TYNE & WEAR
ANNUAL MONITORING REPORT 2007

A REPORT ON THE SUB-REGIONAL ECONOMY

COMMISSIONED BY TYNE WEAR PARTNERSHIP (TWP)
PRODUCED BY TYNE & WEAR RESEARCH AND INFORMATION (TWRI)

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INTRODUCTION

This Tyne & Wear Annual Monitoring Report has been produced by Tyne & Wear Research and Information (TWRI) on behalf of TyneWear Partnership.

The report is the third and final annual monitoring report following the baseline report 2004. The baseline report was the first step towards monitoring the progress of the sub-region in the implementation of its strategy and realisation of its vision set out in the Tyne & Wear Economic Strategy. The vision was that by 2024, Tyne & Wear will be one of Europe's fastest growing Metropolitan areas; driving the economic and cultural life of the North East of England[1].

This final annual monitoring report aims to present both a comprehensive picture of the Tyne & Wear economy in 2007 and an assessment of the key trends since 2003, on which the baseline report was based. For most indicators, the monitoring period covers 2003 to 2006-07. The report also updates the AMR 2006.

The report covers nine of the twelve core economic indicators contained within the baseline report, as set out in the Tyne & Wear Economic Strategy. In addition, the four 'new indicators' have also been updated covering Tourism, New Build by Zone, Worklessness and Creative & Digital Industries. TWRI has compiled data for Tyne & Wear, and made comparisons to the national picture and, where appropriate, to a close comparator sub-region –West Yorkshire.

The report thus provides an overview and analysis of the current relative position of the Tyne & Wear economy and its recent performance (mainly since 2003). The **overall picture for Tyne & Wear in 2003-2007 has been very positive,** with substantial improvement in a number of key economic indicators, including;

- Employment of residents grew around 2.7%; and may have grown significantly faster as measured at workplaces (5.1%)[2].
- Number of businesses (VAT-registered); up 10%
- Number of 18-20 year-olds accepting places in Higher Education; up 12%
- Proportion of pupils achieving 5+ A*-C Grades at GCSE; up 15 and 18pp

- all up more strongly than nationally.

However, there was also deterioration in some indicators - notably in some aspects of the labour market;

- 16-19 year-olds' employment rate; down 1.6pp
- Unemployment rate; up 1pp to 7.3%

The Summary (next page) outlines the main findings of the report, covering the nine baseline economic indicators and the four additional indicators.

Other reports by TWRI analyse some of the economic changes in more depth; in particular, on VAT-registered businesses and on earnings. Two major new TWRI reports reveal a great deal more about the competitiveness of local industries; 'Manufacturing Performance in Tyne & Wear and the City Region 2001-05' identifies those industries which are competitive. 'Market Services Performance in Tyne & Wear and the City Region' shows, particularly, the unusual performance of business services.

For further information about TWRI and its work, contact Dr. Kadhem Jallab (Head of TWRI). See front page for contact details.

TWRI
May 2008

[1] *'Leading the Way, The Tyne & Wear Economic Strategy –Driving the Growth of the North East' (TyneWear Partnership, January 2005).*

[2] *Caution: ABI data are volatile and are for employees at workplaces in Tyne & Wear. The LFS employment also includes the self-employed. The difference in the two measures of growth (if actual) is likely to be mainly due to growth of net in-commuting.*

SUMMARY OF BASELINE INDICATORS

Gross Value Added (GVA)

The average rate of annual growth in GVA in Tyne & Wear in 2003-2005 was 6.0% pa, compared to 4.8% in West Yorkshire and 5.4% in the UK [Caution: Figures include inflation]. GVA was £17.9bn in 2005.

In real terms, TWRI estimates Tyne & Wear's annual rate of GVA growth from 2003-05 to have averaged around 3½%. This was appreciably faster than the estimated annual growth of 2¾% in the UK and substantially faster than TWRI's estimate of 2.2% in West Yorkshire.

GVA per head [produced] in Tyne & Wear was £16,490 in 2005, almost 91% of the UK figure. Over the period 2003-2005, the average annual growth rate per head in Tyne & Wear was 6.0% [Est. in real terms 3.5%], greatly exceeding the growth rate in both West Yorkshire (4.0%) and the UK (4.8%)[3].

VAT Registered Business Stocks

The stock of VAT-registered businesses in Tyne & Wear grew 10.4%, from 2003 to 2007, faster than the pace recorded both nationally (8.1%) and in West Yorkshire (9.4%).

New registrations exceeded de-registrations in Tyne & Wear in 2006, to give net growth of 2.5%, down from 2.8% the previous year, but faster than both West Yorkshire (2.4%) and the UK (2.0%) in 2006.

New registrations in Tyne & Wear in 2006 were led by 'Business Services'. There was zero or positive net change in all industries in Tyne & Wear except 'Agriculture' and 'Manufacture'.

Employment/Unemployment

The employment rate in Tyne & Wear rose slightly over 2003-2007, rising just 0.5pp from 69.3% in 2003 to 69.8% in 2007. In contrast, the employment rate in England *fell* -0.7pp from 75.0% in 2003 to 74.3% in 2007.

In the latest year, between 2005/06 and 2006/07, the employment rate remained constant in both Tyne & Wear and England.

The unemployment rate in Tyne & Wear has *risen* since 2003, up 1pp from 6.2% in 2003 to 7.3% in 2007 (a rise of over 6,000). The unemployment rate also rose in Great Britain over the period, but by a marginal 0.2pp, from 5.2% in 2003 to 5.4% in 2007.

The unemployment rate between 2005/06 and 2006/07 rose 0.7pp in Tyne & Wear, but remained the same in Great Britain.

Estimates of employee numbers *at workplaces in Tyne & Wear* have risen by about 5% or 24,000 (2003-06).

Young People in Structured Learning, Employment or HE Institutions (HEIs)

Participation rate of 16 and 17 year-olds in full-time education were, on average, 60% in Tyne & Wear over the period 2003-2005. This matched the proportion in West Yorkshire but was 7pp lower than in England.

Average participation rates for young people aged 16 and 17 years in education *and work-based learning* were 78% in Tyne & Wear over 2003-2005, 4pp higher than in West Yorkshire but -0.3pp lower than in England.

[3] *Caution: includes inflation.*

Average employment rates for 16-19 year-olds in Tyne & Wear was 48% in 2003-2007, matching the average in England and just -0.6pp below that in West Yorkshire.

Acceptances of places at HEIs for young people living in Tyne & Wear rose 12% in 2003-2006/07, more than twice as fast as the rise in West Yorkshire and 2pp faster than the UK.

Qualifications at NVQ2, NVQ3+ and NVQ4+

The proportion of boys and girls achieving good GCSE results[4] in Tyne & Wear has risen sharply since 2002/03 (up 18pp and 15pp respectively).

In 2006/07, the proportion achieving 5+ A*-C grades in Tyne & Wear was *3pp ahead* of the England average for boys and 0.8pp ahead for girls.

The proportion of people of working age with qualifications to NVQ level 3+[5] in Tyne & Wear deteriorated slightly in 2002/03-2006, from 42% to 41.7%. This was slower than the decline in West Yorkshire but in sharp contrast to an overall improvement across Great Britain. In 2006, the proportion achieving NVQ level 3+ in Tyne & Wear remained below both West Yorkshire and Great Britain.

The proportion of people of working age with qualifications to NVQ level 4+[6] in Tyne & Wear rose almost 2pp in 2002/03-2006, from 21.1% to 22.8%. This was more than three times as fast as the rise in West Yorkshire, but slower than that nationally. Tyne & Wear remained below both West Yorkshire and the national average in 2006.

Population

In 2003-2006, the population in Tyne & Wear increased slightly (up 0.2%) but the rise was much slower than that experienced in either comparator.

The gender composition of population change in Tyne & Wear reveals that over 2003-2006, the male population rose 0.8% (at least partly boosted by international in-migration), but the female population fell -0.4%.

Migration

Net [domestic] out-migrations in Tyne & Wear fell 17% in 2003-2006. Migrant in-flows rose over the same period, but migrant out-flows fell slightly.

In 2005-2006, net [domestic] out-migration rose 62%, from -1,058 to -1,716 due to a larger rise in out-migration than for in-migration.

In-flows rose 0.9% in 2003-2006 in Tyne & Wear. In-flows fell amongst children but rose in all other age groups.

In terms of international migration, in 2005/06, Tyne & Wear had net in-flow of nearly 900. This effectively offset half the domestic net out-flow.

[4] *'Good' GCSE results are defined here as 5+ A*-C grades 'or equivalent'.*
[5] *NVQ 3+ is broadly 'A Level' and above.*
[6] *NVQ 4+ is broadly Degree Level and above.*

Earnings

Average gross weekly earnings were consistently lower in Tyne & Wear than in West Yorkshire and Great Britain over the period 2003-2007, but growth in Tyne & Wear (14.9%) has been *faster* than both comparators.

In 2007, Tyne & Wear's average (£475.3) remained over £20pw below West Yorkshire (£499.7) and over £75pw below Great Britain (£552.1). In 2006-2007, average weekly earnings in Tyne & Wear fell -0.3% but rose 2.3% in West Yorkshire and 2.9% in Great Britain.

Reported Job gains and losses (as recorded in the press) in Tyne & Wear[7]

Reported job gains outweighed job losses in every year since 2003. Over 2003-2007, reported job gains (39,777) were significantly (over 16,000[8]) higher than reported job losses (21,073).

In 2007, major (gross) gains were in Business Services (+2,128), Banking & Finance (+837) and the Manufacture of Motor Vehicles and Parts (+500). The largest loss was from Electrical Engineering (-643).

SUMMARY OF ADDITIONAL INDICATORS

Tourism

In Tyne & Wear in 2006, total revenue from tourism was £1.70bn and total direct employment in the industry was 25,600. Total direct tourism expenditure in Tyne & Wear was £1.08bn.

Total bedstock in Tyne & Wear in 2006 was 19,277: 82% was serviced accommodation.

New Build by Zone (or 'Growth Pole')

Major developments in 2007/08 in the five 'growth poles' in Tyne & Wear included:

- New sixth-form college at Monkwearmouth, in the Sunderland Arc Growth Pole
- Major office developments next to Ochre Yards and at Baltic Business Park, in the Central Gateshead Growth Pole
- New Gateshead College campus at the Baltic Business Park, in the Central Gateshead Growth Pole

Creative & Digital Industries

The number of employees involved in the 'creative industries' in Tyne & Wear in 2006 is estimated to be 11,100, 59% of the North East total (18,800). Employment in 'creative industries' has fallen -1% from 11,200 in 2003, just under half the regional fall (down -2%, from 19,100 in 2003).

The number of employees involved in the 'digital industries' in Tyne & Wear in 2006 is estimated to be 14,400, 58% of the regional total (24,700). In 2003-2006, employment in the 'digital industries' has fallen -5% from 15,100 in 2003, one-third the pace of fall in the North East (down -14% from 28,800 in 2003).

7 *Note: 'indicative' data, not 'definitive'*

8 *TWRI believes this is an over-count of the net job gains in Manufacturing and Market Services (M+MS). This is due to the systematic under-reporting of retail job losses. If an allowance of -1,000pa is made for these, this implies net job growth in M+MS of around 12,000. In addition, construction and Public Services very probably expanded employment.*

Worklessness

Rates of worklessness (households) in the North East in 2007 were 19.4%, 3.4pp higher than the average in England (16.0%). The gap between rates of worklessness in the NE and England *almost halved* in 2003-2007, from 6.7%

Economic inactivity (as a proportion of PWA[9]) in Tyne & Wear fell -3.2pp in 2003-2007 compared to a rise of 0.4pp in England. Despite this, inactivity rates in 2007 in Tyne & Wear were 3.2pp higher than nationally, down from 5.1pp higher in 2003.

The number of Incapacity Benefit claimants in Tyne & Wear fell -14.6% in 2003-2007 (down 10,500), more than six times as fast as the fall nationally (-2.4pp). [This might explain some of the 6,000 rise in unemployment[10] in this period].

[9] *PWA is the Population of Working Age.*
[10] *This is the 1pp rise in ILO unemployment rates.*

A) BASELINE INDICATORS

INDICATOR 1: GROWTH IN GROSS VALUE ADDED (GVA)

A principal aim of the Tyne & Wear Economic Strategy (TWES) is to accelerate economic growth; partly to stem population decline in Tyne & Wear and also to raise productivity. The data on this indicator should provide evidence on whether the Strategy's aims are being met.

GVA is an internationally accepted method of measuring economic output. GVA measures the contribution to the economy of each individual producer, industry or sector.[11] Note: all data are nominal, so inflation has not been removed.

1.1 Gross Value Added

Gross Value Added [produced] in Tyne & Wear was £17.9bn in 2005 (Table 1.1). Over the period 2003-2005, average annual growth in GVA in Tyne & Wear was 6.0%[12], 0.6pp faster than the UK (5.4%) and 1.2pp (one-quarter) faster than West Yorkshire (4.8%). Growth in Tyne & Wear was also faster than in 1995-2002, when average annual growth in GVA was 5.3%.

Table 1.1: Headline[1] gross value added (GVA)[2,3] by NUTS3 area at current basic prices (£million) 1995 to 2005

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005[4]
Tyne & Wear	10 480	10 995	11 615	12 300	12 798	13 377	14 204	15 040	16 023	17 068	17 907
% change		4.9%	5.6%	5.9%	4.0%	4.5%	6.2%	5.9%	6.5%	6.5%	4.9%
West Yorkshire	21 444	22 776	24 240	25 766	26 898	27 875	29 224	30 627	32 254	33 903	35 219
% change		6.2%	6.4%	6.3%	4.4%	3.6%	4.8%	4.8%	5.3%	5.1%	3.9%
United Kingdom	643 749	685 589	725 311	768 594	805 989	846 683	889 063	937 323	993 507	1051 934	1096 629
% change		6.5%	5.8%	6.0%	4.9%	5.0%	5.0%	5.4%	6.0%	5.9%	4.2%

[1] The headline GVA series for this publication have been calculated using a five-period moving average.
[2] Estimates of workplace based GVA allocate income to the region in which commuters work.
[3] Components may not sum to totals as a result of rounding.
[4] Provisional
Source: Office for National Statistics 'NUTS3 Gross Value Added'

If we assume a constant growth rate of 6.0% (±0.5%) from 2005, GVA in Tyne & Wear would have risen to around £21.3bn (±£302m) by 2008[13].

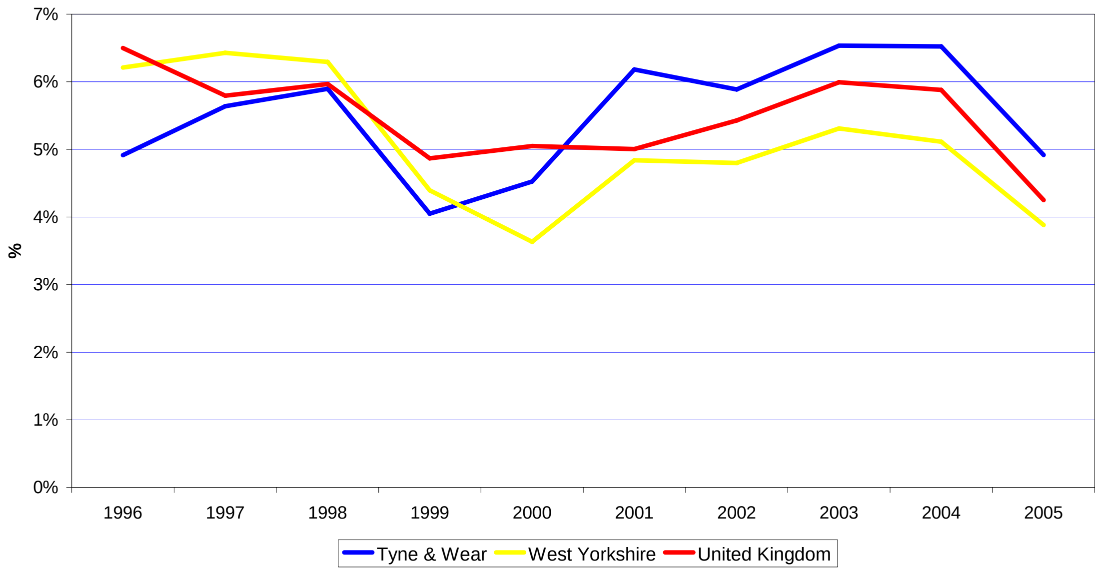
Growth in GVA in Tyne & Wear has consistently been faster than West Yorkshire and the UK in 2003-2005, but growth in all three areas has slowed since 2004 (Figure 1.1). In 2004/05, annual growth in Tyne & Wear was 4.9%, down -1.6pp from the previous year. However, growth in Tyne & Wear was one-quarter faster than West Yorkshire (3.9%) and one-sixth faster than nationally (4.2%).

[11] *Note: Real GVA data at sub-regional level are currently not available due to the lack of sub-regional GVA deflators from ONS. GDP is derived from GVA by adding taxes and subtracting subsidies on products/services [This adds around 11% nationally]. The picture portrayed by GVA in Tyne & Wear will be slightly different from GDP. The Tyne & Wear index is most likely to be slightly higher on GVA than on GDP because of relatively low taxes (on production). Caution: The data are at current prices, rather than in 'real terms' i.e. they include inflation.*

[12] *TWRI roughly estimates that this is equal to an annual average growth of real GVA of about 3½% (see box 1.1). In the two-year period 2003-2005, the TW population rose 0.3%, so the real growth of GVA in TW per head might have been around 3.4%.*

[13] *GVA would have risen to £20.9bn (±£298m) if growth had been constant at the previous rate of 5.3% (±0.5%) (as experienced in 1995-2003). If growth to 2008 was constant at 5.5% (the average for 1995-2005) GVA would have risen to £21.0bn (±£299m).*

Fig 1.1: Annual Growth in Gross Value Added, 1996-2005



Caution: These nominal growth rates include inflation.
Source: ONS 'NUTS3 Gross Value Added'

Box 1.1 Real terms growth of GVA in Tyne & Wear – about 3½% annually from 2001-05

TWRI's new rough estimates, below, show real economic growth averaging around 3½%p.a. They have been created broadly by using the *UK* price deflator for GVA.

The price deflator for UK GVA has grown by almost exactly 2½% each year (after about 3% in 2002). Subtracting this approximation for GVA price inflation from the nominal GVA growth gives the estimates (below) of real growth of the economy of TW and the other two areas.

Estimated Growth of GVA in Real Terms 2002 to 2005:

	2002	2003	2004	2005
Tyne & Wear	2.9%	4.0%	4.0%	2.4%
West Yorkshire	1.8%	2.8%	2.6%	1.4%
UK	2.4% (1.8%)	3.5% (2.8%)	3.4% (3.3%)	1.7% (1.9%)

Cautionary note: these estimates are by TWRI, are rough, and are not National Statistics. Obviously, GVA price inflation in TW may have been different in TW, but this is un-measured. UK GVA growth rates, given in brackets, are TWRI's calculations derived from ONS' annual GVA figures (at constant 2003 prices).

These estimates for TW pass three basic credibility tests:

i) Reasonableness; they are within a reasonable range.

