

NORTHUMBERLAND'S ECONOMY 2009 - part of the Economic Assessment of Northumberland

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The Northumberland Information Network is a partnership between:

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1.0 BACKGROUND

In 2006, the Chancellor of the Exchequer announced that as part of the next Comprehensive Spending Review, a review of sub-national economic development and regeneration in England would be undertaken. This SNR, as it has become known, had a clear aim – to help maximise prosperity in all parts of England by stimulating economic growth and improving housing supply.

In order to deliver this, the SNR, published in July 2007, set out a number of structural reforms that:

- Strengthen the local authority role in economic development, including a new statutory economic assessment duty.
- Support effective collaboration by local authorities across functioning economic area – for example, by establishing Multi Area Agreements or Economic Development Companies.
- Streamline the regional tier and introduce single regional strategies (outside London), with the Regional Development Agencies (RDAs) designated as regional planning bodies.
- Give regions a greater say in the distribution of funding in each region, through a second, extended regional funding allocations exercise.
- Sharpen the focus of central government on sub-national devolution – with clearer objectives and responsibilities and improved accountability arrangements; and regional Ministers as regional champions.

Many of these reforms require primary legislation. However, the SNR stated that the Government would consult on how the regional strategy might be implemented and on the creation of a focused duty on local authorities to carry out assessments of their local economies.

Notwithstanding this, the SNR makes it clear that all upper tier local authorities, either on their own or jointly with other authorities and in consultation with other key partners, will

be charged with assessing the economic circumstances and challenges of the local economy. These assessments will then form part of the analytical underpinning of the relevant regional strategy and the local Sustainable Community Strategy (SCS) and subsequently Local Area Agreement (LAA), and potentially Multi Area Agreement (MAA), targets.

In response to this, the Northumberland Strategic Partnership (NSP), working with the Northumberland Information Network (InfoNet) and public and private sector reference groups, has been requested to coordinate and facilitate, as quickly as practicably possible, the undertaking of a comprehensive economic assessment of the county.

Northumberland's Economy 2009 is a paper in part fulfilment of an Economic Assessment process which incorporates three distinctive work areas:

- Northumberland's Economy 2009 (InfoNet)
- Modelling the North East Economy; Long-term Employment Projections for Northumberland (St Chad's College, University of Durham)
- Northumberland Drivers Report; Northumberland in 2020 (Futurist)



This suite of documents shall help steer the Council towards an Economic Strategy.

2.0 ECONOMIC CONTEXT

The Association of Regional Observatories suggests the following key areas which should be central to the evidence base for Comprehensive Economic Assessments:

1. Demography – population, structure, change and projections
2. Housing – nature of stock, affordability, projections, past/current delivery
3. Economy – drivers of productivity, industrial structure, economic forecasts
4. Labour Market – participation, demand for and supply of skills
5. Economic inclusion – deprivation, equalities, barriers to participation
6. Transport – congestion, freight, public transport use, connectivity
7. Infrastructure – construction, property, employment land
8. Environment – emissions, waste energy, biodiversity, climate change, water use, minerals
9. Social and quality of life issues – education, health, culture, impact of globalisation

2.1 Global Economy

A recent assessment of the world economic outlook by the International Monetary Fund revealed that the major advanced economies, which include the US, Japan, Britain and the large continental European Countries are already in, or close to recession. The financial crisis has its roots in the US with the excessive expansion of house building and credit to buy homes. (www.news.bbc.co.uk 24/10/08). In 2008, more than 1.18 million jobs were lost in the US and in October the unemployment rate was 6.5% of the workforce; the highest level since 1994 (www.telegraph.co.uk 07/11/08). The European continent's largest economy, Germany and the fourth largest economy, Italy both slipped into recession during the third quarter of 2008. Spain also suffered its first quarter of negative growth in 15 years; however France just managed to maintain a positive growth rate. This is the first collapse into recession of the economy of the European Union since its inception. Japan, the second biggest global economy, issued third-quarter growth data that confirmed the country had fallen into recession, ending its

longest run of growth since the Second World War (www.independent.co.uk, 15/11/08 and 18/11/08).

2.2 National Economy

The UK economy has slowed as credit conditions tightened and high food and energy prices squeezed household incomes and company profits. The combined effects of these shocks has been to push the UK economy into recession and inflation to a 16-year high. Due to lower commodity prices, inflation has started to ease, but growth is forecast to be negative in 2009. From the second half of 2009, with support from fiscal policy stimulus, low interest rates and lower commodity prices, the economy is forecast to begin to recover, with growth picking up further in 2010 and 2011.

In the UK, GDP, having slowed progressively over the past year, is forecast to grow by $\frac{3}{4}$ per cent in 2008 as a whole, with output falling in the second half of the year. The recession is forecast to continue into the first half of 2009, before GDP growth begins to recover in the second half of the year as credit conditions start to ease and the boost to real incomes from lower commodity prices, the stimulus from monetary and fiscal policy, and the effects of sterling's depreciation, take hold. (Facing global challenges: Supporting people through difficult times; Pre-budget Report, November 2008, CM7484, Crown Copyright 2008, HM Treasury).

The UK economy shrank between July and September 2008 by 0.5%, the first time since 1992. In its revised economic forecast, the CBI predicted that the recession which started in the third quarter of 2008 will run for most of 2009 and see unemployment peak close to 2.9m. It has downgraded its growth predictions for 2008 and 2009, following the severe impact on confidence and business activity from the financial turmoil in October. GDP growth for 2008 has been revised down from 1.1% to 0.8%, and in 2009 the CBI expects the economy to contract by 1.7%. As the economy slows sharply over the coming year and commodity prices continue to ease, CPI inflation is expected to fall from 4.2% this quarter to 1.7% by the end of 2009, undershooting the Bank of England's

2% target. Into 2010, inflation is likely to fall back further to a low of 1.1%, averaging just 1.2% over the year. (CBI Press Release 17/11/08).

2.3 North East Economy

The North East is suffering the key signs of a recession with a growth in unemployment benefit claims alongside a sharp drop in house sales and a rise in repossessions. Between July 2007 and July 2008 the number of people claiming Jobseekers Allowance in the region rose by around 2,000 and claimant unemployment has increased by 3,900 during 2008. Some of the regions sectors have held up well; areas of strength are the Process Industries, Energy and Engineering. The first quarter of 2008 saw significant growth in goods exports and the annual increase of 33% in the North East was well up on the UK rise of 8.5%. Despite recent difficulties however, the North East economy is generally going through a period of positive change. Growth rate for the number of VAT registered businesses in the North East has been above the national average for the past five years and that for the stock of small and medium sized enterprises in the region outgrew all UK countries and regions between 2005 and 2007. The number of enterprises in the North East rose from 109,000 in 2005 to 134,000 in 2007 and business survival rates have increased steadily with 70.4% of new businesses surviving 36 months (The North East Economy; A joint response to changing economic circumstances, One NorthEast, BERR, HM Treasury, September 2008).

2.4 Gross Value Added (GVA)

Gross Value Added measures the contribution to the economy of individual producers, industries or sectors. It is the difference between the value of goods and services produced and the cost of raw materials and other inputs which are used up in production (Fig. 1). GVA per head for the UK increased from £17,827 in 2005 to £18,945 in 2006 (+5.3%).

2.4.1 Regional GVA – 2007

GVA per head in the North East rose from £14,968 in 2006 to £15,688 in 2007, an increase of +4.8%. The annual percentage increase in GVA per head for the UK was +5.3%;

Regional GVA for the North East in 2007 totalled £40.2bn, compared to £38.3bn in 2006, an annual increase of £1.9bn or just over 5%.

2.4.2 Comparisons with Other Regions (2006 to 2007)

The highest annual increase in total GVA was in London (7.1 per cent), followed by Northern Ireland (6.2 per cent) and the South East (6.1 per cent). The lowest growth was in Wales (5.1 per cent), followed by the North East (5.2 per cent). The indexed GVA per head (where UK=100) for the North East in 2007 was 78.6, a slight decrease from the revised 2006 figure of 79.0.

Fig. 1: Regional GVA 2007 ^{1, 2, 3}

	Total GVA 2007 (£m)	% increase on 2006	Total GVA Per Head (£) ³	% Increase on 2006	Per Head Index (UK=100)
North East	40,231	5.2	15,688	4.8	78.6
North West	119,667	5.9	17,433	5.8	87.4
Yorkshire and the Humber	87,390	5.5	16,880	4.8	84.6
East Midlands	77,864	5.9	17,698	5.0	88.7
West Midlands	92,356	5.6	17,161	5.3	86.0
East of England	116,186	5.8	20,524	4.8	102.8
London	229,619	7.1	30,385	6.5	152.3
South East	187,971	6.1	22,624	5.2	113.4
South West	94,215	5.8	18,195	4.7	91.2
England	1,045,501	6.1	20,463	5.4	102.5
Wales	44,333	5.1	14,877	4.6	74.5
Scotland	98,521	5.5	19,152	5.0	96.0
Northern Ireland	28,445	6.2	16,170	5.1	81.0
UK ⁴	1,216,799	6.0	19,956	5.3	100.0

Notes

1 GVA on current basic prices on residence basis

2 Figures may not sum due to rounding

3 2007 estimates are provisional

4 Excluding statistical discrepancy and Extra Regio

2.4.3 Sub Regional GVA (2005 to 2006)

All sub regional GVA data are calculated on a workplace basis.

The North East has two **NUTS 2** sub regions, Tees Valley plus County Durham in the south and Northumberland plus Tyne & Wear in the north. Northumberland and Tyne & Wear has been moving closer to the UK average since 1999 and has now an indexed GVA per head of 86 in 2006, an increase from 85 in 2005. Tees Valley and County Durham has remained at 71 since 2004. In 2006, Northumberland and Tyne & Wear ranks 21st out of the 37 UK NUTS2 regions unchanged from 2004. Tees Valley and County Durham ranks further behind at 34th, which is also unchanged since 2004. GVA per head in Tees Valley and Durham increased from £12,827 in 2005 to £13,368 in 2006 (+4.1%); Northumberland and Tyne & Wear GVA per head increased from £15,466 to £16,295 (+5.1%).

The North East contains seven **NUTS3** sub regions:

- Hartlepool & Stockton
- South Teesside
- Darlington
- County Durham
- Northumberland County
- Tyneside
- Sunderland

In 2006 Tyneside is the sub region with the highest relative GVA per head at 93 (UK=100), up from 92 in 2005. It is ranked 45th out of 133 UK NUTS3 regions. Previously Darlington ranked highest however its index score has been decreasing year on year since 2001 where it peaked at 97 and has now fallen to 90 in 2006, giving it a ranking of 50th (see Fig. 2).

The sub region with the lowest GVA per head relative to the rest of the UK is County Durham with an index score of 61 in 2006. County Durham ranked 127th in 2006, down from 120th in 2005. In 2001 Northumberland was the 2nd lowest NUTS3 area out of 91 areas England, although there has been some improvement. In 2006 Northumberland has an index score of 65 ranking it 115th. It should be noted that NUTS1 data is on residence basis and sub regional data is on a work place basis. The effects of commuting therefore have a major effect on the figures for the sub regions and it is a major reason why Northumberland has lower GVA/head than Tyneside. See section 5.5.

Fig. 2: GVA per Head Indices at Sub Regional Level in North East: NUTS 3 1997 – 2006 (UK=100)

	Hartlepool and Stockton	South Teesside	Darlington	Durham	Northumberland	Tyneside	Sunderland
1997	92	77	97	68	71	86	79
1998	88	76	96	66	69	87	79
1999	85	74	96	65	68	87	80
2000	82	71	96	65	67	87	81
2001	79	69	97	65	67	88	83
2002	76	68	96	64	67	89	85
2003	75	70	94	63	67	90	86
2004	76	72	92	63	66	91	87
2005	77	74	91	62	65	92	88
2006	77	74	90	61	65	93	89

1 GVA per head indexed to UK=100

2 GVA per head - work place basis

3 Excluding extra-regio

4 GVA per head can be distorted by the effects of commuting, especially for smaller areas

In index terms the NUTS 3 sub region with the highest GVA per head is Tyneside at 93 (up from 92). The sub region with the lowest indexed GVA per head is County Durham at 61 followed by Northumberland at 65. The NUTS 3 sub region with the highest GVA at current basic prices is Tyneside at £14,200 in 2006 (up from £13,436 in 2005 (+5.4%)). The sub region with the lowest GVA at current basic prices is Darlington at £1,703 (up from £1,613 (+5.3%)) followed by Northumberland at £3,819 up from £3,656 (+4.3%). GVA per head can be distorted by the effects of commuting, especially for smaller areas because this data is calculated on a workplace basis. Hence the value added by 'out-commuters' is assigned to their place of work (not their home address within the county) and Northumberland GVA may be marginally depressed.

Work carried out to support this Economic Assessment by the Policy Research Group at St Chad's College, University of Durham indicates that if pre-credit crunch conditions were to have continued, headcount employment in the county would have been likely to have experienced a steady upward trend over the coming years. This upward trend would have been largely driven by increases in part-time working; FTE workers were anticipated to remain approximately stable. Given recent national and international economic conditions the future economic prosperity of the county is far more uncertain. Furthermore, as there is limited consensus as to the probable size of the down-turn in the UK economy it is not feasible at this point in time to generate meaningful short to medium-run economic projections for the county. However, it is possible to consider scenarios and the likely effect on the county of declining GVA growth: If the real GVA growth of the county (i.e. after allowing for the influence of changes to the inflation rate) is lowered by 0.9%, for a year, all other things remaining equal, then there is likely to be a headcount job loss of around 1.5%, or a little over 2,000 jobs from a 2008 baseline.

3.0 NORTHUMBERLAND IN CONTEXT

Northumberland is characterised in the main by expansive open stretches of countryside, much of which are breathtaking in landscape quality. Although home to almost 310,000 people, nobody lives in a settlement with more than 39,000 residents. So, within its boundaries, the effects of urban sprawl and congestion are not as acutely felt as most other parts of the country. Thus, it has recently been identified as the most tranquil county in England. Despite this, the collective impact on the environment is greater than the regional average. People in Northumberland also face a number of socio-economic challenges as well as opportunities.

Northumberland is the least populated county in England (with only 61 persons per sq/km). The upland communities nestling within the North Pennines and Cheviot Hills are amongst the most remote places in the country – their quality being reflected in National Park and Area of Outstanding Natural Beauty designations. The county is more built up where the land is flatter and within the sphere of influence of Tyneside – essentially along the Tyne Valley and within the former coalfield on the south eastern coastal plain. However, such is the contrasting topography and history of these areas that they are very different in character. Originally built around former coal pits, the southeast corner remains home to the bulk of the county's employment base and has seen, over the last thirty years, steady programmes of suburban housing construction and older area regeneration. Within the Tyne Valley, there is a more rolling landscape and new development has been more restricted. The settlements are therefore smaller and feel as though wider tracts of open countryside surround them.

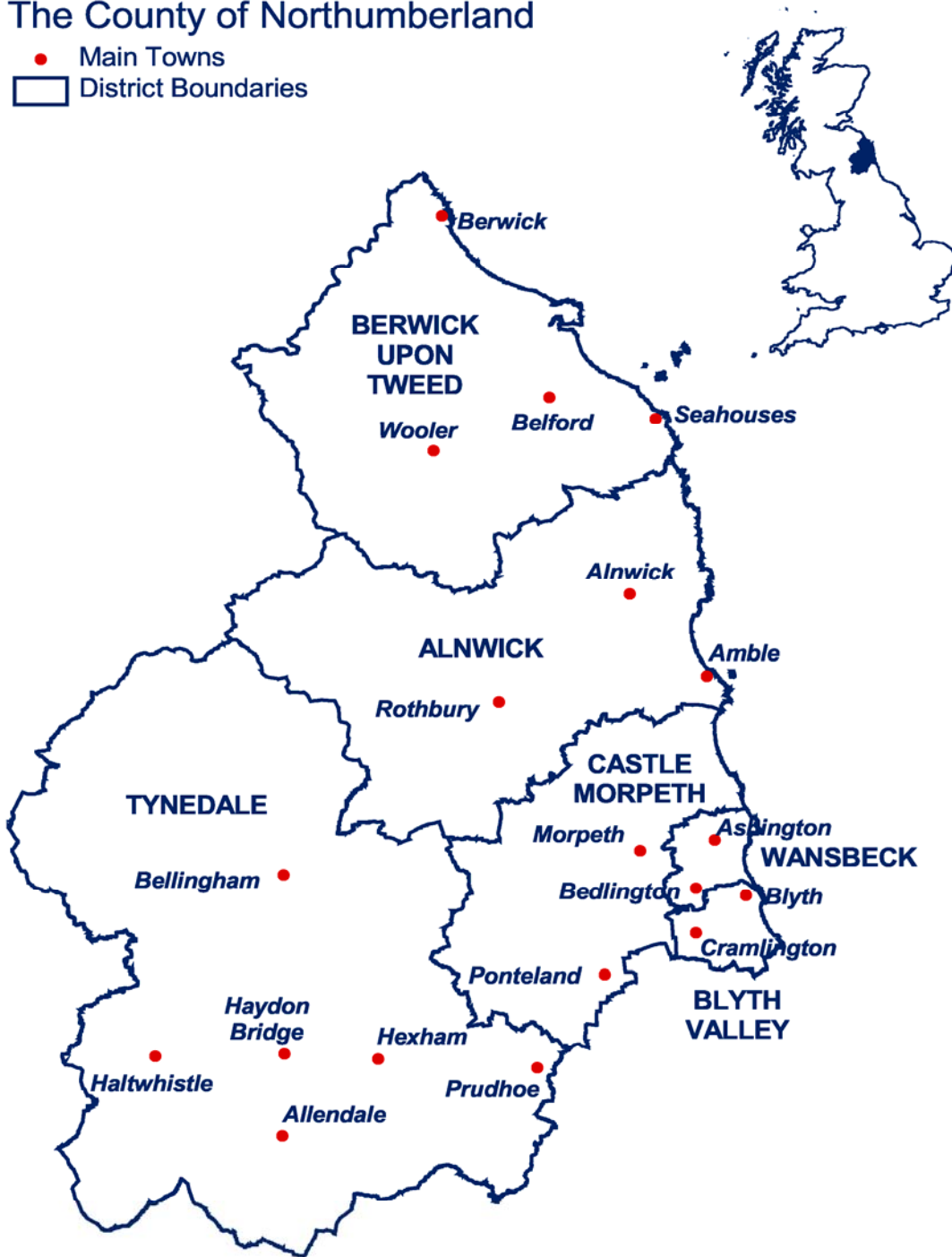
Northumberland's economy cannot be divorced from that of Tyneside because almost a third of the county's workforce commute there on a daily basis. Unemployment remains broadly consistent with the national level, but the average wage earned from employment within the county boundaries in Northumberland is significantly lower. This is because many of the available jobs are seasonal, part-time or relatively unskilled. There are also significant concentrations of working age residents who are excluded

from work. The fortunes of Northumberland's residents are one of stark contrasts, with parts of the county among the "most deprived" in the country but others among the "most affluent".

Across Northumberland, local government was traditionally organised on a two-tier basis with one county council and six district/borough councils. The six area split being Alnwick, Berwick upon Tweed, Blyth Valley, Castle Morpeth, Tynedale and Wansbeck (Fig. 3).

The County of Northumberland

- Main Towns
- District Boundaries



DATE: 04/05/2006 NORTHUMBERLAND MAP SERVICE
 This map is reproduced from Ordnance Survey material with the permission of Ordnance Survey on behalf of the Controller of Her Majesty's Stationery Office © Crown Copyright. Unauthorised reproduction infringes Crown Copyright and may lead to prosecution or civil proceedings.
 NORTHUMBERLAND COUNTY COUNCIL - OS Licence No. 100021901 Published 2006

Fig. 3: The County of Northumberland.

3.1 Northumberland Council

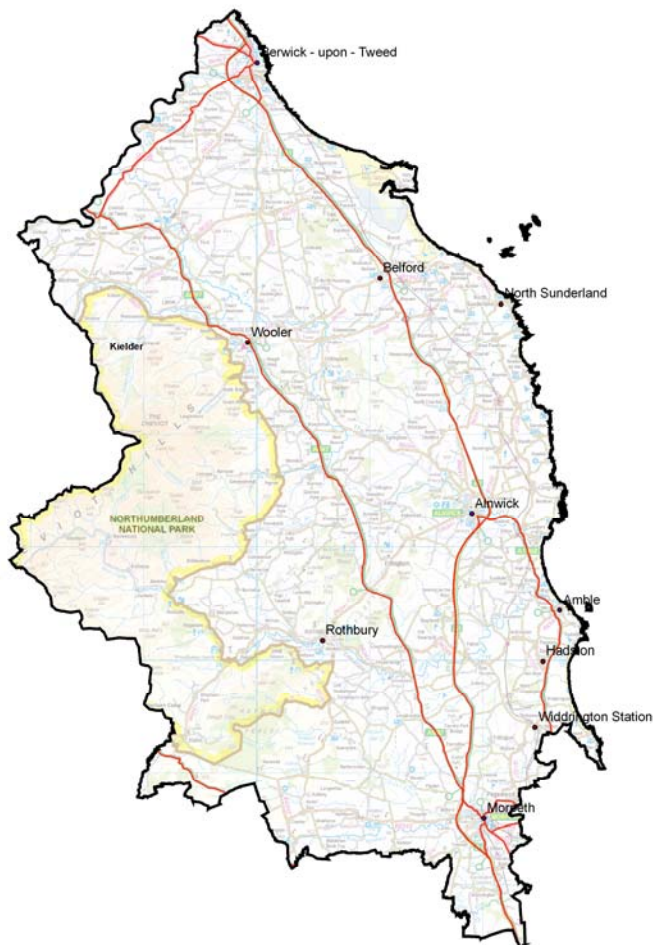
The Government believes that local government in two-tier areas could be improved, and be provided most cost-effectively by the introduction of a simpler and clearer system. In April 2009, the foundations will be in place for a transfer of services and staff from the county and six district councils into one single authority.

The authority will operate with three area committees, representing the North, South-East and West of the county. These will be responsible for managing delegated 'local services', and, along with parish and town councillors, will also be involved in area based scrutiny.

3.1.1 North Area Profile

The North area is the second largest of the three areas covering 240,685 ha. There are three main towns in the North Area; Alnwick with a population of 7,100 (2001 Census) was formerly a largely rural and agrarian community but is now classed as a commuter area with growth in both housing and economy; Berwick (pop – 11,665, 2001 Census) is the most northerly town in England, being the largest settlement for 40 miles in any direction. Employment in agriculture, forestry and fishing and associated manufacturing around these towns, is four times the national average, and there is substantial growth in tourism: Morpeth (pop – 13,834) is the most southerly of the main towns in this area and is one of Northumberland's major market towns.

Fig. 4: North Area

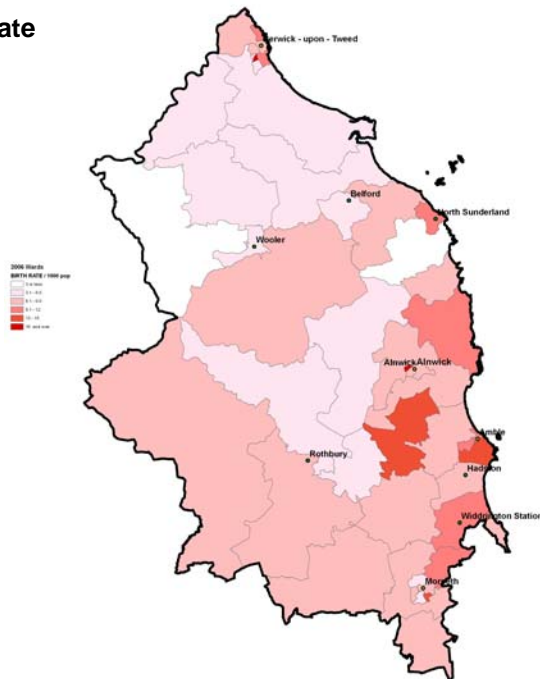


North Area Population

The North area has a population of 88,073. Total population has risen by 1.8% from the Census in 2001 to 2006. Compared with Northumberland, the North area has a lower proportion of children (16.2%), a lower proportion of people of working age (59.1%) and a higher proportion of people of retirement age and over (24.7%). In 2001, 99.3% of the population were classified as white. The Birth Rate per 1,000 population in the North area (2006) ranged from 16.7 births per 1,000 population in Prior ward in Berwick to 0 births in Flodden ward. The Death Rate per 1,000 population was highest in Seton ward at 20.8 deaths per 1,000 population and lowest in Lowick ward at 3.1. The North area has a population density of 61.8 people per km².

Fig. 5: North Area Birth Rate and Death Rate.

Birth Rate

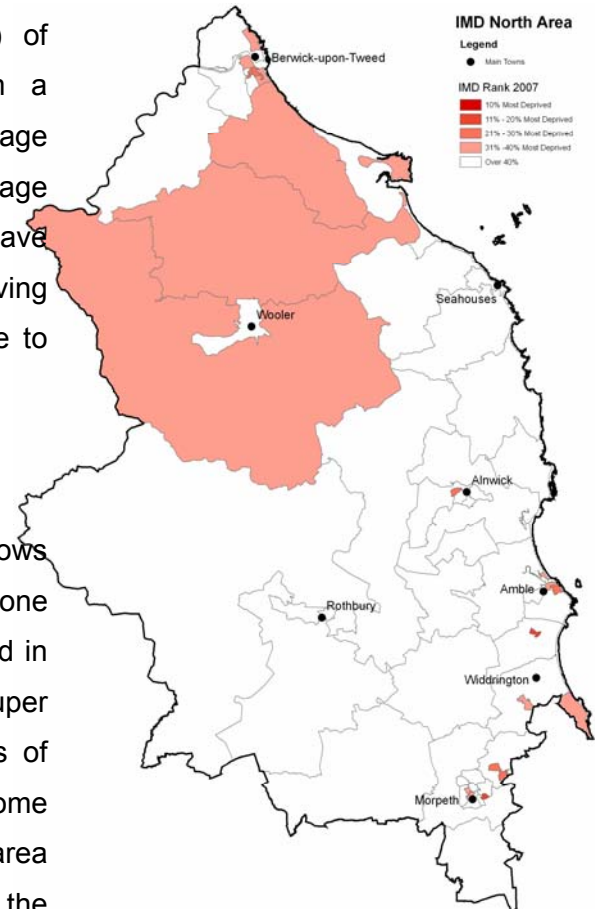


North Area Housing & Services

There are 37,280 households in the North area.

Fig. 6: IMD North Area

Of these households 64% are owner-occupied. The North area has the lowest percentage (3.2%) of households renting their accommodation from a housing association or social landlord. The average house price in the North area is £216,500 (average Oct 07 – Oct 08). House Prices in the area have increased by 31% in the last four years. People living in the North area have to travel 4km on average to their GP, the furthest distance of all 3 areas.



North Area Deprivation

Data from the Indices of Deprivation (ID) 2007 shows that 8% of the population of the North area live in one of the worst 25% of super output areas in England in terms of deprivation. The North area has no super output areas falling into the worst 10% in terms of deprivation. Part of the ID 2007 looks at income deprivation. This data shows that in the North area 8,737 people live in income deprivation¹ (9.9% of the population). 6.3% of all people of working age receive some form of incapacity benefit.

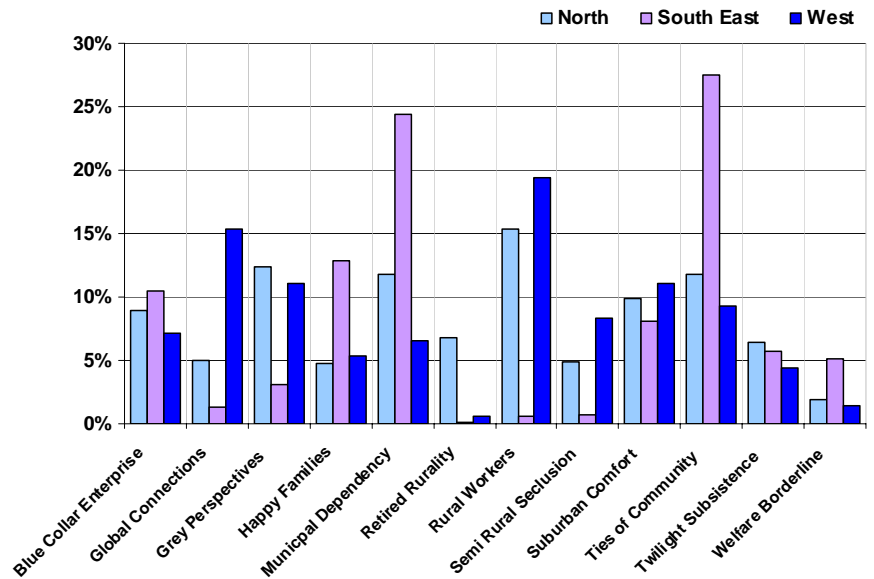
North Area Crime

Crime levels in North Northumberland are very low at 5.4 per 1,000 population. Criminal damage had the highest prevalence with 10 incidents per 1,000 population. The lowest prevalence crime in the North area was Robbery at 0.05 per 1,000 population.

Fig. 7: North Area Segmentation

**North Area Segmentation
(MOSAIC)**

Mosaic is a lifestyle classification of every household in the UK. Various data sources including the Census are used to classify each household in the UK into 61 distinct lifestyle types and 11 groups. In the North area the predominant type is 'Rural Workers' which accounts for 15.36% of all households. Rural Workers are characterised as farmers and service workers living rural in areas far from the main urban areas. These households tend to be of older working ages, lead active lifestyles, having good diets and care for the environment².



3.1.2 South East Area Profile

The South East area is the smallest of the three areas covering 15,084 ha. There are three main towns in the South East Area; Ashington has a population of 27,000 (2001 Census) and was formerly a coal mining community. Blyth, with a population of 36,000 has seen some of its major industries decline in recent times. Both are now classed as commuter areas with an associated growth in housing. Cramlington, with a population of about 39,000 was classed as a 'new town' when development started in the 1960's and has grown steadily since. In 2006, there were 38,930 employee jobs located in this area; 76% of these in the service sector, 17% in manufacturing, 6% in construction and less than 1% in agriculture.

Fig. 8: South East Area



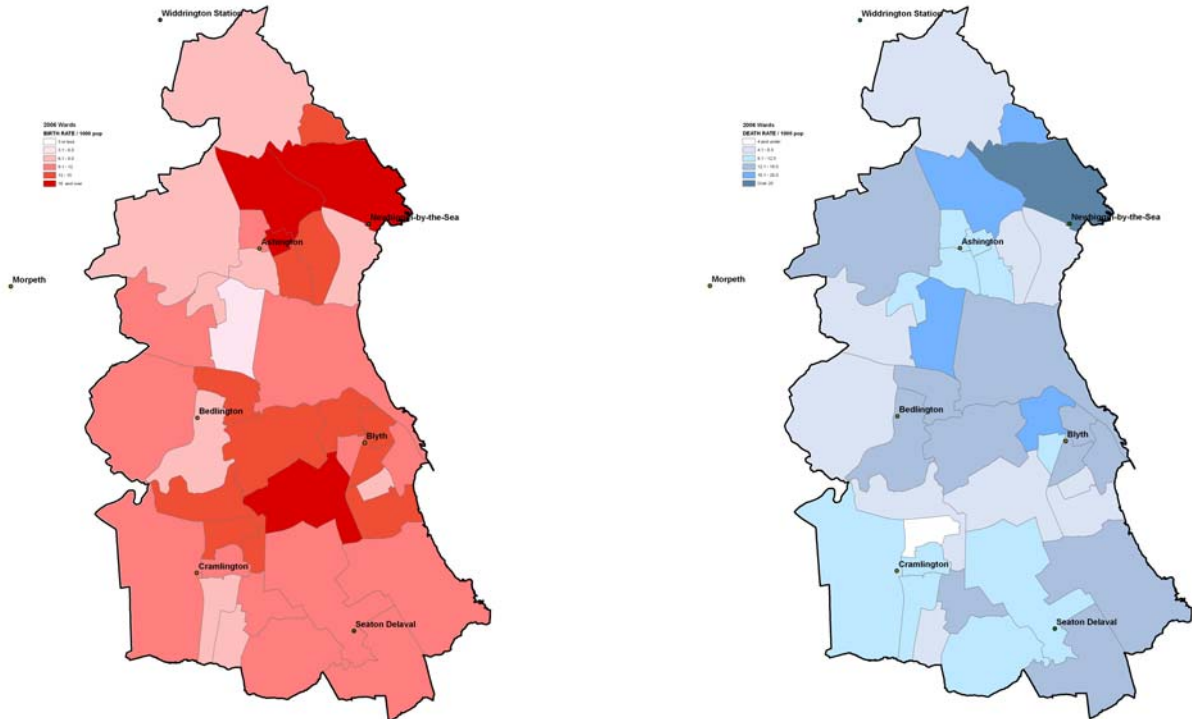
South East Area Population

The South East area has a population of 146,822. The population has only increased by 0.2% since the 2001 Census which is lower than the Northumberland rate of 0.7%. The South East area has a higher percentage of children (19%), a higher percentage of working age (62%) and a lower percentage of retired people (19%) than the county of Northumberland. In 2001, 99% of the population were classified as white. The Birth Rate per 1,000 population in the South East area (2006) ranged from 16.5 births per 1,000 population in Park ward which is in Ashington, to 5.7 births in Stakeford ward. The Death Rate per 1,000 population was highest in Newbiggin East ward at 20.9 deaths per 1,000 population and lowest in Cramlington North ward at 1.7. The South East area has a population density of 968 persons per km², more than 10 times the figure of the other two areas.

Fig. 9: South East Area Birth and Death Rate

Birth Rate

Death Rate



South East Area Economy

In 2001, there were 92,431 people in employment in the South East area. The highest percentage of people work in manufacturing (18.6%), followed by retail with 15.8% and 13.9% in health and social care. In October 2008 the unemployment rate in the South East area was 3.9%, with around 3,570 people claiming Job Seekers Allowance. In May 2008 around 17,040 people were claiming a working age benefit, which was 18.7% of the working age population of the area.

South East Area Housing & Services

There are 63,486 households in the South East area.

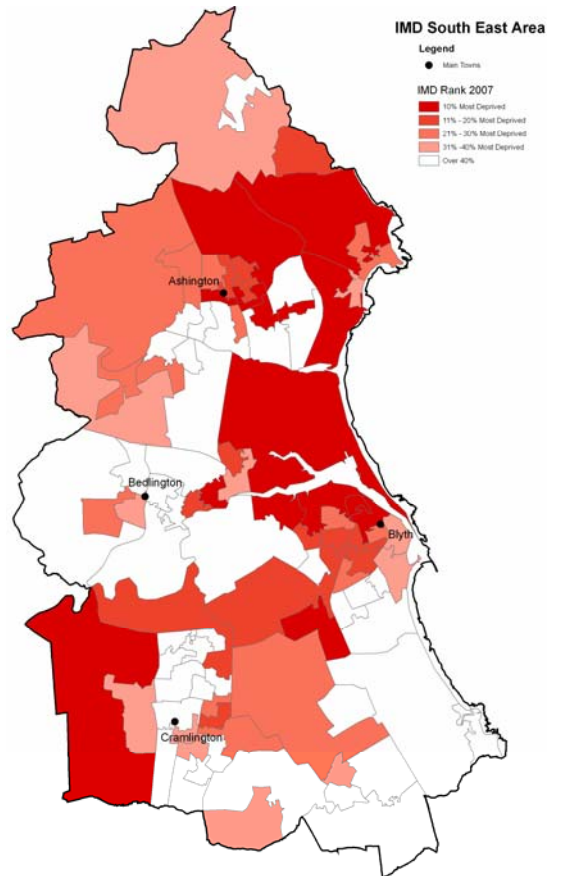
Of these households, 66% are owner-occupied. The South East area has 4.5% of households renting their accommodation from a housing association or social landlord, and 27% renting from the local council which is the highest in the county. The average house price in the South East area is £127,500 (average Oct 07 – Oct 08). House Prices in the area have risen by 23% in the

last four years, the lowest increase in the county. People living in the South East area have to travel 2km on average to their GP, the shortest distance of all 3 areas.

Fig. 10: IMD South East Area

South East Area Deprivation

Data from the ID 2007 shows that 40% of the population of the South East area live in one of the worst 25% of super output areas in England in terms of deprivation. The South East also has 16% of the population living in super output areas which fall into the worst 10% in terms of deprivation. Part of the ID 2007 looks at income deprivation. This data shows that in the South East area, nearly 22,000 people live in income deprivation¹ (14.7% of the population). 9.6% of all people of working age receive severe disablement allowance or incapacity benefit.



South East Area Crime

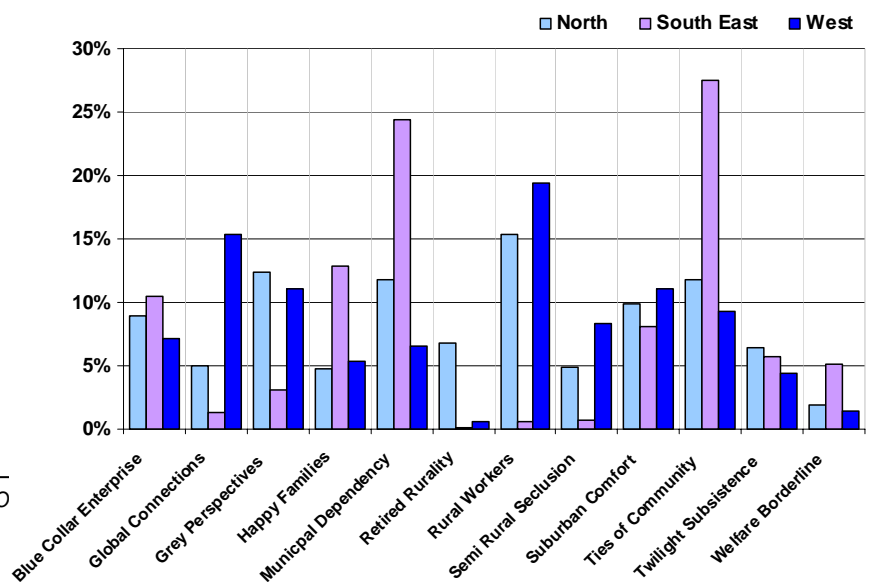
Crime levels in South East Northumberland are 7.9 per 1,000 population. Criminal damage had the highest prevalence with 16 incidents per 1,000 population. The lowest prevalence crimes in the South East area were Robbery and Theft from a person with a rate of 0.33 per 1,000 population.

Fig. 11: South East Area Segmentation

South East Area

Segmentation (MOSAIC)

Mosaic is a lifestyle classification of every household in the UK. Various data sources including the Census are used to classify each household in the UK into 61 distinct lifestyle types and 11 groups. In the South

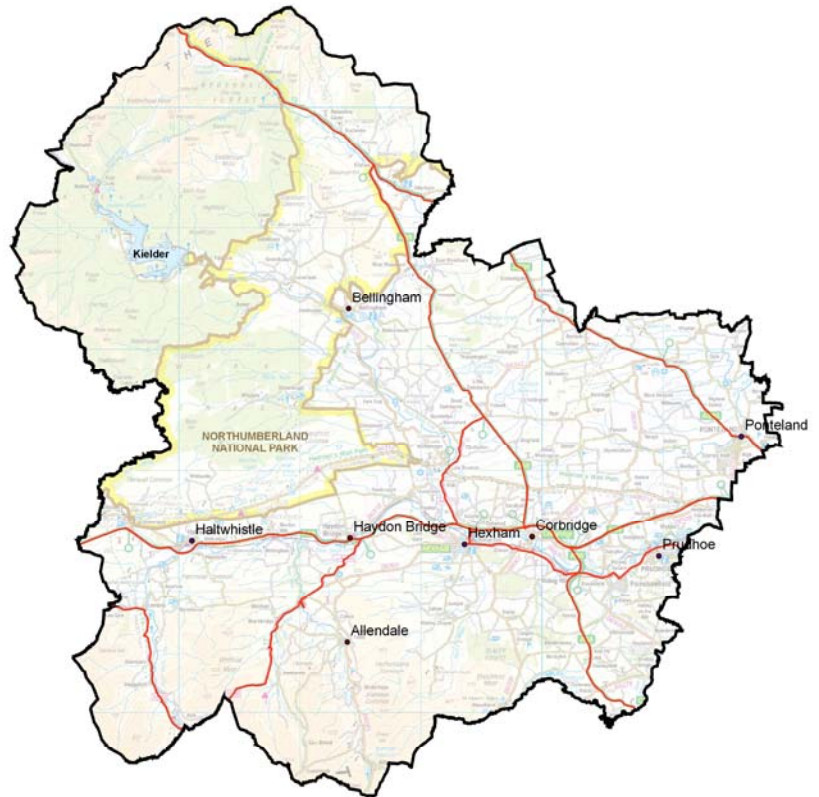


East area the predominant type is 'Ties of Community' which accounts for 27.5% of all households. The definition of this category is 'Close knit, inner city and manufacturing town communities', and it tends to be young couples with children, with families nearby, in older houses, with inactive lifestyles, and many claiming working tax credits².

3.1.3 West Area Profile

The West area is the largest of the three areas covering an area of 246,757 ha. The largest towns in the area are Hexham (population 11,100), Prudhoe (11,500), Ponteland (9,800) and Haltwhistle (3,595) which claims to be the exact geographic centre of Great Britain. The area includes Northumberland National Park, the North Pennines, Kielder Forest and Kielder Water. The traditional industries of the area include agriculture and forestry. Tourism is becoming increasingly important, with Hadrian's Wall attracting over 1.25 million visitors a year.

Fig. 12: West Area.



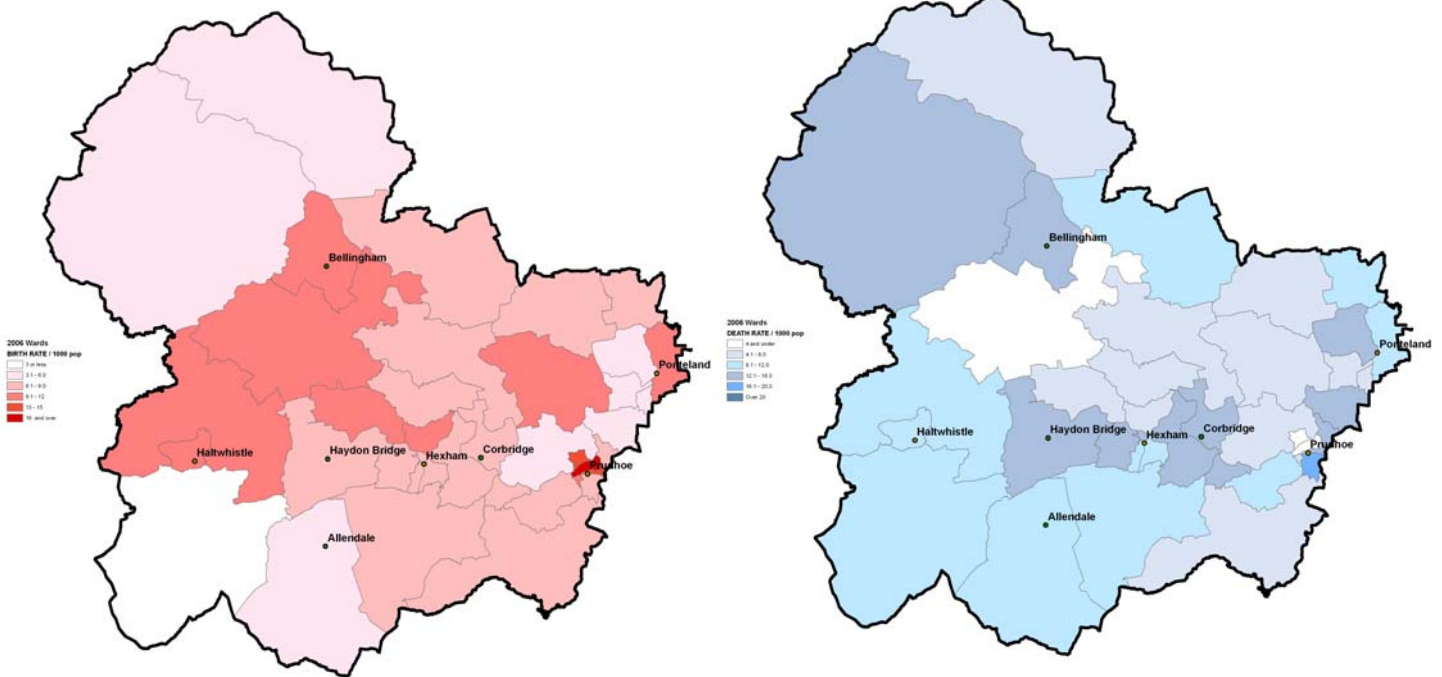
West Area Population

The West area has a population of 75,283. Total population has risen by 1.2% from the Census in 2001 to 2006. Compared with Northumberland, the West area has a lower proportion of people aged 16-29 (13.0%), a lower proportion of people of working age (59.4%) and a slightly higher proportion of people of children (17.7%). In 2001, 98.7% of the population were classified as white. The Birth Rate per 1,000 population in the West area (2006) ranged from 15.1 births per 1,000 population in Prudhoe Castle ward to 2.8 births in West Tynedale ward. The Death Rate per 1,000 population was highest in Prudhoe South ward at 18.8 deaths per 1,000 population and lowest in Prudhoe Castle ward at 3.1. The West area has a population density of 60.3 people per km².

Fig. 13: West Area Birth Rate and Death Rate

Birth Rate

Death Rate



West Area Economy

In 2001, there were 34,250 people in employment in the West area; 14.7% of these worked in retail, 14.2% worked in health and social care and 11.4% in real estate, renting and business activities. The West area has the largest percentage of people working in the education sector in Northumberland at 10%. 16.8% of 16-74 year olds in employment work in as managers or senior officials which is the highest of the three areas. In October 2008 the unemployment rate in the West area was 1.3%, with around 586 people claiming Job Seekers Allowance. In May 2008

around 3,900 people were claiming a working age benefit, 8.9% of the working age population of the area.

West Area Housing & Services

There are 30,716 households in the West area. Of these households 72% are owner-occupied. The West area has the lowest percentage (7.6%) of households renting their accommodation from the council. The average house price in the West area is the highest of the three areas at £309,800 (average Oct 07 – Oct 08). House Prices in the area have increased by 32% in the last four years. People living in the West area have to travel 3.6km on average to their nearest food store, the furthest distance of all 3 areas.

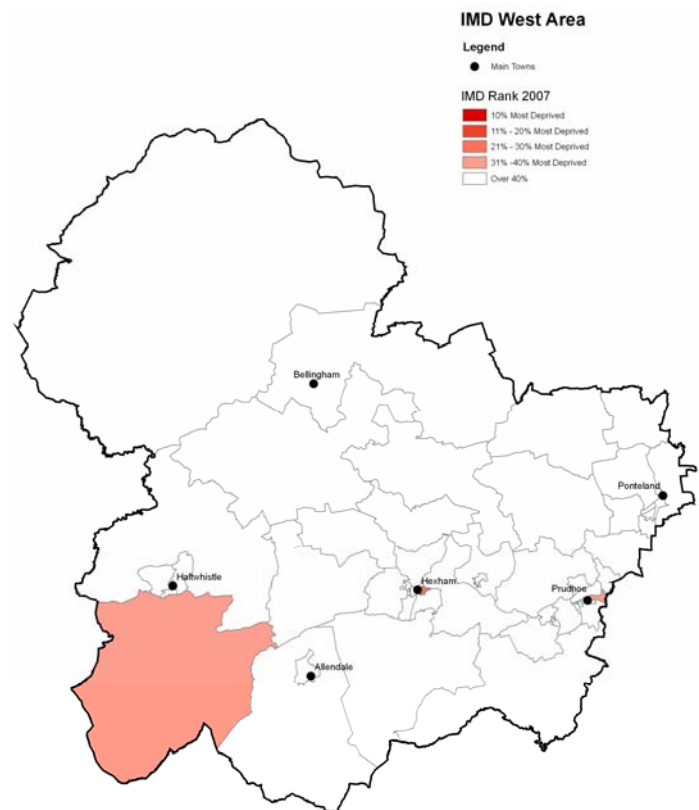
West Area Deprivation

Data from the ID 2007 shows that the West area has no super output areas falling into either the worst 25% or worst 10% of soa's in England in terms of deprivation. Part of the ID 2007 looks at income deprivation. This data shows that in the West area 4,784 people live in income deprivation¹ (6.4% of the population). 4.9% of all people of working age receive some form of incapacity benefit.

West Area Crime

Crime levels in West Northumberland are very low at 3.0 incidents per 1,000 population. Criminal damage had the highest prevalence with 5.5 incidents per 1,000 population. The lowest prevalence crime in the West area was theft from a person at 0.04 per 1,000 population.

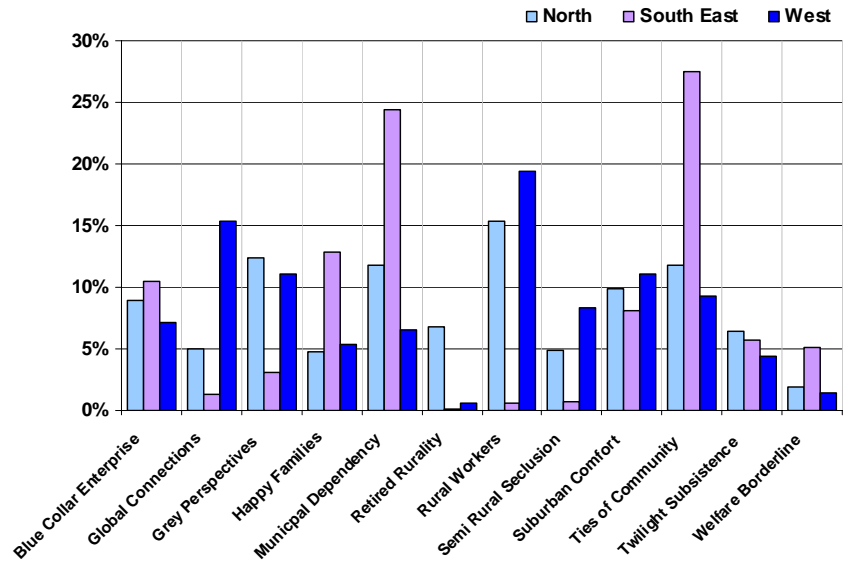
Fig. 14: IMD West Area



West Area Segmentation (MOSAIC)

Mosaic is a lifestyle classification of every household in the UK. Various data sources including the Census are used to classify each household in the UK into 61 distinct lifestyle types and 11 groups. In the West area the predominant type is 'Rural Workers' which accounts for 19.4% of all households. Rural Workers are characterised as farmers and service workers living rural in areas far from the main urban areas. These households tend to be of older working ages, lead active lifestyles, having good diets and care for the environment².

