THE TYNE & WEAR PROFILE

2001

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CONTENTS

TABLES

FIGURES

APPENDIX

KEY POINTS

Geography and Communications

- Tyne & Wear is made up of five administrative Local Authorities consisting of the Cities of Newcastle and Sunderland and the Metropolitan Boroughs of Gateshead, North and South Tyneside. (§ 2.0)
- The county covers little more than 5% of the land area in the North East but houses over 40% of its population. (§ 2.1)

The People and Communities

- The **population** of Tyne & Wear is declining, mostly due to the influence of migration trends rather than the effects of births or deaths. (§ 3.1)
- The number of **households** in Tyne & Wear is increasing despite an overall decline in the population as residents are choosing to live in smaller households. (§ 3.3)
- The number of 'Married Couple' and 'Lone Parent' households are to decline by 16.5 and 4.9% respectively between 1998 and 2016. (§ 3.4)

Living Standards

- The North East has the second-lowest level of **household income** in the UK in addition to high dependency on Social Security benefits. (§ 4.1)
- The North has the lowest proportion of **owner occupation** in England, despite housing prices being the lowest in Britain. (§ 4.4)
- People living in Tyne & Wear generally experience poorer levels of **health** than those living elsewhere in the country. (§ 4.5)
- Three **Health Action Zones (HAZs)** have been set up in areas of deprivation and poor health in the North East. Tyne & Wear is the largest in the country. (§ 4.5)
- Tyne & Wear has three **Universities** in addition to the Open University which operates courses from offices in Newcastle. (§ 4.7)
- In 1998/99 41% of school leavers in the North East had five or more **A*-C passes at GCSE**. This figure is much lower than the English average of 48%. (§4.7)
- Tyne & Wear contains 2 of the 25 national **Education Action Zones (EAZs)** which will each be allocated up to £500,000 over a three-year period to raise educational standards. (§4.7)
- In 1998/99 60% of pupils in Tyne & Wear remained in **full-time education**, much lower than the English average of 70%. (§4.7)

Leisure and Lifestyle

- Tyne & Wear has a strong tradition of **sporting activity**, supported by a range of state-of-the-art facilities and sporting stadia. (§5.1)
- The cultural sector is a great source of employment in the North. (§5.2)
- Tyne & Wear has a number of renowned theatres, museums, festivals, parks and gardens. (§5.3)

- A number of **new cultural facilities** are currently under development in Tyne & Wear. These include the Baltic Centre for Contemporary Art and the Music Centre, Gateshead. (§5.5)
- Tyne & Wear has many quality **shopping** precincts including: Gateshead MetroCentre, Newcastle Eldon Square, Eldon Gardens, Monument Mall and Sunderland Bridges. (§5.5)

Environment

- Measures of **atmospheric pollution** indicate that the air in Tyne & Wear is cleaner than 10 or 20 years ago. (§6.1)
- The total number of **public transport** boardings in Tyne & Wear has fallen by almost 50% since the mid-1980s. (§6.2)

The Local Economy

- **GDP per capita** in Tyne & Wear is approximately 20% below the UK average. (§7.1)
- Tyne & Wear has a relatively weak **business base**. (§7.2)
- Tyne & Wear is more dependent on **manufacturing** than Great Britain, but less so than the North East. (§7.3)
- In 1997 the average **size of manufacturing establishments** in Tyne & Wear was significantly larger than the UK average. Between 1993 and 1997 productivity fell further below the UK average. (§7.3)
- Average **earnings** in Tyne & Wear are significantly lower than the GB average. The gap in earnings relative to Great Britain is much larger in percentage terms for men than women. (§8.2)
- In January 2001 the **claimant unemployment** rate for Tyne & Wear was higher than the UK, despite a decline in all Tyne & Wear Districts. (§8.3)
- Tyne & Wear accounted for 4% of GB participants on **New Deal** for Young People and 4.3% on 25+ New Deal. This reflects both early participation as a ‘Pathfinder’ area and above average unemployment in the county. (§8.3)
- Tyne & Wear has about 74,000 people on **Incapacity Benefit** (IB). (§8.4)

Land and Property

- In the 6 months to December 2000 the stock of **vacant industrial property** in Tyne & Wear increased by 37%. (§ 9.1)
- Major **infrastructure developments** under way include work on the £100m Metro extension to Sunderland. (§ 9.2)

1.0 INTRODUCTION

The Tyne & Wear Profile aims to give an in-depth picture of Tyne & Wear across a diverse range of topics including; the geography, people, economy, employment and living standards. The document features the database and reports produced and maintained by Tyne & Wear Research and Information (TWRI). Summary statistics on Tyne & Wear, at both district and county level, are available in Fact Cards produced by TWRI. Much of the collected official data spans more than 10 years thereby providing an added historic perspective. The Profile reports the latest available data at Tyne & Wear level but where this is not available we report at the level of the North East or the North.

TWRI provides a statistical information service on behalf of the five metropolitan districts in Tyne & Wear which is comprised of; Gateshead, Newcastle upon Tyne, North Tyneside, South Tyneside and Sunderland. TWRI produces information and undertakes research on a variety of topics of interest to those concerned with the social and economic conditions and the physical structure of the county. The services provided by TWRI are set out in the Appendix.

2.0 GEOGRAPHY AND COMMUNICATIONS

Tyne & Wear is made up of 5 administrative Metropolitan Local Authorities consisting of; the Cities of Newcastle and Sunderland and the Metropolitan Boroughs of Gateshead, North Tyneside and South Tyneside. All the Tyne & Wear Districts fall into the Local Government classification of "Metropolitan Districts" (MD)[1]. This Unitary, or single tier governing status came into effect in 1986 as part of the abolition of Metropolitan County Councils (Tyne & Wear County Council) in England. Tyne & Wear shares this status with 7 other Metropolitan areas in England (including Greater London)[2].

2.1 Location and Population

Tyne & Wear borders with Durham County to the South and Northumberland County to the North. Along with the other urban area of Tees Valley, these four county areas constitute the North East Government Office Region (Government Office for the North East or GO-NE). To the West is the County of Cumbria which, together with the North East Region make up the 'Northern' Standard Statistical Region (SSR). By road, Tyne & Wear is around 451 km (280 miles) North from London and 175 km (109 miles) South from Edinburgh.

Over 43% of the North East's population live in Tyne & Wear which covers only 6% of the land area. The population totals for the individual Districts within Tyne & Wear in 1999 can be seen in Table 1 and the proportions of the Tyne & Wear total are displayed graphically in Figure 1.

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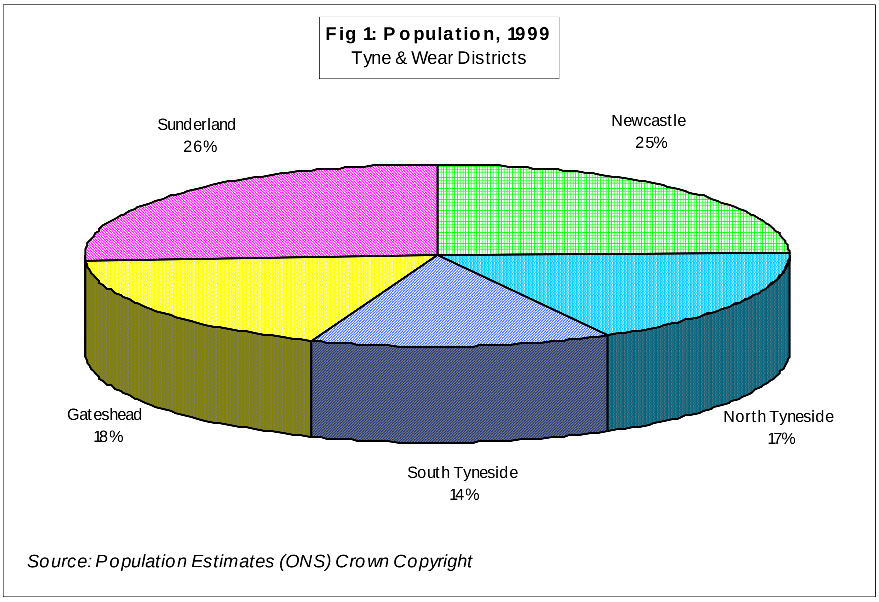
1 *Source: Gazetteer for the Statistical Regions and Local Authorities in the United Kingdom - June 1997 - Office for National Statistics (Crown Copyright)*

2 *Greater London, Greater Manchester, Merseyside, South Yorkshire, West Midlands, West Yorkshire*



At 2,053 persons per square kilometre, Tyne & Wear's population density is similar to the average for other Metropolitan areas. Densities among these Metropolitan areas range from Inner London with the highest at 8,573 per square kilometre to South Yorkshire at only 837 per square kilometre.

Table 1: Population, Density per Km^2 and Average Persons per Ward

District	Mid 1999 Population *	Area km^2 ^	Persons per km^2~ (Density)	Number of Wards ^	Average Persons per Ward ~
Tyne & Wear	1,108,500	540	2,053	113	9,810
Gateshead	198,100	143	1,385	22	9,005
Newcastle	273,000	112	2,438	26	10,500
North Tyneside	193,200	84	2,300	20	9,660
South Tyneside	153,500	64	2,398	20	7,675
Sunderland	290,700	138	2,107	25	11,628

Source: Tyne & Wear Fact Card 2001, TWRI

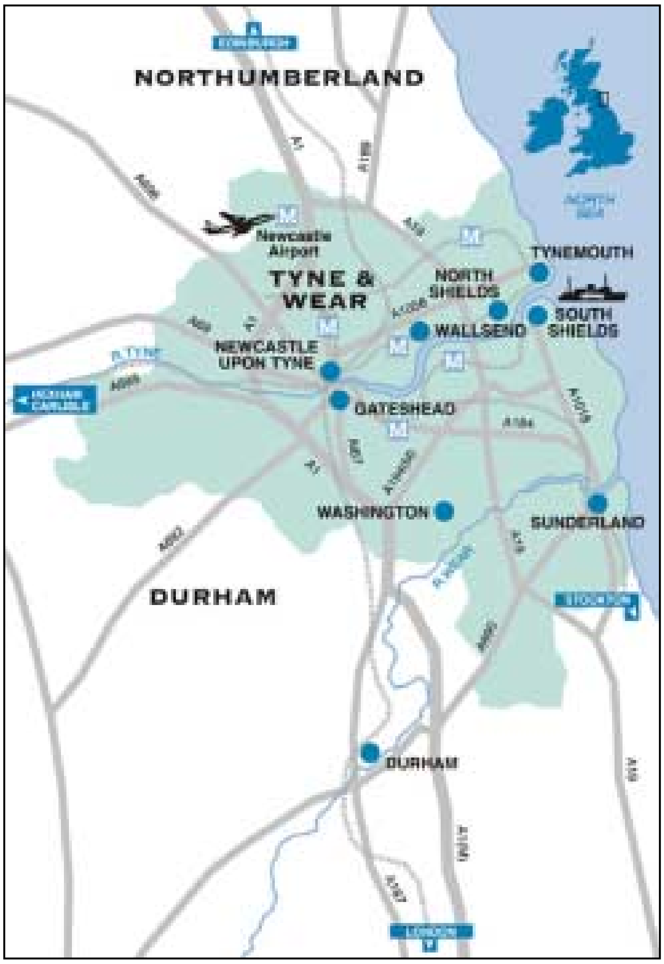
**Population Estimates Unit, ONS ^ Tyne & Wear Fact Card 2001 ~ TWRI*

2.2 Communications

Roads: Figure 2 shows the principal road network in and around the Tyne & Wear area. The A1(M) and A19 are the principal routes from the south. The A69 extends to Hexham, Carlisle and the West; while the A1 is the main route to the North and Scotland.

Rail: As well as the focal point of a network of local rail services, Central Station in Newcastle is a major staging point on the Great North Eastern Railway (GNER) and Cross Country network. Currently, fastest journey times from Newcastle Central Station include; Aberdeen (4h 10m); Birmingham (3h 10m); Edinburgh (1h 30m); Glasgow (2h 30m) and London (3h).

Fig 2: MAP OF TYNE & WEAR



Ferry: The Ferry Terminal at North Tyneside connects England's North East Coast to three countries; **Norway** (Stavanger 20h, Bergen 27h and Haugesund 23h); **Netherlands** (Amsterdam 16h); and **Sweden** (Gothenburg 26h).

Flights: Newcastle International Airport is the tenth busiest of the UK's 59 airports, with 3,029,569 using the airport during 1999/2000. The number of daily scheduled services (April – October 2000) are as follows:

Table 2: Number and Destinations of Daily Flights from Newcastle International Airport

Aberdeen (6)	Bristol (3)	Hamburg (1)	Southampton (2)
Amsterdam (5)	Brussels (4)	Heathrow (6)	Stansted (4)
Belfast City (8)	Copenhagen (1)	Isle of Man (2)	Stavanger (1)
Birmingham (3)	Dublin (4)	Oslo (1)	Wick (1)
Blackpool (2)	Gatwick (6)	Paris (3)	

Source: Tyne & Wear Fact Card 2001, TWRI

3.0 TYNE & WEAR: THE PEOPLE AND COMMUNITIES

3.1 Population Estimates and Projection

The population in all districts of Tyne & Wear has been declining since the early 1960s with the exception of Sunderland where the development of Washington has meant that Sunderland City continued to grow until the late 1970s. From around the mid-1970s Sunderland became the largest Tyne & Wear District with the population stabilising just below the 300,000 mark. Newcastle's population declined rapidly until the early 1980s and currently fluctuates around the 275,000 mark. The populations of the remaining 3 Districts have declined gradually with South Tyneside remaining the smallest District with around 154,000 people. Table 3 shows population change from 1961, and projects the mid-1998 figure to 2001 and 2011.

Table 3: Population Estimates and Projections 1961 to 2011 - Districts of Tyne & Wear

	1961	1971	1981	1991	2001	2011
Tyne & Wear	1,241,000	1,217,600	1,155,200	1,130,400	1,099,500	1,046,700
Gateshead	223,000	226,000	213,200	203,100	195,900	185,200
Newcastle	336,000	311,700	284,100	278,200	269,600	248,400
North Tyneside	210,000	208,300	198,600	195,500	194,100	194,700
South Tyneside	185,000	178,100	161,900	157,200	152,600	147,000
Sunderland	287,000	293,500	297,300	296,400	287,300	271,400
% change		1961-71	1971-81	1981-91	1991-01	2001-11
Tyne & Wear		-1.9	-5.1	-2.1	-2.7	-4.8
Gateshead		1.3	-5.7	-4.7	-3.5	-5.5
Newcastle		-7.2	-8.9	-2.1	-3.1	-7.9
North Tyneside		-0.8	-4.7	-1.6	-0.7	0.3
South Tyneside		-3.7	-9.1	-2.9	-2.9	-3.7
Sunderland		2.3	1.3	-0.3	-3.1	-5.5

Source: Population Estimates Unit, Office for National Statistics (Crown Copyright)

TWRI 1998 based Population Projections

Births, deaths and migration (the net effect of people moving in to and out of an area) can influence population change. At the local level (District or County), the change in population is more likely to be influenced by migration. Table 4 shows the births, deaths and net migration for the Districts and for Tyne and Wear as a whole in the year ending 1999. All districts experienced a decrease in population as a result of natural change, the largest loss being in South Tyneside. For the second year running, Sunderland had the highest number of births and the highest number of deaths, resulting in an overall decline of 200. In recent years (since 1994), as the UK economy regained its momentum, out migration from Tyne & Wear began to accelerate. The latest mid-year net migration figures indicate a loss of just over 4,000 people from the county area over the year to June 1999. This represents a slight increase from the 1998 figure following a decrease in out-migration between June 1997-98.

Table 4: Population, Natural Change and Migration – Districts of Tyne & Wear

	Population * Mid 1999	Births ^	Deaths ^	Natural ^ Change	Net ~ Migration
		Year Ending June 1999			
Tyne & Wear	1,108,500	11,700	12,900	-1,200	-4,100
Gateshead	198,100	2,100	2,300	-200	-400
Newcastle	273,000	2,900	3,100	-200	-2,000
North Tyneside	193,200	2,000	2,300	-300	300
South Tyneside	153,500	1,600	1,900	-300	-600
Sunderland	290,700	3,100	3,300	-200	-1,400

*Source: *Population Estimates Unit (ONS) Crown Copyright*

^Vital Statistics Unit (ONS) Crown Copyright ~NHSCR (ONS) Crown Copyright

TWRI Publication: Population of Tyne & Wear 1999

Note: All figures separately rounded to nearest hundred for presentation.

Migration affects the age profile of an area and thus natural change. Table 5 below shows population estimates for the District of Tyne & Wear as a whole. Although the age groups are very similar, there are some features that are worth highlighting. Bolstered by the large student populations in Newcastle and Sunderland, people aged 15-24 represent 13.3% of Tyne & Wear's population compared to 12.0% in England & Wales. The proportion of elderly people (75+) has increased in Tyne & Wear since 1996 but is still lower than the national average of 7.4%. The proportion of retired people up to 74 years has remained about the same at 11.7%, well above the national average of 10.7%.

