



Northumberland Knowledge

Economic Performance

Know Northumberland at a glance

- Home to **320,600 people** ([Census 2021](#)).
- Covers an **area of 5078 km² (eor)**, 90% of this is classed as **rural** ([SAM 2021](#) and [RUCWards2011](#)).
- **41%** of the population **live in rural wards** ([Census 2021](#) and [RUCWards2011](#)).
- **People aged 65 and over have increased by 28.9%** since Census 2011 ([Census 2021](#)).
- 6th most sparsely populated with a **density of 64 people per km²** ([Census 2021](#)).
- **52%** of the population **live in 5% of the area** ([Census 2021](#) and [SAM 2021](#)).
- **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 £202,417**, higher than the NE region, £165,366, but lower than England, £309,616 ([UKHPI](#) all property types Aug23).
- **Unemployment rate** is lower than both region and national levels (**3.6%** compared to 4.2% and 3.8%) ([APS Jul22-Jun23](#)), **3.1% claim out of work benefits** compared with North East rate of 4.0% and England rate of 3.8% ([ONS Claimant Count Sep 23](#)).
- **Employment rate** is **70.1%** compared with 71.2% across North East and 78.8% across England ([APS Jul22-Jun23](#)).
- **Wages** for those working in the county are lower than the national figure, with the **weekly average** (median) pay being £607.80 compared to £683.50 in England and £608.40 in the North East ([ASHE 2023](#)).
- **GVA** (Gross Value Added) per head stood at £17,140 compared to £21,340 across the North East and £31,138 for England ([GVA\(B\) 2021](#)) (ONS).
- **Crime rates** (per 1,000 population) are low at 77 - the lowest rate in the Northumbria force area where overall rate is 101 ([CSEW by CSP Jun 2023](#)).
- The percentage of children achieving a grade 4 or above in **GCSE English and mathematics** is 63.1%, compared to 62.2% across the North East and 65.1% in England ([gov.uk Education Statistics Service 2022/23](#)).



Contents	Page	What you need to know
Employment	4	<p>The economic performance of the county can be assessed by looking at many datasets which cover a number of socio-economic factors. This data provides the evidence base for the economic objectives contained within the Economic Strategy policy framework. These are: Grow the Business Base, Support Inclusive Employment and Deliver Productive Places.</p> <ul style="list-style-type: none">• Employment: 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.• Unemployment: The number of people unemployed as a percentage of the economically active population.• Claimant Count: 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.• Economically inactive: 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, have retired early or are too sick to work.• Earnings: Average (median) gross earnings in pounds, based on where a person lives or where a person works.• Skills: GCSE results, percentage of pupils progressing to further and higher education, apprenticeships, percentage of people aged 16-64 with no qualifications, 16-18 year olds not in education, employment or training (NEET), skills gaps, job related training, vacancies.• Business activity and demography: 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. The Inter-Departmental Business Register (IDBR) is a comprehensive list of UK businesses used by government for statistical purposes. 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.• Occupations: 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”.• Productivity and Growth: 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.• Spending: 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. <p>Indicators in this bulletin are presented for Northumberland, the North East Region and England, and also, where possible, for the North East Local Enterprise Partnership (LEP) and the North of Tyne Combined Authority (NTCA). 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;">Compiled by: Julie Dowson, Senior Economic Analyst Economic Development and Growth <i>Comments and feedback welcomed: julie.dowson@northumberland.gov.uk</i></p>
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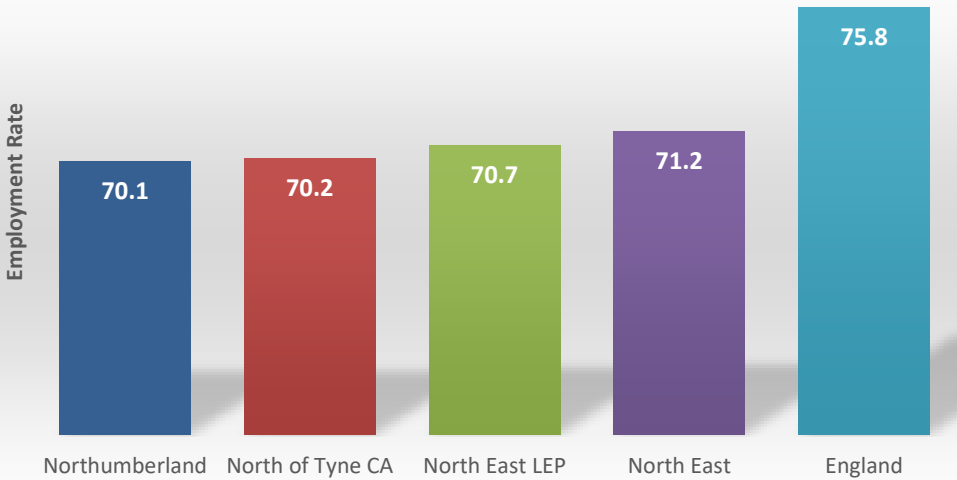
Employment

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, however falling response rates and the demand for better data collection mean this is in a [period of transition](#), with a new, improved LFS due for release in **Spring 2024**.

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.”

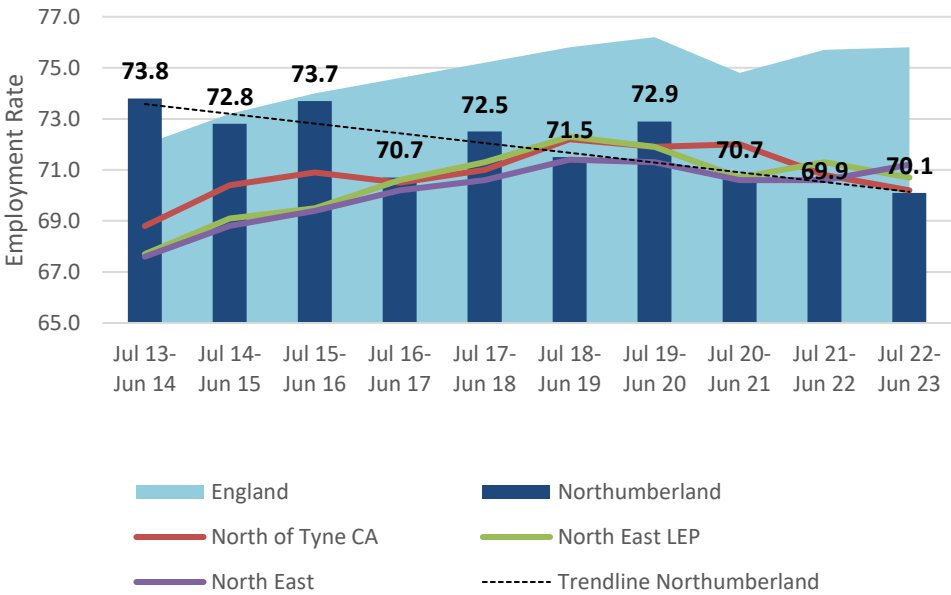
Employment Rate

From July 2022 to June 2023, the employment rate for those aged 16-64 in Northumberland was 70.1% which was lower than the average for the North of Tyne CA (70.2%), the North East LEP (70.7%), and the region (71.2%). England’s average however, was much higher at 75.8%. In numeric terms, **2,300 less people** were in employment in Northumberland in this time-period compared with the year previous (Source: APS, ONS)



Employment Rate Change Over Time

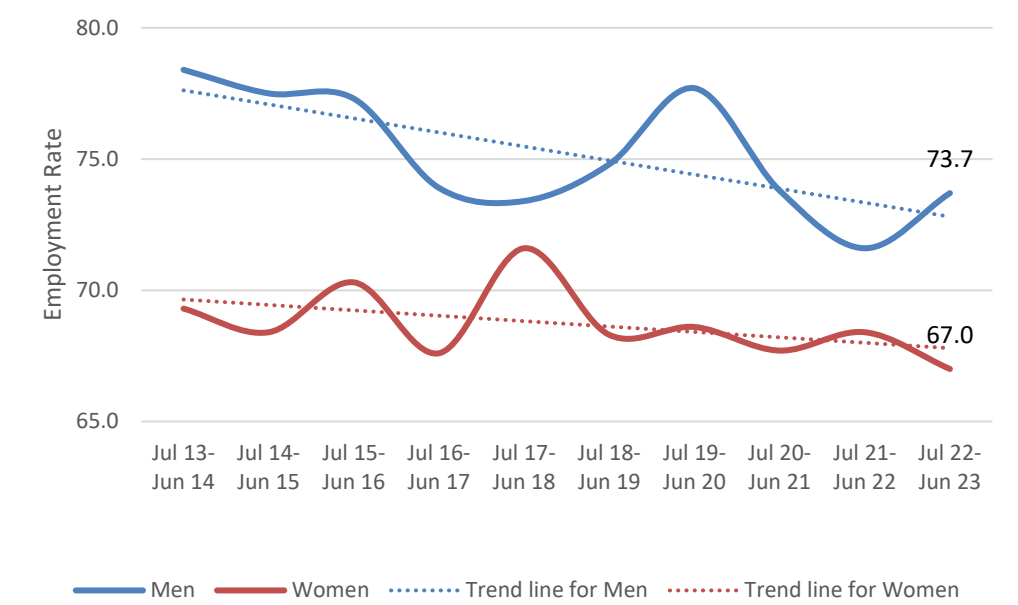
Northumberland’s previously buoyant employment rate has slipped and now aligns more closely with improving regional rates. The last few years had seen a steady increase in the national and regional rates whereas Northumberland has fluctuated rather significantly and is now displaying a downward trend. In numbers, there were **15,300 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 overall decline from mid-2012 following a particularly high period of employment (of over 80%) and was around 73.7% by June 2023. The rate for women has fluctuated around 70%, the trend, although downwards at present, is fairly, flat and was 67% in the 12 months to June 2023. (Source: APS, ONS)

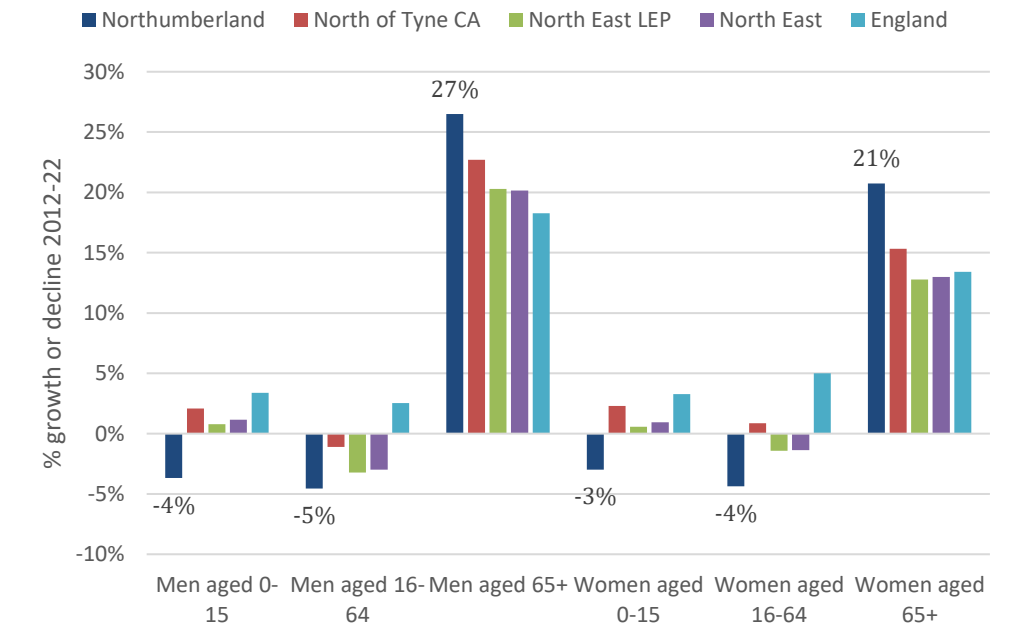
Between 2010 and 2018 the state pension age for women rose from 60 to 65, so that it became the same as that for men. Between 2018 and 2020 it then rose from age 65 to 66 for both men and women. Between 2026 and 2028 it is due to rise to 67.



