



Northumberland Knowledge

Economic Performance

Know Northumberland at a glance

- Home to **327,100 people** ([ONS MYE 2023](#)).
- 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 21%** over the last 10 years ([ONS MYE 2014-23](#)).
- **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 £214,074**, higher than the NE region, £170,644, but lower than England, £308,782 ([UKHPI](#) all property types Nov24).
- **Unemployment rate (4.3%)** is lower than region (4.5%) but higher than national levels (3.8%) ([APS Jul23-Jun24](#)), **3.2% claim out of work benefits** compared with North East rate of 4.3% and England rate of 4.3% ([ONS Claimant Count Sep 24](#)).
- **Employment rate is 71%** compared with 71.1% across North East and 75.7% across England ([APS Jul23-Jun24](#)).
- **Wages** for those working in the county are lower than the national figure, with the **weekly average** (median) pay being **£666.70** compared to £732.10 in England and £650.60 in the North East ([ASHE 2024](#)).
- **GVA** (Gross Value Added) per head stood at **£19,424** compared to £23,521 across the North East and £33,976 for England ([GVA\(B\) 2022](#)) (ONS).
- **Crime rates** (per 1,000 population) are low at **76.8** - the lowest rate in the Northumbria force area where overall rate is 98.5 ([CSEW by CSP Mar 2024](#)).
- The percentage of children achieving a grade 4 or above in **GCSE English and mathematics** is **63.9%**, compared to 62.3% across the North East and 65.4% in England ([gov.uk Education Statistics Service 2023/24](#)).



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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 part of the evidence base for the economic objectives contained within the Economic Strategy policy framework and contributes to our Local Authority Economic Assessment duty.</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 Combined Authority. The North East Combined Authority (NECA) area covers County Durham, Gateshead, Newcastle, North Tyneside, Northumberland, South Tyneside and Sunderland.</p> <p>Compiled by: Julie Dowson, Senior Economic Analyst Economic Development and Growth <i>Comments and feedback welcome: julie.dowson@northumberland.gov.uk</i></p>
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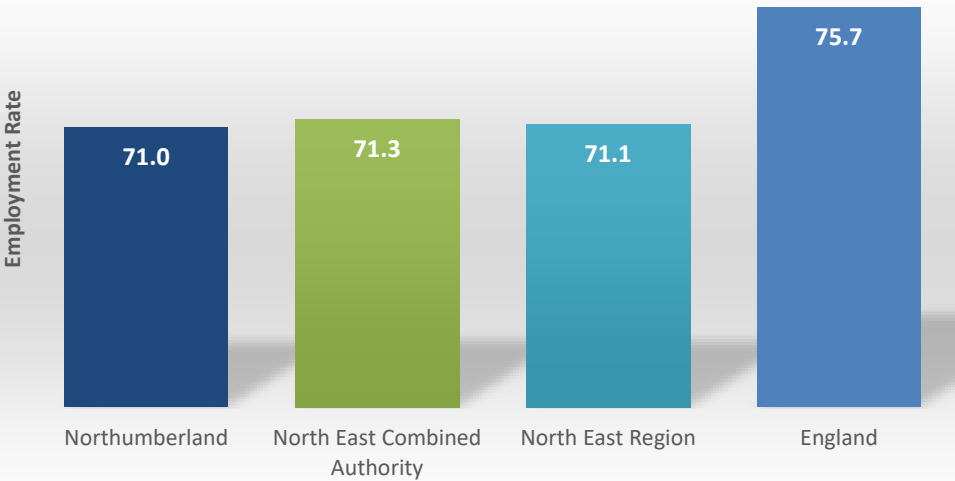
Employment

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, see [ONS letter to the Office for Statistics Regulation about the Annual Population Survey: 9 October 2024 - Office for National Statistics](#), we can therefore only use this data as a guide at Local Authority level.

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.”

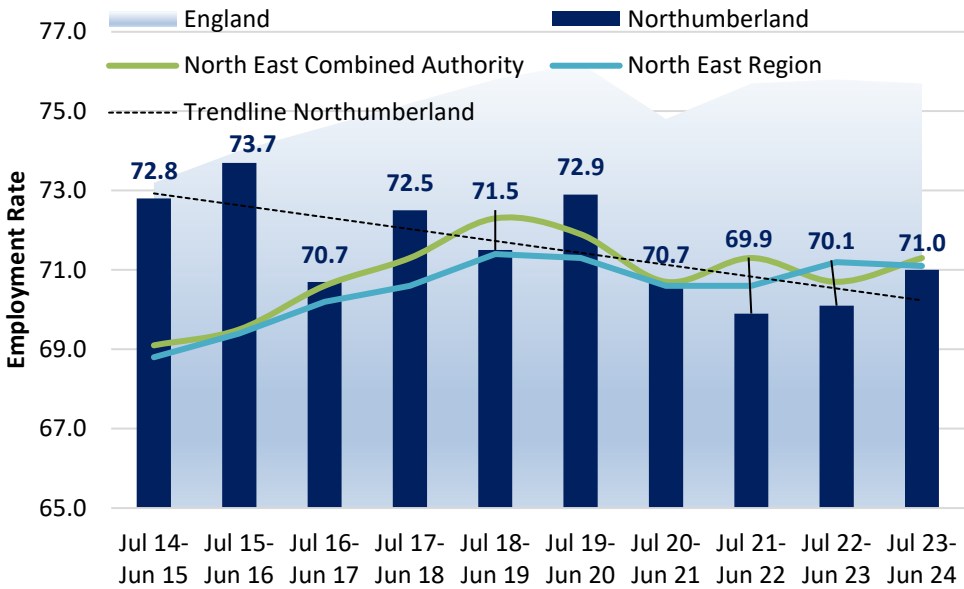
Employment Rate

From July 2023 to June 2024, the employment rate for those aged 16-64 in Northumberland was 71% which was slightly lower than the average for the North East CA (71.3%) and the region (71.1%). England’s average was much higher at 75.7%. In numeric terms however, **4,300 more people** were estimated to be in employment in Northumberland in this time-period compared with the year previous (Source: APS, ONS)



Employment Rate Change Over Time

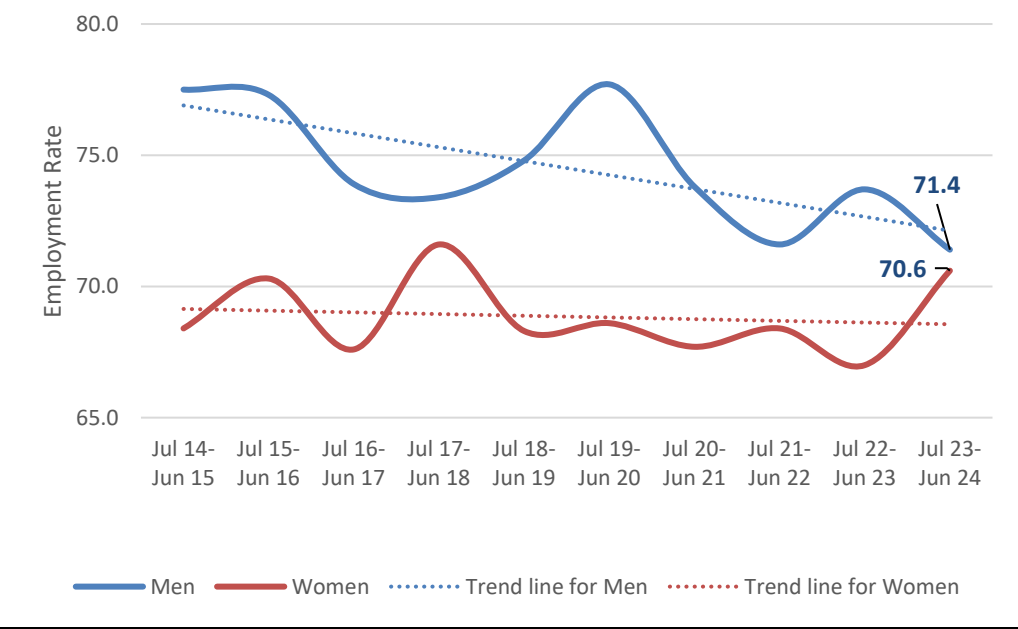
Northumberland’s previously buoyant employment rate has slipped and now falls below regional rates. The last few years had seen an uptick in the national and regional rates whereas Northumberland has fluctuated rather significantly and is now displaying a downward trend. In numbers, there were **8,700 more people estimated to be 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 at a low of 71.4% by June 2024. The rate for women has fluctuated around 70%, the trend is fairly, flat and was 70.6% in the 12 months to June 2024. (Source: APS, ONS)

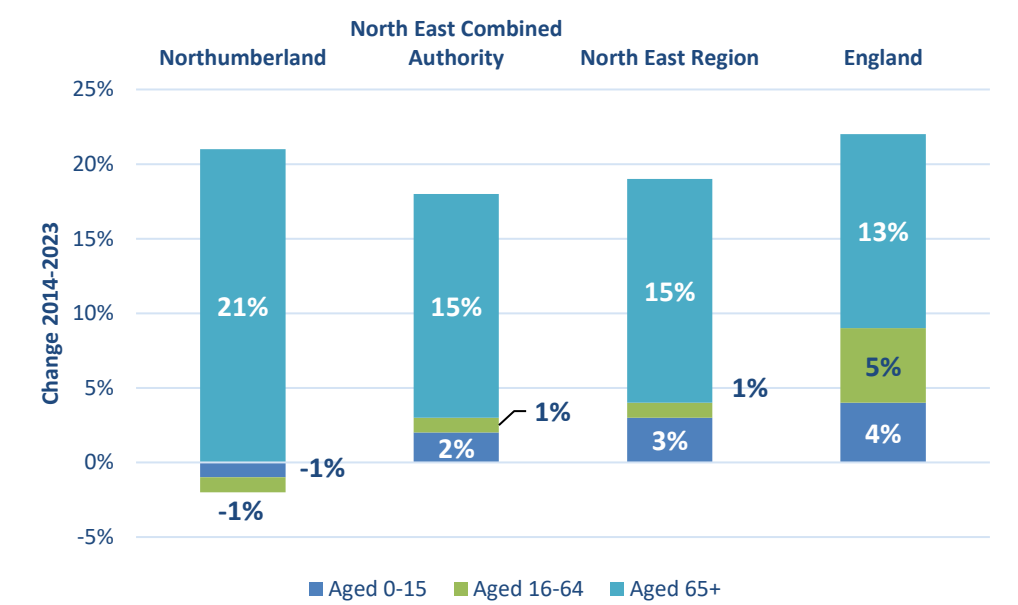
Between 2010 and 2018 the state pension age for women rose from 60 to 65, so that it became the same as that for men. Between 2018 and 2020 it then rose from age 65 to 66 for both men and women. Between 2026 and 2028 it is due to rise to 67.



