



Community  
Foundation

# Tees Valley's Vital Issues 2017

Work

## Work

### 1.1 Overview

The North East region as a whole has suffered some of the highest rates of unemployment in the UK for many 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 neighbourhoods<sup>i</sup>. Where people are in work, wages tend to be lower than the national average, and self-employment is also lower than the national average.

### 1.2 Employment rates

Since 2010, the government has emphasised its desire to get as many people into work as possible, with changes to benefits and the welfare state designed to provide incentives for those with families to work rather than claim benefits, and to make it increasingly difficult for single people to claim, and survive on, benefits. As a result, the proportion of adults in employment and self-employment has grown from 70% to 74% in the past five years, however this growth has not been uniform.

**Table 32 - Economic activity rates, 2011 and 2016<sup>ii</sup>**

		All people aged 16-64:			
		Economic activity rate	Employment rate	% who are employees	% self employed
Darlington	2011	74%	68%	61%	7%
	2016	80%	75%	65%	9%
Hartlepool	2011	70%	58%	54%	4%
	2016	72%	64%	57%	7%
Middlesbro'	2011	66%	56%	51%	4%
	2016	70%	66%	58%	6%
Redcar & Cleveland	2011	70%	61%	53%	7%
	2016	73%	68%	59%	9%
Stockton-on-Tees	2011	78%	70%	63%	7%
	2016	74%	71%	63%	7%
North East	2011	73%	65%	58%	6%
	2016	76%	70%	63%	7%
England	2011	76%	70%	60%	9%
	2016	78%	74%	63%	11%

As table 32 shows, in the Tees Valley, Darlington has more people economically active or in employment than the England average, with employment having grown faster than other areas.

However, while the employment rate has also grown in Hartlepool, Middlesbrough and Redcar & Stockton, they are still behind the national average, and Stockton-on-Tees has seen virtually no growth in employment.

### 1.3 Unemployment rates

The increase in employment rates is reflected in a reduction in the number of people who are unemployed, and in the number of people classed as economically inactive. As table 33 shows, the proportion of the working age population who are unemployed has dropped substantially across all parts of the Tees Valley, and in

2016 was 7% or below in all areas apart from Hartlepool, where it remained at 10%, twice the national average. Stockton-on-Tees had the lowest rate, at 5%.

**Table 33 - Unemployment rates, 2011 and 2016<sup>iii</sup>**

		All people aged 16-64:				Male unemployment	Female unemployment
		Unemployment rate	% economically inactive	- who want a job	- who do not want a job		
Darlington	2011	9%	26%	20%	80%	12%	6%
	2016	6%	20%	25%	75%	5%	7%
Hartlepool	2011	16%	30%	23%	77%	19%	13%
	2016	10%	28%	30%	70%	11%	9%
Middlesbro'	2011	16%	34%	19%	81%	18%	14%
	2016	7%	30%	22%	79%	7%	7%
Redcar & Cleveland	2011	13%	30%	25%	75%	15%	11%
	2016	7%	27%	23%	77%	9%	4%
Stockton-on-Tees	2011	10%	22%	18%	82%	12%	8%
	2016	5%	26%	26%	74%	6%	4%
North East	2011	11%	27%	24%	76%	12%	9%
	2016	7%	25%	23%	77%	7%	6%
England	2011	8%	24%	24%	76%	9%	8%
	2016	5%	22%	24%	76%	5%	5%

Table 33 also shows that there has also been a big increase in the proportion of those who are economically inactive who want a job. This group includes the long-term sick, students, carers and people who have retired early, and it is likely that the increase in their desire to work reflects the rising cost of living<sup>iv</sup> combined with static or reducing welfare benefits<sup>v</sup>.

However, although the number of people in receipt of benefits as a result of unemployment has fallen, there are large disparities within each local authority area.

