

BENCHMARKING NORTHUMBERLAND AGAINST THE NORTHERN CITY REGION; AN INFONET BRIEFING (APRIL 2007)

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The North East Regional Observatory, NERIP, has recently compiled two reports providing statistical profiles of the two City Regions in North East England. This report draws comparisons with NERIP's report of the Northern City Region and the County of Northumberland.

The City Region information in this report has been taken from 'The Northern City Region, City Region Comparisons on North East England' by NERIP (February 2007).

Two sets of boundaries have been used to define the Northern City region by NERIP: -

- For the 'Business' section, the Northern City Region is taken to include the local authority areas of Tyne Wear, Castle Morpeth, Wansbeck, Blyth, Derwentside and Chester-le-Street. The rationale for this is that Newcastle, Gateshead and Sunderland are designated city cores - identified as the "economic engines" of the city region containing a high concentration of jobs and businesses. The surrounding districts are contiguous areas with the economic cores and exhibit very strong economic dependency on them.
- For the 'People' and 'Place' sections, a larger geography is used to describe the Northern City Region that includes the local authority districts of Alnwick, Tynedale, Durham City, Easington and Sedgefield. The rationale behind this geography is that the Outer Periphery of the city region geography illustrates areas where there is still a significant dependency on the core of the city region, but due to either remoteness of location, the influence of local centres or other city region cores, the economic dependency is less concentrated, but still however informs the profile of the city region.

Businesses and Economy

Based on the latest sub-regional gross value added (GVA) estimates from ONS the economy of the Northern City Region was worth £20.1bn in 2004, some 58% of the North East economy. In comparison Northumberland's economy was worth £3,563 million, representing 10% of the North East economy. Since 1999 the economy of the Northern City Region has grown by 28%. In contrast, growth in Northumberland has been faster, with GVA in 2004 some 37% higher than in 1999¹.

The business stock of the Northern City Region, some 24,135 VAT registered enterprises, has increased by 5.6% since 2000, a rate faster than the English average (5.4%). In comparison, the business stock of Northumberland, some 8,505 VAT registered enterprises, increased by 6% since 2000. Again, a rate faster than the English average. The Northern City Region's business stock accounts for 52% of the North East's business stock. In comparison, Northumberland accounts for 18% of the North East's business stock.

The largest proportion of business stock in the Northern City Region is in Distribution Wholesale etc (37%), followed by Banking & Finance (25%). The largest proportion of business stock in Northumberland is Agriculture, Forestry and Fishing (21%), followed closely by Wholesale, Retail and Repairs (20%) and Real Estate, Renting and Business Activities (19%)².

There are fewer smaller businesses (with turnovers less than £100,000) than both the national and regional averages in the Northern City Region (37% vs. 43% and 40% respectively). In comparison, Northumberland has a slightly higher percentage of smaller businesses (44%), just above the national average³.

The rate of new VAT registrations is 21 per 10,000 population in the Northern City region, half the national average. In comparison, the rate of new VAT

¹ Regional Gross Value added First Release 2006, Office for National Statistics

² VAT Registrations/Deregistration by Industry, Office for National Statistics

³ UK Business Activity, Size and Location 2006, Office for National Statistics

registrations in Northumberland is slightly higher at 27 registrations per 10,000 population⁴.

Over 573,000 individuals are employed in the Northern City Region, with the largest proportion employed in the Public Administration (32%). Public Administration also accounts for the largest proportion of employees in Northumberland (34%). In total there are over 144,500 individuals employed in Northumberland⁵.

The Northern City Region accounts for 59% of employment in the North East, whilst Northumberland accounts for 13%⁶.

See below for a breakdown of employment figures in the largest proportioned employment sectors⁷.

Employment sector	Northern City Region	Northumberland	North East
Public Administration	32%	34%	32%
Distribution Hotel & Retail	22%	17%	19%
Banking & Finance	16%	12%	12%
Manufacturing	13%	12%	14%

Thirty-five percent of those in employment in the Northern City Region are managers, professionals and associate professions, five-percentage points fewer than employed nationally, while the proportion employed in the lower skills sectors such as Sales & Customer Services occupations exceeds the national average at 11%. In comparison 40% of those in employment in Northumberland are managers, professionals and associate professions, equal to the national average, while the proportion employed in the lower skills sectors such as Sales & Customer Services occupations is also equal to the national average at 8%⁸.

