

# Economy

By 2028 North Lincolnshire will be a vibrant and sustainable area with a diverse, growing population that is thriving in a strong dynamic economy.

## Challenges

- Skills
- Protecting the manufacturing sector
- Bringing forward development
- Transformation and shifting economic trajectory

# 2,280

CLAIMANT COUNT

IN NOVEMBER 2015

change on year  
**15.7%**



## The employed and unemployed

- The employment rate in North Lincolnshire is consistently higher than both regionally and nationally. The latest available figures show that in the 12 months to June 2015 the rate in North Lincolnshire was 73.5% compared to 71.7% regionally and 73.3% nationally. The higher the employment rate the better it is for the area.
- Since May 2015 there has been a phased introduction of Universal Credit (UC) which has replaced a number of existing benefits, including Job Seekers Allowance for new claimants. Initially, this measure was only available at regional and national levels but from the October 2015 release, data is also available for local areas. The Claimant Count measure, which includes UC claimants, has therefore become the headline unemployment indicator.
- Claimant count rates have fallen consistently since the beginning of 2013 and are now at their lowest levels since October 2008. There were 2,280 claimants in November 2015 compared to 2,705 in the same period last year, a fall of 15.7% compared to 19.8% regionally and 13.1% nationally.
- North Lincolnshire has low levels of unemployment with 4,700 people classed as being unemployed, according to the Annual Population Survey (APS) model based estimates, a rate of 5.6% of the economically active population. This compares to 6.6% regionally and 5.6% nationally.

[View the latest Economy data here](#)

## Key Facts

- North Lincolnshire has lower levels of unemployment than regionally.
- Claimant count rates have fallen consistently over the past twelve months and are now at their lowest levels since October 2008.
- We have a higher claimant count rate of 18-24 year olds claim Jobseeker's Allowance in North Lincolnshire than regionally and nationally.
- In 2014 the percentage of young people aged 16-18 years old who were Not in Education or Training (NEET) decreased by one percentage point from the previous year, falling to 5.1%.
- We've seen an increase in the number of learners completing apprenticeships, especially in the 19-24 and over 25 age groups.
- Skills amongst working age adults have increased over the last 5 years and numbers of working age adults with no qualifications have declined.
- In 2014, levels of economically active people qualified to NVQ level 4 and above were much lower than regionally and nationally.
- Over a third of the workless population have either no qualifications or NVQ level 1 as their highest qualification.
- Heavy manufacturing jobs attract higher than average salaries. The average annual salary for full-time male workplace jobs in this sector is £31,096, compared to the national average of £29,824.
- Despite a decline in the number of people employed in manufacturing nationally, North Lincolnshire numbers rose from 19.7% in 2009 to 20.4% in 2014.



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*The approved Able Marine Energy Park (AMEP) and other opportunities in the renewables sector present the greatest regeneration opportunity in the area for a generation. However, we need to ensure that local people have the skills necessary to access the opportunities that will become available and employers will be able to recruit workers with the skills necessary for success.*

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## Adult skills and education

- In general, the qualifications levels of North Lincolnshire residents aged 16-64 are lower than regional and national figures. This is particularly evident at NVQ level 4 and above, broadly equivalent to a degree or higher qualification, with the national figure of 35.7% being significantly higher than the North Lincolnshire figure of 23.8%.
- Since 2009, the proportion of working age adults with at least NVQ level 2, 3 and 4 qualifications, has increased gradually in North Lincolnshire.
- At 8.4%, the proportion of working age people with no qualifications is lower than the regional rate of 9.8% and national rate of 8.6%.
- In 2014, the proportion of people economically active in North Lincolnshire qualified to NVQ level 4 and above, at 26.9%, was much lower than the regional and national rates of 33.9% and 40% respectively.
- 36.6% of the workless population have either no qualifications or have NVQ level 1 as their highest qualification.
- Numbers of learners completing apprenticeships have generally increased in all age groups, with the most noticeable changes in those aged 19-24 and 25+.

