UKSPF Evidence Base

North East Evidence Hub

Contents

North East Evidence Hub

Evidence Base – key principles

Focus

On key investment themes, place and cross-cutting issues

Alignment to Levelling Up Missions

Geographies

Aim to provide key data sets at LA7 and Local Authority Levels
Seek to provide lower scale where appropriate – e.g. deprivation
Establish where cross-boundary flows or operational scale is critical
Comparators – core regional comparisons at England excluding London; LA comparators to rest of region and median local authority

Data and evidence sources

Key published data sources and innovative data sets, especially if more up to date or genuinely value adding
Collating and reviewing existing research and evidence outputs
Identify significant gaps and stimulate commissions to be undertaken at an appropriate point
Review of LGF and ESIF evaluation as far as is possible to establish spend, impact and ROI
Review of 'What Works' evaluation content to identify good practice and potentially benchmark regional investments
Identification of key policy and evaluation reports in the region – e.g. Provider Network assessment of business support landscape

Next steps

Provide further data analysis across all investment themes where gaps or need has been identified
Upload evidence bases to North East Evidence Hub, with commitment to regularly updating available data

Headlines – Key Data

- The population of the North East LEP has grown 4% over 10 years, a slightly slower rate than in England excluding London
- The North East has a higher percentage of older workers than England
- County Durham is the most populous authority in the LEP, while Newcastle has the highest proportion of working age residents
- The North East was closing the employment and economic inactivity rate gaps with England excluding London, but these gaps have widened due to the impact of Covid. The employment rate varies little across the North East LEP but the economic inactivity rate is highest in Sunderland
- Real GDP growth has been slow in the North East LEP compared to nationally, especially since the 2008 recession. GDP per head is highest in Newcastle partially due to the inflow of commuters to the city
- Productivity growth in the North East LEP area has yet to fully close the gap compared to England excluding London. Within the North East LEP productivity is highest in Sunderland due to the highly productive automotive cluster
- The North East's productivity is similar to most of the Core Cities, which generally also have relatively low productivity

Headlines – Communities and place

- Housing is relatively affordable in the North East compared to England, despite a slight decrease in affordability since Covid-19
- The North East experiences proportionately more crime than England excluding London, although less violent crime
- Small area deprivation is more common in the North East than nationally, particularly health and employment related deprivation
- North East visits to workplaces are still about 16% below pre-Covid levels, visits to retail and recreation locations are still about 9% lower
- Participation in cultural activities in the North East is generally lower than nationally, but there is variation across the North East
- The North East LEP is connected by commuting flows across the region, especially flows into Newcastle upon Tyne. The Travel to Work areas in the region cross many local authority boundaries
- Commuting flows redistribute income across the North East, with more rural areas benefiting from jobs in urban centres. This is partially because highly skilled workers commute further across the North East LEP than workers with lower qualification levels
- The North East LEP has strong access to employment centres via public transport due to its primarily urban geography
- Broadband access varies across the LEP, with properties with full-fibre connectivity and low speed broadband in the same areas

Headlines – Local business

- The North East LEP has a low number of businesses per head reflecting the small size of the private sector in the region
- Over 99% of private sector enterprises in the North East LEP are SME's, a similar share to nationally. The North East has more sole proprietors
- The North East LEP area has consistently low business birth and death rates, limiting the for potential private sector growth. Scale-up rates for new and existing enterprises in the North East are relatively similar to most of the other Core Cities
- All local authorities in the North East LEP have a specialisation in at least one of the five areas of strategic importance
- North East goods exports increased by 5% in Q4 2021, but exports for 2021 overall were 12% below exports in 2019. Relative to 2014 North East export levels are lower than all comparator regions
- Relative to before Covid-19 levels of job adverts in the North East have increased more quickly than in England. North East businesses are finding it more difficult to fill vacancies due to low application numbers and a lack of qualified applicants
- The North East region has a low share of 'better jobs' and degree educated workers across all sectors. The North East LEP also has a high share of underutilised workers
- The North East LEP saw strong growth in more and better jobs until the onset of Covid-19
- Prior to Covid-19 employment in the North East LEP was projected to increase by 15,000 from 2017 to 2027, with the largest increases projected to be in Health and social work; professional services; support services and information technology
- The North East has a high proportion of innovation active businesses, but low levels of R&D spend and patents granted

Headlines – People and skills

- North East employers report a range of technical and soft skills gaps, with the largest gap compared to nationally being specialist skills or knowledge. North East employers report a need to upskill their existing workforce in light of these skill shortages
- The North East has a lower qualifications profile than England excluding London
- The number of further education and apprenticeships achievements has decreased in the last two years. 51,000 adult leaners achieved an education or training course in the North East LEP area in 2018/19, while approximately 9,000 learners achieved an apprenticeship
- Approximately 40% of graduates from the four regional universities were still living in the North East after five years, a slightly higher proportion than were originally from the North East. North East students are more likely to attend an within region university than students across the whole of the UK
- The North East experiences poor health outcomes compared to nationally and there is considerable variation between areas in the LEP
- The North East LEP has a greater proportion of disabled residents than England excluding London
- Ethnic minorities account for 5.4% of the North East LEP’s population and are disproportionally from other ethnic groups. Newcastle is the most ethnically diverse local authority in the North East LEP

Levelling up in the North East: Key Data

- Population and population characteristics
- Key economic indicators
- GDP
- Employment, unemployment, inactivity
- Productivity

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Headlines

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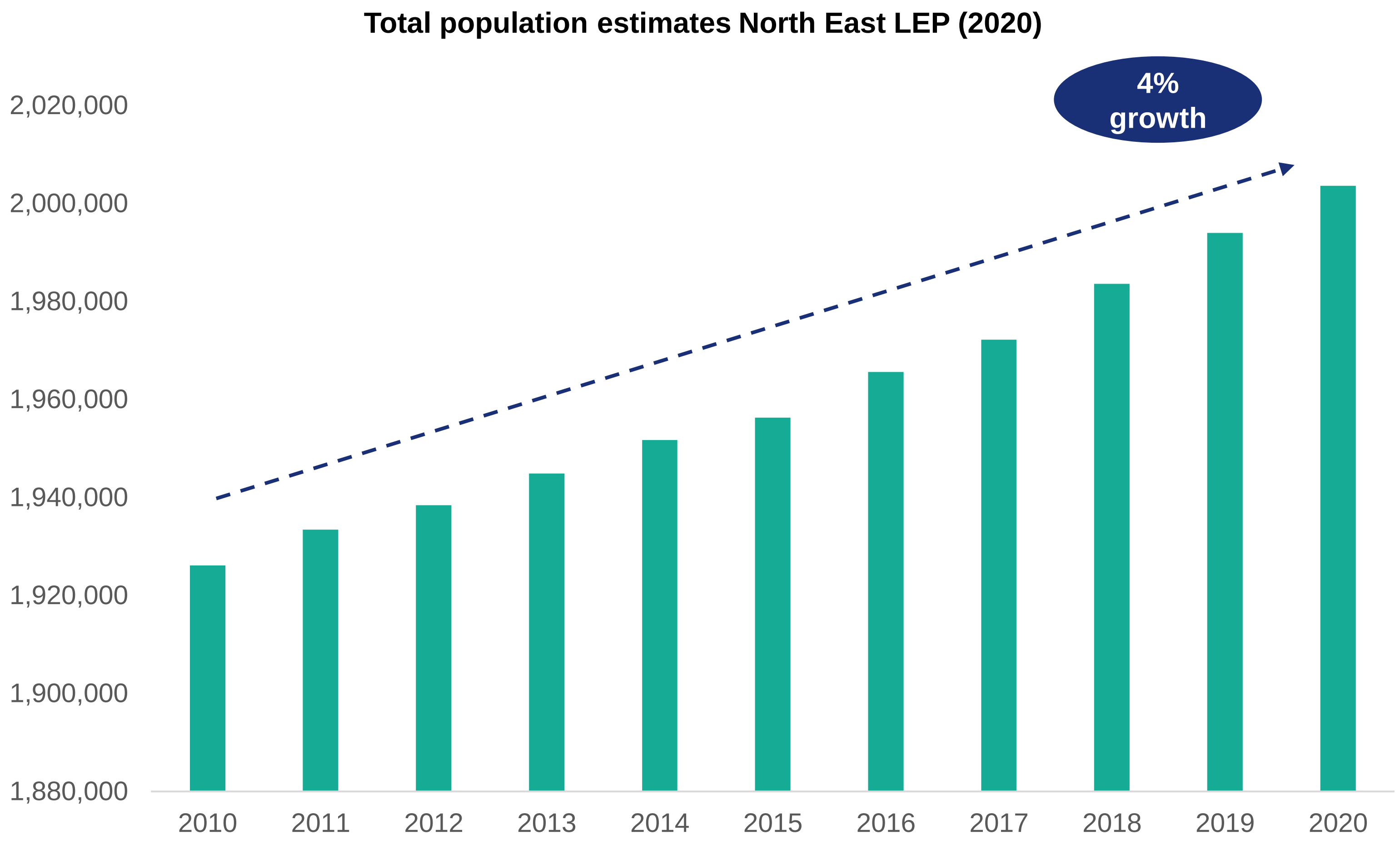
The population of the North East LEP has grown 4% over 10 years, a slightly slower rate than in England excluding London

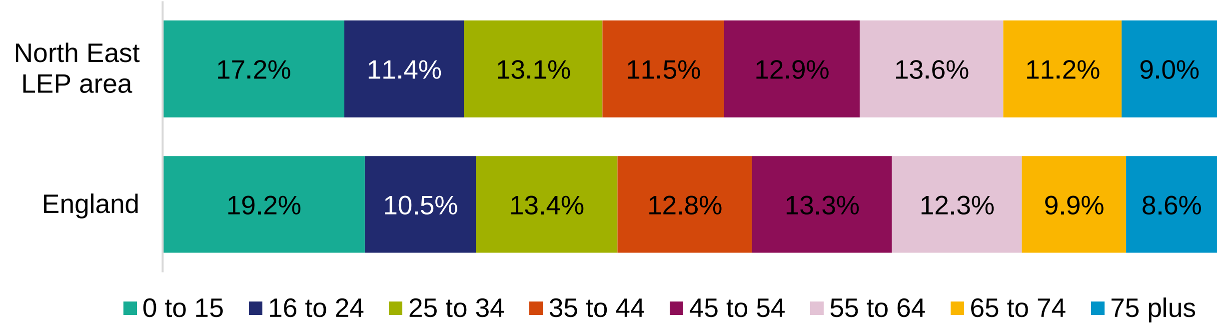


- The population in the North East LEP in 2020 was 2,003,600. This increased by 0.48% from the previous year
- England excluding London has a current population of 47,547,600 . The North East LEP makes up 3.5% of the total England populace, and 4.3% of the population of England excluding London
- The growth rate for the North East LEP from 2010 – 2020 was 4.0%. In comparison, the growth rate for England excluding London was 6.7%
- Growth rates in the North East LEP and England excluding London varied at the beginning of the decade, but were in-line from 2018 onwards

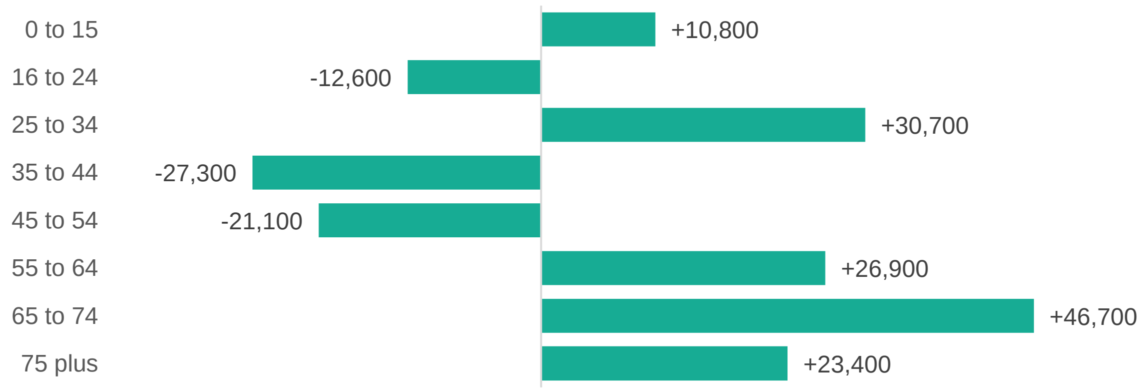
Source: Population estimates (ONS)

The North East has a higher percentage of older workers than England

Population by age group %, North East LEP (2020)



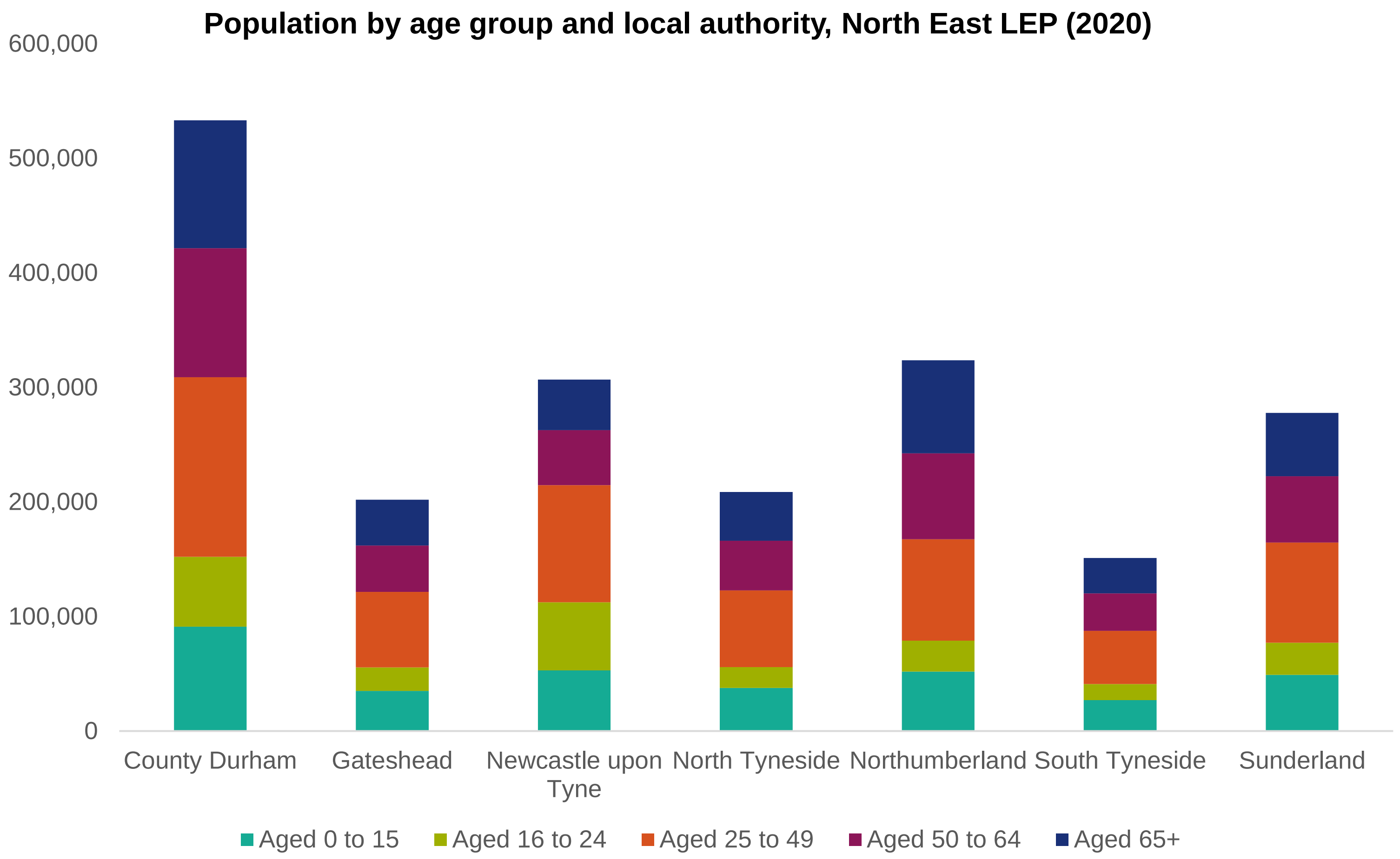
Net change in population by age group, North East LEP area, (2010 – 2020)



- In 2020, the population of the North East LEP area was estimated to be about 2,003,600. The population aged 16 to 64 was 1,252,700, about 62.5% of the total
- The North East had a slightly larger percentage of people within the working age group than England (62.3%) but the breakdown within this age group differed. The North East had a much higher percentage of people in the oldest working age group (55 to 64) than England. The percentage in the youngest working age group was also higher, partly due to the presence of four universities
- Outside of the working age groups, the North East had a smaller percentage of children than England but a larger percentage of those aged 65 plus
- In the 10 years from 2010 to 2020, the number of people aged 55 and over in the North East increased by about 97,000. At the same time, the population aged 35 to 54 decreased by over 48,000. The number of 16 to 24 year-olds in 2020 was also lower than 10 years earlier, but the populations of children and 25 to 34 year-olds had increased

Source: Source: Population estimates (ONS)
Note: Working age defined as (16-64)

County Durham is the most populous authority in the LEP, while Newcastle has the highest proportion of working age residents



- County Durham has the largest population in the North East LEP, with 533,149 residents
- Newcastle has the highest proportion of working age residents in the North East LEP (68%), this is because it has a much higher proportion of residents aged 16 to 24 (19%)
- 25% of Northumberland's population are aged 65+, the highest proportion in this age group (a proxy for retirement age)
- South Tyneside has the lowest number of young adult residents (aged 16 to 24), but Northumberland and North Tyneside have lower proportions

Source: ONS (2020)

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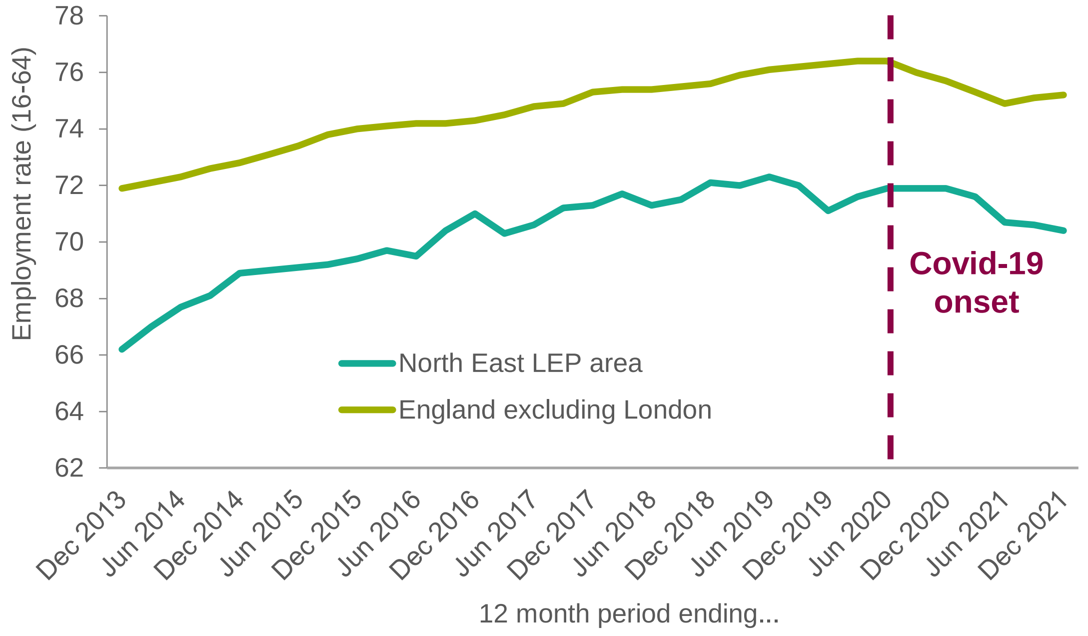
The North East was closing the employment gap with England excluding London, but it has widened due to the impact of Covid

- The latest North East rate was 70.4% compared to 75.2% in England excluding London. It was 1.5 percentage points lower than a year earlier, a larger decrease than nationally
- Total employment was 21,000 lower. Females aged 16 to 34 had the largest net decrease during this time period, and female part-time workers had a particularly large decrease in employment over the year

Employment rate (aged 16 to 64), Jan-Dec 2013 to Jan-Dec 2021
North East LEP area, England excluding London



Net change in employment (aged 16 to 64) by sex and type
North East LEP area, (Jan-Dec 2020 to Jan-Dec 2021)

Source: ONS Annual Population Survey (Jan 21-Dec 21)

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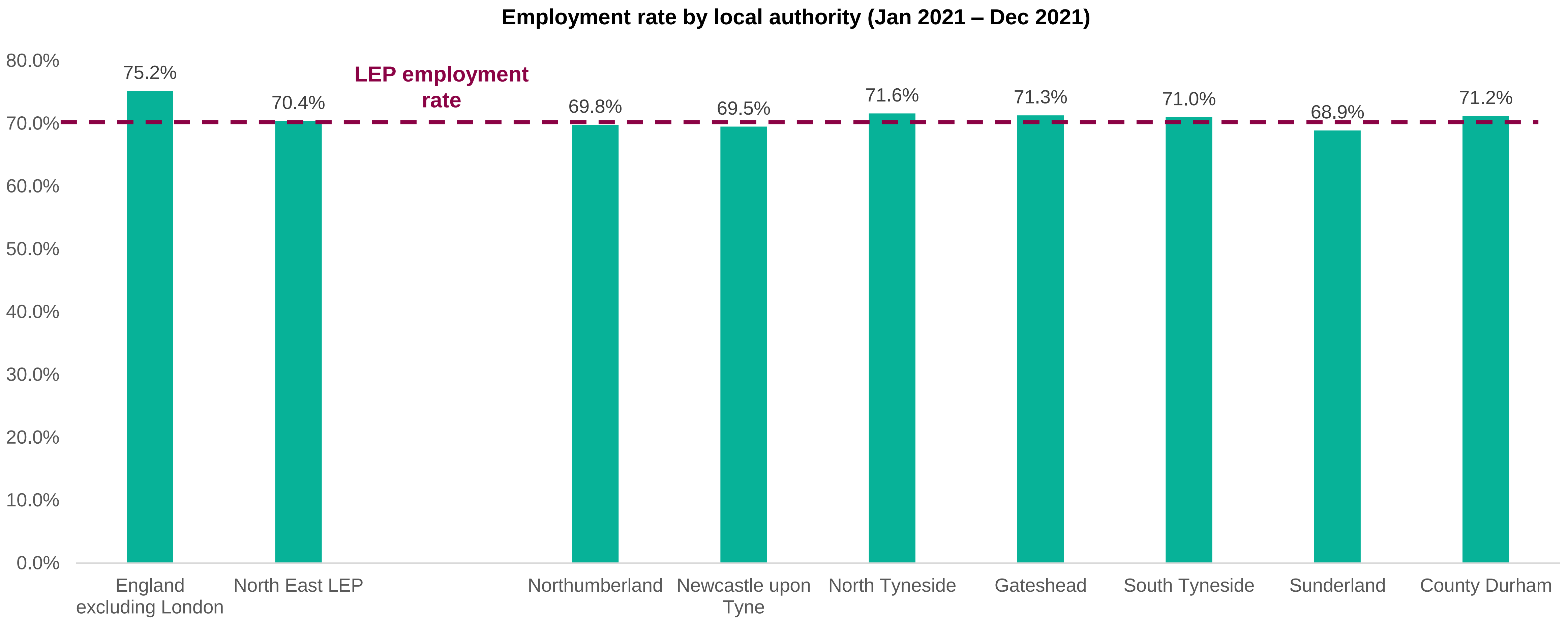
All areas across the LEP have employment rates below the national average, with small variation between authorities



Source: ONS Annual Population Survey (Jan 21-Dec 21)

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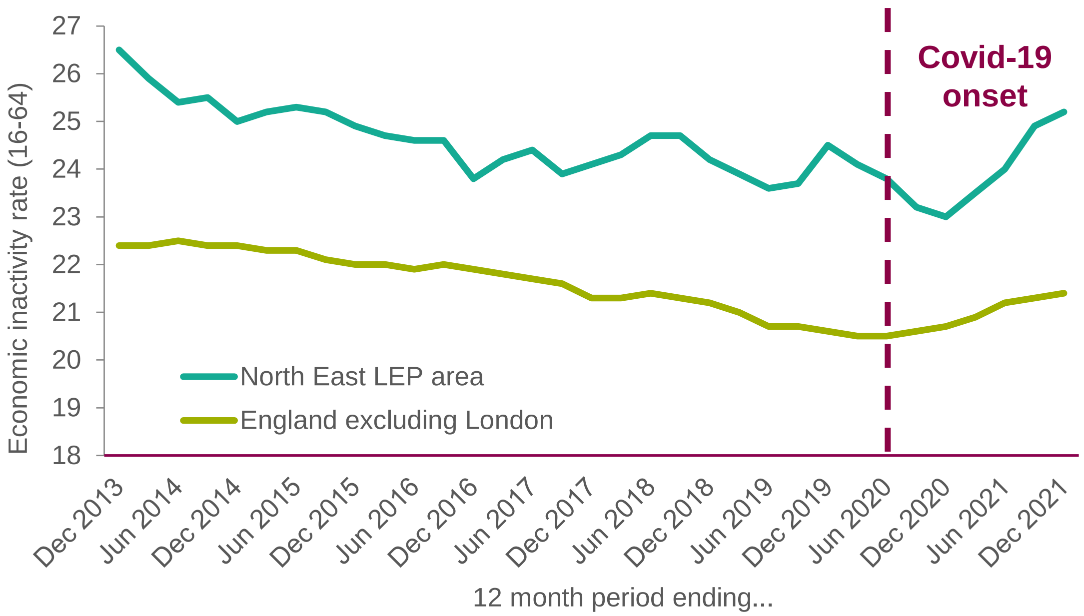
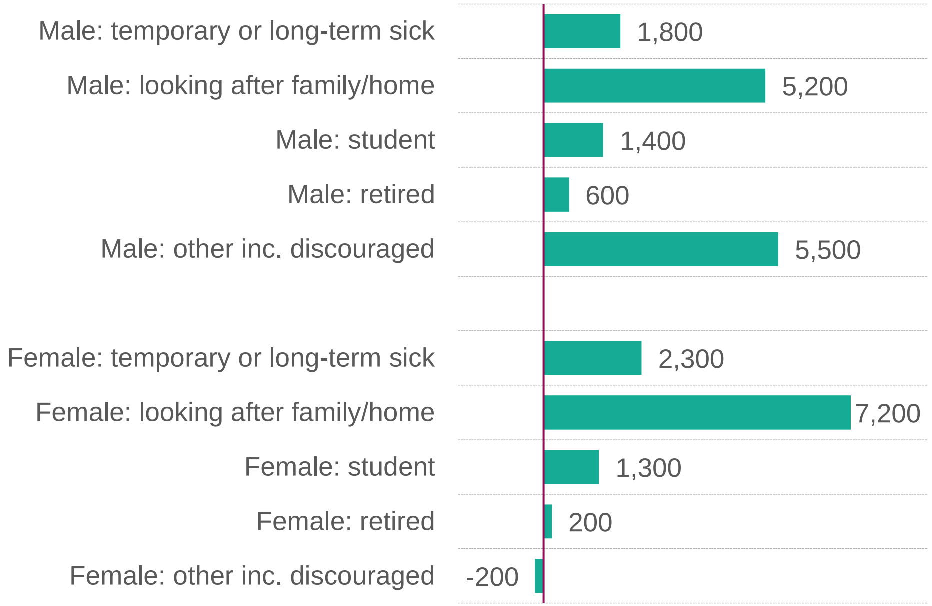
The economic inactivity rate gap between the North East and England excluding London was closing until the impact of Covid

- The latest North East rate was 25.2%, compared to 21.4% in England excluding London. It was 2.2 percentage points higher than a year earlier, a larger increase than nationally
- In the latest year, the increase had been highest among females aged 20 to 24. Inactivity due to looking after family or home particularly increased over the year

Economic inactivity rate (aged 16 to 64), Jan-Dec 2013 to Jan-Dec 2021
North East LEP area, England excluding London



Net change in working age economic inactivity by sex and reason
North East LEP area, (Jan-Dec 2020 to Jan-Dec 2021)



Source: ONS Annual Population Survey (Jan 21-Dec 21)
Note: The North East LEP rate tend to be more volatile because of the smaller sample size

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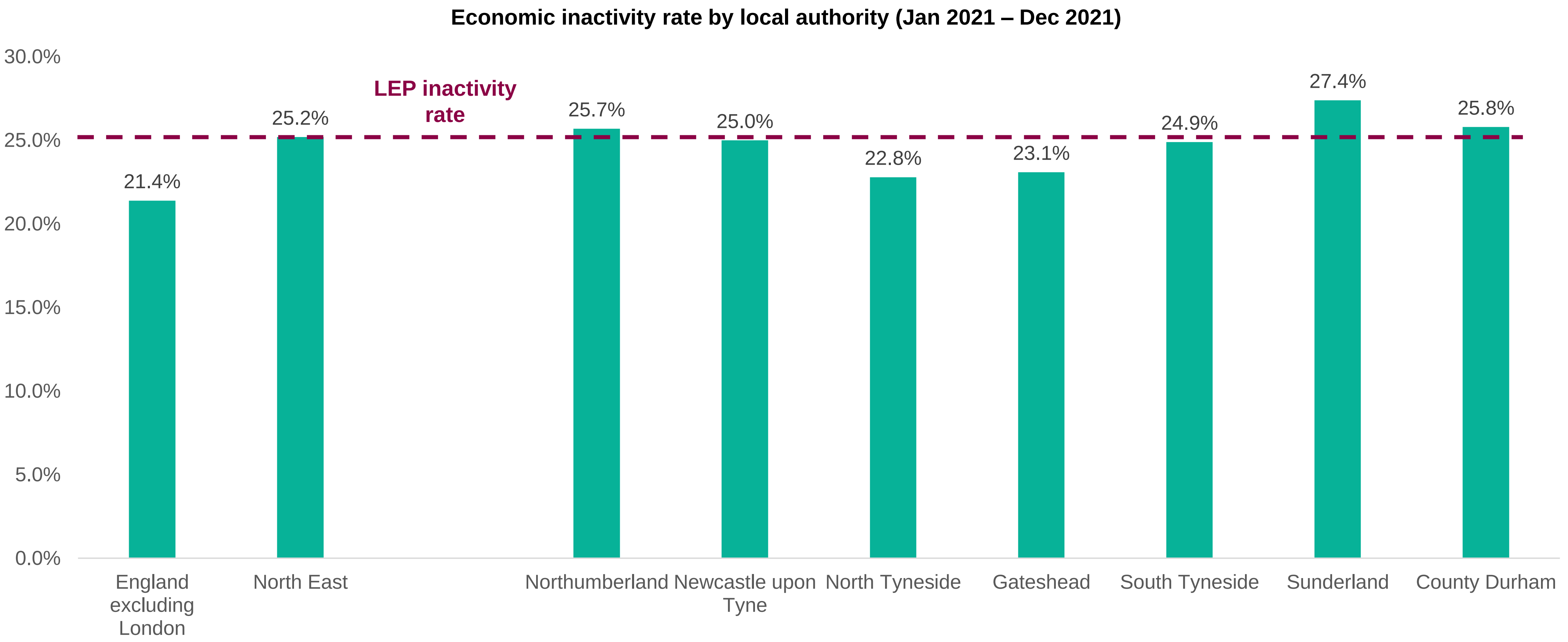
Economic inactivity is higher in all areas of the LEP compared to nationally, and is particularly high in Sunderland



Source: ONS Annual Population Survey (Jan 21-Dec 21)

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Real GDP growth has been slow in the North East LEP compared to nationally, especially since the 2008 recession

Inflation adjusted GDP per head North East LEP and England excluding London (1998 – 2019)

- GDP per head was £23,645 in the North East LEP area in 2019, £5,286 lower than in England excluding London
- Taking into account inflation GDP per head in the North East LEP area was larger in 2006 than in 2019 (£24,022 vs £23,645)
- Since real GDP per head started rising again in 2009/10 growth has been slow in the North East LEP area compared to nationally
- GDP per head grew on average by 0.5% per year between 2009 and 2019 compared to 1.3% per head in England excluding London
- The impact of Covid-19 has yet to be reflected in these figures

Source: Regional economic activity by gross domestic product (ONS)
Note: CAGR stands for compound annual growth rate, which is a way of calculating average growth over time a period

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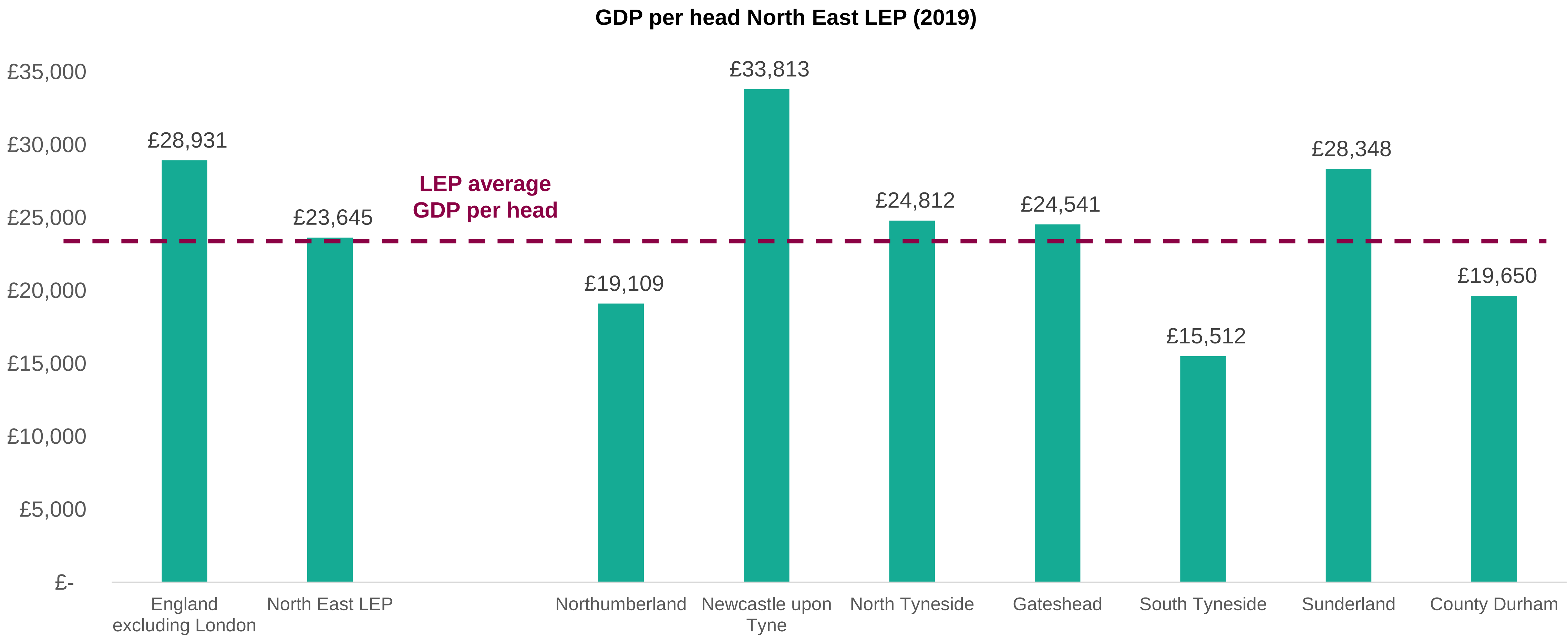
Within the North East, GDP per capita is highest in Newcastle



Source: Regional economic activity by gross domestic product (ONS)

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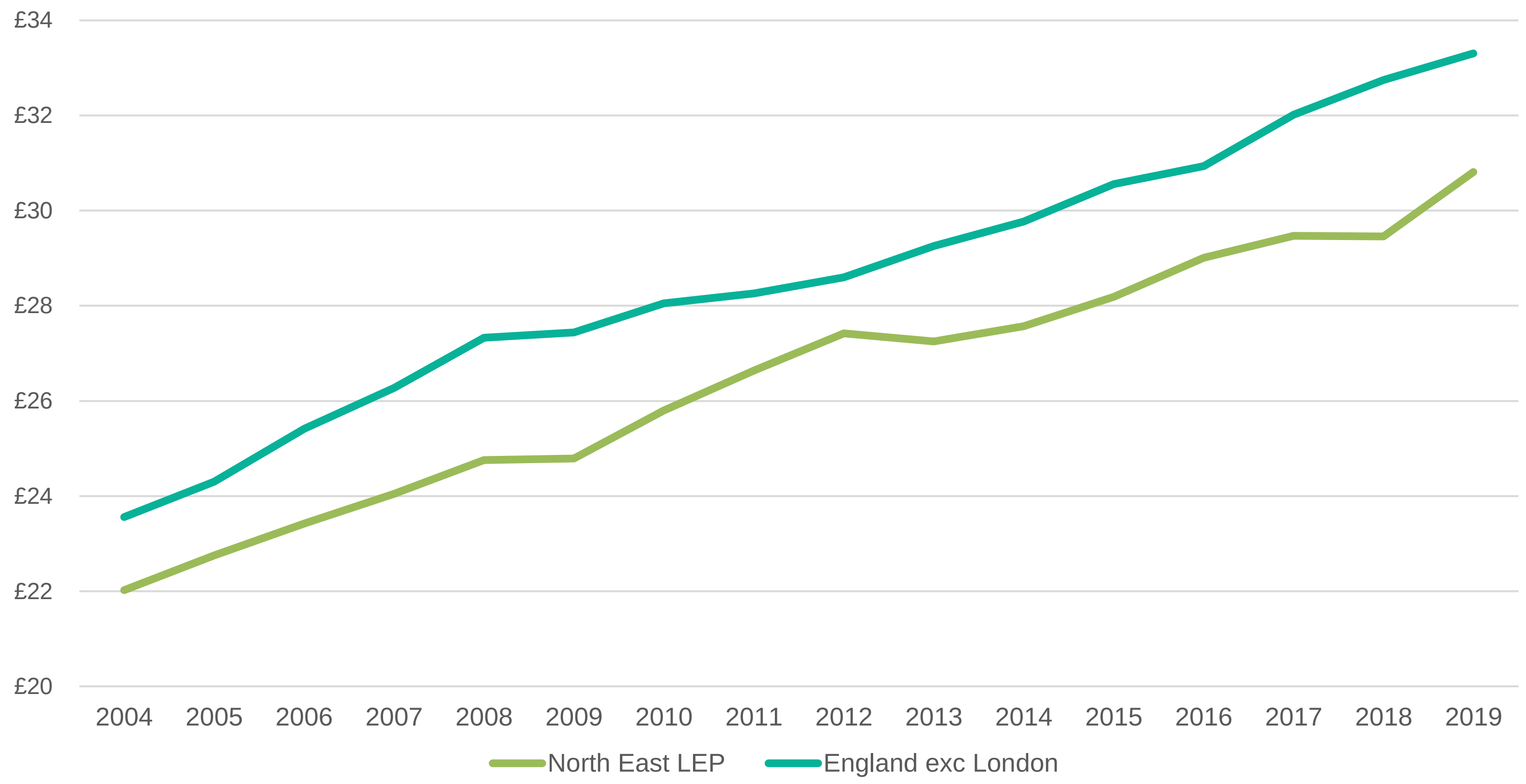
Productivity growth in the North East LEP area has yet to fully close the gap compared to England excluding London

GVA per hour worked North East LEP and England excluding London (2004 – 2019)



- GVA per hour worked in the North East LEP area was £7.5 lower in 2019 than in England excluding London
- Since 2004 productivity per hour worked has grown 2.3% per year in both the LEP area and England exc London, but the LEP area grew much more quickly between 2018 and 2019 (5% vs 2%)
- The impact of Covid-19 has yet to be reflected in these figures. Recent national data suggests that manufacturing productivity has been negatively impacted since 2019. Due to the North East LEP's specialisation in manufacturing it may be more adversely affected by this decline than elsewhere

Source: Subregional productivity in the UK (ONS), Bennet institute for public policy

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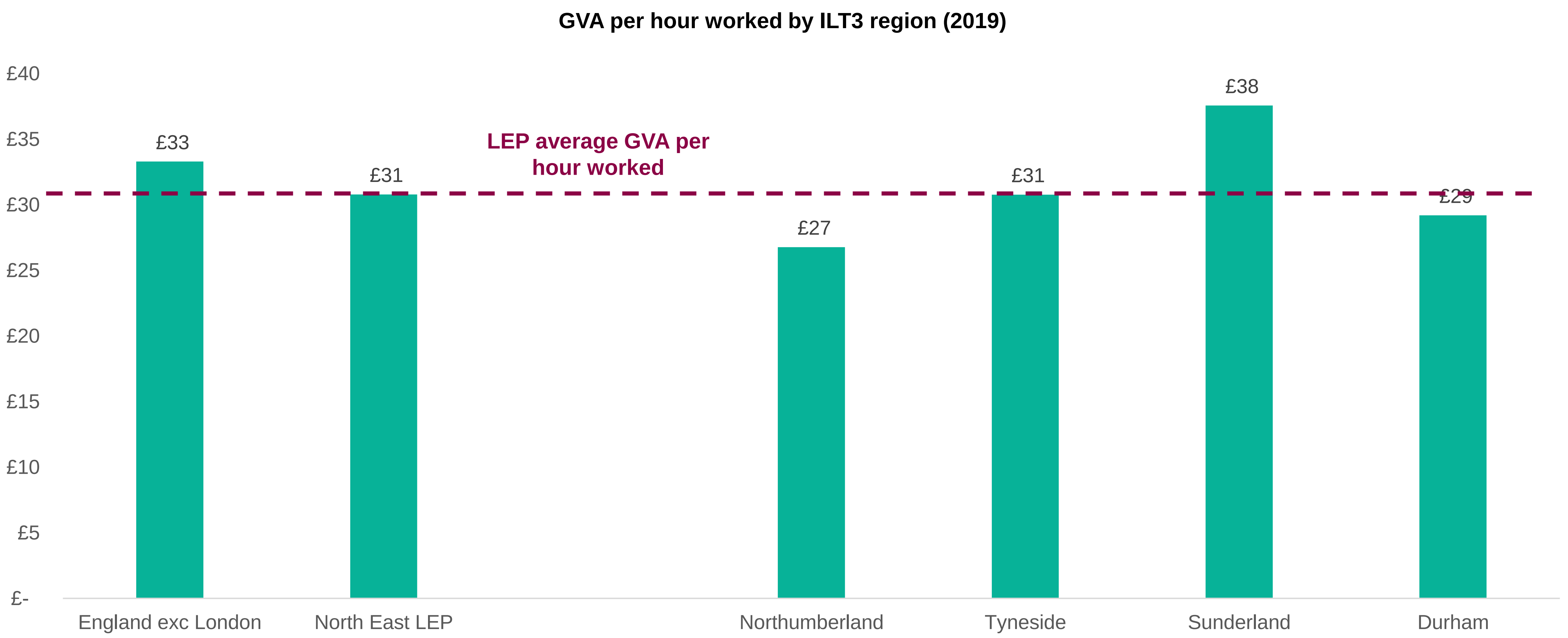
Within the North East LEP productivity is highest in Sunderland, due to the highly productive automotive cluster



Source: Subregional productivity in the UK (ONS)

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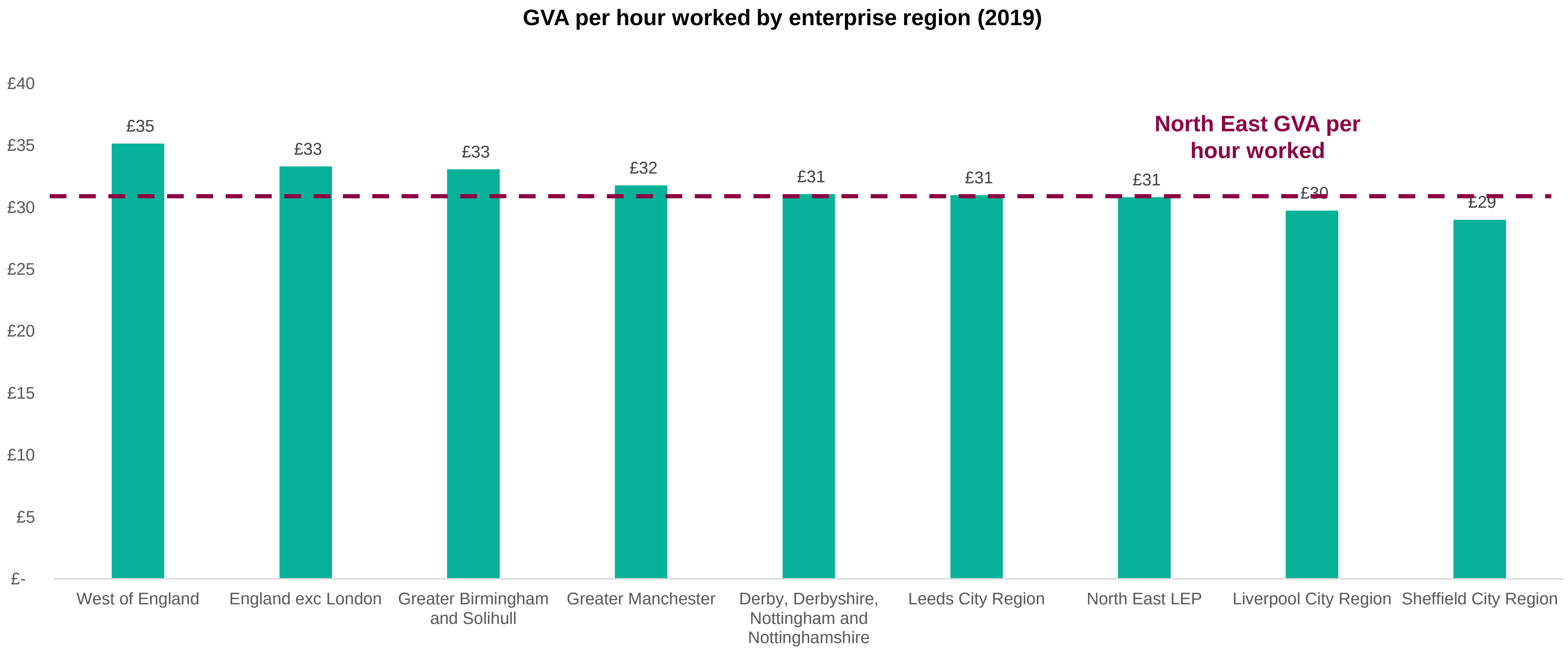
The North East LEP's productivity is similar to most of the Core Cities, which generally also have relatively low productivity



Source: Subregional productivity in the UK (ONS)

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Local businesses

- Business base
- Productivity measures – GDP and GVA
- Sectoral analysis
- Trade
- Recruitment and jobs
- Innovation

North East Evidence Hub

Headlines

- The North East LEP has a low number of businesses per head reflecting the small size of the private sector in the region
- Over 99% of private sector enterprises in the North East LEP are SME's, a similar share to nationally. The North East has more sole proprietors
- The North East LEP area has consistently low business birth and death rates, limiting the potential for private sector growth. Scale-up rates for new and existing enterprises in the North East are relatively similar to most of the other Core Cities
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- North East goods exports increased by 5% in Q4 2021, but exports for 2021 overall were 12% below exports in 2019. Relative to 2014 North East export levels are lower than all comparator regions
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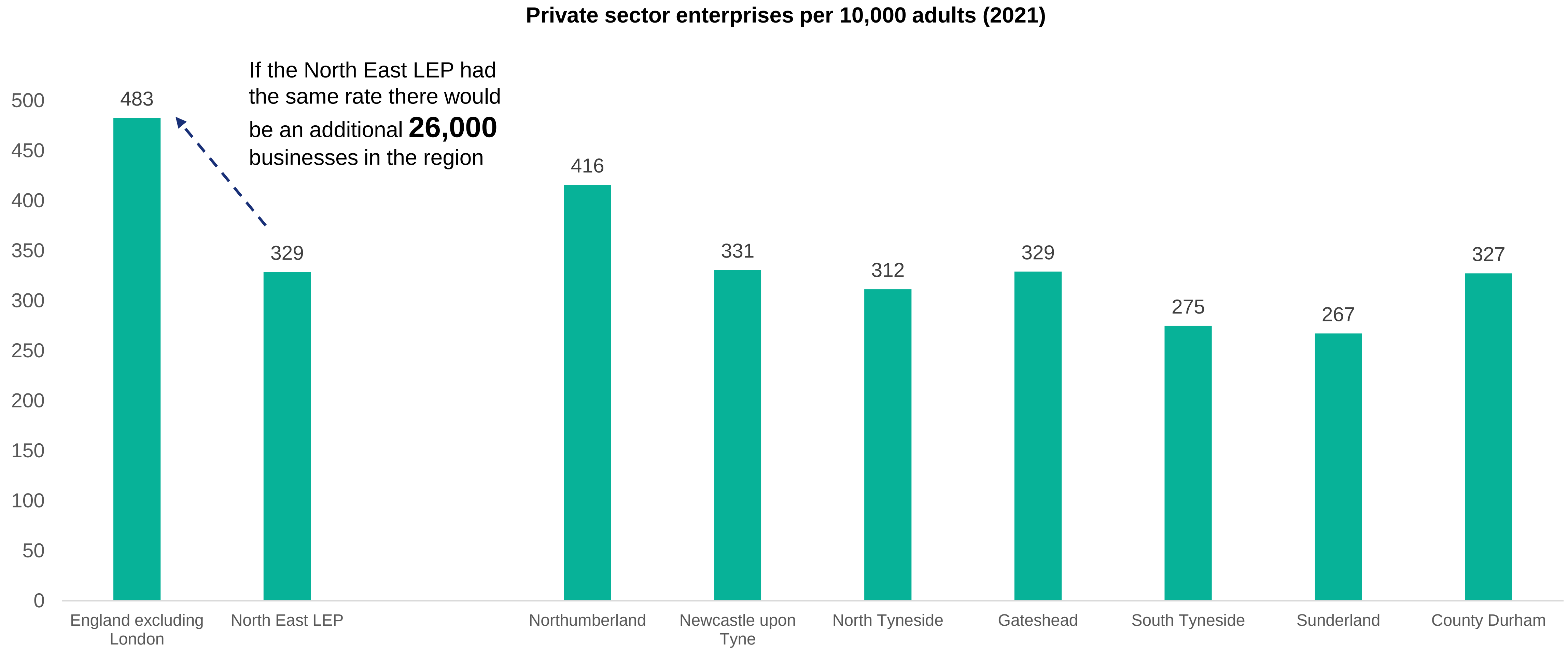
- The North East LEP saw strong growth in more and better jobs until the onset of Covid-19
- Prior to Covid-19 employment in the North East LEP was projected to increase by 15,000 from 2017 to 2027, with the largest increases projected to be in Health and social work; professional services; support services and information technology
- The North East has a high proportion of innovation active businesses, but low levels of R&D spend and patents granted

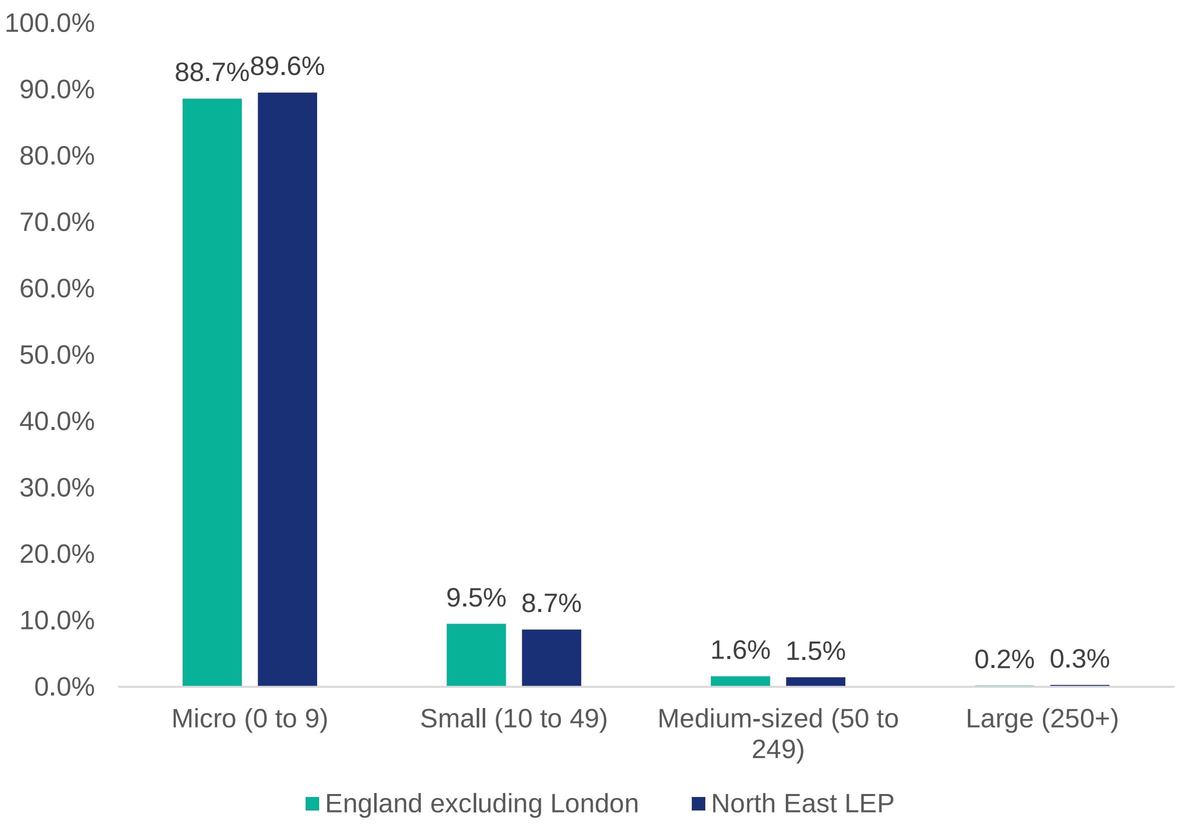
The North East LEP has a low number of businesses per head reflecting the smaller private sector in the region. Northumberland has most enterprises



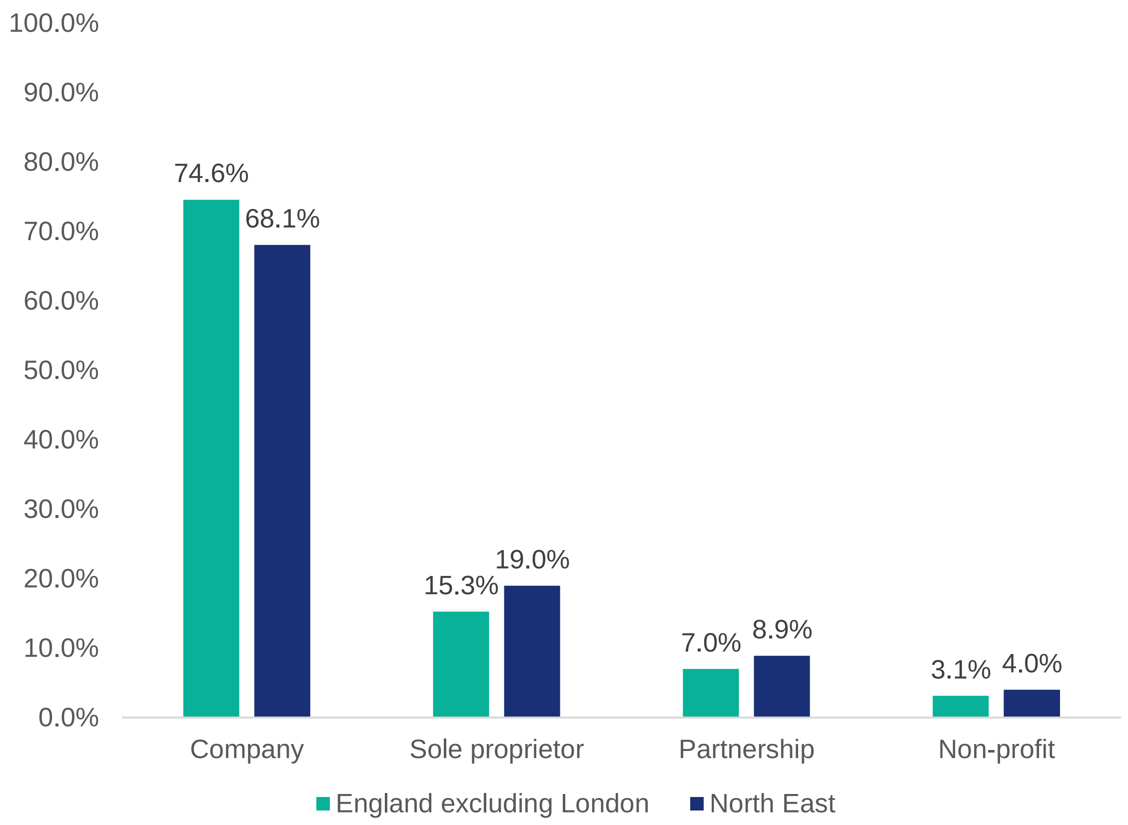
Source: UK business counts (ONS)

