

People & Skills Strategy

DATA ANALYSIS PACK

DERBY, DERBYSHIRE, NOTTINGHAM AND NOTTINGHAMSHIRE

Prepared by the Department of Economics and Finance, University of Derby, May 2019

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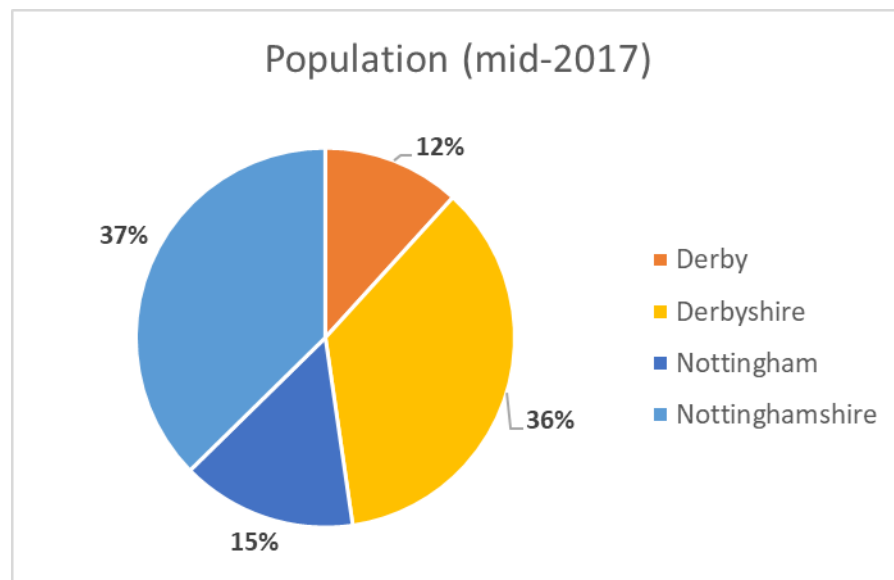
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1. D2N2 Demographics

1.1 Demographic Growth

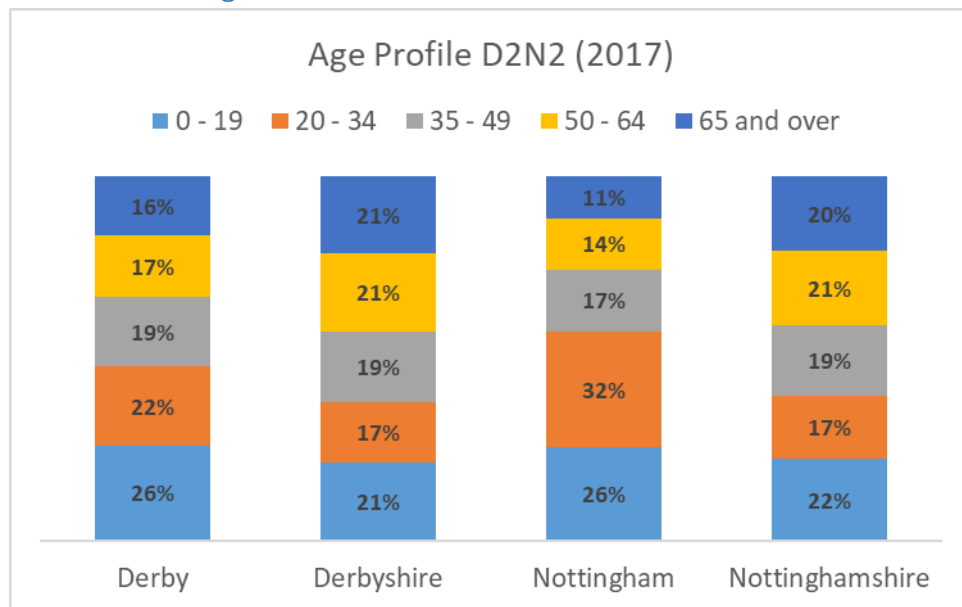
	Population (mid-2017)	Population Growth 2012 -2017 (as %)	Population growth 2018 - 2030 (as %)
Derby	260,300	3.36	4.91
Derbyshire	795,000	2.36	4.16
Nottingham	331,300	6.82	6.35
Nottinghamshire	826,100	3.91	6.40
UK	66,040,229	3.70	5.87

Source: ONS Annual Population Survey (2018), NOMIS (2019)



Total population for D2N2 is over 2.2 million residents split almost evenly between Derby-Derbyshire and Nottingham-Nottinghamshire. 80% of the D2N2 population is below 60 years. However, there is a marked difference in the rates of growth – both Nottingham and Nottinghamshire experienced higher population growth than the UK average level while Derby and Derbyshire percentage change was below the UK average. This difference of Nottingham and Nottinghamshire growing faster than Derby and Derbyshire is expected to continue in the near future.

1.2 Age Profile



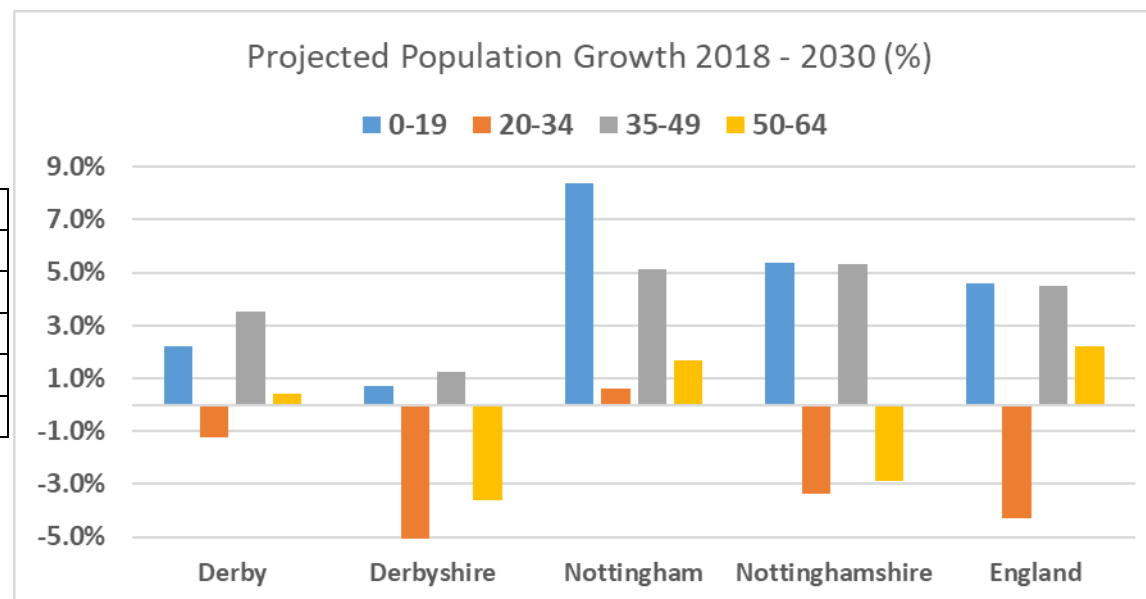
The age distribution of residents in the D2N2 area shows a clear split between the two cities and their 'shires'. Both Derby and Nottingham have larger proportions of under 50 years old residents than Derbyshire and Nottinghamshire, which, conversely, have similar higher proportions of older residents. The first clear discrepancy in the chart is Nottingham which has the highest proportion of 20-34-year olds. Arguably, Nottingham can attract a higher number of young residents, possibly in connection with the two universities present in this city (see 1.3 Distribution of Young People). The second observation is that Derbyshire has the lowest proportions of residents under 19 and under 34 years. Derbyshire also has the highest proportion of residents aged 50 – 64 years and over 65 years. The population pyramids show that Derbyshire and Nottinghamshire are 'older' compared with England and the UK, while Derby and Nottingham have a younger profile than England and the UK. They also highlight the relatively smaller cohorts aged between 35 and 49 years across all D2N2. Looking at the forward projections, across the D2N2, the largest population increase will take place in the 65+ age group, albeit below the expected change for England as a whole. In contrast with the rest of D2N2 and England, Nottingham stands out as the only place expected to experience growth in all age groups, including the 20-34 year olds and the 50-64 year olds. Population changes expected in Derby will mimic the changes for England but with smaller amplitude.

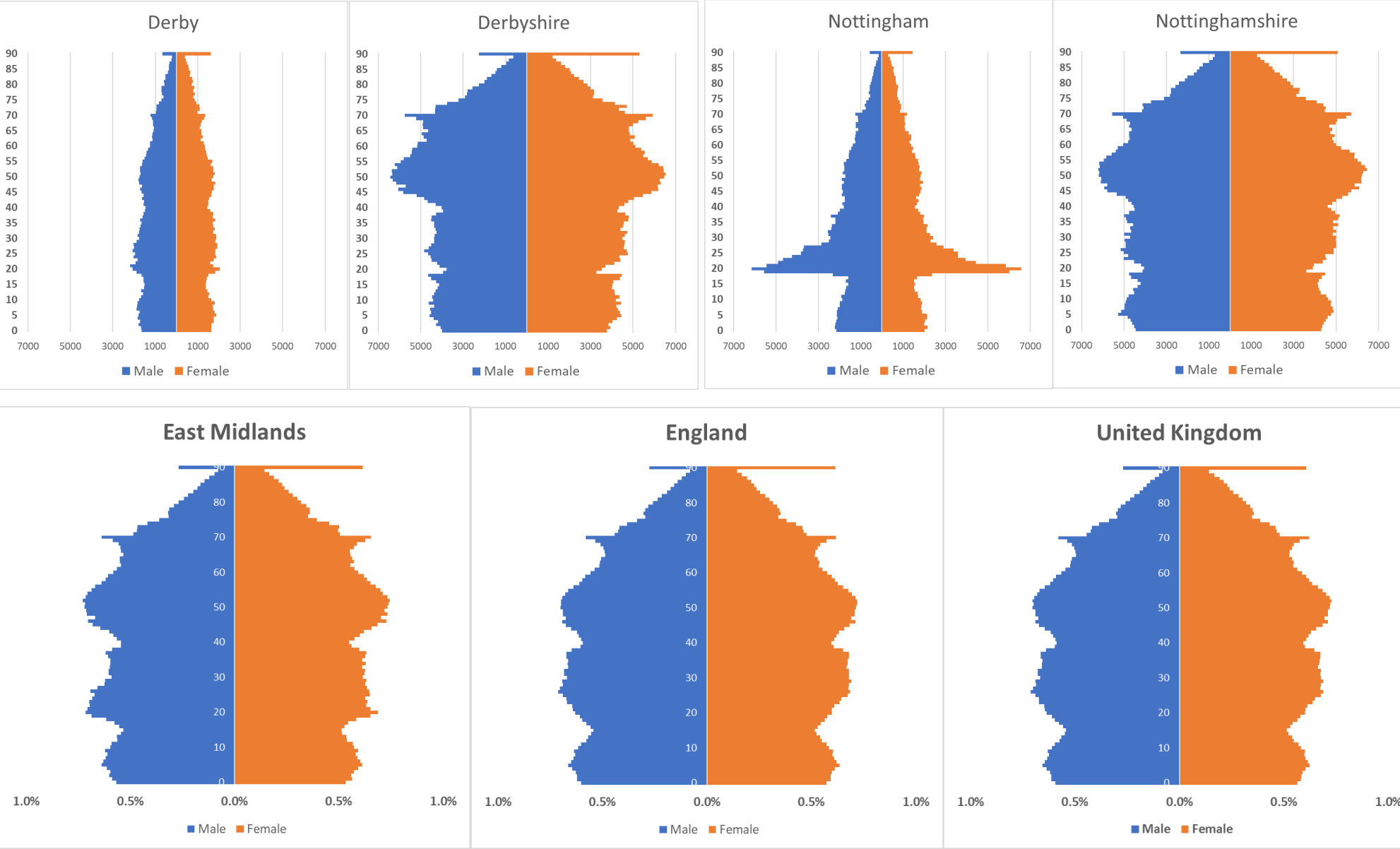
Source: ONS Annual Population Survey (2018)

Projected Population Growth by Age Group 2018 - 2030 (%)

	0-19	20-34	35-49	50-64	65 and over
Derby	2.2%	-1.2%	3.5%	0.4%	23.7%
Derbyshire	0.7%	-6.4%	1.2%	-3.6%	25.9%
Nottingham	8.4%	0.6%	5.1%	1.7%	24.9%
Nottinghamshire	5.4%	-3.4%	5.3%	-2.9%	25.9%
England	4.6%	-4.3%	4.5%	2.2%	26.5%

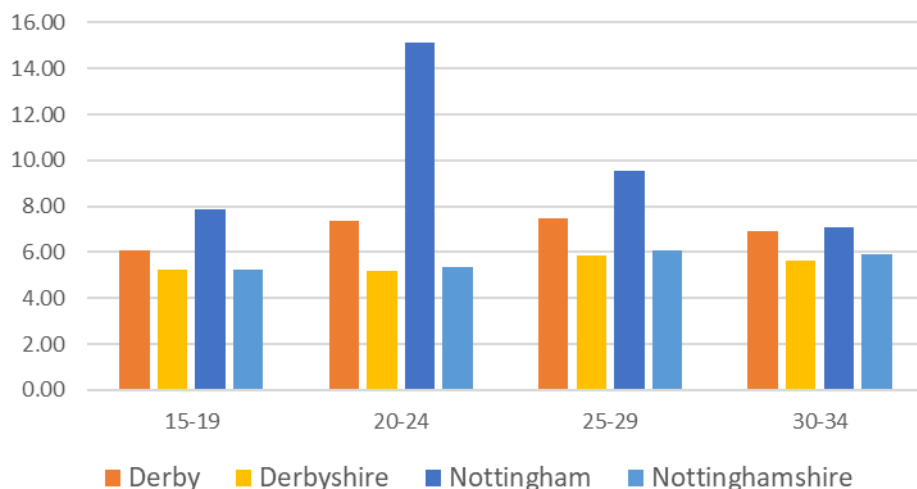
Source: NOMIS (2019)





1.3 Distribution of Young People

1.3a Young Age Groups in D2N2 (% of total population)

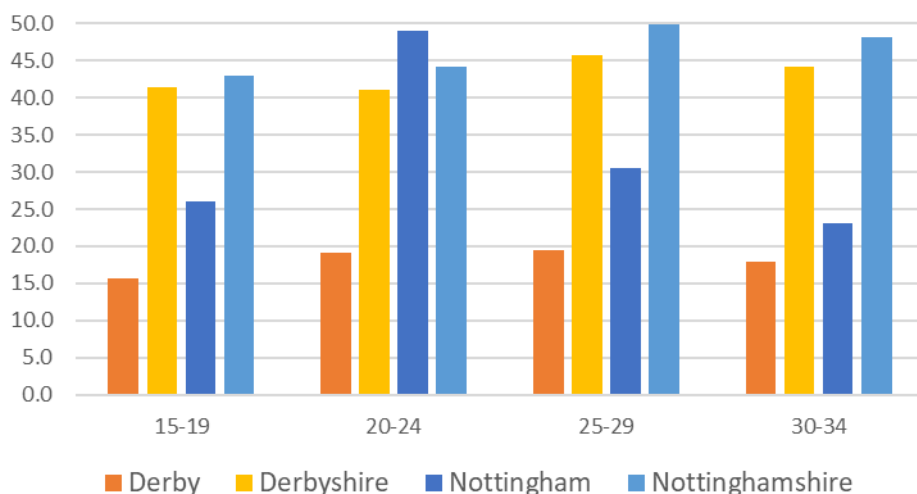


Charts 1.3a and 1.3b show the distribution of young people in D2N2 in 2017, while Chart 1.3c looks at projected growth.

