

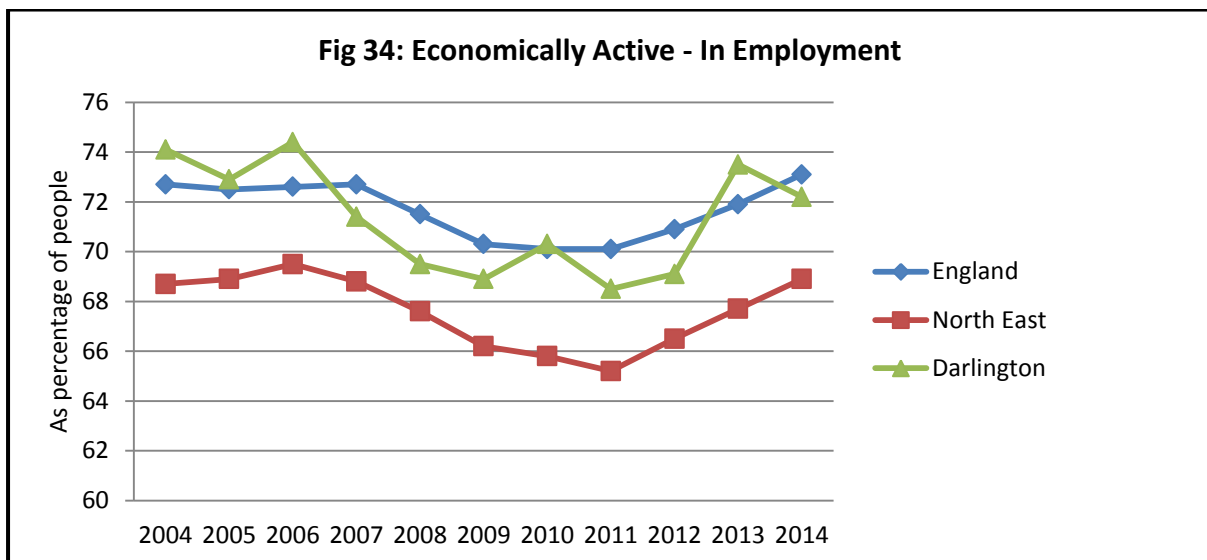
SECTION 3: ECONOMIC FACTORS

In a recent Royal Bank of Scotland Growth tracker report Darlington has been identified as leading the way for economic growth in the region with the best performing economy in the North East for the third consecutive quarter (2.9% year on year growth for Q2 2015). This is calculated when analysing sector make up of an area against overall sector growth by quarter. While this is positive news it is important to consider wider economic factors to get a full picture of how our economy is performing.

