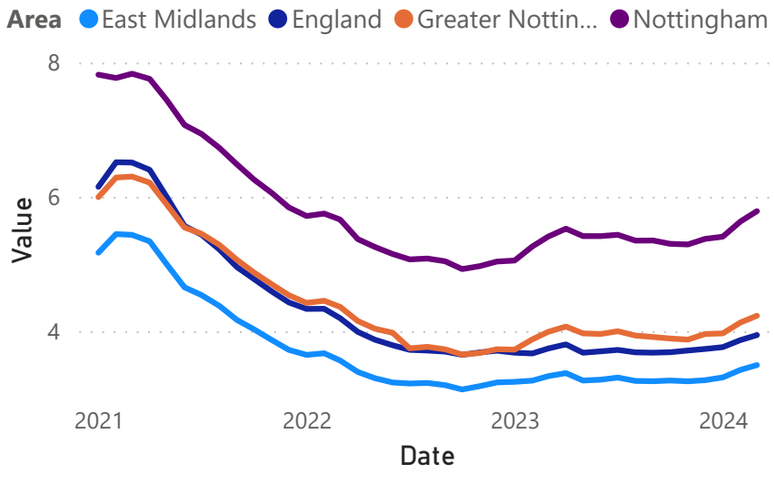
Key Economic Indicators - Labour Market

Unemployment Claimant Count (% of 16-64)

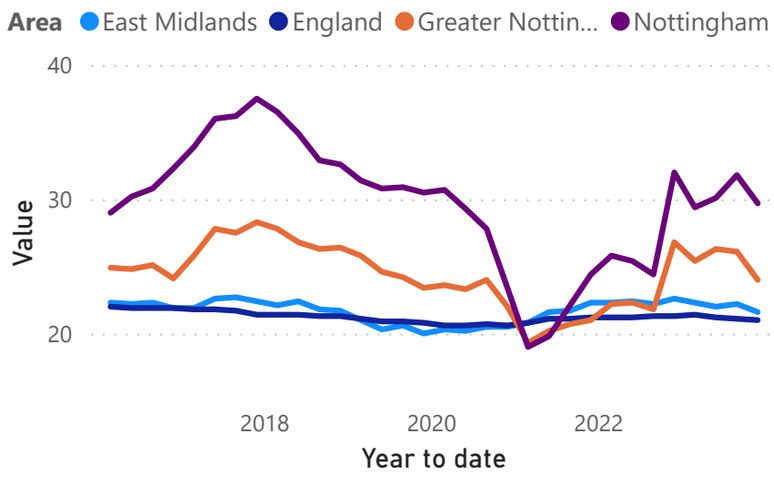


Source: Claimant Count, ONS.

The latest Unemployment Claimant Count shows that Nottingham had 13,310 claimants in March 2024, a rate of 5.8% of the working age population. This is higher than the rate for Greater Nottingham at 4.2%.

All areas saw increases in claimants of between 1.9% and 2.7% in the last month, following relatively static rates during 2023.

Economic Inactivity (% of 16-64)

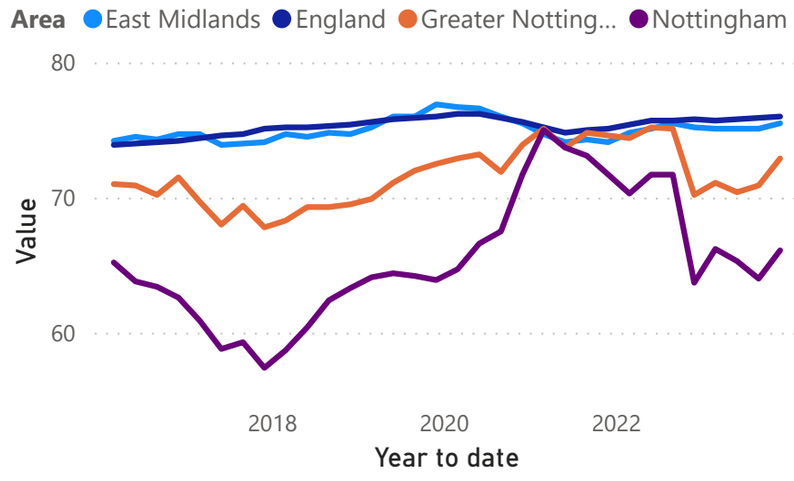


Source: Annual Population Survey, ONS. Confidence Limits apply.

