Northumberland Economic Strategy 2015-2020

April 2015

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Further Information

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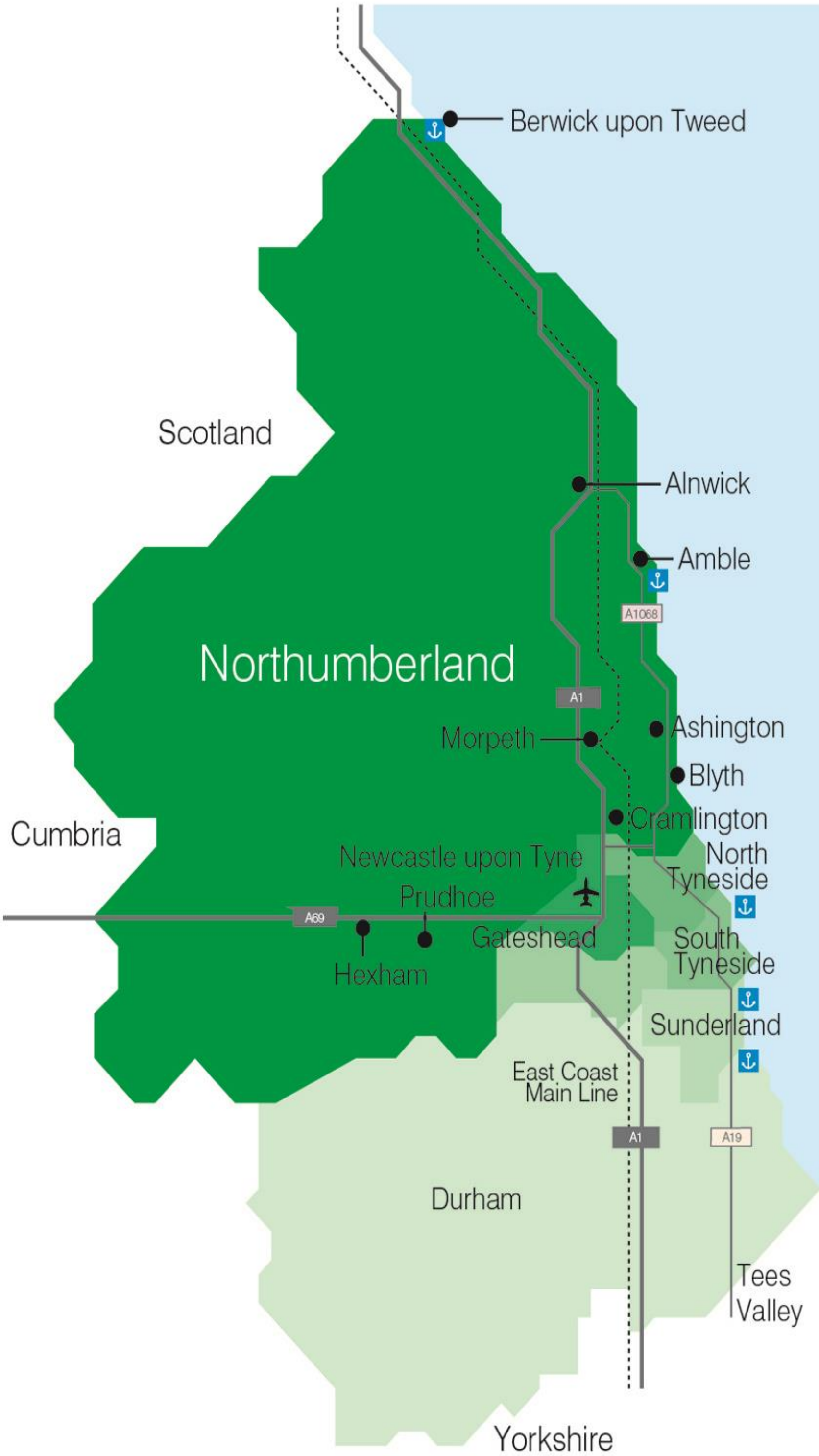
Northumberland within the North East Combined Authority and Local Enterprise Partnership area



1 Introduction

Local Growth and Connected Communities

The five year Northumberland Economic Strategy sets out a vision '*to deliver a prosperous Northumberland founded on quality local jobs and connected communities'.*

The strategy considers our current economic performance and establishes a strategic framework including a vision and thematic priorities to achieve growth. This includes our approach to delivery in terms of partnership working and through the establishment of spatial delivery programmes intended to capitalise upon our economic assets. This work has been influenced by detailed discussions with our partners and this dialogue will continue as the Strategy's delivery plan is prepared.

The ambition set out in this strategy is to create 10,000 new jobs in the county up to 2031. This establishes a joint baseline with the new Northumberland Local Plan which provides the longer term spatial planning framework to enable business, housing and infrastructure development.

Northumberland is a distinct and deeply interconnected place at the heart of the Northern economy with trading, employment and cultural relationships that expand far beyond its administrative borders.

In particular there is the central interdependence with the wider economy of the North East Combined Authority (NECA) and North East Local Enterprise Partnership (NELEP) area. This strategy is set within the context of and is seeking to contribute to the North East Strategic Economic Plan. The Plan sets the target of creating 100,000 new jobs in the region by 2025. There is also a shared purpose on many economic issues with our neighbours in the North of England and the Scottish Borders.

We make the central case that the region's future prosperity will be supported by Northumberland providing more and better employment locally as well as continuing and expanding our crucial role in providing highly skilled workers across the region.

By fulfilling both roles Northumberland will bolster and expand the North East economy utilising the knowledge, skills and output of Northumberland residents and companies and as a consequence achieve balanced and inclusive growth.

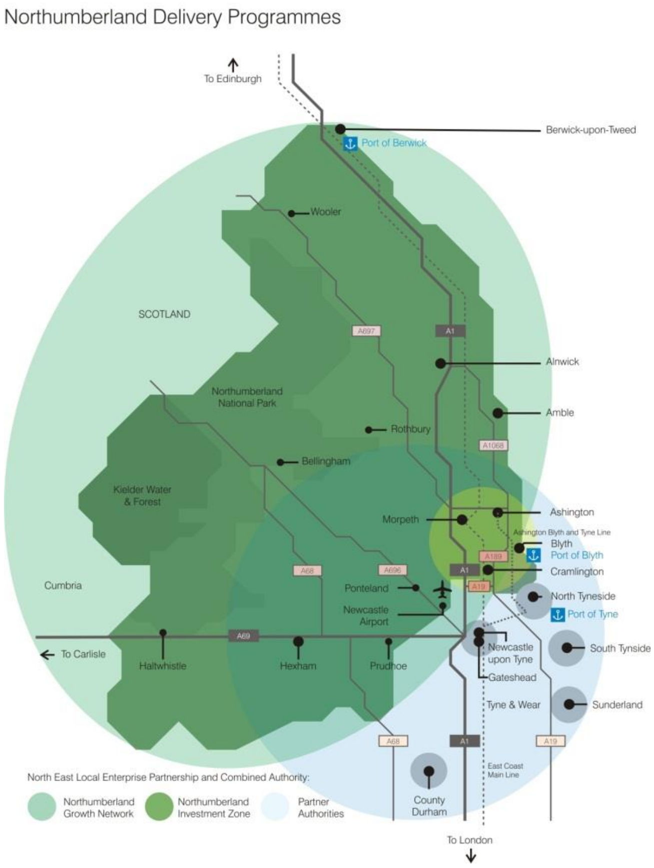
Investment and change

Change will require significant investment in business and sector development, infrastructure and housing to enable growth.

We are focusing on strengthening our existing specialisms including oil and gas in the energy sector centred within our new *Investment Zone* in the most urban part of the County.

This is combined with effective support to the diverse business base across what is a large rural economy where we are establishing a *Growth Network* to package up deliverable investment opportunities.

Tourism and culture businesses are a major part of the Northumberland offer capitalising on our Northumbrian identity. We will be focusing on improving the quality and productivity of the sector and related leisure, arts and heritage activity with integrated support.



There is a focus on supporting the development and renewal of towns and communities allied with the provision of diverse, good quality housing. We will be focusing on using council assets to deliver modern, efficient and joined up services.

To strengthen our economy and that of the region, major investment is needed in transport, mobile and broadband connectivity, in particular dualling the A1 north of Morpeth and re-opening the Ashington, Blyth and Tyne Line to passenger services.

Underpinning our plan for growth is our highly skilled workforce. Plans are presented to bolster our existing strengths as a supplier of high quality labour across the region and to ensure that our economy is as inclusive as possible targeting support for young people and adults disconnected from the workforce.

Working together

Growing the economy is our number one corporate priority. The delivery of the strategy will depend on a range of stakeholders and we are committed to working in partnership using our assets and services including Arch, the Northumberland Development Company to achieve our collective ambitions for growth.

Our future is also dependent on change and progress regionally where we are working with our partners to argue our collective case for investment and deliver change through the NELEP and NECA. We are focused on working together to demonstrate our joint ambition for growth and to achieve devolution which supports our ambitions in partnership with the Government.

The Northumberland Economic Strategy – Strategic Framework

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Priority Interventions

The strategy goes into greater detail about the thematic activities we are identifying that can drive change in the economy. Within this wider framework there are six priority intervention areas which are fundamental to achieving our vision for growth.

Theme	Priority Interventions	
Business	**Growing our sector strengths**	Focused development of the energy, advanced manufacturing, knowledge based services, tourism and culture and forestry sectors
	Strengthening the business base	Targeting business growth through start up and existing business development, securing inward investment, buying local and being a business friendly place
People	**Enabling a more inclusive economy**	Introducing the living wage, delivering targeted employability programmes for those residents disconnected from opportunities and facilitating regional collaboration through the Combined Authority
	Developing a competitive labour force	Supporting skills development, providing opportunities for young people including apprenticeships and ensuring the future workforce matches businesses requirements
Place	**Delivering infrastructure and connectivity**	Attracting investment to the North East Enterprise Zone and delivering a countywide network of excellent employment sites and strategic infrastructure Dualling the A1 and re-opening the Ashington, Blyth and Tyne Line to passenger services alongside excellent countywide connectivity through road, rail, mobile and broadband coverage
	Supporting successful towns and communities	Enabling development of economic hubs across the county including the delivery of the Ashington Investment Plan Facilitating countywide housing development including strategic housing areas in Cramlington and Morpeth

In Chapter 2 *The Northumberland Economy* recent and future performance is explored. Chapter 3 *Strategic Framework* establishes the detailed vision, challenges and thematic activities and Chapter 4 *Delivery* sets out the delivery arrangements including spatial delivery programmes.

2. The Northumberland economy

Location and Assets

Northumberland makes a major contribution to regional and national prosperity. It is home to successful companies operating in global markets, to niche producers and to providers of excellent products and services. Northumberland is a place with world class culture and heritage assets and provides an attractive environment to live, visit and do business.

At the heart of the northern economy, Northumberland sits between the competitive city economies of Newcastle and Edinburgh with good links into external markets via the region's sea ports, Newcastle Airport and national strategic road network.

The NELEP and NECA area hosts considerable assets which Northumberland accesses and forms a part of. The region has:

- a population of almost two million
- an economy worth around £30bn
- over 750,000 employees
- four universities with key research strengths
- almost 50,000 active businesses

Within the region Northumberland is a distinct yet also deeply connected and dependent county. The most significant economic relationship is with Tyneside and the North East of England. There are also important networks and relationships that reach far and wide, with our neighbours in Scotland, Cumbria and more broadly the Northern Regions of England, the United Kingdom, European and global markets.

Northumberland is a supplier of highly skilled labour to the region, however a significant minority of people do not have the skills and qualifications they need to take advantage of opportunities locally or externally and there are pockets of deprivation featuring hidden poverty, especially in the South-East part of the county. Some people and some places are in danger of being left behind.

Northumberland's natural beauty and outstanding quality of life attract talented people. They are vital assets for the whole of the region, and contribute significantly to the competitive advantages of the North East. For all these reasons Northumberland has *a key stake in the economic success of the North East Combined Authority and Local Enterprise Partnership area* and this strategy will support the North East Strategic Economic Plan.

Key European connections

The evidence in this chapter demonstrates that growth in Northumberland is derived from the provision of *work and workers:*

- *Work* in towns, the rural economy and industrial locations for local residents and increasingly in-commuters from Tyneside and the wider region.
- *Workers* who commute and drive the Northumberland and wider Tyneside and regional economy.

Northumberland's commuter role is vital and something this strategy embraces as part of our *changing role in the wider region*, but Northumberland cannot be complacent. Northumberland has managed the transition from traditional industries to the new economy successfully, but there are some causes for concern.

The Northumberland economy is under-performing and it is not contributing as much to growth and prosperity in the wider region as it could. Only by combining a successful commuter role with growth in Northumberland jobs, housing and in commuting can the county achieve more balanced performance in the future.

The provision of *work and workers* is therefore the central issue to emerge in our economic assessment. It is an asset that forms the basis of this strategy and is a factor that will need to be considered in the delivery of the strategy's priorities.

Our proposals set out in the delivery chapter of the strategy are to drive growth through a new *Investment Zone* and *Growth Network* and will aim to enhance the potential of the county to enable further growth and investment using the distinct spatial assets at our disposal integrating our roles providing work and workers.

Returning to Growth

Looking at the overall picture discussed in this chapter, there are some signs to suggest that Northumberland and the region overall has returned to growth since the 2009 economic downturn.

For the first time in history the North East LEP area recently reached 70% employment rate (UK 73%). The employment rate gap with UK hasn't been this low since 2010. The North East also saw one of the largest regional increases in employment rates compared to previous year and previous quarter.

The main drivers of this increase were a decrease in inactivity, an increase in the working age population, and a decrease in unemployment. 25,000 people were directly employed in 'new economy' sectors in 2011 supporting rebalancing of the economy and this is the only region to record a trade surplus given our exporting strengths.

There is also a new record number of people in employment[1] (an increase of 54k compared to the same quarter last year, reaching a total over 1.21m, and higher than ever before). The North East saw one of the largest decreases in unemployment rates compared to the previous year and previous quarter.

Although the NE is still the region with the highest unemployment rate of the UK, at 9.4% it is our region's lowest rate for a second quarter since 2008 with economic inactivity at record low levels, and dropping fastest than anywhere else. This relatively positive picture for the region to an extent disguises the structural challenges the county faces economically.

Our economic assessment concludes that Northumberland is a place where the economy has to an extent been resilient on some measures; with a relatively stable overall quantum of businesses and employment including the long standing location of a small number of large multinational firms in the county.

Together with a highly skilled workforce we have seen success in sector specialisms such as healthcare and life sciences whilst enabling regional productivity through our workforce.

However, the county does not perform well on key growth measures. This includes GVA performance both within the North East LEP and England context. The county has experienced relative long term decline and has a high degree of reliance on external factors. The wider regional economy sustains household income levels as commuting is a major factor in the Northumberland labour market.

These trends also relate to long term restructuring of the economy and global economic trends. Northumberland shares many of these issues with other places in the region so our position must be seen in that context.

Economic Performance

Recent economic data for Northumberland overall, particularly when considered in isolation from the NELEP/NECA area[2] highlights that without major intervention there are likely to be considerable challenges if we are to see further indigenous growth.

Economic output, as measured by Gross Value Added (GVA), in England excluding London grew by more than 75% in real terms between 1997 and 2012. This rate of

[1] Source NELEP Economic Performance Bulletin Quarter 1 2014
[22] NELEP and NECA geography covers the Local Authority areas of Northumberland, Newcastle, North and South Tyneside, Gateshead, Sunderland and Durham.

growth was outstripped by Tyneside, where output almost doubled in the same period.

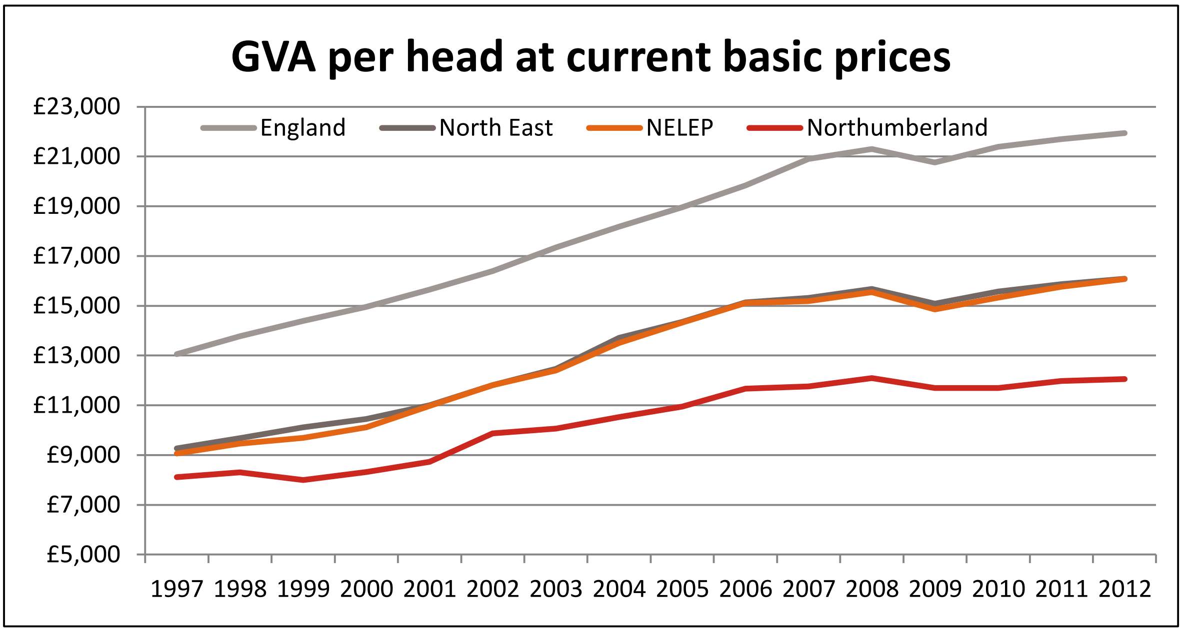
By contrast, Northumberland's has performed less well, with output up by just 50% in 15 years; GVA in 2012 had only just returned to the pre-recession 2008 level.

Even more strikingly, GVA per capita in Tyneside, which was about 85% of the English average (excluding London) in 1997, had risen to 2% *above* the English average in 2012. By contrast, Northumberland slumped from 71% of the English average to 65%.

Also of particular note is the County's relatively slow rate of recovery from the low point of 2009. For 2012, GVA shows an increase of 8.0% and 7.7% over 2009 levels at national and regional level, respectively. The corresponding increase for Northumberland is much lower at only 3.6%.

In 2012, the most recent year for which data are available, GVA in Northumberland was £3.8bn and represented about 9% of the total for the North East. Northumberland's economy has grown more slowly than the national and regional economies in recent years.

