THE TYNE & WEAR PROFILE

2003

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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 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)

Living Standards

- The North East has the third-lowest level of **household income** in the UK in addition to high dependency on Social Security benefits. (§ 4.1)
- In 2001 65.5% of dwellings in the North East were **owner occupied**. This was amongst the lowest proportions recorded for regions in England. (§ 4.4)
- **House prices** rose dramatically in Tyne & Wear between the third quarters of 2001 and 2002 (up 17%), almost as fast as in England & Wales (up 18%). The North (up 14%) was still the region with the slowest rise and the lowest average house prices in England & Wales in 2002. (§4.4 & §7.1)
- People living in Tyne & Wear generally experience poorer levels of **health** than those living elsewhere 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 2000/01 42% of school leavers in the North East achieved five or more **A*-C passes at GCSE**. This figure is much lower than the English average of 48%. (§4.7)
- In 1999/00 62% of pupils in Tyne & Wear remained in **full-time education** after the age of 16, much lower than the English average of 71%. (§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 significant 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** have recently opened or are currently under development in Tyne & Wear. The Baltic Centre for Contemporary Art opened in July 2002. The Sage Gateshead, formerly the Music Centre Gateshead is due to open in late 2004. (§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 becoming cleaner at least with respect to concentration levels of sulphur dioxide for Newcastle which dropped 91% during the four years to 2001 (§6.1)
- The total number of **public transport** boardings in Tyne & Wear has fallen by over 50% since the mid-1980s. However, between 2000/01 and 2001/02 total annual Metro boardings rose by 2.8%.[This pre-dates the opening of the Metro extension to Sunderland] (§6.2)

The Local Economy

- **GDP per capita** in Tyne & Wear is approximately 20% below the UK average. (§7.1)
- Despite the slowing growth in the UK economy, **consumer spending** rose by 4.2% and by 4.1% in the year to the 2nd quarters of 2001 and 2002 respectively (§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 April 2002 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 just under 74,000 people on **Incapacity Benefit** (IB). (§8.4)

Land and Property

- In the 6 months to December 2001 the stock of **vacant industrial property** in Tyne & Wear decreased by 9%. (§ 9.1)
- Major **infrastructure developments** include the completion in 2002 of 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.

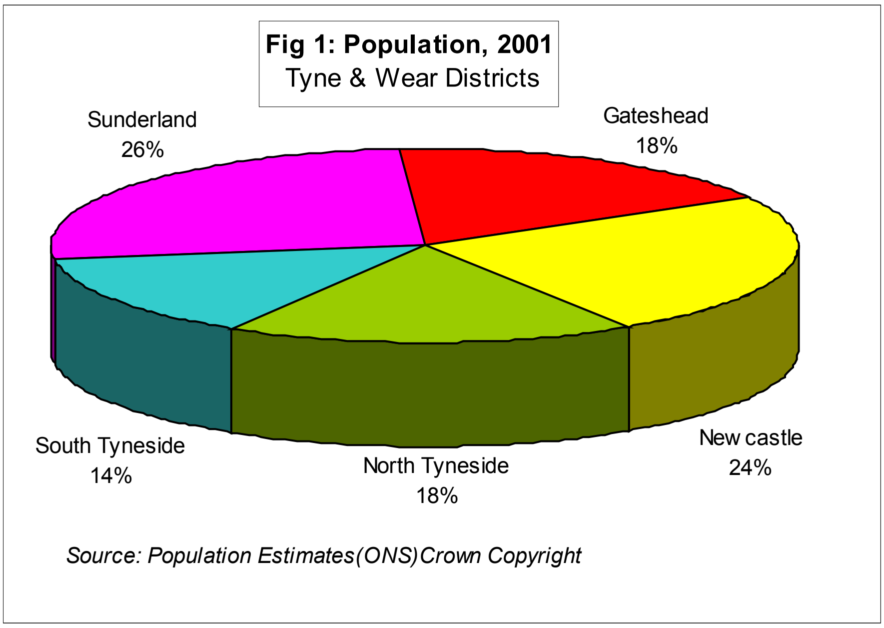
Nearly 43%[3] of the North East's population live in Tyne & Wear which covers only 6% of the land area[4]. The population totals for the individual Districts within Tyne & Wear in 2001 can be seen in Table 1 and the proportions of the Tyne & Wear total are displayed graphically in Figure 1.

1 *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*

3 *Population Estimates Unit, Office for National Statistics (Crown Copyright)*

4 *Regional Trends 37, 2002, Office for National Statistics (Crown Copyright)*



At 1,993 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 8,680 per square kilometre to South Yorkshire at only 816 persons per square kilometre.[5]

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

District	Mid 2001 Population *	Area km^2 ^	Persons per km^2~ (Density)	Number of Wards #	Average Persons per Ward ~
Tyne & Wear	1,076,300	540	1,993	113	9,525
Gateshead	191,200	142	1,346	22	8,691
Newcastle	259,600	113	2,297	26	9,985
North Tyneside	192,000	82	2,341	20	9,600
South Tyneside	152,800	64	2,388	20	7,640
Sunderland	280,800	137	2,050	25	11,232

**Population Estimates Unit, ONS (Crown Copyright)*

^ Regional Trends 37, 2002, Office for National Statistics (Crown Copyright)

~ TWRI

#TWRI Publication: Ward Population Estimates 2000

2.2 Communications

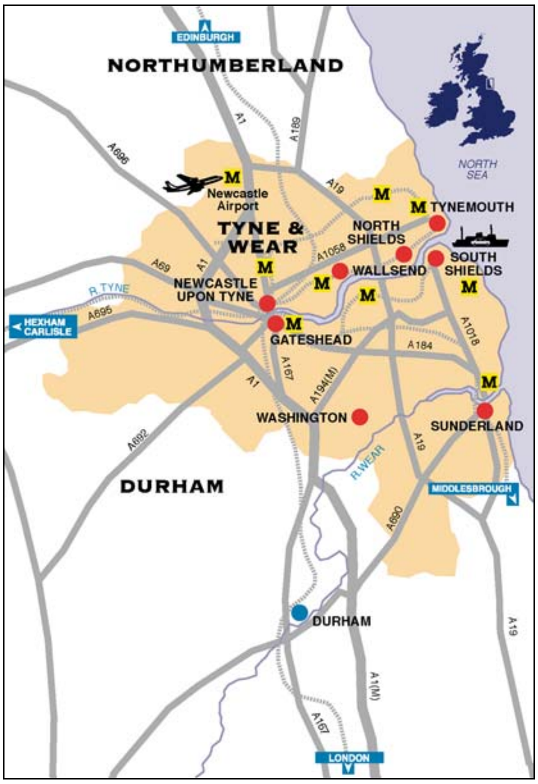
Roads: Figure 2 shows the principal road network in and around the Tyne & Wear area. The A1(M) and A19 are the principal routes from the south. The A69 extends to Hexham, Carlisle and the West; while the A1 is the main route to the North and Scotland.

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); Birmingham (3h 05m); Edinburgh (1h 25m); Glasgow (2h 35m) and London (2h 40m).[6]

[5] *Regional Trends 37, 2002, Office for National Statistics (Crown Copyright)*

[6] *Tyne & Wear Fact Cards 2003, TWRI*

Fig 2: MAP OF TYNE & WEAR



Ferry: The Ferry Terminal at North Tyneside connects England's North East Coast to three countries; **Norway** (Kristiansand 18h, Stavanger 20h, Bergen 26h 45m and Haugesund 22h 30m); **Holland** (IJmuiden 16h); and **Sweden** (Gothenburg 25h 30m).[7]

Flights: Newcastle International Airport is the tenth busiest of the UK's 59 airports, with 3,326,000 terminal passengers using the airport between November 2001 and October 2002.[8] The number of daily scheduled services for Winter 2002/03 are as follows:

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

Aberdeen (5)	Bristol (4)	Gatwick (4)	Stansted (4)
Amsterdam (7)	Brussels (4)	Heathrow (6)	Stavanger (3)
Belfast City (5)	Dublin (4)	Paris (3)	
Birmingham (4)	Dusseldorf (1)	Southampton (4)	

Source: Tyne & Wear Fact Card 2003, TWRI

7 *Tyne & Wear Fact Cards 2003, TWRI*

8 *Civil Aviation Authority*

3.0 TYNE & WEAR: THE PEOPLE AND COMMUNITIES

3.1 Population Estimates

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. By the mid-2001 estimates, however, Sunderland's population had dropped by 5.3% to just under 281,000. Newcastle's population has declined rapidly since the 1960s, and by the mid-2001 estimates was just under 260,000. The populations of the remaining 3 Districts have declined gradually with South Tyneside remaining the smallest District with around 153,000 people. Table 3 shows population change from 1961 to 2001.

Table 3: Population Estimates 1961 to 2001 - Districts of Tyne & Wear

	1961	1971	1981	*1991	2001
Tyne & Wear	1,241,000	1,217,600	1,155,200	1,130,400	1,076,300
Gateshead	223,000	226,000	213,200	203,100	191,200
Newcastle	336,000	311,700	284,100	278,200	259,600
North Tyneside	210,000	208,300	198,600	195,500	192,000
South Tyneside	185,000	178,100	161,900	157,200	152,800
Sunderland	287,000	293,500	297,300	296,400	280,800
% change		1961-71	1971-81	1981-91	1991-01
Tyne & Wear		-1.9	-5.1	-2.1	-4.8
Gateshead		1.3	-5.7	-4.7	-5.9
Newcastle		-7.2	-8.9	-2.1	-6.7
North Tyneside		-0.8	-4.7	-1.6	-1.8
South Tyneside		-3.7	-9.1	-2.9	-2.8
Sunderland		2.3	1.3	-0.3	-5.3

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

** 1991 mid-year estimates are to be revised by ONS following the release of the Census 2001*

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 & Wear as a whole in the year ending 2001. In all districts there was a larger number of deaths than births resulting in a decrease in population through natural change. Sunderland and Newcastle had the highest number of births (2,900) whilst Sunderland also had the highest death toll (3,200), resulting in a natural change in that district of –300. 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 -3,800 people from the county area over the year to June 2001. This represents a slight decrease from the 2000 (-4,000) figure, following a decrease from the 1999 (-4,100) figure.

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

	Year Ending June 2001				
	Population * Mid 2001	Births ^	Deaths ^	Natural ^ Change	Net ~ Migration
Tyne & Wear	1,076,300	11,200	12,400	-1,300	-3,800
Gateshead	191,200	2,000	2,300	-300	-700
Newcastle	259,600	2,900	3,000	-100	-2,200
North Tyneside	192,000	1,900	2,200	-300	+1,000
South Tyneside	152,800	1,500	1,800	-300	-500
Sunderland	280,800	2,900	3,200	-300	-1,400

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

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

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 13.2% of Tyne & Wear's population compared to 12.2% in England & Wales. The proportion of elderly people (75+) has increased in Tyne & Wear since 1996 and is now equal to the national average of 7.6%. The proportion of retired people up to 74 years has remained about the same at 11.8%, well above the national average of 10.9%.