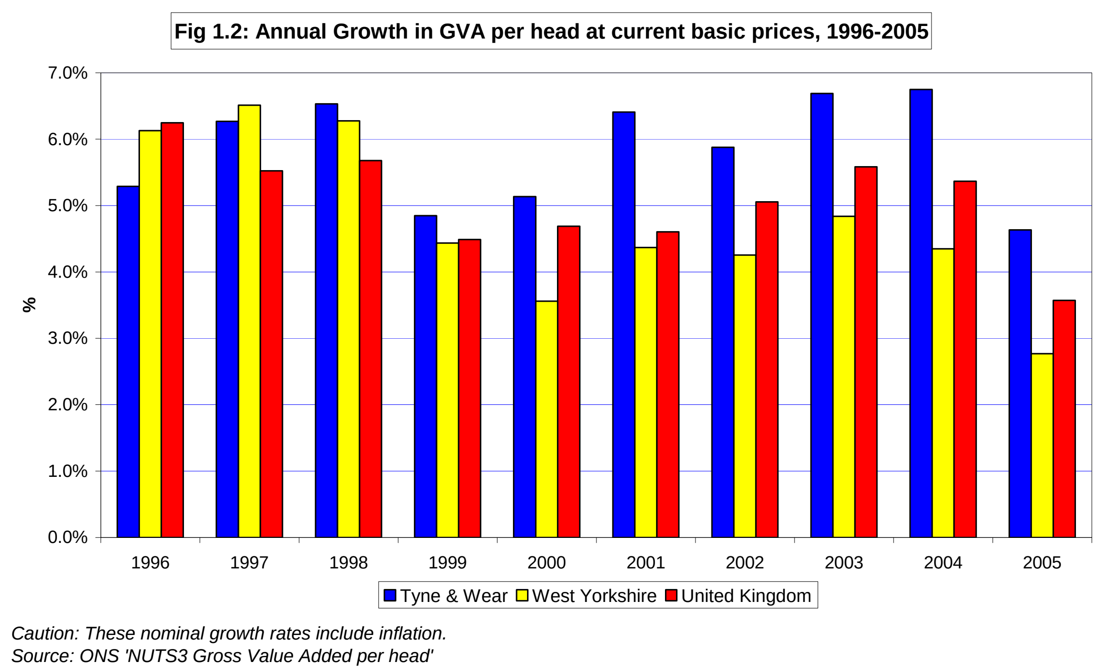
ii) Corroboration; being about ½pp faster than the UK each year, they are broadly corroborated by other economic evidence in TW of faster growth than in the UK - of both employment and VAT registered businesses.

iii) Consistency with major components of GVA; separate work by TWRI has estimated the real growth rate of Market Services output in TW to have averaged 3½%pa from 2001-05.

1.2 Gross Value Added per Head

In 2005, GVA per head in Tyne & Wear was £16,490, almost 91% of the UK figure[14]. In 2003-2005, the average annual growth rate per head in Tyne & Wear was 6.0%, 1.2pp faster than the UK (4.8%) and as much as 2pp faster than in West Yorkshire (4.0%).

[14] *Caution: ONS' estimate of GVA is effectively a ratio of GVA produced in the area to its resident population. Therefore, these figures may be inflated by net in-commuting. TWRI expects in-commuting to TW to have inflated GVA by over 10%.*



Annual growth in GVA per head in Tyne & Wear peaked in 2003 and 2004 at 6.7%, but slowed to 4.6% in 2005, the slowest rate over the monitoring period. Tyne & Wear has had the fastest growth (per head) *every year since 1998.*

In sharp contrast, annual growth per head peaked in 1996 in the UK and 1997 in West Yorkshire (UK peaked at 6.2%, West Yorkshire peaked at 6.5%). West Yorkshire's three fastest annual growth rates were all in 1996-98, whereas Tyne & Wear's were all in 2001-04.

This spatial-economic pattern is consistent with "spread effects" reaching Tyne & Wear around five years later than West Yorkshire.[15] The scale of the positive differential in growth rates in Tyne & Wear's favour in 2001-04 is striking.

Box 1.2 Possible Drivers of Tyne & Wear's faster economic growth in 2000-2004

Drivers can be thought of in at least four terms;

Sectoral[16]: TWRI has found that Tyne & Wear's economic growth in 2001-05 was led by construction (growth around 8%pa), and by Market Services (at around 3½%pa). This is corroborated by the VAT registrations data – often led by construction. Also manufacturing grew by over 1%pa, whereas in the UK it shrank.

Demand (customer-source): Demand growth appears to have been lead by public investment (particularly new schools, health centres and other public buildings). Consumer spending also appears to have been strong in TW (shown by strong GVA growth in retailing 2001-05).

Competitiveness; Manufacturing showed this in 2001-05 more clearly than Market Services.

Policy: i) sustained real growth of public spending (from 2000 onwards) coincides with TW's strong growth period. Expansion of the public services (led by health and education) probably added more to economic growth in TW than in the UK and West Yorkshire. ii) very low interest rates from 2002-04. iii) Locally, particularly land made available; with private sector reported job gains led by N. Tyneside and Gateshead.[17]

15 *See work done for the Northern Way led by Prof. Alan Harding of Manchester University. This includes ranking of GVA growth over the decade from 1995 for all NUTS3 areas in the north of England. The central case from this study is that "agglomeration matters" -in other words large cities grow faster than small cities and towns.*

16 *See Introduction for titles of these TWRI reports on Manufacturing, Market Services and VAT businesses.*

17 *TWRI Job Change Database 2001-05 (from press reports) (filtered).*

INDICATOR 2: CHANGES TO THE STOCK OF VAT REGISTERED BUSINESSES

The Tyne & Wear Economic Strategy (TWES) established the need to achieve a steep change in the rate of new business formation. The closest proxy for business formation that can be consistently monitored is new VAT registrations. The change in the stock (i.e. number) of VAT registered businesses is the 'net change' (i.e. new VAT registrations minus de-registrations).

2.1 Stock of Businesses

Over the period 2003-2007, the stock of VAT-registered businesses remained relatively low, but growth in Tyne & Wear has been markedly faster than in the previous period (Table 2.1). Expansion has been faster in Tyne & Wear than in the UK annually since 2002, from having been slower than the UK in 1995-2002.

Table 2.1: Stock of VAT Registered Businesses, at start of year, 1995-2007

	1995	1996	1997	1998	1999	2000	2001	2002
Tyne & Wear	16,345	16,155	16,190	16,350	16,535	16,740	16,945	17,020
West Yorkshire	48,810	48,300	48,470	49,000	49,755	50,120	50,665	50,860
UK	1,615,735	1,616,940	1,633,410	1,671,850	1,710,645	1,740,745	1,768,405	1,787,890
	2003	**2004**	**2005**	**2006**	**2007**		**2003-07**	
Tyne & Wear	17,330	17,805	18,165	18,675	19,140		1,810	10.4%
West Yorkshire	51,205	52,525	53,505	54,700	56,040		4,835	9.4%
UK	1,810,025	1,846,940	1,879,415	1,917,615	1,956,750		146,725	8.1%

Source: Department for Business, Enterprise & Regulatory Reform

In 2003-2007, stock of VAT businesses in Tyne & Wear rose 10.4% (up 1,810), compared to 8.1% in the UK and 9.4% in West Yorkshire. The fastest growth in Tyne & Wear was in 2005/06, when stock of VAT-registered businesses rose 2.8%, faster than both the UK (2.0%) and West Yorkshire (2.2%). Net growth in 2006/07 was 2.5%, compared to 2.4% in West Yorkshire and 2.0% in the UK.

The stock of VAT-registered businesses *per 10,000 residents* aged 16+ in 2007 in Tyne & Wear (214) was more than one-third (34%) lower than in West Yorkshire (324) and 46% below the UK (Figure 2.1, following page).

Growth in the stock of VAT-registered businesses per 10,000 residents aged 16+ in Tyne & Wear was faster than the UK annually in 2003-2007, giving 8.5% growth in Tyne & Wear overall, compared to 4.8% in the UK. Growth in Tyne & Wear was also much faster than West Yorkshire (4.4%) in 2003-2007, with the exception of 2005/06. Growth in 2006/07 in Tyne & Wear (3.0%) was almost three times as fast as growth nationally (1.1%) and dramatically more than West Yorkshire (0.3%).

The highest proportion of VAT-registered businesses in Tyne & Wear at the start of 2007 was in 'Real Estate, Renting and Business Activities' [Business Services] (27.2%), slightly above West Yorkshire (27%) but below the UK (30.4%). The highest proportion of VAT-registered business in West Yorkshire and the UK was also in Business Services. The proportion of VAT-registered businesses in Tyne & Wear was also high in 'Wholesale, Retail & Repairs' (25.9%), slightly below West Yorkshire (26.0%) but significantly above the UK (20.6%).

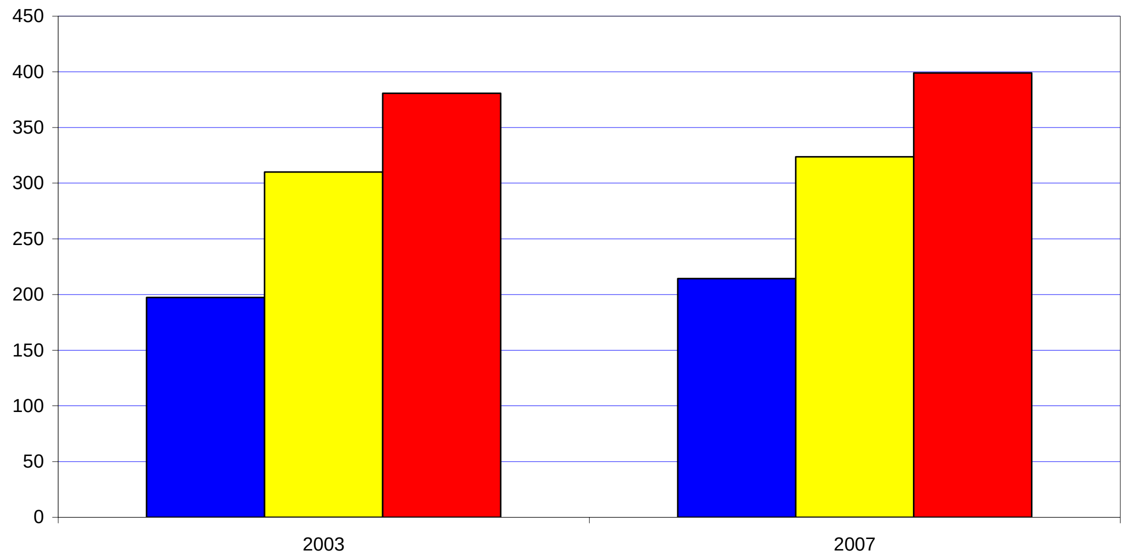


Fig 2.1: Stock of VAT Registered Businesses per 10,000 Resiednts aged 16+

Source: Department for Business, Enterprise & Regulatory Reform

2.2 Registration/De-registration

The annual *net growth* of VAT businesses in Tyne & Wear slowed -8.8% in 2005-2006 from 510 in 2005 to 465 in 2006. In sharp contrast, net growth *rose* 2.4% in the UK and by a rapid 11.7% in West Yorkshire.

Falls in de-registrations (*not rises in registrations*) have driven net growth. Registrations *fell* in all three areas in 2003-2006; down -6.5% in Tyne & Wear, faster than both the UK (-4.7%) and West Yorkshire (-4.0%). De-registrations also fell in all three areas, down -7.5% in Tyne & Wear, faster than both the UK (-7.3%) and West Yorkshire (-5.5%). As de-registrations fell faster than registrations, growth in the stock of businesses (noted in section 2.1, above) was mainly attributable to falls in de-registrations. In Tyne & Wear registrations in each year after 2003 were lower than that (peak) year (and lower than in 2002).

Table 2.2: VAT Registration, Deregistrations and net change, 1995-2006

		1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Tyne & Wear	Registrations	1,750	1,750	1,790	1,720	1,805	1,780	1,760	1,955	2,085	1,910	1,940	1,950
	Deregistrations	1,940	1,710	1,635	1,535	1,600	1,580	1,690	1,645	1,605	1,550	1,430	1,485
	Net balance	-190	35	155	185	205	205	75	310	480	360	510	465
West Yorkshire	Registrations	4,820	4,850	5,180	5,280	4,980	5,210	5,030	5,320	5,900	5,645	5,620	5,665
	Deregistrations	5,330	4,680	4,650	4,525	4,615	4,665	4,835	4,975	4,580	4,660	4,430	4,330
	Net balance	-505	170	525	760	365	545	195	340	1,320	985	1,195	1,335
UK	Registrations	161,750	166,050	182,680	182,205	176,915	178,905	170,015	176,920	191,220	183,780	181,735	182,205
	Deregistrations	160,550	149,580	144,240	143,405	146,815	151,245	150,530	154,785	154,305	151,310	143,535	143,070
	Net balance	1,205	16,470	38,440	38,800	30,095	27,660	19,485	22,135	36,915	32,470	38,200	39,135

Source: Department for Business, Enterprise & Regulatory Reform

Net growth in businesses in Tyne & Wear in 2006 was led by ‘Real Estate, Renting and Business Activities’ [Business Services] (185). Net growth was also high (all 80) in Construction; Wholesale, Retail & Repairs; and Hotels & Restaurants. In the UK and West Yorkshire, net growth was also led by Business Services and was high in the other three (Construction, Wholesale & Retail and Hotels & Restaurants).

Tyne & Wear has zero or positive net change in all industries except ‘Agriculture, Forestry & Fishing’ (-5) and Manufacturing (-10). In West Yorkshire, net de-registrations were led by Manufacturing (-80) but were also present in Public Administration (-35) and ‘Agriculture’ (-20). UK de-registrations were also led by ‘Agriculture’ (-2,090) and Manufacturing (-1,435) plus ‘Mining & Quarrying/Electricity, Gas & Water’ (-5).

INDICATOR 3: EMPLOYMENT/UNEMPLOYMENT

The TWES seeks to increase employment and reduce unemployment in Tyne & Wear.

3.1 Employment

On all three indicators of employment, between 2003 and latest (2006 or 2007), employment has grown in Tyne & Wear. Employment growth has been fastest as measured at workplaces in Tyne & Wear (up 5.1% or 24,500) (Table 3.1). Employment growth amongst residents has been significantly slower (up 2.7%, or 13,000) (probably mainly due to increased net in-commuting)[18] (Table 3.2). Nevertheless, the employment rate has risen by 0.5pp (Table 3.3).

In 2003-2006, the *number in employment* rose 5.1% in Tyne & Wear, more than twice as fast as growth in England (2.2%) (Table 3.1). Growth in the number of females in employment was faster than for males in both areas, up 6.4% in Tyne & Wear (compared to 3.9% for males) and 2.7% in England (compared to 1.6% for males). In 2006, the number of females in employment in Tyne & Wear was higher than the number of males, from being the same size in 2003. In contrast, the number of females in employment nationally remained below the number of males throughout 2003-2006.

Table 3.1: Number in Employment, 1998-2006

	1998	1999	2000	2001	2002	2003	2004	2005	2006 (p)	2003-2006	
Tyne & Wear											
Total	441,300	461,400	458,200	461,300	478,100	475,100	481,600	520,600	499,400	24,300	5.1%
Male	221,500	224,000	225,500	232,200	243,200	237,500	242,000	261,500	246,700	9,200	3.9%
Female	219,800	237,300	232,600	229,000	234,900	237,500	239,600	258,900	252,600	15,100	6.4%
England											
Total	21,155,000	21,590,800	21,900,000	22,100,900	22,216,800	22,286,300	22,565,300	22,908,700	22,766,600	480,300	2.2%
Male	10,744,300	10,964,300	11,147,800	11,321,600	11,334,800	11,305,000	11,408,000	11,574,000	11,487,300	182,300	1.6%
Female	10,410,700	10,626,400	10,752,200	10,779,300	10,882,000	10,981,200	11,157,200	11,334,700	11,279,200	298,000	2.7%

Figures are aggregates from which agriculture class 0100 (1992 SIC) have been excluded.
Figures for 2006 are provisional.
warning: ABI 2006 discontinuity. There are significant discontinuities which affect comparisons of the 2006 ABI/1 employment estimates with earlier years. More information is awailable from https://www.nomisweb.co.uk/articles/news/files/ABI2006discontinuities.doc.
warning: ABI 2003 Geographic discontinuity. The 2003 ABI data for aggregate areas is based on 2003 CAS wards which differs from previous years ABI data which was build from 1991 census wards. This will give rise to discontinuities when comparing 2003 data with previous years.
Source: Annual Business Inquiry on NOMIS web

The *number of residents in employment* in Tyne & Wear rose 2.7% (13,000) in 2003-2006, one-third faster than growth in the UK (2.0%, 533,600) (Table 3.2). Growth in 2003, 2004 and 2006 was faster than the UK. [Oddly] The number of residents in employment *fell*-0.5% in Tyne & Wear in 2005, compared to a 0.7% rise in the UK.

[18] *It could also be due to more TW residents having multiple-job persons and/or fewer being self-employed.*

Table 3.2 Employment and Employees, 2001-2006

	2001	2002	2003	2004	2005	2006	2001-06	2003-06
Employment								
Tyne & Wear	475,800	484,200	492,100	500,900	498,700	505,200	29,400	13,000
		1.8%	1.6%	1.8%	-0.5%	1.3%	6.2%	2.7%
UK	26,935,100	27,116,200	27,322,700	27,450,100	27,628,600	27,856,300	921,300	533,600
		0.7%	0.8%	0.5%	0.7%	0.8%	3.4%	2.0%
Employees								
Tyne & Wear	443,700	451,500	455,900	464,700	458,900	467,300	23,700	11,400
	0.0%	1.8%	1.0%	1.9%	-1.2%	1.8%	5.3%	2.5%
UK	23,706,900	23,855,900	23,900,700	24,017,400	24,099,800	24,249,700	542,800	349,100
		0.6%	0.2%	0.5%	0.3%	0.6%	2.3%	1.5%

Note: LFS 'employment' includes the self-employed as well as employees.
Source: ONS Labour Force Survey, acquired by special purchase by TWRI

In 2003-2007, the *employment rate* (which is a percentage of the population of working age) in Tyne & Wear rose just 0.5pp from 69.3% in 2003 to 69.8% in 2007 (Table 3.3). This was a much *stronger* performance than in England, where the employment rate fell -0.7pp from 75% in 2003 to 74.3% in 2007. However, the average employment rate in 2003-2007 in Tyne & Wear (69.6%) was still 5.1pp below that in England (74.7%).

Table 3.3: Employment Rate, 1995-2007

	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Tyne & Wear												
% of all PWA	63.4	64.2	65.9	64.4	65.4	66.6	68.3	69.3	69.6	69.5	69.8	69.8
% of male PWA	67.9	67.8	70.4	67.7	68.9	69.1	68.9	70.8	72.4	71.3	72.5	72.5
% of female PWA	58.6	60.3	61.1	61.0	61.6	63.9	67.6	67.7	66.6	67.7	67.1	67.0
England												
% of all PWA	72.3	73.0	73.8	74.5	75.0	75.2	75.1	75.0	75.0	75.1	74.3	74.3
% of male PWA	77.3	78.1	79.1	79.6	80.1	80.1	79.9	79.7	79.8	79.7	78.8	78.8
% of female PWA	66.9	67.6	68.1	69.1	69.6	70.0	69.9	70.0	70.0	70.2	69.5	69.6

Data from June 1994-May 2005 taken from the Labour Force Survey
Data for July 2005-June 2007 taken from the Annual Population Survey
Source: LFS/APS on NOMIS web

The employment rate among men in Tyne & Wear has risen 1.7pp since 2003, compared to a decline of -0.9pp in England. In contrast, the employment rate among women in Tyne & Wear has fallen -0.7pp over the same period, compared to a -0.4pp fall in England.

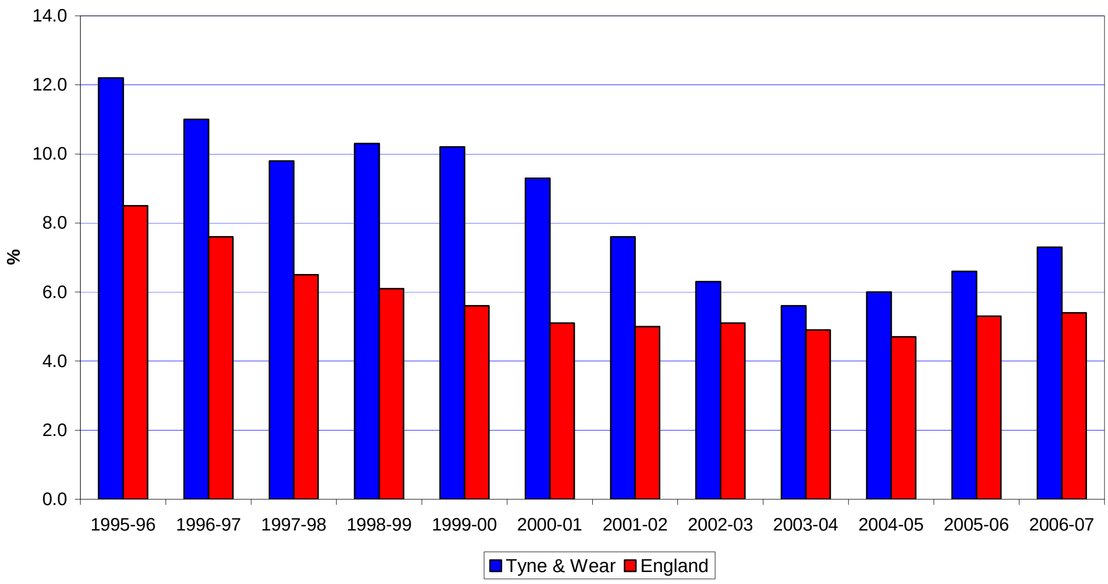
Over the last year (2006/07), the Tyne & Wear employment rate was 4.5pp below the England average. The employment rate for men in Tyne & Wear was 6.3pp below the England average, more than double the gap for women's employment rates (2.6pp). The overall employment rate between 2005/06 and 2006/07 remained unchanged in both Tyne & Wear and England.