29.7% of working age people in Nottingham are economically inactive, compared to 24.0% in Greater Nottingham and 21.6% and 21.0% regionally and nationally. Nottingham's relatively high rate will be affected by the high number of 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)



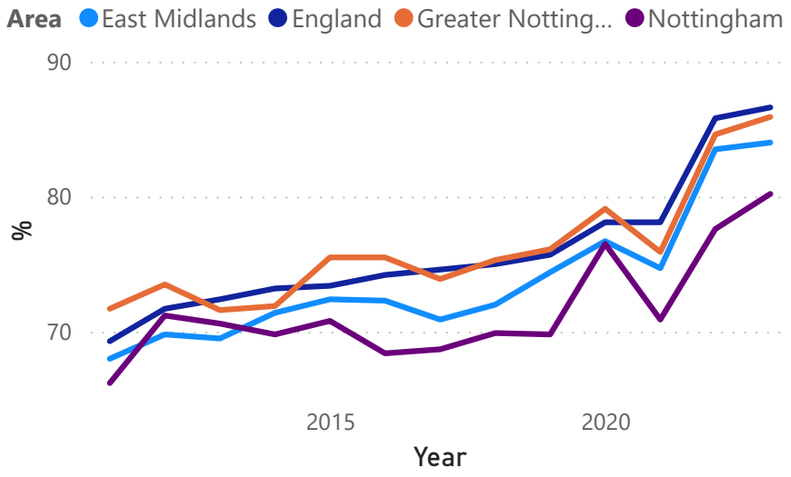
Source: Annual Population Survey, ONS. Confidence Limits apply.

The latest employment rate for Nottingham is 66.1% of the working age population. This is lower than the rates for Greater Nottingham at 72.9% and the regional and national averages. The rate in Nottingham however, will be impacted by the high number of 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)



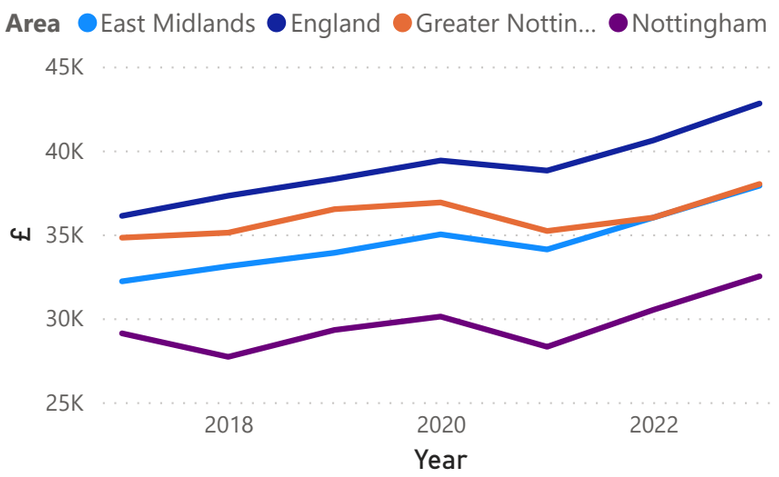
Source: Annual Population Survey, ONS. Confidence Limits apply.

The definition of Level 2 has now changed from NVQ Level 2 to RQF Level 2 - so the 2022 and 2023 figures are not completely comparable with previous years.

Nottingham has a lower rate of people with level 2 or above qualifications than the other areas at 80.2% of the working age population. Greater Nottingham has a similar rate to England at 85.9%.

