



The State of the Coalfields 2019

Economic and social conditions in the former
coalfields of England, Scotland and Wales

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**Centre for Regional Economic and Social Research
Sheffield Hallam University**

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Contents

Key points

1. INTRODUCTION

- Scope and purpose of the report
- Defining the coalfields

2. THE STATISTICAL EVIDENCE

- Population
- Health and well-being
- Jobs and business
- Employment
- Job quality
- Earnings
- Skills and qualifications
- Unemployment and out-of-work benefits
- Hidden unemployment
- In-work benefits
- Welfare reform
- Housing
- Deprivation

3. ASSESSMENT

Key points

Population

- The former coalfields of England, Scotland and Wales have a combined population of 5.7 million – roughly the same as a typical English region, a little more than the whole of Scotland and far more than the whole of Wales.
- The coalfield population is older than average, and in most places growing more slowly than the population of Britain as a whole.
- The share of residents born outside the UK is below the national average and far lower than in London and the main regional cities but has been growing strongly in recent years.

Health

- Health problems are widespread in the former coalfields – more than a third of residents aged 16+ report health problems lasting more than 12 months.
- One-in-twelve of the entire population of the coalfields claim Disability Living Allowance or Personal Independence Payment.

Jobs and business

- The number of jobs in the coalfields has increased during the upturn but, in relation to the working age population, at only half the rate in the main regional cities and only a third of the rate in London.
- The coalfields have only 55 employee jobs per 100 residents of working age, compared to a national average of 73 per 100.
- The coalfields have a higher proportion of jobs in manufacturing and fewer in finance and professional services.
- Warehousing has been an important source of job growth in some areas and in the coalfields as a whole now employs just 90,000 fewer than the coal industry at the time of the 1984/5 miners' strike.

Employment

- Stripping out students, the employment rate in the coalfields is more than two percentage points behind the national average and five percentage points behind the rate in South East England.
- To raise the employment rate in the coalfields to the national average would require 80,000 additional residents to be in work. To raise the employment rate to the level in South East England would require 170,000 additional residents in work.
- There is substantial net commuting out of the coalfields – an estimated 370,000.

Job quality

- ‘Self-employment’ is less widespread than the national average but has been increasing.
- Part-time working accounts for a third of all coalfield employees – in line with the national average.
- There are no local figures on zero-hours contracts, double-jobbing and temporary working. National figures point to modest but significant numbers, in some cases increasing.
- Median hourly earnings in the coalfields are 8-10 per cent below the national average.

Skills and qualifications

- Just over half of all employed residents in the coalfields are in manual jobs – more than the national average – and the proportion of residents with degree-level qualifications is well below average.
- The shortfall in qualifications appears to be driven by the nature of the jobs on offer and by out-migration among the young and better-qualified. Performance at school and staying-on rates appear broadly in-line with national averages.

Unemployment

- On the government’s preferred measure, unemployment in the coalfields is now only marginally above the national average and the gap has narrowed during the upturn.
- But the coalfields still have vast numbers out-of-work on incapacity benefits – 276,000 in November 2018, equivalent to 7.8 per cent of all 16-64 year olds.
- The ‘real level of unemployment’ in the coalfields is far higher than the official figures – an estimated 7.5 per cent in 2017.

Welfare benefits

- Low earnings have triggered widespread entitlement to Tax Credits. Among in-work households in the coalfields the claimant rate is more than 10 per cent above the national average.
- By 2021, the welfare reforms implemented since 2010 are expected to result in an average loss in the coalfields of £680 a year per adult of working age – a total of £2.4bn a year.

Deprivation

- Overall, 42 per cent of coalfield neighbourhoods are in the most deprived 30 per cent in Britain.

Assessment

- ***The coalfields continue to lag badly behind national averages and behind other parts of the country. This is evident in the weakness of the local economy, the extent of economic and social disadvantage, and the incidence of ill health.***
- ***Although the coalfields have benefitted from the economic upturn, the evidence on ‘catching up’ is more mixed.***
- ***The coalfields occupy a place in the economy that in many respects is at the opposite end of the spectrum to metropolitan Britain.***
- ***A handful of smaller coalfields appear distinctly more prosperous than the rest, though not necessarily lacking in disadvantage at the community, household and individual level.***
- ***Whilst physical aspects of coalfield regeneration have progressed well, the continuing problems suggest that action and funding across a broad front is still needed for some years to come.***

1. INTRODUCTION

Scope and purpose of the report

The former coalfields are a distinctive part of England, Scotland and Wales. Their long history of mining has moulded their economy, culture and landscape. It has also shaped their settlement pattern because coal can only be mined where it is found and many mining towns and villages therefore grew up in places away from the big cities. Coalfield communities often relied on this single industry to an extraordinary extent.

UK coal production peaked just before the First World War. In 1913, 1.1 million miners produced 292 million tons of coal from 3,024 mines¹. Output and employment fell more or less continuously during the rest of the 20th century though as recently as 1980 the UK coal industry still employed 237,000 workers.

But since the year-long miners' strike of 1984/5 – fought and lost to try to prevent pit closures – just about the whole of the UK coal industry has disappeared. The last substantial deep mine – Kellingley in Yorkshire – closed in December 2015 leaving a handful of tiny mines and a scattering of opencast coal sites which collectively employ fewer than 1,000 workers.

The disappearance of the coal industry raises huge questions about the well-being of the people and communities that once depended upon it, and this has been a significant concern over many decades. Local authorities and successive governments have made major efforts to regenerate former mining areas and, in fairness, most of the physical scars of the industry have now been removed. Colliery sites have been cleared and pit heaps grassed over. But what about the mining communities themselves?

In a report published in 2014² we took stock of economic and social conditions in the former coalmining communities of England, Scotland and Wales. The report brought together a wide range of official statistics. It concluded that *“the miners’ strike of 1984/5 may now be receding into history but the job losses that followed in its wake are still part of the everyday economic reality of most mining communities. The consequences are still all too visible in statistics on jobs, unemployment, benefits and health.”* The 2014 report went on to say that *“on balance, the evidence provides a compelling case that most of the coalfield communities of England, Scotland and Wales still require support.”*

¹ Data from the Department for Business, Energy and Industrial Strategy

² M Foden, S Fothergill and T Gore (2014) *The State of the Coalfields*, Centre for Regional Economic and Social Research, Sheffield Hallam University

The 2014 report drew heavily on official statistics for the previous two or three years, including the 2011 Census. This was a period when the UK economy had barely begun to recover from the recession triggered by the 2008 financial crisis. Clearly, a great deal has changed since then. There has been sustained if unspectacular growth in the UK economy and the flip-side of slow growth in productivity has been strong growth in employment. Recent national economic trends are certain to have impacted on the former coalfields so this is a good moment to revisit the statistics.

The present report looks at the current, up-to-date state of the coalfields, bringing the figures in the 2014 report forward by five years. In doing so, it attempts to answer a number of strategic questions:

- How do the former coalfields now compare with national averages and with other parts of the country?
- To what extent have the former coalfields benefitted from the national economic upturn and, in particular, are they catching up or falling further behind?
- What role do the former coalfields now play in local, regional and national economies?
- Are there important differences between individual coalfields across the country?
- And what are the implications of the evidence for the former coalfields' claim on regeneration spending?

Again, the report deploys a wide range of official statistics. In all cases these are the most up-to-date at the time of writing. The principal statistics are presented here in the report but fuller figures are published online and can be accessed at www.shu.ac.uk/research/cresr

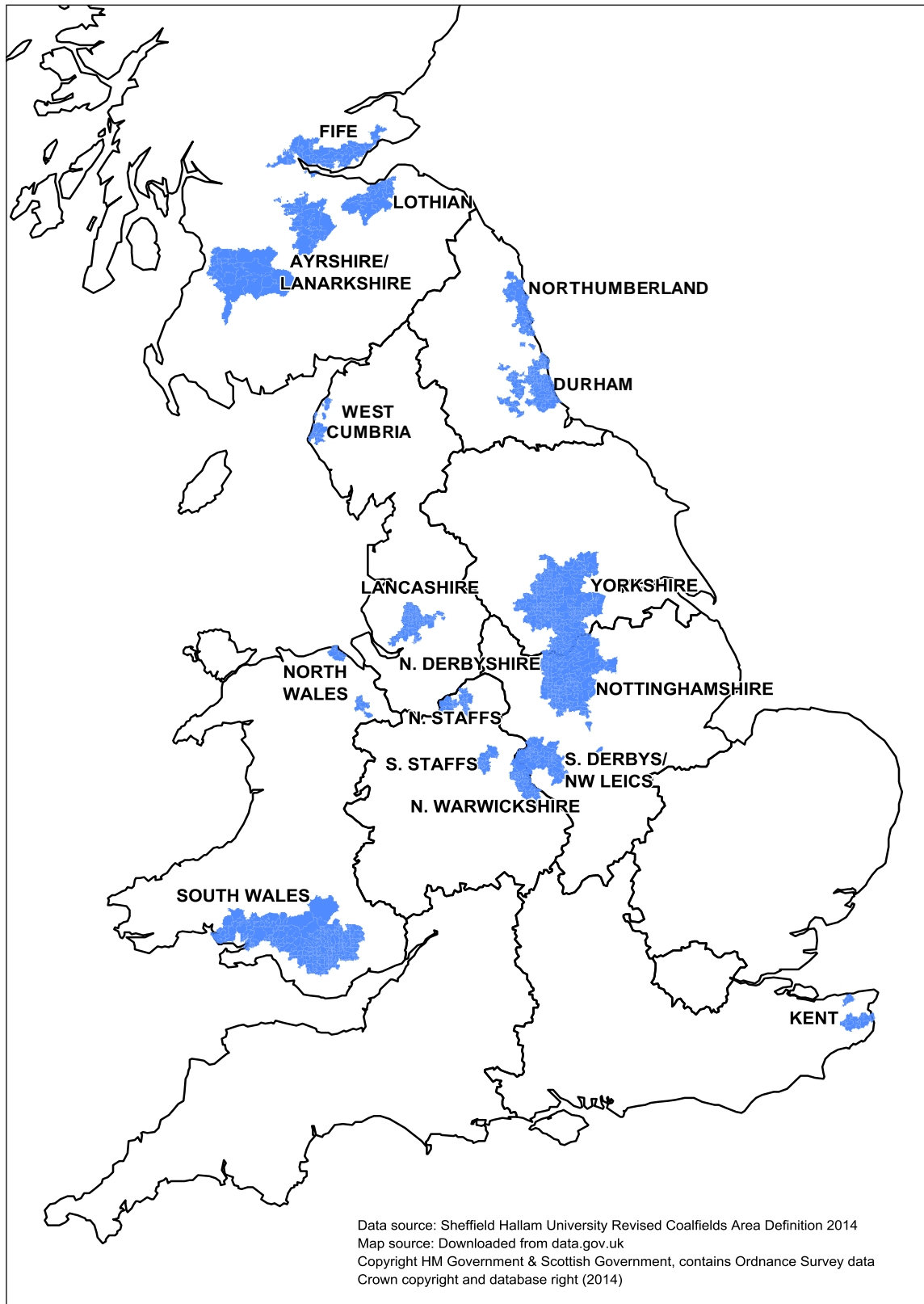
Defining the coalfields

One of the trickier problems is accurately defining the UK coalfields because coalmining took place across a wide range of locations, mainly but not exclusively in the Midlands, North, Scotland and Wales. The regional and sub-regional statistics published by government are not very helpful here. A finer-grained approach is needed.

