Newport Economic Development Strategy 2011-2015

Baseline Conditions Report

Prepared by AECOM for Newport City Council

December 2010

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1. Introduction

This report has been prepared by AECOM Economics on behalf of Newport City Council. It presents the latest baseline socio-economic indicators for Newport to inform the review and update of the Economic Development Strategy for the City which will cover the period 2011-2015.

The report draws together the latest available data to provide the most current socio-economic picture of Newport. Recent trend data is also analysed with particular attention given, where possible, to the effects of the economic recession and slow-down since 2007. In many areas, however, the full effects of the recession are yet to work their way through into the reported data. The baseline report should, therefore, be kept under close review as updates emerge over the next 12-18 months to keep track of the implications for the Economic Development Strategy and immediate priorities.

Part One of this report presents the facts for Newport compared with national trends across Wales and Great Britain.

Part Two of this report considers Newport in the context of a number of comparator cities identified as follows:

- Cardiff & Bristol – strong economic cities and immediate neighbours to Newport.
- Swansea – the third city in Wales and important economic centre for west Wales.
- Wakefield – comparable to Newport in terms of city centre retail and pedestrian foot-fall. Wakefield also lies in the shadow of the more dominant economic city of Leeds.
- Sheffield and Sunderland – post industrial cities undergoing economic restricting and also over-shadowed by strong city regions in Leeds and Newcastle.
- Gloucester – Newport's near neighbour and historic port undergoing regeneration.

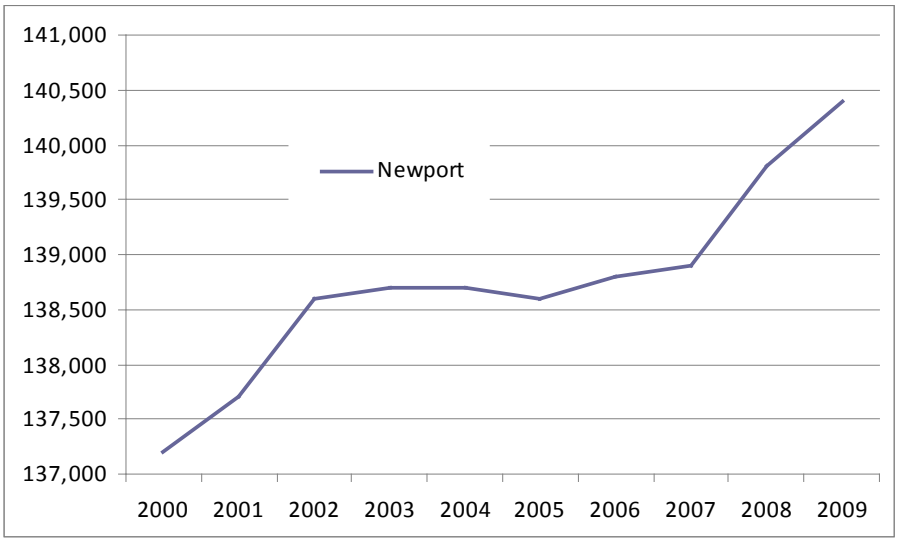
PART ONE:

Newport Today

2 Demographics

Newport is the third largest city in Wales after Cardiff and Swansea. At last estimate (2009), the total population of Newport was 140,400, which represents 4.7% of the total population of Wales. Over the last 10 years the population of Newport has increased by 2.3%, or 3,200 (see figure 1 below). This is somewhat slower than the overall 3.2% increase in Wales and 4.9% increase across Great Britain over the same period. Although Newport's population growth accelerated over the last three years it will have subdued lately given the economic and financial crises and the slowdown in house building throughout the UK.

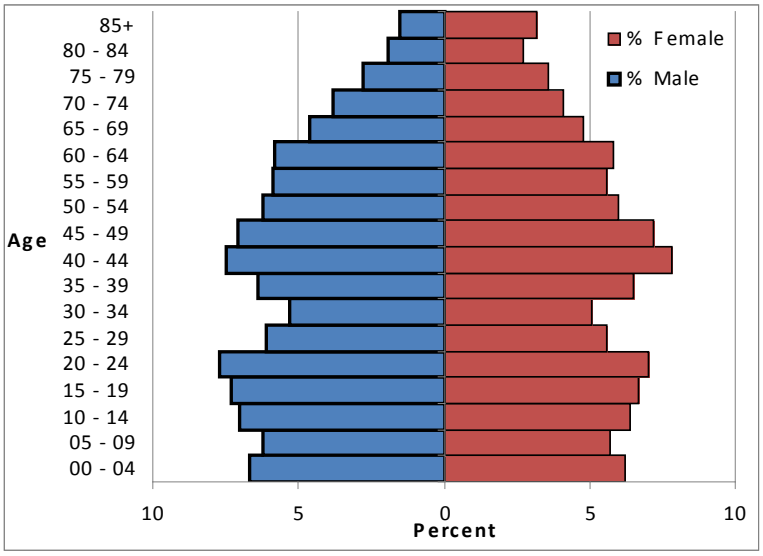
Figure 1: Total Population Growth in Newport – 2000-2009



Source: Office of National Statistics, Mid-Year Population Estimates

Newport's population is noticeably younger than that of Wales and Great Britain. Proportionally, Newport has significantly more individuals under the age of 24 (33.5%) than both Wales (30.8%) and Great Britain (30.7%). At the same time, significantly fewer individuals are over the age of 54 (28.1%) than in Wales (31.3%), although the proportion is similar to that of Great Britain (28.2%).

Figure 2: Newport's Population by Age and Gender - 2009



Source: Office of National Statistics, Mid-Year Population Estimates

As one would expect in the aging societies of Western Europe, the proportion of individuals below the age of 15 in Newport is on a declining trend. In 2005, the population under 15 years of age was 21% compared to 19% for Wales and Great Britain. In 2009, the proportion had declined to 20% whilst Wales had declined to 18% and Great Britain had remained stable at 19%.

Table 1: Population Age bands – Newport, Wales & GB

	2005			2009		
	Newport	**Wales**	**GB**	**Newport**	**Wales**	**GB**
Aged 0-15	21.0	19.0	19.0	20.0	18.0	19.0
Aged 16 - 64	62.5	63.2	64.8	63.1	63.4	65.0
Aged 65+	16.0	18.0	16.0	17.0	18.0	16.0

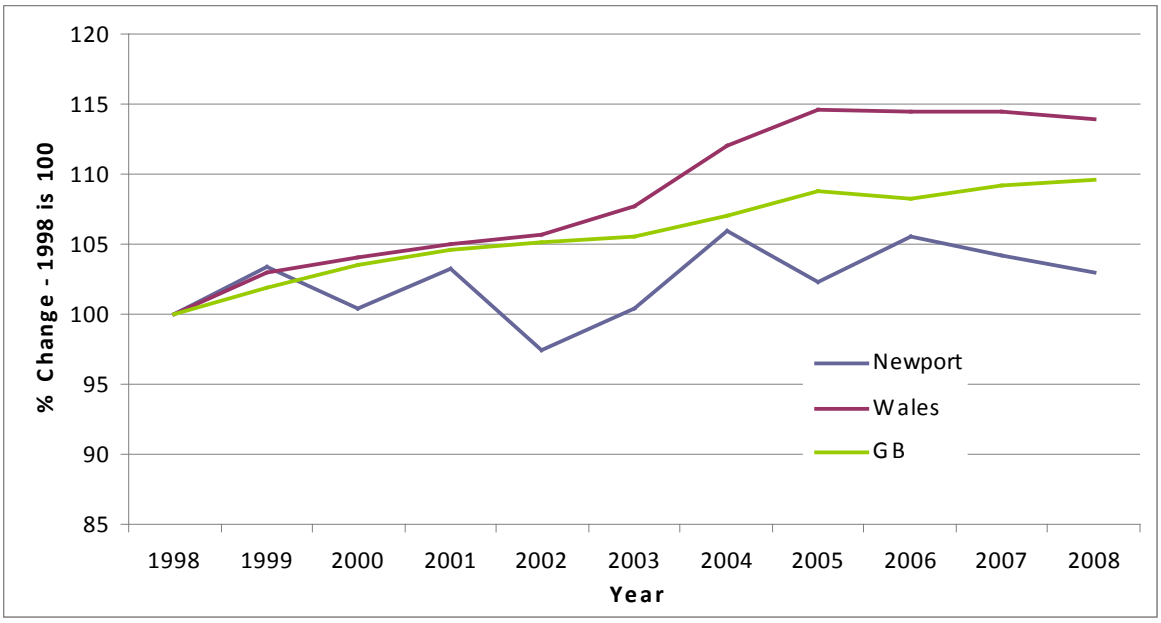
Source: Office of National Statistics, Mid-Year Population Estimates

3. Employment

Over a ten year period (1998 to 2008) employment in Newport has shown overall growth of around 3%, from 70,980 to 73,135 jobs. This has been a period of considerable restructuring with the loss of jobs in the heavy industries such as steel and manufacturing and a transition to more service sector jobs, especially public administration. The trend for Newport between 1998 and 2008 has not been smooth and there were significant declines in employment as major closures were announced in both 2002 and 2005. Employment growth has also tailed off again in recent years following the effect of the global economic crises.

Over the same period, employment growth in Wales was 14% and in Great Britain 10%, although both areas have been relatively benign during the recession.

Figure 3: Percentage Employment Change 1998-2008 – Newport, Wales & GB



Source: Office of National Statistics, Annual Business Enquiry Employee Analysis

Total employment and employment by sector for Newport, Wales and Great Britain is shown in the table below. Between 2004 and 2008 employment in Newport declined by 2.7% (2,046), whilst in Wales it grew by 1.8% and in Great Britain it rose by 2.3%. The dominant industries in Newport are Wholesale & Retail, Manufacturing, Health & Social Work and Business Services. However, Manufacturing, Transport, Finance and Public Admin are noteworthy sectors where the proportion of employment locally is above the average for both Wales and Great Britain.

