



**Community
Foundation**
Tyne & Wear and Northumberland



County Durham and Darlington's Vital Issues 2017

Work

1 Work

1.1 Overview

The North East region has suffered some of the highest rates of unemployment in the UK for decades, and still has the highest regional rate in England. The decline of heavy industry and traditional manufacturing have left some communities with extremely low levels of employment, and inter-generational unemployment still exists in some neighbourhoodsⁱ. Across County Durham there are distinct differences between communities, with some areas benefitting from a wide range of employment opportunities and good rates of pay, in other communities the options are far narrower.

1.2 Employment rates

Since the coalition government came into power in 2010 there has been increasing emphasis on getting people off benefits and into work. Measures have been taken to make claiming benefits more difficult and to reduce the amounts payable, people with disabilities have had to be assessed as to whether they are capable of work, and working families have been offered financial incentives to take up employment. All this has meant that the number of people eligible to claim benefits due to unemployment has reduced, and the proportion of adults in employment or self-employment has increased from 70% in 2011 to 74% in 2016 (see Table 29).

Table 29 - Economic activity rate, 2011 and 2016ⁱⁱ

Variable	County Durham			Darlington			North East			England		
	2011	2016	diff	2011	2016	diff	2011	2016	diff	2011	2016	diff
All people 16-64:												
Economic activity rate	73%	76%	3%	74%	80%	5%	73%	76%	3%	76%	78%	2%
Employment rate	67%	71%	4%	68%	75%	7%	65%	70%	6%	70%	74%	4%
% employees	62%	64%	2%	61%	65%	4%	58%	63%	4%	60%	63%	3%
% self employed	5%	6%	1%	7%	9%	2%	6%	7%	1%	9%	11%	1%
Males aged 16-64												
Economic activity rate	80%	80%	0%	81%	83%	2%	79%	81%	2%	83%	84%	1%
Employment rate	73%	74%	2%	72%	79%	7%	69%	75%	6%	75%	79%	4%
% employees	67%	67%	1%	63%	65%	2%	60%	65%	5%	62%	65%	3%
% self employed	6%	7%	1%	9%	12%	4%	9%	10%	1%	13%	15%	1%
Females aged 16-64												
Economic activity rate	67%	72%	5%	68%	76%	8%	67%	70%	4%	70%	73%	3%
Employment rate	62%	68%	6%	64%	71%	7%	61%	66%	5%	65%	69%	4%
% employees	57%	61%	4%	59%	64%	6%	57%	61%	4%	59%	62%	3%
% self employed	5%	6%	1%	5%	6%	1%	4%	5%	1%	6%	7%	2%

In Darlington, the economic activity rate (i.e. the number of people who are either in work or are on benefits and actively seeking work) has increased from 74% to 80%. The number of people in employment is 65%, 2% higher than the national average, while the self-employment rate has grown from 7% to 9%, compared to a national average of 11%. The picture is similar in County Durham. The economic activity rate has grown to 76%, the same as the NE average, and the number of people in employment is 64%, also higher than the national average, while 6% of people are self-employed. In rural areas, it is common for people to hold two or three different

jobs, often not well-paid, and seasonal, just to be able to make enough income to survive.

1.3 Unemployment rates

As you would expect, the changes in rates of economic inactivity and unemployment reflect the changes in employment. Table 30 indicates that across England the proportion of working-age people who are unemployed has dropped from 8% to 5%, and in the NE region from 11% to 7%. Both County Durham and Darlington have also seen falls, to 7% in County Durham and 6% in Darlington.

There is an interesting change in the behaviour of people who are economically inactive (i.e. they are not in work or not on benefits and actively seeking work). This group includes the long-term sick, students, carers and people who have retired early. In Darlington, more people in this group are now likely to say they want a job, whereas in Durham they are now more likely to say they don't. The number of people classed as economically inactive has dropped, so it may simply be that those who were economically inactive and wanted a job have found one, so are no longer inactive.

