

**DERBYSHIRE COUNTY COUNCIL**

**CABINET MEETING**

**17 June 2014**

Joint Report of the Chief Executive and the Strategic Director – Economy,  
Transport and Environment

**DERBYSHIRE LOCAL ECONOMIC ASSESSMENT – 2014  
(STRATEGIC POLICY AND BUDGET, AND JOBS, ECONOMY  
AND TRANSPORT)**

(1) **Purpose of the Report** To present to Cabinet the Derbyshire Local Economic Assessment (LEA) 2014.

(2) **Information and Analysis**

**Background**

Previously, upper tier local authorities had a statutory responsibility to produce Local Economic Assessments following the introduction of the Local Democracy, Economy Development and Construction Act in 2009. Although this is no longer statutory, Derbyshire County Council recognises the value of the LEA in providing detailed analysis and intelligence on local economic performance and useful baseline from which potential interventions can be identified and developed to support economic growth. The Derbyshire Local Economic Assessment 2014 (draft) can be found by the following link: [www.derbyshire.gov.uk/council/meetings/cabinet/1762014](http://www.derbyshire.gov.uk/council/meetings/cabinet/1762014).

In summary, the LEA 2014 provides an update of the full LEA published in 2012. The decision to review at an early stage was triggered by the development of the Derbyshire Economic Strategy Statement (DESS), commissioned by the County Council on behalf of the Derbyshire Economic Partnership (DEP). The draft DESS is presented to Cabinet under separate cover on the agenda.

The LEA 2014, draws on information from the Derbyshire Observatory website and provides analysis of economic performance across the county based on the latest data sets, highlighting current trends, challenges and potential for further economic development. The document provides a starting point for future strategic policy development by the County Council, district authorities, the DEP and the D2N2 (Derby, Derbyshire, Nottingham and Nottinghamshire) Local Enterprise Partnership (LEP) to address current economic issues.

## **Public**

To this end, the LEA provides the evidence base for the DESS and helps set out the argument for investment priorities.

### **Key Findings for Derbyshire**

Derbyshire's economy has been relatively resilient to the economic downturn and there are initial signs of growth, with the total value of the county's economy having increased at a faster rate than England since the last LEA in 2012. In Derbyshire, the proportion of businesses surviving at least one year has improved, the number of people in employment has increased and there has been a rise in the number of people who are self-employed. Additionally in Derbyshire, total unemployment has decreased, as has the number of young people out of work. The proportion of the working age population with degree level qualifications has also improved.

However, there are also a number of areas for concern. The number of enterprises has fallen, along with the proportion of small businesses in the county's business base. There has also been a drop in the number of manufacturing firms and the level of employment in the visitor economy, two important sectors for Derbyshire. Additionally, despite the improvement in qualifications, there has been a fall in the number of people employed in the 'knowledge economy', i.e. sectors where there are high proportions of the workforce with degrees or higher degrees. This sector typically supports higher levels of Gross Value Added (GVA) to the economy. Derbyshire continues to have low productivity rates compared to England and the East Midlands, a point compounded by the fall in the working age population. The proportion of people who are long term unemployed has also increased compared with the last LEA.

The rising cost of fuel and food, the difficult economic climate over recent years and the reforms to welfare benefits are leading to increasing financial difficulties for many, with a rise in demand for debt advice services. The money people have available to spend or save is lower than in other areas of the UK and the number of charitable food banks is growing across the county, nearly tripling since the end of 2012. The proliferation of high cost lending through 'pay day loans' is also creating problems and credit unions locally are reporting an increase in the number of people approaching them for assistance.

### **Next Steps**

The Derbyshire LEA 2014, is an important document informing the development and further implementation of the DESS, as well as supporting strategic policy development across the County Council and partner organisations. The complementary publication, the Derbyshire Economic Review, which was approved by Cabinet at its meeting on 2 June 2014 (Minute No. 191/14 refers), provides a summary update for quarter 4 on the economic performance of the county.

## **Public**

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

(3) **Key Decision** No.

(4) **Call-In** Is it required that call-in be waived in respect of the decisions proposed in the report? No.

(5) **Background Papers** All relevant background papers are held within the Policy and Research Division. Officer contact details - Mick Evans, extension 38474.

(6) **OFFICER'S RECOMMENDATION** That Cabinet notes the information presented within the Derbyshire Local Economic Assessment 2014 and that the findings will be used to support the delivery of the Derbyshire Economic Strategy Statement and inform future service planning and policy development.

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**Chief Executive**

**Mike Ashworth**  
**Strategic Director – Economy,**  
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# Derbyshire Local Economic Assessment 2014





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The Local Economic Assessment (LEA) 2014 provides an assessment of the county's economy and the factors which contribute to economic performance in Derbyshire. A range of evidence has been analysed utilising the latest data sets, highlighting key characteristics and identifying the current issues facing the local economy.

The Local Economic Assessment is being reviewed alongside the development of the Derbyshire Economic Strategy Statement (DESS). Both documents are complementary and will provide a comprehensive strategic evidence base for influencing local growth strategy and attracting funding and investment.

Local Economic Assessments have been produced by upper tier local authorities since the introduction of the Local Democracy, Economy Development and Construction Act in 2009 and this document is Derbyshire's fourth iteration.

### Structure of the Document

The Executive Summary provides an overview of the key Strengths, Weaknesses, Opportunities and Threats (SWOT) affecting the Derbyshire economy, and the changes since the 2012 Local Economic Assessment.

The remainder of the document is then split into the following four chapters:

- **Chapter 1 - Economic Geography** – provides an outline of Derbyshire as a place, the transport infrastructure, location of industrial sites and extent of broadband coverage. It also begins to consider the economic linkages the county has with areas beyond the administrative boundary by detailed analysis of travel to work areas.
- **Chapter 2 - Business and Enterprise** – looks at the structure and competitiveness of the local economy including the number of business births and deaths, survival rates, employment change and self-employment levels, and the views of local businesses.
- **Chapter 3 - People and Communities** – outlines the demographic profile of the county and assesses employment and unemployment rates, local wage and skill levels. It also considers social and health related issues.

- **Chapter 4 - Sustainable Economic Growth** – considers the natural and historic environment of the county and the effect of climate change. House prices and the availability of land for industrial use are also considered.

Each chapter also contains a SWOT analysis identifying key issues.

Throughout the document statistics are presented at an appropriate geographical level. Data is also shown for Derbyshire, the eight local authority districts, Derby City, the East Midlands and England. In the document 'Derbyshire' refers to the administrative-area of Derbyshire County Council (DCC) and therefore excludes Derby City, unless stated otherwise.

Information contained within the document is also on the Derbyshire Observatory website at:

<http://observatory.derbyshire.gov.uk/>

This site can be accessed by anyone with access to the internet and allows users to undertake geographical analysis at a range of spatial levels and time series. The site also contains detailed source information, additional explanatory notes and links to further related information and reports. Alternatively links are provided throughout the document to the most recent information on a particular topic.

The Local Economic Assessment presents intelligence on Derbyshire's economic performance using the latest available data sets to highlight current trends. The document provides a starting point for strategic policy development by the County Council, local authorities across Derbyshire, the Derby, Derbyshire, Nottingham and Nottinghamshire (D2N2) Local Enterprise Partnership (LEP) and partners in the Sheffield City Region to identify appropriate interventions to address challenges currently facing the local economy.

Available intelligence shows there is a mixed picture of economic progress since the time of the last Assessment in 2012. In some instances such as total Gross Value Added (GVA), self-employment rates and the level of employment, Derbyshire's economy has fared better than the national economy. However, on issues such as the number of enterprises, manufacturing employment and economic productivity, there has been more limited progress. The emerging Derbyshire Economic Strategy Statement provides an opportunity for identifying appropriate interventions to address these challenges.

## **A vibrant economy and the place to do business**

Derbyshire contributes more than £11 billion in economic output. The county is home to 773,500 people, and 25,300 businesses that employ 286,800 people. Derbyshire's central location, excellent transport links and easy travel time to neighbouring urban areas, alongside low industrial land prices, make it an attractive location to invest.

Across the county, businesses and residents have skills in traditional manufacturing with recent growth of the high-tech sector above both the regional and national rate. Strong supply chains support major original equipment manufacturers (OEMs)<sup>1</sup> in and around Derby City, such as Roll Royce, Bombardier, Toyota and JCB. New high-tech opportunities allow employees to progress from lower skilled to more advanced manufacturing related occupations, further increasing their skills and knowledge.

Derbyshire's rural economy is important to many residents who both live and work in the county. Economic activity in the more remote areas focuses on farming, quarrying, mineral extraction and other rural industries. Derbyshire's market towns provide vital services for rural communities and they hold significant potential for further growth, supporting prosperity across the wider county.

## **A unique location for visitors and residents**

Derbyshire has a mix of vibrant urban centres and high quality rural environments which make the county an attractive place to live, visit and invest in. The visitor economy, creative industries and the food and drink sector remain important to supporting economic growth in the more rural areas and support many small businesses.

Many individuals with higher qualification levels live in Derbyshire but travel to neighbouring urban centres to work. Additionally, areas in the South of the county are experiencing population growth and there are a number of new housing developments in this area. Affordable housing remains an issue for those on low incomes. Policies in the emerging core strategies and local plans are seeking to provide the appropriate interventions.

## **Delivering economic prosperity for all**

Despite positive and encouraging signs that the economy is returning to a period of growth, there are a number of communities in Derbyshire that remain deprived. In these areas, there are large numbers of young people unemployed, children living in poverty, households reliant on out-of-work benefits and high numbers of people who have been unemployed for twelve months or more.

Increasing evidence at both national and local level indicates that more people are struggling to manage their personal finances due to the high cost of living, wages not increasing in line with inflation and changes to the benefits system. Additionally, forecasts out to 2030 indicate that the numbers employed in sectors such as agriculture, public sector and traditional manufacturing will decline. A key challenge is to ensure that residents who experience these problems are appropriately supported so they do not become socially or economically trapped.

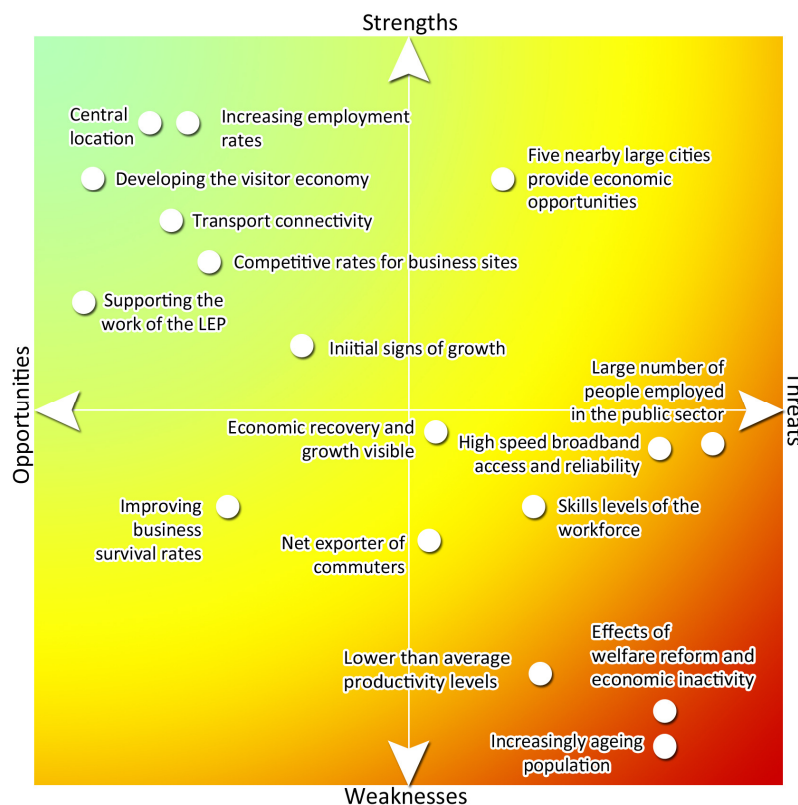
Increasing productivity is critical to building prosperity for all. Identifying and removing the barriers to growth, especially in underperforming areas, and encouraging further inward investment from world class businesses should form a central strand in the Council's growth strategy.



# Executive Summary

## Opportunities and Challenges

The diagram below summarises the strengths, weaknesses, opportunities and threats considered in the analysis at the end of each chapter.



The analysis highlights there are a number of significant challenges facing the county's economy and these will need to be tackled if growth and prosperity are to be secured for the long term. The key challenges have been grouped together under six overarching themes below:

- **Enterprise** – providing the climate and support required to improve rates of business formation; maintain good survival rates; foster a culture of entrepreneurship and improve access to finance.
- **Innovation** – working closely with our further education and higher education institutions to increase opportunities in research and development and assisting business to open up new markets.
- **Investment** – making the most of the county's high quality environment, competitive land values and good infrastructure to improve levels of business investment; strengthening the supply chain to drive inward investment, economic resilience and business growth.
- **Skills** – improving the routes to employment and employability by raising skill levels, with provision linked to emerging opportunities; increasing technician level skills in relation to manufacturing; high value engineering and construction, and increasing the number of apprenticeships, particularly at NVQ Level 4. Raising aspirations and encouraging school pupils to do well at GCSE to ensure they have appropriate qualifications and workability skills to progress into employment.
- **Infrastructure** – improving the county's grey infrastructure by access to broadband and mobile communications for businesses and residents across the county; and ensuring future local transport investment links with regeneration projects and economic development opportunities. Making the most of the county's green and blue infrastructure.
- **Wellbeing and Inequality** – tackling disadvantage and deprivation across communities, ensuring Derbyshire's residents can manage the impact of changes such as welfare reform.

# Executive Summary

## Document Overview

An overview of the local demographic, geographic and economic context is set out below:

### Economic Geography

- Derbyshire's central location provides a competitive edge for local businesses and further opportunities for economic growth.
- Derbyshire is a predominantly rural area. The city of Derby provides the major urban centre with a population of 250,600 but this is outside the scope of this document.
- 453,800 (58.7%) of the county's population live in market towns. These secondary centres provide employment opportunities and services and include Chesterfield, Swadlincote, Alfreton, Ilkeston, Matlock, Buxton, Glossop, Ashbourne and Bakewell.
- The county has good transport links and is well positioned within the national rail and road networks. There are also three airports within a short distance from the county boundary. Derbyshire's location is beneficial to businesses allowing goods and labour to move easily.
- There are further opportunities to improve connectivity with the proposed development of the High Speed 2 rail network and proposals to build a station at Toton. This is on top of other rail investment such as Midland Mainline electrification, improvements to the Hope Valley line and the new station at Ilkeston.
- Derbyshire is a net exporter of commuters to the nearby cities of Derby, Sheffield, Manchester and Nottingham. These conurbations provide a range of job opportunities for residents.
- High-speed broadband is being rolled out to 95% of communities and businesses in the county by 2016. Continued enhancement of broadband provision remains a priority, especially in more rural areas.

### Business and Enterprise

- There are 51,700 people (18.0% of all employees) employed in the manufacturing sector with considerable supply side activity related to major OEMs in and around Derby and other nearby cities.

- Lower skilled manufacturing industries, e.g. textiles and metal casting are still an important part of Derbyshire's economy and these remain vulnerable to further decline.
- There are opportunities to develop specialisms in high-technology manufacturing and low carbon industries, which will significantly bolster productivity and value added activity.
- The public sector employs 71,600 people (25.0% of employees) in Derbyshire. Further job losses in this sector are anticipated through to 2019.
- The impact of the recession has been comparatively less severe than across the region and England.
- Low productivity levels remain an issue and action needs to be taken to address this and raise GVA.
- Employment levels have increased and are predicted to continue to rise (by 2.4%) over the next 10 years.
- Growth sectors have been identified by the LEP and Derbyshire can make a significant contribution to the region's economy.
- The minerals industry remains an important employer in Derbyshire, particularly in more rural parts of the county, and provides significant opportunities to harness further investment.
- Business start-ups are increasing but remain behind national rates and the level of businesses surviving at least one year is improving.
- The visitor economy is an important asset and there are opportunities to further develop and broaden the county's tourism offer, working alongside partners from the LEP to market the region.

### People and Communities

- Derbyshire has an ageing population, with the number of people reaching retirement age predicted to increase 28.1% by 2021 to a level of 184,600. Service provision will have to be tailored to suit an older population profile and there are forecast to be 4,900 fewer working age residents supporting those aged 65 and over by 2021.

- High levels of population growth are taking place in South Derbyshire and this trend is set to continue, placing further demand on housing provision and the delivery of services. However, this growth will also provide new opportunities for business investment with a readily available working-age population.
- The number of young people not in education, employment or training has fallen to 1,219 since 2011 and Derbyshire's NEET rate is now the same as the national rate (5.4%).
- The GCSE attainment rate of 59.1% in the county is marginally below the national average of 59.2% in 2013. Encouraging young people to do well is important as higher attainment levels are required to ensure a skilled workforce that is capable of supporting growth.
- Overall qualification levels of Derbyshire residents continue to improve and in 2012 146,100 working age residents (30.4%) were qualified to NVQ level 4 or above. However, there is a need to further enhance the levels of qualifications attained in order to increase the overall ability of the labour market to support economic growth. Higher level qualifications of the workforce will contribute to the diversification and development of the economic base, becoming one of Derbyshire's key assets to attracting further inward investment.
- Resident earnings (£25,983) remain higher than workplace earnings (£24,364), suggesting that a large number of high earners commute out of the county to work. However, whilst wage rates are increasing, workplace earnings remain substantially below the national average (£27,376).
- There are pockets of unemployment across Derbyshire particularly in parts of Glossop, Chesterfield, Ilkeston and Bolsover. Although the number of claimants has declined to 10,970 (2.3%) there are areas where the proportion of people who are unemployed remains above the county and national average. Long-term claimants are also increasing as a proportion of all unemployment claimants with the figure now 28.3%.
- Changes to the welfare and benefits system alongside continued tightening of personal budgets have led to increased use of food banks and individuals accessing short-term/payday loans. Actions to mitigate the impacts of the welfare reforms on those individuals identified as most in need will need

to be considered alongside the wider impact on the local economy.

- Youth unemployment has declined in recent years to 4.1%, but rates remain high in some districts, particularly Chesterfield, Bolsover and Erewash. Ensuring young people progress from education to appropriate skills, training and employment is important.

## Sustainable Economic Growth

- Derbyshire has a high quality landscape with a diverse cultural history. These assets are important to Derbyshire's economy, particularly the visitor economy. The landscape provides a beautiful location for visitors, residents and businesses. It is important to continue to protect and enhance the environment through pursuing appropriate, sustainable development opportunities.
- The county is an attractive place to do business due to low rateable values and the availability of business sites. This competitive advantage needs to be promoted as a major asset of the Derbyshire economy.
- In recent years there have been significant improvements to transport infrastructure, but more work could be undertaken to improve linkages which promote further economic growth, particularly in the more rural areas of the county.
- Climate change and CO<sub>2</sub> emissions need to be reduced by both businesses and residents. Opportunities for developing specialisms in the low carbon manufacturing sector need to be pursued as a growth sector for the economy. Support from a range of partners at a local and county level to address the negative effects of climate change, is important.
- Derbyshire is a great place to live due to lower than average house prices, but in more rural areas of the county, house prices are high and affordable housing supply is an issue. Ensuring appropriate levels of affordable housing in areas where there is high demand, or at locations which enable further economic growth, will be important.
- There is a need to ensure that development takes place in a sustainable way to meet the needs of an increasing population and that appropriate affordable housing options are developed for an ageing population, such as sheltered or independent living schemes.

# Executive Summary

## Changes to the Derbyshire Economy since 2012

This document allows reflection on the current state of the local economy to see what has changed since the last Local Economic Assessment was undertaken in 2012. A number of key trends or changes in the data have been identified. These are:

Positive changes since the 2012 Local Economic Assessment	Emerging challenges since the 2012 Local Economic Assessment
Derbyshire's economy has been relatively resilient to the economic downturn and there are initial signs of growth across the economy.	The number of active enterprises has decreased and there is a lower proportion of small businesses than in 2011.
Gross Value Added has increased from £9.8 billion in 2009 to £11.4 billion in 2012.	There has been an increase in the number of individuals employed in the public sector, despite the challenging financial climate.
The rate of businesses surviving at least one year increased from 2009 to 2011 indicating more businesses in the county are succeeding. There has been an increase in the number of residents who are self-employed since 2010.	The number of manufacturing businesses in the county has decreased by 1.1%, and the number of people who work in the visitor economy has declined by 2.5%. These are two important sectors for the Derbyshire economy.
Unemployment has decreased with 6,390 fewer people now unemployed than in 2012. There are 7,930 fewer people claiming out-of-work benefits for the same period.	There has been a fall in the number of people working in the 'knowledge economy', i.e. sectors where there are high proportions of the workforce with degrees or higher degrees.
Youth unemployment has decreased and there are now five out of 179 <sup>2</sup> wards where youth unemployment is over 10%. The number of young people aged 16 to 18 years old not in education, employment or training has also declined to 5.4%.	Derbyshire continues to have low productivity rates (£21.80 per hour worked) compared to nationally (£27.80) and regionally (£24.00). Encouraging higher productivity would boost GVA further and allow businesses to expand.
Employers can recruit more appropriately qualified staff than elsewhere in the East Midlands. There is a higher proportion of employees with a level 4 qualification or above (30.4%) compared to 2010 (29.6%) and there are more people employed in higher qualification occupations.	The working-age population (16-64) has decreased in size. Since 2010, the ratio of the working-age population to the older population has decreased, thereby increasing the economic burden on the working-age population.
The D2N2 Local Enterprise Partnership is now fully established and providing strategic direction to ensure the Derbyshire economy contributes to wider regional growth.	The proportion of people who are long-term unemployed has increased as a proportion of all unemployment claimants. This means more people are now out of work for 12 months or more than in 2012.
Broadband provision is being enhanced across the county, with the target to provide the best possible digital infrastructure for superfast broadband to 100% of Derbyshire's businesses and residents by 2017.	GCSE attainment in 2013 has improved following a dip in 2012 but Derbyshire is in the bottom half of local authorities in the country.
Car ownership levels have increased to 79.9%. Traffic management initiatives are easing congestion and allowing more people to travel without costly delays.	There has been a fall in the number of housing completions since 2011 of 24.6%, but through their emerging local plans and core strategies, planning authorities have set out targets to increase new housing provision. Fewer people now own their own home, with renting from private landlords on the increase.
There has been a reduction in the amount of un-recycled household waste sent to landfill with the figure now down to 545.9 kg per household.	Living costs, the difficult economic climate and the reforms to welfare are leading to increasing financial difficulties and a rise in demand for debt advice services, food banks and credit unions. The proliferation of high cost lending through 'pay day loans' is creating problems for many.



### National Policy Context

Over the past four years, there has been a national drive to rebalance the economy, and encourage private sector growth and new jobs through creating new markets. As part of the wider localism reforms, key policy changes have included:

- The establishment of 39 Local Enterprise Partnerships (LEPs) to replace the abolished Regional Development Agencies (RDAs).
- The transition from regional to local and repositioning of Business Link.
- The reform of the planning system.
- The introduction of new financial incentives (such as the New Homes Bonus and Tax Increment Financing).
- The launch of the Regional Growth Fund (RGF).
- The creation of the Single Local Growth Fund.

“The Plan for Growth” was published as part of the Budget 2011 and set out the strategy to deliver growth policy objectives. Four ambitions were set out within the plan:

- To create the most competitive tax system in the G20 countries.
- To make the UK the best place to start, finance and grow a business.
- To encourage investment and exports as a route to a more balanced economy.
- To create a more educated workforce that is the most flexible in Europe.

Further strategies have been developed to support growth policy including “Skills for Sustainable Growth” and a new approach to industrial strategy.

In 2011, Lord Heseltine was commissioned to undertake a full review of UK competitiveness. The resulting report “No Stone Unturned in the Pursuit of Growth” outlined 89 recommendations aimed at providing economic stability, creating the conditions for growth and maximising the performance of the UK economy. Key features of the report included:

- The development of a comprehensive national growth strategy and establishment of a National Growth Council, chaired by the Prime Minister.

- An increased focus on the use of Local Enterprise Partnerships to stimulate local growth, with LEPs to develop tailored local economic plans to compete for a share of a single national pot to support growth.
- A greater role for chambers of commerce in building relationships with business and co-ordinating the locally based business support infrastructure more effectively.
- Restructuring the regulatory regime to ensure economic impact is taken into account.
- Further reform on the planning system to inject greater urgency in decision making to support growth.

### Local Policy Context

The Local Economic Assessment is informing the development of the Derbyshire Economic Strategy Statement. The key objective of the DESS will be to define what Derbyshire needs for economic prosperity and set out what Derbyshire can do to promote and deliver growth – a clear statement of intent for all economic stakeholders in Derbyshire.

Within this context, Derbyshire’s interaction with the relevant Local Enterprise Partnerships will be vital. Derbyshire is wholly part of the D2N2 LEP (covering both Derbyshire and Nottinghamshire) but also forms part of an overlap with Sheffield City Region LEP (which covers Bolsover, Chesterfield, Derbyshire Dales and North East Derbyshire). However, Derbyshire must also remain aware of other key economic linkages with neighbouring LEPs such as Manchester City Region in the North, Stoke and Staffordshire LEP to the West and Leicestershire and Greater Birmingham LEPs in the South.

The governance arrangements of D2N2 partnership are continuing to evolve. In July 2013, the LEP published its Growth Strategy with the ambition of making “D2N2 the UK’s most inspirational post code”. The D2N2 Growth Strategy aims to create 55,000 new private sector jobs by 2023 through delivering five strategic priorities:

- Business support and access to finance.
- Innovation.
- Employment and Skills.
- Infrastructure for growth.
- Housing and regeneration.

Linked to these priorities are eight key sectors considered key to driving growth and competitive advantage:

- transport equipment manufacturing
- life sciences
- construction
- food and drink manufacturing
- visitor economy
- low carbon goods and services
- transport and logistics
- creative industries

important role in co-ordinating business support activity across the county.

Derby City has in place a similar partnership, the Derby Renaissance Board, which undertakes similar roles and responsibilities to the DEP.

To deliver the growth plan, the LEP must agree a “growth deal” with Government which will provide the focus for future investment through the Single Local Growth Fund, as well as the European Union Structural and Investment Fund. It is anticipated the growth deal will be agreed during mid-2014.

Sheffield City Region LEP is also subject to a similar process and both LEPs are working closely to ensure appropriate protocols are in place to align future investment in the overlap districts.

Within the county, the Derbyshire Economic Partnership (DEP) represents the private, public and third sectors as economic stakeholders. Originally established as a Strategic Sub-Regional Partnership of the East Midlands Development Agency, DEP has been retained and refocused within the new policy environment.

The key aims of the DEP going forward are three-fold:

- Co-ordinate and agree joint strategic priorities in the interest of Derbyshire to ensure a clarity of purpose for all partners
- Communicate a coherent voice for Derbyshire to enable positive and constructive dialogue with key players most LEPs, the Homes and Communities Agency (HCA), and EU etc.,
- Maximise investment and external funding into Derbyshire through targeted service delivery, aligning resources, initiating and supporting funding bids and providing project management resources

The DEP remains responsible for the Derbyshire Employment and Skills Board, the Rural Forum and the delivery of the inward investment service “Invest in Derbyshire”. Furthermore, DEP has been successful in securing £3m RGF to deliver the Global Derbyshire Small Business Support Programme and retains an

# Economic Geography

## Chapter 1





# Economic Geography

## Place

### Administrative Areas

Derbyshire lies in the centre of England and forms the North West part of the East Midlands region. With an estimated population of 773,500<sup>3</sup>, Derbyshire is a large county which covers an area of 255,075<sup>4</sup> hectares (2,550.75 km<sup>2</sup>) and constitutes 16.1% of the land area of the East Midlands and 1.9% of England.

The county includes the boroughs of Amber Valley, Chesterfield, High Peak and Erewash, and the districts of Bolsover, Derbyshire Dales, North East Derbyshire and South Derbyshire. The county also encircles the unitary authority of Derby City, and includes the majority of the Peak District National Park.

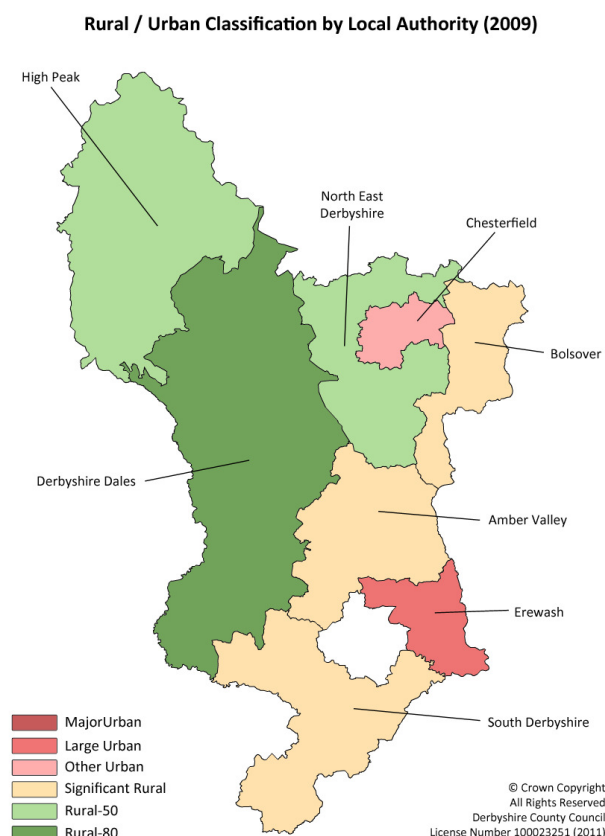


Source: Derbyshire County Council, 2014

Derbyshire is easily accessible from surrounding areas, with more than nine million<sup>5</sup> people living within 30 kilometres of its boundary, mostly in conurbations such as Manchester, Sheffield, Nottingham, Derby and Leicester. Derbyshire is a place of geographical, economic and social contrast with heavily built-up areas sitting alongside large expanses of rural and less densely populated areas. A large part of the North and West of the county is very rural, much of it in the Peak District National Park.

The Peak District National Park covers more than a third of Derbyshire's total land area and stretches beyond the county's boundary into Staffordshire, Cheshire, Greater Manchester and South and West Yorkshire. The Peak District, which became Britain's first National Park in 1951, is a primarily rural area well known for its outstanding natural beauty which includes moorlands, dales, limestone gorges and market towns.

Classification by Department for Environment, Food and Rural Affairs (DEFRA) 2009 confirms the majority of local authorities within the county have relatively high proportions of their population in rural areas; only the districts of Erewash and Chesterfield are classified as urban.



Source: Rural/Urban Classification of Local Authorities in England, DEFRA, April 2009

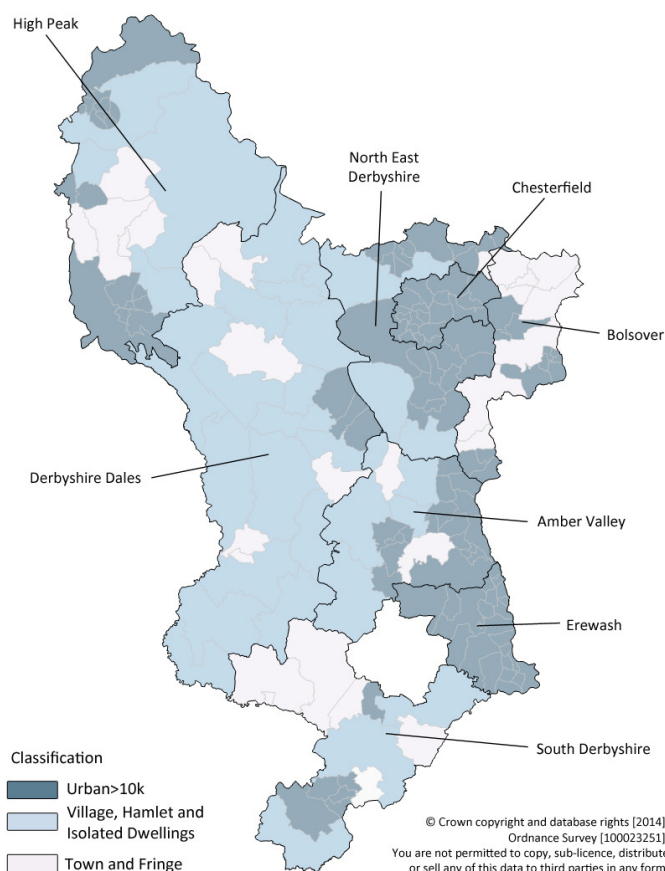
**Derbyshire Observatory Link:** <http://tinyurl.com/lea2014-rural-urban>

- **Major Urban** - Districts with either 100,000 people or 50% of their population in urban areas with a population of more than 750,000
- **Large Urban** - Districts with either 50,000 people or 50% of their population in one of 17 urban areas with a population between 250-750k
- **Other Urban** - Districts with fewer than 37,000 people or less than 26% of their population in rural settlements and larger market towns
- **Significant Rural** - Districts with more than 37,000 people or more than 26% of their population in rural settlements and larger market towns
- **Rural-50** - Districts with at least 50% but less than 80% of their population in rural settlements and larger market towns
- **Rural-80** - Districts with at least 80% of their population in rural settlements and larger market towns



The DEFRA 2011 classification provides a more detailed breakdown by ward. In 2011, around a third of Derbyshire's wards were classified as rural (either villages, hamlets and isolated dwellings or town and fringe), with the remainder urban (over 10,000 population).

**Rural / Urban Classification by Ward (2011)**



Source: Government Statistical Service © Crown Copyright, 2013

Derbyshire Observatory Link: <http://tinyurl.com/lea2014-rural-urban>

- **Manufacturing/Transition Economies:** centres traditionally associated with manufacturing or mining and that still have a strong manufacturing sector.
- **Strong Local Economies:** small centres with a high number of firms, that serve a wide hinterland.
- **Healthy Town Economies:** centres that are well served, with services for the town and its immediate surrounding population.
- **Dependent/Commuter Centres:** well-connected centres with high numbers in employment, but with few employment sites and, sometimes, services.
- **Centres without Critical Mass:** centres primarily in remote rural or former mining areas with insufficient numbers of residents or firms to bring about agglomeration effects.

The table below shows how the classification relates to Derbyshire.

**Classification of Secondary Centres in Derbyshire (2009)**

Category	Secondary Centre
Sub-regional centres	Buxton, Belper, Chesterfield, Ilkeston, Long Eaton
Manufacturing/transition economies	Alfreton, Clay Cross
Strong local economies	Ashbourne, Bakewell, Whaley Bridge
Healthy town economies	Chapel-en-le-Frith, Eckington, Matlock, Melbourne, New Mills, Ripley, Wirksworth
Dependent/commuter centres	Dronfield, Heanor, Staveley, Swadlincote
Centres without critical mass	Bolsover, Clowne, Shirebrook, South Normanton/Pinxton

Source: Secondary Centres of Economic Activity in the East Midlands, A Atherton and L Price, University of Lincoln, 2009

## Secondary Centres

Notwithstanding Derby City which falls outside the scope of this assessment, Derbyshire has no other city or major urban centre. There are however, a number of secondary centres that are significant to the county's economy. The nature of these settlements varies widely from smaller market towns, e.g. Bakewell and Shirebrook to larger industrial towns, e.g. Ilkeston and Long Eaton and the largest of all, which is Chesterfield.

Research previously undertaken by East Midlands Development Agency (EMDA) and Lincoln University on "Secondary Centres of Economic Activity in the East Midlands, 2009<sup>6</sup>" provided the following classification of secondary centres within the region.

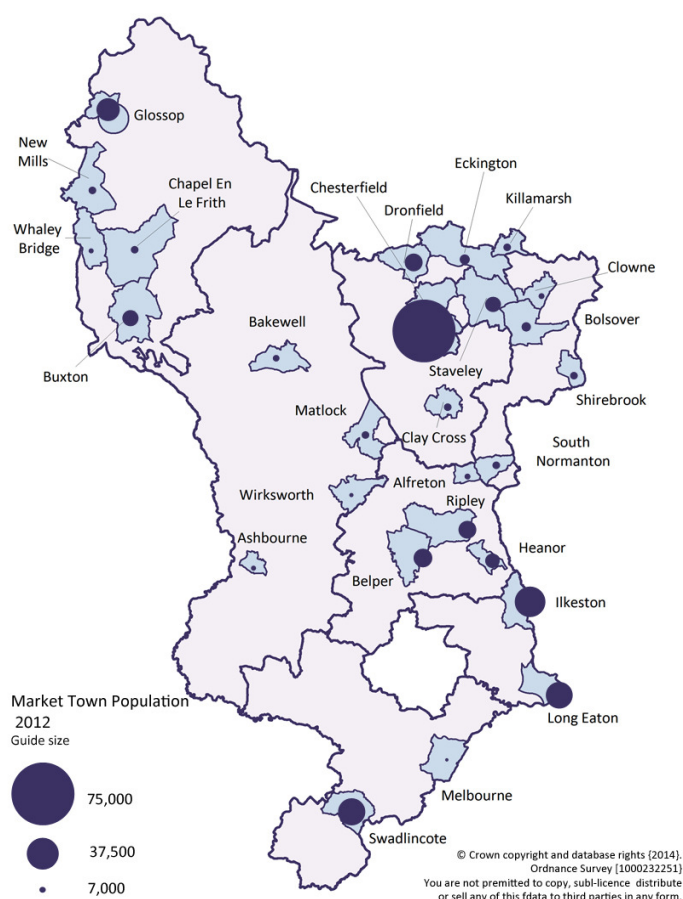
- **Sub Regional Centres:** large centres with a diverse economic base, the key secondary centres in the East Midlands.

Understanding the current nature of Derbyshire's towns and settlements is critical to understanding their contribution to the economy and ultimately their scope for growth and development.

## Market Towns

The county has a number of market towns, many of which are also secondary centres. Market towns play a significant role in the local economy both as employment hubs and as providers of valuable services to residents and outlying rural areas. These are shown on the map opposite and include settlements such as Glossop, Dronfield, Alfreton and Swadlincote.

## Population of Derbyshire Market Towns (2012)



**Source:** 2012 Mid-year Population Estimates, Office for National Statistics (ONS) (Nomis) © Crown Copyright, 2013

**Note:** A large version of this map can be found in Appendix 1.

The recent Portas review has led to the establishment of new Town Teams across Derbyshire to complement town centre partnerships already in place. Derbyshire County Council supports a regular forum for towns to discuss issues, share best practice and identify potential action to address issues in the retail sector and enhance the vitality of market towns. With the vast majority of Derbyshire's population relying on market towns, their accessibility, range of goods and services and sustainability is critical.

# Economic Geography

## Economic Connectivity

### Functional Economic Market Areas

A functional economic market area is the area over which a local economy operates. These areas can often overlap local authority boundaries due to factors such as travel to work patterns, the location of supply chains in industry and commerce, and where consumers of goods and services are drawn from. Having an understanding of how functional economic market areas relate to Derbyshire is important in ensuring the county's economy continues to develop and grow.

Derbyshire's central location means it both contributes to, and is highly dependent on, the economic health of its neighbours - particularly the wider Manchester, Sheffield and Nottinghamshire economies - and does not equate to a simple "commuter belt" model of economic relationships.

Different parts of Derbyshire play complementary and critical roles in a number of overlapping economies. The interrelationships are equally complex, not just between firms and their employees, but between firms and suppliers, and between firms and their customers. The strength of links between areas will vary depending upon the factor being considered which makes defining the functional economic market area particularly complex.

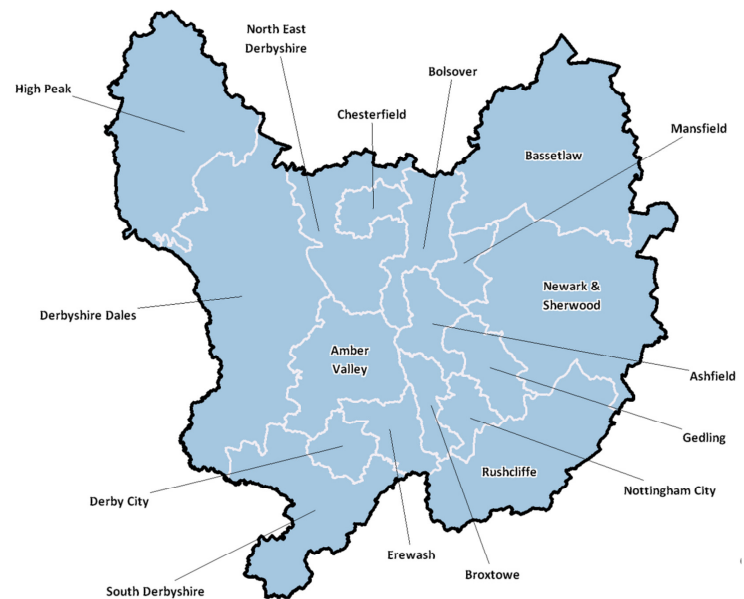
A range of factors have influenced the locational choices made by the private sector, some of these are historical and relate to linkages with economic sectors which have since moved on or disappeared. However, issues such as the location of markets for good and services, the quality and reliability of connectivity between areas and the availability of suitable sites, premises, infrastructure and appropriately skilled labour remain as core issues for understanding the functional economic geography.

Realising and developing these spatial linkages, in light of the changing requirements of the modern economy, will be a key role for the LEP/DEP in supporting growth. Further work on this issue will be carried out in 2014/15 and will form a key element of the DESS. This will include collecting evidence on relationship factors which influence locational choices for economic activity. The LEP will also look to inform improvements to the capacity of connectivity within Derbyshire, and its links to adjoining areas and the rest of the UK.

### The D2N2 Partnership

D2N2 is the Local Enterprise Partnership (LEP) which supports economic regeneration in the 15 local authority districts across Derbyshire and Nottinghamshire, as well as the unitary authorities of Derby and Nottingham. It is a partnership made up of public, private and third sector representatives who are collectively working to allow businesses to thrive and create jobs.

D2N2 Local Enterprise Partnership Area



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Ordnance Survey [1000236250]  
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or sell any of the data to third parties in any form.

Source: Derbyshire County Council, 2014

### Economic Overview

The D2N2 economy, of which Derbyshire is a part, is varied and employs nearly 900,000 people with a GVA close to £40bn. Unlike most other areas of the UK, it has proved to be a relatively resilient economy during the economic downturn. Over the last decade, employment has remained fairly unchanged but whilst manufacturing continues to be a strength, one third of manufacturing employment was lost during the period 1998-2008. However, the region has seen a growth in 'advanced manufacturing' in recent years.

The D2N2 area has one of the largest industrial bases in the UK and is a strong exporter. Large multinationals such as Toyota, Rolls-Royce, Bombardier and JCB are based in the region and these companies are served by a prominent local small and medium sized enterprise (SME) supply chain. The visitor economy is also a major sector for the region.

However, there are also some threats to economic stability, with a lower than average business density, a smaller than average - and declining - private sector base, lower than average skills and a lack of professional occupations. The D2N2 area also has relatively high rates of unemployment and economic inactivity.

For the wider D2N2 area, the labour market and skills character can be broken down into **four** distinct geographical areas, all of which relate to the Derbyshire economy.

- Derby City, south Derbyshire and the M1 corridor
- Nottingham City, south and east Nottinghamshire and into Derbyshire (particularly Erewash)
- North Nottinghamshire and north east Derbyshire
- The Peak District National Park area and north west Derbyshire

There is a **relatively high-skill and high-pay employment profile in Derby City, south Derbyshire and along the M1 corridor** that is linked to the presence of a small number of highly competitive advanced manufacturing firms and their supply chain. At the same time, there is a significant proportion of Derby residents with low skills. Strengthening links between companies, improving their innovation potential and supporting diversification into new markets is a key area of future activity.

The **labour market in and around Nottingham City, south and east Nottinghamshire and into Derbyshire** (particularly Erewash), is dominated by the city's economy, both as an employment destination for commuters and a centre of business activity and services. There is a marked contrast between those who live in the neighbouring districts, with higher wages and skills levels, many of whom are likely to commute to work in the City – and residents of Nottingham City itself, who are much more likely to be in low skilled work and have relatively low wage levels. Future plans include focus on three sectors which can generate a distinctive economy for the area: life sciences, clean technology and digital media.

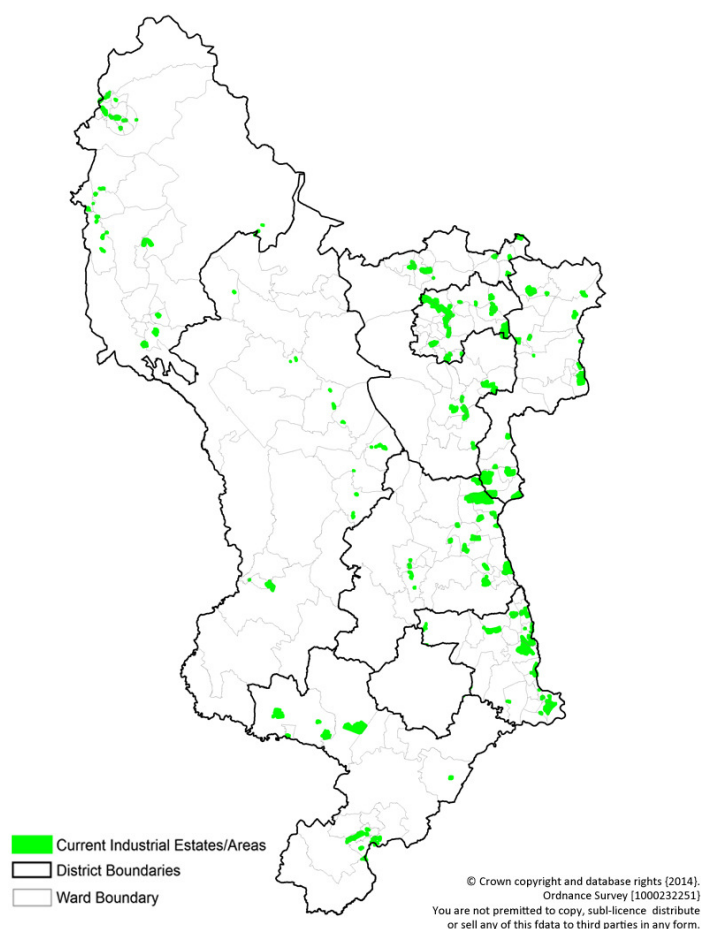
A **lower skilled employment profile is found across north Nottinghamshire and north east Derbyshire**. Despite there being some advanced manufacturing activity, there are higher proportions of employers whose businesses require low levels of skills and which typically pay lower wages. The northern districts in this area also form part of the overlapping Sheffield City Region, a core city that has itself experienced major structural change. Future plans focus on a large range of strategic employment sites and placing an emphasis on attracting new and higher-value investment.

**The Peak District National Park and north west Derbyshire**, is predominantly rural with a number of significant market towns acting as employment and service centres. There are strong commuter links to Greater Manchester which has resulted in a relatively high skilled employment profile for residents. However, jobs held by those who live and work in the area are more likely to be low skilled and low paid, with sectors associated with tourism, farming and the minerals industry a significant part of the economic base. Developing the visitor economy, enhancing high quality local products and diversifying market towns are important priorities for future growth.

## Industrial Sites

The local authorities across the county provide a significant number of industrial sites, which are home to a wide range of businesses. The map shows a significant number of these existing sites in the East of the county closely aligned to the M1 corridor. There are also a number of sites in the western part of the High Peak and South Derbyshire, as well as several sites along the A6 through the Derbyshire Dales. Ensuring there are sufficient sites to meet the needs of businesses, whether local existing businesses, start-ups or to attract inward investment is an important part of the future growth strategy.

Derbyshire Industrial Sites (2013)



Source: Derbyshire County Council, 2013

Note: A large version of this map can be found in Appendix 2.



## Transport

Overall, Derbyshire is well served by road, rail and air networks. There are approximately 5,250km<sup>7</sup> of roads in Derbyshire. The M1 flanks the eastern side of the county providing easy access to the North and South of the UK whilst the East/West A50 corridor gives access to the M6 and North West England. The A38 is also an important link to the West Midlands and beyond. Derbyshire's bus network is relatively comprehensive, reflecting the settlement pattern; rural nature of the county – and proximity of major cities beyond the county boundary.