Note that the decreases seen in 2021 are 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



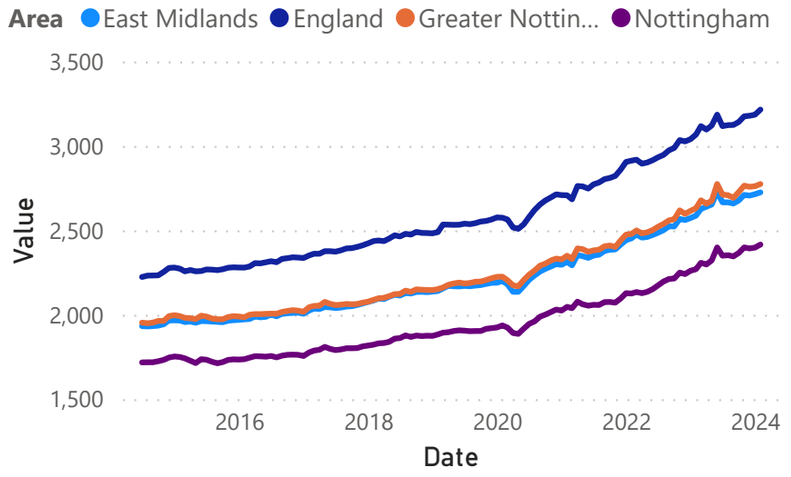
Source: Annual Survey of Hours and Earnings , ONS.

Mean annual full time earnings for Nottingham residents were £32,500 in 2023, over £5,000 lower than for residents in 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 £36,400 in 2023.

All comparator areas have seen increases in earnings in the past two years, as wage inflation has increased salaries across the country.

Mean pay for payrolled employees (£)



Source: PAYE RTI data, HMRC

All areas have seen increases in mean pay for payrolled employees in February 2024 . Nottingham has seen a 6.5% increase on the previous year, to £2,416, higher than the increases seen in the other comparator areas.

Median pay (the value in the middle if all salaries were ranked smallest to largest) for payrolled employees in Nottingham was lower, at £2,049 in February 2024, suggesting that some high salaries within the area have increased the mean value.

Key Indicators - Jobs

Number of Jobs

Area	2015	2016	2017	2018	2019	2020	2021	2022
Nottingham	216000	219000	197000	196000	197000	194000	201000	206000
Greater Nottingham	331000	336000	317000	315000	315000	310000	321000	335000
England	25044000	25477000	25829000	25946000	26302000	25793000	26526000	27153000
East Midlands	2010000	2062000	2062000	2070000	2089000	2049000	2109000	2164000

In 2022, there were 206,000 jobs in Nottingham City and 335,000 in Greater Nottingham.

All areas have continued to increase since the decreases seen in 2020 due to the COVID pandemic.

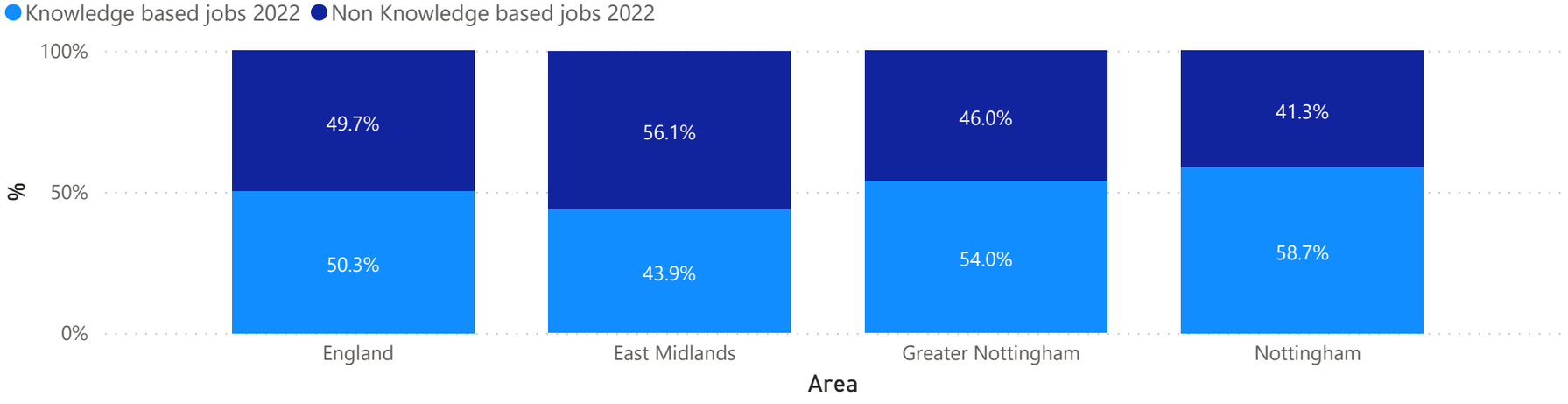
Knowledge Based Jobs

Area	2015	2016	2017	2018	2019	2020	2021	2022
Nottingham	131000	133000	111000	108000	113000	115000	119000	121000
Greater Nottingham	182000	186000	166000	163000	167000	170000	176000	181000
England	12405000	12678000	12829000	12804000	12945000	12874000	13416000	13654000
East Midlands	879000	902000	911000	903000	909000	907000	950000	951000

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 2022,Nottingham had the highest proportion of Knowledge Intensive jobs of all the areas - at 58.7%. The Greater Nottingham area also had a higher proportion than regionally and nationally.

