



Northumberland Knowledge

Economic Performance Bulletin

Know Northumberland at a glance

- Home to 320,300 people (ONS 2018).
- Covers an area of 5013 km², 97% of this is classed as rural (Census 2011).
- 46% of the population live in rural areas (Census 2011).
- People aged 65 and over set to increase by 43.2% by (2016 based population projections).
- Sparsely populated with a density of 64 people per km² (ONS 2018).
- 51% of the population live in 3% of the area (South East).
- 12% of the population live in one of the 10% most deprived areas of England (IoD 2019).
- Life expectancy at birth for males 79.4 and females 82.7 (2015-17).
- 155,000 dwellings (Northumberland open data 2019).
- Average house price is £160,901, higher than the region, £132,769 and lower than England, £250,677 (UKHPI all property types Sep19).
- Unemployment is higher than the national level (5.1% compared to 4.1%), 3.3% claim out of work benefits. North East rate of 4.4% (Oct 19).
- Employment rate is 71.5% (Jul18-Jun19).
- Wages for those working in the county are lower than the national figure, with the weekly average (median) pay being £496 compared to £591 in England and £533 in the North East (2019).
- GVA (Gross Value Added) per head stood at £15,564 compared to £20,554 across the North East and £29,356 for England (GVA(B) 2018).
- Crime rates (per 1,000 population) are low at 79 - the lowest rate in the Northumbria force area (June 2019 CSEW).
- The percentage of children achieving a grade 4 or above in GCSE English and mathematics is 63.5%, compared to 59.1% in England (2017/18).



Contents	Page	What you need to know
Employment	4	<p>The economic performance of the county can be assessed by looking at several datasets which cover a number of socio-economic factors. This data provides the context for the economic objectives contained within the 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 or have retired early. • Earnings: Average (median) gross earnings in pounds. • Skills and education: Percentage of people aged 16-64 with no qualifications, GCSE results, 16-18 year olds not in education, employment or training (NEET), percentage of pupils progressing to higher education, skills gaps and job related training. • Business stock: The Business Register and Employment Survey (BRES) publishes employee and employment estimates and is regarded as the official source of these data by detailed geography and industry. Business start-ups and closures are an indicator of the level of entrepreneurship and of the health of the business population. New business registrations are referred to as business births and the birth rate is calculated using the number of new business registrations as a proportion of the active enterprises. Businesses that have ceased to trade (identified through de-registration of the administrative units, that is, VAT and PAYE) are referred to as business deaths and the death rate is calculated using the number of deaths as a proportion of the active enterprises. • 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, Policy Analyst Economic & Inclusion Policy Team, Economy & Regeneration Service Comments and feedback welcomed: julie.dowson@northumberland.gov.uk</p>
Unemployment	6	
Economic	9	
Inactivity	10	
Earnings	11	
Skills and	12	
education	13	
Business stock	14	
Business	15	
demography	16	
Occupations		
GVA		
GDHI		

Employment

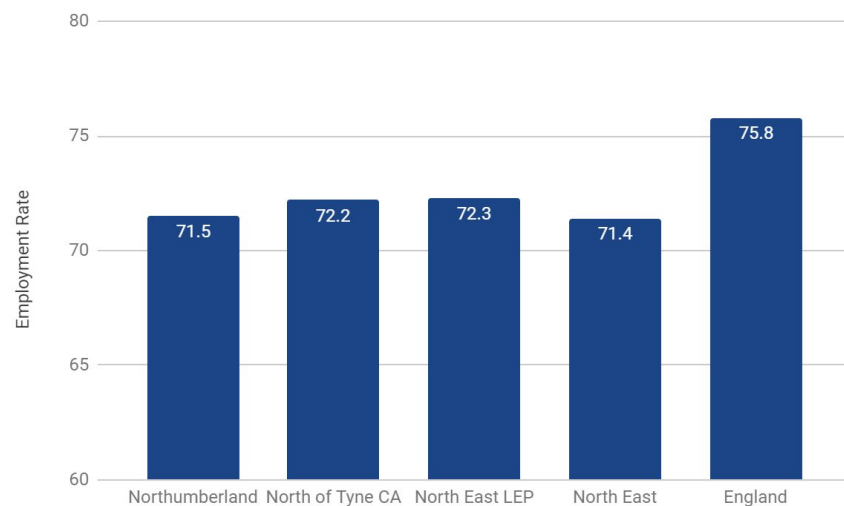
The [Labour Force Survey \(LFS\)](#) and the [Annual Population Survey \(APS\)](#) are the sources the Office for National Statistics (ONS) recommends for employment-related statistics. The number of people in employment consists of people aged 16 years and over who did one hour or more of paid work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

The headline measure of employment is the employment rate, this is defined as:

"The number of people in employment expressed as a percentage of all people aged 16-64."

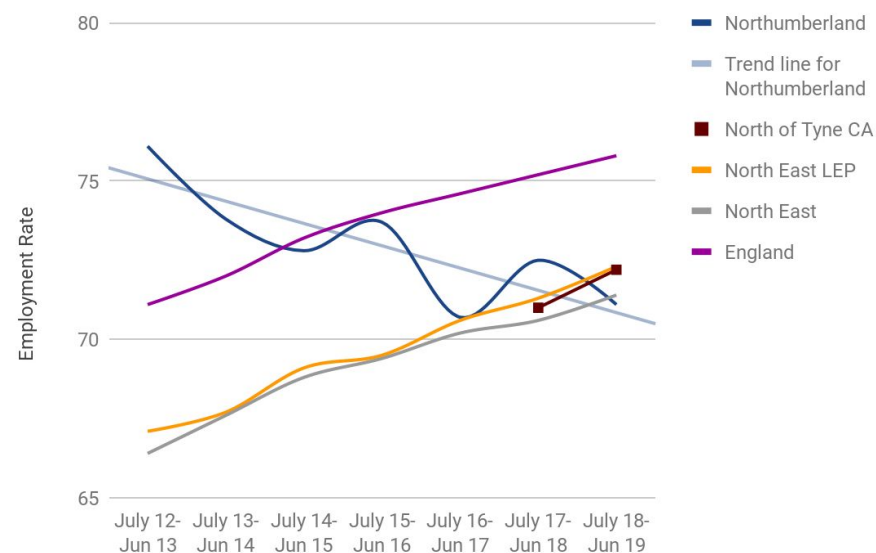
Employment Rate (2018-19)

From July 2018 to June 2019, the employment rate for those aged 16-64 in Northumberland was 71.5% which was lower than the average for the North of Tyne CA (72.2%) and the North East LEP (72.3%), but higher than the region (71.4%). England's average was much higher than Northumberland at 75.8%. (Source: APS, ONS)