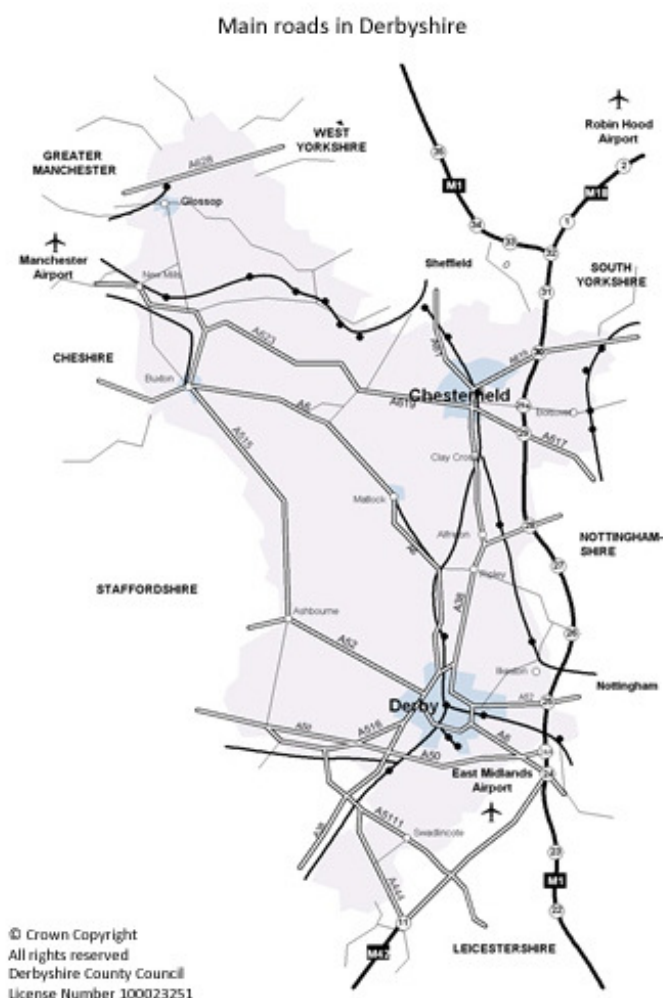
Rail services cover most of the county and are potentially accessible to most Derbyshire residents. Main lines broadly run north/south through the county via the Sheffield-Chesterfield-Derby-Birmingham (Cross Country) route and the Sheffield-Chesterfield-Derby-Leicester-London (Midland Main Line). The proposed development of HS2 between Birmingham and Leeds will bring potential benefits to the local economy through a new station proposed at Toton, near to East Midlands Airport.

In addition to the excellent road and rail networks, Derbyshire is within easy reach of three major airports; Doncaster Robin Hood, East Midlands and Manchester. This transport infrastructure provides a strong foundation for supporting existing business and competitive advantage for future growth.

However traffic congestion can have an adverse effect on the local economy. Improving congestion levels could free up the economy, create efficiencies and also help carbon reduction. The Eddington Transport Study (2006)<sup>8</sup> found that a 5% reduction in travel time could generate £2.5 billion in cost savings through improved traffic flow and tackling the causes of congestion. Analysis of average vehicle journey times during the weekday morning peak on locally managed 'A' roads between 2007/8 and 2009/10 indicated a fairly static 1.99 minutes per mile in 2007/8 and 1.98 minutes per mile in 2009/10. In the wider East Midlands, only Leicestershire, Northamptonshire and Rutland have lower values per mile. In the context of the levels of traffic congestion in some parts of the UK, Derbyshire does not experience major problems. However, considering the levels of through traffic commuting between Derbyshire and surrounding cities and towns, alongside seasonal tourist traffic, tackling congestion will remain a critical element to support growth and prosperity.

Projects by the Highways Agency such as the Little Eaton Economy Scheme, is helping improve local congestion. The £2.7 million improvement scheme at Little Eaton roundabout is part of the Pinch Point Programme which aims to reduce congestion, reduce journey times, improve safety and boost the economy. The programme will also see improvements to Markeaton roundabout in Derby city centre. Both of these schemes will help improve journey times from Derbyshire into Derby city centre.

Through its Action for Roads strategy, Government has signalled its intention to provide a more comprehensive solution to the A38 Derby junctions and is also seeking solutions to long-standing problems on routes cross the southern Pennines between Sheffield and Manchester. For local roads, the County Council continues to invest approximately £20m per annum in structural maintenance and improvement schemes. It has worked closely with both the D2N2 and Sheffield City Region Local Enterprise Partnership over infrastructure programmes to sit within the Strategic Economic Plans for 2015-16 and beyond. Investment has already been secured for improvement of the key A61 Whittington Moor junction in Chesterfield and for the Seymour Link at Markham Vale which will provide significant transport infrastructure investment and will help bring development sites forward.



Source: Derbyshire County Council, 2013

## Travel to Work

The most widely accepted method for identifying functional economic market areas is analysis of travel to work areas (TTWAs). TTWAs show the patterns of people travelling from their place of residence to their place of work, and provide an indication of how local labour markets operate. Travel to work data from the 2011 Census has yet to be released so analysis from the 2001 Census has been used alongside other available intelligence, to provide an up to date picture as far as possible.

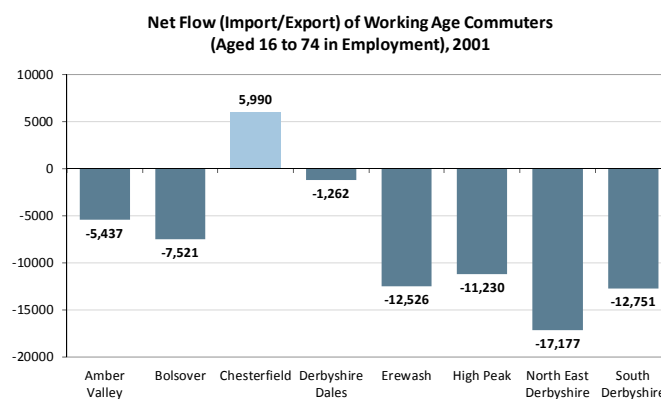
The following map shows the breakdown of 2001 Census Travel to Work Areas in the county and beyond and identifies the towns of Chesterfield, Matlock and Buxton as key employment centres within the county. In the absence of 2011 Census data, this still appears to be the case. Additionally, Swadlincote, Alfreton and Ilkeston are important employment centres.



Source: 2001 Census - UK Travel Flows (Local Authority), ONS (Nomis) © Crown Copyright

Derbyshire is a net exporter of labour, meaning that more people travel out of the county to work than travel in. A total of 118,747 workers commuted out of the county in 2001, whilst 56,833 travelled in; a net loss of 61,914. This commuting pattern is still apparent in 2014, although 2011 Census data will help confirm the extent and proportion to which this is the case. Locally, only the district of Chesterfield has a net gain of commuters (5,990). North East Derbyshire shows

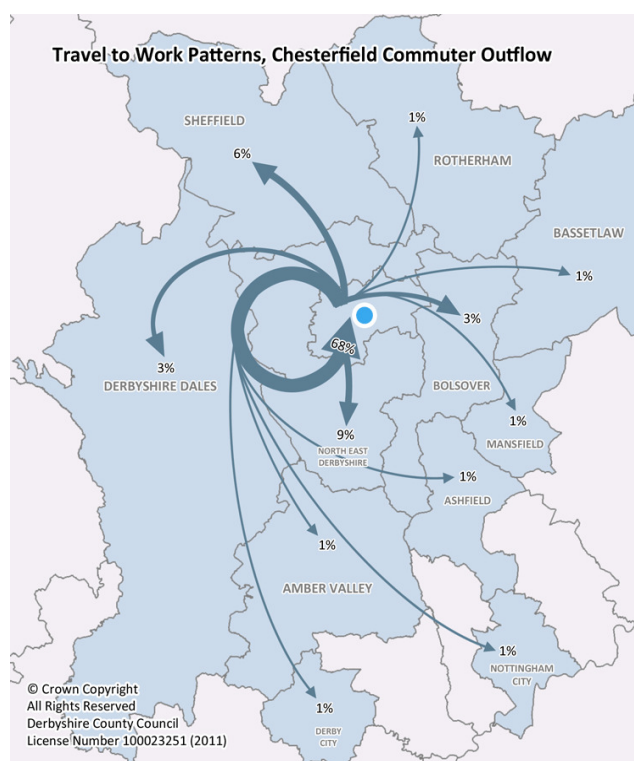
the greatest net loss of workers (-17,177) and Derbyshire Dales the least (-1,262).



Source: 2001 Census - UK Travel Flows (Local Authority), ONS (Nomis) © Crown Copyright

Excel Data Link: <http://tinyurl.com/lea2014-chptr1-table1>

The following map illustrates the relatively self-contained nature of Chesterfield's workforce, showing 68.0% residing and working within the borough. The remainder of Chesterfield's economically active population travel relatively short distances to neighbouring authorities such as North East Derbyshire (9.0%), Sheffield (6.0%) and Derbyshire Dales (3.0%).

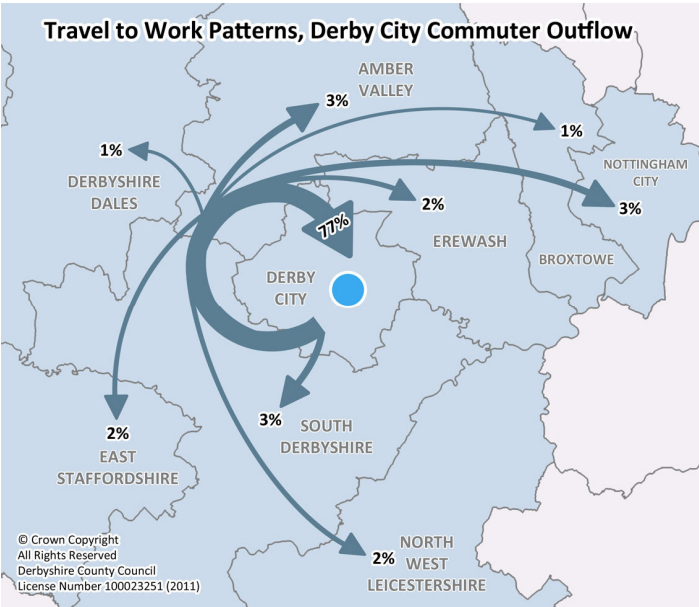


Source: 2001 Census - UK Travel Flows (Local Authority), ONS (Nomis) © Crown Copyright

Note: Any outflows less than 1.0% have not been displayed on this map.

Whilst the towns of Chesterfield, Matlock and Buxton are important centres of employment locally, the towns and cities neighbouring the county exert significant influence. There is a strong pull towards Sheffield in the North East of the county, and towards Mansfield and Nottingham in the East. To the West, East Staffordshire, Manchester, Stockport, Tameside and Macclesfield are also strong commuting influences. In addition, a large part of southern Derbyshire sits

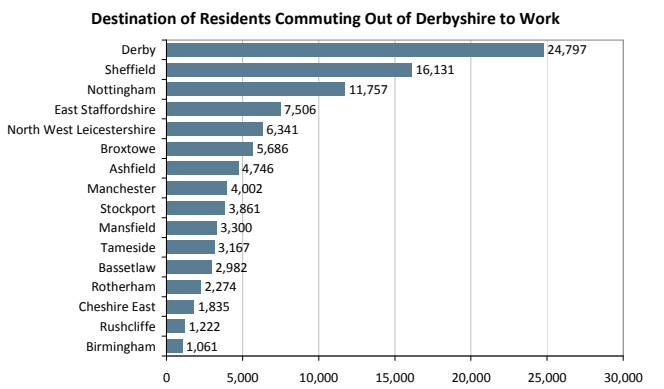
within the Derby Travel to Work Area. North West Leicestershire and Birmingham also draw many commuters.



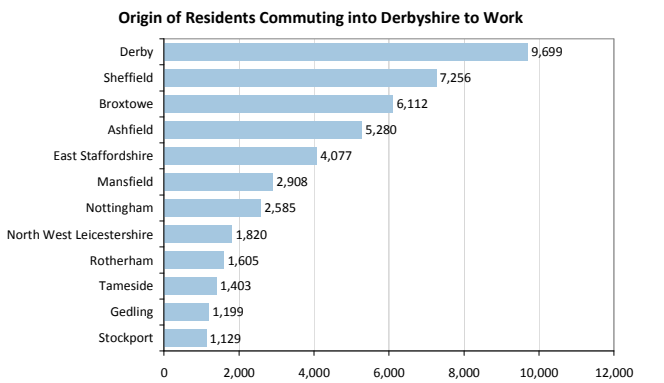
Source: 2001 Census - UK Travel Flows (Local Authority), ONS (Nomis) © Crown Copyright

Note: Any outflows less than 1.0% have not been displayed on this map.

Analysis by local authority area reveals Derby City is by far the most significant in terms of the supply of labour and supply of jobs, followed by Sheffield and Nottingham.



Source: 2001 Census - UK Travel Flows (Local Authority), ONS (Nomis) © Crown Copyright



Source: 2001 Census - UK Travel Flows (Local Authority), ONS (Nomis) © Crown Copyright

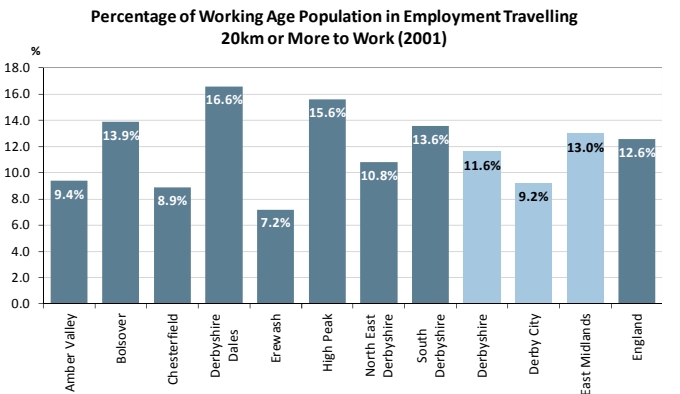
The following table details the top three destinations for people commuting out of Derbyshire from each of the local authority areas. As shown, the majority of

people who commute out of Derbyshire travel to Nottinghamshire (26.4%), followed by Derby (20.9%) and South Yorkshire (16.3%). Localised analysis shows that 69.5% of all outgoing commuters in High Peak travel to Greater Manchester, with only 7.0% travelling to other Derbyshire districts. Similarly 48.8% of Erewash's and 41.9% of Bolsover's outgoing commuters travel to Nottinghamshire, and 34.3% of Amber Valley's commuters travel to Derby.

Percentage of Commuters Travelling Out of the Individual Derbyshire Districts (Highest 3 Destinations)			
District	Derby (34.3%)	Other Derbyshire Districts (30.2%)	Nottinghamshire (24.5%)
Amber Valley	Derby (34.3%)	Other Derbyshire Districts (30.2%)	Nottinghamshire (24.5%)
Bolsover	Nottinghamshire (41.9%)	Other Derbyshire Districts (39.1%)	South Yorkshire (10.6%)
Chesterfield	Other Derbyshire Districts (53.2%)	South Yorkshire (24.6%)	Nottinghamshire (10.2%)
Derbyshire Dales	Other Derbyshire Districts (40.4%)	Derby City (16.9%)	South Yorkshire (15.3%)
Erewash	Nottinghamshire (48.8%)	Derby City (22.7%)	Other Derbyshire Districts (11.1%)
High Peak	Greater Manchester (69.5%)	Cheshire (9.5%)	Other Derbyshire Districts (7.0%)
North East Derbyshire	Other Derbyshire Districts (47.5%)	South Yorkshire (38.9%)	Nottinghamshire (6.0%)
South Derbyshire	Derby City (30.4%)	Staffordshire (30.1%)	Leicestershire (19.7%)
Derbyshire	Nottinghamshire (26.4%)	Derby (20.9%)	South Yorkshire (16.3%)

Source: 2001 Census - UK Travel Flows (Local Authority), ONS (Nomis) © Crown Copyright

Long distance commuting is less common in Derbyshire with only 8.1% of the working age population travelling 20 kilometres or more to work, compared with the East Midlands (10.7%) and England (12.6%).



Source: 2001 Census - Distance Travelled to Work - Workplace, Neighbourhood Statistics, ONS © Crown Copyright

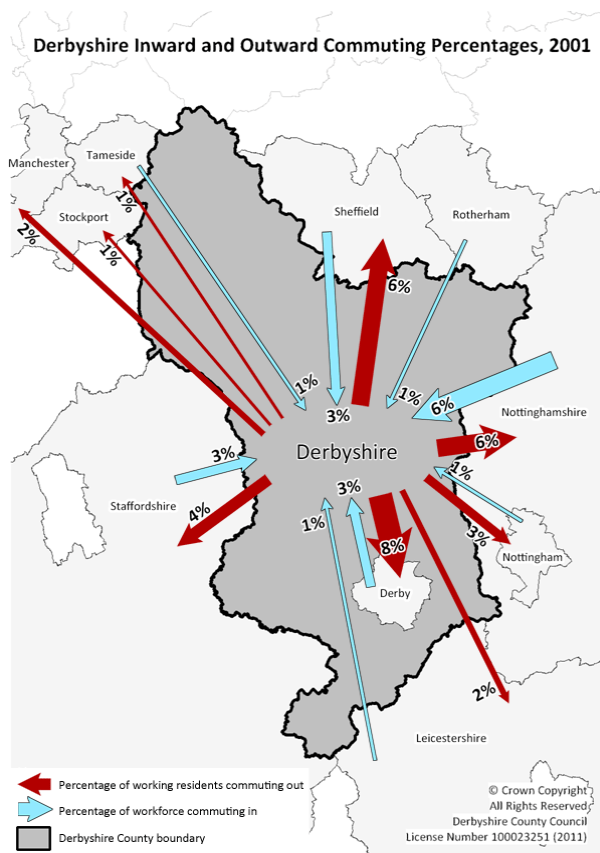
Derbyshire Observatory Link: <http://tinyurl.com/lea2014-ttw-dist>

Derbyshire Dales, High Peak, Bolsover and South Derbyshire have higher levels of long distance commuting compared to the national average, possibly due to the influence of major nearby urban centres. Erewash and Chesterfield have the most 'self-

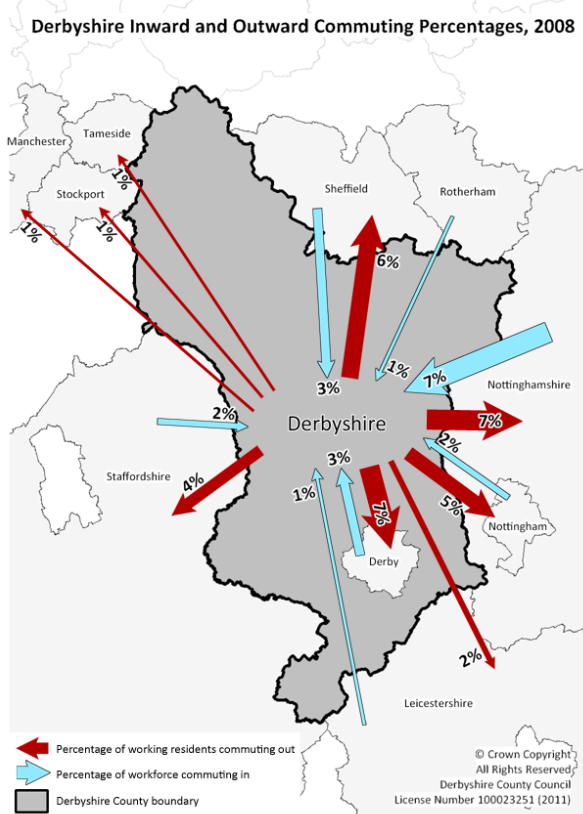


contained' workforces in the county, with fewer numbers travelling long distances to get to work.

The Annual Population Survey (2008) and the Local Labour Force Survey (2001) provide an indication of commuting patterns over time.



Source: 2001, Local Labour Force Survey, ONS (Nomis) © Crown Copyright



Source: 2008, Annual Population Survey, ONS (Nomis) © Crown Copyright

Looking at outward commuting patterns between 2001 and 2008, there has been a minor reduction in the proportion of people commuting to the cities of Derby and Manchester, but a slight increase in commuters to Nottingham City and Nottinghamshire. Analysis of commuter flows into Derbyshire shows a fairly similar, small increase in people commuting into Derbyshire from both Nottingham City and Nottinghamshire.

Understanding the travel to work patterns and developing appropriate policies which integrate transport infrastructure to development sites - but which also recognise the importance of creating more sustainable communities – will be critical to ensuring economic prosperity across the county.

## Broadband

The role of technology is crucial to the ability of economies to compete. 'First generation' broadband services are available to most homes and businesses in the UK and superfast broadband is now being rolled out across the UK which will significantly improve speeds and reliability.

The Government target is that by 2015, everyone in the UK will have access to at least 2mbps of broadband capability, with 90% of the population having access to superfast broadband (up to 30mbps). Next Generation Access (NGA) consultation, published in 2010, included data which identified in detail those areas which are most likely not to benefit from future roll out of high speed fibre broadband. Out of over 365,000 premises in Derbyshire it is estimated that there will be less than 105,000 premises not included in the commercial roll out of superfast broadband, with a significant number of these in rural areas.

Improvement to broadband connectivity is identified as a key priority for Derbyshire in the Council Plan for 2014-2017, 'A Fair Deal for Derbyshire, Building a Better Future Together'. The Council's vision for broadband delivery is 'to provide the best possible digital infrastructure for superfast broadband to 100% of Derbyshire's businesses and residents by 2017'. The county aims to broaden its economic base and improve the economic performance of urban and rural areas, and broadband is essential to this. To support this work, the County Council undertook research with residents on the extent of broadband coverage across Derbyshire. This indicated that 72.6% of respondents said their broadband service was fairly or very reliable. However, in a survey of businesses, only 10.8% of respondents said current provision was very good.

The County Council utilised the Broadband Delivery UK national procurement framework to secure a

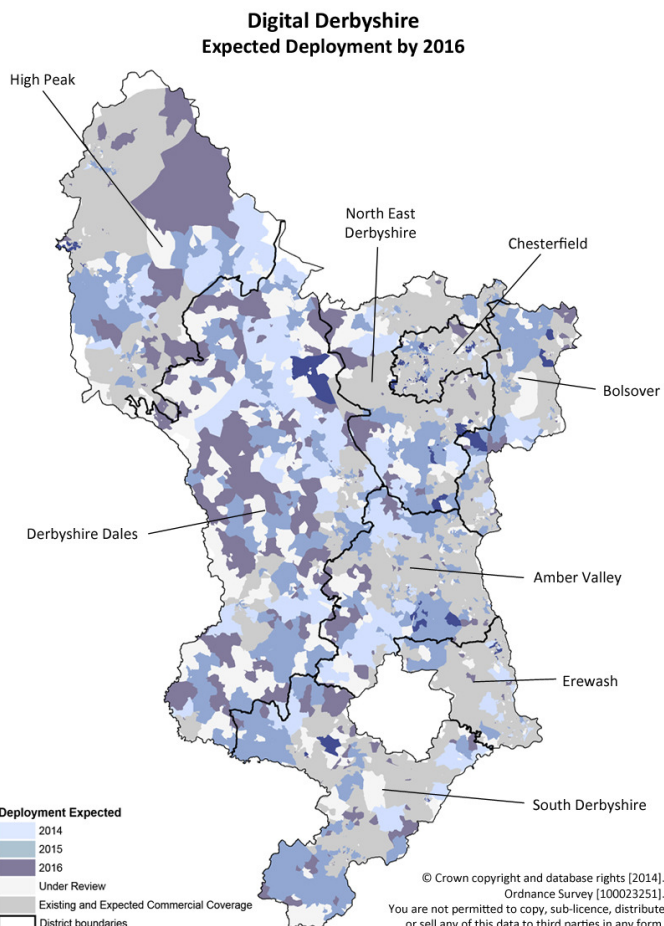


commercial partner to deploy the network for Derbyshire and in August 2013 the Council signed a contract with BT worth £27m. There is now a strategic management board in place with representation from the County Council, Broadband Delivery UK and BT to improve the superfast broadband infrastructure for Derbyshire. This will deliver improvements for the rural areas of Derbyshire to achieve over 95% coverage of a fibre based broadband service and seek to achieve a 2mbps service for the remaining areas.

These broadband improvements will be delivered through a phased approach and currently, it is anticipated there will be 10 phases with the new network fully operational by September 2016. Prior to each phase in depth survey work must happen to ensure there are no civil, planning or other constraints that could potentially delay the completion of the phase as you can see in the map below. The completion of each phase and availability of new services across Derbyshire will be publicised locally and on the website <http://www.digitalderbyshire.org.uk>

The funding for this programme is made up of £4.9m from Derbyshire County Council, £2.5m from the European Regional Development Fund, £7.4m from Broadband Delivery UK and £12.9m from BT.

Additionally, in the June 2013 spending round the Government announced a further £250m of funding to increase the availability of superfast broadband (to achieve speeds in excess of 24mbps) to 95% and above of premises in the UK by 2017. The Government has called this the Superfast Extension Programme (SEP). In February 2014 the Council was allocated for Derbyshire/Derby City £2.2m from the SEP, Derbyshire County Council's allocation is £1.5m with Derby City Council's £700k.



**Source:** Derbyshire County Council, January 2014

#### **Caveats:**

- Plans are subject to survey and will change,
- Some postcodes may only have partial coverage,
- Some postcodes may be addressed in more than one phase, spreading across 2014 to 2016,
- Some premises covered by fibre-delivered services will not obtain superfast speeds,
- Forecast dates may be brought forward or pushed back.

**Note:** These data relate to existing and expected commercial coverage of super-fast Broadband up to 2015. The information on commercial coverage was collated through an open market review and public consultation undertaken in 2013.

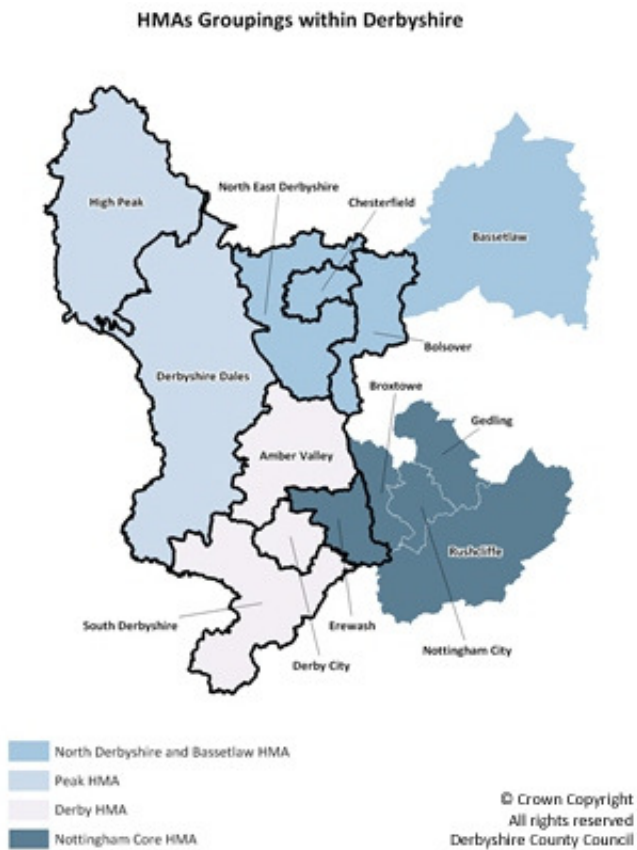
## **Housing Market Areas**

Housing Markets Areas (HMA) are areas which are deemed to provide the optimal geographic coverage within which planning for housing should be carried out. They are defined by household demand and preferences, and reflect the key functional links between where people live and work. Within the East Midlands region, local authorities have been grouped to reflect how particular housing markets and local economies operate to develop a more strategic approach to housing, pool resources and develop best practice. Four HMAs cover Derbyshire. These are as follows:

- **Peak** - this comprises Derbyshire Dales, High Peak and the Peak District National Park;

- **North Derbyshire and Bassetlaw** - comprising Bolsover, Chesterfield, North East Derbyshire and Bassetlaw (Nottinghamshire);
- **Derby** - covering Amber Valley, South Derbyshire and Derby City; and
- **Nottingham Core** - this comprises Erewash, and Nottingham City, Broxtowe, Gedling and Rushcliffe in Nottinghamshire.

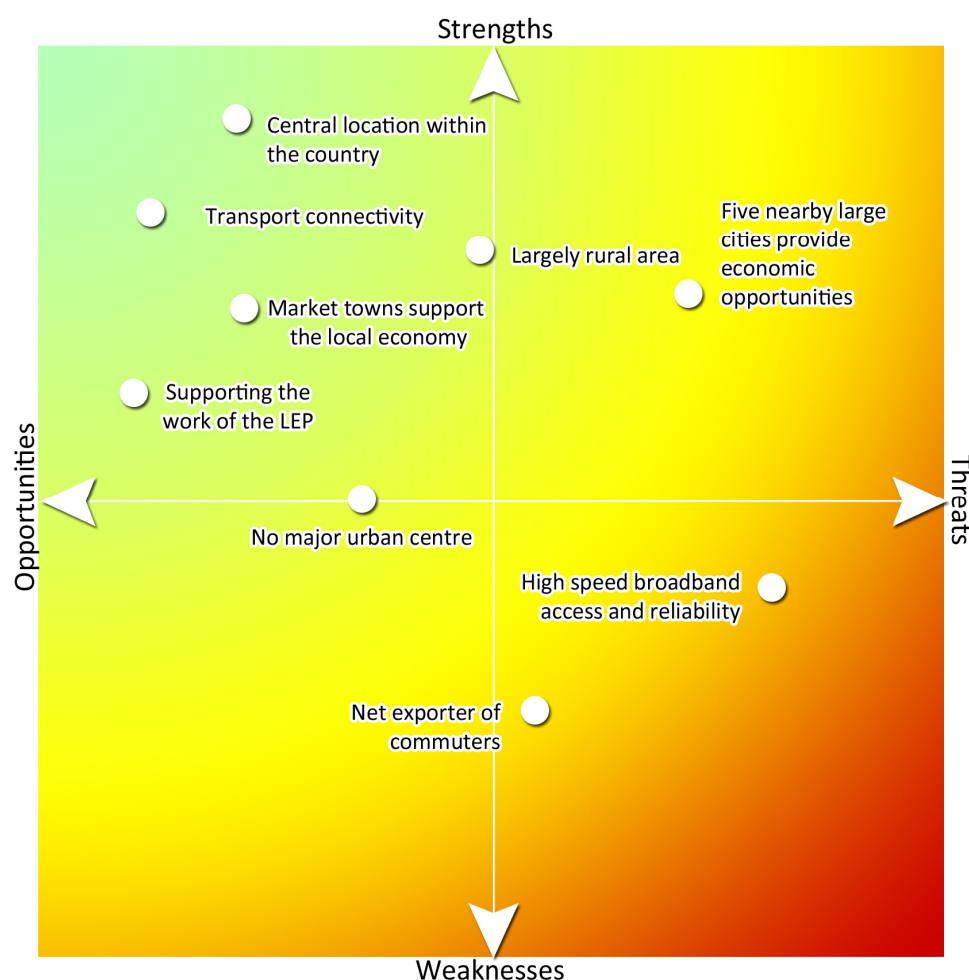
These HMAs provide a basis for strategic land use planning within the county.



Source: Derbyshire County Council, 2012

# Economic Geography

## SWOT Analysis



### What does the analysis tell us?

The intelligence outlined in Chapter 1 confirms the predominantly rural nature of Derbyshire, notwithstanding Derby City. The market towns and secondary centres are located throughout the county and make a substantial contribution to the economy providing a range of services for local people, as well as being employment hubs for those who live in urban and rural areas. The county's central position within England provides a major competitive advantage which needs to be maximised. Derbyshire is easily accessible from surrounding areas and the county contributes to the regional labour market, which is a strong draw for inward investment. Derbyshire's accessibility is also important for the tourism sector, a significant element of the local economy, with the potential to attract large numbers of visitors for day-trips and short breaks.

Derbyshire has the advantage of being near to five cities and these provide important economic links in terms of supply chains, markets for goods and services, and employment opportunities. The significance of these links varies across the county but understanding

these variations is critical to developing effective spatial and policy responses.

In terms of transport connectivity, Derbyshire is at the heart of road, rail and air networks and has good links to key markets. The county has good rail links to major urban centres, including Manchester, Leeds, Sheffield, Nottingham, Derby and Birmingham. Inter-city connections to London allow access to the continent via St Pancras International Station. The M1, A38 and A50 provide excellent links to the eastern and southern parts of the county, with significant development sites such as Markham Vale benefitting from easy access to the motorway network. Further enhancements to the rail network, with the development of the HS2 network and proposed new station at Toton, will bring economic benefits to the region. However, the transport infrastructure remains weaker on the northern and western fringe of the county limiting travel from east to west and work to improve accessibility in these areas would have a positive impact on the movement of goods and people.

Derbyshire is a relatively high net exporter of commuters, with only the district of Chesterfield

having a net gain of commuters. Many people travel to work in neighbouring city areas and earn higher wages than those who both live and work in the county. Although this could be interpreted as a concerning trend, there continues to be some economic benefits from people working outside of the county but residing in Derbyshire and buying goods and services where they live. In the longer-term though, having high numbers of people employed outside of the county is a challenge to future growth and there is a need for more productive, higher value sectors to be located within the county, drawing on a greater pool of local skilled and qualified workers. Creating an attractive offer where residents can both live and work in Derbyshire should therefore be a focus.

A modern digital infrastructure is an important factor in the local economy as technology is increasingly linked to economic competitiveness. Although Derbyshire residents and businesses have access to first generation broadband, improving internet access, speed and reliability is a key priority for the County Council through the multi-million pound 'Digital Derbyshire' programme. Successful implementation of the programme will provide a crucial platform for economic growth in Derbyshire, for example by supporting residents to improve their skills through web-based learning or enabling local retailers to compete online.

#### Summary of key issues

- Substantial contribution to the economy made by the county's market towns.
- County's central position within England is a major competitive advantage, important for inward investment and the visitor economy.
- Derbyshire is near to five cities which provide important economic links in supply chains, markets and employment opportunities.
- Although, the county is at the heart of road, rail and air networks the transport infrastructure remains weaker on the northern and western fringe of the county.
- Many commuters travel to neighbouring cities to earn higher wages which is potentially a challenge to economic growth.
- Derbyshire residents and businesses have access to first generation broadband, but improving internet speed is a key priority.

### Developing the economic response

Promoting the economic advantages that are provided by Derbyshire's central position will attract further

inward investment and stimulate local economic growth.

Marketing the county's attractive rural landscape and high quality of life will encourage high value businesses and their employers to relocate, strengthening the local economy.

There is a need to attract higher value added businesses to locate in the county in order to raise productivity levels, retain wealth within the local economy and increase skilled employment opportunities within the county.

The county needs to continue to make appropriate links with the nearby cities of Derby, Nottingham, Sheffield and Manchester to allow workers to access appropriate employment opportunities.

Derbyshire County Council and its partners need to continue to work with the LEP to deliver strategic objectives and develop key projects and interventions to attract the investment to support economic growth and prosperity. The role of the DESS and proposed Economic Prosperity Board will be vital in this respect.

#### Infrastructure

Improvements to the road network in the North and West of the county need to be made to reduce journey times from east to west and to improve accessibility. Congestion for commuters at peak hours on local roads is an on-going problem. Use needs to be made of the infrastructure and investment fund to address the most severe areas of congestion and improve the flow of traffic. Additionally, further investment to complement improvements to the rail network is required to ensure communities are effectively linked to economic opportunity, for instance through the new station at Ilkeston and proposed improvements to the Hope Valley line.

Effective and high speed broadband access needs to be viewed as essential in supporting development of the county's economy. Further improvement of Derbyshire's broadband provision remains an important priority and 95% of businesses across the county should be in receipt of superfast broadband by September 2016, with a minimum universal service commitment of 2mbps for the remaining 5% of firms. Promotion of the benefits of superfast broadband to encourage take-up by existing residents/businesses and inward investment should continue. Rural connectivity will need to be prioritised to help support more sustainable and cohesive communities and tackle disadvantage.



## Urban centres

Derbyshire's urban centres and market towns are vital to the success of the economy and will require continued support to ensure businesses and communities continue to prosper and grow, especially in more rural areas. Effective links with neighbouring cities and urban areas will allow Derbyshire residents to make the most of employment opportunities further afield and these connections need to be enhanced. Maximising the role of smaller towns and settlements in supporting growth and diversification in very rural areas will be important.

## Links to the DESS

### Strategic Theme – Boosting Investment and Place Making

- SO1: Improving connectivity by delivering the transport and ICT infrastructure to support growth
- SO2: Unlock the potential of Derbyshire's land and property assets
- SO3: Attract new businesses
- SO4: Increase the vitality and viability of towns

### Strategic Theme – Fostering Enterprise and Business Growth

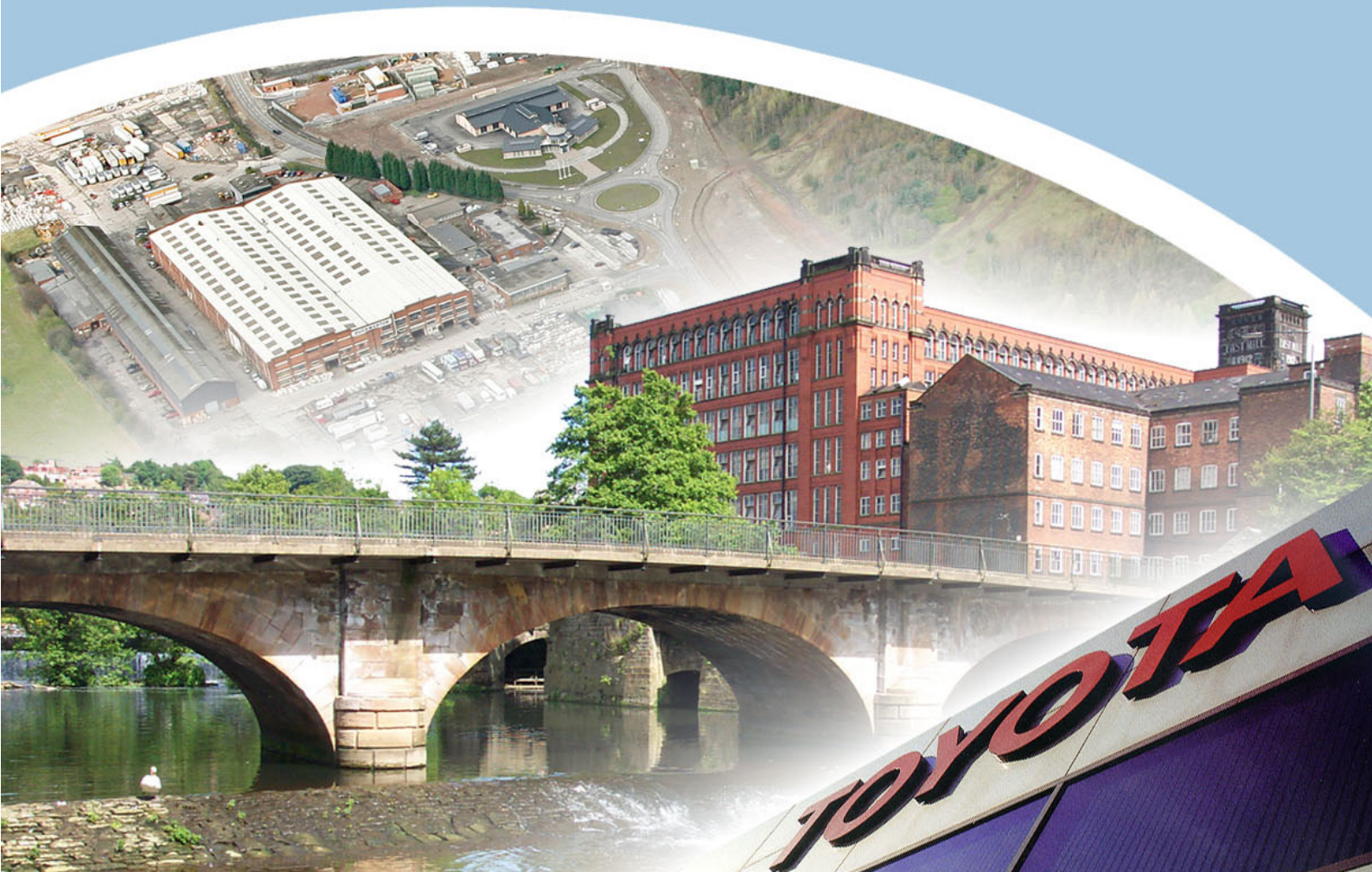
- SO7: Raise business productivity by encouraging more higher value added and knowledge-intensive businesses
- SO9: Strengthen the Rural Economy

### Strategic Theme – Creating the Workforce to Support Growth

- SO11: Connect people to economic opportunity

# Business and Enterprise

## Chapter 2



### Industrial History

Historically, Derbyshire has had a greater reliance on the primary and manufacturing sectors and a lower representation of the service sectors. The decline in manufacturing industries such as metals, heavy engineering and textiles, together with the loss of coal mining, contributed to the poor performance of the Derbyshire economy in the 1980s and 1990s.

Growth in the previously under-represented service sector and in certain categories of manufacturing in the early 1990s provided Derbyshire with a degree of protection at the start of that recession. This also coincided with the major investment of the new Toyota plant at Burnaston, South Derbyshire. Throughout the mid-1990s the picture was one of widespread job losses especially in engineering, notably in Derby and Chesterfield, and in textiles throughout Derbyshire. However, over the last ten to fifteen years there has been significant investment in new industrial sites across the county – examples include Shirebrook, Tetron Point Swadlincote, Denby Hall and Markham Vale. This has helped ensure some resilience to the most recent recession.

The North West of the county and Peak District is based on traditional quarrying and agriculture, although hill farming has declined in profitability and now employs fewer people, with increasing part time employment. There are considerable challenges facing the land based sector but agriculture has an important role to play, not least in managing and maintaining the high quality landscape of the Peak District. The further development of tourism and new leisure activities is helping to supplement incomes and support farm diversification in these areas.

The minerals industry is a significant sector for Derbyshire. Although the number of jobs it supports is relatively small compared with other sectors (around 1,800 jobs in 2012) many jobs are located in rural areas where employment can otherwise be scarce. The minerals industry also supports a network of production and processing facilities such as cement and brick works, a vital part of the supply chain for the construction industry.

### Structure and Size of Local Businesses

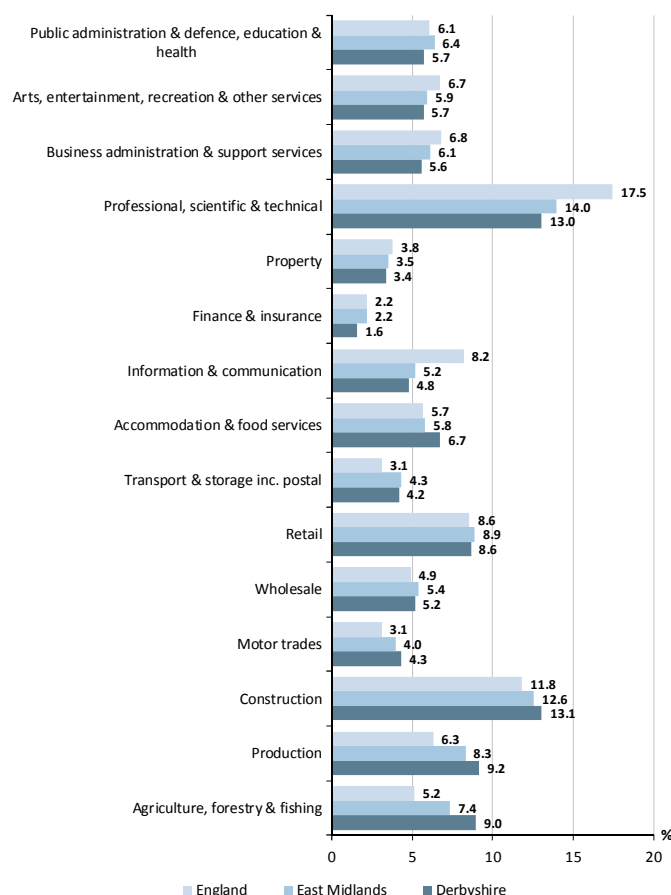
In 2013, Derbyshire was home to approximately 25,340 VAT and / or PAYE based enterprises, a net decrease of 60 (-0.2%) since 2012. This compares with a slight increase regionally (0.5%) and nationally (1.1%). Within

Derbyshire, the sectors with the highest number of businesses have remained the same since 2012 namely: construction; professional, scientific and technical; production; agricultural, forestry and fishing, and retail.

**Excel Data Link:** <http://tinyurl.com/lea-2014-Chptr2-table1>

Compared with England, there is a higher percentage of businesses in the agricultural, forestry and fishing, and production sectors in Derbyshire and less in the professional, scientific and technical, and information and communication sectors. Again, this is a similar position to 2012. There has been a slight decrease in the proportion of construction firms in the county although the fall in this sector is not as significant as the decline nationally. Additionally, there has been a slight increase in the proportion of professional, scientific and technical firms, although the representation of firms in this sector is lower than the national average.

**Percentage of VAT and/or PAYE Based Enterprises (2013)**



**Source:** 2013, UK Business: Activity, Size and Location, ONS (Nomis) © Crown Copyright, 2013

**Derbyshire Observatory Link:** <http://tinyurl.com/lea2014-vat-pay-e-indu>

Small and medium sized employers dominate the Derbyshire economy, with 87.9% of businesses employing less than 10 people. This is similar to the proportion seen regionally (87.6%) and nationally (88.3%). This prevalence of SMEs has helped create some resilience in the economy and has contributed to Derbyshire responding relatively well following the downturn. Whilst businesses employing more than 250 employees account for just 0.4% of all businesses in the county, they are of significant importance to the local economy due to the numbers of people employed. These large employers are predominantly within the public sector, which has typically been impacted by the Government's policy of financial constraint.

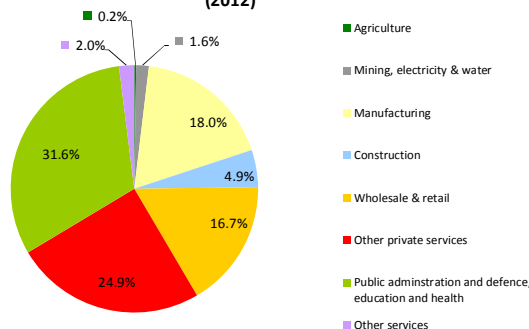
Excel Data Link: <http://tinyurl.com/lea-2014-Chptr2-table2>

## Employment Structure

In 2012, a total of 286,800<sup>9</sup> people were employed by a Derbyshire business. The majority of employment within Derbyshire falls within four key broad sector groupings:

- public administration and defence, education and health
- other private services (an aggregation of a number of industrial categories within the private sector)<sup>10</sup>;
- manufacturing; and
- wholesale and retail.

Percentage of Derbyshire Employees by Broad Industrial Grouping (2012)



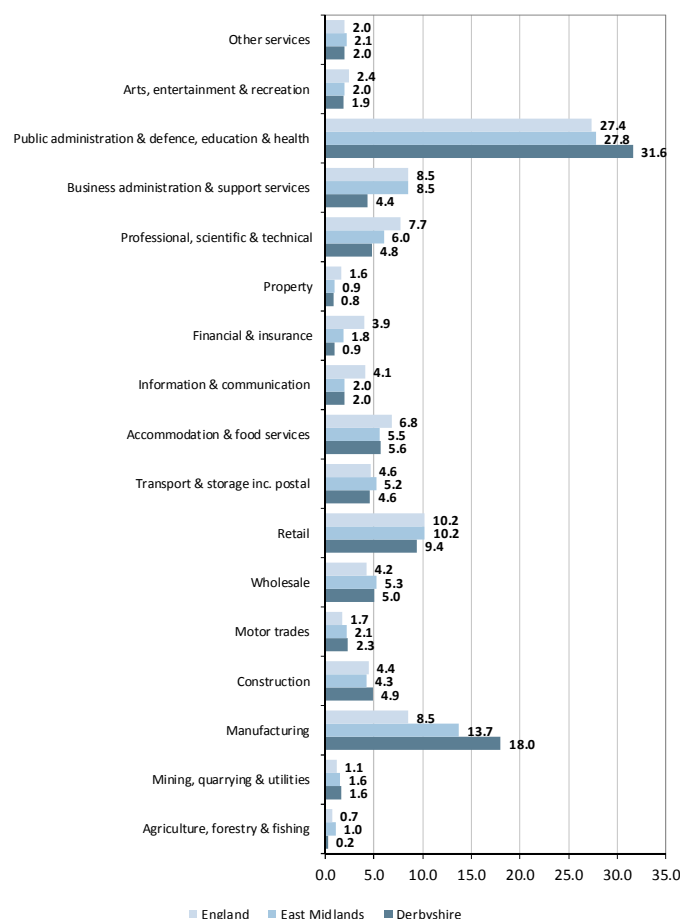
Source: 2012, Business Register and Employment Survey, ONS (Nomis) © Crown Copyright, 2013

Notes: Derbyshire figures for 'Agriculture, forestry & fishing' do not include farm agriculture. This is due to sub regional estimates being unavailable.

Derbyshire Observatory Link: <http://tinyurl.com/lea2014-indu-bres>

Whilst Derbyshire's employment structure is largely in line with the national picture, it differs in three main areas. It has a significantly higher concentration of people employed within the manufacturing sector, a higher proportion of people in public administration and defence, education and health, and fewer people in business administration and support services. These differences provide important context to work to drive employment growth across the county.

