

DERBYSHIRE COUNTY COUNCIL

CABINET

14 April 2015

REPORT OF THE CHIEF EXECUTIVE

**DERBYSHIRE ECONOMIC REVIEW – MARCH 2015
(Strategic Policy, Economic Development and Budget)**

1. Purpose of the Report

To present the latest Quarterly Economic Review – March 2015 to Cabinet.

2. Information and Analysis

Background

The Derbyshire Economic Review is a quarterly economic update produced by the Council. The update, which is attached at Appendix A for consideration, provides an overview of the current economic conditions in Derbyshire and summarises key economic trends to support broader discussions and policy developments across the Authority. The Review also supports and facilitates the delivery of partnership activity, most notably through the Derbyshire Economic Partnership, the Local Transport Board and the D2N2 (Derby, Derbyshire, Nottingham and Nottinghamshire) Local Enterprise Partnership (LEP). The Economic Review is available electronically on the Derbyshire Observatory at the following link <http://observatory.derbyshire.gov.uk/IAS/lea/>

Summary of Key Findings

The key findings for the latest quarterly review are outlined below:

- Derbyshire's economy showed a slight improvement in the last quarter of 2014, whilst in the East Midlands there was a marginal decline. However, there remains a gap between performance across the county and region. Despite this, there has been steady improvement in UK wide sales and also in output by Derbyshire's firms in export markets, although firms are slightly less confident about the future than they were. The ongoing difficulties being experienced in the Eurozone and the imminent General Election may be causing some uncertainty for firms.
- Whilst claimant unemployment is slightly lower than the England average, hotspots of concern still exist around parts of Ilkeston, Chesterfield, Buxton and Bolsover, despite claimant unemployment falling since the Spring of 2012.

- The general upward trend in long-term unemployment has levelled off and, since the middle part of 2014, the figures have started to fall across the county and England, particularly for Derbyshire. However, nearly a quarter of unemployed people have been out of work for more than a year and this is still of concern.
- Although youth unemployment rates are continuing to fall and, at 2.6%, are one third of their peak in the recession, the figure for the latest month has shown a slight increase. Additionally, youth unemployment is an issue in certain areas of the county such as Chesterfield, Ilkeston, Bolsover, and North Wingfield. In 19 out of 177 wards, youth unemployment is more than double the national average, compared to 11 wards in the December Review.
- Although fewer Derbyshire residents are claiming an Out of Work Benefit (OoWB) than a year ago, the number of claimants varies considerably. In particular there are six wards where more than 20% of 16-64 year olds are claiming an OoWB. These are Gamesley in High Peak, Rother, Middlecroft and Poolsbrook, and Loundsley Green in Chesterfield, Shirebrook North West in Bolsover, and Ilkeston North in Erewash.
- There has been some positive news on jobs in Derbyshire between November 2014 and January 2015, for example the announcement that a £400m leisure development, 'Peak Village', is to be built near Unstone, Chesterfield creating 1,300 jobs when it opens; the opening of a new packing and warehousing site in Swadlincote by Brunel Healthcare which will create more than 100 jobs, and the move onto Markham Vale by Chesterfield packaging/printing firm Inspirepac which plans to create up to 100 further jobs. However, Rolls Royce announced in December that about 300 jobs are set to go at its Derby site over the next 18 months.
- The employment rate in Derbyshire continues to be higher than the England average and is showing steady improvement, although there has been a slight increase in the level of International Labour Organisation (ILO)¹ unemployment over the past three months. This may in part reflect the generally improving economic conditions locally leading to some individuals who were not previously participating in the labour market to now actively look for work. It is also encouraging that the self employment rate in the county has shown an increase following a decline in the previous three quarters.
- House prices have been steadily rising in Derbyshire since the middle of 2013, although prices vary across the county, reflecting increasing confidence in the housing market. However, the level of growth is falling behind that nationally and the average house price in Derbyshire is £126k, much lower than the England and Wales figure of £177k.

¹ International Labour Organisation (ILO) unemployment has a much wider definition than the monthly claimant count of unemployment and includes people who are out of work and claiming Job Seekers Allowance (JSA) as well as those who are actively looking for work but not necessarily claiming unemployment related benefits. It can therefore produce different levels and patterns of unemployment to the claimant count.

‘In focus’ topic – Commuter Flows

Recently released data shows that in 2011 55,472 more people travelled out of the county to work than commuted in, and 34.3% of Derbyshire’s working residents travelled outside of the county to work. The towns and cities neighbouring the county exert significant influence. For example, 20.2% of commuters from the county work in Derby followed by Sheffield (12.4%) and Nottingham (8.6%). Around a quarter of jobs available within Derbyshire are taken by people that commute into the county for work. Locally, only Chesterfield and Derbyshire Dales experience a net gain in commuters i.e. draw in more workers than they lose.

There have been some important changes to commuting patterns between 2001 and 2011 including a reduction in net out-commuting from 62,598 in 2001 to the 55,472 in 2011. A number of factors are behind this, including an increase in the proportion of local employed residents who work from home or have no fixed work base. This reflects a shift by some employers to more flexible working arrangements. The [Derbyshire Economic Strategy Statement](#) (DESS) aims to attract higher value sectors into Derbyshire and provide the necessary broadband connectivity required to promote business growth especially in our rural areas. This offers the potential to further reduce the difference between out and in-commuting in the county.

3. Equality and Diversity Considerations

Although youth unemployment in the county is declining, there are parts of Derbyshire where the level remains high. The Derby and Derbyshire Authorities’ Statutory Governance Review which has recently been consulted on, outlines the need across Derby and Derbyshire (D2) for a co-ordinated approach to working across education and training providers, employers and the workforce - a concept known as ‘The 21st Century Guildhall’. This report will help to inform how DCC delivers its services and the development of a strategy for addressing youth unemployment, which is currently being drafted. The March 2015 Review also refers to the need for improvement in broadband provision in some parts of the county which will help individuals acquire skills and be able to better access the labour market.

4. Other Considerations

In preparing this report the relevance of the following factors has been considered: financial, legal, prevention of crime and disorder, human resources, environmental, health, property and transport considerations.

5. Key Decision

No

6. Call-in

Is it required that call-in be waived in respect of the decisions proposed in this report? No.