Over 99% of private sector enterprises in the North East LEP are SME's, a similar share to nationally. The North East has more sole proprietors

Private sector enterprises by region and size band (2021)



Private sector enterprises by region and turnover band (2021)



Source: UK business counts (ONS)

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Newcastle has a slightly higher share of large firms, Northumberland and Durham have most sole proprietors and partnerships

Private sector enterprises by region and size band (2021)

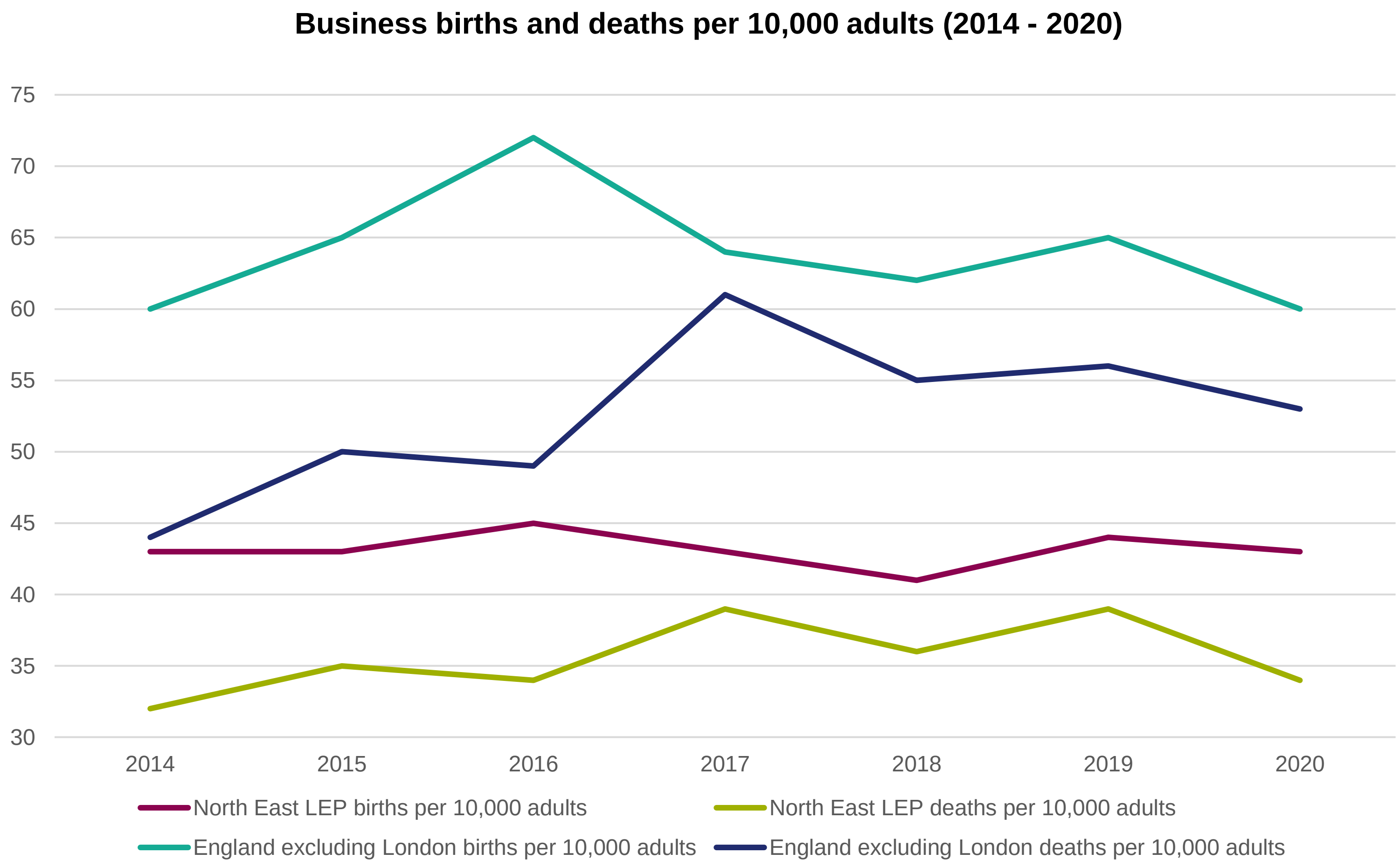
Region	Micro (0 to 9)	Small (10 to 49)	Mid (50 to 249)	Large (250+)
England excluding London	89%	10%	2%	0.2%
North East LEP	88%	10%	2%	0.4%
Northumberland	89%	9%	1%	0.2%
Newcastle upon Tyne	86%	11%	2%	0.7%
North Tyneside	89%	9%	2%	0.5%
Gateshead	86%	12%	2%	0.5%
South Tyneside	90%	9%	1%	0.3%
Sunderland	87%	11%	2%	0.5%
County Durham	89%	10%	2%	0.2%

Private sector enterprises by region and turnover band (2021)

Region	Company	Sole proprietor	Partnership	Non-profit
England excluding London	75%	15%	7%	3%
North East LEP	68%	19%	9%	4%
Northumberland	57%	23%	16%	4%
Newcastle upon Tyne	75%	15%	5%	5%
North Tyneside	78%	15%	4%	3%
Gateshead	74%	15%	6%	5%
South Tyneside	74%	19%	5%	3%
Sunderland	70%	20%	6%	4%
County Durham	64%	21%	11%	4%

Source: UK business counts (ONS)

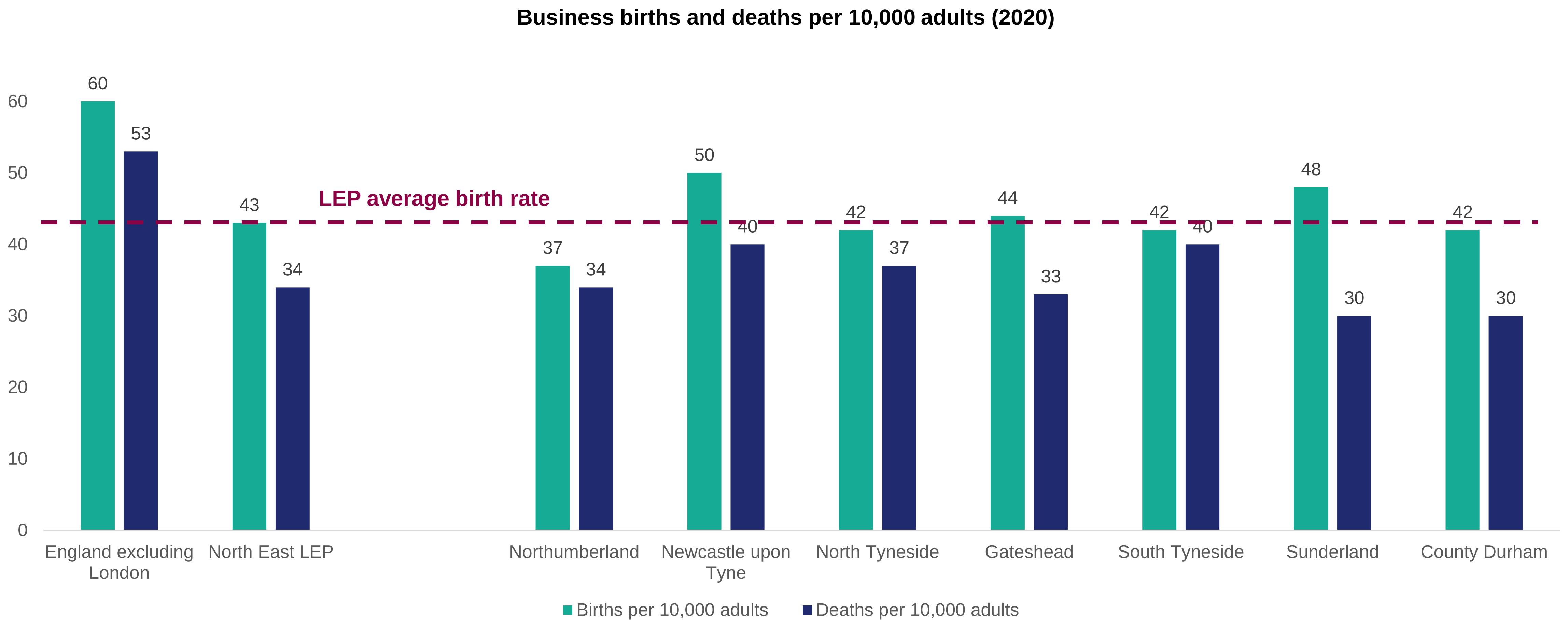
The North East LEP area has consistently low business birth and death rates, limiting the potential for private sector growth



- There were 43 business births per 10,000 adults in the North East LEP area in 2020, compared to 60 for England excluding London. Both areas had very similar birth rates to 2014
- If the North East LEP had the same rate of business births as England excluding London there would be an additional 2,800 businesses started each year
- There were 43 business deaths in the North East LEP area in 2020, compared to 53 in England excluding London. Research suggests business birth and death rates are closely correlated

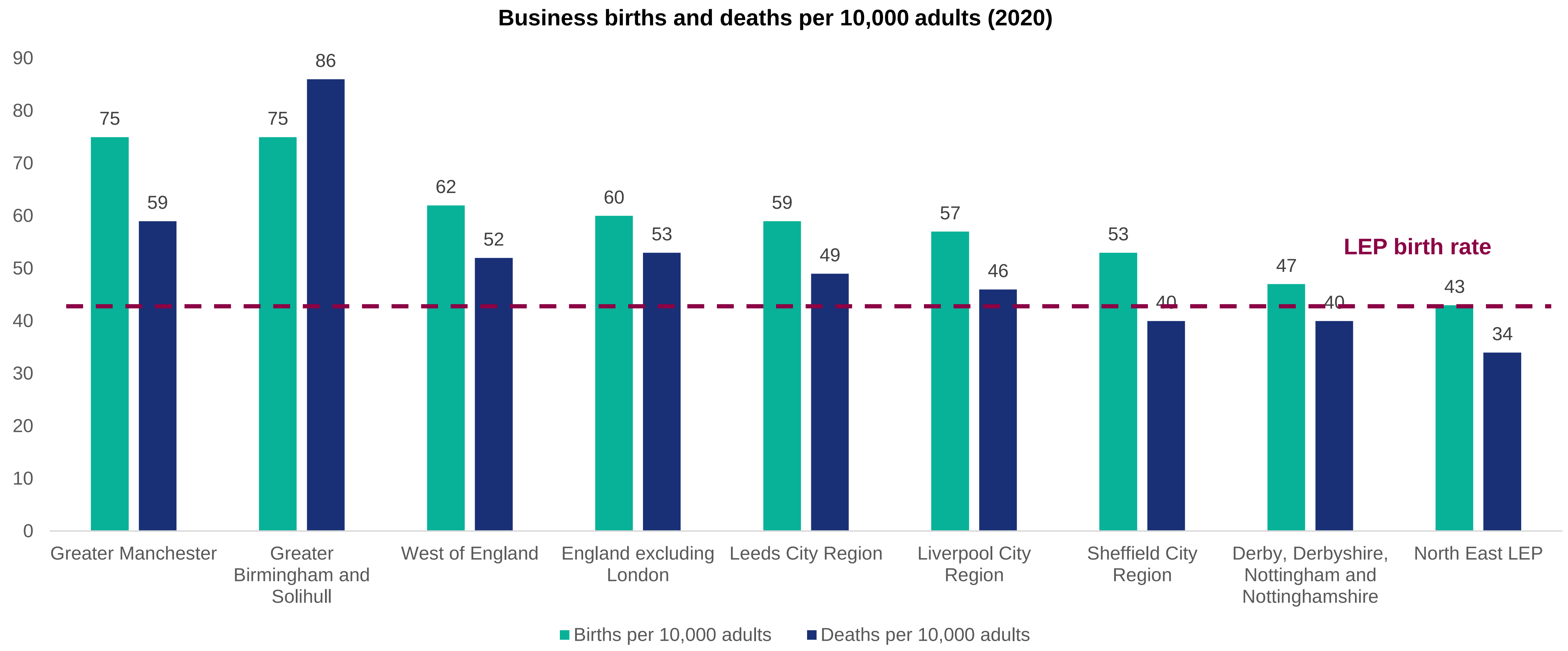
Source: Business demography (ONS)

Newcastle, Sunderland and Gateshead have the highest business birth rates in the LEP, while the other authorities are below the LEP average



Source: Business demography (ONS)

The North East LEP has the lowest business birth rate within the Core Cities



Source: Business demography (ONS)

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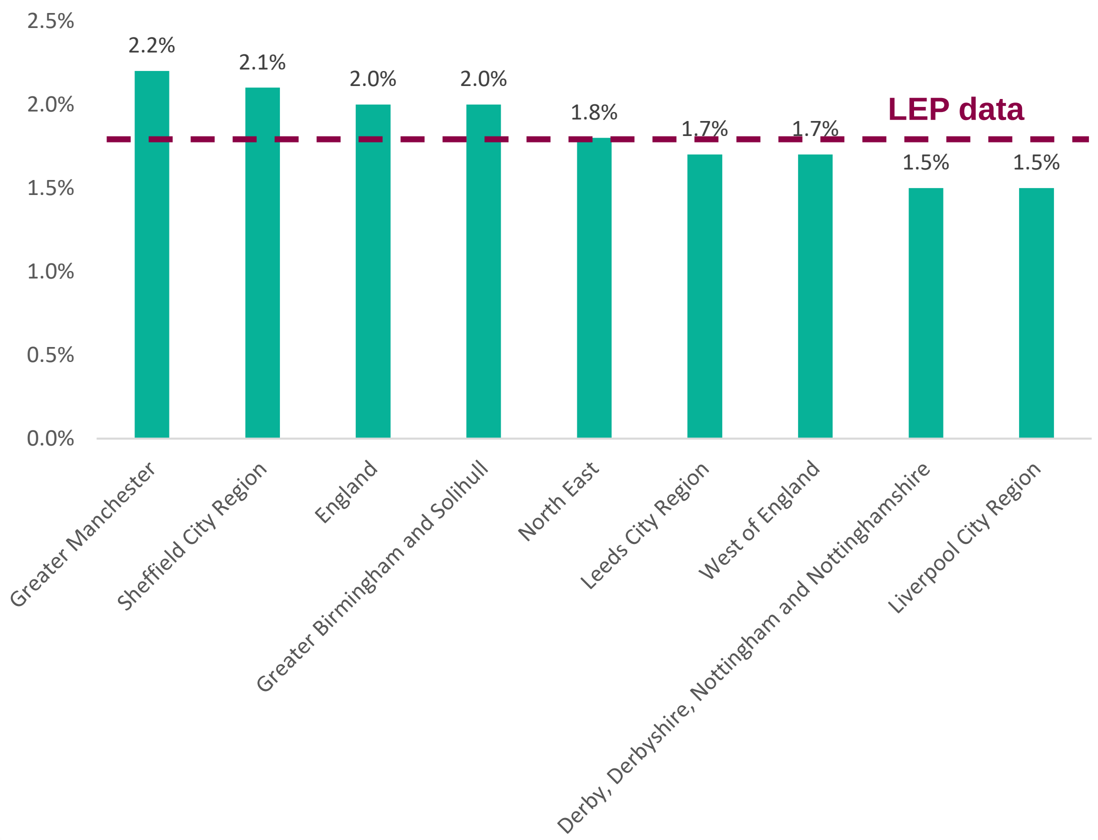
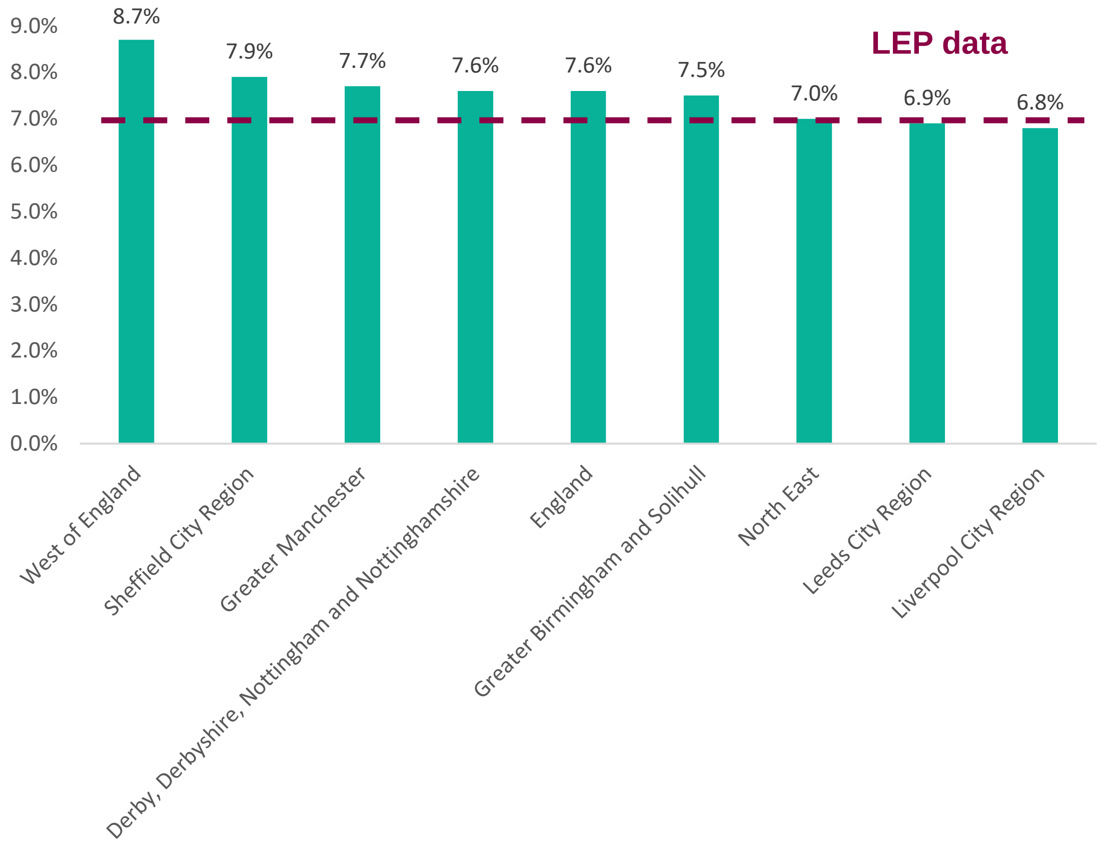
Scale-up rates for new and existing enterprises in the North East are relatively similar to most of the other Core Cities

Business start ups in 2015 (turnover less than 500k in 2015) that had survived to 2018 and increased turnover to 1m plus (%)



Businesses with 1-2m turnover in 2015 that grew to 3m+ turnover by 2018 (%)



Source: UK local growth dashboard (ERC)

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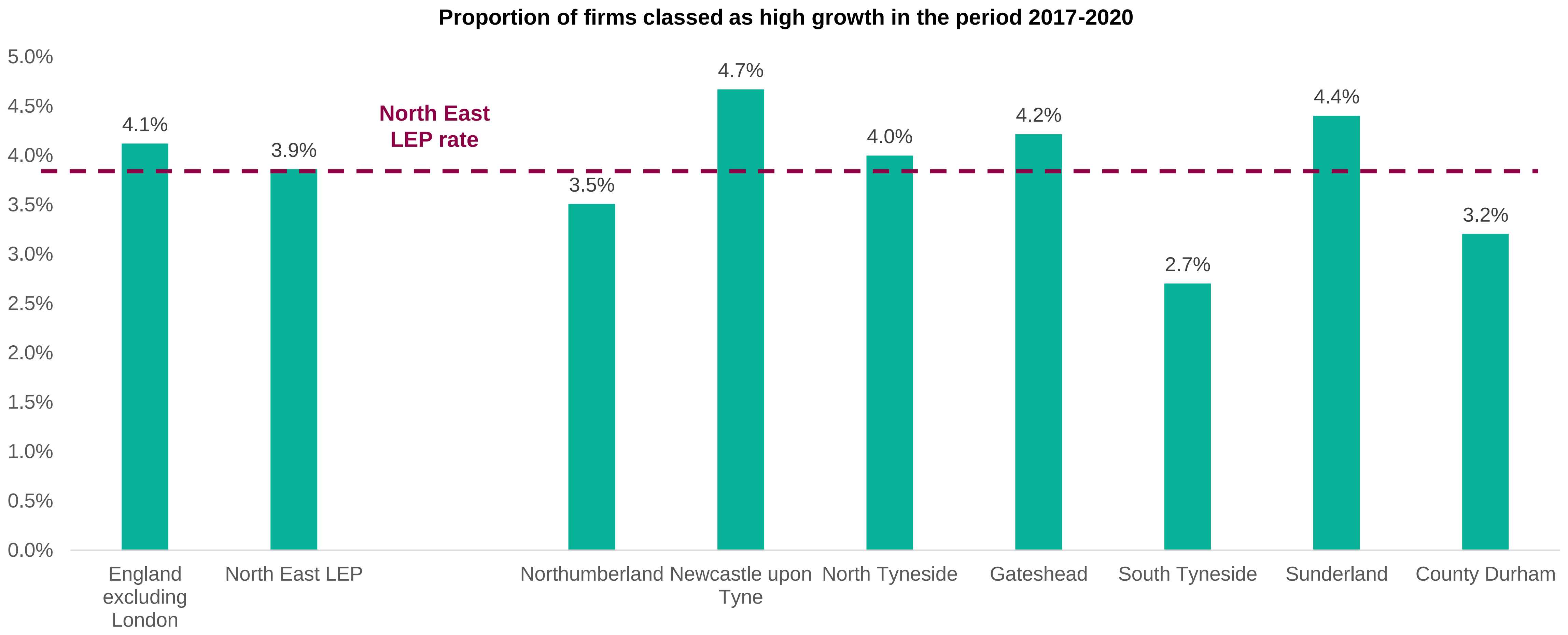
High growth firms are more common in Newcastle, Sunderland, Gateshead and North Tyneside



Source: Business demography (ONS)

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High growth rates in the North East LEP are comparable to many of the Core Cities

Source: Business demography (ONS)

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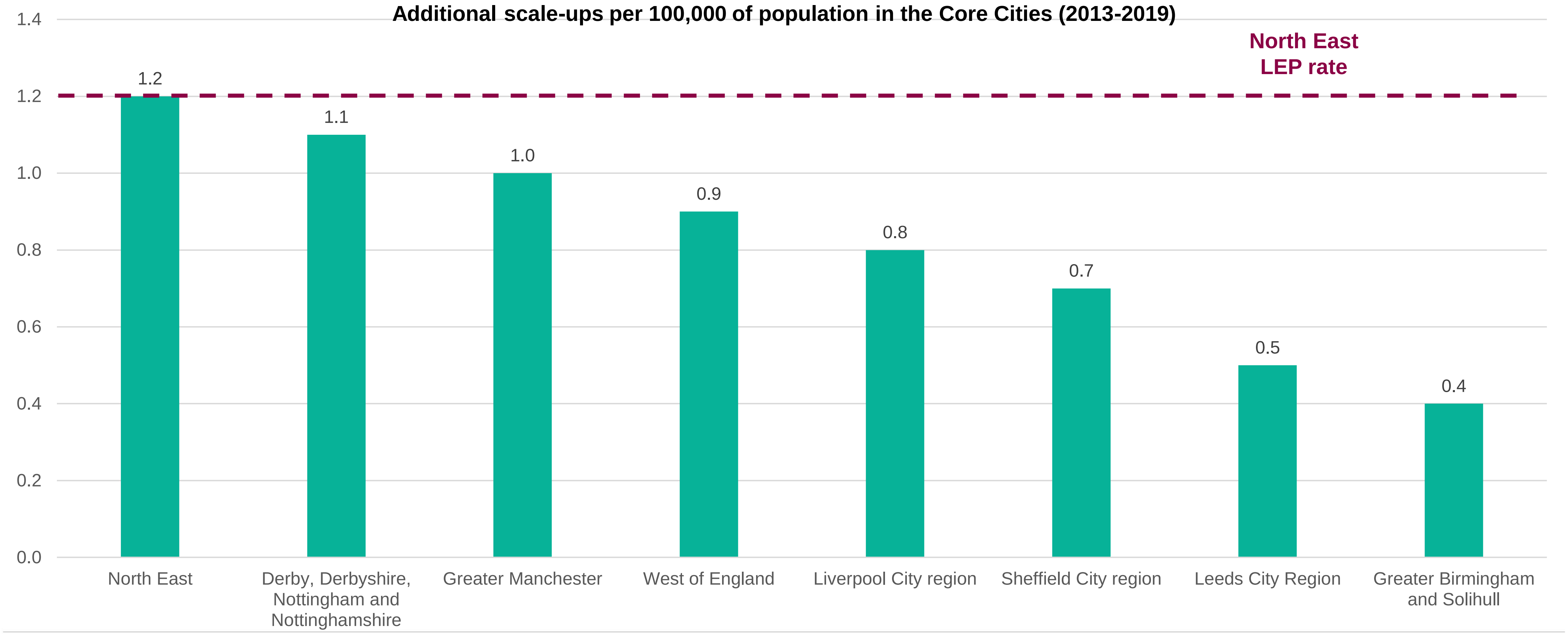
The North East has been adding new scale-ups at a quicker rate than the rest of the Core Cities since 2013



Source: Scale-up institute, Scale-Up Annual Review 2021
Note: Scale-ups are defined using the OECD definition of High Growth firms

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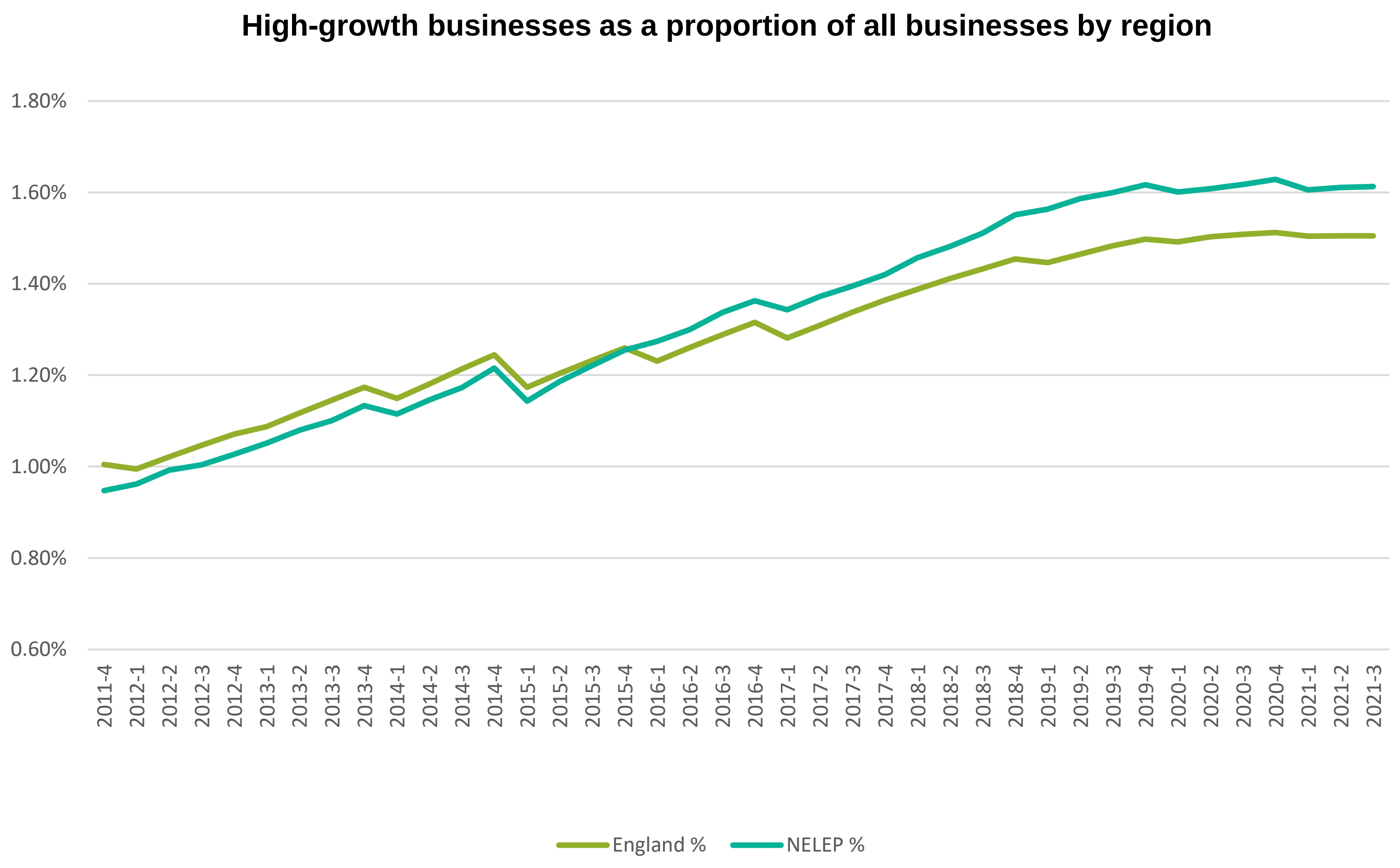
The proportion of high growth businesses in the North East exceeds the national average



Source: Beauhurst
Note: Beauhurst have developed their own methodology for collecting high growth businesses. This includes businesses who have sustained growth in employees and turnover, or who have received significant grant or equity funding.

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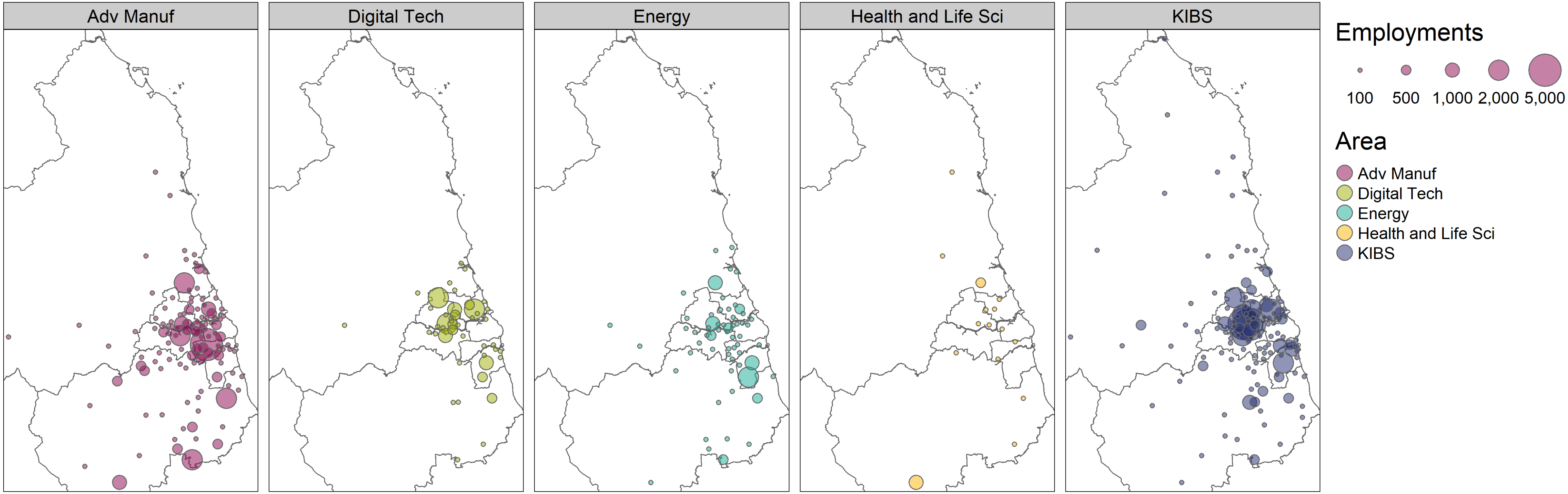
Employment in the areas of strategic importance in distributed across the North East LEP, with local clusters in all authorities

Employment by area of strategic importance (2020)



Source: Business register and employment survey (ONS)

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All local authorities in the North East LEP have a specialisation in at least one of the five areas of strategic importance

Employment location quotient relative to England excluding London (2020)

Sector		North East LEP	Northumberland	Newcastle Upon Tyne	North Tyneside	Gateshead	South Tyneside	Sunderland	County Durham
Areas of strategic importance	Advanced Manufacturing	1.1	1.0	0.5	1.0	1.1	1.0	1.9	1.4
	Digital Tech	0.8	0.3	1.3	1.7	0.9	0.4	0.5	0.3
	Energy	1.0	1.0	0.7	1.1	1.0	1.3	1.5	0.9
	Health and Life sciences	0.7	1.5	0.3	0.8	0.2	0.5	0.4	1.3
	Knowledge intensive business services	0.7	0.5	1.1	1.0	0.6	0.5	0.7	0.4
Enabling sectors	Construction	0.8	0.9	0.6	0.7	0.9	1.2	0.8	1.0
	Education	1.1	0.8	1.3	0.7	0.9	1.1	0.9	1.3
	Logistics	0.6	0.5	0.2	0.3	0.7	0.9	1.0	0.8

Values above 1 equal a greater concentration of employment

Source: business register and employment survey (ONS)

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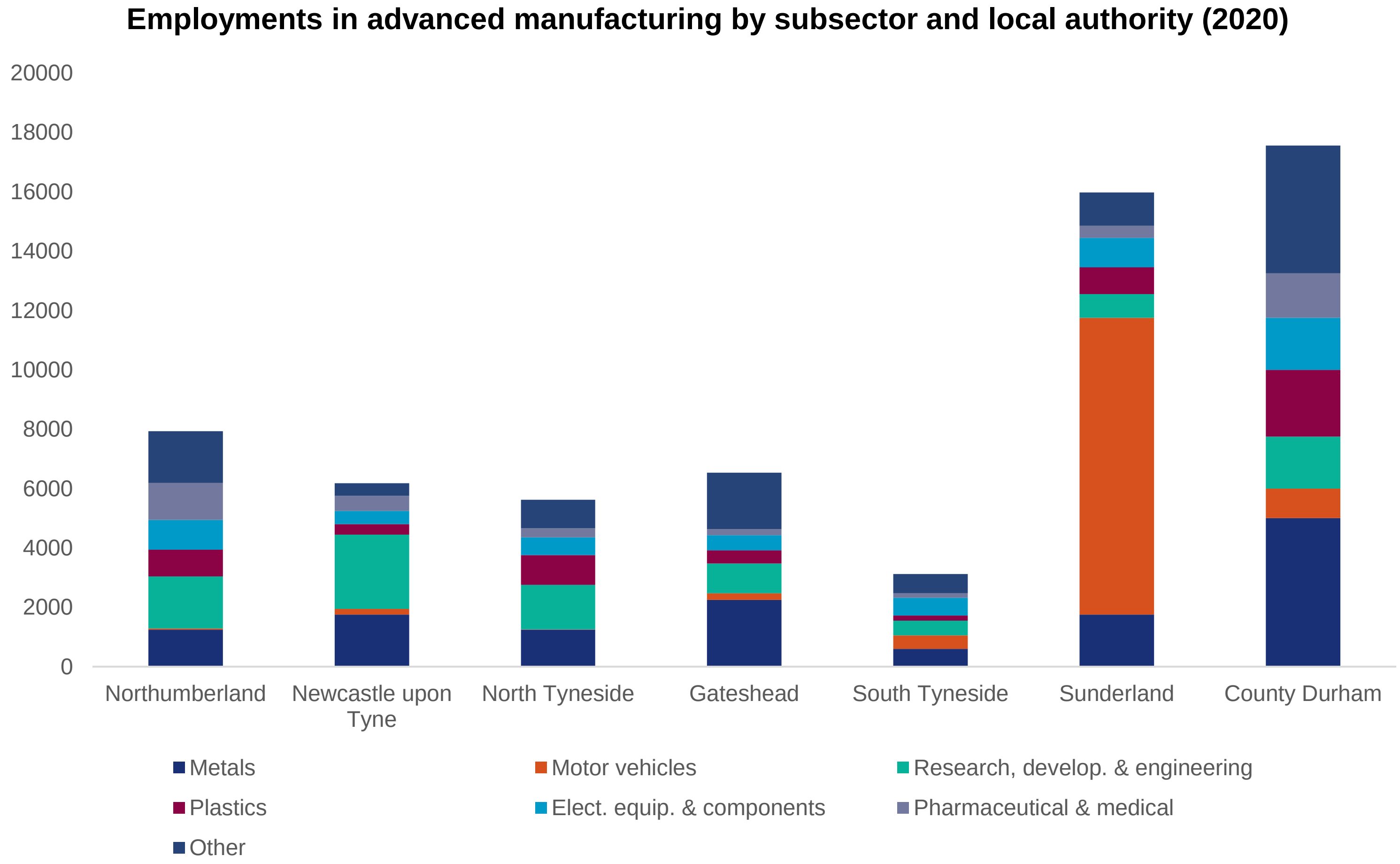
Durham has the most employments in advanced manufacturing overall, Sunderland the most in motor vehicles manufacturing

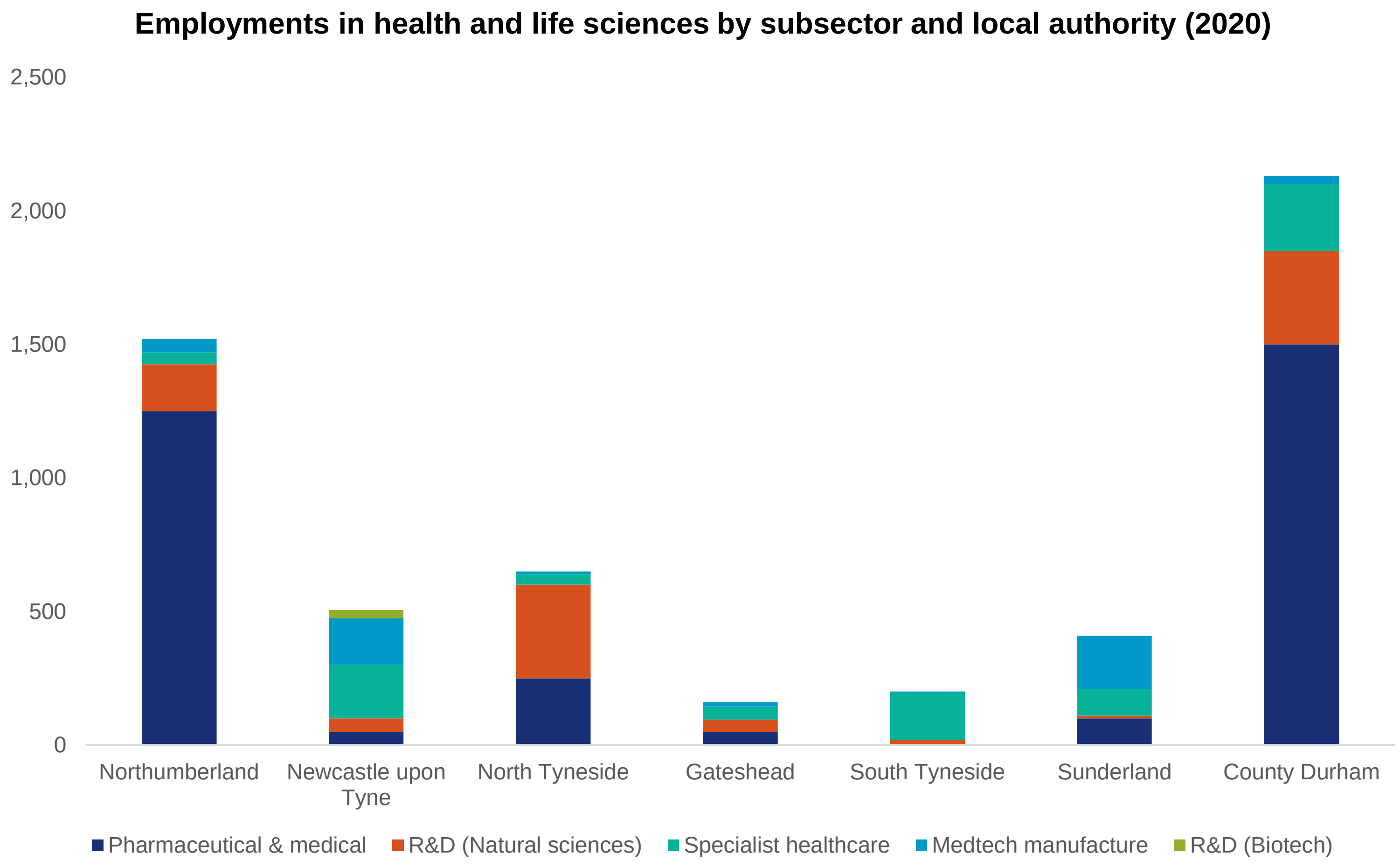


- Overall there were 64,000 employments in advanced manufacturing in the North East LEP area in 2020
- The local authorities with the highest number of individuals employed in this area were County Durham and Sunderland, containing 18,000 and 16,000 employments
- Of those employed in advanced manufacturing in Sunderland, 10,000 were employed in motor vehicle manufacturing
- The biggest single subsectors in County Durham were metals and plastics (5,000 and 2,250 employments)
- County Durham and Northumberland have the largest numbers employed in pharmaceutical and medicinal manufacturing, 1,500 and 1,250 employments respectively

Source: Business register and employment survey (ONS)

North East Evidence Hub

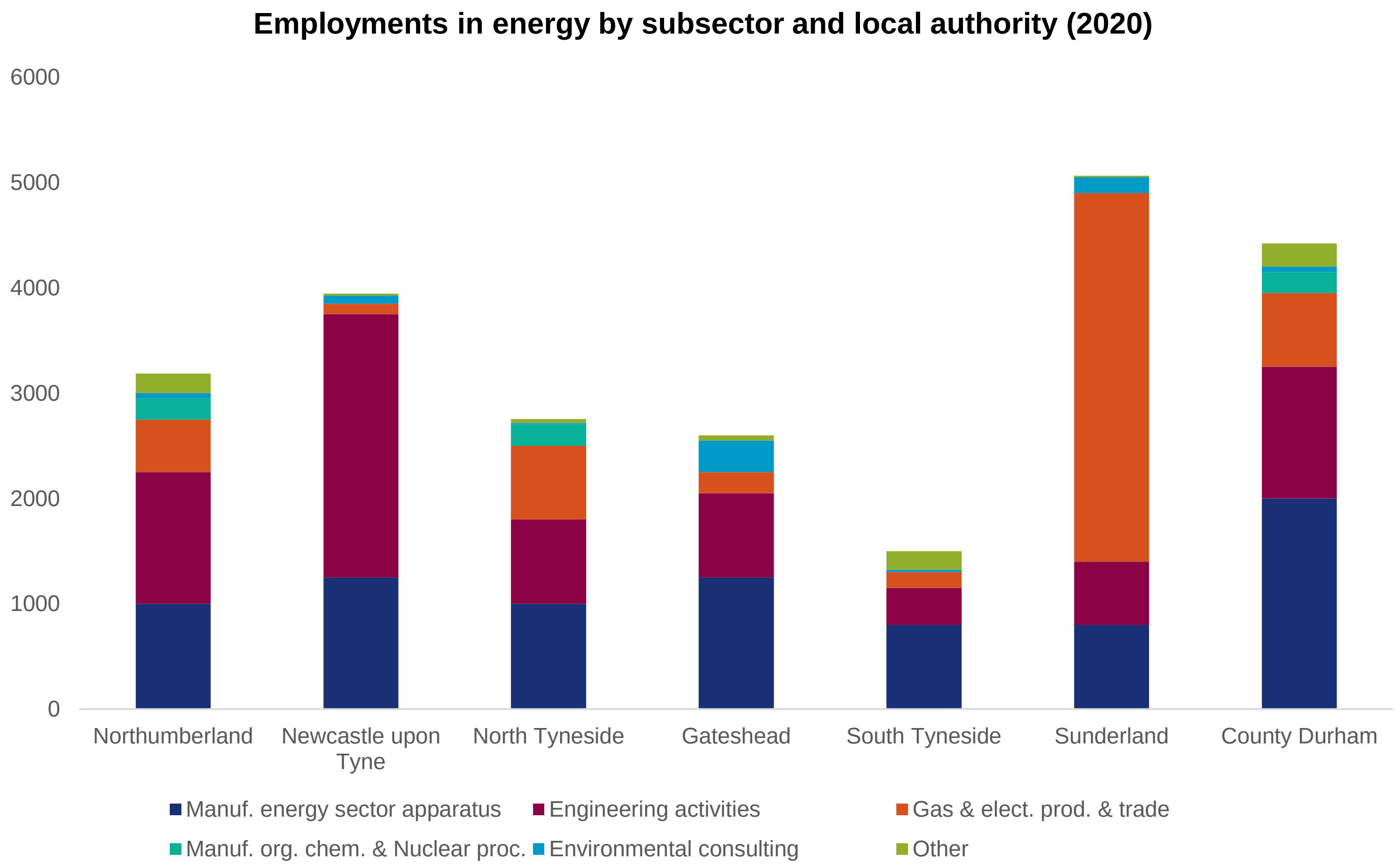
Pharmaceutical manufacturing is concentrated in Durham and Northumberland, MedTech in Sunderland and Newcastle



- Overall there were 5,000 employments in health and life sciences in the North East LEP area in 2020
- 2,000 of these employments were located in County Durham and a further 1,500 were located in Northumberland
- Most of the heath and life sciences employment in Northumberland and County Durham was in pharmaceutical and medical manufacturing (82% and 70% of employment in health and life sciences)
- Medtech manufacture employment is concentrated in Sunderland and Newcastle, 200 and 175 employments

Source: Business register and employment survey (ONS)

Sunderland has the most employments in energy in the North East LEP, most of which are in gas and electricity production and trade

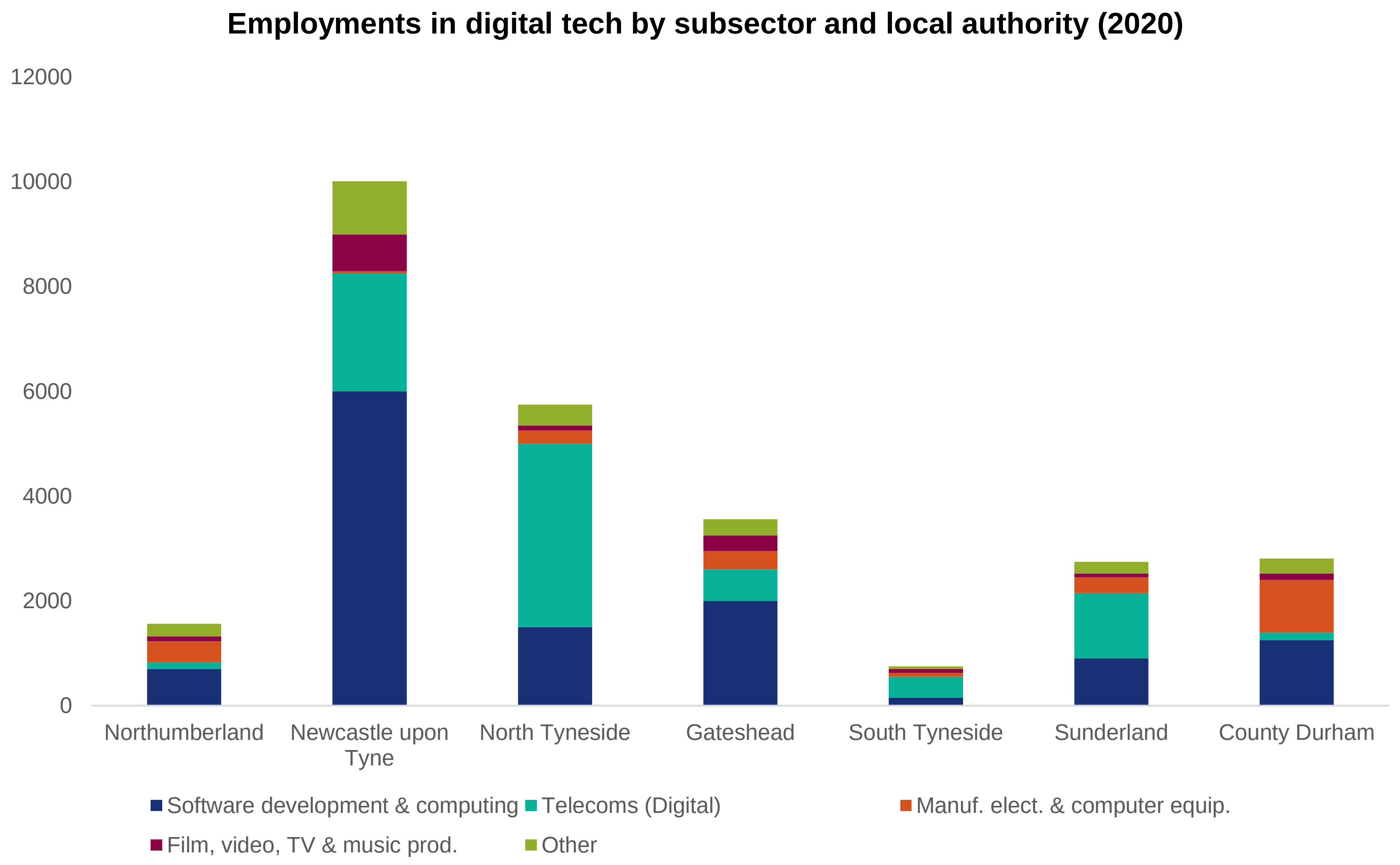


- In 2020 there were 23,000 individuals in employment in the energy area across the North East LEP
- Sunderland had the most employments in the Energy (5,000), followed by County Durham (4,500) and Newcastle (3,500)
- The majority of employment in this sector in Sunderland was in gas & electricity (3,500), 69% of energy employment in Sunderland
- The largest subsector in County Durham was manufacturing energy sector apparatus (2000), which accounted for 45% of employment in energy in Durham
- The biggest subsector in Newcastle was engineering activities 1,250, which accounted for 63% of employment in sector in Newcastle

Source: Business register and employment survey (ONS)

North East Evidence Hub

Newcastle has the most employments in software development and computing, North Tyneside has more in digital telecoms

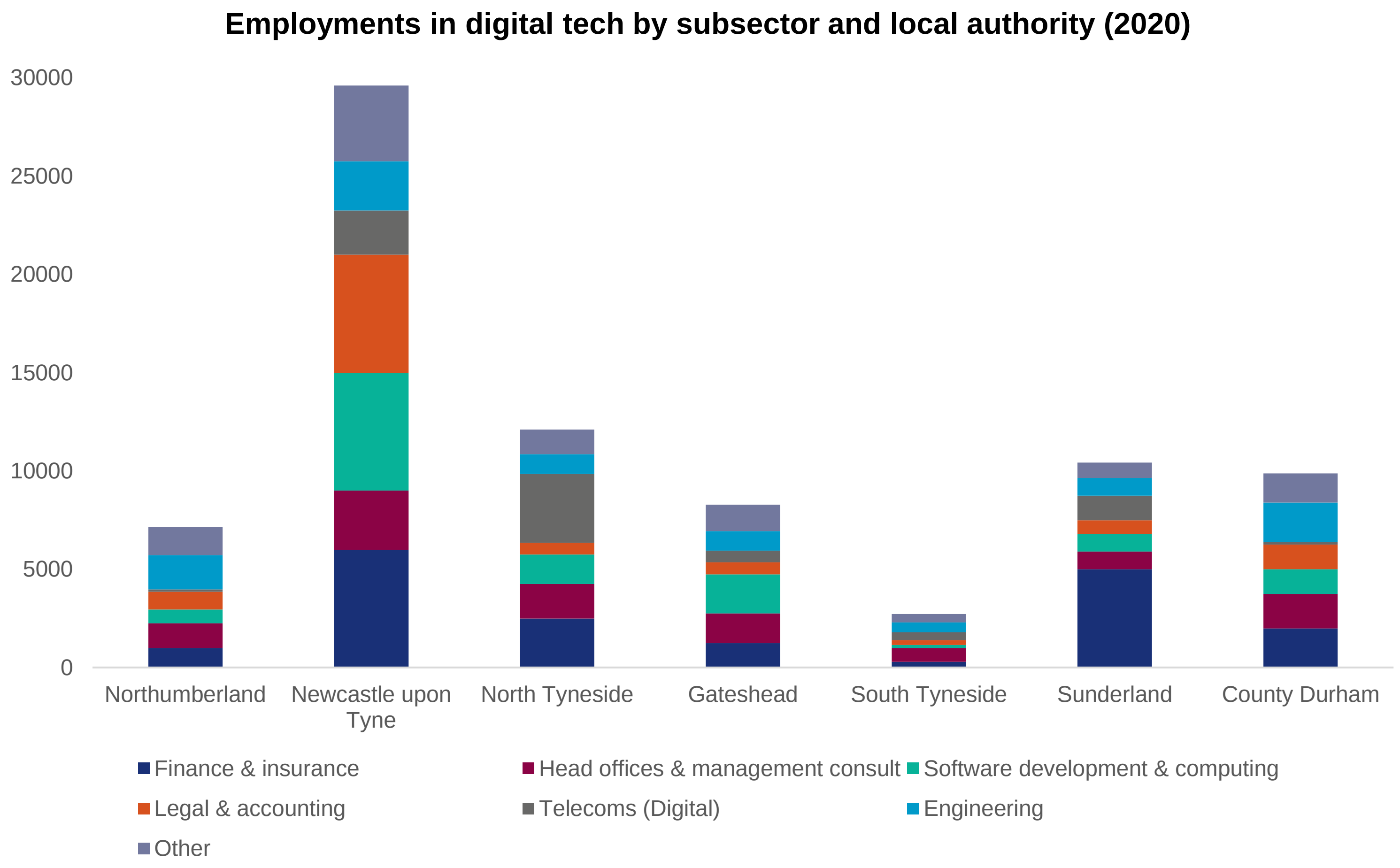


- In 2020 there were 26,000 individuals in employment in the digital tech across the North East LEP
- 10,000 of these were employed in Newcastle upon Tyne, and a further 6,000 were employed in North Tyneside
- A majority of the employment in Newcastle upon Tyne was in Software development, which accounted for 6,000 employments and 60% of employment in the sector in Newcastle upon Tyne
- North Tyneside had more of a focus on Digital telecoms, which accounted for 3,500 employments and 61% of the total in North Tyneside
- County Durham had the most individuals employed in the manufacture of electronic equipment (1,000)

Source: Business register and employment survey (ONS)

North East Evidence Hub

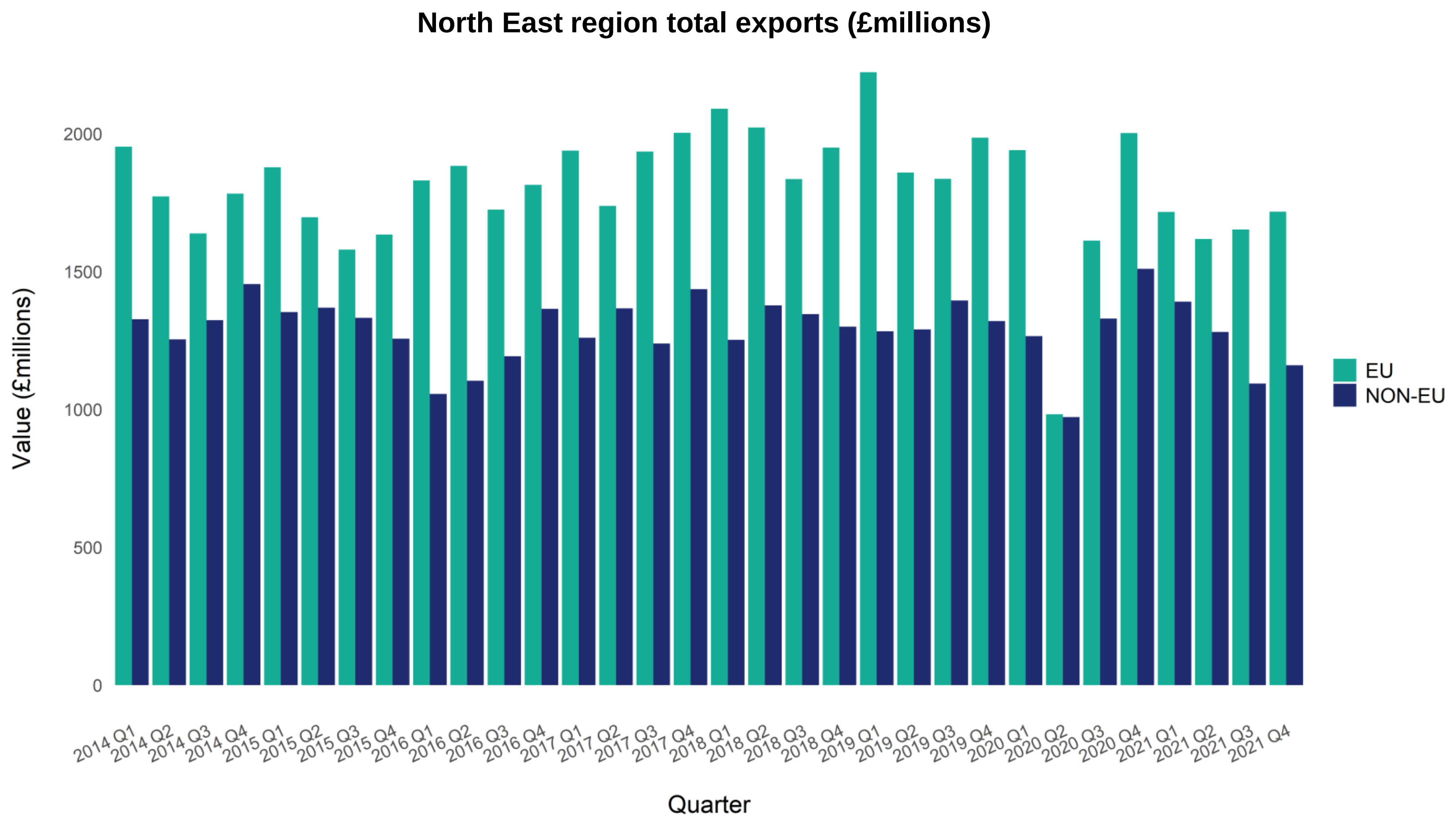
Knowledge intensive business services are concentrated in Newcastle, with large financial, software and legal subsectors



