

# TEES VALLEY

CITY REGION EMPLOYMENT PROFILE | NOVEMBER 2023

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## SUMMARY

The Tees Valley Combined Authority has the smallest population of the nine English Combined Authorities. It has a lower employment rate (71%) and a higher unemployment rate (4.3%) than the national average while one in four people of working age are economically inactive (25.4%).<sup>1</sup> Workers in the region earn a weekly wage of £546,<sup>2</sup> which is £75 below the national average. Nearly one in four (25.9%) workers in the Tees Valley Combined Authority are in severely insecure work, compared to the national average of 19.8%. It has the highest level of severely insecure work out of all the City Regions and has a higher incidence of low paid work relative to England.

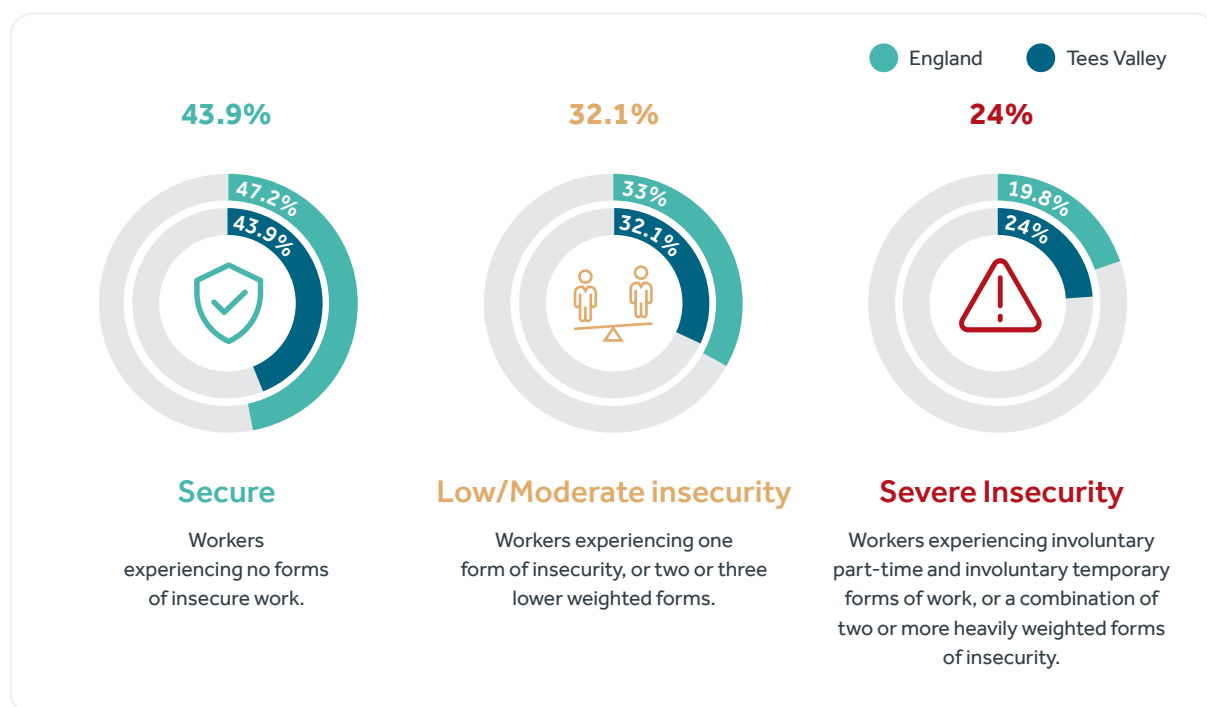
The Work Foundation defines insecure work through a single holistic measure which combines:

- contractual insecurity, where people are not guaranteed future hours or future work - such as jobs in the gig economy, zero contract work or part-time work
- financial insecurity, where people have unpredictable pay or their pay is simply too low to get by
- lack of access to employment rights and protections.

Across the Tees Valley Combined Authority, there is significant variation amongst the five local authorities. Middlesbrough is the hotspot for severely insecure work, with 29.8% of its workers in severely insecure work. Redcar and Cleveland has the lowest proportion of severely insecure workers at 19.2%, which falls slightly below the national average.

Analysis shows that women, workers from ethnic minority backgrounds, disabled people and younger workers are most likely to be in severely insecure work than other workers in the Tees Valley Combined Authority.