7. Background Papers

Files and supporting papers are held in the Policy and Research Division, Chief Executive's Office.

8. Officer's Recommendation

That Cabinet note the information presented within the Derbyshire Economic Review – March 2014 and that the findings be used to support future service planning and policy development.

Ian Stephenson
Chief Executive

Policy and Research, Chief Executive's

Derbyshire Economic Review - March 2015

Introduction

This document gives a brief overview of the latest statistics and news on the Derbyshire¹ economy both in a national and local context. The report provides a “snapshot” of the Derbyshire economy, to help inform the development and delivery of future economic strategies in the area. It is primarily based on evidence available from the Derbyshire Observatory, which is a single information source for partners and organisations across the county. The update also provides information on an ‘In focus’ topic, in this edition: Commuting Patterns in Derbyshire 2012.

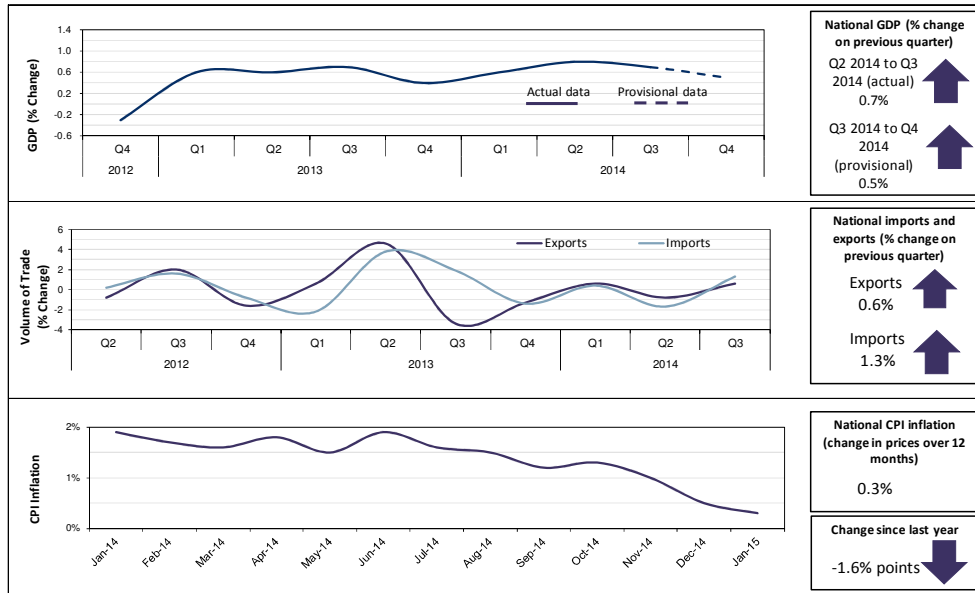
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Overview

- Nationally, economic growth provisionally increased by 0.5% in the final quarter of 2014. This is lower than the 0.7% the previous quarter and indicates a slight slowdown in the UK economy. This is driven by weaker construction, manufacturing and energy production due in part to the difficulties being experienced in the Eurozone, the UK's main trading partner. However, the annual GDP growth was still 2.7% and amongst the highest of the G7 nations². It is thought that economic recovery is happening but with slightly less momentum.
- The Consumer Prices Index (CPI) inflation rate monitors changes in the price of goods and services purchased by households. The annual CPI rate stands at 0.3% for the 12 months to January 2015, down 0.2% points from December 2014, and well below the national target of 2.0%.
- The county's economic performance showed slight improvement in the final quarter of 2014, according to the Derbyshire, Nottinghamshire and Leicestershire Chamber of Commerce's State of the Economy Index. Output across the East Midlands showed a marginal decline, however a gap remains between performance locally and regionally.
- The county has high levels of labour market participation and in September 2014 the employment rate stood at 77.1% compared with 72.5% for England.
- In January 2015, the overall claimant count unemployment rate was lower in Derbyshire (1.5%) than England (1.9%), although hotspots still exist across the county where unemployment levels are very high e.g. Ilkeston North (4.6%), Cotmanhay (4.2%), and Ilkeston Central (3.7%) in Erewash, Rother (4.6%) and Loundsley Green (3.9%) in Chesterfield, and Barms (3.6%) in High Peak.
- 24.2% of all unemployment claimants in Derbyshire have been out of work for more than a year, slightly less than the national average (28.1%).
- Youth unemployment in Derbyshire stands at 2.6%, slightly higher than the England rate of 2.3%. In 19 out of 177 wards, the problem is particularly acute where the level of youth unemployment is more than double the national rate.
- Annual house price growth in Derbyshire was 3.7% in December 2014, below the 7.0% for England and Wales.

National Performance Indicators



According to provisional data, national Gross Domestic Product (GDP), an indicator of economic growth, is estimated to have increased by 0.5% between quarter 3 and quarter 4 of 2014³. Of the four main industrial sectors GDP increased in agriculture (1.3%) and services (0.8%) but decreased by 1.8% in construction and 0.1% in production, with energy supply decreasing by 2.8% in the latter group.

The largest contribution to GDP growth came from the buoyant service sector, the only sector where output has exceeded its pre-downturn peak, accounting for 0.62% points of the increase. There was a marginal downward contribution from the production industries as there was with construction. Agriculture made a very slight contribution to output growth.

The UK's trade balance deficit, which reflects exports minus imports, widened from -£10.9 billion in quarter 2 of 2014 to -£11.8 billion in quarter 3 of 2014⁴. Exports rose by 0.6% in the latest quarter, following a decrease of 0.8% in quarter 2 of 2014, while imports increased by 1.3% following a 1.7% fall in the previous quarter. The

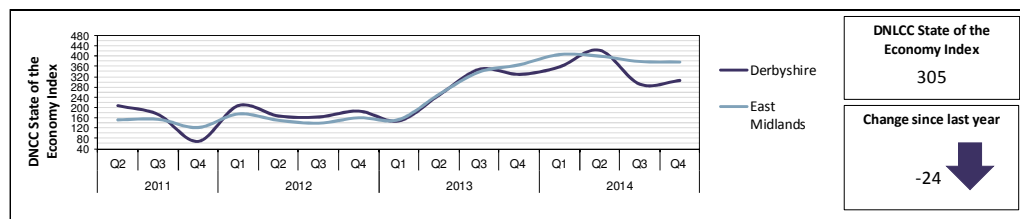
falling oil price however, has meant that revenue from exports has been less than it would have been, and with exports rising to a lesser extent compared to imports, net trade has made a small negative contribution to GDP growth of -0.2% points.