GVA Performance 1997-2012[3]

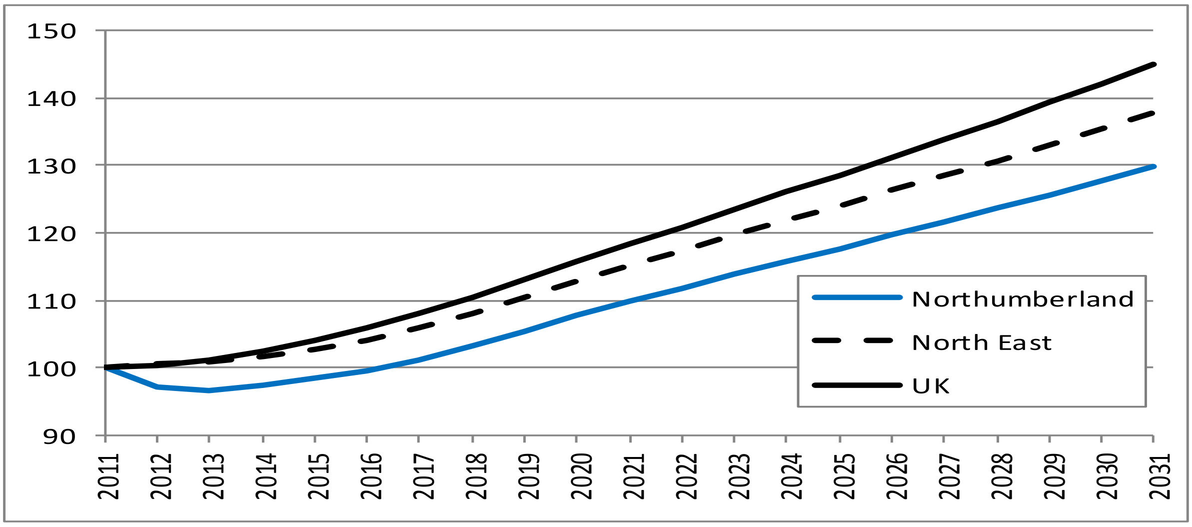


3 Source: ONS Regional Accounts

Should the underlying employment trends that cause this performance continue the risk is that Northumberland's role as a commuter area will continue to increase and its role in providing quality jobs locally will recede further risking an unbalanced local economy and further dependence on external factors.

The future trend for GVA performance is demonstrated on the figure below showing that without intervention Northumberland's GVA is projected to grow but at a lower rate than the North East and England and the relative gap will continue to widen.

GVA projections: Northumberland, North East and UK 2011-2031 (2011=100)[4]



Employment

In terms of employment, service sectors and in particular public services dominate:

- *Service activities* account for 80% of the County's jobs.
- *Public Services* is the largest sector at over 30% of all jobs.
- *Tourism* and *Retail* are large service sectors accounting for 13% and 11% of jobs respectively.
- *Manufacturing* accounts for around 11% of jobs.

In South East Northumberland particularly this sector is significantly represented when compared with the England average. The remaining sectors have under 10% share of employment.

[4] Source: Cambridge Econometrics/Policy Research Group, Durham Business School/St Chad's

Percentage of Jobs by Sector, 2013

Sector[5]	2013	%
Agriculture*, forestry & fishing	5,000	5%
Mining, quarrying & utilities	2,000	2%
Manufacturing	11,400	11%
Construction	5,400	5%
Motor trades & wholesale	4,600	4%
Retail	11,100	11%
Transport, storage, information & communication	3,500	3%
Finance, property, business admin and support	7,500	7%
Professional, scientific & technical	4,100	4%
Public admin, defence, education & health	31,800	31%
Arts, entertainment, recreation & other nec	3,100	3%
Tourism	13,200	13%
Total	**102,700**	

Location Quotients

Location quotients (LQ's) [6] show sectors in Northumberland compared to the England average in 2013 and the table below shows the top 5 and bottom 5 in the county. This demonstrates those sectors where there is a significant under or over representation of a sector in the economy. High or low LQ's are only likely to be a significant factor if the sector itself is of significant scale.

For the county overall we can see that areas such as Agriculture and Forestry and tourism are a significant compared to the English average although the relative size of each sector in terms of employment is important to note (5% and 13% respectively).

Sectors of the economy where knowledge based services are typically found include finance, insurance, information and communications and are significantly under-represented.

Location quotients by local economic areas within the county are set out later in this chapter.

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[5] Source: BRES 2009-2013, NOMIS*Agriculture data is derived from DEFRA 2009 and 2010 Numbers may not add due to rounding.

[6] LQs are calculated by dividing the share of a given sector's share of employment in Northumberland by the share of that sector's employment in England (excl London). The three areas later in this chapter are treated in the same way and compared to England (excl London) also.

Northumberland Location Quotients [7]					
Top 5 LQs			Bottom 5 LQs		
SIC Section		LQ	SIC Section		LQ
A	Agriculture, Forestry etc.	2.25	H	Transport & Storage	0.62
BDE	Mining & Quarrying	1.55	M	Prof, Sci & Tec	0.59
Q	Health	1.35	G	Wholesale	0.50
HILNR	Tourism	1.33	K	Finance & Insurance	0.36
G	Motor Trades	1.17	J	Info & Communication	0.29

Sector and employment changes

The relative number of employees and employers by sector in Northumberland is based on the most recent (2013) Business Register and Employment Survey (BRES).

Around half of all employment in the NELEP area is in Tyneside where most out commuters from Northumberland travel to work. Northumberland remains consistent providing around 13% of jobs with around 102,500 people in work.

Research by the precursor to NELEP[8] concluded that the region is not a typical urban periphery city region (such as Manchester City Region) and is polycentric in nature with employment dispersed in multiple places in all Local Authorities.

This includes concentrations of key functions and activity such as:

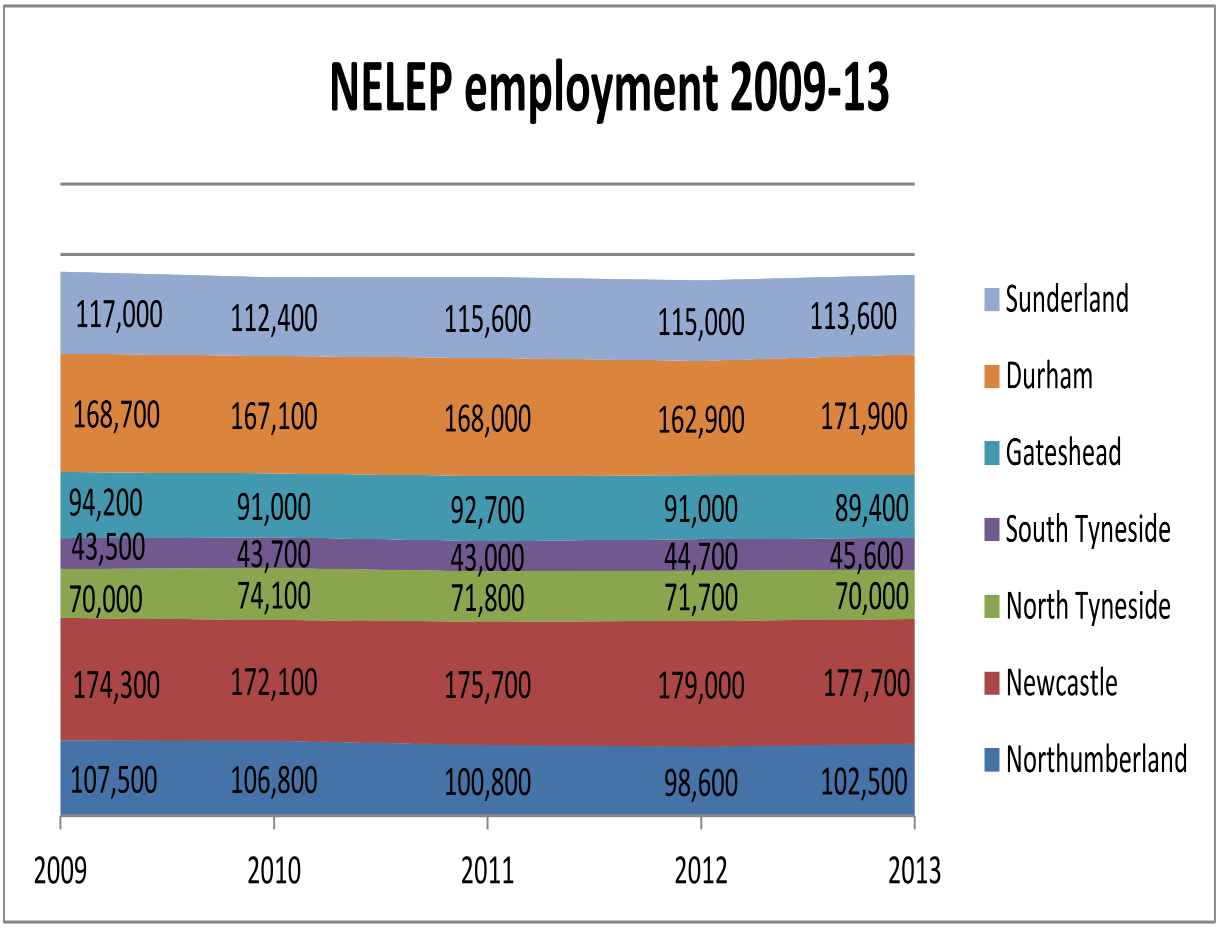
- financial, business and retail activity in Newcastle, Durham and Sunderland City Centres,
- service and manufacturing hubs including Regents Centre, Cobalt Business Park, the automotive supply chain around Washington and Sunderland, Team Valley and;
- significant employment locations including industrial estates, business parks, and town centres across the region such as in Cramlington where for instance the overall quantum of employment is large but spread over multiple sites in and around the town.

This evidence demonstrates the interdependence between the different parts of the region given the dispersed rather than concentrated nature of both labour and employment provision.

[7] Source: BRES and DEFRA
[8] Source: Tyne and Wear City Region Economic Review

As shown below, most recently employment has risen in Northumberland but it is still almost 5% lower than it was 5 years ago, although employment has fallen most recently in Newcastle, it has grown by 2% overall since 2009.

Employment change in the North East LEP Region 2009-2013[9]



The table below shows the substantial change since 2009 in the local economic structure. A number of sectors have fared well as the country emerges from the economic downturn including health and tourism services. However other parts of the economy in particular public services and education have reduced significantly.

Sectors that have grown the most over the last 5 years are:

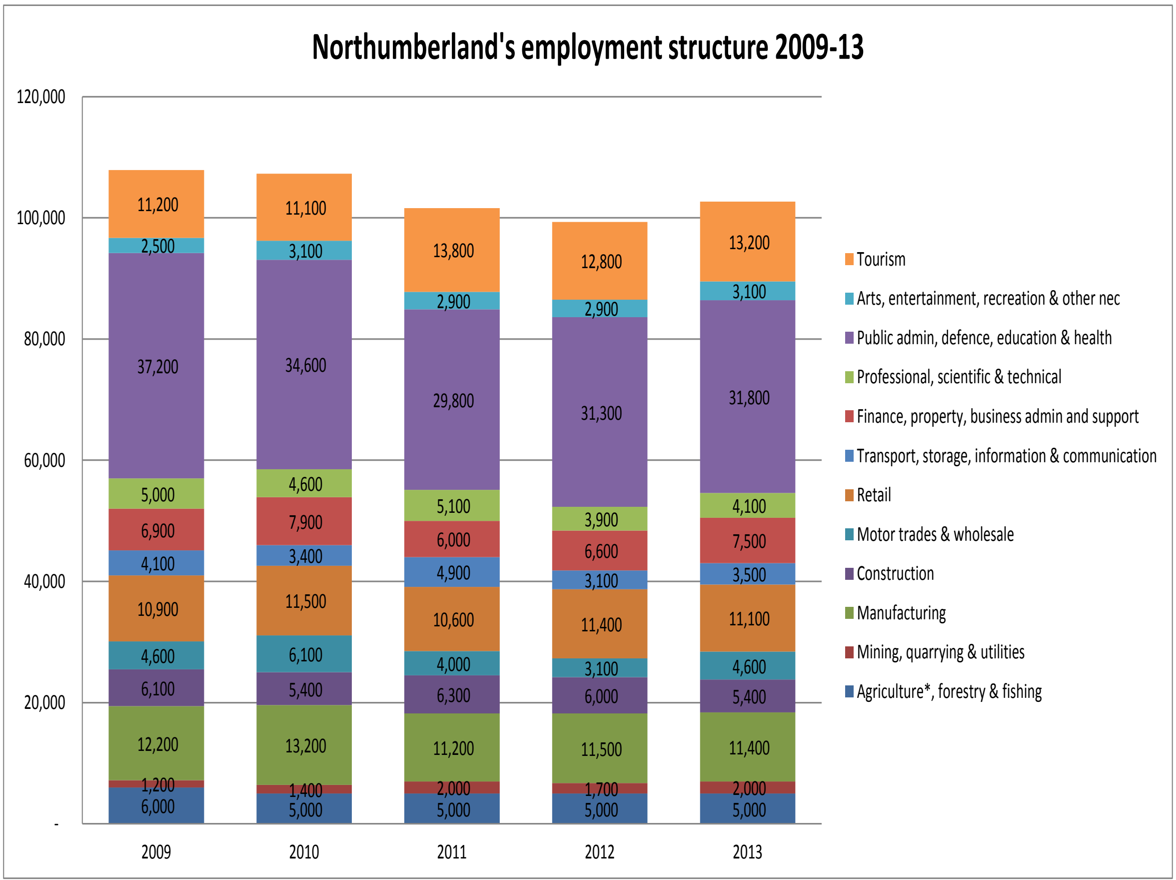
- Mining, Quarrying and Utilities (up 67%),
- Health (up 29%),
- the Arts, Entertainment and Recreation (up 25%),
- Tourism (up 18%).

Sectors that have suffered the most decline over the same period are:

[9] Source: BRES

- Public Admin and Defence (down 58%),
- Education (down 25%),
- Professional, Scientific and Technical (down 18%)
- Agriculture, Forestry and Fishing (down 17%).

Northumberland's Employment Structure 2009-13[10]



Despite the considerable change experienced in recent years, there remains a considerable interdependency between key parts of the economy, for instance between the land based sector and areas of development such as tourism, knowledge based services and energy.

Also, despite the fluctuating circumstances of certain sectors as a proportion of the economy those sectors remain extremely important in terms of their continuing share of employment. An example of this is the agriculture sector which has suffered decline in terms of its share of the employment structure but when compared to the England average remains significant as a proportion of economic activity overall and particularly in the rural economy.

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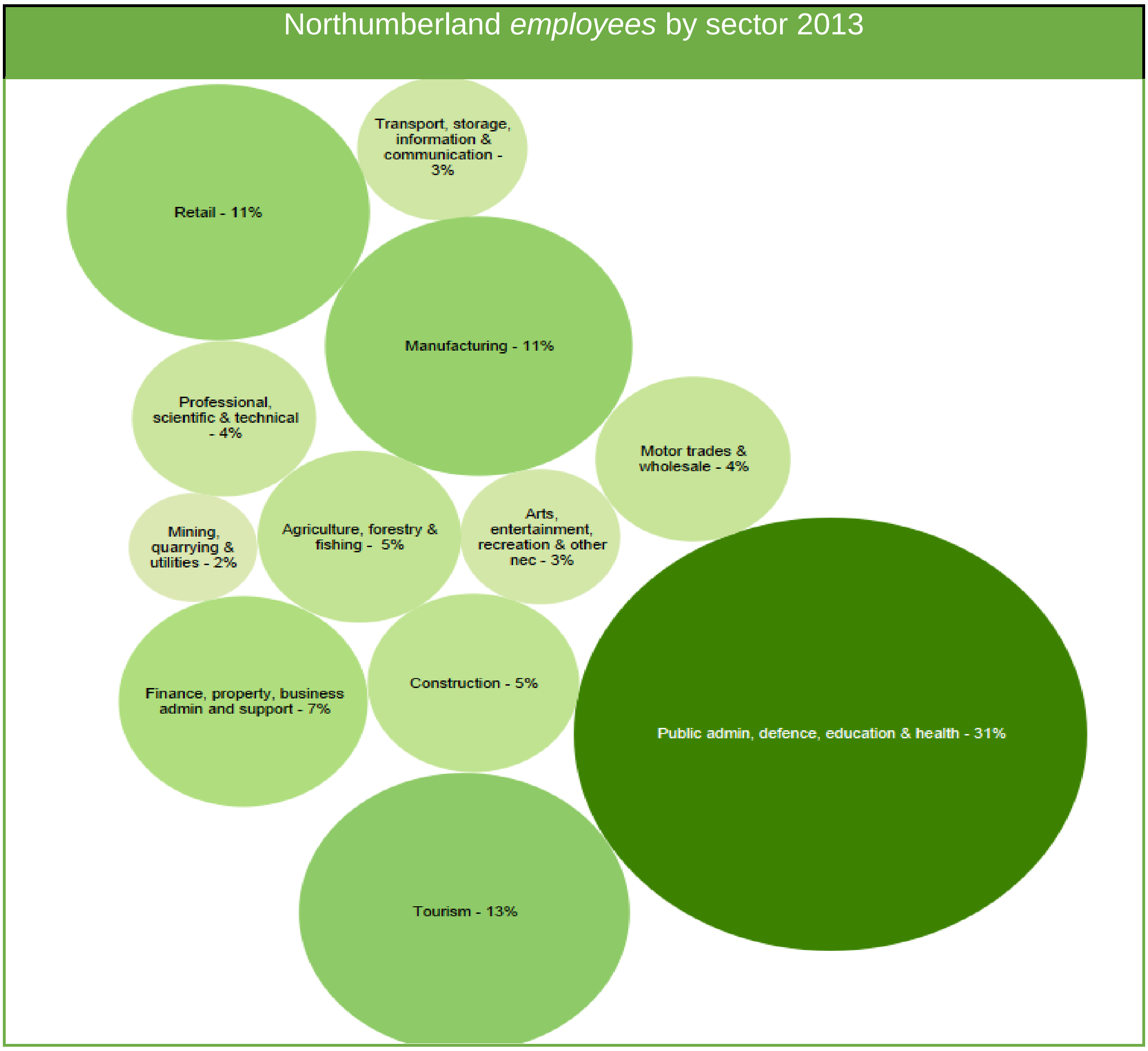
[10] Source: BRES and DEFRA

Employees and Employers

It's also important to consider the difference between the overall size of sectors in Northumberland by employment and the number of organisations within a given sector. This can give an indication of the relative diversity or resilience of certain sectors and also the different needs a sector may have in terms of approaches to support.