Employment Rate Change Over Time

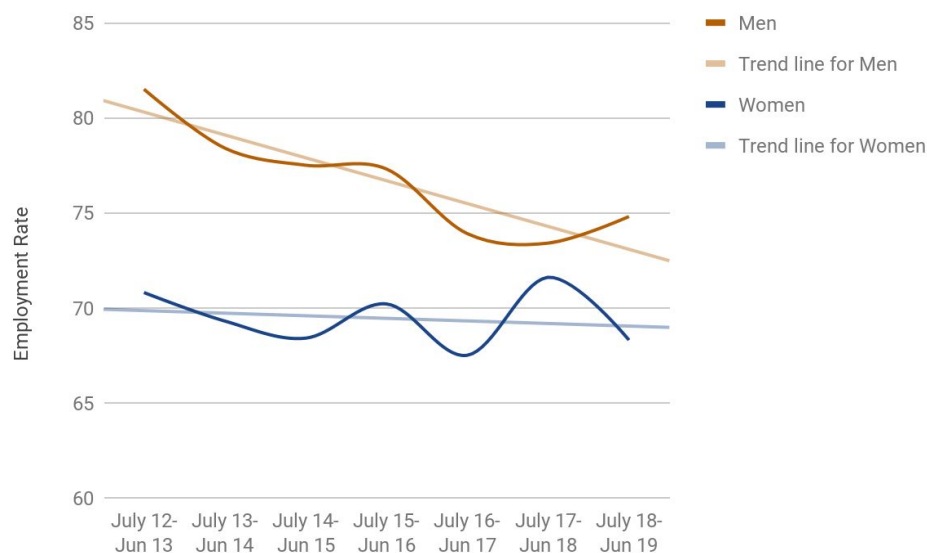
Northumberland's previously buoyant employment rate slipped post recession and aligned more closely with improving rates in both the North East LEP and the region as a whole. The last 6 or 7 years has seen a steady increase in the national and regional rates whereas Northumberland has bucked this trend rather significantly. (Source: APS, ONS)



Employment Rate for men and women

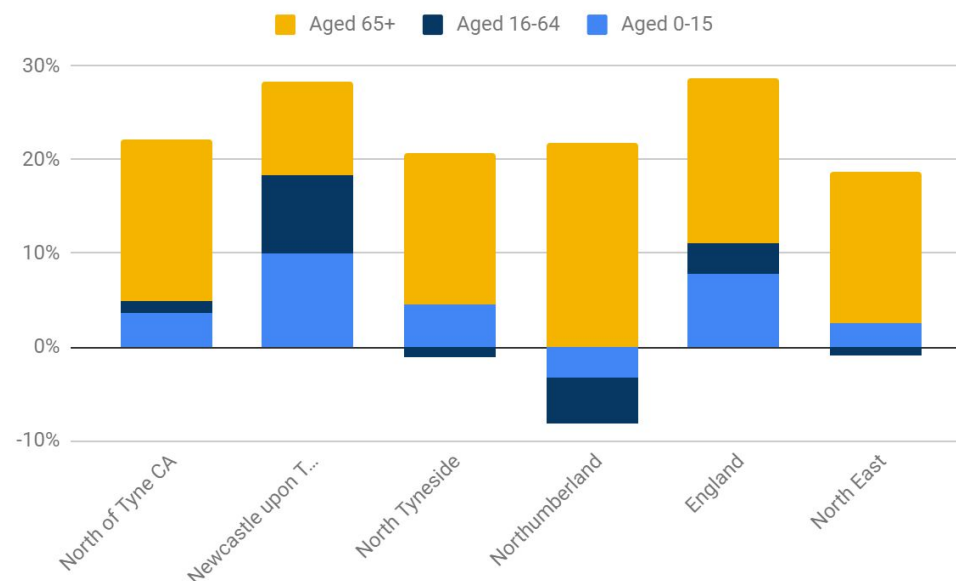
Northumberland's employment rate has been in steady decline for both men and women from mid 2012 following a particularly high period of employment (of over 80% and 70% respectively). Most recently, the employment rate for men has had a slight uplift, to almost 75%, whereas there has been a fall in women's employment rate to 68.3%. (Source: APS, ONS)

The increase in state pension age for women; to bring it in line with men; appears to have affected the employment rate for women in latter years, resulting in a much less sharper decline in the overall trend.



Northumberland's population

Given the significant decline in Northumberland's employment rate and the juxtaposition with the regional and national rates, it is important to reflect on the County's changing population over the last 10 years (2009-18).



(Source: Population Estimates, ONS)

Northumberland's population aged 16-64 contracted by 5% (9,465) in the last 10 years, North Tyneside's also contracted, by 1%, but Newcastle's grew by 8%. Nationally, the working age population increased by 3%.

In contrast, Northumberland's 65+ population grew by 22% compared with just 10% growth in Newcastle and 16% in North Tyneside. Nationally the population 65+ increased by 17%.

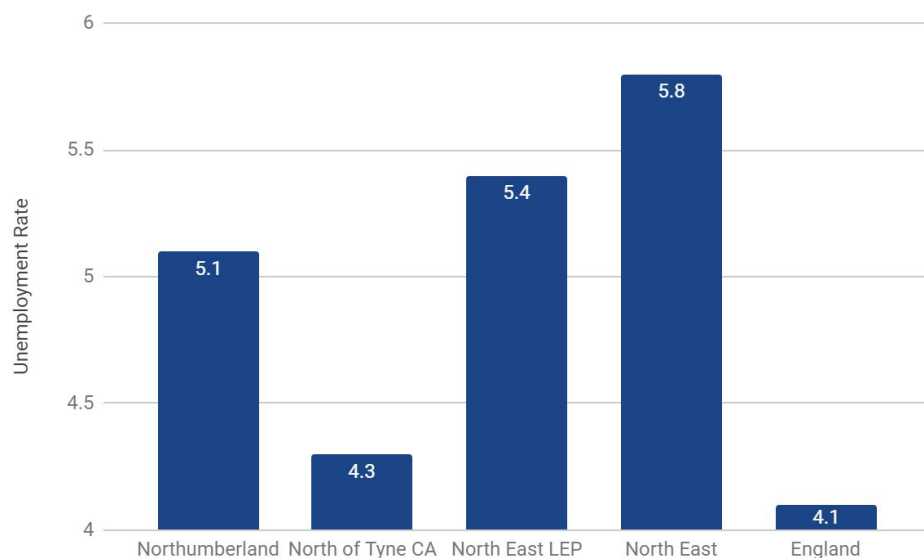
Northumberland was the only area to experience a decline (-3%) in the 0-15 age group during this time.

Unemployment

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

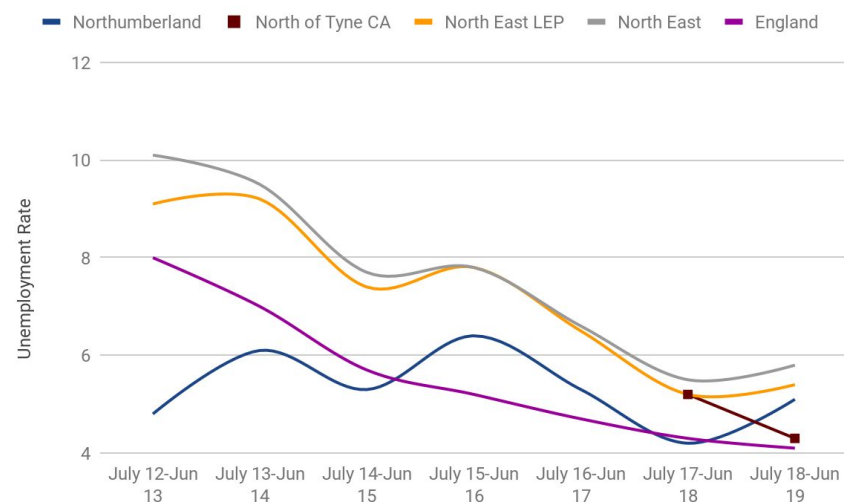
Unemployment Rate (2018-19)