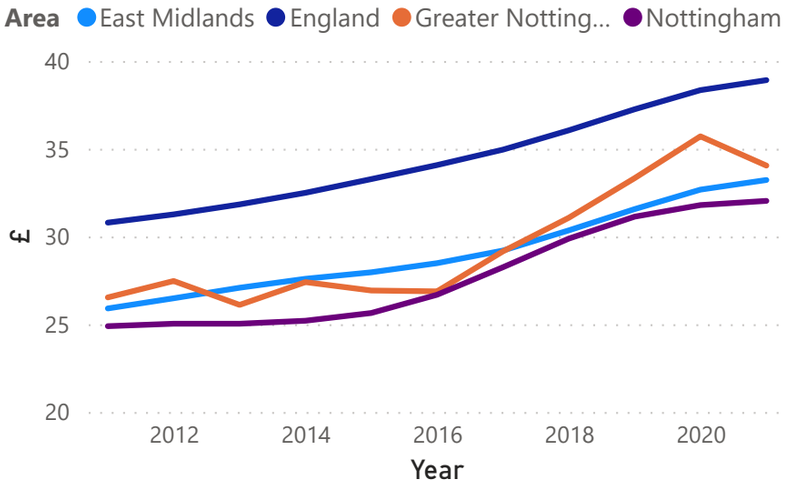
% of Knowledge Based Jobs by Area, 2022



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

Key Indicators - Economy

Gross Value Added per hour worked (£)



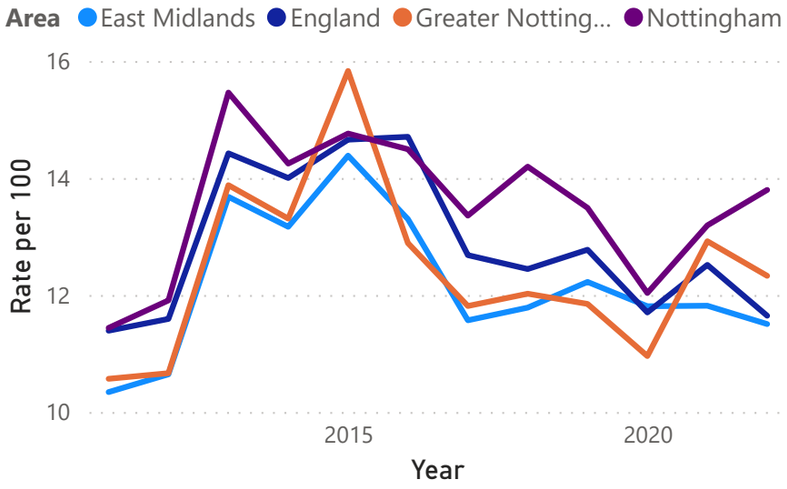
Source: Regional gross value added (balanced), ONS.

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 higher productivity in London.

Start ups per 100 Active Enterprises



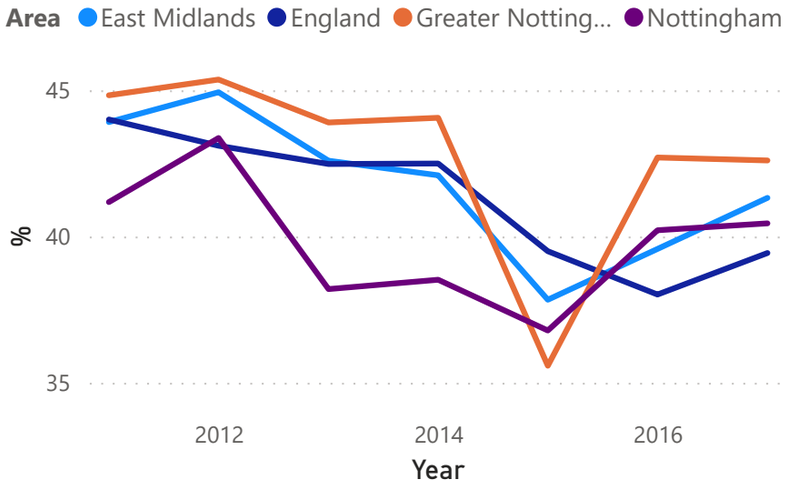
Source: Business Demography, ONS.