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. While the ONS considers the quality of the APS to be robust for national and headline regional estimates, there are concerns with the quality of estimates for smaller segments of the population, such as local authority geographies.

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 2014 and 2023).

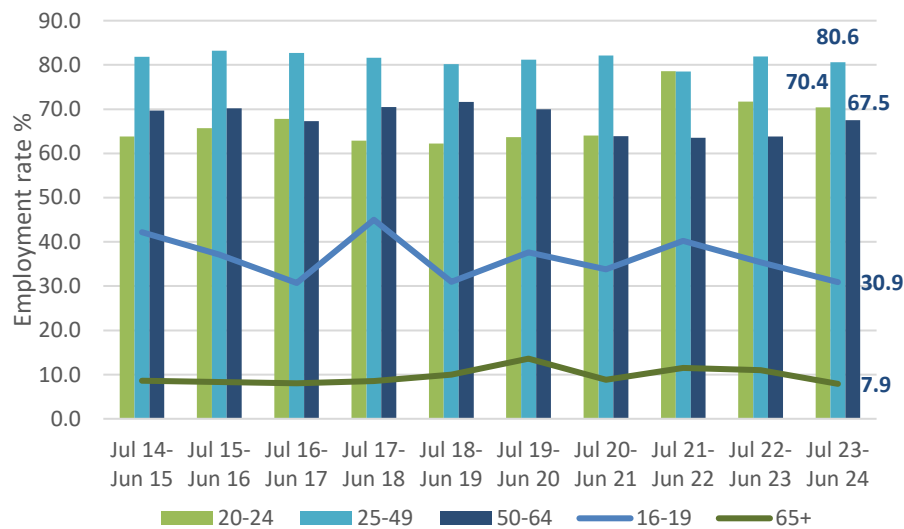


(Source: ONS MYE 2014 and 2023)

Northumberland’s population aged 16-64 contracted by 1% (almost 3,000 people) over the last 10 years and likely moved into the 65+ cohort, which overall grew by 21% (15,000). There is a contraction in Northumberland’s 0-15 age group too (1%, 500 people), which has not occurred in other areas and may have knock on effects for the future working age population group.

Employment Rate by age

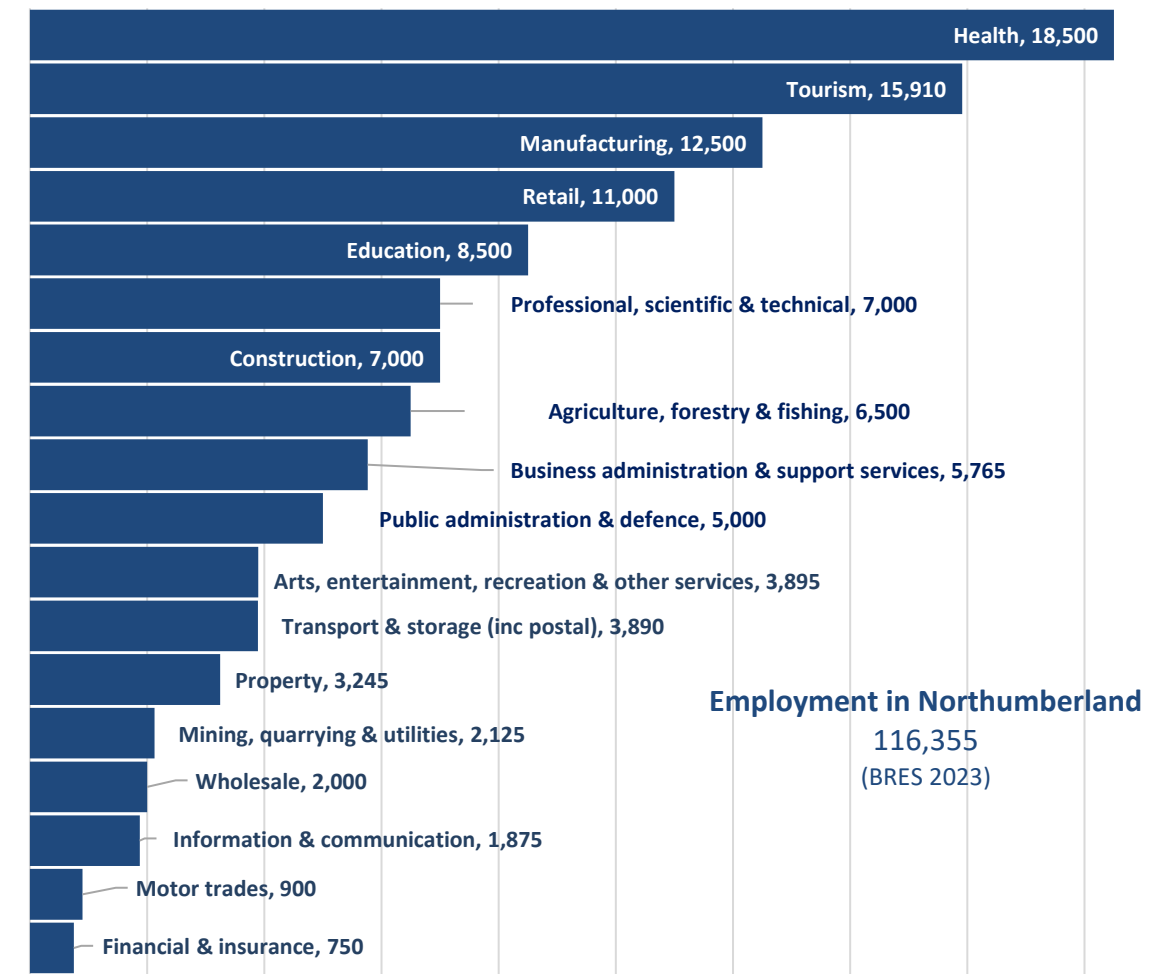
The changes in Northumberland’s population also influence the age-distribution of the working population. The Government has an ambition to reach an [80% employment rate](#), a target already achieved by our residents aged 25-49, which most recently was at 80.6%. By breaking down employment rate by age we can see where opportunities might lie. (Source:APS, ONS)



The employment rate gap in older workers (comparing aged 25-49 with 50-64) has been trending upwards in more recent years and at present is 13.1 percentage points, conversely the employment rate gap for younger workers (comparing aged 20-24 with 25-49) is trending down and has stabilised at 10.2 percentage points for the last couple of years. As people approach State Pension age, the rate of employment statistically significantly declines, and the inactivity rate statistically significantly rises as people leave the labour market “early”. (source: [Economic labour market status of individuals aged 50 and over, trends over time: September 2024 - GOV.UK \(www.gov.uk\)](#) Northumberland’s economic inactivity rates are explored on page 10.

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)

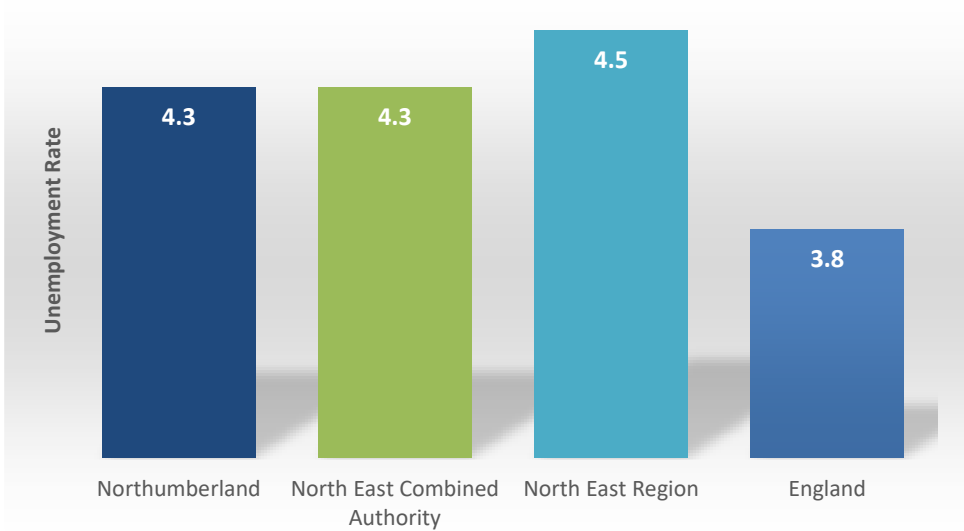


Unemployment

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.

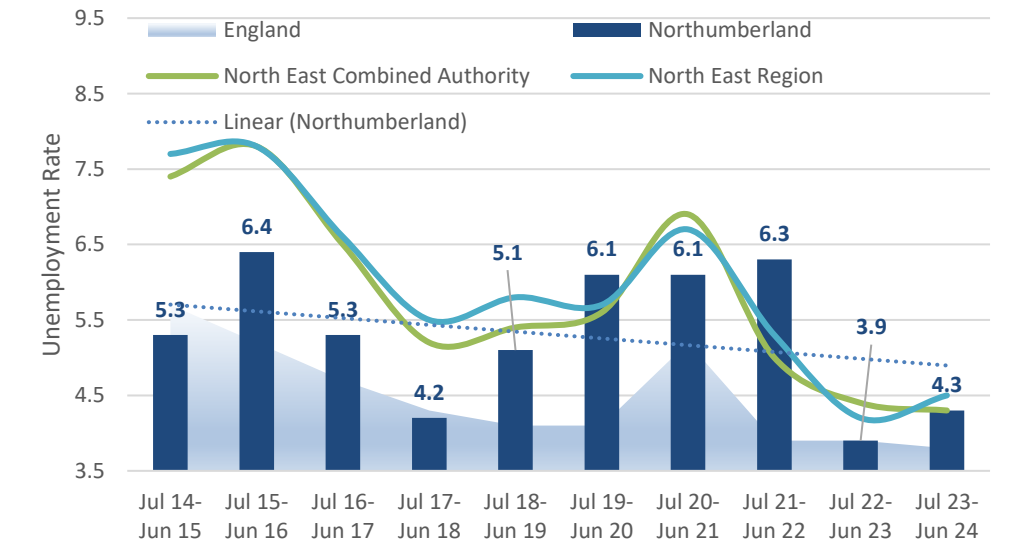
Unemployment Rate

In Northumberland, the unemployment rate from July 2023 to June 2024 was 4.3% of the economically active population aged 16-64, equivalent to 5,700 people. This was the same as the North East CA rate but lower than the regional rate of 4.5%. The national rate was lower at 3.8%. (Source: APS, ONS)



