a slightly lower employment rate.

The employment increases in Caernarfon and Delyn generated considerable improved standings in the rankings.

**Table 3.6: North Wales and Wales: employment by industry 2003**

<b>Wales: employment by industry 2003</b>					
	North Wales		Wales		Difference from Wales
	No.	%	No.	%	%
Agriculture & fishing	5,000	1.7	24,000	1.9	-0.2
Energy & water	4,000	1.3	15,000	1.2	0.1
Manufacturing	49,000	17.2	198,000	16.1	1.1
Construction	25,000	8.9	101,000	8.2	0.7
Distribution, hotels & restaurants	58,000	20.6	243,000	19.8	0.8
Transport & communication	17,000	5.9	69,000	5.6	0.3
Banking, finance & insurance etc	26,000	9.0	125,000	10.2	-1.2
Public admin, education & health	82,000	29.1	379,000	30.8	-1.7
Other services	17,000	6.1	72,000	5.9	0.2
Total services	200,000	70.7	888,000	72.4	-1.7
Total in industries	283,000	100	1,226,000	100	

All are Working Age

Information relates to the main business of survey respondents living in North Wales.

Therefore, manufacturing may include North Wales residents employed in manufacturing in Cheshire.

Employment includes self-employment.

Source: National Statistics, Welsh Local Area Labour Force Survey, 2003 <http://www.nomisweb.co.uk>

The public sector is the largest sector providing employment in North Wales.

The second largest employment sector is Distribution, Hotels and Restaurants, which accounts for almost exactly 1/5 of employment within North Wales as well as within Wales as a whole.

**Table 3.7: Wales: employment by industry – Annual Business Inquiry data, 2003**

Wales: employment by industry – Annual Business Inquiry data					
Thousands	North Wales		Wales		Difference from Wales
	No.	%	No.	%	%
Agriculture and fishing	407	0	1,723	0	0
Energy and water	2,702	1	7,997	1	0
Manufacturing	47,513	20	179,108	16	4
Construction	10,875	4	47,110	4	0
Distribution, hotels and restaurants	63,501	26	262,483	24	2
Transport and communications	9,725	4	51,060	5	-1
Banking, finance and insurance, etc	20,472	8	133,146	12	-4
Public administration, education & health	75,065	31	366,261	33	-2
Other services	12,412	5	55,587	5	0
Total	242,672	100	1,104,475	100	
Total Services	181,175	75	868,537	79	-4

These figures are aggregates from which agriculture class 0100 (1992 SIC) have been excluded by ONS.

Source: Annual Business Inquiry, National Statistics 2003 <http://www.nomisweb.co.uk>

The public sector is the largest sector providing employment in North Wales. The second largest employment sector is Distribution, Hotels and Restaurants, industrial sectors described above account for almost 85% of employment in North Wales. This proportion is unchanged over the last two years.

**Table 3.8: In employment by occupation, North Wales and Wales 2003**

In employment by occupation, Wales 2003					
	North Wales		Wales		Difference from Wales
	No.	%	No.	%	
Managers and Senior Officials	37,000	12.5%	153,000	12.1%	0.4%
Professional occupations	31,000	10.6%	138,000	10.9%	-0.3%
Associate Professional and Technical	39,000	13.1%	166,000	13.1%	0.0%
Administrative and Secretarial	31,000	10.7%	155,000	12.2%	-1.5%
Skilled Trades Occupations	41,000	14.0%	166,000	13.0%	1.0%
Personal Service Occupations	26,000	8.8%	100,000	7.9%	0.9%
Sales and Customer Service Occupations	21,000	7.1%	106,000	8.3%	-1.2%
Process, Plant and Machine Operatives	32,000	10.9%	123,000	9.7%	1.2%
Elementary Occupations	36,000	12.1%	160,000	12.6%	-0.5%
<b>Total</b>	<b>294,000</b>	<b>100.0%</b>	<b>1,267,000</b>	<b>100.0%</b>	

Source: National Statistics , Welsh Local Area Labour Force Survey, 2003 <http://www.nomisweb.co.uk>

The occupational distributions of employment in Wales and North Wales are not substantially different from each other.