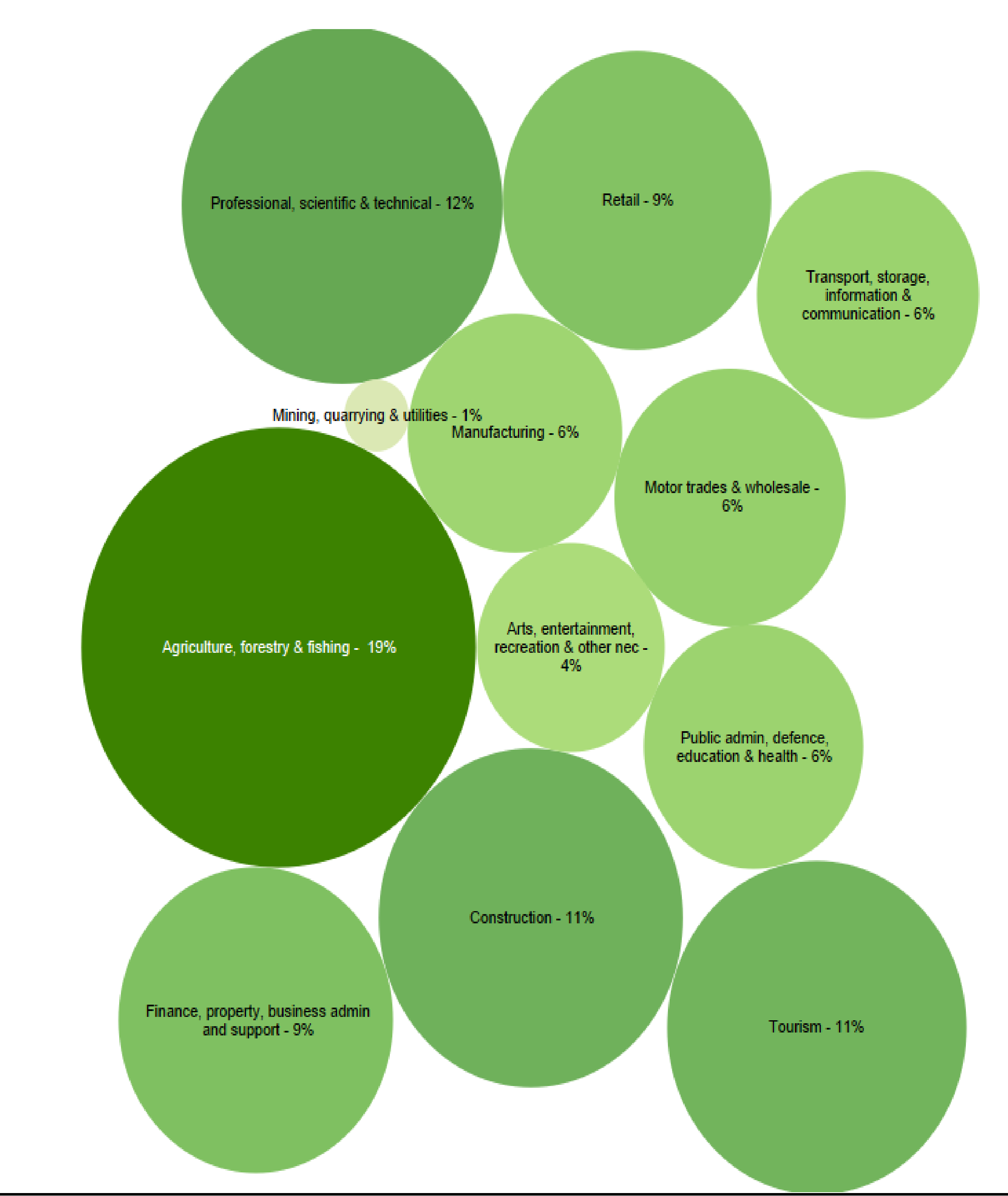


The data shown in the bubble diagrams on this page and overleaf demonstrates the different conditions in some of our key sectors.

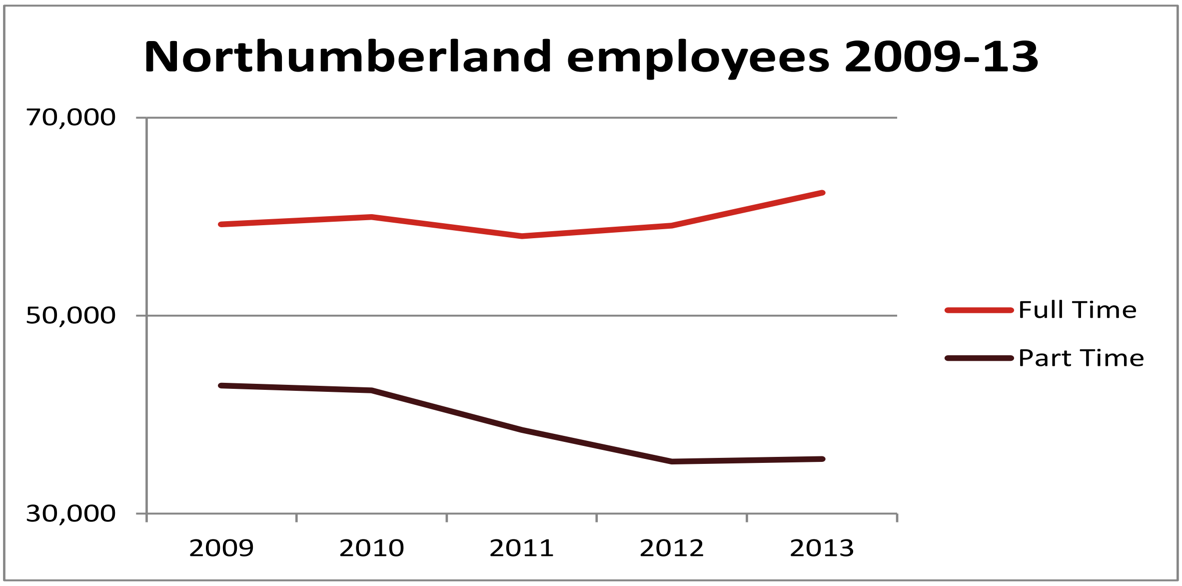
For instance public services and manufacturing support a large amount of employment but the number of organisations supporting that employment is much smaller, perhaps indicative of the large institutions and the small but significant number of multi-national companies in these sectors employing over 250 staff.

Conversely, other sectors such as tourism and agriculture have a greater number of organisations than workers meaning that they are dominated by small businesses.

Northumberland *employers* by sector 2013



Part time and full time employment [11]



The distribution of full-time and part-time posts has altered significantly over the last 5 years with the number of full-time employees increasing by 5% but the number of part-time posts decreasing by 17%; this could be considered as partly due to the cuts in the public sector which traditionally has hosted many part time jobs.

Part-time employment, in key local sectors like retail, healthcare and tourism, may reflect under-employment and certainly contributes to a low-paid local economy and has a significant impact on productivity measures including GVA performance.

The long term employment projections discussed later in this chapter suggest that the amount of part time work will grow with the gap between FTE and headcount numbers widening.

Employability

Two key indicators of the *employability* of the Northumberland workforce are the economic activity rate and the employment rate. People aged 16 to 74 who are in work or seeking work are classified as economically active.

According to the Annual Population Survey, 78.7% of adults in Northumberland were economically active in the 12 months to March 2014, 3% higher than ten years previously and above the rates for both NELEP (74.4%) and England (77.5%).

The most recent employment rate for Northumberland was 74.1% (10% self-employed), well above the regional and England rates (67.2% and 71.9%

[11] Source: BRES

respectively). Of those who are economically active 7.2% were unemployed, less than in the North East (9.8%) and almost the same as for England (7.1%). The trend overall is that unemployment is declining since peaking in 2011.

There have been shifts by gender over the last ten years, with female employees exceeding the number of male employees from 2008 to 2011 but that has now reverted to more male employees than female. More than twice as many men are self-employed than women and this has remained fairly consistent over the last ten years.

These trends are relatively encouraging, although they conceal some big *variations at the local level*. Economic activity rates are very high in the central and rural areas, less so in the south-east although there are pockets of high skilled residents.

Low unemployment combined with high levels of self-employment is typical of rural communities, with a tradition of adaptability and self-help however this includes features of low pay, job insecurity and seasonality.

Economic Activity and employment[12]					
	Northumberland (numbers)	**Northumberland (%)**	**NELEP (%)**	**North East (%)**	**England (%)**
	All people				
Economically active†	155,800	78.9	74.9	75.0	77.6
In employment†	146,500	74.0	68.0	67.9	72.2
Employees†	123,500	63.1	60.1	60.1	61.6
Self-employed†	21,600	10.2	7.1	7.1	10.2
Unemployed (model-based)§	11,100	7.0	9.0	9.3	6.8
	Males				
Economically active†	83,100	84.0	79.3	79.4	83.5
In employment†	77,900	78.6	72.0	71.8	77.5
Employees†	63,000	64.8	61.6	61.3	63.2
Self-employed†	14,100	13.0	9.6	9.8	13.8
Unemployed§	5,200	6.3	9.0	9.4	7.0
	Females				
Economically active†	72,700	73.7	70.5	70.7	71.7
In employment†	68,600	69.5	64.0	64.0	67.0
Employees†	60,500	61.4	58.7	58.9	59.9
Self-employed†	7,400	7.4	4.5	4.3	6.5
Unemployed§	4,100	5.6	9.1	9.2	6.5

[12] Source: ONS annual population survey

†numbers are for those aged 16 and over, % are for those aged 16-64

§numbers and % are for those aged 16 and over. % is a proportion of economically active

Economic Activity (aged 16-74)[13]	South East		Central		Rural	
Economically Active	81,388	67.1	39,227	68.5	37,653	68.8
Employees part-time	17,864	14.7	8,187	14.3	8,317	15.2
Employees full-time	46,791	38.6	21,188	37.0	18,401	33.6
Self-employed	7,108	5.9	6,864	12.0	8,091	14.8
Unemployed	6,847	5.6	1,660	2.9	1,822	3.3
Full-time student	2,778	2.3	1,328	2.3	1,022	1.9
Economically Inactive	39,912	32.9	18,007	31.5	17,037	31.2
Retired	21,314	17.6	11,419	20.0	11,164	20.4
Student (Including Full-Time	4,220	3.5	2,287	4.0	1,601	2.9
Looking After Home or	4,719	3.9	1,804	3.2	1,845	3.4
Long-Term Sick or Disabled	6,908	5.7	1,767	3.1	1,646	3.0
Other	2,751	2.3	730	1.3	781	1.4

Demographics

The County has an ageing population, countering this trend is vital if Northumberland is to see balanced growth in future years. 22% of the population is aged 65 or over, compared with 18% in the North East and 18% in England. This is in part a function of declining economic vitality, especially in rural areas, where the age structure is even older. 25.5% of 16 to 74 year olds are retired, up from 16.2% in 2001, but only 16.7% of North East residents are retired and just 14.8% in England.

The Annual Population Survey revealed the highest retirement levels for Northumberland in 2009/10, at over 30%. Retirement levels have remained between 20-30% in Northumberland for the last ten years. As such attracting a more diverse demographic of working age in migrants to the County is a key challenge and requires consideration of measures that will provide an effective lifestyle, jobs and housing offer that is well connected to the wider region and ensure the area maintains and builds upon its strengths regarding the labour market.

Population projections[14] for Northumberland suggest that there will be a considerable increase in the proportion of over 65's in Northumberland, and lowered proportions of people in the younger and middling ages over the next 20 years without intervention.

Projections 2012-2031:

- A significant increase (52.6%) in the over 65 age group;
- 70-79 age group increase by 48.8%
- 80-89 age group increase by 90%
- 90+ age group increase of 162%
- Core working age population (20-64) projected to decrease by 22,150

[13] Source: Census 2011
[14] Northumberland Knowledge / ONS / Edge Analytics

The ageing population is an issue facing the North East and England generally, but in Northumberland the problem is likely to be particularly acute. Intervention to counter these trends is a key factor influencing vision and thematic priorities.

Qualifications and commuting

Workforce *qualifications* reflect a similar pattern: compared with the North East, Northumberland has fewer residents aged 16 and over with no qualifications but lags the English average. For those residents with a degree or higher qualification, Northumberland performs slightly better than the North East average but lags behind the English average.

Census data on *occupations* show that Northumberland residents are more likely to work in managerial, professional and technical occupations than North East residents, but the rate is still below the English average. Northumberland residents are less likely to work in process or elementary occupations.

Qualifications[15]					
Northumberland (level)	**No.**	**Northumberland (%)**	**NELEP (%)**	**North East (%)**	**England (%)**
NVQ4 and above	58,400	30.7	28.4	28.1	35.0
NVQ3 and above	103,400	54.4	51.4	51.7	55.6
NVQ2 and above	139,200	73.2	70.1	70.4	72.5
NVQ1 and above	166,900	87.8	83.8	83.7	84.6
Other qualifications	9,600	5.0	5.7	5.6	6.3
No qualifications	13,700	7.2	10.6	10.7	9.1

These figures conceal a more complex picture, with *big differences between the three economic areas* in Northumberland. People living in the central area of the county are much more likely to have higher qualifications and to work in high-level occupations than residents of much of south-east and rural Northumberland.

Highest Level of Qualification [16]	South East	Central	Rural

[15] Source: ONS annual population survey
Notes:For an explanation of the qualification levels see the definitions section.
Notes:For an explanation of the qualification levels see the definitions section.
level and % are for those aged 16-64
% is a proportion of resident population of area aged 16-64

No qualifications	36,336	27.1	11,788	17.9	14,460	23.2
Level 1 qualifications	20,628	15.4	7,004	10.7	8,159	13.1
Level 2 qualifications	23,326	17.4	9,979	15.2	10,058	16.1
Apprenticeship	6,694	5.0	2,389	3.6	2,740	4.4
Level 3 qualifications	17,303	12.9	7,370	11.2	6,977	11.2
Level 4 qualifications and	24,649	18.4	24,948	38.0	17,427	27.9
Other qualifications	5,113	3.8	2,205	3.4	2,609	4.2

We also know that a very significant proportion of the county's *highest earners* are working in senior jobs in the Tyneside conurbation. There are relatively limited opportunities in Northumberland for senior managers and professionals, but local residents are making a big contribution to regional growth and prosperity.

Across Northumberland, average residents' earnings exceed average local workplace earnings by £30 (for men) and £24 (for women).

Occupations[17]					
Northumberland (level)	**No.**	**Northumberland (%)**	**NELEP (%)**	**North East (%)**	**England (%)**
Soc 2010 major group 1-3	56,200	38.7	37.8	37.5	45.1
1 Managers, directors and senior officials	15,200	10.4	8.2	8.1	10.4
2 Professional occupations	23,400	16.0	17.0	17.0	20.0
3 Associate professional & technical	17,600	12.0	12.2	11.9	14.4
Soc 2010 major group 4-5	37,500	25.8	23.9	23.9	21.2
4 Administrative & secretarial	15,700	10.7	11.6	11.5	10.6
5 Skilled trades occupations	21,800	14.9	12.0	12.1	10.4
Soc 2010 major group 6-7	27,000	18.6	19.4	19.4	16.8
6 Caring, leisure and other service occupations	16,300	11.1	9.7	10.0	9.0
7 Sales and customer service occs	10,700	7.3	9.4	9.2	7.7
Soc 2010 major group 8-9	24,600	16.9	18.9	19.3	16.9
8 Process plant & machine operatives	9,100	6.2	7.2	7.4	6.2
9 Elementary occupations	15,400	10.5	11.5	11.7	10.6

This is the commuting premium, and the historic data tell us that the gap is much bigger in the areas with the high levels of commuting. In the Tyne Valley and

[16] Source: Census 2011

[17] APS 2014

Morpeth areas, residents' average earnings are well above the national average, and they exceed local workplace earnings by as much as 50%.

By contrast, the relatively low skilled workforce in South-East Northumberland are on average low earners, whether they work locally or in the wider area. Average earnings in the remote areas of the north and west are lower still. Across the county, low hourly rates are often associated with part-time jobs. This disparity re-enforces the need to increase the quality of jobs within the county.

Occupation (aged 16-74 in employment)[18]	South East		Central		Rural	
Managers, Directors and Senior Officials	5,931	8.0	5,178	13.9	4,350	12.2
Professional Occupations	8,832	12.0	8,873	23.8	5,102	14.3
Associate Professional and Technical Occupations	8,492	11.5	4,699	12.6	3,636	10.2
Administrative and Secretarial Occupations	10,048	13.6	3,641	9.8	3,202	9.0
Skilled Trades Occupations	8,972	12.1	3,920	10.5	6,146	17.2
Caring, Leisure and Other Service Occupations	8,613	11.7	3,479	9.3	3,487	9.8
Sales and Customer Service Occupations	7,577	10.3	2,496	6.7	2,615	7.3
Process, Plant and Machine Operatives	6,633	9.0	1,915	5.1	2,842	8.0
Elementary Occupations	8,780	11.9	3,142	8.4	4,300	12.1

[18] Source: Census 2011

Socio-Economic (aged 16-74 in employment)[19]	South East		Central		Rural	
Higher Managerial, Admin & Prof Occupations	7,380	6.1	8,580	15.0	5,170	9.5
Lower Managerial, Admin & Prof Occupations	22,609	18.6	15,286	26.7	11,805	21.6
Intermediate Occupations	17,863	14.7	7,081	12.4	5,747	10.5
Small Employers & Own Account Workers	8,099	6.7	6,221	10.9	8,364	15.3
Lower Supervisory & Technical	10,897	9.0	3,477	6.1	4,421	8.1
Semi-Routine Occupations	21,306	17.6	6,711	11.7	8,827	16.1
Routine Occupations	18,716	15.4	4,501	7.9	6,148	11.2
Never Worked and Long-Term Unemployed	7,600	6.3	1,846	3.2	1,652	3.0
Not Classified	6,820	5.6	3,531	6.2	2,556	4.7

This data needs to be seen in the context of *an improving picture*, with significant reductions between 2001 and 2011 in the number of unqualified people, and corresponding increases in the percentage with higher level qualifications. But the big concern is the uneven geographical distribution within the county of both qualifications and people working in senior jobs.

The occupational structure of the commuter towns in the central part of the county compares favourably with almost anywhere in England, but the communities in and around Ashington, Blyth and parts of Cramlington alongside a number of remote rural areas are much more dependent on semi-skilled and elementary jobs.

In pockets of deprivation throughout the county, and especially in the south-east and remote rural communities, *low levels of attainment and skills* constrain business formation and deter investment and are reflected in areas of above-average unemployment, low pay and hidden poverty.

In geographically remote communities, high achieving young people inevitably may need to leave home to continue their education and start careers but opportunities for good quality local apprenticeships and further education opportunities are often very limited locally.

[19] Source: Census 2011

A changing economy: Northumberland in the North East Combined Authority and Local Enterprise Partnership area

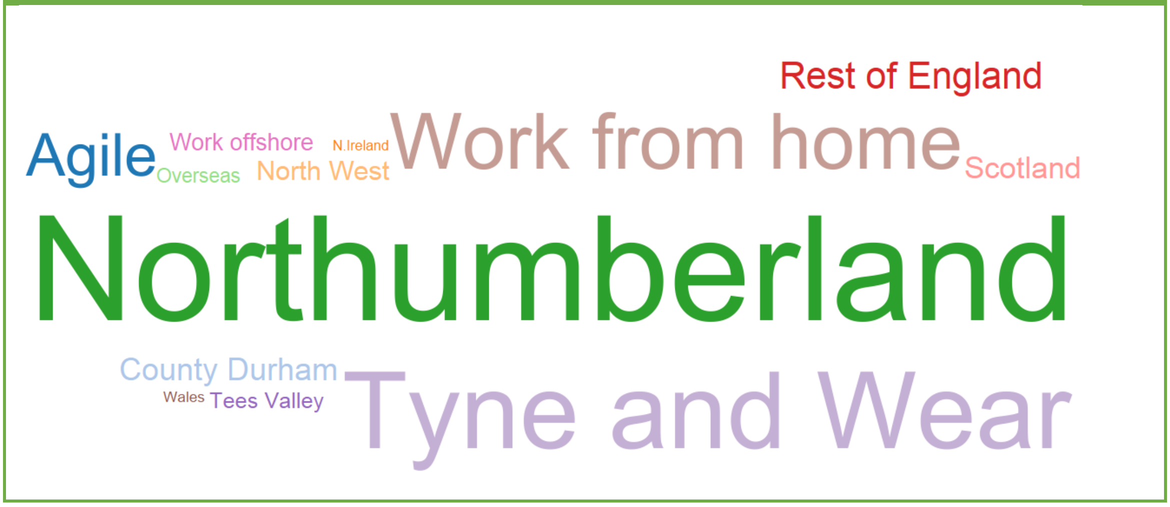
Long-term trends in Northumberland have seen major restructuring away from primary industry and a sharp overall decline in employment in agriculture and traditional industries, partially offset by inward investment and the growth of manufacturing and local service industry

A key trend alongside this has been the *growing role of the Tyneside conurbation as a jobs provider for Northumberland's residents*, especially in Newcastle and North Tyneside, featuring well-paid, high-level jobs. Parts of the south east and central area of the county contain attractive towns, with an excellent quality of life, which make it a popular place to live for managers, professionals and others working particularly in Tyneside.