Our starting point is the ward-based map of the coalfields first developed by Sheffield Hallam University in the 1990s³. This defined the coalfields as wards where in 1981 at least 10 per cent of male residents in employment worked in the coal industry. In two areas (Lancashire and North Staffordshire) where mining took place in a more urban context alongside other

³ C Beatty and S Fothergill (1996) 'Labour market adjustment in areas of chronic industrial decline: the case of the UK coalfields', *Regional Studies*, vol 30, pp 637-650.

Figure 1: Location of the former coalfields



industries, a slightly lower threshold was applied. The Sheffield Hallam map has the merit of defining the coalfields on the basis of labour market data just prior to the major job losses of the 1980s and 90s and it was subsequently deployed by government in the 1998 *Coalfields Task Force* report⁴. The 2014 *State of the Coalfields* report used a slightly modified version of the Sheffield Hallam map.

The present report uses the same Sheffield Hallam definition of the coalfields as the 2014 report but with the addition of two small former mining areas in North Wales⁵. The coalfields it covers are:

North East

Northumberland
Durham

North West

Lancashire
West Cumbria

Yorkshire & the Humber

Yorkshire

East Midlands

Nottinghamshire
North Derbyshire
S Derbyshire / NW Leicestershire

West Midlands

North Staffordshire
South Staffordshire
North Warwickshire

South East

Kent

Wales

South Wales
North Wales

Scotland

Fife
Lothian
Ayrshire / Lanarkshire

These coalfields are shown in Figure 1.

The names used here are abbreviations – ‘Fife’ includes neighbouring parts of Clackmannanshire and Stirling for example, ‘Ayrshire/Lanarkshire’ includes a small area within Dumfries and Galloway, and ‘Lancashire’ is made up of areas that fall administratively into Greater Manchester, Merseyside and Cheshire.

What needs to be kept in mind is that the coalfields cover a wider range of places than just pit villages. This reflects the geography of mining, which took place in and around cities and towns such as Sunderland, South Shields, Wigan, Barnsley and Stoke on Trent as well as in smaller places. Additionally, the definition used here excludes a number of areas (in West Durham, the Forest of Dean and Somerset for example) where significant coalmining ended before the 1980s.

⁴ Department for the Environment, Transport and the Regions (1998) *Report of the Coalfields Task Force*, DETR, London.

⁵ The addition was requested by the Coalfields Regeneration Trust and covers places in Flintshire and Wrexham included on the original Sheffield Hallam map. Where comparisons are made in this report between two points in time, the figures for both years include North Wales.

So that up-to-date local statistics can be used, each of the coalfields has been matched to its constituent Lower Super Output Areas (LSOAs) in England and Wales and datazones in Scotland – broadly neighbourhoods, each with around 1,500 people. Where data at this fine geographical scale is available the figures in the report therefore refer specifically to the coalfields, accurately defined, rather than to the wider local authority districts of which they may form only part.

Some official statistics, however, are not available at this highly local scale. In particular, in providing up-to-date figures it is necessary to draw extensively on the government's Annual Population Survey and also on other data sources which only provide figures down to local authority level. Where this is the case the former coalfields have been matched to their principal constituent local authorities⁶:

Northumberland:	Northumberland County
Durham:	Durham County, Sunderland, S Tyneside
Lancashire:	St Helens, Wigan
West Cumbria:	Allerdale, Copeland
Yorkshire:	Barnsley, Doncaster, Rotherham, Wakefield
Nottinghamshire:	Ashfield, Bassetlaw, Gedling, Mansfield, Newark & Sherwood
N Derbyshire:	Bolsover, Chesterfield, NE Derbyshire
S Derbys/NW Leics:	S Derbyshire, NW Leicestershire
N Staffordshire:	Newcastle-under-Lyme, Stoke-on-Trent
S Staffordshire:	Cannock Chase
N Warwickshire:	Nuneaton & Bedworth, N Warwickshire
Kent:	Dover
South Wales:	Blaenau Gwent, Caerphilly, Merthyr Tydfil, Neath Port Talbot, Rhondda Cynon Taf, Torfaen
North Wales:	Flintshire, Wrexham
Fife:	Fife, Clackmannanshire
Lothian:	Midlothian
Ayrshire/Lanarkshire:	E Ayrshire, N Lanarkshire, S Lanarkshire

This match is the best that is possible but it is imperfect. For example, statistics for Northumberland as a whole are a poor guide to conditions in the former coalfield in the south-east corner of the county. On the other hand, the statistics for the coalfields as a whole, defined in this way at local authority level, provide a tolerably reliable if still imprecise guide. Figures in the report that are based on local authority data flag up this in the table headings. It is reasonable to assume that local authority data will *understate* the problems in the coalfields themselves, tightly defined, because some local authorities also include more prosperous non-coalfield areas.

A further complication is that the Annual Population Survey and some other official statistics, such as the Annual Survey of Hours and Earnings, are based on a sample sizes which mean that even the data for local authorities is subject to a margin of error. Again, however, this is less of a problem for statistics for the coalfields as a whole.

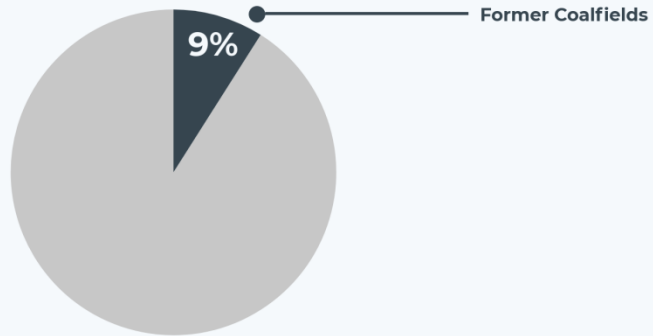
⁶ For Northumberland County and Durham County some APS data remains available for the former district council areas. In these instances, the coalfields have been defined as:

Northumberland: Blyth Valley, Wansbeck
Durham: Easington (plus Sunderland and South Tyneside)

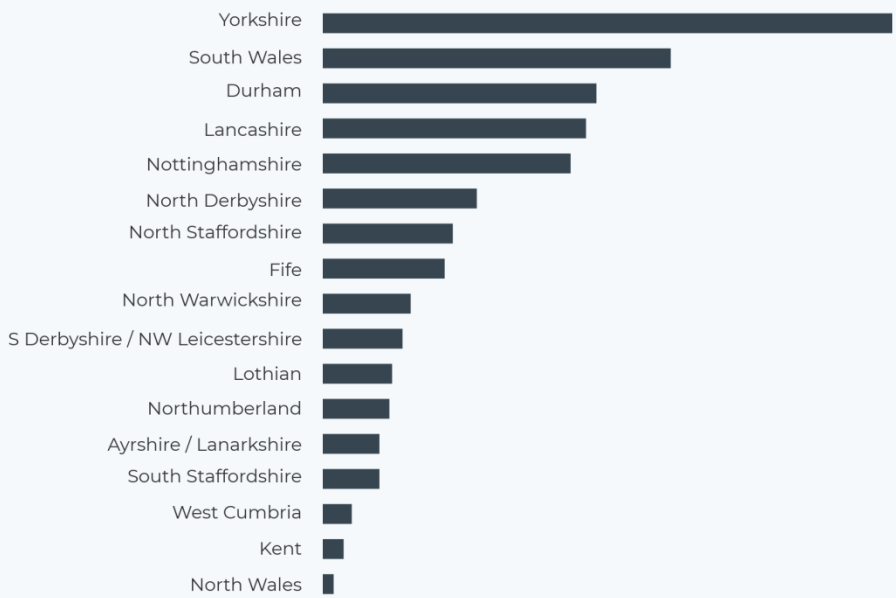
The present report circumvents these problems by not presenting figures for individual coalfield areas where they are likely to be unreliable. For most variables, the key comparisons are made between:

- The average for the **former coalfields** as a whole
- The average for **Great Britain** as a whole
- The average for the **main regional cities**. These are Birmingham, Cardiff, Edinburgh, Glasgow, Leeds, Liverpool, Manchester, Newcastle upon Tyne, Nottingham and Sheffield (all defined as their local authority).
- The figures for **London**, because the capital is widely understood to be the most dynamic part of the country during the present upturn
- The average for **South East England** (defined at regional level and excluding London) to demonstrate what has proved possible in the most prosperous parts of the country

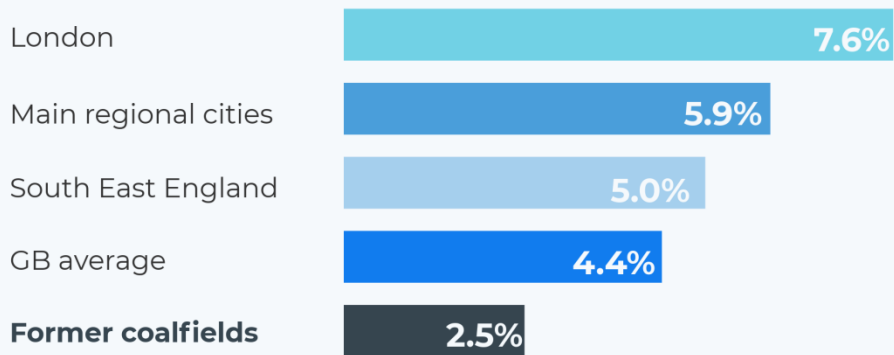
Share of GB population, 2017



Population by coalfield, 2017



Population growth, 2011-17



2. THE STATISTICAL EVIDENCE

Population

In 2017, the most recent year for which figures are available, the former coalfields of England, Scotland and Wales, accurately defined at LSOA / datazone level, had a combined population of 5.7 million. This represents just under 9 per cent – or one-in-eleven – of the entire population of Great Britain. The coalfields remain a substantial part of the country as a whole.

