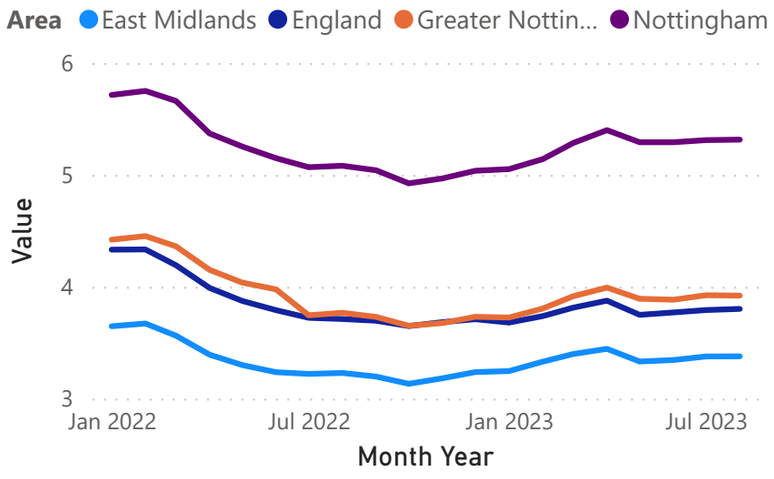
Key Economic Indicators - Labour Market

Unemployment Claimant Count 2022 (of 16-64)

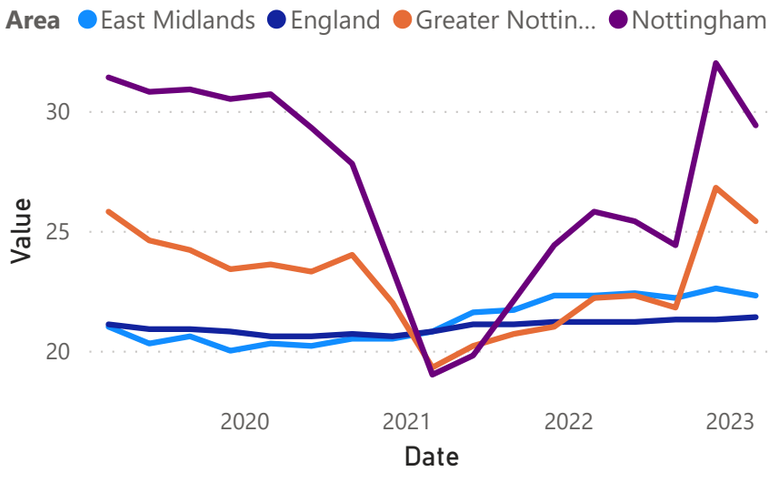


Source: Claimant Count, ONS.

The latest Unemployment Claimant Count shows that Nottingham had 12,510 claimants in August 2023, a rate of 5.3% of the working age population. This is higher than the rate for Greater Nottingham at 3.9%.

All areas saw an increase in claimants in April, which then dipped and has since levelled out.

Economic Inactivity (% of 16-64)

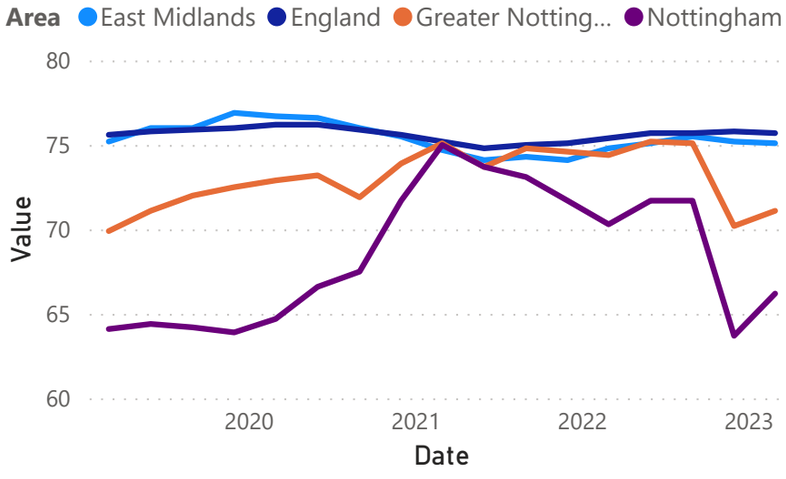


Source: Annual Population Survey, ONS. Confidence Limits apply.

