

# The Humber Economy 2018/19



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# 1. How the Humber economy has changed

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## Summary

The Humber region has reported positive performance across all major economic indicators since 2012 and has returned to economic growth. However, this growth rate is behind the regional and national average and consequently the area has taken longer to recover from the global recession, which poses questions over its future resilience to economic shocks.

The following sections use the latest available information to update the position compared with the data available at the time of the production of the Humber's Strategic Economic Plan in 2013/14 (mostly 2012 data).

## Population

Between 2012 and 2017 (the latest mid-year population estimate available), the total population of the Humber (929,900) has increased by 1.0% (8,800 people); a much slower rate than both regional (2.5%) and national average population growth (3.7%). In fact, over this time period, population growth in the Humber was the lowest of any LEP (except Cumbria where the population declined).

The largest increases were reported in Hull (3,700; 1.4%) and North Lincolnshire (2,900; 1.7%); with an increase in population also reported in the East Riding (2,200; 0.7%). These population increases were focussed on the Hull, Scunthorpe and Goole built up areas. The population of North East Lincolnshire remained static over this period.

The actual number of working age people (ages 16-64) in the Humber area (568,700) decreased across all four Humber local authorities by 12,600 (-2.2%) between 2012 and 2017. This is in contrast to an increase of 0.2% regionally and an increase of 1.9% recorded nationally. Whilst all four authorities saw a reduction in the working age population; this was particularly pronounced in the East Riding (-7,500; -3.7%) and North East Lincolnshire (-2,900; -2.9%) – most notably in East Riding coastal towns and villages.

Population growth typically focused on older people aged 45+; particularly those aged 65 and over. Meanwhile, figures suggest a significant issue of population decline among young adults (aged 18 – 23) and families (aged 34 – 47) with older children (aged 10 – 17). Larger decreases amongst the working age population are mitigated by historic high levels of international migration to the Humber LEP typically focussed on 24 – 33 year olds.

With a decline in the working age population there has been a trend towards increased levels of dependency in the Humber; particularly from the aged population. This presents a potential future risk – especially given that international inward migration to the Humber has fallen notable since 2010/11 – the result of both lower inward international migration and , in the last couple of years, particularly high levels of international out migration.

## Business Base

In 2018, there were 36,520 businesses in the Humber. This represents an increase of 11.5% (+3,765) compared to 2012; lower than business growth regionally (17.4%) and nationally (21.6%).

Business density in the Humber had risen to 65.3 businesses per 1,000 working residents in 2017; the result of 13.4% (+4,380) increase in total business stock between 2012 and 2017 and decreases in the working age population. Whilst this is a similar business density to the region (65.0) it falls below national density (77.1). In fact, the Humber would need to create an additional 6,700 businesses in order to match the national density.

Between 2012 and 2018, the East Riding showed the highest level of business growth (+1,805; +12.8%). Whilst this was below regional and national growth; business density in 2017 (80.7 businesses per 1,000 working residents) was higher than both regionally and nationally.

Conversely, business growth in Hull (+690; 9.0%) was significantly lower than in the three other local authority areas. Business density in Hull in 2017 (49.4 businesses per 1,000 working residents) was also significantly below both regionally and nationally.

As population figures for 2018 are not currently available it is not possible to calculate 2018 business density. However, it should be noted that between 2017 and 2018 the total number of businesses in the Humber area fell by 615 (-1.7%) – this included a fall in business stocks in all four local authority areas.

The Humber business base continues to be dominated by small businesses. In 2018, 81.7% of Humber businesses have fewer than ten employees. This is however; slightly lower than both the regional (82.3%) and national averages (84.7%).

Nearly half (45.5%) of all micro businesses (with 0 – 9 staff) are located in the East Riding. Conversely, 40.6% of all large businesses (250+) are located in Hull. This will, in some way, account for the large disparity in business density between East Riding and Hull described above.

The business start-up rate in the Humber increased 3.5 percentage points between 2012 and 2016 from 10.0% to 13.5%. The 2016 figure for the Humber (13.5%) is broadly similar to regionally (13.7%) but lower than nationally (15.0%). However, improvement in the business start-up rate between 2012 and 2016 in the Humber was greater than both regionally (+3.0 percentage points) and nationally (+1.6 percentage points).

Latest figures suggest the business start-up rate in the Humber fell in 2017 (11.4%) to its lowest level since 2012. This was true in all four local authority areas and was both a regional and national trend.

**Figure 1: Business survival rates in the Humber (2017)**

Local Authority	1 Year	2 Years	3 Years	4 Years	5 Years
East Riding of Yorkshire	94.0%	72.2%	65.5%	55.8%	44.8%

Hull	90.2%	67.8%	58.6%	48.3%	41.3%
North East Lincolnshire	93.9%	72.9%	60.6%	49.6%	40.2%
North Lincolnshire	88.0%	72.3%	60.3%	51.4%	43.0%
Yorkshire and Humber	91.7%	71.8%	62.0%	51.9%	43.9%
England	91.6%	71.4%	61.4%	51.2%	43.1%

Source: ONS Business Demography, 2017

Survival rates have not changed significantly over the period studied. Of greater note is the difference in survival rates at the local authority level. Currently, business survival is strongest in the East Riding where all survival rates exceed both regional and national rates. In North East Lincolnshire, one and two year survival rates are also strong but fall below average from three years onwards. In North Lincolnshire, one year survival rates are low but survival rates after two years are much more consistent with regional and national averages. Finally, in Hull one year survival rates are slightly below average but quickly fall further below average from two years onwards.

## Employment

According to the BRES there were a total of 392,000 jobs in the Humber in 2017. This represents an increase of 3.4% (13,000 jobs) compared to 2015; above both regional (2.0%) and national (3.1%) jobs growth over the same period. 85% of these additional jobs were created in Hull (+6,000; +5.0% growth) and the East Riding (+5,000; +4.1% growth).

Job density in the Humber increased from 0.66 to 0.69 per working age person during this time. Whilst jobs density in the Humber is currently broadly similar to regional jobs density (0.70) it is below national jobs density (0.74). A further 28,800 jobs would need to be created across the sub-region to match national jobs density.

Jobs density is currently highest in Hull (0.73 per working age person) and North East Lincolnshire (0.70 per working age person) and lowest in the East Riding (0.64 per working age person) and North Lincolnshire (0.69 per working age person).