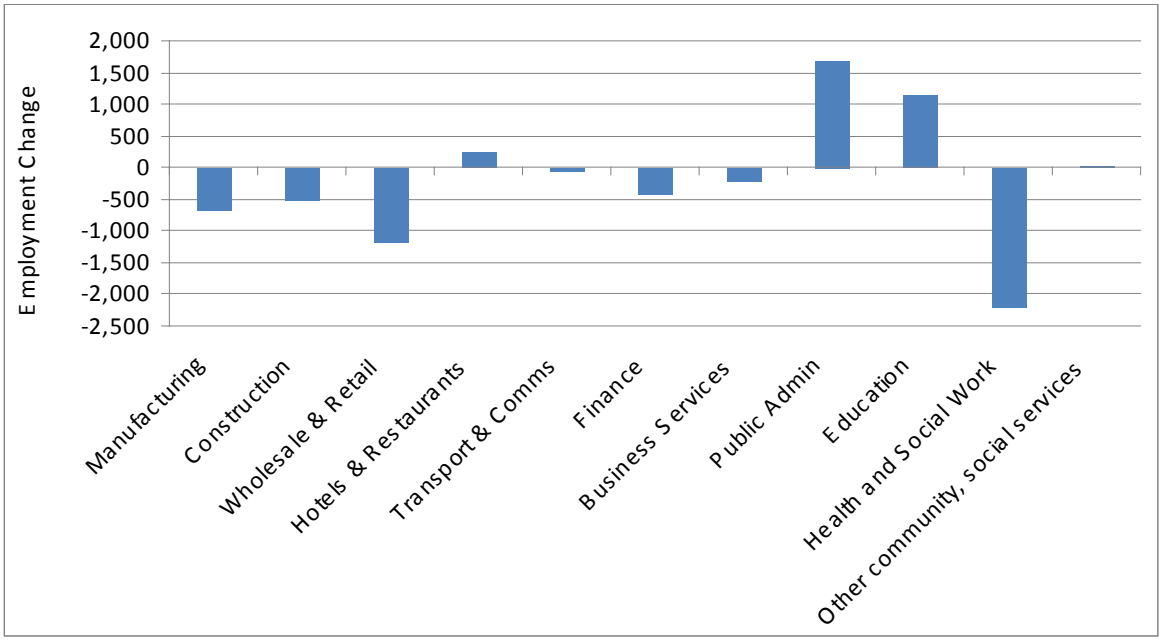
Table 2: Employment Change 2004-2008 and Sectors – Newport, Wales & GB

	Newport	**Wales**	**Great Britain**
Employment 2004	75,181	1,162,242	26,067,531
Employment 2008	**73,135**	**1,183,044**	**26,677,199**
% Growth 04-08	-2.7%	+1.8%	+2.3%
% by Sector 2008			
Agriculture	0.1	1.5	1.0
Fishing	0.0	0.0	0.0
Mining & Quarrying	0.1	0.2	0.2
Manufacturing	14.9	13.7	10.2
Utilities	0.6	0.4	0.4
Construction	3.2	5.2	4.8
Wholesale & Retail	16.5	16.0	16.6
Hotels & Restaurants	5.8	7.1	6.8
Transport	5.9	4.3	5.8
Finance	4.7	2.5	4.0
Business Services	13.2	11.5	18.0
Public Admin	8.8	7.6	5.4
Education	7.7	10.2	9.3
Health and Social Work	14.9	15.1	12.3
Other Community, Social Services	3.5	4.8	5.3

Source: Office of National Statistics, Annual Business Enquiry Employee Analysis

The graph below shows changes in employment sectors for Newport since 2004. The most dramatic decline in employment occurred in Health and Social Work (-2,188), Wholesale & Retail (-1,173) and Manufacturing (-671), whilst the sectors showing the most growth were Public Admin (+1,1710) and Education (+1,145). However, in percentage terms the most significant declines occurred in Construction (-17.6%), Health and Social Work (-16.7%) and Finance (-10.5%). Over the same period the growth industries have been Public Administration (+36.3%) and Education (+25.3%).

Figure 4: Newport Employment Trends by Sector – 2004-2008



Source: Office of National Statistics, Annual Business Enquiry Employee Analysis

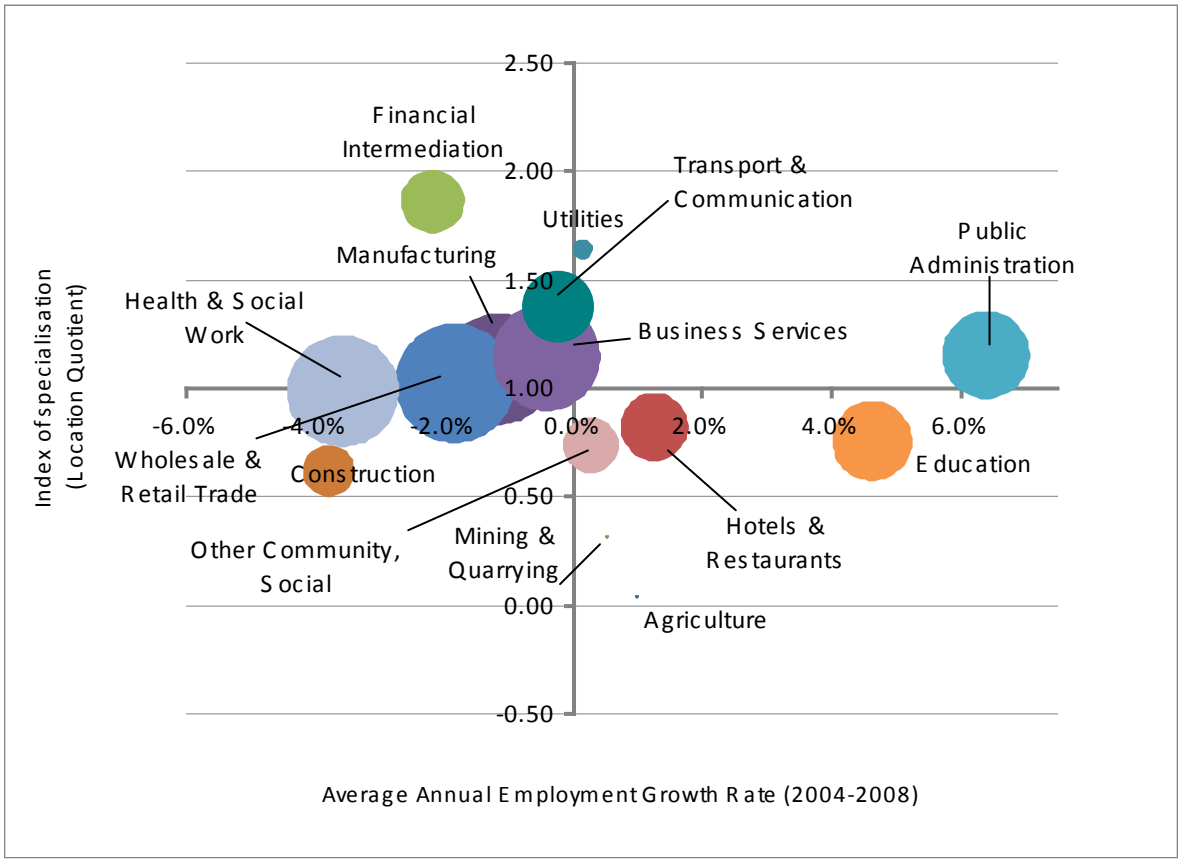
In essence, since 2004 there has been continued economic restructuring away from heavy industry (private sector employment) towards greater public sector employment. In light of the recent Comprehensive Spending Review this trend will most likely not be able to continue. Both local and national government bodies are entering a period of significant constraint which could make Newport vulnerable to the cuts.

Sector trends are further illustrated in Figure 5 overleaf highlighting the degree of specialisation or strength of particular sectors in local employment terms relative to the economy of Wales as a whole. Sectors in the top half of the chart demonstrate a higher level of representation in the local economy compared to the national (Wales) average. Figures to the right hand side of the chart are showing signs of local growth, whilst anything to the left hand side are shrinking in overall employment terms. The size of the individual circles represents the level of actual employment in the sector.

Newport's success in attracting government relocations is highlighted by the strong growth seen in Public Administration employment which is at the extreme right hand side of the graph having grown over 6% in terms of total employment in the period 2004-2008. The sector is also slightly more prevalent in Newport than Wales as a whole. The utilities sector, although small in overall employment terms in Newport is showing some growth and a stronger representation in the overall economy than Wales as a whole.

Other sectors showing a higher level of specialisation within the Wales context are Financial Intermediaries, Transport & Communication and Business Services, although these have all declined as a proportion of employment since 2004. Over the same period there has been strong employment growth in Hotels & Restaurants and the Education sector although both industries remain under-represented in Newport compared with Wales as a whole.

Figure 5: Employment by Sector – Growth and Specialisation



Source: Office of National Statistics, Annual Business Enquiry Employee Analysis

4. Business Enterprise

Looking at levels of enterprise and entrepreneurship, Newport lags behind Wales and Great Britain. The proportion of VAT registered businesses in Newport is considerably lower than both Wales and Great Britain. In 2007, there were 68 and100 more VAT registered businesses per 10,000 people in Wales and Great Britain, respectively, than Newport.

Between 2005 and 2007 the number of VAT registered businesses in Newport grew at 4.4%, a higher rate than both Wales (3.2%) and Great Britain (4.1%). However, the rate of business start-ups per 10,000 people is still low compared to Great Britain – 23.4 VAT registrations per 10,000 people in Newport compared to 34 for Great Britain and 22.9 for Wales.

Table 3: Change in Business Stock & Density – 2005-2008

	2005		2008		2005/08
	VAT Stocks	**Business Density/10,000 Population**	**VAT Stocks**	**Business Density / 10,000 Population**	**Change in VAT Stocks**
Newport	2,960	214	3,090	222	4.4%
Wales	83,555	283	86,215	290	3.2%
GB	1,832,465	313	1,907,710	322	4.1%

Source: Office of National Statistics, VAT Registration and Deregistration

Low VAT registration rates are probably a result of the dominance of few large employers in manufacturing and the public sector. The low business start-up rate may, therefore, be a structural issue rather than an issue of enterprise culture. Furthermore, the VAT threshold currently at £75,000 is likely to miss a large proportion of very small businesses.