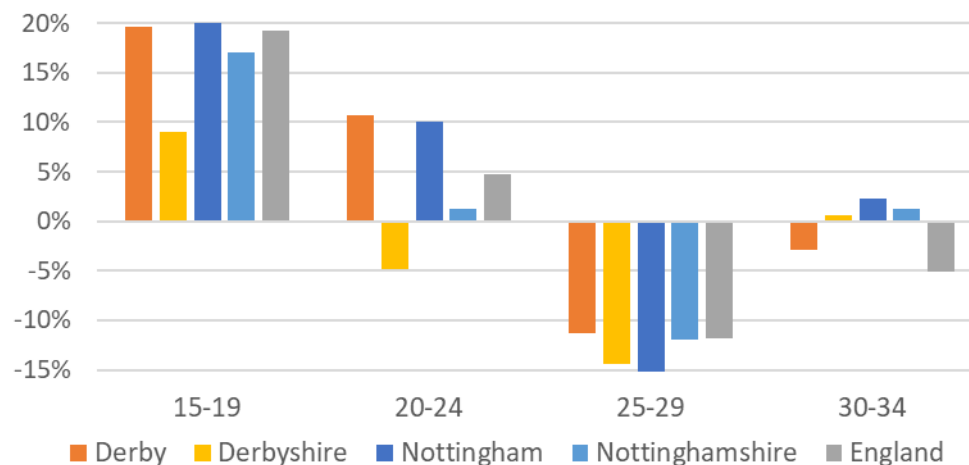
Derbyshire has the lowest proportion of 20 – 34-year olds, while Nottingham has, by far, the highest proportion. Further breaking down the age groups reveals that, in particular, Nottingham has a high proportion of 20-24-year olds. Given how similar the remaining groups look across the authorities, it seems that Nottingham attracts a larger number of university-age residents but only temporarily (a longitudinal analysis would be needed to verify this). In absolute terms, Nottingham and Nottinghamshire have the largest numbers of young people, in all young age brackets. Looking at the next decade, the D2N2 experience will be different from England in the 20-24 and 30-34 age groups. The fall in young population will be most pronounced in the 25-29 year old group.

Source: ONS Annual Population Survey (2018)

1.3b Young Age Groups in D2N2 (in thousands)



1.3c Projected Population Growth, Young Age Groups
2018 - 2030



1.4 Ethnicity

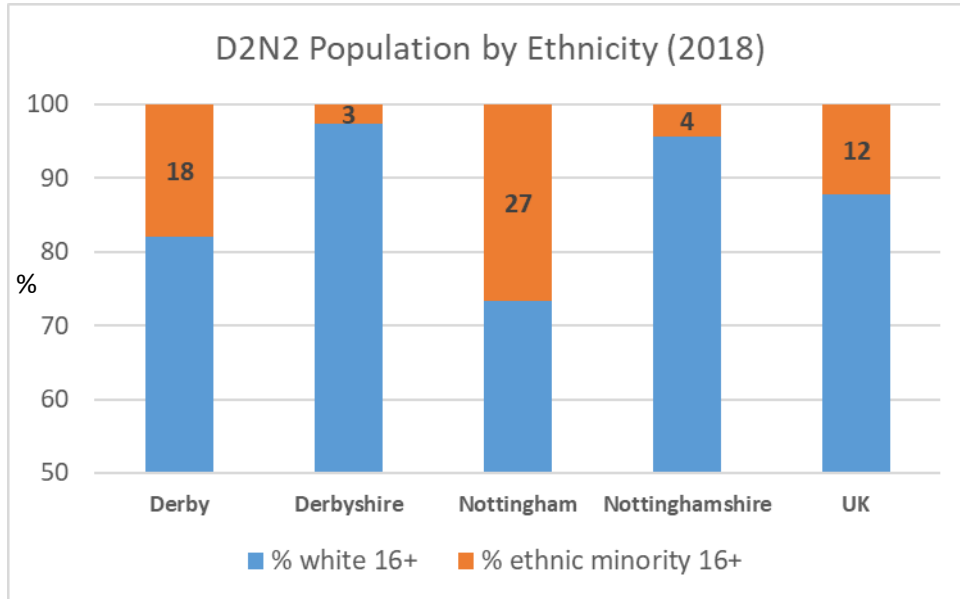


Chart 1.4 shows total population by ethnicity for D2N2 compared to the UK.

Both Derby and Nottingham have more diverse populations, higher than the national average. Nottingham stands out with ethnic minorities constituting 26.6% of its total population. Both Derbyshire and Nottinghamshire are almost homogenous white, with the proportion of ethnic minority populations far lower than the national average.

Source: ONS Annual Population Survey (2018)

1.5 Gender

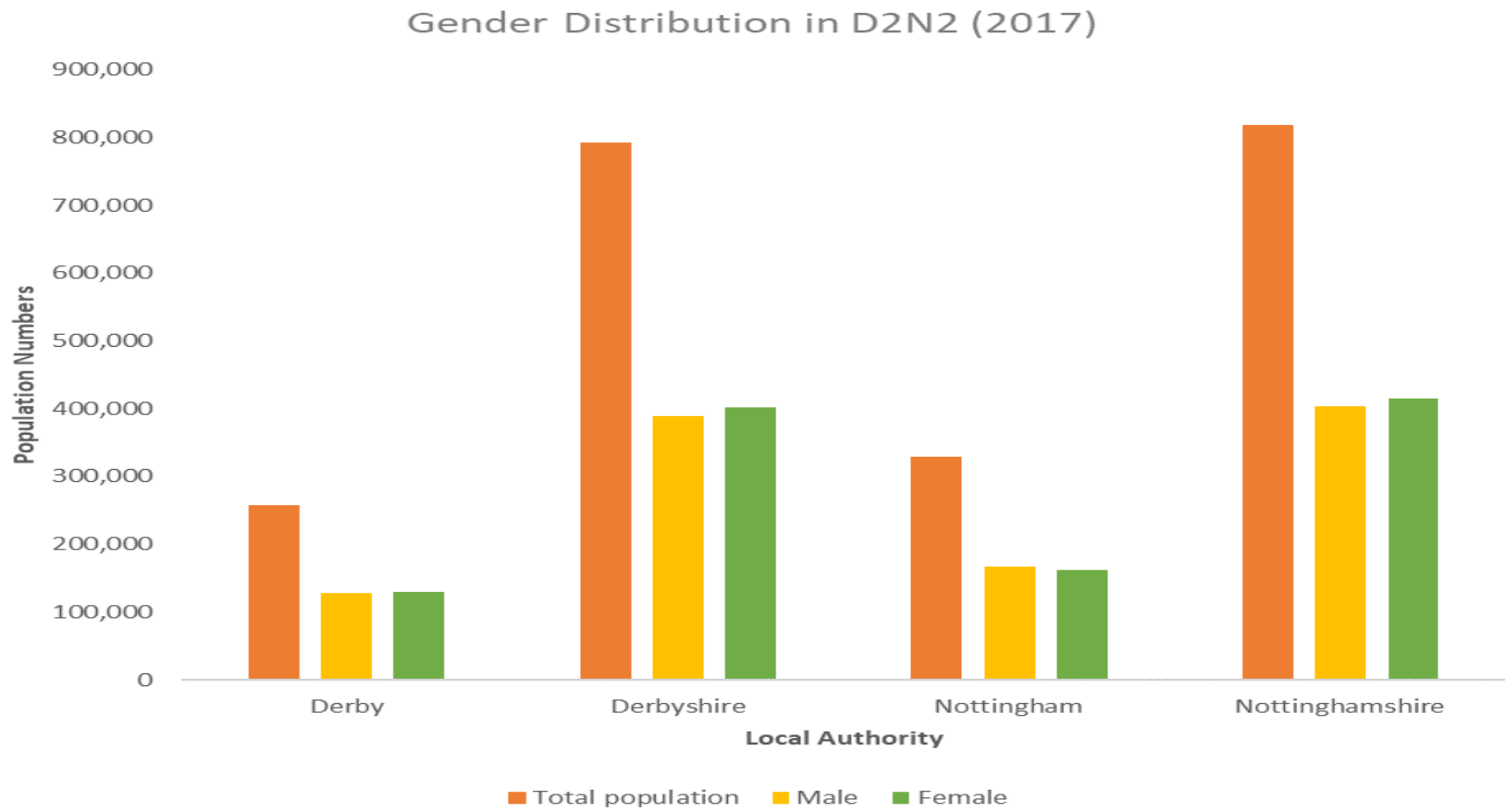


Chart 1.5 shows the gender distribution in D2N2. There is very little difference across the four areas in terms of gender distribution. The proportion of gender is evenly spread across the cities and counties.

Source: ONS Annual Population Survey (2018)

1.6 Internal and External UK Migration

1.6.1 Internal Migration

Table 1.6a Internal Migration (2017)

	Inflows	Outflows	Net flows
Derby	12,702	13,893	-1,191
Nottingham	30,611	31,786	-1,175
Derbyshire	42,138	37,081	5,057
Nottinghamshire	47,068	42,689	4,379
Total	132,519	125,449	7,070

Table 1.6b Net Movement by age (2017)

	Derby	Derbyshire	Nottingham	Nottinghamshire
0 - 19	450	-630	7040	-180
20 - 34	-1030	2970	-6880	2250
35 - 49	-410	1580	-950	1480
50 - 64	-260	790	-210	340
65+	50	360	-180	490

Table 1.6a above shows internal migration figures for D2N2. These are broken down into inflows and outflows to and from other places within the UK. Overall, D2N2 is a net attractor of people. However, the cities of Derby and Nottingham experienced a negative net flow in migration.

Table 1.6b on the right shows net movements by age. Here again, both cities of Derby and Nottingham have net outflows, that are at their highest in the 20-34 bracket. These flows could be associated with university graduates leaving after their studies. Both cities also experienced inflows in the 0-19 years old bracket, though considerably higher in Nottingham. On the contrary, Derbyshire and Nottinghamshire experienced inflows in all brackets except 0-19 years old.

Source: ONS Annual Population Survey (2018)

1.6.2 External Migration

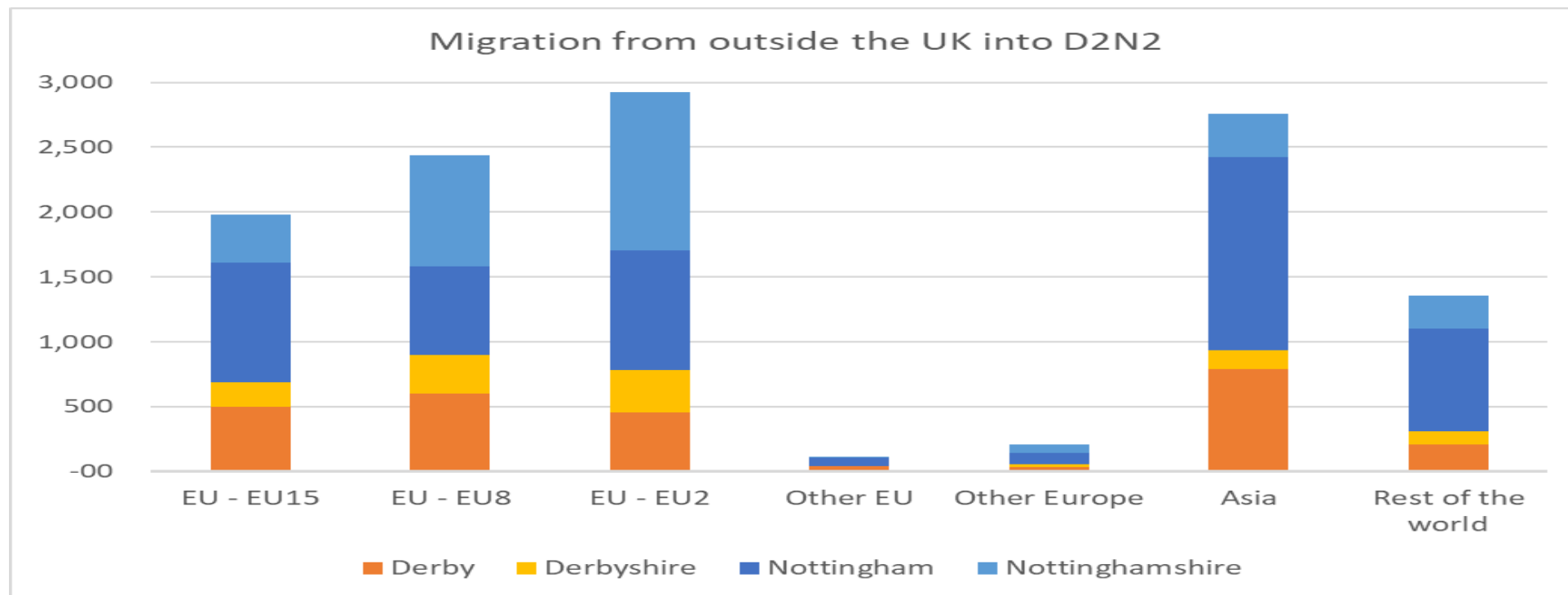
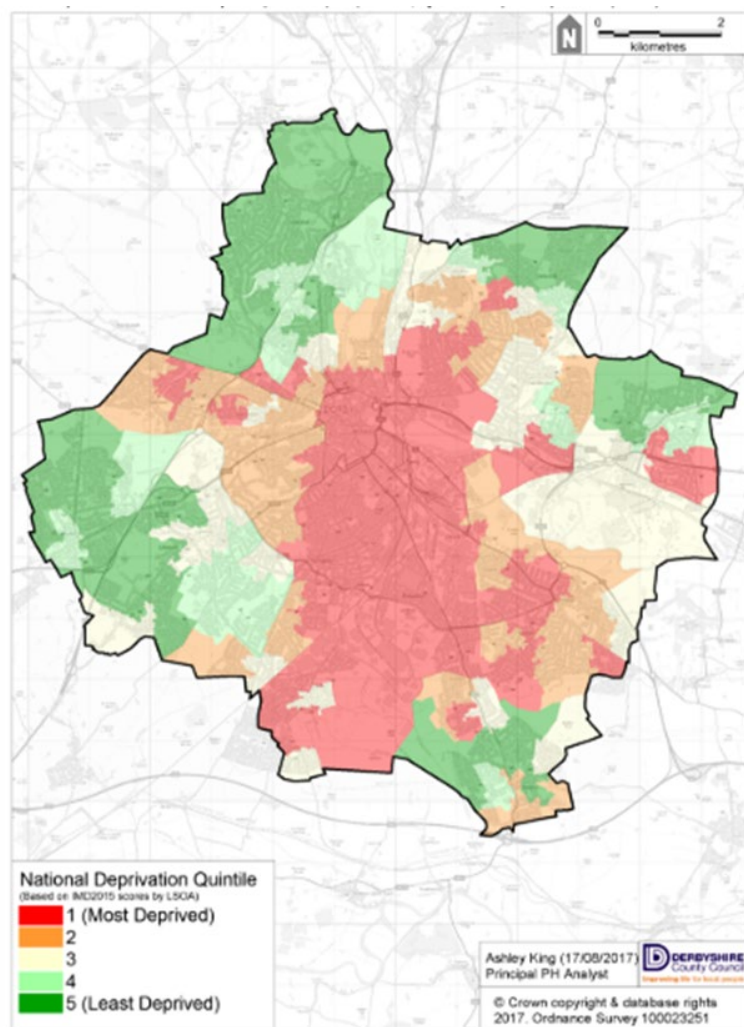


Chart 1.6 above illustrates the country of origin of adult overseas nationals entering the UK who have been allocated National Insurance numbers (NINo) between 2017 and 2018. It shows the distribution across EU15, EU8, EU2, other EU countries, Asia and the rest of the world for D2N2. A total number of 11,755 adult nationals entering the UK were issued NI numbers in D2N2. Most overseas nationals allocated NINos are from the EU (63% from the total allocated in D2N2). Out of these, the majority are from EU2 (Bulgaria and Romania – 39% of the EU NINos) and EU8 (Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, and Slovenia – 33% of the EU NINos). The second highest number of overseas nationals in D2N2 come from Asia. Most of the overseas nationals are residents in Nottingham and Nottinghamshire (68% of the total allocated NINos).