The overall position of the local economy in terms of performance and output has declined. Although within Northumberland there are some important international businesses and distinctive service providers and producers, overall the economy of Northumberland features low-wages and productivity. Compared to the rest of the North East LEP and England; the output gap in terms of economic performance has grown.

However, the economic success of Newcastle, Tyne and Wear and the Region has helped Northumberland to sustain household income, especially in the central part of the County where many highly skilled and highly paid residents live. Average household incomes in places like Morpeth, Hexham, Ponteland and Corbridge are among the highest in England.

Where do Northumberland residents work?



Much more than other parts of the North East, Northumberland provides key workers vital for the success and growth of the North East economy, including senior managers and professionals. Northumberland's economy, when considered in terms of the work it provides and the workers it provides therefore makes a huge contribution and is a driver of regional prosperity.

The daily flow of *commuters* between Northumberland and Tyneside demonstrates a significant interdependency within the regional economy, out-commuting (mostly to Newcastle, North Tyneside and Gateshead) exceeds in-commuting by a ratio of 2:1.

Looking within the substantial headline commuting patterns, the trends 2001-2011[20] show the number of in-commuters to Northumberland has increased (28%) and the already significant number of those commuting to Tyneside has increased marginally (2%), meaning the net outflow has decreased. There are positive aspects to this trend in terms of the county providing labour for Northumberland based businesses and in seeking to further promote local growth including employment and housing investment in the future combined with its existing role in supplying labour in the wider region.

Commuting is now a major factor in the county's current success and the ability to increase its resident population and businesses in the wider economy will be a key determinant of economic growth in the future.

Northumberland's increasing commuter role has supported diverse and resilient communities whose traditional industries declined in previous years. Providing a commuter base provides an exceptional quality of life, local employment, educational opportunities, shopping, leisure and culture combined with the same factors but via a broader and richer offer linked to the regional economy.

Where do people who work in Northumberland live?

[20] Source Census 2011 and also supported by Nomis mid-year estimate data

Local Areas

Northumberland is a large, diverse county, with an area of 1,940 square miles (5,013 km^2), but a population of only 316,000, most of whom live in the South East and Central areas of the county.

For such a diverse and geographically significant place, the *economic geography* of Northumberland is necessarily complex.

To understand the variations in the county the emerging Northumberland Local Plan Delivery areas (see map overleaf) provide a common starting point when considering geography and evidence.

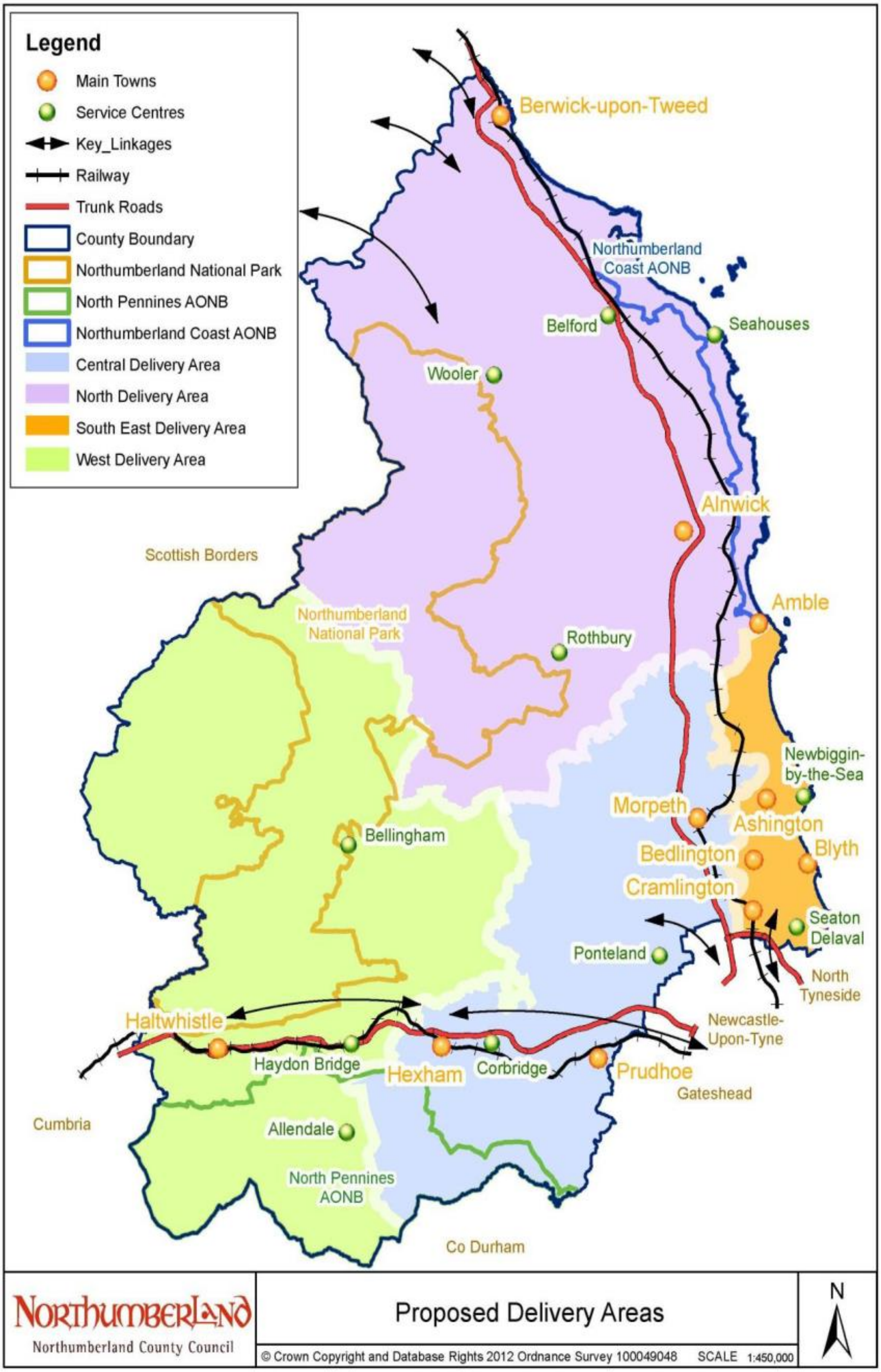
Broadly speaking, evidence including labour, sectoral and housing market analysis suggests that the county divides into the four delivery areas, which also overlap and intertwine with one another depending on individual factors that are considered:

- **South East Northumberland**
- **Central Northumberland**
- **North Northumberland (Rural Northumberland)**
- **West Northumberland (Rural Northumberland)**

This chapter considers evidence about the distinct economic strengths of the above areas. From an economic perspective the South East and Central areas have distinct characteristics, particularly regarding housing markets and labour markets flows.

North and West Northumberland areas are described and analysed together under the banner **Rural Northumberland** as these localities share many of the same economic characteristics such as strengths in tourism and agriculture, proximity from urban areas, housing markets, and natural environment assets.

Local Plan Delivery Areas



South-East Northumberland

This area includes the urban locations around the towns of Ashington, Blyth, Cramlington and Bedlington.

South East Northumberland is the industrial heartland of the county with major employers, the majority of land available in the county for future industrial development, an Enterprise Zone with a package of additional incentives to attract investment as well as the locational benefits of the deep water Port of Blyth.

The area features a commuting population well connected particularly by road into Tyne and Wear and also a more locally focused group of residents and workers. This area features considerable variation in the quality and standards of its urban centres and housing market.

Although the area is the most urban part of the county, it also includes more rural and coastal communities further away from the main settlements including Amble and other smaller coastal towns and villages.

When considering the relative size of sectors (location quotients) in each locality mining and quarrying and manufacturing in South East Northumberland are substantial compared to the England average. The information and communications sector and agriculture and forestry sector are under-represented.

Location quotients[21], South East Northumberland 2013

Top 5 LQs			Bottom 5 LQs		
	SIC Section	LQ		SIC Section	LQ
BDE	Mining & Quarrying	1.90	M	Prof, Sci & Tec	0.51
C	Manufacturing	1.73	G	Wholesale	0.48
Q	Health	1.59	K	Finance & Insurance	0.42
F	Construction	1.17	J	Info & Communication	0.25
G	Retail	1.16	A	Agriculture, Forestry etc.	0.17

Source: BRES and DEFRA

[21] LQs are calculated by dividing the share of a given sector's share of employment in Northumberland by the share of that sector's employment in England (excl London). The three areas later in this chapter are treated in the same way and compared to England (excl London) also.

Central Northumberland

Encompassing the area from Morpeth to the Tyne Valley towns of Hexham and Prudhoe– this area includes accessible service centres serving the broader rural hinterland which contain a range of smaller towns and villages.

The area is typified by a successful housing market and good road and rail connectivity into Tyne and Wear and also Durham and Carlisle.

The area includes a major proportion of residents that commute to well-paid jobs within the conurbation, which is a factor in influencing the high standard of living, high house prices and high levels of development pressure for housing.

There are major employers located in and around the principal towns including Egger in Hexham, Northumberland's largest private sector employer and Piramal in Morpeth.

When considering the relative size of sectors (location quotients) in each locality public administration and defence is most strongly represented in Central Northumberland as well as strengths in agriculture and forestry and arts, entertainment and recreation.

The manufacturing, finance and insurance and information and communication sectors are under-represented.

Location quotients[22], Central Northumberland 2013

Top 5 LQs			Bottom 5 LQs		
	SIC Section	LQ		SIC Section	LQ
O	Public Admin & Defence	3.53	N	Business Admin etc.	0.50
A	Agriculture, Forestry etc.	1.94	G	Wholesale	0.49
R	Arts, Ent, Rec etc.	1.78	C	Manufacturing	0.34
F	Construction	1.52	K	Finance & Insurance	0.33
Q	Health	1.43	J	Info & Communication	0.24

Source: BRES and DEFRA

[22] LQs are calculated by dividing the share of a given sector's share of employment in Northumberland by the share of that sector's employment in England (excl London). The three areas later in this chapter are treated in the same way and compared to England (excl London) also.

Rural (North and West) Northumberland

Encompassing the rural North and West Local Plan Delivery Areas, this is the largest land area but also the most sparsely populated.

It includes principal towns less associated with the Tyneside economy which also connect with Scotland and Cumbria, the service centres which act as economic and cultural hubs include Berwick and Alnwick both of which are located on the A1 national route and the East Coast Main Line providing access to external markets.

In the West part of Rural Northumberland the towns of Haltwhistle on the A69 corridor and also Allendale provide important functions within a large rural area between the central part of Northumberland and Cumbria.

Within this large area, there are many distinct coastal and rural towns and villages. Commuting is still an important factor for some residents but the relative scale of the relationship to Tyneside is less than in other parts of the county.

The area includes a host of distinctive assets including the Northumberland National Park, Kielder Water and Forest Park and two Areas of Outstanding Natural Beauty, the Northumberland Coast and North Pennines.

Tourism and land-based industries dominate the private sector economy, combined with a broader set of mostly SMEs and some larger employers.

When considering the relative size of sectors agriculture and tourism related industry are significant in this area compared to the England average. The information and communication and finance and insurance sector are under-represented.

Location quotients[23], Rural Northumberland 2013

Top 5 LQs			Bottom 5 LQs		
	SIC Section	LQ		SIC Section	LQ
A	Agriculture, Forestry etc.	4.26	H	Transport & Storage	0.57
HILNR	Tourism	1.82	G	Wholesale	0.53
BDE	Mining & Quarrying	1.45	O	Public Admin & Defence	0.42
G	Motor Trades	1.36	J	Info & Communication	0.35
Q	Health	1.09	K	Finance & Insurance	0.31

Source: BRES and DEFRA

23 LQs are calculated by dividing the share of a given sector's share of employment in Northumberland by the share of that sector's employment in England (excl London). The three areas later in this chapter are treated in the same way and compared to England (excl London) also.

Contributing to the North East Strategic Economic Plan

The Council is committed to long term collaboration at the regional level to boost the economy through the Combined Authority and Local Enterprise Partnership. The economic interdependence between Northumberland and our partner areas throws into sharp focus how the county can contribute to the regional growth targets set out in the North East Strategic Economic Plan earlier in 2014.

It is important that proposals for growth are set in the context of The North East Strategic Economic Plan (SEP) (2014) which sets out a vision that by 2024 the economy of the LEP area[24] will provide over one million jobs, which is an equivalent to an 11% increase in employment or about 100,000 new jobs.

It identifies key strengths, opportunities, and sets out a structured investment plan to facilitate growth. To achieve this aim three key targets are proposed, for each seeking to halve the gap between the national average (excluding London) and that of the LEP.

These are density of private sector jobs, economic activity rate, and the value of each full time job. It also proposes to fully close the gap in terms of the level of employment. There is further discussion on Northumberland's contribution to each specific target in the table in the next section.

Because of Northumberland's interdependence with the wider region it is perhaps best to think of the SEP targets as being dependent on one another. For instance achieving the jobs targets may be particularly driven by growth in the conurbation but this will depend on Northumberland maintaining performance levels regarding employment and activity rates where we outstrip even national averages.

As such the county will need to contribute by providing jobs in the county tackling the issues discussed elsewhere regarding low productivity and quality of employment. Because of the dual role the county plays as both a jobs provider in county and major labour supplier to the region it is also vital to recognise that whilst much of the growth proposed in the SEP will occur in the conurbation the labour and skills which underpins this growth will come from Northumberland's communities.

It is therefore useful to think about this target as being inextricably linked to Northumberland's high levels of performance regarding economic activity and employment.

Consideration of the issues relating to how we can contribute to each of the 10-year targets set out in the North East Strategic Economic Plan (SEP) is set out below.

SEP Measure **Jobs Created**	SEP target for 2024 **100,000 new jobs (11% increase regionally)**

How can Northumberland contribute?

As set out above the challenge when considering this target alone for Northumberland is that this issue is inextricably linked to the wider region as the county's residents find much of their employment elsewhere. The scenarios below demonstrate the scale of this challenge in that the county must address lagging performance locally but also on ensuring our interdependency with the region continues to be successful and also improves.

Improving the quality (in terms of part time versus full time employment and earnings) on the employment we can offer as a county will be important factors. This can affect growth in the economy locally whilst also underpinning growth in the region combined with performing well on other supporting indicators such as economic activity rates.

Scenario's

Contributing through the workforce (e.g. how could residents of Northumberland working anywhere in the region contribute to the target)

i. If employment was increased by 11% across each of the 7 LEP authorities equally, Northumberland's working age population in employment would increase from 146,400 to 162,500 (rounded, APS 2013) an uplift of 16,100 jobs. Latest figs are 147,100 to 163,300 (uplift of 16,200) APS 2014. (pub / priv split of 25/75 based on national average = 12,200 jobs in private sector)

ii. Using the same principal of 11% increase but proportionally represented, Northumberland contributes 17% of the total number of residents 'in employment' in the NELEP area. If the increase in new jobs across the LEP is 100,000, equivalent to 11%, Northumberland's proportion of this would equate to an uplift of 17,000 jobs.

It should be noted that the above two methods apply a relatively simplistic approach which does not account for a range of variable and policy issues.

Contributing through the employment base (e.g. how could jobs in Northumberland contribute to the target)

Considering jobs in Northumberland, the Business Register and Employment Survey (BRES) identifies 97,900 employees in Northumberland (2013 excluding farm agriculture). If the 11% principle is applied here in the same two ways, a further two scenarios may be considered, thus:

iii. If employment was increased by 11% across each of the seven NELEP Local Authorities equally, using BRES 2012, Northumberland's employees would increase from 94,300 to 104,700, an uplift of 10,400 jobs. BRES 2013 increase from 97,900 to 108,700, uplift of 10,800 (pub/priv split of 20/80 based on national average = 8,600 jobs in private sector)

iv. If the 11% increase is applied to Northumberland's proportional contribution, this would equate to 13% of NELEP's total employees and would therefore result in an uplift of 13,000 jobs.

n.b. It should be noted that scenarios (i) and (ii) refer to residents irrespective of their place of work therefore those jobs could be across the region and scenarios (iii) and (iv) refer to workplaces irrespective of where they live therefore those employees could reside anywhere.

The next section *future growth in Northumberland* discusses our proposals to contribute to this target.

SEP Measure **GVA per full-time employee**	SEP target for 2024 **Halve the gap between the North East and the national average (excluding London)**
How can Northumberland contribute? Northumberland's productivity gap is growing, GVA growth since 1997 was only 48%, whereas it was 96% in Tyneside. Latest GVA at basic prices is £12,049 for Northumberland compared with £16,077 for the NELEP and £18,608 for England excluding London. With this in mind a key objective should be to aim to narrow the gap between ourselves and the LEP overall through the focus of the strategy to provide quality jobs with a focus on growth driving sectors.	

SEP Measure **Private sector jobs density**	SEP target for 2024 **Halve the gap between the North East and the national average (excluding London)**
How can Northumberland contribute? The number of private sector jobs as a proportion of all jobs in Northumberland (78%) is closer to the national average (81%) than the North East (76%) therefore we would be looking to narrow this gap further. However, private sector jobs density when compared to the number of working age residents in Northumberland demonstrates that the county lags behind the Region and England (Excluding London). • Northumberland: 0.42 • NELEP: 0.47 • NE: 0.48 • Eng excl Lon: 0.56	

In terms of jobs density comparing private and public sector jobs, in 2013 Northumberland's private sector jobs ratio was 3.7:1 – higher than the NELEP ratio of 3.2 private sector jobs to 1 public sector job perhaps indicative of the County's strong track record of small business start-up and survival. The gap is therefore narrower between Northumberland and the nation as a whole (excl Lon) where the private sector jobs ratio is 4.4:1.

The main challenge for Northumberland in terms of private sector jobs density is perhaps the need to promote a shift in the proportion of full-time versus part-time employment – as both the region and the nation as a whole had 5% more full-time posts in the private sector. The strategy supports this through the focus on private sector growth as part of a mixed economy allied with the need to increase quality of employment in key sectors.