Table 30 - Unemployment, 2011 and 2016ⁱⁱⁱ

Variable	County Durham			Darlington			North East			England		
	2011	2016	diff	2011	2016	diff	2011	2016	diff	2011	2016	diff
All people aged 16-64:												
Unemployment rate	8%	7%	-2%	9%	6%	-3%	11%	7%	-4%	8%	5%	-3%
% economically inactive	27%	24%	-3%	26%	20%	-5%	27%	25%	-3%	24%	22%	-2%
- who want a job	30%	22%	-8%	20%	25%	5%	24%	23%	-1%	24%	24%	0%
- do not want a job	70%	78%	8%	80%	75%	-5%	76%	77%	1%	76%	76%	0%
Males aged 16-64												
Unemployment rate	9%	7%	-2%	12%	5%	-7%	12%	7%	-5%	9%	5%	-4%
% economically inactive	20%	20%	0%	19%	17%	-2%	21%	19%	-2%	17%	16%	-1%
- who want a job	36%	28%	-8%	23%	26%	4%	29%	27%	-2%	27%	26%	-2%
- do not want a job	64%	72%	8%	78%	74%	-4%	71%	73%	2%	73%	74%	2%
Females aged 16-64												
Unemployment rate	8%	6%	-2%	6%	7%	1%	9%	6%	-3%	8%	5%	-3%
% economically inactive	33%	28%	-5%	32%	24%	-8%	33%	30%	-4%	30%	27%	-3%
- who want a job	27%	19%	-8%	18%	24%	6%	21%	21%	-1%	22%	23%	1%
- do not want a job	73%	82%	8%	82%	77%	-6%	79%	80%	1%	78%	77%	-1%

Although the headline figures indicate a reduction in the overall rates of unemployment, they mask large differences in rates between different communities.

Table 31 demonstrates that the local unemployment rates vary tremendously across both counties, with rates in Darlington ranging from 0.7% in Heighington & Coniscliffe and Hummersknott to 8.7% in Northgate.

The picture in County Durham is similar, ranging from 6.1% in Horden to 0.1% in Neville's Cross.

Table 31 – selected County Durham and Darlington unemployment rates, June 2017^{iv}

	County Durham		Darlington	
Highest	Horden	6.1%	Northgate	8.7%
	Peterlee East	5.1%	Park East	6.8%
	Craghead and South Moor	4.8%	North Road	5.6%
Lowest	Barnard Castle West	0.5%	Mowden	1.0%
	Elvet and Gilesgate	0.5%	Hummersknott	0.9%
	Neville's Cross	0.1%	Heighington & Coniscliffe	0.7%
Average		2.6%		3.5%

(It is worth noting that the way the 'claimant count' is measured has change significantly over the past few decades, making it difficult to compare different time periods. The current measure is inconsistent across the country due to the gradual roll-out of Universal Credit. This requires more people to look for work, including people who previously claimed housing benefit but not Job Seekers Allowance, the partners of people on Job Seekers Allowance, and people awaiting Work Capability Assessment. This means more people fall within the definition of 'on benefits and actively seeking work', raising the claimant count'.)

Table 33 – Long-term unemployment^{vi}

	Local unemployment rate 2016	UK % of unemployed for 1 yr+ 2016	Estimated local 1 yr+ rate 2016	UK % of unemployed for 5 yr+ 2016	Estimated local 5yr+ rate 2016
County Durham	1.6%	31.0%	0.50%	7.9%	0.04%
Darlington	2.4%	29.6%	0.71%	6.8%	0.05%
North East	2.1%	32.4%	0.68%	8.3%	0.06%
Great Britain	1.2%	31.6%	0.38%	7.4%	0.03%

It is generally true that the longer someone has been out of work, the harder it will be for them to secure a job. Assuming that the levels of long-term and very long-term unemployment are similar in County Durham and Darlington to the national average, because the area has higher unemployment, it is also likely to have higher long-term and very long-term unemployment. This is shown in Table 33, above. It will, therefore, be important to make sure that appropriate support and training is available to those who have been out of work longest to ensure they have the skills to secure and sustain employment.