Table 5: 2001 Mid Year Population Estimates by Age Group

Ages	Tyne & Wear	Gateshead	Newcastle	North Tyneside	South Tyneside	Sunderland
0-4	59,000	10,700	14,200	10,400	8,400	15,300
5-14	136,000	23,800	31,200	24,000	20,300	36,800
15-24	142,200	22,000	43,400	20,900	18,000	38,000
25-44	305,700	54,800	74,300	54,500	42,500	79,600
45-Retirement~	225,200	41,300	48,900	42,700	32,300	60,000
Retirement-74	127,000	24,000	27,800	23,500	18,800	32,800
75+	81,300	14,600	19,700	16,000	12,500	18,400
All Ages	1,076,300	191,200	259,600	192,000	152,800	280,800
Percentages						
0-4	5.5	5.6	5.5	5.4	5.5	5.4
5-14	12.6	12.4	12.0	12.5	13.3	13.1
15-24	13.2	11.5	16.7	10.9	11.8	13.5
25-44	28.4	28.7	28.6	28.4	27.8	28.3
45-Retirement	20.9	21.6	18.8	22.2	21.1	21.4
Retirement-74	11.8	12.6	10.7	12.2	12.3	11.7
75+	7.6	7.6	7.6	8.3	8.2	6.6
All Ages	100.0	100.0	100.0	100.0	100.0	100.0

Source: Population Estimates Unit (ONS) Crown Copyright

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

3.2 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 6 outlines the 1996-based Household Estimates for 2000 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 6: Household Estimates, 2000#

	Tyne & Wear	Gateshead	Newcastle	North Tyneside	South Tyneside	Sunderland
Married Couple	215,000	39,600	45,300	40,600	30,300	59,200
Cohabiting Couple	32,600	5,900	9,200	6,100	3,800	7,600
Lone Parent	35,800	5,800	9,600	5,600	5,500	9,300
One Person	158,600	28,700	43,400	28,800	22,500	35,200
Other Multi-Person	36,500	6,900	10,800	5,800	4,400	8,600
All Households	478,400	86,900	118,200	86,900	66,500	119,900
%						
Married Couple	44.9	45.6	38.3	46.7	45.6	49.4
Cohabiting Couple	6.8	6.8	7.8	7.0	5.7	6.3
Lone Parent	7.5	6.7	8.1	6.4	8.3	7.8
One Person	33.2	33.0	36.7	33.1	33.8	29.4
Other Multi-Person	7.6	7.9	9.1	6.7	6.6	7.2
All Households	100.0	100.0	100.0	100.0	100.0	100.0

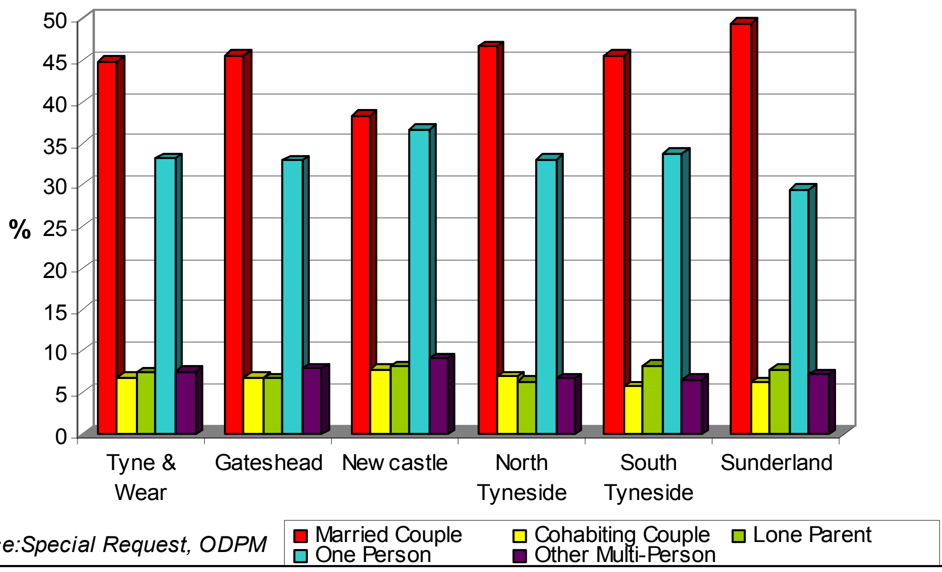
Source: Special Request, ODPM (1996-based projections)

#Note: ODPM household estimates are normally published only down to regional level and rounded to the nearest thousand, therefore these figures should be treated with caution. Moreover, they pre-date the Census 2001.

Figures may not sum due to rounding.

Concealed couples and concealed lone parents have been excluded from the figures. In Tyne & Wear in 2000 there were around 600 concealed couples and 3,000 concealed lone parents.

Fig 3: Household Estimates 2000 (%)



Source:Special Request, ODPM

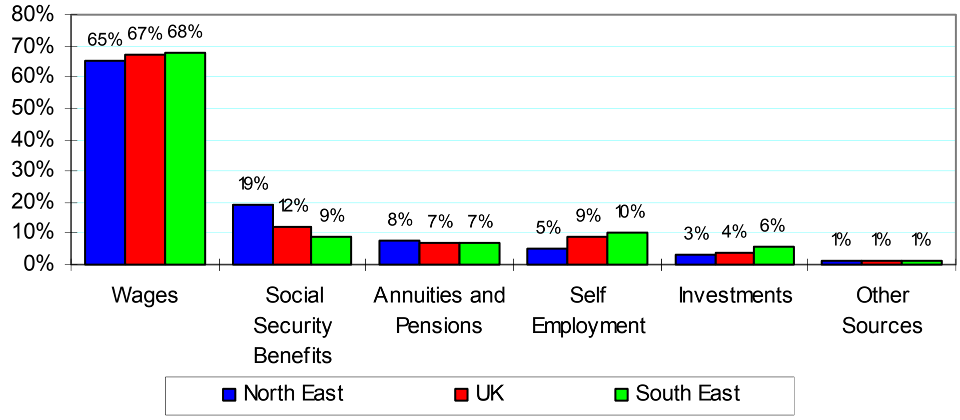
4.0 LIVING STANDARDS

4.1 Income

The Family Expenditure Survey (FES) showed that, averaged over the three years to 2000/2001, the North East had the third-lowest household income of all UK regions, 21% below the UK average. North East average weekly household income, at £379pw (or £19,700pa), was £101pw or £5,300pa lower than the UK and 38% (£237pw, £12,300 pa) lower than in London.

Sources of income vary between the regions. Whilst the proportion of households in the North East gaining their income from wages and salaries (65%) is fairly close to the UK average (67%), self employment accounts for only 5% of household incomes in the North East compared with 10% in the South East and the UK average of 9%. 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 2000/2001 gives all these proportions of household income averaged over the 3 year period between 1998/99 and 2000/01].

Figure 4: Income Source 1998/99 - 2000/2001
North East, UK, South East



Source: Family Expenditure Survey 2000/2001 (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 2000/01. North East average household weekly spending was £297.20 (over £15,400pa) or £68.60 (or 19%, nearly £3,600pa) less than the UK average. London had the highest weekly spending; at £435.70 (£22,700 pa), some 32% higher than the North East. Household expenditure in the North East was higher (in £) than the UK average in only two categories; alcohol drinks and tobacco. Net spending on housing, at £46.60 per week, was around £13 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 2000-2001 Family Expenditure Survey shows that the North East has the highest proportion of households of any UK region with microwaves and central heating. Around 88% of households have microwaves (UK 81%), and 97% have central heating (UK 90%). 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 region. Around 92% of households have telephones (UK 94%). Only 61% of households in the North East own at least one car (or van) much lower than the UK average (71%). 15 percent of households own two cars, compared to 22% in the UK and 27% in the South East. The proportion of households with dishwashers (16%) is also lower than any other UK region, and well below the national average of 24%.

Car ownership, in Tyne & Wear, was around 18 percentage points lower than in Great Britain (66.6%)[9]. 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 7: 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)

4.4 Housing

In 2002, the stock of dwellings in Tyne & Wear was just under 489,400*. During 2001 a total of 1,953 new dwellings were completed in Tyne & Wear. Within the districts, Newcastle had the highest total number of new dwellings built (573 or 29%) and private sites completed (533 or 31%). Sunderland had far more housing association dwellings completed (119 or 53%) than any other district as shown in Table 8.

In 2001 owner occupation in the North East (65.5%) was 2.6 percentage points lower than in England (68.1%).[10] The South East had the highest rate of owner occupation (73.5%), 8 percentage points above the North East at 65.5%. Local Authority renting was much higher in Tyne & Wear at 21%, than in England (13%). However the current figure represents a sharp decline from 1981 levels of 53% and 31% respectively.

9 *1991 Census of Population, Office for National Statistics (Crown Copyright)*

* *May be distorted as figure from Gateshead was for 2001*

10 *2001 HIP Housing Strategy, ODPM*

Table 8: Housing Completions in Tyne & Wear, 2001

	Local Authority	Housing Association	Private	Total Completions
Tyne & Wear	2	223	1,728*	1,953
Gateshead	1	27	468	496
Newcastle	0	40	533	573
North Tyneside	1	22	276	299
South Tyneside	0	15	67*	82
Sunderland	0	119	384	503

Source: Data collected separately from council in each district – completions given for 2001

*19 of which have private/housing association joint ownership

A total of 18,294 dwellings were vacant in Tyne & Wear in 2001 (Table 9). This gave an overall vacancy rate in Tyne & Wear of 3.74% which is slightly above the figure for England as a whole (3.5%), and slightly below the figure for the North East (4%). Vacancy rates in Tyne & Wear varied from 3% for Registered Social Landlord properties to 12.9% for Other Public Sector properties.

Table 9: Vacancy Rates 2001

	Tyne & Wear	North East	England
Local Authority	3,816 (3.7%)	9,303 (4.0%)	79,178 (2.8%)
Registered Social Landlord	1,798 (3.0%)	2,554 (2.8%)	36,416 (2.4%)
Other Public Sector	191 (12.9%)	218 (7.5%)	14,998 (12.1%)
Other Private Sector	12,489 (3.9%)	33,561 (4.2%)	622,596 (3.7%)
(of which owner-occupied)	#	27,325 (3.7%)	464,315 (3.2%)
Total dwellings vacant	18,294	45,636	753,188
Total dwelling stock	488,904	1,127,769	21,360,647
Vacancy Rate	3.74%	4.0%	3.5%

Source: 2001 HIP Housing Strategy, OPDM

Figures not available for all Tyne & Wear districts; no accurate answer available

House prices in Tyne & Wear are amongst the lowest in Great Britain. In the third quarter of 2002 the average price of a dwelling in Tyne & Wear was £81,063[11]. This was 45% lower than the average price in England & Wales of £146,150, 67% less than the average cost of a dwelling in Greater London (£248,609), and 72% less than in Windsor & Maidenhead (£287,406), the most expensive area for housing. House prices in Tyne & Wear have, however, increased dramatically over the past year (up by 17%) In England & Wales, house prices have increased by 18% over the same period.

[11] *HM Land Registry, Third Quarter 2002*

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 10 indicates that in 2000 SMRs in all Tyne & Wear Districts were poorer than the English equivalent, ranging from 2% above the UK average in North Tyneside to 19% higher in Sunderland. In 2000 7.6% of births in England & Wales were less than 2,500 grams, compared to 8.1% in Tyne & Wear as a whole and 9.3% in Newcastle - the highest proportion of the five Tyne & Wear districts.

Table 10: Standardised Mortality Ratio (SMR) and % of Births under 2,500g

	SMR*	% Births under 2,500g^
England & Wales	98	7.6
Tyne & Wear	113	8.1
Gateshead	118	7.9
Newcastle	111	9.3
North Tyneside	102	6.8
South Tyneside	112	7.3
Sunderland	119	8.2

Source: Key Population & Vital Statistics (Series VS no. 27, PP1 no. 23) ONS (Crown Copyright)

** Standardised Mortality Ratio during 2000 (UK=100) ^ Conceptions during 1999*

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 of, or all, 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 11).

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 19.9% in the South East.

Table 11: Income Deprivation and Child Poverty, Tyne & Wear Districts 2000

	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	22.4

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 2000/01 44% of school leavers in the North East had five or more GCSE A*-C passes (England = 50%).[12] The North East fell below National Targets for Education and Training for 2002, in terms of both young people and adults. As of spring 2002, around 73% 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%). The percentage of women in the North East aged 19 with an NVQ level 2 qualification or equivalent, however, was close to the National Learning Targets at 82%, and considerably higher than their male counterparts (64%). 51% of 21 year-olds achieved NVQ Level 3 (2 A levels or Advanced GNVQ) (England 53%, Target 60%). The North East also fell below the National Targets for Education & Training for adults with 46% of adults in employment of working age achieving NVQ Level 3 (Target 50%) and 23% achieving NVQ Level 4 (Higher Education qualification below degree level) (Target 28%)

Children under Five

The proportion of children under 5 years of age in maintained nursery and primary schools in England has increased hugely from about 20% in 1970/71 to 58% by January 2001. In January 2001, 85% of children under 5 years in the North East were in Local Authority schools, the highest proportion in the UK.[13] North Tyneside and South Tyneside both have the highest school participation rate of children under five in Tyne & Wear at 91%, followed by Sunderland at 88%. Gateshead had the lowest participation rate of children under five in Tyne & Wear (80%), closely followed by Newcastle (81%).

