TYNE & WEAR PROFILE

2004

April 2004

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Reference: SR 04/2 Price: £15.00

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Supported jointly by the Cities of Newcastle and Sunderland and the Metropolitan Boroughs of Gateshead, North Tyneside and South Tyneside

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KEY POINTS

Geography and Communications

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

The People and Communities

- The **population** of Tyne & Wear is declining, mainly due to migration trends rather than the effects of births or deaths. (§3.1)
- The number of **households** in Tyne & Wear has declined since 2000, despite previous upward trends as residents chose to live in smaller households. (§3.2)

Living Standards

- The North East has the fifth-highest level of **household income** in the UK, but is relatively more dependent on Social Security benefits. (§4.1)
- In 2003, 65.9% of dwellings in the North East were **owner-occupied**. This was amongst the lowest proportions recorded for regions in England. (§4.4)
- **House prices** in Tyne & Wear are amongst the lowest in England. However, between the second quarters of 2002 and 2003, the average price of a property in Tyne & Wear rose by 25.8%, compared to 21.3% in the North East and just 11.6% in England. (§4.4 & §7.1)
- People living in Tyne & Wear generally experience poorer levels of **health** than those living elsewhere in the country. (§4.5)
- Tyne & Wear has three **universities** in addition to the Open University, which operates courses from offices in Newcastle. (§4.7)
- In 2002/03, 46.3% of 15 year old pupils in Tyne & Wear achieved five or more **A*-C passes at GCSE**. This figure is much lower than the English average of 51.1%. (§4.7)
- In 2001, 68% of 16 year olds and 53% of 17 year olds in Tyne & Wear remained in **full-time education**, much lower than the England averages of 71% and 58% respectively. (§4.7)

Leisure and Lifestyle

- Tyne & Wear has a strong tradition of **sporting activity**, supported by a range of state-of-the-art facilities and sporting stadia. (§5.1)
- The cultural sector is a significant source of employment in the North. (§5.2)
- Tyne & Wear has a number of renowned theatres, museums, festivals, parks and gardens. (§5.3)
- A number of **new cultural facilities** have recently opened or are currently under development in Tyne & Wear. The Baltic Centre for Contemporary Art opened in July 2002. The Sage Gateshead, formerly the Music Centre Gateshead is due to open in late 2004. (§5.5)
- Tyne & Wear has many quality **shopping** precincts including: Gateshead MetroCentre, Newcastle Eldon Square, Eldon Gardens, Monument Mall and Sunderland Bridges. (§5.5)

Environment

- Measures of **atmospheric pollution** indicate that the air quality in Tyne & Wear is becoming cleaner at least with respect to concentration levels of sulphur dioxide (SO_2) for Newcastle, which dropped 29% between 2001 and 2002. (§6.1)
- The total number of **public transport** boardings in Tyne & Wear has fallen by over 50% since the mid-1980s. However, between 2001/02 and 2002/03, total annual Metro boardings rose by 9.9%. (§6.2)

The Local Economy

- **GVA per capita** in Tyne & Wear, in 2001, was approximately 15% below the UK average. (§7.1)
- Despite the slowing growth in the UK economy, **consumer spending** rose by 3.1% in the first quarter 2003 compared to a year earlier. (§7.1)
- Tyne & Wear has a relatively weak **business base**. (§7.2)
- Tyne & Wear is more dependent on **manufacturing** than GB, but less so than the North East. (§7.3)
- In 1997, the average **size of manufacturing establishments** in Tyne & Wear was significantly larger than the UK average. Between 1993 and 1997 productivity fell further below the UK average. (§7.3)

Labour Market

- Average **earnings** in Tyne & Wear are significantly lower than the GB average. The gap in earnings relative to Great Britain is much larger in percentage terms for men than women. (§8.2)
- In January 2004, the **claimant unemployment** rate for Tyne & Wear was higher than the UK, despite a greater proportionate decline in all Tyne & Wear Districts over the year. (§8.3)
- Tyne & Wear accounted for 3.2% of GB participants on **New Deal** for Young People and 4% on ND25+. This reflects both early participation as a 'Pathfinder' area and above-average unemployment in the county. (§8.3)
- Tyne & Wear has just over 71,000 people on **Incapacity Benefit** (IB). (§8.4)

Infrastructure Developments

- Several sections of Tyne & Wear's **road network** are undergoing expansion, redevelopment and improvement. A plan for a second Tyne Tunnel is the most notable development. (§9.0)
- Official Government backing for expansion plans at **Newcastle Airport** is still awaited by the organisations directors. (§9.0)
- Major expansions at Gosforth, Newcastle by **Northern Rock Plc** are expected to generate up to nearly 4,000 new jobs. (§9.0)

1.0 INTRODUCTION

The Tyne & Wear Profile 2004 is produced by Tyne & Wear Research and Information to give an in-depth coverage of various topics of interest in Tyne & Wear, including geography; people; local economy; employment and living standards.

Much of the coverage in this profile features information and data maintained by TWRI. Summary statistics for many of the categories are available on the Tyne & Wear Fact Cards 2004 for Tyne & Wear Metropolitan County and its 5 districts

Data collated from official sources is generally in time-series format and therefore provides a historical as well as cross-district comparison. Where data for the most recent period for Tyne & Wear is unavailable, the Profile reports at the North East or North level.

TWRI is a research and statistical information unit funded jointly by the 5 Tyne & Wear districts of Gateshead; Newcastle; North Tyneside; South Tyneside and Sunderland. TWRI produces reports and conducts research on a wide range of topics of regional and national interest. Projects generally provide information to those concerned with the socio-economic conditions and physical structure of the Metropolitan County. Further details of the services provided by TWRI can be found in the Appendix of this report.

2.0 GEOGRAPHY AND COMMUNICATIONS

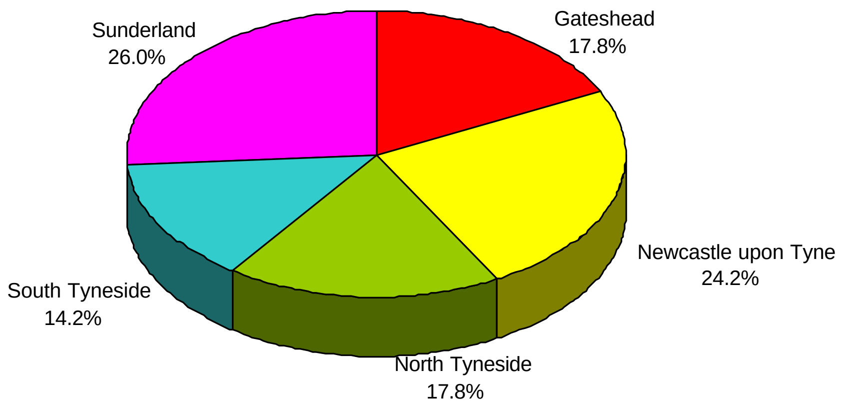
Tyne & Wear is comprised of the 5 administrative Metropolitan Local Authorities (LAs) of the Cities of Newcastle and Sunderland; and the Metropolitan Boroughs of Gateshead; North Tyneside; and South Tyneside. All the Tyne & Wear LAs fall into the Local Government classification of "Metropolitan Districts" (MD)[1]. This Unitary, or single tier, governing status was implemented in 1986 as a replacement to the Metropolitan County Councils (Tyne & Wear County Council) in England. Tyne & Wear shares this classification with 6 other Metropolitan areas in England (including Greater London)[2].

2.1 LOCATION AND POPULATION

Tyne & Wear shares its borders with County Durham to the South and Northumberland County to the North. Along with the 5 unitary authorities that comprise Tees Valley, these four county areas constitute the North East Government Office Region (GOR for the North East or GO-NE). To the west is the County of Cumbria, which together with the North East region comprises the 'North' Standard Statistical Region (SSR). By road, Tyne & Wear is approximately 451km (280 miles) north from London and 175km (109 miles) south of Edinburgh.

Approximately 42.7%[3] of the North East's population live in Tyne & Wear, which covers only 6% of the land area[4]. The populations of the individual Districts within Tyne & Wear in 2002 are given in Table 1 and the proportions of the Tyne & Wear total are illustrated in Figure 1.

Figure 1: Population, Tyne & Wear Districts as a % of T&W Total



Source: Mid-2002 Population Estimates for local authorities in England and Wales; estimated resident population (ONS) [Crown Copyright]

The population density of 1,988 persons per square kilometre, is slightly below the 2001 figure (1,993), but is similar to the average for other Metropolitan areas. The range of population densities varies widely from a high of 8,680 per square-kilometre in Inner London to just 816 in South Yorkshire.

[1] *Gazetteer for the Statistical Regions and Local Authorities in the United Kingdom – Office for National Statistics (ONS) [Crown Copyright] (June 1997)*

[2] *Greater London, Greater Manchester, Merseyside, South Yorkshire, West Midlands and West Yorkshire.*

[3] *Mid-2002 Population Estimates for local authorities in England and Wales; estimated resident population – Office for National Statistics [Crown Copyright]*

[4] *Regional Trends 37 (2002) – Office for National Statistics [Crown Copyright]*

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

	Mid-2002 Population*	Area^ (km^2)	Persons per km^2 § (Density)	Number of Wards #	Average Persons per Ward §
Tyne and Wear	1,073,500	540	1,988	113	9,500
Gateshead	190,700	142	1,343	22	8,668
Newcastle	260,300	114	2,283	26	10,012
North Tyneside	191,300	83	2,305	20	9,565
South Tyneside	152,300	64	2,380	20	7,615
Sunderland	279,000	137	2,036	25	11,160

** Mid-2002 Population Estimates for local authorities in England and Wales; estimated resident population -- ONS [Crown Copyright]*

^ Regional Trends 37 (2002) -- ONS [Crown Copyright]

§ TWRI

 # TWRI Publication -- Ward Population Estimates 2000

2.2 COMMUNICATIONS

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

Rail: Newcastle Central Station provides a hub for a range of local rail services, as well as being a major route on the Great North Eastern Railway (GNER) and Cross Country network. The most recent journey times from Newcastle Central to UK destinations include; Aberdeen (4h 05m); Birmingham (3h 05m); Edinburgh (1h 25m); Glasgow (2h 25m); London (2h 40m); Leeds (1h 25m) and Manchester (2h 30m).

Ferry: The Port of Tyne Ferry Terminal in North Tyneside has scheduled crossings between the North East coast to three countries; **Norway** (Mon. & Fri. to Kristiansand; Weds. & Sat. to Bergen, Haugesund and Stavanger); **The Netherlands** (daily to IJmuiden, Amsterdam); and **Sweden** (Mon. & Fri. to Gothenburg).

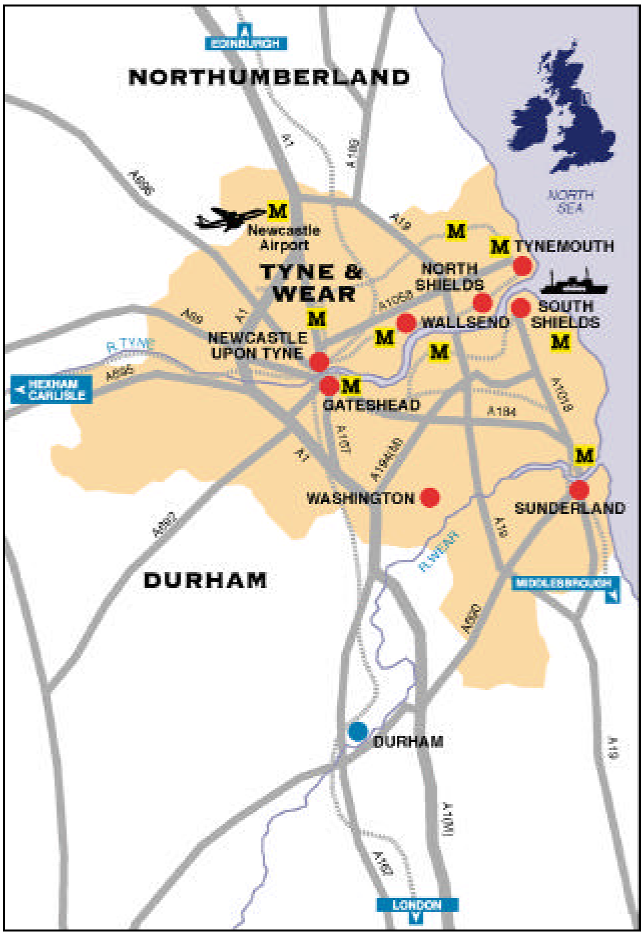
Flights: Newcastle International Airport is the 10th busiest of the UK's 59 airports, with 3,939,505 passengers using the airport between January and December 2003. The number of daily scheduled flight services for Winter 2003/04 is as follows:

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

Aberdeen (5)	Alicante (1)	Amsterdam (5)
Barcelona (1)	Belfast City (4)	Belfast Intl. (2)
Birmingham (4)	Bristol (3)	Brussels (3)
Cardiff (1)	Copenhagen (1)	Dublin (2)
Dusseldorf (1)	Glasgow (1)	Isle of Man (1)
London Gatwick (4)	London Heathrow (7)	London Stansted (4)
Malaga (1)	Paris (4)	Plymouth (1)
Prague (1)	Southampton (3)	Stavanger (1)

Source: Tyne & Wear Fact Card 2004, TWRI (Courtesy of Newcastle Airport Customer Services)

Figure 2: Map of Tyne & Wear



3.0 PEOPLE AND COMMUNITIES

3.1 POPULATION ESTIMATES

The population estimates for all 5 of the Tyne & Wear Districts show a decline to 2002. This is a continuing trend from the 1960s for all but Sunderland district, which registered population increases through the 1970s and 1980s linked to the redevelopment of Washington. Sunderland became the most populous district in Tyne & Wear from the mid-1970s and continues to be. However, the population of Sunderland has been declining since the 1980s. Its population fell by 5.1% between 1991 and 2001. Newcastle's population continues to fall but at a slower pace than in the 1960s and 1970s. The latest figures show the population of Newcastle to be a little over 260,000. The three remaining smaller districts have also declined at similar rates to Newcastle over the year to 2002. However, over the last decade, the rate of population decline has been much slower in North and South Tyneside. South Tyneside is still the least populous district, reporting a population of just over 152,000 for 2002. Table 3 shows population change from 1961 to 2002.

Table 3: Population Estimates 1961 to 2002 – Tyne & Wear Districts

	1961	1971	1981	1991^	2001*	2002*
Tyne and Wear	**1,241,000**	**1,217,600**	**1,155,200**	**1,123,800**	**1,077,900**	**1,073,500**
Gateshead	223,000	226,000	213,200	201,700	191,200	190,700
Newcastle	336,000	311,700	284,100	275,000	261,100	260,300
North Tyneside	210,000	208,300	198,600	194,600	192,000	191,300
South Tyneside	185,000	178,100	161,900	156,700	152,800	152,300
Sunderland	287,000	293,500	297,300	295,900	280,800	279,000
% Change		**1961 to 1971**	**1971 to 1981**	**1981 to 1991**	**1991 to 2001**	**2001 to 2002**
Tyne and Wear		-1.9%	-5.1%	-2.7%	-4.1%	-0.4%
Gateshead		1.3%	-5.7%	-5.4%	-5.2%	-0.3%
Newcastle		-7.2%	-8.9%	-3.2%	-5.1%	-0.3%
North Tyneside		-0.8%	-4.7%	-2.0%	-1.3%	-0.4%
South Tyneside		-3.7%	-9.1%	-3.2%	-2.5%	-0.3%
Sunderland		2.3%	1.3%	-0.5%	-5.1%	-0.6%

Source: Population Estimates Unit – ONS [Crown Copyright]

^ Revised in light of the 2001 Census

** Revised MYEs. 2001 and 2002 revised after the Manchester Matching Exercise*

The net effect of individuals moving in to and out of Tyne & Wear is a key influence on its population change. Table 4 shows births, deaths and migration patterns in Tyne & Wear and each of its 5 districts for the year ending mid-2002. At District or County level, the change in population is most likely to be influenced by migration. All 5 districts show a decline in population due to natural change, indicating there were more deaths than births in each district. Sunderland and Newcastle continue to have the highest number of births (2,930 and 2,941 respectively) in 2002. Deaths were also highest in Sunderland at 3,118, resulting in a natural change of -188. However, the largest decrease in population due to natural change was in South Tyneside (-363). Continuing recent trends in migration, Tyne & Wear had a net out-migration of 2,800 over the year to June 2002. This reflects a fall from the considerably higher net out-migration of 3,800 in 2001 and 4,000 in 2000.