The former coalfields account for 8 per cent of the population in England, 10 per cent in Scotland, and 25 per cent in Wales.

Looking at the figures another way, if the coalfields were a region in their own right they would have a population roughly equivalent to the whole of the West Midlands (5.9 million), South West (5.6 million), Yorkshire & Humber (5.5 million) or Scotland (5.4 million) and 80 per cent bigger than Wales (3.1 million).

The coalfields vary greatly in size, from Yorkshire with more than 1.25 million people to North Wales with just 24,000:

Population by coalfield, 2017

Yorkshire	1, 257,000
South Wales	768,000
Durham	604,000
Lancashire	581,000
Nottinghamshire	547,000
North Derbyshire	340,000
North Staffordshire	287,000
Fife	269,000
N Warwickshire	194,000
S Derbys/NW Leics	176,000
Lothian	153,000
Northumberland	147,000
Ayrshire/Lanarkshire	125,000
South Staffordshire	125,000
West Cumbria	64,000
Kent	46,000
North Wales	24,000

Source: ONS mid-year population estimates

Between 2011 and 2017 the total population of the coalfields increased by 138,000. All the coalfields except West Cumbria and North Wales, which are both small, shared in this growth. The fastest rate of growth was in Lothian (up 9,000 or 6.3 per cent) and in S Derbyshire / NW Leicestershire (up 10,000 or 6.0 per cent) – both former coalfields in close proximity to neighbouring cities with plentiful opportunities for commuting.

That the population of the former coalfields has increased at a time when the population of the UK as a whole has been growing strongly is unsurprising. However, the rate of growth in the coalfields as a whole has been markedly slower than the national average or than in the big cities.

Population growth 2011-17 (%)

London	7.6
Main regional cities	5.9
South East England	5.0
GB average	4.4
Former coalfields	2.5

Source: ONS mid-year population estimates

In recent years the rate of population growth in the former coalfields has been only around 60 per cent of the national average, less than half the rate in the main regional cities and only a third of the rate in London. This slower-than-average population growth is the continuation of a trend between 2001 and 2011 identified in the 2014 report.

The age distribution of the coalfield population is subtly different from the national average. In the coalfields there are proportionally more older people (65+) and fewer of working age (16-64) while the proportion of under-16s is closer to the national average

	% of population, 2017		
	Under 16	16-64	65+
Former coalfields	18.5	62.0	19.5
South East England	19.1	61.8	19.1
GB average	18.9	62.9	18.2
Main regional cities	18.8	67.5	13.7
London	20.5	67.7	11.8

Source: ONS mid-year population estimates

Almost one-in-five of the coalfield population is aged 65 or older, compared to one-in-seven in the main regional cities and one-in eight in London. Over time, the coalfield population is also getting older – the share aged 65+ rose by two percentage points between 2011 and 2017 – and the gap between the coalfields and the national average widened too.

The older population of the coalfields is also evident within the working-age population. The share of young adults (16-34) is lower than the national average and much lower than in the big cities. For every two young adults in the coalfields there are three in the main regional cities.

% of population aged 16-34, 2017

Main regional cities	33.0
London	29.2
GB average	24.5
South East England	22.7
Former coalfields	22.6

Source: ONS mid-year population estimates

Across Britain as a whole the differences in population growth and in age structure mainly reflect migration and there are two migration flows that impact strongly on the coalfields.

One is the loss of younger adults to other parts of the country. The younger and better qualified have always tended to move to places where jobs are more readily available, away from more difficult labour markets such as the former coalfields. In the last twenty years or so the flow has been compounded by the expansion of higher education which has diverted large numbers of young adults from the coalfields, where there are few universities, towards the cities.

The other important migration flow is from outside the UK. International migrants too tend to be younger adults of working age and in recent years the UK has experienced a substantial net inflow of migrants from abroad. The share of the population born outside the UK offers a guide to these flows.

% of residents born outside the UK, 2018 (local authority data)

	% of total pop.	% of 16-64 yr. olds
London	36	45
Main regional cities	19	23
GB average	14	19
South East England	13	17
Former coalfields	6	7

Source: APS

Compared to the main regional cities, and in particular to London, the former coalfields have relatively few residents born outside the UK. In relation to the total population, the highest proportion in the former coalfields is in North Warwickshire (11 per cent) and in North Staffordshire (9 per cent) whereas the proportion is below 4 per cent in Northumberland, Durham, Lancashire, West Cumbria, South Staffordshire, South Wales and Ayrshire/Lanarkshire. These percentages are all low by contemporary UK standards, though not uniquely so.

For many of the former coalfields, significant migration from outside the UK is a relatively new phenomenon. Between 2011 and 2018 the working age population in the coalfields born outside the UK increased by 40 per cent – an increase of 75,000 to some 260,000.

Health and well-being

Average life expectancy in the former coalfields is around a year less than the national average. This disparity applies to both men and women, and amongst men it cannot be attributed solely to the impact of working in the coal industry because as time has passed fewer are ex-miners, though there is no doubt that working in the coal industry was often damaging to health.

	Average life expectancy, 2014/16 (local authority data)	
	men	women
London	80	84
South East England	81	84
GB average	79	83
Former coalfields	78	82
Main regional cities	77	81

Source: ONS

In the coalfields, life expectancy went up by around a year, for both men and women, between the late-2000s and the mid-2010s but the gap between the coalfields and the national average stayed much the same.

The 2014 report identified a distinctly higher incidence of ill health in the former coalfields. Two measures from the 2011 Census – the share of residents reporting poor health, and the share reporting long-term health problems that limit their activities – flagged up an incidence of self-reported ill health in a number of coalfields that was approaching double the level in South East England.

In the absence of a new Census it is not possible to replicate these figures but the Annual Population Survey (APS) provides a guide, albeit for local authorities rather than the coalfields accurately defined at local level. The figures cover the share of residents aged 16-plus with a self-reported long-term health problem.

	% of resident aged 16+ reporting health problems lasting more than 12 months, 2018 (local authority data)
Former coalfields	38
South East England	35
GB average	34
Main regional cities	34
London	27

Source: APS

On this particular measure the former coalfields still emerge as having a greater incidence of long-term health problems. Similar figures for 2011 suggest the incidence has declined by approaching two percentage points – a slightly faster decline than across Great Britain as a whole.

The incidence of poor health is underlined by the numbers claiming Disability Living Allowance (DLA) or its replacement Personal Independence Payment (PIP), which is currently being phased in. DLA and PIP are welfare benefits paid to help offset the costs of care and/or mobility arising from disability. Among the working age population, DLA/PIP is claimed by individuals both in work and out-of-work and it is also paid to substantial numbers above state pension age.

In November 2018, 8.6 per cent of the entire population of the former coalfields – 493,000 people – were DLA or PIP claimants. This proportion is far higher than the GB average and almost twice as high as in South East England. 269,000 of the DLA/PIP claimants were of working age, again a claimant rate far ahead of the national average. These very high numbers cannot be explained by high numbers of former miners with health problems – few former miners are still of working age for example.

	DLA/PIP claimant rate, November 2018	
	% of 16-64 yr. olds	% of total population
Former coalfields	7.6	8.6
Main regional cities	6.5	7.1
GB average	5.6	5.8
London	4.3	4.5
South East England	4.4	4.4

Source: DWP

All but one of the former coalfields (the exception is S Derbys/NW Leics) have a DLA/PIP claimant rate above the GB average. In the South Wales coalfield, 11.2 per cent of the total population claim DLA or PIP – that is 86,000 people, of whom 45,000 are of working age. In Ayrshire/Lanarkshire the claimant rate is 9.7 per cent (12,000 people) and in Durham 9.4 per cent (56,000 people). The former Yorkshire coalfield has 103,000 DLA or PIP claimants, of whom 56,000 are of working age, though Yorkshire's overall claimant rate is lower at 8.3 per cent.

Jobs and business

The government's Business Register and Employment Survey (BRES) provides figures on the number of jobs located in the former coalfields. Because of commuting flows these figures are not the same as the number of coalfield residents in employment, which is considered later. The BRES figures quoted here also exclude the self-employed.

The most recent BRES data, for 2017, shows that over 1.9 million employee jobs are located in the coalfields of England, Scotland and Wales. This represents 6.6 per cent of the GB total.

The BRES data shows that between 2012 and 2017 the number of employee jobs in the coalfields increased by 138,000. This represented a 7.6 per cent increase in the number of jobs, but expressed as a percentage of the working age population in the coalfields the increase was much lower, just 3.9 per cent. The difference arises because the former coalfields have relatively few jobs in relation to their working age population and export large numbers of commuters to surrounding areas. Growth in the number of jobs can therefore seem impressive in relation to the initial stock of jobs but not in relation to the size of the local workforce.

	Increase in employee jobs, 2012-2017	
	as % of jobs	as % of pop. aged 16-64
London	14.7	11.6
Main regional cities	9.8	7.9
GB average	9.7	6.6
South East England	7.9	5.4
Former coalfields	7.6	3.9

Source: BRES

Comparisons with other parts of the country are enlightening. Between 2012 and 2017, the growth in the number of jobs in the former coalfields was quite respectable, only a couple of percentage points below the national average though some distance behind London. In relation to the local working age population, however, the job growth in the former coalfields was slow – only half the rate in the main regional cities and only a third of the rate in London.

All the former coalfields except North Derbyshire and West Cumbria – where there were very small declines – shared in the growth in employee jobs between 2012 and 2017. The fastest growth in relation to the working age population was in South Staffordshire (9.0 per cent), Lothian (8.6 per cent) and S Derbyshire / NW Leicestershire (8.5 per cent). The large Yorkshire coalfield saw a 4.3 per cent increase. The growth in Durham, at 2.4 per cent, was slower. The large South Wales coalfield saw an increase in employee jobs of just 1,000 – growth of just 0.2 per cent in relation to its working age population.