In Northumberland, the unemployment rate from July 2018 to June 2019 was 5.1% of the economically active population aged 16-64. There has been an increase recently bringing it closer to the North East LEP rate (5.4%) but still much lower than the regional average of 5.8%. The North of Tyne CA has fared much better recently with an unemployment rate of 4.3%, close to the English average (4.1%). (Source: APS, ONS)



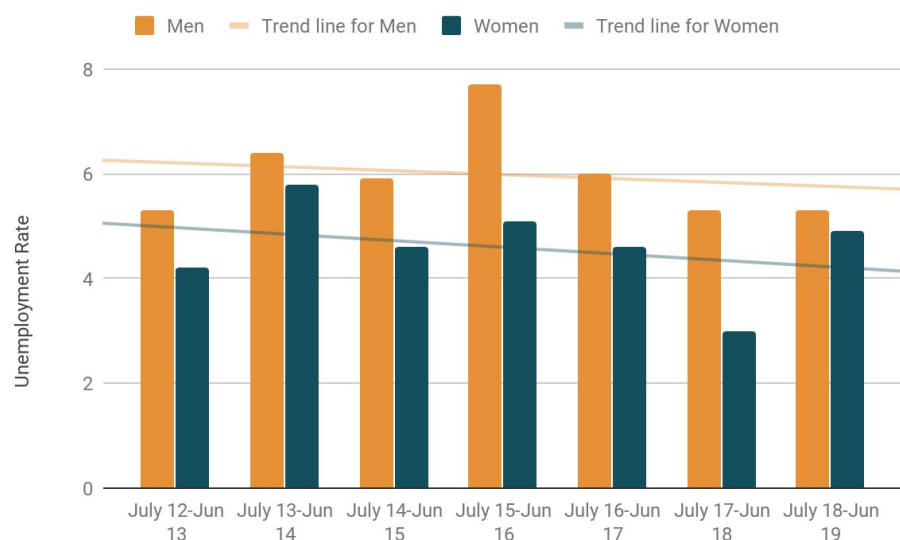
Unemployment Rate Change Over Time

The unemployment rate in Northumberland has fluctuated between record highs to record lows in the last 10 years, culminating in some of the lowest rates on record more recently. Crucially, despite Northumberland's fluctuations, unemployment rates have generally been going down and this is also the case across the North East and nationally, where the fall has been considerably sharper. (Source: APS, ONS)



Unemployment rate for men and women

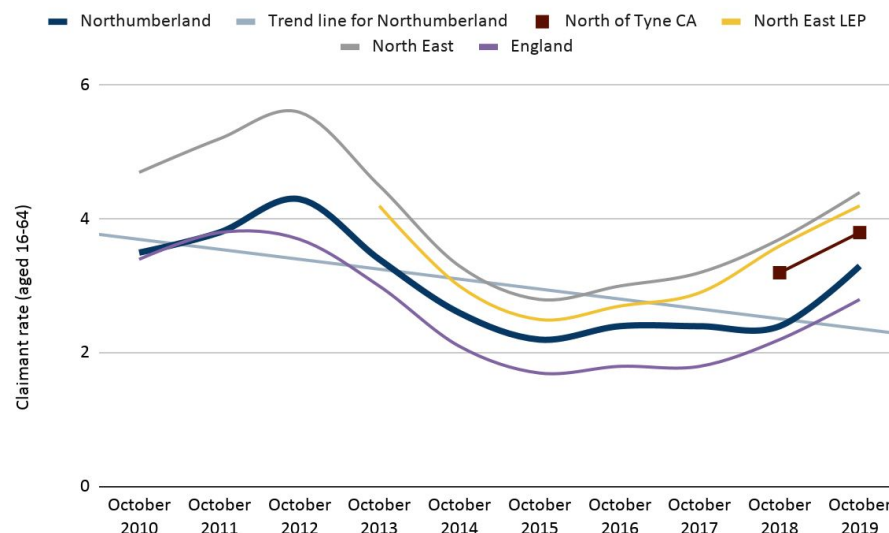
The unemployment rate (July 2018-June 2019) for men in Northumberland is 5.3%, for women it is 4.9%. The rate remained the same as this period the previous year for men and increased by almost 2 percentage points for women. Overall, for 2018-19, there was a difference of just 0.4 percentage points between male and female unemployment rates in Northumberland. In England, the difference between unemployment rates for men and women was just 0.1 percentage points for the region it was 1.4. (Source: APS, ONS)



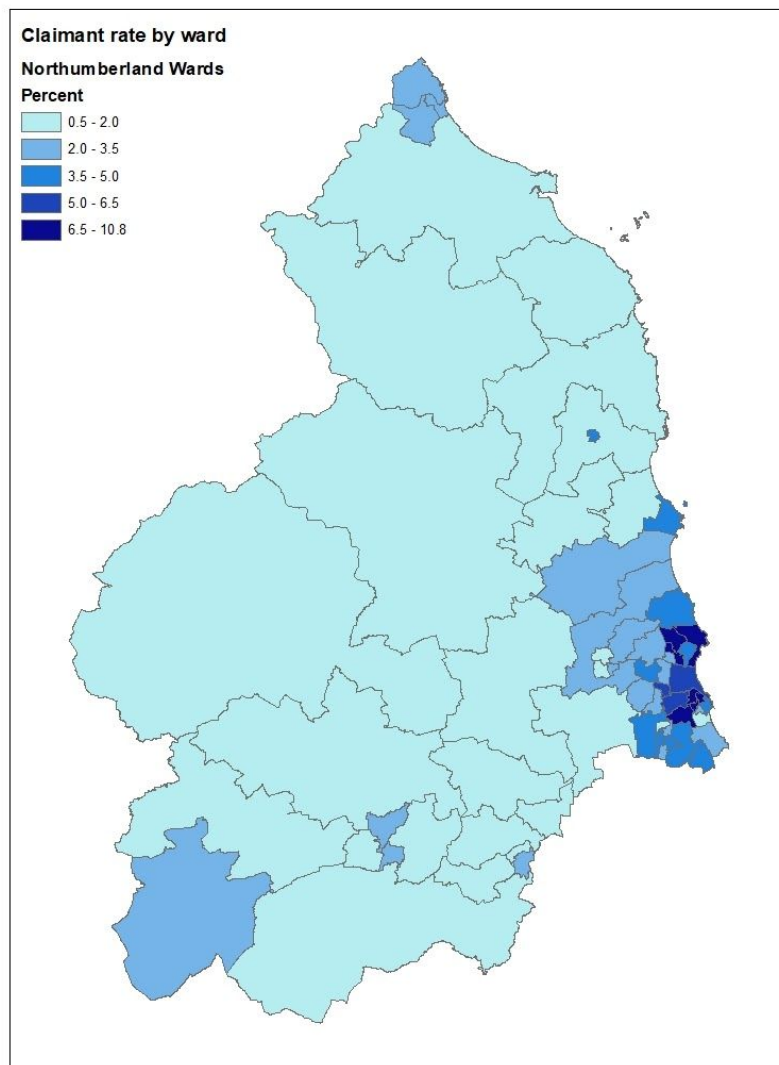
Claimant Count (October 2019)

The number of people claiming Jobseekers Allowance, plus those who claim Universal Credit (UC) 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. Thus 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 October 2019, the claimant count rate for the resident population age 16-64 in Northumberland (3.3%) was higher than England (2.8) but lower than the North East LEP (4.2) and the region (4.4) and the North of Tyne CA (3.8). (Source: Claimant count by sex and age, ONS)



Under Universal Credit, 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 in detail

The map shows the claimant count rates for Northumberland's 67 wards; the darker the shading, the higher the rate of claimants as a proportion of residents aged 16-64.