Source: Department for Work and Pensions - NINo Registrations to Adult Overseas Nationals Entering The UK (February 2019)

2. D2N2 Deprivation

2.1 Index of multiple deprivation - Derby



The Index of Multiple Deprivation (IMD) combines information from seven different domains: i) Income Deprivation, ii) Employment Deprivation, iii) Education, Skills and Training Deprivation, iv) Health Deprivation and Disability, v) Crime, vi) Barriers to Housing and Services, and vii) Living Environment Deprivation. Map 2.1.1 shows IMD (2015) for Derby, which ranks from 1 (most deprived area) to 5 (least deprived area). These small areas are called Lower-layer Super Output Areas (LSOAs) (DCLG, 2015).

The Derby, Derbyshire, Nottingham and Nottinghamshire (D2N2) Local Enterprise Partnership (LEP) ranked 14th most deprived out of a total of 39 LEP's across England. 10% of D2N2's LSOAs fall within the most deprived 10% across England (DfE, 2017).

Derby is ranked 61 of the 152 upper-tier authorities (DCLG, 2015). Although Derby performed better in IMD index than its neighbouring LA Nottingham, it is not free from severe deprivation. The most deprived Wards (shaded red) were predominantly surrounding the city centre (which is also true for the majority of the other LAs), namely Sinfin, Normanton, Alvaston and Arboretum.

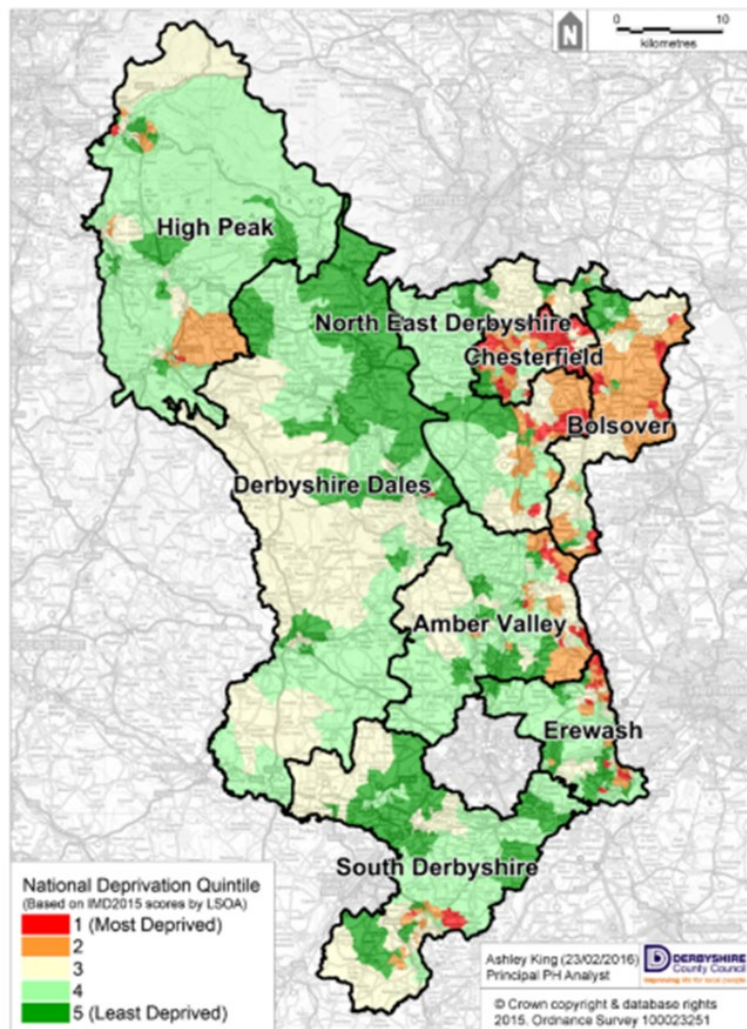
On the other hand, green shaded areas in the most Northern, Southern, Eastern, and Westerly wards had been appeared to be less deprived in Derby, notably Mickleover, Littleover, Allestree, Oakwood, and some parts of Chellaston and Spondon. The key areas in which Derby has fallen behind were as follows:

- 21% of children were living in low income families in Derby. This was much higher than East Midlands (16.6%) and England (17%) averages (ONS, 2016);
- 13% of households experiencing fuel poverty whereas the East Midlands and England averages were just over 11% (BEIS, 2016).
- The number of people accepted as being homeless and in priority need per 1000 households were almost double (4.5) than the East Midlands (2.3) and England (2.4) averages (MHCLG, 2018).

It appears that the areas with extreme deprivation perform badly in various socio-economic indicators, such as earnings, house prices, school performance, and skill levels and vice versa.

Source: ONS (2016), BEIS (2018) and MHCLG (2018)

2.2 Index of multiple deprivation - Derbyshire

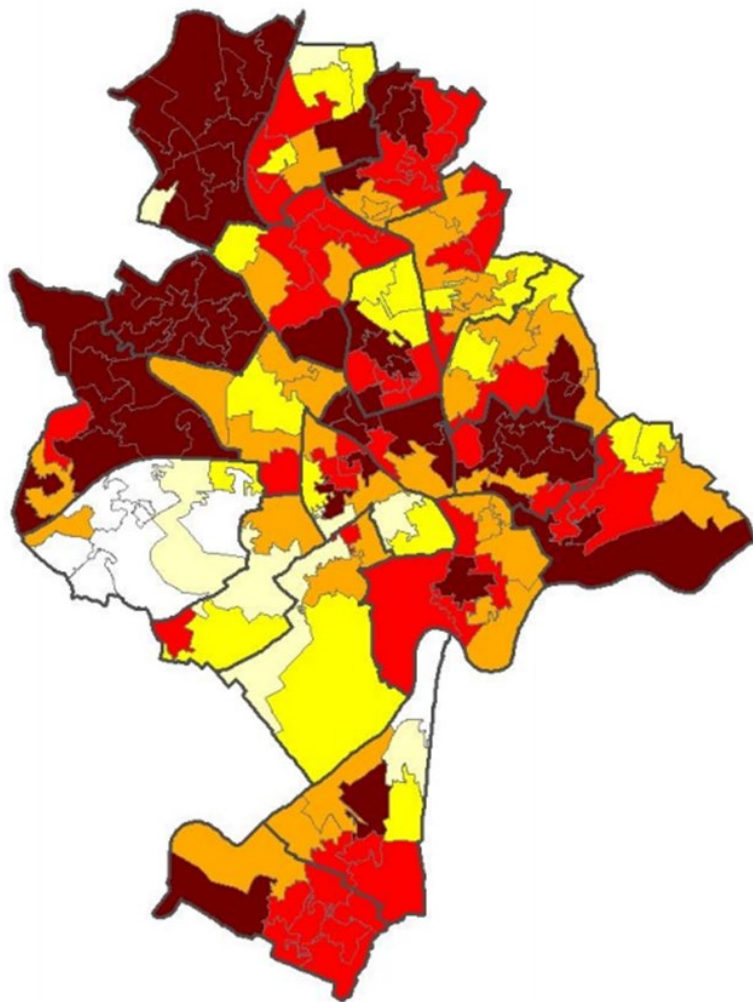


Derbyshire ranked 100 in 152 upper-tier authorities. It is second lowest in deprived areas in the D2N2 just after Nottinghamshire, which is seen sporadically with red in Map 2.1.3. It is noticeable that most part of the North-West of Derbyshire comprises the least deprived Wards. The most deprived LSOA within Derbyshire, Hopewell North, lies within Ilkeston North Ward and covers part of the Cotmanhay area. It ranks within the top 1% most deprived areas in England. The key areas in which Derbyshire has fallen behind were as follows:

- A total of 12.2% (60) LSOAs in Derbyshire fall within the most deprived 20% nationally. The greatest levels of deprivation were in Bolsover and Chesterfield.
- There are 3.7% (18) LSOAs in Derbyshire in the most deprived 10% nationally.

Source: The English Indices of Deprivation (2015), Summary Analysis for Derbyshire

2.3 Index of multiple deprivation - Nottingham



Nottingham ranked 8th out of the 326 districts in England using the average score measure. It is also fourth most deprived of the Core Cities after Liverpool (4th), Manchester (5th) and Birmingham (7th).

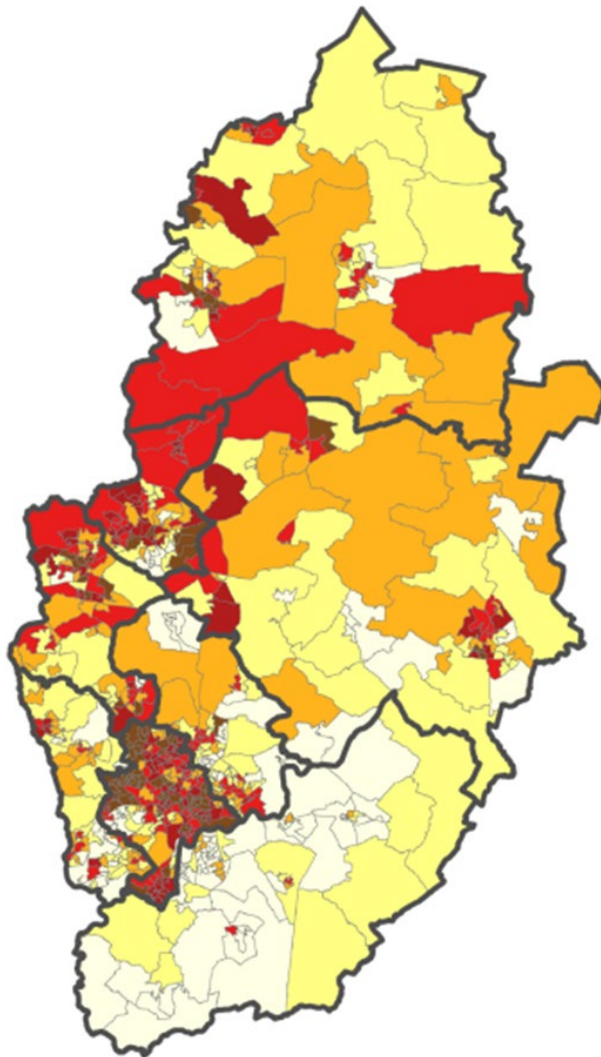
In Map 2.1.3 dark brown areas represent the 10% most deprived in England which is a third (61) of the 182 Nottingham LSOAs. The most deprived wards were Bulwell, Aspley, Bilborough and St Ann's. Amongst them all LSOAs of Aspley ranked in the 10% most deprived in the country.

National Rank of Lower Super Output Areas



Source: Department for Communities and Local Government, Indices of Deprivation (2015); Nottingham City Council (2019)

2.4 Index of multiple deprivation - Nottinghamshire



According to IMD (2015), Nottinghamshire was the best performing local authority in D2N2 that ranked 103. There are 25 LSOAs which were in the 10% most deprived LSOAs in England. The most deprived LSOAs tend to be in the South that are concentrated in the districts of Ashfield, Mansfield, Bassetlaw and Newark & Sherwood.



Source: Nottinghamshire County Council (2019)

3. D2N2 Labour Force

	Economic activity rate		Employment Rate		Unemployment rate	
	2017	2018	2017	2018	2017	2018
Derby	74.5	77.4	71.3	74.2	4.2	4.2
Derbyshire	80.2	81.6	77.9	78.8	2.9	3.5
Nottingham	62.5	67.4	57.4	63.3	8.1	6.0
Nottinghamshire	79.2	77.0	76.0	73.0	4.1	5.2
UK	78.2	78.3	74.7	75	4.5	4.3