Table 5: 1999 Mid Year Population Estimates* by Age Group

Ages:	Tyne & Wear	Gateshead	Newcastle	North Tyneside	South Tyneside	Sunderland
0-4	62,300	11,200	15,200	10,800	8,600	16,500
5-14	143,500	24,400	34,100	23,800	21,100	40,200
15-24	147,400	20,500	50,300	19,500	16,200	40,900
25-44	320,100	61,800	74,400	58,100	45,000	80,900
45-Retirement~	224,200	41,400	50,600	40,900	31,200	60,100
Retirement-74	129,800	24,500	28,500	23,900	19,200	33,700
75+	81,100	14,300	20,000	16,300	12,200	18,400
All Ages	1,108,500	198,100	273,000	193,200	153,500	290,700
Percentages:						
0-4	5.6	5.7	5.6	5.6	5.6	5.7
5-14	12.9	12.3	12.5	12.3	13.7	13.8
15-24	13.3	10.3	18.4	10.1	10.6	14.1
25-44	28.9	31.2	27.3	30.1	29.3	27.8
45-Retirement~	20.2	20.9	18.5	21.2	20.3	20.7
Retirement-74	11.7	12.4	10.4	12.4	12.5	11.6
75+	7.3	7.2	7.3	8.4	7.9	6.3
All Ages	100.0	100.0	100.0	100.0	100.0	100.0

Source: Population Estimates Unit (ONS) Crown Copyright

**TWRI Publication: Population of Tyne & Wear 1999*

Note: All figures separately rounded to the nearest hundred for presentation
~ Retirement age: 60 for women and 65 for men.

3.2 Projected Population Age Profile

Table 6 shows the projected age profile for Tyne and Wear up to the year 2016. Significant changes have been projected for the 0-15 age group, which is likely to decline by 48,100 in the 18 years to 2016. An increase of nearly 40,000 is projected in the 45 to retirement age band and a decline of 102,000 is expected in the 25-44 age group. An increase in the number of very elderly people in the region is also projected, rising by 8,000 from 80,600 to 88,600.

Table 6: Population Projections 1998 to 2016 (by Age Group)

	1998	2001	2006	2011	2016
0- 4	64,700	61,600	57,200	55,700	55,700
5-15	159,200	154,700	140,400	126,700	120,100
16-17	27,600	28,100	28,500	25,400	23,100
18-24	103,100	106,500	116,900	117,200	106,300
25-44	326,100	309,500	272,300	238,100	224,100
45-Retirement	223,200	230,200	249,600	267,100	261,600
Retirement-74	131,400	126,500	122,500	130,100	143,600
75+	80,600	82,500	85,000	86,500	88,600
All Ages	**1,115,800**	**1,099,500**	**1,072,400**	**1,046,700**	**1,023,000**
%					
0- 4	5.8	5.6	5.3	5.3	5.4
5-15	14.3	14.1	13.1	12.1	11.7
16-17	2.5	2.6	2.7	2.4	2.3
18-24	9.2	9.7	10.9	11.2	10.4
25-44	29.2	28.1	25.4	22.7	21.9
45-Retirement	20.0	20.9	23.3	25.5	25.6
Retirement-74	11.8	11.5	11.4	12.4	14.0
75+	7.2	7.5	7.9	8.3	8.7
All Ages	100.0	100.0	100.0	100.0	100.0

Source: TWRI Publication: 1998-based Population and Household Projections

Note: Figures may not sum as all figures are rounded separately.

3.3 Household Estimates by Household Types

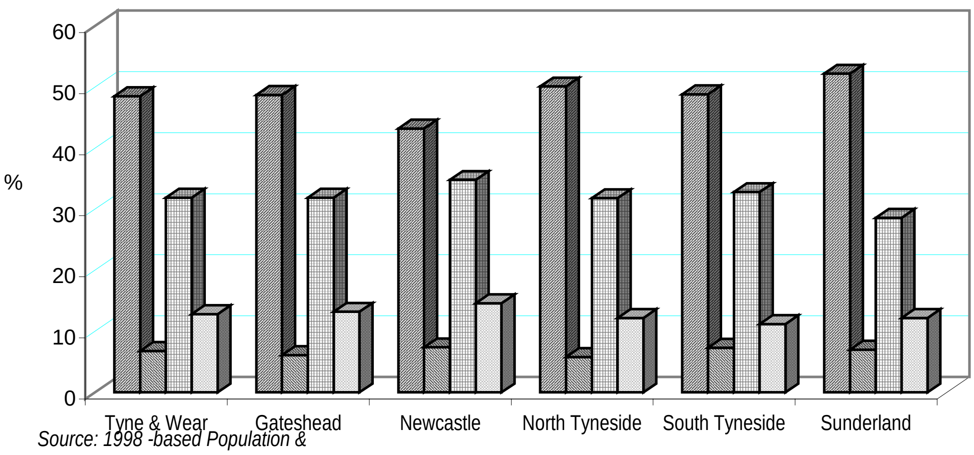
The 1991 Census defined a household as an individual living alone or a group of people (who may or may not be related) living, or staying temporarily, at the same address, with common housekeeping. Agencies involved in the marketing of products or planning of services may be more interested in the number of households than the population. For example, manufacturers of refrigerators or electricity & gas supply companies would be advised to look at household numbers to gauge the number of points of sale or billing points. Table 7 outlines the 1998-based Household Estimates by types of households for each of the Tyne & Wear Districts while Figure 3 illustrates the percentage breakdown of household types for the county.

Table 7: Household Estimates, 1998

	Tyne & Wear	Gateshead	Newcastle	North Tyneside	South Tyneside	Sunderland
Married Couple	232,600	42,300	51,300	43,000	32,700	63,400
Lone Parent	32,600	5,300	8,800	5,000	4,900	8,500
One Person	153,200	27,700	41,400	27,300	22,000	34,800
Other	61,500	11,500	17,300	10,500	7,500	14,800
All Households	479,900	86,800	118,800	85,800	67,000	121,500
%						
Married Couple	48.5	48.7	43.2	50.1	48.8	52.2
Lone Parent	6.8	6.1	7.4	5.8	7.3	7.0
One Person	31.9	31.9	34.8	31.8	32.8	28.6
Other	12.8	13.2	14.6	12.2	11.2	12.2
All Households	100.0	100.0	100.0	100.0	100.0	100.0

Source: TWRI Publication: 1998-based Population and Household Projections – Part 1: Data Report

Fig 3: Household Estimates 1998 (%)



Source: 1998 -based Population & Household Projections

3.4 Household Projections by Household Types

While Tyne & Wear's population is projected to fall, households in the region are projected to increase in number (+1.6%) between 1998 and 2016. Table 8 shows projected 'Married Couple' and 'Lone Parent' households are to decline by 16.5% and 4.9% respectively between 1998 and 2016. In the 18 years to 2016, significant growth is projected in 'One Person' households (+21.0%) and 'Other' households (+25.2%). Nationally, 'One Person' and 'Other' households are projected to increase by 25.2 and 35.3% respectively. 'Other' households are mostly made up of households with cohabiting couples with or without families.

Table 8 : Projected Household Types, 1998 to 2016

	1998	2001	2006	2011	2016
Married Couple	232,600	223,200	209,200	198,500	194,300
Lone Parent	32,600	33,300	33,400	32,300	31,000
One Person	153,200	160,400	171,400	181,200	185,400
Other	61,500	66,000	72,200	76,200	77,000
All Households	**479,900**	**482,900**	**486,200**	**488,200**	**487,600**

Source: TWRI Publication: 1998-based Population and Household Projections – Part 1: Data Report

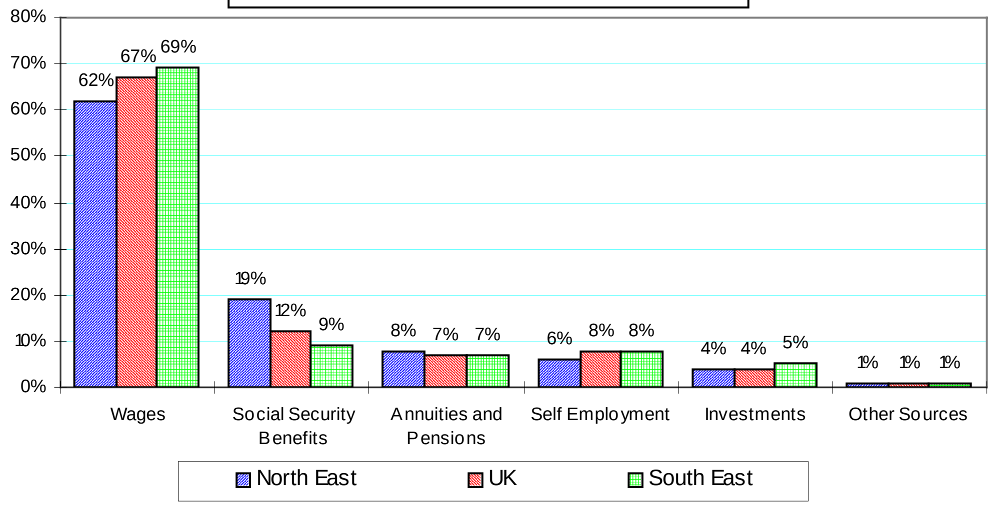
4.0 LIVING STANDARDS

4.1 Income

The Family Expenditure Survey (FES) showed that, averaged over the three years to 1999/2000, the North East had the second-lowest household income of all UK regions, 20% below the UK average. North East average weekly household income, at £363pw (or nearly £18,900pa), was £92pw or £4,900pa lower than the UK and 36% (£208pw, £10,800 pa) lower than in London.

Sources of income vary widely between regions, with the proportion from wages, or self-employment, in the North East (68%) being notably lower than in the UK (75%) (Figure 4). North East households obtain significantly less of their income from wages & salaries (62%) than in the UK (67%). The North East is also low on income from self-employment (6%) compared to the UK (8%). Conversely, the North East obtains a much higher proportion of its income from benefits (19%) compared with the UK (12%) and more than twice the proportion in the South East (9%). [Source: Family Expenditure Survey 1999/2000 gives all these proportions of household income averaged over the last 3 years].

Figure 4: Income Source 1997/98 - 1999/2000
North East, UK, South East



Source: Family Expenditure Survey 1999/2000 (Crown Copyright)

4.2 Expenditure on Goods and Services

According to the Family Expenditure Survey, North East households had the lowest weekly household expenditure of any region in the UK in the three years to 1999/2000. North East average household weekly spending was £285.40 (over £14,800pa) or around £60 (or 18%, £3,300pa) less than the UK average. London had the highest weekly spending; at £403.90 (£21,000 pa), some 29% higher than the North East. Household expenditure in the North East was higher (in £) than the UK average in only two categories; alcohol & tobacco and fuel & power. Net spending on housing, at £44 per week, was around £11 a week less in the North East than the UK. This is probably due to cheaper housing, a higher proportion renting rather than buying and also a large older population (not only retired people) who are more likely to own their homes outright.

4.3 Ownership of Consumer Durables

The 1999/2000 Family Expenditure Survey shows that the North East has the highest proportion of households of any UK region with microwaves and central heating. Around 83% of households have microwaves (UK 78%), and 95% have central heating (UK 89%). The high proportion with central heating most likely stems from the cooler climate in the North East coupled with the large proportion of public sector housing.

The North East has a lower proportion of households with telephones, cars and dishwashers than any other UK region. Around 92% of households have telephones (UK 95%). Only 59% of households in the North East own at least one car (or van) - much lower than the UK average (71%). 14 percent of households own two cars, compared to 22% in the UK and 27% in the South East. The proportion of households with dishwashers (15%) is also lower than any other UK region, and well below the national average of 22%.

Car ownership, in Tyne & Wear, was around 18 percentage points lower than in Great Britain (66.6%)[3]. Only 11.3% owned two cars or more, compared with 23.1% in Great Britain. North Tyneside had the highest rate of car ownership with 53.3% owning at least one car and 12.3% with two or more. Newcastle had the lowest rate of car ownership at 45.6% with at least one car and 10.5% two or more.

Table 9: Car Ownership in Tyne & Wear

	Households with no car %	Households with 2 or more cars %
Tyne & Wear	51.0	11.3
Gateshead	51.7	11.3
Newcastle	54.4	10.5
Sunderland	48.8	12.2
North Tyneside	46.7	12.3
South Tyneside	53.6	10.1

Source: 1991 Census, ONS Local Base Statistics (Crown Copyright)

[3] *1991 Census of Population, Office for National Statistics (Crown Copyright)*

4.4 Housing

In 1996 owner occupation in Tyne & Wear (56%) was about ten percentage points lower than in the UK, and the lowest in England. Local Authority or Housing Association renting was much higher in Tyne & Wear at 37%, than in the UK (19%). However the current figure represents a sharp decline from 1981 levels of 53% and 31% respectively. In 2000 the East had the highest rate of owner occupation (75%), 12 percentage points above the North East at 63%[4].

In 2000, the stock of dwellings in Tyne & Wear was just over 487,000. Over the year to April 1999 a total of 2,185 new dwellings were completed on private sites of five or more units in Tyne & Wear[5]. Within the districts, North Tyneside had the highest total number of new dwellings built (1,173 or 43%) and private sites completed (973 or 45%). North Tyneside also had almost double the number of new housing association dwellings than any other district as shown in Table 10.

Table 10: Housing Completions in Tyne & Wear, 1999

	Local Authority	Housing Association	Private Sites (More than 5 dwellings)	Private Sites (less than 5 dwellings)	Total Completions
Tyne & Wear	1	504	2,185	45	2,737
Gateshead	1	48	217	10	276
Newcastle	0	111	322	14	447
North Tyneside	0	193	973	5	1,173
South Tyneside	0	63	50	3	116
Sunderland	0	89	623	13	725

Source: Tyne & Wear Private Housing Land Study Group, 2000

Local Authority assessment of private housing supply in Tyne & Wear estimates around 8,153 - 8,065 dwellings will be built on Category 1 sites[6] over the five-year period 1999 to 2003. Sunderland has the highest number of expected private dwellings in Category 1 sites during this period (32% of the county total). There are expected to be 2,264 completions in North Tyneside (27.8% of county total), 1,943 in Gateshead (24% of county total), 815 in Newcastle (10% of county total) and 525 in South Tyneside which represents 6.4% of the county total.

A total of 18,430 dwellings were vacant in Tyne & Wear at the time of the 1991 Census (Table 11). This gave an overall vacancy rate in Tyne & Wear of 3.9% which is below the

4 *Regional Trends 35, 2000, Office for National Statistics (Crown Copyright)*

5 *Land for Private Housebuilding in Tyne & Wear, Report of the Tyne & Wear Private Housing Land Study Group, Review 18, 1999*

6 *Category 1 sites have no constraints to prohibit development according to the time scale agreed in the site assessment. (Local Authority Assessment)*

national average of 4.6%. Vacancy rates in Tyne & Wear varied from 1.6% for semi-detached houses to 9.2% for converted flats. Converted and purpose-built flats had the highest vacancy rates alongside accommodation which was not self contained.

Table 11: Vacancy Rates by Accommodation Type, 1991 %

	Tyne & Wear	North	Great Britain
Detached Houses	3.24	4.15	3.94
Semi-detached houses	1.63	2.10	2.72
Terraced houses	3.38	3.97	4.52
Purpose Built flats	8.29	7.90	7.66
Converted flats	9.15	9.45	10.05
Shared dwellings	3.86	3.99	3.27
Not self contained	9.09	10.64	7.32
Total dwellings vacant	18,430	50,271	1,066,508
Total dwelling stock	472,860	1,281,468	23,000,473
Vacancy Rate %	3.90	3.92	4.64

Source: 1991 Census (Small Area Statistics Table 61) Crown Copyright
1991 Housing Census Topic Report , CP95/4 TWRI

House prices in Tyne & Wear are amongst the lowest in Great Britain. In the fourth quarter of 2000 the average price of a dwelling in Tyne & Wear was £62,301[7]. This was 43% lower than the average price in England & Wales of £109,558 and 60% less than the average cost of a dwelling in Greater London (£157,624), the most expensive area for housing. The underlying trend in Tyne & Wear indicates positive growth, with prices increasing in the last 12 months by 2.6%. House prices in England & Wales increased by 13.3% over the same period.

4.5 Health

People living in Tyne & Wear generally experience poorer levels of health than those living elsewhere in the country. Standardised Mortality Ratios (SMR) provide an indication of how the mortality of a given area compares with the national level, after allowing for differences in age structure. Table 12 indicates that in 1998 SMRs in all Tyne & Wear Districts were poorer than the English equivalent, ranging from 7% above the UK average in North Tyneside to 23% higher in Gateshead. In 1997 7.5% of births in England & Wales were less than 2,500 grams, compared to 7.6% in Tyne & Wear as a whole and 8.4% in Sunderland - the highest proportion of the five Tyne & Wear districts.