Percentage of Employees by Broad Industrial Sector (2012)



Source: 2012, Business Register and Employment Survey, ONS (Nomis) © Crown Copyright, 2013

Note: Derbyshire figures for 'Agriculture, forestry & fishing' do not include farm agriculture. This is due to sub regional estimates being unavailable

Derbyshire Observatory Link: <http://tinyurl.com/lea2014-indu-bres>

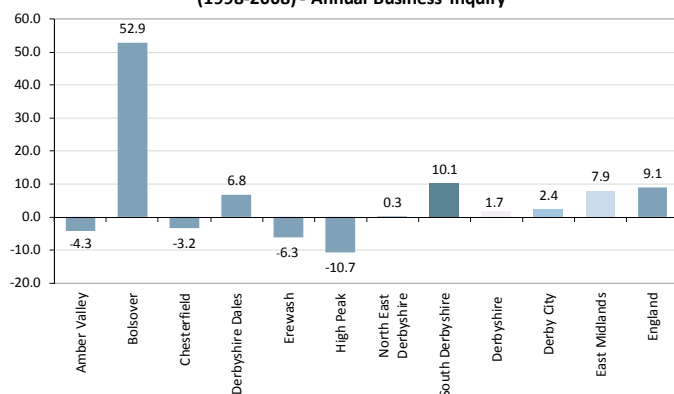
## Employment Change

Analysis of the change in employment in Derbyshire during the last growth cycle (1998-2008) shows that employment levels in the county increased by 4,700 (1.7%). Compared with the wider East Midlands (7.9%) and England (9.1%), the Derbyshire economy underperformed in terms of employment growth.

The pattern in employment change across Derbyshire between 1998 and 2008 was mixed. Two districts showed a growth in employment greater than the national average - notably Bolsover, where there was a growth of 52.9% and likely to be reflective of investment in business support; and South Derbyshire, which also had above average employment growth of 10.1%. Four districts, High Peak (-10.7%), Erewash (-6.3%), Amber Valley (4.3%) and Chesterfield (-3.2%) actually saw a decline in employment over that period.



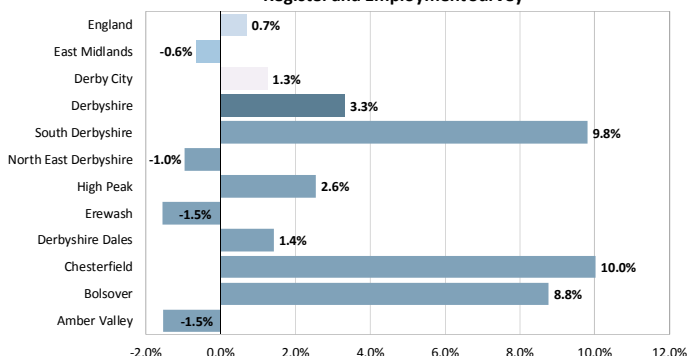
**% Change in Total Employment by District within Derbyshire  
(1998-2008) - Annual Business Inquiry**



Source: 1998-2008, Annual Business Inquiry, ONS (Nomis) © Crown Copyright, 2009

The Derbyshire economy has, however been relatively resilient during the recent economic downturn. Although employment fell in the early part of the recession, the impact on Derbyshire has been less severe than at regional and national levels, with the county experiencing a period of growth in employment from 2009 of 3.3% (England 0.7% and East Midlands -0.6%). However, the pattern of employment change has varied across the county with Chesterfield (10.0%), South Derbyshire (9.8%) and Bolsover (8.8%) showing strong growth. Erewash (-1.5%), Amber Valley (-1.5%) and North East Derbyshire (-1.0%) have seen decreases in employment levels over the period; for Amber Valley and Erewash this is on top of the poor economic performance during 1998-2008.

**Percentage Change in Total Employment (2009-2012) - Business Register and Employment Survey**



Source: 2009-2012, Business Register and Employment Survey, ONS (Nomis) © Crown Copyright, 2013

By sector, there have been three key changes in the county's economy over the period 2009 to 2012. The proportion of employees in construction decreased from 6.4% to 4.9%; the proportion of employees in public administration and defence, education and health increased from 26.7% to 31.6%; and, the proportion of employees in manufacturing declined from 18.7% to 18.0%. Nationally, there was a slight increase in manufacturing employment.

## Priority sectors

The D2N2 LEP has identified eight sectors which have strategic importance to the future of the Derbyshire and Nottinghamshire economy and which have the capacity to grow. These are:

- Transport equipment manufacturing
- Life sciences
- Food and drink manufacturing
- Construction
- Visitor economy
- Low-carbon goods and services
- Transport and logistics
- Creative industries

**Transport equipment manufacturing** covers the production of aerospace, automotive and rail transport vehicles and associated goods and services. The sector has a strong concentration in the D2N2 area where there are a number of large globally significant employers, especially around Derby City with Rolls-Royce and Bombardier and South Derbyshire where Toyota is based. These companies have significant supply chains which overlap other industrial sectors (such as metals) where there is also a strong presence. Although the sector has declined as a result of the recession in the D2N2 area and locally, the sector remains important and is likely to remain an important driver of the D2N2 economy going forward.

**Life sciences** covers the medical and bio-science sector. Although this is largely focused on Nottingham, Derbyshire businesses contribute significantly through the supply chain, especially in the South of the county.

**The manufacturing of food and drink products** is important across the D2N2 area particularly for a number of local areas, including the Peak District National Park and Amber Valley. This sector is important locally because of its close connection to the agriculture base in rural areas and also because of the area's excellent transport linkages which enable the rapid distribution of food and drink products. Above average growth is predicted for the sector in the future and the crossover with tourism and the visitor economy needs to be exploited fully. The recession has had less impact on food and drink manufacturing than in other areas of the economy.

The **construction** sector has suffered over recent years following the economic downturn affecting both the house building and commercial development sectors in the D2N2 area and locally. Future growth prospects of the construction sector are intrinsically linked to the

performance of the local and national economies revitalising in the future. However, the D2N2 area does have a number of large employers including Bowmer and Kirkland in Amber Valley. The sector is still a significant employer with over 14,000 workers employed within Derbyshire in 2012.

**The visitor economy.** The sector covers those activities which are directly associated with tourism, including hotels and restaurants, museums and cultural attractions, as well as activities relating to sports and the arts. The sector is extremely competitive at a national level. The D2N2 economy has some key assets notably the Peak District National Park, as well as a variety of monuments and historical buildings, such as Chatsworth House. Other brands also have potential for greater impact including Derwent Valley Mills World Heritage Site and The National Forest whilst the completion of the Buxton Crescent and Spa should provide significant transformation in terms of tourism within the High Peak area. The sector has been hit hard in recent years and recovery locally is slower when compared with England. However, the sector remains important to both the D2N2 area and the county, where it employs over 20,000 people.

**Low-carbon goods and services.** The UK has ambitious challenges in relation to carbon reduction up to 2050 and the low carbon economy is likely to present commercial opportunities for D2N2 businesses through the development and provision of low carbon goods and services, or through savings in areas such as energy and waste reduction. Although the sector is difficult to define, it is estimated that it accounted for a third of economic growth in the UK during 2011/12. Analysis by the Nottingham Business School <sup>11</sup> highlights that whilst power generation is a significant activity in the D2N2 area, generation from renewable sources is more limited. However the area has existing strengths in the low carbon vehicles and fuels sector, including Toyota in South Derbyshire and Rolls Royce in Derby. There is also significant research expertise in this niche at the universities in the D2N2 area.

More information on the priority sectors can be found at – <http://tinyurl.com/lea-2014-d2n2-growth>

**The transport and logistics sector** covers freight movements activities such as land transport, air and water transport, warehousing and courier services and is a significant employer across Derbyshire employing 13,200 people. The sector makes an essential contribution to the success of many other sectors, providing the means through which supplies are obtained and goods are transported to markets locally, nationally and internationally, and is also closely associated with the transport equipment manufacturing sector as well as aggregates and

minerals and the impact on construction. Derbyshire's situation at the heart of the UK's transport network and adjacency to major conurbations provides the potential for competitive advantage within this sector.

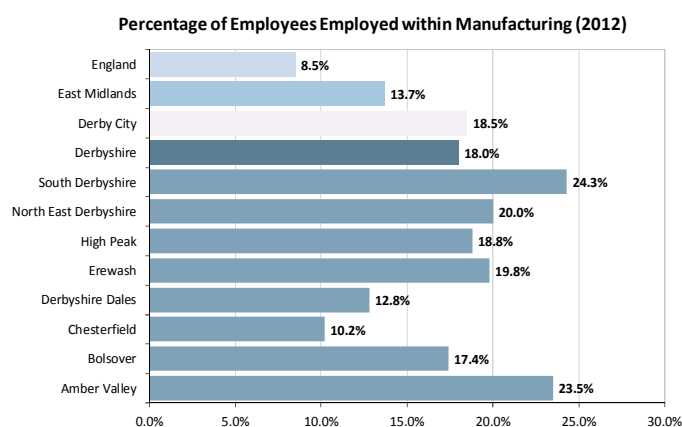
**Creative industries** is a wide-ranging sector, taking in video, film and photography, music, publishing, radio and TV, computer games, social media and the software that supports these industries and the telecommunications sector. The creative industries sector accounts for around 5% of economic output nationally, and a similar share of employment. The sector is an important international strength for the UK, and a growing source of export earnings. Within Derbyshire, there is a strong tradition through the county's textile heritage and high quality natural landscape, and excellent quality of life. Supported through an existing sector network, Creative Derbyshire, the county has huge potential for attracting high value new and existing enterprises although fast and reliable digital connectivity is vital in promoting sector growth. The creative industries also link strongly to the food and drink sector and tourism in promoting Derbyshire's unique cultural offer.

## Manufacturing

Almost a fifth (18.0%) of all employment in the county is in manufacturing, more than twice the national rate (8.5%) and nearly five percentage points higher than the East Midlands rate (13.7%). This is despite a total loss of up to 33,000 jobs in the manufacturing sector in Derbyshire between 1998 and 2012.

Excel Data Link: <http://tinyurl.com/lea-2014-Chptr2-table3>

Across the county, employment in manufacturing is considerably higher in South Derbyshire (24.3%) and Amber Valley (23.5%) than elsewhere in the county. Chesterfield (10.2%) and Derbyshire Dales (12.8%) have the lowest proportions of people employed in the manufacturing sector in the county.

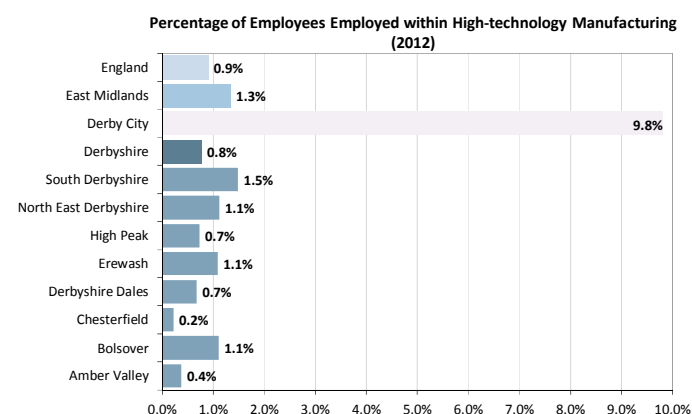


Source: 2012, Business Register and Employment Survey, ONS (Nomis) © Crown Copyright, 2013

Derbyshire Observatory Link: <http://tinyurl.com/lea2014-indu-bres>

Derbyshire and the surrounding area is home to some of the world's best known original equipment manufacturing companies such as Toyota, Rolls Royce, JCB and Bombardier. Derby City has significant strengths in the aerospace, automotive and rail sectors. This has a positive impact upon the Derbyshire economy as many of the supply chains for these sectors are also located in the county.

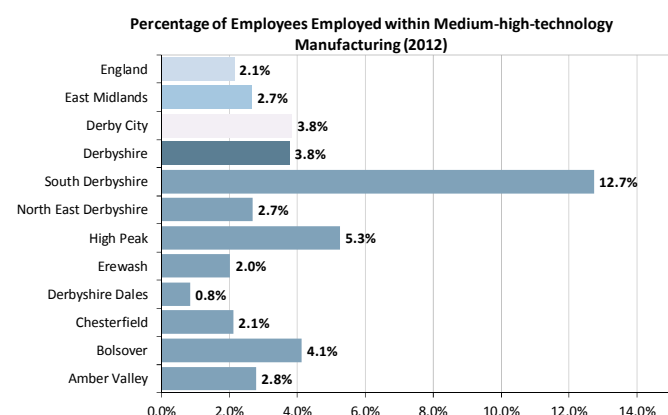
Analysis of employment within high-tech manufacturing<sup>12</sup> in the county shows that in 2012, just 0.8% of employees were employed in this sector, a similar proportion to those regionally (1.3%) and nationally (0.9%), but considerably lower than Derby City where 9.8% are employed in high-tech manufacturing.



Source: 2012, Business Register and Employment Survey, ONS (Nomis) © Crown Copyright, 2013

Derbyshire Observatory Link: <http://tinyurl.com/lea2014-emp-mh-tech>

However, 3.8% of people in the county were employed within medium to high-tech manufacturing<sup>13</sup> in 2012, a higher proportion than regionally (2.7%) and nationally (2.1%) and the same as the proportion for Derby City (3.8%).



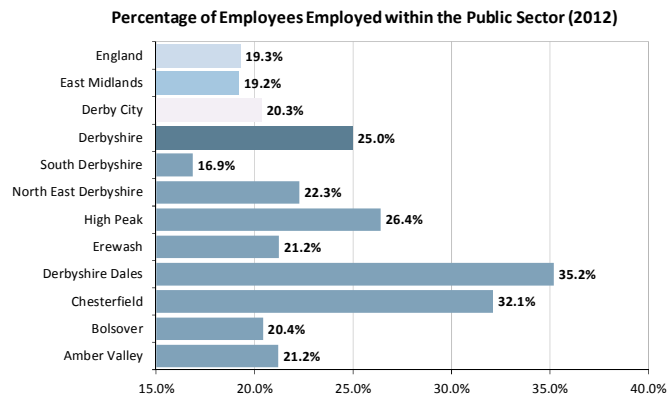
Source: 2012, Business Register and Employment Survey, ONS (Nomis) © Crown Copyright, 2013

Derbyshire Observatory Link: <http://tinyurl.com/lea2014-emp-mh-tech>

## Public Sector

In 2012, 71,600 people were employed in the public sector accounting for a quarter (25.0%) of all employment in the county, greater than across the

East Midlands and England, where the respective figures were 19.2% and 19.3%. Employment within the public sector in Derbyshire has grown considerably over recent years although the level dipped slightly in 2012. The impact of the Government's deficit reduction policy will likely have considerable negative impact on public sector employment levels between 2014 and 2018.



Source: 2012, Business Register and Employment Survey, ONS (Nomis) © Crown Copyright, 2013

Across Derbyshire, Derbyshire Dales has the highest concentration (35.2%) of people employed within the public sector, closely followed by Chesterfield (32.1%). These two districts have the greatest reliance on public sector employment of any local authority in the region. The high level of public sector employment within Derbyshire Dales is due to Derbyshire Dales District Council and Derbyshire County Council being based in Matlock, along with Bakewell being home to the Peak District National Park Authority. Similarly, Chesterfield is home to the head offices of Chesterfield Borough Council and North East Derbyshire District Council and the largest hospital in Derbyshire, Chesterfield Royal Hospital NHS Foundation Trust.

The dominance of the public sector in Derbyshire leaves the county vulnerable to significant job losses over the next few years, with the 'Derbyshire Employment Forecast Report 2013' indicating that public sector employment in the county is expected to contract by -6.1% by 2018.

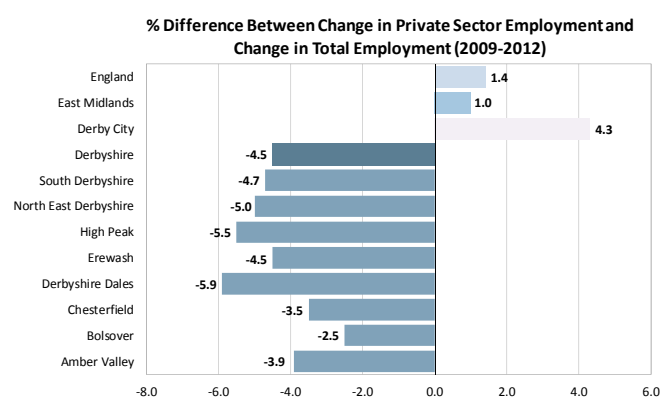
## Balancing the Public / Private Sector Employment Base

Given the difficult state of public sector finances and imperative to reduce the national deficit, combined with a national policy focus on private sector job growth, it will be important for the county to have an established and growing private sector employment base. However, analysis highlights that the current level of private sector employment in the county is lower than in the East Midlands and England.

Whilst the level of employment in 2012 in the public sector in the county was higher (25.0%) than regionally (19.2%) and nationally (19.3%), Derbyshire conversely has a smaller private sector economy than the East Midlands and England. In 2012, there were estimated to be 215,100 people employed in the private sector in the county, representing 75.0% of the total employment base, below the regional (80.8%) and national (80.7%) figures. The private sector accounts for 83.1% of total employment in South Derbyshire, the highest level in the county.

The county's economy did not manage to grow its private sector employment base between 2009 and 2012, despite total employment increasing. Over this period, private sector employment fell by 2,600 (1.2%) in Derbyshire, compared with an increase in total employment of 3.3%. This shows that employment growth locally over the period has been largely driven by the public sector which grew by 11,900 over the period. This is a different picture to the East Midlands where there was an increase in private sector employment (0.6%) despite a decline in total employment (-0.6%) and across England where the growth in total employment of 0.7% over the period was exceeded by private sector growth of 2.2%.

Within the county, all districts showed an increase in public sector employment. However, only three, Bolsover, Chesterfield and South Derbyshire saw an increase in private sector employment over the same period. Derbyshire Dales (-5.9% points) and High Peak (-5.4% points) showed the greatest difference in change in private sector employment relative to change in total employment and Bolsover the least (-2.4% points) between 2009 and 2012.



Source: 2009-2012, Business Register and Employment Survey, ONS (Nomis)  
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## Visitor Economy

The tourism sector can be difficult to define as there is no discrete tourism category assigned in the Standard Industrial Classification (SIC) 2007. However, analysis in the report 'State of the D2N2 Economy', the visitor economy is quantified by activities which are directly associated with tourism, including hotels and

restaurants, museums and cultural attractions, as well as activities relating to sport and the arts. Using this definition, 21,500 (7.5%) of employees in Derbyshire were employed in the sector in 2012, similar to the proportion in the East Midlands (7.4%) but quite a lot lower than the 9.2% nationally. Within the county, Derbyshire Dales (12.2%) and High Peak (8.2%) had the greatest levels of employment, not surprising given that the Peak District National Park forms a significant part of both areas.

Analysis of trend data over the period 2009 to 2012 shows that the visitor economy in Derbyshire appears to have suffered more than other areas of England as a result of the economic downturn. In Derbyshire, the total number of full and part-time employees in the visitor economy has fallen by -15.1% equating to 3,800 jobs. Regionally, there was also a fall (-13.5%) whereas nationally, the visitor economy grew by 2.6%. Across the districts, the greatest decline has been in High Peak (-19.3%) and South Derbyshire (-19.1%).

The latest available information (2011) using the STEAM (Scarborough Tourism Economic Activity Model) framework helps to describe the economic impact of the visitor economy. This estimates that 38.9 million people visited Derby and Derbyshire in 2011, spending £1.7 billion. The bulk of those making trips were day visitors (35.0 million) with around only one in ten of all trips (3.9 million) involving an overnight stay. Additionally, there were estimated to be 42,304 sleeping spaces in accommodation in Derby and Derbyshire in 2011, with the tourism sector supporting 27,019 full-time equivalent jobs.

**Information on the Derby and Derbyshire Visitor Economy (2009-2011)**

	2009	2010	2011
Tourist numbers (staying visitors) (£ millions)	3.6	3.7	3.9
Tourist numbers (day visitors) (£ millions)	32.7	32.3	35.0
Full time equivalent jobs	25,235	25,138	27,019
Spend by staying (£ millions)	523.0	570.0	621.0
Spend by day visitors (£ millions)	943.0	967.0	1,102.0
Total visitor spend (£ millions)	1,466.0	1,537.0	1,723.0
Total bedstock	41,112	41,154	42,304

Source: 2009-2011, Scarborough Tourism Economic Activity Model, 2014

STEAM data also provides an indication of trends. This shows that on a range of measures, there has been growth in recent years. Between 2009 and 2011, there was an increase of 7.4% in total tourist numbers, whilst total visitor spend increased by 17.5%. The number of full-time equivalent jobs supported by the sector also increased by 7.1%.

Additional research commissioned by Derbyshire County Council and the D2N2 LEP in 2012/13 was undertaken by Colliers International and assessed the impact of the tourism industry in the county and focused on the value of tourism to the local economy<sup>14</sup>.



Using a different methodology to the STEAM framework it estimated that in 2011, just over £1bn was spent in Derby and Derbyshire by both day and overnight visitors from Great Britain and overseas.

The greatest contribution to this came from spend in 2011 by domestic day visitors. The research suggests that day visitors spent £673.8 million whilst in the county, equating to an average £29.27 spend per day visitor. Spend by domestic overnight visitors was estimated at £256 million, including £89 million being spent in Derbyshire Dales and £52 million in High Peak. The research suggests that areas outside of the Peak District have seen the fastest growth in recent years, primarily due to fewer restrictions on development and the availability of sites.

It also estimated that around 200,000 overseas residents visited Derbyshire in 2011, spending approximately £78.5 million and that domestic outbound visitors spent £27 million.

The economic contribution of the sector is measured through calculating the direct gross value added (GVA) generated by tourism. This provides an indication of the proportion of tourism activity within Derbyshire that contributes to economic growth. Colliers estimated the ratio of direct GVA to visit expenditure. This indicates that for every £1.00 of visitor spend, 39p of direct GVA is generated within the local economy. On this basis, the tourism sector within the county and Derby City is estimated to have generated £401.9 million of direct GVA in 2011.

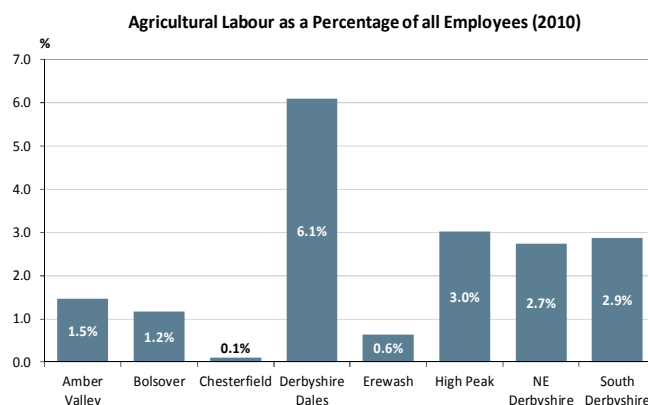
## Agriculture

Although the county has relatively higher proportions of agricultural businesses, the overall size of the agricultural workforce in Derbyshire is fairly low. According to the 2010 Department for Environment, Food and Rural Affairs Survey of Agriculture, a total of 6,201 of people work on commercial agricultural holdings<sup>15</sup> within Derbyshire. This represents approximately 2.1% of all employees, higher than the national average of 1.3%.

Since 2000, employment levels in agriculture have remained fairly constant. Analysis at district level shows that in 2010 Derbyshire Dales had by far the highest proportion of people employed in agriculture (6.1%) and Chesterfield the lowest (0.1%); this correlates directly to the rural/urban nature of the county.

It has not been possible to update this information since the last LEA. Localised data from the DEFRA Survey of Agriculture is only available every few years,

with the next round of data not due to be published until later in 2014.



**Source:** 2010, Survey of Agriculture and Horticulture, DEFRA and Business Register and Employment Survey, ONS (Nomis) © Crown Copyright, 2011

**Derbyshire Observatory Link:** <http://tinyurl.com/lea2014-agr-lab>

## Knowledge Intensive Economy

Innovation is a key driver in economic growth and areas with stronger knowledge assets are better placed to secure such growth. Knowledge assets reside partly in the workforce and partly in the local mix of industries. Analysis of the 'Knowledge Index' provides an assessment of Derbyshire's competitive position, based on the following three dimensions of the knowledge economy:

- **Knowledge-Intensive Activities (KIA)** - the proportion of the workforce employed in the sectors classified as knowledge-intensive by Eurostat<sup>16</sup>;  
or  
**Knowledge-Intensive Activities - Business Industries (KIABI)** - a more restrictive definition which excludes public sector activities such as health, education and local government;
- **Knowledge Workers** - the proportion of residents with high skill levels, defined as qualifications at or above NVQ4 level;
- **Knowledge Occupations** - the proportion of the workforce in the most knowledge-intensive occupations (SOC codes 1-3).

Data within the county is only reported for the NUTS 3<sup>17</sup> areas of East Derbyshire (Bolsover, Chesterfield and North East Derbyshire) and South and West Derbyshire (Amber Valley, Derbyshire Dales, Erewash, High Peak and South Derbyshire). As shown in the table that follows, Derbyshire is not well placed to share in future knowledge-driven economic growth, falling short of the national average on all measures.

Derbyshire's best results are for resident knowledge workers, where the figure in 2012 exceeds the regional

average, but many of these people will travel outside the county to work. The proportion of knowledge occupations is similar to the regional average, although well below the national figure. Examination of the figures at a more local level shows that East Derbyshire and South and West Derbyshire are similar in terms of resident knowledge workers. However, South and West Derbyshire trails behind on the proportion of knowledge occupations.

**Employment and Qualifications in the Knowledge Intensive Economy (2012)**

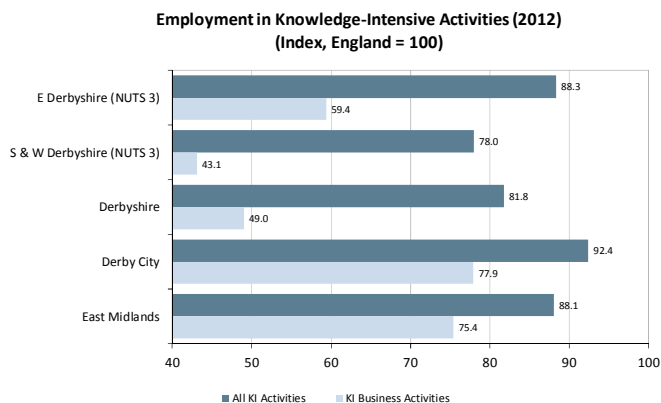
	Knowledge-Intensive Activities (%), 2012		Knowledge Workers (%) 2012	Knowledge Occupations (%) 2012	Knowledge Index (Eng=100)	
	All KIA	KIA (BI)			All KIA	KIA (BI)
East Derbyshire (NUTS 3)	38.4	12.2	29.8	43.3	91.0	81.3
South and West Derbyshire (NUTS 3)	33.9	8.9	30.8	34.0	81.5	69.9
Derbyshire	35.5	10.1	30.4	37.1	84.7	73.8
Derby	40.2	16.1	28.0	44.2	91.2	86.4
East Midlands	38.3	15.5	29.0	37.8	86.0	81.8
England	43.5	20.6	34.2	44.4	100.0	100.0

Source: 2012, Business Register and Employment Survey and Annual Population Survey, ONS (Nomis) © Crown Copyright, 2013

Where Derbyshire appears to be at significant disadvantage, however, is in the percentage of knowledge-intensive activities in its industrial structure. This problem is particularly apparent when the analysis is restricted to knowledge-intensive business industries, particularly in South and West Derbyshire.

Knowledge-intensive activities account for more than 40% of all employment at the national level and more than half of these jobs are in the public sector. Derbyshire has a smaller proportion of knowledge-intensive activities and more than two-thirds of these are in the public sector resulting in heavy reliance on a sector which is likely to be subject to significant shrinkage over the next few years. Thus the exclusion of the public sector from the analysis and concentration on business-oriented activities has a relatively greater impact on Derbyshire.

This is shown in the following chart which shows the proportions of all knowledge-intensive activities and knowledge-intensive business activities (which exclude the public sector) as indices related to England. Whereas the county's score on knowledge-intensive activities is 81.8 with the public sector included it is only 49.0 when public sector employment is excluded.



Source: 2012, Business Register and Employment Survey, ONS (Nomis) © Crown Copyright, 2013

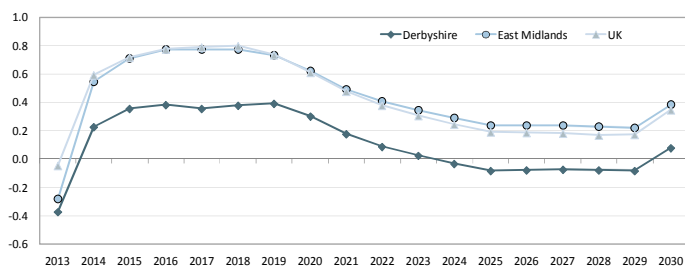
Analysis at local level shows that when public sector employment is excluded, the score in East Derbyshire falls from 88.3 to 59.4, whilst South and West Derbyshire drops from 78.0 to 43.1. The difference in the two areas is possibly due to South and West Derbyshire having a relatively larger public sector element in its industrial mix.

Overall, Derbyshire's situation in relation to the knowledge economy is not encouraging and needs to be addressed if growth is to be secured. However, the county's proximity to several universities in the neighbouring cities of Sheffield, Manchester and Nottingham which all sit within the functional economic area, provides opportunities to attract knowledge-intensive industries and to improve links between existing firms and the educational community.

## Employment Forecasts

The Derbyshire Employment Forecast Report 2013<sup>18</sup>, predicts sector-based employment each year up until 2030 and shows that employment in Derbyshire is forecast to grow by 2.0% equating to 6,900 jobs in the county by 2030. The chart below shows the forecast annual percentage change in employment with a 0.2% increase predicted in 2014, before rising on average by 0.4% per year for the rest of the decade and then remaining relatively flat before dipping slightly during the latter half of the next decade. The pace of employment growth is expected to fall short of that achieved across the East Midlands and the UK as a whole. Job creation in Derbyshire is likely to be slower over this period principally due to employment being more concentrated in sectors that are expected to show weak or no growth in the future such as the public sector.

**Forecast Percentage Annual Change in Employment  
(2013-2030)**



Source: 2012-30, Derbyshire Employment Forecast Report, Oxford Economics, research commissioned by DCC, 2013

Based on available intelligence, across the districts, Bolsover (11.8%) is expected to achieve the strongest pace of growth, followed by South Derbyshire (5.4%), and North East Derbyshire (4.2%). Erewash (-2.2%), Chesterfield (-1.6%) and High Peak (-0.8%) are expected to have fewer jobs in 2030 than today. Derbyshire Dales (1.5%) and Amber Valley (1.4%) are predicted to achieve slight growth.

A key feature of the forecasts is that employment growth across the districts is expected to be faster in the short term. This partly reflects the stage in the economic cycle, but also the demographic pressures that effect many districts over the longer term. The working age population is expected to fall in each district over the forecast period, and this places a constraint on how strong job creation can be, as a shrinking working age population puts pressure on the size of the available labour force. The point at which this feeds through to falling employment varies between districts and it is generally at least a decade away. Understanding and responding to these employment demographics is a significant challenge within the context of securing continued growth and more sustainable communities.

Employment in Derbyshire is more heavily concentrated in sectors that are expected to show limited or no employment growth in the future such as manufacturing. The county also has less exposure to private service sectors. It is important that consideration is given to whether the balance in the Derbyshire economy can be shifted more in the direction of sectors where employment growth is expected.

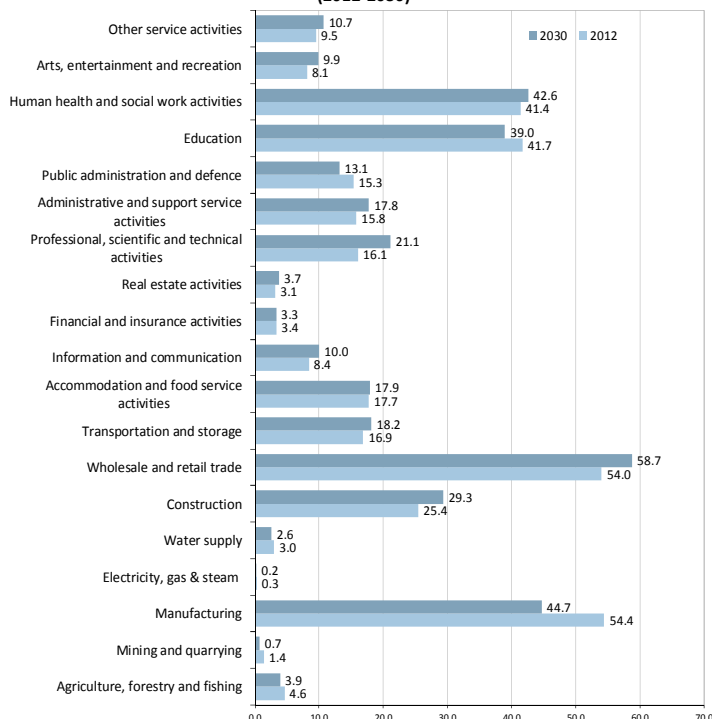
**Change in Employment by Sector (2012-2030)**

Derbyshire employment (jobs)	2012 (000s)	2012-30 % change	2012-2030 (000s) change
Agriculture	4.6	-15.3	-0.7
Mining and quarrying	1.4	-48.4	-0.7
Manufacturing	54.4	-18.0	-9.8
Electricity, gas and steam	0.3	-22.1	-0.1
Water supply & waste management	3.0	-14.0	-0.4
Construction	25.4	15.4	3.9
Wholesale & retail trade	54.0	8.7	4.7
Transportation & storage	16.9	7.6	1.3
Accommodation & food service	17.7	1.0	0.2
Information & comms	8.4	18.9	1.6
Financial & insurance	3.4	-1.4	0.0
Real estate	3.1	18.9	0.6
Professional, scientific & technical	16.1	31.5	5.1
Administrative & support service	15.8	12.4	2.0
Public admin	15.3	-14.3	-2.2
Education	41.7	-6.5	-2.7
Human health & social work	41.4	2.9	1.2
Arts, entertainment & recreation	8.1	22.1	1.8
Other services	9.5	12.6	1.2
<b>Total</b>	<b>340.5</b>	<b>2.0</b>	<b>6.9</b>

Source: 2012-30, Derbyshire Employment Forecast Report, Oxford Economics, research commissioned by DCC, 2013

Employment growth in Derbyshire will be concentrated in professional, scientific & technical activities (5,100 extra jobs by 2030), wholesale & retail trade (4,700) and construction (3,900). Most other service sectors are forecast to post modest gains over the forecast period. The exceptions are public administration and education, both of which are forecast to see job cuts over the short to medium term as a result of restrained Government spending.

**Comparison of Employment by Sector for Derbyshire (000s)  
(2012-2030)**



Source: 2012-30, Derbyshire Employment Forecast Report, Oxford Economics, research commissioned by DCC, 2013

Further, more significant job losses are forecast for the manufacturing sector despite activity continuing to rise in the region. Manufacturing employment in Derbyshire is expected to be 9,800 lower than current levels by 2030, meaning the sector will account for just

12.9% of jobs, just over half its share in 1991. Notwithstanding these trends, the forecasts for job losses in the sector are significantly less than has been seen over the past 10-20 years. This partly reflects restructuring in the industry but is also consistent with efforts by governments and others to support the sector.

Widespread commuting both within and out of the county mean job opportunities for Derbyshire residents will, in part, be shaped by the economic health of neighbouring economies. Derby is the destination for many commuters residing in Amber Valley, the Derbyshire Dales, South Derbyshire and Erewash, so job creation in the city will help to support resident employment in these areas. In High Peak, significantly more residents commute to Manchester, Stockport or Tameside than they do to parts of Derbyshire. By contrast, Sheffield's economy provides job opportunities for people living in Chesterfield. To the South, many Erewash residents work in Nottingham.

It is important to note the D2N2 has set a target of 55,000 additional jobs across the D2N2 area between 2013 and 2023. Based on its share of current employment in D2N2, this would imply Derbyshire's contribution would be approximately 18,000 jobs. The Derbyshire Employment Forecast Report predicts that there will be growth of 9,300 jobs in the county between 2013 and 2023, which would suggest the D2N2 target is exceptionally challenging and would require significant policy intervention to achieve the target.

Further information from the Employment Forecast Report can be found at: <http://tinyurl.com/lea2014-emp-forecasts>



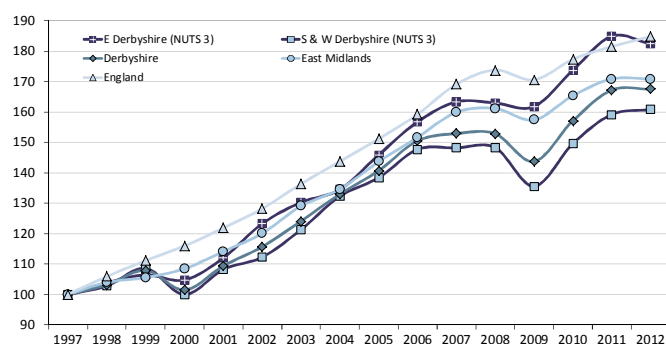
### Gross Domestic Product

The latest Gross Domestic Product (GDP) data indicates that the UK economy is showing signs of recovery. In quarter 4 of 2013, GDP was estimated to have increased by 0.7%<sup>19</sup>, slightly down on the third quarter's rise of 0.8%. The latest figure is the fourth consecutive quarter in which the national economy has expanded, suggesting an improving picture in UK economic output. GDP was 2.8% higher in quarter 4 of 2013 compared with the same quarter a year ago and annual GDP growth is estimated to be the strongest since 2007. However, it is important that the latest results are put into context. GDP for quarter 4 of 2013 (£387.7 billion) is still 1.3% below the peak in quarter 1 of 2008 (£392.8 billion) which suggests the national economy has some way to go before previous levels are enjoyed again.

### Gross Value Added

Gross Value Added (GVA) is a measure of economic output. It is defined as the value of all goods and services that have been produced in an area, less the cost of all inputs and raw materials that are directly attributable to that production. It can be used to provide an indication of a local area's contribution towards the national economy.

Headline GVA at Current Basic Prices (1997-2012)  
(Index, 1997=100)



Source: 1997-2012, Regional Gross Value Added, ONS © Crown Copyright, 2013

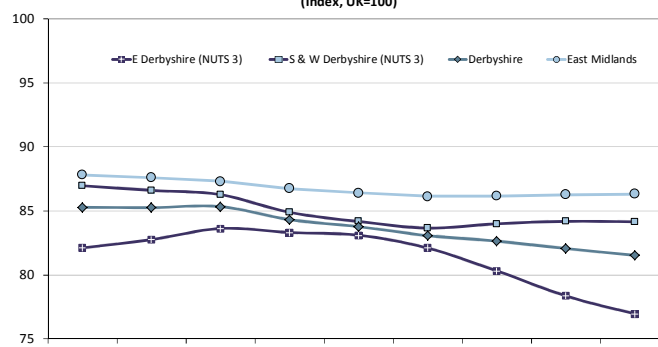
Derbyshire Observatory Link: <http://tinyurl.com/lea2014-gva>  
Excel Data Link: <http://tinyurl.com/lea-2014-Chptr2-table4>

In 2012, Derbyshire's businesses contributed a total of £11.4bn, 1.0% of the GVA for England as a whole. The total GVA figure is 0.2% higher than in the previous year and 16.5% higher than in 2009, when the impact of the recession on GVA was at its greatest. The level of increase in headline GVA in Derbyshire since 2009 compares favourably with that of 8.3% for England as a whole, suggesting that the county's economy has responded relatively well following recession, although

the increase of 0.2% compared with 2011 indicates a possible slowing in growth. The respective figures for East Derbyshire (Bolsover, Chesterfield and North East Derbyshire) and South and West Derbyshire (Amber Valley, Derbyshire Dales, Erewash, High Peak and South Derbyshire) NUTS 3 areas over the period 2009 to 2012 were 12.7% and 18.6%.

GVA can also be used to assess productivity. The productivity per hour worked in Derbyshire in 2012 was £21.80, an increase of 14.2% since 2004. This is lower than the regional and national increases of 20.2% and 23.6%. Additionally, in 2012 productivity in Derbyshire was only 78.4% of the national average and since 2006 productivity has declined steadily compared with both the UK and East Midlands.

Headline GVA at Current Basic Prices per Hour Worked (2004-2012)  
(Index, UK=100)



Source: 2004-2012, Sub-regional Productivity, ONS © Crown Copyright, 2014

Derbyshire Observatory Link: <http://tinyurl.com/lea2014-gva>  
Excel Data Link: <http://tinyurl.com/lea-2014-Chptr2-table5>

Productivity results for the two NUTS 3 areas of Derbyshire are different. Productivity in South and West Derbyshire has been greater than that in East Derbyshire throughout the period 2004 to 2012. The productivity index for South and West Derbyshire declined steadily between 2004 and 2009 but since the recession appears to have stabilised. However, in East Derbyshire the index increased slightly up to 2006, but since then has fallen back to below its 2004 level.

Derbyshire's relatively low productivity score is partly a legacy from its industrial past and its continued dependency on some traditional manufacturing industries which are lower skilled and lower value added. However, the fact that the situation is deteriorating in comparison with the East Midlands and England is a concern. Within this context improving the resilience within the Derbyshire economy will remain a key objective – ensuring traditional sectors are strengthened but new higher value industries encouraged. The focus on priority sectors by D2N2 discussed earlier in the chapter aims to support this.

### Active Enterprises

The number of active<sup>20</sup> businesses registering for VAT has been used to provide an indication of the level of entrepreneurship in the local economy. From 2009, the ONS Business Demography series replaced the previous BERR Business Start-ups and Closures: VAT registrations and De-registrations series and also includes for the first time, businesses with employees that are not registered for VAT.

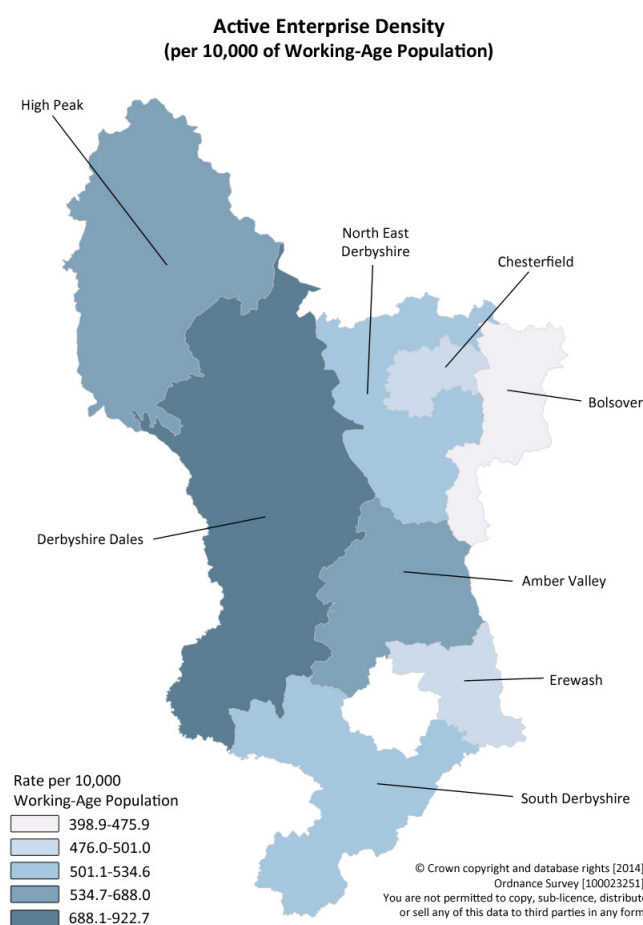
It should be noted that the new Business Demography dataset has a higher number of active businesses than the 'UK Business: Activity Size and Location' publication. This is because the Business Demography methodology takes into account businesses that were active at any time during the reference year, whereas the 'UK Business: Activity Size and Location' publication is based on a snapshot taken from the Inter-Departmental Business Register at a point in time in March.

number of active enterprises whilst Bolsover (1,930) had the lowest.

The county has a higher business density (552.7 active enterprises per 10,000 working age population aged 16-64) than the East Midlands (536.3) but lower than England (603.5). Within the county, business density is greatest in Derbyshire Dales (922.7) and lowest in Bolsover (398.9).

Compared with 2011, there was a slight fall (-0.4%) in the number of active enterprises in Derbyshire. Regionally (0.6%) and nationally (1.4%) there were slight increases. Within the county, the North East Derbyshire area saw the greatest decline (-1.8%) and Bolsover the greatest increase (2.1%).

Excel Data Link: <http://tinyurl.com/lea-2014-Chptr2-table6>

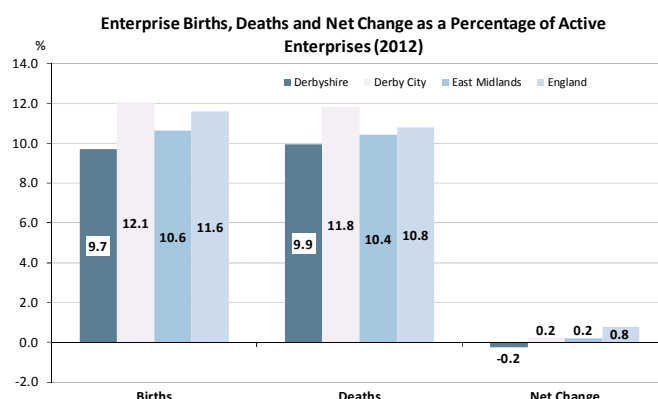


Source: 2012, Business Demography, ONS © Crown Copyright, 2013  
Derbyshire Observatory Link: <http://tinyurl.com/lea2014-act-ent>

In 2012, there were a total of 26,910 active enterprises within Derbyshire. Across the county this varied considerably, Amber Valley (4,210) had the highest

### Enterprise Births, Deaths and Net Change

In 2012, although the number of business start-ups was lower than the national average, business survival rates were strong. The rate of new enterprise births<sup>21</sup> in Derbyshire stood at 9.7% (total of 2,610 births), lower than both the regional (10.6%, total of 16,625 births) and national rates (11.6%, total of 239,975 births). Enterprise deaths<sup>22</sup> stood at a rate of 9.9% in 2012 (total of 2,675 deaths). This rate is lower than the regional (10.4%, total of 16,305 deaths) and national (10.8%, total of 223,800 deaths) enterprise death rates.

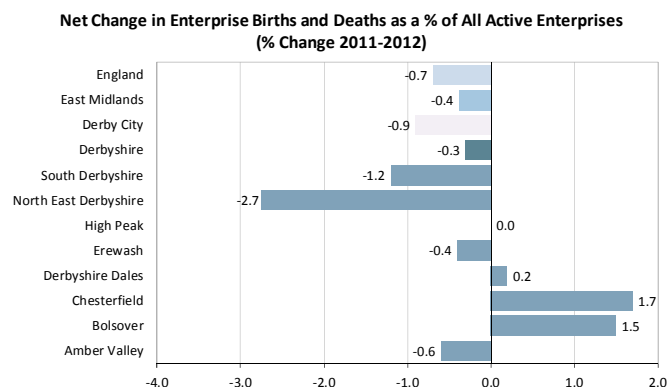


Source: 2012, Business Demography, ONS © Crown Copyright, 2013  
Derbyshire Observatory Link: <http://tinyurl.com/lea2014-ent-birth-death>

Looking at net change, Derbyshire had slightly fewer enterprise births than deaths in 2012, with a net difference of -0.2% points. Across the East Midlands (0.2% points) and England (0.8% points) there were marginal net increases. In 2012, only three districts within Derbyshire, Bolsover (1.8% points), Chesterfield

(1.1% points) and High Peak (0.8% points) experienced a net gain in businesses. North East Derbyshire experienced the greatest net loss of businesses (-2.0% points).

Despite there being fewer business births than deaths in the county, the figures are an improvement on both 2009 and 2010 when the impact of the recession was greatest. Three districts, Bolsover, Chesterfield and Derbyshire Dales saw an improvement in net change of enterprise births over deaths from 2011 to 2012.



Source: 2012, Business Demography, ONS © Crown Copyright, 2013

Derbyshire Observatory Link: <http://tinyurl.com/lea2014-ent-birth-death>

## Self-Employment Levels

Self-employment levels also help to provide an indication of the level of entrepreneurship in an area. In September 2013, approximately 47,700 individuals were self-employed within Derbyshire. This equates to 9.9% of the working age population, comparable to that nationally (9.8%) and higher than the regional rate (8.4%). The self-employment rate for males is nearly double that for females, similar to regional and national levels. Across the county, Derbyshire Dales (17.9%) has the highest level of self-employment and Chesterfield (5.7%) the lowest.

During the economic downturn, the number of people becoming self-employed in the county had been on a general upward trend, increasing at a faster rate than that nationally. However, since peaking in September 2012, the rate of self-employment in Derbyshire has declined slightly, as it has regionally. Across England self-employment levels have remained static over the last year.



