

2016/17

State of the D2N2

Economy



Contents

Introduction	4
UK Economic Context.....	4
Key Indicators Review	5
The Economy.....	5
Gross Value Added (GVA).....	5
Productivity.....	8
Employment and Inactivity	9
Occupations and Qualifications of the workforce.....	11
Apprenticeships	13
Jobs	15
Earnings.....	17
Business Base	19
International Trade	23
Housing	26
Social Inclusion.....	27
Health.....	29
Sustainability	32
Conclusion.....	33
Appendix	34

Executive Summary

In 2016 D2N2 reached its target of 55,000 additional private sector jobs gaining more than 66,500 jobs since 2013¹. The employment expansion was driven by full-time jobs which account for 73% of all private sector gains.

The D2N2 economy generated £44 billion according to the latest figures (2015), growing at 2.2% with wholesale, retail and transport, manufacturing, and information and communication sectors accounting for more than 60% of the growth.

The economy has made good progress against most of the LEP's key performance indicators over the past year. The highlights of the D2N2 economic performance are a growing employment rate, an expanding business base, and improving business start-up and survival rates. Most of the gains in employment came from the private sector which gained around 16,600 jobs in 2016 – a substantial contribution to the LEP's target of an additional 55,000 private sector jobs by 2023. The D2N2 business base has recorded robust expansion, adding more than 4,000 businesses and growing at a higher rate than nationally (6.1% compared to 4.6%).

Among the challenges are a persistent productivity gap, a growing number of employment and support allowance (ESA) claimants, and a falling healthy life expectancy. The combination of growth in employment, which exceeded gross value added (GVA) growth, and shortages of highly skilled workers resulted in lower labour productivity in 2015. The gap in productivity with the national level persists and is currently at 84% of the national level. Closing the gap would bring an estimated £8 billion in GVA to the economy.

The increase in the number of ESA claimants (4.9% in D2N2 compared to 1% nationally) and a reduction in healthy life expectancy (compared to an upward trend nationally) confirm a downward trend for health outcomes, which affect the quality of life and productivity in the region.

Additionally, a recent upward trend in skills levels has been interrupted in 2016 by a slight decrease in the proportion of working age population with Level 3+ and 4+ qualifications. This can have negative effects on productivity and the ability of businesses to source the skills they require to grow.

Sustainability indicators (CO₂ emissions and miles travelled by cars) continue to show improvement suggesting a diminishing impact on the environment.

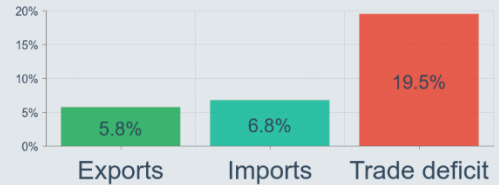
¹ Provisional Business Register and Employment Survey data, October 2017. The figure excludes units registered for PAYE only for more consistent estimates.

2016/17 State of the Economy Summary

Economic Context

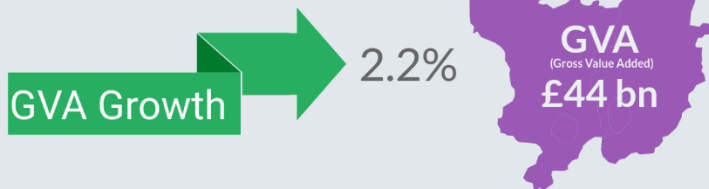


International trade
% increase, 2016



D2N2 Economy

Output



Employment



Productivity

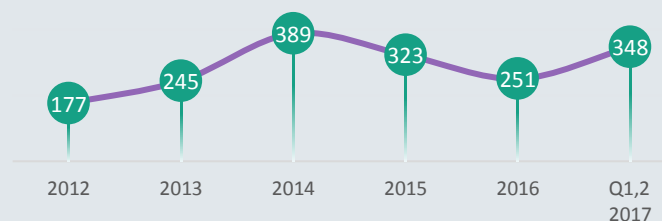
GVA per FTE £57,200



Businesses

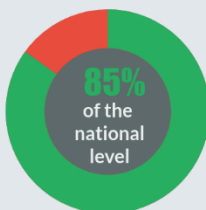


State of the Economy Index²



Inclusion, Health and Sustainability

GDHI
(Gross Disposable Household Income)



90,090
(4.9%) Increase

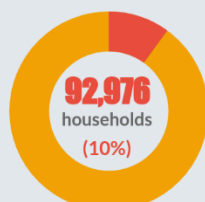
ESA Claimants
(Employment and Support Allowance)

Healthy life expectancy



Fuel Poverty

Households with residual income after fuel costs below the poverty line



CO₂ emissions per capita

23% higher than the national level

8% Reduction in CO₂ per capita in 2014

Introduction

The *State of the D2N2 Economy* report provides an annual review of economic trends in the Derby, Derbyshire, Nottingham and Nottinghamshire (D2N2) area and the progress being made towards the targets set by D2N2 Local Enterprise Partnership (LEP) in its Strategic Economic Plan (SEP). This report provides an overview of progress on headline economic indicators and sets out the key messages for D2N2 partners.

The *State of the D2N2 Economy* report covers a range of economic, social and environmental indicators tracked by the LEP to inform its action plans, and reflect its commitment to sustainable and inclusive private sector-led growth and job creation.

The report uses the latest data available as of June 2017. Where the 2016 data are not available due to the lag in publication of sub-regional datasets, the latest available period is used.

UK Economic Context

The UK economy experienced strong growth in 2016, outperforming European and G7 economies in the last quarter of the year.³ The UK shows the second strongest GDP (gross domestic product) recovery, which is currently at 8.7% above the pre-downturn peak. The recovery in recent years has been largely driven by the services sector, although production and construction output components have also expanded. UK GDP between 2015 and 2016 is estimated to have increased by 1.8%.

The Consumer Prices Index (CPI, including owner occupiers' housing costs), a comprehensive measure of inflation, was up to 2.7% in May 2017. The increase in inflation rate, which is at its highest since April 2012, is mainly due to rising prices for recreational and cultural goods and services. The smaller upward contributions from increased electricity and food prices were offset by falls in motor fuel prices, and air and sea fares.⁴

The CPI inflation increase is partly due to the last year's sterling depreciation following the EU referendum in June 2016. Further increases are expected as sterling's depreciation continues to feed through into the prices of consumer goods and services. The Bank of England's Monetary Policy Committee (MPC) voted to hold the Bank Rate at 0.25% despite the inflation rate being above the 2% target. The decision was largely based on the absence of adverse inflationary expectations, modest short-term pay growth, and weak household spending.⁵ The

² State of the Economy Index is a figure produced by the East Midlands Chamber (Derbyshire, Nottinghamshire, Leicestershire). This index combines the responses to Quarterly Economic Survey which asks businesses a series of questions on their sales, overseas markets, prices, confidence, investment intentions, labour force and recruitment issues. The chart shows averaged quarterly values. QES available at emc-dnl.co.uk

³ ONS Statistical Bulletin, Second estimate of GDP: Jan to Mar 2017. Available at ons.gov.uk.

⁴ ONS Statistical Bulletin, UK consumer price inflation: May 2017. Available at ons.gov.uk

⁵ The Bank of England, Monetary Policy Summary, June 2017. Available at bankofengland.co.uk

MPC remains committed to a limited and gradual rise in Bank Rate to ensure a sustainable return to the 2% inflation target.

While the exports of goods and services benefited from the sterling depreciation, increasing by 5.8% in 2016, imports also increased by 6.8%. This resulted in a widening of the UK's total trade deficit (goods and services) to £37bn from £29.8bn in 2015⁶.

The slowing household spending and the signs of a slowing housing market⁷ bring the consensus forecasts for 2017 and 2018 GDP growth rates down to 1.7% and 1.3% respectively.⁸

Key Indicators Review

The Economy

This section reviews the progress made over the past year on D2N2 economic indicators focusing on gross value added (GVA), productivity, unemployment, private sector employment, business base, trade, and indicators of human capital.

Gross Value Added (GVA)

In 2015 the D2N2 LEP area GVA (the value of output created in an economy) rose by £955 million to over £44 billion. GVA growth rate decreased to 2.2% from 3.6% in 2015⁹.

The slowdown in overall growth is attributed to the decline in Real Estate, Public Services and Agriculture as well

FIGURE 1: GVA GROWTH RATES IN CORE CITY LEP AREAS, 2015

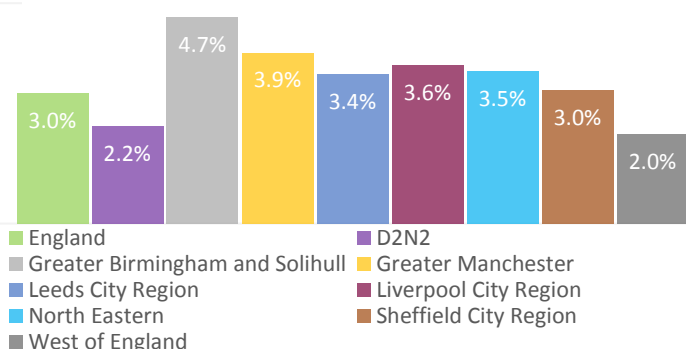
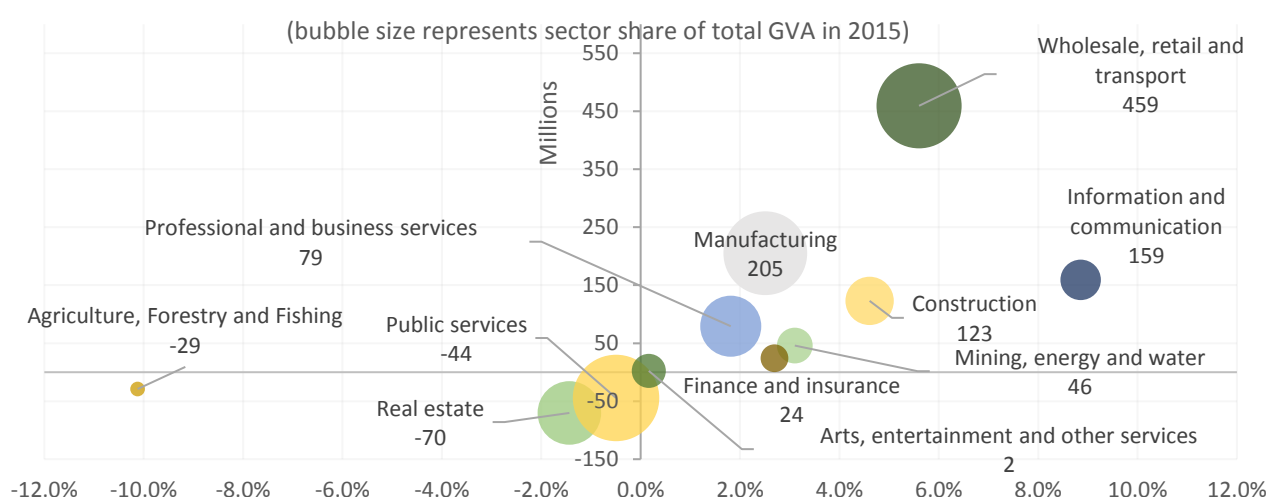


FIGURE 2: ABSOLUTE AND PERCENTAGE CHANGE IN GVA BY SECTOR, 2014-2015



⁶ ONS Statistical Bulletin, UK trade: April 2017

⁷ Nationwide, House Price Index, May 2017. Available at nationwide.co.uk

⁸ HM Treasury, Forecasts for the UK Economy: a comparison of independent forecasts, April 2017. Available at gov.uk

⁹ ONS, GVA for Local Enterprise Partnerships and Regional Gross Value Added (Income approach)

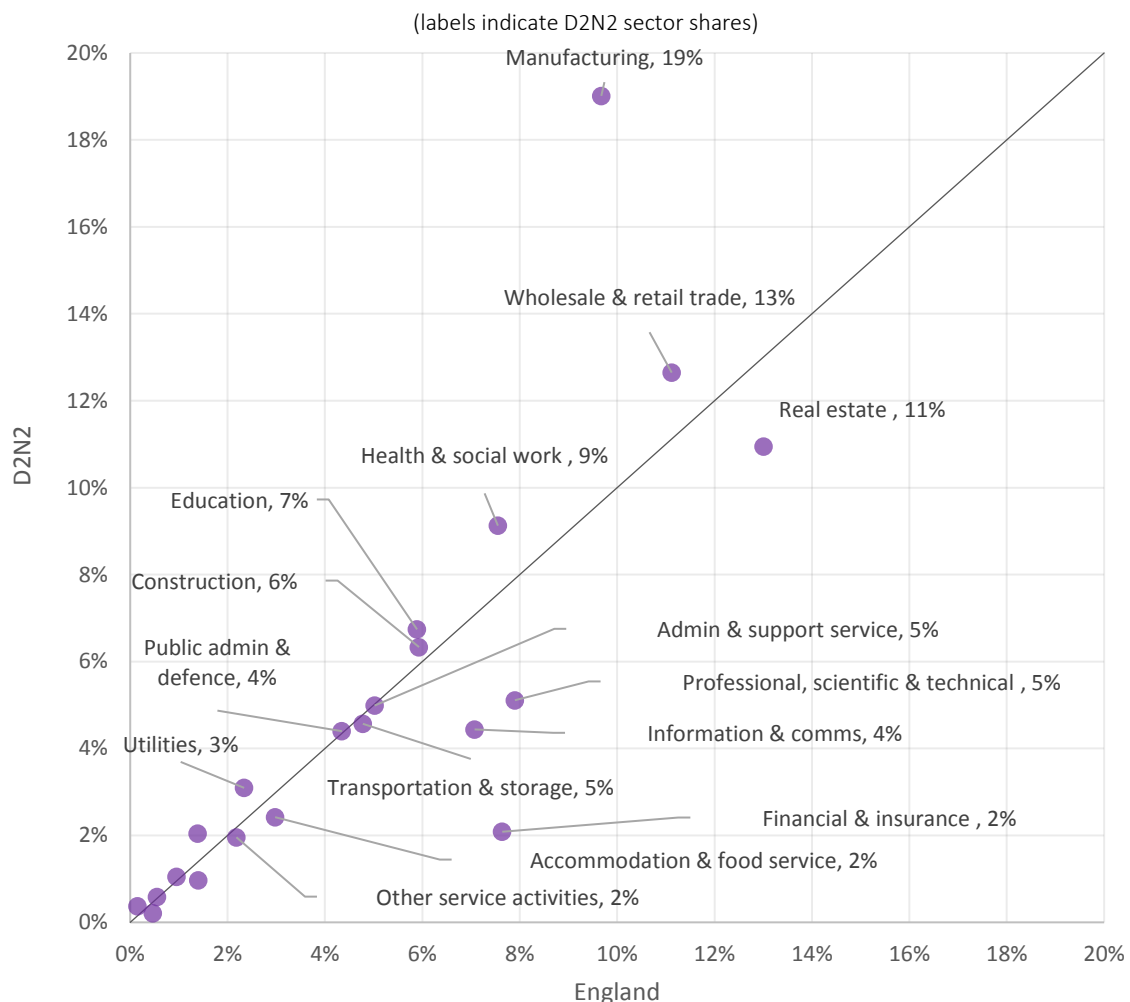
as slower growth in Professional Services and Construction sectors.

Information and communication has been the fastest growing (8.9%) sector in percentage terms while Wholesale, Retail and Transport sector registered the largest absolute GVA gain (£459m). The largest decline in GVA (£70m) came from the Real Estate sector.

The sectoral composition of GVA growth in 2015 is similar to the 5-year trend with Wholesale, Retail and Transport, Manufacturing, and Information and Communication accounting for more than 60% of the GVA gains. Figure 2 shows the absolute change in GVA from 2014 to 2015 on the vertical axis and the percentage change on the horizontal axis for each sector group.

The profile of the D2N2 GVA remains dominated by Manufacturing, Wholesale and Retail trade, and Health and Social Work activities. Real Estate sector also accounts for a relatively large proportion of the total GVA, but is less concentrated when compared to the national average.

FIGURE 3: SECTOR GVA SHARES IN D2N2 AND ENGLAND, 2015



The overall GVA per head in D2N2 is about 22% lower than that in England. The lag is driven by the lower GVA per head in Nottinghamshire and Derbyshire. In contrast, GVA per head in Nottingham and Derby is above England's average.

GVA growth rates in 2015 show a similar distribution with Derby (3.1%) and Nottingham (3.6%) slightly exceeding the national average growth (3.0%), while Derbyshire (1.7%) and Nottinghamshire (1.5%) underperformed the national average.

