

D2N2 Economic Recovery Report

EDITION 13: SEPTEMBER 2022

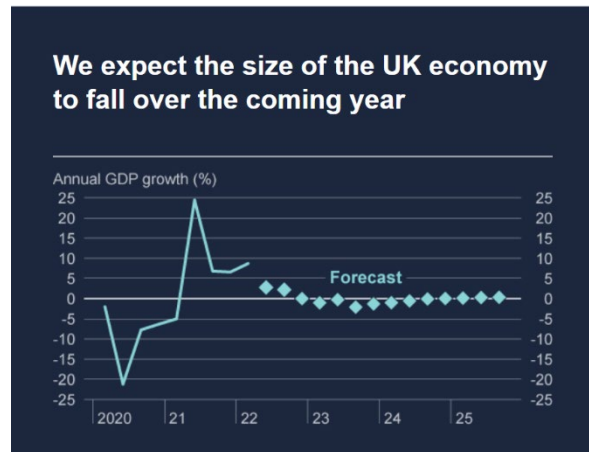
Welcome to the latest edition of the D2N2 Economic Update. This report pulls together information from across the region to understand the impacts of recent events on our economy. For previous editions of the D2N2 Economic Recovery Report, please visit [here](#).

National Context

The latest rise in energy prices, and to a lesser extent, a tightening in financial conditions, have steepened the slowdown in global growth and led to a deterioration in the short to medium term outlook of European economies, including the UK.

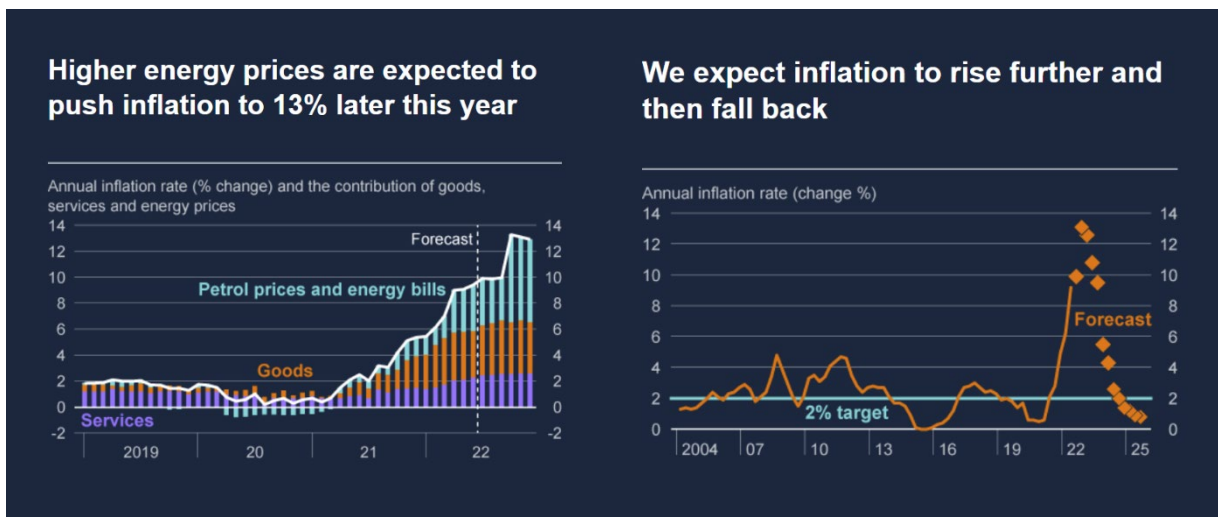
The Bank of England has projected that the UK economy is likely to enter a recession this year and remain there until the fourth quarter of 2023. The analysis suggests that the projected contraction in output and weak growth outlook largely reflect the significant adverse impact of the sharp rises in global energy and tradable goods prices on UK household real incomes.

With the expected recession, unemployment may start to rise above its current level from mid-2023 and is forecast to reach 6% by the end of 2025.



Source: Bank of England

Inflation is expected to rise further and peak at 13% in 2022 Q4. This overwhelmingly reflects a near doubling in wholesale gas prices, due to Russia's restrictions on its supply of gas to