Table 4: Population, Births, Deaths and Migration in Tyne & Wear (2002)

	Mid-2002 Population*	Births^	Deaths^	Natural Change^	Net Migration~
Tyne and Wear	1,073,500	11,400	12,600	-1,200	-2,800
Gateshead	190,700	2,000	2,200	-200	-300
Newcastle	260,300	2,900	3,000	-100	-1,500
North Tyneside	191,300	2,000	2,400	-300	800
South Tyneside	152,300	1,500	1,800	-400	-400
Sunderland	279,000	2,900	3,100	-200	-1,400

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

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

^Vital Statistics (ONS) Crown Copyright; ~NHSCR (ONS) Crown Copyright]

The effects of migration influence the age profile of an area and hence, also natural change. Table 5 (below) illustrates the age profile of the population for Tyne & Wear and the Districts.

It is evident from the table that, despite broad similarity amongst the age groups, there are certain categories worth highlighting. For example, the 15-24 category is no doubt boosted in Newcastle and Sunderland by the large student population in these areas. The proportion of Tyne & Wear's population represented by this category has risen by 0.4 percentage points from last year to 13.6% and is higher than the national average for England & Wales of 12.4%. In relation to the elderly population in Tyne & Wear, the number of people aged 75+ has increased marginally to 81,800, a net increase of 500 on the 2001 figure. However, the proportion of Tyne & Wear as a whole is still in line with the national average of 7.6%. At the bottom end of the population profile, the youngest people aged 0 to 4 represents 5.3% of the Tyne & Wear population, below the national average of 5.8% for England & Wales.

Table 5: Mid-2002 Population Estimates by Age Group

Ages	Tyne and Wear	Gateshead	Newcastle	North Tyneside	South Tyneside	Sunderland
0 to 4	57,200	10,500	13,900	10,100	8,000	14,700
5 to 14	133,700	23,500	30,500	23,800	19,900	36,000
15 to 24	146,000	22,700	45,200	21,300	18,600	38,400
25 to 44	301,100	53,700	74,600	53,300	41,700	77,900
45 to Retirement	227,900	41,700	49,300	43,500	32,800	60,700
Retirement to 74	125,400	23,800	27,300	23,100	18,700	32,600
75+	81,900	14,800	19,700	16,200	12,600	18,700
All Ages	1,073,500	190,700	260,300	191,300	152,300	279,000
Percentages (of all Ages)	**Tyne and Wear**	**Gateshead**	**Newcastle**	**North Tyneside**	**South Tyneside**	**Sunderland**
0 to 4	5.3%	5.5%	5.4%	5.3%	5.3%	5.3%
5 to 14	12.5%	12.4%	11.7%	12.4%	13.1%	12.9%
15 to 24	13.6%	11.9%	17.3%	11.1%	12.2%	13.7%
25 to 44	28.0%	28.1%	28.7%	27.9%	27.4%	27.9%
45 to Retirement	21.2%	21.9%	18.9%	22.7%	21.5%	21.8%
Retirement to 74	11.7%	12.5%	10.5%	12.1%	12.3%	11.7%
75+	7.6%	7.8%	7.6%	8.4%	8.3%	6.7%
All Ages	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Note: Retirement Age for Men: 65, Women: 60. All figures separately rounded to nearest hundred for presentation.

Source: Population Estimates Unit – ONS [Crown Copyright]

3.2 HOUSEHOLD ESTIMATES BY HOUSEHOLD TYPES

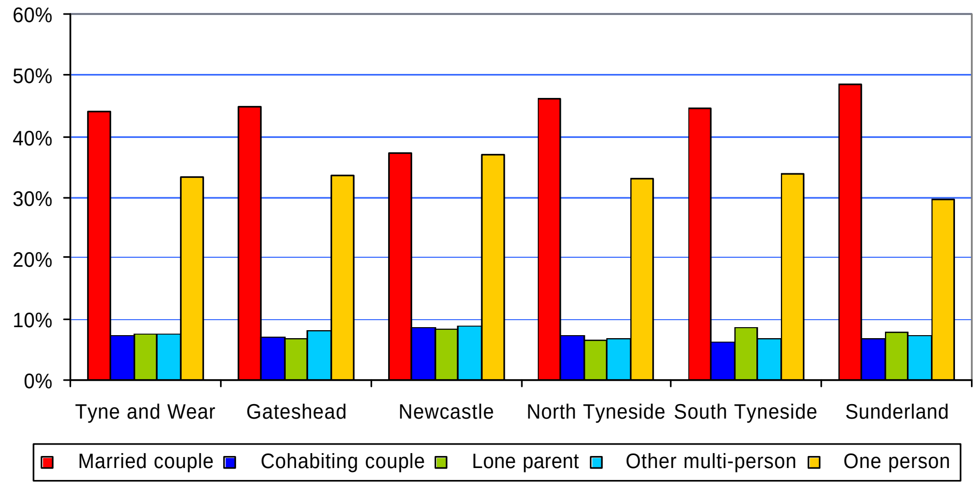
The 2001 Census defined a household as comprising 'one person living alone, or a group of people (not necessarily related) living at the same address with common housekeeping – that is, sharing either a living room or sitting room or at least one meal a day'. Agencies involved in the marketing of products or planning of services may be more interested in the number of households than the population. For example, manufacturers of refrigerators or electricity and gas supply companies would be advised to look at household numbers to gauge the number of points of sale or billing points. Table 6 outlines the 1996-based Household Estimates for 2002 by types of households for each of the Tyne & Wear districts. Figure 3 illustrates the figures in percentage terms of total households for the same areas.

Table 6: Household Estimates 2002

	Tyne & Wear	Gateshead	Newcastle	North Tyneside	South Tyneside	Sunderland
Household types:						
Married couple	206,600	37,500	42,900	39,500	29,700	57,000
Cohabiting couple	34,000	5,800	9,800	6,300	4,100	7,900
Lone parent	35,500	5,600	9,500	5,600	5,700	9,100
Other multi-person	35,800	6,700	10,300	5,800	4,500	8,600
One person	156,200	28,200	42,500	28,200	22,600	34,800
All households	**468,000**	**83,800**	**115,000**	**85,200**	**66,600**	**117,300**
Married couple	44.1%	44.8%	37.3%	46.3%	44.6%	48.6%
Cohabiting couple	7.3%	7.0%	8.5%	7.4%	6.2%	6.8%
Lone parent	7.6%	6.7%	8.3%	6.5%	8.6%	7.7%
Other multi-person	7.6%	8.0%	9.0%	6.8%	6.7%	7.3%
One person	33.4%	33.6%	36.9%	33.1%	33.9%	29.6%
All Households	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Special Request – Office of the Deputy Prime Minister (ODPM) (1996-based projections)

Figure 3: Household Estimates, 2002 (%)



Source: Special Request, ODPM

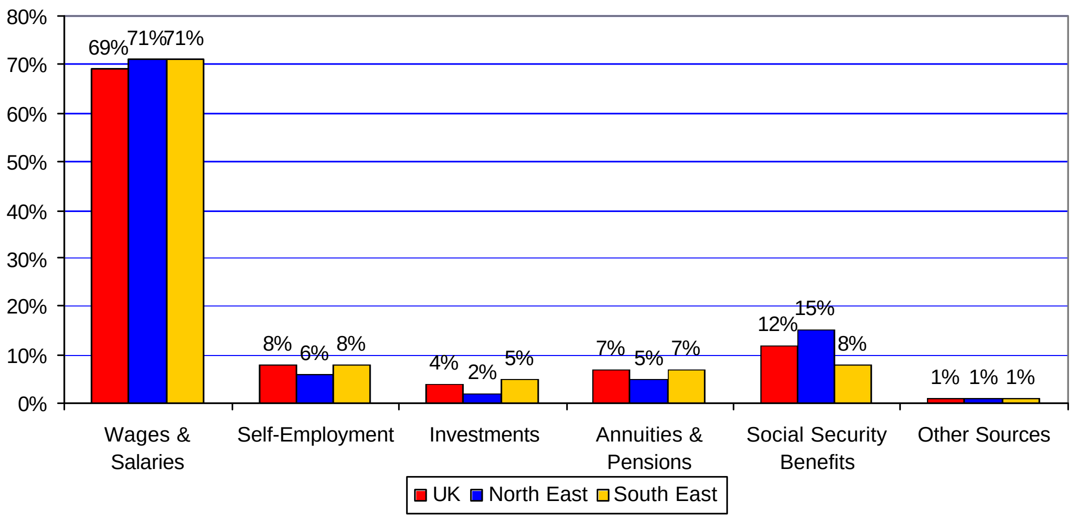
4.0 LIVING STANDARDS

4.1 INCOME

The Expenditure and Food Survey[5] (EFS), launched in April 2001 to replace the Family Expenditure Survey (FES) and the National Food Survey (NFS), showed that, for the period 2001/02[6], the North East has the seventh-lowest/fifth-highest gross weekly household income (GWHI) of all UK regions (including Wales, Scotland and N. Ireland). North East GWHI at £489 p.w. (£25,498 p.a.) was 10.6% less than the UK average of £547 p.w. (£28,522 p.a.) and 35% lower than in London (£752 p.w., £39,211 p.a.).

Figure 4 shows the variation in source of income between the North East, UK and South East. In 2001/02 in the North East, 71% of income came from wages and salaries, compared to 69% for the UK. Self-employment, however, accounted for just 6% of income, compared to 8% for the UK and South East. The North East obtained 15% of weekly income from social security benefits[7] compared to just 12% for the UK and only 8% (almost half) in the South East.

Figure 4: Income by Source 2001/02
North East, South East and UK



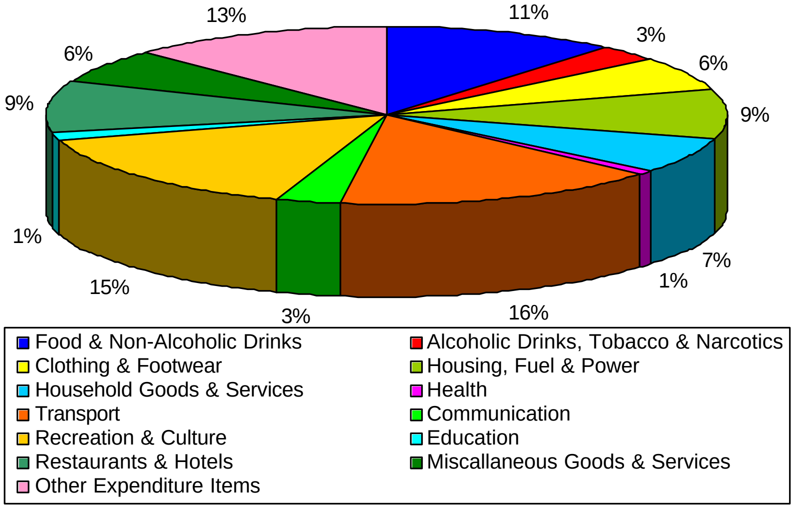
Source: Expenditure and Food Survey 2001/02, ONS [Crown Copyright]

4.2 EXPENDITURE ON GOODS AND SERVICES

According to EFS, the North East has the third-lowest household expenditure in the UK (after Yorks & Humber and Wales) at £348.30, 12.6% lower than the UK average (£398.30). Total expenditure in the North East is almost 30% lower than in London (£495.4). The North East has the lowest *per person* expenditure at £141.20 (UK £167.60). Spending in the North East was lower in all categories than the national average, particularly health (42% less), miscellaneous goods & services (30%) and household goods & services (26% less).

5 *The main item codes for commodities and services are not directly comparable to those in the Family Expenditure Survey*
6 *Financial year April 1st 2001 to March 31st 2002*
7 *Excluding Housing Benefit and Council Tax Benefit (rates rebates in N. Ireland)*

Figure 5: Household Expenditure by Commodity or Service as % of Total Household Expenditure: North East 2001-02



Source: Expenditure and Food Survey 2001/02, ONS [Crown Copyright]

4.3 OWNERSHIP OF CONSUMER DURABLES

The 2001/02 Expenditure and Food Survey shows that the North East has the highest proportion of households in any UK region with central heating (98%) compared to the UK average (92%). Ownership of video recorders in the North East is the highest in the UK at 93%, compared to the UK average of 90%. Other items where the North East ownership was greater than the national average were: fridge-freezer/deep-freezer (NE 96%; UK 95%); washing machine (NE 94%; UK 93%); tumble dryer (NE 55%; UK 54%); microwave (NE 88%; UK 86%); telephone (NE 95%; UK 94%); satellite receiver (NE 45%; UK 43%) and CD player (NE 81%; UK 80%).

Conversely, ownership of home computers is just 43% in the North East, compared to 50% nationally. Internet connections are only possessed by 32% of North East households compared to 40% nationally. This figure is the joint-second lowest of any UK region (Northern Ireland 31%; Wales 32%). Also, ownership of dishwashers is 19% in the North East compared to 27% nationally, pointing towards lower ownership of the more 'luxury' goods.

Car ownership in Tyne & Wear contrasts quite significantly with the national figures. In Tyne & Wear, 41.8% of households have no car, compared to only 26.8% in England & Wales. Conversely, 16.6% of Tyne & Wear households own more than 2 cars, this is well below the 29.4% of households in England & Wales. North Tyneside remains the district with the greatest proportion of households owning at least one car (63.2%), with Newcastle the least (54.8%). However, South Tyneside had the lowest proportion of households owning two or more cars (14.6%).

Table 7: Car Ownership in Tyne & Wear

	Households with no car (%)	Households with 2 or more cars (%)
Tyne & Wear	41.8	16.6
Gateshead	43.2	16.2
Newcastle	45.2	15.4
North Tyneside	36.8	18.1
South Tyneside	44.3	14.6
Sunderland	39.9	18.2

Source: 2001 Census © Crown Copyright

4.4 HOUSING

In 2003, the stock of dwelling in Tyne & Wear was just over 490,000. During 2002 a total of 1,652 new dwellings were completed in Tyne & Wear. Within the districts, Newcastle had the highest total number of new dwellings built (578 or 35%). North Tyneside had the highest number of new housing association dwellings (62 or 60%). Gateshead had the fewest total new dwellings (77 or 5%) but the highest local authority new dwellings (17 or 94%). Table 8 shows the breakdown by dwelling type for Tyne & Wear and each of the five districts.

Table 8: Housing Completions for Tyne & Wear in 2002

	Private	Housing Association	Local Authority	Total
Tyne & Wear	1,530	104	18	1,652
Gateshead	60	0	17	77
Newcastle	566	12	0	578
North Tyneside	259	62	0	321
South Tyneside	101	14	0	115
Sunderland	544	16	1	561

Source: Data collected separately from each District Council

In 2003, owner-occupation in the North East (65.9%) was 3.5 percentage points lower than in England (69.4%)[8]. The South East had the highest rate of owner occupation (74.6%), 8.7 percentage points above the North East. Local Authority renting was much higher in Tyne & Wear (20%) than in England (11.3%) as a proportion of the total dwelling stock.

A total of 16,493 dwellings were vacant in Tyne & Wear in 2003 (Table 9). The overall vacancy rate for Tyne & Wear was 3.37%, only slightly above the figure for England (3.33%) and slightly below the vacancy rate for the North East (3.9%). Vacancy rates in Tyne & Wear varied greatly from just 2.7% for Registered Social Landlord properties to 28.8% in Other Public Sector properties.