The 10-year average growth rates show that all the areas across D2N2 grew slightly slower than England as a whole (3.2%) with the highest average growth rate in Derby (3.1%), followed by Derbyshire (2.9%) and Nottingham (2.6%), and the lowest in Nottinghamshire (2.3%).

FIGURE 4: GVA PER HEAD WITHIN D2N2, 2015

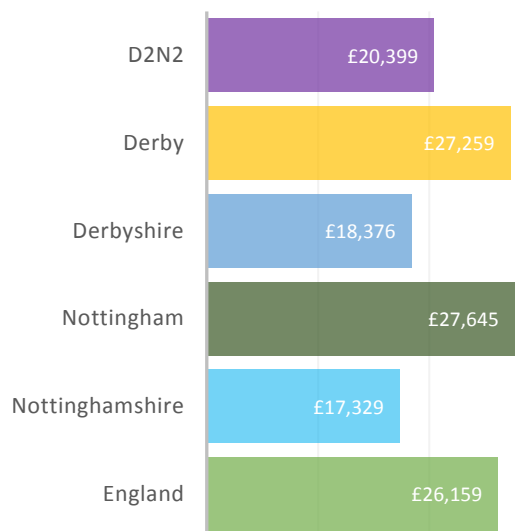
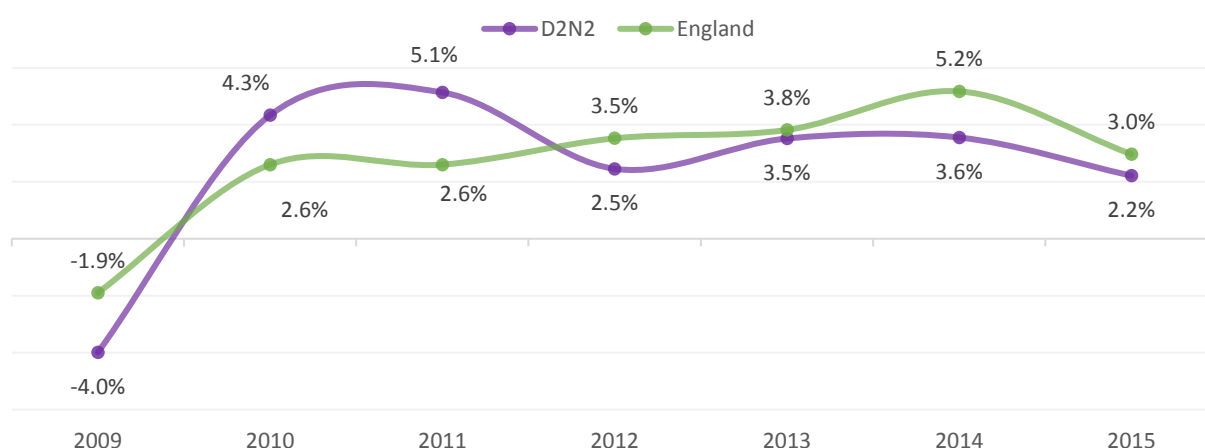


FIGURE 5: GVA GROWTH RATE TRENDS IN D2N2 AND ENGLAND

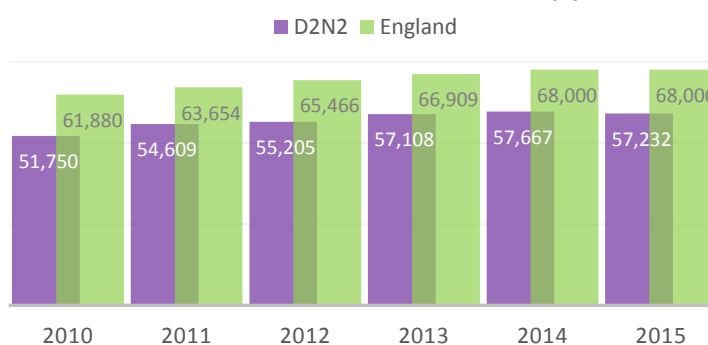


Productivity

Productivity measures attempt to quantify the output generated per unit of input. The value of GVA generated by each full-time equivalent (FTE) worker or each hour of work are commonly used proxies for productivity.

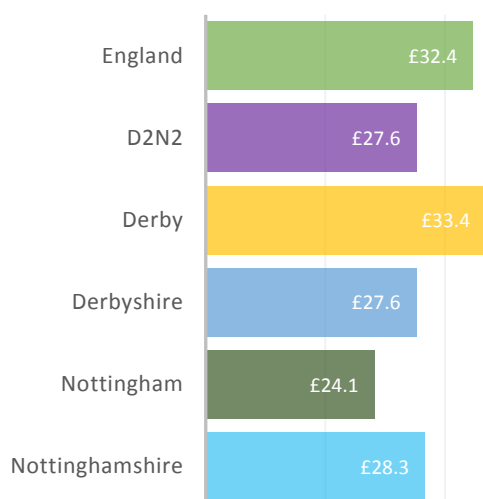
The GVA per FTE¹⁰ measure shows that an average worker in D2N2 generated around £57,200 in 2015 compared to £57,700 in 2014. Total GVA grew slower than employment implying that the new jobs were low-value-added. The observed decline is a break in the medium term upward trend, which marks an overall 10% gain in GVA per FTE since 2010. Despite the gains, the gap with the national productivity level persists.

FIGURE 6: GVA PER FTE IN D2N2 AND ENGLAND (£), 2015



While the national GVA per FTE remained unchanged in 2015 at £68,000, it experienced strong growth over the last 5 years slightly widening the gap between the national and D2N2 productivity levels. Closing the existing gap of around £10,800 per FTE worker could unlock an estimated £8.2 billion in GVA.

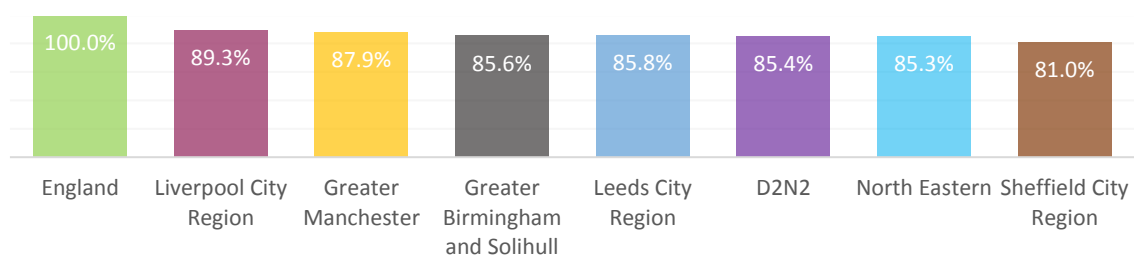
FIGURE 7: GVA PER HOUR WORKED WITHIN D2N2 COMPARED TO ENGLAND (£), 2015



GVA per hour worked¹¹, another measure of productivity, shows similar dynamics with D2N2 productivity reaching only 85.4% of the national level in 2015, comparable to other core city LEP areas as illustrated below. Geographical breakdown of this productivity measure shows that productivity in Derby is higher than the national average while that in Nottingham is significantly below the average.

There are also significant variations in productivity within Nottinghamshire. In 2015 South Nottinghamshire GVA per hour worked was at £31.40 compared to £25.30 in North

FIGURE 8: GVA PER HOUR WORKED AS A PERCENTAGE OF ENGLAND'S LEVEL (%), 2015



¹⁰ Calculated using part-time and full-time employment numbers.

¹¹ ONS, Nominal (unsmoothed) GVA per hour worked (£); NUTS 2 and NUTS 3 subregions

Nottinghamshire, while the differences in Derbyshire were less pronounced (£26.50 in East Derbyshire compared to £28.70 in South and West Derbyshire).

Volatility in sub-regional productivity estimates does not allow for a meaningful analysis of year over year changes¹². However, longer-term growth rates show that over the past 10 years the growth in GVA per hour worked in D2N2 was on par with national estimates.

The LEP's research into firm-level productivity of the region conducted with the University of Nottingham shows that the lower aggregate productivity is brought down by a large proportion of firms whose productivity is just below the average productivity rather than by a large number of very unproductive firms. The study found that industrial composition matters less than commonly thought and that improving resource allocation, to ensure that small and productive firms expand faster and low productivity firms do not grow at the expense of high productivity firms, will contribute most to improvement in the aggregate productivity.

There is ample evidence in the peer reviewed literature that policy interventions should aim to advance skills, increase investments (in capital, infrastructure, and R&D), improve management practices and increase international trade. While the LEP runs programmes that specifically target many of these areas, the explicit targets and policies relating to productivity improvements are yet to be developed.

Employment and Inactivity

*Employment rate*¹³ continued to improve in 2016 reaching 95.7% of the economically active and 74.8% of the population aged 16 to 64, exceeding the national rates on both metrics. Out of the 1,017,300 employed residents in D2N2 12% (121,800) are self-employed, compared to 14.6% nationally¹⁴.

FIGURE 9: EMPLOYMENT RATE 2007-2016 (RESIDENTS AGED 16-64), %

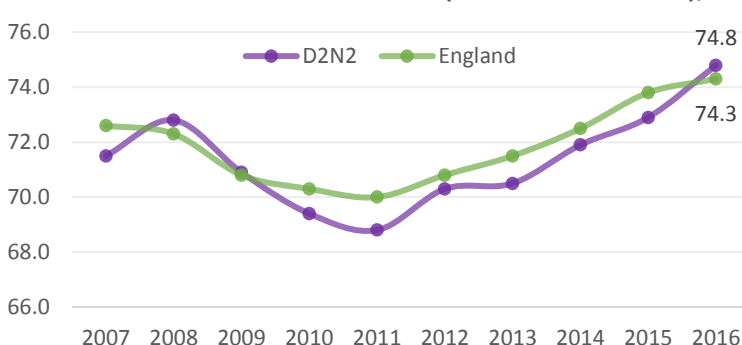
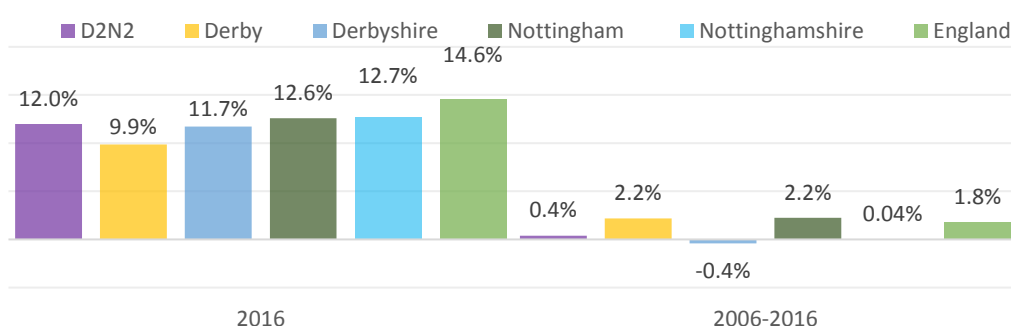


FIGURE 10: SELF-EMPLOYMENT IN 2016 (%) AND 2006-2016 CHANGE (% POINTS)



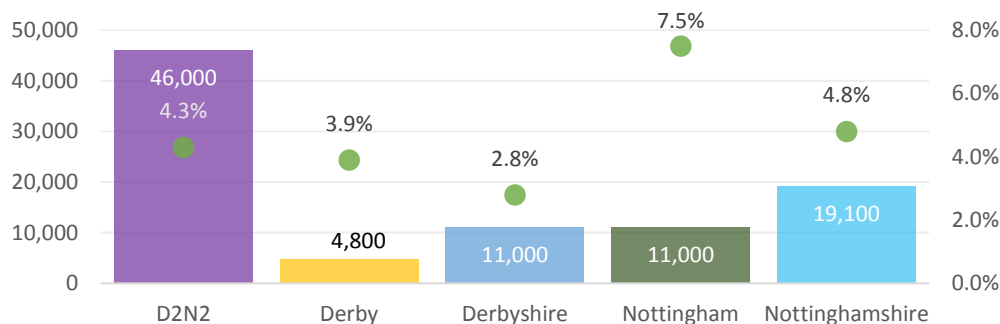
¹² Unsmoothed time series tend to show volatility at small geographies, created by sampling and non-sampling errors. Smoothed data series attempts to eliminate the volatility by weighing it using 5-year moving averages. As a result, for 2015 these series showed contradicting results varying from a 2% decline to 2% growth.

¹³ Annual population survey

¹⁴ Source: Annual Population Survey, Jan-Dec 2016 data

The percentage of self-employment has been increasing in D2N2 since the recession and is now above the pre-recession peak. The highest percentage of self-employment was estimated in Nottinghamshire (12.7%) and Nottingham (12.6%) while the lowest was in Derby (9.9%).

FIGURE 11: UNEMPLOYMENT IN D2N2 - NUMBER OF PEOPLE AND RATE (%), 2016



The number of unemployed people of working age has fallen by 5,400 in D2N2 over the past year to 46,000 bringing *unemployment rate* down to 4.3% compared to 5.0% nationally. Even though the unemployment rate varies considerably in D2N2 from the low of 2.8% in Derbyshire to the high of 7.5% in Nottingham, it continued to fall across the LEP in 2016.

*Inactivity rate*¹⁵ of working age residents fell from 23.3% in 2015 to 21.8% in 2016, just below the national average (21.9%). The decrease was driven by Nottinghamshire and Derbyshire.

As shown in Figure 12, the lowest inactivity rate was observed in Derbyshire (19%) while the highest was recorded in Nottingham (32%).

The three main reasons of inactivity in D2N2 and nationally are being long-term sick (26.4%), looking after family/home (24.5%), and being a student (24.3%), accounting for about 75% of the

FIGURE 12: INACTIVITY RATES IN D2N2 (%), 2016

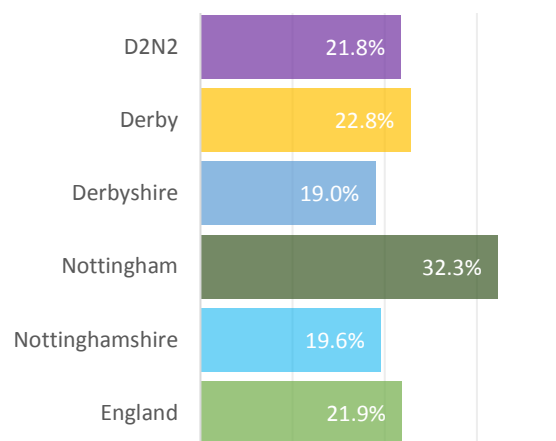
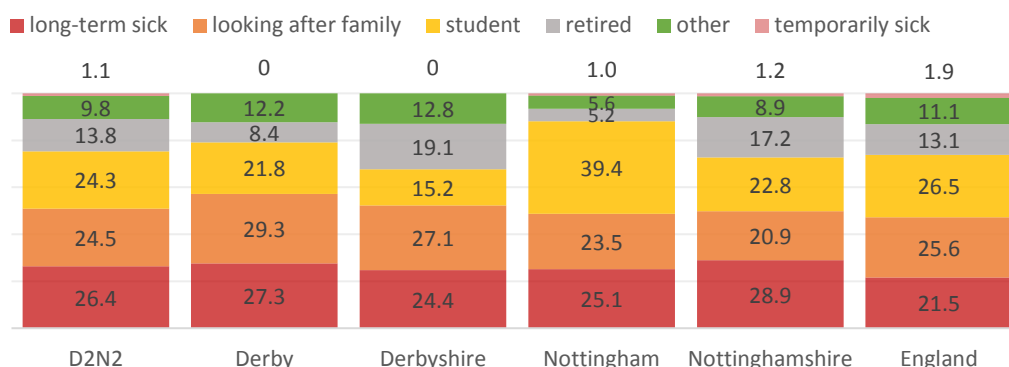


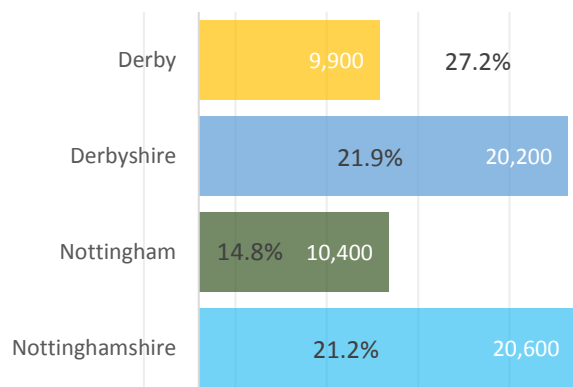
FIGURE 13: INACTIVITY BY REASON (%), 2016



¹⁵ The economically inactive are defined as people who are not in employment or unemployed.
Annual Population Survey, Jan-Dec 2016 data.

economically inactive population. As shown in Figure 13, reasons for economic inactivity vary within D2N2, largely reflecting demographic differences. For instance, Derbyshire and Nottinghamshire have relatively high levels of retired residents of working age while Nottingham has large numbers of students.

