

Tees Valley Interim Work and Skills Plan 2010-11

Appendix 1 – Interim Worklessness Assessment

Interim Worklessness Assessment

– Includes Extracts from the Tees Valley Economic Assessment

Economic Assessment - People

Key Findings

- *In line with national trends the Tees Valley has an ageing population in relatively poor health, although most people (72%) think that they are healthy*
- *More females working with a resulting demand for more flexible and part time working patterns.*
- *Worklessness is consistently above the national average despite the gap narrowing in recent years, leading to a culture of benefit dependency, inter-generational unemployment and low aspirations.*
- *The evidence shows that higher qualifications lead to more chance of employment, with 85% of those qualified to NVQ4 employed, dropping to only 38% for those with no qualifications.*
- *The Tees Valley had made significant progress in up-skilling its workforce, leading to an increase in earnings. However, we remain well below the national average for NVQ level 4 plus qualifications, with an extra 25,000 people needed to be qualified to this level to reach the national average*
- *Despite the improvement in skill levels employers still have difficulty in filling certain vacancies due to skill gaps. Furthermore, a third of younger workers taken on were poorly or very poorly prepared for work.*

Key Policy Challenges

With fewer young people entering the labour market, investing in today's workforce is also an investment for the future. There is a need to up-skill and re-train the workforce to meet the needs of future business, particularly for the growth sectors.

- *How do you reduce and manage the impact on services of an ageing population in relatively poor health when most people consider themselves to be healthy?*
- *Tackling worklessness is a key challenge. How do we overcome the entrenched benefit dependency to encourage a more productive workforce?*
- *Up-skilling the workforce remains important for business to meet their future needs from the workforce:*
 - *Are we able to attract younger workers into the 'growth sectors'?*
 - *Many of the traditional skills required for future growth currently exist in contracting & disappearing sectors; how can we retain these skills to support the long term future 'growth sectors'?*

POPULATION

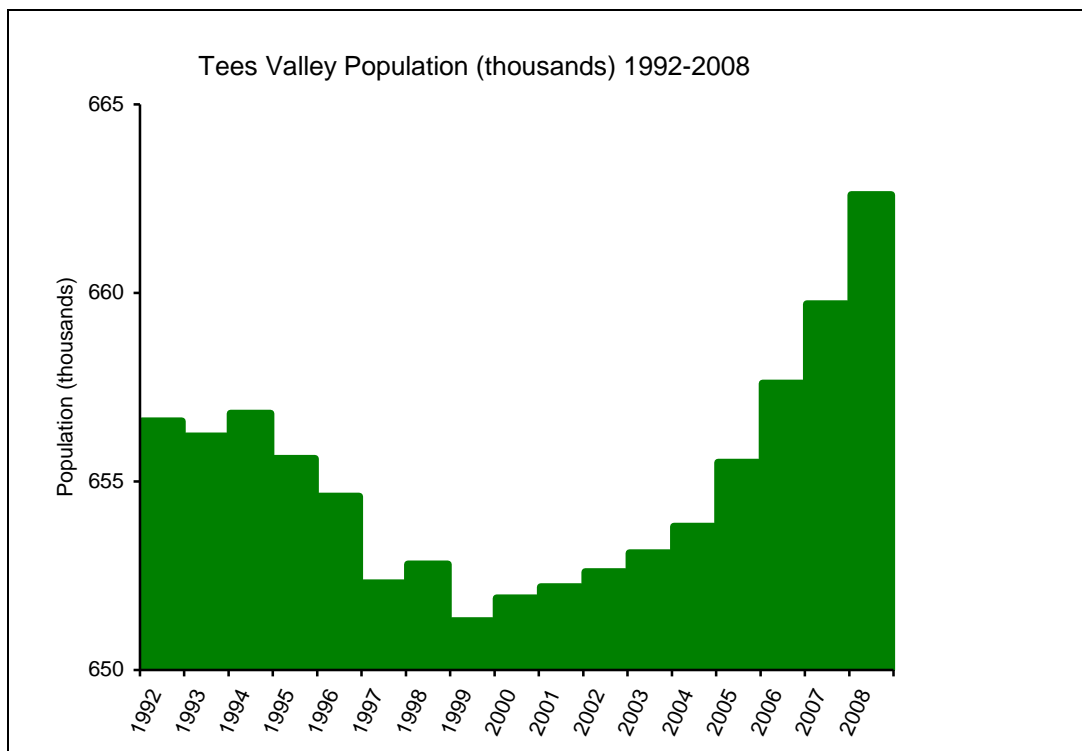
The population of the Tees Valley has been increasing steadily in recent years and is now 662,600. However, the catchment area population of the sub-region is significantly higher, with up to one million people within thirty minutes drive time from its main centres and 2.7 million within one hour.

The working age population of the Tees Valley is over 400,000 but well over 600,000 people of working age live within thirty minutes drive time of its main centres and over 1.6 million within one hour.

POPULATION PROFILE

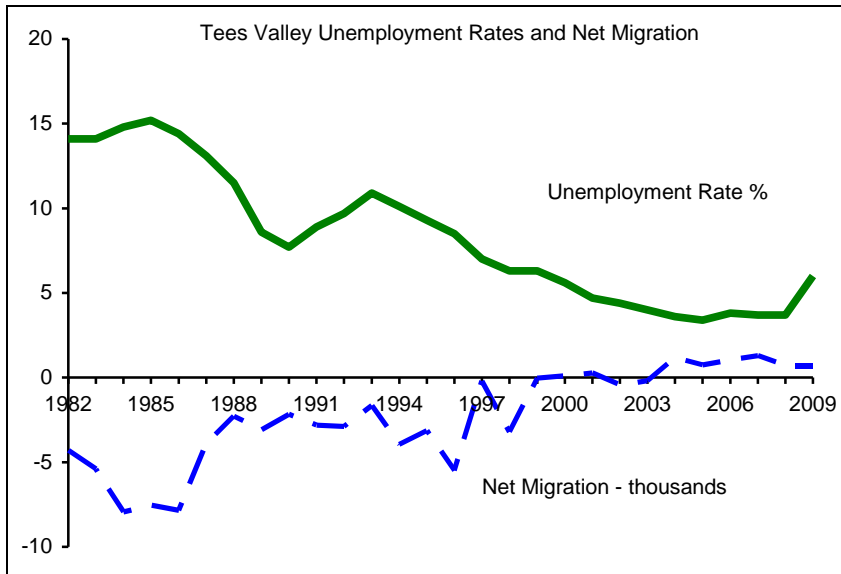
As with the national picture, the Tees Valley has an ageing population and is experiencing small growths in overall population over time. This is predicted to fuel a rise in single person households in the future.

The main driver for this trend is the increase in numbers of older people, rising from 13% in 1971 (below average) to 19% in 2008 (the national average).



Source: Tees Valley Unlimited

The population of the Tees Valley has been increasing steadily in recent years. However, the relative position of the Tees Valley to the economy of the UK as a whole has been the main driver for this change and there is a clear relationship between migration figures and unemployment rates. The short term prospect for the overall population of the Tees Valley is for a continuation of small positive gains with increasing natural change adding to low levels of net migration into the Tees Valley.

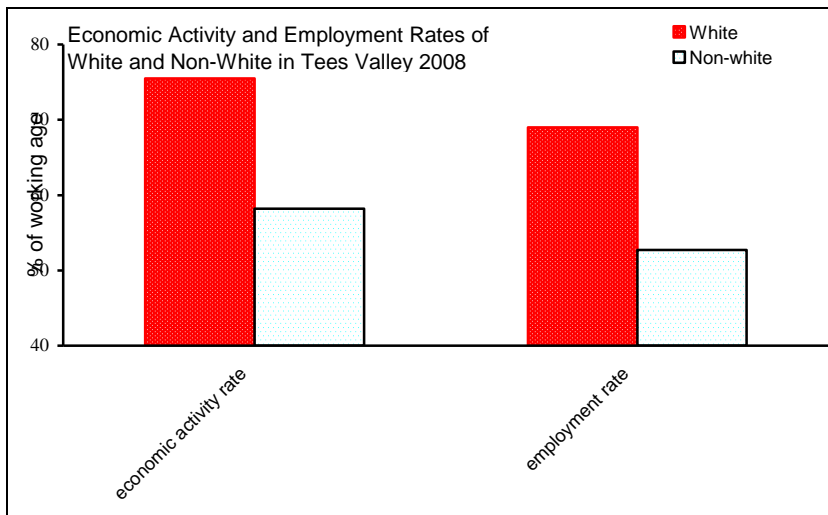


Source: National Statistics

Ethnicity

In Mid-2007 only 4.8% of the Tees Valley population were non-white; 5.2 per cent of the working population were non-white; both figures were much lower than the national average (11.8% and 12.9% respectively).

Economic activity and employment rates were lower for non-white people of working age than for the white population.

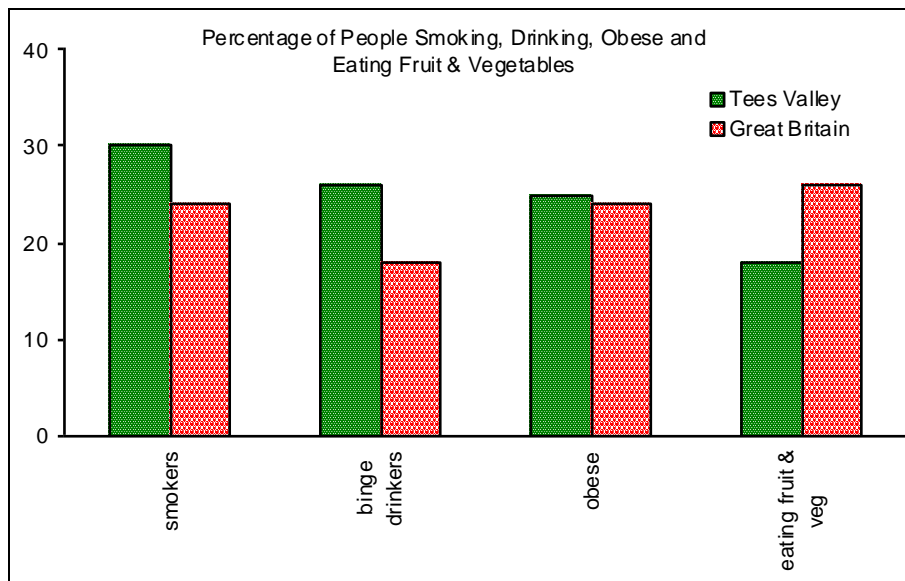


Source: APS

HEALTH & WELLBEING

In general the health of people in the Tees Valley is relatively poor with life expectancy below the national average. In contrast, however, Place Survey results indicate that most people perceive themselves to be healthy.

Standard mortality ratios are 13% above those nationally and 21% above for those aged over 75. Additionally more people smoke, binge drink or are obese than the national average, whilst a lower proportion eat the recommended amount of fruit & vegetables.



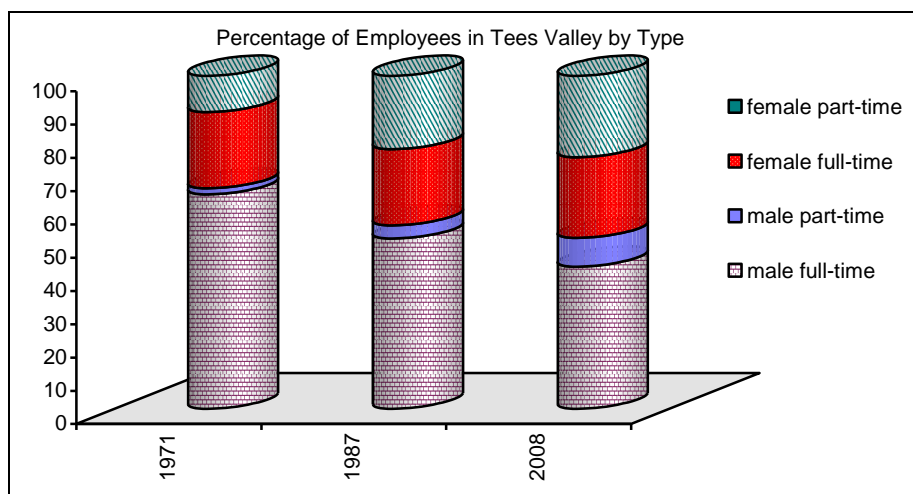
Source: National Statistics

Interestingly, 72% of people from the Tees Valley said their health was good compared to 70% for the region as a whole and 76% nationally¹.

WORKING POPULATION – A PROFILE

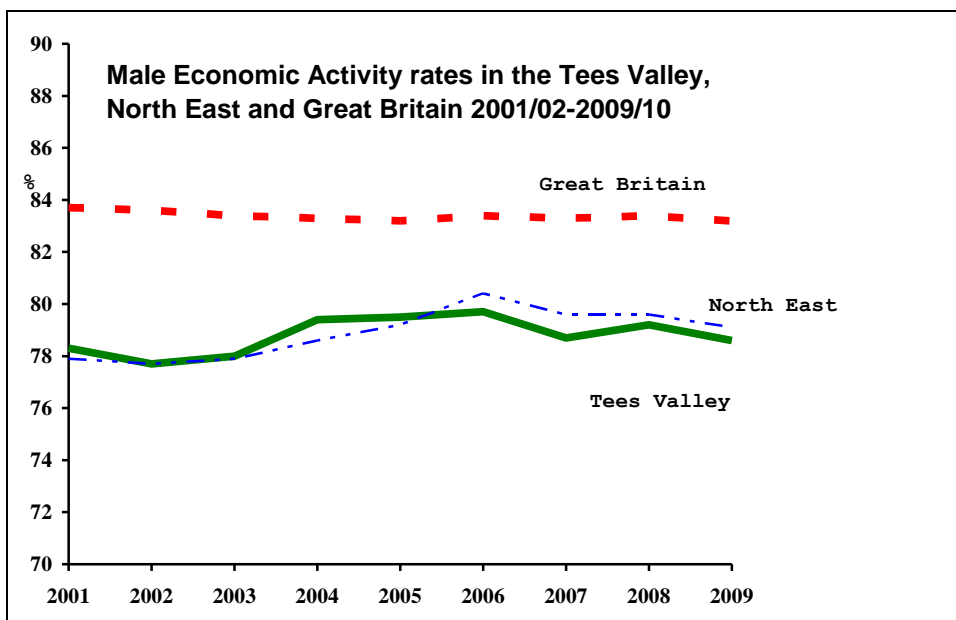
The shift from manufacturing to service sector growth led to an increase in the importance of the service sector as a way into employment. This, along with other social changes, resulted in more women in the labour market and a resulting demand for more flexible and part-time working patterns.

Government and EU legislation on flexible working patterns over the years encouraged this transition; the dominance of public sector employment, and the presence of a number of large companies 'leading by example', may also have played a role.

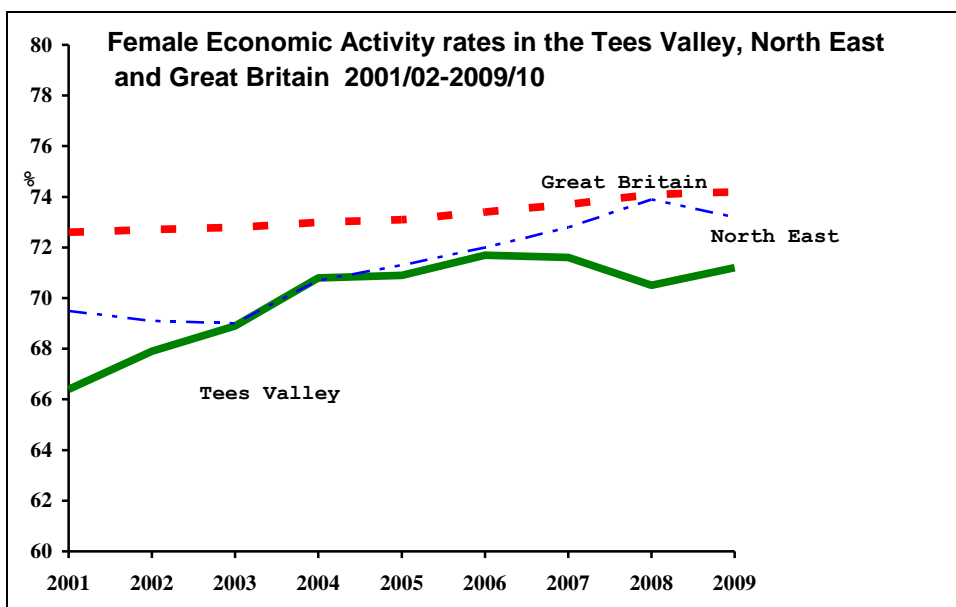


Source: ABI

The effect was to significantly increase female economic activity (those in employment plus those seeking work) in the Tees Valley and to narrow the gap with the national average. Although male economic activity remained above those of women, the gap with national rates has hardly changed since 2000. Currently two thirds (approximately 400,000 people) of the population are of working age and half of those employed are female, up from just 30% in 1971.



Source:APS



Source:APS

Since 2000/01 economic activity rates for men and women have changed marginally in the Tees Valley except in Middlesbrough and Redcar & Cleveland where there was a significant increase in female economic activity rates over the period bringing these districts more in line with other boroughs in the Tees Valley. Economic activity rates for women are often related to growing

opportunities available for employment and thus these figures are supported by a similar increase from a low level in female employment rates in Middlesbrough and Redcar & Cleveland.