**Table 3.9: Self-employment 2003 in North Wales and Wales**

	North Wales 2001	North Wales 2003	Wales 2001	Wales 2003
Self-employed	31,000	37,000	143,000	146,000
Total in employment	268,000	283,000	1,223,000	1,227,000
% self-employed	11.6%	12.9%	11.7%	11.9%
Working age population	372,000	380,000	1,765,000	1,742,000
% self-employed	8.3%	9.7%	8.1%	8.4%

Source: National Statistics Welsh Local Area Labour Force Survey, 2003 <http://www.nomisweb.co.uk>

There has been a large (20%) increase in the self-employed in North Wales since 2001. While the working age population increased by 8,000 from 2001 to 2003, the total number employed rose by 15,000, of whom 6,000 were self-employed.

**Table 3.10: Average gross weekly earnings, full-time employees on adult rates, by local authority, gender**

Year	1999			2004 (including supplementary survey information)		
	Persons	Males	Females	Persons	Males	Females
Area						
Wales	358.7	391.9	300.5	441.7	480.4	377.4
Isle of Anglesey	(!) 367.3	(!) 403.8	(!) 293.9	(!!) 454.9	(!!) 508.6	(!) 301.7
Gwynedd	324.3	(!) 349.5	(!) 284.7	382.3	(!) 398.5	(!) 364.1
Conwy	305.3	(!) 336.0	(!) 260.5	430.7	446.9	(!) 395.0
Denbighshire	343.3	(!) 366.4	(!) 299.2	(!) 400.3	(!) 435.6	(!) 343.8
Flintshire	384.2	413.0	(!) 310.1	469.7	512.1	356.4
Wrexham	360.1	411.1	(!) 277.4	423.2	476.4	(!) 330.5

Footnotes

- (!!) The data item has a coefficient of variation (CV) of between 10% and 20% and is therefore categorised as only 'acceptable' by the Office for National Statistics. Only estimates with a CV of less than 5% are considered 'precise', whilst estimates with a CV of between 5% and 10% are considered 'reasonably precise.' Estimates with a CV of above 20% are considered unacceptable and suppressed.
- (!) The data item has a coefficient of variation (CV) of between 5% and 10% and is therefore categorised as only 'reasonably precise' by the Office for National Statistics. Only estimates with a CV of less than 5% are considered 'precise', whilst estimates with a CV of between 10% and 20% are considered 'acceptable.' Estimates with a CV of above 20% are considered unacceptable and suppressed.

Between 2003 and 2004, earnings in Wales rose by 5.4 per cent compared to a 4.1 per cent rise for the UK as a whole, so that average earnings in Wales in April 2004 were 12.5 per cent below the UK average.

In 2004 the gross weekly wage was £467.6 in the Objective Three area and £419.6 in the Objective One area.

Flintshire is in line with the rest of the Objective 3 area, with an average gross weekly earnings figure of £469.70, but Wrexham (also in the Objective 1 area) is closer to the Objective 1 mean at £423.20. Among the Objective 1 UA's, Gwynedd has the lowest recorded earnings of £398.50, Anglesey's earnings are above the Welsh average at £454.90

**Table 3.11: The Gender Pay Gap in North Wales**

	Male earnings/Female earnings 1999	Male earnings/Female earnings 2004
<b>Wales</b>	1.30	1.27
<b>Isle of Anglesey</b>	1.37	1.69
<b>Gwynedd</b>	1.23	1.09
<b>Conwy</b>	1.29	1.13
<b>Denbighshire</b>	1.22	1.26
<b>Flintshire</b>	1.33	1.44
<b>Wrexham</b>	1.48	1.44

**Source:** Annual Survey of Hours and Earnings, Office for National Statistics

The gender pay gap has declined in Wales as a whole over the last 5 years.  
Nearly all UA's also show a reduction in the pay gap.

**Table 3.12 Qualifications of those in employment in North Wales and Wales, 2003**

<b>Qualifications of those in employment</b>			
	North Wales	Wales	GB
	%	%	%
NVQ Level 4 and above	25.4	26.8	28.6
NVQ Level 3	14.9	15	15.2
Below NVQ Level 3	59.7	58.2	56.2
Total	100.0	100.0	100.0

All are Working Age

Source: National Statistics, Welsh Local Area Labour Force Survey, 2003 <http://www.nomisweb.co.uk>

The skills of the employed workforce in North Wales have improved since 2001, with 25.4% now being qualified to NVQ Level 4 or above.