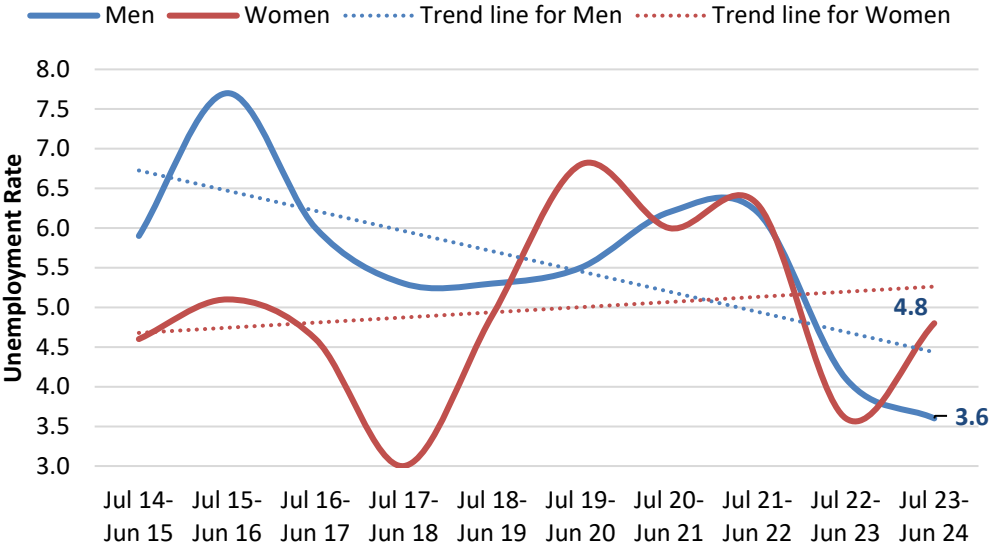
Unemployment Rate Change Over Time

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

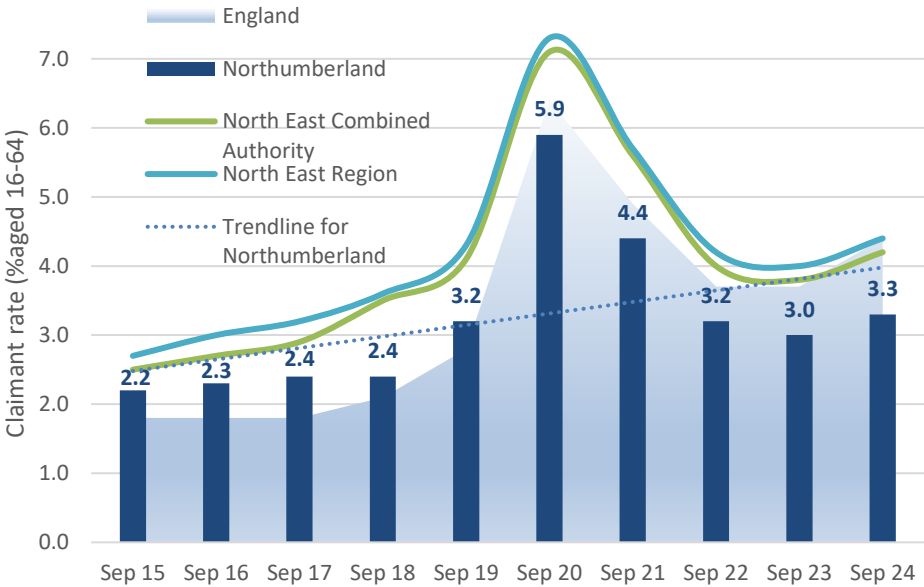
The unemployment rate (July 2023-June 2024) for men in Northumberland was 3.6%, for women it was 4.8%. The rate has generally been in decline for men and is trending upwards slightly for women. Overall, latest data shows a difference of 1.2 percentage points between the two rates, with around 2,300 men and 3,500 women potentially looking for work. (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 2024, there were 6,110 claimants in Northumberland, a rate of 3.3% of the resident population age 16-64. 56% of the claimants were men. The claimant rate was lower than the North East CA (4.2), the region (4.4) and England as a whole (4.4). (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.

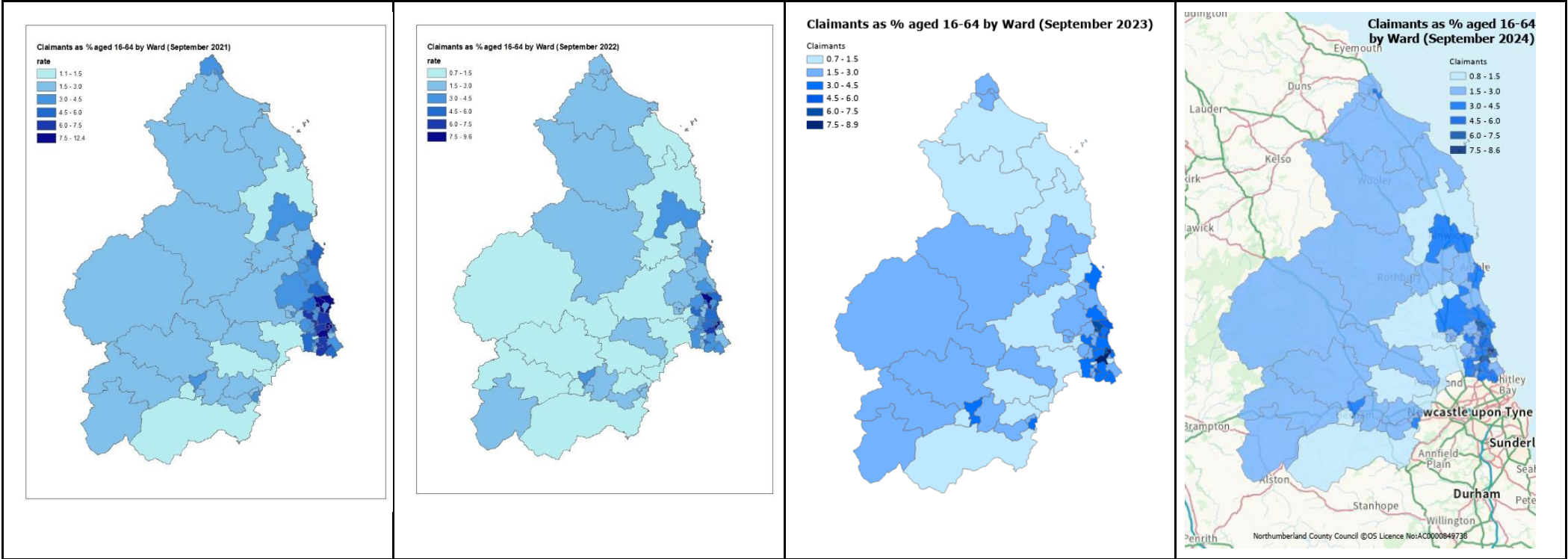
Northumberland's claimant rates

The maps show the claimant count rates in September for Northumberland's Wards 2021-24; the darker the shading, the higher the rate of claimants as a proportion of residents aged 16-64. Note the lowest and highest thresholds change each year depending on the data. The highest rate in September 2024 was in Croft ward (8.6%, 255 people) and the lowest was in Ponteland South with Heddon ward (0.8%, 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 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, Elswick in Newcastle, had the highest claimant rate in September 2024, of 15.1%, 1,575 people. Neville's Cross in County Durham had the lowest claimant rate of 0.3%, 40 people.

The highest claimant rate by ward in the **country** in September 2024 was in Lozells, Birmingham, 23.8%, 1,485 residents aged 16-64. The tiny populations of Bryher & St Agnes, St. Martin's and Tresco in the Isles of Scilly had the lowest claimant rate in the country at this time, at 0% of its' 417 working age residents. (Source: Claimant count by sex and age, ONS)

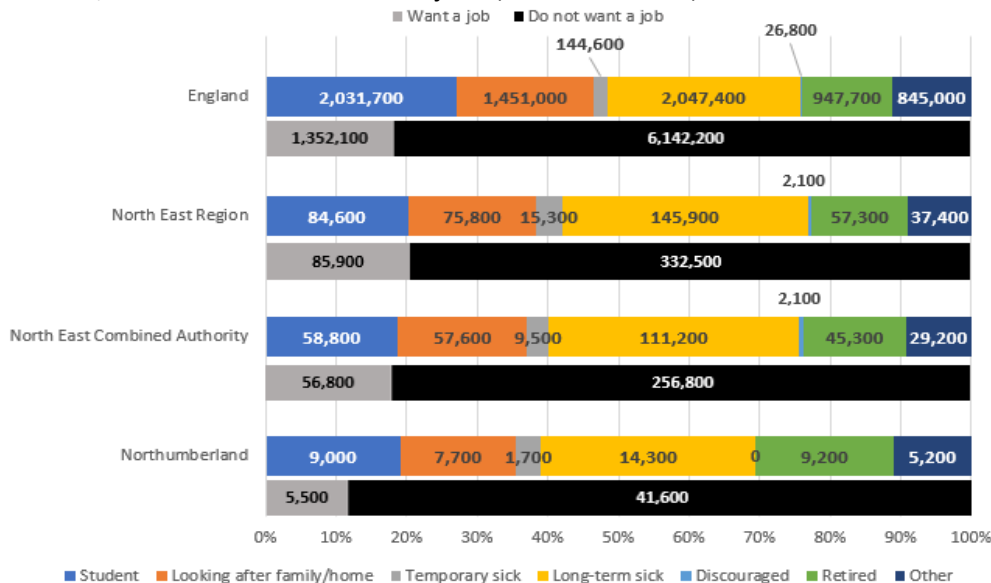


Economic Inactivity

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

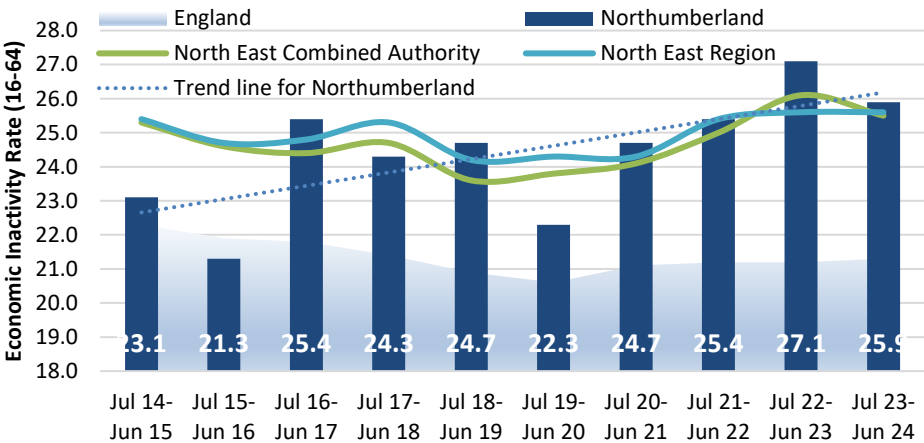
In Northumberland, (Jul 2023-Jun 2024) almost 26% of the resident population aged 16-64 were economically inactive. Of the 47,100 people who were economically inactive, almost 90% did not want a job. (Source: APS, ONS)



Northumberland's reasons for economic inactivity are currently dominated by the 'long term sick' (30%) – **a record high**. The high levels of early retired, have fallen recently (20%). Homemakers/carers tend to fluctuate but are currently **at record low** (16.4%), perhaps influenced by wider cost-of-living challenges. Student numbers are buoyant at present (19%).