[7] *HM Land Registry, Fourth Quarter 2000*

Table 12: Standardised Mortality Ratio (SMR) and % of Births under 2,500g

	SMR*	% Births under 2,500g^
England & Wales	99	7.5
Tyne & Wear	116	7.6
Gateshead	123	6.5
Newcastle	115	8.1
North Tyneside	107	6.7
South Tyneside	114	7.3
Sunderland	120	8.4

Source: Key Population & Vital Statistics (Series VS no. 25, PP1 no. 21) ONS (Crown Copyright)

** Standardised Mortality Ratio during 1998 (UK=100) ^ Conceptions during 1997*

Health Action Zones (HAZs)

In an effort to combat such striking health inequalities, the government has embarked on a ten-year modernisation programme of health and social care services. The Government has established 26 Health Action Zones (HAZ) in areas of deprivation and poor health across the country. The HAZ unites a wide range of organisations including: health authorities, NHS trusts, local authorities, the Universities, the Police, local communities, the voluntary sector, the private sector, professional groups and most importantly local people. They represent a new approach to public health, connecting health, regeneration, employment, education, housing and anti-poverty initiatives in response to the needs of deprived communities.

Nationally, there are 11 first wave and 15 second wave HAZs underway, each operating for seven years. In the North East 3 HAZs have been set up so far - Northumberland and Tyne & Wear (the largest in the Country) during the first wave which began in April 1998 and Tees, established during the second wave in April 1999. Altogether more than £320 million is being made available to assist HAZs in the three years from 1999/2000. Five local health partnerships have been established within the Tyne & Wear HAZ, each with responsibility for developing:

- a programme of care for people with heart disease
- an integrated system for health and social work mental health teams
- a cancer information toolkit; nicotine replacement therapy
- a smoking cessation programme
- a resource centre for young mothers

4.6 Index of Multiple Deprivation 2000

Produced by the DETR, the Index of Multiple Deprivation 2000 (IMD 2000) has been constructed by Oxford University following a review of the Index of Local Deprivation 1998 (ILD 98). IMD 2000 utilises 34 variables from a composite of six weighted 'domains' or 'dimensions' (Income 25%, Employment 25%, Health & Disabilities 15%, Education & Skills 15%, Housing 10% and Geographical Access 10%) to produce an overall index score for each ward. The IMD 2000 allows an analysis of deprivation from each or all of the selected domains within the 113 wards in Tyne & Wear (8414 in England) based on newly available ward-level DSS benefits data.

IMD 2000 has several advantages over its predecessor. These advantages include an extensive use of recent data, the concept of 'hidden unemployment' is now central to the definition of work deprivation and the removal of a 'scale-bias' (which had favoured larger local authorities). Although not directly analogous, on average for comparable wards, the rank of Tyne & Wear wards is shown to be 79 places more deprived with the IMD 2000 than with the ILD 98. Consequently, 50 of the 113 Tyne & Wear wards are in the worst decile (worst tenth) in England. South Tyneside is, on average, the most deprived district in Tyne & Wear, with an average rank of 1,167. The average rank of all five Tyne & Wear districts (1,590) is much worse than the median English rank of 4,207 (Rank 1 = most deprived) (Table 13).

In IMD 2000, income deprivation is expressed as a percentage rate of people who are dependent upon the key-means tested benefits. The average rate amongst wards in Tyne & Wear is 32.4%. The North East has, on average, the most income deprivation of all regions in England, with a mean ward rank of 2,576. Child poverty, which is a derivative of income deprivation, is defined within IMD 2000 as children living in families in receipt of means tested benefits. The average rate amongst wards in Tyne & Wear is 44.6%. The North East has the highest rate of child poverty, or proportion of children in families that claim means-tested benefits (42%), compared to 40% in the North West and just 23% in the South East.

Table 13: Income Deprivation and Child Poverty, Tyne & Wear

	Average rank of Multiple Deprivation	Average rate of Income Deprivation (%)	Average rate of Child Poverty (%)
Gateshead	1,631	30.6	43.8
Newcastle	1,773	34.1	46.9
North Tyneside	2,210	29.5	39.6
South Tyneside	1,167	35.2	46.5
Sunderland	1,205	32.5	45.4
Tyne & Wear	**1,590**	**32.4**	**44.6**
Median Ward (England)	4,207	15.7	22.5

Source: Index of Multiple Deprivation 2000

4.7 Education

Although qualification levels of school leavers are increasing both nationally and in the North East, young people in the North East still leave school with lower educational qualifications than the national average. In 1998/99 41% of school leavers in the North East had five or more GCSE A-C passes (England = 48%). The North East fell below National Targets for Education and Training for 2002, in terms of both young people and adults. As of spring 2000, around 74% of young people aged 19 in the North East were qualified to at least NVQ Level 2 (5 GCSE passes at grades A*-C or Intermediate GNVQ) (England 75%, Target 85%). 45% of 21 year-olds achieved NVQ Level 3 (2 A levels or Advanced GNVQ) (England 54%, Target 60%). The North East also fell below the National Targets for Education & Training for adults with 41% of adults in employment of working age achieving NVQ Level 3 (Target

50%) and 21% achieving NVQ Level 4 (Higher Education qualification below degree level) (Target 28%).

Education Action Zones

Tyne & Wear contains three Education Action Zones (EAZs) set up nationally to raise educational standards in socially deprived areas. The West End of Newcastle and Whitleas, Hedworth and All Saints wards in South Tyneside were part of the first wave of EAZs in 1998, with Sunderland following in the second wave in 1999. EAZs are local clusters of schools, usually a mix of not more than 20 primary, secondary and special schools, working in partnership with the LEA, parents, businesses and Learning & Skills Councils. Included among the strategies to improve educational standards are the introduction of literacy and numeracy summer schools, homework clubs and pre-school and family literacy projects. The 25 first wave zones were initially funded for three years, receiving up to £500,000 depending on size. These EAZs have subsequently been given extensions to 2003 with second wave EAZs being eligible for renewal early in 2001.

Children under Five

The proportion of children under 5 years of age in nursery and primary schools in England has increased significantly from about 20% in 1970/71 to 58% by January 2000. In January 2000, 84% of children under 5 years in the North East were in Local Authority schools, the highest proportion in the UK. North Tyneside has the highest participation rate of children under five in Tyne & Wear at 92%, followed by South Tyneside and Sunderland with respective participation rates of 90% and 86%. Newcastle has the lowest participation rate of children under five in Tyne & Wear (70%), followed by Gateshead (75%).

Free School Meals

In Tyne & Wear, more children are eligible and take free school meals than the English average. This was the case at both primary and secondary school level, in each district, in January 2000. As was the case nationally, uptake of free school meals in the North East and Tyne & Wear was highest at primary school level (18-30% of pupils) (Table 14).

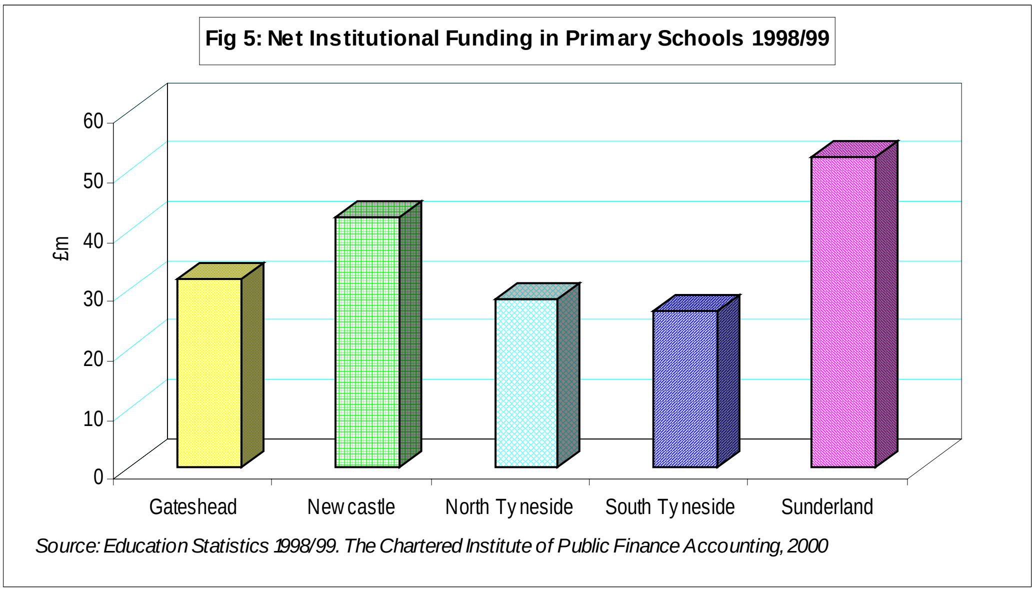
Table 14: School Meal Arrangements in Maintained Primary and Secondary Schools, Jan 2000

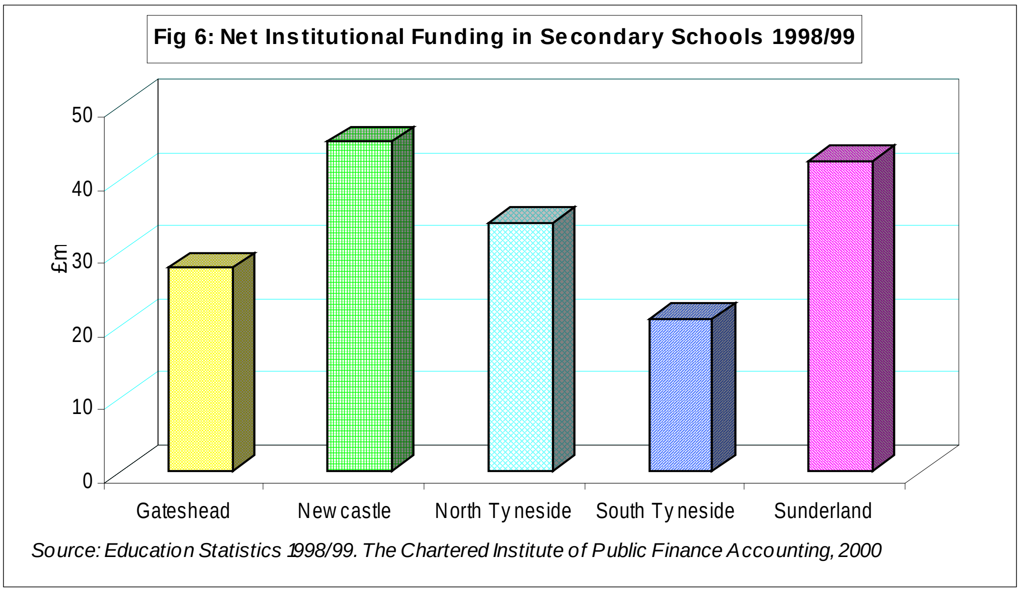
	Nursery, Primary & Middle		Secondary	
	% taking free school meals	% eligible for free school meals	% taking free school meals	% eligible for free school meals
England	15.0	18.3	11.6	16.5
North East	20.5	24.3	13.1	21.4
Gateshead	20.6	25.1	13.0	22.5
Newcastle	29.9	35.3	17.5	25.6
North Tyneside	17.8	22.1	13.5	20.1
South Tyneside	26.5	30.3	15.1	24.1
Sunderland	20.8	27.7	11.6	28.5

Source: Statistics of Education, Schools in England 2000, DfEE
DfEE Special request

Expenditure

In 1998/99 local authorities in the North East spent £1,223m on education[8]. Within Tyne & Wear, in 1998/99, net institutional funding of primary schools totalled around £181m, and in secondary schools it amounted to £177m[9]. Figures 4 and 5 show the distribution of institutional funding in Tyne & Wear.





Staffing and Provision

[8] *Regional Trends 35, 2000,National Statistics (Crown Copyright)*

[9] *Education Statistics 1998/99 Actuals Incorporating the Handbook of Unit Costs, The Chartered Institute of Public Finance Accounting, September 2000*

Staffing levels in North East schools compare favourably with the average for England. In January 2000 overall pupil teacher ratios for both the North East and England were 18.6[10]. The average primary school class size in the North East was 23.1, which was slightly below the average for England (23.3). The North East had fewer primary school classes of more than 30 pupils (18.3%) compared to England (22.6%) and GB (21.5%)[11]. At secondary school level, the average class size in the North East of 17.3 was marginally higher than the figure for England (17.2). The North East had fewer secondary school classes of more than 30 pupils (7.4%) compared to England (8.0%). Within Tyne & Wear, overall pupil teacher ratios in January 1999 were lowest in Sunderland (19.6) and highest in North Tyneside (20.2). Of the Tyne & Wear districts, South Tyneside has the lowest pupil teacher ratio in primary schools (22.5) and the highest pupil teacher ratio in secondary schools (17.4). North Tyneside has the highest average primary class size (24.1) and Sunderland has the lowest average secondary class size (16.5).

Qualifications

In 1998/99, 39% of pupils in Tyne & Wear obtained 5 or more GCSEs graded A*- C (Table 15). This is relatively low compared to the English average of 46%. In Tyne & Wear, North Tyneside had the highest percentage of pupils achieving 5 or more passes at 43%. Newcastle had the lowest at 34%. Among the remaining districts, 41% in Gateshead, 40% in South Tyneside and 35% in Sunderland, obtained 5 or more passes. As was the case nationally, girls in Tyne & Wear enjoyed appreciably more success than boys at GCSE, with over 10 percentage points more girls than boys gaining at least five grade A*- C passes[12].

Table 15: GCSE (A*-C grades) or GNVQ Equivalent Qualifications of Boys & Girls, 1998/99

	Number of 15 year old pupils	Achieved 5 or more GCSE #	% Achieved 5 or more GCSE #	Achieved 1 or more GCSE ~	% Achieved 1 or more GCSE ~
North East GOR	30,629	12,050	39	28,497	93
Tyne & Wear MC	12,509	4,710	38	11,594	93
Gateshead	2,174	888	41	2,003	92
Newcastle	2,753	924	34	2,417	88
North Tyneside	2,046	887	43	1,957	96
South Tyneside	1,826	728	40	1,721	94
Sunderland	3,710	1,282	35	3,508	95

Source: Statistical Bulletin 04/2000, GCSE/GNVQ, GCE A/AS Level & AGNVQ, 1998/99, DfEE

at grade A*-C ~ at G or above

Students over Sixteen

10 *Statistics of Education, Schools in England 2000, Department for Education and Employment (Crown Copyright)*

11 *Regional Trends 35, 2000, National Statistics(Crown Copyright)*

12 *Statistics of Education, Public Examinations GCSE/GNVQ and GCE/AGNVQ in England, 1998, Department for Education and Employment (Crown Copyright)*

The participation rates of students in Tyne & Wear remaining in full time education after the age of sixteen has risen sharply since the late 1980s, in line with the national trend. In 1988/89 just 44% of pupils in Tyne & Wear remained in full-time education, but by 1998/99 this had increased to 60%[13]. Despite this increase, the proportion of students remaining in education in Tyne & Wear remains below the English average of 70%[14].

Further and Higher Education

Tyne & Wear is home to three Universities in addition to the Open University, which operates courses from offices in Newcastle. For the academic year 1999/2000, 11,900 students were enrolled at the University of Newcastle, 14,700 at the University of Northumbria at Newcastle and 9,300 at the University of Sunderland. The Open University had 1,800 students resident in Tyne & Wear. In addition to these institutions, Tyne & Wear has a number of Further Education Colleges located in Gateshead, Newcastle, North Tyneside, Tynemouth and Sunderland[15]. The proportion of people of working age in Tyne & Wear holding degree qualifications or equivalent stood at 18% in autumn 2000, compared to 24% in England as a whole[16].

4.8 Crime

The Home Office produces regular bulletins of recorded crime statistics including recorded notifiable offences by police force areas. The latest of these bulletins[17] contains data for England & Wales for the period from October 1999 to September 2000.

Northumbria Police

There were 137,789 notifiable offences recorded in the Northumbria police area between October 1999 and September 2000. This represents a fall of 7,946 (-5.5%) offences since the previous twelve months between October 1998 and September 1999. Within this period Criminal Damage, including damage to vehicles (21.9% of total offences), Burglary (18.2%) and Theft and Handling (40.2%) accounted for over 81% of notifiable offences in the Northumbria police area (Fig. 7). The categories of Violent Crime (11.5%), Fraud and Forgery (3.8%), Drug Offences (3.0%) and Other Offences (1.4%) constituted the remainder. 28.0% of all offences involved vehicle crime.