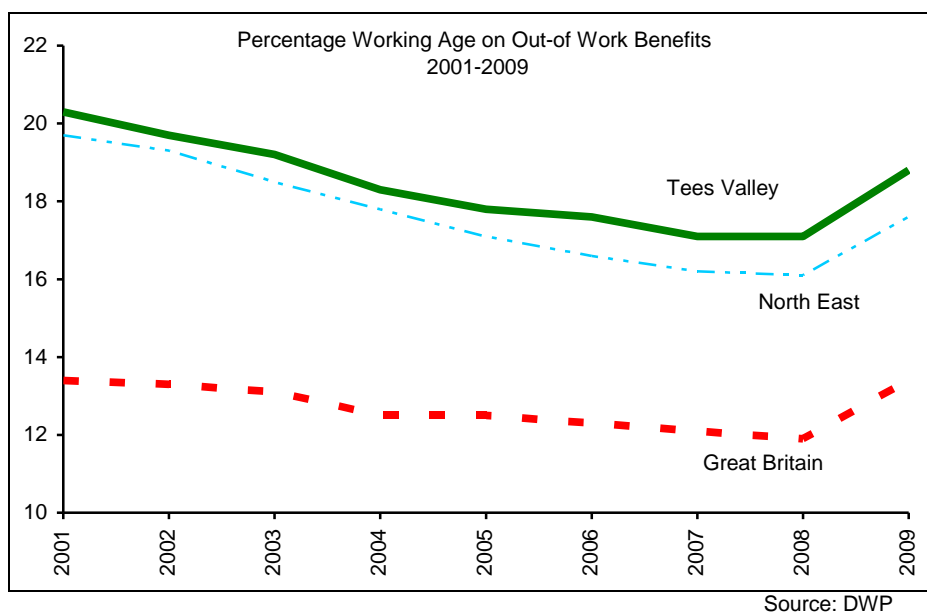
Worklessness in the Tees Valley

According to Stephen Houghton in his report on tackling worklessness this term refers to people who are excluded from work and from the economy. Tackling worklessness is important to boosting economic competitiveness and reducing poverty.

The Houghton report stated the need to provide an understanding of local worklessness and recommended undertaking a separate *Worklessness Assessment*. However, the report also stated that it should be seen in the context of the wider Economic Assessment. Therefore this section covers some initial findings relating to worklessness with more detailed work to be undertaken next year.

Who are defined as Workless?

- **Individuals of working age not working, but actively seeking work** (e.g. on *Job Seekers Allowance*), and
- **Economically Inactive - Individuals of working age who are neither working nor looking for work** (e.g. on incapacity benefit, lone parents on income support or another income related benefits but not carers, plus those who choose not to work due to early retirement, stay-at-home parents, etc)





Source: APS

In 2008 almost a third of the working age population (128,000 out of 400,000) in the sub-region were not in work.

The numbers of people on out-of-work benefits has decreased from 20.3% of working age people in 2001 to 18.8% in 2009 (1.5 percentage points). Nationally, despite a decrease in intervening years the 2009 figure is the same as that in 2001 at 13.4%. The Tees Valley figures remained consistently above the regional and national averages with worklessness rates highest in Hartlepool and Middlesbrough.

Percentage of Working Age on Out-of-Work Benefits

	2001	2009
Darlington	16.5	16.5
Hartlepool	24.8	22.3
Middlesbrough	23.7	22.1
Redcar & Cleveland	21.0	18.8
Stockton-on-Tees	17.1	15.9
Tees Valley	20.3	18.8
North East	19.7	17.6
Great Britain	13.4	13.4

Source: National Statistics; * Latest 4 quarters are Feb., May, Aug & Nov 2009. Previous years represent same 4 quarters for those periods.

In total there are 128,000 people in the Tees Valley not in work for any reason. However two thirds (77,000) may not actually be seeking work; they may be retired, severely disabled/carers or students for example.

The main reasons for being unemployed and not seeking work are down to being long-term sick or looking after family.

There is also a continuing problem in the sub-region of numbers of people claiming incapacity benefit. In addition, people in the Tees Valley with a disability are less likely to be in work than the national average.

Unemployment in the Tees Valley

In order to reflect the effects of the current recession figures on unemployment are best based on the unemployment claimant count (JSA). This source does not include all unemployed but provides the only source of recent trends.

Taking the start point of the recession as roughly March 2008, Tees Valley claimant unemployment rates increased from 3.8% to 6.3% by April 2010 (an increase of 2.5 percentage points). Nationally the increase was 1.9 percentage points and unemployment rates in April 2010 were 4.1%.

Unemployment Change by District – March 2008 to April 2010

	Unemployment rate March 2008	Unemployment rate April 2010	Percentage Point Difference
Darlington	3.0	5.2	2.2
Hartlepool	4.5	7.0	2.5
Middlesbrough	5.0	7.7	2.7
Redcar & Cleveland	3.8	6.3	2.5
Stockton-on-Tees	3.1	5.3	2.2
Tees Valley	3.8	6.3	2.5
North East	3.2	5.2	2.0
Great Britain	2.2	4.1	1.9

Source: National Statistics

The main reason for this was that in the early days of the recession the most severely impacted sectors of the national economy, such as financial services and the motor-manufacturing industry were not causing massive increases in unemployment locally since do not feature heavily in the Tees Valley.

However, earlier recessions had affected the manufacturing sector (as demand for goods declined) and the construction sector (as housing demand faltered and new investment programmes were halted) long after economic growth levels had begun to rise again.

Although this has not been the case so far the recent Teesside Cast Products Corus announcement (affecting 2,700 jobs) and the potential 'shock' involved in the reduction of public sector spending in the near future is likely to change this situation significantly.

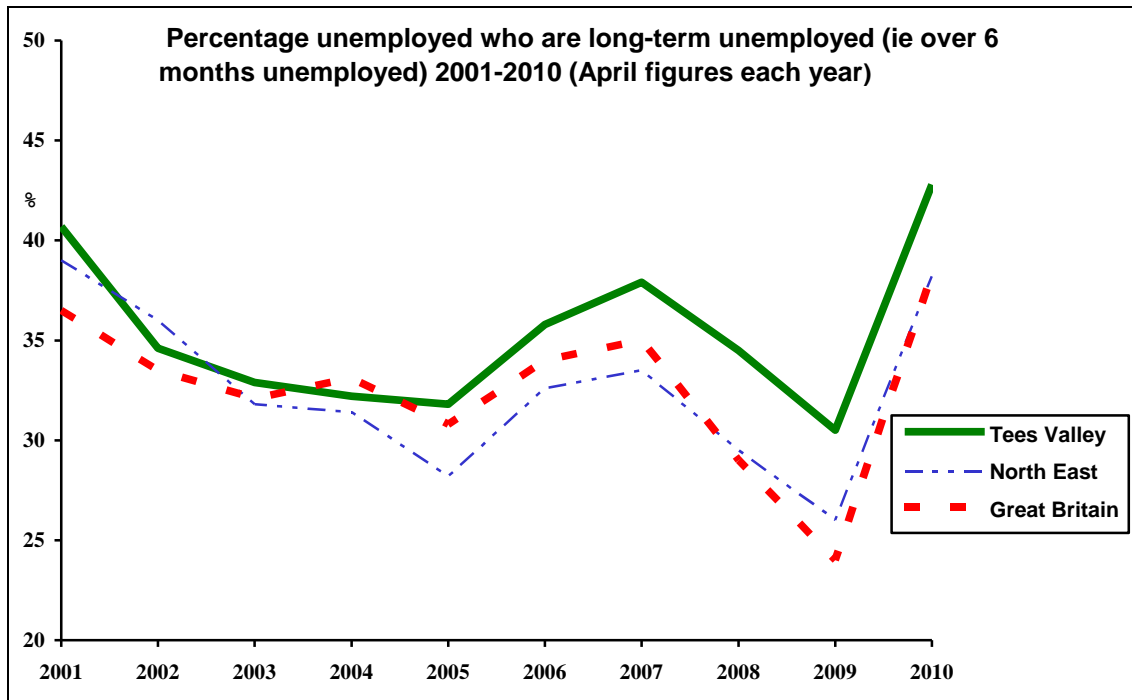
At present, however, although the economic situation had begun increasing in its severity the Tees Valley has still not experienced unemployment rates seen in previous recessions (over 15% in the 1980s and up to 11% in the 1990s).

Worklessness rates across the Tees Valley vary and are strongly linked to deprivation. In fact, a worklessness report in the Tees Valley stated that the presence of particular 'benefit traps' mean moving into employment does not necessarily benefit the whole household within which the unemployed person resides. Thisacerbates a culture of benefit dependency, inter-generational unemployment and low aspirations in certain neighbourhoods. The map below indicates the

wards that have particular issues of worklessness. In general wards with high worklessness tend to be located in urban core areas that experience high deprivation.

Long Term Unemployed

Over 43% (over 10,900 people) of claimant unemployed in the Tees Valley have been out-of-work over six months. Despite vast improvements in the proportion of long-term unemployed since the 1980s it remains a problem for people of all age groups in the Tees Valley.



A key priority for Government is to reduce the proportion of 16 year-olds not in education, employment or training (NEET) as a platform for raising aspirations of and providing opportunities for all young people to engage and stay in learning. This is central to ensuring that all young people, regardless of their background, can fulfil their potential in the world of work.

NEETs – 16 yrs leaving in Summer 2009 Not in Education, Employment or Training

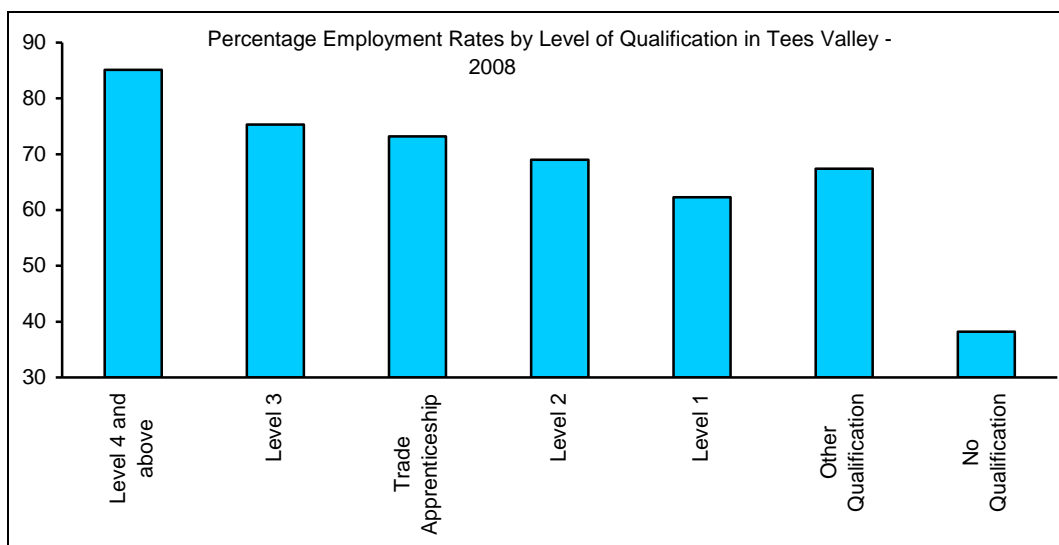
	%
Darlington	5.4
Hartlepool	3.1
Middlesbrough	7.0
Redcar & Cleveland	5.5
Stockton-on-Tees	5.1
Tees Valley	5.3
England	n.a

Source: TVU

SKILLS & QUALIFICATIONS

A recent report into major skills issues in the Tees Valley provides evidence that an upskilled workforce will be vital for the future of the local economy.

The evidence also supports the idea that a qualified workforce is more employable; the higher the qualification level the more likely the chance of being employed. In fact, 85% of people with higher level qualifications are in employment compared to only 38% of people with no qualifications.



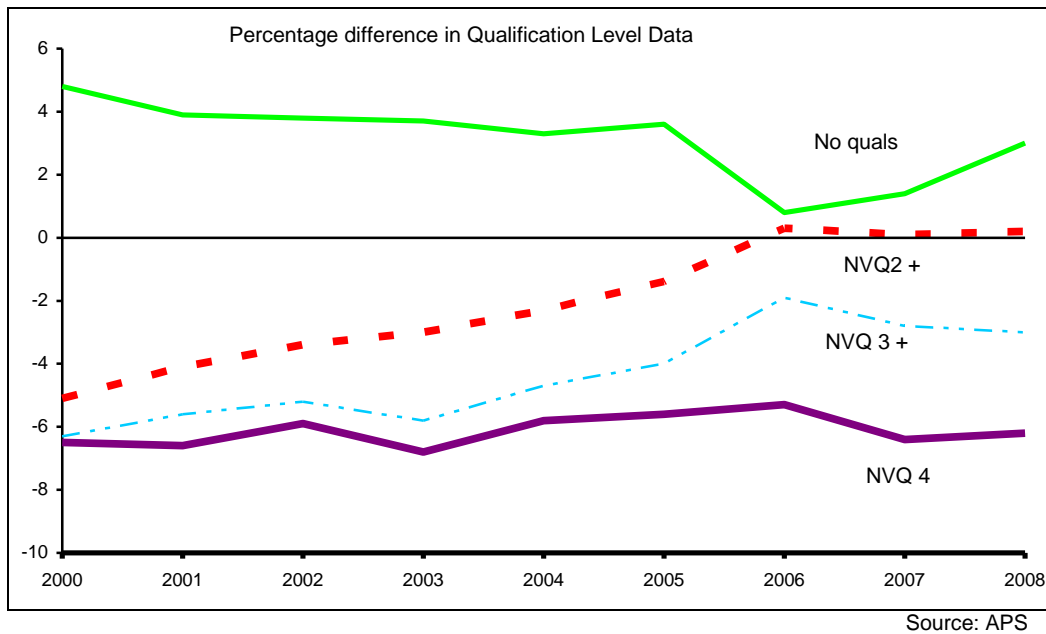
Source: APS

Therefore, a key measure for tackling worklessness is to up-skill the workforce.

The growing shift towards 'knowledge' based industries and occupations means that for the sub-regional economy to grow its workforce must be skilled and flexible. The workforce also needs diverse skills to meet quickly changing employment structures. Previous studies have shown that 'knowledge' and 'skilled' occupations pay higher than average salary levels. However, as was shown in the business section the Tees Valley has a relatively higher proportion of employees in low salary occupations and relatively lower levels of employment in those occupations that attract higher salary levels.

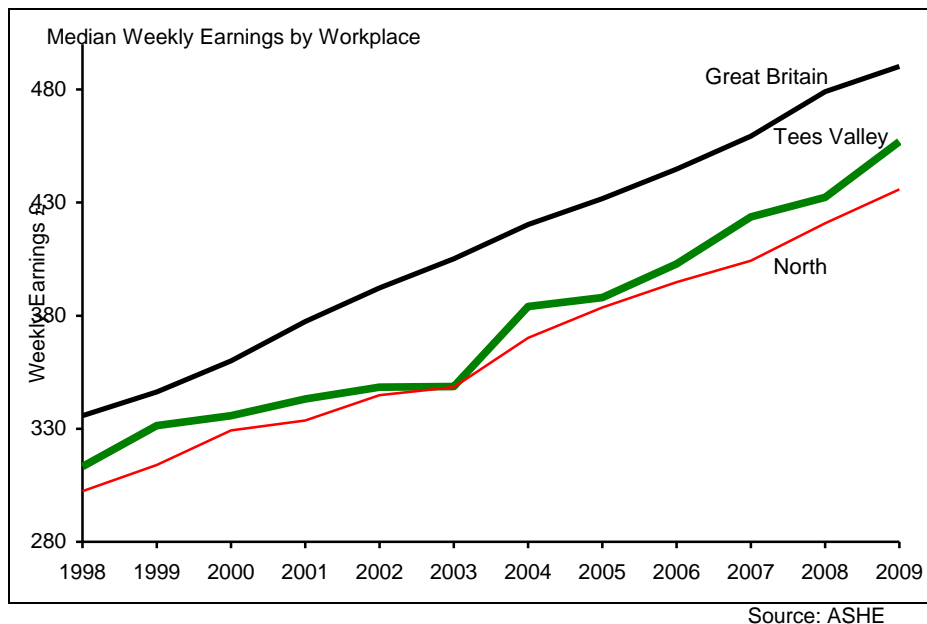
Encouragingly the past few years have witnessed a substantial improvement. Through its two universities, further education colleges and centres of excellence; the area has begun to narrow the skills gap and has surpassed the regional and national improvement rates.

By 2008 the Tees Valley had completely closed the gap with the national average for NVQ level 2 plus and had significantly closed the gap for NVQ3 plus. This is largely due to the success of the apprenticeship schemes in the local area. Unfortunately no real progress was made on narrowing the gap for NVQ level 4 plus and those with no qualifications, despite significant improvement, remained above the national average.



Darlington has seen the greatest increase in higher level qualifications since 2001 with Middlesbrough the lowest. Darlington has also experienced the highest increases in NVQ2 and 3 plus levels. These increases have been more significant in recent years and may have been linked to the new College of Technology site opening in Darlington in recent years and its particular special links to the civil engineering sector in the borough which has been growing.