The highest rate in October 2019 was in Croft (10.8%) and the lowest was in Ponteland West (0.5%).

Since this particular dataset commenced in 2013, Croft ward has consistently housed the highest claimant rates in October each year - ranging from a low of 7.8 in 2015 to the peak rate of 10.8 this year.

The wards with the smallest claimant rates over the same period of time have varied each year with South Tynedale ward being the most frequently represented ward with the lowest rates in 2015 (0.4), 2016 (0.5) and 2018 (0.5).

In considering the wider Combined Authority area and further afield to other wards in the LEP, only Byker, in Newcastle, has a higher claimant rate than Croft in October 2019, of 10.9%. Neville's Cross in County Durham has the lowest claimant rate in the LEP area, of 0.4% followed by North Jesmond in Newcastle mirroring Ponteland West with 0.5%.

The highest claimant rate by ward in the country in October 2019 was in Bloomfield, Blackpool at 15.5% of residents aged 16-64.

Penyghent ward in the Craven District Council area of North Yorkshire is recorded as having zero claimants. It is unlikely that this is a true zero, but the ward's claimant rates are historically extremely low, so this is most likely 'rounded down' from a small number to avoid the release of confidential data, nonetheless, it is the lowest claimant rate in the country at this time.

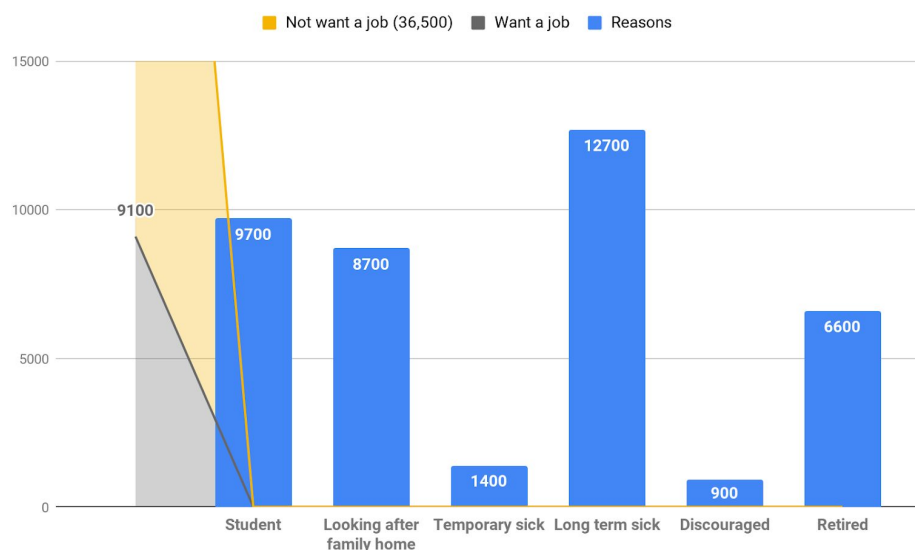
Economic Inactivity

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, (July 2018-June 2019) 23.4% of the resident population aged 16-64 were economically inactive. Of the 45,600 people who were economically inactive, 80% did not want a job. (Source: APS, ONS)

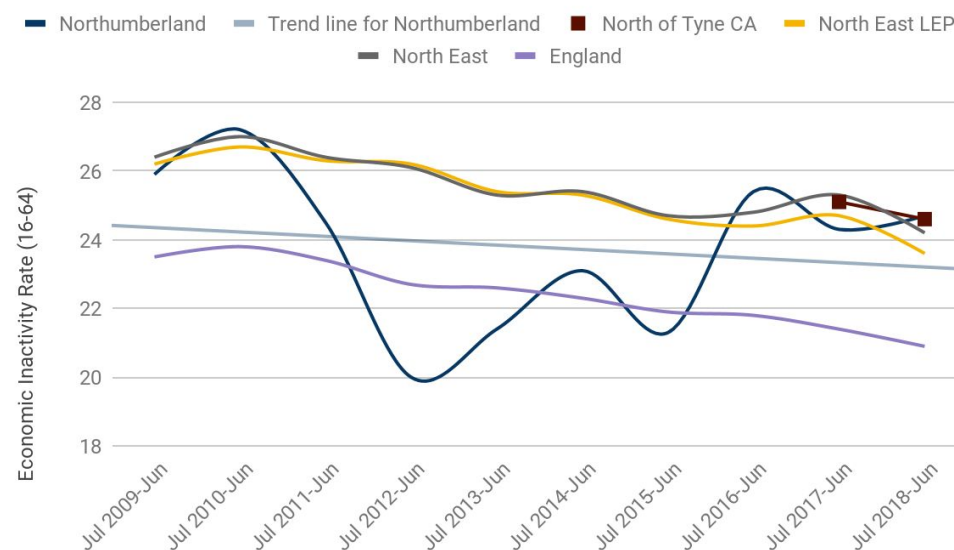


Northumberland's reasons for economic inactivity are dominated by the 'Long term sick' (28%), followed by students (21%), homemakers (19%), early-retired (14%).

Economic Inactivity Rate Change Over Time

Overall, although erratic, Northumberland's economic inactivity rate has displayed a downward trend from a post recession high of 27.2% to a low of just 20% in 2012/13. It is now closely aligned with both the Combined Authority and the LEP.

Nationally, levels have remained more stable and generally lower. (Source: APS, ONS)

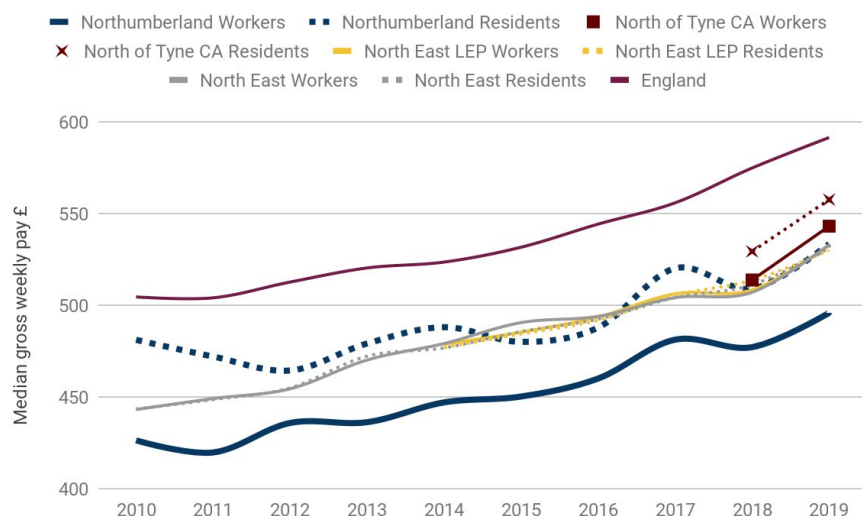


Earnings

The following figures are based on the average (median) gross earnings in pounds for 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 2019, pay for those working in the county was £496 per week compared to £543 for the North of Tyne CA, £533 in the LEP area and the North East region and £591 across England. Median weekly pay for Northumberland's residents was £533, compared to £558 in the North of Tyne CA, £530 in the LEP area, £531 in the North East and £591 across England. The source for this data is the [Annual Survey of Hours and Earnings \(ASHE\)](#).