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[13] *DfEE Special Request - Participation of 16 year olds in full-time education in Tyne and Wear Local Learning and Skills Council, 1988/89 to 1998/99*

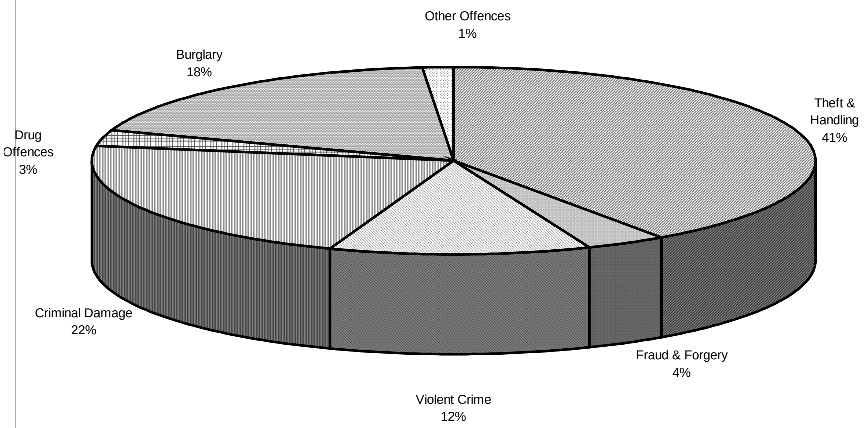
[14] *Statistics of Education: Participation in Education & Training by Young People Aged 16 & 17 in each local area and Region, England, 1994 to 1998/99, DfEE*

[15] *Tyne & Wear Fact Card 2001, TWRI*

[16] *DfEE estimates from the Labour Force Survey, autumn 2000*

[17] *Home Office Statistical Bulletin: Recorded Crime Statistics, England and Wales, October 1999 to September 2000 (Issue 1/01 Jan 2001)*

Fig 7: Type of Offences 1999-2000
Northumbria Police Area



Source: Home Office Statistical Bulletin, January 2001

5.0 LEISURE AND LIFESTYLE

5.1 Sports & Recreation

In 1996 adults in the North were less likely to have taken part in some form of physical activity than the GB average, with only 57% of adults participating in some form of sporting activity compared with 64% nationally[18]. Participation in sport in the North East rose sharply between 1986 and 1990 from approximately 46% to 63%, but remained slightly below the national average of 65%. This slightly low figure can be largely explained by low female participation; 55% of women in the North East participated in sport, compared with 57% in GB. Male participation in football, basketball, cycling, darts and fishing was higher than the national average. Relatively few men in the North East, however, played golf, cricket, squash, badminton or tennis. Participation in sport amongst women in the North East was depressed in all sports, with the noticeable exception of darts. Female participation was very low in swimming.

The North East is host to the world's biggest half marathon, 'The Great North Run', which had 38,822 finishers in 2000, a record for any British road running event. The 21st Great North Run, which covers 13.1 miles from Newcastle to South Shields, is expected to attract 47,000 entrants in 2001.

The Great North Run, Newcastle, Gateshead and South Tyneside

Source: South Tyneside Metropolitan Borough Council

18 *Living in Britain. Results from the 1996 General Household Survey, Office for National Statistics (Crown Copyright), 1998*

The Economic Value of Sport

The Northern Council for Sport and Recreation's 1994 report showed (1992 figures):

- an overall expenditure of £735.5m across the whole sports industry
- sports' contribution to the Region's total output (value-added) of about 1.5%, slightly lower than the national figure of 1.7%
- total employment in sport of 25,400
- total investment in sport as £26.3m

The average weekly household expenditure on leisure goods and services in the North East over the three-year period 1997/98–1999/2000 was £47.20 compared to the UK average of £59.70[19]. North East households devote 16.5% of their household expenditure to leisure goods and services compared to 17.2% on average in the UK. The main leisure goods and services in the North East include holidays abroad, cash gifts & donations, gambling, TVs & audio equipment and TV rental & licences[20].

The English Sports Council has distributed lottery sports funds since 1994. As of February 2001, the Sport England Lottery Fund had made 138 awards, totalling almost £61m, in the North East. The value of grants attributable to sport per head of population in the North East was £48, higher than all other English regions.

Leisure Facilities

Some of England's most popular leisure centres are located in Tyne & Wear. These include Newcastle Eldon, Sunderland Crowtree and Temple Park Centre at South Shields. Local Authorities own 90% of the Northern Region's leisure centres. Tyne & Wear alone accounts for 391 public sports pitches, one-third of which are in Gateshead, and has 122 playgrounds[21].

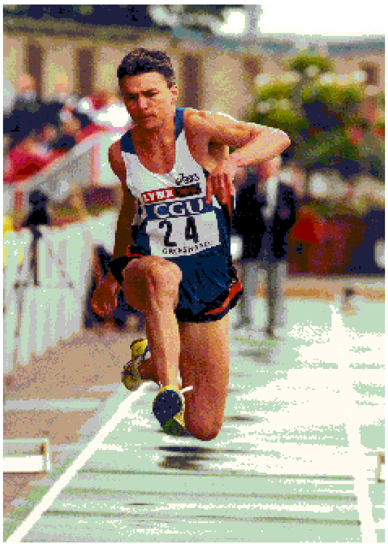
In 1996/97 public swimming pools and sports centres in Tyne & Wear attracted over 8 million visitors. Sunderland Crowtree Centre ranked 3rd in a national league table of leisure centres in England, attracting over 2 million visitors and Newcastle Eldon ranked 13th with approximately 1 million visitors.

Tyne & Wear has a variety of specialist sporting facilities, hosting both domestic and international competitions. These include Gateshead International Stadium for athletics, which hosted the World Veterans Athletics Championships in 1999 and the SPAR European Cup in 2000, Sunderland's Silksworth Sports Complex for dry slope skiing and the Puma Centre for tennis.

19 *The total includes the enhanced Northern Ireland dataset for 1998-99 & 1999-2000*

20 *Family Expenditure Survey 1999/2000, Office for National Statistics (Crown Copyright), 2000*

21 *Local Authority Performance Indicators 1996/97, Audit Commission*



Jonathan Edwards in action at Gateshead International Stadium

Source: Newcastle Gateshead Initiative

The main football clubs in Tyne & Wear are Newcastle United and Sunderland. The capacity of Sunderland's Stadium of Light has been in increased to 48,500 with potential for further expansion to 66,000. The Stadium of Light is the largest football stadium constructed in Britain since the Second World War. The stadium has superb facilities and played host to England's friendly against Belgium prior to the 2000 European Championships.

Newcastle United have a capacity of 52,226 at St James Park following a £49m redevelopment to incorporate over 15,000 extra seats beneath one of the largest cantilever roofs in the world. St James Park has been chosen to host England's World Cup Qualifier against Albania in September 2001.

St. James Park, Newcastle

Source: Newcastle City Council

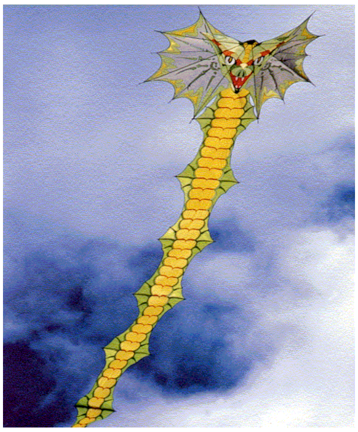
5.2 The Arts

Newcastle boasts seven theatres including the Theatre Royal, which hosts seasons by touring companies including the Royal Shakespeare Company and is the North East home for Opera North, Northern Ballet Theatre and the Royal National Theatre. The theatre attracted almost 300,000 people in 2000/01, at an average occupancy of 62%. The Royal Shakespeare Company (RSC) carried out fifty-six performances during the 1999 Season. Seat occupation at the Theatre Royal Newcastle was 92% and 76% at the Newcastle Playhouse. Total seat occupation for the 1999 RSC Newcastle season was 87%, accounting for 38,948 attendees[22]. Northern Stage, the largest professional theatre company between Leeds and Edinburgh, achieved a 72% average attendance for performances at the Newcastle Playhouse and 76% at the Gulbenkian Theatre, during 1999/2000. This represents a 6% and 8% rise respectively, on 1998/99 audiences. The Empire Theatre in Sunderland is the largest theatre in the North East with seating on four levels. Opened in 1907, the Grade II listed building offers an impressive array of entertainment, musicals, opera, ballet, jazz, children's shows and one of the finest pantomimes in the country. Its Royalty Theatre also presents plays to suit a range of audiences.

Theatre Royal, Newcastle

Source: Newcastle Gateshead Initiative

The contemporary arts calendar in Tyne & Wear includes the Newcastle Jazz Festival and Comedy Festival. The Northern Sinfonia Orchestra has its base in the city, and the Newcastle Arena provides a huge, modern venue for the world's top performers. Sunderland is famous for spectacular events such as the International Airshow, the Kite Festival and Houghton Feast. In 2000, the Sunderland Kite Festival attracted over 70,000 visitors.



Sunderland Kite Festival

Source: City of Sunderland Council

[22] *The Royal Shakespeare Company, Stratford-upon-Avon, November 2000*

North Tyneside is home to the North Shields Fish Quay Festival (under the name Window on the World), which is one of Europe's largest free festivals. It attracts thousands of visitors each May and includes street theatre, dance, folk music and carnival.

Fish Quay, North Shields

Source: North Tyneside Metropolitan Borough Council

In South Tyneside the Cookson Country Festival, held on the waterfront, offers carnival, music and cabaret.

Cookson Festival, South Tyneside

Source: South Tyneside Metropolitan Borough Council

Top visitor attractions in 1999 in the North East include Durham Cathedral with 497,000 visitors, South Shields Museum and Art Gallery with 267,000 visitors and the Laing Art Gallery in Newcastle with 250,000 visitors. The top paying attraction was the North of England Open Air Museum at Beamish (320,000). The top paying attraction in Tyne & Wear was the Hancock Museum in Newcastle (122,000)[23].

The Economic Value of the Arts

Research conducted by Northern Arts in partnership with the former Training and Enterprise Councils demonstrated that, although unpredictable, the cultural sector in the north of England is very productive. Chiefly comprised of small micro-businesses with high levels of self-employment, part-time employment, temporary jobs and a prevalence of volunteers, over

[23] *Northumbria Tourist Board*

55,000 people are directly employed by the cultural sector. This figure does not include those linked into the core of the sector in marketing, finance, retail, training and management activities. It is estimated that, in total, the cultural industries account for approximately 2% of regional GDP - a figure which is expected to rise in the next few years as the sector expands. The Royal Shakespeare Company's annual visit to the region is estimated to contribute over £1.1 million into the local economy[24]. The presence of popular arts and cultural venues has a beneficial effect in the local economy, both in terms of money being spent outside venues on items such as food & drink, shopping and transport, but also in aiding the recruitment of senior staff into local businesses.

Figures from Arts and Business indicate private sector support for the arts in the region at £2,429,000 in 1999/00, including almost £1m for capital and millennium projects, over £600,000 in general (revenue) sponsorship and over £300,000 in corporate donations. The Northern Arts investment programmes make around 1100 grant awards each year, with over £75m from Arts Capital Lottery having been invested between 1996-99. During this period, over £2.9m was awarded to North East projects from the Arts Council as part of the Arts for Everyone scheme.

5.3 Museums

It is estimated that there were just under 2.8m visits to museums and art galleries in the region in 1999[25]. The majority of museums in the region are controlled either by local authorities or run by independent bodies. The remaining museums are run by higher education institutions. The most popular museums and galleries in Tyne and Wear include:

South Shields Museum & Art Gallery, Ocean Road, South Shields

Collection includes a wide variety of displays relating to South Tyneside life and history, including a gallery devoted to best-selling author Catherine Cookson. The museum also has an annual programme of temporary exhibitions.

The Laing Art Gallery, Higham Place, Newcastle upon Tyne

The Laing Art Gallery is the North East’s principal art gallery with extensive collections of paintings, water-colours, costume, silver, glass, pottery and sculpture. The gallery also has special reference to North East arts and crafts.

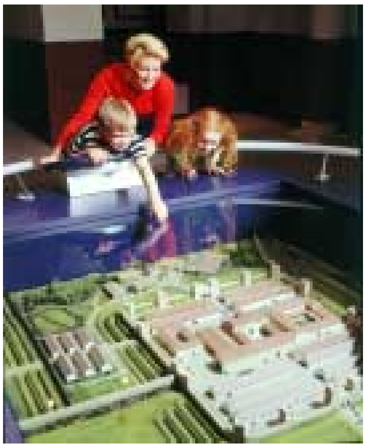
Hancock Museum, Barras Bridge, Newcastle upon Tyne

Collection includes natural history, geology, insects, birds, Egyptology and ethnography, with Bewick’s shrine.

[24] *Northern Arts – Facts About the Northern Arts Region, November 1999*

[25] *Northumbria Tourist Board, 1999*

Segedunum Roman Fort, Bath and Museum, Wallsend, North Tyneside



Visitors can see what life was like in Hadrian's day through interactive computer images, taking a virtual tour of the fort and bringing Roman Britain to life. There are reconstructions of a cavalry barrack and the commanding officer's house and a life-size replica of a Roman bathhouse - the only one in Britain. A computer generated story chronicles the changes in Wallsend from Roman times through to the coal mines and shipyards.

A family enjoying the attractions at Segedunum, North Tyneside

Source: Newcastle Gateshead Initiative

Sunderland Museum & Art Gallery, Borough Road, Sunderland

Collection includes North East history and geography, Sunderland archaeology, social history, shipbuilding, fine art, ceramics and glass. There is a particular focus on 19th and 20th century drawings and prints.

Discovery Museum, Blandford Square, Newcastle upon Tyne

Collection includes development of science and engineering with special reference to the North East of England. There is also opportunity to see Newcastle’s social history, interactive science factory, maritime history, fashion and military displays.

Arbeia Roman Fort and Museum, Baring Street, South Shields

Collection includes finds from fort and surroundings, reconstructed West Gate with displays. There is a continuing excavation programme on an extensive site. Remains date back to Roman and pre-Roman. The site includes Timequest, an archaeological learning centre, where visitors can learn how archaeologists unravel the secrets of the past.

Shipley Art Gallery, Prince Consort Road, Gateshead

Collection includes old master and Victorian paintings from the Shipley Bequest and other sources. The gallery is home to one of the largest collections of contemporary crafts in northern England including jewellery, textiles, ceramics, furniture and glass.

5.4 Libraries

In 1999/2000 there were 84 library service points in Tyne & Wear. In addition 6 mobile libraries serve the more remote rural districts and large residential areas. The number of items issued per head of population was highest in Gateshead (9.4) followed by North Tyneside (8.0), South Tyneside (7.8), Newcastle (6.9) and Sunderland (6.7)[26].

[26] *Local Authority Performance Indicators 1999/2000, Audit Commission*

5.5 Tourism

Tourism is a major contributor to both the North East and Tyne & Wear economies. In 1999 tourists spent £631m in the North East, representing about 4% of Regional gross domestic product (GDP). Visitors to Tyne & Wear spent £266m in 1999, overseas tourists accounting for approximately £156m (59% of the total) compared to £110m (31%) by domestic visitors. In 1999, there were 156,000 domestic and 290,000 tourist trips in Tyne & Wear, with UK and overseas visitors staying a total of 4.9m and 2.2m nights respectively. Around 72,000 people in the North East are employed in tourism related industries[27].

Tyne & Wear has a flourishing tourist industry. Each district has its own distinctive sights.

Sunderland is home to the £16m National Glass Centre, which traces the history of glass-making in the region and supports indigenous glass-making businesses. The Washington Wildfowl and Wetlands Centre, spread over 100 acres of parkland, is home to 1,200 swans, ducks and geese. Nearby is Washington Hall, the ancestral home of George Washington, first President of the United States of America.

National Glass Centre, Sunderland

Source: City of Sunderland Council

In North Tyneside popular tourist attractions are St Mary's Lighthouse & visitor centre and Tynemouth Priory, which is the ruins of the 11th century Benedictine Priory. North Tyneside is also home to a Sea Life Centre and the old Life Brigade Watch House which displays 19th Century shipwrecks. The Window on the World Festival is reported to attract over 100,000 revellers each year.

St. Mary's Lighthouse, North Tyneside

Source: North Tyneside Metropolitan Borough Council

[27] *Annual Business Inquiry, December 1998 (Crown Copyright)*

South Tyneside is home to Bede's World telling the story of the life and times of the Northumbrian scholar Venerable Bede (AD 673-735). The site includes the chancel of St Paul's, the only surviving part of the Anglo-Saxon monastery. The monastery was attacked by Vikings in AD794 but was revived and survived until the Reformation. Outside the monastery in Gyrwe (the Anglo-Saxon name for Jarrow) is an experimental farm which is home to rare breeds of animals and ancient varieties of cereals and vegetables. The site also features full-size Northumbrian timber halls and other structures based on excavated examples using traditional tools and techniques.

The latest tourist attraction in Gateshead is The Angel of the North. The largest sculpture in Britain, it measures over 20m high, boasts a 54m wingspan, weighs 200 tonnes and comprises enough steel to make 16 double-decker buses.

Angel of the North, Gateshead

Source: Newcastle Gateshead Initiative

More than £250m is being invested in major new attractions in Gateshead, the first of which, the £22m Gateshead Millennium Bridge will open in Summer 2001. The uniquely designed 850-tonne rotating structure is the first opening bridge to be built across the River Tyne for more than 100 years and will provide a footpath between Newcastle's East Quayside and new arts and cultural developments at Gateshead Quays.

Gateshead Millennium Bridge

Source: Newcastle Gateshead Initiative

Scheduled to open in 2002, the Baltic will provide a major centre for contemporary art in the former Baltic Flour Mills, a redundant 1940's grain warehouse on the south bank of the River Tyne. The Baltic will accommodate over 3,000m^2 of art space including five galleries, artists' studios and feature a wealth of cultural media including sculpture, performance, painting and digital art. Admission to the Baltic will be free.

