

DERBYSHIRE COUNTY COUNCIL

CABINET

20 January 2015

REPORT OF THE CHIEF EXECUTIVE

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

1. Purpose of the Report

To present the latest Quarterly Economic Review – December 2014 to Cabinet.

2. Information and Analysis

Background

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

Summary of Key Findings

The key findings for the latest quarterly review, which highlight the changes since the previous review in September, are outlined below:

- Although there continued to be growth in the Derbyshire economy in quarter three of 2014, the scale had slowed compared with the previous quarter, and performance dropped behind that for the East Midlands. The slowing is mainly due to a decrease in the levels of domestic and export sales and orders, along with cashflow concerns. Despite this, business confidence remains relatively strong and firms are still looking to invest.
- Claimant unemployment has been falling since the spring of 2012. Whilst claimant unemployment is slightly lower than the England average, hotspots of concern still exist around parts of Ilkeston, Chesterfield, Buxton and Bolsover.
- Since the early part of 2014, long-term unemployment has stabilised in the county with the latest figures showing a marginal fall and improvement

compared with England. However, more than a quarter of unemployed people have been out of work for more than a year and as such the level still remains a concern.

- Youth unemployment rates are continuing to fall and, at 2.8%, are around one third of their peak in the recession. Youth long-term unemployment levels have also begun to fall. However, youth unemployment is an issue in certain areas of the county such as Chesterfield, Ilkeston, Bolsover, Heanor and Buxton. In 11 out of 177 wards, youth unemployment is more than double the national average, compared to nine wards in the September review.
- Although fewer Derbyshire residents are claiming an Out of Work Benefit (OoWB) than a year ago, the number of claimants varies considerably. In particular there are six wards where more than 20% of 16-64 year olds are claiming an OoWB. These are Gamesley in High Peak, Rother, Middlecroft and Poolsbrook, and Loundsley Green in Chesterfield, Shirebrook North West in Bolsover, and Ilkeston North in Erewash.
- New jobs have been created across the county with a number of announcements between August and October 2014, for example, the creation of 250 jobs linked to the building of a new waste treatment plant at Sinfyn, plans by Clipper Logistics to take on a further 200 staff at its Swadlincote site, and a recruitment drive by Alfreton-based fashion house David Nieper to add 40 staff to the 27 it has already recruited in 2014.
- For much of the last three years the self employment rate in the county has been at, or above, that nationally. However, self employment levels have fallen for the third quarter in succession in the county and the proportion of people self employed is now 2.0% points below the England average. This change can partly be explained by a corresponding increase in the employment rate for the county, although it will be important to monitor the self employment trend in future quarters.
- Although house prices are continuing to rise locally, reflecting a degree of confidence in the housing market in the county, the level of growth continues to fall behind that nationally and average house prices in Derbyshire (£127k) remain significantly lower than the national average (£177k).

‘In focus’ topic – Welfare Reform

The welfare system is currently in a state of reform following the Welfare Reform Act 2012. At the heart of the reforms is the introduction of Universal Credit (UC) which will replace six main earnings-related benefits with a single monthly payment. This has been piloted in four areas and is to progress to all areas of the country from February 2015. Another important change is the introduction of the Personal Independence Payment (PIP), which replaces Disability Living Allowance, and aims to target support at those in most need. PIP was rolled out for new claimants across the country in June 2013, and in October 2013 the re-assessment of some existing DLA claimants started in some areas, including some parts of Derbyshire.

Since April 2013, there have also been new rules on Housing Benefit, called the ‘Under-Occupancy Deduction’ but widely known as the ‘removal of the spare room subsidy’ or ‘bedroom tax’. The changes aim to encourage people to downsize to

smaller properties and help cut the annual bill for housing benefit, but mean that tenants whose accommodation is larger than they need may lose part of their housing benefit. To date, the changes have affected over 5,500 families in the county, and are thought to have contributed to a number of families experiencing rent arrears. As the welfare reforms continue to be rolled out it will be important to monitor the impact across Derbyshire.

3. Equality and Diversity Considerations

The analysis highlights that there are a number of areas within the county where there are relatively high levels of unemployment, particularly amongst young people, and high levels of benefit claimants. It is important that the Council works to enhance the labour market prospects of Derbyshire's workforce and raise awareness of the changes in the benefits system linked to welfare reform. The December 2014 Review highlights examples of activities which will be undertaken to reduce disparities in unemployment across the county, reduce levels of poverty, and support people to better understand the welfare changes.