**Note: It is not possible to compare recent jobs figures with those prior to 2015 due to changes in the BRES methodology.**

Between Dec 2012 and Dec 2018, the Humber working age employment rate rose from 68.5% to 73.9%. An additional 20,900 working age people are now estimated to be in employment. The current working age employment rate is now broadly similar to regionally (73.6%) but below the national figure (75.4%). Approximately 8,100 working age people would have to be brought into employment in order to match the national rate.

The largest increase in employment occurred in Hull where the working age employment rate increased significantly from 60.6% to 73.0% (+20,000 people). In North Lincolnshire the working age employment rate actually fell from 71.9% to 70.6% (-2,100).

73.7% of current employment in the Humber is classed as fulltime; an increase from 71.8% in Dec 2012. This is in line with the regional figure (73.8%) but below the national figure (75.1%).

Between Dec 2012 and Dec 2018, the proportion of working age people that are economically active increased from 76.6% to 78.2%; meaning the working age economic activity rate in the Humber is now higher than the regional rate (77.1%) but below the national rate (78.7%).

Most significantly; the working age unemployment rate in the Humber fell from 10.6% to 5.5% over the same period (-23,000). With a national working age unemployment rate of 4.2%; approximately 5,500 working age people in the Humber would have to leave unemployment to match the national rate. A decrease in working age unemployment occurred across all four local authority areas but was notably lower in North East Lincolnshire than in the other local authorities and notably higher in Hull.

## 2. Sectors

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### Largest Sectors

In 2018, a third of the business base continues to be dominated by the 'Construction' (12%), 'Professional, Scientific & Technical' (11%), and 'Retail' sectors (11%). Whilst the size of the 'Construction' and 'Retail' businesses base is broadly in line with national trends, the 'Professional, Scientific & Technical' business base is notably underrepresented compared to nationally (16%).

87% of businesses in these three sectors are small i.e. they employ between 0 and 9 people.

'Agriculture, Forestry and Fishing', 'Transport and Storage' and 'Manufacturing' businesses are all strongly represented in the Humber, as opposed to 'Professional, Scientific & Technical' and 'Information and Communication' businesses which are poorly represented when compared to the region and England.

Unsurprisingly, large business (employing 250+ people) is dominated by the 'Manufacturing' sector.

Largest Business Base 2018 (By Percentage):

- 47 – Retail Trade (11%)
- 43 – Specialised Construction (8%)
- 01 – Crop and Animal Production (7%)
- 56 – Food and Beverage Service (6%)

In 2017, the sectoral composition of the Humber's employment base was much narrower than the employment base. Just under half (49%) of total employment concentrated across four sectors; namely Manufacturing (17%), Health (14%), Retail (10%) and Education (9%). This is considerably higher than the national average of 39%.

Employment in manufacturing, in particular, is very strongly represented in the Humber (17%) compared to nationally (8%).

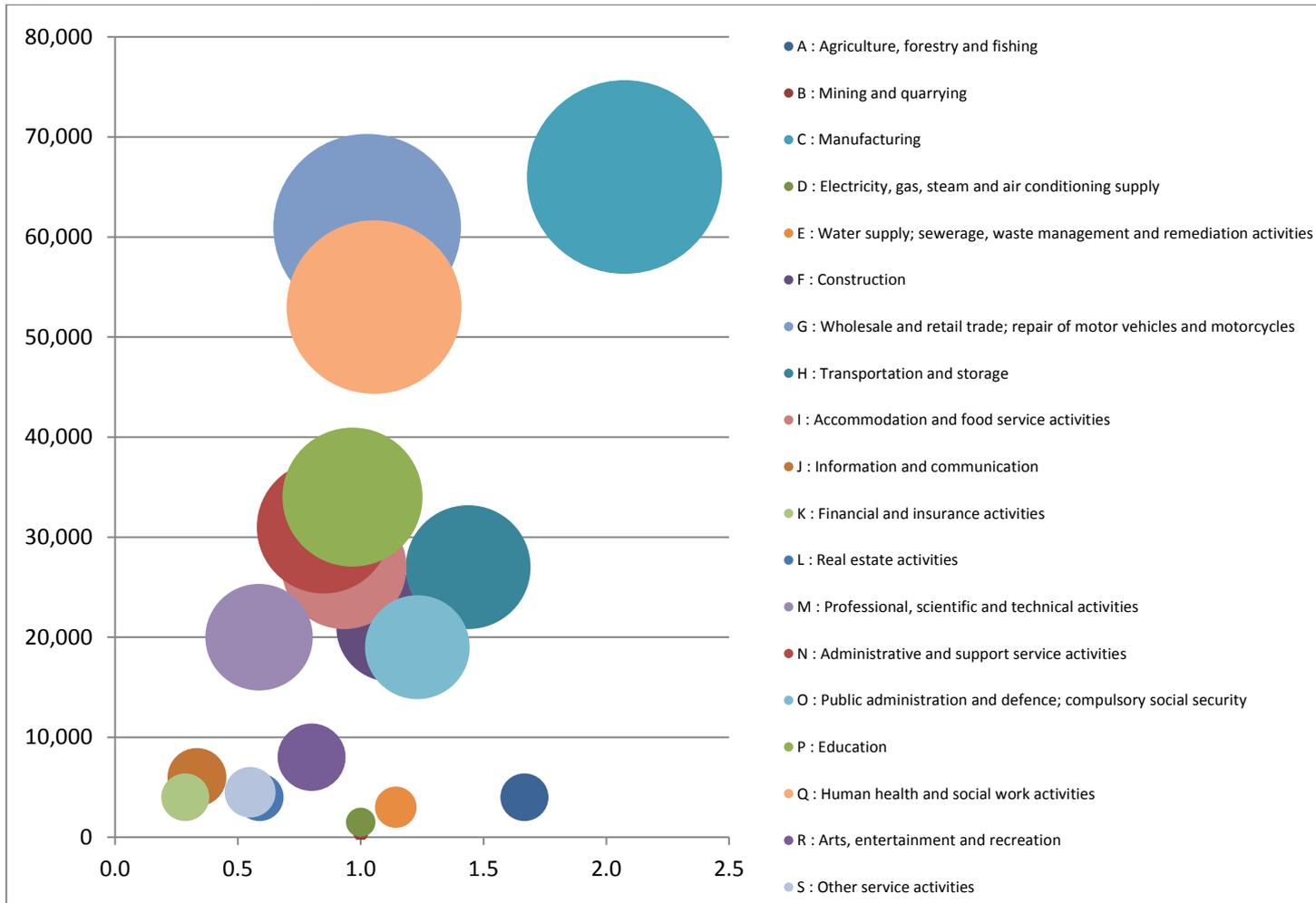
Largest Employment Base 2017 (By Percentage):

