State of the Nottinghamshire Economy

Economic Development Committee

4th Sept 2012

Nottinghamshire County Council

Introduction

- Overview of economic indicators for Nottinghamshire

- Focus on drivers of growth:

  - Economic structure and business population
  - Infrastructure and investment potential
  - Labour and skills

- Health warning: some official stats come with a significant time lag

Business perspectives – Chamber

- 57% of respondents feel that the economy is currently in recession.
- UK and export sales for Q3 were down.
- Orders and advance bookings were down.
- 25% of firms increased the size of their workforce.
- 45% are planning to recruit in Q3 - the highest level since March 2008.

Derbyshire and Nottinghamshire Chamber of Commerce (DNCC) quarterly survey (Q2 March - June 2012)

Business perspectives - FSB

- Big banks have renewed their lending squeeze: four in 10 small firms applying for credit are refused

- A 10th consecutive quarter of job cutbacks with a net balance of 3.9% of respondents announcing layoffs

- Confidence among Britain's small businesses and entrepreneurs has fallen in every industry sector except those working in health and motor services

- Despite pressures, confidence just remains in positive territory at +1.3, down 0.9 points

Source: Federation of Small Businesses (FSB) “Voice of Small Business' Index” – national quarterly survey of confidence among UK small business (press release: 18.6.12)