4. Other Considerations

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

5. Key Decision

No

6. Call-in

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

7. Background Papers

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

8. Officer's Recommendation

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

Ian Stephenson
CHIEF EXECUTIVE

Policy and Research, Chief Executive's

Derbyshire Economic Review - December 2014

Introduction

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

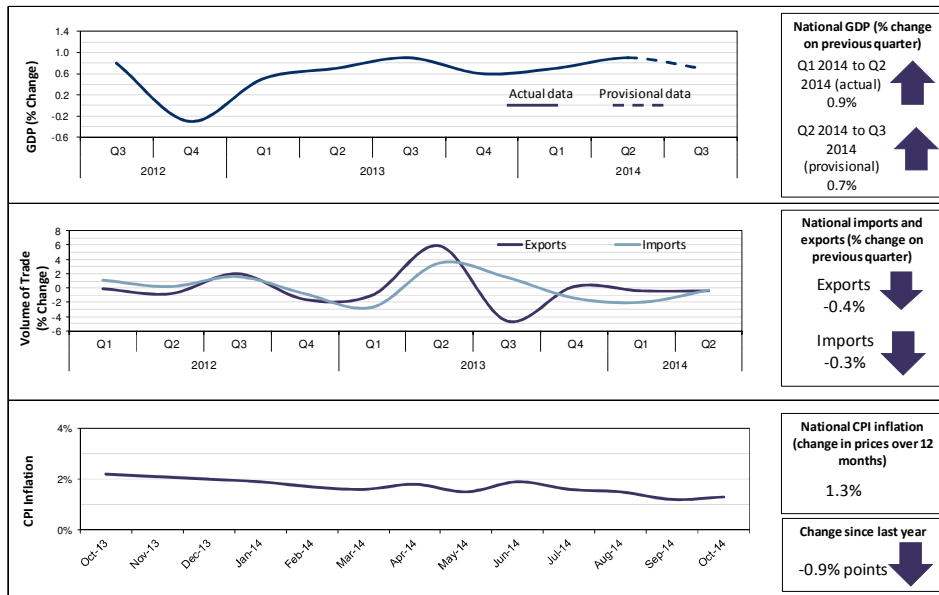
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Overview

- Nationally, economic growth provisionally increased by 0.7% between quarter 2 and quarter 3 of 2014. This is the seventh consecutive quarter of growth and demonstrates that the economy is recovering. In quarter 3 of 2014, GDP was estimated to be 3.4% above the pre-downturn peak in quarter 1 of 2008, and 3.0% higher than a year ago. Although the UK's growth compared with a year ago was the highest of the G7 nations, there is concern that low growth forecasts for the Eurozone may slow down the economic recovery in future quarters.
- The Consumer Prices Index (CPI) inflation rate monitors changes in the price of goods and services purchased by households. The annual CPI rate stands at 1.3% for the 12 months to October 2014, up 0.1% points from September 2014, but below the national target of 2.0%.
- The Derbyshire and East Midlands economies showed a slowing in growth in quarter 3 of 2014, according to the Derbyshire, Nottinghamshire and Leicestershire Chamber of Commerce's State of the Economy Index, with performance in the county falling behind that regionally.
- The county has above average levels of labour market participation and in June 2014 the employment rate stood at 76.6% compared with 72.2% for England.
- In October 2014, the overall claimant count unemployment rate was lower in Derbyshire (1.6%) than England (2.1%), although hotspots still exist across the county where unemployment levels are very high e.g. Ilkeston North (5.1%), Cotmanhay (4.2%), and Ilkeston Central (4.0%) in Erewash, Rother (4.5%) and Loundsley Green (4.0%) in Chesterfield, and Barms (4.0%) in High Peak.
- 26.6% of all unemployment claimants in Derbyshire have been out of work for more than a year, slightly less than the national average (29.8%).
- Youth unemployment in Derbyshire stands at 2.8%, marginally higher than the England rate of 2.7%. In 11 out of 177 wards, the problem is particularly acute where the level of youth unemployment is more than double the national rate.
- In September 2014, annual house price growth in Derbyshire was 5.3%, below the 7.2% for England and Wales, meaning that the gap in prices is widening.