Consequently the sub-regional improvement has contributed to a faster increase in earnings in recent years, slightly closing the gap with national rates although remaining well below them.



The Leitch review on skills identified a link between skills, productivity and employment; with rapid technological advancements the workforce will have to be adaptable to change. It further identified a requirement to focus on valuable skills. The aim is for 40% of adults to be qualified to level 4 by 2020 and, considering 70% of these people are already in the workforce, current employees should be specifically targeted.

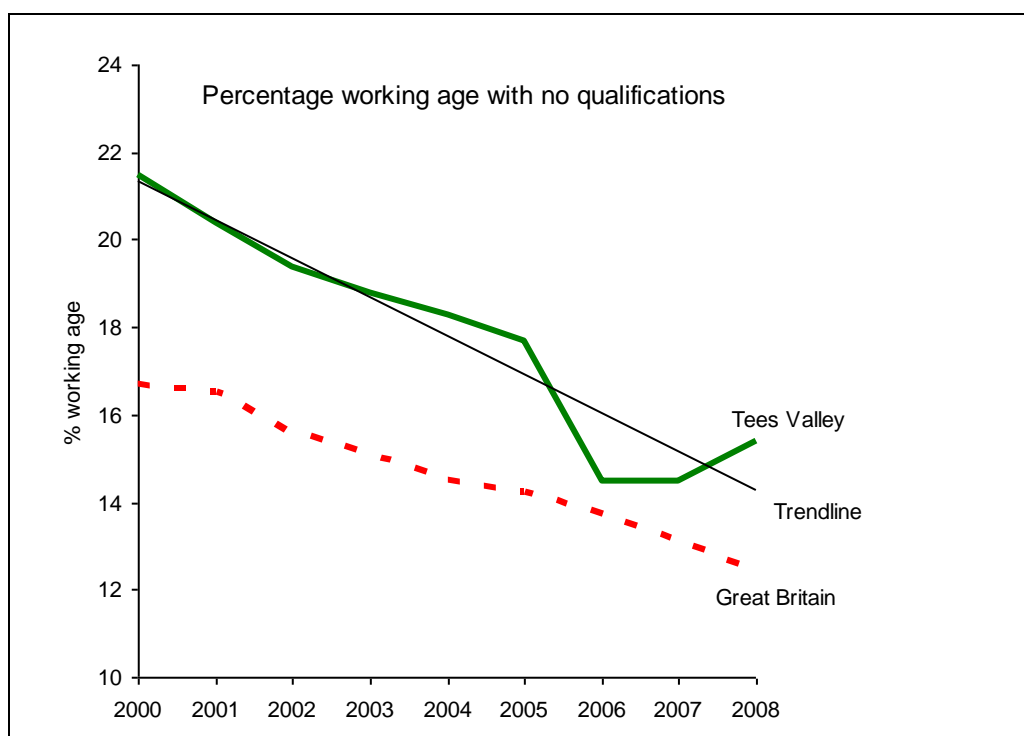
Interestingly, a further 25,000 of people would have to be up-skilled to NVQ level 4 just to reach the current national average.

This is particularly pertinent to the growth of the low carbon economy which requires the existing skills of current workers in the manufacturing industry. However, the relatively older age structure of this workforce will undoubtedly lead many to seek early retirement in the light of the imminent and likely company closures, especially when the future jobs requiring their skills are unlikely to be available for a few more years to come. An additional problem is that the new jobs that will be created may be seen as undesirable by the younger generation. Both scenarios will significantly exacerbate the skills shortage problem in an important growth sector.

A Tees Valley Employer Survey showed that a third of all vacancies were 'hard to fill' and one in five were skills shortage vacancies. Interestingly, skills shortages are present in over a quarter of establishments and employers report that a third of younger workers are poorly, or very poorly, prepared for work. Clearly this demonstrates there is still some way to go for the workforce to meet employer needs.

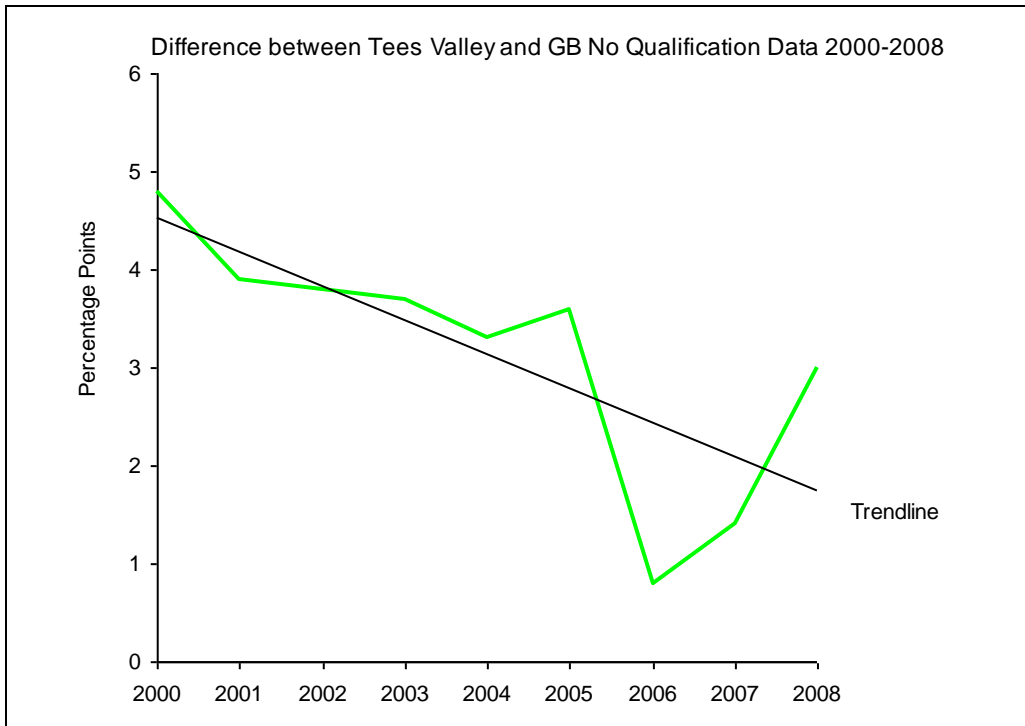
The Issue of People with No Qualifications

The trend in proportion of working age people in the Tees Valley with no qualifications has been steadily downward since 2000 falling from 21.5% in 2000 to 15.4% by 2008 (latest figures). The national decline over the period was from 16.7% to 12.4%.



Source:APS

As a result the Tees Valley had closed the gap with the national figures for people with no qualifications over the period, 4.8 percentage points above the national average in 2000 to 3.0% above in 2008.



Source: APS

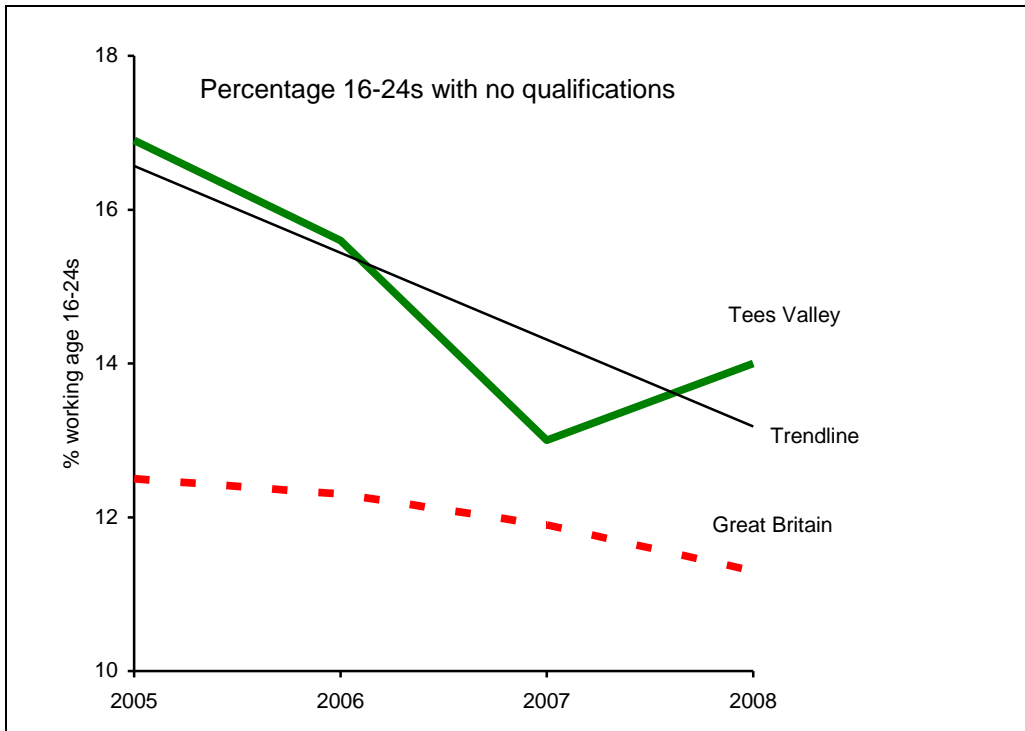
The proportions of people of working age with no qualifications are highest for the 50 to retirement age group and the 16-19 age group respectively. The latter is an area for concern.

Despite some annual variation there is a generally downward trend in the proportion of 16-19s with no qualifications in the Tees Valley and the gap with the national average is narrowing slightly.



Source:APS

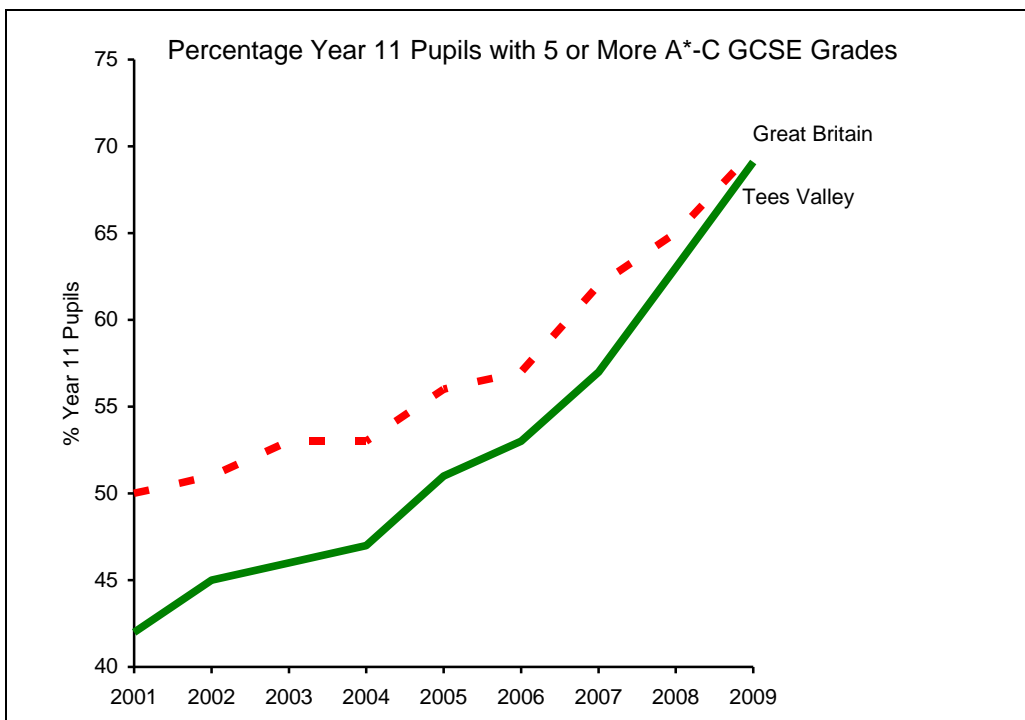
A similar trend can be seen when this age band is widened to include 20-24s.



Source:APS

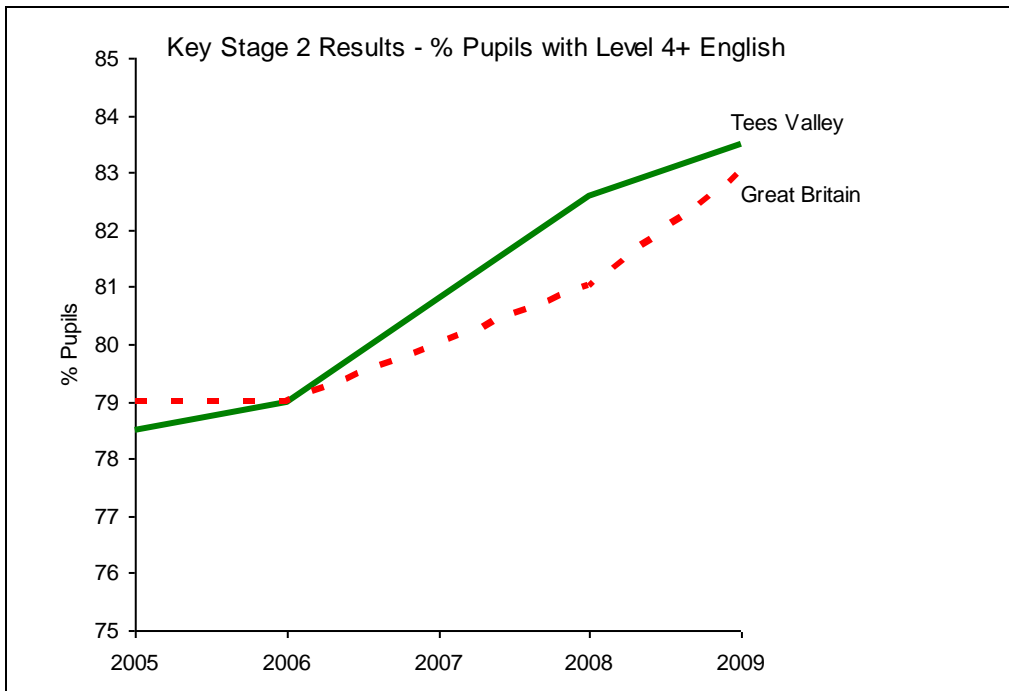
Whilst the figures on people with no qualifications for 16-19s remain persistently above the national average despite improvement in recent years there are even more optimistic signs for the future as comparisons of GCSE results, Key Stage 2 and Key Stage 3 levels (in English, Maths and Science) clearly demonstrate.

From a level well below the national average in 2001 the proportion of Year 11 pupils with 5 or more A*-C Grades in the Tees Valley showed steady improvement so that by 2009 the gap with the national rate was less than 1 percentage point.

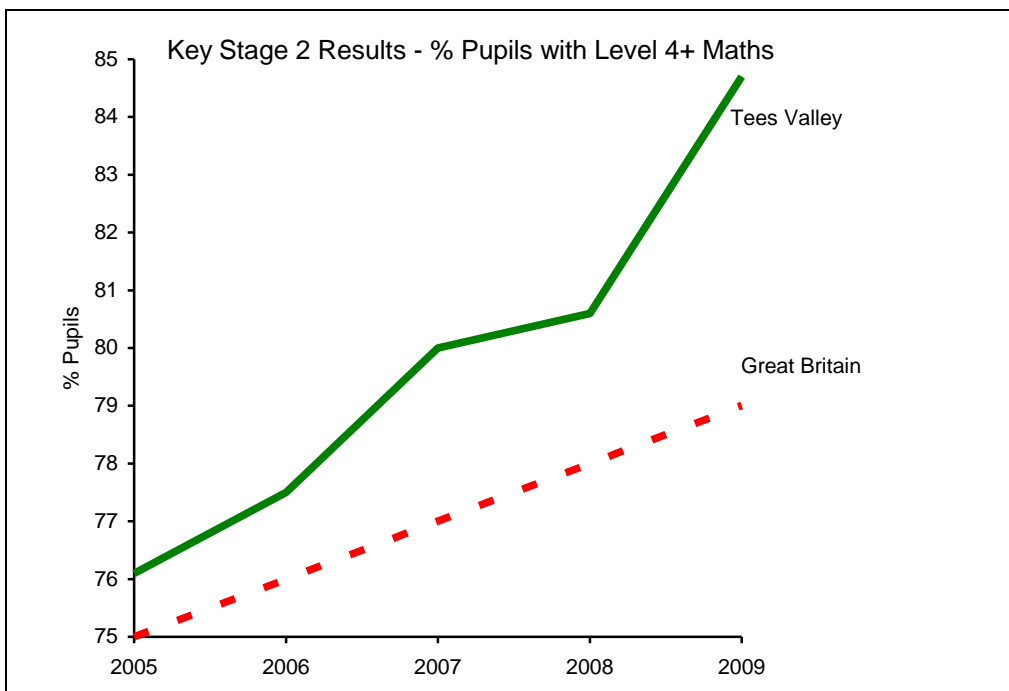


Source:TVU

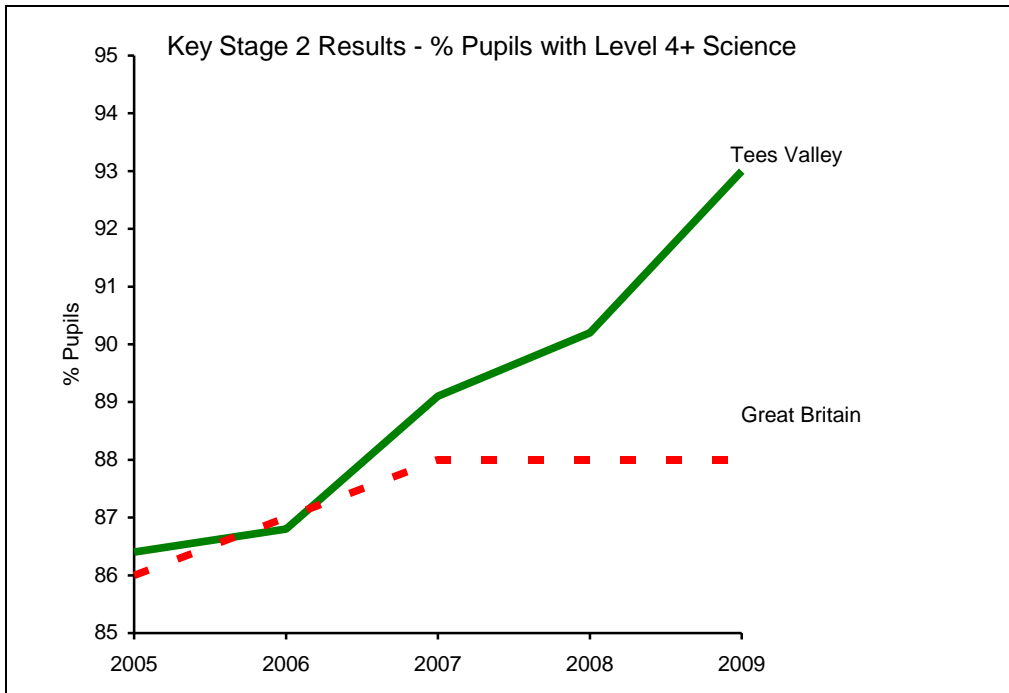
Key Stage 2 results in English, Maths and Science all show the Tees Valley above the national average and for Maths and Science the gap has widened considerably.