FIGURE 14: THE NUMBER AND PERCENTAGE OF THE ECONOMICALLY INACTIVE IN D2N2, WHO WANT A JOB, 2016



Whilst not every economically inactive person is able to work, the inactivity could be further reduced by supporting the aspirations of those willing to consider participating in the labour market. Data show that around a fifth of the economically inactive in D2N2 (61,100 people) want a job¹⁶. This potential workforce could add an estimated £2.9 billion of additional GVA to the D2N2 economy¹⁷. Derby has the highest percentage of the economically inactive who want a job while Nottingham has the lowest.

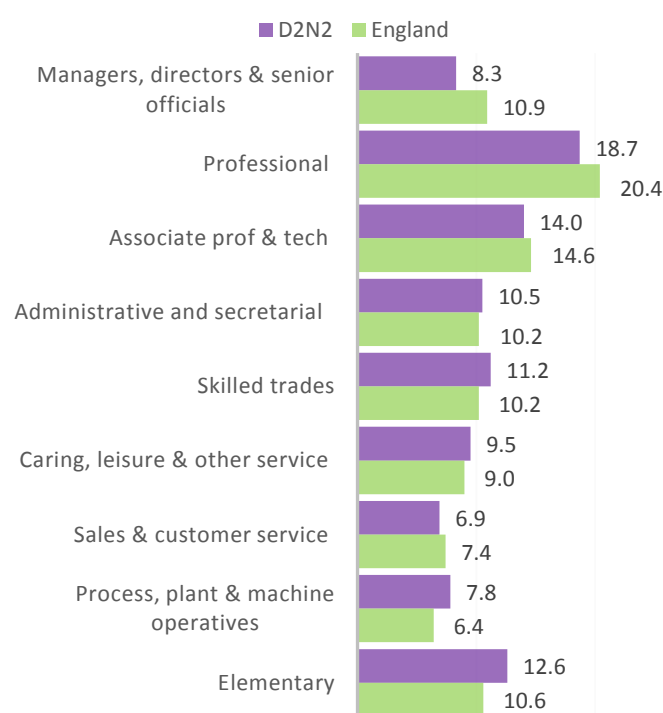
Occupations and Qualifications of the Workforce

D2N2 occupational profile, shown in Figure 15, reflects the concentration of employment in Manufacturing, with an above average proportion of workers in process, plant and machine operative roles, and elementary and skilled trades occupations.

In D2N2 there is a below average representation of highly skilled occupations, including managers, directors and senior officials, professional, and associate professional and technical occupations. However, the proportion of people employed in professional, associate professional and technical occupations in D2N2 has been increasing at a faster rate than nationally over the past five years (3.3 percentage points compared to 1.6 percentage points increase).

The D2N2 working age population is, on average, less well-qualified than the national population with a smaller proportion of residents qualified to Level 4+ and a higher proportion of residents whose highest level of qualification is level 1 or 2 (as shown in Figure 16).

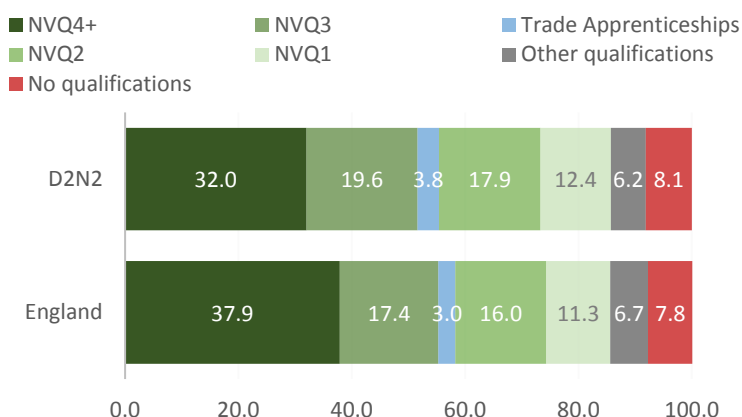
FIGURE 15: OCCUPATIONS (%), 2015



¹⁶ Annual Population Survey

¹⁷ Estimated using 2015 GVA per FTE and assuming people gain full-time or part-time employment in the currently observed proportions.

FIGURE 16: SKILLS PROFILE OF THE WORKING AGE POPULATION, 2016



The proportion of people holding degree-level qualifications (NVQ Level 4 and above) decreased by 1.3% points in 2016, compared to an increase of 1.1% points nationally¹⁸. The decrease is likely a result of the highly-qualified moving out of the D2N2 area as the number of people with NVQ L4+ qualifications dropped by 15,800. The decline has been largest in Nottingham and Nottinghamshire.

There has been no change in the proportion of people holding no qualifications in D2N2 while national levels saw a slight drop of 0.6%.

Derby has the highest proportion (33.3%) of the working age residents qualified to NVQ L4 and above in D2N2, which is still below the national average (37.9%). Nottingham has an above average proportion of working age residents qualified to NVQ 3 (20.8%) and the highest proportion of residents with no qualifications (13.4%). Derbyshire has the lowest proportion of the working age residents with no qualifications (5.3%) and a high proportion of those qualified to NVQ L3 and above.

A report on skills mismatches in D2N2 commissioned by D2N2 LEP in 2016 shows that around a third of professional and technical job vacancies are classed as skill shortage vacancies by employers. This implies that employers find it challenging to source the high level skills they need to grow.

Therefore, raising skill levels of the D2N2 workforce is a vital component of achieving long-term economic growth ambitions. Two key priorities are to ensure businesses can access the skilled and experienced workers they need to succeed and to support skills providers to better meet the current and future skills needs of the D2N2 economy.

Qualifications by age

The skills profile of D2N2 residents varies considerably by age group.

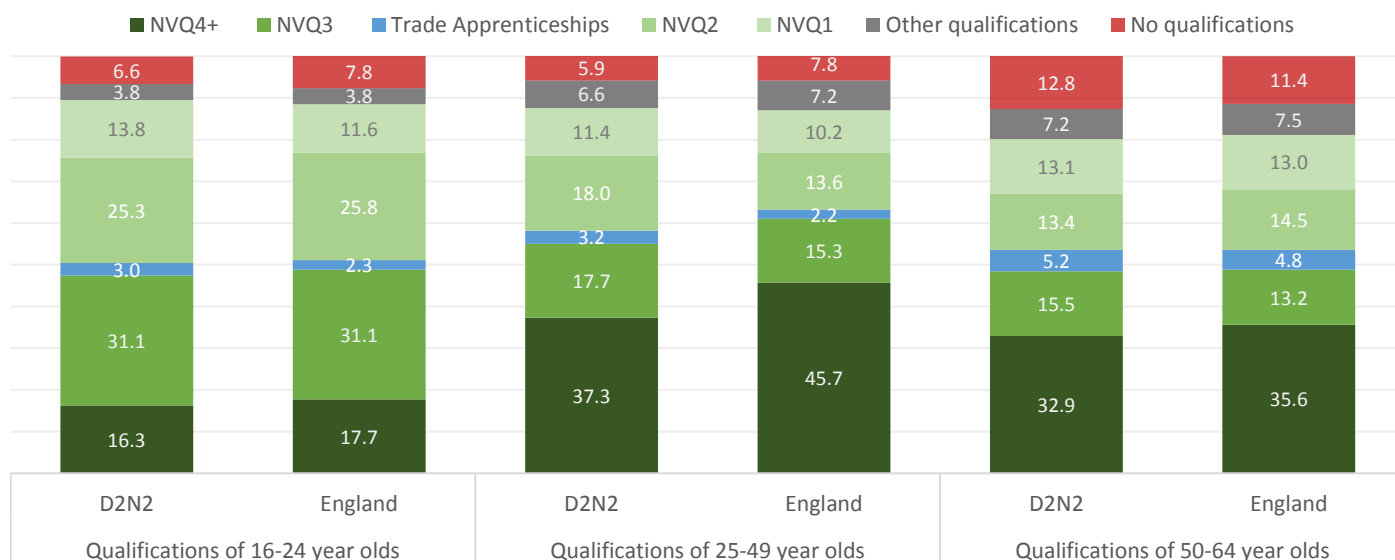
As shown in Figure 17, when compared to the national profile, D2N2 has a slightly lower proportion of young people with L4+ qualifications and no qualifications, and a slightly higher proportion holding trade apprenticeships and L1 qualifications.

A higher proportion of the group aged 25 to 49 years old hold degree level qualifications compared to other age groups. However, the proportion is lower than nationally (37.3% compared to 45.7%). Additionally, this group has a lower proportion holding no qualifications.

¹⁸ Annual Population Survey, Dec-Jan 2016.

The older working age population (50-54 years olds) holds a marginally lower proportion of NVQ L3 and above qualifications compared to the national profile and a higher proportion of people with no qualifications. Since some of these workers will seek to stay in the labour force for another decade, this group needs upskilling if they are to remain employable.

FIGURE 17: QUALIFICATIONS BY AGE IN D2N2 AND ENGLAND (%), 2016

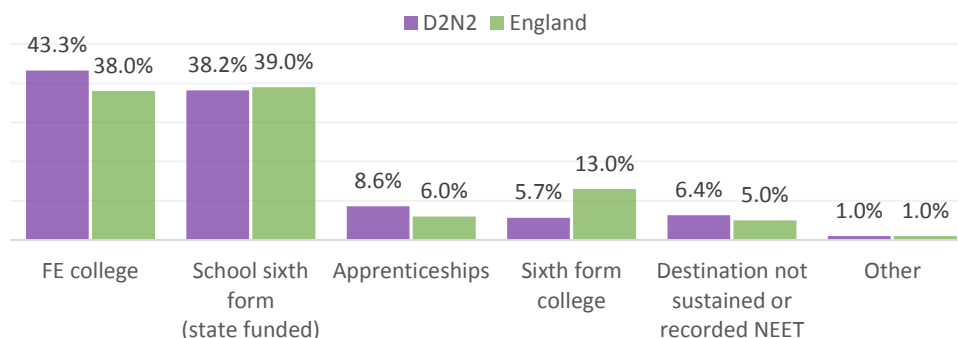


Apprenticeships

Apprenticeships are one of the key mechanisms for addressing skills needs in the workplace thereby young people follow an alternative to the academic route and access high quality employment while employers get an opportunity to train their workforce per their requirements.

D2N2 has a higher proportion of young people entering apprenticeships than the national average, 8.6% and 6% respectively. The LEP area also has a slightly higher proportion of those who are recorded as not in education, employment or training (NEET), 6% of KS4 leavers compared to 5% nationally. The majority of young people, however, in D2N2 and nationally,

FIGURE 18: DESTINATIONS OF YOUNG PEOPLE AT KS4 (AGE 16), 2014/15



remain in full-time education after Key Stage 4, either within state funded school sixth forms or further education¹⁹.

Within D2N2, the proportion of KS4 leavers entering apprenticeships is highest in Derby and Derbyshire (10% of students compared to 5% in Nottingham, 8% in Nottinghamshire), as is the proportion of students who choose to attend FE colleges (47% and 45% respectively compared to 41% in N2). Students from Nottinghamshire are more likely to opt for a school sixth form (42% compared to 28% in Nottingham, 37% in Derby and 38% in Derbyshire).

Over the past 10 years, there has been a significant increase in apprenticeship provision in D2N2 and nationally, as shown in Figure 19.

FIGURE 19: APPRENTICESHIP STARTS IN D2N2 COMPARED TO NATIONAL TREND

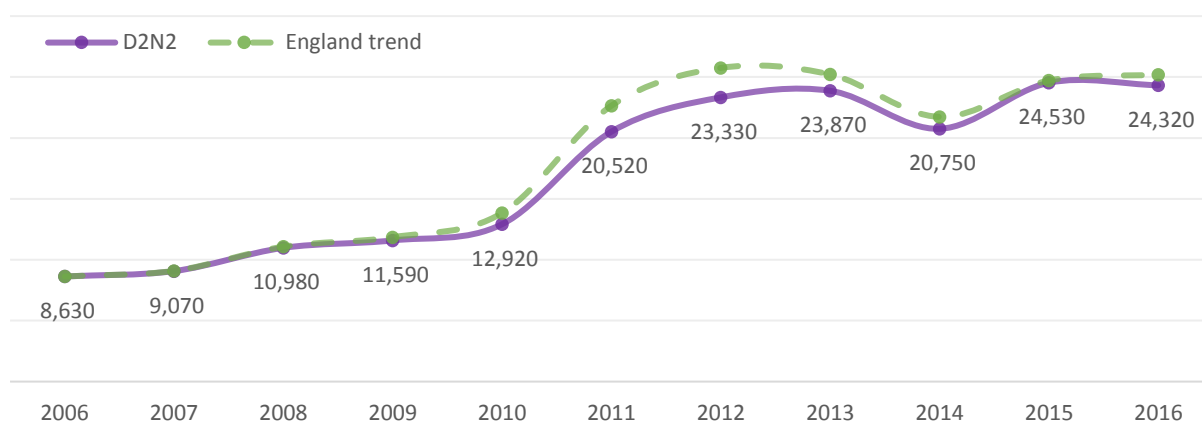
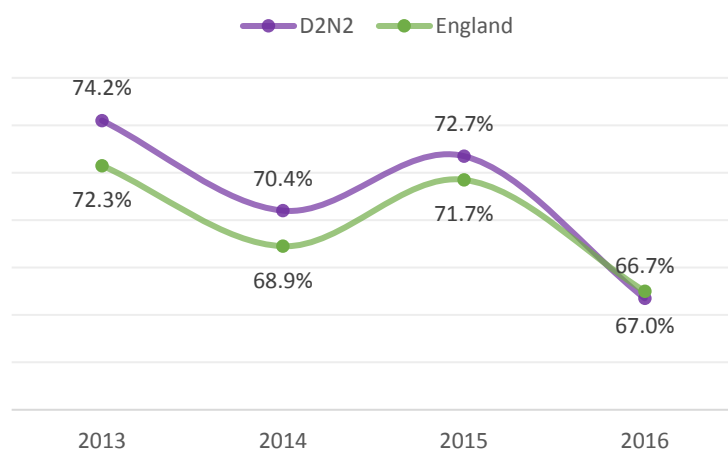


FIGURE 20: APPRENTICESHIP ACHIEVEMENT RATES IN D2N2 AND ENGLAND



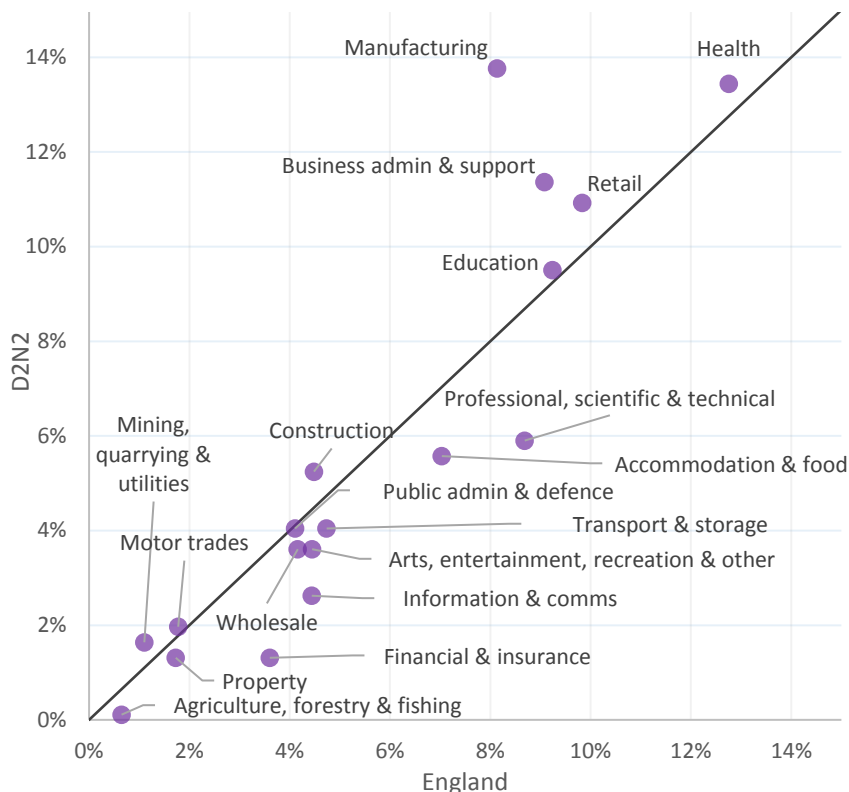
Apprenticeship achievement rates have been higher in D2N2 than nationally over the last three years. However, there has been a significant drop in achievement rates both in D2N2 and nationally in 2016. D2N2 achievement rates dropped from 72.7% to 66.7%, slightly below the national average of 67%.