National Performance Indicators



According to provisional data, national Gross Domestic Product (GDP), an indicator of economic growth, is estimated to have increased by 0.7% between quarter 2 and quarter 3 of 2014². GDP increased for all of the four main industrial groupings (services, production, construction, and agriculture), with the greatest increase in output in construction (0.8%) and the least in agriculture (0.3%).

However, the largest contribution to GDP growth is from the service sector, with output contributing 0.6% to the increase in GDP. Output in the service sector is now 7.2% higher than its pre-economic downturn peak in quarter 1 of 2008. The next greatest contribution was from production, constituting around 0.1% of the GDP increase, although output still remains 9.3% below that prior to the recession.

The volume of trade for exports declined by 0.4% in quarter 2 of 2014 whilst there was a decrease of 0.3% in imports³. With exports contracting to a greater extent than imports, the net trade balance has worsened slightly compared to the previous quarter, with the net trade deficit increasing from £8.7billion in quarter of 2014 to

£8.9billion in quarter 2 of 2014. This has resulted in net trade making a small negative contribution to GDP in quarter 2 of 2014, and could be a sign that the economy is still struggling to rebalance towards exports.

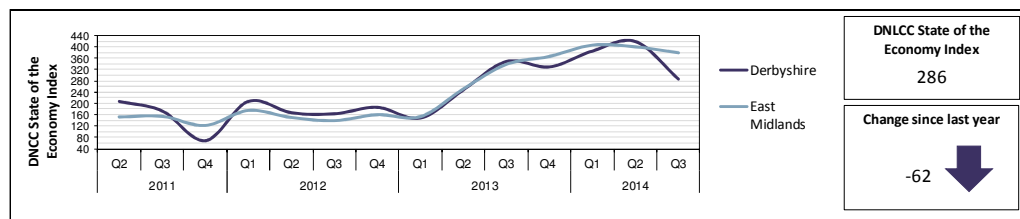
The annual CPI inflation rate currently stands at 1.3% for the 12 months to October 2014, marginally up on the 1.2% in September 2014⁴. Smaller falls in transport costs and price rises for computer games were the main contributors to the rise. This is the tenth month in a row that the CPI rate has been below the Bank of England's target of 2.0% and the Bank recently warned the inflation rate could dip as low as 1.0% in the coming six months, with lower food and energy prices a factor.

The Bank of England interest rate remains at 0.5%⁵. Many commentators were expecting to see the interest rate rise in early 2015. However, some bank officials think that this will be pushed back due to relatively weak inflation, slow wage growth and difficulties being experienced in the Eurozone. The European Commission recently revised its growth forecast for the year downwards from 1.2% to 0.8%, and the Government has warned that there is likely to be some impact on the UK economy as a result of this. The Bank of England has said it wants to be sure growth is on a firmer footing before it raises interest rates and has highlighted the following national trends as at October 2014⁶:

- Consumer services and retail growth have eased, reflecting a continued fall in food price inflation.
- House price inflation has moderated across much of the United Kingdom.
- There has been moderate growth in capital spending.
- Business services turnover growth has been robust.
- Manufacturing output growth for the domestic market has been steady but manufacturing export growth has continued to slow.
- Construction output growth has remained strong.
- Corporate credit conditions have remained close to normal overall.
- Employment intentions have increased for business services but have eased in manufacturing and consumer services.

More information can be found at: <http://www.bankofengland.co.uk/publications/Pages/agentssummary/default.aspx>

Business Conditions



Business performance in Derbyshire dipped during quarter 3 of 2014, according to the Derbyshire, Nottinghamshire and Leicestershire Chamber of Commerce's (DNLCC) most recent Quarterly Economic Survey⁷. National reports have suggested that this was the quarter in which the fast-paced growth experienced over the past year or so finally slowed, and the Derbyshire findings seem to support this view. Although DNLCC's State of the Economy Index for the county is still in the positive at 286 points, it fell by 133 points compared with the previous quarter indicating a slowing of growth. This is also more than the regional fall suggesting that businesses in Derbyshire have seen greater impact. The slowing is primarily down to decreases in the levels of domestic and export sales and orders, along with cashflow concerns. The Chamber identifies that some of the slowdown is likely to relate to seasonal patterns, for example manufacturers slowing down over the summer or retailers seeing margins cut by competitive sales, but has also highlighted productivity as an issue. The indicators relating to business confidence and investment intentions for the county, however, remain relatively strong which is encouraging.

