

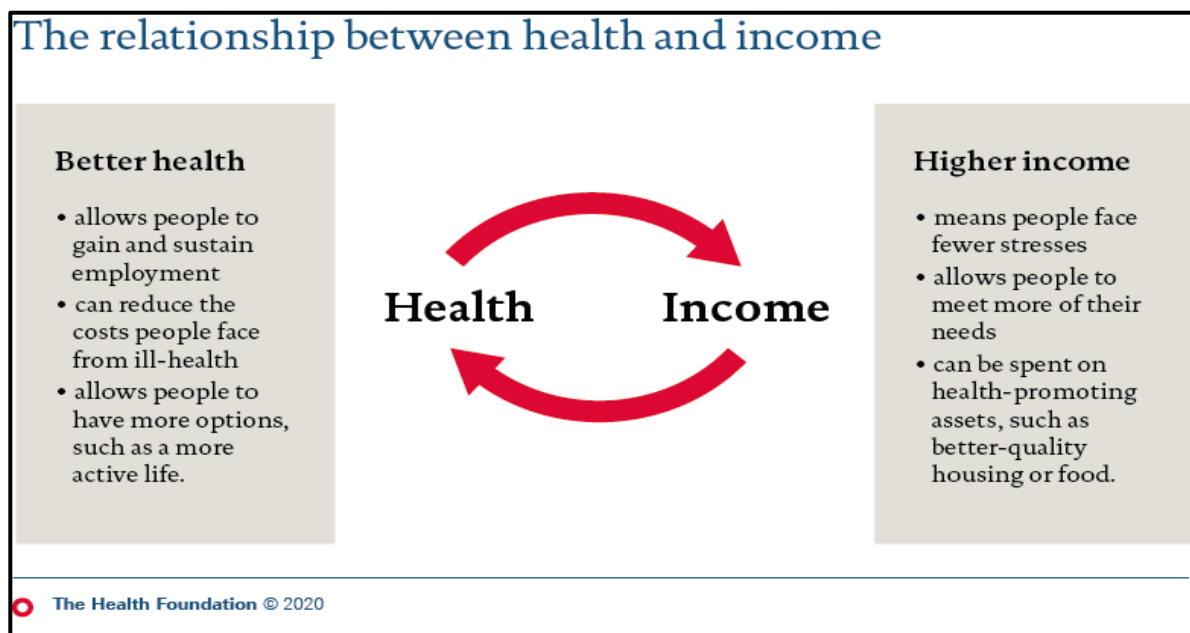
## NORTHUMBERLAND JOINT STRATEGIC NEEDS ASSESSMENT

### INCLUSIVE ECONOMY: HEALTH AND WORK

#### 1. Introduction: The relationship between employment and health

Northumberland aspires to have an ***Inclusive Economy*** where economic growth and jobs and training opportunities are open to all residents. An Inclusive Economy with good quality employment is one of the key building blocks for a healthy society, so the extent to which our residents have a share in the economy has a significant impact on their social and economic wellbeing, and how long and well people live.

The relationship between physical and mental health and income is bi-directional, as illustrated below;



There is a compelling body of evidence that being in inadequate quality work, being unemployed or economically inactive<sup>1</sup> adversely impacts both mental wellbeing and physical health and shortens the lives of many of our residents. Low pay and high demands create chronic stress on the body which can lead to higher blood pressure, increased blood sugar and an impaired immune system, it can also lead to health-harming behaviours which all increase the risk of many life shortening diseases such as heart disease and cancer. Long term

<sup>1</sup> [Using economic development to improve health and reduce health inequalities, The Health Foundation \(2020\)](#)

unemployment or economic inactivity can cause depression, anxiety and lowers self-esteem.

Conversely, poor physical and mental health and disability excludes many people from employment and training. A higher percentage of working-age people in Northumberland are economically inactive (neither employed or on unemployment benefit) than national averages, with long-term sickness being one of the main reasons. Mental health conditions and musculoskeletal disorders are the most common illnesses associated with unemployment and inactivity. Without specialist support, those out of work and with health conditions are more likely to become long-term unemployed or inactive and see their health further deteriorate. This limits the pool of labour available to local employers and can adversely impact local economies.

Therefore, health and employment cannot be separated, and this interrelationship needs to be reflected in both policy and services delivered.

The distinction must be made between '**Good Work**', defined as employment of high quality, that is secure, well-paid, provides both good physical and psychological working conditions, autonomy, social support, and opportunities for progression, and 'any' work, which can include employment which is precarious, low paid, with poor working conditions and low levels of choice and control. It has been posited that an insecure job can be more harmful for certain health outcomes than unemployment<sup>2</sup>.