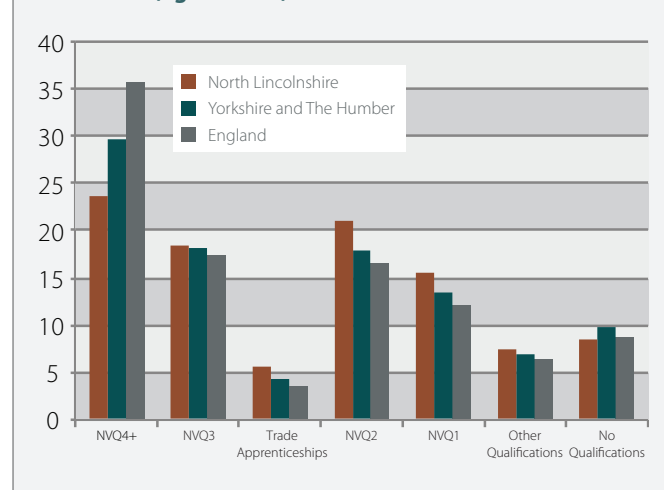
[View the latest Education data here](#)

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*We envisage the Humber UTC will provide the foundations for learners to progress to careers as engineering technicians or professionals through curricula leading to 'A' level and industry standard qualifications.*

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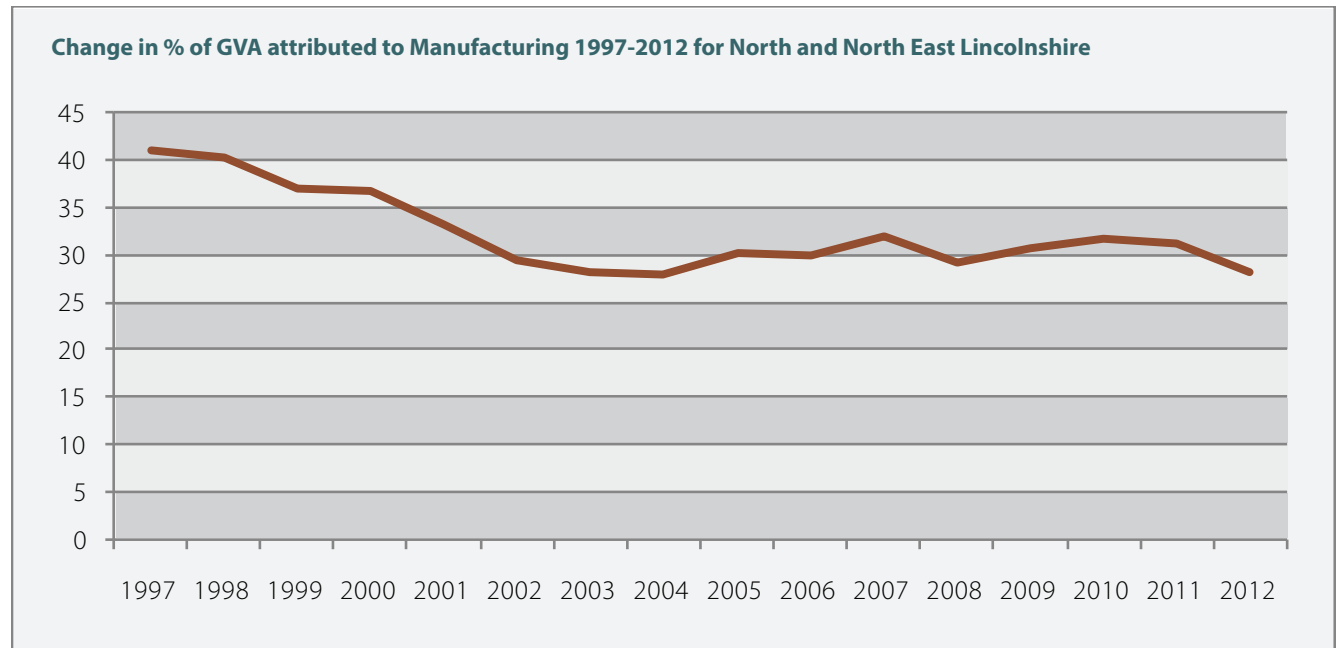
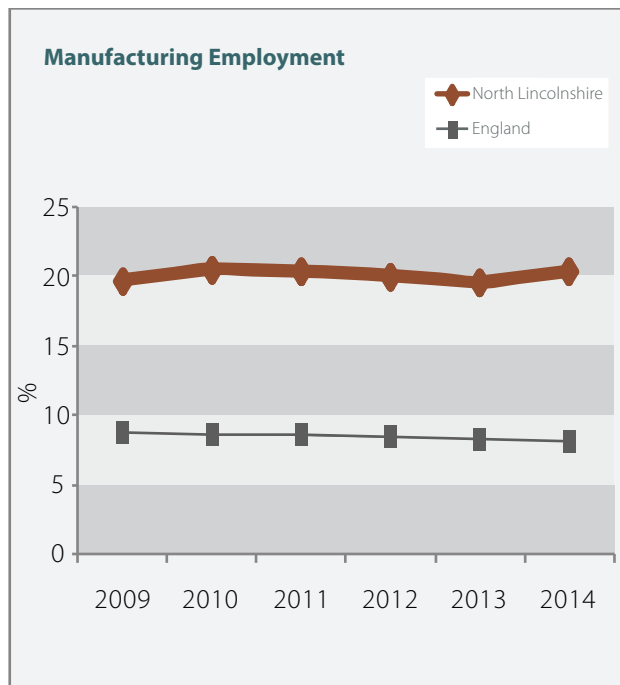
Adult Skills (aged 16-64)