The North Wales position vis a vis the whole of Wales has changed little, and vis a vis Great Britain even less.

**Table 3.13 Disability in North Wales and Wales, 2003**

Disability in North Wales and Wales				
Disability	North Wales		Wales	
	2003	Percentage of working age population	2003	Percentage of working age population
	No.	%	No.	%
DDA disabled and work-limiting disabled	50,000	13.2%	271,000	15.6%
DDA disabled	14,000	3.7%	68,000	3.9%
Work-limiting disabled only	10,000	2.7%	61,000	3.5%
Not disabled	305,000	80.4%	1,342,000	77.0%
All disabled	74,000	19.6%	400,000	23.0%
Total	379,000	100.0%	1,742,000	100.0%

All are working age

Source: National Statistics, Welsh Local Area Labour Force Survey, 2003 <http://www.nomisweb.co.uk>

19.6% of the working age population of North Wales had at least one type of disability. This compares with 19.9% in 2001, and 23.0% in Wales as a whole.

**Table 3.14 Employment rates for Disabled and Non-Disabled in North Wales and Wales, 2003**

Disabled employment rates			
Percentage	North Wales	Wales	Difference from Wales
All disabled	44.6	39.8	4.8
Not disabled	82.3	79.6	2.7
Difference	-37.7	-39.8	

All are Working Age

Source: National Statistics, Welsh Local Area Labour Force Survey, 2003 <http://www.nomisweb.co.uk>

The employment rate for people with disabilities in North Wales is 44.6%. This is higher than the Wales rate of 39.8%, but still only just under half the employment rate for those without disabilities.



**Table 3.15 Disability, economic inactivity and unemployment 2003**

<b>Disability, economic inactivity and unemployment (ILO definition)</b>				
	Economically inactive		Unemployed	
	North Wales	Wales	North Wales	Wales
Total	86,000	449,000	10,000	66,000
With a disability	40,000	227,000	2,000	13,000
Percentage with a disability	46.5	50.6	20.0	19.7

All are Working Age

Source: National Statistics, Welsh Local Area Labour Force Survey, 2003 <http://www.nomisweb.co.uk>

The figures shown for the economically inactive and unemployed by disability status are virtually unchanged from 2001, except that the proportion of the unemployed who are disabled has fallen quite sharply in North Wales.

**Table 3.16 Qualifications, economic activity for the working age population aged 50 and over, 2003**

<b>Qualifications, economic activity for the working age population aged 50 and over</b>			
	North Wales	Wales	GB
Number aged 50 plus	107,000	469,000	8,722,000
Number with qualifications below NVQ 2	46,000	222,000	4,049,000
Proportion of 50 plus below NVQ2	47%	46%	49%
Total number with qualifications below NVQ2 (working age)	140,000	692,000	13,542,000
50 plus proportion of those with low qualifications	33%	32%	30%
In Employment (Working Age)	74.7	70.5	74.3

Source: National Statistics, Welsh Local Area Labour Force Survey, 2003 <http://www.nomisweb.co.uk>

74.7% of people aged over 50, but under retirement age were working, which is about the same as the rate for Great Britain, and 4.2 percentage points higher than for Wales as a whole. The issue of low qualifications among the older age groups appears to have ameliorated somewhat in North Wales, with 47% of those of working but aged over 50 now having qualifications below NVQ2, compared with 52.4% 2 years ago.

**Table 3.17 Patterns of non-employment by UA area, 2003**

Patterns of non-employment by UA area				
Local authority	Economically inactive	Economic inactivity rate	Not employed	Non-employment rate
Anglesey	10,000	25.7%	11,680	29.2%
Conwy	15,000	25.1%	17,080	28%
Denbighshire	12,000	21.9%	13,392	24.8%
Flintshire	18,000	19.3%	20,181	21.7%
Gwynedd	17,000	23.9%	18,492	26.8%
Wrexham	19,000	23.3%	20,000	25%
Wales	449,000	25.8%	513,890	29.5%

Source: National Statistics, Welsh Local Area Labour Force Survey 2003 <http://www.nomisweb.co.uk>

There is considerable variation in the unemployment rate across Wales. Both economy inactivity and non-employment rates are lower than for Wales as a whole in all the Unitary Authorities, reinforcing the impression that employment in North Wales is relatively buoyant. Flintshire has the lowest of both rates within Wales.