Economic Inactivity Rate Change Over Time

Northumberland's economic inactivity rate is displaying an upward trend but has fallen most recently. This is closely aligned with both the Combined Authority and the region, with some constituent authorities displaying even higher levels over 30%. Nationally, levels have remained more stable and average much lower.



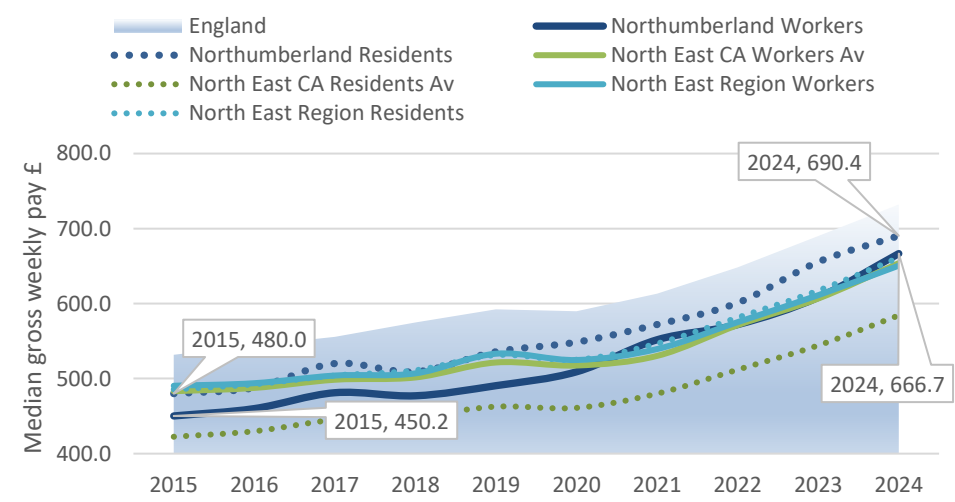
Over the last ten years in Northumberland, those opting for early retirement have decreased by 15% and those with caring responsibilities have fallen by 35%. Those on long term sick have increased by 51%, and temporary sickness has increased by 70%. [ONS analysis](#) has found that people had left the workforce for another reason, such as looking after the family or home, or retiring, but had recently switched to reporting long-term sickness as the main reason for their inactivity.

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 2024, pay for those **working** in the county was £666.70 per week compared to an average of £653.90 across the North East Combined Authority, £650.60 in the North East region and £732.10 across England. Median weekly pay for Northumberland’s **residents** was £690.40, compared to £584.30 in the Combined Authority area, £661.20 in the North East region and £732 across England. The source for this data is the [Annual Survey of Hours and Earnings \(ASHE\)](#). All 2024 data is provisional and may be subject to revision.

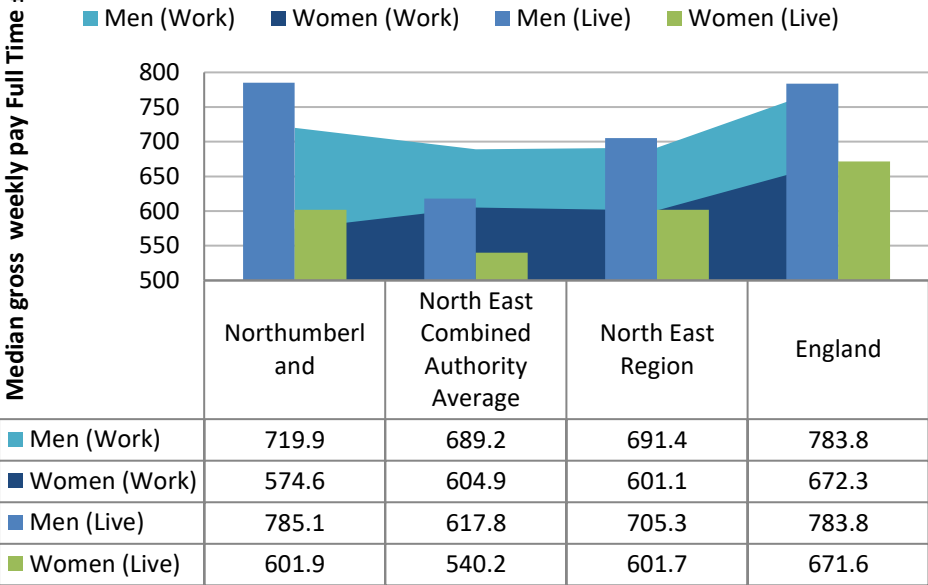
Earnings over time and pay gap

The median pay of those **living** in the county has risen sharply recently, from £480 per week in 2015 to £690 in 2024. This is currently higher on average than both Combined Authority and regional levels. For those **working** in the county however, earnings are still much lower but have grown by almost a half (48%) over the last 10 years and are now more in line with the rest of the region.



In 2024, the weekly gross pay of **men working** full-time in Northumberland was £145.30 per week greater than the pay of **women**. For **residents** of Northumberland, the weekly gross pay of men (full-time) was £183.20 per week greater than the pay of women. This compares to a difference of up to £84 per week in the North East Combined Authority, up to £104 per week in the North East region and around £112 per week in England in both residence and workplace terms.

Median gross weekly pay Full Time £



For those **working** in Northumberland, the weekly gross pay of men (full-time) has increased from £489.80 in 2015 to £719.90 in 2024; and is £73.90 more than the previous year. For women (full-time) it has increased from £395 in 2015 to £574.60 in 2024 and is £14.90 more than the previous year.

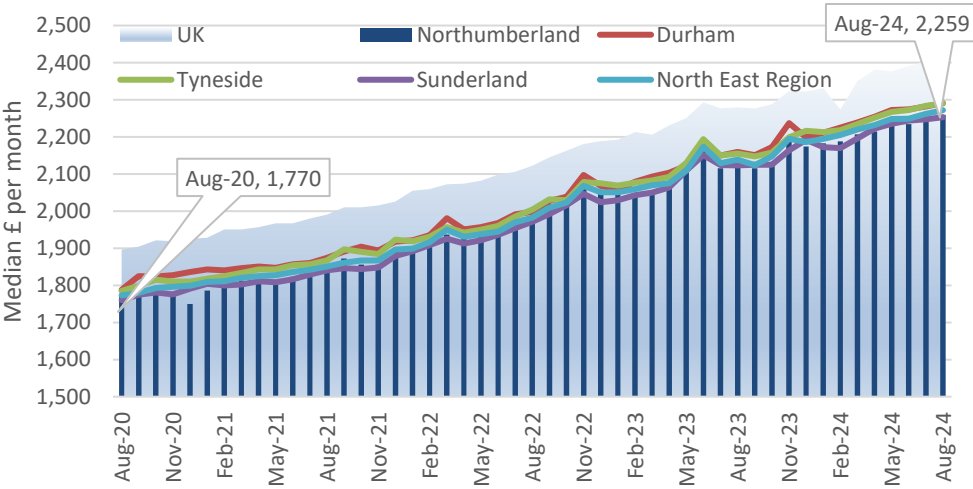
For **residents** of Northumberland, who may work out of the County, the weekly gross pay of men working full-time has increased from £534.50 in 2015 to £785.10 in 2024; £68 more than the year previous. For women the increase was from £425.40 in 2015 to £601.90 in 2024; £22.40 more than the year previous.

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](#), please also see: [Exploring this year’s earnings figures | National Statistical](#))

Median pay from PAYE RTI

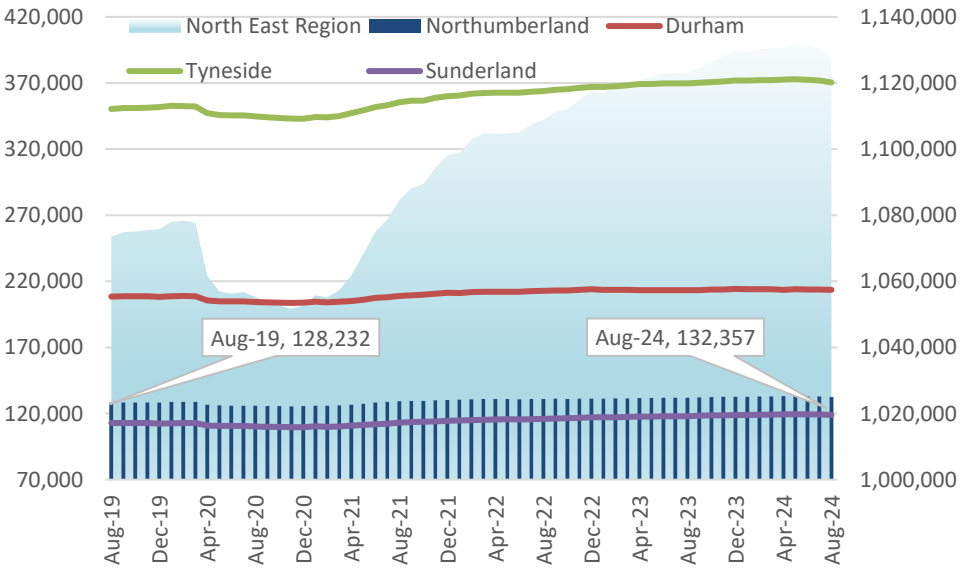
These estimates are based on the median monthly payments employers make to their employees who are employed in at least one job paid through PAYE. In August 2024, Northumberland monthly pay was £2,259, an increase of 6% compared with the same period of the previous year.



Northumberland’s pay was similar to regional pay and just slightly higher than Sunderland, but it was 1% lower than median pay in both Tyneside and Durham and 7% lower than the national median of £2,420. (Source: [HMRC PAYERTI](#))

Payrolled employees

There were 132,357 payrolled employees in Northumberland in August 2024, a rise of just 0.2% compared with the same period of the previous year, equivalent to 309 people over a 12-month period.