## Manufacturing sector in North Lincolnshire

Manufacturing is a significantly more important employment sector in North Lincolnshire compared to both regional and national profiles. It accounts for 20.4% of total employment, representing a total of almost 14,500 people, compared to 8.1% nationally.

Over the last few years employment in manufacturing has been in decline nationally, falling from 8.7% in 2009 to 8.1% in 2014. Locally, however, employment in manufacturing has been on the increase, with the percentage employed in manufacturing in North Lincolnshire rising from 19.7% in 2009 to 20.4% in 2014.



- With the loss of 900 jobs at Tata the number of jobs in manufacturing will reduce by 6.2%. This is going to have an enormous impact for companies involved in the Tata supply chain, with the ripple effect being felt a lot wider than Scunthorpe itself. However, if the demise of the Steel Industry were to continue and Tata and other associated businesses were to close, with a loss of 5,200 jobs, 35.9% of all manufacturing jobs would be lost in North Lincolnshire.
- As manufacturing forms the backbone of the economy across North and North East Lincolnshire, it comes as no surprise that 28%, or £1,700m, of the Gross Value Added (GVA) contribution to the national economy, produced by North and North East Lincolnshire, is from manufacturing. Over recent years the GVA contribution made by manufacturing, after falling from a high of 41% in 1997, has remained fairly constant over the last 10 years.