An Inclusive Economy offers all residents opportunities to secure and maintain Good Work, thereby positively impacting the health and wellbeing of individuals and communities and will prevent lives from getting shorter.

As a constituent local authority, Northumberland shares the Inclusive Economy ambitions of the North of Tyne Combined Authority (NTCA) in relation to:

- Closing the gap on average earnings (increasing earnings, qualification levels and progression routes to ensure residents have access to new higher skilled jobs in future).
- Closing the unemployment gap (removing the barriers which make it difficult for people to take up employment and training opportunities).
- Closing the skills and education gap (making sure our young people have the skills, experience and qualifications to take up quality training and jobs through good schools and colleges).
- Closing the aspiration and ambition gap (providing opportunities that enable local people to own their own economic future and all young people to have high aspirations and confidence, with support that allows them to make good choices).

---

<sup>2</sup> Is an insecure job better for health than having no job at all? A systematic review of studies investigating the health-related risks of both job insecurity and unemployment (BMC Public Health 2015)

## 2. Why is this important in Northumberland?

Social, economic, and health inequalities exist within Northumberland's communities and between Northumberland and the rest of England as evidenced by a range of data:

- Residents from our poorest neighbourhoods in Northumberland are dying 17 years earlier than those from more affluent areas and are living 19 years longer in poor health than our wealthier areas.
- 42.3% of working age residents with disabilities or long-term health conditions are in employment, against 70.9% of those without. This gives a disability – employment gap of 28.6% (ONS April 2021 – March 2022).
- 2.3% of working days in Northumberland are lost due to sickness absence (1.4% North East, 1% England, ONS 2017/19)

Health inequalities are mirrored by disparities in employment and unemployment rates between Northumberland and national averages. Office of National Statistics (ONS) labour market data show:

- An unemployment rate of 5.2% of the working age population, against an England average of 4.3% (Apr 2021-Mar 2022).
- An unemployment claimant count of 3.1%, amounting to 5,975 people (July 2022).
- 7.6% of the working-age population have no qualifications, against a Great Britain average of 6.6% (Jan – Dec 2021).
- An economic inactivity rate of 25.2% (45,700 residents) against an England average of 21.2%. 10,000 of these are inactive due to long-term sickness from work. 8,500 are economically inactive but say they want to work (Apr 2021-Mar 2022).
- 19.2% of households are workless (19,300 in total) against an England average of 13% (Jan-Dec 2020).
- Mental health conditions are predominant and resident support needs are in high demand. Claimants of the main health related unemployment benefit, Employment Support Allowance (ESA) show that almost half (48%) claim for 'mental and behavioural disorders' (ONS, Feb 2022).

Inequalities also exist within areas of Northumberland:

- Average household income is £17,000 in our most deprived areas and over £67,000 in our least deprived areas (2022).
- The unemployment claimant count in the Hexham constituency is just 1.6% but is 4.3% in Blyth Valley (July 2022).
- Similarly, the Northumberland economic inactivity rate of 25.2% varies between 22.2% in Hexham parliamentary constituency and 29% in Wansbeck (amongst the lowest to one of the highest in the Northeast) (Apr 2021-Mar 2022).

### **3. Who is at risk and why?**

Certain groups in Northumberland tend to be under-represented in the labour market and be more disadvantaged economically, including:

- Young people aged 18-24
- People aged 50 and over
- People with disabilities and long-term health conditions
- People in disadvantaged areas of south-east Northumberland, deep rural areas, and coastal areas.

People in these groups often have lower skill levels and additional barriers to work which need more specialist and intensive support. Recent trends show that economic inactivity is on the increase post-Covid, particularly among people who are 50+ and people leaving the labour market because of poor health. The disability – employment gap (the proportion of people in work with a disability against those in work without a disability) is widening. These are long-standing issues which may have been exacerbated by the Covid pandemic for which specialist support is needed to address.

#### ***Covid pandemic impacts***

Many of the issues impacting health and inequalities impacting Northumberland pre-date the Covid pandemic, but evidence suggests the pandemic and consequences of lockdowns widened some existing inequalities. Other new impacts can be identified that have emerged post-pandemic.