Growth in payrolled employees was similarly flat in Tyneside over the same 12 months (0.2%, 903 people), it was 0.1% in Durham (222 people), 0.7% in Sunderland (852 people) and 0.4 % across the region (4,742 people). Nationally the average growth rate was 0.4% over the 12-month period to August 2024. *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. **63.9%** of pupils in Northumberland achieved a grade 4 or above in English and Mathematics, compared with 62.3% across the North East and 65.4% across England in the academic year 2023/24.

The Average Attainment 8 score of all pupils was **44.1** in Northumberland, 43.7 in the North East and 46.1 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: [Key stage 4 performance, Academic year 2023/24 - Explore education statistics - GOV.UK](#))

Further learning, apprenticeships and higher education

The percentage of Northumberland's KS4 students going to a sustained education destination in 2022/23 was 81.1% (state-funded, mainstream). This was just lower than the regional average (81.5%) and lower than the national average (85.6%). In the same year 5.9% of the students went onto sustained apprenticeships, compared with 5.3% regionally and just 3.2% nationwide. (Source: [Create your own tables - Explore education statistics - GOV.UK](#))

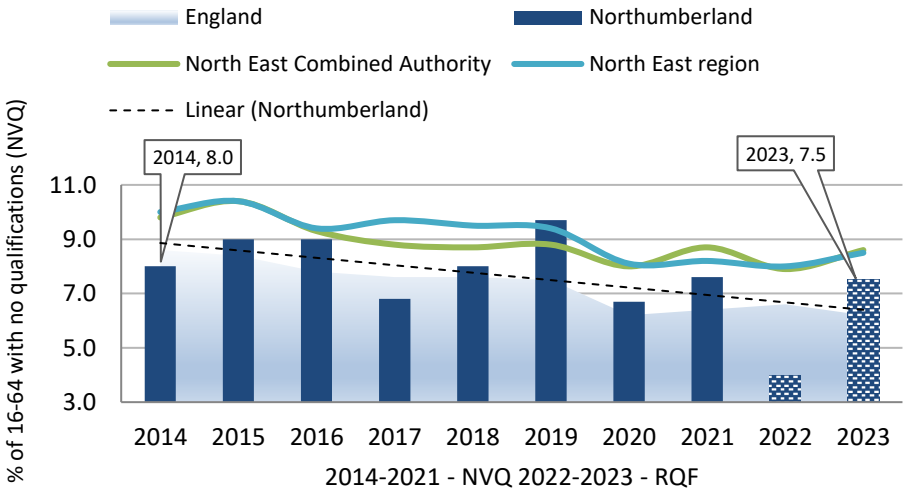
At KS5, 68.2% of Northumberland's students went onto a sustained degree destination (mainstream schools and colleges). This was 9.1 percentage points more than the regional average and 2.7 percentage points more than the national average. (Source: [DfE 2022](#))

Nationally, the percentage of children leaving education without any substantive education has been rising. This has been linked to a sharp increase in the proportion of pupils on free school meals (FSM) and more recently the 'new normal' of teenagers left behind by the pandemic. (Source: [Children's Commissioner, 2019](#) and [GCSE: Thousands more kids leaving without grades 'new norm'](#))

Population with no qualifications

In 2023, 7.5% of the population in Northumberland (aged 16-64) had no qualifications. This is lower than the North East Combined Authority (8.6%) and the region (8.5%), but higher than the England average (6.2%). From 2022 National Vocational Qualifications (NVQ) estimates were replaced with estimates on a Regulated Qualifications Framework (RQF) basis. (Source: APS, ONS).

NB: There was a change to the qualification questions in 2022 causing a temporary increase in the number of cases where qualification information was not available. This only impacts estimates relating to 2022.



NEET

Northumberland's 2023 NEET (and not known) for 16-17-year-olds of 5.1% is below average in the North East Combined Authority area (5.3%), 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: [Participation in education, training and NEET age 16 to 17 by local authority, Academic year 2022/23 - Explore education statistics - GOV.UK](#)) This is latest available at LA level.

Skills Gaps

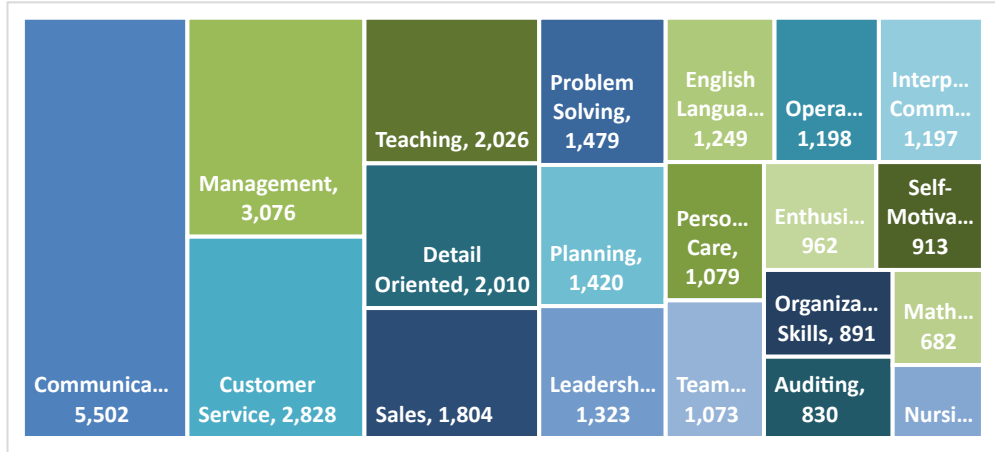
The [UK Commission for Employment and Skills Employer Skills Survey](#) provides analysis of the skills businesses need and identifies areas of skill deficiency. The last survey reported that 15% of Northumberland’s establishments had staff not fully proficient and 8% had a skills shortage vacancy. This was marginally better than the North East Combined Authority area (16% and 8%). The national average was 15% of establishments without fully proficient staff and 10% had a skills shortage vacancy. (Source: [UKCES ESS 2022](#), [2024 currently underway](#))

Job related training

Between July 23 and June 24, 20.5% of the population aged 16-64 in Northumberland received job related training (13week parameter). This was more than the wider North East CA area (18.9) and England (19.1), but less than the region (20.8). For Northumberland this was an increase on the equivalent time period for the previous year. More females than males received training; 20% of males compared with 21% of females. The proportions were lower in all cases for men at the wider geographies (Source: APS).

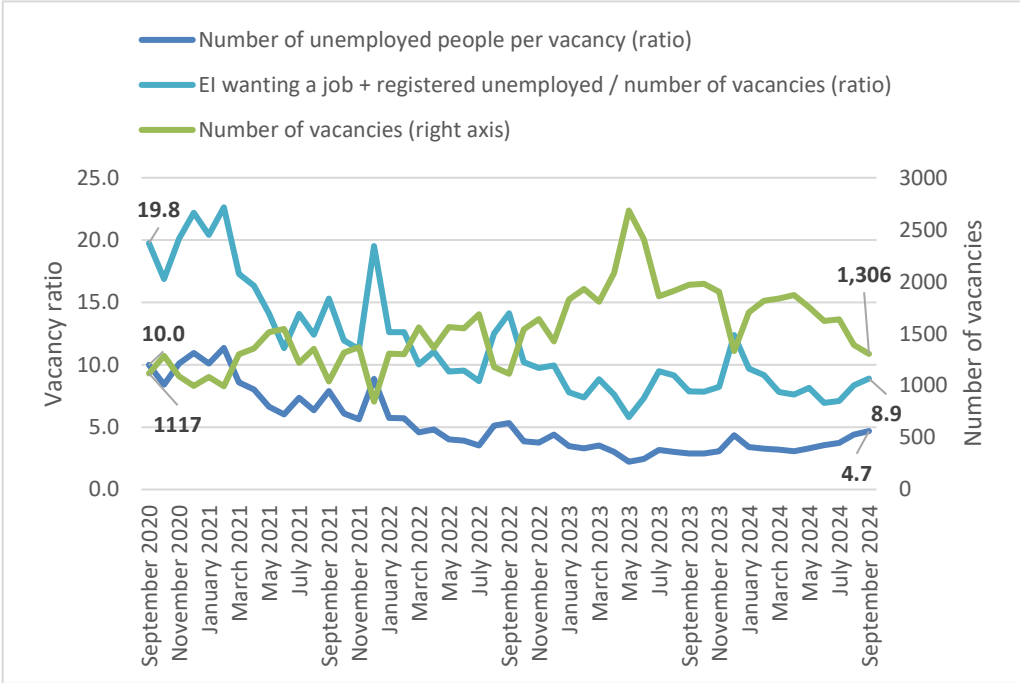
In demand skills

[Lightcast](#) vacancy data revealed the most in demand skills in Northumberland over the most recent 12-month period (Oct 23 – Sep 24) were communications (17%), 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.

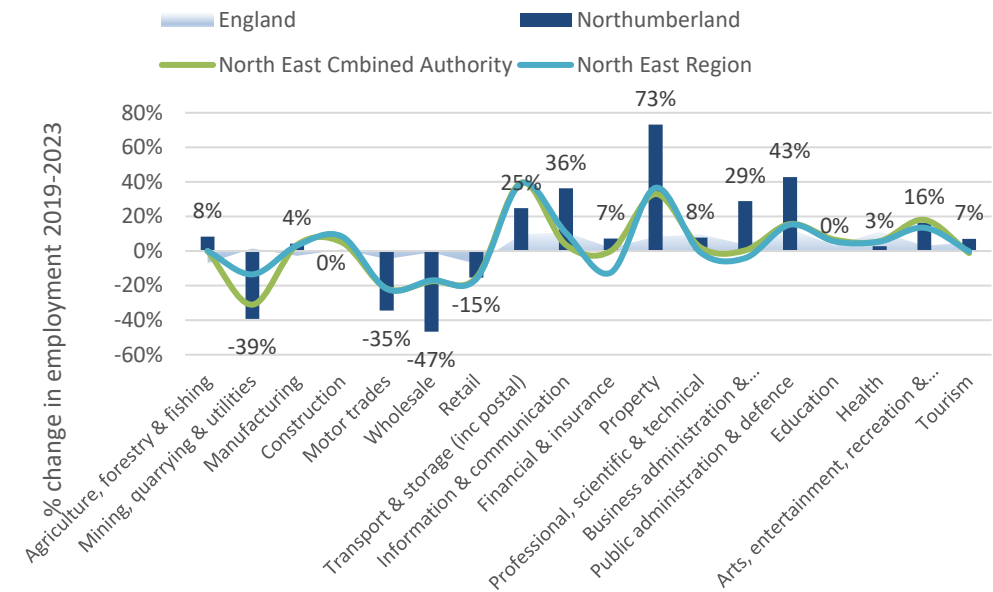


The ratio is calculated using claimant data (Source: Claimant count by sex and age, ONS) and monthly unique job postings data from [Lightcast](#). It shows Northumberland has experienced a tightening in the years following the pandemic, hitting its’ lowest ratio of just 2.2 in May last year, however this has eased more recently with latest data showing a ratio of 4.7.