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 decline in Northumberland’s employment rate, it is important to reflect on the County’s changing population and how this compares with the wider region and nationally over the last 10 years (between 2012 and 2021).

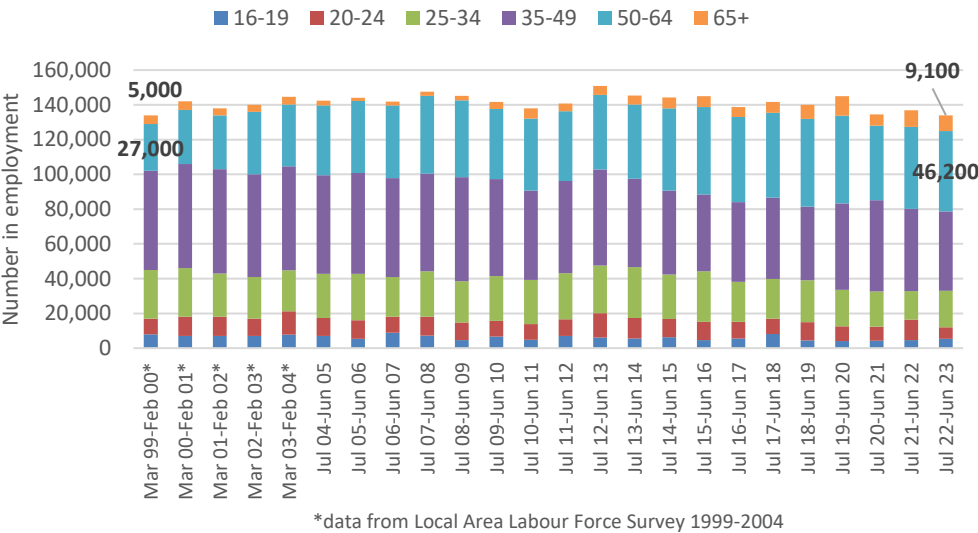


(Source: ONS MYE 2012 and 2021)

Northumberland’s population aged 16-64 contracted by 4% (almost 9,000) in the last 10 years and likely moved into the 65+ cohort, which overall grew by 23% (15,500). There is a significant contraction in Northumberland’s 0-15 age group too (3%, almost 2,000), which has not occurred in other areas and may have knock on effects for the future working age population group.

Employment Rate by age

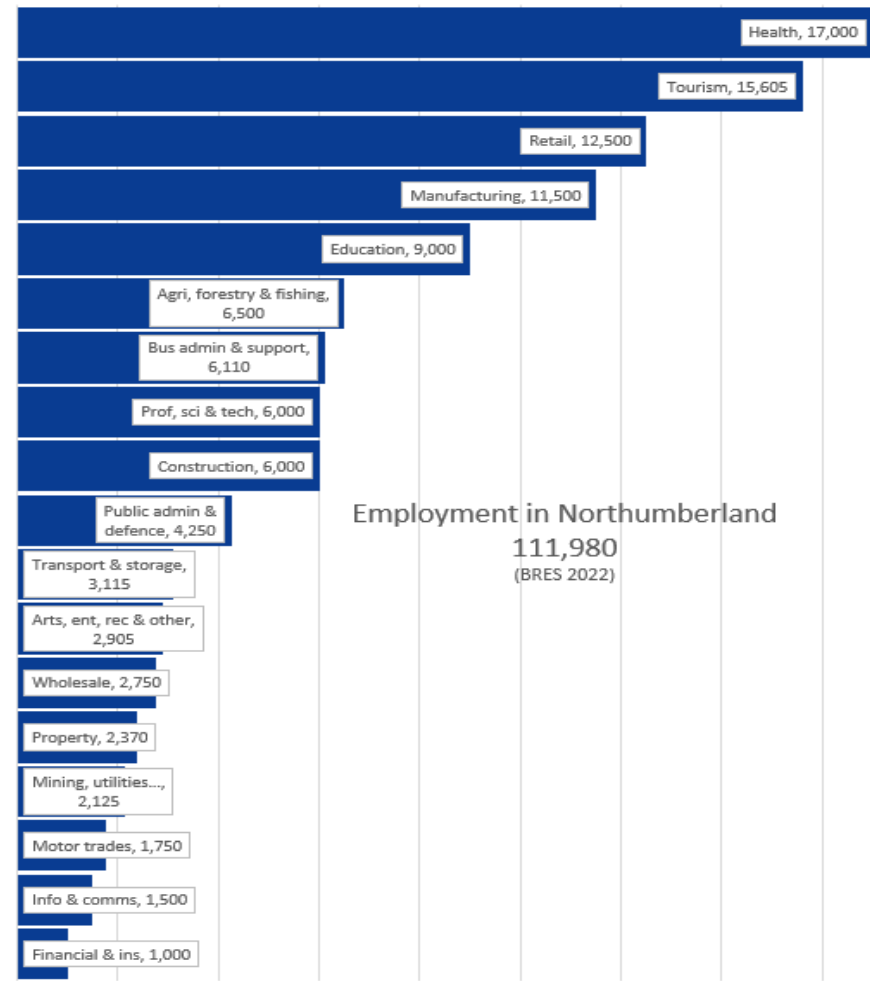
The changes in Northumberland’s population also influence the age-range of the working population. There is a noticeable increase in the employment rate of the older, 50+ and 65+ groups. Since the beginning of the millenium there has been an increase of 71% in the 50-64 age group, equivalent to 19,200 more people and 82% in the 65+ age group, equivalent to 4,100 more people, whereas all other age groups have reduced. (Source: LALFS and APS, ONS)



Nationally, analysis by the Centre for Ageing Better has revealed “there were 457,000 workers aged 65 and above in 2000, and now there are 1.43 million workers in the same age group with 566,000 of these additional workers due to the increase in the size of the population aged 65+ over the last 23 years. The increase in state pension age has also influenced employment rates, especially for women.” (Source: [Almost one million more workers aged 65 and above since the millennium, new analysis reveals | Centre for Ageing Better \(ageing-better.org.uk\)](#))

Employment by sector

The [Business Register and Employment Survey \(BRES\)](#) is an annual employer survey of the number of jobs held, broken down by industry. BRES is the official source of employee and employment estimates by detailed geography and industry. See page 15 for further analysis. (Source: BRES)

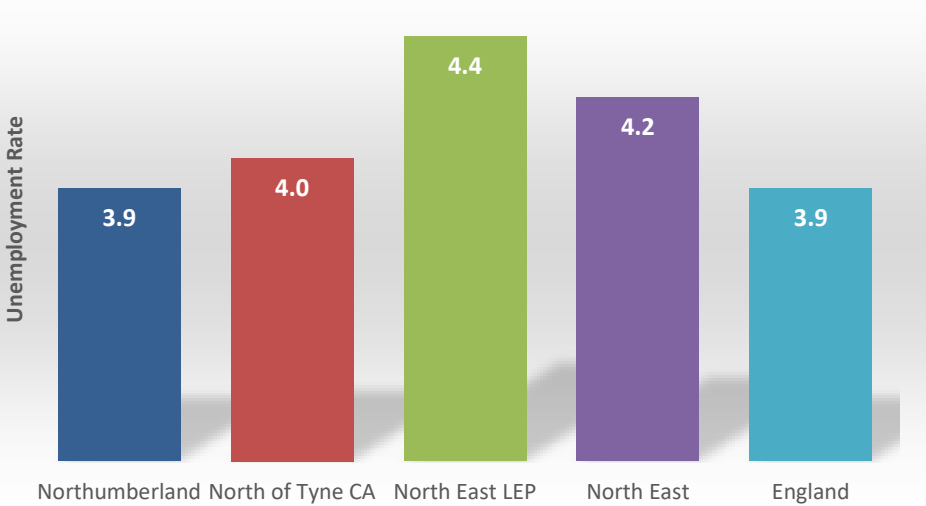


Unemployment

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.