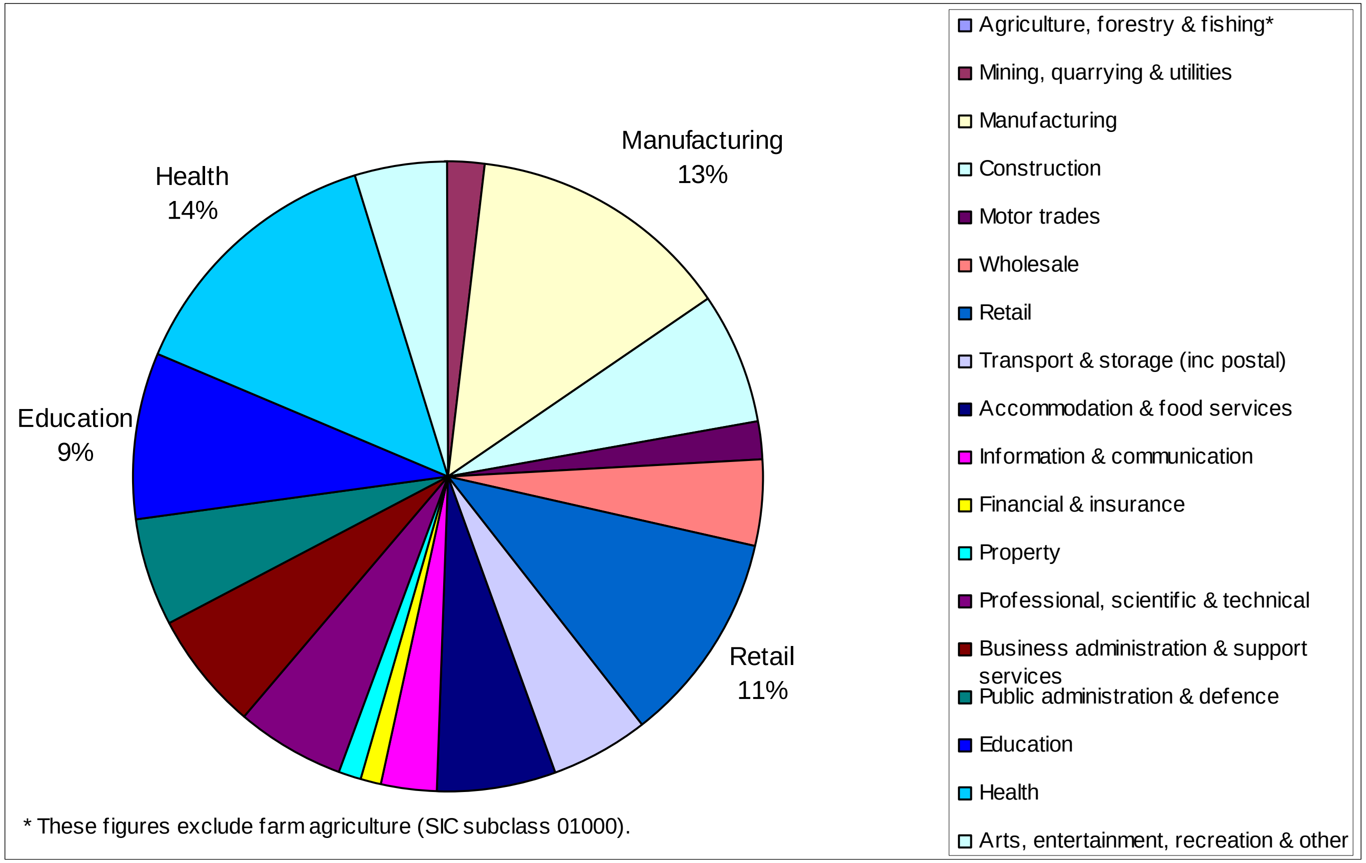
Population and economic activity

The population in 2011 was 785,800. This is an increase of 37,300 from 2001 (+5%).

Working age population = 16-64.

Area	Working age population March 2012	% economically active	% in work
Ashfield	55,200	75.3	64.4
Bassetlaw	53,600	75.9	69.9
Broxtowe	57,900	77.2	71.5
Gedling	57,600	80.0	76.5
Mansfield	44,800	72.1	63.7
Newark and Sherwood	55,100	78.0	73.2
Rushcliffe	57,400	78.8	76.0
County	**381,600**	**76.9**	**70.9**
East Midlands	2,229,800	77.5	71.2
United Kingdom	30,678,600	76.4	70.1

Industrial structure



Source: Business register and employment survey

Public/private sector employment

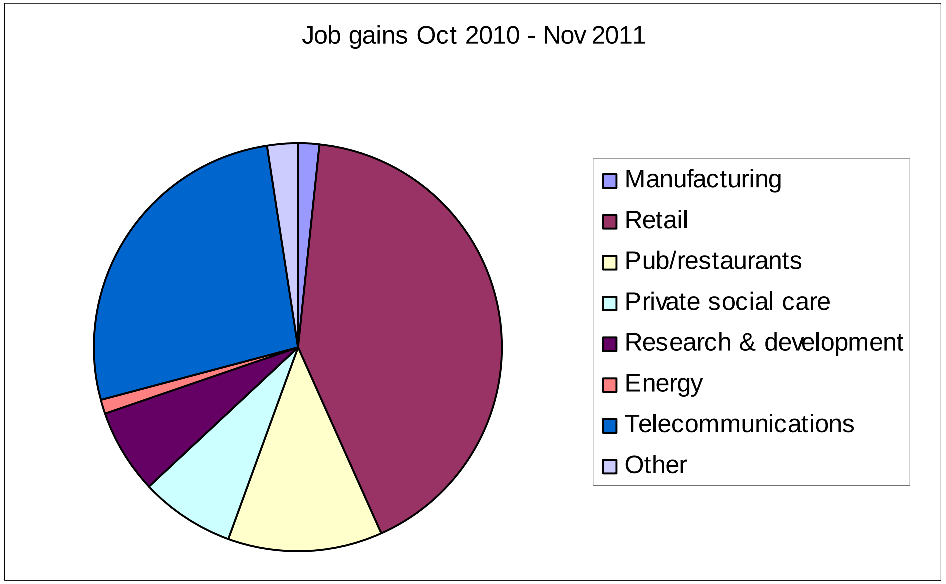
- Broxtowe (17.6%) and Newark and Sherwood (16.9%) have a low proportion of public sector employees as a share of total employees.

- Gedling has a high public sector employment rate (31.3%). The UK average is 17.7%. Gedling is primarily a residential district, with a large proportion of its resident population working outside of the Borough, across public and private employment.

- Rushcliffe has the second highest public sector employment rate in the county (23%), and largely has a ‘public sector employees as a proportion of total employees’ rate similar to other districts in Nottinghamshire. It has a concentration of public sector employee workplaces in West Bridgford, and is a largely residential area with large numbers of residents commuting into central Nottingham and West Bridgford.