**Table 3.18 Patterns of key benefit receipt by UA area, August 2004**

Patterns of key benefit receipt by UA area										
August 2004	All		Unemployed		Sick & Disabled		Lone Parents		Other	
	000s	% <sup>1</sup>	000s	% <sup>1</sup>	000s	% <sup>1</sup>	000s	% <sup>1</sup>	000s	% <sup>1</sup>
Anglesey, Isle of	6.8	17	1.3	3	4.6	12	0.8	2	0.2	1
Conwy	10.4	20	0.8	2	7.8	15	1.2	2	0.6	1
Denbighshire	8.9	16	1.1	2	6.4	11	1.1	2	0.3	1
Flintshire	12	14	1.8	2	8	9	1.9	2	0.3	-
Gwynedd	9.1	13	1.4	2	5.9	9	1.4	2	0.5	1
Wrexham	12.9	16	1.4	2	9.3	11	1.6	2	0.5	1
WALES	321.9	18	38.9	2	230.8	13	41.7	2	10.6	1

Figures under 500 marked '\*\*' are subject to a high degree of sampling error and should be used only as a guide to the current situation.

"-" nil or negligible

Figures are rounded to the nearest hundred

Key benefits are Jobseeker's Allowance (JSA), Incapacity Benefit (IB), Severe Disablement Allowance, Disability Living Allowance,

Income Support and National Insurance credits only (through JSA or IB)

<sup>1</sup> Percentage of the population of working age

Source: Client Group Analysis of DWP Information Centre NOMIS, ONS

<http://www.nomisweb.co.uk>

Benefit claims are also low relative to the rest of Wales. Claims for all the main benefits are lower as a percentage of the working age population in all UA's other than Conwy.

**Table 3.19 Claimant Count of Jobseeker's Allowance claimants, June 2004**

Claimant Count of Jobseeker's Allowance claimants		
June 2004	Number	Rate %
Anglesey	1,229	3.1
Conwy	1,157	1.9
Denbighshire	933	1.7
Flintshire	1,431	1.6
Gwynedd	1,622	2.4
Wrexham	1,198	1.5
Wales	38,220	2.2

Residence-based proportions express the number of claimants resident in an area as a percentage of the working age population resident in that area.

Source: National Statistics, <http://www.nomisweb.co.uk>

The Claimant Count rate varies between 1.5 per cent in Wrexham to 3.1 per cent in Conwy.

**Table 3.20 Summary of people into jobs through New Deal: Jobcentre Plus District: Wrexham & North Wales Coast**

	New Deal for Young People		New Deal 25 Plus Enhanced programme			
	Total	of which, Sustained <sup>7</sup>	Total	of which, Sustained	Total	of which, Sustained
<b>Summary</b>						
as at end Dec-04	<b>4,290</b>	<b>3,520</b>	<b>1,070</b>	<b>870</b>	<b>570</b>	<b>450</b>
<b>By Gender</b>						
Male	3,240	2,630	-	-	490	380
Female	1,060	890	-	-	90	70
<b>Disability</b>						
People with Disabilities	700	550	-	-	190	150
<b>Age Group</b>						
18-24	4,290	3,520	-	-	120	100
25-29			-	-	110	80
30-34			-	-	100	80
35-39			-	-	160	120
40-49			-	-	80	80
50+			-	-		

Source: Department of Work and Pensions  
[http://www.dwp.gov.uk/asd/asd1/new\\_deal/ndyp\\_sept04/wales.asp](http://www.dwp.gov.uk/asd/asd1/new_deal/ndyp_sept04/wales.asp)

<sup>7</sup> A job from which the participant does not return to New Deal within 13 weeks. This includes jobs in which participants have been employed for less than 13 weeks, but have not yet returned to New Deal.

As of December 2004, 82.1% of those entering the New Deal for Young People obtained sustained employment.

The New Deal 25 Plus delivered 80.5% entrants to sustained employment,

These figures are all rather better than the figures for Wales as a whole.

