



# Northumberland Knowledge

## *Economic Performance*

## Know Northumberland at a glance

- Home to **320,600 people** (Census 2021).
- Covers an **area of 5013 km<sup>2</sup>**, **97%** of this is classed as **rural** (Census 2011).
- **45%** of the population **live in rural areas** (Census 2021).
- **People aged 65 and over have increased by 28.9%** since Census 2011 (Census 2021).
- 6<sup>th</sup> most sparsely populated with a **density of 64 people per km<sup>2</sup>** (Census 2021).
- **51%** of the population live in **3% of the area** (South East).
- **12% of the population** live in one of the **10% most deprived** areas of England (IoD 2019).
- **Life expectancy** at birth for males **79.4** and females **82.8** (OHID 2016-20).
- **146,900 households with at least one resident** (Census 2021).
- **Average house price is £198,486**, higher than the NE region, £164,395, but lower than England, £315,965 (UKHPI all property types Aug22).
- **Unemployment rate** is higher than the national level but lower than region (**4.6%** compared to 3.9% and 5.3%) (APS Jul21-Jun22), **3.1% claim out of work benefits** compared with North East rate of 4.1% (ONS Sep 22).
- **Employment rate** is **69.9%** (APS Jul21-Jun22).
- **Wages** for those working in the county are lower than the national figure, with the **weekly average** (median) pay being £573 compared to £646 in England and £575 in the North East (ASHE 2022).
- **GVA** (Gross Value Added) per head stood at £16,173 compared to £20,364 across the North East and £29,757 for England (GVA(B) 2020) (ONS).
- **Crime rates** (per 1,000 population) are low at 70 - the lowest rate in the Northumbria force area (March 2022 CSEW).
- The percentage of children achieving a grade 4 or above in **GCSE English and mathematics** is 66.3%, compared to 65.6% across the North East and 68.6% in England (gov.uk Education Statistics Service 2021/22).



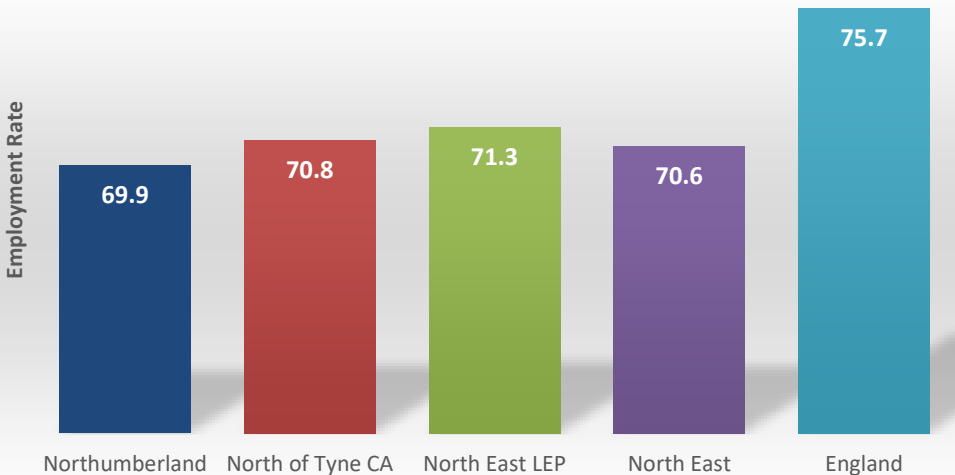
Contents	Page	What you need to know
<b>Employment</b>	4	<p>The economic performance of the county can be assessed by looking at several datasets which cover a number of socio-economic factors. This data provides the context for the economic objectives contained within the <a href="#">Economic Strategy</a> policy framework. These are: Grow the Business Base, Support Inclusive Employment and Deliver Productive Places.</p>
<b>Unemployment</b>	6	
<b>Economic Inactivity</b>	9	<ul style="list-style-type: none"> <li>• <b>Employment:</b> Employment measures the number of people aged 16 years and over in paid work, the rate is the proportion of people aged 16-64 who are in paid work.</li> <li>• <b>Unemployment:</b> The number of people unemployed as a percentage of the economically active population.</li> <li>• <b>Claimant Count:</b> The number of people claiming Jobseekers Allowance, plus those who claim Universal Credit and are required to seek work and be available for work is now the headline indicator of the number of people claiming benefits principally for the reason of being unemployed.</li> </ul>
<b>Earnings</b>	10	<ul style="list-style-type: none"> <li>• <b>Economically inactive:</b> People aged 16-64 who are not in employment or actively looking for work. This includes, for example, all those who were looking after a home or have retired early.</li> </ul>
<b>Skills and education</b>	12	<ul style="list-style-type: none"> <li>• <b>Earnings:</b> Average (median) gross earnings in pounds, based on where a person lives or where a person works.</li> <li>• <b>Skills and education:</b> Percentage of people aged 16-64 with no qualifications, GCSE results, 16-18 year olds not in education, employment or training (NEET), percentage of pupils progressing to higher education, skills gaps and job related training.</li> </ul>
<b>Business stock</b>	13	<ul style="list-style-type: none"> <li>• <b>Business stock:</b> The Business Register and Employment Survey (BRES) publishes employee and employment estimates and is regarded as the official source of these data by detailed geography and industry. Business start-ups and closures are an indicator of the level of entrepreneurship and of the health of the business population. New business registrations are referred to as business births and the birth rate is calculated using the number of new business registrations as a proportion of the active enterprises. Businesses that have ceased to trade (identified through de-registration of the administrative units, that is, VAT and PAYE) are referred to as business deaths and the death rate is calculated using the number of deaths as a proportion of the active enterprises.</li> </ul>
<b>Business demography</b>	14	
<b>Occupations</b>	15	<ul style="list-style-type: none"> <li>• <b>Occupations:</b> Standard Occupational Classification (SOC) classifies jobs in terms of their skill level and skill content. Jobs in the top three occupational groups have been defined as “better jobs”.</li> </ul>
<b>GVA</b>	16	<ul style="list-style-type: none"> <li>• <b>Productivity and Growth:</b> Measured by GVA (Gross Value Added) which is the value of goods and services produced by an area, sector or producer minus the cost of the raw materials and other inputs used to produce them.</li> </ul>
<b>GDHI</b>	17	<ul style="list-style-type: none"> <li>• <b>Spending:</b> Gross disposable household income (GDHI) represents the amount of money left available within the household sector for spending or saving after expenditure associated with income, property, and pension.</li> </ul>
		<p>Indicators in this bulletin are presented for Northumberland, the North East Region and England, and also, where possible, for the <a href="#">North East Local Enterprise Partnership (LEP)</a> and the <a href="#">North of Tyne Combined Authority (NTCA)</a>. The North East LEP area covers County Durham, Gateshead, Newcastle, North Tyneside, Northumberland, South Tyneside and Sunderland and the North of Tyne Combined Authority comprises Northumberland, Newcastle upon Tyne and North Tyneside.</p> <p style="text-align: right;"><b>Compiled by: Julie Dowson, Senior Economic Analyst</b> Economy &amp; Regeneration Service <i>Comments and feedback welcomed: <a href="mailto:julie.dowson@northumberland.gov.uk">julie.dowson@northumberland.gov.uk</a></i></p>

**Employment**

The [Labour Force Survey \(LFS\)](#) and the [Annual Population Survey \(APS\)](#) are the sources the Office for National Statistics (ONS) recommends for employment-related statistics. The number of people in employment consists of people aged 16 years and over who did one hour or more of paid work per week. Employment is a different measure to jobs because a person with more than one job would only be counted once in employment estimates. The headline measure of employment is the employment rate, this is defined as:  
*“The number of people in employment expressed as a percentage of all people aged 16-64.”*

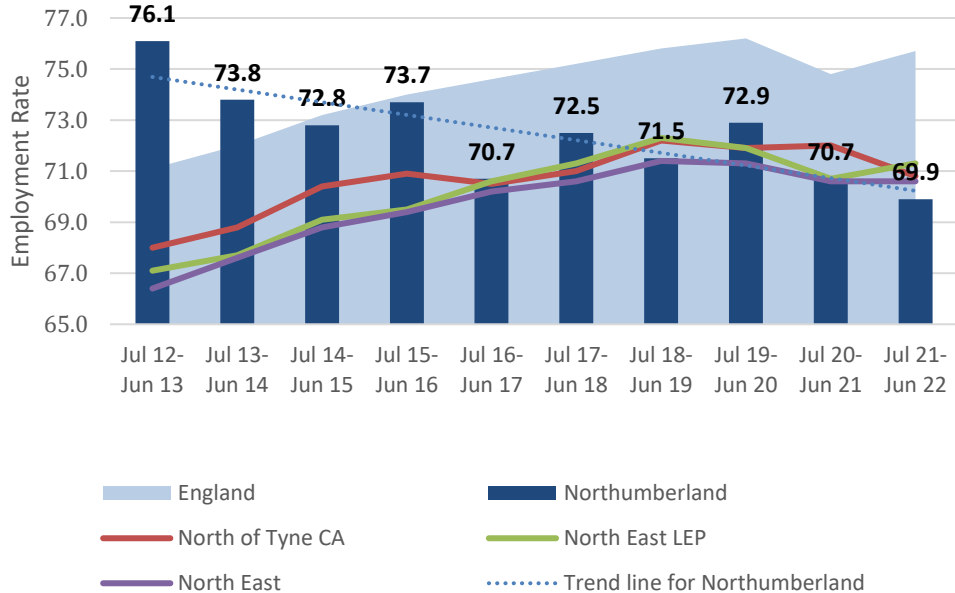
**Employment Rate (to June 2022)**

From July 2021 to June 2022, the employment rate for those aged 16-64 in Northumberland was 69.9% which was lower than the average for the North of Tyne CA (70.8%), the North East LEP (70.8%), and the region (70.6%). England’s average however, was much higher at 75.7%. In numeric terms, **900 less** were in employment in Northumberland in this time-period compared with the year previous (Source: APS, ONS)