Fig. 15: West Area Segmentation



3.1.4 Areas in numbers

Fig. 16: Areas Comparison Table

	North		South-East		West		Northumberland	
Area								
Hectares	240,685		15,084		246,757		502,526	
km ²	2406.85		150.84		2467.57		5025.26	
Population								
Resident Population (Mid Year 2006)	No.	%	No.	%	No.	%	No.	%
Total	88,073		148,848		75,283		312,204	
Male	43,437	49.3	72,573	48.8	36,842	48.9	152,852	49.0
Female	44,636	50.7	76,275	51.2	38,440	51.1	159,351	51.0
Population Density (people per ha)	0.62		9.87		0.60		1.61	
Population Density (people per km)	61.84		986.8		60.32		62.13	
Age Structure (Mid Year 2006)	No.	%	No.	%	No.	%	No.	%
Age 0-15	14,27	16.2	27,520	18.5	13,30	17.7	55,101	17.6
Age 16-29	12,07	13.7	24,471	16.4	9,780	13.0	46,321	14.8
Age 30-44	16,46	18.7	31,071	20.9	14,22	18.9	61,757	19.8
Aged 45-64 (Males), 45-59 (Females)	23,51 3	26.7	36,889	24.8	20,70 4	27.5	81,106	26.0
Aged 65 and Over (Males), 60 and Over (Females)	21,74 9	24.7	28,898	19.4	17,27 2	22.9	67,919	21.8
Working Age	52,04	59.1	92,431	62.1	44,70	59.4	189,18	60.6
Ethnicity (Census 2001)	No.	%	No.	%	No.	%	No.	%
White	85,93	99.3	146,89	99.0	73,46	98.7	306,29	99.0
Mixed	201	0.2	387	0.3	279	0.4	867	0.3
Asian or Asian British	147	0.2	696	0.5	392	0.5	1,235	0.4
Black or Black British	59	0.1	78	0.1	71	0.1	208	0.1
Chinese or other ethnic group	199	0.2	271	0.2	203	0.3	673	0.2
Socio Economic Classification (2001)	No.	%	No.	%	No.	%	No.	%
All people (aged 16-74)	63,33		108,88		54,12		226,34	
Large employers and higher	1,719	2.7	2,323	2.1	2,174	4.0	6,216	2.7
Higher professional occupations	2,658	4.2	2,633	2.4	3,678	6.8	8,969	4.0
Lower managerial and professional	10,89	17.2	16,969	15.6	10,92	20.2	38,787	17.1
Intermediate occupations	4,708	7.4	11,178	10.3	4,233	7.8	20,119	8.9
Small employers and own account	5,881	9.3	4,932	4.5	5,537	10.2	16,350	7.2
Lower supervisory and technical	4,730	7.5	9,811	9.0	3,445	6.4	17,986	7.9
Semi-routine occupations	7,853	12.4	14,964	13.7	5,499	10.2	28,316	12.5
Routine occupations	5,959	9.4	13,274	12.2	3,687	6.8	22,920	10.1
Never worked	1,457	2.3	2,802	2.6	1,033	1.9	5,292	2.3
Long-term unemployed	716	1.1	1,614	1.5	462	0.9	2,792	1.2
Full-time students	2,964	4.7	5,245	4.8	3,016	5.6	11,225	5.0
Not classifiable for other reasons	13,80	21.8	23,135	21.2	10,43	19.3	47,372	20.9

Housing								
Households (Census 2001)	No.	%	No.	%	No.	%	No.	%
All Households	37,28		63,48		30,71		131,48	
Owner occupied: Owns outright	11,42	30.7	15,18	23.9	10,58	34.5	37,205	28.3
Owner occupied: Owns with a	12,33	33.1	26,77	42.2	11,43	37.2	50,543	38.4
Owner occupied: Shared ownership	140	0.4	248	0.4	130	0.4	518	0.4
Rented (Council)	6,123	16.4	13,78	21.7	2,332	7.6	22,238	16.9
Rented (Housing Association)	1,184	3.2	2,890	4.6	1,873	6.1	5,947	4.5
Private landlord or letting agency	3,671	9.8	3,056	4.8	2,892	9.4	9,619	7.3
Other	2,400	6.4	1,548	2.4	1,463	4.8	5,411	4.1

	North		South-East		West		Northumberland	
House Prices (Hometrack Oct07-	£216,500		£127,500		£309,800		£201,900	
Social & Economic								
MOSAIC	H/hlds	%	H/hlds	%	H/hlds	%	H/hlds	%
Blue Collar Enterprise	3,786	8.9	6,947	10.4	2,324	7.1	13,057	9.2
Global Connections	2,126	5.0	872	1.3	5,030	15.4	8,028	5.7
Grey Perspectives	5,225	12.3	2,041	3.1	3,620	11.1	10,886	7.7
Happy Families	2,041	4.8	8,568	12.9	1,735	5.3	12,344	8.7
Municipal Dependency	5,011	11.8	16,28	24.4	2,137	6.5	23,437	16.5
Retired Ruralty	2,865	6.8	59	0.1	187	0.6	3,111	2.2
Rural Workers	6,502	15.4	416	0.6	6,322	19.4	13,240	9.3
Semi Rural Seclusion	2,076	4.9	471	0.7	2,737	8.4	5,284	3.7
Suburban Comfort	4,192	9.9	5,428	8.1	3,599	11.0	13,219	9.3
Ties of Community	4,973	11.7	18,35	27.5	3,040	9.3	26,364	18.6
Twilight Subsistence	2,709	6.4	3,777	5.7	1,426	4.4	7,912	5.6
Welfare Borderline	816	1.9	3,415	5.1	484	1.5	4,715	3.3
Total	42,34		66,64		32,64		141,63	
Crime³	%	Chang	%	Chang	%	Chang	%	Chang
Burglary - Dwelling	2.68	0.32	12.61	5.62	1.56	-1.70	4.81	0.02
Theft of Vehicle	0.55	-2.43	1.06	-3.10	0.33	-2.64	0.74	-2.80
Theft from Vehicle	2.59	1.46	4.86	3.68	1.86	1.29	3.49	2.47
Theft of bicycle	0.50	-9.04	1.51	-	0.39	-5.51	0.95	-
Vehicle Interference	0.37	0.32	0.61	0.24	0.19	0.07	0.44	0.22
Robbery	0.05	-0.27	0.33	-0.11	0.05	-0.16	0.18	-0.17
Theft from person	0.19	-1.08	0.33	-1.18	0.04	-0.66	0.22	-1.03
Wounding	3.74	1.39	5.58	1.37	2.28	0.62	4.26	1.20
Common Assault	1.43	0.90	1.66	-0.22	0.73	0.44	1.37	0.26
Criminal damage	9.99	9.37	16.19	15.11	5.54	5.02	11.85	11.03
Burglary OTD	3.42	-1.53	4.56	-1.54	2.36	-1.01	3.70	-1.41
Theft from shops/stalls	1.50	1.28	2.54	1.99	1.21	0.97	1.92	1.54
Theft other	5.64	3.69	7.27	5.00	3.80	2.66	5.97	4.06
Violence - other	1.36	-2.41	2.11	-4.37	0.90	-1.55	1.61	-3.13
Other	3.38	-0.57	5.03	-0.47	1.94	-0.08	3.81	-0.40
ID (2007)	No.	%	No.	%	No.	%	No.	%
Population living in worst 10%	0	0.0	23,40	15.9	0	0.0	23,404	15.9
Population living in worst 25%	6,891	8.0	59,18	40.3	0	0.0	66,080	48.3

Income (Pop in Income Deprivation)	8,737	9.9	21,939	14.7	4,784	6.4	35,460	31.0
Unemployment⁴ (ONS, Oct 08)	No.	%	No.	%	No.	%	No.	%
Male	735	2.6	2,580	5.4	419	1.8	3,742	3.8
Female	324	1.3	991	2.3	167	0.8	1,525	1.7
Total	1,059	2.0	3,571	3.9	586	1.3	5,267	2.8
Working Age Benefits (DWP, May)	No.	%	No.	%	No.	%	No.	%
All Benefit Claimants	6,390	12.3	17,04	18.7	3,920	8.9	27,340	14.5
All Incapacity Benefits	3,260	6.3	8,730	9.6	2,170	4.9	14,160	7.5

¹ The variable 'Combined Income Indicator' provides a count based on adults and children living in families in receipt of the following benefits: Income based Jobseeker's Allowance, Income Support, Working Tax Credit, Disabled Person's Tax Credit, Asylum Support Service.

² For more information on MOSAIC and its applications see www.northumberlandinfonet.org.uk/InfoNet/Research_Library.asp or contact Myra Jamieson on (01670) 533790 mjamieson@northumberland.gov.uk.

³ Crime - *Percentage Rates for Crime Oct07-Sept08 shown by 1000 resident population apart from Burglary Dwelling which is shown by 1000 households. Change – shown as change in percentage rate from the previous year

⁴ Rate for Unemployment is percentage of resident working age population. Data for three areas does not give Northumberland total due to rounding and suppression of data at SOA level used to calculate totals for areas.

⁵ Data rounded to the nearest 10

4.0 PLACE

Residents say “Northumberland is... a great community... full of great people... England’s best kept secret... stunning countryside, beaches and heritage... simply the best place to live.” There’s a real pride in Northumberland: 87% of people in the county feel strongly about belonging to the county (One Future-One Council; the Northumberland Council Submission for unitary status, 2007). The North East region is perceived to have a higher quality of life than most other English regions and an attractive region with a good quality of life can be a place where people want to visit, live or invest (State of the Region 2008, NERIP).

The 2006 Local Government White Paper, ‘Strong and Prosperous Communities,’ referred to local government as “a strategic leader and place shaper”.

The Local Government Association (LGA) said at the time:

“The emerging policy agenda around ‘place shaping’ describes how local government can work with residents to develop and deliver high-quality public services that meet the needs and preferences of local people.”

Place shaping is a term coined by Sir Michael Lyons. ‘The Lyons Report on Local Government’ was published in March 2007. The Lyons Inquiry called place shaping:

“The creative use of powers and influence to promote the general wellbeing of a community and its citizens”.

‘Place shaping’ is seen as the responsibility of local government and all the local partners in the public, voluntary and business sectors. It is about creating attractive, prosperous, vibrant, safe and strong communities where people want to live, work and do business.

4.1 Housing

Prior to the current recession, since 1990, house prices had doubled in Britain relative to individual earnings. However, this had been substantially offset by reductions in interest rates. Mortgage costs had risen sharply as a percentage of earnings over the last decade and on average represented 34.5% of individual full time earnings by mid 2007. However this was still slightly below the peak level of 34.1% experienced in 1990 (Can't supply: Can't Buy- Hometrack 2008).

A 'North South' affordability gap opened up in the late 1990s, but in more recent years house price to earnings ratios had increased across Great Britain and the 'north south' gap had begun to narrow. The exception to this was London, which experienced a sharp rise in house prices in 2006 and the first half of 2007. While important, shortfalls in house building only played a limited role in the rapid rise in house prices over the last decade.

The private rented sector only comprises 11.3% of the housing stock in Great Britain but it is a growing sector catering to a more mobile population, accounting for nearly half of all household moves. While house prices tripled since 1994, private sector rents only increased in line with earnings consequently the costs of renting have been declining.

At October 2007 the average house price in Northumberland stood at £152,275; £130,800 in the North East and £184,136 in England and Wales as a whole. By October 2008 the first effects of the recession had reduced these prices to £146,120 in Northumberland; £117,215 in the North East and £165,582 in England and Wales. The 'Local workforce pay affordability ratio' for Northumberland in October 2008 was 7.0:1 compared with 5.4:1 for the North East and 6.6:1 for England and Wales. In other words it requires seven times the mortgage borrower's annual income to afford to purchase a house in Northumberland.

Within Northumberland there are some areas of extremely desirable properties that are out of the reach of many local residents. This has led to an increasing number of more

affluent in-migrants displacing those unable to afford to purchase. This problem is not just confined to rural areas but it has been exacerbated by second homes as tourism impacts on sustainable communities.

4.1.1 Housing stock

Northumberland does have a significantly higher proportion of detached properties than the North East average and a much smaller proportion of flats/apartments. However this is not the case in the former South East 'coalfield', where smaller, terraced properties are in abundance. The lack of larger accommodation can be seen to restrict this areas ability to raise economic performance. With regards to detached housing there is a clear rural/urban split with high proportions of detached housing in rural areas which has led to migration to rural areas for those who have the means to achieve their aspirations, typically the intermediate and higher socio-economic groupings.

4.1.2 Condition of the private housing stock

The poor condition of much of the private sector housing stock is of economic concern with a significant amount of investment required. The required levels of investment in this existing stock outside of the social ('council' housing) sector have been identified in work undertaken by the Building Research Establishment (BRE) across Northumberland and modelled down to Census Output Area level. The BRE model provides the sub-region with an estimate of the total costs of making non-decent homes in the sub-region decent, by taking the average cost of making dwellings decent in the North East Region of £9,214 (EHCS 2001) and multiplying this by the relevant modelled total (Fig. 17).

Fig. 17 BRE model on non-decency

	Non decent homes	Cost to make decent £000s	Vulnerable households in non decent homes	Cost to make decent £000s
Alnwick	5,324	49,051	1,046	9,642
Berwick-upon-Tweed	5,818	53,604	1,294	11,925
Blyth Valley	6,213	57,245	1,991	18,347
Castle Morpeth	6,193	57,058	1,200	11,055
Tynedale	10,368	95,527	1,754	16,158
Wansbeck	5,695	52,473	2,027	18,674
Sub Region	39,610	364,957	9,312	85,800

The map in Figure 18 illustrates this situation and provides an overview showing where the levels of non-decency in the county are concentrated. It can be seen that Berwick-upon-Tweed returns the highest proportion of non decent homes (54%) with the most heavily concentrated rates in the west of the authority which includes 1 of the 4 worst wards in Northumberland for this measure. A general feature of the distribution is that the worst conditions are found in the west in Berwick-upon-Tweed, Alnwick and Tynedale and the best mainly in the east particularly the south east in Blyth Valley, Wansbeck and the coastal areas of Castle Morpeth and Alnwick.

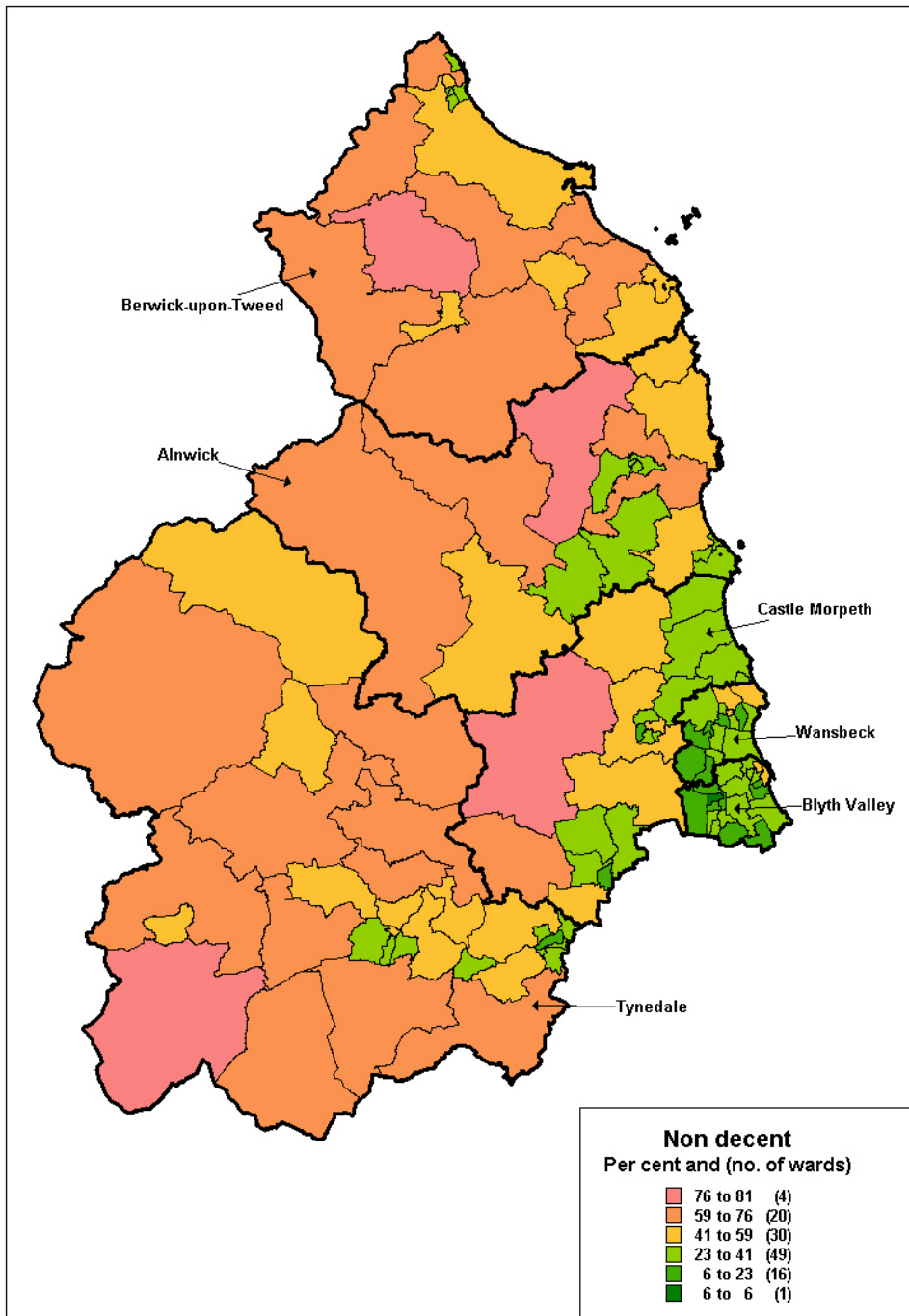


Fig. 18: Northumberland levels of Non-decency

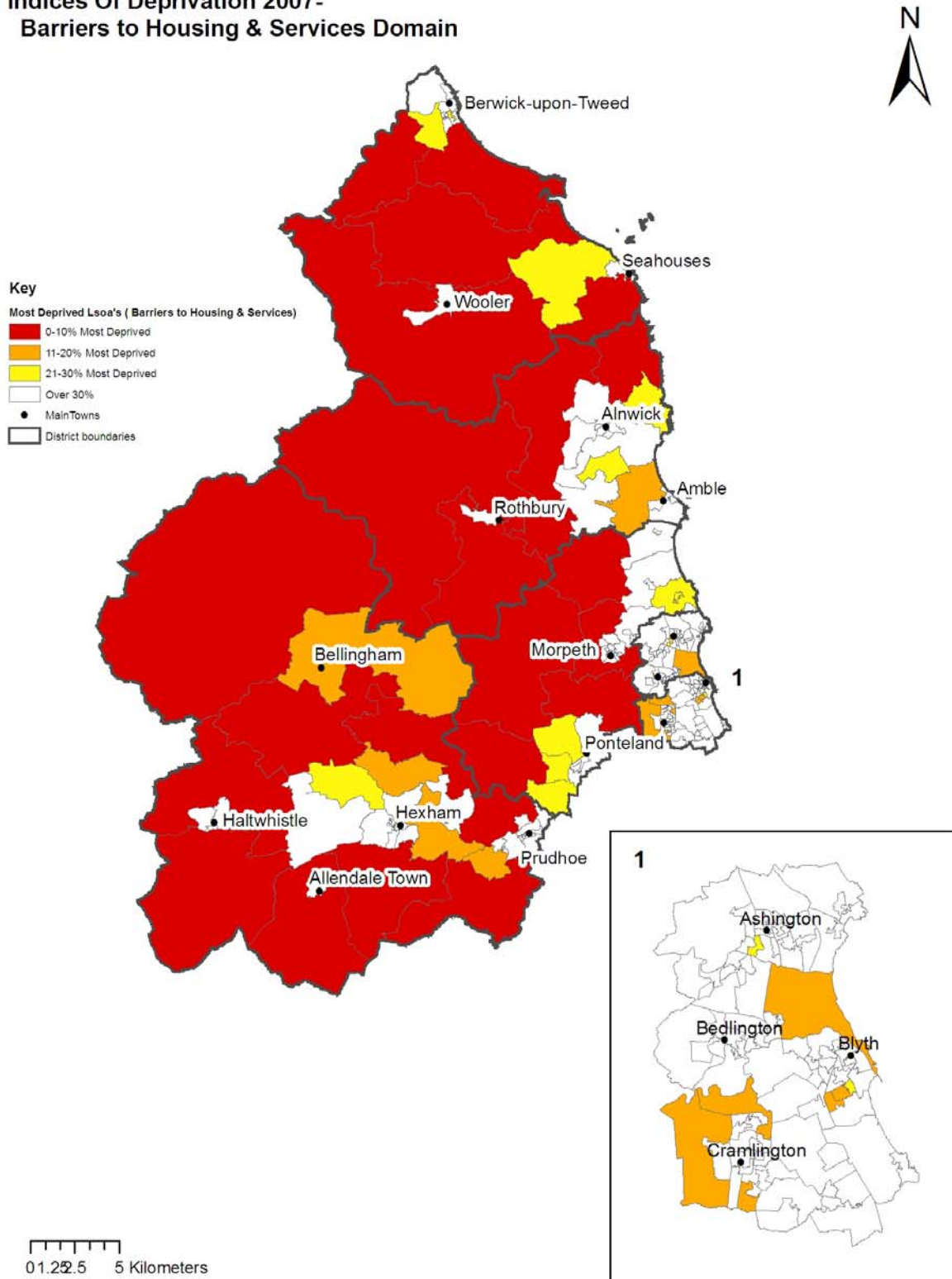
4.1.3 Barriers to Housing

Analysis of the Indices of Deprivation 2007 in relation to barriers to housing and key local services has demonstrated that the most deprived areas are those outside the major towns in Northumberland (see Fig. 20). The indicators fall into two sub-domains: 'geographical barriers' and 'wider barriers' which includes issues relating to access to housing such as affordability. In Northumberland the Super Output Areas (SOAs) ranking Barriers to Housing and Services range from the most deprived in West Tynedale 258, to Morpeth Central being the least deprived at 32,348. 23 SOAs are within the 10% most deprived rankings, this is 11% of all SOA's in Northumberland. At this level of deprivation there are no SOA's from Blyth Valley or the Wansbeck Districts (Fig. 19).

Fig. 19 The 5 most deprived and 5 least deprived SOA's within the Barriers to Housing and Services domain in Northumberland

Most Deprived			Least Deprived		
SOA	Score	Rank	SOA	Score	Rank
West Tynedale	51.65	258	Park	3.29	32,139
Redesdale	51.16	287	Haydon	3.00	32,200
Cheviot	50.68	324	Amble Central	2.59	32,292
Chollerton with Whittington	50.57	334	Seton	2.49	32,308
Hartburn	50.49	343	Morpeth Central	2.19	32,348

Indices Of Deprivation 2007- Barriers to Housing & Services Domain



Source: Communities and Local Government, English Indices of Deprivation 2007. Crown copyright material is reproduced with the permission of the Controller of HMSO. This map is based upon reproduced from Ordnance Survey material with the permission of the Ordnance Survey on the behalf of the Controller of HMSO. Northumberland County Council-Ordnance Survey Licence No: 10021951, 2 Feb 2008.

Fig. 20: Indices of Deprivation – Barriers to Housing and Services Domain

4.1.4 Housing and Economic Regeneration

While the key housing issues in rural Northumberland are affordability, stock condition and access to services, in urban Northumberland (particularly in the South East) the key issue is the need for regeneration because:

- In common with many other former coal mining areas, economic performance has been weak for a number of years; reflected in weak employment growth, low productivity, high levels of unemployment, low levels of economic activity and low earnings.
- The resident population is biased to less skilled people compared to other parts of Northumberland; associated with lower household incomes.
- A higher proportion of households live in social rented housing than in other parts of Northumberland, and rather fewer in privately rented accommodation.
- The housing stock is generally smaller than in rural Northumberland, with a high proportion of terraced housing. In general there are more issues to do with poor condition housing than elsewhere in Northumberland, and a need for neighbourhood regeneration.

There are few signs within the private market of endemic low demand. House prices have increased in recent years, and while affordability has declined, the area has remained more affordable than rural Northumberland. While hard to evidence, there seems to be a process underway whereby declining affordability in rural areas is displacing demand for smaller, more affordable properties into adjacent urban areas. It is also possible that, because urban Northumberland has a much greater stock of social housing than rural Northumberland the prospects of securing housing is better and the area actually draws in people seeking social housing from the surrounding rural areas.

There is a danger that both these trends will tend to reinforce the existing socio-economic characteristics of urban Northumberland to the detriment of regeneration objectives. In particular high demand for social housing and availability of relatively low cost land for housing development may mean that the area attracts additional investment in social housing.

Given that social housing is only available to low income groups this will tend to reinforce the existing socio-economic profile of the area. The socio-economic make up of the area will also tend to make the area less attractive for better quality market housing development and less attractive as a place to live for higher income households.

4.1.5 Northumberland Housing Strategy

The four strategic objectives of the North East Housing Strategy are designed to address challenges for the region and help provide good quality housing for the 21st century. Broadly the objectives are:

- Rejuvenating the housing stock
- Providing choice through the type and mix of new housing
- Improving and maintaining existing housing
- Addressing specific community and social needs.

This strategy continues the process of responding to the national programme of action outlined in the Government's Communities Plan -*Sustainable Communities: Building for the future* – which identified the need for a step change in building and the maintenance of communities in all the English regions. The Strategy aims to be consistent with the Government's *Five Year Plan: Homes for All*, whilst other national policy context is provided by additional legislation, strategies and programmes.

The Northumberland Housing Strategy endorses the above vision and objectives and also supports and acknowledges the cross cutting issues identified in the Regional Housing Strategy of:

- Sustainable development and climate change
- Design quality
- Innovation
- Cost-effectiveness of housing delivery
- Community cohesion and respect.

4.2 Transport

Northumberland is the most northerly English County. It acts as a gateway to Scotland and has borders with Cumbria, Durham and Tyneside. The A1 Trunk Road travels north-south through the county and the A69 Trunk Road provides an eastwest route. Both roads can be busy with long distance vehicles, especially freight, and tourist traffic. The County's three ports, which are located in Blyth, Berwick-upon-Tweed and Amble, provide alternative routes for freight transport. The County is also served by rail along the East Coast Main Line and the Tyne Valley Line. These, together with a comprehensive network of bus services in south-east Northumberland, provide the opportunity for sustainable travel for commuters from the County into Tyneside (see Figures 21 and 22).

Located just beyond the County boundary, Newcastle Airport, provides access to economic markets elsewhere and brings in increasing numbers of visitors to the County. Local road, footway and cycleway networks complete the transport network and they provide opportunities to access local jobs, schools and other facilities. The overall transport aim is to maintain and improve this transport system to enable journeys to be safe, sustainable and integrated and therefore contribute to wider objectives concerning communities, the economy and the environment.

Northumberland has a large sparsely populated rural north and west a small, more heavily populated south-east corner. Sustaining communities in the rural areas is difficult because of poor proximity to jobs and services and also because of house price inflation since the 1990's until very recently. In some urban areas there are high levels of deprivation which create low demand for housing. The car is the only option for travel for some journeys in the rural areas because low population density makes provision of public transport expensive; although were the use of public transport for the journey to work and to school is considered socially necessary but it is not commercial, then the local authority may provide revenue support. In some areas of deprivation car ownership is low and the cost of travelling can leave people excluded.

The highway network is substantial, with 5,080 kms of road, a further 5,000 kms of rights of way, 840 footbridges and over 41,000 streetlights. The low population density leads to a low population per kilometre of network; leading to inherent problems in funding maintenance and improvement activity.

Fig. 21 Northumberland's Transport Infrastructure

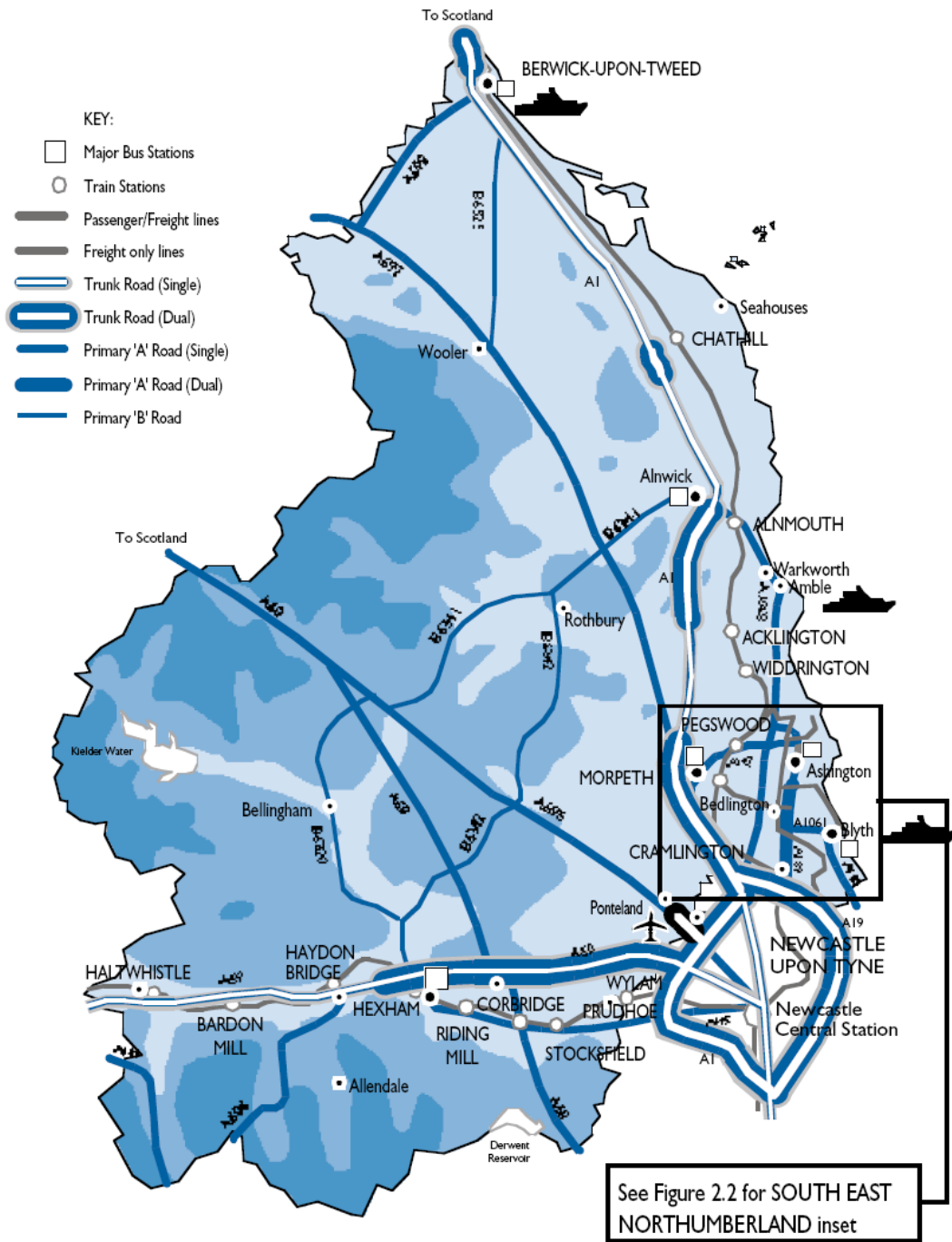
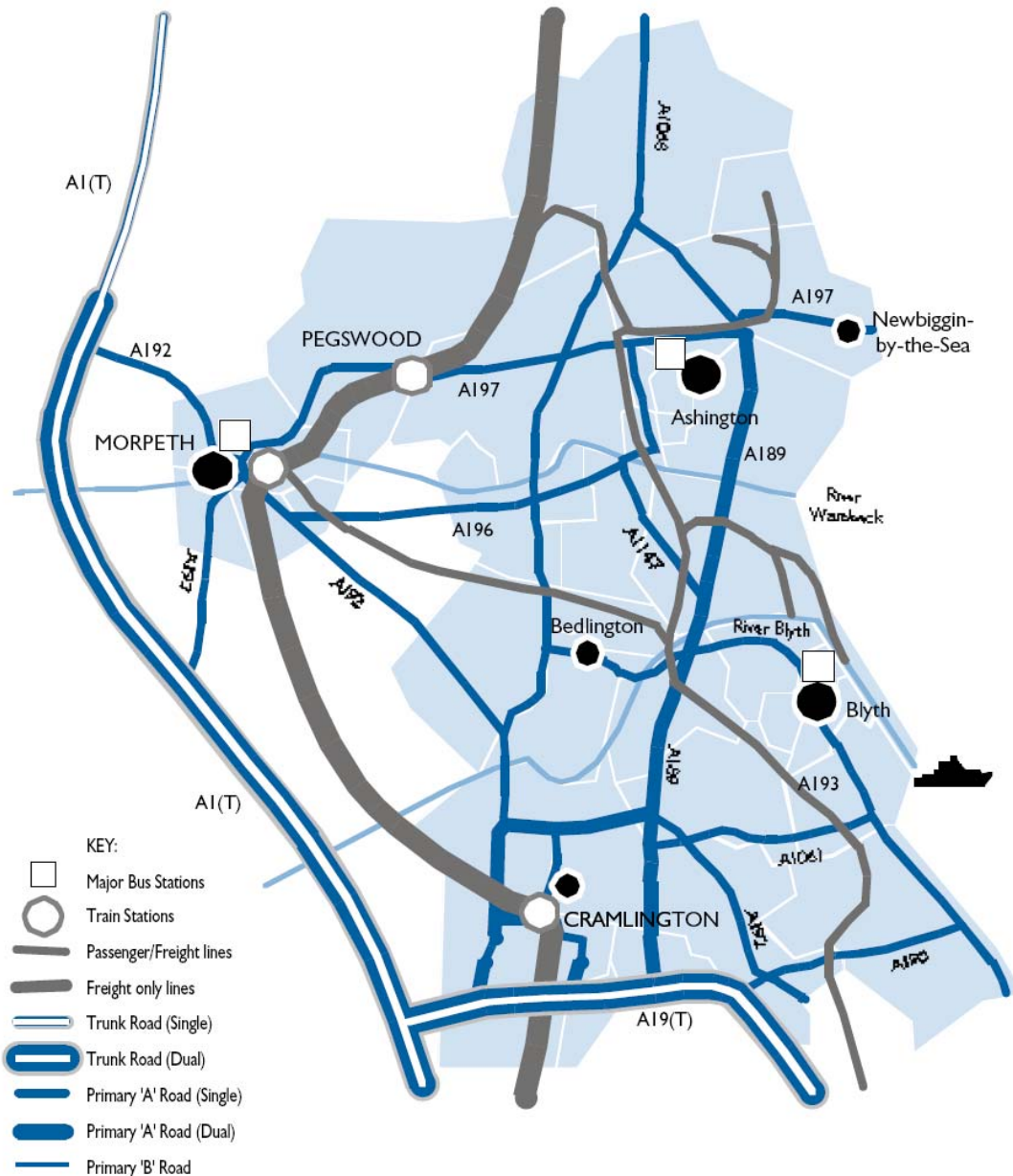


Fig. 22 South East Northumberland Transport Infrastructure



4.2.1 Traffic and air quality

Road traffic is one of the main sources of air pollution. Good air quality can be maintained by providing better public transport to attractions and creating more opportunities for sustainable travel. Northumberland is working in partnership with public transport providers and other agencies to facilitate better public transport access to for example the Hadrian's Wall World Heritage Site and through its implementation programmes is providing better facilities for transport interchange at railway stations.

4.2.2 Safer roads

Issues of concern include an increase in the number of accidents on rural roads and in particular those involving motorcyclists, accidents in urban areas, and the link between road safety and deprivation. Road safety is a key component in achieving shared priorities for transport, for instance, identifying safe routes that can open up opportunities for people that would otherwise be socially excluded. Schemes involve a combination of 'hard' and 'soft' measures, such as, the provision of pedestrian crossings, signs and road markings together with road safety education and cycle proficiency training.

4.2.3 Congestion

Congestion can have a significant effect on the quality of life and the economy. Northumberland is fortunate in that there are no major problems with congestion in the County. There are, however, locations where congestion occurs during peak travel hours and during the summer tourist season. Traffic management measures and the promotion of sustainable transport through travel plans with employers are amongst the solutions to these local problems. There are significant numbers of commuters travelling from Northumberland into the Tyneside conurbations and these contribute to congestion in the urban area. Northumberland works with neighbouring authorities to address these cross-boundary issues and a two-pronged approach has been adopted whereby measures that deter car use in the urban areas combine with the promotion of public transport to reduce the amount of congestion.

4.2.4 Major transport schemes

Major schemes currently proposed, which will have economic benefits are the Morpeth Northern Bypass, completing a major link road between the A1 and south east Northumberland, A1 dualling and improved public transport links with Tyne and Wear.

4.3 ICT Connectivity

Access to broadband is becoming essential for today's businesses; especially to permit competition in the global market economy. Northumberland's rural topography means that developing broadband based on the ordinary telephone infrastructure was problematical and many areas have had difficulties (especially if they were some distance from their nearest exchange). Although BT has had a rolling programme for updating their exchanges and line quality many potential users would have missed out, because short term commercial considerations do not present a justifiable business case. Consequently investment provided jointly by Northumberland County Council and One NorthEast via the Northumberland Strategic Partnership has addressed this problem in recent years and currently the new Northumberland ICT high speed digital network project will ensure broadband is made available to almost all of Northumberland. This will be done through ICT infrastructure investment (fibre backbone network), public sector aggregation and gap filling i.e. filling residual gaps which the market will not deliver through promoting demand to carriers, facilitating discussions in the market and local communities. The main beneficiaries are Local Authorities; Education; Private Sector Business Development sites; Individual businesses; and Residents.

Recent Broadband gap analysis has found that approximately 4% of citizens do not have access to low cost broadband services because they live too far from the telephone exchange. For the business community the likely figure is 7%. These gaps occur in urban areas as well as rural ones. The Northumberland ICT project is providing 20 community access points around the districts of Alnwick, Berwick and Tynedale. This will include public access computers in libraries, and connections to community facilities in rural areas including in locations such as pubs, garages, shops and post offices to promote and enable social and economic vibrancy.

Points of Presence connections are being established at business development sites in rural areas; providing 100mg of bandwidth to support businesses. Potentially 336 businesses may benefit from these connections. A total of 60 drop down zones are also

being established throughout Northumberland to enable mobile working and local access to services. Connections to individual businesses will also be made in special cases, and the project is aiming to connect fifty remote businesses in the near future, in collaboration with BT.

Ensuring that the whole community are able to access and benefit from network services will provide not only business benefits but will also forge links with wider quality of place ambitions i.e. attracting and retaining knowledge based workers and developing a skilled workforce.

Ofcom, the independent organisation which regulates the UKs broadcasting, telecommunications and wireless communications sectors, carries out an annual statistical survey of developments in the communications sector. In its' 2008 edition Northumberland's take-up of communications services were similar to England, with the exception of Mobile Phone Ownership which was substantially less than the rest of the North East and England (78% compared to 83% and 85% respectively). See Figure 23.

Fig. 23: Take-up of communications services in the North East

%	England	North East	Newcastle	Sunderland	Middlesbrough	Rural Northumberland	Rural Durham
Digital TV	85	88	85	96	90	85	89
Fixed line phone at home	87	84	87	93	83	89	82
Mobile phone ownership	85	83	87	83	88	78	83
Mobile only	12	14	13	7	16	11	16
Broadband at home	57	54	55	66	60	54	54

(Source: APHO and Department of Health. Crown Copyright 2008)

4.4 Health

Health in Northumberland is generally more varied than for England as a whole. Rates of early deaths from cancer and from heart disease and stroke are similar to the England averages. However, deaths from smoking, breast feeding initiation, and smoking in pregnancy rates appear to be worse than the averages for England.

Men and women from the least deprived districts in Northumberland can expect to live longer than men and women from the most deprived districts: about three years longer for men and about four years longer for women.

Over the last ten years, death rates from all causes have decreased for men and women in Northumberland, though the rate for women has decreased more slowly over recent years. These rates are now close to the England averages. Rates of early deaths from heart disease and stroke and from cancer have also decreased over the past ten years and both rates are now similar to the averages for England.

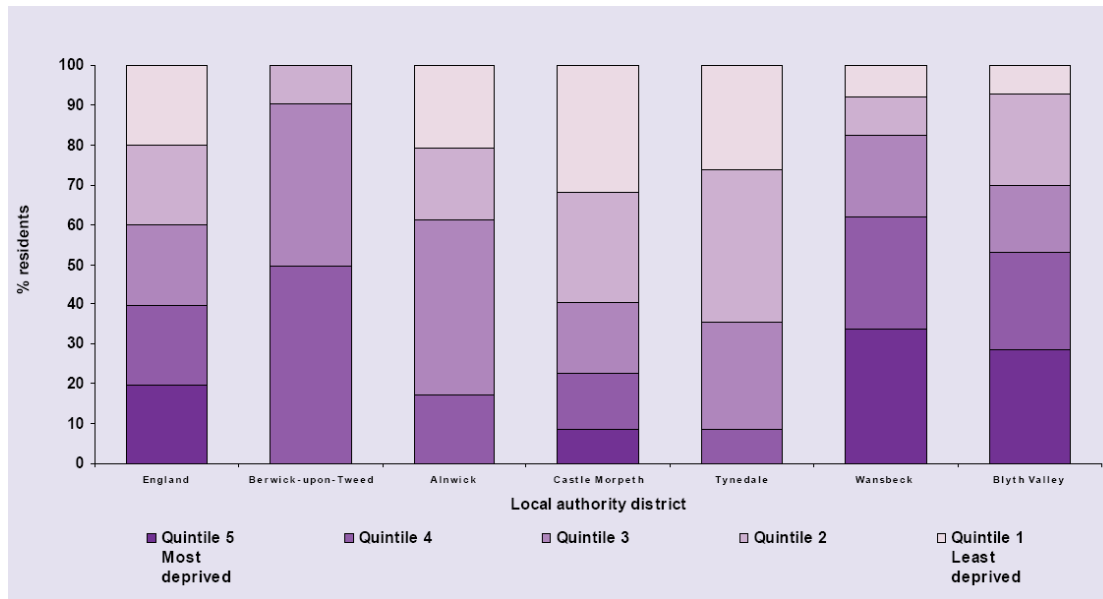
Compared with the England averages, a higher rate of adults achieve the recommended levels of physical activity, but a lower percentage of children spend at least two hours per week on school sport.

Local priorities include improving the health of children and preventing avoidable deaths in middle age from heart disease and stroke.

4.4.1 Health and Deprivation

The chart below (Fig. 24) shows the proportion of each of Northumberland's residents who are living in neighbourhoods belonging to each of five deprivation bands. These bands or 'quintiles' were derived by arranging all the small areas (Lower Super Output Areas) in England in rank order according to their deprivation scores on the Index of Multiple Deprivation, and dividing them into five equal groups. Wansbeck has the highest number of residents in the most deprived quintile and Morpeth has the highest number of residents in the least deprived quintile. Alnwick, Berwick-upon-Tweed and Tynedale have no residents in quintile 5. Berwick-upon Tweed has no residents in quintile 1.

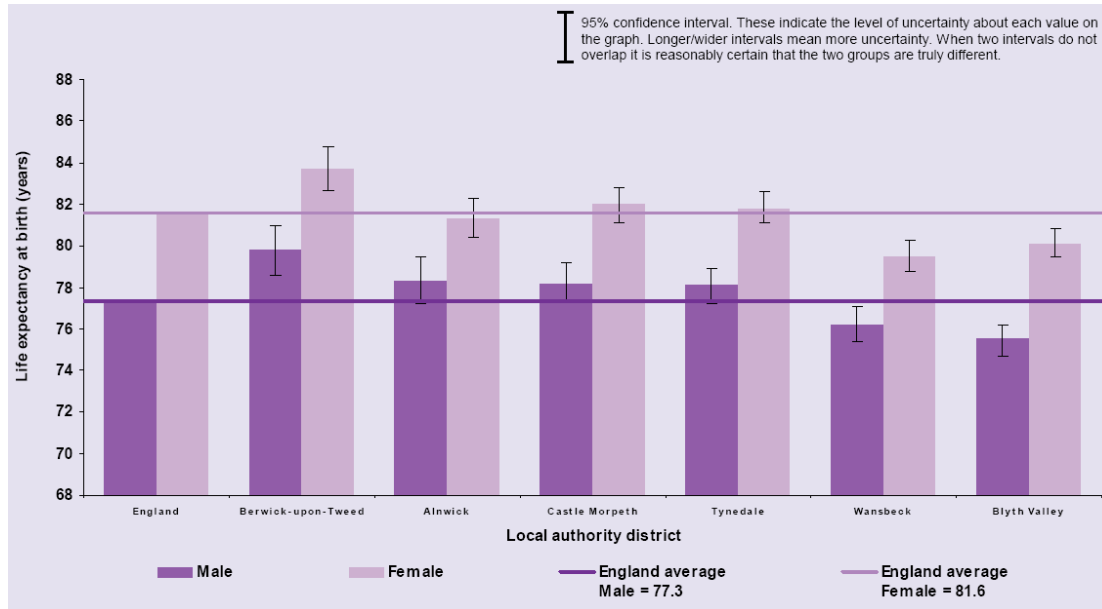
Fig. 24: Health & Deprivation bands in Northumberland



4.4.2 Health inequalities

The chart below (Fig. 25) shows life expectancy at birth for men and women for each district of the county (2004-06). The districts are ordered so that the district with the highest life expectancy for males is on the left and the district with the lowest life expectancy is on the right, consequently both males and females in Berwick-upon-Tweed have the highest life expectancy at birth whereas males in Blyth Valley and females in Wansbeck have the lowest life expectancy at birth.

Fig. 25: Northumberland life expectancy at birth 2004-2006



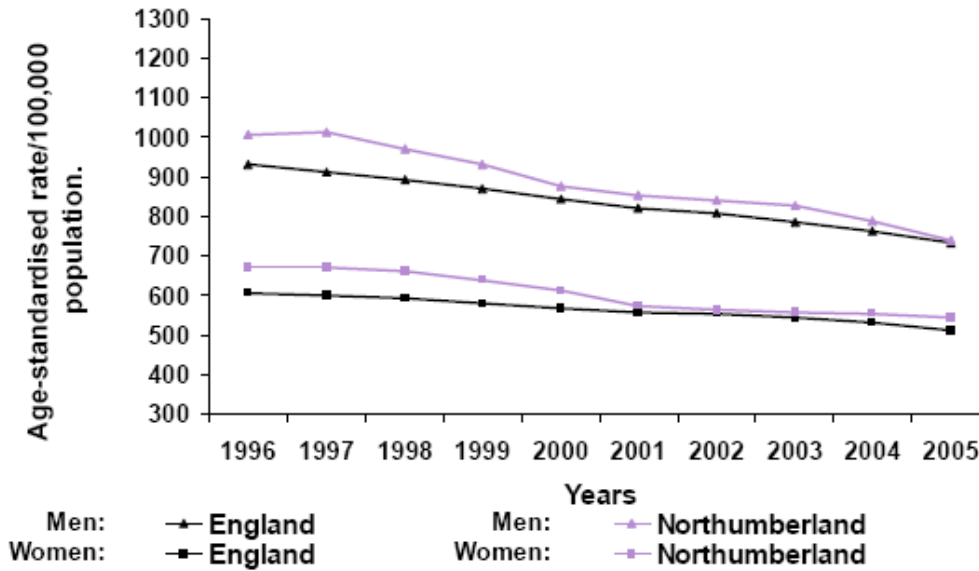
The following trend graphs show how changes in health for Northumberland compare with changes for the whole of England.

Trend 1 (Figure 26) compares death rates (at all ages and all causes) in Northumberland with those for England. For both males and females, rates are slightly higher in Northumberland than those for England as a whole.

Fig. 26: All age, all cause mortality

Trend 1:

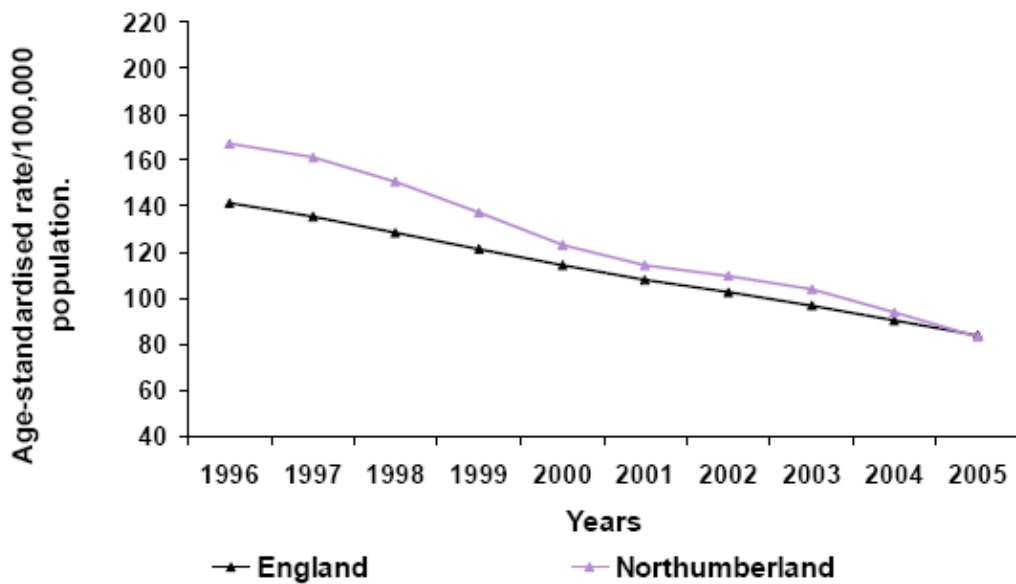
All age, all cause mortality



Trend 2 (Figure 27) compares rates of early death from heart disease and stroke (in people under 75) in Northumberland with those for England. Again rates for Northumberland are slightly higher.