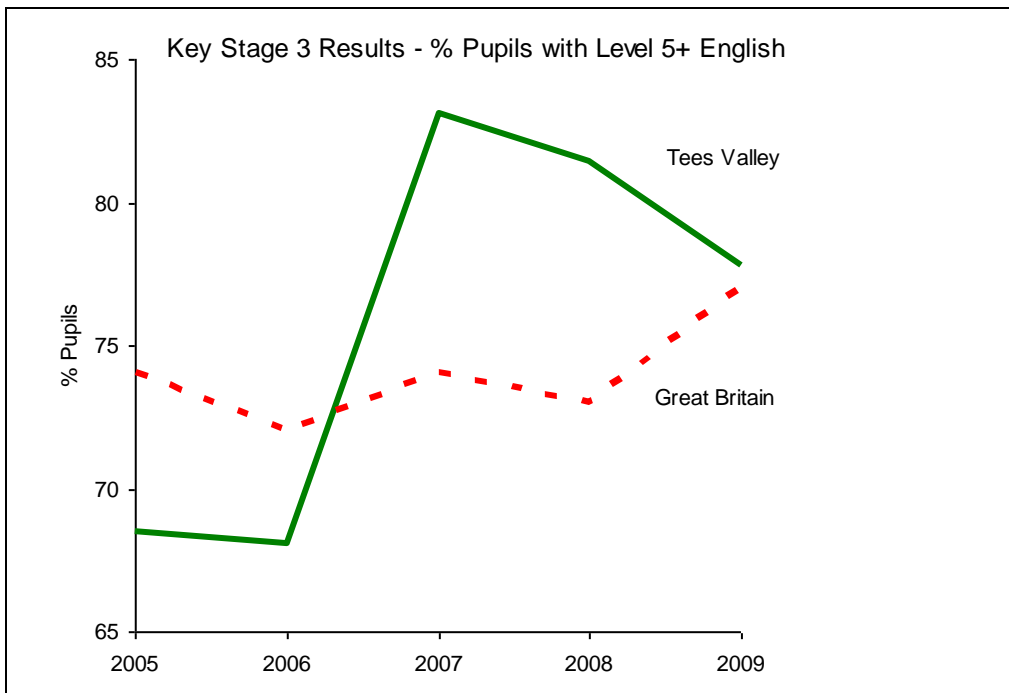
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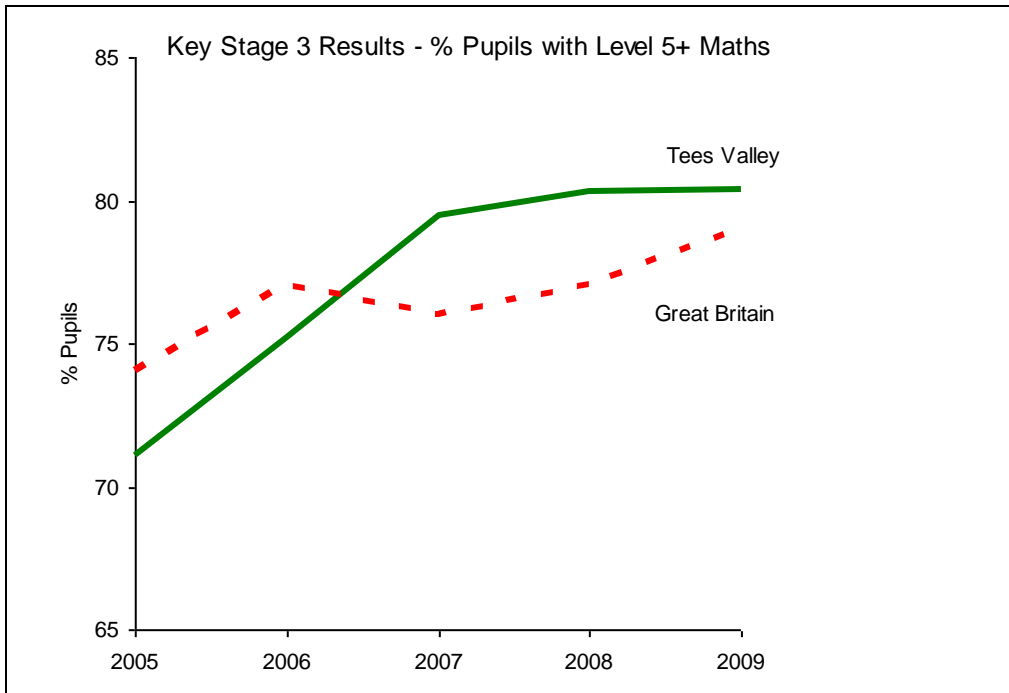


Source:TVU

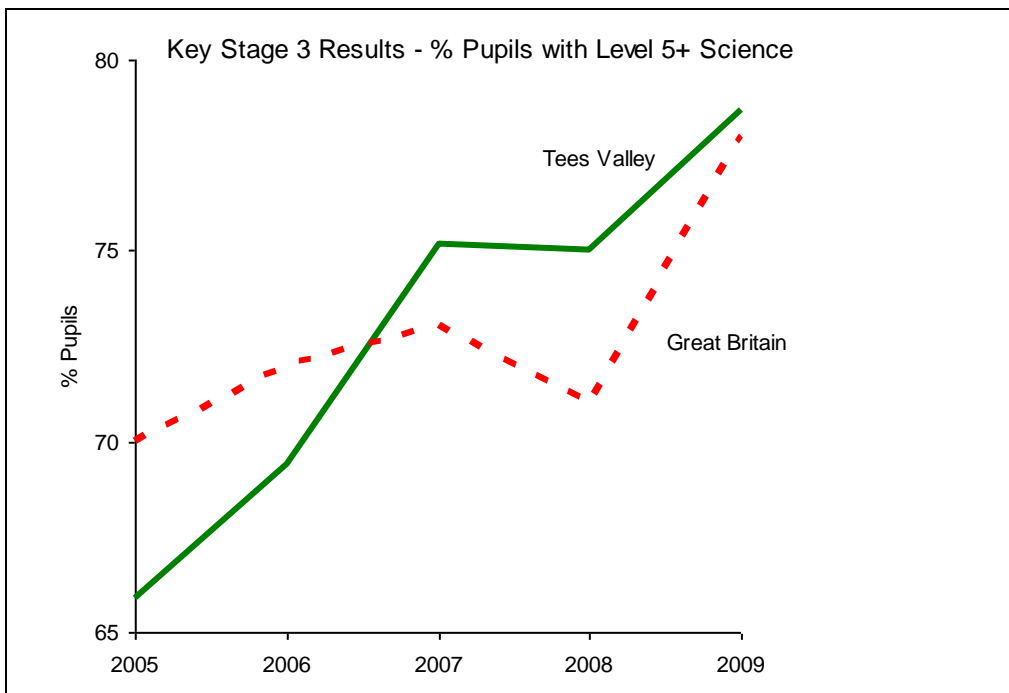


Key Stage 3 results in English, Maths and Science all show the Tees Valley below the national average in 2005 but climbing above it from 2007 onwards.





Source:TVU



Source:TVU

Generally, the Tees Valley has seen an improvement in qualification levels in recent years and as a result the proportion with no qualifications has declined. Despite some recent signs of the improvement slowing down the figures for GCSE, Key Stage 2 and Key Stage 3 results give significant hope that qualification levels will compare favourably with national levels in the future.

THE SOCIAL ECONOMY: OTHER CONSIDERATIONS

What Skills for What Industries?

Teesside University will shortly publish its Higher Level Skills Strategy Report which will focus on key economic sectors eg petrochemicals/energy/advanced engineering, logistics and digital multi-media. The study had three main objectives:

- To assess the demand for high level skills in key economic sectors
- To measure demand against existing provision, identifying how provision meets demand and where gaps exist
- To develop a reference document for the Tees Valley as part of the case for the devolution of funding to the Tees Valley Employment and Skills Board.

It is expected that the next Economic Assessment will have this information to draw further conclusions from.

The Contribution of Further Education

Teesside University has almost 24,000 students (almost 10,000 full-time) with two-thirds of students from the North East. In September 2009 the university launched its newly established five research institutes aimed at leading research activity on Teesside:

- ◆ Digital Futures Institute
- ◆ Institute of Design, Culture and the Arts
- ◆ Health and Social Care Institute
- ◆ Social Futures Institute
- ◆ Technology Futures Institute

Furthermore the University was named 'University of the Year' by the Times Higher Education Supplement and in a double accolade also won the award for Outstanding Employer Engagement.

Recent developments at Teesside include:

- ◆ the new Institute of Digital Innovation (IDI), part of the DigitalCity initiative that supports new and growing businesses in digital media and technology. Several years in the making IDI is now fully operational.
- ◆ Middlesbrough's Boho zone is now the town's digital media, digital technologies and creative quarter – becoming a commercial centre for the digital and creative cluster in the Tees Valley. It includes superwide connectivity (includes fibre-optic technology) and a powerful computer network to produce top quality graphics, animation and TV footage.
- ◆ The University campus is housed in the £10m Athena Building, home to the Centre of Creative Technologies, which provides 4,000 square metres of studio space for teaching and learning across a range of areas of digital technology and media.

The University has also been given a £5.13 million funding boost to develop new relationships with employers and support business growth and workforce development in the region; consequently it is helping to create one new digital media business a week.

The University is planning to extend its links to other parts of the Tees Valley with the planned development of a campus site in Darlington. It already has strong links with other FE colleges in the Tees Valley with its 'Passport to Higher Education' scheme; these

include Darlington College of Technology, Cleveland College of Art and Design, Hartlepool College, Middlesbrough College, Redcar & Cleveland College and Stockton Riverside College.

Durham University Queen's Campus in Stockton has almost 2,000 undergraduate students and over 1,000 postgraduates. Subjects covered include Applied Psychology, Biomedical Sciences, Business and Business Finance, Human Sciences and Medicine. The university works closely with the NHS on health and well-being projects through the Wolfson Research Institute which has 90 staff and 20 research students working on research on health, medicine and the environment, and the links between them, and upon regional and urban regeneration. The Institute incorporates the North East Public Health Observatory (NEPHO) and the National Library for Public Health.

Queen's Campus has seen over £40 million of investment since its birth in 1992 and has plans to expand its student numbers to 5,000 by 2020 mainly by increasing post-graduate programmes. It is also playing a crucial role in the redevelopment of Stockton's North Shore and as acquired an option for four acres of land at the heart of the regeneration programme. The first phase of development is likely to be student accommodation.

However, in 2010 the government announced it wanted to cut higher education funding in England by £449 million posing a risk to 6,000 jobs across the UK and possibly a further 9,000 jobs could go in future according to the University and College union (UCU). The likely impact of this announcement on the sub-regional FE establishments is yet unknown.

The Contribution of the Third Sector

There is very little information currently available on the 'third sector' and its contribution to economic development in the Tees Valley. However, a recent report published by VONNE² analysed the continuing impact of the recession on the third sector in the North East region. It concluded that although over two-thirds of organisations had seen an increase in demand for their services:

- a quarter of organisations had already seen a decrease in staff numbers and a further quarter expected more redundancies to be made in next year and,
- a third of organisations expected to close an existing service and one tenth expected to close down completely in the next year

The main reason for possible closures is the likely reduction or cessation of funding for these organisations.

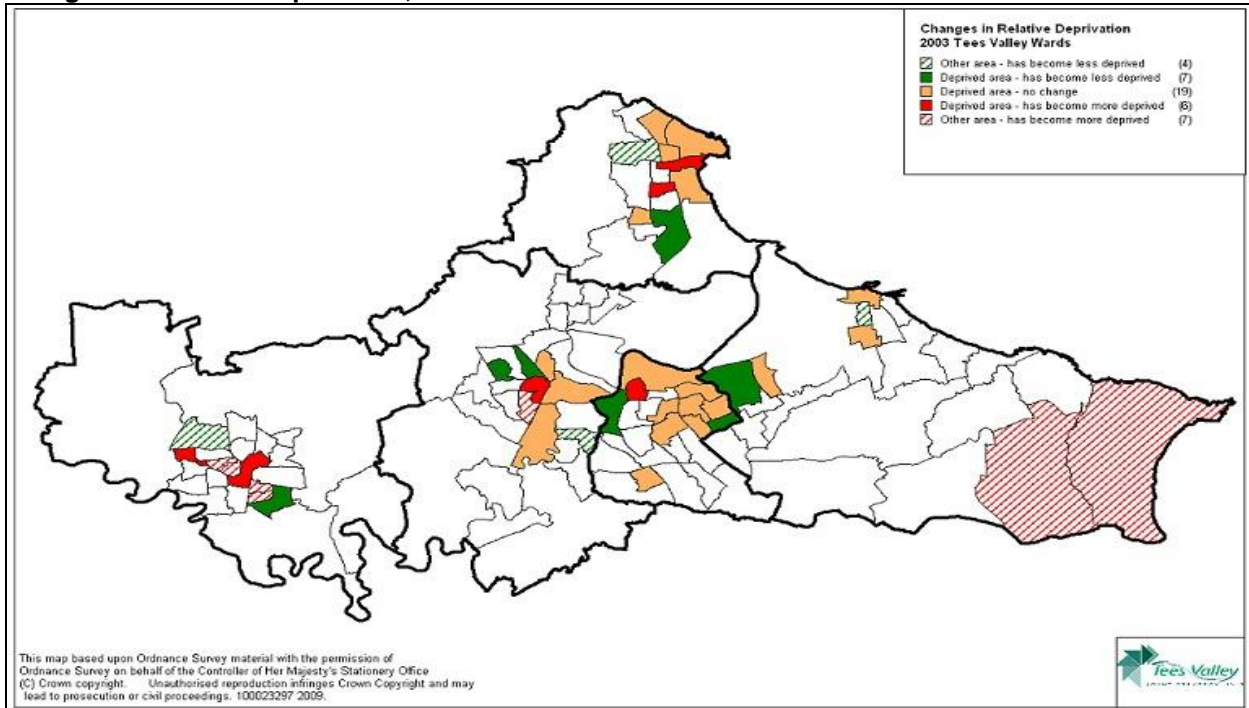
Indicators of Deprivation

An emerging piece of work undertaken by the Information & Forecasting team at Tees Valley Unlimited looks at changes in relative deprivation since 1991. This involves looking at mapping the difference in the percentage of people of working age claiming out of work benefits.

The initial study looked in detail at changes between 2001 and 2008 and this was extended to show changes between 2008 and 2009 to assess the impact of the recession.

Overall, the study showed little change in the pattern of deprivation although there are areas that have shown relative improvement or decline. The rate of benefit claimants fell between 2001 and 2008; however, this improvement was not felt evenly.

Changes in Relative Deprivation, 1991 to 2008



Source: Tees Valley TVU

Despite the general decline in deprivation, the level of polarisation between the richest and the poorest areas increased, with richer areas gaining more from the increase in prosperity over the period. Interestingly, the current recession seems to have impacted the affluent areas more as the observed increase in polarisation was partially reversed in 2009.

This work will be built on to consider a wider set of deprivation indicators (e.g. crime, exam results, house prices) and map findings against various regeneration policies across the sub-region.