- In 2020 there were a total of 80,000 employments in knowledge intensive business services in the North East LEP
- Of these employments 29,000 were located in Newcastle upon Tyne
- The three biggest subsectors in Newcastle were Finance and insurance, Software development and Legal and accounting. Each of these contained 6,000 employments and 20% of employment in this sector in Newcastle

Source: Business register and employment survey (ONS)

North East goods exports increased by 5% in Q4 2021, but exports for 2021 overall were 12% below exports in 2019



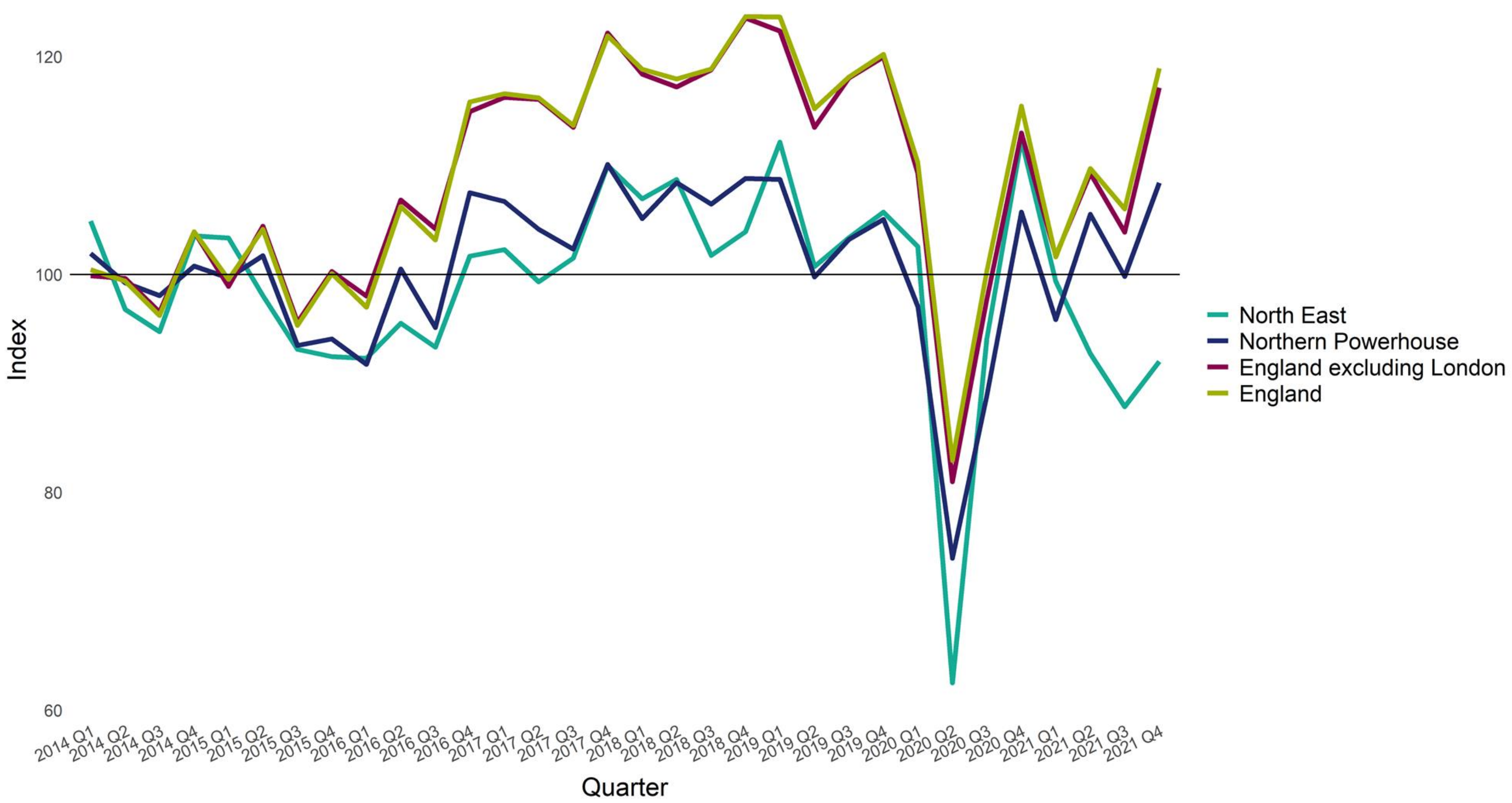
- North East goods exports increased by 5% (+130M) in Q4 2021, the first quarterly increase in 2021
- Overall exports in 2021 were nearly the same value as in 2020 and 12% lower than in 2019
- Exports increased to both EU and Non-EU markets in Q4, by 4% and 6% respectively
- Total exports in 2021 to the EU were 15% lower than 2019. Exports to Non-EU markets were 7% lower

Source: Regional trade in goods (HMRC)

North East Evidence Hub

Relative to 2014 North East export levels are lower than all comparator regions

Exports index North East and comparators (2014 = 100)

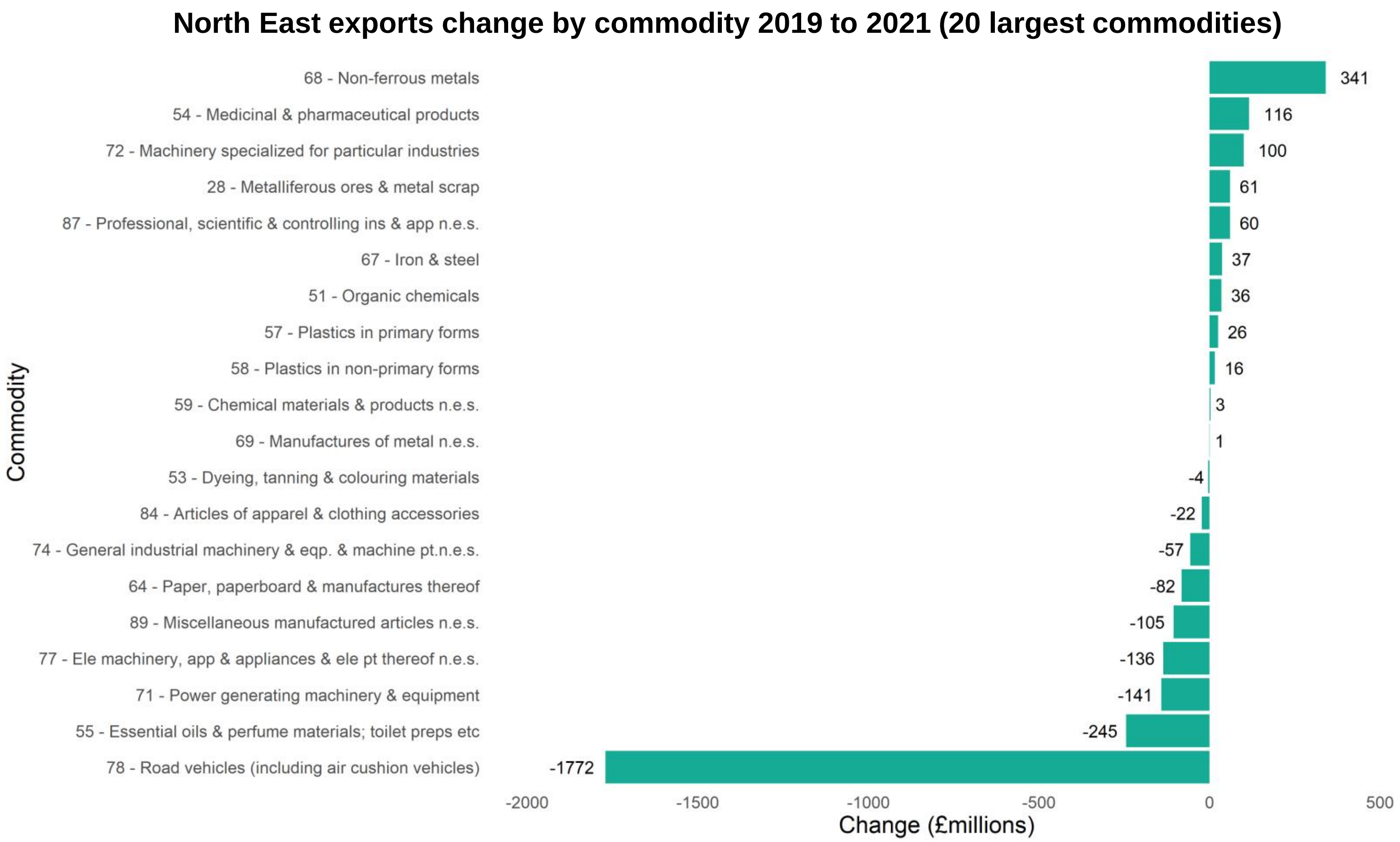


- The North East quarterly change in Q4 (5%) was the lowest of all English regions and below the Northern Powerhouse (9%) and England excluding London (13%)
- Total North East exports in 2021 were 12% lower than 2019. They were 2% lower for the Northern Powerhouse and 9% lower for England excluding London
- The North East's export index is well below 2014 levels and looks to have separated from the Northern Powerhouse index since 2020

Source: Regional trade in goods (HMRC)

North East Evidence Hub

Road vehicles exports have seen a 42% decrease since Covid-19. Other commodities have grown by 2%

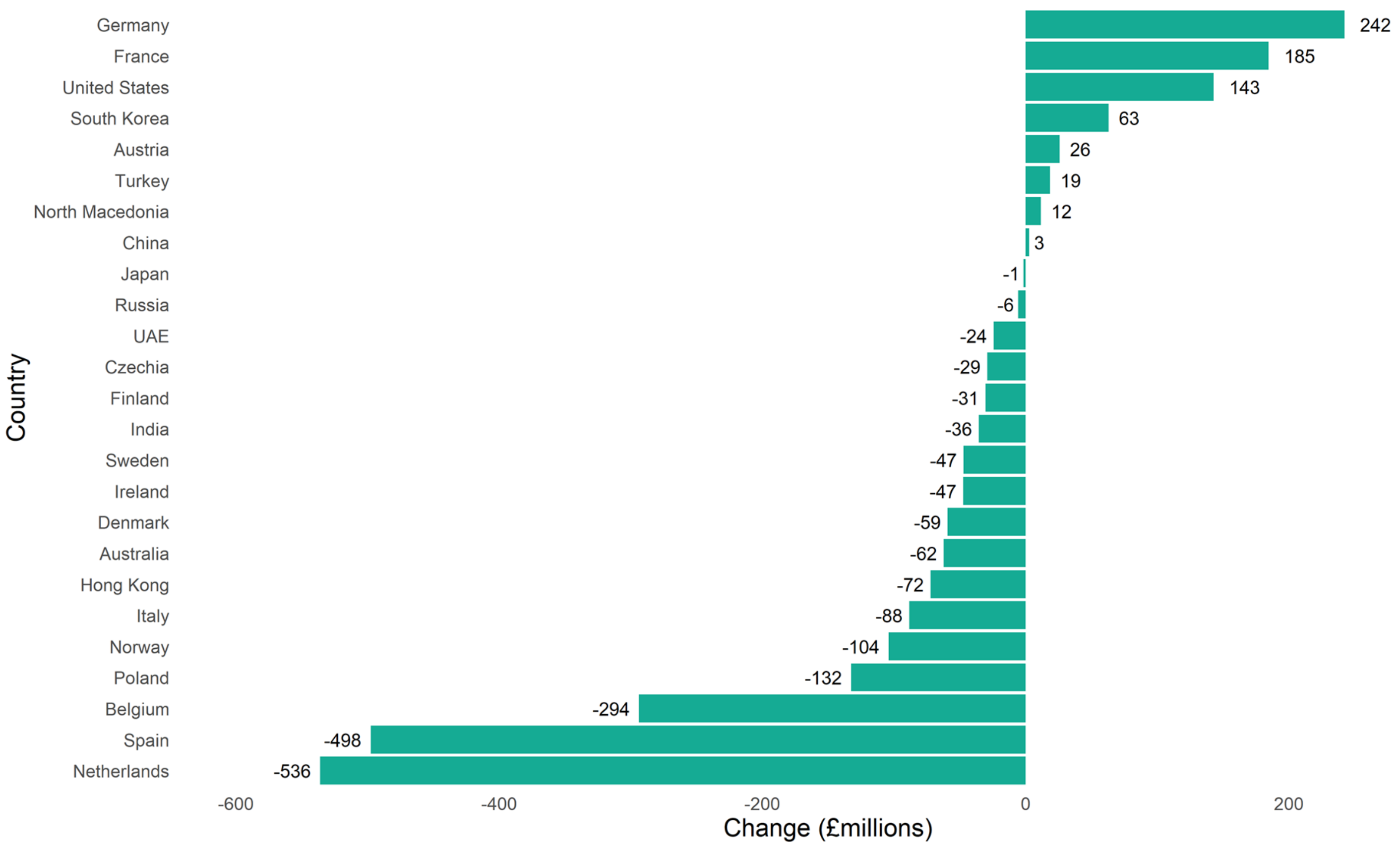


- Road vehicles exports have declined by £1772M over two years. Exports of commodities other than Road vehicles have increased 209M (2%)
- In percentage terms the three largest declines amongst these commodities were Paper (58%), Oils and perfumes (56%) and Road vehicles (42%)
- The three largest increases were Ores and metal scrap (48%), Non-ferrous metals (44%) and Pharma (25%)

Source: Regional trade in goods (HMRC)

Exports to Germany have seen the largest increase since 2019, and Germany is now the North East's largest market

North East exports change by market 2019 to 2021 (25 largest markets)

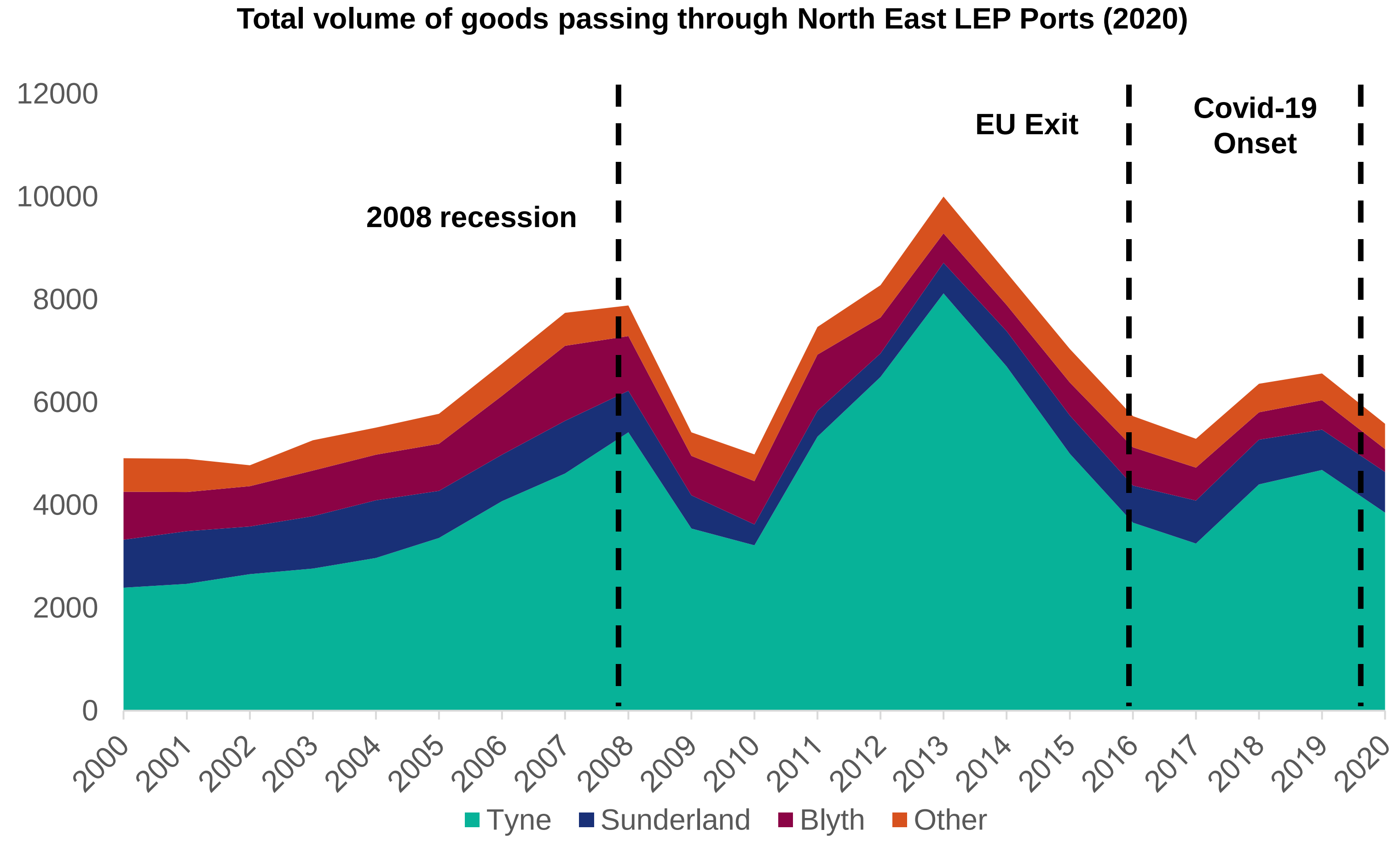


- In percentage terms the largest increases amongst these markets were to South Korea (49%), France (29%) and Austria (26%). Germany was 4th on 21%
- The Netherlands saw the largest absolute decline and fell from the North East's largest to third largest market
- The biggest declines in percentage terms were to Spain (48%), Belgium (37%) and Poland (35%). The Netherlands was 6th on 33%

Source: Regional trade in goods (HMRC)

North East Evidence Hub

The goods passed through North East LEP ports was rising again before Covid-19. The Port of Tyne accounts for most of the volume

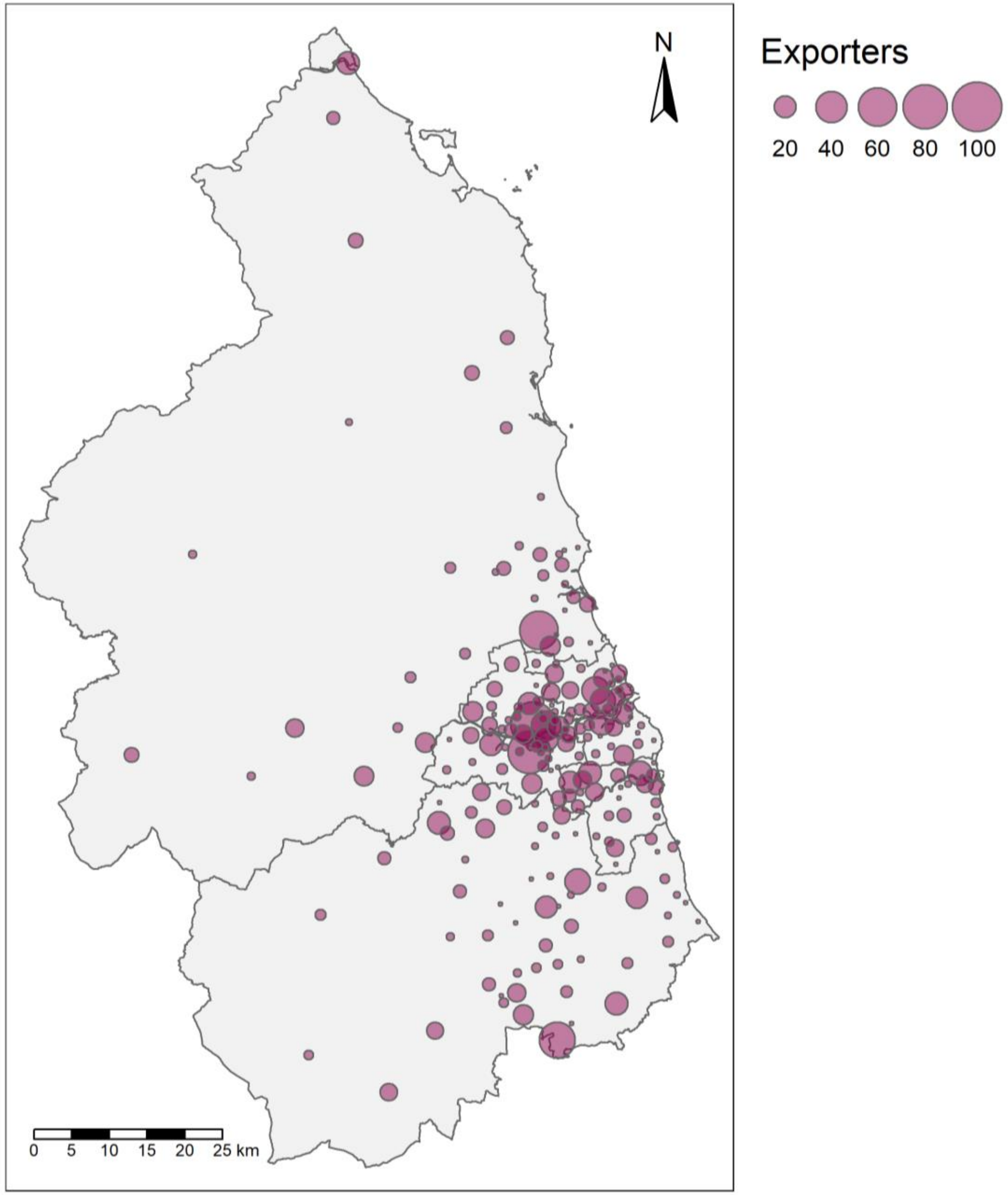


- 69% of goods passed through North East LEP ports passed through the Port of Tyne in 2020, 14% through the Port of Sunderland and 8% through the Port of Blyth. The final 9% passed through other ports
- The total volume of goods passing through North East LEP ports has peaked twice prior to Covid-19. Once prior to the 2008 recession and again in 2013. The volume had started rising again from a low-point in 2017 prior to Covid-19
- The decline in volume since 2013 has been caused by falling exports volumes (-53%). The volume of imports has increased 9% since 2013
- The volume of goods passing through Newcastle has declined by 53% since 2013, while the volume passing through Sunderland has increased by 32%. Blyth saw a decrease of 22%
- 34% of imports through Newcastle in 2020 were classed as 'other dry bulk', 13% of exports were road vehicles
- 23% of imports through Sunderland were classed as Iron and Steel, and 44% of exports were classed as other dry bulk. There is no commodity data available for other ports

Source: Port freight statistics (DFT)
Note: The total volume of goods passing through ports is not always the best measure of exports as it can be heavily influenced by the type of cargo independently of value

Exporters are distributed across the North East LEP, with ports and other infrastructure providing connections to international markets

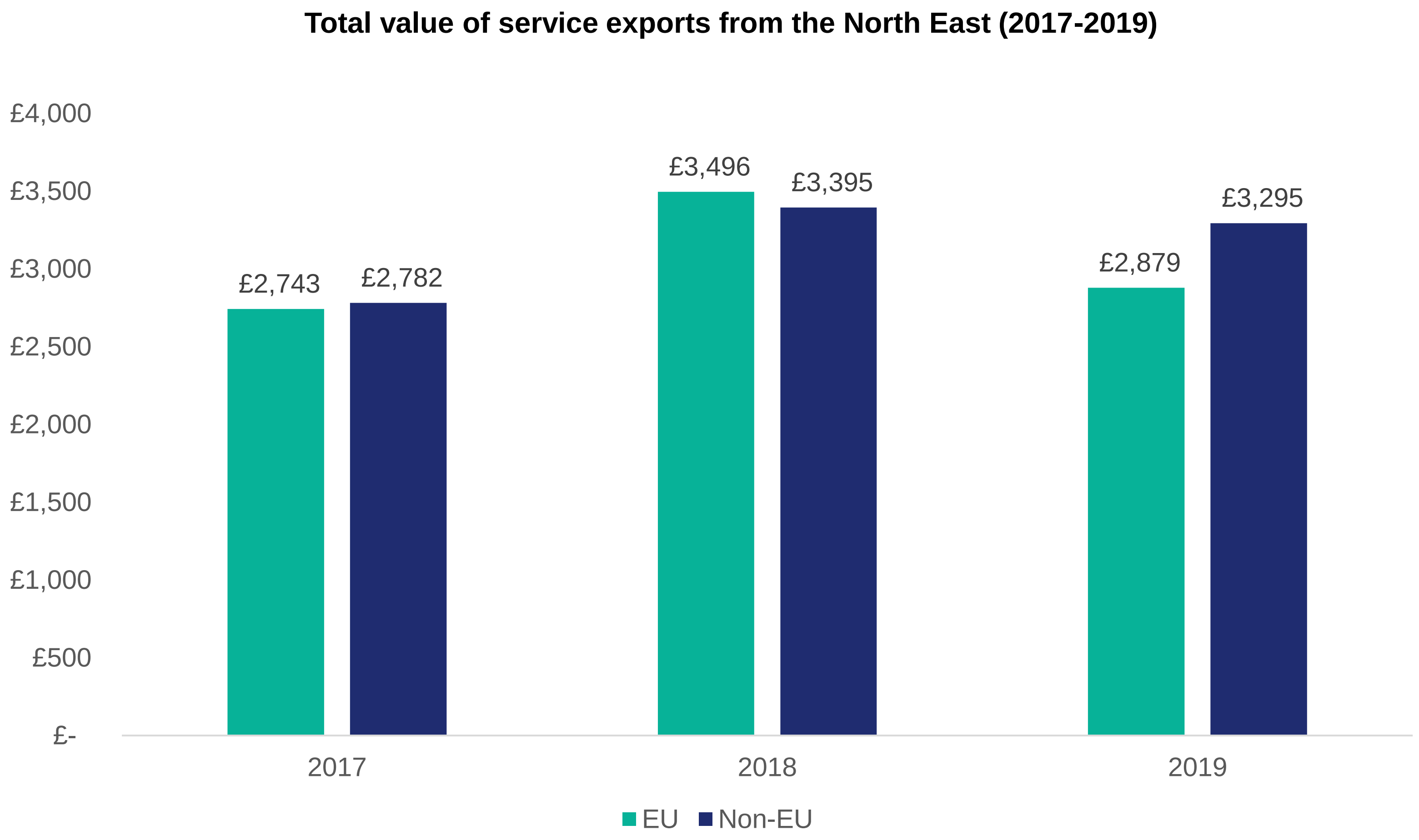
- Data from HMRC suggests there are 1,674 firms registered in the North East LEP who exported goods in Jan 2022
- The proportion of firms who export goods varies little across the North East LEP. It is the lowest amongst firms registered in Newcastle at 2.0% and the highest in Northumberland and North Tyneside at 2.6%
- Firms in the North East LEP that export tend to have higher numbers of employees and higher turnover than those that do not. The median number of employees for exporting businesses is 12 employees while for other buisnesses it is only 2
- Data from the ONS nationally also suggests that there is a link between productivity and exporting goods and/or services
- Firm’s propensity to export is heavily influenced by the sector in which they operate. Of the five areas of strategic importance, 10% of firms classed as advanced manufacturing were exporters of goods in Jan 2022. In Health and Life Sciences it was 8%, Energy 7%, Digital 2% and Knowledge Intensive Business Services 1%



Source: Companies house and HMRC (via FAME)

North East Evidence Hub

Service exports from the North East have improved recently, but to the EU fell in 2019, following a national trend

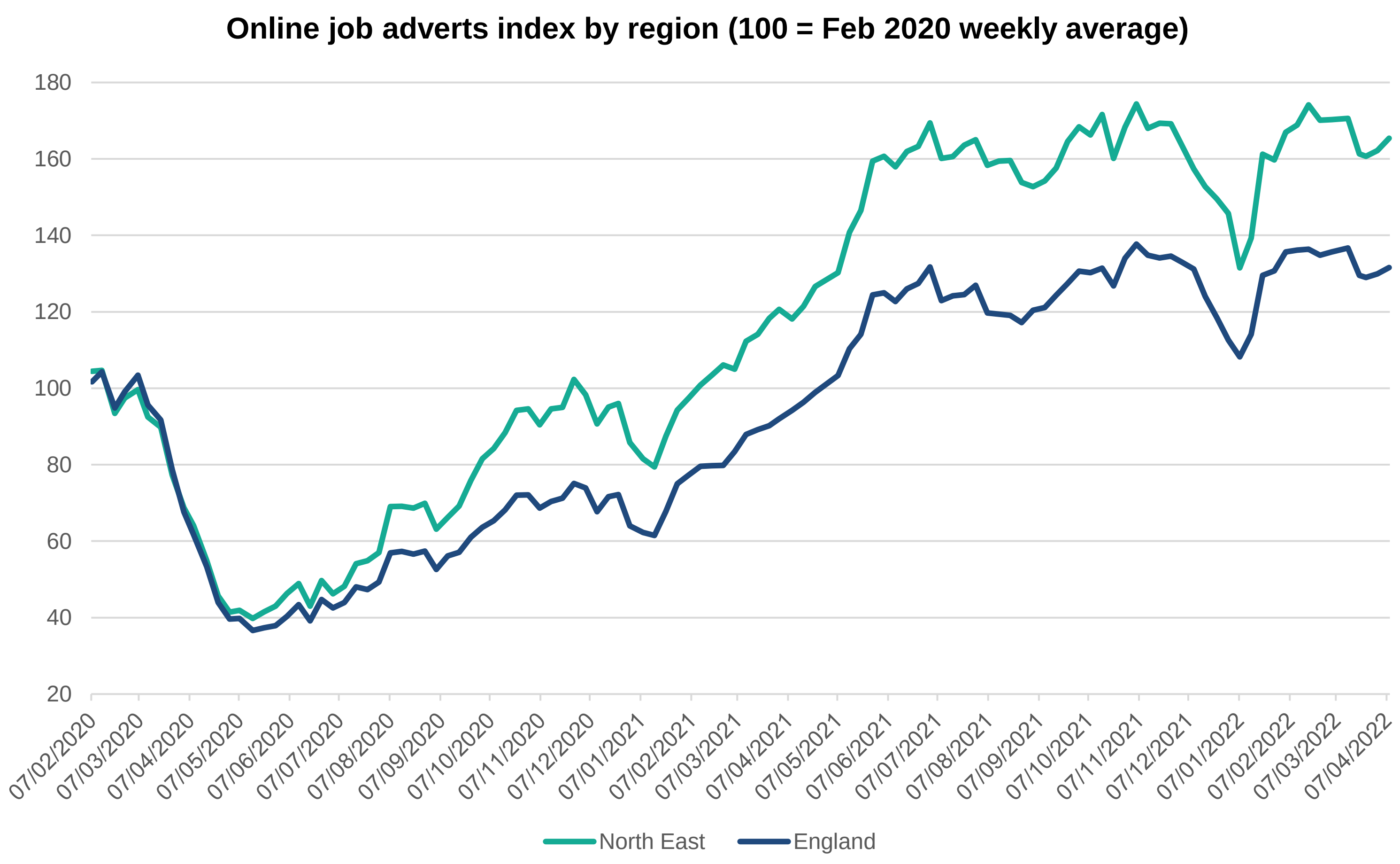


- 47% of service exports from the North East are to the EU compared to 39% for England excluding London
- Prior to 2019,the North East had seen steady growth in service exports
- North East exports to the EU declined 18% in 2019, falling only 3% to Non-EU markets
- The Northern Powerhouse and England excluding London also saw falls in service exports to the EU between 2018 and 2019
- North East manufacturing service exports to the EU grew by £248M between 2018-2019, transportation and storage exports grew by £100M
- Financial and insurance activities EU exports fell -£224M and administrative and support service activities fell -£108M. Data for other sectors is limited

Source: ONS Regional Trade in Services (2019)
Note: Data is only available from 2017-2019

North East Evidence Hub

Relative to before Covid-19 levels of job adverts in the North East have increased more quickly than in England



- In the first week of April job adverts in the North East region were at 165% of Feb 2020 levels, while in England overall they were only at 132%
- The North East may be starting from a lower base of total job adverts. A report from the Institute of Employment Studies (IES) indicated that the North East region had the lowest number of vacancies per working age resident among the nine English regions in June 2021
- Higher numbers of job adverts in the region may also reflect that fact economic inactivity has increased since Covid-19, meaning adverts are less likely to be filled
- The economic inactivity rate in the North East LEP increased by 2.2% in the year to Dec 21-Feb 22, a much larger increase than in England as a whole (0.2%)

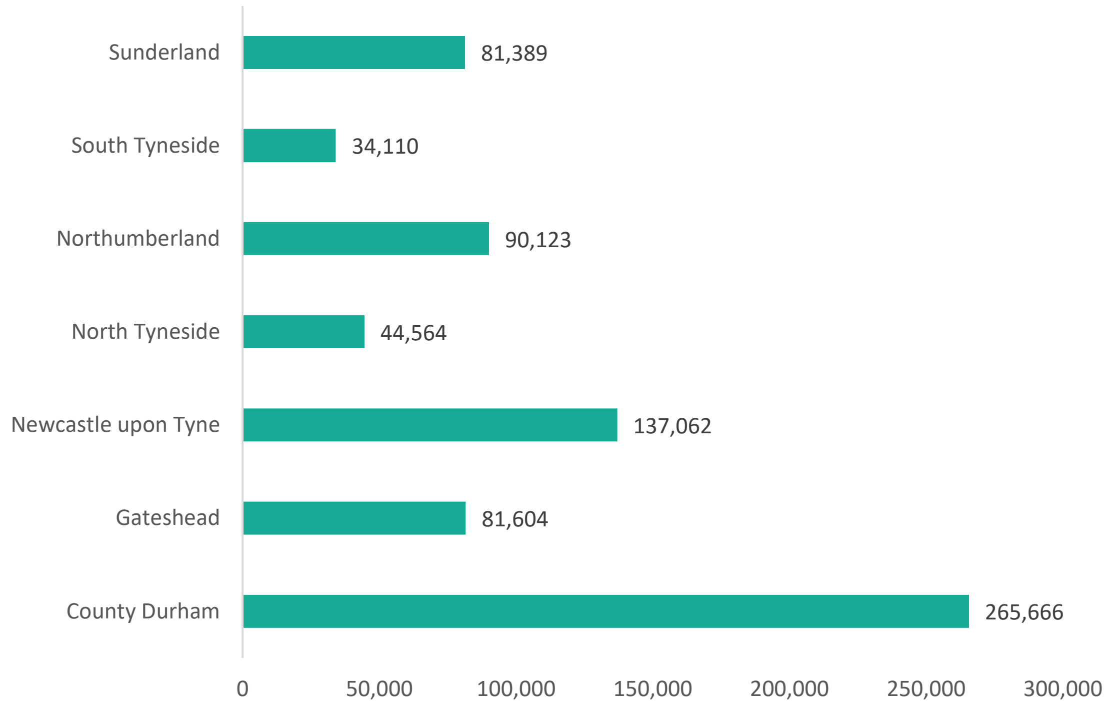
Source: Online job adverts by region (Adzuna and ONS), Institute for Employment Studies

North East Evidence Hub

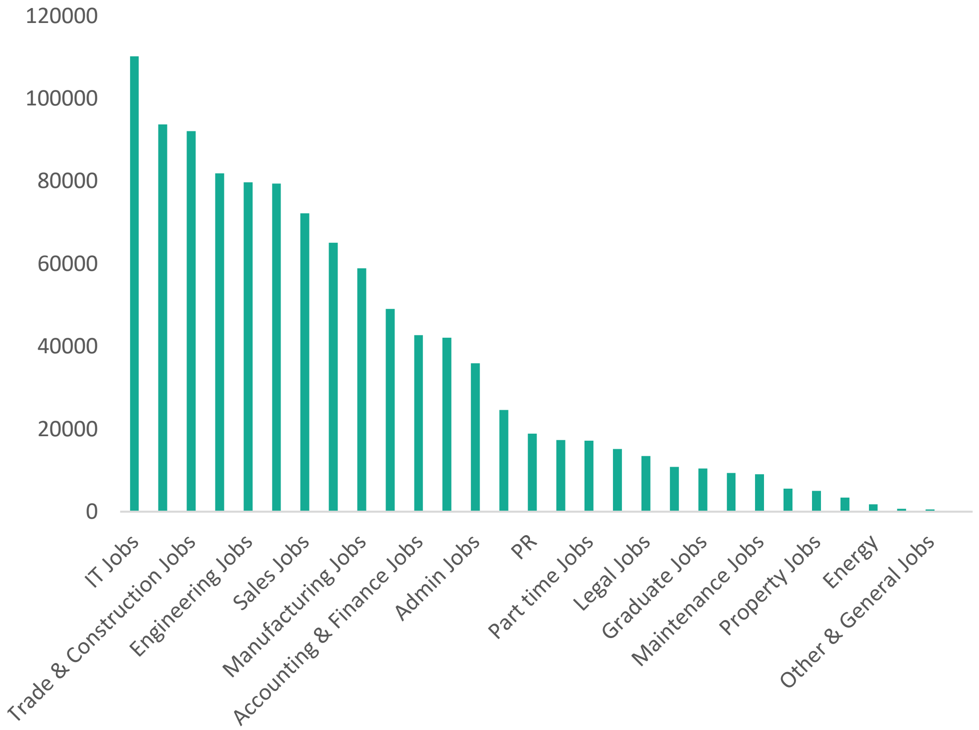
In 2021, just under a quarter of vacancies in the North East LEP were for County Durham

- In 2021, the North East LEP had 1,066,889 vacancies. 24.9% of vacancies in the North East LEP were for County Durham.
- South Tyneside had made up only 3.2% of the North East LEP vacancies. As a local authority, it also had the highest percentage of workless households in 2020 too.
- Across the North East LEP, IT jobs were most in demand with 110,228 vacancies in total, followed by logistics & warehouse (93,708) and trade & construction (92,107)

Number of vacancies by local authority, 2021



Categories of vacancies advertised in the North East LEP, 2021

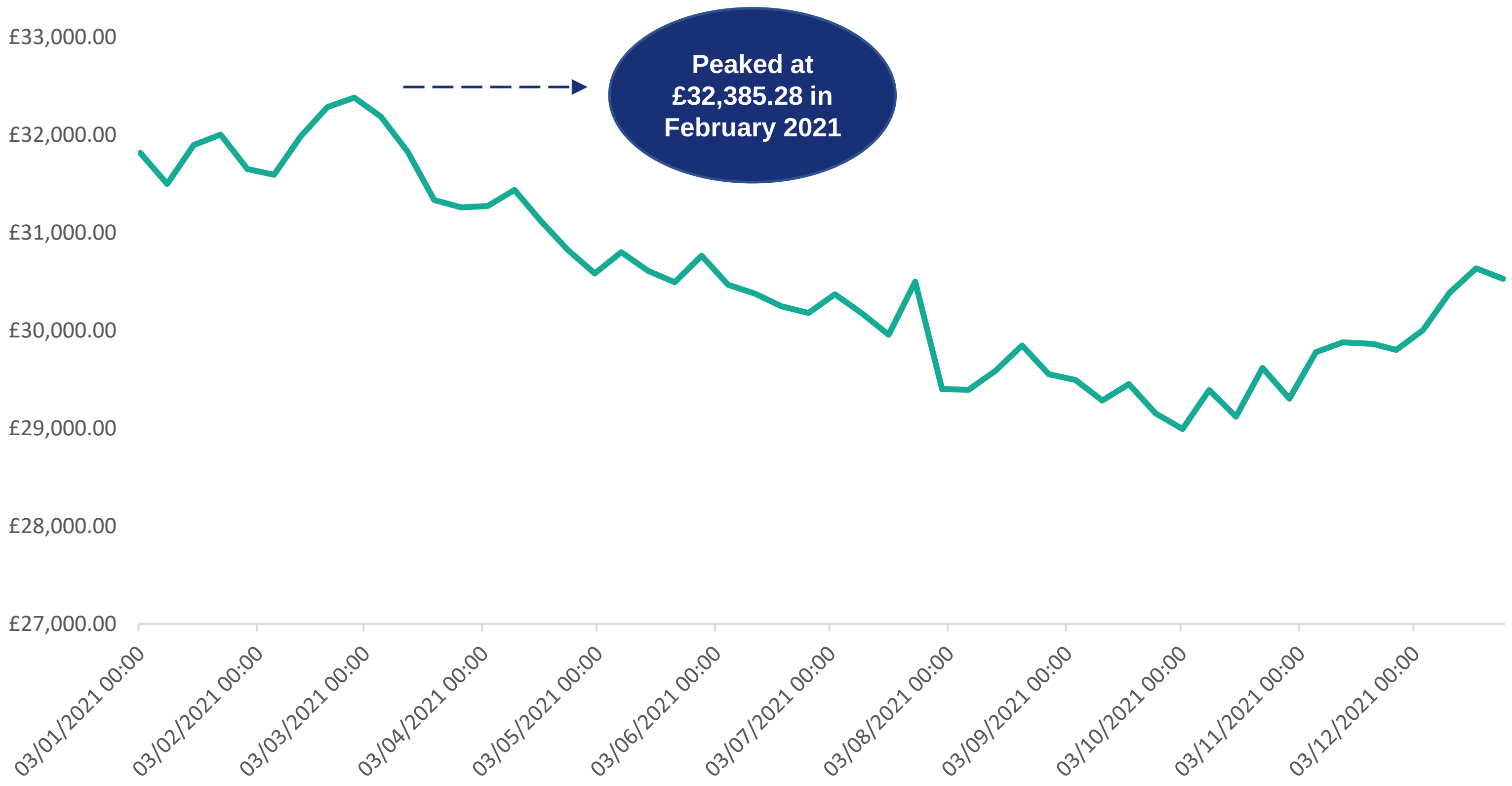


Source: Adzuna, 2021

North East Evidence Hub

The average advertised salary in the North East LEP was £30,509 in 2021

Salary trend for the North East LEP, 2021



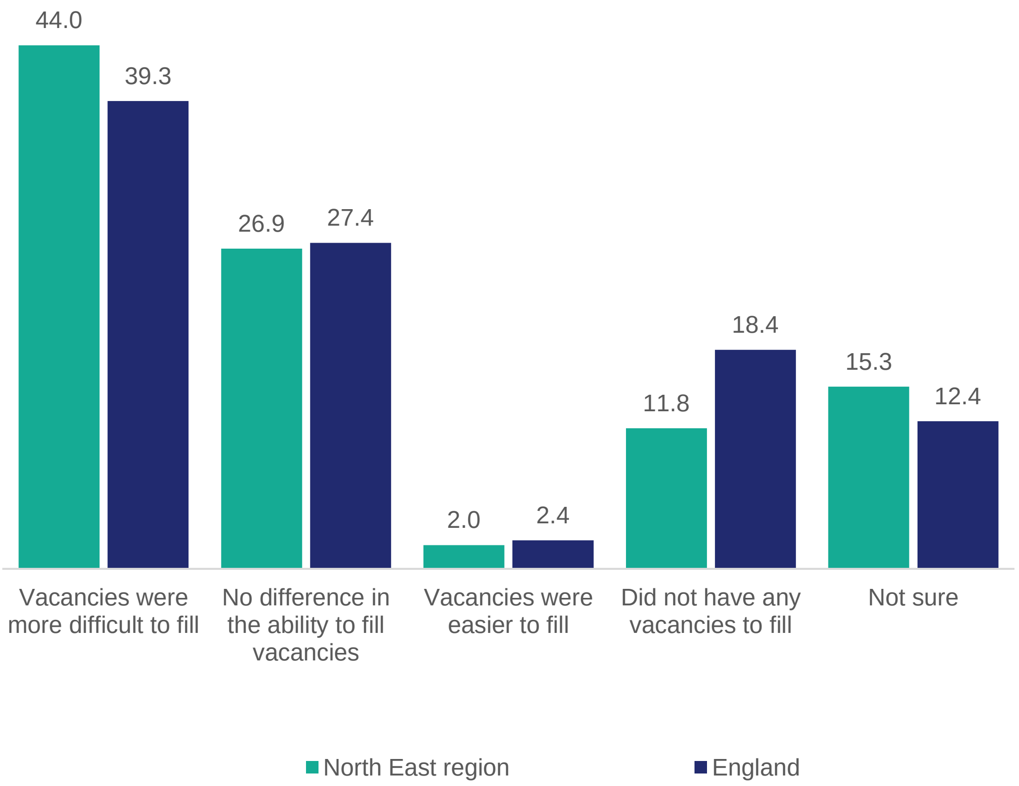
- The average advertised salary in the North East LEP in 2021 was £30,509
- Salary trends peaked in February 2021 at £32,385.28. They were then at their lowest in October 2021 at £28,993.35
- As of 26 December 2021, the average salary was at £30,531.55. This was £1,853.73 less than the peak in February
- Across the year, there was a general decrease in average salaries, until October, where salaries began to rise again

Source: Adzuna, 2021

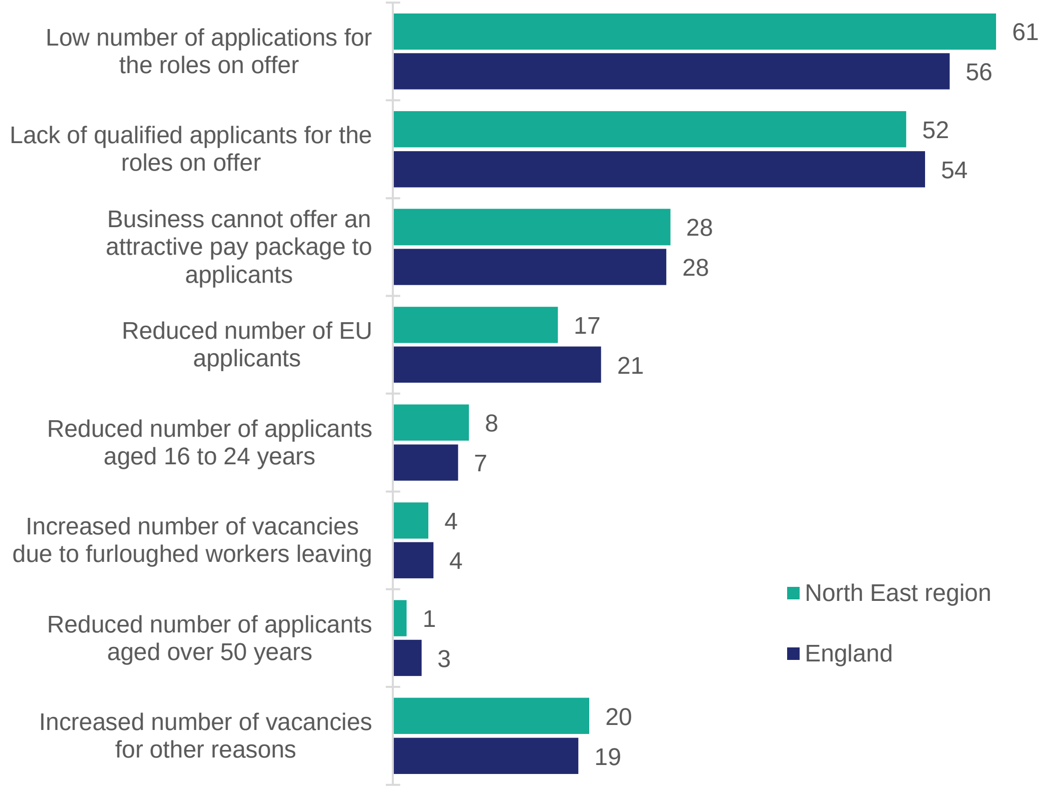
North East Evidence Hub

North East businesses are finding it more difficult to fill vacancies due to low application numbers and a lack of qualified applicants

Vacancy filling compared with normal for the time of year (%), North East region, Feb 2022



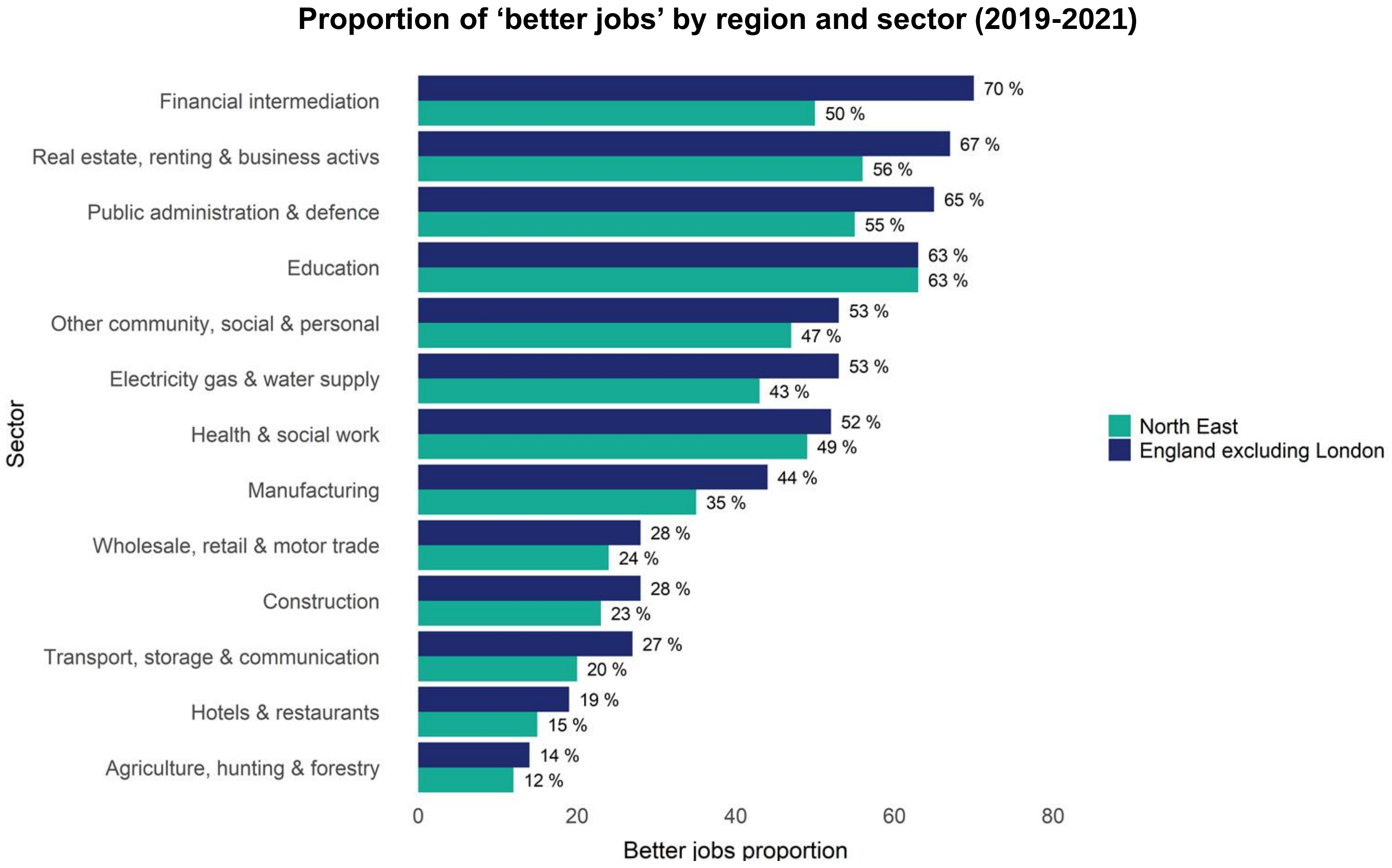
Reasons for difficult to fill vacancies (%), North East Region, Feb 2022



Source: Business Insights and Conditions Survey (BICS) (ONS) Notes: The question in full was: How does your business's ability to fill vacancies in the last month compare with normal expectations for this time of year? The percentage is of businesses not permanently stopped trading, 24 January 2022 to 20 February 2022. Businesses could cite more than one reason. The labels are rounded to the nearest whole percentage but the bars are not

North East Evidence Hub

The North East has a relatively low share of ‘better jobs’ in nearly all sectors and especially in financial services

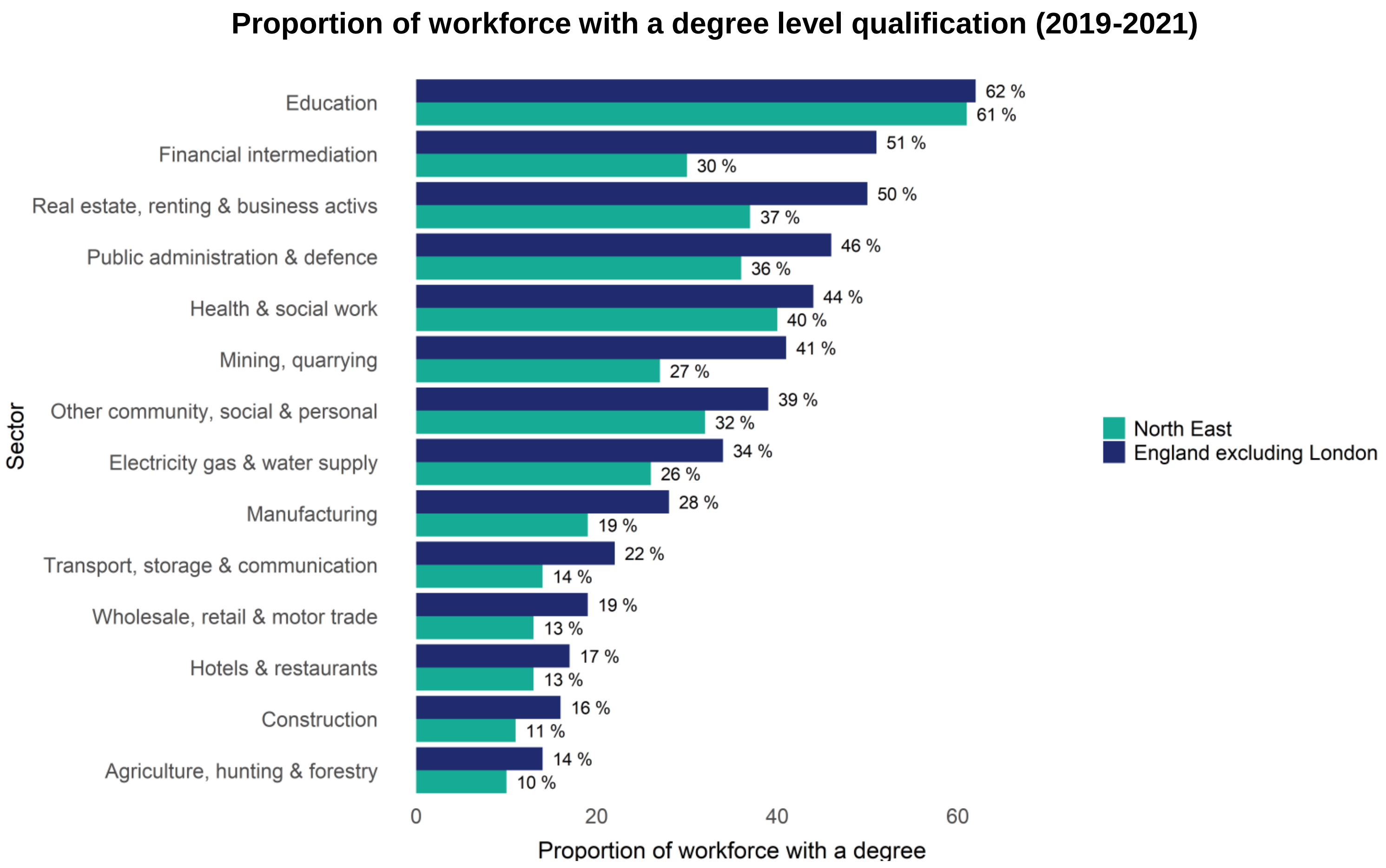


- The North East region has a relatively small portion of the workforce employed in ‘better jobs’, defined as managerial; professional; associate professional and technical occupations
- The North East has a high proportion of the workforce employed in sectors with low numbers of these occupations. However, the proportion of better jobs within all sectors except education was lower in the North East region that England excluding London too
- This demonstrates that the relatively low share of ‘better jobs’ in the North East region is not purely a result of the North East’s sectoral composition
- The gap in better jobs share is especially large in financial intermediation (20%), but is also high in real estate and associated activities (11%), public administration and defence (10%), energy (10%) and manufacturing (9%)