Data show that:

- 28% of adults saw finances deteriorate and the poorest saw debt levels increase
- Long-term unemployment and economic inactivity trends have increased since the pandemic.
- Young people tend to be disproportionately impacted by economic downturns. Though the claimant count for 18–24-year-olds is relatively low and vacancy opportunities have recovered, the pandemic disrupted the education of young people and their transitions to the labour market, which can have a longer-term ‘scarring’ impact on future labour market prospects.
- The pandemic also had a disproportionate impact on people with disabilities and existing health conditions. 71% of disabled people have had their work impacted by the pandemic, compared to 61% of non-disabled people. Disabled people are more likely to be working in sectors that closed during the pandemic, more likely to be at risk of redundancy, and more likely to be working reduced hours than non-disabled people.
- The unemployment claimant count for people aged 50 and over rose sharply during the pandemic but stabilised and is relatively low. However, data show that much of the increase in economic inactivity is in this age cohort. There has been an increase in people aged 50+ and people with

health conditions leaving the labour market and becoming economically inactive. This has resulted in a reduced pool of labour and fewer people job searching or participating in employment support programmes.

- Though the labour market recovered and generated relatively high vacancy rates, many employers report hard-to-fill vacancies and staff shortages. This demonstrates a mismatch of labour demand and supply, and a need for better employment and skills support for residents.
- There is potential that recovery will be stunted by a significant rise in the cost-of-living and a potential economic downturn, further disproportionately impacting those who are unemployed and/or economically inactive and with poor health.

#### **4. Key issues**

The following key priorities have been identified:

1. Increase the employment rate and reduce the unemployment and economically inactive rate, closing;
  - employment / unemployment / economic inactivity gaps between Northumberland and other areas
  - employment / unemployment / economic inactivity gaps within Northumberland.
2. Improve the number of good jobs available to residents, paying the living wage and offering flexible conditions and progression opportunities. While already a priority this will be critically important to address rises in the cost-of-living and a potential economic recession.
3. Support more people who are economically inactive to participate in the labour market
4. Reach people in cohorts which are underrepresented in the labour market (including over 50's, people with disabilities and long-term health conditions, residents of disadvantaged neighbourhoods) to make labour market participation more inclusive.
5. Ensure good quality advice and guidance is available to all residents.
6. Better understand data about the impact of health inequalities on the economy, and employment as a key determinant of health.

#### **5. What assets do we have in Northumberland?**

Employment and skills support services are available for a wide range of Northumberland residents, from short-term jobseekers moving in the labour market to those with more complex barriers to work who need more specialist and intensive support. These services include:

- Northumberland County Council (NCC) delivers a good range of support across the county through Northumberland Skills, in partnership with DWP and other providers.
- As a constituent of the North of Tyne Combined Authority (NTCA), Northumberland benefits from working in partnership across the area and

from investment through devolved funding. This includes devolved Adult Education Budget and Shared Prosperity Fund. The North of Tyne Employability Strategy (*Strengthening our Labour Market, Aug 2022*) commits NTCA and constituent local authorities to work together and with partner organisations to deliver better skills and employment support and identifies areas for investment.

- The skills infrastructure and the devolved (to North of Tyne level) Adult Education Budget ensures a good range of training and skills development is funded and available to residents and can be responsive to employer demand and changes in the labour market.
- Northumberland has a thriving Voluntary and Community Sector with a good reach into communities and understanding of the needs of residents, including those who are unemployed or economically inactive.
- NCC acts as Lead Accountable Body for support projects delivered in partnership which have a specific focus on residents who are economically inactive (including those with health barriers to work) and a Work and Health programme.
- NCC is active in promoting the North of Tyne Good Work Pledge (which includes the Better Health at Work criteria) to help increase the pool of jobs which pay the Living Wage and have good working conditions with progression opportunities and is supporting implementation of the North of Tyne Wellbeing Framework.
- The Northeast Better Health at Work Award recognises efforts of employers in addressing health issues in the workplace.
- NCC's wholly owned regeneration company Advance Northumberland has a key role in driving growth and investment into the County. Working together NCC and Advance are able to ensure residents benefits from new business and jobs growth activities. Using NCC Procurement services and section 106 agreements secures social value for Northumberland and its residents including training and job opportunities.
- Anchor Institutions such as the NHS and council have made commitments to addressing the wider factors that drive health inequalities. Examples of these include Northumbria NHS Foundation Trust's Community Promise which seeks to address the six pillars of poverty, employment, education, economy, environment and wellbeing, CNTWs Individual Placement Support Service which supports service users to find employment and the Council's Social Value Procurement Statement
- The emerging Northumberland Inequalities Plan where partners have made a commitment to look at everything through an inequalities lens, listen to the voice of residents, share data, ensure community strengths are considered first, ensure our services are equitable and maximise our civic and statutory level responsibilities.

The labour market currently has a relatively high rate of job vacancies for a smaller pool of jobseekers. However, vacancies are not always a good match for jobseekers or are spread evenly across areas, and employers report hard-to-fill

vacancies and skills shortages for their jobs. The Council and its partners aim to deliver support to both businesses and residents to help increase the jobs and opportunities available and provide a good match to meet both the needs of residents and the needs of local labour markets.