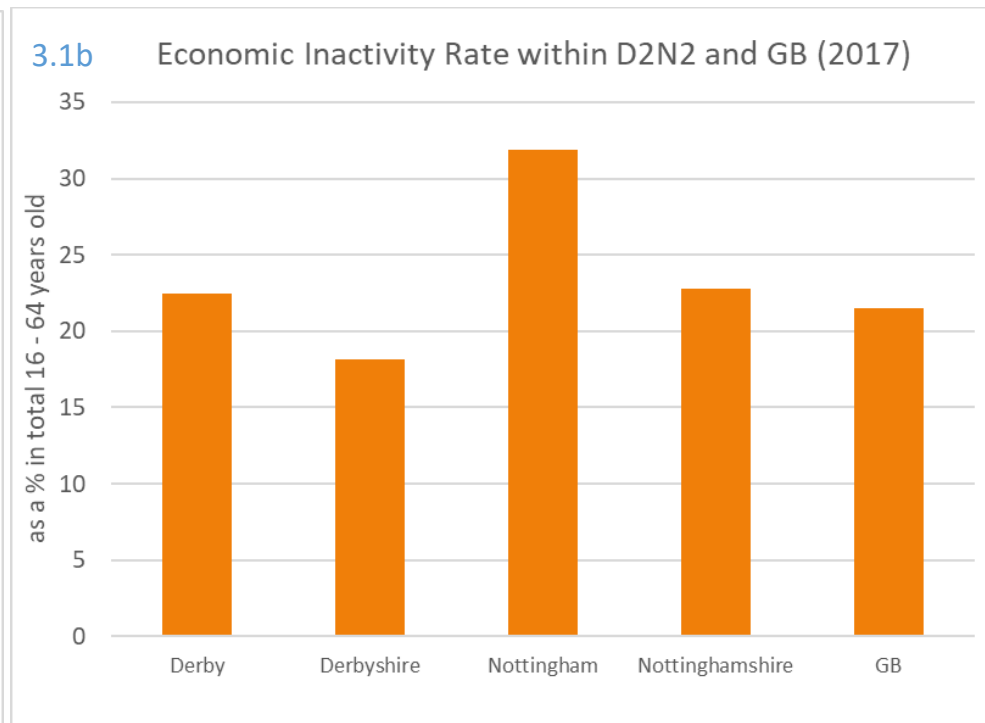
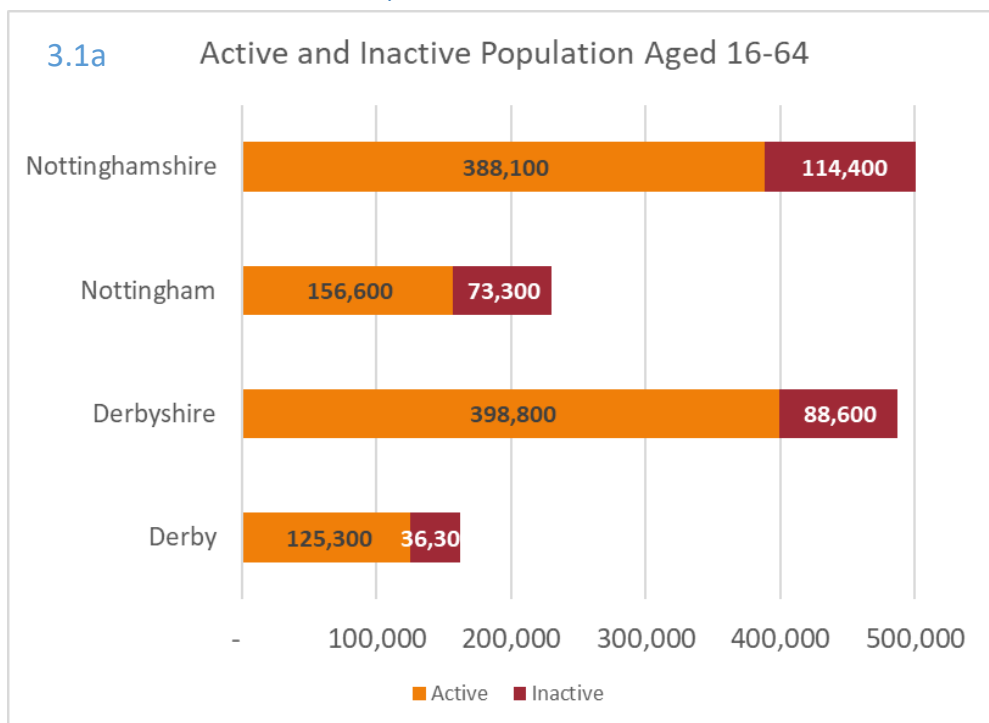
Table 2.1 above shows economic activity, employment and unemployment rates to help identify inclusive growth challenges.

Economic activity indicates the size of the labour force (employed and unemployed) as a proportion of the working age population (16 to 64 years). The employment rate measures the number of employed workers as a percentage in working age population. The unemployment rates measure the number of the unemployed as a percentage of the labour force (employed and unemployed). Economically inactive people, including students, the long-term sick and carers are outside of the labour force as they are neither employed nor unemployed.

On each of these measures, Nottingham is the low performer while Derbyshire stands out with the highest figures, better even than the UK average. Unemployment has fallen in Nottingham but remains the highest in D2N2; unemployment increased in Derbyshire but remains the lowest. Overall, Derby and Derbyshire perform better than Nottingham and Nottinghamshire in terms of employment and economic activity. Their rates are also higher than the national averages.

Source: ONS Annual Population Survey (2018)

3.1 Economically Inactive



Charts 3.1a and 3.1b look at the economically inactive population within the total population aged 16 - 64 of D2N2. The economically inactive do not hold a job, are not seeking work and/or are not available to start work in the next two weeks due to study, family, disability and/or illness. While Nottinghamshire has the highest numbers of economically inactive, Nottingham has the highest percentage (nearly 32%) of economically inactive population across the D2N2 and higher than the Great Britain proportion.

Source: ONS Annual Population Survey (2018)

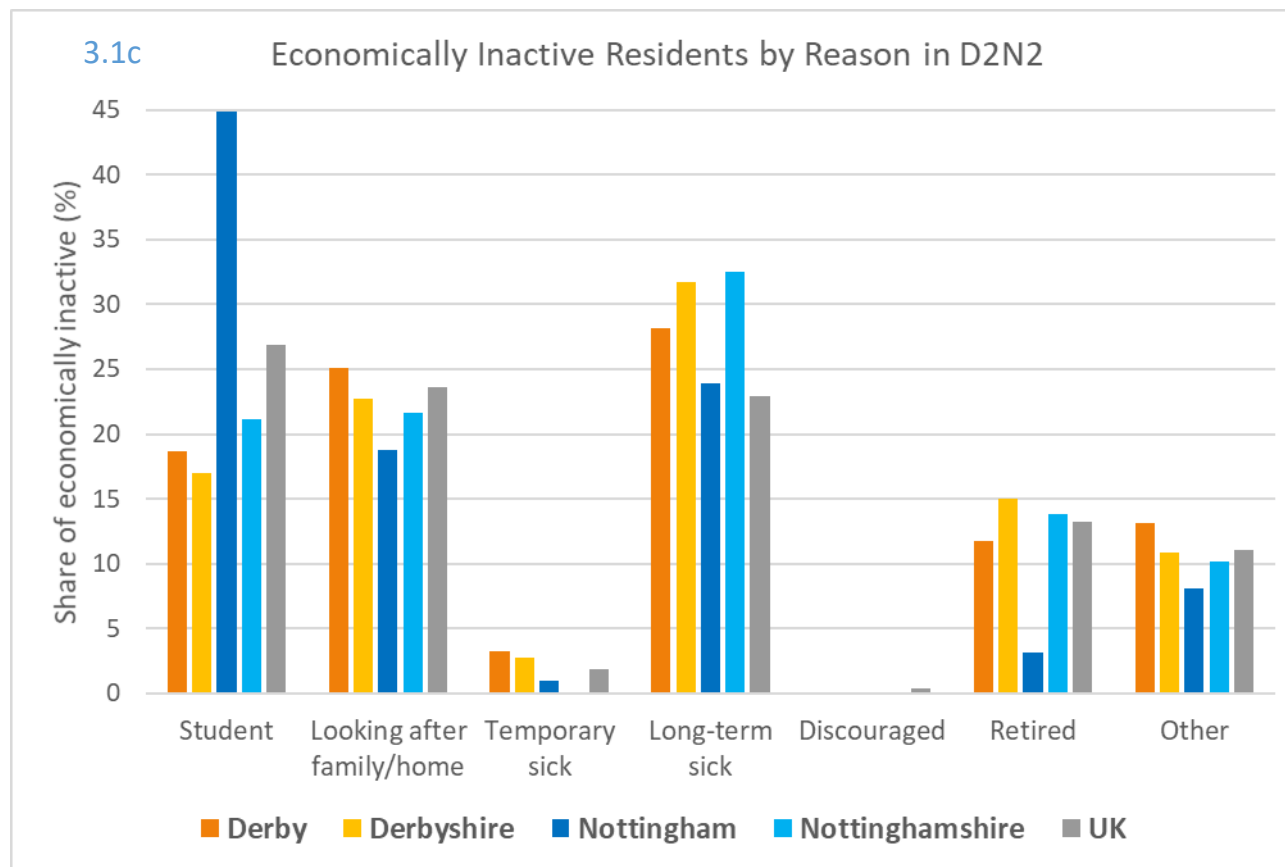


Chart 3.1c shows the reasons for being economically inactive in D2N2. With the exception of Nottingham, the primary reasons for economic inactivity are long-term sickness and looking after family and home. Nottingham stands out with 45% of the economically inactive residents being in study, much higher than the UK average. On the other hand, in Derby, students count as a smaller proportion in the economically inactive population, lower than the UK average. Derby, Derbyshire and Nottinghamshire have higher proportions of long-term sick and in retirement than the UK average.

Source: ONS Annual Population Survey (2018)

4. D2N2 Skills

4.1 D2N2 Schools - Rating

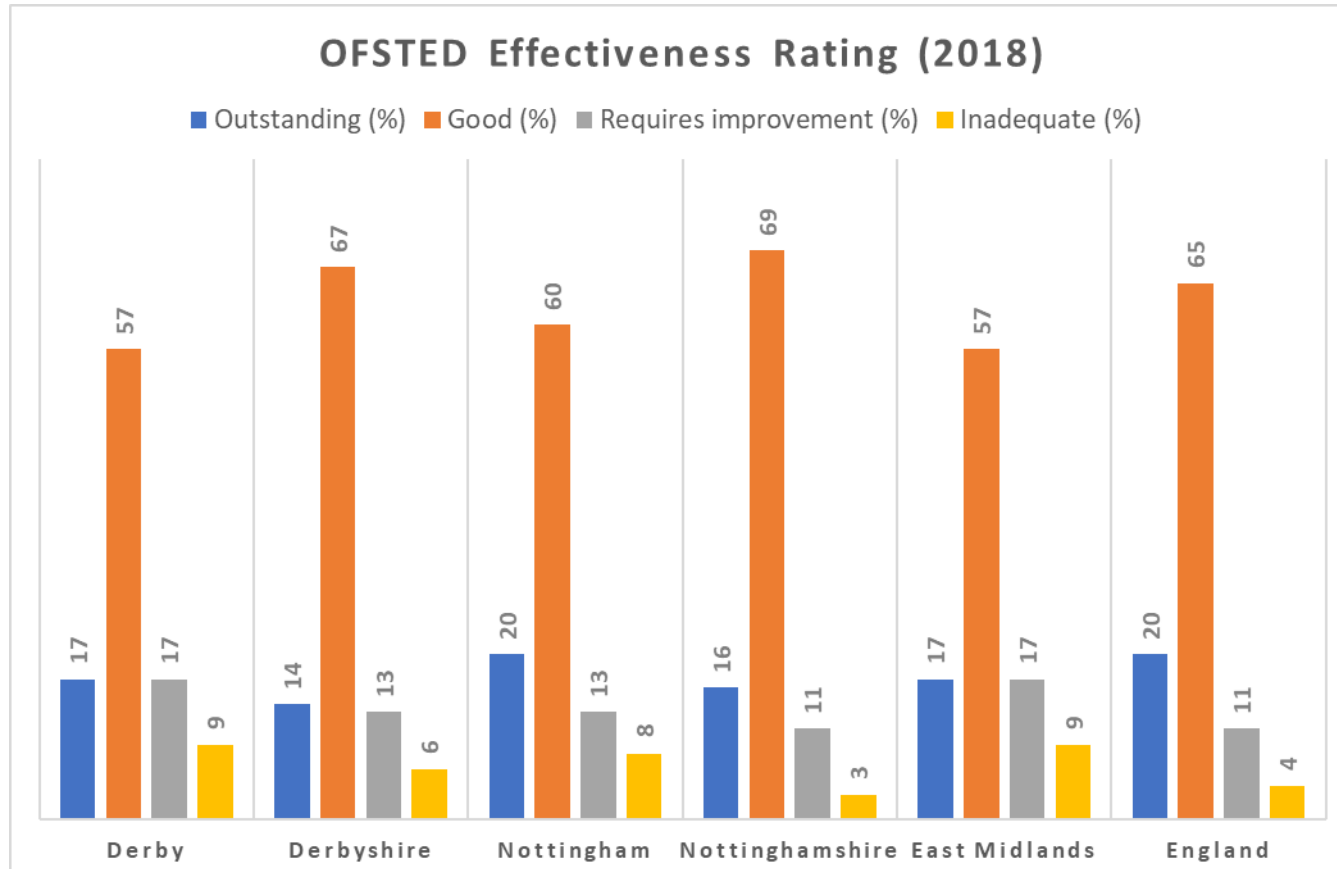
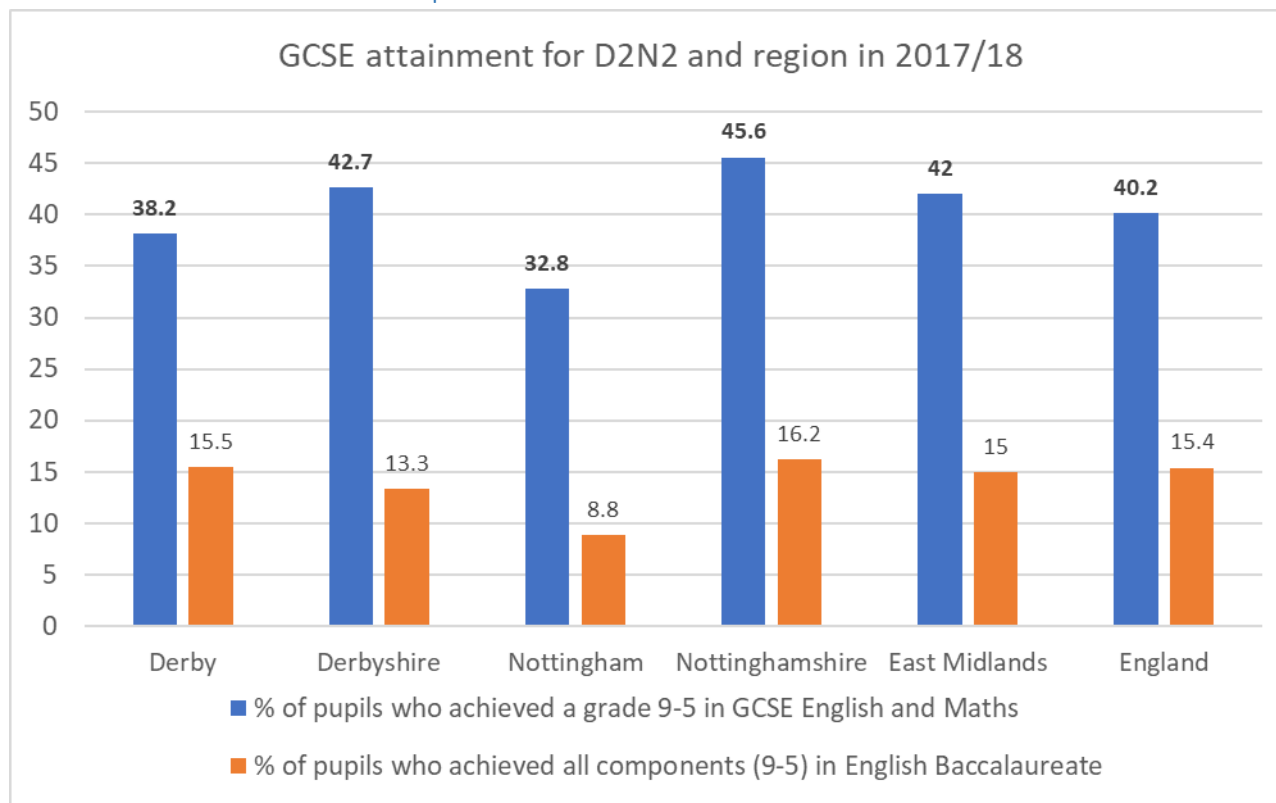


Figure 4.1 shows that, in 2018, the East Midlands (EM) region had a significantly lower proportion of 'Good' and 'Outstanding' education providers (and a higher proportion of providers that required improvement or were inadequate) than England. In D2N2, education providers stand between the EM and England levels. D2N2 has a higher or equal to proportion of 'Good' and 'Outstanding' providers than EM but lower or equal to England. Nottinghamshire stands out with the same proportion of outstanding and good providers but with a lower proportion of inadequate providers compared to England. Nottingham had the highest proportion of outstanding providers in D2N2, matching the value for England. Derby, on the other hand, scored worse compared with the rest of D2N2 and England on every category.