29.4% of working age people in Nottingham are economically inactive, compared to 25.4% in Greater Nottingham and 22.3% and 21.4% regionally and nationally. Nottingham's relatively high rate will be affected by the high number if economically inactive students within the City.

The rate of economically inactive people dropped during the 2019-2021 period, and this is likely to have been affected by a change in methodology for the survey during the COVID pandemic.

Employment Rate (% of 16-64)



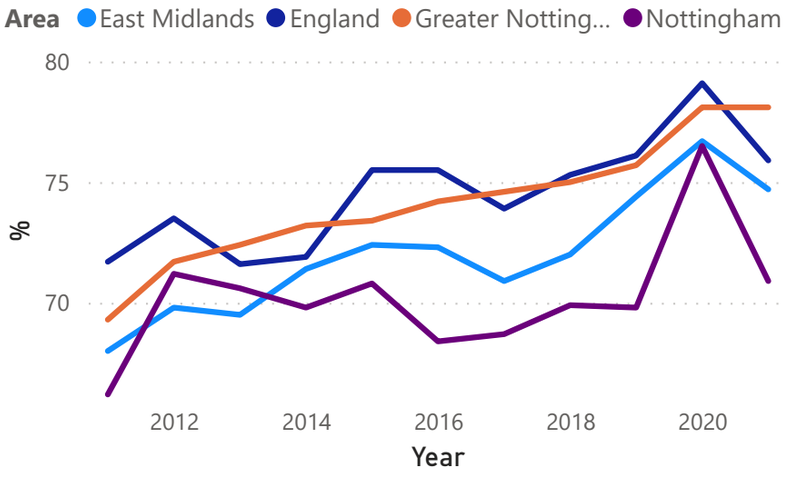
Source: Annual Population Survey, ONS. Confidence Limits apply.

The latest employment rate for Nottingham is 66.2% of the working age population. This is lower than the rates for Greater Nottingham at 71.1% and the regional and national averages. The rate in Nottingham however, will be impacted by the high number if students in the City

The employment rate appears to have increased dramatically between 2019 and 2021, but this is likely to have been affected by the change in methodology for the survey during the COVID pandemic. This may have affected some groups within the sample more than others.

Key Economic Indicators - Qualifications and Earnings

Level 2+ Qualifications (% of 16-64)

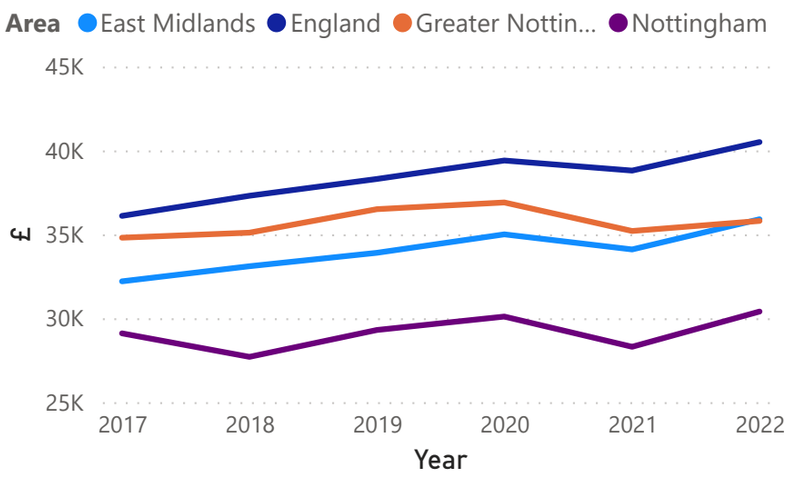


Source: Annual Population Survey, ONS. Confidence Limits apply.

Nottingham has a lower rate of people with level 2 or above qualifications than the other areas at 70.9% of the working age population. Greater Nottingham has a higher rate than the other areas at 78.1%.