Richard Prothero, Regional Economic Analysis (18 November 2011), ‘Subregional analysis of public and private sector employment’, Office for National Statistics (ONS). Source: Nottinghamshire Economic Insight – Issue 23 (February 2012) Special Feature, “Subregional analysis of public and private sector employment”

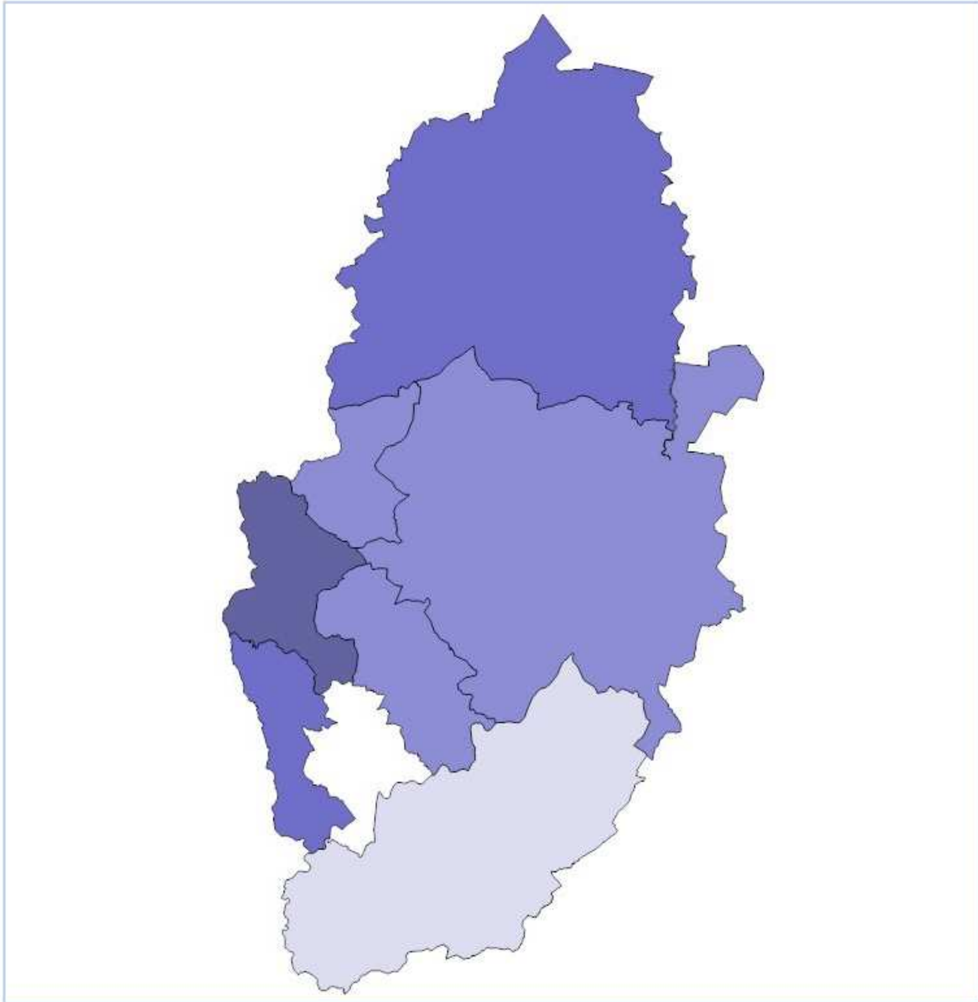
Jobs losses and gains 2010-11



Source: Nottinghamshire Economic Insight, Special Feature, “Job losses/gains in Nottinghamshire: October 2010 - November 2011” , Issue 23 – December 2011

Industrial Structure - % of workforce employed in Manufacturing

business register and employment survey



Legend: 6.21 - 8.80 | 8.81 - 11.40 | 11.41 - 14.10 | 14.11 - 16.70 | 16.71 - 19.31

Economic performance

- Gross value added (GVA) per head in Nottinghamshire is £17,902, compared with £17,614 in the East Midlands and £20,154 nationally.