- 47 – Retail Trade (10%)
- 85 – Education (9%)
- 86 – Human Health (7%)
- 56 – Food and Beverage Service (6%)
- 84 – Public Administration and Defence (5%)
- 10 – Manufacture of Food Products (5%)

## Strength Sectors

Location quotients are a valuable way of quantifying how concentrated specific industries are in an area compared to a larger geography. Figure 2 below highlights the sectoral strengths of the Humber compared to England and emphasises the importance of specialist industries such as Manufacturing, Agriculture and Transport and Storage to the local economy.

**Figure 2: Humber vs England Employment Location Quotient, 2017**



Source: Business Register and Employment Survey, 2017

The following highlights those sectors which make up a larger percentage of the business / employment base in the Humber compared to England:

### Strength Business Sector 2018:

- 01 – Crop and Animal Production (+3.3 percentage points)
- 49 – Land Transport and Transport via Pipelines (+1.5 percentage points)
- 47 – Retail Trade (+1.2 percentage points)
- 45 – Wholesale and Retail and Repair of Motor Vehicles and Motorcycles (+1.1 percentage points)
- 43 – Specialised Construction (+1.0 percentage points)

### Strength Employment Sector 2017:

- 10 – Manufacture of Food Products (+3.4 percentage points)
- 52 – Warehousing and Support Activities for Transportation (+1.9 percentage points)
- 25 – Manufacture of Fabricated Metal Products (+1.0 percentage points)
- 31 – Manufacture of Furniture (+1.0 percentage points)

### **Growth Sectors**

Since 2012, the largest growth in the Humber business base occurred in the 'Professional, Scientific & Technical' (+775; 25%), 'Transport and Storage' (+645; 40%) and 'Business Administration & Support Services' (+620; 33%) sectors. However, business growth in all these sectors was below national growth.

Business growth in the Humber over this period was also significantly behind national growth in the 'Construction', 'Information and Communication', 'Financial and Insurance', and 'Health' sectors.

Significant business decline was seen in the 'Public Administration & Defence' sector (-175; -26%); especially compared to nationally (-8%). Also there was a decline in businesses within the 'Retail' sector (-265; -6%) despite a 6% increase in this sector nationally. These are both significant given that these sectors were both identified as being important large employers.

Growth Business Sector 2012 - 2018:

- 82 – Office Admin and Support (+490 businesses)
- 56 – Food and Beverage Service Activities (+390 businesses)
- 43 – Specialised Construction (+365 businesses)
- 49 – Land Transport and Transport via Pipelines (+340 businesses)
- 52 – Warehousing and Support Activities for Transportation (+260 businesses)
- 70 – Activities of Head Offices (+260 businesses)

**Note: It is not possible to compare recent jobs figures with those prior to 2015 due to changes in the BRES methodology.**

Since 2015, the largest growth in the Humber employment base occurred in the 'Transport and Storage' sector (+5,000; 23%). Growth in this sector was significantly greater than nationally (5%). High growth also occurred in the 'Manufacturing' (+5,000; 8%), 'Accommodation and Food Services' (+4,000; 17%) and 'Professional, Scientific & Technical' (+3,000; 18%) sectors; all at a significantly higher rate of growth than nationally.

The largest declines in the Humber employment base were in the 'Education' (-3,000; -8%) and Wholesale (-2,000; -13%) sectors; both of which suffered more significantly than nationally.

Growth Employment Sector 2015 - 2017:

- 52 – Warehousing and Support Activities for Transportation (+5,000 jobs)
- 10 – Manufacture of Food Products (+4,000 jobs)
- 56 – Food and Beverage Service Activities (+3,000 jobs)
- 70 – Activities of Head Offices (+2,500 jobs)
- 25 – Manufacture of Fabricated Metal Products (+2,000 jobs)
- 47 – Retail Trade (+2,000 jobs)
- 69 – Legal and Accounting Activities (+2,000 jobs)
- 87 – Residential Care Activities (+2,000 jobs)

## 3. GVA

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**Note: The following figures are based on the income approach to GVA. These figures are available broken down to NUTS3 level. While figures are therefore available for Hull and East Riding separately; North and North East Lincolnshire are treated as a combined area.**

In 2017, the Humber economy generated £19.37bn in GVA, an increase of 12.2% (or nearly £2.1bn) since 2012. However, this rate of economic growth is behind the regional and national increases of 16.3% and 20.7% respectively.

The reported GVA for the Humber in 2017 equates to £20,831 of GVA per head of population, which is 74.5% of the national average (£27,949). GVA per head of population is greatest in North and North East Lincolnshire (£22,404) and lowest in the East Riding (£18,993). Growth in GVA per head since 2012 has occurred consistently across the Humber although at a lower rate than nationally.

The largest proportion of GVA in the Humber comes from Manufacturing (£4.8bn; 25%). This is a significantly higher proportion of total GVA than both regionally (13%) and nationally (9%). Manufacture of petroleum, chemicals and pharmaceuticals is particularly significant; representing £1.7bn or 9% of total GVA.

Other key sectors for GVA are Real Estate Activities (£2.2bn; 12%) and Wholesale and Retail (£2.2bn; 11%) both of which form a greater percentage of total GVA than nationally.

Professional, Scientific and Technical Activities (£629m; 3%) form a significantly smaller percentage of GVA than nationally (14%).

Between 2012 and 2017, GVA output in Wholesale and Retail saw the greatest improvement in the Humber (+£454m; +26%); although as a percentage this was the same as the increase experienced nationally.

There was also a large improvement in GVA output from Manufacturing (+£434m; +10%); however this improvement was below regional (18.0%) and national (23.4%) growth in this sector. Growth in manufacturing was limited specifically by a significant fall in GVA output from the Manufacture of petroleum, chemicals and pharmaceuticals. This sector fell in value by £308m since 2012 (-16%) despite an increase in GVA output both regionally and nationally.