SEP Measure **Economic activity rate**	SEP target for 2024 **Halve the gap between the North East and the national average (excluding London**
How can Northumberland contribute? Northumberland's Economic Activity Rate (78.7%) exceeds that of the national average excluding London (77.7%) therefore we would look to maintain our current rate. The strategy supports continued good performance in this area by seeking to consolidate and maintain the good countywide performance by targeting those communities that perform less well in terms of economic activity. This forms a key part of the rationale for the investment zone in terms of connecting and integrating South East and Central Northumberland with the regional economy to offer more opportunities for residents to find employment.	

SEP Measure **Employment rate**	SEP target for 2024 **Close the gap between the North East and the national average (excluding London**
How can Northumberland contribute? Northumberland's Employment Rate (74.1%) exceeds that of the national average excluding London (72.2%) therefore we would look to maintain our current rate. As with the economic activity rate the county performs well overall on this indicator and the objective is to contribute by maintaining this and addressing variance within places in the County which perform less well.	

Future Growth in Northumberland

Consultation has showed that stakeholders feel strongly that a successful and sustainable Northumberland needs a strong economic base: this strategy welcomes and seeks to capitalise on our close links with the wider conurbation, but neither does it encourage a notion that Northumberland should become a dormitory settlement.

This strategy proposes a framework to create work and access to work in Northumberland and the wider region. The measures set out are intended to expand the success of the core regional economy further into Northumberland whilst also retaining the special character and assets of Northumberland. The new Local Plan for Northumberland will utilise the vision and proposals of this strategy as its baseline to set out how planning will support growth in the County.

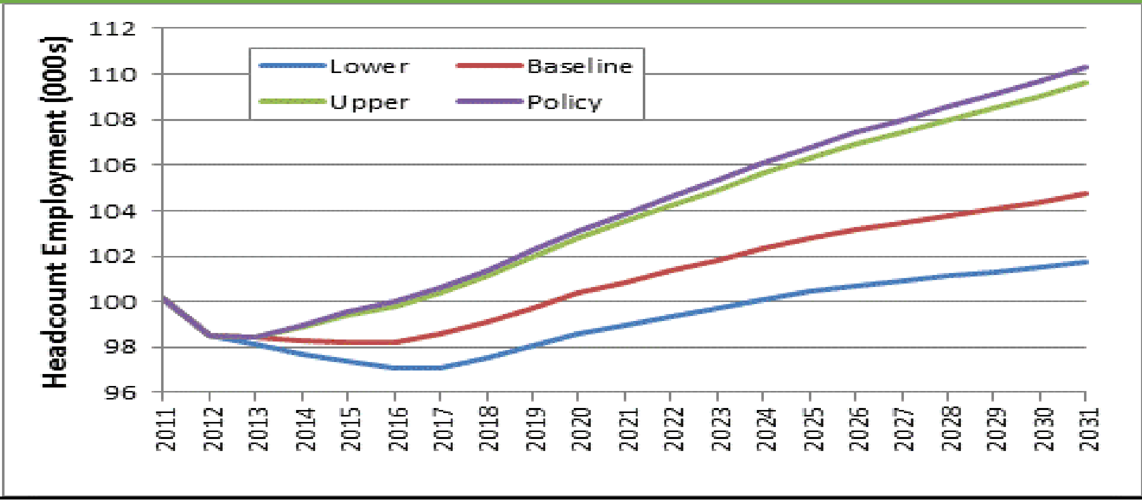
As with the previous Economic Strategy (2010) and first Economic Assessment in Northumberland (2009), Long term employment projections have been undertaken to inform the new Economic Strategy by St Chads College, Durham Business School.

The forecasts give a post-recession projection as to how economic growth is likely to happen. Four scenarios have been proposed, with one building in possible boosts to growth in certain sectors owing to national, regional and local policy and investment plans.

Economic Projections – Scenario’s	
1. Lower	2% (1,600 additional) growth in jobs, but a -6% decline (5,100) change in FTE jobs;
2. Baseline	5% (4,600 additional) growth in jobs, but a -3% decline in FTE jobs despite some years of growth
3. Higher	9% (9,500 additional) growth in jobs, but 2% (1,500) additional uplift in FTE jobs
4. Policy	10% (10,200 additional) growth in jobs, with 2% (2,100) growth in FTEs

It is considered that the baseline and lower scenarios are not appropriate forecasts, as although they do suggest job growth, the level of full time employment would decline, which could potentially impact on prosperity and social well-being. This is also countered by recent data suggesting the number of full time posts is on the increase in the county.

Headcount Employment Projections 2011-2031



Given the ambitious growth and investment targets set out in the LEPs Strategic Economic Plan, the actual positive job growth in the LEP area in recent years[25] and the ambitions set out in this strategy to develop jobs in the County and better connections to jobs in the region, it is considered that the Policy scenario is realistic to plan for.

It will ensure that the Northumberland economy adds enough jobs to keep its communities and businesses sustainable and that it maintains its role in the wider functional economic area.

When the NELEP SEP 100,000 job growth target is applied to Northumberland a range of scenarios are possible. This includes factors using resident and job based data, and factoring in the county's economic context in relation to the plans targets (see previous section on the SEP targets).

The possible job growth target ranges from 12,000 jobs based on **share of employment** in Northumberland to 17,000 jobs based on **share of employees** in Northumberland (but also working elsewhere in the region).

When compared against the projected demographic challenges and past rates of housing and jobs growth for Northumberland the figures above may be considered to be inappropriate when considered in light of the projections produced by St Chad's which in themselves require major policy support and relatively buoyant economic performance over the next 16 years.

[25] In the period Feb-Apr 2014, 1.2 million were in employment in North East region including Tees Valley (approx 900k in the North East LEP), an increase of 47,000 compared to same quarter last year: Source - NELEP

The other factor in considering Northumberland's realistic contribution is the continuing role of the core city region in driving economic growth alongside Northumberland's important contribution and assets.

Taking account of housing needs, population and economic data and our relative role in driving economic growth we are proposing to follow the Policy Scenario projection provided by St Chad's which will seek to **add 10,000 jobs to the Northumberland economy to 2031** (the period of the emerging Local Plan).

This will provide a challenging and achievable contribution to the North East Strategic Economic Plan jobs growth target to 2024, and will also be consistent with past rates of job creation in Northumberland with 11,000 jobs based in the county created 2001-2011, albeit this declined in 2012.

This projection is clearly a long term objective and is subject to influences outside of the council and its partner's control. However, we think it provides a strong statement of intent to drive plans for growth in the county and to rally partners behind this objective. It will form the starting point of our delivery planning and performance framework.

Ultimately, the creation of an additional 10,000 jobs is dependent on a range of factors, such as global economic forces, European and national policy which will all impact on the exact degree to which the economy will develop.

Within the county associated demographic changes, changes in the levels of unemployment and more significantly changes to the commuting relationship with adjoining areas will all be key issues in meeting this objective.

The Local Plan for Northumberland when published will go into greater detail on the relationship between the objective to create 10,000 new jobs in Northumberland and the development of new housing and employment land in the county.

3. Strategic Framework

Challenges

The analysis underpinning the strategy as discussed in the last chapter shows that we need to address *three core challenges*:

- growing a *strong economy* increasing performance and the contribution of Northumberland-based businesses to regional output and exports. A strong economy also means a connected economy with best possible interconnections into wider markets.
- ensuring Northumberland has a successful *skilled workforce* equipped with the *skills and qualifications* needed to support inclusive growth which addresses the challenges of an ageing population, and enables residents to benefit from opportunities in the county and region
- injecting *entrepreneurial dynamism* into the economy, particularly within the SME base.

Vision

This strategy combines recognition of Northumberland's important role in the wider economy with an ambition to grow a balanced and equitable regional economy. Our aim is to accelerate the growth of local industries and attracting new investment within the County. This dual approach provides the foundation for our vision:

Economic Strategy Vision
Our vision for the next ten years is to secure: *'A prosperous Northumberland founded on quality local jobs and connected communities'*

Change will be based on a growing number of high-performance businesses making and trading goods and services in UK and international markets, providing rewarding and well-paid jobs and attracting talented people to live and work in the county.

To deliver this Northumberland must create an environment that will attract great companies and reward enterprise. It must offer a skilled and productive labour force, excellent business locations and infrastructure – and capitalise on the opportunities offered by Northumberland's proximity to the universities, specialist services and cultural amenities of Tyne and Wear, the North East of England, the two great European cities of Newcastle and Edinburgh and our wider UK and European trading partners.

Quality local jobs will be particularly derived from key sectors where there are likely to be gains in productivity and a quantum of higher skilled workers combined with working with the employment creating sectors of the economy which are hugely important to the well-being of the county's residents.

This includes the acknowledgement that Northumberland continues to make products and the existing manufacturing industry remains a key driver of growth, this and the attraction and growth of new manufacturers is central to our vision for the Northumberland economy.

Northumberland is also a creative place, with important tourism and related activities and agriculture and forestry activities whose business bases are dominated by small and micro firms. There is a conviction that knowledge-based service industries have enormous growth potential in the county, and will contribute more significantly to jobs growth.

Within employment rich sectors and particularly with the small business community there are opportunities for productive growth which need to be supported. For instance the forestry sector has just launched *Roots to Prosperity,* the Forestry Sector Growth Plan for the North of England outlining opportunities for the sector to enhance its specialisms in the future. Protecting and maintaining the natural and built environment upon which our distinctive strengths are founded is an important underlying objective.

Strategic Framework

To deliver our vision, the strategy is framed around three key themes: Business: the county's business base, including its sector strengths and specialisms; People: the skills, qualifications and occupations of local people – Northumberland's human capital; and Place: the county's infrastructure and place attributes.

The key thematic interventions are aligned spatially within two delivery programmes explained in Chapter 4. The diagram below summarises the overall Economic Strategy strategic framework.

<table>
<tr><td colspan="4">Vision

‘A prosperous Northumberland founded on quality local jobs and connected communities’</td></tr>
<tr><td rowspan="4">Strategy</td><td colspan="3">Challenges

Strong Economy   Skilled Workforce   Entrepreneurial Dynamism</td></tr>
<tr><td colspan="3">Themes</td></tr>
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Growing key sectors
Productivity and innovation
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<tr><td>Programme 1 Investment Zone:

Deliver growth including significant urban industrial and housing development integrated with measures that increase connectivity with Tyneside</td><td colspan="2">Programme 2: Growth Network

Support and facilitate the growth of Northumberland’s network of market towns and ensure the rural economy is an accessible and distinctive place to live, work and visit.</td></tr>
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Theme 1: Business

As the North East Strategic Economic Plan makes clear, the challenge for the whole region is to *boost private sector employment*. In Northumberland, that means revitalising established industries and growing under-represented sectors to become part of a balanced regional economy.

This theme focuses on Northumberland contribution to this agenda focusing on measures to drive competitiveness and support the counties diverse business base including:

- **Attracting investment**
- **Growing key sectors**
- **Productivity and innovation**
- **Enterprise and business growth**

There are some important interventions which we have already highlighted in the introduction of the strategy and they are included in this theme under the above priorities set in the wider context of the range of activities needed to support the strategy's ambitions. The interventions seek to grow our sector strengths and support the business base through:

- *Focused development of the energy, advanced manufacturing, knowledge based services, tourism and culture and forestry sectors*
- *Targeting small business growth through start up and existing business development, securing inward investment, buying local and being a business friendly place*

Attracting investment and growing key sectors

Manufacturing and processing

Northumberland has a long association with a group of *world-class companies*, mostly in manufacturing that are based predominantly in South East Northumberland and around the principal towns particularly in Central Northumberland.

This was seen recently with the re-investment and relocation of Akzo Nobel with their £120m new factory in Ashington opening next year. Key industrial activities include:

- healthcare and life sciences
- advanced engineering and manufacturing

- energy, especially oil & gas and renewables
- forestry products
- Food and drink

The leading companies in these sectors make *a major contribution to UK exports and regional output*. They are typically capital-intensive and innovative, and they provide good quality jobs at every level, including opportunities for senior managers, scientists, technologists and other specialists.

We want to see these businesses grow and reinvest in Northumberland, we want to attract and grow more international and indigenous companies like them and we aim to support business investment to increase exporting and internationalisation of company operations.

That will be the principal focus of our inward investment effort working with our regional partners through the Combined Authority under the 'Business Northumberland and Invest Northumberland' brands and related offers provided by ARCH. It is important to work together on regional sector groupings where there are shared issues and opportunities. For instance the opening of the second Tyne Tunnel has the potential to provide more opportunity for collaboration in the advanced manufacturing sector throughout the A19 corridor.

A focus on energy related activity

Within the key sectors above, a key specialism is energy and related industry. This includes low carbon and environmental goods and services, offshore and subsea engineering, and renewable and low carbon energy generation. Oil and gas activity and renewable energy including offshore wind are key parts of the Northumberland offer.

Our locational advantages are proving of considerable interest to the sector regarding the packages of land available, our deep water port and port related activities adjacent to the National Renewable Energy Centre and existing companies in these sectors which are all part of the wider regional offer centred on the North East Enterprise Zone.

Our focus is on making this offer as competitive and investible as possible. Already in train is £600k preparatory activity on the major East Sleekburn site at Blyth which could host around 500 jobs and the new £8m Blyth Workspace which opens in 2015.

As set out in the final chapter our new Investment Zone will broaden this to consider all the business facilities across South East Northumberland as part of this energy agenda as many of the key companies operating the field are located here already.

This is not an exclusive geographical approach and is sensitive to the strengths elsewhere in Northumberland and also the region.

We also need to be open to new energy related opportunities, as our economic assessment has shown extractive industry continues to be an important sectoral activity and new forms of activity such as coal gasification are in scope for the future in Northumberland should regulation and investment combine to make delivery possible. Our energy focus also relates to land based industry, for instance through the appropriate use of forest products for energy, a key niche specialism.

Tourism and culture

Tourism, culture and related leisure, arts and heritage activity are a big part of the Northumberland and regional economy; the North East Growth Review found it's the fourth largest part of the LEP economy[26]. This is even more important in Northumberland where the tourism sector is 13% of our economy.

The tourism sector has grown as a proportion of the economy in Northumberland by 18% overall in the last five years. Tourism is inter-related to other activities like retail, culture, events, food and drink, heritage and land based industries.

But whilst this growth is welcome the sector also has major issues to contend with in terms of the underlying performance trends which affect much of the wider service sector in the county. Issues of low pay and seasonality are long standing issues. This strategy promotes the need to focus on the sector with integrated support for the full range of issues affecting the sector including:

- Destination management
- Promotion and marketing
- Product development
- Supporting infrastructure
- Business development
- Capital investment

Through an integrated approach the county can benefit from new investment opportunities and strengthen the sectors performance and offer to visitors. This will improve the sectors prospects and help us fill gaps in the offer to visitors which will attract more visits, encourage visitors to do more, to stay longer and spend more.

The link between tourism and identity is also important to recognise and the County is focusing on strengthening the use of its 'Northumberland identity'. There are

[26] North East Growth Review 2013 Service Industries supporting paper, Sunderland University

added benefits in that it significantly raises the profile of the county as a place to work, live, visit and invest.

Tourism development is reliant upon and supports the effective conservation and stewardship of local heritage and the natural landscape. This interdependency helps to create attractive places and experiences for our residents to enjoy and sustains services and new employment and commercial opportunities.

The vehicle to drive growth in the sector is the new Northumberland Cultural Strategy integrating the Destination Management Plan (DMP) currently being prepared by Northumberland Tourism and of which the Council is a key partner and Leisure, Arts and Heritage Plan currently being developed.

Our focus as a council is to also ensure that the whole range of council services get behind the sector working collaboratively to create conditions which support growth. This includes being business friendly and investment ready.

A good example of this is our media and strategic events sections working with our partners to ensure were being open to high profile opportunities. The recent announcement that the Tour of Britain will be visiting Northumberland builds on a host of recent key events including Northumberland Live, the Olympic torch tour through the county and Commonwealth Games baton relay.

The county has also pursued and exploited high profile and high benefit opportunities such as the Tales from Northumberland series, fronted by Robson Green. The strength of the visitor product coupled with the work undertaken by the council has secured a second series of this programme and continues a key profile opportunity for the sector.

Enhancing our local culture which values and welcomes visitors underpins future growth. Measures to increase the quality and effectiveness of our offer will be a key feature in our strategy. This includes promoting excellence, supporting businesses to grow and compete, product development utilising local materials and skills and the development of networks of advocates and ambassadors.

Knowledge Based services

We also need to strengthen our performance in *knowledge-intensive services*, which were the source of most UK jobs growth from the mid-1990s and are set to grow again in the next decade.

More than a quarter of jobs in England (25.9%) are in tradable services such as IT, financial, business, professional, scientific and technological services, although there are some notable exceptions these sectors are all massively under-represented in Northumberland, where they account for just 13.5% of jobs.

We need to make these industries a priority for the next decade. Northumberland people are skilled and well-educated and we are well-placed to expand private sector services providing an excellent lifestyle in a high quality environment. Completing the roll-out of superfast broadband and investment in roads and public transport will improve our connectivity to national and international networks.

Land based industry

Forestry is of particular note in terms of opportunities for niche growth in the future outlined recently in Roots to Prosperity, the Northern Forestry Sector growth plan.

With substantial recent investment and the ability to call on England's largest commercial forest resource, Kielder Forest, the sector is able to deliver substantial low carbon growth and contribute towards sustainable economic development across Northumberland.

The sector is also in an unrivalled position to provide additional benefits such as flood alleviation whilst creating an attractive setting in which to live, work and play. The wider land based sector remains important for the county too, particularly in key localities such as the importance of fishing in coastal communities.

Agriculture continues to be an important underpinning sector. 2013 agriculture stats suggest that the amount of employment in the sector has increased from 4824 in 2010 to 5105 in 2013. The number of holdings has gone down only very slightly indicating that the sector has been resilient during and following on from the downturn.

Public services

Traditionally, the public sector has been an important source of employment in rural areas like Northumberland. Education, healthcare and elderly care will continue to create jobs, but years of austerity measures have hit employment in councils and other agencies and there is no prospect of change for the foreseeable future although the degree of further austerity measures will depend on National decisions in the medium to long term.

As with the North East economy overall the recognised weakness within the economy is not necessarily an over representation of public sector jobs, more an under representation of private sector jobs overall which needs to be addressed.

Despite this the public sector, including the County Council will continue to play a major part and can enable and facilitate growth through its behaviour. A key part of the Council's commitment is therefore to be a business friendly and business focused council. This includes core service delivery, regulation and services delivered to businesses and our core business offer, particularly through ARCH in terms of business support programmes and utilising council land and property assets to enable growth..

It's also important to recognise the role that public sector spend can play in supporting the local economy. The Public Service (Social Value) Act (2012) requires local authorities to consider how services they commission and procure can improve the economic, social and environmental well-being of the area.

Northumberland Council has launched a new 'Grow Northumberland' public procurement campaign and holds regular events and activities with the business community to support partners in effectively seeking business from the council. We spend £440m on products and services and over two thirds of this spending goes into the county or wider Region and we are targeting a further 10% uplift on this figure over three years.

The council is committed to using its powers to create training and employment opportunities for local residents to improve the skills base and reduce unemployment. NCC is working with organisations such as The Construction Industry Training Board (CITB) and North East Procurement Organisation (NEPO) to develop the approach and maximise the economic benefits for Northumberland and its residents.

