

D2N2 Economic Recovery Report

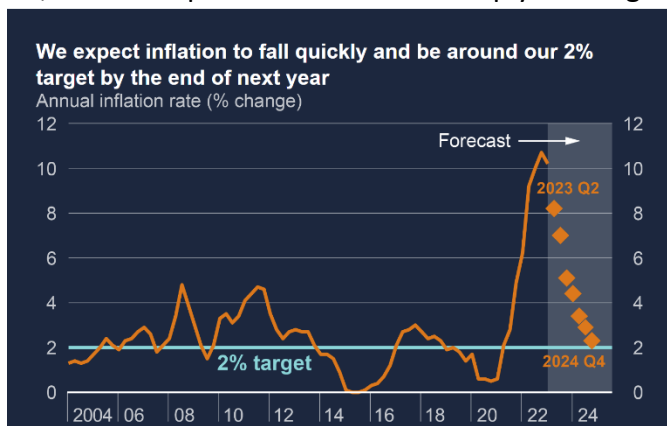
EDITION 16: May 2023

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 more data and information, please visit our [Data Centre](#).

D2N2 ECONOMIC RISK & RECOVERY

National Economic Outlook

Since the Bank of England’s February forecast, CPI inflation exceeded its projected levels, reaching 10.2% in Q1 2023. However, it is anticipated to decrease sharply starting in April. The decrease is attributed to the extension of the Energy Price Guarantee in the Budget and further reductions in wholesale energy prices. There is still uncertainty surrounding the pace at which CPI inflation will return to the 2% target on a sustainable basis. The risks of inflation being higher than forecasted is mainly due to the potential for more persistence in domestic wage and price adjustments.



The global GDP is expected to grow moderately throughout the projected period, albeit slightly faster than previously anticipated. While risks persist, it is unlikely that the recent developments in the global banking sector and the tightening of credit conditions will have a substantial impact on GDP.

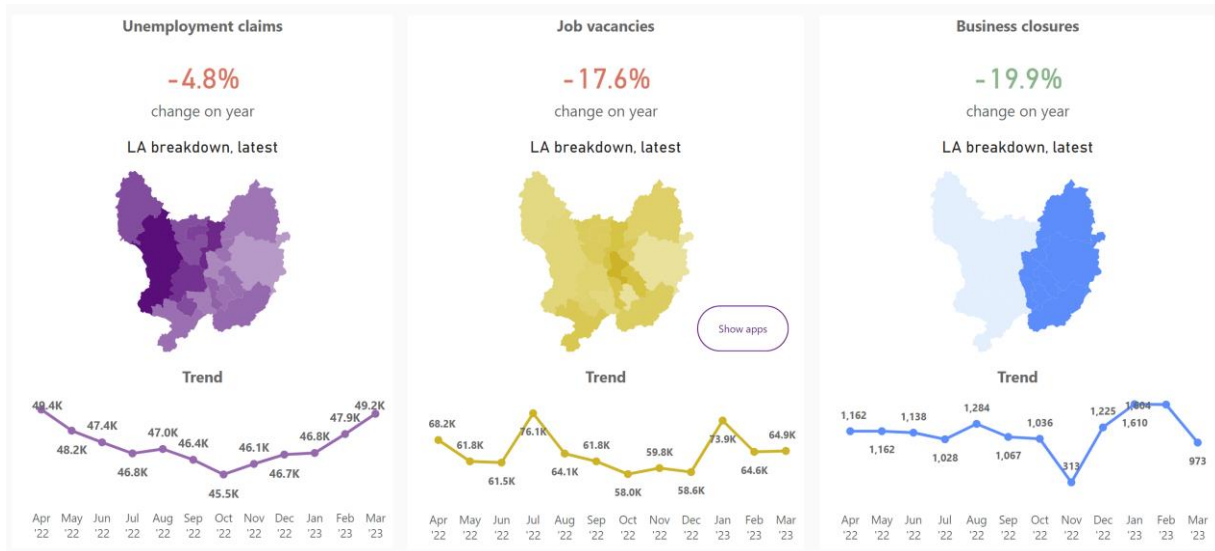
Domestically, the UK GDP is influenced by past increases in Bank Rate and market interest rates, as well as the diminishing effects of looser fiscal policies and relatively weak potential supply in the medium term. Nonetheless, the Bank of England’s Monetary Policy Committee believes that economic growth will be considerably stronger than indicated previously for a significant portion of the forecast period. This outlook is attributed to improved global growth, lower energy prices, the fiscal support provided in the Spring Budget, and the potential for lower precautionary saving by households, as the risk of job loss diminishes.