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

Nottingham saw 1,450 new businesses in 2022, a rate of 13.8 per 100 active enterprises. Greater Nottingham had a rate of 12.3, above the rate for England of 11.6.

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

5 year survival rate for start ups founded in year



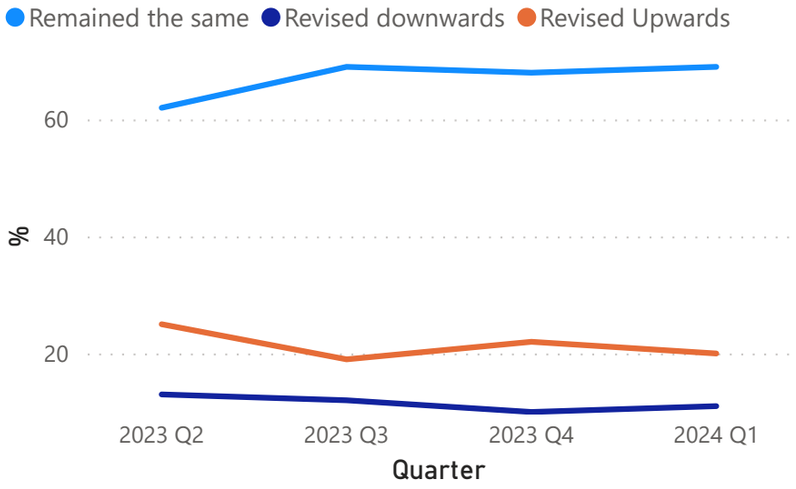
Source: Business Demography, ONS.

Nottingham and Greater Nottingham have higher 5 year survival rates for businesses, with 40.4% of Nottingham start ups and 42.6% of Greater Nottingham businesses registering in 2017 surviving in 2022.

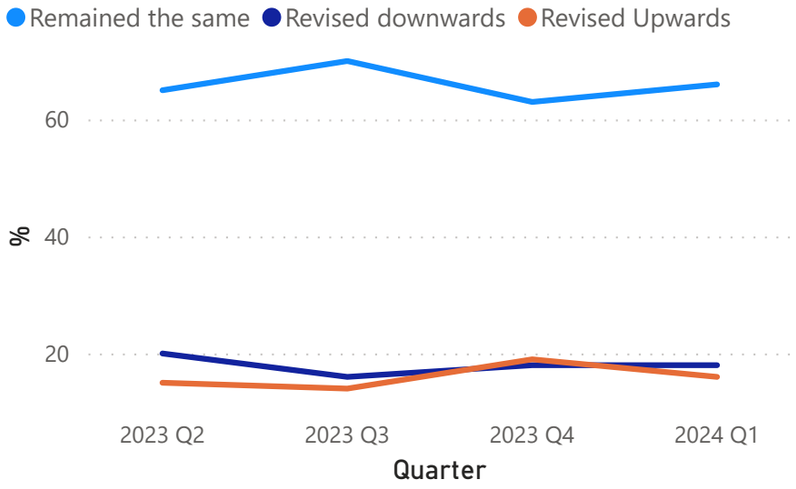
5 year survival rates locally and nationally dipped for businesses started in 2015 and this is likely to have been affected by the COVID pandemic.