Productivity and Innovation

Were focused on working regionally to ensure productivity and innovation support is effective. This includes access to finance, innovation and exporting programmes working through the combined authority and the LEP.

Much of this support comes through regional and national bodies such as UK Trade and Industry, the Manufacturing Advisory Service and Regional structures including North East Access to Finance and Innovation connectors (such as the National Renewable Energy Centre at Blyth) supported by the national Technology Strategy Board.

NELEP has prioritised the development of 'open innovation' and 'smart specialisation' and it will be important that Northumberland partners both advocate for our business community to be part of driving this activity and to also ensure that local business support is linked and integrated with such wider programmes of support.

Enterprise and Business Growth

Many, but not all, of Northumberland's major companies are concentrated in and around the towns of the South East and Central part of the county. They are attracted by the *accessibility and affordability* of the area and its business infrastructure, as well as its proximity to the Newcastle conurbation.

Being close to the city means that businesses are part of a large labour market area with access to research and other specialist services. We will continue to exploit and promote these attributes as we prospect for potential investors, and work with existing businesses to support their expansion plans.

But that is not the whole story. Economic vitality cannot just be imported, it needs to grow from the bottom up and each major settlement in the County has its strengths and important employers. Communities close to large city economies have become fertile ground for *start-ups in wealth-creating sectors* such as the creative industries, digital media, environmental sciences and professional services. There are, of course, also opportunities in traditional rural sectors including those mentioned in the previous section including tourism, forestry, crafts and through farm diversification.

Getting the offer, facilities and support right for this type of activity is important combining connectivity and facilities with the attractive qualities of what is a large predominantly rural economy.

The County has a good track record of supporting social enterprise development and has taken an approach which defines the sector in broad terms meaning that enterprises are active and successful in a range of fields operating with a social purpose.

The relationship between effective social enterprises and the wider resilience and sustainability of the voluntary and community sector in the County is an important factor underpinning the county's local capacity to deliver growth.

Enterprising businesses are therefore a key driver for economic growth and resilience and will drive sustainability and prosperity in rural Northumberland, enabled by the roll-out of superfast broadband.

It is important to focus on ensuring that barriers to SMEs growth and to specific business owners are removed such as red tape, and barriers for specific types of business and business owners and employees such as parents running a business in relation to accessible childcare provision.

Integrated and co-ordinated support is important and we will work regionally to contribute to the development of a new Business Growth Hub providing a bridging and signposting mechanism to local support and national agencies.

Business Theme Priorities

The priorities for business growth and development in Northumberland in the next five years can be summarised as follows:

Attracting investment

- Attract inward investment, reinvestment and business relocations
- Be a business friendly place ensuring that the businesses are supported effectively and that the county is investor ready
- Ensure that the council and its suppliers ‘buy local’ wherever possible building on the ‘Grow Northumberland’ campaign

Growing key sectors

- Grow key manufacturing industries, especially energy, renewables, food and advanced manufacturing
- Deliver a high quality integrated tourism and culture offer including leisure, arts and heritage activity utilising Northumberland’s distinct identity and assets leading to higher year round visitor numbers and spending.
- Increase the scale and value of the tradable services sector
- Maximise the appropriate use and management of Northumberland’s natural assets in supporting growth including within tourism, fishing, forestry, farming, energy and associated sectors.

Productivity and Innovation

- Ensure that Northumberland companies have access and support to drive open innovation, and exporting excellence
- Ensure Northumberland businesses have equitable and effective access to financing mechanisms

Enterprise and business growth

- Accelerate business growth including a focus on the development of small and medium businesses (including social enterprises) with growth potential
- Increase the competitiveness of businesses in Northumberland.

Theme 2: People

This theme focuses on human capital and the future potential of the Northumberland workforce to drive growth**.** The modern economy is founded on a *skilled and well-educated workforce*. Access to capable, talented and adaptable people is a key consideration for businesses when they make location and investment decisions.

Basic literacy and numeracy standards are the absolute minimum requirement for entry to the labour market; access to well-paid, higher-level occupations is often determined by qualifications achieved to at least college or university grade.

Exceptional talents will always emerge to challenge these rules, but the facts are clear: people who leave school with few or no qualifications are at risk of insecure employment in low-wage occupations, and periods of unemployment.

By contrast, people who enter the labour market with good qualifications and those who have acquired useful skills and experience at work can face the future with confidence.

This chapter concludes that Northumberland is a place of contrasts in this area of the economy. One of our greatest strengths is our highly skilled workforce, particularly as a supplier of labour to the regional economy however unless economic performance variations across the county become more even we risk failing to achieve balanced and equitable growth.

Our priorities are framed around three areas to drive competitiveness and to enable opportunities for residents to participate fully in a growing economy:

- **Learning to work transition**
- **Workforce skills**
- **Employability**
- **Skills system**

There are some important interventions which we have already highlighted in the introduction of the strategy and they are included in this theme under the above priorities set in the wider context of the range of activities needed to support the strategy's ambitions.

The interventions seek to enable a more inclusive economy and develop a competitive labour force:

- *Introducing the living wage and delivering targeted employability programmes for those residents disconnected from opportunities*
- *Supporting skills development, providing opportunities for young people including apprenticeships and ensuring the future workforce matches businesses requirements*

Learning to work transition

A priority for this strategy is to improve attainment within the County's educational establishments, a key existing corporate priority for the Council. From an economic perspective as part of effective progression our priority is supporting the sustainable integration into the labour market of young people, in particular those not in employment, education or training.

The strategy aims to support activities to reduce the number of young people not in employment, education or training and those at risk of disengaging, and embed opportunities while raising ambition. This includes the need to work on a number of fronts:

- Locally designed and delivered careers education and information, advice and guidance services that promote vocational career routes to young people in schools and increase participation in employment, vocational learning and progression
- An enhanced work experience offer for young people through schools, colleges and universities; building on direct employer input to address a lack of understanding of the labour market and expectations of employees
- Innovative engagement and preparation activities, which incorporate access to traineeships, apprenticeships, mentoring, personal coaching and aftercare support for young people.
- Specialist and community-based provision targeted at more disadvantaged young people (for example special educational needs learners with learning difficulties and/or disabilities, looked after children)
- Additional and innovative approaches to support and motivate young people with no or few qualifications into training and the workplace such as additional support that harder to reach young people will require to successfully complete a traineeship or apprenticeship.
- Brokering opportunities for young people and supporting local employers to take on young people (including those with complex barriers), through traineeships, apprenticeships, work experience, graduate placements and the effective use of social clauses

Workforce skills

Integrated with our focus on the journey from education to work we are also proposing a focus on workforce skills. This includes the key aspect of apprenticeship delivery and also ensuring that we combined our business support work with key sectors and our skills support through key partners.

Getting the pipeline right for future sectoral growth is vital for our long term competitiveness and includes a focus on young people and working age adults. Reskilling and equipping a changing adult workforce is an increasing factor in our agenda given shifting demographics and also the nature of the modern workforce which now ends to include multiple careers and the need for transferable employability skills.

We are also focused on ensuring that Northumberland is promoted as a great place for skilled and talented people to live and work. The skills offer is directly related to our inward investment and existing company support and needs to dovetail as part of the wider ‘investment ready’ message the County must project to drive growth.

For our key sectors we see a need to establish clear plans to upgrade the knowledge, skills and competencies of the workforce, and promote flexible learning pathways including through career guidance and validation of acquired competences.

This includes developing support for intermediate, technical and high level skills and studentships specially linked to our sector strengths. This is likely to include developing a menu, potential as part of a wider regional offer including:

- Support for industry-specific intermediate and technical and high level skills through approaches in response to employer demand.
- Provision of flexible responses to emerging and projected skills needs:
- Conversion / top-up courses for new or unmet employer demand
- Inward Investment / economic shocks / large scale redundancy / restructuring
- Develop skills for innovation in companies,

Employability

Targeting employment, skills and related support to communities and cohorts of residents which don’t perform as well in this area is an important feature of our approach. This includes a focus on the Local Authority role seeking a role in delivering services and improving outcomes where mainstream provision has not been able to improve outcomes. This approach in emphasising targeted support fits well with the established European Structural and Investment Strategy priorities for supporting employability measures.

Alongside this approach it is also important to ensure that targeted and effective support is available across the whole geography of Northumberland. Northumberland has experienced success in facilitating and co-ordinating access to training, enterprise and workforce development such as through the Rural Employability Project. This relies on strong networks of providers and employers working together to link clients to opportunities and to remove barriers associated with rurality.

A key part of the Council's commitment is to enable an inclusive economy, if residents are disconnected or not able to engage in opportunity then this strategy will of failed.

A key part of our strategy is to provide leadership and facilitation working with our regional partners including:

- The commitment as a Council to introducing the Living Wage,
- Acting as the lead council within the Combined Authority on the employment, inclusion and skills portfolio supporting the collective ambition to seek progressive devolution of employment and skills programmes to the region.
- Progressing with well-developed plans to eradicate poverty with a suite of interventions in support of welfare reform, encouraging employability and skills, increasing levels of public health and removing barriers to engagement.

Skills system

It's important to recognise the challenges in delivering this agenda which sit across our priorities in a place like Northumberland given the geography and business base being large and dominated by SMEs.

The County has one major Further Education college and 15 High Schools all with a key role to play alongside other providers and the wider further and higher education market in the North East particularly that accessed by Northumberland learners on Tyneside. The regions Universities are central to our aspirations for innovation and sector development, targeted collaboration in this area is important.

Targeted measures include the development of new methods of delivering learning, delivery of provision in non-traditional venues, financial/bursary support targeted at under-represented groups, and support specifically for course-related costs which are a barrier to accessing learning.

Increasingly much of this agenda relies on effective collaboration and change at the regional level for instance through effective delivery of a new labour market and skills agreement and through progressive devolution of the skills and employment agenda. The SEP outlines the need for an additional 60,000 new jobs over and above the 40,000 that existing economy forecasts predict will be created in the NELEP economy in the next decade.

Reducing unemployment and supplying a highly skilled workforce to attract suitable employment opportunities requires a locally managed approach. There is recognition by the NELEP and NECA of the need for a local approach to overcome these barriers in support of the wider economic growth objectives of the SEP.

NECA will explore with government departments the options for devolution of employment and skills programmes to ensure programmes meet local need and show improvements on current performance.

There is a recognition nationally that the current DWP Work Programme have not performed as effectively for hard to help cohorts, particularly Employment Support Allowance (ESA) claimants, as for the younger cohort of jobseekers. Northumberland and NECA partner authorities can play a role in potentially designing, commissioning and/or delivering programmes targeted to harder to help cohorts and disadvantaged areas.

The North East Combined Authority (NECA) brings together seven local authorities to drive economic growth and improve employment and skills performance in a challenging area. Northumberland is an integral part of NECA and has the portfolio lead for Employability, Skills and Inclusion and will be co-ordinating action across the partnership on this agenda.

The North East Youth Employment programme is a current example of delivery across partner authorities, and a ‘Mental Health Trailblazer’, to improve employment outcomes for people with common mental health conditions, in currently in planning. While employability and skills leadership and resources are currently dispersed across a number of national and local organisations, evidence suggests locally-led models aligned with other services can enable more effective and efficient delivery.

The NECA ambition, articulated through the Strategic Economic Plan, is a more co-ordinated and locally accountable approach through a NE Labour Market and Skills Agreement.

The agreement will support NECA in negotiations with government to:

- develop a framework for local management and delivery of services responsive to specific area needs, including a locally-led and commissioned framework; and
- explore devolution of funding and programme design, flexibilities in performance, improved data sharing and progression tracking across programmes.

The council is one part of a diverse network of stakeholders in this policy area. Working regionally with Government and its agencies particularly through the Department for Work and Pensions and DWP and Department for Education is a primary concern in enabling better delivery on the ground. Partners locally such as schools, FE and HE and VCS providers are the key organisations in this regard and their leadership is vital in achieving change.

People Theme Priorities

The priorities for developing the Northumberland workforce in the next five years can be summarised as follows:

Learning to work transition

- Improve examination performance, retention and progression rates so that all Northumberland's schools match the best
- Support young people's successful preparation and transition into the workforce
- Develop curriculum pathways to support enterprising attributes and sector relevant skills
- Improve access to further and higher education provision and develop targeted collaboration with regional partners focused on sectoral opportunities

Workforce skills

- Increase the scale, quality and choice of apprenticeship opportunities and other vocational training throughout the county
- Develop bespoke training packages to support inward investors and company growth projects
- Assist the SME sector to secure appropriate skills support
- Promote Northumberland as a great place for skilled and talented people to live and work

Employability

- Provide services to help unemployed adults to gain useful skills, enhance their employability, and find sustainable work
- Enable an inclusive workforce through action which remove barriers to being economically active
- Maximise the training and employment benefits for Northumberland residents from public investment, procurement and assets

Skills system

- Support regional development of an effective skills system through the labour market and skills agreement and appropriate devolution
- Promote collaboration amongst learning providers to benefit the economy
- Lead and facilitate change through the employability, skills and inclusion portfolio of the North East Combined Authority

Theme 3: Place

The first of our thematic priorities focuses on place related investment. The focus is on getting the infrastructure right – roads, public transport, broadband, mobile coverage and property – which is essential to attract investment and enable existing businesses to grow. But the popularity of Northumberland is also founded on its outstanding quality of life and its natural beauty. We need to nurture and celebrate the qualities that people most value and that make Northumberland special. We need to build homes and provide amenities for viable communities, invest in the fabric of our historic places and protect the natural environment.

Discussed within this theme four priorities are identified:

- **Business locations**
- **Housing quality and choice**
- **Infrastructure and connectivity**
- **Developing communities**

There are some important interventions which we have already highlighted in the introduction of the strategy and they are included in this theme under the above priorities set in the wider context of the range of activities needed to support the strategy's ambitions. The interventions seek to deliver infrastructure and connectivity and support successful towns and communities by:

- *Attracting investment to the North East Enterprise Zone and delivering a countywide network of excellent employment sites and strategic infrastructure*
- *Dualling the A1 and re-opening the Ashington, Blyth and Tyne Line to passenger services alongside excellent countywide connectivity through road, rail, mobile and broadband coverage*
- *Enabling development of economic hubs across the county including the delivery of the Ashington Investment Plan*
- *Facilitating countywide housing development including strategic housing areas in Cramlington and Morpeth*

Business Locations

The Council and ARCH are gathering new market intelligence about the state of the *industrial and commercial property* market in Northumberland. This includes new research regarding market demand and the economic viability of residential and commercial development to further understand and better respond to development constraints.

Historically, the public sector has played a key role in providing workspace, especially in areas of market failure, but this activity has stalled in recent years. This has been compounded by low economic performance in recent years which has been reflected in a lack of speculative development. These trends have resulted in a generally tired and dated stock and a shortage of modern business environments.

Despite this challenging investment environment, there have been a number of bespoke developments linked to inward investment and company expansion. Building on this success, Northumberland needs to become a more *competitive business* location. The dilemma is how to stimulate private sector investment, modernise existing stock and create attractive, modern business locations in a situation where demand remains uncertain, the private sector is reluctant to act, and grant funding is much reduced and access is fiercely competitive.

Our inward investment offer needs to identify modern workspace (industrial and commercial) ready to occupy, as well as high quality serviced sites for bespoke development. A number of the key industrial sites around the Blyth Estuary enjoy the additional benefits of Enterprise Zone status and associated local development orders which assist in making sites investment ready.

Blyth Workspace, located within the Enterprise Zone and a new office development in Berwick, both of which will be completed in 2015-16, are examples of the Arch profit-for-purpose model in action but there is a big backlog to clear.

There are opportunities to strengthen the range of business premises. There are already a range of new and established enterprise hub facilities in the county and there is the potential to extend this suite of facilities augmented by advice and guidance and networking for instance through the new North East Rural Growth Network Programme and learning from the recent Micropol European project looking at smart work facilities in the county.

Housing quality and choice

Our economic assessment has shown how Northumberland residents, including many who commute to work in Tyneside, make a disproportionate contribution to regional output. *Housing* is therefore a key factor in the county’s economic development particularly in terms of ensuring sustainability in communities, providing for a growing labour force and the wider economic impact of construction and enabling infrastructure linked to development.

There is demand to live in Northumberland, to enjoy its natural attractions, appealing small towns and great quality of life. Responding to this demand without compromising the qualities that make Northumberland special is a challenge, but we also need to focus on improving housing quality and choice for lower- and middle-income residents in the central and south-east areas. Affordable homes to rent are also a priority, particularly in rural areas, where demand for second homes and retirement homes has driven up prices.

Planning policy and housing market interventions need to focus on establishing a more *balanced and equitable housing market*. A key principle linking to the inclusive elements of this strategy is the need to increase the number of people who live and work in the county which will contribute to addressing the challenges of an ageing population, and help working age locals to get a foothold in markets which are in danger of being dominated by high-earning commuters, second-home owners and the retired.

Infrastructure and Connectivity

A *proactive approach to planning* is an essential enabler for growth: our vision for the Northumberland economy needs a spatial dimension and as discussed in the delivery chapter of this strategy we are establishing two spatial programmes to support growth; an *investment zone and growth network*.

The Local Plan will provide the framework to identify the future supply of deliverable sites in appropriate locations in the context of market demand acting as a catalyst for private investment particularly in the area of knowledge based services where we are seeing to increase sectoral share.

The proposals to re-open passenger services on the Ashington, Blyth & Tyne Line are a priority for Northumberland. The proposals have the potential to enable enhanced hubs for residential, community and commercial development. The role of planning is crucial in enabling such development and specific sector investment, for instance through the Local Development Orders on the Enterprise Zone, or regarding town centre development using the Neighbourhood planning system to bring stakeholders together with a common purpose to improve their locality.

Underpinning these specific challenges is awareness that Northumberland's rich *built and natural heritage* is not just inherently valuable but also a vitally important economic asset, for the county and the region and place based investment is inherently linked to the future success of the tourism and culture sector. Hadrian's Wall is an historic monument of undoubted international significance, and visitors are attracted to the National Park and the AONBs. The ongoing stewardship of such places is fundamental to future success.

The County is one of only two Dark Sky Parks in Europe and the past investment in Kielder Observatory shows the difference that targeted investment can make in strengthening the counties offer. The proposed development of the Sill national Landscape Discovery Centre is a good example of where the offer can be diversified and strengthened through investment in future growth through a landmark development. Similarly ensuring that green infrastructure and natural assets can be utilised effectively is an important opportunity for Northumberland.

Our *transport* priorities are framed around two key objectives:

- ensuring that Northumberland is well connected into the regional economy, with the best possible intra-regional connectivity and external connections via national and international road, rail, sea and air routes
- improving transport infrastructure within Northumberland and the Region including a focus on existing infrastructure, such as effective transport arrangements in principal towns and their hinterlands.

The guiding principles for intra-regional connectivity are set out in *One North: A Proposition for an Interconnected North*, published by civic leaders in the north of England in 2014. The key elements of the proposition include improved strategic highway capacity, addressing gaps in the network; a high quality fast intercity rail network, linked to HS2; the development of city-region rail networks; and associated digital infrastructure. In addition, the North East of England, and Northumberland in particular, needs improved road links to Edinburgh, which is only 50 miles from the northernmost parts of the county.