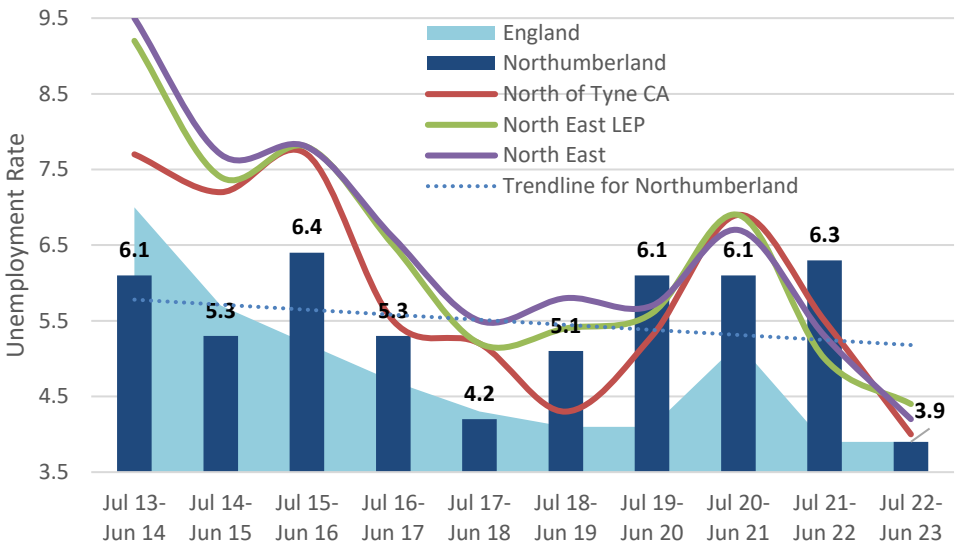
Unemployment Rate

In Northumberland, the unemployment rate from July 2022 to June 2023 was 3.9% of the economically active population aged 16-64, equivalent to 5,000 people. This was lower than the North of Tyne CA (4%) and North East LEP rates (4.4%) **and** the regional rate of 4.2% and is in line with the national rate of 3.9%. (Source: APS, ONS)



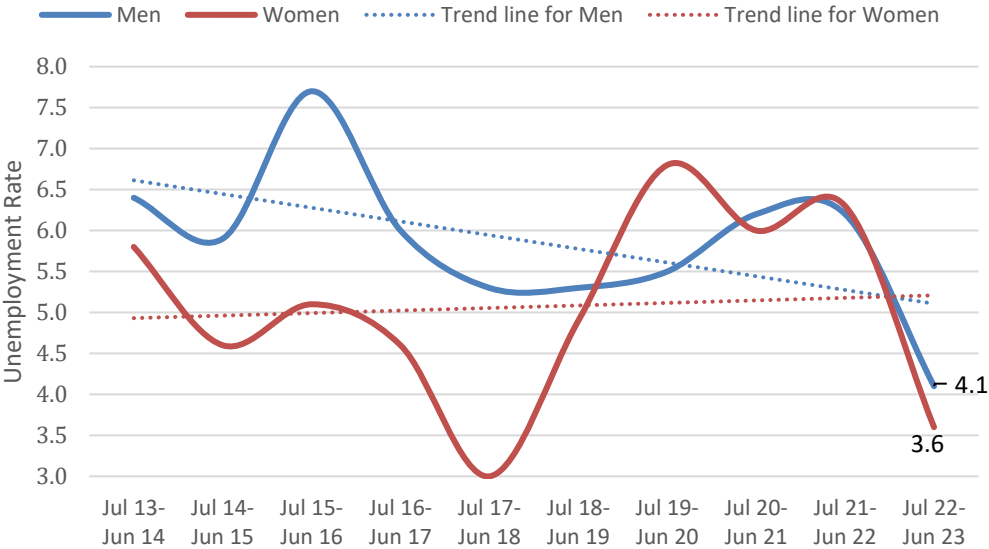
Unemployment Rate Change Over Time

The unemployment rate in Northumberland has fluctuated between record highs to record lows in the last 10 years. Despite Northumberland's fluctuations, and the impact of the pandemic, unemployment rates have generally been trending down across the North-East and nationally. (Source: APS, ONS)



Unemployment rate for men and women

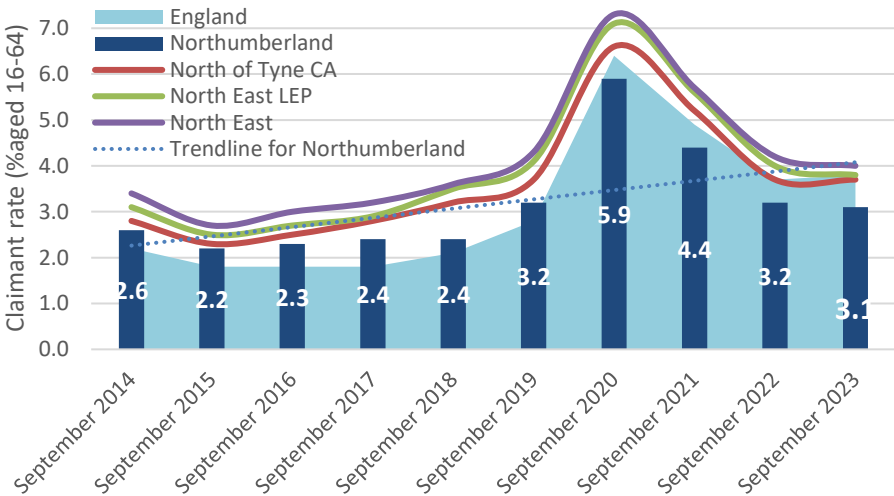
The unemployment rate (July 2022-June 2023) for men in Northumberland was 4.1%, for women it was 3.6%. The rate has generally been in decline for men and is trending upwards slightly for women, culminating most recently in a large fall. Overall, latest data shows a difference of only 0.5 percentage points 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 2023)

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 2023, there were 5,760 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 (3.8) the region (4.0) and England as a whole (3.8). (Source: Claimant count by sex and age, ONS)

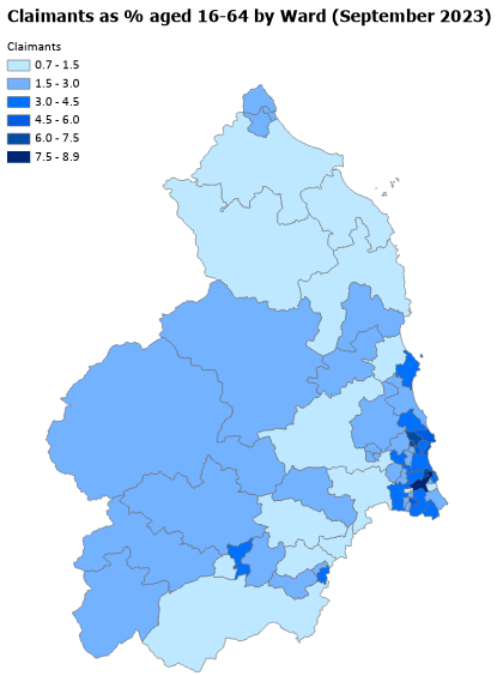
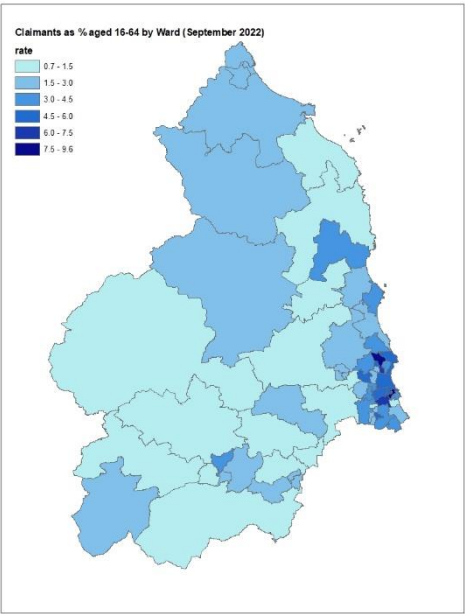
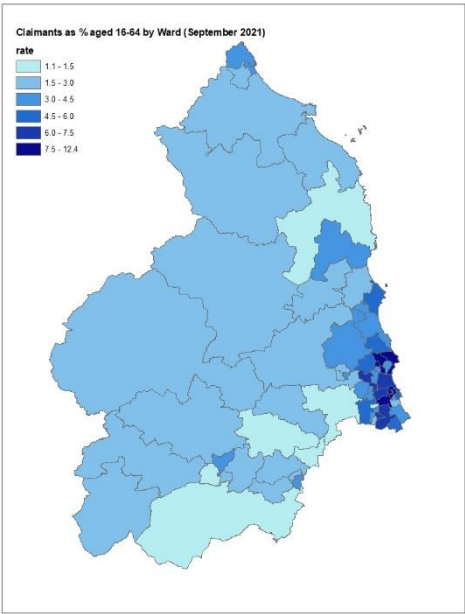
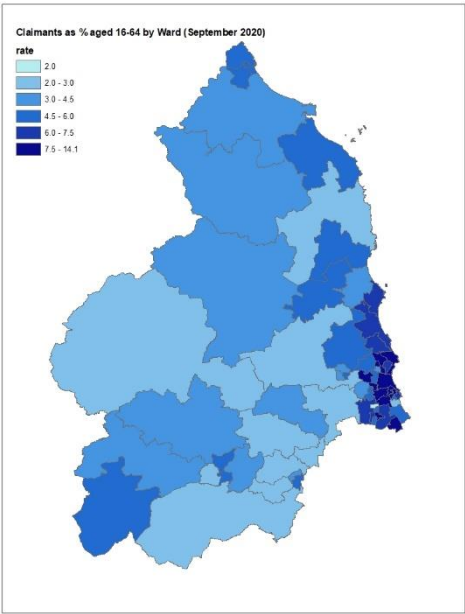


September's number and rate of claimants is very similar to that encountered just before the pandemic, it is currently trending upwards due to the high levels of unemployment during 2020 and 21. Furthermore, under UC, a broader span of claimants are required to look for work than under Jobseeker's Allowance. 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 maps show the claimant count rates in September for Northumberland's Wards 2020-23; the darker the shading, the higher the rate of claimants as a proportion of residents aged 16-64. Note the lower and higher thresholds change following the high unemployment during the pandemic. The highest rate in September 2023 was in Croft ward (8.9%, 260 people) and the lowest was in Cramlington North ward (0.7%, 25 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 2023, of 12.6%, 1,315 people. Neville's Cross in County Durham had the lowest claimant rate in the LEP area, of 0.2%, 30 people. The highest claimant rate by ward in the **country** in September 2023 was in Handsworth, Birmingham, 18.9%, 1,570 residents aged 16-64. The tiny population of St Martin's in the Isles of Scilly had the lowest claimant rate in the country at this time, at 0% of its' 83 residents, followed by Keele, Newcastle-under-Lyme, at 0.1% of its' 4,796 working age residents. (Source: Claimant count by sex and age, ONS)



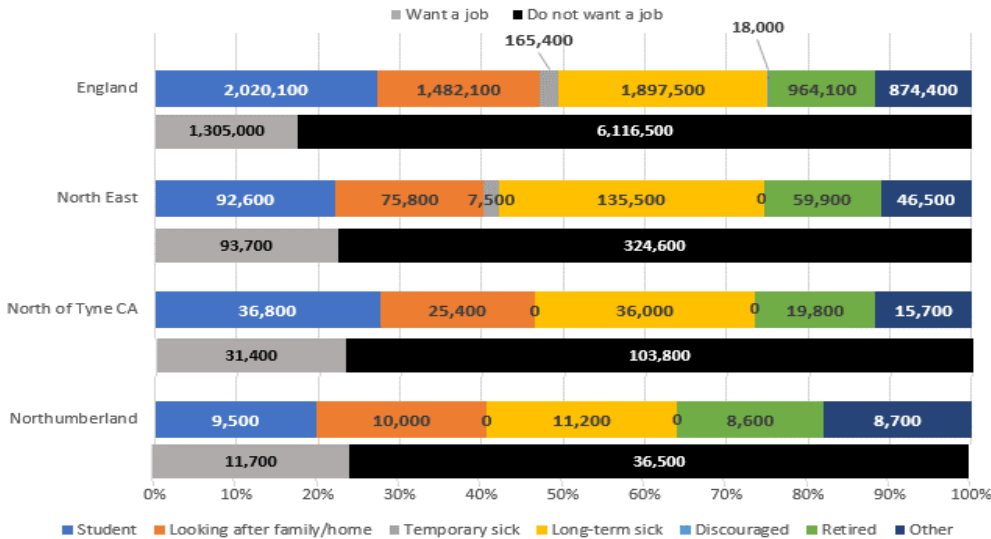
Economic Inactivity

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 2022-Jun 2023) over 27% of the resident population aged 16-64 were economically inactive. Of the 48,200 people who were economically inactive, over three quarters did not want a job (76%). (Source: APS, ONS)