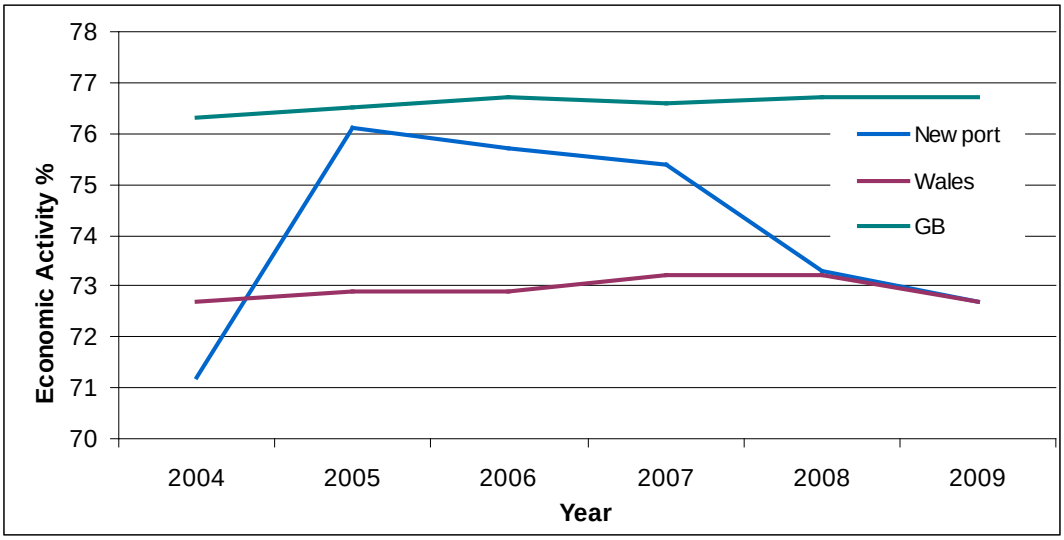
Worryingly, between 2005 and 2007 business survival rates declined dramatically in Newport. Of all business births in Newport in 2005 around 73% would most likely fail, which was then lower than both the Wales average of 78% and the GB average of 78.5%. By 2007, business deaths had risen to 80% of births in Newport, 83.6% in Wales, whilst falling to 71.6% in Great Britain.

It now appears that there are both lower business start-up rates in Newport as well as a lower chance of survival than for businesses in Great Britain as a whole and compared to Newport in 2005.

5. Labour Force

Economic Activity rates in Newport have experienced a period of significant change since 2004. After rising steeply from 2004 they peaked at 76.1% in 2005. Since then, rates have fallen back to 72.7%. Although this is the same Economic Activity rate as Wales it is 4% lower than Great Britain (76.7%).

Figure 6: Changes in Economic Activity 2004-2009 – Newport, Wales & GB



Source: Office of National Statistics, Annual Population Survey

By types of employment, Newport's main Occupations in 2009 were Elementary Occupations (15.1%), Managers & Senior Officials (13%) and Professional Occupations (13%). By comparison, in Wales the main occupations are Associate Professional & Technical (14%), Managers & Senior Officials (12.8%), Elementary Occupations (12.6%) and Skilled Trade Occupations (12.3%).

For Great Britain as a whole Managers & Senior Officials (15.7%), Associate Professionals & Technical (14.7%) and Professional Occupations (13.6%) are the majority.

Between 2004 and 2009 Wales and Great Britain have followed the same trends in Occupation growth and decline. However, Newport has bucked the trend in Sales & Customer Services where it has grown 1.3% compared to falls of just under 1% for Wales and Great Britain. Conversely, Personal Service Occupation employment has stayed the same in Newport at 7.6%, whilst it has grown in both Wales (1.6%) and Great Britain (0.9%).

Table 4: Change in Occupation 2004-2009 – Newport, Wales & GB

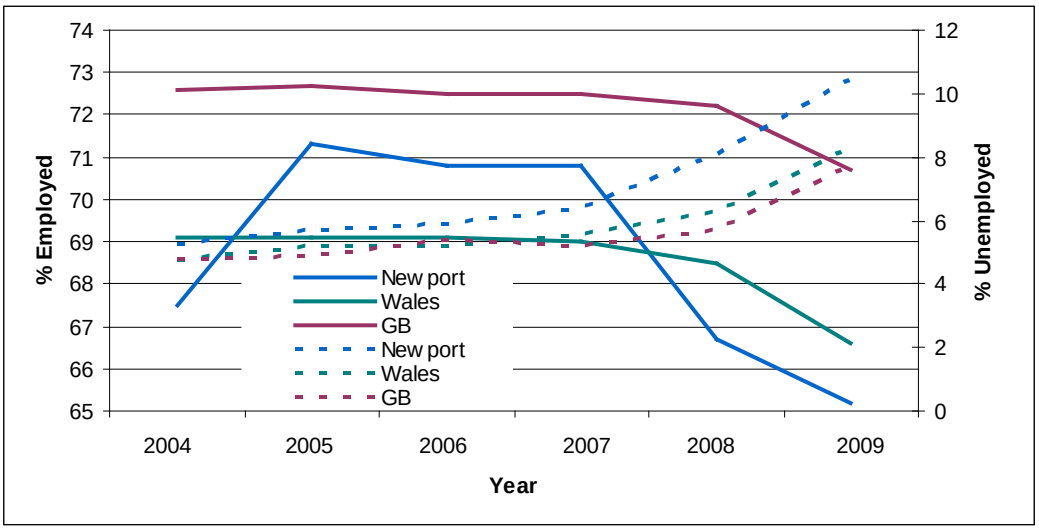
	Newport		Wales		Great Britain	
	2004	2009	2004	2009	2004	2009
Managers & Senior Officials	12.9	13	12.5	12.8	14.9	15.7
Professional Occupations	11.3	13	10.8	12.1	12.4	13.6
Associate Professional & Technical	12.1	12.5	13	14	13.9	14.7
Administrative & Secretarial	12.3	10.5	12.1	11.1	12.6	11.2
Skilled trades Occupations	10.5	9.1	12.9	12.3	11.3	10.4
Personal Service Occupations	7.6	7.6	7.9	9.5	7.7	8.6
Sales & Customer Service	10	11.3	8.6	7.8	7.7	7.4
Process Plant & Machine Operatives	9.4	7.6	9.7	7.4	7.6	6.7
Elementary Occupations	13.3	15.1	12.4	12.6	11.6	11.3

Source: Office of National Statistics, Annual Population Survey

6. Employment Rates

As with Economic Activity, Employment Rates have declined since 2005, whilst unemployment has increased, especially since the recession in 2007. Since 2004 Unemployment in Newport rose 5.1% and in 2009 stood at 10.4%. This is 2.1% higher than Wales (8.3%) and 2.7% higher than Great Britain (7.7%), both of which stood at 4.8% in 2004. Over the same period employment rates in Newport have dropped to 65.2%, which is 1.4% and 4.1% below Wales and Great Britain.

Figure 7: Employment and Unemployment Trends 2004-2009 – Newport, Wales & GB



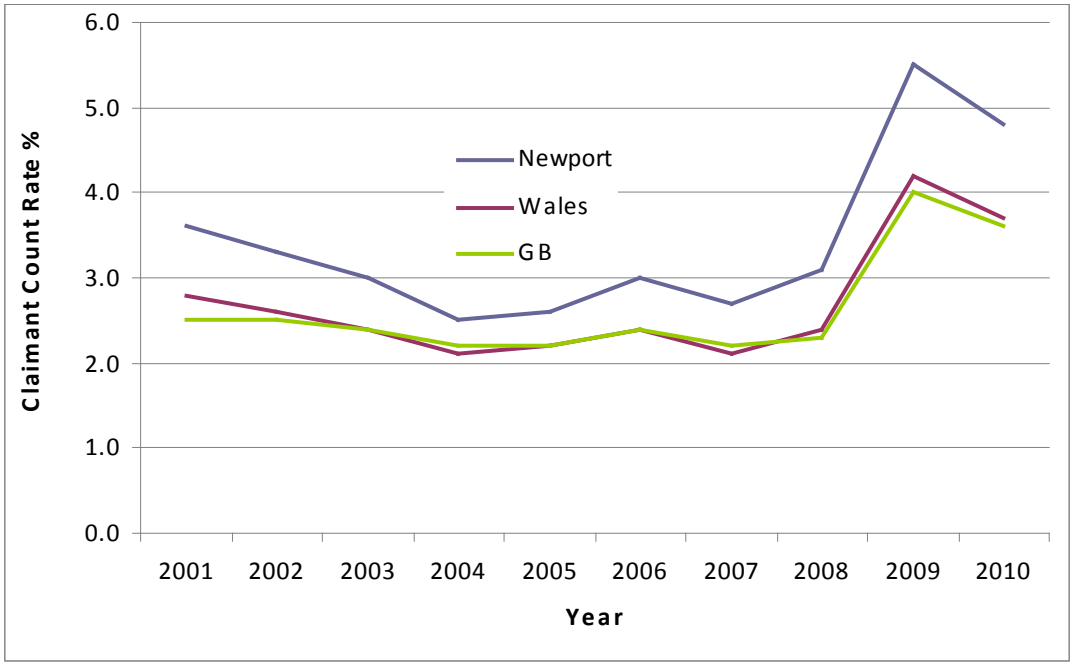
Source: Office of National Statistics, Annual Population Survey

The short term future of this trend is unsure as it is not clear what impact the CSR will have on either the national or local economies. However, if short-term unemployment persists into the medium term this can lead to structural unemployment as skill and aspiration levels amongst the unemployed begin to fall.

7. Benefit Claimants

As one would expect in a period of rising unemployment, the number of individuals claiming benefits has risen dramatically, especially since 2007. Over the last decade, the Claimant count in Newport has been consistently higher than both Wales and Great Britain, which have tracked each other closely. Since 2009, the number of Claimants has begun to fall as the economy begins to recover. However, the gap between Newport and Wales and Great Britain has got wider and now stands at over 1% (traditionally Newport has tracked 0.5% above Wales and Great Britain).