All areas have seen a decrease in the % with level 2 or above in the last year, following large increases the previous year. This is likely to be due to the change in methodology in the survey during the COVID pandemic which may have affected certain groups within the sample.

Mean annual full time earnings (£) - Residence

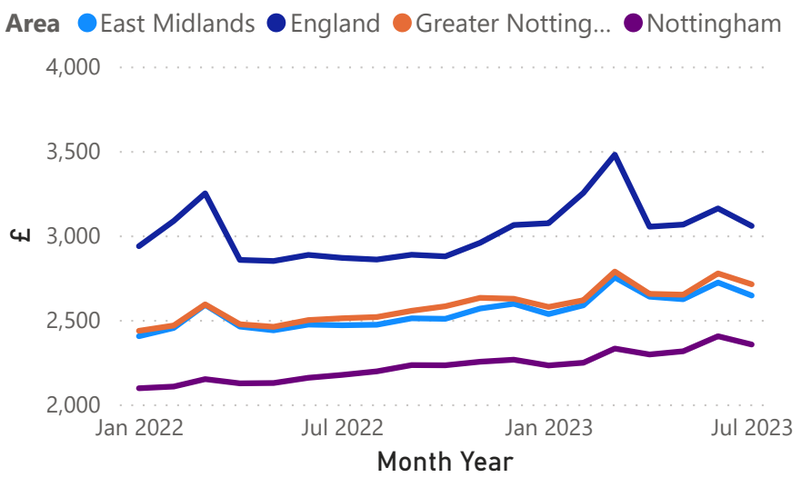


Source: Annual Survey of Hours and Earnings , ONS.

Mean annual full time earnings for Nottingham residents were £30,400 in 2022, over £5,000 lower than the surrounding Greater Nottingham area.

Workplace based earnings - which include people who travel into the City for work, but live elsewhere - are more comparable with the other areas, and were £34,800 in 2022.

Mean pay for payrolled employees (£)



Source: PAYE RTI data, HMRC

All areas have seen continued increases in mean pay for payrolled employees in 2023, to £2,138. This is a 9% increase on the previous year, higher than the increases seen in the other areas.

Median pay (the value in the middle if all salaries were ranked smallest to largest) for payrolled employees in Nottingham was lower, at £1,924, suggesting there are some high salaries within the area that have increased the mean value.

Key Indicators - Jobs

Number of Jobs

Area	2015	2016	2017	2018	2019	2020	2021
East Midlands	2010000	2062000	2062000	2070000	2089000	2049000	2121000
England	25044000	25477000	25829000	25946000	26302000	25793000	26601000
Greater Nottingham	331000	336000	317000	315000	315000	310000	321000
Nottingham	216000	219000	197000	196000	197000	194000	200000

In 2021, there were 200,000 jobs in Nottingham City and 321,000 in Greater Nottingham.

Both figures were increases on 2020 which had seen a drop due to the COVID pandemic.