3.2 Unemployment

The unemployment rate[19] in Tyne & Wear was 7.3% in 2006/07, compared to 5.4% in Great Britain.

Caution needs to be applied particularly to change in unemployment rates, because they are sample estimates; the confidence interval on Tyne & Wear rates will be more than ± 1 percentage point. The unemployment rate in Tyne & Wear has *risen* since 2002/03, up 1pp from 6.3%[20] (Fig. 3.1). The estimated rise is *about* 6,300 (from 30,000). The unemployment rate also rose in Great Britain over this period, but by a relatively marginal 0.2pp (from 5.2%). The gap between the Tyne & Wear unemployment rate and Great Britain rose 0.8pp in 2003-2007, from 1.1pp in 2002/03 to 1.9pp in 2006/07.

Fig 3.1: Unemployment Rate, 1995-2007



Source: LFS/APS on NOMIS web (Years are Jun-May up to 2005 and Jul-Jun from 2005)

The unemployment rate in Tyne & Wear fell marginally to 2003/04 (down -0.7pp from 6.3% in 2002/03) but has risen steadily since 2004. Moreover, this rise appears to be gathering speed, almost doubling from 0.4pp growth in 2004/05 to 0.7pp in 2006/07. In contrast, the unemployment rate in Great Britain fell -0.2pp in both 2003/04 and 2004/05 and remained constant in 2006/07.

Box 3.2 Paradox: Bigger Unemployment Rate Rise than in UK, despite Stronger Employment Growth

TW's unemployment rate has risen by 1.0pp (over 5,000 people) despite TW having faster employment growth than in the UK. If this deterioration is actual[21], then TWRI suggests it is probably due to the following phenomena:

i) Employment growth stimulating more people (PWA) to look for jobs (instead of giving up into inactivity) – i.e. a higher Economic Activity Rate [possibly particularly by over 50s].

See also Box 13.1 on 'Worklessness down yet Unemployment Up' – for more detail.

ii) In-migration [with this being *international* in this period[22]] and better retention of graduates –i.e. growth of the PWA.

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[19] *Unemployment rate here is the official government definition (since 1998), from the Labour Force Survey. It means people actively seeking work. It is independent of the claimant count (which is lower).*

[20] *The rising trend of the four latest annual estimates supports the conclusion that the rate has risen.*

[21] *The direction of change is probably actual, as it rose in both the last two years.*

[22] *It is rare for TW to have domestic net in-migration (e.g. in 1992 and 1993) when the rest of the country was in deep recession.*

INDICATOR 4: YOUNG PEOPLE IN STRUCTURED LEARNING, EMPLOYMENT OR HIGHER EDUCATION INSTITUTIONS (HEIs)

An important aim of the TWES is to raise the aspirations of young people for learning and work. By monitoring the three indicators set out below, TWP should be able to actively target young people at each stage of education and employment. The indicators are:

- participation of 16 and 17 year olds in education and training
- participation of 16-19 year olds in employment
- number of 18-20 year olds accepting places at Higher Education Institutions.

4.1 Participation of 16 and 17 year olds in education and training

In 2005, 61% of 16 and 17 year-olds in Tyne & Wear were in full-time education, compared to 62% in West Yorkshire and 69% in England.

In 2003-2005, the proportion of 16 and 17 year-olds in full-time education was, on average, 60.3%, which matched the proportion in West Yorkshire but was 7pp below that in England (67.3%) for the same period. The proportion of 16 and 17 year-olds in full-time education in Tyne & Wear has risen just 1pp since 2003 from 60% to 61%. This was just one-third the rise in both West Yorkshire and nationally (3pp) (Table 4.1).

Table 4.1: Education and training of 16 and 17 year olds, 1999 to 2005

	percentage of age group							*percentage of age group*						
	Full-time education							**Total education and work-based learning[1]**						
	1999	**2000**	**2001**	**2002**	**2003**	**2004**	**2005 (P)**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005 (P)**
Tyne & Wear	56	58	61	60	60	60	61	83	84	83	82	79	81	79
West Yorkshire	59	60	60	60	59	60	62	80	80	78	76	75	76	76
England	66	65	65	65	66	67	69	81	80	78	79	79	80	81

[1]Total of all full-time and part-time education and WBL, less WBL provision in education institutions. Note: Due to margin of error surrounding local level participation estimates and the use of school level data for independent schools participation rates can be over 100 per cent. For these areas, an asterix is placed in the table. For 2001 onwards, information for pupils in maintained schools, CTCs and academies is included by the pupil's residence, rather than the address of the school.

Source: DfES 'Participation in education and work based learning of 16 and 17 year olds: Learning and Skills Council Areas Tables'

In 2005, 79% of 16 and 17 year olds in Tyne & Wear were in education *and work-based training*[23], higher than West Yorkshire (76%) but below England (81%).

Over 2003-2005, the proportion of 16 and 17 year-olds in education and training has remained the same in Tyne & Wear, but risen 1pp in West Yorkshire and 2pp in England.

In 2003 and 2004 the proportions in Tyne & Wear consistently matched or exceed the corresponding proportion in both West Yorkshire and England. However, in 2005, the proportion in Tyne & Wear fell to 2pp below England in 2005 (but remained 3pp above West Yorkshire).

The average participation rate[24] in Tyne & Wear was 79.7% over the entire three-year period, 4pp above West Yorkshire (75.7%) but just below that in England (80.0%).

[23] *This effectively means in* either *education* or *WBL.*
[24] *Of 16-17s in education and training.*

4.2 Employment Rates for 16-19 year olds

Employment rates for 16-19 year olds in Tyne & Wear *fell -1.6pp* in 2003-2007 (Table 4.2).

Table 4.2: Employment Rates for 16-19 year olds, 2000-2007

	Jun 2000- May 2001		Jun 2001-May 2002		Jun 2002-May 2003		Jun 2003-May 2004		Jun 2004-May 2005		Jul 2005-Jun 2006		Jul 2006-Jun 2007	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Tyne & Wear	28,000	51.6	27,000	49.4	26,000	46.2	30,000	50.0	33,000	55.5	25,900	44.2	26,000	44.6
West Yorkshire	61,000	54.5	59,000	53.8	59,000	52.5	58,000	51.0	61,000	51.3	51,800	44.9	51,100	43.9
England	1,274,000	54.5	1,276,000	53.3	1,272,000	51.8	1,273,000	50.9	1,281,000	50.4	1,120,600	43.6	1,130,400	43.6
Great Britain	1,484,000	54.3	1,487,000	53.3	1,480,000	51.8	1,489,000	51.1	1,495,000	50.5	1,328,300	44.5	1,334,500	44.3

Data from June 1994-May 2005 taken from the Labour Force Survey. Data for July 2005-June 2007 taken from the Annual Population Survey.
Source: LFS/APS on NOMIS web

Special caution: as the estimated group is not very numerous (around 30,000), the confidence interval on the estimate will be relatively large (at least +/- 4,000). Nevertheless, the average employment rate over the last three years (48.1%) is lower than in the previous three years (48.5%).

Tyne & Wear's *average* employment rate for 16-19 year-olds in 2003-2007 was very close to its comparators; 48.1% in Tyne & Wear, just -0.6pp below West Yorkshire (48.7%), matching the average in England (48.1%) and just -0.3pp below Great Britain (48.4%).

In each period up to May 2004, employment rates for 16-19s in Tyne & Wear were consistently below those in West Yorkshire, England and Great Britain.

On the face of it;

- In 2004/05, employment rates in Tyne & Wear were above all comparators.
- Employment rates in 2005/06 returned to below rates in West Yorkshire and Great Britain but remained above rates in England.
- In 2006/07, employment rates in Tyne & Wear were again higher than all comparators, but to a lesser extent that in 2004/05; 0.7pp above West Yorkshire, 1pp above England and just 0.3pp above Great Britain.

Box 4.2 Employment rates for 16-19s are a function of;

i) Availability of jobs suitable for young people, "entry-level jobs" (positive relationship)

ii) Attitudes to staying on in education [and presumably proportions obtaining good GCSEs] (negative relationship with employment rate) – this has been an under-lying *downward* driver of 16-19 employment rates. Educational Maintenance Allowances (which went national from 2004) may well have had more impact in TW on these decisions (in 2003-07) than nationally.[25]

iii) Competition for "entry-level jobs" (negative relationship) – this will have risen since 2004 due to EU enlargement [and significant in-migration].

Source: TWRI assessment of the evidence.

[25] *In particular, in 1999 Gateshead was one of fifteen LEAs to take part in an Education Maintenance Allowance (EMA) pilot scheme, designed to encourage young people to remain in education beyond 16. This was subsequently extended to 56 LEAs and introduced nationally in 2004.*

4.3 Numbers of 18-20 year olds accepting a place at a Higher Education Institution

The number of people accepting places at a higher education institution in Tyne & Wear rose 12.1% between 2003 and 2006/07 (Table 4.3). This rise was 2.2pp faster than the UK (9.9%) and more than double the rise in West Yorkshire (6.0%).

Caution: The comparisons with 2003 may be distorted due to the change of source, from UCAS (UK citizens only), to HESA (UK domiciled) starting in 2005. Nevertheless, in the latest year (2006) TW acceptances rose by 1.3%, whereas they fell in West Yorkshire (by 2.0%) and in the UK (down 2.4%).

Table 4.3: Number of 18-20 year olds accepting places at an HE Institution, 1996-2006/7*

	Sex	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005*	2006*	% change 2003-2006/07
Tyne & Wear	Women	1,600	1,686	1,953	2,042	2,011	2,147	2,141	2,213	2,233	2,550	2,605	17.7%
	Men	1,398	1,524	1,736	1,701	1,801	1,918	1,840	1,938	1,838	2,045	2,050	5.8%
	All	2,998	3,210	3,689	3,743	3,812	4,065	3,981	4,151	4,071	4,595	4,655	12.1%
West Yorkshire	Women	3,343	3,992	3,966	4,086	4,127	4,464	4,535	4,657	4,814	5,185	5,165	10.9%
	Men	3,323	3,693	3,848	3,856	3,834	4,147	4,115	4,207	4,108	4,400	4,230	0.5%
	All	6,666	7,685	7,814	7,942	7,961	8,611	8,650	8,864	8,922	9,585	9,395	6.0%
UK	Women	83,938	117,579	124,503	128,716	131,899	137,800	140,545	142,236	143,961	163,070	159,675	12.3%
	Men	80,957	109,443	113,878	116,132	117,784	123,035	123,249	122,940	122,923	135,760	131,850	7.2%
	All	164,895	227,022	238,381	244,848	249,683	260,835	263,794	265,176	266,884	298,830	291,525	9.9%

Source: *Data 1996-2004 University and Colleges Admissions Service (UCAS)*
Data 2005 HESA Student Record 2005/06. Copyright Higher Education Statistics Agency Limited 2007
Data 2006 HESA Student Record 2006/07. Copyright Higher Education Statistics Agency Limited 2008

Note: Data extracted from UCAS' database contains some students aged under the age of 18 due to error. However, some students under 18 will legitimately be applying to HEIs. For consistency, they have all been included in the total.

* 2005/06 and 2006/07 HESA figures (which are higher than the earlier UCAS figures) are for UK domiciled persons and therefore include non-UK citizens who are UK domiciled. The UCAS figures upto 2004 are perhaps for UK citizens only. (HESA cannot accept responsibility for any inferences or conclusions derived from the data by third parties.)

In Tyne & Wear, the number accepting places rose three times as fast amongst women (up 17.7%) as men (up 5.8%). The number of women in Tyne & Wear accepting places in 2003-2006 rose around 1½ as quickly as West Yorkshire (10.9%) and the UK (12.3%). The number of men in Tyne & Wear accepting places in the same period rose faster than West Yorkshire (0.5%) but 1.4pp more slowly than the UK (7.2%).

In 2005-2006 [HESA data], the number of 18-20 year-olds accepting a place rose 1.3%, higher than both comparators where the number accepting places *fell* (down -2.0% in West Yorkshire, down -2.4% in the UK). The number of women accepting places rose 2.2% in Tyne & Wear, but fell -0.4% in West Yorkshire and -2.1% in the UK. Similarly, the number of men accepting places rose 0.2% in Tyne & Wear but fell -3.9% in West Yorkshire and -2.9% in the UK.

Box 4.3 Acceptances into Higher Education Grew despite higher Tuition Fees in 2006

It is intriguing that in 2006 acceptances into Higher Education rose from Tyne & Wear, yet fell in the two comparator areas (a difference of 3pp or so). Tuition fees of up to £3,000pa were introduced in this year.

Perhaps students from Tyne & Wear were less deterred than elsewhere. Perhaps they are more likely to stay living at home and thus are less "financially stretched" (in the sense of the aggregate of living costs and tuition fees). This, if true, would be one of the advantages of living in a large urban area [with at least one university]. Alternatively, they might have raised their A-level scores more rapidly than in the other areas – thus improving their chances of being accepted.

Students from Tyne & Wear may 'benefit' more from student finance packages introduced in 2006. A full Maintenance Grant or Special Support Grant of up to £2,835pa (in 2008/09) is available to those from households earning under £25,000, which is reduced for households with higher incomes, or students with other sources of maintenance. Similarly, 25% of the £6,475pa Student Loan for Maintenance is only available on the basis of a means-test.

INDICATOR 5: QUALIFICATIONS TO NVQ2, NVQ3+ AND NVQ4+

The TWES seeks to address skills shortages in Tyne & Wear, as well as attracting and retaining highly qualified and creative talent. One element of this aim is to see improvements in the educational achievements of the Tyne & Wear population. The following set of indicators at 3 qualification levels is key to monitoring the success of the strategy.

5.1 NVQ2 (broadly 'GCSE'-level)

In the four years since 2002/03, amongst boys, the proportion of 15 year-olds in Tyne & Wear achieving 'good' GCSE results ('or equivalents')[26] has risen 18pp, from 41.1% in 2002/03 to 59.1% in 2006/07 (England 47.9% to 56.4%). For girls, the proportion has risen 14.5pp, from 51.8% in 2002/03 to 66.3% in 2006/07 (England 58.2% to 66.5%) (Table 5.1 and Figures 5.1 and 5.2).

The proportion gaining no passes in Tyne & Wear has fallen -3.6pp for boys, from 7.4% in 2002/03 to 3.8% in 2006/07. For girls, the proportion fell -3.1pp, from 5.4% to 2.3%. The fall in Tyne & Wear was faster than in England for both sexes. In England, the proportion gaining no passes fell -2.9pp for boys and -2.1pp for girls.

Table 5.1: NVQ2 level attainment for Boys & Girls, 1999-2006

		Boys			Girls		
		Number of 15 year olds§	Percentage of 15 year old§ pupils achieving at GCSE or GNVQ equivalent		Number of 15 year olds§	Percentage of 15 year old§ pupils achieving at GCSE or GNVQ equivalent	
			5+ A*-C grades	No Passes		5+ A*-C grades	No Passes
Tyne and Wear	1999/00	6,210	36.4	7.7	6,140	44.0	6.3
	2000/01	6,600	37.6	7.9	6,462	45.8	5.6
	2001/02	6,689	38.5	8.0	6,512	49.2	5.7
	2002/03	6,731	41.1	7.4	6,565	51.8	5.4
	2003/04	6,618	44.2	7.5	6,572	54.1	4.7
	2004/05	6,523	49.8	5.5	6,311	60.2	3.7
	2005/06	6,730	55.1	4.9	6,430	64.1	3.3
	2006/07	6,963	59.1	3.8	6,528	66.3	2.3
West Yorkshire	1999/00	12,435	35.1	7.7	11,853	45.4	6.5
	2000/01	12,644	35.9	7.0	12,231	46.1	5.2
	2001/02	12,709	37.5	6.9	12,340	49.5	5.1
	2002/03	12,955	40.1	6.3	12,594	49.6	5.3
	2003/04	13,366	41.1	7.2	12,927	50.8	4.7
	2004/05	12,866	46.7	4.8	12,860	56.5	3.6
	2005/06	13,221	49.3	4.4	12,845	59.0	3.2
	2006/07	13,551	52.8	3.2	12,957	62.4	2.4
England Average	1999/00	270,529	41.7	5.8	262,769	52.6	4.2
	2000/01	281,926	42.5	5.9	272,580	53.4	4.2
	2001/02	309,747	46.4	6.4	296,807	57.0	4.3
	2002/03	317,494	47.9	6.3	304,628	58.2	4.1
	2003/04	327,415	48.7	6.4	316,159	58.8	4.1
	2004/05	324,008	51.4	4.4	312,763	61.4	2.8
	2005/06	331,436	53.8	4.1	317,506	63.4	2.5
	2006/07	334,861	56.4	3.4	321,571	65.5	2.0

§ Data is reported by the Department for Education and Skills as '15 year olds', but will include students aged 16 at the time of sitting the examinations.

Source: Department for Education & Skills 'GCSE and Equivalent Examination Results, Table 18a, 1999/00 to 2006/07

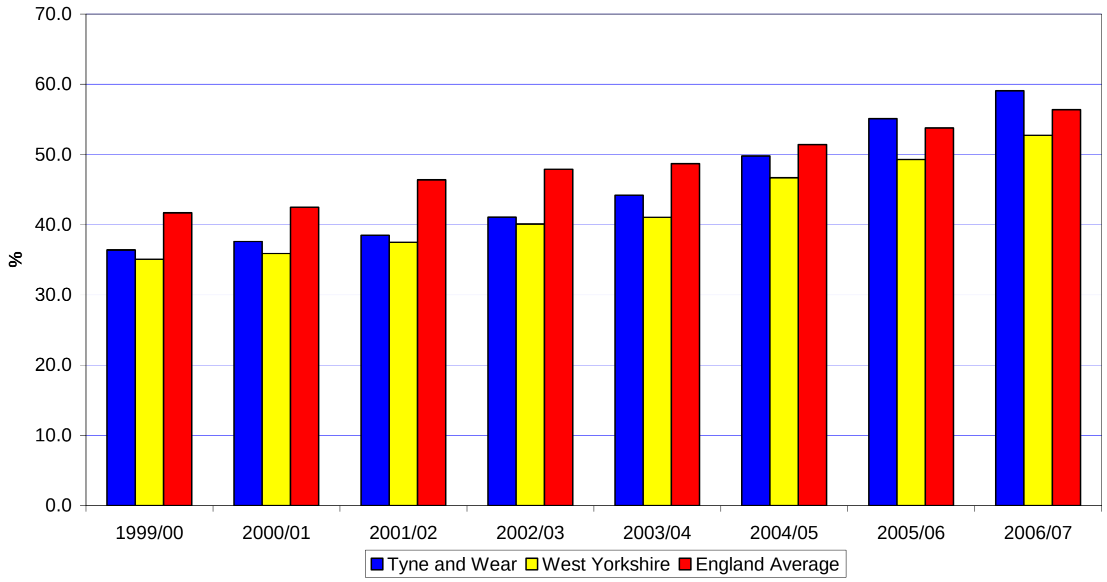
[26] *Caution: Data include GNVQ equivalents. This series does not specify the inclusion of Maths & English.*

Tyne & Wear markedly improved its performance rate for both boys and girls in the latest four-year period 2002/03-2006/07 compared to the preceding three years (1999/00-2002/03). Growth in the proportion of 15 year-olds achieving ‘good’ GCSEs since 2002/03 has been more than three times as fast as the rise in the earlier period for boys (4.7pp) and almost double the rate for girls (5.6pp).