Source: Oct 2012-Sep 2013, Annual Population Survey, ONS (Nomis) ©

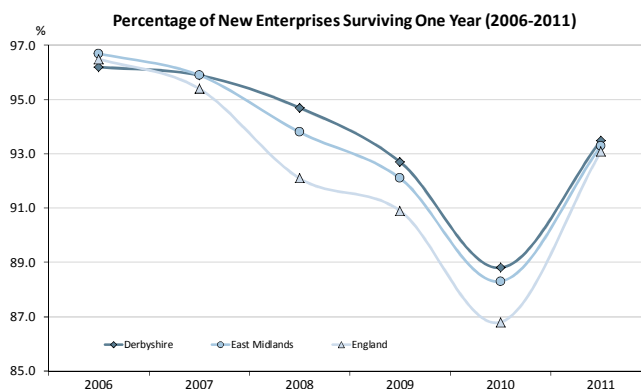
Crown Copyright, 2014

**Note:** The black lines indicate the level of confidence for each value on the graph. Longer/wider intervals mean more uncertainty. When two intervals do not overlap it is reasonably certain that the two groups are truly different. Chesterfield confidence interval has been removed due to the small sample size.

Derbyshire Observatory Link: <http://tinyurl.com/lea2014-self-emp>

## Business Survival Rates

Information on business survival rates offers some insight into the stability of an area's business base. 93.5% of enterprises born in 2011 in Derbyshire survived for at least one year. This is marginally higher than the survival rates in the East Midlands (93.3%) and England (93.1%). Within the county, North East Derbyshire (95.2%) and Chesterfield (94.5%) had the highest survival rates in 2011. Bolsover (91.2%) and Derbyshire Dales (91.7%) had the lowest rates.



Source: 2012, Business Demography, ONS © Crown Copyright, 2013

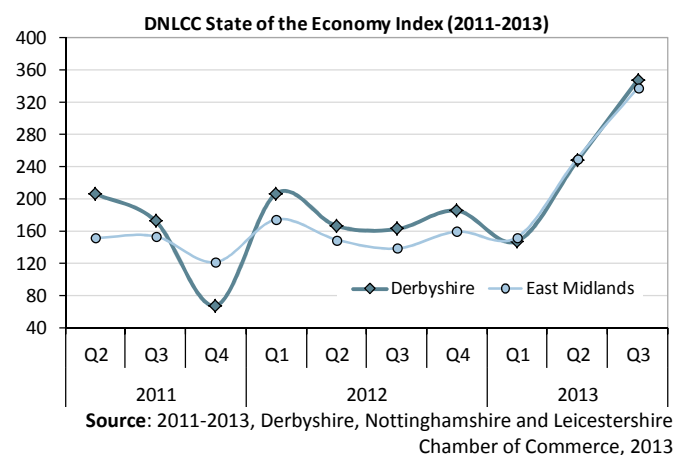
Derbyshire Observatory Link: <http://tinyurl.com/lea2014-ent-surv-rates>

One year survival rates for new enterprises in Derbyshire have fluctuated over the years peaking in 2006 with a rate of 96.2%. However, between 2006 and 2010 one year survival rates dipped across the country generally, with rates starting to recover in 2011.

For new enterprises established within Derbyshire in 2009, 61.2% survived at least three years. This is slightly higher than both the East Midlands (60.6%) and England (59.7%). Locally, South Derbyshire and Amber Valley had the highest proportion of enterprises surviving 3 years, whilst Chesterfield and Bolsover had the lowest.

### Local Business Surveys

Consultation with local businesses provides invaluable insight into the factors that are currently hindering business investment and economic growth. The Derbyshire, Nottinghamshire and Leicestershire Chamber of Commerce (DNLCC) undertakes a quarterly survey on the current factors affecting businesses in the two counties.



In quarter 4 of 2012, although the national economy continued to experience difficulties, the rate of economic growth in Derbyshire improved with performance remaining ahead of the East Midlands. Improved UK sales and orders were largely responsible for the growth including increased exports outside of the Eurozone. Looking forward employers were less positive for future employment levels and business confidence, although Derbyshire businesses were more confident than across the DNLCC areas as whole. There was a rise in the number of Derbyshire firms reporting they were under pressure to increase their prices during the next quarter.

Although the national economy is estimated to have grown slightly in quarter 1 of 2013, locally the rate of economic growth dipped, with performance falling slightly below that of the region for only the second time in the previous two years. Tightening cashflow and falling domestic sales contributed to this decline, with the adverse weather impacting significantly on the retail sector. Export sales in the county also fell whereas in Nottinghamshire there had been marginal improvement. The survey also reported a fall in the confidence of Derbyshire firms about future profitability, with future orders in both the domestic and export markets decreasing. The county's firms were, however more positive about future employment levels. Against a backdrop of declining retail sales nationally and a continued contraction in manufacturing output, the UK labour market remained subdued within a largely stagnant economy in quarter

1 of 2013. Manufacturing firms locally did, however, report cautious optimism concerning longer-term sales and orders.

The impact of the strengthening national economy cascaded through to local businesses in quarter 2 of 2013. Derbyshire firms recorded their strongest results in two-and-a-half years, although performance remained slightly below that for the East Midlands. Easing cashflow and strong UK sales were key factors in the improvement locally, although traditional high street stores continued to be squeezed by out of town and online retailers. There was also a rise in the confidence of Derbyshire businesses about future profitability, encouraged by increasing domestic and export orders going forward into quarter 3 of 2013. The improvement in the provision of working capital and the flow of money to support growing businesses has also been a factor. There was also a rise in the proportion of the county's businesses who said they expected to expand their workforce and increase the level of training. Looking ahead, over half of respondents across the DNLCC area cited competition as their biggest concern, with many firms diversifying their products and services and innovating to increase market share.

The continued strengthening of the national economy during quarter 3 of 2013 again filtered through to local businesses, with the further improvement seeing results nudge above the region. There was a rise in the confidence of Derbyshire businesses about both future profitability and turnover, encouraged by increased UK orders going forward into quarter 4. However, this buoyancy didn't continue into overseas markets where there was stagnation in export sales and orders. There was no net improvement in export orders in Derbyshire firms compared with the previous quarter, whereas, regionally there had been a net improvement of 9%. This improvement in business confidence did, however, filter through to the investment plans of Derbyshire businesses with a net improvement of 21% compared with 11% across the East Midlands in the plans for new plant and machinery. There was also an increase in the proportion of the county's firms who had expanded their workforce in the previous quarter although businesses were uncertain whether this would continue through to quarter 4 of 2013.



### Hard to Fill Vacancies and Skills Shortages

For the vast majority of establishments, demand for skills is met through successful recruitment or through their current workforce. Data from the Employer Skills Survey undertaken by the UK Commission for Employment and Skills, provides information on skill levels and workforce development.

There were over 5,300 vacancies in Derbyshire at the time of the 2011 Employer Skills Survey, an increase of 4,400 since 2009, when the country was in recession and employers were more cautious in the recruitment market.

In 2011, Derbyshire employers reported experiencing less difficulty in employing staff than those in the wider East Midlands and England. 17.4% of vacancies in Derbyshire were regarded as hard to fill, compared with 19.1% in the region and 21.7% nationally. In addition, 71.6% of those hard to fill vacancies were due to skills shortages in Derbyshire compared with 79.9% in the region and 74.1% nationally.

% of Hard to Fill Vacancies and Skills Shortage Vacancies (2007-2011)

Area	Hard to Fill Vacancies as a % of all Vacancies			Skills Shortage Vacancies as a % of Hard to Fill Vacancies		
	2007	2009	2011	2007	2009	2011
Derbyshire (excluding Derby)	–	20.9	17.4	–	70.8	71.6
Derby and Derbyshire	25.2	24.2	16.8	66.8	58.7	72.9
East Midlands	29.6	18.5	19.1	69.7	70.8	79.9
England	29.6	22.3	21.7	70.9	73.1	74.1

Source: 2007-2011, National Employer Skills Survey, 2007 and 2009 and Employer Skills Survey 2011, UK Commission for Employment and Skills, 2012

Around a third of all skill shortage vacancies within Derbyshire are within skilled trade occupations (this occupational group includes skilled agricultural, electrical, construction and textiles trades). This is substantially higher than the proportions seen regionally (16.8%) and nationally (17.1%). There was a large decrease in the proportion of skills shortage vacancies for professional occupations (this occupational group includes science, health, educational and media professionals) from 18.5% in 2009 to 7.5% in 2011.

% of Skills Shortage Vacancies by Occupation (2011)

Occupations (2011)	Derbyshire (excluding Derby City)	East Midlands (%)	England (%)
Managers and senior officials	2.7	6.2	3.9
Professionals	7.5	12.1	18.3
Associate professionals	4.1	12.6	20.5
Administrative staff	6.1	6.8	6
Skilled trades people	32.8	16.8	17.1
Caring, leisure and other services staff	15.6	23.3	14.4
Sales and customer service staff	8.1	5.1	6.4
Machine operatives	7.3	5.6	4.3
Elementary staff	15.7	10.9	7.9
Unclassified staff	–	0.6	1.2
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Source: 2011, Employer Skills Survey, UK Commission for Employment and Skills, 2012

### Skills Gaps

For the vast majority of businesses, the entire workforce is regarded as being fully proficient at their job roles. The percentage of employers reporting skills gaps<sup>23</sup> in their workforce in Derbyshire was 13.8% in 2011, lower than the regional (15.0%) and national (17.5%) figures. This equates to skills gaps in 3.8% of jobs, also lower than in the East Midlands (5.9%) and England (5.7%). Since 2009, there has been an improvement in the skills gap picture locally, a fact likely to reflect the economic climate in recent years. The UK Commission for Employment and Skills has indicated that the recession has helped to plug skills gaps in firms, outlining that fewer employers recruited during the height of the economic downturn focusing on training and boosting the skills of their current workforce more, but when they did recruit employees they found it easier to get the employees needed.

% of Skills Gaps by Employers and Jobs (2007-2011)

Area	% of Employers with Skills			Skills Gaps as % of Jobs		
	2007	2009	2011	2007	2009	2011
Derbyshire (excluding Derby City)	–	18	13.8	–	5.9	3.8
Derby City and Derbyshire	14.7	17.9	14.7	5.8	5.8	6.2
East Midlands	14.9	17.9	15	6.3	6.9	5.9
England	15.3	19	17.5	6.1	7.4	5.7

Source: 2007-2011, National Employer Skills Survey, 2007 and 2009 and Employer Skills Survey 2011, UK Commission for Employment and Skills, 2012

By occupation, the highest proportion of skills gaps in Derbyshire in 2011 was for machine operatives (19.2%). This is much higher than in the East Midlands and particularly England. There were also a higher proportion of skills gaps in skilled trades. Both of these are likely to reflect the greater manufacturing profile in the county. Conversely skills gaps in sales and customer service, administrative and clerical, and professional occupations were less prominent.

**% of Skills Gaps by Occupation (2011)**

Occupations (2011)	Derbyshire (excluding Derby City) (%)	East Midlands (%)	England (%)
Managers and senior officials	11.8	9.5	11.3
Professionals	4.5	7.7	9.1
Associate professionals	3.8	4.5	5.7
Administrative staff	7.4	11.9	11.7
Skilled trades people	11.1	6.1	6.2
Caring, leisure and other services staff	11.9	11.5	8.7
Sales and customer service staff	11.6	16.6	19.7
Machine operatives	19.2	13.0	8.3
Elementary staff	18.8	19.3	19.4
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Source: 2011, Employer Skills Survey, UK Commission for Employment and Skills, 2012

Skills gaps in Derbyshire had less of an impact for employers in the county. Only 11.7% of firms with skills gaps in Derbyshire in 2011 said that this was causing them 'a major impact', lower than for the East Midlands (14.8%) and England (15.1%).

However, the resulting challenge for employers with skills gaps is increased workload for other staff with consequences for increased operating costs, quality standards, introducing new working practices, or losing business orders to competitors.

## Future Skills Demand

Higher level skills are important if the demands of a developing economy are to be met. D2N2's growth objectives for increased innovation and high technology manufacturing mean there is a requirement for a higher skilled, more flexible workforce. This also impacts on training provision and qualification levels (see Chapter 3) and the interventions that need to be developed to help people into employment.

D2N2 has published its 'Skills for Growth Strategy 2013-15' which informs and supports those with a keen interest and determination to go faster in improving the competitiveness of their business. It also seeks to combat poverty and worklessness through early intervention and new initiatives. Raising ambition amongst businesses and aspiration in the workforce are both vital to the success of the local economy.

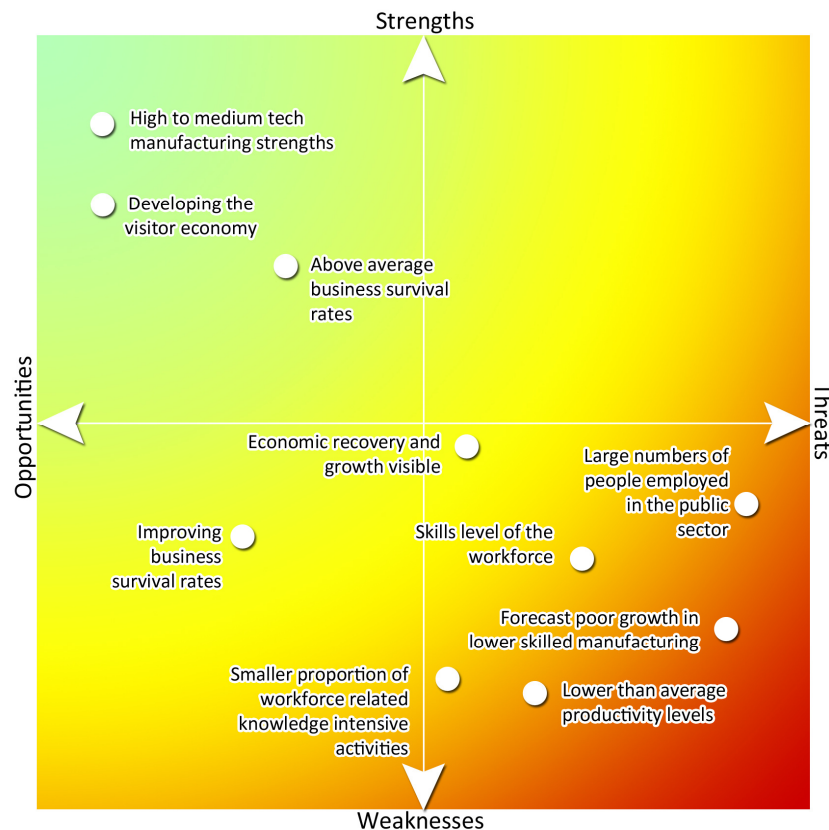
To help achieve this, six key priorities for action have been identified, within the D2N2 Skills for Growth Strategy:

- Priority 1: Develop sector growth agreements to make explicit ownership and shared responsibilities for investment, ICT, labour market intelligence and impact measures.
- Priority 2: Improve business leadership, management skills and training needs analysis to help increase productivity and performance.

- Priority 3: Promote and develop apprenticeships and traineeships to achieve higher level skills and improve social mobility.
- Priority 4: Foster enterprise and the characteristics of entrepreneurial behaviour, career adaptability and resilience.
- Priority 5: Raise the visibility of and access to career insights and specialist careers support for young people and adults to raise aspirations, participation, retention and achievement in learning and work.
- Priority 6: Promote graduate recruitment and facilitate graduate retention in the region

These priorities need to shape the development of the County Council's Employment Strategy for Young People.

A full version of the D2N2 Skills for Growth Strategy can be accessed: <http://tinyurl.com/lea2014-d2n2-skills>



### What does the analysis tell us?

Derbyshire's economy has been relatively resilient during the economic downturn, with above average employment and GVA growth since the recession. However, the county's increase in employment during the growth cycle of 1998 to 2008 was below both the regional and national averages, suggesting there is both the potential, and need, for the local economy to grow. Whilst the national economy is showing signs of returning to a period of growth, it is not clear at this stage if this is sustainable or how the recovery might impact on specific sectors of the county's economy. It is also anticipated that the full impact of cuts in Derbyshire's public sector have yet to be felt. As a result, it is difficult to determine a specific policy response and it may be appropriate for economic policy to have a broad based approach which allows for flexibility in a period of uncertain change.

Derbyshire's economy has significant strengths in manufacturing. Although the level of people employed in manufacturing has declined over recent years, almost 20.0% of people are still employed in the sector, which is more than double that nationally. The county manufactures high-tech goods which are utilised in the supply chain of world-renowned multi-nationals, such as Rolls Royce and Toyota. Although high-tech

manufacturing currently accounts for only a small part of Derbyshire's economy there is more medium to high-technology manufacturing employment than both the regional and national averages. However, it is the lower-skilled traditional manufacturing businesses that form the largest part of the manufacturing sector in the county, employing 38,700 people.

Forecasts indicate that around 10,000 jobs will be lost in the county's manufacturing sector between 2012 and 2030. It is likely that a large number of these will be in lower-skilled manufacturing, leaving this area of the economy vulnerable. In contrast, the high-tech manufacturing sector is forecast to be a growth area and this will bring opportunities. To ensure the best outcomes for Derbyshire's economy as a whole, policy intervention needs a two-pronged approach: building on the strength in medium to high-tech manufacturing to maximise employment growth in the sector whilst arresting some of the decline in traditional lower skilled manufacturing by providing strong support to the sector to help it modernise and ensure it continues to play an important role in the local economy.

The level of entrepreneurship in Derbyshire is an issue, with the county continuing to have below average levels of business start-ups. However, the number of business closures is lower than both the regional and national rates, indicating that once a business is

established it does have more chance of survival than elsewhere in England. For example, three-year business survival rates are higher than both the national and regional rates, showing that Derbyshire's small businesses have been resilient in tougher economic times. It is not clear why the county tends to have relatively low levels of business start-ups but good business survival rates. The former may reflect the net movement of graduates away from the county to neighbouring cities, whilst the latter may be linked to the support available to businesses in the county. Encouraging more entrepreneurship and business start-ups is essential for future growth and local prosperity. Young people, those looking for second careers or 'job changers' should be targeted for support and advice to help encourage new start-ups. There may be scope to target small grant schemes for business enterprise.

The D2N2 LEP has set an ambitious target of creating 55,000 additional jobs across the D2N2 area by 2023. Whilst no specific targets have been set for Derby, Derbyshire, Nottingham or Nottinghamshire, a simple pro-rata calculation based on the relative size of the Derbyshire economy would suggest the county's contribution to the D2N2 job growth is approximately 18,000 jobs. Independent employment forecast data indicates this target is challenging, with the current figures predicting that only an additional 9,300 jobs will be created by 2023 based on current growth rates and interventions. Employment growth in Derbyshire is expected to fall short of that achieved across the East Midlands and the UK due to employment being more concentrated in sectors that are expected to show weak or no growth in the future, and a forecast fall in the working age population. Strong policy intervention is needed to address the shortfall.

The balance between public and private sector employment in Derbyshire provides further context to this challenge. Although the majority of jobs in Derbyshire (75.0%) are within the private sector, this is below the national average, with only a few large, private sector employers based in the county. Conversely, Derbyshire has relatively large numbers of people employed in the public sector, with Chesterfield and Derbyshire Dales having the highest public sector employment rates in the D2N2 area. Whilst the public sector has continued to grow since the economic downturn, the private sector has shrunk in comparison, with the respective percentage change between 2009 and 2012 being 19.8% and -1.2%. However, public sector organisations will continue to face the challenges of reducing budgets and job losses in the short to medium term. Forecasts also suggest that the bulk of future employment growth will be in the private sector, so maximising the growth of this sector

will need to be an important strand of future economic policy.

The level of employment in knowledge-intensive occupations in Derbyshire is currently below average and those who are employed in this sector are largely confined to the public sector. With the absence of a major urban centre (outside of Derby), Derbyshire may not attract the same numbers of highly skilled individuals as city centres. Many residents with 'high knowledge' (qualified to NVQ level 4 or above) commute outside the county to work in the urban centres of Derby, Sheffield or Nottingham. Innovation is a driver for economic growth and a highly-skilled workforce is key to this. These low levels of knowledge-intensive occupations have potentially negative implications for economic growth and productivity and this needs to be addressed.

The employment sectors where the greatest growth is forecast include professional, scientific and technical (which includes firms such as those in the high skilled engineering sector); wholesale and retail; construction; information and communications, and transportation and storage. Drawing investment into higher growth sectors such as these is likely to prove beneficial to the economy locally and ensuring appropriate support packages and infrastructure are in place will help in attracting new high value businesses. A number of high value engineering firms in the county feed into the supply chain of the transport equipment manufacturing sector, which has bases in Derby, so building on this presence will be important for future growth.

A good broadband infrastructure is essential to all businesses locally, not just information and communications-based firms but for the county's heritage and craft sectors also. It will be a significant factor in attracting growth in online retail and will need to be underpinned by support for small, on-line retailers, as well as targeted help for the traditional high street.

Derbyshire is a popular tourist destination and has a strong visitor economy employing over 20,000 people. The county has spectacular landscapes in the Peak District National Park and the National Forest, and internationally renowned heritage properties such as Chatsworth and the Derwent Valley Mills World Heritage Site. The visitor economy is important to Derbyshire's rural areas and tourism contributed £1,035 million in 2011, generating an estimated £402 million in GVA. However, latest available information suggests a mixed picture. Data from the Business Register and Employment Survey on total full and part-time job numbers suggest that employment in the sector has declined since the recession, particularly for



part-time employment, whereas the national STEAM data suggests the level of full-time equivalent employment has increased. However, total visitor spend in Derbyshire has continued to increase, suggesting that businesses are succeeding and marketing is effective.

Despite GVA in Derbyshire having grown by 16.5% from the height of the economic downturn in 2009, productivity remains an issue. Since 2006, productivity in Derbyshire, relative to the UK and regional averages, has fallen and in 2012, GVA per hour worked in the county was £21.80; significantly below the £27.80 nationally. This apparent contradiction between improving GVA output but declining productivity partly reflects the high employment rates but high employment in relatively low value, low wage sectors. The low level of business start-ups, the small number of graduates working within Derbyshire and relatively poor levels of innovation also all have an adverse effect on productivity. Appropriate interventions to improve productivity will require careful consideration.

#### Summary of key issues

- Approximately 18,000 jobs to be created in Derbyshire by 2023.
- Derbyshire's GVA increased by 16.5% over the last three years.
- Derbyshire's economy has significant strengths in manufacturing with 18.0% employed in the sector.
- Business survival rates remain above average with 61.2% of businesses surviving at least three years, more than the 59.7% nationally.
- There continues to be below average levels of business start-ups with the new business formation rate 9.7% compared with 11.6% across England.
- The level of public sector employment is relatively high at 25.0%.
- Productivity in Derbyshire is £21.80 per hour worked, below the £27.80 nationally.

## Developing the economic response

### The manufacturing base

Derbyshire's business structure needs to widen so that it is less reliant on the low-skilled manufacturing sector, which is currently vulnerable to economic downturns.

The D2N2 LEP has identified high-tech manufacturing as a growth sector for the region and Derbyshire has the potential to play a key role, as currently this equates to only 0.8% of employees, compared to 9.8%

in Derby City. Manufacturing quality and high value added items will support the local and regional economy and increase GVA, stimulating further growth in the private sector and raising Derbyshire's profile in the global market place. There is a recognition that the Derbyshire economy is different to neighbouring areas and productivity levels may remain below the national average. However, the potential of ensuring under-developed sectors such as high-tech manufacturing is maximised will provide new graduate employment opportunities and increase the GVA per hour worked.

There is also potential, to further enhance manufacturing specialisms in the low carbon sector and develop new technologies to help combat climate change.

Derbyshire's traditional lower-skilled manufacturing sector remains a major employer across the county and is vital in supporting key supply chains. Partners across Derbyshire and the LEP area need to lobby to ensure that the county receives appropriate levels of support to enable businesses to survive, modernise and operate efficiently within an increasingly competitive supply chain environment. There needs to be consideration at a strategic level as to how employees in these lower-skilled occupations can receive training and support to increase their skills base; this needs to complement an active apprenticeship/traineeship programme to secure a flow of suitable employees. Supporting this building block of the manufacturing sector will also help support more employees take up opportunities in the growth sector of high and medium tech-manufacturing. Local authority partners across Derbyshire, working closely with the LEP, will prioritise improving the routes to work, training and education, especially for young people, and lower paid/lower skilled workers.

### Small and medium sized enterprises

Although business start-up rates in Derbyshire are below the England average, business survival rates remain above those nationally. Small businesses need to be supported and encouraged through sound advice to ensure new business ventures can survive past the vulnerable first few years. Entrepreneurship needs to be encouraged and developing small businesses in growth sectors will help ensure economic growth. The development of the proposed D2N2 Growth Hub<sup>24</sup> and the better coordination of information, advice and guidance to business is vital, as is the continued delivery of Regional Growth Fund schemes such as the Global Derbyshire Small Business Support programme.

## Investment and promotion

Attracting large-scale private sector employment to strategic development sites will be a priority in the longer-term across the whole D2 (Derby and Derbyshire) area. Ensuring appropriate training and redeployment opportunities are available to help employees at threat of losing their job will help individuals stay in continued employment. An example of good practice in this regard is the Markham Vale Workplace Recruitment and Training Service which works closely with Jobcentre Plus and Chesterfield College to provide local employment opportunities relating to new development within the Enterprise zone. Strong key account management linked to a more strategic approach to inward investment will help ensure existing business needs and vulnerabilities are fully understood and the future expectations of future employers can be met.

Imaginative marketing of the whole county as a visitor destination will help support local businesses across Derbyshire to grow, including new accommodation start-ups, and will further enhance, diversify, and strengthen the visitor economy.

The LEP has identified the development of a complementary, locally produced food and drink sector as a key priority in providing small and micro-business opportunities, particularly in rural areas.

Continued analysis of trends to understand Derbyshire's economic position will continue. Local authority partners will work with regional partners to ensure that specific strategic projects are delivered to support the long-term recovery and growth of the economy for all.

## Links to the DESS

Strategic Theme – Boosting Investment and Place Making

- SO3: Attract new businesses

Strategic Theme – Fostering Enterprise and Business Growth

- SO5: Support business growth and resilience through access to high quality business support services
- SO6: Develop an enterprising culture
- SO7: Raise business productivity by encouraging more higher value added and knowledge-intensive businesses
- SO8: Maximise the potential of the visitor economy
- SO9: Strengthen the Rural Economy

Strategic Theme – Creating the Workforce to Support Growth

- SO10: Raise workforce skills
- SO11: Connect people to economic opportunity

# People and Communities

## Chapter 3





# People and Communities

## Demography

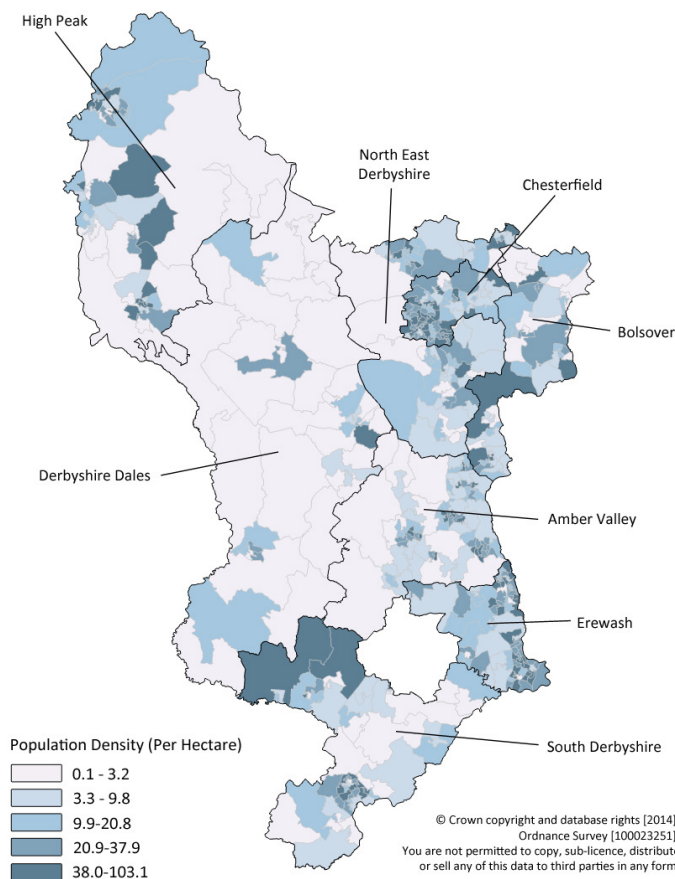
### Current Population

The population of Derbyshire at mid-2012<sup>25</sup> was estimated to be 773,500, representing 16.9% of the East Midlands's population and 1.4% of England's. 17.6% of Derbyshire's population were children aged 0-15 years, 62.9% were of working age (16-64 years), and 19.4% of retirement age (65+ years). The age profile of the county is older than that for both the East Midlands and England. Across the county, the districts of Derbyshire Dales and North East Derbyshire have notably older age profiles than the Derbyshire average and South Derbyshire has a notably younger age profile.

Excel Data Link: <http://tinyurl.com/lea2014-Chptr3-table1>

Derbyshire's population density is similar to that of the East Midlands but lower than that for England. Across the county there is great variation, ranging from sparsely populated rural areas particularly in the North and West, to market towns and larger urban settlements.

### Population Density Across Derbyshire by Lower Super Output Areas



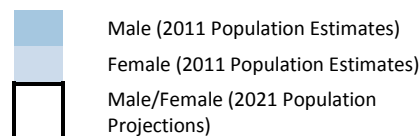
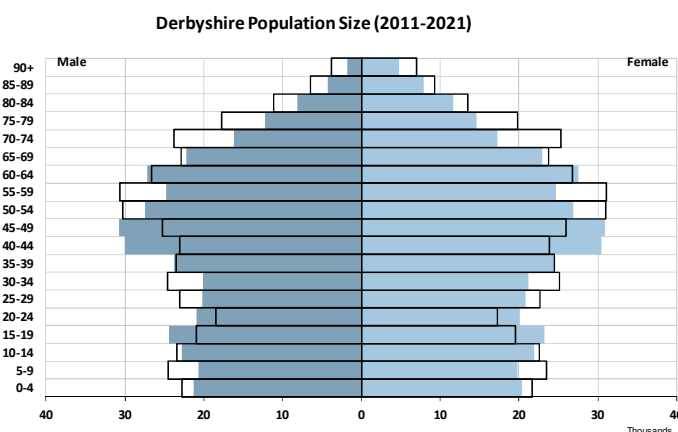
Source: 2012, Mid-year Population Estimates, ONS (Nomis) © Crown Copyright, 2013

Derbyshire Observatory Link: <http://tinyurl.com/lea2014-pop-dens>

### Population Growth

Overall, the population across Derbyshire between 2011 and 2021 is expected to rise by 6.1%. This is lower than for the East Midlands and England which are both expected to have population growth of 8.6%.

Excel Data Link: <http://tinyurl.com/lea2014-Chptr3-table2>



Derbyshire Observatory Link: <http://tinyurl.com/lea2014-pop-proj>

### Percentage Change in People Aged 65 Years and Over (2011- 2021)

Area	% Change in Older People (65+ years)
Amber Valley	31.3
Bolsover	21.4
Chesterfield	21.3
Derbyshire Dales	31.0
Erewash	23.6
High Peak	34.2
North East Derbyshire	25.3
South Derbyshire	39.0
Derbyshire	28.1
East Midlands	27.2
England	23.6

Source: 2011 based Sub-National Population Projections, ONS © Crown Copyright, 2013

Derbyshire Observatory Link: <http://tinyurl.com/lea2014-pop-proj>

By 2021, Derbyshire's population is predicted to have an older population profile than in 2011, with the number of older people forecast to increase significantly by 28.1%, higher than the national figure of 23.6%. At district level, South Derbyshire is predicted to have the greatest increase in older people and Chesterfield the lowest. By 2021, the number of children aged 0-15 years in the county is set to increase by 8.1%. This is lower than proportions expected



regionally (11.7%) and nationally (12.6%). Derbyshire's working age population is also projected to fall by -1.0%. However, regionally (2.8%) and nationally (3.7%) increases are expected.

Across the county, South Derbyshire has experienced significant population growth over the last 10 years. This can be linked primarily to the high level of new housing and road developments that have taken place in the district. Significant growth in South Derbyshire is also expected to continue with a projected increase of 13.3% between 2011 and 2021. Elsewhere, population growth will be much less, particularly in Chesterfield (3.3%) and Derbyshire Dales (3.5%).

Derbyshire Observatory Link: <http://tinyurl.com/lea2014-pop-proj>

## Old Age Dependency Ratio

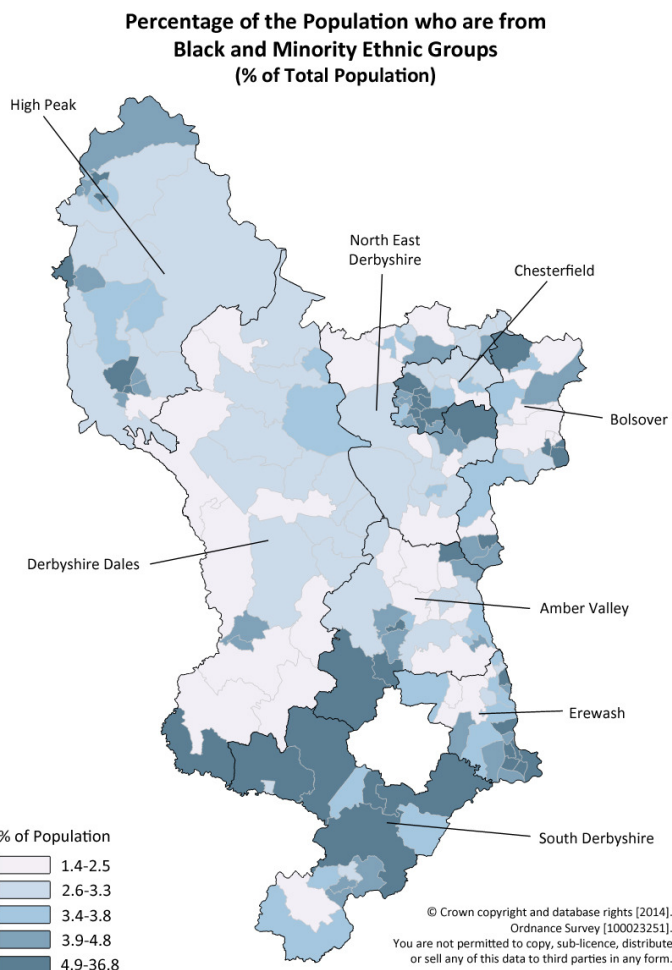
By 2021, the working age population (16-64) in Derbyshire is set to have decreased slightly (-1.0%) compared to a substantial increase (28.1%) in the population over retirement age (65+). This places an increased burden upon the working population to provide support and increase productivity.

In 2011, the old age dependency ratio<sup>26</sup> in Derbyshire was 29.4, higher than both the East Midlands (26.7) and England (25.4) ratios<sup>27</sup>. Locally, Derbyshire Dales had the highest dependency ratio (36.7) and South Derbyshire the lowest (24.1). This is due to the large elderly population within Derbyshire Dales and the current younger age structure of South Derbyshire.

By 2021, the old age dependency ratio in Derbyshire is set to increase further to 38.0, higher than the figures for the East Midlands (33.1) and England (30.3%). The districts of Derbyshire Dales (51.6) and North East Derbyshire (44.6) are forecast to have considerably higher old age dependency ratios.

## Black and Minority Ethnic Population

Whilst the county's BME population has grown by 12,100 since the last Census, Derbyshire has a significantly lower ethnic population (4.2%) than both the East Midlands (14.6%) and England (20.2%). Across the county, South Derbyshire (6.0%) has the highest BME population. This is due to one particular ward very close to Derby City (Stenson) where BME levels are almost nine times higher than Derbyshire's at 36.8%. Other areas with large BME populations include Long Eaton, Chesterfield, Shirebrook and Buxton. North East Derbyshire has the lowest BME population of all Derbyshire districts (3.1%).



Source: 2011 Census, Table KS201EW, Ethnic Group, ONS (Nomis) © Crown Copyright, 2012

Derbyshire Observatory Link <http://tinyurl.com/lea2014-bme-pop>

## Economic Migration

In 2012/13, the number of adult overseas nationals registering for a national insurance number in Derbyshire stood at 1,262. This represents just 4.2% of all East Midlands NINO allocations and less than 0.3% of the England allocations, suggesting the county attracts relatively low numbers of international migrants. Just under half of Derbyshire's international migrants were from Poland (567). Over the period 2002/03 to 2012/13, the county has seen an increase in NINO registrations - marginally above that for the East Midlands but significantly above that for the UK, albeit from a low base. Since 2002-03, North East Derbyshire has had the lowest number of NINO registrations (1,034), and Chesterfield the highest (2,079).

Excel Data Link: <http://tinyurl.com/lea2014-chptr3-table3>

# People and Communities

## Labour Market

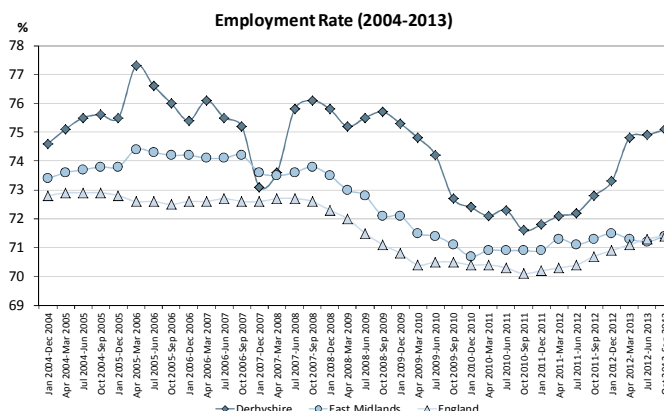
This section covers information related to the labour market and includes analysis of employment, economic activity and unemployment. The employment rate is the proportion of the working age population who are employed and differs from the economic activity rate, which is the proportion of the working age population who are in employment or who are out of work but actively looking for work.

Unemployment data in the section is mainly based on the national monthly count of people claiming unemployment-related benefits, with the unemployment rate being the proportion of the working age population who are claiming unemployment-related benefits. Long-term unemployment is based on those people who have been claiming unemployment-related benefits more than a year, with analysis focusing on the number of people who are long-term claimants as a proportion of all people who are claiming unemployment-related benefits. Analysis of black and minority ethnic (BME) unemployment is based on Census data.

### Employment Rate

In autumn 2013, the employment rate<sup>28</sup> in Derbyshire stood at 75.1%, higher than the regional and national rates (both 71.4%). Across the county, Amber Valley (78.4%) had the highest employment rate and Chesterfield (70.3%) the lowest. A possible contributory factor to some areas having lower employment rates could be due to the higher levels of limiting long-term illness experienced by former workers in the male-dominated, traditional industries in these areas.

Following the economic downturn, rises in employment levels in the county have been stronger than England and in September 2013, the employment rate for Derbyshire was 3.7% higher than that nationally. The impact of the recession on employment levels had been greater in the county, with the fall in employment rate being 4.5% points in Derbyshire, but only 2.3% points nationally.



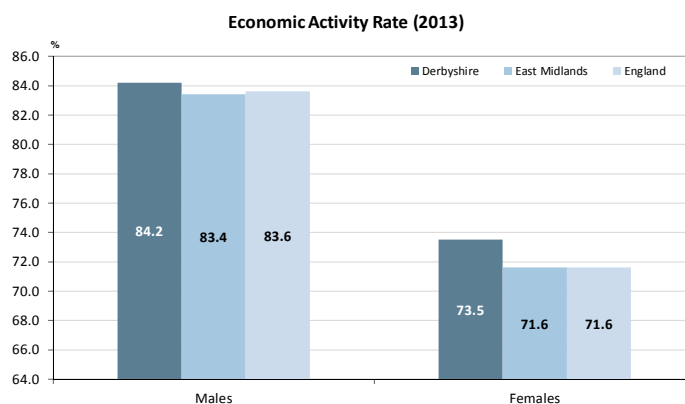
Source: 2004-2013, Annual Population Survey (Quarterly Working Age Employment Rates), ONS (Nomis) © Crown Copyright, 2014

Note: Small sampling sizes in 2007 show an abnormal figure for this year  
Derbyshire Observatory Link: <http://tinyurl.com/lea2014-emp-rate>

### Economic Activity Rate

In September 2013, the level of economic activity<sup>29</sup> in Derbyshire was 78.9%, higher than both the East Midlands (77.5%) and England (77.6%) levels. Across the county, economic activity levels varied from as low as 75.8% in Bolsover and Chesterfield to a high of 82.1% in High Peak.

Historically, the economic activity rate in the county has been higher than that regionally and nationally. However, trend data shows that the recession had a disproportionate effect on economic activity rates in Derbyshire. Locally, the rate peaked at 81.1% in September 2009 before falling. Although the rate in Derbyshire has stabilised over the last couple of years, it remains well below its peak and is now only 1.3% points higher than the national rate.



Source: 2013, Annual Population Survey, ONS © Crown Copyright, 2014

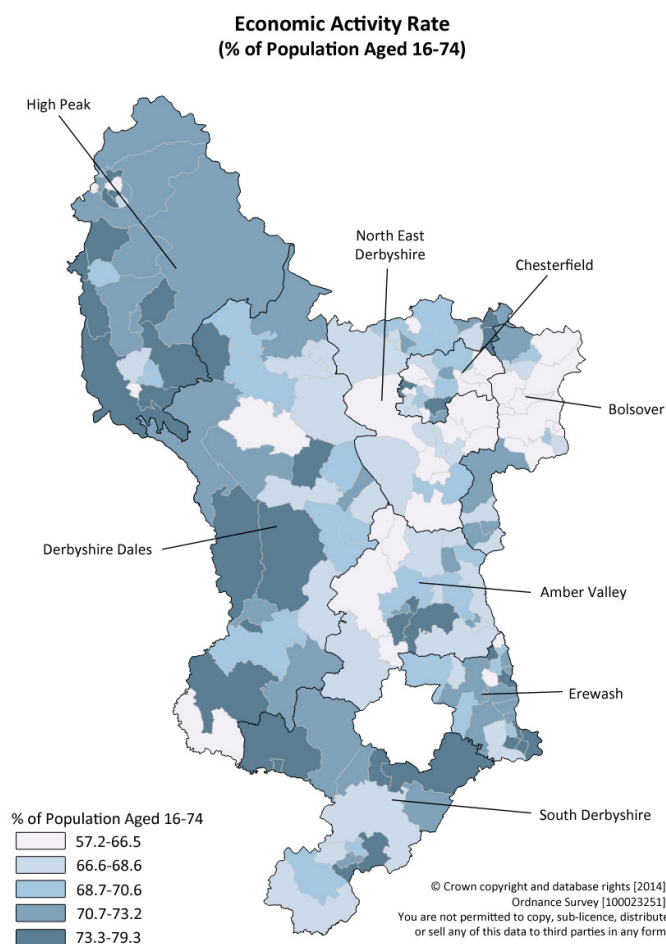
Derbyshire Observatory Link: <http://tinyurl.com/lea2014-eco-act-rate>

Data from the 2011 Census can be used to determine the pattern of economic activity at ward level across the county. The definition of economic activity from the Census uses a slightly different measure to the Annual Population Survey being based on those

people aged 16-74 as opposed to those aged 16-64.

Economic activity rates are influenced by a range of factors such as the age structure of the population, its health, educational attainment, affluence and the availability of employment opportunities. The data shows there are 13 wards with particularly high economic activity rates. These are widely dispersed across the county, with four located in South Derbyshire, three in Erewash, two in High Peak and one in each of Amber Valley, Chesterfield, Derbyshire Dales and North East Derbyshire. The wards with the high activity rates tend to be associated with higher proportions of school age children, and working age adults, lower unemployment rates and above average educational attainment.

There are 22 wards out of the 177 in the county with an economic activity rate below 65.0%. The wards that rank the lowest on economic activity are clustered in the North East of the county, notably in Bolsover and adjoining parts of Chesterfield and North East Derbyshire. In these areas, low levels of economic activity are associated with higher levels of deprivation and unemployment, health problems and lower levels of educational attainment. Examples of such wards are Rother and Loundsley Green in Chesterfield, Shirebrook North West in Bolsover and Gamesley in High Peak.



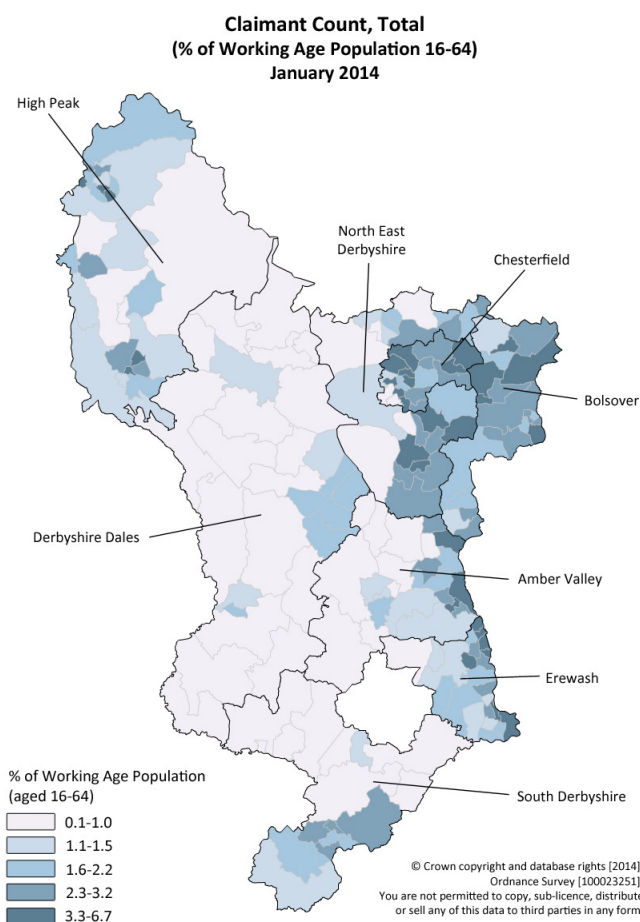
**Source:** 2011 Census, Table LC6201EW, Economic Activity by Ethnic Group by Age, ONS (Nomis) © Crown Copyright, 2012

**Derbyshire Observatory Link** <http://tinyurl.com/lea2014-ec-act-rate>

## Overall Unemployment Levels

In January 2014, the county's claimant<sup>30</sup> unemployment rate of 2.3% remained below the East Midlands (2.8%) and England (2.9%) rates. At district level, the claimant unemployment rate in Chesterfield (3.1%) exceeded the national average. The lowest rate was in Derbyshire Dales (1.1%). At a very local level, over 20% (37) of the county's wards had unemployment rates above the national average.

Wards with particularly severe unemployment problems include Gamesley (6.7%) and Barms (6.0%) in High Peak, Ilkeston Central (5.8%), Ilkeston North (5.7%) and Cotmanhay (5.3%) in Erewash, Rother (6.1%) in Chesterfield and Bolsover North West in Bolsover (5.3%). Generally, wards with higher rates of claimant unemployment are located in urban areas, such as Chesterfield, Ilkeston or Glossop. Comparatively, rural areas tend to have lower unemployment, such as North West (0.2%) in South Derbyshire and Chatsworth (0.3%) in Derbyshire Dales.



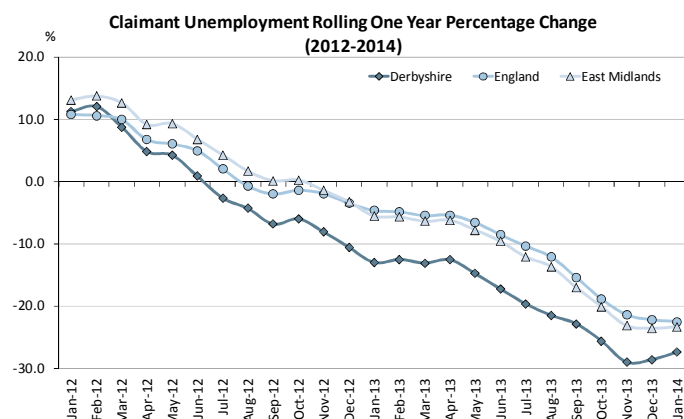
**Source:** Jan 2014, Claimant Count, ONS (Nomis) © Crown Copyright, Feb 2014

**Derbyshire Observatory Link:** <http://tinyurl.com/lea2014-unemp>

A total of 10,970 people in Derbyshire were claiming unemployment-related benefits in January 2014, -27.4% fewer than at the same time in 2013 (15,100). The recession had a substantially greater impact on claimant unemployment in Derbyshire where,



throughout the latter part of 2008 and early part of 2009, the annual rate of increase in unemployment was faster than that seen regionally and nationally.