Table 9: Vacancy Rates 2003

	T&W	NE	England
Local Authority	2,995 (3.1%)	7,229 (3.5%)	62,017 (2.5%)
Registered Social Landlord	1,588 (2.7%)	2,799 (2.8%)	43,731 (2.5%)
Other Public Sector	592 (28.8%)	632 (18.8%)	9,697 (9.3%)
Other Private Sector	14,130 (4.3%)	33,689 (4.1%)	603,275 (3.5%)
(of which owner-occupied)	**	27,134 (3.6%)	466,247 (3.1%)
Total Dwellings Vacant	16,493	44,349	718,720
Total Dwelling Stock	490,050	1,138,290	21,574,832
Vacancy Rate	3.37%	3.90%	3.33%

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

Source: 2003 HIP Housing Strategy, ODPM

House prices in Tyne & Wear are amongst the lowest in England & Wales. In the second quarter of 2003, the average price of a dwelling in Tyne & Wear was £96,472[9]. This was 35.5% lower than the average price in England and Wales of £149,545 and 60.6% lower than the Greater London average of £244,931. However, from 2002(Q2) to 2003(Q2) the annual growth in house prices was 25.8% in

8 *2003 HIP Housing Strategy, ODPM*
9 *Source: HM Land Registry*

Tyne & Wear, compared to 21.3% in the North East, but well above the average growth in England (11.6%).[10]

4.5 HEALTH

The general level of health amongst people living in Tyne & Wear is poorer than for people living elsewhere in England & Wales. Table 10 indicates the general health status[11] as recorded in the 2001 Census. This shows that in 2001 a greater proportion of people in all 5 Tyne & Wear districts rated their general health as 'not good' than the national average. Conversely, a lower proportion rated their health as 'good' than the national average.

Table 10: General Health

	All People	% Good health	% Fairly good health	% Not good health
England & Wales	52,041,916	68.6%	22.2%	9.2%
Tyne & Wear	1,075,938	64.1%	23.5%	12.3%
Gateshead	191,151	62.6%	24.4%	13.0%
Newcastle	259,536	65.1%	23.1%	11.8%
North Tyneside	191,659	64.9%	23.8%	11.2%
South Tyneside	152,785	63.9%	23.5%	12.6%
Sunderland	280,807	63.9%	23.2%	12.9%

Source: 2001 Census © Crown Copyright

Table 11 shows Standardised Mortality Ratios (SMR) which indicate how the mortality of a given area compares with the national level, after allowing for differences in age structure. In 2001, the SMR in all Tyne & Wear districts was poorer than the England & Wales average. The figures range from 6% above the UK average in North Tyneside, to 19% above it in Sunderland. In 2001, 7.6% of births in England & Wales were below 2500 grams, compared to 7.4% in Tyne & Wear, down on the 2000 figure of 8.1%. South Tyneside had the highest proportion of births under 2500 grams of the 5 districts in Tyne & Wear at 8.3%.

Table 11: Standardised Mortality Ratio (SMR) and % of Births under 2500g

	SMR (UK =100)	% Births Under 2500g
England & Wales	99	7.6%
Tyne & Wear	113	7.4%
Gateshead	116	6.6%
Newcastle	112	8.0%
North Tyneside	106	6.1%
South Tyneside	108	8.3%
Sunderland	119	7.7%

Source: Key Population & Vital Statistics (Series VS no.28, PP1 no.24) ONS [Crown Copyright]

10 *TWRI based on HM Land Registry data*
11 *Note: General health status data is based on self-assessment. Care should be taken when interpreting the results.*

4.6 INDEX OF MULTIPLE DEPRIVATION 2001

Produced by the DETR, the Index of Multiple Deprivation 2000 (IMD 2000) has been constructed by Oxford University following a review of the Index of Local Deprivation 1998 (ILD 98)[12]. IMD 2000 utilises 34 variables from a composite of six weighted 'domains' or 'dimensions' (Income 25%, Employment 25%, Health & Disabilities 15%, Education & Skills 15%, Housing 10% and Geographical Access 10%) to produce an overall index score for each ward. The IMD 2000 allows an analysis of deprivation from each of, or all, the selected domains within the 113 wards in Tyne & Wear (8,414 in England) based on newly available ward-level DSS benefits data.

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

In IMD 2000, income deprivation is expressed as a percentage rate of people who are dependent upon the key means-tested benefits. The average rate amongst wards in Tyne & Wear is 32.4%. The North East has, on average, the most income deprivation of all regions in England, with a mean ward rank of 2,576. Child poverty, which is a derivative of income deprivation, is defined within IMD 2000 as children living in families in receipt of means-tested benefits. The average rate amongst wards in Tyne & Wear is 44.6%. The North East has the highest rate of child poverty, or proportion of children in families that claim means-tested benefits (42%), compared to 40% in the North West and just 19.9% in the South East (Table 12).

Table 12: Income Deprivation and Child Poverty, Tyne & Wear Districts 2000

	Average rank of Multiple Deprivation	Average rate of Income Deprivation (%)	Average rate of Child Poverty (%)
Gateshead	1,631	30.6	43.8
Newcastle	1,773	34.1	46.9
North Tyneside	2,210	29.5	39.6
South Tyneside	1,167	35.2	46.5
Sunderland	1,205	32.5	45.4
Tyne & Wear	1,590	32.4	44.6
Median Ward (England)	4,207	15.7	22.4

Source: Index of Multiple Deprivation 2000

[12] *Note: A consultation process is underway on updating the English Indices of Deprivation 2000. The updated Index is expected by early spring 2004 and will be published at the lowest Super Output Area level.*

4.7 EDUCATION

Children Under Five

In Tyne & Wear, as at January 2003, North Tyneside had the greatest participation rate of children under 5[13] in education (92%), whilst Gateshead had the lowest (74%). However, all five Tyne & Wear Districts had greater participation than the national average (59%). Newcastle, South Tyneside and Sunderland had participation rates of 76%, 86% and 89% respectively.

Free School Meals

At the national, regional and district level, eligibility and take-up of free school meals were greater at the primary school-level than secondary school-level (Table 13). Eligibility and take-up of free school meals in the North East was significantly above the national average. In the Tyne & Wear districts, the uptake of free school meals was greater in primary schools than secondary schools (16.6% – 27.8% and 10.1% – 17.1% respectively).

Table 13: Maintained Nursery, Primary and Secondary Schools: School Meal Arrangements, January 2003

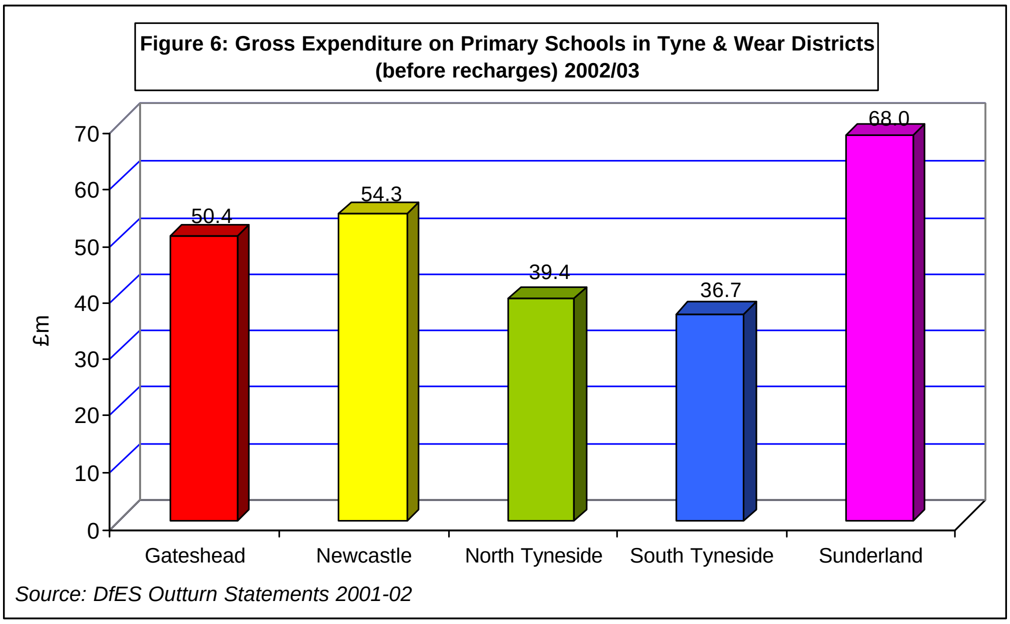
	Nursery, Primary & Middle-deemed-Primary		Secondary & Middle-deemed-Secondary	
	% taking free school meals	% eligible for free school meals	% taking free school meals	% eligible for free school meals
England	13.9	16.8	10.6	14.5
North East	19.1	22.1	12.6	18.1
Gateshead	19.6	23.0	16.5	19.5
Newcastle	27.8	32.6	16.2	23.7
North Tyneside	16.6	19.6	10.1	15.1
South Tyneside	23.8	27.7	17.1	22.5
Sunderland	19.7	22.3	10.5	16.9

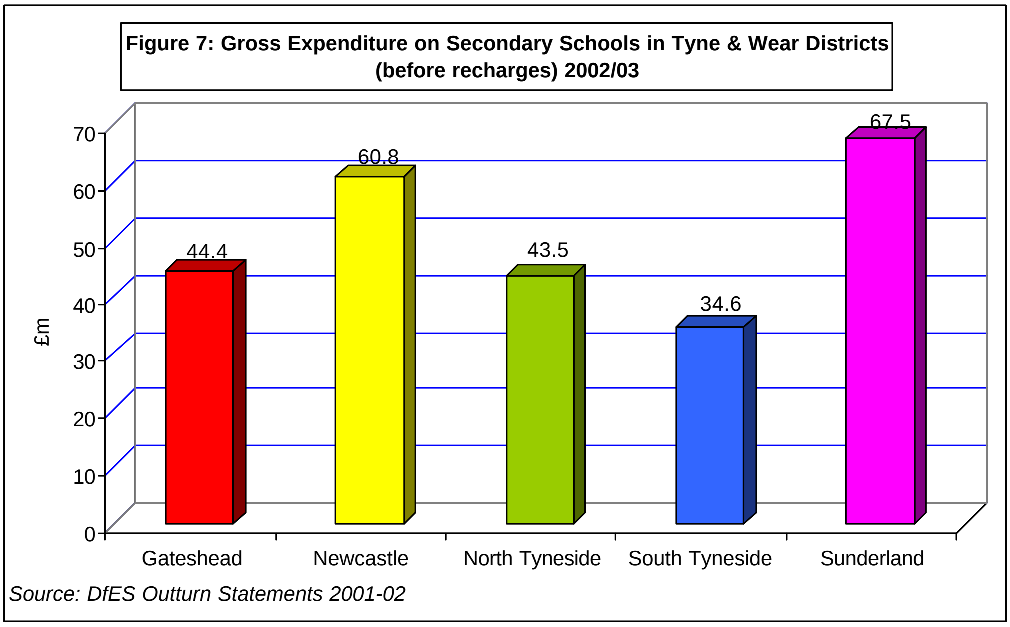
Source: Statistics of Education: Schools in England (January 2003), DfES

Expenditure

In 2001/02 the net expenditure (after recharges) on pre-primary, primary & secondary education by the local education authorities (LEAs) in Tyne & Wear was £520m. Within Tyne & Wear, net expenditure on primary schools was £251.5m, and in secondary schools was £251.1m. Figures 6 and 7 show gross expenditure (before recharges) for each of the Tyne & Wear districts for primary and secondary schools.

[13] *Source: Provision for Children under five years of age in England, Statistics of Education: Schools in England (January 2003), Department for Education & Skills (DfES)*





Staffing and Provision

The provision of teachers in schools in the North East, as at January 2003, as a ratio of pupils to teachers (PTR), is significantly better than the national average for England. The North East PTR is the lowest of all the GORs in England at 21.9 pupils per teacher for primary schools and third lowest at 16.7 pupils per teacher for secondary schools. This compares with the national average of 22.6 and 17.0 respectively[14]. Within Tyne & Wear, primary pupil-teacher ratios in January 2003 were lowest in South Tyneside and Gateshead (21.0) and highest in North Tyneside (22.7) (Table 14). Similarly, Gateshead had the lowest secondary school PTR (15.5) and North Tyneside the highest (16.8).

[14] *Statistics of Education in Schools in England, 2003 Edition, DfES [Crown Copyright]*

Table 14: Pupil:Teacher Ratios for Tyne & Wear LEAs, 1998-2003

LEA	School Type	1998	1999	2000	2001	2002	2003
Gateshead	Primary	22.5	22.6	22.2	21.4	21.2	21.0
	Secondary	16.3	16.7	17.1	16.2	15.7	15.5
Newcastle	Primary	24.1	23.2	23.5	22.9	22.9	22.6
	Secondary	17.1	17.0	17.0	16.6	16.1	16.6
North Tyneside	Primary	23.9	24.1	23.4	22.9	22.9	22.7
	Secondary	17.5	17.2	16.8	16.5	16.4	16.8
South Tyneside	Primary	23.1	22.5	22.2	21.3	21.2	21.0
	Secondary	17.5	17.4	17.3	16.5	15.9	15.8
Sunderland	Primary	22.9	22.7	22.3	22.0	21.4	21.7
	Secondary	16.5	16.5	16.4	16.1	15.8	15.8

Source: Statistics of Education in Schools in England, 2003 Edition, DfES [Crown Copyright]

In January 2003, the average primary school class size in the North East was 25.2, slightly lower than the national average of 26.3[15]. The North East also had a smaller proportion of primary school classes of 31 or more pupils (14%) compared to England (16.3%).

At secondary school level, the average class size in the North East was only just below the national average for England (21.8 and 21.9 respectively). The proportion of classes of 31 or more pupils was also slightly lower in the North East (11.1%) compared to the average for England (11.7%). In Tyne & Wear, Newcastle had the largest primary school class size (26.0), whilst South Tyneside had the largest secondary school class size (21.8). The smallest average class sizes for primary and secondary schools were in Sunderland (24.7) and Gateshead (20.4) respectively[16].

Qualifications

In 2002/03, fewer pupils in Tyne & Wear achieved 5+ A*-C grades at GCSE (or its equivalent) than the national average (T&W 46.3% England 51.1%) (Table 15). Pupils achieving 5+ GCSEs at grades A*-G (inc Maths & English) were much closer to the average for England (85.3% and 87.1% respectively). This indicates that although Tyne & Wear performs approximately the same in terms of 5+ GCSE passes, it does not achieve the same proportions of the higher grades achieved nationally. Tyne & Wear also performs worse than the average for England in terms of no passes (6.4% and 5.0% respectively).

Within Tyne & Wear, Gateshead achieved the highest proportion of pupils gaining 5+ grades A*-C (59.7%) and Newcastle the lowest (39.9%). In terms of gender, girls out-performed boys in all categories and areas except South Tyneside for grades A*-G (inc. Maths & English).