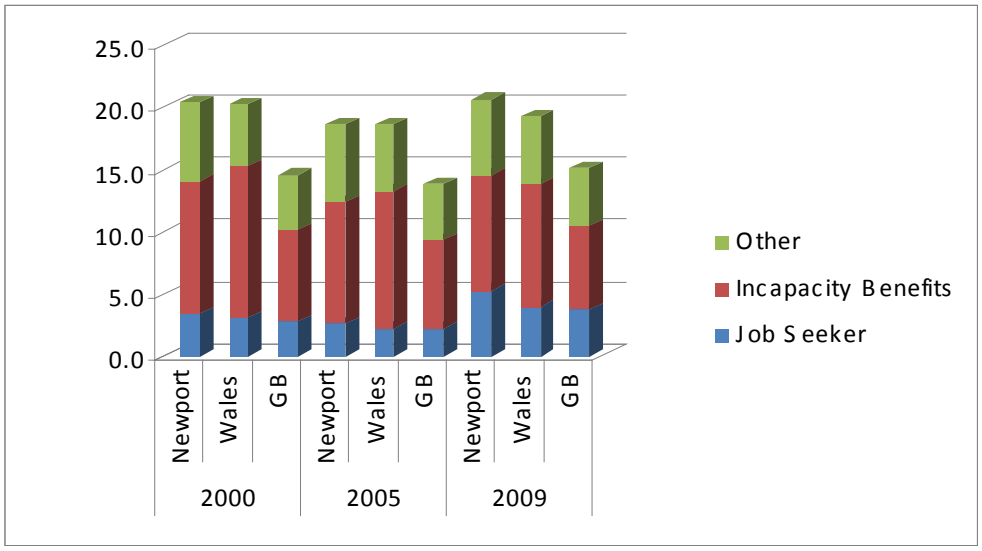
Figure 8: Change in Total Claimant Count 2001-2010 – Newport, Wales & GB



Source: Department for Work and Pensions, Claimant Count

The graph below shows Benefit Claimants by type for the years 2000, 2005 and 2009. The most notable trend for Newport has been the reduction in Incapacity Benefit claimants from 10.7% to 9.3% as a proportion of claimants, whilst Job Seekers Allowance claimants have increased from 3.4% to 5.3% as a proportion of total claimants. This trend has continued from 2000 to 2009 no matter the overall level of claimants.

Figure 9: Benefit Claimant Rates 2000, 2005 and 2009 – Newport, Wales & GB

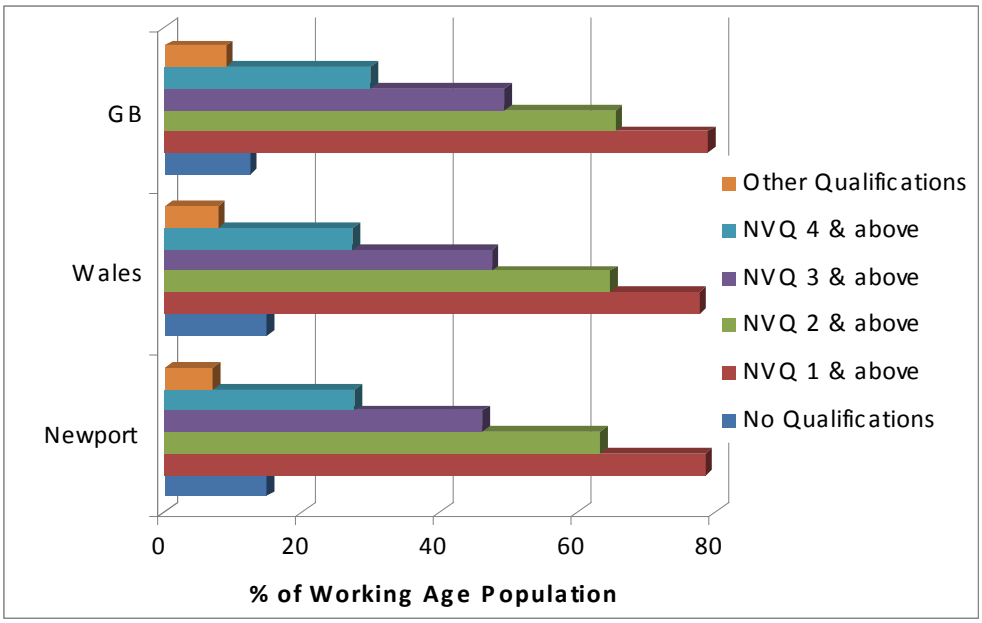


Source: Department for Work and Pensions, Claimant Count

8. Skills

Skill levels in Newport are broadly similar to that of Wales but lower than that of Great Britain. Newport has 27.5% of its working age population qualified to NVQ4+, which although higher than Wales (27.3%), is still a lower proportion than Great Britain (29.9%). The proportion of individuals with no qualifications in Newport is 14.7%, which although improving is again similar to Wales (14.8%) but higher than Great Britain (12.3%).

Figure 10: Qualifications as a % of Working Age Population 2009

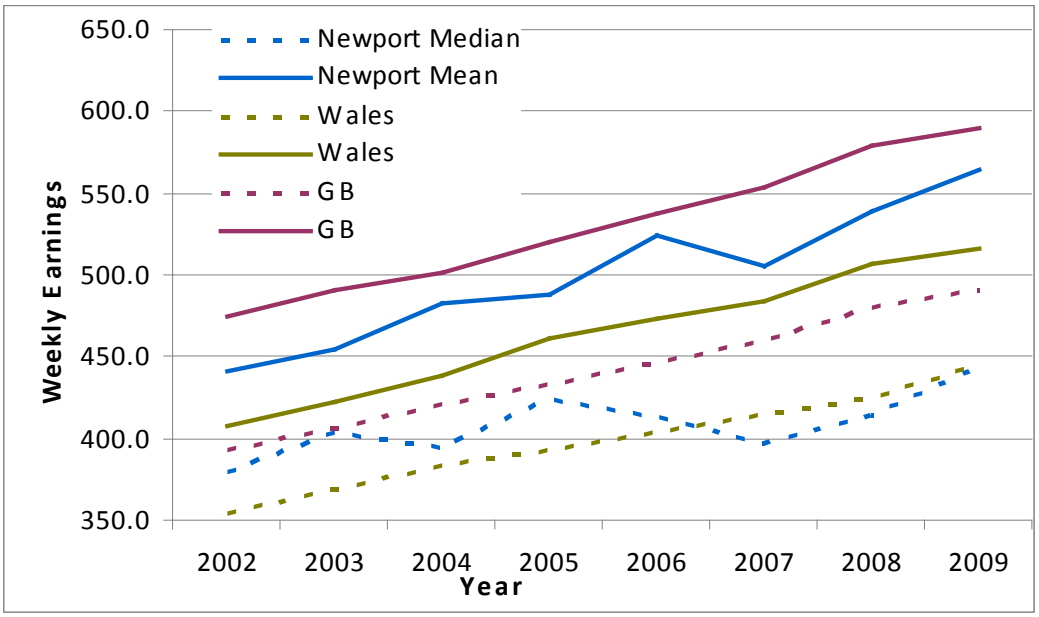


Source: Office of National Statistics, Population Survey

9. Weekly Earnings

As the chart below illustrates, resident mean full-time weekly earnings in Newport, Wales and Great Britain have followed a steady upward trajectory since 2002. For Newport in 2009, mean weekly earnings stood at £564.30 compared to £515.80 for Wales and £590.40 for Great Britain. The slightly more erratic trend for Newport is most likely a result of the smaller sampling size and the subsequent higher confidence interval.

Figure 11: Mean and Median Weekly Wages 2002-2009 – Newport, Wales & GB



Source: Office of National Statistics, Survey of Hours and Earnings

The difference between median and mean wages in Newport suggests that there are a number of high earners in Newport that skew the mean average upwards. Interestingly, the median average weekly earnings in 2009 for Newport were £443.60, almost identical to Wales (£444.90) but below the Great Britain figure of £491.This suggests that the majority of wage earners in Newport are lower earners than the mean average would suggest.

10. Quality of Life

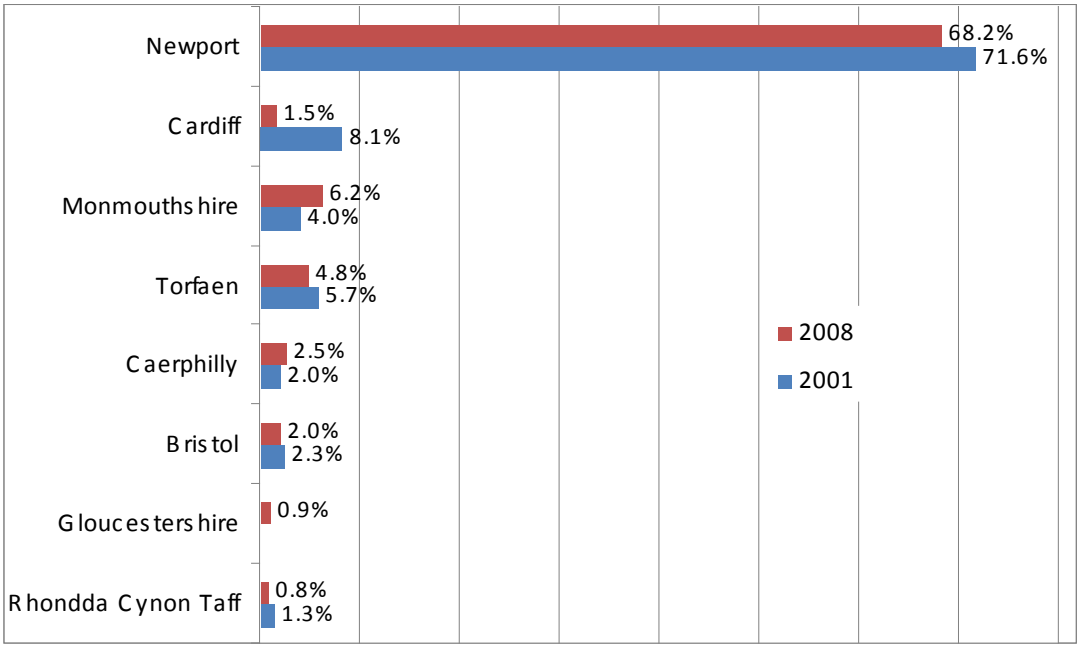
The quality of life in Newport, as measured by the Welsh Index of Multiple Deprivation, appears to be a little below average. Over 50% of Lower Super Output Areas (LSOAs) in Newport are in the bottom 50% most deprived LSOAs in Wales. 14.9% of LSOAs in Newport are ranked in the bottom 10% most deprived in the whole of Wales. This is higher than Swansea, which has 12.93% in the bottom 10% but lower than Cardiff, where over 17% of LSOAs are in the bottom 10% for overall deprivation.

11. Commuting

There is a significant in-flow of workers to Newport each day. Around 12,300 more people commute into Newport for work than leave the area for work elsewhere.

As would be expected, the vast majority of Newport's residents also work in Newport (68.2% in 2008). Residents who leave Newport, tend to work in Monmouthshire or Torfaen. This represents a distinct change from 2001 when over 8% of out-commuters worked in Cardiff.