The annual CPI inflation rate currently stands at 0.3% for the 12 months to January 2015, down from 0.5% in December 2014⁵. Falling prices for motor fuels and food were the main contributors to the slowdown in the rate of inflation. This is the thirteenth month in a row that the CPI rate has been below the Bank of England's target of 2.0%. The Bank has said that inflation is likely to fall further in the near term as falls in energy prices continue to impact, boosting UK real income growth.

The Bank of England interest rate remains at 0.5%⁶, with the vote to keep the rate on hold in February being unanimous. With inflation having dropped to just 0.3%, substantially below the 2 per cent target level, some commentators are now questioning whether the UK will see outright deflation this year, albeit temporarily. The Bank is concerned that Britain's recovery could still be derailed by lifting the base rate from its record low 0.5%, and with worries over slow wage growth, the consensus is that the rate will not rise until at least the second half of 2015. Additionally, The Bank of England has highlighted the following [national trends](#) as at January 2014⁷:

- Retail sales growth had edged higher and consumer services turnover growth had picked up slightly.
- Housing market activity had been subdued relative to levels a year earlier.
- Investment intentions by firms for the next year had continued to ease slightly.
- Business services turnover growth had edged down slightly.
- Manufacturing output growth for the domestic market had eased slightly, and manufacturing export growth had slowed further.
- Construction output growth had remained strong.
- Corporate credit conditions had continued to improve, with evidence of increased competition among lenders.
- Employment intentions had eased for manufacturers.

Business Conditions



Business performance in the county increased marginally during quarter 4 of 2014, according to the Derbyshire, Nottinghamshire and Leicestershire Chamber of Commerce's (DNLCC) most recent Quarterly Economic Survey⁸. Nationally, the rate of economic increase slowed slightly in the last two quarters of 2014, with worries about difficulties in the Eurozone thought to be a factor. Following the dip of 133 points in DNLCC's State of the Economy Index for the county reported in the previous Derbyshire Economic Review, it is encouraging to see that in the last three months of 2014 the Index increased from 286 to 305 points, with the East Midlands showing only a marginal decline. However, whereas performance in the county has generally tracked that regionally over the past few years, there is now a gap between performance in Derbyshire and the East Midlands. Despite this, there has been solid improvement in UK wide sales locally and also in performance experienced by the county's firms in export markets, although firms are slightly less confident about the future than they were. In addition to the Eurozone it is possible the General Election in 2015 may be causing uncertainty for businesses.

Investment

The Derbyshire Economic Partnership received a total of five investment enquiries⁹ between November 2014 and January 2015, down on the 22 received the previous quarter and possibly reflecting reduced activity over the Winter. However, a number of existing enquiries have progressed including the opening of new offices by Wildgoose Construction in Alfreton. In addition, there have been some investments at Derbyshire County Council's (DCC's) Markham Vale site, including Marstons plc and AW Repair Group, with terms being agreed for a further two companies. Construction has also started on the new Inspirepac and Gould Alloys sites there.

Job Losses and Gains

The following job losses and gains information relates to organisations in Derbyshire (including Derby City), and is drawn from articles in the local press between November 2014 and January 2015.

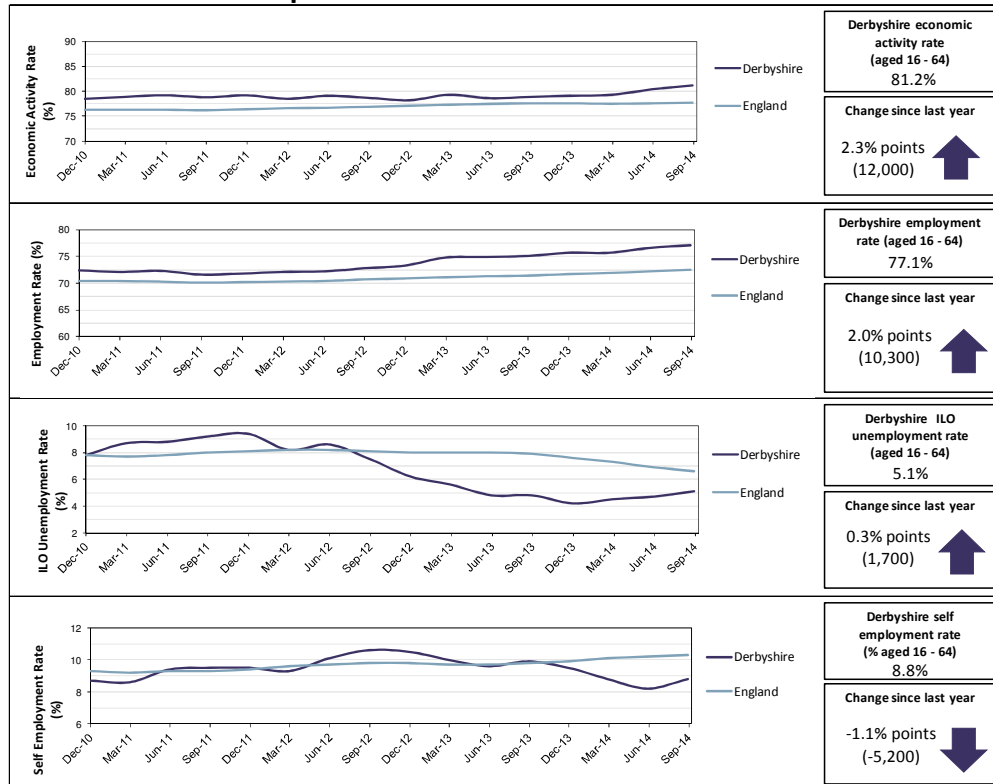
Job Losses

- Rolls Royce reported in December that about 300 jobs are set to go at its Derby site over the next 18 months.
- Knitwear manufacturer John Smedley announced in January it is set to shut its Clay Cross factory, with the loss of nearly 50 jobs, but consolidate its operations at Lea Mills where around 20 new jobs will be on offer.
- Metal and Waste recycler Richard Fletcher Metals closed operations in Chesterfield in December with the loss of around 40 jobs. However, Ward Recycling are hoping to buy the site and re-open it in February.