**Table 3.21 Summary of people into jobs through New Deal: Jobcentre Plus District: North West Wales and Powys**

<b>Summary</b>	<b>New Deal for Young People</b>		<b>New Deal 25 Plus Enhanced programme</b>			
	Total	of which, Sustained <sup>8</sup>	Total	of which, Sustained	Total	of which, Sustained
as at end Dec-04	<b>3,850</b>	<b>3,200</b>	<b>900</b>	<b>840</b>	<b>360</b>	<b>310</b>
<b>By Gender</b>						
Male	2,760	2,310	-	-	280	240
Female	1,090	900	-	-	80	70
<b>Disability</b>						
People with Disabilities	710	590	-	-	160	140
<b>Age Group</b>						
18-24	3,850	3,200				
25-29			-	-	80	70
30-34			-	-	70	60
35-39			-	-	50	40
40-49			-	-	100	80
50+			-	-	70	50

Source: Department of Work and Pensions

[http://www.dwp.gov.uk/asd/asd1/new\\_deal/ndyp\\_sept04/wales.asp](http://www.dwp.gov.uk/asd/asd1/new_deal/ndyp_sept04/wales.asp)

As of December 2004, in NWWP 83.5% of those entering the New Deal for Young People obtained sustained employment.

The New Deal 25 Plus delivered 91.3% entrants to sustained employment in NWWP.

<sup>8</sup> A job from which the participant does not return to New Deal within 13 weeks. This includes jobs in which participants have been employed for less than 13 weeks, but have not yet returned to New Deal.

**Table 3.22 Jobcentre Plus District performance against target profile, 2003-4**

<b>Jobcentre Plus District Job Entry Performance</b>		
	Performance variance against Profile April 03 to March 04	Total Points profile April 03 to March 04
National Total	-2.9%	7,681,000
<b>District</b>		
North West Wales & Powys	-5.1%	53,790
Wrexham & North Wales Coast	19.7%	65,246

Source: Jobcentre Plus <http--www.jobcentreplus.gov.uk-documents-JobEntriesQ42004.xls>

In 2003-4 the target for Wales as a whole was missed by 2.9 per cent, but the two North Wales districts performed very differently, WNWC missing its target profile by a little over 5%, and NWWP exceeding it by almost 20%

**Table 3.23 Jobcentre Plus District performance: Lone Parent job entries 2003-04**

<b>Jobcentre Plus District Job Entry Performance</b>			
	Lone Parents		
	No. of Job Entries	Customer base	Job entries as a proportion of client base
GB Total	107,233	1,062,303	10.1%
<b>District</b>			
North West Wales & Powys	599	4,320	13.9%
Wrexham & North Wales Coast	1,470	7,441	19.8%
Wales	7,806	55,779	13.9%

Participants in New Deal for Lone Parents, and other jobless Lone parents.

Source: Jobcentre Plus <http--www.jobcentreplus.gov.uk-documents-JobEntriesQ42004.xls>

For lone parents job entries for Wales as a proportion of the client base rose to 13.9 per cent compared to the GB average of 10.1 per cent.  
In both the North Wales districts, job entries for lone parents were higher than in Wales generally, reaching almost 20% in WNWC.

**Table 3.24 Jobcentre Plus District Performance: job entries by people with disabilities 2003-04**

<b>Jobcentre Plus District Job Entry Performance</b>			
People with Disabilities			
	No. of Job Entries	Customer base	Job entries as a proportion of client base
National Total	35,726	2,997,396	1.2%
<b>District</b>			
North West Wales & Powys	356	17,521	2.0%
Wrexham & North Wales Coast	281	30,580	0.9%
Wales	5,045	230,635	2.1%

People with disabilities including participants in New Deal for disabled people, disabled people in receipt of incapacity benefit, severe disability allowance income support, invalidity care allowance and bereavement benefit.

Source: Jobcentre Plus <http://www.jobcentreplus.gov.uk/documents/JobEntriesQ42004.xls>

In the case of people with disabilities, job entries as a proportion of the client base in Wales were only 2.1 per cent, but they were even lower in the North Wales districts, especially WNWC, where the rate was under 1%.