Two further indicators point to the relative weakness of the economy in the former coalfields. One is the number of private sector enterprises.

	Private enterprises per 10,000 population, 2018	
	no.	% increase since 2012
London	572	41
South East England	443	20
GB average	403	25
Main regional cities	321	37
Former coalfields⁷	262	19

Source: ONS

⁷ For Scotland the data is for local authorities

This shows that, in relation to the population, the stock of business in the coalfields is only around two-thirds of the national average and the number of businesses in the coalfields has been growing more slowly than elsewhere.

The other indicator pointing to the relative weakness of the coalfield economy is the 'job density' – the ratio between the number of employee jobs located in the coalfields and the local working age population.

No. of employee jobs in area per 100 residents of working age, 2017

London	86
Main regional cities	84
GB average	73
South East England	73
Former coalfields	55
<i>Individual coalfields</i>	
Lancashire	65
N Warwickshire	64
S Derbys / NW Leics	63
S Staffordshire	62
N Derbyshire	62
Yorkshire	61
Nottinghamshire	57
West Cumbria	53
Durham	53
Fife	52
N Staffordshire	49
Lothian	49
Ayrshire / Lanarkshire	45
Northumberland	45
Kent	44
South Wales	42
North Wales	42

Sources: BRES, ONS mid-year population estimates

Across the former coalfields as a whole in 2017 there were just 55 jobs for every 100 adults of working age. This was up from 50 per 100 in 2012 but still represents a job density far behind the GB average (73 per 100) or the main regional cities (84 per 100). In every individual coalfield the job density in 2017 was well below the national average.

The former coalfields are part of complex networks of commuting, particularly into neighbouring cities, which helps explain the low job density in Lothian (commuting into Edinburgh) and in Northumberland (commuting into Tyneside). But a low job density can also be a symptom of a weak local economy. This is perhaps clearest in the case of the South Wales coalfield, where there are just 42 jobs for every 100 residents of working age. The South Wales coalfield, in the Valleys, is a major area in its own right and although there are substantial commuting flows to Cardiff, Swansea and Newport on the coast it is hard to escape the conclusion that one of the reasons so many people travel out of the area for work is that there are so few jobs in the Valleys themselves.

The mix of industries in the former coalfields differs from the national average and from the mix in the big cities. Taking the coalfields as a whole, there are proportionately more jobs in manufacturing and fewer in finance and professional services⁸. Jobs in public services⁹ tend to be more evenly spread because they are often closely related to the local population they serve.

	% of all employee jobs in area, 2017		
	Manufacturing	Finance etc	Public services
Former coalfields	13	8	27
GB average	8	14	26
South East England	6	12	26
Main regional cities	5	16	31
London	2	23	23

Source: BRES

One of the prominent features of economic change in the former coalfields has been the growth in employment in warehousing and call centres, often on former colliery sites. These new jobs are not always well regarded, with sometimes poor working conditions and pay, irregular hours and a high staff turnover, though it would be wrong to assume that all the jobs in warehouses and call centres fit this model.

	No. of employee jobs by coalfield, 2017	
	Warehousing & wholesale	Call centres
Yorkshire	41,000	2,500
Lancashire	15,000	125
North Staffordshire	11,500	0
Nottinghamshire	11,000	0
North Derbyshire	10,500	400
Durham	8,000	2,250
South Staffordshire	7,500	0
South Wales	6,500	225
S Derbys / NW Leics	6,000	300
North Warwickshire	5,750	75
Fife	5,500	50
Ayrshire / Lanarkshire	2,675	30
Lothian	1,825	0
Northumberland	775	0
Kent	600	0
West Cumbria	385	50
North Wales	175	0
All former coalfields	134,700	5,900

Source: BRES

⁸ Financial and insurance activities, real estate activities and professional, scientific and technical activities

⁹ Public administration, defence and compulsory social security, education and human health and social work activities

The jobs in warehousing far outnumber the jobs in call centres, in part because the call centres are often located in neighbouring cities or towns rather than in the coalfields themselves – in Cardiff, Newport and Swansea, for example, rather than the Valleys. The number of jobs in warehousing in the coalfields is substantial – more than 130,000 – and increased by 21,000 between 2012 and 2017. This is now a major segment of the local economy and to put the numbers into perspective, warehousing in the former coalfields now employs only 90,000 fewer than the coal industry itself at the time of the 1984/5 miners strike.

The warehousing jobs are concentrated in specific places. In particular, there are now more than 40,000 in the former Yorkshire coalfield, where the numbers also grew by 7,000 between 2012 and 2017. The adjoining coalfields in Nottinghamshire and North Derbyshire account for a further 20,000, and there are 15,000 more just across the Pennines in the former Lancashire coalfield. This concentration in central locations within Britain, accessible to the motorway network, is unsurprising and driven by the industry’s operational requirements. By contrast, there are far fewer jobs in warehousing in the South Wales coalfield or indeed in the Scottish coalfields.

Employment

The ‘employment rate’ – the share of adults of working age in employment – is a key indicator but between decennial Censuses there are no figures below local authority level. A further complication is that the large number of students in higher education distorts the raw figures. Full-time students are heavily concentrated in university towns, where they lower the employment rate, but there are few higher education institutions in the coalfields so a simple comparison of overall employment rates is misleading. The best statistic is the employment rate *excluding students*.

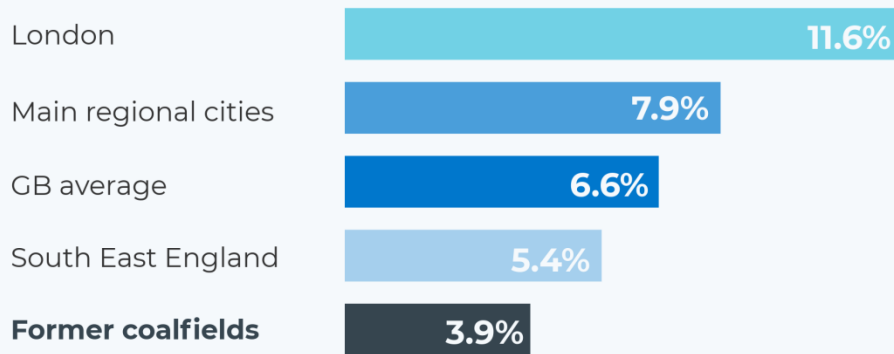
Employment rate of 16-64 year olds, excluding students, 2018 (local authority data)

	% in 2018	% point increase 2011-18
South East England	82.4	4.3
London	79.7	6.5
GB average	79.7	5.3
Former coalfields	77.3	6.2
Main regional cities	76.9	7.2

Source: APS

Excluding students, the employment rate in the coalfields is more than two percentage points behind the national average and more than five percentage points behind the rate in South East England. There has been some catching up since 2011, with the employment rate in the coalfields growing a little faster (though not as fast as in the main regional cities) – a normal pattern during upturns when there is greater scope for employment to increase in places with labour market slack than in those closer to full employment.

Increase in employee jobs in area, 2012-2017, as % of pop. aged 16-64



No. of employee jobs in area per 100 residents of working age, 2017



Number of additional jobs in the coalfields required to raise the employment to:



Net commuting out of former coalfields



The differences in employment rates (excluding students) allow two simple but telling calculations:

- To raise the employment rate in the former coalfields to the national average would require 80,000 additional coalfield residents to be in work
- To raise the employment rate in the former coalfields to the average in South East England – a guide to what is achievable under conditions of full employment – would require 170,000 additional coalfield residents to be in work

Six smaller coalfields have employment rates (excluding students) that already reach 80 per cent¹⁰. These are South Staffordshire, North Warwickshire, Kent, S Derbyshire / NW Leicestershire, Lothian and North Wales. The first five¹¹ were identified in the 2014 *State of the Coalfields* report as being well on the way to recovery from coal job losses and recent employment rates would seem to confirm this assessment.

At the other end of the spectrum, the employment rate (excluding students) still lags badly in the three largest former coalfields – Yorkshire (76 per cent), South Wales (74 per cent) and Durham (73 per cent)¹². To bring the employment rate here up to the ‘full employment’ level in South East England would require:

- 45,000 additional residents in employment in the Yorkshire coalfield
- 38,000 additional residents in employment in the South Wales coalfield
- 32,000 additional residents in employment in the Durham coalfield

The main reason why the employment rate in the former coalfields is not still further behind regional and national averages is that many coalfield residents travel to work in neighbouring areas and further afield. Given the limited range of up-to-date statistics at a very local level it is hard to put a precise figure on the scale of commuting but a reasonable estimate is possible:

- There are 1,960,000 employee jobs in the former coalfields¹³. Adding in all the self-employed brings the total number of jobs in the coalfields up to 2,250,000¹⁴.
- The overall employment rate (including students) of 74 per cent in the former coalfields points to 2,620,000 coalfield residents in work.
- The difference between these figures – 370,000 – is attributable to net commuting out of the coalfields

¹⁰ Local authority data

¹¹ The sixth, North Wales, was not included in the 2014 study

¹² Local authority data

¹³ Source: BRES

¹⁴ Based on a self-employment rate of 11% of residents in employment and an employment rate of resident 16-64 year olds of 74% (Source: APS)

'Net commuting' is the balance between flows in each direction. The outflow from the coalfields will be substantially larger, offset by a smaller inflow from other areas. Net commuting from the coalfields is equivalent to around one-in-seven of all coalfield residents in work.

What the commuting figures indicate is that the job opportunities in the former coalfields continue to fall short of the level necessary to provide employment for all coalfield residents. Moreover, there is no evidence that commuting from the former coalfields is declining – the same calculation for 2011 points to the same net outflow of 370,000.

Job quality

A widespread view is that as the UK economy has recovered from recession the growth in employment has been skewed towards part-time and insecure working, including debased forms of self-employment, and that these forms of employment have become particularly prevalent in weaker local economies such as the former coalfields, where welfare reforms have made it difficult for many claimants to stay on benefits. The proliferation of 'self-employed' delivery workers and taxi drivers, for example, has in the popular view been a defining feature of the last decade.

The hard evidence on the former coalfields is mixed. Self-employment in the former coalfields is actually below than the national average and well behind the level in London for example. Also, between 2011 and 2018 the proportion of self-employed in coalfield workforce increased by only just over one percentage point, about the same as the GB average.

