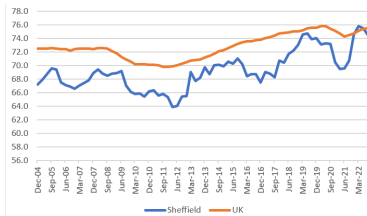


Sheffield Economic Bulletin

February 2023

Sheffield Data Round-Up

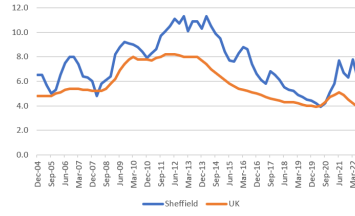
Employment Rate



74.5% (Sep 22)

Down from 75.5 (Jun 22)
Up from 70.7 (Sep 21)

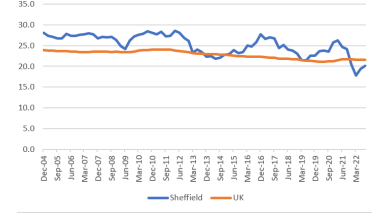
Unemployment Rate



6.8% (Sep 22)

Up from 6.3% (Jun 22)
Up from 6.7% (Sep 21)

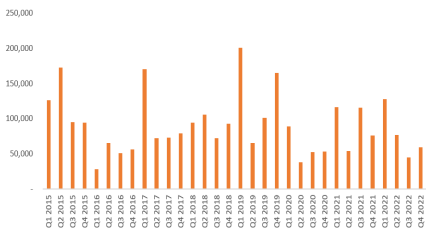
Economic Inactivity Rate



20.1% (Sep 22)

Up from 19.4% (Jun 22)
Down from 24.2% (Sep 21)

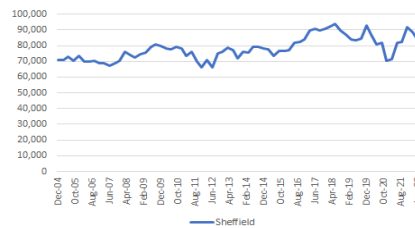
Office Take Up



59,352 sq ft (Q4 2022)

Up from 44,847 (Q3 2022)
Down from 76,200 (Q4 2021)

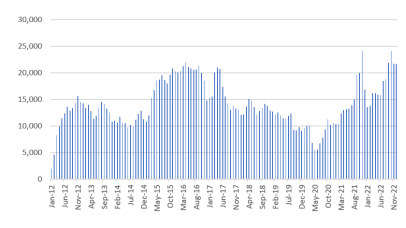
Part time working



77,600 (Sep 22)

Down from 83,200 (Jun 22)
Down from 82,400 (Sep 21)

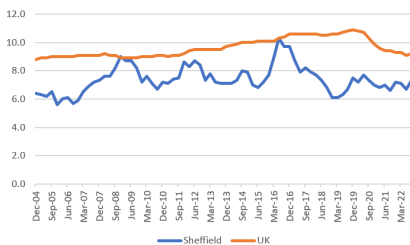
Unique Job Postings



21,628 (Dec 22)

Down from 21,893 (Sep 22)
Up from 16,802 (Dec 21)

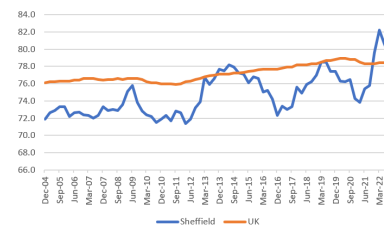
Self-employment



7.3% (Sep 2022)

Up from 6.7% (June 2022)
Up from 6.6% (Sep 2021)

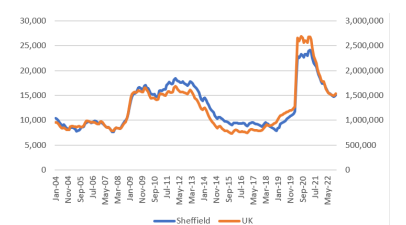
Economic Activity



79.3% (Sep 2022)

Down from 80.6% (Jun 2022)
Up from 75.8% (Sep 2021)

Claimant Count



15,060 (Jan 23)

Up from 14,14,710 (Oct 22)
Down from 17,370 (Jan 22)

The direction of the arrows in the above infographic refers to changes from the previous quarter, with the colour **green** denoting a positive change and **red** a negative change. Annual data is included where appropriate in order to give a better understanding of trends over time.

Headlines

National headlines

The UK has recorded zero growth in GDP between October and December 2022, meaning it narrowly avoided recession after shrinking by 0.2% during the previous quarter. The definition of a recession is two consecutive quarters of contraction. Monthly figures for December alone were worse than predicted however, showing a decline of 0.5%.

The economy remains 0.8% below its pre-pandemic peak in 2019, compared to 2.4% growth among the 19 members of the eurozone.

Inflation is now slowing but remains close to a 40 year high at 10.5%

Interest Rates increased for the 10th consecutive month in February to 4% - the highest level since the financial crisis of 2008. However, further rate rises are no longer predicted.

PWC have recently published their UK Economic Outlook for 2023. According to the report British real wages are predicted to fall back to 2006 levels, following almost 5 decades of positive real wage growth. This is due in part to the UK's ongoing challenge of productivity and current inflation levels. The report also predicts house prices will decline by around 8% in 2023.

According to the IMF UK GDP is forecast to shrink by 0.6%, the worst forecast for any G7 country, in fact the only G7 economy to fall in negative growth this year.

Following the release of the latest GDP news, The Bank of England has said it expects the UK to enter recession in 2023 but that the recession will be shorter and less severe than it previously forecast.

Local Headlines

Sheffield's employment rate continues to fall slowly after peaking at 75.8% in March 2022. The current rate for Q3 2022 remains higher than average at 74.5%, and is the 3rd highest of the core cities.

There was an uptick in unemployment in Q3 2022, increasing to 6.8% from 6.3%. This is the 3rd highest unemployment rate of the core cities and above the UK rate of 3.7%.

Economic inactivity was also up, meaning there were less people in the labour market available for and seeking work. Compared to the previous quarter there were an extra 4,600 people who were inactive. The most common reason was due to long term sickness, which accounted for 30.5% of inactive people. This percentage was only higher in 2005 when 32.5% of inactivity was due to long term sickness.

There was also a small uptick in the claimant count in January 2023.

Job postings remained high, with 21,628 unique postings in December 2022, much higher than the previous December when 16,802 vacancies were posted. The most common job titles advertised for were Support Workers (199 vacancies), Teaching Assistants (147 vacancies) and Customer Service Advisors (137 vacancies).

Office take up remains below average at 59,352 for Q4 2022. This was up from 44,847 the previous quarter but lower than the take up for Q4 2021 (76,200). The total take up for 2022 now stands at 308,578 sq ft, not as strong as the previous years take up of 361,854 but well above take up during the pandemic in 2020 when office take up for the year was 232,174 sq ft.

According to Irwin Mitchell Sheffield's economy is predicted to grow by 0.5% in 2023, the fastest growth of the Yorkshire cities, following a contraction of 0.6% in 2022. The estimated contraction in 2022 would make Sheffield the worst hit of the 8 English core cities. Sheffield's predicted growth however is ranked 6th out of the 8th core cities, faster than Newcastle and Leeds.