Fig. 27 Early death rates from heart disease and stroke

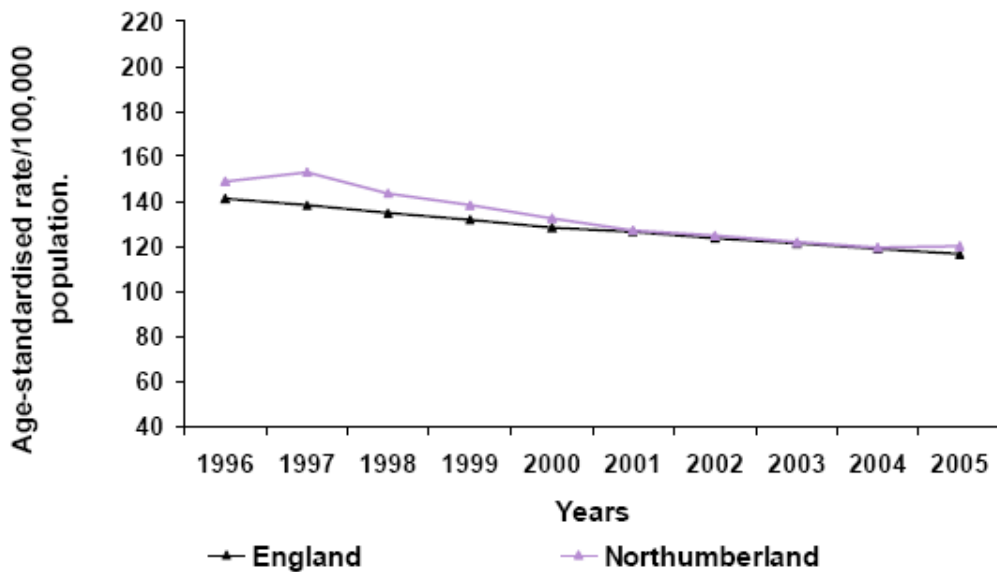
**Trend 2:
Early death rates from heart disease and stroke**



Trend 3 (Figure 28) compares rates of early death from cancer (in people under 75) in Northumberland with those for England. In Northumberland rates were slightly higher but have dropped in line with rates for England more recently.

Fig. 28 Early death rates from cancer

**Trend 3:
Early death rates from cancer**



4.5 Crime

Analysis of crime statistics by consultants Local Futures has shown that Tynedale has the lowest level of recorded crime in England (Guardian 13/08/08).

Northumberland currently has six crime and disorder reduction partnerships. The partnerships include police, local authorities, probation service, health authorities, the voluntary sector and local people and businesses.

In 2007 crime rose slightly in Northumberland by 4.2%, which is 800 more offences compared to the previous year. Household burglaries rose by 8.2% or 55 more crimes.

While the number of violent crimes increased slightly by 17.1% (653 more offences), many were minor assaults where the victim knows the offender. There was a 12.5% decrease in the number of vehicle crimes, alongside this there was an increase in the number of offences detected.

A total of 42.1% of crimes committed in Northumberland in 2007 were detected, an increase from 38.5% the previous year.

**Fig. 29 Forcewide and area command performance
1 April - 31 October 2008**

	Northumbria		Northumberland	
	Current year	Change from previous year	Current year	Change from previous year
Total crime	65191	1%	10635	11%
Violent crime (comprising a+b+c)	13058	0%	167	11%
A Robbery	446	2%	32	-20%
• Robbery - Business	78	21%	5	-44%
• Robbery - Personal	368	-8%	27	-13%
B Sexual offences	665	5%	138	33%
C Violence against the person	11947	-1%	1997	11%
• Other wounding	6269	-4%	1056	4%
• Miscellaneous violence	913	3%	152	39%
• Harassment & assault	4518	4%	739	13%
• Most serious violence against the person	247	1%	50	52%
Vehicle crime	7407	-2%	1121	22%
• Vehicle interference	821	-17%	84	45%
• Theft from motor vehicle	4863	4%	820	35%
• Taking without owner's consent	1723	-11%	217	-16%
Burglary	7015	5%	1250	16%
• Burglary dwelling	2987	6%	405	5%
• Burglary other than dwelling	4028	4%	845	23%
Criminal damage	16202	-7%	2644	-3%
Drug crime	2933	8%	462	31%
Other crime	18576	8%	2991	16%

(Source: Northumberland Local Policing Summary 2008)

4.6 Climate Change

The North East Adaptation Study (2008) highlights the following trends in the Northumberland climate over the next few decades to 2050:

- *Rainfall* There will be a slight overall reduction in the amount of rainfall which Northumberland receives, but the greatest change will be increased seasonality with more rain falling during the winter months. Upland areas will experience the greatest increases in winter rainfall of up to 14%. Lower lying and coastal areas can expect summer decreases of between 25% and 32%. It is anticipated that there will be drier autumns and springs. There will also be a significant increase in severe rainfall events with increased amounts of rainfall, which will be of longer duration.
- *Temperatures* Average daily temperatures in Northumberland can expect to increase by 1.7°C to 1.8°C; the average temperature in winter by 1.5-1.6°C with the largest expected increases in summer and winter 1.9°C to 2.1°C. As is currently the case the coast will be warmer with temperatures reducing progressively inland. Summer extreme temperatures will increase by around 3°C, and summer daily average temperatures are expected to reach 25°C in many parts of the County. The greatest percentage rise in temperatures is likely to be seen around the Cheviots. Heat waves are likely to increase both in duration and intensity- there will be more events above the 28°C threshold temperature. The Hadley Centre and Oxford University research estimates that there is a high probability that the risk of abnormally high European temperatures such as the 2003 heat wave will by the end of the 21st century occur every other year.
- *Frost and Snow* It is projected that there will be a reduction in frost days. Winter extreme temperatures will move closer to melt point but still remain below zero. Only the Cheviot Hills can expect occasional spring temperatures below zero. Similarly there will be a major reduction of winter snowfall; this does not mean that snow fall events will be any less dramatic as severe low temperatures will still fall below zero and when coupled with increased winter rainfall this may mean that snowfall depths

will not differ from those currently seen, but the number of days of snow will be reduced.

- *Wind* Based on current present available modelling techniques changes in average or extreme wind speed by the 2040s are likely to be small.
- *Sea Level Rises* Current research suggests that there is projected to be an increase in mean sea level of around 0.3 metres along the Northumberland coast. In addition an increase in sea surge levels of 0.3- 0.35 metres is forecast and this increase will be relatively uniform along the entire North East Coast. Storm surges are large storm events when mean sea levels are raised by metrological effects such as wind, waves, and atmospheric pressure.

4.6.1 Flood risk in Northumberland

Work from the North East Adaptation Study indicates that the area within Northumberland vulnerable to flooding will extend. Not only will these areas face increased flood risk, but extreme flood events will become much more common.

Locations in the upland areas of the county will be at greater risk due to faster flood flows and the limited response time available from flood warnings. The seasonal pattern of rainfall is likely to see an increase in higher intensity flash flood flows, particularly in summer months. The increased seasonality of rainfall will lead to the greater saturation of the ground in upland areas during the winter and autumn; this will lead to higher volumes and rates of run off flows within river catchments and consequently higher potential flood risk.

There are many critical assets and infrastructure including electrical substations, sewage treatment works and water pumping stations within the areas identified by existing Environment Agency Flood Maps as vulnerable to flooding. Within these areas are significant lengths of the County's strategic transport networks, many health care establishments, emergency service stations and educational establishments. Climate change impacts will increase this area of flood risk, and will impact on significantly more

properties and critical infrastructure. Northumberland needs to increasingly prepare itself to better cope with the potential of major flooding events.

4.6.2 Northumberland Floods (September 2008)

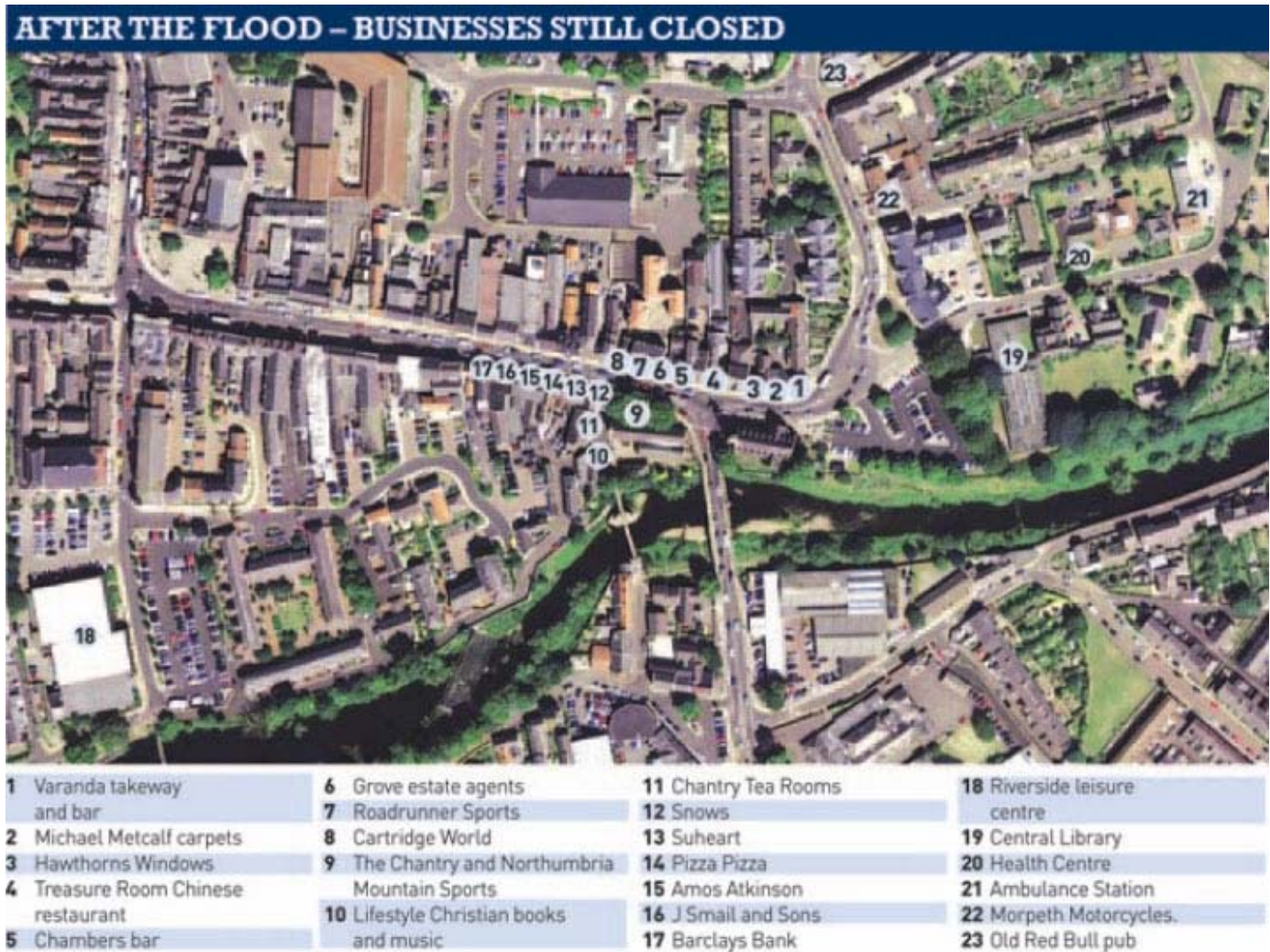
Northumberland and its rivers were hard hit by intensive rainfall for a short period on 6th-7th September 2008 and the discharge response from the region's eastwards flowing rivers was rapid and spectacular. The resultant floods were the largest on record on the River Wansbeck and River Coquet in historic times with all previous high watermarks being exceeded. Advice from the Environment Agency is that the flooding that occurred was estimated as a one in 60- year event.

In Morpeth, approximately 1,000 homes and businesses were affected by the flooding and about 250 families were looked after in rescue centres and temporary accommodation. Critical infrastructure was affected in the area, and four electricity substations were switched off. Morpeth ambulance station was flooded and all roads were impassable. The town of Rothbury was completely cut off and the River Pont burst its banks in Ponteland. Other places where houses and businesses were flooded included Powburn, Warkworth, Belford, Kirknewton, Felton and a large area of the Till valley near Wooler, where rural businesses were completely deluged, crops destroyed and more than 800 sheep and other animals drowned. The only road in the Ingram valley was washed away and homes were severely at risk. At Amble, there was very serious damage to the harbour wall, and equipment for the fishing industry was destroyed.

Around 30 public buildings, shops, pubs and other commercial premises in Morpeth Town Centre remained closed to visitors and customers, six weeks after the flooding, this included the Library, Ambulance Station and Health Centre as well as the Riverside Leisure Centre and historic Chantry building. Other businesses which were closed were Barclays Bank and town centre pubs. Some businesses will remain closed for months. One North East allocated £500,000 worth of funding to help businesses affected by the floods and by mid October "more than 65 businesses had claimed a total of £66,000 in

grants from the funds”.¹ Figure 30 shows a map of Morpeth after the flood and which businesses were closed.

Fig. 30: Morpeth after the flood and which businesses were closed



Source: *The Journal*, 17th October 2008 www.journallive.co.uk/northumberland-sites/

4.6.3 Wildfire and heat waves

Drier warmer weather brings an increased risk of wildfire; during June and July 2006 Northumberland Fire and Rescue Service attended more than 400 rural, grassland, and moorland fires. The predictions of much warmer drier summers is going to significantly

¹ *The Journal*, Thursday, October 16, 2008

increase the risk of wildfire in Northumberland, as well as increase the impact of summer arson attacks in urban green space. This will have major resource issues for the County.

There are significant implications for public health caused by periods of high temperature, with the over 75s, the chronically sick and young babies particularly at risk from heat stroke. Current predictions suggest that heat waves, whereby temperatures are over 28°C for a number of days, are likely to be increasingly common. Such heat waves will bring significant challenges for those operating public buildings and services, including schools, hospitals, public transport, as well as work places including offices and industrial units; businesses such as foundries or bakeries may be particularly affected.

Increased temperatures are also likely to increase the risk of disease for both humans and livestock with warmer temperatures leading to an increase in vector borne diseases including Lyme disease, the blue-tongue virus and faeco-oral diseases. Higher temperatures will also have an impact on those suffering from cardio-vascular diseases and the thinning ozone layer will increase incidences of skin cancer.

Whilst Northumberland thanks to Kielder Water, is generally well placed to cope with water shortages, areas such as Berwick which depend on groundwater supplies, may not be able to meet all their current water requirements from existing supplies. Many farmers in Northumberland rely on ground water supplies to provide water for livestock, and to irrigate arable crops. A change in precipitation patterns leading to much drier summers, will require Northumberland's farmers and others who require large amounts of water during the summer months, to look at ways of storing excess winter rainfall.

5.0 PEOPLE

Northumberland's population is an ageing one. The numbers being born are not keeping pace with the numbers dying and the population is generally living longer. The population is steadily growing with the existing residents being supplemented with in-migrants attracted to the county to run a business, bring up a family, or retire. In contrast, younger people (aged between 20 and 29 years old) are now leaving the county in more significant numbers. A number of inter-related factors account for this trend; including an inability to get on the housing ladder, the search for a better-paid or more secure job, or a desire to go on to further or higher education.

5.1 Population

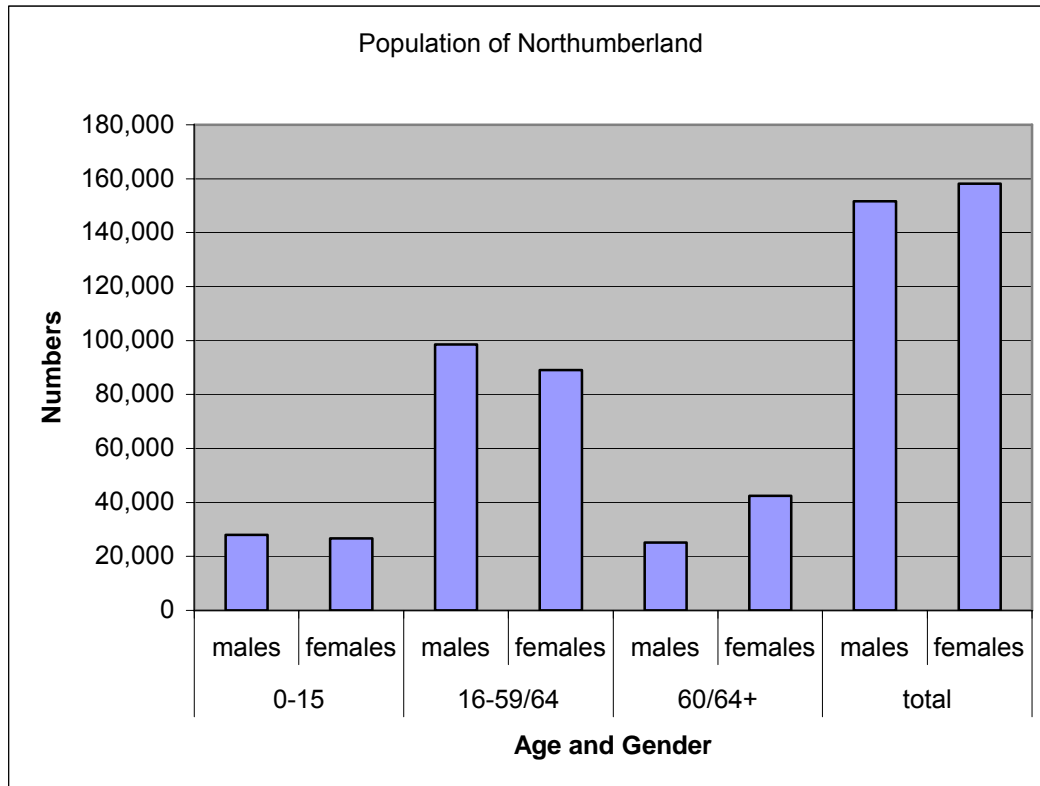
Northumberland as a whole appears to have the same percentage breakdowns across the age groups as the North East and England (Fig. 31). However, Berwick-upon-Tweed and Alnwick have much higher proportions of people in the older age bracket: 27.9% and 24.2% respectively. Figure 32 shows that in Northumberland males outnumber females before retirement age in both groups, whereas females significantly outnumber males in the oldest age bracket. Females actually outnumber males in the total population of Northumberland. Using ONS Population Estimates for 2006, compared with the 2001 census, all districts (except Blyth Valley) together with the county of Northumberland overall, show a small positive population change (Fig. 33). The highest increase is indicated for Alnwick at 3.3%.

Fig. 31: Population Statistics by Age Groupings 2006 (Estimates)

	Age 0-15	%	Age 16-59/64	%	Age 60 / 65\+	%	Total Population
Alnwick	5,357	16.7	18,921	59.0	7,766	24.2	32,044
Berwick-upon-Tweed	3,902	15.0	14,818	57.1	7,247	27.9	25,967
Blyth Valley	15,365	18.9	53,227	65.5	12,612	15.5	81,204
Castle Morpeth	8,424	17	31,075	62.8	9,996	20.8	49,495
Tynedale	10,549	17.7	37,696	63.4	11,258	18.9	59,503
Wansbeck	11,102	18.0	39,712	64.4	10,839	17.6	61,653
Northumberland	54,699	17.7	197,640	63.8	57,527	18.6	309,866
North East	469,300	18.3	1,585,300	62.0	500,800	19.6	2,555,700
England	9,674,000	19.0	31,626,700	62.3	9,462,300	18.6	50,762,900
UK*	11,509,400	18.9	37,904,500	62.2	11,561,500	18.9	60,975,400

Source: Mid 2006 Population estimates, *Mid 2007 Population Estimate, Population Estimates Unit ONS: Crown Copyright 2007,2008

Fig. 32: Population by Age and Gender 2006



Source: ONS Population Estimates 2006

Fig. 33: Population Change 2001 to 2006

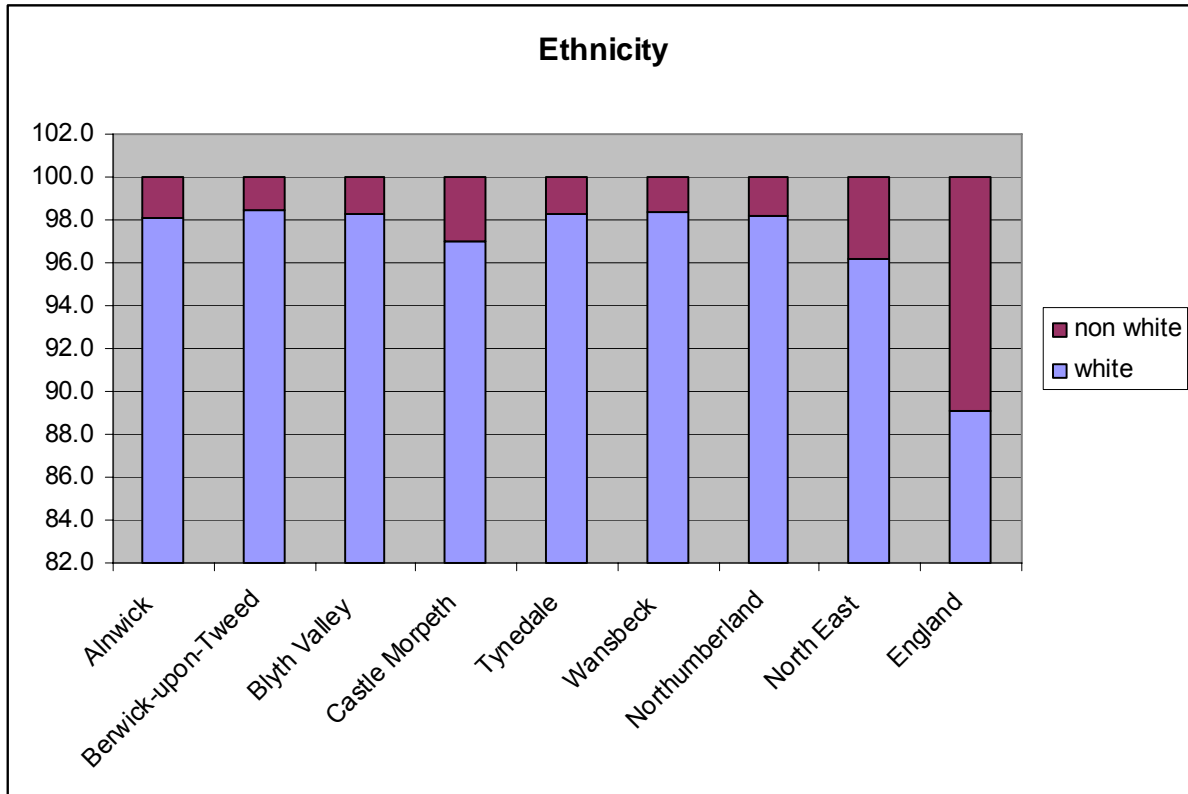
	Total Population 2001 Census	Total population 2006 estimates	Population Change 2001 – 2006 (%)
Alnwick	31,033	32,044	3.3
Berwick-upon-Tweed	25,948	25,967	0.1
Blyth Valley	81,265	81,204	-0.1
Castle Morpeth	49,011	49,495	1.0
Tynedale	58,805	59,503	1.2
Wansbeck	61,124	61,653	0.9
Northumberland	307,186	309,866	0.9
North East	2,515,479	2,555,700	1.6
England	49,138,831	50,762,900	3.2
UK	58,789,194	60,976,400*	3.6

Source: Mid 2006 Population estimates, *Mid 2007 Population Estimate, Population Estimates Unit ONS: Crown Copyright 2007,2008

5.2 Ethnicity and religion

The percentage of ethnic population within Northumberland is much smaller than that of England (Fig. 34). Castle Morpeth has the largest percentage of ethnic minority people living in its district, and as detailed in Fig. 35 these are mostly of Asian origin. About 80% of Northumberland's population identify with a Christian religion, whereas just over 10% state they have no religion at all (Fig. 36).

Fig. 34: Percentage of white and non-white population 2005



Source: Population Estimates ONS

Figures do not add up due to roundings

Fig. 35: Ethnicity of people in Northumberland 2005

	White	Mixed	Asian or Asian British	Black or Black British	Other	Total Population
Alnwick	31,400	100	100	0	100	32,000
Berwick-upon-Tweed	25,600	0	100	0	100	26,000
Blyth Valley	80,100	400	600	200	200	81,500
Castle Morpeth	48,100	300	600	200	300	49,600
Tynedale	58,300	300	300	100	200	59,300
Wansbeck	60,600	300	500	100	200	61,600
Northumberland	304,100	1,500	2,400	600	1,200	309,800
North East	2,453,000	17,900	48,400	12,500	17,800	2,549,700
England	44,967,800	791,400	2,674,900	1,359,300	672,200	50,465,600

Source: Population estimates ONS

Figures rounded to nearest 100, and therefore do not add

Fig. 36: Religion of population of Northumberland 2001

	Christian	Buddhist	Hindu	Jewish	Muslim	Sikh	Any other religion	No Religion	Religion not stated	All
Alnwick	25,629	44	6	6	12	3	59	3,361	1,906	31,026
Berwick- upon Tweed	21,388	37	6	6	5	9	44	2,793	1,664	25,952
Blyth Valley	64,643	43	38	22	222	82	160	10,694	5,360	81,264
Castle Morpeth	39,803	79	137	52	198	145	85	5,441	3,059	48,999
Tynedale	47,524	124	27	37	54	13	136	7,181	3,723	58,819
Wansbeck	50,042	29	47	3	169	137	113	6,686	3,910	61,136
Northumberland	249,029	356	261	126	660	389	597	36,156	19,622	307,196

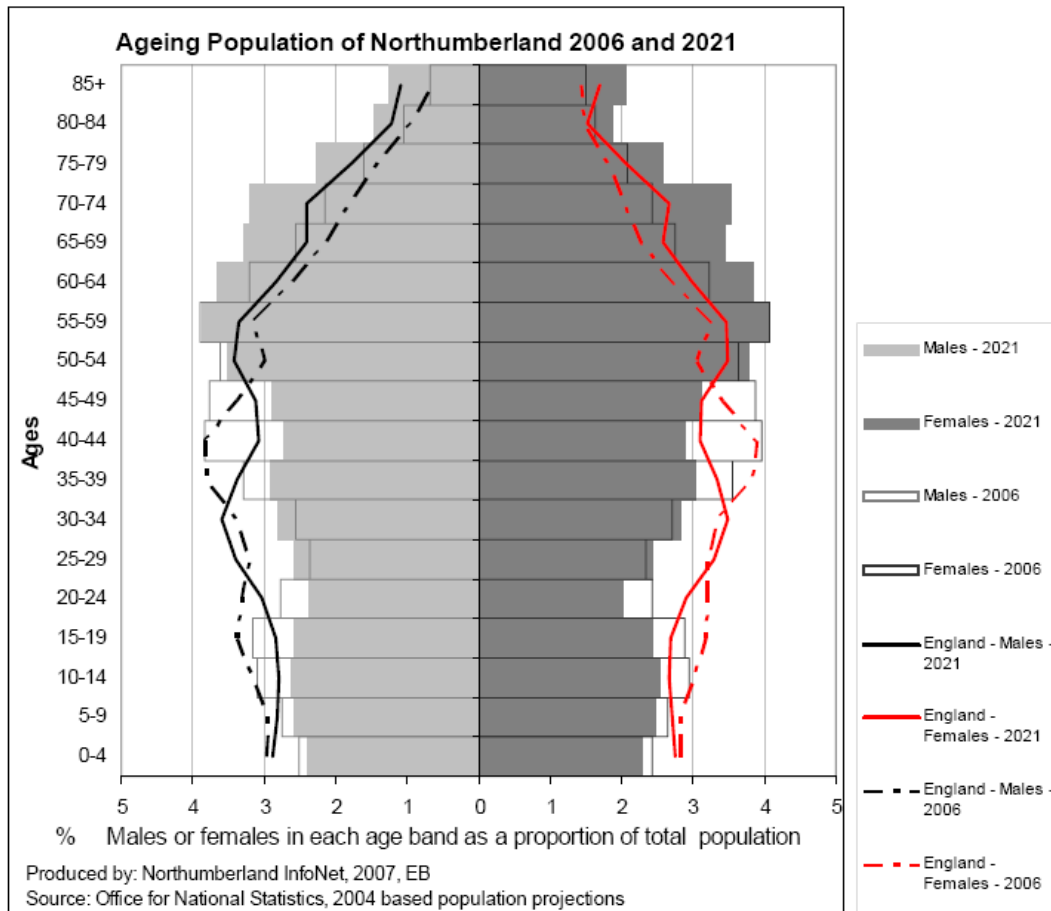
Crown copyright© Census 2001

5.3 Age

There are going to be more older people in Northumberland by 2021, and less people of working age to support them. Whilst this is an issue for England as whole, it is a bigger issue in Northumberland and will particularly affect the more rural districts, especially Berwick upon Tweed and Alnwick. Blyth Valley is the only district with a population profile very close to England as a whole; it has a population more balanced between young and old. People over 55 will make up a much higher proportion of the total population in 2021 than they did in 2006 (see the bars in the population pyramid in Figure 37 below).

Fig. 37 Ageing population of Northumberland

Northumberland
Figure 1



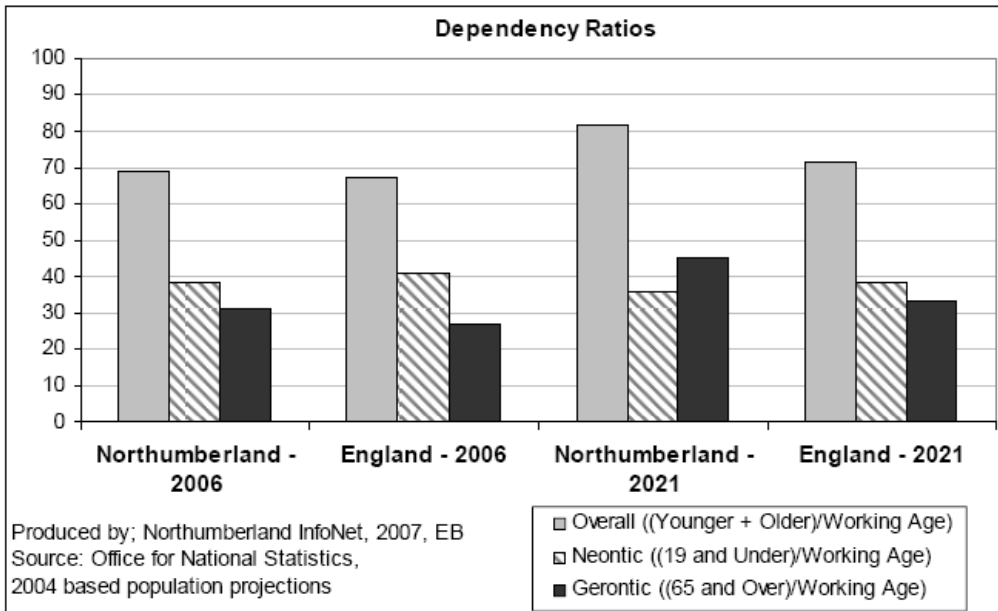
Northumberland's population has a greater proportion of older people, aged 55 and over, than in England as a whole (compare the bars with the lines in Figure 23 above). Northumberland also has a lower proportion of people aged between 20 and 34 than in England as a whole. Projections suggest this will still be the case in 2021. The projected increase in people aged over 55 is partly due to the ageing of the post-war "Baby Boom" generation. However, in Northumberland's case it may also be that in the past the County failed to retain people age 20 – 35¹ and attracted people aged 50 and over. If these trends continue by 2021 the Northumberland population will have a greater proportion of older people in it than now.

Figure 38 below shows dependency ratios for 2006 and 2021. These show the ratio of older people (defined here as all those aged 65 and over) and younger people (defined here as all aged 19 and under) dependent on the number of people of working age (defined here as aged 20-64). They give a measure to show the support / economic 'burden' on the working age population due to the number of older people and younger people who are not working. The measure is crude as it assumes that all people aged 20-64 are working, and all others are not, and those that are not working need some kind of support, and or, don't contribute economically.

¹ For more information see: Johnstone and Hutchinson, (2005) "Young People, Affordable Housing and Employment", InfoNet; Working Paper 41

Fig. 38: Dependency Ratios

Figure 2



Dependency ratios are sometimes calculated with younger people defined as those under 15 or under 16. In this case an assumption has been made that a majority of those aged 19 and under will be in some form of full time education or training and therefore still dependent.

The dependency ratios shown are:

- Combined - Overall = (Older people + younger people)/People of working age
- Older People - Gerontic = Older people/ People of working age
- Younger People - Neontic = Younger people / People of working age

Whilst dependency ratios are going to increase for both Northumberland and England comparing 2006 with 2021, the increase is greater in Northumberland and is due mainly to an increase in the number of people aged 65 and over in the population.

It is important to note this is not just Northumberland reflecting a regional North East phenomenon; dependency ratios in the North East do increase by 2021 but are closer to England levels (compare Figure 38 and Figure 40 below).

Fig. 39 Ageing population of the North East

North East
Figure 3

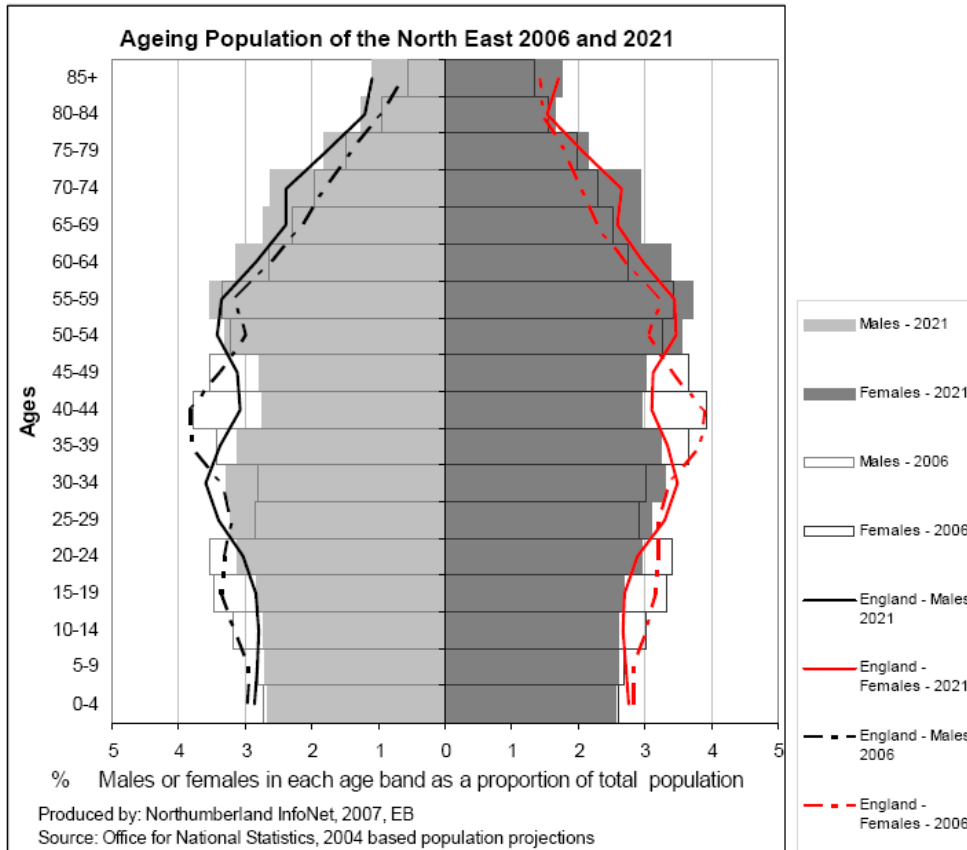


Figure 4

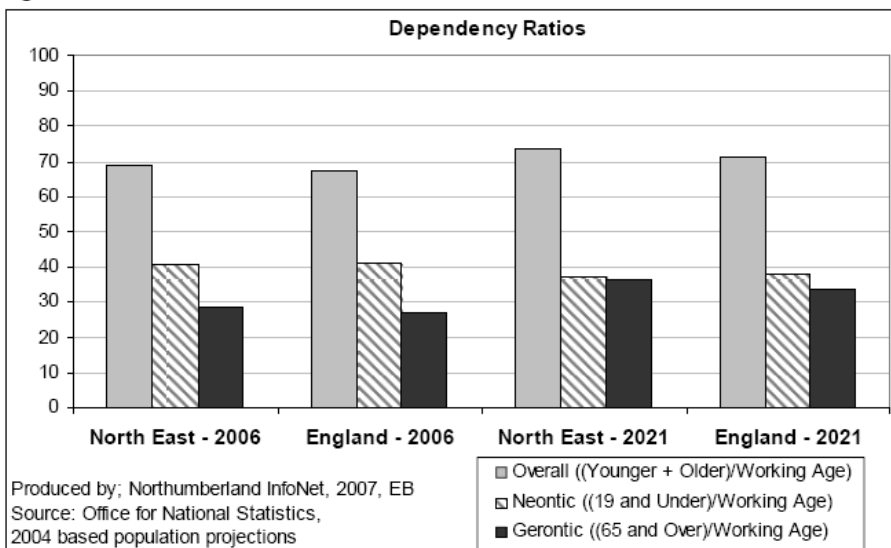


Fig. 40: Dependency Ratios

5.4 Migrant Workers

Since 2004 Northumberland has seen a sharp rise in the number of migrant workers coming to the county. This rise was seen to peak in 2006 and the county now appears to be experiencing a slight downward trend. However, official figures showing a downward trend seem to contradict higher numbers reported locally by partners such as Citizens Advice Bureaux. The total number and percentage of migrant workers in Northumberland has always been small, relative to all other parts of the country.

Figure 41 presents data derived from Management Information held on migrant workers coming from A8 countries, between April and June 2007. This data is provisional, may be subject to change and is not a 'National Statistic'. It shows registered workers rather than the number of applications made. The figures are for initial applications only (not multiple applications, where an individual is doing more than one job simultaneously, nor re-registrations, where an individual has changed employers). Currently 94% of approved applications have an accurate post code. Applications where post codes could not be matched to the Office of National Statistics database are excluded from this dataset. Figures are based on Employers address and the date the application is approved, rather than the date on the application form as used and published in the Accession Monitoring Report. Figures are rounded to nearest 5.

Fig. 41: Numbers of A8 workers registered in Northumberland between April 2007 and June 2007 under the Worker Registration Scheme

	Czech Rep	Estonia	Hungary	Latvia	Lithuania	Poland	Slovakia	Slovenia	Total
Alnwick	†	-	-	-	-	†	-	-	5
Berwick-upon-Tweed	-	-	-	†	-	15	-	-	15
Blyth Valley	-	-	-	-	-	5	-	-	5
Castle Morpeth	-	-	†	-	-	†	-	-	†
Tynedale	†	-	†	-	-	†	-	-	5
Wansbeck	-	-	-	-	-	5	-	-	-
Northumberland	-	-	-	-	-	25	-	-	40

† Indicates 1 or 2

- Indicates Nil

Because of rounding, figures may not add up to totals shown

Data on nationality of immigrants is very difficult to obtain. Fig. 42 shows the country of origin of non-UK nationals who voluntarily registered for National Insurance Numbers in 2006/7. The individual countries shown include only those countries where registration took place in Northumberland. Because of rounding totals may not always add up. Thus the data is a snapshot of the range of countries from which migrant workers came to Northumberland in one particular year.

Fig. 42: National Insurance Number Registrations for non-UK Nationals in 2006/07 by Country of Origin

	Poland	India	Rep of Lithuania	Slovak Rep	Germany	Czech Rep	Rep of Latvia	Portugal	Bangladesh	Philippines	Other	All
Alnwick	40	10	.	.	.	.	.	.	.	.	.	80

Berwick-upon-Tweed	110	20	10	.	.	.	10	10	.	.	.	170
Blyth Valley	70	10	20	.	.	.	.	.	10	10	.	150
Castle Morpeth	20	10	.	10	10	.	.	.	.	.	.	80
Tynedale	130	10	.	.	.	10	.	.	.	.	.	200
Wansbeck	30	10	10	.	.	.	.	.	.	.	.	80
Northumberland	400	70	40	10	10	10	10	10	10	10	.	760
North East	4,130	1,680	230	290	240	280	140	100	270	300	4,650	13,290
England	182,910	43,750	19,870	23,910	13,270	9,820	9,280	9,910	9,750	7,960	273,130	614,970
Source: 100% sample at 14 May 2007 from the National Insurance Recording System (NIRS).												

Figures are rounded to nearest 10

From May 2004 to March 2008 there were approximately 1,310 registered migrant workers recorded for Northumberland. A higher proportion of workers are registering in the North of the region than the South or the West, with the exception of Blyth Valley which also has a considerable proportion of migrant workers registering in the district.

There are more men registering to work in Northumberland than women, approximately three quarters of registrations were male. Typically registered workers are aged 18 – 44.

Recently, (from April 2006) Polish registrations have become dominant accounting for approximately four fifths of registrations in Northumberland. Before this Lithuanian nationals accounted for the majority of migrant workers in Northumberland.

There is an urban/rural split as to the jobs undertaken by migrant workers. The more urban districts of Blyth Valley, Wansbeck and Castle Morpeth attract workers for factory jobs such as Process Operatives and Packers. Whereas, the more rural districts of Berwick upon Tweed, Tynedale and Alnwick attract workers for kitchen/catering, labourers and farm work. Migrant workers typically take hard-to-fill vacancies and receive a lower wage than the Northumberland average.

Migrant workers bring with them a number of skills to Northumberland. IPPR defined migrant workers as typically being young, mobile, highly qualified and occupying hard-

to-fill vacancies. It is thought that international migration can contribute significantly to improving the productivity of the region (One NorthEast).

Overall, there does not appear to be many organisations or networks set up to specifically support migrant communities / workers in Northumberland. The more urban areas in the North East such as Newcastle and Sunderland have formal networks/organisations for some migrant communities. However, the wide geographical dispersal and relatively small numbers of migrant workers in Northumberland is thought to hinder the same kind of groups being set up in Northumberland.

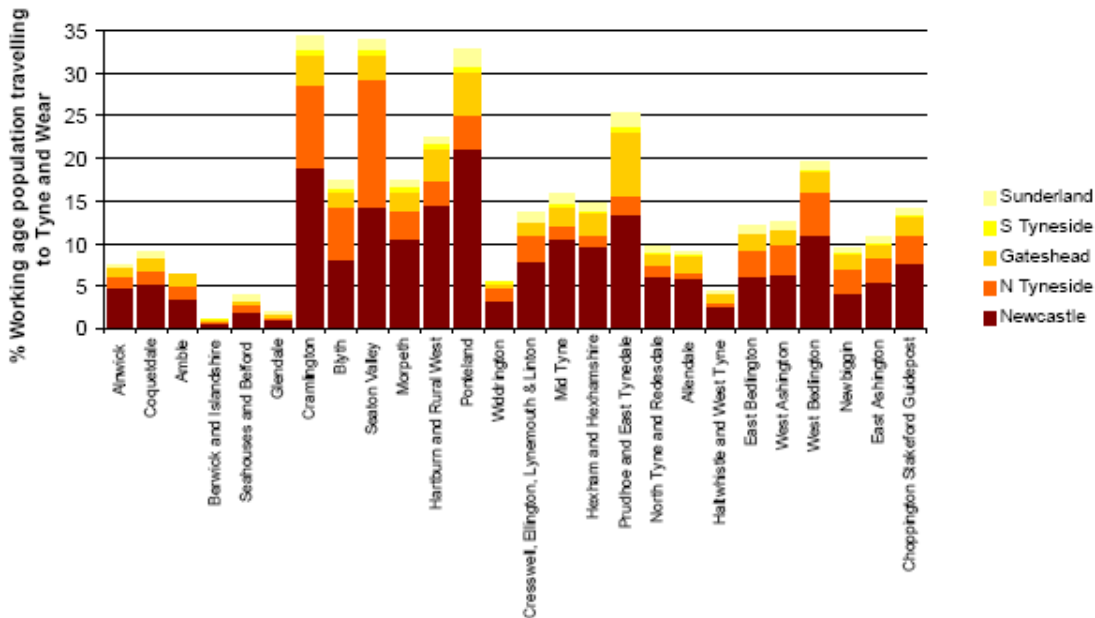
Defining the number of migrant workers in Northumberland at any one time, and their economic impact is problematic. This is due to migrant workers often transient nature and the limited data available. Data carries the caveat of being potentially unreliable, as not all migrant workers have registered correctly and some not at all. There simply is not a system that records the movement of people between localities of the UK.

5.5 Travel to work

Information on travel to work is derived from Special Workplace Statistics by Output Area from the 2001 Census. It shows the flow statistics of workers by their area of workplace and their area of residence.

Overall, 17% of the working age population of Northumberland commute to Tyne and Wear (*this is 33% of the counties employed residents*). This varies greatly from 9% travelling to Newcastle and only 0.4% going to South Tyneside. Breaking this down further into local community areas; the highest percentage of the working age population travelling to Tyne and Wear for employment appears in Cramlington and Seaton Valley with 34%, followed closely by Ponteland at 33% and Prudhoe and East Tynedale with 25%. The graph below shows the percentage of commuters to each borough as well as the total to the metropolitan area.

Fig. 43: Percentage of commuters travelling to Tyne and Wear



The lowest percentage of people travelling to Tyne and Wear are those from Berwick (less than 4%), Haltwhistle and West Tyne, and Widdrington with less than 6% of their working age population travelling to the metropolitan area. Apart from Widdrington, this low figure is probably due to the large distance between home and the work place. At the time of the Census the community of Widdrington (Ulgham ward) had an unemployment figure of 9.8% based on the economically active population, compared with the Great Britain figure of 5.8%. This could be a contributing factor in the low percentage rate from this community.

Breaking down the metropolitan area into boroughs, travel to work figures for those commuting to Newcastle, show that Ponteland is the highest with 21%, followed by Cramlington, Hartburn and Rural West, Prudhoe and East Tynedale and Seaton Valley.

The communities which have the lowest percentage of commuters to Newcastle are again those in the Berwick upon Tweed district as well as Haltwhistle and West Tyne and Widdrington.

The largest percentage of people travelling to work in North Tyneside, come from Seaton Valley and Cramlington with 15% and 10% respectively, most likely due to their close proximity. Blyth and West Bedlington also supply workers to North Tyneside with both providing over 5% of their working age population. The percentage of the workforce from all the other communities travelling to North Tyneside is less than 4%. Nearly 7% of the working age population of Prudhoe and East Tynedale travel to Gateshead for employment. Apart from Ponteland with 5%, there is no other community who provide more than 4% of their workforce to this area. The percentage of the workforce travelling to the other two unitary authorities is very low, and again it is Ponteland which provides the largest percentage at only 2%. In summary, those communities which are adjacent to Tyne and Wear are the ones which provide the greatest percentage of their work force to the metropolitan area. As would be expected, the further a community is from the metropolitan area, the lower the number of workers who commute.

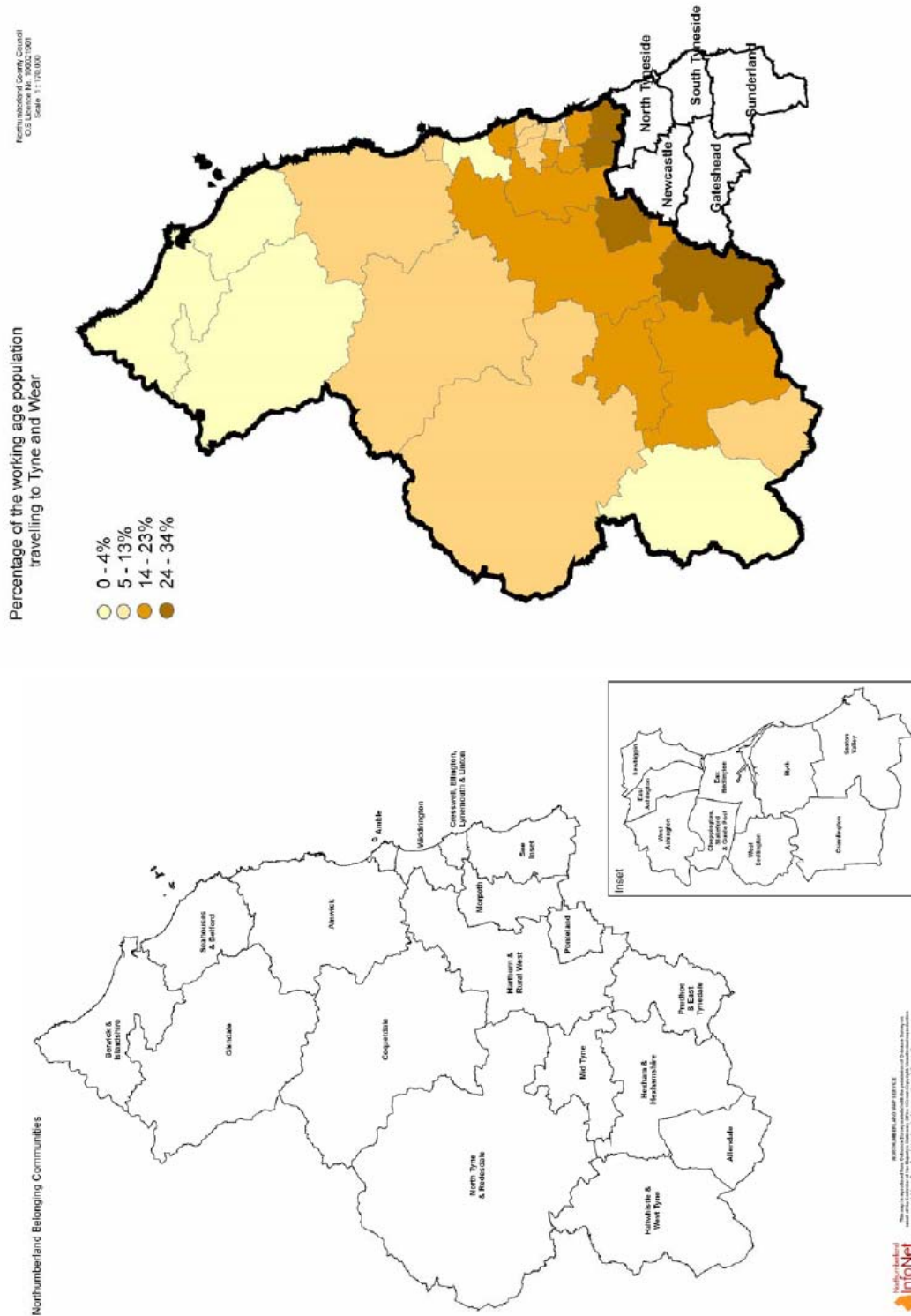


Fig. 44 Percentage of working age population travelling to Tyne and Wear

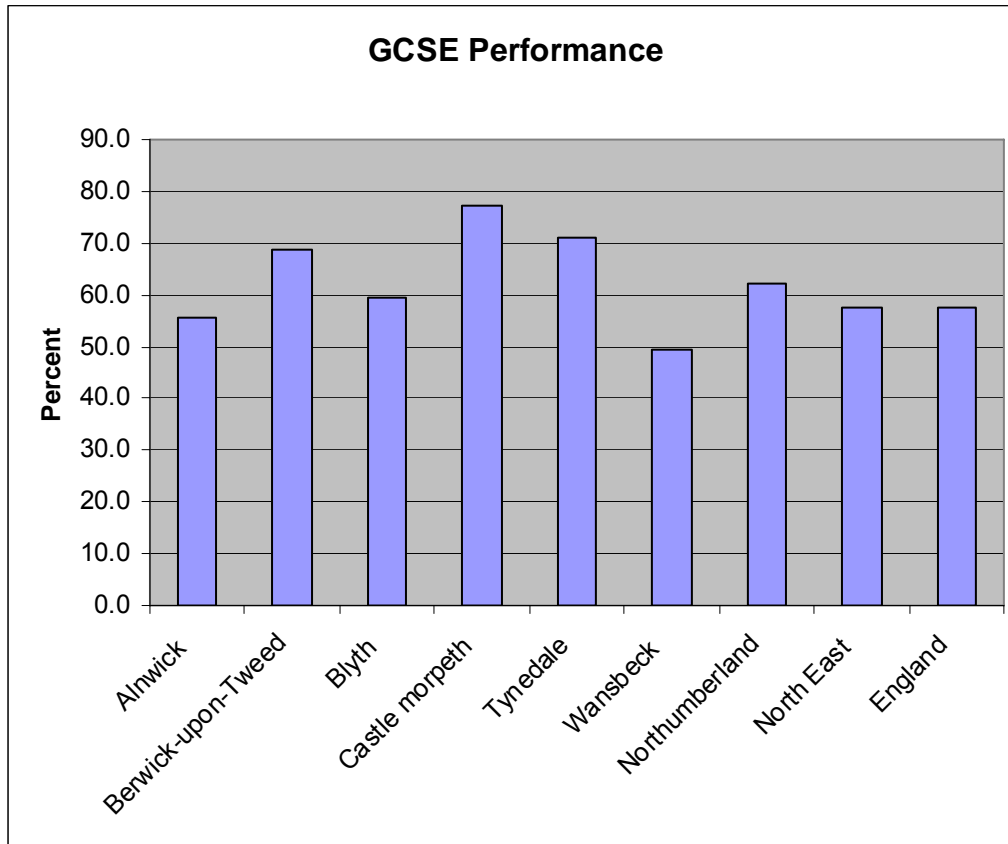
5.6 Qualifications

As a county, Northumberland performs above average for England in GCSE achievement. It can be seen from both Fig. 45 and Fig. 46 that Castle Morpeth has the highest percentage (77.2%) and Wansbeck the lowest (49.5%). Four out of six districts perform higher than the average for the North East or England.