If we also consider the most recent data for economic inactivity in Northumberland displayed on page 10, a total of 5,500 economically inactive people in the county want a job, consequently this would raise the most recent total ratio to 8.9 (Source: ONS APS).

Business activity

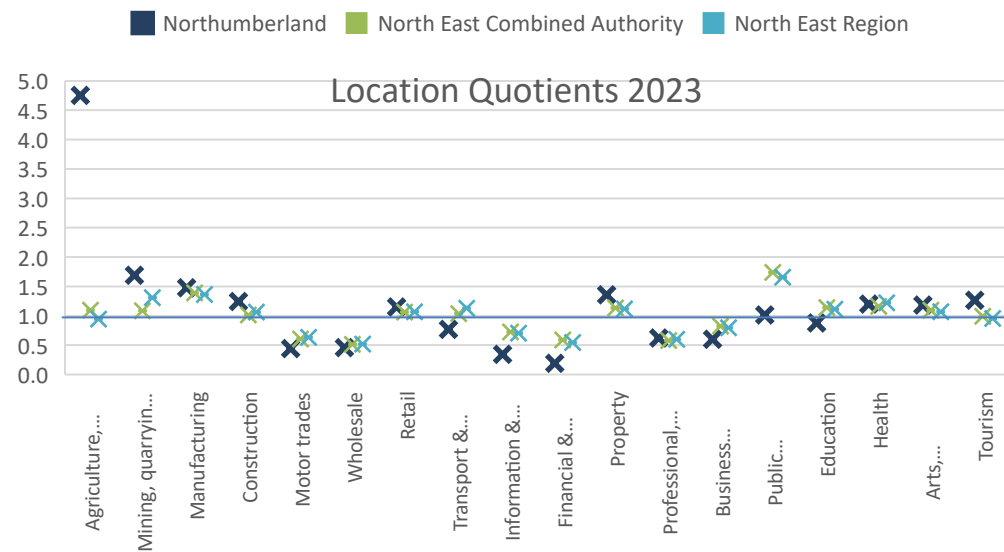
As mentioned on page 6, [BRES](#) is the official source of employee and employment estimates by detailed geography and industry. The chart below provides an indication of the 5 year change in volume of employment by sector between 2019 and 2023 both locally and nationally. (Source: BRES)



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, mining & utilities and motor trades sectors (down 37%, 39% and 35% respectively). Conversely, 6 sectors experienced over 10% growth, the greatest being in the property sector (up 73%), followed by the public admin & defence sector (up 43%) and the info & comms sector (up 36%). Overall, there was a 3% expansion in employment between 2019 and 2023 in Northumberland, which is the same proportion of growth across the Combined Authority, higher than the wider North East regions (2%) but lower than England (4%).

In terms of numbers and proportion of the workforce, Northumberland currently has stronger manufacturing (11%), construction (6%), agricultural (6%), tourism (14%) and health (16%) sectors than the Combined Authority, regional and national averages (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.

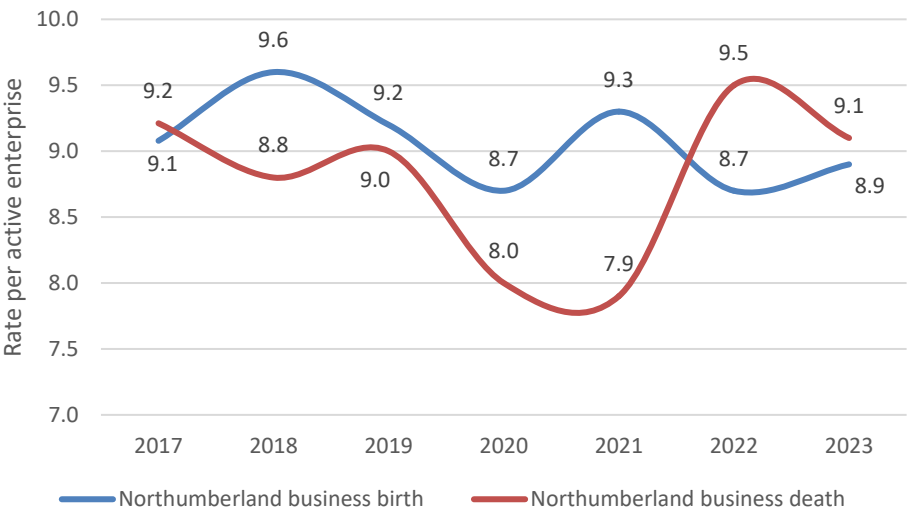


Northumberland has a particularly high employment LQ in agriculture (4.8), significantly outlying the North East CA (1.1) and the region (0.9). Mining and utilities, manufacturing, construction, retail, property, tourism, arts and health all have LQs higher than 1. The lowest LQs exist in finance (0.2), information and communication (0.3). Interesting to note that although growth in the public admin and defence sector has been significant since 2019, its' LQ (1.0) compared with the national economy is much lower than those of the combined authority and wider region (1.7) (Source: BRES 2023)

Business Demography

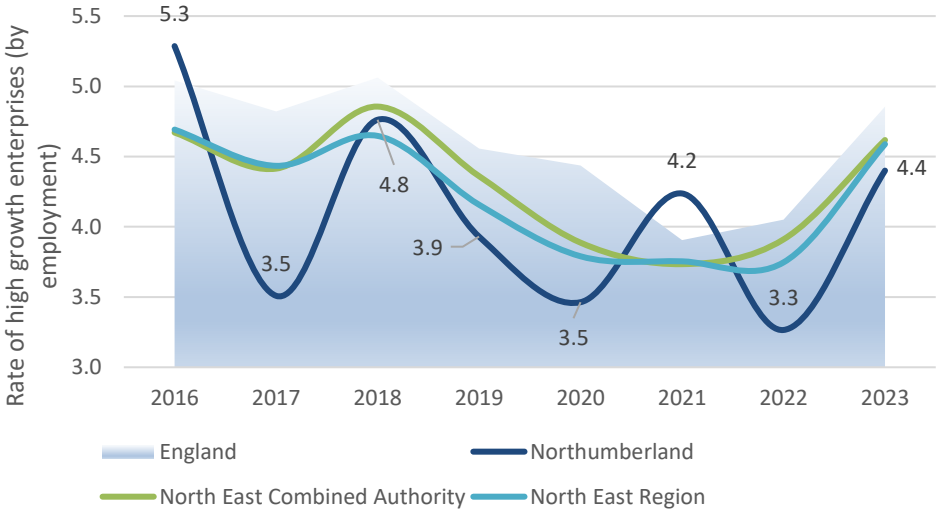
ONS tells us “the starting point for the calculation of business demography data is the concept of active businesses in a reference year. These are defined as businesses that had either turnover or employment at any time during the reference period. New business registrations (identified through registration 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 2023, the rate of creation of enterprises (as a proportion of active enterprises in Northumberland) was 8.9% - equivalent to 1,015 business starts out of 11,430 active businesses. This was much lower than the North East Combined Authority (11.8%), the wider region (12.4%) and England (11.9%).



The rate of closures (deaths) in Northumberland in 2023 was 9.1% - equivalent to 1,045 businesses. Again, proportionately less than the North East Combined Authority (11.9%), region (12.4%) and the England figure of 11.6%. The number and rate of closures slightly exceeded the number and rate of start-ups in Northumberland, having been more divergent in previous years. (Source: [ONS Business Demography](#))

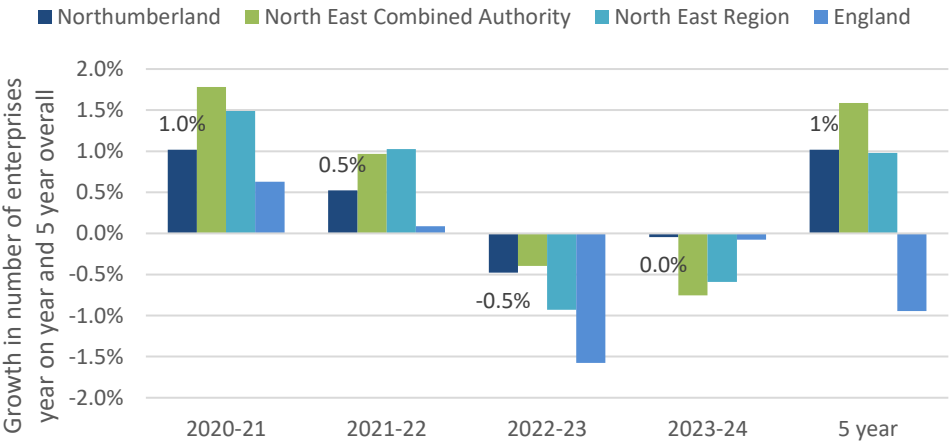
There are several different methods of measuring high growth. ONS publishes annual data on [high growth enterprises](#) under the following definition: “All enterprises with average annualised growth greater than 20% per annum, over a three-year period; by the number of employees or by turnover”. For 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 2023, Northumberland had a count of 55 high growth enterprises out of a total of 1,250 active enterprises with 10 or more employees. This was a rate of 4.4. The chart shows Northumberland in a regional and national context since 2016.