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 2002. As was the case nationally and in the North East, uptake of free school meals in

[12] *Regional trends 37,2002, National Statistics (Crown Copyright)*

Tyne & Wear was higher at primary school level than secondary (17.3-28.9% of pupils in primary schools, compared with 11.1-15.7% in secondary) (Table 12).

Table 12: School Meal Arrangements in Maintained Primary and Secondary Schools, Jan 2002

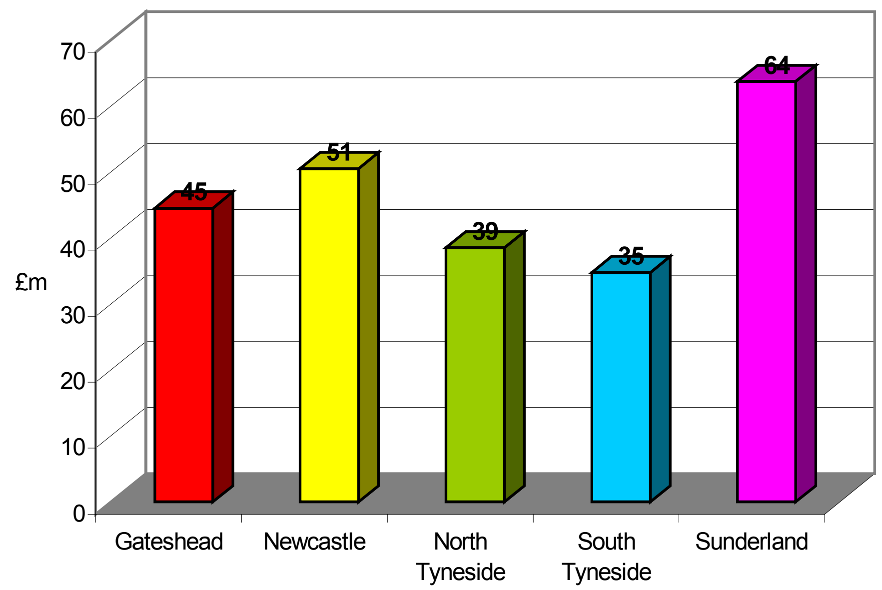
	Nursery, Primary & Middle Deemed Primary		Secondary & Middle Deemed Secondary	
	% taking free school meals	% eligible for free school meals	% taking free school meals	% eligible for free school meals
England	14.0	17.1	10.9	14.9
North East	19.5	22.5	12.5	19.0
Gateshead	19.6	23.9	13.5	20.1
Newcastle	28.9	33.1	15.6	23.5
North Tyneside	17.3	20.8	12.3	17.4
South Tyneside	25.5	28.7	15.7	23.4
Sunderland	19.7	22.2	11.1	17.5

Source: Statistics of Education, Schools in England 2002, DfES

Expenditure

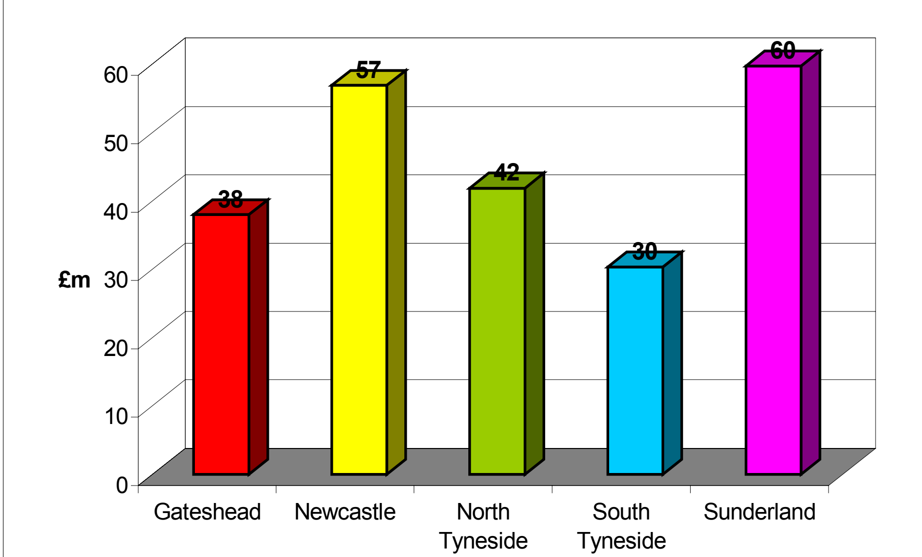
In 2000/01 the net expenditure (after recharges) on education by the local authorities in the North East was £1,267m.[14] Within Tyne & Wear, in 2000/01, net expenditure on primary schools was £232.2m, and in secondary schools it amounted to £226.9m Figures 5 and 6 show the total expenditure in each district of Tyne & Wear.

Fig 5: Total Expenditure on Primary Schools 2000/01



Source: Section 52 Outturn Statements 2000/01, DfES

[14] *Special Request, Section 52 Outturn Statements 2000/01, Department for Education &Skills,*



Source: Section 52 Outturn Statements 2000/01, DfES

Staffing and Provision

Staffing levels in North East schools compare favourably with the average for England. In January 2002 the overall pupil teacher ratio in the North East was 17.5, slightly lower than the average in England (18.0)[15] Within Tyne & Wear, overall pupil teacher ratios in January 2002 were lowest in South Tyneside (16.7) and highest in North Tyneside (18.0). In primary schools, Gateshead and South Tyneside had the lowest pupil teacher ratios (21.2) and Newcastle and North Tyneside the highest (22.9). Similarly in secondary schools, Gateshead had the lowest pupil teacher ratio (15.7) and North Tyneside the highest (16.4).

The average primary school class size in the North East in January 2002 was 25.3, which was slightly below the average for England (26.3).[16] The North East also had a smaller proportion of primary school classes of 31 or more pupils (14.7%) compared to England (17.8%).[17] At secondary school level, the average class size in the North East of 21.8 was almost the same as in England (21.9). The North East had a slightly lower proportion of secondary school classes of 31 or more pupils (10.8%) compared to England (11.8%). In Tyne & Wear Newcastle had the highest average primary class size (26.5) and Sunderland the lowest (24.4). In secondary schools, South Tyneside had the highest average class size (22.0) and Gateshead the lowest (21.0).*

Qualifications

In 2000/01, 42% of pupils in Tyne & Wear obtained 5 or more GCSEs graded A*- C (Table 13). This is relatively low compared to the English average of 48%. In Tyne & Wear, Gateshead had the highest percentage of pupils achieving 5 or more passes at 49%. Newcastle had the lowest at 37%. Among the remaining districts, 47% in North Tyneside, 39% in both

[15] *Statistics of Education in Schools in England, 2002 edition, Department for Education and Skills (Crown Copyright)*

[16] *Class sizes in Maintained Schools in England, January2002(Provisional), Department for Education & Skills (Crown Copyright)*

[17] *Regional Trends provide a figure for GB of 14.3%. However, this is for all classes – not just those taught by one teacher.*

* *Figures used in this paragraph relate to classes taught by one teacher only. Both primary and secondary school figures include middle schools.*

Sunderland and South Tyneside, obtained 5 or more passes. The proportion of girls in Tyne & Wear gaining at least five grades A*-C, was more than 8% higher than that of the boys. Nationally over 10 percentage points more girls than boys gained at least five grade A*-C passes.[18].

Table 13: GCSE (A*-C grades) or GNVQ Equivalent Qualifications of Boys & Girls, 2000/01

	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 ~
England Average	554,506	265,376	48	526,424	95
North East GOR	31,826	13,525	42	29,865	94
Tyne & Wear MC	13,062	5,441	42	12,179	93
Gateshead	2,233	1103	49	2,055	92
Newcastle	2,789	1026	37	2,481	89
North Tyneside	2,208	1028	47	2,092	95
South Tyneside	2,020	789	39	1,924	95
Sunderland	3,812	1,493	39	3,627	95

Source: Statistical Bulletin 05/2002, GCSE/GNVQ and GCE A/AS/VCE/Advanced GNVQ Examination Results 2000/01- England, DfES

at grade A*-C ~ at G or above

Students over Sixteen

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 1999/00 this had increased to 62%[19] Despite this increase, the proportion of students remaining in education in Tyne & Wear remains below the English average of 71%.

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 2000/2001, 13,709 students were enrolled at the University of Newcastle, 14,809 at the University of Northumbria at Newcastle and 8,736 at the University of Sunderland. [20] The Open University had 1,917 students resident in Tyne & Wear, part-time for the academic year 2001. In addition to these institutions, Tyne & Wear has a number of Further Education Colleges located in Gateshead, Newcastle, North Tyneside, Tynemouth, South Tyneside and Sunderland The proportion of people of working age in Tyne & Wear holding degree qualifications or equivalent in 2001/02 was 24.2%, slightly higher than the North East figure of 23% but lower than the average for England (27.7%).[21]

[18] *Statistics of Education, GCSE/GNVQ and GCE A/AS/VCE/Advanced GNVQ Examination Results 2000/2001 –England, Department for Education & Skills (Crown Copyright)*

[19] *Participation in Education & Training of 16 Year Olds By Local and Skills Council Area, England, 1998/99 and1999/00, Department for Education and Skills (Crown Copyright)*

[20] *Tyne & Wear Fact Card 2002, TWRI*

[21] *Annual LabourForce Survey 2001/02, Department for Education and Skills (Crown Copyright)*

4.8 Crime

Tyne & Wear Crime Levels

The number of recorded crimes committed within Tyne & Wear as a whole has steadily reduced over a three-year period, from 130,018 in 1998/99 to 115,345 in 2000/01; this is a fall of 11.3%.[22] Of the districts, Newcastle has the highest crime levels, with a yearly average of more than 35,000 offences.

Rates of Change

Over the three-year period, from 1998/99 to 2000/01, a steady reduction in the crime *rate* has also occurred in Tyne & Wear, down from 117.3 per 1,000 residents in 1998/99 to 104.1 in 2000/01. In comparison, the rate in England & Wales remained relatively stable. However the rate in Tyne & Wear was still on average 12% higher than the rate in England & Wales over the three years.

In Tyne & Wear, only North Tyneside had a consistently lower offence rate than England & Wales between 1998/99 and 2000/01 It also had at least a 25% lower offence rate than Tyne & Wear in each year.

As shown in Table 14 crime rates in all districts of Tyne & Wear followed the trend of England & Wales and decreased between 1998/99 and 1999/00. South Tyneside was the only area to suffer from an increase in crime rates between 1999/00 and 2000/01, against the downward trend in the rest of Tyne & Wear and England & Wales.