- Nottinghamshire has an average sized employment base. It accounted for 1.76% of all employees in Great Britain.

- The average total income in Nottinghamshire is £23,297. In comparison, the East Midlands figure is £23,900 and the national figure is £26,845.

Note: figures include Nottingham City.
Source: Local Futures. Annual Survey of Hours and Earnings; GVA by NUTS 3.

Weekly earnings

Annual survey of hours and earnings - resident analysis

Area	Male	Female	Total
Ashfield	410.90	271.00	345.20
Bassetlaw	481.70	286.30	373.60
Broxtowe	505.70	306.80	435.60
Gedling	478.90	295.80	397.50
Mansfield	395.90	271.30	334.80
Newark and Sherwood	419.20	288.90	351.80
Rushcliffe	633.30	350.10	465.90
County	**474.60**	**292.30**	**384.60**
East Midlands	472.30	294.90	385.20
United Kingdom	494.90	318.40	403.90

Source: ONS Crown Copyright Reserved [from Nomis on 3.8.12]

Business and enterprise

- Nottinghamshire has an enterprise culture that performs in the middle range of sub-regions nationally.

- The self-employment rate in Nottinghamshire is very low by national standards, ranking in the bottom range of sub-regions.

- The number of businesses per 1000 residents is 40.21, low by national standards.

Source: Local Futures (score is composed of new business formation rate, business survival rate, growth in business stock over the last five years. It also references other measures including the number of businesses per head of population and average business size.

Number of businesses

Number of local units in VAT and/or PAYE based enterprises in 2010 - districts, counties and unitary authorities within region and country by employment size band

Area	Employment size									
	0 - 4	5 - 9	10 - 19	20 - 49	50 - 99	100 - 249	250 - 499	500 - 999	1,000 +	TOTAL
ENGLAND	**1,488,895**	**323,815**	**178,315**	**119,035**	**41,835**	**21,955**	**6,520**	**2,380**	**1,095**	**2,183,845**
EAST MIDLANDS GOR	**116,650**	**26,585**	**14,950**	**10,330**	**3,525**	**1,875**	**535**	**180**	**70**	**174,700**
Nottingham UA	5,510	1,730	1,160	810	355	185	55	20	5	9,830
County	18,310	4,325	2,380	1,750	530	295	80	30	10	27,710
Ashfield	2,005	560	335	255	95	50	15	5	0	3,320
Bassetlaw	2,705	715	380	255	75	35	10	5	5	4,185
Broxtowe	2,300	530	270	225	60	40	15	5	0	3,445
Gedling	2,455	505	270	200	60	35	10	5	0	3,540
Mansfield	1,805	580	350	280	85	50	10	0	0	3,160
Newark and Sherwood	3,425	775	395	280	85	45	10	5	5	5,025
Rushcliffe	3,615	660	380	255	70	40	10	5	0	5,035

Source: Office for National Statistics (ONS). The data contained in these tables are produced from a snapshot of the Inter Departmental Business Register (IDBR) taken on 22 March 2010.

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Business births and deaths

BIRTHS	2009	2010
ENGLAND	209,035	207,520
EAST MIDLANDS	14,860	14,325
Nottingham	855	805
County	**2,375**	**2,250**
Ashfield	320	215
Bassetlaw	365	310
Broxtowe	295	290
Gedling	330	285
Mansfield	245	255
Newark and Sherwood	400	435
Rushcliffe	420	460

DEATHS	2009	2010
ENGLAND	**246,630**	**261,880**
EAST MIDLANDS	**18,600**	**19,545**
Nottingham	1,050	1,140
County	**2,990**	**3,040**
Ashfield	365	370
Bassetlaw	490	420
Broxtowe	370	410
Gedling	405	400
Mansfield	315	330
Newark and Sherwood	500	505
Rushcliffe	545	605

Source: Count of births and deaths of enterprises for 2009 – 2010. District, counties and unitary authorities within region and country.