1.4 Occupations

In County Durham, there has been a reduction in the numbers of people engaged in processing, plant and machine operative, and associate professional and technical work, while the proportion of people in professional occupations has grown. However, there are still fewer managers and directors in County Durham than elsewhere in the country, and more salespeople.

Darlington has also seen an increase in professional occupations, along with caring, leisure and service occupations and process, plant and machine operatives, while the numbers of administrative and sales people have fallen.

As a result, County Durham's occupational pattern has become more similar to the England average, while Darlington's is more skewed towards caring, leisure, sales, processing and elementary work, all of which tend to be lower paid than managerial and professional work.

Table 34 - Occupational analysis (using SOCO 2010), 2011 and 2016^{vii}

% all in employment who are:	County Durham		Darlington		North East		England	
	2011	2016	2011	2016	2011	2016	2011	2016
Managers, directors and senior officials	8%	8%	10%	10%	8%	8%	10%	11%
Professional occupations	15%	19%	14%	17%	17%	18%	20%	20%
Associate prof & tech occupations	15%	12%	12%	12%	13%	12%	14%	15%
Administrative and secretarial occupations	11%	11%	12%	10%	11%	11%	11%	10%
Skilled trades occupations	12%	12%	10%	9%	12%	11%	11%	10%
Caring, leisure and other service occupations	7%	9%	10%	13%	10%	10%	9%	9%
Sales and customer service occupations	10%	9%	12%	9%	10%	10%	8%	7%
Process, plant and machine operatives	9%	7%	6%	8%	8%	8%	6%	6%
Elementary occupations	12%	12%	12%	12%	12%	12%	11%	11%

1.5 Wages

Table 34 indicates that the average weekly earnings for all categories of worker have increased over the period 2012-16.

Table 34 - Average weekly earnings, 2012 and 2016^{viii}

Area	Male F/T		Male P/T		Female F/T		Female P/T	
	2012	2016	2012	2016	2012	2016	2012	2016
Co. Durham	£463.80	£519.80	£145.60	£189.20	£387.10	£429.90	£157.50	£183.60
Darlington	£481.20	£517.10			£403.40	£460.40	£150.60	£188.20
North East	£490.20	£529.10	£149.90	£172.80	£406.90	£438.80	£154.90	£180.70
England	£553.30	£585.20	£146.00	£167.70	£452.80	£482.60	£158.20	£180.60

In County Durham, the increases have been higher than the national average at 12% and 11% for full time males and females, respectively (compared to 6% and 7% England-wide), and 30% and 17% for part-time workers (compared to 15% and 14%). However, the actual amounts paid for full-time work are still 9% less than the national average for full-time males and females.

In Darlington, the picture is similar for full-time males. Full time females in Darlington have seen a 14% increase in pay, bringing them much closer to the national average.

For part-time workers, the weekly pay amounts are not very informative as they will be heavily influenced by the numbers of hours worked, so it is better to look at hourly rates of pay. These are given in Table 35, below.

The rates of pay for part-time males workers in County Durham are significantly lower than for full-time, probably reflecting a difference in the type of work undertaken, as part-time male workers tend to be in lower-skilled occupations including processing, service and retail work.

Table 35 - Average hourly pay, 2012 and 2016^{ix}

Area	Male Full Time Workers		Male Part Time Workers		Female Full Time Workers		Female Part Time Workers	
	2012	2016	2012	2016	2012	2016	2012	2016
County Durham	£11.33	£12.76	£7.81	£8.48	£10.34	£11.29	£8.00	£8.77
Darlington	£11.63	£12.49			£11.04	£12.25	£7.50	£8.73
North East	£12.10	£13.05	£7.70	£8.49	£10.96	£11.70	£7.67	£8.59
England	£13.59	£14.39	£7.77	£8.59	£12.12	£12.90	£8.15	£9.00