Table 14: District rankings in Tyne and Wear by percentage change in All Recorded Crime(1998 – 2001)*

		1998-1999		1999-2000				2000-2001			
District	**Population**	**Crime**	**Rate**	**Crime**	**Rate**	**%**	**Rank**	**Crime**	**Rate**	**%**	**Rank**
Gateshead	198,070	23,329	117.8	21,750	109.8	-6.8	3	20,774	104.9	-4.5	3
Newcastle	273,040	37,440	137.1	35,334	129.4	-5.6	2	33,395	122.3	-5.5	4
N. Tyneside	193,220	17,051	88.2	15,605	80.8	-8.5	5	15,214	78.7	-2.5	2
S. Tyneside	153,470	16,372	106.7	15,046	98.0	-8.1	4	15,825	103.1	5.2	1
Sunderland	290,660	35,826	123.3	33,922	116.7	-5.3	1	30,137	103.7	-11.2	5
Tyne & Wear	1,108,460	130,018	117.3	121,657	109.8	-6.4	NA	115,345	104.1	-5.2	NA
England & Wales	52,689,900	5,109,104	97.0	5,301,185	100.6	3.8	NA	5,170,831	98.1	-2.5	NA

Source: Northumbria Police & TWRI

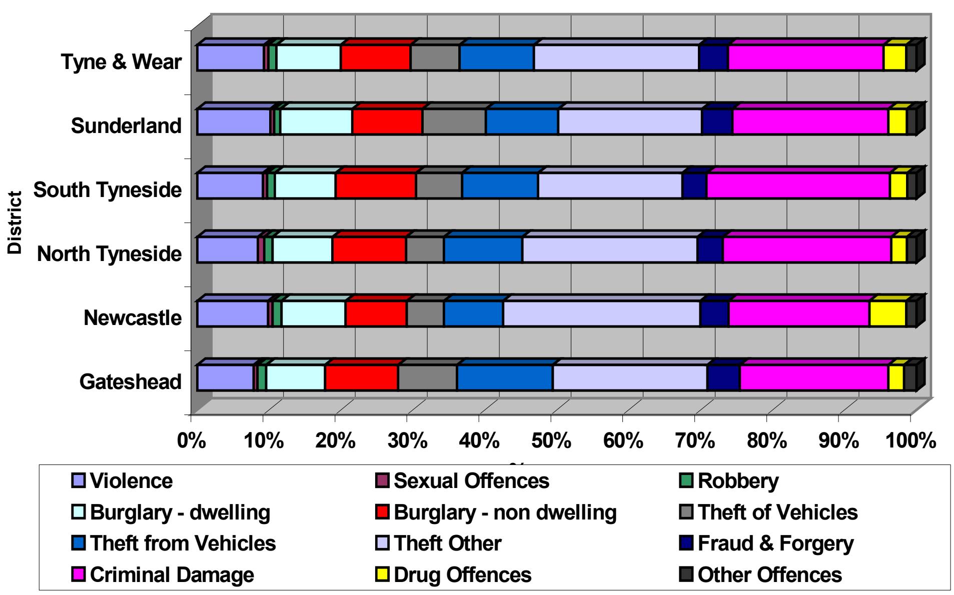
Where Rank 1:Highest % increase or lowest % decrease Stable: No Change Rank 5: Highest % decrease or lowest % increase
Rate: Number of crimes per 1000 population
Population: based on mid 1999 ONS estimate. Please note that mid-year estimates are to be revised by ONS
Recorded crime: Northumbria Police; Home Office
** Excludes Statistically Continuous Crimes*

[22] *Northumbria Police & TWRI*

Composition of Crime by District

The proportion of crimes for each 'offence group' was fairly similar across the districts. Some of the biggest crime groups are listed here, for Tyne & Wear and each of the districts for 2000/01. Sunderland had the highest proportion of residential burglary (10%) and vehicle theft (9%).[23] South Tyneside had the highest proportion of non-residential burglaries (11%) and the largest proportion of 'criminal damage' incidents (25.5%). In Newcastle, 'theft other and handling stolen goods' was extremely high, accounting for 27% of the crime rate possibly due to 'shoplifting'. Newcastle also has the biggest drug problem at 5% of its recorded crime.

Fig 7: Composition of Crime By District 2000/01



Source: Northumbria Police & TWRI

[23] Northumbria Police & TWRI

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[1]. 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'. This was officially announced by the Guinness Book of Records at the beginning of 2002. The Great North Run, which covers 13.1 miles from Newcastle to South Shields, had 35,154 finishers in 2002 and raised an estimated £8 million for charity.[2] The 23rd Great North Run, for which there is a maximum capacity of 47,000 entrants, is due to take place on Sunday 21st September 2003.

Source: South Tyneside Metropolitan Borough Council

The Great North Run, Newcastle, Gateshead and South Tyneside

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 & services in the North East over the three-year period 1998/99- 2000/2001 was £48.50 compared to the UK average of £64.20[3]. North East households devote 16.3% of their household expenditure to leisure goods

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

2 *Special Request, Nova International*

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

& services compared to 17.6% on average in the UK. The main leisure goods & services in the North East include holidays abroad; cash gifts & donations; gambling; TVs videos, computers & audio equipment; TV, video & satellite rental; television licences and Internet.[4]

The English Sports Council has distributed lottery sports funds since 1994. As of November 2002, the Sport England Lottery Fund had made 166 awards, totalling £82.3m, in the North East.[5] The value of grants attributable to sport per head of population in the North East was £33.90, higher than the England average (£27.70) and all other English regions except London (£37.30).

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[6].

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.

Jonathan Edwards in action at Gateshead International Stadium

Source: Newcastle Gateshead Initiative

Tyne & Wear has two football clubs in the Premier League; Newcastle United and Sunderland. The capacity of Sunderland's Stadium of Light has been in increased to 48,300 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 52,193 at St James Park following a

4 *Family Expenditure Survey 2000/01, Office for National Statistics (Crown Copyright), 2001*

5 *Special Request; Sport England Lottery Fund*

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

£49m redevelopment to incorporate over 15,000 extra seats beneath one of the largest cantilever roofs in the world. St James Park was 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. The Theatre Royal is also the North East home for Opera North, Northern Ballet Theatre and the Royal National Theatre. The theatre attracted 300,940 people in 2001/02, at an average occupancy of 67%.[7] The Royal Shakespeare Company (RSC) held 47 performances during the 2002 season. Seat occupancy at the Theatre Royal was 79% and 81% at Newcastle Playhouse. Total seat occupancy for the 2002 RSC Newcastle season was 81%, accounting for 53,751 attendees. Northern Stage, the largest professional theatre company between Leeds and Edinburgh, achieved a 58% average attendance for performances at the Newcastle Playhouse and 68% at the Gulbenkian Theatre, during 2001/2002.[8] This represents a 14% and 8% drop respectively, on 1999/00 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.

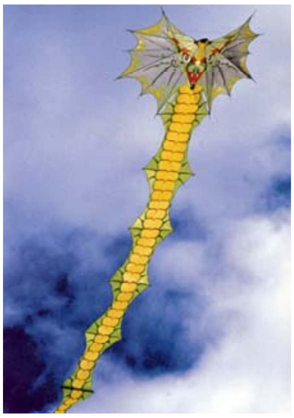
Theatre Royal, Newcastle

Source: Newcastle Gateshead Initiative

[7] *Special Request: Theatre Royal, Newcastle-upon-Tyne*

[8] *Special Request: Northern Stage*

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 2002, the Sunderland Kite Festival attracted over 35,000 visitors.



Sunderland Kite Festival

Source: City of Sunderland 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 2001 in the North East include New Metroland (650,000), Durham Cathedral (478,097) and Sunderland Museum and Winter Gardens (392,070) The top paying attraction was the North of England Open Air Museum at Beamish (307,163). The top paying attraction in Tyne & Wear was the Hancock Museum in Newcastle (102,497)[1].

[1] *Northumbria Tourist Board*

Support for the Arts

Research has been conducted by Northern Arts in partnership with the former Training and Enterprise Councils which explores the economic value of the arts. Details of the findings can be found in the Tyne & Wear Profile 2001.[2]

Private sector support for the arts in the region totalled £3.9m in 2001/02.[3] This figure includes over £2m for capital and millennium projects, over £1m in general (revenue) sponsorship, over £400,000 in corporate memberships and donations and nearly £350,000 in-kind. The Northern Arts made around 1,250 grant awards in 2001/02, totalling £14.1m.[4] As of September 2000, £137.4m had been given out in Arts Lottery grants in the Northern Arts region. Northern Arts' Budget for 2002/03 includes a total income of £12.46m and total expenditure of £12.51m.

5.3 Museums

It is estimated that there were just over 4.5m visits to Museums and Art Galleries in Tyne & Wear in 2001*.[5]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 & 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.

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

[2] *Tyne & Wear Profile 2001, TWRI, SR01/3*

[3] *Special Request: Community Foundation. Please note figures are for the North East & Cumbria together*

[4] *Northern Arts*

[5] *Special Request: Northumbria Tourist Board*

* *Museums and Galleries which completed the 2001 survey, only.*

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 the 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 2000/01 there were 90 library service points in Tyne & Wear.[6] In addition 6 mobile libraries served the more remote rural districts and large residential areas. In 2000/01 the number of items issued per head of population was highest in Gateshead (10.0) followed jointly by North Tyneside and South Tyneside (8.0), Newcastle (7.3) and Sunderland (6.9)[7].

6 *Special Request, Chartered Institute of Public Finance Accounting*

7 *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 2001 tourists spent £795m in the North East, representing about 3% of regional gross domestic product (GDP). Visitors to Tyne & Wear spent £423m in 2001, overseas tourists accounting for approximately £112m (26% of the total) compared to £311m (74%) by domestic visitors. In 2001, there were 1.9m domestic staying trips (where visitors stayed at least one night) to Tyne & Wear and 288,000 staying trips made to the county by overseas visitors. UK and overseas visitors stayed a total of 5.5m and 2.5m nights respectively in 2001. Around 71,000 people are employed in tourism-related industries in the North East[1].

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.

St. Mary's Lighthouse, North Tyneside

Source: North Tyneside Metropolitan Borough Council

[1] *Annual Business Inquiry, December 2000 (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.

Perhaps the most prominent tourist attraction in Gateshead is The Angel of the North, by the A1. 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, opened in 2001. The bridge was supported by a lottery grant of £9.7 million through the Millennium Commission. The uniquely designed 850-tonne rotating structure is the first opening bridge which has been built across the River Tyne for more than 100 years and provides a footpath between Newcastle's East Quayside and new arts and cultural developments at Gateshead Quays.

Gateshead Millennium Bridge

Source: Newcastle Gateshead Initiative

The Baltic, which opened in July 2002 provides a major centre for contemporary art. It is situated in the former Baltic Flour Mills, a redundant 1950's grain warehouse on the south bank of the River Tyne. The Baltic has been re-designed to accommodate over 3,000m^2 of art space including five galleries, artists' studios, cinema/lecture space and feature a wealth of cultural media including sculpture, performance, painting and digital art. Admission to the Baltic is free.

The Sage Gateshead, formerly 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 towards the end of 2004, is funded by the National Lottery through the Arts Council of England and is characterised by a spectacular curved roof. It was renamed 'The Sage Gateshead' in July 2002 after a sponsorship agreement was reached between The Sage Group plc, Music North Limited and Gateshead Council, in which The Sage Group plc provides the centre with £6m sponsorship.

The Sage 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 Tall Ships are due to return in 2005. 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' opened in January 2002. As part of the Millennium Art Scheme, this project won the competition held by the city council in 1996. It is a ground-breaking design for a contemporary public square outside the Laing Art Gallery, Newcastle. Created by award-winning artist Thomas Heatherwick, it provides 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 whole thing cost £1.4m with funding being shared between Arts Lottery Fund, European Improvement Fund, and Newcastle Council. As part of the project a new spiral stairway has also been erected. It was designed and built by McNulty, shipbuilders in South Tyneside.

The Blue Carpet, Newcastle

Source: Newcastle City Council

Tyne & Wear is one of the largest shopping destinations in the UK, with major retail facilities such as the MetroCentre (at Gateshead), Newcastle Eldon Square, Eldon Garden, Monument Mall, North Tyneside Royal Quays and Sunderland Bridges. The MetroCentre attracted 24.6m visitors in 2001.[1]

MetroCentre, Gateshead

Source: Newcastle Gateshead Initiative

[1] *Special Request, Marketing Department, MetroCentre Gateshead,*

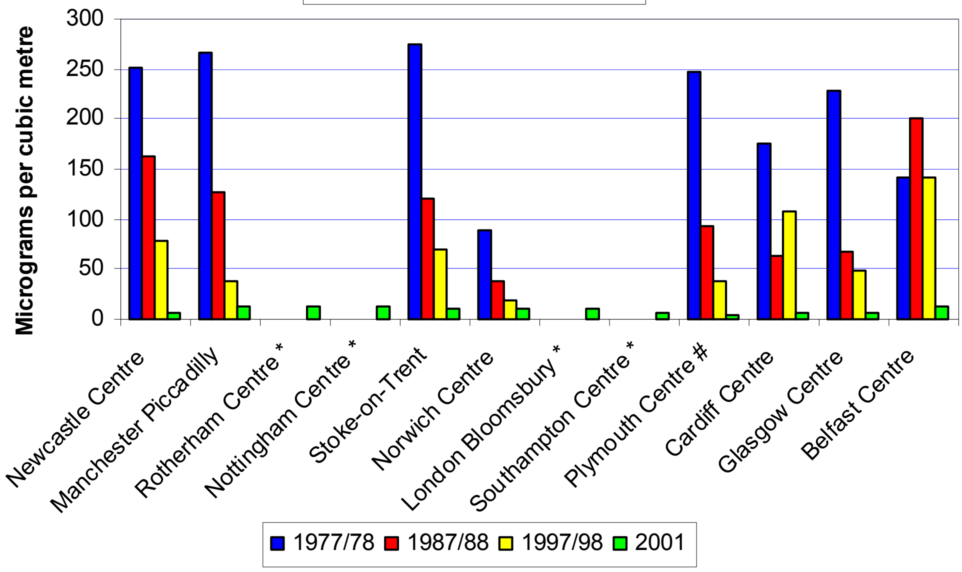
6.0 ENVIRONMENT

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 indicator below measures sulphur dioxide which reflects levels of atmospheric pollution.