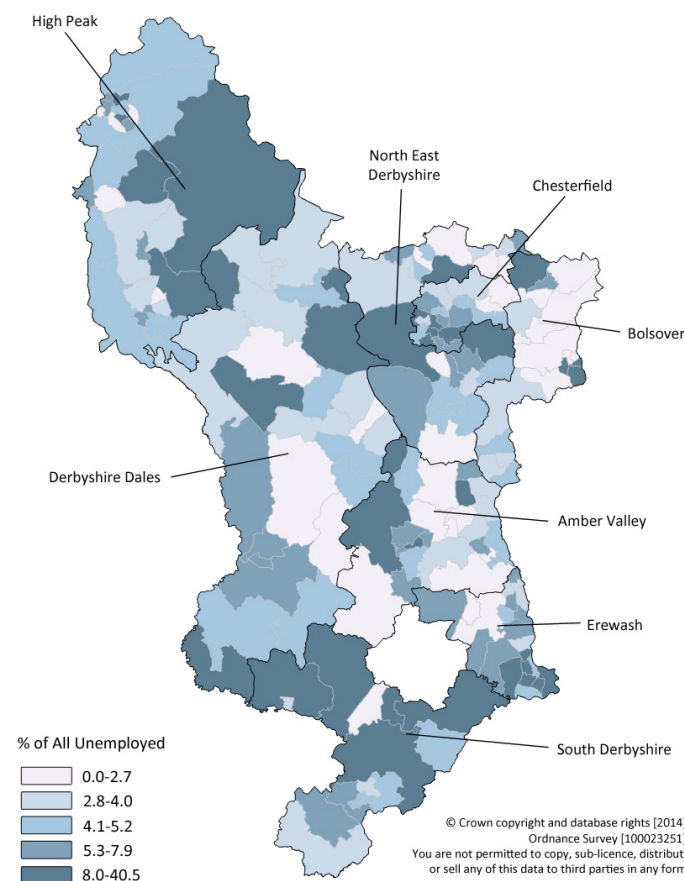
Source: Jan 2012-Jan 2014, Claimant Count, ONS (Nomis) © Crown Copyright, Feb 2014

Excel Data Link: <http://tinyurl.com/lea2014-Chptr3-table4>

However, since spring 2012, claimant unemployment levels have begun to steadily fall with the level of decline in the county being slightly greater than that in the East Midlands and England. Over the last year, the greatest rate of decline in unemployment has been shown by Amber Valley and the least by Bolsover.

Excel Data Link: <http://tinyurl.com/lea2014-chptr3-table5>

#### Black and Minority Ethnic Unemployment (% of All Unemployed)



Source: 2011 Census, Table LC6201EW, Economic Activity by Ethnic Group by Age, ONS (Nomis) © Crown Copyright, 2013

Derbyshire Observatory Link: <http://tinyurl.com/lea2014-bme-unemp>

In 2011, 5.5% of unemployed residents aged 16 or over in Derbyshire were from BME backgrounds, marginally higher than the proportion of the population aged 16 or over from BME backgrounds, at 4.0%. Although there are slightly more residents from BME backgrounds in the county who are unemployed, the differential is not as great as across the East Midlands (19.8% compared with 13.6%) or England (26.8% compared with 18.9%).

Across the county there is significant variation in the percentage of BME unemployed residents, with 16 wards having more than 10% of their unemployed residents from BME communities. These include four from South Derbyshire, including Stenson ward which has the highest proportion of all wards in the county, at 40.5%, and three from Chesterfield.

## Long-term Unemployment Levels

In January 2014, 3,105 people in Derbyshire had been out of work for more than a year. These accounted for 28.3% of the county's total claimant unemployment, which is slightly lower than the national (29.6%) and regional averages (29.9%).

Historically, long-term unemployment levels in the county have remained slightly below those seen nationally. However, during 2010 and 2011 the proportion of long-term unemployed in the county was greater than nationally. Although the trend in overall claimant unemployment is currently downwards, the proportion of unemployed residents who have been out of work for more than 12 months has generally been on the increase since the summer of 2011, indicating there are a significant number of people who are struggling to secure employment, despite the slight easing in economic conditions.

There are 123 wards in the county where the proportion of long-term unemployed residents is greater than 20.0%, Chesterfield had the highest proportion of long-term unemployed (33.0%) followed by High Peak (31.5%), with South Derbyshire (20.2%) having the smallest.

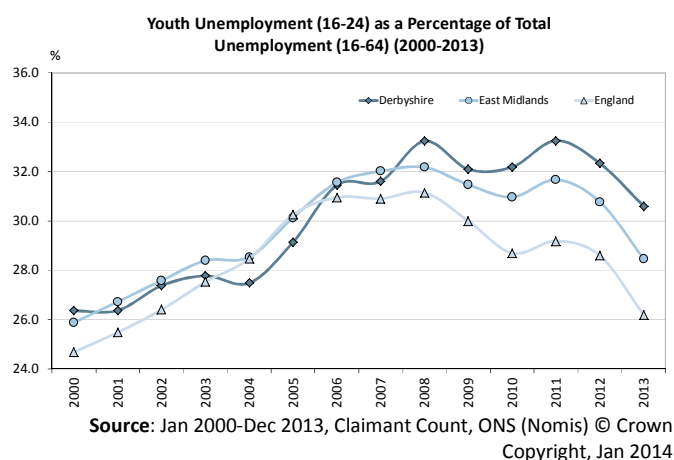
Although the level of long-term unemployment as a proportion of total claimant unemployment is lower than for England, the level of long-term youth unemployment in Derbyshire is slightly higher. In January 2014, 615 young people aged 16-24 had been out of work for more than a year, accounting for 19.0% of all unemployed young people claiming unemployment-related benefits, higher than England (18.1%) although lower than the East Midlands (19.3%). The recession appears to have had a greater impact on long-term youth unemployment locally, with the



proportion of young long-term unemployed in the county being greater than for England since the end of 2009. Although the trend has generally been upwards since then, the level of long-term youth unemployment has been relative stable over the last year.

## Youth Unemployment Levels

In January 2014, there were 3,240 people under the age of 25 years who were unemployed in Derbyshire. This represents just under a third (29.6%) of all people in the county claiming unemployment-related benefits, which is above the England average (24.7%). The percentage of youth unemployment as a proportion of all people unemployed remains significantly high across the county.



**Note:** Unemployment figures are an average of 12 months data per year.  
Derbyshire Observatory Link: <http://tinyurl.com/lea2014-unemp>

The youth claimant unemployment rate in Derbyshire, defined as the percentage of young people aged 16-24 claiming unemployment-related benefits, was 4.1% which is marginally higher than for the East Midlands (4.0%) and England (3.9%). At district level, Chesterfield (6.0%), Bolsover (5.3%) and Erewash (4.5%) had youth unemployment rates substantially above the national average, but in South Derbyshire (3.2%) and in particular Derbyshire Dales (1.7%) the rate was below average.

The county has five wards where the rate of youth unemployment is greater than 10.0%. This is significantly less than the 15 wards identified in January 2013. Two of the five wards with high youth claimant unemployment levels are in Chesterfield, and one each in Bolsover, Erewash and High Peak.

From the early phase of the economic downturn, the youth unemployment rate in the county more than doubled from 3.5% in January 2008 to a peak of 7.8% in February 2010, with the level of increase greater in Derbyshire than in the East Midlands and England. Youth unemployment rates then declined, before stabilising in the middle of 2010. However, during 2011

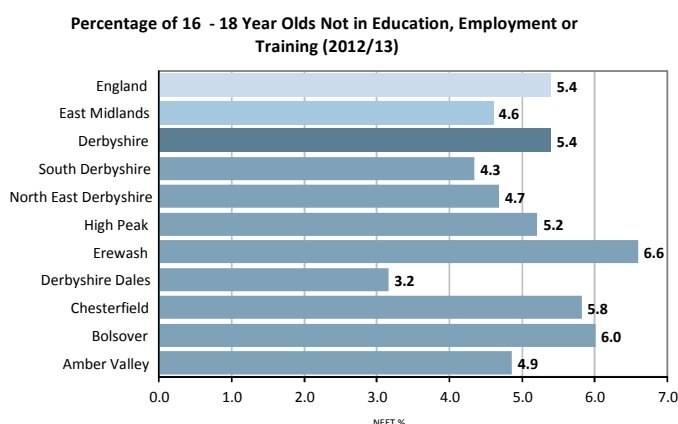
youth unemployment rates increased again, returning in February 2012 to values around their previous peak. Since spring 2012, youth unemployment rates have steadily declined with the rate of decline greater in Derbyshire than in the East Midlands and England.

Detailed information relating to unemployment levels in Derbyshire can be gained from the monthly Unemployment Bulletin produced by the Research and Information Team. The bulletin can be accessed via the following link: <http://tinyurl.com/dcc-unemp>

## Not in Education, Employment or Training

Whilst the majority of Derbyshire's school leavers progress into a positive destination, i.e. further education, training or employment after leaving school, a small proportion do not. Over the period November 2012 to January 2013, there was an average of 1,219 16-18 year olds in Derbyshire Not in Education, Employment or Training (NEET), representing 5.4% of this age group. This is the same as the national average of 5.4% but higher than that regionally (4.6%). Locally, Derbyshire Dales had the lowest percentage of NEET 16-18 year olds at 3.2%. The highest was Erewash at 6.6%.

Since 2011/12, there has been an improvement in the level of NEETs. The rate of decline in Derbyshire (-1.3% points) is greater than that nationally (-0.5% points) and regionally (-0.6% points), reducing the gap in NEET between the county and England. At the peak of the economic downturn NEET levels locally were 1.0% points higher than the national rate, suggesting that the impact of the recession on the NEET group in Derbyshire had been greater than across England.



Source: Nov 2012-Jan 2013, DCC Children and Younger Adults (Information, Research and Analysis), 2013

Derbyshire Observatory Link: <http://tinyurl.com/lea2014-NEETS>

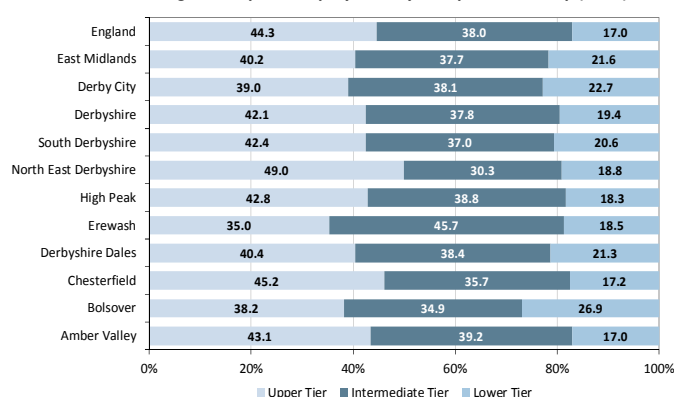
# People and Communities

## Qualifications and Earnings

### Occupational Levels

Derbyshire has a relatively low skilled economy which in part reflects the make-up of the county's industrial structure, where a greater proportion of firms are in the production and agriculture sectors and a lower proportion are in the business services sector.

Percentage of People in Employment by Occupational Group (2013)



Source: Oct 2012-Sep 2013, Annual Population Survey, ONS (Nomis) © Crown Copyright, 2014

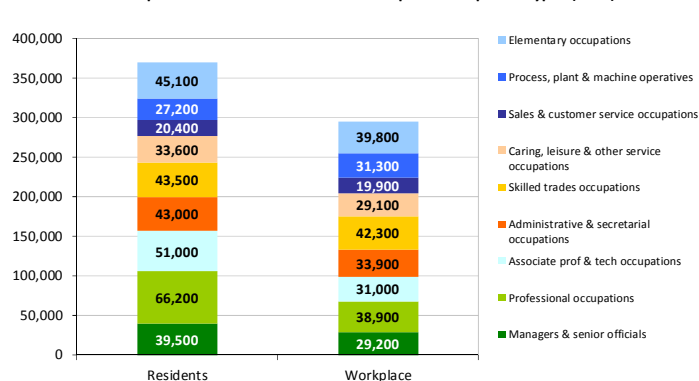
Derbyshire Observatory Link: <http://tinyurl.com/lea2014-emp-occ-grp>

In September 2013, just over two fifths (42.1%) of Derbyshire's residents were employed in upper tier occupational groups such as managers and professionals. Whilst this is slightly above the East Midlands (40.2%) it is below the England level (44.3%). This varies considerably across the county with North East Derbyshire (49.0%) having the most skilled occupational structure and Erewash (35.0%) the least.

Over the past five years, there has been a steady increase in the proportion of upper tier occupations at the county, regional and national levels, but particularly so for Derbyshire. Between September 2008 and September 2013, there has been an increase of 5.3% points in the proportion of upper tier occupations, compared with figures of 1.8% points for the East Midlands and 1.7% points for England.

Comparing residence based and workplace based occupations in Derbyshire, there is a clear shortfall in higher level occupations within county based businesses. This suggests that a significant number of residents working in higher level occupations are travelling to a workplace outside of the county, whereas those in traditionally lower paid occupations are more likely to work for local companies. This provides useful context to any work to diversify the economic base of the county towards higher value activities.

Comparison between Resident and Workplace Occupation Types (2013)



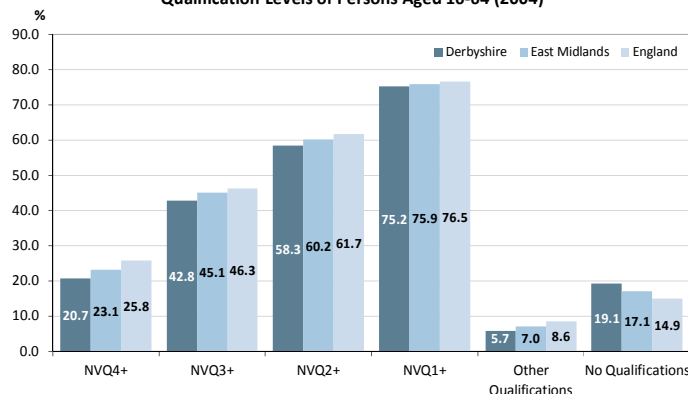
Source: Oct 2012-Sep 2013, Annual Population Survey, ONS (Nomis) © Crown Copyright, 2014

Note: Upper tier occupations include managers and professionals, lower tier include process and elementary occupations. All other occupation groups are included in the intermediate tier group

### Qualification Levels (Annual Population Survey)

Analysis of data from the Annual Population Survey between 2004 and 2012 shows that the qualification levels of Derbyshire's working age population (16-64 years) has greatly improved over recent years. However, relatively few residents still have higher level qualifications (degree level or equivalent), a factor that varies significantly across the county.

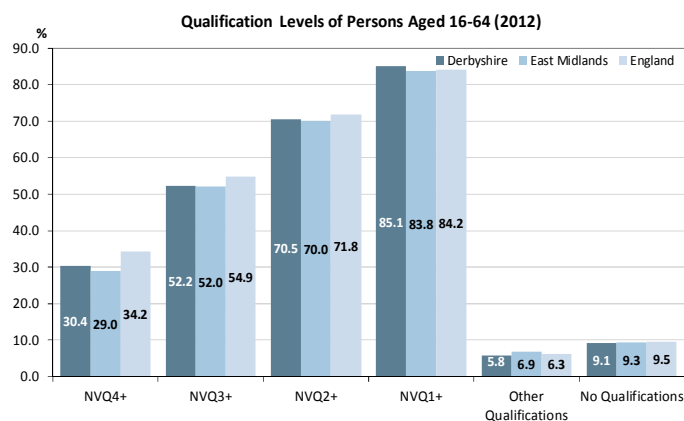
Qualification Levels of Persons Aged 16-64 (2004)



Source: Jan 2004-Dec 2004, Annual Population Survey, ONS (Nomis) © Crown Copyright, 2005

Derbyshire Observatory Link: <http://tinyurl.com/lea2014-adultqual>

On all measures, the qualification levels of Derbyshire's workforce in 2004 lagged behind those of its regional and national counterparts. At this time just one fifth (20.7%) of Derbyshire's workforce were estimated to be qualified to at least NVQ level 4, around two fifths (42.8%) were qualified to at least NVQ level 3, nearly three fifths (58.3%) were qualified to at least NVQ level 2 and almost one fifth (19.1%) were without any qualifications.



Source: Jan 2012-Dec 2012, Annual Population Survey, ONS (Nomis) © Crown Copyright, 2013

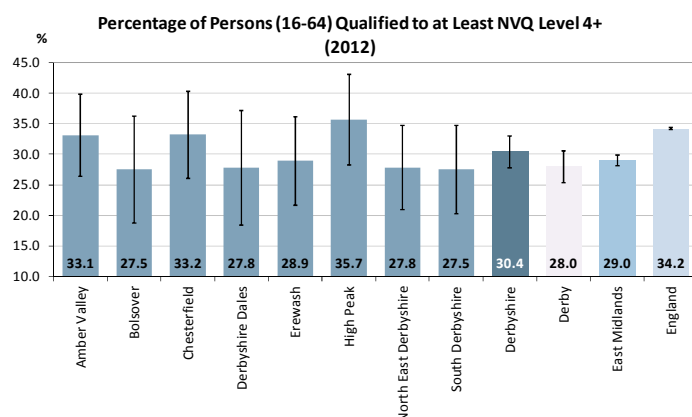
**Note:**

**NVQ Level 1** – Foundation level, equivalent to 5 GCSE's grade D to E  
**NVQ Level 2** – Intermediate level, equivalent to 5 GCSE's grade A\* to C  
**NVQ Level 3** – Advanced level, equivalent to A Levels  
**NVQ Level 4** – HNC / HND / Degree Level  
**NVQ Level 5** – Degree / Post Graduate Level

Derbyshire Observatory Link: <http://tinyurl.com/lea2014-adultqual>

By 2012, the proportion of the Derbyshire workforce estimated to be qualified to at least NVQ level 4 had increased to almost one third (30.4%). Just over half (52.2%) were qualified to at least NVQ level 3, more than two thirds (70.5%) were qualified to at least NVQ level 2, and the figure for those with no qualifications had fallen to less than one tenth (9.1%).

The qualification level to at least NVQ 4 level in 2012 remained below that seen nationally but the county did perform better than the East Midlands. The proportions qualified to at least NVQ level 3 and 2 locally are also higher than the regional figures but lower than the national figures. For those without a qualification, Derbyshire performs better (9.1%), having a lower proportion than both the East Midlands (9.3%) and England (9.5%).



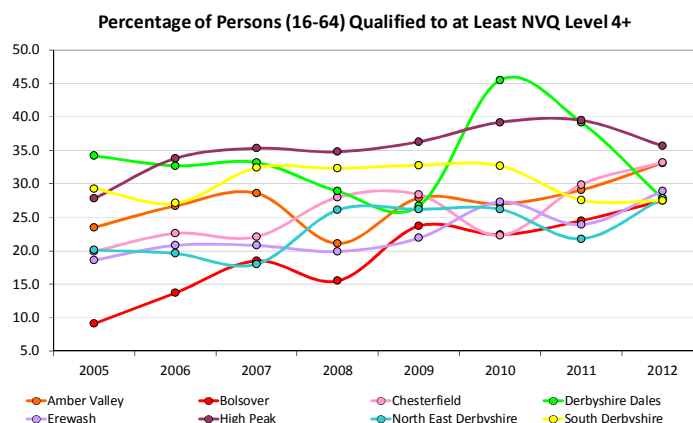
Source: Jan 2012-Dec 2012, Annual Population Survey, ONS (Nomis) © Crown Copyright, 2013

**Note:** The black lines indicate the level of uncertainty about each value on the graph. Longer/wider intervals mean more uncertainty. When two intervals do not overlap it is reasonably certain that the two groups are truly different

Derbyshire Observatory Link: <http://tinyurl.com/lea2014-adul-qual>

At a local level there is variation in the qualification levels of Derbyshire residents. In 2012, the percentage

qualified to at least NVQ level 4, varied by 8.2%, with High Peak showing the highest level of qualified residents and Bolsover and South Derbyshire the lowest. This differential has reduced compared with 2011, when the gap between highest and lowest was 17.7%.



Source: 2005-2012, Annual Population Survey, ONS (Nomis) © Crown Copyright, 2013

Derbyshire Observatory Link: <http://tinyurl.com/lea2014-adultqual>

Although the proportion of Derbyshire residents qualified to at least level 4 is still below the figure for England, over the period 2005 to 2012 the level has increased at a greater rate than that regionally and nationally. Locally there has been a 9.7% point improvement over the period compared with 5.9% points in the East Midlands and 8.4% points across England.

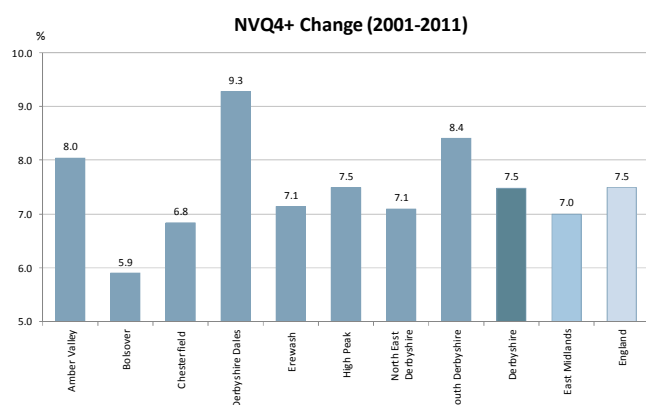
Analysis of trend data by local area over the period shows that there has been an increase in the proportion qualified to at least NVQ level 4 in seven of the eight local authority districts in the county, with Derbyshire Dales the only exception, although it should be noted that these figures are based on fairly small sample sizes. The relatively strong performance on this measure at county level is likely to be due to a combination of factors focusing on improved access to education and training. The relatively recent establishment of the University of Derby campus at Buxton and the delivery of higher education courses by Chesterfield College at the Tapton Park Innovation Centre in Chesterfield, for example, will have provided increased opportunities for residents to study for qualifications at level 4 and above.

## Qualification Levels (2011 Census)

Information on qualifications, based on all adults aged 16 and over, was also collected in the 2011 Census and the headlines from this source are outlined below. Due to changes in the way questions were asked between the 2001 and 2011 Censuses, trend data needs to be treated with caution.

Census data shows that qualification levels of Derbyshire residents have improved over time. In 2011, the proportion of the population qualified to at least level 4 was 23.7%, similar to the regional figure of 23.6% but below the national figure of 27.4%. Locally, this represents an improvement of 7.5% points on the 2001 figure, similar to the regional and national increases of 7.0% points and 7.5% points respectively.

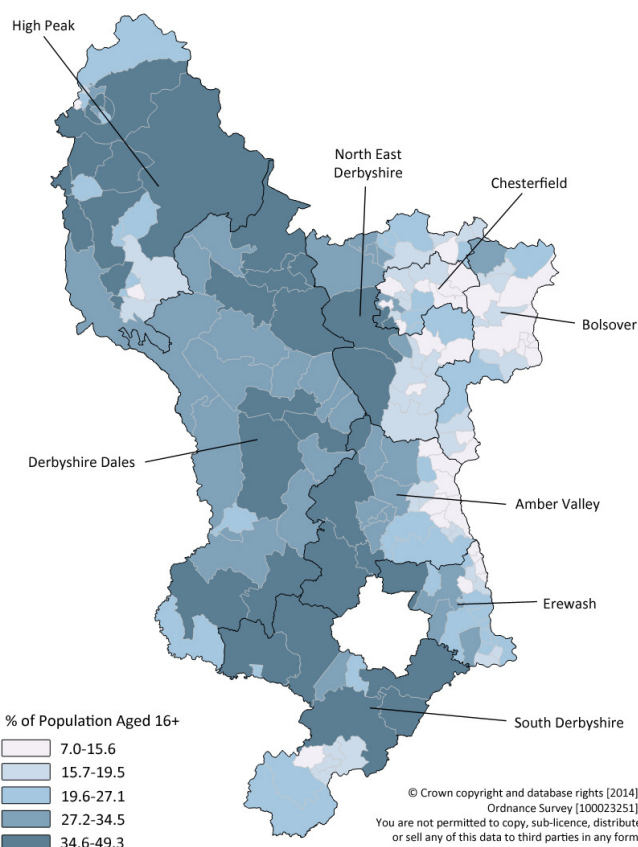
Across the districts, the greatest proportion of the population qualified to at least level 4 in 2011 was in Derbyshire Dales (33.4%) and the lowest was in Bolsover (15.8%). These two districts also showed the greatest and least improvement between 2001 and 2011 at 9.3% points and 5.9% points respectively.



**Source:** 2001 Census, Table KS13, Qualifications and Students, and 2011 Census, Table KS501EW, Qualifications and Students, ONS (Nomis) © Crown Copyright, 2013

The map shows the variation in qualification levels at level 4 and above across Derbyshire in the 2011 Census. The central and western areas have the greatest prevalence of adults with higher level qualifications. There are nine wards with levels above 40%. Four of these are clustered in the northern part of Derbyshire Dales, two are in Amber Valley and two are in High Peak. There are large variations across the county. In Duffield ward in Amber Valley, for example, one in two adults have a higher level qualification. In comparison, in Shirebrook East and Shirebrook North West in Bolsover just one in fifteen adults do. Wards with lower levels of adults with higher qualifications are concentrated on the eastern side of the county, notably in Bolsover, Chesterfield and the eastern parts of Amber Valley and Erewash.

**Level 4 Qualifications**  
(% of People Aged 16 and Over)



**Source:** 2011 Census, Table KS501EW, Qualifications and Students, ONS (Nomis) © Crown Copyright, 2013

**Derbyshire Observatory Link:** <http://tinyurl.com/lea2014-L4-quals>

There has also been improvement in the proportion of the population without a qualification. In 2011, 25.7% of residents in Derbyshire had no qualification, similar to the regional figure of 24.7% although higher than the England figure of 22.5%. Locally, this represents an improvement of -7.0% points compared with 2001, a similar order of decline to that across the East Midlands (-6.9% points) and England (-6.4% points).

Within Derbyshire, High Peak had the lowest proportion of unqualified adults at 20.9% in 2011. Bolsover had the greatest percentage at 32.9%, but also showed the greatest improvement compared with 2001 at -8.5% points.

It is important to note that the 2001 Census qualifications data is based on respondents aged 16-74 whilst the Census 2011 data is based on respondents aged 16 or over. The inclusion of older respondents in the Census 2011 data is likely to have underplayed the scale of improvement between 2001 and 2011 given that it is likely that older respondents are more likely to be less qualified. This is particularly likely to be the case for the county, given its older age profile.

It is also important to note that the different methodologies between the Annual Population Survey and Census lead to a slightly different picture in results for qualifications. The Annual Population Survey tends



to give higher values for the qualification levels of those qualified to level 4 or above when compared with the Census results, whilst underplaying the proportion of the population without qualifications. The fact that the Annual Population Survey results relate to the working age population and the Census results relate to the population aged 16 or over is partly a factor in this.

Derbyshire Observatory Link: <http://tinyurl.com/lea2014-adultqua>  
Excel Data Link: <http://tinyurl.com/lea2014-Chptr3-table6>

## School Attainment Levels

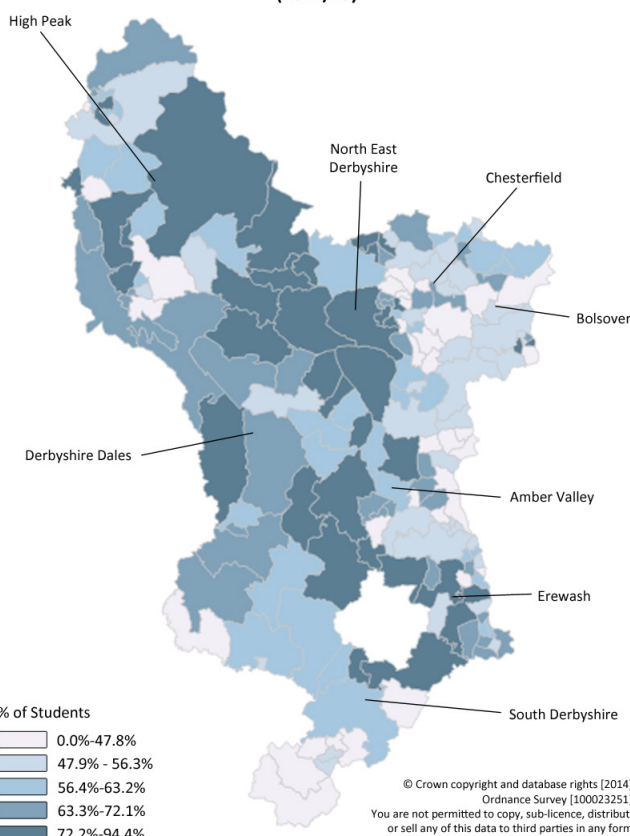
Attainment at GCSE can be used to indicate the potential of the future workforce. The most commonly used measure is the proportion of pupils achieving five or more GCSEs at grades A\* to C including English and Maths.

Overall in 2012/13, the proportion of Derbyshire's pupils achieving this benchmark was 59.1%, marginally lower than both the regional (59.3%) and national (59.2%) figures, but an improvement on the figure of 57.2% for 2011/12. The figure for 2011/12 had been a slight drop on the year before, and had broken the upward trend in achievement of recent years. The improvement in the latest results has seen the gap in attainment between Derbyshire and England narrow from 2.2% points in 2011/12 to 0.1% points in 2012/13. However, Derbyshire's performance still places it in the bottom half of all local authorities in England. Analysis at district level shows that six districts showed improvement in GCSE performance between 2011/12 and 2012/13, with the greatest shown by Erewash. Bolsover and North East Derbyshire both showed a decline.

Analysis of achievement across the county at ward level shows marked variation. In Gamesley in High Peak, Newhall and Stanton in South Derbyshire and Old Park in Erewash the proportion of pupils achieving five or more GCSEs at grades A\* to C including Maths and English was very low. In contrast, Chatsworth and Hlland wards in Derbyshire Dales and South West Parishes in Amber Valley had exceptionally high proportions achieving five or more GCSEs at grades A\* to C including Maths and English.

Sharp contrasts also exist between adjacent areas in the county. For example, the western part of Chesterfield contains one of the highest performing schools in the county and also one of the lowest performing.

Percentage of Key Stage 4 Pupils Achieving 5+A\*-C GCSEs including English and Maths at Ward Level (2012/13)



Source: 2012/13, DCC, Children and Younger Adults, 2014

Note: The figures for Melbourne and Stenson in South Derbyshire, St John's in High Peak, Doveridge and Sudbury in Derbyshire Dales and Shirebrook South East in Bolsover are based on small numbers and should be treated with caution.

Derbyshire Observatory Link: <http://tinyurl.com/lea2014-gcse>

## Apprenticeships

An apprenticeship provides people with the opportunity to gain on-the-job experience whilst working towards a nationally recognised qualification (at levels 2, 3, 4 or 5 of the Qualifications and Credits Framework). Apprenticeships are becoming an increasingly popular route into employment across the UK and a viable alternative to traditional educational routes, with the number of people enrolling onto an Apprenticeship almost trebling nationally over the last seven years. There are three levels of apprenticeships - intermediate, advanced and higher.

The Government's 'Plan for Growth 2011' proposed to deliver funding to create up to 100,000 new work experience placements for young people over the next two years and up to 50,000 additional apprenticeship places over the next four years. The Government's aim is to ensure that:

- At least 1 in 5 young people are undertaking an apprenticeship by 2020;
- The number of employers engaged in apprenticeship programmes, particularly within the public sector, is increased;

- Stereotyping and under-representation across all equality strands (e.g. gender, race and disability) is addressed;
- Apprenticeships are expanded from 19-24 years to include 19-30 year olds; and that
- More NVQ Level 4 / higher level apprenticeships are available in all areas.

According to the latest information from the National Apprenticeship Service, a total of 9,100 people started on an apprenticeship scheme in Derbyshire during 2011/12, an increase of 17.4% from the previous year, higher than the regional (14.5%) and national (13.7%) increases. Although the levels of increases for all three areas are significantly down on the previous year, they continue the upward trends reflecting the increased focus on apprenticeships nationally.

The greatest increase locally was in the 19-24 age group. 29.3% of apprentices starting in 2011/12 in the county were aged under 19, 30.8% were aged 19-24 and 40.0% were aged 25 or over. In Derbyshire, the age profile of those starting apprenticeships was slightly younger than regionally and nationally. Nearly two thirds of the apprenticeships starts locally in 2011/12 were at intermediate level, around one third at advanced level, and around 1% at higher level.

There has been an improvement in the achievement of apprenticeships over the period 2005-06 to 2011-12, although the level of increase has been more modest than for starts. However, comparing 2011/12 with the previous year, the level of apprenticeship achievements increased more than for apprenticeship starts. Achievements went up by 27.2% between 2010/11 and 2011/12 in Derbyshire, less than the 33.0% and 28.6% regionally and nationally.

Information on apprenticeships was also collected in the 2011 Census. This showed that 4.3% of residents aged 16 or over in the county had an apprenticeship, slightly higher than the East Midlands (4.0%) and England (3.6%).

Since January 2012, the Council has operated an Apprentice Grant for Employees (AGE) Scheme aimed at incentivising Derbyshire's small and medium sized enterprises to recruit an apprentice. At the end of 2013, 29 young people had completed their apprenticeship through this initiative with a further 416 young people in employment working towards achieving their relevant apprenticeship framework.

## Residence and Workplace Earnings

The overall levels of earnings in the county are well below the national average. This is a common pattern in areas where there are high levels of people employed within traditional industries and lower skilled occupations.

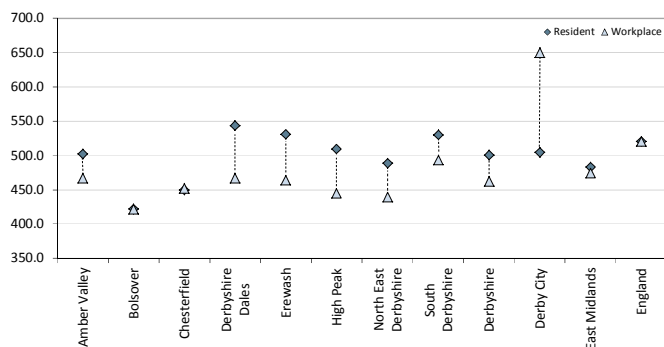
Across the majority of Derbyshire districts, residence based earnings (earnings of those living in the area) are significantly higher than workplace earnings (earnings of those who work in the area). This suggests that residents with higher level skills tend to travel outside of the county for better paid work, due to the lower paid jobs on offer locally. This is further supported by the analysis of commuter patterns within the Economic Geography Chapter that shows Derbyshire is a net exporter of workers. A major factor in this is the number of large cities within close proximity to Derbyshire's borders that increases people's access to a wide range of employment opportunities. Locally, Bolsover and Chesterfield (for the analysis of weekly earnings) are the only districts that have higher workplace based earnings compared to residence based earnings. The latter (a net importer of labour) supports the fact that residents travel to the cities and larger towns to work.

For workplace earnings in Derbyshire, the average weekly pay in 2013 was £463. This was 2.5% lower than in the East Midlands (£475) and 11.1% lower than average weekly pay across England (£521). Residence based earnings within Derbyshire are significantly higher with a weekly average of £500 per week. Whilst this is higher than earnings across the East Midlands (£483) it is 3.9% lower than average weekly earnings for England (£521).

Locally, there is considerable variation in earnings levels. Analysis of resident earnings shows Bolsover has the lowest level of earnings at £422 per week and Derbyshire Dales has the highest at £543. When looking at workplace data, Bolsover has the lowest weekly earnings (£422) and South Derbyshire the highest (£493), although the variation between areas is much less on this measure. Derbyshire Dales has the greatest difference between residence based and workplace based earnings, possibly due to the attractiveness of the district as a place to live, and the high level of employment opportunities located in nearby cities. It is also important to note that Derby City has a relatively high workplace earnings figure, reflecting the higher skilled employment profile of Derby.

Excel Data Link: <http://tinyurl.com/lea2014-Chptr3-table6>

Comparison of Workplace and Residence Based Median Total Weekly Earnings (£, Full Time) 2013



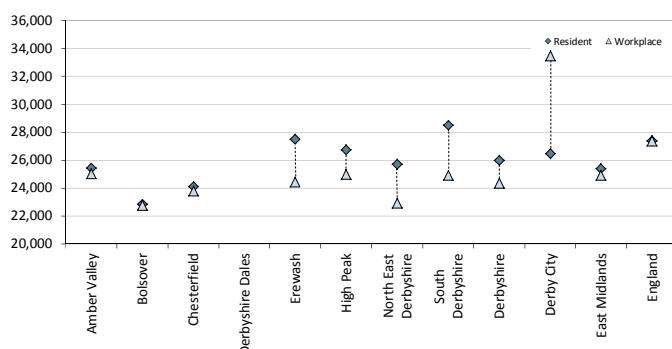
Source: 2013, Annual Survey of Hours and Earnings, ONS (Nomis) © Crown Copyright, 2013

Derbyshire Observatory Link: <http://tinyurl.com/lea2014-earnings>

Since 2012, a number of changes in workplace and residence based weekly earnings have occurred across the districts. For example, in Amber Valley resident earnings are now higher than workplace earnings (£502 compared with £467) whereas in 2012 they were lower (£474 compared with £507). In Bolsover workplace earnings are now the same as resident earnings (both £422) whereas in 2012 they were much lower (£424 compared with £462), and in South Derbyshire the excess of resident over workplace earnings in 2012 (£500 compared with £480) has increased significantly in 2013 (£530 compared with £493).

The gross annual pay (median average) of a full-time employee working (workplace based earnings) in Derbyshire was £24,364 in 2013, which was lower than regional (£24,918) and national (£27,376) average annual earnings. Across the county, earnings varied from £25,018 in Amber Valley to £ 22,737 in Bolsover.

Comparison of Workplace and Residence Based Median Total Annual Earnings (£, Full Time), 2013



Source: 2013, Annual Survey of Hours and Earnings, ONS (Nomis) © Crown Copyright, 2013

Note: Please note that the annual earnings data for Derbyshire Dales is not available. These figures have been suppressed due to them being statistically unreliable

Derbyshire Observatory Link: <http://tinyurl.com/lea2014-earnings>

The gross annual pay (median average) of a full-time employee living (residence based earnings) in Derbyshire in 2013 was £25,983, which was higher than regional (£25,399) but lower than the national (£27,375) annual earnings. Across the county residence

based earnings varied from £22,829 in Bolsover to £28,492 in South Derbyshire.

There are some differences when comparing resident and workplace annual earnings across the districts with 2012. In both Chesterfield and Amber Valley, resident earnings are now higher than workplace earnings but in 2012 they were lower. In Bolsover resident earnings are now only marginally higher than workplace earnings (£22,829 compared with £22,737) whereas in 2012 they were much higher (£25,786 compared with £23,194), and in South Derbyshire the excess of resident earnings over workplace earnings in 2012 (£26,381 compared with £23,983) has increased significantly in 2013 (£28,492 compared with £24,924).

Wages have generally increased since 2012. However, the rates of increase differ between resident and workplace based earnings. Workplace based earnings within Derbyshire have not risen at the same rate as the regional and national averages particularly for annual earnings, (respective increases were 0.5%, 1.2% and 2.1%). However, for residence based earnings, the increase in the county was greater than across the region and England, particularly for weekly earnings, (respective increases were 2.2%, 1.4% and 1.5%).

### Introduction

The rising cost of fuel and food, the difficult economic climate over recent years and the reforms to welfare benefits that have begun to be rolled out since April 2013, are leading to increasing financial difficulties for people, and a rise in demand for debt advice services. The proliferation of high cost lending through 'pay day loans' is also an issue.

The Office for Budget Responsibility identified in 2012 that household debt nationally is set to rise by 36.3% in the next three years. Additionally, The Bank of England announced in November 2013 that household debt in the UK had reached a record level, with individuals owing a total of £1.4 trillion, slightly above the previous high set in September 2008 just before the recession began to bite. This means that on average, each adult in the UK owes £28,489, including home loans. However, the ratio of debt to household income has fallen from 167.0% at the start of the financial crisis to 140.0% currently.

A recent national report by the Money Advice Service<sup>31</sup>, highlighted that 8.8 million people in the UK in 2013 live with serious debt problems, representing 18.0% of the UK adult population. Just over four million have been struggling to pay their bills for more than a year, with 48.0% of this group feeling that being in debt is preventing them from buying basic provisions. Unsurprisingly, the majority of people who are struggling with debt said it has a negative impact on their life. However, only one in six of all adults experiencing debt difficulties are currently seeking advice to help them deal with their debt.

### Derbyshire Perspective

The Money Advice Service report also shows that the proportion of the population struggling with debt is spread disproportionately across the UK with a general skew towards the cities of the North of England and to Northern Ireland, and that locally within Derbyshire there is also significant variation. Of the 406 local authorities in the UK, two Derbyshire districts ranked in the 100 authorities with the greatest proportions of their populations living with serious debt problems. In Bolsover, (ranked 26) 32.6% of the population are struggling with debt and in Chesterfield (ranked 51) 29.0% of people are affected. However, in South Derbyshire (ranked 211) and Derbyshire Dales (ranked 329) a much lower 14.1% and 6.6% respectively of the population are over-indebted.

Over-Indebted Population (2013)

Area	Rank	%
Amber Valley	140	20.2
Bolsover	26	32.6
Chesterfield	51	29.0
Derbyshire Dales	329	6.6
Erewash	109	23.4
High Peak	191	15.3
North East Derbyshire	141	20.2
South Derbyshire	211	14.1
Derby City	40	30.5
UK		18.0

Source: 2012, Indebted Lives: the Complexities of Life in Debt, The Money Advice Service, 2013

Note: Percentage of the population within each local authority that is over-indebted

The draft Strategic Action Plan, 'Action and Advice' released in January 2014 by the Derbyshire Financial Partnership provides a framework to help ensure that financial exclusion in the county is tackled through a partnership approach. The overarching aim of the action plan is to take action and give advice to make sure that Derbyshire people have enough to live on. This aim is underpinned by five objectives:

- Influencing and anticipating the impact of local and national policies that impact on the economic well-being of people in Derbyshire and campaigning to provide a voice for those experiencing and at risk of financial exclusion.
- Building the capacity of people to manage their finances through training and undertaking other work that will help to prevent unmanageable debt.
- Ensuring that there are processes in place to reach the most vulnerable communities.
- Identifying initiatives that work and rolling them out across the county whilst recognising local differences and expertise.
- Helping people to access and maximise income.

Additionally the County Council plans to introduce a living wage for directly employed staff from April 2014. A living wage is defined as 'a wage that achieves an adequate level of warmth and shelter, a healthy palatable diet, social integration and avoidance of chronic stress for earners and their dependents'. It is an hourly rate set independently and updated annually, which is calculated according to the basic cost of living in the UK. The recommended living wage is currently set at £7.65 for individuals working and living outside of London, whereas the minimum wage is currently £6.31.

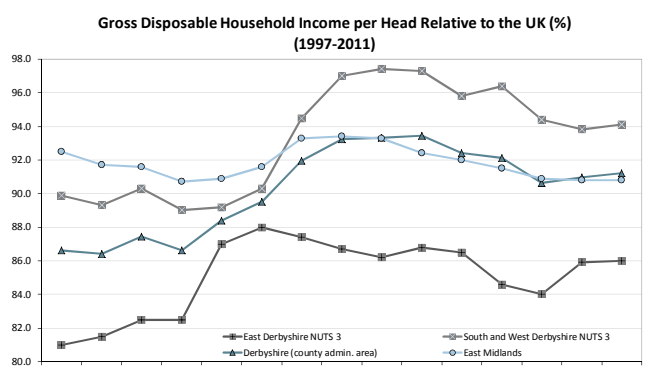


The following sections aim to highlight some of the issues related to poverty and financial exclusion in the county.

## Gross Disposable Household Income

Gross Disposable Household Income (GDHI) is the amount of money individuals have available for spending or saving after taxes, social contributions and the payment of mortgages and rent have been removed. It can help to identify areas in the UK where individuals and families may be more likely to be experiencing financial hardship.

Households in Derbyshire had £11.2 billion in GDHI in 2011, or £14,625 per person. This is lower than the figure of £16,034 for the UK but slightly higher than the East Midlands, £14,561. Within the county, GDHI for South and West Derbyshire NUTS 3 area was £15,092, greater than the £13,789 for East Derbyshire. Historically, the figure for South and West Derbyshire has been higher than for East Derbyshire.



Source: 1997-2011, Gross Disposable Household Income, ONS © Crown

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Note: In calculation of relative Gross Disposable Household Income UK=100

The long-term trend in absolute GDHI per head has been upwards, however, relative to the UK GDHI per head in Derbyshire has been falling steadily over recent years. Since peaking in 2006 when GDHI per head in the county was 93.5% of the UK average, the figure has dipped in relative terms to 91.2% in 2011. There has also been a similar fall regionally.

Within the county, GDPI per head in East Derbyshire relative to the UK has been falling since 2002 whilst the figure in South and West Derbyshire has been falling since 2005. Although GDHI per head is lower in East Derbyshire than South and West Derbyshire, in the last two years there has been improvement in East Derbyshire and the gap has closed slightly.

## Welfare Reform

The Welfare Reform Act 2012 proposed significant changes to the current benefits system and many of

these have been in place since April 2013. Changes have included a benefit cap of £350 per week for single claimants and £500 per week for couples or families. Benefit payments will also no longer increase in line with inflation, which could have implications for claimants as the cost of living rises.

Council tax benefit has been removed and replaced by local reduction schemes and there have been significant changes to Housing Benefit with the removal of the Spare Room Subsidy. Disability Living Allowance will also be replaced by Personal Independence Payments and Universal Credit is being introduced in a phased approach across the country. Universal Credit will see a range of current benefit payments combined into one single payment to individuals.

## Food Banks

Food banks help vulnerable individuals and families in crisis, distributing emergency food supplies and advising and signposting people to other agencies who may be able to offer assistance. Across the country there has been a significant rise in the demand for food banks over recent years. Households in the UK are going hungry for reasons ranging from redundancy to receiving an unexpected bill whilst on a low income. In 2012-13 food banks fed 346,992 people nationwide. Of those helped, 126,889 were children.

The rising costs of food and fuel, combined with high unemployment, changes to benefits and wages not keeping up with inflation are causing more and more people to seek help from food banks with the picture worsening. Data from The Trussell Trust, the largest food bank organisation in the country, identified that between April and September 2013 the number of people resorting to food banks for emergency help to feed their families has tripled nationally compared with the previous year.

At April 2014, there are 20 food banks in Derbyshire run by charities and non-profit organisations that distribute food parcels to those who are most in need. This is triple the figure since the end of 2012. They are located in Ashbourne, Belper, Bolsover, Buxton, Chesterfield, Clay Cross, Glossop, Heanor, Holmewood, Ilkeston, Killamarsh, Langley Mill, Littlemoor, Long Eaton, Matlock, New Mills, Ripley, South Normanton and Swadlincote. The 'reach' of these food banks is greater than the immediate area in which they are based. For example, the Buxton food bank supplies food parcels to people across the South of the High Peak, including the Hope Valley area. There is also evidence locally that there has been higher demand in working families needing the assistance of food banks,

with many family incomes unable to keep up, due to rising inflation and stagnating wages.

## **Payday Loans**

Increasing numbers of people are using the services provided by 'payday lenders' to obtain loans, many of which are short-term covering a period of days or weeks. Interest rates on such loans are high and although the loans are short-term, borrowing can quickly spiral as loans are extended, charges mount up and further loans are taken out to help pay off other debts and existing loans. According to the Office of Fair Trading, the pay day loan industry was worth £2.2bn in 2011/12, up from £900m in 2008/9. It is estimated the sector has two million customers.

The number of people contacting the National Debtline with problems involving payday loans doubled in 2012, with some consumers reporting they had taken out the short-term, high-cost loans despite being bankrupt or having missed past payments. The free advice service said it took 20,013 calls related to payday loans over the year, a 94% increase on the previous year, and up 4,200% on the 465 calls since the financial crisis began in 2007. The figures reflect the rapid rise in the availability of the loans, as well as the squeeze on household budgets and the high cost of borrowing in this way.

As part of its work to support residents facing financial difficulties, Derbyshire County Council is to block access to payday loan company websites from all its computers, including those in libraries. Anyone trying to access lending sites from any County Council computer will instead be re-directed to sources of safe, affordable loans such as credit unions, financial support services and welfare rights advice.

## **Credit Unions**

The exact number of Derbyshire people taking out payday loans is unknown although it is thought it could amount to many thousands of people. However, there are a number of initiatives that aim to support people locally, including credit unions. There are currently six credit unions in Derbyshire (including Derby City) providing a range of financial help from competitive loans through to support for people to develop a regular savings habit.

Erewash Credit Union has currently just over 3000 members who, on average have a £500 loan. Recent months have seen an influx of people requesting loans for arrears arising from some of the changes in the welfare system. During 2012/13, Chesterfield and North Derbyshire Credit Union saw a 30% increase in

membership with £440 the average loan, and 75% of members having previously had loans from doorstep or high street lenders prior to approaching the credit union. Money Spider Credit Union (South Derbyshire) report there are up to 100 new customers per year, with on average people borrowing £500. It is reported that a high proportion of loans are for people wishing to use the money as a deposit on rented accommodation due to the amount needed to secure a property in the area rising to approximately £1,200 - £1,400. 2 Shires Credit Union currently have 1,350 adult members, of which 351 are in Bolsover District, with membership increasing by 11.5% in the last 12 months. Manchester Credit Union, which serves people in the High Peak, and Derby United Credit Union are also reporting an increase in the number of people approaching them for assistance.