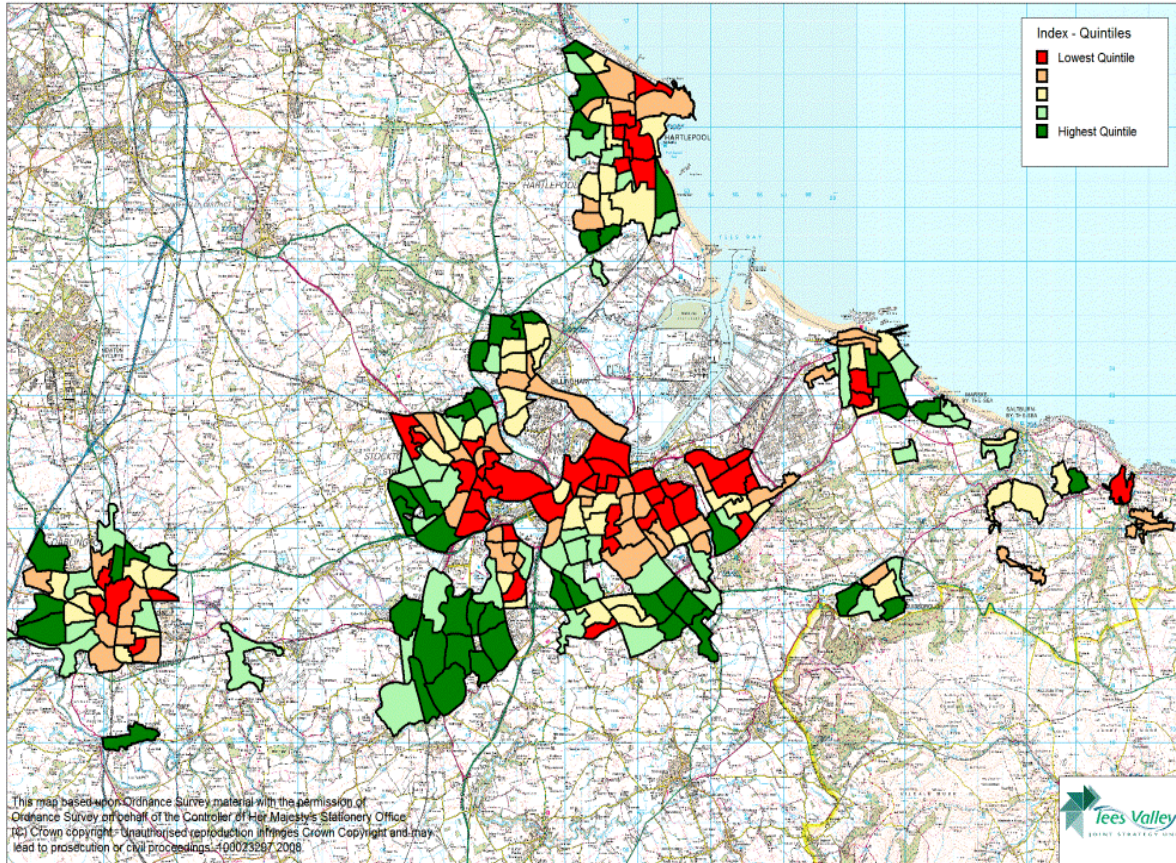
Tees Valley Unlimited also produces a Community Vitality Index (CVI) which combines a range of indicators used to illustrate deprivation across the sub-region. It shows a high degree of spatial polarisation between the inner urban areas and the more affluent suburbs. The depth of deprivation across the Tees Valley acts as a major restraint on economic and social development; therefore, addressing this becomes a key priority.

Child Poverty

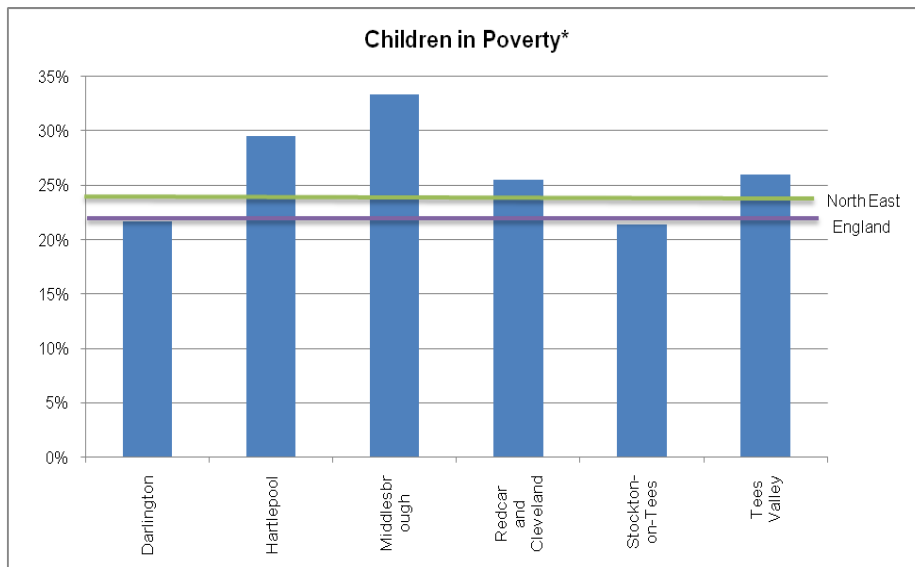
A major constraint for social mobility and a deep rooted cause of social and economic exclusion is child poverty. These children live in families in receipt of either out of work benefits, or in receipt of tax credits where their reported income is less than 60% median income. In the Tees Valley this is a huge problem to address, with all but Stockton above the average for England.

Poverty is also linked to health and lifestyle choices. Therefore, reducing child poverty will help the Tees Valley reduce its relatively poor health profile, thus reducing impacts on services and providing residents with a much improved quality of life. This will also undoubtedly improve the levels of benefit dependency and worklessness which is a significant problem in the sub-region.

TEES VALLEY COMMUNITY VITALITY INDEX - QUINTILES - Q3 2009/10



Source: TVU



*2007 data. An individual aged under 16 plus any individuals aged 16-19 if they are not married nor in a Civil Partnership nor living with a partner; and living with parents; and in full-time non-advanced education or in unwaged government training

Economic Assessment - Business

Key Findings

- *A shift from Manufacturing to Service Sector dominance, leading to a widening gap in economic growth with the national average*
- *Large multinational companies and the public sector combined provide half of our GVA and employment; their dominance makes us more vulnerable to economic shocks*
- *Relatively low numbers of enterprises and low levels of entrepreneurship and self employment.*
- *Encouragingly the number of small businesses is growing faster than the national average, although micro businesses and those less established appear to be more vulnerable to the recession*
- *Recent growth sectors include the Public Sector, construction, recycling, other business activities (including call centres), science based research & development, lower level financial services, plus others. There is also potential growth for Low Carbon and Digital Industries*
- *Rising energy prices and tackling climate change will significantly impact on the energy intensive industries in the Tees Valley*

Key Policy Challenges

Establishing a more resilient business economy able to deal with the impact of cuts in productivity and employment made by the closure of large multinational companies and the expected future cuts in the public sector.

- *Can we encourage 'growth from within' UK/locally owned companies and increase entrepreneurship and self-employment to promote resilience?*
- *Are we able to establish and support the micro businesses, and how do we support them out of the recession and into the recovery?*
- *Are we able to develop new growth sectors to tackle the transition to a low carbon economy whilst remaining competitive in a global market?*

CHANGING INDUSTRY BASE:

Forged out of the industrial revolution the Tees Valley is famed for its iron and steel, heavy engineering, bridge building, shipbuilding, and chemicals. It is the birthplace of the passenger railway and renowned for its entrepreneurship and inventiveness. In turn, its industries have facilitated growth around the world.

Employment

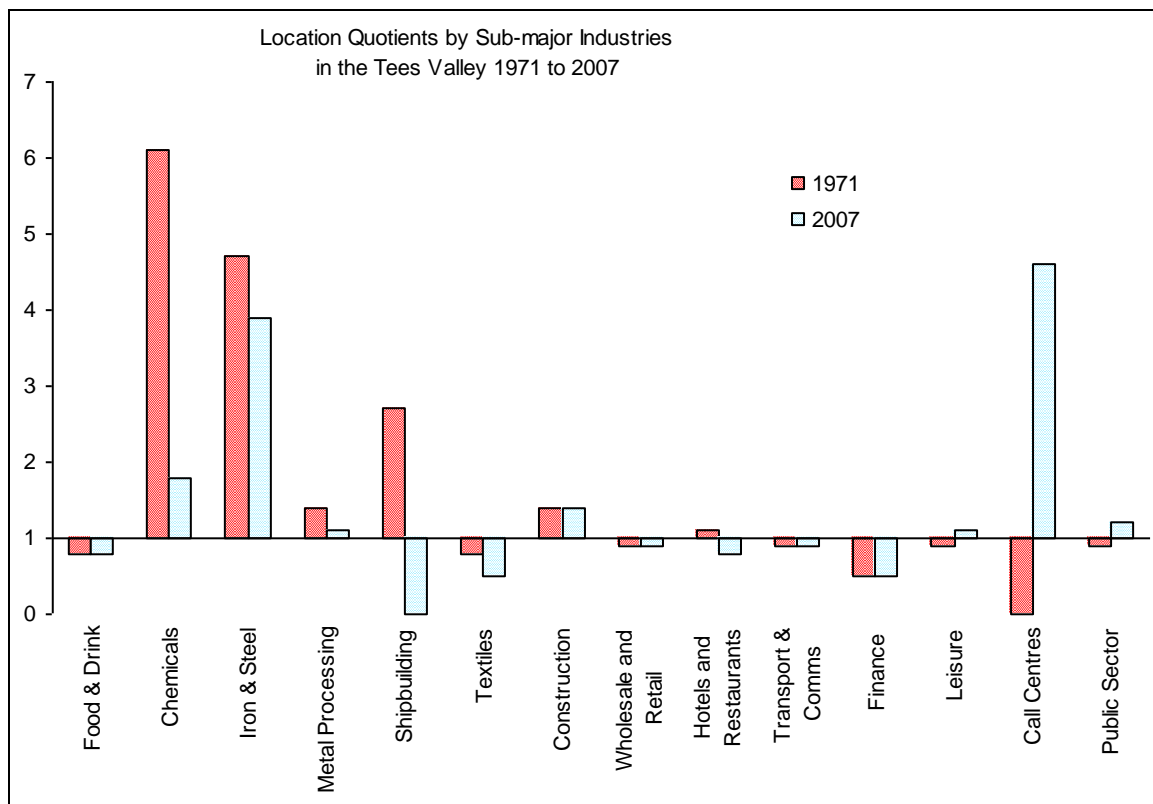
Since the 1970s the Tees Valley has seen an enormous shift in employment, with a major decline in the manufacturing sector and a rise in the service sector. Over the period almost 100,000 manufacturing jobs were lost to be gradually partly replaced by 92,000 jobs in the service sector.

Employment Trend in the Tees Valley to 1971-2008

	1971	1981	1991	2001	2008	Change 2008 from 1971
Primary	6,700	9,700	3,500	4,100	3,900	-2,800
Manufacturing Industries	128,000	85,600	60,000	39,200	29,500	-98,500
Construction	21,600	18,300	20,500	15,900	19,800	-1,800
Services	119,300	139,000	159,600	193,100	208,400	89,100
Total	275,600	250,500	243,700	252,300	261,600	-14,000

Source: Census of Employment/ABI

Of course many of the changes in employment in the Tees Valley simply reflect and national changes in industrial structure whilst some have been specific to the Tees Valley.

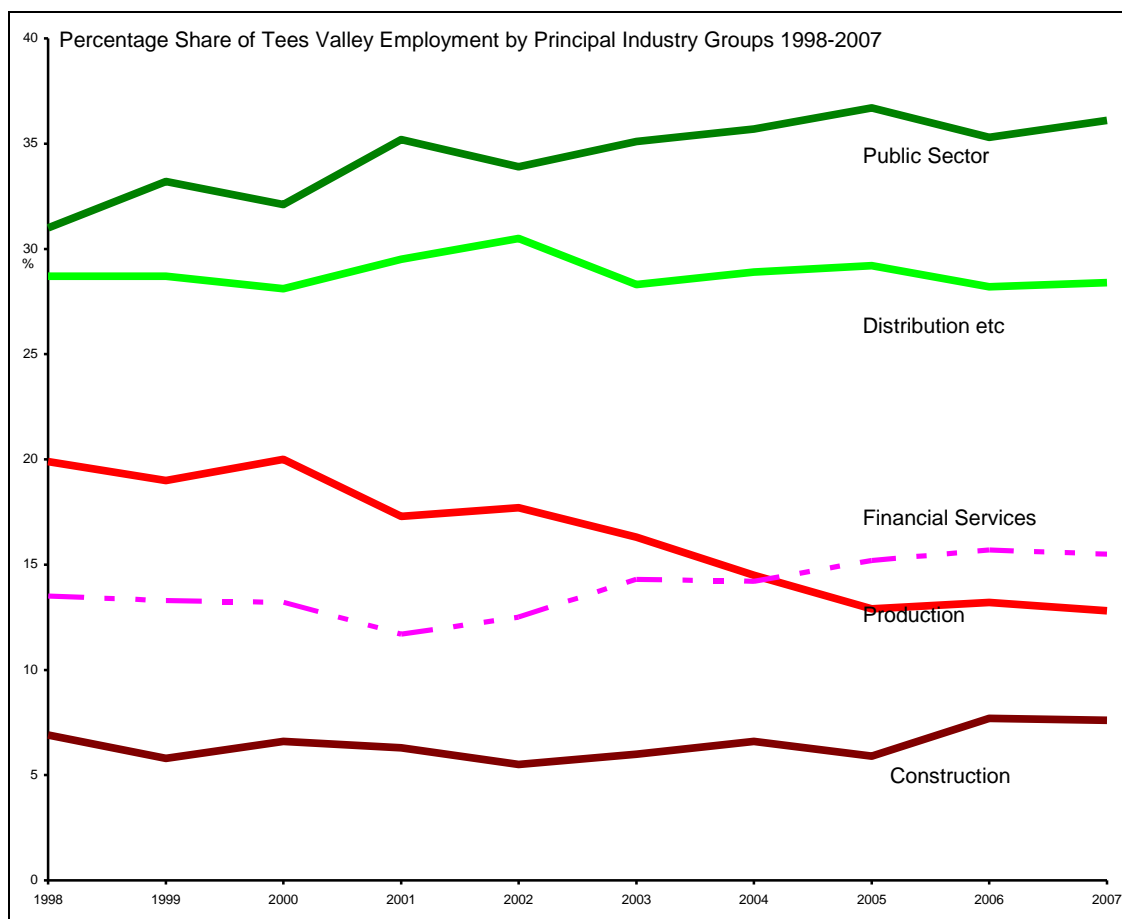


Source: ABI. Note :A location quotient of 1 indicates the level of employment we would expect locally given the National distribution, whilst a quotient of more than 1 indicates where the Tees Valley has more than we would expect.

The rise in service sector employment reflected the national trend, but the Tees Valley has seen disproportionately more growth in leisure industries, call centres and the public sector (particularly health).

Meanwhile, chemicals, iron, steel and metal manufacture have all declined although still remain a significant presence in the Tees Valley; ship-building is, however, no longer part of our industrial profile.

In recent years the public sector has grown to about 36% of employment in the Tees Valley with the distribution, transport and communications sector steady at almost 30%. Production industries have fallen to less than 13% of employment in the Tees Valley.

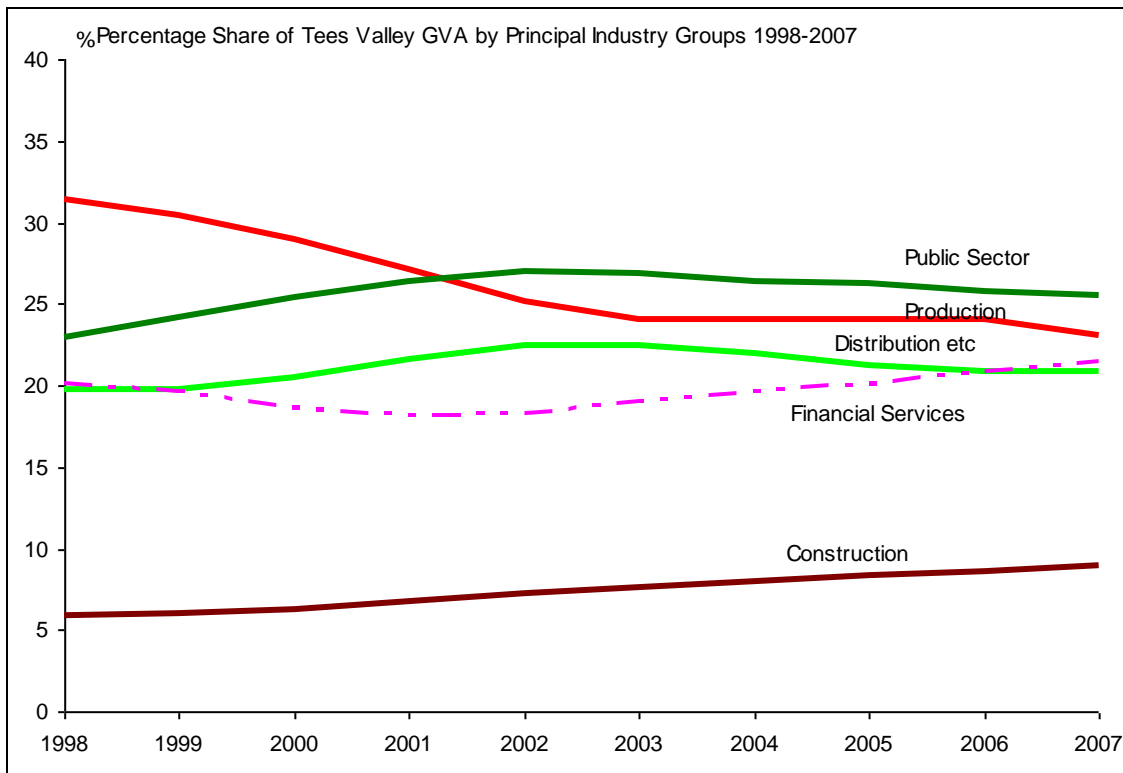


Source: ABI Source: ABI

GVA AND EMPLOYMENT

The change in industrial structure led to a corresponding widening gap in economic growth levels (GVA) as industries providing the greatest share of employment provided a relatively smaller contribution to GVA.