6.1 Atmospheric Pollution

Sulphur dioxide concentrations have reduced greatly in Newcastle and most of the country since the 1970s. As shown in Figure 8, in the four-year period between 1997/98 and 2001 levels in Newcastle fell 91% from 79 to 7 micrograms per cubic metre. Prior to this, in the 20 years to 1997/98, levels in Newcastle fell by over two-thirds from 252 to 79 micrograms per cubic metre, down 69%.

Fig. 8: Atmospheric Pollution
Sulphur Dioxide



No time series data is available
 # Data given for 1977/78, 1987/88 and 1997/98 is actually for 1976/77, 1986/87 and 1996/97 respectively and is from Regional Trends 34, ONS (Crown Copyright). This location was not covered in Regional Trends 35.

6.2 Public Transport

The total number of public transport boardings in Tyne & Wear has declined by 50.5% since de-regulation in 1986, from 370 million in 1985/86 to 183 million in 2001/2002. Buses and Metros showed the most significant decline, down 53% and 39% respectively.

Table 15: 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
2000/2001	1184.5	100.0	148.6	80.5	32.5	17.6	2.8	1.5	0.6	0.3
2001/2002	183.2	100.0	147.0	80.2	33.4	18.2	2.3	1.3	0.5	0.3

Source: Special Request, 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, Gateshead and Sunderland. The Metro also connects to bus services throughout the region and has stations at Newcastle Central Station and International Airport. The £100m Metro extension to Sunderland opened at Easter 2002.

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 nominal 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 them 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.

Growth in the UK economy has been slowing since the beginning of 2000. In the year to the 2nd quarter of 2001, the UK economy grew by 2.3%, but in the year to the 2nd quarter of 2002, by just 1.3%.The average forecast of GDP growth for 2003 is 2.3%. (HM Treasury's "Forecasts For The UK Economy"; Economic Trends January 2003).

Business Conditions 1999 – 2002

Following the steady recovery of Tyne & Wear businesses throughout 1999, 2000 and early 2001, a rapid decline began in 2001 in both domestic and export indicators, reaching their lowest points in the second and third quarters of 2001. By the third quarter of 2001, domestic orders were at their lowest level since 1998 and domestic sales at their lowest point since 1992. Domestic sales and orders rose dramatically between the third and fourth quarters of 2001, falling again by the first quarter of 2002. Both domestic and export sales and orders experienced a continuous recovery between the first and third quarters of 2002. Capacity utilisation in the third quarter of 2002 was at its highest level for some years. (Source: Business Survey North East, T&W data kindly supplied by ERS).

Business start-up rates are declining. Between April and June 2002, 82,000 businesses started trading in England & Wales down from 92,000 in the same period of 2001 (J16/9/02). During 2001, the North East had the worst rate of business start-ups in the UK, with an average of just 6 new firms per 1,000 people – Barclays Bank. Moreover, during the second quarter of 2002, the North East saw the biggest fall in small business start-ups (down 19%) (J16/9/02)

Despite the slowing growth in the UK economy, **consumer spending** has been growing rapidly during both 2001 and 2002. It rose by 4.2% in the year to the 2nd quarter of 2001 and still 4.1% over the following year to the 2nd quarter of 2002. This was led by retail sales, for which volumes rose by 6.1% and 5.7% pa to the 2nd quarter of 2001 and 2002 respectively.

Business investment, by contrast, has been weak. It rose by 4% to the 2nd quarter of 2001, but fell dramatically by 10.8% during the following year to the 2nd quarter of 2002, reaching its lowest level since 1997 (ONS).

House prices in Tyne & Wear soared in 2002 (up 17% in the year to the third quarter) much as in England & Wales (up 18%). [These rates are drawn from Land Registry data, which are comprehensive but tend to under-record the rate of inflation when this is accelerating.] These rapid house price rises have been underpinned by the lowest interest rates since 1964, following the cuts in base rate in autumn 2001 and base rate held at 4% for over 12 months.

In Tyne & Wear in October 2002, 24,897 people (4.9% of the labour force) claimed **unemployment** benefits. In the summer 2002, the Labour Force Survey recorded ILO unemployment of 33,000, or 6.4% (unadjusted) in Tyne & Wear.

7.2 Firms in Tyne & Wear

Table 16 shows the top ten companies with headquarters in Tyne & Wear ranked by turnover. It displays large gaps in turnover between the top company, the next six companies and the remaining firms in the top ten ranking. Nationality of ownership of these companies includes; USA (Northern Electric) and Japan (Nissan in which Renault have a 44.4% share). The rest are UK-owned.

Table 16: Top Companies in Tyne & Wear (by turnover), 2002

Rank	Company	District	Activity	Turnover (£m)
1 (1)	ACC Blaydon	Gateshead	Milk/food	2,563
2 (3)	Arriva plc	Sunderland	Transport operator	1,998
3 (2)	Nissan Motor Manufacturing (UK) Ltd	Sunderland	Car Manufacturer	1,816
4 (4)	Northern Rock plc	Newcastle	Mortgage bank	1,657
5 (7)	Barratt Developments plc	Newcastle	Housebuilding	1,509
6 (5)	Reg Vardy plc	Sunderland	Motor Dealing	1,300
7 (6)	Northern Electric	Newcastle	Electricity & Gas	1,285
8 (8)	Bellway plc	Newcastle	Housebuilding	696
9 (9)	Go-Ahead Group plc	Newcastle	Public Transport	571
10 (10)	North East & Cumbria Co-op	Gateshead	Retail	566

Source: Journal May 29 2002

Note: Rank in brackets is the rank in 2001.

Structure of the Business Base

At the end of 2000, Tyne & Wear had 15,905 businesses registered for VAT.[1] This is a remarkably small business base of 179 businesses for every 10,000 adults. The UK is almost twice this, at 351per 10,000 adults

Tyne & Wear's business base is also small in relation to employment. It has only 1% 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.

During 2000, Tyne & Wear's business base fell by 0.1%, or 20 firms. This marginal net fall in the business base in 2000 follows a sharp fall in the business base in 1999 (0.8% or 135 firms). Tyne & Wear's performance was worse than that of the North East Region, where the business base grew marginally by 0.1%, or 60 firms. Both Tyne & Wear and the North East under-performed in relation to the UK, which *grew* by 0.4%.

At district level in 2000, Newcastle's business base declined by 3.2%, or 140 firms whilst Sunderland's fell by 1% or 35 firms. South Tyneside fell by 0.5%, or 10 firms. The business base continued to grow in Gateshead, by 3.3% (110 firms). The increase in North Tyneside (2.0% or 55 firms) was more subdued. Excluding the two growing Districts, Gateshead and North Tyneside, decline in Tyne & Wear's districts business base averaged 1.6%.

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 -4.3% in 1999, slowing slightly in 2000 to -3.2%.

Tyne & Wear's business base remains strongly focused on Retailing & Wholesale (30% of VAT-registered business; NE 27%; UK 23%), despite a 3% fall during 2000. Tyne & Wear also has a higher proportion of businesses in Manufacturing than the North East and the UK (10.2%; NE 9.4%; UK 9%). These two industries accounted for 40% of businesses, far more than in the UK (32%) and somewhat more than 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%) as are Hotels & Catering businesses (TW 9.4%; NE 9.3%; UK 6.3%). Tyne &

[1] *Businesses Registered for VAT in Tyne & Wear, 2000, TWRI, EB02/1*

Wear is strongly represented relative to the North East in Business Services (24% of businesses, 20% in the North East).

Table 17: VAT Registered Businesses by Industry, 2000

SIC 92	Industry	Tyne & Wear (Total)	Tyne & Wear (%)	UK (%)
A,B	Agriculture	185	1.2%	9.0%
C,E	Mines & Utilities	0	NA	0.1%
D	Manufacturing	1,630	10.2%	9.0%
F	Construction	1,515	9.5%	10.3%
G	Retailing & Wholesale	4,715	29.6%	22.8%
H	Hotels & Catering	1,495	9.4%	6.4%
I	Transport	705	4.4%	4.5%
J	Finance	95	0.6%	0.9%
K	Business Services	3,770	23.7%	26.5%
L,O	Public Admin. & Other Services	1,575	9.9%	9.2%
M,N	Education & Health	220	1.4%	1.3%

Source: Small Business Service, Extract from Businesses Registered for VAT, 2000, TWRI

Note: Table 18 shows the stock of businesses at the end of 2000.

In 2000, in terms of net change, five industries in Tyne & Wear had no change, whilst four under-performed relative to the UK (Table 17). The particularly weak industries were Retailing & Wholesale (down 3%; UK down 1.5%) and Construction (down 1%; UK down 0.1%). Growth in Public Admin & Other Services (up 0.6%) was at a slower rate than the North East (up 1.7%) and the UK (up 1.7%). The North East out-performed Tyne & Wear in four industries, most significantly in Education & Health (NE up 4.1%, TW no change).

7.3 Manufacturing in Tyne & Wear

Manufacturing remains a sizeable sector. In Tyne & Wear it 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. [TWRI expects to obtain 1998-2000 data in 2003.]

Manufacturing Establishment Size

Establishment size is large. In 1997 the average establishment in Tyne & Wear had 40 employees, almost 50% greater than the UK average of 25 employees (see table 18). 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 18: Establishment size (by employees) 1997

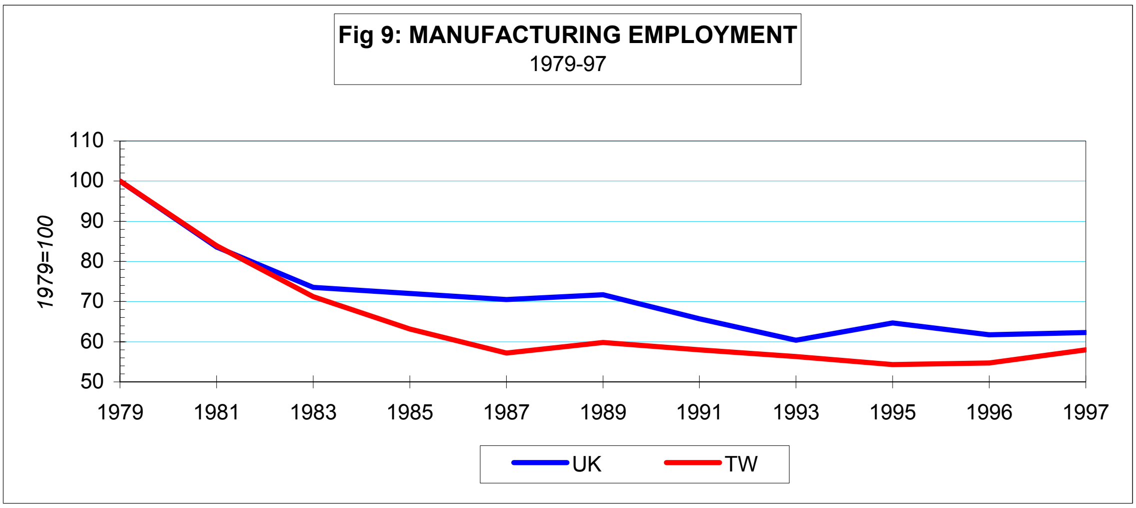
SIC 92	Industry	Tyne & Wear (per business)	UK (per business)	Tyne & Wear/ UK (Ratio)
DL	Electrical &Optical	158.2	33.4	4.74
DM	Transport & Equipment	58.6	33.4	1.75
DA	Food & Drink	21.9	16.9	1.30
DK	Machinery & Equipment	71.2	59.7	1.19
DE	Paper & Printing	48.2	28.1	1.72
DJ	Basic Metals	27.1	14.7	1.84
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 9); 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).