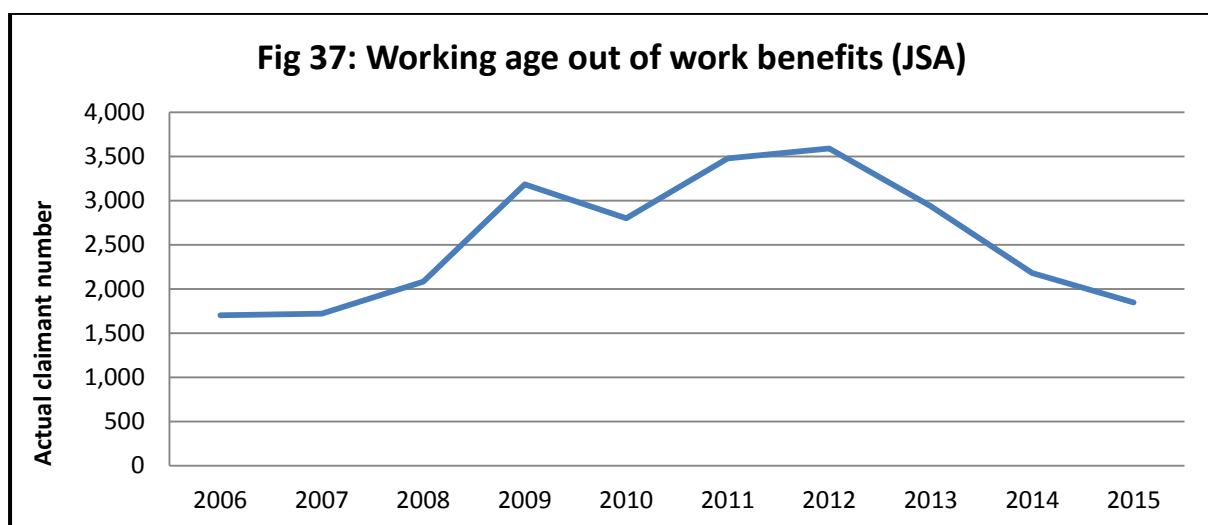
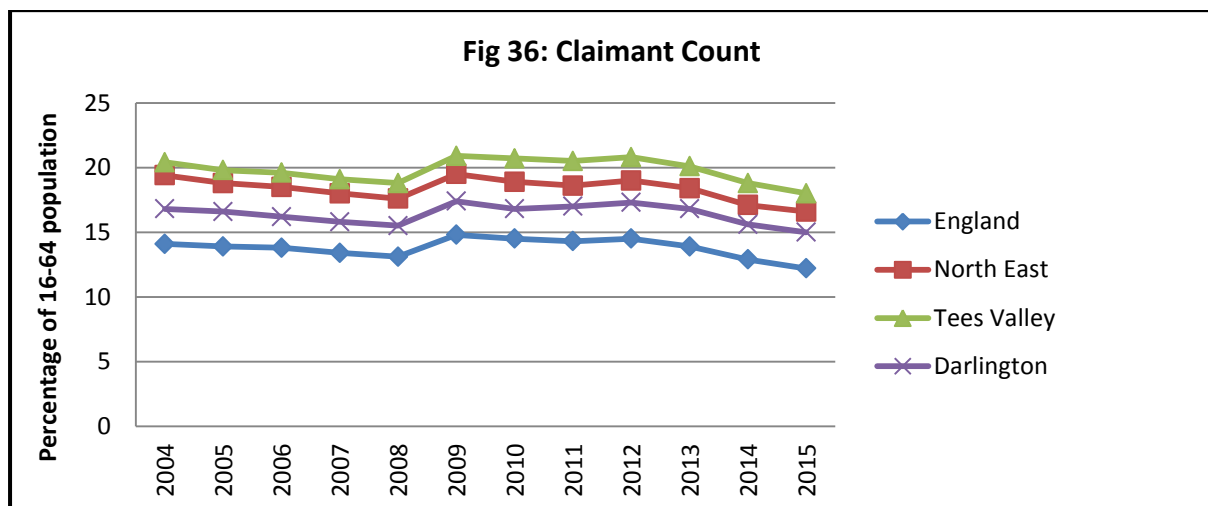
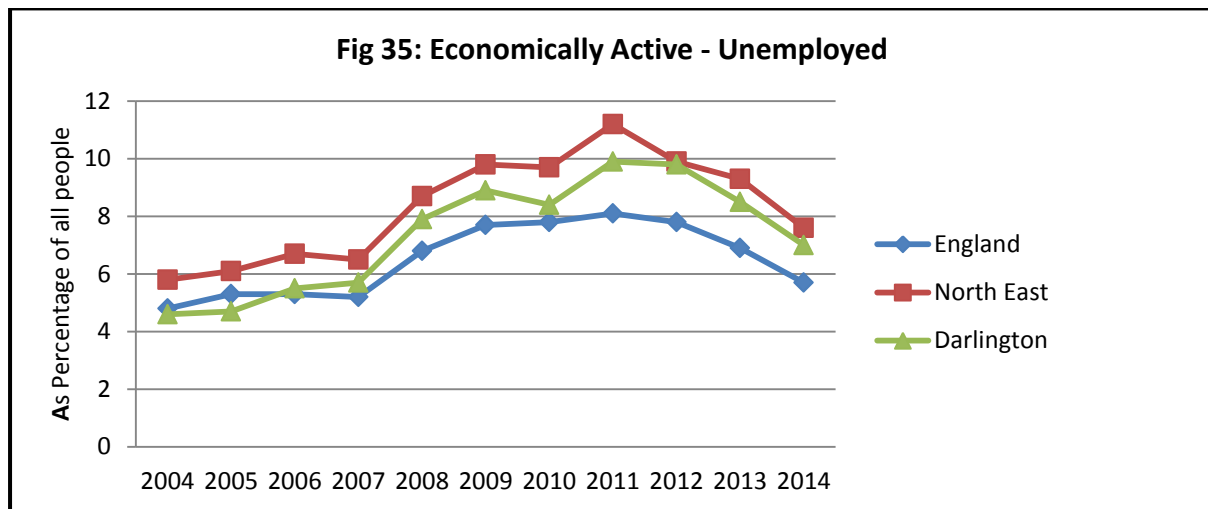
Darlington's economy relies on a large amount of small to medium businesses employing 1-50 employees as well as a significant number of registered head offices employing low levels of staff within the borough; in reality of the 4,796 businesses registered within Darlington only 8 are large private sector businesses employing over 300 employees.

Darlington also continues to face a major challenge in making the transition from an economy that relies significantly on public sector employment. ONS estimate that 77% of Darlington's employee jobs are within the public sector opposed to 23% in the private sector; this is further compounded given the recent movement of public sector work to private sector businesses meaning the true scale of our reliance on the public sector could be greater than these statistics suggest.

