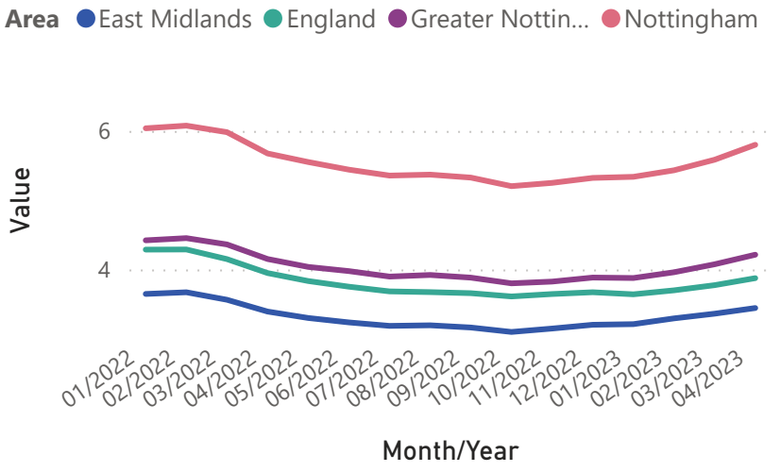
Key Economic Indicators - Labour Market

Unemployment Claimant Count 2022 (of 16-64)

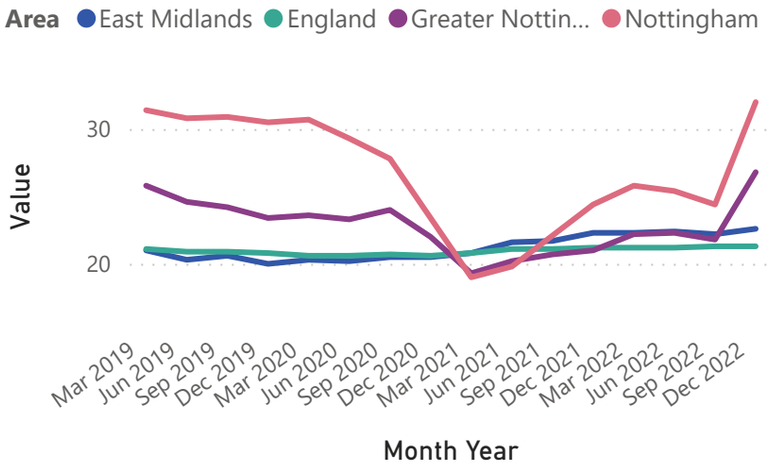


Source: Claimant Count, ONS.

The latest Unemployment Claimant Count shows that Nottingham had 12,695 claimants in May 2023, a rate of 5.4% of the working age population. This is higher than the rate for Greater Nottingham at 4.0%.

There has been an increase in claimants in the past year locally, but a slight decrease nationally.

Economic Inactivity (% of 16-64)

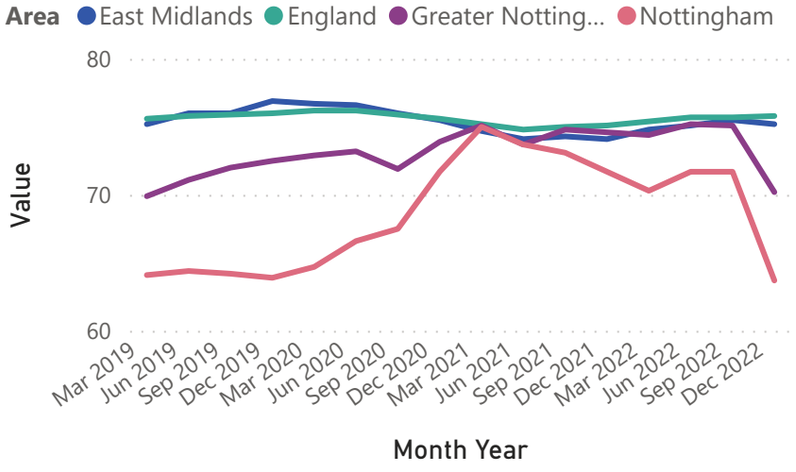


Source: Annual Population Survey, ONS. Confidence Limits apply.