Self-employed as % of 16-64 yr. old residents in employment, 2018 (local authority data)

London	18
South East England	15
GB average	14
Main regional cities	11
Former coalfields	11

Source: APS

On the other hand, the increase in self-employment between 2011 and 2018 accounts for around a fifth of the overall increase in employment in the coalfields over the same period. As the Department for Business has documented¹⁵, the self-employed as a group have seen falling income since the recession, which mostly reflects the changing composition of self-employment. The modern self-employed worker is less likely to be a prosperous entrepreneur or freelance worker than a quasi-employee with diminished employment rights.

¹⁵ Department for Business, Innovation and Skills (2016) *The income of the self-employed*, BIS, London.

Part-time working presents a similarly mixed picture. At around a third of all employees in the former coalfields, part-time working is high but in fact no higher than the national average. Furthermore, the proportion of part-time workers in the former coalfields has fallen by around two percentage points since 2012.

Part-time working as % of all employees, 2017

South East England	34
GB average	33
Former coalfields	33
Main regional cities	32
London	27

Source: BRES

None of these figures quite tell the whole story, though the absence of local data makes it hard to comment specifically on the coalfields.

For example, in 2017 there were 2.6 million people across the UK as a whole who were ‘underemployed’ in that they wanted to work more hours, were able to start to do so within two weeks and were already working less than full-time¹⁶. This was down on the peak of around 3.1 million in the wake of recession but still higher than the pre-recession figure of below 2 million. Across the UK as a whole, around one-in-eight part-time workers say they could not find a full-time job, a proportion that has fallen from around one-in-six in the immediate wake of recession.

Additionally, there has been an increase in the number of employees on zero-hours contracts¹⁷. A government survey of businesses¹⁷ puts the figure for 2017 at 1.8 million. The Annual Population Survey (APS) puts the 2017 figure at 900,000, or 2.8 per cent of all people in employment. Since 2010 the APS numbers have risen sharply from around 200,000 but the Office for National Statistics (ONS) takes the view that a part of the observed increase is due to increased recognition and awareness of this form of employment. According to the ONS analysis, the people on zero-hours contracts are more likely to be young, part-time, women or in full-time education when compared with other people in employment. The ONS also finds that only around a quarter of those on zero-hours contracts would like more hours, mostly in their current job. Combining zero-hour contracts with Universal Credit or other means-tested benefits can however be a something of nightmare.

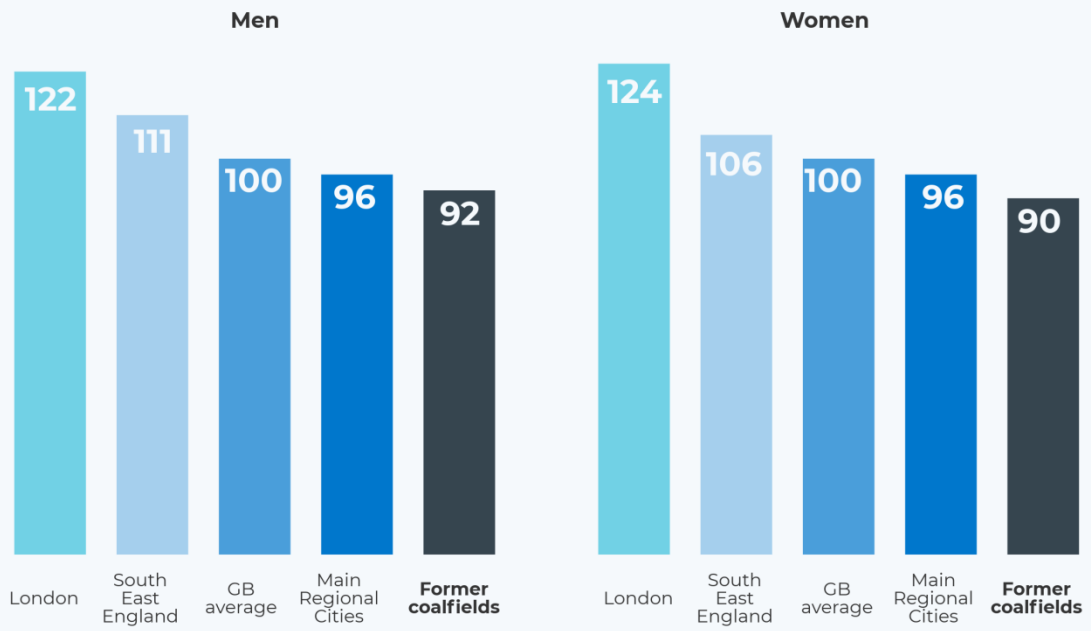
Across the UK as a whole, 4 per cent of workers have second jobs and 5 per cent are in temporary employment¹⁸. Of those in temporary employment, just over a quarter say this is because they could not find a permanent job, a proportion that has fallen from around 40 per cent in the immediate wake of recession.

¹⁶ Source: APS

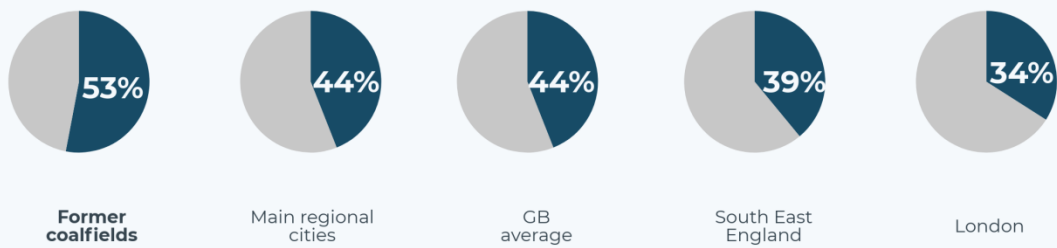
¹⁷ See Office for National Statistics (2018) *Contracts that do not guarantee a minimum number of hours: April 2018*, ONS, London.

¹⁸ Source: APS

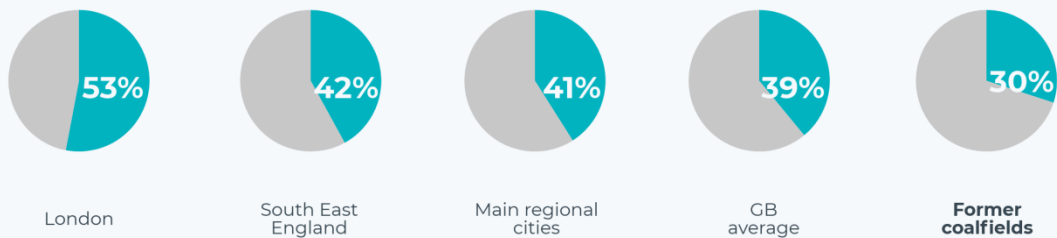
Median gross hourly earnings of residents in full-time work, 2018, GB = 100



% of employed residents in manual jobs, 2018



% of 16-64 yr. old residents with degree-level qualifications, 2018



Earnings

The weakness of the labour market in the former coalfields is reflected in earnings. The government's Annual Survey of Hours and Earnings (ASHE) shows that on average the hourly earnings for men living in the coalfields (defined here at local authority level) are eight per cent below the GB average and ten per cent below for women. There is little evidence that these gaps are narrowing over time.

Median gross hourly earnings of residents in full-time work, 2018, GB=100 (local authority data)

	Men	Women
London	122	124
South East England	111	106
GB average	100	100
Main regional cities	96	96
Former coalfields	92	90

Source: ASHE

The share of jobs in low-paid sectors does not seem to offer the main explanation for this shortfall in earnings. Four of the lowest-paid sectors in the economy – the wholesale and retail trade, accommodation and food services, administrative and support services, and residential care – together accounted for 35 per cent of workplace employment in the former coalfields in 2017 compared to 34 per cent across Britain as a whole¹⁹.

At the bottom of the labour market, the gross hourly earnings of the lowest paid 20 per cent of coalfield residents is just 67 per cent of the national median²⁰. In London, the lowest paid 20 per cent earn 77 per cent of the national median.

Skills and qualifications

Despite the disappearance of the coal industry, the former coalfields remain heavily dependent on manual jobs. Across Britain as a whole, 44 per cent of the employed workforce worked in manual occupations in 2018. In London the proportion was just 34 per cent. In the coalfields, in contrast, 53 per cent of employed residents work in manual occupations. All the coalfields of England, Scotland and Wales have an occupational structure that is skewed towards manual occupations.

¹⁹ Source: BRES

²⁰ Source: ASHE data for 2018 (local authority based)

**% of employed residents in manual jobs, 2018
(local authority data)**

Former coalfields	53
Main regional cities	44
GB average	44
South East England	39
London	34

Source: APS

Among the jobs actually located in the coalfields (as opposed to residents) the proportion of manual occupations is higher still, at 55 per cent. Furthermore, in the coalfields the reliance on manual jobs has declined only marginally – by less than one percentage point on either measure since 2011 – whereas the proportion of manual jobs has fallen by around three percentage points in the main regional cities.

In the former coalfields the share of the working age population with no formal qualifications has been falling sharply – in 2018 it stood at 10 per cent²¹ – mainly as a generation of older workers passes into retirement. The share educated to degree level or above, however, remains well below the national average.

**% of 16-64 yr. old residents with degree-level qualifications, 2018
(local authority data)**

London	53
South East England	42
Main regional cities	41
GB average	39
Former coalfields	30

Source: APS

Performance at school seems not to be the main problem. The published statistics are not organised in a way that allows the former coalfields to be distinguished from surrounding areas and England, Scotland and Wales compile their figures differently. However, figures for a number of predominantly coalfield local education authorities in England offer a guide. On the 'A8' measure of attainment at GCSE, which scores a pupil's best eight grades, the average score across England in 2017/18 was 44.5. In the coalfields, Barnsley (42.5), Doncaster (42.7) and Wakefield (43.5) lagged a little behind, whereas Wigan (45.3), Durham (45.0) and Nottinghamshire (47.2) were fractionally ahead.

Likewise, the proportion of young people falling out of education or training at age 16 seems to be no higher than elsewhere. Again, figures for local education authorities in England are a guide. Against an England average of 8.0 per cent of 16 and 17 year olds not recorded as being in education or training in March 2018, the figures in the coalfields were broadly comparable – Barnsley (6.9 per cent), Doncaster (6.5 per cent), Wakefield (7.7 per cent), Wigan (8.9 per cent), Durham (9.6 per cent) and Nottinghamshire (6.1 per cent).