Source: Annual population survey three year pooled dataset (UK data archive)
Note: The sample size for some sectors is small and should be interpreted with caution

North East Evidence Hub

Many sectors in the North East have a comparatively low proportion of workers with degree level qualifications



- There are some sectors where a high proportion of the workforce has a degree nationally and the North East proportion with a degree is not too dissimilar. In particular the share for education is only 1% lower and the share for health and social work is only 4% lower

- However, there are large differences in the share of the workforce with a degree in some sectors. The share with a degree in financial intermediation is 21% lower, in real estate, renting and business activities is 13% lower, and in public administration and defence is 10% lower

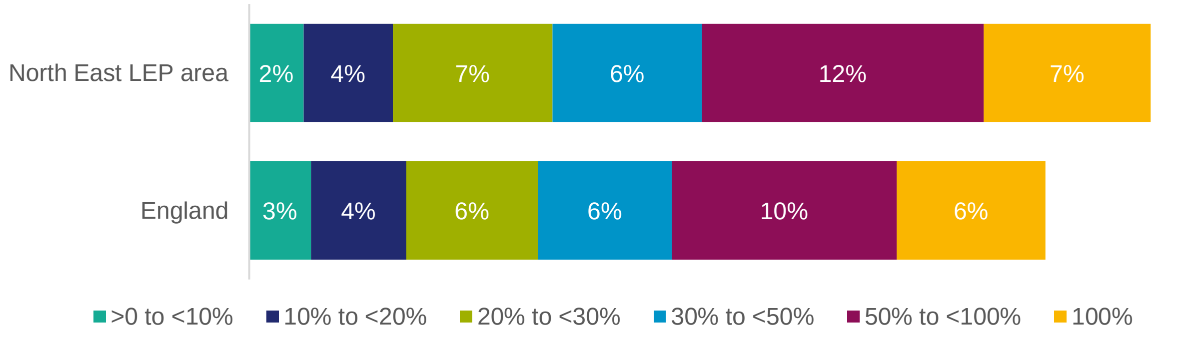
Source: Annual population survey three year pooled dataset (UK data archive)
Note: The sample size for some sectors is small and should be interpreted with caution

North East Evidence Hub

In 2019, almost 40% of North East LEP businesses had under-utilised workers

Percentage of staff not fully proficient, 2017 and 2019 North East LEP area

Establishments by proportion of under-utilised staff (% of total), 2019 North East LEP area

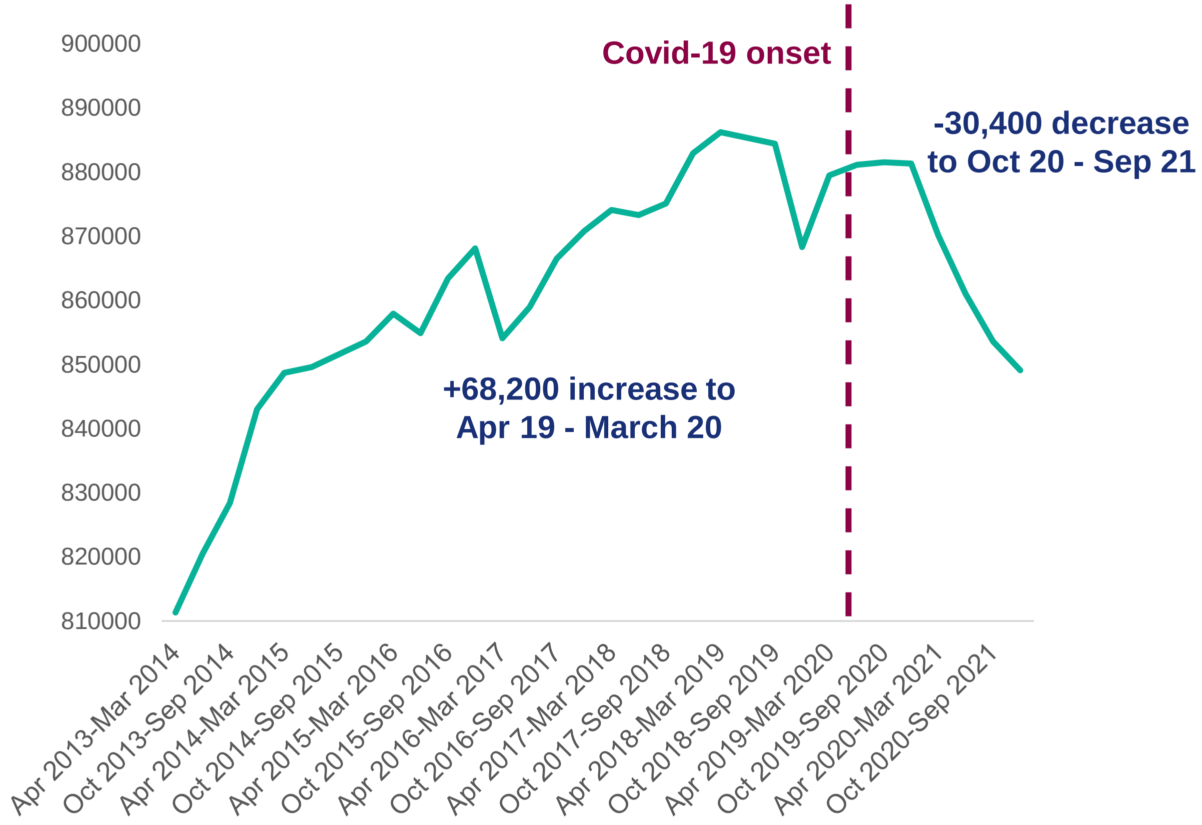


- There are some sectors where a high The latest available data is for 2019, prior to the COVID pandemic. In that year in the North East LEP area, 4.04% of workers were identified as not fully proficient. This was a slightly lower percentage than in 2017, when it was 4.10%, and it was lower than the England equivalent (4.58%)
- About 39% of establishments in the North East LEP area identified that they had under-utilised workers in 2019. This was five percentage points higher than nationally
- About 19% of North East establishments had 50% or more under-utilised workers, including 7% where all workers were under-utilised. Both proportions were larger than for England (16% and 6%, respectively)

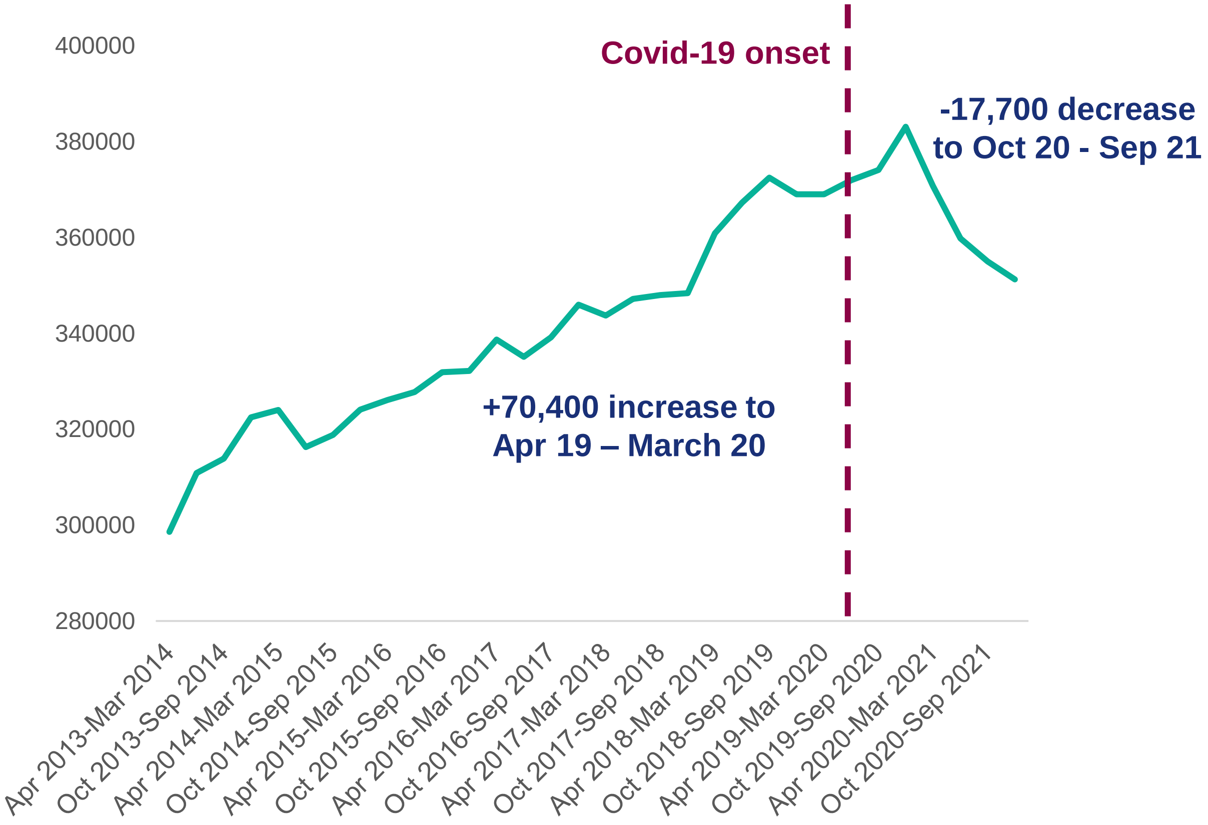
Source: Employer Skills Survey (DfE) 2019:
Note: The survey was undertaken before the start of COVID; Under-utilised staff are those that have both qualifications and skills that are more advanced than required for their current job role. The figures on the bar segments are the rounded percentages of all establishments in each category. The figures in the legend are the percentage of staff in the establishment that are under-utilised

The North East LEP saw strong growth in more and better jobs until the onset of Covid-19

Employment in all occupations in the North East LEP area since 2014



Employment in 'better job' occupations in the North East LEP area since 2014

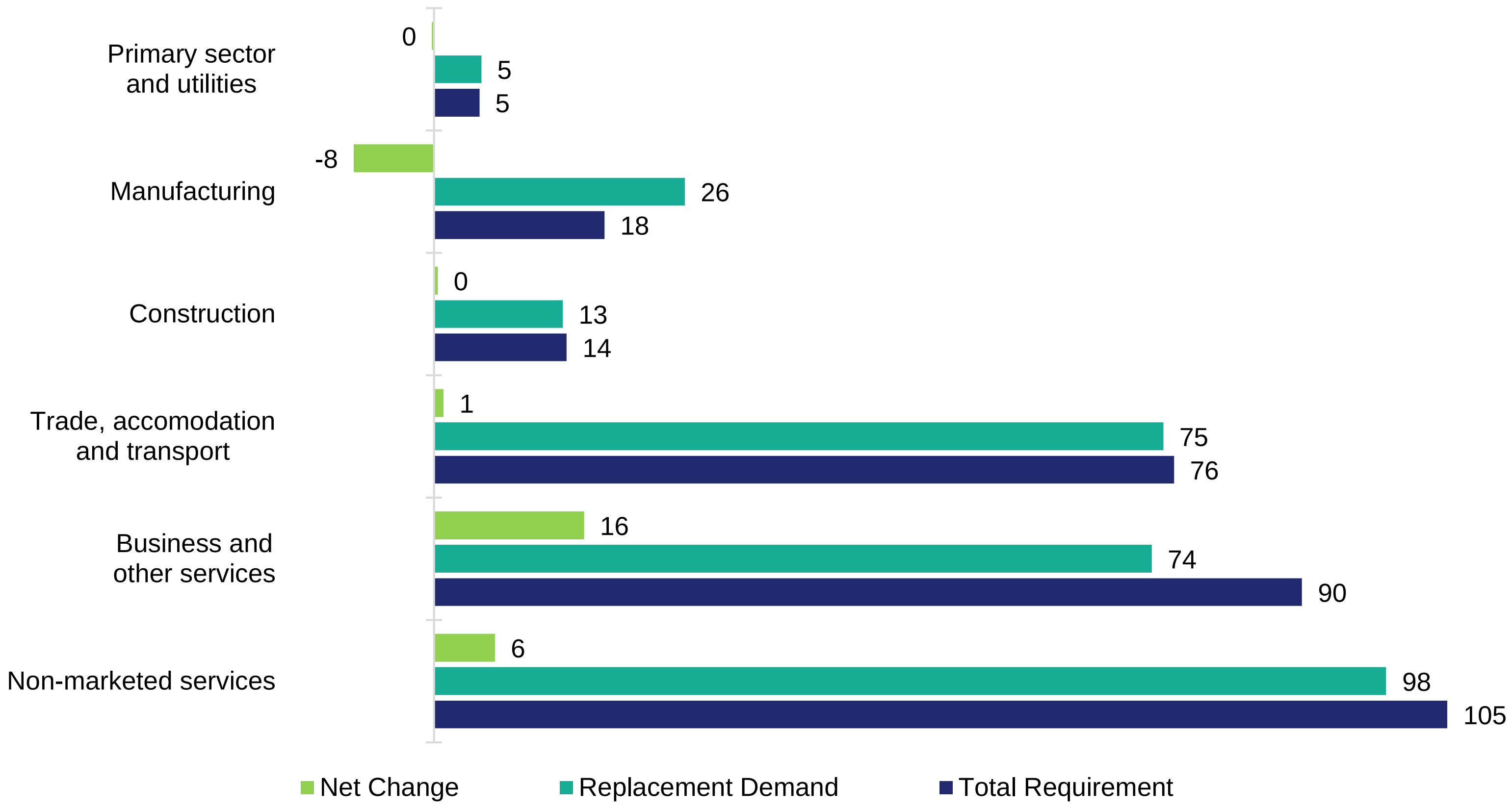


Source: Annual population survey (ONS)
Notes: Furlough was in operation from the onset of Covid-19 until the 30th September 2021. Individuals on furlough were usually classed as employees in these statistics. The growth in better jobs was stronger than jobs growth overall in the period prior to Covid-19

North East Evidence Hub

Prior to Covid-19 employment was projected to increase by 15,000 in the North East LEP area over a 10-year period

Projected North East employment changes (000s) by broad industry group, 2017 – 2027



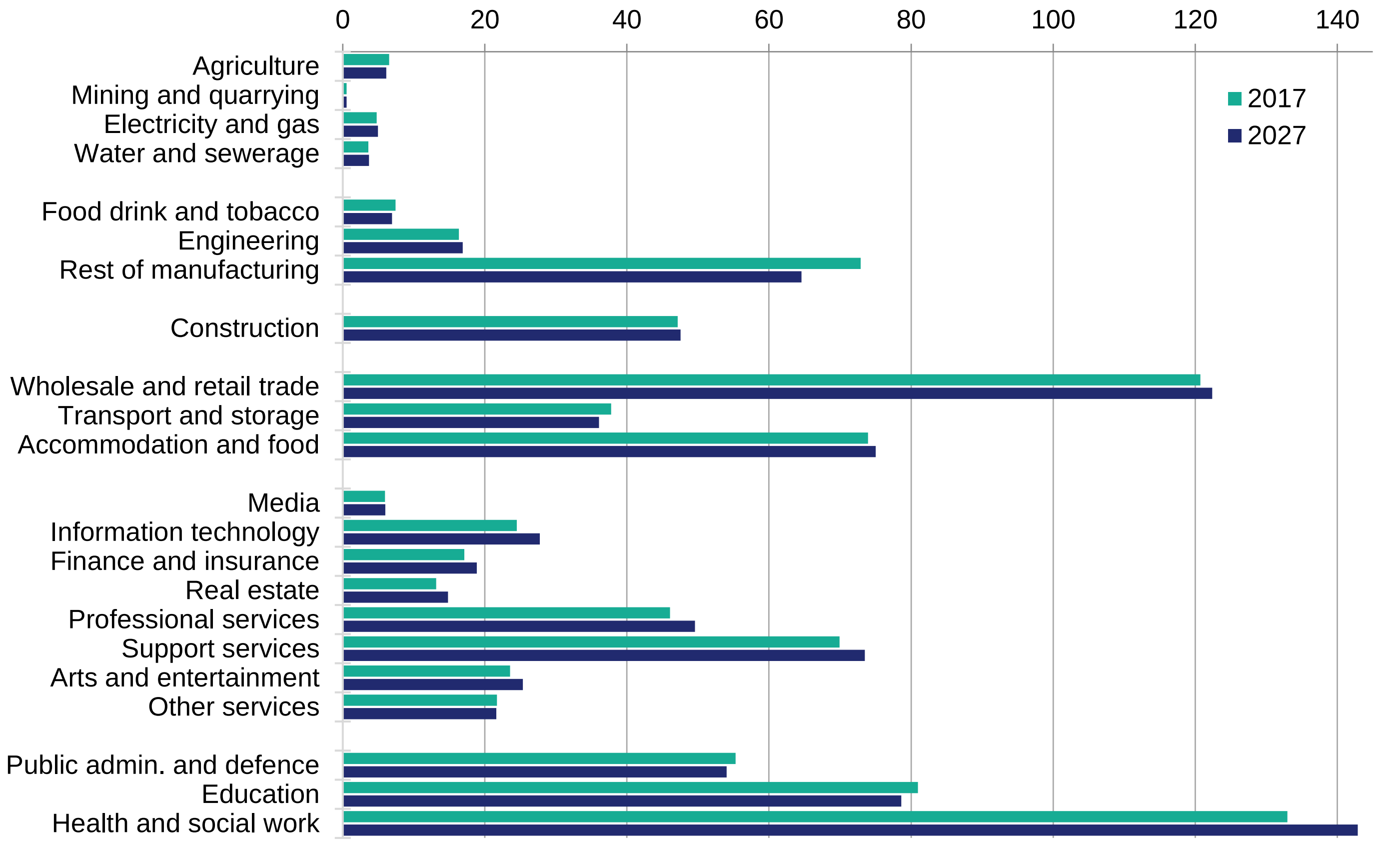
- Working Futures 2017-2027 is an assessment of employment prospects in the UK national and local labour markets over a 10 year period. It is made up projections prepared in late 2019 and early 2020 and does not, therefore, take account of the economic impact of COVID
- In the North East LEP area, it was projected that total employment would increase by about 15,000 between 2017 and 2027. The projections include an estimated requirement of additional employment of 292,000 to replace workers leaving the labour market during the period and, therefore, a total employment requirement of 307,000 over the 10 year period
- Among six broad sectors, the largest total requirement for the period was projected to be about 105,000 in non-marketed services such as health and social work, education and public administration. Most of the remaining projected requirement was in business and other (personal) services (90,000) and in retail, wholesale, accommodation, food services and transport (76,000)

Source: Working futures

North East Evidence Hub

The largest employment increases were projected to be in Health and social work, professional services, support services and IT

North East total and projected employment (000s) by sector, 2017 and 2027



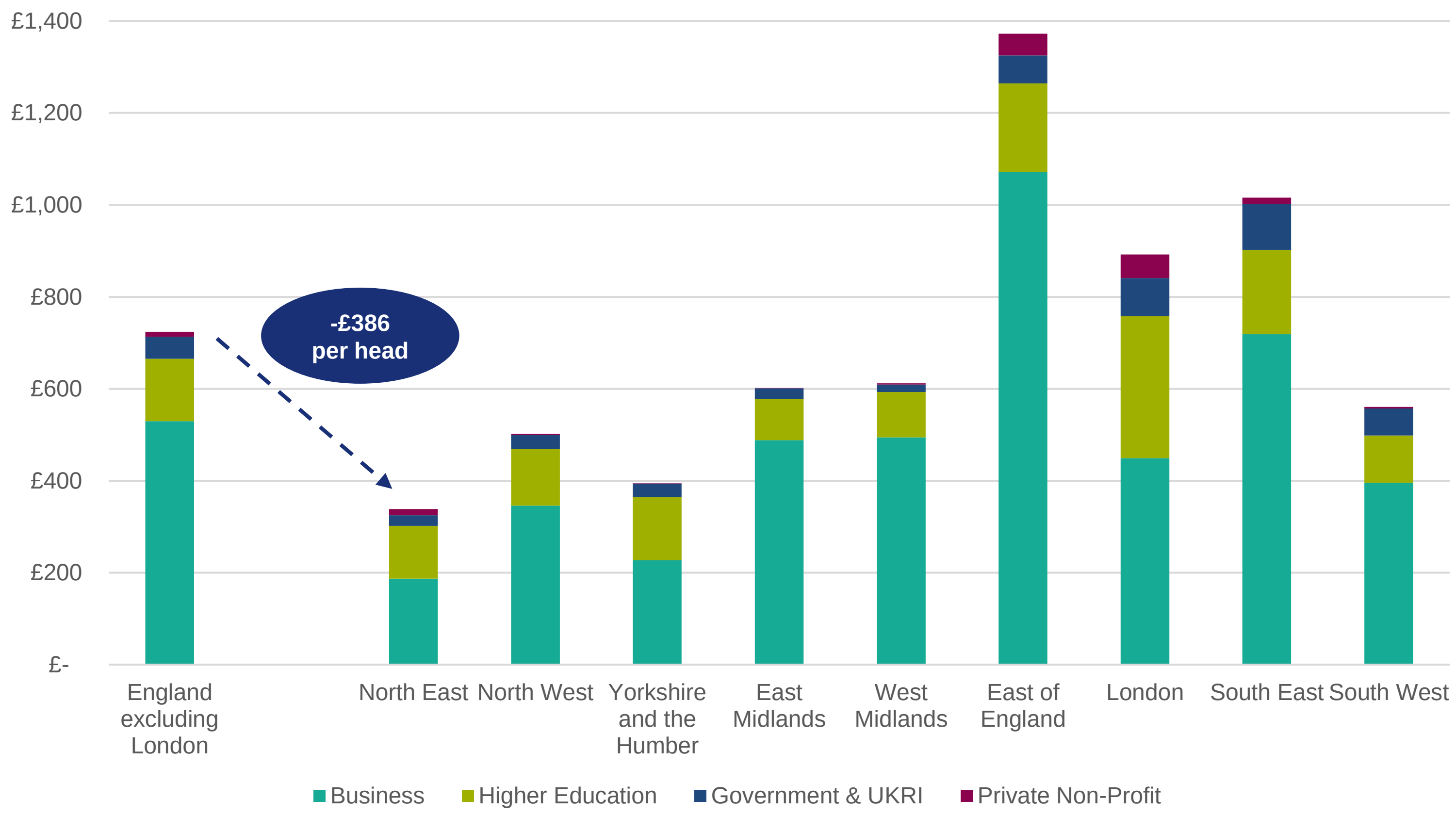
- Working Futures does not provide a breakdown of the total requirement into more detailed industry sectors but does do so for net changes in employment. Among 22 sectors, the largest net increases in North Easy employment between 2017 and 2027 were projected to be in health and social work (10,000); professional services (4,000); support services (also 4,000) and information technology (3,000)
- North East employment totals in non-engineering manufacture; transport and storage; education; and public administration were projected to decrease the most between 2017 and 2027
- The projections take no account of the impact of COVID

Source: Working futures

North East Evidence Hub

The North East has a relatively high proportion of innovation active businesses, but low levels of R&D spend and patents granted

R&D expenditure per head by sector and region (2019)

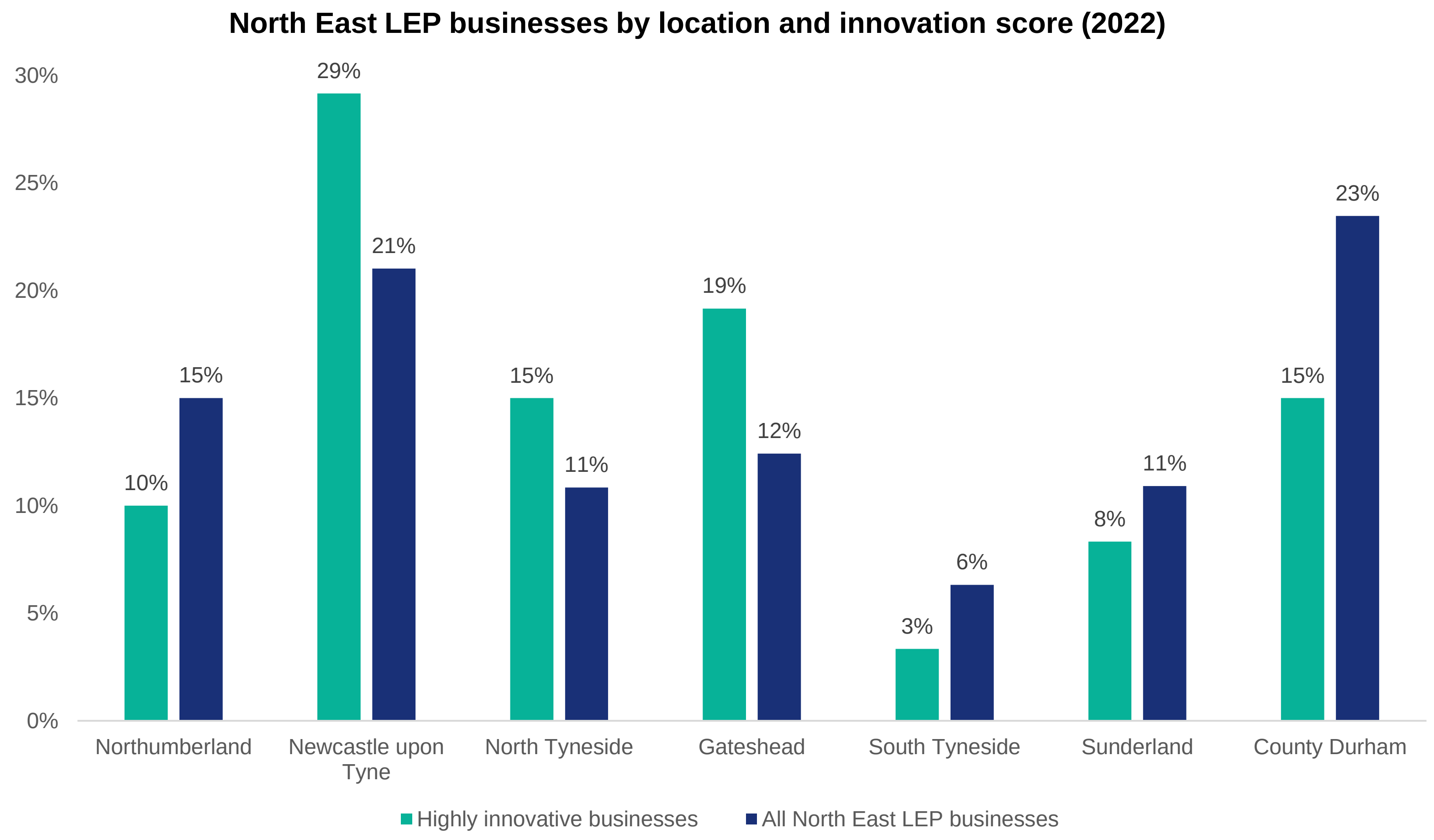


- 42% of North East LEP businesses were innovation active in 2016-2018, a higher share than those in England (38%)
- The proportion of innovation active businesses in the LEP has declined since 2012-2014 from 55.8%
- R&D expenditure has grown more quickly in the North East region compared to England excluding London since 2014 (35% vs 27%). However, R&D expenditure in the North East fell 5% between 2018 and 2019
- The North East also has a lower number of patents applied for, published and granted per million adults than England excluding London. 31 applications were granted per million adults compared to 83 in England excluding London in 2020

Sources: Gross domestic expenditure on research and development (ONS), UK innovation survey (BIES), Facts and Figures: patents, trade marks and designs data (IPO)

North East Evidence Hub

Experimental data suggests that innovative businesses are concentrated in Newcastle and Information and Communication



- The Data city uses an experimental methodology to assess the likelihood a company is innovation active using the company's website text
- 120 companies in the North East LEP area were identified as being highly innovative in the North East LEP area, receiving the maximum three star score
- These companies are more likely to be located in Newcastle than the other companies in the North East LEP. Newcastle is the only North East local authority that has a positive location quotient for highly innovative businesses
- Information and communication was by far the most common high level sector for highly innovative businesses in the North East LEP (29%), followed by professional, scientific and technical activities (16%) and human health activities (13%)

Source: The Data City.
Note: Includes firms registered in the North East LEP only

North East Evidence Hub

1 in 10 North East businesses are social enterprises. 1 in 5 business are female led, and a small proportion are minority led

- **Social enterprises** - 11% of North East region SME employers were social enterprises in 2019. Among North East region SME employers, a further 13% were traditional non-profits 18% were socially orientated SMEs
    - *Social enterprises* are SME's that generate at least 50% of their income from trading or commercial activities, with rules or restrictions in place to ensure profits are chiefly used to further social or environmental goals. *Socially-oriented* SMEs are enterprises that have social/environmental goals and generate their income chiefly from trading activities but that do not use their surplus/profit chiefly to further those social/environmental goals. *Traditional non-profits* are organisations that pursue social goals but generate less than 50 per cent of their income from trading activities
- **Female led enterprises** - 21% of North East region SME employers in 2020 were classified as female led
    - *Female-led enterprises* are defined as those majority-led by women, that is controlled by a single woman or having a management team of which a majority are women
- **Minority led enterprises** - 0.7% of North East region SME employers in 2020
    - *Minority ethnic group-led* businesses are defined as those majority-led by ethnic minorities, that is having a single person of an ethnic minority in control of the business or a management team with at least half its members from ethnic minority groups

Source: Small business survey (ONS)
Note: The small business survey only covers SME's, however, as these cover 99.6% of the total business population they are a reasonable population for this estimate

17 markets have been identified which offer the highest potential for economic growth and development in the North East

- The North East LEP commissioned an economic markets foresight study to provide an independent, objective assessment of the opportunities from new and emergent markets. The study includes:

- An analysis of global megatrends and how the impact and convergence of these trends manifests in fresh opportunity in emergent markets
- An interpretation of the national and regional economic context to determine the probability and plausibility of alignment and success in these emergent markets
- The identification and appraisal of a portfolio of 'priority' markets, based on the strengths, capabilities, and economic activity identified
- The examination and validation of a shortlist of the highest potential emergent markets for the North East, where 17 markets were identified as high priority and of most significance, offering the highest potential for economic growth.

The table to the right depicts the 17 prioritised markets and illustrates how established that market is within the region on a sliding scale.

A full market profile for each market will be made available on the North East Evidence Hub in due course.

Grouping	Markets included in the group
Established or existing markets with significant regional specialisms and capabilities, operating in international markets	Electric vehicles (1) Energy generation (2) Software development (3) Energy storage (4)
Emerging markets with significant regional specialisms and capabilities, operating in international markets	Autonomous vehicles (5) Robotics (6) Space and satellites (7)
Mature markets with significant regional specialisms and capabilities, operating in national markets	Financial services (8) Health services (9)
Emerging markets with significant regional specialisms and capabilities, operating in national markets	FinTech & InsurTech (10) Cloud Computing (11) Biopharmaceuticals (12) Smart Grids (13) Cybersecurity (14)
Nascent markets with significant regional specialisms and capabilities, operating in international markets	Immersive Technologies (15)
Nascent markets with significant regional specialisms and capabilities, operating in national markets	Payment Processing (16) Data Analytics (17)

Source: Economic Markets Foresight Analysis, North East LEP (2021)
Note: Publication is forthcoming

Local Business – what works (1 of 3)

Title	Summary of Key Findings
Area Based Initiatives evidence review	• 15 out of 27 studies report positive effects on employment, 7 report mixed effects, and 5 report no effect. • Seven out of nine studies report positive effects on unemployment with two reporting mixed effects. Half of the ten studies that consider the impact on poverty report positive effects. Half of the 12 evaluations report positive effects for wages. • Four out of six report positive effects on the number of businesses. • A number suggest that positive effects for Zones may be driven by displacement from nearby areas. There is little evidence on whether effects at the wider area level are positive, or whether displacement is the main effect of EZ-type schemes. • Even if displacement effects are strong, EZs may help concentrate local employment from a number of dispersed sites, creating positive spillovers. • Objectives of any area based policy must be very clearly defined, and the more specifically they can be targeted in terms of outcomes the better
Sport and Culture evidence review	• Evidence suggests that measurable economic effects on local economies from sport and cultural interventions tend not to be large and are often zero. • Investment in facilities can have a small positive impact on property prices nearby. From a regeneration perspective, policymakers should consider how these facilities fit into a broader strategy, and should not be relied on alone for job-creation. • Sport and cultural events have little or no lasting effect on the local economy. Effects on wages and income tend to be small and limited to the very immediate locality, or to particular types of worker. • It is important to note that much of our understanding of the effects of major events and facilities come from sporting events, there is very little evidence on cultural events and facilities.
Access to Finance evidence review	• Overall, of the 27 evaluations reviewed, 17 found positive impacts on at least one firm outcome, 7 found mixed results (at best providing some evidence of positive effects, at worst a mix of positive and negative effects), 2 found that the programme didn’t work (had no effect), 1 found that the programme might be harmful. • Programmes have a positive effect on firm access to debt finance in terms of the availability of credit, the cost of borrowing (or both). • Impact on access to equity finance is mixed (and available evidence limited). • Access to finance had a positive impact on at least one aspect of firm performance (e.g. employment and sales) in 14 out of 17 evaluations. • Overall, most programmes appear to improve access to finance, although the link to longer term improved firm performance such as productivity and employment is unclear because of a lack of evaluation evidence.

Local Business – what works (2 of 3)

Title	Summary of Key Findings
Business Advice Toolkit: Export Credit Agencies	• Five of eight studies find a positive relationship between ECA support and increased exports. Two studies find mixed effects, with one finding positive effects only after excluding the aerospace industry, and another finding positive effects for insurance but not direct lending or credit guarantees. Another study finds no effect. One study looked at the impact of ECA support on other aspects of firm performance and found a positive effect on employment and sales. • There is evidence that insurance provision may be more cost-effective than credit provision. Six studies find positive effects while one finds no effect. Two estimate the combined effect of guarantees and direct lending with one study finding a positive effect and another finding no effect. • Two studies provide cost effectiveness information. One, from Germany, finds that every pound covered by insurance yields £1.70 in exports to industrial countries. For exports to non-industrial countries, every pound covered by insurance yields £0.65 in exports. One study from the US finds that (once the aerospace industry is excluded from the analysis) every pound of credit or insurances yields £1.13 in exports.
ERC review of North East Business support priorities	Overall, pre-pandemic the metrics of business dynamism, and their importance for the productivity debate, are relatively weak in the NE LEP compared to other part of England and especially some of the core cities. The policy response should encompass the following areas of enterprise policy: • Start-ups are important to drive recovery and to help grow the private sector, and start-up policy in the NE LEP should focus on promoting productive entrepreneurship - that is, those businesses with potential for growth. • Building entrepreneurial capabilities in the wider population is a crucial foundation to any start-up policy considerations as it can increase the pipeline of productive entrepreneurship. • Business growth remains a major structural problem in the UK economy and the attempts to address need to adopt more sophisticated focusing beyond simplistic definitions of High-Growth Firms (HGFs). • Policies to stimulate more firms to grow should adopt the concept of 'growth trajectories' or 'growth paths' to underpin policy thinking understanding firms within dynamic eco-systems and growth as an evolutionary process
Local 'start up' hot spot review	In the period under review North East hotspots are a mixture of city centre, suburban, smaller towns and rural areas. • Post code SR1 has a small business population so performed well relatively with 10 new businesses, but compared with 48 in NE1. • Suburban areas with high levels include; the coastal area from Whitley Bay to South Shields; a lesser performing wedge from Newcastle to Cramlington. • Towns with high rates; Consett, Bishop Auckland, Morpeth and Berwick and rural areas included parts of North Northumberland and the Tyne Valley to Bellingham and Otterburn. Areas with low levels of start ups are concentrated near the coast and South of the region, and poorer suburban areas including: • Areas of Sunderland around the city centre, the west of Newcastle and parts of North Durham and Washington. • Areas to the south of the region, Newbiggin and Haydon Bridge/Allendale

Local Business – what works (3 of 3)

Title	Summary of Key Findings
Productivity Review key recommendations to enhance productivity	• Anticipate change in key markets for 2030-2050 and identify opportunity areas ahead of trends and build up expertise • Encourage spillovers and positive inter-firm externalities through activities that simultaneously benefit multiple partners including collaboration, open research and development, and upskilling • Build on local cluster strengths, supporting development into new sub-fields with high levels of growth potential. Leverage manufacturing in particular • Strengthen key attractors of skilled workers including through key institutions and firms that recruit from outside the area • Maintain quality of life, infrastructure and the functioning of the foundational economy. Target property, infrastructure and housing into the right places to create a strongly functional whole economy • Strengthen local innovation and entrepreneurial eco-systems, particularly in facilitating connections and embedding incubators and accelerators • Target incremental gains in productivity through capital deepening, adoption of new technology and processes and expansion into new markets. • Strengthen local engagement and delivery mechanisms in business and public sector networks
Manufacturing Growth Programme Evaluation	• As at November 2017, 36 businesses were supported, with 150 new jobs created of which 40 were better jobs with an average of 4.2 new FTE jobs created per business. Collectively, businesses in the programme created or planned to create 95 new FTE jobs (avg. 5.3 new FTE jobs per business). • 35 companies reported an increase in turnover and 31 reported an increase in employment. 83% of businesses reported an increase in turnover and expected to grow turnover by a total of £15.2m, the total turnover impact for the intervention can be expected to reach £22.4m. • £5.1m extra GVA has been generated by the businesses consulted, total gross GVA for all businesses in the intervention is estimated to reach £7.7m.
Regional interventions	Growth through mentoring • 50% of businesses consulted already achieving growth in turnover and / or employment, however, growth is attributable to a range of factors, not only mentoring. On average, 20% of business growth can be attributed to the mentoring support. • 50% reported a significant or good impact in mentees' strategic thinking and understanding, and business confidence with 39% reporting a significant or strong impact on leadership skills. The annual GVA (gross) created by the project is £2.551m and half of the companies consulted (10) increased gross turnover by £4.76m. 11 of the companies consulted increased FTE employment by 58.5 new FTE jobs (gross). Scale Up NE • By June 2019, 300 businesses participating in the Scaleup North East programme had achieved average increase in turnover of almost 50% and a forecast figure of 550 new jobs Covid challenge programme • 67 organisations engaged in defining regional challenges, with 16 SMEs accepted onto the project, receiving up to £5k first phase to develop prototype. 15 SMEs raised further investment for their ideas (LEP or challenge supporter partner). Qualitative outcomes include increased collaborations between businesses, new ideas and increased engagement with SMEs

Communities and place

Local data

- Quality of life indicators
- Standard of living indicators
- Housing affordability
- Deprivation
- Place vibrancy
- Participation in culture

Interaction between places in the region

- Key travel to work areas
- Flows of labour for work
- Incomes by employment and residence
- Transport to major employment centres
- Broadband connectivity

North East Evidence Hub

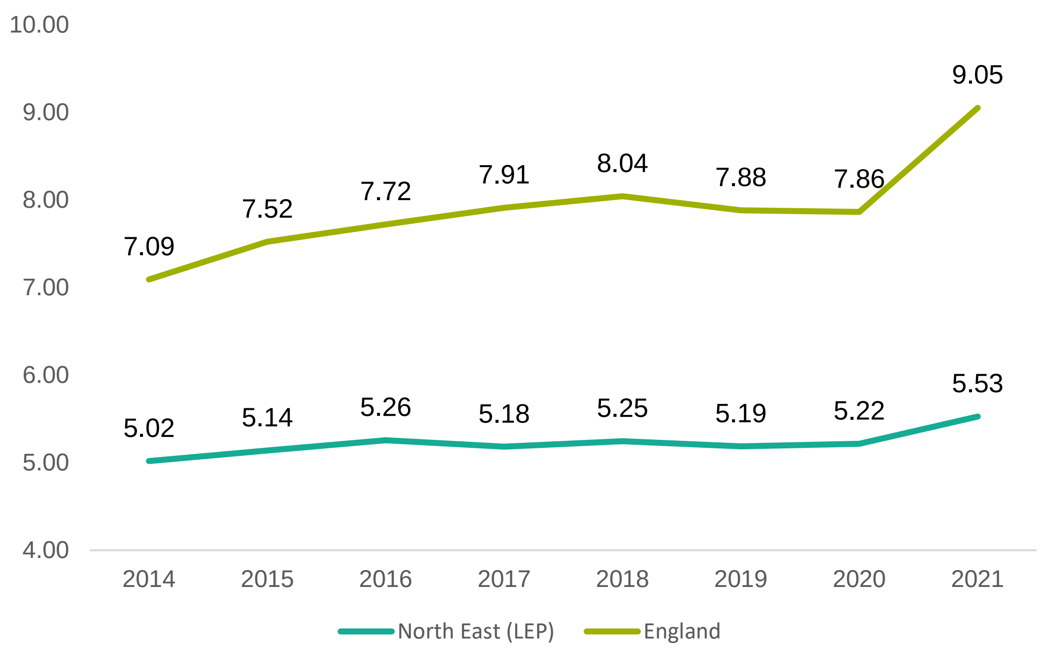
Headlines

- Housing is relatively affordable in the North East compared to England, despite a slight decrease in affordability since Covid-19
- The North East experiences proportionately more crime than England excluding London, although less violent crime
- Small area deprivation is more common in the North East than nationally, particularly health and employment related deprivation
- North East visits to workplaces are still about 16% below pre-Covid levels, visits to retail and recreation locations are still about 9% lower
- Participation in cultural activities in the North East is generally lower than nationally, but there is variation across the North East
- The North East LEP is connected by commuting flows across the region, especially flows into Newcastle upon Tyne. The Travel to Work areas in the region cross many local authority boundaries
- Commuting flows redistribute income across the North East, with more rural areas benefiting from jobs in urban centres. This is partially because highly skilled workers commute further across the North East LEP than workers with lower qualification levels
- The North East LEP has strong access to employment centres via public transport due to its primarily urban geography
- Broadband access varies across the LEP, with properties with full-fibre connectivity and low speed broadband in the same areas

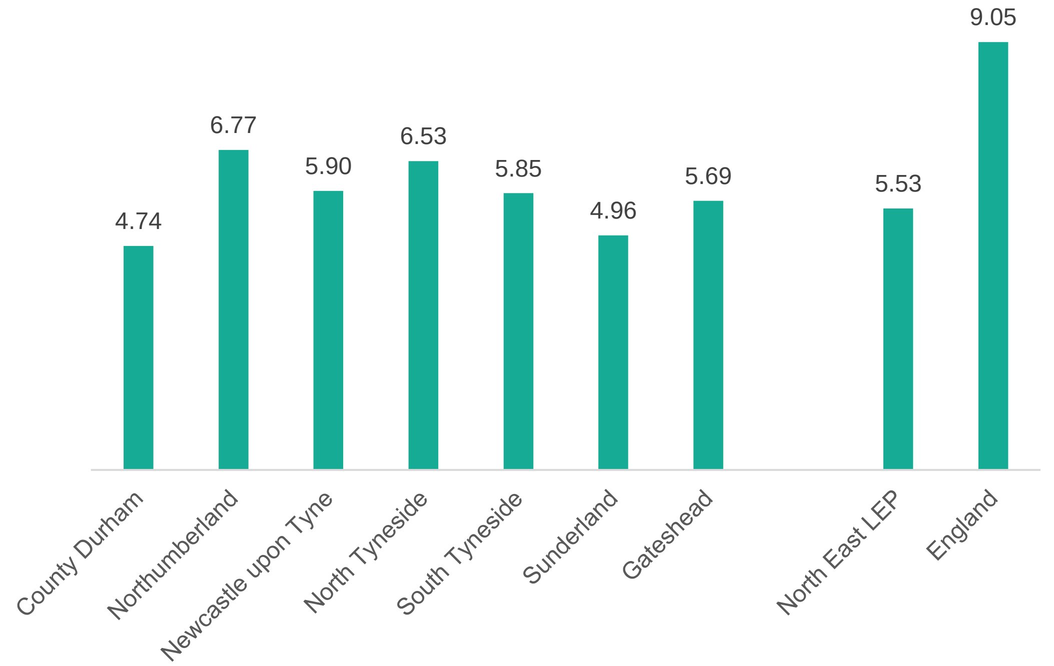
Housing is relatively affordable in the North East compared to England, despite a slight decrease in affordability since Covid-19

- House prices in England have increased over the pandemic at a faster rate than wages with all regions of the UK seeing a decrease in affordability
- The greater affordability of housing south of the Tyne is driven more by lower house prices than lower wages. There is some evidence of greater demand for housing north of the Tyne

House Price Affordability timeseries - Ratio of median house price to median workplace earnings at North East LEP and England level



House Price Affordability (2021) Ratio of median house price to median workplace earnings



Sources: House price to workplace-based earnings ratio, Office for National Statistics
This analysis compares the median house price sale to the median gross annual earnings recorded by workplace.

North East Evidence Hub

The construction of new homes slowed during COVID-19 but has now picked up again with North East driving Private Enterprise growth

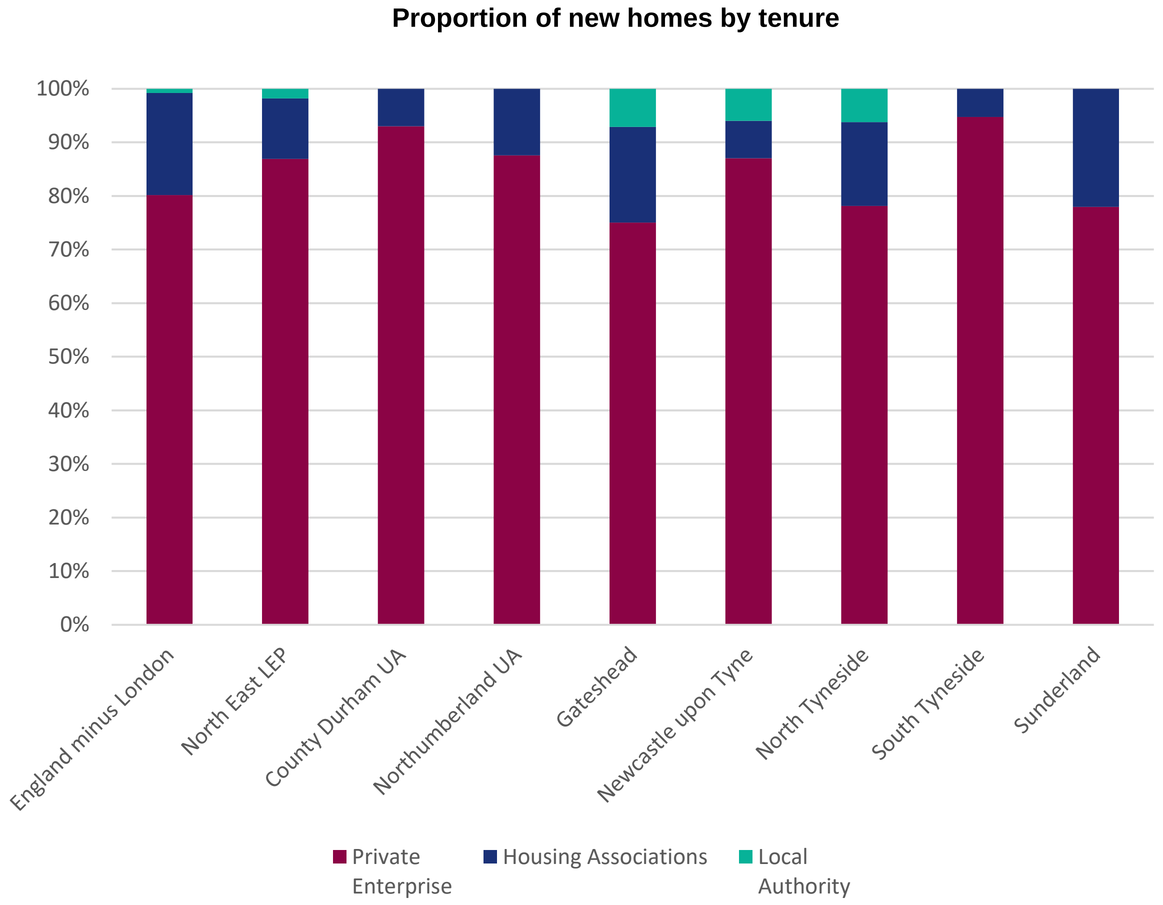
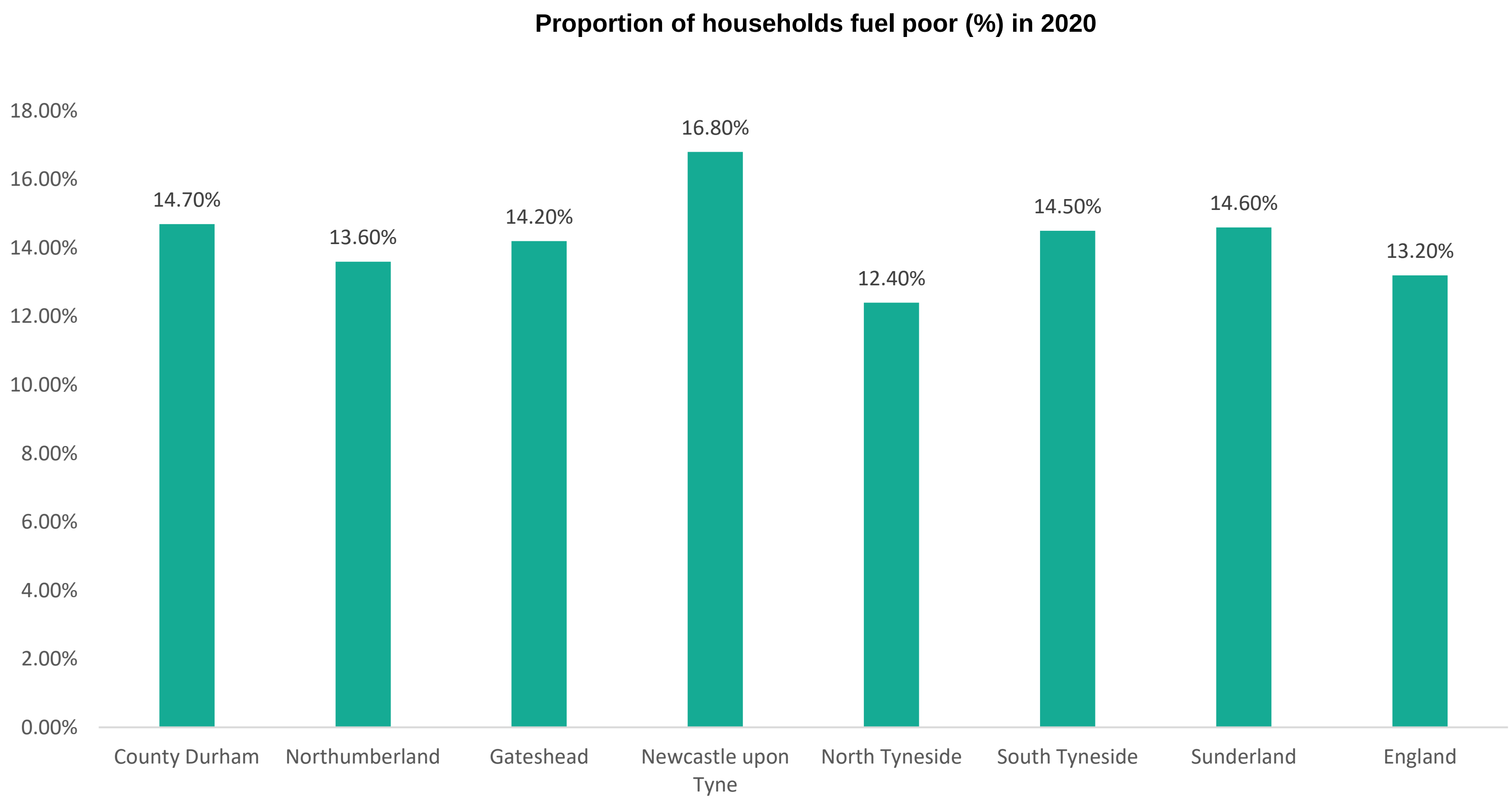


Table 253 and 255. Source: Department for Levelling Up, Housing and Communities and Ministry of Housing, Communities & Local Government,

North East Evidence Hub

14% of households in the North East are fuel poor homes, which compares favourably to other regions

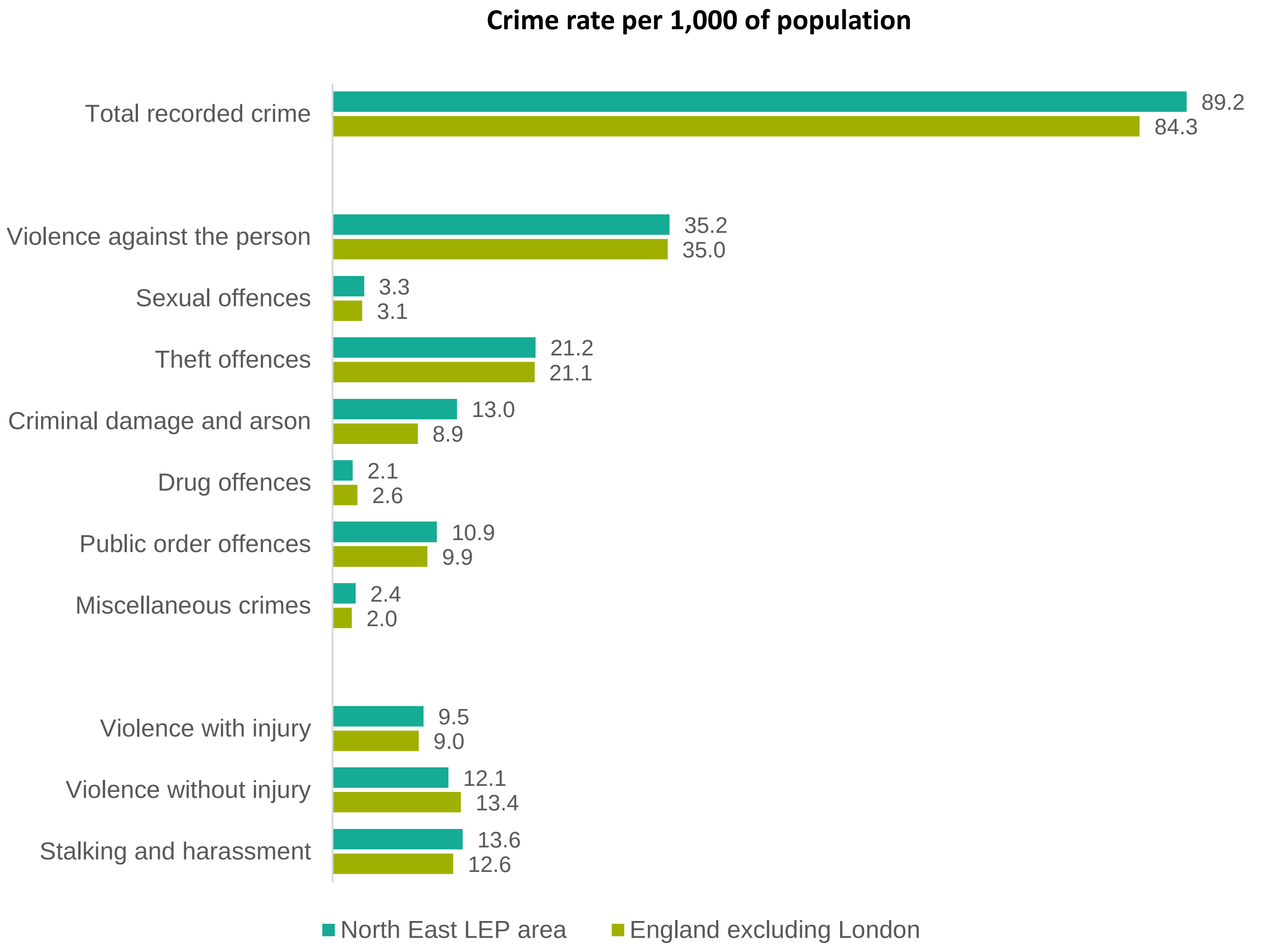


- There were 129,937 fuel poor homes in the North East LEP in 2020
- Out of all the local authorities in the North East LEP, North Tyneside has the lowest proportion of fuel poor households in 2020. This was lower than the England average of 13.2%
- All local authorities in the North East LEP had a decrease in the percentage of fuel poor homes, apart from Newcastle, which increased by 0.40% from 2019 – 2020. This equated to a total of 20,820 homes in fuel poverty
- The North East as a region has a proportion of 14.4% fuel poor homes. This is less than Yorkshire and the Humber (17.5%) and the West Midlands (17.8%)

Source: Department for Business, Energy & Industrial Strategy (2022)

North East Evidence Hub

The North East had a higher recorded crime rate than England excluding London in 2021, driven by a higher rate of criminal damage and arson



- The North East crime rate per 1,000 population was almost 5 higher than in England excluding London
- Violent crime was the offence group that made up the highest percentage of offences in each area and the rate was almost identical
- The rates for types of violent crime differed with the North East having higher rates of violence with injury and stalking and harassment
- The higher overall North East rate was driven by particularly high rates of criminal damage and arson and of public order offences
- The difference in the recorded crime rates is equivalent to more than 4,800 additional offences in the North East.