32.0% of working age people in Nottingham are economically inactive, compared to 26.8% in Greater Nottingham and 22.6% and 21.3% 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)



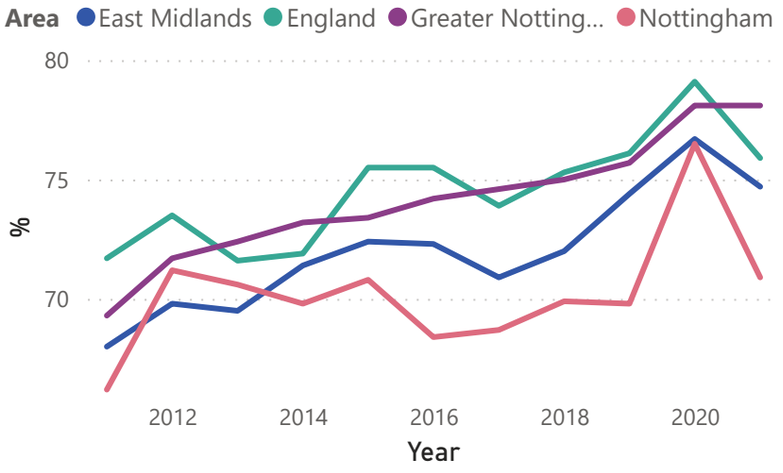
Source: Annual Population Survey, ONS. Confidence Limits apply.

The latest employment rate for Nottingham is 63.7% of the working age population. This is lower than the rates for Greater Nottingham at 70.2 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)

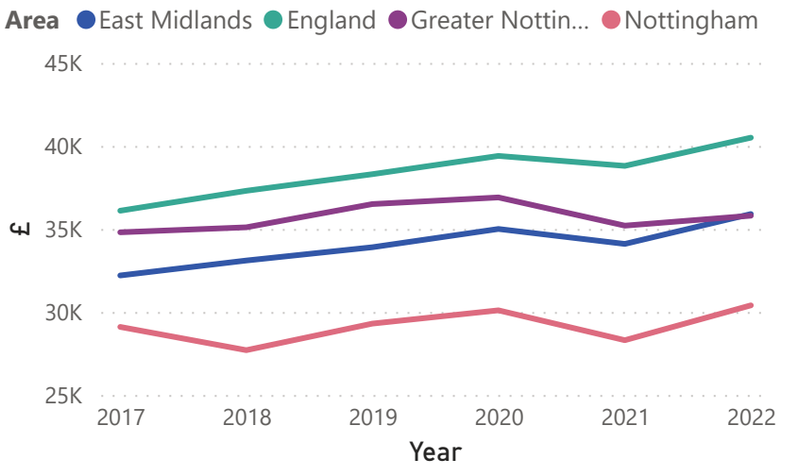


Source: Annual Population Survey, ONS. Confidence Limits apply.

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

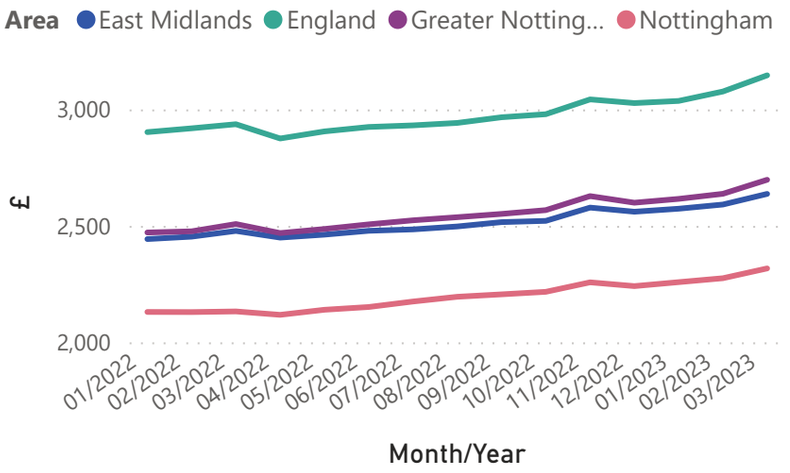


Source: Annual Survey of Hours and Earnings , ONS.