¹⁹ DfE, Destinations of KS4 and KS5 Pupils, 2015. Available at gov.uk

Jobs

The largest employment sectors in D2N2 - Manufacturing, Health, Business Administration and Support Services, and Retail trade - account for 50% of the total employment, and employ over 450,000 people. These sectors also account for a larger proportion of employment in

FIGURE 21: SECTOR EMPLOYMENT SHARES IN D2N2 AND ENGLAND






comparison to the national average as illustrated in Figure 20. The extent of the concentration can also be measured by Location Quotients (LQ)²⁰ displayed in the Table 1.

Manufacturing and Motor Trades employment is more concentrated in Derby and Derbyshire, and to a lesser extent in Nottinghamshire while Business Administration and Support services and Retail jobs are more concentrated in Nottingham. Derbyshire also has slightly more concentrated employment in Wholesale and Transport and Storage sectors than the rest of England.

Table 1: Location Quotients in D2N2

Sector	D2N2	Derby	Derbyshire	Nottingham	Nottinghamshire
Manufacturing	1.7	2.2	2.3	0.6	1.7
Mining, quarrying & utilities	1.5	1.1	1.3	1.7	1.9
Business administration & support services	1.3	1.1	0.8	2.6	0.8
Construction	1.2	0.8	1.3	0.6	1.6
Retail	1.1	1.0	1.0	1.2	1.2
Motor trades	1.1	1.4	1.4	0.6	1.2
Health	1.1	1.2	1.0	1.1	1.1
Education	1.0	1.0	1.1	1.1	0.9
Public administration & defence	1.0	1.0	0.8	1.2	1.0
Wholesale	0.9	0.5	1.1	0.6	1.0
Transport & storage (inc postal)	0.9	0.8	1.1	0.6	0.8
Arts, entertainment, recreation & other services	0.8	0.8	0.9	0.6	0.9
Accommodation & food services	0.8	0.7	0.8	0.7	0.8
Property	0.8	0.7	0.7	0.8	0.7
Professional, scientific & technical	0.7	0.8	0.6	0.6	0.7
Information & communication	0.6	0.6	0.5	0.8	0.6
Financial & insurance	0.4	0.4	0.3	0.6	0.3
Agriculture, forestry & fishing	0.2	0.0	0.2	0.0	0.3

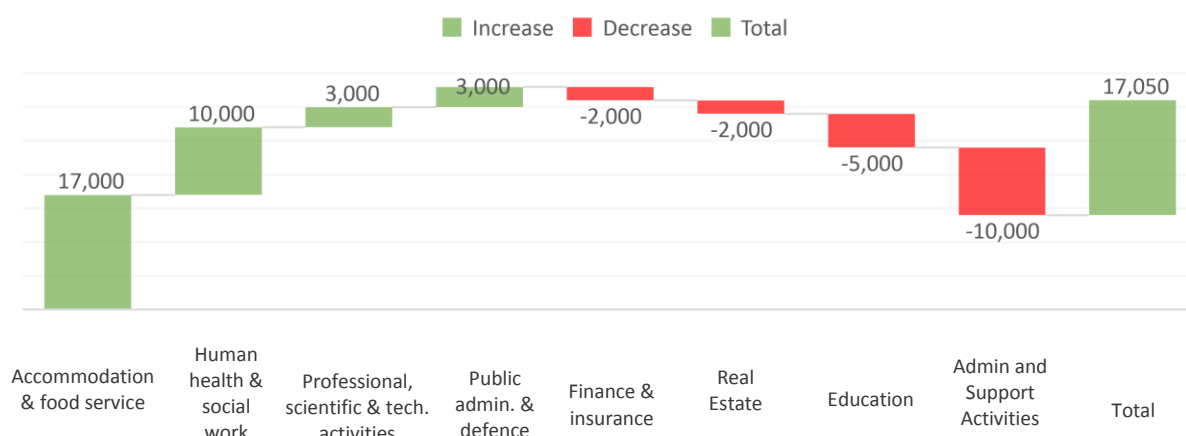
 LQ>1.05
 0.95<LQ<1.05
 LQ<0.95

²⁰ Location quotient (LQ) is a way of quantifying how concentrated a particular industry, cluster or other group is in a region compared to the national average. An LQ of 1 indicates that the sector accounts for the same proportion of employment locally as nationally; an LQ>1 shows that the sector accounts for a larger proportion of employment locally.

In 2016 D2N2 gained more than 17,000 jobs growing at the national average rate of 1.9%²¹. As shown in Figure 22, job gains have been concentrated in Accommodation and Food Service Activities, Human Health and Social Work, Professional, Scientific and Technical Activities, and Public Administration, while job losses were driven by Administrative and Support Services, Education, Real Estate, and Financial and Insurance Activities.

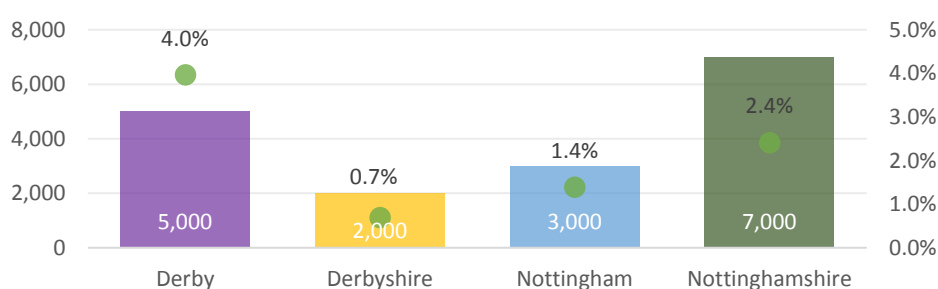
Most of the sectors which experienced growth in jobs expanded their part-time employment more than the full-time employment, except for Arts, Entertainment and Recreation, Public Administration, and Transportation and Storage sectors. The contracting sectors, on the other hand, mostly reduced their full-time employment.

FIGURE 22: D2N2 JOB GAINS AND LOSSES (TOP AND BOTTOM SECTORS), 2016



Geographical analysis of the data, shown in Figure 23, reveals that Nottinghamshire experienced the highest growth in employees, adding around 7,000 jobs followed by Derby, where approximately 5,000 jobs were gained. Derbyshire was the smallest contributor to employment growth in terms of both the absolute and percentage gains.

FIGURE 23: EMPLOYMENT GROWTH (NUMBER AND % CHANGE) WITHIN D2N2, 2016



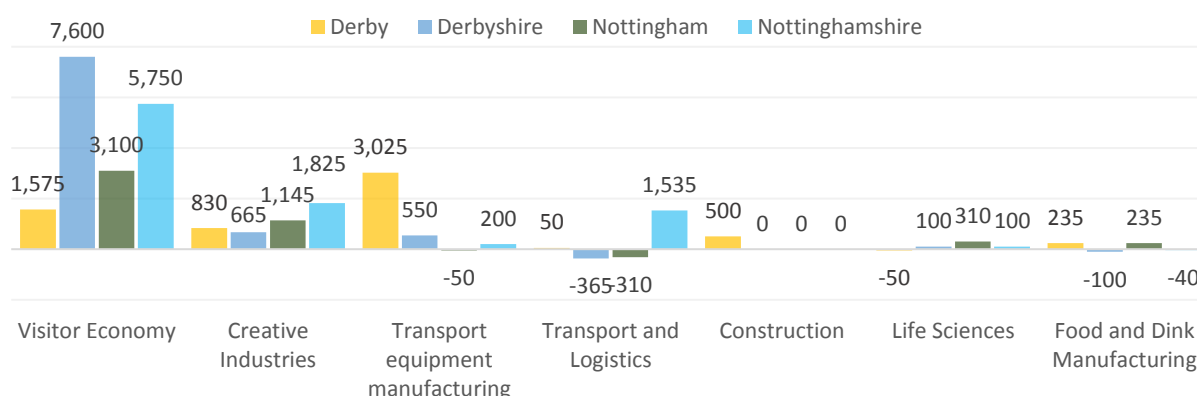
D2N2 priority sectors²² experienced higher than average jobs growth adding 28,400 jobs (12.5%). The employment growth was driven by the Visitor Economy (18,000 additional jobs),

²¹ Business Register and Employment Survey, an annual workplace based employer survey conducted in September of each year. 2016 figures are provisional and subject to change.

²² Visitor Economy, Transport and Logistics, Creative Industries, Transport Equipment Manufacturing, Food and Drink Manufacturing, Life Sciences.

Creative Industries (4,400), and Transport Equipment Manufacturing (3,700) sectors, all of which showed higher growth rates than nationally in 2016.

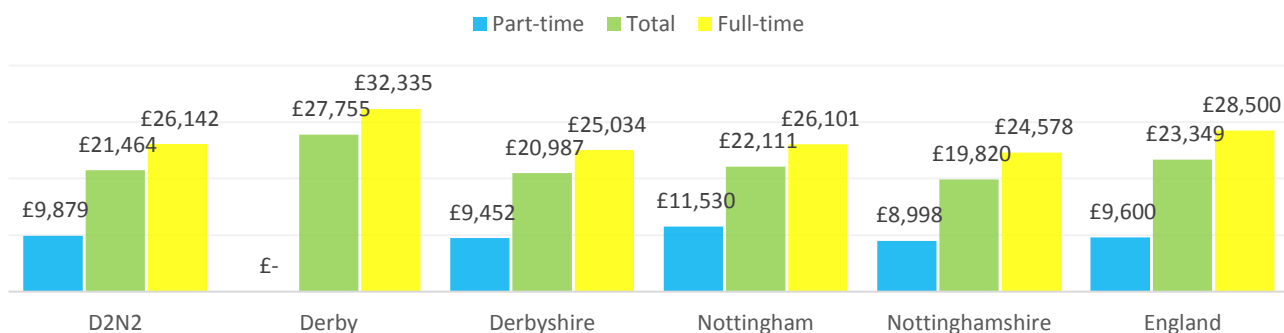
FIGURE 24: ADDITIONAL JOBS IN D2N2 PRIORITY SECTORS, 2016



Earnings

The Annual Survey of Hours and Earning (ASHE) is the main source of data on income generation by the local workforce²³. D2N2 median annual earnings (£21,464) are 8.1% lower than nationally²⁴. Figure 25 breaks down this figure by full-time and part-time component, as well as geographically. It shows that earnings in Derby are higher than the national average²⁵. Nottingham earnings are second highest in D2N2 but fall short of the national levels. More detailed estimates of earnings by local authority districts are available in the Appendix (Table A1).

FIGURE 25: MEDIAN ANNUAL EARNINGS (GROSS) WITHIN D2N2 (£), 2016



The difference in earnings between D2N2 and national estimates varies depending on where in the distribution a pay level falls. Figure 26 shows the percentage difference between D2N2 and national earning at several percentile levels. It illustrates that the lowest earners in D2N2 receive a slightly higher annual wage, median earners (50th percentile) make 8.1% less and those who earn more than 90% of people are paid almost 10% less than nationally.

While the same pattern is true for full-time employees, part-time earnings show a different picture. The lowest (10th percentile) and highest (75th percentile²⁶) part-time incomes are still

²³ ASHE covers employee jobs. It does not cover the self-employed or employees not paid during the reference period.

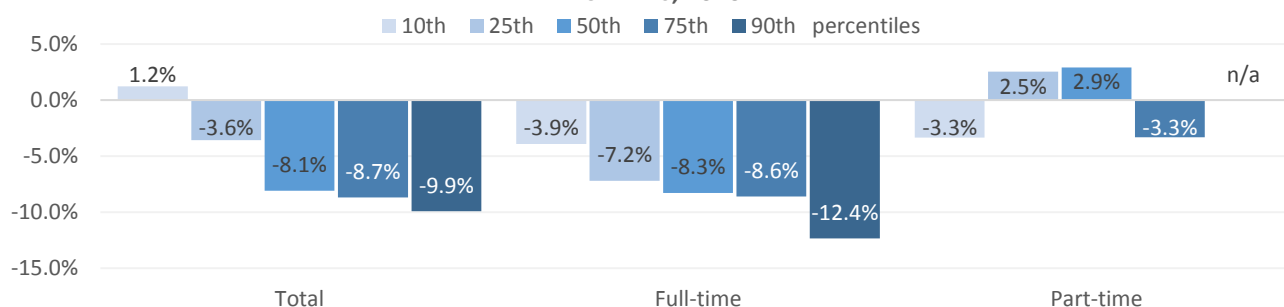
²⁴ Annual Survey of Hours and Earnings, workplace based, 2016. Available at nomisweb.co.uk

²⁵ Part-time earnings estimate for Derby are not available

²⁶ Estimates for the 90th percentiles of part-time employment are not available

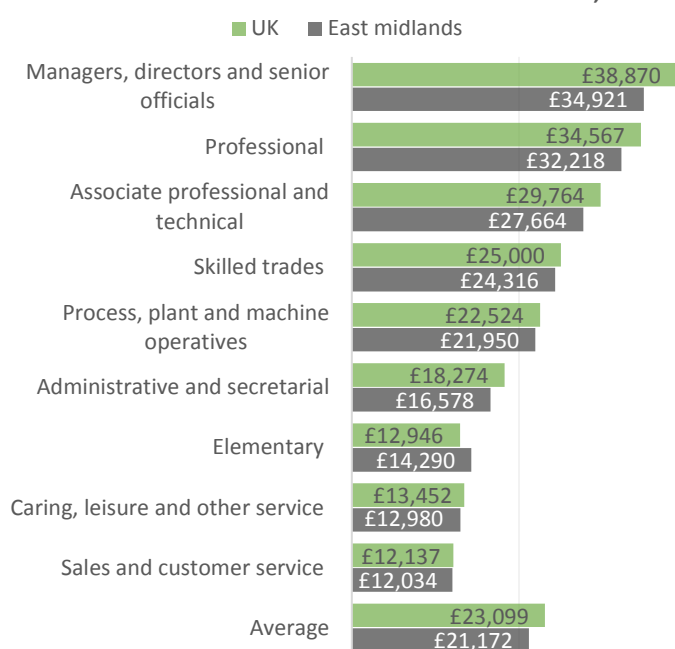
lower than nationally, whereas those falling below the median and bottom quartile are higher than nationally.

FIGURE 26: DIFFERENCES (%) IN ANNUAL EARNINGS BETWEEN D2N2 AND ENGLAND AT THE 10TH, 25TH, 50TH, 75TH, AND 90TH PERCENTILES, 2016



To explore the differences in earning by occupation, the East Midlands earnings are reported below since the detailed data are not available at the LEP level.

FIGURE 27: MEDIAN ANNUAL EARNINGS BY OCCUPATION, 2016



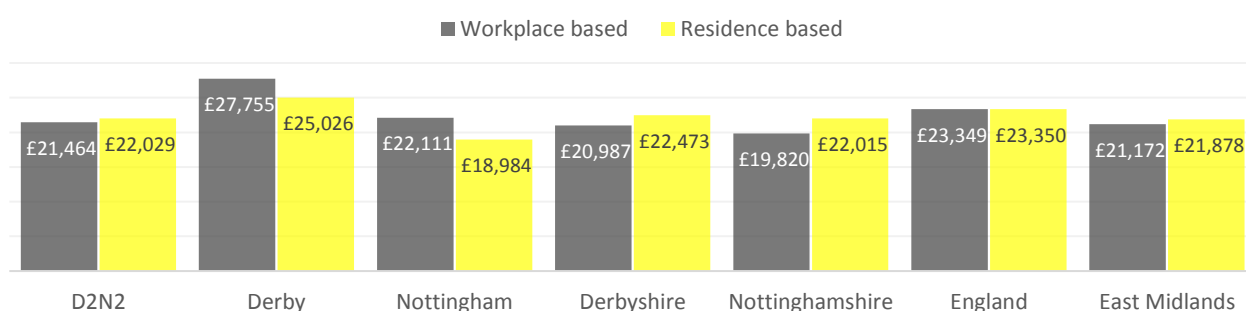
Wages across all occupations, except elementary, are lower than the UK averages. The differences in earnings of managerial and administrative occupations are the highest at 10% and 9%, respectively.