The National Institute of Economic and Social Research projects GDP growth to remain close to zero in 2023 and estimates that the poorest households are around £4,000 per year worse off as a result of the pandemic and the cost-of-living crisis.

Local Trends

Summary: The local labour market remains tight despite the short-term rise in unemployment benefit claimants and the fall in the number of available jobs. The reduction in business closures suggests no major shifts in business survival. Due to the recent inflation and earnings trends, real pay experienced a further decline exacerbating the cost-of-living crisis.

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 have been increasing over the last quarter but remain below last year's levels. There were 49,170 claimants in March 2023, which represents a 4.8% decrease from March 2022. Nationally, the claimant count has decreased by 9.3% over the same period. Derbyshire Dales, Bolsover, and Amber Valley have experienced an increase in the number of claimants in the same time frame.

Claimants make up 3.6% of the working age population in D2N2, compared to 3.7% nationally. Nottingham, Derby, Ashfield and Mansfield record an above average claimant percentage.

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

The number of job vacancies have decreased from January to March and the on-year growth was lower than nationally. In D2N2 the number of vacancies has decreased by 17.6% over the last year compared to 7.7% decline across the UK over the same period. Ashfield, Gedling, and Bolsover have seen the highest positive year-on-year growth, while Nottingham and Newark and Sherwood were driving the decline in job vacancies.

Top posted occupations in D2N2 over the last three months remain Care Workers, Nurses, Administrative Occupations, Sales Occupations, and Programmers & Software Developers.