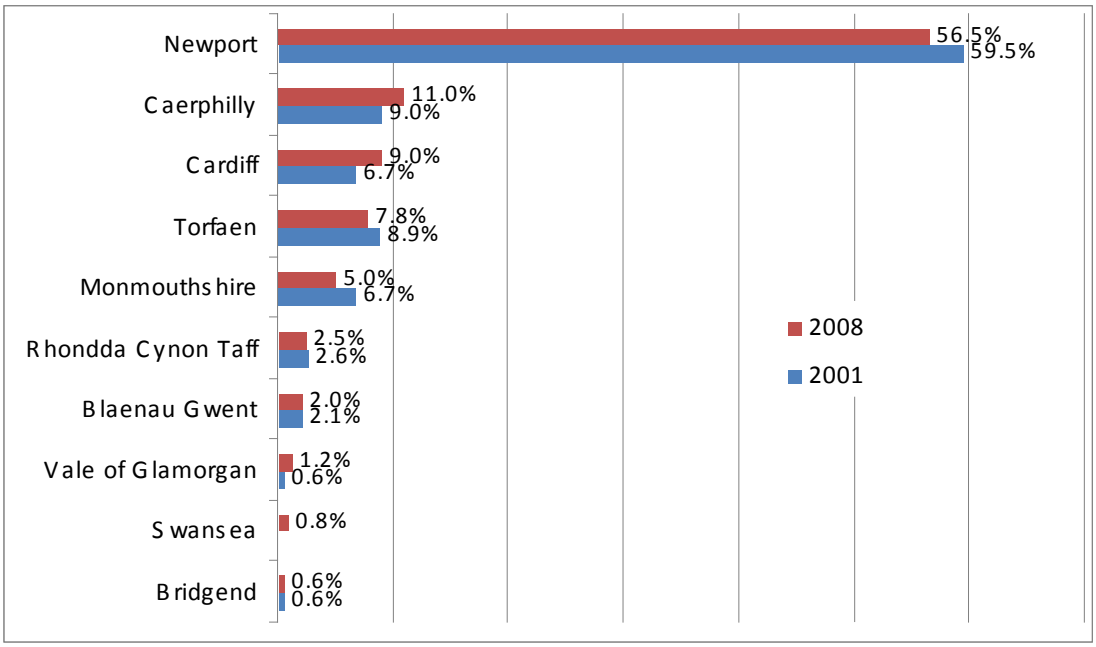
Figure 12: Where Residents of Newport Work – 2001 & 2008



Source: Welsh Assembly Government, Commuting Patterns in Wales

The origins of those commuting into Newport are predominantly from Caerphilly (11%), Cardiff (9%), Torfaen (7.8%) or Monmouthshire (5%). This represents a deepening trend of that found in 2001, although the proportions of commuters from Torfaen and Monmouthshire has dropped slightly (1.1% and 1.7% respectively).

Figure 13: Origin of Those Working in Newport – 2001 & 2008

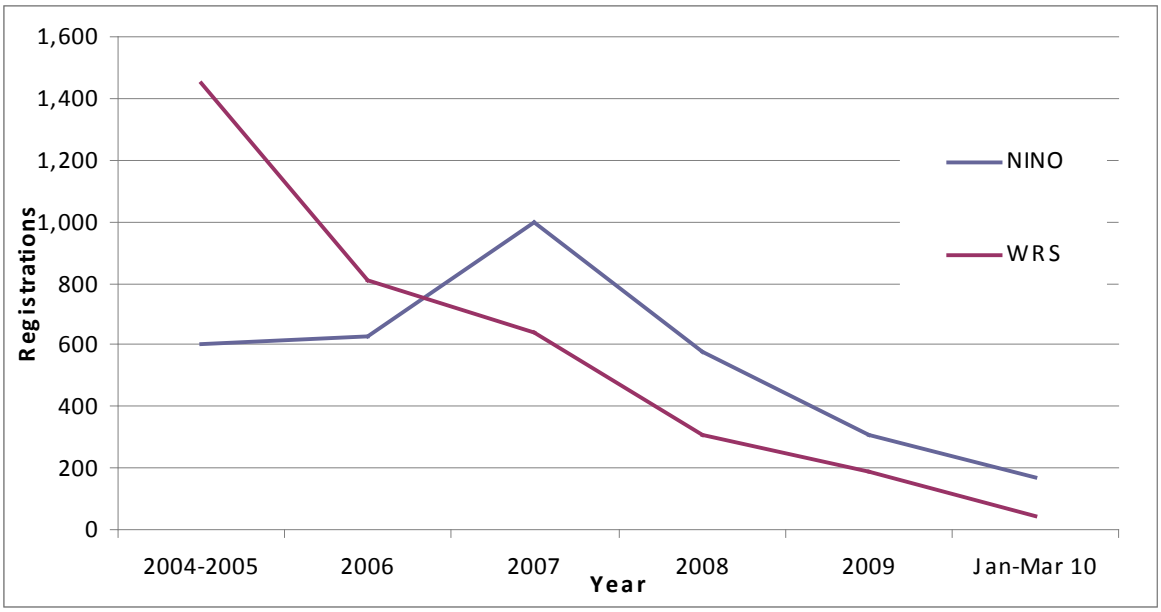


Source: Welsh Assembly Government, Commuting Patterns in Wales

12. Workforce Migration

The number of migrants registering on the Worker Registration Scheme (WRS) and for National Insurance Numbers (NINos) in Newport has dropped dramatically in recent years. As the graph below shows, the number of WRS registrations in Newport fell from 1,450 in 2004-2005 to just 45 in the first 6 months of 2010. Over the same period, NINos registrations rose from 600 in 2005 to a peak of 1,000 in 2007, before declining to 170 in 2010. The rules of the WRS stipulate that having worked for 12 months after registration the individual is able to apply for a National Insurance Number. This rule is the most likely explanation for the sharp rise in NINos registrations from 2006 to 2007.

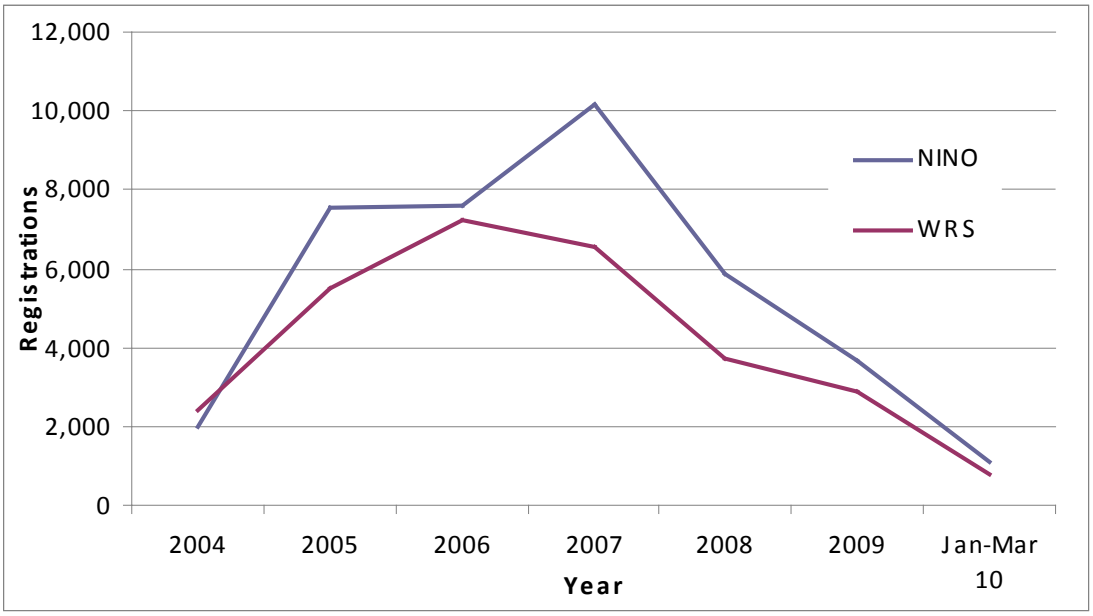
Figure 14: Change in NINos and WRS Numbers 2005-2010 – Newport



Source: Department for Work and Pensions, Worker Registration Scheme and National Insurance Registration Numbers

In Wales, WRS registrations rose steadily from 2,430 in 2004 to a peak of 7,220 in 2006. Similar to the Newport experience, NINos registrations peaked 12 months after WRS registrations although at a much higher level (10,150).

Figure 15: Change in NINos and WRS Numbers 2005-2010 – Wales



Source: Department for Work and Pensions, Worker Registration Scheme and National Insurance Registration Numbers

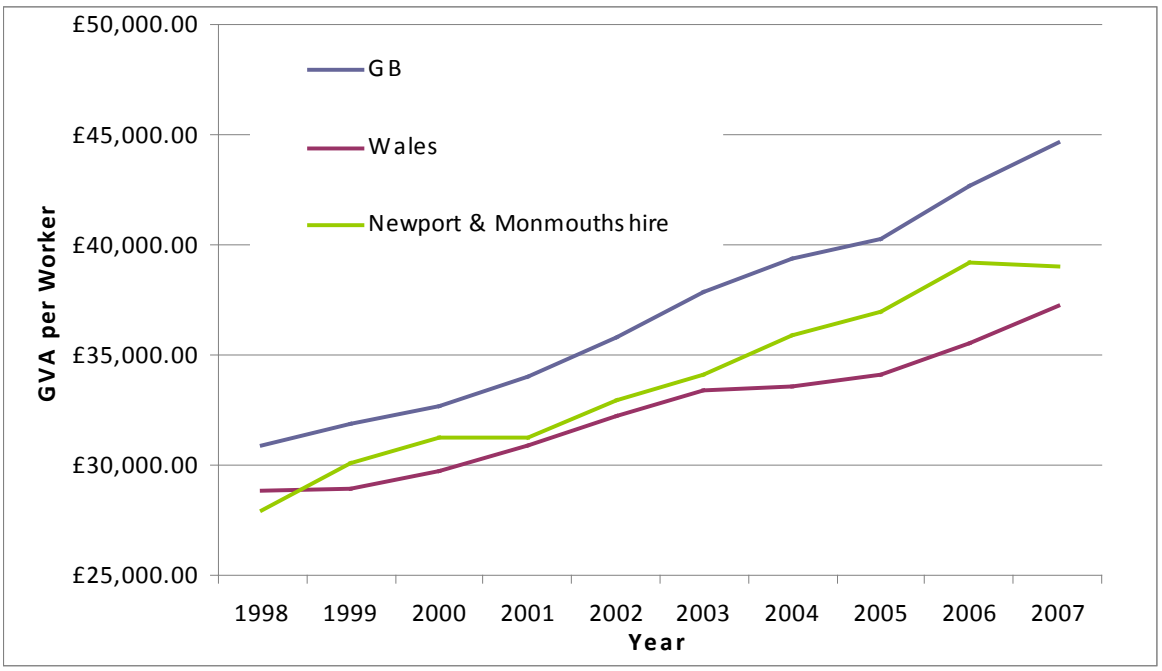
13. GVA Output

Gross Value Added (GVA) measures the contribution to the national economy of each industry or sector in a local area. GVA is the most reliable measure of economic output available at a local level and it is widely used to assess the contribution of local economy against the national economy.