**Employment Rate Change Over Time**

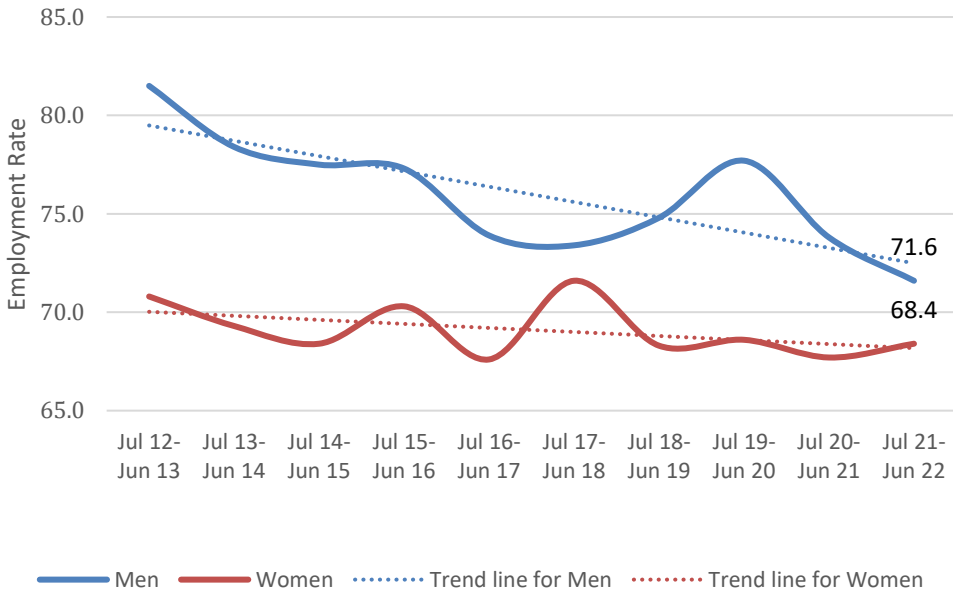
Northumberland’s previously buoyant employment rate has slipped and now aligns more closely with improving regional rates. The last few years had seen a steady increase in the national and regional rates whereas Northumberland has fluctuated rather significantly and is now displaying a downward trend. In numbers, there were **18,500 more people in employment** in Northumberland 10 years ago. (Source: APS, ONS)



**Employment Rate for men and women**

Northumberland’s employment rate for men has been in steady decline from mid-2012 following a particularly high period of employment (of over 80%) and was around 71.6% by June 2022. The rate for women has fluctuated around 70%, the trend, although downwards at present, is fairly, flat and was 68.4% in the 12 months to June 2022. (Source: APS, ONS)

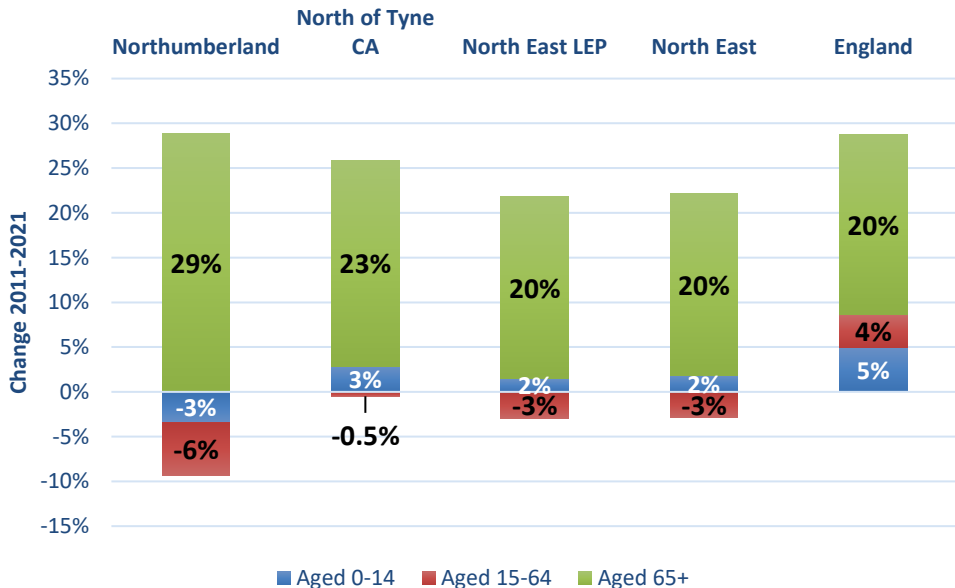
The [increase in state pension age](#) for women; to bring it in line with men, coupled with the recent overall increase from 65 to 66; has affected employment rates.



*A note on the employment data: Annual Population Survey (APS) responses are weighted to official population projections. As the current projections are 2018-based they are based on demographic trends that pre-date the COVID-19 pandemic.*

**Northumberland’s changing population**

Given the significant decline in Northumberland’s employment rate and the previous juxtaposition with the regional and national rates, it is important to reflect on the County’s changing population over the last 10 years between Census 2011 and 2021.



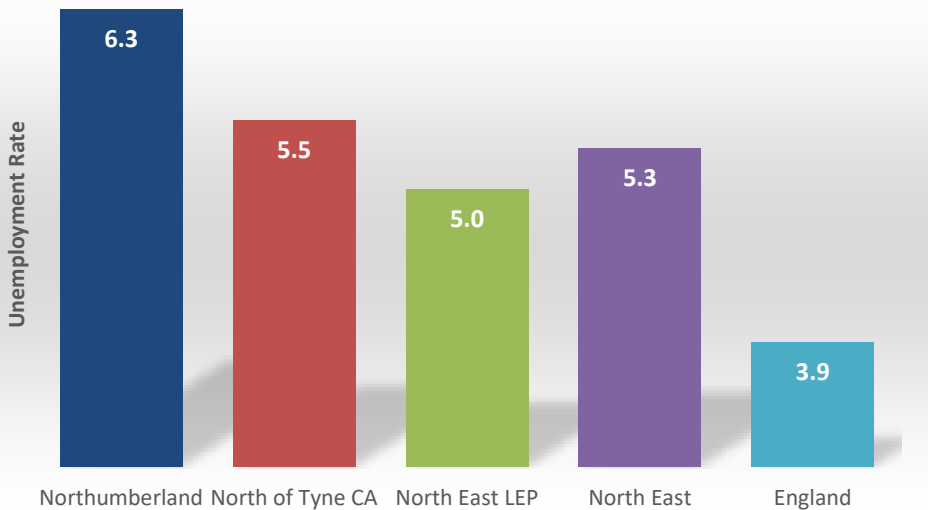
(Source: Census 2011 and 2021)  
 Northumberland’s population aged 15-64 contracted by 6% (11,999) in the last 10 years, the largest drop in the North East. Contractions in this age group therefore also occurred in both the North East LEP and regional populations (down 3% each), and the Combined Authority (down 0.5%). Nationally, the working age population increased by 4%.  
 In contrast, Northumberland’s 65+ population grew by 29% (over 18,000 people) compared with a 20% growth in the LEP, the region and nationally and a 23% growth across the Combined Authority area overall. **Northumberland was the only area to experience a decline (-3%) in the 0-14 age group during this time.**

**Unemployment**

Measuring unemployment accurately, particularly at lower geographical levels, is difficult due to reasons such as lack of disclosure, inaccurate reporting, sampling reliability, etc. According to the International Labour Organisation, unemployed people are without a job, have actively sought work in the last four weeks and are available to start work in the next two weeks, or are out of work, have found a job and are waiting to start it in the next two weeks. The headline **unemployment rate** is calculated by dividing the unemployment level for those aged 16 and over by the total number of economically active people aged 16 and over. Unemployment rate can be derived from the LFS and the APS which are based upon survey samples, but this can be unreliable at low geographies due to very small sample size. For the purposes of this bulletin and consistency with the employment rate data in the previous section, the following analysis is for people aged 16-64.

