

## Thriving Sub-Committee

**Tuesday, 30 January 2024**

Present: Councillor M Wilson (Chair)  
Councillors G Bell, L Bell, D Drummond, V Jamieson,  
J Kirwin, I McAlpine, P McIntyre, A Newman,  
A Spowart, *L Marshall* and J Walker

Apologies: Councillors B Pickard

### **TS19/23 Appointment of Substitute Members**

Councillor Louise Marshall was in attendance as a substitute member.

### **TS20/23 Declarations of Interest and Dispensations**

There were no declarations of interest recorded.

### **TS21/23 Minutes**

The minutes of the meeting held on 7 December 2023 were agreed as a correct record and signed by the Chair.

### **TS22/23 Skills Gaps**

The Sub-Committee received a report and presentation on the current skills gaps in the local economy and strategies which are in place to address these.

The data presented to the Committee showed that currently in North Tyneside:

- Employment rates are significantly lower than in 2019
- Employment is in line with national and regional rates
- Economic activity amongst older age groups has fallen since 2019
- Economic activity has increased for 16 – 24 age groups
- Biggest increase in economic inactivity is due to long term sickness
- Skills levels compare favourably nationally and regionally but residents with no qualifications is still too high

- The number of jobs per resident (job density) is low
- Vacancies in health and social care sectors still the highest with skills needs reflecting this

The Sub-Committee were advised that the public sector (national hub for HMRC/DWP) is an important employer, alongside a growing education and health sector, there is also a large, advanced manufacturing sector centred around Nissan with an increasingly important low carbon economy, including offshore wind technologies, electrification/batteries and onshore wind and geothermal. There is a thriving tech sector including Sage, consultancy, games etc and growing opportunities around screen industries / large rural and coastal economy, ranging from upland hill farming to niche fishing industries.

Within the Low Carbon Sector there are around 7,600 individuals employed in the sector. Businesses have a high turnover relative to the size of workforce. The workforce is expected to grow considerably over coming years. There is growth potential in electrification, offshore wind and heat networks and modelling suggests: direct wind supply chain could reach 3,500 jobs in the next 10 years with 3,300 to 13,300 net additional jobs could be created from the heat networks pipeline in the North East's economy by 2033.

With regards to employment, a population of 1,968,000 with 105,000 residents who are unemployed or inactive and want a job, we have 55,340 businesses who provide 820,000 jobs. There are some specific employment clusters, the biggest being professional services and digital companies are based in city centres and business parks. The labour market trends reflect data already provided for North Tyneside with an increase in Economic Inactivity and a demand in Health and Social Care

With regards to job quality, the average pay in the NEMCA area is lower than any of the UK's other regions. The extent of part time working is similar to nationally, females are much more likely to work part time. North East workers are more likely to be in non-permanent employment than nationally. Employment rates in the North East are much lower for disabled residents, groups of ethnic minority and women.

In some areas, a significant concentration of both deprivation and affluence, exacerbating inequalities and creating more polarised communities and a higher

percentage of children in low income families than nationally. The extent and severity of deprivation is more common in the North East than nationally, particularly health and employment related deprivation. Wages have not increased in line with prices, with the impact of the cost of living crisis greater on lower income households. Households in the North East region spend a higher % of their income on food and transport, where price increases have been particularly high.

Education and skills outcomes are below national average with a higher proportion of residents with no formal qualifications than the national average, with the gap widening slightly in recent years. The numbers qualified to degree level is increasing, although the rate of improvement is slower than the rest of the country exc. London. Lower qualifications reflect both demographic factors (fewer young people and migrants who are typically more qualified) and lower attainment from education with a significant decline in the proportion of workforce undertaking in work training and this is now lower than the national average

The region is well positioned for growth in the digital sector. There are, however, underlying inequalities in infrastructure and skills: 2.6m people (8%) of the NE population are still offline. 42% of young people (6m) are without either home broadband or laptop/desktop device. Digital literacy for work are around UK average, digital life skills are some of the lowest in the country.

There are large numbers of adults who lack basic literacy and numeracy skills. Employers with basic skills gaps reported an increase in the number of errors made by staff. Around 294,698 (24.4%) people have low essential skills. Participation in basic skills has fallen across the region with participation in Maths & English decreasing by 52% between 2011 to 2019, however, there is a strong economic and social case for basic skills. Errors made by staff = a constraint on the introduction of new and/or more efficient processes, and/or a reduction in product or output quality / People with low essential skills in the NE are as follows:

- 85% (249,618) are aged 25-64, with 38% (94,597) of these out of work
- 15% (45,080) are 16-24, with 82% (36,764) of these being qualified to level 2 or below

Through working with local businesses, it has become clear that the growing renewable energy industry and the offshore sector as a whole has significant

vacancies and training opportunities for local people both immediately and in future years. There is work in train to develop a plan for skills provision that links local people with key assets, services, businesses, and resources such as the Energy Academy managed by Newcastle College, North Tyneside Council Skills and Employment Services and external resources from skills budgets via the Combined Authorities.

Developing an Economic Strategy will embed the principles of delivering inclusive economic growth as set out in the current strategy into an overall vision for the economic development of the Borough. It will also set out how the Local Authority alongside partners and stakeholders can achieve objectives around employment growth and opportunities, skills development, business support, innovation and sector development and the development and enablement of employment land linked to the Local Plan.

The presentation highlighted how the Working Well North Tyneside is responding to recruitment needs with the co-location of employment, skills and health services, a focus on engagement of residents to access support, town centre shop front locations in North Shields, Wallsend, Whitley Bay and the North West. Over 25 partners are delivering services from the hubs and business engagement to address recruitment needs.

**RESOLVED:** that the Sub-Committee noted the content of the presentation.

**TS23/23      Work Programme**

As previously agreed the item for the next meeting would be “The Impact of House building on the Local Economy”.

**TS24/23      Date and Time of next meeting**

The next meeting of the Thriving Sub-Committee will be held on Tuesday 19 March 2024 at 6.00pm.