Similarly, the fall in the proportion of 15 year-olds gaining no passes was much faster in the later period than in 1999/00-2002/03, when it fell just -0.3pp for boys and -0.9pp for girls (although performance in Tyne & Wear was stronger than in England for both periods).

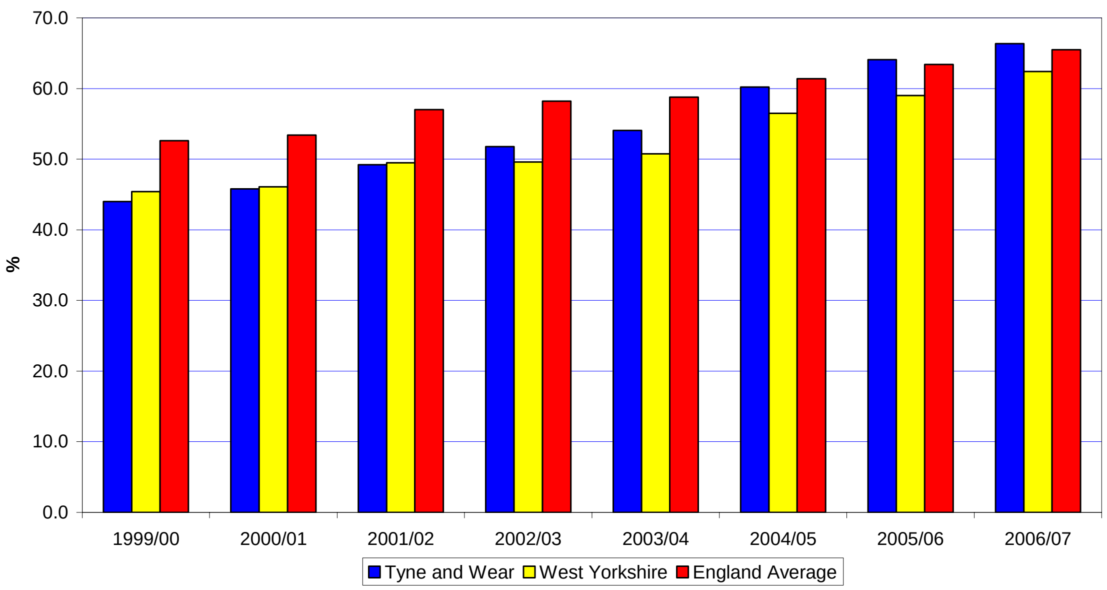
In terms of general attainment in 2006/07, of those achieving 5+ A*-C grades, Tyne & Wear is 2.7pp ahead of the England average for boys (from being -4.5pp *behind* in 2003/04) and 0.8pp ahead for girls (from -4.7pp *behind*). Tyne & Wear is again even further ahead of West Yorkshire, by 6.3pp for boys and 3.9pp for girls (from 3.1pp ahead for boys and 3.3pp ahead for girls in 2003/04).

Fig 5.1 Percentage of 15 year old boys with 5+ (A*-C) GCSE/GNVQ



Source: Department for Education & Skills (DfES)

Fig 5.2 Percentage of 15 year old girls with 5+ (A*-C) GCSE/GNVQ



Source: Department for Education & Skills (DfES)

5.2 NVQ3+[27] (broadly 'A-level' standard)

In the period between December 2002-2006, the proportion of People of Working Age (PWA) educated/trained to NVQ 3+ *fell* slightly, from 42% to 41.7% (a deterioration of -0.3pp, slower than the -0.7pp fall in West Yorkshire but in contrast to improvements of 1.1pp in Great Britain and 2.4pp in the North East).

Despite an overall improving trend[28], the percentage of PWA with NVQ level 3+ in 2006 in Tyne & Wear (41.7%) remains about 3½pp below the average Great Britain (45.3%). However, the differential between Tyne & Wear and West Yorkshire (41.8%) has reduced to just 0.1pp, from 0.5pp in 2002/03.

Table 5.2: Percentage of all working-age with NVQ level 3+

	Tyne & Wear (Met County)	West Yorkshire (Met County)	North East	Great Britain
Dec 1997-Nov 1998	33.3	37.6	33.7	39.1
Dec 1998-Nov 1999	36.1	39.9	35.8	40.4
Dec 1999-Nov 2000	36	40.9	35.3	41.5
Dec 2000-Nov 2001	38.8	39.4	37.3	42.2
Dec 2001-Nov 2002	40.2	41.2	38.8	43.1
Dec 2002-Nov 2003	42	42.5	40.4	44.2
Dec 2003-Nov 2004	40.2	42	39.5	45
Jan 2005-Dec 2005	39.6	42.3	40.4	44.4
Jan 2006-Dec 2006	41.7	41.8	42.8	45.3

The percentage figures are based on working-age population

Source: LFS/APS on NOMIS web

Taking a four-period average from December 2002-December 2006, the proportion of PWA qualified to NVQ level 3+ in Tyne & Wear (40.9%) is still over 1pp below West Yorkshire (42.2%) and nearly 4pp below Great Britain (44.7%). It is above the regional average (40.8%) but by a marginal 0.1pp.

Box 5.2 Possible Reasons for TW's lower NVQ3+ proportion of PWA than GB

Tyne & Wear's lower proportion of People of Working Age with NVQ 3+ than Great Britain presumably reflects;

i) Historically, lower A-level attainment levels than GB,

ii) Out-migration of [NVQ3+] qualified people from TW [including graduates, partly reflecting relative lack of graduate-level jobs],

but also [perhaps] since 2002

iii) Slower growth of attainment at A-level [than in GB].

Caution: this requires more data to confirm or deny this interpretation.
Also, it is not clear to TWRI how international migrants are measured in terms of NVQs.

[27] *NVQ 3+ means to NVQ level 3 or above.*
[28] *The average in the four years to end-2006 was 40.9%, up from 37.8% in the previous four years (to end-2002).*

5.3 NVQ4+ (broadly 'Degree'-level)

Since 2002, the proportion of PWA qualified to NVQ level 4+ has risen in all areas (Table 5.3). In the period 2003[29]-2006, the proportion of PWA educated to NVQ level 4+ in Tyne & Wear rose 1.7pp (from 21.1% to 22.8%).

Table 5.3: Percentage of all working-age with NVQ level 4+

	Tyne & Wear (Met County)	West Yorkshire (Met County)	North East	Great Britain
Dec 1997-Nov 1998	15.5	20.6	15.9	21.6
Dec 1998-Nov 1999	16.9	21.1	17.2	22.5
Dec 1999-Nov 2000	16.9	21.7	16.9	23.2
Dec 2000-Nov 2001	19.4	20.5	18.2	23.7
Dec 2001-Nov 2002	19.6	21.2	18.7	24.1
Dec 2002-Nov 2003	21.1	22.6	20.7	25.0
Dec 2003-Nov 2004	20.5	22.9	20.8	26.0
Jan 2005-Dec 2005	21.0	23.1	21.3	26.5
Jan 2006-Dec 2006	22.8	23.1	22.7	27.4

The percentage figures are based on working-age population

Source: LFS/APS on NOMIS web

Tyne & Wear's highly educated population has, however, grown less quickly (about 0.7 times as fast) than GB (up 2.4pp). Nevertheless, Tyne & Wear has improved *more than three times as fast as in West Yorkshire* (up only 0.5pp).

Despite this faster growth, in 2006, Tyne & Wear (22.8%) remains just 0.3pp below West Yorkshire (23.1%) and about 4½ pp below the GB average (27.4%). Tyne & Wear is 4.6pp below the national average (an improvement from 5.5pp below the previous year).

Taking a four-period average from December 2002 to December 2006, the proportion of PWA qualified to NVQ level 4+ in Tyne & Wear (21.4%) is 1.5pp below that for West Yorkshire (22.9%) and 4.8pp below Great Britain (26.2%). The four-period average for the North East is the same as for Tyne & Wear (as observed in the previous year).

[29] *Strictly from the period Dec 2002-Nov 2003.*

INDICATOR 6: POPULATION

The TWES aims to reverse the historical population decline in Tyne & Wear through accelerated economic growth and greater labour market opportunities. This indicator illustrates the changes in the population over the monitoring period, allowing the trends to be linked to the indicators on economic growth, employment and migration.

The population of Tyne & Wear rose marginally between 2003 and 2006 (up 0.2%), compared to significant population rises in West Yorkshire (2.7%) and Great Britain (1.7%) over the same period.

The population of Tyne & Wear had fallen consistently year-on-year from 1996 to 2002. In 2002 the population rose [marginally] but subsequently fell in 2003 and 2004. However, in 2005 and 2006 the population rose[30]. In 2005/06, Tyne & Wear's population rose just 0.2%, less than one-quarter the rise in West Yorkshire (0.9%) and one-third the rise in Great Britain (0.6%).

6.1 Population by Gender

The gender composition of population change in Tyne & Wear reveals that between 2003 and 2006 the male population rose 0.8%, but the female population fell -0.4% (Table 6.1). In contrast, both the male and the female population rose in West Yorkshire and Great Britain over the same period (3.9% and 1.7% in West Yorkshire and 2.0% and 1.4% in Great Britain respectively).

Table 6.1: Population by Gender (1996-2006)

												2003-2006	
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	Net Change	% Change
Tyne & Wear													
Men	540,600	537,500	534,600	530,000	527,000	526,000	526,600	525,800	525,100	527,600	530,100	4,300	0.8%
Women	576,500	573,000	569,400	565,500	562,100	560,800	560,300	559,500	558,000	558,400	557,500	-2,000	-0.4%
All persons	1,117,100	1,110,500	1,103,900	1,095,500	1,089,100	1,086,800	1,086,900	1,085,300	1,083,000	1,085,900	1,087,600	2,300	0.2%
West Yorkshire													
Men	1,007,200	1,006,700	1,007,000	1,005,200	1,004,700	1,009,600	1,014,800	1,019,900	1,031,200	1,046,200	1,059,300	39,400	3.9%
Women	1,067,000	1,066,000	1,066,000	1,067,100	1,068,900	1,073,500	1,079,200	1,083,500	1,087,500	1,095,500	1,102,000	18,500	1.7%
All persons	2,074,200	2,072,700	2,073,100	2,072,300	2,073,700	2,083,100	2,094,100	2,103,400	2,118,800	2,141,700	2,161,200	57,800	2.7%
Great Britain													
Men	27,476,800	27,555,500	27,639,700	27,760,000	27,870,000	28,008,000	28,135,500	28,276,000	28,441,500	28,652,800	28,840,600	564,600	2.0%
Women	29,025,800	29,087,500	29,157,500	29,245,400	29,333,100	29,416,200	29,491,300	29,578,800	29,694,100	29,861,200	30,005,200	426,400	1.4%
All persons	56,502,600	56,643,000	56,797,200	57,005,400	57,203,100	57,424,200	57,626,900	57,854,700	58,135,500	58,514,000	58,845,700	991,000	1.7%

Source: ONS' Population Estimates Unit, 2006 Mid Year Estimates

In 2006, the female population in Tyne & Wear was 5.2% larger than the male population (down from 5.8% in 2005). In both Great Britain and West Yorkshire, the female population was [only] 4.0% larger than the male population.

Box 6.1 Some Reasons for the Gender Balance and its shift away from Women

Tyne & Wear's 1.2pp larger female population essentially reflects its relatively large elderly population. Of the female population in Tyne & Wear, 16.3% of them are aged 65-84 which is 1.2pp more than in Great Britain. [31]

One important reason for the faster rises in male population between 2003 and 2006 is the gender balance of new migrants. For example, of new EU in-migrants registered on the WRS with employers in Tyne & Wear up to end-2006, over 62% were men. This effect, however, appears to only explain a minority of the overall change[32]

[30] *This directly followed EU enlargement in May 2004, and free movement of labour.*
[31] *Source: TWRI calculation from ONS MYEs, 2006.*
[32] *Only 960 of the 2,560 recorded by the WRS were women. The gender imbalance in the WRS in-flow, however, only explains about 15% (600 of 4,300) of the rise in the number of men. WRS is the Workers' Registration Scheme.*

INDICATOR 7: MIGRATION

Economically, migration is both an important driver of available skills and a contributor to aggregate demand in the local economy (and thus the size of the business base). Migration is also important to policy planners and strategists particularly in terms of provision of housing, education and health services.

Box 7.0 Drivers of Migration

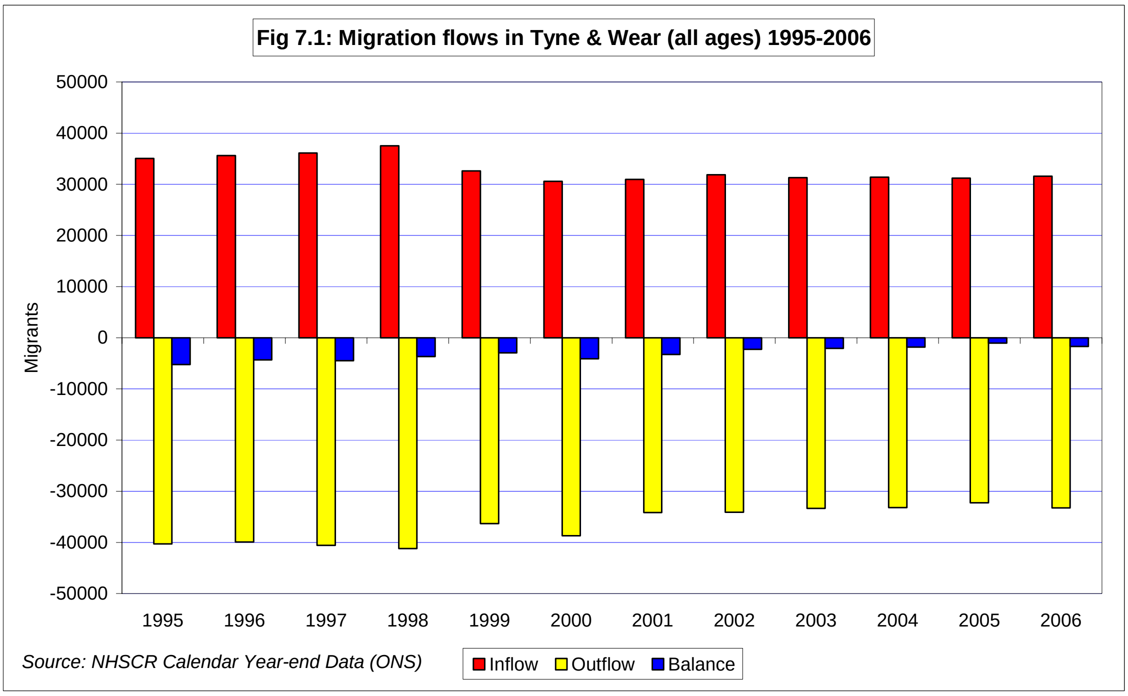
In-migration reflects both availability of jobs (employment growth) and earnings levels -relative to competing areas. A large part of in-migration flows to Tyne & Wear are students (both domestic and international).

The migration position of Tyne & Wear thus gives an *indirect* indication of the relative growth of its employment, its standards of living and prospects (as perceived by migrants). It is not a pure measure of these variables because migration also has other drivers. In particular, domestic out-migration is mainly to the adjacent shire counties. Inter-regional migration is also affected by differentials in house prices.

In 2005/06, Tyne & Wear's net domestic out-flow (about -1,700) was half offset by net international in-migration (nearly +900).

7.1 Domestic Net Migration

In Tyne & Wear in 2003-2006, domestic net out-migration slowed by 17%, from -2,063 in 2003 to -1,716 in 2006 (Figure 7.1). Comparing 2006 with 2003, both [gross] domestic in-flows and out-flows have changed very little (under 1%). Tyne & Wear has had *domestic net out-migration* in every year since 1996[33].



However, in the latest year, 2005/06, net out-migration rose sharply (up 62%) from -1,058 to -1,716. This was due to a larger rise in out-migration[34] that in-migration. By region, in 2005/06 the largest net gains in migrants to Tyne & Wear came from the North West (330) and Yorkshire & the Humber (250)[35]. Major net

33 *In fact it has only had domestic in-migration in two years of the last 25 (in 1992 and 1993).*

34 *This suggests that employment growth in TW in 2005/06 may well have been slower than nationally – after a period of out-performance locally.*

35 *Based on ONS' PRDS (Patient Register Data Systems) (Table 2a 'Movements between Local Authorities in England & Wales' for the year ending June 2006).*

out-flows of migrants from Tyne & Wear in 2006 were to Durham (-990), London (-430) and Northumberland (-400).

7.2 Domestic Migration Inflows

Gross in-flow between 2003 and 2006 rose just 266, from 31,293 to 31,559, up 0.9%[36], although in-flow fluctuated during this period (Table 7.1). In-flow rose in 2003-2004 (up 80, or 0.3%) and 2005-2006 (up 368, or 1.2%) but fell in 2004-2005 (down -182, or -0.6%).

Table 7.1: Migration In-flows in Tyne & Wear by age, 1995-2005

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2003-2006	% Change
All Ages	35,037	35,611	36,099	37,544	32,611	30590	30,932	31,866	31,293	31,373	31,191	31,559	266	0.9%
0-14	5,698	5,604	5,763	5,881	4,810	4524	4,472	4,429	4,136	3,937	3,674	3,941	-195	-4.7%
15-19	6,003	6,120	6,351	6,756	6,318	5821	6,016	5,798	5,610	5,697	6,073	5,569	-41	-0.7%
20-24	7,401	7,276	6,766	6,669	6,024	5778	5,754	5,911	6,177	5,936	6,014	5,905	-272	-4.4%
25-29	5,090	5,187	5,363	5,417	4,507	4272	4,203	4,324	4,261	4,452	4,486	4,627	366	8.6%
15-29	18,494	18,583	18,480	18,842	16,849	15871	15,973	16,033	16,048	16,085	16,573	16,101	53	0.3%
30-34	3,416	3,603	3,684	3,796	3,209	3032	3,062	3,336	3,421	3,467	3,218	3,254	-167	-4.9%
35-39	2,015	2,057	2,257	2,411	2,105	1990	2,174	2,284	2,251	2,241	2,137	2,327	76	3.4%
40-44	1,368	1,499	1,459	1,506	1,299	1316	1,374	1,493	1,476	1,493	1,564	1,571	95	6.4%
30-44	6,799	7,159	7,400	7,713	6,613	6338	6,610	7,113	7,148	7,201	6,919	7,152	4	0.1%
45-49	1,062	1,062	1,133	1,259	1,014	961	952	1,113	1,060	1,099	1,054	1,224	164	15.5%
50-54	664	757	792	1,009	859	802	827	870	807	816	801	856	49	6.1%
55-59	502	547	560	677	591	505	582	653	597	702	656	709	112	18.8%
45-59	2,228	2,366	2,485	2,945	2,464	2268	2,361	2,636	2,464	2,617	2,511	2,789	325	13.2%
60-64	464	438	458	505	556	410	408	476	377	379	412	434	57	15.1%
45-64	2,692	2,804	2,943	3,450	3,020	2678	2,769	3,112	2,841	2,996	2,923	3,223	382	13.4%
65+	1,353	1,461	1,513	1,658	1,319	1179	1,108	1,179	1,120	1,154	1,102	1,142	22	2.0%
65-69	364	358	359	445	410	328	302	321	307	314	299	322	15	4.9%
70-74	295	319	342	374	293	252	237	227	230	212	232	214	-16	-7.0%
75+	694	784	812	839	616	599	569	631	583	628	571	606	23	3.9%

Note: All ages total may not equal sum of age bands due to respondents where age was 'not specified', although this should be a minor effect.

Source: NHSCR calendar year end data (ONS), flows by sex and broad age group

By age band, between 2003 and 2006 Tyne & Wear's migration in-flows rose for all ages - except children, down -4.7%. In-flows of age groups of working age rose, marginally in 15-29 (0.3%) and 30-44 (0.1%) but rose very markedly more rapidly for 45-64s (13.4%). In-flow also rose in the older dependent age group, 65+ (2.0%)[37].