Source: OFSTED (2019)

4.2 D2N2 Schools – Pupil attainment



New GCSEs were phased in for first teaching from September 2016, continued into 2017 and a very small number in 2018. For 2017, the ONS dataset included only reformed GCSEs in English and mathematics, and in 2018, this included a further 20 new GCSEs. As part of these reforms, a new grading system was introduced from 2017 to replace the A* to G system with a new 9 to 1 scale for new reformed GCSEs.

The East Midlands has a relatively high attainment with 42% of pupils achieving this measure, compared to 40.2% in England. In D2N2, performance is mixed. A higher percentage of pupils in Nottinghamshire and Derbyshire achieved a strong 9-5 (previously, A*- B) in English and Maths than in Derby and Nottingham.

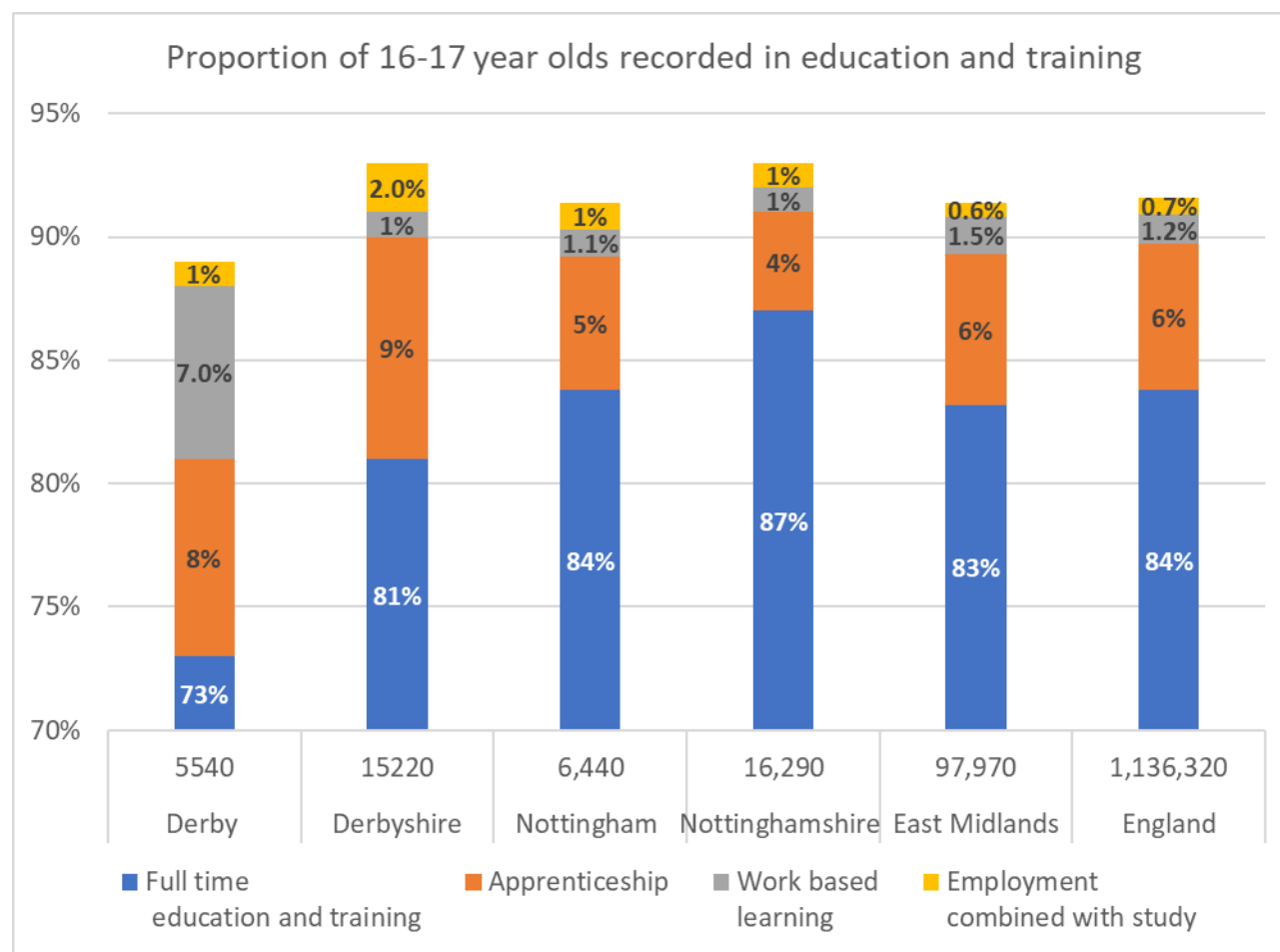
The English Baccalaureate is a group of GCSE subjects, including English, maths, science, history or geography, and a foreign language which are looked upon favourably by universities. Pupils must achieve a strong 9-5 pass in English and Maths, and a grade C or above in the other elements, as these subjects had not been reformed in 2017. Here again, Nottinghamshire shows the highest percentage of pupils with a strong 9-5 pass, above the regional and national average.

Overall, Nottinghamshire stands out outperforming the rest of D2N2, the region and the national averages. Nottingham, is the opposite, underperforming on both measures.

Source: Department for Education (2019)

4.3 D2N2 Young – 16-17 year olds known to the LAs

The number of 16 and 17-year-olds known to the LAs to be in education and training have been calculated by deducting asylum seekers, refugees and those in custody from the overall total. It is evident that in 2017/18, in England, East Midlands, and all the LAs of D2N2, the majority of this age group participated in full time education and training. While Derby has a lower proportion of its 16-17 year-old in full time education, it makes up the difference with increased participation in work-based learning and apprenticeships. These achievements in both areas, markedly above the regional and England averages are areas where the University of Derby makes a significant contribution. The University pioneers practical Higher and Degree Apprenticeships that have been designed in conjunction with employers to embed new skills and grow talent in the workplace. They work with a number of high-profile businesses including Rolls Royce, NHS and exclusively with the Institute of Quarrying to develop the workforce and to shape the future of their organisations. UoD's work-based routes into higher education combine on-the-job training with degree-level academic learning, producing capable and competent employees in a range of careers. They offer apprenticeships in subject areas including digital and technology, cybersecurity, aerospace engineering, and nursing from levels 2 to 6.



Source: Department for Education – NEET and participation: local authority figures (2018)

4.4 NEETs

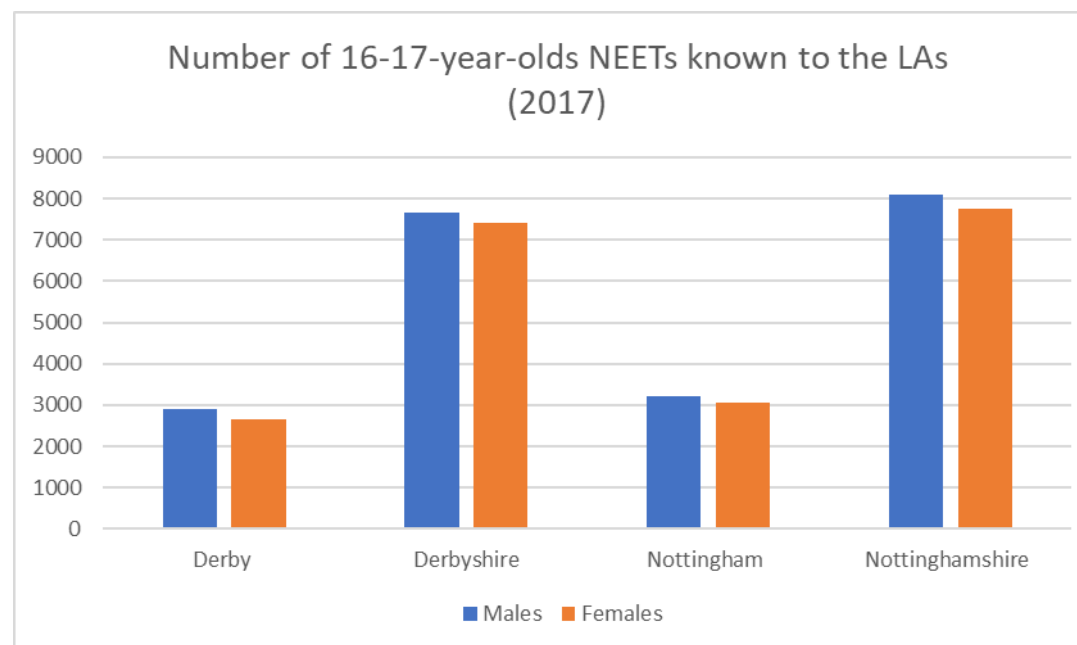
A person is NEET if they are aged 16 to 24 and not in education, employment or training. At national level, 39.2% of all the young people who were NEET were looking for work and were available for work and therefore were classified as unemployed; the remainder were classified as economically inactive (ONS, 2019).

Historically, LA responsibilities for tracking extended from ages 15 to 19, and to 20-25 year olds with a statement of educational need and disability (SEND). However, from September 2016, DfE relaxed the requirement on authorities to track academic age 18-year-olds. LAs are now only required to track and submit information about young people up to the end of the academic year in which they have their 18th birthday i.e. academic age 16 and 17-year-olds.

The chart shows the numbers and proportions of 16 - 17 year olds NEET who were known to the local authority in 2017. The Table below shows the proportion of 16 - 17-year-old who are NEET and known to the LA.

Both Derby and Nottingham experienced NEET rates higher than the regional averages, while Derbyshire and Nottinghamshire are both below the regional averages.

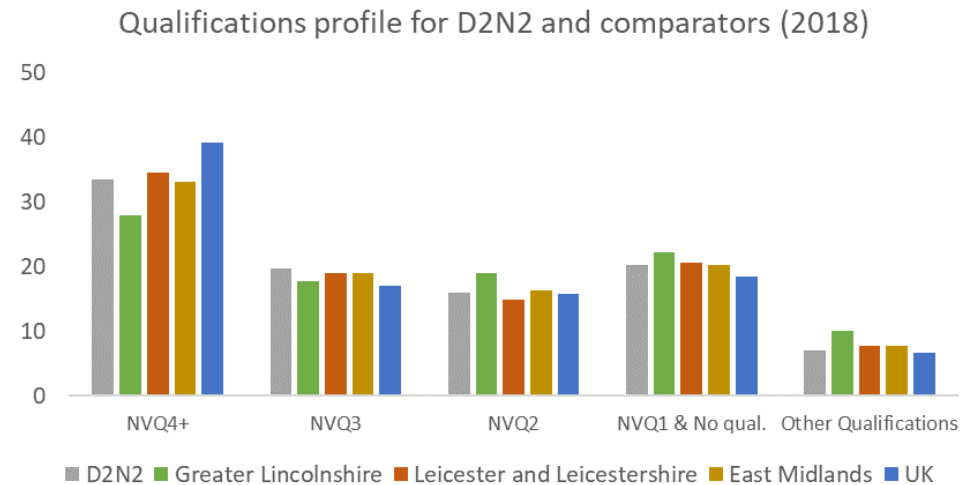
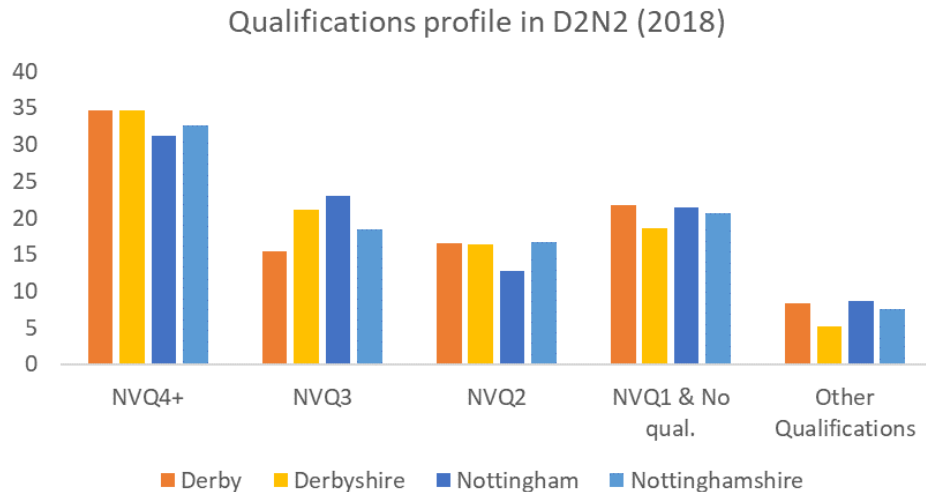
Source: Department for Education – NEET and participation: local authority figures (2018)



Proportion of 16-17-year-olds known to be NEET

Derby	5.00%
Derbyshire	2.70%
Nottingham	5.50%
Nottinghamshire	1.40%
East Midlands	3.00%
England	2.70%

4.5 Skills Profile

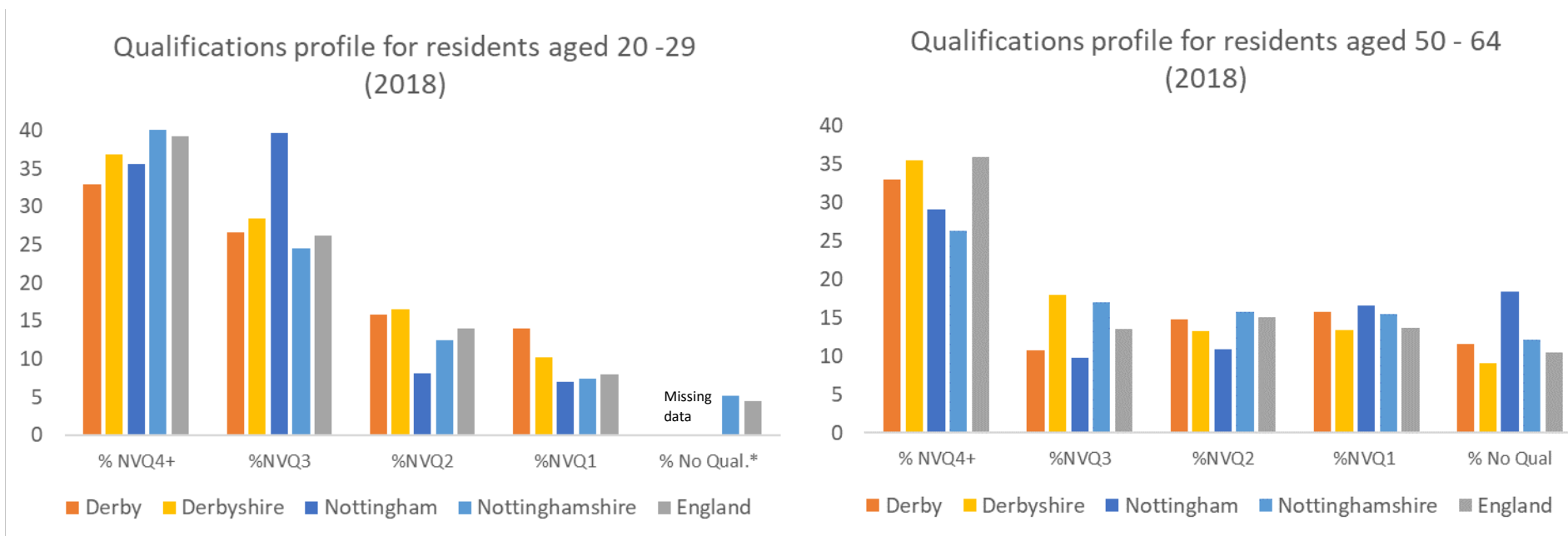


The graphs above show the difference in level of skills of the labour market within the D2N2 LEP area. Two characteristics can be attributed to a higher skills profile: firstly, a greater portion of the population with high skills and secondly, a lower portion of population with low or no skills. The graph on the left demonstrates the variance in the skills of the working age population within the D2N2 area. Derbyshire has the highest proportion of residents with NVQ Level 4 or more (with a further or higher education degree) qualifications (34.7%) and the lowest proportion of residents with no or low skills (18.6%). In contrast, Nottingham has the lowest proportion of residents with NVQ Level 4 or above (31.2%), however when it comes to the share of residents with low or no skills, Nottingham (21.5%) ranks slightly better than Derby (21.7%).