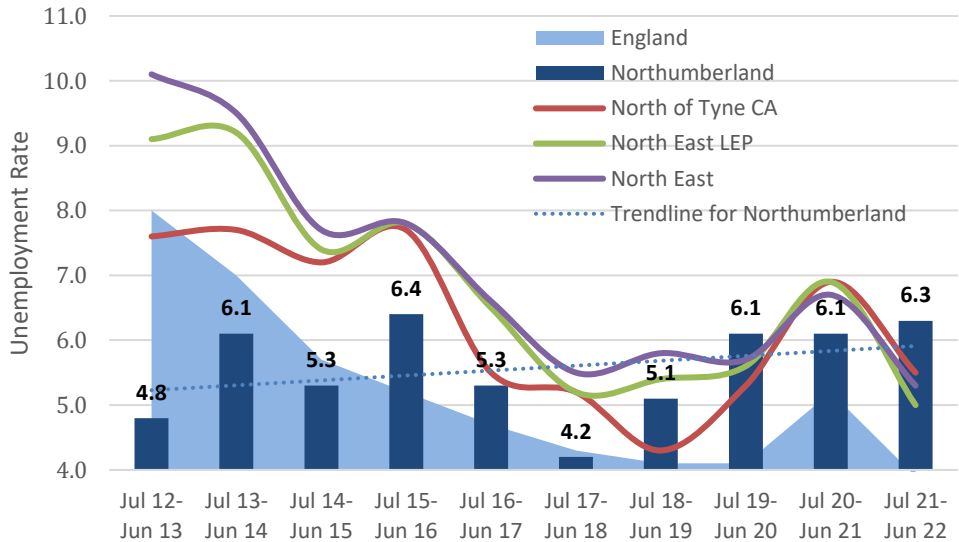
**Unemployment Rate (to June 2022)**

In Northumberland, the unemployment rate from July 2021 to June 2022 was 6.3% of the economically active population aged 16-64, equivalent to 8,500 people. Unusually, June’s rate was higher than the North of Tyne CA (5.5%) and North East LEP rates (5.0%) **and** the regional rate of 5.3%. It is also 2.4 percentage points higher than the national rate (3.9%). Areas around Teesside and South Tyneside have also struggled to bounce back following the pandemic. (Source: APS, ONS)



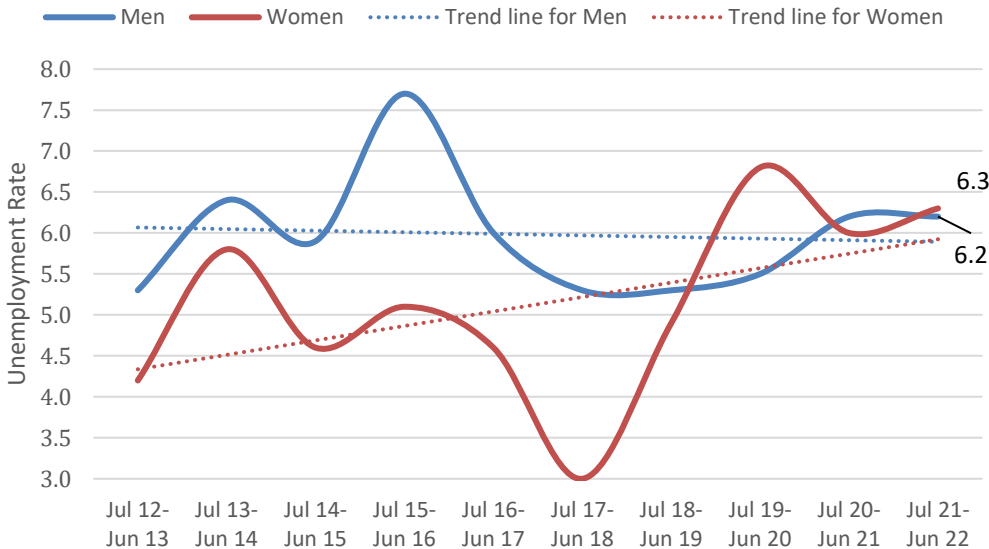
**Unemployment Rate Change Over Time**

The unemployment rate in Northumberland has fluctuated between record highs to record lows in the last 10 years, culminating in some of the lowest rates on record before the pandemic. Crucially, despite Northumberland’s fluctuations, unemployment rates had generally been trending down across the North-East and nationally. (Source: APS, ONS)



**Unemployment rate for men and women**

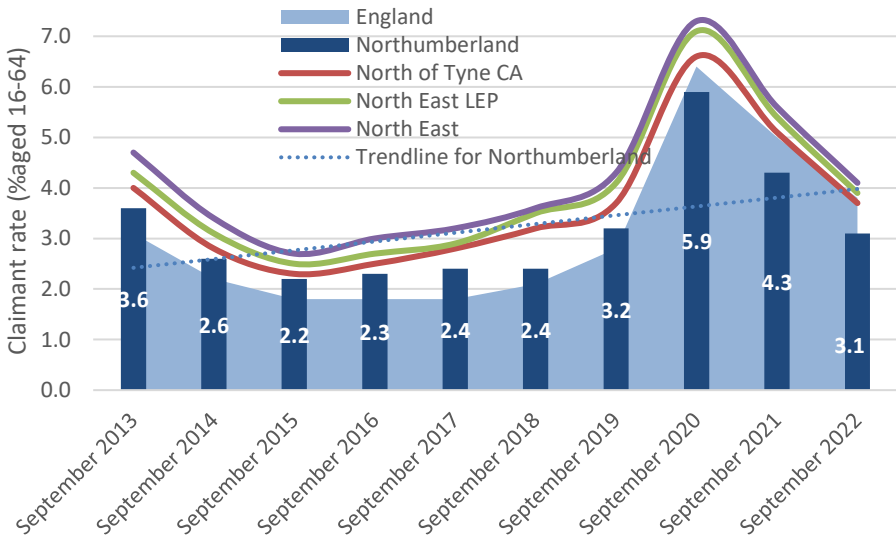
The unemployment rate (July 2021-June 2022) for men in Northumberland was 6.2%, for women it was 6.3%. The rate has generally been in decline for men and is trending upwards for women, culminating most recently in a large rise. Overall, latest data shows a difference of only 0.1 percentage points between unemployment rates in men and women of Northumberland – a convergence possibly influenced by the pandemic. (Source: APS, ONS)



APS responses are weighted to official population projections. As the current projections are 2018-based they are based on demographic trends that pre-date the COVID-19 pandemic. ONS are analysing the population totals used in the weighting process and may make adjustments if appropriate. This affects all APS periods from April 2019 to March 2020 onwards.

**Claimant Count (September 2022)**

**Claimant Count** records those claiming unemployment benefit and can prove they are actively looking for work, however it is not a complete picture of unemployment because not all individuals who are unemployed, claim. In September 2022, there were 5,980 claimants in Northumberland, a rate of 3.1% of the resident population age 16-64. 60% of the claimants were men. The claimant rate was lower than the North of Tyne CA (3.7), the North East LEP (3.9) the region (4.1) and England as a whole (3.8). (Source: Claimant count by sex and age, ONS)



September's number and rate of claimants is very similar to that encountered just before the pandemic, it is currently trending upwards due to the high levels of unemployment during 2020 and 21. Under UC, a broader span of claimants are required to look for work than under Jobseeker's Allowance. UC policy was announced in 2010 and was introduced in the Welfare Reform Act 2012, but the national rollout was delayed until 2017. Northumberland began UC full service during November and December 2018.



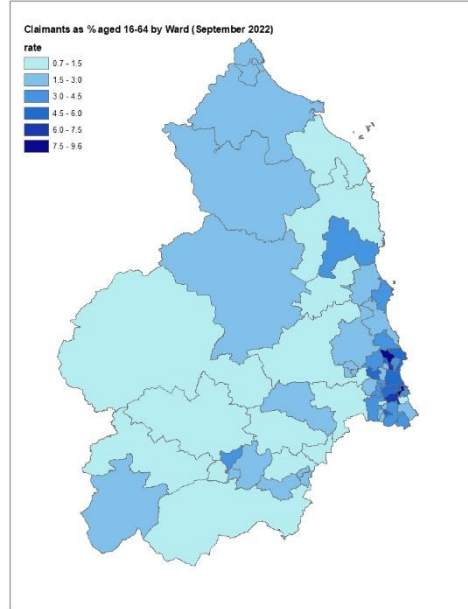
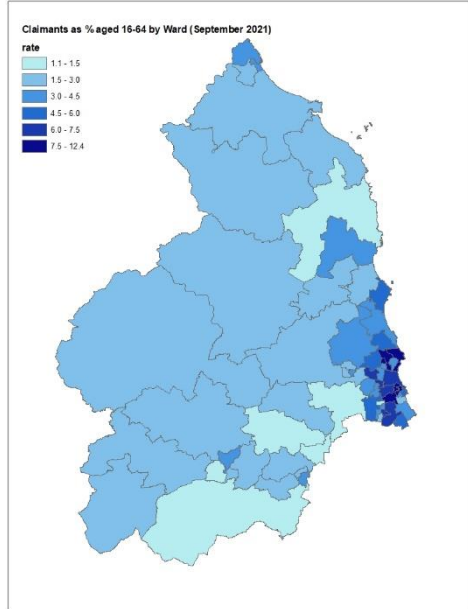
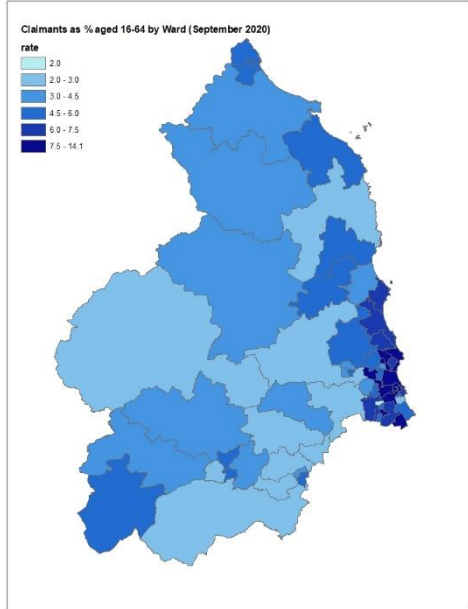
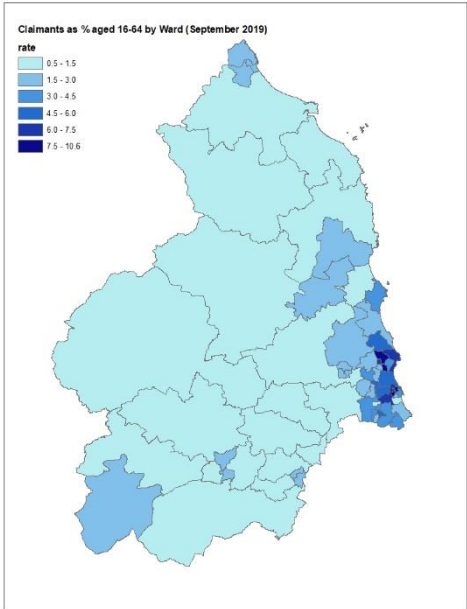
### Northumberland's claimant rates – the effect of the pandemic