The Office of National Statistics produce estimates of GVA performance at national, regional and local areas using the Nomenclature of Units for Territorial Statistics (NUTS) which a European hierarchical classification. Under this classification, Newport is combined with Monmouthshire (NUTS 3) as the lowest level of GVA calculations. Output per worker is calculated by dividing the number of employees in each sector in the local area.

From this data, GVA in Newport & Monmouthshire rose strongly between 1998 and 2006, although levelled off in 2007. Local GVA was £38,997 in 2007 the latest available date, 40% higher than in 1998. This compares favourably to GVA in Wales, which grew at only 29% over the same period, but still lags behind growth in Great Britain, which increased by 45% in the same period. By value, GVA in Great Britain in 2007 was £44,681 whilst in Wales it was £37,237.

Figure 16: Change in GVA per Worker 1998-2007 – Newport, Wales & GB



Source: Office of National Statistics Regional Accounts

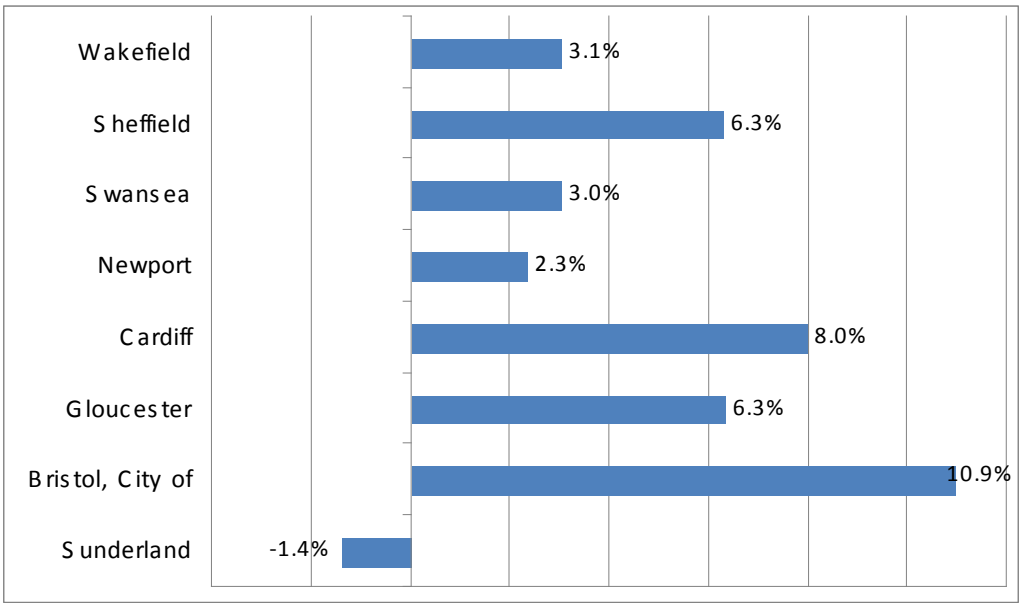
PART TWO:

Newport Compared

14. Population Comparisons

Population growth in Newport has been muted when compared to all comparator areas bar Sunderland (-1.4%). Population growth in Bristol has been close to 11%, Cardiff 8% and Sheffield & Gloucester 6% over the last 10 years, compared to just over 2% in Newport.

Figure 17: Population Change 2000-2009 – Newport & Comparator Areas

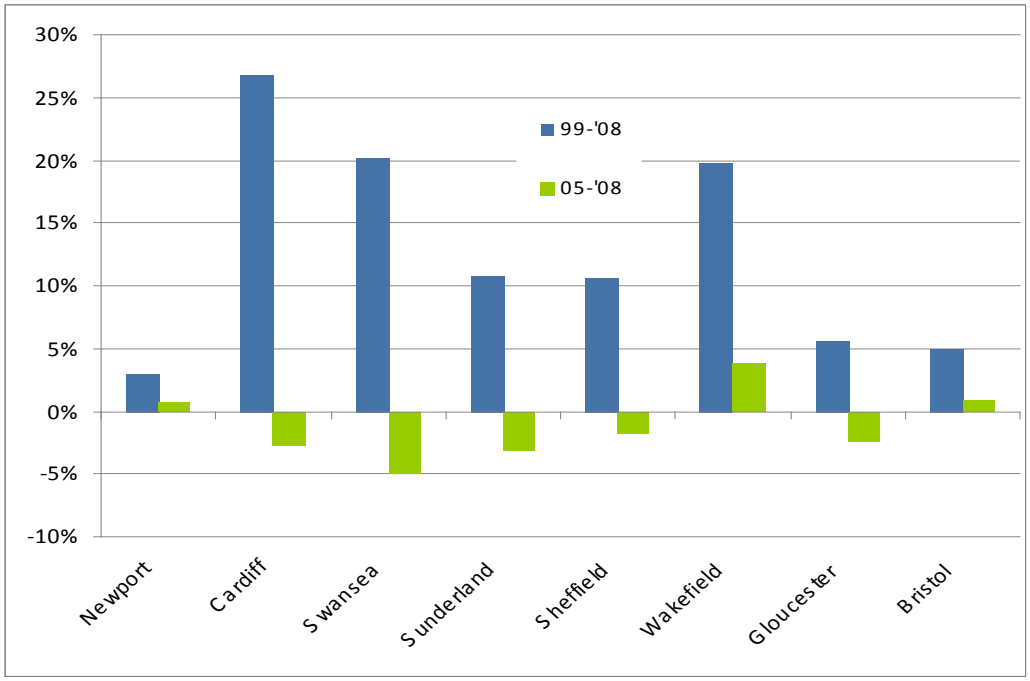


Source: Office of National Statistics, Mid-Year Population Estimates

15. Employment Comparisons

Employment growth has again been muted when compared to comparator areas. In fact, Newport has the lowest employment growth (at 3%) of all comparator areas over the last 10 years. Swansea and Wakefield have both had employment growth of 20% whilst having only slightly higher population growth over the same period.

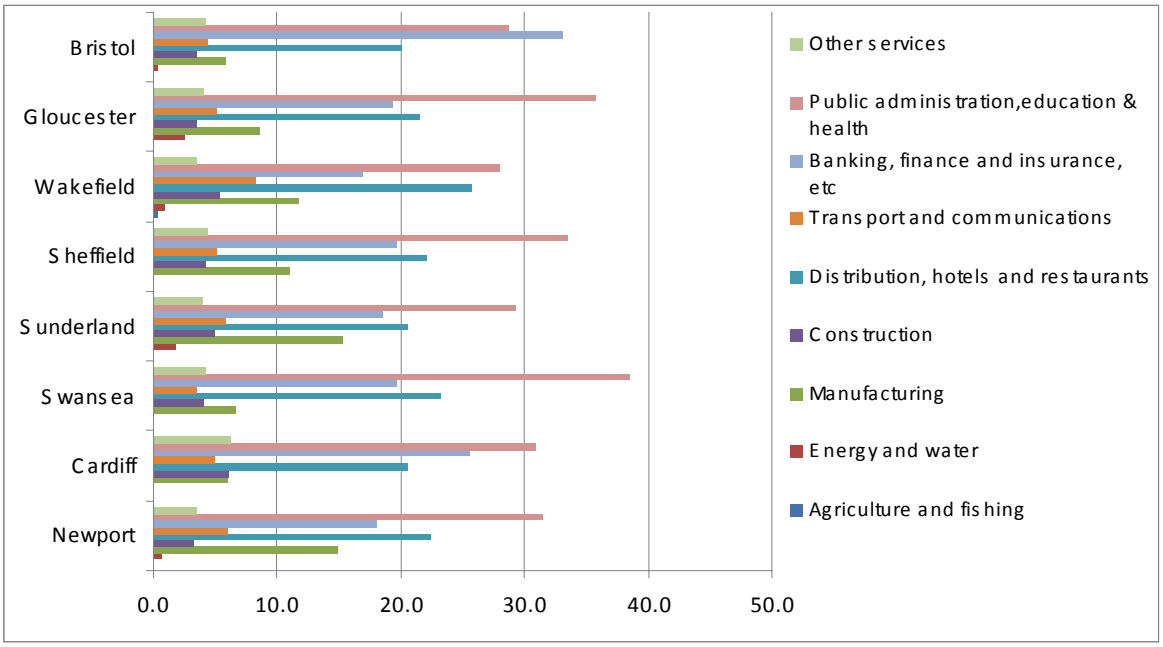
Figure 18: Employment Change 1999-2008 and 2005-2008



Source: Office of National Statistics, Annual Business Enquiry Employee Analysis

Employment by industry in Newport compared to comparator areas shows a higher than average dependence on Manufacturing, Distribution and Transport. At the same time Newport has a lower than average dependence on Finance and Construction.

Figure 19: Employment by Sector 2008 – Newport & Comparator Areas



Source: Office of National Statistics, Mid-Year Population Estimates

16. Business Enterprise Comparisons

Other than Gloucester, Newport has the lowest business stock rates as well as the second lowest growth in business stock of all comparator areas. Again this suggests dominance of a few large employers within the city.

Table 5: Business Stock and Change in Business Stock 1998-2007

	1998	2007	Change
Newport	2,775	3090	11.4%
Cardiff	6,975	8,120	16.4%
Swansea	4,510	5,090	12.9%
Sunderland	3,785	4,380	15.7%
Sheffield	10,900	12,225	12.2%
Wakefield	5,910	7,370	24.7%
Gloucester	2,835	2,755	-2.8%
Bristol	10,885	12,910	18.6%

Source: Office of National Statistics, VAT Registration and Deregistration

17. Economic Activity Comparisons

Economic Activity rates in 2009 are below all comparator areas bar Swansea and Sheffield. At 72.7% they are significantly below Gloucester (80.5%), Bristol (78.1%) and Wakefield (77.7%).