**Table 34 - Wards with the highest and lowest claimant counts, 2017<sup>vi</sup>**

	Wards with the highest rates		Wards with the lowest rates	
Darlington	Northgate	8.40%	Mowen	0.90%
	Park East	6.70%	Heighington & Coniscliffe	0.70%
	North Road	5.40%	Hummersknott	0.70%
Hartlepool	Victoria	9.80%	Seaton	2.60%
	Manor House	8.70%	Hart	1.80%
	De Bruce / Headland and Harbour	8.30%	Rural West	1.80%
Middlesbrough	North Ormesby	12.30%	Kader	1.20%
	Newport	7.70%	Marton West	1.10%
	Brambles and Thorntree	7.60%	Nunthorpe	1.10%
Redcar & Cleveland	Grangetown	9.30%	Longbeck	1.40%
	Coatham	8.00%	West Dyke	1.30%
	South Bank	7.00%	Hutton	1.20%
Stockton-on-Tees	Stockton Town Centre	10.70%	Ingleby Barwick West	0.90%
	Newtown	7.80%	Norton West	0.90%
	Parkfield and Oxbridge	6.90%	Northern Parishes	0.50%

As table 34 shows, the differences between the highest and lowest rates of claimant count can be more than 10%. In Stockton-on-Tees they vary between 10.7% in Stockton Town Centre and 0.5% in Northern Parishes, while in Middlesbrough the differences are even bigger, between 12.3% in North Ormesby and 1.1% in Nunthorpe.

(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<sup>vii</sup>.)

In terms of length of unemployment, a higher proportion of people have been unemployed for a long time (more than 12 months, more than 5 years) in most of the Tees Valley than elsewhere in the UK. Only Darlington has a below-average rate for unemployment of over 1 year. Table 35 shows that the worst affected areas are Hartlepool and Middlesbrough, which both have more than twice the national average of long-term unemployed people and more than three times the national average for very-long-term unemployed (5 years+).

**Table 35 – Long-term unemployment<sup>viii</sup>**

	Local unemployment rate 2016	UK % of unemployed for 1 yr+ 2016	Estimated local 1yr+ rate 2016	UK % of unemployed for 5 yr+ 2016	Estimated local 5yr+ rate 2016
Darlington	2.4%	29.6%	0.71%	6.8%	0.05%
Hartlepool	3.1%	35.3%	1.09%	11.8%	0.13%
Middlesbrough	3.6%	32.0%	1.15%	8.3%	0.10%
Redcar and Cleveland	2.9%	34.6%	1.00%	9.0%	0.09%
Stockton on Tees	2.3%	32.9%	0.76%	9.0%	0.07%
North East	2.1%	32.4%	0.68%	8.3%	0.06%
Great Britain	1.2%	31.6%	0.38%	7.4%	0.03%

People who have been out of work for some time often face multiple barriers to securing employment. Programmes like 'Step Forward Tees Valley' provide a holistic approach to addressing the many reasons people are unable to secure and sustain work. They offer support with digital and financial inclusion, health and wellbeing, work and enterprise development skills, and volunteering. The programme is funded through the Big Lottery Fund and aims to support 2,500 people over a 3-year period and help 988 of them into employment, training, or active job-seeking.

#### 1.4 Occupations

Table 36 shows that the pattern of employment in the Tees Valley is different to the England average, with fewer people engaged in managerial and professional occupations than in other parts of the country.

Darlington and Stockton-on-Tees are the areas with the most managerial and professional employees, and these areas, together with Middlesbrough, have seen the strongest growth in these, while Hartlepool and Redcar & Cleveland have remained fairly static.

There has also been some growth in the proportion of people working in caring, leisure and other services, which are traditionally low-paid services. The care sector is currently under increasing pressure with rising demand and commissioners unable or unwilling to pay higher rates to reflect increasing costs. There is a risk that many providers will close, which could create high rates of local unemployment where this sector is large.