Strong, above average growth in GVA output occurred in Administrative and support service activities (+£324m; 57%), Electricity, gas, steam and air conditioning (+£312m; 86%), Transport and storage (+£264m; 29%) and Construction (+£133m; 13%).

Decline in GVA output occurred in the Public Admin and Defence (-£221m; -21%), Agriculture, forestry and fishing (-£151m; -36%) and human health and social work (-£109m; -7%) sectors despite increases in GVA output nationally.

## 4. Occupations

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**Note: For the purposes of this section high skilled occupations are classed as managers, directors and senior officials, professional occupations and associate prof & tech occupations. Low skilled occupations are classed as process, plant and machine operatives and elementary occupations.**

In the year to Dec 2018, low skilled occupations account for 23.0% of all occupations in the Humber; a slightly higher percentage than in the year to Dec 2012 (21.4%). Conversely, higher skilled occupations now account for 36.8% of all occupations compared to 36.2% in 2012. The proportion of low skilled occupations in the Humber is higher than nationally (16.6%) whilst the proportion of high skilled occupations is lower than national (46.8%).

The largest increase in occupations in the Humber over this period occurred in 'Process, Plant and Machine Operatives', (+5,700; 16%), 'Elementary' occupations (+6,200; 12%) and 'Associate Professional and Technical' occupations (+5,700; 12%). The increase in 'Associate Professional and Technical' occupations was in keeping with national levels of increase (+13%). However increases in 'Process, Plant and Machine Operatives' and 'Elementary' occupations was significantly above the national rate (10% and 5% respectively).

Growth in high skilled occupations like 'Managers' Directors and Senior Officials' (+3,100; 8%) and 'Professionals' (+2,600; 4%) was significantly below national growth (18% and 17% respectively).

The long-term challenge is to create a greater number of highly-skilled jobs across the Humber. Evidence suggests that since 2012 the Humber has struggled to make progress, as there has been a 8% increase in highly-skilled occupations compared with a 14% increase in low-skilled occupations. An additional 42,900 highly-skilled jobs would need to be created in order to match the national average.

Figures suggest that much of the growth in high skilled occupations over the period studied has been focussed on Hull (+6,000; 18%) and North East Lincolnshire (+3,400; 17%). In North Lincolnshire there was actually a reduction in the number of high skilled occupations over this period (-1,800; -7%).

## 5. Skills and Education

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Over the long term, the Humber region has made positive progress in reducing the proportion of working age residents with no qualifications. Between 2012 and 2018, the number of working age residents in the Humber with no qualifications fell from 11.8% to 10.3%; a 14% decrease in total numbers. Over the same period the national figure fell from 9.5% to 7.6%; a 19% decrease in total numbers.

However, progress in increasing the number of residents with NVQ Level 4+ (degree level and above) qualifications has been less significant. The number of working age residents in the Humber qualified to NVQ Level 4+ (degree level and above) increased from 25.7% to 27.0%; a 3% increase in total numbers. Over the same period the national figure rose from 34.1% to 39.0%; a 17% increase in total numbers.

The largest increase in the Humber since 2012 therefore has been in working age residents with 'Other' qualifications. In the Humber the proportion of residents with 'Other' qualifications increased from 7.0% to 9.4%; a 32% increase in total numbers. Over the same period the national figure rose from 6.4% to 6.8%; a 9% increase in total numbers. This increase in the Humber region is likely to be linked to international migration and migrants with qualifications that do not fit within the NVQ structure.

Progress in working age skills shows significantly different trends at a local authority level; particularly over the last two years.

Between 2012 and 2018 the proportion of working age residents in North Lincolnshire with NVQ Level 4+ (degree level and above) qualifications actually fell from 24.4% to 23.4% (a 5% decrease in total number); with reductions experienced in both of the last two years.

In the East Riding and Hull, whilst the proportion of working age residents with NVQ Level 4+ (degree level and above) qualifications rose overall between 2012 and 2018; figures actually fell in the East Riding in the last year and fell in Hull in both of the last two years.

North East Lincolnshire therefore saw the only significant increase in working age residents with NVQ Level 4+ (degree level and above) qualifications which rose from 20.2% in 2012 to 22.8% in 2018 (10% increase in total number). North East Lincolnshire was the only local authority in the Humber to experience an increase over the last year.

Conversely, in North Lincolnshire there was an increase in the proportion of working age residents with no qualifications from 8.8% in 2012 to 10.8% in 2018 (23% increase in total number).

The East Riding, Hull and North East Lincolnshire all experienced an overall reduction in the proportion of working age residents with no qualifications between 2012 and 2018. Most notable was Hull where the proportion fell from 16.2% to 11.4% (30% reduction in total number).

However, all three authorities (like North Lincolnshire) saw an increase in the proportion of working age residents with no qualifications in the last year; despite a national downward trend.

Ongoing analysis of internal migration trends suggest a high level of outward internal migration amongst young adults aged 18 – 23 from the Humber region; with high numbers leaving for large Northern cities like Leeds, Sheffield, Manchester and Newcastle. There is likely to be a strong link between outward migration within this age group and the issues outlined above regarding adult skills; particularly given the information in the previous section showing slow growth in high skilled jobs in the Humber region.

The more complex challenge therefore is to create a greater number of highly-skilled jobs across the Humber that will both attract and retain people (specifically younger working age people) with higher qualifications.

## 6. Deprivation

The 2015 Indices of Multiple Deprivation continue to be the most up to date measure of deprivation available.

Of the 583 LSOA in the Humber region, 128 (22%) are ranked amongst the 10% most deprived in the country under the Index of Multiple Deprivation.

Across the Humber, deprivation focuses on Income, Employment, Education and Training and Crime.