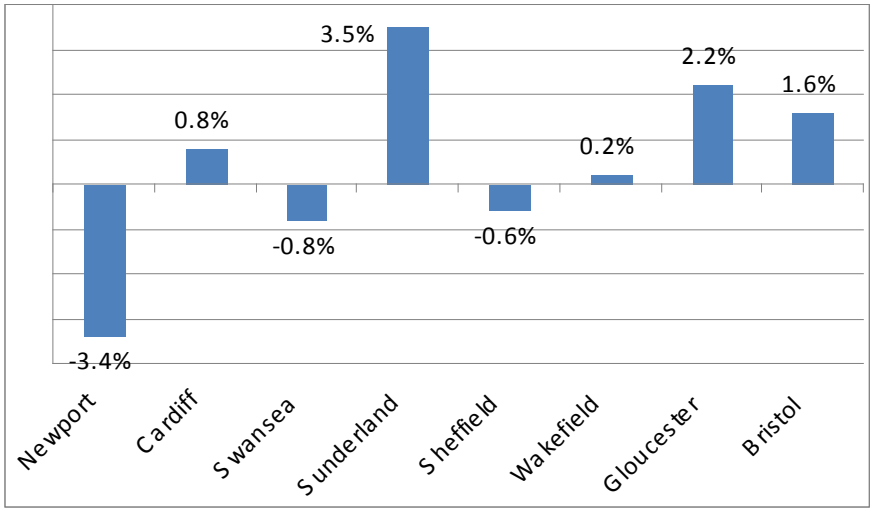
Table 6: Economic Activity Rates 2004-2009

	2004	2005	2006	2007	2008	2009
Newport	71.2	76.1	75.7	75.4	73.3	72.7
Cardiff	74.7	73.3	71.1	73.2	74.5	74.1
Swansea	75.1	72.2	72.6	73.5	71.9	71.4
Sunderland	71.4	72	73	73.5	75	75.5
Sheffield	71.8	73.3	72.4	73.3	73.7	72.7
Wakefield	77.8	77.5	77	74.7	76.6	77.7
Gloucester	78.5	78.3	82.6	82.9	77.4	80.5
Bristol	77.1	76.5	77.8	75.7	75.9	78.1

Source: Office of National Statistics, Annual Population Survey

Noticeably, Sunderland was in a similar position to Newport in 2004 (71.4% and 71.2% respectively) but after steady year on year growth Sunderland now has Economic Activity rates of 75.5%. Newport on the other hand, had strong growth to 2006 but has subsequently fallen back dramatically. This phenomenon is illustrated in the graph below.

Figure 20: Percentage Change in Economic Activity Rates 2007-2009

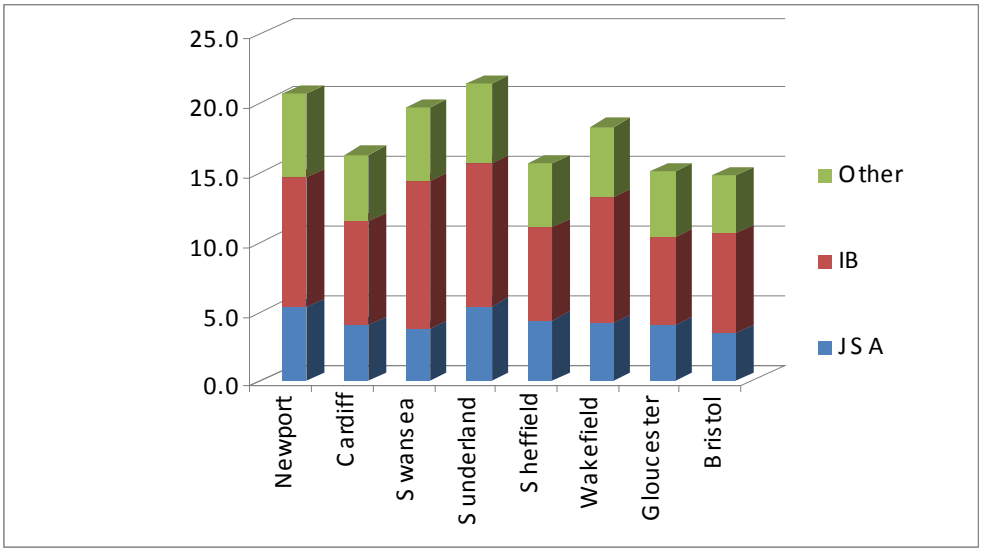


Source: Office of National Statistics, Annual Population Survey

18. Benefit Claimant Comparisons

The overall claimant dependency in Newport (20.7%) is the second highest of all the comparator areas. Only Sunderland is higher (21.4%). The make-up of claimants across comparator areas has been of decreasing Incapacity Benefit (IB) claimants and increasing Job Seekers Allowance (JSA) claimants. Only Bristol and Gloucester buck this trend and have seen an increase in the proportion of IB claimants.

Figure 21: Benefit Claimant Rates and Type 2009

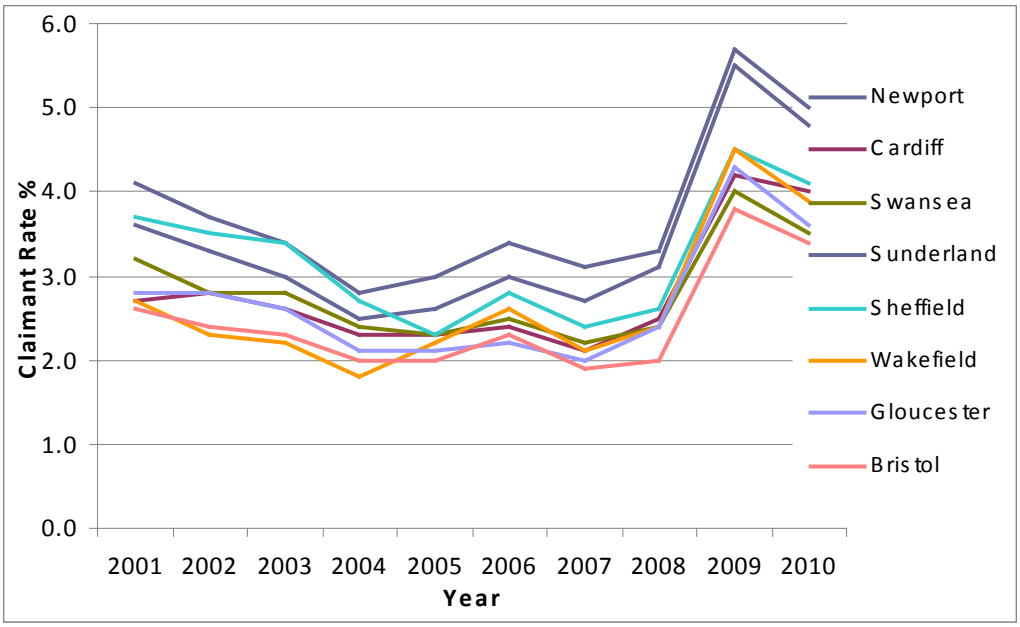


Source: Department for Work and Pensions, Benefit Claimants

19. Claimant Count Trends

Overall Claimant Count trends for comparator areas have shown a similar pattern to Wales and Great Britain. The two anomalies are Newport (4.8%) and Sunderland (5.1%), which are still trending at a higher rate than the other comparator areas and the gap appears to be getting wider.

Figure 22: Change in Total Claimant Count 2001-2010

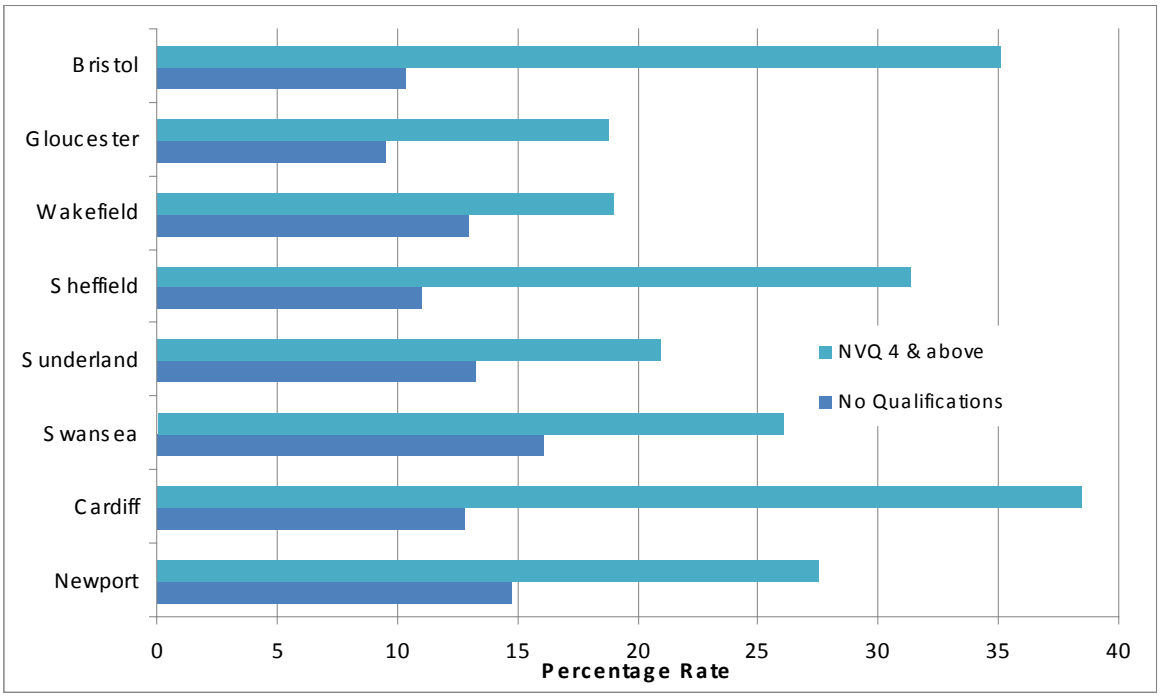


Source: Department for Work and Pensions, Benefit Claimants

20. Skill Comparisons

Newport performs well when comparing skill levels. Indeed, only 3 comparator areas (Bristol 35.1%, Cardiff 38.4% and Sheffield 31.3%) which are major university cities have a greater proportion of individuals qualified to NVQ4+ (27.5% for Newport). However, Newport has the second highest number of individuals with No Qualifications (14.7%). This suggests relative education polarisation within Newport.