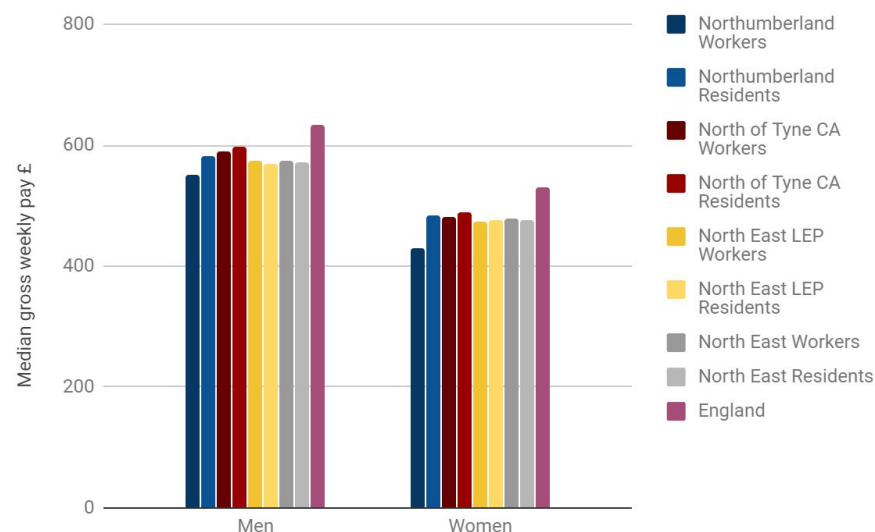
Earnings over time

The median pay of those living in the county has risen sharply recently, from £480 per week in 2015 to £533 in 2019 following a brief dip last year. This brings resident's wages more in line with regional and national levels. For those working in the county however, earnings are still much lower but have grown by 10% over the most recent 5 year period.



In 2019, the weekly gross pay of men working full-time in Northumberland was £122 per week greater than the pay of women. For residents of Northumberland, the weekly gross pay of men (full-time) was £98 per week greater than the pay of women. This compares to a difference of up to £109 per week for the North of Tyne CA, up to £101 per week in the LEP, up to

£97 per week in the North East region and around £104 per week in England in both residence and workplace terms.

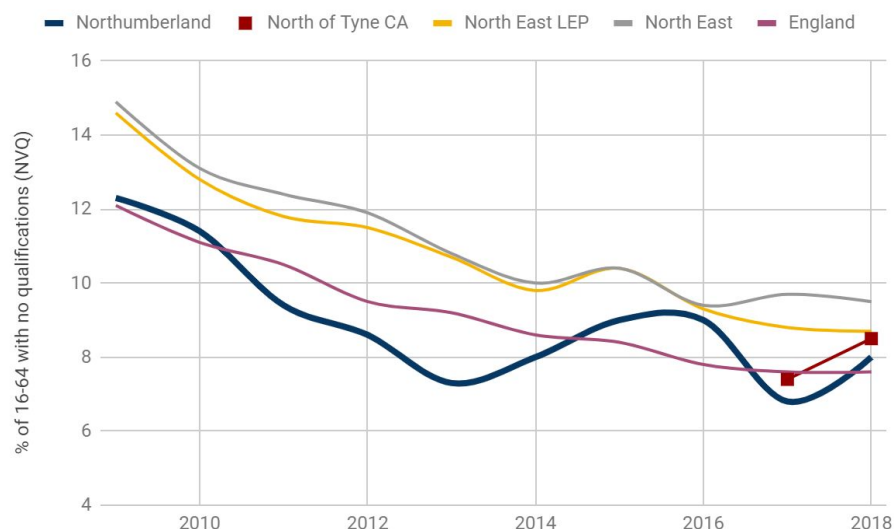


For those working in Northumberland, the weekly gross pay of men (full-time) has increased from £471 in 2010 to £552 in 2019; it was £54 less last year. For women (full-time) it has increased from £346 in 2010 to £430 in 2018, however it has fluctuated in the interim period and was £10 more last year. For residents of Northumberland, who may work out of the County, the weekly gross pay of men working full-time has increased from £549 in 2010 to £583 in 2019. For women the increase was from £401 to £485.

Skills and Education

Population with no qualifications

In 2018, 8% of the population in Northumberland (aged 16-64) had no qualifications. This is lower than the North of Tyne CA (8.5%), North East LEP (8.7%), the region (9.5%) and England (7.6%). Northumberland's working age population (aged 16-64) has contracted recently, which may partly explain the rise in proportion of unqualified residents. (Source: APS, ONS)



Skills Gaps

The UK Commission for Employment and Skills Employer Skills Survey provides comprehensive analysis of the skills businesses need and identifies areas of skill deficiency. The biennial survey reports that 11% of Northumberland's establishments have staff not fully proficient and 4% have a skills shortage vacancy. This is marginally better than the North of Tyne CA (12% and 6%) and North East LEP (13% and 5%). The national average is 13% of establishments without fully proficient staff and 6% have a skills shortage vacancy. (Source: UKCES ESS 2017) The [2019 survey](#) is underway.

GCSE Results

In 2017, pupils sat reformed GCSEs in English language, English literature and mathematics for the first time, graded on a 9-1 scale. In 2018, an additional 20 reformed GCSEs were sat, with other subjects being phased in over 3 years. There are a number of headline accountability measures, but for the purposes of this bulletin we will look at attainment in English and Mathematics. 63.5% of pupils in Northumberland achieved a grade 4 or above, compared with 62% across the North East and 59.1% across England. Due to changes in methodology, these figures cannot be compared with other years.

(Source: [DfE \(provisional\) 2017/18](#))

NEET

Northumberland's 2019 NEET for 16-17 year olds of 3.8% is one of the lowest in the North East LEP area, but it is in the lowest (5th) quintile compared to other LAs across the country. North Tyneside had the lowest at 2.9% placing it in the 4th quintile. The North East average was 4.2% and the England average was 2.6% 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 2019 NEET Scorecard](#))

Further learning and higher education

The percentage of Northumberland's KS4 students going to a sustained education destination in 2017/18 was 82%. This is lower than the national average (86%) and the same as the regional average. In the same year 7% of the students went onto apprenticeships, compared with 6% regionally and 4% nationwide. At KS5, 54% of Northumberland's students went onto a UK Higher Education Institution that year. This was 3 percentage points less than the regional average and the same as the national average.