The Music Centre Gateshead will house a 1,650-seater concert hall, a 450-seater second hall, a music education centre and a specialist information resource centre. It will cater for all forms of professional and amateur music-making and provide a permanent home for Northern Sinfonia, the region's international chamber orchestra and Folkworks, the traditional music and dance organisation. The £70m project, due to open 2003, is funded by the National Lottery through the Arts Council of England and is characterised by a spectacular curved roof.

Music Centre, Gateshead

Source: Gateshead Metropolitan Borough Council, Foster and Partners

Newcastle Quayside was the ancient centre of the city of Newcastle and is one of Britain's most dramatic waterfronts. The Quayside has hosted various Maritime Festivals reflecting the city's association with the sea and was last visited by the Cutty Sark Tall Ships' Race in 1993. The Quayside includes many historic buildings and the famous Tyne Bridge, opened by King George V in 1929.

Newcastle Quayside by night

Source: Newcastle Gateshead Initiative

The 'Blue Carpet' is a ground-breaking design for a contemporary public square outside the Laing Art Gallery, Newcastle. Created by award-winning artist Thomas Heatherwick, it will provide a stunning public space incorporating fibre optics, imaginative lighting, cycle racks and street furniture within a 'floorscape' which resembles a carpet with its edges folding upwards against the walls. The Blue Carpet is part of the Art on the Riverside programme, the largest public art programme in Britain funded by a £3.5m grant from the National Lottery and £2.7m from the public and private sectors.

Tyne & Wear is one of the largest shopping destinations in the UK, with reputable retail facilities such as the MetroCentre (at Gateshead), Newcastle Eldon Square, Eldon Garden, Monument Mall, North Tyneside Royal Quays and Sunderland Bridges. The Metro Centre attracted 2m visitors in 2000, a rise of 2% on the previous year.

MetroCentre, Gateshead

Source: Newcastle Gateshead Initiative

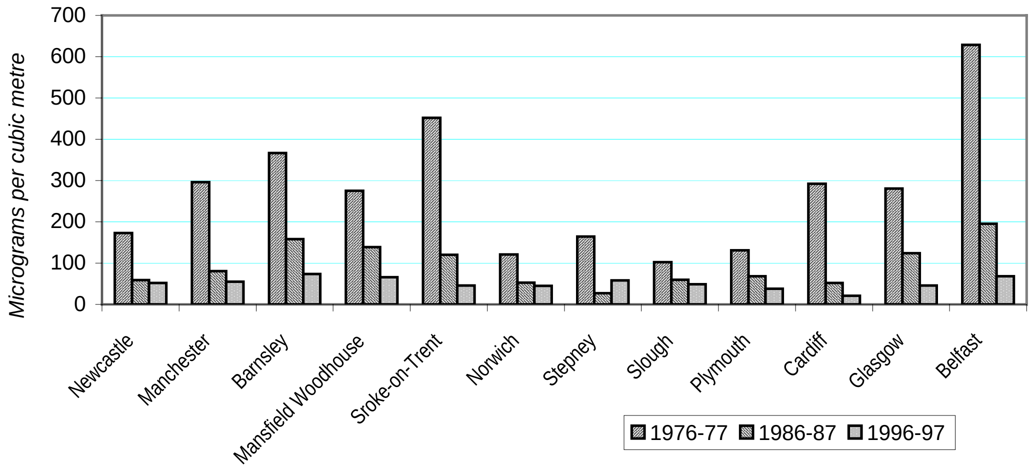
6.0 ENVIRONMENT

Concern about the environment has been reflected in the growing awareness and public interest in environmental issues. A variety of measures may be used to determine levels of environmental quality. The two indicators below measure black smoke and sulphur dioxide, both of which reflect levels of atmospheric pollution.

6.1 Atmospheric Pollution

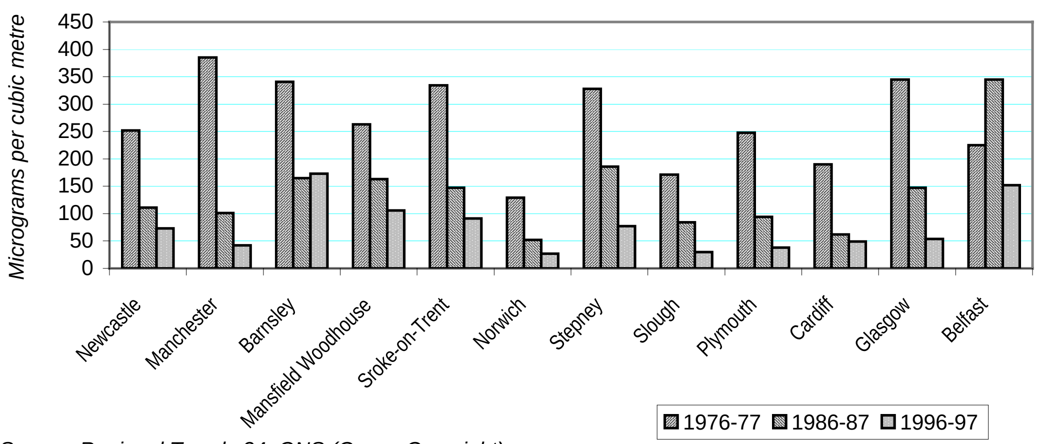
Black smoke and sulphur dioxide concentrations have reduced greatly in Newcastle and most of the country since the 1970s. In the 20 years to 1997/98, levels of both pollutants in Newcastle have fallen by over two-thirds; black smoke from 149 microgram per cubic metre to around 41 and sulphur dioxide from 252 to 79 micrograms per cubic metre. The decline in these indicators reflects a percentage change of –72% and –69% respectively.

FIG 8: ATMOSPHERIC POLLUTION
Black Smoke



Source: *Regional Trends 34, ONS (Crown Copyright)*

FIG 9: ATMOSPHERIC POLLUTION
Sulphur Dioxide



Source: Regional Trends 34, ONS (Crown Copyright)

6.2 Public Transport

The total number of public transport boardings in Tyne & Wear has declined by 47.6% since de-regulation in 1986, from 370 million in 1985/86 to 194 million in 1999/2000. Buses and Metros showed the most significant decline, down 49% and 40% respectively.

Table 16: Tyne & Wear Public Transport Boardings (millions)

	Total	(%)	Bus	(%)	Metro	(%)	Rail	(%)	Ferry	(%)
1985/86	370.4	100.0	312.9	84.5	54.6	14.7	2.4	0.6	0.5	0.1
1990/91	275.2	100.0	229.6	83.4	42.7	15.5	2.2	0.8	0.7	0.3
1995/96	220.7	100.0	182.2	82.6	35.8	16.2	2.1	1.0	0.6	0.3
1997/98	210.0	100.0	172.6	82.2	36.0	17.1	2.4	1.1	0.6	0.3
1998/99	201.8	100.0	165.0	81.8	34.0	16.9	2.4	1.1	0.6	0.3
1999/2000	194.1	100.0	158.2	81.5	32.8	16.9	2.5	1.3	0.6	0.3

Source: Trends and Statistics Report – July 2000 (NEXUS).

Tyne & Wear has a modern public transport system - a necessity given that car ownership is the lowest in the country. The Tyne & Wear Metro system, which opened in 1980, provides frequent rail links from residential areas through Newcastle to North Tyneside, South Tyneside and Gateshead. The Metro also connects to bus services throughout the region and has stations at Newcastle Central Station and International Airport. An extension of the Metro system to Sunderland, which is planned to be in operation early in 2002, is expected to carry around 1,150 passengers an hour at peak travel time.

7.0 THE LOCAL ECONOMY

7.1 Gross Domestic Product

Gross Domestic Product (GDP) is the widest measure of economic activity (output) as it covers the whole monetary economy including manufacturing, primary production and services including public services. In 1998 the Tyne & Wear economy had a GDP of just over £11,300m. This represents a rise of 13.5% over the previous five years, well below UK growth over 1993-98 of 32.1%. GDP estimates are largely workplace-based and thus substantial net in-commuting makes it overstate the prosperity of residents. Approximately 7% of people (30,000) working in Tyne & Wear are net in-commuters who probably, on average, are more highly paid than residents. Thus, although Tyne & Wear's 1998 per capita GDP index is 80.8% of the UK, the prosperity of residents may be nearer 75% of the UK average.

7.2 Firms in Tyne & Wear

Table 17 shows the top ten companies with headquarters in Tyne & Wear ranked by turnover. It displays a large gap in turnover between the top two companies, the next five companies and the remaining firms in the top ten ranking. Nationality of ownership of these companies includes; USA (Northern Electric), Japan (Nissan in which Renault have had a 37% share since 1999), UK (ACC Blaydon, Arriva, Northern Rock, Barratt Developments, Reg Vardy, North-East/Cumbria Co-op, Go-Ahead Group and Bellway).

Table 17: Top Companies in Tyne & Wear (by turnover), 2001

Rank		Company	District	Activity	Turnover (£m)
1	(3)	ACC Blaydon	Gateshead	Milk/food	2,212
2	(1)	Nissan Motor Manufacturing (UK) Ltd	Sunderland	Car manufacture	2,071
3	(4)	Arriva plc	Sunderland	Transport operator	1,735
4	(5)	Northern Rock plc	Newcastle	Mortgage bank	1,598
5	(6)	Reg Vardy plc	Sunderland	Motor dealing	1,282
6	(8)	Northern Electric	Newcastle	Electricity & Gas	1,267
7	(7)	Barratt Developments plc	Newcastle	Housebuilding	1,250
8	(10)	Bellway plc	Newcastle	Housebuilding	634
9	(11)	Go-Ahead Group plc	Newcastle	Public Transport	546
10	(9)	North East & Cumbria Co-op	Gateshead	Retail	534

Source: Journal May 24 2001

Structure of the Business Base

At the end of 1999, Tyne & Wear had 15,915 businesses registered for VAT (Table 18). This is a remarkably small business base of 178 businesses for every 10,000 adults. The UK is almost twice this, at 354.

Tyne & Wear's business base is also small in relation to employment. It has only 1.0% of all UK businesses registered for VAT, but about 2% of UK employees. Tyne & Wear is also under-represented in the North East Region with 38% of the business base compared with roughly 47% of the region's employees[28].

During 1999, Tyne & Wear's business base fell by 0.8%, or 135 firms. Tyne & Wear's business base under-performed the UK in 1999 by 1.2%. The sharp fall in the business base in 1999 more than offset the modest growth in 1998 (30 firms or 0.2%). Tyne & Wear's performance was worse than that of the North East Region, where the business base fell by only 0.2%, or 65 firms. Both Tyne & Wear and the North East under-performed in relation to the UK, which *grew* by 0.4%[29].

At district level in 1999, Newcastle declined by 4.3%, or 195 firms whilst Sunderland fell by 1.6% or 60 firms. The business base continued to grow in South Tyneside, by 2.2%. Increases in Gateshead (1.4%) and North Tyneside (1.5%) were more subdued. Excluding Newcastle and Sunderland, growth in Tyne & Wear's districts averaged 1.7%.

[28] *Businesses Registered for VAT, 1999, TWRI, EB01/1*

[29] *Businesses Registered for VAT, 1999 TWRI, EB 01/1*

Newcastle is the only district in Tyne & Wear to have had a decline in its business base each year since 1994. Its rate of decline has accelerated from -0.7% in 1996 to -3.7% in 1998 and -4.3% in 1999. Excluding Sunderland (fall of 1.6%), the remaining three districts improved their performance in 1999 compared with the previous year.

Tyne & Wear's business base remains strongly focused on Retailing & Wholesale (30% of VAT-registered business; NE 27%; UK 23%), despite a 1.4% fall during 1999. Tyne & Wear also has a higher proportion of businesses in Manufacturing (10.6%; NE 9.6%; UK 9.3%). These two industries accounted for 40% of businesses, far more than in the UK (30%) and the region as a whole (NE 36%). Public Admin. & Other Services are also marginally over-represented in Tyne & Wear (TW 10%, NE 9%, UK 9%). Tyne & Wear is strongly represented relative to the North East in Business Services (23% of businesses, 19% in the North East).

Table 18: VAT Registered Businesses by Industry, 1999

SIC 92	Industry	Tyne & Wear (Total)	Tyne & Wear (%)	UK (%)
A,B	Agriculture	185	1.2%	9.2%
C,E	Mines & Utilities	0	0.0%	0.1%
D	Manufacturing	1,690	10.6%	9.3%
F	Construction	1,530	9.6%	10.4%
G	Retailing & Wholesale	4,855	30.5%	23.3%
H	Hotels & Catering	1,465	9.2%	6.4%
I	Transport	705	4.4%	4.5%
J	Finance	95	0.6%	0.9%
K	Business Services	3,610	22.7%	25.7%
L,O	Public Admin. & Other Services	1,565	9.8%	9.0%
M,N	Education & Health	220	1.4%	1.2%

Source: Small Business Service, Extract from Businesses Registered for VAT, 1999, TWRI

In 1999, in terms of net change, nearly all industries in Tyne & Wear under-performed relative to the UK (Table 9). The particularly weak industries were Education & Health (down 2%; UK +2%), Transport (down 3%; UK +1%) and Agriculture (down 7.5%; UK down 1.5%). Growth in Business Services (up 2.4%) was at a slower rate than the North East (up 2.9%) and the UK (up 4.4%). The North East out-performed Tyne & Wear in eight industries, most significantly in Transport (NE down 0.7%, TW down 3.4%).

Business Conditions 1998 - 2001

Following the rapid decline in both domestic and export indicators during the first three quarters of 1998, Tyne & Wear businesses experienced a steady recovery throughout 1999 and 2000. At the end of the first quarter of 2001, both domestic sales and orders for Tyne & Wear continued to recover to levels not witnessed in the last three years. Also, export sales and orders have risen from the depths of mid-1998 to retain the highest positive balances for almost four years. Capacity utilisation, however, fell slightly to 19% of firms operating above 90% of capacity – the lowest level since mid-1998.

Business failures in the North of England rose by more than 11% in the first three quarters of 2000, compared with the same period a year before (Dun & Bradstreet). Business failures in Great Britain as a whole fell by 6% over the same period. These figures reflect the greater concentration of manufacturing businesses in the North who have been badly affected by the strength of sterling and subsequent weak export demand.

7.3 Manufacturing in Tyne & Wear

The manufacturing sector in Tyne & Wear employs about 80,000 people and produces nearly a quarter of GDP. During 1993-97 manufacturing in Tyne & Wear performed very poorly in relation to the UK. This extends the trend established in 1996, in stark contrast to outperforming between 1987 and 1993.

Manufacturing Establishment Size

In 1997 the average establishment in Tyne & Wear had 40 employees. This was almost 50% greater than the UK average of 25 employees (see table 19). The differential between Tyne & Wear and the UK in establishment size increased to 1.58 in 1997, having remained steady over the period 1993-96 (1993, 1.48; 1996, 1.49). Establishment size in the county increased marginally during 1997 (from 39 employees to 40), whilst the average UK establishment size decreased by 1 (to 25). In 1997 nine of Tyne & Wear's top ten industries had an establishment size larger than the national average.

Table 19: Establishment size (by employees) 1997

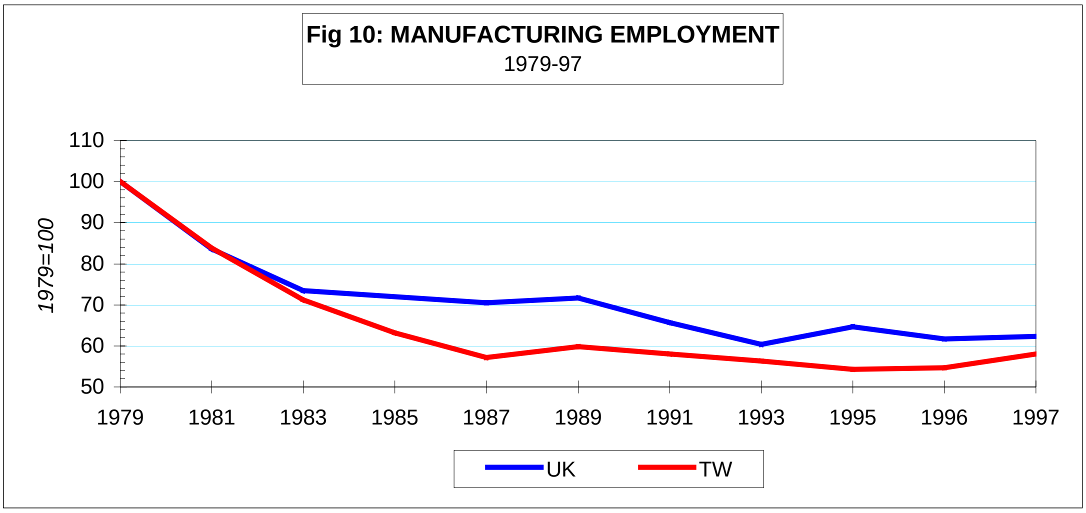
SIC 92	Industry	Tyne & Wear (per business)	UK (per business)	Tyne & Wear/ UK (Ratio)
DL	Electrical &Optical	158.2	33.4	1.75
DM	Transport & Equipment	58.6	33.4	1.97
DA	Food & Drink	21.9	16.9	1.30
DK	Machinery & Equipment	71.2	59.7	1.19
DE	Paper & Printing	48.2	28.1	1.72
DJ	Basic Metals	27.1	14.7	1.84
DG	Chemicals	47.7	64.9	0.73
DB	Textiles & Clothing	48.1	25.1	1.92
DH	Rubber & Plastics	39.5	36.7	1.07
DN	Other Manufacturing	20.8	11.6	1.80
	All Manufacturing	**40.2**	**25.4**	**1.58**

Source: Census of Production, 1997

Extract from Manufacturing in Tyne & Wear 1993-1997, TWRI

Manufacturing Employment

Between 1979 and 1997, overall manufacturing employment fell hugely in both Tyne & Wear and the UK (see figure 3); Tyne & Wear employment almost halved. There was a dramatic fall between 1979 and 1987, followed by a more modest decline between 1989 and 1995. During 1993 and 1997, there was a slight rise (+2%) in Tyne & Wear, matching the overall UK trend.