**Table 36 - Occupational analysis (using SOCO 2010), 2011 and 2016<sup>ix</sup>**

% all in employment who are:	D'ton		H'pool		M'ro		R&C		S'ton-on-Tees		England	
	2011	2016	2011	2016	2011	2016	2011	2016	2011	2016	2011	2016
Managers, directors and senior officials	10%	10%	7%	7%	5%	8%	7%	9%	8%	9%	10%	11%
Professional occupations	14%	17%	17%	14%	12%	16%	16%	14%	18%	21%	20%	20%
Associate prof & tech occupations	12%	12%	9%	11%	12%	12%	12%	12%	14%	14%	14%	15%
Administrative and secretarial occupations	12%	10%	10%	10%	11%	9%	11%	11%	9%	12%	11%	10%
Skilled trades occupations	10%	9%	13%	13%	11%	11%	14%	13%	12%	11%	11%	10%
Caring, leisure and other service occupations	10%	13%	11%	13%	12%	12%	13%	15%	10%	10%	9%	9%
Sales and customer service occupations	12%	9%	9%	8%	10%	8%	8%	7%	9%	9%	8%	7%
Process, plant and machine operatives	6%	8%	8%	11%	11%	7%	9%	8%	7%	6%	6%	6%
Elementary occupations	12%	12%	15%	14%	13%	15%	10%	10%	13%	9%	11%	11%

## 1.5 Wages

Table 37 shows that wages in the Tees Valley remain lower than the national average, although the average pay of males and females working in Middlesbrough and Stockton-on-Tees is above the regional average, and full-time pay increases in Darlington (7% male, 14% female) and Stockton-on-Tees (10% male and female) have been higher than the national average (6% male, 7% female).

There have also been significant pay increases for female part-time workers.

**Table 37 - Average weekly earnings, 2012 and 2016<sup>x</sup>**

Area	Male F/T Workers		Male P/T Workers		Female F/T Workers		Female P/T Workers	
	2012	2016	2012	2016	2012	2016	2012	2016
Darlington	£481.20	£517.10	£120.00		£403.40	£460.40	£150.60	£188.20
Hartlepool	£528.00	£544.80			£420.70	£455.40	£136.50	£156.20
Middlesbrough	£530.30	£520.40			£395.70	£457.70	£153.30	£198.50
Redcar and Cleveland	£482.80	£520.70		£162.50	£367.20	£336.30	£132.70	£155.30
Stockton-on-Tees	£497.70	£545.90		£191.90	£408.90	£449.50	£152.00	£177.40
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

Comparing the data in table 37 and table 38, it appears that there has been a significant increase in the average hourly rates paid (up to 19% in Redcar & Cleveland) and this might indicate a change in the type of work undertaken by part-time women workers, in particular. However, since the increase in average weekly earnings (table 37) far outweighs this in some areas, it must also suggest that there has been an increase in the number of hours worked (e.g. Middlesbrough, where weekly pay increased 29% for part-time females, compared to a 17% increase in hourly rates).

This, together with the fact that hourly rates for full-time males in Middlesbrough and females in Redcar & Cleveland fell, suggests a change to both the type and pattern of work undertaken in parts of the sub-region, reflecting the shift in occupations analysed above.

**Table 38 - Average hourly pay, 2012 and 2016<sup>xi</sup>**

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
Darlington	£11.63	£12.49	£7.14	£8.26	£11.04	£12.25	£7.50	£8.73
Hartlepool	£13.01	£12.61			£11.84	£12.66	£7.16	£7.77
Middlesbrough	£13.26	£12.83			£10.79	£12.49	£7.52	£8.79
Redcar and Cleveland	£11.79	£13.38	£7.18	£7.59	£9.95	£8.83	£6.93	£8.24
Stockton-on-Tees	£11.96	£13.76	£7.85	£8.58	£11.01	£11.97	£7.50	£8.49
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

## 1.6 Job density

A job density score can be calculated by taking the total number of jobs in an area and dividing by the working age population of that area. The data includes jobs from employers, self-employed, HM Forces and Government training schemes.