In 2003-2006, the fastest rises (over 15%) of in-flows were in all three 'mid-older' working-age groups; 45-49 (15.5%), 55-59 (18.8%) and 60-64 (15.1%). In-flow also rose significantly in the 25-29 age group (8.6%).

Migration in-flow in Tyne & Wear in 2003-2006 fell by over -4% in the 20-24 age group (-4.4%) and the 30-34 age group (-4.9%) [which together 'explain' a lot of the fall in the in-flow of children].[38]

[36] *Based on ONS' NHSCR (National Health Service Central Register) data. (Data for year-end to December).*
[37] *Caution: These changes are partly due to cohort effects.*
[38] *Inflows also fell amongst the 70-74 age group (-7.0%).*

7.3 Domestic Migration Outflows

In 2003-2006, migration out-flow in Tyne & Wear fell just -0.2% (-81) from a relatively low 33,356 in 2003 (Fig 7.1). In 2005-2006 out-flow *rose* 3% (1,026) after falling -0.4% in 2003-2004 and -2.9% in 2004-2005.

7.4 International Migration

In 2005/06, international net migration[39] added nearly 900 people to Tyne & Wear's population. The recorded international in-flow was 7,650. The international out-flow was 6,770.

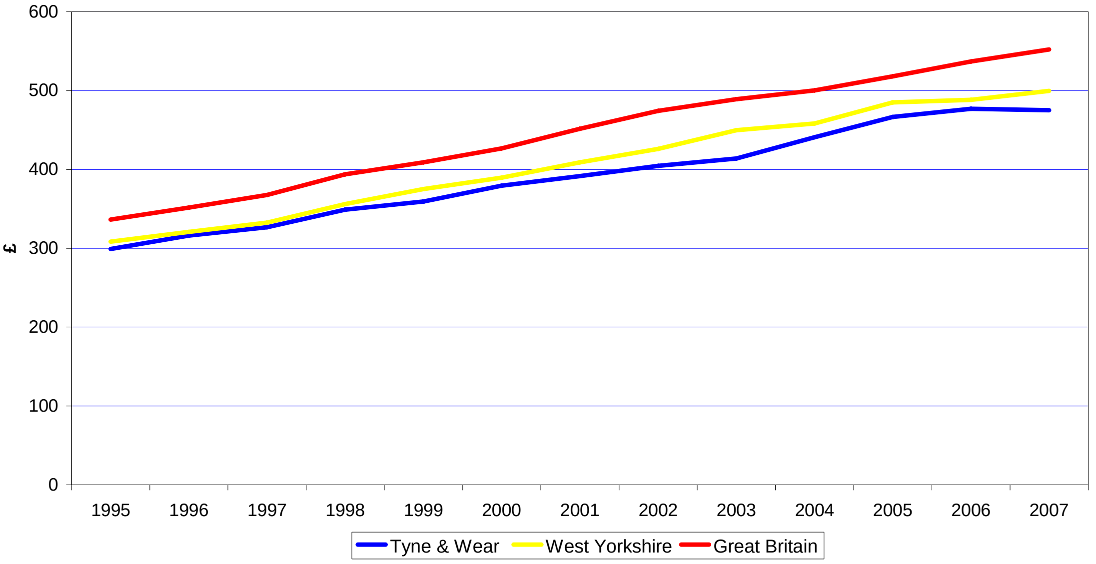
39 *International Passenger Survey. Caution: these estimates are grossed up from very small numbers.*

INDICATOR 8: EARNINGS

The TWES aims to enhance and develop the Tyne & Wear workforce, as well as attracting the most highly skilled professionals to the sub-region. Success will be partly dependent on retaining, creating and increasing the opportunities within Tyne & Wear for workers to receive high and rising (real) earnings commensurate with those high skill levels.

In Tyne & Wear, average gross weekly earning have been consistently lower than both West Yorkshire and Great Britain over the entire period 1995-2007 (Fig 8.1).

Fig 8.1: Average Gross Weekly Earnings, Full-Time (£) 1995-2007



Note: 2006 data is consistent with 2007 methodology, rather than 2005.
Source: New Earnings Survey (1995-2003) Annual Survey of Hours and Earnings (2004-2007) ONS

However, since 2003, weekly earnings in Tyne & Wear have risen 14.9%, 2pp *faster* than Great Britain (12.9%) and even faster than West Yorkshire (11.1%). In 2003, earnings in Tyne & Wear had been 85% of the level in Great Britain and 92% of the West Yorkshire level. In 2007, earnings in Tyne & Wear rose to 86% of the level in Great Britain and 95% of the West Yorkshire level.

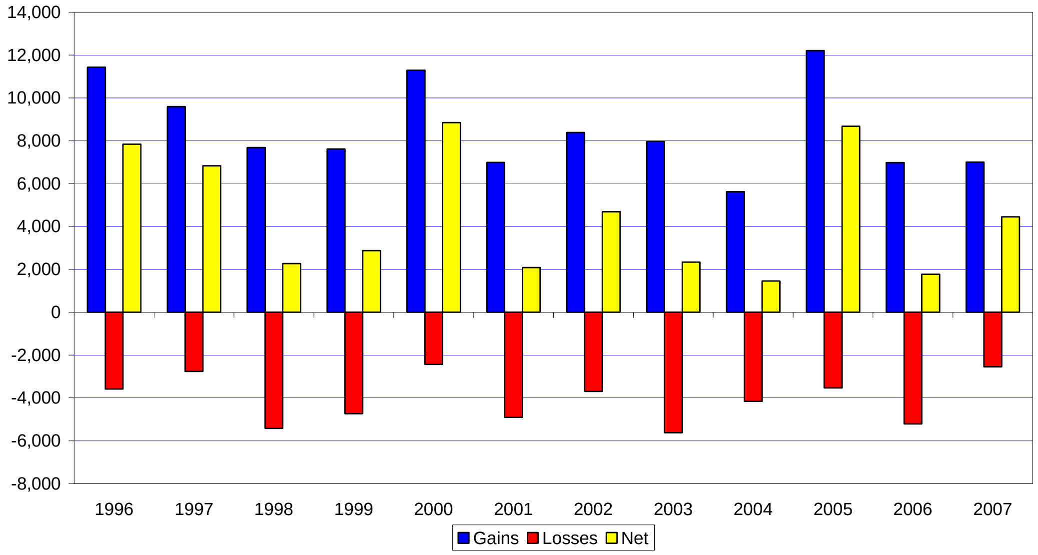
In 2007, weekly earnings in Tyne & Wear (£475.3) remained over £20pw below West Yorkshire (£499.7) and over £75pw less than Great Britain (£552.1). Average weekly earnings *fell* -0.3% in Tyne & Wear in 2006-2007, compared to rises of 2.3% and 2.9% in West Yorkshire and Great Britain respectively. [Caution: these estimates are subject to sampling variability, so apparent changes might not be actual.]

INDICATOR 9: REPORTED JOB GAINS AND LOSSES[40]

The data for job gains and losses (as recorded by the press[41]) are a purely 'indicative measure' of the state of the labour market in Tyne & Wear. Under-reporting of job losses is a known problem with this source. However, some simple analysis should provide a useful insight into periods of strength and weakness in Tyne & Wear for most of the private sector (see Box 9.1).

In Tyne & Wear over the period 2003-2007, reported job gains have outweighed job losses in every year (Figure 9.1). Reported job gains (39,777) were significantly (about 16,000) higher than reported job losses (21,073) although net growth in 2003, 2004 and 2006 was sluggish.

Fig 9.1 Job Gains/Losses in Tyne & Wear (all industries) 1996-2007



Source: TWRI Job Change Database (recorded from the press)

In terms of recent trends, 2007 was a much stronger year for net gain than 2006 (although not as strong as 2005). Net job gains in 2007 (+4,456) were more than double net job gains in 2006 and was the second-highest net gain over 2003-2007. Gross job gains in 2007 (+7,006) were similar to those in 2006 (+6,982) but job losses in 2007 (-2,550) were less than half those reported in the previous year (-5,212).

In 2007, major (gross) gains were to Business Services (+2,128), Banking & Finance (+837) and the Manufacture of Motor Vehicles and Parts (+500). Major losses were from Electrical Engineering (-643).

Box 9.1 Reported Job Changes – Interpretation/Refinement of the JCD[42] data

The JCD shows the peak years for reported net job gains were 2000 and 2005 (yellow bars in Fig. 9.1).

Two adjustments are recommended by TWRI:

i) Exclusion of Northern Rock gains which have been cancelled. The 2005 gains include around 3,500 announced by Northern Rock. These include some planned for Sunderland (Rainton Bridge) and Newcastle (Gosforth) which are, apparently, not now to take place.

ii) Retail job change is systematically biased upward (by perhaps around 1,000p.a.) as losses are rarely recorded.

40 *Caution: TWRI has a database of job gains and losses announced in the press since the beginning of 1996. Jobs are recorded by 2-digit SIC division (as well as by cluster group). The press tends to under-record job losses, overall. It also tends to under-record job gains in public services.*

41 *Recorded by TWRI's job-change database (JCD). The threshold for inclusion is ±10 jobs.*

42 *TWRI's Job Change Database (JCD).*

B) ADDITIONAL INDICATORS

INDICATOR 10: TOURISM

One of the key aims of the TWES is to develop the sub-regional tourism economy by building on the strong cultural assets of Tyne & Wear, focusing on three growing visitor markets: domestic holiday tourism, business tourism and overseas tourism.

10.1: Tourism Overview

In 2006, Tyne & Wear accounted for 48.2% of the total number of tourists to the North East (Table 10.1), down [marginally] from 48.3% in 2005. Day visitors accounted for 92% of all tourist numbers in Tyne & Wear (90% in the North East). The number of day visitors in Tyne & Wear fell -3% in 2005-2006. In contrast, tourist numbers rose staying both in serviced accommodation (+10%) and staying with friends and relatives (+3%). The number of tourists in non-serviced accommodation fell -5%.

Table 10.1: Tourist Numbers (millions)

	2005			2006			% Change	
	T&W	NE	% of NE Total	T&W	NE	% of NE Total	T&W	NE
Serviced Accommodation	1.33	3.33	40.0%	1.19	3.00	39.8%	-10.2%	-9.8%
Non-Serviced Accommodation	0.08	1.01	7.4%	0.07	0.94	7.6%	-4.9%	-7.0%
Staying with Friends & Relative	1.76	4.56	38.7%	1.82	4.62	39.4%	3.4%	1.5%
Total Day Visitors	37.79	75.83	49.8%	36.74	74.14	49.6%	-2.8%	-2.2%
Total	40.96	84.73	48.3%	39.82	82.70	48.2%	-2.8%	-2.4%

Source: Volume and Value of Tourism, 2006 (ONE, 2007) and Volume and Value of Tourism, 2005 (ONE 2006)

In terms of tourist days in 2006; Tyne & Wear accounted for 45.5% of the North East total, down [very slightly] from 45.6% in 2005 (Table 10.2). Day visitors accounted for 83% of all tourist days in Tyne & Wear (76% in the North East) but again fell in 2005-2006 (-3%). The number of tourist days spent in non-serviced accommodation also fell (-2%)

Table 10.2: Tourist Days (millions)

	2005			2006			% Change	
	T&W	NE	% of NE Total	T&W	NE	% of NE Total	T&W	NE
Serviced Accommodation	2.37	5.53	43.0%	2.46	5.51	44.6%	3.6%	-0.3%
Non-Serviced Accommodation	0.57	6.31	9.1%	0.56	6.34	8.9%	-1.8%	0.4%
Staying with Friends & Relative	4.20	10.81	38.9%	4.35	10.98	39.6%	3.6%	1.5%
Total Day Visitors	37.79	75.83	49.8%	36.74	74.14	49.6%	-2.8%	-2.2%
Total	44.94	98.49	45.6%	44.11	96.97	45.5%	-1.8%	-1.5%

Source: Volume and Value of Tourism, 2006 (ONE, 2007) and Volume and Value of Tourism, 2005 (ONE 2006)

10.2: Tourism Revenue & Expenditure

Total tourist revenue in Tyne & Wear in 2006 was £1.70bn, up 2.3% from £1.66bn in 2005 (Table 10.3). The highest proportion of revenue in 2006 was in Newcastle (30.5%) followed by Sunderland (21.2%). In 2005-2006, the fastest rise in revenue was recorded in Sunderland (5.8%) followed by North Tyneside (4.8%) and South Tyneside (4.7%). Tourist revenue fell in Gateshead (-1.4%).

Table 10.3: Total Tourist Revenue in Tyne & Wear by District (£m)

	2005	2006	% Change
Gateshead	339.30	334.70	-1.4%
Newcastle	516.67	517.51	0.2%
North Tyneside	251.43	263.46	4.8%
South Tyneside	209.73	219.61	4.7%
Sunderland	340.06	359.85	5.8%
Tyne & Wear	1657.20	1695.13	2.3%

Source: Volume and Value of Tourism, 2006 (ONE, 2007) and Volume and Value of Tourism, 2005 (ONE 2

In 2006, day visitors accounted for 67% of revenue in Tyne & Wear, compared to 58% in the North East (Table 10.4). The proportion of revenue contributed by serviced accommodation and staying with friends and relatives were roughly the same in Tyne & Wear (16.4% and 14.2% respectively) and the North East (16.6% and 13.9%). The revenue from both categories of visitor rose more rapidly in Tyne & Wear than the North East in 2005-2006. Non-serviced accommodation accounted for a much smaller proportion of revenue in Tyne & Wear (2.5%) than in the North East (11.5%); its proportion fell slightly in Tyne & Wear in 2005-2006, but rose in the North East overall.

Table 10.4: Revenue by Category of Visitor in Tyne & Wear (£m)

	2005			2006			% Change	
	T&W	NE	% of NE Total	T&W	NE	% of NE Total	T&W	NE
Serviced Accommodation	254.5	558.5	45.6%	277.5	574.1	48.3%	9.0%	2.8%
Non-Serviced Accommodation	42.0	392.1	10.7%	41.7	395.5	10.5%	-0.7%	0.9%
Staying with Friends & Relative	232.5	470.7	49.4%	240.8	479.7	50.2%	3.6%	1.9%
Total Day Visitors	1167.7	2052.1	56.9%	1135.2	2002.3	56.7%	-2.8%	-2.4%
Total	1696.6	3473.4	48.8%	1695.1	3451.6	49.1%	-0.1%	-0.6%

Revenue is given as total revenue. It does not distinguish between direct and indirect revenue.

Source: Volume and Value of Tourism, 2006 (ONE, 2007) and Volume and Value of Tourism, 2005 (ONE 2006)

In Tyne & Wear, direct expenditure from tourism in 2006 was £1,083.54m, just under half the North East total (49.2%) (Table 10.5). Total expenditure (including indirect expenditure and VAT) was £1695.1m, down [marginally] from £1,696.6m in 2005. The fall in Tyne & Wear was slower than in the North East, where total expenditure fell -0.6%. Accommodation was the only sector where expenditure rose in 2005-2006 (Tyne & Wear up 14.4%, North East up 4.4%).

Table 10.5: Expenditure by Sector (£m)

	2005			2006			% Change	
	T&W	NE	% of NE Total	T&W	NE	% of NE Total	T&W	NE
Accommodation	86.8	257.2	33.7%	99.3	268.5	37.0%	14.4%	4.4%
Food & Drink	449.9	991.9	45.4%	444.5	980.2	45.3%	-1.2%	-1.2%
Recreation	165.7	315.1	52.6%	164.0	312.1	52.5%	-1.1%	-1.0%
Shopping	230.1	382.0	60.2%	227.3	376.4	60.4%	-1.2%	-1.5%
Transport	150.9	267.7	56.4%	148.6	263.7	56.3%	-1.6%	-1.5%
Indirect Expenditure	423.7	872.1	48.6%	422.0	865.8	48.7%	-0.4%	-0.7%
VAT	189.6	387.4	48.9%	189.6	385.1	49.2%	0.0%	-0.6%
Total	1696.6	3473.4	48.8%	1695.1	3451.6	49.1%	-0.1%	-0.6%

Expenditure is given as total visitors. It does not distinguish between overnight and day visitors.

Source: Volume and Value of Tourism, 2006 (ONE, 2007) and Volume and Value of Tourism, 2005 (ONE 2006)

10.3: Tourism Employment (FTEs)

In 2006, direct employment in tourism accounted for 25,591 full-time equivalent (FTE) jobs in Tyne & Wear, 46.5% of the North East total (55,069) (Table 10.6). FTE employment in Tyne & Wear fell -0.9% in 2005-2006 (from 25,831) although the fall was [marginally] slower than in the North East, where FTE employment fell -1.1% (from 55,691).

Table 10.6: Tourism Employment (FTEs)

	2005			2006			% Change	
	T&W	NE	% of NE Total	T&W	NE	% of NE Total	T&W	NE
Accommodation	2,338	9,065	25.8%	2,382	9,008	26.4%	1.9%	-0.6%
Food & Drink	11,386	25,105	45.4%	11,249	24,808	45.3%	-1.2%	-1.2%
Recreation	5,091	9,679	52.6%	5,037	9,586	52.5%	-1.1%	-1.0%
Shopping	5,309	8,814	60.2%	5,244	8,684	60.4%	-1.2%	-1.5%
Transport	1,707	3,028	56.4%	1,680	2,982	56.3%	-1.6%	-1.5%
Total Direct Employment	25,831	55,691	46.4%	25,591	55,069	46.5%	-0.9%	-1.1%
Indirect Employment	7,075	14,564	48.6%	7,047	14,458	48.7%	-0.4%	-0.7%
Total	32,906	70,255	46.8%	32,638	69,527	46.9%	-0.8%	-1.0%

Source: Volume and Value of Tourism, 2006 (ONE, 2007) and Volume and Value of Tourism, 2005 (ONE 2006)

Direct employment in Food & Drink accounted for 44.0% of total direct employment in Tyne & Wear in 2006, matching the proportion in 2005.

10.4: Bedstock

In 2006, Tyne & Wear's serviced accommodation[43] was 15,762 beds and non-serviced accommodation was 3,515. The total bedstock was 19,277.

[43] *Serviced accommodation is defined as hotels, motels, guest houses, B&Bs, farmhouses/inns providing breakfast. Non-serviced accommodation is defined as self-catering cottages/apartments, static and towed caravans and camping.*

INDICATOR 11: NEW BUILD BY ZONE

One of the aims of the TWES is to create **attractive places** which offer a wide range of employment, leisure, cultural, shopping and learning opportunities and a diverse mix of housing. The TWES identifies 5 ‘growth poles’ for development and growth (‘Sunderland ARC’, ‘A19 Corridor’, ‘Newcastle Discovery Quarter’, ‘Central Gateshead’ and ‘Tyne Gateway’). The aim is to concentrate economic growth where there is the greatest potential to link employment with the most deprived communities, sustainable transport and quality investment.

Data on commercial and housing completions and planning permissions granted for the 2006/07 period for each of the five growth poles is presented below[44].

11.1: Newcastle Discovery Quarter

The Discovery Quarter comprises approximately 100 hectares (1km^2). The key objective of this growth pole is to extend the City Centre of Newcastle to the south and west of the Central Station to include a mix of heritage and new developments based around the knowledge economy and creativity. (see Table 11.1 below).

11.2 Sunderland Arc

Sunderland Arc, the Urban Regeneration Company for Sunderland are bringing forward plans for key sites within the core riverside areas of Sunderland, to enhance the economy, infrastructure and quality of life of people in the city. Sunderland arc plan to create approximately 10,000 jobs, 300,000 sq. metres of development space and up to 4,000 new homes in this area (see Table 11.2 below).

11.3 Central Gateshead

The aim of this growth pole is to extend the flagship developments along Gateshead Quay. It will begin the transformation of Central Gateshead including the Town Centre, International Stadium and Baltic Business Park, extending the success of the Baltic Quays development (see Table 11.3 below).

11.4 Tyne Gateway

The central aim of this growth pole is to complete the renaissance of South Shields Riverside/Town Centre, and North Shields Riverside to provide mixed-use developments which create a vibrant, attractive urban experience at the mouth of the Tyne (see Table 11.4 below).