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.

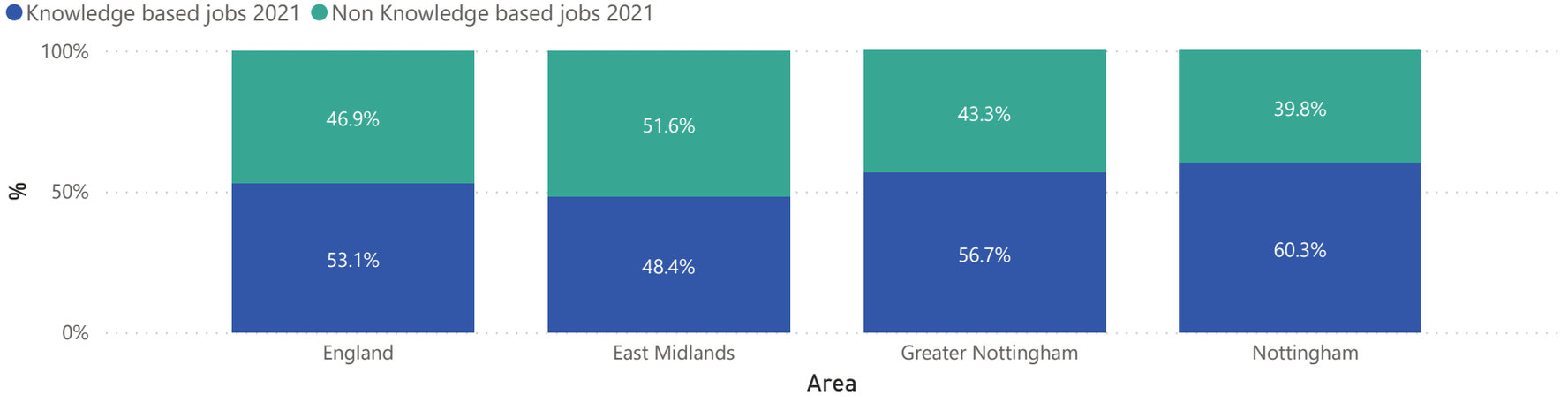
Knowledge Based Jobs

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.

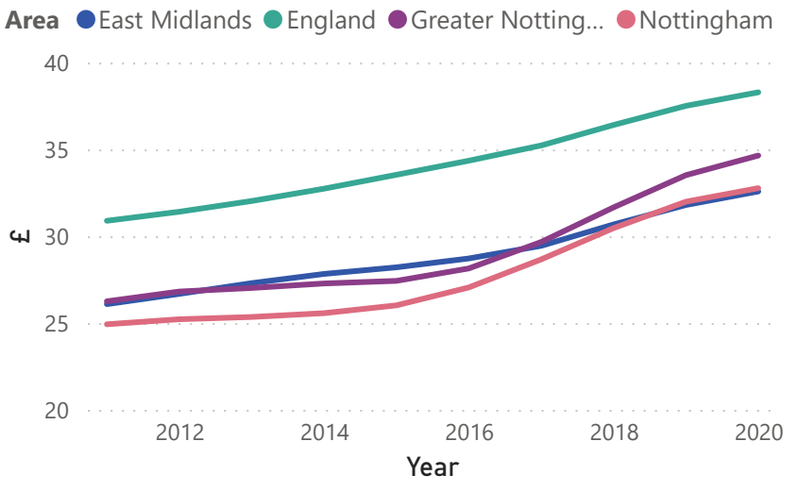
% of Knowledge Based Jobs by Area, 2021



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

Key Indicators - Economy

Gross Value Added per hour worked (£)