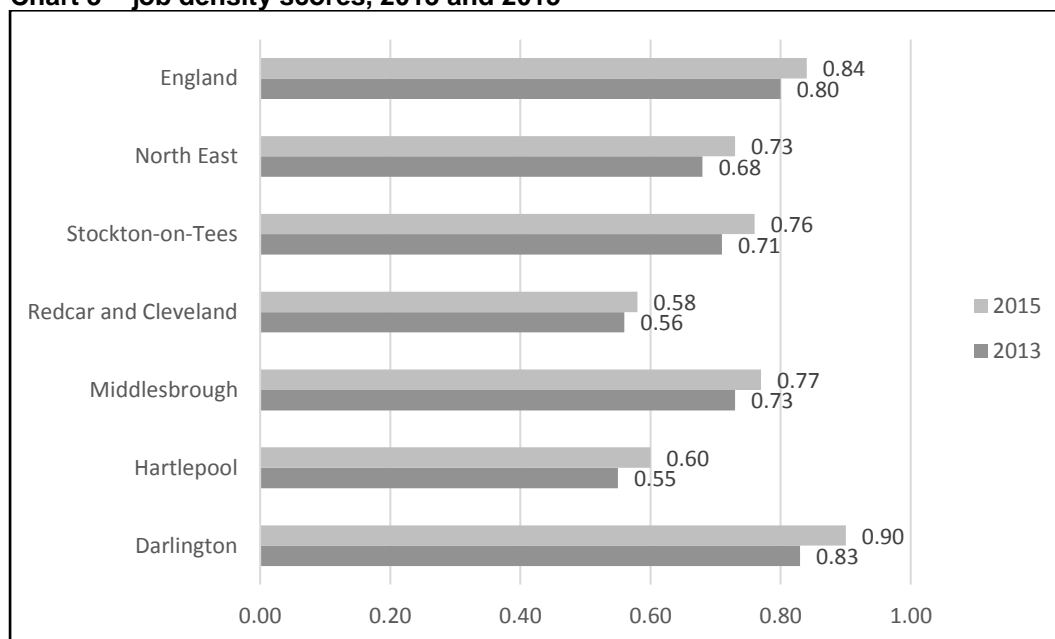
Chart 3 below summarises the job density scores for each local authority in the Tees Valley for 2013 and 2015<sup>xii</sup>.

This shows that the number of jobs available per head of population has increased in each part of the Tees Valley. The score for the North East as a whole is still lower

than the England-wide average, but is growing at a slightly faster rate, implying that it may catch up eventually.

Across the Tees Valley, both Stockton-on-Tees and Middlesbrough have a higher density than the North East average, but jobs growth has been fastest in Darlington, growing from 0.83 to 0.90 in the two years 2013-15, making Darlington the only part of the Tees Valley that has a higher jobs density than the England-wide average.

**Chart 3 – job density scores, 2013 and 2015<sup>xiii</sup>**



## 1.7 Young people

All areas of the Tees Valley saw the number of apprenticeships drop between 2011/12 and 2013/14, and then begin to increase again. However, there have been big differences between parts of the sub-region, with an overall drop of 8% in Darlington and increases of between 1% and 4% elsewhere (see table 39 below).

**Table 39 – numbers of apprenticeships taken up, 2011-16<sup>xiv</sup>**

	2011/12	2012/13	2013/14	2014/15	2015/16	Change
Darlington	1,850	1,550	1,230	1,340	1,700	-8%
Hartlepool	1,400	1,240	1,260	1,370	1,460	4%
Middlesbrough	1,890	1,900	1,480	1,710	1,910	1%
Redcar & Cleveland	2,050	2,120	1,690	1,930	2,090	2%
Stockton-on-Tees	2,680	2,720	2,340	2,500	2,770	3%
<b>Tees Valley</b>	<b>9,870</b>	<b>9,530</b>	<b>8,000</b>	<b>8,850</b>	<b>9,930</b>	<b>1%</b>

Table 40 below gives the number of young people who end up NEET (not in education, employment or training). The number in Darlington has fallen, indicating that those not taking up apprenticeships are not falling out of the employment / training market, but must be either moving into employment or taking on education or training other than apprenticeships.