Significant differences in earnings also exist between genders, as shown in the Appendix (Figure A3). The average gap between male and female incomes in D2N2 is over 30%²⁷.

Comparing workplace based and residence based earnings estimates shows that employees who earn higher wages in the cities tend to live elsewhere. On the other hand, Derbyshire and Nottinghamshire

residents earning higher wages tend to work elsewhere. The workplace and residence based

FIGURE 28: WORKPLACE AND RESIDENCE BASED MEDIAN ANNUAL EARNINGS, 2016



²⁷ ASHE, Place of work by Local Enterprise Partnership, 2016 (provisional). Available at ons.gov.uk

median wages in Derby are higher than the national equivalent, due to a high proportion of manufacturing jobs which offer higher average wages as shown in the Appendix (Figure A2).

Business Base

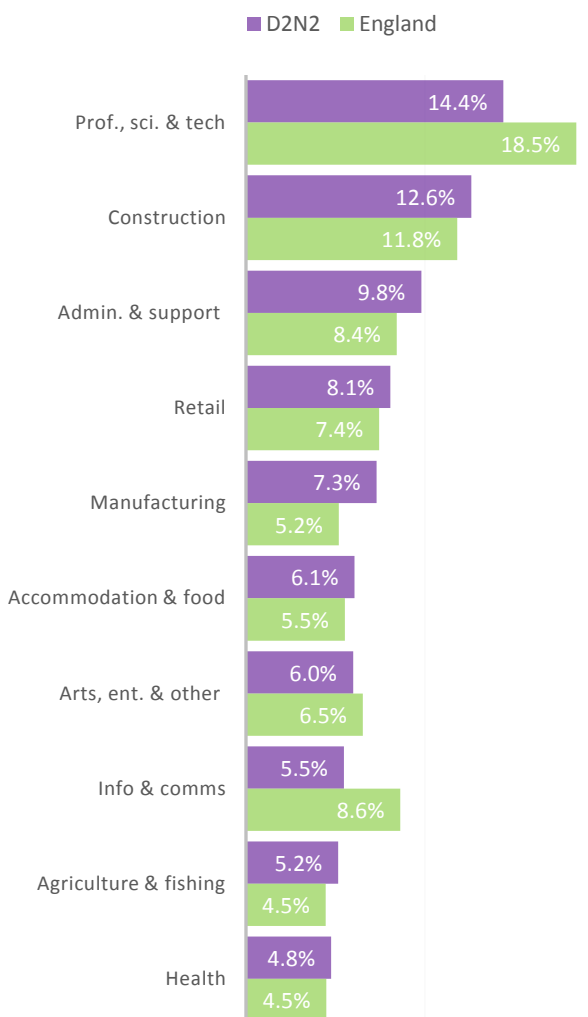
A dynamic business base encourages competition and stimulates innovation, thereby supporting productivity growth. The D2N2 Strategic Economic Plan highlights the importance of supporting local businesses to invest, innovate, export and grow to achieve the target of creating sustainable private sector jobs.

In 2016 there were almost 72,000 active businesses in D2N2²⁸. Figure 25 illustrates the sectoral composition of the business base in D2N2 and nationally in 2016. The share of businesses providing Professional, Scientific and Technical and Information and Communication services is significantly lower in D2N2 compared to the whole of England, while the share of firms in the Manufacturing, Construction, Administrative and Support sectors is higher.

More than 4,000 businesses were added to the region's business base in 2016. Administrative and support services gained 1,840 businesses or 45% of the total growth, followed by Constructions and Professional, Scientific and Technical sectors, which expanded its numbers by 10%.

For the second year in a row growth in D2N2 business base exceeded that of the national level. Despite the faster growth over the last two years, the longer-term business base gains are lower, with the number of businesses nationally now 19% higher than in 2010 whereas the number of businesses in the whole of England is 23% higher.

FIGURE 25: SECTORAL COMPOSITION OF THE BUSINESS BASE, 2016 (TOP 10 SECTORS)



²⁸ NOMIS, UK Business Counts

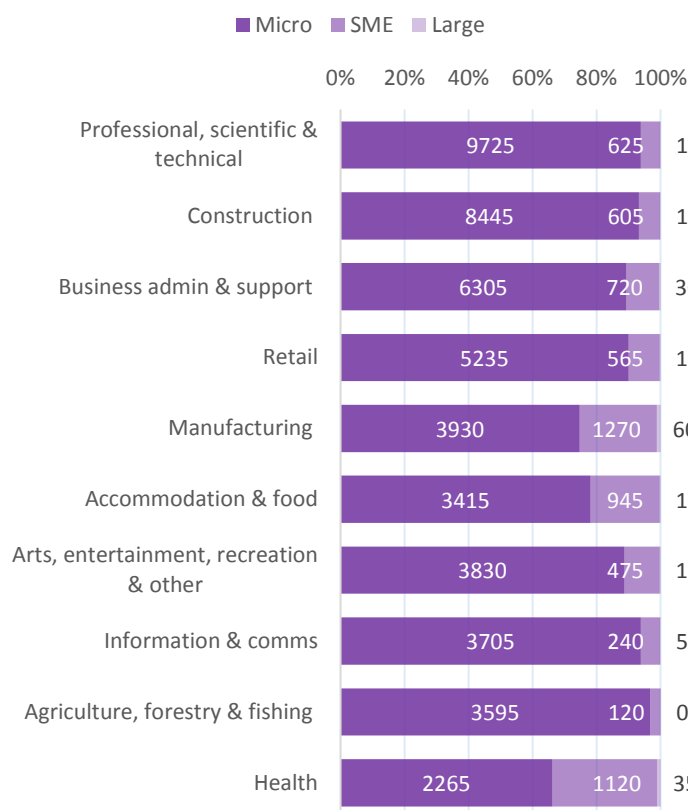
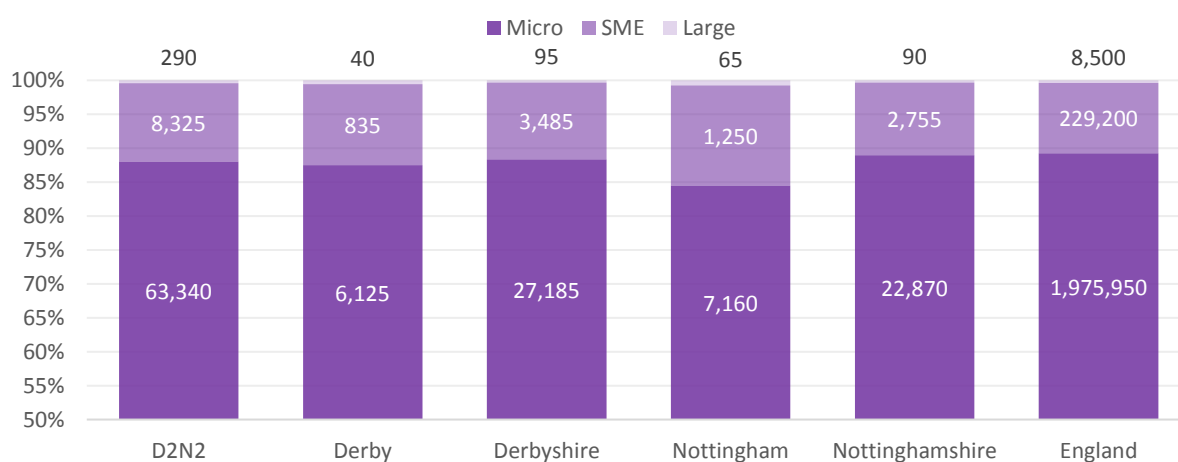
FIGURE 26: SECTOR AND SIZE COMPOSITION OF D2N2 BUSINESS BASE, 2016 (TOP 10 SECTORS)


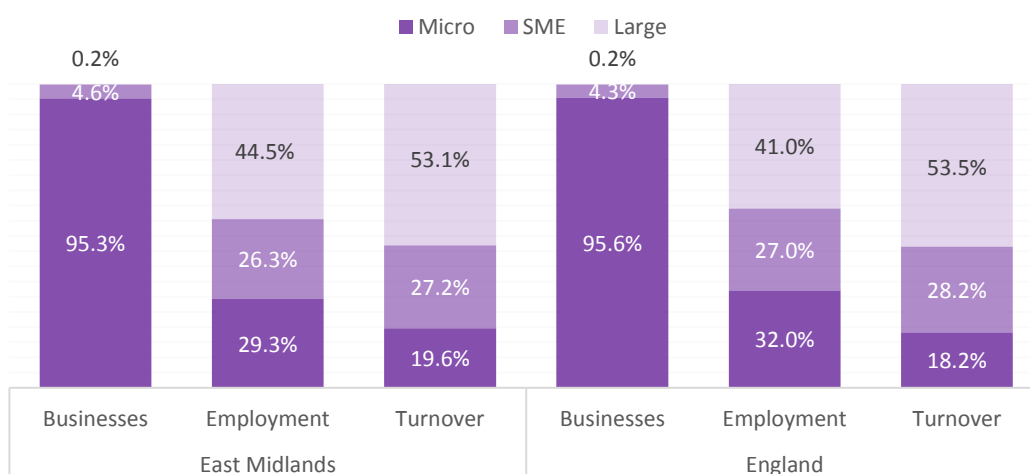
Figure 26 shows the percentage and number of businesses in the top 10 sectors by total business count. Micro businesses (0 to 9 employees) make up 88% of the business base, in line with the national average. The share of micro businesses varies by sector with the high of 97% in Agriculture and the low of 66% in Health. Manufacturing and Health sectors have a relatively large number of SMEs and large companies compared to other sectors.

Within D2N2, the size profile of the business base does not vary significantly. However, Nottingham stands out with a lower percentage of micro businesses (84% compared to 89% nationally), a higher percentage of SMEs (15% compared to 10% national average), and a slightly larger proportion of large businesses (0.8% compared to 0.4% nationally).

FIGURE 27: BUSINESS BASE BY SIZE WITHIN D2N2, 2016


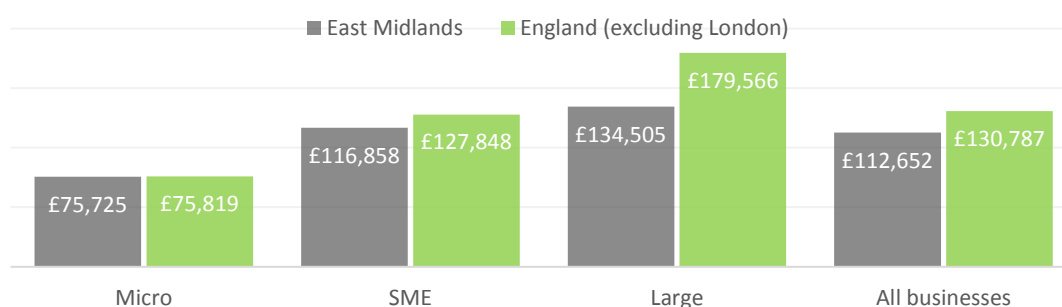
While the exact figures on turnover and employment of D2N2 businesses are not available at sub-regional level, the Department for Business, Energy and Industrial Strategy estimates show that although micro businesses account for a vast majority of the business base, they generate only about 20% of the turnover and account for approximately 29% of the private sector employment²⁹. In contrast, large businesses, which make up only 0.2% of the business base, generate an estimated 53% of turnover and employ 45% of the private sector workforce. SMEs account for an estimated 27% of turnover and 26% of employment, as shown in Figure 28.

FIGURE 28: BUSINESS BASE BY SIZE AND THE CORRESPONDING EMPLOYMENT AND TURNOVER (%), 2016



Further analysis of the East Midlands business population data shows that most of the productivity³⁰ differences come from large businesses which are 34% less productive when compared to the rest of England (excluding London). SMEs are 9% less productive while micro businesses show the same level of productivity.

FIGURE 29: PRODUCTIVITY (TURNOVER PER EMPLOYEE) BY SIZE BAND IN EAST MIDLANDS AND ENGLAND, 2016



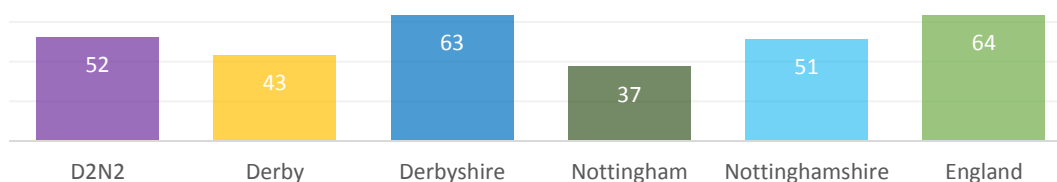
While these figures may not entirely reflect the productivity of D2N2 businesses, they underlie the need for a targeted approach to close the regional productivity gap.

²⁹ BEIS, Business population estimates for the UK and regions, 2016. East Midlands estimates were used Available at gov.uk

³⁰ Defined as turnover divided by employment for each size group.

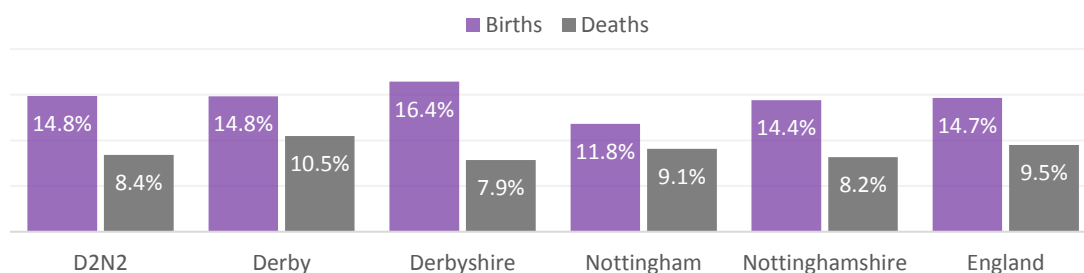
Business density, a measure of the number of businesses in an area relative to the size of the working age population, remains below the national level despite an increase from 50 to 52 businesses per 1000 working age residents in 2016. The growth in business density was not sufficient to cover the existing gap with the national level, which persists at 11 businesses per 1,000 residents for the third year in a row. Derbyshire has the highest business density within D2N2 and comes close to the national average. Nottingham, on the other hand, is significantly below the average.

FIGURE 30: BUSINESS DENSITY, 2016



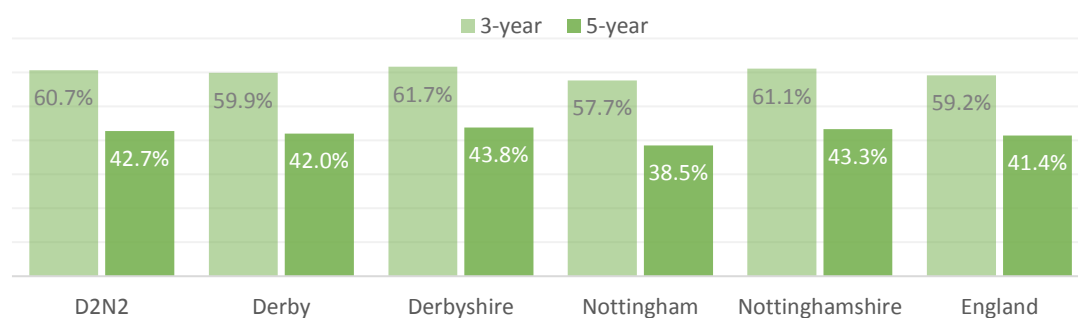
The number of *new businesses* increased by 28% in 2015 to 11,400. This led to a 2.6 percentage points increase in the start-up rate³¹ (to 15.3%) which exceeded the slight increase in the national start-up rate (an increase of 0.7% pt. to 14.7%). Derbyshire had the highest start-up rate (16.4%) and the lowest business death rate (7.9%) in D2N2 which led to an 8.6% increase in the business base compared to the average of 5% nationally and 6.5% in D2N2.

FIGURE 31: BUSINESS BIRTHS AND DEATHS (% OF THE BUSINESS BASE), 2015



Both the 3-year and 5-year *survival rates* in D2N2, being higher than the national, continued to increase in 2015. The former rose to 60.7% while the latter increased to 42.7%. Derbyshire showed the highest survival rates, while Nottingham recorded the lowest.