Figure 23: Skill Levels 2009 – Newport and Comparator Areas



Source: Office of National Statistics, Annual Population Survey

21. Weekly Earnings Compared

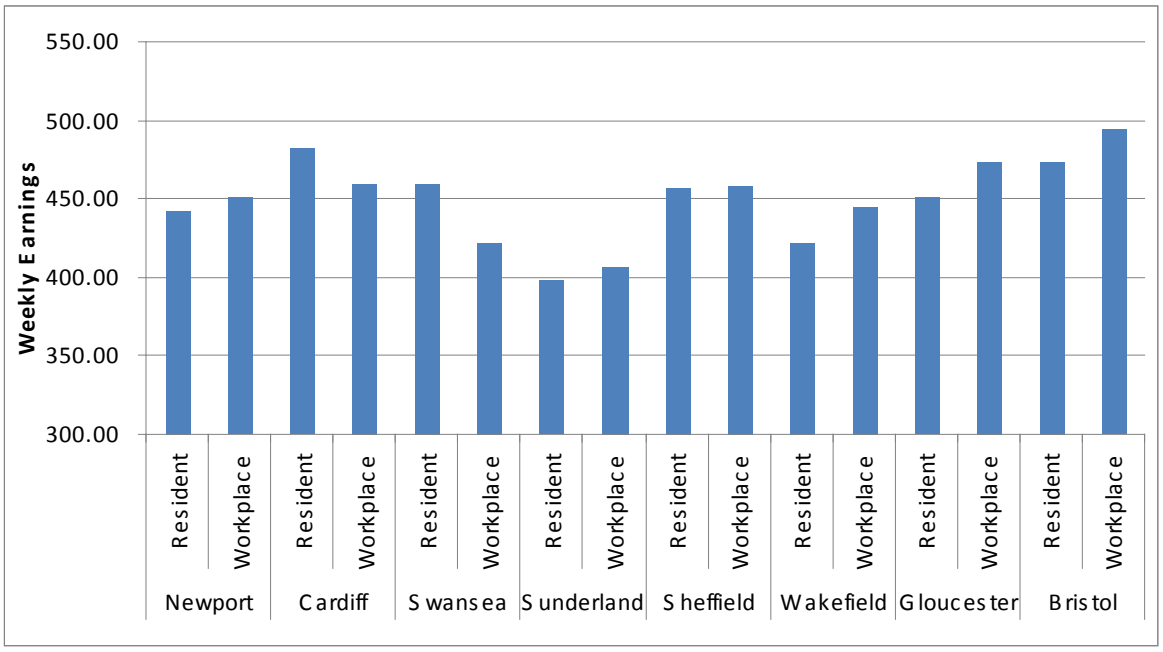
The graph over leaf compares Resident and Workplace Median weekly wages. This serves to contrast what local residents in an area may earn wherever they are employed and what the median wage is for jobs in the local economy where they live.

Newport has a comparatively small gap between resident earnings (£443) and workplace earnings (£451) at only £8 a week. This compares to a difference of over £23 for Gloucester and Wakefield, demonstrating potentially higher value employment economies than the local resident population may be equipped for.

Interestingly, Newport's experience is contrary to that of Cardiff and Swansea where weekly resident earnings are £24 and £38 higher than workplace earnings. Whilst in the comparator areas it is only in Sunderland and Wakefield where resident and workplace earnings are both lower than resident and workplace earnings in Newport.

Overall, Newport has the fifth highest workplace earnings and sixth highest resident earnings of comparator areas. Bristol has the highest weekly workplace earnings at £495, whilst Sunderland has the lowest at £406. Cardiff has the highest weekly resident earnings at £483 whilst Sunderland is again the lowest of the comparator areas, at £399.

Figure 24: Resident and Workplace Median Full Time Wages 2009



Source: Office of National Statistics, Survey of Hours and Earnings

The trend for earnings growth in Newport over the seven years from 2002 to 2009 has been low relative to comparator areas. Over this period Median Weekly Workplace Earnings growth was 21%. Only Sunderland (20%) and Wakefield (19%) experienced lower growth rates than Newport.

Median Resident Earnings in Newport increased at less than all comparator areas at 17% over the same period. Gloucester and Swansea saw workplace earnings increase by 30% and 28% respectively. At the same time, Swansea and Sheffield saw their resident earnings increase by 29% and 30% respectively.

Table 7: Change in Resident and Workplace Earnings 2002-2009

	Workplace Earnings 2002	Workplace Earnings 2009	% change	Resident Earnings 2002	Resident Earnings 2009	% change
Newport	373.50	451.70	21%	378.80	443.60	17%
Cardiff	365.60	459.30	26%	381.70	483.20	27%
Swansea	330.10	422.00	28%	358.20	460.30	29%
Sunderland	339.90	406.60	20%	315.10	398.60	26%
Sheffield	364.70	458.50	26%	353.50	457.80	30%
Wakefield	374.30	446.00	19%	349.80	422.40	21%
Gloucester	364.90	474.60	30%	360.50	450.90	25%
Bristol	399.20	494.90	24%	375.50	474.50	26%

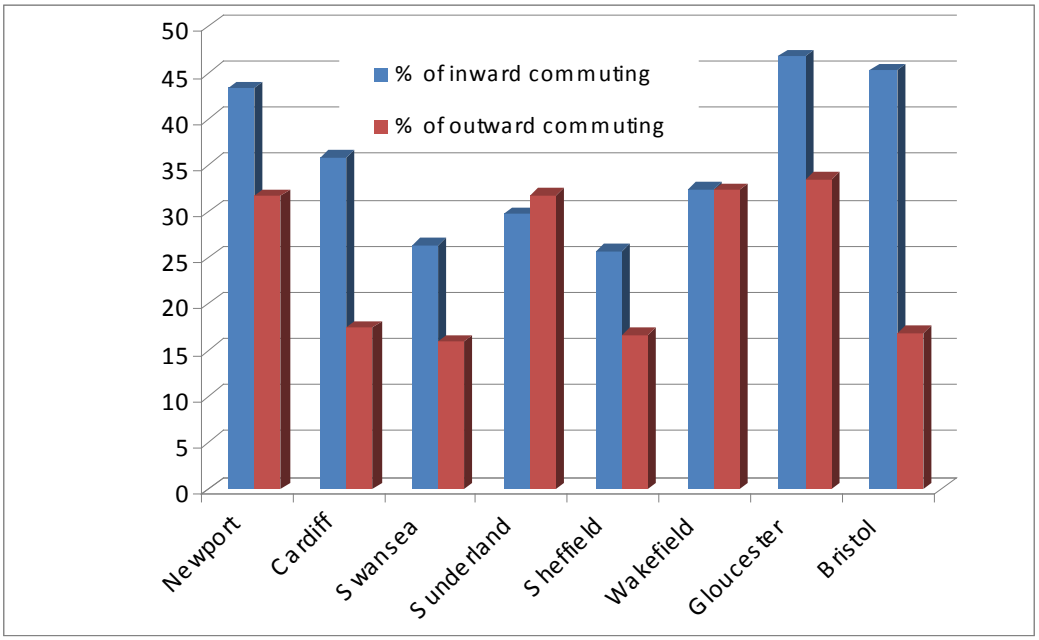
Source: Office of National Statistics, Survey of Hours and Earnings

Compared to comparator areas Newport has seen a relative decline in both workplace and resident earnings. In 2002 Newport would have ranked third highest for workplace earnings and second highest for resident earnings.

22. Commuting Comparisons

Newport, like most of the comparator areas performs as an economic hub to the surrounding area drawing net in-commuting with some 43.5% of all jobs in the area taken by residents outside Newport.

Figure 25: Commuting Patterns 2008 – Newport & Comparator Areas



Source: Office of National Statistics Annual Population Survey

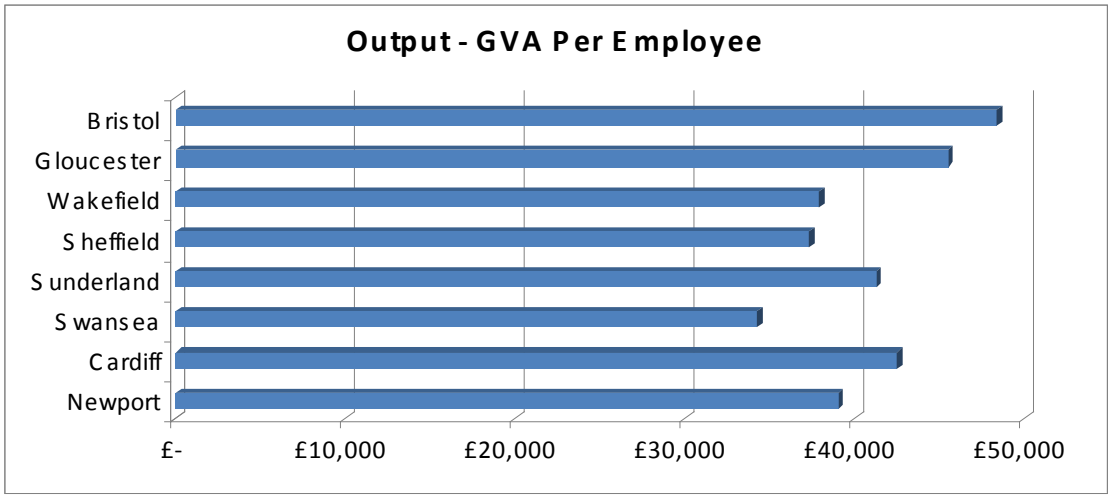
23. GVA Output Comparisons

Gross Value Added (GVA) measures the contribution to the national economy of each industry or sector in a local area. GVA is the most reliable measure of economic output available at a local level and it is widely used to assess the contribution of local economy against the national economy.

The Office of National Statistics produce estimates of GVA performance at national, regional and local areas using the Nomenclature of Units for Territorial Statistics (NUTS) which is a European hierarchical classification. Under this classification, Newport is combined with Monmouthshire (NUTS 3) as the lowest level of GVA calculations. Output per worker is calculated by dividing the number of employees in each sector in the local area.

At £38,998 GVA output per employee in Newport compares well with Swansea (£34,000), Sheffield (£37,304) and Wakefield (£37,862) but is behind the stronger economies of Bristol (£48,384), Gloucester (£45,478) Cardiff (£42,470) and, perhaps surprisingly Sunderland (£41,234).

Figure 26: Gross Value Added per Employee 2007



Source: Source: Office of National Statistics Regional Accounts

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