Infrastructure

Transport

- Accessibility and connectivity have a major influence on an area’s ability to attract business and investment.
- Nottinghamshire has good levels of connectivity to intercity rail, motorways and airports.
- The proportion of residents who work outside Nottinghamshire was 45.61% in 2001. This was very high compared with other sub-regions nationally.
- Major public sector investment in the County’s transport infrastructure continues – A46, A1, A453, Midland Mainline and Nottingham Station Hub

Nottinghamshire County Council

State of Nottinghamshire

Commercial floorspace

- Nottinghamshire has significant areas of land for potential development, largely focussed around the urban areas of Worksop, Newark and Mansfield

- Nottinghamshire has seen growth in the amount of industrial, office and retail floor space between 1999 and 2008.

- Nottinghamshire has seen growth in office floorspace which is in the higher range compared with the national figure.

Source: Local Futures. The overall score is based on the net change in the amount of commercial and industrial floorspace since 1999.

Broadband

- 45% of premises (both residential and business) in the County are located in areas where the average download speed is less than 2Mbps.
- The County's aspiration is for 90% of all premises to have access to superfast broadband (at least 24 Mbps). The remaining 10% will have access to a minimum services of 2 Mbps.
- Nottinghamshire County and Nottingham City have been awarded a £4.25 million allocation from the Government to help roll-out broadband to homes and businesses, where there is not an economic case for private sector investment of superfast broadband.