[15] *Class Sizes in Maintained Schools in England, January 2003 (Provisional), DfES [Crown Copyright]*
[16] *Figures used relate to classes taught by one teacher only*

Table 15: GCSE/GNVQ achievements by 15 year old pupils in maintained++ schools by the end of 2002/03

	No.of 15 year old		5+A*-C grades			5+A*-G grades			5+A*-G inc English & Maths			No passes		
	Boys	Girls	Boys	Girls	Total	Boys	Girls	Total	Boys	Girls	Total	Boys	Girls	Total
England	290,886	281,261	45.9	56.4	51.1	87.4	91.4	89.4	85.0	89.4	87.1	5.9	4.1	5.0
North East	16,271	15,776	41.6	52.0	46.7	85.8	89.9	87.8	83.4	87.6	85.4	7.1	5.1	6.1
Tyne & Wear**	6,732	6,566	41.1	51.7	46.3	85.8	90.0	87.8	83.2	87.5	85.3	7.4	5.4	6.4
Gateshead	1,117	1,078	54.6	65.0	59.7	84.5	89.7	87.1	83.0	87.8	85.4	6.4	5.3	5.8
Newcastle	1,485	1,432	33.3	46.8	39.9	77.5	84.8	81.1	74.9	82.1	78.4	12.3	7.8	10.1
North Tyneside	1,182	1,105	45.2	51.5	48.2	89.1	92.5	90.7	86.2	90.5	88.3	7.0	5.2	6.1
South Tyneside	1,035	1,019	39.3	47.8	43.5	89.2	89.3	89.2	87.3	86.6	87.0	5.5	4.5	5.0
Sunderland	1,913	1,932	37.7	50.1	43.9	89.0	92.9	90.9	85.6	90.0	87.8	5.5	4.3	4.9

Percentage of 15 year old pupils achieving at GCSE/GNVQ: (applies to the 5+A*-C grades through No passes columns)

++ *Including LEA maintained schools, special schools and City Technology Colleges and Academies*

*** Data for Tyne & Wear is interpolated from the District figures as DfES does not give Met. County level data*

Source: 'GCSE/GNVQ Examination Results for Young People in England, 2002/2003 (Revised)' DfES [Crown Copyright]

Students over Sixteen

In 2001, the participation rate of 16 and 17 year-olds in full-time education in Tyne & Wear[17] was slightly lower than the national average for England. For 16 year-olds, 68% of the age group in Tyne & Wear remained in full-time education compared to 71% in England. For 17 year-olds the figures were much lower, both in Tyne & Wear and in England (53% and 58% respectively).[18]

Further and Higher Education

Tyne & Wear is home to three Universities in addition to the Open University, which operates courses from offices in Newcastle. For the academic year 2003/04, 17,007 students were enrolled at the University of Newcastle, 22,164 at Northumbria University and 14,104 at the University of Sunderland[19]. The Open University had 2,195 part-time students resident in Tyne & Wear for the academic year 2003/04. In addition to these institutions, Tyne & Wear has a number of Further Education Colleges located in Gateshead, Newcastle, North Tyneside, South Tyneside and Sunderland. The 2001 Census shows the proportion of people of working age in Tyne & Wear holding degree qualifications or equivalent was 16.3%, slightly higher than the North East figure of 15.9%, but lower than the average for England and Wales (21.1%).

4.8 CRIME

Tyne & Wear Crime Levels

The number of recorded crimes committed within Tyne & Wear as a whole dramatically increased over the three period between 2000/01 and 2002/03 from 115,345 to 140,469 (Table 16). This is a rise of 21.8%[20]. This trend is in stark contrast to the fall in crime over the previous 3 year period between 1998/99 and 2000/01 of 11.3%.

[17] *Tyne & Wear here refers to the Learning and Skills Council (LSC) area of Tyne & Wear, but covers the same geographic area as the boundary commission area.*

[18] *These figures cannot be compared to those from previous DfES publications as a consistent post-Census series has not yet been released.*

[19] *Student numbers for each institution include all students (full-time, part-time, distance learning and further education).*

[20] *Northumbria Police & TWRI*

Rates of Change

Over the three-year period, between 2000/01 to 2002/03, there was a significant increase in the crime *rate* in Tyne & Wear, up from 107.0 per 1,000 residents to 130.3. This trend is not a localised one, as the rate in England & Wales also increased over the same period from 98.9 to 112.8. The Tyne & Wear rate is, on average, 9.4% higher than the national rate over the three-year period[21].

In Tyne & Wear, North Tyneside remained the only district that had a consistently lower offence rate than England & Wales between 2000/01 and 2002/03. However, in 2002/03, North Tyneside had the greatest percentage increase in crime (32.8%) from the previous year. Despite this, North Tyneside remained the district with the lowest overall rate of offences.

Crime rates in the Tyne & Wear districts showed differing trends over the three-year period. Gateshead, Newcastle and Sunderland all had a consistent upward trend in the number and rate of crimes, reflecting the trend for England & Wales. In contrast, North and South Tyneside both reported a decrease in recorded crimes between 2000/01 and 2001/02, followed by a large increase in offences to 2002/03. In 2002/03, all Tyne & Wear Districts had a greater percentage increase in the number of offences committed than in England & Wales.

Table 16: District Rankings in Tyne & Wear by percentage change in All Recorded Crime (2000-2003)*

District	Population (Mid-2001)	2000-01 Crime	2000-01 Rate	2001-02 Crime	2001-02 Rate	2001-02 %	2001-02 Rank	2002-03 Crime	2002-03 Rate	2002-03 %	2002-03 Rank
Gateshead	191,200	20,774	108.7	22,094	115.6	6.4	2	23,644	123.7	7.0	5
Newcastle	261,100	33,395	127.9	34,344	131.5	2.8	3	41,845	160.3	21.8	2
North Tyneside	192,000	15,214	79.2	14,017	73.0	-7.9	5	18,612	96.9	32.8	1
South Tyneside	152,800	15,825	103.6	15,260	99.9	-3.6	4	18,469	120.9	21.0	3
Sunderland	280,800	30,137	107.3	33,244	118.4	10.3	1	37,899	135.0	14.0	4
Tyne & Wear	1,077,900	115,345	107.0	118,959	110.4	3.1	n/a	140,469	130.3	18.1	n/a
England & Wales	52,277,100	5,170,831	98.9	5,527,082	105.7	6.9	n/a	5,899,450	112.8	6.7	n/a

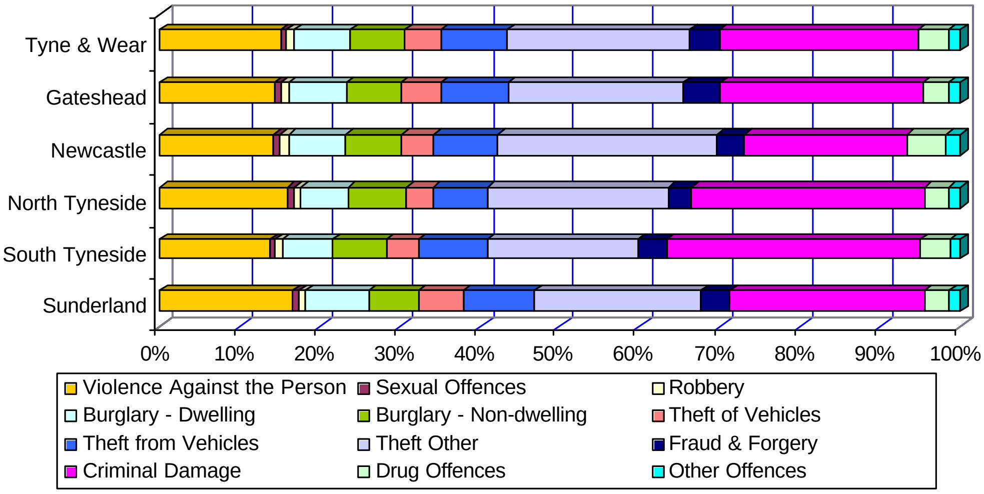
Rank 1 = Highest % increase or lowest % decrease
Rank 5 = Highest % decrease or lowest % increase
Population: based on Mid-2001 (revised) ONS data.
Rate = Number of crimes per 1000 population
Recorded Crime from Northumbria Police; Home Office
** Excludes statistically continuous crimes*
Source: Northumbria Police & TWRI

Composition of Crime by District

The proportion of crimes for each ‘offence group’ was fairly similar across the districts. The composition of total crime by type of offence for Tyne & Wear and each of the Districts are illustrated in Figure 8 below. Sunderland had the highest proportion of residential burglary (7.8%) and vehicle theft (5.6%)[22]. North Tyneside had the highest proportion of non-residential burglaries (7.3%). South Tyneside had the highest proportion of ‘criminal damage’ offences (31.6%). In Newcastle, ‘theft other’ was relatively high, accounting for 27.5% of the crime rate, possibly due to ‘shoplifting’. Newcastle also had the biggest ‘drug offence’ problem, accounting for 4.8% of total recorded crime.

[21] *The average is calculated by taking the proportion of E&W for T&W each year and averaging the three values*
[22] *Northumbria Police & TWRI*

Figure 8: Composition of Crime by District 2002/03



Source: Northumbria Police & TWRI

5.0 LEISURE & LIFESTYLE

5.1 SPORTS & RECREATION

In 1996 adults in the North were less likely to have taken part in some form of physical activity than the GB average, with only 57% of adults participating in some form of sporting activity compared to 64% nationally[23]. Participation in sport in the North East rose sharply between 1986 and 1990 from 46% to 63%, but was below the national average of 65%. This figure could be attributed to low female participation; 55% of women in the North East participated in sport, compared with 57% in GB. Male participation in football, basketball, cycling, darts and fishing was higher than the national average. Relatively few men in the North East played golf, cricket, squash, badminton or tennis. Participation in sport amongst women in the North East was depressed in all sports, with the notable exception of darts. Female participation was very low in swimming.

The Great North Run, Newcastle, Gateshead and South Tyneside
Source: South Tyneside MBC

The North East is host to the world's biggest half marathon, 'The Great North Run'. This was officially announced by the Guinness Book of Records at the beginning of 2002. The Great North Run, which covers 13.1 miles from Newcastle to South Shields, had 35,317 finishers in 2003 and raised an estimated £8 million for charity[24]. The 24th Great North run, for which there is a maximum capacity of 47,000 entrants, is scheduled to take place on Sunday September 26th, 2004.

The Economic Value of Sport

The Sport England report 'The Value of Sports Economy in the Regions: The Case of the North East, June 2003' showed that, in 2000:

- Residents spent £587m annually on sports-related goods and services, approximately 3.3% of total household expenditure
- Sport generated £1.1bn in annual turnover and £457m in annual value-added in the North East, accounting for 1.7% of the region's economy compared to the proportion for England as a whole (1.5%) and was the highest of any English region.
- Total employment in sport of 21,100. This is 2.2% of all employment in the region, higher than the proportion for England (1.7%) and any English region.
- Sport-related investment was around £22m

The average weekly household expenditure on Recreation & Culture[25] in the North East for 2001/02 was £53.30 compared to the UK average of £54.10. In relative terms, this accounted for 15.3% and 13.6% of household expenditure as a percentage of total expenditure in the North East and UK respectively. However, just £5.30 of this expenditure was on 'Sports admissions, subscriptions and leisure class fees'[26] in the North East (UK £5). Other recreational expenditure in the North East was

[23] *Living in Britain. Results from the 1996 General Household Survey, Office for National Statistics [Crown Copyright] 1998. 2002 GHS due July 2004.*
[24] *Special request, Nova International*
[25] *Family Spending, A Report on the 2001–02 Expenditure and Food Survey (EFS)*
[26] *Figures for 'Equipment for sport, camping and open-air recreation' were suppressed by ONS and so have not been taken into account.*

mainly in the areas of package holidays abroad; audio-visual equipment; gambling payments; TV, video, satellite rental and the internet.

From September 1999 to October 2003, Sport England Lottery Fund has made 205 project awards and 1,161 individual funding awards, totalling £101.6 million in the North East[27]. The value of awards attributable to sport per head of population[28] in the North East was £40.41. In terms of government grant funding, the North East received £14.30 per capita[29] compared to £13.20 nationally. (This is the second highest after Yorkshire & Humberside at £15.10). Local government funding was nil per capita for the North East, compared to the national figure of £1.20 per capita.

Leisure Facilities

Some of England's most popular leisure centres are located in Tyne & Wear. These include Newcastle Eldon, Sunderland Crowtree and Temple Park Centre at South Shields. 2002-03 estimates show that, local authorities in Tyne & Wear provided 348 hectares of formal parks and 228 equipped open play spaces.[30] [Caution: Figures were unavailable for Newcastle]

In 2001-02 public swimming pools and leisure centres in Tyne & Wear attracted over 4 million visitors. [Caution: Figures were unavailable for Newcastle.] In 1996/97 Sunderland Crowtree Centre ranked 3rd in a national league table of leisure centres in England, attracting over 2 million visitors and Newcastle Eldon ranked 13th with approximately 1 million visitors.

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

Tyne & Wear has one football club in the FA Barclaycard Premiership, Newcastle United FC, and one club in the Nationwide Division One, Sunderland AFC. The capacity of Sunderland's Stadium of Light is 48,300, with potential for future expansion to 66,000. The Stadium of Light is the largest football stadium constructed since the Second World War (although this will be eclipsed by the new Wembley stadium, currently being constructed, when it opens in early 2006). The stadium has superb facilities and has played host to two England matches, including the prestigious Euro 2004 qualifier against Turkey. St. James' Park is the home of Newcastle United, with a capacity of 52,219. The stadium has recently undergone a £49m redevelopment to incorporate over 15,000 extra seats beneath one of the largest cantilever roofs in the world.

St. James' Park, Newcastle
Source: Newcastle City Council

[27] *Special Request (Awards to Organisations and Individuals), Sport England Lottery Fund*

[28] *Mid-year estimate for 2002 used.*

[29] *Sport England 'The Value of Sports Economy in the Regions: The Case of the North East, June 2003', Cambridge Econometrics.*

[30] *Leisure & Recreation Statistics, Chartered Institute of Public Finance and Accountancy (CIPFA) 2002-03 Estimates*

5.2 THE ARTS

Newcastle boasts seven theatres including the Theatre Royal, which hosts seasons by touring companies including the Royal Shakespeare Company (RSC). The Theatre Royal is also the North East home of Opera North, Northern Ballet Theatre and the Royal National Theatre. The theatre attracted 294,412 visitors in 2002/03, at an average occupancy of 68%[31]. The RSC held 41 performances during the 2003 season. Seat occupancy at the Theatre Royal was 71% and 95% at Newcastle Playhouse. Total seat occupancy for the 2003 RSC Newcastle season was 79%, accounting for 27,724 attendees. Northern Stage, the largest professional theatre company between Leeds and Edinburgh, achieved a 75% average attendance for performances at Newcastle Playhouse and 88% at the Gulbenkian Theatre during 2002/03[32]. This represents a 17% and 20% increase respectively compared to 2001/02 audiences. The Empire Theatre in Sunderland is the largest theatre in the North East with seating on four levels. Opened in 1907, the Grade II listed building offers an impressive array of entertainment, musicals, opera, ballet, jazz, children's shows and one of the finest pantomimes in the country. Its Royalty Theatre also presents plays to suit a range of audiences.

Theatre Royal, Newcastle
Source: Newcastle City Council

The contemporary arts calendar in Tyne & Wear includes the Newcastle Jazz Festival and Comedy Festival. The Northern Sinfonia Orchestra has its base in Newcastle, and the Newcastle MetroRadio Arena (formerly Telewest Arena) provides a huge, modern venue for the world's top performers. The Sunderland International Kite Festival is one of Sunderland's spectacular events, which also include the International Airshow and the Houghton Feast.

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

Top visitor attractions[33] in 2002 in the North East include New Metroland (810,000*), the Baltic Centre for Contemporary Arts (587,026), Sunderland Museum and Winter Gardens (352,306), Beamish: The North of England Open Air Museum (311,692) and the Alnwick Garden (304,602). The top paying attraction in Tyne & Wear was New Metroland[34].

Support for the Arts

Research was conducted by Northern Arts in partnership with the former Training and Enterprise Councils, which explored the economic value of the arts. Although unpredictable, the cultural sector in the north of England was found to be very productive. Chiefly comprised of small micro-businesses with high levels of self-employment, part-time employment, temporary jobs and a prevalence of volunteers, over 55,000 people[35] were directly employed by the cultural sector.

Private sector support for the arts in the region totalled £3.9m in 2001/02. This figure includes over £2m for capital and millennium projects, over £1m in general (revenue) sponsorship, over £400,000 in

31 *Special Request: Theatre Royal, Newcastle upon Tyne*
32 *Special Request: Northern Stage*
33 ** denotes estimated visitor numbers and also top paying attraction in Northumbria region.*
34 *Northumbria Tourist Board*
35 *Tyne & Wear Profile 2001, TWRI, SR01/3*

corporate memberships and donations and nearly £350,000 in-kind. The Northern Arts made around 1,250 grant awards in 2001/02, totalling £14.1m. As of September 2000, £137.4m had been given out in Arts Lottery grants in the Northern Arts region. Northern Arts' budget for 2002/03 includes a total income of £12.46m and total expenditure of £12.51m.