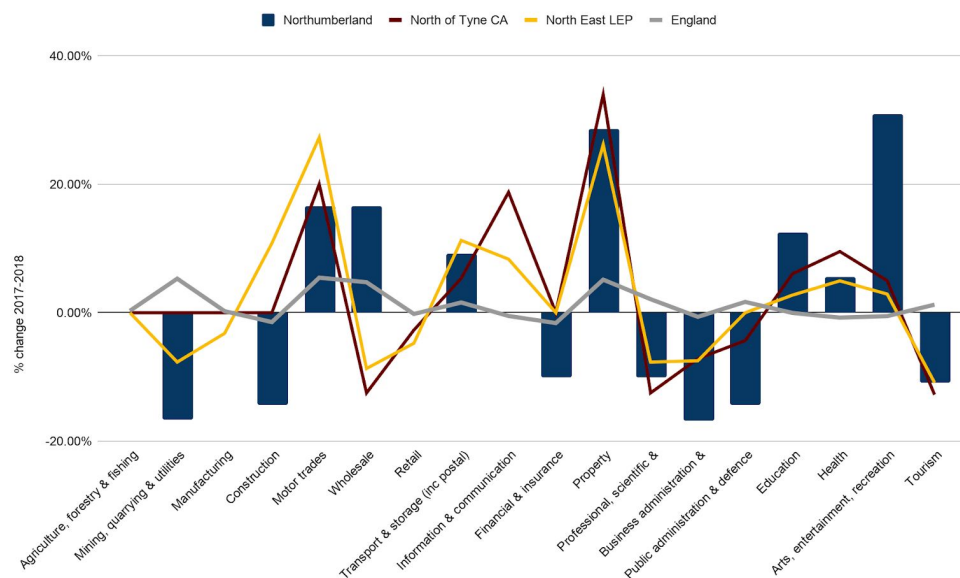
(Source: [DfE 2019](#))

Job related training

Between July 2018 and June 2019 13.9% of the population aged 16-64 in Northumberland received job related training (13 week parameter). This was much less than the North East region (17.1), England (18.8), the North East LEP (16.9) and North of Tyne CA (14.4). For Northumberland this was a decrease on the equivalent time period for the previous year. The figures are split fairly evenly between male and female, with 13.7% of males and 14% of females in Northumberland receiving training. (Source: APS)

Business stock

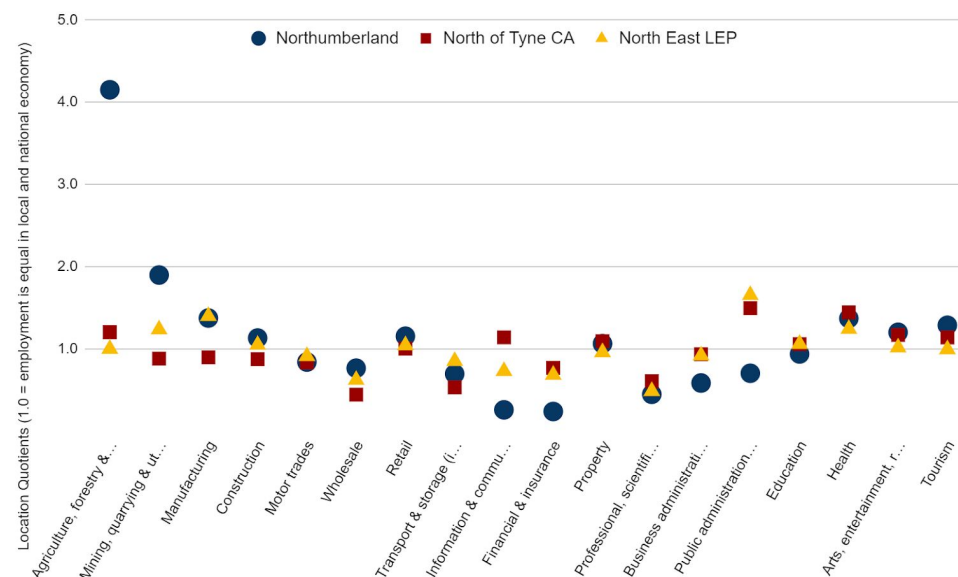
The [Business Register and Employment Survey \(BRES\)](#) is the official source of employee and employment estimates by detailed geography and industry. The chart below provides an indication of the change in volume of employment by sector between 2017 and 2018 both locally and nationally.



Northumberland displays a stark contrast to the wider regional context in a number of sectors, with over 10% shrinkage in 7 sectors, the greatest being in the Business Admin and Support sector. Conversely 5 sectors experienced over 10% growth, the greatest being in the Arts, Entertainment, Recreation and other services sector.

In terms of employment numbers and proportion of the workforce, Northumberland has a stronger agricultural, tourism and health sector.

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



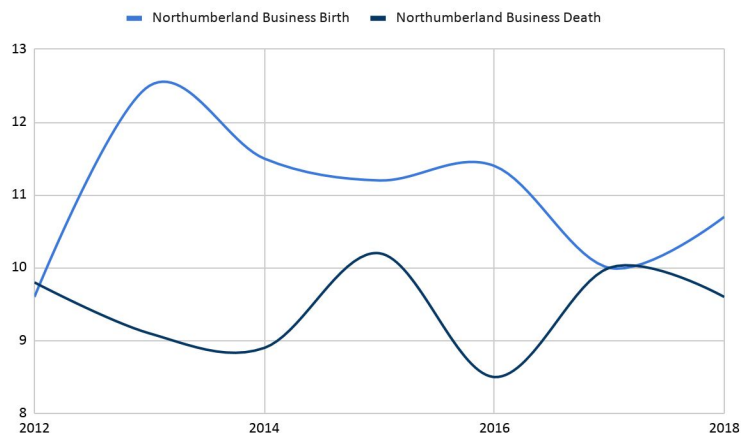
Northumberland has particularly high employment LQs in Agriculture, Mining and utilities, Manufacturing, Health and Tourism. (Source: BRES 2018)

Business Demography

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

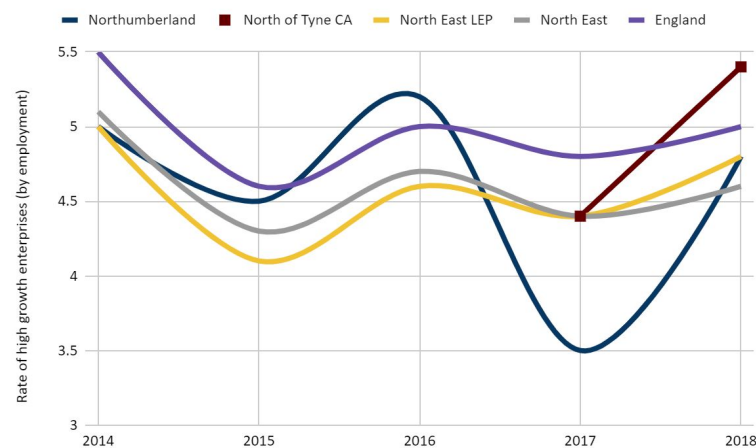
Businesses that have ceased to trade (identified through de-registration of the administrative units) are referred to as business deaths. The death rate is calculated using the number of deaths as a proportion of the active businesses. The most dynamic and successful areas have both high birth and death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

In 2018, the rate of start-ups (births) of enterprises (as a proportion of active enterprises in Northumberland) was 10.7% - equivalent to 1,120 business starts out of almost 10,500 active businesses. This was lower than the North of Tyne CA rate (12.1%), North East LEP (12.1%), the region (12.5%) and England (13.2%).