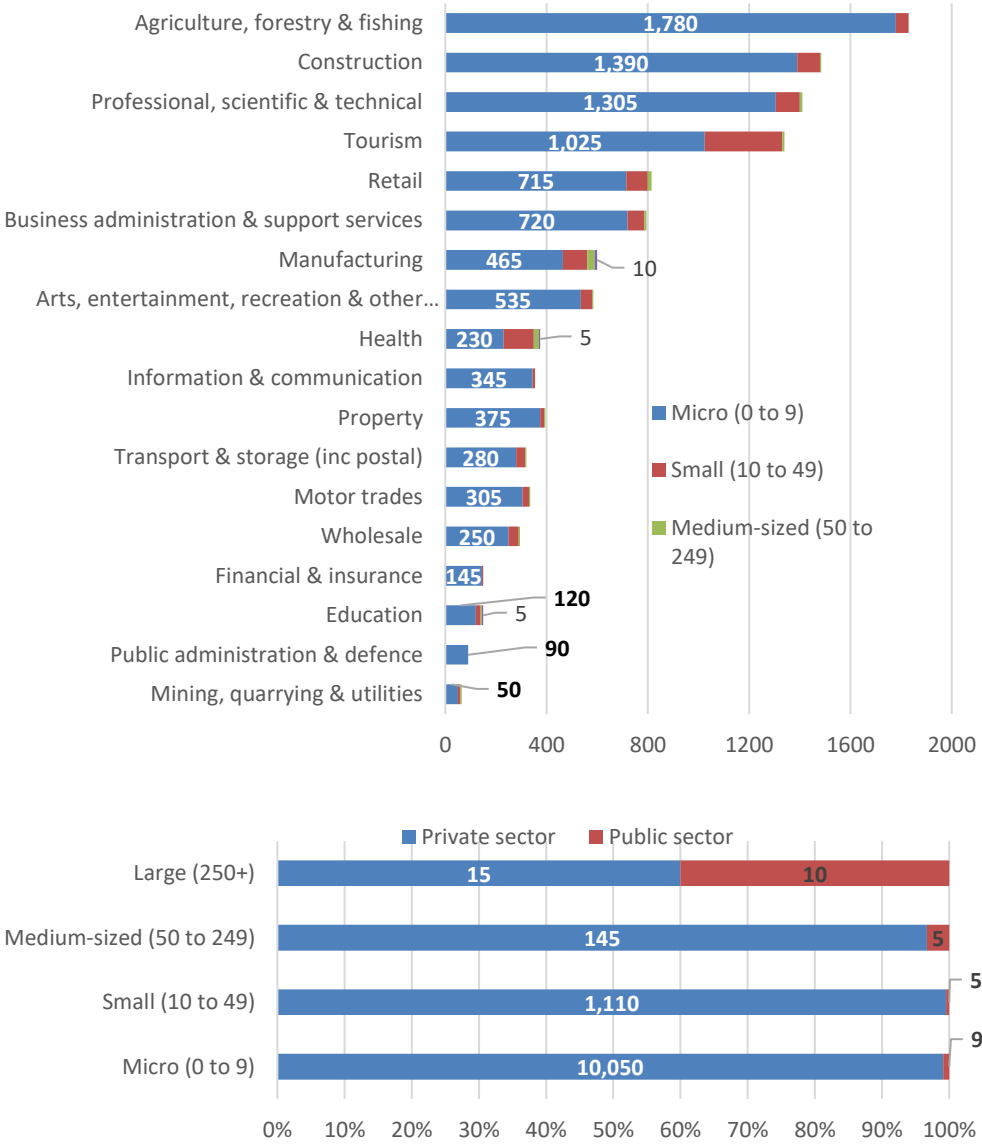
Business size and type

Northumberland’s business base is dominated by micro (89%), small (10%) and a significant group of multinational large employers. In 2024, there were 11,320 **private** sector enterprises in Northumberland, this is equivalent to **411 per 10,000** adult population (16+) which is higher than the North East Combined Authority (326), and the region (321), but lower than England as a whole (501). (Source: [UK Business Counts from IDBR](#) and [ONS MYE 2023](#)).

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 1.6% for the North East Combined Authority and by 1% across the region, over the same period. For England as a whole, it reduced by almost 1% over this time.



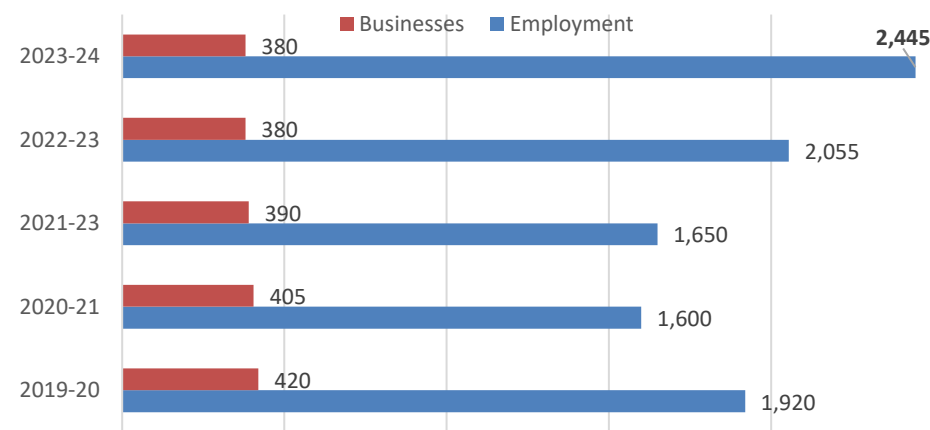
In contrast to the employment data shown on page 6, agriculture, forestry and fishing has the largest number of enterprises in the County (1,835), followed by construction (1,485). Northumberland’s large enterprises are in the manufacturing, education, health, public administration and defence sectors, 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)



Digital economy

The Department for Science Innovation and Technology (DSIT) publishes [official statistics on the Digital Sector](#). In light of the region’s expanding digital infrastructure and the forthcoming potential development of the [hyperscale datacentre campus](#) in Northumberland it is important to consider the current employment and business landscape of this key sector. We can do this by using the aforementioned DSIT definition of the sector and apply it to local data.

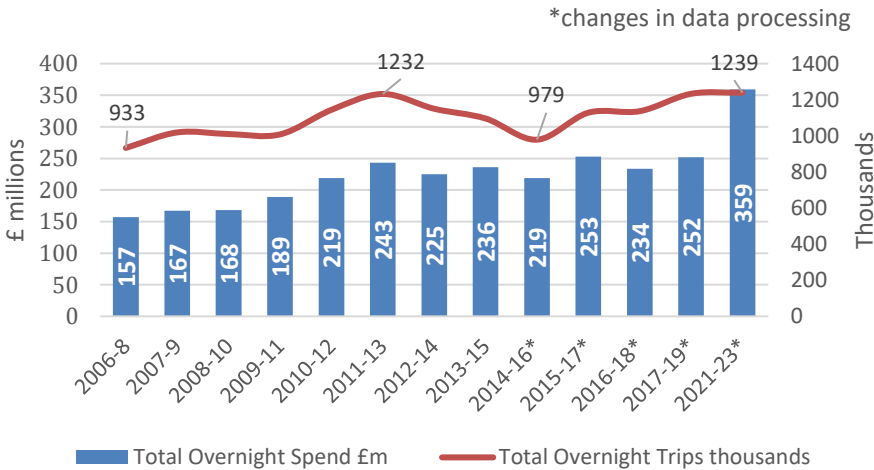
Over the last 5 years there has been growth of 27% in employment in the digital sector in Northumberland, but data is showing a 10% contraction in the number of businesses in this sector. Across the Combined Authority area as a whole growth in employment was flat, with a similar 10% decline in businesses. For the region the employment growth was 11% with a 9% contraction in businesses. Nationally there was 10% growth in employment and a 16% shrinkage in businesses for the same period. (Source BRES & IDBR)



The latest data shows the sector to account for 2% of the workforce in Northumberland, 4% across the Combined Authority and wider region and 5% nationally. A [2021 report for the LGA by Sagacity Research Ltd](#) showed Northumberland to be a high growth area of up to 94% for sector employment by 2050.

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. (Please note: This is the latest available data at subregional level)

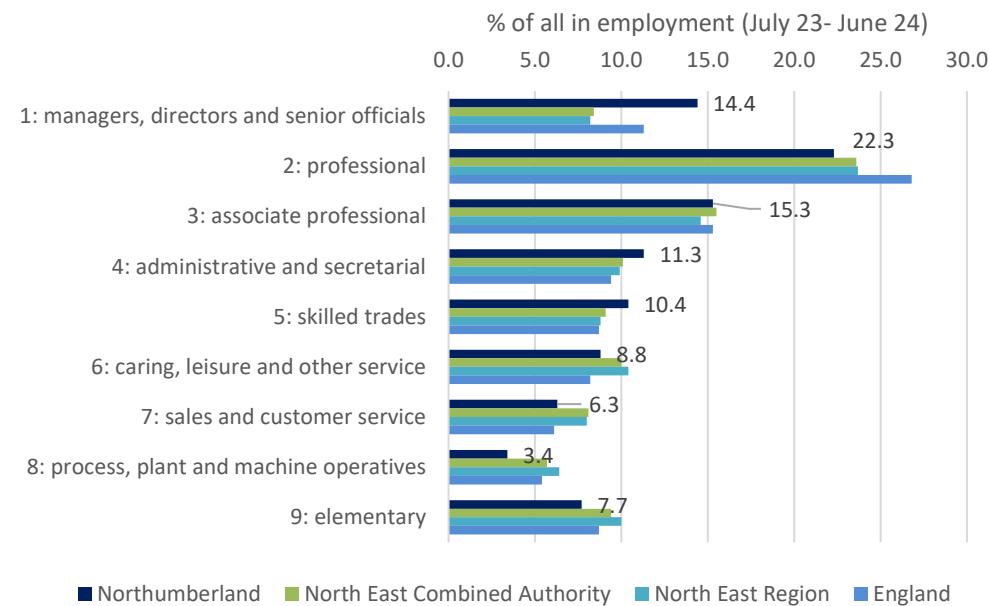


Over the 2021-23 period, it is estimated there were 15.2 million leisure and tourism day visits to Northumberland per year which equated to £601 million total spend per year. Northumberland accounted for the longest number of overnight stays, and the highest annual average overnight spend in the region.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

Occupations

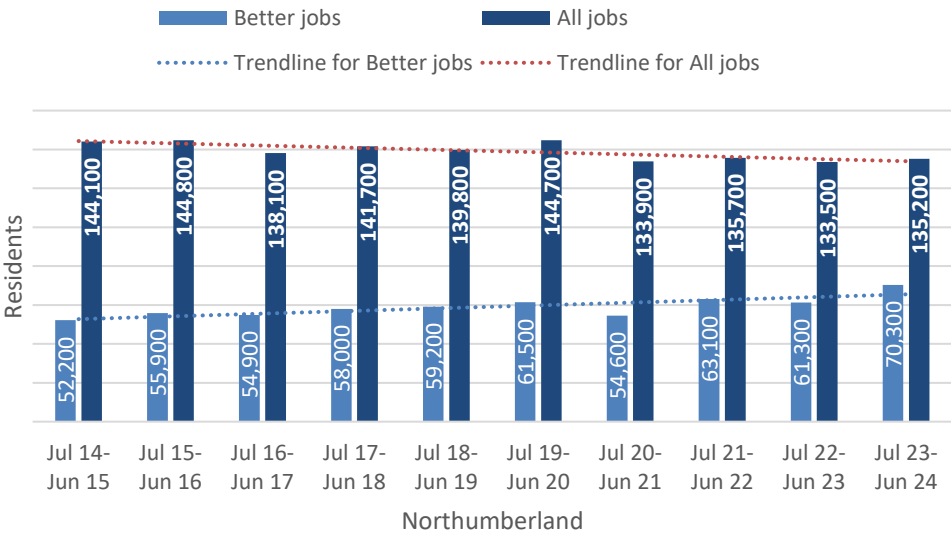
[Standard Occupational Classification \(SOC\)](#) classifies jobs in terms of their skill level and skill content. The [North East Strategic Economic Plan](#) set a target to increase the number of jobs in the North East Combined Authority area by 100,000 between 2014 and 2024. It also set a target that 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. Administrative and secretarial and skilled trades occupations are also well represented in the county. (Source: ONS APS 2023/24)



Northumberland’s resident workforce has significantly contracted, by almost 9,000 since 2014 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 **52%** and is now trending upwards. The average across North East Combined Authority is 47% in better jobs, the same as the North East region (47%). For England as a whole, 53% of occupations are classed in the top 3 SOC groups.