²¹ Source: APS (local authority data)

Where the coalfields do differ a little is in the proportion of 16 and 17 year olds staying on in full-time education and training. In March 2018 the England average was 84 per cent. In several coalfield local education authorities the figures were lower – Barnsley (81 per cent), Doncaster (74 per cent), Wakefield (82 per cent), Wigan (79 per cent) and Durham (78 per cent) – though Nottinghamshire (88 per cent) bucked the trend. Correspondingly, in the coalfields the proportions entering apprenticeships are generally a little higher than average.

On the whole, however, the smaller proportion of highly qualified workers in the coalfield workforce does not appear owe much to the quality of the young people leaving school. The driving factor is likely to be the quality and quantity of jobs on offer. Areas with a high proportion of manual jobs, such as the coalfields, are unlikely to retain or attract highly qualified workers, who move to the places where higher-grade jobs are more plentiful. One of the main mechanisms through which this occurs is when young people move away to university and then stay away when they move into employment, stripping the coalfields of successive cohorts of bright, well-qualified youngsters.

Unemployment and out-of-work benefits

Over the last couple of years, the UK government has been keen to claim that unemployment is now lower than at any other time since the mid-1970s. On the International Labour Organisation (ILO) measure, now the basis for official unemployment statistics, this is certainly correct. The ILO measure, based on survey data, counts the numbers out-of-work who have looked for a job in the last four weeks and are ready to start a job in the next two weeks.

On the ILO measure, in 2018 the unemployment rate in the former coalfields as a whole was 4.8 per cent, only 0.5 percentage points above the national average. This is, perhaps, a remarkable achievement considering quite how many jobs were lost from the coal industry.

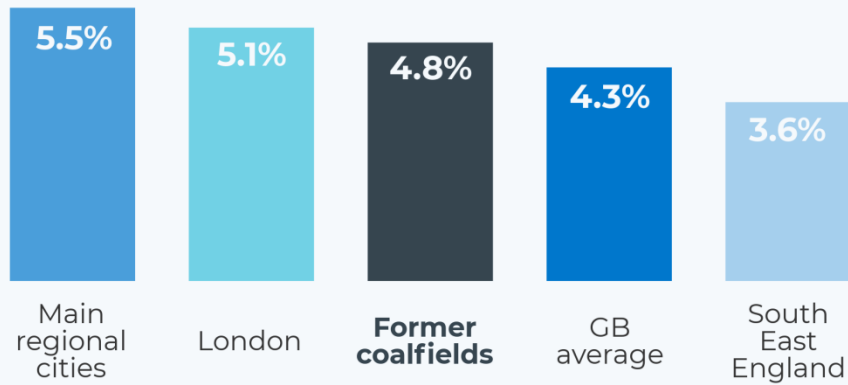
ILO unemployment rate, 2018, as % of economically active 16-64 yr. olds (local authority data)

Main regional cities	5.5
London	5.1
Former coalfields	4.8
GB average	4.3
South East England	3.6

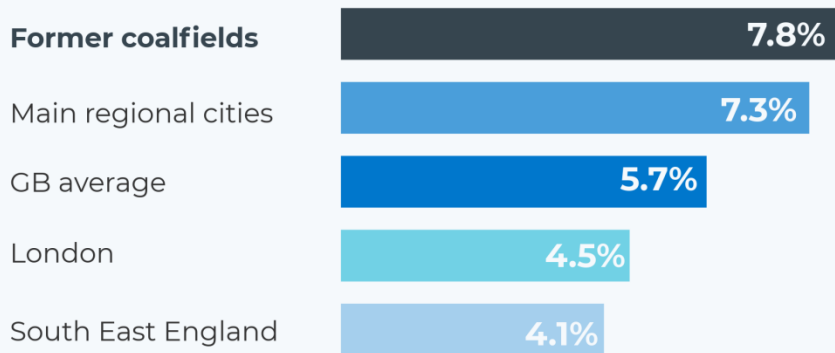
Source: APS

Furthermore, since 2011 the ILO measure of unemployment has fallen faster in the former coalfields (by 4.8 percentage points) than across Great Britain as a whole (3.9 percentage points). As we noted earlier in the context of employment rates, this catching up is normal in economic upturns when there is less scope for reductions in places closer to full employment.

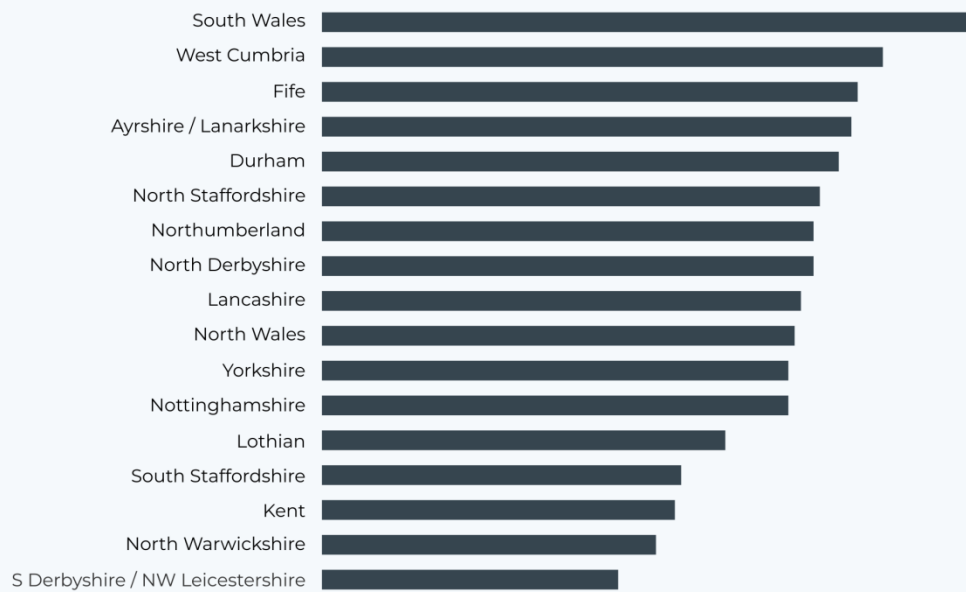
ILO unemployment rate, 2018, as % of economically active 16-64 year olds



% of 16-64 yr. olds claiming incapacity benefits, November 2018



% of 16-64 yr. olds claiming incapacity benefits, November 2018, by coalfield



Nevertheless, unemployment on this scale is far from negligible and in a number of coalfields the ILO unemployment rate remains at or above five per cent – in South Wales (5.5 per cent), Durham (5.5 per cent), Yorkshire (5.2 per cent), North Staffordshire (5.2 per cent), and North Derbyshire (5.0 per cent).

It became apparent in the wake of the pit closures in the 1980s and 1990s that the main labour market response to coal job losses was not an increase in recorded unemployment but rather a surge in the number of men who withdrew from the labour market into ‘economic inactivity’, mainly on incapacity benefits²². Initially, many of the additional incapacity claimants were ex-miners but through competition for jobs the claims spread more widely as worklessness often came to rest with the less healthy in the workforce. Over time, too, competition in places with a shortfall in job opportunities spread the claims to women as well²³. The former coalfields were not unique in having high incapacity claimant numbers – other older industrial areas showed the same trend – but they were arguably the prime example.

% of 16-64 yr. olds claiming incapacity benefits, November 2018

Former coalfields	7.8
Main regional cities	7.3
GB average	5.7
London	4.5
South East England	4.1
<i>Individual coalfields</i>	
South Wales	10.4
West Cumbria	8.9
Fife	8.5
Ayrshire/Lanarkshire	8.4
Durham	8.2
North Staffordshire	7.9
Northumberland	7.8
North Derbyshire	7.8
Lancashire	7.6
North Wales	7.5
Yorkshire	7.4
Nottinghamshire	7.4
Lothian	6.4
South Staffordshire	5.7
Kent	5.6
North Warwickshire	5.3
S Derbys/NW Leics	4.7

Source: DWP

²² C Beatty, S Fothergill and R Powell (2007) ‘Twenty years on: has the economy of the UK coalfields recovered?’, *Environment and Planning A*, vol 39, pp 1654-1675.

²³ C Beatty, S Fothergill, D Houston, R Powell and P Sissons (2009) *Women on Incapacity Benefits*, CRESR, Sheffield Hallam University.

The former coalfields continue to have very large numbers of men and women of working age out of work on incapacity benefits²⁴. In November 2018 the headline total was 276,000, or 7.8 per cent of all adults of working age. This was down on the headline rate of 8.4 per cent in 2013 but still well ahead of the national average or the rate in the most prosperous parts of the country. In the South Wales coalfield, incapacity claimants – 49,000 in all – still account for more than 10 per cent of the working age population.

The overall numbers on out-of-work benefits also remain substantial. Combining the numbers claiming incapacity benefits with the unemployment claimant count²⁵ points to 376,000 out-of-work claimants in the former coalfields in November 2018, or 10.6 per cent of the working age population.

% of 16-64 yr. olds claiming out-of-work benefits, November 2018

<i>Former coalfields</i>	10.6
Main regional cities	10.5
GB average	8.0
London	6.8
South East England	5.6

Source: DWP

This high out-of-work claimant rate, which excludes lone parents unable to work because of caring responsibilities²⁶, places the former coalfields well above of the national average and five percentage points higher than South East England. The out-of-work benefit claimant rate has fallen since the recession but, excluding lone parents, by only two percentage points in the former coalfields.

Hidden unemployment

The significance of the high incapacity claimant rate in the former coalfields is that some of these are men and women with health problems and/or disabilities who are in effect ‘hidden unemployed’. This is evident from comparisons with the low incapacity claimant rate in the parts of Britain at or near full employment, even after adjusting for underlying differences in health and disability.

²⁴ These days mainly Employment and Support Allowance, plus smaller numbers carried over from the former Incapacity Benefit and Severe Disablement Allowance and growing numbers claiming Universal Credit on the grounds of limited capability to work

²⁵ This differs from ILO unemployment in that it only counts those claiming benefit, now mainly Universal Credit, on the grounds of unemployment

²⁶ Since the introduction of Universal Credit it is not possible to monitor numbers in this group

A series of reports from Sheffield Hallam University have adjusted for this distortion to local unemployment figures. The most recent estimates, for 2017²⁷, suggest that 760,000 of the then national total of 2.45 million on incapacity benefits might be considered to be ‘hidden unemployed’ in that they could have been expected to be in work in a genuinely fully employed economy.