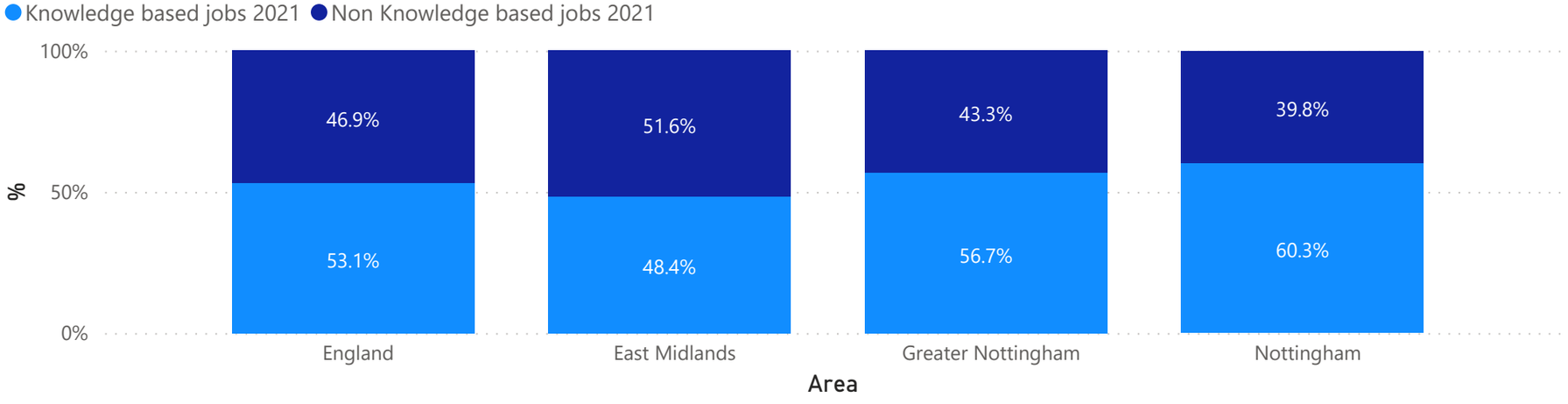
Knowledge Based Jobs

Area	2015	2016	2017	2018	2019	2020	2021
East Midlands	952000	971000	989000	982000	978000	988000	1026000
England	13084000	13353000	13526000	13492000	13631000	13542000	14115000
Greater Nottingham	187000	190500	172000	169000	172000	177000	182000
Nottingham	132500	134000	112500	109750	114500	117500	120500

Knowledge Intensive industries are generally defined as jobs in medium and high tech manufacturing and knowledge intensive service sectors. These sectors area expected to form a key source of jobs in the future.

In 2021,Nottingham had the highest proportion of Knowledge Intensive jobs of all the areas - at 60.3%. The Greater Nottingham area also had a higher proportion than regionally and nationally.

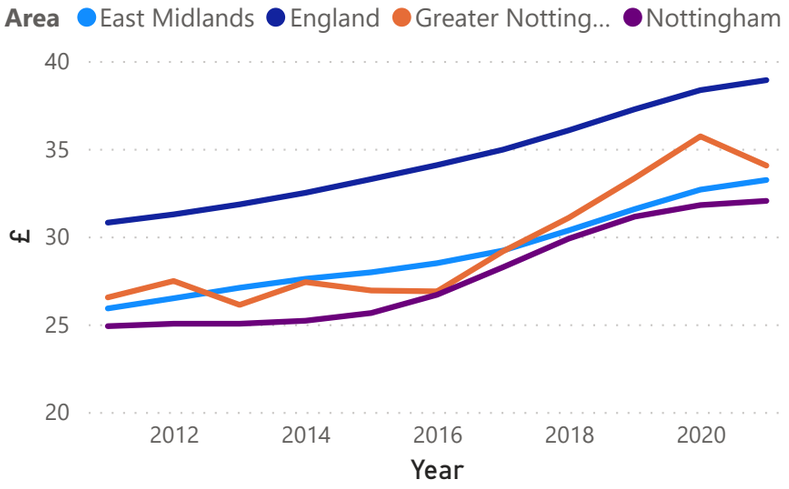
% of Knowledge Based Jobs by Area, 2021



Source: Business Register and Employment Survey, Office for National Statistics

Key Indicators - Economy

Gross Value Added per hour worked (£)



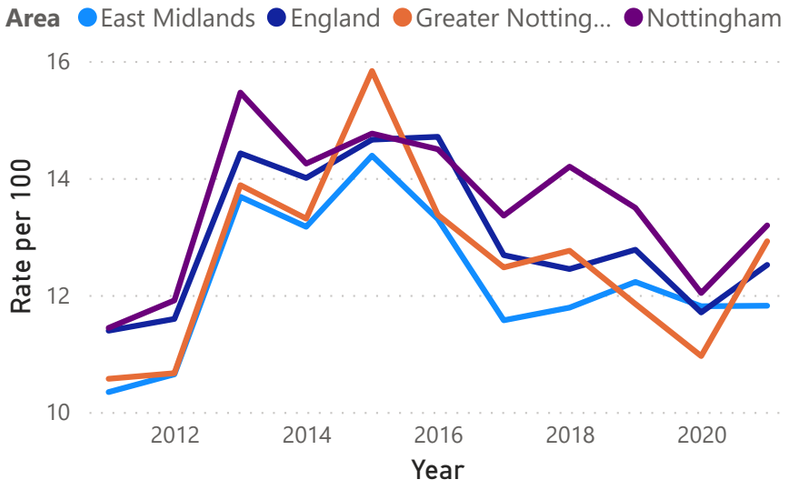
Source: Regional gross value added (balanced), ONS.