The maps show the claimant count rates in September for Northumberland's Wards 2019-22; the darker the shading, the higher the rate of claimants as a proportion of residents aged 16-64. The highest rate in September 2022 was in Croft ward (9.6%, 285 people) and the lowest was in Ponteland West ward (0.7%, 20 people). Since this particular dataset commenced in 2013, Croft and Hirst wards have consistently housed the highest claimant rates each year - ranging from a low of 6.1% in August 2015 to a peak rate of 15.1% in March 2021. The wards with the smallest claimant rates over the same period of time have varied each year with Cramlington North ward averaging the lowest from a low of 0.3% at the end of 2017 to a high of 2.2% in May 2020.

In considering the wider Combined Authority area and further afield to other wards in the LEP, Elswick in Newcastle, had the highest claimant rate in September 2022, of 13%, 1,355 people. Neville's Cross in County Durham had the lowest claimant rate in the LEP area, of 0.4%, 45 people.

The highest claimant rate by ward in the country in September 2022 was in Tower (City of London), 27.2%, but as this has a tiny population of around 400 working age adults, it is vulnerable to small fluctuations. The next highest was in North Ormesby, Middlesbrough at 16.1% of its' 2,000 residents aged 16-64.

University and Scotforth Rural Ward in Lancaster had the lowest claimant rate in the country at this time, at 0% of its' 7,000 residents. (Source: Claimant count by sex and age, ONS)



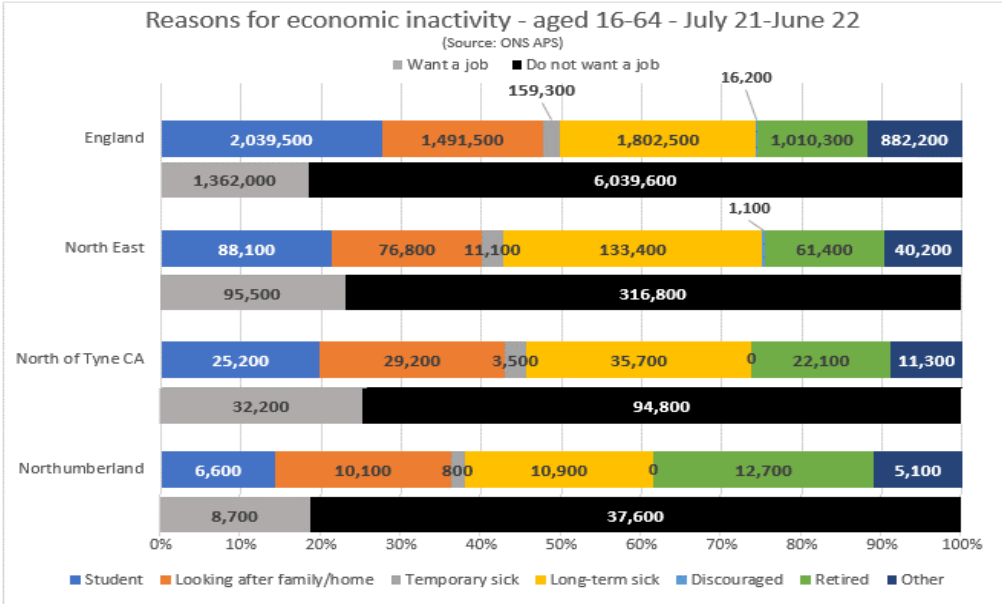


**Economic Inactivity**

Economically inactive people are not in work and do not meet the internationally agreed definition of unemployment; they can be divided into those ‘wanting a job’ (people not in employment, who want a job, but who have not actively sought work in the last four weeks or are not available to start work) or those ‘not wanting a job’. There are many different reasons why people might not be looking for work – for example, they are wealthy enough not to need to work. Other people may have given up looking for work in the belief there is none to be found in their locality; ‘discouraged workers’. The biggest category across the country tends to be students, followed by long-term sick and people looking after family or home (predominantly women). There are also people in this age group who are already retired. (Source: APS, ONS)

**Northumberland’s Economically Inactive population**

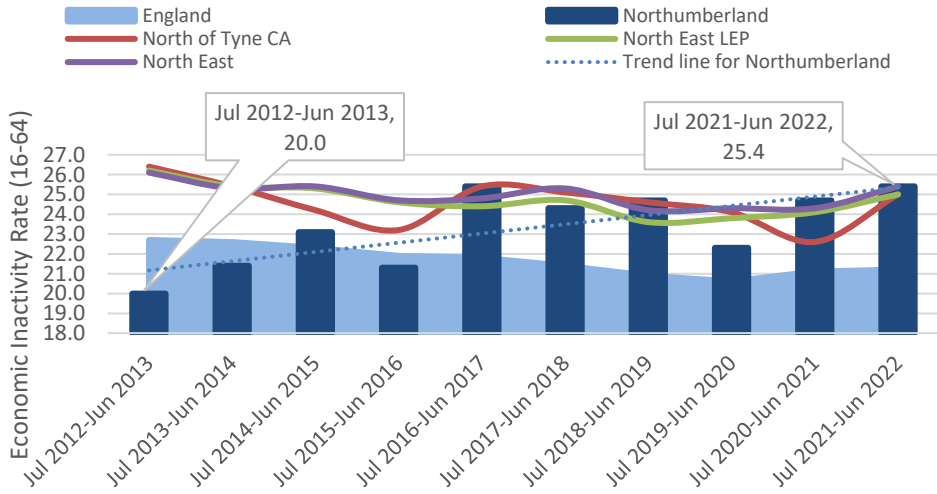
In Northumberland, (Jul 2021-Jun 22) over 25% of the resident population aged 16-64 were economically inactive. Of the 46,200 people who were economically inactive, almost 81% did not want a job. (Source: APS, ONS)



Northumberland’s reasons for economic inactivity are conventionally dominated by the ‘long term sick’ (24%). Student numbers had been growing, until a fall most recently, likely influenced by the pandemic (14%). Early retired has increased to higher levels shown pre-UC rollout (27.5%) and homemakers had fluctuated, likely due to the working from home option (22%).

**Economic Inactivity Rate Change Over Time**

Overall, although erratic, Northumberland’s economic inactivity rate had displayed a downward trend from a post-recession high of around 27% to a low of just 20% in 2012/13. It is now more closely aligned with both the Combined Authority and the LEP and is trending upwards. Nationally, levels have remained more stable and generally lower.



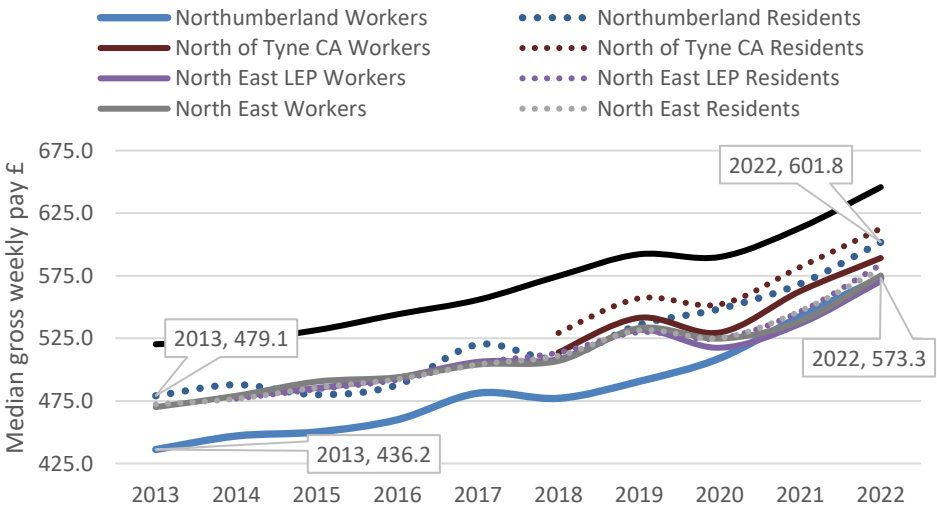
Early retirement has seen the largest growth in Northumberland during the pandemic, climbing by a huge 74% (5,400) between Jul 2019-Jun 2020 and Jul 2021-Jun 2022, from 7,300 to 12,700 residents. (Source: APS, ONS). Encouraging older workers (over 50) back into work is a much referenced topic (e.g. [ONS](#)).