Adjusting for this distortion, the ‘real level of unemployment’ in the former coalfields is considerably higher than the official figures and casts quite a different light on the state of the local labour market. On this wider measure, unemployment in the former coalfields is not only much higher, at an average of 7.5 per cent of all adults of working age, but also the gap between the coalfields and the most prosperous parts of the country is larger.

**Estimated real level of unemployment (% of all 16-64 yr. olds), 2017
(local authority data)**

<i>Former coalfields</i>	7.5
Main regional cities	7.5
GB average	5.7
London	5.6
South East England	3.9
 <i>Individual coalfields</i>	
South Wales	9.8
Durham	9.5
North Staffordshire	7.9
Yorkshire	7.8
Ayrshire / Lanarkshire	7.4
Lancashire	7.0
Fife	6.9
Northumberland	6.8
North Derbyshire	6.8
West Cumbria	6.5
Nottinghamshire	6.3
Kent	6.2
South Staffordshire	5.5
Lothian	5.3
North Warwickshire	5.1
North Wales	5.0
S Derbys / NW Leics	2.8

Source: Sheffield Hallam University estimates based on ONS

What should be emphasised is that the ‘hidden unemployed’ in the coalfields and elsewhere are mostly not active jobseekers – the vast majority are men and women with health problems or disabilities who have given up on the possibility of finding suitable work. But they make up a significant proportion of the overall working age population in the former coalfields and statistical comparisons point to the likelihood that they would have been in work in a genuinely fully employed economy.

²⁷ C Beatty, S Fothergill and T Gore (2017) *The Real Level of Unemployment 2017*, CRESR, Sheffield Hallam University.

In-work benefits

As employment has grown and real wages have stagnated or fallen during the economic upturn, more in-work households have drawn on Tax Credits and welfare benefits to help make ends meet. The former coalfields are no different in this regard to other parts of the country but documenting the up-to-date extent of this reliance on in-work benefits is complicated by the introduction of Universal Credit. The best picture is provided by data from two or three years ago²⁸.

Low earnings in the former coalfields trigger more widespread entitlement to Tax Credits. In 2016/17 the proportion of in-work coalfield households claiming Tax Credits was more than ten per cent above the national average and more than forty per cent higher than in South East England. The average value of payments in the coalfields was however lower than the GB average.

In-work households in receipt of Tax Credits, 2016/17 (local authority data)

	Relative to working age pop. (GB=100)	Average annualised value (£)
Former coalfields	111	6,270
Main regional cities	109	7,240
GB average	100	6,760
London	91	7,720
South East England	78	6,640

Source: HMRC

For Housing Benefit the data presents a different picture. In total, 69,000 in-work households in the former coalfields received Housing Benefit in November 2016. However, reflecting the relatively low cost of housing in most coalfields and more widespread owner-occupation than in the cities, in the coalfields the claimant rate was well behind the national average and far lower than in London in particular.

In-work households in receipt of Housing Benefit, November 2016

	No.	Relative to working age pop. (GB=100)
London	275,000	179
Main regional cities	105,000	106
GB average	1,040,000	100
South East England	139,000	96
Former coalfields	69,000	76

Source: DWP

²⁸ Figures for 2016 and 2016/17 are also to a small extent to affected by the introduction of Universal Credit

Taking into account all households, including pensioner households and other non-working households, the picture is rather different again: the Housing Benefit claimant rate in the former coalfields in November 2016 was a little above the national average though still less than in London and the main regional cities²⁹.

Welfare reform

Since 2010 the Westminster government has implemented cuts in benefit entitlement that have inevitably impacted on individuals and households in the former coalfields. The financial losses arising from the welfare reforms in local areas across the country have been documented by Sheffield Hallam University³⁰. Updated estimates confirm a major financial loss in the former coalfields.

Financial loss arising from welfare reform (£ per working adult per year)			
(local authority data)			
	Pre-2015 reforms (outturn)	Post-2015 reforms (forecast to 2021)	Total
Main regional cities	470	230	700
Former coalfields	470	210	680
London	480	200	680
GB average	430	190	620
South East England	360	150	510

Source: Sheffield Hallam University estimates based on official data

By 2021 the former coalfields are expected to lose an average of £680 a year per adult of working age as a result of the post-2010 reforms. This is more than the national average and much more than in prosperous South East England, illustrating the point that the welfare reforms hit the poorest places hardest. In the South Wales the expected loss is £770 per working age adult per year, in North Staffordshire £740, in Yorkshire and in Durham £730, and in Lancashire £710. In terms of absolute amounts, the expected financial loss in the former coalfields as a whole is an estimated £2.4bn a year.

The financial loss in the coalfields is actually less than first anticipated, partly because some post-2015 reforms have been dropped or modified but in particular because the reforms to incapacity and disability benefits have failed to deliver the reductions in claimant numbers and spending that the UK government expected. On the other hand, the financial losses from welfare reforms fall disproportionately not just on the poorest places but also on the poorest households. In the former coalfields and elsewhere, it is the poor who rely most on welfare benefits.

²⁹ Source: DWP

³⁰ See in particular C Beatty and S Fothergill (2016) *The Uneven Impact of Welfare Reform: the financial losses to places and people*, CRESR, Sheffield Hallam University.

The financial losses from welfare reform have also been taking place alongside reductions in local authority spending and service provision, with some of the largest reductions in former coalfield areas. A report from the Centre for Cities³¹ identified Barnsley, in the former Yorkshire coalfield, as having experienced the biggest cut in local authority spending – 40 per cent in real terms between 2009/10 and 2017/18 – of any urban area in the UK. Neighbouring Doncaster and Wakefield also experienced cuts of 30 per cent.

Housing

Housing tenure in the former coalfields differs only marginally from the national average. Just under two-thirds of households, in the coalfields and nationally, are owner-occupiers. Social housing, rather than private renting, is a little more prevalent in the coalfields though the share in private rented accommodation has been increasing.

	% of dwelling stock, 2017 (local authority data)		
	Owner-occupied	Private rented	Social rented
South East England	69	18	13
Former coalfields	65	14	20
GB average	63	19	18
Main regional cities	52	22	25
London	51	27	23

Sources: MHCLG, ONS

Deprivation

The UK government and the devolved administrations produce highly sophisticated indices of deprivation that combine data covering incomes, employment, health, crime, environment and access to services, to provide estimates right down to neighbourhood level. Unfortunately, the indices were not designed to be comparable between the different parts of the UK. A Cambridge team has however re-worked the data to produce deprivation statistics that allow comparisons across the UK as a whole³². These are the statistics we use here.

The former coalfields generally lack the acute segregation between rich and poor areas that often characterises cities so relatively few coalfield neighbourhoods tend to be among the most deprived 10 per cent across Britain. In the coalfields, poverty and deprivation tends to be more evenly spread across larger areas. The share of neighbourhoods³³ in the worst 30 per cent therefore provides the best guide to the extent of coalfield deprivation.

³¹ Centre for Cities (2019) *Cities Outlook 2019*, Centre for Cities, London.

³² Based on 2015 English IMD, 2012 Scottish IMD and 2014 Welsh IMD

³³ LSOAs in England and Wales and datazones in Scotland

What these figures show is that, taken as a whole, the coalfields are more deprived than the GB average. Overall, 42 per cent of coalfield neighbourhoods are among the most deprived 30 per cent in Britain, just one percentage point down on the equivalent figure for 2010. The proportion of the population in the most deprived 30 per cent of GB neighbourhoods is three times higher in the former coalfields than in South East England.

% of neighbourhoods in most deprived 30% in GB, 2015

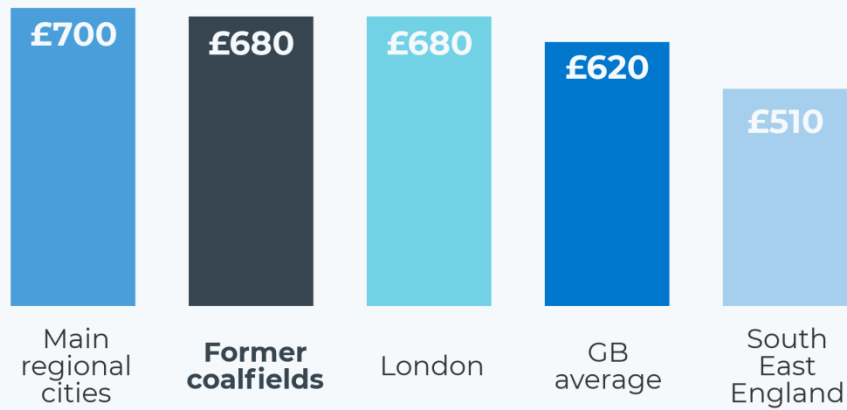
Main regional cities	51
Former coalfields	42
London	39
GB average	30
South East England	14
<i>Individual coalfields</i>	
West Cumbria	57
South Wales	52
Durham	50
N Staffordshire	49
Lancashire	48
Northumberland	46
Yorkshire	43
Ayrshire / Lanarkshire	42
Fife	39
Nottinghamshire	38
N Derbyshire	38
North Wales	33
S Staffordshire	28
N Warwickshire	23
Lothian	19
S Derbys / NW Leics	11
Kent	11

Source: Abel, Barclay and Payne

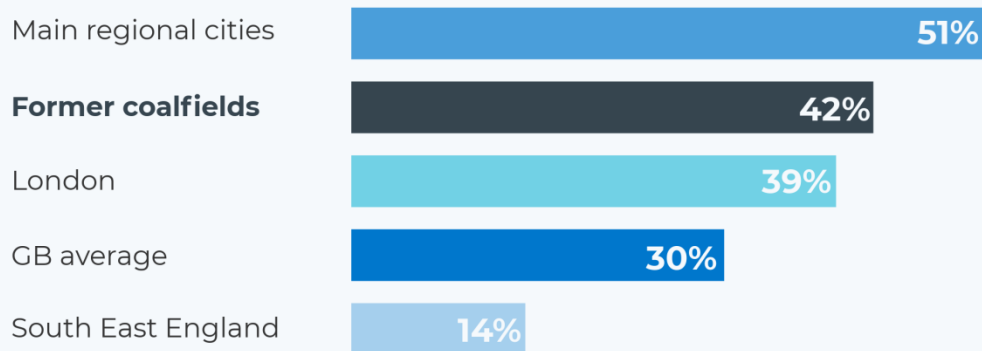
In three former coalfields – West Cumbria, South Wales and Durham – at least half of all coalfield neighbourhoods are deprived on this particular measure.