**Figure 3: LSOA in 10% Most Deprived by Domain (2015)**

Domain	No	%
Income	117	20.1%
Employment	125	21.4%
Education and Training	129	22.1%
Health and Disability	66	11.3%
Crime	119	20.4%
Housing and Services	40	6.9%
Living Environment	69	11.8%

Source: Indices of Multiple Deprivation 2015

**Figure 4: Local Authority LSOA in 10% Most Deprived by Domain (2015)**

Domain	East Riding	Hull	North East Linc	North Linc
<b>Local Authority Ranking</b>	<b>195th</b>	<b>3rd</b>	<b>31st</b>	<b>127th</b>
Multiple Deprivation	6.2%	45.2%	29.2%	8.9%
Income	5.2%	41.6%	25.5%	9.9%
Employment	7.1%	45.2%	24.5%	8.9%
Education and Training	7.6%	42.2%	28.3%	12.9%
Health and Disability	2.4%	25.9%	10.4%	6.9%
Crime	2.4%	38.6%	36.8%	10.9%
Housing and Services	11.9%	6.0%	0.9%	4.0%
Living Environment	5.2%	22.3%	18.9%	1.0%

Source: Indices of Multiple Deprivation 2015

Deprivation differs significantly at a local authority level. Hull is the third most deprived local authority in England (out of 326) and such experiences significantly higher levels of deprivation than the other three local authorities. Deprivation in North East Lincolnshire is also typically higher than in either the East Riding or North Lincolnshire.

**Note: Much of the data used to calculate the Indices of Deprivation 2015 was taken from 2012/13. Therefore these figures will not reflect any changes or improvements experienced in more recent years across the Humber region. An updated version of the Indices of Deprivation is expected to be released in summer 2017.**

# 7. Wages

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Figure 5: Median Resident Based Weekly Full Time Wages, 2012

Local Authority	2012	2018	Change (No)	Change (%)
<b>Humber</b>	-	<b>£513.40</b>	-	-
East Riding of Yorkshire	£499.00	£552.10	+£53.10	+10.6%
Hull	£418.90	£460.10	+£41.20	+9.8%
North East Lincolnshire	£460.10	£497.00	+£36.90	+8.0%
North Lincolnshire	£502.10	£532.70	+£30.60	+6.1%
Yorkshire and Humber	£465.20	£520.90	+£55.70	+12.0%
England	£513.20	£574.90	+£61.70	+12.0%

Source: ASHE, 2018

The current median resident based weekly full time wage in the Humber region is £513.40; this is just £7.50 lower than regionally but £61.50 lower than the equivalent average national wage.

Average wages in Hull and North East Lincolnshire are below the regional average and are currently £114.80 and £77.90 lower than nationally respectively. While average wages are higher than regionally in North Lincolnshire and the East Riding, they still fall £42.20 and £22.80 below the national average respectively.

Wages have grown across all four local authorities since 2010; with the largest increase in the East Riding (10.6%) and the lowest in North Lincolnshire (6.1%). However the rate of increase in wages in all four local authorities has been below both regional and national wage growth over the same period.

## 8. Housing

### Current Housing Stock

In 2017, there were a total of 427,730 dwelling properties in the Humber region. 65% of these were on the north bank; in the East Riding (37%) and Hull (28%). The remaining 35% were on the south bank; in North East Lincolnshire (17%) and North Lincolnshire (18%).

Figure 6: Dwellings by Tenure (2017)

Tenure	Humber	East Riding	Hull	North East Linc	North Linc	Yorkshire and Humber	England
<b>Number of Dwellings</b>	<b>427,730</b>	<b>157,800</b>	<b>119,320</b>	<b>74,530</b>	<b>75,720</b>		
Local Authority	8%	7%	20%	0%	0%	10%	7%
Private Registered Provider	8%	2%	7%	14%	15%	8%	11%
Other Public Sector	0%	0%	0%	0%	0%	0%	0%
Private Sector	84%	91%	72%	86%	85%	82%	83%
- Owner Occupied	65%	75%	48%	66%	67%	63%	65%
- Private Rented	19%	16%	24%	20%	18%	20%	19%

Source: Ministry of Housing, Communities and Local Government, 2017

The tenure profile of housing stock in the Humber region (2017) is similar to both the regional and national averages. However, clear differences exist at a local authority level.

On the north bank, the East Riding contains a larger than average level of owner occupied housing stock. Conversely, Hull has the largest levels of local authority housing and private rented housing in the sub region.

On the south bank, both North East Lincolnshire and North Lincolnshire have low levels of local authority housing stock. However, both have above average levels of PRP housing instead; as a result of selling off their local authority housing stock. Levels of owner occupied and private rented housing on the south bank are in line with the sub regional and national average.

Figure 7: Dwellings by Type (2018)

Type	Humber	East Riding	Hull	North East Lincs	North Lincs	Yorkshire and Humber	England
Bungalow	15%	20%	7%	16%	18%	11%	9%
Flat / Maisonette	12%	10%	16%	12%	9%	15%	23%
Terraced	32%	21%	54%	35%	15%	29%	26%
Semi Detached	25%	25%	18%	24%	35%	29%	24%
Detached	15%	23%	5%	12%	20%	14%	16%
Other	1%	1%	0%	1%	3%	2%	2%

Source: Ministry of Housing, Communities and Local Government, 2018

Compared to regional and national averages, there are a higher proportion of bungalows and terraced housing in the Humber sub region. Conversely, there is a below average proportion of flats / maisonettes; particularly when compared to the national average.

On the north bank, the East Riding has a higher than average proportion of detached properties and bungalows; but a lower than average proportion of flats / maisonettes. Conversely, Hull has a significantly high level of terraced housing stock and lower than average levels of semi-detached and detached properties. On the south bank, North East Lincolnshire's housing stock is average for the sub region; whilst in North Lincolnshire there is a significantly low level of terraced properties and higher levels of semi-detached and detached properties.

**Figure 8: Vacant Dwellings (2018)**

Vacant Dwellings	Humber	East Riding	Hull	North East Lincs	North Lincs
Number of Vacant Dwellings	14,757	4,474	4,732	3,158	2,393
- % of All Dwellings	3.5%	2.9%	3.9%	4.3%	3.2%
Long Term Vacant Dwellings	5,642	1,585	1,642	1,478	937
- % of Vacant Dwellings	38.2%	35.4%	34.7%	46.8%	39.2%

Source: Ministry of Housing, Communities and Local Government, 2018

There are a total of 14,209 vacant dwellings across the Humber sub region; with total dwelling vacancy rates ranging from 2.9% in the East Riding to 4.3% in North East Lincolnshire.

Of these; 5,642 (38.2%) are classed as long term vacant (i.e. vacant for six months or more) with long term vacancy rates higher on the south bank than on the north bank.