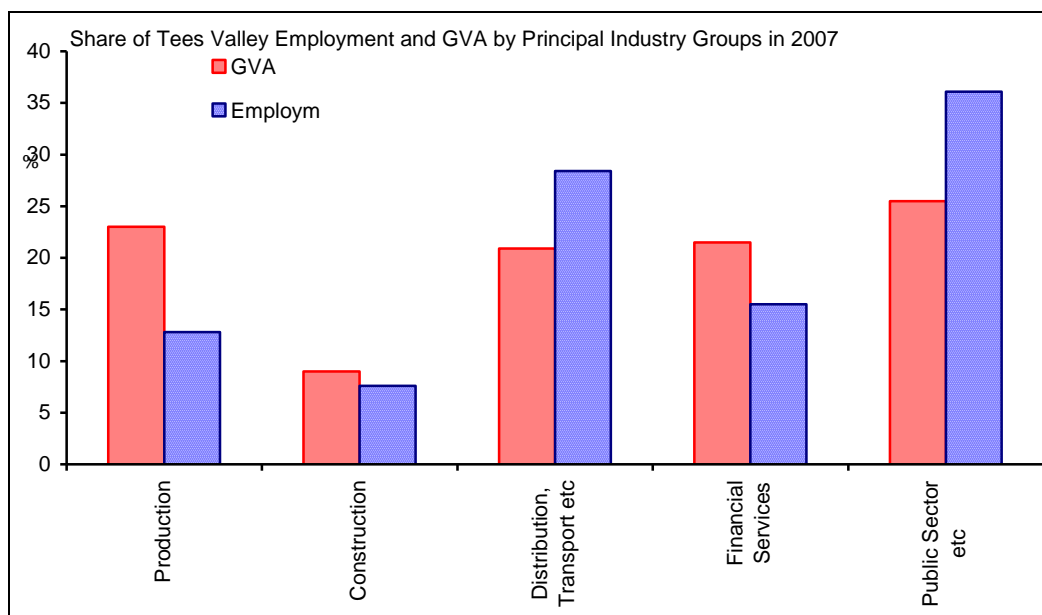
In the early 1970s GVA in the Tees Valley was above the national average and the third highest in the country after London and Aberdeen. Most recent figures show the Tees Valley's GVA per head to be only 75% of the national average and since 1998 the shortfall in total GVA has risen from £1.4 billion to £3.2 billion by 2007.



Source: National Statistics

Despite an increasing contribution to GVA from construction and service sector industries, the increasing overall gap is a direct result of the falling GVA contribution from production industries (31% in 1998 to 23% by 2007).

This is because industries in the Tees Valley providing the greatest employment, such as the public sector and distribution, provide smaller contributions to GVA per employee. For example, the public sector employs 36% of employees, but contributes only 26% to GVA.



Source: National Statistics

Part of reason for the widening gap in GVA relates to the occupation and earnings levels of employees in those service sector jobs created. Although employment in the service sector was increasing, the type of jobs created did not generate sufficient GVA to narrow the growth gap with

national levels, reflecting under-representation of more well-paid innovative 'knowledge based' industries.

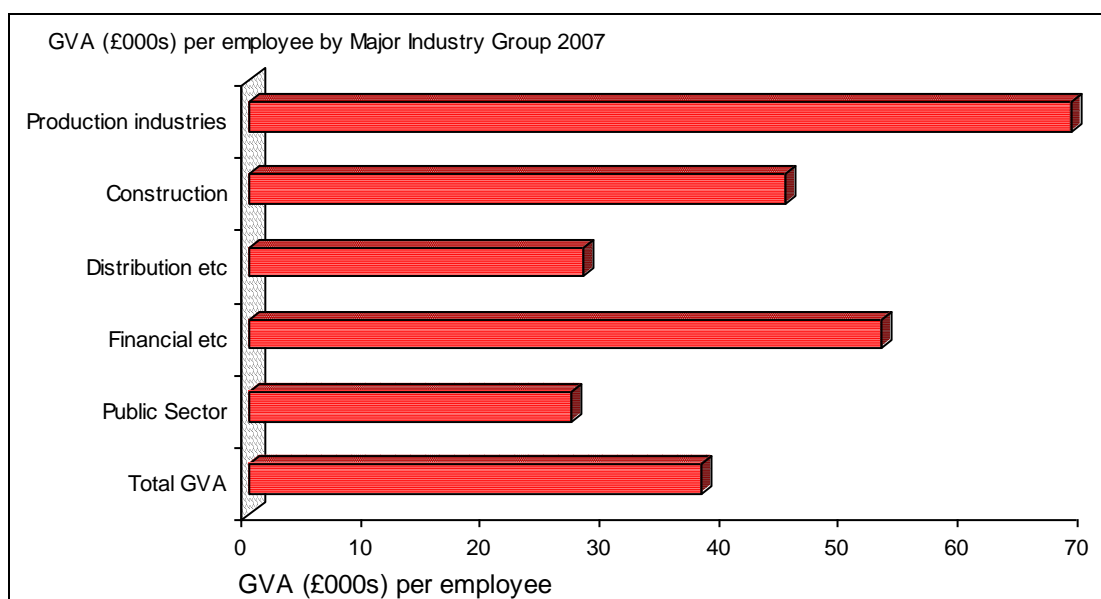
The decline in production industries in the Tees Valley meant that GVA per head in Hartlepool/Stockton fell from 88% of the national average in 1998 to 74% by 2007. Darlington's GVA had fallen to 91% of the national figure from 96% but remained highest in the sub-region. GVA per head in South Teesside fell from 76% to 72% over the period and remained lowest due to the strength in employment terms of the service sector and despite the presence of the Wilton Chemicals site in the area.

Gross Value Added - average per head of population

	1998	2007
Darlington	96	91
Hartlepool/Stockton	88	74
South Teesside	76	72
Tees Valley	84	75
North East	79	78
United Kingdom (less extra regio)	100	100

Source: National Statistics

This is demonstrated by an analysis of GVA per employee by industry: each public sector job, for example, contributes on average less than half the individual contribution made by jobs in the production industries (£27,000 compared to £69,000).



Source: National Statistics/ABI

The largest increase in employment in the Tees Valley, over 11% between 2001 and 2008, was in Middlesbrough mainly as a result of the growth of the University of Teesside and also James Cook Hospital. Hartlepool and Redcar & Cleveland declined as the contraction in manufacturing industry continued. The growth in civil engineering led to the increase in employment in Darlington.

Employees in Employment 2001-2008

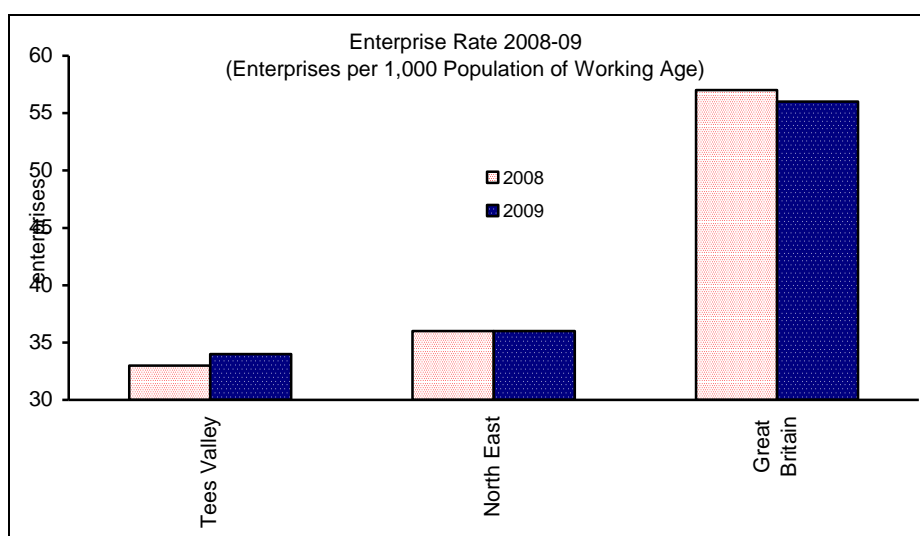
	2001	2008	Change 2001-2008	% Change
Darlington	48,000	50,100	2,000	4.2
Hartlepool	30,900	30,100	-800	-2.5
Middlesbrough	56,000	62,300	6,400	11.4
Redcar & Cleveland	40,800	39,700	-1,100	-2.8
Stockton-on-Tees	76,700	79,000	2,300	3.0
Tees Valley	252,800	261,600	8,800	3.5
North East	978,100	1,031,100	53,000	5.4
Great Britain	25,490,300	26,677,200	1,186,900	4.7

Source: National Statistics (ABI)

BUSINESS & ENTERPRISE:

The dominance of both large scale companies and the public sector influences the trend for low enterprise creation and low levels of entrepreneurship and self-employment. However, one positive is the number of new small firms that are growing faster than the national average.

The creation of new businesses and the growth of existing businesses remain key factors in increasing employment. However, the Tees Valley and the rest of the North East have a relatively low level of businesses compared to the national average.

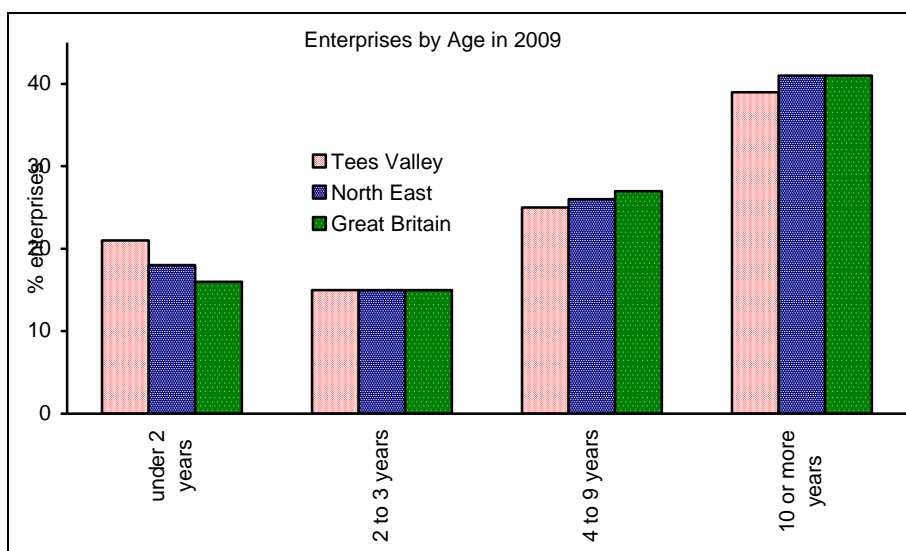


Source: National Statistics

In common with national figures most workplace sites are small; 80% have fewer than 10 employees and represent only 16% of total employees. However, the very few large workplace sites account for a large proportion of workers, with the 1% of larger sites (over 200 employees) responsible for a third of total employees.

The Tees Valley also has a lower proportion of enterprises which are over four years old compared to the regional and national average. Conversely, there are a higher proportion of younger firms in the sub-region. This could indicate potential problems of long term business survival, or could be seen as a positive situation that recent growth in the number of businesses has fuelled this situation.

The presence in Middlesbrough of major public sector bodies means that a greater share of its employees work in large organisations (over 42%) whereas Stockton-on-Tees had the highest share of employment in smaller businesses. Darlington had the highest proportion of working age self-employed in the Tees Valley but even this was well below the national average. This may well also be an indicator of a greater level of entrepreneurship in Darlington since their new business registration rate was generally also above that in other boroughs.



Source: National Statistics

GROWING SECTORS:

There are a number of sectors in the Tees Valley where employment growth has been steadily increasing in strength in recent years. These include:

Health & Social Work: particularly other health sectors (not hospitals, GP surgeries etc). Social Work activities have also seen considerable growth too.

Other business activities: key growth areas have been business and management consultants, recruitment agencies and call centres.

Construction: particularly civil engineering projects, as well as, supporting activities to construction such as contractors for plumbing, electrical and other skilled trades.

Financial: growth in employment in mainly auxiliary and lower level financial services.

Property letting agencies

Computer related: mainly hardware consultancy rather than software.

Science linked research & development.

Recycling

Leisure

Logistics

Potential Growth in Low Carbon Economy and Digital Economy

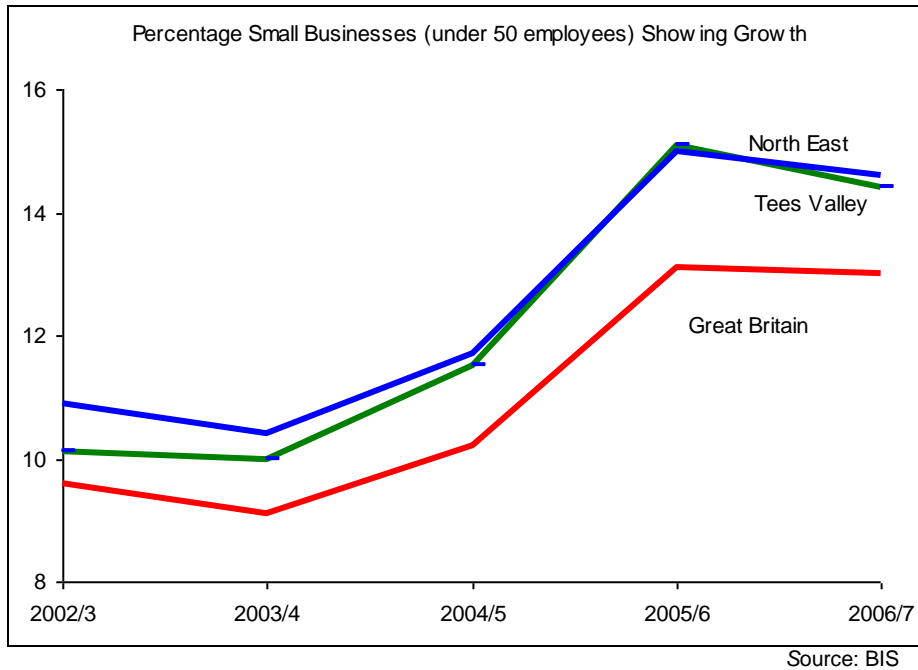
More recently the sub-region has been looking to build on its existing economic assets e.g its world-class petrochemicals industry, port, potential for a renewable energy industry, advanced engineering industry and the potential digital/multi-media cluster.

This has included the world's largest polyethylene plant (SABIC), Europe's largest wheat based bioethanol plant (ENSUS) and the £4 billion of large investment projects in the pipeline in renewable energy and biofuels. Other achievements include development of Teesport, the opening of the Institute of Digital Innovation and Boho among others.

The Government has also announced the intention to build a number of new nuclear power stations to meet the increased demand for energy including a second nuclear power station in Hartlepool. Plans are currently out for consultation.

GROWING BUSINESS & ENTERPRISE:

The number of small businesses registered for VAT has been growing faster than average. However, the Tees Valley has a relatively poor entrepreneurship record, measured in terms of self employment levels, and recent trends show this continues to be the case. In fact, to be on trend with the national average, the Tees Valley would need 9500 more businesses than it does at present.



One indicator of business growth is the number of new businesses registering for VAT/PAYE – in the Tees Valley the trend in new registrations closed the gap with the national average over recent years. There has also been a steep rise in the number of small firms showing growth - consistently better than those nationally throughout the period.

Survival rates of VAT/PAYE companies have not been seen to change significantly between 2004 and 2008 yet data on individual insolvencies³ shows that since 2005 the very smallest businesses have been experiencing difficulty.

This would indicate that businesses which are more established in the Tees Valley have been able to cope better with the recession than those which are very small with low turnover. However, Darlington also had the highest rate of personal insolvencies in the Tees Valley consistently above the other boroughs in the sub-region and also the lowest proportion of companies surviving two years of business.

New Personal Insolvencies per 10,000 Adult population

	2000	2008
Darlington.	8.5	30.9
Hartlepool	4.7	21.6
Middlesbrough	2.8	16.5
Redcar & Cleveland	5.3	21.2
Stockton-on-Tees	7.4	22.8
Tees Valley	5.7	22.2
North East	7.2	29.0
Great Britain	6.3	24.3

Source: National Statistics

KEY ISSUES FACING BUSINESS:

External influences on business will shape both the long and short term future of Tees Valley's industry, business and enterprise; the recession (and the government's response to it), rising energy costs, tackling climate change, plus others, will all influence and shape our future.