Job Gains

- In January it was announced that a £400m leisure development located near Chesterfield is to be built, creating many construction jobs over the next three and half years and 1,300 jobs when it opens.
- Brunel Healthcare officially opened its new packing and warehousing site in Swadlincote in November, which will eventually create more than 100 jobs.
- Chesterfield packaging/printing firm Inspirepac is to move to Markham Vale where it aims to create up to 100 further jobs over the next five years.
- It was announced in December that supermarket chain Aldi is to build a new store in Eckington creating up to 50 jobs.
- Marston's opened a pub and restaurant at Markham Vale in December creating 45 jobs.
- Chesterfield based metal distributor Gould Alloys is expected to move to Markham Vale in 2015 safeguarding 30 jobs and creating a further 10.
- Northgate Public Services announced in November that it is to create around 20 more jobs in Swadlincote after securing new contracts.

Labour Market Participation



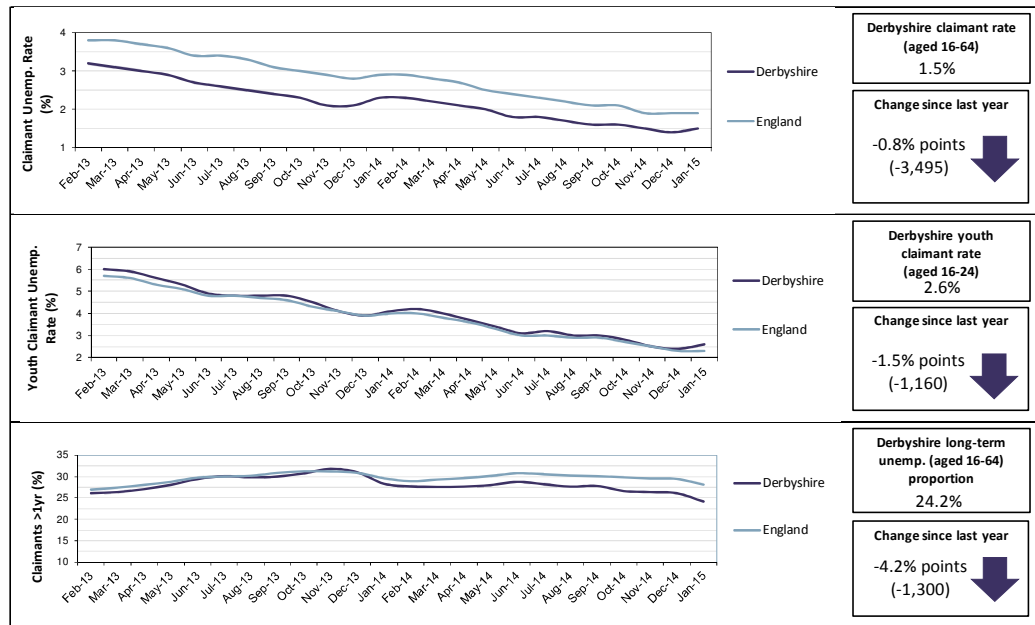
Source: Annual Population Survey, October 2013-September 2014, ONS (Nomis) © Crown Copyright.

Derbyshire consistently has above average levels of labour market participation. The economic activity rate in the county is currently 81.2%¹⁰, higher than the national rate of 77.7%, with the gap widening in recent months. Employment within the county has risen by 2.0% points since last year, at a greater rate than across England, and at 77.1%¹⁰ remains higher than the national average (72.5%).

International Labour Organisation (ILO)¹² unemployment is regarded as the official measure of unemployment. It has a much wider definition than the monthly claimant count of unemployment and includes people who are out of work and claiming Job Seekers Allowance (JSA) as well as those who are actively looking for work but not necessarily claiming unemployment related benefits. It can therefore produce different levels and patterns of unemployment to the claimant count.

In September 2014, the ILO unemployment rate in Derbyshire stood at 5.1%, 1.5% points lower than the England rate. However, the rate locally has increased for the third quarter in a row which has seen the gap narrowing slightly with England.

The self employment rate in Derbyshire stood at 8.8% in September 2014, lower than the 10.3% across England. In the county the number of self employed people has decreased by 5,200 (-1.1% points) over the last year. However, the latest figure reverses the downward trend of the three previous quarters.



Source: Claimant Count, January 2015, ONS (Nomis) © Crown Copyright.

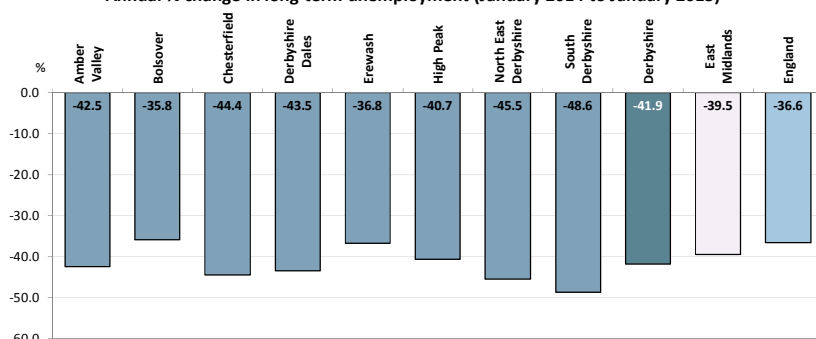
The overall claimant count unemployment rate is based on a count of all people claiming Job Seekers Allowance. In Derbyshire the rate is currently 1.5%, lower than the England rate of 1.9%¹³. Since the spring of 2012, claimant count unemployment has been generally decreasing, and over the last year the gap between Derbyshire and England has narrowed slightly. Hotspots exist across the county where unemployment levels are particularly high, including the wards of Ilkeston North, Cotmanhay and Ilkeston Central in Erewash, Rother and Loundsley Green in Chesterfield, Barms in High Peak, and Elmlton-with-Cresswell in Bolsover.