Figure 1: Insecurity amongst the Tees Valley Combined Authority workforce, 2022



Source: Work Foundation calculations of the Office for National Statistics Labour Force Survey; 2021- 2022.

1. ONS 2023, Annual Population Survey, January-December 2022.

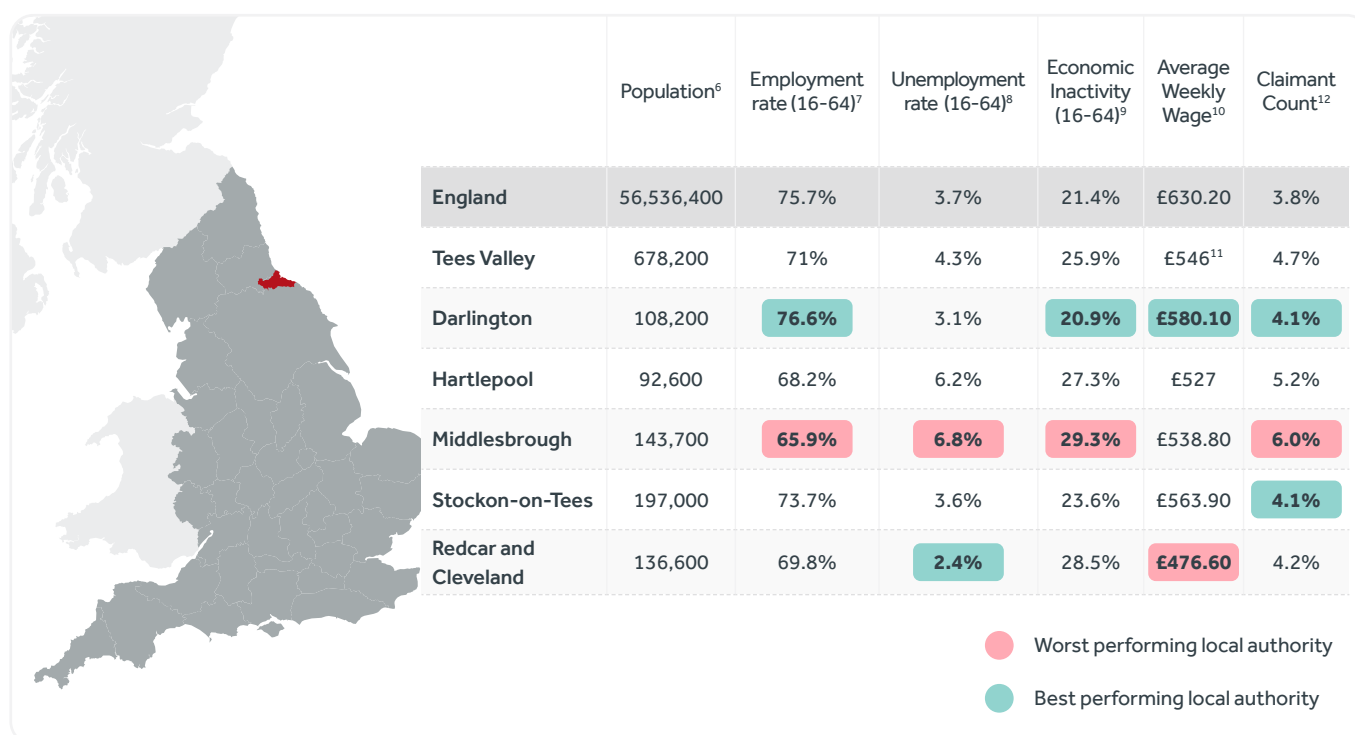
2. Centre for Cities Tees Valley Factsheet (2023). Available at: <https://www.centreforcities.org/combined-authority/tees-valley/>



## 1. TEES VALLEY COMBINED AUTHORITY OVERVIEW

The Tees Valley region became a Combined Authority in April 2016 and brings together five local authorities: Darlington, Hartlepool, Middlesbrough, Stockton-on-Tees, and Redcar and Cleveland. It has a population of 678,200 and a working-age population of 413,800.<sup>3</sup> The elected mayor, Ben Houchen, came to office in 2017, and was re-elected in 2021. During his time in office, he has established the Teesside Freeport and worked with Government to bring the Treasury Economic Campus to Darlington.<sup>4</sup> Nearly a third of the workforce work in the health and social care, and retail and wholesale sectors. 31.3% of the jobs in the Combined Authority are publicly funded while 9.8% of jobs are high-skilled jobs in the private sector.<sup>5</sup> The economy has an average annual economic growth rate (2001-2021) of 0.9% and its unemployment rate is 4.3% which is higher than the UK average.