Fig. 45: Achievement at GCSE 2005/6

Percentage of pupils at the end of Key Stage 4 in LEA maintained schools at the end of the academic year 2005/06 achieving 5 or more GCSEs at grades A*-C or equivalent.	
Alnwick	55.5
Berwick-upon-Tweed	68.8
Blyth	59.5
Castle Morpeth	77.2
Tynedale	70.9
Wansbeck	49.5
Northumberland	62.0
North East	57.4
England	57.5
Source: Local Authority Returns	
Note: Performance at GCSE (or equivalent) includes GCSEs, GCSE Short Courses, Part One General National Vocational Qualification (GNVQs), Full GNVQs, and GNVQ Language Units	

Fig. 46: Pupils' GCSE (A*-C) Achievement 2005/6



Source: Local Authority Returns

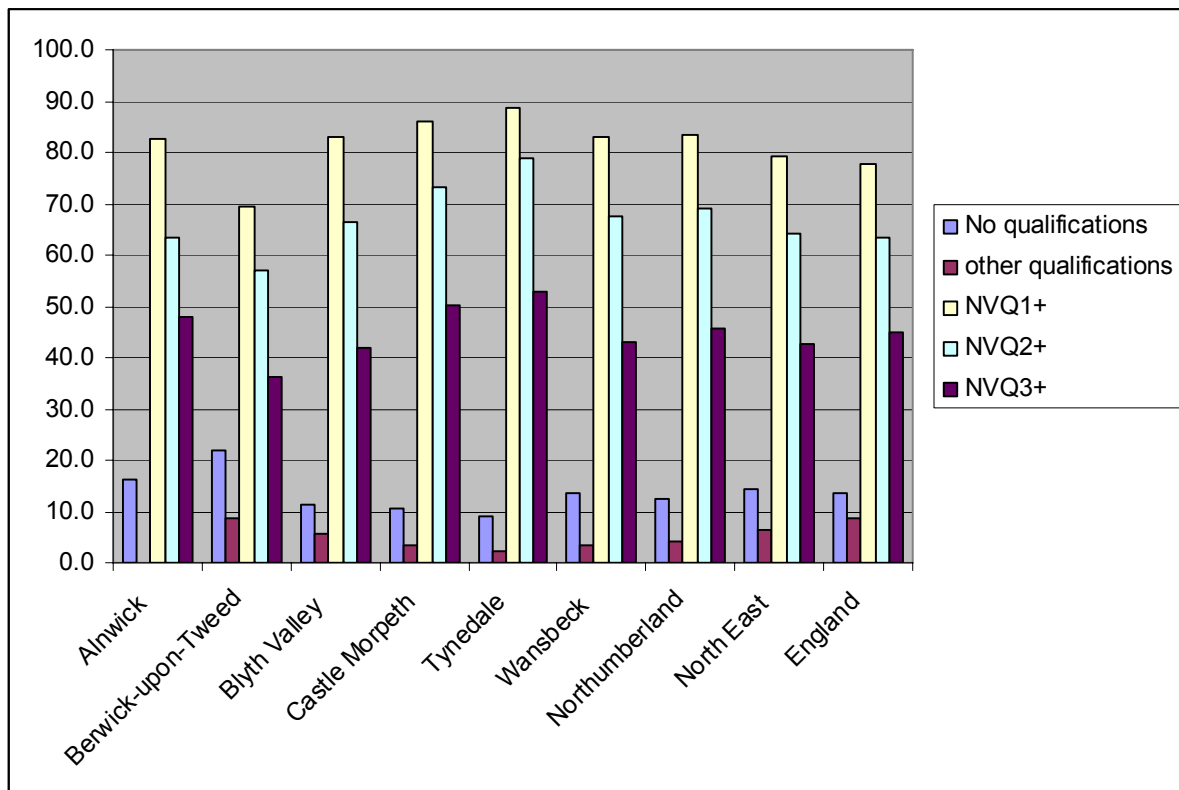
Turning to the adult population, the districts of Blyth Valley and Wansbeck have the highest number of people with no qualifications. Blyth Valley and Tynedale have the highest number of people holding qualifications at NVQ4+ (Fig. 47). Tynedale has the lowest percentage of unqualified people and the highest percentage of higher qualified people. Northumberland as a whole has a higher percentage of qualified people and a lower percentage of unqualified people than the average for the North East and England (Fig. 48).

Fig. 47: No of working age people and their level of qualification 2006

Number of working age	No qualifications	Other qualifications	NVQ1+	NVQ2+	NVQ3+	NVQ4+
Alnwick	3,000	!	15,100	11,600	8,700	4,200
Berwick-upon-Tweed	3,200	1,200	10,100	8,300	5,300	2,100
Blyth Valley	5,900	2,900	42,600	34,200	21,600	11,700
Castle Morpeth	3,000	1,000	24,300	20,800	14,200	8,000
Tynedale	3,200	800	31,400	27,900	18,600	13,800
Wansbeck	5,000	1,300	31,100	25,200	16,100	8,000
Northumberland	23,200	7,400	154,700	127,900	84,500	47,900
North East	217,400	98,600	1,207,400	976,700	651,400	346,300
England	4,174,00	2,669,80	23,824,40	19,435,70	13,765,00	8,319,50

Source: ONS Crown Copyright Reserved
 ! Estimate not available since the group sample size is zero or disclosive (0-2).

Fig. 48: Percentage of working age people and their level of qualification 2006



Source: ONS Crown Copyright Reserved

5.7 Skills

Evidence collected just before the current recession indicated that Northumberland employers were suffering from hard to fill vacancies, skills shortages and skills gaps. A special paper (Infonet Working Paper 72) was commissioned to examine this area to support the Economic Assessment; in summary its findings were that:

Hard to fill vacancies

- The sectors in Northumberland with the highest number of hard to fill vacancies were in Public administration; Education and health; Distribution, hotels and restaurants; and Manufacturing.
- The occupations with the longest durations of vacancies were: Skilled Trades, Personal Services and Process and Machine operatives.
- The top three reasons for having a hard to fill vacancy are the same for all areas of the north east: 'Low number of applicants with the required skills', 'Not enough people interested in this type of job' and 'Lack of work experience the company requires'.

Skills shortages

- Literacy and Numeracy in terms of oral and written communication appears to be a skill in short supply.

Skills gaps

- Personal services occupations in Northumberland had the highest numbers of not fully proficient staff.
- The main reason Northumberland employees were not being fully proficient at their job was their inexperience.

Employers and training

- Smaller companies are less likely to have a comprehensive training plan; and Northumberland companies are less likely (50.6%) than the North East (58.8%) or England (55.7%) overall to have a comprehensive training plan.

5.8 Employment

Historically the economy of Northumberland has been based on coal mining and agriculture. Mining was mainly focused in South East Northumberland. Employment in the Northumberland coal industry peaked at around 30,000 in the late 1950s: no deep mines now remain, although there is still some opencast activity. South East Northumberland was also linked with nationalised industries and port related industries. Blyth Valley and Wansbeck still constitute the core industrial zone of Northumberland.

The Northumberland rural districts were previously reliant on agriculture. However, there have been major changes in the rural economy in recent years including the growth in tourism. Agriculture is still important in rural Northumberland; taken together with forestry, it accounts for almost 75% of land use and around a fifth of all businesses. It is particularly significant in relation to self-employment, but accounting for just over 5% of employee jobs in the county.

According to the Annual Business Inquiry (2007) and the Northumberland Employer Database, there are almost 105,000 people in employment with Northumberland-based organisations; this compares with 93,700 in 1981, and 101,700 in 1998.

Employment is dominated by Public Administration, Education & Health, accounting for 35,300 employees or 33.6% of the County total; followed by Distribution, Hotels and Restaurants (23.5%) and Manufacturing (11.4%). The VAT and PAYE registered businesses within the Distribution, Hotels and Restaurants sector have shown a notable growth in recent years largely due to the increase in tourism related businesses falling within this category (Fig. 49).

Fig. 49 Employment Structure Northumberland 2007

	Number of employees	%
Agriculture*	5,400	5.1
Energy and water (SIC C, E)	800	0.8
Manufacturing (SIC D)	12,000	11.4
Construction (SIC F)	6,000	5.7
Distribution, hotels and restaurants (SIC G, H)	24,700	23.5
Transport and communications (SIC I)	3,400	3.2
Banking, finance and insurance, etc (SIC J, K)	12,000	11.4
Public administration & health (SIC L, M, N)	35,300	33.6
Other services (SIC O, P, Q)	5,300	5.1
Total	104,900	100.0
Tourism & Leisure (inc above) SIC 1992 division, 2 digits: 55 (Hotels and Restaurants) + (92 Recreational, Cultural and Sporting).		
	11,200	10.7

Source:

*Agriculture data is derived from DEFRA June 2007 Agricultural and Horticultural Survey.

Remaining data is from NOMIS Annual business Inquiry2007

Figs rounded to nearest 100

ONS Crown copyright 2008

The highest proportion of business workplaces are in Distribution, hotels and restaurants (26.3%) and Banking, Finance and Insurance (18.9%), (Fig. 50).

Fig. 50: Northumberland Employees and Businesses by Sector 2007

	Northumberland		North East		England	
	Number	%	Number	%	Number	%
Agriculture and fishing	5,400	5.1	11,500	1.1	353,100	1.5
Energy & water	800	0.8	8,900	0.9	123,600	0.5
Manufacturing	12,000	11.4	128,800	12.4	2,439,100	10.5
Construction	6,000	5.7	58,900	5.7	1,094,200	4.7
Distribution, hotels & restaurants	24,700	23.5	224,800	21.7	5,395,000	23.3
Transport & communications	3,400	3.2	53,200	5.1	1,376,000	5.9
Banking, finance & insurance, etc	12,000	11.4	170,100	16.4	5,140,100	22.2
Public administration & health	35,300	33.6	331,400	32.0	6,046,600	26.1
Other services	5,300	5.1	49,200	4.7	1,197,700	5.2
Total	104,900	100	1,036,800	100	23,165,400	100

Fig. 51 Employment Structure 2007

	Number of employees	%	Number of businesses	%
Agriculture*	5,400	5.1	2,100	17.3
Energy and water (SIC C, E)	800	0.8	#	0.4
Manufacturing (SIC D)	12,000	11.4	700	5.8
Construction (SIC F)	6,000	5.7	1,100	9.1
Distribution, hotels and restaurants (SIC G, H)	24,700	23.5	3,200	26.3
Transport and communications (SIC I)	3,400	3.2	500	4.1
Banking, finance and insurance, etc (SIC J, K)	12,000	11.4	2,300	18.9
Public administration & health (SIC L, M, N)	35,300	33.6	1,400	11.5
Other services (SIC O, P, Q)	5,300	5.1	800	6.6
Total	104,900	100.0	12,100	100.0
Tourism & Leisure (inc above) SIC 1992 division, 2 digits: 55 (Hotels and Restaurants) + (92 Recreational, Cultural and Sporting).	11,200	10.7	1,355	11.2

Source:

*Agriculture data is derived from DEFRA June 2007 Agricultural and Horticultural Survey.

Remaining data is from NOMIS Annual business Inquiry2007

Figs rounded to nearest 100

ONS Crown copyright 2008

Figure 51 shows that the employment sector with the largest number of employees in Northumberland is Public Administration and Health (35,300). Energy and Water has the smallest number of employees in Northumberland (800). This is also the case on both a regional and national basis.

5.8.1 Northumberland Employment Land Study

SQW Consulting undertook an Employment Land Study for Northumberland County Council and partners between May and November 2007. The purpose was to develop a consistent framework relating land allocations to changing economic needs and opportunities, across the sub-region as a whole, and for each town/district. A total of 294 ha general employment land has been allocated across the six districts to meet anticipated demand in the planning period to 2021, together with a further 55 ha allocated for 'prestige' purposes at West Hartford. Overall, the allocation, and the spread of sites, was found to be fit for purpose in relation to physical planning and economic development.

The salient factors relating to land availability to 2021 at the sub-regional level were as follows:

- Potential land shortages in Blyth as well as in Cramlington: these could constrain emerging opportunities in new energy-related activities, which are potentially important at regional level and beyond.
- Opportunities are likely to arise in relation to reuse of vacated premises and sites, particularly in medium-sized factories on industrial parks.
- New sites and premises are likely to be required to meet demand in town centres, notably in Morpeth and Hexham.

- The Tyne Valley remains a significant opportunity area, and demand is expected to be strong both for sites and premises in and around Hexham and Prudhoe.
- There might also be opportunities in more rural locations, for example in relation to estate-based developments.

Beyond 2021 it is expected that the above factors continue to shape the land portfolio. 'Traditional' employment sites, including edge-of-town industrial estates and business parks are likely to become less relevant, with a more shifting pattern of economic activity and employment, partly in smaller premises in a wider range of locations, partly home-based. Increased flexibility and freedom of location will tend to increase the significance attached to place, and competition may be expected to be framed in terms of a value-for-money accommodation offer. This will be linked not only to a distinctive built environment and high quality natural environment, but also with a strong offer of business and other services, and excellent access to the range of specialist features in the core city.

The study identified eight key elements expected to be taken forward by the unitary authority for Northumberland:

- In line with the Local Government White Paper and the Sub-Regional Review, build capacity within the new local authority for a 'place-shaping' role and the delivery of a full economic development remit.
- Maintain, and as possible enhance, the monitoring of take-up and occupancy of specific employment sites and business premises, linking this to the regional Business Accommodation Study – taking into account any re-allocations to mixed-use development.
- Retain capacity at sub-regional level for interrogation and interpretation of this data, identifying potential opportunities for new property and business service initiatives based on latent demand, and also for the consolidation and re-use of employment sites and premises.
- Develop a role in working with town centre property owners and local planners to identify and bring forward suitable sites and premises for employment, focusing on Morpeth and Hexham as first priorities.

- Similarly, but on a more opportunistic basis, look for possibilities to work with estate owners and others to bring forward new 'employment hubs' in rural areas.
- Build awareness, within the county and beyond, of the new entrepreneurs active in Northumberland, and the local factors which have enabled their business to grow: the initial focus for this should be KIBS in the Tyne Valley; a later possibility could be innovation in tourism and leisure – new business activities related to Northumberland's major attractions.
- More generally, represent the specific features – and opportunities – of the Northumberland economy at city region and regional level, and beyond, to ensure that these distinctive features – including the focus on renewables and on energy efficiency at all levels – are fully appreciated at the strategic level and in physical plans.
- Also, ensure that the case is made for addressing infrastructure constraints, including high quality IT, and that technical support is made available, as may be required to meet specific needs.

5.9 Economic Activity

The economically active population in Northumberland (those of working age currently in or actively seeking employment, or full time students) stands at 148,600, giving an economic activity rate of 80%. Economic activity in Northumberland compares favourably to that in the North East (75.9%), and England (78.8%). The Northumberland figure masks variations at district level, ranging from 77.4% in Blyth Valley to 83.6% in Berwick-upon-Tweed (Fig. 52).

Fig.52: Economic Activity Rates (2007/08)

	Economically active population	Percentage activity
Alnwick	15,700	83.3
Berwick-upon-Tweed	12,300	83.6
Blyth Valley	39,200	77.4

Castle Morpeth	22,000	78.0
Tynedale	28,800	81.1
Wansbeck	30,600	80.8
Northumberland	148,600	80.0
North East	1,199,700	75.9
England	24,898,100	78.8

Source: NOMIS 2008, figures rounded to nearest 100

5.10 Employment rate

The Employment Rate shows the percentage of the working population who are in employment in any one year (Fig. 53). The difference between the employment rate of Northumberland and England is given in Figure 54. This appears to have minor fluctuations. These employment rates are illustrated in Figure 55, where the fluctuations of Northumberland are clearly shown, sometimes performing better than England, sometimes a little less well.

Fig. 53: Employment rate

	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08
Alnwick	65.5	67.8	76.6	70.2	77.8	77.5	70.2	75.8	73.2	82.0
Berwick-upon-Tweed	82.0	67.4	70.2	78.9	80.4	75.6	73.9	77.8	77.4	80.2
Blyth Valley	73.7	70.9	72.0	70.9	74.1	75.7	73.9	73.1	71.5	73.9
Castle Morpeth	71.2	74.5	75.0	73.4	76.3	76.1	81.2	74.5	71.2	76.1
Tynedale	77.9	80.2	80.2	78.8	76.1	77.1	71.1	77.9	76.0	74.9
Wansbeck	69.3	67.3	71.5	67.4	66.4	70.2	69.8	71.8	72.5	75.8
Northumberland	73.3	71.4	74.3	73.3	75.2	75.4	73.4	74.6	73.1	76.1
North East	66.9	66.6	68.2	68.4	68.3	68.9	70.2	70.8	71.4	70.8
England	74.1	74.4	75.2	75.1	75.0	75.0	74.8	74.3	74.4	74.5

Source: Department for Work and Pensions (DWP)

Data: Annual Local Area Labour Force Survey (ALALFS) and Annual Population Survey (APS) employment rates, 1997/98 to 2006/07

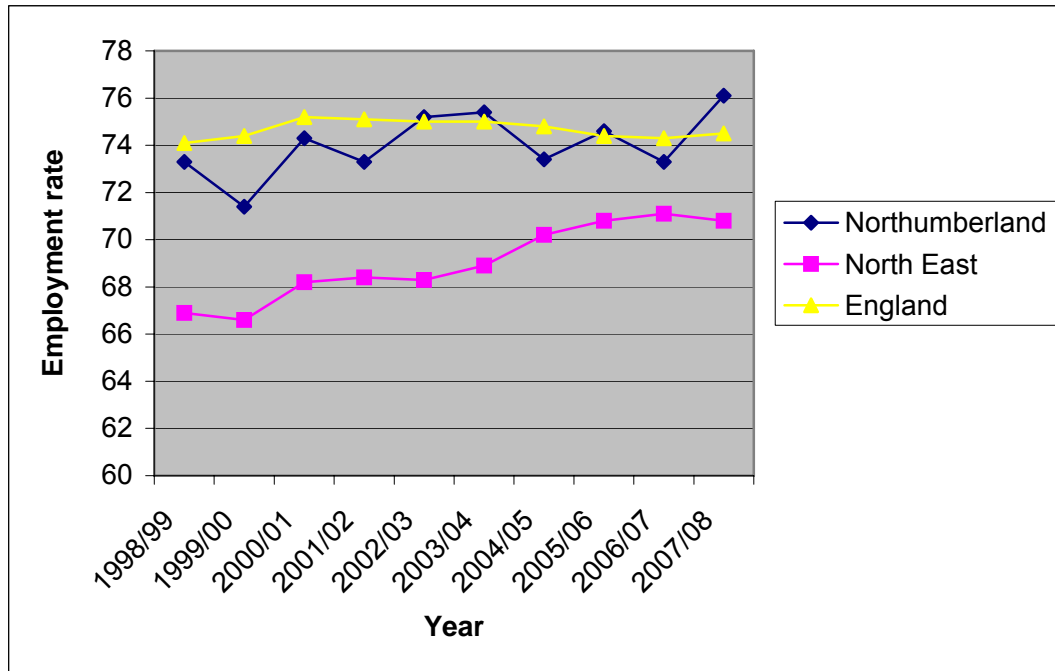
NB: Data from the period Apr 05 – Mar 06 to Apr 07-Mar 08 has been reweighted in line with the latest ONS estimates

Fig.54: The gap in the employment rate of Northumberland and England

	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08
Northumberland	0.8	3	0.9	1.8	-0.2	-0.4	1.4	-1.5	1	-1.6

Source: Nomis 2008

Fig. 55: The employment rates of Northumberland, North East and England



In 2007/08 there was an employment rate of 76.1% (Fig. 56). The employment rate in Northumberland compares favourably to that in the North East (70.8%), and England (74.5%). As with economic activity, the County figure masks variations at district level, ranging from 73.9% in Blyth Valley to 82% in Alnwick.

Fig. 56: Employment (Working Age), July 2007-June 2008

	% in employment who are employees	% in employment who are self-employed	% in employment working full-time	% in employment working part-time	% in employment
Alnwick	85.2	14.8	79.7	20.3	82.0
Berwick-upon-Tweed	82.4	15.3	72.1	25.5	80.2
Blyth Valley	92.1	7.9	80.6	19.4	73.9
Castle Morpeth	85.6	14.4	80.7	19.3	76.1
Tynedale	84.6	14.7	71.8	28.2	74.9
Wansbeck	93.1	6.2	81.0	19.0	75.8
Northumberland	88.3	11.2	78.2	21.6	76.1
North East	90.5	8.8	76.1	23.8	70.8
England	86.6	12.8	76.3	23.6	74.5

Source: Annual Population Survey, Nomis

5.11 Self- Employment

As well as a significant proportion of small businesses, Northumberland also has more of its population self-employed than the North East region in general. In 2007/8, 11.2% of the working age population was self-employed; this compares with 12.8% in England and 8.8% in the North East (Fig. 57).

Fig. 57: Percentage of working age population in employment who are self-employed

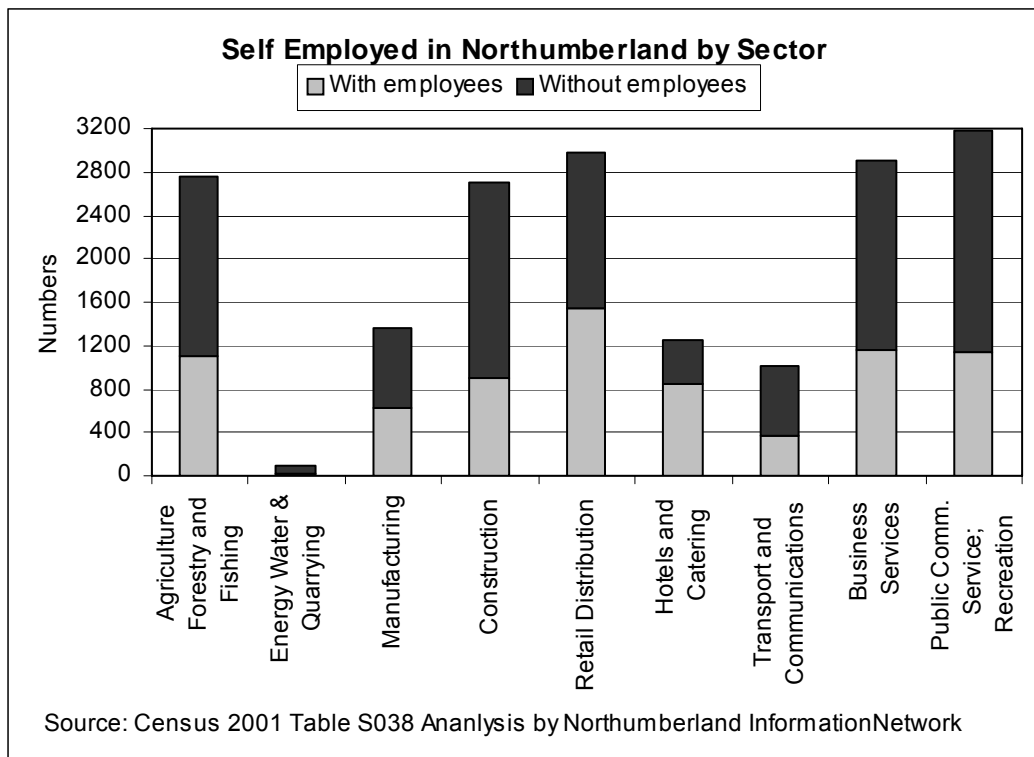
	2005/6	2006/7	2007/8
Northumberland	10.1	12.9	11.2
North East	8.7	9.3	8.8
England	12.6	12.8	12.8

Source: Nomis 2008

Within Northumberland districts the percentage of self-employed is highest in Tynedale, (11.6%) and lowest in Wansbeck (4.0%). This in part reflects a general trend of higher rates of self-employment in more rural areas of England (according to the Countryside Agency, the 2001 Census shows 11% of people in rural areas are self-employed compared to 8.5% who live in towns and cities²)

According to the 2001 Census, the highest rates of self-employment in the County are in Public and Community Services and Recreation (17.4%), Retail Distribution (16.3%), Business Services (15.9%) and Agriculture, Forestry and Fishing (15.1%). In all sectors, except Hotels and Catering, the majority of self-employed do not have employees (Fig. 58).

Fig. 58: Self - Employment

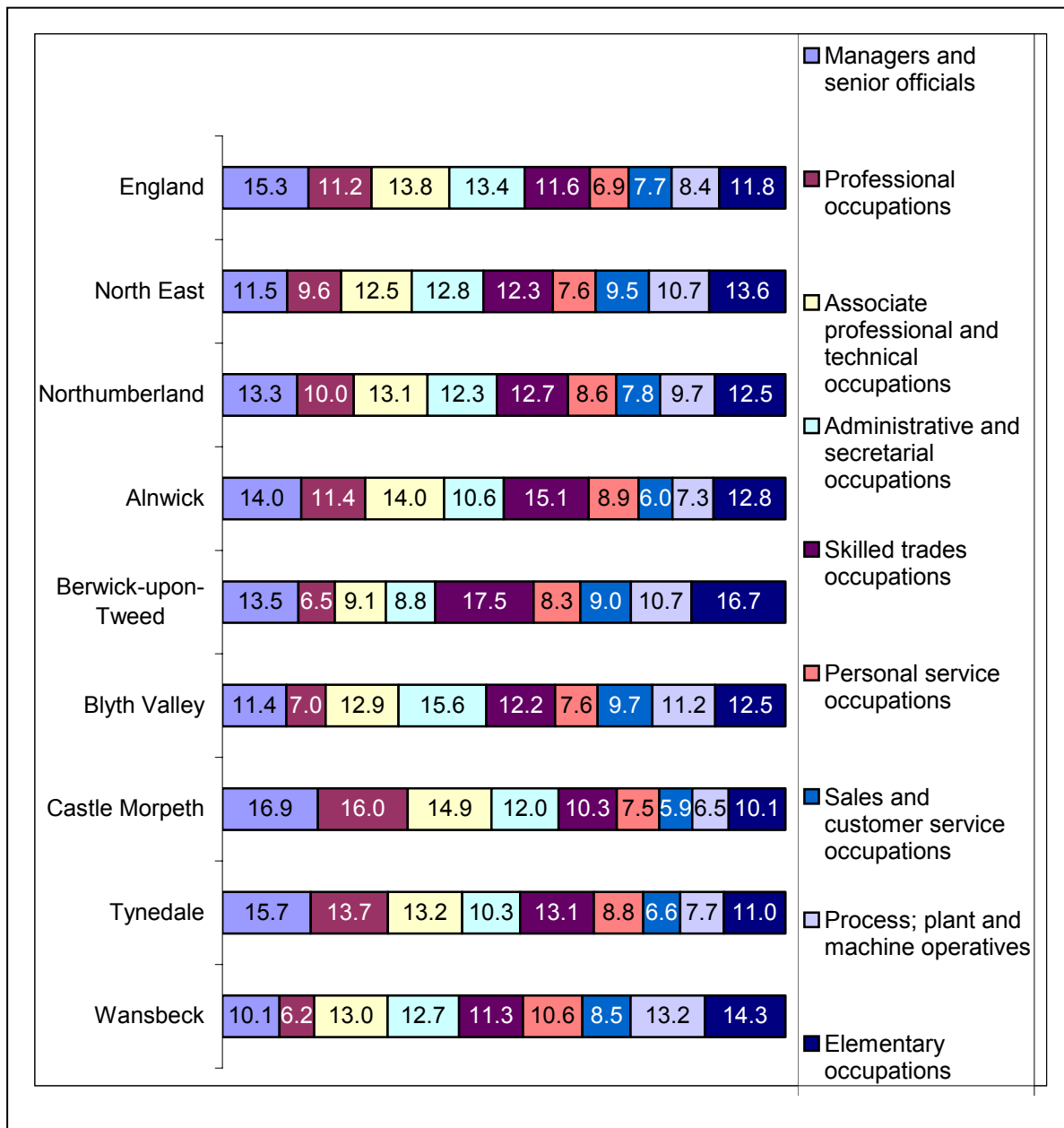


² p13, "Rural Economies Stepping Stones to Healthier Futures" – The Countryside Agency, 2003

5.12 Occupations

Of those in employment in Northumberland the proportion working in the most senior posts as Managers and Senior Officials (13.3%) is higher than the North East (11.5%) but lower than England (15.3%). The proportion of County residents working in Elementary occupations (12.5%) is below that of the North East (13.6%) but above that of England (11.8%).

Fig. 59 – Occupation Profile (Census 2001)



Source: ONS Census 2001, Crown copyright 2003

In Northumberland overall the highest proportions of employed work as Managers and Senior Officials or in Associate Professional and Technical Occupations (13.1%) and Skilled Trades and Occupations (12.7) (Fig. 59).

There are wide variations at district level. Berwick upon Tweed has below England and County levels of employed working in almost all occupations. However, the proportions of those working in Skilled Trades (17.5%) and Elementary occupations (16.7%) are the highest in the County and well above County and England figures (Fig. 59).

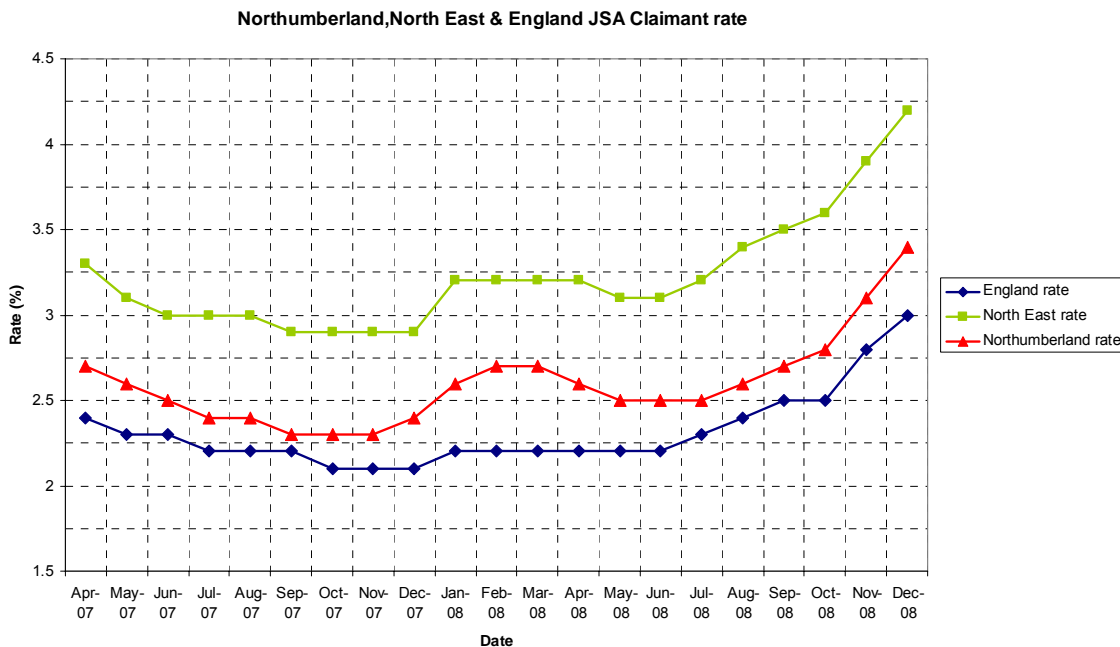
In Wansbeck the proportion of the population working in managerial and senior posts (10.1%) is lower than in England and Northumberland. The proportion working in professional occupations (6.2%) is the lowest in the County. There are a high proportion of employed Wansbeck residents working as process; plant and machine operatives (13.2%) and in elementary occupations, e.g. cleaning, bar staff, porters and packers (14.3%), (Fig. 59).

In contrast in Castle Morpeth there is a high percentage of residents, above England rates, working as managers and senior officials (16.9%), professionals (16.0%) and in associate professional and technical occupations (14.9%). This may be in part due to the high levels of public community and personal services, and business services employment that makes up nearly two thirds (64.3%) of employee jobs in the Borough (Fig. 59).

5.13 Unemployment

In December 2008 the claimant rate in Northumberland rose for the fifth consecutive month to 3.4%. The rise follows the same trend regionally (4.2%) and nationally (3.0%). The actual increase in claimant numbers shows that there was an 11.7% increase on the previous month of November in Northumberland, rising from 5,767 up to 6,439. The rise in claimant numbers is greater than the regional increase of 9.3% and also 9.3% nationally. Figure 60 shows the increase in Job Seekers Allowance (JSA) Claimant rate for Northumberland, the North East and England.

Fig. 60 Northumberland, North East and England JSA Claimant Rate



Approximately 80% of the claimant-count unemployed in Northumberland have been claiming JSA for less than 6 months. With regards to the long-term unemployed, 19.4% had been in receipt of JSA for more than 6 months, 6.7% had been claiming for more than 12 months and 0.6% for more than 2 years.

Overall claimant count rates are highest in Blyth Valley (4.1%) and Wansbeck (5.2%). An analysis of long-term unemployment at district level (see Fig. 61) reveals some difference, with Berwick-upon-Tweed reporting the lowest proportion of claimants registered for more than 6 months (7.4%) and Wansbeck the highest (23.1%). Just over 9% of unemployed residents in Castle Morpeth, have been unemployed for more than 12 months compared with around 2% in Berwick-upon-Tweed. Castle Morpeth (1.3%) and Tynedale (1.4%) have the highest proportion of unemployed residents claiming for over 24 months, Berwick-upon-Tweed (<0.1%) and Blyth Valley (0.1%) have the least.

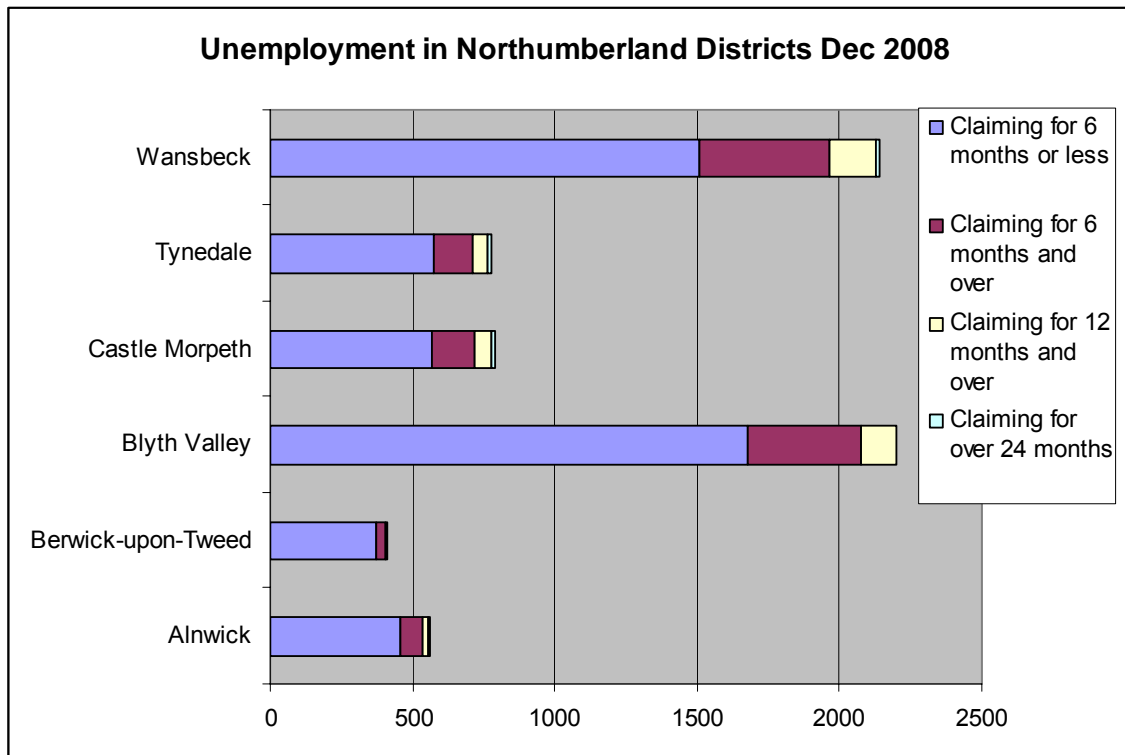
Fig. 61: Unemployment by Duration December 2008

Area	Claiming for 6 months or less		Claiming for 6 months and over		Claiming for 12 months and over		Claiming for over 24 months	
	Number	%	Number	%	Number	%	Number	%
Alnwick	455	85.3	80	14.7	20	4.0	5	0.8
Berwick-upon-Tweed	375	92.6	30	7.4	5	1.7	0	0.0
Blyth Valley	1,675	80.8	400	19.2	125	5.9	0	0.1
Castle Morpeth	570	79.4	145	20.6	65	9.2	10	1.3
Tynedale	575	81.0	135	19.0	55	7.5	10	1.4
Wansbeck	1,510	76.9	455	23.1	160	8.1	15	0.7
Northumberland	5,160	80.6	1,240	19.4	430	6.7	40	0.6
North East	52,170	77.5	15,150	22.5	6,170	9.2	1,155	1.7
England	738,970	77.3	217,575	22.7	86,505	9.0	19,365	2.0

Data rounded to nearest 5. Percentage given is that of particular age/duration as a proportion of all age/durations unemployed

Source: ONS Claimant Count Age and Duration, Dec 2008 from NOMIS

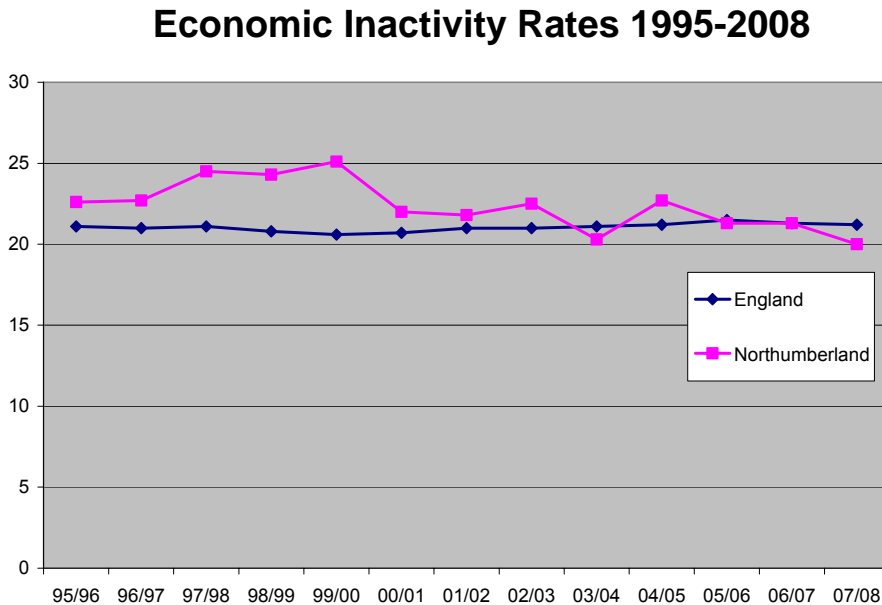
Fig.62: Unemployment in Northumberland Districts December 2008



5.14 Economic Inactivity

The UK labour market comprises of three main groups: the employed, the unemployed and the economically inactive. This latter group consists of those people who are out of work, but who do not satisfy all of the International Labour Organisation criteria for unemployment. This is because they are either not seeking work or are unavailable to start work. Fig. 63 shows that Northumberland has a slightly erratic economic inactivity rate which peaked at 25.1% (44,000) of the population in 1999/2000. More recently Northumberland's rate has been more in line with England and is now at its' lowest rate of 20% (37,100).

Fig. 63: Economic Inactivity Rates 1995-2008



5.15 Worklessness

Worklessness is widely defined as 'people who are unemployed and people who are economically inactive'. Reducing worklessness is a national priority which underpins economic performance and productivity and is a significant contributor to achieving 'sustainable communities'. The Removing Barriers to Work Partnership (RBtW) acts as the umbrella partnership for addressing worklessness and employability in Northumberland. Under RBtW partnerships such as the Blyth Valley Employability Network, Wansbeck Works! and the Rural Coalfields Employment Network have been established to integrate the approach to tackling worklessness, ensuring that combined resources and expertise are maximised to help those most disadvantaged in the labour market to succeed, and achieve targets agreed with Government.

Figures 64 and 65 show an overall reduction in the numbers of working age claimants between 2005 and 2007 in Northumberland. In proportion to the working age population in each district, Wansbeck has the highest level of worklessness in the County at 18.1% in 2007, whereas Tynedale has the lowest at 8.3%.

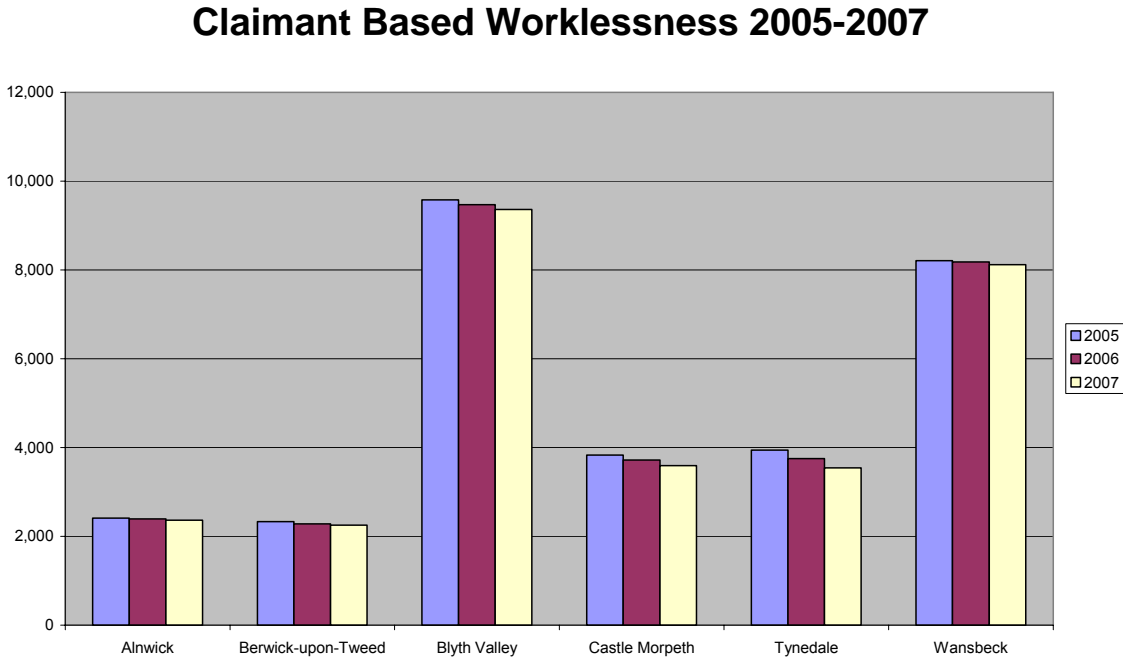
Fig. 64: Claimant based worklessness 2005-2007

2005	Male			Female			Total	% of Population
	16-24	25-54	55 and over	16-24	25-54	55 and over		
Alnwick	130	610	510	140	750	270	2,410	10.6
Berwick-upon-Tweed	140	550	490	150	740	250	2,330	12.4
Blyth Valley	650	2,680	1,710	630	2,960	940	9,580	16.0
Castle Morpeth	250	1,100	760	220	1,090	390	3,830	10.6
Tynedale	260	1,040	770	220	1,220	420	3,940	9.2
Wansbeck	590	2,340	1,510	590	2,460	730	8,210	18.3
Northumberland	2,020	8,330	5,760	1,960	9,220	2,990	30,290	13.5
2006								
Alnwick	170	620	490	130	740	240	2,390	10.6
Berwick-upon-Tweed	140	540	500	140	710	250	2,280	12.1
Blyth Valley	680	2,620	1,690	660	2,900	910	9,470	15.9
Castle Morpeth	240	1,070	740	220	1,070	380	3,720	10.3
Tynedale	230	970	770	200	1,150	420	3,750	8.8
Wansbeck	670	2,290	1,480	600	2,400	740	8,180	18.3
Northumberland	2,120	8,120	5,660	1,960	8,970	2,940	29,790	13.3
2007								
Alnwick	170	610	480	140	710	250	2,360	10.4
Berwick-upon-Tweed	140	540	480	140	720	230	2,250	11.9
Blyth Valley	680	2,560	1,670	710	2,860	870	9,360	15.7
Castle Morpeth	260	1,010	710	210	1,050	350	3,590	10.0
Tynedale	200	930	720	220	1,110	360	3,540	8.3
Wansbeck	700	2,290	1,460	620	2,350	700	8,120	18.1
Northumberland	2,150	7,940	5,510	2,040	8,790	2,760	29,220	13.0

Source: NOMIS Figures for 'Worklessness' have been derived from the total working age claimants

Benefits claimed: Jobseekers Allowance, Incapacity Benefits, Lone Parent, Carer, Others on income related benefits, Disabled, Bereaved

Working Age Population figure Census 2001 data Figures used based on figures produced at end of Feb each year. In order to be comparable with Tyne and Wear Research, the figures used to provide an indication of worklessness in the Northumberland area are based on benefit claimants and those who are economically inactive

Fig. 65: Claimant Based Worklessness 2005-2007

Households can be classified into three broad categories, in terms of their labour market characteristics:

- working households (those in which all adults aged 16 or over are working);
- **workless households** (in which no adults are working). These include households in which all adults are unemployed; those in which all adults are economically inactive; and those containing both unemployed and inactive adults; and
- mixed households (containing both working and workless adults).

Figure 66 shows Wansbeck to have the highest number of workless households (6,051) and Alnwick to have the lowest (1,683).

Fig. 66: Workless Household figures at District Level

	All persons in household are unemployed	H'hold includes unemployed and inactive	All persons in household are inactive	Total Households with no one aged 16+ in employment
Alnwick	-	-	1,683	1,683
Berwick-upon-Tweed	512	-	1,264	1,776
Blyth Valley	934	802	3,665	5,401
Castle Morpeth	-	-	2,758	2,758
Tynedale	-	-	3,084	3,084
Wansbeck	967	-	5,084	6,051
Northumberland	2413	802	17,539	20,753
<i>Estimates are based on small sample sizes and are therefore subject to a margin of uncertainty. They should therefore be treated with caution</i>				

Source: LFS Spring 2005 re-weighted

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5.16 Employment and the Indices of Deprivation

Data from the Employment Domain of the ID 2007 measures employment deprivation conceptualised as involuntary exclusion of the working age population from the world of work.

Key Trends

Within Northumberland the concentration of Employment deprivation ranges from the most deprived SOA being ranked at 137 (Croft) to the least deprived being (Cramlington North) ranked at 30,103.

