

### Theme:

Productivity is an ongoing challenge across the labour market, but also an economic challenge.

### Area of Focus:

The Midlands has some wealthy and productive areas, but this is not equally distributed.

### Key Findings:

The region's cities and towns differ in productivity and earnings, with many falling below the UK average. Stark differences occur across small geographical spaces with the highest and lowest earning areas of Nottinghamshire being less than 20 miles apart.

The data suggests that there are some fundamental flaws including:

- Small travel to work areas due to poor physical connectivity
- Insufficient skill levels
- Too few people in employment
- Too many poor-quality jobs

Whilst GVA has been increasing in both the East and West Midlands at an average 2.7% annual increase, which is below the UK average of 3.5%. However, Midlands Engine GVA is higher than that of any other UK region outside of London and the South East.

GVA growth varied across the region between 2018 and 2019. West Lindsey had the biggest growth at 9.4%. However, 9 local authorities saw decreased GVA, including Broxtowe with the largest decline of -2%.

This shows the distinct regional differences, sometimes over very small distances. It reflects structural differences between places going back as far as 70 years. The region has much to gain from increased productivity, including better living standards, improved health, and higher numbers of good jobs.



### **Midlands Engine Impact:**

There are three priorities for the Midlands in tackling this issue:

- Innovation and Green economy, including supporting startups, innovation, and collaboration
- Competition for investment and maximising the benefits of investment
- Building resilience and connectivity, meaning prosperity and success in one place is accessible to many

We can achieve this by:

- Attracting more Foreign Direct Investment
- Sharing best practice and innovation
- Better management practices
- Improving the skills across the workforce and utilising skills

### **For Further Information Contact:**

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