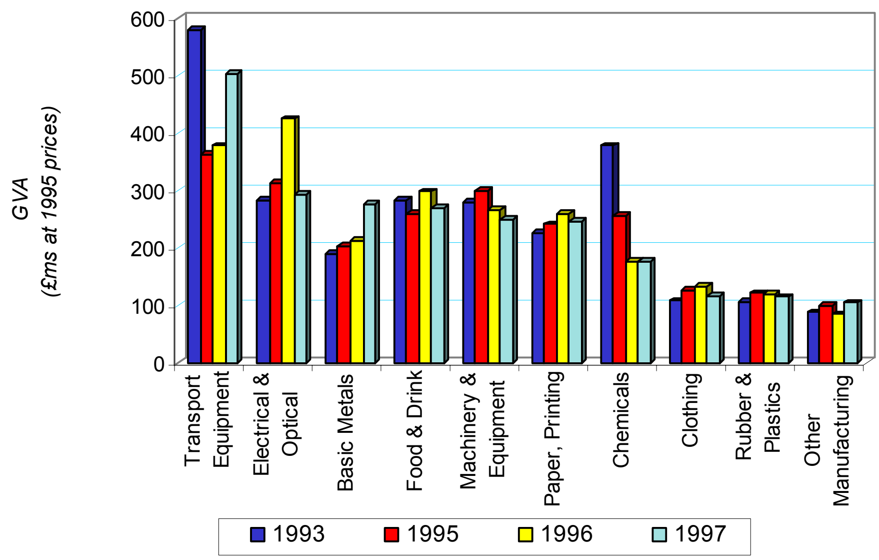
Manufacturing Output

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%. This is a great rise 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 10 below). Output rose hugely in the Electrical & Optical industry (+50%) between 1993-96, a rise of well over £100m probably reflecting the new Siemens micro-chip plant, adding about 5% to manufacturing output. It then slumped in 1997 by an even greater amount, whilst output in Basic Metals increased by over 44%. Other notable rises were recorded in Basic Metals (+44%), 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.

Fig 10: MANUFACTURING OUTPUT
Tyne & Wear (1993, 1995, 1996 & 1997)



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 was significantly over-represented in Tyne & Wear, holding almost twice (1.82) 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. This fell in 1995 (0.94) and 1996 (0.84). It is not clear why this big fall in Chemicals might have occurred.

Table 19: Largest Manufacturing Industries in Tyne & Wear Measured by Output, 1997

			Output (Gross Value Added)			
SIC 92	1993 Rank	Industry	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 20). 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 a massive 30% below the UK average, and 5% below North East average.

Food & Drink and Textiles & Clothing were the only two industries to have productivity levels slightly above the North East averages. The former was 7% above the North East and 13% 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 Paper & Printing, Chemicals and Machinery & Equipment at 24%, 22% and 11% below the regional average respectively.

Table 20: 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)
DM	Transport Equipment	£42,800	98.6	110.4
DL	Electrical & Optical	£23,300	94.8	70.4
DJ	Basic Metals	£32,600	107.2	112.7
DA	Food & Drink	£29,700	89.0	74.8
DK	Machinery & Equipment	£25,200	76.2	75.3
DE	Paper & Printing	£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.

7.4 Inward Investment and One North East

Inward Investment

Inward investment in the UK has broadly halved in terms of jobs, since the peak of 2000/01. It reached record levels for the fourth successive year in 2000/01, with 869 new projects and 71,488 new jobs created. In 2001/02 new projects at 764 was 12% down on the previous year and the number of new jobs created was 34,087 (52% down). In the North East between 2000/01 and 2001/02, the number of projects went up from 30 to 55, though the number of new jobs fell severely, down 47% from 4,966 to 2,621. Britain is still, however Europe's top inward investment location. (J11/7/02)

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 has developed a Regional Action Plan for 2001-2004, in a bid to achieve significant progress towards the targets set in the RES. The Regional Action Plan provides 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 in terms of RDA programmes, European funds, private sector leverage and other public sector leverage. It is also determining its approach to resource allocation in light of new financial flexibility 'the single pot' which became available in April 2002 allowing resources to be applied more in line with regional (RDA) priorities than had previously been possible.

One NorthEast is establishing five 'centres of excellence' in digital, technology & media; life sciences; 'nanotechnology'; new & renewable energy and process industries. The centres will be running by mid-2003 (J29/6/02) [The New and Renewable Energy Centre (NaREC) is at Blyth, Northumberland.] Also, ONE has opened an office in Shanghai to promote North East businesses. It is the first regional development agency to have a permanent presence in China (J24/4/02).

7.5 Industries and Firms News

Job gains have slowed down in 2001 and 2002. In 2000 the number of job gains from individual firms reached thousands (2,000 for Orange and 1,000 for Lloyds TSB). In 2001 and to the third quarter of 2002, no single firm brought more than 700 jobs. North Tyneside-based **Amec** created 700 jobs during 2001 at its base in Wallsend. Of these job gains, 450 came from a £300m contract with Shell for a floating rig for the Bonga oilfields off the coast of Nigeria. The other 250 jobs came from a £30m order from Exxon-Mobil for a 2,500 tonne module for the Beryl Alpha oilfield. Within financial services, **Lloyds TSB**, created 500 jobs at their call centre in central Newcastle during 2001. This was in addition to the 1,000 jobs it announced in Newcastle and Sunderland in 2000. (In early 2002, however, an estimated 100 jobs were lost at Lloyds branches across Tyne & Wear, due to a decline in profit in 2001). Supermarket **Asda** created an estimated 280 jobs in 2001 across its stores in Tyne & Wear. A further 120 jobs were created in 2002 at its two distribution centres in Washington, Sunderland. 850 job gains were reported by **Circatex,** a new South Tyneside-based electronics company, in early 2001. These were the result of a management buy-out of the former *Viasystems* printed circuit board factory in South Tyneside, and so being former job losses, were not 'true gains'.

North Tyneside shipbuilder, **Swan Hunter** won a £136m Ministry of Defence contract in September 2001 to build two Alternative Landing Ship Logistics (ALSL) vessels, expected to create 600 jobs over the following three years.

Atmel, the California-based designer and manufacturer of integrated circuits, announced in 2000 that it would be creating between 1,000 and 1,500 jobs at the former Siemens plant in North Tyneside in the following three years. It received £28m in grants from the DTI to develop the plant, and planned to invest $800m to bring the plant up to full capacity making microcontrollers and non-volatile memory chips. Atmel began work at its new factory just five months after moving in .(J27/4/01). By October 2001, 320 jobs had been created but Atmel delayed plans for full production, blaming a slump in demand for its chips (FT29/9/01 & J2/10/01). In early 2002, Atmel was testing 20 prototype computer chips and planned to start commercial production in March 2002. (J5/1/02) No further job gains towards its target have been reported.

In 2000 over 4500 jobs were created in Tyne & Wear within **call centres**. The North East appeared to be emerging as an optimum region for large call centres with predictions being made of a leap in North East call centre jobs from 30,000 to 45,000 by 2008. In 2001 and interim 2002, however, the rate of jobs created per annum dropped to less than half the 2000 figure. The main call centre job gains in 2001 were at Lloyds TSB in Newcastle (500 more jobs). In 2002 the main gains were at GNER in Newcastle (350) and the London Electricity Group in Sunderland (300).

Manufacturing industry has shrunk both in Tyne & Wear and the UK as a whole. A survey by the GMB Union found, nationally, almost 112,000 manufacturing jobs were lost in 2001. In December 2001 manufacturing output was a severe 6.4% lower than in December 2000, the largest fall since August 1991 (J8/2/02). Locally between 2000 and 2002, the net job gains created by the manufacturing industry fell dramatically, from around +600 in 2000, to around –300 in 2001 and –800 in interim 2002. Whilst total job gains in the manufacturing industry have remained high since 2000, job losses in 2001 and interim 2002 have resulted in high net job losses.

Production at **Nissan**'s Sunderland car plant rose by 9% to 97,965 in 2001, although the company made fewer vehicles world-wide. The parent company's operating profits rose 69% to £2.6bn (J10/5/02). In September 2002, it launched its new Micra (J27/9/02). Its Sunderland plant was ranked as the most productive motor plant in Europe for the sixth successive year

In **banking & finance,** net job gains in 2000 were just under 800. The expansions by Lloyds TSB (noted above) have played a role in this growth. In the 21 month period during 2001 and to the third quarter of 2002 the rate of jobs gained (net) per annum slowed by around 25%.

Within the **business services** sector, business software company Sage plc (based in Newcastle) made some major acquisitions abroad during 2001. The largest was that of Interact Commerce Corporation for £183m (J20/4/01). In addition, Sage acquired US software company, Micro Information Products (MIP) for almost £14m (J27/9/01) Following this, it purchased the French accountancy software business Coala in a £13.2m deal. Sage plans to create 200 jobs in Newcastle in 2003. It saw its sales grow by 14% to £551.7m in the year to December 2002, and its management is hoping for similar growth in 2003 as it makes more worldwide acquisitions. Sage wants to take on 200 staff at all levels after its planned move of half of its workforce to its new £50m world headquarters in Newcastle Great Park in Spring 2003. (J4/12/01). The rate of business services job gains has fallen by around 70%. In 2000, nearly 1,000 jobs were gained, whereas the 21-month period during 2001 and to the third quarter of 2002, saw around 550 job gains.

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7.6 Job Gains and Losses in 2001 and to the 3rd Quarter of 2002 (as reported in the press) [2]

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

Job Gains 2001	Company	Source
+600 (over 3 years)	**Swan Hunter,** Wallsend, North Tyneside (Shipbuilding. Jobs for £136m MoD contract to build two Alternative Landing Ship Logistic vessels). (See Job Losses, Orders and Offshore.)	(J 20/9/01)
+500*	**Lloyds TSB,** Central Square, Newcastle (Call centre. New jobs for the customer service centre, in addition to the 1,000 announced by the company in 2000 in Sunderland and Newcastle).	(J12/3/01)
+450	**Amec,** Wallsend, North Tyneside (Offshore. Job gains from a £300m contract with Shell for a floating rig for service in the Bonga oilfields off the coast of Nigeria. A further 350 jobs will be created at Hartlepool's Hereema yard). (See Orders and Offshore).	(J 15/3/01)
+280 (est)	**Asda,** Tyne & Wear (Supermarket. It is recruiting between 30 and 50 workers for each of its stores including the seven in Tyne & Wear. A total of 10,000 new jobs are being created nationwide).	(J 16/5/01)
+250	**Amec,** Wallsend, North Tyneside (Offshore. Job gains associated with £30m order for Exxon-Mobil for a 2,500-tonne module for the Beryl Alpha oilfield. Jobs peaked in April 2001 and losses to occur through to contract end in July 2001).	(Company information)
+250*	**Atmel,** at the former Siemens factory, North Tyneside (Electronics. Job gains for the US designer and manufacturer of integrated circuits).	(Company information)
+180	**Northern Rock plc,** Gosforth, Newcastle (Financial services. New jobs following record results at the former building society). (See Financial Services.)	(J 1/2/01)
+150*	**Labour Party**, Bedford Street, North Shields, North Tyneside (Call centre. Jobs for the Labour Party's new regional headquarters which officially opened in January).	(J 21/3/01)
+150	**2Touch,** Doxford International Business Park, Sunderland (Call centre. New jobs following a multi-million pound contract with a leading domestic gas and electricity supplier. It now employs 450 workers).	(Journal)
+140*	**Matalan,** Killingworth, North Tyneside (Retail. Jobs for new store on site of the former Morrisons supermarket which opened in April). (See Retailing).	(Company information)
+130*	**North Eastern Co-op,** Houghton-le-Spring, Sunderland (Retail. New jobs for the Co-op's £4.8m project to develop a new library and a 22,000sq ft supermarket at the site of the existing Mautland Square library, for completion by early 2002). (See Retailing).	(J 3/1/01)
+120	**Leighton,** Sunderland (Internet and publishing company. New jobs as the firm plans to double in size, with turnover expected to increase by £1m to £4.5m in the next year).	(J 9/8/01)