FIGURE 32: BUSINESS SURVIVAL RATES, 2015

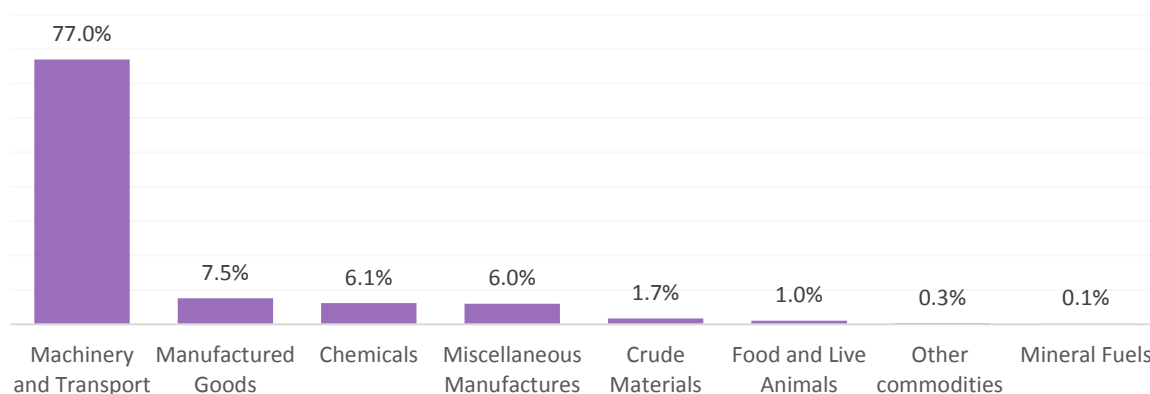


³¹ Business births as a percentage of the business base. ONS Business Demography dataset. Available at ons.gov.uk

International Trade

According to experimental statistics released by HMRC, D2N2 exports of goods were valued at £11.7 billion in 2015. Approximately 41% (£4.9bn) of the D2N2 goods were exported to the EU and 59% (£6.8bn) to non-EU countries in 2015.

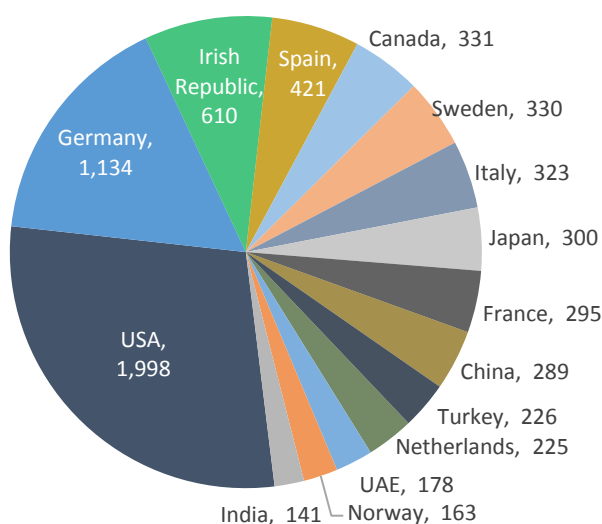
FIGURE 33: SHARE OF D2N2 IMPORTS BY STANDARD INTERNATIONAL TRADE CATEGORY, 2015



Machinery, transport, and other manufactured goods account for 91% of all D2N2 exports.

The top 15 partner countries are shown below. The USA and Germany account for approximately 27% of the exports.

FIGURE 34: TOP 15 PARTNER COUNTRIES BY EXPORT VALUE (£ MILLION), 2015



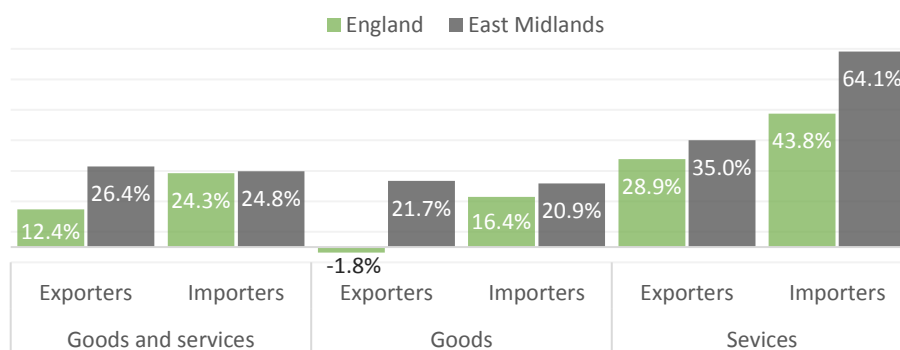
Regional trade statistics are presented next. According to the latest Annual Business Survey data there were 15,800 exporting and 17,100 importing businesses in the East Midlands, equivalent to 7.5% and 8% of England's total, respectively³². From 2011 to 2015 the number

³² Annual Business Survey, importers and exporters regional breakdown, 2015. Available at ons.gov.uk

of exporting businesses increased by 26.4% while the number of importing businesses increased by 24.8% (compared to 12.4% and 22.9% respective increases nationally).

The difference in the number of exporting businesses is mainly due to a strong increase in exporters of both goods and services in the East Midlands, while the number of exporters of goods decreased in England. The East Midlands gained more than a third of exporters and two thirds of importers of services since 2011.

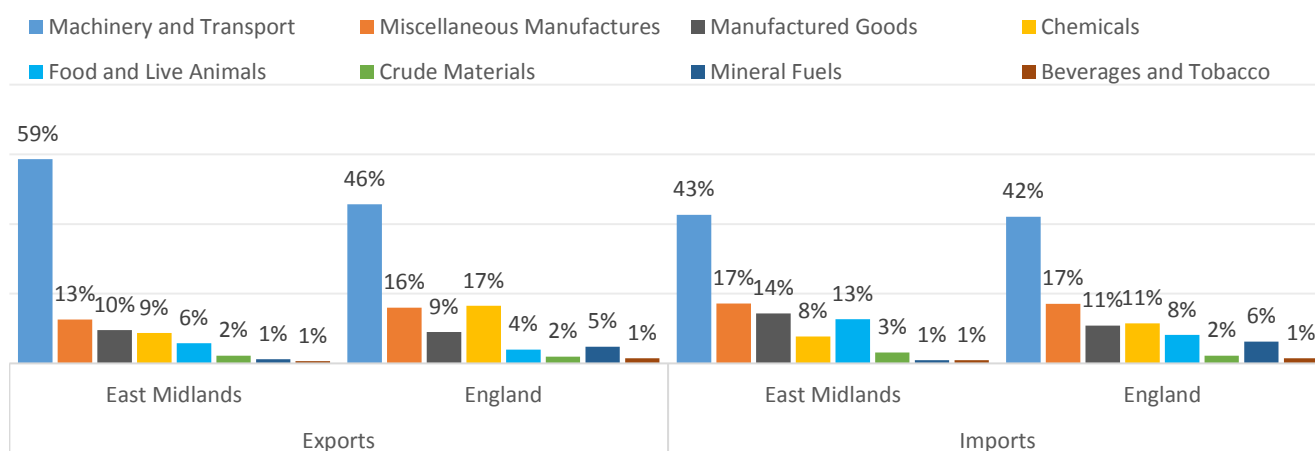
FIGURE 35: GROWTH IN THE NUMBER OF EXPORTING AND IMPORTING BUSINESSES (%), 2011-2015



HM Revenue and Customs regional trade in goods statistics show that the East Midlands accounts for 7% of England's exports and 6% of imports³³. Overall, East Midlands exports made up around 16% of its total GVA generated in 2015, compared to a slightly lower 15% nationally³⁴. In per head terms, the East Midlands exported around £5,430 worth of goods per resident compared to a slightly lower £5,360 nationally³⁵.

In 2016 there was a 2.9% increase in exports and an 8.4% increase in imports in the East Midlands, totalling £15.7 billion and £21.6 billion respectively. England's total exports and imports grew by 6.3% and 7.1% respectively.

FIGURE 36: SHARES OF EXPORTS AND IMPORTS IN EAST MIDLANDS AND ENGLAND BY THE STANDARD INTERNATIONAL TRADE CLASSIFICATION (SITC), 2016



³³ HMRC, UK regional trade statistics: first quarter 2017. Available at gov.co.uk

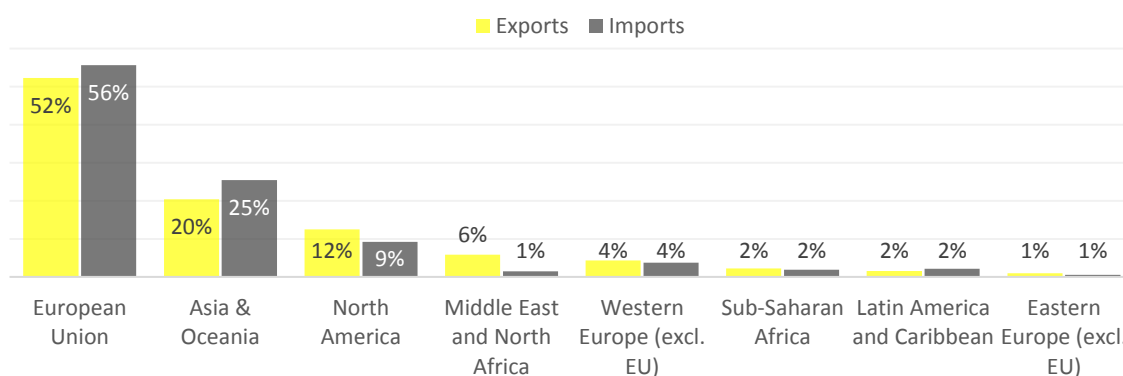
³⁴ Estimated using regional GVA (2015)

³⁵ Estimated using mid-year population (aged 16-64) estimates (2015)

Machinery and transport goods take up the largest share of East Midlands exports and imports. The share of these goods is larger than in the whole of England, while the shares of miscellaneous manufactures, chemicals and mineral fuels are lower.

Most of the East Midlands trade in goods is with the European Union, followed by Asia and North America. East Midlands is a net importer of goods from the EU and Asia and a net exporter of goods to North America.

FIGURE 37: EAST MIDLANDS EXPORTS AND IMPORTS BY COUNTRY GROUP, 2016



The shares of East Midlands exports to the EU (52%) and Asian countries (20%) were higher than the national averages estimated at 48% and 16%, respectively, in 2016. The share of imports to the EU (56%) is slightly lower than nationally (57%) while the share of imports to Asia (25%) is higher than nationally (22%). Imports to North America are of the same proportion whereas exports are lower (12% in East Midlands compared to 18% in England).

Housing

The supply of affordable, high quality housing promotes local economic and demographic growth, and is linked to physical and mental wellbeing as well as educational outcomes³⁶. Despite the significant increase in additional dwellings built since 2014, the scale of housing development in D2N2 remains significantly below the pre-recession levels, with 6,550 net additional dwellings in 2016³⁷.

FIGURE 38: NET INCREASE IN DWELLING STOCK, D2N2

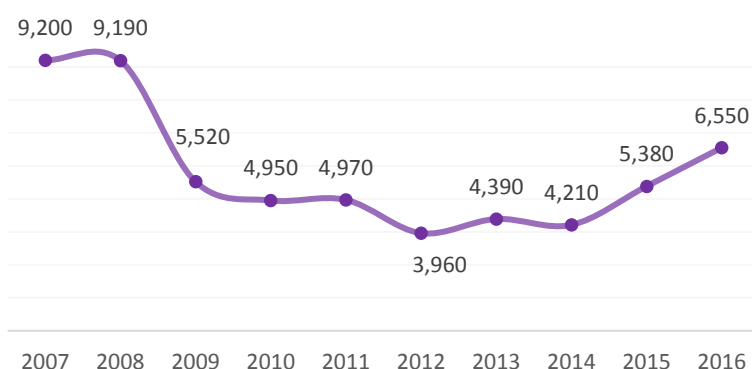
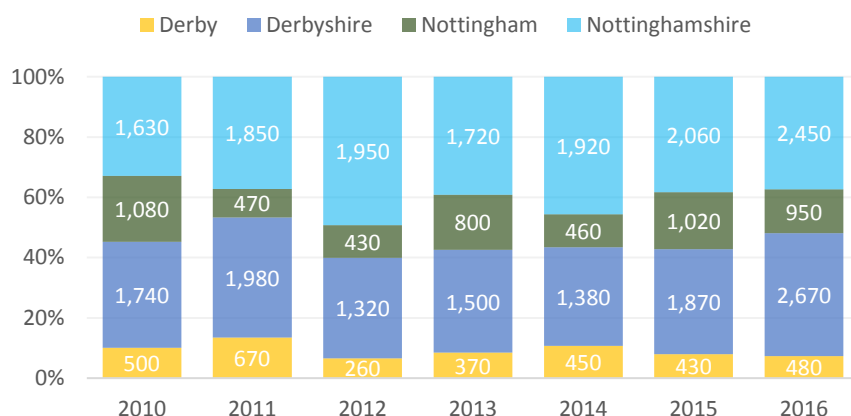


FIGURE 39: NET INCREASE IN DWELLING STOCK AND PERCENTAGE OF THE TOTAL WITHIN D2N2

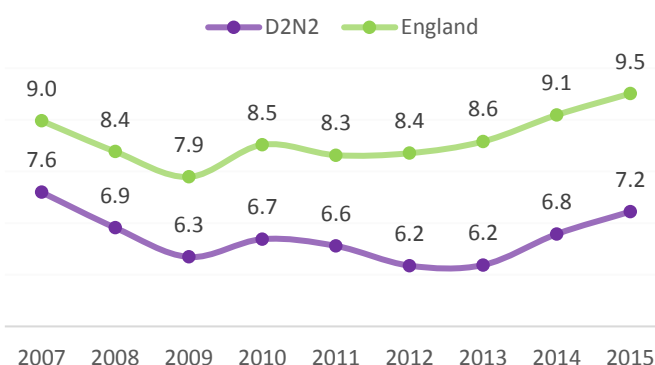


The growth rates in housing stock are slightly but consistently lower in D2N2 compared to the national rates, which stayed between 0.5% to 0.8% over the last 7 years. In 2016 the growth in housing stock in Nottingham and Nottinghamshire was in line with the national average of 0.6%, while in Derbyshire and Derby a slightly lower

growth rate of 0.5% and 0.4%, respectively, was recorded. As shown in Figure 39, almost 80% of the dwelling stock increase in recent years comes from Nottinghamshire and Derbyshire.

The ratio of average house price to average annual incomes is a measure of housing affordability. While still below the pre-recession levels, the D2N2 ratio has been increasing at a faster rate since 2013, signalling decreasing housing affordability. The national ratio of median house price to salary has been above the pre-recession peak since 2014 and continues to rise.

FIGURE 40: THE RATIO OF MEDIAN HOUSE PRICE TO MEDIAN



³⁶ Shelter policy library publications available at england.shelter.co.uk

³⁷ ONS Statistical data set, Live tables on dwelling stock, April 2017. Available at gov.uk. Dwelling stock information collected annually through the Housing Flows Reconciliation form.

Social Inclusion

There have been growing concerns both in the UK and abroad about the distributions of economic growth. Since various measures point to a long-term upward trend in income inequality³⁸, there has been growing impetus to better understand the link between growth and social inclusion. Since the main measures of economic growth such as GDP or GVA do not capture the distribution of value in an economy, the regional measurement of income inequality is centred around inequality in disposable incomes (incomes after taxes and benefits). Higher levels of disposable income lead to an increase in economic activity through stronger household spending and saving.

Gross disposable household income (GDHI) is the amount of money that all of the individuals in the household sector have available for spending or saving after income distribution measures (for example, taxes, social contributions and benefits) have taken effect³⁹.