5.3 MUSEUMS

Arbeia Roman Fort and Museum is located four miles east of the end of Hadrian's Wall at South Shields. The fort, built around AD160, guarded the entrance to the River Tyne and played an essential role in the frontier system. The excavated remains combined with reconstructions help give a unique insight into life in Roman Britain.

Discovery Museum in Newcastle is Tyne & Wear's biggest free museum. The museum is nearing the completion of a £12m transformation to improve facilities, displays and make visits more enjoyable. Visitors can explore Newcastle's past from the Romans to present day, Tyneside inventions and a fun approach to science.

In Newcastle, the Hancock Museum is regarded as the North's premier natural history museum. For more than 100 years, the museum has provided visitors with an insight into the animal kingdom and the forces of nature.

Segedunum Roman Fort, Baths and Museum is the 1,900 year old site on which the fort stood on the banks of the River Tyne, the last outpost of Hadrian's Wall. Segedunum, in Wallsend, North Tyneside, is a World Heritage site and has a full-size replica of a Roman bathhouse – the only one in Britain.

The recently re-opened South Shields Museum and Art Gallery, which underwent a £1m refurbishment, has various new galleries and exhibitions exploring tales from South Tyneside, a larger exhibition and refurbished activities room, as well as improved facilities and access.

The Shipley Art Gallery in Gateshead is home to a collection of over 700 pieces by the country's leading craft makers. The Gallery also houses a collection of historical paintings including Dutch and Flemish old masters. The history of the town is told in 'Made in Gateshead'.

Stephenson Railway Museum in North Tyneside gives visitors the chance to take rides on a real steam train and discover the story of the impact of coal and electricity on people's lives. The museum also has a range of old engines of historical significance.

The Sunderland Museum and Winter Gardens offers visitors the chance to get involved in interactive exhibits and displays telling the story of Sunderland. The art gallery features works by LS Lowry, Victorian masterpieces and artifacts. The Winter Gardens contain a wide variety of flora, with over 1,500 flowers on show.

Monkwearmouth Station Museum in Sunderland is a grand Victorian railway station recreating a sense of rail travel in the past. Visitors can explore the different parts of the old station, guard's van and goods wagon in the sidings. The museum also has a range of toys, books and dress costumes for children, as well as special temporary exhibitions and activities throughout the year.

5.4 LIBRARIES

For 2003/4 there are 85 library service points in Tyne & Wear[36]. In addition, 6 mobile libraries will be in operation serving communities where there is limited access to other service points. In 2002-2003, the number of visits to libraries per 1,000 population was highest in Newcastle (7,397). The other

[36] *Special Request, Chartered Institute of Public Finance Accounting (CIPFA)*

districts in Tyne & Wear reported visits per 1,000 population of 6,923 (Gateshead), 4,736 (North Tyneside), 6,270 (South Tyneside) and 5,190 (Sunderland).

5.5 TOURISM

Tourism is a major contributor to both the North East and Tyne & Wear economy. In 2002, tourists spent £619m in Tyne & Wear (£1.04bn Northumbria) of which overseas tourists accounted for £100m (£169m Northumbria), 16% of the total compared to £519m by UK residents (£868m Northumbria). In 2002-03, UK residents made 2.3m staying trips (where visitors stayed at least one night) to Tyne & Wear, whilst overseas visitors made 350,000 staying trips. UK and overseas visitors stayed a total of 5.4m and 2.3m nights respectively in 2002. Approximately 79,000 people were employed in tourism-related industries in the North East[37] in 2002.

Tyne & Wear has wide variety of flourishing tourist destinations, with each district having a number of features unique to it.

Sunderland is home to the National Glass Centre, a newly built £16m venture which traces the history of glass, but also aims to develop and promote excellence in the art and industry of glass.

The Arts Centre Washington is a vibrant and exciting focus for arts activities offering a theatre, gallery, artists' studios, recording studio, licensed bar, rehearsal rooms and function rooms. The year round programme of arts activities includes exhibitions, theatre, dance, music, festivals, classes and workshops for all ages.

The Northern Gallery for Contemporary Art in Sunderland presents changing exhibitions of new work by artists from around the world, bringing new art to new audiences. It offers opportunities to emerging and established artists to present work at critical points in their careers.

The Washington Wildfowl and Wetlands centre is a 100 acre nature reserve and haven for over 1,200 swans, ducks and geese. Nearby is the ancestral home of George Washington (first President of the United States) at Washington Hall.

The Priory, Tynemouth
Source: Newcastle City Council

In North Tyneside, St. Mary's Lighthouse and Visitor Centre and Tynemouth Priory are popular tourist attractions. The Priory is the ruins of the 11th century Benedictine Priory. The Sea Life Centre and old Life Brigade Watch House, which displays 19th century shipwrecks, are also in North Tyneside.

In South Tyneside, the story of the life and times of the Northumbrian scholar, the Venerable Bede (AD 673-735) is told at Bede's World. The site includes the chancel of St. Paul's, the only surviving part of the Anglo-Saxon monastery. The monastery was attacked by Vikings in AD 794 but was revived and survived until the Reformation. Outside the monastery in Gyrwe (the Anglo-Saxon name for Jarrow) is an experimental farm that is home to rare breeds of animals and ancient varieties of

[37] *Annual Business Inquiry, 2002 [Crown Copyright]*
Tourism-related industries includes SIC codes {5511-2, 5521-3, 5530, 5540, 6330, 9251-2, 9261-2, 9271-2)

cereals and vegetables. The site also features full-size Northumbrian timber halls and other structures based on excavated examples using traditional tools and techniques.

'**Catch the Spirit**' is a new cultural strategy for South Tyneside which has been developed with the help of people throughout the borough. The key aim of this new strategy is to make South Tyneside a better place to live, work and visit. The strategy will help to develop culture over the next 5 years by bringing together lots of ideas into one plan.

Conversation Piece, South Shields
Source: South Tyneside MBC

Cultural development in Newcastle & Gateshead is strengthening with the establishment of the '*culture[10]*' initiative, which is set to invest £140m in world-class exhibitions, attractions, festivals and commissions. The bid to become European Capital of Culture 2008 brought an injection of cash and jobs to the region. New income directly linked to the bid totaled over £400m and created 7,999 jobs[38]. Perhaps the most prominent tourist attraction in Gateshead is The Angel of the North, by the A1. The largest sculpture in Britain, it measures over 20m high, boasts a 54m wingspan, weighs 200 tonnes and comprises enough steel to make 16 double-decker buses.

The Baltic, opened in 2002, is the major new international centre for contemporary art, situated on the south bank of the river Tyne in Gateshead. The centre lies right at the heart of the regeneration of Gateshead Quays. Housed in the former Baltic Flour Mills 1950s grain warehouse, the site allows visitors to learn about the production, presentation and experience of contemporary art. The Baltic places a heavy emphasis on commissions, invitations to artists and the work of artists-in-residence, meaning there is no permanent collection, allowing visitors to return time and time again for new experiences.

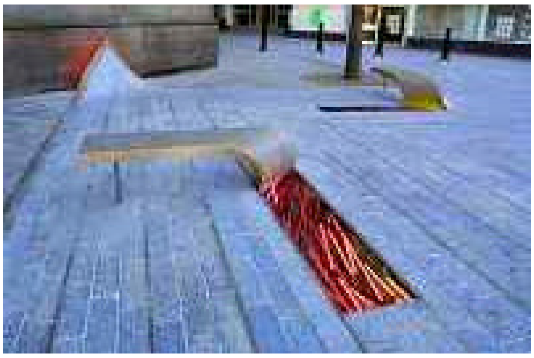
The Sage, Gateshead

The Sage in Gateshead is currently being constructed as an international home for music and musical discovery. The £70m Arts Council funded centre aims to fuse local roots, a world-wide reputation, a global programme and a fully inclusive welcome to all musical styles. The current development schedule estimates that the centre will open in winter 2004/5 and will seat approximately 1,700 people in its main concert hall and a further 450 in the flexible auditorium.

Newcastle Quayside was the ancient centre of Newcastle and maintains many of the buildings that defined the area over 300 years ago. The Quayside has played host to maritime festivals, reflecting the city's historic association with the sea. In 1993, the Cutty Sark Tall Ships race came to Newcastle and is due to return in 2005. The Quayside melds the old with the new, with the Tyne Bridge, opened in 1929 by King George V, just a few hundred metres down-river of the ultra-modern Millennium Bridge, opened in 2001.

The Quayside, Newcastle
Source: Newcastle City Council

[38] *Excerpt from Newcastle/Gateshead Initiative (Figures from PriceWaterhouseCoopers)*



The Blue Carpet, Newcastle
Source: Newcastle City Council

The 'Blue Carpet' opened in January 2002. The contemporary public square is located outside the Laing Art Gallery and is the first new public space created in the city this century. The design was created by Thomas Heatherwick and incorporates simplicity with the abstract, steel and cedar, glass and resin, to create a spectacular public space. The space resembles a carpet dropped on the square with its edges folded up against the walls and plain bollards protruding through the 'pierced' surface. The project cost £1.4m and was funded by the Arts Council Lottery fund, the European Improvement Fund and the City Council.

Tyne & Wear is also one of the largest shopping destinations in the UK. Major retail facilities include the MetroCentre (at Gateshead), Newcastle Eldon Square, Eldon Garden, Monument Mall, North Tyneside Royal Quays and The Bridges in Sunderland. The MetroCentre attracted 22.9 million visitors, 15.2 million vehicles and 5,110 coaches in 2003[39].

The Metro Centre, Gateshead

[39] *Special request, Marketing Department, MetroCentre Gateshead.*

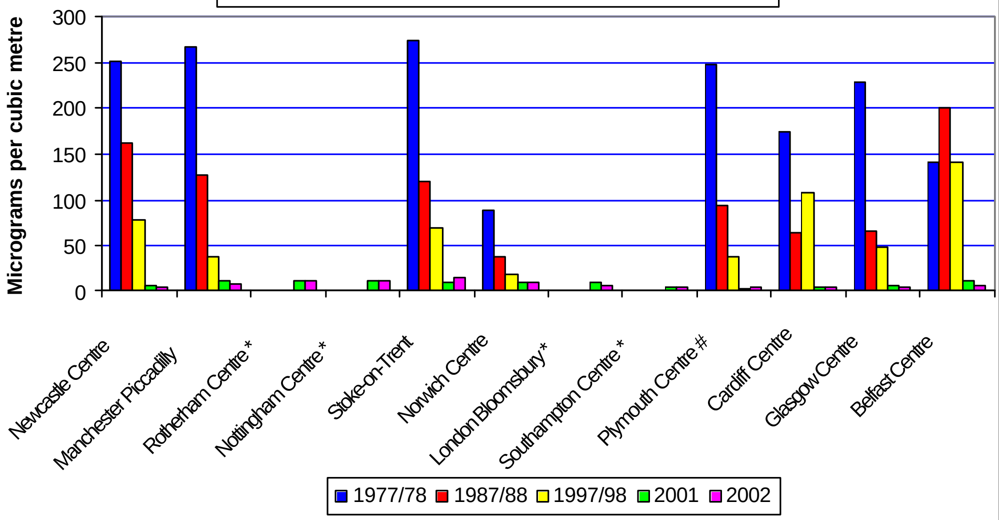
6.0 ENVIRONMENT

With the advent of greater public awareness of the consequences of environmental pollution a variety of measures are used to monitor the quality of the environment. The following information illustrates measures of one of the most significant atmospheric pollutants, sulphur dioxide.

6.1 POLLUTION

Sulphur dioxide concentrations have reduced greatly in Newcastle and most of the country since the 1970s. As shown in Fig 9, in the four-year period between 1997/98 and 2001, levels in Newcastle fell 91% from 79 to 7 micrograms per cubic metre. Prior to this, in the 20 years to 1997/98, levels in Newcastle fell by over two-thirds from 252 to 79 micrograms per cubic metre, down 69%. Between 2001 and 2002 levels fell by almost 29% in Newcastle (third only behind Belfast and London Bloomsbury). This is about 20 percentage points greater than the average percentage change for the sample group (-9%).

Figure 9: Atmospheric Pollution (Sulphur Dioxide)



Source: Regional Trends 35, 2000 ONS [Crown Copyright] (for 1977/78 to 1997/98 Department for Environment, Food & Rural Affairs (DEFRA) for 2001 & 2002

** No time-series data is available before 2001*
 # Data given for 1977/78, 1987/88 and 1997/98 is actually for 1976/77, 1986/87 and 1996/97 respectively and is from Regional Trends 34, ONS [Crown Copyright]. This location was not covered in Regional Trends 35

6.2 PUBLIC TRANSPORT

The total number of public transport boardings in Tyne & Wear has declined by 52% since de-regulation in 1986, from 370 million in 1985/86 to 177 million in 2002/2003. Buses and Metros showed the most significant decline, down 55% and 33% respectively. Rail patronage declined 31% over the same period.

Table 17: Tyne & Wear Public Transport Boardings (millions)

Financial Year	Total	Bus	%	Metro	%	Rail	%	Ferry	%
1985/86	370.4	312.9	84.5	54.6	14.7	2.4	0.6	0.5	0.1
1990/91	275.2	229.6	83.4	42.7	15.5	2.2	0.8	0.7	0.3
1995/96	220.7	182.2	82.6	35.8	16.2	2.1	0.9	0.6	0.3
1996/97	214.1	175.9	82.2	35.4	16.5	2.2	1.1	0.6	0.3
1997/98	209.9	171.9	81.9	35.0	16.7	2.4	1.1	0.6	0.3
1998/99	201.8	165.1	81.8	33.8	16.7	2.4	1.2	0.6	0.3
1999/2000	194.1	158.2	81.5	32.8	16.9	2.6	1.3	0.6	0.3
2000/01	184.5	148.6	80.6	32.5	17.6	2.8	1.5	0.6	0.3
2001/02	183.2	147.0	80.2	33.4	18.2	2.3	1.2	0.5	0.3
2002/03	177.3	139.4	78.6	36.7	20.7	0.8	0.4	0.5	0.3

Source: Special Request, NEXUS

Tyne & Wear has a modern public transport system – a necessity given that car ownership is the second lowest (behind Inner London) in the country [40]. The Tyne & Wear Metro system, which opened in 1980, provides frequent rail links from residential areas through Newcastle to North Tyneside, South Tyneside, Gateshead and Sunderland. The Metro also connects to bus services throughout the region and has stations at Newcastle Central Station and International Airport. The £100m Metro extension to Sunderland opened in 2002.

[40] *2001 Census © Crown Copyright*

7.0 THE LOCAL ECONOMY

7.1 GROSS VALUE ADDED

Gross Value Added (GVA) measures the contribution to the economy of each individual producer, industry or sector in the United Kingdom. GVA is the new preferred measure of output reported by ONS and as such, is being introduced into TWRI's Tyne & Wear Profile from this year.

Official figures for Tyne & Wear are unavailable and so have been derived by TWRI from NUTS [41] Level 3 data, consistent with the methods used by ONS. Table 18 gives both the official ONS GVA data and the derived TWRI figures for Tyne & Wear.

Table 18: Gross Value Added (GVA) and GVA per head 1995 to 2001 at Current Basic Prices

	1995	1996	1997^	1998^	1999^	2000^	2001^
				£ millions			
United Kingdom++	626,703	663,148	705,851	749,688	781,847	816,111	851,408
England	530,971	562,669	600,474	639,772	668,598	698,684	730,036
North East	23,229	23,963	24,762	25,497	25,910	26,740	27,729
Tyneside	7,798	8,114	8,516	8,923	9,200	9,568	9,995
Sunderland	2,568	2,668	2,785	2,898	2,952	3,044	3,149
Tyne & Wear**	10,366	10,782	11,301	11,821	12,152	12,612	13,144
				£			
ONS GVA per head UK++	10,819	11,425	12,135	12,858	13,369	13,917	14,418
ONS GVA per head North East	9,027	9,344	9,696	10,021	10,235	10,600	11,009
TWRI GVA** per head Tyne & Wear	9,285	9,710	10,243	10,787	11,183	11,679	12,194
T&W** as % (UK++ = 100)	86%	85%	84%	84%	84%	84%	85%
T&W** as % (NE = 100)	103%	104%	106%	108%	109%	110%	111%

^ Provisional data

++ UK less Extra-regio figure used – The GVA for Extra-Regio comprises compensation of employees and gross operating surplus which cannot be assigned to regions.