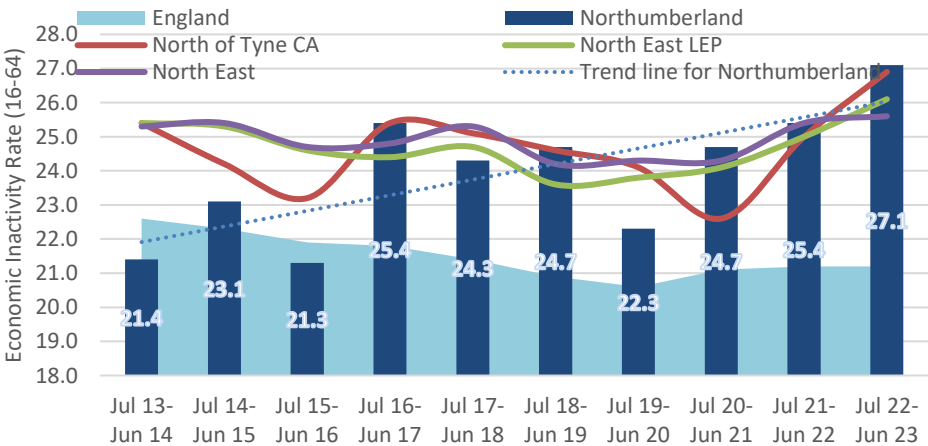
Reasons for economic inactivity - aged 16-64 - Jul 22-Jun 23
(Source: ONS APS)



Northumberland's reasons for economic inactivity are currently dominated by the 'long term sick' (23%). The high levels of early retired, have fallen recently (18%). Homemakers/carers tend to fluctuate but are currently higher than those early retired (21%), perhaps influenced by long term sickness caring needs. Student numbers are growing at present (20%).

Economic Inactivity Rate Change Over Time

Northumberland's economic inactivity rate is displaying an upward trend returning to the post-recession high of around 27%. This is closely aligned with both the Combined Authority and the LEP, with some constituent authorities displaying even higher levels up to 30%. Nationally, levels have remained more stable and generally lower.



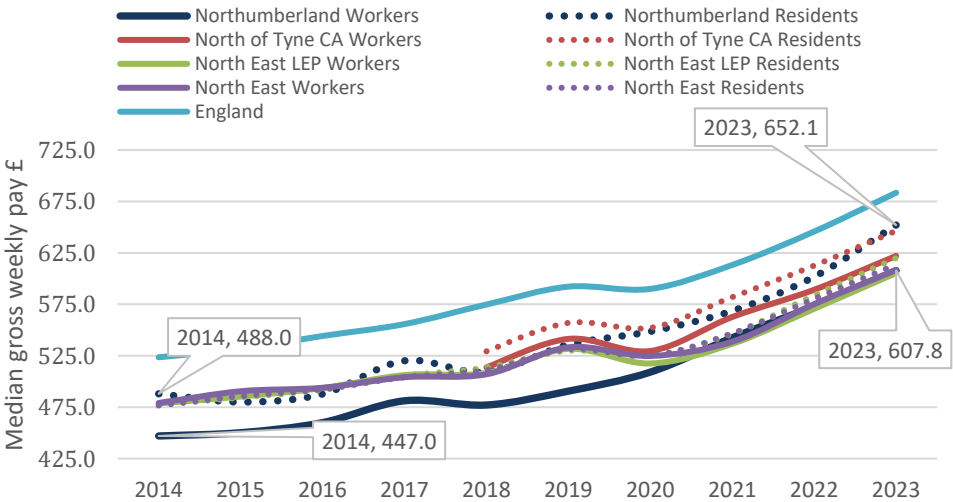
Over the last ten years in Northumberland, those opting for early retirement have decreased by almost 20%, whereas those on long term sick have increased by a similar amount (17%), as have those with caring responsibilities (20%), which potentially demonstrates the influence of health over economic inactivity. (see: [How is health affecting economic inactivity? \(parliament.uk\)](https://www.parliament.uk))

Earnings

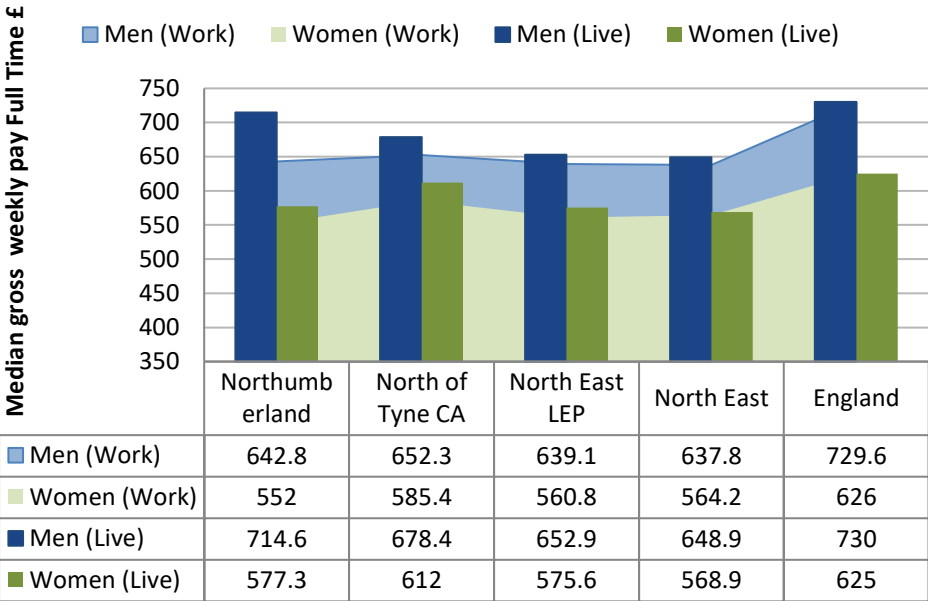
The following figures are based on the average (median) gross earnings in pounds for full time employees who are on adult rates of pay and whose pay was not affected by absence. Information regarding earnings can be based on where you live and where you work. During 2023, pay for those **working** in the county was £607.80 per week compared to an average of £622.10 for the North of Tyne CA, £605.40 in the LEP area, £608.40 in the North East region and £683.50 across England. Median weekly pay for Northumberland’s **residents** was £652.10, compared to £646.50 in the North of Tyne CA, £620 in the LEP area, £613.70 in the North East and £683.50 across England. The source for this data is the [Annual Survey of Hours and Earnings \(ASHE\)](#). All 2023 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 £488 per week in 2014 to £652 in 2023. 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 over a third (36%) over the last 10 years and are now more in line with the rest of the region.



In 2023, the weekly gross pay of **men working** full-time in Northumberland was £90.80 per week greater than the pay of **women**. For **residents** of Northumberland, the weekly gross pay of men (full-time) was £137.30 per week greater than the pay of women. This compares to a difference of up to £67 per week for the North of Tyne CA, up to £78 per week in the LEP, up to £80 per week in the North East region and around £105 per week in England in both residence and workplace terms.



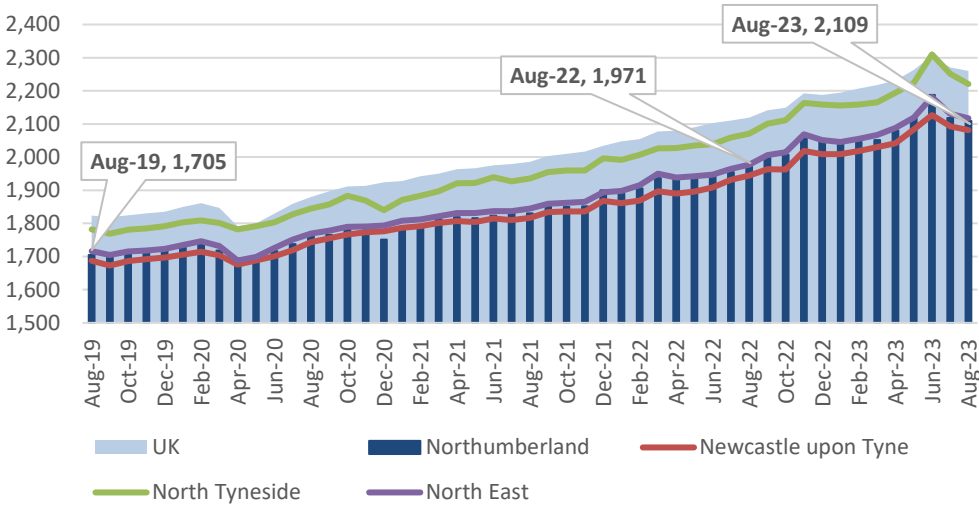
For those **working** in Northumberland, the weekly gross pay of men (full-time) has increased from £503.70 in 2014 to £642.50 in 2023; it is £2.60 less than last year. For women (full-time) it has increased from £405.30 in 2019 to £552 in 2023, and £53.20 more than last year. For **residents** of Northumberland, who may work out of the County, the weekly gross pay of men working full-time has increased from £544.30 in 2014 to £714.60 in 2023; £24.20 more than last year. For women the increase was from £418.40 in 2014 to £577.30 in 2023; £59.90 more than 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

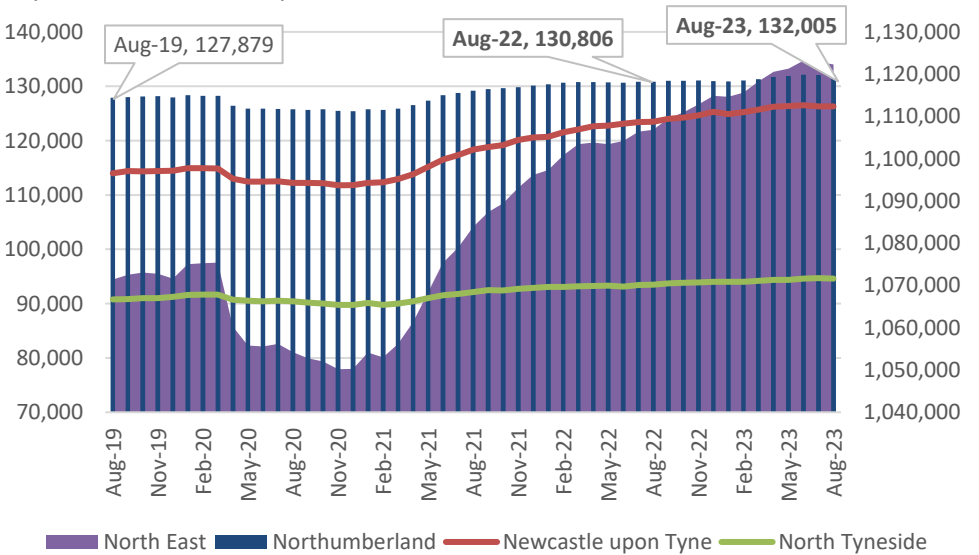
These estimates are based on the median monthly payments employers make to their employees who are employed in at least one job paid through PAYE. In August 2023, Northumberland monthly pay was £2,109, an increase of 7% compared with the same period of the previous year.