To support the work that credit unions are doing, the Council is increasing the provision of safe and affordable loans to people on low incomes through the provision of £300k additional funding to credit unions locally. The system avoids the need for people struggling with debt to use doorstep lenders and illegal money lenders. It will build on a successful pilot in Chesterfield and North East Derbyshire and would widen the funding available across the county.

## **Crisis Loans**

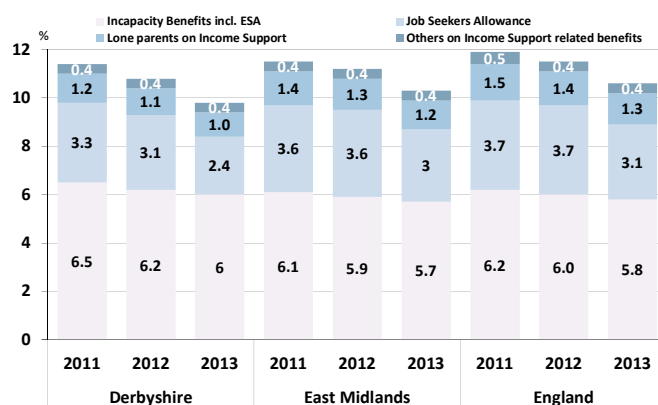
In 2011/12 more than 2.1 million crisis loans and 216,000 care grants were paid out nationally. One of the Government policies on welfare reform has included establishing 'local welfare provision' to be led by upper tier authorities. From April 2013, the Department for Work and Pensions (DWP) has not been providing crisis loans or community care grants and is instead signposting applicants to local provision.

To meet the local welfare provision challenge, Derbyshire County Council has established the Derbyshire Discretionary Fund. This replaces the community care grants and most of what used to be covered by crisis loans (some residual crisis loan function is being retained by Job Centre Plus in the provision of 'short term advances' and DWP budgeting loans are also still available). The Derbyshire Discretionary Fund is there to help people during an emergency or crisis situation and to support people to continue to live independently or cope with exceptional pressure when they have no money to help their situation. Since its establishment in April 2013, the Derbyshire Discretionary Fund has been receiving around 300 applications per week indicating there is currently considerable demand for support of this nature.

## Out of Work Benefit Claimants

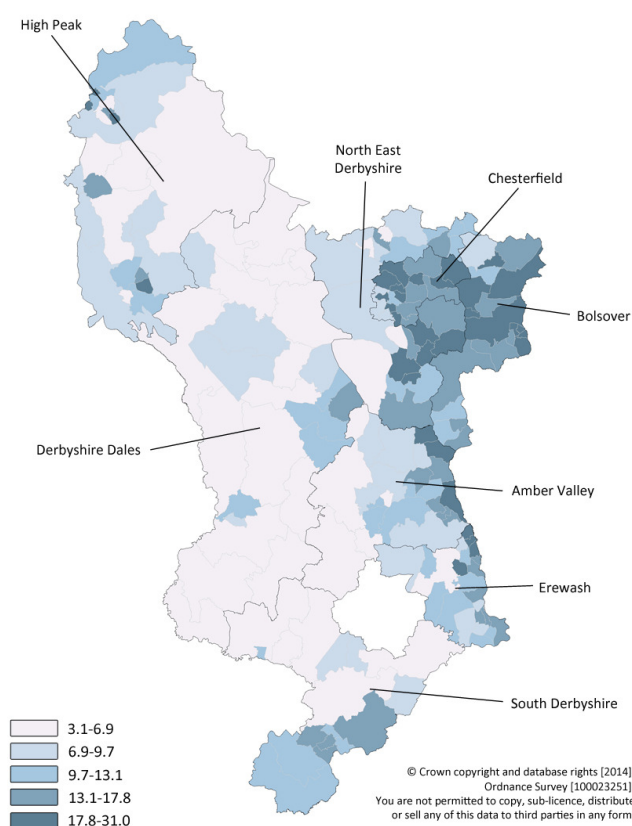
In August 2013, 9.8% of Derbyshire's population were claiming an out of work benefit, slightly below the regional (10.3%) and national (10.6%) figures. The percentage of the working age population claiming an out of work benefit (sometimes referred to as 'worklessness') includes people claiming Job Seekers Allowance (JSA), lone parents on Income Support, Incapacity Benefit claimants (including Employment Support Allowance or ESA) and others on Income Support-related benefits. The map shows that the greatest levels of out of work benefit claimants are concentrated on the eastern side of the county.

Breakdown of Out of Work Benefit Claimants - 2011-2013



Source: 2011-2013, DWP Benefits, ONS (Nomis) © Crown Copyright, 2014

Out of Work Benefits Claimants, Persons Aged 16-64 years  
(% of Working-age Population) - August 2013



Source: 2013, Working Age Client Group, Work and Pensions Longitudinal Study, ONS (Nomis) © Crown Copyright, 2014

Derbyshire Observatory Link: <http://tinyurl.com/lea2014-oowbc>

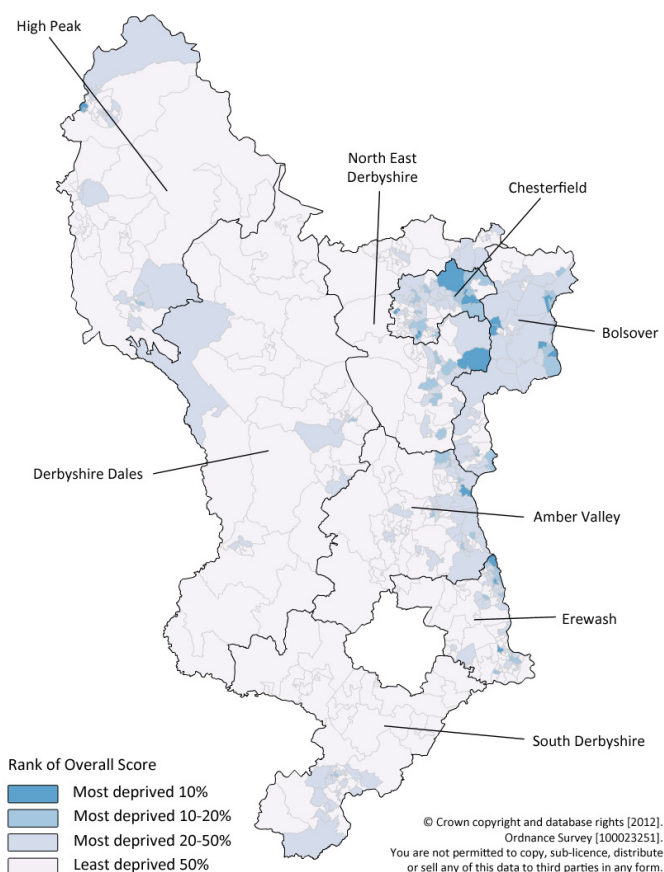
Employment Support Allowance and Incapacity Benefit claimants account for the largest proportion of all out of work benefit claimants and in August 2013, this portion of claimants stood at 6.0% of the working age population, slightly higher than in the East Midlands (5.7%) and England (5.8%). Since 2012, there has been a decreasing number of people claiming out of work benefits and the cohort has declined by 5,000 people or 1.0% points. From 2012 to 2013, numbers claiming Carer's Allowance and Disability Living Allowance have increased, but this is in line with regional and national trends.

## Overall Deprivation Levels

The Index of Multiple Deprivation (IMD) is the most commonly used measure of deprivation and provides a ranking of deprivation for areas across England. Analysis of the overall IMD score published in 2010 shows there are 17 out of 486 Lower Layer Super Output Areas (LSOAs) in Derbyshire within the 10% most deprived areas across England. As shown on the map these areas are mainly concentrated in the North East of the county in the former coalfields area. However the most deprived area within Derbyshire is contained within the Ilkeston North ward covering the Cotmanhay area.

There are 60 LSOAs in Derbyshire that fall within the most deprived 20% in England. Whilst these areas are again mainly concentrated in the North East of the county, each district has at least one LSOA within the top 20% most deprived in England.

**IMD 2010  
Overall Score**



**Source:** 2010, English Indices of Deprivation, Communities and Local Government (CLG) © Crown Copyright, 2011

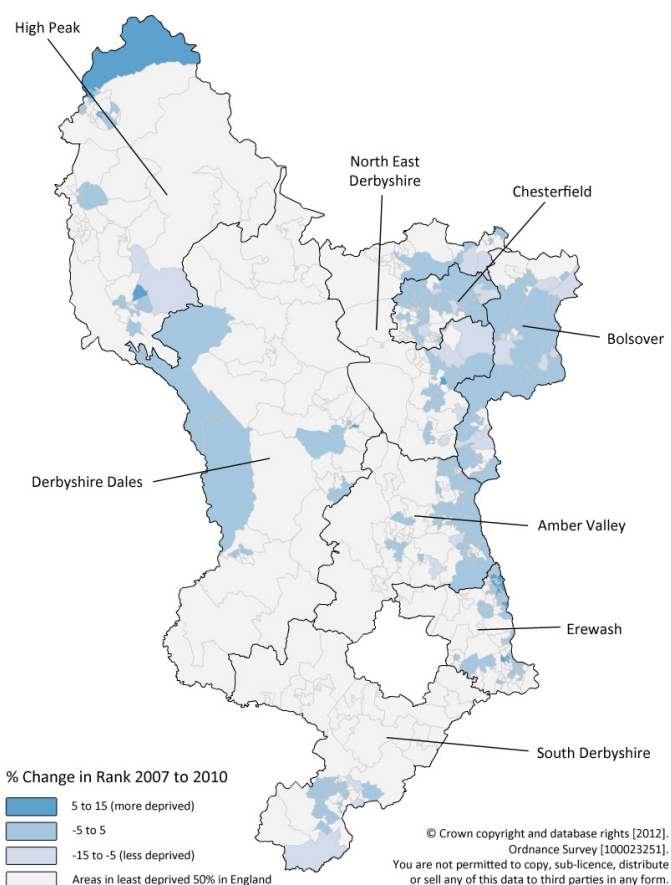
**Derbyshire Observatory Link:** <http://tinyurl.com/lea2014-imd2010>

**Excel Data Link:** <http://tinyurl.com/lea2014-Chptr3-table7>

## Change in Deprivation

The following map displays the percentage change in deprivation for the overall IMD score for 2007 and 2010 for the Derbyshire LSOAs in the worst 50% in England. It shows whilst deprived areas in the North East of the county have generally improved in relative terms, parts of Erewash and High Peak are showing a relatively worse picture.

**IMD (Overall Score)  
% Change in Rank 2007 to 2010 for LSOAs in Worst 50% in England**



**Source:** 2010, English Indices of Deprivation, CLG © Crown Copyright, 2011

**Derbyshire Observatory Link:** <http://tinyurl.com/lea2014-imdchange>

## Overall Income Deprivation

The income deprivation domain provides a count of the population who are experiencing deprivation in relation to low income<sup>32</sup>. The 2010 IMD estimates around 92,800 people in the county were income deprived. This represents approximately 12% of the population and compares to around 15% in England as a whole.

Thirteen of the county's 486 LSOAs fall within the 10% most deprived LSOAs across England. Over half of these are within Chesterfield and Erewash, and all districts with the exception of North East Derbyshire and South Derbyshire contain one such area. A total of 60 of the county's LSOAs fall into the 20% most deprived LSOAs nationally on this domain where approximately 26,100 (around 3%) of the county's total population are estimated to be income deprived.

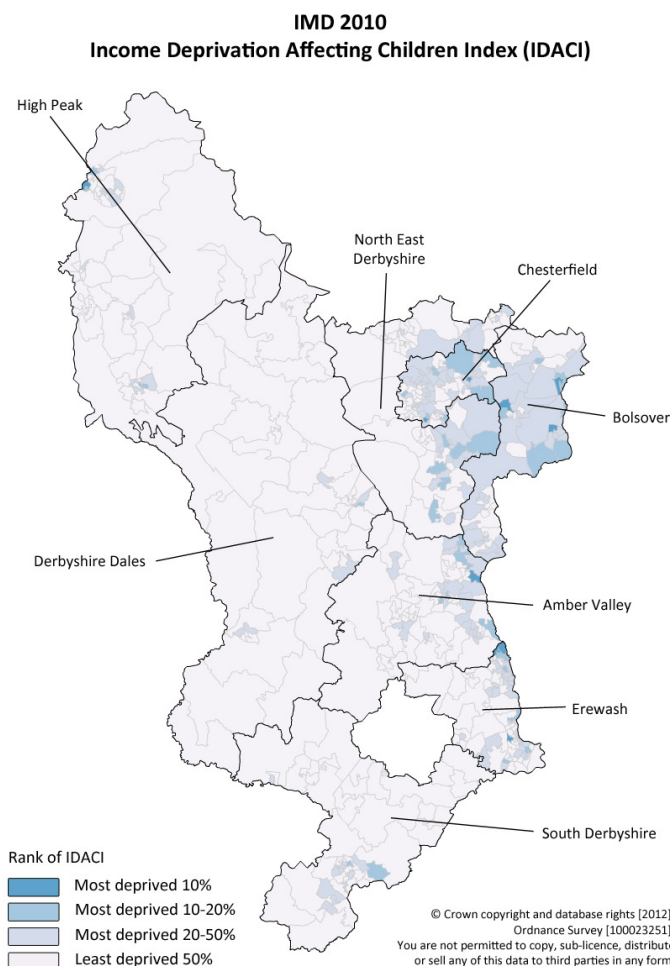
**Excel Data Link:** <http://tinyurl.com/lea2014-Chptr3-table8>

## Income Deprivation Affecting Children

Alongside the overall count of income deprivation there is a separate count of children (aged 0-15) who



live in income deprived households. In Derbyshire, there are an estimated 22,900 children living in income deprived households, representing around 17% of all children in the county. Ten LSOAs fall within the 10% most deprived areas in England, with over half being within Bolsover (parts of Bolsover and Shirebrook) and Erewash (parts of Ilkeston and Long Eaton). A total of 49 of Derbyshire's LSOAs fall within the most deprived 20% nationally on this index where around 7,000 (approximately 5%) of the county's children aged 0 to 15 are estimated to live in income deprived families.



**Source:** 2010, English Indices of Deprivation, CLG © Crown Copyright, 2011  
**Derbyshire Observatory Link:** <http://tinyurl.com/lea2014-child-dep>  
**Excel Data Link:** <http://tinyurl.com/lea2014-Chptr3-table9>

The variation across the county is considerable on this index. Over half of children in six LSOAs in parts of Ilkeston (in Erewash), Creswell and Shirebrook (in Bolsover), Gamesley (in High Peak) and Rother (in Chesterfield) live in income deprived households. This compares with none in 10 LSOAs in the county – parts of Wingerworth and Gosforth Valley (in North East Derbyshire), Hope Valley and Hadfield (in High Peak), Sandiacre and Breaston (in Erewash), Brookside (in Chesterfield), Alport (in Amber Valley), and Wirksworth (in Derbyshire Dales).

## Children in Poverty

The proportion of dependent children aged under 20 in poverty within Derbyshire was 16.4% in 2011, which is less than in both the East Midlands (18.4%) and England (20.1%). Each of these areas has seen a slight decline in child poverty between 2010 and 2011.

Within the county, the district with the greatest proportion of children in poverty was Bolsover (22.5%) and the least was Derbyshire Dales (10.1%), although this district was the only one locally to see an increase albeit slight. Amber Valley showed the greatest improvement with a decline of -0.8% points.

**% of Children in Low Income Families (2010-2011)**

Area	2010 (%)	2011 (%)	% point difference
Amber Valley	17.3	16.5	-0.8
Bolsover	22.6	22.5	-0.1
Chesterfield	20.7	20.6	-0.1
Derbyshire Dales	9.9	10.1	0.2
Erewash	18.9	18.9	0
High Peak	13.8	13.3	-0.5
North East Derbyshire	15.1	14.9	-0.2
South Derbyshire	13.4	12.9	-0.5
Derbyshire	16.7	16.4	-0.3
Derby City	24	23.7	-0.3
East Midlands	18.7	18.4	-0.3
England	20.6	20.1	-0.5

**Source:** 2010-2011, Children in Low Income Families Local Measure, Her Majesty's Revenue and Customs (HMRC), © Crown Copyright, 2013

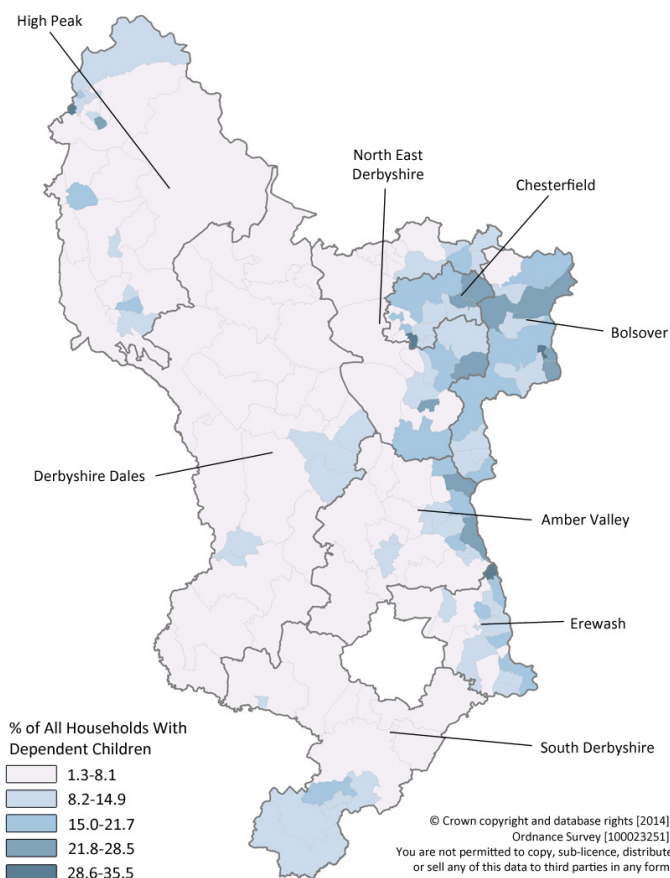
**Note:** These statistics support the definition of child poverty as set out in the 2010 Child Poverty Act

**Derbyshire Observatory Link:** <http://tinyurl.com/lea2014-childpov>

Data from the Census can give a slightly different dimension to the issue of child poverty through analysis of the proportion of households with dependent children where no adult is in employment, of which there are more than 11,000 households in Derbyshire. Overall, the county has fewer dependent children in households (12.2%) where there is no earner than both the East Midlands (13.2%) and England (14.4%), a similar picture to the children in low income families local measure.

Across the county there are considerable differences, with a much higher prevalence in the East of the county in areas such as Ilkeston North ward (35.5%) in Erewash, Shirebrook North West (31.0%) in Bolsover and Gamesley (30.7%) in High Peak. This compares to less than two percent of households containing dependent children where no adult is earning in the wards of Sett and Temple in High Peak and Dovedale and Parwich in Derbyshire Dales.

## Households with Dependent Children and No Adult in Employment (% of All Households with Dependent Children)



**Source:** 2011 Census, Table KS106EW, Adults Not in Employment and Dependent Children and Persons with Long-term Health Problems or Disability for all Households, ONS (Nomis) © Crown Copyright, 2013

## Free School Meals

In 2012, 14.3% of children in the county were eligible for and claiming free school meals, lower than both the East Midlands (15.5%) and particularly England (17.9%). Within the county there is again considerable variation ranging from 22.2% in Bolsover down to 8.1% in Derbyshire Dales.

Compared with 2011, there has been a slight increase in the proportion of pupils claiming free school meals in the county (0.8% points). This is comparable to the regional increase (0.6% points) whereas nationally there was only an increase of (0.1% points).

Analysis of free school meals data by the Office for National Statistics<sup>33</sup> shows there is an educational attainment gap between pupils eligible for free school meals and their peers. In 2011, the proportion of pupils in the county eligible for free school meals achieving the expected level at key stage 2 was 24% points lower than for those pupils not eligible. This compares with a figure of only 20.0% points for England.

## Income Deprivation Affecting Older People

Approximately 30,600 people aged 60 or over are estimated to be income deprived, representing around 16% of the population in that age group in Derbyshire. Only six LSOAs in the county fall within the 10% most deprived LSOAs in England, where at least 40% of older people are classed as income deprived. This is in contrast to the 39 LSOAs that fall within the least deprived 10%.

A total of 32 of Derbyshire's LSOAs fall within the most deprived 20% nationally on this index, where around 3,900 (roughly 2%) people aged 60 or over in the county are estimated to be income deprived. Chesterfield has the greatest proportion of its LSOAs in these two deciles, followed by Amber Valley and High Peak. However, each of Derbyshire's districts, with the exception of South Derbyshire, contains one such area.

**Derbyshire Observatory Link:** <http://tinyurl.com/lea2014-older-dep>

**Excel Data Link:** <http://tinyurl.com/lea2014-Chptr3-table10>

## Fuel Poverty

Fuel poverty is an emerging and major factor which is having a growing impact on the disposable incomes of many people. As identified earlier, Gross Disposable Household Incomes in the county are falling in relative terms and with the rising cost of energy, more and more people are struggling to afford their heating costs, meaning they are faced with difficult choices given the rising cost of living across many areas. Living in a cold home impacts on people's physical and mental wellbeing, damaging health and affecting quality of life. The elderly, children, and those with a disability or long-term illness are especially vulnerable. The Office for National Statistics indicates that in the UK there are between 20,000 and 50,000 more deaths recorded in the winter months than during the summer. Whilst there are many factors that influence these deaths, poor heating systems and lack of insulation in many homes is a significant cause of excess winter deaths.

The Government in 2013 introduced a new indicator to measure fuel poverty, known as the Low Income High Costs (LIHC) measure. This indicator finds a household to be fuel poor if their income is below the poverty line and their energy costs are higher than is typical for their household type. The latest data for 2011 uses this new measure and shows that fuel poverty is an issue affecting 59,295 households in Derbyshire (13.7%). This is marginally higher than the East Midlands (13.3%) but quite a lot higher than England (10.9%). Districts most affected are Amber Valley (14.6%), High Peak (14.5%) and Derbyshire Dales (14.2%). North East Derbyshire

has the lowest proportion of households deemed fuel poor in Derbyshire (11.4%). As previously identified fuel poverty is a causal factor in excess winter deaths. Public Health Observatories in England data shows that in for 2008-2011, Amber Valley had one of the highest levels of Excess Winter Deaths in the country (ranked 8<sup>th</sup> out of 326).

A rural household is twice as likely as an urban household to struggle with heating affordability. National Energy Action (NEA) estimates that the number of rural households having difficulties heating their homes reached 1.1 million in 2010. The rural nature of parts of the county is a factor in the greater levels of fuel poverty. The higher altitude and prevalence of solid walled housing, which is less likely to be insulated, impacts on fuel consumption and fuel poverty in parts of High Peak and Derbyshire Dales.

**Households in Fuel Poverty (2011)**

Area	Number of households	Number of households in fuel poverty	% of households fuel poor
Amber Valley	52,709	7,691	14.6
Bolsover	32,339	4,496	13.9
Chesterfield	46,748	6,053	12.9
Derbyshire Dales	31,130	4,421	14.2
Erewash	48,917	6,648	13.6
High Peak	40,125	5,838	14.5
North East Derbyshire	42,992	4,883	11.4
South Derbyshire	38,439	4,779	12.4
<b>Derbyshire</b>	<b>432,456</b>	<b>59,295</b>	<b>13.7</b>
Derby City	99,057	14,486	14.6
East Midlands	1,910,616	253,997	13.3
England	21,918,363	2,390,053	10.9

**Source:** 2011, Department of Energy and Climate Change (DECC) © Crown Copyright, 2013

**Note:** This is the revised Low Income High Costs Measure fuel poverty indicator introduced in 2013

**Derbyshire Observatory Link:** <http://tinyurl.com/lea2014-fuelpov>

Two out of the last three winters have been particularly severe and if the cold winters are to become more frequent, there will be an increased need to support those most at risk of fuel poverty. The County Council is developing an Affordable Warmth Strategy to drive activity to help address fuel poverty for local residents.

## Mortgage and Landlord Repossessions

Mortgage and landlord possession claims are issued when a lender or landlord takes action to take possession of the property, and is the first formal step in the process of repossession. In 2012 there were a total of 2,030 cases of mortgage and landlord possession claim issues in Derbyshire, an overall fall in possession claims of -9.1% since 2011. Mortgage possessions accounted for 41.5% of all possession claims (842), a decrease of 13.4% since 2011.

**Mortgage and Landlord Repossessions (2011-2012)**

Area	2011				2012			
	Landlord		Mortgage		Landlord		Mortgage	
	Claims issued	Claims leading to orders	Claims issued	Claims leading to orders	Claims issued	Claims leading to orders	Claims issued	Claims leading to orders
Amber Valley	150	100	164	121	144	112	135	103
Bolsover	145	125	133	95	122	107	109	87
Chesterfield	340	285	108	87	323	268	110	73
Derbyshire Dales	85	55	54	37	61	59	38	22
Erewash	160	135	158	142	163	132	129	87
High Peak	135	110	109	80	132	85	111	83
North East Derbyshire	135	100	111	83	131	101	83	67
South Derbyshire	110	75	135	119	112	76	127	87
<b>Derbyshire</b>	<b>1,260</b>	<b>990</b>	<b>972</b>	<b>764</b>	<b>1,188</b>	<b>940</b>	<b>842</b>	<b>609</b>
Derby City	660	495	324	247	754	585	251	199
East Midlands	9,310	6,800	6,065	4,715	9,564	6,965	5,051	3,739
England	136,370	93,640	67,905	51,235	144,952	98,917	55,473	41,040

**Source:** 2011-2012, Mortgage and Landlord Possession Statistics, Ministry of Justice © Crown Copyright, 2013

**Derbyshire Observatory Link:** <http://tinyurl.com/lea2014-mortgage>

**Excel Data Link:** <http://tinyurl.com/lea2014-Chptr3-table11>

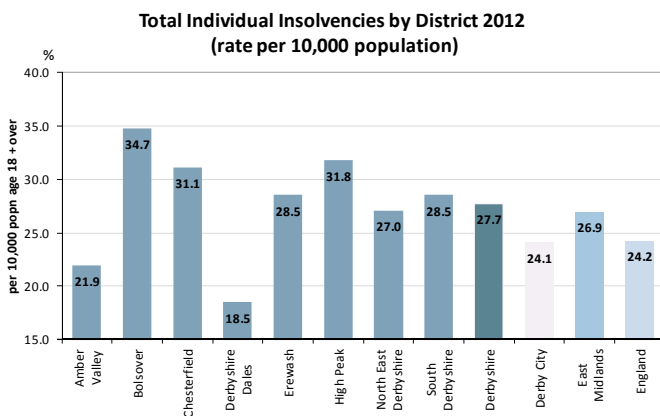
Mortgage possession claims account for a much greater proportion of claims than in the region and particularly England. This may reflect the greater levels of home ownership in the county.

The level of overall decrease in possession claims in Derbyshire (-9.1%) compared with the previous year is greater than that in the East Midlands (-4.9%) and England (-1.9%). This is partly due to the increase in landlord possession claims in the East Midlands (2.7%) and England (6.3%) in 2012. Locally there had been a decrease of -5.7%.

## Personal Insolvencies

An individual is insolvent if he or she cannot pay their debts as they fall due. Data from the Insolvency Service shows the level of personal insolvencies in the county is higher than across England, indicating that people within the county are experiencing financial pressure. In 2012 there were 1,710 personal insolvencies across Derbyshire giving a rate of 27.7 per 10,000 adults aged 18 and over, higher than the regional (26.9) and particularly national (24.2) rates. Bolsover had the highest rate in the county in 2012 with 34.7 cases per 10,000 adults and Derbyshire Dales the lowest (18.5).

However, since personal insolvencies reached a peak across England in 2009, Derbyshire has experienced a greater decrease (-22.3%) than England (-19.9%) suggesting that the beginnings of economic recovery may be benefiting the county more than England on this measure. All districts locally have shown a decline between 2009 and 2012, with the greatest improvement in the rate being shown in Amber Valley (-36.7%) and the least by High Peak (-10.0%).



**Source:** 2012, Total Individual Insolvencies in England and Wales, Insolvency Service, and Population Estimates Unit, ONS © Crown Copyright, 2013

**Derbyshire Observatory Link:** <http://tinyurl.com/lea2014-tpi>

Individual insolvency data comprises bankruptcy orders, debt relief orders, and individual voluntary arrangements. The following analysis gives information for these.

## Bankruptcy and Debt Relief Orders

Bankruptcy is a legal process where a court has deemed that an individual cannot repay the debts they owe. In 2012 there were 489 new bankruptcy orders (7.9 per 10,000 adults aged 18 or over) in Derbyshire, higher than both the regional rate of 7.6 and national rate of 7.0. There were also 348 new debt relief orders in Derbyshire in 2012, representing 5.6 cases per 10,000 adults, lower than the regional (7.3) and national rates (6.9).

debt relief orders in Derbyshire. This represented 13.5 cases per 10,000 adults, lower than the regional (14.9) and national (13.9) figures. By district, Chesterfield and High Peak had the highest rates (both 16.8) and Amber Valley (9.9) and Derbyshire Dales (10.0) the lowest.

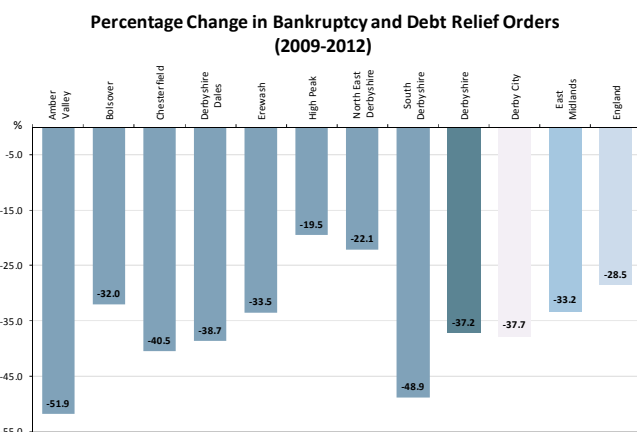
Since 2009 there has been a greater rate of decline in new bankruptcy and debt relief orders in Derbyshire than the East Midlands and England, again suggesting that the slowly improving economic picture is having more of an impact in the county on this measure.

## Individual Voluntary Arrangements

An Individual Voluntary Arrangement (IVA) is a formal alternative for individuals wishing to avoid bankruptcy and involves a formal repayment process. In 2012, there were 873 new individual voluntary arrangements, representing 14.1 cases per 10,000 adults aged 18 or over, greater than the figure for the East Midlands (12.0) and England (10.4). Within the county, Bolsover (18.6) had the greatest rate and Derbyshire Dales the lowest (8.5).

Since 2010, the rate of IVA in Derbyshire has fallen by - 5.6%. However, East Midlands (-10.0%) and England (-9.5%) both saw greater falls in IVA. Across Derbyshire two districts showed an increase over the period, Erewash (12.2%) and Bolsover (7.2%). South Derbyshire had the greatest improvement (-14.9%).

**Derbyshire Observatory Link:** <http://tinyurl.com/lea2014-iva>  
**Excel Data Link:** <http://tinyurl.com/lea2014-Chptr3-table12>



**Source:** 2009-2012, Bankruptcy and Debt Relief Orders in England and Wales, Insolvency Service, and Population Estimates Unit, ONS © Crown Copyright, 2013

**Derbyshire Observatory Link:** <http://tinyurl.com/lea2014-bank>

**Derbyshire Observatory Link:** <http://tinyurl.com/lea2014-dro>

Debt relief orders replaced part of the system of bankruptcy orders in April 2009 and for analysis of recent trend data it is better to look at bankruptcy and debt relief orders in aggregate. This shows that since peaking in 2009, there has been a general downward trend in new bankruptcy and debt relief orders across England. In 2012, there were 837 new bankruptcy and



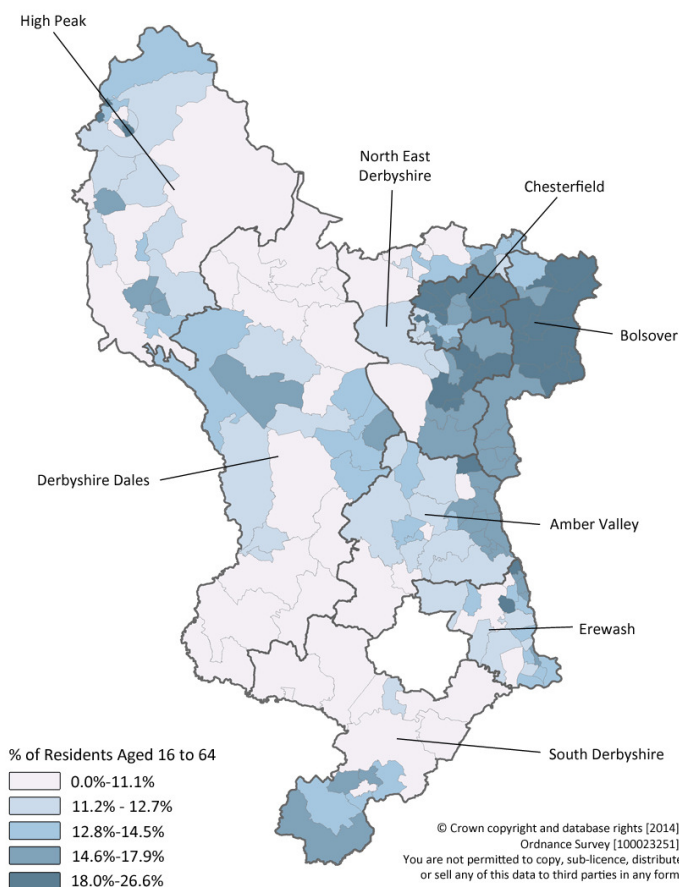
### Life Expectancy Rates

Overall life expectancy at birth<sup>34</sup> for both males and females has been rising since 1991. For 2010 to 2012, the three year pooled rate life expectancy of a Derbyshire male (79.3 years) was similar to male life expectancy regionally (79.1) and nationally (79.2). This is also the case for females, with overall life expectancy in Derbyshire (83.1) being similar to the national (83.0) and regional (82.9) female life expectancy rates.

Looking at the variation across Derbyshire, males in Derbyshire Dales had the highest life expectancy at 81.1 years, with High Peak (80.0), Erewash (79.8), North East Derbyshire (79.7) and South Derbyshire (79.4) all having higher life expectancy than Derbyshire as a whole. The lowest male life expectancy rates are to be found in Chesterfield (77.7) and Bolsover (77.9). However, Erewash is the only district to have a decrease in male life expectancy since the previous reporting period 2009 to 2011, of -0.2 years.

For females, the districts with the highest life expectancy at birth are Derbyshire Dales (84.3), Erewash (83.6) and High Peak (83.4). The districts with the lowest female life expectancy are Bolsover (82.0) and Chesterfield (82.3). Chesterfield and North East Derbyshire have both had a decrease in female life expectancy since the previous reporting period 2009 to 2011, of -0.2 and -0.1 years respectively. The difference between the highest and lowest life expectancies across the districts is more marked for males (3.4 years) than females (2.3 years).

**Long-term Limited Health Of Residents Aged 16 to 64**  
(% of Residents Aged 16 to 64)



Source: 2011 Census, Table LC3206EW, General Health by Ethnic Group by Sex by Age, ONS (Nomis) © Crown Copyright, 2013

Derbyshire Observatory Link: <http://tinyurl.com/lea2014-llti>

Derbyshire Observatory Link: <http://tinyurl.com/lea2014-life>

### Limiting Long-term Illnesses

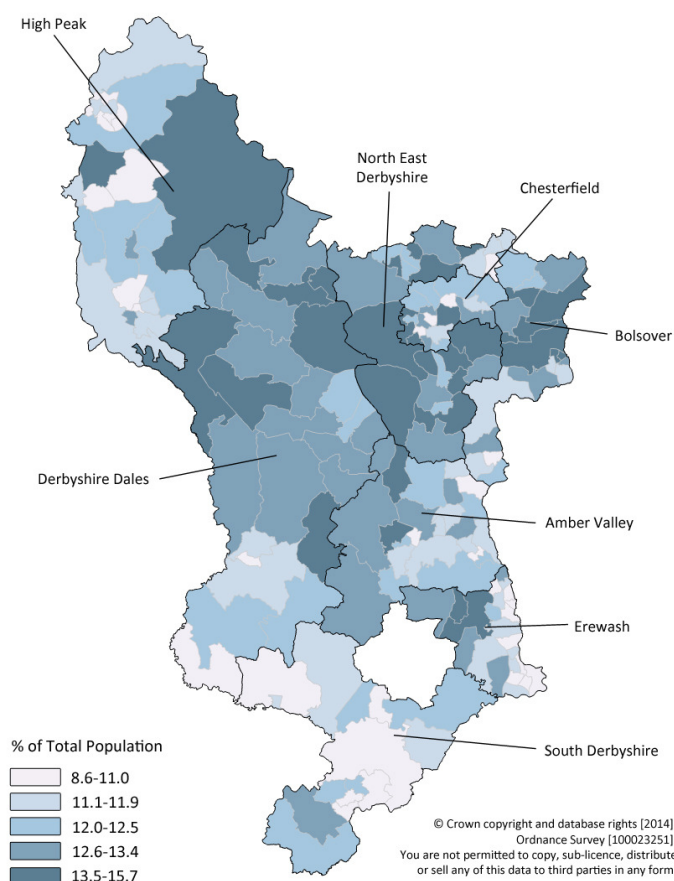
A limiting long-term illness (LLTI)<sup>35</sup> is defined as a long-term illness that limits a person's daily activities or the work that they do. As was the case in 2001, there is a higher percentage of people of working age with a LLTI in Derbyshire in 2011 (14.6%) compared with the East Midlands (13.4%) and England (12.7%). 18 wards (of 177) have levels of LLTI of more than 20%, with many of these found in parts of the county where the employment base was historically concentrated in traditional industries. The percentage of people aged 65 and over who have a LLTI in Derbyshire is 54.9%. This is higher than the East Midlands (52.9%) and England (51.5%) rates.

### Unpaid Carers

People providing unpaid care play an important role, providing crucial support to those they are looking after, however, the role can detract from the contribution that people are able to make to the local economy. Within the county, 12.1% of the population were providing some form of unpaid care in 2011. As with limiting long term illness, this is higher than the regional (10.8%) and England (10.2%) figures. Derbyshire has a high proportion of its population participating in unpaid care with three districts falling within the top 10 local authorities nationally, North East Derbyshire, Bolsover and Derbyshire Dales.

Wards with high levels of unpaid carers correspond to areas that contain large numbers of pensioner households such as Coal Aston, Brampton and Walton, and Calver. Areas with low levels of unpaid carers tend to have high numbers of economically active residents and households with dependent children.

### People Providing Unpaid Care (% of Total Population)



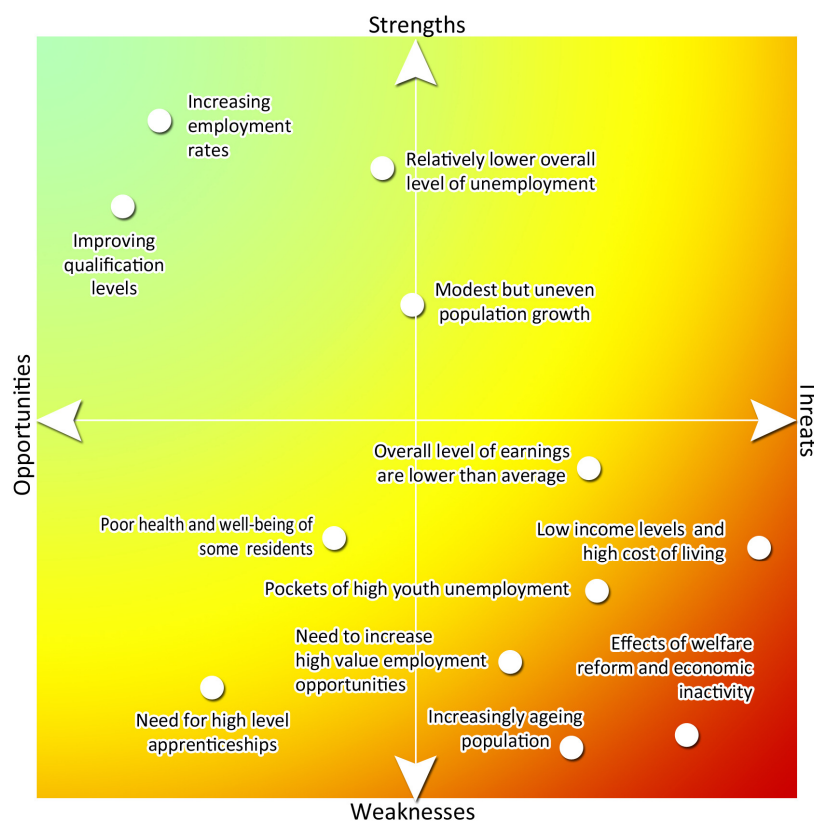
Source: 2011 Census, Table LC3304EW, Provision of Unpaid Care by Age, ONS (Nomis) © Crown Copyright, 2013

Derbyshire Observatory Link: <http://tinyurl.com/lea2014-unpaid-care>

Over a fifth (22.7%) of Derbyshire's 92,800 unpaid carers spend more than 50 hours a week caring for someone, slightly less than the regional (23.4%) and national figures (23.1%).

A greater proportion of females (13.8%) provide unpaid care in Derbyshire than males (10.5%). This pattern is also evident regionally and nationally although it is slightly more marked in the county.

Analysis by age shows that 1.1% of young people aged under 16 provide unpaid care in Derbyshire in 2011, the same as for the East Midlands and England. 15.0% of people aged 65 and over provided unpaid care in the county, slightly higher than both the region and England. By age group the greatest differential is, however, for the working-age population, with 14.2% of Derbyshire residents aged 16-64 providing unpaid care which is greater than both the East Midlands (12.7%) and England (12.0%). This means that there is a potential greater strain on the ability of the local working age population to contribute to the economy compared with the East Midlands and England.



### What does the analysis tell us?

Derbyshire is forecast to experience relatively modest but uneven levels of population growth over the next decade. South Derbyshire is projected to experience much higher levels of growth than elsewhere in the county, placing an increased demand on the supply of housing and local services, and presenting challenges for planning authorities. However, alongside this there may be new business opportunities to provide local services to new housing areas. Given the county's relatively low rate of business start-ups, partners can play a key role in enabling individuals to be able take-up opportunities such as these.

Derbyshire continues to have an older-age profile than the country as a whole. Projections indicate this trend will continue, with the retired population set to increase even further despite changes in state pension age. The retired population will be reliant on a proportionally smaller working age population. This may have implications for the ability of the county to achieve competitive growth in economic output. Strategies to increase the productivity of the working age population are therefore likely to be of value.

Additionally, there is a higher proportion of the working-age population with a limiting long-term

illness and a higher proportion of unpaid carers when compared to the national average, creating greater strain on the ability of the local population to contribute to the economy. This needs to be factored in to work to drive increased economic output with the development of policy interventions to help support individuals.

Derbyshire has a rate of employment which is higher than both the regional and national rates, resulting in an availability of labour for businesses to utilise. The D2N2 area has a relatively low employment rate, so Derbyshire provides a positive input in this respect. A high employment rate also suggests that Derbyshire's economy has survived the worst of the economic downturn with initial signs of employment growth. However, the high employment rate does mask issues such as underemployment. The county has relatively high levels of part-time working and shifting the balance more in the direction of full-time work could help to sustain future economic growth.

The high employment rates in the county also reflect that unemployment in Derbyshire is lower than both the regional and national averages. However, despite this there remain hotspots in both urban and rural areas within the county where unemployment and out of work benefit claimant rates exceeds the national rate. In areas such as Gamesley in High Peak and

Rother in Chesterfield benefit claimants rates have remained at the highest levels in the county since 2012. This long-term trend is concerning and the life chances of individuals in these areas must be considered. Data also suggest that unemployment amongst the BME population is high in some areas, and the proportion of long-term claimants is increasing. Targeted approaches to supporting people into work are likely to have a positive impact on individuals, wider communities and the economy.

Although youth unemployment levels have decreased across the board, unemployment amongst young people remains an issue in some parts of the county, and this is a continuing trend from the 2012 LEA. Youth unemployment remains above the national rate and in parts of Chesterfield and Bolsover it is particularly pronounced. Current data also indicates that nearly a third of all unemployed people are aged 25 or under and long-term youth unemployment is also an issue. This suggests that some young people are struggling to compete in the labour market. Ensuring that young people have the appropriate skills and qualifications to get their foot on the job ladder will continue to be important.

Derbyshire has a relatively low skills base, with large numbers currently employed in traditional industries or low skilled occupations which require few qualifications. Whilst overall qualification levels have improved in recent years, there remains a lower proportion of adults with an NVQ Level 4 or above qualification than nationally and this needs to be addressed if the county is to secure competitive advantage. Although GCSE attainment has generally been increasing in recent years, there is a mixed picture of GCSE attainment across the county. Future economic strategy locally will need to consider how recent improvements in skills and qualifications can be further advanced to support improvement in economic performance, as well as getting greater numbers of qualified individuals to work in the county.

Residence-based earnings remain at a higher level than workplace earnings, suggesting that there are high wage earners with more qualifications working outside of the county. Within Derbyshire, both weekly and annual earnings remain below the national average, indicating that a significant number of people are on a relatively low wage, contributing to deprivation in some parts of the county. Lower skills are likely to be a barrier to earning higher wages for many of these residents. How greater numbers of people can draw higher wages within the county is a question that merits consideration.

This is particularly relevant given increasing evidence to suggest that more families are feeling the impact of

relatively reduced incomes due to an increased cost of living, above inflation rises in utilities and items such as food along with lower wage rises. Total personal insolvencies in Derbyshire are significantly higher than the national average and gross disposable household income is falling, meaning that fewer people in Derbyshire have a disposable income. Food banks, credit unions and crisis loans are all in increasing demand in Derbyshire, indicating that many individuals are unable to afford basic items and effectively manage their personal finances.

Derbyshire also has high numbers of people in fuel poverty and older-age poverty. The numbers of children in receipt of free school meals is an indicator of families in poverty and children from these households tend to underperform compared to their peers. However, the statistics are not all negative as there are fewer children in the county in poverty than both regionally and nationally.

The introduction of Universal Credit alongside other reforms to the welfare system over the coming years will see whole-scale change to the benefit payments individuals currently receive. In some cases, individuals may see their benefit entitlement decrease, making it difficult for people if the cost of living continues to increase.

Many people in the county are struggling on a day to day basis to meet the cost of living, with life chances and health suffering as a result. How the prospects of residents finding themselves in such situations can be improved is a challenge that needs to be considered in the development of policies and strategies by partners.



## Summary of key issues

- Population growth of 6.1% is forecast over the next ten years, less than the 8.6% across England.
- The employment rate in the county is relatively high at 75.1%.
- The number of people claiming unemployment-related benefits has fallen by 27.4% in the last year.
- There has been a decline in the proportion of young people NEET over the last year of 1.3% points.
- The number of people achieving an apprenticeship increased by 27.2% on the previous year.
- 9.8% of people are claiming an out of work benefit, less than the 10.6% nationally.
- 12% of the population are income deprived, less than the 15% for England.
- There are fewer children in poverty (16.4%) compared with 20.1% nationally.
- 14.3% of children are eligible for and claiming free school meals lower the 17.9% nationally, although a slight increase on the previous year.
- Life expectancy is rising although it varies by around six and half years between districts.
- The trend in long-term unemployment is up, and 28.3% of people claiming unemployment-related benefits are long-term unemployed.
- The youth unemployment rate is 4.1%, higher than the 2.3% for the working age population.
- Qualification levels have improved in recent years but only 30.4% of adults are qualified to NVQ Level 4 or above.
- 59.1% of pupils achieved five or more GCSE's at grades A\* to C including English and Maths, marginally below the 59.2% nationally.
- Gross annual pay is £24,364 (workplace based measure) 11.0% lower than nationally.
- Gross disposable household income is £14,625 per person, lower than the £16,034 for the UK.
- There are currently 20 food banks in the county, the number tripling in just over a year.
- 60 lower super output areas fall in the most deprived 20% nationally, mainly concentrated in the North East of the county, although each district has at least one such area.
- 13.7% of households are affected by fuel poverty, more than the 10.9% across England.
- The rate of personal insolvencies is relatively high at 27.7 per 10,000 adults aged 18 and over.
- 14.6% of working age people have a limiting long-term illness, more than the 12.7% nationally.

## Developing the economic response

### The demographic challenge

The key challenge for Derbyshire is to ensure communities develop in a sustainable way to accommodate population growth and maintain a competitive, economic advantage. It will be important to develop appropriate housing provision, job opportunities, schools, GP surgeries and infrastructure to meet the needs of the population, and support business growth and secure prosperity.

Responding to the needs of an increasingly ageing population will continue to be a challenge. Developing and promoting services that allow older residents to have greater independence will need to be a key strand of Derbyshire's policy response. The development of health and social care as a potential growth sector needs to be encouraged as it will further stimulate private sector growth. Appropriate health and wellbeing strategies will need to be developed to support those with a long-term illness and ensure those individuals providing unpaid care can take up employment opportunities if they choose.