Figure 2: Tees Valley Combined Authority economy



Source: Work Foundation calculations of the Office for National Statistics Labour Force Survey; 2021- 2022.

3. ONS 2022, Population estimates-local authority based by five-year age band, 2021 data.

4. Tees Valley Combined Authority Mayor. Available from: <https://teesvalley-ca.gov.uk/about/leadership/mayor/>

5. Centre for Cities Tees Valley Factsheet (2023). Available at: <https://www.centreforcities.org/combined-authority/tees-valley/>

6. ONS 2022, Population estimates-local authority based by five-year age band, 2021 data.

7. ONS 2023, Annual Population Survey, January-December 2022.

8. ONS 2023, Annual Population Survey, January-December 2022.

9. ONS 2023, Annual Population Survey, January-December 2022.

10. ONS 2022, Annual Survey of Hours and Earnings (ASHE), average gross weekly workplace-based earnings, 2022 data.

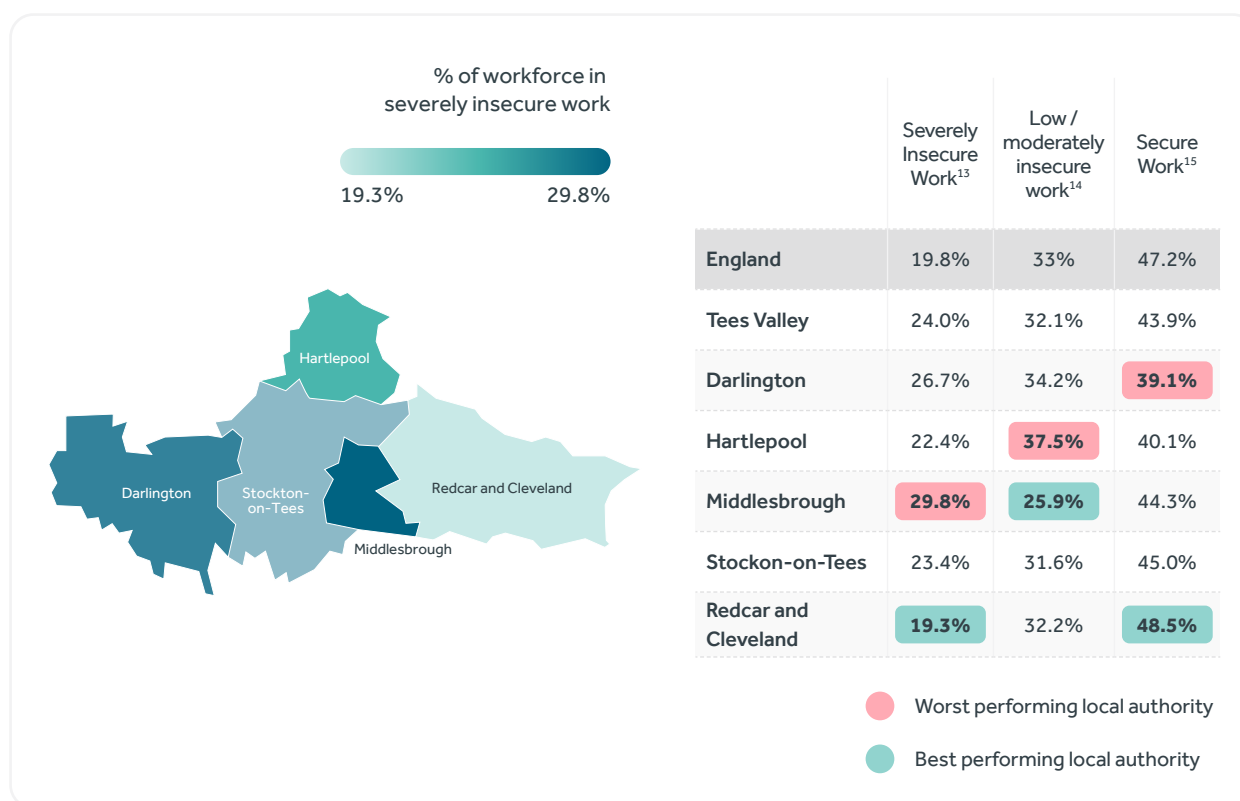
11. Centre for Cities Tees Valley Factsheet (2023). Available at: <https://www.centreforcities.org/combined-authority/tees-valley/>