The number of young people classed as NEET has reduced across the UK as a whole since 2012. This reduction is reflected in the Tees Valley, with all areas



achieving at least a 2% decrease in the number of NEETs recorded. The most significant increases are in Hartlepool, where the rate has halved, and in Middlesbrough where it has reduced from 11% to 6% of young people.

**Table 40 - NEET young people, 2012 and 2015<sup>xv</sup>**

	<b>2012 16-18 year olds NEET</b>	<b>%</b>	<b>2015 16-18 year olds NEET</b>	<b>%</b>
Darlington	310	8%	230	6%
Hartlepool	290	8%	160	4%
Middlesbrough	570	11%	320	6%
Redcar & Cleveland	550	11%	360	8%
Stockton on Tees	640	9%	440	7%
North East	7,610	8%	5,010	6%
England	199,800	6%	68,385	4%

Although it is obviously positive that rates have reduced, they remain higher than the England average in most parts of the Tees Valley, and particularly in Redcar & Cleveland, where the rate is double the national average. Action is therefore needed to support young people in Redcar & Cleveland and help them maintain engagement with the labour/training/education environment.

It has been suggested this higher drop-out rate in the Tees Valley is indicative of a lack of aspiration and drive among young people from the area, and that earlier interventions are required to maintain engagement with young people, particularly through their secondary school years, to ensure that habits such as truancy don't form (see section 8 – learning), and that young people feel they have some degree of control and ownership of their own future careers and lives.

There are some additional forms of support already available in the Tees Valley to help young people gain skills and get into employment, including the Youth Employment Initiative, which aims to provide the skills and training young people need, Talentmatch, which provides mentoring and skills development for young people who are NEET, and High Tide which provides business-led work experience on cadet ships. However, much of the funding available to support this kind of work cannot be used to work with young people at risk of becoming NEET.

Several of the people consulted for this report identified the loss of detached youth workers and outreach provision generally across the Tees Valley as a major contributory factor in lack of engagement among young people. The police are continuing some work, and Middlesbrough Football Club continues to provide its successful Kicks programme, but this is geographically constrained. A similar programme has been suggested around Hartlepool United, but they do not have the Premiership funding available to Middlesbrough. Philanthropic funding could be used to support this instead.

One of the other gaps identified by the TVCA is in terms of employer engagement with schools, whether in providing careers advice and guidance, educating teachers about the 'real world' outside of school, engaging directly with the curriculum to emphasise its relevance to everyday life, or participating in governing bodies to provide some much-needed business acumen.