[2] *Economic Review, Spring 2001 – Autumn 2002, TWRI, EC01/2 - EC02/4*

+100	**Spark Response**, Follingsby Park, Gateshead (On-line DIY store. New jobs to operate on-line shopping channels for B&Q's web-site, *diy.com*, offering e-commerce, catalogues and telephone sales. It currently employs 500 people).	(J 14/2/01)
+100*	**Sitel**, Balliol Business Park, Longbenton, North Tyneside (Call centre. Jobs for new 30,000sq ft call centre for US-based multi-national. It could eventually create 650 jobs)	(J 25/4/01)
[+850	**Circatex,** South Shields, South Tyneside (Electronics. Management buy-out of former Viasystems printed circuit board factory. Workers who agreed to a 25% cut in pay and hours were given a 30% share in the new company) [Note: These jobs were also recorded as losses from Viasystems.]	(J & FT 13/12/01)]
[+300 (temporary)	**Nissan,** Sunderland (Motor manufacturer. Extra temporary staff for production of the new Primera in early 2002. Contracts will last up to 6 months with the potential to become permanent. Production is expected to start by the end of this year). (See Motor.)	(Chronicle 6/9/01 & J 8/9/01)]
[+250	**Twenty4help**, North Tyneside (Call centre. New jobs for German computer company which is initially to locate in the former Siemens building until a permanent site is found. This has not been confirmed).	(J 6/2/01)]
[+125	**Screen plc,** Gateshead (Electronics. Jobs *saved* when the security technology company took over Joyce-Loebl in a £3m deal).	(J 24/12/01)]

* = new openings

Job Losses 2001

-1,025*	**Viasystems,** South Shields, South Tyneside (Manufacturer of printed circuit boards. Plant closure). (See Electronics.)	(J & FT 4/9/01)
-525*	**Viasystems,** Balliol Business Park**,** North Tyneside (Manufacturer of printed circuit boards. Plant closure). (See Electronics.)	(J & FT 4/9/01)
-500	**Swan Hunter,** Wallsend, North Tyneside (Shipbuilding. Job losses as contract for a £30m oil production vessel for US company Kerr McGee ends). (See Job Gains, Orders and Offshore.)	(J 20/9/01)
-400	**Cammell Laird,** Hebburn, South Tyneside (Shipbuilding. Job losses as a result of the firm going into receivership in April following the loss of a £51m order with Italian cruise ship company, Costa Crociere). Late news: A further 160 jobs are to go leaving only a care & maintenance team. (See Offshore)	(J 26/7/01)
-400*	**Cammell Laird**, Hebburn, South Tyneside (Shipbuilding. Job losses and yard closure following the company going into receivership in April).	(J 31/7/01)
-240*	**Gill Airways**, Newcastle (Independent airline. The only North East-based airline stopped trading after Bank of Scotland withdrew finances. Accountants liquidated the business). (See Transport & Communication.)	(J 21/9/01)

-120	**Northumbria University,** Newcastle (Higher education. Job losses from a mixture of voluntary redundancies and leaving vacancies open as the university needs to make savings of £3.6m).	(J19/2/01)
-100	**Perlos Ltd**, Sunderland (Plastics component firm. Imminent redundancies following the loss of a major telecoms contract.).	(J 27/9/01)
	* = closure	

Job Gains 2002 (January –September)

+350	**GNER**, Newcastle (Call centre. New jobs following rising passenger demand for credit card bookings.)	(J 8/5/02)
+300	**London Electricity Group**, Doxford Park, Sunderland (Call centre. Jobs for the opening of its second phase at Doxford Park. These jobs are part of the 400 potential jobs announced in October 2001.)	(J 1/3/02)
+200 (over the next year)	**Positive Solutions,** Newcastle (Financial Services. The financial advice company plans to increase profits through providing its software to independent financial advisers.)	(J 28/3/02)
+160*	**T J Hughes,** Grainger Street, Newcastle (Retail. Full and part-time jobs for new store on the former Binns site.)	(J 24/9/02)
+150	**Freedom Direct,** Newcastle (Travel agent. It plans to double the size of its Newcastle HQs, take on 30 home workers and double its 20-strong Durham call centre. More than 170 jobs will be created.)	(J 30/5/02)
+150	**TRW**, Houghton-le-Spring, Sunderland (Automotive supplies. New jobs following a £7m investment to develop a new line of electric powered hydraulic steering equipment and produce specialist airbag control equipment for VW and Seat.)	(BNE 01/02/02)
+150* (Est)	**Legal Rights Ltd**, Tyne Gate Business Centre, Gateshead (Personal injury company. Tyne & Wear's share of 300 jobs being created by the Manchester-based company in the North East. It is also opening a new office on Teesside.)	(J 12/9/02)
+120	**Asda,** Washington, Sunderland (Retail. New jobs for two distribution centres. Warehouse staff and drivers are needed for the major expansion of its national distribution operation.)	(J 25/5/02)
+120	**AA**, Newcastle Business Park (Call centre. New jobs to deal with calls relating to AA's new credit card.)	(J 20/2/02)
+115 (in next 12 months)	**Newlife Cleaning Systems**, South Shields, South Tyneside (Cleaning company. It aims to break in to new markets and increase turnover to £15m by 2005. It already employs 800 people in the North East.)	(J 29/4/02)
+100*	**Next,** Belvedere Retail Park, Kingston Park, Newcastle (Retail. Jobs for a new out-of-town store.)	(J 22/3/02)
+100*	**Next,** Silverlink Retail Park, North Tyneside (Retail. Jobs for a new out-of-town store.)	(J 22/3/02)
+100	**2Touch**, Doxford Park, Sunderland (Call centre. New jobs for contracts with leading brands within consumer, financial services and home energy sectors. It has signed a contract with Toyota.)	(J 26/1/02)

+100 (over next 18mths)	**Norwich Union,** Newcastle (Financial services. New jobs despite cutting its UK workforce by more than 300. Tyneside's pool of talent encouraged it to expand despite closing 11 claims centres around the country.)	(J 13/6/02)
+100	**British Airways,** Newcastle Business Park, Newcastle (Call centre. It plans to create more than 100 jobs at the call centre which already employs 700 people.)	(J 23/8/02)
+100*	**Tiger Tiger,** The Gate, Newcastle (Restaurant. Jobs for the £3m complex of five bars, a restaurant and night-club at *The Gate* development.)	(J 11/9/02)
[500+ temporary	**A&P Tyne,** Wallsend, North Tyneside (Ship repair. Temporary jobs for Ministry of Defence contract to repair and overhaul Royal Fleet Auxiliary *Fort Victoria*.) (See also Orders.)	(J 20/2/02)]

* = new openings

Job Losses 2002 (January to September)

-400*	**Federal-Mogul TP Sunderland Ltd,** Sunderland (Car parts. The plant will close within 6 months. It was placed in administration before being sold to a German company.)	(J 31/1/02, J 26/3/02)
-400	**CA Parsons (Siemens Power Generation),** Heaton, Newcastle (Power Engineering. Jobs losses at the steam turbine plant following Siemens Power Generation (SPG)'s decision to end more than 100 years of manufacturing at the site. Job cuts begin in November 2002 and will be completed by 2004. The decision is part of a global re-organisation of the company with job cuts worldwide. 300 workers will remain at the Newcastle site to manufacture service products and provide engineering solutions for power plant operators.)	(J 28&30/8/02)
-390*	**Dewhirst,** Sunderland (Clothing. Closure of clothing factory, as 'continued consumer pressure means it does not have enough profitable business to maintain its UK manufacturing levels'.)	(J 9/2/02)
-380	**Newcastle City Council,** Newcastle (Local Government. Jobs cuts through voluntary severance, redeployment and deleting vacancies in a bid to save £7.1m.)	(J 16/2/02)
-340 (Est)	**Consignia,** Tyne & Wear (Postal service. Tyne & Wear's estimated share of 17,000 jobs cuts nationwide as part of a three year recovery plan aiming to save £2.4bn after losses of £1.1bn.)	(J 14/6/02)
-300	**LG Philips,** Washington, Sunderland (TV production. Job losses as production is transferred to Slovakia where workers can earn up to five times less than their North East counterparts. It has pledged to keep 120 workers to form a 'centre of competence'.)	(J 6/4/02)
-150	**BAE,** Birtley, Gateshead (Mechanical engineering. Job losses as it is cutting half the workforce at its Royal Ordnance factory. It intends to make efficiency savings at the plant and move into munitions design and manufacture. Currently the plant produces shell casings.)	(J 25/4/02)
-100	**VA Tech Reyrolle**, Hebburn, South Tyneside (Switchgear manufacturer. Job losses from its Tyneside headquarters. It plans	(J 16/4/02)

	a further 30 job cuts this year. (See Orders)	
-100 (est)	**Lloyds TSB,** Tyne & Wear (Financial Services. Tyne & Wear's estimated share of 5,000 job losses nation-wide from central and support areas, due to a decline in profit in 2001.)	(J 16/2/02, FT 16/2/02)

* = closure

8.0 LABOUR MARKET

8.1 Employment Structure

In 1999, total employees in Tyne & Wear numbered 461,400.[3] Women now represent the majority amongst employees in Tyne & Wear at 51.4% and in the North East at 51.1%. The largest employers of part-time staff in Tyne & Wear include the Retail Trade[4], Health & Social, Hotels & Restaurants, Education, Public Administration & Defence and Other Business. The number of people who were self–employed in Tyne & Wear in 2002 was about 30,000[5].

Tyne & Wear remains slightly more dependent on manufacturing (16.1%) than GB (15.8%) but less than the North East (17.9%), however this varies dramatically between the Tyne & Wear districts as shown in Table 22. Tyne & Wear and Great Britain are almost equally dependent on Service sector jobs; 77.8% and 77.9% respectively. Both are more dependent than the North East, 74.6%. Tyne & Wear continues to have a significantly lower proportion of employees in Finance & Business services (13.5%) than GB (19%) but has a higher proportion (36%) in Public Services than GB (28.8%).

Table 21: Employment Structure by Area, 1999

	Manufacturing	Services	Full-time	Part-time	Men	Women	Total
Great Britain	15.8%	77.9%	69.8%	30.2%	50.7%	49.3%	24,839,000
North East	17.9%	74.6%	67.7%	32.3%	48.8%	51.1%	968,600
Tyne & Wear	16.1%	77.8%	68.8%	31.2%	48.6%	51.4%	461,400
Gateshead	17.7%	76.3%	*70.5%	*29.5%	*51.8%	*48.2%	91,700
Newcastle	7.4%	88.3%	*69.2%	*30.8%	*45.7%	*54.3%	155,100
North Tyneside	17.4%	73.4%	*66.4%	*33.6%	*49.2%	*50.8%	58,800
South Tyneside	23.3%	68.4%	*69.5%	*30.5%	*49.4%	*50.6%	44,700
Sunderland	23.2%	70.5%	*67.9%	*32.1%	*49.2%	*50.8%	110,800

Source: ONS (ABI 1999), NOMIS

** These figures are aggregates from which agriculture class 0100 (1992 SIC) have been excluded.*
Totals are rounded to the nearest hundred

8.2 Earnings

Average earnings in Tyne & Wear are appreciably below the GB average. In April 2001, the average full-time employee in Tyne & Wear earned £388.4 per week, (£20,193 pa). This is 12.6% less than the Great Britain average of £444.3 per week, (£23,607 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 £423.8, (£66.7, or 13.6% below the Great Britain average). Women's average weekly earnings were £332.9, (£33.9, or 9.2%) below the Great Britain average. In Tyne & Wear annual earnings were £22,171 for men and £16,891 for women.

In Tyne & Wear, women's hourly pay in 2001 was 87% of men's (GB 81%). 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

[3] *ONS (ABI 1999), NOMIS*

[4] *Except of motor vehicles*

[5] *2001/02 Winter Labour Force Survey, ONS, NOMIS, Crown Copyright Reserved*

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 11% relative to men's.