11.5 A19 Corridor

The A19 corridor has become a significant focus for strategic employment sites including Silverlink, Cobalt Business Park and Doxford Park. The objective is to develop further commercial and industrial sites to meet 21st century business needs and provide access to employment to many of the most deprived communities in Tyneside, Wearside, East Durham and South East Northumberland (see Table 11.5 below).

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44 *Note: data on planning permissions granted but still outstanding is also presented*

Table 11.1: Developments in Newcastle Discovery Quarter Growth Pole (April 2007-March 2008)

Type	Development type	Location	Developer	Size (m2)	Status
Retail/ leisure	Change of use of basement and ground floor offices to mixed restaurant/café use, installation of mezzanine level and alterations to Thornton Street elevation	Waterloo House, Thornton Street	Adderstone Property Trading Ltd	401	Approved Nov 2007 (started)
	Erection of 2 storey seating area with awning and wc extension to south elevation following demolition of existing wcs and kitchen	The Strawberry, 8 Strawberry Place	Scottish & Newcastle Pub Enterprises	278	Approved Nov 2007 (not started)
	Infilling of under-croft to form catering facility	Parsons Building, Rye Hill Campus, Scotswood Road	Newcastle College	220	Approved Jan 2008 (not started)
	Change of use from warehouse to motorbike showroom and alteration to elevations following demolition of part of building	Honda (UK) Cars	Land North of Penn Street	1,006	Approved Aug 2007 (not started)
Mixed-use	Change of use of part of 1st and 2nd floors from office accommodation to art studio	12-14 Blandford Square	Newcastle College	595	Completed Sept 2007
	Change of use of ground floor vacant retail unit to cosmetic surgery clinic	51 St James Boulevard	Nu Age Medical Group	204	Completed Sept 2007
Office	Change of use from rehearsal room to office at 1st floor	The Journal Tyne Theatre, 111-113 Westgate Road	Adderstone Group	250	Approved Nov 2007 (not started)
Housing	Conversion of warehouse into 2 houses and provision of 2 parking spaces	Rear of 211-213 Westgate Road. Land opposite 4 Swinburne Place	n/k	n/k	Completed
	Conversion of basement into 2 x 1 bed-roomed self contained flats	192-194 Westgate Road	n/k	n/k	Completed
	Conversion of 1st/2nd floors from ancillary storage to self-contained flat and erection of extension to rear of shop at ground floor	223 Westgate Road	n/k	n/k	Approved 2007. Completed (Retrospective Application)

Source: Planning Department Information (provided April 2008)

Table 11.2: Developments in Sunderland Arc Growth Pole (April 2007-March 2008)

Type	Development type	Location	Developer	Size (m2)	Status
Retail/ Leisure	Change of use from office to first floor bar / restaurant including live entertainment and second floor performing arts studio	1-2 John Street Sunderland	The Stage Door Theatre Restaurant	n/k	Approved April 2007
	Change of use of lower ground floor premises to A1 retail.	52 Frederick Street Sunderland	Mrs Suzanne Harris	n/k	Approved April 2007
	Change of use from offices to retail cycle shop (Use Class A1) at ground and basement levels.	1-2 John Street/215 - 217 High Street West Sunderland	Mr Peter Darke	n/k	Approved May 2007
	Change of use from A1 to A3	58 Fawcett Street Sunderland	Jiaan Xyong	n/k	Approved May 2007
	Change of use of ground floor to restaurant.	174-175 High Street West Sunderland	Mario Minchella Architects	n/k	Approved June 2007
	Change of use to A1, A2, A3, A4, B1 and D2.	Echo Building West Wear Street Sunderland	Glenrose Developments	n/k	Approved July 2007
	Change Of Use from B1 Business to A1 Shops and A3 Restaurants & Cafes to the basement and ground floor levels of the building.	Attey & Sons (Printers) 17 Norfolk Street Sunderland	Mr Chris Attey	n/k	Approved July 2007
	Creation of outdoor seating area to rear of public house (to be removed at night before closing time)	The Lambton Worm Victoria Buildings, Travel Lodge Low Row Sunderland	J D Wetherspoon Plc.	n/k	Approved July 2007
	Conversion of car show room into cafe	Former Vince Newton Garages Ltd. Sunderland	Mrs Joy Hunter	n/k	Approved July 2007
	Change of use to use class A3 on first floor.	9 Derwent Street Sunderland	Beth Teresa Bell	n/k	Approved Oct 2007
	Siting of an outdoor synthetic ice rink, skate change area and ticket office.	Rear Former Fire Station Dun Cow Street Sunderland	C D Alexander	n/k	Approved Nov 2007
	Change of use of property to retail comprising of use classes A1 and A3.	16 Norfolk Street Sunderland	Ms Rachael Duke	n/k	Approved Dec 2007
	Change of use to sport's cafe at ground floor (retrospective) and pool lounge at first floor .	Unit 1A 114 High Street West Sunderland	Brown and Co Investments	n/k	Approved Jan 2008
	Change of use to fitness / self-defence centre at ground floor and dance studio to first floor (RETROSPECTIVE).	Sunderland Pre-School Playgroup 45 Nile Street Sunderland	PJL Properties	n/k	Approved March 2008
	Alterations to basement to form restaurant with installation of ventilation grills to rear.	Refuge Buildings Saint Thomas Street/ West Sunniside Sunderland	V Ciliberti	n/k	Approved May 2007

Type	Development type	Location	Developer	Size (m2)	Status
	2/3 storey sports and social centre to provide 6 court sports hall, fitness suite, multi-purpose space, catering/social areas and retail outlet.	Wearmouth Hall Chester Road Sunderland	University Of Sunderland	n/k	Approved Jan 2008
	Change of use from shop/offices to licenced premises (cafe/bar). Alterations to existing building to include erection of railings to front, reinstatement and refurbishment	47 West Sunniside Sunderland	Mr Anthony Teasdale	n/k	Approved April 2007
Other	Temporary installation of light artwork	Land Adjoining Minster Of Saint Michael And All Angels High Street West Sunderland	Jessica Bell	n/k	Approved Nov 2007
	Temporary installation of light artwork to part form of the Sunderland Winter Festival	Town Park Green The Sunderland	Jessica Bell	n/k	Approved Dec 2007
	Two storey extension to rear and external alterations to frontage to enable change of use to cafe bar.	47 West Sunniside Sunderland	Mr S Maddison	n/k	Approved Jan 2008
	Temporary installation of an artwork entitled Fold-Up, a full-scale replica of the MacArdles Solicitors building at No.15 Norfolk Street	Sunniside Gardens Norfolk Street/West Sunniside Sunderland	Community and Cultural Directorate (Culture and Tourism)	n/k	Approved March 2008
Office	Change of use to taxi booking office.	Blue Arrow Private Hire Taxis 34 Silksworth Row Sunderland	Blue Arrow Taxi Co Ltd	n/k	Approved Dec 2007
	Change of use of first and second floors from residential to offices and installation of roof lights to front, side and rear.	15 Stockton Road Sunderland	Mr C R Norris	n/k	Approved Jan 2008
Mixed Use	Change of use to a facility for assessing and helping the disabled into employment	1-2 John Street Sunderland	Remploy Ltd	n/k	Approved Feb 2008
	Erection of new sixth form college.	Land To The East Saint Peters Gate 10 Charles Street Monkwearmouth Sunderland	City Of Sunderland Colleges	n/k	Approved June 2007
	Erection of a two-storey building to provide shop at ground floor with flat above. (Amended Description)	Site of 32 Silksworth Row Sunderland	P Thompson	n/k	Approved Dec 2007
	Redevelopment of land, including stopping up of highways, to provide 124 no. residential apartments, hotel , office development , retail/service/restaurant/bars/cafes	Land to the North of Silksworth Row East of Farringdon Row Sunderland	CTP Limited	n/k	Approved Feb 2008
Industrial	Change of use from B1 to B8(storage or distribution).	BT 16 3 A and B Central Way Pallion Industrial Estate Sunderland	Nico Rossi Ltd	n/k	Approved June 2007

Type	Development type	Location	Developer	Size (m2)	Status
	Change of use from basement to food and drink usage (A3).	Executive Dry Cleaners Basement 33 Frederick Street Sunderland	Mr A J Dunville	n/k	Approved Sept 2007
	Change of use from A1 retail to A2 bookmakers.	253 High Street West Sunderland	Messrs S, D and C Hodgson	n/k	Approved Feb 2008
	Erection of waste processing building.	Alex Smiles Ltd 45 Deptford Terrace Sunderland	Alex Smiles Ltd	n/k	Approved Nov 2007
	Change of use from Class B2 (General Industry) to Class B8 (Storage and Distribution).	Tynedale Meat Limited Woodbine Street Hendon Sunderland	Tynedale Meat Limited In Administration	n/k	Approved Nov 2007
Housing	Conversion of place of assembly (class D2) to residential to provide 6 apartments within main building and 1 apartment within coach house. Demolition of out-buildings	15 Grange Crescent Sunderland	Sunderland Property Development	n/k	Approved April 2007
	Conversion of existing bar/ restaurant to create 8 dwellings. Demolition of 2 existing extensions to rear and associated internal and external alterations.	Rajdhani 45 - 46 West Sunniside Sunderland	Mr and Mrs Griffiths	n/k	Approved May 2007
	Conversion to 11 self-contained apartments, including demolition of rear wall, erection of dormer windows and alterations to single storey extensions on North and South elevation	45-46 West Sunniside Sunderland SR1 1BA	Mr T Swift	n/k	Approved Nov 2007
	Demolition of existing buildings and construction of a five-storey apartment building (20 apartments) with ground floor A1 and A3 units around a piazza.	42-45 Nile Street Sunderland	Temple Securities Ltd	n/k	Approved April 2007
	Proposed demolition of existing garage and out buildings, erection of 5 apartment blocks to rear and one retail unit, with 3 flats above and 1 retail unit with town house above.	Thirkells Garage Adjacent 26A Stockton Road Sunderland	Mr Joe Bonallie	n/k	Approved April 2007
	Erection of up to 45 apartments and 6 commercial units (Amended)	8-12 Murton Street Sunderland	MMF UK Ltd	n/k	Approved June 2007
	Demolition of existing rear bunker buildings and construction of 3floor residential block containing 15 apartments, conversion of 2 existing flats into 4 apartments.	The Bunker 29 Stockton Road Sunderland	The Bunker	n/k	Approved July 2007
	Demolition of existing buildings and construction of a six-storey apartment building consisting of 23 apartments, with A1,A3,B1 and D1 commercial units at ground floor.	42-45 Nile Street Sunderland	Atlas Homes North East Ltd	n/k	Approved Sept 2007

Type	Development type	Location	Developer	Size (m2)	Status
	Development of the site for 58 apartments, 56 sheltered housing units (plus one house managers apartment) (C3) 5,237sq. m of office accommodation (B1) including ground floor restaurant	Benedict Building Saint Georges Way Sunderland	Vico Properties (Northern) Ltd	n/k	Approved Oct 2007
	Conversion to 11 self-contained apartments, including demolition of rear wall, erection of dormer windows and alterations to single-storey extensions on North and South elevation.	45-46 West Sunniside Sunderland	Mr T Swift	n/k	Approved Nov 2007
	Conversion of three apartments, split to create six apartments and the combination of two apartments to create a single unit. Net increase in apartments of two units from 37	Mowbray Park Apartments Borough Road Sunderland	Mr Brian Dakers	n/k	Approved May 2007

Source: Planning Department Information (provided April 2008)

Table 11.3: Developments in Central Gateshead Growth Pole (April 2007-March 2008)

Type	Development type	Location	Developer	Size (m2)	Status
Retail/ Leisure	Erection of substation.	North Eastern Co-Op Society Ltd, New Century House, Jackson Street, Gateshead	Reef Estates	Existing area: 6,967	Approved Aug 2007
	Conversion of former Co-op foodstore and post office to retail units and access to first floor of building and installation of new shop fronts.	North Eastern Co-Op Society Ltd, New Century House, Jackson Street, Gateshead	Reef Estates	Existing area: 4,027	Approved Sept 2007. Some units completed 07/08- [see below]
	Installation of new shop front with entrance ramp and roller shutters on front (north) elevation of shop; blocking up of existing roller shutter, installation of replacement of roller shutter and construction of external ramp with handrails	11 Jackson Street, Gateshead	Boots Group Plc	Existing area: 490	Approved March 2008
	Installation of new shop front/entrance on south elevation of building and installation of air conditioning unit.	Unit 9, Jackson Street, Gateshead	Select Retail	Existing are: 451	Approved Dec 2007
	Installation of new shop fronts/entrances and air conditioning	Units 7&8, Jackson Street, Gateshead	The Peacock Group	Existing are: 1,186	Approved July 2007
	Installation of new shop front. (Retrospective)	Unit 7, Jackson Street, Gateshead	The Peacock Group	Existing are: 222	Approved Feb 2008
	Installation of new shop front on front elevation of proposed betting office (amended 31/01/08).	Unit 2, New Century House, Jackson Street, Gateshead	Galacoral Group Ltd	Existing are: 124	Approved Feb 2008
	Upgrade of rear lane, including new traditional finishes installation of new lighting and erection of bin stores and gates overall height 2710mm.	Rear Of Gateshead Railway Club, Hudson Street, Gateshead	Adderstone Group	Existing area: 138	Approved Jan 2008
	Installation of canopy at rear of amusement arcade to provide smoking shelter.	Nickelodeon, 265-269 High Street, Gateshead	Nickelodeon	Existing area: 135	Approved Jan 2008
	Installation of new shop front including roller shutter. (Amended 3/1/2008) (Amended 15/1/2008)	313 High Street, Gateshead	Mr Mohammed Sherfak	Existing area: 77	Approved Jan 2008
Offices	Erection of 9-storey office development (Point Phase 2), involving alterations and modifications to previously approved scheme.	Land Adjacent To Ochre Yards & Railway Track, Gateshead	UK Land Estates (Partnership) Ltd	Existing area: 13,450 Proposed area: 9,867	Approved June 2007. not started

Type	Development type	Location	Developer	Size (m2)	Status
	Erection of 1 9-storey office building, 1 6-storey office building, 1 office or hotel building. Rebuilding of former Station Hotel for office or hotel use. Renovation of the former railway offices for office purposes and erection of a 2 storey building	The Point, Derelict land/buildings at Greenesfield Loco Shops, Gateshead	UK Land Estates (Partnership) Ltd	Existing area: 13,442 Site area: 1.21ha. New floor-space: 28,108	Started July 2007. Expected completion within 3 years.
	As Above	As Above	UK Land Estates (Partnership) Ltd	386 office. [Part of Above]	Point 5 completed. November 2007.
	Erection of 3 office blocks, all 5-storeys high. Including basement & surface parking & associated landscaping (reserved matters application pursuant to outline pp 1322/02, approved on 03.03.03 to provide a business park (use classes B1, B2 & ancillary use)	Baltic Business Park (Phases 01- plots A,B,C), Gateshead	Terrace Hill Baltic Ltd	Existing area: 7,583 Dev'pment area: 4,996 office. Site area: 0.76ha.	Started work October 2007. Started on two blocks - Open University and other speculative.
	Erection of part 3-storey/part 5 storey Design Centre for the North, comprising offices (SME units), conference rooms, restaurant/brassiere (central service support area), exhibition gallery (demonstration facilities), coffee bar, meeting rooms, design studio)	Baltic Business Park (Phase 01), Gateshead	Terrace Hill Baltic Ltd	Existing area: 5,281 Dev'pment area: 1,505 retail; 5,045 office. Site area: 0.64	Approved Jan 2006. not started
	Erection of new porch with revolving doors and canopy at front of office block, installation of new fire and access doors at rear and installation of roof top plant.	Tyne Bridge Tower, Church Street, Gateshead	UK Land Estates	Existing area: 1,226	Approved Feb 2008
	Installation of entrance door to replace existing window on northern elevation to allow additional egress route.	Job Centre Plus, Shildon House, High Street, Gateshead	Landsecurities Trillium	Existing area: 1,079	Approved Oct 2007
	Erection of hotel/office block on land to east of former Kelvin Works site.	Baltic Place South Shore Road Gateshead Tyne and Wear	City & Northern Projects Ltd	Existing area: 854. New Comm/Ind floor-space 4,500. Proposed area: 900	Construction started on two office blocks. But not on hotel. Expected to be complete Summer 2008
	Conversion of visitor centre to heritage centre inc erection of single storey extension on north side, demolition of external fuel tank and enclosure, landscaping & alteration to car park	Gateshead Visitor Centre, St Mary's Church, Church St, Gateshead	Gateshead Council	Existing area: 750. Proposed area: 550	Work started October 2007 expected to last until July 2008.

Type	Development type	Location	Developer	Size (m2)	Status
	Installation of new fire escape ladder and handrail on existing flat roof at rear of bank.	Barclays Bank Plc, 215 High Street, Gateshead	Barclays Bank Plc	Existing area: 387	Approved Dec 2007
Mixed Use	Erection of three-four storey college building for Gateshead College (use class D1) with associated surface car park to rear (reserved matters application pursuant to outline planning permission 1322/02) Approved 3 March 2003 to provide a business park	Plot 2C Baltic Business ParkSite Bounded By Hawks Road, Quarryfield, Road, Coulthards Lane	Terrace Hill Baltic Ltd	Existing area: 13,358	Completed Jan 2008
	Erection of six-storey (above basement level) development comprising cafe/bar (use class A3), office accommodation (use class B1) and 16 flats (use class C3) with associated parking (Description of development amended 03.12.2004)	Vacant Building Adjacent To Wine Warehouse 21 Mill Road Gateshead (Ikon Properties c/o PA Brown & Co)	Ikon Properties Ltd.	Existing area: 841 Dev'pment area: 505 retail; 1,970 office	Approved Dec 2005. not started
Industrial	Installation of new filtration/abatement plant adjacent to 2 bay of the foundry.	Davy Roll Co Ltd, Close Works, Coulthards Lane, Saltmeadows, Gateshead	Mr B Hambleton	Existing area: 35,311 Dev'pment area: Ind 70 Site area: 0.007ha	Due for completion September 2007
	Erection of 11 single-storey industrial units in 2 blocks	Land west of junction of Neilson Rd/Saltmeadows Rd	Mildell Ltd	Existing area: 12,537 Dev'pment area: 3,370	Not commenced due to land ownership issues.
	Erection of extensions on north and south sides of industrial unit inc laying out of additional car parking.	Fendorhansen, Heworth House, William St, Felling, Gateshead	Mr. D Burn	Existing area: 8,803 Site area: 7,500. New floorspace 2,360	Approved Feb 2007. not started
	Siting of prefabricated office building and storage unit to north of workshop and installation of dust extractor on north elevation.	W McGovern & Co Ltd, Nest Rd, Felling, Gateshead	W McGovern & Co Ltd	Existing area: 7,078 Dev'pment area: 28 office 22 storage Site area: 0.71ha	Approved Feb 2007. not started
	Erection of extension on south side of existing waste recycling plant and erection of building to east of plant to provide new storage bays for waste recycled products (revised application amended plans received 11 July 2007)	AIM Services, Filtair Premises, Stoneygate Lane, Felling, Gateshead	Aim To Recycle	Existing area: 1,500	Approved July 2007. not started