## Housing Supply and House Building

**Figure 9: Net Additions to Dwelling Stock. 2011/12 – 2017/18**

Local Authority	No
<b>Humber</b>	<b>+17,902</b>
East Riding of Yorkshire	+9,091
Hull	+4,169
North East Lincolnshire	+2,191
North Lincolnshire	+2,451

Source: Ministry of Housing, Communities and Local Government, 2018

Figures show that between 2011/12 and 2017/18 there were a total of 17,902 net additions to the Humber region housing stock. 51% of these net additions occurred in the East Riding and 23% occurred in Hull. The proportion that occurred in North East Lincolnshire (12%) and North Lincolnshire (14%) was lower.

**Figure 10: Net Additions to Dwelling Stock by Component. 2012/13 – 2017/18**

Local Authority	Total	New Build	Conversions	Change of Use	Other	Demolitions	Of Which Are Affordable Dwellings
<b>Humber</b>	<b>+15,014</b>	<b>+13,976</b>	<b>+166</b>	<b>+1,159</b>	<b>+1,645</b>	<b>-1,932</b>	<b>+3,215 (21%)</b>
East Riding of Yorkshire	+7,289	+5,813	+50	+195	+1,581	-350	+1,210 (17%)
Hull	+3,791	+4,497	-2	+670	x	-1,374	+1,438 (38%)
North East Lincolnshire	+1,904	+1,787	+102	+74	+6	-65	+308 (16%)
North Lincolnshire	+2,030	+1,879	+16	+220	+58	-143	+514 (25%)

Source: Ministry of Housing, Communities and Local Government, 2018

Further figures show that between 2012/13 and 2017/18 there were a total of 15,014 net additions to the Humber region housing stock. This included the addition of 13,976 new build properties; mostly in the East Riding and Hull.

In the East Riding and Hull, new build properties have driven increases in dwelling stock. In the East Riding, this increase was compounded by 'other net gains' which are typically new dwellings created in the form of caravans, houseboats etc. In Hull, growth in dwellings from new builds was offset by a significant amount of demolition of old properties.

Whilst growth in dwellings in North and North East Lincolnshire has also been driven by new build properties this has been at a lower level.

Of the 15,104 net additions to the dwelling stock; 3,215 (21%) of these were classed as affordable dwellings. The majority of the additional affordable housing was created in Hull or the East Riding since this is where most additions to the dwelling stock occurred. However, 38% of all additions to the housing stock in Hull were classed as affordable dwellings compared to just 17% in the East Riding.

## House Prices and Rents

**Figure 11: Average House Prices and Rents**

Local Authority	Average House Price (Feb 2019)	Average Private Monthly Rent (Sep 2018)	Average LA Weekly Rent (2018)	Average PRP Weekly Rent (2018)
East Riding of Yorkshire	£174,934	£527	£80.94	£90.71
Hull	£110,495	£421	£73.23	£82.05
North East Lincolnshire	£120,093	£460	-	£78.05
North Lincolnshire	£146,460	£485	-	£79.94
Yorkshire and Humber	£155,685	£587	-	-
England	£242,964	£844	£86.71	£95.59

Source: VOA, Ministry of Housing, Communities and Local Government, 2018 and 2019

Average house prices across the Humber are significantly lower than the national average. They are lowest in Hull and North East Lincolnshire where the average house is approximately 55% or 51% lower than the nationally. In North Lincolnshire, the average

house price is 40% lower than nationally. Average house prices in the East Riding, although higher than the regional average, are still 28% lower than nationally.

It is a similar story with average private monthly rents. In all four local authority areas, average private monthly rents are lower than both regionally and nationally. Private rents are lowest in Hull (£420) and North East Lincolnshire (£460) and highest in East Riding (£527) and average 44% lower than the national average across all four authorities.

Finally, public sector rents (both LA and PRP) are lower in all four local authorities than nationally.

**Figure 12: Average House Prices and Rents**

Local Authority	Average House Price (Feb 2012)	Average House Price (Feb 2019)	Change (No)	Change (%)
East Riding of Yorkshire	£142,873	£174,934	+£32,061	+22.4%
Hull	£84,076	£110,495	+£26,419	+31.4%
North East Lincolnshire	£98,149	£120,093	+£21,944	+22.4%
North Lincolnshire	£115,988	£146,460	+£30,472	+26.3%
Yorkshire and Humber	£127,906	£155,685	+£27,779	+21.7%
England	£174,161	£242,964	+£68,803	+39.5%

Source: VOA, 2019

Since 2012, average house prices have increased in all four local authority areas by an average of £27,724 or 25.6%.

The percentage increase in average house price was higher in all four local authority areas than the regional increase in house prices but lower than nationally.

The increase in average house prices over this period was highest in Hull (31.4%) and lowest in the East Riding and North East Lincolnshire (22.4%).

### Housing Affordability

The housing affordability ratio is calculated by dividing lower quartile house prices by lower quartile gross annual residence-based earnings. A higher ratio indicates that on average, it is less affordable for a resident to purchase a house in their local authority district. Conversely, a lower ratio indicates higher affordability in a local authority. While there are many more factors that influence affordability, the simple ratio provides an overview of geographic differences across England and Wales.

**Figure 13: Housing Affordability Ratio, 2018**

Local Authority	All Properties	Existing Dwellings	New Builds
East Riding of Yorkshire	6.43	6.23	10.88
Hull	4.77	4.63	7.19
North East Lincolnshire	4.70	4.65	9.82
North Lincolnshire	5.55	5.42	6.30
Yorkshire and Humber	5.82	5.56	7.74
England	7.29	7.05	9.68

Source: ONS, 2019

On average in the Humber region, full-time workers can expect to pay between 4.70 (North East Lincolnshire) and 6.43 (East Riding) times their annual residence based earnings when purchasing a home. With the exception of the East Riding, housing in the Humber sub region is more affordable than regionally; and all four areas are more affordable than nationally. Of 326 local authorities in England, North East Lincolnshire and Hull are ranked as the 18<sup>th</sup> and 22<sup>nd</sup> most affordable for housing. North Lincolnshire is ranked 44<sup>th</sup> whilst the East Riding is ranked 75<sup>th</sup>.