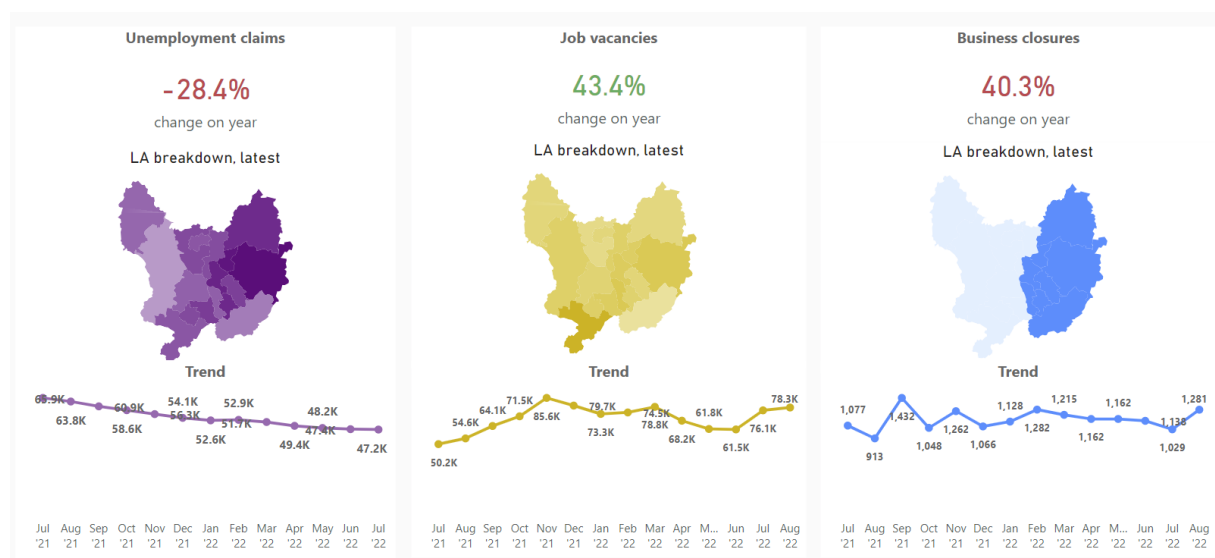
Europe and the risk of further curbs. The changes Ofgem has announced to the method for updating the household energy price cap are also expected to push up CPI inflation in the short term, though to a much lesser extent¹.

The Resolution Foundation report that the “Energy Price Guarantee” will prevent household energy bills from soaring this winter. The bills are still set to be more than double their pre-crisis level.

D2N2 ECONOMIC RISK & RECOVERY TRACKER

Local Trends

An overview of indicators available at the local level is below.



Green colour on the key metrics shows better outcomes compared to the national average; red shows worse outcomes.

Unemployment and work-related benefit claims continue to recover from the impact of the pandemic. There were 47,220 claimants in July 2022, 28.4% less than in July 2021. Nationally, the claimant count has decreased by 31% over the same period. The slowest reduction in unemployment claims is taking place in Newark & Sherwood, Mansfield, Ashfield, Nottingham and Bassetlaw.

Claimants make up 3.4% of the working age population in D2N2, compared to 3.7% nationally. Nottingham and Derby record an above average claimant percentage.

A more detailed analysis of the latest claimant count data, including breakdowns by age and gender groups, are available [here](#).

The number of job vacancies stayed above 78,000 in August 2022, 43.4% higher compared to last year's figures. Nationally, the number of job vacancies increased by 14.4% over the same period. South Derbyshire, Newark & Sherwood and Broxtowe have seen the highest year-on-year growth, while Rushcliffe has recorded a decrease. Top posted occupations in D2N2 over

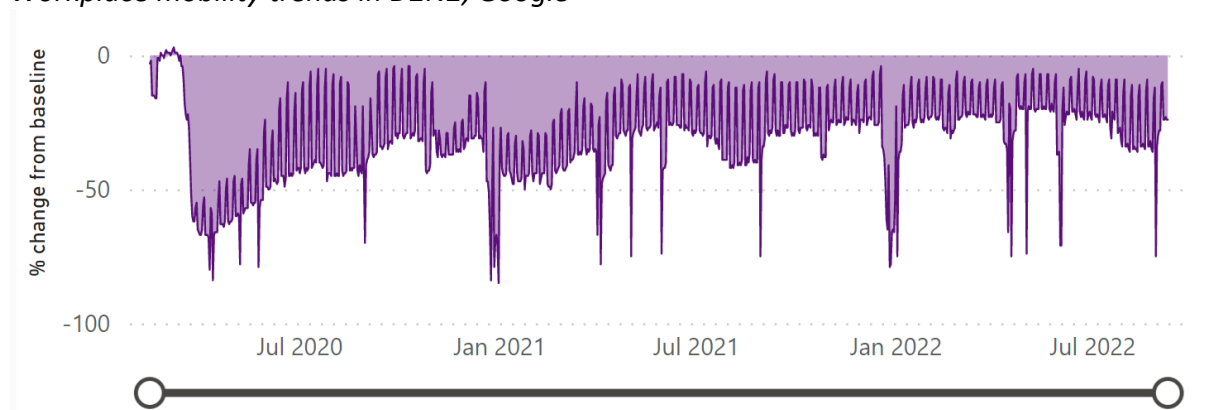
¹ Bank of England, Monetary Policy Report, August 2022

the last three months to August 2022 were for Care Workers, Nurses, Administrative Occupations, Sales Occupations, and Programmers & Software Developers.