Labour Market

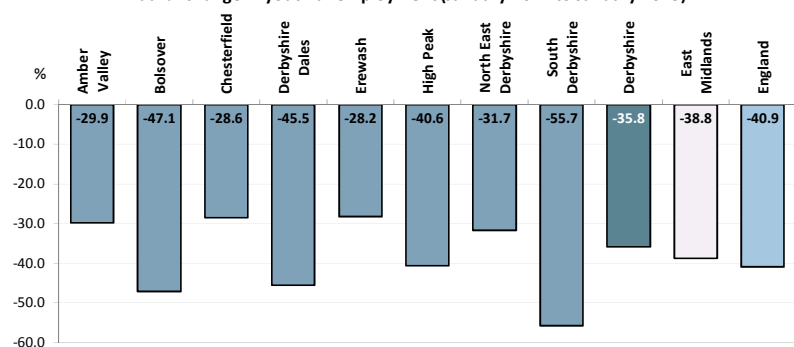
Just over a quarter (24.2%) of the county's unemployment claimants have been out of work for more than a year, a lower proportion than this time last year (28.3%). The general upward trend in long-term unemployment has levelled off, and since the middle part of 2014 the figures have started to fall across the county and England, particularly for Derbyshire.

Analysis by district can highlight which areas are contributing most to the changes county-wide. All districts have shown a decrease in the number of people who have been unemployed for over a year in the last 12 months. As in the December 2014 Review the greatest annual % decline is shown by South Derbyshire (-48.6%) and the lowest by Bolsover (-35.8%). All districts except Bolsover and Erewash have shown rates of decrease similar to or larger than the regional and national averages.

Annual % change in long-term unemployment (January 2014 to January 2015)



Annual % change in youth unemployment (January 2014 to January 2015)



Source: Claimant Count, January 2015, ONS (Nomis) © Crown Copyright.

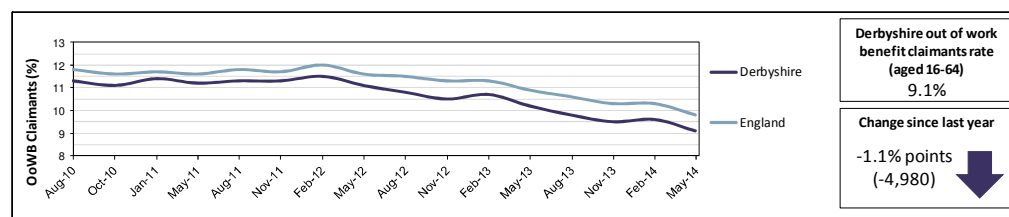
Derbyshire Observatory Link: <http://tinyurl.com/lea2012-unemp>

Derbyshire Observatory More information about Derbyshire can be found on the Derbyshire Observatory <http://observatory.derbyshire.gov.uk>

Labour Market

Since the early part of 2012, youth unemployment levels both locally and nationally have generally declined. However, Derbyshire's youth unemployment rate in January 2015 (2.6%) has nudged upwards and is slightly higher than the national average (2.3%)¹⁴. Over the last year, all districts have shown a decline in youth unemployment levels, but the greatest annual percentage decline is within South Derbyshire (-55.7%) and the lowest in Erewash (-28.2%).

It is encouraging that youth unemployment remains on a general downward trend. However, there are still areas where it is more than twice the national average. The Report of the Derby and Derbyshire Authorities' Statutory Governance Review, which has recently been consulted on, outlines how recruiting appropriately skilled people is a challenge for local employers. The document sets out that there is need across the Derby and Derbyshire (D2) economy for a co-ordinated approach to working across education and training providers, employers and the workforce. The report proposes the development of a '21st Century Guildhall' which will provide an integrated approach across these three strands, and identifies where flexibility is required from Government to be able to deliver this. The report will inform how DCC delivers its services and the development of a Strategy for Youth Unemployment. Additionally, the Council continues to support youth employment through its apprenticeship scheme.



There has been a delay with the publication of the latest quarterly benefits figures as the Department for Work and Pensions has identified an issue with the data so the analysis here is that presented in the December Economic Review.

According to the latest data, 4,980 fewer Derbyshire residents (9.1%) are claiming an Out of Work Benefit (OoWB)¹⁵ than a year ago, a lower percentage than the England average of 9.8%¹⁶. Across Derbyshire the number of claimants varies considerably, in particular there are six wards where more than 20.0% of 16-64 year olds are

Labour Market

are claiming an OoWB. These are Gamesley in High Peak, Rother, Middlecroft and Poolsbrook, and Loundsley Green in Chesterfield, Shirebrook North West in Bolsover, and Ilkeston North in Erewash.

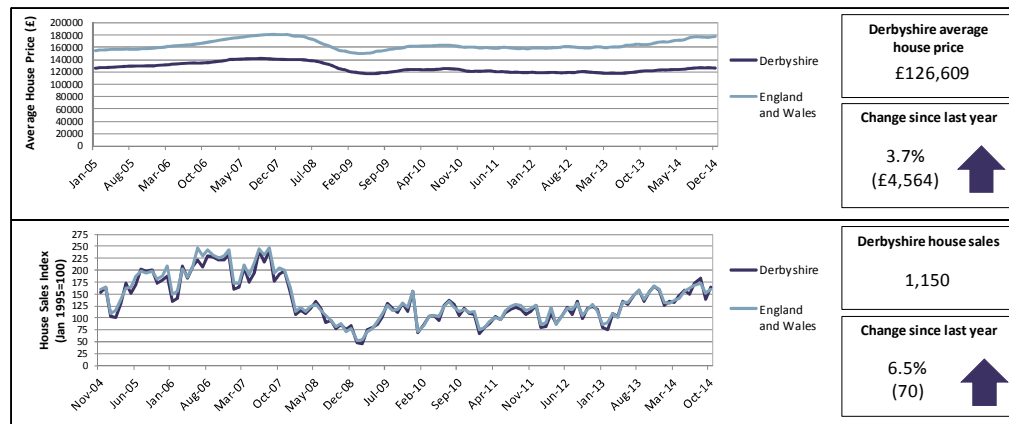
The welfare system is currently in a state of reform leading to changes to the range of benefits that are available. The table below provides data on the number of people claiming some of the key benefits currently available.