Sources: Crime statistics England and Wales, Year end Dec 2021, Office for National statistics
Rates of robbery, weapons offences and homicide are excluded from the chart as they are less than 1 per 1,000 population
The total recorded crime excludes fraud offences

North East Evidence Hub

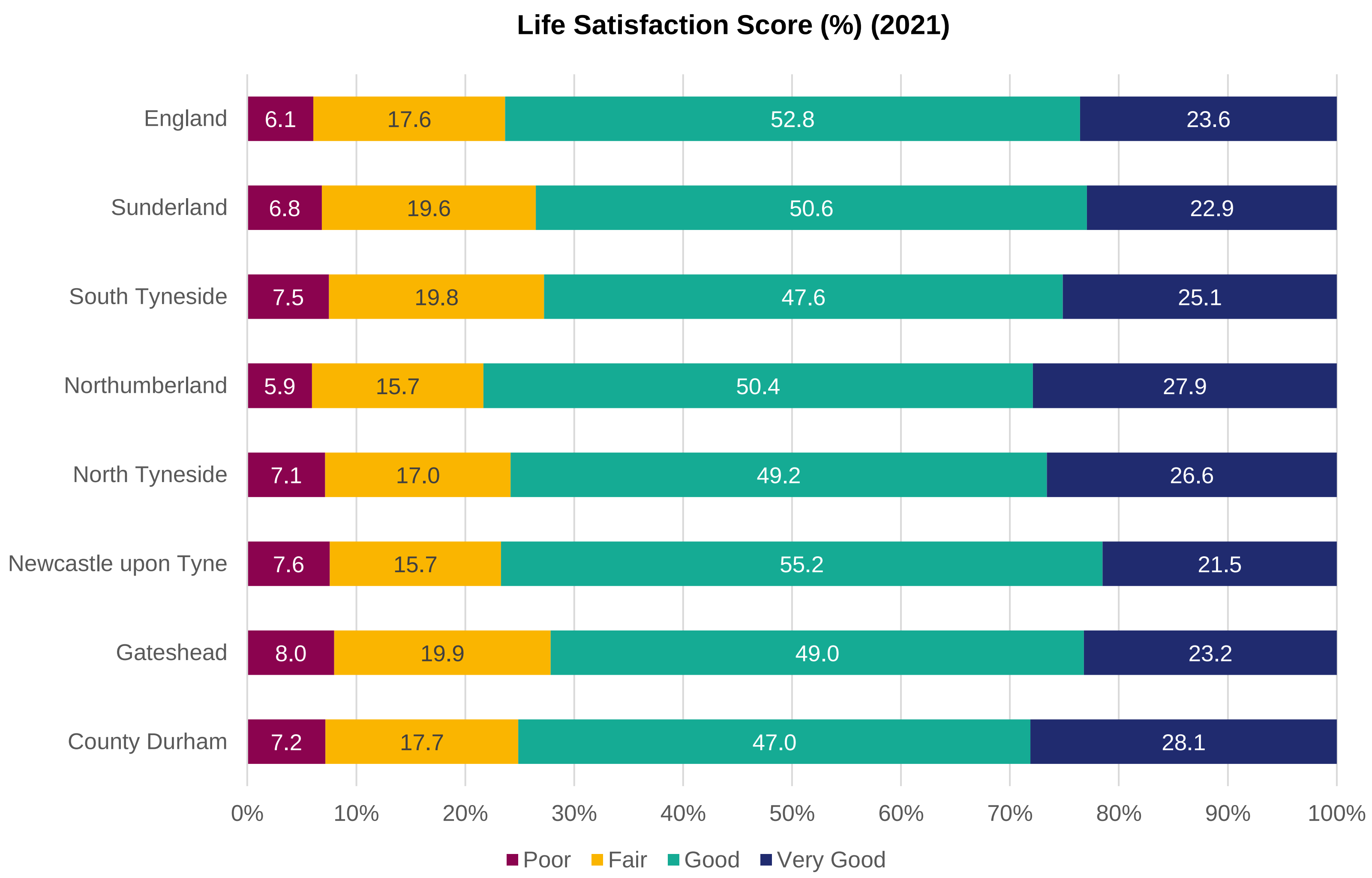
Anti-social behaviour, alcohol related disorder & intimidating groups were incidents experienced by most transport users

- Northumbria Police and Crime Commissioner undertook a transport consultation in January 2022 to understand the issues those who travel on public transport face, the areas in which they feel unsafe and the preventative measures that could be introduced to improve their feeling of safety. 524 responses were collected in total.

Metro was the most popular mode of transport in terms of daily users, with the ferry & train being the least used on a daily basis.	There was significantly more daily male users on the metro than females (63% vs 29%), and the most popular age group was those aged 35-44.	In terms of daily use, the most popular mode of transport per age group was Metro for those aged 18 – 54, but for those aged 55 – 74 it changed to bus.
People travelled through Newcastle and North Tyneside on public transport significantly more than other LAs. Gender had an impact on most & least travelled LA.	The average feeling of safety when travelling on public transport was 5.4/10. This varied significantly depending on age & where majority of travel takes place. There was little difference depending on gender.	Northumberland was scored as the safest LA, whilst South Tyneside was scored as a the least safe.
ASB, alcohol related disorder & intimidating groups or passengers were the incidents experienced by most transport users.	Users generally found reporting of incidents more difficult than easy, and tended to do this in person or via phone call. Over half of users were not satisfied with outcome of their most recent report.	Respondents felt strongly that ASB has increased in wider society, as well as on the Metro. Ferry users were the only ones who thought ASB had decreased.
Users felt strongly towards the best preventative measures being 'more staff available' and 'increased presence on transport' – this was consistent across all genders & age groups.		

Sources: Northumbria Police and Crime Commissioner

Life satisfaction in the North East is at its lowest since 2012/13

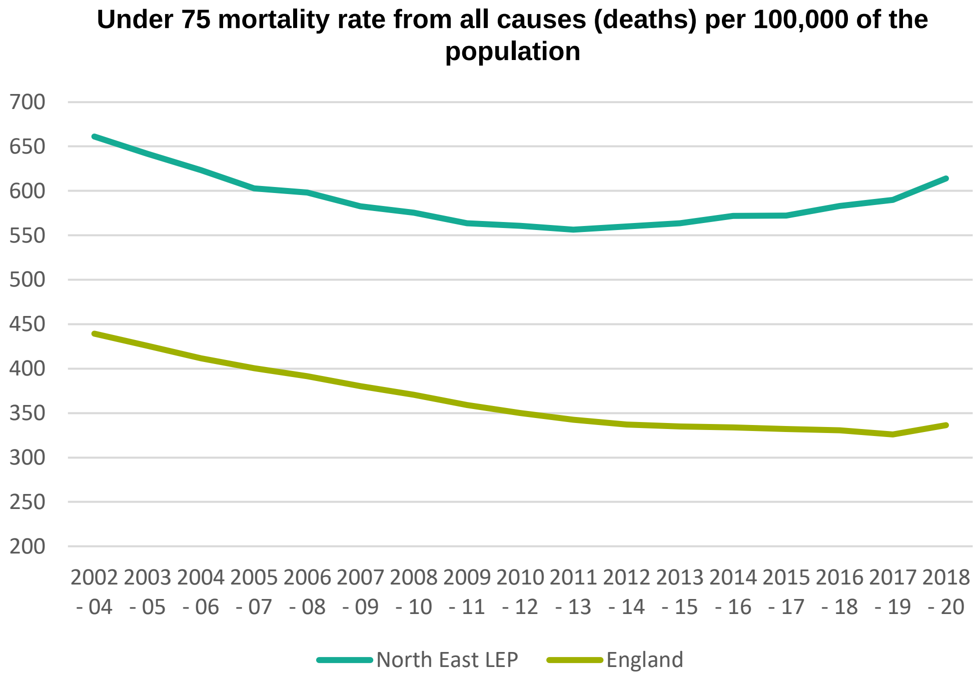


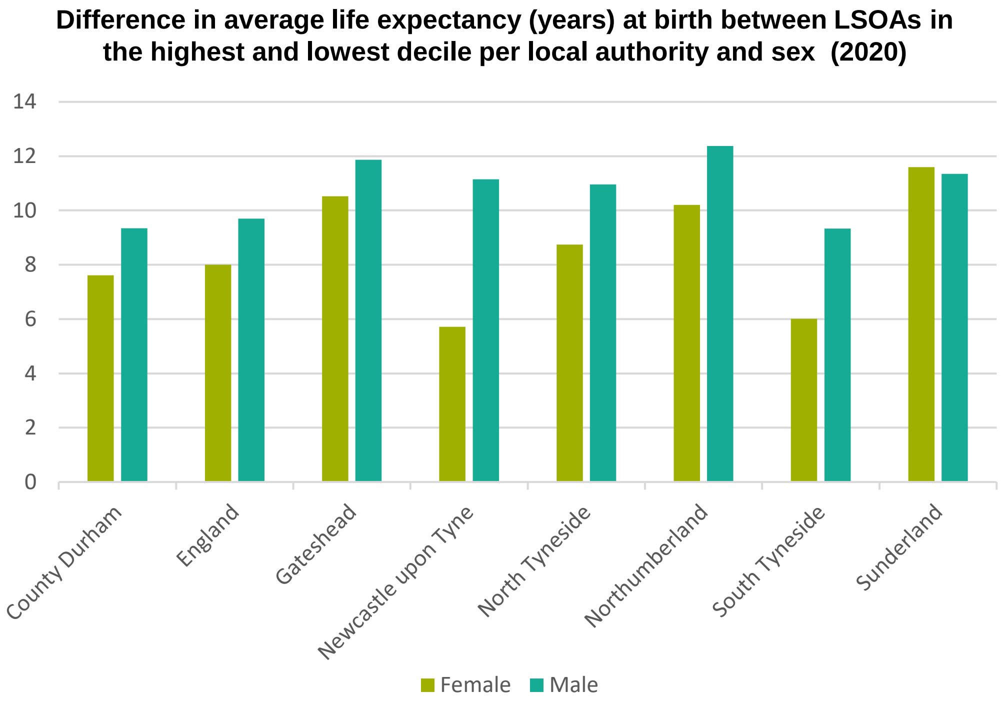
- 5 out of 7 local authority areas have below average levels of life satisfaction.
- The gap between the lowest ranked North East Local Authority and the England average is the lowest ever recorded.
- There is 6% points difference in very good life satisfaction between Northumberland (rank 1) and Newcastle (rank 7).
- Life satisfaction in the North East and in England is at its lowest since 2012-13.

Sources: Personal well-being estimates by Local Authority (2021), Office for National Statistics.

The North East suffers from poor health outcomes and health inequalities between sex and local area

- Pre-mature mortality rates have increased during COVID-19 but the North East has seen increasing mortality over the last 10 years.
- The North East has lower than average life expectancy at birth than the England average for both sexes.
- The variance in life expectancy between the most and least deprived wards is greatest for males in Northumberland, an average of 12.3 years.





Sources: Public Health England Fingertips, Local authority health profiles

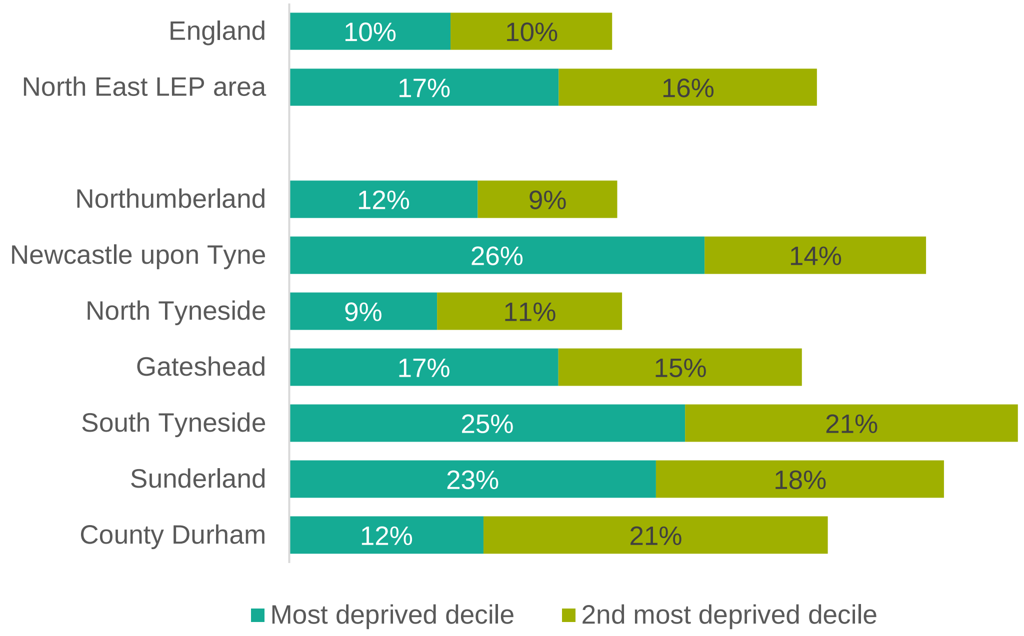
North East Evidence Hub

Small area deprivation is more common in the North East than nationally, particularly health and employment related deprivation

- Almost 17% of North East small areas were in the most deprived 10% in England according to the 2019 index of multiple deprivation
- Over 26% were in the most deprived 10% of deprivation relating to health, with almost a quarter in the most deprived employment deprivation decile
- Within the North East, about a quarter of small areas in both Newcastle and South Tyneside were in the overall most deprived 10% in England

Indices of deprivation 2019 by domain, LSOAs in the North East LEP area percentage within the most deprived decile in England

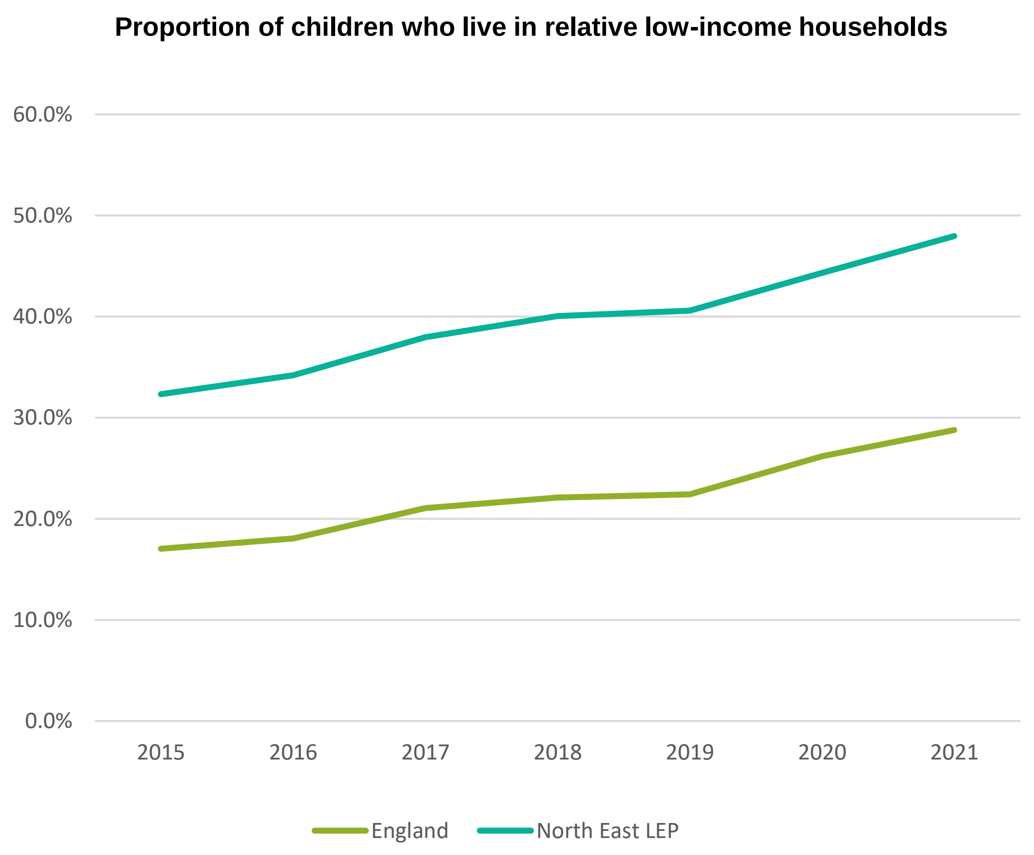
Index of Multiple of deprivation 2019, local authorities in the North East LEP area percentage of small areas within the most deprived two deciles in England

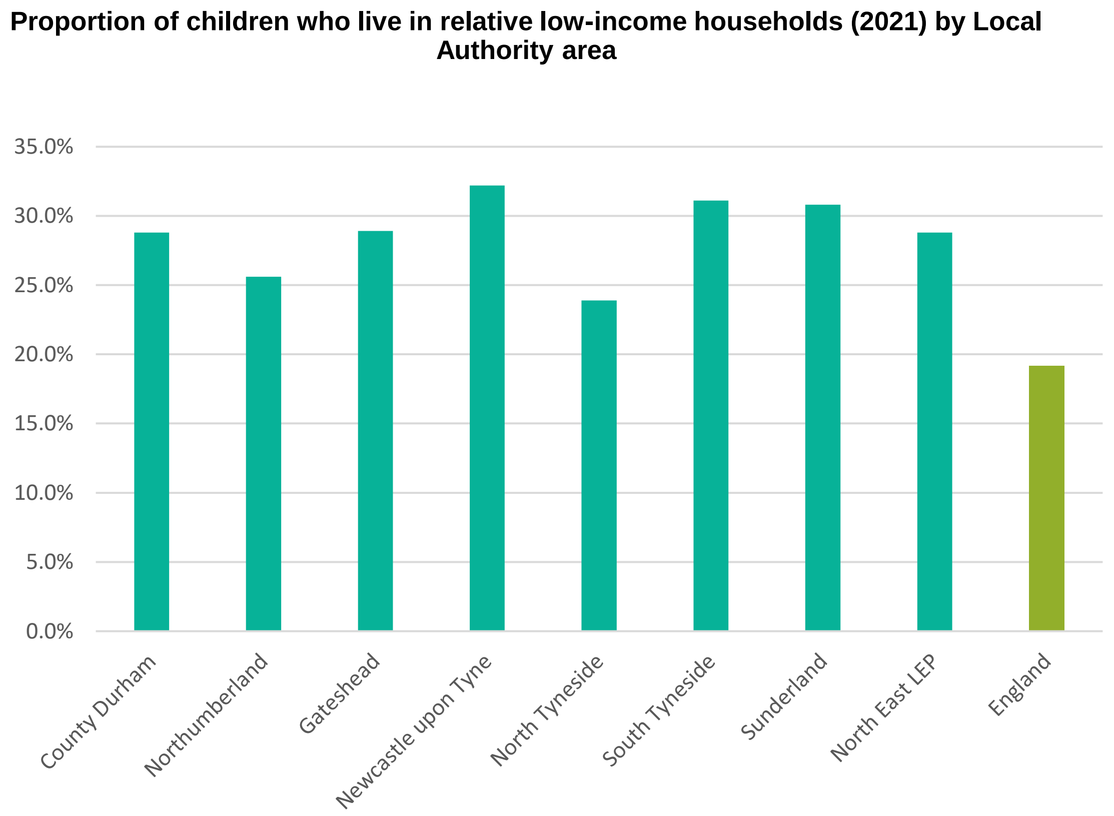


Sources: Indices of Deprivation 2019 (MHLG)
This ranks small areas (Lower layer super output areas or LSOAs) by their degree of deprivation
Small areas in the most deprived 10% nationally are generally highlighted as deprived in this data set

North East Evidence Hub

The number of children living in low income households was increased

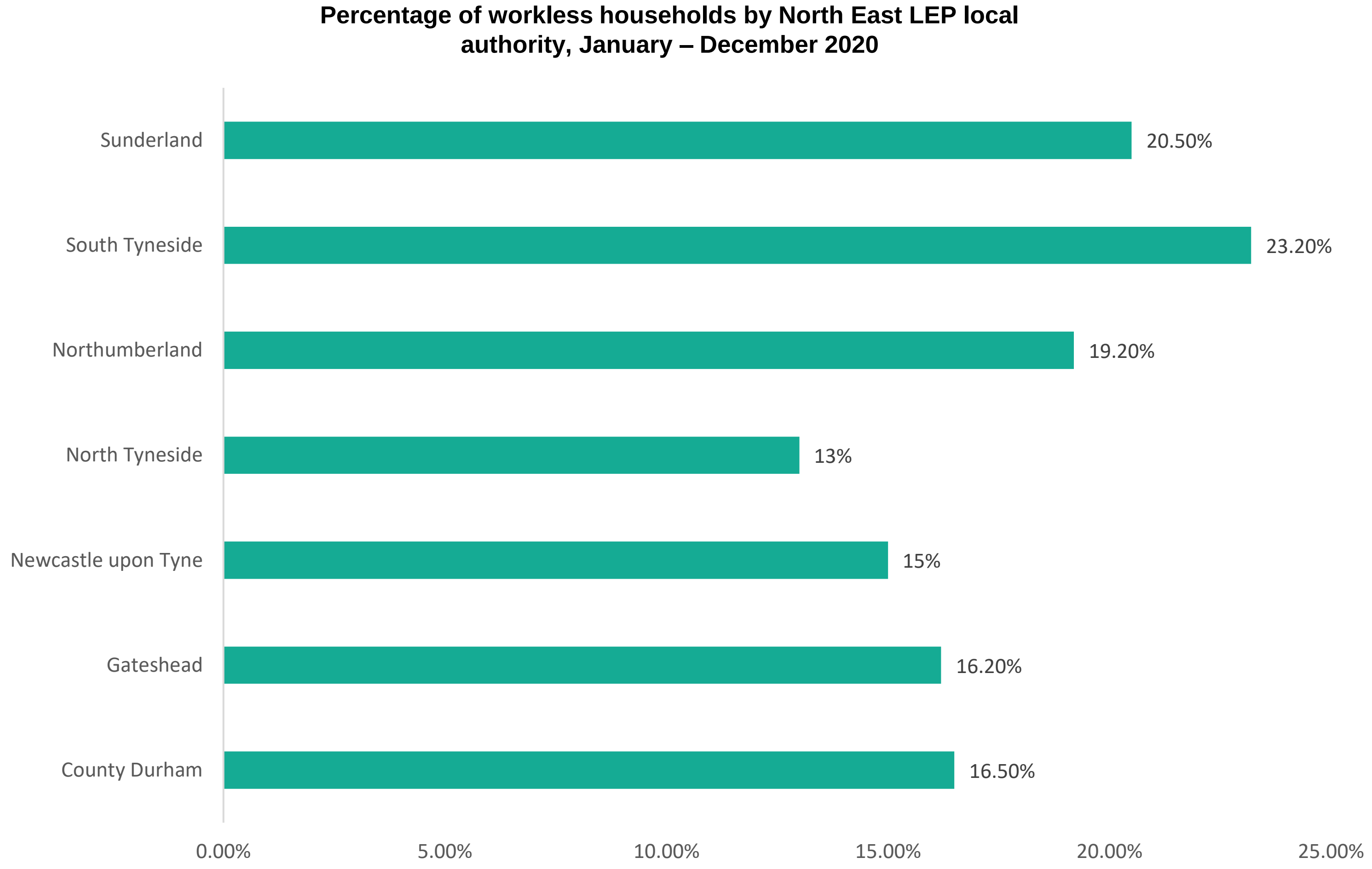




Source: Children in low income families: local area statistics 2014 to 2021.
Children are considered residents under the age of 16 years old.

North East Evidence Hub

17% of households experience worklessness in North East LEP, with variation between local authority areas

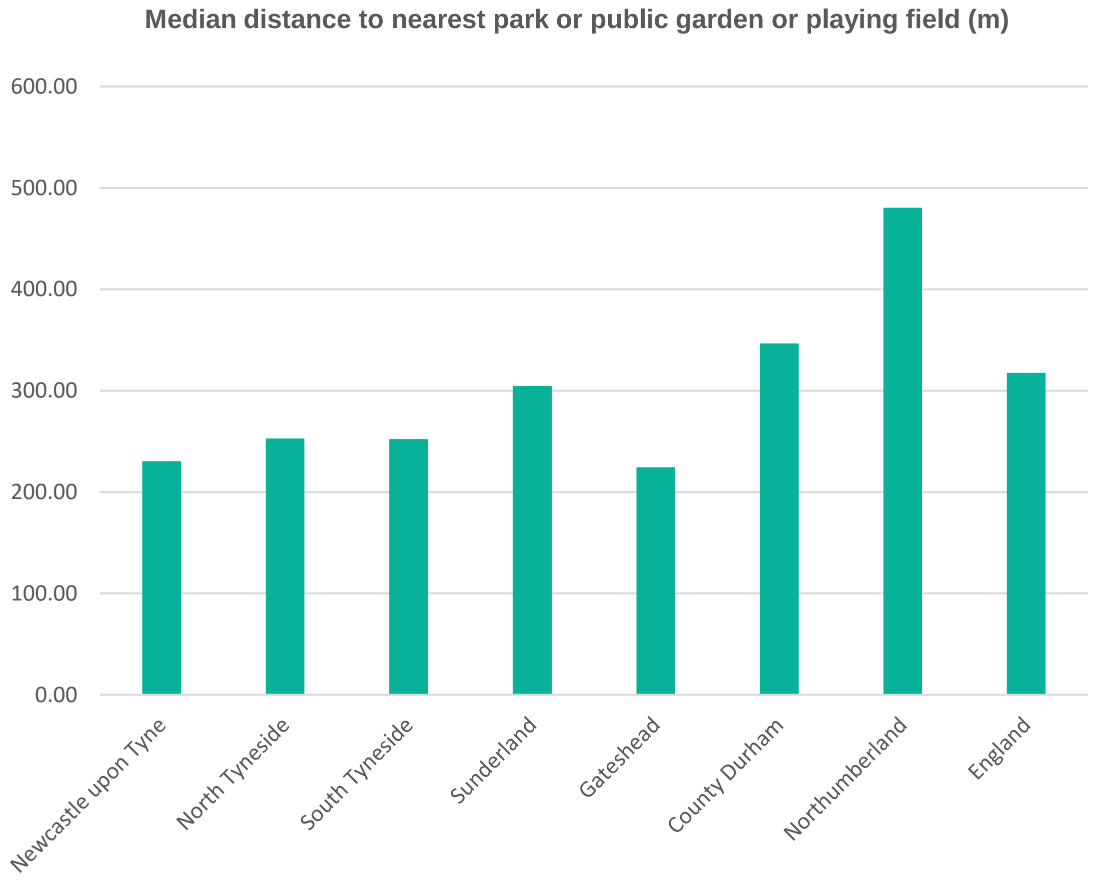


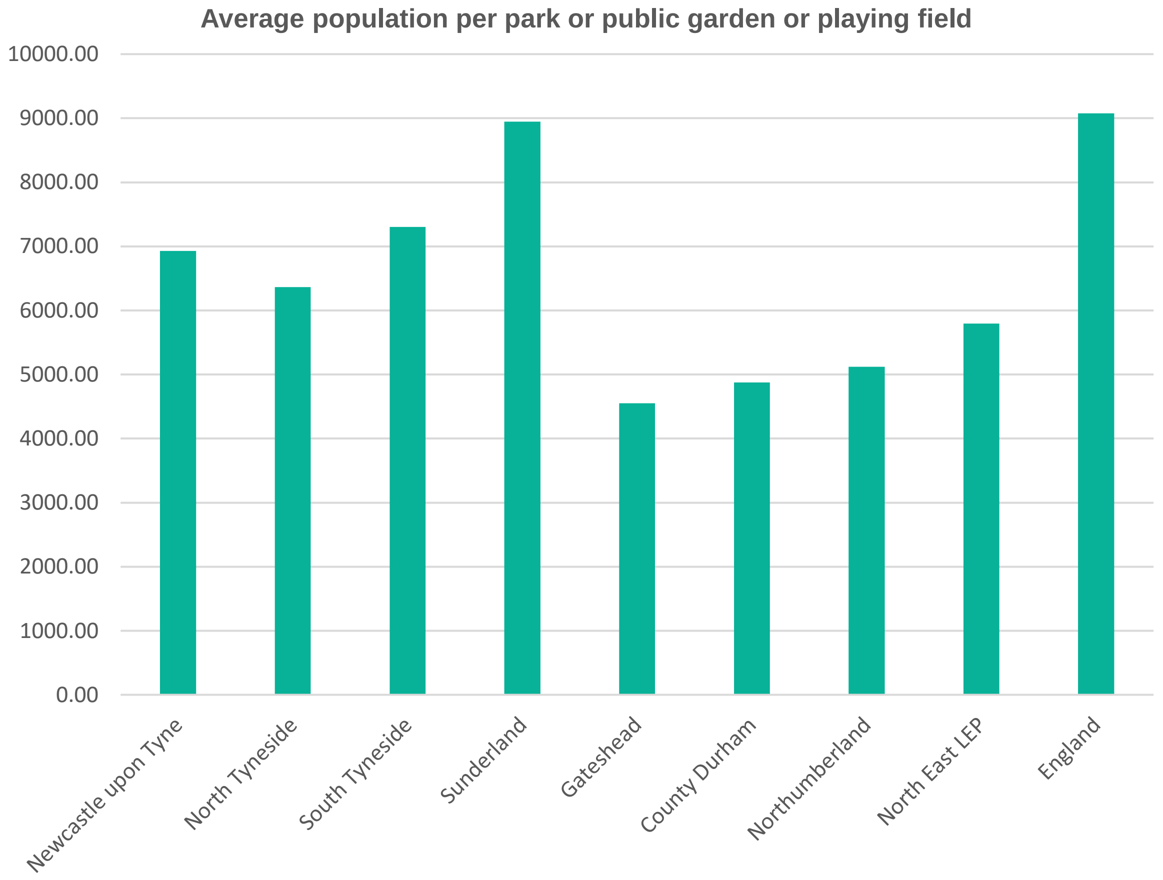
- The North East LEP had a total of 110,800 (17.3%) workless households in 2020. This was reduced by 17,100 households from the previous year
- England had a total of 2,297,700 households not in work, which was 13% of the population in 2020. This is a lower percentage, as compared to the North East LEP area
- All of the North East LEP local authorities experienced a decrease in the number of workless households, compared to the previous year. Latest statistics show that South Tyneside has a greater percentage of households not in work (23.2%). North Tyneside has the least (13%)
- Newcastle saw the greatest percentage decrease in workless households, with a reduction of 4,700 homes. Northumberland and Sunderland had the lowest percentage change from the previous year

Source: ONS, Annual Population Survey January – December 2020

North East Evidence Hub

The North East has few public outdoor spaces than elsewhere in England but has less distance to travel to access them





Source: ONS, Access to public greenspace

North East Evidence Hub

Residents are concerned about the cost of living crisis

64% have seen energy bills rise

7.6

Out of 10, average level of concern about rise in cost of living

Next 6 months:

% doing more - % doing less

-55% *Paid for leisure*

-48% *Pub & restaurants*

High street shopping

-4% *Visiting friends/family*

+7% *Free leisure*

-56%

+2%

+3%

+39%

+26%

Sources: Nexus Insight Panel, Cost of Living focus (Mar/Apr 2022)

The increase in cost of living is impacting upon resident's participation in recreation and leisure activities

Next 6 months:

% doing more - % doing less

Activity	**Bills not yet gone up**	**Bills have gone up**	**Impact (percentage points)**
Paid for leisure	-50%	-58%	8
Pub & Restaurant	-40%	-52%	12
High Street shopping	-33%	-48%	15
Visiting friends and relatives	-2%	-5%	3
Free Leisure	+7%	+7%	No change
Travelling by…			
Car	-52%	-59%	7
Bus	+1%	+2%	1
Metro	+4%	+2%	-2
Walking	+35%	+43%	8
Cycling	+21%	+29%	8

"I'll continue to use the metro for longer journeys, but I'll make more of an effort to walk the one stop journey from Gateshead - Gateshead Stadium, at least one way!"

"If my Network One 2-zone ticket cost goes up too much, I'll have to resort to walking to work and back"

"Food, rent and heating consume any extra finances to the point there is nothing left for niceties or treats"

"I used to have £500pm of my wages to use on myself but now I have about £20"

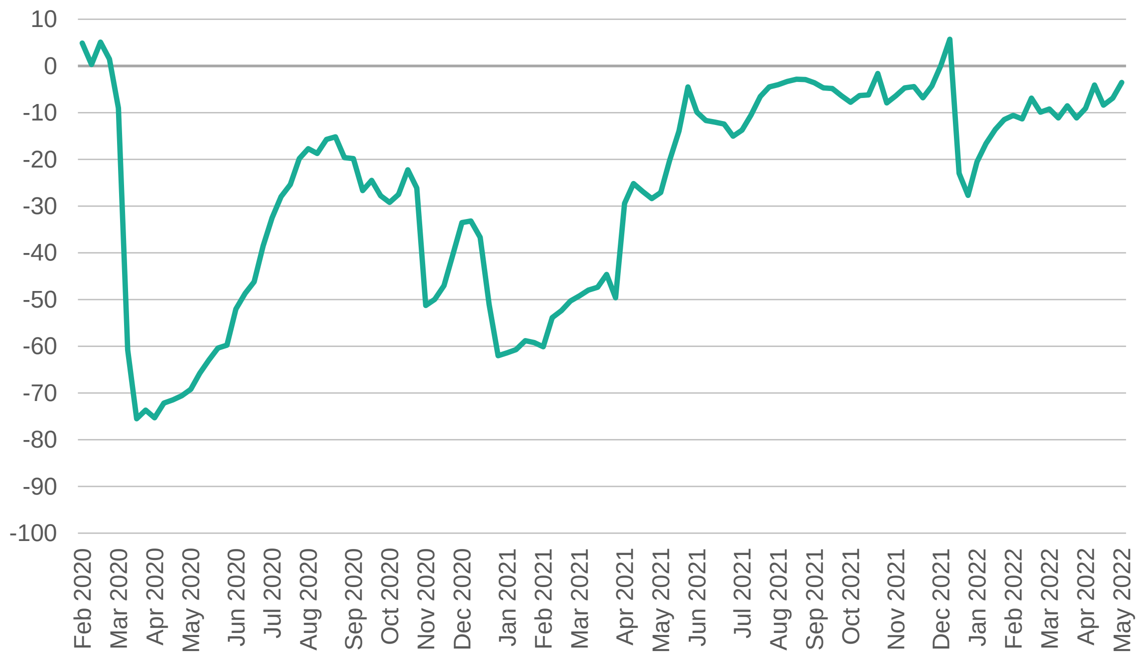
"My energy costs went up by 70%"

Sources: Nexus Insight Panel, Cost of Living focus (Mar/Apr 2022)

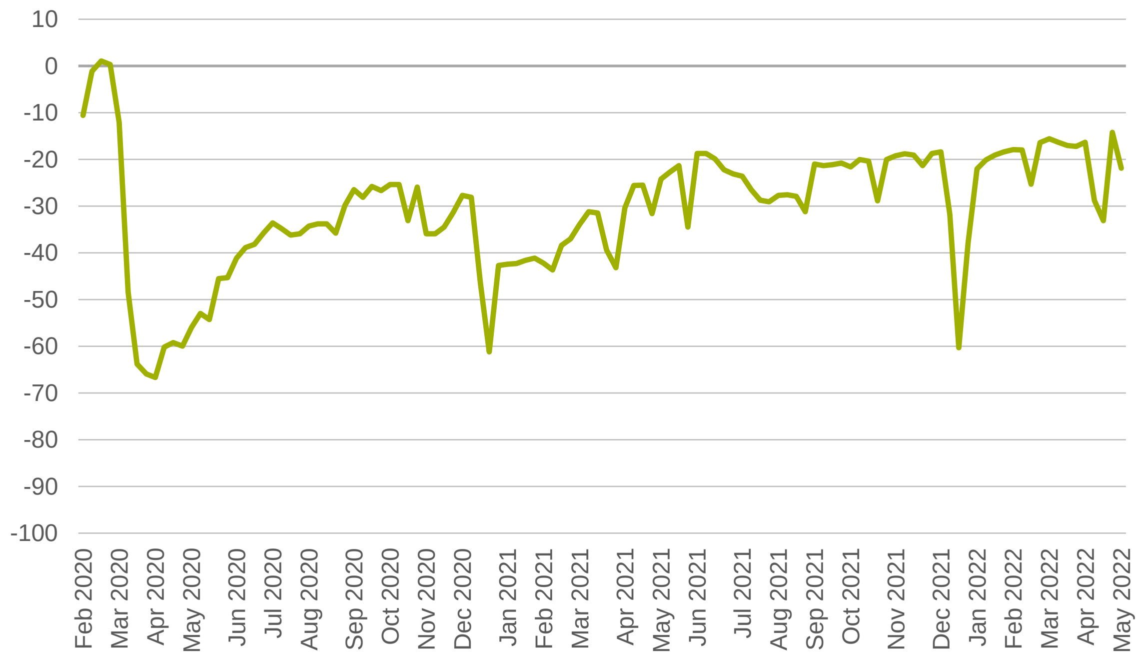
Place vibrancy: At the end of April, North East visits to workplaces were still 14% below pre-Covid levels, retail and recreation visits were still 7% lower

- The immediate impact of Covid-19 in the North East was a fall of more than 60% in visits to retail and recreation locations and workplaces
- The visit numbers of both have since increased but are still below the levels of early 2020
- In particular, North East workplace visits are about 14% lower

Google Mobility Index: North East LEP area weekly average, Retail and recreation locations (excluding supermarkets)



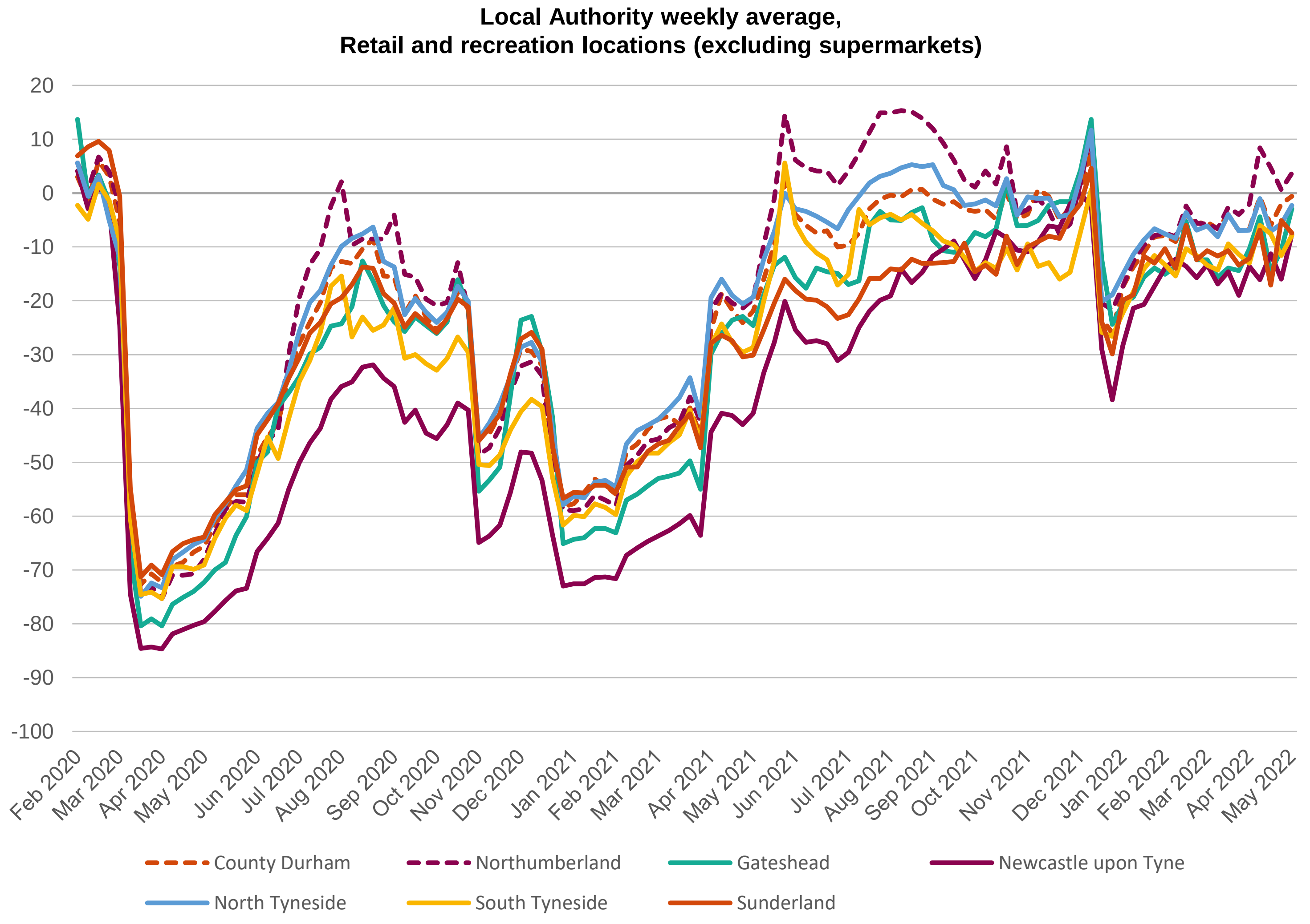
Google Mobility Index: North East LEP area weekly average, Workplace locations



Sources: Google Mobility Index
This compares the number of visits to specific locations to pre-Covid totals in early 2020
These charts use weekly averages of the daily data. Some of the apparent volatility results from the impacts of bank holidays and school holiday periods

North East Evidence Hub

Place vibrancy: Retail and recreation visits in April still below early 2020 levels in all North East local authority areas except Northumberland



- In the last week of April, visits to retail and recreation locations in Northumberland were just above the levels of early 2020
- In Durham visit numbers were 2% lower, in Sunderland and North Tyneside they were 5% to 6% lower, in Gateshead and South Tyneside they were 11% to 12% lower and in Newcastle they were 16% lower.
- In the initial lockdown period, Newcastle visit numbers decreased by a higher percentage than those elsewhere in the North East.
- Visit numbers to these types of locations tend to be higher in weeks that include a public holiday or are part of a school holiday period.

Sources: Google Mobility Index
This compares the number of visits to specific locations to pre-Covid totals in early 2020
These charts use weekly averages of the daily data

North East Evidence Hub

Participation in cultural activities in the North East is generally lower than nationally, but there is variation across the North East

% of adults who have took part in the following cultural activities in the last 12 months (2017/18)

Area	Attended an event, performance or festival	Attended a museum or gallery	Spent time doing a creative, artistic, theatrical or music activity or a craft	Used a public library service
County Durham	43%	42%	29%	28%
Gateshead	50%	44%	28%	29%
Newcastle upon Tyne	54%	54%	37%	38%
North Tyneside	54%	51%	34%	48%
Northumberland	51%	44%	33%	33%
South Tyneside	48%	48%	30%	40%
Sunderland	42%	42%	24%	29%
All adults (Aged 16+)	52%	47%	35%	35%

- Engagement is generally higher than average in Newcastle and North Tyneside, and lower than average in Sunderland and County Durham
- The Arts Council funds 41 national portfolio organisations in the North East LEP area, including 19 in Newcastle upon Tyne
- 5,000 individuals were employed in the cultural sector across the North East LEP in 2020 (1% of total employment)
- 900 of these individuals were employed in library activities, 900 in museum activities, and 800 in performing arts
- Some cultural enterprises are registered under SIC codes that do not reflect their activities; Beamish museum is registered under 82990 (Other business support activities)

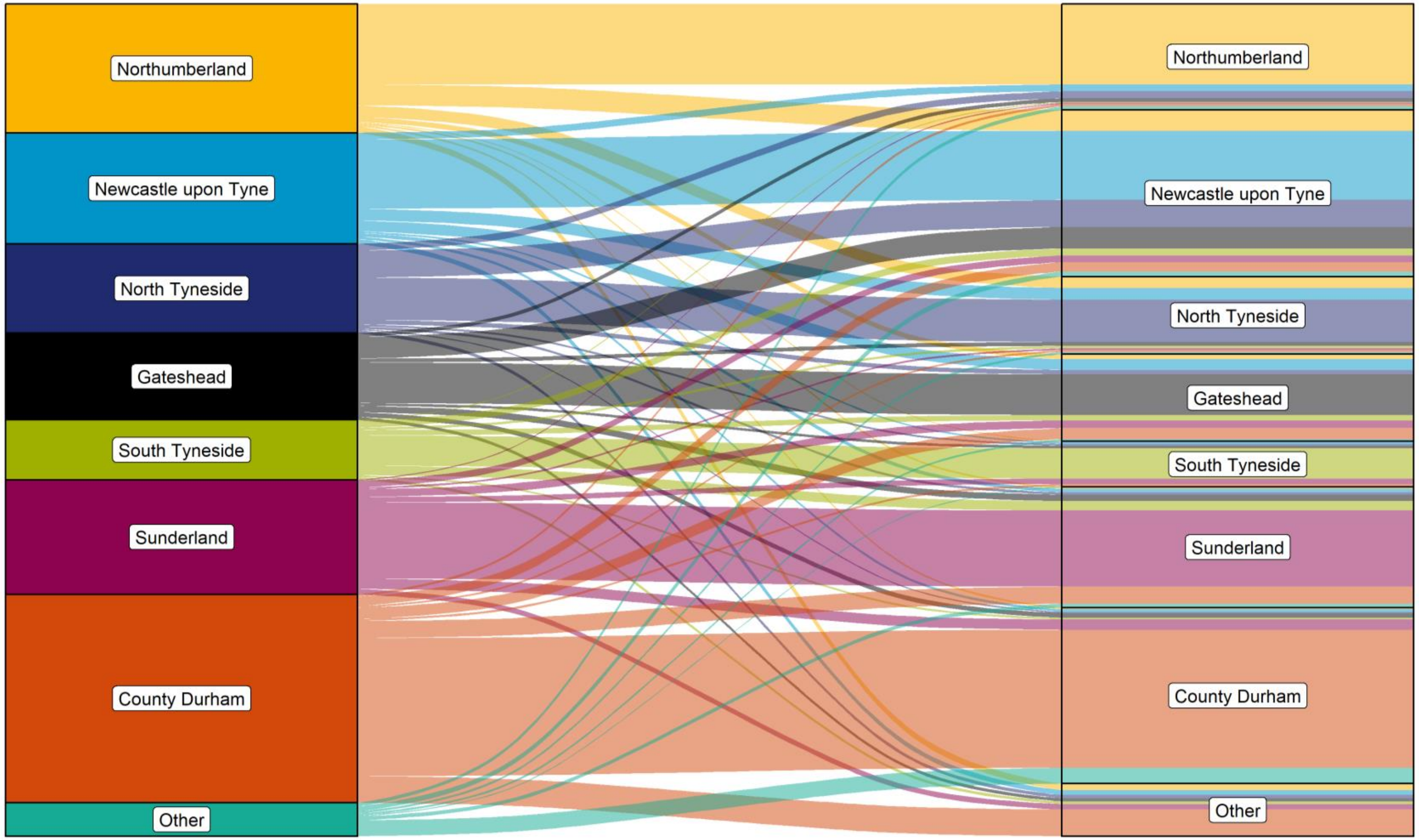
Source: Business register and employment survey (ONS), Sports England Active lives survey. The definition for Arts and Culture is an extended version of that used in 'Contribution of the arts and culture industry to the UK economy' CEBR 2020

North East Evidence Hub

The North East LEP is connected by commuting flows across the region, especially flows into Newcastle upon Tyne

Local authority of residence

(769,000 workers total)

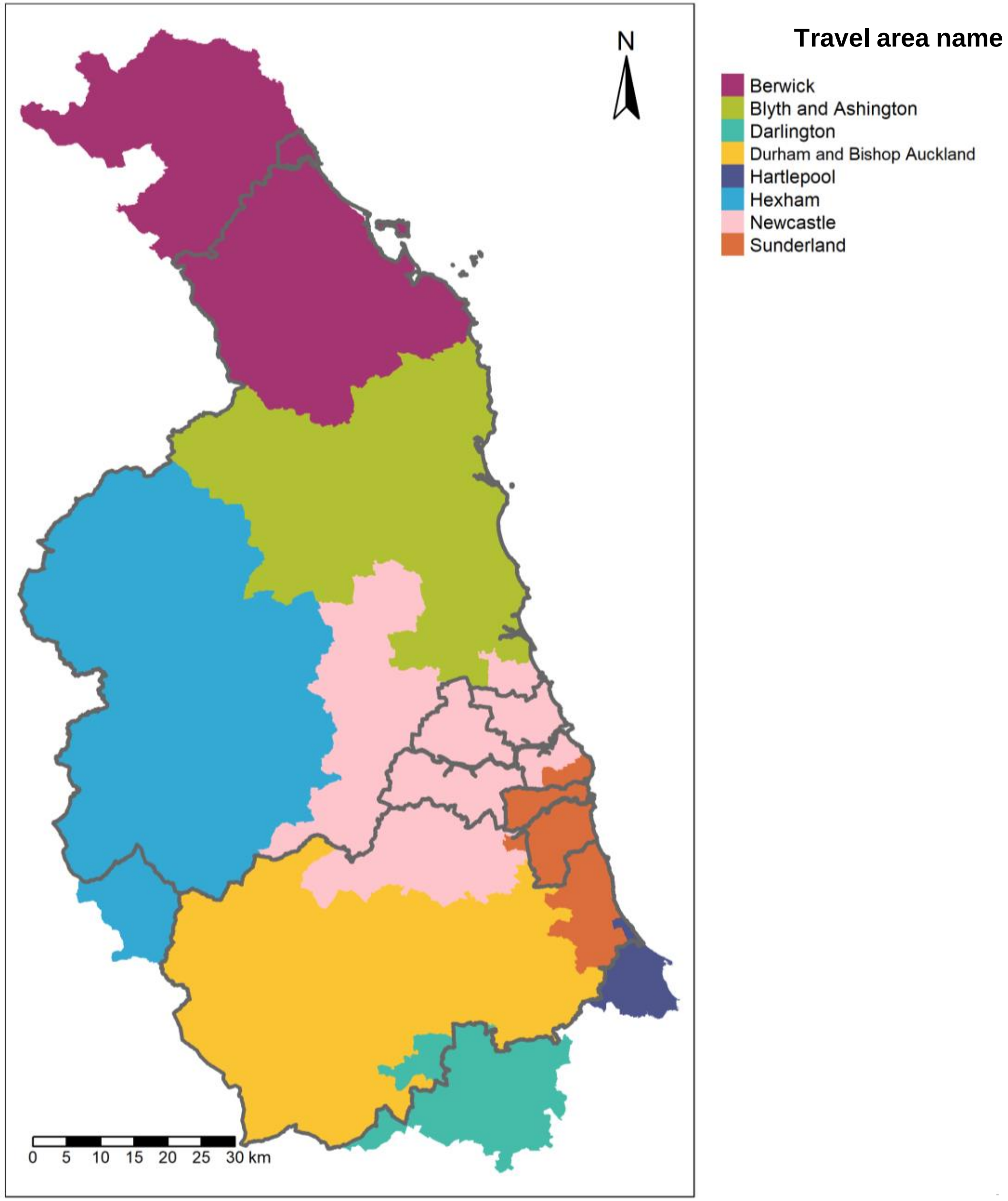


Local authority of workplace

Source: Census (2011 - ONS)
Note: The flows in the diagram are proportional to the number of residents commuting to and from each local authority. Other is all residents outside of the North East LEP (Mostly residing in the Tees Valley)

Travel to work areas in the North East LEP cross many local authority boundaries

- The ONS used data on commuting flows to define travel to work areas and demonstrate typical commuting patterns
- The Newcastle travel to work area is the largest in the North East LEP in population terms. It covers the entirety of the Newcastle, North Tyneside and Gateshead local authority areas, as well as substantial portions of Northumberland, South Tyneside and County Durham
- The Sunderland travel to work area covers all of the Sunderland local authority area, a significant portion of South Tyneside and most of the coastal areas of County Durham
- Northumberland is divided into four travel to work areas, including Newcastle, Blyth and Ashington, Berwick, and Hexham. The Berwick travel to work area crosses the border into Scotland, and the Hexham area into Cumbria
- Durham is also divided into many travel to work areas with a large area centred on the city of Durham and Bishop Auckland, and then crossovers with the travel to work areas in Newcastle, Sunderland, Darlington and Hartlepool



Source: Census (2011).
Note: TTWAs are areas where at least 75% of the area's resident workforce work in the area and at least 75% of the people who work in the area also live in the area.