Business closures, which show the number of liquidated or dissolved companies each month, are tracked to monitor the potential adverse effects of the pandemic on our business base. There were 1,280 liquidations and dissolutions in August, a 40.3% decrease year-on-year. Nationally, business closures have increased by 32.9% over the same period. The data behind this indicator experienced irregular reporting and processing due to the pandemic and should be interpreted with caution. Nevertheless, we track this indicator closely to be able to spot early signs of potential negative effects on business survival.

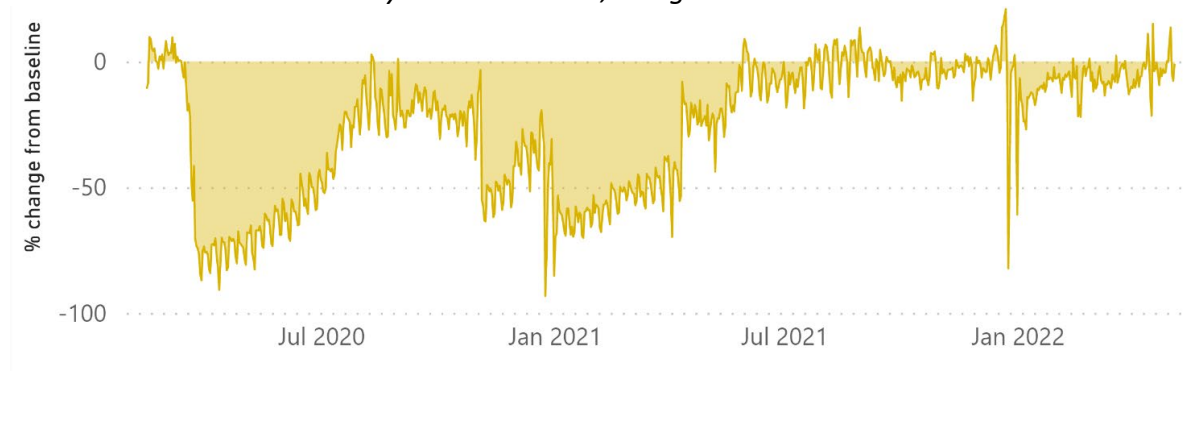
D2N2 workplace activity for the week ending Sep 9th was around 24% below the pre-pandemic baseline², according to [Google mobility data for D2N2](#). The most affected areas were Amber Valley, Nottingham, and High Peak. Nationally, workplace activity was at 23% below the baseline for the same period.

Workplace mobility trends in D2N2, Google



Visits to Retail and Recreation locations were 6% below the baseline over the week ending September 9th. Nottingham, Chesterfield and Derby recorded the lowest levels (11-20% below the baseline) while North East Derbyshire, Bassetlaw, Bolsover, Rushcliffe, Gedling, and Derbyshire Dales were above the baseline. Nationally, visits to retail and recreation locations was 9% below the baseline.

Retail and Recreation mobility trends in D2N2, Google



² The baseline is the median value, for the corresponding day of the week, during the five week period 3 Jan – 6 Feb 2020. The reported figures are measured as a 7-day average.

Estimates of Covid-19 Impact

The last estimates³ of the impact of Covid-19 show that in Q3 2022, private sector employment is expected to stay 0.7% lower than it would have been without the pandemic. Sales are forecast to be 0.5% lower, and investment 0.4% lower. Nationally, the impacts are expected to be 1.1% below the baseline for employment, 1.0% for sales, and 0.1% for investment.

According to the estimates, above average impact in terms of private sector jobs in Q3 2022 are expected in Derby, South Derbyshire, Bolsover, and Nottingham.

More detailed analysis is available [here](#).

³ Covid-19 related questions were discontinued by the Decision Maker Panel in spring 2022. The data is compiled in collaboration with Nottingham Trent University and the University of Nottingham, and is based on national surveys.

LINKS TO DATA ON D2N2

D2N2 maintains a number of datasets to help inform decision making.

Our [D2N2 Economy Dashboard](#) summarises key monthly and medium term trends from official data, together with trend data from Google Mobility and provides a forward look at potential trends in sales, employment and investment based on the findings of the [Decision Makers' Panel](#). Each page shows a D2N2 perspective and can be filtered down to district level.

Other dashboards that are regularly maintained include:

- [Claimant count tracker](#)
- [Analysis of occupations and vacancies](#)
- [Government funding tracker](#)

Historic dashboards – no updates planned:

- [Economic Impact of Covid-19 on Local Authorities](#)
- [Labour Market Dashboard](#)
- [Growth Hub survey data 2020](#)
- [Jobs regarded as teleworkable during Covid-19 lockdown](#)
- [Furlough tracker](#)
- [Key data on Towns Fund areas 2020](#)

Data on D2N2

- [Updates on projects funded by D2N2](#)
- [ONS D2N2 profile](#)

Midlands Engine Observatory

- [Regional Economic Impact Monitor](#)