Indicator	Number	Rate		Annual change		Annual trend
		Derbyshire	England	Number	%	
Individual benefits (May 2014)						
All Benefit Claimants	59,400	12.2	12.5	-4,610	-7.2	↓
Out of Work Benefit Claimants	44,350	9.1	9.8	-4,980	-10.1	↓
Employment Support Allowance (ESA)	25,670	5.3	5.1	4,410	20.7	↑
- Long term claimants (1yr or more)	16,370	63.8	62.9	7,000	74.7	↑
- 18 to 24 year old claimants	2,090	8.1	8.2	320	18.1	↑
Lone Parent Income Support (LPIS)	4,840	1.0	1.2	-160	-3.2	↓
- 18 to 24 year old claimants	1,620	33.5	29.1	-120	-6.9	↓
Personal Independence Payments (PIP)	797	Numbers too small		No trend data		→
Universal Credit	Not yet rolled out in Derbyshire					
Household benefits (August 2014)						
Housing Benefit claimants	50,057	15.0	19.1	-1,696	-3.3	↓
Households affected by removal of Spare Room Subsidy	5,244	10.5	8.8	-523	-9.1	↓
- 1 Bedroom	4,308	82.2	82.8	-400	-8.5	↓
- 2 or more bedrooms	936	17.8	17.2	-123	-11.6	↓
Benefit Cap	251	Numbers too small		No trend data		→

Source: Department for Work and Pensions (DWP)/ONS (Nomis) © Crown Copyright, May and August 2014.

In Derbyshire, 12.2% of residents are claiming benefits, including 5.3% ESA and 1.0% LPIS, which is similar to England. However, a higher proportion of LPIS claimants are aged 18 to 24 in Derbyshire (33.5%) than England (29.1%). There are a lower proportion of households claiming housing benefit in the county (15.0%) than England (19.1%) but a higher proportion of claimants have been affected by removal of the spare room subsidy (10.5% compared with 8.8%)¹⁷. The majority of benefits in Derbyshire have seen a reduction in claimants over the last year, the exception being ESA which has seen an increase in annual trends, particularly in the number of long-term claimants.

Housing



Source: House Price Index, Land Registry, December 2014, © Crown Copyright

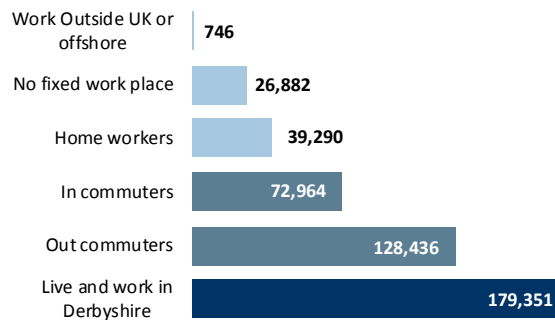
House prices in Derbyshire are consistently lower than the national average. In December 2014 the average price in the county was £126,609, compared with £177,766 across England and Wales¹⁸. House prices have been rising nationally and locally since 2013, however the rate has slowed in recently. The annual rate has dropped to 3.7% in Derbyshire compared to 7.0% across the country.

The house price picture across the country remains mixed. Whilst London again saw the greatest annual rise (16.3%), the North West only registered growth of 1.5%. The North West also had a monthly fall in house prices as did the South West, West Midlands and East Midlands. Unemployment is declining, wages are starting to outstrip increases in the cost of living for the first time since the financial crisis, and consumer confidence remains elevated. This has led commentators to feel that the softening of the housing market may be a temporary feature linked to the uncertainty around the imminent General Election. The recent changes to stamp duty are expected to lead to increased future activity in the housing market.

There were a total of 1,150 property transactions in Derbyshire in October 2014. This is an increase of 6.5% on the previous year, higher than the national rise of 3.6%. House sales have been improving since the early part of 2009, although they are yet to return to pre-recession levels. It is thought that sales volume growth will be maintained if labour market conditions continue to improve.

Commuting Patterns in Derbyshire 2011

Patterns of commuting are an important element in understanding labour markets and factors influencing decisions of where people live and work. In 2011, there were 373,959 working residents age 16 or over in Derbyshire¹⁹, comprising 179,351 (48.0%) living and working in the county, 39,290 (10.5%) working from home and 26,882 (7.2%) having no fixed commute. The other 128,436 (34.3%) travel beyond the county's borders to work, including 746 who work offshore/outside the UK.



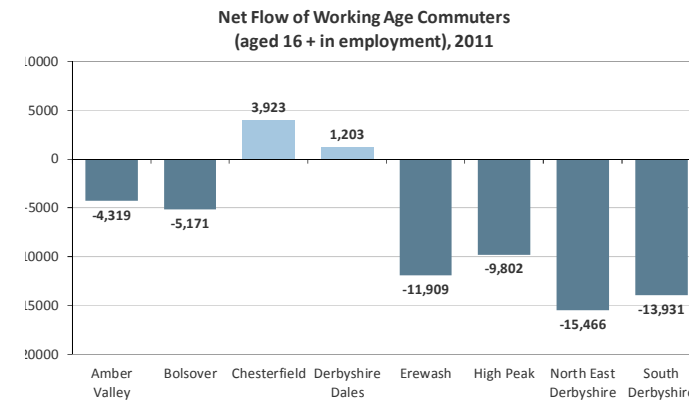
Source: 2011 Census, Table WU02UK, ONS (NOMIS) © Crown Copyright.

72,964 people commute into Derbyshire. This means that the county has net out-commuting, with 55,472 more people travelling out of Derbyshire to work than travelling in, suggesting that Derbyshire has relatively fewer jobs for the size of the workforce or jobs that some people don't want.

Homeworking is an important feature of labour markets today, reflecting improvements in technology and the ability this has given to firms and workers to adopt more flexible working practices. In 2011 across England, 10.4% of employed people worked from home, similar to the 10.5% for Derbyshire. However, within the county the figure varies from around 8.0% in Chesterfield and Bolsover to 18.6% in Derbyshire Dales, one of the highest levels nationally. Homeworking in the UK is more prevalent among older workers and this will be a factor in the relatively high value in Derbyshire Dales which has an older age structure. It may also reflect the more rural nature of the district and greater number of people working in higher

level jobs, e.g. consultancy, where homeworking may be more common.

In terms of 'holding on' to their workers, Derbyshire Dales and Chesterfield are the most self-contained in Derbyshire, with 66.1% and 63.7% of employed residents working in these districts. These are also the only two districts in the county that have net in-migration, drawing in more workers than they lose.