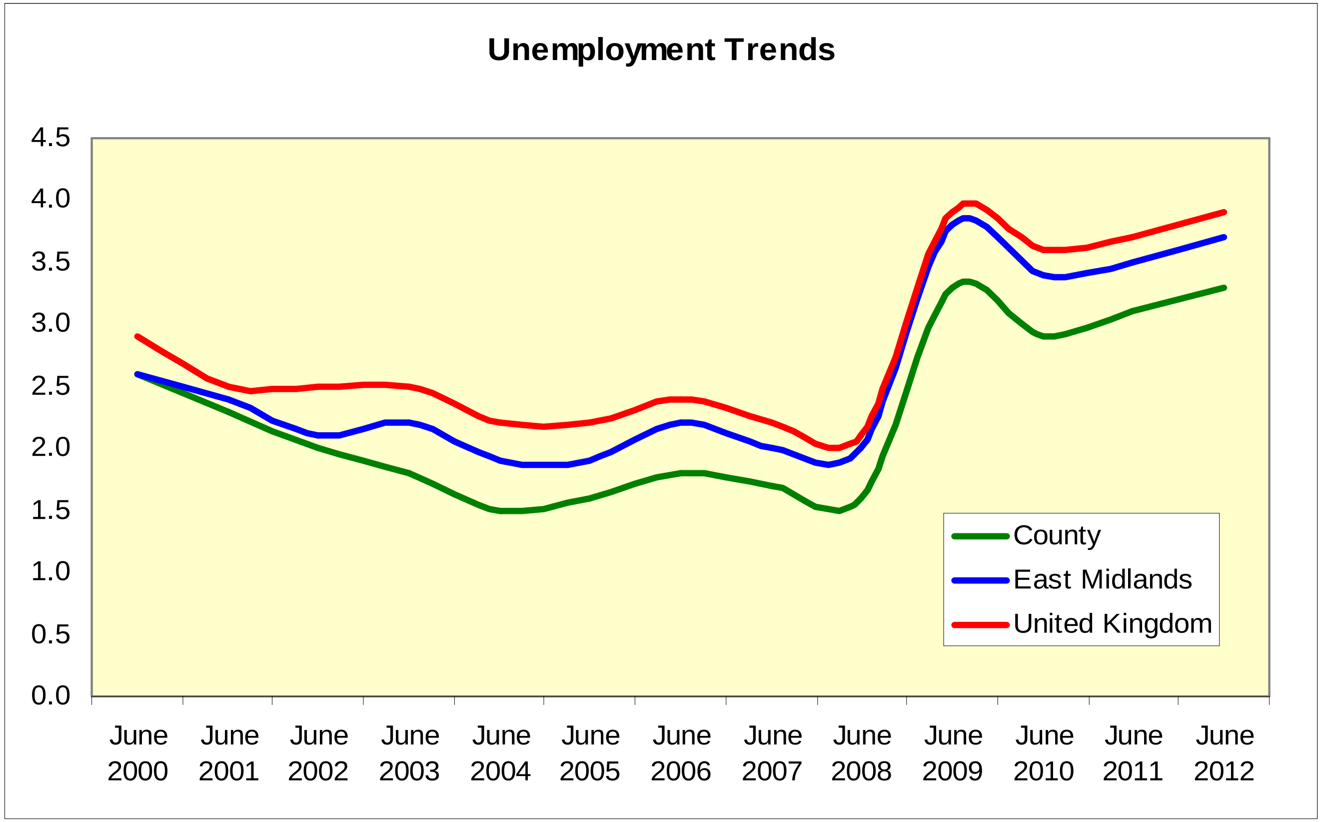
Capital investment opportunities

- Housing led schemes – Lindhurst; Newark; Cotgrave; Harworth-Bircotes
- D2N2 Growing Places Fund
- Broadband infrastructure
- Enterprise Zone / business rate retention
- Regional Growth Fund
- European funding

Employment/labour market

Unemployment

Claimant rates - proportion of resident population aged 16-64 estimates



Source: ONS Crown Copyright Reserved [from Nomis on 6.8.12]

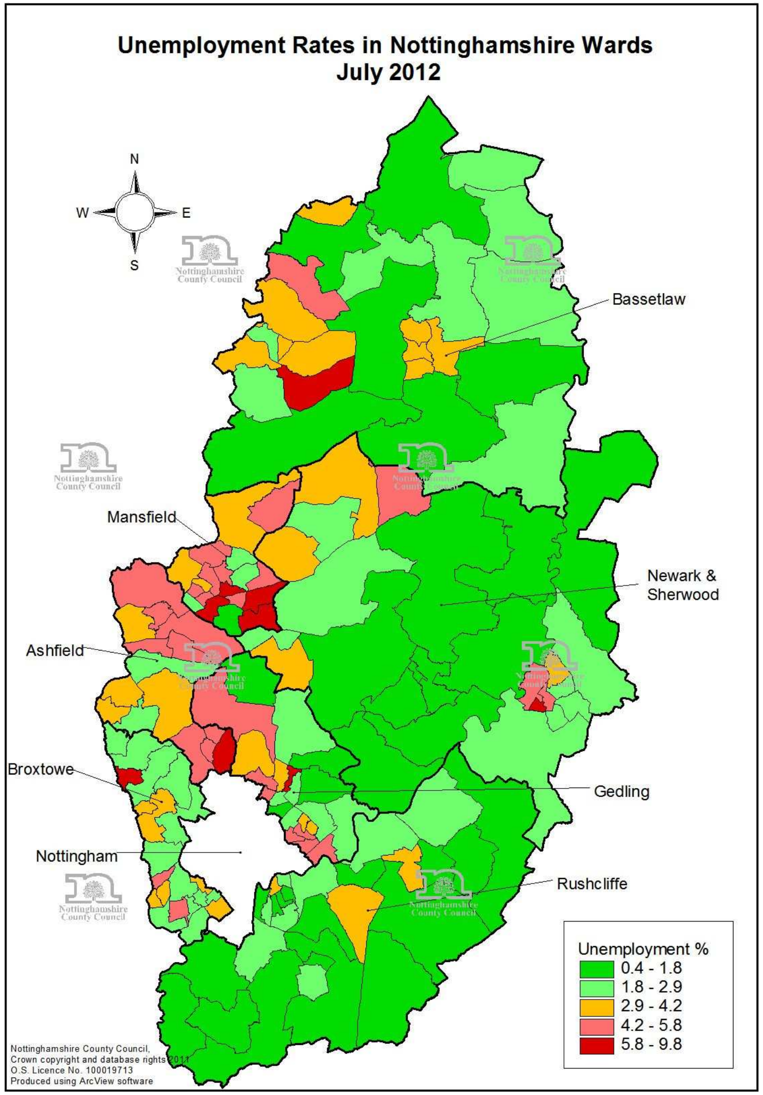
Employment/labour market

Unemployment

- The proportion of unemployed in the County was 3.4% in July 2012. This compares with the East Midlands (3.7%) and the United Kingdom (3.9%).