GVA figures area a measure of an area's economic activity.

Greater Nottingham's economy grew from £16.6 billion in 2020 to £17.9 billion in 2021.
Nottingham City accounts for 60% of Greater Nottingham's GVA.

GVA per hour worked was £32.03 in Nottingham in 2021, and £34.04 in Greater Nottingham. Both figures are lower than the national average - although this will be skewed by London.

Start ups per 100 Active Enterprises



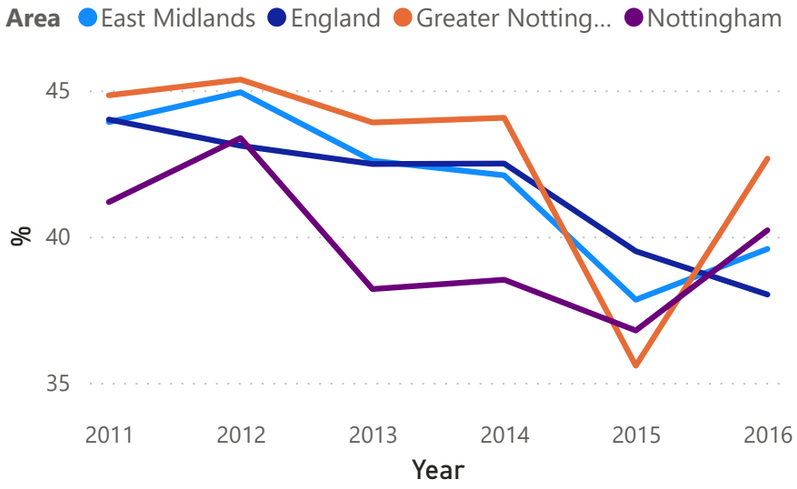
Source: Business Demography, ONS.

Nottingham and Greater Nottingham have a higher rate of start ups than the regional and national rates.

Nottingham saw 1,350 new businesses in 2021, a rate of 13.2 per 100 active enterprises. Greater Nottingham had a rate of 12.9, above the rate for England of 12.5.

All areas saw an increased rate following a fall during the COVID pandemic.

5 year survival rate for start ups founded in year



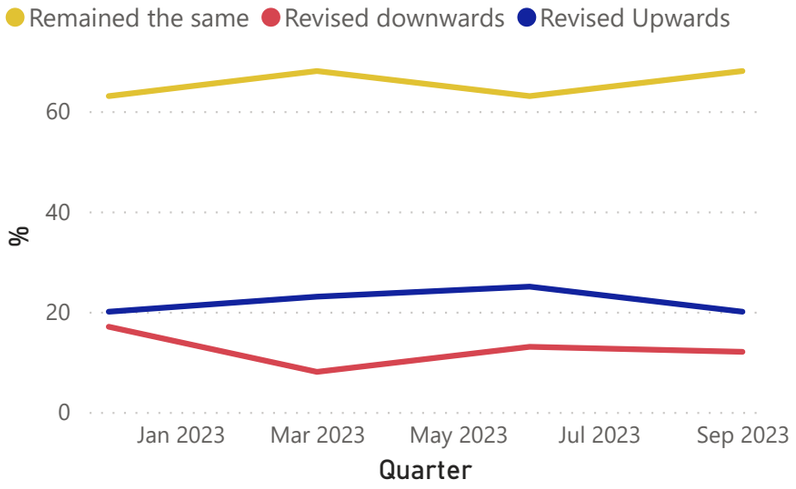
Source: Business Demography, ONS.

Nottingham and Greater Nottingham have higher 5 year survival rates for businesses, with 40.2% of Nottingham start ups and 42.7% of Greater Nottingham start ups from 2016 surviving in 2020.