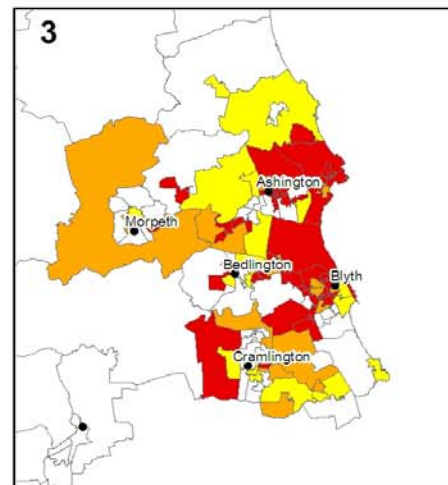
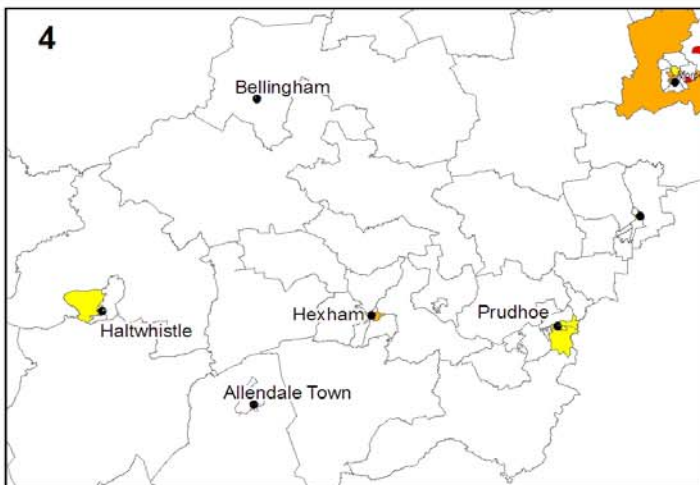
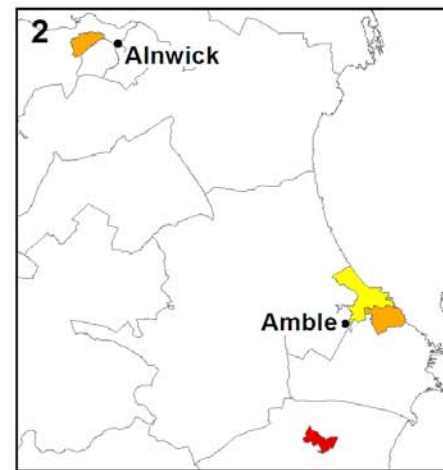
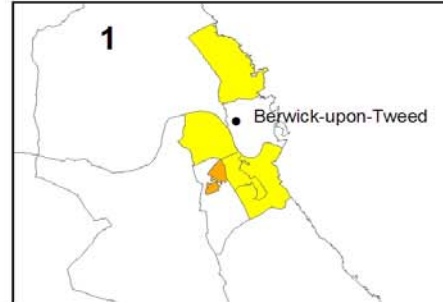
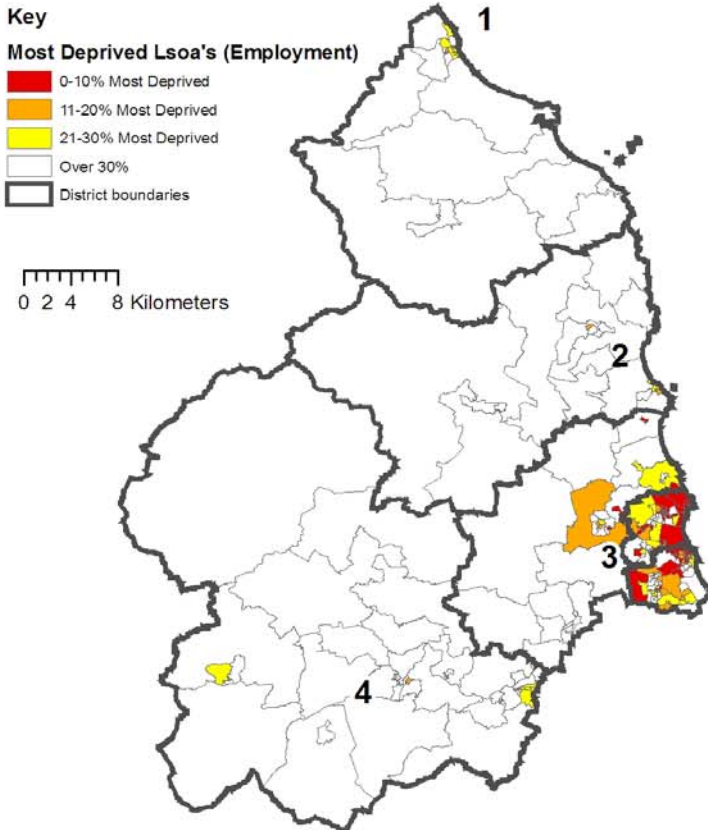
Each of the districts within Northumberland has a SOA within all 3 cut offs of the most deprived rankings, though overall concentration of Employment deprivation is within South East Northumberland. Within the 10% most deprived, 54% of SOA's are within Wansbeck. Blyth Valley SOA's represent the second largest percentage at 34%.

There are 35 SOA's within Northumberland that are ranked amongst the 10% most deprived, 20 SOA's ranked amongst the 20% most deprived and 29 SOA's within the 30% most deprived.

The worst ranked SOA's regarding Employment deprivation are concentrated around the major towns within Northumberland (Fig.67).

Fig. 67: Indices of Deprivation – Employment Domain

Indices Of Deprivation-
Employment Domain



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5.17 Earnings and Household Income

When analysing the level of earnings of Northumberland residents it is important to draw a clear distinction between incomes derived by residents who may or may not be commuting out to work (i.e. Residents Pay) and earnings derived from work within the county boundary alone (i.e. Local Workplace Pay). These two alternative data sets, of Median Weekly Pay, from the Annual Survey of Hours and Earnings (ASHE), are shown side by side in Figure 68.

Fig. 68: Median Weekly Pay, ASHE 2008

Local Area	Residents Pay	Local Workplace Pay
Alnwick	£452	£384
Berwick-upon-Tweed	£321	£321
Blyth Valley	£386	£383
Castle Morpeth	£551	£483
Tynedale	£575	£407
Wansbeck	£409	£406
Northumberland	£433	£401
North East	£422	£421
England	£484	£483

Nomis 2008

The Residents Pay analysis shows that Northumberland's pay (at £433 per week) is higher than the region (£422) but less than the England average of £484. The contrast is more significant if one considers the particularly low levels of pay earned by residents of Berwick-upon-Tweed (£321) and Blyth Valley (£386).

By comparison the analysis of Local Workplace Pay alone shows that Northumberland pay (at £401 per week) is lower than the region (£421) and significantly less than the England average of £483. The contrast is even more significant in Berwick-upon-Tweed, Blyth Valley and Alnwick where earnings are below the Northumberland average. This disparity between the pay levels available in Northumberland workplaces as compared with outside the county is a strong pull incentive which encourages residents to commute out for higher wages.

Tyne and Wear Research and Information were commissioned to examine Household Income in Northumberland, in its three Areas and in a number of smaller local areas; to support the Economic Assessment. The study covered four indicators of average weekly household income (total income, net income, net income equivalised before housing costs and net income equivalised after housing costs) in 2004/2005 and household income by income band in 2001. One of the measures, Total Household Income (weekly) for 2005, is the sum of the gross income of every member of a household, plus any income from benefits; it therefore includes earnings (which may be earned from work outside the county boundaries), self employment, investments and pensions.

In summary, the reports findings were that:

- Average household incomes in Northumberland are generally higher than the regional average (North East = £490; Northumberland = £541)
- West Northumberland has the highest household income (Ponteland = £772)
- South East Northumberland has the lowest income (Newbiggin = £390)

Figure 69 gives a full breakdown of average weekly household income in each Area.

Fig. 69: Average Weekly Household income 2004/05

Area	Total Income (£)	Net Income (£)	Net Income (equivalised before housing costs) (£)	Net Income (equivalised after housing costs) (£)
North	541	429	392	358
Alnwick	533	420	392	356
Amble	520	400	380	350
Berwick & Islandshire	478	407	357	321
Coquetdale	580	450	420	390
Hartburn & Rural West	770	530	500	440
Morpeth	595	474	423	398
Seahouses & Belford plus Glendale	480	380	360	330
Widdrington plus Cresswell, Ellington, Lynemouth & Linton	480	410	360	320
South East	492	408	361	324
Ashington(East)	422	365	335	295
Ashington(West)	504	432	374	344
Bedlington(East)	430	380	340	290
Bedlington(West)	580	480	400	370
Blyth	465	385	345	310
Choppington, Stakeford & Guidepost	470	380	360	330
Cramlington	589	472	390	351
Newbiggin	390	340	320	280
Seaton Valley	485	396	370	330
West	643	502	443	415
Allendale	630	520	440	400
Haltwhistle & West Tyne	490	410	370	340
Hexham & Hexhamshire	620	480	430	410
North Tyne & Redesdale plus Mid Tyne	560	440	410	360
Ponteland	772	606	501	486
Prudhoe	550	450	380	350
Tynedale (East)	726	523	496	466
Northumberland	541	436	389	355
North East	490	410	360	330

The most significant finding was that the Local Areas with the highest total incomes are located in an arc from Morpeth's Rural West, through Ponteland and the Tyne Valley to

Hexham and Allendale. They form a partial ring established on commuting flows to Tyne & Wear with high proportions of people being employed in higher occupational groups.

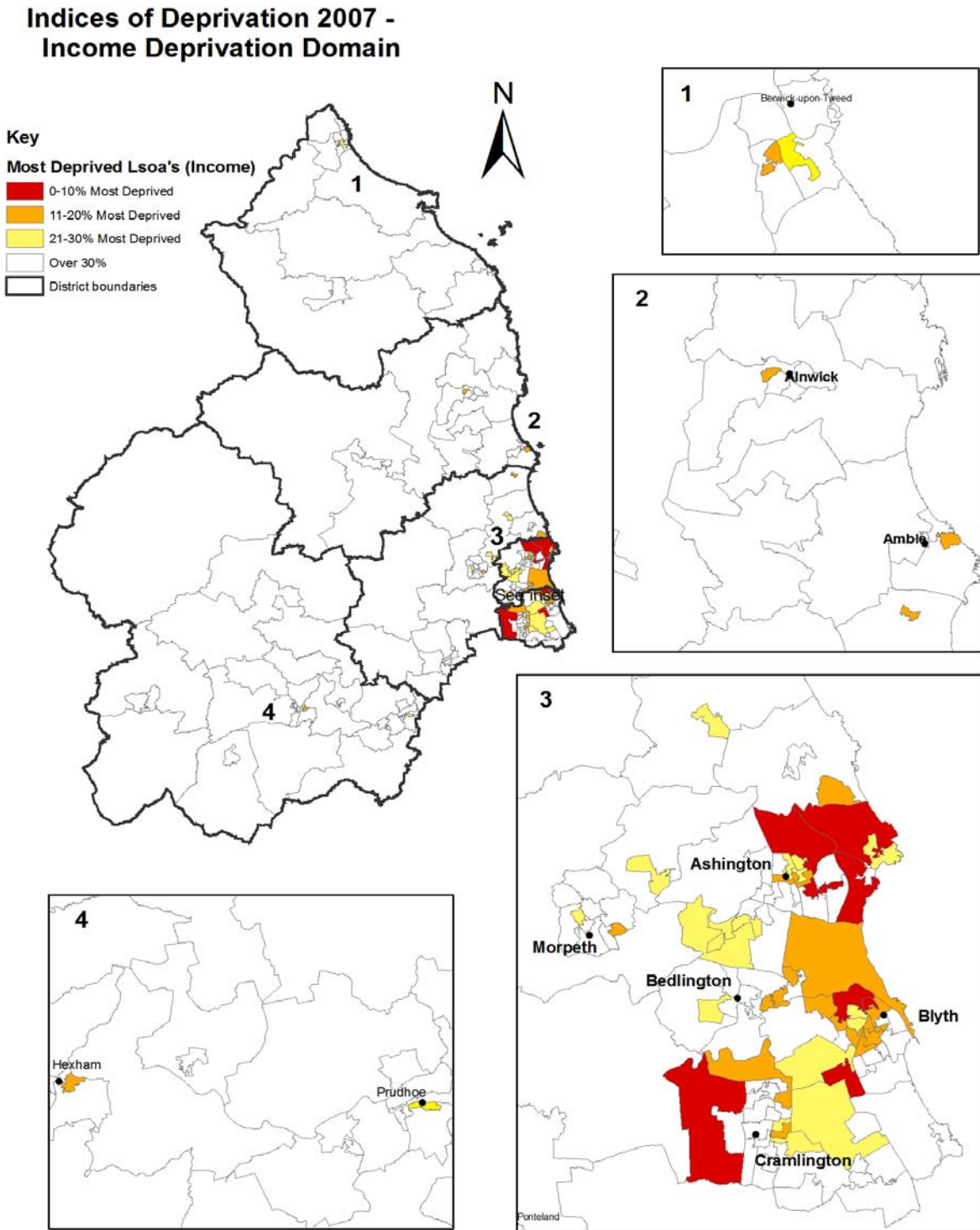
5.18 Income and the Indices of Deprivation

Data from the Income Domain of the ID 2007 shows that in Northumberland the SOA's in the rank of Income range from 595 (Hirst) most deprived in England to 32,409 (Ponteland South). The range equals to 31,814 places between these two SOA's .

Key Trends

- 4% of Northumberland SOA's are amongst the 10% most deprived, all of these SOA's are located within South East Northumberland. 15,955 (5%) of the Northumberland population live within these most deprived SOA's.
- 11% of Northumberland SOA's are ranked within the 20% most deprived, there is an SOA from each district within this ranking.
- 9% of Northumberland SOA's are ranked with the 30% most deprived.
- 79,174 people (26%) in Northumberland live within the SOA's ranked in the 10%, 20% and 30% cut off bands applied (Fig.70).

Fig. 70: Indices of Deprivation - Income Deprivation Domain.



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6.0 BUSINESS

6.1 Business Stock

The number of businesses per 10,000 head of population has been growing steadily for the last few years and is now at 367 (Fig. 71). Tynedale and Berwick upon Tweed have the largest numbers (582 and 562 respectively), comparing very favourably with the North East (249) and England (419). In fact, half of Northumberland's districts are well above the average for England.

Fig. 71: Number of VAT Registered Businesses per 10,000 head of (16+) population (start of year stock)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	Actual change 07-08	% Change 07-08
Alnwick	457	463	453	463	462	463	465	471	470	481	483	2	0.41
Berwick-upon-Tweed	522	510	515	520	521	524	539	543	554	555	562	7	1.25
Blyth Valley	167	169	174	177	180	186	191	198	199	207	218	11	5.05
Castle Morpeth	369	381	381	385	386	380	379	376	381	398	406	8	1.97
Tynedale	515	520	521	536	537	539	547	546	559	571	582	11	1.89
Wansbeck	139	139	143	147	149	150	154	161	164	168	176	8	4.55
Northumberland	321	324	326	331	334	335	340	344	350	359	367	8	2.18
North East	210	213	216	220	221	223	228	231	235	241	249	8	3.33
England	367	375	381	386	388	390	396	401	406	410	419	9	2.15

Source: The Department

for Business, Enterprise and Regulatory Reform, Enterprise Directorate, Analytical Unit Statistics Team 03/12/08

The number of new VAT registered businesses per 10,000 head of population is an indicator of new business start-ups, and has increased significantly in the last three years from 27 in 2005 to 33 in 2007. Although this is much higher than the North East, it is also significantly lower than England (Fig. 72).

Fig. 72: Number of New VAT Registered Businesses per 10,000 head of (16+) Population

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Alnwick	29	32	28	29	30	27	38	39	32	32	36
Berwick-upon-Tweed	32	21	26	30	35	31	38	37	36	31	38
Blyth Valley	20	17	18	20	19	23	19	20	16	21	28
Castle Morpeth	28	33	31	29	26	26	29	27	29	27	38
Tynedale	31	37	35	41	33	39	43	35	46	39	44
Wansbeck	14	12	15	16	12	13	18	19	15	16	20
Northumberland	24	24	24	26	24	26	29	27	27	28	33
North East	20	20	21	21	20	21	24	22	23	23	28
England	41	41	40	40	38	39	42	40	39	39	43

Source: The Department for Business, Enterprise and Regulatory Reform, Enterprise Directorate, Analytical Unit Statistics Team 03/12/08

Figure 73 shows well over half (60%) of the Northumberland workforce is in full-time employment. There is, however, considerable variation in full time employment between sectors, ranging from the large majority of employees in Energy and Water (97%) and Manufacturing (95%) to well under a half employed full time in Tourism and Leisure (42%).

Fig. 73: Northumberland Employment Structure 2007

	Male		Female		Part time workers		Full time workers		Total	
	No	%	No	%	No	%	No	%	Total	%
Agriculture and fishing	4,300	80.0	1,100	20.0	2,600	48.1	2,800	51.8	5,400	5.1
Energy and water	700	85.6	100	14.4	*	3.1	800	96.9	800	0.8
Manufacturing	9,100	75.8	2,900	24.2	800	6.7	11,200	93.3	12,000	11.4
Construction	5,300	88.3	700	11.7	500	8.3	5,500	91.7	6,000	5.7
Distribution, hotels and restaurants	10,800	43.7	13,900	56.3	12,000	48.6	12,700	51.4	24,700	23.5
Transport and communication	2,700	79.4	700	20.6	600	17.7	2,800	82.3	3,400	3.2
Banking, finance and insurance, etc	7,100	59.2	4,900	40.8	4,200	35.0	7,800	65.0	12,000	11.4
Public administration, education & health	9,400	26.6	25,900	73.4	19,500	55.2	15,800	44.8	35,300	33.6
Other services	2,100	39.6	3,200	60.4	2,700	50.9	2,600	49.1	5,300	5.1
Total	50,000	49.1	55,000	50.9	41,700	38.4	63,300	59.1	105,000	100
Tourism and Leisure (inc above)	5,000	41.7	7,000	58.3	7,000	58.3	5,000	41.7	12,000	11.8

Source:

*Agriculture data is derived from DEFRA June 2007 Agricultural and Horticultural Survey.

Remaining data is from NOMIS Annual business Inquiry2007

Figs rounded to nearest 100, where # figure is less than 50

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Just over half of the workforce is female (51%), around half of whom are employed in Public Service organisations (25,900 or 47%). Again, there is considerable variation of female employment by sector, ranging from 73% of employees in Public Services, to only 14% in Energy and Water and 12% in Construction. It is apparent that those industries that are female dominated are also those that have the highest proportion of part-time employees.

Fig. 74: Small Businesses by Number of employees 2006

	Employer size								Grand Total
	0	1-5	6-9	10-24	25-49	50 - 99	100 - 249	250 +	
Agriculture, forestry and Fishing	-	1,880	100	40	-	-	-	-	2,020
Mining and quarrying	-	-	-	-	-	-	-	-	10
Manufacturing	-	410	70	60	40	20	10	10	610
Electricity, gas and water supply	-	-	-	-	-	-	-	-	-
Construction	-	980	80	60	30	-	-	-	1,160
Retail and distribution	10	1,380	190	120	30	-	-	-	1,730
Hotels and restaurants	-	590	150	140	20	-	-	-	900
Transport, storage and communication	-	330	30	30	10	-	-	-	410
Financial Intermediation	20	50	10	10	-	-	-	-	80
Real estate, renting and business activities	20	1,760	120	100	30	10	10	-	2,040
Public Administration	-	10	-	-	-	-	-	10	20
Education	-	70	10	10	-	-	-	-	100
Health and social work	-	150	60	90	40	10	-	10	360
Other community, social and personal	-	620	80	70	10	-	-	-	780
Total	40	8,240	900	720	200	60	30	30	10,230

Source: NOMIS Annual business Inquiry; figs rounded to nearest 10 ONS Crown copyright

The majority of employers in the County are small businesses; 83% employ less than 10 people (Fig. 74), whilst only 3% employ more than 50 people; this is around the same proportion as England but higher than the rest of the North East. These estimates are based on businesses registered for VAT and/or PAYE and do not consider the micro-businesses that are registered for neither.

In all sectors in Northumberland the majority of business enterprises employ less than 10 people (Fig. 74). 93% of Agriculture Forestry and Fishing Businesses enterprises have 1 - 5 employees (Fig. 74). In all other sectors around 40 to 80% of businesses in each sector employ 1-5 people. The only sectors with any significant proportion of enterprises employing 250 people or more are Health, Public Administration and Manufacturing (Fig. 74).

Fig. 75: Percentage of Northumberland Enterprises by size band 2006

Source: Northumberland InfoNet; ONS IDBR 2006 Northumberland VAT registered Enterprises

	Employer size								Total
	0	1-5	6-9	10-24	25-49	50-99	100-249	250+	
Agriculture, forestry and Fishing	0.0	93.1	5.0	2.0	0.0	0.0	0.0	0.0	100
Mining and quarrying	-	-	-	-	-	-	-	-	-
Manufacturing	0.0	67.2	11.5	9.8	6.6	3.3	1.6	1.6	100
Electricity, gas and water supply	-	-	-	-	-	-	-	-	-
Construction	0.0	84.5	6.9	5.2	2.6	0.0	0.0	0.0	100
Distribution industries	0.6	79.8	11.0	6.9	1.7	0.0	0.0	0.0	100
Hotels and restaurants	0.0	65.6	6.7	15.6	2.2	0.0	0.0	0.0	100
Transport, storage and communication	0.0	80.5	7.3	7.3	2.4	0.0	0.0	0.0	100
Financial Intermediation	25.0	62.5	12.5	12.5	0.0	0.0	0.0	0.0	100
Real estate, renting and business activities	1.0	86.3	5.9	4.9	1.5	0.5	0.5	0.0	100
Public Administration	0.0	50.0	0.0	0.0	0.0	0.0	0.0	50.0	100
Education	0.0	70.0	10.0	10.0	0.0	0.0	0.0	0.0	100
Health and social work	0.0	41.7	16.7	25.0	11.1	2.8	0.0	2.8	100
Other community, social and personal	0.0	79.5	10.3	9.0	1.3	0.0	0.0	0.0	100

Where there are zero employees means an employment size of one, as these companies are typically self-employed; the data also includes those with PAYE records

Counts of enterprises rounded to nearest 10 and counts of 9 or less have been suppressed.

Data reference period is 'live' companies at December 2006.

Sectors based on SIC2003.

6.2 District overview

6.2.1 Alnwick

In all, around 10% of County employment is with organisations based in Alnwick. Overall, the Alnwick district has a similar employment structure to the County as a whole, with two main exceptions: the Agricultural, Forestry and Fishing sector accounts for 9.8% of employment in the district, compared with 5.1% in Northumberland (Fig. 76). It also has one of the highest proportions of VAT registered workplaces (25%) in this sector (Fig. 77); whilst Manufacturing accounts for just 6.5% of employment, compared with 11.5% across the whole County (Fig. 74).

6.2.2 Berwick-Upon-Tweed

Around 10% of County employment is with organisations based in Berwick upon Tweed. Like Alnwick, Berwick-Upon-Tweed is rural in nature and has the highest percentage of employees in Agriculture and Fishing between the six districts at 10%. After Distribution, Hotels and Restaurants (36.4%), Public administration, education and health is the largest employer in the Borough, employing 21.4% of the local workforce; followed by Manufacturing (11.3%), (Fig. 76).

6.2.3 Blyth Valley

Blyth Valley has the second highest proportion of employee jobs (21.9%) in the County. Whilst employment is strongly skewed towards Manufacturing (21.3%), Distribution, Hotels and Restaurants (26.8%) and Public administration, education and health (25.6%), Blyth Valley is also Northumberland's second largest Banking, Finance and Insurance district, accounting for 12.9% of employment in the Borough (Fig. 77).

6.2.4 Castle Morpeth

In all, 21.3% of County employee jobs are with organisations based in Castle Morpeth, more than half of whom are employed in the Public administration, education and health Sector (51.4%) (Fig. 76). The next largest sector in terms of employee numbers is Distribution, Hotels and Restaurants (18.0%), followed by Construction (7.5%), (Fig. 76).

6.2.5 Tynedale

Tynedale is a large and rural district with 9.2% of employees employed in Agriculture and Forestry. In all, 22.6% of County employment is located in the Borough. Whilst almost a quarter (23.6%) of this employment is in Public administration, education and health sector, Tynedale is Northumberland's main Banking, Finance and Insurance centre, accounting for 19.9% of employment in the District. The other important sector for employment is Distribution, Hotels and Restaurants (22.3%), (Fig. 76).

6.2.6 Wansbeck

Wansbeck provides just less than 15% of employee jobs in the County; although Wansbeck has a strong Manufacturing base, accounting for 14.5% jobs. Public administration, education and health accounts for just under half of all employment in the district (45.9%). Distribution, Hotels and Restaurants is the other main source of employment providing 19.3% of in the district (Fig. 76).

Fig. 76: Percentage Employed by Sector in Area 2007

	England	North East	Northumberland	Alnwick	Berwick-upon-Tweed	Blyth Valley	Castle Morpeth	Tynedale	Wansbeck
Agriculture, forestry & fishing	1.5	1.1	5.1	9.8	10.0	0.3	4.5	9.2	0.4
Energy & water	0.5	0.9	0.8	0.8	0.5	0.6	1.6	0.9	0.0
Manufacturing	10.5	12.4	11.5	6.5	11.3	21.3	4.4	9.0	14.5
Construction	4.7	5.7	5.7	5.2	5.0	5.4	7.5	4.9	5.8
Distribution, hotels & restaurants	23.3	21.7	23.5	24.4	36.4	26.8	18.0	22.3	19.3
Transport & communications	5.9	5.1	3.2	3.0	2.9	3.9	1.9	3.9	3.3
Banking, finance & insurance, etc	22.2	16.4	11.4	10.0	7.1	12.9	6.5	19.9	6.9
Public administration, education & health	26.1	32.0	33.6	30.2	21.4	25.6	51.4	23.6	45.9
Other services	5.2	4.7	5.1	9.9	5.3	3.2	4.2	6.1	4.0
% Total Employment in Northumberland				10.1	9.7	21.9	21.3	22.6	14.4
Total Employment in Northumberland			104,900	10,600	10,100	23,000	22,400	23,700	15,100
Tourism & Leisure (inc above)	9.4	9.1	11.4	17.0	19.5	8.1	10.6	12.0	11.4

Source:

*Agriculture data is derived from DEFRA June 2007 Agricultural and Horticultural Survey.

Remaining data is from NOMIS Annual business Inquiry2007

Figs rounded to nearest 100

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The Inter Departmental Business Register (IDBR) taken in March 2008 sources data from VAT trader and PAYE employer information passed on to ONS by HM Revenue & Customs and from Companies House. ONS survey data and the DEFRA farms

register also provide auxiliary information. The largest sector in Northumberland is Property and Business Services (18.6%), followed by Agriculture (16.4%). Retail (11.4%) and Construction (9.5%) are also dominant (see Fig. 77). The rural districts (Alnwick, Berwick-upon-Tweed and Tynedale) display a slightly different distribution with regards to agriculture but in general both regional and national trends are reflected locally.

Fig. 77: % of Local Units in VAT and/or PAYE Based Enterprises in 2008

Broad Industry Group	England	North East	Northumberland	Berwick-upon-Tweed	Blyth Valley	Castle Morpeth	Tynedale	Wansbeck
Agriculture	4.8	5.4	16.4	23.0	1.7	16.4	23.8	3.3
Production	6.4	6.8	5.8	4.4	9.6	4.6	5.0	6.9
Construction	9.7	9.3	9.5	8.5	14.0	8.8	7.3	10.5
Motor Trades	3.1	3.5	3.1	2.2	3.7	2.5	3.1	4.7
Wholesale	5.0	4.2	3.8	3.8	4.9	4.4	3.6	2.9
Retail	11.1	14.0	11.4	12.9	14.0	9.2	8.8	16.4
Hotels and Catering	6.5	8.3	8.0	11.0	8.3	6.0	7.0	8.7
Transport	3.1	3.4	3.4	3.8	3.9	2.5	3.7	2.9
Post and Telecom	1.0	0.8	0.6	0.3	1.0	0.7	0.7	0.7
Finance	2.4	2.1	1.5	0.9	1.7	1.6	1.4	2.2
Property and Business Services	30.3	23.1	18.6	12.6	19.4	23.5	19.8	17.1
Education	2.4	3.0	2.8	2.5	2.9	2.5	2.4	3.6
Health	5.2	7.3	6.8	5.7	7.8	6.9	5.8	10.2
Public Admin and Other Services	9.0	8.9	8.4	8.5	7.1	10.4	7.5	9.8

Source:

ONS Crown copyright 2008

Fig.78: VAT Registered Businesses in Northumberland

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Alnwick	1,145	1,160	1,160	1,170	1,180	1,185	1,210	1,245	1,255	1,285	1,300
Berwick upon Tweed	1,140	1,115	1,120	1,120	1,120	1,130	1,170	1,200	1,225	1,220	1,245
Blyth Valley	1,065	1,090	1,115	1,145	1,170	1,220	1,255	1,300	1,310	1,365	1,440
Castle Morpeth	1,490	1,535	1,545	1,565	1,555	1,535	1,550	1,550	1,575	1,635	1,680
Tynedale	2,405	2,450	2,460	2,525	2,560	2,595	2,650	2,670	2,750	2,800	2,865
Wansbeck	690	690	705	725	740	740	770	810	830	845	895
Northumberland	7,935	8,035	8,105	8,245	8,325	8,410	8,600	8,770	8,945	9,150	9,425

Source: The Department for Business, Enterprise and Regulatory Reform, Enterprise Directorate, Analytical Unit Statistics Team 03/12/08

Figure 78 shows that the number of VAT registered businesses has been growing steadily throughout Northumberland. Tynedale consistently has the largest number of businesses, currently at 2,865 in 2008. Wansbeck consistently has the lowest number of businesses, 895 in 2008.

6.3 Sector analysis

6.3.1 Manufacturing

The UK manufacturing sector contracted during 2008. Output fell for the sixth month in a row during October (www.nebusiness.co.uk 04/11/08). The North East reported the biggest dip in manufacturing output in the whole of the UK during the three months to September 2008. This ended two years of continuous growth. It was said by manufacturers' group the Engineering Employers Federation (EEF) that findings reflected reduced confidence among manufacturers amid falling orders and rising energy and raw material costs. Thus the recession has brought to an end ten successive quarters of growth in the regions relatively robust manufacturing sector. The figures mirror the general state of manufacturing in the UK, with the balance on orders falling to its lowest level for three years, due largely to a fall in domestic orders. Recruitment also declined over the period, with the North-east among the four regions recording a drop.

However, the declining level of manufacturing employment is not just a recent phenomenon and work done specially for this Economic Assessment by the Policy Research Group at St Chad's College, University of Durham, indicated that the manufacturing sector was expected to continue to decline, over the coming years; even before the effects of the recent recession were taken into account. If the recession suppresses GVA growth to significantly below the averages experienced post 1999 then there will be an even greater negative impact.

Figure 79 shows there has been an overall drop in Manufacturing employment in Northumberland of nearly 18% (2,600 employees) between 2000 and 2007. Particularly large drops were in clothing manufacture (SIC18), manufacture of radio equipment (SIC 32) and food manufacturing (SIC 15). Significant gains were: manufacture of other non-metallic mineral products (SIC 26), manufacture of fabricated metal products, except machinery and equipment (SIC 28), manufacture of pulp, paper and paper products (SIC 21), manufacture of motor vehicles (SIC 34) and manufacture of medical precision and optical instruments, watches and clocks (SIC 33).

NEPIC is an organisation that represents 500 Pharmaceutical, Biotechnology, Speciality, Polymer & Rubber, Petrochemical & Commodity Chemical companies based in North East England. Furthermore, there are at least an equal number of companies in the supply chain of these industries based in this region making this a major economic Cluster. The combined economic power of NEPIC companies and their importance to North East England cannot be over emphasised. They generate in excess of £10bn of sales and is 30% of the regions industrial base, employing about 40,000 people directly and impacting indirectly on the income of a further 280,000. NEPIC companies have significant presence in all sub regions of North East England - Northumberland, Tyne & Wear, Durham and Teesside (www.nepic.co.uk) A recent ONE NorthEast Study highlighted that emerging companies whose core competencies in either diagnostics, medically related nanotechnology or regenerative medicine, will become increasingly influential as global healthcare paradigms change and they present significant new business opportunities for the NE region...Current estimates suggest that in the next 5 years, 30% of all new products will be biologically based and hence biotechnologically manufactured (North East Pharmaceutical Industry Development, ONE NorthEast 2008). The mainstay of the process industry cluster in Northumberland is the pharmaceutical sector represented by the majors Merck Sharp & Dohme and Aesica Pharmaceuticals at Cramlington, sanofi-aventis at Alnwick and NPIL Pharmaceuticals UK at Morpeth as well as Thermo Fisher Scientific and The Specials Laboratory. Together firms in the region provide 35% of the UK's GDP in pharmaceutical manufacturing and Northumberland firms will account for the majority of that (NEPIC Directory 2008).

Rio Tinto Alcan's Aluminium Smelter and coal-fired Lynemouth power station employs 670 workers. The 420MW Lynemouth power station was commissioned in 1972 by Alcan and burns 1.2m tonnes of coal a year.

It is the UK's second youngest coal-fired power station and one of the smallest. The company says it has been independently assessed to be the UK's most thermally efficient plant of its kind.

Alcan's parent company Rio Tinto has announced global job cuts of 14,000 due to the economic downturn, but this has not yet affected any staff at the Lynemouth plant in Northumberland. (www.newspostleader.co.uk).

Fig.79: Number of employees in Manufacturing in Northumberland 2000 – 2007

Industry	%Change between 2000 and 2007
15: Manufacturing of food and beverages	-19.0
16: Manufacture of tobacco products	0.0
17: Manufacture of textiles	-60.0
18: Manufacture of wearing apparel; dressing and dyeing of fur	-90.9
19: Tanning and dressing of leather; manufacture of luggage, handbags, saddlery, harness and footwear	0.0
20: Manufacture of wood and products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	0.0
21: Manufacture of pulp, paper and paper products	20.0
22: Publishing, printing and reproduction of recorded media	0.0
23: Manufacture of coke, refined petroleum products and nuclear fuel	0.0
24: Manufacture of chemicals and chemical products	-25.0
25: Manufacture of rubber and plastic products	-18.2
26: Manufacture of other non-metallic mineral products	400.0
27: Manufacture basic metals	-20.0
28: Manufacture of fabricated metal products, except machinery and equipment	60.0
29: Manufacture of machinery and equipment not elsewhere classified	11.1
30: Manufacture of office machinery and computers	-100.0
31: Manufacture of electrical machinery and apparatus not elsewhere classified	-16.7
32: Manufacture of radio, television and communication equipment and apparatus	-70.0
33: Manufacture of medical, precision and optical instruments, watches and clocks	25.0
34: Manufacture of motor vehicles, trailers and semi-trailers	100.0
35: Manufacture of transport equipment	0.0
36: Manufacture of furniture; manufacturing not elsewhere classified	0.0
Total	-17.8

Source: Nomis 2008

Figures may not add due to rounding

% change based on non-rounded figures

Fig. 80: Employees of Northumberland Chemical Manufacturers 2000-2007

	%Change between 2000 and 2007
2441: Manufacture of basic pharmaceuticals	-100.0
2442: Manufacture of pharmaceutical preparations	125.0
244: Manufacture of pharmaceuticals, medicinal chemicals and botanical products (total pharmaceuticals)	28.6
24: Manufacture of chemicals and chemical products not including 2441 & 2442	-47.1
24: Manufacture of chemicals and chemical products (total)	-25.0

Source: Nomis 2008

Figures may not add due to rounding

% change based on non-rounded figures

Figure 80 shows that while the numbers of employees in the chemical manufacturing industries have decreased (25 % overall and 47.1% not including pharmaceuticals), the numbers of employees of manufacturers of pharmaceuticals has increased by over 28.6%.

Fig.81: Number of employers in the manufacturing industries in Northumberland 2000 - 2007

Industry	% Change between 2000-2007
15: Manufacturing of food and beverages	-9.6
16: Manufacture of tobacco products	0.0
17: Manufacture of textiles	53.8
18: Manufacture of wearing apparel; dressing and dyeing of fur	-42.9
19: Tanning and dressing of leather; manufacture of luggage, handbags, saddlery, harness and footwear	66.7
20: Manufacture of wood and products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	-24.6
21: Manufacture of pulp, paper and paper products	0.0
22: Publishing, printing and reproduction of recorded media	3.0
23: Manufacture of coke, refined petroleum products and nuclear fuel	-50.0
24: Manufacture of chemicals and chemical products	-12.0
25: Manufacture of rubber and plastic products	24.0
26: Manufacture of other non-metallic mineral products	2.8
27: Manufacture basic metals	-45.5
28: Manufacture of fabricated metal products, except machinery and equipment	15.7
29: Manufacture of machinery and equipment not elsewhere classified	13.1
30: Manufacture of office machinery and computers	-33.3
31: Manufacture of electrical machinery and apparatus not elsewhere classified	8.3
32: Manufacture of radio, television and communication equipment and apparatus	-18.2
33: Manufacture of medical, precision and optical instruments, watches and clocks	-21.1
34: Manufacture of motor vehicles, trailers and semi-trailers	10.0
35: Manufacture of transport equipment	11.1
36: Manufacture of furniture; manufacturing not elsewhere classified	-17.2
Total	-2.7

Source: Nomis 2008

Figures may not add due to rounding

% change based on non-rounded figures

The restrictions put in place on the use of Annual Business Inquiry data mean that very little detail may be published regarding manufacturing workplace analysis. It can be noted however that there has been only a slight fall in the percentage of manufacturing employers between 2000 and 2007 (2.7%), compared to the more significant reduction in employees (Figure 81). The largest losses were in manufacture of wood products (SIC 20: almost 25% of employers), furniture and other manufacturing (SIC 36: 17.2% of employers), the food production (SIC 15: almost 10% of employers). The most significant gains were in the manufacture of textiles (SIC 17: 53.8% of employers), manufacture of fabricated metal products (SIC 28: 15.7% of employers) and manufacture of machinery (SIC 29: 13.1% of employers).

Fig. 82: Manufacturers of chemicals Northumberland 2000 – 2007

	% Change between 2000-2007
2441: Manufacture of basic pharmaceuticals	-50.0
2442: Manufacture of pharmaceutical preparations	150.0
244: Manufacture of pharmaceuticals, medicinal chemicals and botanical products (total pharmaceuticals)	50.0
24: Manufacture of chemicals and chemical products not including 2441 & 2442	-23.8
24: Manufacture of chemicals and chemical products (total)	-12.0

Source: Nomis 2008

Figures may not add due to rounding

% change based on non-rounded figures

Again, the restrictions put in place on the use of Annual Business Inquiry data mean that very little detail may be published regarding manufacturing workplace analysis, however it should be noted that whilst the number of Chemical manufacturing employers has fallen (by approximately 12%), the number of pharmaceutical employers has more than doubled.

6.3.2 Food and Drink

The manufacture, production and distribution of food and drink plays a significant (and high profile) part in Northumberland's economy. However, close inspection of the relevant statistics shows a very mixed picture. Figure 83 shows that the number of enterprises in Northumberland, concerned with food and drink, has declined slightly in the last 6 years (a drop of 1.7%); and this appears to tally with similar figures for the rest of the country (Figure 84).

Fig. 83: Food and drink employers, % Change, Northumberland 2000-2006

	% Change between 2000- 2006
15: Manufacturing of food and beverages	-17.8
5211 : Retail sale in non-specialised stores with food, beverages or tobacco predominating	3.3
5221, 5222, 5223, 5224, 5225, 5227: retail sale of food	-28.8
5530 : Restaurants	21.9
5540 : Bars	4.0
555: Canteens and catering	-7.8
Total	-1.7

Source: Nomis 2008

Figures may not add due to rounding

% change based on non-rounded figures

Figure 84 shows a significant reduction in the number of employers manufacturing food and drink and also the retail sale of food across the county. However, there is a significant increase (between 20 and 25%) in the number of restaurants.

Fig. 84: Food and drink employers, % Change, 2000 - 2006

	Northumberland	North East	England	Great Britain
15: Manufacturing of food and beverages	-17.8	-20.6	-14.5	-14.8
5211 : Retail sale in non-specialised stores with food, beverages or tobacco predominating	3.3	8.2	9.2	8.6
5221, 5222, 5223, 5224, 5225, 5227: retail sale of food	-28.8	-26.0	-22.9	3.5
5530 : Restaurants	21.9	20.8	24.2	23.4
5540 : Bars	4.0	-2.2	-1.6	-1.4
555: Canteens and catering	-7.8	-25.1	-6.5	-10.7
Total	-1.7	-4.4	1.4	5.7

Source: Nomis 2008

Figures may not add due to rounding

% change based on non-rounded figures

Although the number of business units slightly declined overall in food and drink in Northumberland, the corresponding number of employees rose by 9% (Figure 85). Again, it is the hospitality side of food and drink (the bars and restaurants) that has shown the largest increase, and the food manufacturing that has shown the largest decrease.

Fig. 85: Food and drink employees, % Change, Northumberland

	% Change between 2000 and 2006
151: Production, processing and preserving of meat and meat products	-89.2
152: Processing and preserving of fish and fish products	-81.5
153: Processing and preserving of fruit and vegetables	-13.3
154: Manufacture of vegetable and animal oils and fats	0.0
155: Manufacture of dairy products	-12.9
156: Manufacture of grain mill products, starches and starch products	108.3
157: Manufacture of prepared animal feeds	0.0
158: Manufacture of other food products	-6.8
159: Manufacture of beverages	-16.2
5211: Retail sale in non-specialised stores with food, beverages or tobacco predominating	10.2
5221,5222,5223,5224,5225,5227: retail sale of food	5.7
5530: Restaurants	63.0

5540: Bars	20.2
555: Canteens and Catering	-35.7
Total	9.0

Source: Nomis 2008

Figures may not add due to rounding

% change based on non-rounded figures

Fig. 86: Food and drink employees, % Change, 2000 - 2006

	Northumberland	North East	England	Great Britain
151: Production, processing and preserving of meat and meat products	-89.2	-26.8	-20.1	-17.7
152: Processing and preserving of fish and fish products	-81.5	-84.4	-47.7	-37.5
153: Processing and preserving of fruit and vegetables	-13.3	-16.2	-3.6	-7.9
154: Manufacture of vegetable and animal oils and fats	0.0	*5800.0	-29.4	-33.0
155: Manufacture of dairy products	-12.9	-38.8	-32.2	-30.8
156: Manufacture of grain mill products, starches and starch products	108.3	-19.8	-9.0	-5.8
157: Manufacture of prepared animal feeds	0.0	-34.0	-16.4	-15.7
158: Manufacture of other food products	-6.8	-3.5	-14.9	-13.9
159: Manufacture of beverages	-16.2	-47.0	-16.7	-15.6
5211: Retail sale in non-specialised stores with food, beverages or tobacco predominating	10.2	16.5	6.7	7.9
5221,5222,5223,5224,5225,5227: retail sale of food	5.7	-38.7	0.6	-25.4
5530: Restaurants	63.0	40.1	30.2	29.9
5540: Bars	20.2	15.1	2.3	2.4
555: Canteens and Catering	-35.7	-13.9	-0.7	-2.6
Total	9.0	4.7	3.8	3.2

*The 2000 figure was zero, and a value of 1 was used instead

Source: Nomis 2008

Figures may not add due to rounding

% change based on non-rounded figures

Figure 86 shows that the general trend between 2000 and 2006 is for the number of employees in food and drink to have slightly increased, with Northumberland showing the highest increase (9%). Generally, the areas share the same trend, positive or negative, for example, employees in food production, has decreased, and employees in bars and restaurants, has increased.

Overall, the Figures 83 to 86 show consistency in the reduction of food production, but an increase in restaurants, both locally and nationally. There has been a concerted effort recently to promote and brand local food and to make it appeal to both the local population and tourists. Tourist Visitor surveys (2008 Visitor Survey, 2008 National TIC Survey, 2007 National Park Visitor Survey) demonstrate that satisfaction in the overall quality and choice of places to eat and drink is lower than competing destinations. However, supported by various initiatives, the industry is responding to this opportunity. In 2006 eating establishments were scored 7% lower than the regional average, closing the gap to 3% lower in 2008. The Good Food Guide listed its first Northumberland restaurants in 2007.

It is widely considered that as a producer of quality, distinctive food and drink Northumberland has the potential to turn this sector into a key strength and defining attribute of the visitor experience. As food and drink is the highest area of visitor spend opportunities exist for more local businesses to supply this sector. While an increasing number of producers are now entering the tourism market, difficulties in distribution and processing, and chef skills and aptitudes to use local produce appear to be constraining growth.

6.3.3 Agriculture

Northumberland is a mainly rural county, with the lowest population density in England and a substantial proportion of its land area devoted to farming and forestry. As an economic activity, farming has been in decline for many years now but the industry still accounts directly for just over 5% of all employment in the county.

The contribution of agriculture to the rural economy is not limited to those working on farms. The industry supports jobs in a range of other businesses supplying services and inputs to farming and in those which process and distribute agricultural products. Farming practices also help to maintain the diverse and attractive countryside of Northumberland which supports other economic activities such as leisure and tourism. Recent changes in national and European agricultural policy, however, are likely to have profound effects on the industry and it is likely that the nature and scale of agricultural activity in the county will continue to change over the next few years.

The physical geography of Northumberland means that much of the available land is only suitable for grazing. Agriculture is therefore dominated by the rearing of livestock – mainly cattle and sheep. 71% of all farmed land is classified as either permanent or temporary pasture or rough grassland (Fig. 87). Two thirds of the available land area also has Less Favoured Area (LFA) status, reflecting the harsh conditions which prevail in the extensive upland areas in the north and west of the county. Over 80% of LFA land is used for grazing. Very little agricultural land is of the highest quality (Grade 1 and 2) and this is largely restricted to small pockets in the Tyne and Tweed valleys.

Fig. 87: Agricultural Land-Use in Northumberland by Local Authority Area, 2007

Area	Grassland %	Rough Grazing %	Crops & Fallow %	Farm Woodland %	Other Land %
Alnwick	42	34	18	3	3
Berwick	36	17	37	3	7
Castle Morpeth	45	3	43	3	6
Tynedale	51	38	8	2	1
Blyth Valley & Wansbeck	21	0	66	4	9
Northumberland	44	27	23	3	3

Source: Defra, Agriculture and Horticulture Survey, 2007

Northumberland farms are large by national standards, with 34% over 100 hectares, compared to just 12% nationally. This in part reflects the need for extensive tracts of land to support livestock rearing on moorland and other rough grazings, but also the dominance of large landed estates with tenanted farms. 56% of the agricultural land in Northumberland is rented, compared to just 35% nationally. The county has the largest proportion of tenanted farms in England.

There were 3,067 registered farm holdings in the county in 2007, compared with 2,315 in 1997. However, the 2007 figure includes 'other holdings', many of which were designated as part of the measures to control the Foot and Mouth Disease (FMD) outbreak in 2001. Excluding these 'others', the total number of holdings fell by 112 between 1997 and 2007 with the biggest decline in the mixed and LFA categories. Over the same period, the size of the beef herd was reduced by 11% and the number of breeding ewes by 19% (Agriculture and Horticulture Surveys, Defra 1997 and 2007). 56% of all farms in the county (excluding other holdings) are

currently classified as either upland (LFA) or lowland livestock grazing farms, with a further 14% as dairy or mixed enterprises which also include livestock rearing.

The number of cattle in the beef herd and sheep in the breeding flock has been falling steadily and livestock and mixed farms in the county now support a beef herd of c48,000 and some 570,000 breeding ewes. The number of beef cattle on Northumberland farms fell by 21% between 1997 and 2005 and breeding ewes by 19%(beef cattle are females over 2 years old).

Farm incomes nationally have seen a long term decline, in part due to over supply in world commodity markets and, in recent years, the strong pound which has affected the export trade. Farms in Northumberland have not been immune from these trends and the dominance of livestock rearing has resulted in additional pressures as a result of the BSE and FMD crises. Incomes are also closely tied to the support regime delivered through the Common Agricultural Policy (CAP).

Since the 1980's, financial pressures on the CAP and the moves towards liberalisation of world trade have prompted a succession of reforms. The rising costs of the CAP associated with food surpluses and the increasing evidence of environmental problems linked to intensification of agriculture called into question the rationale of farm support and, in 1992, a first round of reforms was agreed. These reforms significantly cut market support for several commodities but provided compensation to farmers through direct payments and also introduced a set of 'accompanying measures' to support environmentally sensitive farming practices.

In 1999, the so-called 'Agenda 2000' package deepened and extended the 1992 reforms and introduced a 'second pillar' to the CAP through a new Rural Development Regulation (RDR). The bulk of farm support continued to be delivered through direct payments linked to production but around 25% of the CAP budget from 2000 to 2006 was allocated to this so-called 'second pillar'. Most of this resource was devoted to agri-environment measures, such as Countryside Stewardship and the Farm Woodland Grant scheme, but the new arrangements also shifted the basis of support for hill farming from 'headage' payments, which had been criticised for encouraging over-stocking, to an area-based Hill Farm Allowance (HFA). These

measures were included in a new England Rural Development Programme (ERDP) which also provided support for rural enterprises on and off the farm.

A further reform, agreed in 2003 and introduced in 2005, 'decoupled' farm subsidies from production and replaced support for arable, beef and sheep production with a Single Farm Payment (SFP). The amount of subsidy which farmers now receive is based partly on historic subsidy claims and partly on payments for the area currently farmed. The balance between the two will be progressively shifted until subsidies become wholly area based in 2012.

The long term decline in farm incomes nationally has affected all sectors but, in recent years, there has been an upturn in the fortunes of arable and dairy enterprises. Beef prices have also started to recover from the effects of BSE and the subsequent export ban but incomes for both lowland and LFA livestock rearing farms have continued to fall as sheep prices have remained low while costs have been increasing (Agriculture in the UK, Defra, 2007).

Data on farm incomes is compiled from an annual Farm Business Survey and the sample size is too small to provide accurate estimates at the county level. However, in the North of England as a whole, incomes have largely followed the national trends. Between 2005/06 and 2006/07, net farm income for lowland arable farms increased by 167%, while the incomes of livestock rearing enterprises fell by between 2% for lowland farms and 13% for hill and upland (LFA) units (Farming in Northern England 2006/07, Newcastle University).

LFA farms typically derive just 50% of their revenue from crop and livestock production, with 27% now coming from the Single Farm Payment, 15% from agri-environment grant schemes and the balance of c8% from non-agricultural activities such as contracting or tourism. In 2006/07, the average farm business income for LFA farms in England was under £11,000, but this disguised a net loss of £16,000 on crop and livestock production, offset by SFP, agri-environment and other income. Few of these farms would be viable without the public subsidy payments and the contribution of unpaid family labour (Farm Business Survey 2006/07, Rural Business Research).

The decline in farm incomes has had a dramatic effect on the number of people employed in the industry. Nationally, the agricultural workforce fell by 12% in the 10 years to 1997 and by a further 10% in the 10 years to 2007 (Agricultural Change and Rural Development in Northumberland, Newcastle University, April 1999 and Agriculture in the UK, Defra, 2007). In Northumberland, the fall was slightly less severe up to 1997 but since then numbers overall have fallen by 13.4%, leaving a current workforce of 5,391 (Agriculture and Horticulture Survey, Defra, 2007).