*** Derived by TWRI from ONS data*

Source: NUTS3 Gross Value Added, ONS and TWRI

Since the mid-1990s, Tyne & Wear has experienced a steady nominal increase in GVA. Figures for 2001 estimate Tyne & Wear GVA at £13,144m, a 27% increase since 1995. By comparison, UK (less extra-regio) GVA has increased 36% over the same period. However, these figures do not take into account population flows and consequently, direct comparison of growth is tenuous. GVA per head over the same period has increased by 31% in Tyne & Wear, much more comparable to 33% for the UK. However, GVA per head as a proportion of the UK average shows that Tyne & Wear is 15% lower than the UK, but 11% higher than the North East. As GVA per head figures are based on *workplace-based* GVA and *resident* population, net in-commuting into Tyne & Wear also has a bias effect on the data, therefore, the figures are probably overstated slightly[42].

[41] *Nomenclature of Units for Territorial Statistics (NUTS) is the ONS method for categorising areas of the UK at different levels*

[42] *Travel-to-Work and Origin and Destination analysis from the 2001 Census, which would allow a more thorough analysis of resident GVA per head is still being compiled.*

Business Conditions 2003

Business indicators on domestic sales and orders from Q4 2002 to Q4 2003 have shown falls of 13.2% and 8.8% respectively[43]. Export orders also showed a fall over the year to Q4 2003 of 19%. However, export sales showed a significant increase of 97%. Over the year from January to December 2003, the Euro exchange rate appreciated (against the pound) making UK goods relatively cheaper, which may have contributed to the increase in export deliveries.

Business Investment for the third quarter[44] of 2003 was 1.2% lower than in the second quarter and 1% lower than the same period in 2002. This follows growth of 1.7% from the first quarter. The quarterly fall is due to reduced capital spending from manufacturing, other production and distribution service industries. Increased investment from other service and construction industries helped to offset these falls slightly.

Consumer Spending was up 3.1% in Q1 2003 compared to a year earlier (growth of 0.2% on the previous quarter), thus showing signs of slowing in the first quarter 2003. The slowdown in growth continued into the second quarter of 2003 with annual growth at 2.4%.

House Prices in Tyne & Wear soared in 2002 and the latest HM Land Registry data for 2003 (to Q2 revised) show little sign of a slowdown just yet. Overall, average property prices for Tyne & Wear rose 26% in the year to Q2, with Detached properties registering the largest gains (31%) and Flats/Maisonettes the smallest (16%). TWRI's *House Prices & Earnings Report 2003* covers in greater detail the prospects for 2004 in Tyne & Wear House Prices based on regional trends.

In January 2004, Tyne & Wear had 24,872 people (4.9% of labour force) claiming unemployment benefits[45]. The autumn 2003 Labour Force Survey (LFS) recorded ILO unemployment of 30,000 (5.8% unadjusted) in Tyne & Wear.

7.2 FIRMS IN TYNE & WEAR

Table 19 shows a list of the top 10 companies with headquarters in Tyne & Wear ranked by turnover.

Table 19: Top 10 Tyne & Wear Companies (2003) Ranked by Turnover

Rank (last year)	Company Name	District	Activity	Workforce	Turnover (m) 2001
1 (2)	**Arriva Plc**	Sunderland	Transport Operator	31,253	2,084.0
2 (3)	**Nissan Motor Manufacturing (UK) Ltd**	Sunderland	Car Manufacturer	4,700	1,975.0
3 (5)	**Barratt Developments Plc**	Newcastle	House building	4,000	1,799.4
4 (4)	**Northern Rock Plc**	Newcastle	Mortgage Bank	4,088	1,678.2
5 (6)	**Reg Vardy Plc**	Sunderland	Motor Dealership	5,000	1,387.6
7 (12)	**The Go Ahead Group Plc**	Newcastle	Public Transport	17,500	950.0
11 (10)	**Bellway Plc**	Newcastle	House building	1,500	773.0
13 (13)	**NE & Cumbrian Co-op**	Gateshead	Retail	5973	581.8
14 (16)	**The Sage Group Plc**	Newcastle	Software/Service	1,500	551.7
15 (7)	**CE Electric UK Funding Ltd.**	Newcastle	Suppliers of Electricity and Gas	2,600	540.0

Source: The Top 200, The Journal (05/06 2003) in association with ONE North East

43 *Business Survey North East. T&W data kindly supplied by ERS*
44 *National Statistics Online (Economy), ONS [Crown Copyright]*
45 *TWRI Unemployment, Training & Vacancies, December 2003*

Structure of the Business Base

At the end of 2002, Tyne & Wear had 16,860 businesses registered for VAT. This is a remarkably small business base of 194 businesses per 10,000 adults, compared to 371 per 10,000 adults for the UK. However, this base does represent an 8% increase (15 firms) from 2000 compared to less than 6% (20 firms) for the UK.

The recovery in the business base in Tyne & Wear is in stark contrast to 1999 and 2000, where the business base fell by 20 firms and 135 firms respectively (approx. 10% and 40%).

At district level in 2002, Newcastle's business base rose marginally from 236.8 to 237.3 (0.2%), whilst Sunderland's business base was rose just 0.4% (168 to 168.6). South Tyneside rose from 149.7 to 151 (0.9%), compared to slightly larger base gains (2.1%) in Gateshead (211 to 215.5) and North Tyneside from 178.8 to 184.6 (3.2%). The average growth in Tyne & Wear's district business base was just 1.4%.

All the Tyne & Wear districts have shown increases in the business base in 2002. This is in stark contrast to the falls in Newcastle, Sunderland and South Tyneside in 2001.

Tyne & Wear's business base (Table 20) remains strongly focused on Retailing & Wholesale (28% of VAT registered businesses) compared to the North East (25.5%) and UK (21.7%). Tyne & Wear also has a greater proportion of businesses in Manufacturing than the North East and UK (T&W 10.3%; NE 9.3%; UK 8.8%). These two industries accounted for 38.3% of business in Tyne & Wear, far more than the UK (30.5%) and slightly more than the North East (34.8%). Hotels & Catering is the only other industry for which Tyne & Wear has greater proportional representation (10.6%) than the North East (9.9%) and UK (6.8%). Tyne & Wear is also strongly represented relative to the North East in Business Services (24.5% and 21.2% respectively). However, this is significantly lower than the UK proportion of businesses in Business Services (28.4%).

Table 20: VAT Registered Businesses by Industry, 2002

SIC 92		Tyne & Wear (Total)	Tyne & Wear (%)	UK (%)
A,B	Agriculture	195	1.2%	8.1%
C,E	Mining & Utilities	10	0.1%	0.1%
D	Manufacturing	1740	10.3%	8.8%
F	Construction	1710	10.1%	10.7%
G	Retailing & Wholesale	4715	28.0%	21.7%
H	Hotels & Catering	1780	10.6%	6.8%
I	Transport	800	4.7%	4.5%
J	Finance	100	0.6%	0.9%
K	Business Services	4135	24.5%	28.4%
L,O	Public Admin. & Other Services	1410	8.4%	8.6%
M,N	Education & Health	265	1.6%	1.4%

Note: Data used was based on stock of businesses at the end of 2002

Source: NOMISweb

In 2002, in terms of net change, 6 industries in Tyne & Wear had little or no change (less than ±0.5%). In terms of relative growth, however, Tyne & Wear outperformed the UK in 9 out of the 11 sectors reported. Table 21 gives a brief summary of the percentage change in businesses for each sector in Tyne & Wear, North East and UK in 2002. The most significant gains were in Hotels & Catering (up

3.2%; UK up 2%); Transport (up 6%; UK up 0.8%); Business Services (up 2.7%; UK up 1.3%) and Education & Health (up 3.9%; UK up 2%). The only significant loss came in Manufacturing (down 2.8%; UK down 3.1%).

Table 21: % Change in Business Stock by Industry 2001 to 2002

SIC 92		**T&W**	**NE**	**UK**
A,B	Agriculture	0.0%*	-0.8%	-1.5%
C,E	Mining & Utilities	0.0%*	0.0%	-4.4%
D	Manufacturing	-2.8%*	-2.7%	-3.1%
F	Construction	0.3%	0.0%	0.7%
G	Retailing & Wholesale	0.3%*	-0.2%	-1.4%
H	Hotels & Catering	3.2%*	3.0%	2.0%
I	Transport	6.0%*	1.6%	0.8%
J	Finance	0.0%*	2.6%	-4.0%
K	Business Services	2.7%*	1.1%	1.3%
L,O	Public Admin. & Other Services	0.4%	-1.4%	1.3%
M,N	Education & Health	3.9%*	5.1%	2.0%
Total		1.2%*	0.2%	0.0%

*Note: * represents industries in which T&W outperformed UK*
Source: VAT registrations/deregistrations by industry on NOMISweb

7.3 MANUFACTURING IN TYNE & WEAR

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

Manufacturing Establishment Size

Establishment size is large. In 1997 the average establishment in Tyne & Wear had 40 employees, almost 50% greater than the UK average of 25 employees (Table 22). The differential between Tyne & Wear and the UK in establishment size increased to 1.58 in 1997, having remained steady over the period 1993-96 (1993, 1.48; 1996, 1.49). Establishment size in the county increased marginally during 1997 (from 39 employees to 40), whilst the average UK establishment size decreased by 1 (to 25). In 1997 nine of Tyne & Wear's top ten industries had an establishment size larger than the national average.

Table 22: Establishment size (by employees) 1997

SIC 92	Industry	Tyne & Wear (per business)	UK (per business)	Tyne & Wear/ UK (Ratio)
DL	Electrical &Optical	158.2	33.4	4.74
DM	Transport & Equipment	58.6	33.4	1.75
DA	Food & Drink	21.9	16.9	1.30
DK	Machinery & Equipment	71.2	59.7	1.19
DE	Paper & Printing	48.2	28.1	1.72
DJ	Basic Metals	27.1	14.7	1.84
DG	Chemicals	47.7	64.9	0.73
DB	Textiles & Clothing	48.1	25.1	1.92
DH	Rubber & Plastics	39.5	36.7	1.07
DN	Other Manufacturing	20.8	11.6	1.80
	All Manufacturing	**40.2**	**25.4**	**1.58**

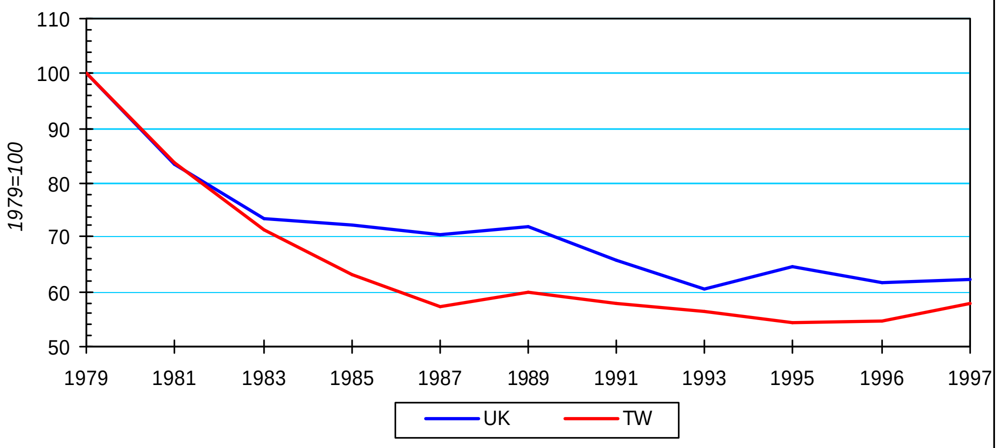
Extract from Manufacturing in Tyne & Wear 1993-1997, TWRI

Source: Census of Production, 1997

Manufacturing Employment

Between 1979 and 1997, overall manufacturing employment fell hugely in both Tyne & Wear and the UK (Figure 10); Tyne & Wear employment almost halved. There was a dramatic fall between 1979 and 1987, followed by a more modest decline between 1989 and 1995. During 1993 and 1997, there was a slight rise (+2%) in Tyne & Wear, matching the overall UK trend[46].

Figure 10: MANUFACTURING EMPLOYMENT
1979-97



Source: Census of Production, ONS [Crown Copyright]

In 1997, employment was high in the Electrical & Optical (13,300), Transport Equipment (12,500) and Machinery & Equipment (10,600) industries in Tyne & Wear. During 1993-97, notable rises in employment were recorded in Transport Equipment (+1,500) which includes the motor industry.

[46] *Census of Production, ONS [Crown Copyright]*

Electrical & Optical also rose (+1,300), reflecting the development of the Siemens microchip plant in North Tyneside, which later closed in 1999 but re-opened in 2000 under Atmel. Significant falls were experienced in Chemicals (-1,600) and Food & Drink (-1,000).

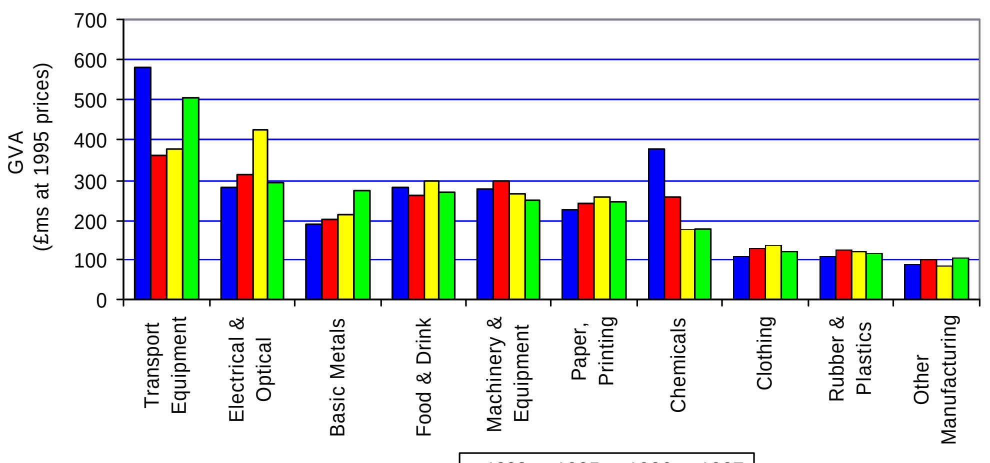
Manufacturing Output

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

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

Output changes between 1993 and 1997 varied greatly between manufacturing industries (Figure 11). Output rose hugely in the Electrical & Optical industry (+50%) between 1993-96, a rise of well over £100m probably reflecting the new Siemens micro-chip plant, adding about 5% to manufacturing output. It then slumped in 1997 by an even greater amount, whilst output in Basic Metals increased by over 44%. Other notable rises were recorded in Basic Metals (+44%), Other Manufacturing (+18%), Textiles & Clothing and Paper & Printing (both +9%) industries. There were very steep declines in the Chemicals (-53%) and Transport Equipment (-13%) industries.

Figure 11: MANUFACTURING OUTPUT
Tyne & Wear (1993, 1995, 1996 & 1997)



Source:Census of Production, ONS [Crown

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

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

Table 23: Largest Manufacturing Industries in Tyne & Wear Measured by Output, 1997

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

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

Source: ONS Census of Production, 1997

Manufacturing Productivity

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

Manufacturing productivity in Tyne & Wear was almost 11% below both the North East and UK in 1997 (Table 24). This is consistent with the North East figures for the previous year but a sharp deterioration from 1993 when productivity was 8% above the UK average.

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

Food & Drink and Textiles & Clothing were the only two industries to have productivity levels slightly above the North East averages. The former was 7% above the North East and 13% above the UK; the latter 3% above the regional average, but 9% below the UK. Eight of Tyne & Wear's top ten industries had productivity below the regional and national averages. The most notable are Paper & Printing, Chemicals and Machinery & Equipment at 24%, 22% and 11% below the regional average respectively.