The rate of closures (deaths) in Northumberland in 2018 was 9.6% - equivalent to 1,000 businesses. Again, proportionately less than the North of Tyne CA (10.7%), North East LEP (10.8%), the region (11%) and the England figure of 11.5%. The number of closures has reverted back to being less than the rate of start-ups, having been equal in 2017. (Source: [ONS Business Demography 2018](#))

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 2018, Northumberland had a count of 55 high growth enterprises out of a total of 1,155 active enterprises with 10 or more employees. This was a rate of 4.8%. The chart shows Northumberland in a regional and national context over the last 5 years.

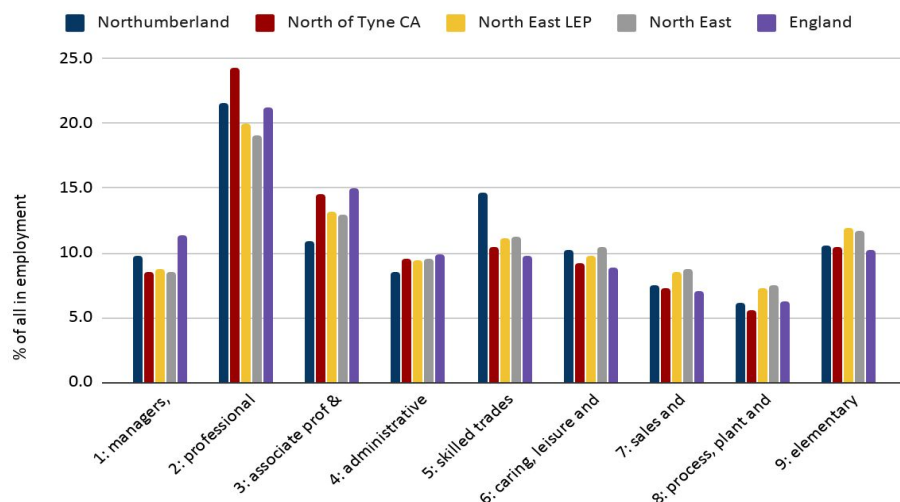


Occupations

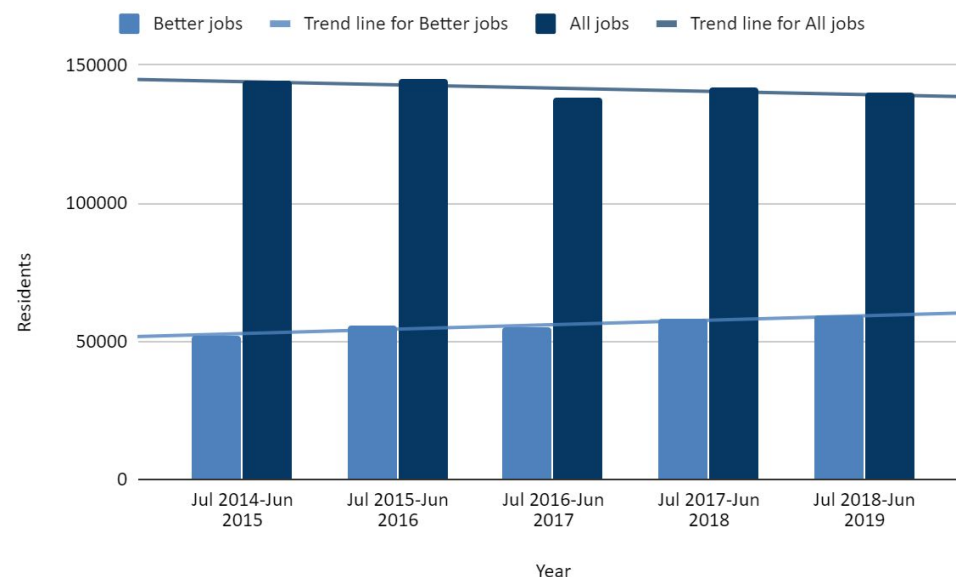
[Standard Occupational Classification \(SOC\)](#) classifies jobs in terms of their skill level and skill content. The [North East LEP Strategic Economic Plan](#) set a target to increase the number of jobs in the North East LEP area by 100,000 between 2014 and 2024. It also set a target that 70% of 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 and technical occupations (such as laboratory technicians and graphic designers).

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 the rest of the region in overall proportion of managers, directors and senior officials. Skilled trades occupations are particularly well represented in the county. (Source: ONS APS 2018/19)



Northumberland's resident workforce has significantly contracted, by over 9,000 since 2012-13 - almost half of this is in the 'better jobs' category. Most recently, losses have been particularly significant in the banking, finance and insurance sector - a fall of approximately 5,600 (APS Jul 2018-Jun 2019). The proportion of those in 'better jobs' has remained around 40% for some time, but 2018-19 actually displayed an uplift in the number of residents in 'better jobs' compared to a couple of years previously, possibly demonstrating a growth in 'better' opportunities.

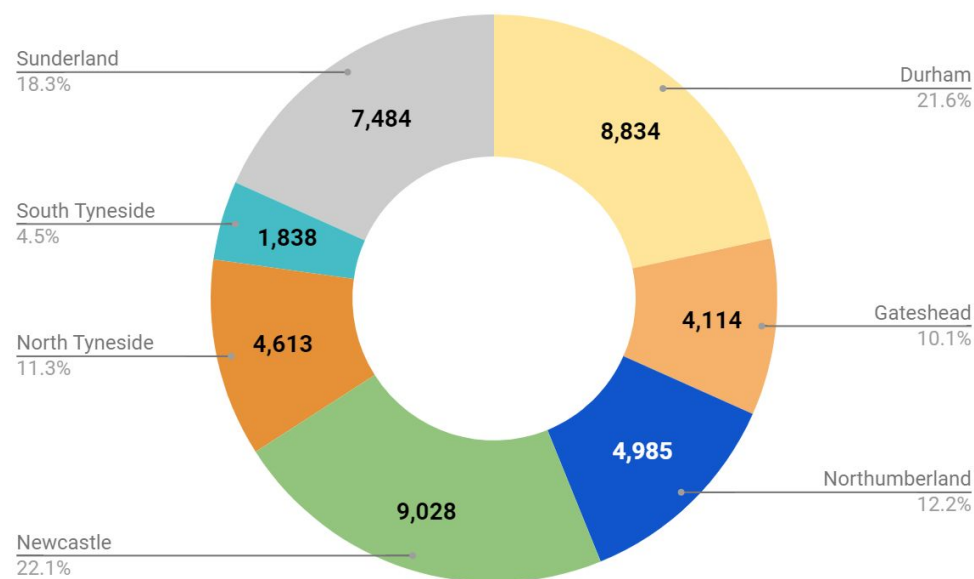


In terms of Northumberland's employers, BRES data, as referred to earlier, reveals a slight downturn during 2018, returning to levels displayed in 2015. The sectors experiencing growth and contraction are displayed on the chart on page 12 - note the finance sector is impacted here too, potentially reflecting the knock-on effects of [bank and building society branch closures](#) nation-wide in the last few years.