Darlington's overall employment rate fell between 2013 and 2014 by 1,100 people, representing a 1.3% reduction in working age population in employment. This reduction follows three years of steady growth in employment within the borough. Darlington's current employment level (72.7%) is higher than the North East average and is not far behind the national average (73.1%) suggesting Darlington's economy is performing well even following this recent reduction.

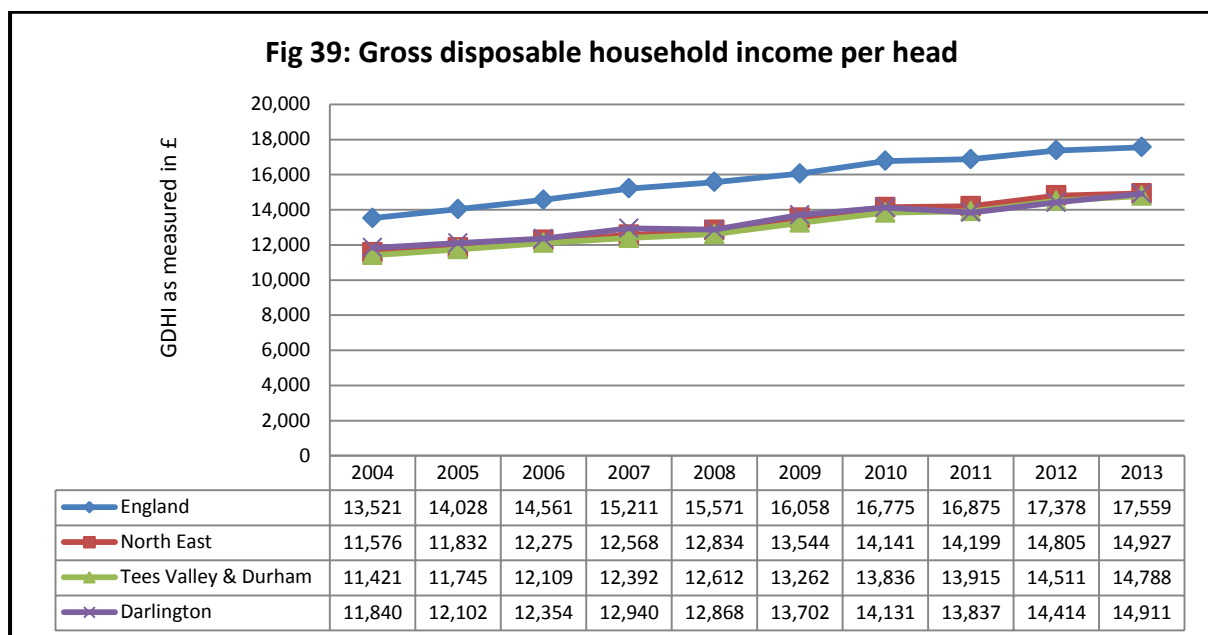
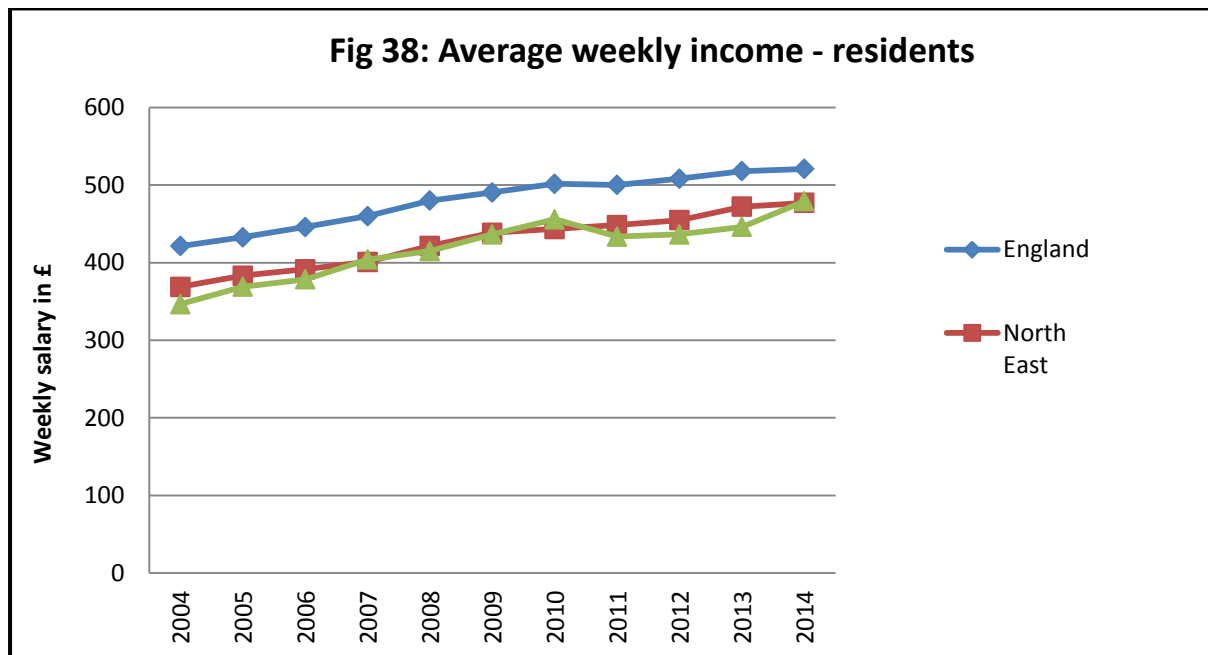