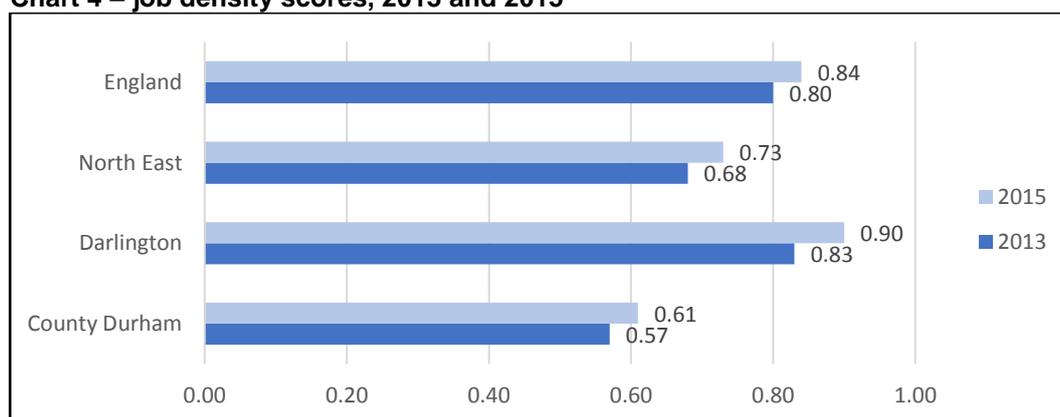
The rates for part-time male workers in County Durham rose by less than the national average in 2012-16, and are 11p/hr less than the national average. For female workers, rates in County Durham rose by the national average 10%, but are still 23p below the national average. In Darlington, there are too few part-time male employees for figures to be produced, and among women the rate of change was higher than the national average, but they are still paid 27p less per hour than the England-wide mean.

The fact that the increase in weekly pay is far higher than increases in hourly rates for all part-time workers indicates that the average hours worked by part-time staff has increased.

1.6 Job density

Chart 4 below shows the job density scores for Darlington and County Durham, compared to the NE and England averages.

Chart 4 – job density scores, 2013 and 2015^x



This shows that the number of jobs available per head of population has increased in each area. The score for the North East is lower than the England-wide average, but is growing at a slightly faster rate, implying that it may catch up eventually.

Darlington has a higher rate than the England average, and is growing at a faster rate. By contrast, the rate in County Durham is low, and is only growing at the national rate, meaning it will not catch up.

1.7 Young people

The number of young people taking up apprenticeships in Darlington has varied quite considerably over the past five years, with a high point in 2011/12 of 1,850 places being taken up, dropping to 1,230 in 2013/14 (chart 5). In 2015/16, it had risen again to 1,700. Similarly, in County Durham, the number dropped between 2011/12 and 2013/14 and has risen again, now standing at 8,380. This pattern is echoed at regional level and probably reflects a change to the way apprenticeships were delivered or counted, rather than necessarily meaning that there was a drastic change in the numbers of young people taking on this type of opportunity.