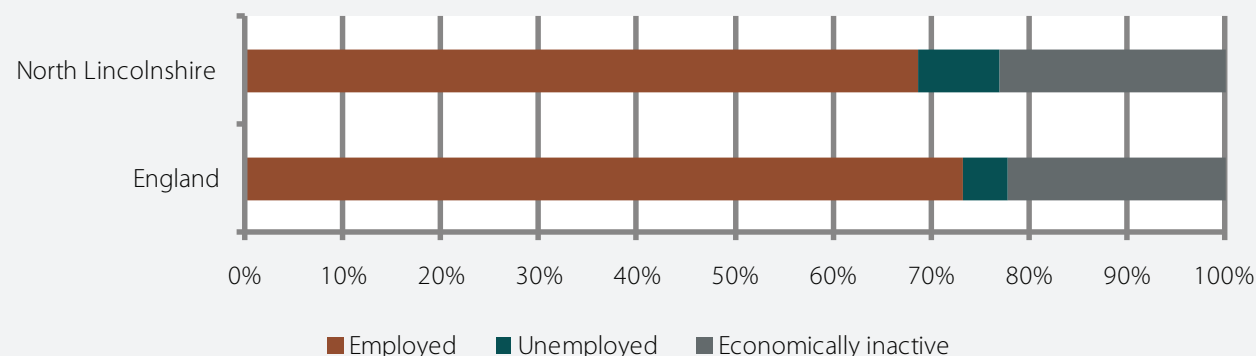
# Economy

- Heavy manufacturing jobs attract higher than average salaries. The average annual salary for full-time male workplace jobs in North Lincolnshire, at £31,096, is higher than the national average of £29,824. Indeed, according to Payscale.com, a production worker employed by Tata would have a salary of £20,500-£42,000, giving them a median salary of £31,250 depending on experience.
- With the loss of 900 jobs at Tata, the immediate impact would be the loss of almost £28m to the local economy. This is based on Average Survey of Hours and Earnings (ASHE) 2014 data for workplace jobs in North Lincolnshire. The actual earnings of the steelworker jobs at the Tata plant is higher than other full-time workers in the area and so the expected impact will be greater.
- If Tata was to close completely, the total job losses in direct steel manufacture could be around 5,200 jobs, 3,800 at Tata and a further 1,400 in associated businesses. The employment rate would then fall to 68.6% and the percentage of working aged population who are unemployed would rise to 8.4%, almost twice the England average of 4.4%.
- The impact of the 900 redundancies on the welfare bill, taking into account Employment and Support Allowance, Housing Benefit, Incapacity Benefit and Jobseekers Allowance would be a potential increase of almost £17m annually. If the situation doesn't improve and the site closes, taking with it dependant businesses the impact will be felt more widely. A loss of around 5,200 jobs in North Lincolnshire would cause an increase in the welfare bill of around £100m, (including the original £17m).

## Priorities

- To address the economic inactivity of young people in the area. North Lincolnshire currently has high levels of young people who are not participating in the labour market and of particular concern is the number of people claiming JSA.
- To deliver a Better Opportunities Programme as part of the wider Community Investment Partnership, which provides one to one support, advice and guidance to clients with a disability or health need that creates a significant barrier to employment and training'
- To lead the TATA taskforce which will identify local needs, consider how best to deploy elements of the £9m support package and offer additional support as necessary.
- Increasing the numbers of young people on apprenticeships remains a priority for the Council.
- Tackling worklessness across localities which will be identified through the Community Investment Partnership.
- Delivering the South Humber Bank and Lincolnshire Lakes. Failure to achieve these strategic projects will affect the long term economic and social future of North Lincolnshire.
- Developing skills that will be needed to equip people to move into the highly-paid jobs of the future in priority sectors.
- Adapting to the requirements of an increasingly ageing workforce, including maintaining the skills of older workers.

**Impact of closure of steel manufacturing on Economic Activity**



- Continuing to support business growth with the implementation of superfast broadband and the Regional Growth Fund programme.
- Using housing to stimulate regeneration and economic growth.
- Progressing the Greater Lincolnshire devolution process.
- Working in communities to raise aspirations and ambitions.

### One year on...

- Able Marine Energy Park given the go ahead by Government. Work can now press ahead in creating the largest offshore wind park in Europe.
- Inaugural Housing Summit held to enter into discussions around how we can work with developers to realise the potential of the area. 27 property and land professionals attended.
- £23m investment at the Trent Valley Retail park with the opening of Marks and Spencer and Debenhams created 300 new jobs.
- £9.5m Humber University Technical College in Scunthorpe opened, creating 600 student places and 220 jobs.
- £5m new BAE Systems Training Academy at Humberside Airport creating around 60 apprentice opportunities each year resulting in 150 jobs – a first for the North Lincolnshire

- £7 million, 103 room Hilton hotel at Humberside International Airport granted planning permissions and being developed in conjunction with the council supporting the project with a Regional Development Fund grant. Creating 60 jobs.
- Leading on, and supporting work of the Operational and Strategic Tata taskforces.
- Opening of the Action Station, a one-stop shop for employment and skills information in North Lincolnshire.
- Established Springboard Programme to support 18-24 year olds into work, education or training.
- Secured Talent Match Humber funding in partnership with Crosby Employment Bureau to support those with additional needs into work, education or training.
- Established a number of initiatives to address key challenges and barriers to employment such as Talent Match, Wage Incentive, CatZero and Graduate Programme.
- The division ran, led and participated in a host of events throughout the year to give advice, raise aspirations and promote opportunities, including the Festival of Skills and Opportunities, recruitment and careers fairs and Business Expo.