Type	Development type	Location	Developer	Size (m2)	Status
	Conversion of reception area into additional workshop including installation of roller shutters to south elevation.	Great North Tyres, Transport House, Coulthards Lane, Saltmeadows, Gateshead	Mr H Adey	Existing area: 1,008	Approved April 2007
	Erection of light industrial unit (use class B1) with associated parking.	Land Adjacent To, Senate Electrical, South Shore Road, Gateshead	Century Signs	Existing area: 632. Proposed area: 600	Approved Jan 2008
	Erection of smoking shelter.	International Paints, Stoneygate Lane, Felling, Gateshead	Mr G Arkley	Existing area: 21	Approved June 2007
Housing	Erection of 83 terraced dwelling houses (use class C3) with associated communal garden and public play space (phases 2 and 3 of previously approved planning permission DC/06/02032/OUT) and erection of two-storey apartment in re-aligned position to that app	Acacia Road, Old Fold, Gateshead	LiveSmart (Part of Home Ltd)	Existing area: 24,604. Proposed area: 25,604	Work started Nov 2007
	Erection of 4 - 5 storey block of flats with associated car parking (revision of previously approved permission for Block 6 Ref DC/04/00846/FUL to include an additional 4 units with associated parking).	Block 6, Former Greenesfield Railway Works, Gateshead	Bellway Homes (NE)	Existing area: 3,895	Completed Feb 2008
	Erection of 3-storey blocks of flats with associated car parking (part revision of previously approved permission 103/01 to include an additional 4 units with associated parking).	Block 4, Former Engineering Depot, Greenesfield Loco Shops, Gateshead	Bellway Homes Ltd	Existing area: 593	Work started Oct 2007
	Re-positioning of plots 194 and 195 (previously approved under DC/06/00591/FUL)	Plots 194 and 195, Land North Of Sunderland Road, Gateshead	McInerney Homes Ltd - Mr Steve Cuthbertson	Existing area: 366	Approved Oct 2007
	Conversion of first and second floor offices to 6 flats (Class use C3).	1-3 Grahamsley Street, Gateshead	Mr J Hakim	Existing area: 357	Approved Aug 2007
	Residential	St James Village	Persimmon	Total site area: 21.10ha.	Completed (23) 2007/08
	Residential	Ochre-Yards	Bellway	Total site area: 4.94ha.	Completed (87) 2007/08

Source: Planning Department Information (provided April 2008)

Table 11.4: Developments in Tyne Gateway Growth Pole (Jan 2007-Dec 2007)

Type	Development type	Location	Developer	Size (ha)	Status
Office	30/31 & 32 Long Row	South Shields	n/k	5,690	Under construction
	1-20 Waverley	Market Dock, South Shields	n/k	2,118	Completed July 2007
Industrial Units	1, 2 Garwood Street	South Shields	n/k	1,587	Completed March 2008
	Plot D Portberry Street	South Shields	n/k	0.07 ha	Under construction
Housing	Frost Mews (60 dwellings)	Victoria Road, South Shields	n/k	1.13 ha	Completed 2006/07 (32 dwellings)
	Claypit Court (49 dwellings) [Go Coastline Bus Depot]	Lady's Walk, South Shields	n/k	0.94 ha	Completed 07 (30 dwellings) 18 Under construction 1Not started

Source: Planning Department Information (provided April 2008)

Table 11.5: Developments in the A19 Corridor Growth Pole (Jan 2007-Dec 2007)

Type	Development type	Location	Developer	Size (m2)	Status
Industrial Units	7, 8 Bensham Street	Boldon Colliery	n/k	9,040	Under construction (commenced Aug 2007)
	3-10 Waldridge Way	Simonside Industrial Estate, South Shields	n/k	692	Completed Oct 2007 (commenced Nov 2006)
Housing	Priory Court (164 dwellings)	North Street/ Ormond Street, Jarrow	n/k	3.6 ha	Completed 2006/07 (59 dwellings) Completed 2007 (59) Under construction (7) not started (16)
	Boldon Comprehensive (90 dwellings)	Boldon Colliery	n/k	2.57 ha	Completed 2007 (2 dwellings) Under construction (29) not started (59)
	The Sycamores (Dunelm House) (29 dwellings)	Henley Way, Boldon Colliery	n/k	0.5 ha	Under construction (29 dwellings)
	147A Bede Burn Road (4 dwellings)	Jarrow	n/k	0.17 ha	Completed pre 2004 (2 dwellings) not started (2)
	Chillingham Arms (8 dwellings)	Chillingham Terrace, Jarrow	n/k	0.16 ha	Completed 2006/07 (8 dwellings)
	Former Steve Watson Coachworks (10 dwellings)	Boldon Colliery	n/k	0.15 ha	not started (10 dwellings)
	Land west of Greenbank (4 dwellings)	Napier Street, Jarrow	n/k	n/k	not started (4 dwellings)
	7 Albert Edward Terrace (2 dwellings)		n/k	n/k	not started (2 dwellings)

Source: Planning Department Information (provided April 2008)

INDICATOR 12: CREATIVE AND DIGITAL INDUSTRIES

One of the key themes of the TWES is to **capitalise on creativity and culture**. This includes building an innovative business base, focusing on a number of key sectors and clusters. Two sectors which have been identified as having significance and potential for productivity growth include the creative industries and the digital & telecommunications sector.

Caution: Obtaining sub-regional level data on the scale of creative and digital industries is problematic due to the small-scale nature (in some cases) of the firms involved and the fact that sole traders and micro-businesses are often not VAT-registered. For consistency, the definition of digital industries used here is the same as that adopted in the 2004 baseline report: see Appendix 1 for a full list of 4-digit SIC codes.

12.1 Creative Industries

The creative industries are defined by the Department for Culture, Media & Sport (DCMS) as those that are based on individual creativity, skill and talent and which have the potential to create wealth and jobs through generating and developing intellectual property[45]. The creative sector (as defined by DCMS) includes 13 main groups[46]:

- Advertising
- Architecture
- Art and antiques markets
- Computer and video games
- Crafts
- Design
- Designer fashion
- Film and video
- Music
- Performing Arts
- Publishing
- Television and radio
- Software

The DCMS Evidence Toolkit (DET)[47] provides information on defining data on the broader cultural sector. Although it provides a definition of 'creative industries' and appropriate Standard Industrial Classification (SIC) codes to access data, it uses the more detailed 5-digit SIC (2003) codes. Estimates of the total number of employees in the creative industries from 2003-2006 can be obtained from the Office of National Statistic's Annual Business Inquiry Employee Analysis (ABI/1) but only at a 4-digit level (see below).

The number of employees in the 'creative industries' in Tyne & Wear in 2006[48] was 11,100, 59% of the North East total (18,800) (Table 12.1). SIC codes with a large number of employees in Tyne & Wear included 'Printing not elsewhere classified' (2,400, 22% of the Tyne & Wear 'creative' total), 'Advertising' (1,200, 11% of the Tyne & Wear 'creative' total) and 'Retail Sale of Books, Newspapers and Stationery' (1,100, 10% of the Tyne & Wear 'creative' total).

Table 12.1: Employment in Creative Industries, 2003-2006

	2003	2004	2005	2006	2003-2006
Tyne & Wear	11,200	11,400	10,600	11,100	-100
		2.1%	-7.1%	5.0%	-0.5%
North East	19,100	19,300	18,200	18,800	-200
		1.2%	-5.7%	3.4%	-1.3%

Source: ABI on NOMIS web

45 *Source: http://www.culture.gov.uk/about_us/creativeindustries/ (April 2008)*

46 *Source: http://www.culture.gov.uk/what_we_do/Creative_industries/ (April 2008)*

47 *DCMS Evidence Toolkit (DET) August 2004, Source: http://www.culture.gov.uk/NR/rdonlyres/4B026ACA-025C-4C2F-A86E-4A96E406180E/0/DETTechnicalReportv1August2004.pdf (April 2008)*

48 *Caution: ABI data for 2006 are provisional.*

Since 2003, employment in the creative industries in Tyne & Wear has fallen -1% (-100) from 11,200 in 2003. This was just under half the rate of decline in the North East, where employment fell -2% (-300) from 19,100. Tyne & Wear employment in creative industries remained at 59% of the North East total throughout 2003-2007, with only a very slight fluctuation to 58% in 2005.

Employment in the creative industries in Tyne & Wear in 2003-2006 appears to have dipped in 2005, falling -7% in Tyne & Wear and -6% in the North East in 2004/05. It subsequently rose 5% in Tyne & Wear and 3% in the North East [TWRI suggests that some of the fall to 2005 may be under-estimates, which have been corrected in 2006].

Employment in Tyne & Wear fell in 2003-2006 in 'Printing not elsewhere classified', 'Advertising' and 'Retail Sale of Books, Newspapers and Stationery' (the three largest industries in 2006). This was most evident in 'Retail Sale of Books, Newspapers and Stationery', where employment fell -14% from 1,300 in 2003. The falls in the remaining two industries were smaller, down -2% in 'Advertising' (from 1,200 in 2003) and -1% in 'Printing nec' (from 2,400).

The number of employees involved in creative industries in Tyne & Wear in 2006 using DCMS (alternative) definition was 31,100 out of a North East total of 57,400. Employment in Tyne & Wear rose 21% over 2003-2006, faster than the 13% rise in the North East. In 2003, the number of employees involved in creative industries had been 25,800 in Tyne & Wear and 50,700 in the North East. In the 'Creative Industries Economic Estimates Statistical Bulletin' (October 2005), DCMS includes a list for mapping creative industries to official data classifications (using 2- and 3-digit SIC codes) (see Appendix 2 for the list of creative industry sectors and corresponding SIC codes used in this definition).

The research available on the nature and scale of creative industries at a sub-regional level is limited, but is more widely available at a regional level. Major pieces of research produced over the period 2003-2007 are included below:

- 'Culture Cluster Mapping and Analysis Study' (2003, conducted by CURDS on behalf of ONE)
- 'Cultural and Creative Industries in the North East, Labour Market Skills and Information Mapping' (2005, Bowman Solutions for the Northern Cultural Skills Partnership)
- 'Creative and Cultural Industries in the North East, Labour Market Statistics' (2005, addendum to above report by Bowman Solutions)
- 'State of the English Cities' (2006, Office of the Deputy Prime Minister)
- 'Creative & Cultural Sector Study –Bridging Newcastle Gateshead' (2007, ABRA) Outlines clear and tangible ways to explore housing and cultural links to increase economic prosperity. Considers the needs and possible impacts of attracting creative sector practitioners to the region in general and BNG neighborhoods in particular. It tests the thesis that the CCS would act as catalysts for regeneration and help create sustainable communities. The results highlight links between housing, the creative sector and economic growth. It will assist BNG and partners to develop a robust evidence base and establish a clear picture of the housing needs of the creative sector.
- 'Commercial Creative Industries Sector' (2007, NMP) The regional Culture and Creative sector is large and complex. It employs around 35,000 and contributes £1.167bn. Much of the sector remains young and emergent although evidence now exists for critical mass. There is increasing evidence of a 'brain gain' to the region, which can be attributed to the region providing an attractive location for creative entrepreneurs/professionals and opportunities for high skilled jobs, graduate retention, exporting activity and regional image.
- 'Public Space Vitality in the North East' (2007, Tim Townsend et al, Global Urban Research Unit, Newcastle University) Research exploring the use of public spaces in the North East and the factors which contribute to dynamic and vibrant public spaces. Considers how the public sector, with private sector leverage, can act as a catalyst for, or support, a broader range of public experience and interaction. Highlights causal links between cultural activity and economic vitality. Makes recommendations for the creation and maintenance of appealing, culturally vibrant and economically

sustainable public spaces, whose regulation promotes public value through culture. Draws on a variety of case studies, including Old Eldon Square and Grey's Monument, Newcastle.

In 2003, Culture[10] was launched in the North East. It emerged from the NewcastleGateshead bid for European Capital of Culture and involves a programme of cultural events and festivals across the North East[49]. Information from the Regional Skills Partnership[50] indicates that it will involve £140m of investment centred on high-profile cultural events, expected to generate £1.2bn and create 24,000 jobs by 2010[51] (This figure does not include capital developments outside of NewcastleGateshead, or investment through Renaissance in the Regions and the North East Museums Hub). Growth in the tourism sector is forecast at 9% to 2010. Growth in the creative and cultural sector is expected to match and possibly exceed this figure.

In 2006, figures from Arts & Business revealed that the total amount of private support for the arts in the North East had risen over 50% on the previous year to over £11m. The top ten recipients in 2004/05 had included: Bruvvers Theatre Company (Ouseburn Valley), Live Theatre, Tyneside Cinema and the Theatre Royal.

Also in 2006, Newcastle was announced as the new arts capital of the UK according to research by Dr. Geoff Ellis, commission by 'Artsworld' (the arts channel on Sky). Of the 14 leading cities included in the research, Newcastle scored highly on a number of criteria, including: the highest saturation of arts students, the second highest number of theatres per capita (behind Edinburgh) and the third highest number of arts organisations and drama schools per head of population. In 2007, Newcastle was also rated as 11th on an index of the top 20 creative towns in the UK ('The Sharpie Index', The Future Laboratory).

Major projects aimed at helping improve economic, social and cultural development within Newcastle during 2003-2007 have included:

- The award-winning Performance Academy at Newcastle College was completed in 2004, providing world-class facilities for over 1,000 students of music, performing arts and media.
- A pioneering £7.6m centre for dance, Dance City, opened in 2005.
- Work is continuing on transforming the Hancock Museum as part of the £26m Great North Museum project. Work began in 2006 and includes demolishing the back extension of the museum, which will be replaced by a new wing that will house a special exhibitions space. It is due to open as a flagship visitor attraction in 2009. [Kier Northern have been secured by Newcastle University to carry out the refurbishment of the Hancock Museum. The project is due to be completed in May 2008, when the fit-out of the new galleries is scheduled to begin]
- Northern Stage reopened in 2006 following a £9.5m refurbishment of the former Newcastle Playhouse and Gulbenkian theatres. The new building has three performance spaces – including the largest single stage in the North East.
- A £7m expansion of the Theatre Royal in Newcastle was completed in 2007. It was the largest in the Theatre's history and includes a new wing with a learning centre for schools, box office, bistro and conference space.
- The Tyneside Cinema was closed for renovation until 2008 and has been temporarily located at Gateshead's Old Town Hall. The £6.5m project includes an extension to the building and the addition of a third screen, due to be complete for the Cinema's return to Newcastle in May.
- The former Tyne Brewery was demolished in spring 2008 to make way for the new science park. The development marks a major milestone in the Newcastle Science City project which aims to create 20,000 science-based jobs and 250 businesses by 2015. The £500m scheme for the Brewery site includes building a centre of scientific excellence with facilities for research, business and education as well as offices, housing, shops and restaurants.

49 *Source: www.newcastle.gateshead.com*
50 *Source: www.skillsnortheast.co.uk*
51 *This appears to imply 42% growth if using the base on the DCMS alternative definition, or up to nearly 128% on the DET definition.*

In Sunderland, major development included the completion of the new £20m Aquatic Centre next to the Stadium of Light. It includes a ten-lane 50m pool (the first Olympic-sized pool in the North East), a 25m diving pool and seats for 500 spectators. It opened in April 2008.

12.2 Digital Industries

In 2006[52], the number of employees engaged in digital industries in Tyne & Wear was 14,400 out of a regional total of 24,700 (Table 12.2). Thus 58% of all North East employees in the sector were located in Tyne & Wear. SIC codes with large numbers of employees in Tyne & Wear included;

- 'Telecommunications' (4,900, 34% of the Tyne & Wear total) and
- 'Other Software Consultancy and Supply' (4,700, 33% of the Tyne & Wear total).

Table 12.2: Employment in Digital Industries, 2003-2006

	2003	2004	2005	2006	2003-2006
Tyne & Wear	15,100	14,700	16,600	14,400	-600
		-2.3%	12.9%	-13.2%	-4.2%
North East	28,800	23,400	28,300	24,700	-4200
		-18.9%	21.0%	-12.8%	-14.4%

Source: ABI on NOMIS web

In 2003-2006, the number of those employed in digital industries in Tyne & Wear fell -5% (-700) from 15,100 in 2003. This was just one-third the rate of decline in the North East, where employment in digital industries fell -14% (-4,100) from 28,800 in 2003.

- The largest fall in Tyne & Wear was in 'Telecoms', where employment fell by almost one-third (-2,100, -30%) from 7,000 in 2003 (46% of the Tyne & Wear total).
- Employment *rose* significantly in 'Other Software' (up 1,600, 52%) from 3,100 in 2003.

Employment in digital industries in Tyne & Wear over the period 2003-2006 appears to have peaked in 2005; employment in 2004/05 reportedly grew substantially in Tyne & Wear (13%) and the North East (21%) but subsequently fell -13% in both areas in 2005/06 [TWRI suspects that the large rises in digital employment reported in the previous AMR may have been due in large part to an over-estimate of employment within ONS' ABI which has been revised in 2006].

Over the monitoring period 2003-2007, major research was produced by 'Codeworks'[53] the Regional Centre of Excellence for digital industry in the North East. This included a map showing 'digital hotspots' in the North East (Fig 12.1 next page).

This shows that more than two-thirds (69%) of the 16 digital 'hotspots' in the North East are located in Tyne & Wear. Those of particular significance include those with between 25 and 124 digital firms per ward[54] which in Tyne & Wear includes:

- Whitley Bay, North Tyneside
- Rekendyke, South Tyneside
- Sandyford, Byker and West City, Newcastle

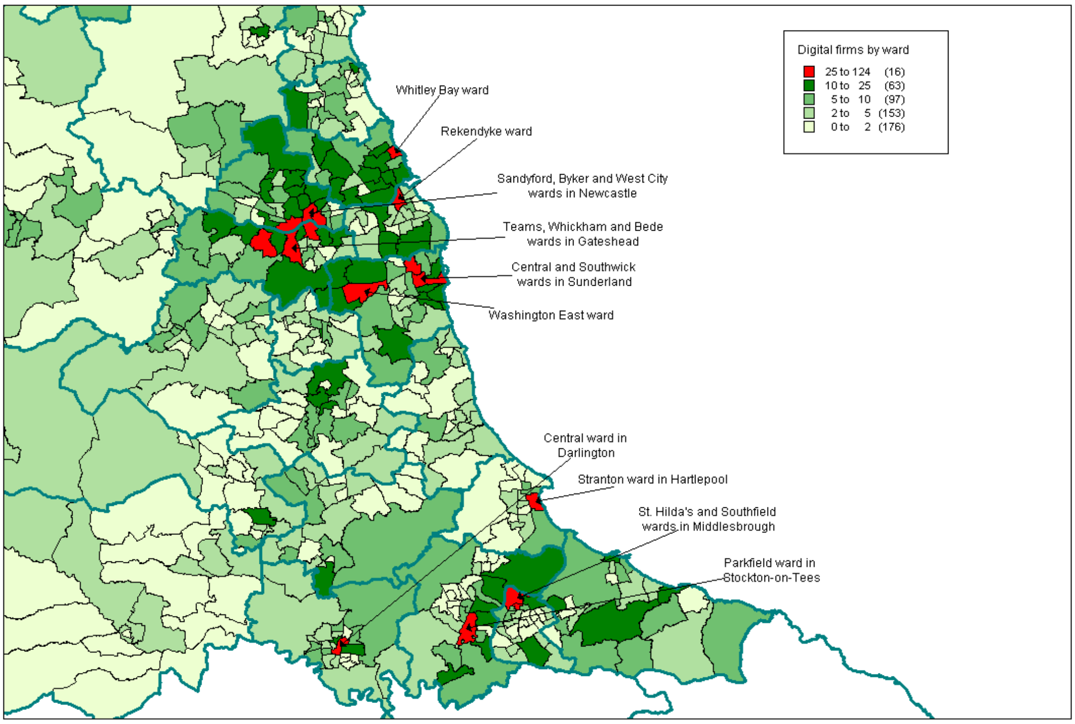
[52] *Caution: ABI data for 2006 are provisional.*

[53] *'Codeworks Connect' is the trade association for digital media and technology industries in the region including software, web design and games development. Established in 2004, it has over 287 members, a large proportion of which are located in Tyne & Wear (April 2008).*

[54] *Caution: As Tyne & Wear wards have much bigger populations (c. 10,000) than in Tees Valley (c. 5,000) and elsewhere, this definition tends to flatter Tyne & Wear. These are wards as at Census 2001.*

- Teams, Whickham and Bede, Gateshead
- Central and Southwick, Sunderland
- Washington East, Sunderland

Figure 12.1: North East Digital Firm Stock



Source: Codeworks/Trends Business Research (2004/05)

The results of the UK Innovation Survey 2005 were released in 2006, covering the period 2002-2004. This found that 57% of enterprises in the UK were active in developing or implementing innovations. Likewise, in the North East, the proportion of innovation-active businesses was also found to be 57%.

In March 2007, Sunderland was announced as the winner of Communities and Local Government’s ‘Digital Challenge’ competition, receiving £3m to deliver plans for a digitally enabled community that would benefit some of the most vulnerable and socially excluded people in the area. As the winner of the competition, Sunderland is now recognised as an example of how ICT technologies can be used to tackle social exclusion. The proposals include Community e-Champions, helping children at risk and under-achieving at Key Stage 3 and an e-mentoring scheme working for children and young people.