Northumberland's pay was similar to regional pay, 1% higher than median pay in Newcastle, but 5% lower than North Tyneside and 7% lower than the national median of £2,260. (Source: [HMRC PAYERTI](#))

Payrolled employees

There were 132,005 payrolled employees in Northumberland in August 2023, a rise of 1% compared with the same period of the previous year, equivalent to 1,199 people over a 12 month period.



Growth in payrolled employees was greater in Newcastle over the same 12 months (2%, 2,861 people) and it was 1% in North Tyneside and across the region (1,096 and 15,462 people respectively). Nationally the average growth rate was 2% over the 12 month period to August 2023. *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

GCSE Results

There are a number of headline accountability measures to compare at this level, but for simplicity we will look at attainment in English and Mathematics and average Attainment 8 score, which is a pupils' performance across 8 GCSE qualifications.

63.1% of pupils in Northumberland achieved a grade 4 or above in English and Mathematics, compared with 62.1% across the North East and 65.1% across England in the academic year 2022/23.

The Average Attainment 8 score of all pupils was **44.4** in Northumberland and the North East and 46.3 across England.

In 2022/23 there was a return to pre-pandemic standards for GCSEs, AS and A levels, with protection built into the grading process to recognise the disruption that students have faced. (Source: [gov.uk Education Statistics Service 2022/23](https://gov.uk/education-statistics-service/2022/23))

Further learning, apprenticeships and higher education

The percentage of Northumberland's KS4 students going to a sustained education destination in 2021/22 was 82% (state-funded, mainstream). This was just higher than the regional average (81.9%) and lower than the national average (86.2%). In the same year 5.9% of the students went onto sustained apprenticeships, compared with 5.1% regionally and just 3.4% nationwide. (Source: [gov.uk Explore Education Statistics](https://gov.uk/explore-education-statistics))

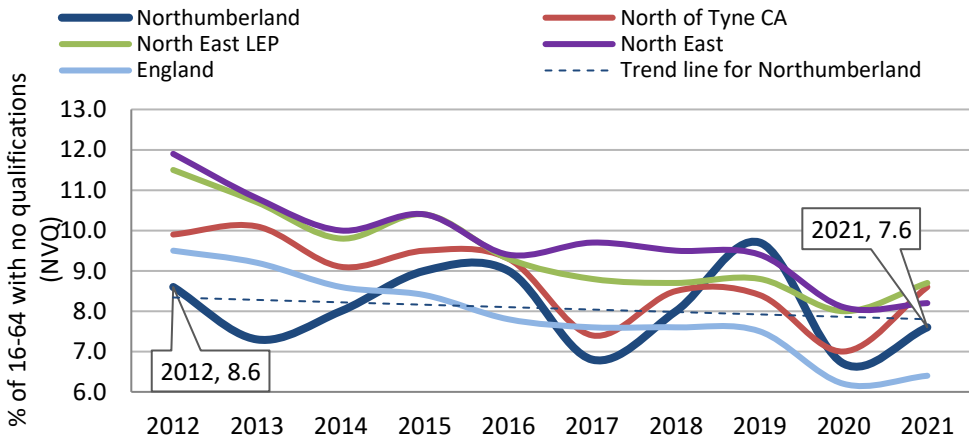
At KS5, 69.2% of Northumberland's students went onto a sustained degree destination (mainstream schools and colleges). This was 11.4 percentage points more than the regional average and 5.2 percentage points more than the national average. (Source: [DfE 2022](https://dfe.gov.uk/data-and-statistics/2022))

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](https://childrenscommissioner.gov.uk/reports/2019))

Population with no qualifications

Due to a recoding exercise, the latest available data for this indicator is 2021. This will be updated as soon as more recent data is made available.

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)



NEET

Northumberland's 2022 NEET (and not known) for 16-17 year olds of 5.1% is below average in the North East LEP area, and is just in the 4th quintile compared to other LAs across the country. Sunderland had the lowest at 4.8% placing it in the 3rd quintile. The North East regional average was 5.2% and the England average was 5.2% 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 2022 NEET Scorecard](https://dfe.gov.uk/data-and-statistics/2022)) The data covers the period December 2022, January and February 2023 and is latest available at LA level.

Skills Gaps

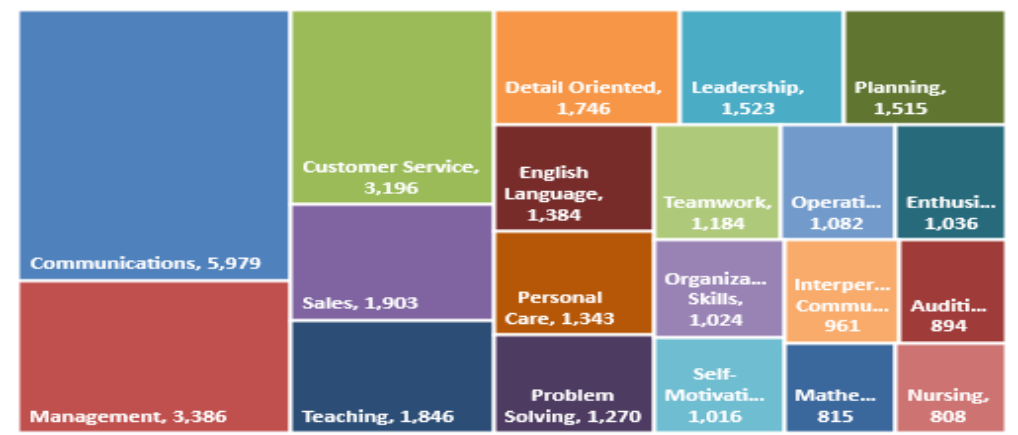
The [UK Commission for Employment and Skills Employer Skills Survey](#) provides analysis of the skills businesses need and identifies areas of skill deficiency. The last survey reported that 12% of Northumberland’s establishments had staff not fully proficient and 4% had a skills shortage vacancy. This 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](#))

Job related training

Between July 2022 and June 2023, 19% of the population aged 16-64 in Northumberland received job related training (13week parameter). This was more than the North of Tyne CA (17.5), North East LEP (16.4), the region (17.4) and just less than England (19.1). For Northumberland this was an increase on the equivalent time period for the previous year. More females than males received training; 18.4% of males compared with 19.5% of females. The proportions were lower in all cases at the wider geographies, except for the national figure for females of 20.2 (Source: APS)

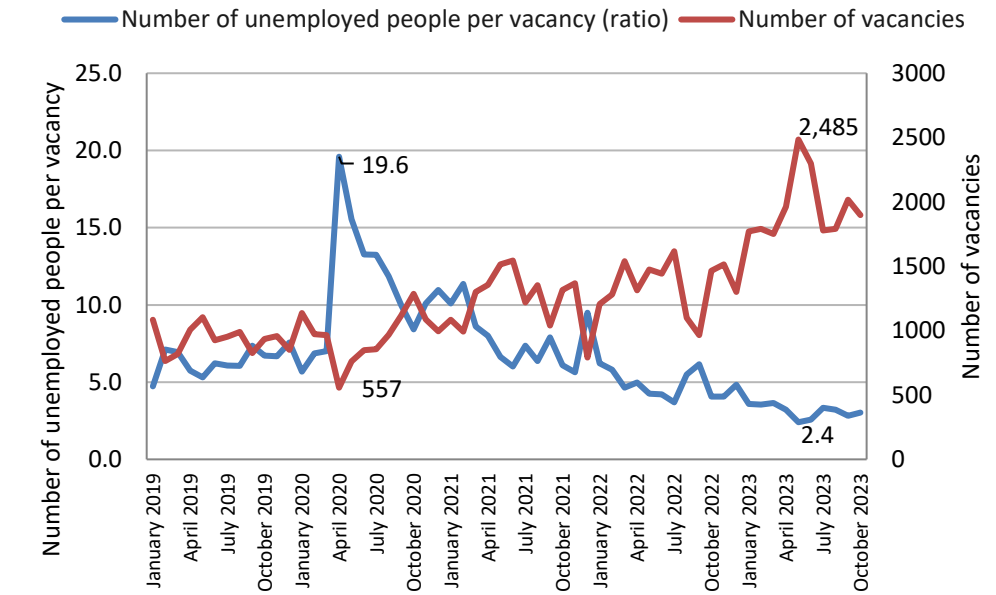
In demand skills

[Lightcast](#) vacancy data revealed the most in demand skills in Northumberland over the most recent 12 month period (Nov 2022 – Oct 2023) were communications (18%), management (10%) and customer service skills (9%).



Unemployment vacancy ratio

A key measure of labour market tightness is the number of unemployed people per vacancy – known as the unemployment to vacancy ratio. The chart below shows how Northumberland’s ratio changed compared to vacancy levels over the last 5 years.