Source: Census of Production, ONS (Crown Copyright)

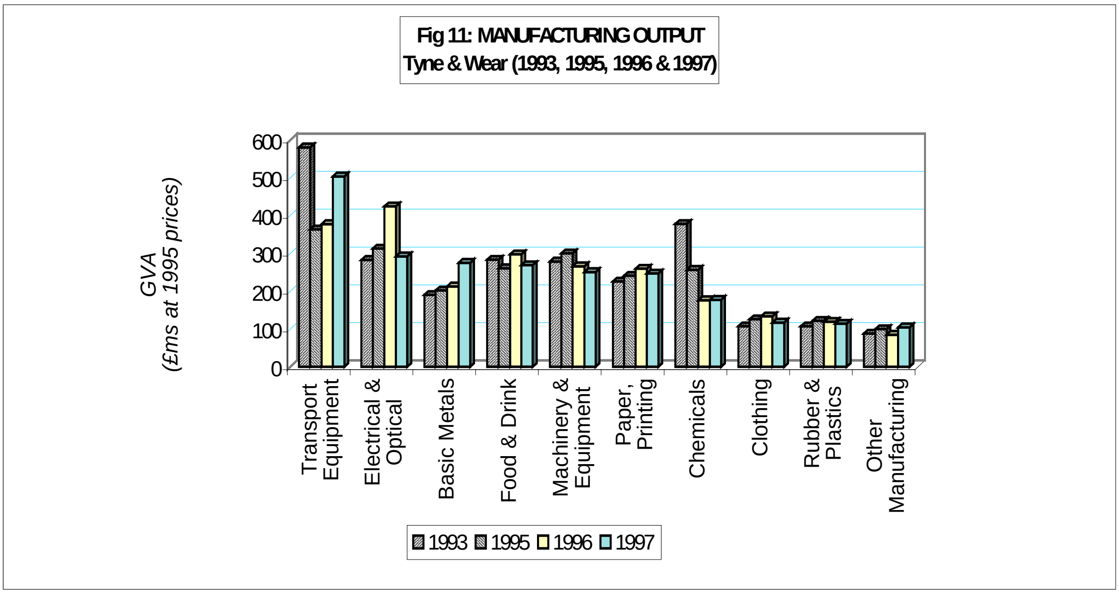
In 1997, employment was high in the Electrical & Optical (13,300), Transport Equipment (12,500) and Machinery & Equipment (10,600) industries in Tyne & Wear. During 1993-97, notable rises in employment were recorded in Transport Equipment (+1,500) which includes the motor industry. Electrical & Optical also rose (+1,300), reflecting the development of the Siemens microchip plant in North Tyneside, which later closed in 1999 but re-opened in 2000 under Atmel. Significant falls were experienced in Chemicals (-1,600) and Food & Drink (-1,000).

Manufacturing Output

In 1997 the value of the output of Tyne & Wear's manufacturing industries was £2,655m (at current prices). The top ten industries accounted for over 95% of this output. The Transport Equipment industry (both motor industry and shipbuilding) now holds the largest share of total manufacturing output at 20%, increasing greatly from 15% in 1995 and 1996 although still below the 22% recorded in 1993 (The year of the Swan Hunter receivership).

By 1997, the traditional 'core' of manufacturing in Tyne & Wear had declined. The 'core' (Electrical & Optical and Machinery & Equipment) plus the newer Electronics industry had a combined share of total manufacturing output in 1997 of 22%. This is now only slightly high relative to the North East (20%) and the UK (21%) having fallen from 28% in 1996 - significantly greater than the comparative regional and national figures.

Output changes between 1993-97 varied greatly between manufacturing industries (see Figure 2 below). Output rose hugely in the Electrical & Optical industry (+50%) between 1993-96, a rise of well over £100m, adding about 5% to manufacturing output before slumping in 1997 by an even greater amount, whilst output in Basic Metals increased by over 44%. Other notable rises were recorded in the Other Manufacturing (+18%), Textiles & Clothing and Paper & Printing (both +9%) industries. There were very steep declines in the Chemicals (-53%) and Transport Equipment (-13%) industries.



The output share of industries within Tyne & Wear can be compared to the UK by using the 'output location quotient'. This divides the local share of manufacturing output by the corresponding UK share to give a measure of the industry locally, relative to its size in the national economy in 1997. The Transport Equipment industry (1.82) was significantly over-represented in Tyne & Wear, holding almost twice the UK share of manufacturing output, emphasising the strategic importance of Nissan to both the sector and manufacturing in general within Tyne & Wear. Machinery & Equipment (1.11) was the only other major manufacturing sector to be (moderately) over-represented.

Three major industries in Tyne & Wear were slightly under-represented including Paper & Printing (0.91), Food & Drink (0.79) and Chemicals (0.70). The most under-represented sector, Chemicals, continued to decline significantly from previous years having been over-represented in 1993, with an output location quotient of 1.29 before ameliorating in 1995 (0.94) and 1996 (0.84). It is not clear why this big fall in Chemicals might have occurred.

Table 20: Largest Manufacturing Industries in Tyne & Wear Measured by Output, 1997

SIC 92	1993 Rank	Industry	Output (Gross Value Added) Tyne & Wear (£m)	Tyne & Wear	UK	Output Location Quotient
DM	1	Electrical & Optical	535	20%	11%	1.82
DL	2	Transport Equipment	311	12%	12%	1.00
DJ	7	Food & Drink	293	11%	11%	1.00
DA	4	Machinery & Equipment	286	11%	14%	0.79
DK	3	Paper & Printing	267	10%	9%	1.11
DE	6	Basic Metals	263	10%	11%	0.91
DG	5	Chemicals	188	7%	10%	0.70
DB	8	Textiles & Clothing	125	5%	5%	1.00
DH	9	Rubber & Plastics	121	5%	5%	1.00
DN	10	Other Manufacturing	111	4%	4%	1.00

Source: ONS Census of Production, 1997

Extract from Manufacturing in Tyne & wear 1993-1997, TWRI

Manufacturing Productivity

Productivity levels are a measure of efficiency in the use of labour. Between 1993 and 1997 Tyne & Wear's manufacturing productivity fell by 8% (at constant 1995 prices), compared to a 13% rise in the UK. This marks the second consecutive year of under-performance in Tyne & Wear productivity growth compared to the UK as a whole.

Manufacturing productivity in Tyne & Wear was almost 11% below both the North East and UK in 1997 (see table 21). This is consistent with the North East figures for the previous year but a sharp deterioration from 1993 when productivity was 8% above the UK average.

Productivity levels achieved by the two biggest industries were markedly diverse. Transport Equipment was 10% above the UK average but 1% below the North East average, whilst Electrical & Optical was 30% below the UK average, and 5% below North East average.

Basic Metals and Textiles & Clothing were the only industries to have productivity levels slightly above the North East averages. The former was 7% above the North East and 12% above the UK; the latter 3% above the regional average, but 9% below the UK. Eight of Tyne & Wear's top ten industries had productivity below the regional and national averages. The most notable are Machinery & Equipment, Chemicals and Food & Drink at 24%, 22% and 11% below the regional average respectively.

Table 21: Productivity* Levels in Major Tyne & Wear Industries with UK Comparison, 1997

SIC92	Industry	Tyne & Wear (Current Prices)	Index of North East (North East=100)	Index of UK (UK =100)
DL	Electrical & Optical	£42,800	98.6	110.4
DM	Transport Equipment	£23,300	94.8	70.2
DA	Food & Drink	£32,600	107.2	112.7
DK	Machinery & Equipment	£29,700	89.0	74.8
DE	Paper & Printing	£25,200	76.2	75.3
DJ	Basic Metals	£28,700	93.4	81.9
DG	Chemicals	£54,100	78.1	98.4
DB	Textiles & Clothing	£17,800	103.0	90.8
DH	Rubber & Plastics	£27,000	93.1	93.1
DN	Other Manufacturing	£22,400	96.8	88.3
	All Manufacturing	**£30,000**	**89.4**	**89.2**

Source: ONS Census of Production, 1997

Extract from Manufacturing in Tyne & Wear 1993-1997, TWRI

**Productivity defined as Gross Value Added (Output) divided by employment.*

Manufacturing Profitability

In 1997 estimated operating profit was just over £760m in current prices. Between 1993 and 1997, estimated operating profits in Tyne & Wear fell by 33%, from £1,072m to £719m (in 1995 prices). This decline resulted from a 5% fall in output combined with a 12% rise in the labour costs. Operating profits in the UK, in contrast, rose 29% from around £41bn in 1993 to £53bn in 1996 (in 1995 prices). This came from a 14% rise in output and a 9% rise in labour costs.

Inward Investment

Britain's stock of inward investment rose by around 25% to approximately £250bn in 1999, the first year following the launch of the European single currency. Figures from the Invest in Britain Bureau suggest that the UK has taken more than 40% of US investment in the European Union and its share of Japanese investment is likely to have risen from 40% to 50% (FT 3/3/01). The UK is the second most attractive location in the world for inward investment, after the US, despite concerns about the strength of the pound and Britain's failure to join the Euro (FT 25/1/01).

The North East attracted 6% of all Foreign Direct Investment (FDI) projects into the UK during the financial year 1999/2000 - halved from 12% in 1995/96. The region's share of new jobs from the 47 projects has fallen from 15% in 1994/95, to 13% the following year to just 6% in 1999/2000 (DTI & One North East). In 1999/2000 there were 49 new FDI projects in the North East, creating almost 3,500 jobs and safeguarding over 8,000 more.

Major investment announcements in the year were dominated by Procter & Gamble's new Global Business Centre in North Tyneside. Job creation from inward investment lies well below the unusually high level of 1995/96, which included the ill-fated £1.1bn Siemens investment and creation of 1,100 jobs. (The Siemens facility has been re-opened by Atmel, a US manufacturer of micro-chips). From 1994 to 1997 foreign companies invested more in the North East than any other part of the UK according to the Government's Regional Competitiveness Indicators (RCIs).

In 1999 Britain topped the world league for *outflows* of foreign direct investment (FDI) but remained the most popular destination in Europe for inward investment – Unctad. The UK invested almost £136bn of FDI abroad and had attracted £56bn in FDI. The mismatch between the inflow and outflow figures marks a trend in acquiring longer-term foreign assets without the corresponding purchase of long-term UK assets by foreign companies (FT4/10/00).

One NorthEast

The Regional Development Agency (RDA) for the North East of England, One North East, was established in April 1999 and is responsible for setting and implementing the agenda for economic and business development, regeneration and improvement in the region. Central to its Regional Economic Strategy (RES), One North East has developed six strategic goals key to the future success of the region:

i. Creating wealth by building a diversified, knowledge driven economy;
ii. Establishing a new entrepreneurial culture;
iii. Building an adaptable and highly skilled workforce;
iv. Placing universities and colleges at the heart of the region's economy;
v. Meeting 21st century transport, communication and property needs; and
vi. Accelerating the renaissance of the North East.

One North East is currently in the process of consulting with Sub-Regional Partnerships, the Regional Assembly and partners about its draft Regional Action Plan for 2001-2004, in a bid to achieve significant progress towards the targets set in the RES. The Regional Action Plan will provide a framework of targets for the region and, more specifically, One North East in co-ordination with its Sub-Regional Partners, for the three-year programme ahead in terms of RDA programmes, European funds, private sector leverage and other public sector leverage. It will also determine its approach to resource allocation in light of new financial flexibility available from April 2002 allowing resources to be applied more in line with regional (RDA) priorities than has previously been possible.

7.4 Industries and Firms News

In 2000 the UK economy grew by 3%, the strongest annual increase since 1997 although growth was seen to moderate from the second quarter. In the North East unemployment fell by 7,000 in the year to the winter 2000/01, whereas it fell 174,000 in the UK (estimates from Labour Force Survey measure). The North East economy has been severely affected by the strength of sterling, which has had a detrimental affect due to the region's high manufacturing and export content.

Major job gains in the Region came from the telecommunications industry led by **Orange**. Orange Telecommunications plc created 1,500 new jobs in its new 86,000sq ft building and 500 new jobs in its original £10.6m communication centre on Cobalt Business Park in North Tyneside. **Lloyds TSB** created 1,000 new jobs in two new communication centres at Hylton Riverside Business Park in Sunderland and Forth Street, Newcastle. Mobile phone operator **One2One** extended its operation at Doxford International Business Park, Sunderland, creating 750 jobs.

Atmel, the California-based designer and manufacturer of integrated circuits, is due to create between 1,000 and 1,500 jobs at the former Siemens plant in North Tyneside over the next three years. It will receive £27.8m in regional selective assistance, initially leasing the plant with an option to buy. It plans to invest $800m to bring the plant up to full capacity making microcontrollers and non-volatile memory chips which are less vulnerable to downturns than the DRAM chips manufactured by Siemens (FT19/9/00). It has agreed to sell Siemens $1.5bn of products over the next four years (FT19/9/00).

Call centre jobs in the North East could jump from 30,000 to 45,000 by 2008. In the last financial year 5,000 call centre jobs were created in the North-East – Business Strategies, a national economic research group (J12/7/00). The North East emerges as an optimum region for large call centres - report by Mitial. The study ranks call centres using weighted criteria covering labour availability and cost, transportation, call centre concentration, property and support services (FT 22/8).

Nissan decided to build the new *Micra* at its Sunderland plant, securing 1,300 jobs and creating 500 more at the plant by 2003. TWRI estimates, however, that up to another 2,000 jobs could be at risk at suppliers in the region because Nissan says it will significantly raise its purchasing in Euros for the new *Micra* model. Nissan Motor Manufacturing UK's profits fell 6% to £19.8m in 2000, due to a deferred tax bill of £11.5m. Turnover remained flat at £1.81bn against £1.86bn previously. Profits on the *Almera*, produced at its Washington facility, suffered as the Euro remains weak against the pound (J9/11/00). It reorganised its operations to cut costs by 30% and also demanded a 30% cut from its suppliers to help secure the *Micra* project (J30/9/00). Much of its component spending could be transferred to the Euro-zone to off-set the strength of sterling. Currently, component spending is worth £520m a year to the North East's 150 suppliers alone (FT25/10 & J26/10). Nissan Motors, the Japanese parent, profits for the six months to September more than doubled from Y58.5bn to Y136.6bn (under £1bn) with operating margins up from 1.9% to 4.5%. It plans to reduce its workforce by 21,000 (14%), reduce costs by 20%, close three assembly plants and streamline its distribution outlets (FT31/10/00). In Japan, Nissan now supplies 18% of the market compared with 34% in 1974 (FT4/10/00). It plans to build a $900m US plant employing 3,000 people to manufacture a pick-up truck and sports utility vehicle to begin operations in summer 2003 (FT10/11/00).

The European Commission authorised £40m UK government regional aid for Sunderland's Nissan plant to re-equip to build the new *Micra* small car. EU rules require aid to be proportional to the gravity of the problems it is intended to address and necessary for the project to be realised. The final aid will be 14.5% of the project cost, within the 20% level permitted for Sunderland as a recognised assisted area (WE 18/1/01). The Commission earlier cleared a £5m UK grant for Nissan's Sunderland plant in September 2000 (WE21/9/00).

Automotive suppliers have been affected by intense pricing pressures, relentless cost-reduction and volatile ordering with many issuing profit warnings (FT21/9/00). Japanese-owned automotive supplier, **Sumitomo**, announced the loss of around 400 jobs at its Houghton-le-Spring plant near Sunderland making wiring harnesses, taking effect in the first half of 2001 (J8/7/00). 100 staff remained at the site to man a logistics & customer services centre. (See also Job Losses). The French automotive components group, **Valeo**, closed its plant in Blyth, Northumberland, in December 2000 with the loss of 250 jobs. It has been hit by a slowdown in UK car production and the weakness of the Euro (FT19/9/00). Work will move to factories elsewhere in Europe (J20/9/00).