**Earnings**

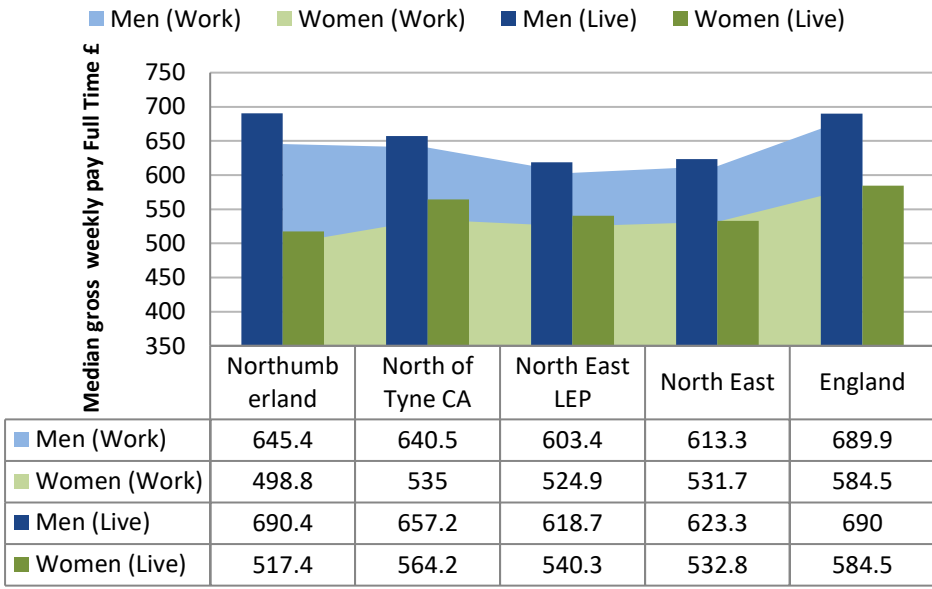
The following figures are based on the average (median) gross earnings in pounds for full time employees who are on adult rates of pay and whose pay was not affected by absence. Information regarding earnings can be based on where you live and where you work. During 2022, pay for those **working** in the county was £573 per week compared to an average of £589 for the North of Tyne CA, £571 in the LEP area, £575 in the North East region and £646 across England. Median weekly pay for Northumberland’s **residents** was £602, compared to £613 in the North of Tyne CA, £584 in the LEP area, £580 in the North East and £646 across England. The source for this data is the [Annual Survey of Hours and Earnings \(ASHE\)](#). All 2022 data is *provisional and may be subject to revision*.

**Earnings over time and pay gap**

The median pay of those **living** in the county has risen sharply recently, from £479 per week in 2013 to £602 in 2022. This is currently higher on average than most regional levels. For those **working** in the county however, earnings are still much lower but have grown by almost 30% over the last 10 years and are now more in line with the rest of the region.



In 2022, the weekly gross pay of **men working** full-time in Northumberland was £147 per week greater than the pay of **women**. For **residents** of Northumberland, the weekly gross pay of men (full-time) was £173 per week greater than the pay of women. This compares to a difference of up to £105 per week for the North of Tyne CA, up to £78 per week in the LEP, up to £90 per week in the North East region and around £105 per week in England in both residence and workplace terms.



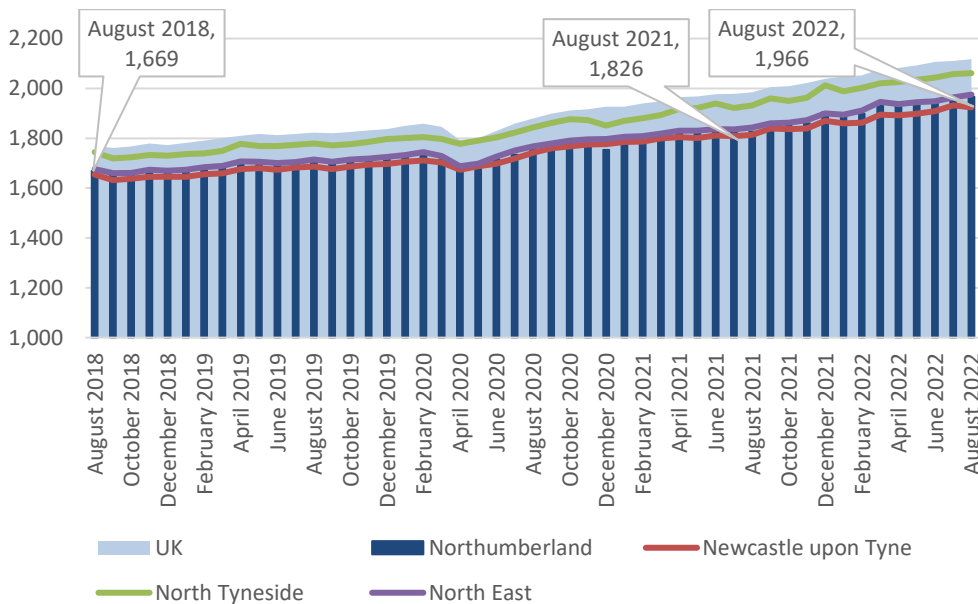
For those **working** in Northumberland, the weekly gross pay of men (full-time) has increased from £488 in 2013 to £645 in 2022; it is £76 more than last year. For women (full-time) it has increased from £390 in 2013 to £498 in 2022, and £11 more than last year. For **residents** of Northumberland, who may work out of the County, the weekly gross pay of men working full-time has increased from £518 in 2013 to £690 in 2022. For women the increase was from £418 to £518. This broke the £500 threshold for the first time last year.

**Pay As You Earn Real Time Information**

Although experimental and under development, earnings and employment from Pay As You Earn Real Time Information statistics (PAYE RTI), were relied upon during the pandemic to provide more precise and detailed statistics on pay and employment and may have the potential to replace some of the survey-based data published by ONS, such as those already discussed. The data is not directly comparable to the established labour market statistics currently classed as official UK National Statistics and have limitations. (Source: [ONS New Methods for Earnings and Employment data](#))

**Median pay from PAYE RTI**

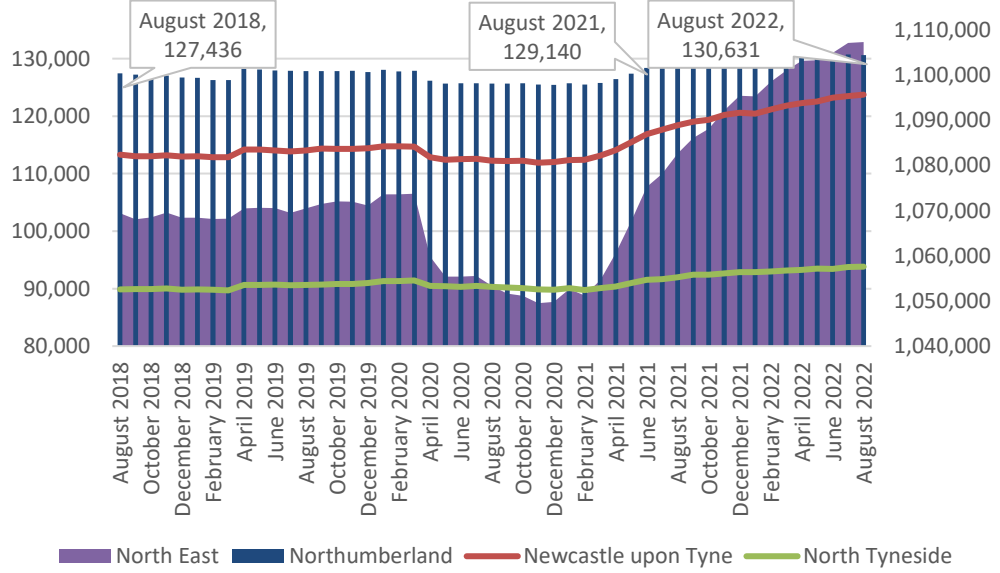
These estimates are based on the median monthly payments employers make to their employees who are employed in at least one job paid through PAYE. In August 2022, Northumberland monthly pay was £1,966, an increase of 8% compared with the same period of the previous year.



Northumberland’s pay was similar to regional pay, 2% higher than median pay in Newcastle, but 5% lower than North Tyneside and 8% lower than the national median of £2,117. (Source: [HMRC PAYERTI](#))

**Payrolled employees**

There were 130,631 payrolled employees in Northumberland in August 2022, a rise of 1% compared with the same period of the previous year, equivalent to 1,491 people over a 12 month period.

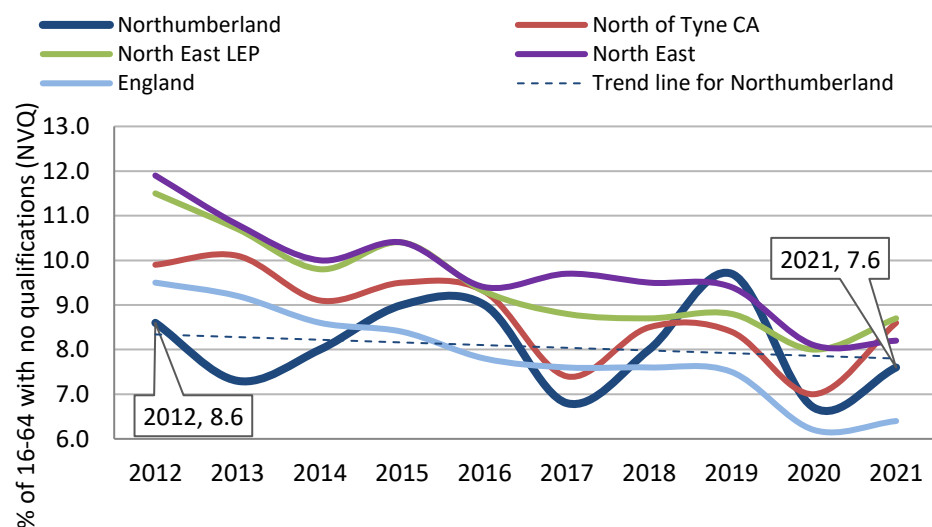


Growth in payrolled employees was much greater in Newcastle over the same 12 months (4%, 5,295 people) and it was 2% in North Tyneside and across the region (1,859 and 24,671 people respectively). Nationally the average growth rate was 3% over the 12 month period to August 2022. *Please note due to scale, national data is not included in the chart above and regional data is displayed on the second axis.* (Source HMRC PAYERTI as previous).