### Employment

Maintaining and increasing the high numbers of people in employment is important for the local economy. Employers and training providers will need to continue to match training and skills with current and projected opportunities in the labour market. Employment rates in some areas of the county are low and this could be due to poor health in these communities. Improving the health and well-being of residents in these communities will allow individuals to return to work on a full or part-time basis and will help address aspects of low household income.

Developing robust and targeted interventions to support individuals in areas of high unemployment will be essential in providing pathways to work and reducing the number of people reliant on out-of-work benefits. Schools, colleges and training providers will need to work in these communities to provide appropriate skills and training opportunities as part of a broader skills and employment strategy.

### Skills

Driving up qualification levels within a widened workforce will ensure the needs of employers are met and will enhance Derbyshire's economic performance. Diversifying the economic base of the county towards higher value activities will raise productivity, increase the number of higher skilled employment

opportunities and subsequently raise wage levels. Encouraging individuals to seek appropriate qualifications which match new or emerging job opportunities will help Derbyshire residents secure continued employment.

Collaborative action with/across training providers with a strong focus on basic skills, employability and high level skills in niche areas such as advanced engineering will help ensure the Derbyshire economy can prosper.

### **Young people**

Encouraging young people to do well at GCSE is important as higher attainment levels are required to ensure an appropriately skilled future workforce. It is also vital to ensure that young people have the appropriate routes to vocational qualifications and apprenticeships.

Ensuring young people have the appropriate skills when they leave school or college so they are 'work-ready' can prevent a negative impact on the economy. Working with colleges and schools to promote appropriate careers advice and guidance, and training and qualification opportunities, will provide young people with the skills to help them take up opportunities in growth sectors. Promoting academic and vocational courses alongside apprenticeships in Derbyshire's schools and colleges will allow individuals to develop skills which they can utilise in the labour market. These actions need to be set within a more co-ordinated strategic approach.

### **Tackling poverty**

Organisations across Derbyshire are working together to ensure there is a strategic approach to tackling poverty within the county. This aims to raise awareness of food poverty and food banks, signpost users of food banks to a range of advice services and provide direct support to food banks. In order to support local food banks to respond to the increasing demand for emergency food parcels in Derbyshire, the Council has provided £126k of funding during 2013/14 to the organisations running the food banks, providing three-day emergency food parcels for around 3,000 people and supporting food banks locally to become more sustainable.

Continuing to provide appropriate advice and support to those who are struggling with their finances to help prevent people from falling into debt, especially in areas such as Chesterfield and Bolsover is important. There is a need to raise awareness of the dangers of 'pay day' loans and promote more sustainable approaches to managing household finances, such as

through credit unions. Additionally, there is a need to improve understanding of the extent of payday loan take-up locally.

Encouraging organisations to adopt the out of London Living Wage of £7.65 per hour will allow individuals currently on the lowest of incomes to manage their personal finances in a way that will reduce the likelihood of them falling into high levels of personal debt and will help address household poverty.

Delivering the Strategic Action Plan of the Derbyshire Financial Partnership will help address inequalities; the County Council's Anti-Poverty Strategy will complement this work and provide strategic direction to tackle this issue. The County Council is also developing an Affordable Warmth Strategy to help address fuel poverty for local residents and this will be important as well.

Continued action to monitor the impact of welfare reform within households and communities will be required to ensure current interventions around support to credit unions and food banks remain effective. The County Council's pilot work on thriving families will be instrumental in this area and should be rolled out across Derbyshire, supported by more comprehensive community intelligence through the new customer segmentation work which will help understand changes in community needs and behaviours.

### **Links to the DESS**

Strategic Theme – Creating the Workforce to Support Growth

- SO10: Raise workforce skills
- SO11: Connect people to economic opportunity
- SO12: Create a skilled future workforce
- SO13: Tackle disadvantage and help hard to reach individuals and communities into economic activity

# Sustainable Economic Growth

## Chapter 4





### Derbyshire's Landscape

Derbyshire is a spectacular county with a rich, diverse heritage. Alongside the beautiful natural landscape which includes Britain's first National Park (Peak District National Park), Derbyshire has several historic towns and buildings of great interest and importance. The Derwent Valley Mills World Heritage Site is situated in the county along with other attractions such as Chatsworth House, Creswell Crags and part of the National Forest. Derbyshire's high quality landscape and cultural sites are also important assets to Derbyshire's economy, offering potential to attract new visitors, residents and businesses.

Derbyshire's landscape is particularly rich in natural resources. This has had a significant influence on the economic development of the county over the last two hundred years and the county is still the largest minerals producer in the UK by a considerable margin. It has also shaped the natural and historic environment of the county and now needs to be protected and managed.

The county's abundance of fast flowing rivers provided the basis for extensive water-powered industries in and around the Peak District and gave birth to the Industrial Revolution. While this source of power was surpassed by other forms and most of the mills eventually closed, the legacy of historic mills and mill sites has provided opportunities for new types of commercial and industrial uses in a pleasant rural environment with well-established access to the transport infrastructure.

The coalfields in the East of the county had a huge economic and physical impact on the communities and landscape which, following the decline of labour-intensive deep-mining and the contraction of the supporting railway system, has gone through further transformation with open-cast mining. Much of the landscape devastated by this intense economic activity has been reclaimed and restored. Alongside this, huge efforts have, and are, being made to encourage and provide new employment opportunities on the reclaimed land, such as the developments at Markham Vale. The former South Derbyshire coalfield has also seen regeneration on reclaimed land, for example the development of the National Forest, which has seen much planting on degraded land and which itself has been accompanied by a growth in visitor and forest-related business.

In the upland areas of the Peak District, the quarrying of stone for building has been a major influence on the character of settlements and the landscape, creating the local distinctiveness of upland Derbyshire which helps makes the Peak National Park such an attraction. Today a handful of these quarries continue to provide high-quality building stone for conservation and new-build projects around the country, not just in Derbyshire. These activities do have an impact on the natural environment and landscape of Derbyshire, but equally their products help to conserve the local distinctiveness of the historic environment and maintain employment.

Of much greater impact on the landscape and natural environment is the extensive aggregates industry associated with the upland limestone area and the Trent Valley, which is boosted by "national demand". This industry provides extensive local employment and business activity for firms of all sizes but also affects the natural and historic environments through dust, noise, vibration and impact damage.

Derbyshire has extensive parkland estates which now rank amongst the nation's premier historic sites. These sites contribute significantly to the tourism economy of the county and include estates such as Bolsover Castle, Hardwick Hall, Chatsworth House, Haddon Hall, Kedleston Hall, and Calke Abbey.

The natural and cultural value of Derbyshire's landscape is currently being recognised in two Heritage Lottery funded projects; Limestone Journeys and DerwentWISE. Attracting nearly £4 million of funding these projects aim to work with local communities and landowners to conserve and celebrate the landscape, wildlife and rich heritage within the project areas.

The natural environment's greatest value is likely to lie in the provision of ecosystem services. Ecosystem services are defined as benefits derived from ecosystems and the natural environment, and may include things like the provision of food and other natural resources, the purification of water and air, carbon sequestration and crop pollination, and the provision of cultural, recreational and tourism opportunities related to the natural environment. Being a predominantly rural county, and supporting a rich and varied landscape of diverse habitats, it is likely that Derbyshire is particularly rich in ecosystem services.



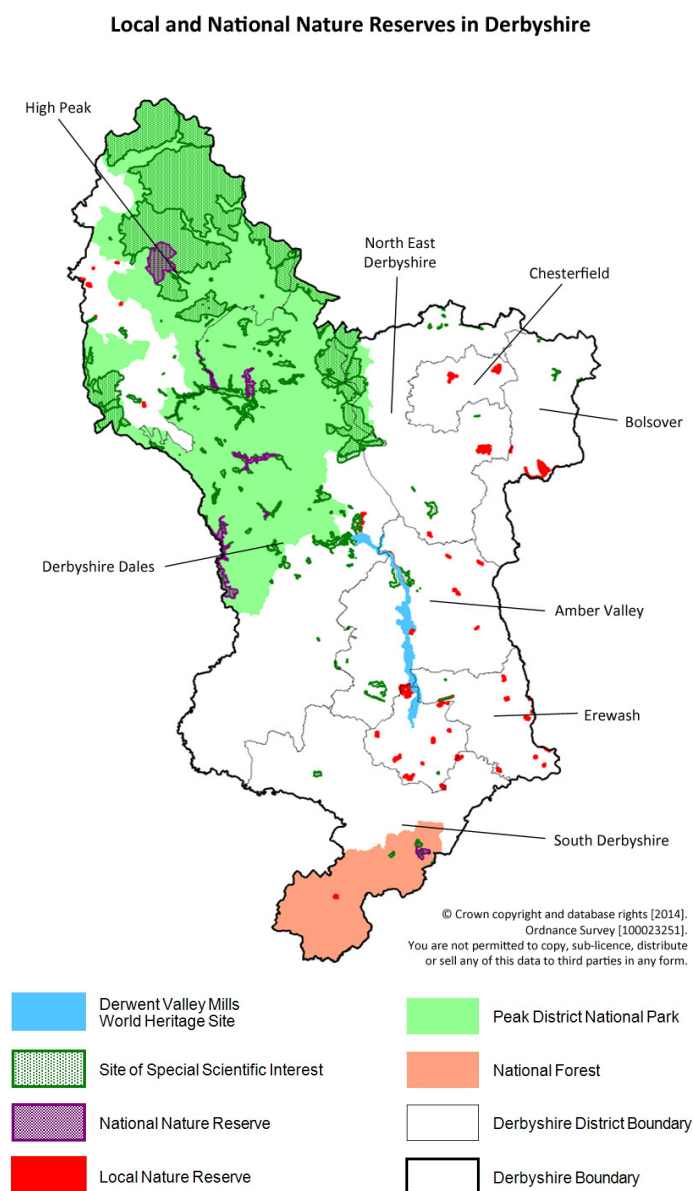
Unfortunately, it is very difficult to identify the true economic value of all ecosystem services, to understand the vital role they play in underpinning the economy, or in sustaining and enriching life. As a consequence, the value of the natural environment can easily be overlooked. It should be noted however that the natural environment underpins many sectors of the Derbyshire economy, such as agriculture, minerals extraction, leisure and tourism; and is also a significant factor in the tourism sector in the Peak District National Park (PDNP). In 2012, the total economic impact of the Peak District National Park was valued at more than £500m<sup>36</sup>.

In recognition of the social and economic importance of the environment, and in order to ensure the environment is considered appropriately in decision making, key partners have recently formed the Lowland Derbyshire and Nottinghamshire Local Nature Partnership (LDN LNP). One example of a project which the LNP hopes to develop is to promote a new 'Vision' (the Trent Valley Vision) for the entirety of the Trent Valley within Derbyshire and Nottinghamshire. This project will develop a new landscape character for the area, to redress the impacts of sand and gravel extraction, maximise investment as a result of remediation activity and create an attractive, wildlife-rich landscape for local residents. It is envisaged that this landscape could become a new tourist destination at the heart of England, serving to attract inward investment, and provide a range of environmental benefits addressing broad issues associated with climate change and flood alleviation.

Currently within the county there are (including PDNP and Derby City):

- 307 conservation areas;
- 97 sites of special scientific interest (SSSIs);
- 47 local nature reserves;
- 1,170 local wildlife sites (not including PDNP);
- 105 hectares of open water;
- Approximately 61 kilometres of canals, including the Chesterfield Canal in the North East of the county and the wildlife-rich Cromford Canal in the Derbyshire Dales;
- 498 scheduled monuments; and
- 5,940 listed buildings.

The following map shows the locations of the county's natural and heritage assets.



Source: Derbyshire County Council, 2013

The cultural and natural environment of Derbyshire is a key asset and it is important that the county's landscape assets are protected, managed and enhanced if their economic potential is to be maximised.

Derbyshire benefits from exceptional grey, blue and green infrastructure, all of which make a significant contribution to the economic offer of the county.

### Transport Development

The Department for Transport's vision for transport is 'a transport system that is the engine for economic growth, but one that is also greener and safer and improves the quality of life in our communities.' Economic goals must therefore be achieved alongside environmental and social goals, and Derbyshire's Local Transport Plan reflects this.

Overall the county is well served by the grey infrastructure; road and rail networks and by air. Derbyshire's transport asset is estimated to be worth £3.5 billion. It is a significant part of the county's infrastructure, as it allows people to get around by driving, walking, cycling, or using public transport. The maintenance, management and development of the transport network therefore plays a vital part in supporting the local economy and its future growth.

The recent widening of the M1, between junctions 25 and 28 has meant that the 23 kilometres stretching from Derby to Alfreton has gone from three to four lanes. The Highways Agency is progressing towards a managed motorway scheme between junctions 28 and 31 which will allow for the use of the hard shoulder, supported by improved incident and congestion detection and response systems (much like the M42 in the West Midlands). Other significant road improvement schemes planned include the A453 widening (under construction) and the improvements to the Markeaton and Little Eaton A38 Derby junctions which currently represent a major constraint for the county. Together with the improvements to the M1, the latter schemes will help to improve the county's wider economic prosperity by improving accessibility and attracting inward investment.

Rural accessibility is an issue in many parts of the county, but especially in High Peak, Derbyshire Dales and areas of South Derbyshire. The "Rights of Way Improvement Plan" aims to deliver improved walking and cycling links between rural communities. Overall, the Plan looks at the extent to which local rights of way (including footpaths, cycle tracks, bridleways, restricted byways, byways, trails and greenways) meet the present and future needs of the public. Plans to

enhance and extend the cycle-trail network in the Peak District National Park were announced in August 2013 as part of the Pedal Peak District Project. This will be the second phase of the project, which aims to benefit the local economy, building on the enhancement of the Monsal Trail in 2012 which opened up a number of disused railway tunnels.

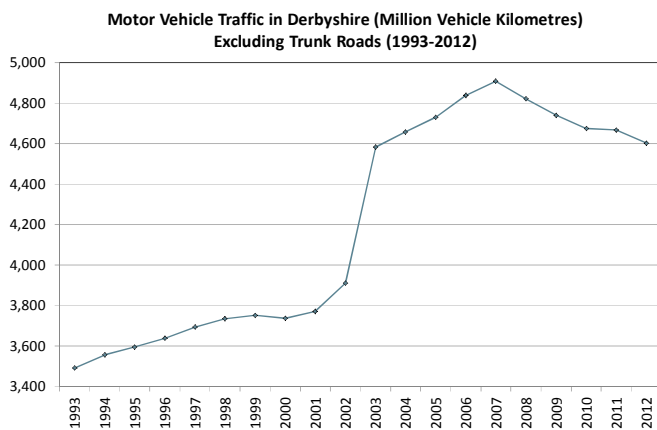
However, accessibility issues are not only confined to rural areas and can relate to affordability and lack of knowledge of the availability of transport services. This can act as a barrier to accessing services, including employment.

Derbyshire's bus network is relatively comprehensive, reflecting the settlement pattern, location of large cities just outside the county boundary and a few deeply rural areas. Over 80.0% of the network is commercially operated and the Council has traditionally supported a high level of evening, Sunday and rural services to maintain accessibility, although cuts to Council funding may result in a need to review this supported network. Accessibility planning is looking to build upon existing community transport schemes such as dial-a-bus and dial-a-ride. Also it will seek to find more specialised and personal solutions to the loss of a regular bus service, which may be more efficient for customers, and cost-effective for the authority. This will be particularly important as the age profile of the county increases along with the demand for more personalised services.

Further research into the impact transport has upon the local economy would be beneficial in order to more fully understand the linkages between transport and the economy. The County Council has provided a comprehensive list of major transport projects to the D2N2 LEP which will increase accessibility, unlock key development sites and improve commuting times.

With regard to transport CO<sub>2</sub> emissions per capita (non-motorway/trunk roads), Derbyshire experienced a 1.9% per capita reduction between 2010 and 2011. Whilst this is encouraging it fell slightly short of the regional (2.2%) and national (2.5%) reductions over the same time period. To help combat this, the Local Transport Plan 2011 – 2016 contains a transport CO<sub>2</sub> reduction strategy which focuses on the assessment and reduction of transport-related CO<sub>2</sub> in Derbyshire.

Estimated traffic flow data shows that the number of kilometres travelled by vehicles in Derbyshire has fallen since 2007.



**Source:** 1993-2012, National Road Traffic Survey, Department for Transport, 2013

**Note:** The figures in this chart are outside the scope of National Statistics

Rail services are an increasingly important element of the transport network with service levels in the county having doubled over the last 15 years. Further service improvements and journey time reductions are under consideration e.g. the extension of the Manchester-Hazel Grove electrified route into Buxton which has potential benefits in terms of journey time and carbon reduction. The electrification of the Midland Main Line between Bedford and Sheffield, scheduled to be completed by 2020, will also be of benefit to the Derbyshire economy.

In reaction to the continuing growth in the use of the rail network predicted for the next 20-30 years, the rail infrastructure in the North of England will need enhancement, and particularly the rail network around Manchester. The Northern Hub proposals include a range of initiatives, such as new tracks in the Hope Valley, to unlock capacity and provide better connectivity across the North through Manchester for both passengers and freight.

The Government-backed plans for the extension of the high-speed rail network beyond Birmingham known as HS2 will extend to Manchester and Leeds. Current proposals have the HS2 line passing through Derbyshire, with a planned station adjacent to the county boundary at Toton. Additionally, connectivity to proposed stations in Manchester (City Centre and Airport) and South Yorkshire will be important in maximising the benefits for people within Derbyshire to access the new network. The routes north of Birmingham are scheduled to open in 2032/33. With regard to local networks, the Council is actively pursuing negotiations for the provision of a new rail station at Ilkeston which will enable the town to benefit from growth in adjacent urban areas and help tackle the deprivation still prevalent in Ilkeston North and Cotmanhay. The station is due to open in 2014, providing higher-speed connections to Nottingham than any current travel option, and providing the town

with much improved connectivity to the North of the county.

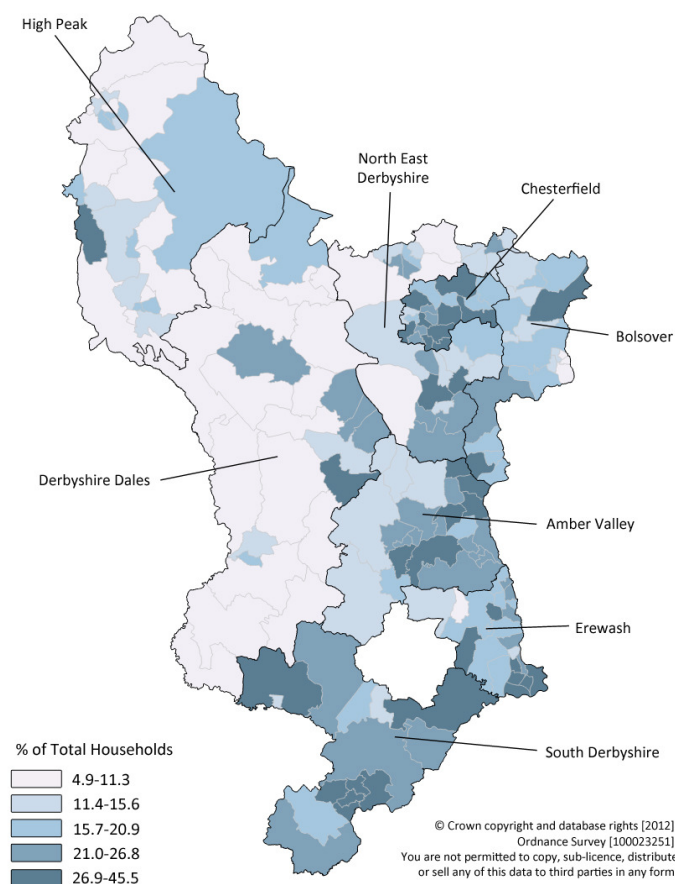
Local rail services are also important to the local economy, and Community Rail Partnerships cover Tutbury and Hatton station, the Matlock to Derby line, the Hope Valley line, the Buxton line and the line to Glossop, Dinting and Hadfield. These partnerships have helped to achieve widespread improvements and increased patronage. In particular, the Matlock to Derby line is ranked three in the top five of branch line growth nationally. The Community Rail approach is being extended to cover other parts of the county.

In addition to the excellent road and rail networks Derbyshire has the added benefit of three major airports (Doncaster/Sheffield, Nottingham East Midlands and Manchester) located just outside of its boundary. Nottingham East Midlands airport is the second largest cargo airport in the UK, handling over 300,000 tonnes of freight and mail in 2010. DHL Aviation have a large purpose build facility at the airport and other courier companies such as UPS and TNT use the airport as a base. The airport is also a primary UK air hub for Royal Mail, and is one of the busiest UK airports for ad-hoc cargo charters.

## Car and Van Ownership

In 2011, 20.1% of Derbyshire households were without access to a car or van, which is lower than the national rate of 25.8%. Since 2001, the proportion of households in the county without a car has declined by three percentage points.

### Households With No Access To A Car or Van (% of Total Households)



**Source:** 2011 Census, Table KS404EW, Car or Van Availability, ONS (Nomis)

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Derbyshire Observatory Link: <http://tinyurl.com/lea2014-van-car>

Across the county there is considerable variation on the proportion of households without a car with 45.5% of households in Gamesley ward in High Peak compared to just 4.9% in Hilton ward in South Derbyshire. As might be expected households without access to a car or van are more prevalent in the urban parts of the county with good local transport links, including wards close to the towns of Glossop, Chesterfield, Bolsover, Staveley, Ilkeston, Buxton and Alfreton. However, some of the wards with the highest levels of households without a car also correspond to areas with a high proportion of pensioners and high levels of poor general health. An example of such an area is Shirebrook North West.

Car ownership rates are higher in the more rural parts of the county and in many of the affluent areas such as Simmondley in High Peak and Litton and Longstone in Derbyshire Dales. However, within some of the more remote rural areas where households do not have access to a car or van, this can be seen as a further barrier to accessing services and employment opportunities. This may well be accentuated by the lower extent and frequency of public transport services that can be a factor in rural areas.



# Sustainable Economic Growth

## Land Use

### Industrial Land Availability

The latest data on the availability of industrial land is from 2011. In April 2011, there was a total of 552.9 hectares of land available for industrial development in Derbyshire. Availability varied considerably; Derbyshire Dales had the lowest amount of land available for development at 25.1 hectares, whilst Bolsover had the largest amount, totalling 137.4 hectares. Much of Chesterfield's available land was adjacent to M1 Junction 29A at Markham Vale which, as part of the Sheffield Enterprise Zone, was subsequently granted such status in August 2011.

The availability of industrial land (i.e. with planning permission, allocated for light and general industrial use and for storage and warehousing) at April 2011 is set out in the following table;

Availability of Industrial Land (April 2011)

Area	Available Industrial Land (hectares)
Amber Valley	93.4
Bolsover	137.4
Chesterfield	113.0
Derbyshire Dales	25.1
Erewash	Data not collected
High Peak	65.0
North East Derbyshire	62.3
South Derbyshire	56.7
Peak District National Park	0
<b>Total</b>	<b>552.9</b>

Source: 2011, Core Output Indicator BD3 (Land Available by Type), CLG © Crown Copyright, 2011

Whilst there is generally a sufficient supply of industrial land available in the county, indeed, an over-supply in some areas, the conclusion of some of the Housing Market Area Employment Land Reviews is that much of this land is of poor quality and unattractive to the market. The consideration of alternative uses for some of these sites may be suggested in emerging District or Borough Core Strategies.

### Floorspace Usage

Focusing on floorspace use, Derbyshire has a different profile to that regionally and nationally. Specifically, Derbyshire has 72.1% of its floorspace used as industrial space, reflecting the greater profile of employment in manufacturing discussed earlier, and proportionally lower amounts of land used as office space than the East Midlands and especially England. It also has a lower proportion of retail space than regionally and nationally.

Floorspace by Type (%) (2012)

Area	Retail	Offices	Industrial	Other
Amber Valley	12.4	5.3	77.7	4.6
Bolsover	10.0	6.6	78.5	4.8
Chesterfield	25.3	11.5	56.6	6.6
Derbyshire Dales	21.5	12.2	57.4	8.9
Erewash	15.7	4.8	73.9	5.6
High Peak	15.1	3.8	73.3	7.8
North East Derbyshire	10.9	6.0	76.0	7.1
South Derbyshire	10.7	4.7	78.9	5.7
<b>Derbyshire</b>	<b>15.2</b>	<b>6.6</b>	<b>72.1</b>	<b>6.1</b>
Derby City	21.2	13.4	59.7	5.6
East Midlands	16.2	9.1	68.7	6.0
England	20.4	16.4	56.0	7.2

Source: 2012, Business Floorspace (Experimental Statistics), Valuation Office Agency, 2012

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

### Floorspace Value

Derbyshire is cheaper than the East Midlands and particularly England for all forms of business floorspace. In 2012, the greatest difference was for office floorspace where Derbyshire was £95.00 cheaper per metre<sup>2</sup> than nationally. Within the county, the highest rateable value is for retail floorspace in Chesterfield at £113.00 per metre<sup>2</sup>, whereas the lowest is for industrial floorspace in High Peak, which costs £24.00 per metre<sup>2</sup>.

Value of Floorspace per metre<sup>2</sup> (2012)

Area	Retail	Offices	Industrial	Other
Amber Valley	£90.00	£55.00	£28.00	£53.00
Bolsover	£100.00	£77.00	£33.00	£41.00
Chesterfield	£113.00	£63.00	£32.00	£61.00
Derbyshire Dales	£92.00	£49.00	£29.00	£48.00
Erewash	£82.00	£66.00	£27.00	£46.00
High Peak	£92.00	£53.00	£24.00	£45.00
North East Derbyshire	£77.00	£60.00	£29.00	£42.00
South Derbyshire	£82.00	£55.00	£31.00	£37.00
<b>Derbyshire</b>	<b>£94.00</b>	<b>£60.00</b>	<b>£29.00</b>	<b>£48.00</b>
Derby City	£114.00	£76.00	£29.00	£74.00
East Midlands	£108.00	£70.00	£32.00	£53.00
England	£150.00	£155.00	£37.00	£68.00

Source: 2012, Business Floorspace (Experimental Statistics), Valuation Office Agency, 2012

This suggests that Derbyshire is an attractive place to locate a business as it has affordable business land, in addition to the competitive wage rates, central location, excellent infrastructure links and high supply of labour as noted earlier.

## Business Land Development

The latest data on business land development is from 2010/11. A total of 34,460 square metres of industrial floorspace was developed across Derbyshire in 2010/11 (based on six of the local authority districts). Whilst the largest amount of development took place in Chesterfield, nevertheless this represented a fall of 6,466 square metres on the previous year, reflecting limited economic growth nationally. Derbyshire authorities generally reported reduced, or little, employment floorspace development in 2010/11, reflecting low levels of market interest as a result of the economic downturn. Much of the floorspace developed in these areas consisted of small scale light industrial units and offices, and was of local significance only. Three quarters of the development was on brownfield land.

The most recent data for the development of industrial floorspace (i.e. with planning permission, allocated for light and general industrial use and for storage and warehousing) are set out in the following table.

Industrial Floorspace Developed 2010/11 (square metres)

District/Area	Brownfield	Greenfield	Total
Amber Valley	5,310	2,276	7,586
Bolsover	0	4,613	4,613
Chesterfield	8,566	745	9,311
Derbyshire Dales	6,801	103	6,904
Erewash	Data not collected		
High Peak	4,025	0	4,025
North East Derbyshire	Data not collected		
South Derbyshire	1,341	680	2,021
Peak District National Park	0	0	0
<b>Total</b>	<b>26,043</b>	<b>8,417</b>	<b>34,460</b>

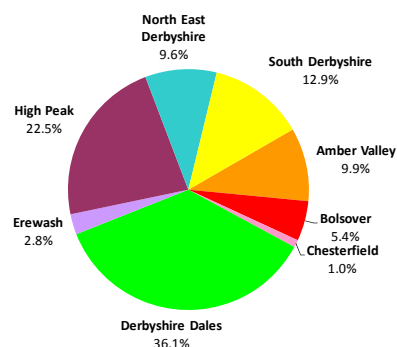
Source: 2010/11, Core Output Indicators BD1 and BD2, CLG © Crown Copyright, 2011

## Agricultural Land Use

In 2010, a total of 177,901<sup>37</sup> hectares (69.7%) of all land within Derbyshire was being farmed. This accounts for 15.1%, of all farmed land across the region and 2.0% of farmed land across England.

District level data shows that Derbyshire Dales and High Peak accounted for over half (104,190 hectares) of all farmed land within Derbyshire. Chesterfield represented the smallest area with just 1.0% (1,765 hectares) of farmed land.

District Share of Farmed Land within Derbyshire (2010)

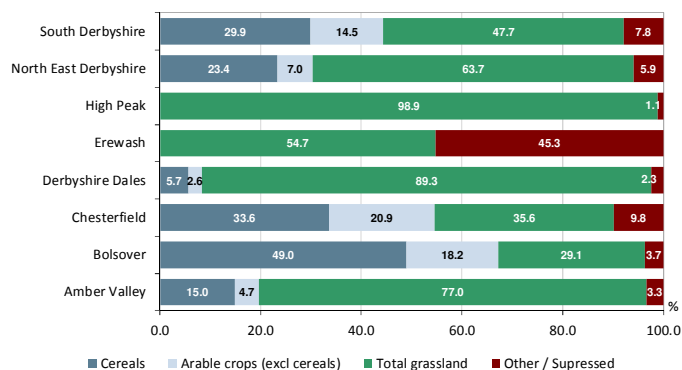


Source: 2010, Survey of Agriculture and Horticulture, DEFRA, 2011

Agricultural land use within Derbyshire differs considerably from the regional and national picture. Over three quarters (77.7%) of all farmed land within Derbyshire is grassland which compares to just under a third (31.3%) regionally and almost a half (49.2%) nationally. Arable crops within Derbyshire accounted for just 17.7% of all agricultural land use, compared to 59.9% regionally and 42.5% nationally.

Locally, there is great variation. Derbyshire Dales (89.3%) and High Peak (98.9%) have considerably higher levels of farm land used for grassland than other Derbyshire districts. These figures are far greater than regionally and nationally and can be attributed to the terrain of these areas.

Agricultural Land Usage within Derbyshire (2010)



Source: 2010, Survey of Agriculture and Horticulture, DEFRA, 2011

Excel Data Link: <http://tinyurl.com/lea2014-chptr4-table2>

Around half of the farmed land in Bolsover is dedicated to cereals (49.0%). This is above both the regional (37.8%) and national figures (28.1%). By contrast Derbyshire Dales has only 5.7% of land used for arable farming.

# Sustainable Economic Growth

## Housing

The housing market can have an important link with the economy. In areas of high demand, high prices can price low-income groups out of their local area or where they need to be to find work, but where demand is low, low prices can discourage new residents from moving in. A balance between housing supply and demand can help the economy to perform well. In general, within Derbyshire there is a reasonable balance in the housing market, however there are particular issues that need focus, such as housing affordability for those on low incomes, support for first-time buyers and the demands of a growing population.

### Households

There were approximately 333,000 households in Derbyshire in 2011. These households represent 17.5% of all households in the East Midlands and 1.5% across England.

By 2021, it is projected that there will be around 360,000 households in Derbyshire, a rise of 8.1% from 2011. This varies substantially by district, with a projected increase of 14.3% in South Derbyshire to just 4.9% in Chesterfield. Household projections can give local planners some context to the challenges faced locally in meeting future demand for homes, although they do not provide an answer to 'how many houses should be built'. These figures and the population growth noted in chapter two are likely to result in an increasing need for additional housing. South Derbyshire will need to have the greatest amount of land to be made available for the development of housing in order to accommodate future household and population growth.

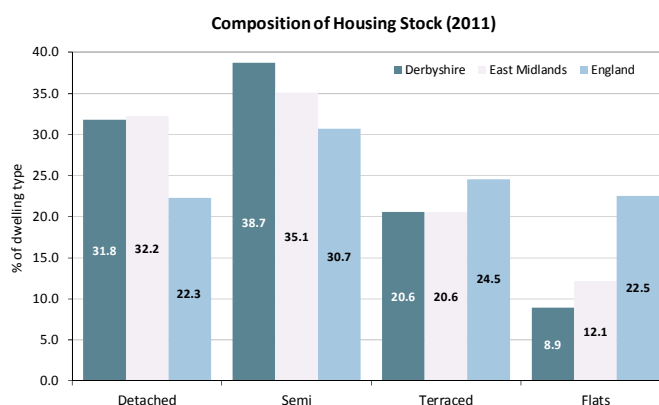
Derbyshire Observatory Link: <http://tinyurl.com/lea2014-house-est-proj>

### Housing Stock and Tenure

Analysis of housing stock data from the 2011 Census shows that whilst Derbyshire's housing stock is broadly similar to that of the East Midlands region, it differs considerably from the national pattern. Semi-detached houses represent nearly two fifths of the housing stock locally but under a third nationally, while detached properties form nearly a third of the local stock compared to less than a quarter across England. Conversely, flats and terraced houses account for less than 30% of the total stock in Derbyshire, but account for almost a half of the total stock in England.

Locally, housing stock varies significantly across the county. The districts of Derbyshire Dales and South Derbyshire have a higher proportion of detached properties, and the High Peak a higher proportion of terraced housing. The largely urban districts of Chesterfield and Erewash have higher proportions of semi-detached properties. Chesterfield and High Peak have higher percentages of flats.

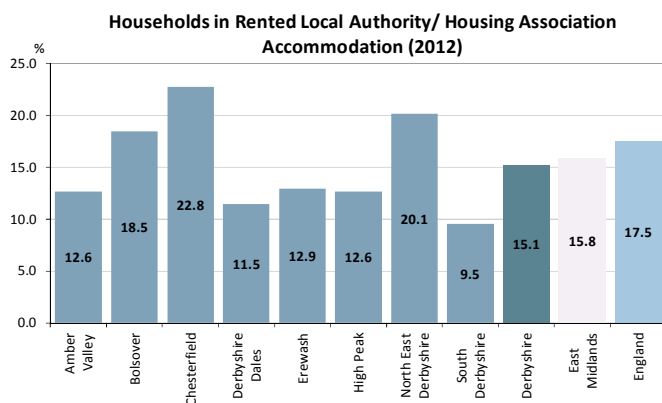
Compared with 2001 there has been little change in the pattern of dwelling stock other than a slight increase in the proportion of flats.



Source: 2011 Census, KS401EW Dwellings, Household Spaces and Accommodation Type, ONS (Nomis) © Crown Copyright, 2013

Derbyshire Observatory Link: <http://tinyurl.com/lea2014-house-stock>

Around 85.0% of households in Derbyshire are private sector owned, a higher proportion than is seen regionally and nationally. The proportion of local authority owned housing in Derbyshire is higher than England but lower than the East Midlands average. Those owned by housing associations in Derbyshire are the same as the East Midlands and below the England figure. Households in the North East of the county are more likely to live in local authority owned or housing association owned housing than elsewhere in the county possibly due to the lower incomes in this part of the county. Following the introduction of the 'right to buy scheme' that promoted the sale of council houses, the number of local authority owned houses in Derbyshire dropped by 41.3% between 2000 and 2012.



Source: 2012, Table 100, Dwelling Stock, CLG © Crown Copyright, 2013  
Derbyshire Observatory Link: <http://tinyurl.com/lea2014-house-ten>

In Derbyshire Dales, where there are low levels of accommodation available to rent from the local housing association, high house prices and a low supply of housing generally, there is additional pressure on housing stock which is compounded by the number of houses used as second homes and holiday cottages.

Population growth and particularly the increased growth in an ageing population will have additional demands on the supply of housing. In Derbyshire there will be a need to ensure that the supply of housing, including sheltered accommodation for older adults, meets the needs of the future population especially in areas such as Derbyshire Dales and South Derbyshire where the proportion of Local Authority Housing and Housing Association housing is low. A number of districts including Amber Valley, Derbyshire Dales and Erewash have transferred their housing stock to Housing Associations. As a general trend, Registered Social Landlords are increasingly becoming the main provider of new affordable housing.

In the Census 2011, proportionally more people in Derbyshire owned their own home (71.4%) than in the East Midlands (67.9%) and England (64.1%). Conversely, in the county the proportion of social housing (15.3%) was lower than that for the East Midlands (15.8%) and England (17.7%) as was the proportion of households living in private rented accommodation, with respective figures being 13.3%, 16.2% and 18.2%.

Comparison of data between 2001 and 2011 highlights some changes in the tenure arrangements of households, notably that fewer people owned their own home in 2011 than in 2001 and that greater numbers of people lived in private rented accommodation in 2011. There has also been a fall in the proportion of people living in social housing in Derbyshire, although the change locally is similar to that in the East Midlands and England. It is important that such changes are monitored and considered in future infrastructure planning.

**Household Type (2001 and 2011)**

Household type	Derbyshire			East Midlands			England		
	2001	2011	Change 2001-2011 (% point change)	2001	2011	Change 2001-2011 (% point change)	2001	2011	Change 2001-2011 (% point change)
Owner occupied	74.4	71.4	-3.0	72.2	67.9	-4.3	68.7	64.1	-4.6
Social housing	17.1	15.3	-1.8	17.5	15.8	-1.7	19.3	17.7	-1.6
Private rented	8.5	13.3	4.8	10.3	16.2	5.9	12.0	18.2	6.2

Source: 2001 Census, Table S051, Tenure and Household Size by Number of Rooms, and 2011 Census, Table KS402EW, Tenure, ONS (Nomis) © Crown Copyright, 2013

## Housing Completions

The East Midlands Regional Plan was revoked by Parliamentary Order in January 2013. Local authorities are now setting housing targets through their Local Plans.

From 2004/05 to 2007/08, housing completions in Derbyshire and the rest of the country steadily increased. However, between 2007/08 and 2009/10 the number of net additional dwellings delivered showed a dramatic decline. In Derbyshire there was a decline of 53.1%, a significantly faster decline than the 35.2% across England suggesting that the economic downturn had a greater impact on house building locally. Just 40 dwellings were delivered in Chesterfield in 2009/10, due to the recession, few large sites being available, and the lack of investment by the construction industry.

However, since 2009/10, the picture in the county has been slightly more promising. Locally, there has been an increase in completions in two of the last four years, although the net change between 2009/10 and 2012/13 has still seen a fall of -13.8%, which is similar to the national rate of decline of -13.9%. The East Midlands has not fared as well with an overall decrease of -18.8%.

Between 2009/10 and 2012/13 two districts saw an increase in housing completions, Chesterfield and High Peak. This may well reflect an increase in the release of land for housing development linked to a slight easing in the economic conditions locally.

**Net Additional Dwellings (2004/05-2012/13)**

Area	2004-05 <sup>a</sup>	2005-06 <sup>a</sup>	2006-07 <sup>a</sup>	2007-08 <sup>a</sup>	2008-09 <sup>a</sup>	2009-10 <sup>a</sup>	2010-11 <sup>a</sup>	2011-12 <sup>a</sup>	2012-13 <sup>a</sup>
Amber Valley	300	430	580	590	380	260	300	200	200
Bolsover	250	320	260	270	290	250	250	120	120
Chesterfield	370	420	400	450	80	40	90	50	150
Derbyshire Dales	350	310	310	370	290	270	310	130	220
Erewash	260	700	380	500	430	210	230	210	170
High Peak	320	420	550	310	120	80	110	100	210
North East Derbyshire	230	330	510	300	230	210	140	120	160
South Derbyshire	880	600	570	930	480	430	550	380	270
<b>Derbyshire</b>	<b>2,960</b>	<b>3,540</b>	<b>3,550</b>	<b>3,710</b>	<b>2,310</b>	<b>1,740</b>	<b>1,990</b>	<b>1,310</b>	<b>1,500</b>
East Midlands	18,380	21,110	23,090	21,620	15,240	13,800	12,740	11,180	11,200
England	185,550	202,650	214,940	223,530	182,770	144,870	137,390	134,900	124,720

Source: 2004-05 to 2012-13, Live Table 122, CLG © Crown Copyright, 2013

Note: R = revised, P=provisional

All new homes built should comply with the minimum standards set out in the Code for Sustainable Homes.



This code goes further than the current building regulations and aims to reduce carbon emissions and create homes that are more sustainable. In 2009, Derbyshire's reduction in domestic CO<sub>2</sub> was 9.9% which was similar to the East Midlands (10.0%) but slightly better than England (9.5%).

## Housing Completions on Brownfield Land

Revisions to Planning Policy Statement 3 (PPS3) in June 2010, reclassifying garden land as 'greenfield', and removing 30 dwellings per hectare net as a national indicative minimum to guide decision making, mean that there is now no national target for the percentage of dwellings to be built on previously developed (brownfield) land. Nevertheless the National Planning Policy Framework, (March 2012), which replaces PPS3, states that planning policies and decisions should encourage the re-use of previously developed land, and that local planning authorities may continue to consider the case for setting a locally appropriate target for the use of brownfield land.

In 2012/13, most areas exceeded the previous national target of 60.0% of dwellings being built on previously developed land. The upward trend of recent years, due to de-industrialisation and the legacy of unused land, is to build on brownfield land. However, over the last couple of years six of the seven districts for which data is available have seen a decline in the proportion of housing built on previously developed land. The dwindling supply of such land, notably in South Derbyshire, has created additional pressure for the development of greenfield sites.

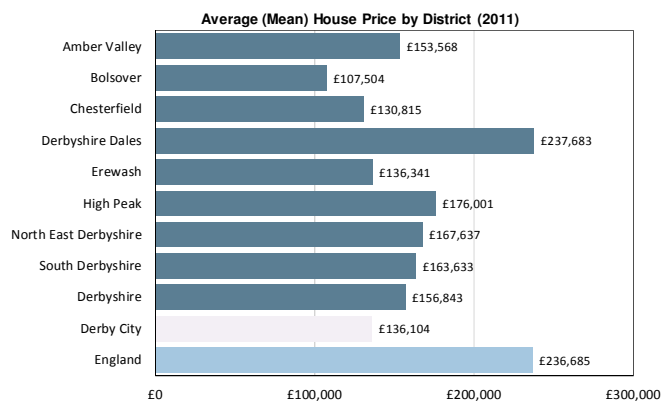
**New and Converted Dwellings on Previously Developed Land (2010-11 to 2012-13)**

Area	2010-11 (%)	2011-12 (%)	2012-13 (%)
Amber Valley	88.0	75.0	80.0
Bolsover	86.0	96.0	73.0
Chesterfield	77.0	79.0	86.0
Derbyshire Dales	83.0	68.0	82.0
Erewash	66.0	64.0	62.0
High Peak	No Data		
North East Derbyshire	76.0	73.0	61.0
South Derbyshire	50.0	38.0	32.0

Source: 2010-11 to 2012-13, Derbyshire reporting system (CDP Smart), Derbyshire County Council, 2013

## House Prices

Overall, Derbyshire is an affordable place to live, with the average house price in 2011 being £156,843, much lower than the England average of £236,685. Across Derbyshire this varies significantly from £107,504 in Bolsover to £237,683 in the rural district of Derbyshire Dales.

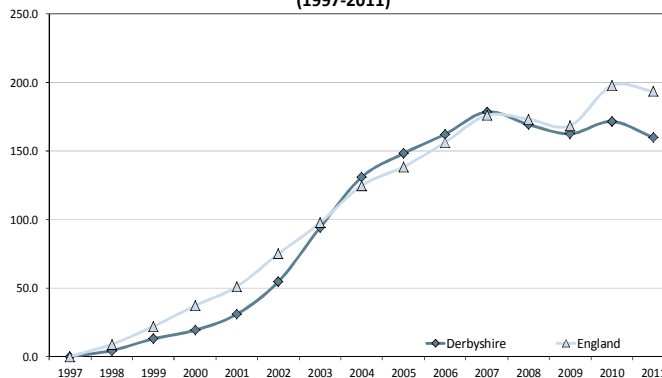


Source: 2011, Live Table LT 585, HM Land Registry, via CLG © Crown Copyright, 2012

Derbyshire Observatory Link: <http://tinyurl.com/lea2014-house-prices>

Since the late 1990's house prices in Derbyshire have steadily increased in line with the trend across England. From 2001 to 2004 house prices increased significantly with a more gradual increase from 2005 to 2007. Average house prices fell between 2007 and 2008, with a drop of -3.3% in Derbyshire and a further -2.5% drop between 2008 and 2009, equating to about -£9,600 between 2007 and 2009 locally. The 2007 to 2008 fall was higher than the fall in national house prices (-1.0%) and in 2009 house prices in Derbyshire were still dropping faster (-2.5%) than the national rate (-1.7%). 2010 saw a recovery in house prices with the national increase (10.9%) being considerably more than the county increase (3.4%). However, in 2011 prices dipped again, with the decline in Derbyshire (-4.3%) once again greater than that across England (-1.4%)

**% Change in Mean House Prices Since 1997 (1997-2011)**



Source: 1997-2011, Live Table LT 585, HM Land Registry, via CLG © Crown Copyright, 2012

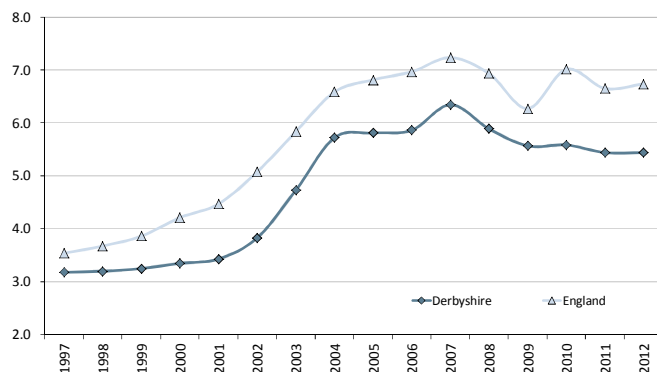
Derbyshire Observatory Link: <http://tinyurl.com/lea2014-change-house-price>

## Housing Affordability

Analysis of the Department of Communities and Local Government's Affordability Ratio, which compares house price and income data, for 2012 shows that houses in Derbyshire appear to be more affordable than across England. However, affordability is an issue in some areas of the county, particularly in Derbyshire Dales where there is higher demand for houses. This is largely due to parts of Derbyshire Dales falling within the Peak District National Park, a sought after location

for people to live, therefore impacting on property prices. The visitor economy in Derbyshire Dales also has an impact on house prices and housing stock as there are more second homes and holiday homes in this district depleting housing stock for residents and pushing up prices. Using this ratio, Bolsover is the most affordable district in the East Midlands.

Ratio of Median House Price to Median Income (1997-2012)



Source: 1997-2012, Live Table LT 577, CLG based on Annual Survey of Hours and Earnings and HM Land Registry data, ONS © Crown Copyright, 2013

Note: 2011=revised, 2012=provisional

Derbyshire Observatory Link: <http://tinyurl.com/lea2014-house-afford>

The delivery of affordable housing remains relatively low with just 460 homes being delivered across the county in 2012/13. However, this is the first year since 2008-09 when there has been an increase in the figure compared with the previous year. Five districts have shown an increase in 2012-13, with the largest percentage change shown by North East Derbyshire.

Whilst some delivery is obtained through change of tenure (transfer into a Housing Association, previously known as Registered Social Landlord ownership), the majority is achieved through the grant of planning permission. Ongoing economic viability issues of housing sites, the difficulties of securing affordable housing through the planning system during a period of economic downturn, and funding issues have all contributed to the low level of development.

Gross Number of Affordable Housing Completions (2008-09 to 2012-13)

Area	2008-09	2009-10	2010-11 <sup>R</sup>	2011-12 <sup>R</sup>	2012-13 <sup>P</sup>
Amber Valley	50	20	90	70	60
Bolsover	60	40	30	60	30
Chesterfield	60	30	10	20	30
Derbyshire Dales	90	150	70	40	90
Erewash	130	70	100	40	20
High Peak	20	20	20	40	50
North East Derbyshire	70	50	10	20	60
South Derbyshire	60	100	110	100	120
Derbyshire	540	480	440	390	460

Source: 2008-09 to 2012-13, Live Table LT1008, Homes and Communities Agency, Greater London Authority, local authorities, via CLG © Crown Copyright, 2013

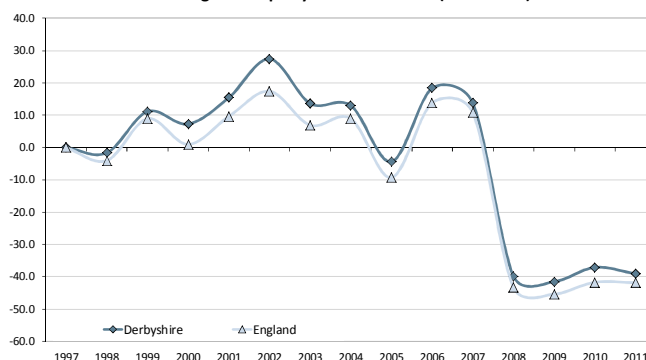
Note: R = revised, P=provisional

## Property Sales

Property sales nationally and locally have fluctuated over the years since 1997 (our base year). Sales peaked in 2002 and hit a low in 2009. Following an increase in 2010, sales then dipped in 2011 and closed the gap with England, the latest year for which data is available. Otherwise the county has mirrored the national trend.