FIGURE 41: GDHI PER HEAD IN D2N2 AND ENGLAND (£)

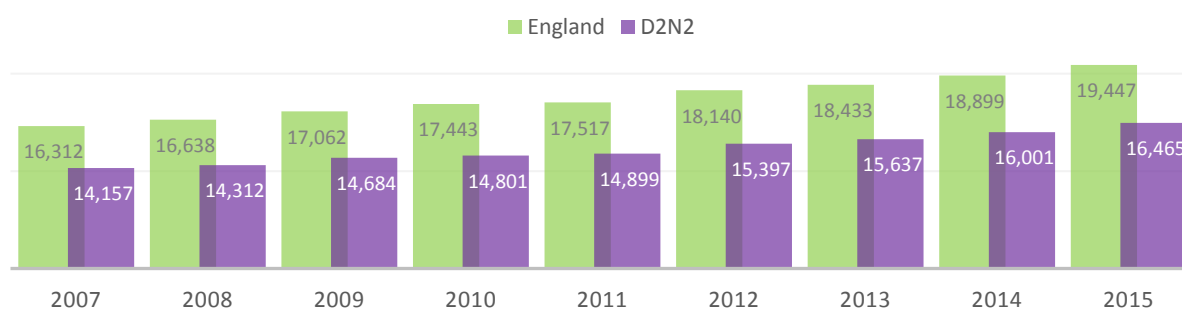
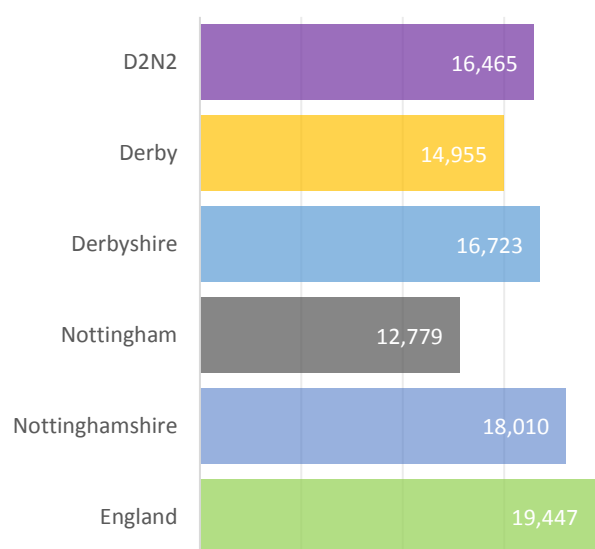


FIGURE 42: GDHI PER HEAD WITHIN D2N2, 2015



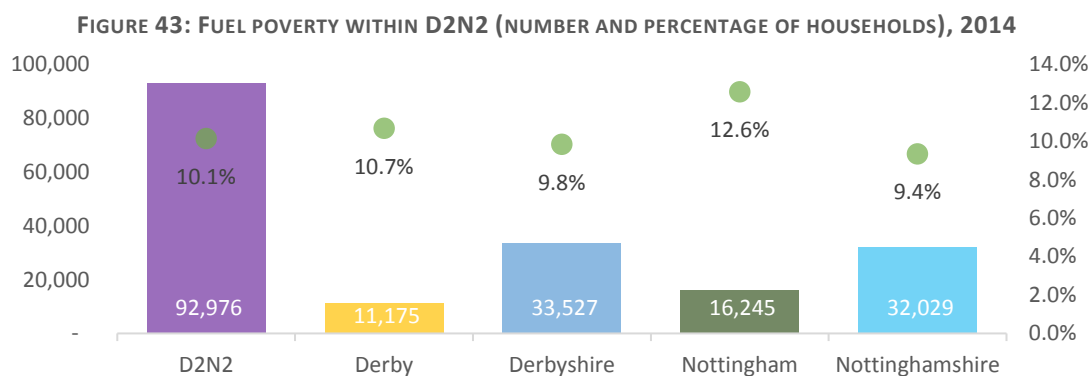
GDHI per head in D2N2 has historically been below the national average as shown above. In 2015 GDHI per head was £16,465, which is only 84.7% of the national level.

Nottinghamshire and Derbyshire have higher levels of GDHI per head compared to D2N2 average and lower than nationally. D2N2 measure is brought down significantly by the Nottingham level and, to a lesser extent, that of Derby.

³⁸ Income Inequality in the UK, House of Commons Library, 2017. Available at researchbriefings.parliament.co.uk

³⁹ ONS definition

Low incomes, rising energy prices and energy inefficient housing increase the likelihood of *fuel poverty*, which is measured using Low Income High Costs Indicator (LIHC). Under LIHC a household is considered to be fuel poor if its level of income after fuels costs is below the poverty line (60% of the median household income). The percentage of households experiencing fuel poverty, which is now lower in D2N2 than nationally, has been decreasing over the past several years dropping from 13.9% in 2011 to 10.1% in 2014 (compared to 10.9% and 10.6%, respectively, in the whole of England).



The Joseph Rowntree Foundation (JRF) inclusive growth (IG) monitor attempts to measure the relationship between economic inclusion and prosperity using an index comprised of various measures of the labour market, living costs, income, output, employment and human capital. According to this measure, D2N2 is in the lower half of the inclusion-prosperity distribution of all LEPs but is ahead of many core cities such as London, Greater Manchester, Greater Birmingham, Leeds, Sheffield and Liverpool city regions on the inclusion dimension.

While the JRF measures give a useful overview of the average inclusion and prosperity indicators, social exclusion manifests itself in aspects of the economy not captured by the IG indices, such as health and its effects on employment.

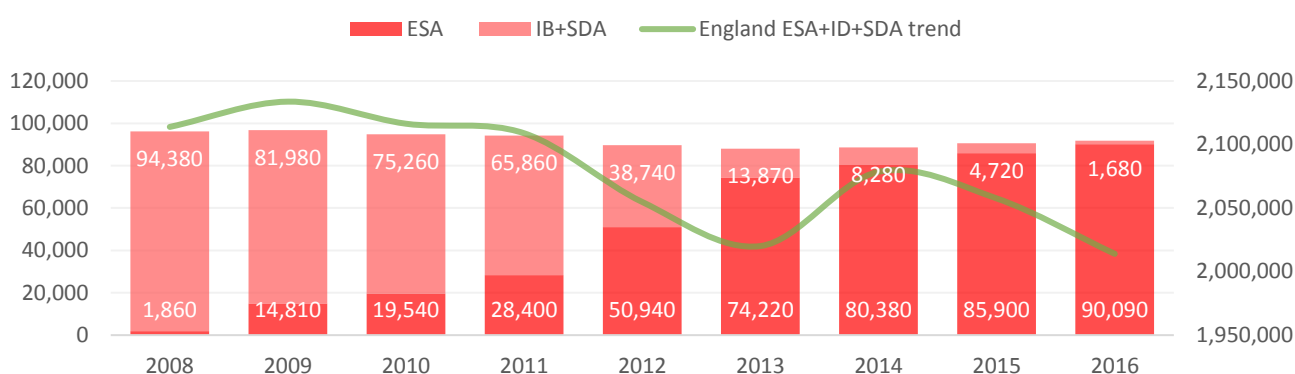


Health

Health is an important factor of human welfare and an 'instrument' for rising income levels through several mechanisms such as worker productivity, education, savings and investment, and demographic structure.⁴⁰ D2N2 has a higher level of economic inactivity due to long-term health issues than is the case nationally, as outlined earlier.

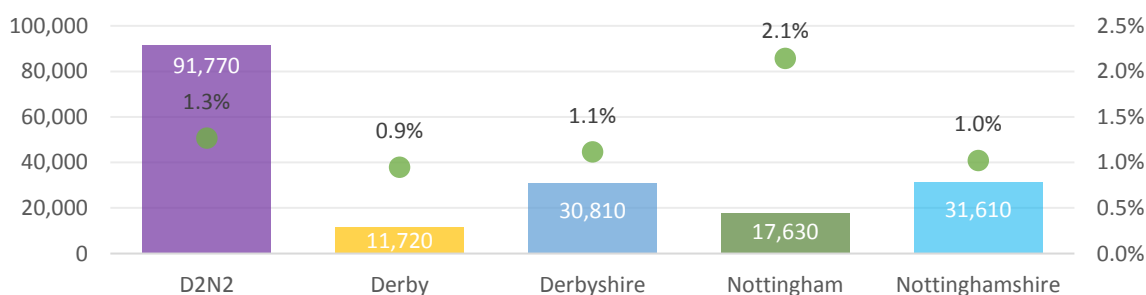
The number of *Employment and Support Allowance (ESA) claimants* (individuals claiming long-term illness or disability benefits) continued to rise in 2016, increasing by 4.9% to more than 90,000. The rise in ESA claimants has been higher than nationally where it increased by 1%. Since its introduction in 2008, ESA claimant numbers have been rising mostly due to Incapacity Benefits (IB) and Severe Disablement Allowance (SDA) claimants switching to ESA. After

FIGURE 45: ESA, IB AND SDA CLAIMANTS IN D2N2 AND ENGLAND



accounting for these claimants, the total number of long-term illness or disability benefit claimants grew by 1.2% compared to a 2.1% decline nationally. The largest increase was recorded in Nottingham (2.1%) while the lowest was in Derby (0.9%).

FIGURE 46: NUMBER AND GROWTH RATE OF ILLNESS AND DISABILITY CLAIMANTS (ESA,IB,SDA), 2016



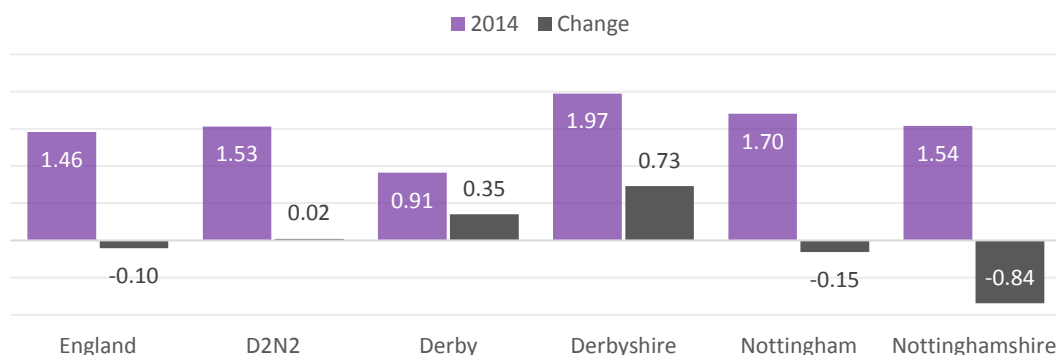
The percentage of days lost due to sickness, an indicator of short-term health dynamics of the working population and its effect on, is slightly higher than the national average at around 1.5% of the total working days⁴¹.

⁴⁰ Population health and economic growth, Working paper No. 24, 2008, The World Bank. Available at worldbank.org

⁴¹ Public Health Outcomes Framework data. Change calculated using non-overlapping periods.

The highest percentage of days lost due to sickness as well as the largest year over year increase was estimated in Derbyshire. Derby had the lowest percentage, while Nottingham managed the largest decline.

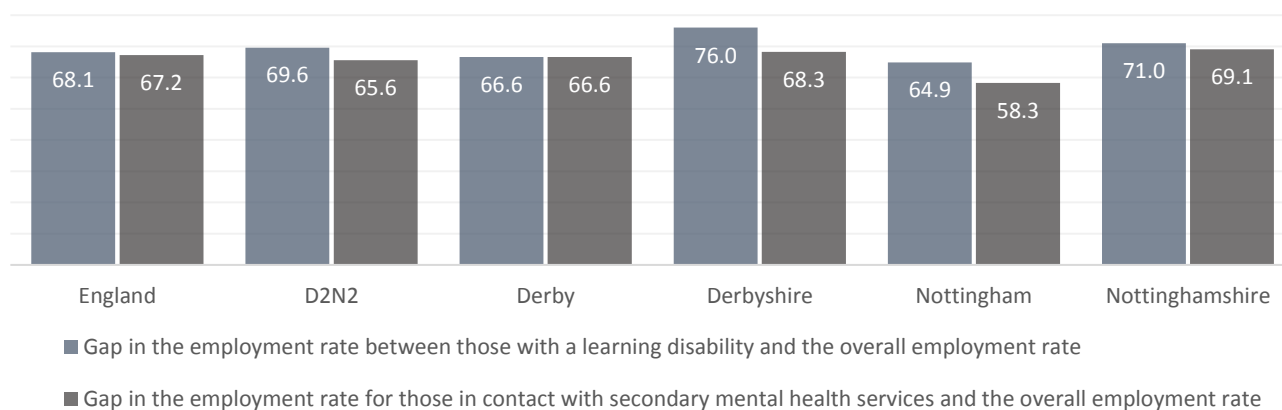
FIGURE 47: PERCENTAGE OF DAYS LOST DUE TO SICKNESS (%), 2014



The government has set a challenging target of halving the gap between the employment rate of those with disabilities and the general population by 2020. In D2N2, the employment rate for people with learning disabilities is 69.6% points lower than the overall employment rate, and the gap has been widening over the past several years, both across the D2N2 area and nationally. The highest gap was estimated in Derbyshire (76.0% pt.) and Nottinghamshire (71.0% pt.) while the lowest was in Nottingham (66.6% pt.).

The employment rate for people in contact with the secondary mental health services is 65.6% points lower than the overall employment rate in D2N2, and the gap has also been increasing over the past years. Nottinghamshire and Derbyshire have larger employment gaps with 69.1% and 68.3% pt. gaps, respectively.

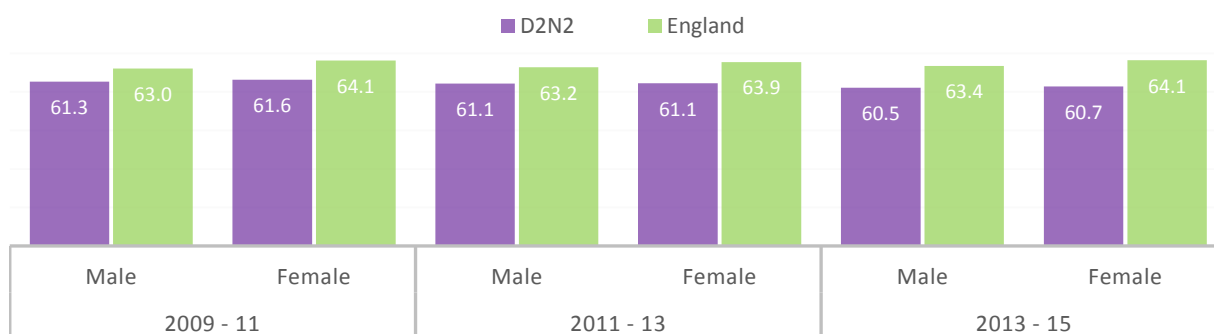
FIGURE 48: GAPS IN EMPLOYMENT RATE DUE TO LEARNING DISABILITIES AND MENTAL HEALTH (% PT.), 2015/16



Some of those who have a learning disability or secondary mental health condition may not be in a position to enter employment. However, it is likely that some of those with learning disabilities or mental health issues could play a role in the labour market if they were provided with the appropriate support to do so.

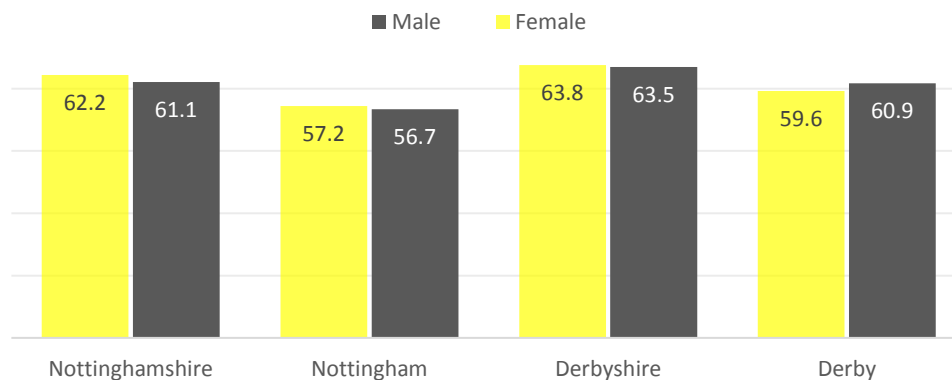
Male and female healthy life expectancy is at 60.5 and 60.7 years in D2N2 respectively, which is lower than national estimates. The gap with the national life expectancy has been growing over the past years widening from 1.7 to 2.7 years for males and from 2.5 to 3.4 years for females between 2011 and 2015. This is a result of a slight increase in the national life expectancy and its decrease in D2N2. Both male and female healthy life expectancy has been declining in recent years in D2N2, decreasing by 0.8% (~6 months) and 0.7% (~5 months), respectively, according to the most recent data⁴².

FIGURE 49: HEALTHY LIFE EXPECTANCY (YEARS)



Across D2N2, the lowest life expectancy, both male and female was estimated in Nottingham while the highest was in Derbyshire. In Nottingham male and female life expectancies are 6.8 and 7 years lower than national averages.