INDICATOR 13: WORKLESSNESS

Economic inclusion is a core value of the TWES. This includes raising the aspirations of young and excluded groups for learning and work and developing new programmes which address barriers to participation and support re-entry to the labour market.

Worklessness is defined [widely] by the Social Exclusion Unit[55] as 'people who are unemployed and people who are economically inactive'. Worklessness therefore describes detachment from the formal labour market. Defining and measuring worklessness is a problematic process, with a number of caveats which need to be considered (see Appendix 3).

There is limited existing research on worklessness at a sub-regional level[56]. Data on workless households, those claiming Incapacity Benefit, those who are economically inactive and benefits claimants have been used to provide an indication of worklessness in Tyne & Wear.

13.1 Workless Households[57]

In 2007, the proportion of workless households in the North East (19.4%) was 3.4pp higher than the average in England (16.0%) (Table 13.1). In 2003, the proportion of workless households in the North East (22.5%) had been 6.7pp higher than the average in England (15.8%), meaning the gap between the two areas has *almost halved*.

Table 13.1: Working-age households by combined economic activity status of households (%) 1997-2007

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2003-2007 (pp)
North East												
Working households	48.0	..	49.3	..	49.9	50.6	51.7	52.9	52.8	54.3	54.1	2.4
Households containing both working and workless members	28.9	..	26.2	..	26.1	26.6	25.7	24.2	25.0	26.3	26.5	0.8
Workless households	23.1	..	24.6	..	24.0	22.8	22.5	22.9	22.2	19.4	19.4	-3.1
England												
Working households	55.9	..	57.5	..	58.7	58.6	58.5	58.6	58.7	58.4	58.2	-0.3
Households containing both working and workless members	26.6	..	26.0	..	25.3	25.4	25.7	25.8	25.3	26.1	25.8	0.1
Workless households	17.4	..	16.5	..	16.0	16.0	15.8	15.6	16.0	15.5	16.0	0.2

Figures are given for the Calendar quarter April-June, rather than the Spring quarter Mar-May given in previous reports, which has been discontinued.

Figures have not been adjusted to include estimates for households with unknown economic activity. Percentages are based on households with known economic activity status.

.. Comparable estimates for 1998 and 2000 are not currently available.

Source: LFS Household datasets

55 *ODPM Report 'Jobs and Enterprise in Deprived Areas' (September 2004, p.7)*

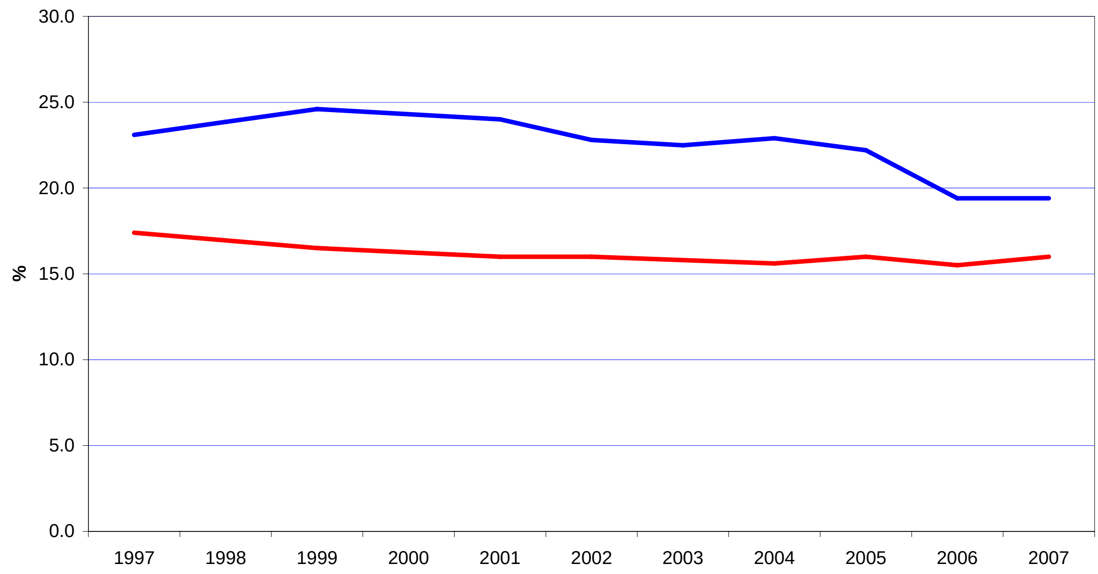
56 *For an overview of* worklessness *in the North East see the ERS Report (in conjunction with Northumbria University and Durham University Business School for ONE 'Effective Interventions to Tackle Worklessness-Review of Evidence' (September 2005).*

57 *A 'workless household' is a household that includes at least one person of working age where no-one aged 16 or over is in employment. A 'working-age household' is a household that includes at least one person of working age, that is a woman aged 16-59 or a man aged 16-64. A 'working household' is a working-age household where all members aged 16 or over are in employment.*

Over the five years 2003-2007, the proportion of workless households *averaged* 21.3%, a large 5.5pp more than that in England (15.8%). However, since 2003, the level of workless households fell -3.1pp in the North East but *rose* [marginally] in England (0.2pp) (Fig 13.1).

More recently, in 2006-2007, the level of workless households in the North East remained at 19.4%, but rose 0.5pp in England from 15.5% in 2006.

Fig 13.1: Workless Households in the North East and England, 1997-2007



Source: ONS LFS Household Datasets

Box 13.1 Worklessness down yet Unemployment Up

Worklessness has fallen significantly since 2003, on three measures; the LFS Household datasets (above), and by about 10,000 in both Inactivity (below) and in the numbers on Incapacity Benefit (IB). Earlier sections show that employment of residents has risen by around 13,000. But the estimate of unemployment has risen by about 6,000. If these estimates are accurate, the substantial fall in numbers on IB is associated with a rise in unemployment. This *suggests* a significant movement from IB into looking for work (measured as 'unemployment'). The process could be via higher outflows from IB, but may well be due to *much lower in-flows to IB.*

13.2 Economic Inactivity

Economic inactivity as a proportion of the total population of working age (PWA) in Tyne & Wear was 24.6% in 2006-2007, 3.2pp higher than the proportion in England (21.4%) for the same year (Table 13.2). Since 2002-2003, economic inactivity rates in Tyne & Wear have fallen ['improved'] -1.5pp [or roughly -10,000], compared to a rise in England (up 0.4pp). In 2002-2003, the economic inactivity rates in Tyne & Wear had been 5.1pp higher than the national average (21.0%).

Table 13.2: Economic Inactivity Rates by Gender, 1996-2007

	1996-97	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Tyne & Wear											
% of all PWA	27.8	27.0	28.1	27.2	26.6	26.1	26.1	26.3	26.1	25.3	24.6
% of male PWA	21.8	20.7	23.0	22.3	22.2	23.8	23.0	22.7	23.6	21.6	20.7
% of female PWA	34.2	33.7	33.6	32.5	31.3	28.6	29.3	30.1	28.7	29.0	28.8
England											
% of all PWA	21.0	21.1	20.7	20.6	20.8	21.0	21.0	21.1	21.2	21.5	21.4
% of male PWA	14.6	14.9	14.7	14.8	15.3	15.5	15.6	15.8	16.1	16.5	16.5
% of female PWA	27.8	27.7	27.0	26.7	26.6	26.8	26.7	26.7	26.6	26.9	26.7

Data from June 1996-May 2005 taken from the Labour Force Survey
Data for July 2005-June 2007 taken from the Annual Population Survey

Source: LFS/APS on NOMIS web

Male economic inactivity in Tyne & Wear fell in the four years 2002/03-2006/07 by -2.3pp (over twice as fast as England, down -0.9pp). Women's economic inactivity fell -0.5pp (compared and 0pp in England).
In 2006-2007, the gap between the male economic inactivity rate in Tyne & Wear and England was 4.2pp, double the difference for women (2.1pp).

In Tyne & Wear in 2006-2007, 29.5% of those of working age who are economically inactive 'want a job' compared to 70.5% who 'do not want a job'. The proportion of those of working age who are economically inactive and 'who want a job but are not looking' are broken down into five categories; discouraged workers (n/a), long-term sick (10.0%), looking after a family or home (8.1%), students (3.8%) and other (5.2%) [Percentages are of people of working age].

13.3 Incapacity Benefit Claimants

Incapacity Benefit (IB) is paid to people who have been incapable of work due to sickness or disability for at least four days in a row and who have paid sufficient contributions through their working lives[58]. Examining claimants of this benefit in isolation, rather than in combination with others (e.g. Severe Disablement Allowance[59]) provides a better indication of those experiencing worklessness (in both the long and short-term) and who have (in theory) greater potential of re-entering the labour market[60].

The number of Incapacity Benefit claimants in Tyne & Wear fell -14.6% (-10,500) from 72,000 in 2003 to 61,500 in 2007. This was much faster than in 1998-2003, when the number of claimants in Tyne & Wear fell -1.5%. The number of claimants in England also fell during 2003-2007, down -2.4% from 1,905,400, but this failed to reverse the 4.8% rise in the earlier period (Table 13.3).

58 *Definition of working-age benefits from NOMISweb.*

59 *IB and SDA claimants are reported together by TWRI in their publication 'Unemployment Monthly' published each month.*

60 *Than when compared to those claiming SDA, for example, which is paid to those unable to work for 28 weeks in a row or more as a result of illness or disability.*

Table 13.3: Incapacity Benefit Claimants by gender, 1997-2007

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Tyne & Wear										
IB	73,100	72,000	70,500	72,500	73,500	72,000	69,600	67,200	63,600	61,500
PWA	670,855	667,634	664,764	666,105	667,719	670,396	675,504	686,873	683,000	
% of PWA	10.9%	10.8%	10.6%	10.9%	11.0%	10.7%	10.3%	9.8%	9.3%	
IB	48,900	47,200	45,600	46,100	46,300	44,600	43,000	40,800	38,900	37,500
Males PWA	347,191	344,722	342,743	342,863	343,456	344,396	346,970	353,051	353,100	
% of Males	14.1%	13.7%	13.3%	13.4%	13.5%	13.0%	12.4%	11.6%	11.0%	
IB	24,100	24,800	24,900	26,400	27,300	27,500	26,500	26,300	24,800	24,000
Female PWA	323,664	322,912	322,021	323,242	324,263	326,000	328,534	333,822	329,900	
% of Female	7.4%	7.7%	7.7%	8.2%	8.4%	8.4%	8.1%	7.9%	7.5%	
England										
IB	1,818,600	1,792,400	1,783,000	1,839,400	1,874,000	1,905,400	1,919,100	1,897,100	1,870,600	1,860,600
PWA	29,868,125	30,043,776	30,242,733	30,486,676	30,682,635	30,862,239	31,059,100	31,330,300	31,626,300	
% of PWA	6.1%	6.0%	5.9%	6.0%	6.1%	6.2%	6.2%	6.1%	5.9%	
IB	1,193,200	1,159,000	1,133,300	1,160,500	1,169,900	1,176,500	1,172,500	1,147,500	1,124,500	1,111,300
Males PWA	15,461,817	15,557,835	15,661,277	15,793,054	15,899,464	16,003,134	16,122,600	16,282,800	16,474,900	
% of Males	7.7%	7.4%	7.2%	7.3%	7.4%	7.4%	7.3%	7.0%	6.8%	
IB	625,300	633,400	649,700	678,900	704,100	728,900	746,600	749,600	746,100	749,300
Female PWA	14,406,308	14,485,941	14,581,506	14,693,622	14,783,171	14,859,105	14,936,500	15,047,500	15,151,400	
% of Female	4.3%	4.4%	4.5%	4.6%	4.8%	4.9%	5.0%	5.0%	4.9%	

Benefits claimant counts are rounded to the nearest 100 and are subject to sampling variability. Data relate to a single point in time and provide a snapshot of claims at that point. Data are not seasonally adjusted.

Benefit claimants are taken from the Benefit Payments 5% data for Incapacity Benefit/Severe Disablement Allowance. Although in general IB applies to people of working age, a small number of female claimants are aged over 59 and some male claimants are over 64. Data includes all durations and all family types. IB claimant count rates are expressed as a proportion of the resident population of working age (females 16-59, males 16-64).

All Incapacity Benefits data in this table are for May, not August as used in previous reports. The release of August data by the Department of Work & Pensions was delayed pending a review of data transfer methods.

PWA figures are derived from ONS mid-year estimates for single year age groups.

Source: Department for Work and Pensions on NOMISweb and ONS Population Estimates Unit

In 2006, the Incapacity Benefit 'rate'[61] (as a percentage of the population of working-age) in Tyne & Wear was 9.3%, down 1.4pp from 10.7% in 2003. This was five times as fast as the fall in England, where the Incapacity Benefit rate fell just 0.3pp from 6.2%, However, despite the faster fall in Tyne & Wear, the claimant rate in Tyne & Wear in 2006 was 3.4pp higher than England (5.9%).

In Tyne & Wear, the number of male Incapacity Benefit claimants fell -15.9% from 44,600 in 2003 to 37,500 in 2006. This was a one-quarter faster fall than the fall in the number of female claimants in Tyne & Wear, which was down 12.7% from 27,500 in 2003 to 24,000 in 2006.

Likewise, in 2003-2006, the male Incapacity Benefit *rat*[62]*e* fell -2.0pp, more than double the -0.9pp fall in the female Incapacity Benefit rate. Despite the faster fall, the male Incapacity Benefit rate in 2006 (11.0%) remains 3.5pp higher than the female rate (7.5%).

[61] *As a percentage of the population of working-age.*
[62] *As % of PWA (the Population of Working Age).*

APPENDICES

APPENDIX 1: CLUSTER GROUPS BY 4-DIGIT SIC CODES
(As defined by TRENDS Business Research)

Digital

SIC Code

3002	Manufacturer of computers
3162	Manufacture of other electrical equipment not elsewhere classified[63]
3210	Manufacture of electronic valves and tubes and other electronic components
3220	Manufacture of television and radio transmitters and apparatus for line telephony and line telegraphy
3230	Manufacture of television and radio receivers, sound or video recording or reproducing apparatus and associated goods
6420	Telecommunications
7210	Hardware consultancy
7221	Publishing of software[64]
7222	Other software consultancy and supply
7230	Data processing
7240	Data base activities
7260	Other computer related activities

Creative

SIC Code

2123	Manufacture of paper stationery
2211	Publishing of books
2212	Publishing of newspapers
2213	Publishing of journals and periodicals
2214	Publishing of sound recordings
2215	Other publishing
2221	Printing of newspapers
2222	Printing not elsewhere classified (nec)
2223	Bookbinding
2224	Pre-press activities
2225	Ancillary operations related to printing
2231	Reproduction of sound recording
2232	Reproduction of video recording
2233	Reproduction of computer media
2465	Manufacture of prepared unrecorded media
2621	Manufacture of ceramic household and ornamental articles
2622	Manufacture of jewellery and related articles not elsewhere classified
3630	Manufacture of musical instruments
3650	Manufacture of games and toys
5118	Agents specialising in the sale of particular products or ranges of products nec
5247	Retail sale of books, newspapers and stationery
7440	Advertising
9211	Motion picture and video production
9212	Motion picture and video distribution
9213	Motion picture projection
9220	Radio and television activities
9251	Library and archive activities
9272	Other recreational activities not elsewhere classified

[63] *This SIC code does not include the manufacture of heavy electrical machinery and apparatus*

[64] *The 1992 SIC code '7220 Software Consultancy and supply' has been divided into 2 categories in the 2003 classification to include '7221 Publishing of software' in addition to '7222 Other software consultancy and supply'. Both of these have been included in the definition of the 'digital cluster' used in this report.*

APPENDIX 2: DCMS CREATIVE INDUSTRIES AND CORRESPONDING SIC (2003) CODES

Sector	SIC Code	Description
Advertising	74.4	Advertising
Architecture	74.2	Architectural
Art/antiques trade	52.48/9	Other retail sale in specialised stores
	52.5	Retail sale of second/hand goods in stores
Crafts		*Majority of businesses too small to be picked in business surveys*
Design		*No codes match this field*
Designer fashion	9 subsectors	(not specified) Clothing manufacture
	74.87	Other business activities
Video, film, music & photography	22.32	Reproduction of video recording
	92.11	Motion picture and video production
	92.12	Motion picture and video distribution
	92.13	Motion picture projection
	74.81	Photographic activities
Music and the performing arts	22.14	publishing of sound recordings
	22.31	reproduction of sound recording
	92.31	artistic and literary creation and interpretation
	92.32	operation of arts facilities
	92.34	other entertainment activities nec
	92.72	other recreational activities nec
Publishing	22.11	publishing of books
	22.12	publishing of newspapers
	22.13	publishing of journals and periodicals
	22.15	other publishing
	92.4	news agency activities
Computer games, software	22.33	reproduction of computer media
	72.21	Software publishing
Electronic publishing	72.22	Other software consultancy and supply
Radio and TV	92.2	Radio and television activities

APPENDIX 3: WORKLESSNESS –UNEMPLOYMENT CAVEATS

There are a number of groups which are statistically difficult to categorise in relation to unemployment and economic inactivity. These are groups which aren’t working but have the potential to be working:

1) Those who have just become unemployed but are not looking (examples are sudden unemployment, moved to new area, breakdown, homeless teenage)
2) People making the transition from inactivity but have not yet looked for employment (e.g. previously on Incapacity Benefit, women with children who have just started school, student just completed course)
3) Foreign nationals entitled to work here but not looking yet (if from EU10, not entitled to benefits)
4) Commonwealth citizens, Irish citizens and foreign nationals with dual passports looking for a job but who might not have been looking in the last 4 weeks
5) Foreign citizens given leave to remain in the UK but who may not have employment rights
6) People from other parts of the world who have a work permit (through their employer) but may not yet be working (so unemployed)
7) Spouses/people foreign-born who may reside in this country but may not have rights to work for 6 months (so unemployed and out of work and may/may not be looking)
8) Asylum seekers who are not allowed to work whilst claiming asylum (may/may not achieve asylum so potentially in legal limbo)
9) Students
10) Foreign students (come to study, may/may not be entitled to work)
11) EU new member states Workers Registration Scheme (includes only those who are registered, may exclude those who are self-employed or who have not bothered to register)

APPENDIX 4: TWP CULTURE & CREATIVE INDUSTRIES –DOCUMENT CATALOGUE (Selection from NEECO Website)

Title	Author	Date	Pages	Description
Commercial Creative Industries Sector	NMP	Sept 2007	128pp	The broader creative and cultural sector employs almost 60,000 people in the region, with over 5,000 businesses in the sector, making up 12% of the region's VAT registered businesses. Understanding the broader ecology for growth is complex. Much of the sector remains young and emergent although evidence now exists for critical mass. Recent research has highlighted that the Commercial Creative sector employs 35,000 people and contributes £1.167 billion.
Creative and Cultural Sector Study - Bridging NewcastleGateshead	ABRA	June 2007	n/k	Report represents a collaboration between housing, economic and cultural sector colleagues and partner agencies. It is based on exploring the needs and possible impacts of attracting creative sector practitioners to the region in general and BNG neighbourhoods in particular is a key part of delivery. It will assist BNG and partners to develop a robust evidence base and establish a clear picture of the housing needs of the creative sector and looks at the links between housing, the creative sectors and a growing economy.
Public space vitality: in the North East Region	Tim Townsend et al, Global Urban Research Unit, Newcastle University	Sept 2007	60pp	Research exploring the use of public spaces in the North East and the factors that contribute to dynamic and vibrant public spaces. Draws on case studies of Market Place, Alnwick; Millennium Square, Durham; Old Eldon Square and Grey's Monument, Newcastle University; Esplanade, Redcar; and Stockton High Street.
The Sharpie Index: UK top 20 Creative Towns	The Future Laboratory	Oct 2007	49pp	Sharpie report attempts to measure how creative Britain really is and shows the Rise of Britain as a Creative Super Power and identifies the UK's Top 20 Creative Towns - Newcastle comes out at number 11. The results reveal how important creativity is to business and as part of the social fabric of British lives.