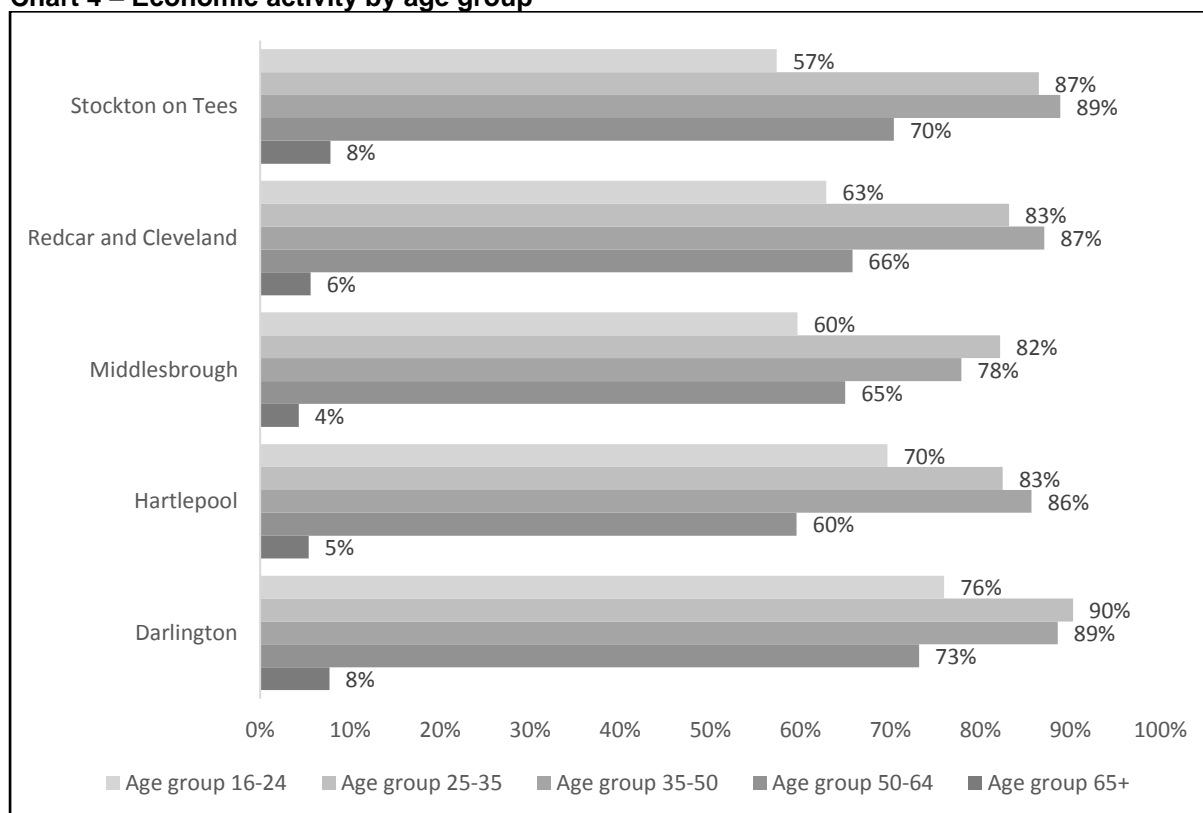


These are all areas where philanthropic giving could have a positive influence, both in terms of financial support for activity to prevent young people dropping out, and giving in kind, for example through widening the opportunities for work experience and placements, mentoring, and careers guidance.

### 1.8 Older people

Economic activity includes both people who are in work, and those who are seeking work. Across the country, once they are over 25, as people get older they are less likely to be economically active. This pattern is followed in most parts of the Tees Valley, with Darlington and Stockton-on-Tees having particularly high levels of activity among all ages groups (see chart 4).

**Chart 4 – Economic activity by age group<sup>xvi</sup>**



However, there is a distinct drop in economic activity among those aged 35-50 in Middlesbrough, and then 50-64 in Hartlepool, Middlesbrough and Redcar & Cleveland. It is not possible to ascertain from the data what this is linked to, but it would certainly be worth investigating why activity drops so much in these two areas.

#### Potential roles for philanthropy

- Although unemployment has come down in all parts of the Tees Valley, it remains significantly higher in Hartlepool, where it is twice the national average. There is therefore a need to address issues around this in the Hartlepool area generally.

- Other pockets of higher unemployment exist in wards including North Ormesby, Grangetown, Stockton Town Centre and Darlington Northgate. Support for organisations working to address unemployment in these areas would also be valuable.
- Hartlepool and Middlesbrough both have much higher densities of long-term and very-long-term unemployment than the national average, and again could benefit from targeted work to help these people get back into work.
- The numbers of young people not in education, employment or training are also quite varied, with higher numbers persisting in Redcar & Cleveland, so additional support could be provided to enable increased engagement, particularly to prevent young people becoming NEET.
- Schools could also benefit from practical support to encourage young people to stay engaged in work, education or employment as well as greater employer engagement in schools, providing work experience and work placements, educating teachers about 'the real world', visits to technical development or production facilities, mentoring and work shadowing and engagement on governing bodies.
- This could be linked to work with young people more generally to raise aspirations and encourage ownership of decision-making around life choices.
- Hartlepool United is keen to develop a programme similar to Middlesbrough Kicks aimed at engaging local young people.
- Hartlepool and Middlesbrough also appear to suffer drops in engagement with the labour market from age 35 and age 50, it would be helpful to understand what causes these and to put in place activities to address the issues if possible.