North East Evidence Hub

The North East LEP is connected by commuting flows across the region, especially flows into Newcastle upon Tyne

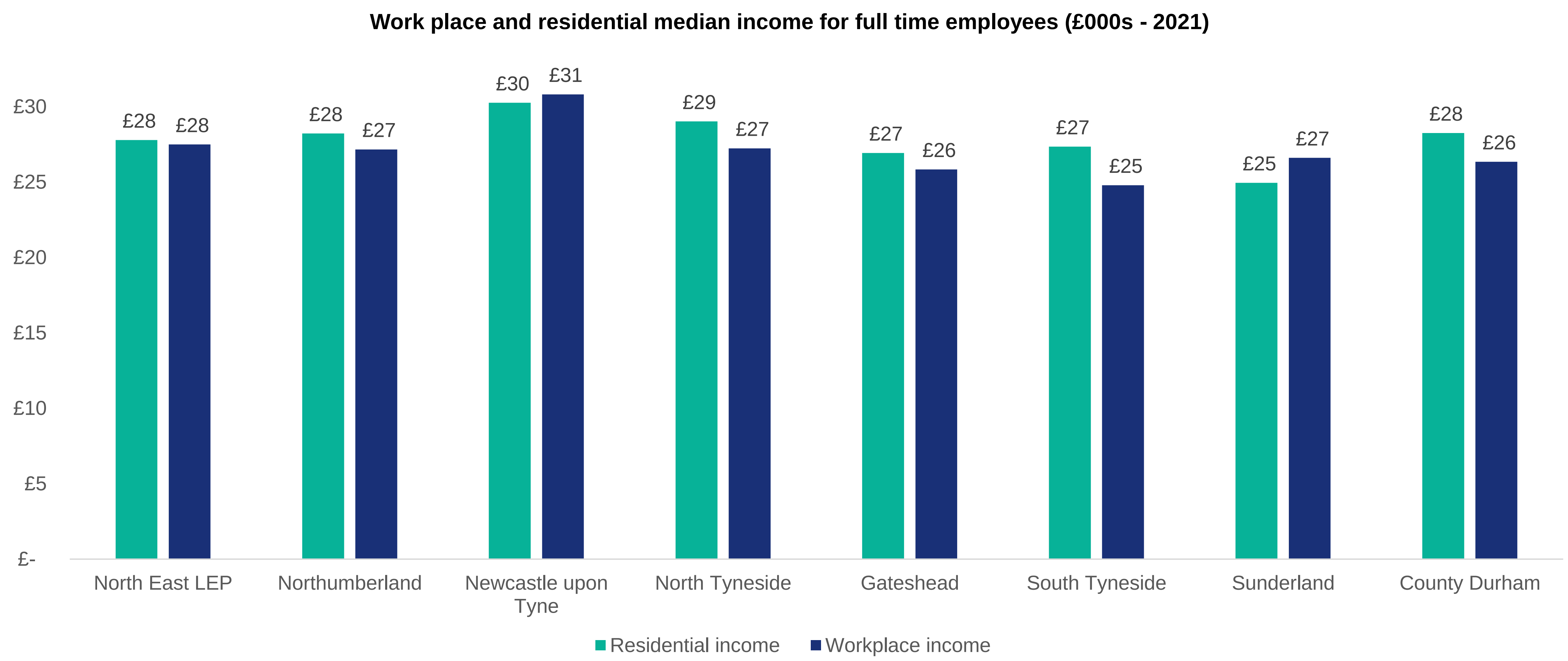
Local authority of workplace, rows sum to 100% (2011)

Local authority of residence

Local authority	Northumber-land	Newcastle	North Tyneside	Gateshead	South Tyneside	Sunderland	County Durham	Other
Northumber-land	63%	16%	9%	4%	1%	1%	1%	5%
Newcastle	6%	62%	11%	10%	2%	3%	2%	4%
North Tyneside	8%	30%	47%	5%	2%	3%	1%	4%
Gateshead	4%	25%	4%	47%	3%	7%	5%	4%
South Tyneside	2%	12%	4%	9%	50%	16%	3%	5%
Sunderland	1%	6%	2%	7%	5%	67%	9%	5%
County Durham	1%	5%	1%	5%	1%	8%	66%	13%
Other	11%	15%	7%	6%	3%	11%	47%	0%

Source: Census (ONS)

Commuting flows redistribute income across the North East

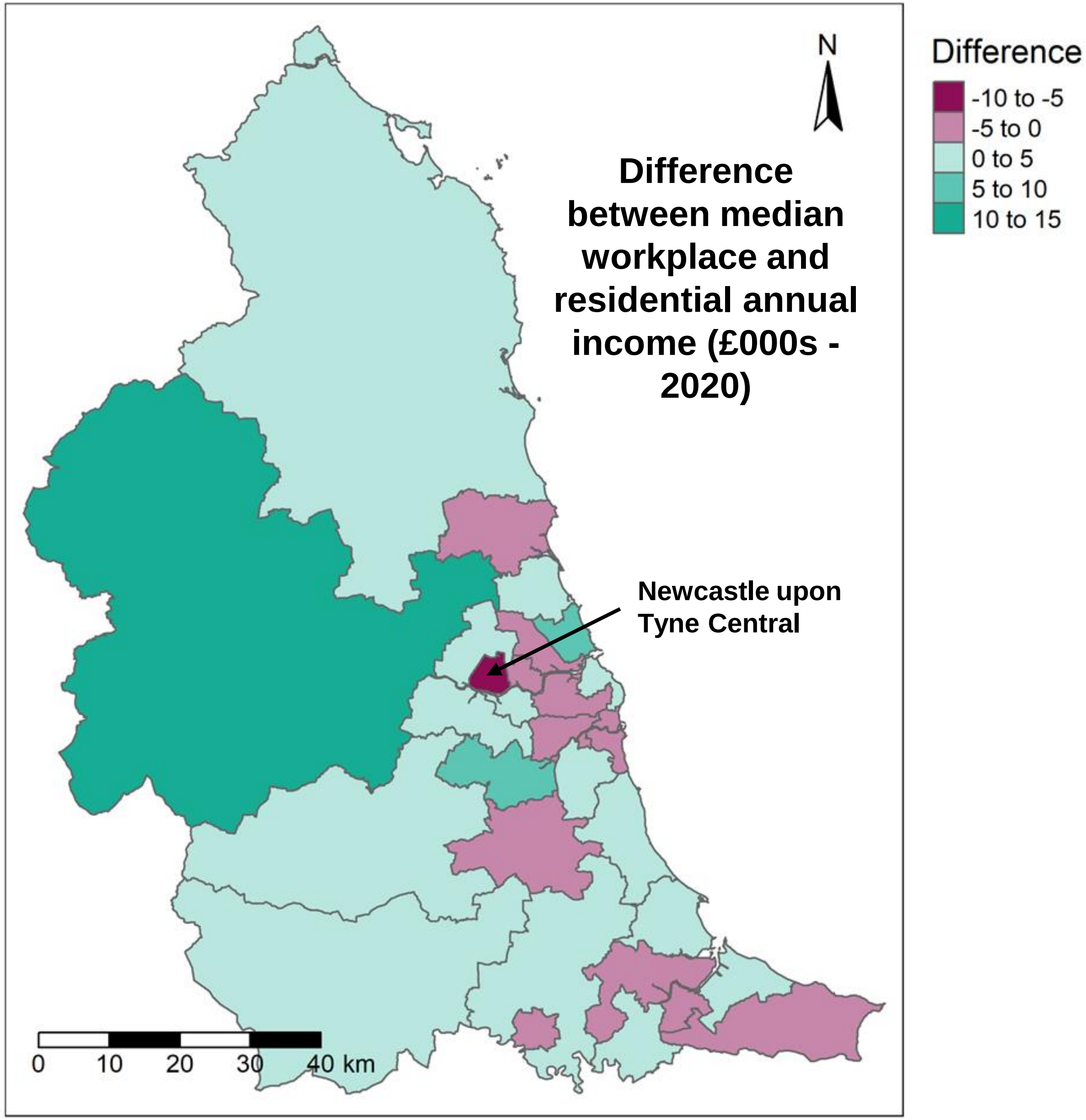


Source: Annual survey of hours and earnings (ONS)

North East Evidence Hub

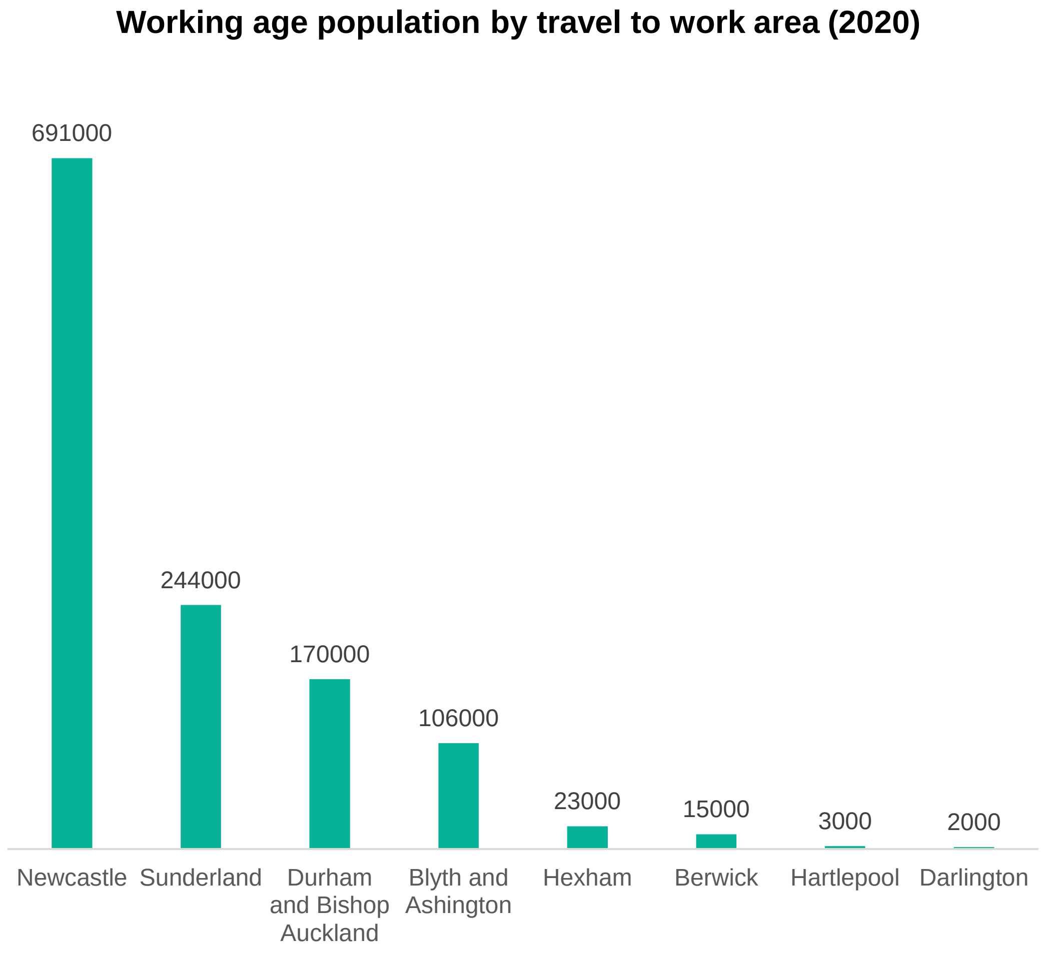
Commuting flows redistribute income across the North East, with rural areas benefiting from jobs in urban centres

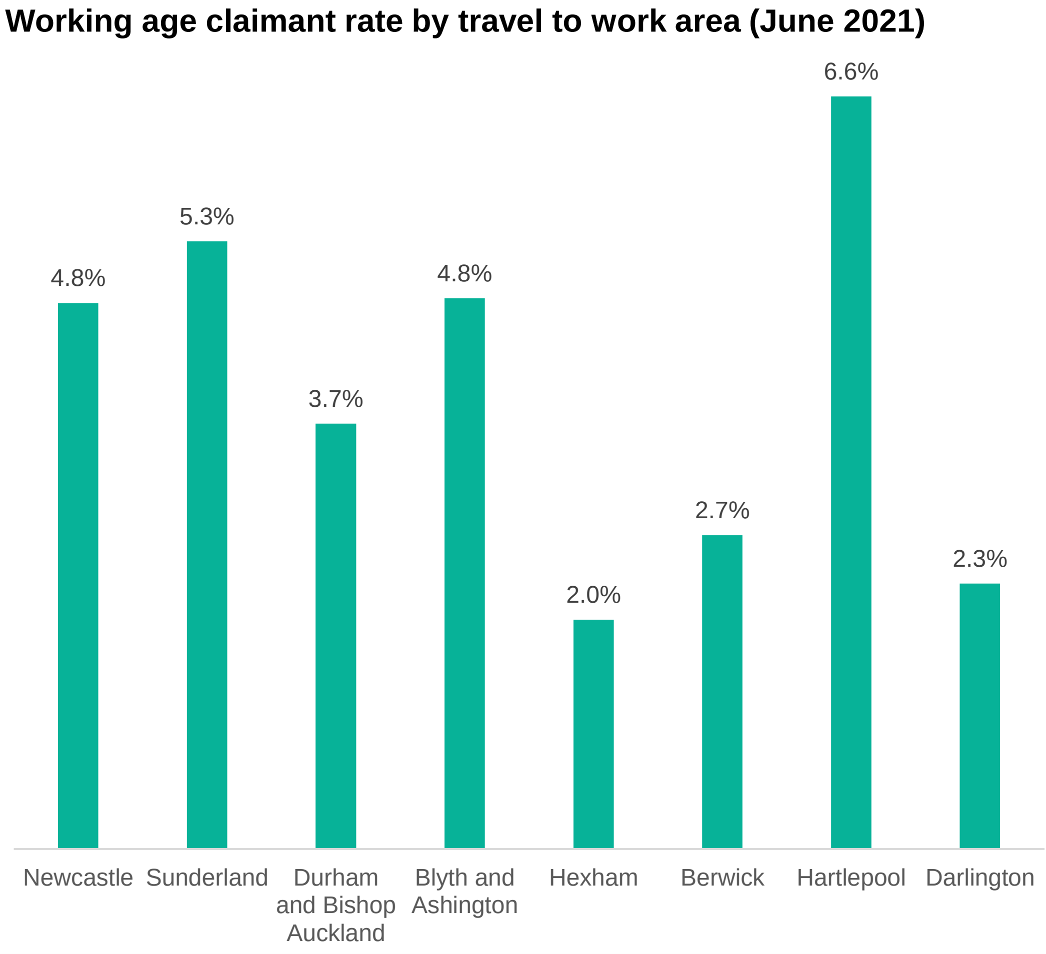
- Hexham, North Durham and Tynemouth are the North East constituencies that have the largest increases in their median residential income compared to their median workplace income
- Newcastle upon Tyne Central sees the most significant decrease in residential income compared to workplace income, due to the large inflow of commuters into the city centre



Source: Annual survey of hours and earnings (ONS), Full-time employees

The Newcastle travel to work area is the most populous in the LEP, Sunderland and Hartlepool have the highest claimant rates



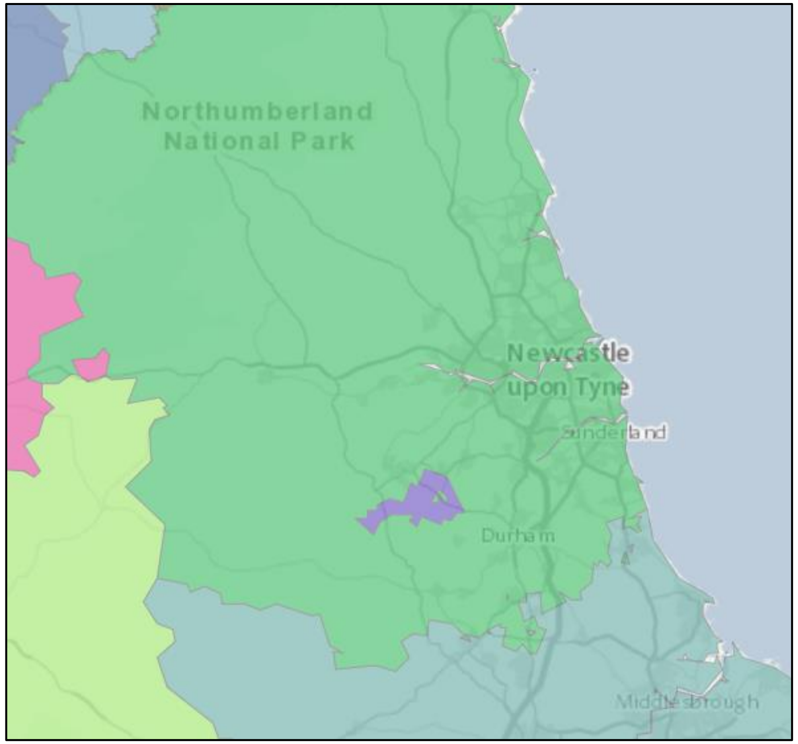


Source: Population estimates (ONS), Claimant count (ONS)
Note: This only covers the population within the North East LEP's geographic area

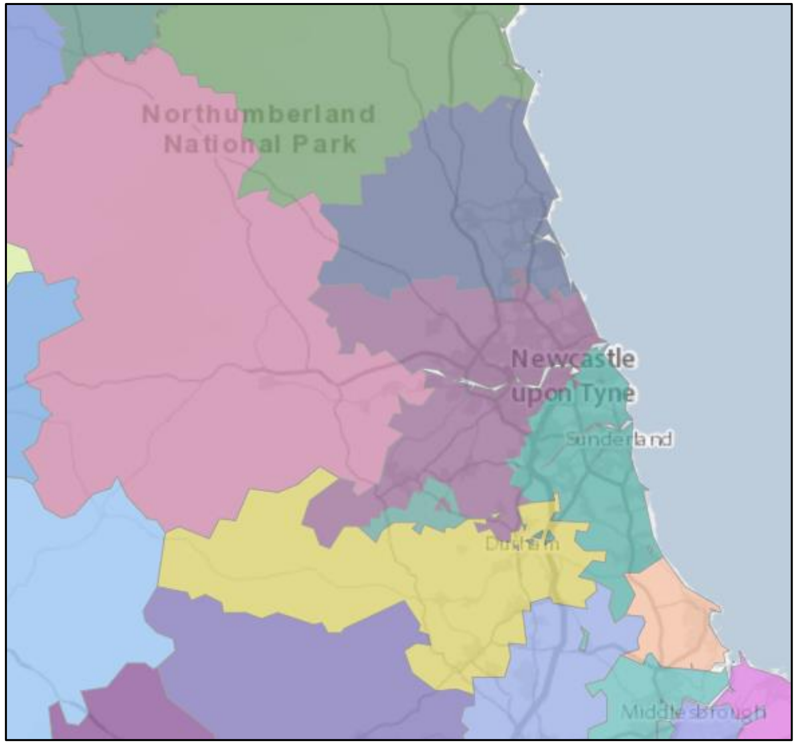
North East Evidence Hub

Highly skilled workers commute further across the North East LEP than workers with lower qualification levels

TTWAs for workers with high qualification levels

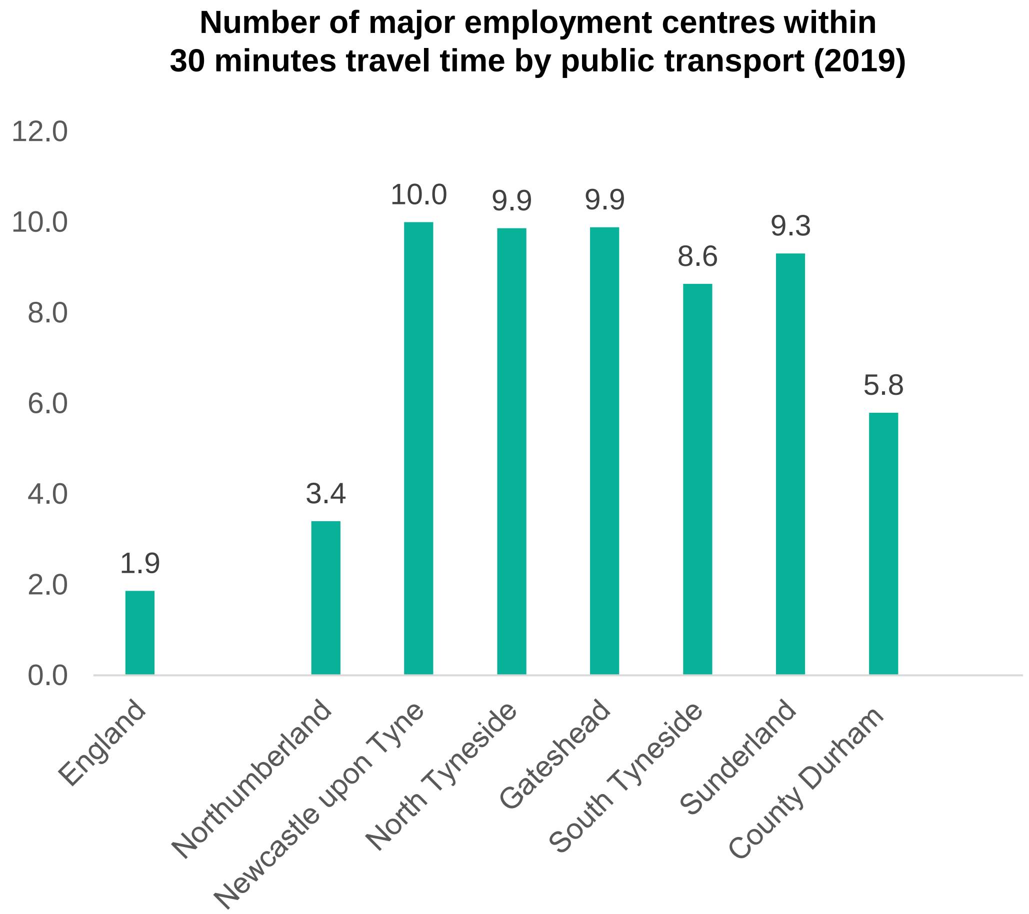


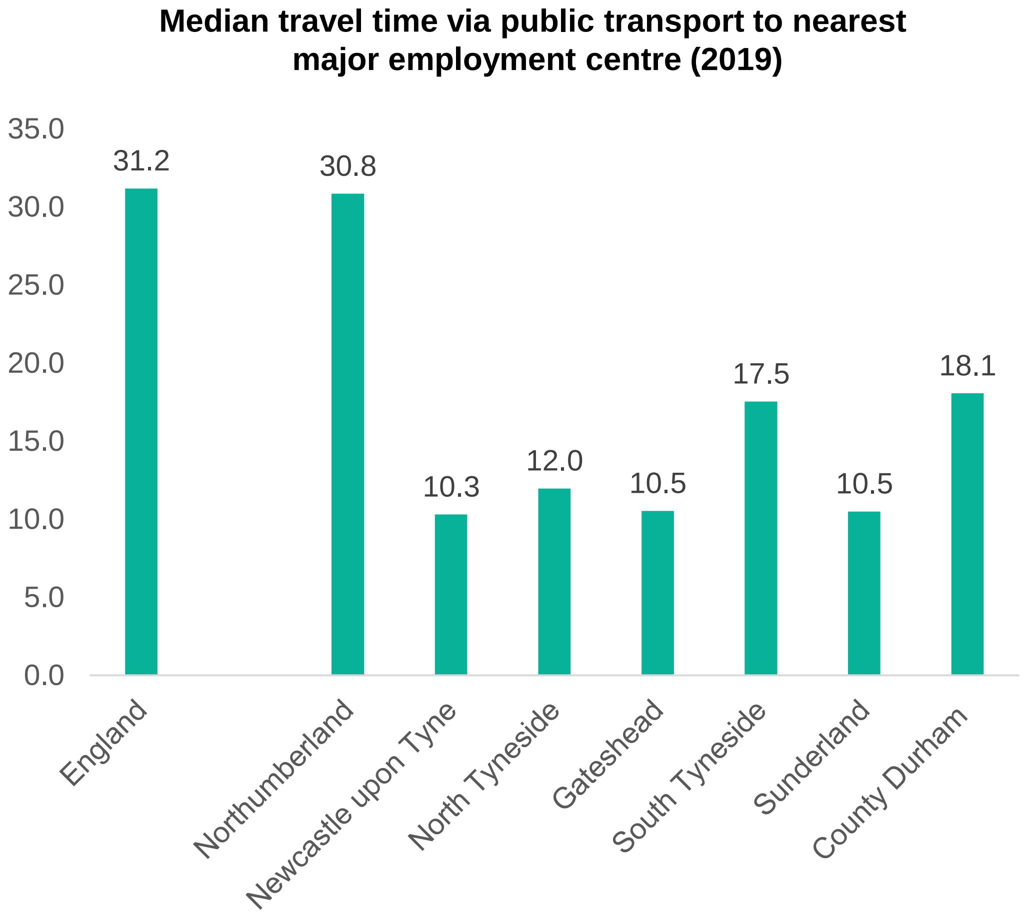
TTWAs for workers with low qualification levels



Source: Alternative travel to work areas (2016 analysis of 2011 census data)

Most of the North East LEP area has strong access to employment centres via public transport due to its primarily urban geography





Source: Travel time statistics (DFT)
Note: Major employment centres are defined as areas with over 5000 employments. 10 is the maximum score recorded

North East Evidence Hub

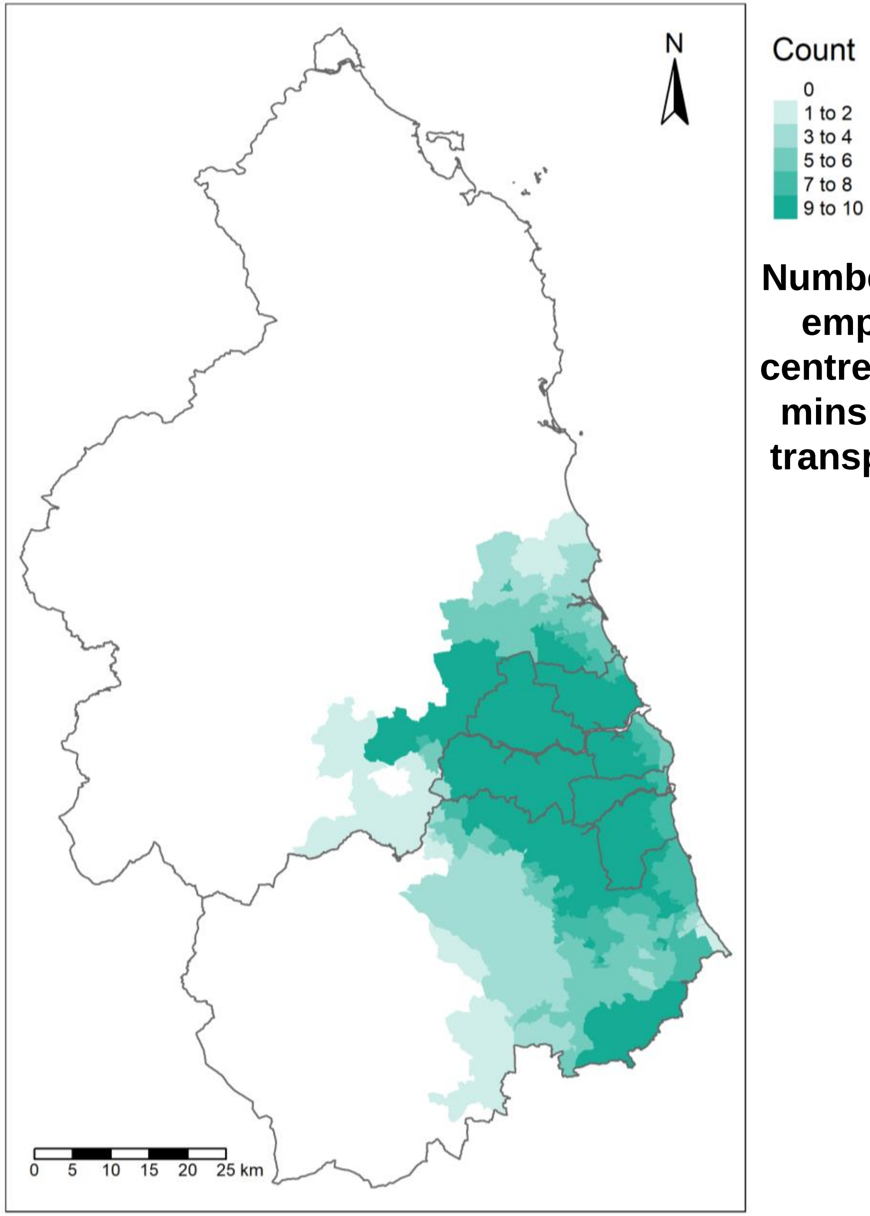
Urban areas in the North East have strong connections to employment centres. Connections from more rural areas are less extensive

- Public transport connects a large portion of the North East LEP's population to major employment centres. 840,000 working age residents have access to between 8-10 major employment centres within 30 minutes, 67% of the total working age population

- These connections are strongest in the metropolitan boroughs of Tyne and Wear although the coastal area of Sunderland and South Tyneside are slightly less well connected

- Connections to major employment centres are generally weaker in Northumberland and County Durham, only 15% of the working age population has access to 8-10 major employment centres within 30 mins via public transport in Northumberland and 36% in County Durham

- 190,000 residents in the North East LEP have access to between 0-3 major employment centres within 30 mins by public transport (15% of the total working age population)



Number of major employment centres within 30 mins by public transport (2019)

Source: Travel time statistics (DFT)

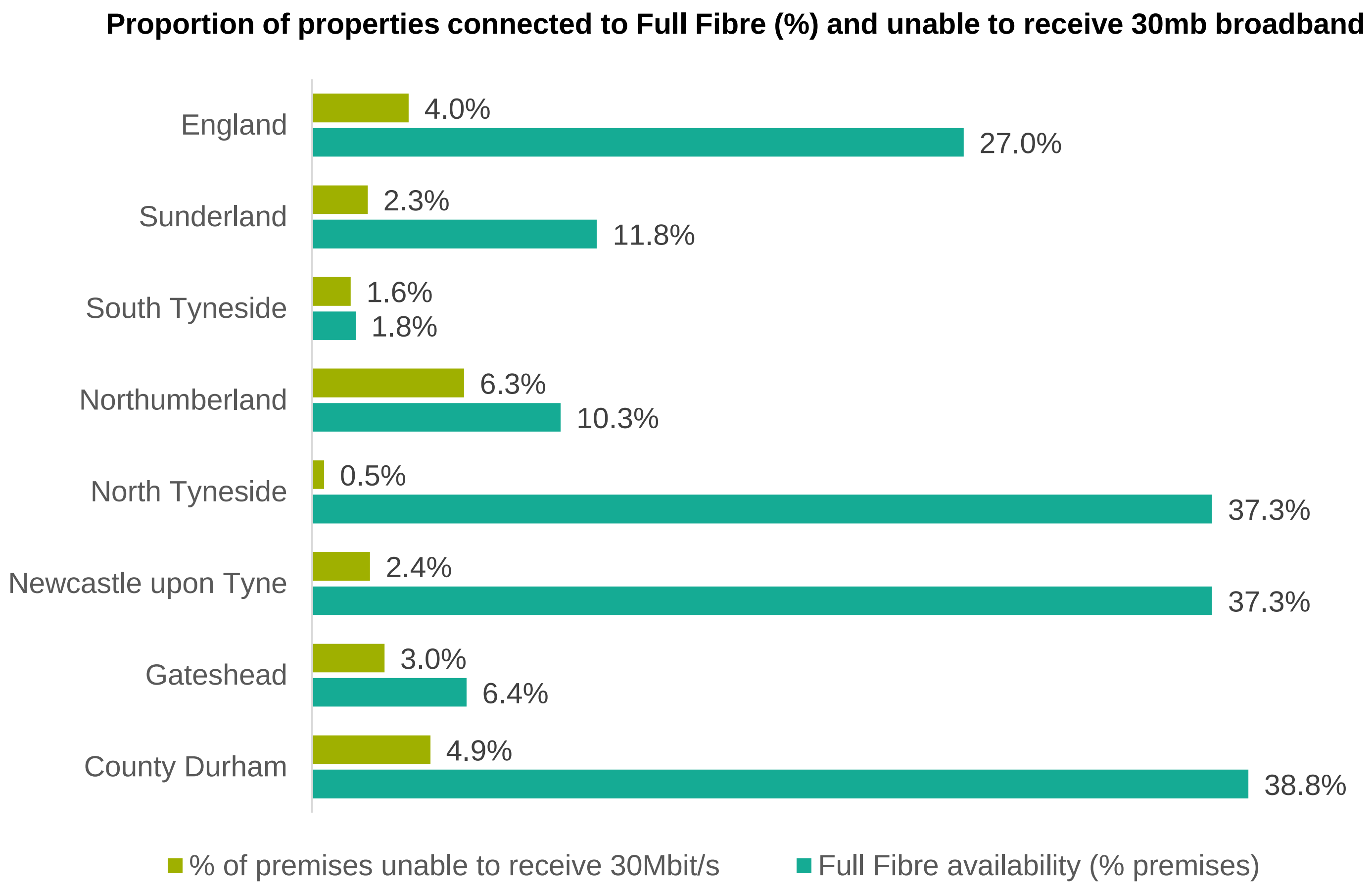
A majority of residents in the North East LEP travel to work by driving a Car or Van, public transport use is highest in Newcastle

Main method of travel to work by local authority of residence (2011)

Local Authority	Driving a car or van	Bus; minibus or coach	On foot	Mainly work at or from home	Passenger in car or van	Train, underground, metro, light rail, tram	Bicycle	All other methods of travel to work
Northumberland	59%	4%	12%	15%	7%	1%	2%	1%
Newcastle upon Tyne	49%	17%	9%	5%	5%	11%	2%	1%
North Tyneside	57%	9%	9%	8%	6%	6%	2%	2%
Gateshead	59%	13%	8%	7%	6%	4%	1%	1%
South Tyneside	56%	10%	11%	8%	6%	5%	2%	2%
Sunderland	60%	12%	9%	6%	8%	2%	1%	1%
County Durham	62%	6%	11%	11%	8%	1%	1%	1%
Grand Total	57%	10%	10%	9%	7%	4%	2%	1%

Source: Census (2011)

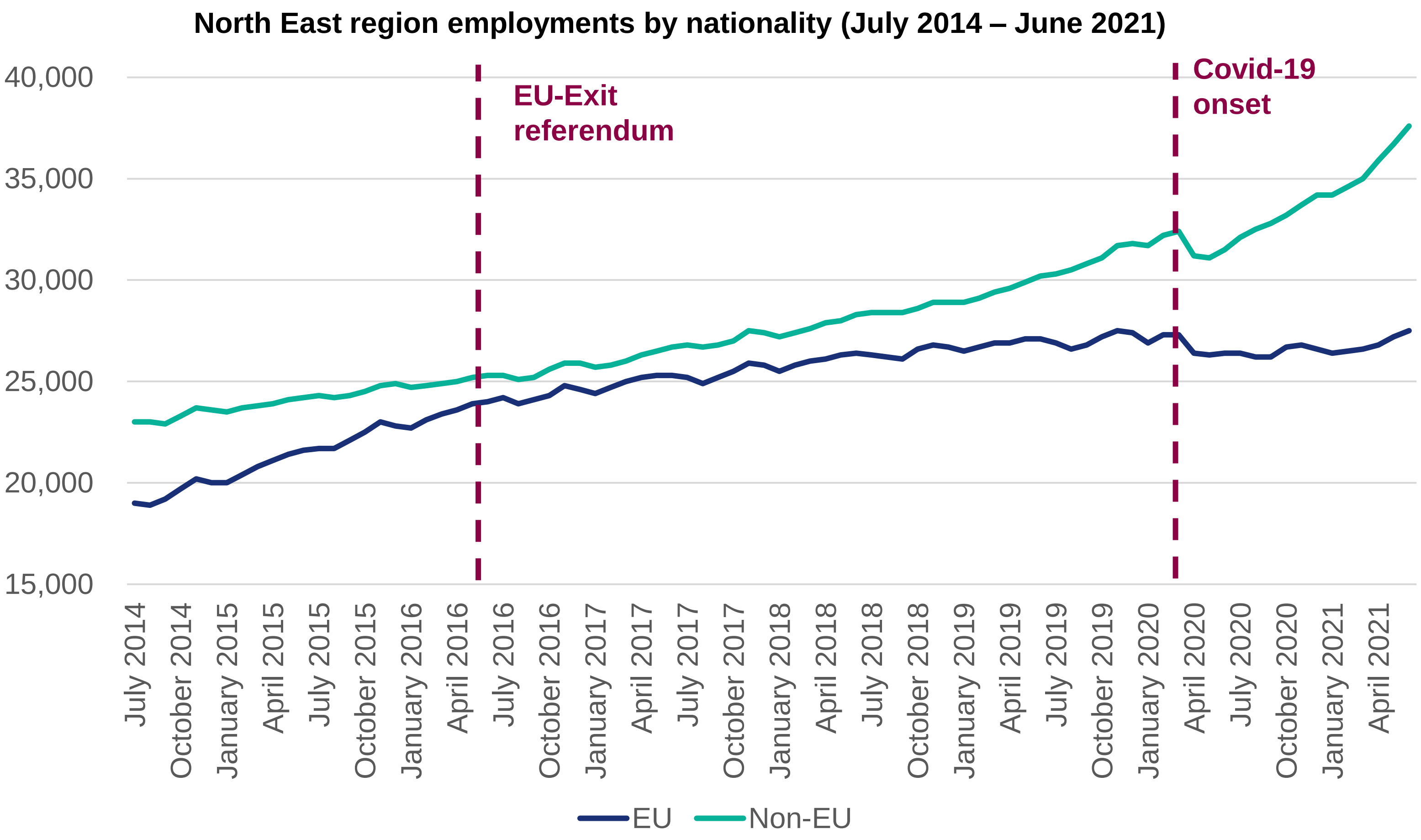
Broadband access varies across the LEP, with properties with full-fibre connectivity and low speed broadband in the same areas



Sources: OFCOM Connected Nations Annual Report, December 2021
This data set details the number and proportion of properties that can receive broadband by varying performance levels by parliamentary constituency, local authority area and nation.

North East Evidence Hub

The number of non-UK nationals in employment in the North East has continued to grow, especially non-EU nationals post Covid-19

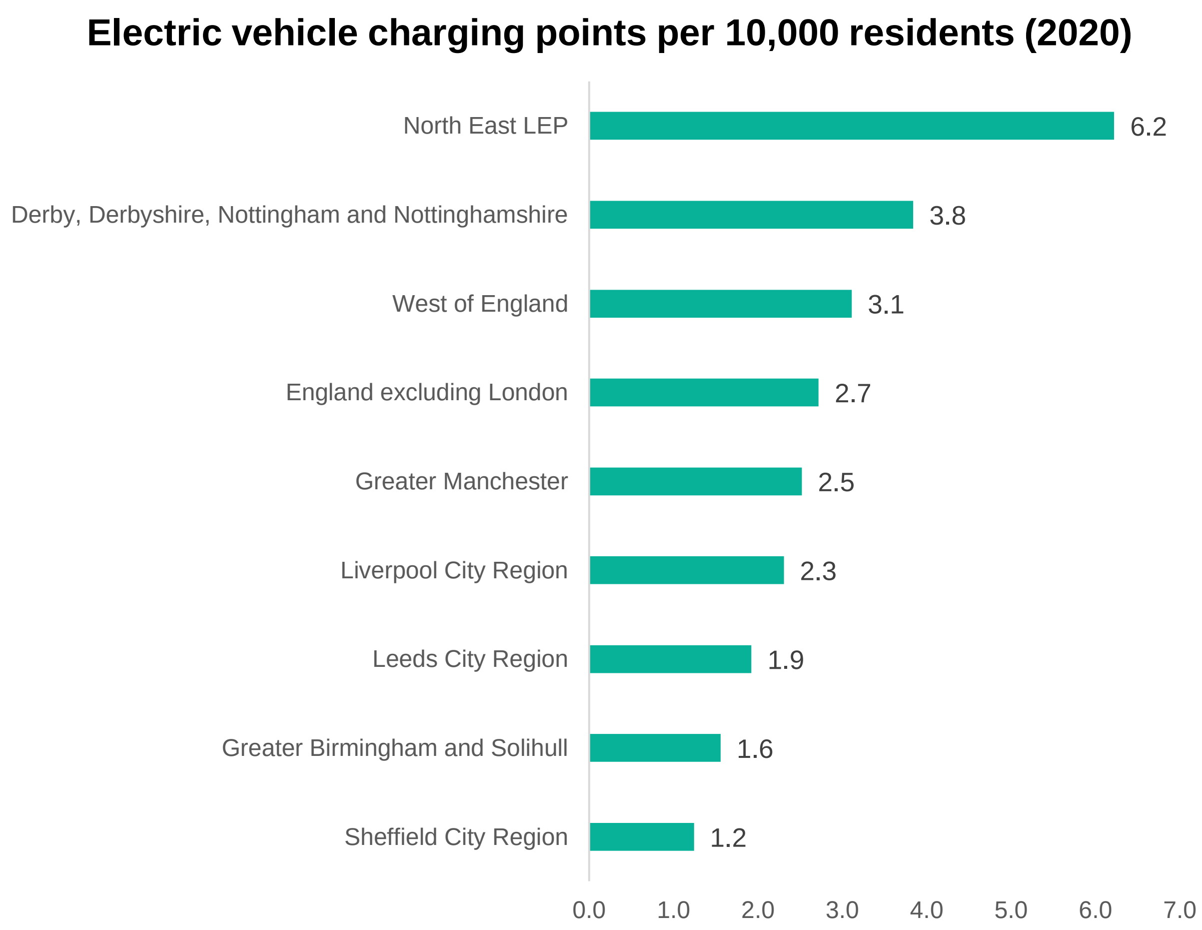


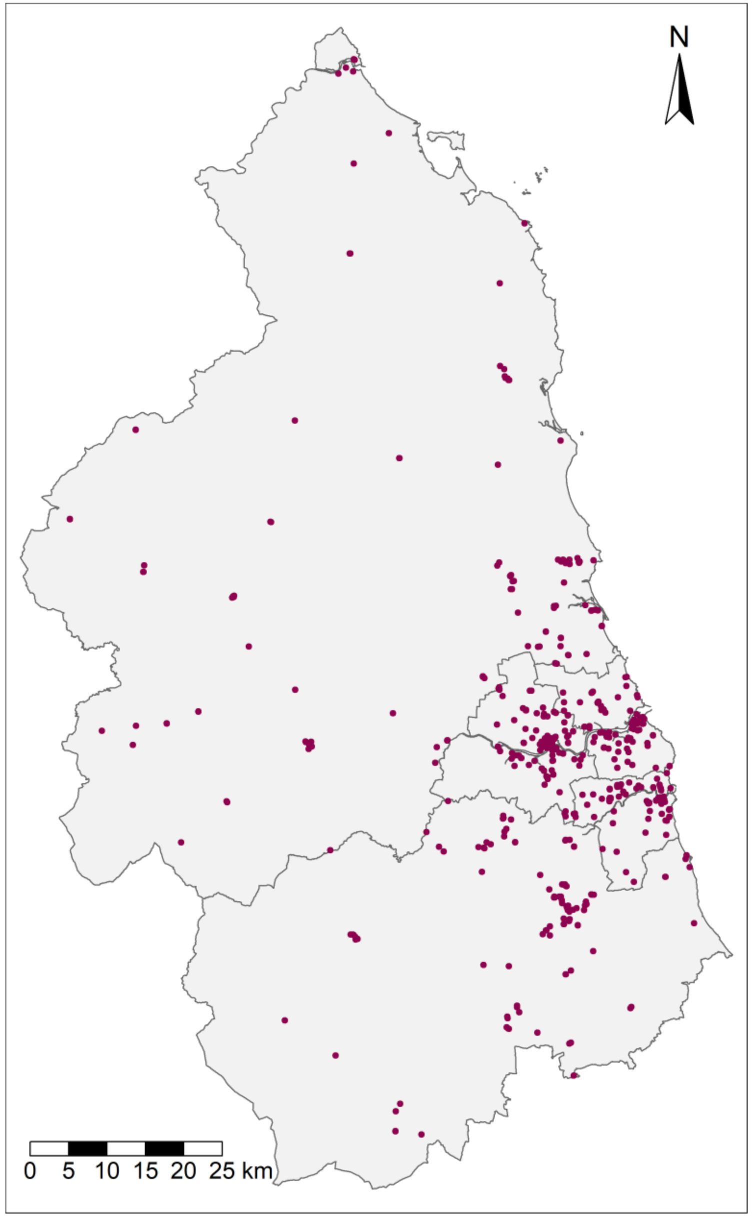
- Non-UK national accounted for 6% of North East employments in June 2021, an increase from 4% in July 2014.
- There were 27,500 EU nationals in employment and 37,600 non-EU nationals in employment in the North East LEP area
- Non-UK nationals accounted for 13% of the workforce in England excluding London in June 2021
- In the North East the sectors with the largest proportion of non-UK national employments were, accommodation and food services (12%), health and social work (7%) and other service activities (7%)

Source: Payrolled employments in the UK by region, industry and nationality, from July 2014 to June 2021 (HMRC)

North East Evidence Hub

The North East LEP has the highest number of electric vehicle charging points per head in the Core Cities





Electric vehicle charging points in the North East LEP (2020)

Source: National Charge point Registry (DFT)

North East Evidence Hub

Communities and place – what works (1 of 2)

Title and link	Summary of Key Findings
Public Realm evidence briefing	• Public realm interventions may help create more attractive places to live, may lead to higher housing costs and displace existing residents • Large-scale public realm interventions may help attract new residents and create mixed communities. It is unclear that mixed communities deliver significant economic benefits to existing residents • Smaller-scale public realm interventions that aim to modestly improve the wellbeing of existing residents are likely to have fewer undesirable or unintended consequences than large-scale, radical transformations • Public realm improvements in commercial areas might boost overall business activity. They do not necessarily increase jobs or firm profits in the long term unless securing cluster benefits. They might displace existing businesses. • Public realm improvements that are sufficient to improve the quality of a business district and increase footfall might be desirable regardless of whether existing businesses benefit
Area Based Initiatives evidence review	• 15 out of 27 studies report positive effects on employment, 7 report mixed effects, and 5 report no effect. • Seven out of nine studies report positive effects on unemployment with two reporting mixed effects. Half of the ten studies that consider the impact on poverty report positive effects. Half of the 12 evaluations report positive effects for wages. • Four out of six report positive effects on the number of businesses. • A number suggest that positive effects for Zones may be driven by displacement from nearby areas. There is little evidence on whether effects at the wider area level are positive, or whether displacement is the main effect of EZ-type schemes. • Even if displacement effects are strong, EZs may help concentrate local employment from a number of dispersed sites, creating positive spillovers. • Objectives of any area based policy must be very clearly defined, and the more specifically they can be targeted in terms of outcomes the better
Broadband evidence review	• Of 16 evaluations reviewed, 14 found that broadband has positive impacts on the local economy. However, effects vary across types of firms, workers and areas, and may not be large in the aggregate. • Extending broadband to an area can affect firm productivity, number of businesses, and local labour market outcomes (such as employment, income and wages). Service industries and skilled workers may benefit more than manufacturing industries and unskilled workers. • The economic effects of broadband tend to be larger in urban areas (or close to urban areas) than in rural areas. • There is a lack of evidence about broadband adoption (compared with provision) on economic indicators; profits; property prices; working patterns. More work needs to be done to understand whether and how to encourage adoption and productive business use. • There is evidence that some of the positive impacts may be due to in-migration rather than local growth and impacts on existing households. • Broadband seems to benefit skilled workers more than low- or un-skilled workers. • Rural areas may need to subsidise broadband provision but the economic benefits of doing so will not be as large as for urban areas.

Communities and place - what works (2 of 2)

Title and link	Summary of Key Findings
Transport evidence review	• Overall, the impact of transport investment on employment is mixed (for road) or unknown (for rail, bus, tram, and cycling). However, other reasons to invest in transport infrastructure beyond the impact on local growth are linked to other indicators such as inclusion and environment. • Road projects can positively impact local employment, although some investments don't generate measurable effects. • Road projects may increase firm entry – through new firms starting up or existing ones relocating – although the overall number of firms tends to stay the same (which suggests that new firms displace existing firms). • Road and rail projects tend to have a positive effect on property prices, but in both cases the effects can vary over time. • There is some evidence that road projects may also have a positive effect on productivity and wages. • WWCLEG found no high quality evaluations that provide evidence on the impacts of trams, buses, cycling and walking schemes on economic outcomes.
Improving high streets and town centres: evidence briefing	• Investments in 'supply-side' measures, such as renovating shop fronts, are unlikely on their own to increase economic activity for a struggling high street. They need to be accompanied by investments and policies designed to increase demand. • Improving the skills of residents can help to address consumer demand. Higher-skilled residents have higher wages on average, which will increase local demand for goods and services. • There is surprisingly little evidence that 'anchor stores' are more important than other shops. Overall, the available evidence does not support the idea that public sector intervention is more justified to prevent closure of anchor stores than other types of shops. • There is not much evidence yet that more working from home will significantly boost local high street retail. • More working from home could reduce demand for office space in some places. Interventions that respond to this by, for example, improving the quality of existing office space, are 'supply side' interventions. To be successful, they need to be accompanied by new demand. • More working from home will not drive large population shifts away from towns and cities. The number of people living in UK urban areas is unlikely to decrease due to people wanting 'more space', because supply of larger houses outside urban areas is limited, and unlikely to increase quickly. • Regeneration projects designed to deliver outcomes such as improved housing quality or new community assets will not necessarily deliver local growth. Proposals should be assessed against the desired goal, which may not be economic growth.
Estate Renewal Evidence Review	• Measurable economic impacts on local economies (in terms of employment, wages or deprivation) tend not to be large and are often zero. In contrast, projects may have a positive impact on property prices. • Estate renewal projects may deliver value in terms of improving housing and neighbourhood qualities, rather than local economic impacts. • Estate renewal programmes lead to increases in property, land prices and rents, although not necessarily for property nearby not directly improved • Estate renewal programmes tend to have a limited impact on the local area in terms of reducing crime, improving health, wellbeing or education.

People and Skills

- Population
- Protected characteristics
- Employment
- Economic inactivity
- Health inequalities
- Education and attainment

North East Evidence Hub

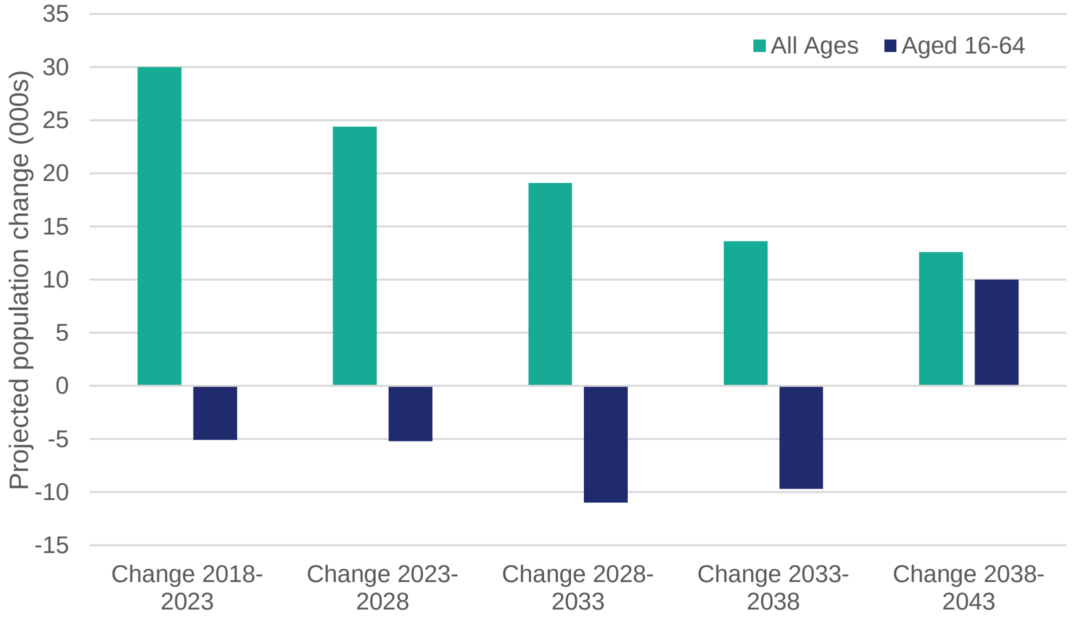
Headlines

- North East employers report a range of technical and soft skills gaps, with the largest gap compared to nationally being specialist skills or knowledge. North East employers report a need to upskill their existing workforce in light of these skill shortages
- The North East has a lower qualifications profile than England excluding London
- The number of further education and apprenticeships achievements has decreased in the last two years. 51,000 adult leaners achieved an education or training course in the North East LEP area in 2018/19, while approximately 9,000 learners achieved an apprenticeship
- Approximately 40% of graduates from the four regional universities were still living in the North East after five years, a slightly higher proportion than were originally from the North East. North East students are more likely to attend an within region university than students across the whole of the UK
- The North East experiences poor health outcomes compared to nationally and there is considerable variation between areas in the LEP
- The North East LEP has a greater proportion of disabled residents than England excluding London
- Ethnic minorities account for 5.4% of the North East LEP's population and are disproportionally from other ethnic groups. Newcastle is the most ethnically diverse local authority in the North East LEP

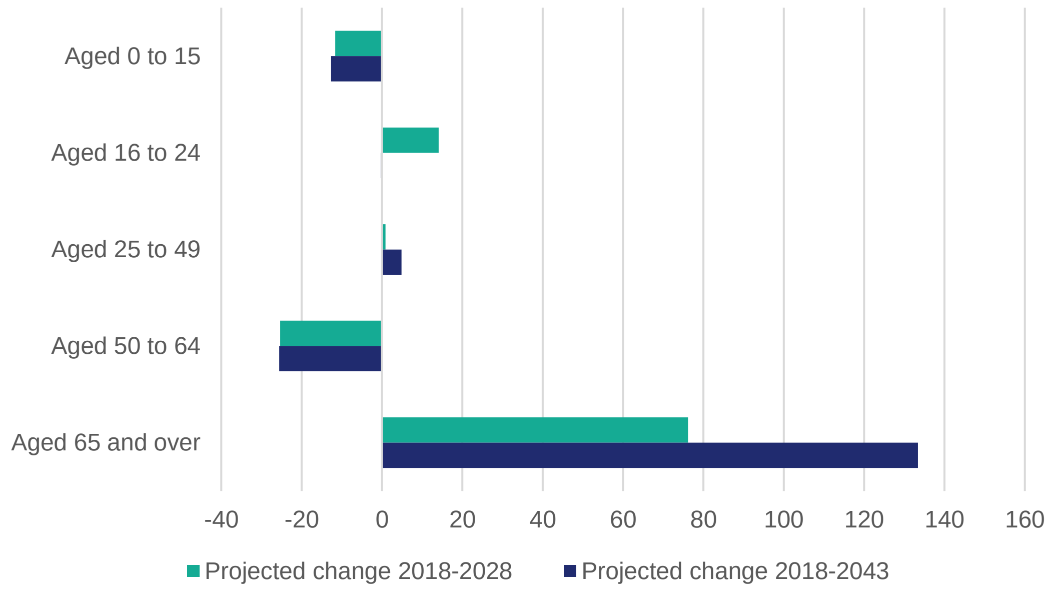
The North East has an ageing population, with the number of people aged 65 and over projected to grow by 133,000 by 2043

- The population is projected to increase by just over 54,000 between 2018 and 2028. However, in that decade, the working-age (16 to 64) population is projected to decrease by over 10,000.
- In the following 15 years, the population is projected to increase by a further 45,000 with the number of 16 to 64 year olds falling by 11,000
- The number of people aged 65 and over is projected to grow by 76,000 in the ten years to 2028 and by 133,000 between 2018 and 2043
- Between 2018 and 2028 there are large population decreases projected among those aged under 16 and 50 to 64 (by 12,000 and 25,000)
- The population aged 16 to 24 is projected to grow by 14,000 in the ten year period with the 25 to 49 population almost unchanged

Projected total and working-age population change, five-year periods, North East LEP area



Projected 10 and 25 year population change by age group (000s), North East LEP area

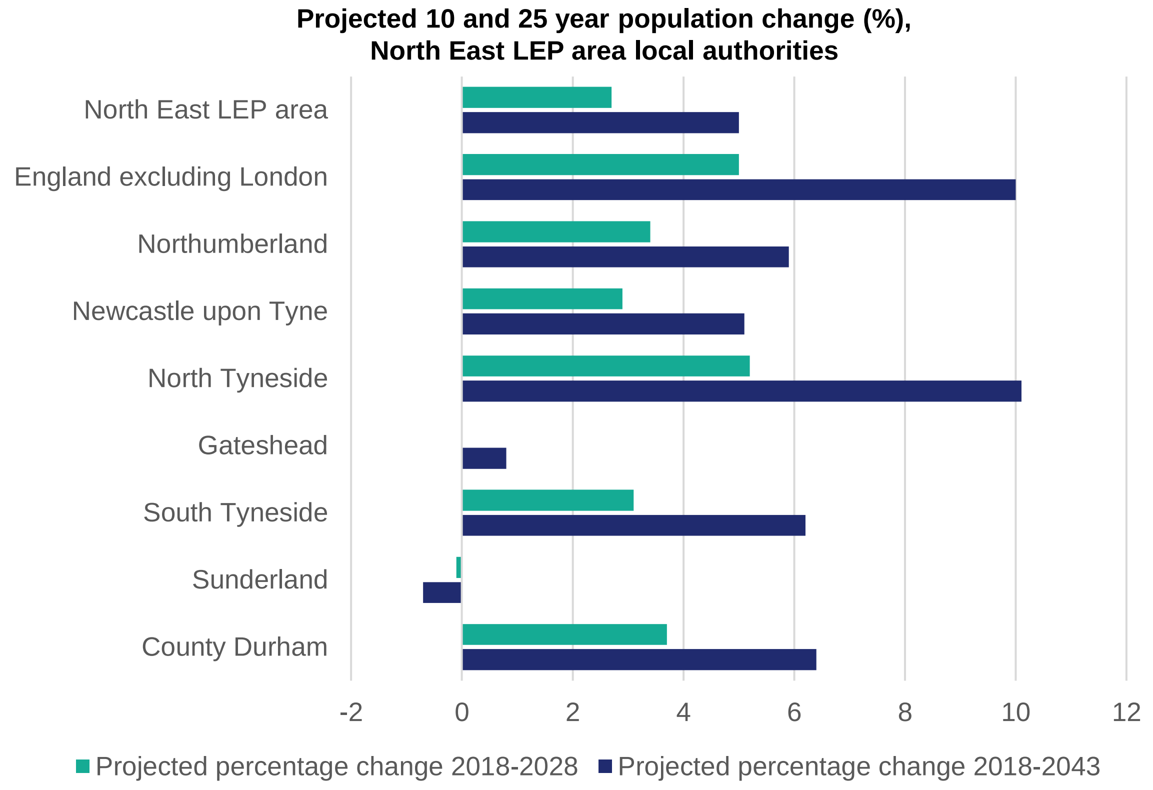


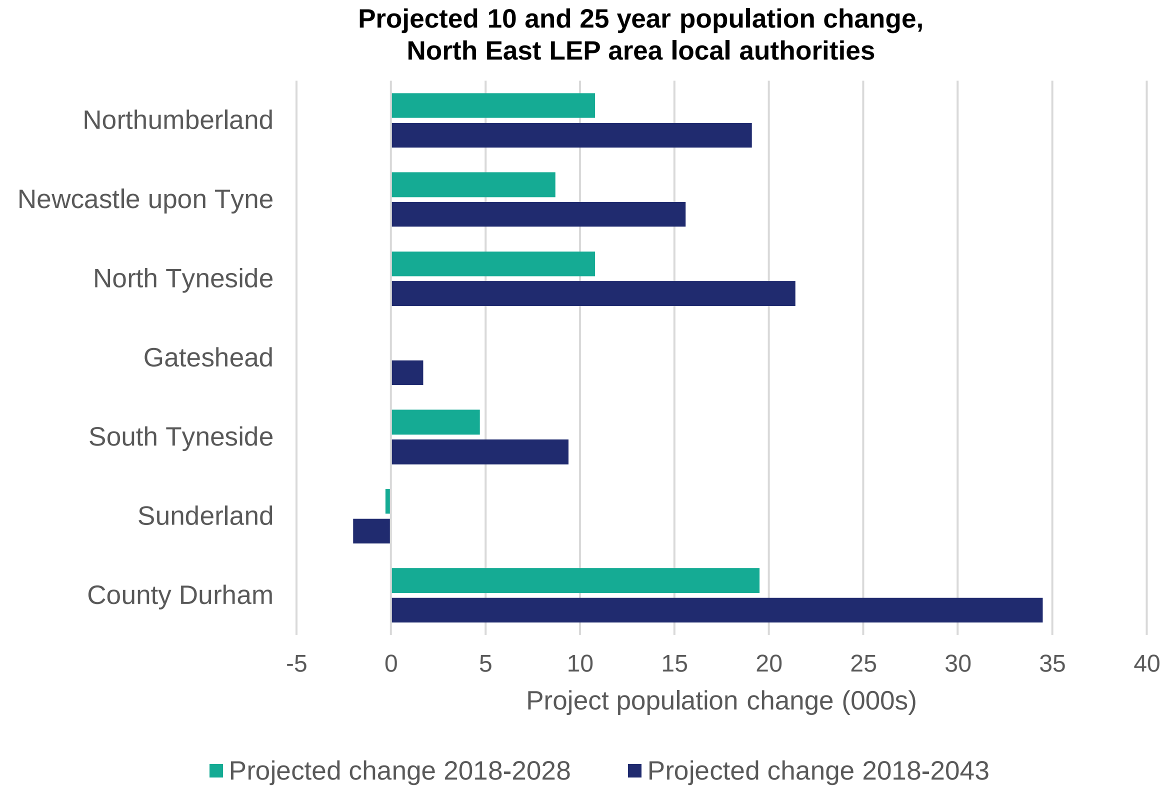
Sources: Population projections (2018-based) local authority based by single year of age, NOMIS.
Note: The latest local projections are 2018-based and provide projections for each year to 2043.