Chart 5 – numbers of apprenticeships taken up, 2011-16^{xi}

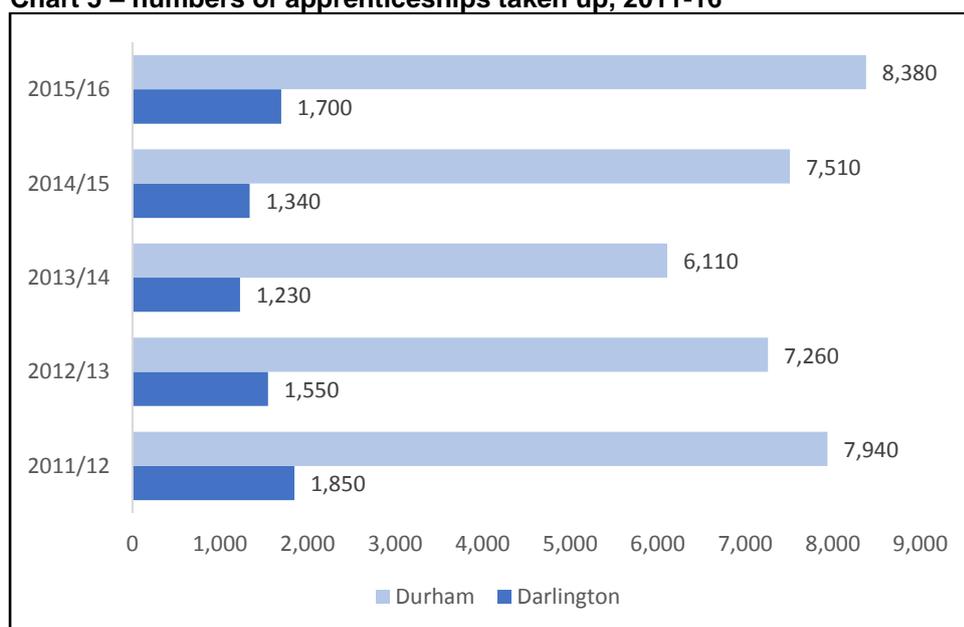


Table 36, below, shows the number of young people who are not in education, employment or training (NEET). Between 2012 and 2015, the proportion of young people ending up in this category has fallen, most dramatically in County Durham from 10% to 6%, but also in Darlington from 8% to 6%.

Table 36 - NEET young people, 2012 and 2015^{xii}

	2012		2015	
	16-18 year olds NEET	%	16-18 year olds NEET	%
County Durham	1,810	10%	1,010	6%
Darlington	310	8%	230	6%
North East	340	5%	5,010	6%
England	99,990	5%	68,385	4%

However, both areas still have rates far higher than the national average of 4%, suggesting there is a need to engage with young people, ideally before they leave school, to encourage them to form good working habits that will enable them to cope with the demands of continued education, training or work.

This is an area where philanthropic giving could have a positive influence, including giving in kind, for example through widening the opportunities for work experience and placements, mentoring, and careers guidance.

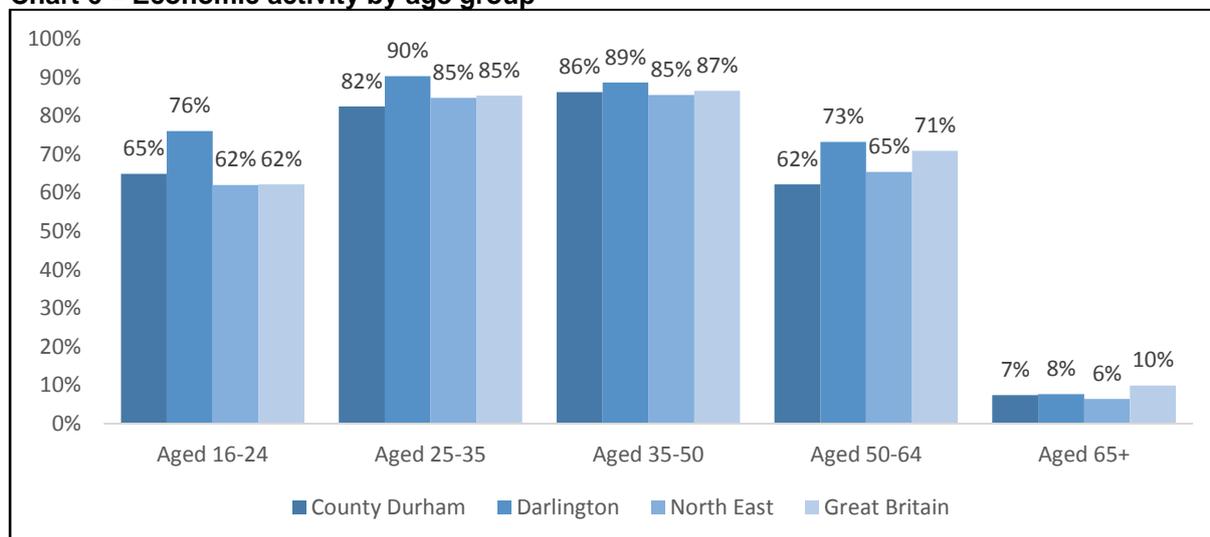
In the Durham Dales, Upper Teesdale Advice and Support Service (UTASS) identified an issue with young people not being made aware of the opportunities available within farming. They accessed some funding to provide a 'Farmers of the Future' project in 2011, which provided 12-month placements for young people to work on local farms and undertake study to skill them up to work in the agricultural sector. 11 young people took part and all went on to work in the sector. Again, philanthropic support for this kind of initiative could help to ensure that young people choose to work in agriculture in the future.