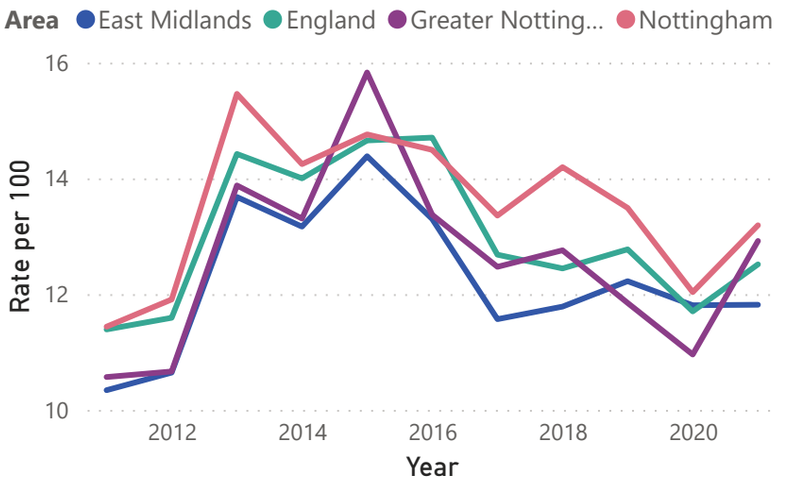
Source: Regional gross value added (balanced), ONS.

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 £34.65 in Greater Nottingham in 2020, and £32.77. Both figures are higher than the regional average, but lower than the national average - although this will be skewed by London.

Start ups per 100 Active Enterprises



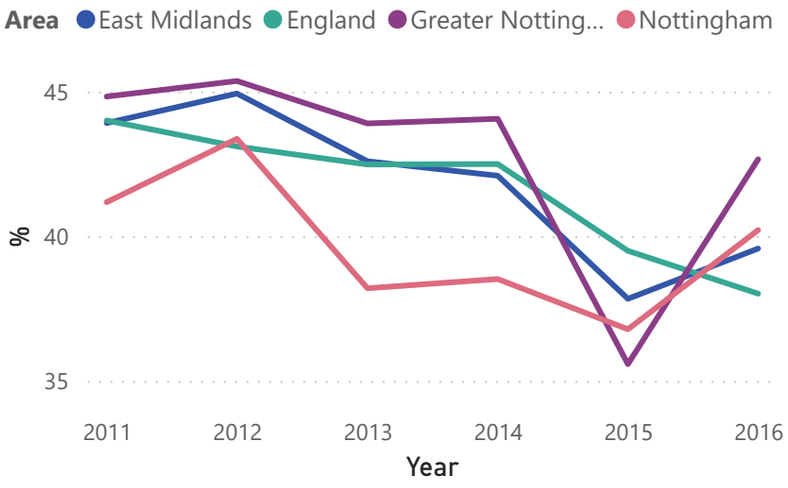
Source: Business Demography, ONS.

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.

Economic Outlook

The macroeconomic climate has improved since summer last year. The UK economy is starting to turn a corner, albeit very slowly. Economic performance of late has been more resilient than expected and despite significant challenges in the latter half of 2022, most economic commentators are now slightly more optimistic about future prospects than six months ago and expect the economy to return to expansion in the coming months.

Across a range of indicators, the economy's performance in 2023 so far has largely beaten expectations. GDP saw a healthy rise in January, retail sales have rebounded, and tax receipts have come in stronger than anticipated. Job creation has continued at a solid pace, and consumer confidence has picked up and wholesale energy prices have continued to decline.

Three key factors have contributed to the improved economic outlook for the UK: sustainably lower natural gas spot and future prices, a stronger sterling and the better-than-expected managed re-opening of the Chinese economy coupled with EU growth.

Although economic growth is likely to be fairly subdued in the first half of 2023, the outlook is set to improve from summer onwards as the fall in wholesale energy prices helps push down inflation and lessen the squeeze on households, while the fiscal loosening from the Spring budget should start to take effect. However, UK economic performance continues to lag behind G7 competitors and is expected to continue to do so.

The economic outlook is still subject to some big uncertainties though. Domestically, these include whether recent signs of economic inactivity (reversing some of the pandemic-era rises) will persist and the extent to which households continue to draw on 'excess' savings to support spending. With job creation remaining reasonably solid, there may be a modest rise in unemployment, creating less of a disincentive for the currently inactive to enter the workforce, whist improved sentiment should leave consumers more confident about spending rather than saving but this is by no means certain.

The outlook for house prices divides opinion. Some commentators continue to expect a sustained fall in house prices while others are far more optimistic. We should expect significant regional and local differences.

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.