North East Evidence Hub

Projected population increase in the North East is much lower than nationally and varies across local authorities

- County Durham's population is projected to experience the largest increase from 2018; by 20,000 to 2028 and by 35,000 to 2043
- Sunderland's population is the only one projected to decrease, although only slightly; by less than 1,000 to 2028 and by 2,000 to 2043
- In percentage terms, the projected increase is highest in North Tyneside; by 5.2 per cent to 2028 and by 10.1 per cent to 2043
- These projected increases are slightly higher than for England excluding London (5.0 and 10.0 per cent, respectively)
- The projected percentage increases in the North East LEP area are much lower than nationally; 2.7 per cent to 2028 and 5.0 per cent to 2043



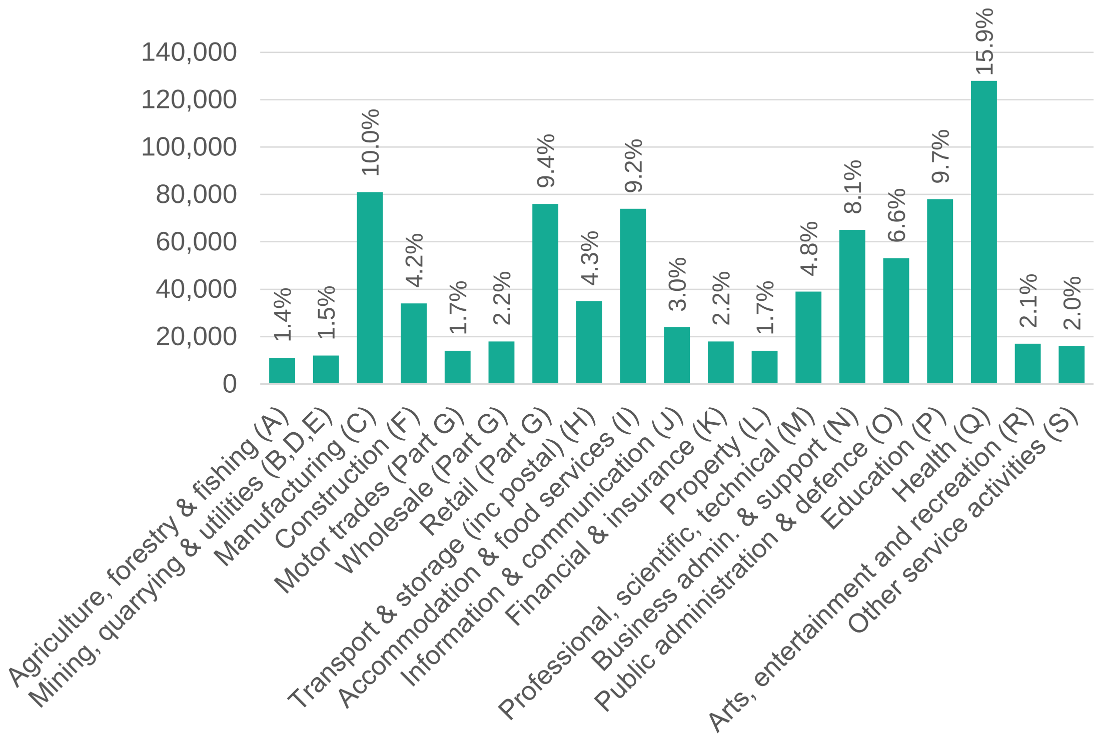


Sources: Population projections (2018-based) local authority based by single year of age, NOMIS.
Note: The latest local projections are 2018-based and provide projections for each year to 2043.

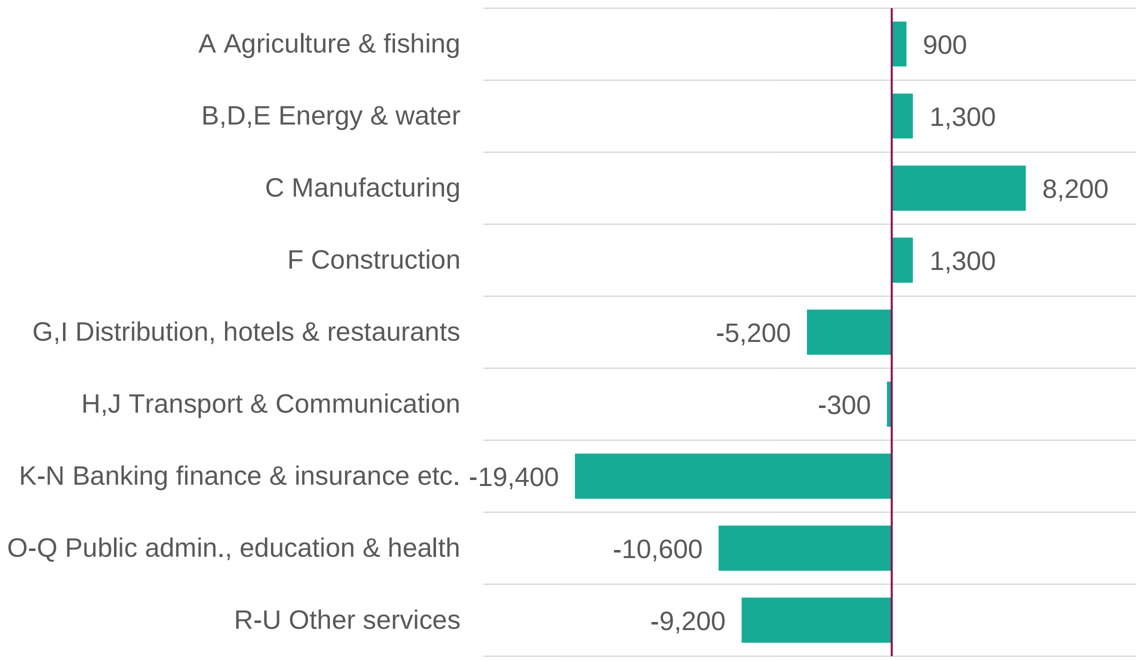
Over half of North East employment is in health, manufacturing, education, retail and hospitality

- In 2020, more than three in every twenty North East employees worked in health
- Manufacturing, education, retail and hospitality were each responsible for 9 to 10% of North East employment
- According to more up to date statistics for broader categories, North East employment in many service industries decreased between 2020 and 2021

Employment by industry sector in registered enterprises (% of total)
North East LEP area, 2020



Net change in employment by industry sector
North East LEP area, (Jan-Dec 2020 to Jan-Dec 2021)



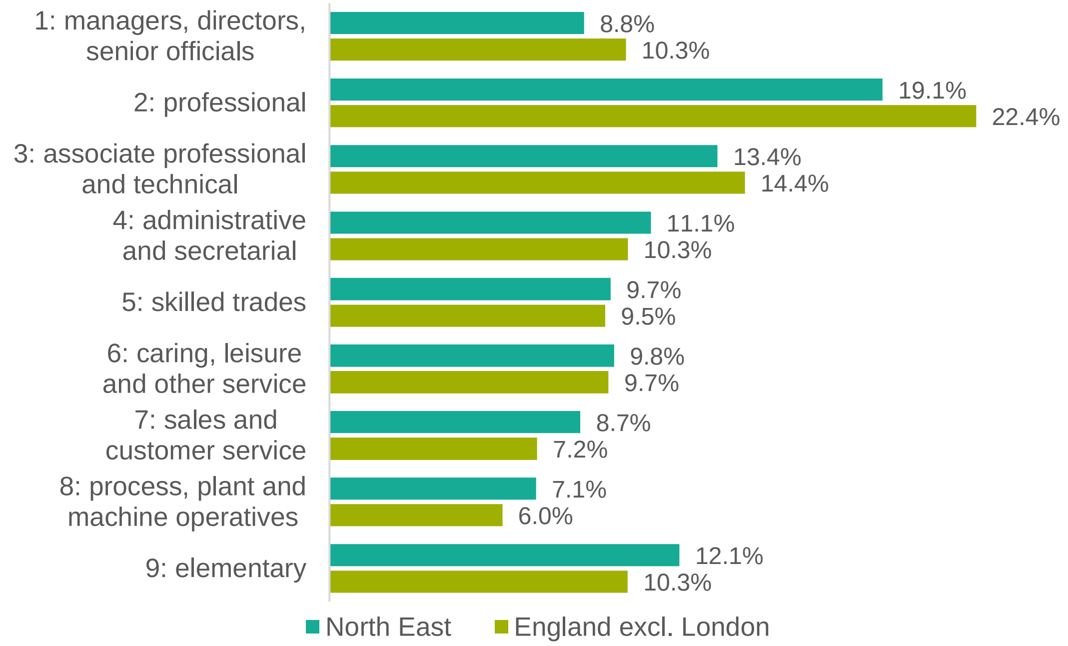
Sources: ONS Business Register Employment Survey (2020). This is a survey of VAT and PAYE registered enterprises and therefore excludes many self-employed workers.
ONS Annual Population Survey workplace analysis (Jan 2021-Dec 2021) including the self-employed

North East Evidence Hub

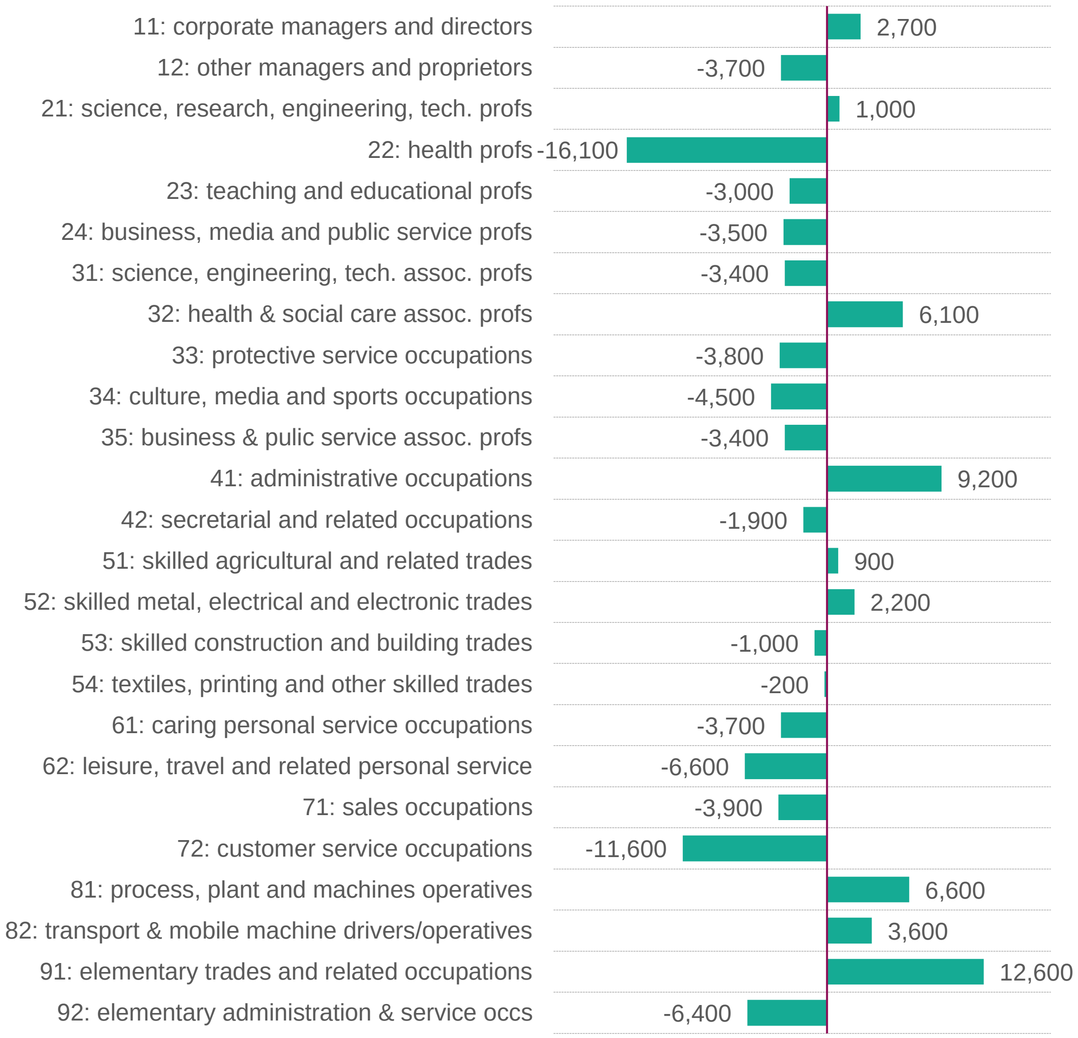
The North East has a smaller proportion of professional roles

- Over 41% of employment in the North East LEP area is within managerial, professional, associate professional and technical occupation groups
- However, this percentage is lower than for England excluding London (47%)
- Compared to year earlier, North East employment has decreased in eight of the eleven subgroups within these occupations, especially among health professionals

Employment by occupation group (% of total)
North East LEP area, England excluding London (Jan 21-Dec 21)



Net change in employment by occupation subgroup
North East LEP area, (Jan-Dec 2020 to Jan-Dec 2021)

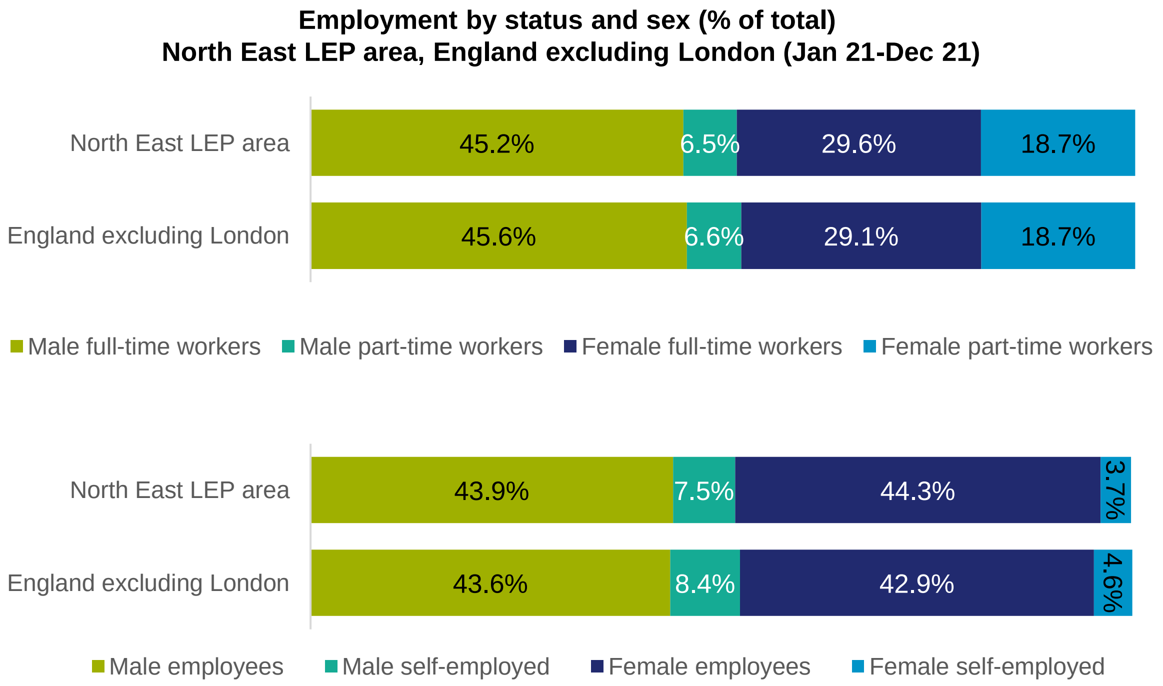


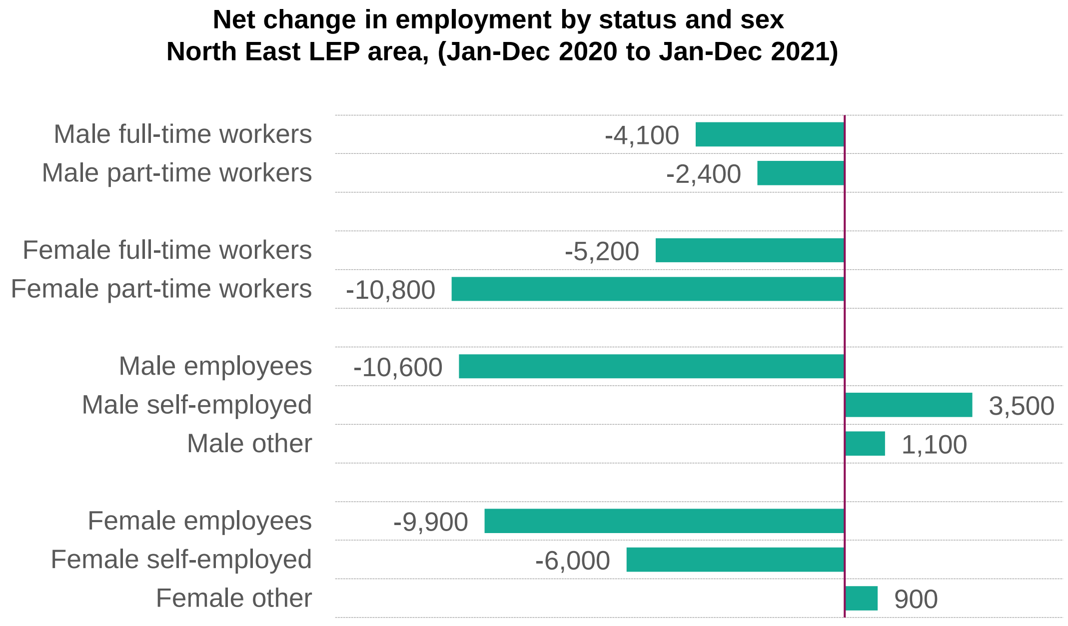
Source: ONS Annual Population Survey workplace analysis (Jan 21-Dec 21)

North East Evidence Hub

Self-employment makes up a smaller proportion of North East employment. Female part-time employment has fallen sharply in the most recent year.

- Females in the North East LEP area make up a slightly higher percentage of employed people than in England excluding London
- The split between full-time and part-time working is similar in both areas
- The North East has lower percentages of male and female self-employed workers
- Compared to year earlier, the number of female part-time workers in the North East has particularly decreased. Self-employment among males has risen slightly.





Note:
“Other” includes workers on government-supported programmes, and people doing unpaid family work

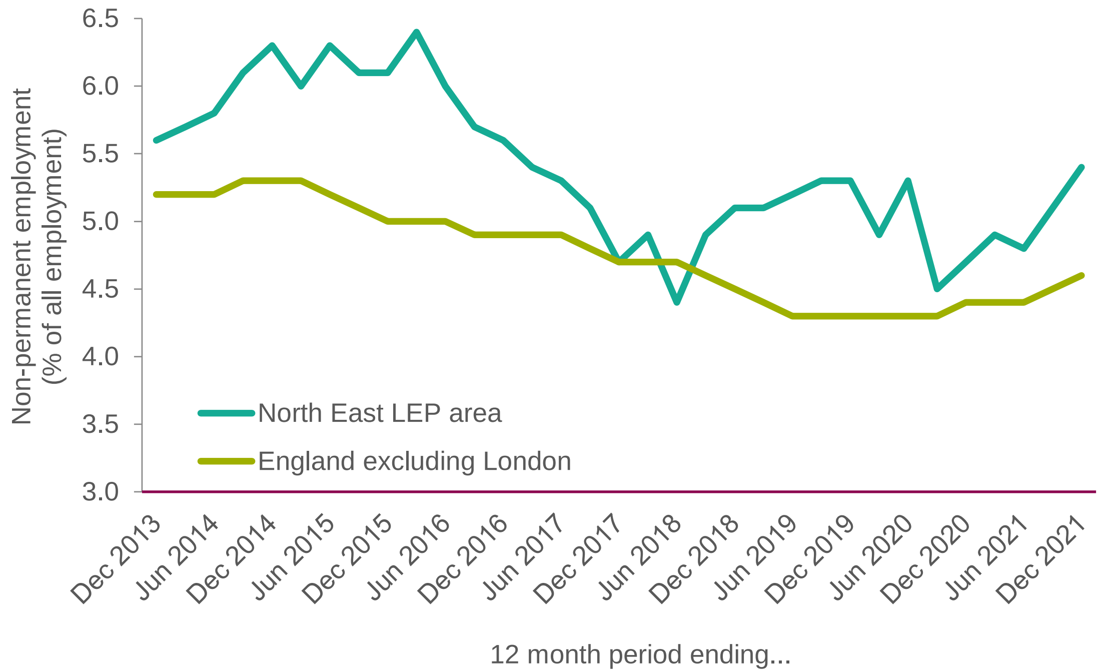
Source: ONS Annual Population Survey workplace analysis (Jan 21-Dec 21)

North East Evidence Hub

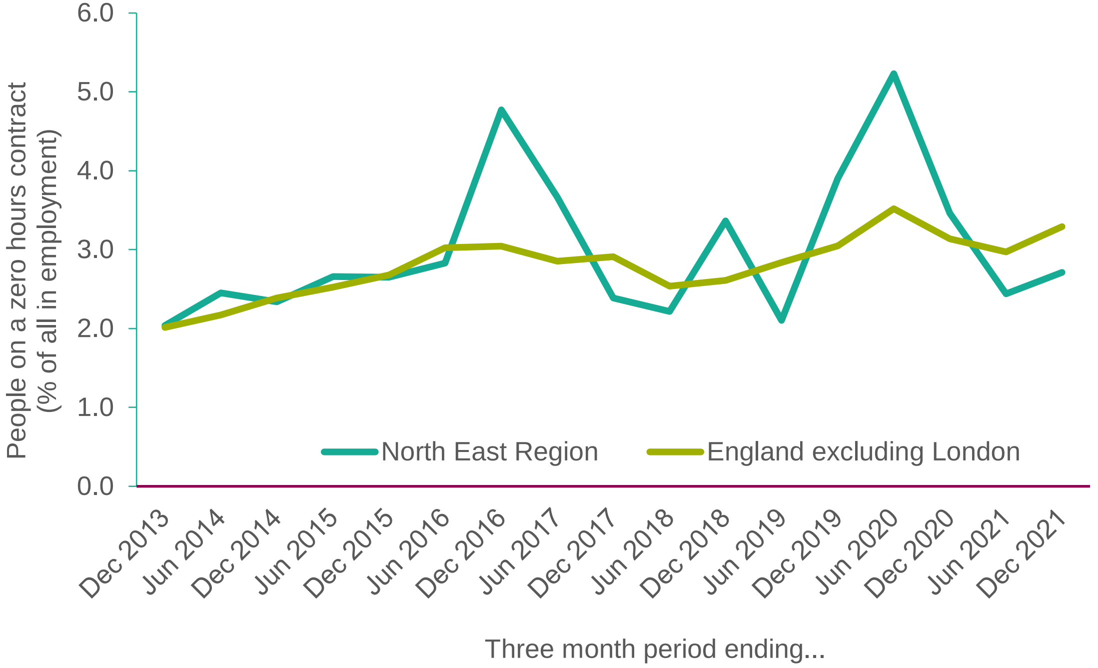
The North East has a higher percentage of workers in non-permanent employment than England excluding London. The rate has increased in the latest year.

- In January-December 2021, about 48,000 people in the North East LEP area were working in non-permanent employment
- This represented about 5.4% of all in employment, up from 4.7% a year earlier and higher than the rate for England excluding London (4.6%)
- In the last three months of 2021, about 32,000 people in the North East region were in employment on a zero-hours contract, about 2.7% of all in employment
- The North East region's rate was lower than that for England excluding London (3.3%) and was down from 3.5% a year earlier. (Note that regional data can be volatile)

Non-permanent employment (% of all employment)
North East LEP area, England excluding London



People employed on a zero hours contract (% of all in employment)
North East region, England excluding London



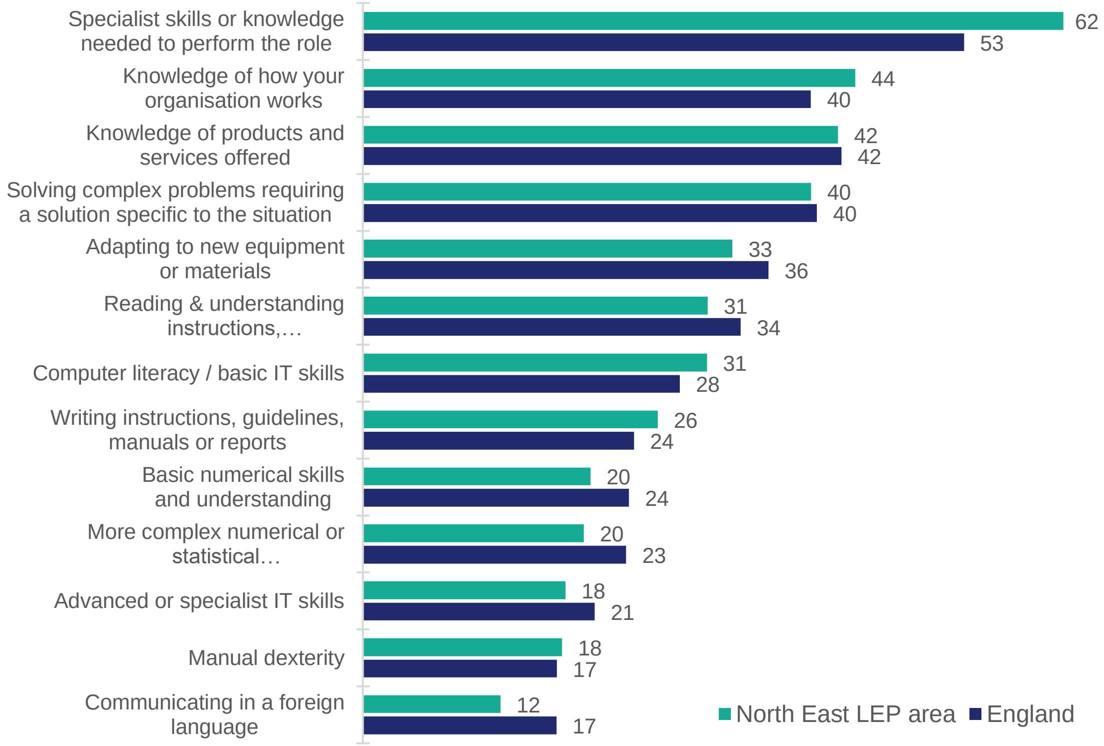
Sources: ONS Annual Population Survey workplace analysis (Jan 21-Dec 21), ONS EMP17: Labour Force Survey: zero-hours contracts data tables

North East Evidence Hub

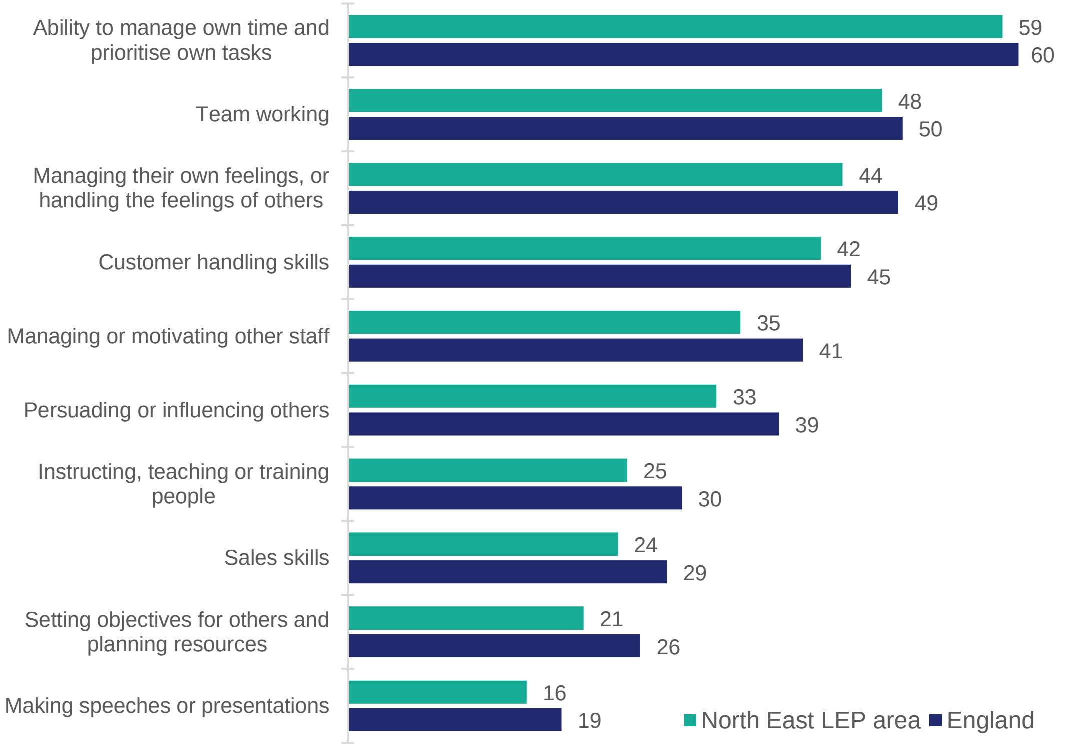
In 2019, North East employers reported a range of technical and soft skills gaps, with the largest gap compared to nationally being specialist skills or knowledge

- In the North East LEP area, the most mentioned technical or practical skill needing improvement was role-specific specialist skills and knowledge, cited in 62% of cases, a higher percentage than nationally (53%). Organisation-specific and product-specific knowledge; the ability to solve complex problems; adapting to new equipment or materials; using guidance; and basic IT skills were each mentioned in more than 30% of North East cases.
- The most mentioned people or soft skill in the North East was the ability to manage time and tasks, which needed development in 59% of cases. Team working, managing feelings and handling customers were each mentioned in more than 40% of cases. On the whole, these types of skills were less cited in the North East than nationally as requiring improvement.

Technical / practical skills that need improving in occupations with skills gaps (%), 2019



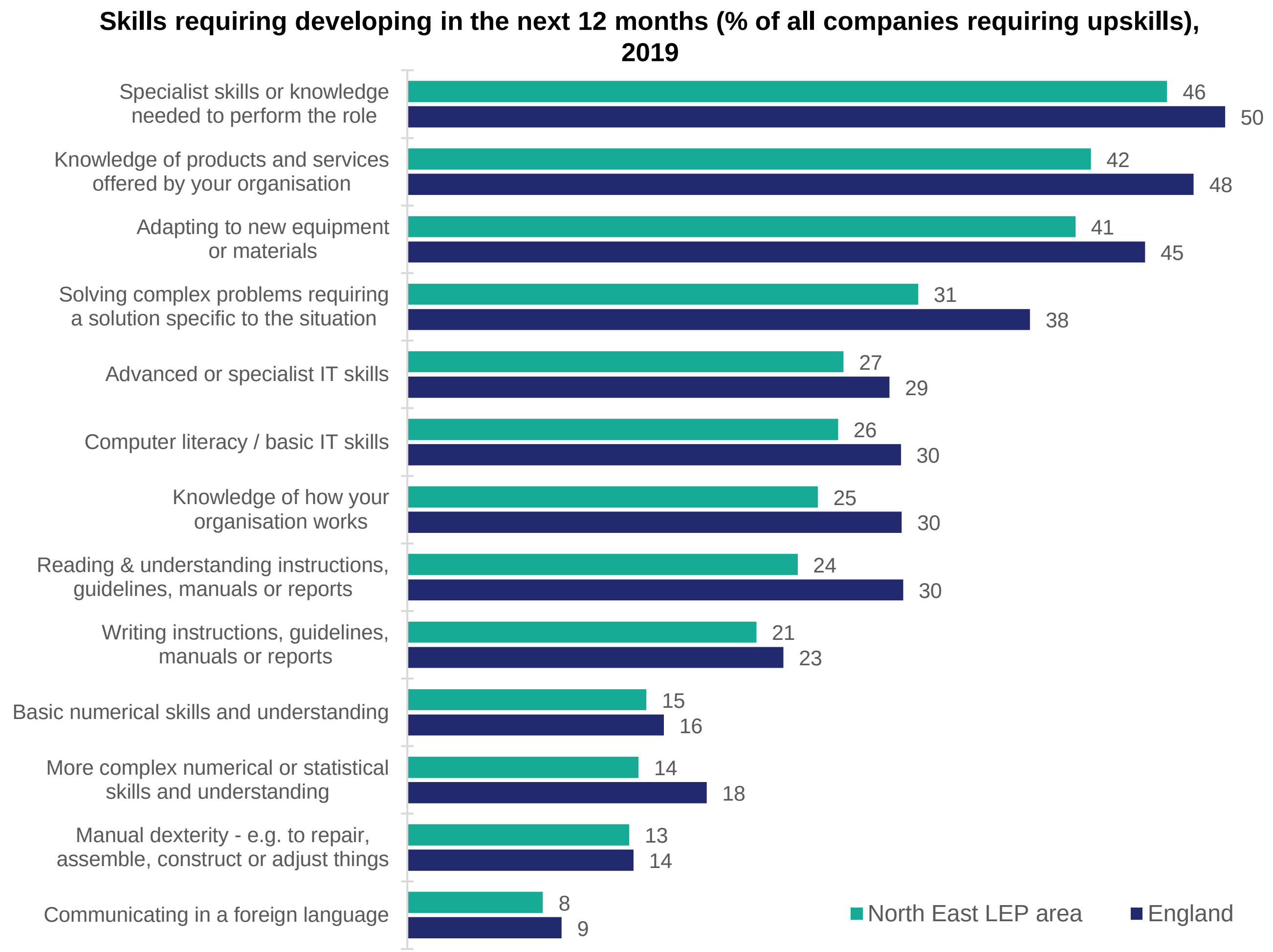
Soft/ people skills that need improving in occupations with skills gaps (%), 2019



Source: DfE Employer Skills Survey, 2019

North East Evidence Hub

In 2019, over three fifths of North East employers reported a need to upskill staff in the following 12 months



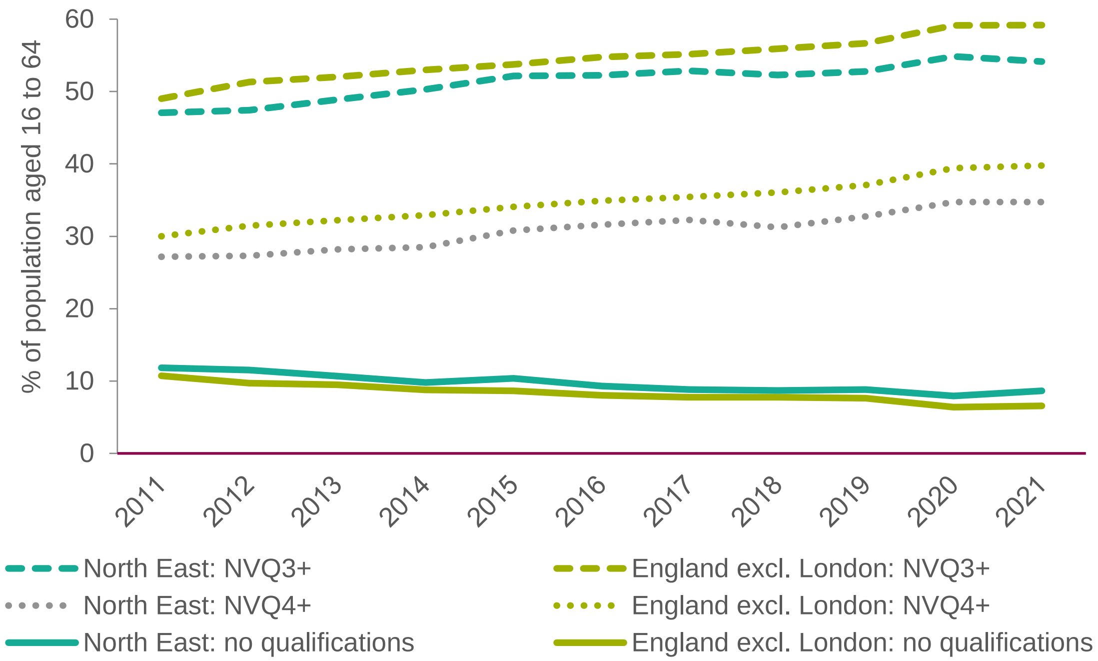
- In 2019, about 61% of North East establishments stated that there would be a need for upskilling in the following 12 months.
- Among these, the most cited skills that required development were role-specific specialist skills; product-specific knowledge; adapting to new equipment or materials; solving complex problems; and IT skills

Source: DfE Employer Skills Survey, 2019

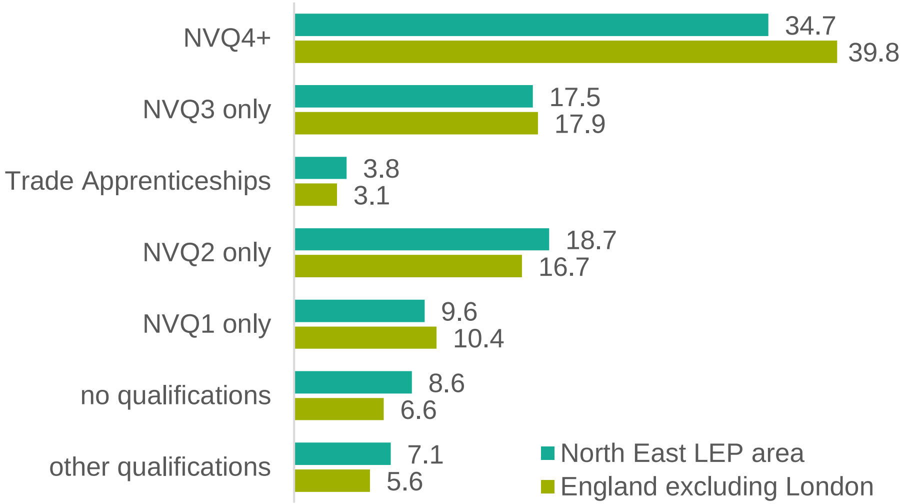
Progress addressing the lower qualifications profile than England has slowed

- The North East LEP area has a lower percentage of working age people educated to NVQ3+ level and to NVQ4+ level than England excluding London
- Recently, progress made in closing the gap between the North East and England excluding London has reversed
- The latest North East employment rate for those educated to degree level (NVQ4+) was more than twice that of people with no qualifications

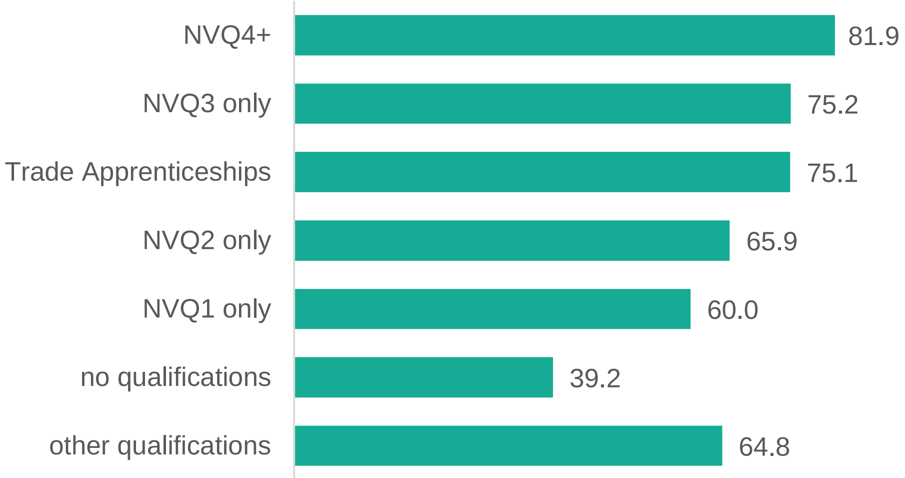
Population aged 16 to 64 by highest qualification level (%), 2011 to 2021
North East LEP area, England excluding London



Population aged 16 to 64 by highest qualification level (%), 2021
North East LEP area, England excluding London



Working age employment rate by highest qualification level,
North East LEP area, Jan-Dec 2021

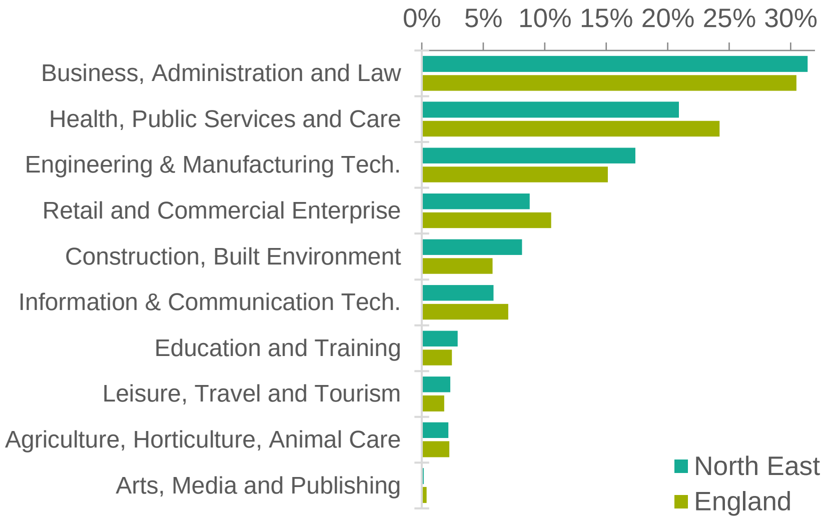


Source: Annual Population Survey (Nomis). Note: NVQ1 is equivalent to e.g. fewer than 5 GCSEs at grades A-C, NVQ2 is equivalent to 5 or more GCSEs at grades A-C, NVQ3 is equivalent to 2 or more A levels, NVQ4+ is equivalent to HND, degree level and higher degree level qualifications. Other Qualifications include foreign qualifications and some professional qualifications.

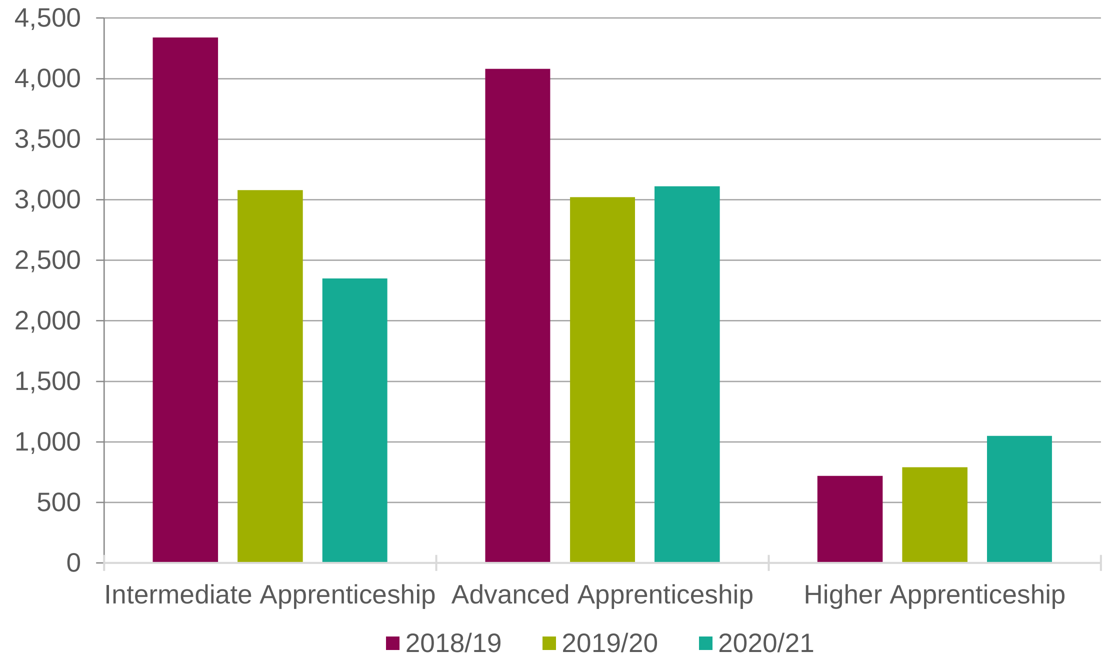
North East apprenticeship achievement totals have decreased during the past two years

- There were 6,510 apprenticeship achievements in the North East LEP area in 2020/21
- This is a lower total than in each of the two previous years, although the latest decrease was much smaller than in 2019/20 and included increases in the numbers of advanced and higher level apprenticeship achievements
- The latest breakdown of achievements by subject varied only slightly to England's

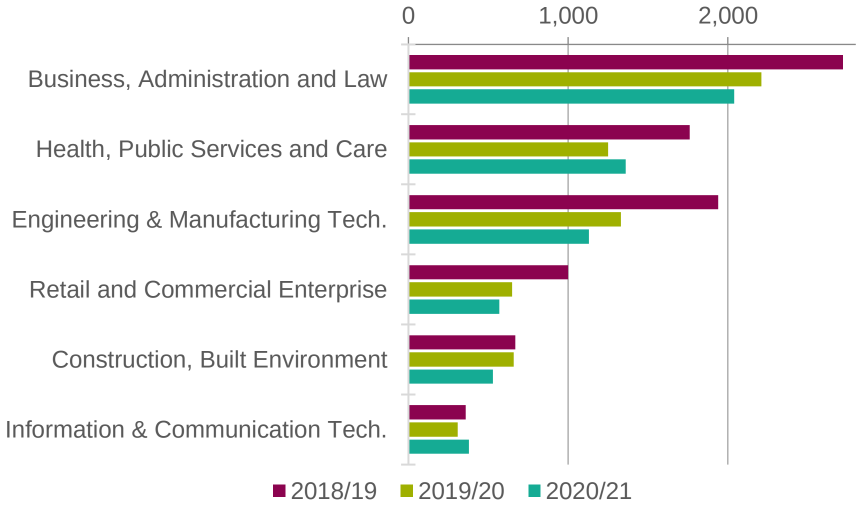
Apprenticeship achievements by subject (%), 2020/21
North East LEP area, England



Apprenticeship achievements by level, 2018/19 to 2020/21
North East LEP area



Apprenticeship achievements, five main subjects, 2018/19 to 2020/21
North East LEP area



Source: DfE

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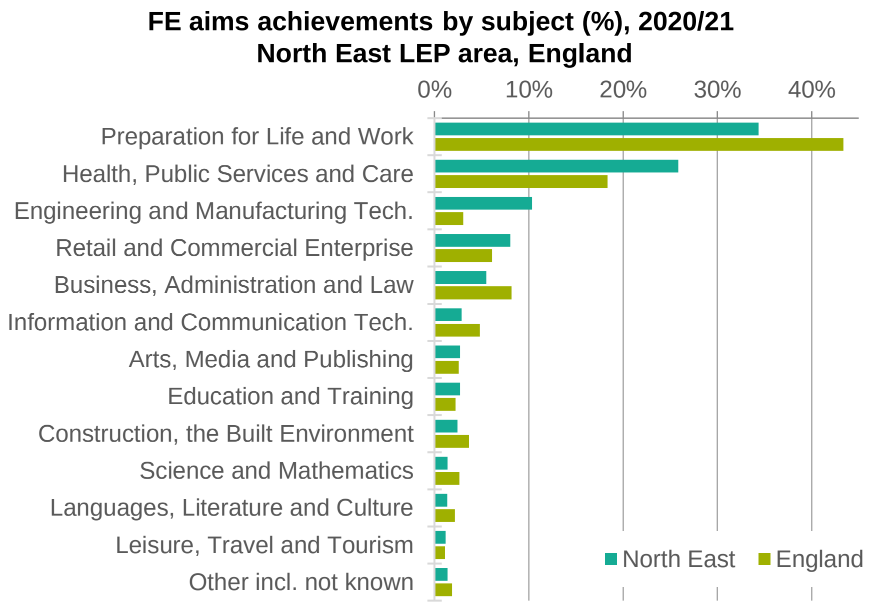
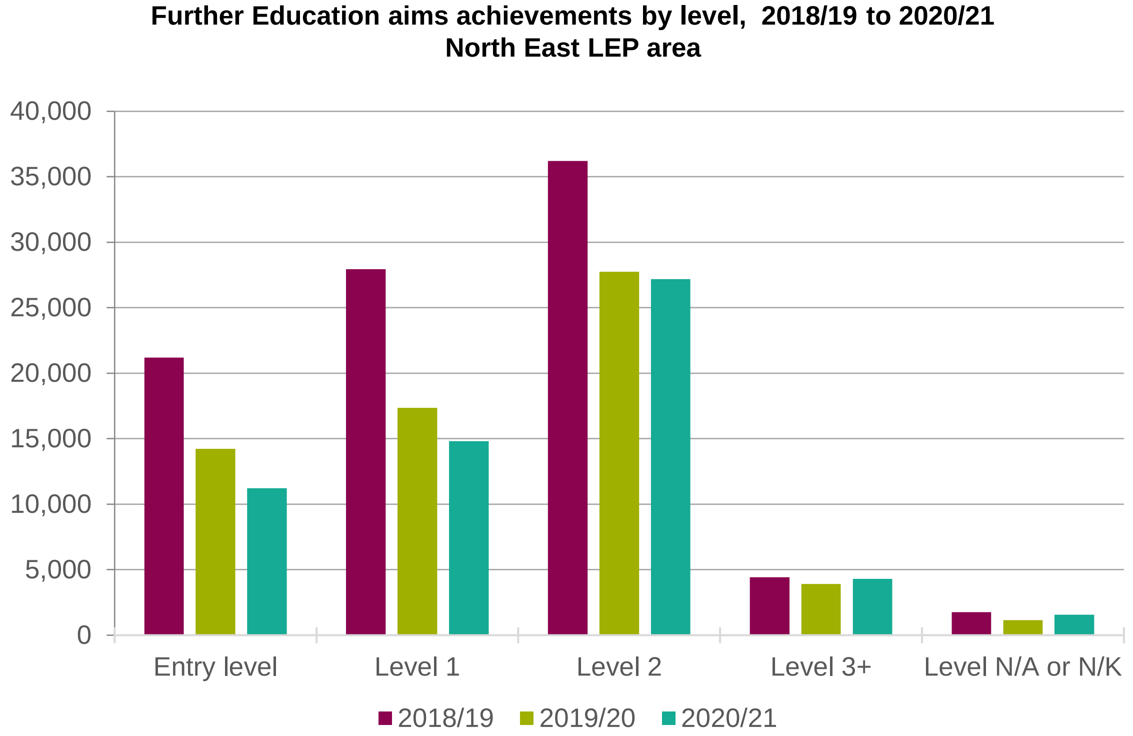
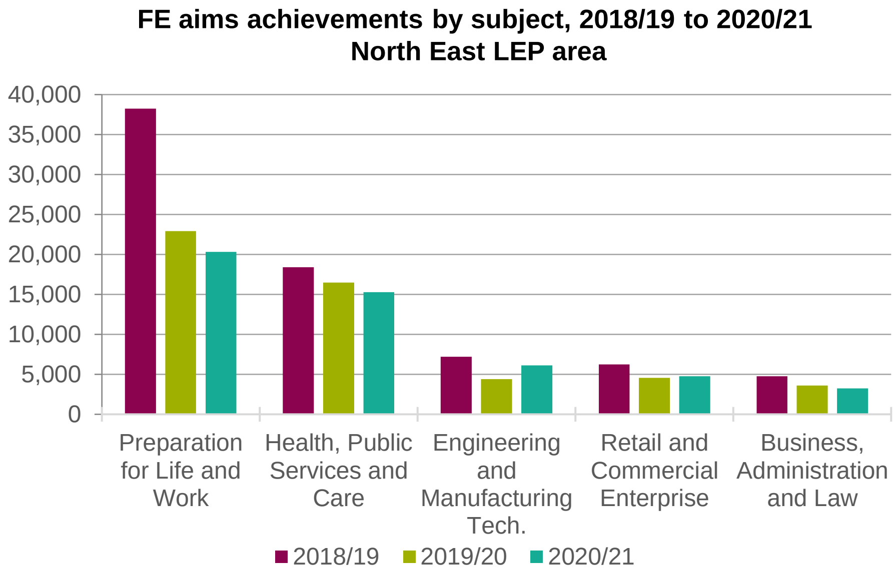
North East further education achievement totals have decreased during the past two years

- More than half of North East further education aims achievements in 2020/21 were in two subjects: preparation for life and work; and health, public services and care
- North East achievements in the former have almost halved in the past two years
- The fall in the number achievements has been faster in lower level courses