The Durham Works programme is EU-funded to work with young people and employers across County Durham, encouraging employers to recognise the benefits of taking on and training young people, and helping young people to develop the skills and attitudes necessary to secure and sustain employment or training. The programme is more flexible than most, allowing young people to access different kinds of support during their time on the programme, rather than being locked into one provider, enabling them to progress over time.

1.8 Older people

People who are economically active include both those who are in work and those actively seeking work. Across the UK, the usual pattern is that most people (over 85%) are economically active between the ages of 25 and 50, and then it drops slightly (to 71%) until 65, when it drops down to 10% or less.

Chart 6 – Economic activity by age group^{xiii}



In Darlington, the rates of activity are higher than average in every age group until 65+, when the rate drops to a below-average 8%. In County Durham, activity rates are slightly below average from age 25 to 50, and then drop quite steeply, with only 62% of those aged 50-64 economically active and only 7% of those aged 65+.

It's not possible to tell from the data why activity rates drop so much in County Durham, but it would be worth looking further into this to see whether there is a role for philanthropy in addressing any issues.

Potential roles for philanthropy

In common with most parts of the NE region, County Durham and Darlington have higher rates of unemployment and lower rates of self-employment than elsewhere in England. However, there are particular groups who are more likely to be out of work than others, and to earn less. Specific roles for philanthropy to help address these issues include:

- Supporting targeted activity to address worklessness in those communities where the rates are highest. Interventions need to be directed both at ensuring those looking for work (labour supply) are appropriately skilled and well equipped to apply for and secure it, and that employers (the demand side of the market) are willing to employ local people, not blacklisting certain postcodes, and that new small businesses (including social enterprises) are encouraged to expand and take on more staff.
- Supporting activity to reskill and motivate the long term unemployed to be able to secure appropriate employment.
- Providing support, including practical support to encourage young people to stay engaged in work, education or employment. This could include greater employer engagement in schools, providing work experience and work placements, visits to technical development or production facilities, mentoring and work shadowing.
- Looking into why fewer older people (aged 50+) in County Durham are engaged in work.

References

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ⁱⁱⁱ **Office of National Statistics (2016)**, *Annual population survey*, generated from: <https://www.nomisweb.co.uk>, 20/6/17 10:03

^{iv} **NOMIS (2017)** *Claimant count by age and sex, June 2017* analysed and extracted from: <https://www.nomisweb.co.uk/query/construct/components/date.asp?menuopt=13&subcomp=14/7/17> 14/7/17 14:27

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- vi **Grant Thornton Analytics (2017)** *Long term unemployment*, created and downloaded at: [http://gt-placeanalytics.org/placeanalytics/\(S\(r3g11b45ztdlgk555k1l3u55\)\)/paweb/ShowAllIndicators.aspx?spatialLevel=18&indicators=198,9117,469,1100,9110](http://gt-placeanalytics.org/placeanalytics/(S(r3g11b45ztdlgk555k1l3u55))/paweb/ShowAllIndicators.aspx?spatialLevel=18&indicators=198,9117,469,1100,9110), 27/6/17 17:59
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