Table 24: Productivity* Levels in Major Tyne & Wear Industries with UK Comparison, 1997

SIC92	Industry	Tyne & Wear (Current Prices)	Index of North East (North East=100)	Index of UK (UK =100)
DM	Transport Equipment	£42,800	98.6	110.4
DL	Electrical & Optical	£23,300	94.8	70.4
DJ	Basic Metals	£32,600	107.2	112.7
DA	Food & Drink	£29,700	89.0	74.8
DK	Machinery & Equipment	£25,200	76.2	75.3
DE	Paper & Printing	£28,700	93.4	81.9
DG	Chemicals	£54,100	78.1	98.4
DB	Textiles & Clothing	£17,800	103.0	90.8
DH	Rubber & Plastics	£27,000	93.1	93.1
DN	Other Manufacturing	£22,400	96.8	88.3
	All Manufacturing	**£30,000**	**89.4**	**89.2**

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

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

Source: ONS Census of Production, 1997

Manufacturing Profitability

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

7.4 INWARD INVESTMENT AND ONE NORTH EAST

Inward Investment

Foreign Direct Investment (FDI) in Britain more than halved in 2002 (UNCTAD). Britain slipped down the ranking in UNCTAD's World Investment Report from second place in 2001 to seventh in 2002. FDI inflows fell 60% from 2001 to $25bn and 81% from 2000. The decline reflects shrinking cross-border mergers and acquisitions activity. (FT 05/09; J 05/09)

In the North East, FDI created 700 new jobs and safeguarded 1,428 in the financial year 2002/03 (One North East). £75m of capital expenditure came from abroad. Twenty-one foreign-owned companies came to the region in 2002 and another 20 expanded their exisiting operations in the region (J 10/07).

ONE North East

One North East is the Regional Development Agency (RDA) covering the North East region of England, comprising Northumberland, Tyne & Wear, County Durham and Tees Valley. Together with regional Partners, One North East has created a ten-year Regional Economic Strategy (RES), which has led to a diverse range of programmes and initiatives throughout all parts of the region. The goals set in the RES for the future success of the region are:

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

One North East has released a Corporate Plan, which gives a comprehensive description of what the Agency will deliver in the period 2003-06. Its structure demonstrates a clear link between the broad messages of One North East's strategic direction and its strategic and operational role in delivery. This direction is determined by the six priorities of the recently updated Regional Economic Strategy.

As part of ONE's sub-regional partnership[47] with Tyne & Wear (Tyne & Wear Partnership, TWP), companies throughout Tyne and Wear are participating in many of the Region's cluster development programmes, innovation and technology transfer initiatives and other initiatives to raise the productivity of all companies.

TWP is focusing on promoting innovation and competitiveness in SMEs (small-medium enterprises). This features support that opens access to new markets and nurturing micro clusters. Focus is set on building an entrepreneurial culture to increase substantially the business start-up rate. This includes promoting entrepreneurship in education, awareness raising and the provision of one to one support. Efforts to simplify and improve the effectiveness of the business support network are underway as part of the region wide review of business development.

7.5 INDUSTRIES AND FIRMS NEWS

The size of job gains in the period from October 2002 to September 2003 has continued the trend noted in 2001-2002 of smaller size gains. Over the period, no single employer announced job creation of over 1,000. **Barclays Bank Plc's** (J02/10) creation of 500 jobs at its call centre in Sunderland was the largest gain for the period, followed by **Debenham's** proposed creation of 400-450 jobs at a new department store at MetroCentre in Gateshead in autumn 2004. **Amaro Professional Distribution** also announced job gains of (up to) 500, through growth in their leaflet distribution business.

The Offshore, Shipbuilding & Ship Repair sector was hit by the announcement that around 600 shipbuilders working for **AMEC** were being made redundant in October 2003 following the £300m conversion of the *Bonga* (FPSO – Floating Oil Production, Storage & Offloading) vessel. (J29/09/03) The region's clothing manufacturing industry continued to decline in 2003 with the loss of a further 380 jobs from the closure of two of Dewhirst's three Sunderland factories.

Business failures in the UK were at their highest for eight years at the end of 2002, up 7.2%. The North East fared much better with failures rising just 1.4% in 2002. However, by Q2 2003, business failures in the North East were up 7%[48] compared to the same quarter in 2002. The region was just one of six in the UK to show an increase in the number of companies collapsing during the second quarter of the year. Conversely, national failures were down 6%. (J12/07/03)

Encouraging **Business services** news for Q3 2003 in Tyne & Wear emerged as Newcastle-based accountancy software company **Sage** acquired American software company Timberline Software for £63.9m (J18/07/03). Other areas of the sector also showed signs of a positive end to the year with **Elayess**, a new recruitment company, formed from a £78m merger of two Norweigan companies being based at Silverlink Retail Park in North Tyneside. The firms involved were Aker International

[47] *Extracts from One North East website www.onenortheast.co.uk*
[48] *Experian*

Resource, the human resources arm of Aker Maritime and Lawrence Allison Group, the recruitment division of Kværner. Elayess will provide professional workers to service the gas, oil, offshore, petrochemical and shipbuilding industries worldwide (J30/07/03).

In October 2002 it was announced that more than **£11m** was to be given to the North East from the **North East Productivity Alliance (NEPA)** in a bid to boost productivity in the manufacturing sector. The funding is from One North East (£9.8m) over 5 years and the Learning & Skills Council (LSC) (£1.8m) to improve training, manufacturing techniques and share expertise between experts and companies. (J15/10/02)

7.6 JOB GAINS AND LOSSES FROM Q4 2002 TO Q3 2003 (AS REPORTED IN THE PRESS)[49]

[Note: This list presents only the largest announcements, over 100 jobs each]

Job Gains

No. of Jobs	Company	Source
+500 (by end 2002)	**Barclays Bank Plc**, Doxford Park, Sunderland (Call Centre. It is creating more than 500 jobs at the centre, which already employs 1,250 people)	(J02/10/02)
+400-450* (for Autumn 2004)	**Debenhams**, MetroCentre, Gateshead (Department store. Jobs created through opening of a store in the MetroCentre)	(J16/04/03)
+400 (up to)	**Amaro Professional Distribution**, Gateshead (Leaflet distribution. Jobs being created through growth. Amaro presently employ 91 people. They have also invested in a new 10,000sq ft warehouse to meet demand from clients)	(J25/06/03)
+310	**Twenty4help**, The Watermark, Gateshead (IT helpline specialist.Twenty4help quoted 310 jobs had been created since Dec. 2002 and confirmed that the they expect another 100 jobs to be created in the future)	Twenty4help (24/11/02)
+200 (part-time)	**North East Workforce Ltd.**, Newcastle City Council (Recruitment agency. New jobs following expansion into marketing and modelling, 200 part-time staff are being recruited to work on promotional events)	(J06/11/02)
+200 (over 2 years)	**Dickinson Dees**, Newcastle (Law firm. 200 jobs gains likely in Newcastle as it expands its business nationwide, in addition to the 100 jobs announced in Jan. 2003)	(J25/09/03)
+200 (over 5 years)	**McKeags Solicitors**, Newcastle (Solicitors. The firm has been growing for the past 5 years. At the start they had 55-60 staff and now have 200. They expect to have about 250 by the end of 2003)	(J09/09/02)
+200 (during 2003)	**Sage**, Newcastle (Software. It plans to create 200 jobs in 2003. Half the workforce is expected to move to the new headquarters in Newcastle Great Park)	(J04/12/02)
+190	**2Touch**, Sunderland (Contact and marketing company. It is hiring 150 telephone staff and about 40 executives after winning a big contract from a blue-chip company)	(J12/09/03)
+150-200* (Est)	**Pizza Hut**, Sunderland (Restaurant. Jobs created through the opening of 3 new restaurants in Sunderland this year. A 4th is also opening in the North East, but the exact location is not yet known)	(J18/04/03)
+152 (est)	**British Gas**, Tyne & Wear (Engineers. Tyne & Wear's share of 380 jobs for the NE)	(J09/10/02)

[49] *Economic Review, Winter 2002/03 – Autumn 2003, TWRI, EC03/1 – EC03/4*

+150*	**Next**, Team Valley Retail Park, Gateshead (Fashion retailer. Jobs created through the opening of a new store – one of the biggest in the UK)	(J29/04/03)
+150	**Tyne Tubes**, South Shields, South Tyneside (Engineering. New jobs created as it gears up to boost its turnover by 50% after taking over an Alnmouth boatbuilder and the company that built the *Angel of the North* in Gateshead.)	(J06/11/02)
+140	**More Than** Doxford Park, Sunderland **(Royal Sun Alliance Group)** (Call Centre. Jobs created as a result of the expansion of its call centre)	(J04/11/02)
+130* (within the year)	**Esmar UK**, Stephenson Industrial Estate, Washington, Sunderland (Car component maker. Jobs for the opening of a new factory by the Spanish company. It hopes to have transferred all work from its Sunderland plant (a major supplier to Nissan) by August 2003)	(J20/11/02)
+120 (over 7 years)	**Onyx Scientific**, Sunderland (Chemical Research Company. New jobs will be mainly on the technical side of the business. It aims to recruit many chemistry graduates and postgraduates from North East universities)	(J25/07/03)
+120 (Est)	**Ryder**, Newcastle (Architects. 120 jobs to be created following a merger with US architectural firm, HKS, to form RyderHKS. The headquarters will be in Newcastle. TWRI estimate all 120 jobs will be in Newcastle)	(J13/06/03)
+120	**Kell Bell International**, Longbenton, North Tyneside (Shellfish processor. New jobs for expansion into a 20,000 ft^2 factory expected to be operational by February 2003. It is moving into making ready meals and convenience food for supermarkets)	(J10/10/02)
+100 (over the year)	**Amaro**, Metro Riverside Park, Gateshead (Leaflet distribution. New jobs created for expected major new contracts and relocation to new premises)	(J26/12/02)
+100*	**Dunelm Mill**, Pallion Trading Estate, Sunderland (Home furnishings. A new store opened in July at the old Focus site, creating around 100 jobs)	(J09/07/03)
+100	**Washington Metal Works**, Felling Industrial Estate, Gateshead (Metal works. Jobs created as company re-locates from Sunderland to Gateshead. It hopes to recruit a further 20 soon) [TWRI believe there are 100 job gains altogether. This has not been confirmed by Washington Metal Works]	(J12/07/03)
+100 (more than)	**A&P**, Hebburn, South Tyneside (Ship repair. The company is set to sign a £15m refit deal which will create more than 100 new jobs, as well as safeguarding the current workforce of 250)	(J05/05/03)
+100	**My Travel** North Shields, North Tyneside **(formerly Airtours)** (Call centre. New jobs as part of expansion)	(J18/12/02)

+100*	**Hays Travel**, Sunderland (Travel Agent. Jobs created with plans to open 3 new shops)	(J07/10/02)
+100*	**easyJet**, Newcastle Airport, Newcastle (Airline company. Jobs created as the budget airline sets up in Newcastle Airport. Further 100's are expected to follow)	J(22/10/02)
+100	**Northern Rock**, Gosforth, Newcastle (Financial Services. New jobs as part of its expansion which will eventually accommodate 1,000 more staff)	(J31/10/02)
+100 (over 5 years)	**Halcrow**, Team Valley, Gateshead (International consulting engineer. Jobs created for expected new contracts)	(J14/10/02)
+100	**Dickinson Dees**, Quayside, Newcastle (Law firm. Staff appointed to meet growing demands. 110 of the staff will also be moved into new offices in Eldon Court, Newcastle)	(J29/01/03)
+100	**Amicus Outsourcing**, St. Bede's Chamber, Jarrow, South Tyneside (Call centre. Jobs are being created at the former Co-op office. It also hopes to create up to 400 more posts as it builds up business over 5 years)	(J26/03/03)

* = New opening

Job Losses

No. of Jobs	**Company**	Source
-600	**Amec**, Wallsend, North Tyneside (Ship builders. 600 ship builders face redundancy following the completion of the £300m contract to refit the *Bonga* FPSO)	(J29/09/03)
-450 (over 3 years; natural wastage)	**Department for Work and Pensions**, Longbenton, Newcastle (Public sector. The job losses are through natural wastage as the benefits service is restructured. The government is integrating the Employment Service and the social security offices into Jobcentre Plus)	(J14/05/03)
-380*	**Dewhirst**, Sunderland (Clothing factory. Job losses as a result of the company closing 2 of its 3 Sunderland factories)	(J23/05/03)
-296	**Newcastle University**, Newcastle (Education. Cost cutting measures have increased applications for voluntary redundancy from the 250 originally predicted to 296)	(J07/01/03)
-240 (Est)	**Royal Mail** (Mail delivery service. 606 staff in Tyne & Wear, Cleveland, Durham and Northumberland will lose their jobs because of massive nationwide job cuts)	(J22/03/03)
-158	**Elmwood Sensors**, North Tyneside (Thermostat manufacturer. Jobs will go at the North Shields company by the end of the year and work transferred to China)	(J23/01/03)
-140	**The Accident Group**, Washington, Sunderland (Personal injuries. Parent company The Amulet Group called in the administrators resulting in the loss of 2,400 workers nationwide)	(J31/05/03)
-119*	**LG Philips Display**, Washington, Sunderland (Electrical. Jobs being lost as company closes its plant in Washington)	(J02/04/03) (FT10/04/03)

* = Closure

8.0 LABOUR MARKET

8.1 EMPLOYMENT STRUCTURE

In 2001, total employees in Tyne & Wear numbered 461,700 [50]. Men now represent a slight majority amongst employees in Tyne & Wear at 50.2% and in the North East at 50.5%. Men still dominate the Manufacturing and Construction industries, with women dominating Education and Health & Social work. The largest employers of part-time staff in Tyne & Wear are in the Wholesale/Retail category, with Health & Social work the second largest.

Tyne & Wear is still relatively dependent on manufacturing (14.7%) compared to GB (14.2%), but is significantly lower than the North East (16.4%). Although overall, Tyne & Wear is less dependent on Manufacturing than in 1999, the dependency within the 5 districts varies dramatically, as shown in Table 25. Tyne & Wear is slightly less dependent on the Service sector (79%) than the GB average (79.5%), whilst both are more dependent than the North East (76.1%). Tyne & Wear continues to have a significantly lower proportion of employees in Finance & Business Services[51] (16.6%) than GB (19.6%), but has a higher proportion in Public Services (35%) than GB (29.6%).

Table 25: Employment Structure by Area, 2001

	Manufacturing %	Services %	Full-time %	Part-time %	Men %	Women %	Total^
Great Britain	14.2	79.5	69.3	30.7	51.1	48.9	25,456,400
North East	16.4	76.1	69.1	30.9	50.5	49.5	973,900
Tyne & Wear	14.7	79.0	70.5	29.5	50.2	49.8	461,700
Gateshead	19.0	72.7	*72.9	*27.1	*55.8	44.2	83,600
Newcastle	6.8	88.8	*69.8	*30.2	*46.9	53.1	163,900
North Tyneside	16.0	75.4	*68.8	*31.2	*50.1	49.9	61,700
South Tyneside	14.9	79.3	*64.7	*35.3	*46.9	53.1	41,600
Sunderland	22.2	70.9	*72.6	*27.4	*52.0	48.0	110,900

** These data are aggregates from which agriculture class 0100 (1992 SIC) have been excluded*

^ Data has been rounded to comply with disclosure requirements

Source: ABI 2001, NOMIS

8.2 EARNINGS

Average earnings in Tyne & Wear are appreciably lower than the GB average. In April 2003, the average gross earnings for all full-time employees in Tyne & Wear were £403.5 per week (£20,949 pa). This is 15.2% less than the Great Britain average of £475.8 per week (£25,170 pa).

The gap in earnings is much larger, in percentage terms, for men than women. Men's average weekly earnings were £438.1 (16.6% below the GB average), whereas women's average earnings were £351.3 (11.3% below the GB average). Average annual earnings in Tyne & Wear were £22,883pa and £17,964pa for men and women respectively.