12. ONS 2023, Claimant Count, June 2022 data.

## 2. INSECURE WORK IN THE TEES VALLEY COMBINED AUTHORITY

There is some variation in the incidence of severely insecure work within the local authorities of the Tees Valley Combined Authority. Middlesbrough has the highest proportion of workers in severely insecure work, while in Redcar and Cleveland, only 19.3% of workers are in severely insecure work and nearly half are in secure work. However, the average weekly wage in Redcar and Cleveland is £476, which is the lowest in the Combined Authority and £145 below the national average. The labour market in Middlesbrough has the weakest outcomes in the Combined Authority with the greatest incidence of severely insecure work, the lowest employment rate and highest inactivity rate of all the local authorities.

Figure 3: Tees Valley Combined Authority labour market



Map created with Datawrapper.

13. Work Foundation calculations of the ONS Labour Force Survey; 2021-2022.

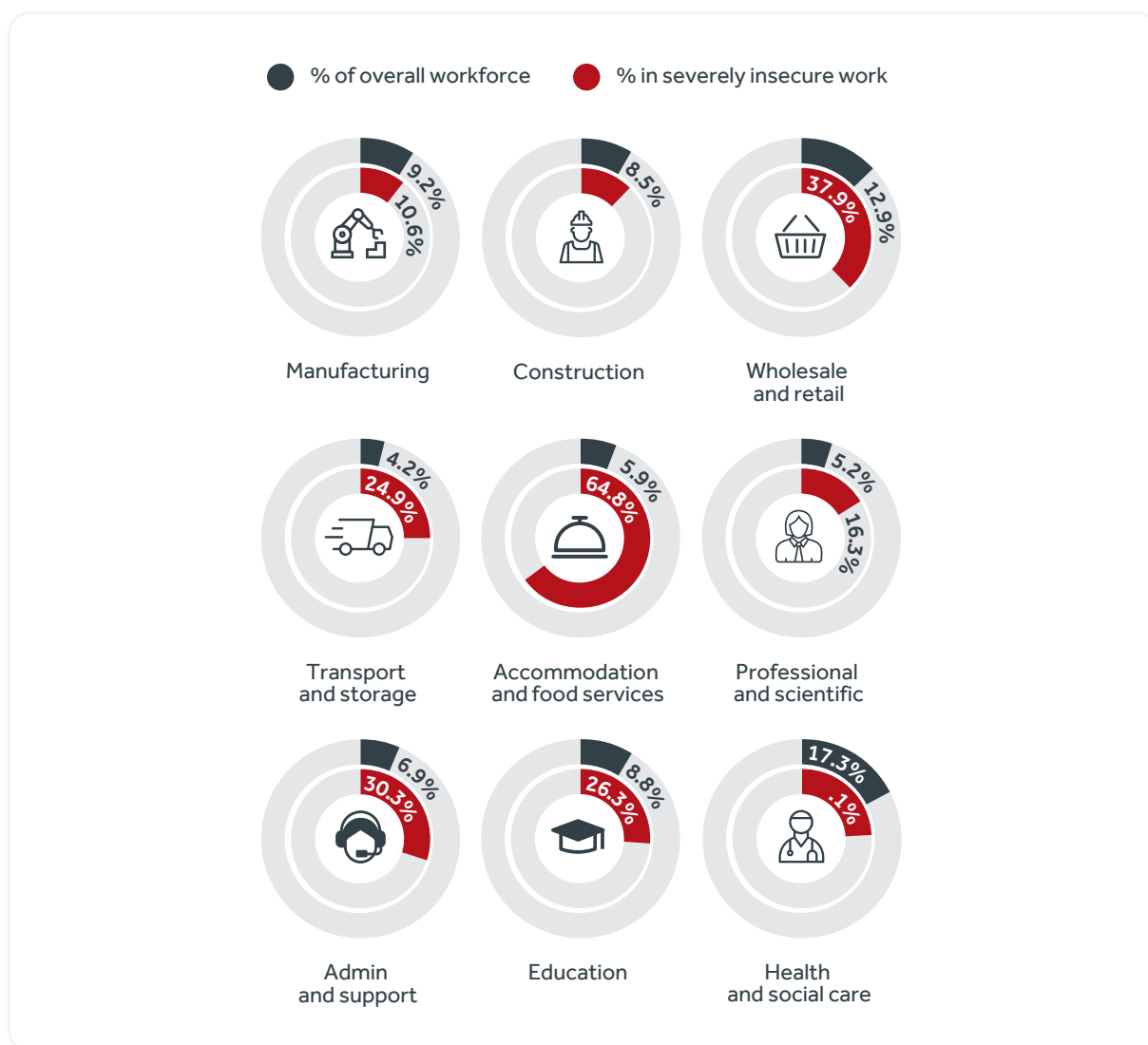
14. Work Foundation calculations of the ONS Labour Force Survey; 2021-2022.