The complete *dualling of the A1* continues to be a priority for Northumberland. It will reduce journey times north and south, improve road safety and support enterprise in the north of the county and on the coast; Berwick, in particular, will benefit. The Council will continue to seek support for improvements to the A69 corridor between Newcastle and Cumbria. Other local priorities include key junction improvements on the A19 and route improvements North of Blyth town centre to assist in freight transportation to the Port of Blyth and the Enterprise Zone sites.

The council is conducting a strategic infrastructure study to identify what further investment will be needed to 2031 to support growth and investment.

Rail
Our top priority is to establish a rail link between south-east Northumberland and Tyneside by reinstating passenger services on the *Ashington, Blyth and Tyne Line*. These communities are poorly served by public transport: they are close to the conurbation but not well connected to it. Increasingly the ability for commuters to travel into the County from Tyneside is also an important factor as shown by recent

census trends. This lack of connectivity restricts opportunities for local people in the wider labour market and constrains demand for homes in areas which would benefit from an influx of new residents.

The AB&T Line is a core project within the Northumberland Investment Zone, particularly given the catalytic effect it could have for other development and the potential it has to expand urban connectivity into this part of Northumberland. The support of regional partners for this substantial investment will be a pre requisite in de-risking the project and the necessary up front business case investment to secure the scheme.

Local rail services in Northumberland are fragmented and of variable quality. The Tyne Valley Line connects Haltwhistle, Hexham and Corbridge to the Metro Centre, Newcastle and Carlisle, but improvements to service frequency and capacity are needed to encourage more people to use the train. The hourly service from Morpeth via Cramlington to Newcastle is inadequate, and local stations north of Morpeth are only served by 2-3 trains a day.

Seeking improvements to our linkages to and provision from the national rail system is vitally important for trade, commuting and the visitor economy. Ensuring current connections are not reduced as part of the Northern Rail and East Coast Main Line franchises in Northumberland and via Newcastle Central Station is a key element. Our work with pan regional and national consortia to promote network improvements elsewhere on these two key routes is also intended to support our internal and external connectivity in the future.

Broadband and Mobile

The need to grow and diversify the economy, particularly in rural areas and focusing on increasing the number of knowledge based businesses is being constrained by slow and unreliable *telecommunications*. The roll-out of superfast broadband is already well advanced and will make a big difference, although there is still a job to be done to reach the last 3% of homes and business premises – which actually account for a much larger proportion of the land area of the county. Mobile phone reception is patchy and there are still parts of the county where it is impossible to do business online. The council's new *Northumberland Digital Strategy* is a key driver for action in this policy area.

Developing Communities

Northumberland's urban centres are of primary importance to the economy as service, cultural and commercial hubs. The priority for Northumberland is to see place specific investment in all our key towns utilising the assets and partnerships in place locally, this includes a basket of measures appropriate to the locality including economic development, strategic infrastructure, business facilities, housing led renewal, public realm and transport related improvements.

Northumberland's towns and communities reflect and serve its broad geography. There are historic town centres and other key settlements which are among the most appealing and distinctive small towns in England particularly across Central and Rural Northumberland.

Towns and communities in the South-East of the county have a rich culture and distinct assets with attractive market housing development, but in some places the demise of traditional industries has left a legacy of degraded townscapes, derelict land and outdated community facilities.

There are positive signs of towns adapting to a changing role in the 21st century. There has been new development despite the considerable long term challenges facing town centres such as out of town and online shopping. Northumberland's town centres also need to be seen within the context of their relationship with the Tyneside retail, leisure and cultural offer including key locations including Newcastle City Centre, Gateshead Metrocentre, Kingston Park and Silverlink Retail Park.

Cramlington

Recent investment in Cramlington has seen a strengthened retail and leisure offer in the area including a new multiplex cinema and broader restaurant offer, there are major proposals to develop housing in the town with a strategic housing area being established in the Local Plan. A number of industries including large employers such as MSK and PII are concentrated in the town's well developed industrial estates particularly including advanced manufacturing, pharmaceuticals and business services and there are new major sites to come forward including at Northumberland Business Park and West Hartford.

Ashington

In Ashington the delivery of the recently launched ten-year investment plan is at the centre of our plans. This sets out a programme to invest £74m and bring around 1,000 high-quality jobs to Ashington. This will develop the town centre's physical environment and facilitate the delivery of the place based investment to support the Council's wider vision for a more prosperous town.

Part of the measures to enable the delivery of this plan includes civic investment by the County Council which will involve the completion of its county-wide accommodation review that will see the Council move back into town centres to benefit service users and local economies. The move creates an opportunity for the council to significantly change the way we work, to be more efficient, to cut our costs and to be more customer-focused injecting an estimated £100m into town centre economies through our assets and services.

Morpeth

Morpeth has considerable potential to build on its current strengths as a commuter and economic hub, the town has seen uplift in its retail centre following the re-development of Sanderson's Arcade, larger town centre supermarket and related investment. There are future plans to unlock new growth following completion of the new £30m link road to the North of the town. Key locations around the town which will be enabled by the Link Road are being allocated as strategic areas in the Local Plan and the County Hall site will provide a further opportunity for appropriate development.

Blyth

Blyth has also seen the opening of a new supermarket, improvements to historic buildings and an improved bus station developed in the heart of the retail area. The town benefits from its proximity to industrial development focused on the energy sector on the North East Enterprise Zone at the Port of Blyth and has groupings of major international companies on its existing industrial estates.

Berwick and Alnwick

Berwick and Alnwick are further from the City Region and operate as rural service centres playing an important role as tourism and cultural hubs too. Alnwick has capitalised on its tourism assets in recent years and Berwick's masterplanning has been advanced considerably.

New investment in Berwick in the Cowe building's and the Walkergate office development show that with the right proposition new activity is possible to stimulate the urban core, the success of the towns emerging cultural strengths show how places can find distinct assets to attract visitors and commercial activity.

Hexham

Hexham is a key economic hub within the West of Northumberland, it contains a diverse range of businesses from knowledge intensive businesses, creative industries, retail, leisure, tourism, construction and manufacturing sectors and is home to one of the County's largest employers in Egger UK Ltd.

Research has shown that within Hexham and the surrounding area there is one of the highest relative concentrations of 'Knowledge Intensive Business Services' in the North East. This is reflected in demand for such accommodation in the town.

Business groups in Hexham are also currently looking at developing proposal to become the first business improvement district in Northumberland. This is just one example of locally driven growth and there is much to celebrate with many local initiatives seeking to harness the potential assets of each respective town centre and a packed itinerary of markets, events and activities linked to tourism, cultural and heritage assets in the county.

Prudhoe

Prudhoe's strengths as an accessible town with industrial facilities are important, the town is home to major companies including SCA Hygiene and there are emerging proposals to improve and expand the towns industrial sites combined with appropriate housing and other development.

Distinctive towns and villages

Much of Northumberland's distinctiveness and attractiveness comes from its smaller settlements, towns and villages that are set within beautiful countryside and coastal settings each with a distinct identity. This network of diverse communities provide attractive housing and amenities and in themselves are central to the tourism economy although affordable housing is also an issue in some places.

Protecting and sensitively developing our place based assets is a key part of our wider plans for growth. A good example is the bespoke packages of investment through the Rural Growth Network which has seen small scale capital investment in Enterprise hubs in places like Wooler providing new spaces to retain employment in rural communities.

Northumberland already has a good record of historic building and townscape conservation and will seek to build on this alongside other measures the council can use to enable favourable conditions for growth including public realm, streetscape and public amenity improvements.

The council has invested resources with pilot localities and is committed to working further with communities to use neighbourhood planning as a driver for local growth. A number of place based partnerships are bringing forward plans to bring stakeholders together with a common purpose either using neighbourhood planning or other approaches.

In support of this the council has begun the process of preparing a town centre prospectus for each principal town as a guiding document setting out strategic activity and assets in each locality including projects led by the Council and its delivery agents. The Council has also made available a suite of benchmarking data for the first time across all the principal settlements to support local partners in driving change and improvements. Through the planning process the council is putting town centres first and adapting the way they operate to address the twin challenge of out of town and online retail.

As part of the Economic strategy delivery plan and two delivery programmes (*the Investment Zone and Growth Network*) we will be setting out key action areas the council can contribute to in each principal town and other communities progressively following on from the strategy. This includes a range of mechanisms including the town centre prospectus process, detailed masterplanning and investment planning and locally driven processes such as neighbourhood plans.

Place Theme Priorities

The priorities for investing in infrastructure and place in Northumberland in the next five years can be summarised as follows:

Business Locations

- Establish a county-wide network of new and / or upgraded business locations and enterprise hubs, with a particular focus on sites and premises for energy focused on the Enterprise Zone, manufacturing and knowledge-based service industries
- Promote the development of more agile, distance working and smart work centres / hubs to increase employment and self-employment opportunities in Northumberland

Housing Quality and Choice

- Ensure that the county provides an appropriate mix of high quality housing including affordable housing to support economic growth.
- Work with investment partners and regional agencies to secure funding for major infrastructure schemes including influence over HCA resources

Infrastructure and Connectivity

- Establish spatial investment plans influenced by the Economic Strategy and in the context of the Local Plan, with a focus on the different types of activity needed to deliver the Northumberland Investment Zone and Growth Network
- Secure investment to dual the A1 North of Morpeth and other key transport improvements including further enhancements to the A69 and pinch points in and around town centres.
- Secure approval for the re-opening to passengers of the Ashington, Blyth & Tyne railway line, as part of a city-region rail network
- Maintain and develop an accessible and inclusive public transport system which links well to the national network including economically important routes on rail, bus and community transport services, alongside the

development of integrated ticketing and sustainable travel measures.

- Complete the roll-out of superfast broadband to 97% of homes and business premises in Northumberland, and set firm plans to reach the final 3% and further improve overall connectivity speeds and usage alongside improvements in mobile coverage.

Developing Communities

- Develop a long-term programme of place making, capital projects, conservation and investment in the public realm with a focus on town centres and other key locational assets such as tourism related infrastructure
- Support town centre and community partners to develop and realise local plans for growth and development**.**

4. Delivery

Delivering a balanced and growing economy

The most important message in the Economic Strategy is that, while the long-term process of integration into the regional economy and labour market has been largely beneficial, the local Northumberland economy can and should contribute more to regional output and cannot only be a supplier of labour to others. Creating a strong local economy will result in a better and more sustainable balance between local production and commuting and effectively expand the economic footprint of the regions commerce and commuting area.

This document sets a course to establish Northumberland's unique and critically important contribution to the goals of the *North East Strategic Economic Plan*. It demonstrates the vital role played by Northumberland residents in supporting knowledge based growth in the region, and it shows how we plan to maximise our contribution by growing the manufacturing base and promoting the service sector.

This strategy defines Northumberland's economy as a valuable regional asset with huge untapped potential, and we will work with our regional partners to ensure that all available resources are directed towards the goals we have set.

Regional and National Partnerships

Delivering the Economic Strategy will be multi-faceted and challenging and needs to involve a host of partners and partnerships at multiple levels. The *economic development landscape* has of course changed radically in the past few years, following the abolition of the regional development agencies and the impact of austerity measures. New arrangements are starting to mature and by working through the LEP and NECA regional-scale initiatives supported by the public and private sector are now making an impact.

This relatively new sub national infrastructure provides an opportunity to enhance collaboration across the economic geography of the region and address common challenges. It provides a chance to develop a well governed level of organisation to secure new power, devolution and tools from Government to drive change. Northumberland County Council is at the centre of this change and will be working with our partners to secure investment and support.

Regional structures and recent City and Growth Deals will help to deliver our strategic transport priorities, including the dualling of the A1 and the Ashington, Blyth

& Tyne Line, and they will also support skills development, apprenticeships and youth training. Key areas of intervention such as innovation will require regional action to intervene effectively. We will continue to work through our regional partnerships and also directly with Government via relationships with DEFRA, BIS, DCLG and other departments to ensure that programmes address the needs and opportunities available in Northumberland.

Committed to Growth

In publishing this document, The County Council is making a commitment to use all its powers and resources to deliver balanced and inclusive growth. We will use planning and other policies to show what the revitalised local economy will look like on the ground, identify new business hubs and develop county-wide housing plans.

We will use our reduced but still significant resources to get behind growth, across services through the whole county. Resources are tight, but we will prioritise our capital programme to deliver a programme of capital projects which enable investment. We will work hard to maximise external funding from a wide variety of sources including through the new European Programme and local growth deals.

Arch will have a key role to play in delivering and managing commercial and industrial property, providing targeted sector and business support, completing the superfast broadband programme, and leading the county's inward investment effort. Arch's profit-for-purpose business model will generate operating surpluses that will be used to fund elements of our discretionary support.

Delivery Programmes – Investment Zone and Growth Network

The Delivery Plan for this strategy will follow, with a detailed pipeline of activity and projects, providing an opportunity to maximise investment across thematic areas based on the needs and opportunities presented on the ground. As part of the delivery plan we will be establishing two economic delivery programmes based on the spatial assets in the County.

The economic programmes provide a vehicle to promote the county's economic strengths and opportunities to partners and investors. However, this approach is flexible and the geography is overlapping.

For instance whilst culture and tourism assets can be argued as being located predominantly in the Growth Network, there are key cultural attractors and sites in the Investment Zone including Woodhorn Museum, Northumberlandia and Seaton Delaval Hall.

This is recognition that whilst the Economic Strategy is for the whole of Northumberland its effective delivery requires different approaches and priorities in different parts of the county.

It is intended to act as a mechanism to demonstrate how thematic interventions will be integrated based on places and to secure resources based on an economic business case for change. This also reflects the reality that projects in Northumberland cannot always make that case on their own simply due to scale but combined together have greater chance of success at regional and national level.

Delivery Planning

The Council is embedded in a host of partnerships which will help to drive delivery. This includes sector partnerships such as the public / private partnership leading the Forestry Sector Growth Plan initiative, the development of a new Cultural Strategy involving tourism, leisure and heritage stakeholders, spatial partnerships such as the Borderlands project which has brought us together with neighbouring councils in England and Scotland with common issues in this part of the Country.

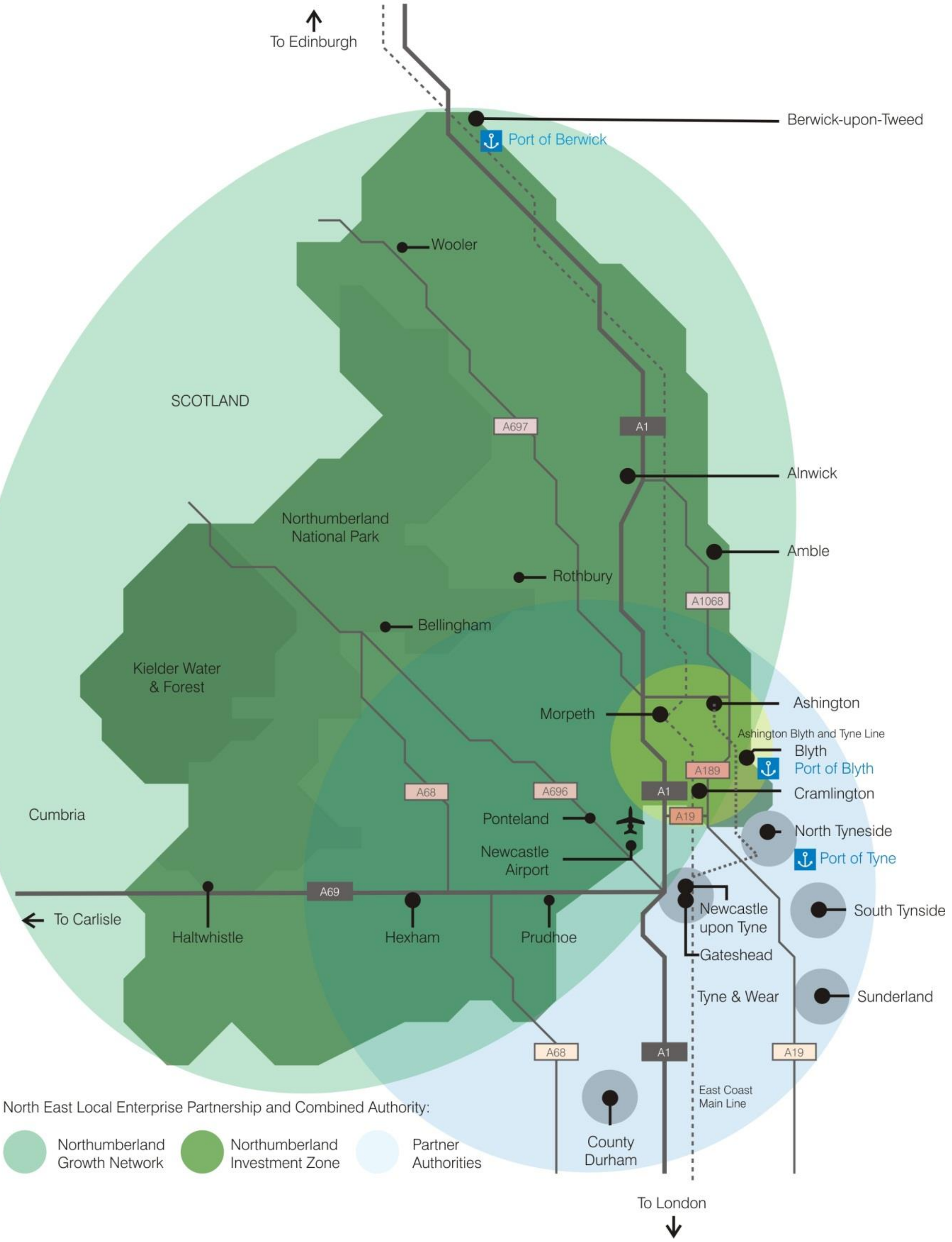
Shared services with other organisations are also an important factor in the way we work as well as our commissioning and partnering arrangements with the voluntary and community sector and many others.

We will be seeking to continue dialogue with regional and local partners – many of whom have contributed to the development of this strategy – to win support, identify delivery roles and to encourage adoption of the strategy as part of organisational planning.

The region’s universities and colleges, sectoral, business and community organisations, anchor institutions within the County such as the National Park Authority, Northumberland College and many others have a vital role to play. It follows that this strategy is not the final word on the subject: it will evolve and develop as we work together to revitalise the Northumberland economy.

This Strategy is the beginning not the end of a long term process of economic change and stewardship by the council and its partners. There will be other processes following the strategy, a delivery plan, a new Economic Partnership and a performance framework linked to the council’s corporate processes.

Northumberland Delivery Programmes



Economic Programme 1: Investment Zone

The purpose of the Investment Zone is to deliver regionally significant growth including urban industrial and housing development integrated with measures that increase connectivity with Tyneside

The Investment Zone Delivery Programme will seek to capitalise on both the resident population and economic assets which are concentrated in the south east and central area of Northumberland. This includes Morpeth, Ashington, Bedlington, Blyth and Cramlington, closely integrated with the Newcastle city-region, and served by a good public transport system, establishing new business locations and attracting inward investment.