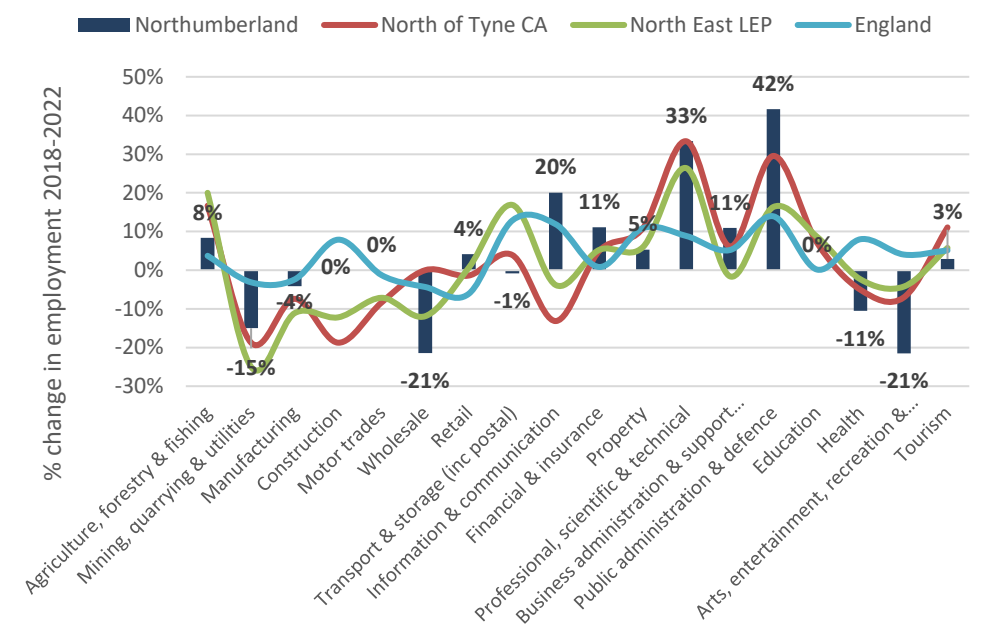
The ratio is calculated using claimant data (Source: Claimant count by sex and age, ONS) and monthly unique job postings data from [Lightcast](#) (formerly Burning Glass). It shows Northumberland experienced a peak of 19.6 unemployed people per vacancy at the height of the pandemic and most recently experienced its’ lowest ratio of just 2.4 – however, this does not factor in our economically inactive population who want a job.

If we consider the most recent data for economic inactivity in Northumberland displayed on page 10, a total of 11,700 economically inactive people in the county want a job, this would raise the most recent ratio to 7.6 (Source: ONS APS).

Business activity

As mentioned on page 6, [BRES](#) is the official source of employee and employment estimates by detailed geography and industry.

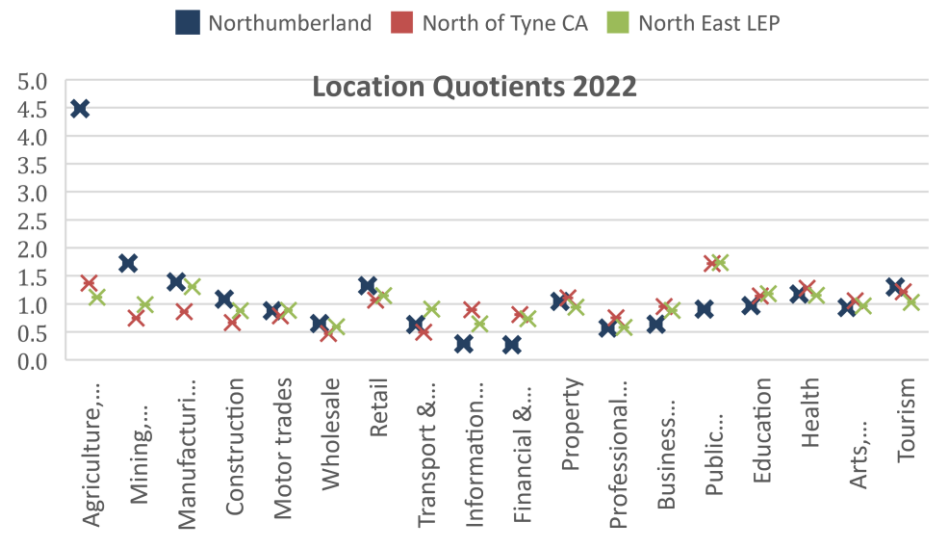
The chart below provides an indication of the change in volume of employment by sector between 2018 and 2022 both locally and nationally. (Source: BRES)



Although broadly similar in trends, Northumberland displays some contrast in sector changes compared to the wider region. Over 10% shrinkage occurred in 4 sectors, the greatest being in wholesale and the arts, entertainment and recreation sectors (both down 21%). Conversely, 5 sectors experienced over 10% growth, the greatest resurgence being in the public administration and defence sector (up 42%), followed closely by the professional, scientific and technical sector (up 33%). Overall there was just a 1% expansion in employment between 2018 and 2022 in Northumberland.

In terms of numbers and proportion of the workforce, Northumberland currently has stronger manufacturing (10%), retail (11%), agricultural (6%), tourism (14%) and health (15%) sectors than the national average (see page 6 for breakdown).

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 both the national and local economy. Therefore, the sector supply is equal to demand.



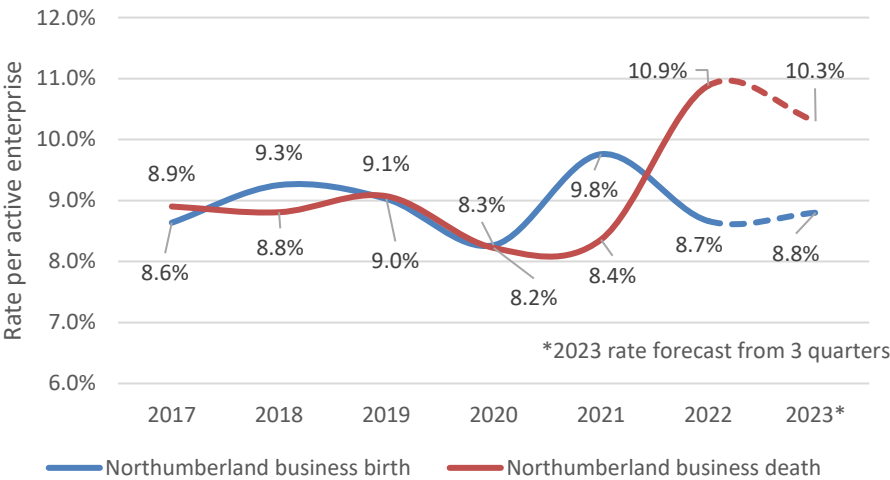
Northumberland has a particularly high employment LQ in agriculture (4.5), significantly outlying the North of Tyne CA (1.4) and the North East LEP (1.1). Mining and utilities, manufacturing, construction, retail, tourism and health all have LQs higher than 1. The lowest LQs exist in finance (0.3), information and communication (0.3). Interesting to note that although growth in the public admin and defence sector has been significant since 2018, its' LQ (0.9) compared with the national economy is much lower than those of the wider region (1.7) (Source:BRES 2022)

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** (or creations). The creation rate is calculated using the number of births as a proportion of the active businesses.

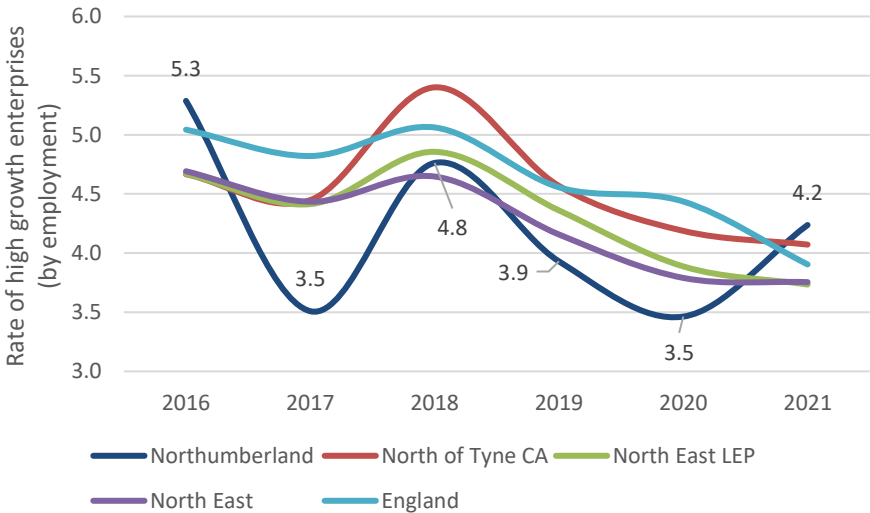
Businesses that have ceased to trade (identified through de-registration of the administrative units) are referred to as **business deaths** (or closures). The closure rate is calculated using the number of deaths as a proportion of the active businesses. The most dynamic and successful areas have both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

In 2022, the rate of creation of enterprises (as a proportion of active enterprises in Northumberland) was 8.7% - equivalent to 995 business starts out of 11,485 active businesses. This was much lower than the North of Tyne CA rate (12.2%), North East LEP (12.6%) and England (11.9%).



The rate of closures (deaths) in Northumberland in 2022 was 10.9% - equivalent to 1,250 businesses. Again, proportionately less than the North of Tyne CA (12.2%), North East LEP (12.6%) and the England figure of 11.9%. The number and rate of closures was exceeding the number and rate of start-ups in Northumberland, having been similar in previous years. (Source: [ONS Business Demography](#))

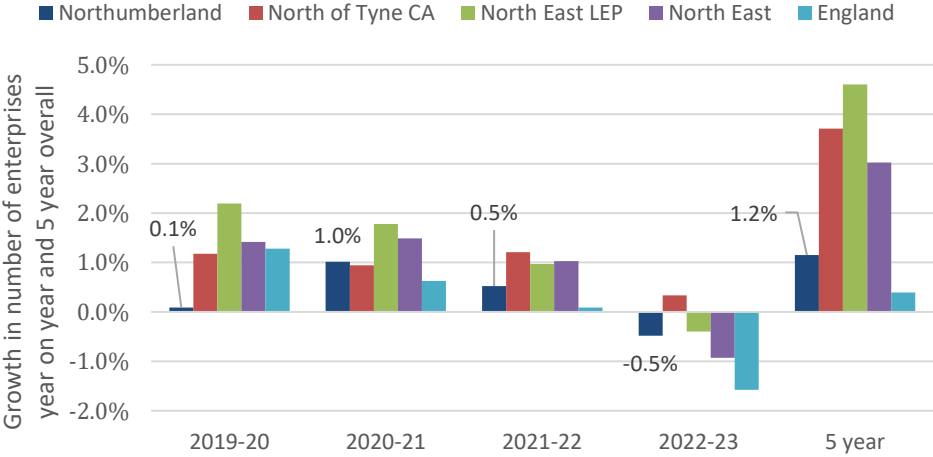
There are several different methods of measuring high growth. ONS publishes annual data on [high growth enterprises](#) under the following definition: “All enterprises with average annualised growth greater than 20% per annum, over a three-year period; by the number of employees or by turnover. For 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 2021, Northumberland had a count of 50 high growth enterprises out of a total of 1,180 active enterprises with 10 or more employees. This was a rate of 4.2. The chart shows Northumberland in a regional and national context since 2016.