15. Work Foundation calculations of the ONS Labour Force Survey; 2021-2022.

## Sectors

Insecure work in the Tees Valley Combined Authority is driven by three sectors: wholesale and retail, accommodation and food services, and health and social care. These three sectors employ approximately 36% of the overall workforce and between 2019-2022, 35% of workers in these sectors found themselves in severely insecure work. Although the accommodation and food sector makes up only 5% of the workforce, 60% of workers in this sector were in severely insecure work. Transport and storage is the most secure sector with over half of workers in secure work. However, this sector makes up only 8.5% of the workforce in the Combined Authority.

Figure 4: Insecurity across sectors in the Tees Valley City Region

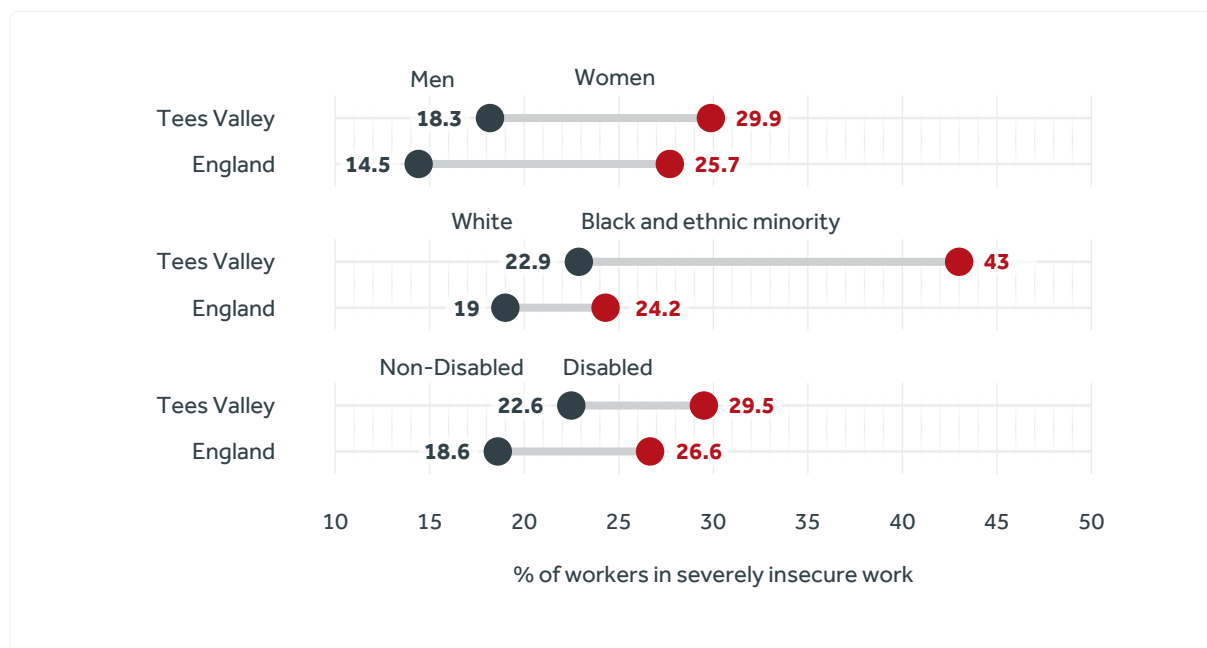


Source: Work Foundation calculations of the Office for National Statistics Labour Force Survey; 2021- 2022.

## The insecurity gap

Women in the Tees Valley City Region are 1.6 times more likely to be in severely insecure work than men. Compared with the average in England, there is a much smaller share of workers from a Black and ethnic minority background in Tees Valley (5.2% compared with 13.8%). However, it appears that Black and ethnic minority workers are 1.9 times more likely to experience severely insecure work (43% compared to 23%). Disabled workers are also 1.3 times more likely to be in severely insecure work than non-disabled workers in Tees Valley.