East Midlands Chamber - Investment Intentions and Business Confidence

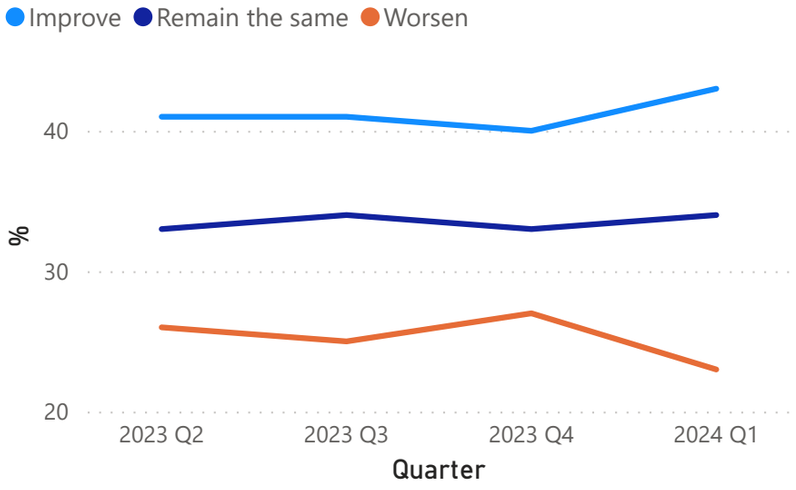
Changes to investment in training



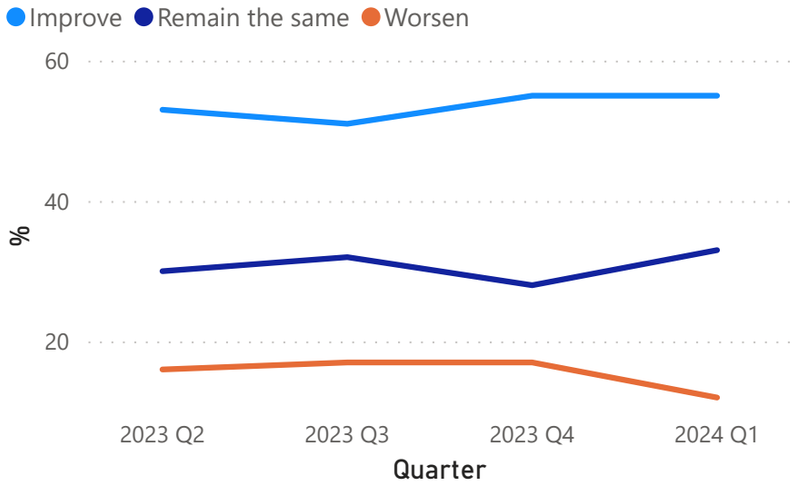
Changes to investment in plant/machinery/equipment



Expectation of profitability over next 12 months



Expectation of turnover over next 12 months



Source: East Midlands Chamber Quarterly Business Survey - based on 218 Responses. Confidence Limits apply

The charts on this page are taken from the Quarterly Economic Survey undertaken by the East Midlands Chamber in Quarter 1 2024. The results are based on responses from 218 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 and the percentage of businesses looking to spend more in training remained static

There was an increase in businesses anticipating improved profits, with a corresponding decrease in those expecting worsening profitability. The percentage of business anticipating an improvement in turnover remained static, although there was a decrease in those anticipating worsening turnover.

In terms of the main issues of concern to businesses in Quarter 1 2024, inflation tops the list as being more of a concern than 3 months ago, with 101 responses. Access to skilled labour (64) and competition (60 responses) are the next most pressing concerns.

Economic Outlook

The UK economy slowed throughout 2023 and remained relatively flat in January and February 2024 - with GDP growth of 0.3% and 0.1%. Services output grew by 0.2% in the three months to February 2024 compared to the previous three months, Production output grew by 0.7%, and construction output fell by 1.0% over the same period. Forecasters suggests there may be further, modest growth in GDP this year.

Inflation has fallen to 3.2% in the most recent figures, down from a peak of 11.1% in late 2022, with expectations of further drops in coming months. The main contributor to the lower rate of CPI was food, which saw prices rising by less than a year ago, but fuel costs rose slightly compared to a fall last year. Interest rates are likely to remain high until inflation falls further towards the target of 2%, meaning borrowing costs will stay high.

Pay growth has been high in recent months, but high inflation has meant real incomes have not risen. Recent falls in inflation mean that real incomes are now higher, although pay growth has now slowed.

Forecasters anticipate a slight rise in unemployment over the next year, as the 'tight' labour market (high vacancy levels) loosens, and as some economically inactive people return to looking for work.

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.