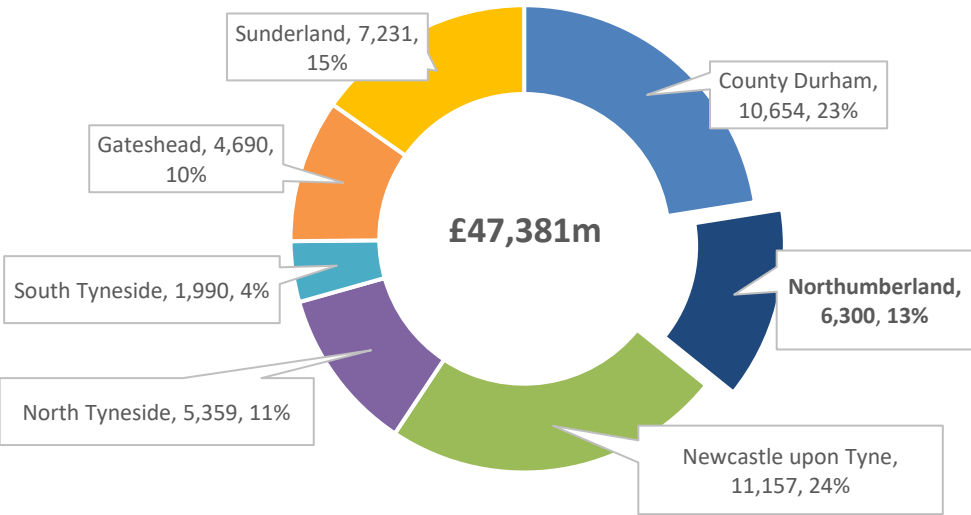


In terms of Northumberland’s employees, BRES data, as referred to earlier, reveals a downturn during 2020, returning to levels displayed pre-2015. This has bounced back during 2021 and 2022 and is now at its highest in 2023 of 108,000 (plus a further 8,000 working owners). The sectors experiencing growth and contraction in Northumberland, the wider region and nationally, are displayed on the chart on page 15.

Gross Value Added (GVA)

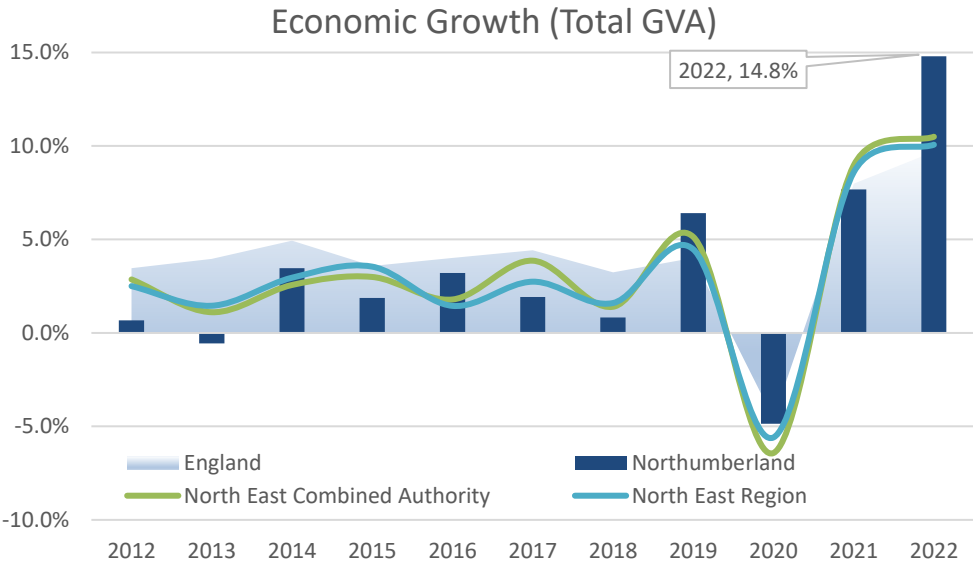
Gross Value Added provides a value for the amount of goods and services that have been produced, less the cost of all inputs and raw materials that are directly attributable to that production. It is used to monitor the performance of the national economy and is now the measure preferred by the Office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

The total GVA for Northumberland in 2022 (£6,300m) represents 13% of the total GVA for the North East Combined Authority area (£47,381m) and 10% of the North East region (£63,107m). The chart below illustrates the North East Combined Authority components at current prices. (Source: [Regional gross value added \(balanced\) per head and income components - Office for National Statistics](#))



Between 2012 and 2022, the total GVA for Northumberland increased at an average nominal rate of just over 3.5% per year. This is more than the average annual change in the North East Combined Authority (3.2) and the region (3.1), but less than England (4.1).

The chart below shows the growth fluctuations since just after the ‘great recession’. Following the inevitable universal shrinkage of the pandemic, there has been a sharp rebound. The most recent figures show Northumberland’s growth (14.8%) to significantly exceed that of the Combined Authority (10.5), region (10.1) and England (9.7), this bounce back is due to a combination of factors including government support packages, industrial output (In particular, the manufacturing sector) and consumer spending. (Source: [Report: GVA by industry - North East Evidence Hub](#))



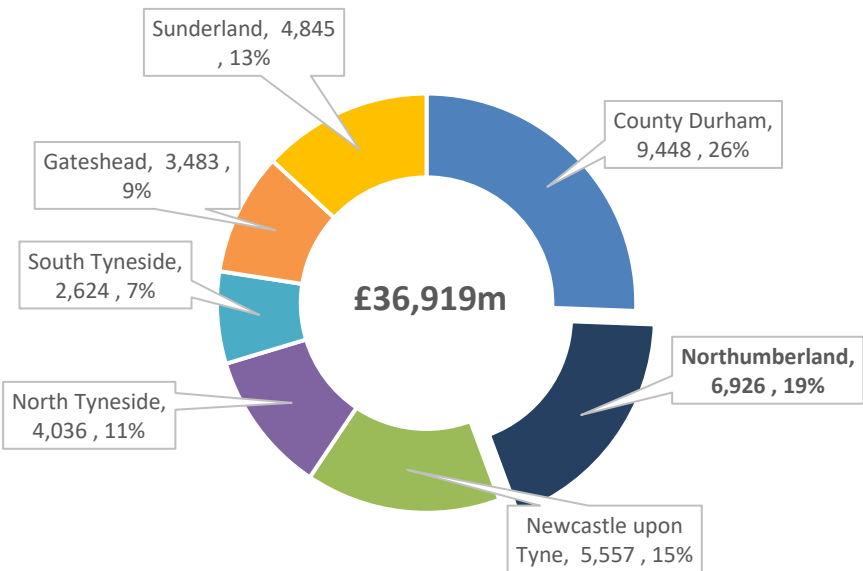
GVA per head

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 2022 was £19,424 compared to £26,833 for Tyneside, £23,521 for the North East and £33,976 for England. This was a 14% increase on 2021 for Northumberland and a 9% increase across the region and nationally. (Source: [Regional Accounts, ONS](#))

Gross disposable household income (GDHI)

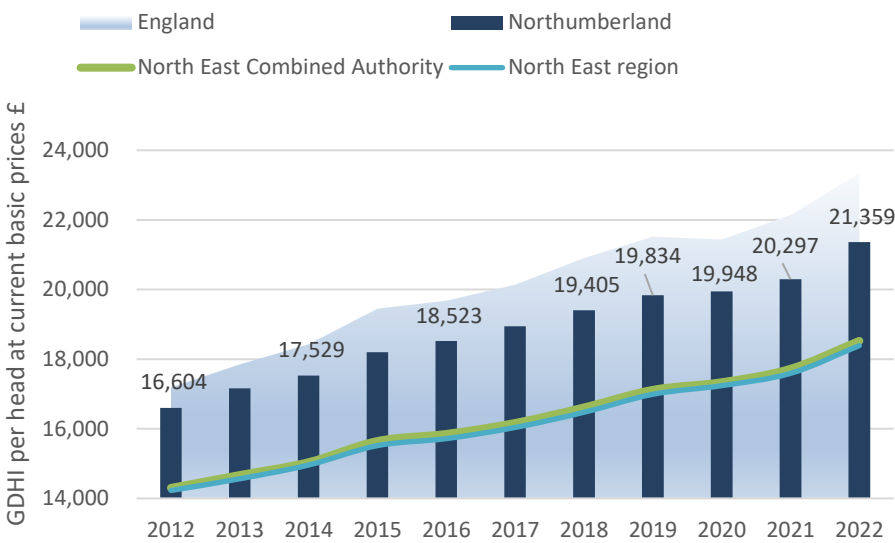
Household disposable income represents the amount of money left available within the household sector for spending or saving, after expenditure associated with income (e.g. taxes and social contributions), property ownership (e.g. interest paid on mortgages and other borrowings) and provision for future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

The total GDHI for Northumberland in 2022 - £6,926m, represents 19% of the total GDHI for the North East Combined Authority area (£36,919m) and 14% of the North East region (£49,319m). (Source: [Regional gross disposable household income: local authorities by ITL1 region - Office for National Statistics](#))



Between 2012 and 2022, the total GDHI for Northumberland increased at an average nominal rate of 2.9% per year. Although higher most recently at 6.1% between 2021- 22, this is averaging on the lower side compared with the across the Combined Authority (3.0%), the North East region (3.1%) and England overall (3.9%).

GDHI per head



In 2022 the GDHI per head in Northumberland was £21,359 which is near to the England average of £23,338. Northumberland tracks higher than all other Local Authorities in the region. The North East Combined Authority and wider regional figures of £18,525 and £18,388 respectively, have remained much the same but substantially lower.

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' per head than other areas in the North East. (Source: as previous)