## Skills and Education

### Population with no qualifications

In 2021, 7.6% of the population in Northumberland (aged 16-64) had no qualifications. This is lower than the North of Tyne CA (8.6%), North East LEP (8.7%) and the region (8.2%). (Source: APS, ONS) Nationally, the percentage of children leaving education without any substantive education fell continuously between 2005 (when the data starts) and 2015, since when it has been rising. This is largely driven by a sharp increase in the proportion of pupils on free school meals (FSM) failing to achieve these targets. (Source: [Children's Commissioner, 2019](#))



### Skills Gaps

The [UK Commission for Employment and Skills Employer Skills Survey](#) provides comprehensive analysis of the skills businesses need and identifies areas of skill deficiency. The last survey reported that 12% of Northumberland's establishments had staff not fully proficient and 4% had a skills shortage vacancy. This was marginally better than the North of Tyne CA average (13% and 6%) and North East LEP (14% and 4%). The national average was 13% of establishments without fully proficient staff and 6% had a skills shortage vacancy. (Source: [UKCES ESS 2019](#), [2022 currently underway](#))

## GCSE Results

There are a number of headline accountability measures, but for the purposes of this bulletin we will look at attainment in English and Mathematics. **66.3%** of pupils in Northumberland achieved a grade 4 or above, compared with 65.6% across the North East and 68.8% across England in the academic year 2021/22. This academic year saw the return of the summer exam series, after they had been cancelled in 2020 and 2021 due to the impact of the pandemic, where alternative processes were set up to award grades (centre assessment grades, known as CAGs, and teacher assessed grades, known as TAGs). As part of the transition back to the summer exam series adaptations were made to the exams (including advance information) and the approach to grading for 2022 exams broadly reflected a midpoint between results in 2019 and 2021. (Source: [DfE Key Stage 4 Performance 2022](#))

### NEET

Northumberland's 2021 NEET (and not known) for 16-17 year olds of 4.7% is below average in the North East LEP area, and it is in the middle (3<sup>rd</sup>) quintile compared to other LAs across the country. North Tyneside had the lowest at 4.4% placing it in the 2<sup>nd</sup> quintile. The North East regional average was 5.7% and the England average was 5.5% for the same period. From September 2016 DfE relaxed the requirement on authorities to track academic age 18 year olds. LAs are now only required to track and submit information about young people up to the end of the academic year in which they have their 18th birthday. (Source: [DfE 2021 NEET Scorecard](#)) The data covers the period December 2020, January and February 2021 and is latest available at LA level.

### Further learning and higher education

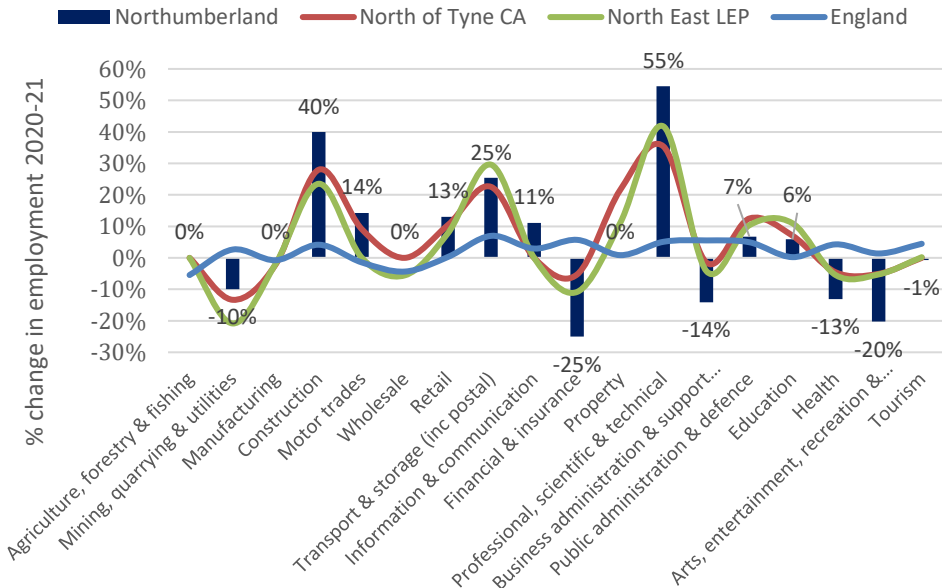
The percentage of Northumberland's KS4 students going to a sustained education destination in 2020/21 was 85.6% (state-funded, mainstream). This was lower than the regional average (85.8%) and lower than the national average (89%). In the same year 3.6% of the students went onto sustained apprenticeships, compared with 3.2% regionally and 2.4% nationwide. (Source: [gov.uk Explore Education Statistics](#)) At KS5, 42.3% of Northumberland's students went onto a sustained education destination that year (mainstream schools and colleges). This was 3.3 percentage points less than the regional average and 5.1 percentage points less than the national average. (Source: [DfE 2021](#))

**Job related training**

Between July 2021 and June 2022, 15.8% of the population aged 16-64 in Northumberland received job related training (13week parameter). This was less than the North of Tyne CA (17.5), North East LEP (16.1), the region (17) and England (18.9). For Northumberland this was a slight increase on the equivalent time period for the previous year. More females than males received training; 14.5% of males compared with 16.9% of females. The proportions were higher in all cases at the wider geographies (Source: APS)

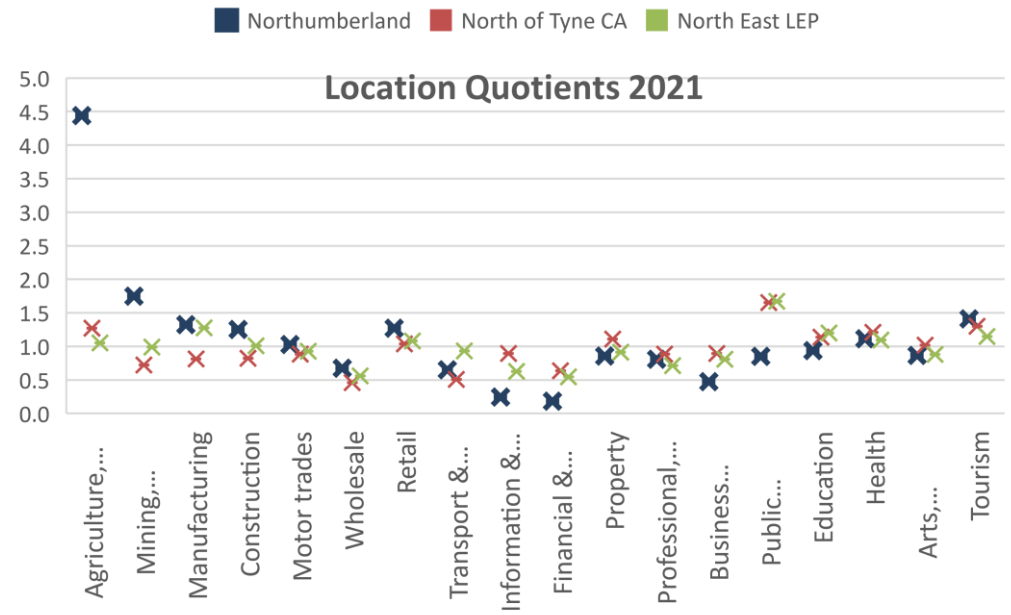
**Business stock**

The [Business Register and Employment Survey \(BRES\)](#) is the official source of employee and employment estimates by detailed geography and industry. The chart below provides an indication of the change in volume of employment by sector between 2020 and 2021 both locally and nationally.



Northumberland displays a stark contrast to the wider regional context in a number of areas, with over 10% shrinkage in 5 sectors, the greatest being in the finance & insurance and the art, entertainment and recreation sectors. Conversely 6 sectors experienced over 10% growth, the greatest resurgence being in the professional, scientific and technical sector – likely linked to the [Energy Central](#) cluster. In terms of employment numbers and proportion of the workforce, Northumberland has stronger manufacturing, retail, agricultural, tourism and health sectors.

The **location quotient (LQ)** formula allows economists to calculate whether a region is employing enough workers in each sector compared with the national economy. When LQ = 1, the employment is equal in the sector for the national and local economy. Therefore, the sector supply is equal to demand.