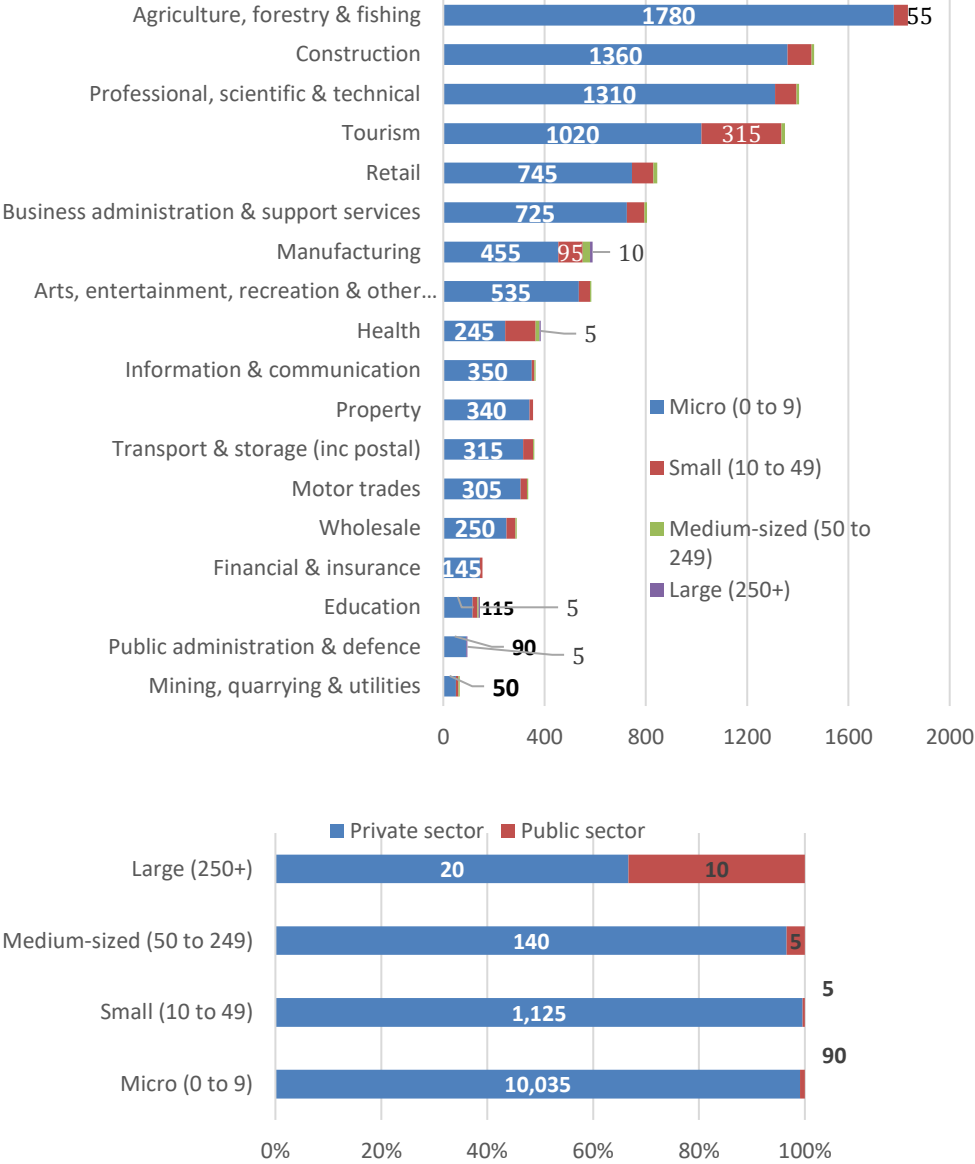
Business size and type

Northumberland's business base is dominated by micro (89%), small (10%) and a significant group of multinational large employers. In 2023, there were 11,320 **private** sector enterprises in Northumberland, this is equivalent to **419 per 10,000** adult population (16+) which is higher than the North of Tyne Combined Authority (369), North East LEP (336) and region (331), but lower than England as a whole (512). (Source: [UK Business Counts from IDBR](#) and [ONS MYE 2021](#)).

The total number of enterprises (which can be thought of as the overall business, made up of all the individual sites or workplaces) in Northumberland, has increased by just 1% over the last 5 years (both private and public) and actually **reduced** between 2022 and 2023. The number of enterprises grew by 4% for the North of Tyne CA, by 5% for the North East LEP and by 3% across the region, over the same period. For England as a whole, it remained fairly flat with just 0.4% growth over this time.



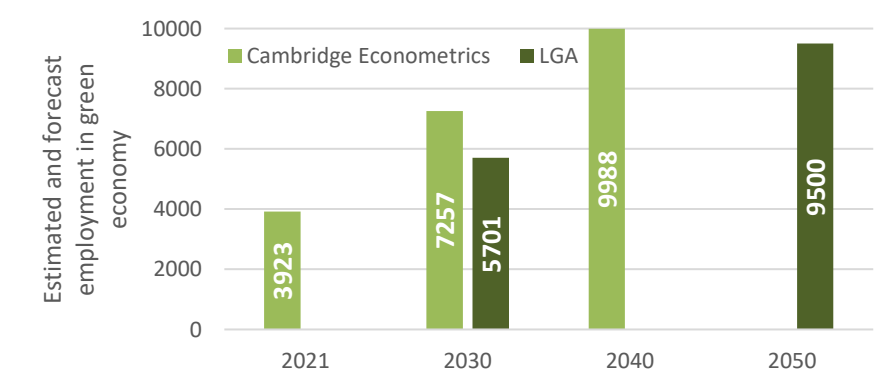
In contrast to the employment data shown on page 6, agriculture, forestry and fishing has the largest number of enterprises in the County (1,830), followed by construction (1,460). Northumberland's large enterprises are in the manufacturing, education, health, public administration and defence sectors, they account for just 0.2% of the total. The proportions of micro, SME and large employers is similar across the region and nationally. (Source: as above)



Green economy

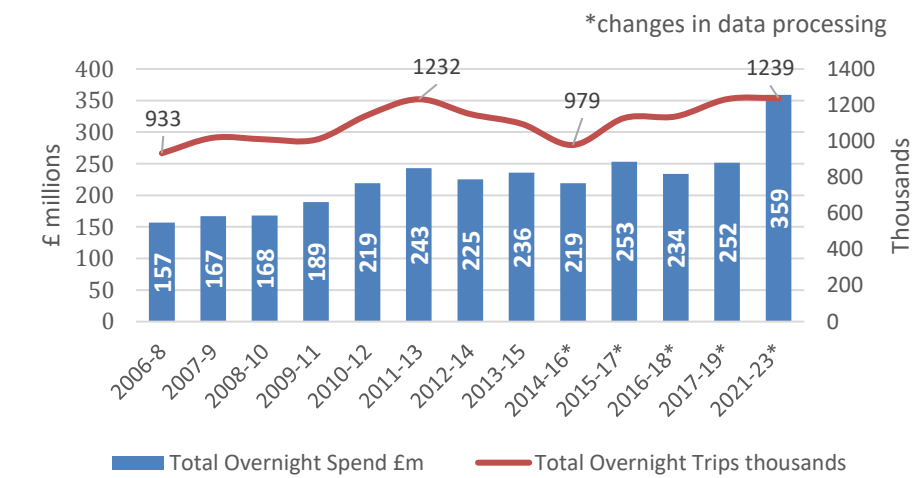
Northumberland, along with its' Combined Authority partners, have committed to achieving Net Zero by 2030; a key part of this is transitioning towards a greener economy and understanding existintg and new labour market opportunities. Following consultation, in 2023, the ONS released a definition of green jobs as “employment in an activity that contributes to protecting or restoring the environment, including those that mitigate or adapt to climate change” (Source: [Developing estimates of green jobs in the UK - Office for National Statistics \(ons.gov.uk\)](#))

A study of the North of Tyne Green Economy by Cambridge Econometrics for the Combined Authority estimated that in 2021, approximately 11,500 employees work in low-carbon employment, 4,000 (35%) of which are in Northumberland, equivalent to 3.8% of total employment in the county (Source: Green economic sector study of Newcastle and the wider region, Cambridge Econometrics, June 2023, using BRES data). The Local Government Association has published research which considers the projected net zero jobs and the associated skills demands across England’s Local Authorities by 2030 and 2050. (Source: [Local green jobs - accelerating a sustainable economic recovery | Local Government Association](#)). The results of the two studies give us an indication of the required trajectory of green jobs in the county.



Visitor economy

The [Great Britain Tourism Survey and the Great Britain Day Visits Survey](#) provide estimates for the number of domestic trips British residents took, number of nights spent, and expenditure over a period of time in a particular Local Authority area. In addition to tourism employment and business numbers already provided on pages 6 and 17, this data provides some supplementary evidence on the visitor economy in the County. The chart below summarises total overnight trips and spend in Northumberland. On average, between April 2021 and March 2023 (24 months/2 years), 1.2 million overnight trips were taken per 12 months/per year to Northumberland. These equated to £359million total spend per year and 4.6 million nights per year.



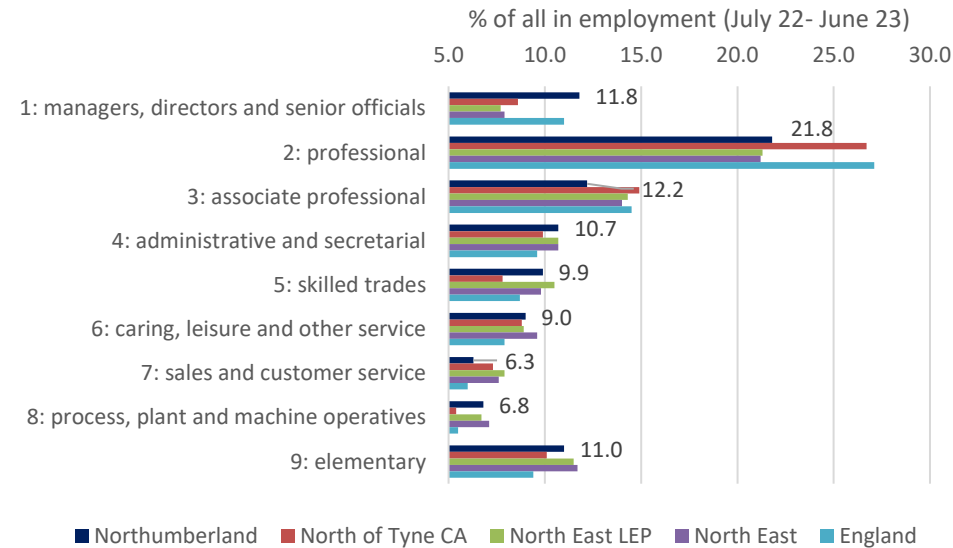
Over the 2021-23 period, it is estimated there were 15.2 million leisure and tourism day visits to Northumberland per year which equated to £601 million total spend per year. Northumberland accounted for the longest number of overnight stays, and the highest annual average overnight spend in the region. On day trips, Northumberland was third, behind County Durham and Newcastle for both leisure and toursim day visits. [Visit Northumberland](#) provides more local detail, resources and insights.