**Table 3.25 Jobcentre Plus District Performance 2003-04: job entries by long-term unemployed customers**

<b>Jobcentre Plus District Job Entry Performance</b>			
Customers unemployed for 6 months or more and other disadvantaged Clients			
	No. of Job Entries	Customer base	Job entries as a proportion of client base
National Total	307,775	837,272	36.8%
<b>District</b>			
North West Wales & Powys	2,038	4,404	46.3%
Wrexham & North Wales Coast	2,347	4,963	47.3%
Wales	19,141	39,609	48.7%

Participants in ND50 plus, ND25+, NDYP, employment zones, other people with a disability who are not participants in NDDP or claiming an inactive benefit, and people in receipt of Jobseekers Allowance for 6 months or more.

Source: Jobcentre Plus <http://www.jobcentreplus.gov.uk/documents/JobEntriesQ42004.xls>

Wales' performance comfortably exceeds that of GB in relation to job entries for customers unemployed for six months or more and for other disadvantaged clients.  
North Wales is slightly below the Welsh average, but still comfortably above GB

**Table 3.26 Jobcentre Plus District Performance 2003-04: job entries by long-term unemployed customers**

<b>Jobcentre Plus District Job Entry Performance</b>			
Customers unemployed for less than 6 months and other disadvantaged Clients			
	No. of Job Entries	Customer base	Job entries as a proportion of client base
Great Britain	292,431	3,201,023	9.1%
<b>District</b>			
North West Wales & Powys	2099	15,534	13.5%
Wrexham & North Wales Coast	2230	23,460	9.5%
Wales	18,339	171,533	10.91%

Participants in ND50 plus, ND25+, NDYP, employment zones, other people with a disability who are not participants in NDDP or claiming an inactive benefit, and people in receipt of Jobseekers Allowance for 6 months or more.

Source: Jobcentre Plus <http://www.jobcentreplus.gov.uk/documents/JobEntriesQ42004.xls>

For customers unemployed for less than six months, the difference between GB and Wales is marginal – 10.91% as opposed to 9.1%.  
Of the North Wales districts, NWWP performed well above the (Welsh) national average – 13.5% - while WNWC was slightly above it.

**Table 3.27: Economic Inactivity in North Wales and Wales, 2003**

<b>Economic Inactivity in Wales</b>				
Labour market attachment 1998-2002	North Wales	% of the inactive	Wales	% of the inactive
Want work	2000	2.3	9,000	2.0
Want work, not seeking	13000	14.9	98,000	21.8
Do not want work	72000	82.8	342,000	76.2
Economically inactive	87,000	100	449,000	100

Source: National Statistics, Welsh Local Area Labour Force Survey, 2003  
<http://www.nomisweb.co.uk>

Of the economically inactive, 17.2% wanted a job, in comparison to 23.8% for Wales.

**Table 3.28 Job Density – UA and Objective 1/3 Areas**

Job Density 2000	Job Density 2001	Job Density 2002	Area
0.64	0.65	0.66	Objective One
0.86	0.86	0.84	Objective Three

Job Density 2000	Job Density 2001	Job Density 2002	Unitary Authorities
0.54	0.60	0.57	Anglesey
0.67	0.71	0.69	Conwy
0.79	0.75	0.78	Denbighshire
0.80	0.72	0.71	Flintshire
0.76	0.75	0.80	Gwynedd
0.72	0.73	0.74	Wrexham

Source: National Statistics

Within Wales job density is much higher in the Objective Three area than in the Objective One area. North Wales is partly in the O1 area and partly in the O3 area<sup>1</sup>, it is no surprise to find a spread of job density values within the region.

**Table 3.29 Productivity in North Wales, Wales and UK, 2002**

Productivity in Wales				
GVA per person employed				
NUTS area	GVA 2002	In employment	GVA per person employed	Index UK=100
	£ million	2002	£	
Isle of Anglesey	553	26,000	21269	61
Gwynedd	1,222	49,000	24939	72
Conwy and Denbighshire	2,043	82,000	24915	71
Flintshire and Wrexham	4,074	129,000	31581	91
Wales	34,997	1,212,000	28875	83
UK	906,000	25,987,000	34864	100

Source: [www.statswales.wales.gov.uk](http://www.statswales.wales.gov.uk)

While none of the NUTS areas that make up the North Wales region have productivity levels close to the UK average, there is a clear divide between the Objective 1 area and the rest. Wrexham and Flintshire's productivity is 91% of the UK average, while the rest of the North is only 70% of the UK average.