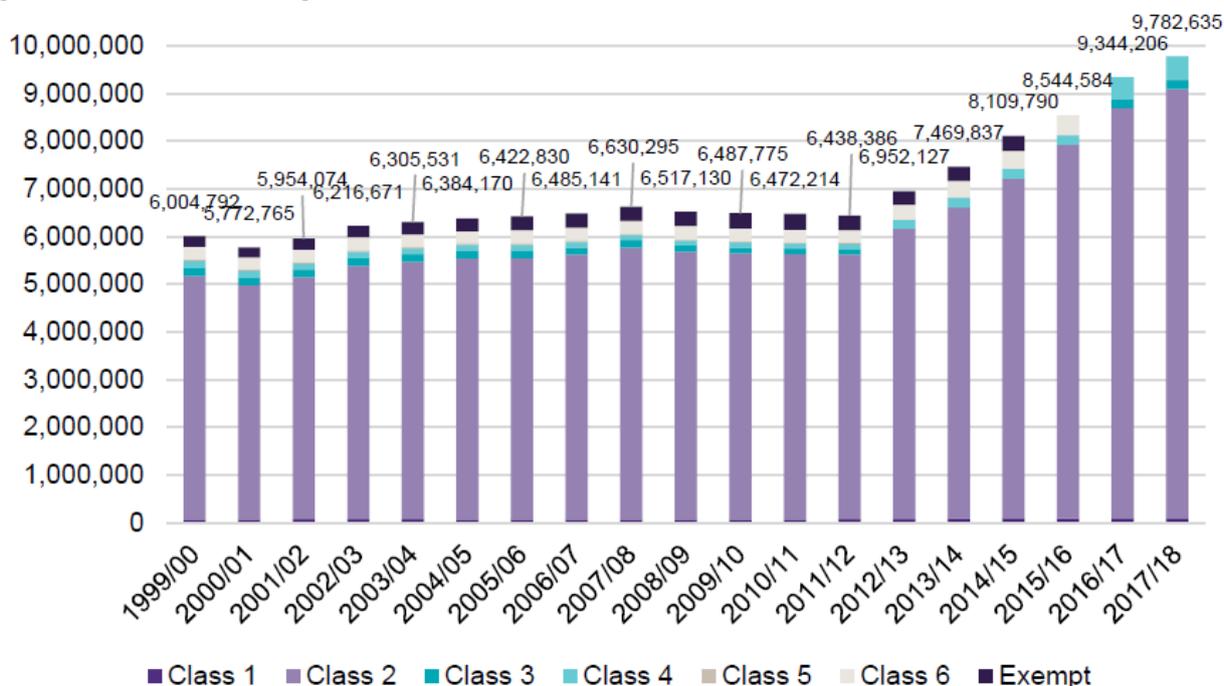
Unsurprisingly, existing dwellings are more affordable ranging between 4.63 (Hull) and 6.23 (East Riding) times annual residence based earnings. All four local authorities are more affordable than nationally; although, as above, East Riding is less affordable than regionally.

Conversely, new build dwellings are less affordable ranging between 6.30 (North Lincolnshire) and 10.88 (East Riding) times annual residence based earnings. New builds in the East Riding and North East Lincolnshire are both less affordable than regionally and nationally and these local authorities show the biggest difference in the Humber region between the affordability of existing properties and new builds. New builds in North Lincolnshire and Hull are the 10<sup>th</sup> and 26<sup>th</sup> most affordable in England respectively. In North Lincolnshire the difference in affordability between existing properties and new builds is minimal.

Unsurprisingly, all types of housing has become less affordable since 2012. The biggest change was in the affordability of East Riding new builds where the affordability ratio rose from 5.77 in 2012 to 10.88 in 2018.

# 9. Humber Bridge Traffic

Figure 14: Humber Bridge Traffic Flow. 1999/00 – 2017/18



Source: Humber Bridge Board, 2018

Between 1999/00 and 2011/12 Humber Bridge traffic flow remained relatively static at around 6,315,000 vehicle crossings per year.

However, between 2011/12 and 2012/13 there was an 8.0% increase in traffic from 6,438,386 to 6,952,127; undoubtedly the result of the reduction in the toll from £3 to £1.50 on April 1<sup>st</sup> 2012.

This was followed by a 7.4% increase in 2013/14 and an 8.6% increase in 2014/15; such that the level of road traffic reached 81,097,790 by 2014/15 – 20% greater than expected.

There was a 5.4% increase in traffic in 2015/16 and a 9.4% increase in 2016/17; following the introduction of the new Toll System between 2015 and 2016 – 10% greater than the national predicted growth.

By 2017/18, there are 9,782,635 vehicle crossings per year; 3,777,843 (63%) more than in 1999/00 and 3,344,249 (52%) more than 2011/12 before the toll was reduced.

Class 2 cars and good vehicle (max 3 – 5 tonnes) make up the majority of traffic flow in every year and this has increased as a proportion of total traffic from 85.0% in 1999/00 to 91.9% in 2017/18. However, since the reduction in the toll in 2012/13 there has also been an increase in larger vehicle traffic.

Highways England WEBTRIS data supports this increase in traffic flow. In particular, there have been large increases between 2012 and 2015 on the M180 westbound exit-slip (20.0%) and M180 eastbound entry slip (22.2%) indicating large increases in traffic between the Humber Bridge and Grimsby / Immingham.

There have also been large increases in traffic between 2012 and 2015 on the A63 westbound exit-slip (18.2%) and A63 eastbound entry-slip (16.7%) indicating large increases in traffic flowing from the Humber Bridge and into Hull.

# 10. Humber Ports

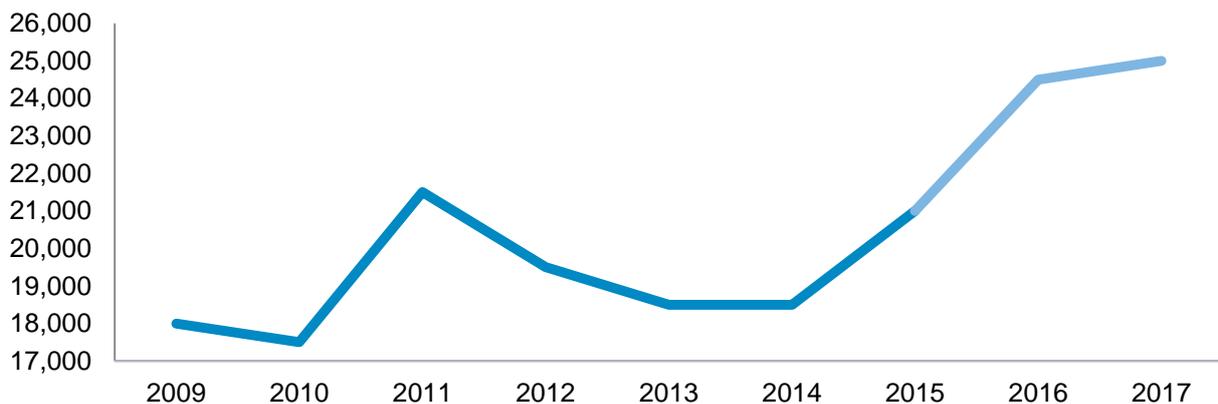
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The Humber ports of Goole, Grimsby, Hull and Immingham are the busiest ports complex in the UK. Together they handle over 40,000 shipping movements each year and 79m tonnes of cargo in the year to end Q3 2018.