- Wards with the highest unemployment rates in the County are Ravensdale in Mansfield (9.8%), Lindhurst in Mansfield (7.2%), Devon in Newark & Sherwood (7.0%) and Killisick in Gedling (6.8%).

- At a District level Mansfield has the highest unemployment rate (4.6%) followed by Ashfield (4.5%) and Gedling (3.5%). Rushcliffe (1.9%) has the lowest unemployment rate in the County.



Employment/labour market

Youth unemployment trend

Claimants aged 18-24

Area	June 2008	%	June 2012	%	% change 2008-2012
Ashfield	550	5.7%	1,115	11.2%	+5.5%
Bassetlaw	380	4.5%	710	8.2%	+3.7%
Broxtowe	370	3.7%	740	7.1%	+3.4%
Gedling	365	4.2%	755	8.5%	+4.3%
Mansfield	560	6.4%	935	10.7%	+4.3%
Newark and Sherwood	300	3.5%	645	7.2%	+3.7%
Rushcliffe	150	1.6%	390	4.1%	+2.5%
County	**2,670**	**4.2%**	**5,295**	**8.1%**	**+3.9%**
East Midlands	17,270	4.0%	32,465	7.4%	+3.4%
United Kingdom	249,605	4.3%	438,780	7.4%	+3.1%

Source: ONS Crown Copyright Reserved [from Nomis on 6.8.12]

Apprenticeships

District	Intermediate	Advanced	Higher
Ashfield	613	220	4
Bassetlaw	398	220	2
Broxtowe	381	167	0
Gedling	452	211	0
Mansfield	510	165	0
Newark and Sherwood	319	126	1
Rushcliffe	299	131	3
Total	**2972**	**1240**	**10**

Source: Child Poverty Reference Group, September 2012

Apprenticeships

- Majority of apprenticeship starts are for people aged 19+
- There is a continuing decline in numbers of 16-17 year olds starting apprenticeships
- 14.6% of 17 year olds in Nottinghamshire are currently in apprenticeships
- County Council committed to offering at least 50 apprenticeship placements at any one time – 29 are currently filled with 40 vacancies

Source: Child Poverty Reference Group, September 2012

Skills and qualifications

Qualifications of those aged 16-64 resident in the area: Jan – Dec 2011

Area	% with degree or equiv and above	% with higher education below degree level	% with GCE A level or equiv	% with GCSE grades A- C or equiv	% with other quals	% with no quals
Ashfield	9.7	9.4	21.6	26.9	16.4	16.0
Bassetlaw	22.1	9.3	20.0	27.4	10.1	11.2
Broxtowe	26.6	11.8	24.6	21.5	7.8	7.7
Gedling	26.7	9.9	26.0	21.1	8.7	7.6
Mansfield	8.5	7.0	29.4	29.7	13.3	12.2
Newark and Sherwood	21.0	8.2	23.6	25.8	13.1	8.3
Rushcliffe	33.1	9.0	24.7	19.9	6.1	7.3
County	**21.4**	**9.3**	**24.2**	**24.4**	**10.7**	**9.9**
East Midlands	19.7	9.0	24.6	24.5	10.7	11.6
United Kingdom	24.3	8.7	22.7	22.9	10.4	11.0

Source: Annual Population Survey. ONS Crown Copyright Reserved.

What does all of this tell us?

- Nottinghamshire performs ‘averagely’ across most economic indicators – i.e. in line with national trends
- The ongoing economic climate continues to have an impact, perhaps most importantly on business confidence and young people
- Disparities between different areas in the County persist, and have done so for decades
- But many of the land-based opportunities and sector strengths are in the poor performing areas – unlocking potential remains a key issue

Nottinghamshire Growth Plan

- A long term county wide vision
- 10 – 15 year goals
- Focus on economic growth in Nottinghamshire and driving future investment
- Nottinghamshire and Nottingham City growth strategies to be complementary