## **6. What do people say?**

As part of the consultation by North of Tyne Combined Authority on the Wellbeing Framework, survey respondents highlighted the importance of good or decent jobs with opportunities for progression with predictable hours. They highlighted the impact of worrying about income as causing elevated levels of anxiety and stress.

In the Northumberland Youth Parliament 'Make Your Mark' (2022) report, 5,428 young people aged 11-18 identified the most important issues of concern as Health and Wellbeing (1,211) and Jobs, Money, Homes and Opportunities (1,067).

Evidence from the Government's mainstream employment support programmes for people who are long-term unemployed or have additional support needs (Work and Health Programme and Restart - delivered in Northumberland by Reed in Partnership and NCC) shows that health is a significant barrier to work. 21% of Restart participants in Northumberland cited health as a barrier to finding a job. More than one-third of these stated a need for a mental health referral (Reed in Partnership, Aug 2022).

Feedback from participants in the Bridge Northumberland programme, a partnership of VCS organisations which helps people overcome barriers to work cited stress and anxiety, lack of self-esteem, and unsupportive working conditions as barriers to finding and sustaining employment.

## **7. Conclusions and Priorities for Action**

The Inclusive Economy: Health and Work JSNA provides an assessment of the inter-relationship between health and economic inequalities affecting Northumberland residents. Available data and intelligence identify a number of key issues, many of those pre-existing but exacerbated by the Covid pandemic, that are essential to address to deliver a more equal and inclusive economy in Northumberland. Working in partnership with commissioners, deliverers and employers across all sectors will be essential to achieving this.

Northumberland County Council commits to working with all partner organisations to:

- Use all available data and intelligence to build a thorough understanding of local issues relating to the economic impacts of health inequalities in order to find solutions to addressing them.
- Continue to build the vision of an Inclusive Economy across a wider network of partners by building alliances and leveraging in the local assets and powers of Anchor Institutions.

- Work with commissioners and funders and partner organisations (including NTCA, Northeast and Cumbria Integrated Care System and NHS Integrated Care Board, Government's Work and Health Unit and the VCSE) to develop services that meet the health and economic needs of Northumberland residents and communities.
- Delivering the North of Tyne Employability Strategy key priorities to (1) provide employment support for the most disadvantaged (2) deliver local community-led and place-based approaches (3) Support people with long-term health conditions, through the development of integrated programmes (with health and employment support services working together) and (4) create good quality jobs.
- Work with commissioners and providers to reduce the disability – employment gap (the gap between the proportion of people with disabilities and long-term health conditions who are in work against those in work who do not have disabilities or long-term health conditions).
- Work with local employers and businesses to help deliver their recruitment and skills needs, and develop ways to support more residents to access jobs and progression opportunities as a key wider determinant of health
- Continue to actively promote standards of good work and best practice in relation to employment and health at work policies.
- Explore opportunities for co-investment, co-design, and co-commissioning to better integrate health and employment support services.

## **September 2022**

Prepared by:

- Kevin Higgins, Employability and Inclusion Manager, Economy and Regeneration Service, Northumberland County Council. Contact: kevin.higgins@northumberland.gov.uk
- Liz Robinson, Senior Public Health Manager (Wider Determinants), Public Health Service, Northumberland County Council, Contact: liz.robinson@northumberland.gov.uk

## **References and links to services**

[Northumberland County Council Employment and Skills Support Services](#)

[CNTW NHS Individual Placement and Support employment service](#)

[North East Better Health at Work Award](#)

[Advance Northumberland](#)

[Together Northumberland Community Promise](#)

[Work and Pensions Committee, UK Parliament July 2021](#)

## **North of Tyne**



North of Tyne Employability Strategy: [Strengthening our Labour Market \(August 2022\)](#)

[North of Tyne Good Work Pledge](#)

[North of Tyne Wellbeing Framework Report-Jan-22.pdf](#)

[North of Tyne Skills Plan](#)

### **Data Sources**

<https://www.nomisweb.co.uk/reports/lmp/la/1946157061/report.aspx>

<https://stat-xplore.dwp.gov.uk/webapi/jsf/login.xhtml>

<https://fingertips.phe.org.uk/>

[https://fingertips.phe.org.uk/profile/health-profiles/area-search-results/E06000057?place\\_name=Northumberland&search\\_type=parent-area](https://fingertips.phe.org.uk/profile/health-profiles/area-search-results/E06000057?place_name=Northumberland&search_type=parent-area)

[Annual Population Survey](#)

[Claimant Count](#)

[Paycheck - CACI](#)