The graph on the right compares the D2N2 skills profile with some of its neighbouring LEP's*, the wider region and the UK. Leicester and Leicestershire LEP has the highest share of residents with NVQ Level 4 (34.5%) while 33.4% of residents in D2N2 have NVQ Level 4 or above. D2N2 has the lowest proportion of residents with low or no qualifications (20.2%) which is the same as the region, however the national figure stands at 18.4%.

Source: ONS Annual Population Survey (2018)

4.6 Skills by Age



In an attempt to see whether the older population is more skilled than the younger generations, the charts above depict qualifications split by age groups 20-29 and 50-64. There are noticeable differences. First, for both cohorts, the shares of residents with qualifications at NVQ4 level and above tend to be below the proportion for England. Second, compared with the 50-64-year-olds, a higher proportion of the younger cohort has qualification at NVQ4-level and above. Third, larger proportions of the older cohort have lower-level qualifications. Fourth, a striking difference is a relatively high proportion of older residents with no qualifications, higher than the share for England.

At local authority level, in the 20-29-year-old bracket, Nottingham stands out with the large share of NVQ3-level qualifications, much higher than the proportion for England. For Nottingham and Nottinghamshire, there is a noticeable drop in the share of qualifications at levels NVQ3, NVQ4 and above between the 20-29-year-old cohort and the 50-64-year-old cohort. This may suggest that the majority of university graduates and young qualified workers leave the area after being resident for a while.

Source: ONS Annual Population Survey (2018)

4.7 Spatial Distribution of Skills

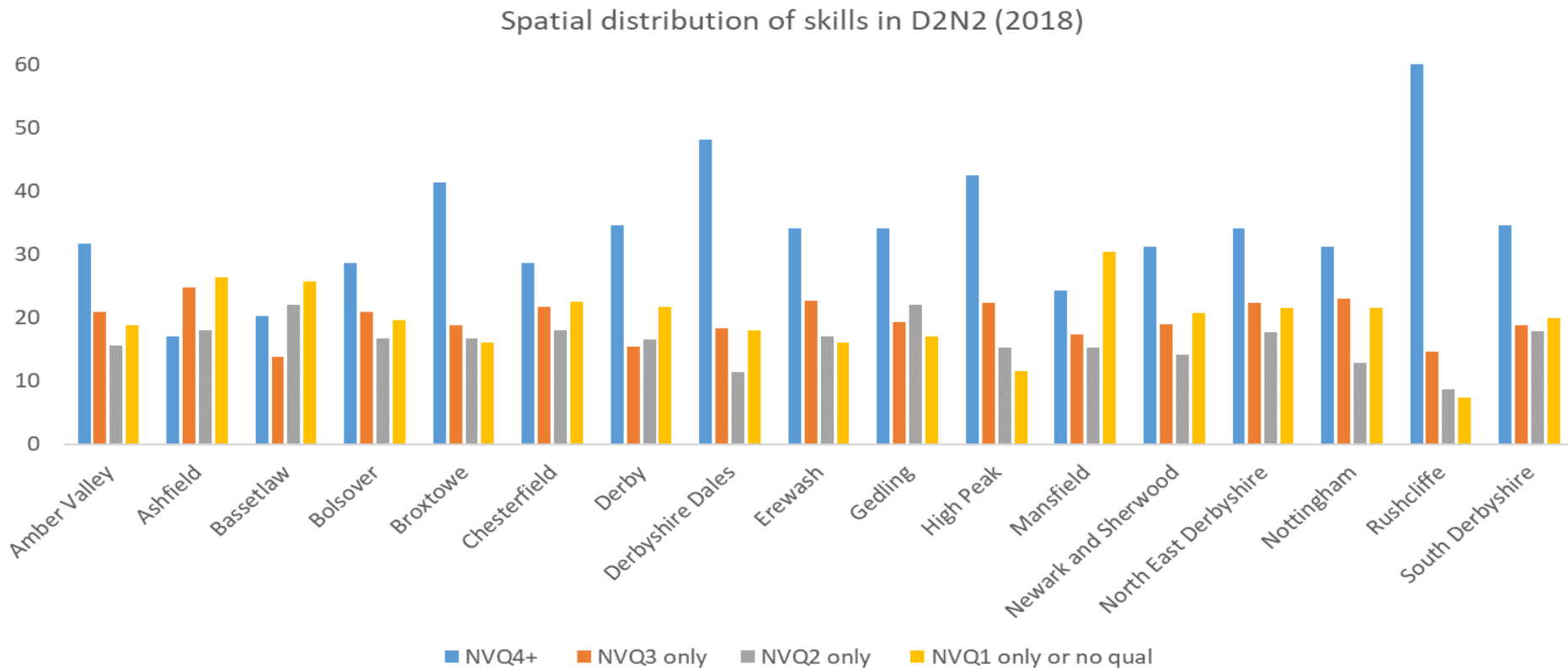
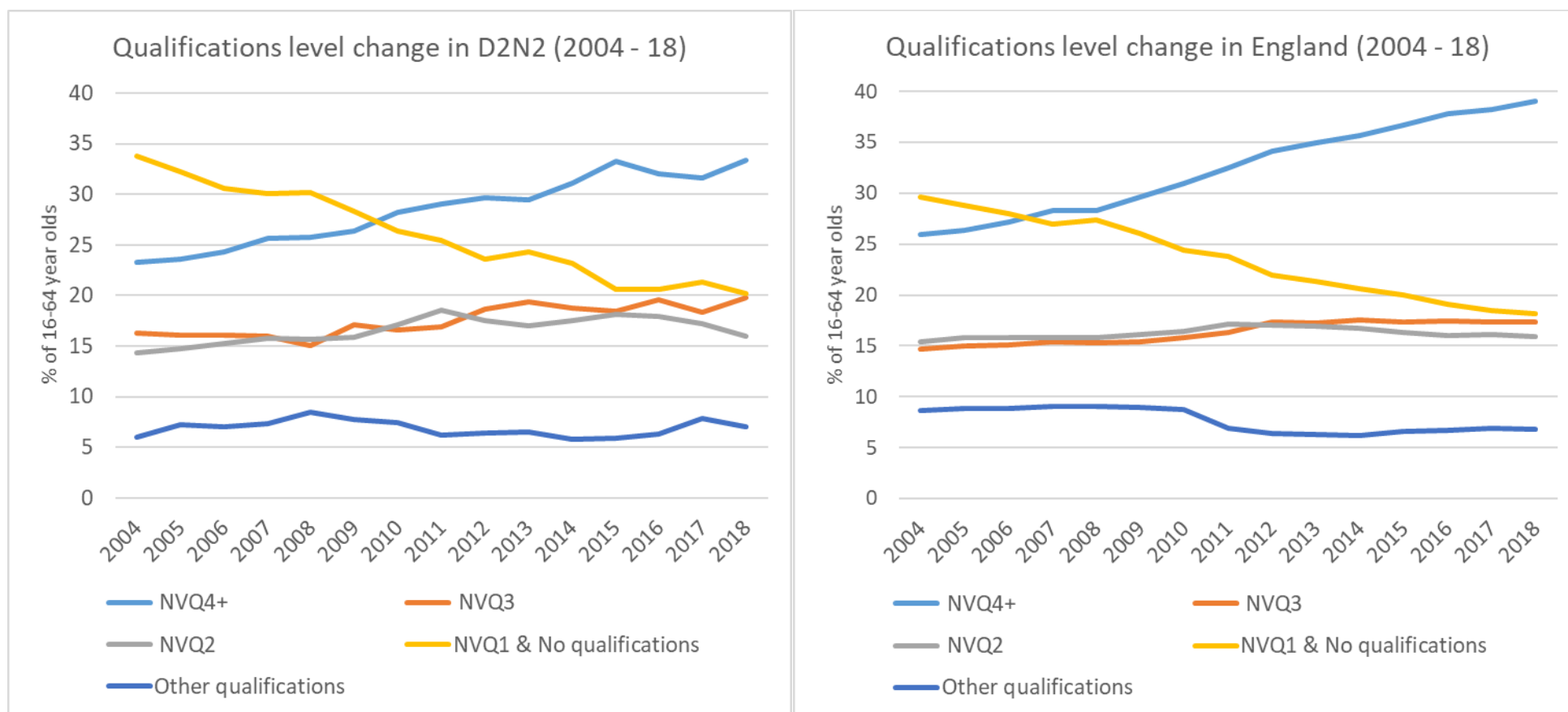


Chart 4.7 above looks at the spatial distribution of skills in the D2N2 region. In the D2N2 LEP area, Rushcliffe in Nottinghamshire shows the best skills profile in the region with the highest proportion (62%) of its residents possessing NVQ Level 4 or above qualifications as well as the lowest proportion (7.4%) with low or no qualification. In contrast, Ashfield, Bassetlaw and Mansfield have higher proportions of their residents with low or no and lower proportions of residents with qualifications at NVQ Level 4 or above.

Source: ONS Annual Population Survey (2018)

4.8 Skills Profile Trends



Graph 4.8 illustrates the trend in skills composition of the working age population in the D2N2 area between 2004 and 2018. It is noticeable that, since 2004, the proportion of NVQ1 or no qualifications has been dropping significantly while the proportion of NVQ4 and above has been increasing steadily. However, the change in NVQ1 and NVQ4 for D2N2 has been less dramatic than the evolution for England as a whole (where the share of qualifications at NVQ4+ has risen higher and the share of qualifications at NVQ1 has fallen lower than in D2N2.) D2N2 also features a slightly higher proportion of NVQ3-level qualifications than England.

Source: ONS Annual Population Survey (2018)

4.9 Occupational Profile

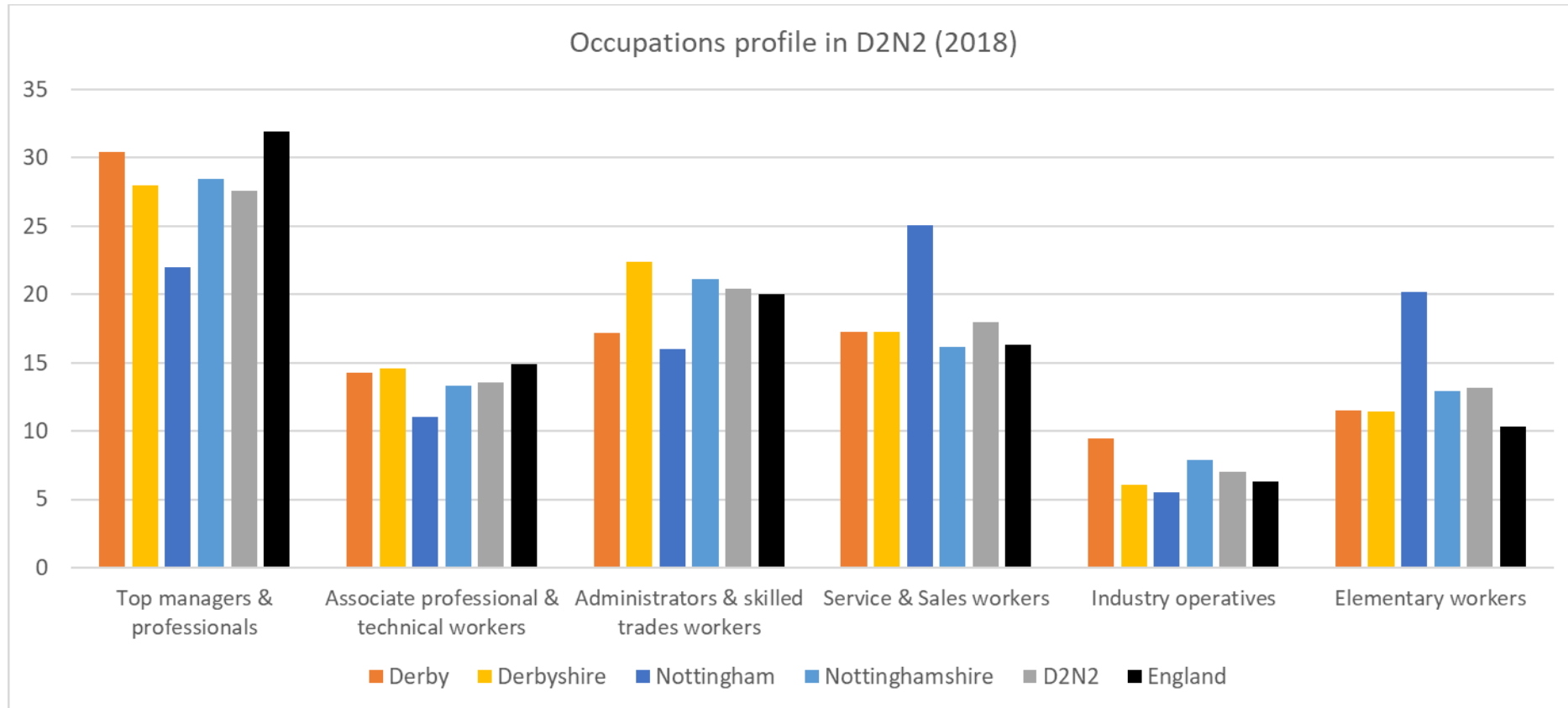
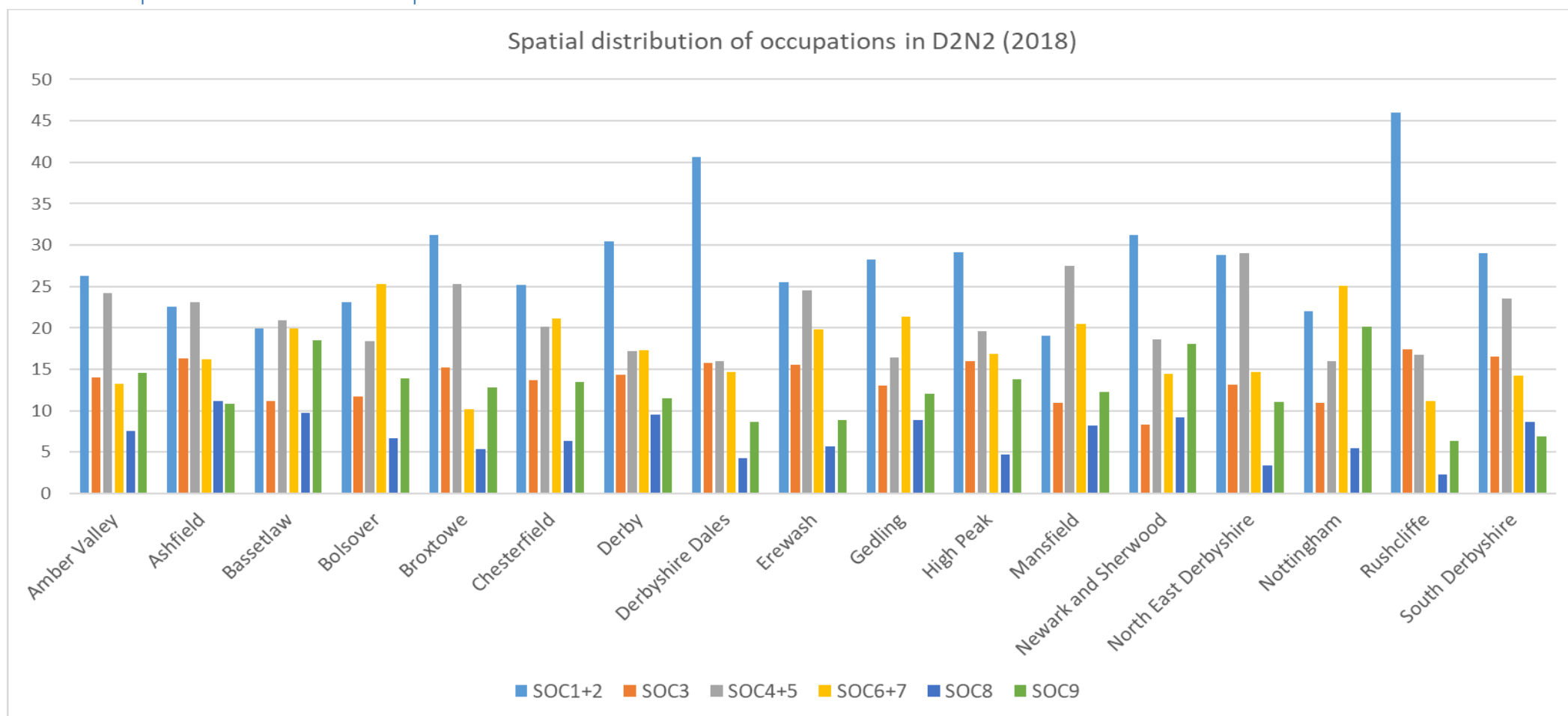