FIGURE 50: HEALTHY LIFE EXPECTANCY IN D2N2, 2013/15



⁴² Public health outcomes framework data, change between 2011-2013 and 2013-2015 periods.

Sustainability

Carbon dioxide (CO₂) is the main greenhouse gas, accounting for about 81% of the UK greenhouse gas emissions in 2015⁴³. CO₂ emissions, both in per £1m of GVA and per capita terms, are higher in D2N2 than in England as a whole, reflecting the energy-intensive sector profile of the economy. D2N2 CO₂ emissions were at 5.4 kt⁴⁴ per head in 2015 compared to 4.8 kt nationally. While the downward trend in CO₂ emissions continues, the reduction in emissions intensity, the level of emissions per unit of economic output, has been slower in D2N2 than nationally.

FIGURE 52: CO₂ EMISSIONS (KT PER HEAD), 2015

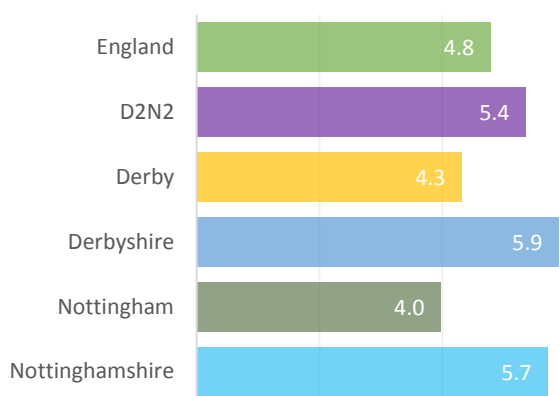
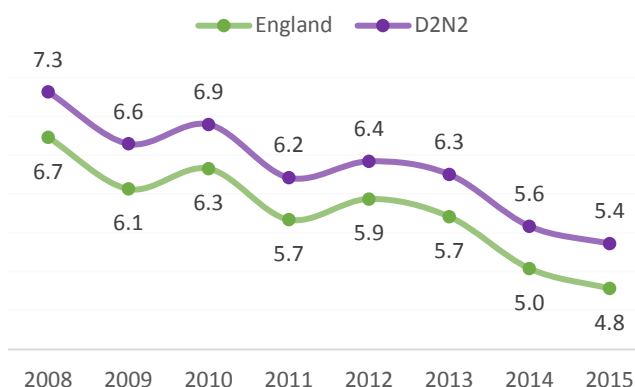


FIGURE 51: CO₂ EMISSIONS PER HEAD (KT)

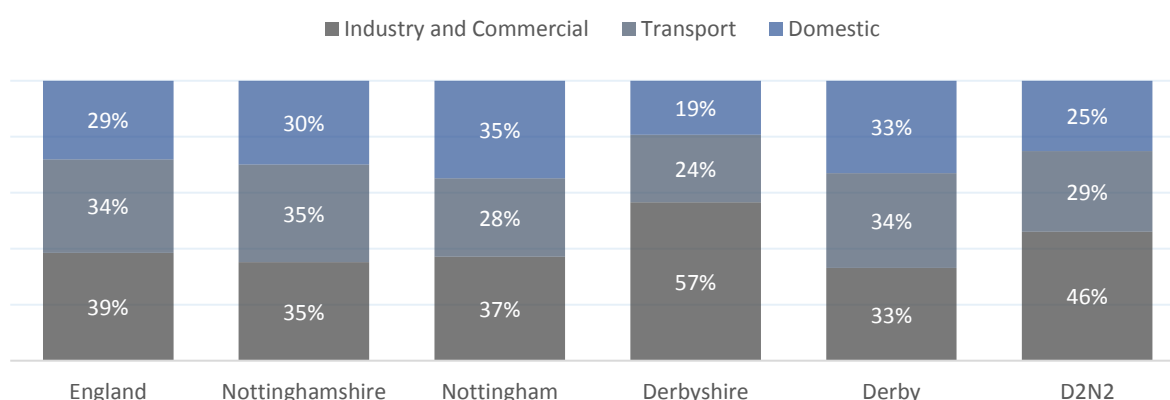


CO₂ per £1m of GVA decreased by 8% in D2N2 and 14% in England as a whole in 2014.

Derbyshire and Nottinghamshire account for 80% of all CO₂ emissions in D2N2 and generate more CO₂ per head compared to the national level.

As shown below, a higher proportion of CO₂ in D2N2 is emitted by the industry and commercial energy consumers with the highest proportion estimated in Derbyshire (57%).

FIGURE 53: CO₂ EMISSIONS BY END-USER GROUPS (%), 2015



The percentage of vehicle miles travelled by car decreased slightly over the past year in D2N2, from 77.9% to 77.8%. This is lower than the proportion of vehicle miles travelled by car

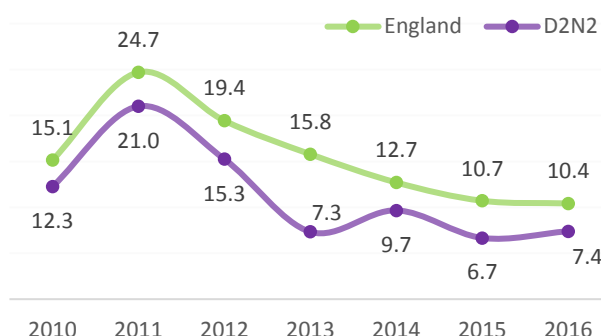
⁴³ UK local authority and regional carbon dioxide emissions national statistics. Available at gov.co.uk

⁴⁴ Kilotonnes or thousand metric tonnes

nationally (78.1%) in 2016. Derby and Nottingham came in higher on this metric, however, with 83.2% and 79.7%, respectively.

The average number of days air quality exceeded 'moderate' or higher thresholds is lower in D2N2 than in the rest of England. However, there was an increase from 6.7 to 7.4 days in 2016, while the national average decreased slightly from 10.7 to 10.4⁴⁵.

FIGURE 54: DAYS AIR QUALITY EXCEEDS 'MODERATE' OR HIGHER THRESHOLDS (NO.OF DAYS PER SITE)



Conclusion

D2N2 has made good progress on the key performance indicators over the past year. Growth in GVA has been coupled with a strong private sector employment and a decrease in the overall unemployment rate. Business start-up and survival rates also continued to improve, as did the impact on the environment in terms of the CO₂ emissions.

The early achievement of the LEP's target of 55,000 additional private sector jobs is an important milestone which presents both opportunities and challenges. While the expanding employment means that local businesses are successful in finding growth opportunities in D2N2 area and beyond, the skills profile of the workforce shows that businesses are increasingly likely to face skill shortages.

Among the main challenges remain lagging productivity and gross disposable household income, which determine the long-term standard of living as well as consumption and investment patterns. Comparatively lower skill levels of the working age population in the D2N2 area, as well as decreasing healthy life expectancy, which translates into higher numbers of ESA claimants, are some of the factors which are likely to affect the region's productivity and growth potential.

⁴⁵ Based on measures at 3-5 sites in D2N2 - Chesterfield Loundsley Green, Chesterfield Roadside, Nottingham Centre, Nottingham Western Boulevard, Ladybower and 61 nationally, subject to meeting inclusion criteria.

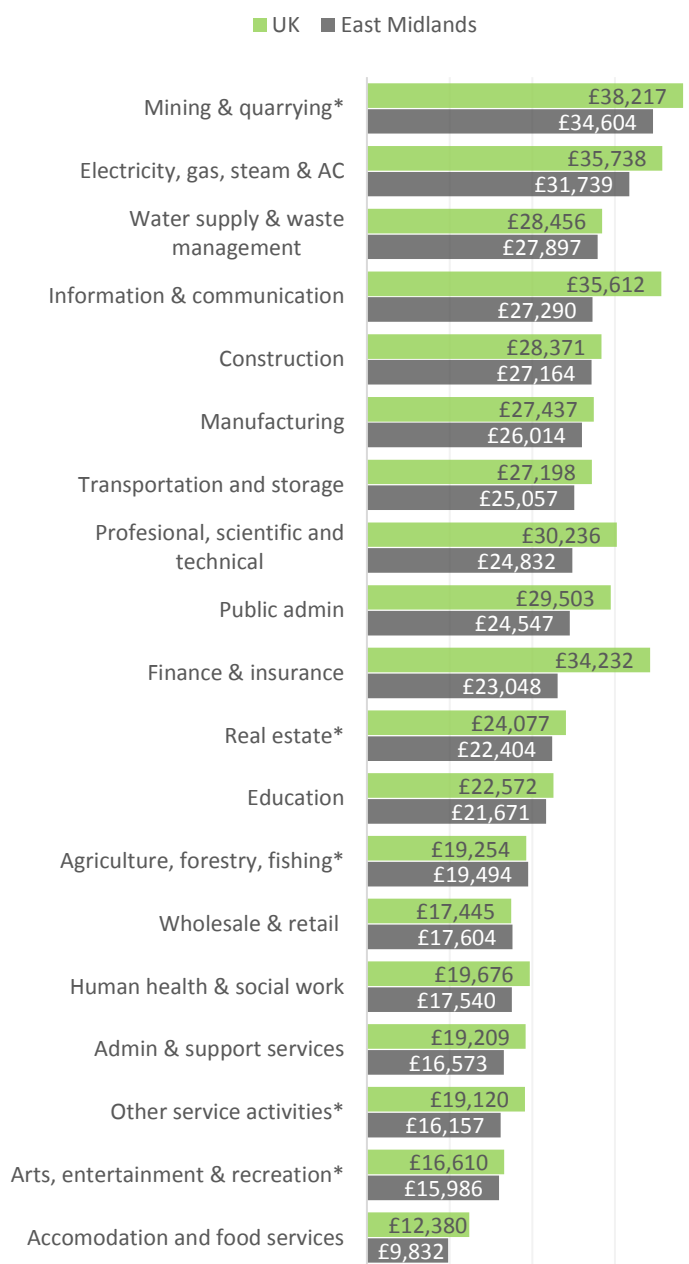
Appendix

A1: D2N2 comparative profile

Area	Indicators	Economy				Employment			Business		Qualifications		
		GVA growth (%)	GVA per head (£)	Productivity (GVA per FTE, £)	Median annual earnings, £ (workplace based)	Private sector employment growth (%)	Employment rate (%)	Claimants, as a % residents aged 16-64	Business start-up rate (%)	3-year business survival rate (%)	Working age population with L4+ qualifications (%)	Working age population with no qualifications (%)	GCSE attainment (A*-C in both English & mathematics, %)
England		3.0%	£ 26,159	£ 68,005	£ 23,349	2.8%	74.4%	1.9%	14.7%	57.1%	37.9%	7.8%	63.0%
East Midlands		1.8%	£ 20,929	£ 58,007	£ 21,172	3.3%	74.7%	1.6%	14.4%	57.7%	31.3%	7.5%	61.5%
D2N2		2.2%	£ 20,399	£ 57,185	£ 21,464	4.0%	74.5%	1.8%	15.3%	58.5%	32.0%	8.1%	58.2%
Derby		3.1%	£ 27,266	£ 65,089	£ 27,755	2.3%	74.7%	1.7%	14.8%	58.0%	33.3%	9.3%	54.2%
Derbyshire		1.7%	£ 18,378	£ 58,926	£ 20,987	6.2%	79.4%	1.3%	16.4%	59.2%	33.1%	5.3%	62.4%
Amber Valley		1.7%	£ 20,486	£ 60,524	£ 23,491	3.1%	80.9%	1.2%	11.8%	56.5%	36.2%	3.3%	59.9%
Bolsover		7.9%	£ 19,601	£ 49,194	£ 20,903	28.1%	78.4%	1.4%	47.2%	63.2%	21.6%	8.2%	49.3%
Chesterfield		3.8%	£ 20,591	£ 51,807	£ 20,808	3.7%	69.8%	1.9%	13.3%	60.3%	31.4%	6.3%	61.1%
Derbyshire Dales		-1.9%	£ 27,266	£ 66,417	£ 20,784	4.3%	82.9%	0.5%	10.2%	62.7%	36.2%	1	61.6%
Erewash		0.2%	£ 15,983	£ 60,000	£ 21,407	3.0%	86.4%	1.8%	11.6%	57.4%	27.6%	4.3%	54.4%
High Peak		0.4%	£ 17,562	£ 61,808	£ 18,094	4.4%	74.9%	1.1%	11.6%	61.2%	43.5%	10.8%	52.6%
North East Derbyshire		3.0%	£ 14,926	£ 64,652	£ 18,562	4.9%	79.2%	1.4%	12.0%	58.9%	31.7%	4.7%	65.0%
South Derbyshire		-0.7%	£ 16,546	£ 63,192	£ 21,515	1.4%	82.3%	0.7%	13.5%	55.2%	36.2%	3.3%	48.9%
Nottingham		3.6%	£ 27,645	£ 48,842	£ 22,111	5.2%	60.9%	3.2%	14.8%	52.8%	29.5%	13.4%	50.4%
Nottinghamshire		1.5%	£ 17,328	£ 58,427	£ 19,820	1.8%	75.6%	1.6%	14.4%	60.0%	31.5%	8.2%	65.9%
Ashfield		0.9%	£ 17,720	£ 50,345	£ 22,155	0.9%	72.0%	2.1%	13.2%	62.8%	16.1%	8.5%	55.3%
Bassetlaw		2.4%	£ 18,703	£ 53,550	£ 19,997	4.3%	68.2%	1.6%	12.4%	61.3%	29.5%	13.7%	71.3%
Broxtowe		3.4%	£ 17,665	£ 60,091	£ 21,726	4.4%	83.5%	1.5%	12.1%	58.6%	37.0%	7.0%	67.4%
Gedling		3.4%	£ 14,441	£ 68,327	£ 17,650	1.7%	73.5%	1.6%	13.5%	57.9%	27.6%	4.3%	67.0%
Mansfield		0.6%	£ 14,986	£ 50,698	£ 15,226	2.9%	74.5%	2.2%	13.2%	56.9%	20.0%	13.4%	57.4%
Newark and Sherwood		-0.1%	£ 18,709	£ 58,368	£ 18,161	0.7%	80.0%	1.4%	11.4%	62.1%	30.6%	7.5%	62.3%
Rushcliffe		0.1%	£ 18,873	£ 66,462	£ 22,138	-2.2%	77.4%	0.9%	21.4%	59.8%	46.4%	3.9%	80.2%

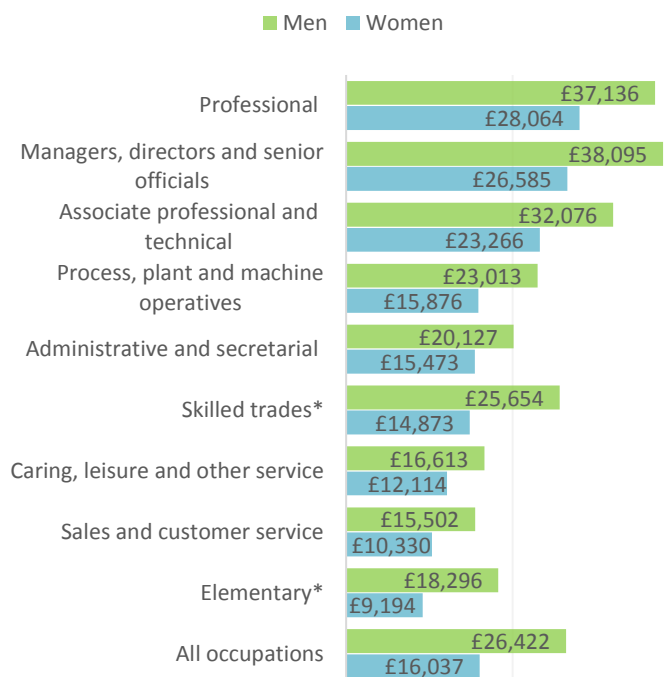
Legend: 10th percentile Median 90th percentile
reverse for figures on claimants and population with no qualifications
1 - estimate not available due to sample size

FIGURE A2: MEDIAN ANNUAL EARNINGS BY SECTOR, 2016



* Estimates are considered unreliable for practical purposes

FIGURE A3: MEDIAN ANNUAL EARNINGS BY OCCUPATION AND GENDER IN EAST MIDLANDS, 2016



* Estimates are considered unreliable for practical purposes



This report contains statistical data from ONS which is Crown Copyright.
The data were collated, analysed and reported by Vladimir Epuri, D2N2 Strategy Analyst,
with feedback from D2N2 partners.
The front and back cover pages created by Vectortwins - Freepik.com.