In Tyne & Wear, average hourly earnings[52] in 2003 were £10.73 and £9.40 for men and women respectively. Women's hourly earnings were 87.6% of mens (GB 82%). The gender gap in earnings is

[50] *ONS (ABI 2001), NOMISweb*
[51] *This category equates to Sections J-K on the industrial classifications coding*
[52] *excluding overtime*

less prominent in Tyne & Wear than in other regions. Table 26 illustrates the recent earnings figures for selected metropolitan counties. Earnings growth in Tyne & Wear was only 1.7% p.a. for men (2.7% p.a. for women) over the period 2001 to 2003.

Table 26: Increases in Earnings in the Metropolitan Counties 2001-2003

Men	2003	2001	% change	Women	2003	2001	% change
London GOR	£716.50	£667.70	7.3	London GOR	£516.50	£483.10	6.9
West Midlands MC	£490.50	£475.30	3.2	West Midlands MC	£374.40	£355.50	5.3
Greater Manchester MC	£487.10	£453.30	7.5	Greater Manchester MC	£370.80	£342.10	8.4
West Yorkshire MC	£475.80	£437.70	8.7	West Yorkshire MC	£369.00	£345.30	6.9
Merseyside	£457.20	£462.10	-1.1	Merseyside	£366.50	£342.20	7.1
South Yorkshire MC	£445.60	£411.60	8.3	South Yorkshire MC	£360.20	£329.60	9.3
Tyne & Wear MC	**£438.10**	**£423.80**	**3.4**	**Tyne & Wear MC**	**£351.30**	**£332.90**	**5.5**

Source: New Earnings Survey 2003, ONS [Crown Copyright]

Over the year to April 2003, the RPI rose by 5.5 points (from 175.7 to 181.2). This implies that in 2002/03, men's earnings in Tyne & Wear fell by 2.9% in real terms (from £248.90 to £241.80), whereas in Great Britain real earnings rose by 2.2%. Women's real earnings in Tyne & Wear fell by 0.4% (from £194.60 to £193.90) whilst in Great Britain they rose 3.3%.

Low Pay

The Council of Europe defines its "decency threshold" on pay as 60% of *net* earnings[53]. Given the lack of net earnings data provided within the New Earnings Survey, the existing measure of the proportion of people earning under the £250 per week threshold is the most suitable measure. In Tyne & Wear, 16.6% of full-time men and 29.3% of full-time women earned less than £250 per week.

National Minimum Wage

In October 2003, the standard rate for the National Minimum Wage (NMW) increased to £4.50 per hour (from £4.20). For 18 to 21 year olds, the minimum wage rose to £3.80 (from £3.60). The proportion of employees in the North East earning below the NMW was negligible in 2003, compared to 1.0% for the UK[54]. Table 27 reports the available data for the North East and UK. These figures should not be regarded as a reliable measure of the effect of the NMW.

Table 27: Employees Earning Below the NMW, Spring 1998-2003#

	1998		1999		2000		2001		2002		2003	
(18+)	000's	%	000's	%	000's	%	000's	%	000's	%	000's	%
North East	90	9.3	30	3.3	*	*	*	*	*	*	*	*
UK	1,420	6.0	530	2.2	240	1.0	250	1.0	330	1.3	260	1.0

Note: # using "adjusted LFS and NES data"

** sample size too small for reliable estimates (based on LFS release criteria)*

Source: Low Pay Estimates, ONS [Crown Copyright]

53 *This is a change to the 2000/01 definition stipulating 68% of average earnings*
54 *Data compiled using Labour Force Survey (LFS) and New Earnings Survey (NES) data*

The statutory NMW was introduced on 1st April 1999 at £3.60 per hour for people aged over 21. This increased to £4.10 per hour in October 2001 and £4.20 in October 2002, before the recent increase in October 2003. A lower rate of £3.00 (1999); £3.50 (2001) and £3.60 (2002) per hour existed for those aged 18-21 before rising to £3.80 in October 2003. There is no minimum wage for those aged under 18.

8.3 UNEMPLOYMENT

In Tyne & Wear in January 2004, 24,872 people, or 4.9% of the labour force, claimed unemployment benefits (Job Seekers' Allowance – JSA or National Insurance Credits. Table 24). The Tyne & Wear total was a drop from the previous year (-10.6%) but the rate remained 1.7 percentage points higher than the UK average of 3.2%[55]. Claimant unemployed since January 2003 declined in all five Tyne & Wear districts, with Newcastle registering the greatest fall of 11.8%.[56]

Table 28: National, Regional and Local Claimant Unemployed, Unadjusted: January 2004

	Total			Change Since Previous Month		Change Since Previous Year	
	Persons	%		Number	%	Number	%
Gateshead	3,719	4.0%	(r)	377	11.3%	-347	-8.5%
Newcastle	6,112	4.9%	(r)	355	6.2%	-819	-11.8%
North Tyneside	3,980	4.3%	(r)	318	8.7%	-379	-8.7%
South Tyneside	4,695	6.9%	(r)	452	10.7%	-622	-11.7%
Sunderland	6,366	4.9%	(r)	529	9.1%	-774	-10.8%
Tyne & Wear	24,872	4.9%	(r)	2,031	8.9%	-2,941	-10.6%
North East	54,719	4.9%	(w)	4,750	9.5%	-5,554	-9.2%
Great Britain	918,441	3.1%	(w)	61,342	7.2%	-44,096	-4.6%
United Kingdom	952,429	3.2%	(w)	62,712	7.0%	-45,606	-4.6%

Note: (r) = Rates based on TWRI's estimates of the economically active resident population

(w) = Workforce rates

Source: Unemployment, Training and Vacancies, TWRI (EU02/04; EU01/04; EU03/02)

Tyne & Wear's unemployment[57] rate was 5.8%, or 30,000 people, in Autumn 2003 (Table 29). For people to be unemployed, they do not have to claim or obtain any benefit. They simply have to be looking for work and be available to work.

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

55 *The Tyne & Wear figure is based on economically active resident population, whereas the UK figure is workforce-based making direct comparison less effective.*

56 *Unemployment, Training & Vacancies, December 2003, TWRI, EU12/03*

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

Table 29: Claimant Count and ILO Unemployment, Unadjusted: Autumn 2003

	Unemployed Claimants	Rate %	Unemployed	Rate %
Tyne & Wear	23,000	4.3	30,000	5.8
North East	50,000	4.4	75,000	6.3
Great Britain	866,000	2.9	1,463,000	4.9

Extract from: Unemployment, Training and Vacancies, January 2004, TWRI

Source: Labour Force Survey, Office for National Statistics

New Deal

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

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

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

New Deal for Young People (NDYP)

The decline in the number of participants on NDYP in Tyne & Wear has continued from September 2002 with a fall from 3,177 participants to 2,860 participants at September 2003. The latest numbers account for 3.2% of the GB participation total, down from 3.7% in September 2002. Men formed a higher proportion of NDYP participants in Tyne & Wear (75.5%) than the GB average (71.4%). In Tyne & Wear, 57.7% of NDYP participants were still in the Gateway process, compared to 63% in Great Britain.

Table 30: New Deal for Young People by Option, Tyne & Wear and Great Britain at end of September 2003

	Tyne & Wear Totals				Great Britain Totals			
	Total on NDYP	On Gateway	On an Option*	Follow-Through	Total on NDYP	On Gateway	On an Option*	Follow-Through
Men	2,160	1,220	530	420	63,860	39,470	14,640	9,750
Women	700	420	160	120	25,010	16,460	5,360	3,190
Total	2,860	1,650	690	530	89,420	56,350	20,080	13,000

Note: Totals include those for whom gender is not recorded. Hence, Male/Female may not sum to Total.

All figures rounded.

** Includes Options 1-4 (see bullet list above)*

Source: Jobcentre Plus

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

In September 2003, the proportion of ND25+ participants still in the Gateway stage for Tyne & Wear was 58.2%, compared to 62.2% in Great Britain. The proportion of men on ND25+ was 88.8% and 83.4% in Tyne & Wear and Great Britain respectively.

Table 31: New Deal 25+ by Option, Tyne & Wear and Great Britain at end of September 2003

	Tyne & Wear Totals			Great Britain Totals		
	Total on ND25+	Gateway	Follow-Through	Total on ND25+	Gateway	Follow-Through
Men	2,060	1,170	330	48,600	29,960	7,930
Women	260	170	30	9,530	6,170	1,340
Total	2,320	1,350	370	58,270	36,240	9,270

Notes: Totals include those for whom gender is not recorded.

Source: Jobcentre Plus

8.4 ECONOMIC INACTIVITY

Both the claimant unemployment and ILO unemployment measures exclude those who suffer from long-term illness or are incapable of working (substantial groups within the economically inactive). The numbers of people on Incapacity Benefit (IB) are considerable, at just over 71,000 in Tyne & Wear and vary considerably between districts (Table 32).

Table 32: Numbers on Incapacity Benefit (August 2003)

	Total
Gateshead	13,900
Newcastle	16,900
North Tyneside	10,500
South Tyneside	9,700
Sunderland	20,100
Tyne & Wear	71,100

IAD Information Centre 5% samples

Notes:

1. *Numbers are rounded to the nearest hundred.*
2. *Totals may not sum due to rounding.*
3. *Numbers are based on a 5% sample, and are therefore subject to a degree of sampling variation.*
4. *Local Authorities are assigned by matching postcodes against the relevant postcode directory*

Source: DSS Analytical Services Division 1 (Special Request) [Crown Copyright]

9.0 INFRASTRUCTURE DEVELOPMENTS

Road

The North has received £170m for alterations to the A19. These include changes to the Testos Roundabout (Junction A19/A184 in Sunderland), the A1/A19 Seaton Burn junction, the A19/A1058 Coast Road junction and the A19/A189 Moor Farm junction, all in Tyne & Wear. A mixture of fly-overs and changes to junction layouts will be used in an effort to help traffic flow more smoothly (J10/07/03)

A public inquiry opened in early March 2003 into plans for a £139m second Tyne tunnel between Jarrow and Howdon. The inquiry is to look into a scheme put forward by the Passenger Transport Authority (J05/03/03). Following a six-week hearing into plans for the new Tunnel during March and April 2003, the Tyne & Wear PTA said that a new crossing would improve safety as there was an inherent danger of collision in the existing two-way tunnel (J18/04/03). [Newcastle City Council submitted a Transport & Works Act 1992 Order, which they expected to receive a decision on in December 2003. This reply has been delayed by ODPM and news is currently awaited. This order will give them Compulsory Purchase powers (Newcastle Planning & Transport, 01/04/04).]

In Newcastle, work is due to begin in 2004 on a £13.2m scheme to turn the eastern half of Scotswood Road from the A1 to the city centre into a dual carriageway. The scheme will also include a segregated cycleway and new pedestrian crossings (J18/09/03). PTA Oblique Major Projects Group said that advanced earthworks are provisionally scheduled to begin in mid-May 2004, following the completion of the tender phase of the project. Construction of the carriageway is provisionally proposed to begin in November 2004. (Planning & Transport, 01/04/04)

At Sandy Lane on the border of North Tyneside and Newcastle, an £8m bypass was approved, by the Department for Transport in December 2003, for the A1056, a key link between the A1 and the A19. However, approval is subject to statutory procedures concerning land ownership and purchasing. Provisional nominal funding has been set aside for the project, with full funding dependent upon completion of the statutory procedures. (Newcastle City Council, 01/04/04). The new road would impact on the best nature reserve in Newcastle (Gosforth Park) and would cross the former spoil heaps from the Weetslade Colliery, also of local conservation interest.

Eight miles of the A1between Morpeth and Felton are being upgraded to dual carriageway at a cost of £90m. [This completes 30 miles of dual carriageway from Newcastle to Alnwick – Ed.] A further stretch between Adderstone and Belford is being dualled in a £12m project (J11/12/02). The project is still under construction, but will mean 62% of the route will be dualled once work is completed (J20/01/04).

Air

Directors at Newcastle Airport are seeking government backing for plans to increase terminal capacity and add 300m to the runway. The extension would accommodate long-haul flights, modern aircraft and increase public safety areas. The plan includes doubling the workforce to 6,000 in 10 years and raising numbers from 3m to 10m passengers by 2010 (J16/12/02). Airport plans were given a boost by the publishing of the government White Paper on the future of aviation in December 2003.

Rail

Initial plans to extend the Tyne & Wear Metro with street running trams [Project Orpheus], a £1bn proposal by operator Nexus, are still at the appraisal stage. The 10 routes plan is hoped to be running by 2008/9. The new tram routes include Four Lane Ends (Northwards) to Killingworth/Cramlington, Gateshead to Team Valley and Sunderland (Westwards) to Washington (J23/12/02). An official submission for funding will follow the completion of the appraisal period, in conjunction with endorsement by the Passenger Transport Authority (Nexus Planning, 01/04/04).

The Strategic Rail Authority (SRA) has cut funding for rail improvements across the country. Upgrades to the East Coast mainline will be 'descoped' and some elements deferred indefinitely. A £6bn high-speed North-South rail link has also missed out on guaranteed funding (Planning, 07/2002). Network Rail's proposed budget for the five year period to 2008 has dropped 30% to £24.5bn. It plans to save £5bn over the next period, with less work being carried out on quiet rural and freight-only lines, and spending being shifted to busier areas. The proposed savings are on top of previous planned savings of £5.5bn announced in June (FT/24/09/03).

In Sunderland, plans for a £26m revamp of Sunderland central railway have been put forward. The major plan for the new-look station includes proposals for new shops, aerial walkways and an overhaul for the entrance and underground platforms. The initial £150,000 phase will see a risk manager appointed, fire exit relocation, full structural assessment as well as determination of property ownership. The project, if it goes ahead, is estimated to take around four years to complete (J07/07/03). [The revamp is still at planning stage – Sunderland City Council (03/11/03)]

Bus

In North Tyneside, construction work has begun on the Stephenson Link, a new £12m transport network to link Cobalt Business Park to bus and Metro services. The project, led by Nexus and North Tyneside Council, will include a new Metro station at Backworth in North Tyneside and a bus service to Cobalt Park (J27/06/03). Work is now well underway on the Metro station at Backworth and is expected to give easy access to the Cobalt business park for the 17,000 people who will eventually be working there. (J08/10/03)

The Quayside Transit System, due to start in summer 2004, is to receive £4.7m from the Department for Transport. The funding includes £1.88m to allow the system to operate using the latest hybrid buses and to be extended to the Ouseburn regeneration area in Newcastle. The total cost of the venture will be £7.7m, with the balance being provided by the scheme partners Newcastle City Council, Gateshead Council and Nexus. The buses are expected to carry 2m passengers a year to a range of attractions on Newcastle and Gateshead Quayside (J01/05/03).

Building

In Gosforth, Newcastle, Phases 1, 2 and 3 of Northern Rock Plc's £90m expansion are now complete. Phase 1 extended the existing headquarters, with Phase 2 consisting of 3 new blocks, effectively doubling the floor area. 1,500 extra jobs were expected by this stage of the expansion. Phase 3 extended the existing multi-storey car park. Phase 4 of the development is currently underway and is expected to create a further 1,400 jobs, with an additional 500 expected at the Doxford Park, Sunderland office. A fifth phase option is being considered to further extend an existing block to create 1,000 more jobs. Phase 5 would take the value of investment up to £120m if it goes ahead (Northern Rock, 01/04/04).

APPENDIX A

TYNE & WEAR RESEARCH AND INFORMATION (TWRI)

Outline of TWRI

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

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

TWRI was established in 1986 and presently consists of eleven professional and technical staff, plus three temporary staff. It was originally based in the Civic Centre in Newcastle but moved to Provincial House, Northumberland Street in Newcastle in September 2001. The City Council provides general administrative facilities to TWRI on behalf of the supporting authorities and officers of TWRI are employees of the City Council.

Management of TWRI

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

Projects within the Work Programme

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

TWRI's activities include:

Business Data

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

Geographic Data

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

Economic Research & Information

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

Social Research & Information

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

Demographic Research & Information

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

Housing Land Services

Administration and co-ordination of the consultations & monitoring exercise that feeds into the districts' Urban Capacity Studies.

Special Research Projects

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

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