In addition to the overall decline in numbers, there has also been a significant shift to part-time working and a substantial reduction in seasonal and casual labour (Fig. 88). The majority of managers and other hired workers are still employed full-time but almost half of all farmers, partners, directors and other family workers are now working just part-time on the farm.

Fig. 88: Agricultural Employment in Northumberland, 1997 - 2007

Year	Farmers, Partners, Directors, & Family Workers	Managers & Hired Workers	Full-time Workforce	Part-time Workforce	Seasonal or Casual	Total
1997	3,961	1,586	4,136	1,411	679	6,226
2007	3,680	1,711	2,750	2,262	379	5,391
Change (%)	-7.1	7.9	-33.5	60.3	-44.2	-13.4

Source: Agricultural Change and Rural Development in Northumberland, Newcastle University 1999 and Agriculture and Horticulture Survey, Defra, 2007

The 5,301 jobs in agriculture represent just over 5% of all employment in Northumberland (including self-employment). In 1997, a further 2,600 people were employed in activities related to or dependent on farming, such as agricultural services, forestry, textiles and the processing and retailing of agricultural products (Agricultural Change and Rural Development in Northumberland, Newcastle University 1999).

The prospects for arable farmers in Northumberland over the next few years will continue to depend on trends in cereal and oilseed prices, exchange rates, the availability and price of fertilisers and the impact of factors such as climate change.

However, for livestock farmers substantially dependent of public subsidies for economic viability, further shifts in policy at both national and European level could be just as significant.

The mid-term review of the CAP which introduced the Single Farm Payment also provided for further reductions in direct support to farmers to allow for an increase in the resources available for agri-environment and other rural development measures. In 2007, these measures were included in a new Rural Development Programme for England (RDPE) which will provide the framework for 'pillar 2' support through to 2013. The programme includes provisions for the modernisation of agriculture and forestry as well as the revised agri-environment schemes and will, by 2010 also incorporate specific support for hill farming at present paid as the Hill Farm Allowance.

This shift in support from direct subsidies to payments for environmentally beneficial farming practices and for diversification into non-agricultural and more general rural development activities is likely to continue as the EU seeks to further reduce the share of the budget taken by the CAP and meet World Trade Organisation demands. A recent CAP 'health-check' agreed further reforms along these lines but the UK Government is looking for more rapid progress towards the phasing out altogether of direct subsidies to farmers and even more emphasis on the delivery of environmental benefits and animal welfare which the market will not provide (Vision for the Common Agricultural Policy, Defra, 2005).

6.3.4 Fishing

Fishing remains an important economic activity for some ports and harbours on the North East coast but the industry has declined dramatically in size and value over the past few decades. A combination of falling stocks in the North Sea and national and EU policies to reduce over-fishing have pushed many local fishermen out of business and on-shore jobs in support industries and fish processing have almost totally disappeared.

A total of 75 vessels currently work out of the ten ports and harbours in Northumberland but more than half of these are now based at either Amble or Blyth

(Fig. 89). The majority of vessels – over 80% - are under 10m boats largely involved in potting for crab and lobsters but the local fleet still includes 25 trawlers fishing for white fish and nephrops (prawns). The number of Northumberland-based vessels has fallen by over a third since the early 1990's but the decline has been far less dramatic than that at North Shields where two thirds of the fishing fleet has gone over this period.

Fig. 89: Fishing Vessels at Northumberland Ports, 2008

Port	Trawlers		Potters		Totals
	Over 10m	Under 10m	Over 10m	Under 10m	
Amble	6	5		10	21
Beadnell				3	3
Berwick				6	6
Blyth	3	10		6	19
Boulmer				3	3
Craster				3	3
Holy Island				5	5
Newbiggin				6	6
Newton by the Sea				1	1
Seahouses	1		3	4	8
Totals	10	15	3	47	75

Source: Marine and Fisheries Agency

The local industry is almost wholly inshore-based, with trawling for whitefish and prawns taking place mostly within fishing grounds up to 25 miles offshore. Cod, haddock, whiting and plaice are the main whitefish species caught but nephrops are now by far the most important species caught and landed locally. The Farne Deep, an important fishing ground for nephrops, is located between 15 and 25 miles off the Northumberland coast, and this has provided the main source of income for the bigger vessels for many years now.

Crab and lobster potting remains an important activity for the smaller ports but the once valuable salmon drift-net fishery has been largely phased out through a combination of Government policy and buy-outs by angling interests.

Recent Trends

The volume and value of fish landings fluctuates in response to the abundance of stocks and restrictions on fishing effort imposed by the Governments and EU but,

overall, the total volume of fish landed at the county's ports has declined by more than a half over the past 20 years. There was a significant increase in the volume and value of landings at north east ports, including North Shields, in 2006 and 2007 (Fig. 90 and 91) but this was due mostly to a big increase in the number of vessels from Scotland and Northern Ireland fishing for nephrops in the area. Some local fishermen will have benefited but since then the nephrops catch has declined substantially and there are now concerns about the health of the fishery.

Fig. 90: Volume of Landings at North East Ports, 2004-2008 (Tonnes)

Port	2004	2005	2006	2007	2008
Amble	557.53	799.63	1118.43	1274.77	787.06
Beadnell	9.74	5.76	41.05	29.48	23.43
Berwick	0.85		23.32	16.82	25.96
Blyth	714.42	1626.56	2188.22	2060.82	904.64
Boulmer	19.04	8.69	30.61	36.86	31.39
Craster	21.40	21.61	14.57	12.86	18.66
Holy Island	3.65		113.46	135.84	122.07
Newbiggin	4.47	2.53	12.41	15.36	10.21
Newton By The Sea			0.26	0.38	0.81
North Shields	1566.38	1974.52	2687.99	2249.18	1492.47
Seahouses	221.23	226.09	325.43	255.39	210.96
Total	3118.70	4665.38	6555.74	6087.75	3627.66

Source: Marine and Fisheries Agency

Fig. 91: Value of Landings at North East Ports, 2004-2008

Port	2004	2005	2006	2007	2008
Amble	£1,002,330	£1,252,968	£2,134,398	£2,113,523	£1,520,102
Beadnell	£22,385	£14,404	£129,065	£103,293	£147,326
Berwick	£2,329		£90,015	£80,267	£171,407
Blyth	£1,278,276	£3,027,964	£5,781,131	£4,265,524	£1,725,138
Boulmer	£39,217	£22,361	£100,220	£236,796	£169,092
Craster	£87,503	£83,179	£67,886	£73,783	£101,063
Holy Island	£11,997		£464,378	£484,461	£599,811
Newbiggin	£21,756	£14,331	£75,771	£96,412	£57,598
Newton By The Sea			£1,300	£5,652	£12,119
North Shields	£2,827,134	£3,351,450	£6,215,995	£4,393,381	£2,813,449
Seahouses	£476,054	£454,873	£811,010	£772,625	£832,988
Grand Total	£5,768,980	£8,221,529	£15,871,169	£12,625,717	£8,150,094

Source: Marine and Fisheries Agency

Future Prospects

The fishing industry has been subject to an increasing degree of regulation since the establishment of the EU Common Fisheries Policy in 1983. This has included both

quotas governing the allowable catch for most species and technical conservation measures such as net mesh size and restrictions on the number of days vessels can spend at sea. For a long period, smaller vessels (under 10m in length) were exempt from many of these restrictions but quotas have now been imposed on all vessels and, for many fishermen, the level of allowable catch is now too low to make adequate returns.

A vessel decommissioning grant scheme was introduced in the 1980's to help reduce capacity in the industry and this has recently been extended to the under 10m fleet. This may result in further reductions in the size of the local fleet but the European Fisheries Fund also includes measure to help with modernisation of both vessels and ports and finance to help with restructuring for communities still dependent on fishing.

6.3.5 Forestry

For the purposes of the Economic Assessment the forestry sector is defined very broadly, and includes all activities and organisations associated with trees, forests and wood products. This is consistent with the Regional Forest Strategy (FC/GONE 2005).

The production and processing of home-grown timber is probably more important to the economy of Northumberland than it is to the economy of any other county in England. The North East Region's forest cover extends to some 100,000 hectares which is 12% of the Region's total land area and 9.4% of the woodland area in England. The Region's forests have increased dramatically from 2.5% coverage in the 1930s due principally to a peak of commercial conifer afforestation between 1950 and 1960, including the Forestry Commission's Kielder Forest - Europe's largest contiguous plantation forest. The latter accounts for almost 50% of the Region's forest resource. 49% of the resource is in private ownership, including 90% of the broadleaved area. Included in the 20,000 hectares of broadleaves are some 11,500 hectares of native woodland. This resource has provided the basis for very significant financial investment by the wood processing sector in Northumberland, the most notable examples being Egger Uk Ltd (Hexham) and A&J Scotts (Wooler). Egger's recent £110m investment made in 2006 to upgrade their panel-board mill

was the biggest ever single investment in manufacturing in the county. The Site is regarded as the most advanced particleboard plant in Europe and the company is now seeking planning approval for a further substantial investment for the development of a timber processing facility on land to the east of the plant (Hexham Courant 22/08/08).

Historically wood production and processing have been the principal way that forestry contributes to the local economy; although as the demand for the non-wood benefits that woods and forests can supply has increased the delivery of these have become very important too. Kielder Forest is the focal point for the provision of forest based recreation and tourism in NE England and this is set to continue with the current and proposed investment by the Kielder Partnership to achieve the Kielder Big Picture (£30m). Kielder Water & Forest Park is home to the largest forest in England and the largest man-made lake in Northern Europe. It was recently voted the most tranquil place in England by the Campaign to Protect Rural England (Journal 12/12/08).

The Kielder Partnership (a public and private sector collaboration), whose main aims are to enhance the visitor experience, increase visitor numbers, and have a positive impact on business development in the area, instigated the Big Picture initiative. Northumberland Strategic Partnership (NSP) has invested over £845,000 towards the development of Kielder Water and Forest Park which make it one of Europe's finest water and forest experiences (NSP 02/04/07). An economic consultant has recently been appointed to complete the next stage of the Big Picture project. JDD Consulting Ltd will work on a programme to add to the variety of core attractions at Kielder and will create a detailed investment plan setting out the projects to be undertaken over the next 25 years. Big Picture development ideas include new attractions such as a water maze and a tree-top walkway (Journal 12/12/08).

Whilst it is relatively straightforward to derive a figure for the value of the wood production and processing part of the forestry sector it is far more difficult to put a value on the sector as a whole. This difficulty should not mean that less tangible benefits are excluded, for example Piper and Co (2000) estimated the value of forest based tourism in the NE to be £40m per annum. The current figure for Northumberland is likely to be in excess of £50m given the aforementioned Kielder

Big Picture and other investments. Even less tangible than forest based tourism are the important ecosystem services that trees, woodlands and forest provide such as habitat provision and soil erosion protection.

Northumberland is a well-wooded county (16% of land area, compared with the England figure of 8%). Northumberland differs from most of the rest of England in that it's woodland cover is predominantly coniferous (80%) and most (60%) is owned by the Forestry Commission. A comparison between woodland type and ownership is given in Fig. 92 (FC, 2002).

Fig. 92 Woodland Type and Ownership

Northumberland %				England %			
BL/mixed	Conifer	Total	FC	BL/mixed	Conifer	Total	FC
20	80	100	60	71	29	100	22

Comparing Northumberland with the rest of NE England shows that 79% of the woodland (89% of the conifer woodland) in the NE of England is found in Northumberland. (See table below).

Fig. 93: % of North East Woodland in Northumberland

Northumberland (Kha)			North East England (Kha)			% of NE England Total		
<u>BL/ mixed</u>	<u>Conifer</u>	<u>Total</u> ³	<u>BL/mixed</u>	<u>Conifer</u>	<u>Total</u>	<u>BL/ mixed</u>	<u>Conifer</u>	<u>Total</u>
16	65	81	30	73	103	53	89	79

³ Includes windblow, recently felled and open space within woodland

The main conifer species is Sitka Spruce accounting for 68% of the area occupied by conifers. Much of this coniferous woodland has been planted since the 1930's and occurs in large blocks; Kielder forest being the most notable example. Planted with wood production as the main objective these forests now also provide a wide range of other benefits (ecosystem services) including landscape, recreation, tourism, carbon sequestration, and wildlife habitats. For further details see the Regional Forest Strategy (FC/GONE, 2005).

Although wood production from NE England is likely to remain at around 700k cubic metres per annum, wood production from south Scotland/North England area as a whole is rapidly increasing. In fact the area was predicted to see the largest increase in available timber supply within the UK between 2000 and 2005, providing opportunities for development of the existing forest products industry and new inward investment in wood processing capacity.

The contribution of forestry to the economy of the North East Region is significant however there has been no study to measure the value of the forestry sector specific to Northumberland. In 2000 it was estimated that total annual turnover of the industry for the Region was £425m from over 50 limited companies (Piper and Co, 2000). At this time the primary forest industry supported over 1400 jobs in forest management, contracting and wood processing within the Region. Work needs to be carried out to update these figures.

Key features of the industry's employment are its large number and diversity of companies and organisations which means that the employment is correspondingly broadly based. In general, the forest industry demands and relies upon high skill levels and therefore provides high calibre, professional jobs. Forestry contracting contributes significantly to the Regional forest economy, with approximately 340 people employed. A current trend in the industry is a shift away from the smaller, poorly financed operators and contractors to an industry consisting of a smaller number of companies, with a strong capital base, highly mechanised and employing highly trained and skilled operators (Piper and Co, 2000).

More recently Jaakkoo Poyry (2006) estimated that the sectors contribution to the regional economy is £3.2billion turnover; £0.6 billion GDP contribution and 15,900 jobs and that 32% of businesses are located in rural areas. Given the distribution of relevant businesses and activity across the region, it is estimated that 60% of these values relate to Northumberland as indicated in Fig 94 below, however these figures need further verification and updating.

Fig. 94 Value of the Forestry Sector in Northumberland	
Turnover	£1.92 Bn
GDP contribution	£0.36 Bn
Jobs (FTE)	9,540 jobs
Businesses located in rural location	32%

Jaakko Poyry 2006

The significant difference between the figures for industry turnover are thought to be mainly a result of Jaakko Poyry taking into account all secondary processing. (For England secondary processing accounts for around 55% of the sectors GDP contribution).

The Following SWOT analysis (Fig. 95) has been adapted to make it specific to Northumberland from a SWOT done for the woodland and forest sector for England (Jaakko Poyry, 2006) and the Hexham Timber Opportunities Study (Jaakko Poyry, 2004).

Fig. 95 Northumberland Forestry SWOT analysis

Strengths	Weaknesses
<ol style="list-style-type: none"> 1. The largest resource of economically available wood in England (Kielder) already supplying over 20% of England's wood production. 2. A contractor base (largely lost elsewhere in England) 3. An existing significant wood processing industry - the NE is the centre of the forest and wood products cluster in England 	<ol style="list-style-type: none"> 1. Outwith the large conifer forests, low levels of sustainable woodland management and wood productivity, as a result of high harvesting costs relative to delivered in value. 2. Shortage of contractors with the skills and equipment to manage undermanged woods 3. Lack of sector profile to match its

<ol style="list-style-type: none"> 4. Huge and growing forest products market available – UK is one of the biggest markets in Europe 5. Easy access to significant consumer belt and wood using industry in M62 corridor. 6. Integral part of achieving national, regional and local objectives in the drive for a low carbon economy 7. Considerable potential in helping to tackle climate change – mitigation and adaptation 8. Increasingly diverse forests offering wide range of ecosystem services and social (including health) benefits 	<p>economic contribution</p> <ol style="list-style-type: none"> 4. Difficulty of attracting high calibre new entrants to the contracting industry. 5. UK imports c. 75% of wood requirements – price in UK subject to exchange rate fluctuations and vagaries of world markets
<p>Opportunities</p> <ol style="list-style-type: none"> 1. Further Development of site around Egger to create world class timber processing cluster. 2. New sawmill producing construction timber – currently most higher grade logs are cut at mills outwith the region 3. Growing biomass industry offers new markets, jobs (especially rural, supply chain) and increased GVA and incentive to manage undermanaged woodlands. 4. Large and remote forests offer potential locations for windfarms 5. Tourism - Kielder Big Picture is already bringing increased tourism that is likely to continue to grow 6. Woodlands to form an important part of Green Infrastructure in regeneration projects – especially SE Northumberland Growth Point 7. Step change in rate of woodland creation to underpin growing wood industry and deliver ecosystem services 8. Secondary processing 	<p>Threats</p> <ol style="list-style-type: none"> 1. The demand for wood outstrips supply (see John Clegg Consulting Ltd with Cawdor Forestry Ltd., 2006) 2. Narrow customer base for roundwood – most of volume is sold to small number of big customers. 3. Erosion of productive potential of woods/forests through deforestation and/or replacement with less productive species 4. Contribution of forestry sector is not fully recognised by RDA and SRP's and support required is not provided 5. Well organised and resourced Scottish forest industry draws resources and processing capacity out of NE England

Section 6.3.10 provides further information on the Biomass sector.

6.3.6 Creative Industries

The creative industries sector comprises 13 different sub-sectors in line with the Department for Culture, Media and Sport's (DCMS) definition of the creative industries: advertising, architecture, art and antiques market, craft, design, designer fashion, film and video, interactive leisure software, music, the performing arts, software and computer services, and television and radio.

The creative industries account for 8.2 per cent of UK GDP and are growing at twice the rate of the economy as a whole; averaging 5 per cent a year between 1997 and 2004. Exports grew even faster, averaging 11 per cent, to contribute 4.3 per cent of the country's overseas sales. The sector is very fragmented and dominated by SMEs, many of which are micro or sole-trader businesses.

Although not a large employer in the county, the Creative Industries Sector has seen significant growth in the last six years, compared to only a small growth in the North East, and a decrease in England. In fact, nearly a fifth of the employees and employers in the North East in this sector are based in Northumberland (Fig. 96).

Fig. 96: No of Employees/Employers in the Creative Industries Sector

	Employees			Employers		
	2000	2006	% Change	2000	2006	% Change
England	217,400	213,300	-1.9	50,300	47,700	-5.2
North East	4,100	5,500	35.6	700	800	12.2
Northumberland	500	1,000	101.8	100	150	24.0

Source: Nomis 2008

The Crafts Council (www.craftscouncil.org.uk), have 49 entries in their North East Crafts directory of specialist individuals, of those, 13 were based in Northumberland; 27%. North East England is increasingly recognised as a vibrant and creative region, supported by enviable cultural infrastructure and a growing and competitive creative economy. The region has a tradition of creativity and values a distinct cultural heritage.

The broader regional Culture and Creative sector is a miscellaneous sector comprising public cultural institutions, venues and organisations, and private creative industries. It is a large and complex sector, with a broad range of ownership. Central to much of the sector is a focus on sustaining innovation and creativity, leading to new expressions of product development but also enhancing the region's proposition as an attractive location. The broader creative and cultural sector employs almost

60,000 people in the region, with over 5,000 businesses in the sector, making up 12% of the region's VAT registered businesses.

The Commercial Creative sector is a specific part of this environment, concentrating on key sub-sectors that provide potential for further growth and scalability. These are:

- Advertising, design and brand communication
- Performing arts (focus on content creation)
- Publishing (focus content creation)
- New media, games and software
- Film, tv and video
- Music

The Aurora Project began in 1998 supported by European funding and Northumberland County Council, its aim was to assist the growth of arts and crafts in the region by supporting a network of artists and makers. Support from the European Union has enabled the Project to succeed and deliver a programme of business development activities, it has given Aurora Project members the opportunity to network and to take part in events and exhibitions both locally and nationally. Arts Officers from across the country have contacted Aurora for advice and information in order to grow similar projects successfully and as a result we have been able to work and exhibit with artists from other regions.

Aurora Project members have access to business advice and marketing tools including a website with online galleries and shops and many members have participated in sector-led training programmes. The Project continues to assist the development of over 250 arts and craft based businesses. Aurora has a reputation nationwide for high quality and professionalism and members enjoy being a part of this supportive group. March 31st 2008 will see the end of funding from the European Union for the Aurora Project.

In April 2008 The Aurora Project transformed into a Social Enterprise 'Aurora Creative Arts Ltd'. The objectives of the new company are to promote, maintain, improve and advance education about the arts within the community at large (<http://www.theauroraproject.org.uk/>).

6.3.7 KIBs

Knowledge Intensive Business Services is a relatively new 'sector', which has been growing fast in recent years. The term mainly covers business service industries such as finance, consultancy, training, research and IT.

The North East, including Northumberland has shown a rapid growth in this sector; indeed the Policy Research Group at St Chad's College, Durham, believes that the long-run trend (irrespective of the effects of the recession) is for employment to continue to expand. Figure 95 shows the percentage increase for Northumberland and the North East, in both the number of VAT registered KIBs enterprises and the number of employees, between 2000 and 2006 was much greater than that experienced by England or Great Britain.

There is no one single definition of these businesses and therefore it is not possible to give a finite set of SIC codes for analysis. Figs. 97 and 98 show data analysed using a set of SIC codes for KIBs as defined by DEFRA

(<http://www.defra.gov.uk/rural/pdfs/research/psa4-indicators/england.pdf>).

Fig. 97: % Change 2000-2006 KIBs

	Northumberland	North East	England	Great Britain
VAT registered-enterprises	25.2	25.7	10.00	10.7
Number of employees	35.0	27.9	10.21	10.7

Source: Nomis 2008

Fig. 98: % Change in the Number of VAT registered enterprises in Northumberland in the Knowledge Intensive Business Services sector (KIBs) 2000-2006

	% Change between 2000 and 2006
65,66,67: Finance	3.2
721,722,723,724,726: IT including consultancy	-2.5
73 : Research and development	-

741 : Legal, accounting, book-keeping and auditing activities; tax consultancy; market research and public opinion polling; business and management consultancy; holdings	46.0
742: Architectural and engineering activities and related technical consultancy	16.5
743: Technical testing and analysis	-
744: Advertising	-
745: Labour recruitment and provision of personnel	-
Total	25.2

Source: Nomis 2008

Figures may not add due to rounding

% change based on non-rounded figures

-these figures are less than 50

Figure 98 shows an overall growth in the number of KIBs enterprises in Northumberland of 25% between 2000 and 2006; the strongest areas are management consultancy and software consultancy (this cannot be shown as an individual figure due to confidentiality).

Fig. 99: Northumberland VAT Registered KIBS enterprises by no employees

	2000	2006	% Change
1 - 10 employees	900	1,200	35.5
11 - 49 employees	100	100	30.0
50+ employees	-	-	-

Source: Nomis 2008

Figures may not add due to rounding

% change based on non-rounded figures

-these figures are less than 50

Figure 99 shows that there was a growth in the number of KIBS enterprises of all sizes between 2000 and 2006, but that predominantly KIBS in Northumberland are made up of very small enterprises. However, this is also true of KIBS nationally.

Fig. 100: % Change in no of employees employed by KIBS VAT registered enterprises 2000 - 2006

Industry	% Change between 2000-2006
65,66,67: Finance	-29.2
721,722,723,724,726: IT including consultancy	2.9
73 : Research and development	585.1
741 : Legal, accounting, book-keeping and auditing activities; tax consultancy; market research and public opinion polling; business and management consultancy; holdings	68.8

742 : Architectural and engineering activities and related technical consultancy	19.9
743 : Technical testing and analysis	57.1
744 : Advertising	218.6
745 : Labour recruitment and provision of personnel	135.9
Total	35.0

Source: Nomis 2008

Figures may not add due to rounding

% change based on non-rounded figures

Figure 100 shows that the largest % increase in employees was in Research and Development (585.1%), followed by Advertising (218.6%) and Labour and Recruitment (135.9%). The largest increase in actual employee numbers was in the Legal and Business services sector (SIC 741). Significant losses included Finance (29.2%).

Overall, KIBS have shown a growth of approximately 1,400 employees, 35% from 2000 to 2006.

6.3.8 Ministry of Defence

RAF Boulmer

Boulmer Royal Air Force station, near Alnwick, plays a key role in the homeland defence and search and rescue tasks of the UK. The Station has undergone an extensive modernisation programme in recent years, and more recently has become the hub of the Air Surveillance and Control System (ASACS) Force Command. The Station comprises two major sites: the Operations Site is home to the NATO Control and Reporting Centre (CRC), School of Fighter Control and ASACS Force Command Headquarters. The Domestic Site is where the majority of the support functions are located, together with the Search and Rescue Sea King Helicopters of 'A' Flight, 202 Squadron. RAF Boulmer has just short of 1,000 personnel, approximately 200 of whom are MOD/contracted civilians. Uniformed military pay for RAF Boulmer for Financial Year 08/09 is £29.653m. This figure does not include any Employee deductions for Income Tax or National Insurance, etc. MOD Civil Service pay for staff is circa £2.434m.

RAF Boulmer utilises a number of contractors and suppliers. These include SERCo, The Infirmary Drive Medical Group for GP/medical services, Synergy HLC for physio services, Heritage IT Training, Northumberland Estates, local colleges and training providers.

Other than contracted support, RAF Boulmer spends approx £20K pa on purchases in the locality and under a new system for infrastructure and maintenance support, RAF Boulmer estimates that just over £1.2 million was spent in 2007. These figures are based upon actual costs plus estimates on salaries and fees.

The turnover of the village shop (NAAFI/ Aramark) is estimated at £642,267 pa, and the payroll cost for the same period is estimated at £102,080 pa.

Otterburn Ranges

Otterburn is the second largest live firing range in the country and has been used for military training since 1911. It covers over 90 square miles.

With a wide variety of terrain and the farms on the ranges with their buildings, fields and livestock it provides a realistic environment for British and NATO soldiers to train here each year with the latest infantry weapons, artillery and helicopters.

The training area consists of approximately 60,000 acres (24,300 hectares), of which some 29,000 acres (11,750 hectares) is set aside for 'dry' (i.e. non-live firing) training.

The ranges are crossed by public and military roads, footpaths and bridleways. Those on the Controlled Access Area are closed when training is taking place.

Hutted camps accommodate around 1,600 visiting troops, who may spend several weeks training here.

There are two main live firing range areas, at Otterburn and Redesdale, for artillery, demolitions, all infantry weapons and restricted armoured vehicle firing. Fighter aircraft and helicopters also practise ground attack firing, and there are parachute dropping zones. A wide selection of live firing ranges provide facilities for weapons

from 5.56mm calibre small arms to artillery and 30mm guns on armoured reconnaissance vehicles. The soft nature of the ground precludes the use of heavy armoured vehicles such as Main Battle Tanks.

There are 31 farms on the ranges all of which raise sheep.

(Source: <http://www.otterburnranges.co.uk/>)

6.3.9 Public Services

The Public Sector in Northumberland is a growing employment sector having increased from around 1,090 employers in 2000 to 1,350 in 2006 (Figure 101), an increase of nearly 24%. The number of employees has also grown from 34,442 in 2000 to 39,055 in 2006, an increase of nearly 14% (Figure 102).

Fig. 101: Northumberland Public Sector Employers 2000 - 2006

	% Change between 2000- 2006
7511: General (overall) public service activities	45.0
7512: Regulation of the activities of agencies that provide health care, education, cultural services and other social services excluding social security	-52.5
7513: Regulation of and contribution to more efficient operation of business	100.0
7514: Supporting service activities for the government as a whole	-25.0
7521: Foreign affairs	0.0
7522: Defence activities	-85.7
7523: Justice and judicial activities	70.0
7524: Public security, law and order activities	-18.4
7525: Fire service activities	-5.3
7530: Compulsory social security activities	8.3
8010: Primary education	5.6
8021: General secondary education	28.0
8022: Technical and vocational secondary education	142.9
8030: Higher education	93.3
8041: Driving school activities	300.0
8042: Adult and other education not elsewhere classified	20.4
8511: Hospital activities	121.8
8512: Medical practice activities	29.7
8513: Dental practice activities	23.7
8514: Other human health activities	23.6
8520: Veterinary activities	53.8
8531: Social work activities with accommodation	-4.4
8532: Social work activities without accommodation	70.4
Total	23.9

Source: Nomis 2008

Figures may not add due to rounding. ABI 2003 has Geographic and Industrial discontinuity.
% difference based on non-rounded figures

Fig.102: Public Sector Employees, Northumberland, 2000-2006

	% Change between 2000-2006
7511: General (overall) public service activities	415.0
7512: Regulation of the activities of agencies that provide health care, education, cultural services and other social services excluding social security	-41.1
7513: Regulation of and contribution to more efficient operation of business	226.3
7514: Supporting service activities for the government as a whole	-46.4
7521: Foreign affairs	0.0
7522: Defence activities	-46.1
7523: Justice and judicial activities	23.3
7524: Public security, law and order activities	-21.2
7525: Fire service activities	4.2
7530: Compulsory social security activities	-84.8
8010: Primary education	8.5
8021: General secondary education	11.8
8022: Technical and vocational secondary education	203.4
8030: Higher education	26.6
8041: Driving school activities	200.0
8042: Adult and other education not elsewhere classified	-59.9
8511: Hospital activities	-6.7
8512: Medical practice activities	32.3
8513: Dental practice activities	27.3
8514: Other human health activities	-38.7
8520: Veterinary activities	134.4
8531: Social work activities with accommodation	-6.6
8532: Social work activities without accommodation	13.3
Total	13.4

Source: Nomis 2008

Figures may not add due to rounding. ABI 2003 has Geographic and Industrial discontinuity.

% change based on non-rounded figures

Although Figure 102 shows a significant increase in the number of employees in the public sector, it also shows some notable reductions: Adult education has fallen by almost 60%, while Public security, law and order and Hospital activities both fell by 21% and 7% respectively.

6.3.10 Renewable Energy

Renewable energy is currently one of the fastest growth sectors in the UK economy. This has been driven, in part, by a combination of increasing concerns about climate change, general pollution, security of supply and government targets. In 2003 the UK Government released the Energy White Paper which outlined a strategy for the UK to reduce carbon emissions by up to 60% by 2050. One of the main targets within the White Paper was that by 2010, 10% of all electricity supplied should be from renewable sources. So far only a relatively small percentage of renewable based capacity has been realised. Much research and development is now focused on how the essentially centralised, high carbon, supply of electricity can move towards a more decentralised, low-carbon form. Such changes will need engagement of both industry and consumers in order to ensure that significant renewable power can be successfully implemented. The UK, for a long time, has been lagging behind many of its European counterparts. For example, in 2000, electricity from renewable sources such as wind, biomass, wave and solar accounted for only 1.3% in the UK, compared with 16.7% in Denmark, 4% in the Netherlands, 3.2% in Germany and 3.4% in Spain.

In Northumberland, NaREC was established in 2002 as a Centre of Excellence for new and renewable energy technologies. Based in Blyth, NaREC's capabilities and assets are the result of over £30 million of investment from One NorthEast, the North East's Regional Development Agency, and the European Regional Development Fund. NaREC is an independent, cross-disciplined research and development platform serving the energy industry worldwide. NaREC is also the home to the Photovoltaic Technology Centre which offers assistance in testing and development of solar products and is the only commercial crystalline cell research and development laboratory in the UK.

NaREC is fostering the growth, development and commercialisation of new and renewable energy technologies, creating opportunities for the UK, and the North East in particular in this emerging industry. One of its aims is to establish a vibrant and thriving new and renewable energy economy in the North East. Success will create skilled jobs, new enterprises and new initiatives in the North East of England.

NaREC is endeavouring to build a cohesive regional development and commercialisation infrastructure that offers an attractive environment in which to do business and compete in global energy markets. NaREC are investing in the growth of the region by enabling regional companies to accelerate their growth through structured support programmes. (Source: www.narec.co.uk)

Cockle Park farm is a 262 ha mixed farm in Castle Morpeth and is owned by Newcastle University. The farm is the proposed site for the Centre for Renewable Energy from Land (CREEL). The centre will generate its own heat and electricity, and provide space for interdisciplinary research, educational facilities and equipment demonstration, including a virtual reality training facility. CREEL is being established so that the technologies and wider implications associated with the use of renewable sources of energy from the land can be promoted via research, education and demonstration.

A range of renewable technologies will provide heat and power for buildings together with transport fuel for Farm/University vehicles.

CREEL brings together agriculturalists, natural scientists, environmentalists, economists, social scientists and a range of people from different engineering disciplines to examine issues relating to renewable energy from land in an integrated and holistic manner. (Source: www.ncl.ac.uk)

The Northumberland Renewable Energy and Energy Efficiency Strategy has been developed by the Northumberland Renewable Energy Group (NREG) and funded by the Northumberland Strategic Partnership. Its purpose is to promote and develop renewable energy and energy efficiency across the County and aid Northumberland's aspiration to become an exemplar in Renewable Energy technologies. It has a vision for the future of each of the renewable energy sub sectors and strategies that should be employed in their development:

- **Biomass**

The biomass sector is a small but growing component of a robust forestry and renewable energy sector in the north east of England. A study into the current and prospective value to the region of biomass-related activity by Dr David Clubb of Northwoods suggests that the sector currently provides an annual contribution of at least £40m to the north east economy, and that it has the potential to generate at least £76m per year by 2015 – a 90% increase. Analysis undertaken for the study also suggests that biomass, rather than coal, will ultimately be the more important solid fuel in economic terms (An economic evaluation of current and prospective value to the North East of England from biomass-related activities; A study for the Forestry Commission, north east region, and for the NEWHeat programme of One NorthEast, by Dr David Clubb, Northwoods Project Director, August 2008).

According to NREEES, the potential market for biomass is significant and Northumberland is well placed to exploit it, with an abundance of biomass fuel sources currently available through managed forests and large areas of agricultural land that could be use for future production of energy crops. According to the NREEES, Northumberland should be leading the way in the development of a sustainable biomass industry within the region by supporting:

- The development of a sustainable market by securing an adequate supply of biomass fuel from locally sourced sustainable sources which would in turn stimulate the local economy and uptake of biomass fuelled systems.
- The establishment of a Centre of Excellence for Biomass in the County, which would form the focus for the development of the biomass industry regionally.
- The development of biomass based heating projects within public buildings, new builds, social housing and industrial buildings.

- **Wind**

Potential onshore wind farm locations are limited by the presence of the Northumberland National Park, Areas of Outstanding Natural Beauty and Ministry of Defence (MOD) owned land. Despite political sensitivity surrounding onshore wind, NREEES expects the development and encouragement of some appropriately sited future onshore projects within Northumberland to remain a priority. Approximately 200MW will be secured by 2010 by:

- Identifying and promoting suitable opportunities for wind farm developments which would contribute to both the county and regions renewable energy targets; (<5MW), medium (5-30MW) and large (>30MW) wind farms.
- A well developed wind farm service industry, supporting not only the region but the UK and beyond.
- Locally based wind farm projects to be operated and maintained locally.
- A locally based wind turbine assembly plant and a well developed local supply chain.

Despite challenges of the number and location of potential sites in the region being somewhat constrained by deep waters within a short distance of the shoreline and the location of designated and protected areas (e.g. heritage coasts), the North Sea offers great potential for offshore wind-energy which Northumberland is in a good position to develop. The Crown Estate has recently released land for development of offshore wind and NaREC, together with Banks Ltd and Hainesford Ltd are pursuing a joint bid for the licence to develop this resource. NaREC have also been successful in attracting inward investment of Clipper who are set to be a key manufacturer of large 7.5 MW offshore turbines.

- **Wave & Tidal**

Wave and tidal power is as yet an underdeveloped technology not only within Northumberland but across the UK. Northumberland's coastline has some natural and cultural limitations for potential large scale wave and tidal development lacking high tidal estuaries or straights where energies are particularly high. However, there is considerable potential for a research, development and manufacturing base within the county. Such a development would be supported by existing organisations and companies such as the NaREC and the Engineering Business. The NREEES vision for 2010 includes support for those organisations and companies that wish to develop products and services to the wave and tidal industries.

The NREEES vision for 2010 is one of a progressive County with a diverse range of renewable energy technologies both large and small scale. Opportunities for employment and business development will be maximised and the role of energy sufficiency for community and business resilience fully recognised. Fig. 103 provides an overview of renewable installations by district for Northumberland up to and including June 2008.

Fig. 103: Renewable Installations by district, June 2008

	Wind	Photovoltaics	Solar Hot Water	Biomass	Air/Ground Source Heat Pump	Hydro	Other	Total
Alnwick	8	14	3	4	5	1	1	36
Berwick	8	20	11	3	8	1	0	51
Blyth Valley	0	4	3	1	0	0	0	8
Morpeth	6	3	43	2	7	0	0	61
Tynedale	23	24	56	7	18	4	0	132
Wansbeck	2	5	3	1	0	0	0	11
Unaccounted	0	1	28	0	0	0	0	29
Total	47	71	147	18	38	6	1	328

Tynedale has the highest number of renewable installations in the county (132) and Blyth Valley has the lowest (8).

6.3.11 Retail

A report published in September 2005 entitled "An Examination of the Diversity and Distinctiveness of the Retail Environment in North East of England", commissioned by Culture North East, recommended that a co-ordinated effort be made by all relevant agencies to improve the retail offer in the region and resulted in work on retail distinctiveness in market towns during 2006-2007. The need to improve the quality of the retail offer in market towns for the benefit of both residents and visitors was identified in the NSPs Commissioning Framework for market town investment during 2006-2008.

In March 2006 One NorthEast commissioned Miller Research to undertake a regional retail distinctiveness study. This looked at three towns in the region: Alnwick, Barnard Castle and Guisborough. The consultants used focus groups, surveys, literature searches and visits to exemplar towns to develop an understanding of distinctiveness and concluded that it could be measured in terms of independent retailing, the food and drink offer, customer service, markets, events and physical townscape. The towns were scored in relation to these indicators and gaps identified from which action plans were prepared. Information about this regional project can be found at www.distinctiveness.co.uk

In the light of the regional study, NSP commissioned Miller Research to test the process in Wooler, Seahouses, Amble and Haltwhistle and action plans have been produced for these towns (<http://www.nsp.org.uk/>). Following the production of the Retail Distinctiveness Action Plans, NSP worked with a range of partners to develop a suite of projects for investment in 2007/08. These initial activities, with a total Single Programme investment in 2007/08 of approximately £1.5 million, aimed to pave the way for further investment in retail distinctiveness in Northumberland's market towns during the period 2008/09 to 2010/11.

The importance of town centre's and the contribution that they make to the local economy is highlighted in the Regional Economic Strategy. According to "Leading the Way", the draft Regional Economic Strategy (2006), thriving town centres are at the heart of our communities and it is essential that they continue to provide a good range of services such as shops, leisure, transport and other services. Town Centres provide employment in many areas and attract new businesses to sustain the local economy. The Northumberland Infonet's Town Centre Performance Monitoring System is designed to assess the vitality and viability of rural market towns and larger centres. The system launched in 2007 will initially cover the towns of Alnwick, Amble, Ashington, Bedlington, Berwick upon Tweed, Blyth, Cramlington, Haltwhistle, Hexham, Morpeth, Newbiggin, Ponteland, Prudhoe, Rothbury, Seahouses and Wooler using town centre boundary definitions included in Local Development Frameworks. The system uses a number of indicators to assess the economic prosperity, social and cultural functions and the condition of the physical environment for each of the towns:

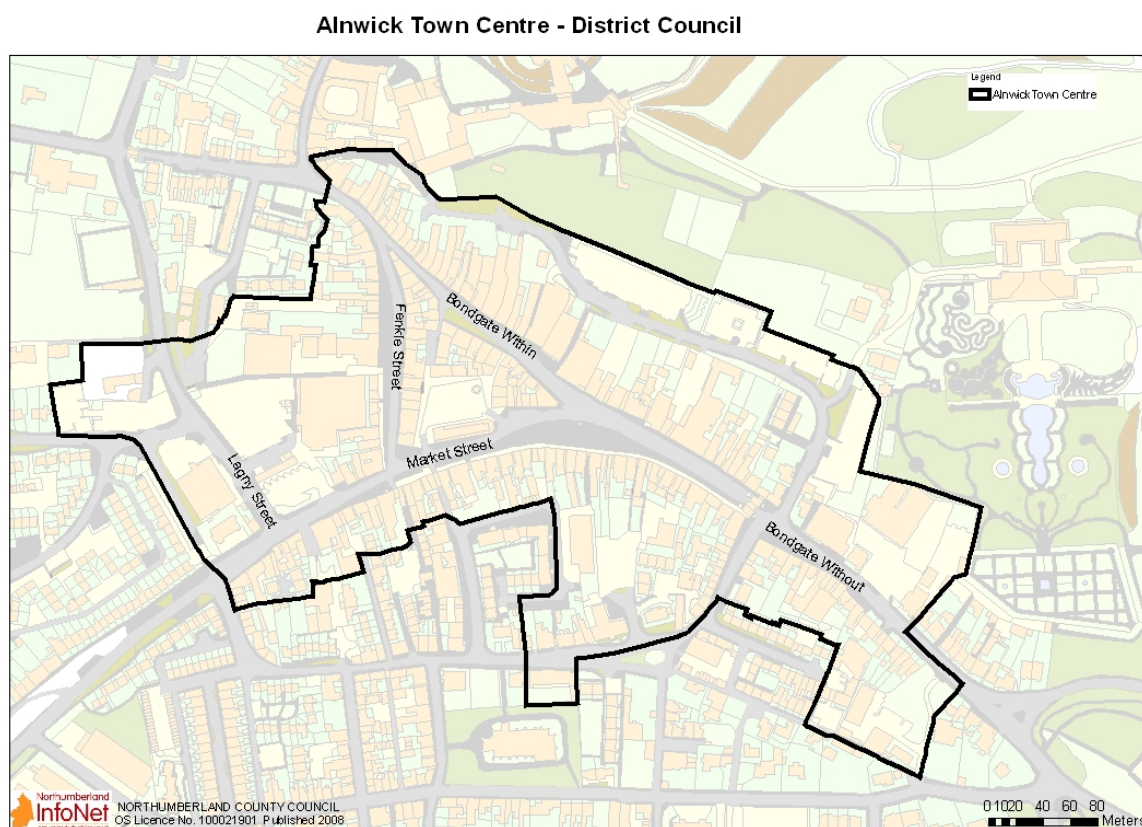
- Diversity of Uses
- Accessibility
- Retail Trends
- Environmental Quality
- Vacancy
- Perception of safety
- Retail Rents & Yields
- Customer Views
- Pedestrian Flows
- Economic Contribution

Reports for Alnwick, Ashington, Hexham, Morpeth, Amble and Prudhoe have been completed and are summarised below.

This approach reflects the guidance in Planning Policy Guidance 6 on Town Centres and Retail Developments which recommends that local authorities regularly review the vitality and viability of town centres. It is also designed to meet the information needs of the Northumberland Local Area Agreement and economic indicators required by CEDOS and the Audit Commission.

Alnwick

Alnwick town is situated in Northumberland on the edge of the A1, with Newcastle-upon Tyne 30 miles to the south and Berwick-upon-Tweed 30 miles to the north. The area of Alnwick Town Centre in relation to the District Council boundary (Fig. 104) is 142,544.40 m² and there are currently 233 households situated within the boundary.

Fig 104: Boundary for Alnwick Town Centre (District Council)

Source: Alnwick District Council

Just over half (51%) of the floorspace in Alnwick Town Centre is classed as retail. Figure 105 shows the distribution of different use classes⁴ throughout the town centre with the majority of shops within the town centre clustered around the three main streets: Bondgate Within, Fenkle Street and Market Street. Further, there were more comparison retail (clothing, household goods, furniture, DIY and electrical goods) than convenience or retail service.

The average monthly rental rate for vacant commercial property in Alnwick town centre between 1st January 2006 and 31st December 2007 was £110.21 per square metre. However, it must be noted that these rental figures are based solely on properties that were vacant between 1st January 2006 and 31st December 2007 and does not take the rental prices of buildings that were occupied throughout this period into consideration. In August 2008, there were 95% of occupied premises and 5% of vacant premises overall. Changes in primary activity type in the town centre between

⁴ The Use Class of a property describes its use according to: a) the Town and Country Planning (Use Classes) Order ; b) the Department of the Environment Circular 13/87, Changes of Use of Buildings and Other Land: The Town and Country Planning (Use Classes) Order and c) the Town and Country Planning (Use Classes) (Amendment) Order. Use classes are grouped into distinct groups with broadly similar characteristics and impacts in planning terms.

2007 and 2008 included decreases in numbers of estate agents and supermarkets and increases in numbers of ladies wear and beauty salons. Current improvements currently underway within the town centre includes the Alnwick District Council and the Community Development Trust 'Shop Front Scheme' which aims to improve shop fronts in selected areas as a means of supporting the growth of local businesses, improving the local environment and raising the image of the town centres amongst locals and visitors.

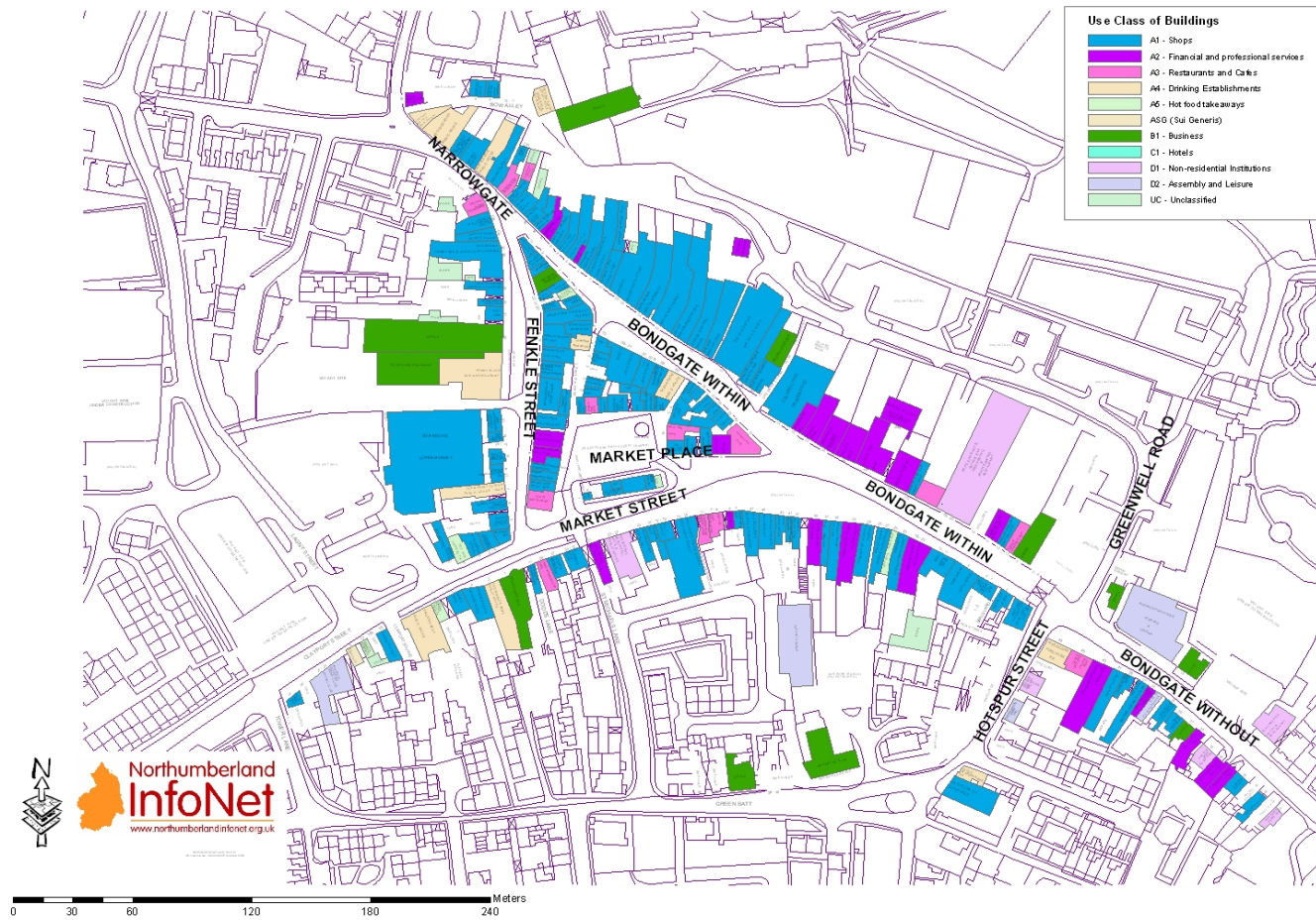
Altogether, Alnwick's catchment⁵ covers an area of 828.28 km² and is home to almost 21,300 people and 9,650 households. Together, these households and residents spend an estimated £94.2 million per annum on retail goods and services, with 35.5% of expenditure on convenience retail goods (£33.4 million) and 64.5% on comparison retail (£60.7 million). This balance differs slightly from the national (UK) average, which reports 36.7% of expenditure on convenience retail and 63.3% on comparison. This reflects the amount of floorspace used for each of these retail types, referred to earlier in this section. When looking at retaining shopper spend, 51% of Alnwick residents shopped in Alnwick. 12% of expenditure was lost to Newcastle and a further 7% to the Metro Centre.

In Alnwick Town Centre new homes and shops are planned at the former AMC Ford site in Alnwick, set to be completed in early 2009, the development will see 93 one and two bedroom apartments and four retail units. Additionally a large redevelopment is being proposed at St Michael's Square which would be mainly housing.

⁵ Catchment based on "Where Britain Shops" survey. According to Experian, Where Britain Shops utilises a gravity model called the Shopper Flow Model that calculates the probability of someone living in a specific postal sector shopping in a particular retail area. This probability is determined by the relative travel times to each centre and a retail areas relative pulling power.