Occupations

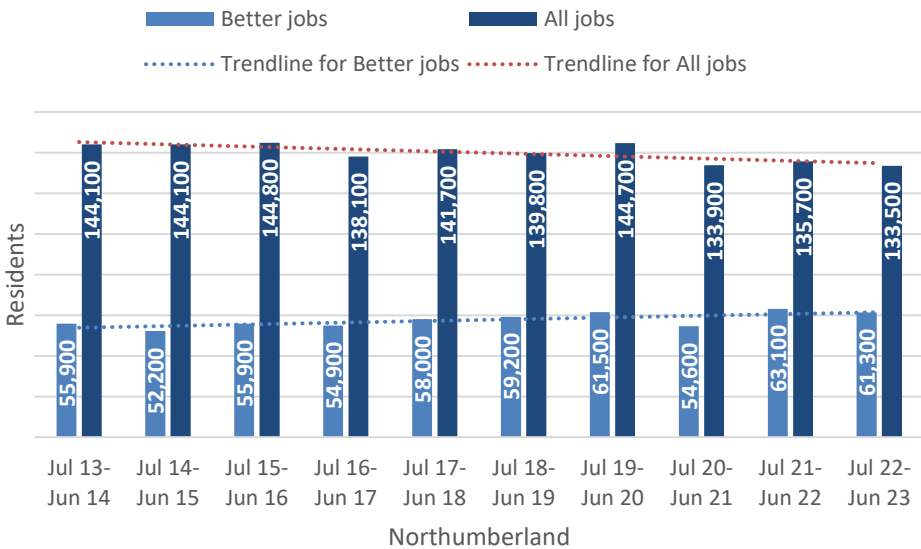
[Standard Occupational Classification \(SOC\)](#) classifies jobs in terms of their skill level and skill content. The [North East LEP Strategic Economic Plan](#) set a target to increase the number of jobs in the North East LEP area by 100,000 between 2014 and 2024. It also set a target that 70% of 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 3 than the rest of the Combined Authority, but exceeds this in overall proportion of managers, directors and senior officials. Admin and secretarial, skilled trades and elementary occupations are also well represented in the county. (Source: ONS APS 2022/23)



Northumberland’s resident workforce has significantly contracted, by over 10,000 since 2013-14 which may be influenced by 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 had 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 CA is 51% in better jobs, for the LEP it is 43%, the same as the North East region (43%). For England as a whole 53% of occupations are classed in the top 3 SOC groups.

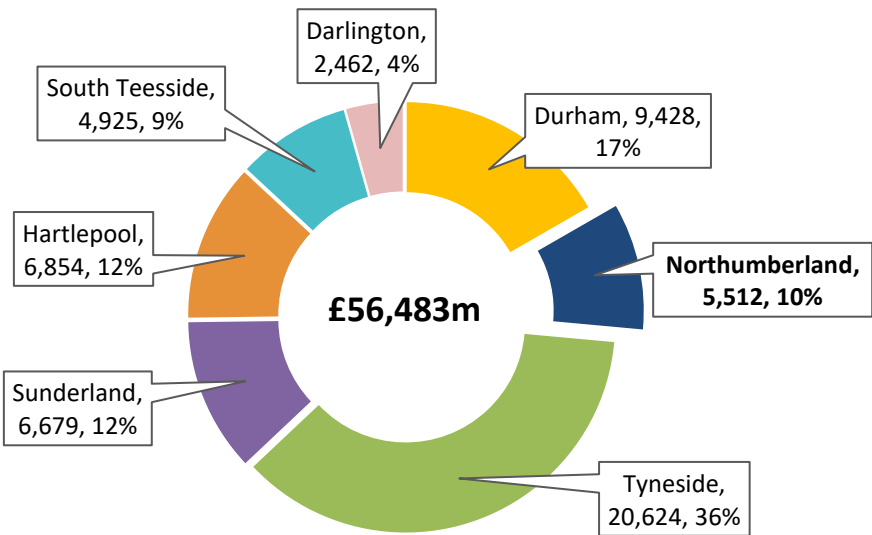


In terms of Northumberland’s employees, BRES data, as referred to earlier, reveals a downturn during 2020, returning to levels displayed pre-2015. This has bounced back for 2021 and 2022 to 105,000, (plus almost 10,000 further working owners). The sectors experiencing growth and contraction in Northumberland, the wider region and nationally, are displayed on the chart on page 15.

Gross Value Added (GVA)

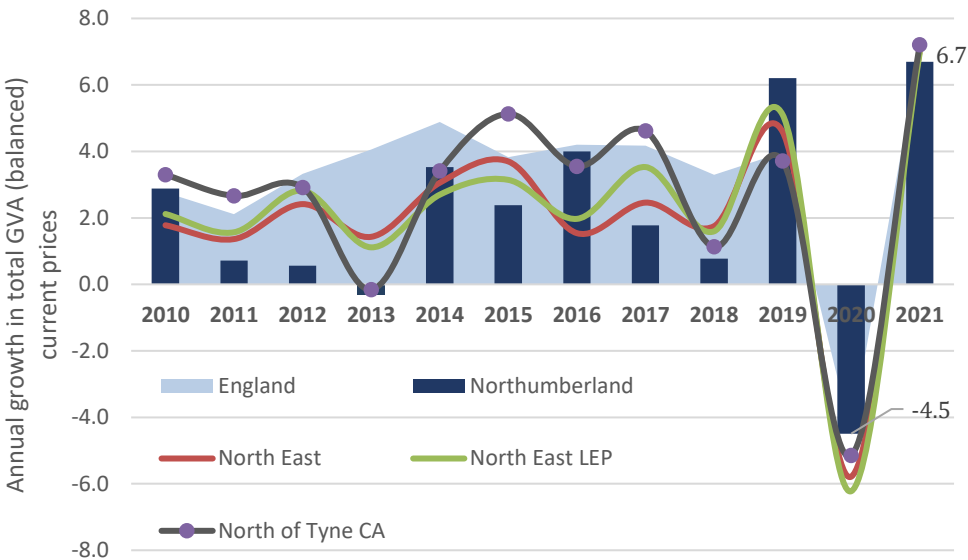
Gross Value Added provides a value for the amount of goods and services that have been produced, less the cost of all inputs and raw materials that are directly attributable to that production. It is used to monitor the performance of the national economy and is now the measure preferred by the Office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

The total GVA for Northumberland in 2021 (£5,512m) represents almost 10% of the total GVA for the North East region (£56,483m), 13% of the North East LEP (£42,242m) and 28% of the Combined Authority (£19,725m). The chart below illustrates the North East region components at current prices.



Between 2011 and 2021, the total GVA for Northumberland increased at an average nominal rate of just over 2.1% per year. This is less than the average annual change in the North East CA (2.6), the North East LEP (2.3), the region (2.2) and England (3.4).

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 6.2%, followed by the inevitable shrinkage in 2020 and a bounceback of 6.7%.



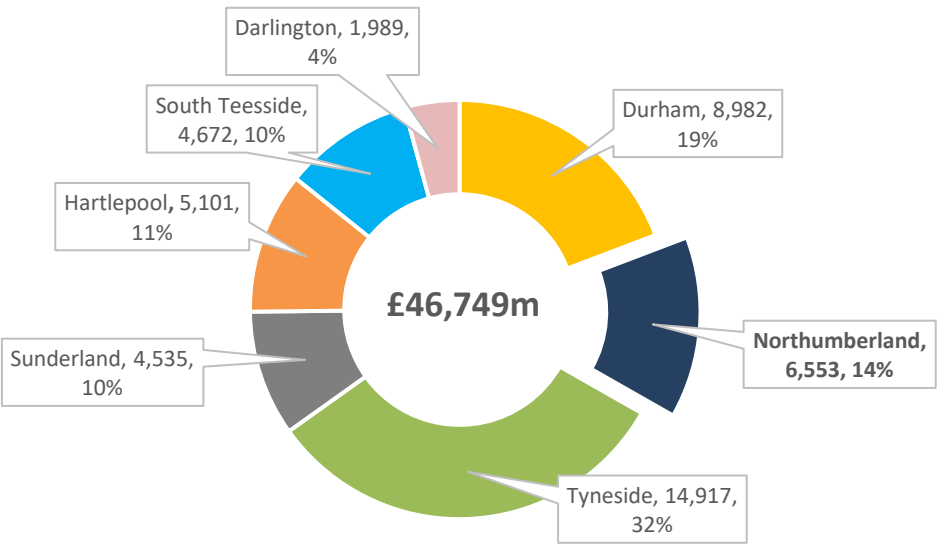
GVA per head

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 2021 was £17,140 compared to £24,221 for Tyneside, £21,340 for the North East and £31,138 for England. In all cases these were lower than the year previous. (Source: [Regional Accounts, ONS](#))

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.

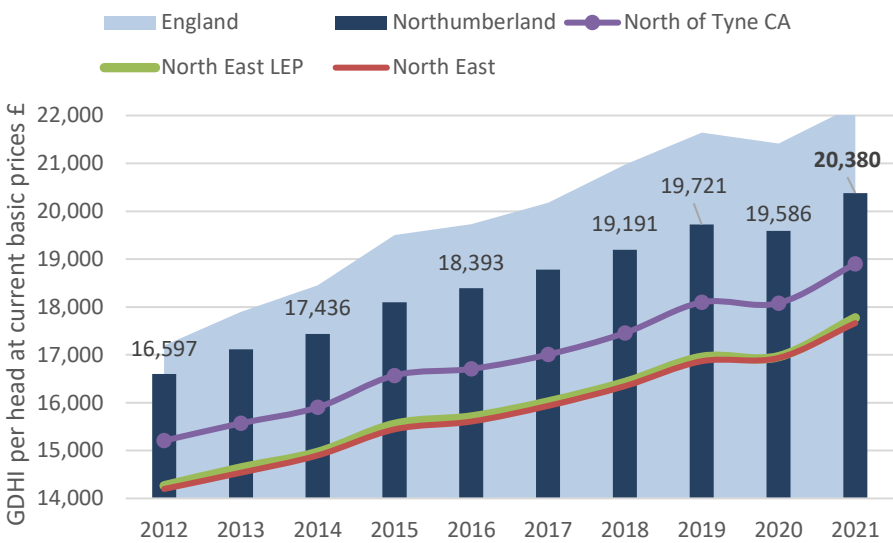
The total GDHI for Northumberland in 2021 - £6,553m, represents 14% of the total GDHI for the North East region (£46,749m).



Between 2012 and 2021, the total GDHI for Northumberland increased at an average nominal rate of 2.4% per year. This, along with Hartlepool and Stockton, was the lowest average rate in all North-East authorities and much less than England overall (3.0%). There was actually negative growth (-0.7) 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 2021 the GDHI per head in Northumberland was £20,380 which, regionally, is nearest to the England average of £22,213, but it is diverging, having previously been closer. The North East region and LEP figures of £17,663 and £17,773 respectively, have remained much the same but substantially lower. North of Tyne CA GDHI per head was £18,900.

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.