Amber Valley consistently has had the most property sales of all the districts in Derbyshire since 1997. Bolsover and Chesterfield had the highest growth in property sales between 1997 and 2002 when sales peaked. High Peak saw the biggest drop in property sales over the period 2002 to 2009, with sales falling 61.3% over this period. However, since then High Peak has also seen the biggest rise in property sales at 13.7%.

% Change in Property Sales since 1997 (1997-2011)



Source: 1997-2011, Live Table LT 588, HM Land Registry, via CLG © Crown Copyright, 2012

Excel Data Link: <http://tinyurl.com/lea2014-chptr4-table3>

## Future Housing Development

Projected demographic changes within the existing population and planned economic growth will place additional pressures on the future availability of housing and also on the county's infrastructure, services and facilities.

The proposed new housing targets in emerging core strategies and local plans show how the local authorities and the Peak District National Park Authority are looking to meet housing needs within their areas. These targets are outlined in the Derbyshire Infrastructure Plan 2013, and the key elements are summarised below:

### Amber Valley

The draft Local Plan for Amber Valley, which aims to be adopted in May 2014, sets out growth of 9,400 new dwellings for the period 2008 – 2028. New growth will be primarily concentrated on the four market towns of Alfreton, Ripley, Belper and Heanor, with some growth (530 dwellings) to be located on the edge of Derby as previously required by the Regional Strategy. It is

proposed that up to 1,800 dwellings will be allocated as part of a mixed use development at land north of Denby. More affordable housing will be provided in the borough with new housing designed to provide for the needs of all sectors of the community.

Much of the Borough is covered by Green Belt, which will be protected from development. Villages and rural areas will also be protected from unsustainable development. However, some small, less sensitive areas of the Green Belt at Ripley and Codnor are planned to be released for housing, business and industrial development in order to assist with the improvement to the A610 between Ripley and Codnor.

### **Bolsover**

Bolsover District Council submitted its Local Plan Strategy to the Planning Inspectorate in December 2013 for examination. The Local Plan covers the period 2011 to 2031 and aims to promote sustainable growth, focussed on achieving a better balance of housing and employment provision in the District's four towns and five main villages.

There will be 6,000 dwellings provided by 2031 with housing growth focused in Bolsover Town, where 2,000 dwellings are proposed, including a minimum of 800 dwellings on the Bolsover North strategic site, with significant growth also proposed in South Normanton, Shirebrook and Clowne. Local centres in the five main villages of Barlborough, Creswell, Pinxton, Tibshelf and Whitwell will be supported and all will see reasonable housing growth.

High priority will be given to increasing local housing choice and the sustainable growth of the district's economy will be focused on four strategic employment growth zones. The area's high cultural value, including Bolsover Castle, Hardwick Hall and Estate and Creswell Crags, bring about sustainable tourism. Improvements to the quality of the attractiveness of the District's settlements and their settings will be encouraged, including improving green infrastructure and the remaining former industrial sites.

### **Chesterfield**

The Local Plan Core Strategy for Chesterfield was adopted in July 2013, covers the time period 2011 to 2031 and proposes the development of 7,600 dwellings. Housing growth will be focused at the Staveley and Rother Valley Corridor strategic regeneration site, Chesterfield Waterside, areas around the existing town, district and local services centres and around the Regeneration Priority areas of Barrow Hill, Duckmanton, Holme Hall, Mastin Moor, Poolsbrook and Rother Ward.

Economic development will be delivered on committed sites (principally Markham Vale Enterprise Zone) and on brownfield land in existing industrial areas. The Green Belt will also be maintained and the Chesterfield Canal will be restored along its length within the borough.

### **Derbyshire Dales**

The Derbyshire Dales Local Plan is scheduled to be adopted in October 2014 and covers the period 2006 to 2028. The plan proposes housing growth of 4,400 dwellings, focussing on the market towns of Ashbourne, Matlock and Wirksworth. Hulland Ward, Brailsford, Doveridge, Tansley, Cromford, Darley Dale, Matlock Bath and Middleton by Wirksworth are defined as 'Larger Settlements' where more moderate development may be located.

Areas of countryside will be protected and enhanced and separation between settlements, particularly Matlock and Darley Dale, will be maintained. Smaller villages and the countryside will see investment in agricultural diversification and affordable homes on rural exception sites. Additionally, new employment space will be created in older mill and industrial complexes and redundant mining and quarry sites. The area's industrial legacy, including the Derwent Valley Mills World Heritage Site, will bring about growth in sustainable tourism.

### **Erewash**

The Erewash Core Strategy, which is currently being examined by the Planning Inspectorate, covers the period 2011 to 2028 proposing 6,250 dwellings over the period of the local plan. Within Erewash, Ilkeston and Long Eaton will be the focus for retail, leisure, cultural and commercial opportunities.

In Ilkeston, the former Stanton Ironworks will be developed and regenerated as a new sustainable neighbourhood providing 1,950 new homes and 70,000 sqm of employment uses. Housing will also be provided at Long Eaton and elsewhere through urban redevelopment. The majority of the countryside, green belt, areas of biodiversity and locations at risk from flooding will be protected, as well as green infrastructure which will also be enhanced.

### **High Peak**

High Peak Borough Council consulted on its Local Plan Preferred Options in spring 2013. The plan, which is due to be adopted in February 2015, covers the period 2006 to 2028 and sets out housing growth of 5,940 dwellings for the period of the plan. Growth will be focused in the market towns of Buxton, Chapel-en-le-

Frith, Glossop, New Mills and Whaley Bridge. The settlements of Birch Vale, Charlesworth, Chinley, Dove Holes, Furness Vale, Hadfield, Hayfield, Peak Dale and Tintwistle are defined as 'Larger Settlements' and more moderate development may be located in these.

Areas of countryside will be protected and enhanced and separation between settlements will be maintained. Smaller villages and the countryside will see investment in agricultural diversification and affordable homes on rural exceptions sites. Additionally, new employment space will be created in older mill and industrial complexes and redundant mining and quarry sites.

### **North East Derbyshire**

In North East Derbyshire 6,600 dwellings could be provided by 2031. Although the housing target has yet to be formalised in a Local Plan, provisionally this could be split as 50 dwellings per year in the Northern sub-area; 205 dwellings per year in the Southern sub-area, including the East of the District; and 75 dwellings per year in the Rural Western sub-area. Also 1,100 dwellings are proposed as part of the redevelopment and regeneration of the former Avenue Coking Works at Wingerworth.

In the North of the district, where there is a significant need for affordable housing, there may be a need for a targeted review of the Green Belt. Additionally the Markham Vale Enterprise Zone will continue to be a focus for economic development.

### **South Derbyshire**

South Derbyshire is one of the fastest growing areas in the country. The Local Plan for South Derbyshire, which is due to be adopted in early 2014, covers the time period 2008 to 2028 and plans for growth include the development of 13,500 new dwellings. A significant proportion of these new dwellings will be sited on the edge of Derby City and will be required to meet the future housing needs of the city, which cannot currently provide for all of its housing demand.

New development to the South of the district will be focussed on the regeneration of Swadlincote town centre. Growth and development will occur in existing urban and rural communities but will also create new urban communities. South Derbyshire will seek to protect and enhance the countryside as well as green spaces and remains a major part of the National Forest and an increasingly important tourist destination. The principles of the Nottingham-Derby and Swadlincote-Burton Green Belts will be retained.

## **Peak District National Park**

The Local Development Framework Core Strategy 2011 sets out the vision, objectives and spatial strategy to guide development and change in the Peak District National Park to 2026.

The majority of development (around 80-90% of new homes) will be focused in Bakewell and 61 smaller settlements, with the remainder occurring in other settlements and the rest of the countryside. In Bakewell, the central shopping area will be protected, employment sites will be safeguarded and the take-up and enhancement of under-used employment sites will be encouraged. Scope for a new build hotel to serve the town and improve visitor accommodation within the National Park will be offered.

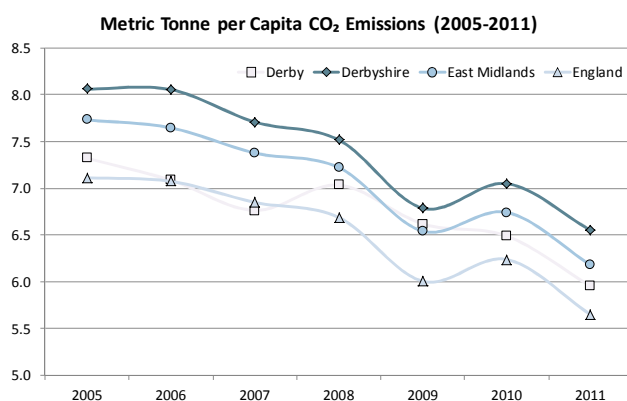


# Sustainable Economic Growth

## Adapting to Climate Change

### CO<sub>2</sub> Emissions

As a result of the threat from climate change the Government has committed itself to a target of reducing CO<sub>2</sub> emissions by 34.0% by 2020 and by 80.0% by 2050 from its 1990 levels. Although the level of CO<sub>2</sub> emissions in metric tonnes per capita in Derbyshire has fallen since 2005, the figure in 2011 remained higher than in both the East Midlands and England. Within the county, the figures in 2011 were highest in the Derbyshire Dales, High Peak and South Derbyshire, and lowest in Erewash and Chesterfield.



Source: 2005-2011, Local and Regional per Capita CO<sub>2</sub> Emissions Estimates, Department of Energy and Climate Change, 2013

Derbyshire Observatory Link: <http://tinyurl.com/lea2014-co2>

The most likely contributory factors to the higher levels of CO<sub>2</sub> emissions in the county are the county's large number of manufacturing businesses, a prevalence of solid walled housing; a higher than average altitude, and a significant length and number of major roads within or in close proximity to the county.

The importance of these factors comes through when analysis is done by the different categories in which CO<sub>2</sub> can be generated. In 2011, domestically generated CO<sub>2</sub> emissions were greatest in Derbyshire Dales and High Peak, areas where there is significant solid walled housing, which is less likely to be insulated, and where altitude is a factor. CO<sub>2</sub> emissions generated by transport were greatest in Derbyshire Dales and South Derbyshire, parts of the county where there are busy A-roads, for example the A6, A38 and A50. Industrial and commercially generated CO<sub>2</sub> emissions were greatest in the High Peak and Derbyshire Dales where there is significant quarrying activity.

**Metric Tonne per Capita CO<sub>2</sub> Emissions (2011)**

Area	Industrial & Commercial	Domestic	Transport	Overall Figures
Amber Valley	3	2.1	1.7	6.8
Bolsover	2.1	1.9	1.3	5.4
Chesterfield	2.2	1.9	1.1	5.2
Derbyshire Dales	3.9	2.2	3.3	9.5
Erewash	1.6	2.0	1.2	4.7
High Peak	4.4	2.2	1.6	8.3
North East Derbyshire	2.1	2.0	1.4	5.6
South Derbyshire	3.1	1.9	3.0	8.1
<b>Derbyshire</b>	<b>2.8</b>	<b>2.0</b>	<b>1.8</b>	<b>6.6</b>
Derby City	2.6	1.8	1.5	6.0
East Midlands	2.4	1.9	1.8	6.2
England	2.2	2.0	1.4	5.6

Source: 2011, Local and Regional per Capita CO<sub>2</sub> Emissions Estimates 2005-2011, Department of Energy and Climate Change, 2013

Derbyshire Observatory Link: <http://tinyurl.com/lea2014-co2>

Significant steps towards reducing CO<sub>2</sub> emissions across Derbyshire are taking place. Derbyshire County Council is supporting the delivery of the Energy Company Obligation (ECO) targets and Green Deal via the Nottinghamshire and Derbyshire Local Authorities Energy Partnership. The aim of these initiatives is to provide affordable warmth by cutting energy bills and simultaneously reduce carbon emissions. Further support for improving energy efficiency from domestic properties is provided through the Energy Monitors Loan Scheme, a project which has been further developed with partners to include businesses across the county. The Council has also developed a Carbon Reduction Strategy for the road transport network and development of a Climate Change Charter for Derbyshire is ongoing. Additionally during 2011/12, the Council pledged to reduce its carbon emissions from its estate and operations by 25% by 2015 based on 2008/09 levels. As at 2013, emissions have been reduced by 6.5%.

### Adaptation to Climate Change

There is widespread scientific consensus that man-made greenhouse gas emissions are leading to rapid and potentially irreversible climate change. Over the next 40 years we can expect our summers to be hotter and drier and our winters to be warmer and wetter. This is illustrated by climate predictions for Derbyshire produced in 2009 by the UK Climate Impacts Programme.

Climate Predictions for Derbyshire

Climate Variable	2020s	2050s	2080s
	2010-2039	2040-2069	2070-2099
Mean daily temperature (annual)	10.5°C	11.5°C	12.5°C
Mean daily maximum temperature (summer)	21.5°C	22.9°C	24.4°C
Change in temperature on the warmest day (summer)	+1.1°C	+2.2°C	+3.0°C
Change in temperature on the coolest day (winter)	+1.5°C	+1.8°C	+2.1°C
Mean daily precipitation (summer)	1.75mm	1.50mm	1.47mm
Mean daily precipitation (winter)	2.18mm	2.38mm	2.48mm
Change in precipitation on the wettest day (winter)	5%	9%	14%

Source: UK Climate Projections, produced by a partnership including DEFRA and the Met Office, summary for Derbyshire based on central estimates, medium emissions scenario, 2010

The frequency and intensity of severe weather events such as heat-waves, droughts and flooding is also expected to increase. Flooding has already impacted upon the county on numerous occasions in recent years, with two of the most severe recent floods occurring in Hatton in November 2000, and in Chesterfield in June 2007. In addition to reducing the use of carbon-based fossil fuels it is also essential therefore that vulnerabilities to the more intense weather expected are reduced by adapting infrastructure, assets and services to increase resilience to these changes.

Derbyshire County Council has made progress on the adaptation agenda working alongside key partners within Derbyshire and the wider East Midlands region. The authority has been working with the regional climate change partnership Climate East Midlands on the Planning to Adapt and the Well Adapted East Midlands (WAEM) programmes. Under the Planning to Adapt programme the Council has acknowledged the risks to council services and produced an Adaptation Action Plan outlining the activities required to build resilience to climate change. Adaptation is now considered in council service planning and the risks associated with climate change are reviewed regularly. Priorities within the Adaption Action Plan include minimising the risk of floods, and reducing the impact that severe weather has on transport. The transport infrastructure is of vital importance to many aspects of life from a free-flowing road network that is relied upon by emergency services responding to call-outs, to the daily commute to work by the public in cars, and by public transport.

Within the current WAEM programme the authority is looking to further embed climate change adaptation within individual services and further develop adaptive capacity. Current activities within the WAEM project include the development of indicators so progress on adaptation can be monitored and reviewed. Additionally an economic assessment of the benefits of adaptation is currently under development and will create an evidence base for investing in adaptive measures.

The D2N2 LEP is currently developing a Low Carbon Plan, which considers how climate change can be tackled at a regional level alongside some of the opportunities which arise through positioning the region at the forefront of low carbon technology. The LEP is looking to develop a range of Smart Energy Communities Plans which will assess local current and future energy requirements. These plans will include details of how local renewable energy sources can be encouraged and low carbon business opportunities developed. Full details of the D2N2 Low Carbon Plan can be read at: <http://tinyurl.com/lea2014-d2n2-lowcarbon>

At a more local level the growth and development of the Transition Town movement demonstrates how locally based economic activity can be used to develop more resilient and sustainable communities. There are eight transition town groups in Derbyshire who are working alongside local authorities, businesses, educational institutions and environmental organisations to deliver more sustainable and integrated economies that consider the environment.

The Peak District National Park Authority is also developing sustainable tourism opportunities where visitors are encouraged to be less dependent on the car when visiting the area and to choose local products and services. The Peak Connections project is underway and includes developing recreational cycling schemes which interlink with bus, rail and road transport routes. The Peak District National Park Authority is championing and supporting the development of environmentally orientated products and services that contribute to quality and green experiences, all of which will make a positive contribution to tackling climate change.

## Flooding Risk for Derbyshire

Across the county there are significant areas of land and many thousands of properties, including some densely populated urban areas, at risk from one or more sources of flooding. A large part of the county boundary is delineated by rivers, and rivers pass by, or

through, several urban areas. Some larger urban areas are protected by flood defences.

Parts of north Derbyshire also have small watercourses which rapidly respond to heavy rainfall. In the South of the county there are more mature rivers which carry the rainfall from large catchment areas, rising slowly but remaining high for long periods, i.e. days or even a few weeks before falling back to normal levels. In recent years, there has been a marked increase in flood events caused by surface water. Some areas of Derbyshire, e.g. Derbyshire Dales and High Peak, have steep valley catchments which provide conditions which can cause flash floods. This was last experienced in Glossop in July 2002.

At the county level approximately 8.0% of properties are at risk from fluvial flooding (from rivers or other watercourses) and 5.8% from pluvial flooding (surface water flooding arising when the ground or storm drains can no longer absorb rainfall) flooding. A significant number of properties are at risk from both sources. There is much variation across the county for both types of flooding but particularly so for fluvial flooding reflecting the different river drainage patterns in Derbyshire. Erewash, which encompasses parts of the catchment areas of the rivers Derwent and Trent, and Derbyshire Dales, have the greatest levels of river flooding risk and Bolsover the least. Whilst for surface water flooding, Derbyshire Dales and High Peak show the greatest levels and Erewash and South Derbyshire the least.

**Properties at Risk of Fluvial and Pluvial Flooding (2013)**

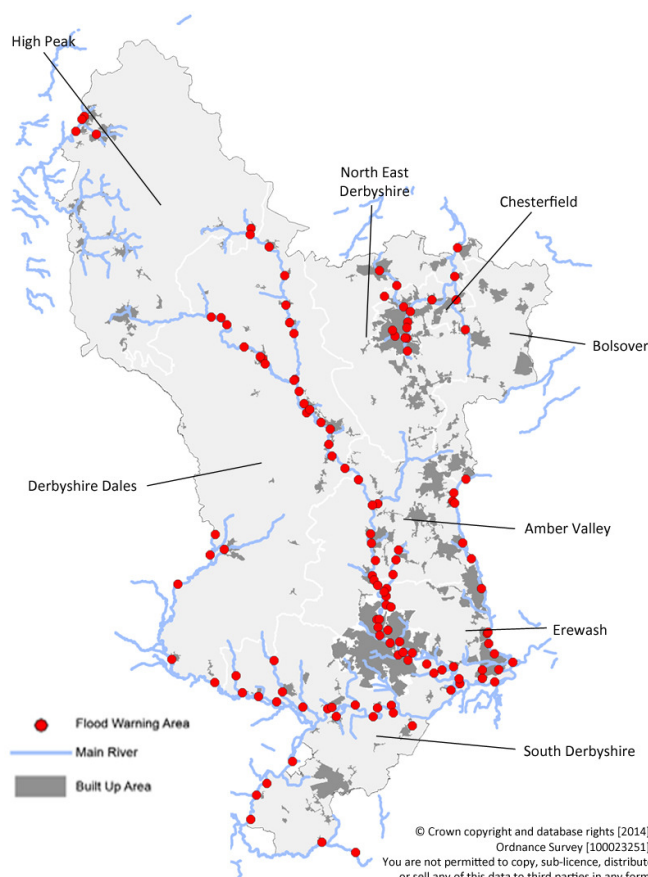
Area	Number of Properties in District	Approximate Number of Properties at Risk from Fluvial Flooding	Approximate Number of Properties at Risk from Pluvial Flooding
Amber Valley	58,056	2,180 (3.8%)	2,599 (4.5%)
Bolsover	35,953	260 (0.7%)	1,794 (5.0%)
Chesterfield	51,500	1,790 (3.5%)	2,844 (5.5%)
Derbyshire Dales	35,837	3,780 (10.5%)	3,909 (10.9%)
Erewash	53,107	14,710 (27.7%)	2,116 (4.0%)
High Peak	43,546	1,960 (4.5%)	4,113 (9.4%)
North East Derbyshire	45,992	660 (1.4%)	2,069 (4.5%)
South Derbyshire	42,179	3,900 (9.2%)	1,674 (4.0%)
Derbyshire County	478,717	35,520 (7.4%)	21,118 (4.4%)

Source: 2013, Ordnance Survey, Environment Agency, DEFRA and DCC Emergency Planning, 2013

Derbyshire Observatory Link: <http://tinyurl.com/lea2014-flood>

The map below shows the location of the areas in Derby and Derbyshire in receipt of the Environment Agency's fluvial flood warning service:

**Locations of the Flood Warning Areas in Derbyshire**



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Environment Agency License Number 100026380 (2011)

Source: DCC Emergency Planning, 2013

As part of new duties under the Flood and Water Management Act 2010, Derbyshire County Council is the lead local flood authority. This requires the Council to produce a Flood Risk Management Strategy. The Strategy will be published in 2014 after a period of public consultation.

## Waste Management

An increase in the amount of recycling within communities can impact positively on the economy and within the county there has been extensive work in recent years to encourage and support residents and businesses to adopt recycling practices. At the simplest level recycling prevents materials that have economic value going to waste. Recycling also impacts on the economy by conserving resources and energy, e.g. supplying recycled materials to industry can use less energy than supplying unrecycled materials, and the recycling industry itself creates employment opportunities.

Over the period 2006/07 to 2012/13 there has been a 27.7% decline in the amount of unrecycled waste in the county, greater than the level of decline regionally but slightly lower than that nationally. In 2012/13 the amount of unrecycled household waste per household

in Derbyshire was 545.9 kilograms, higher than the regional and national figures of 514.4 and 529.3.

There is a considerable variation in the values at district level, with High Peak and Bolsover having shown the greatest improvement over the period 2006-07 to 2012-13, with Amber Valley and Bolsover having the highest levels of unrecycled waste in 2012-13. Despite the downward trend, four districts, High Peak, South Derbyshire, Erewash and Amber Valley showed an increase compared with the previous year. Differences across the county are linked to two main factors. These are the extent to which recycling approaches are adopted by local authority districts and the socio-economic profile of areas and the propensity to recycle being generally greater in the more affluent areas.

**Unrecycled Household Waste per Household (kg) (2006-07 to 2012-13)**

Area	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Amber Valley	580.7	569.6	563.1	569.0	571.4	551.2	551.7
Bolsover	873.8	774.1	744.7	725.8	711.4	603.8	547.8
Chesterfield	622.9	567.4	512.8	500.2	519.5	501.8	489.0
Derbyshire Dales	658	613.3	579.6	576.9	562.5	524.8	439.9
Erewash	562.4	559.4	534.9	534.2	527.5	512.5	521.7
High Peak	787.2	654.6	562.3	532.6	490.0	426.7	476.5
North East Derbyshire	700.0	581.1	528.0	516.6	524.9	501.5	485.1
South Derbyshire	786.7	660.2	527.3	530.2	492.8	508.6	522.6
<b>Derbyshire</b>	<b>755.0</b>	<b>683.8</b>	<b>622.0</b>	<b>610.3</b>	<b>600.6</b>	<b>572.0</b>	<b>545.9</b>
Derby City	798.7	677.7	595.8	578.7	526.4	517.8	517.1
East Midlands	693.0	614.4	573.3	552.9	541.9	517.3	514.4
England	759.2	672.9	628.2	592.4	569.4	539.3	529.3

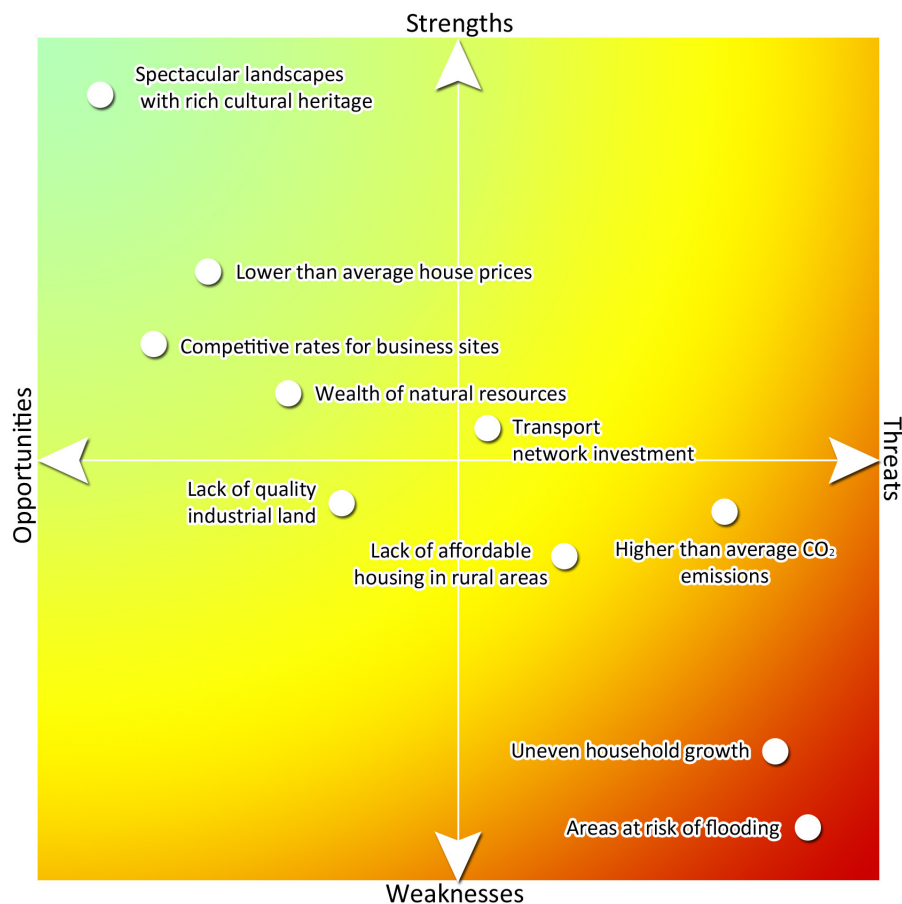
Source: 2006-07 to 2012-13, Wastedataflow, DEFRA, 2013

Derbyshire Observatory Link: <http://tinyurl.com/lea2014-unrecycled>



# Sustainable Economic Growth

## SWOT Analysis



### What does the analysis tell us?

Derbyshire has a spectacular natural landscape, with a rich and diverse heritage that has a positive impact on the local economy. The county is home to the Peak District National Park and has several sites and buildings of great importance such as The Derwent Valley Mills World Heritage Site, Chatsworth House, Hardwick Hall, Creswell Crags and part of the National Forest. Alongside this Derbyshire is also home to many cycle trails, footpaths and reservoirs which are available to the public for recreational use. All these are great assets to the county and make it an attractive place to live, work, visit and invest. How the economic impact of Derbyshire's natural landscape can be maximised is a question that merits discussion and action in policy development.

The county is home to many old industrial sites which have previously been used for coal mining, minerals extraction and manufacturing. In recent years these have been reclaimed and are now being utilised for new purposes to support and develop the local economy, perhaps the best example being Markham Vale. Utilisation of brownfield sites that become

available can provide existing companies and new business start-ups with a base to operate from and in doing so reduce the economy's environmental footprint.

The county is well served by road, rail and air networks, estimated to be worth £3.5bn to the local economy. In recent years the M1 motorway and main A-roads have been improved to ease congestion. Work is under way to improve accessibility to the more rural areas of the county through better rights of way and cycle paths. Rail network capacity is an issue, especially in the North of the county and some lines have seen significant increases in the number of passengers. The County Council's Local Transport Plan sets out a vision for improving the choice and accessibility of transport whilst integrating economic, social and environmental needs. It is crucial for the county's economic prospects that people and goods can move around the county as easily as possible.

Derbyshire has land available for development, however some of this is of poor-quality and unattractive to developers. However, the rateable value of business sites is highly competitive and this encourages businesses to locate in the county. Despite

the competitiveness of land values in the county, there is a risk to growth potential if insufficient focus is given to the quality of land available to firms in the county.

Housing has been affected by the recession, but the housing market is now beginning to recover. In Derbyshire more people own their own home, when compared to the national average, and there are larger numbers of detached or semi-detached properties. However, smaller terraced properties and flats are under-represented, resulting in fewer affordable housing options for first time buyers or those on a low income. House prices vary across the county, with higher prices in areas such as the Derbyshire Dales and Peak District National Park potentially pricing younger residents or those on lower incomes out of the market. The availability of affordable housing in areas of the county where prices are high or where there is high population growth, such as in South Derbyshire, can help to prevent the flow of people out of the county and ensure that there is a balanced labour market to meet the needs of businesses.

Climate change continues to be an important issue and reducing the carbon footprint needs to remain a priority. Derbyshire has a number of transition town or sustainable communities groups which help develop more resilient communities, bringing significant benefits to the local economy. On-going improvement to the county's transport infrastructure offers significant opportunity to reduce environmental impact, and tackling climate change is also one of the five goals in the Local Transport Plan. Although there has been an increase in the amount of recycling in the county in recent years, the amount of unrecycled waste per household is still higher when compared to the average for England. The cost benefit to the economy of recycling compared to landfill is significant so initiatives to drive up recycling are essential.

Flooding will continue to be a risk for the county. A large number of rivers flow through several urban areas resulting in significant areas of land and many thousands of properties, including some densely populated urban areas, being at risk from one or more sources of flooding. On numerous occasions in recent years flooding has occurred across the county, having a significant impact upon the day-to-day functioning of the local economy and creating additional costs to the businesses and residents of those areas affected. Reducing the frequency and impact of flood events on properties and businesses in the county should be a priority.

### Summary of key issues

- Derbyshire has a spectacular natural landscape, with a rich and diverse heritage that has a positive impact on the local economy.
- 20.1% of households are without a car, lower than nationally, although there is much variation across the county.
- There are 552.9 hectares of land available for industrial development in Derbyshire.
- 72.1% of employment floorspace is industrial and reflects the significant presence of manufacturing locally.
- The rateable value of business sites is highly competitive, with office space £60 per metre<sup>2</sup> compared with £155 nationally.
- 69.7% of all land in Derbyshire is being farmed, with over three quarters of it grassland.
- Home ownership levels are high at 71.4% compared with 64.1% across England.
- 31.8% of housing is detached, 38.7% semi-detached, 20.6% terraced and 8.9% flats.
- Derbyshire has land available for development, however some of this is of poor-quality and unattractive to developers.
- There are approximately 333,000 households in the county, with the number forecast to rise by 8.1% by 2021.
- The economic downturn had a significant impact on house building locally, with housing completions declining by 53.1% between 2007/08 and 2009/10.
- The average house price is £156,843 lower than nationally, however house prices vary significantly within the county from £107,504 in Bolsover to £237,683 in Derbyshire Dales.
- 8.0% of properties are at risk from watercourse flooding and 5.8% from surface water flooding.
- Derbyshire residents generate more unrecycled waste at 545.9kg per household compared with 529.3 nationally.

## Developing the economic response

### Sustainable growth

Maximising the economic and social potential of the grey, green and blue infrastructure in Derbyshire should be an important aspect of economic intervention within the county.

Derbyshire's landscape and cultural heritage provides potential opportunities to support economic growth, but this must be balanced with protecting the

environment. Significant potential exists to drive investment through the planning process in relation to the minerals sector that will both create jobs whilst protecting the environment.

The Local Transport Plan outlines a number of projects to improve the transport network and these need to be fully implemented as enhanced connectivity will support the development of better economic linkages in areas of the county. Exploring environmentally friendly transport options, such as the new cycle tracks under development in the Peak District, will allow individuals to make local journeys in a way that reduces carbon emissions. Residents in rural communities need to be able to access public or community transport, which allows them to travel to more urban areas for work and services. For those who do not have a car, access to affordable public transport is crucial. Improvements to the rail network with the development of the Northern Hub and HS2 will bring about enhanced connectivity to both the North and the South of the country.

## **Housing**

Local plans have been developed by district councils to identify areas for new developments and these outline the number of new properties required to meet future housing demand. The need for a large increase in the housing stock in South Derbyshire near to the border with Derby City has been identified in line with population projections for this area. Alongside new houses, there needs to be other community based services developed to support residents moving into these areas.

Affordable housing schemes need to be delivered across the county to ensure that first time buyers and local residents on a lower income are not priced out of the housing market in areas where house prices are higher.

Housing provision will increasingly need to be tailored to meet the needs of an ageing population with the development of sheltered or independent living schemes which allow older people to maintain their independence for longer.

## **The low carbon agenda**

The promotion of initiatives and opportunities to businesses and local residents that will reduce Derbyshire's CO<sub>2</sub> emissions further should be a priority. There is a need to ensure that new housing developments contain eco-friendly measures such as energy efficient heating, insulation and, where appropriate, green energy options such as solar panels. Businesses need to be encouraged to contribute to the

green agenda by reducing carbon emissions and developing opportunities to enhance sustainable tourism activities in the county.

Building on the County Council's Flood Risk Management Strategy 2014, work needs to be undertaken to reduce the number of properties at risk from surface water flooding across the county. Warning and informing both residents and businesses about the risks of flooding remains an on-going priority and partners need to continue to work together to help minimise the likelihood and impact of flood events.

## **Links to the DESS**

Strategic Theme – Boosting Investment and Place Making

- SO1: Improving connectivity by delivering the transport and ICT infrastructure to support growth
- SO2: Unlock the potential of Derbyshire's land and property assets
- SO4: Increase the vitality and viability of towns

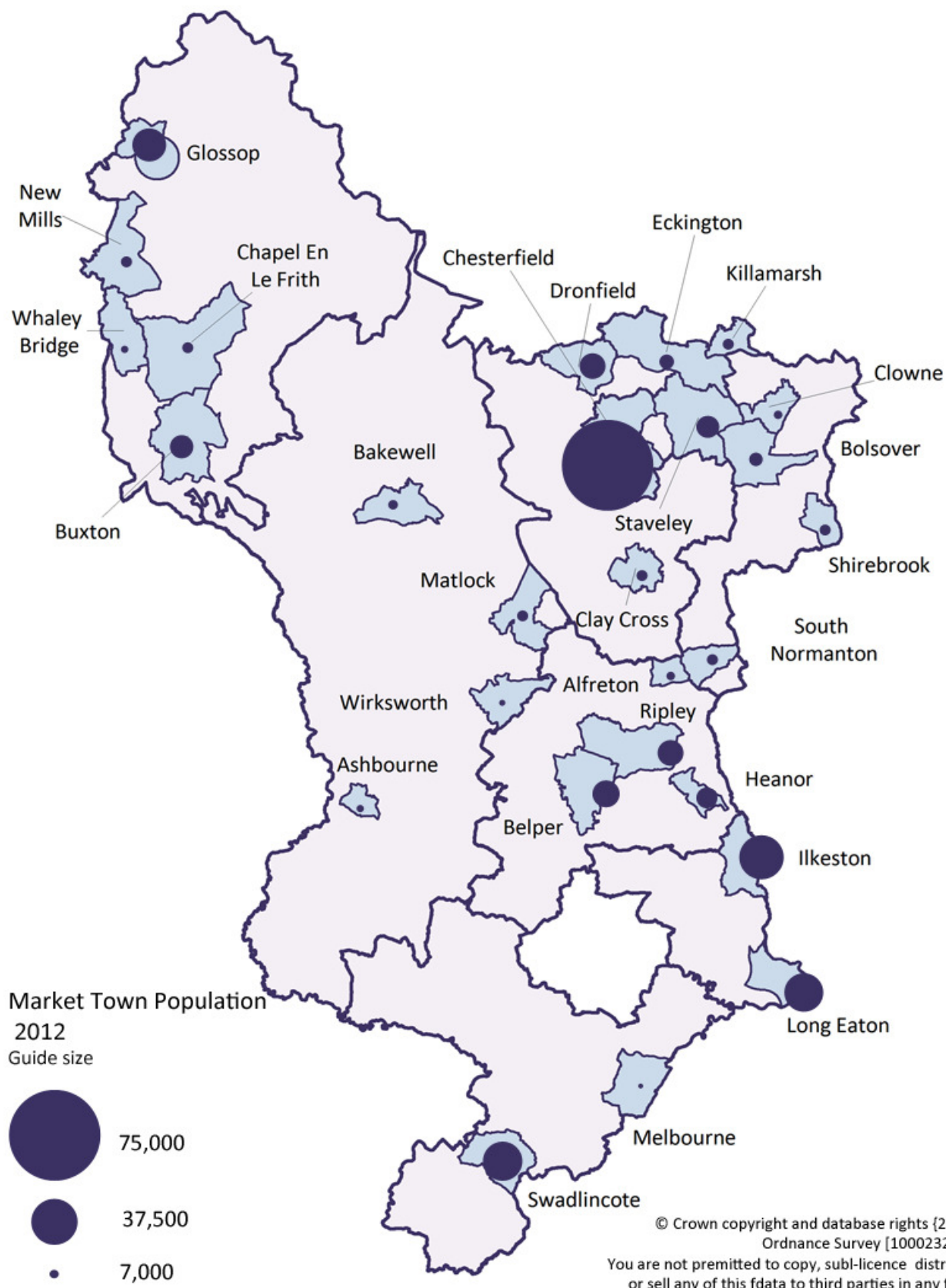
Strategic Theme – Fostering Enterprise and Business Growth

- SO8: Maximise the potential of the visitor economy
- SO9: Strengthen the Rural Economy

Strategic Theme – Creating the Workforce to Support Growth

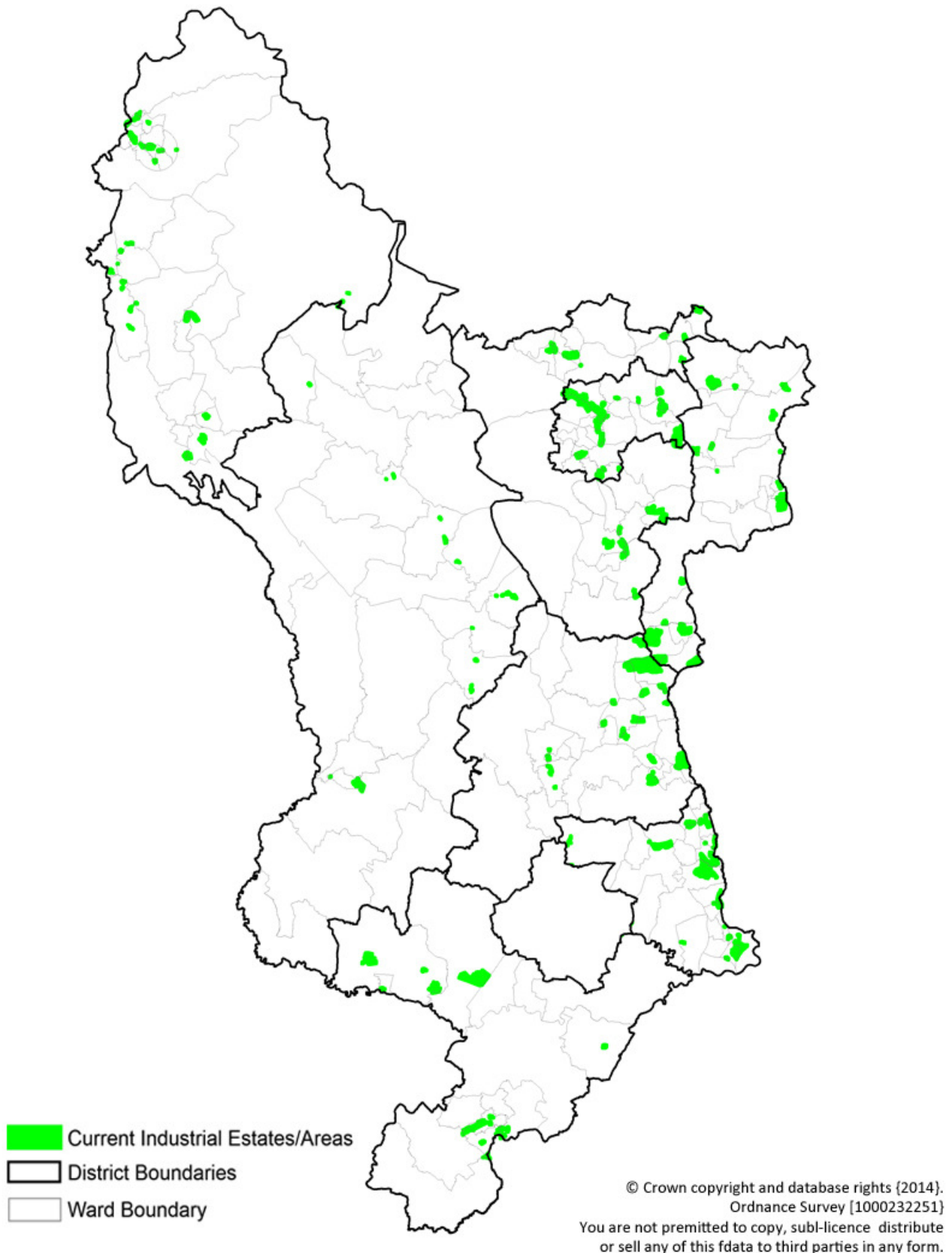
- SO11: Connect people to economic opportunity

## Population of Derbyshire Market Towns (2012)





### Derbyshire Industrial Sites (2013)



Source: Derbyshire County Council, 2013

- <sup>1</sup> Original equipment manufacturers produce primary products that rely on supply chains to provide services or components.
- <sup>2</sup> Claimant unemployment ward level data is based on the 2009 statistical wards, of which there are 179 in Derbyshire, whereas 2011 Census ward level data is based on the 2011 ward series, of which there are 177 in the county.
- <sup>3</sup> 2012, Mid-year Population Estimates, Office for National Statistics (Nomis) © Crown Copyright, 2013.
- <sup>4</sup> Ordnance Survey Boundary Line digital data: <http://www.ordnancesurvey.co.uk/oswebsite/products/boundary-line/index.html>. Derbyshire - 255,075 hectares, East Midlands - 1,581,080 hectares and England - 13,293,770 hectares.
- <sup>5</sup> Mid-2009 Lower Super Output Area Population Estimates by Broad Age Band Revised (experimental), Office for National Statistics (Nomis) © Crown Copyright, 30km buffer surrounding Derbyshire boundary – total of 9,056,009 all age population.
- <sup>6</sup> Secondary Centres of Economic Activity in the East Midlands Final Report, August 2009, University of Lincoln, [http://www.lsr-online.org/reports/secondary\\_centres\\_of\\_economic\\_activity\\_in\\_the\\_east\\_midlands](http://www.lsr-online.org/reports/secondary_centres_of_economic_activity_in_the_east_midlands)
- <sup>7</sup> Derbyshire Local Transport Plan 2011-2026.
- <sup>8</sup> The Eddington Transport Study © Crown Copyright 2006 published with the permission of HM Treasury.
- <sup>9</sup> 2012, Business Register and Employment Survey, ONS (Nomis) © Crown Copyright, 2013.
- <sup>10</sup> 'Other private services' is an aggregation of a number of industrial sectors within the private sector and includes transportation and storage; accommodation and food service activities; information and communication; financial and insurance activities; real estate activities; professional, scientific and technical activities; administrative and support service activities, and arts, entertainment and recreation.
- <sup>11</sup> Report 3: The D2N2 Economy, prepared by the Economic Strategy Research Bureau, Nottingham Business School, Nottingham Trent University, December 2011.
- <sup>12</sup> This indicator shows the total percentage of employees within high-technology manufacturing (from the Business Register and Employment Survey). The data includes the following 3 digit 2007 SIC codes which are taken from the Eurostat definition: 211, 212, 261, 262, 263, 264, 265, 266, 267, 268 and 303.
- <sup>13</sup> This indicator shows the total percentage of employees within medium to high-technology manufacturing (from the Business Register and Employment Survey). The data includes the following 3 digit 2007 SIC codes which are taken from the Eurostat definition: 201, 202, 203, 204, 205, 206, 254, 271, 272, 273, 274, 275, 279, 281, 282, 283, 284, 289, 291, 292, 293, 302, 304, 309 and 325.
- <sup>14</sup> Colliers International Derby, Derbyshire and Peak District Tourism Baseline 2013 – based on Visitor Volume and Value by Local Authority from Visit England Great Britain Tourism Survey (2009-11 pooled three year average) and International Passenger Survey adjusted to 2011, ONS © Crown Copyright.
- <sup>15</sup> Data from the DEFRA Survey of Agriculture 2010 relates to commercial holdings only, whereas data from the DEFRA Survey of Agriculture 2007, used in the Local Economic Assessment (2011), related to both commercial and non-commercial holdings. Commercial holdings have more than five hectares of utilised agricultural land, one hectare of permanent outdoor crops, 0.5 hectares of outdoor intensive production, or 0.1 hectares of protected crops, or more than 10 cows, 50 pigs, 20 sheep, 20 goats or 1,000 poultry. These thresholds are specified in the June Survey of Agriculture 2010 Methodology. For further details visit DEFRA's website: <http://www.defra.gov.uk/>
- <sup>16</sup> Knowledge Intensive Activities are those where tertiary educated persons (according to International Standard Classification of Education 1997, levels 5+6) represent more than 33% of the total employment in that activity. They include businesses with the following SIC2007 divisions: **09, 19, 21, 26, 51, 58, 59, 60, 61, 62, 63, 64, 65, 66, 69, 70, 71, 72, 73, 74, 75, 78, 79**, 84, 85, 86, **90**, 91, 94, 99. Divisions in bold are included in Knowledge Intensive Activities - Business Industries.
- <sup>17</sup> The Nomenclature of Territorial Units for Statistics (NUTS) is a hierarchical classification of administrative areas used across the European Union (EU) for statistical purposes. At the top of the hierarchy are the individual member states of the EU and below that are levels 1 to 3. The East Midlands contains 11 NUTS 3 areas, with two

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relating to Derbyshire; East Derbyshire (Bolsover, Chesterfield and North East Derbyshire) and South and West Derbyshire (Amber Valley, Derbyshire Dales, Erewash, High Peak and South Derbyshire).

<sup>18</sup> The Derbyshire Employment Forecast Report 2013 was produced by Oxford Economics and commissioned by Derbyshire County Council in 2013.

<sup>19</sup> Quarter 4 2013, Gross Domestic Product Preliminary Estimate, ONS © Crown Copyright, January 2014.

<sup>20</sup> Active businesses - the starting point for the business demography data is the concept of a population of active businesses in a reference year ( $t$ ). These are defined as businesses that had either turnover or employment at any time during the reference period.

<sup>21</sup> Business births - a birth is identified as a business that was present in year  $t$ , but did not exist in year  $t-1$  or  $t-2$ . Births are identified by making comparison of annual active population files and identifying those present in the latest file, but not the two previous ones.

<sup>22</sup> Business deaths - a death is defined as a business that was on the active file in year  $t$ , but was no longer present in the active file in  $t+1$  and  $t+2$ . In order to provide an early estimate of deaths, an adjustment has been made to the latest two years deaths to allow for reactivations. These figures are provisional and subject to revision.

<sup>23</sup> According to the Employer Skills Survey (ESS) skills gaps occur when the skills of staff are not adequate to perform their job roles.

<sup>24</sup> The proposed D2N2 Growth Hub will aim to boost economic growth and improve co-ordination between the local and national tiers of support for businesses. It will build on existing organisational structures and have four main strands: increasing the uptake of national and local schemes; maximising the reach of national schemes; tailoring business and innovation support, and tailoring trade and investment support.

<sup>25</sup> 2012, Mid-year Population Estimates, ONS (Nomis) © Crown copyright, 2013.

<sup>26</sup> The number of people of state pension age as a proportion of the working age population (age 16-64).

<sup>27</sup> 2011 based Sub-National Population Projections, ONS © Crown Copyright, 2013.

<sup>28</sup> The percentage of the working age population (age 16-64) who are employed including the self-employed.

<sup>29</sup> The percentage of the working age population (age 16-64) who are employed or are looking for work.

<sup>30</sup> Claimant count unemployment is derived from administrative data generated by the system of benefits paid to people who are out of work. Please note that it is a different definition and measure of unemployment than the International Labour Organisation (ILO) unemployment, which is the preferred measure of unemployment nationally that is derived from the Annual Population Survey (a survey of a representative sample of the population).

<sup>31</sup> Indebted Lives, the Complexities of Life in Debt, the Money Advice Service, November 2013.

<sup>32</sup> This includes both those out-of-work and those who are in work but who have low earnings, and is calculated by combining data for five indicator areas: Income Support; Jobseekers Allowance; Pension Credit; Child Tax Credit, and asylum seeker support.

<sup>33</sup> 2011, Local Profiles (Child Poverty theme), ONS © Crown Copyright, October 2013.

<sup>34</sup> 1991-1993 to 2010-2012, Life expectancy at birth (years), ONS © Crown Copyright, 2013.

<sup>35</sup> 2011 Census, Table LC3206EW, General Health by Ethnic Group by Sex by Age, ONS (Nomis) © Crown Copyright, 2013.

<sup>36</sup> For more information see <http://www.peakdistrict.gov.uk/microsites/sopr/welcoming/tourism/value>

<sup>37</sup> 2010, Survey of Agriculture and Horticulture, DEFRA, 2011.