Fig. 105: Building Use class for Alnwick Town Centre

Building Use Class for Alnwick Town Centre

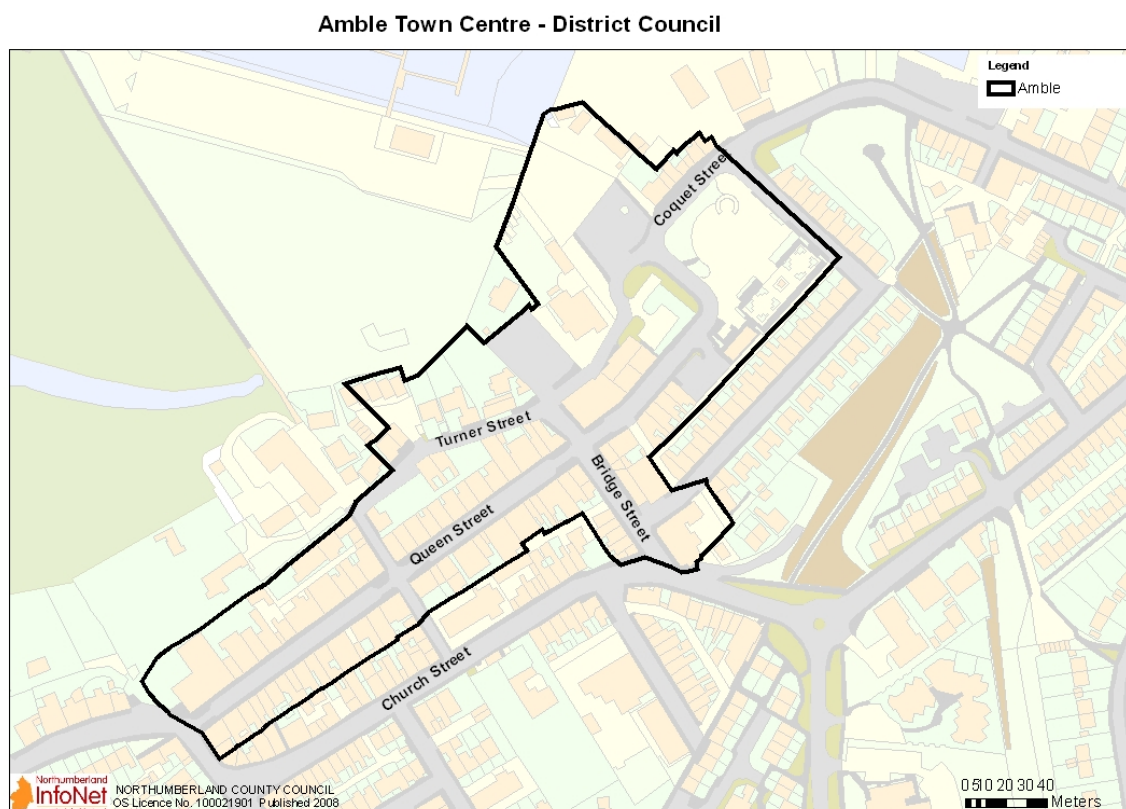


Source: Experian

Amble

Amble is a harbour town situated at the mouth of the river Coquet, nine miles south-east of Alnwick. The area of Amble Town Centre in relation to the District Council boundary is 38,513.88m² and there are currently 68 households situated within the boundary.

Fig. 106: Boundary for Amble Town Centre (District Council)



Source: Alnwick District Council

Just under three quarters (71%) of the floorspace in Amble Town Centre is classed as retail. Figure 107 shows that the majority of businesses within the town centre are situated along one main street: Queen Street. Further, there were more comparison retail (clothing, household goods, furniture, DIY and electrical goods) than convenience or retail service.

The average monthly rental rate for vacant commercial property in Amble town centre between 1st January 2006 and 31st December 2007 was £107.87 per square metre. However, it must be noted that these rental figures are based solely on

properties that were vacant between 1st January 2006 and 31st December 2007 and does not take the rental prices of buildings that were occupied throughout this period into consideration. In August 2008, there were 90% of occupied premises and 10% of vacant premises overall. Changes in primary activity type in the town centre between 2007 and 2008 included decreases in numbers of children's wear, department stores and florists and increases in menswear, garden goods, nursery goods and interior decorations. Current improvements currently underway within the town centre include the completion of a new community building 'The Fourways 2' which consists of office accommodation and conferencing facilities. The 'Shop Front Scheme', new street furniture which will link the main shopping area to the quayside via the town square and also several new areas have been planted up.

Altogether, Amble's catchment⁶ covers an area of 222.55 km² and is home to almost 6,300 people and more than 2,700 households. Together, these households and residents spend an estimated £25.9 million per annum on retail goods and services, with 36.1% of expenditure on convenience retail goods (£9.3 million) and 63.9% on comparison retail (£16.5 million). This balance differs only slightly from the national (UK) average, which reports 36.7% of expenditure on convenience retail and 63.3% on comparison. This reflects the amount of floorspace used for each of these retail types, referred to earlier in this section. When looking at retaining shopper spend, only 7% of Amble residents shopped in Amble. 31% of expenditure was lost to Alnwick, 18% was lost to Newcastle, 13% to Ashington, and a further 12% to the Metro Centre.

In Amble Town Centre, The Duke of Northumberland's plans for a supermarket outlet, together with more than 200 car parking spaces, a new access road and 49 houses, are currently lodged with Alnwick District Council.

⁶ Catchment based on "Where Britain Shops" survey. According to Experian, Where Britain Shops utilises a gravity model called the Shopper Flow Model that calculates the probability of someone living in a specific postal sector shopping in a particular retail area. This probability is determined by the relative travel times to each centre and a retail areas relative pulling power.

Fig. 107: Building Use class for Amble Town Centre

Building Use Class for Amble Town Centre



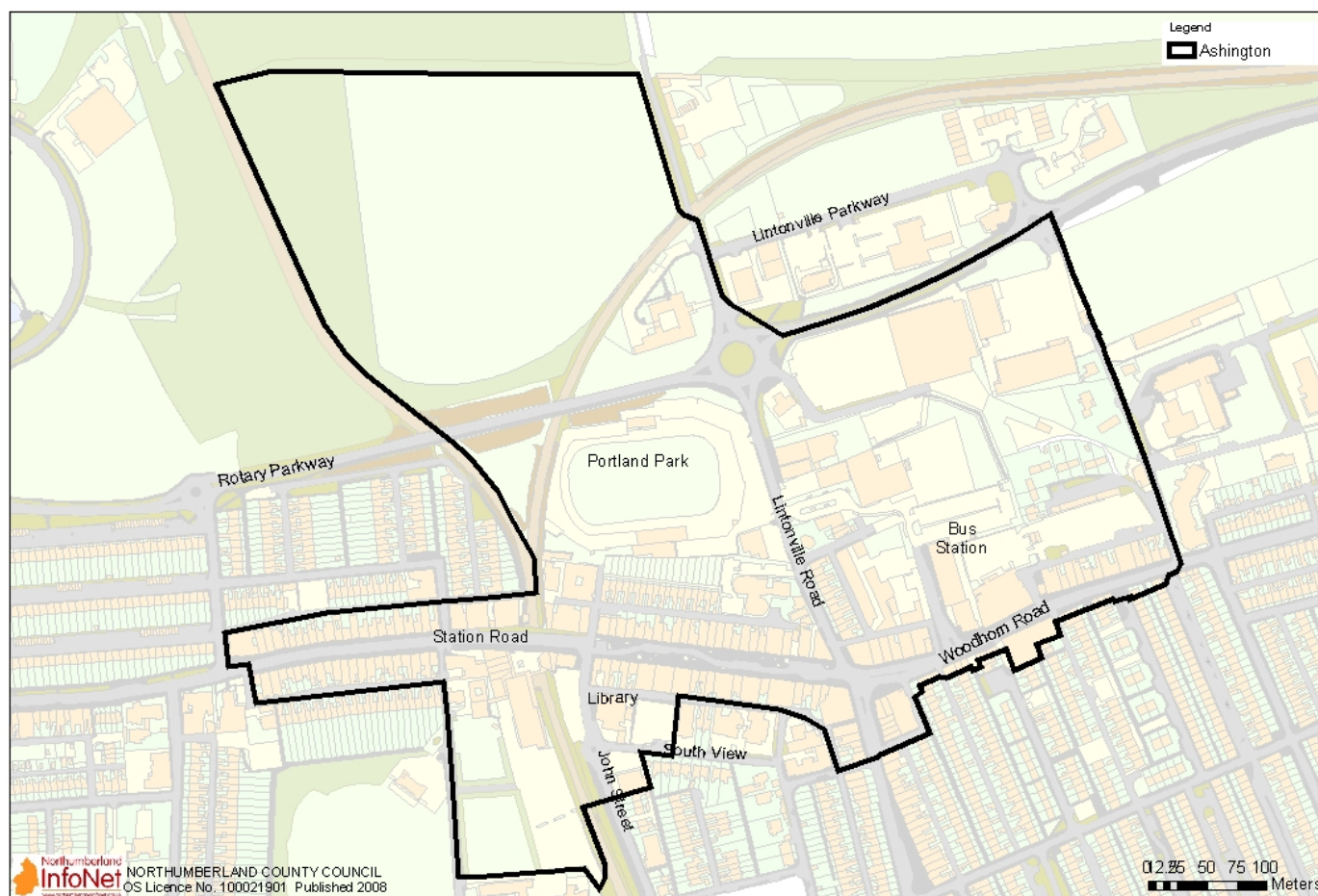
Source: Experian

Ashington

Ashington is situated in south-east Northumberland on the north bank of the river Wansbeck. The area of Ashington Town Centre in relation to the District Council boundary is 297434.95 m² and there are currently 81 households situated within the boundary.

Fig. 108: Boundary for Ashington Town Centre (District Council)

Ashington Town Centre - District Council



Source: Wansbeck District Council

Just over half (59%) of the floorspace in Ashington Town Centre are classed as retail. Figure 109 shows the distribution of different use classes⁷ throughout the town centre with the majority of shops within the town centre clustered around the longest

⁷ The Use Class of a property describes its use according to: a) the Town and Country Planning (Use Classes) Order ; b) the Department of the Environment Circular 13/87, Changes of Use of Buildings and Other Land: The Town and Country Planning (Use Classes) Order and c) the Town and Country Planning (Use Classes) (Amendment) Order. Use classes are grouped into distinct groups with broadly similar characteristics and impacts in planning terms.

street, Station Road. Further, there was more comparison retail (clothing, household goods, furniture, DIY and electrical goods) than convenience or retail service.

The average monthly rental rate for vacant commercial property in Ashington town centre between 1st January 2006 and 31st December 2007 was £217.04 per square metre. However, it must be noted that these rental figures are based solely on properties that were vacant between 1st January 2006 and 31st December 2007 and does not take the rental prices of buildings that were occupied throughout this period into consideration. In August 2008, there were 93% of occupied premises and 7% of vacant premises overall. Changes in primary activity type in the town centre between 2007 and 2008 included decreases in numbers of travel agents and cafes and increases in numbers of hairdressers and pizza takeaways. Improvements currently underway within the town centre includes the Wansbeck Town Centres Regeneration Project (a number of small scale town centre public realm enhancements such as new paving, street lighting, street furniture, banners and a community art project) which has taken place in phases on the main shopping area over the past 5/6 years.

Altogether, Ashington's catchment⁸ covers an area of 534.94 km² and is home to almost 65,500 people and more than 28,500 households. Together, these households and residents spend an estimated £266.7 million per annum on retail goods and services, with 36.5% of expenditure on convenience retail goods (£97.3 million) and 63.5% on comparison retail (£169.3 million). This balance is almost in line with the national (UK) average, which reports 36.6% of expenditure on convenience retail and 63.3% on comparison. This reflects the amount of floorspace used for each of these retail types, referred to earlier in this section. When looking at retaining shopper spend, 20% of Ashington residents shopped in Ashington. 21% of expenditure was lost to Newcastle 16% to the Metro Centre, and a further 11% to Blyth.

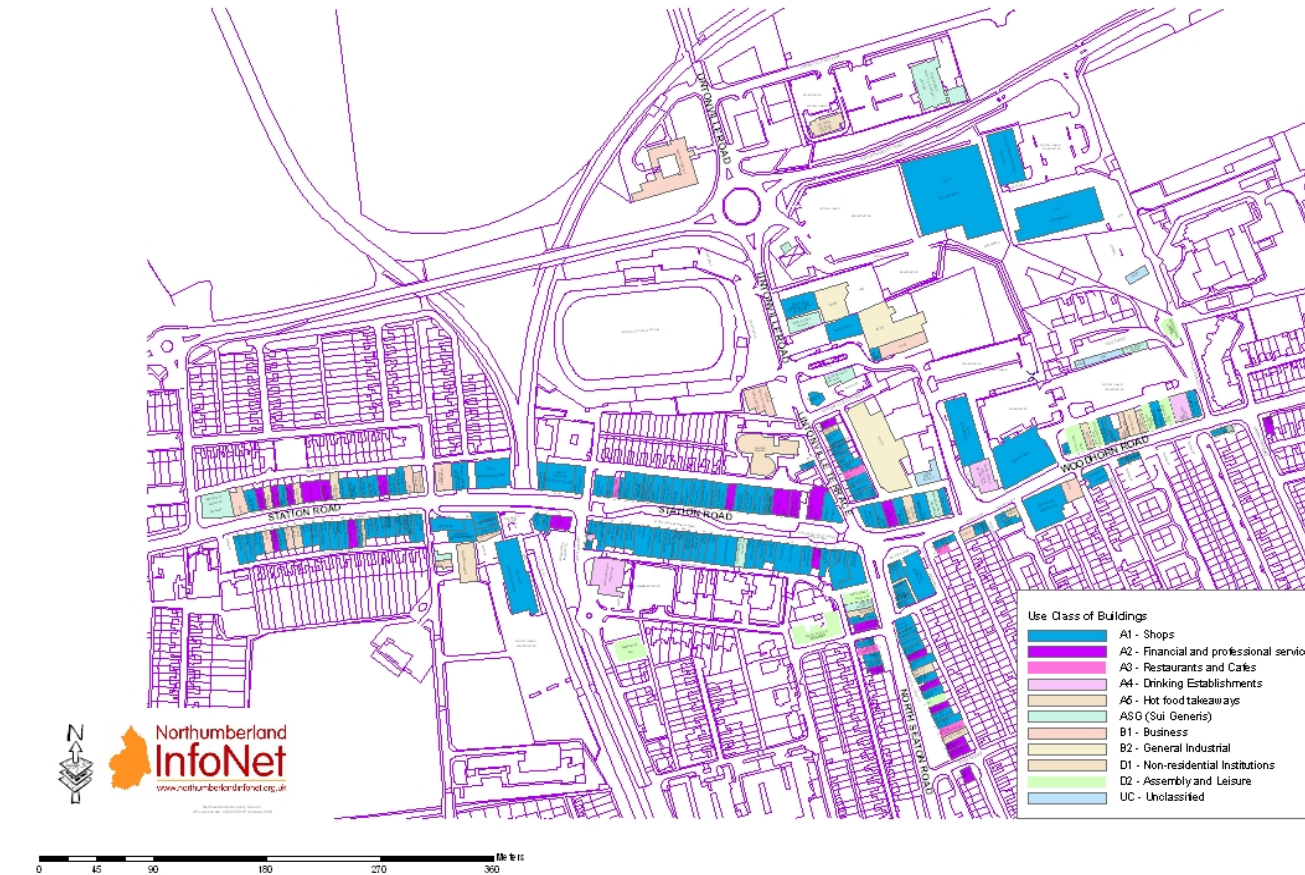
In Ashington Town Centre there are current plans to develop Portland Park, re-develop the North East Quadrant, relocate Northumberland College, and brownfield

⁸ Catchment based on "Where Britain Shops" survey. According to Experian, Where Britain Shops utilises a gravity model called the Shopper Flow Model that calculates the probability of someone living in a specific postal sector shopping in a particular retail area. This probability is determined by the relative travel times to each centre and a retail areas relative pulling power.

opportunity sites have been identified. Additionally, significant private sector investment is due to take place in and around the Lintonville Terrace area of the Town.

Fig. 109: Building Use class for Ashington Town Centre

Building Use Class for Ashington Town Centre

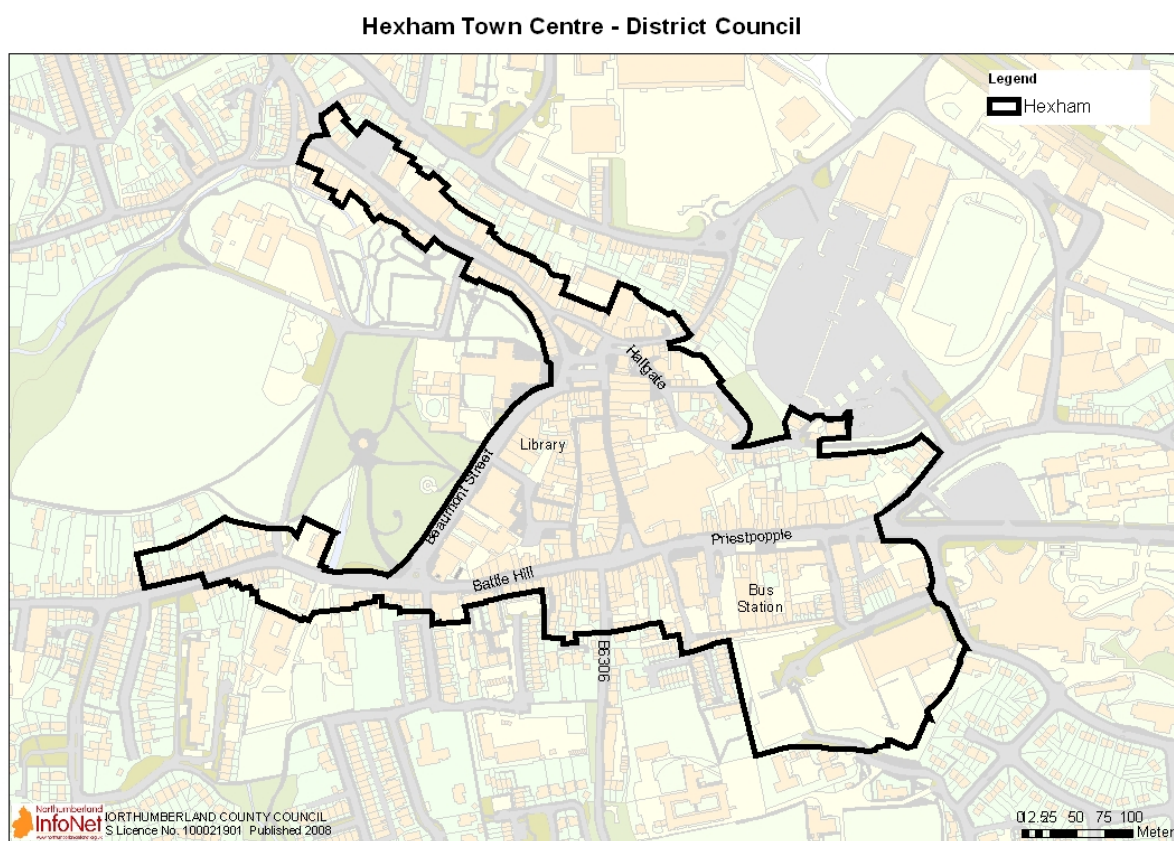


Source: Experian

Hexham

Hexham is the largest town in Tynedale, situated about 22 miles west of Newcastle-upon-Tyne, near to the North and South Tyne rivers. The area of Hexham Town Centre in relation to the District Council boundary is 137,640.98 m² and there are currently 2356 households situated within the boundary.

Fig. 110: Boundary for Hexham Town Centre



Source: Tynedale District Council

Just over half (59%) of the floorspace in Hexham Town Centre are classed as retail. Figure 111 shows the distribution of different use classes⁹ throughout the town centre with the majority of shops clustered around Fore Street which runs through the hub of the town centre. Further, there were more comparison retail (clothing, household goods, furniture, DIY and electrical goods) than convenience or retail service.

⁹ The Use Class of a property describes its use according to: a) the Town and Country Planning (Use Classes) Order ; b) the Department of the Environment Circular 13/87, Changes of Use of Buildings and Other Land: The Town and Country Planning (Use Classes) Order and c) the Town and Country Planning (Use Classes) (Amendment) Order. Use classes are grouped into distinct groups with broadly similar characteristics and impacts in planning terms.

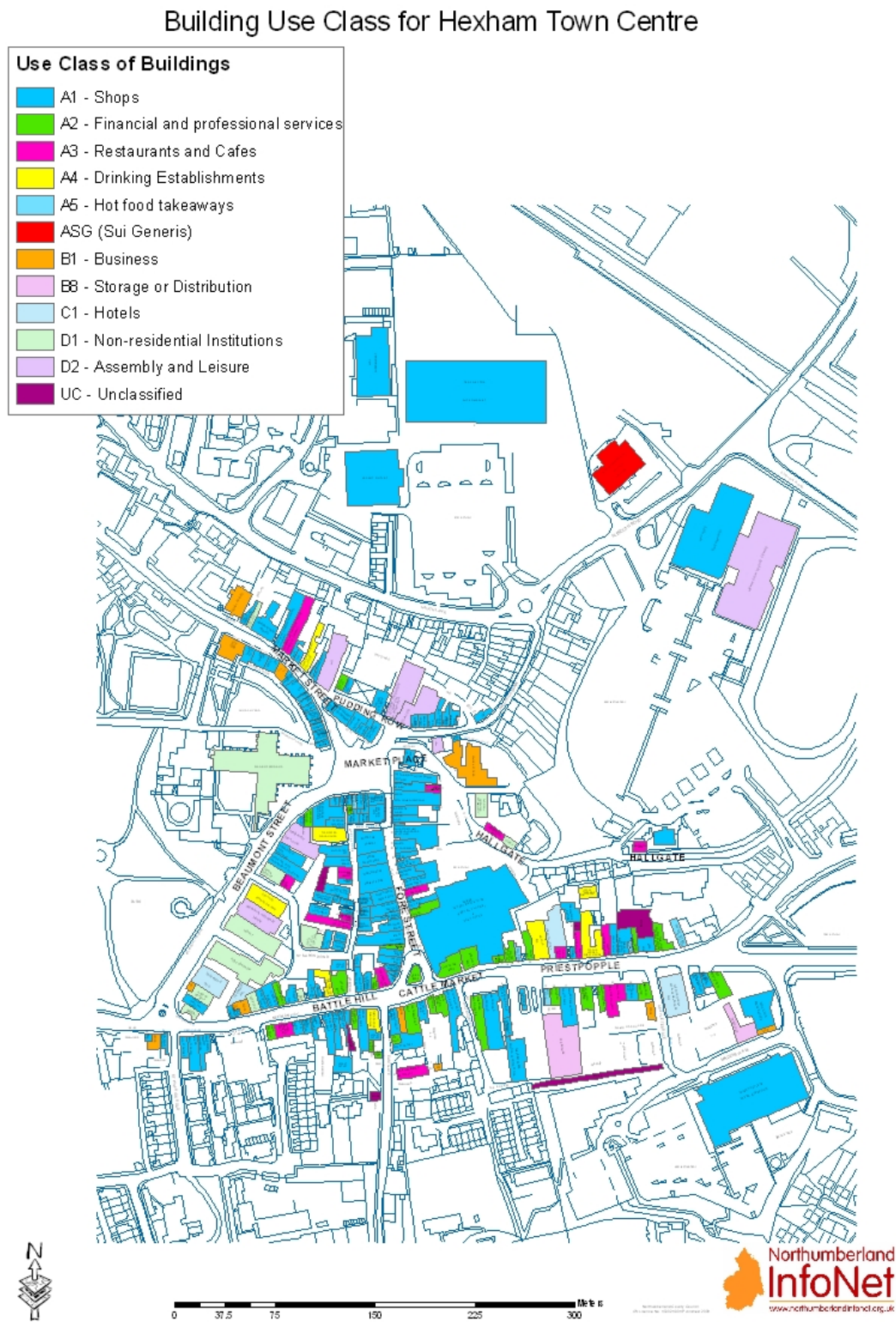
The average monthly rental rate for vacant commercial property in Hexham town centre between 1st January 2006 and 31st December 2007 was £132.35 per square metre. However, it must be noted that these rental figures are based solely on properties that were vacant between 1st January 2006 and 31st December 2007 and does not take the rental prices of buildings that were occupied throughout this period into consideration. In May 2008, there were 94% of occupied premises and 6% of vacant premises overall. Changes in primary activity type in the town centre between 2007 and 2008 included decreases in numbers of supermarkets and off licenses and increases in numbers of estate agents and cafes. Current improvements currently underway within the town centre includes regular plantings carried out by the Town and District Council in the parks as well as the Hexham in Bloom project.

Altogether, Hexham's catchment¹⁰ covers an area of 2,837.17 km² and is home to approximately 29,000 people and 12,600 households. Together, these households and residents spend an estimated £135.1 million per annum on retail goods and services, with 35.1% of expenditure on convenience retail goods (£47.4 million) and 64.9% on comparison retail (£87.7 million). This balance differs slightly from the national (UK) average, which reports 36.6% of expenditure on convenience retail and 63.4% on comparison. This reflects the amount of floorspace used for each of these retail types, referred to earlier in this section. When looking at retaining shopper spend, 30% of Hexham residents shopped in Hexham. 26% of expenditure was lost to the Metro Centre, 24% to Newcastle, and a further 6% to Carlisle.

In Hexham Town Centre there are current plans for further retail development adjacent to Marks and Spencer. Also, the Bus Station is expected to relocate to part of the original Hexham Auction Mart and associated land at the Ropery, Abbey Press. Late Summer 2008 saw the completion of the redevelopment of Wentworth Leisure Centre which includes a six lane 25m pool, a smaller studio pool, fun splash areas, a large fitness gym and cafe.

¹⁰ Catchment based on "Where Britain Shops" survey. According to Experian, Where Britain Shops utilises a gravity model called the Shopper Flow Model that calculates the probability of someone living in a specific postal sector shopping in a particular retail area. This probability is determined by the relative travel times to each centre and a retail areas relative pulling power.

Fig. 111: Building Use class for Hexham Town Centre



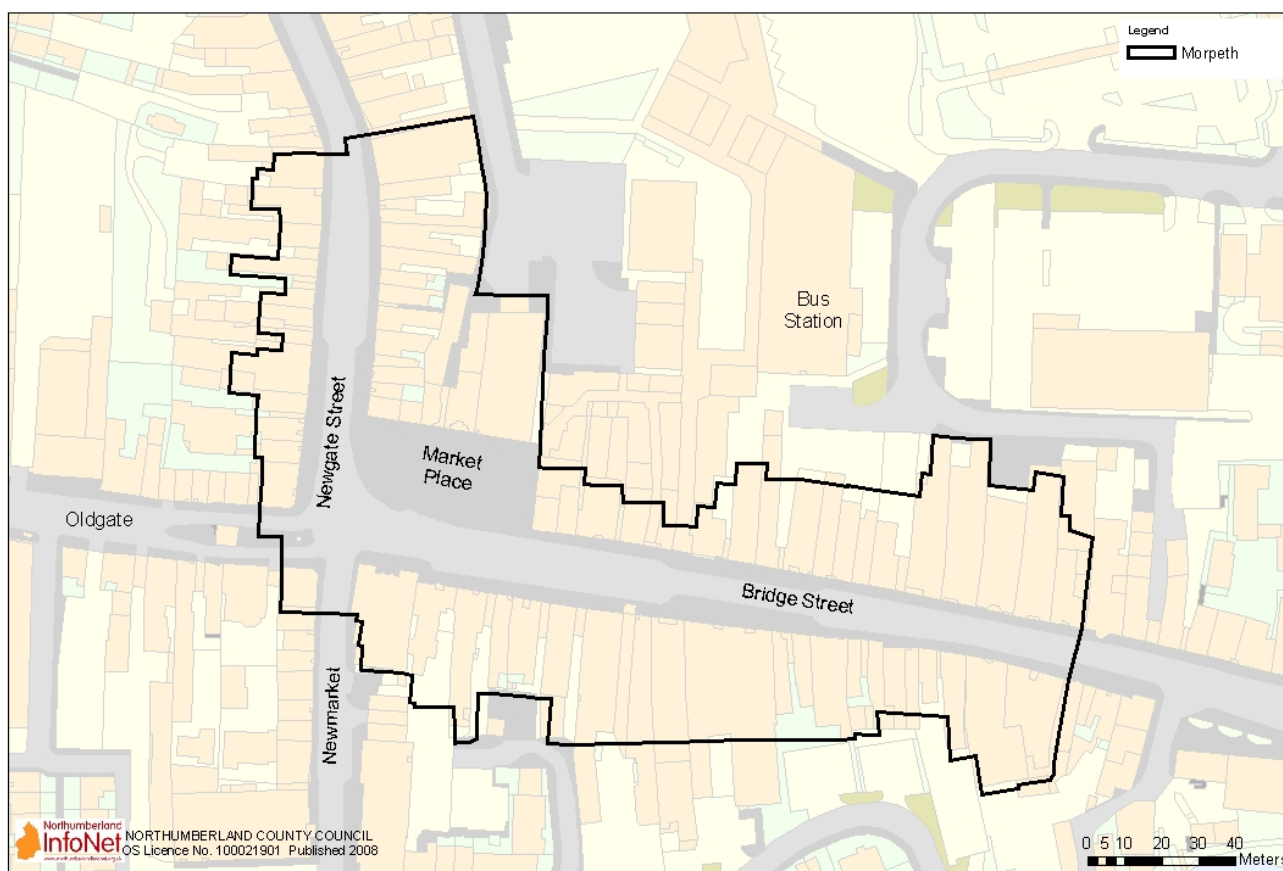
Source: Experian

Morpeth

Morpeth is situated in the valley of the River Wansbeck, around 15 miles north of Newcastle. The area of Morpeth Town Centre in relation to the District Council boundary is 20,524.73 m² and there are currently 16 households situated within the boundary.

Fig. 112: Boundary for Morpeth Town Centre

Morpeth Town Centre - District Council



Source: Castle Morpeth Borough Council

Just over half (53%) of the floorspace in Morpeth Town Centre are classed as retail. Figure 113 shows the distribution of different use classes¹¹ throughout the town centre with the majority of shops within the town centre clustered around the two main streets: Bridge Street and Newgate Street. Further, there were more

¹¹ The Use Class of a property describes its use according to: a) the Town and Country Planning (Use Classes) Order ; b) the Department of the Environment Circular 13/87, Changes of Use of Buildings and Other Land: The Town and Country Planning (Use Classes) Order and c) the Town and Country Planning (Use Classes) (Amendment) Order. Use classes are grouped into distinct groups with broadly similar characteristics and impacts in planning terms.

comparison retail (clothing, household goods, furniture, DIY and electrical goods) than convenience or retail service.

The average monthly rental rate for vacant commercial property in Morpeth town centre between 1st January 2006 and 31st December 2007 was £176.26 per square metre. However, it must be noted that these rental figures are based solely on properties that were vacant between 1st January 2006 and 31st December 2007 and does not take the rental prices of buildings that were occupied throughout this period into consideration. In March 2008, there were 92% of occupied premises and 8% of vacant premises overall. Changes in primary activity type in the town centre between 2007 and 2008 included decreases in numbers of hairdressing shops and jewellers and increases in numbers of ladies wear and beauty salons. Current improvements currently underway within the town centre includes a number of flower baskets, flower beds and seating that are regularly maintained.

Altogether, Morpeth's catchment¹² covers an area of 2,226.10 km² and is home to approximately 76,300 people and 33,000 households. Together, these households and residents spend an estimated £332.7 million per annum on retail goods and services, with 35.6% of expenditure on convenience retail goods (£118.5 million) and 64.4% on comparison retail (£214.2 million). This balance differs slightly from the national (UK) average, which reports 36.7% of expenditure on convenience retail and 63.3% on comparison. This reflects the amount of floorspace used for each of these retail types, referred to earlier in this section. When looking at retaining shopper spend, 6% of Morpeth residents shopped in Morpeth. 21% of expenditure was lost to Newcastle, 18% was lost to Ashington, 16% to the Metro Centre, 11% to Alnwick, 7% to Cramlington, and a further 6% to Blyth.

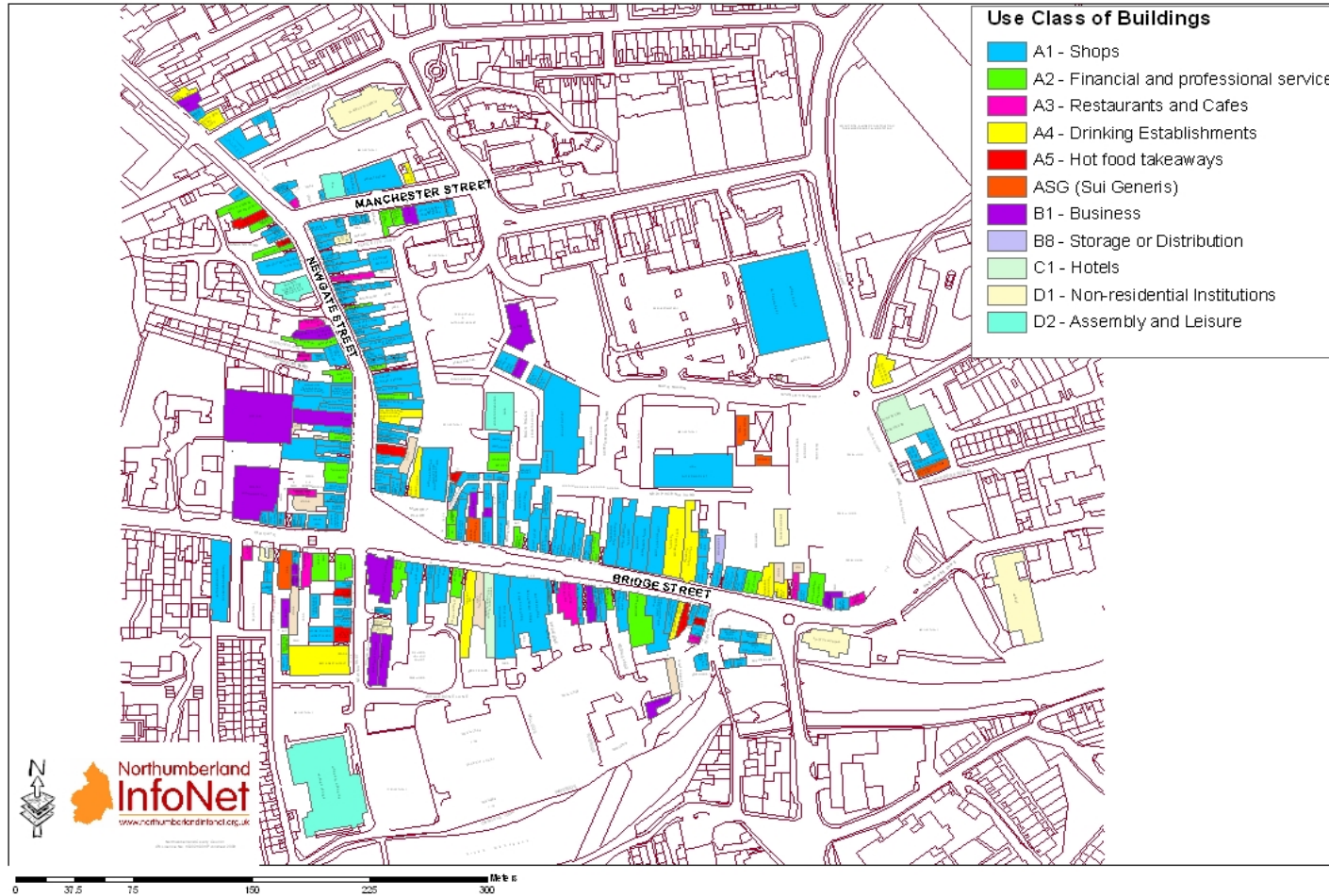
In Morpeth Town Centre demolition work is now well underway at the Sanderson Arcade. The shopping centre is being transformed into the £32 million (8,360m²) masterplanned scheme incorporates an elegant new-build shopping arcade, a landscaped piazza, an extension to the existing Morrison's store, a new bus

¹² Catchment based on "Where Britain Shops" survey. According to Experian, Where Britain Shops utilises a gravity model called the Shopper Flow Model that calculates the probability of someone living in a specific postal sector shopping in a particular retail area. This probability is determined by the relative travel times to each centre and a retail areas relative pulling power.

interchange and additional short and long stay car parking. St Georges Hospital situated to the North of Morpeth the former hospital site is considered the best location to deliver the majority of future growth within Morpeth - predominantly residential development for at least 450 dwellings with an element of employment. Further, Fairmoor, Northgate Hospital is another former site to the northern edge of the town. This is also considered to be a major employment site within the district to attract high quality employment developments.

Fig. 113: Building Use class for Morpeth Town Centre

Building Use Class for Morpeth Town Centre



Source: Experian

Prudhoe

The town of Prudhoe lies in south Northumberland, on the south bank of the river Tyne. The area of Prudhoe Town Centre in relation to the District Council boundary is 47,261.95m² and there are currently 28 households situated within the boundary.

Fig. 114: Boundary for Prudhoe Town Centre (District Council)

Prudhoe Town Centre - District Council



Source: Tynedale District Council

Just over half (51%) of the floorspace in Prudhoe Town Centre are classed as retail. Figure 115 shows that the majority of businesses within the town centre are situated along one main street: Front Street. Further, there were more retail service (18 businesses) than convenience (9 businesses) or comparison retail (clothing, household goods, furniture, DIY and electrical goods) (17 businesses).

In August 2008, there were 90% of occupied premises and 10% of vacant premises overall. Changes in primary activity type in the town centre between 2007 and 2008 included decreases in numbers of hairdressing shops and supermarkets and

increases in numbers of stores, bakers, travel agents and estate agents. Current improvements currently underway within the town centre includes “The Cobbles” – part of The Front Street Improvements Scheme. The Cobbles has four distinct spaces, a sheltered meeting and information point, a seating area and an outdoor space to be used by the adjacent café. Zone 1 of this has already been completed with Zones 2 and 3 due to start 2009 + funding dependent.

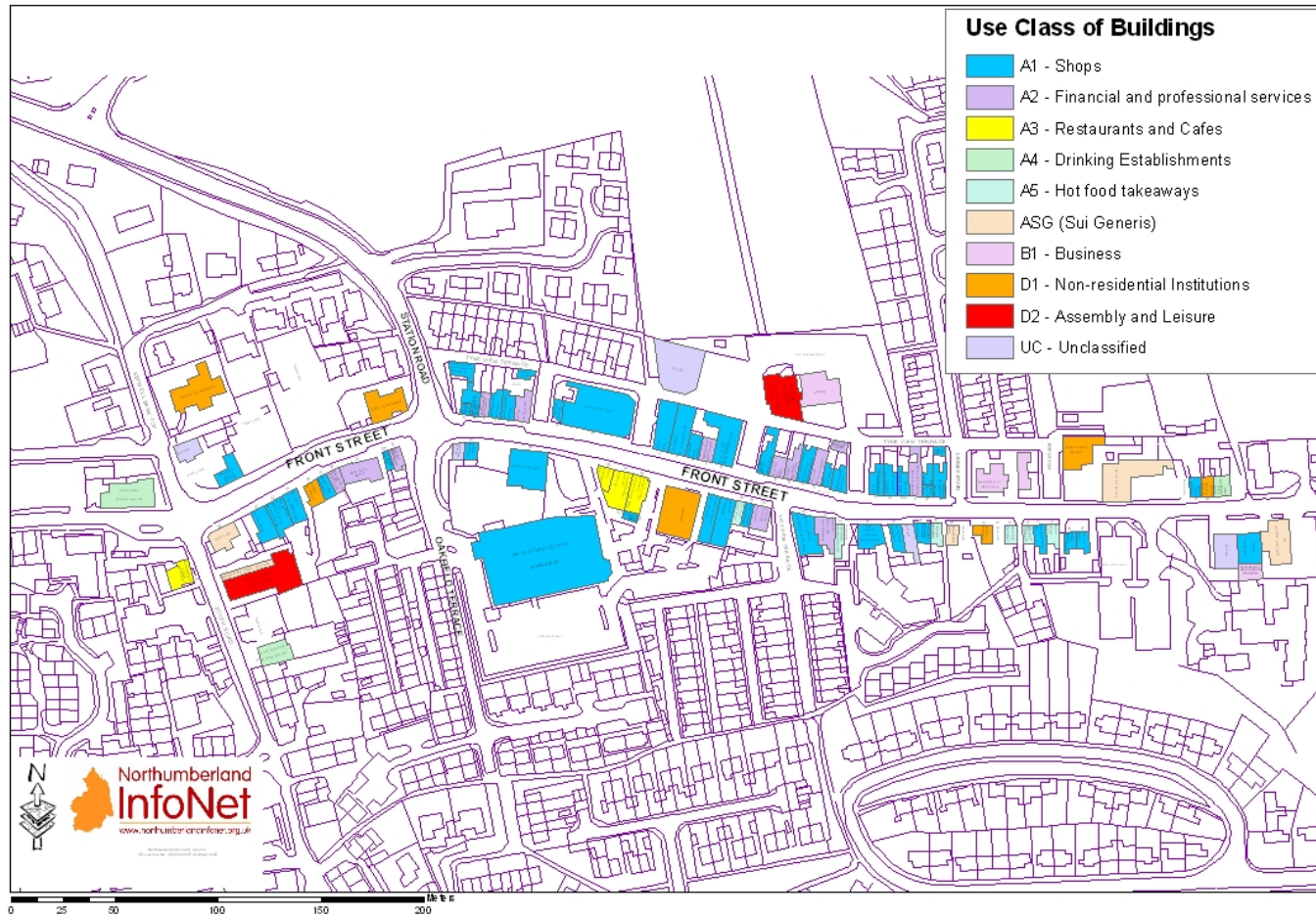
Altogether, Prudhoe’s catchment¹³ covers an area of 105.95 sq km and is home to approximately 11,700 people and 5,000 households. Collectively, these households and residents spend an estimated £50.5 million per annum on retail goods and services, with 35.8% of expenditure on convenience retail goods (£18.1 million) and 64.2% on comparison retail (£32.4 million). This balance differs very slightly from the national (UK) average, which reports 36.6% of expenditure on convenience retail and 63.4% on comparison. This reflects the amount of floorspace used for each of these retail types, referred to earlier in this section. When looking at retaining shopper spend, just 1.6% of Prudhoe residents shopped in Prudhoe. 47% of expenditure was lost to the Metro Centre, 35% was lost to Newcastle, and a further 3.9% to Hexham.

Proposed improvements include new retail units (4,366 sqm of food retail and 3,807 sqm of non food retail units), 34 residential units, a civic office suite, first floor office space, and public amenity space. These developments, were passed by Tynedale in June 2008 and should make a significant change to the state of Prudhoe Town Centre.

¹³ Catchment based on “Where Britain Shops” survey. According to Experian, Where Britain Shops utilises a gravity model called the Shopper Flow Model that calculates the probability of someone living in a specific postal sector shopping in a particular retail area. This probability is determined by the relative travel times to each centre and a retail areas relative pulling power.

Fig. 115: Building Use class for Prudhoe Town Centre

Building Use Class for Prudhoe Town Centre



Source: Experian

6.3.12 Tourism

Northumberland Tourism is part of the 'Tourism Network North East', an initiative that encourages all the region's tourism businesses, the area tourism partnerships and One NorthEast to work together, to support the North East's tourism offering. There are four Area Tourism Partnerships covering the region.

As representatives of the county's tourism industry, the aim of Northumberland Tourism is to promote a truly compelling Northumberland 'brand'. Its' mission is to be the voice of tourism in Northumberland, working in partnership with tourism businesses and public agencies to promote the area and ensure that visitors enjoy the best possible destination experience. Its' vision is to establish Northumberland as England's premier rural tourism destination.

Northumberland Tourism work with any business which stands to benefit from visitors to Northumberland. It is estimated that tourists spend more than £600 million in the county each year, with most going on food and drink, accommodation, transport, recreation and shopping - in that order (<http://www.tourismnortheast.co.uk/site/northumberland-tourism/about-us>).

The Visitor Economy is one of Northumberland's most important economic sectors. Since 2004, the Regional Tourism Team have used the Scarborough Tourism Economic Activity Model (STEAM) to measure the value of tourism to the North East. The model not only looks at the level of spending by visitors to the region but also numbers of visitors, the breakdown between overnight and day visitors and also the number of people employed in the tourism industry. An independent assessment (The STEAM report) has concluded that, in 2007, approximately 12,700 jobs (full time equivalents) were supported by direct tourist expenditure in the county, and a further 2,900 jobs were supported by indirect revenue from tourism.

1.9 million overnight tourists visited Northumberland in 2007, spending 7.7 million nights in the area. In addition 8 million day visits were made in the area. Overnight visitors spent £296 million in the County with day visitors spending a further £154 million. When indirect revenue of £260 million is taken into account, the total contribution of tourism to the Northumberland economy in 2007 was £710 million (see Fig. 116).

Fig. 116: STEAM 2007 Spend; Sector of Expenditure (£'s millions)

Accommodation		79.65
Food and drink		219.50
Recreation		51.16
Shopping		38.40
Transport		61.00
Indirect Expenditure		181.50
VAT		78.70
Total contribution		710

Direct tourism revenue has increased by 12% since 2003 despite a fall in the number of trips taken to the county during the same period. A 24% increase in the number of days spent by overnight visitors in the county helped to see a growth of 8% in all visitor days. Direct employment in tourism has risen by 11% between 2003 and 2007. The North East overall has seen the highest growth of any region during this period. However, there is still scope for more growth. There is a common view that Northumberland has all the right natural assets to become an even more successful visitor destination, but has yet to take full advantage of them. In spite of recent improvements one of the biggest problems is that the Northumberland visitor economy remains highly seasonal, with the summer period (July to September) accounting for over a third of all tourist days. This leads to low status for many jobs, a lack of good training opportunities for many staff in the industry, difficult cash flow problems for business and an inability to attract significant inward investment, compared to elsewhere in the region. A further major problem identified by visitor surveys is that many visitors are relatively disappointed with our food and retail offer, compared to other similar areas of the country.

Northumberland attracts higher than the national and regional average of couples and families, most of whom are 35 years +, 69% ABC1, and most out-of-region visitors come from Yorkshire, Scotland, the South East and North West. 21% are first time visitors. Most overnight visitors stay for an average of 7 days (overseas visitors stay 2 days). In the last two years these people also took breaks in the Lake District, Scotland, Wales, Edinburgh, London, Cornwall, and York. 'Once visited loyalty' is exceptionally high, with 95% recommending the county to friends and family. They

love the people, the countryside, towns and history. Top activities are visiting attractions, eating out, shopping, towns and villages, walking and cycling. Negatives include ease of parking, public transport, eating out, and shopping (2005 & 2008 Visitor Survey).

Visitors who enjoy relaxing, active, authentic and distinctive holidays favour Northumberland (Henley Centre for Research and Mintel).

Research into attitudes of Northumberland (2006 Non-Visitor Research and 2008 focus groups) amongst target customers has revealed the following:

- Low awareness of Northumberland and its offer
- Top reasons to visit are the 'National Park', 'Hadrian's Wall', and the 'Northumberland Coast' – constituting 3 of the 5 strongest attractors in the North East.
- Phrases associated with the county are 'Breath Taking', 'Close to Nature' and 'Invigorating'. Hadrian's Wall is considered an iconic attraction.
- The coastal resorts of Berwick upon Tweed are disappointing.
- Hard to get to and far away.
- Cold weather.

The tourism database Desti.ne records 1,667 primary tourism businesses (Fig. 117):

Fig. 117: Primary Tourism Businesses in Northumberland

Business Type	Key Sub-Set	
Accommodation		1411
	<i>Self Catering</i>	<i>846</i>
	<i>B&B / Inn</i>	<i>428</i>
	<i>Hotel</i>	<i>41</i>
	<i>Campsites</i>	<i>57</i>
Attractions		155
Leisure /activity operators		101
Total		1667

Many hundreds of additional businesses, places to eat, drink and shop, depend on tourism as either a primary or secondary source of income.

There is clear evidence that investment in nationally significant key attractions such as Hadrian's Wall, Alnwick Garden and Kielder Water & Forest Park acts as a catalyst for business growth in the wider economy. Since 2001, one in five accommodation/hospitality/retail businesses established in Alnwick/Alnmouth stated that the Alnwick Garden had positively influenced their decision to start a business (The Impact of The Alnwick Garden, NSP evaluation 2008). 25% of established businesses stated that the garden had influenced their decision to invest in improvements.

Development plans for Hadrian's Wall, Kielder, Hexham Abbey Centre and National Trust interest in Seaton Delaval Hall are some of the key capital developments that, if brought to fruition, will strengthen Northumberland's position in national and international markets.

The trend to convert farm buildings to accommodation, retail and food service continues. Estates are becoming increasingly sophisticated in their understanding of the visitor economy, the opportunities it provides, and how to realise them e.g. Ford & Etal, Blagdon, Eshott, Meldon, Northumberland Estates.

Visitor surveys (2008 Visitor Survey, 2008 national TIC survey, 2007 National Park Visitor Survey) clearly demonstrate that demand for locally distinctive gifts, souvenirs and other retail items outstrips availability. Opportunity exists to fill this gap and retain more spend locally.

Whilst still vital as local service centres, studies of market towns (Market Town Retail Distinctiveness 2007, and Market Town Welcome 2008) have identified the need for towns to increasingly focus on providing high quality, locally distinctive leisure services to residents and visitors alike. The future for Northumberland's market towns increasingly lies in attracting more high spending, year round visits that will support independent shops, restaurants, cafes, entertainment and accommodation.

Northumberland's businesses perform exceptionally well in national league tables of award winners, regularly represented at the England for Excellence awards. Yet the

county as a whole lags behind the region when measured against indicators of modern business practice such as use of the internet (Fig. 118):

Fig. 118: Regional E-Business Survey 2006

	Businesses taking online bookings	Businesses on agency websites	Place search engine adverts	Bookings via tourism websites	Use of email marketing
County Durham	40%	28%	37%	44%	21%
Tees Valley	48%	n/a	33%	30%	11%
Tyne & Wear	34%	27%	31%	36%	26%
Northumberland	12%	16%	22%	9%	11%

Despite the recession there is optimism that tourism in the county will continue to grow (possibly as holidays abroad become more expensive) consequently the Policy Research Group at St Chad's College, studied the effects of a 10% increase in tourism spending. This would increase employment by 2,500 in the county as a whole. This effect would be felt most positively in Hotels & Restaurants with lesser effects in Recreational and other services; Transport and Communications; and Wholesale and Retail. These multiplier effects are small, with 90% of the total workforce changes being related to direct tourism effects and only 10% being seen elsewhere in the county's economy.