Northumberland has particularly high employment LQs in agriculture, mining and utilities and lower LQs in finance, information and public admin. (Source: BRES 2021)

**Business Demography**

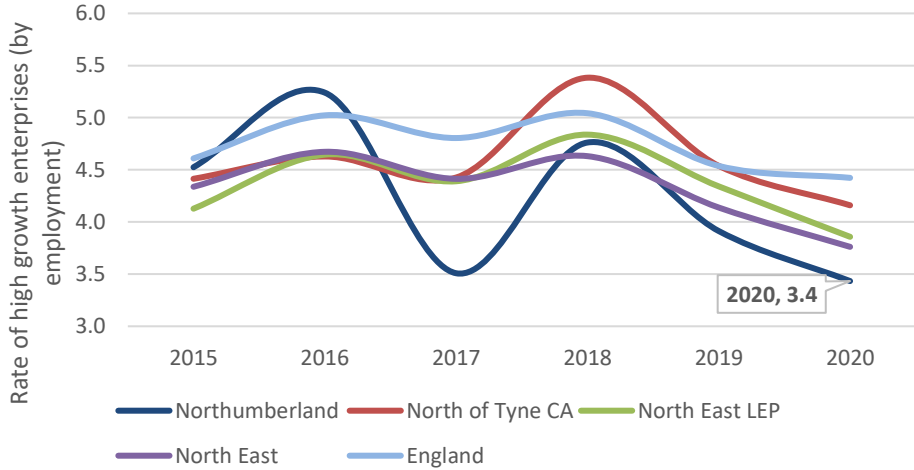
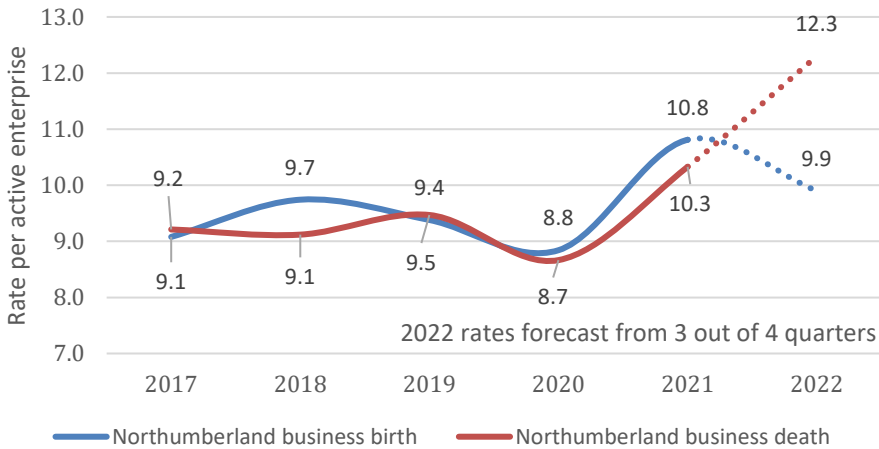
ONS tells us “the starting point for the calculation of business demography data is the concept of active businesses in a reference year. These are defined as businesses that had either turnover or employment at any time during the reference period. New business registrations (identified through registration of the administrative units, that is, Value Added Tax (VAT) and Pay as You Earn (PAYE)) are referred to as **business births**. The birth rate is calculated using the number of births as a proportion of the active businesses.

Businesses that have ceased to trade (identified through de-registration of the administrative units) are referred to as **business deaths**. The death rate is calculated using the number of deaths as a proportion of the active businesses. The most dynamic and successful areas have both high birth and death rates.

In 2021, the rate of start-ups (births) of enterprises (as a proportion of active enterprises in Northumberland) was 10.8% - equivalent to 1,235 business starts out of 11,425 active businesses. This was lower than the North of Tyne CA rate (14.5%), North East LEP (16%) and England (14.5%).

The rate of closures (deaths) in Northumberland in 2021 was 10.3% - equivalent to 1,180 businesses. Again, proportionately less than the North of Tyne CA (13.2%), North East LEP (14%) and the England figure of 15%. The number and rate of closures was very similar to the number and rate of start-ups in Northumberland, having been more dynamic in previous years. (Source: [ONS Business Demography](#))

There are several different methods of measuring high growth. ONS publishes annual data on [high growth enterprises](#) under the following definition: “All enterprises with average annualised growth greater than 20% per annum, over a three-year period; by the number of employees or by turnover. For this analysis growth has been measured using employment. It is also recommended that a meaningful size threshold be set to avoid the growth of small businesses distorting any results. Eurostat have provisionally set a starting threshold of 10 employees. In 2020, Northumberland had a count of 40 high growth enterprises out of a total of 1,165 active enterprises with 10 or more employees. This was a rate of 3.4. The chart shows Northumberland in a regional and national context since 2015.



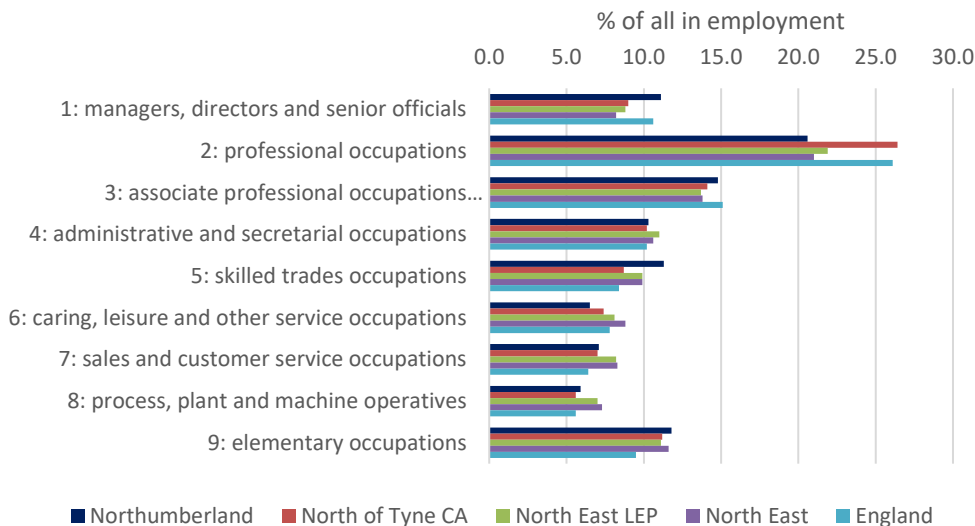


**Occupations**

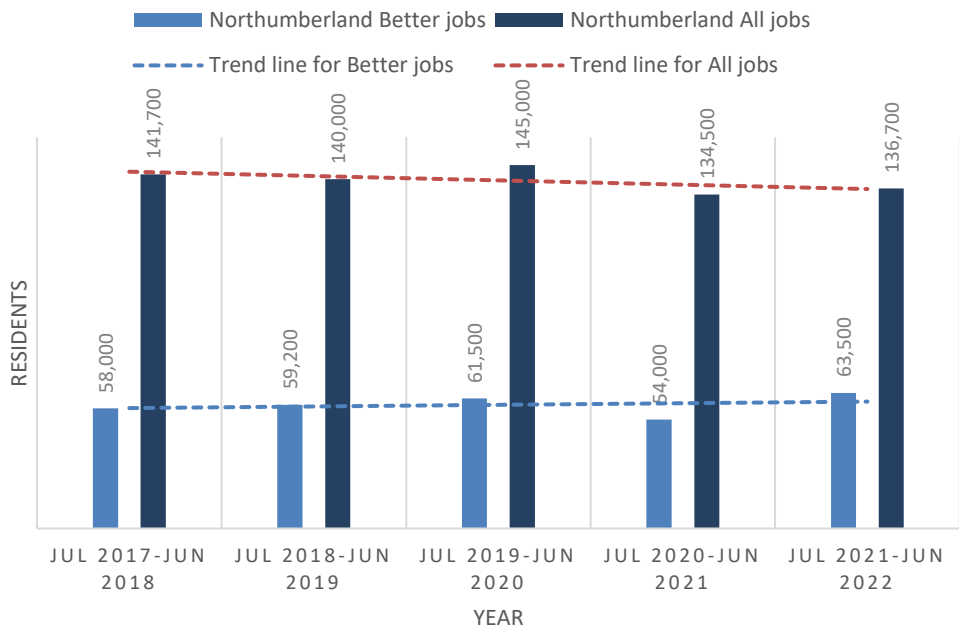
[Standard Occupational Classification \(SOC\)](#) classifies jobs in terms of their skill level and skill content. The [North East LEP Strategic Economic Plan](#) set a target to increase the number of jobs in the North East LEP area by 100,000 between 2014 and 2024. It also set a target that 70% of these will be 'better jobs'.

Better jobs are defined as jobs in the top three occupational groups – namely 1. managers, directors and senior officials; 2. professional occupations (such as civil engineers and doctors); and 3. associate professional occupations (such as childcare practitioners, veterinary nurses).

The chart below shows that currently Northumberland tends to fare less well in the proportion of those in employment in SOC groups 2 and 6 than the rest of the Combined Authority, but exceeds this in overall proportion of managers, directors and senior officials. Skilled trades, associate professional and elementary occupations are particularly well represented in the county. (Source: ONS APS 2021/22)



Northumberland’s resident workforce has significantly contracted, by over 14,000 since 2012-13 – almost two thirds of this is in the ‘better jobs’ category and reflects the overall slump in the working-age population over this period-of-time, see analysis on page 5. The proportion of those in ‘better jobs’ however has remained around 40% for some time, but with the recent [reclassification of SOC groups](#), the proportion has increased to 46% and is now trending upwards. The average across North of Tyne is 50% in better jobs, for the LEP it is 45%.