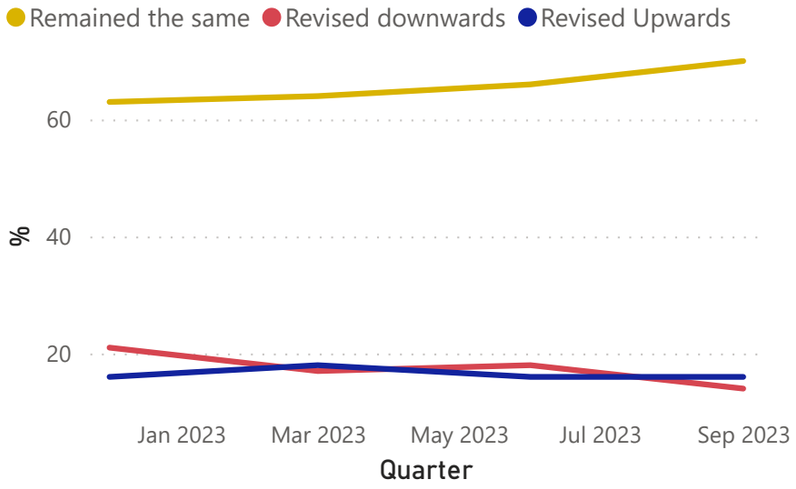
5 year survival rates locally and nationally dipped for businesses started in 2015 and this is likely to have been affected by the COVID pandemic.

East Midlands Chamber - Investment Intentions and Business Confidence

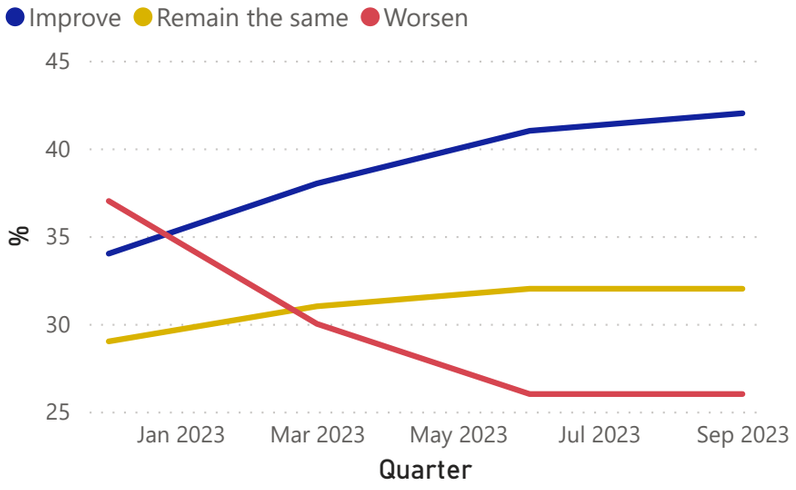
Changes to investment in training



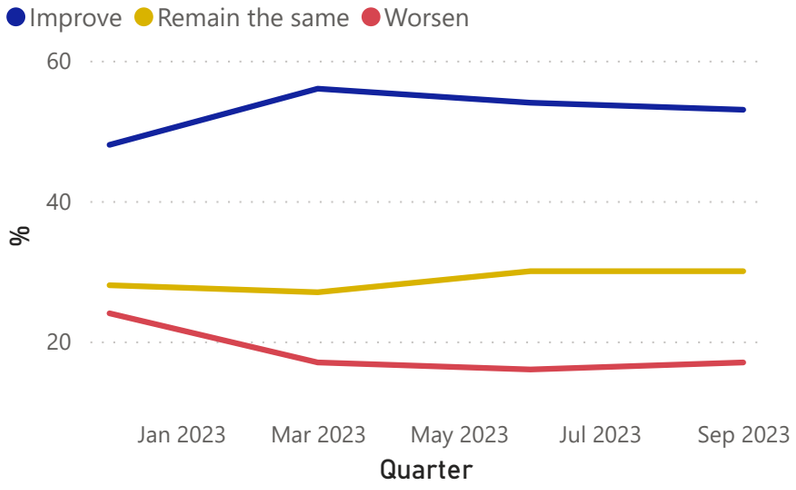
Changes to investment in plant/machinery/equipment



Expectation of profitability over next 12 months



Expectation of turnover over next 12 months



Source: East Midlands Chamber Quarterly Business Survey - based on 296 Responses. Confidence Limits apply

The charts on this page are taken from the Quarterly Economic Survey undertaken by the East Midlands Chamber in Quarter 3 2023. The results are based on responses from 296 businesses across the region.