Within Business Services, major software company **Sage** plc's profits rose 46% to £108.7m in the year to September 2000. Turnover rose 34% to £412m. It acquired Irish financial software company Computer Resources, which provides payroll systems and stationery supplies in Ireland, for around £5.3m (J4/10/00). 18% of chartered accountancy firms using software packages to produce clients' accounts use Sage - Final Accounts Production. Sage dominates the bookkeeping category where its Instant Accounting packages are used in six out of ten practices (J30/11/00). Sage is focusing on selling new services and products to existing world-wide customers, who have grown by a further 150,000 to around 2.5 million (J7/12/00). It joined forces with Newcastle-based internet design company thecreativecake.com to improve e-commerce solutions for Sage customers (J14/12/00). Sage plc now employ more than 650 people at its South Gosforth headquarters in Newcastle (J 13/3/00). It plans to create a further 300 at Newcastle Great Park. (See also Job Gains). Sage has recently acquired UK company Tetra International, an accounting software producer (J 30/3/00).

Swan Hunter won a £140m Ministry of Defence contract to build two 16,160 tonne warships, known as *Alternative Landing Ships Logistics* to be operated by the Royal Fleet Auxiliary (J20/12/00). The contract is expected to increase the current workforce of 350 to 2,000 in the North East (including subcontractors) over the next four years (FT27/10/00) **Cammell Laird** plc's profits rose to £15.9m in the year to April 2000, on turnover up 26% to £138.5m. Sales and margins rose in all divisions (FT12/7/00, J12/7/00). The company went into administrative receivership in April 2001.

The Retail industry in Tyne & Wear was hit by **C&A**'s closure of all 109 of its UK stores by early 2001 with a loss of 4,800 staff. Tyne & Wear stores at Newcastle, Gateshead and Sunderland accounted for approximately 161 job losses. Competition from discount retailers such as Matalan and brands such as Gap has increased pressure on 'middle market' retailers (FT16/6/00). C&A's UK store portfolio worth about £1.5bn will be sub-let or re-developed rather than sold.

7.5 Job Gains and Losses in 2000 (as reported in the press) [30]

[This list presents only the bigger announcements, over 100 jobs each]

Job Gains	Company	Industry (SIC 1980)	Source
+1,500* (within one year)	**Orange,** Cobalt Business Park, North Tyneside (Call centre. Jobs for new 86,000sq ft building next to existing Orange call centre).	Postal services / telecoms	(J 11/10)
+1,200* (over 3yrs)	**Atmel,** at the former Siemens factory, North Tyneside (Electronics. $800m investment by US designer and manufacturer of integrated circuits).	Elect & electronic engineering	(FT 9/9)
+800# (for at least a year)	**Swan Hunter,** Wallsend, North Tyneside (Offshore. Jobs following successful bid for £25m contract from Kerr-McGee for an FPSO, a floating production and storage vessel. #Swan Hunter will contract out some of the work to cluster members).	Other transport equipment	(J 14/9)
+660 (est) (over next 4 years)	**Swan Hunter,** Wallsend, North Tyneside (Shipbuilding. Estimated share of increase from 350 to 2,000 jobs for the North East from Ministry of Defence contract to build two warships).	Other transport equipment	(FT 27/10 & J 20/12)
+500	**Orange,** Cobalt International Business Park, North Tyneside (Mobile phone operator. Extra staff for new £10.6m communication centre).	Postal services / telecoms	(J 6/3)
+500*	**Lloyds TSB,** Hylton Riverside Business Park, Sunderland (Contact centre. Jobs for new 28,000sq ft telephone banking centre to reduce calls to branches).	Business services	(J 6/5)
+500*	**Lloyds TSB,** Forth Street, Newcastle (Contact centre. Jobs for new centre to reduce calls to branches).	Business services	(J 6/5)
+400* (in 2001)	**Morrisons,** Jarrow, South Tyneside (Retail. Jobs for new supermarket at Jarrow, due to open in 2001).	Retail distribution	(J 17/3)
+400* (by 2001)	**Equinox**, Cobalt International Business Park, North Tyneside (Business services. Business support services to motor retail industry. Expected to be fully operational within 18 months).	Business services	(J 4/3)
+400	**One2One,** Doxford International Business Park, Sunderland (Mobile phone operator. New jobs resulting from a £10m expansion to existing call centre).	Postal services / telecoms	(J 24/5)
+400* (by 2003)	**Debenhams,** MetroCentre, Gateshead (Retail. Jobs for new 150,000sq ft store. Part of a £50m extension to the MetroCentre which could also lead to an	Retail distribution	(J 19/7)

30 *Economic Review, Spring 2000 - Winter 2000/01, TWRI, EC00/2 - EC01/1*

	extra 500 jobs in 27 new retail units).		
+350	**Sitel Corporation,** Balliol Business Park, North Tyneside (Call centre. New jobs with US multinational providing outsourcing of call centre activity for other organisations. It has the potential to create 600 jobs eventually. This development has yet to be confirmed by the company).	Business services	(J 8/8)
+300	**One2One,** Doxford International Business Park, Sunderland (Mobile phone operator. New jobs resulting from a £12.5m expansion to existing call centre).	Postal services / telecoms	(J 9/2)
+300 (Temps)	**BhS, Boots, Debenhams, Joplings, Makro, Woolworth and Argos,** Sunderland (Retail. Temporary jobs for seasonal Christmas vacancies).	Retail distribution	(J 2/9)
+250 (by 2003)	**One2One,** Doxford International Business Park, Sunderland (Mobile phone operator. New jobs for expansion of existing site over the next three years).	Postal services / telecoms	(J 25/5)
+240 (over 18 mths)	**Equinox,** Cobalt Business Park, North Tyneside (Business services to the automotive sector. Additional staff for expansion of the business solutions company).	Business services	(J 12/8)
+203 (est) (by 2003)	**Northumbria Police,** Tyne & Wear (Police force. New officers as part of a recruitment of 4,000 nationally. Funded under £9.3bn extra in Comprehensive Spending Review).	Public admin.	(J 11/8)
+200*	**Morrisons,** Killingworth, North Tyneside (Retail. New jobs for replacement supermarket complex at Killingworth).	Retail distribution	(J 17/3)
+200#	**Fergusons,** Washington**,** Sunderland (Haulage company. New jobs following relocation to site nearer to Nissan in Washington. # This figure comes from Sunderland City Council and excludes jobs safeguarded). See also Motor.	Other inland transport	(J 12/7)
+200*	**Blurb Direct,** Bede House, All Saints, Newcastle (Call centre, trading as Free Mobiles. Currently employ 200. 600 new jobs reportedly created at new call centre, to deal with calls for the mobile phone industry. TWRI have been unable to confirm these figures).	Postal services / telecoms	(J 22/7)
+170*	**De Vere Hotel,** North Cobalt Business Park, Wallsend, North Tyneside (Hotel and leisure complex. Planning permission granted for development of 127-bedroom Village hotel and leisure complex. Jobs include 112 full-time, 61 part-time plus 50 casual, seasonal posts).	Hotels / catering	(J 5/9)
+160*	**Costco,** Team Valley, Gateshead (Wholesale company. New cash & carry outlet opened operating as a membership club).	Wholesale distribution	(J 25/8)
+150	**Cammell Laird**, Hebburn, South Tyneside (Shipbuilding. £5m order for island-hopping roll-on roll-	Other transport equipment	(J 20/6)

	off shuttle ferry).		
+150* (over 18 mths)	**Transco,** Doxford International Business Park, Sunderland (Gas pipeline operator. Includes 80 jobs to be transferred from Stockton and Cramlington).	Production / distribution energy	(J 5/7)
+150	**Domainnames.com and Leighton,** Doxford International Business Park, Sunderland (Domain name registrar and media internet and digital communications specialist. The two companies have leased the 38,764sq ft Solar Office).	Postal services / telecoms	(J 5/7)
+150*	**TJ Hughes,** Grainger Street, Newcastle (Brand discount store. Jobs following £3m redevelopment of former Binns site due to open in 2002).	Retail	(J 18/11)
+140	**Team Lincoln,** Newcastle (Telesales travel agent. Additional jobs to add to its existing workforce of 340).	Postal services / telecoms	(J 18/11)
+125	**Newcastle Chronicle and Journal,** Newcastle (Newspaper. Extra staff to distribute free newspaper, *Metro North-East*, on Arriva buses).	Paper / paper products	(J 12/9)
+120	**Littlewoods Financial Services,** Hendon, Sunderland (Retail. Permanent full and part-time staff).	Retail distribution	(J 28/2)
+112 (over 2yrs)	**Express Engineering,** Team Valley, Gateshead (Engineering. High quality jobs as part of expansion funded by £5m investment by firm and £850,000 RSA).	Mechanical engineering	(J 23/8)
+100	**Dunlop,** Washington, Sunderland (Tyre manufacturer. Currently employing 450 in Sunderland, jobs as a result of reorganisation of national operation). See also Motor.	Processing rubber / plastics	(J 19/5)
+100	**DSI (Direct Solutions International)** Viking Industrial Park, Jarrow, South Tyneside (Mailing and distribution service. Jobs following £6m expansion into purpose-built facility. It plans to increase its workforce from 54 to 170 over the next three years).		(J 27/12)

** = New openings*

Job Losses

		Industry	**Source**
-400	**Sumitomo Electric Wiring Systems,** Houghton-le-Spring, Sunderland (Electronics. Job losses at plant, which made wiring harnesses, following problems relating to the strength of the pound and Nissan's cost-cutting exercise. This plant opened in 1994 as Lucas-SEI). See also Motor.	Elect & electronic engineering	(J 7/7)
-200	**City Cuisine**, Newcastle (Local authority catering business. Job cuts to follow cut in subsidy for school meals).	Hotels / catering	(J 5/2)
-180* (over 18mths)	**David Brown Radicon,** Pallion, Sunderland (Gear manufacturer. Job losses as site closes and operations are concentrated in South Yorkshire. It partly	Motor vehicles & parts	(J 9/12)

	blames the strength of the pound. The company is closing 3 factories).		
-161*	**C&A,** Tyne & Wear (Retail. Job losses from closure of 3 stores in Tyne & Wear. Overall 109 store closures nationwide).	Retail distribution	(J 16/6)
-150 (est)	**NatWest,** Tyne & Wear (Banking. Job losses as part of 7,500 nationally following takeover by Royal Bank of Scotland).	Banking / finance	(J 2/8)
-150	**Silverscreen Print**, Gateshead (Printing firm. Job losses as a result of Silverscreen's bankers demanding equipment and stock be auctioned off to meet mortgage arrears).	Paper / paper products	(J 27/9)

* = *closure*

7.6 Future Economic Prospects

UK Economic growth is expected to slow slightly over the next two years. The Treasury's November 2000 forecast was for a slowdown in growth to 2.6% in 2001 and 2.5% in 2002. Inflation is forecast at 2.4% by the end of 2001 (HM Treasury Consensus of Economic Forecasts, Feb 2001). Average earnings are forecast to increase moderately over the next two years to 4.8% by the end of 2001 before easing to 4.5% by the end of 2002 - the Confederation of British Industry (CBI November). Cyclically-adjusted government net borrowing is forecast to fall from -1.6% of GDP (a surplus) in 1999 to -0.8% in 2000 (FT9/11/00).

The North East economy is set to fall further behind the rest of the country during 2001 after erratic growth in 2000. Forecasts predict that the UK as a whole will expand during 2001 at a rate of between 2.6% - 2.9% while the North East will lag at around 2% - 2.5% - Business Survey North East (J22/11/00). Real GDP growth in the North East in 1999 was practically zero, official ONS estimates imply (ONS 27/2/01).

The Treasury's Comprehensive Spending Review (CSR) for the three years to 2004 from April 2001 confirms that public spending is budgeted to rise by about 3%pa in real terms, faster than economic growth. The government also announced its Ten-year Transport Plan, worth £180bn. It raises transport spending by 20% each year to be 70% higher over the decade than in the last.

8.0 LABOUR MARKET

8.1 Employment Structure

In 1998, total employees in Tyne & Wear numbered about 440,500[31]. Women now represent the majority amongst employees in Tyne & Wear at 50.2%. However, it should be noted that men predominate in the self-employed category which is excluded from these figures. Part-time employment was estimated to be a substantial 9.5% higher at (134,300) than previously

[31] *Annual Business Inquiry 1998 in Tyne & Wear, TWRI, EM 01/1*

published for the Annual Employment Survey (AES) 1998 (122,700) but 3.9% lower than the comparative AES 1996 total (139,800). The largest employers of part-time staff include Retailing, Health & Social, Hotels & restaurants, Education and Real Estate, Renting and Other Business.

Tyne & Wear remains more dependent on manufacturing (18.2%) than GB (16.6%) but less than the North East (19.7%), however this varies dramatically between the Tyne & Wear districts as shown in Table 22. Conversely, Tyne & Wear is slightly less dependent on Service sector jobs (75.8%) than GB (76.9%) but more than the North East (73.3%). Tyne & Wear continues to have a significantly lower proportion of employees in Finance & Business services (14.6%) than GB (18.5%) but has a higher proportion (33.7%) in Public Services than GB (28.2%).

Table 22: Employment Structure by Area, 1998

	Manufacturing	Services	Full-time	Part-time	Men	Women	Total
Great Britain	16.6%	76.9%	70.1%	29.1%	50.6%	49.4%	24,352,400
North East	19.7%	73.3%	68.7%	31.3%	49.8%	50.2%	947,100
Tyne & Wear	18.2%	75.8%	69.5%	30.5%	50.1%	49.9%	440,500
Gateshead	21.2%	72.4%	72.0%	28.0%	54.3%	45.7%	79,700
Newcastle	8.4%	87.1%	66.9%	33.1%	46.2%	53.8%	148,600
North Tyneside	20.6%	69.1%	69.4%	30.6%	52.1%	47.9%	60,000
South Tyneside	26.0%	67.8%	70.5%	29.5%	50.7%	49.3%	44,500
Sunderland	25.1%	70.1%	70.8%	29.2%	50.9%	49.1%	107,500

Source: ONS (ABI 1998), NOMIS

Annual Business Inquiry 1998 in Tyne & Wear, TWRI, EM 01/1

8.2 Earnings

Average earnings in Tyne & Wear are appreciably below the GB average. In April 2000, the average full-time employee in Tyne & Wear earned £372.3 per week, (£19,679 pa). This is nine percent less than the Great Britain average of £410.6 per week, (£21,842 pa).

This gap in earnings between Tyne & Wear and Great Britain is much larger, in percentage terms, for men than women. Men’s average weekly earnings were £405.4, (£47.9, or 10.6% below the Great Britain average). Women’s average weekly earnings were £314.3, (£23.3, or 6.9%) below the Great Britain average. In Tyne & Wear annual earnings were £21,520 for men and £16,339 for women.

In Tyne & Wear, women’s hourly pay in 2000 was 87% of men’s (GB 82%). Women are continuing to narrow the hourly pay gap with men in Tyne & Wear. Between 1993-97, the hourly pay gap narrowed sharply, by a quarter, the ratio rising at an overall rate of approximately 2% per year from 78.1% to 86.1%. Thus since 1994 this gap has been much narrower (around 15%) than in Great Britain (about 20%). In 1974 it was about 67%. Following the Equal Pay Act it rose sharply to 75% in 1976. From 1976 to 1987 women’s earnings fluctuated around this level. Since 1987, however, women’s pay has risen steadily by 10% relative to men’s.

In the year to April 2000 the RPI rose 2.8%. This implies that in 1999-2000, men’s earnings in Tyne & Wear rose by 3% in real terms, whereas in Great Britain real earnings remained at about the same level. Women's real earnings, having dipped in 1997/98, continued the strong upward trend apparent since 1990 rising in 1999-2000 by over 3% in real terms, whereas in Great Britain real earnings rose by 1%.

Table 23: Increases in Earnings in the Metropolitan Counties 1997-2000

Men	2000	1997	% change	Women	2000	1997	% change
London GOR	£593.0	£541.3	9.6	London GOR	£434.3	£386.3	12.4
West Midlands MC	£437.2	£386.5	13.1	Merseyside GOR	£319.9	£284.4	12.5
Merseyside GOR	£432.4	£381.7	13.3	West Yorkshire MC	£319.1	£279.6	14.1
Greater Manchester MC	£428.3	£387.7	10.5	Greater Manchester MC	£318.2	£281.1	13.2
West Yorkshire MC	£419.9	£363.7	15.6	West Midlands MC	£315.2	£275.5	14.4
Tyne & Wear MC	**£405.4**	**£354.4**	**14.4**	**Tyne & Wear MC**	**£314.3**	**£278.9**	**12.7**
South Yorkshire MC	£394.4	£358.9	9.9	South Yorkshire MC	£305.0	£263.6	15.7

Source: New Earnings Surveys (Crown Copyright)

Extract from TWRI Publication: Earnings in Tyne & Wear 2000, EB01/2

Low Pay

The Council of Europe defines its "decency threshold" on pay as 68% of average earnings, i.e. around £280 per week (£279.2). The nearest threshold to this in the NES data is £250 per week. In Tyne & Wear over a quarter of men & women, a fifth of men and two-fifths of women, earned less than £250 pw. Low pay is more prevalent in Tyne & Wear than Great Britain:

- A fifth of all full-time men (20%) earn below £250 per week (GB 17%);
- Over two-fifths of all full-time women (41%) earn below £250 per week (GB 36%);
- A sixth (16%) of women earn below £190 per week (GB 14%).