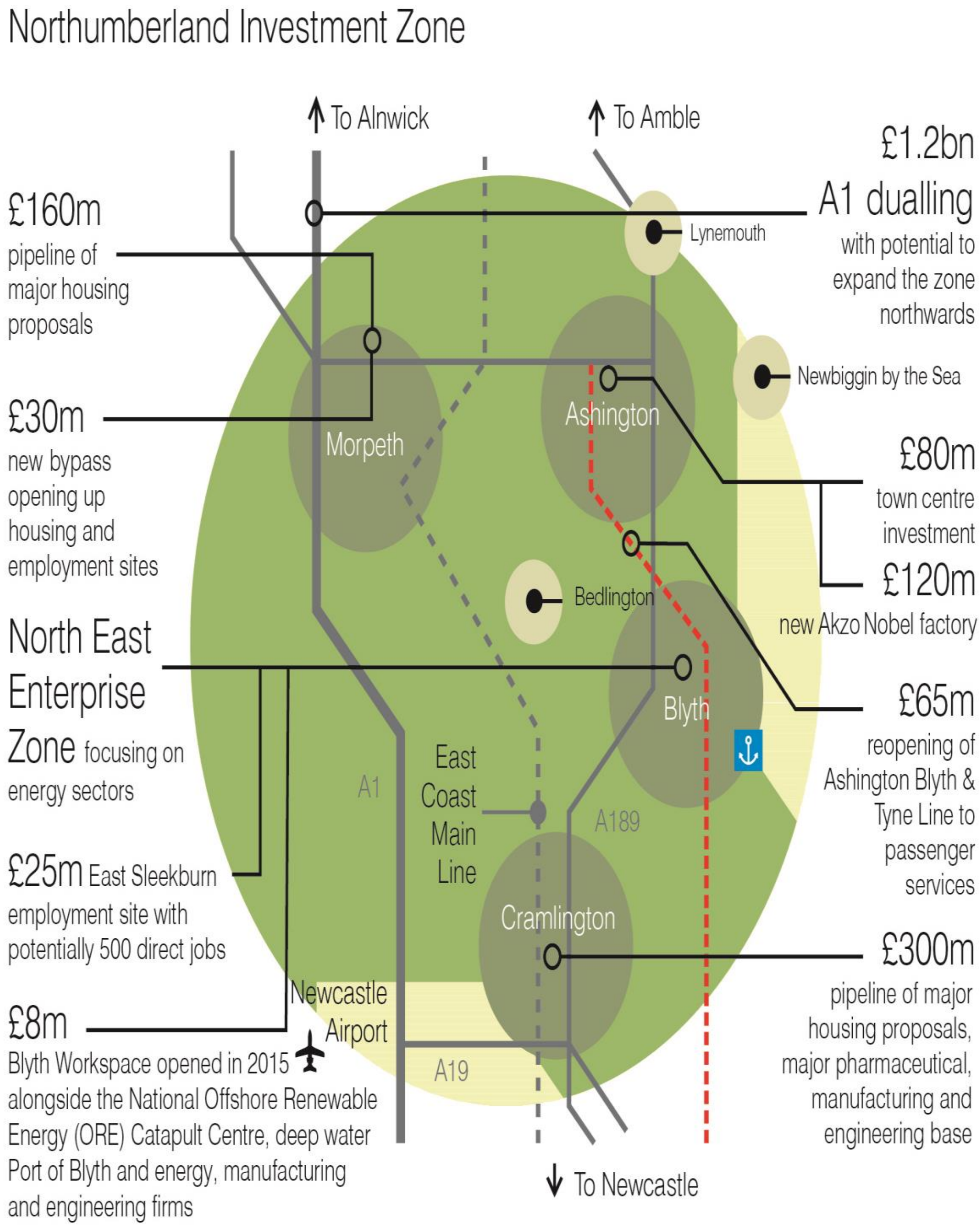
Within this area, the reinstatement of passenger transport on the Ashington, Blyth and Tyne railway line will make south-east and central Northumberland a more attractive and accessible place to live and work. The Morpeth Northern Bypass opening in 2016 will provide a northern link joining the A1 together with the A189, this investment alongside the new rail link will form the spine of the *investment zone* expanding the connectivity of the area into the Region for businesses and residents.

This will extend and consolidate equitable growth in the Tyneside / Northumberland conurbation by combining investment across South East and part of Central Northumberland allied with investment in the wider North East Region.

In summary, the zone combines long term investment proposals including:

- major infrastructure investment including dualling of the A1 strategic road network to Scotland,
- re-opening of the Ashington, Blyth and Tyne Line to passengers,
- significant new employment and housing including major growth plans in Morpeth and Cramlington,
- the new Morpeth Northern Bypass completing and enhancing the road network between the A1 and A189 corridors ,
- civic investment in the renewal of Ashington Town Centre,
- delivery of major energy related investment into the Blyth Estuary Strategic Employment Area including the North East Enterprise Zone
- Strengthening of Cramlington’s successful industrial and retail offer.
- Bespoke activity in other communities such as renewal of Bedlington’s High Street

The zone will enable development of new jobs and business, new quality and diverse housing and excellent transport routes linked to the urban core of Tyne and Wear.


Northumberland Investment Zone
To Alnwick
To Amble
£1.2bn
A1 dualling
with potential to expand the zone northwards
£160m
pipeline of major housing proposals
Lynemouth
Newbiggin by the Sea
£30m
new bypass opening up housing and employment sites
Morpeth
Ashington
£80m
town centre investment
£120m
new Akzo Nobel factory
Bedlington
North East Enterprise Zone focusing on energy sectors
Blyth
£65m
reopening of Ashington Blyth & Tyne Line to passenger services
A1
East Coast Main Line
A189
£25m East Sleekburn employment site with potentially 500 direct jobs
Cramlington
£300m
pipeline of major housing proposals, major pharmaceutical, manufacturing and engineering base
Newcastle Airport
£8m
Blyth Workspace opened in 2015 alongside the National Offshore Renewable Energy (ORE) Catapult Centre, deep water Port of Blyth and energy, manufacturing and engineering firms
A19
To Newcastle

Economic Programme 2: Growth Network

The purpose of the Growth Network is to support and facilitate the growth of Northumberland's network of market towns, and ensure the rural economy is an accessible and distinctive place to live, work and visit.

The network seeks to build on the success of the existing North East Rural Growth Network which has already attracted a long term funding package from Government for business support.

The Growth Network broadens this approach to encompass investment in infrastructure, connectivity, key sectors and cultural and heritage assets to support growth across the mainly rural North, West and Central areas of Northumberland including the populous commuter towns and rural service centres of Berwick, Alnwick, Amble, Morpeth, Ponteland, Prudhoe, Hexham, and Haltwhistle. The strength of this area also lies in the range of smaller towns and villages across the County and the distinct locational assets of the National Park and two AONBs where appropriate investment can also occur.

This strategy proposes that whilst much of this part of the county is dispersed across a large land mass from the Rural North to the far West of Northumberland the strength of these places is in there diversity but also in their common opportunities, for instance to see niche based business development projects, expanded enterprise hubs with targeted support and to see a strengthened tourism offer focusing on the key towns and their hinterlands and the world class cultural and heritage assets we have at our disposal.

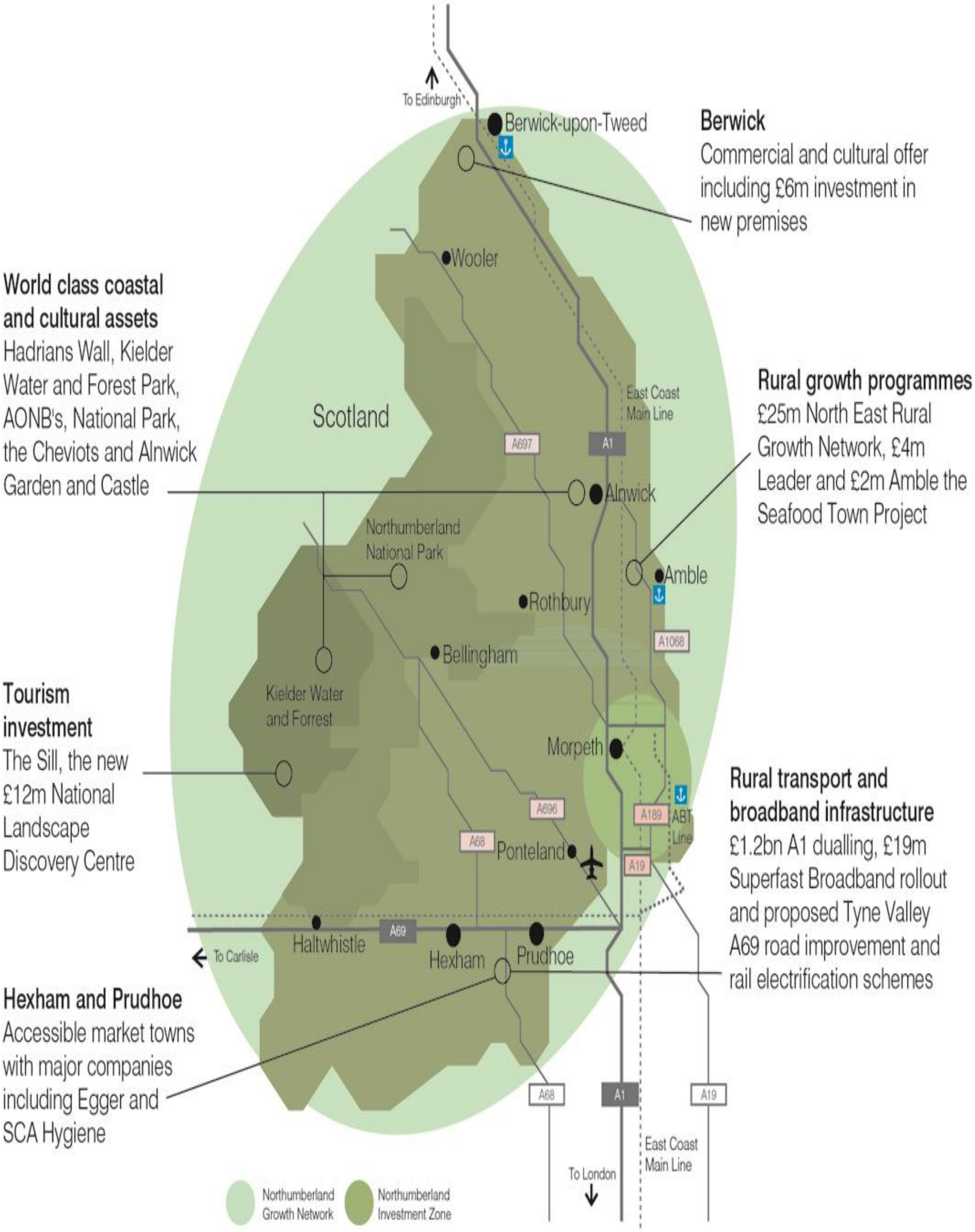
The potential impact of dualling the A1 North of Morpeth, a project of wider regional and national significance is a central part of realising growth in the area providing for greater access to external markets, the expansion of the commuter area of Tyneside Northwards alongside greater opportunity for growth of jobs, housing and commercial activity in Alnwick and Berwick and their surrounding hinterlands.

Making the case for improvements to route development including the A69 and other key routes are important alongside the delivery of traffic schemes that support town centres to function well. Safeguarding and improving services on national rail and public transport services that connect the county internally and externally are a priority.

There are distinct opportunities in certain areas, for instance the central corridor locations of Hexham, Prudhoe and Ponteland are popular commuter towns with highly skilled populations and thriving, high demand housing markets. As such the investment appetite is higher and is something to capitalise upon.

Each place will seek bespoke, nuanced and place specific growth that uses each community's best assets and is sensitive to the need to protect these localities for future generations. By packaging and scaling up interventions in this area it gives greater opportunity to secure investment and support from stakeholders and funders.

Northumberland Growth Network



Annex – Northumberland's Economy – Supporting Information

Metric	South East		Central		Rural	
Key Population Statistics (all usual residents)	**Number**	**Per cent**	**Number**	**Per cent**	**Number**	**Per cent**
All People	163,239	51.6*	78,976	25.0*	73,813	23.4*
All Males	79,805	48.9	38,252	48.4	36,067	48.9
All Females	83,434	51.1	40,724	51.6	37,746	51.1
Number of people per hectare	7.4		0.8		0.2	
Number of people per square kilometre	736.8		83.0		19.2	
Population by Age (all usual residents)						
0 – 15 years	29,190	17.9	13,293	16.8	11,383	15.4
0 – 4	9,107	5.6	3,581	4.5	3,315	4.5
5 – 15	20,083	12.3	9,712	12.3	8,068	10.9
16 – 64 years	105,272	64.5	48,208	61.0	45,378	61.5
16 – 24	17,412	10.7	7,104	9.0	6,331	8.6
25 – 64	87,860	53.8	41,104	52.0	39,047	52.9
65 + years	28,777	17.6	17,475	22.1	17,052	23.1
65 – 74	16,028	9.8	9,026	11.4	9,312	12.6
75 +	12,749	7.8	8,449	10.7	7,740	10.5
Households (all household spaces)						
All Household spaces	74,472	50.3	35,282	23.8	38,289	25.8
Household spaces with at least one resident	71,630	96.2	33,713	95.6	33,191	86.7
Household spaces with no residents	2,842	3.8	1,569	4.4	5,098	13.3
Average Household size	2.2		2.3		2.2	
Economic Activity (aged 16-74)						
Economically Active	81,388	67.1	39,227	68.5	37,653	68.8
Employees part-time	17,864	14.7	8,187	14.3	8,317	15.2
Employees full-time	46,791	38.6	21,188	37.0	18,401	33.6
Self-employed	7,108	5.9	6,864	12.0	8,091	14.8
Unemployed	6,847	5.6	1,660	2.9	1,822	3.3
Full-time student	2,778	2.3	1,328	2.3	1,022	1.9
Economically Inactive	39,912	32.9	18,007	31.5	17,037	31.2
Retired	21,314	17.6	11,419	20.0	11,164	20.4
Student (Including Full-Time Students)	4,220	3.5	2,287	4.0	1,601	2.9
Looking After Home or Family	4,719	3.9	1,804	3.2	1,845	3.4

Long-Term Sick or Disabled	6,908	5.7	1,767	3.1	1,646	3.0
Other	2,751	2.3	730	1.3	781	1.4
Highest Level of Qualification (aged 16+)						
No qualifications	36,336	27.1	11,788	17.9	14,460	23.2
Level 1 qualifications	20,628	15.4	7,004	10.7	8,159	13.1
Level 2 qualifications	23,326	17.4	9,979	15.2	10,058	16.1
Apprenticeship	6,694	5.0	2,389	3.6	2,740	4.4
Level 3 qualifications	17,303	12.9	7,370	11.2	6,977	11.2
Level 4 qualifications and above	24,649	18.4	24,948	38.0	17,427	27.9
Other qualifications	5,113	3.8	2,205	3.4	2,609	4.2
Weekly Hours Worked (aged 16 - 74 in employment)						
15 hours or less (part-time)	5,803	7.9	3,821	10.2	3,582	10.0
16-30 hours (part-time)	15,723	21.3	7,351	19.7	7,556	21.2
31-48 hours (full-time)	45,305	61.3	20,281	54.3	18,424	51.6
49 hours or more (full-time)	7,047	9.5	5,890	15.8	6,118	17.1

Metric	South East		Central		Rural	
	Number	Per cent	Number	Per cent	Number	Per cent
Method of Travel to Work (aged 16-74 in employment)						
Car/van/taxi/motorcycle	56,245	76.1	26,863	71.9	23,789	66.7
Public transport	6,312	8.5	2,428	6.5	1,597	4.5
On foot	7,078	9.6	4,270	11.4	5,576	15.6
Bicycle	1,375	1.9	362	1.0	400	1.1
Work from home	2,227	3.0	3,057	8.2	3,911	11.0
Other	641	0.9	363	1.0	407	1.1
Industry (aged 16-74 in employment)						
Agriculture, forestry & fishing	356	0.5	889	2.4	2,494	7.0
Mining & quarrying	482	0.7	135	0.4	153	0.4
Manufacturing	8,086	10.9	2,760	7.4	2,723	7.6
Elec, gas, steam & air conditioning supply	489	0.7	158	0.4	211	0.6
Water sply; sewage, wste mgmt & rem	541	0.7	243	0.7	276	0.8
Construction	6,162	8.3	2,519	6.7	2,948	8.3
Whsale & ret trade; repair motor vehicles…	11,165	15.1	5,059	13.5	5,253	14.7
Transport & Storage	3,386	4.6	1,380	3.7	1,444	4.0

Accommodation & Food Svc Activities	3,652	4.9	2,029	5.4	3,113	8.7
Information & Communication	1,898	2.6	1,170	3.1	589	1.7
Financial & Insurance Activities	1,926	2.6	1,021	2.7	533	1.5
Real Estate	924	1.3	665	1.8	575	1.6
Professional, Scientific & Technical	2,789	3.8	2,834	7.6	1,993	5.6
Administrative & Support Service	3,157	4.3	1,197	3.2	1,288	3.6
Pub Admin & Def; Compulsory Soc Sec	7,915	10.7	2,825	7.6	2,681	7.5
Education	5,665	7.7	4,320	11.6	3,096	8.7
Human Health & Social Work	12,129	16.4	6,175	16.5	4,287	12.0
Other	3,156	4.3	1,964	5.3	2,023	5.7
Occupation (aged 16-74 in employment)						
Managers, Directors and Senior Officials	5,931	8.0	5,178	13.9	4,350	12.2
Professional Occupations	8,832	12.0	8,873	23.8	5,102	14.3
Associate Professional and Technical Occupations	8,492	11.5	4,699	12.6	3,636	10.2
Administrative and Secretarial Occupations	10,048	13.6	3,641	9.8	3,202	9.0
Skilled Trades Occupations	8,972	12.1	3,920	10.5	6,146	17.2
Caring, Leisure and Other Service Occupations	8,613	11.7	3,479	9.3	3,487	9.8
Sales and Customer Service Occupations	7,577	10.3	2,496	6.7	2,615	7.3
Process, Plant and Machine Operatives	6,633	9.0	1,915	5.1	2,842	8.0
Elementary Occupations	8,780	11.9	3,142	8.4	4,300	12.1
Socio-Economic (aged 16-74 in employment)						
Higher Managerial, Admin & Prof Occupations	7,380	6.1	8,580	15.0	5,170	9.5
Lower Managerial, Admin & Prof Occupations	22,609	18.6	15,286	26.7	11,805	21.6
Intermediate Occupations	17,863	14.7	7,081	12.4	5,747	10.5
Small Employers & Own Account Workers	8,099	6.7	6,221	10.9	8,364	15.3
Lower Supervisory & Technical Occupations	10,897	9.0	3,477	6.1	4,421	8.1
Semi-Routine Occupations	21,306	17.6	6,711	11.7	8,827	16.1
Routine Occupations	18,716	15.4	4,501	7.9	6,148	11.2
Never Worked and Long-Term Unemployed	7,600	6.3	1,846	3.2	1,652	3.0
Not Classified	6,820	5.6	3,531	6.2	2,556	4.7

**percentage distribution across the county (all others are area based)*

 # Note all figures are 2011 census based and will therefore not tally with APS, BRES, IDBR quoted elsewhere in this document.