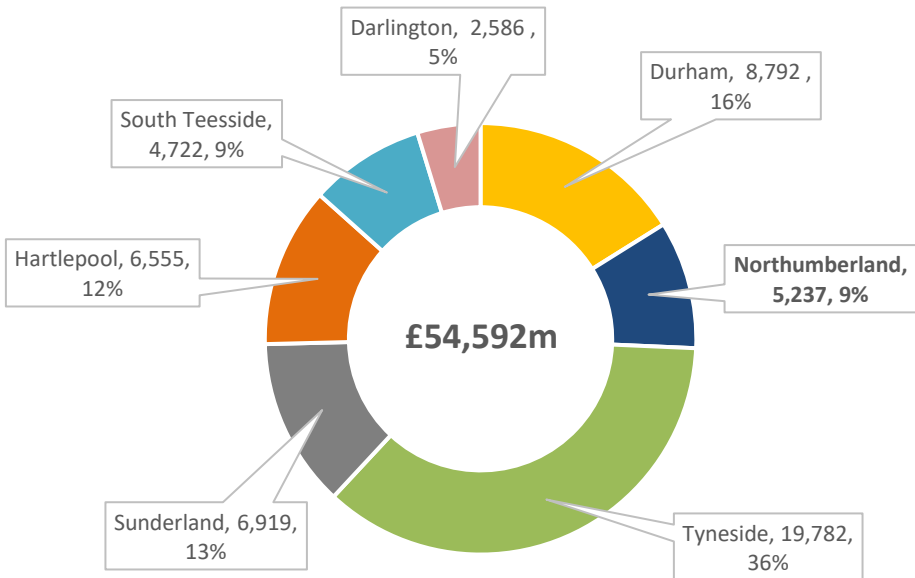
In terms of Northumberland’s employees, BRES data, as referred to earlier, reveals a downturn during 2020, returning to levels displayed pre-2015. This has bounced back for 2021 to 105,000. The sectors experiencing growth and contraction are displayed on the chart on page 13.



**Gross Value Added (GVA)**

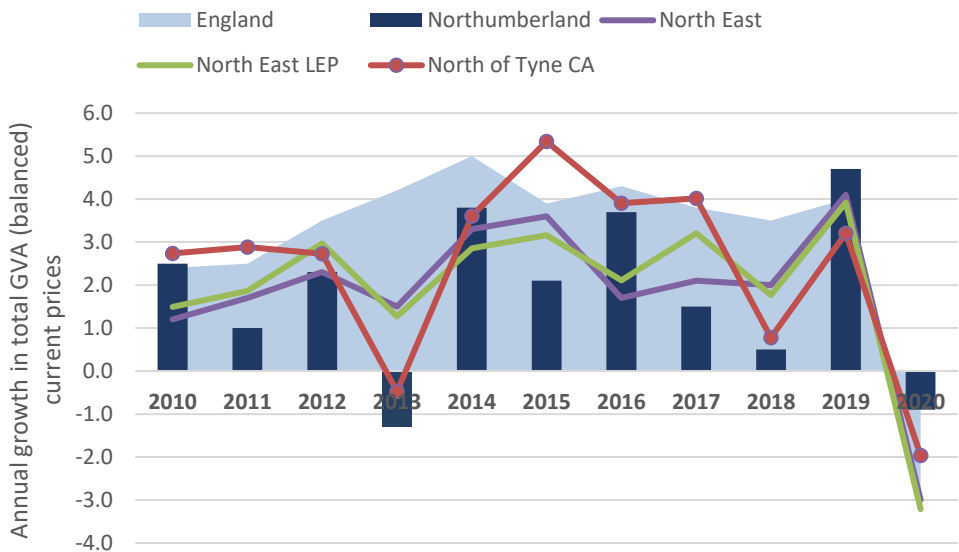
Gross Value Added provides a value for the amount of goods and services that have been produced, less the cost of all inputs and raw materials that are directly attributable to that production. It is used to monitor the performance of the national economy and is now the measure preferred by the Office for National Statistics.

The total GVA for Northumberland in 2020 (£5,237m) represents 9% of the total GVA for the North East region (£54,592m), 13% of the North East LEP (£40,729m) and 28% of the Combined Authority (£18,933m). The chart below illustrates the North East region components at current prices.



Between 2010 and 2020, the total GVA for Northumberland increased at an average nominal rate of just over 1.8% per year. This is less than the average annual change in the North East (1.9%) and England (3.1%).

The chart below shows the growth fluctuations since just after the ‘great recession’, most recently, pre-pandemic, there was an upturn for the county of 4.7%, followed by the inevitable shrinkage in 2020.



**GVA per head**

GVA per head is a useful way of comparing regions of different sizes. It is not, however, a measure of regional productivity as the population estimates used to calculate it include the economically inactive population. Northumberland’s GVA per head in 2020 was £16,173 compared to £22,770 for Tyneside, £20,364 for the North East and £29,757 for England. In all cases these were lower than the year previous.

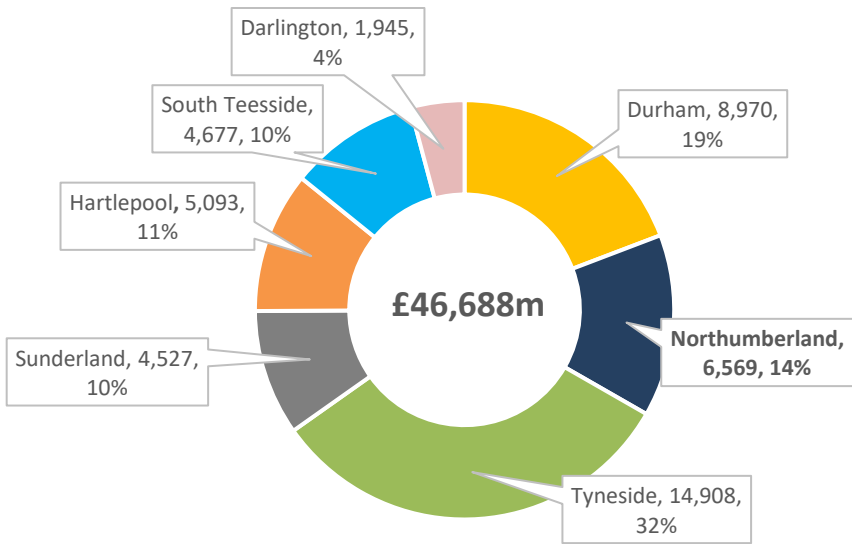
(Source: Regional Accounts, ONS)

See: <https://www.ons.gov.uk/economy/grossvalueaddedgva>

**Gross disposable household income (GDHI)**

Household disposable income represents the amount of money left available within the household sector for spending or saving, after expenditure associated with income (e.g. taxes and social contributions), property ownership (e.g. interest paid on mortgages and other borrowings) and provision for future pension income.

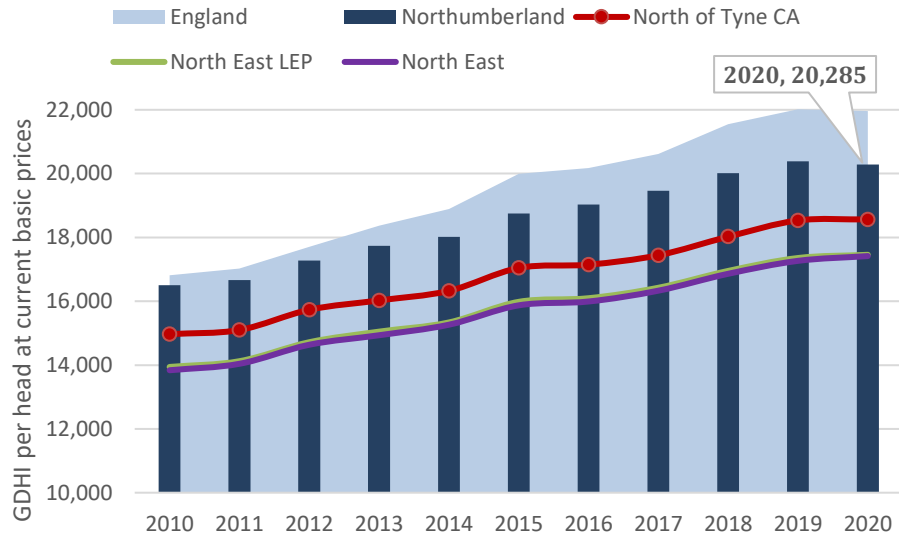
The total GDHI for Northumberland in 2020 - £6,569m, represents 14% of the total GDHI for the North East region (£46,688m).



Between 2010 and 2020, the total GDHI for Northumberland increased at an average nominal rate of 2.1% per year. This was the lowest average rate in all North-East authorities and much less than England overall (3.3%). There was actually zero growth for Northumberland in GDHI year on year between 2019 and 2020.

See also: [Regional differences in income and productivity](#) (Source: [Regional Accounts, ONS](#))

**GDHI per head**



In 2020 the GDHI per head in Northumberland was £20,285 which, regionally, is nearest to the England average of £21,962, but it is diverging, having previously been closer. There was actually a contraction of 0.5 per head between 2019 and 2020. The North East region and LEP figures of £17,416 and £17,455 respectively, have remained much the same but substantially lower. North of Tyne CA GDHI per head was £18,564. To understand what is driving the difference between regions the components of income should be considered. The components form two stages, the allocation of primary income (generated from employment and ownership of assets) and the distribution of secondary income (government redistribution of income). Proportionally Northumberland has a greater amount of ‘property income, received’ and a greater amount of ‘imputed social contributions, social benefits received’ than other areas in the North East.