The National Minimum Wage (NMW)

As at spring 2000, the proportion of employees in the North East earning below the National Minimum Wage (NMW) was negligible, compared with 1.2% for the UK, (ONS estimates from the Labour Force Survey, LFS, and New Earnings Survey, NES). These figures should not be regarded as a reliable measure of the effect of the NMW. Employees aged under 18 are not covered by the NMW.

The statutory NMW was introduced on 1st April 1999 at £3.60 per hour for people aged over 21. This increased to £3.70 per hour in October 2000. A lower rate of £3.00 per hour applied to those aged 18-21, increasing to £3.20 per hour in October 2000. There is no minimum wage for those aged under 18. The North East had the highest proportion of employees of any UK region earning below the NMW-level in both spring 1998 and 1999. By spring 2000 the proportion of employees earning below the NMW rate in the North East was too small to allow reliable estimates (ONS).

Table 24: Employees* Earnings below the NMW Spring 1998 – 2000#

	Spring 1998		Spring 1999		Spring 2000	
	%	Thousands	%	Thousands	%	Thousands
North East	9.4	90	3.9	40	*	*
UK	6.4	1,520	2.4	580	1.2	300

Source: ONS special request – using LFS and NES

*Notes: # Using 'adjusted LFS and NES' data. *Proportions (%) are of employees, including second jobs.*
** Sample size too small for reliable estimates*

8.3 Unemployment

In Tyne & Wear in January 2001, 32,450 people, or 6.5% of the labour force, claimed unemployment benefits (Job Seekers' Allowance – JSA or National Insurance Credits. See Table 25). The Tyne & Wear total was a significant drop on the previous year (-11.7%) but the rate remained nearly three percentage points higher than the UK average of 3.7%. Claimant unemployment declined in all Tyne & Wear districts with the largest reduction in unemployment evident in Gateshead (-14.2%) [32].

Table 25: National, Regional and Local Claimant Unemployment, Unadjusted: January 2001

	Total		Change since previous month		Change since previous year	
	No	Rate %	No.	%	No.	%
Gateshead	4,497	4.9 (r)	459	11.4	-747	-14.2
Newcastle	8,118	6.6 (r)	386	5.0	-1,333	-14.1
North Tyneside	5,277	5.9 (r)	329	6.6	-702	-11.7
South Tyneside	5,901	8.9 (r)	370	6.7	-623	-9.5
Sunderland	8,657	6.8 (r)	655	8.2	-879	-9.2
Tyne & Wear	32,450	6.5 (r)	2,199	7.3	-4,284	-11.7
North East Region	72,230	6.6 (w)	4,805	7.1	-9,536	-11.7
Great Britain	1,036,604	3.7 (w)	65,138	6.7	-155,378	-13.0
United Kingdom	1,077,770	3.7 (w)	66,340	6.6	-158,612	-12.8

Source: Office for National Statistics

TWRI: Unemployment, Training and Vacancies, January 2001

Note: (w) = Workforce rates.
(r) = Rates based on TWRI's estimates of the Economically Active resident population.

32 *Unemployment, Training and Vacancies, January 2001, TWRI, EU01/2*

Tyne & Wear's ILO[33] unemployment rate was 9.1% in autumn 2000 or 46,000 people (Table 26). For people to be ILO unemployed they do not have to claim or obtain any benefit. They simply have to be looking for work and be available to work. The gap between the ILO unemployment rate for Tyne & Wear and the claimant count has progressively widened over recent years.

It should be noted that the LFS is not reliable for areas smaller than counties or the larger Local Authority Districts, because of its sample size. In addition, changes to the benefit system are likely to affect the labour market behaviour of respondents to the LFS.

Table 26: Claimant Count and ILO Unemployment, Unadjusted: Autumn 2000

	Unemployed Claimants	Rate %	ILO Unemployed	Rate %
Great Britain	1,037,000	3.7	1,532,000	5.3
North East	72,000	6.6	90,000	7.5
Tyne & Wear	34,000	6.5	46,000	9.1

Source: Labour Force Survey, Office for National Statistics

Extract from: Unemployment Training and Vacancies, January 2001, TWRI

New Deal

Claimant unemployment is affected by changes to the benefit system from which it is derived. As such it is a seriously distorted measure. Its coverage has changed significantly with the introduction of New Deal. New Deal, initially aimed at people aged up to 24 who had been unemployed for at least six months, was offered to very long-term unemployed people (those aged 25 years and over and unemployed for two years or more) in June 1998 and to lone parents in October 1998. Participants on New Deal are removed from official claimant unemployment statistics once they leave the Gateway. Gateway is a period of intensive job search, help and advice, which lasts normally for 16 weeks. Following the Gateway, four options are available:

- work in a subsidised job with an employer
- full-time education and training (to obtain a recognised qualification)
- work in the Voluntary sector
- work with the environmental taskforce

"Follow through" consists of support while on a New Deal option and provision of further services and "additional advice and counselling" for those who, after completing a New Deal option, return to JSA.

33 *The ILO measure of unemployment, adopted by the government in Spring 1998, refers to people without a job who were available to start work in the two weeks following a Labour Force Survey (LFS) interview. They had either looked for work in the four weeks prior to interview or were waiting to take up a job they had already obtained. The internationally accepted ILO unemployment measure includes some people who are not eligible to claim unemployment benefits but excludes claimants who have not "looked for work".*

New Deal for Young People (NDYP)

In September 2000 there were 4,471 people in Tyne & Wear on New Deal for Young People (NDYP). Throughout the previous twelve months the number on NDYP averaged 5,200 (GB 127,800). NDYP appears to have stopped growing in size. Tyne & Wear accounts for approximately 4% of the GB total which reflects above average unemployment in the county. Men formed a higher proportion of New Deal participants in Tyne & Wear (78%) than in Great Britain (73%).

Table 27: Number on New Deal for Young People by Option at end of September 2000

	Tyne & Wear Totals				Great Britain Totals			
	Total	On Gateway	On Option	Follow-Through	Total	On Gateway	On Option	Follow-Through
Male	3,489	1,403	1,327	759	76,900	36,700	25,000	15,300
Female	981	430	362	189	28,300	13,800	9,600	4,900
Total	4,471	1,834	1,689	948	105,500	50,700	34,600	20,200

Source: Employment Service

Note: Totals include those for whom gender is not recorded. GB figures are rounded

New Deal for Long-Term Unemployed People aged 25+ (ND25+)

In September 2000 82% of participants were still in the Advisory Interview Process (AIP) reflecting the recent origin of the programme (GB 81%). The overwhelming majority of participants were male at about 89% for Tyne & Wear and 83% for Great Britain.

Table 28: Number on 25+ New Deal by Option at end of September 2000

	Tyne & Wear Totals			Great Britain Totals		
	Total	Advisory Interview Process	Follow-Through	Total	Advisory Interview Process	Follow-Through
Male	2,445	1,995	127	53,100	42,800	3,000
Female	271	318	14	9,900	8,000	600
Total	2,736	2,230	141	63,600	51,200	3,600

Source: Employment Service

Note: Totals include those for whom gender is not recorded. GB figures are rounded.

8.4 Economic Inactivity

Both the claimant unemployment and ILO unemployment measures exclude those who suffer from long-term illness or are incapable of working (substantial groups within the economically inactive). The numbers of people on Incapacity Benefit (IB) are very substantial, at over 74,000 in Tyne & Wear and vary considerably between districts (Table 29). North Tyneside has the least number of people on Incapacity Benefit (10,480) while Sunderland has more than double this at 21,390.

Table 29: Numbers on Incapacity Benefit*
August 1999

	Total
Gateshead	14,540
Newcastle	17,065
North Tyneside	10,480
South Tyneside	10,550
Sunderland	21,390
Tyne & Wear	74,025

Source: DSS Analytical Services Division 1 (Special request), Crown Copyright

**Figures taken from 100% scans obtained via the Generalised Matching Service of the Benefits Agency*

9.0 LAND & PROPERTY

9.1 Commercial Property

Available floorspace in Tyne & Wear rose by 37% in the second half of 2000 to 629,000m^2. Gateshead and Newcastle's share rose by five and one percentage points respectively. Sunderland and South Tyneside reduced their share by 3 and 2 percentage points respectively. North Tyneside's share remains unchanged at 21%. The distribution of vacant industrial premises in December 2000 varied considerably between districts, with total units ranging from 94 in South Tyneside to 232 in Sunderland. Total area ranged from 66,261m^2 in South Tyneside to 189,911m^2 in Gateshead.

Table 30: Vacant Industrial Premises in Tyne & Wear, Summary at 31st December 2000

District	Total Units	%	Total Area (m^2)	%
Gateshead	204	25	189,911	30
Newcastle	159	20	103,827	17
North Tyneside	116	14	131,879	21
South Tyneside	94	12	66,261	11
Sunderland	232	29	137,165	22
Tyne & Wear	805	100	629,043	100

Source: TWRI: Vacant Industrial Properties in Tyne & Wear Analyses: June to December 2000

9.2 Infrastructure developments

Work on the £100m **Metro extension to Sunderland** was officially launched in February 2000. It is expected to be completed in two years. Work will involve improvements to a number of stations and the building of eight new stations (J 25/2/00). Railtrack have announced a £259m **rail investment** plan for the North East and Yorkshire over the next year. It will spend £41m on improving North station facilities, £86m on tracks, £65m on signalling and safety and £28m on the start of work on the £98m Sunderland Metro extension (J 31/3/00).

Northern Spirit, the Association of North East Councils and One NorthEast have bid for £25m to **re-open railway lines** and stations across the North East. Plans include re-opening the existing freight line from Newcastle to Ashington in Northumberland for passengers, re-opening the disused Leamside line from the East Coast Main Line at Ferryhill through Durham and Washington, putting four new stations on the branch line between Sunderland and Middlesbrough, creating a heavy rail link from Newcastle Central Station to Newcastle Airport and improving frequency of services on the Tyne Valley line for commuters to and from Tyneside (J 4/2). Consultants examining the £10m Ashington project recommend a two train per hour service from Newcastle Central Station serving four new passenger stations at Backworth, Newsham in Blyth, Bedlington Station and Ashington (J 10/3).

The **Port of Tyne's** £1.3m international rail terminal opened in January providing a 'comprehensive all-in-one package' to freight customers including links to Europe via the Channel Tunnel (J 10/1). At **Tyne Dock** the Port of Tyne has announced a £1m investment to improve facilities with the installation of new dock gates (J 16/2). It has also formed Port of Tyne Logistics Services which offers multi-modal transport and total supply chain management. Passenger transport numbers have increased by around 20% each year to an expected 650,000 travellers this year (J18/5).

The £27m extension to **Newcastle Airport** opened in January 2001. It doubles the airport's capacity and allows a forecast growth in passenger numbers from 3m a year to 4-5m by 2006 (J 17/1/01).

Metro operators, **Nexus**, are exploring the feasibility of dovetailing a **tram system** already planned for the West End of the city with the Metro. Under the scheme 200-passenger trams would run from the new Newburn Haugh industrial park under the A1, through Scotswood and into the Metro at the St James's tunnel (J13/6/00).

On the **Durham coast line,** the **Sunderland to Hartlepool** rail service, launched early in 2000, has seen passenger numbers rise by 30%. The shadow Strategic Rail Authority agreed to provide £1m over three years to increase the frequency of services. Tees Valley Joint Strategy Unit has proposed multi-million pound plans to open new rail lines and stations in the region including **an hourly Tyne-Tees express**, new services and new stations. The Tyne-Tees express would incorporate a number of new stations including one at Washington, in Tyne & Wear. The proposal is awaiting funding (J12/7/00).

Newcastle Airport is preparing a **masterplan** for multi-million pound developments to handle a possible trebling of passenger numbers over the next 16 years. Passenger numbers have been accelerating during the past decade reaching the three million mark in July 2000 and are on course to rise to between 4.5 million and 5.6 million over the next six years. It is preparing a development blueprint to include proposals for a transport interchange at the airport along with ideas for a second aircraft handling pier, further terminal extensions and large-scale plane maintenance and freight village developments on the south side. It lost £2.5m a year income from the ending of duty free concessions within the European Union from mid-1999 (J2/8/00).

At Newcastle and Gateshead Quayside the **Gateshead Millennium Bridge** was lowered into place in November. The £22m pedestrian and cycle bridge links Newcastle Quayside with the Baltic Centre for Contemporary Art (due to open in spring 2002) and the Music Centre on the south bank of the Tyne. It is a vital asset in Newcastle and Gateshead's joint bid to become European Capital of Culture in 2008 (J24/11/00). It is due to open in September 2001 (J22/11/00).

At **Sunderland**, work on the 18.5km Metro extension is still on schedule despite one of the main contractors, Christiani and Nielson Ltd, going into administration (J21/11). Skanska Construction has taken over the work (J28/11).

At **Newcastle Airport**, the £1.5m second phase of **major expansion at the Freight Village** is complete. Throughput for the financial year increased by 15% to 16,045 tonnes (J).

At **Gateshead**, part of the former Bowes Railway Line, which passes through Birtley, will be converted to a **new bicycle route** at a cost of £575,000. The Council is currently looking for firms to carry out the reclamation work (J5/12).

APPENDIX A

TYNE & WEAR RESEARCH AND INFORMATION (TWRI)

Outline of TWRI

Tyne & Wear Research and Information (TWRI) provide a statistical information service on behalf of the five metropolitan districts in Tyne & Wear. These are: Gateshead, Newcastle Upon Tyne, North Tyneside, South Tyneside and Sunderland.

TWRI produces information and undertakes research on a wide variety of topics of interest to those concerned with the social and economic conditions and the physical structure of the county. To obtain a full list of publications telephone TWRI on 0191 277 1912. The services provided by TWRI are set out below.

TWRI's establishment consists of ten professional and technical staff and a clerical assistant. TWRI has been based in the Civic Centre in Newcastle since it was established in 1986. The City Council provides general administrative facilities to TWRI on behalf of the supporting authorities and officers of TWRI are employees of the City Council.

Management of TWRI

The Head of TWRI is responsible to the Tyne & Wear Policy Managers' Group for the discharge of the TWRI's work programme. A report is made each year to the Tyne & Wear Co-ordinating Committee which is responsible for agreeing budget targets for all joint units operating in the county. This committee consists of the leaders and deputy leaders of each Council.

Projects within the Work Programme

The work programme of TWRI consists of a number of projects grouped under broad headings. Responsibilities for discharging these projects are divided between the Head of TWRI and the two Senior Officers who operate under the general guidance of the Head of TWRI. Each Senior Officer has responsibility for developing and maintaining research and information resources of their own work areas. They are supported by four Research Officers, two technical support staff and a clerical assistant.

TWRI's activities include:

Business Data

Development, maintenance and marketing of the Countywide Business Information System (COBIS) which amalgamates over 20,000 records from district business databases. Contact with private sector clients advising on use of the database, production of special listings from the business file, identification and exploration of new market opportunities, and production of analyses from the data file.

Geographic Data

Co-ordination of a property database in conjunction with officers in the five district councils and maintenance of a countywide file. Development of output and analysis of this data. Databases include the Geo-coded Property Gazetteer and associated changes file and the Street Index file. Liaison with and co-ordination of districts and joint boards in Tyne & Wear with interests in Geographic Information Systems in the county. A Retail Database is also maintained on planning applications over 2,500m^2 for Tyne & Wear, Durham and Northumberland in accordance with Planning Policy Guidance note 6 (PPG6). Assessment and development of TWRI's GIS capabilities.

Economic Research & Information

Production of regular reports providing information about the local economy including employment estimates and projections, small area unemployment analyses, job growth, vacant industrial property listings and general economic background data. Research using various data sources including Annual Business Inquiry, Labour Force Survey, VAT Registrations.

Social Research & Information

Development of data series concentrating on the social condition of the population in the county including crime, poverty, education, health, employment and housing. Provision of information and analysis in support of annual discussions with central government on Standard Spending Assessments. Provision of an analysis service from the Census of Population. Co-ordination and liaison activities associated with the 1991 Census of Population and involvement in planning for the 2001 Census.

Demographic Research & Information

Maintenance of an annual series of demographic estimates and projections covering populations, households and labour force for Tyne & Wear and its constituent wards. Production of occasional reports based on research of demographic data for Tyne & Wear including migration, births and deaths.

Housing Land Services

Administration and co-ordination of the annual monitoring exercise that assesses the availability of land for private housing in the county.

Special Research Projects

Provision of data and analysis in support of a number of district activities including Unitary Development Plan work, bids for central government finance and ad hoc projects. Input to regional and European information activities requested by the Association of North East Councils (ANEC) or the North East Regional Assembly (NERA). This currently involves the production of a regional report identifying how the North East performs in relation to other parts of the country on a large number of indicators. Liaison with national bodies and central government departments on a variety of data issues affecting local authorities in Tyne & Wear

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