Chart 4.9 illustrates the occupational profile of the residents in the D2N2 area which broadly reflects the skills profile of the region. Derby, Derbyshire and Nottinghamshire have more professional residents compared to Nottingham, but their proportion is below the English average. Conversely, Nottingham has higher proportions of low skilled workers and elementary works. This is a reflection on the skills profile where many Nottingham residents have lower levels of NVQ Level qualifications.

Source: ONS Annual Population Survey (2018)

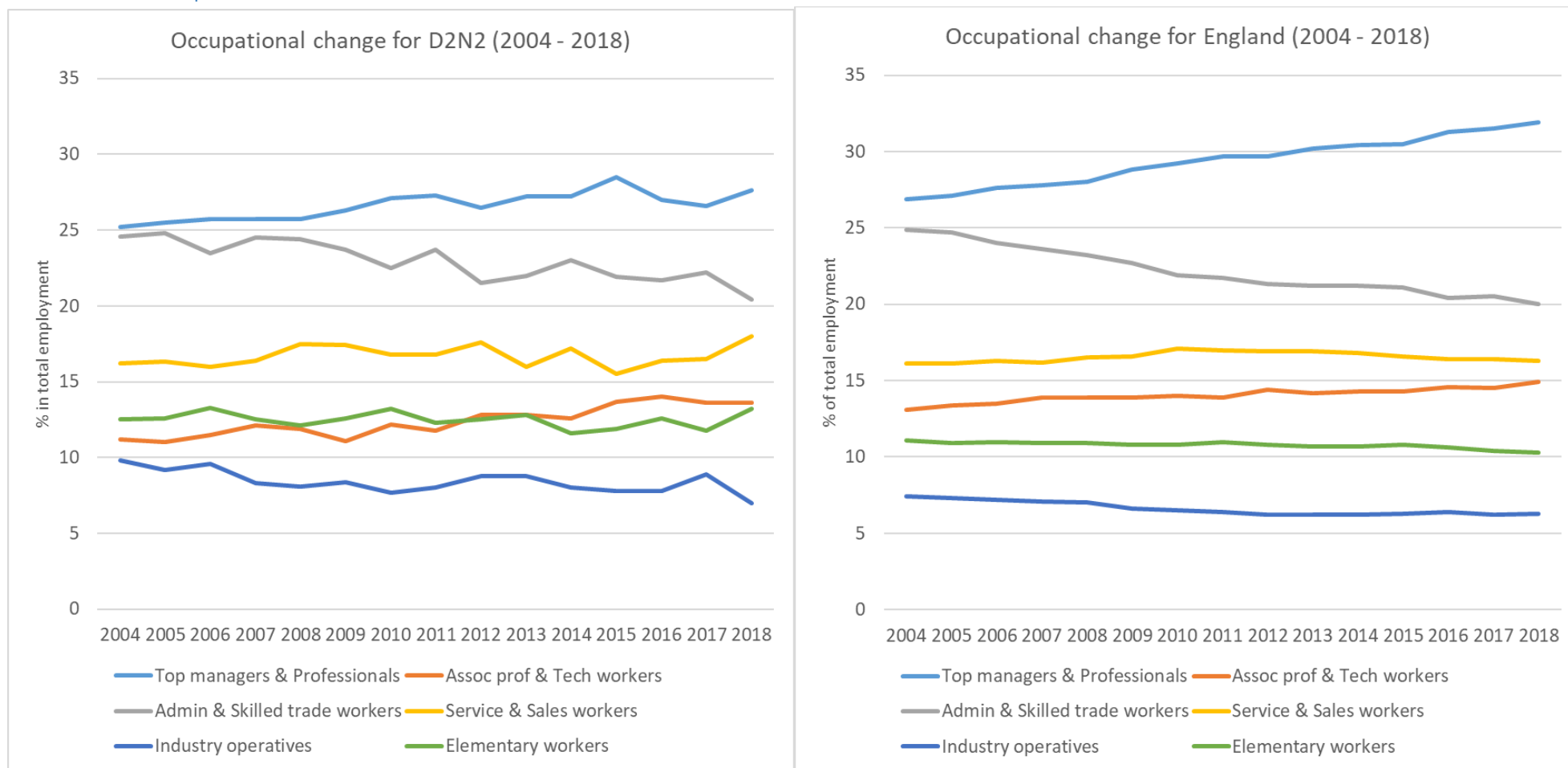
4.10 Spatial Distribution of Occupations



This chart provides an insight into the dispersion of the occupations within the D2N2 region. Rushcliffe has the highest proportion of population working in high level roles (46%), which reflects the higher proportion of high skills of the residents in the skills profile graph. Derbyshire Dales (40.6%), Broxtowe, Newark and Sherwood (each 31.2%) and Derby (30.4%) are the other areas that have a higher number of residents working in high-level jobs. In contrast, Nottingham (50.8%), Bassetlaw (58.1%), and Bolsover (45.9%) are among the areas where a high number of low skilled workers including industry operatives and elementary workers reside.

Source: ONS Annual Population Survey (2018)

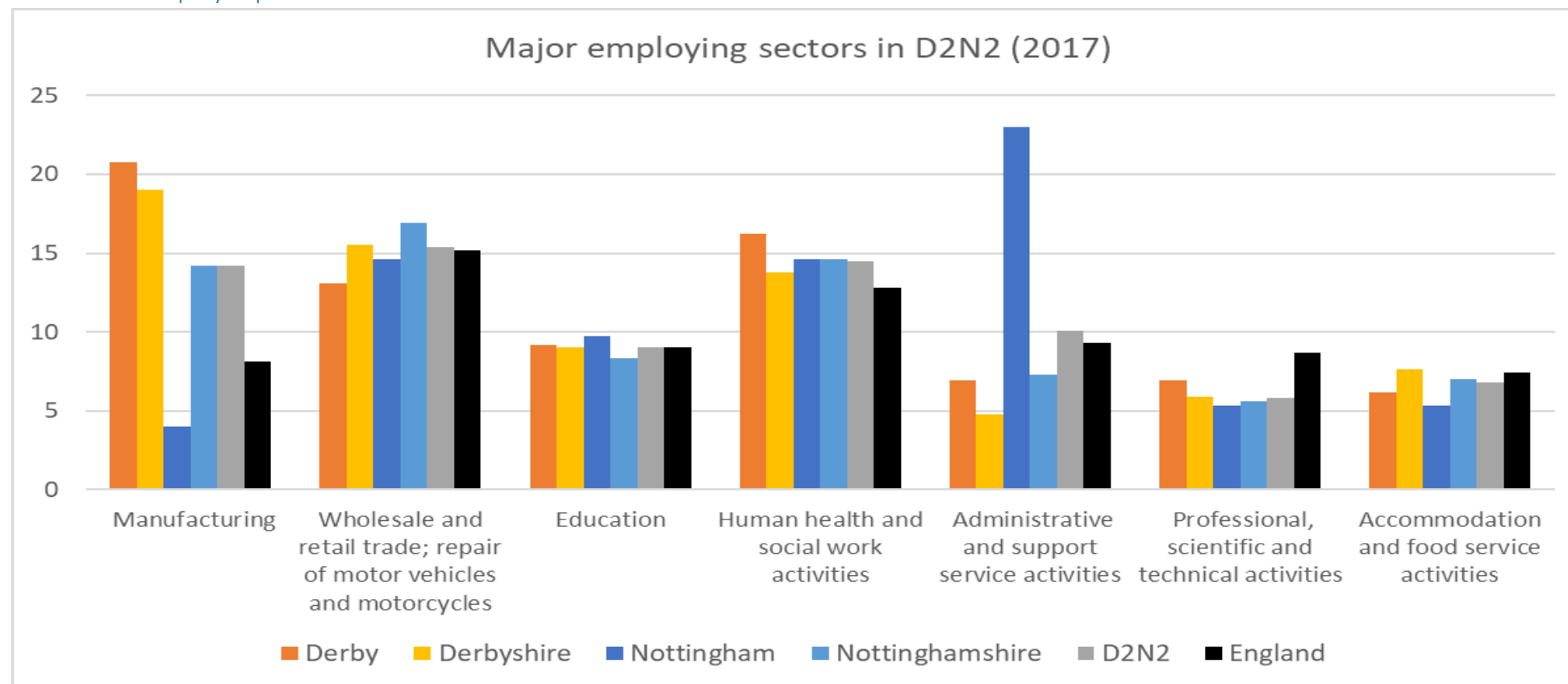
4.11 Occupation Profile Trends



The chart above shows the trend in occupations of residents within the D2N2 area between 2004 and 2018. Compared to the trends in skills, the changes in the occupational profile have been more subdued. The proportion of people working in administrative roles and industry operating jobs has declined while the share of top managers, professional and semi-professional jobs have increased by 2.4% each. However, the number of workers in low skilled and elementary roles has broadly stayed the same. Compared with the occupational changes for England (the chart on the right), the growth in top managers and professionals has lagged behind while the proportion of elementary and low skills service jobs have increased. **Source: ONS Annual Population Survey (2018)**

5. D2N2 Employers and Vacancies

5.1 Employer profile

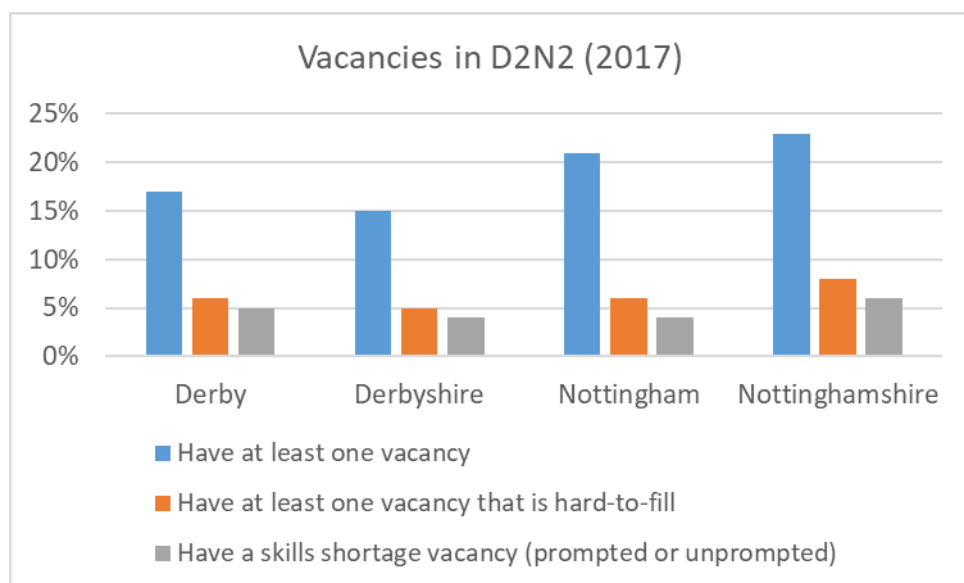


This graph illustrates the top employing sectors for Derby, Derbyshire, Nottingham, Nottinghamshire, and the D2N2 LEP as a whole. Historically, Derby and Derbyshire have been manufacturing-focused areas and this is still the case to date, with this sector remaining significantly above the national average (8.1%). On the contrary, residents in Nottingham tend to work in administrative and support roles. Nevertheless, for the D2N2 area as a whole, the top employing sector is the wholesale and retail trade sector, which is in line with the national trend. While, understandably, Derbyshire and Nottinghamshire employ a similar proportion of the population in agriculture (1%), Derby and Nottingham have almost zero. When it comes to professional, scientific and technical activities, and financial and insurance activities, D2N2 is behind the national average.