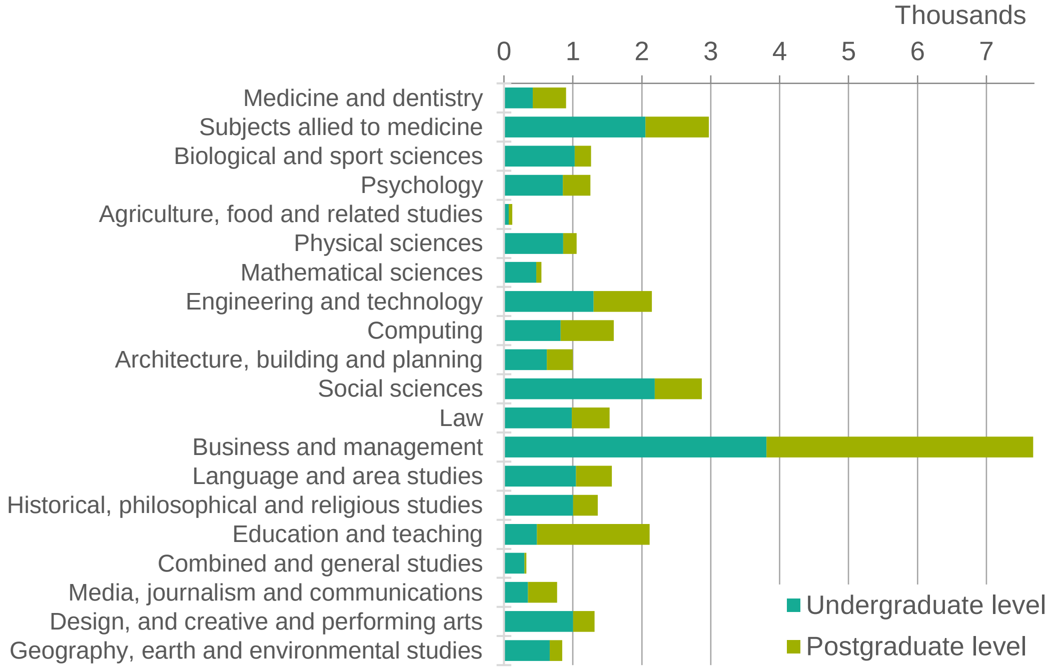


Source: DfE

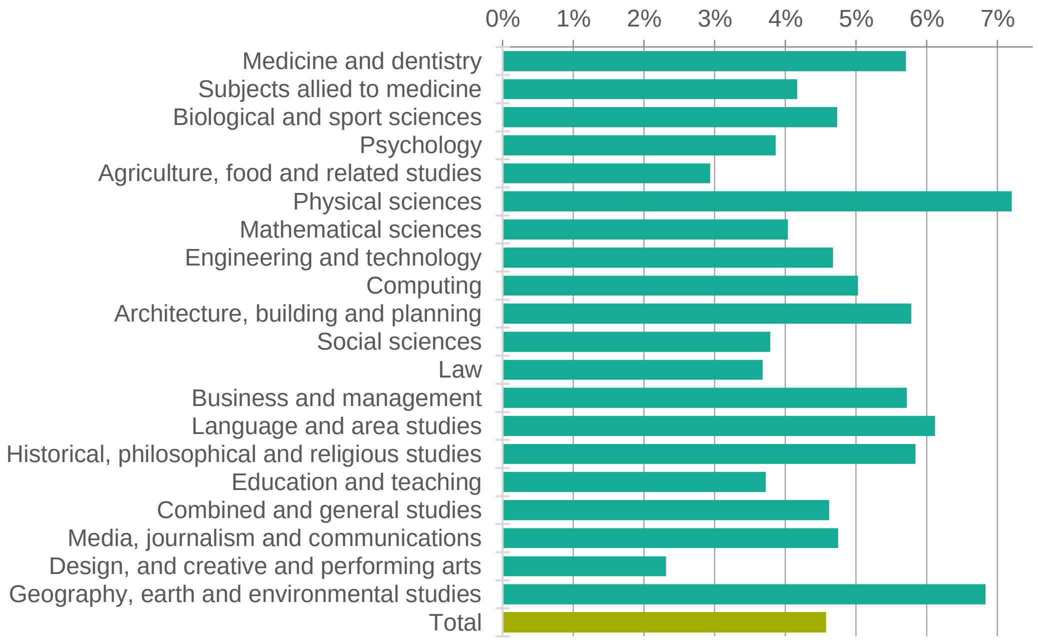
North East HE specialisms are focused in physical sciences and geography, earth and environmental studies

- Almost 7,700 higher education qualifiers from North East universities in 2020/21 were studying business and management subjects
- Subjects allied to medicine; social sciences; engineering and technology; and education and teaching each had over 2,000 qualifiers
- In percentage terms, the North East’s specialisms among England’s qualifiers are headed by physical sciences and geography, earth and environmental studies
- A further six subjects also had 5% or more of qualifiers in England

Higher education qualifiers by subject and level, 2020/21
North East LEP area universities



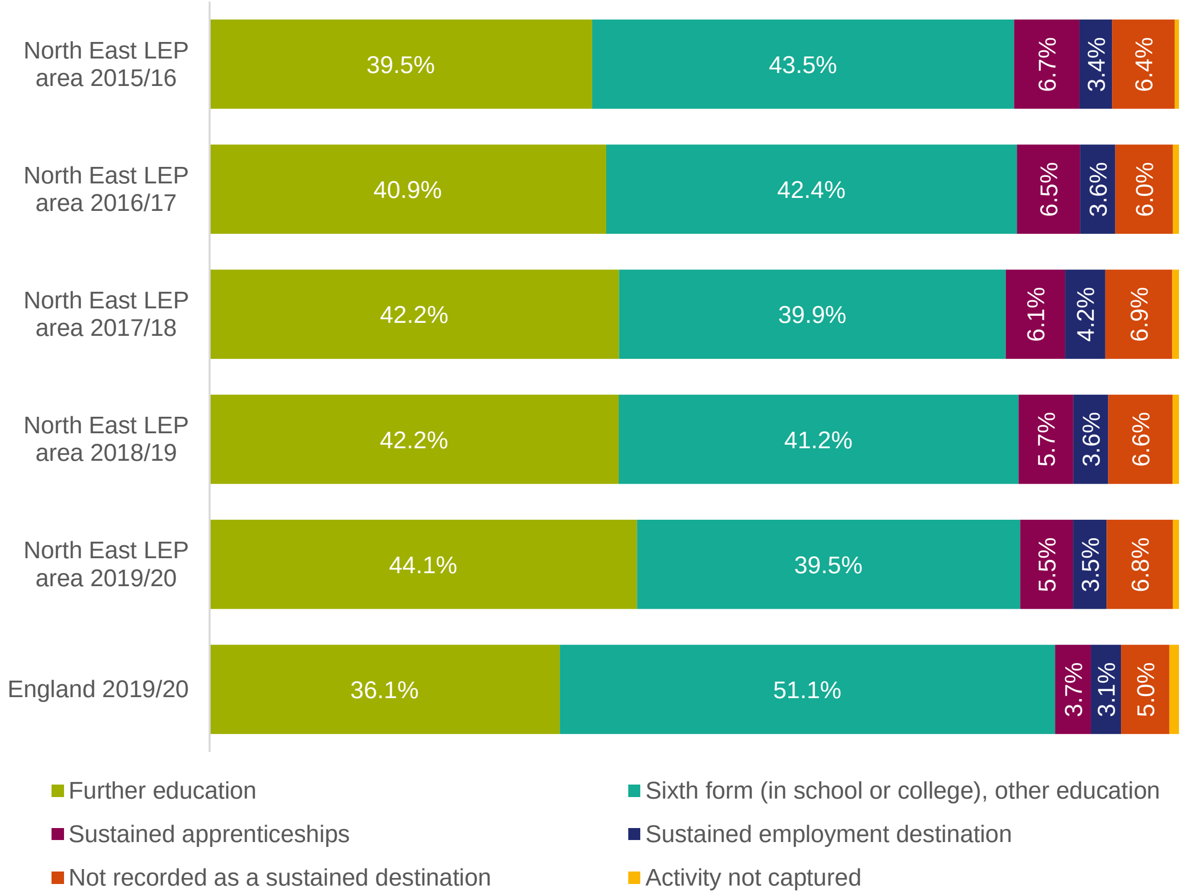
Higher education qualifiers by subject as a % of England total, 2020/21
North East LEP area universities



Source: HESA

In 2019/20, key stage 4 pupils in the North East were less likely to move into sustained education, apprenticeships or employment than nationally

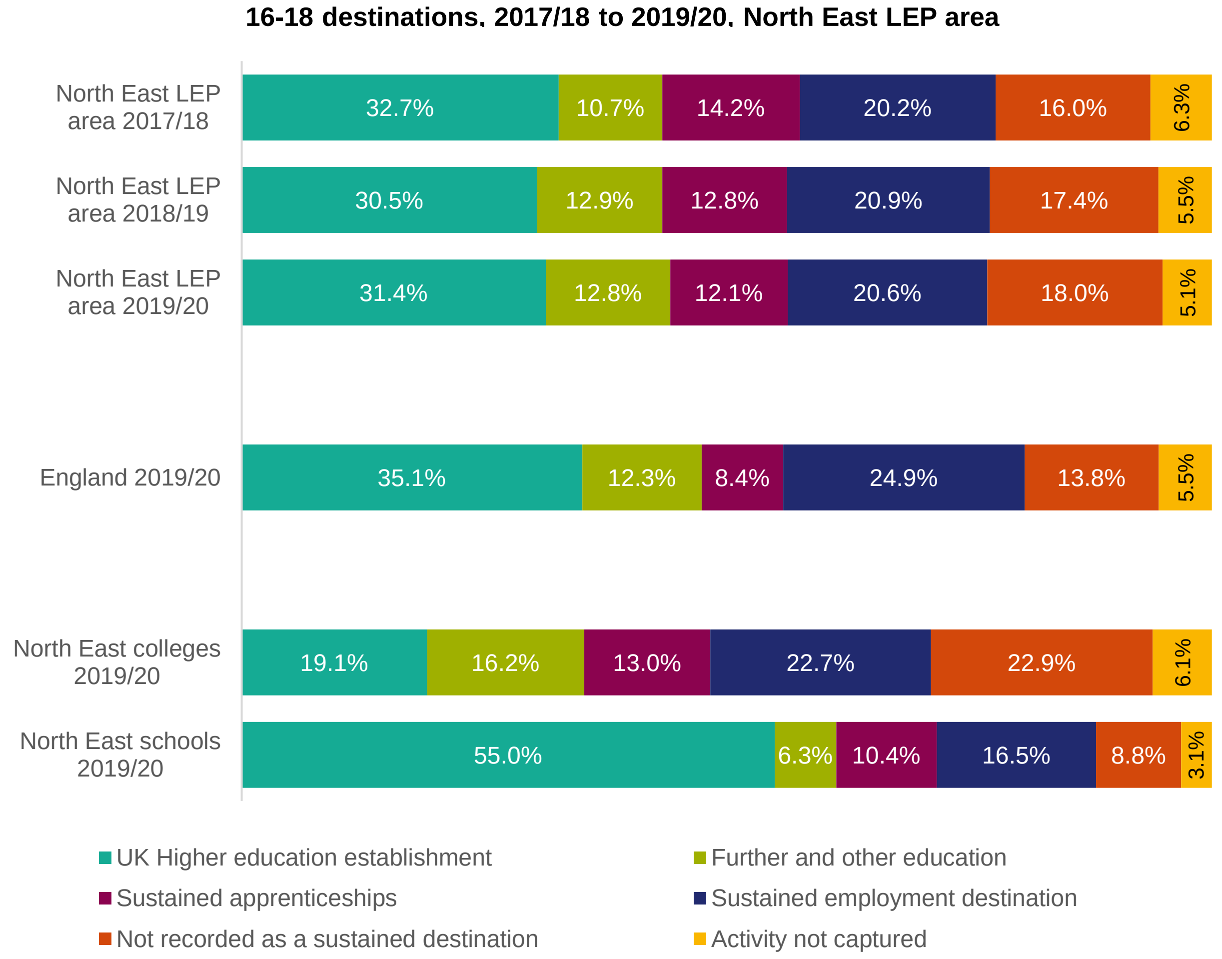
Destinations of Key Stage 4 pupils in state-funded mainstream schools, 2015/16 to 2019/20, North East LEP area



- 92.6% of the 2018/19 cohort from state-funded mainstream schools were in in a sustained education, apprenticeship or employment destination in 2019/20. This was lower than England as a whole (94%).
- The vast majority of the 2018/19 cohort were in a sustained education destination in 2019/20, with over 44% in further education and almost 40% in school sixth forms, sixth form colleges or other educational destinations
- The percentage in further education has increased in recent years and the latest was higher than the national percentage (36%). In contrast, the latest percentage in sixth form and other education was lower than nationally (51%) and had decreased since 2015/16. The North East had a slightly higher percentage of the 2018/19 cohort in school sixth forms than nationally (38% compared to 37%) but the percentage in sixth form colleges was much lower (1% compared to 13%)
- The North East had a higher percentage of the 2018/19 cohort in sustained apprenticeships in 2019/20 than nationally (5.5%, compared to 3.7%) and a higher percentage in sustained employment (3.5%, compared to 3.1%)
- The percentage in the North East in sustained apprenticeships had decreased in each of the most recent four years. The percentage in sustained employment had decreased in both of the most recent two years.

Source: DfE

Just over three quarters of students finishing 16-18 study moved into sustained education, an apprenticeship or employment

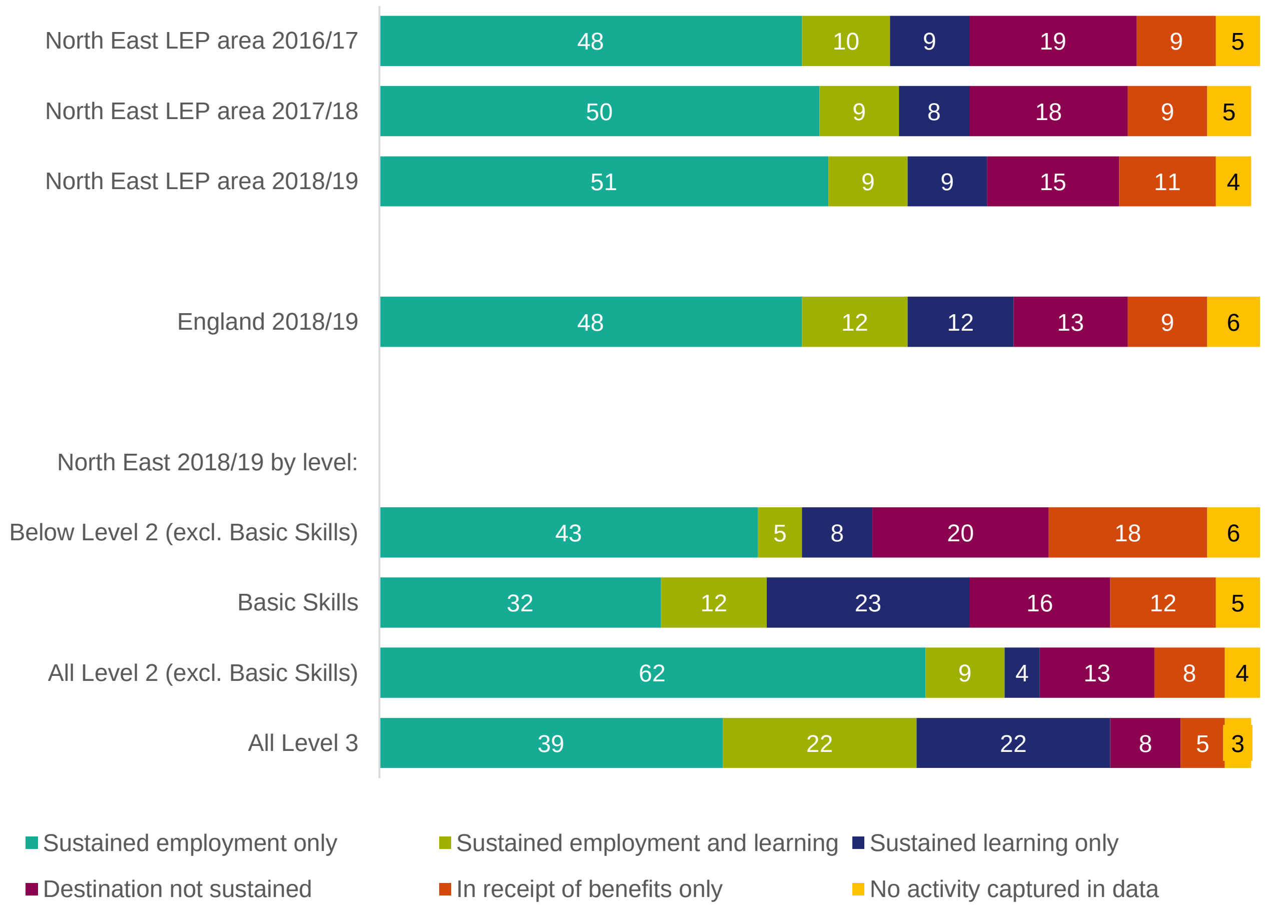


- 76.9% of students who reached the end of 16 to 18 study in state-funded schools and colleges in 2018/19 had a sustained education, apprenticeship, or employment destination in the following year
- This percentage was lower than that for England as a whole (80.7%) and was slightly lower than the percentages for the 2016/17 and 2017/18 cohorts in the North East (77.7% and 77.1%, respectively)
- About 44.2% of North East pupils in the latest data were in sustained education, compared to 47.4% across England as a whole. The North East had a lower percentage of pupils at UK higher education (HE) establishments than nationally (31.4%, compared to 35.1%). It had a higher percentage of pupils in further education and other education (12.8%, compared to 12.3%)
- The North East had a higher percentage of pupils in sustained apprenticeships than nationally (12.1%, compared to 8.4%) but a lower percentage in sustained employment (20.6% compared to 24.9%) •
- Pupils from North East state-funded schools were more likely to be in sustained education, apprenticeships or employment than those from state-funded colleges (88.1%, compared to 71.1%). Compared to schools, a higher proportion of students leave colleges having taken mainly qualifications at level two and below. These students tend to have lower prior attainment which is related to their likelihood of sustaining an education destination.

Source: DfE

51,000 adult learners achieved an education or training course in the North East LEP area, in 2018/19

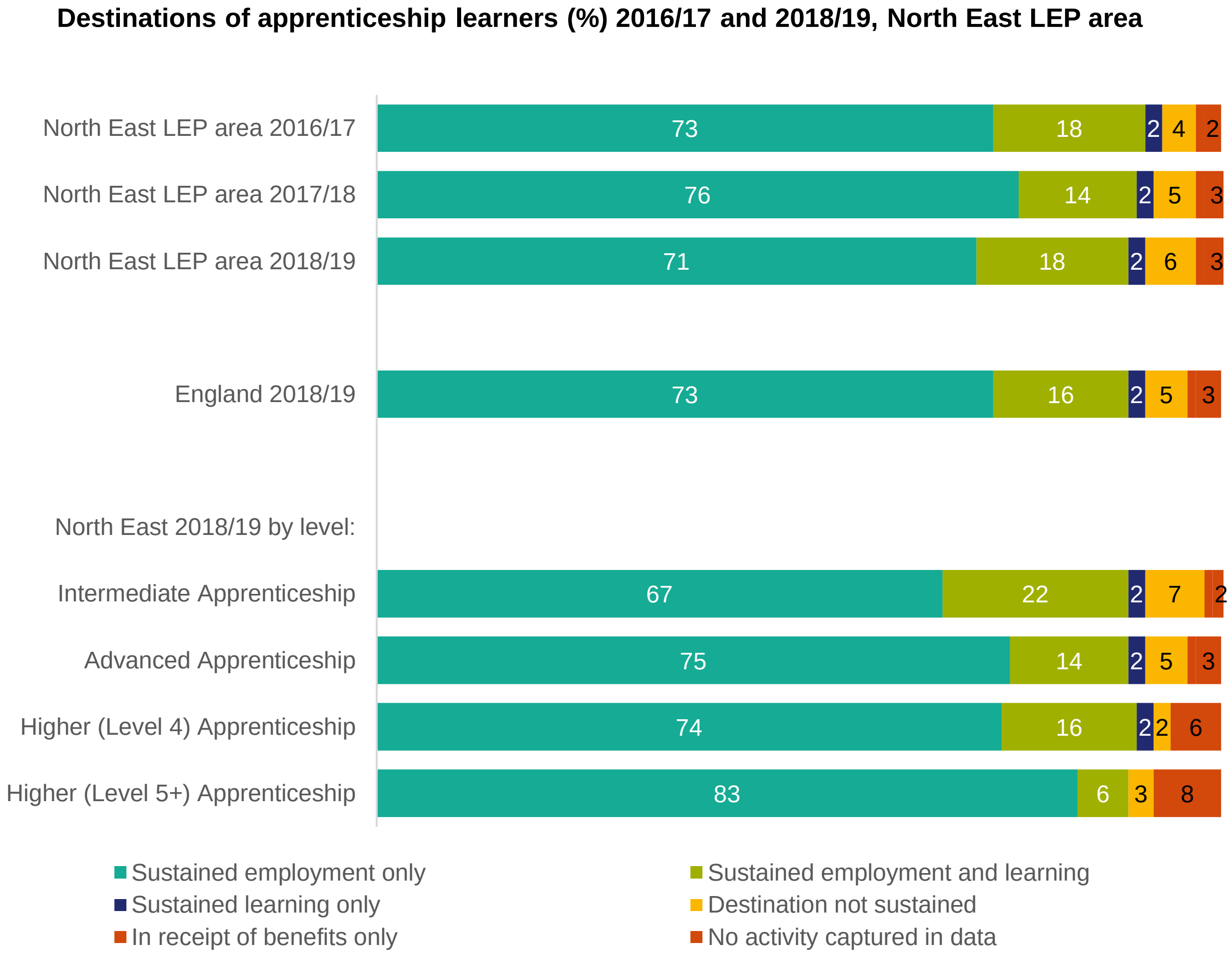
Destinations of education and training learners (%) 2016/17 and 2018/19, North East LEP area



- In 2018/19 about 51,000 adult learners achieved an education and training course as their highest learning aim. Education and training is mainly classroom-based adult further education that is not classed as an apprenticeship or community learning. It can also include distance learning or e-learning
- About 69% of these learners had a sustained destination into either employment or learning, or both in the following year. 60% went into sustained employment and 18% went into sustained learning, with these totals both including 9% that combined employment and learning
- The percentage with a sustained destination was higher than that for the 2017/18 cohort, which, in turn was higher than a year earlier. This was driven by a two percentage point increase in the proportion going into sustained employment
- Nationally, 72% of the 2018/19 cohort of learners had a sustained employment or learning destination. The North East had a similar percentage going into sustained employment to England as a whole, but a smaller percentage going into sustained learning
- The percentage with a sustained destination varied by the level of education and training. At level three, around 84% of learners went into sustained employment or learning while below level two (excluding basic skills learners) this was true for only 56%. Learners at level two (excluding basic skills) were most likely to go into sustained employment (71%) while level three learners and those studying basic skills were most likely to go into sustained education (44% and 34%, respectively).

Source: DfE

Approximately 9,000 learners achieved an apprenticeship in the North East LEP area during 2018/19

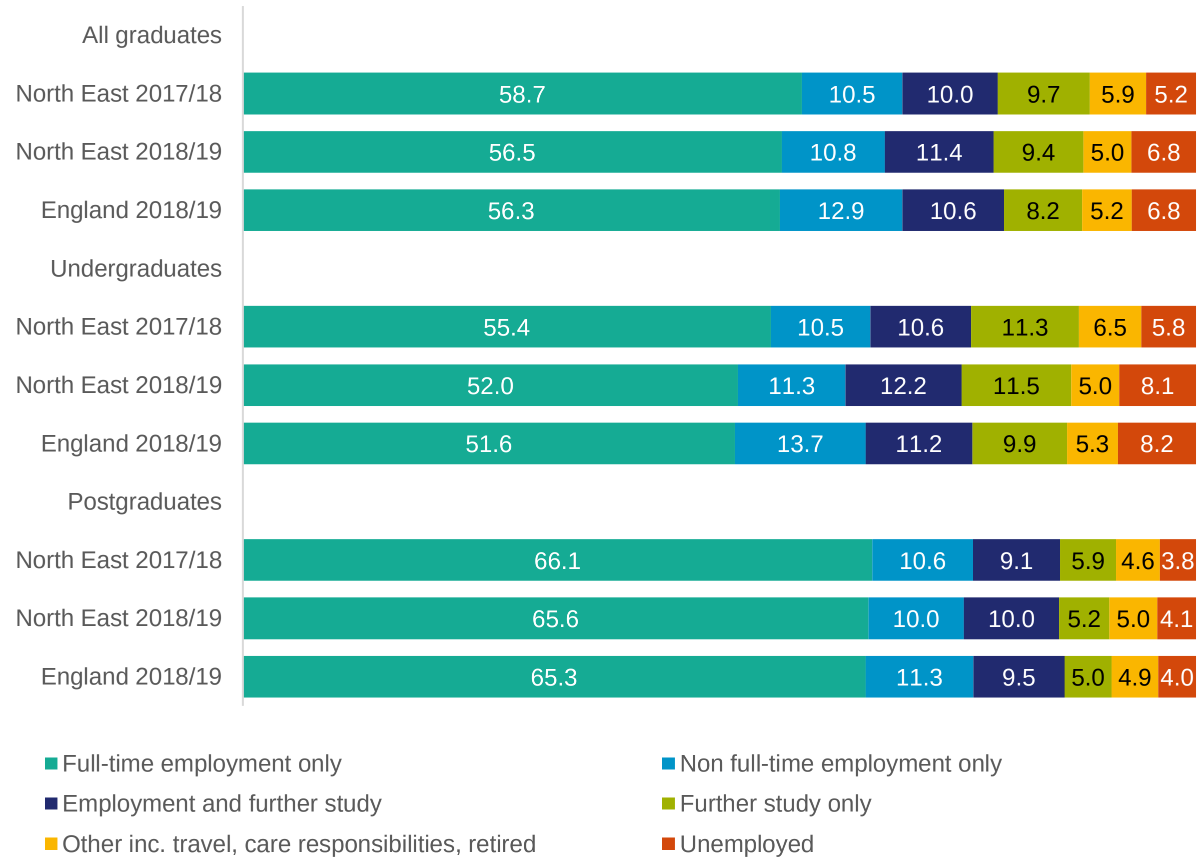


- In 2018/19, just over 8,900 learners achieved an apprenticeship as their highest aim. Apprenticeships are paid jobs that include an off-the-job programme of learning
- About 91% of these learners had a sustained destination of employment, learning or both in the following year. 71% went into sustained employment only, 2% went into sustained learning only and 18% combined employment and learning
- The percentage with a sustained destination was one percentage point lower than that for the 2017/18 cohort. This change was driven by a five percentage point decrease in the proportion going into sustained employment only, although this was almost completely offset by a four percentage point increase in the proportion going into combined employment and education
- The North East's percentage with a sustained destination was the same as that for England as a whole. Nationally, a larger percentage went into sustained employment only, with a smaller percentage going into combined employment and learning
- The total percentage going into sustained employment varied little by level of apprenticeship, ranging from 89% to 90%. However, the proportions going into employment that was not combined with learning were more variable. They ranged from 67% among those achieving the lowest level of apprenticeship to 83% among those achieving the highest.

Source: DfE

North East graduates in 2018/19 were less likely to be working full-time than 2017/18 equivalents, and more likely to be combining employment with study or be unemployed

Graduate destinations, North East LEP and HE institutions, North East LEP area



- Almost 79% of graduates from HE institutions in the North East who responded were in employment 15 months after graduation, including over 11% combining employment with further study. The England percentage (almost 80%) was slightly higher but North East graduates were slightly more likely to be in full-time employment
- Almost 21% of North East graduates were in further study, a higher proportion than nationally (almost 19%). In both cases, more than half were combining study with employment
- About 6.8% of North East graduates were unemployed with a further 5% not participating in the labour market for non-study reasons (e.g. caring roles, travel or retirement). These percentages were similar to the national equivalents
- The latest survey was only the second but responses show differences in destinations, possibly due to the impact of COVID on the economy. North East graduates in 2018/19 were less likely to be working full-time than the 2017/18 equivalents. They were more likely to be combining employment with study or to be unemployed
- Almost 86% of 2018/19 North East postgraduate qualifiers were in employment 15 months later, compared to just over 75% of undergraduate qualifiers. The latter were more likely to be undertaking further study and were also almost twice as likely to be unemployed.

Source: Graduate activities by provider (HESA Graduate Outcomes Survey)
Notes: This is an annual survey that asks about activities 15 months after graduation. The latest survey interviewed graduates from the 2018/19 academic year, with most of the interviews taken place during the COVID pandemic

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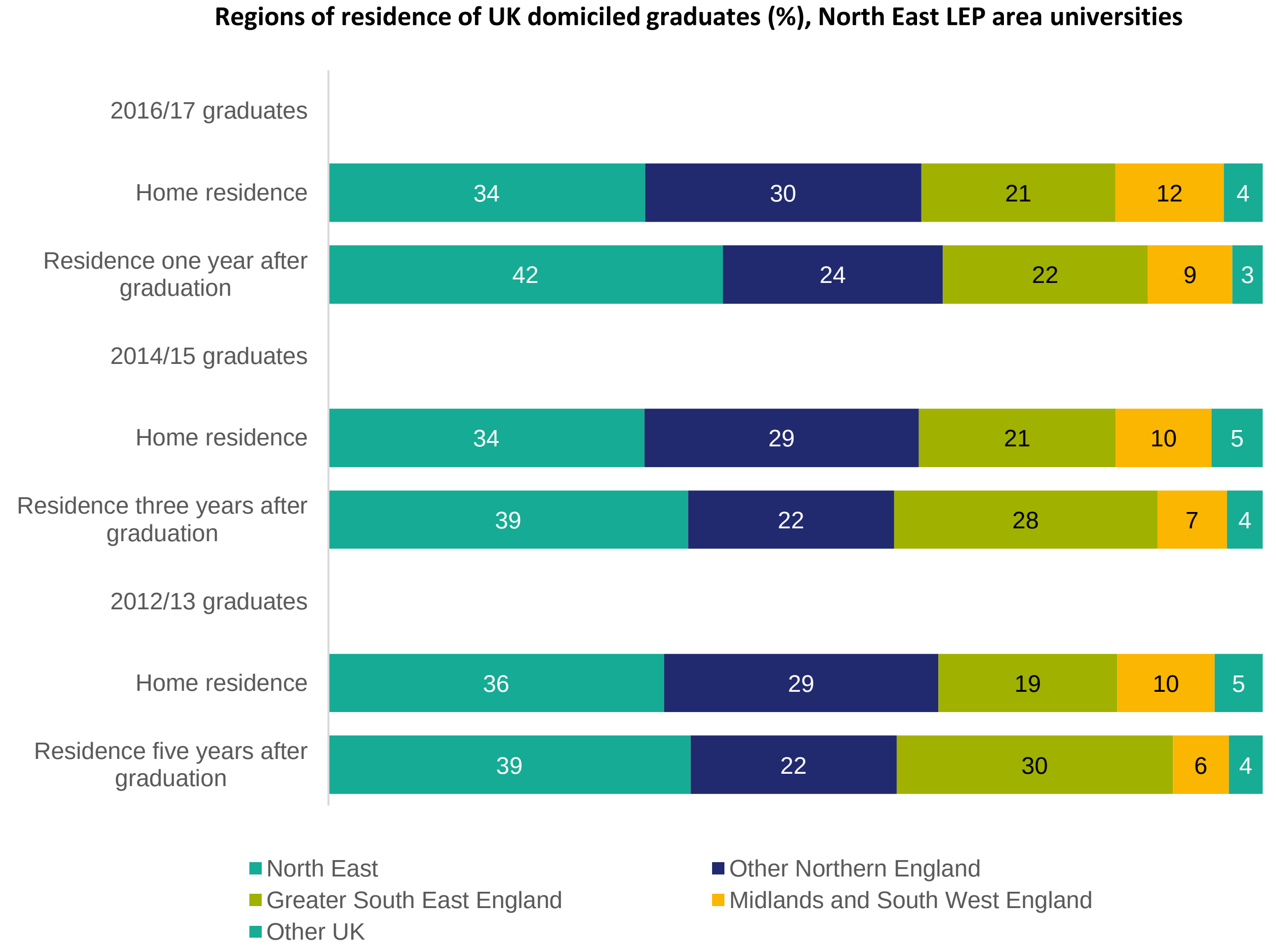
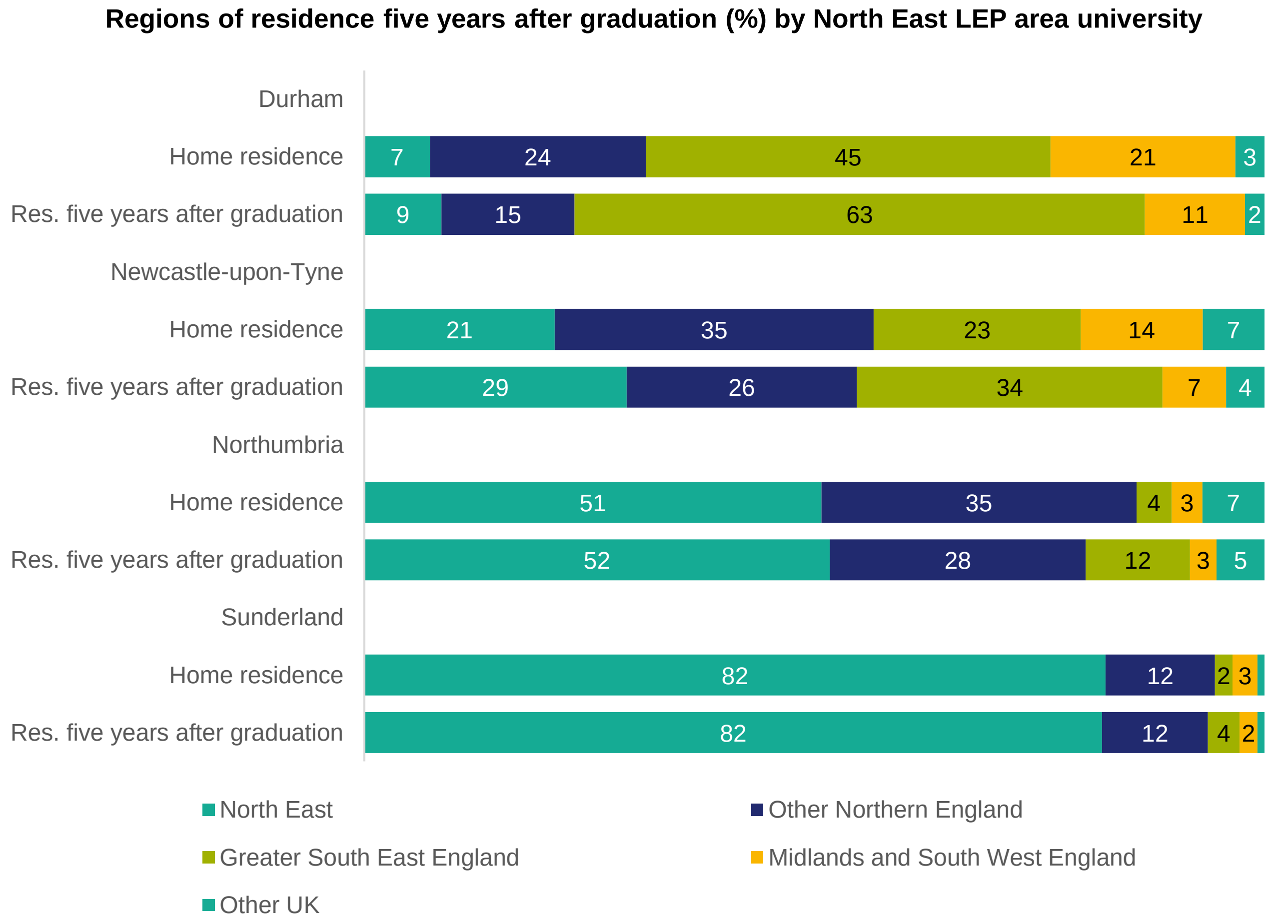
Approximately 40% of graduates from the four regional universities were still living in the North East



- Five years after graduation, just under two fifths (39%) of graduates from the four universities in the North East LEP area were still living in the North East region. This was slightly higher than the percentage that had a home residence in the region prior to study (36%)
- About 30% of the graduates were living in London, the South East and East of England (the "Greater South East"), about 11 percentage points higher than the proportion before study. Comparing the cohorts of 2014/15 and 2016/17 graduates suggests that much of the movement to the "Greater South East" took place between the first and third year after graduation

Source: Graduate outcomes (LEO) full cycle movement underlying data (DfE)
Note: North East region includes North East and Tees Valley LEP areas, "Other Northern England" includes North West and Yorkshire and the Humber regions. "Greater South East" includes London, South East and East of England. Labels show rounded percentages, chart displays unrounded data

Regional residency of graduates five years after graduating varies greatly by North East University

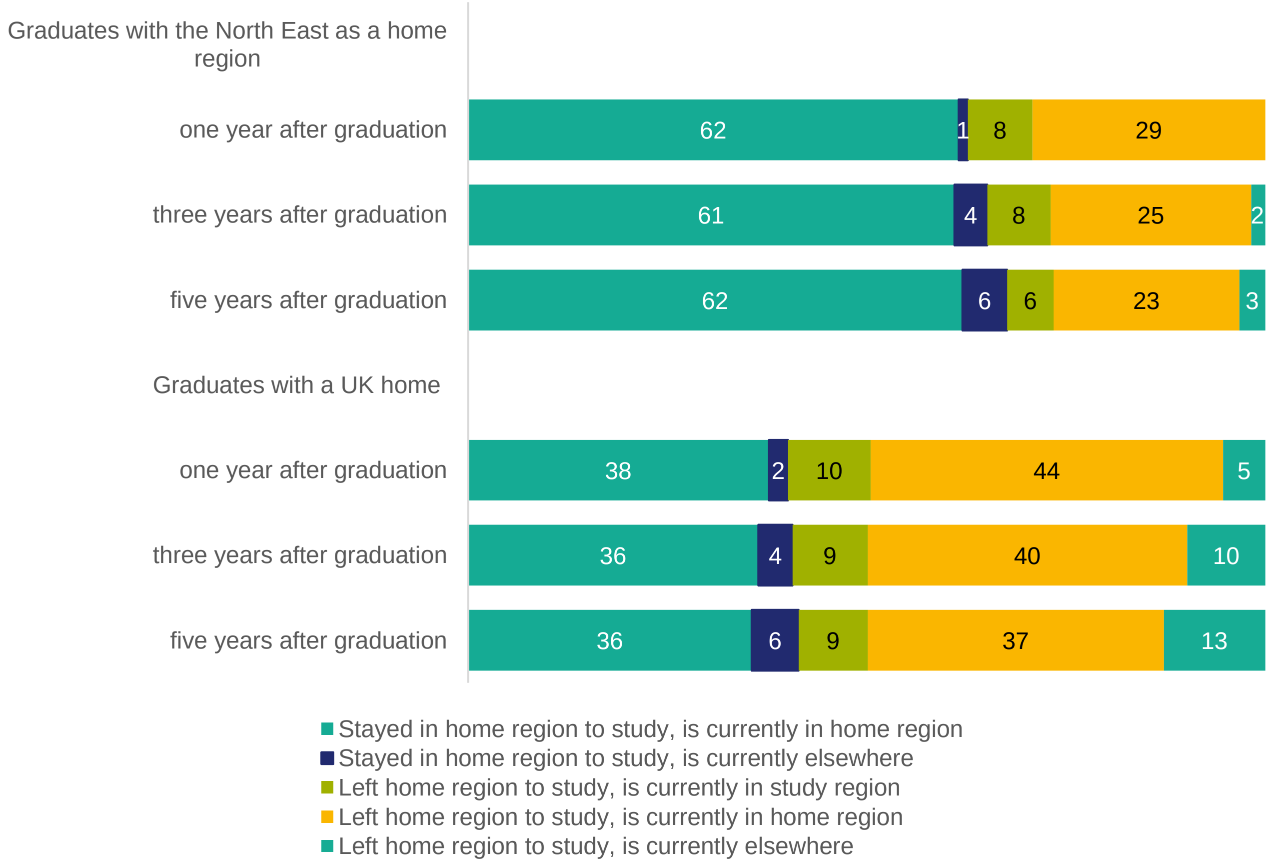


- The regions of residence of graduates five years after graduation varied greatly by North East university. About 82% of graduates from Sunderland were in the North East region, compared just 9% from Durham, 29% from Newcastle and 52% from Northumbria. These percentages were similar to or slightly higher than the percentages of graduates with a home in the region, except in Newcastle where there was an eight percentage point net increase
- Graduates from Durham were more likely to have originated in the Greater South East than in the three northern regions of England and much more likely to be living there five years after graduation. For each of the other three universities, more than half of graduates originated in the North of England and more than half were living in the north five years after graduation

Source: Graduate outcomes (LEO) full cycle movement underlying data (DfE) Note: North East region includes North East and Tees Valley LEP areas, "Other Northern England" includes North West and Yorkshire and the Humber regions. "Greater South East" includes London, South East and East of England. Labels show rounded percentages, chart displays unrounded data

Higher education students from the North East are more likely to study here and more likely to be living here five years after graduation

Regions of study and residence (%), graduates originating in the North East region and UK



- Over three fifths of graduates with a home in the North East region had studied in the region. Nationally, less than two fifths of graduates studied in their home region.
- Five years after graduation about 85% of graduates originating in the North East region were living in the region. Almost two thirds of these had studied in the North East. Nationally, about 73% of graduates were in their home region, with less than half of this percentage being graduates who had studied in their own region.

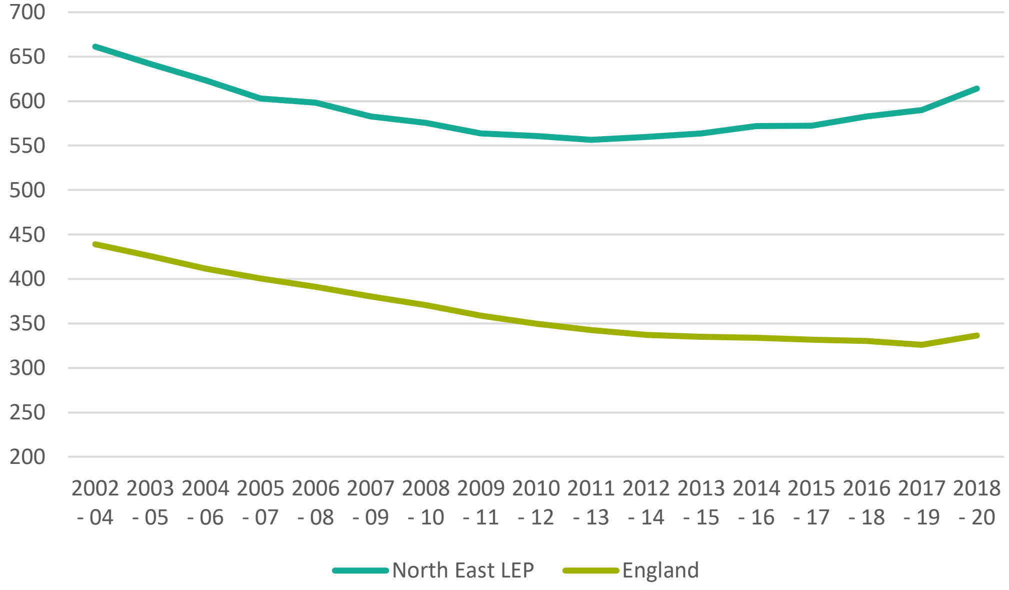
Source: Graduate outcomes (LEO) full cycle movement underlying data (DfE)
Note: North East region includes North East and Tees Valley LEP areas. It includes Teesside University as well as the four universities

North East Evidence Hub

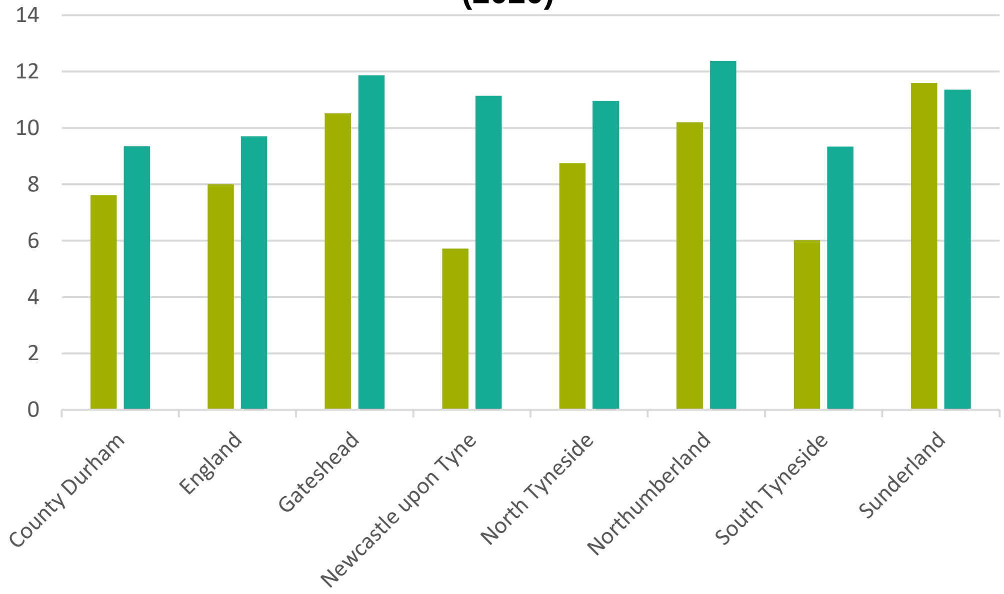
The North East experiences poor health outcomes compared to nationally, and there is considerable variation within the LEP too

- Pre-mature mortality rates have increased during COVID-19, but the North East was already seeing increasing mortality since 2011-13.
- The North East has lower than average life expectancy at birth than the England average for both genders.
- The variance in life expectancy between the most and least deprived wards is greatest for males in Northumberland an average of 12.3 years.

Under 75 mortality rate from all causes per 100,000 of the population



Difference in average life expectancy at birth between LSOAs in the highest and lowest decile per local authority and sex (2020)

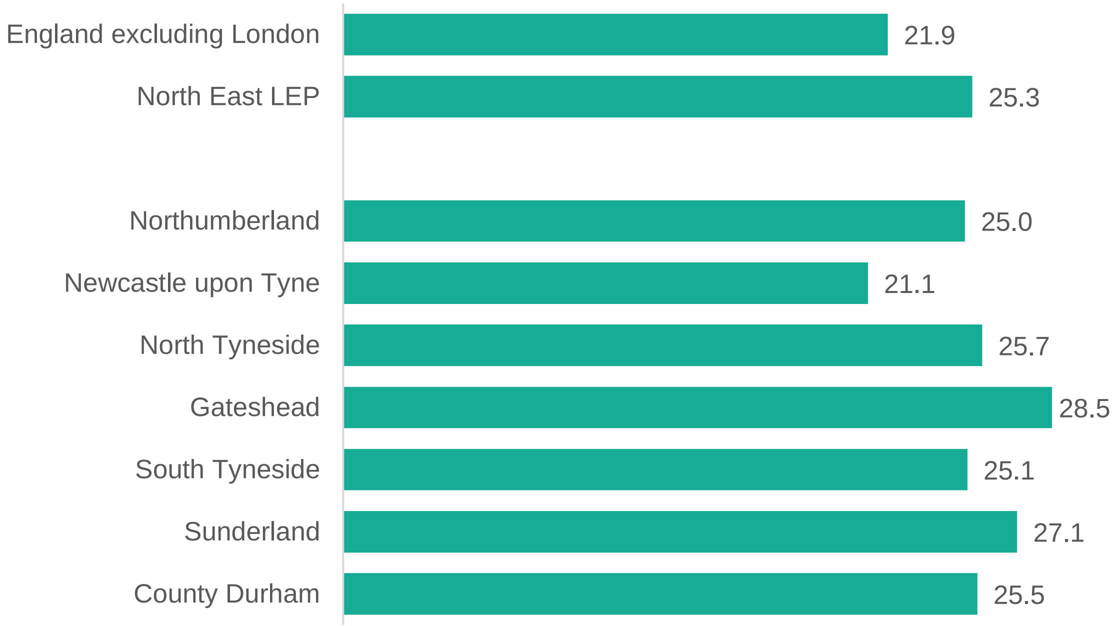


Sources: Public Health England Fingertips, Local authority health profiles

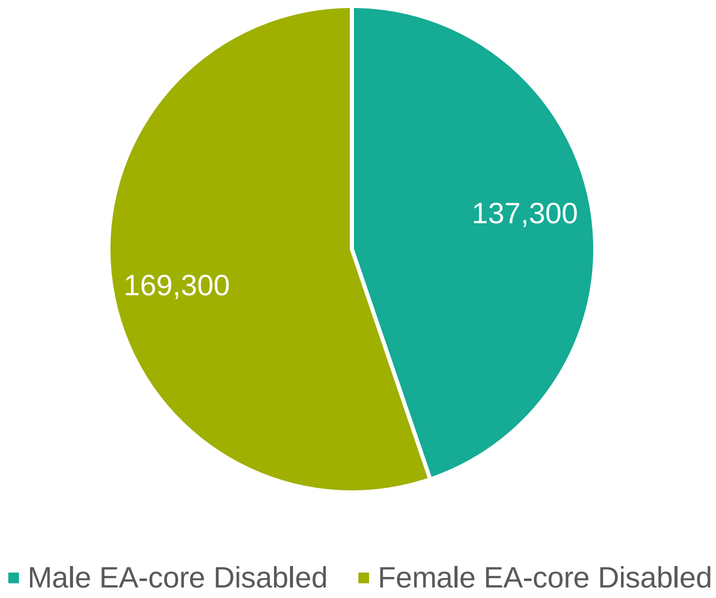
The North East LEP has a greater proportion of working age disabled residents than England excluding London

- In 2021 there were 306,600 working age people in the North East LEP area classified as disabled using the Equality Act (EA) core definition. This represented 25.3% of the total population in this age group, a higher percentage than in England excluding London (21.9%)
- Within the North East, the highest percentages of working age disabled people were in Gateshead and Sunderland
- Just over 55% of North East working age disabled people in 2021 were female

% of residents who are EA core disabled, Jan – Dec 2021



Working age disability by sex, Jan-Dec 2021, North East LEP area



Source: ONS Annual Population Survey (Jan 2021 – Dec 2021)

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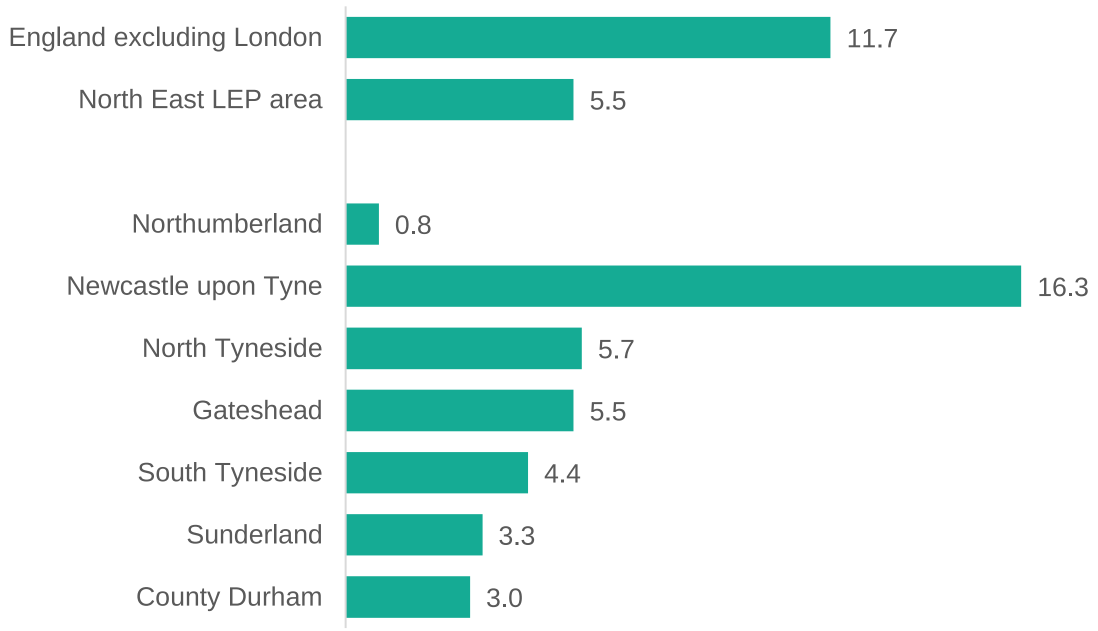
Ethnic minorities make up a smaller percentage of the North East LEP areas's working age population, with a different ethnicity breakdown

- About 5.5% of the North East working age population (16-64) is from an ethnic minority, a much smaller percentage than in England excluding London (11.7%). Newcastle has a much higher percentage than any other North East local authority area

- The North East ethnic minority working age population includes a much higher percentage of people from an ethnic background other than from the black, Indian, Pakistani/Bangladeshi or mixed ethnic groups. It also has a higher percentage from the black or black British ethnic group

Working age population from an ethnic minority (% of total)
Jan – Dec 2021



Working age ethnic minority population by ethnicity (%)
Jan – Dec 2021

Source: Annual Population Survey (ONS)

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People and skills – what works (1 of 2)

Title and link	Summary of Key Findings
Apprenticeships evidence review	• There is some evidence that apprenticeships improve skill levels, and stimulate further training / study. Apprenticeships can increase wages, although in a couple of evaluations effects are negative. Impacts also vary by type of participant. • Apprenticeships tend to have a positive effect on participants' subsequent employment (and also reduce unemployment post-programme). • Level 3 or higher apprenticeships deliver substantially higher lifetime wage gains relative to lower level apprenticeships (based on the limited UK evidence available). • There is some evidence that apprenticeships are more likely to increase employment than other forms of employment training (unless that training also involves an in-firm element). The evidence of impact on wages is more mixed and appears to vary by gender. • There is some evidence that firms participating in apprenticeships experience economic gains, such as higher productivity or profits. This fits with survey evidence, but more impact evaluations are needed. • There is too little evaluation evidence to draw clear conclusions on whether apprenticeships work better in some sectors than others. • Any policy should carefully consider how to recruit firms to provide apprenticeships, and trainees to fill them. A better understanding of the costs and benefits to firms will help in this, as will a better understanding of which policy design aspects increase take-up and reduce drop-out.
What Works Centre for Wellbeing: summary of 16 reviews	• Unemployment is damaging to wellbeing regardless of age, gender, level of education, ethnicity or part of the country in which they live. • The longer the time unemployed, the worse the effect. Men's wellbeing is more affected by incidence and duration than women • People do not adapt to unemployment. Their wellbeing is permanently reduced, but it affects people differently. • For those living in an area with high unemployment, there may be less stigma associated with unemployment where the employment rate is higher, resulting in a smaller reduction in wellbeing from being unemployed. • Giving people training to develop personal resources, skills, or problem solving with a focus on making their own jobs better may have positive effects on wellbeing, and in some cases may improve performance. • Community hubs can: promote social cohesion by bringing together different social or generational groups; increase social capital and build trust; and interaction between community members; and increase people's knowledge or skills. • There is some evidence that learning in the community has a positive impact on wellbeing. • Changes to local neighbourhood design can lead to community members feeling safer

People and skills – what works (2 of 2)

Title and link	Summary of Key Findings
ESF cross programme qualitative reviews: European Social Fund Operational Programme: 2014 to 2020 - GOV.UK (www.gov.uk) https://www.gov.uk/government/collections/research-reports	• The most important enabler of effective delivery was positive working relationships with CFOs, LEPs and with delivery partners. • Previous experience of ESF delivery enabled projects to be up and running and delivering outcomes far sooner than those with little or no previous experience delivery given contract requirements and the need for experience dealing with vulnerable individuals • The key worker model with a consistent point of contact for individuals was crucial to positive outcomes offering personalised and holistic support for individuals and employers • Participant lives were often chaotic and unpredictable needing to be accommodated to support ‘ those hardest to help’. A varied supply chain was needed to serve this group • In-work support needed to sustained to ensure employment outcomes once in work offering frequent contact and guidance, although participants were often reluctant to take it up • Some working with the harder-to-help groups said employment targets were not realistic and did not take the complexity of individual situations into account • Streamlined processes and administrative tasks needed to include measures for soft outcomes and allow better integration between local services
Youth employment review: Evaluation of the European Social Fund 2014-2020 Programme in England: qualitative case study research - GOV.UK (www.gov.uk)	• This was a complex and varied client group with participants having responsibilities for children under 18 of family members with little support or with mental of physical needs. These had to be addressed. The scheme reached a total of almost 40% nationally of which 31% received support • Views on the provision were broadly positive. Around nine in ten were satisfied with: • information and guidance they received on what would be delivered (88%) and feedback and guidance they received during the programmes (87%) • relevance of the programme to their specific needs (86%) with more than three-quarters of all leavers thought the difficulty of the course and the amount of time spent on the course was ‘about right’ (78% for both difficulty and duration) • the majority of participants reported forms of improved confidence and skill development as an outcome (for example, self-confidence about working, 73%; improvement ability to do things independently, 72%) • 90% participants employed at programme entry reported the course has had helped them in their work environment • 81% inactive or unemployed at entry reported that the course had helped them find a job or made it more likely they will find work • 19% YEI participants undertook a traineeship as part of the programme. Nine in ten (89%) were satisfied with their traineeship experience; 54% very satisfied • assessing all the support received from the programme and how they may have benefited since, more than eight in ten (82 per cent) expressed satisfaction, with nearly half (46 per cent) saying were very satisfied • 53% of individuals were in employment six months after leaving the programme compared to less than three in ten (29 per cent) at entry, representing a 24 percentage point increase in employment, although there was a rise in the proportion economically inactive from 15 to 26 per cent. • Employment among ESF-only participants grew 22%, from 32% to 54%, while YEI-only participants increased from one% to 45%. • 9% of all leavers were in education or training six months after leaving their provision (falling into the inactive group); this was more than double the proportion in education or training at time of entry (four per cent). • 26% of leavers had remained in employment, and a similar proportion (27 per cent) had moved into employment (three per cent had become inactive, one per cent were unemployed).

North East
Evidence Hub

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