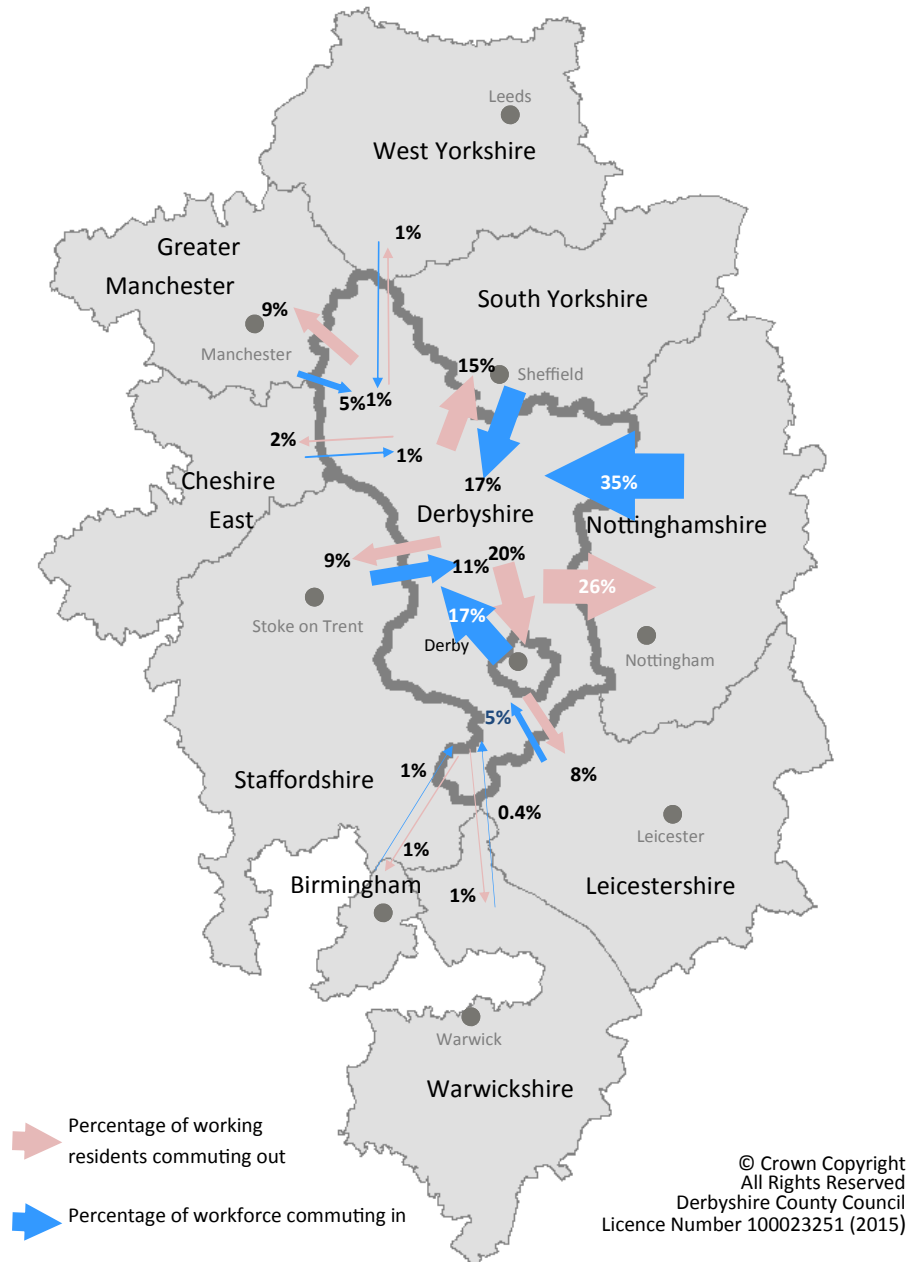


Source: 2011 Census, Table WU02UK, ONS (NOMIS) © Crown Copyright.

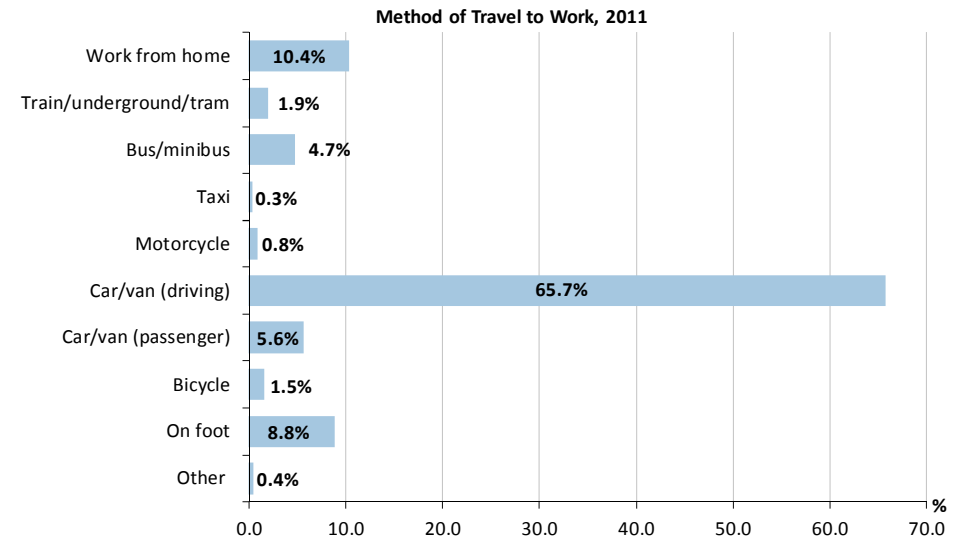
Whilst Chesterfield, Matlock, Buxton and Swadlincote are important centres of employment locally, the towns and cities neighbouring the county exert significant influence. Perhaps not surprisingly, Derby draws in the greatest number 25,985 (20.2%) of commuters from the county, followed by Sheffield (12.4%), Nottingham (8.6%), East Staffordshire (6.7%), North West Leicestershire (5.2%), Ashfield and Broxtowe districts in Nottinghamshire (both 4.7%) and Manchester (2.9%). Analysis at district level shows the significant pull exerted by the surrounding employment centres, with for example 63.3% of all outbound commuters from High Peak travelling to Greater Manchester.