Immingham specialises in oil and coal. Grimsby is a nationally significant car import terminal; handling 500,000 imported vehicles a year, and has become an established O&M location for offshore wind firms Ørsted Energy, Centrica, Siemens, E.On and RES. Hull specialises in handling forest and bulk commodities (especially chemicals) alongside containers, ferry travel and roll –on / roll off cargo. It also has growing green energy activities. Goole is the country’s most inland port and is well linked to the UK’s rail and road infrastructure.

The Humber ports account for a greater proportion of the UK’s imports than they do exports, and ‘liquid bulk’ (chemicals, petroleum, gasoline and other liquids) accounts for the largest proportion of through trade (31.2m tonnes in 2017). The Humber ports also handles 24% of UK ‘dry bulk’ imports (metals and minerals, coal, agricultural products and other) and 27% of the UK’s ‘other general cargo’ (forestry products, steel and iron products, and miscellaneous cargo); including 1.35m tonnes of imported forestry products (27% of UK total).

**Figure 15: Employment in Ports and Logistics, Humber, 2009 - 2017**



Source: BRES 2009 – 2017

NB: Coverage of BRES changed in 2015 to include PAYE only employment

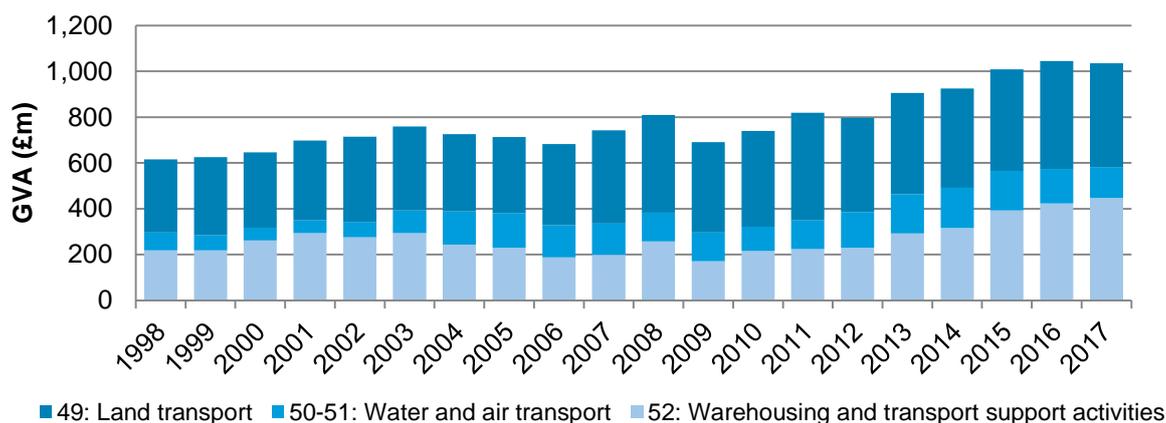
In 2017, the Ports and logistic sector employed 25,000 people in the Humber LEP, an increase of nearly 50% since 2009; and equivalent to 6% of the area’s total employment (using sector definition agreed for the Humber LIS analysis).

Warehousing and support activities for transportation is the most important sub sector; accounting for 15,000 jobs, including 2,500 in ‘service activities incidental to water transport’.

Employment is distributed across the four Humber local authority areas – ranging from 5,500 in Hull to 6,500 in North East Lincolnshire and the East Riding.

As a percentage of total employment, the ports and logistic sector is most significant in North Lincolnshire and North East Lincolnshire; accounting for 9% of employment in each local authority area.

**Figure 16: Ports and Logistics GVA, Humber, 1998 - 2017**



Source: ONS GVA by Sector (Balanced), 1998 – 2017

The sector contributes over £1bn of GVA to the Humber economy each year; and the amount has seen an upward trend since 2009.

The land transport sub-sector is the largest contributor in GVA terms; but it is warehousing and transport support activities which has driven recent GVA growth.

The number of businesses within the sector (1,745 in 2018) has increased by 470 (37%) since 2010. The vast majority of these are microbusinesses, employing fewer than ten staff; but there are more medium-sized businesses in the sector than in the Humber economy as a whole (2.3% compared to 1.9%). Over half of businesses have a turnover of less than £100,000; but 14% turnover more than £1m per year compared to 12% of businesses across the Humber economy as a whole.

Considerable investment has been made in the Humber’s ports and logistics sector; largely linked to the offshore and wind developments in the North Sea. ABP and Siemens’ Green Port Hull development provides a facility for the manufacture, installation and service of offshore wind turbine blades. Over £300m has been invested in this site which is ideally located to take advantage of the planned investment in offshore wind and the sector’s commitment to increase the total UK lifetime content of projects commissioned from 2030 onwards to 60%,

A further £40m has been invested in the port infrastructure in Grimsby to provide facilities to build and maintain wind farm assets. A number of top tier companies have established bases in North East Lincolnshire from where they deliver operations and maintenance support to the offshore wind farms. ABP is investing a further £120m to upgrade container terminals at Hull and Immingham, and improve its automotive terminal in Grimsby. £65m has also been invested in the bulk terminal at Immingham; which handles imports for British Steel's Scunthorpe plant.

Investment is also being made to the transport infrastructure. In 2020, Highways England will begin work to upgrade the A63 which provides access to the Port of Hull; although there are concerns that this will not be sufficient to address the constraints that it places on the growth of the port. Improvements are also being made to rail infrastructure on the South Bank, including rail gauge improvements to enable movement of the latest modern containers by rail between Immingham and Doncaster.