6.4 Business Support and Advice

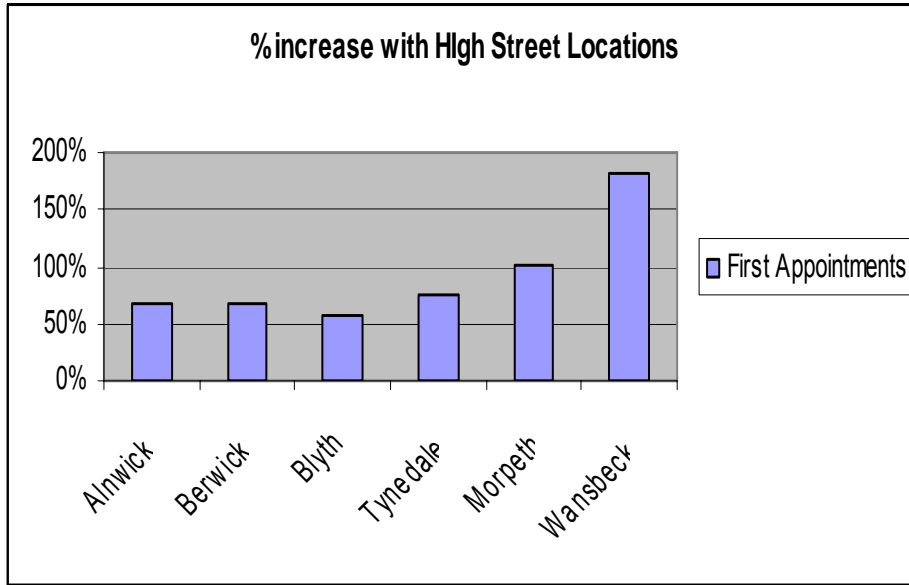
Business Link is the principle government-funded service designed to help businesses start up, survive and grow. Research shows that a business that accesses external advice is likely to increase its turnover and profitability more than one that doesn't (www.businesslink.gov.uk).

In Northumberland, Business Advice Centres were created in January 2001 (by the County Council) to address local entrepreneurs who wanted local access to business support services. The Advice Centres became fully operational in the financial year of 2002/3 with support, in the form of office space, from each of the District Councils and with European funds. These centres were fully integrated into Business Link services.

It was decided that in order to get into the heart of the community (to encourage awareness of the brand and raise the profile further) the Advice Centres should be relocated on to 'high-streets'. Alnwick was the first Centre to have a high street presence opening in 2003; Hexham and Morpeth in 2004; Berwick upon Tweed in 2005, Blyth in April 2006; and Ashington opened in December 2006. Statistics show that Morpeth's increase in pre-start counselling (102%) and Tynedale (75%) have benefited the most from their re-locations. With Alnwick (67%), Berwick (68%) and Blyth (57%) following closely behind (Fig. 119).

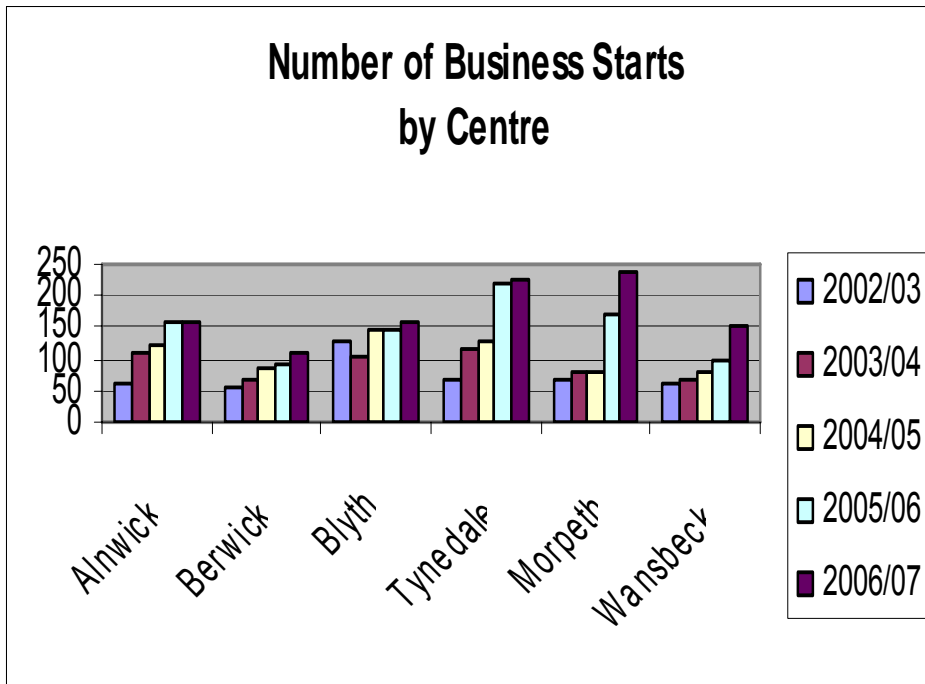
With an average conversion across the districts from pre-start to start of 55% this has resulted in an approximate 1,300 additional Business Starts being created that would not have necessarily used the service had they not been relocated to a high street. Wansbeck in its first 3 months of opening has shown a dramatic increase of 181% over the corresponding period in a previous year.

Fig. 119 Effects of Business Link being located on the high street



Tynedale and Morpeth have shown a significant increase in the number of business starts since 2002/03 which may be associated with the high street locations of the Business Link Advice Centres.

Fig. 120 Number of Business Start-ups by Business Link Advice Centre



The percentage achievement of Business Survival currently stands at 87% over 12 months, 81% over 78 weeks and 71% surviving 36 months.

6.5 Funding Schemes

6.5.1 Northumberland Small Grants Scheme

The Small Grants Scheme is a legacy programme and all funds have largely been committed. The programme is due for closure in March 2009 and individual projects are in the process of completion.

The fund had an allocation of £499,999 from NSP and One NorthEast and has supported the creation of at least 30 new jobs and new or refurbished office accommodation and workspace in rural areas.

The Small Grants Scheme is being replaced by the Private Sector Projects fund (see section 6.5.3).

6.5.2 Wansbeck Business Premises Scheme (Legi Small grants and gap scheme)

The commercial property scheme is funded through the GO Wansbeck LEGI programme and the grants are administered by Northumberland County Council. The fund was awarded £2.123m over three years to help create and safeguard employment by encouraging businesses to develop commercial workspace and business accommodation.

The fund is specifically targeted at businesses in Wansbeck and will fund capital for construction and associated costs, and technical support in connection with project development.

Support is available towards the construction of new buildings, extensions to existing buildings and conversion of redundant buildings.

The level of small grant support will not exceed 50% of eligible project costs and up to de-minimis state aid thresholds of €200,000 in any three year period. The fund is

supporting a range of construction related projects from industrial units to tourist accommodation.

The fund also supports larger gap funded developments where eligible costs exceed £600k with an intervention rate of up to 25%. Typically these developments are sites with multiple B1, B2 or B8 units and subject to what can be supported under state aid.

The fund has been very well subscribed and is already over 90% committed. So far over 20 individual projects are being supported which includes the Spencer's and EJ Stone workspace developments on North Seaton Industrial Estate.

6.5.3 Private Sector Projects fund.

This fund, recently approved by NSP and ONE NorthEast is being managed by Northumberland County Council and is specifically targeted at the priority geographic areas of Blyth, Ashington, Morpeth and Berwick.

In total, the fund has £1,328m to allocate as grants to businesses over three years (2008 – 2011). These small grants of up to 25% of eligible project costs will be capped at the de-minimis rate of €200,000.

The scheme will facilitate the development of workspace for business use through the provision of grants towards construction and associated costs and technical support for feasibility and other technical studies.

Support is available towards the construction of new buildings, extensions to existing buildings and conversion of redundant buildings. Grant may also be available for works which facilitate a change of use in priority areas.

The workspace created may be used for:

- Office accommodation.
- Manufacturing, service or crafts activities.
- Tourism and leisure facilities.
- Serviced accommodation.

6.5.4 Northumberland GAP Funding scheme.

One NorthEast has a three year allocation (2008-2011), specifically to support the construction of larger scale business premises and business accommodation. Support is available for industrial and commercial premises, but not; retail, trade-park, tourism, or leisure developments. Businesses in sectors excluded by State Aid rules will not be eligible for support.

The premises must be for speculative let and cannot solely be for the applicants own use, unless there is a speculative element then only this element will be supported. The final tenant should not be known at the time of application.

The amount of grant will be decided by a gap/cost value appraisal undertaken by ONE North East and a full Business Case submission will be required. The grant would not normally exceed 15% of eligible costs. To be eligible costs should be in excess of £600k and therefore support applies to larger scale developments.

A project panel will consider initial applications and whether to approve in principle to support the proposal. The panel will consider need and strategic fit with sub regional priorities. Priority will be given to projects in South East Northumberland and Berwick but support is not restricted to location.

State aid and procurement rules apply and the level of public sector support is dependent on the assisted status of the projects location.

6.5.5 Rural Development Programme England (RDPE):

RDPE funding is targeted at rural areas and designated market towns in Northumberland to improve the rural economy and the quality of life in these areas.

Under RDPE Axis 3, three de-minimis capped funds (€200k) encompass:

- **Rural Project Development Fund for micro enterprises.**

Working in partnership with Business Link this scheme will fund capital costs associated with bringing redundant buildings back into economic life and new build business units. The fund will support 25% of eligible project costs (50% for third sector applicants) depending on the extent of commercial return. Match funding will be required and must be sourced as private sector funds, RDPE cannot be matched against other public sector funding.

The primary objectives of the scheme are to:

- assist with the refurbishment of redundant buildings to bring them into productive use.
- address local demand for workspace, which can include new build.

To qualify for assistance, a building must be completely unused or unusable in its current state for the purposes for which it is now needed. Most buildings will be eligible, regardless of age, as long as they will be used for business purposes once works are completed.

- **Farm diversification into non-primary agriculture activities.**

This measure is to support farm businesses through development of diversified activities that provide alternative income sources. Grant will only be available to members of a farm household where they exercise an agricultural activity at the time of the application.

Diversification activities **could** include:

Retailing, manufacturing or service industries including self made products, recreation, equestrian and creative industries.

Environmental services, including traditional trades required to maintain and enhance the landscape.

Renewable energy, including storage/supply of woodfuel.

Bed and breakfast accommodation or tourist lets will not normally be supported but serviced accommodation could be considered.

Capital and revenue support is available up to €200,000 and an intervention rate of up to 50% depending on the rate of commercial return and de-minimis rules.

All referrals have to be processed through Business Link rural advisors.

- **Training and Support**

This measure is closely linked to the farm diversification scheme and stand alone training activities will not be supported. All referrals and signposting to training activities are undertaken by Business Link.

6.6 Property Portfolio

6.6.1 Industrial Property

The Northumberland Property Data Service (NPDS) database contains details of all industrial and office premises in Northumberland. It records 1.86million sq.m. of industrial/warehouse floorspace in 3,411 units in the County at the end of 2007. One fifth of units (703 or 20%) are located in Blyth Valley, accounting for almost two fifths of the stock of industrial floorspace in the County (38%). Tynedale has a similar share of industrial premises as Blyth Valley, but accounts for a lower share of industrial floorspace (387,400 sq.m or 21%) In contrast, Wansbeck (363 or 10%) and Castle Morpeth (340 or 10%) account for the fewest industrial units; and Alnwick for the least floorspace of the six Northumberland districts (124,000 sq.m or 6.5%) (Fig. 121).

**Fig. 121: Stock of Industrial Floorspace by Location and Size
(31 December 2007)**

District	Floorspace m ²							Total Units	% of Nland Total Units	Total Fspace (000's m ²)
	<100	100-249	250-499	500-999	1000-1999	2000-4999	5000+			
Alnwick	135 39.71%	106 31.18%	53 15.59%	28 8.24%	10 2.94%	4 1.18%	4 1.18%	340	9.97%	124.0
Berwick-upon-Tweed	243 46.82%	99 19.08%	82 15.80%	47 9.06%	31 5.97%	9 1.73%	8 1.54%	519	15.22%	233.0
Blyth Valley	158 22.48%	212 30.16%	127 18.07%	79 11.24%	63 8.96%	36 5.12%	28 3.98%	703	20.61%	708.6
Castle Morpeth	146 42.94%	99 29.12%	50 14.71%	22 6.47%	15 4.41%	5 1.47%	3 0.88%	340	9.97%	136.8
Tynedale	209 32.35%	216 33.44%	120 18.58%	48 7.43%	35 5.42%	11 1.70%	7 1.08%	646	18.94%	387.4
Wansbeck	86 23.69%	118 32.51%	66 18.18%	44 12.12%	17 4.68%	23 6.34%	9 2.48%	363	10.64%	273.4
Northumberland	1,161 34.05%	993 29.11%	581 17.03%	310 9.10%	199 5.83%	99 2.91%	68 1.98%	3,411		
Total Floorspace (000's m ²)	54.2 2.91%	137.7 7.39%	175.1 9.40%	191.0 10.25%	236.1 12.67%	266.5 14.31%	802.5 43.07%			1,863.2

Some 126,200 sq.m of vacant industrial floorspace were available in 161 units as at 31st December 2007. Overall, Blyth Valley accounts for two-fifths of available industrial units in the County (61 units or 38%) and half of the total vacant floorspace (63,700 sq.m or 50%). In terms of size, the two smallest bands account for more than half of all vacant units (83 units or 51%) and 8% of available floorspace, whilst the largest band accounts for more than two-fifths (46,700 sq.m or 37%) of available floorspace in just six units.

Fig. 122: Available Industrial Floorspace by Location and Size (31 December 2007)

District	<100	100-249	250-499	500-999	1000-1999	2000-4999	5000+	Total Units	Total Fspace (000's m ²)
Alnwick	1	2	0	1	0	0	0	4	0.9
Berwick-upon-Tweed	8	0	3	1	3	1	0	16	8.4
Blyth Valley	10	22	9	9	6	0	5	61	63.7
Castle Morpeth	13	9	5	2	0	0	1	30	12.1
Tynedale	3	5	4	2	10	0	0	24	17.7
Wansbeck	6	4	4	6	1	5	0	26	23.4
Northumberland	41	42	25	21	20	6	6	161	
Total Floorspace (000's m ²)	2.8	6.8	9.4	16.5	27.2	16.9	46.7		126.2

During the course of 2006 and 2007, 288 industrial units became vacant or available for the first time in Northumberland, releasing more than 162,600 sq.m of industrial floorspace. This represents 10% of total industrial unit stock and 8% of all industrial floorspace. More than two-thirds of units (198 or 69%) entering the market were in the two smallest size ranges, accounting for just over one-tenth of the newly available floorspace (21,900 sq.m or 13%). Just less than two-fifths of the units entering the market during the two year period were located in Blyth Valley (103 or 36%), accounting for more than half of the newly available floorspace (81,200 sq.m or 50%). In the three districts of Wansbeck, Tynedale and Castle Morpeth, similar numbers of units became vacant or entered the market for the first time, ranging from 41 to 50. Of the 288 units that came onto the market during 2006 and 2007, nearly two-fifths (108 or 37%) were built or last refurbished between 1980 and 1989. In contrast, only 40 (14%) units built or last refurbished pre-1970 and 46 (16%) built/refurbished post-2000 came onto the market over the same period.

Over the same period, 246 vacant industrial units left the market (i.e. were let or sold) in Northumberland, accounting for almost 106,300 sq.m of industrial floorspace. Almost three-quarters of units (176 or 71%) leaving the market were in the two smallest size ranges, accounting for almost one-fifth of the transacted floorspace (19,700 sq.m or 17%). More than two fifths of units leaving the market during the year were located in Blyth Valley (103 or 41%) accounting for just over half of the transacted industrial floorspace (56,000 sq.m or 53%), followed by Wansbeck (40 units and 30,400 sq.m of floorspace). Similar numbers of units left the market in Tynedale and Castle Morpeth (both 31), Alnwick (27) and Berwick upon Tweed (14).

Fig. 123: Stock of Industrial Floorspace by Location and Age (31 December 2007)

District	Pre-1970	1970 to 1979	1980 to 1989	1990 to 1999	2000 plus	No Date	Total Units	Total Fspace (000's m ²)
Alnwick	134 39.41%	45 13.24%	98 28.82%	44 12.94%	16 4.71%	3 0.88%	340	124.0
Berwick-upon-Tweed	275 52.99%	71 13.68%	93 17.92%	45 8.67%	27 5.20%	8 1.54%	519	233.0
Blyth Valley	208 29.59%	93 13.23%	164 23.33%	89 12.66%	144 20.48%	5 0.71%	703	708.6
Castle Morpeth	157 46.18%	34 10.00%	61 17.94%	68 20.00%	19 5.59%	1 0.29%	340	136.8
Tynedale	281 43.50%	55 8.51%	171 26.47%	67 10.37%	43 6.66%	29 4.49%	646	387.4
Wansbeck	160 44.08%	33 9.09%	74 20.39%	40 11.02%	49 13.50%	7 1.93%	363	273.4
Northumberland	1215 41.74%	331 11.37%	661 22.71%	353 12.13%	298 10.24%	53 1.82%	2911	
Total Floorspace (000's m ²)	784.3	358.0	321.9	142.7	187.8	68.4		1863.2
% of Units	41.7	11.4	22.7	12.1	10.2	1.8		
% of Floorspace	42.1	19.2	17.3	7.7	10.1	3.7		100.0
Average Unit (m ²)	645.5	1081.7	487.0	404.3	630.2	1290.7		640.0

The NPDS database holds information on when properties were built and the last time they were refurbished. Northumberland has an ageing industrial property stock, with more than two-fifths of units (1,215 or 42%) and a similar share of floorspace (42%) built or last refurbished more than 35 years ago (before 1970) (Fig. 123). The proportion of units built/refurbished pre 1970 is highest in Berwick upon Tweed (275 or 53%), followed by Castle Morpeth (157 or 46%) and Wansbeck (160 or 44%). In contrast, Blyth Valley (208 or 30%) has the lowest proportion of units built before 1970 and the highest proportion built or refurbished in the last 5 years (144 or 20%).

Agents and chartered surveyors provide a guide to average rental levels in the County which is intended as a guide. In order to smooth out any volatility in annual data, a rolling average is calculated based on two years worth of information. In Figure 124 the figures relate to average asking rents for industrial properties that came onto the market during the calendar years 2006 and 2007.

Fig. 124: Average Industrial Rents by Location and Size - £ per m² - (2006/2007)

District		<100	100-249	250-499	500-999	1000-1999	2000-4999	5000+	Total Units
Alnwick	£	57.0	46.2	43.3	0.0	0.0	0.0	0.0	52.6
	No of units*	(14)	(7)	(2)	(0)	(0)	(0)	(0)	(23)
Berwick-upon-Tweed	£	59.4	57.0	23.4	0.0	10.8	0.0	0.0	51.1
	No of units*	(10)	(2)	(2)	(0)	(1)	(0)	(0)	(15)
Blyth Valley	£	61.2	59.1	50.9	38.0	35.3	0.0	30.0	54.6
	No of units*	(28)	(35)	(9)	(8)	(4)	(0)	(4)	(88)
Castle Morpeth	£	87.9	43.9	46.2	0.0	0.0	0.0	16.1	67.9
	No of units*	(18)	(11)	(2)	(0)	(0)	(0)	(1)	(32)
Tynedale	£	63.7	47.9	43.7	43.6	0.0	0.0	0.0	53.2
	No of units*	(10)	(11)	(3)	(2)	(0)	(0)	(0)	(26)
Wansbeck	£	53.4	47.7	35.2	32.2	43.3	0.0	0.0	46.1
	No of units*	(13)	(12)	(5)	(4)	(1)	(0)	(0)	(35)
Northumberland	£	64.8	52.4	43.1	37.1	32.5	0.0	27.2	54.6
	No of units*	(93)	(78)	(23)	(14)	(6)	(0)	(5)	(219)

* Number of units for which information available

Figure 124 clearly illustrates variation in average rental levels between districts and size ranges. At a district level, the highest average rentals were recorded in Castle Morpeth (£68), followed by Blyth Valley (£55) and Tynedale (£53). In contrast, average asking rent in Wansbeck stood at £46 per sq.m. With regards to size bands, average rents per sq.m fall as the size of premises increases, ranging from £65 in the smallest size range (less than 100 sq.m) to £27 for premises in the 5000 sq.m plus band.

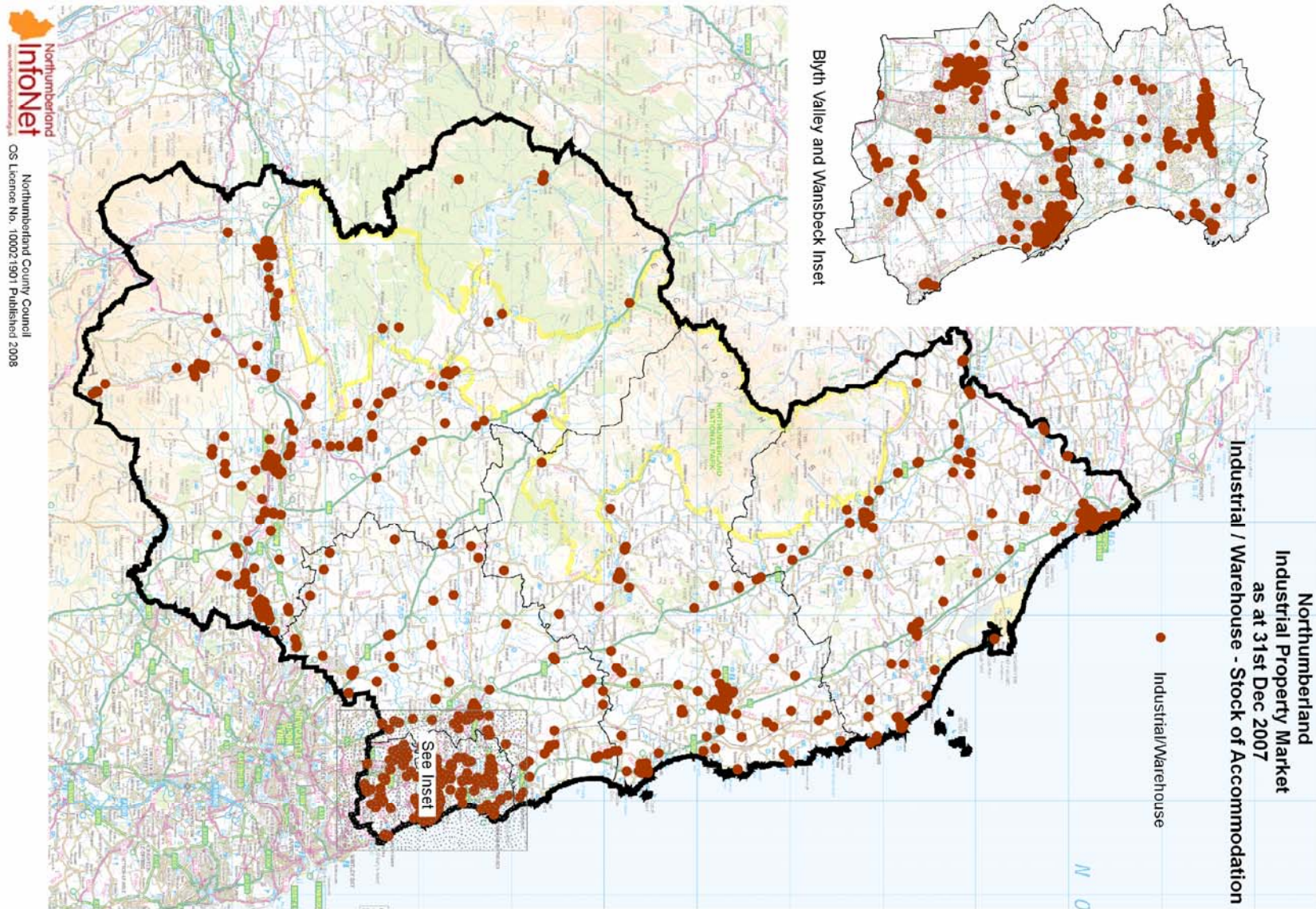
Figure 125 below illustrates how average rents have changed in the Northumberland districts between 2002 and 2007. All six districts reported rising average rents over the period, with the largest percentage increase reported in Castle Morpeth (+£25.80 or 40%) and the smallest in Wansbeck (+£6.70 or 14%).

Fig. 125: Average Industrial Rents - £ per m² - (2002 to 2007)

District		2002/03	2003/04	2004/05	2005/06	2006/07
Alnwick	£	46.8	47.1	42.3	48.5	52.6
	No of units*	15	17	15	21	23
Berwick-upon-Tweed	£	37.6	36.0	43.3	47.1	51.1
	No of units*	15	17	23	22	15
Blyth Valley	£	44.4	47.6	50.3	51.4	54.6
	No of units*	64	66	73	95	88
Castle Morpeth	£	42.1	47.6	55.7	54.7	67.9
	No of units*	25	19	16	34	32
Tynedale	£	36.6	36.1	59.4	55.8	53.2
	No of units*	48	41	16	26	26
Wansbeck	£	39.4	46.1	48.3	49.1	46.1
	No of units*	51	42	35	36	35

* Number of units for which information available

Fig. 126: Northumberland Industrial Property Market



6.6.2 Office Property

There are 285,500 sq.m of office floor-space in 1,472 units in Northumberland (Fig. 127). Over a quarter of units (378 or 25.7%) are located in Tynedale, accounting for almost one fifth (52,800 sq.m or 18.5%) of the stock of office floor-space in Northumberland. Blyth Valley has a similar share of office premises in Northumberland with 323 office units but has a larger share of the floor-space (63,000 sqm or 22.2%). Castle Morpeth accounts for fewer units (270) but has the largest share of the office floor-space in Northumberland (83,000 or 29.1%). In contrast, Alnwick (180 units and 27,400 sq.m) and Berwick-upon-Tweed (147 and 23,700) account for the least number of office units and the least floor-space of the six Northumberland districts.

Fig. 127: Stock of Office Floor-space in Northumberland by Location and Size: (31 December 2007)

Floorspace m ²									% of N'land Total Units	Total Fspace (000's m ²)	% of N'land Total Fspace
District	<100	100-249	250-499	500-999	1000-1999	2000-4999	5000+	Total Units			
Alnwick	88 (48.9%)	67 (37.2%)	16 (8.9%)	8 (4.4%)	1 (0.6%)	0 (0.0%)	0 (0.0%)	180	12.2%	27.4	9.6%
Berwick-upon-Tweed	77 (52.4%)	44 (29.9%)	19 (12.9%)	6 (4.1%)	1 (0.7%)	0 (0.0%)	0 (0.0%)	147	10.0%	23.7	8.3%
Blyth Valley	147 (45.5%)	125 (38.7%)	25 (7.7%)	14 (4.3%)	10 (3.1%)	2 (0.6%)	0 (0.0%)	323	21.9%	63.4	22.2%
Castle Morpeth	163 (60.4%)	69 (25.6%)	18 (6.7%)	12 (4.4%)	4 (1.5%)	2 (0.7%)	2 (0.7%)	270	18.3%	83.1	29.1%
Tynedale	233 (61.6%)	99 (26.2%)	30 (7.9%)	13 (3.4%)	2 (0.5%)	1 (0.3%)	0 (0.0%)	378	25.7%	52.8	18.5%
Wansbeck	93 (53.4%)	48 (27.6%)	21 (12.1%)	7 (4.0%)	3 (1.7%)	2 (1.1%)	0 (0.0%)	174	11.8%	35.0	12.2%
Northumberland	801 (54.4%)	452 (30.7%)	129 (8.8%)	60 (4.1%)	21 (1.4%)	7 (0.5%)	2 (0.1%)	1472	100.0%		
Total Floorspace (000's m ²)	41.2 (14.4%)	71.1 (24.9%)	43.9 (15.4%)	42.7 (15.0%)	29.1 (10.2%)	20.9 (7.3%)	36.5 (12.8%)			285.5	100.0%

Approximately 21,900 sq.m Office floor-space was vacant and available in 110 units in Northumberland at December 2007 (Fig. 128). Overall, South East Northumberland (Blyth Valley and Wansbeck districts) accounts for just over two-fifths of available office units in Northumberland (47 units or 42.7%) and almost three-fifths of total vacant floor-space (13,000 or 59.4%). In terms of size, the two smallest bands account for more than three quarters of all vacant units (90 units or 81.8%) and 44.7% of available floor-space. In contrast, there was only one vacant unit in excess of 1,000 sq.m.

Fig. 128: Available Office Floorspace by Location and Size (31 December 2007)

Floorspace m ²									% of N'land Total Units	Total Fspace (000's sqm)	% of N'land Total Fspace
District	<100	100-249	250-499	500-999	1000-1999	2000-4999	5000+	Total Units			
Alnwick	3 (15.0%)	14 (70.0%)	3 (15.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	20	18.2%	3.5	16.2%
Berwick-upon-Tweed	0 (0.0%)	1 (100.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0)	0 (0.0%)	1	0.9%	0.1	0.6%
Blyth Valley	13 (36.1%)	12 (33.3%)	5 (13.9%)	4 (11.1%)	1 (2.8%)	1 (2.8%)	0 (0.0%)	36	32.7%	11.3	51.6%
Castle Morpeth	4 (40.0%)	5 (50.0%)	1 (10.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	10	9.1%	1.3	5.9%
Tynedale	20 (62.5%)	8 (25.0%)	3 (9.4%)	1 (3.1%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	32	29.1%	4.0	18.1%
Wansbeck	6 (54.5%)	4 (36.4)	1 (9.1%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	11	10.0%	1.7	7.6%
Northumberland	46 (41.8%)	44 (40.0%)	13 (11.8%)	5 (4.5%)	1 (0.9%)	1 (0.9%)	0 (0.0%)	110	100.0%		
Total Fspace (000's sqm)	2.4 (11.0%)	7.4 (33.9%)	4.6 (21.0%)	3.9 (17.8%)	1.2 (5.3%)	2.4 (10.8)	0.0 (0.0%)			21.9	100.0%

During the course of 2006 and 2007, 138 office units became vacant or available for the first time in Northumberland, releasing almost 21,500 sq.m of office floor-space. This represents 9% of the total office unit stock and 8% of all office floor-space. Almost one third of the units entering the market during the two year period were located in Blyth Valley (43 or 31%) accounting for almost half of the newly available floor-space (9,900sq.m or 46%). Blyth Valley was followed by Tynedale (35 units and 3,200 sq.m) and Castle Morpeth (27 units and 3,600 sq.m) in terms of number of office units coming on to the market. In contrast only three (2%) office units came onto the market in Berwick-upon-Tweed over the same period.

During the course of 2006 and 2007, 110 vacant office units left the market (i.e. were let or sold) in Northumberland, accounting for 13,800 sq.m of floor-space. The largest proportion of units leaving the market during the period were located in Blyth Valley (39 or 36%) accounting for a similar proportion of the of the transacted office floor-space (5,300 sq.m or 38%). In terms of market off-flows, Blyth Valley is followed by Tynedale (25 units and 3,400 sq.m of floor-space), Castle Morpeth (23 units and 2,700 sq.m of floor-space) and Alnwick (17 units and 1,300 sq.m of floor-space). Berwick-upon-Tweed (2 units and 500 sq.m of floor-space) and Wansbeck (4 units and 600 sq.m of floor-space) had the lowest proportion of units leaving the market.

Fig. 129: Available Office Floorspace by Location and Age (31 December 2007)

District	Pre-1970	1970 to 1979	1980 to 1989	1990 to 1999	2000 plus	No Date	Total Units	% of N'land Total Units	Total Fspace (000's sqm)	% of N'land Total Fspace
Alnwick	3 (15.0%)	1 (5.0%)	0 (0.0%)	2 (10.0%)	14 (70.0%)	0 (0.0%)	20	18.2%	3.5	16.2%
Berwick-upon-Tweed	0 (0.0%)	0 (0.0%)	1 (100.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	1	0.9%	0.1	0.6%
Blyth Valley	1 (2.8%)	7 (19.4%)	7 (19.4%)	5 (13.9%)	16 (44.4%)	0 (0.0%)	36	32.7%	11.3	51.6%
Castle Morpeth	4 (40.0%)	1 (10.0%)	0 (0.0%)	0 (0.0%)	5 (50.0%)	0 (0.0%)	10	9.1%	1.3	5.9%
Tynedale	9 (28.1%)	0 (0.0%)	3 (9.4%)	3 (9.4%)	14 (43.8%)	3 (9.4%)	32	29.1%	4.0	18.1%
Wansbeck	4 (36.4%)	0 (0.0%)	1 (9.1%)	0 (0.0%)	6 (54.5%)	0 (0.0%)	11	10.0%	1.7	7.6%
Northumberland	21 (19.1%)	9 (8.2%)	12 (10.9%)	10 (9.1%)	55 (50.0%)	3 (2.7%)	110	100.0%		
Total Fspace (000's sqm)	2.2 (10.3%)	2.5 (11.7%)	1.8 (8.4%)	0.8 (3.5%)	13.0 (59.3%)	1.5 (6.9%)			21.9	100.0%
Vacancy Rate (%)	4.4	11.1	5.2	2.9	17.4	17.6			7.5	

Half of the vacant units (55 or 50%) and almost three fifths of available floor-space (13,000 sq.m or 59%) were built or last refurbished since 2000. Figure 129 also shows that vacancy rates are highest for units built or last refurbished during the 1970's (11%) and since 2000 (17%), the vacancy rate is lowest for units built or last refurbished during the 1980's. At a district level, more than two thirds (14 or 70%) of the vacant units in Alnwick have been built since 2000 and Blyth Valley is the only district to have vacant units in all of the five age bands.

Fig. 130: Average Office Rents by Location and Size - £ per m² (2006/2007)

Floorspace m ² District	<100	100- 249	250- 499	500- 999	1000- 1999	2000- 4999	5000+	Total Units
Alnwick	123.9 (3)	123.3 (11)	134.5 (3)	- (0)	- (0)	- (0)	- (0)	125.4 (17)
Berwick-upon- Tweed	- (1)	- (1)	- (0)	- (0)	- (0)	- (0)	- (0)	59.0 (2)
Blyth Valley	146.6 (11)	101.3 (8)	- (0)	- (0)	- (0)	- (0)	- (0)	127.5 (19)
Castle Morpeth	134.1 (13)	176.8 (9)	130.3 (3)	- (0)	- (0)	- (0)	- (0)	149.0 (25)
Tynedale	181.7 (19)	90.2 (7)	- (0)	- (0)	- (0)	- (0)	- (0)	157.1 (26)
Wansbeck	59.2 (6)	- (0)	- (0)	- (0)	- (0)	- (0)	- (0)	59.2 (6)
Northumberland	142.7 (53)	124.5 (36)	132.4 (6)	- (0)	- (0)	- (0)	- (0)	135.1 (95)

Figure 130 illustrates substantial variation in average rental levels between districts and size ranges. At a district level, the highest average rent per sq.m was recorded in Tynedale (£157) followed by Castle Morpeth (£149). The lowest average rent per sq.m was recorded in Berwick-upon-Tweed (£59) and Wansbeck (£59). With regards to size bands, average rents do not seem to follow any pattern, ranging from £125 per sq.m for units in the 100-249 sq.m band to £143 per sq.m for the <100 sq.m size band.

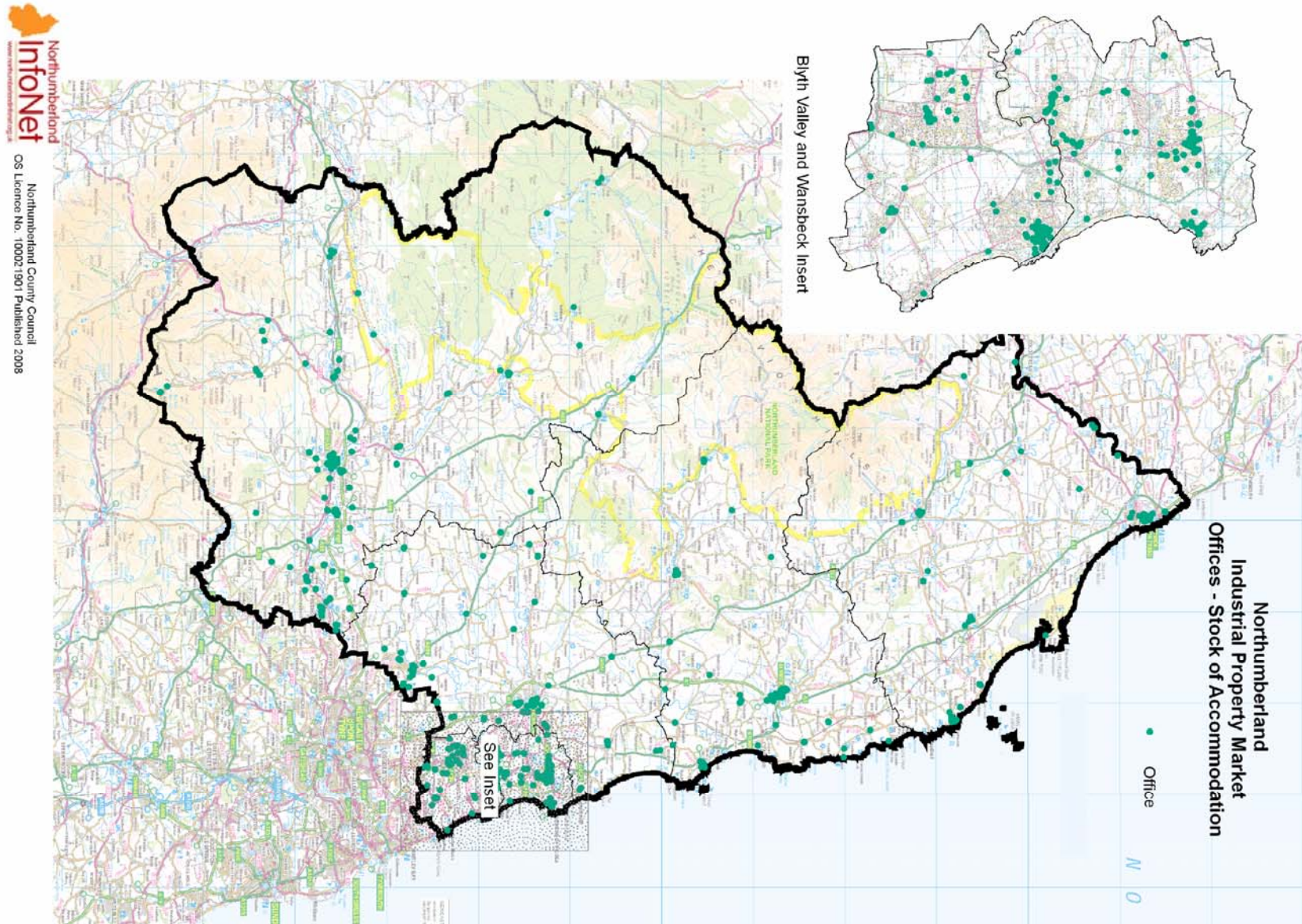
Fig. 131: Average Office Rents - £ per m² (2002-2007)

Figure 131 illustrates how average rents have changed in the Northumberland districts between 2002 and 2007.

District	2002/03	2003/04	2004/05	2005/06	2006/07
Alnwick	- (1)	81.4 (6)	125.6 (22)	132.4 (21)	125.4 (17)
Berwick-upon-Tweed	- (1)	41.4 (2)	- (1)	59.0 (2)	59.0 (2)
Blyth Valley	69.5 (8)	61.1 (19)	66.3 (30)	91.3 (21)	127.5 (19)
Castle Morpeth	95.7 (2)	121.5 (8)	107.8 (9)	123.2 (19)	149.0 (25)
Tynedale	68.3 (12)	72.1 (15)	91.3 (26)	95.6 (29)	157.1 (26)
Wansbeck	- (0)	- (0)	110.3 (11)	95.8 (14)	59.2 (6)

Between 2005/06 and 2006/07 the largest increase in average office asking rents was in Tynedale (+ £62 per sq.m), followed by Blyth Valley (+ £36 per sq.m) and Castle Morpeth (+ £26 per m²). Wansbeck showed the largest fall in average asking rents (- £37 per sq.m), average asking rents in Alnwick (- £7 per sq.m) also decreased whereas no change was recorded in Berwick-upon-Tweed.

Fig. 132: Northumberland Industrial Property Market Offices.



6.6.3 Managed Workspace

Managed workspace is defined as being a collection of small office and light industrial units accommodated within a single site and quite often within a single building. The units tend to have common services and a common reception area, and offer a level of administrative support to tenants.

There are nine managed workspace developments: Blyth Venture Workshops, Blyth Community Enterprise Centre, Corbridge Business Centre, Northumbria Centre for Enterprise, Hubbway Business Centre, SENET, Wansbeck Business Centre and I-Space. There is also a new business centre in Berwick upon Tweed (Berwick Workspace) which has become available this year. Each of these developments provides different types of accommodation, yet still falling under the managed workspace definition. In order to reflect the differences between the developments in terms of the type of accommodation they offer (and indeed the nature of the tenant that they attract), a distinction has been made between managed workshops (W) and managed office provision (O).

In 2007, there were almost 5,100 sq.m. of managed **workshop** floorspace in 121 units. All of the units are located in South East Northumberland, with slightly more in Blyth Valley (45 or 35%) than in Wansbeck (42 or 58%). The distribution of floorspace is less even, with nearly half of the total in units located in Wansbeck (2,387sq.m or 47%). There were also 4,783sq.m of managed **office** floorspace in 115 units in Northumberland. The premises are located in Blyth Valley, Tynedale and Wansbeck, with the latter accounting for almost two-thirds (71 or 62%) of all units and more than three quarters of the managed office floorspace (3,736 sq.m or 78%). Wansbeck is followed by Blyth Valley with 23 managed office units (20%), then Tynedale with 21 units (18%).

Fig. 133: Stock of Managed Workspace Floorspace by Location and Size (31 December 2007)

District	Managed Workshop or Managed Office	<100	100-249	250-499	500-999	1000-1999	2000-4999	5000+	Total Units	Total Fspace (m ²)
Alnwick	Managed Workshop	0	0	0	0	0	0	0	0	0.0
	Managed Office	0	0	0	0	0	0	0	0	0.0
Berwick-upon-Tweed	Managed Workshop	0	0	0	0	0	0	0	0	0
	Managed Office	0	0	0	0	0	0	0	0	0.0
Blyth Valley	Managed Workshop	45	0	0	0	0	0	0	45	1918.0
	Managed Office	23	0	0	0	0	0	0	23	452.0
Castle Morpeth	Managed Workshop	0	0	0	0	0	0	0	0	0.0
	Managed Office	0	0	0	0	0	0	0	0	0.0
Tynedale	Managed Workshop	0	0	0	0	0	0	0	0	0.0
	Managed Office	21	0	0	0	0	0	0	21	594.3
Wansbeck	Managed Workshop	42	0	0	0	0	0	0	42	2387.0
	Managed Office	65	3	2	1	0	0	0	71	3736.8
Northumberland	Managed Workshop	87	0	0	0	0	0	0	87	
	Managed Office	109	3	2	1	1	0	0	115	
Total Fspace (m ²)	Managed Workshop	4305.0	0.0	0.0	0.0	0.0	0.0	0.0		4305.0
	Managed Office	3201.3	347.8	639.0	595.0	1297	0.0	0.0		6080.1

At the end of 2007 there were 16 managed workspace units vacant in Northumberland, offering 578 sq.m of floorspace. There were more vacant offices (15) than workshops (1), with the former also accounting for more than four fifths of the vacant floorspace (86%). All the vacant units fell in the smallest sizebands, 12 being located in S E Northumberland, with 3 available in Tynedale.

Fig. 134: Available Managed Workspace Floorspace by Location and Size (31 December 2007)

District	Managed Workshop or Managed Office	<100	100-249	250-499	500-999	1000-1999	2000-4999	5000+	Total Units	Total Fspace (m ²)
Alnwick	Managed Workshop	0	0	0	0	0	0	0	0	0.0
	Managed Office	0	0	0	0	0	0	0	0	0.0
Berwick-upon-Tweed	Managed Workshop	0	0	0	0	0	0	0	0	0.0
	Managed Office	0	0	0	0	0	0	0	0	0.0
Blyth Valley	Managed Workshop	0	0	0	0	0	0	0	0	0.0
	Managed Office	5	0	0	0	0	0	0	5	78.0
Castle Morpeth	Managed Workshop	0	0	0	0	0	0	0	0	0.0
	Managed Office	0	0	0	0	0	0	0	0	0.0
Tynedale	Managed Workshop	0	0	0	0	0	0	0	0	0.0
	Managed Office	3	0	0	0	0	0	0	3	80.2
Wansbeck	Managed Workshop	1	0	0	0	0	0	0	1	83.0
	Managed Office	6	1	0	0	0	0	0	7	336.8
Northumberland	Managed Workshop	1	0	0	0	0	0	0	1	
	Managed Office	14	1	0	0	0	0	0	15	
Total Floorspace (m ²)	Managed Workshop	83.0	0.0	0.0	0.0	0.0	0.0	0.0		83.0
	Managed Office	393.2	101.8	0.0	0.0	0.0	0.0	0.0		495.0

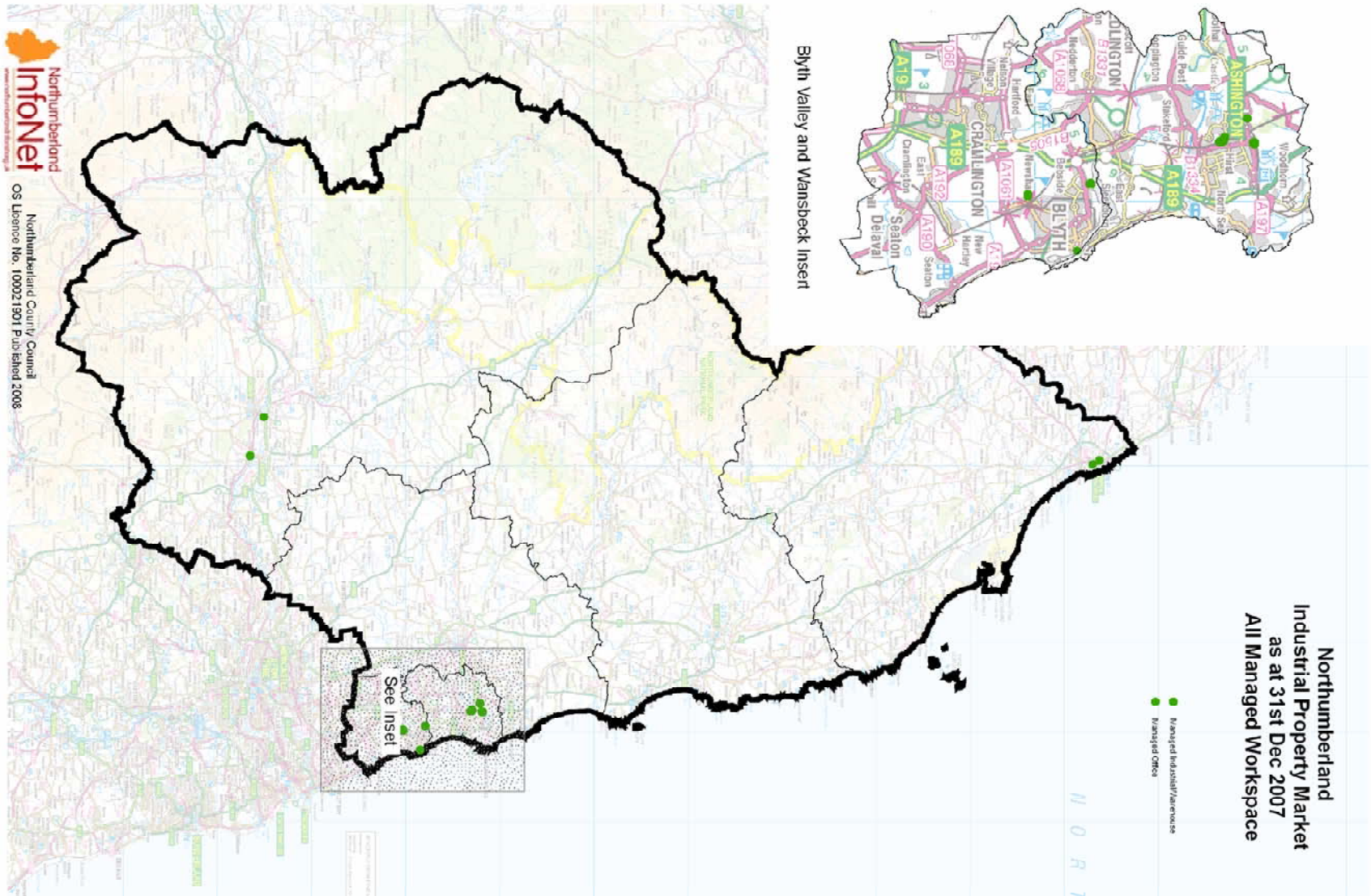
During the course of 2006 and 2007, 23 managed workshops left the market in Northumberland, accounting for just over 1400 sq.m of floorspace. All 23 units were located in South East Northumberland, with more off-flows recorded in Wansbeck (21) than in Blyth Valley (2). There were more managed office units entering the market during 2006 and 2007 than managed workshops, with 45 units providing 1263 sq.m of floorspace. Most of the newly available units were located in Wansbeck (21 or 45%), followed by Blyth Valley (15 or 35%) and Tynedale (9 or 20%).

Fig. 135: Stock of Managed Workspace Floorspace by Location and Age (31 December 2007)

District	Managed Workshop or Managed Office	Pre-1970	1970 to 1979	1980 to 1989	1990 to 1999	2000 plus	No Date	Total Units	Total Fspace (m ²)
Alnwick	Managed Workshop	0	0	0	0	0	0	0	0.0
	Managed Office	0	0	0	0	0	0	0	0.0
Berwick-upon-Tweed	Managed Workshop	0	0	0	0	34	0	34	788.0
	Managed Office	0	0	0	0	0	0	0	0.0
Blyth Valley	Managed Workshop	0	0	22	0	23	0	45	1918.0
	Managed Office	0	0	0	0	23	0	23	452.0
Castle Morpeth	Managed Workshop	0	0	0	0	0	0	0	0.0
	Managed Office	0	0	0	0	0	0	0	0.0
Tynedale	Managed Workshop	0	0	0	0	0	0	0	0.0
	Managed Office	0	0	0	11	10	0	21	594.3
Wansbeck	Managed Workshop	12	0	0	0	30	0	42	2387.0
	Managed Office	0	0	0	37	28	6	71	3736.8
Northumberland	Managed Workshop	12	0	22	0	87	0	121	
	Managed Office	0	0	0	48	61	6	115	
Total Fspace (m ²)	Managed Workshop	519	0	912	0	3662	0		5093.0
	Managed Office	0	0	0	3003.11	1543	237		4783.1
Average Unit (m ²)	Managed Workshop	43.3	0.0	41.5	0.0	42.1	0.0		42.1
	Managed Office	0.0	0.0	0.0	62.6	25.3	39.5		41.6

Overall, 87 of the 121 (71%) workshops and 61 of the 115 offices (53%) have been built within the last 5 years.

Fig. 136: Northumberland Industrial Property Market – Managed Workspace



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