Source: ONS Business Register and Employment Survey (2018)

5.2 Current Job Vacancies

	Total employer base	Have at least one vacancy	Have at least one vacancy that is hard-to-fill	Have a skills shortage vacancy (prompted or unprompted)	Average vacancies per establishment with vacancies
Derby	5882	984	368	266	2
Derbyshire	23442	3413	1272	835	2.3
Nottingham	7677	1617	445	338	2.4
Nottinghamshire	20201	4635	1574	1295	2.2

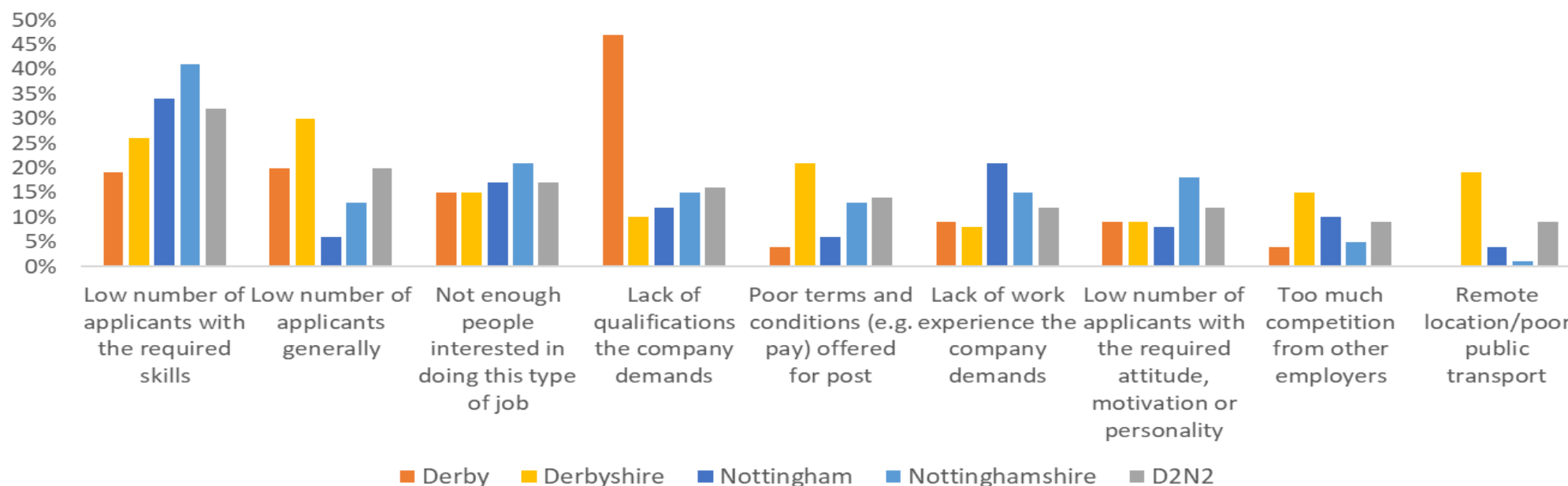


As the chart 5.2 illustrates, Nottinghamshire stands out in both absolute and relative terms when it comes to vacancies. In Nottinghamshire, 23% of establishments have at least one vacancy. In 8% of cases, at least one vacancy is hard to fill. Employers in Nottinghamshire also report a higher skills shortage vacancy than the rest of D2N2. However, the firms in Nottingham record the highest average vacancies per establishment with vacancies (2.4) while the figure for the firms in Derby stands at 2. It is important to highlight that, all four local authority areas in the D2N2 LEP area have fewer vacancies per establishment with vacancies than the national average of 2.7.

Source: DfE, Employer Skills Survey (2017)

5.3 What employers are looking for – Skills mismatch?

Main reasons for recruitment difficulties (hard to fill vacancies) in D2N2 (2017)



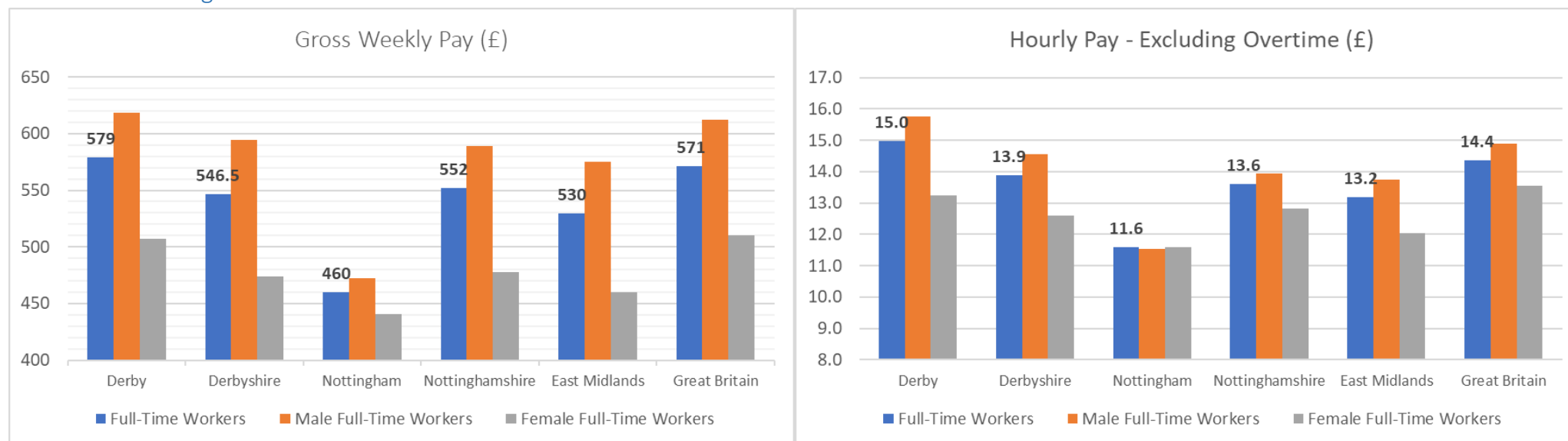
According to the Employer Skills Survey, when the businesses in D2N2 area were asked for the reasons why they have some vacancies that are unfilled, 57% identified the quality of applicants as the main reason. A low number of applicants were identified as a further reason by 38% of businesses within D2N2 area. Finally, 34% of businesses reported that contextual factors contribute to the difficulty in filling some vacancies (these include low pay, not being fulltime/permanent and jobs with unsociable hours/shifts). There is a clear indication of a skill mismatch between job seekers and employers in the area. The D2N2 area is within a commutable distance from several major cities such as Birmingham, Leicester and Sheffield. Therefore, it is important to create measures that would make the D2N2 area attractive to the economically active population.

Source: DfE, Employer Skills Survey (2017)

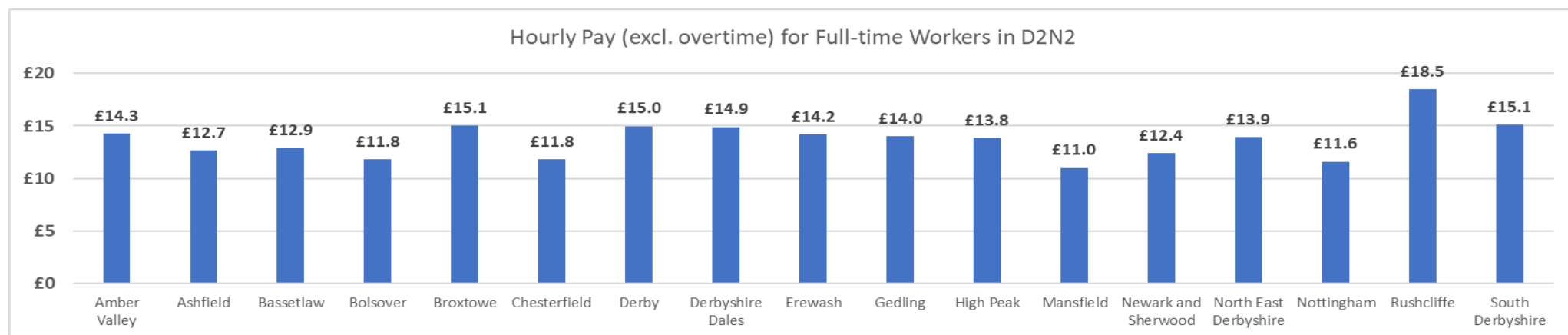
	Any Skills Gap	High-Skill Gap	Middle-Skill Gap	Service-Intensive	Labour-Intensive
Derby	14%	4%	6%	5%	3%
Derbyshire	13%	3%	5%	3%	4%
Nottingham	14%	5%	5%	5%	4%
Nottinghamshire	12%	3%	4%	5%	3%

6. D2N2 Earnings and Productivity

6.1 Earnings



In Derbyshire, Nottingham, and Nottinghamshire the residents' earnings are significantly lower than in Derby where the earnings are above the regional and national averages. In the two charts above, the pattern is the same but the differences are less pronounced in hourly pay – i.e. in Nottingham not only are the workers paid lower but they also work fewer hours per week. Similarly, the charts also show that the gender pay gap is reduced when comparing hourly pay. The challenges for Nottingham are to increase labour participation as well as increase productivity (improve skills and occupations).

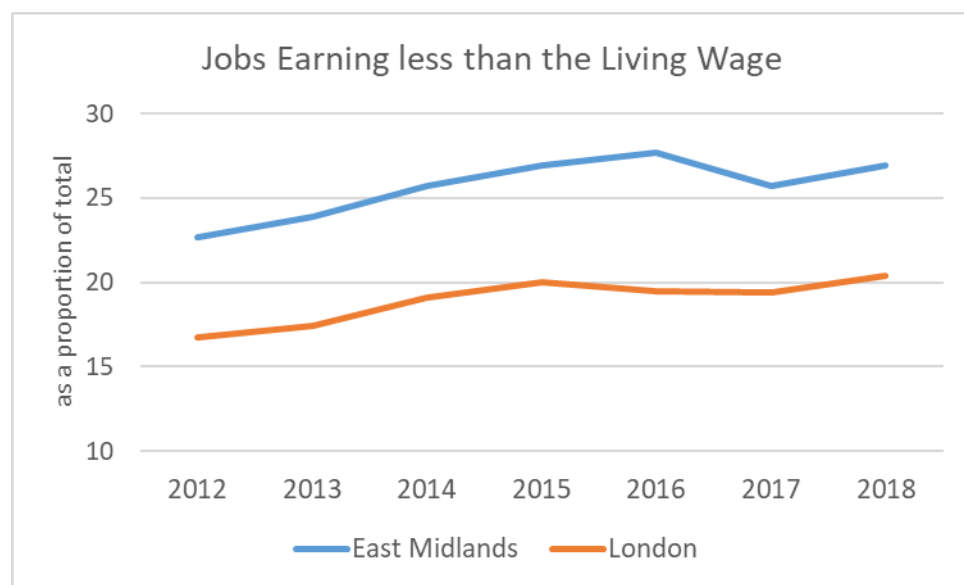


Source: ONS Annual survey of hours and earnings - resident analysis (2018)

6.2 National Living Wage

Jobs earning below the National Living Wage 2018

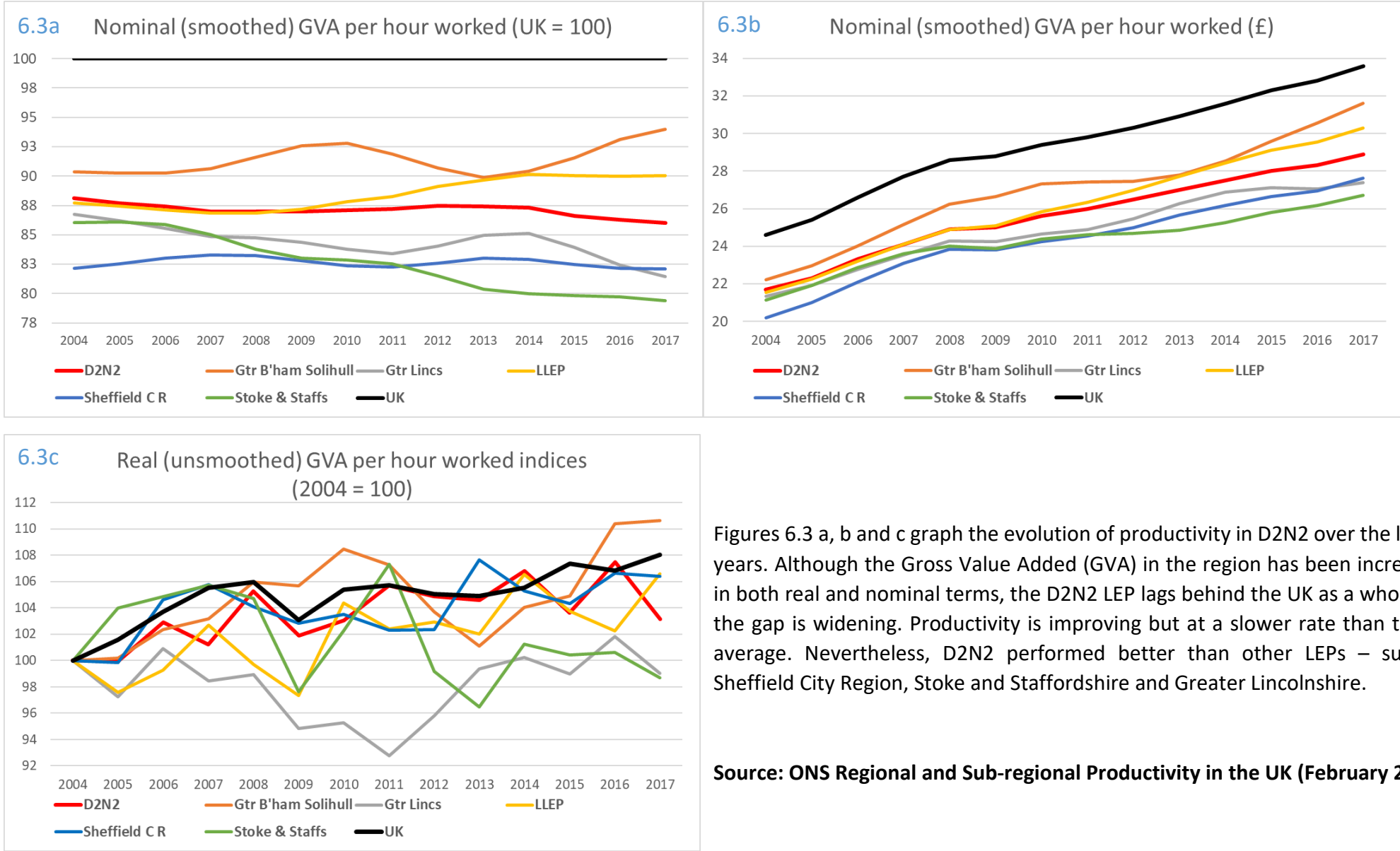
	Jobs earning below the National Living Wage (thousands)	As proportion of total jobs
Derby	23	18.6%
Derbyshire	79	28.5%
Nottingham	46	25.4%
Nottinghamshire	82	28.6%
United Kingdom	6,286	22.8%



This table shows the number and the percentage of workplace jobs earning below the living wage in 2018. Calculations are based on the National Living wage of £8.75 per hour (outside of London) from the Living Wage Foundation. With the exception of Derby, the D2N2 have a higher proportion jobs paying below the living wage than the UK average. This is worrying, since it indicates that a substantial proportion of working adults are struggling to cover the cost of living (in-work poverty). This is a major obstacle in achieving inclusive growth. Even more worrying is the fact that the proportion of low paying jobs has increased over the years (see chart).

Source: calculations based on data from ONS Annual survey of hours and earnings (2018)

6.3 Productivity of Current Workforce



Figures 6.3 a, b and c graph the evolution of productivity in D2N2 over the last 13 years. Although the Gross Value Added (GVA) in the region has been increasing, in both real and nominal terms, the D2N2 LEP lags behind the UK as a whole and the gap is widening. Productivity is improving but at a slower rate than the UK average. Nevertheless, D2N2 performed better than other LEPs – such as Sheffield City Region, Stoke and Staffordshire and Greater Lincolnshire.

Source: ONS Regional and Sub-regional Productivity in the UK (February 2019)

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