<sup>i</sup> **Joseph Rowntree Foundation (2012)** *Are 'Cultures of Worklessness' passed down through the generations?* downloaded from:

<https://www.jrf.org.uk/sites/default/files/jrf/migrated/files/worklessness-families-employment-full.pdf>  
30/6/17 10:00

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

<sup>iii</sup> **Office of National Statistics (2016)**, *Annual population survey* from: <https://www.nomisweb.co.uk>  
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<sup>iv</sup> **Allen, K (2017)** *Rising food and fuel prices hoist UK inflation rate*, accessed from:

<https://www.theguardian.com/business/2017/mar/21/rising-food-fuel-prices-hoist-uk-inflation-rate>  
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<sup>v</sup> **Cowburn, A (2012)** *Spending freeze to cut another £4bn from benefits as raft of new benefit cuts kick in* accessed from: <http://www.independent.co.uk/news/uk/politics/benefit-freeze-cuts-austerity-measures-welfare-state-inflation-a7661196.html> 14/7/17 13:25

<sup>vi</sup> **Office of National Statistics (2017)**, *Claimant Count*, generated from: <https://www.nomisweb.co.uk>  
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- vii [www.parliament.uk](http://www.parliament.uk) (2017), *Universal credit and the claimant count*, downloaded from: <http://researchbriefings.parliament.uk/ResearchBriefing/Summary/CBP-7927>, 2/7/16 16:32
- viii **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
- ix **Office of National Statistics (2016)**, *Annual population survey*, generated from: <https://www.nomisweb.co.uk> 20/6/17 10:03
- x **Office of National Statistics (2016)** *Annual survey of hours and earnings - workplace analysis*, analysed via NOMIS and downloaded from: <https://www.nomisweb.co.uk> 19/6/17 16:35
- xi **Office of National Statistics (2016)** *Annual survey of hours and earnings - workplace analysis*, analysed via NOMIS and downloaded from: <https://www.nomisweb.co.uk> 19/6/17 16:35
- xii **Office of National Statistics (2016)** analysed via NOMIS and downloaded from: <https://www.nomisweb.co.uk> 19/6/17 16:35
- xiii **ONS (2017)** *Jobs density*, analysed via NOMIS and downloaded from: <https://www.nomisweb.co.uk> 29/6/17 12:10
- xiv **Skills Funding Agency (2016)** *Apprenticeships geography, equality & diversity and sector subject area: starts 2002/03 to 2015/16*, downloaded from: <https://data.gov.uk/dataset/fe-data-library-apprenticeships> 4/7/17 11:22
- xv **Dept for Education (2016)** *NEET data by local authority*, downloaded from: <https://www.gov.uk/government/publications/neet-data-by-local-authority-2012-16-to-18-year-olds-not-in-education-employment-or-training> 6/6/17 13:52,
- xvi **Grant Thornton Analytics (2017)** *Economic activity*, created and downloaded at: [http://gt-placeanalytics.org/placeanalytics/\(S\(r3g11b45ztdlgk555k1l3u55\)\)/paweb/ShowIndicatorDetails.aspx?spatialId=18&indicatorId=8205](http://gt-placeanalytics.org/placeanalytics/(S(r3g11b45ztdlgk555k1l3u55))/paweb/ShowIndicatorDetails.aspx?spatialId=18&indicatorId=8205) 27/6/17 17:59