In the year to April 2001 the RPI rose 3%. This implies that in 2000/2001, men's earnings in Tyne & Wear rose by 2.2% in real terms, whereas in Great Britain real earnings rose by 3.9%. Women's real earnings, having dipped in 1997/98, continued the strong upward trend apparent since 1990 rising in 2000-2001 by 3.9% in real terms, whereas in Great Britain real earnings rose by 4.9%.

Table 22: Increases in Earnings in the Metropolitan Counties 1999-2001

Men	2001	1999	% change	Women	2001	1999	% change
London GOR	£667.7	£584.4	14.3	London GOR	£483.1	£422.8	14.3
West Midlands MC	£475.3	£427.3	11.2	Merseyside GOR	£342.2	£304.0	12.6
Merseyside GOR	£462.1	£416.7	10.9	West Yorkshire MC	£345.3	£309.3	11.6
Greater Manchester MC	£453.3	£420.0	7.9	Greater Manchester MC	£342.1	£304.9	12.2
West Yorkshire MC	£437.7	£402.4	8.8	West Midlands MC	£355.5	£312.1	13.9
Tyne & Wear MC	**£423.8**	**£384.3**	**10.3**	**Tyne & Wear MC**	**£332.9**	**£299.5**	**11.2**
South Yorkshire MC	£411.6	£380.9	8.1	South Yorkshire MC	£329.6	£297.8	10.7

Source: New Earnings Surveys (Crown Copyright)

Extract from TWRI Publication: Earnings in Tyne & Wear 2001, EB02/3

Low Pay

The Council of Europe defines its "decency threshold" on pay as 68% of average earnings, i.e. around £279 per week (£279.1). The nearest threshold to this in the NES data is £250 per week. In Tyne & Wear over a quarter of men & women, almost 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:

- Almost one-fifth of all full-time men (18%) earn below £250 per week (GB 14%);
- Almost two-fifths of all full-time women (38%) earn below £250 per week (GB 31%);
- Almost one-seventh (13%) of women earn below £190 per week (GB 11%).

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). This continued to be the case in 2001. 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 £4.10 per hour in October 2001, and £4.20 per hour in October 2002. A lower rate of £3.00 per hour applied to those aged 18-21, increasing to £3.50 per hour in October 2001 and £3.60 per hour in October 2002. There is no minimum wage for those aged under 18. The proportion of employees earning below the NMW in the North East fell by nearly three-fifths between Spring 1998 and Spring 1999, as in the UK (Table 23). By spring 2000 and continuing in spring 2001, the proportion of employees earning below the NMW rate in the North East was too small to allow reliable estimates (ONS).

Table 23: Employees Earning Below the NMW, Spring 1998-2001#

	Spring 1998		Spring 1999		Spring 2000		Spring 2001	
	%	000's	%	000's	%	000's	%	000's
North East	9.4	90	3.9	40	*	*	*	*
UK	6.4	1,520	2.4	580	1.2	300	1.3	320

Source: ONS

Notes:# Using "adjusted LFS and NES" data

** Sample size too small for reliable estimates*

8.3 Unemployment

In Tyne & Wear in April 2002, 28,818 people, or 5.7% of the labour force, claimed unemployment benefits (Job Seekers' Allowance – JSA or National Insurance Credits. See Table 24). The Tyne & Wear total was a drop from the previous year (-3.7%) but the rate remained 2.4% higher than the UK average of 3.3%. Claimant unemployment declined in all Tyne & Wear districts apart from Gateshead with the largest reduction in unemployment evident in Sunderland (-10.1%) [6].

Table 24: National, Regional and Local Claimant Unemployment, Unadjusted: April 2002

	Total		Change since previous month		Change since previous year	
	No	Rate %	No.	%	No.	%
Gateshead	4,571	4.9 (r)	-60	-1.3	342	8.1
Newcastle	7,069	5.7 (r)	-32	-0.5	-404	-5.4
North Tyneside	4,452	4.8 (r)	-93	-2.0	-140	-3.0
South Tyneside	5,406	8.0 (r)	30	0.6	-86	-1.6
Sunderland	7,320	5.6 (r)	-102	-1.4	-825	-10.1
Tyne & Wear	28,818	5.7 (r)	-257	-0.9	-1,113	-3.7
North East Region	61,896	5.4 (w)	-1,197	-1.9	-4,191	-6.3
Great Britain	945,587	3.2 (w)	-15,071	-1.6	-21,298	-2.2
United Kingdom	982,737	3.3 (w)	-15,444	-1.5	-23,679	-2.4

Source: Office for National Statistics

TWRI: Unemployment, Training and Vacancies, April 2002

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

Tyne & Wear's ILO[7] unemployment rate was 7.6% in spring 2002 or 38,000 people (Table 25). For people to be ILO unemployed they do not have to claim or obtain any benefit. They

[6] *Unemployment, Training and Vacancies, April 2002, TWRI, EU02/05*

[7] *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*

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 had been widening progressively over recent years, but narrowed slightly by Spring 2002.

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 25: Claimant Count and ILO Unemployment, Unadjusted: Spring 2002

	Unemployed Claimants	Rate %	ILO Unemployed	Rate %
Great Britain	942,000	3.2	1,478,000	5.1
North East	61,000	5.3	81,000	6.9
Tyne & Wear	29,000	5.5	38,000	7.6

Source: Labour Force Survey, Office for National Statistics

Extract from: Unemployment Training and Vacancies, August 2002, 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 count 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.

New Deal for Young People (NDYP)

For most of its existence NDYP has had around 5,000 participants at a time in Tyne & Wear. By the end of June 2002, however, this had scaled down to 3,431. 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%).

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".

Table 26: Number on NDYP by Option at end of June 2002

	Tyne & Wear Totals				Great Britain Totals			
	Total	On Gateway	IAP Option	Follow-Through	Total	On Gateway	IAP Option	Follow-Through
Male	2,683	1,428	672	583	65,007	38,604	15,624	10,779
Female	744	436	176	132	24,082	15,170	5,581	3,331
Total	3,431	1,868	848	715	89,512	54,113	21,274	14,125

Source: JobCentre Plus

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 June 2002 59% of New Deal participants in Tyne & Wear were still in the Gateway process, compared to 63% in Great Britain. The overwhelming majority of participants were male in both Tyne & Wear (88%) and Great Britain (83%) .

Table 27: Number on 25+ New Deal by Option at end of June 2002

	Tyne & Wear Totals			Great Britain Totals		
	Total	Gateway	Follow-Through	Total	Gateway	Follow-Through
Male	1,880	1,094	284	47,316	29,676	5,998
Female	229	156	29	8,920	5,889	994
Total	2,126	1,261	316	57,056	36,106	7,110

Source: JobCentre Plus

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 just under 74,000 in Tyne & Wear and vary considerably between districts (Table 28). South Tyneside has the least number of people on Incapacity Benefit (10,400) while Sunderland has nearly double this at 20,200.

Table 28: Numbers on Incapacity Benefit* November 2001

	Total
Gateshead	14,500
Newcastle	18,100
North Tyneside	10,700
South Tyneside	10,400
Sunderland	20,200
Tyne & Wear	73,900

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 Industrial Property

Available industrial floorspace in Tyne & Wear fell by 9% in the second half of 2001 to 639,000m^2 (Table 29). This is the first fall since June 2000 and the largest fall since June 1998. Gateshead accounted for 27% of available industrial property. North Tyneside's also accounted for 27%. Sunderland accounted for 19% while Newcastle's share is 17%. South Tyneside accounted for 11%. Total units of vacant industrial premises ranged from 113 in South Tyneside to 224 in Sunderland. Total available floor space ranged from 68,626m^2 in South Tyneside to 170,396m^2 in Gateshead.

Table 29: Vacant Industrial Properties in Tyne & Wear, Summary at 31st December 2001

District	Total Units	%	Total Area (m^2)	%
Gateshead	168	22	170,396	27
Newcastle	142	19	106,078	17
North Tyneside	112	15	170,220	27
South Tyneside	113	15	68,626	11
Sunderland	224	30	123,690	19
Tyne & Wear	759	100	639,010	100

The percentage figures may not sum to 100 due to rounding

Source: TWRI: Vacant Industrial Properties in Tyne & Wear Analyses: June to December 2001

9.2 Infrastructure developments

In **Sunderland**, more than **£400m** is being invested into the redevelopment of the city centre over a three year period which commenced at the beginning of 2001, as part of the City Council's **Fresh Thinking Strategy** and investment in the Metro Project. (J1/1/01). Progress made so far includes the **£100m Metro extension** which opened at Easter, 2002. It is the first in the country where heavy and light rail as well as freight operate on the same tracks

(J14/9/02). The second phase of **The Bridges** shopping centre has been completed, and the first part of the **Central Route** (linking the A690 to the A182) was completed in June 2002.

In **Newcastle**, a **£120m** redevelopment of the city centre, revamping **Eldon Square** and the **Grainger Market,** has been backed by city council leaders. Plans to demolish the Green Market have been put on hold. Work could take 4 years and includes proposals to relocate Eldon Square bus station to Prudhoe Street and create new shopping outlets in Old Eldon Square. The south end of Eldon Square is to be redesigned to have a new department store (J21/3/02). As of January 2003, the scheme is awaiting Cabinet approval before planning permission can be applied for.

A **£139m PFI scheme** to build a **second Tyne Tunnel** next to the existing tunnel has received the go-ahead from Tyne & Wear Passenger Transport Authority. The scheme was to go out to tender to PFI consortia in 2002, with opening expected in 2007 (J1/3/02). However, later on in 2002 it was announced that the plans would go to a public inquiry in 2003. (J21/9/02)

At **Newburn Riverside Industrial Park, Newcastle**, regional development agency **One NorthEast**, is to relocate into new facilities. By April 2001 £33m had already been invested in transforming the 1km^2 derelict site into a high quality business park (J23/4/01) [Ed: The relocation of ONE is due to take place in February 2003].

In **North Tyneside**, the Department for Transport is providing £7.1m for a massive revamp to the **Four Lane Ends Metro Interchange**. Among the planned improvements is a 450-space extension to the Park and Ride car park facility. A new fully-glazed concourse will also be built at the southern end of the interchange. The park and ride car park is due to be finished in July 2003 and the bus concourse area is to be complete by spring 2004 (J31/10/02). Also in North Tyneside, advanced works are to start in 2003 on **Backworth Metro Station,** a new station between the existing Palmersville and Shiremoor stations. Completion is due by Summer 2004. Work on a **Metro Complementary Route (MCR)** to provide a high quality bus connection between this new station, the A19 employment corridor and North Shields, is under way. Substantial infrastructure is already complete between Tyne Tunnel Estate and Percy Main Metro.

At **Newcastle Airport**, the number of terminal passengers in the year to October 2002 was 3,326,000, down 3.5% from the year to October 2001.[8] The passenger numbers for the year to October 2002 were, however, up 0.8% on the year to September (2002). Budget airline **Easyjet** is to set up base at Newcastle creating 100 jobs directly, with hundreds more expected to follow. Services will start in April 2003 from Newcastle. (J22&23/10/02) In December 2002, it was announced that flights to Alicante, Barcelona and Belfast would commence at the end of March 2003. Routes to Bristol, Paris and Prague will be starting up in August. (J20/12/02)

In their 'Strategic Plan' produced in January 2002, the Strategic Rail Authority (SRA) included as a 'medium term priority', an **upgrade of the East Coast Mainline (ECML)**, although the scope and timescale of the upgrade was, at that point, being reviewed.[9] Britain needs to build a high-speed railway line from London to the north to cope with growth in rail travel beyond 2010 – SRA. It has commissioned a feasibility study for the line which would run parallel to the west coast and east coast main lines (FT6/4/02).

[8] *Civil Aviation Authority*

[9] *Strategic Rail Authority*

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 was established in 1986 and presently consists of eleven professional and technical staff and a clerical assistant. It was originally based in the Civic Centre in Newcastle but moved to Provincial House, Northumberland Street in Newcastle in September 2001. 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 five Research Officers and three technical support staff

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 (GIS) 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, including Formula Grant. 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 consultations & monitoring exercise that feeds into the districts' Urban Capacity Studies.

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 (State of the Region Report). Liaison with national bodies and central government departments on a variety of data issues affecting local authorities in Tyne & Wear

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