Being host to a number of energy-intensive industries, and with the predicted rises in global energy costs, our production industries need to remain economically competitive by alleviating pressures on their energy requirement and by reducing CO² emissions.

The development of infrastructure and logistics associated with the Low Carbon Economy will, in itself, be a driver of growth in services and transport sectors as well as engineering, in some cases compensating for losses in other related sectors.

Contributing a quarter of our GVA and 13% of our employment, production industries continue to be an important part of our future planning. However, the recession has led to a few large chemicals and manufacturing businesses closing down their Tees Valley operations, including Teesside cast products (barring a last minute reprieve); others are for sale (e.g. Petroplus).

Despite this, the *North & South Tees Study* has identified a number of sectors with the prospect of significant growth and investment, most of which are under the umbrella of '*low carbon economy*', which will build on the existing industrial infrastructure. Investing in methods of Carbon Capture & Storage (CCS) and renewable energy sources⁴, is seen as an important

Supporting Data for Worklessness Assessment

The following tables provide a reference background to the worklessness assessment by providing a set of labour market tables for the Tees Valley and its constituent districts. Comparative regional and national figures are also included in the tables where available. Data are the latest available on June 1st 2010.

People Data

Table 1 Population and Population Density Mid-2008

	Total Population Mid-2008	Male Population Mid-2008	Female Population Mid-2008	Area (hectares)	Population Density (persons per hectare 2008)
Darlington	100,500	48,800	51,700	19,747	5.1
Hartlepool	91,700	44,600	47,100	9,386	9.8
Middlesbrough	139,000	68,200	70,800	5,387	25.8
Redcar & Cleveland	139,500	67,800	71,700	24,490	5.7
Stockton-on-Tees	191,900	94,200	97,600	20,390	9.4
Tees Valley	662,600	323,700	338,900	79,400	8.3
North East	2,575,500	1,259,600	1,315,900	857,319	3.0
Great Britain	59,608,100	29,280,500	30,327,700	22,600,000	2.6

Source: National Statistics Crown Copyright

Table 2 Population of Working Age – Mid-2008

	Total		Male		Female	
	Number	% of total population	Number	% of male population	Number	% of female population
Darlington	60,700	60.4	31,600	64.8	29,100	56.3
Hartlepool	56,100	61.1	29,000	65.0	27,100	57.5
Middlesbrough	86,800	62.4	45,200	66.2	41,600	58.8
Redcar & Cleveland	83,500	59.8	43,200	63.8	40,200	56.1
Stockton-on-Tees	120,000	62.6	62,400	66.2	57,700	59.1
Tees Valley	407,100	61.4	211,400	65.3	195,700	57.7
North East	1,597,500	62.0	834,700	66.3	762,900	58.0
Great Britain	36,976,500	62.0	19,363,900	66.1	17,612,600	58.1

Source: National Statistics Crown Copyright

**Table 3 Overall Economic Activity Rates
(% people working age economically active)**

	2001/02	2002/03	2003/04	*2004/05	*2005/06	*2006/07	*2007/08	*2008/09	*2009/10+
Darlington	78.7	77.8	78.4	79.6	76.8	79.9	78.2	79.1	78.5
Hartlepool	72.5	70.8	71.0	71.8	71.9	73.7	74.7	72.4	71.7
Middlesbrough	69.0	67.1	70.4	71.1	73.8	72.3	72.0	72.1	71.8
Redcar & Cleveland	70.4	72.2	71.5	76.5	74.2	76.5	73.1	73.7	72.1
Stockton-on-Tees	73.1	76.0	76.0	76.5	78.0	76.8	77.9	77.2	79.2
Tees Valley	75.3	75.8	75.2	75.2	75.3	75.8	75.2	75.0	75.0
North East	75.4	76.3	76.3	74.7	75.4	76.3	76.3	76.9	76.3
Great Britain	78.3	78.6	78.7	78.3	78.3	78.6	78.7	78.9	78.9

Financial year throughout except + = year to end September
Source: National Statistics (LFS except *APS)

**Table 4 Male Economic Activity Rates
(% men working age economically active)**

	2001/02	2002/03	2003/04	*2004/05	*2005/06	*2006/07	*2007/08	*2008/09	*2009/10 +
Darlington	84.9	83.4	82.6	82.0	81.5	81.2	82.4	82.9	82.8
Hartlepool	77.6	74.4	74.5	75.4	78.1	80.1	78.5	78.4	78.3
Middlesbrough	75.1	73.0	75.9	75.2	78.4	75.4	73.8	75.7	72.9
Redcar & Cleveland	77.2	75.3	74.7	80.3	78.5	81.2	76.6	75.7	75.9
Stockton-on-Tees	78.3	81.7	81.3	82.5	80.5	80.8	81.9	82.7	82.7
Tees Valley	78.3	77.7	78.0	79.4	79.5	79.7	78.7	79.2	78.6
North East	77.9	77.7	77.9	78.6	79.2	80.4	79.6	79.6	79.1
Great Britain	83.7	83.6	83.4	83.3	83.2	83.4	83.3	83.4	83.2

Financial year throughout except + = year to end September
Source: National Statistics (LFS except * APS)

Table 5 Female Economic Activity Rates
(% women working age economically active)

	2001/02	2002/03	2003/04	*2004/05	*2005/06	*2006/07	*2007/08	*2008/09	*2009/10 +
Darlington.	72.3	71.9	74.2	77.0	71.9	78.5	73.7	74.9	74.0
Hartlepool	67.4	67.0	67.4	68.2	65.5	66.8	70.6	65.9	64.6
Middlesbrough	62.8	61.1	64.7	66.9	69.0	69.0	70.0	68.1	70.5
Redcar & Cleveland	63.2	69.0	68.2	72.5	69.7	71.5	69.2	71.5	68.1
Stockton-on-Tees	67.8	70.3	70.6	70.5	75.3	72.7	73.7	71.4	75.5
Tees Valley	66.4	67.9	68.9	70.8	70.9	71.7	71.6	70.5	71.2
North East	69.5	69.1	69.0	70.7	71.3	72.0	72.8	73.9	73.2
Great Britain	72.6	72.7	72.8	73.0	73.1	73.4	73.7	74.1	74.2

Financial year throughout except + = year to end September
Source: National Statistics (LFS except * APS)

Table 6 Overall Employment Rates 2001/02-2009/10

	2001/02	2002/03	2003/04	*2004/05	*2005/06	*2006/07	*2007/08	*2008/09	*2009/10 +
Darlington	73.8	73.9	75.2	77.0	73.8	76.8	73.3	74.3	72.1
Hartlepool	66.1	63.8	65.0	66.2	67.8	66.2	66.1	63.9	62.7
Middlesbrough	62.2	61.3	63.5	65.1	68.1	66.9	66.3	65.3	64.5
Redcar & Cleveland	64.2	65.9	66.1	71.8	69.3	70.8	67.9	67.0	65.0
Stockton-on-Tees	68.0	70.5	70.7	72.4	74.0	73.1	72.4	70.1	72.2
Tees Valley	66.6	67.2	68.1	70.6	70.8	70.9	69.4	68.2	67.7
North East	68.4	68.6	68.5	70.3	70.6	71.2	71.3	70.4	69.1
Great Britain	74.3	74.2	74.3	74.5	74.3	74.3	74.5	73.9	72.9

Financial year throughout except + = year to end
September
Source: National Statistics (LFS except * APS)

Table 7 Male Employment Rates

	2001/02	2002/03	2003/04	*2004/05	*2005/06	*2006/07	*2007/08	*2008/09	*2009/10 +
Darlington	80.1	78.5	78.1	78.7	77.1	78.2	76.1	78.0	75.2
Hartlepool	70.0	65.2	67.1	68.6	72.4	70.2	68.0	68.0	67.5
Middlesbrough	66.1	65.0	67.2	68.3	71.4	69.9	67.5	67.8	64.6
Redcar & Cleveland	69.4	68.4	68.1	74.1	71.9	73.9	69.1	68.4	68.4
Stockton-on-Tees	71.5	74.3	75.4	76.6	75.7	76.2	74.4	73.4	74.4
Tees Valley	71.0	70.5	71.4	73.6	73.7	73.8	71.2	71.1	70.2
North East	71.2	71.5	71.7	73.4	73.5	74.2	73.9	72.5	70.8
Great Britain	79.1	78.8	78.9	79.1	78.5	78.6	78.8	77.7	76.3

Financial year throughout except + = year to end
September
Source: National Statistics (LFS except * APS)

Table 8 Female Employment Rates

	2001/02	2002/03	2003/04	*2004/05	*2005/06	*2006/07	*2007/08	*2008/09	*2009/10 +
Darlington	67.3	69.2	72.2	75.3	70.2	75.3	70.4	70.3	68.7
Hartlepool	62.1	62.5	62.8	63.7	63.0	62.0	64.0	59.5	57.6
Middlesbrough	58.2	57.5	59.7	61.9	64.6	63.8	65.0	62.5	64.4
Redcar & Cleveland	58.8	63.4	64.1	69.4	66.6	67.6	66.5	65.5	61.4
Stockton-on-Tees	64.3	66.6	65.9	68.0	72.2	69.9	70.3	66.6	69.8
Tees Valley	62.0	63.8	64.7	67.5	67.8	67.9	67.5	65.1	65.1
North East	65.4	65.5	65.2	67.1	67.6	68.0	68.6	68.1	67.2
Great Britain	69.3	69.3	69.5	69.7	69.7	69.7	69.9	69.8	69.2

Financial year throughout except + = year to end September
 Source: National Statistics (LFS except * APS)

Table 9 Economic Inactivity of Working Age – for year to end September 2009

	% working age economically inactive	% working age who are economically inactive who:	
		want a job	Do not want a job
Darlington	21.5	5.4	16.1
Hartlepool	28.3	6.3	22.0
Middlesbrough	28.2	5.7	22.5
Redcar & Cleveland	27.9	5.7	22.1
Stockton-on-Tees	20.8	5.5	15.4
Tees Valley	25.0	5.7	19.3
North East	23.7	6.6	17.1
Great Britain	21.1	5.6	15.5

Source: National Statistics (APS)

Table 10 Reasons people who want job are not looking - Total working age*

	% working age economically inactive who want job – reason not looking				
	discouraged worker	long-term sick	looking after family/home	student	other
Darlington	-	8.0	6.2	5.0	2.6
Hartlepool	-	8.9	2.2	3.3	4.7
Middlesbrough	-	7.8	5.2	2.3	3.3
Redcar & Cleveland	1.1	4.5	6.9	2.5	2.3
Stockton-on-Tees	2.9	8.3	5.0	2.1	6.3
Tees Valley	1.3	7.3	5.2	2.8	3.9
North East	1.0	9.9	6.3	3.5	4.7
Great Britain	0.6	7.6	6.6	4.2	4.2

Source: National Statistics (APS)- small or unreliable percentage

The following tables provide information on qualification levels in the Tees Valley.

Table 11 Percentage of Population Aged 19-retirement with NVQ2+ Qualifications 2001-2008.

	2001	2002	2003	2004	2005	2006	2007	2008
Darlington	61.3	63.7	65.7	66.2	64.7	68.7	71.1	73.2
Hartlepool	58.2	58.9	60.2	60.5	62.1	64.7	66.9	67.3
Middlesbrough	56.1	59.3	60.8	62.3	61.6	67.8	66.3	66.0
Redcar & Cleveland	57.5	58.3	59.0	63.2	65.6	66.5	66.2	68.4
Stockton-on-Tees	62.5	64.8	65.1	68.4	70.1	71.8	70.9	70.4
Tees Valley	59.3	61.3	62.3	64.6	65.4	68.4	68.4	69.0
North East	60.7	62.2	62.6	64.7	66.5	68.0	69.3	69.3
England	63.9	65.1	66.0	66.6	67.3	68.2	68.9	69.4

Source: DIUS

Note: NVQ2 – 5 O Levels/GCSEs, 1 A level etc

Table 12 Percentage of Population Aged 19-retirement
with NVQ3+ Qualifications 2001-2008.

	2001	2002	2003	2004	2005	2006	2007	2008
Darlington	39.9	40.7	43.2	43.9	45.8	49.1	50.6	52.8
Hartlepool	34.9	36.0	36.7	37.9	39.0	42.7	41.9	42.5
Middlesbrough	36.8	39.4	39.2	39.2	38.4	44.9	44.3	44.9
Redcar & Cleveland	35.4	36.1	37.2	40.5	42.7	44.2	45.4	45.5
Stockton-on-Tees	41.6	43.4	43.0	44.4	49.2	49.6	49.7	49.2
Tees Valley	38.1	39.6	40.1	41.5	43.6	46.5	46.6	47.1
North East	39.5	40.6	41.7	43.0	43.3	45.6	47.1	46.9
England	43.6	44.5	45.7	46.4	47.0	47.9	49.0	49.5

Source:DIUS

Note:NVQ3 – 2 or more A Levels etc

Table 13 Percentage of Population Aged 19-retirement
with NVQ4+ Qualifications 2001-2008

	2001	2002	2003	2004	2005	2006	2007	2008
Darlington	18.7	20.9	23.6	25.0	27.6	29.1	31.1	32.0
Hartlepool	14.8	16.9	16.3	16.7	17.3	20.0	18.2	19.9
Middlesbrough	18.0	19.3	17.4	18.7	17.5	20.7	21.0	20.4
Redcar & Cleveland	18.0	17.4	17.9	20.3	20.4	20.9	22.8	22.4
Stockton-on-Tees	20.1	22.5	21.9	24.5	27.3	27.1	25.8	27.0
Tees Valley	18.3	19.7	19.6	21.4	22.4	23.8	23.9	24.4
North East	19.7	20.7	22.2	23.3	22.9	24.3	25.9	25.4
England	25.0	25.5	26.7	27.6	28.0	29.0	30.2	25.4

Source: DIUS

Note: NVQ4 and above – degree, higher degree, professional qualifications etc

Table 14 Qualifications of Working Age Population – 2008 Annual Population Survey

	NVQ4 and above	NVQ3 or over	NVQ2 or over	NVQ1 or over	% with other qualifications	% with no qualifications
Darlington	30.2	49.9	69.3	82.4	5.7	11.9
Hartlepool	18.5	39.4	63.1	76.3	7.1	16.7
Middlesbrough	19.2	41.8	62.5	75.9	6.0	18.1
Redcar & Cleveland	21.1	42.8	64.7	77.8	6.0	16.2
Stockton-on-Tees	24.8	45.5	67.1	81.6	4.4	14.0
Tees Valley	22.8	44.0	65.4	79.0	5.6	15.4
North East	23.9	44.1	65.6	79.6	7.0	13.4
Great Britain	29.0	47.0	65.2	78.9	8.7	12.4

Source: National Statistics (APS)

Note: Definitions include:- NVQ4 and above – degree, higher degree, professional qualifications etc
 NVQ3 – 2 or more A Levels etc
 NVQ2 – 5 O Levels/GCSEs, 1 A level etc
 NVQ1 – 1 O Level, 1 CSE/GCSE etc
 Other – other or level unknown

The following tables show earnings data by place of work and by residence respectively.

Table 15 Median Weekly Earnings of Full-time Employees by Place of Work £

	2002	2003	2004	2005	2006	2007	2008	2009	% increase 2002-2009
Darlington	348.9	364.3	360.1	364.7	383.3	432.2	438.7	432.9	24
Hartlepool	331.1	342.9	346.6	375.7	396.1	388.5	388.3	445.8	35
Middlesbrough	344.7	364.0	350.9	358.1	387.2	403.4	412.3	448.4	30
Redcar & Cleveland	365.0	420.7	473.0	439.1	454.8	479.1	486.4	479.6	31
Stockton-on-Tees	352.1	374.3	389.9	402.2	420.1	416.3	426.3	478.1	36
Tees Valley	349.5	373.1	386.0	388.0	408.4	423.9	430.7	457.0	31
North East	344.8	348.4	370.2	383.7	399.0	402.9	420.6	435.9	26
Great Britain	392.2	405.2	420.3	431.7	448.6	458.6	479.1	490.2	25

Source National Statistics (ASHE)

Warning: Due to methodological changes these figures are not totally consistent over time.

Table 16 Median Weekly Earnings of Full-time Employees by Residence £

	2002	2003	2004	2005	2006	2007	2008	2009	% increase 2002-2009
Darlington	335.0	352.0	346.4	368.9	378.4	404.8	415.3	438.4	31
Hartlepool	344.8	340.3	364.7	372.4	404.9	440.6	461.7	486.4	41
Middlesbrough	313.4	335.6	356.0	350.3	367.4	387.6	415.3	409.8	31
Redcar & Cleveland	336.5	345.7	383.5	422.7	404.0	405.6	415.3	431.7	28
Stockton-on-Tees	362.3	388.8	414.2	418.7	445.1	453.9	456.1	481.0	33
Tees Valley (est)	338.4	352.5	373.0	386.6	400.0	418.5	435.3	449.5	33
North East	343.2	350.5	368.8	383.3	391.5	400.5	421.6	438.8	28
Great Britain	392.7	406.2	421.3	432.8	445.9	459.0	479.3	491.0	25

Source National Statistics (ASHE)
Warning: Due to methodological changes these figures
are not totally consistent over time.