Alongside other questions, the survey asks businesses about changes to investment plans for machinery or training; and confidence in turnover and profitability:

There was a small increase in businesses increasing their intentions to invest in machinery or equipment but this was offset by a reduction in those looking to spend more in training.

Overall confidence in turnover and profit growth was subdued.

In terms of the main issues of concern to businesses in Quarter 3 2023, inflation tops the list as being more of a concern than 3 months ago, with 161 responses. Interest rates (135 responses) and Access to skilled labour (93) are the next most pressing concerns.

The picture is similar in the D2N2 area - with the top business concerns being the same as for the wider region in Quarter 3 2023.

Economic Outlook

The latest forecasts for the UK economy suggest some positives although it is expected that any growth is likely to be minimal.

Earlier this year, the forecast for GDP was less than 0% growth. It has now improved slightly to 0.3%.

Headline CPI (the average of a large number of goods and services) has fallen from a peak of 11.1% in late 2022, to 6.7% in the year to July 2023. This is mostly due to falling energy prices, which could increase again - impacting headline CPI in future months.

Core CPI inflation, which strips out the more volatile components of food and fuel, stands at 6.9% and has leveled off in recent months and fallen in the last month - with the expectation it will fall further. This is positive news for consumer facing businesses.

Consumers are reporting improvements in personal finances following a recent dip, which could be due to an increase in real incomes as inflation falls. Consumers also appear to be less concerned about the cost of living - with fewer reporting that their cost of living had increased in the last month. These could result in increased consumer spending in the coming months.

Job vacancies have fallen from a high last spring, but the labour supply, including those who are unemployed as well as those who are not looking for work, has stayed static since the increases in inactivity seen during and since the pandemic. This tightness in the labour market means that any increases in unemployment in the coming months may be minimal.

Metadata

Sources, caveats and further information:

Unemployment Claimant Count: Office for National Statistics. For more information see the **Unemployment in Nottingham** note and **Ward Unemployment Dashboard** at the following link: https://www.nottinghaminsight.org.uk/Document-Library/Document-Library/aAXMagv

Economic Inactivity: Annual Population Survey, Office for National Statistics. Confidence limits apply to the figures - so the true figure is plus or minus 3.8% at the City level.

Employment Rate: Annual Population Survey, Office for National Statistics. Confidence limits apply to the figures - so the true City figure is plus or minus 3.9%.

Level 2+ Qualifications: Annual Population Survey, Office for National Statistics. Confidence limits apply to the figures - so the true City figure is plus or minus 6%.

Mean annual earnings: Annual Survey of Hours and Earnings, Office for National Statistics. Confidence limits apply to the figures - so the true City figure is plus or minus 5% For more information see the **Annual Survey of Hours and Earnings note** at the following link: https://www.nottinghaminisght.org.uk/Document-Library/Document-Library/aAXE8QC

Mean pay: Real Time Information (RTI) System, HMRC. For more information see the **Employees and Pay in Nottingham** note at the link below: https://www.nottinghaminsight.org.uk/Document-Linrary/Document-Library/aAXE8QC

Jobs and Knowledge Intensive jobs: Business Register and Employment Survey, Office for National Statistics. For more information see the **Greater Nottingham Jobs Report** at the following link: https://www.nottinghaminsight.org.uk/Document-Library/Document-Library/aAXE5Yc

Gross Value Added: Regional Gross Value Added - by hour worked, Office for National Statistics. For more information, please see the **GVA in Nottingham** note at the following link: https://www.nottinghaminsight.org.uk/Document-Library/Document-Library/aAXEOL7

Business Start Ups / Registrations: Business Demography, Office for National Statistics. For more information see the **Business Demography in Nottingham** note at the following link: https://www.nottinghaminsight.org.uk/Document-Library/Document-Library/aAXE7Kk

Business Survival: Business Demography, Office for National Statistics.