Since 2011 Darlington's unemployment level has fallen by 1,400 people or 2.9%, this is mirrored by similar reductions in the number of residents claiming out of work benefits including job seekers allowance.



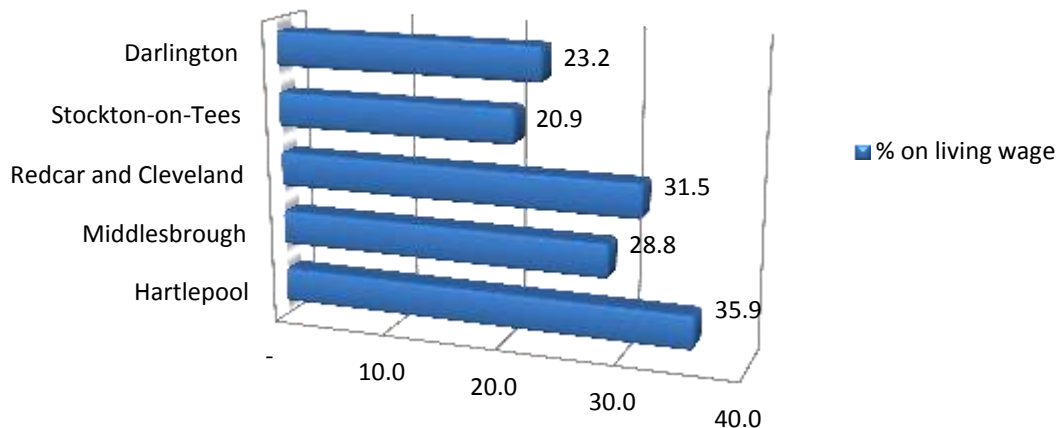
The average weekly income of Darlington residents has dramatically increased between 2011 and 2014 in real terms by £46.50 per person per week; this matches a steady year on year increase in Gross Disposable Household Income (GDHI) per head which has rose by

£1,074 per person/per year since 2011. Nevertheless this growth in GDHI is still below the North East, Tees Valley and National averages which show our residents are not as prosperous as our local and national counterparts.



This is further reinforced when you look at recent ONS data which calculates the percentage of the 18 -64 population paid under the 2013 living wage (£7.65 per hour) on a workplace basis which estimates 23.2% of Darlington employees are paid below the living wage. When you compare our percentage with our North East neighbours Darlington ranks eighth out of 12 local authorities. This high percentage of employees earning under the living wage suggests almost a quarter of Darlington jobs are low skilled and low paid.

Fig 40: Percentage of workers in Tees Valley authorities on living wage (18-64)



In 2012 the Economic Strategy for Darlington (2012 – 2026) was developed to rebalance the local economy by focusing on creating jobs and investment into the area. Flowing from the development of the Economic Strategy major investment has been secured for the town which totals over £150M and includes:

- £38M investment on Central Park for National Biologics Manufacturing Centre
- Confirmed a further £20M investment in Biologics Factory of the Future
- £30M multiplex cinema, hotel and leisure complex to town centre Feethams site
- £6.6M business central hub on central park encouraging start-up businesses
- £13M Teesside University Darlington campus opened
- Progress Rail investment in new manufacturing facility at Faverdale

The gap in key quality of life outcomes between Darlington’s most and least deprived wards is an important measure of whether Darlington is managing to reduce inequalities across the borough. Ward level data on numbers of JSA claimants shows that since 2012-13 the gap between wards with the highest and lowest JSA claimant rate has reduced substantially from a gap of 10.8 percentage points in June 2012 (highest figure 12.1%, lowest 1.3%) to 5.7 percentage points in December 2015 (highest figure 6.3%, lowest 0.6%).

For 18-24 year old claimants the gap has also reduced from a high of 21.94 percentage points in December 2012 (highest figure 21.94%, lowest 0%) to 11 percentage points in December 2015 (highest figure 11.0%, lowest 0%).

Although trends for both all JSA claimants and claimants aged 18-24yrs old are both positive the relative narrowing of the gap between the most and least deprived wards is primarily a function of overall reductions in claimant levels.