⁴ UK Business Activity, Size and Location 2006, Office for National Statistics

⁵ Annual Population Survey 2006, Office for National Statistics

⁶ Annual Population Survey 2006, Office for National Statistics

⁷ Annual Population Survey 2006, Office for National Statistics

⁸ Annual Population Survey 2006, Office for National Statistics

People

The population of the Northern City Region stood at 1.79 million residents in 2005, a population that had declined by nearly 4% since 1982. In comparison the population of Northumberland stands at 311,300 and has increased by 4% since 1982. However, the Northern City Region has benefited from a recent upturn in population levels, mainly due to increased levels of inward international migration, resulting in a future population being projected to grow by over 4% by 2029 – a lower projected increase than the national average (12.7%). In comparison, the population in Northumberland is projected to increase by 9% in 2029, still under the national average projected increase⁹.

Sixty-four percent of the population in the Northern City Region is of working age, identical with the national average. In 2021 the working age share is set to fall to 63% and the over 65 age group increase by one-fifth. Similarly, sixty-five percent of the population in Northumberland is of working age, slightly above the national average. Population projections for Northumberland show the working age share falling to 60% and the over 65 age group share increasing to 25% in 2021¹⁰.

The number of households in the Northern City Region is projected to increase by 11.5% from 2003 to 2026, similarly the number of households in Northumberland is expected to increase by 11% during this time frame¹¹.

The level of employment has grown steadily in recent years, with the self-employment rates remaining unchanged in both the Northern City Region and Northumberland. The rates of unemployment have halved in the Northern City Region from 1994 - 2003, however, they have higher rates of female unemployment and marginally lower rates of male unemployment than the regional averages, in addition their unemployment rates for the 16-24 year olds are the highest in the region. Overall, the rates for unemployment in Northumberland have dropped by almost a quarter (23%). Northumberland

⁹ Mid Year Population Estimates, Office for National Statistics

¹⁰ Population Estimates and 2004 based Sub-National Population Projections, Office for National Statistics

¹¹ Sub-regional household projections, 2003

has lower unemployment rates for both males and females compared to the regional average, in addition Northumberland has a slightly higher unemployment rate for 16-24 year olds than the regional average¹².

Rates for claimants of Incapacity Benefits in the Northern City Region are the highest in the region at 9.7%. Rates in Northumberland fall slightly below this at 9.3%. Median incomes for the Northern City Region are marginally higher than the regional average, whereas median incomes for Northumberland are marginally lower. Fewer commuters travel shorter distances (either work at home or travel less than 2km) in the Northern City region compared to Northumberland (25% vs. 32% respectively)¹³.

Place

Private sector housing accounts for three-quarters (75%) of the stock, with local authorities retaining nearly 20% in the Northern City Region. Private sector housing stock is slightly higher in Northumberland at 78%, with local authorities retaining slightly less in comparison to the Northern City Region (15%)¹⁴.

House prices in the Northern City Region are the costliest in the region, with prices having risen by 77% since 2002. In comparison house prices in Northumberland have risen by 68% from 2002¹⁵.

Crime levels in the Northern City Region and in Northumberland are generally below the North East averages¹⁶

Domestic energy consumption in the both the Northern City Region and Northumberland is greater than the national average (21,579 and 21,050

¹² Annual Population survey, Office for National Statistics

¹³ Annual Population Survey, Office for National Statistics

¹⁴ Regional Spatial Strategy for the North East, North East Assembly

¹⁵ Housing market: median house prices based on Land Registry data, by district

¹⁶ Crime and Disorder Reduction Partnership

compared to 20,496). However, electricity consumption for both areas is less than the national average (3,875 and 4,518 compared to 4,628)¹⁷

Compiled by:

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¹⁷ Gas and Electricity sales and numbers of customers by region and area, DTI