By contrast there is a group of five smaller coalfields – South Staffordshire, North Warwickshire, Lothian, S Derbyshire/NW Leicestershire and Kent – where on this measure the extent of deprivation is below the national average. Collectively, however, these five coalfields have a population of only 695,000 – less than the South Wales coalfield alone for example – and account for just 12 per cent of the overall coalfield population.

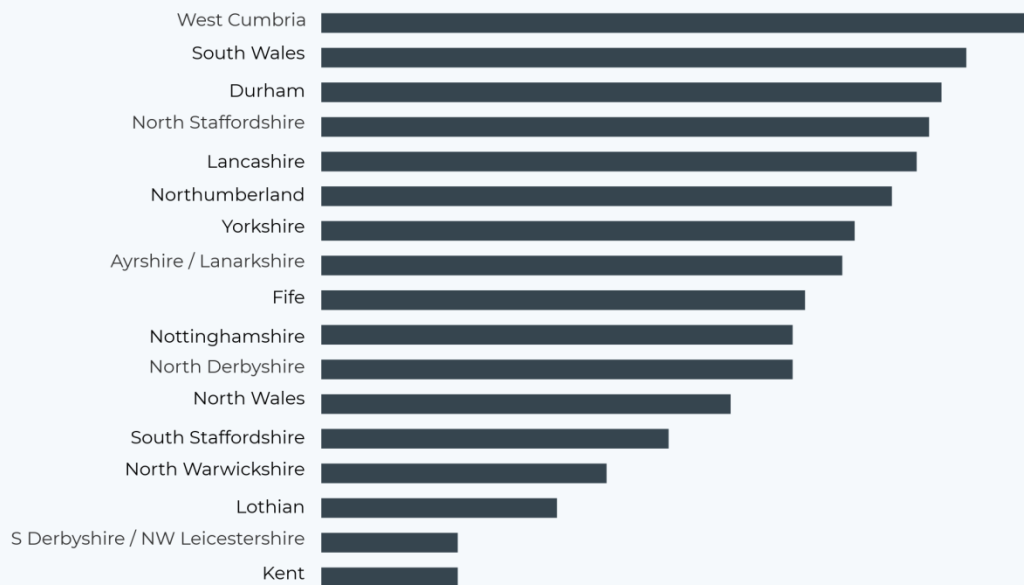
Forecast financial loss arising from welfare reform by 2021 (per working age adult per year)



% of neighbourhoods in most deprived 30% in GB, 2015



% of neighbourhoods in most deprived 30% in GB, 2015, by coalfield



3. ASSESSMENT

In order to assess the statistical evidence on the former coalfields let us return to the strategic questions set out in the introduction and, in the light of the data, try to provide an answer to each in turn.

How do the former coalfields now compare with national averages and with other parts of the country?

There are three dimensions in which the former coalfields clearly lag behind the national average and behind the best parts of the country.

The first of these involves the **weakness of the local economy**. This is evident in the low job density (the ratio between jobs and local residents) and the resulting large scale out-commuting. It is also evident in the below-average stock of private businesses, in below-average earnings, and in an employment rate that lags several percentage points behind once full-time students are taken out of the picture.

The second is in the extent of **economic and social disadvantage**. Official figures point to unemployment in the former coalfields that is now only a little above the national average and well down on previous levels, but this is only part of the picture. The coalfields continue to have very large numbers of men and women out of work on incapacity benefits. The overall out-of-work claimant rate remains high and large numbers of households find it necessary to claim in-work benefits to help make ends meet. Welfare reform is hitting coalfield residents hard, and the overall level of deprivation in the former coalfields is above the national average.

The third is in the extent of **ill health and disability**. Widespread poor health is one of the defining features of the former coalfields and it clearly goes far beyond just ex-miners, who these days are a small and declining share of the population. Life expectancy is below average, the extent of self-reported ill health is above average, and the numbers in receipt of incapacity and disability benefits are far in excess of national averages.

Of course, the former coalfields cannot claim a monopoly on any of these problems. On deprivation, for example, the main regional cities exceed the former coalfields though other statistics, not least on the growth in employment, cast a much more positive light on the cities. What distinguishes the former coalfields is that they lag behind on such a wide range of indicators.

To what extent have the former coalfields benefitted from the national economic upturn and, in particular, are they catching up or falling further behind?

There is no question that the former coalfields have benefitted from the economic upturn. The number of jobs in the coalfields has grown, the employment rate has increased, unemployment has fallen and the numbers on out-of-work benefits have also fallen. Indeed, it would have been remarkable if the former coalfields had not seen any benefit from the upturn.

Whether there has been 'catching up' is less clear. Unemployment has fallen faster than the national average in the coalfields and the employment rate has risen more quickly. These trends are welcome but they are in truth what always happens during economic upturns because there is more scope for reducing unemployment in the places that start off with slack in the labour market than where the economy is already closer to full employment. Whether there has been a permanent shift in the fortunes of the former coalfields relative to other parts of the country is harder to tell.

The growth in the number of jobs in the coalfields presents a contradictory picture. Measured in relation to the stock of jobs, the increase has been reasonably healthy if still slower than in London and the big cities. But measured in relation to the size of the working age population, the job growth in the coalfields has been far less impressive. Indeed, on this particular measure the coalfields are falling further behind.

What role do the former coalfields now play in local, regional and national economies?

The former coalfields occupy a place in the economy that in many respects is at the opposite end of the spectrum to metropolitan Britain.

The coalfields have an older population. They also have far fewer migrants from outside the UK, though the numbers have been growing strongly in recent years. The coalfields have a higher proportion of jobs in manufacturing and fewer in finance, while warehousing has become a major part of the economy in Yorkshire, Lancashire and the Midlands. The workforce in the coalfields is less well qualified than in the cities and more likely to be employed in manual occupations. Despite the demise of the coal industry and myriad structural changes in the national economy, in many respects the former coalfields remain fundamentally working-class communities.

But the former coalfields do not exist in isolation from the places around them and in particular from the big cities. The older, less qualified population in the coalfields reflects the loss of young people to the cities and there is a big net outflow of commuters. At least to some extent, the former coalfields have become places where people live rather than work.

It is perhaps inevitable, in an era when travel-to-work patterns have become so geographically extensive for many people, that the former coalfields have to some extent taken on a dormitory role for nearby cities. However, the scale of the imbalance between the resident population and the stock of jobs suggests that in part the pattern has developed out of necessity, driven by the shortfall in job opportunities in the coalfields themselves. It also has been exacerbated by a national model of economic growth that has continued to fail manufacturing – still a major part of the coalfield economy – and relied instead on the finance and service sectors normally found in cities.

Taking the very long view, it is questionable whether the large-scale commuting out of the former coalfields is environmentally sustainable. The coalfields are not well served by rail networks into the big cities and most commuting tends to be by car. This presents a notable challenge in moving to a lower-carbon economy.

Are there important differences between individual coalfields across the country?

The 2014 *State of the Coalfields* report concluded that on a wide range of socio-economic indicators there was evidence that a group of smaller coalfields were distinctly less disadvantaged than the rest. This group comprised South Staffordshire, North Warwickshire, S Derbyshire / NW Leicestershire, Kent and Lothian. There is little if anything in the more up-to-date statistics presented here to deflect this assessment.

It is important to be clear, however, about what 'less disadvantaged' actually means. Within each of these former coalfields there will still be communities, households and individuals who still face acute disadvantage and just because their disadvantage is masked by more positive figures for the area as a whole does not make it any less serious. Indeed, surrounded by greater prosperity there is a danger that this disadvantage is overlooked and ignored.

The group of five less disadvantaged coalfields nevertheless accounts for only one-in-eight of the total population of the former coalfields. Their recovery probably owes much to the modest scale of job loss from the local coal industry and their proximity to growth and jobs in neighbouring areas. The more positive statistics for these former coalfields also owe something to an influx of more affluent newcomers, often triggered by local housebuilding, resulting in the dilution of the disadvantage recorded in the area as a whole.

In contrast, a number of former coalfields unequivocally continue to display signs of acute disadvantage. The former South Wales coalfield, with a population of three-quarters of a million, is perhaps the clearest example. The South Wales coalfield has an exceptionally low job density, high numbers on out-of-work benefits, poor health, extensive deprivation and has largely been by-passed by the growth in warehousing jobs.

What are the implications of the evidence for the former coalfields' claim on regeneration spending?

The starting point here has to be the *scale* of the coalfields. With a population of 5.7 million (on tightly defined boundaries) the former coalfields of England, Scotland and Wales have a population equivalent to a typical English region, a little more than the whole of Scotland and far more than the whole of Wales.

The point is that if the coalfields had been a 'region' in their own right, all clustered together in one corner of the country, the statistics would probably show the former coalfields to be the most deprived region in the UK. That disadvantage in the former coalfields is dispersed across several regions and nations does not in any way lessen its severity.

There are parallels here with seaside towns, which are similarly dispersed across the UK's regions and nations and in some cases also experience quite high levels of economic and social disadvantage. Collectively, Britain's seaside towns have a population approaching 4 million³⁴ – substantially less than the former coalfields. Seaside towns do however have their own dedicated UK-wide fund – the *Coastal Communities Fund* – paid for by the Treasury, which is not the case at present for the coalfields.

A single fund, however useful or large, nevertheless seems unlikely by itself to deliver the transformational change that is needed in the former coalfields. That there has been forward progress in coalfield regeneration over the years is undeniable and on some fronts – the reclamation of former colliery sites for example – the job is essentially finished. But the underlying weakness of the coalfield economy is still evident in a wide range of statistics and coalfield communities continue to be dogged by deprivation and poor health. On these continuing problems, action and funding across a broad front is still needed for some years to come.

³⁴ C Beatty, S Fothergill and T Gore (2014) *Seaside Towns in the Age of Austerity*, CRESR, Sheffield Hallam University.

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