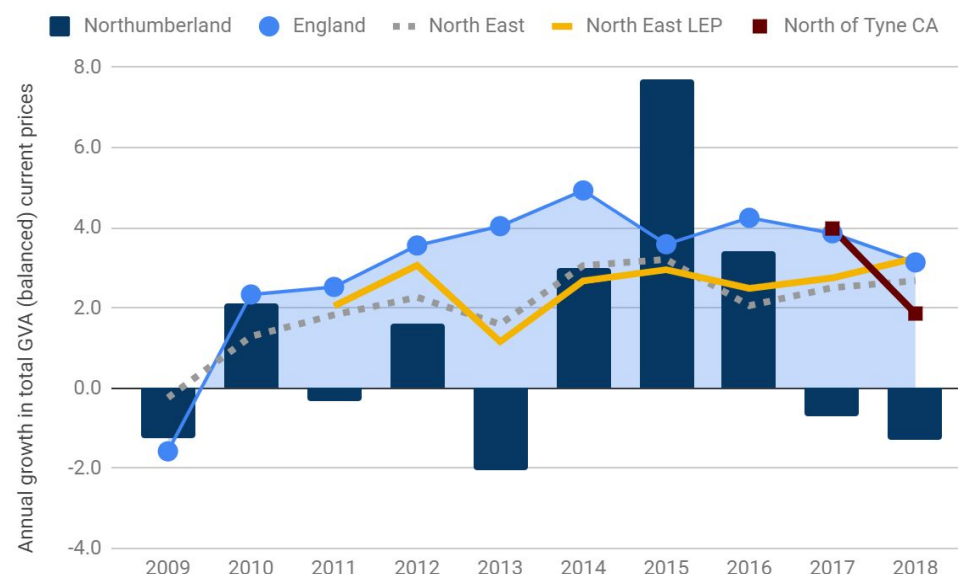
Gross Value Added (GVA)

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 2018 (£4,985m) represents 9% of the total GVA for the North East region (£54,631m) and 12% of the North East LEP (£40,896). The chart below illustrates the North East LEP components at current prices.



Between 1998 and 2018, the total GVA for Northumberland increased at an average nominal rate of just over 2.5% per year. This is less than the average annual change in the North East (3.6%) and England (4%). The chart below shows the growth fluctuations over the last ten years, most recently there has been a downturn for the county of 1.3%.



GVA per head

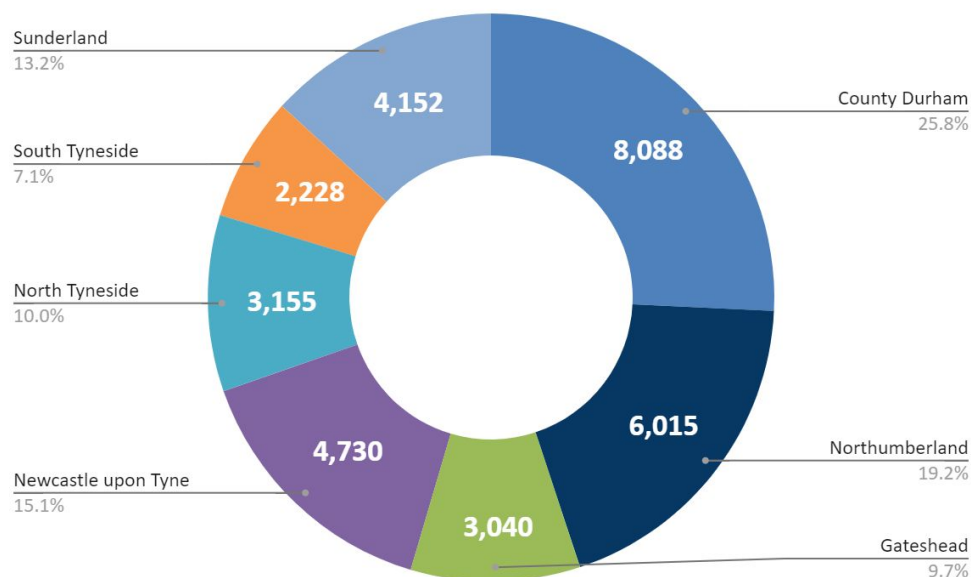
GVA per head is a useful way of comparing regions of different sizes. It is not, however, a measure of regional productivity as the population estimates used to calculate it include the economically inactive population. Northumberland's GVA per head in 2018 was £15,564 compared to £22,811 for Tyneside, £20,554 for the North East and £29,356 for England. (Source: Regional Accounts, ONS)

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

Gross disposable household income (GDHI)

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

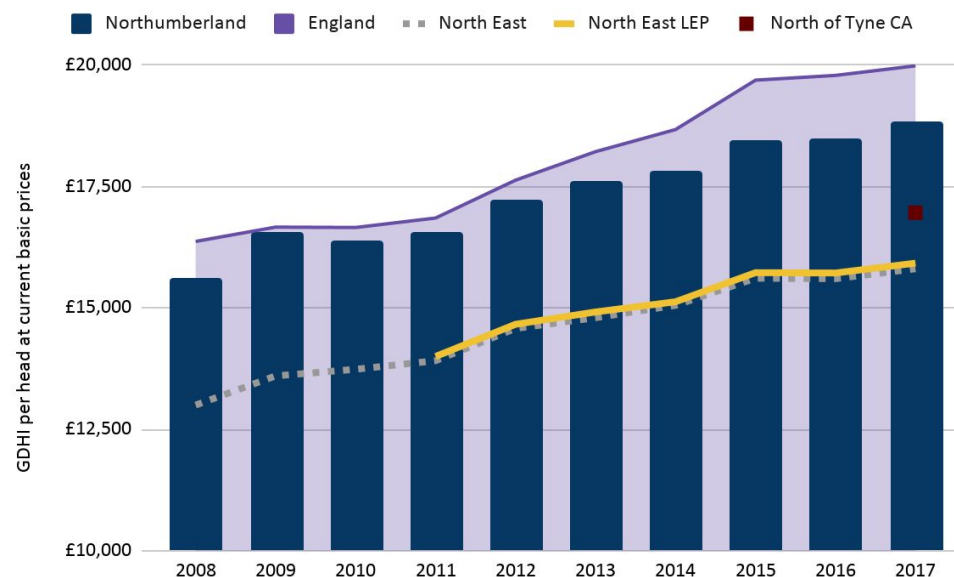
The total GDHI for Northumberland in 2017 (latest available) - £6,015m, represents 19% of the total GDHI for the North East LEP area (£31,408m).



Between 1997 and 2017, the total GDHI for Northumberland increased at an average nominal rate of 3% per year. This is slightly more than the average annual change in the North East (2.9%) but less than England (3.7%).

See: [ONS GDHI Interactive](#) (Source: Regional Accounts, ONS)

GDHI per head



In 2017 the GDHI per head in Northumberland was £18,855 which is diverging slightly from the England average of £19,988, having previously been closer.

The North East region and LEP figures of £15,809 and £15,925 respectively, have remained much the same but substantially lower. North of Tyne CA GDHI per head is currently £16,965. 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.

End.