With almost a quarter of jobs filled by people travelling from outside Derbyshire, this also reflects the importance of neighbouring areas as a source of labour for the county's firms. Derby is the greatest source of labour (17.3% of inbound commuters), followed by Sheffield (12.8%) and Ashfield (8.8%).

Derbyshire Inward & Outward Commuting Percentages, 2011



In 2011, the majority of people (65.7%) travelled to work in Derbyshire by car/van, with a further 5.6% being a passenger in a car or van. 8.8% walked to work, with 4.7% travelling by bus/minibus and 1.9% by train/underground/tram. Additionally 3.0% travel by other methods and 10.4% worked from home. Nationally there is a lower proportion of people commuting by car (54.0%), and higher levels of travel by train/underground/tram (9.1%), and bus/minibus (7.3%). These differences are likely to reflect the more rural nature of the county and the greater need for people to use a car to access employment opportunities. The distance travelled by those in work is similar between Derbyshire and England, with 13.5% and 13.7% respectively travelling more than 20km.



Source: 2011 Census, Table QS703EW, Method of Travel to Work, ONS (Nomis) © Crown Copyright.

There are some key differences in travel to work patterns between 2001 and 2011 linked to changes in the labour market²⁰. Although Derbyshire continues to experience high levels of net out-commuting, there has been a significant fall (11.5%) from the figure of 62,598 in 2001. A number of factors are behind this. There has

been a significant increase (27.4%) in the level of inbound commuting, whilst the level of outbound commuting has only increased by 7.1%. A shift towards more flexible working arrangements has contributed to this, with the proportion of local employed residents homeworking or having no fixed work base increasing from 13.1% to 17.6%. Despite national levels of commuting by car/van having dipped by 1.0% points between 2001 and 2011, there has been an increase of 2.0% points in Derbyshire which is significant in the context of efforts to lower levels of CO₂ emissions. There has also been a slight increase of 1.9% points in the proportion of workers travelling more than 20km over the period, similar to the 1.1% point increase for England.

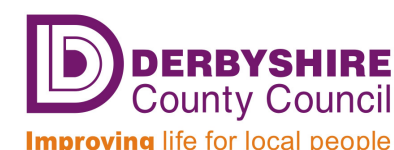
The [Derbyshire Economic Strategy Statement](#) (DESS) sets out what partners aim to do to deliver future economic growth. Important strands are attracting higher value sectors into Derbyshire and improving the productivity of traditional industries. These offer potential to further reduce the difference between out and in-commuting, however the DESS also outlines the importance of creating a workforce in Derbyshire that will be able to compete for jobs and support growth. Broadband provision is another important area, with recognition that some areas in the county lack a high speed broadband infrastructure. Boosting broadband provision is a priority within the DESS, which will help firms as well as supporting labour market flexibility such as homeworking.

Supporting data on commuter flows can be found on the Derbyshire Observatory at <http://observatory.derbyshire.gov.uk/IAS/transportaccess/>, whilst a more detailed report on commuter flows in Derbyshire will be available at <http://observatory.derbyshire.gov.uk>

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- ¹ Data for Derbyshire in the review does not include Derby City unless otherwise stated.
- ² The Group of seven is an international organization officially established in 1985 to facilitate economic cooperation among the world's largest industrial nations. Members are Canada, France, Germany, Great Britain, Italy, Japan, and the United States.
- ³ Gross Domestic Product (GDP) Preliminary Estimate, Quarter 4 2014, ONS © Crown Copyright. Published January 2015.
- ⁴ Statistical Bulletin, Quarterly National Accounts, Quarter 3 2014, ONS © Crown Copyright. Published December 2014.
- ⁵ Statistical Bulletin, Consumer Price Inflation (CPI), January 2015, ONS © Crown Copyright. Published February 2015.
- ⁶ Bank of England, Monetary Policy Committee Decisions, February 2015. Published February 2015. Note, this indicator is known as 'the bank rate'.
- ⁷ Bank of England Agents' Summary of Business Conditions, January 2015. Published January 2015.
- ⁸ Derbyshire, Nottinghamshire and Leicestershire Chamber of Commerce, Quarterly Economic Survey, Q4 2014. Published January 2015.
- ⁹ Derbyshire Economic Partnership, 2013-2015. Published February 2015.
- ¹⁰ The economic activity rate is the percentage of the working age population (age 16-64) who are employed or International Labour Organisation (ILO) unemployed.
- ¹¹ The employment rate is the percentage of the working age population (age 16-64) who are employed including the self employed.
- ¹² The ILO defines the unemployed as people who are without work, are available to start work within the next two weeks, and have actively sought work within the previous four weeks. The ILO unemployment rate is the number of persons who are ILO unemployed expressed as a percentage of the economically active population (employed plus ILO unemployed). This is used in the Annual Population Survey and is not compatible with the claimant count unemployment noted below.
- ¹³ Claimant count unemployment is derived from administrative data generated by the system of benefits paid to people who are out of work. It is a different definition and measure of unemployment than the ILO unemployment noted above.
- ¹⁴ Youth unemployment relates to people aged 16-24. The rates at ward level are unofficial and have been calculated using population figures from the 2013 Mid-Year Population Estimates.
- ¹⁵ Out of Work Benefits relates to the population claiming Job Seekers Allowance, Employment Support Allowance, Incapacity Benefit, lone parents and others on income related benefits.
- ¹⁶ DWP Benefits, May 2014, ONS (Nomis) © Crown Copyright. Published November 2014.
- ¹⁷ Housing benefit spare room subsidy is shown as a % of those households claiming housing benefit.
- ¹⁸ House Price Index, Land Registry, December 2014, © Crown Copyright. Published January 2015.
- ¹⁹ 2011 Census, Location of usual residence and place of work by age, Table WU02UK, and QS702EW, Distance travelled to work, ONS (NOMIS) © Crown Copyright.
- ²⁰ 2001 Census, UK travel flows (local authority), Table T101, Sex and age by method of travel to work, Table S119, and Theme table on resident, workplace and daytime population, Table T10. 2011 Census, Location of usual residence and place of work by age, Table WU02UK, Method of travel to work, Table QS703EW, and Distance travelled to work, Table QS702EW, ONS (NOMIS) © Crown Copyright.

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