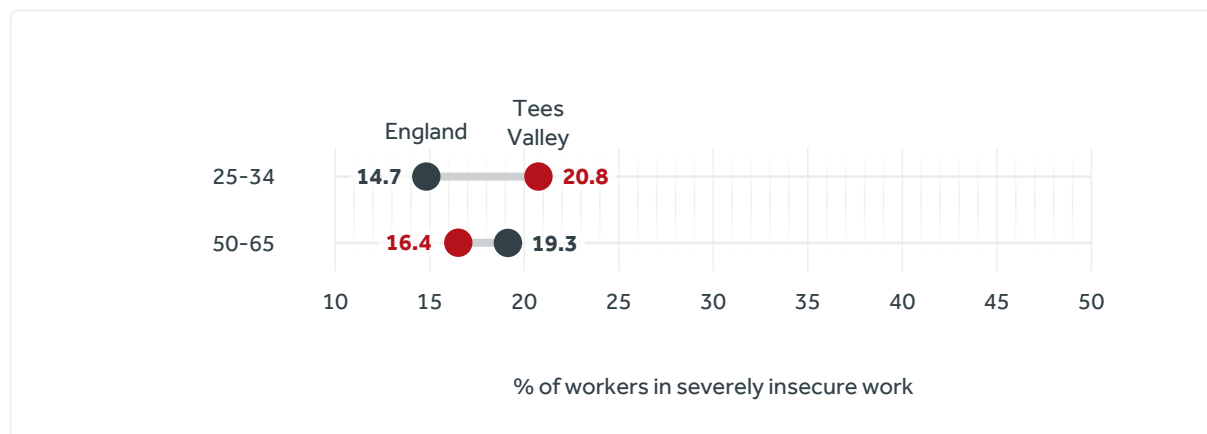
Figure 5: The gender, ethnicity and disability insecurity gaps



Source: Work Foundation calculations of the Office for National Statistics Labour Force Survey; 2021-2022.

One in five workers in the 25-34 age group are in severely insecure work which is five percentage points higher than the national average. In stark contrast, only 16% of workers in the 50-64 age group are in severely insecure work while over half are in secure work. These workers are less likely to be in severely insecure work in Tees Valley relative to the rest of England.

Figure 6: The age insecurity gap



Source: Work Foundation calculations of the Office for National Statistics Labour Force Survey; 2021-2022.

Note: Figures for other age groups are not reported due to small and unreliable sample sizes.

### 3. HOW SECURE WORK CAN REDUCE REGIONAL INEQUALITY

Insecure work is a national issue, but the consequences are felt locally. In order to reduce regional inequalities and limit the impacts of severely insecure work on individuals in the Tees Valley Combined Authorities, the UK Government and Combined Authority Mayors must focus on two complementary ambitions over the next five years:

1. to significantly reduce levels of severely insecure jobs across the UK by 2030
2. to ensure that no English Mayoral Combined Authority is home to higher levels of severely insecure work than the national average.

#### Recommendations for Combined Authorities

- **Recognise insecure work in economic development and skills strategies** based on the sectors and roles within where it is concentrated, and the worker groups who are primarily impacted
- **Include the regular tracking of insecure work indicators** as part of existing Combined Authority labour market analysis
- **Explore partnerships and engagement with employment charters** to share lessons and best practice
- **Harness procurement and investment incentives** by building clear employment standards requirements into the commissioning and procuring goods and services
- **Support national enforcement bodies** by helping to build relationships with local employers and reporting non-compliance or violations of rights in your area.

For further research and recommendations on insecure work across England's Mayoral Combined Authorities, please see: [Delivering Levelling up? How secure work can reduce regional inequality \(2023\)](#).

For further information on our methodology, please see our [Technical Annex for the UK Insecure Work Index](#).

Please note: our insecurity measure counts people where they live as opposed to where they work. Household composition and demographic traits can therefore affect results meaning that insecurity at a local level will not always correlate with the level of economic deprivation in that area.

#### CITATION

If you are using this document in your own writing, our preferred citation is: Navani, A. & Florisson, R. (2023). Tees Valley Combined Authority employment profile. The Work Foundation at Lancaster University.

#### MORE INFORMATION

For further information, please contact the Work Foundation at Lancaster University at: [info@theworkfoundation.com](mailto:info@theworkfoundation.com).