Employees in Employment

The following tables provide information on employment structure of business in the Tees Valley. This information is based on where people work rather than residence.

Table 17 Employment Trend in the Tees Valley to 1971-2008

	1971	1981	1991	2001	2008	Change 2008 from 1971
Primary	6,700	9,700	3,500	4,100	3,900	-2,800
Manufacturing Industries	128,000	85,600	60,000	39,200	29,500	-98,500
Construction	21,600	18,300	20,500	15,900	19,800	-1,800
Services	119,300	139,000	159,600	193,100	208,400	89,100
Total	275,600	250,500	243,700	252,300	261,600	-14,000

Source: Census of Employment/ABI

Table 18 Employment by Major Industry Group 2008
Tees Valley, North East and Great Britain

	Tees Valley		North East		Great Britain	
	Number	%	Number	%	Number	%
Primary Industries	3,900	1.5	14,500	1.4	434,300	1.6
Manufacturing	29,500	11.3	123,300	12.0	2,709,100	10.2
Construction	19,800	7.6	58,100	5.6	1,268,800	4.8
Service Industries	208,400	79.6	835,200	81.0	22,265,000	83.5
Includes :						
<i>Distrib'n, hotels etc</i>	57,100	21.8	228,200	22.1	6,229,500	23.4
<i>Transport & comms</i>	16,200	6.2	54,300	5.3	1,547,900	5.8
<i>Banking, finance etc</i>	40,600	15.5	171,000	16.6	5,870,800	22.0
<i>Public admin</i>	82,200	31.4	332,300	32.2	7,208,500	27.0
<i>Other services</i>	12,200	4.7	49,200	4.8	1,408,300	5.3
Total	261,600	100	1,031,100	100	26,677,200	100

Source: National Statistics (ABI)

Table 19 Employment by Borough and by Major Industry Group 2008

	Darlington	Hartlepool	Middlesbrough	Redcar & Cleveland	Stockton-on-Tees
Primary Industries	100	700	700	1,100	800
Manufacturing	4,600	4,300	3,500	7,500	9,600
Construction	5,200	2,300	3,200	2,800	6,300
Service Industries	40,100	22,700	55,000	28,300	62,300
Includes :					
<i>Distribution, hotels etc</i>	10,900	6,700	12,800	8,700	18,100
<i>Transport & comms</i>	5,100	700	2,600	2,600	5,100
<i>Banking, finance etc</i>	7,700	4,000	9,800	4,000	15,200
<i>Public admin</i>	13,900	9,900	26,700	11,300	20,400
<i>Other services</i>	2,400	1,400	3,100	1,700	3,500
Total	50,100	30,100	62,300	39,700	79,000

Totals of 5 districts may not always add to Tees Valley total in Table 1 due to rounding.

Table 20 Percentage Distribution of Employment by Industry Group 2008

	Darlington	Hartlepool	Middles-brough	Redcar & Cleveland	Stockton-on-Tees
Primary Industries	0.2	2.4	1.0	2.9	1.0
Manufacturing	9.3	14.3	5.6	18.9	12.1
Construction	10.4	7.7	5.2	7.0	7.9
Service Industries	80.0	75.6	88.2	71.3	78.9
Includes :					
<i>Distribution, hotels etc</i>	21.7	22.2	20.5	21.9	22.9
<i>Transport & comms</i>	10.3	2.4	4.2	6.5	6.5
<i>Banking, finance etc</i>	15.3	13.2	15.7	10.2	19.2
<i>Public admin</i>	27.8	33.0	42.8	28.5	25.8
<i>Other services</i>	4.9	4.8	5.0	4.2	4.5
Total	100	100	100	100	100

Source: National Statistics (ABI)

Table 21 shows the change in employees in employment from 2001 to 2008 by district.

Table 21 Employees in Employment – Change 2001-2008

	2001	2008	Change 2001-2008	% Change
Darlington	48,000	50,100	2,000	4.2
Hartlepool	30,900	30,100	-800	-2.5
Middlesbrough	56,000	62,300	6,400	11.4
Redcar & Cleveland	40,800	39,700	-1,100	-2.8
Stockton-on-Tees	76,700	79,000	2,300	3.0
Tees Valley	252,800	261,600	8,800	3.5
North East	978,100	1,031,100	53,000	5.4
Great Britain	25,490,300	26,677,200	1,186,900	4.7

Source: National Statistics (ABI)

The following tables show the percentage of employees in employment in major industry sectors over time.

Table 22 Percentage Share of Employment in Production Industries 2001-2008

	2001	2002	2003	2004	2005	2006	2007	2008
Darlington	13.2	13.7	14.5	14.4	11.5	11.1	10.2	9.5
Hartlepool	20.4	20.2	19.3	17.9	15.4	17.3	17.2	16.7
Middlesbrough	6.5	6.4	7.0	6.1	6.0	5.2	6.7	6.6
Redcar & Cleveland	28.2	30.2	26.7	24.9	21.6	21.4	19.7	21.7
Stockton-on-Tees	20.3	20.1	17.5	14.3	13.7	14.1	14.6	13.2
Tees Valley	17.3	17.7	16.3	14.5	12.9	13.1	13.1	12.8
North East	17.9	17.4	16.0	15.1	13.6	13.7	13.8	13.4
Great Britain	15.9	15.0	14.1	13.3	12.6	12.5	12.2	11.8

Source:National Statistics (ABI)

NB. Production industries include manufacturing, utilities etc

Table 23 Percentage Share of Employment in Construction Industries 2001-2008

	2001	2002	2003	2004	2005	2006	2007	2008
Darlington	7.2	5.5	6.3	5.7	8.3	10.3	11.1	10.4
Hartlepool	5.8	6.1	6.0	5.9	4.3	7.1	7.6	7.7
Middlesbrough	6.6	6.0	4.0	4.6	3.9	6.2	5.2	5.2
Redcar & Cleveland	4.0	3.2	5.8	6.0	4.7	6.0	6.4	7.0
Stockton-on-Tees	6.9	6.2	7.4	9.5	7.6	8.4	7.8	7.9
Tees Valley	6.3	5.5	6.0	6.6	5.9	7.7	7.5	7.6
North East	5.8	5.4	5.3	5.7	5.8	5.7	5.7	5.6
Great Britain	4.5	4.5	4.4	4.5	4.6	4.8	4.9	4.8

Source:National Statistics (ABI)

Table 24 Percentage Share of Employment in Service Industries 2001-2008

	2001	2002	2003	2004	2005	2006	2007	2008
Darlington	79.6	80.8	79.2	79.9	80.2	78.6	78.7	80.1
Hartlepool	73.8	73.7	74.7	76.2	80.3	75.6	75.2	75.6
Middlesbrough	86.9	87.7	89.0	89.3	90.1	88.7	88.1	88.2
Redcar & Cleveland	67.8	66.6	67.5	69.1	73.7	72.6	73.9	71.3
Stockton-on-Tees	72.8	73.7	75.1	76.3	78.7	77.5	77.6	78.9
Tees Valley	76.4	76.8	77.8	78.9	81.1	79.2	79.4	79.7
North East	76.3	77.2	78.7	79.2	80.6	80.6	80.5	81.0
Great Britain	79.6	80.5	81.5	82.2	82.8	82.8	82.9	83.5

Source: National Statistics (ABI)

Table 25 Employment Distribution by Size of Unit % 2008 By Area

Unit Size	Tees Valley	North East	Great Britain
1-10 employees	17.0	18.0	21.0
11-49 employees	24.5	24.3	23.8
50-199 employees	24.7	23.4	23.6
200 or more employees	33.8	34.3	31.6
Total	100	100	100

Source: National Statistics (ABI)

Table 26 Employment Distribution by Size of Unit % 2008 By Area (Districts)

Unit Size	Darlington	Hartlepool	Middlesbrough	Redcar & Cleveland	Stockton on Tees
1-10 employees	17.1	18.8	15.0	18.9	19.8
11-49 employees	23.6	27.1	21.7	26.2	26.1
50-199 employees	20.8	24.4	20.8	24.5	25.2
200 or more employees	38.4	29.7	42.5	30.5	28.9
Total	100	100	100	100	100

Source: National Statistics (ABI)

Table 27 Employment Distribution % 2008 and (1995) By Area and Type

	Tees Valley		North East		Great Britain	
	2008	(1995)	2008	(1995)	2008	(1995)
Males full-time	42.7	(45.0)	42.3	(43.9)	42.4	(44.5)
Males part-time	8.6	(4.7)	8.1	(5.0)	8.3	(5.7)
Females full-time	24.3	(24.1)	26.0	(26.6)	26.4	(26.9)
Females part-time	24.4	(26.3)	23.7	(24.5)	22.9	(22.9)
Total	100	(100)	100	(100)	100	(100)

Source: National Statistics (ABI)

Table 28 Employment Distribution % 2008 and (1995) By Area and Type

	Darlington		Hartlepool		Middlesbrough		Redcar & Cleveland		Stockton-on-Tees	
	2008	(1995)	2008	(1995)	2008	(1995)	2008	(1995)	2008	(1995)
Males full-time	44.2	(44.6)	40.8	(43.6)	36.2	(37.1)	48.4	(52.8)	44.6	(48.1)
Males part-time	6.7	(4.7)	7.6	(4.0)	8.3	(5.0)	13.7	(3.5)	7.6	(5.5)
Females full-time	26.7	(25.9)	25.3	(25.3)	26.6	(27.9)	18.4	(21.5)	23.8	(20.7)
Females part-time	22.3	(24.8)	26.3	(27.1)	28.9	(30.1)	19.5	(22.2)	23.9	(25.8)
Total	100	(100)	100	(100)	100	(100)	100	(100)	100	(100)

Source: National Statistics (ABI)

Business

The following tables present information relating to businesses in the Tees Valley.

Table 29 Number of New Registrations 2004-2008

	2004	2005	2006	2007	2008
Darlington	355	390	325	375	380
Hartlepool	225	260	285	350	260
Middlesbrough	300	320	320	450	370
Redcar & Cleveland	320	340	310	455	350
Stockton-on-Tees	585	535	505	740	675
Tees Valley	1,785	1,845	1,745	2,370	2,035
North East	7,645	7,655	7,090	8,795	7,755
Great Britain	274,350	269,220	249,950	274,770	264,525

Source: National Statistics

Table 30 New Registrations per 10,000 adult population (16 plus) 2004-2008

	2004	2005	2006	2007	2008
Darlington	45	49	41	46	47
Hartlepool	31	36	39	48	35
Middlesbrough	27	29	29	41	33
Redcar & Cleveland	28	30	27	40	31
Stockton-on-Tees	39	36	33	48	44
Tees Valley	34	35	33	45	38
North East	37	37	34	42	37
Great Britain	59	57	52	57	55

Source: National Statistics

Table 31 Number of New De-registrations 2004-2008

	2004	2005	2006	2007	2008
Darlington	300	290	250	275	290
Hartlepool	175	180	180	205	215
Middlesbrough	330	250	215	250	290
Redcar & Cleveland	265	275	240	255	275
Stockton-on-Tees	505	435	450	435	490
Tees Valley	1,575	1,430	1,335	1,420	1,560
North East	6,420	6,130	5,495	5,910	6,250
Great Britain	239,705	224,580	203,350	219,265	214,700

Source National Statistics

Table 32 New De-registrations per 10,000 adult population (16 plus) 2004-2008

	2004	2005	2006	2007	2008
Darlington	38	37	31	34	36
Hartlepool	24	25	25	28	29
Middlesbrough	30	23	19	23	26
Redcar & Cleveland	24	24	21	23	24
Stockton-on-Tees	34	29	30	28	32
Tees Valley	30	27	25	27	29
North East	31	30	26	28	30
Great Britain	51	47	43	46	44

Source National Statistics

Table 33 VAT/PAYE Enterprises -Stocks 2004 - 2008
(at end of calendar year)

	2004	2005	2006	2007	2008
Darlington	2,655	2,730	2,770	2,900	2,960
Hartlepool	1,650	1,730	1,830	1,985	2,030
Middlesbrough	2,435	2,435	2,485	2,740	2,810
Redcar & Cleveland	2,460	2,525	2,565	2,780	2,850
Stockton-on-Tees	4,255	4,275	4,345	4,645	4,850
Tees Valley	13,455	13,695	13,995	15,050	15,500
North East	56,855	57,905	58,835	62,100	63,450
Great Britain	2,106,730	2,129,845	2,151,845	2,222,555	2,265,740

Source: National Statistics

Table 34 VAT/PAYE Enterprises Ratios per 10,000 adult population (16 plus) 2004 - 2008
(at end of calendar year)

	2004	2005	2006	2007	2008
Darlington	337	344	347	359	365
Hartlepool	230	240	252	272	276
Middlesbrough	222	222	225	247	253
Redcar & Cleveland	219	224	227	245	251
Stockton-on-Tees	286	285	287	304	314
Tees Valley	258	261	266	284	290
North East	276	279	282	296	300
Great Britain	449	450	451	462	467

Source: National Statistics

The following tables provide information on survival rates of VAT/PAYE businesses in the Tees Valley area. They show the percentage of new registrations in the year shown still trading after 1 year and 2 years respectively.

Table 35 Percentage of newly born enterprises surviving 1 year

	2003	2004	2005	2006	2007
Darlington	91.2	94.4	91.0	96.9	94.7
Hartlepool	92.7	93.3	94.2	96.5	92.9
Middlesbrough	91.2	91.7	95.3	96.9	92.2
Redcar & Cleveland	90.6	96.9	92.6	96.8	93.4
Stockton-on-Tees	93.4	94.9	96.3	97.0	95.3
Tees Valley	91.9	94.9	94.0	96.8	93.9
North East	92.3	93.5	93.6	96.7	94.5
Great Britain	92.6	94.2	94.3	96.5	95.5

Source: National Statistics

Table 36 Percentage of newly born enterprises surviving 2 years

	2003	2004	2005	2006	2007
Darlington	79.4	77.5	75.6	78.5	-
Hartlepool	78.0	77.8	76.9	78.9	-
Middlesbrough	75.0	75.0	81.3	79.7	-
Redcar & Cleveland	75.0	79.7	77.9	80.6	-
Stockton-on-Tees	78.3	79.5	79.4	83.2	-
Tees Valley	77.2	78.2	78.3	80.5	-
North East	77.3	76.9	79.2	80.1	-
Great Britain	78.0	78.7	79.8	80.7	-

Source: National Statistics

Table 37 Percentage Small Business (under 50 employees) Showing Growth

	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
Darlington	11.7	12.4	12.4	16.8	14.5	15.3
Hartlepool	11.1	11.1	11.9	16.1	16.1	15.6
Middlesbrough	11.9	14.1	14.3	18.7	17.5	16.2
Redcar & Cleveland	10.8	11.0	12.4	16.9	17.3	15.2
Stockton-on-Tees	11.1	10.4	13.7	16.5	15.5	14.7
Tees Valley	11.3	11.7	13.1	17.0	16.1	15.3
North East	12.1	12.0	13.4	16.9	16.3	15.8
Great Britain	10.8	10.3	11.6	14.7	14.4	14.4

Source: National Statistics

Table 38 Trend in % Population of Working Age Self-employed

	2001/02	2002/03	2003/04	*2004/05	*2005/06	*2006/07	*2007/08	*2008/09	*2009/10 +
Darlington	6.9	8.6	7.2	7.7	7.7	7.2	7.4	7.1	8.1
Hartlepool	3.8	3.8	4.0	5.7	6.4	7.4	6.7	6.7	6.5
Middlesbrough	3.7	3.8	4.5	4.1	5.5	4.1	4.5	4.5	4.4
Redcar & Cleveland	4.8	4.8	3.6	4.7	5.0	4.9	4.4	4.2	4.7
Stockton-on-Tees	3.7	4.5	4.5	5.5	6.1	6.2	5.6	6.2	6.0
Tees Valley	4.7	4.9	4.6	5.4	6.0	5.8	5.5	5.7	5.8
North East	5.2	5.6	5.4	5.8	6.3	6.3	6.4	6.4	6.3
Great Britain	8.6	8.7	9.0	9.1	9.2	9.3	9.4	9.1	9.1

Financial year throughout except + = year to end September

Source: National Statistics (LFS except * APS)

The following table provides information on personal insolvencies and bankruptcies.

Table 39 New Personal Insolvencies per 10,000 Adult Population

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Darlington.	8.5	8.9	8.7	7.4	11.1	14.5	30.5	30.1	30.9
Hartlepool	4.7	5.3	5.4	8.3	5.8	10.8	19.3	21.0	21.6
Middlesbrough	2.8	4.7	5.1	5.4	7.9	8.4	16.8	18.3	16.5
Redcar & Cleveland	5.3	5.4	5.6	6.0	7.6	9.1	18.4	19.4	21.2
Stockton-on-Tees	7.4	7.8	6.8	7.7	10.1	10.5	22.8	20.3	22.8
Tees Valley	5.7	6.4	6.3	6.9	8.7	10.4	21.3	21.3	22.2
North East	7.2	7.3	7.9	8.6	10.6	14.9	26.5	26.6	29.0
Great Britain	6.3	6.5	6.8	8.1	10.6	15.6	24.7	24.5	24.3

Source: National Statistics

Tees Valley Unlimited
June 2010