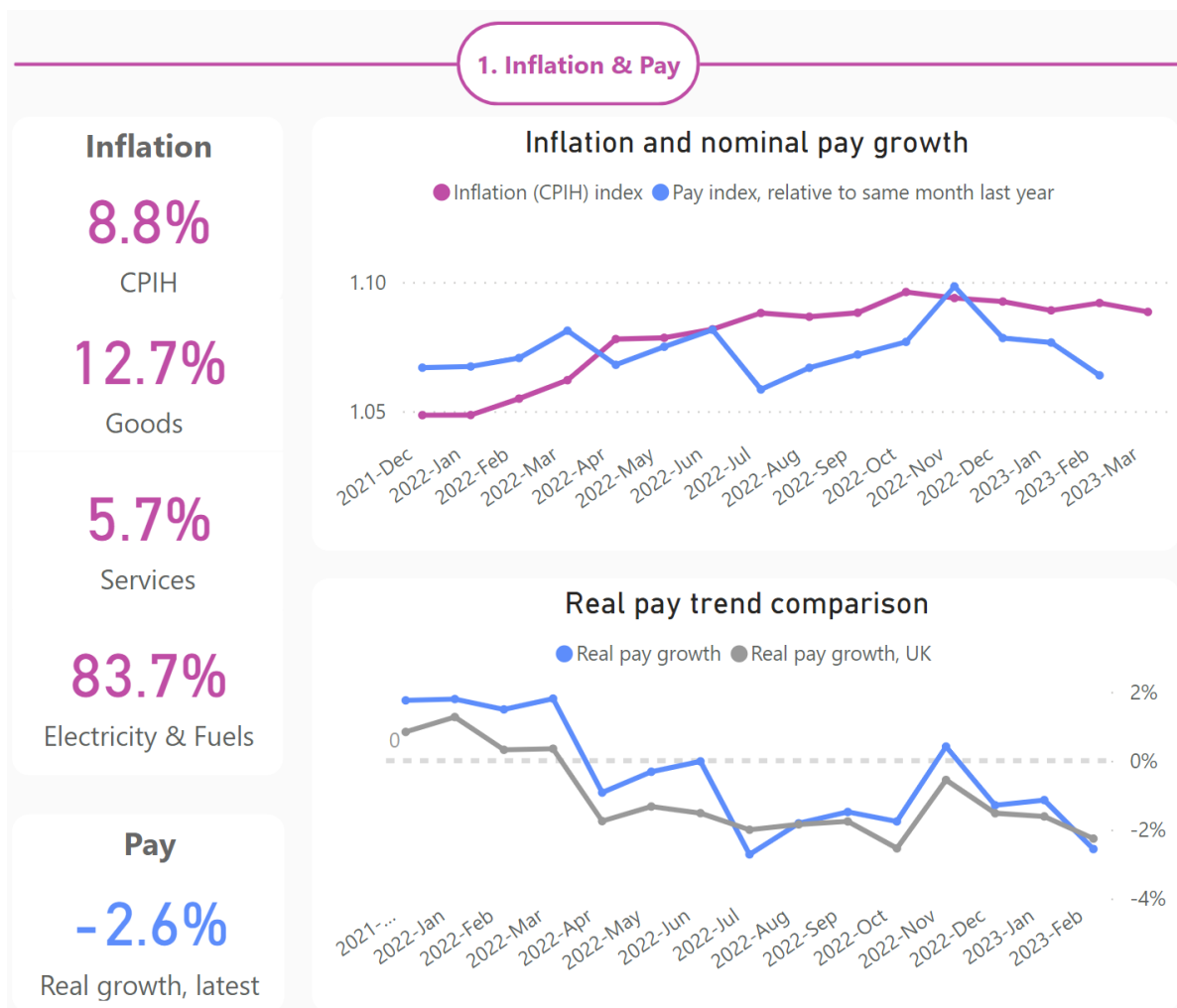
Business closures, which show the number of liquidated or dissolved companies each month, are tracked to monitor the potential adverse effects of economic conditions on our business base. There were 970 liquidations and dissolutions in March, a 19.9% decline year-on-year. Nationally, business closures decreased by 17.4% over the same period.

Cost of Living

D2N2 continue to monitor the cost of living crisis and the challenges facing different places. We track monthly national inflation, its major components, nominal wages, and estimate changes in real wages. In addition, we use data compiled by the Centre of Progressive Policy from several sources to better understand where residents are most vulnerable to the impact of rising prices.

The Consumer Prices Index including owner occupiers' housing costs (CPIH), the most comprehensive measure of inflation, came down to 8.8% in March 2023 from 9.2% in February. The largest upward contributions to the annual CPIH inflation rate came from housing and household services (mainly from electricity, gas and other fuels), and food and non-alcoholic beverages.

The CPIH annual inflation rate for goods has eased slightly to 12.7%, while CPIH for services increased marginally to 5.7%. CPIH for electricity, gas and fuel prices was 83.7% in March. The combination of slightly lower inflation and decreasing nominal pay pushed real pay growth back into negative territory. Real pay was 2.6% lower in D2N2 compared to last year.



The most recent figures on monthly inflation and earnings, as well as the analysis of vulnerability of D2N2 residents to the impact of rising prices ability at local authority level is available [here](#).

LINKS TO DATA ON D2N2

D2N2 maintains a number of datasets to help inform decision making on [Data Centre](#).

Our [D2N2 Economy Dashboard](#) summarises key monthly and medium term trends from official data and economic analysis.

Other dashboards and analytical tools which are regularly maintained include:

- [Claimant count tracker](#)
- [Analysis of occupations and vacancies](#)
- [Government funding tracker](#)
- [Business Growth and Innovation indicators](#)
- [People and Skills indicators](#)
- [Inclusion indicators](#)
- [Apprenticeship starts](#)
- [Baseline Economic Forecast](#)
- [Inflation, pay and cost of living vulnerability](#)
- [Analysis of Identifiable Public Sector Expenditure in East Midlands](#)

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](#)
- [Place indicators](#)

More data on D2N2

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

Midlands Engine Observatory

- [ME Observatory Intelligence Hub](#)