Investment

The Derbyshire Economic Partnership received a total of 22 enquiries from firms seriously looking to invest in the county⁸ between August and October 2014, up on the 18 enquiries received in the corresponding quarter a year ago and a positive sign. In addition, there have been a number of investments at Derbyshire County Council's (DCC's) Markham Vale site recently, including Northern-Ireland based Ready Egg and local expansion by Holdsworth Foods, Inspirepac and Gould Alloys, with terms being agreed for a further two company investments. Businesses looking to locate in the county can access a range of support through the [Invest in Derbyshire](http://investinDerbyshire.com) website, supported by D2N2 and UK Trade & Investment (UKTI).

Job Losses and Gains

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

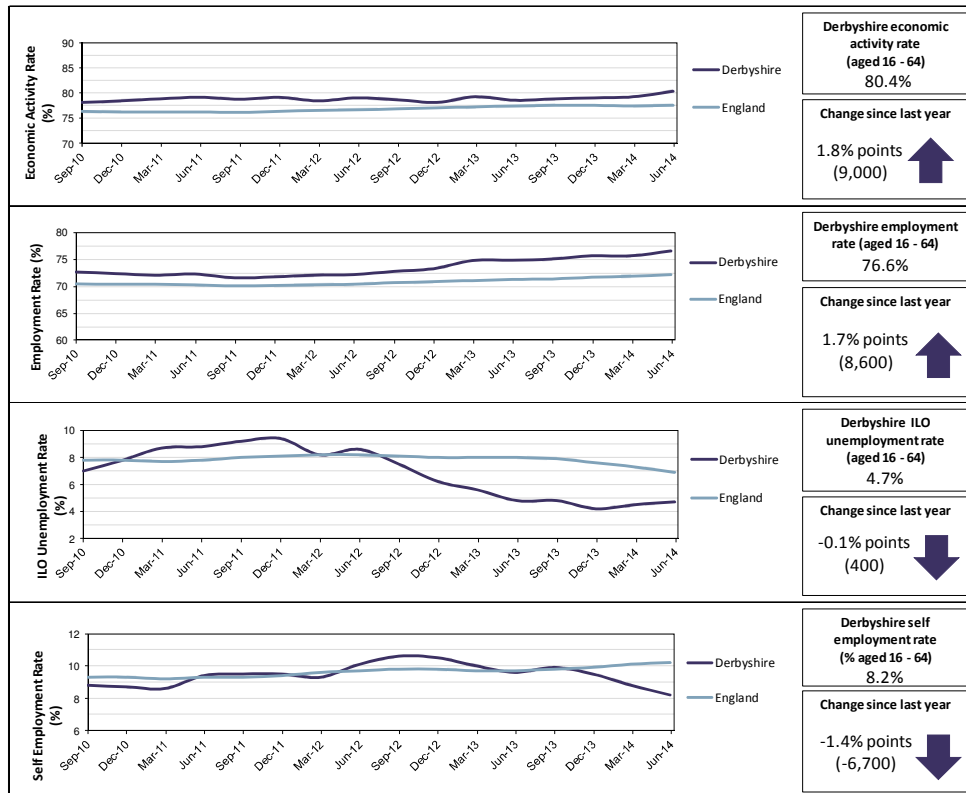
Job Losses

- Royal Crown Derby, which makes bone china tableware and collectables, shut down for three weeks over the summer in an a bid to safeguard jobs.
- According to Castle Donington business advisers and accountants PwC, 21 stores closed in Derby whilst only 11 opened in the first six months of this year.

Job Gains

- Around 250 people are to start work on the construction of a waste treatment plant in Sinfen, with most expected to be recruited locally.
- Clipper Logistics, a distribution company, announced in September that it is to create 200 jobs at its Swadlincote site and also between 50 and 100 at its Burton warehouse.
- The expansion of Derby business FlowerWorld, owned by Morrisons, is expected to create 100 jobs over the next few months.
- Alfreton-based fashion house David Nieper began a recruitment drive in September to add 40 staff to the 27 already recruited during 2014.
- Latin American restaurant chain Las Iguanas is opening a new outlet in Derby in the autumn creating around 40 jobs.
- Little Eaton based marketing firm BriefYourMarket.com has taken on 20 new staff over the summer.
- Supermarket chain Morrisons opened a convenience store in Chaddesden in October creating 20 jobs.
- At the beginning of October, Kingfield Electronics moved into new premises in Chesterfield, creating 30 new jobs and safeguarding a further 20.

Labour Market Participation



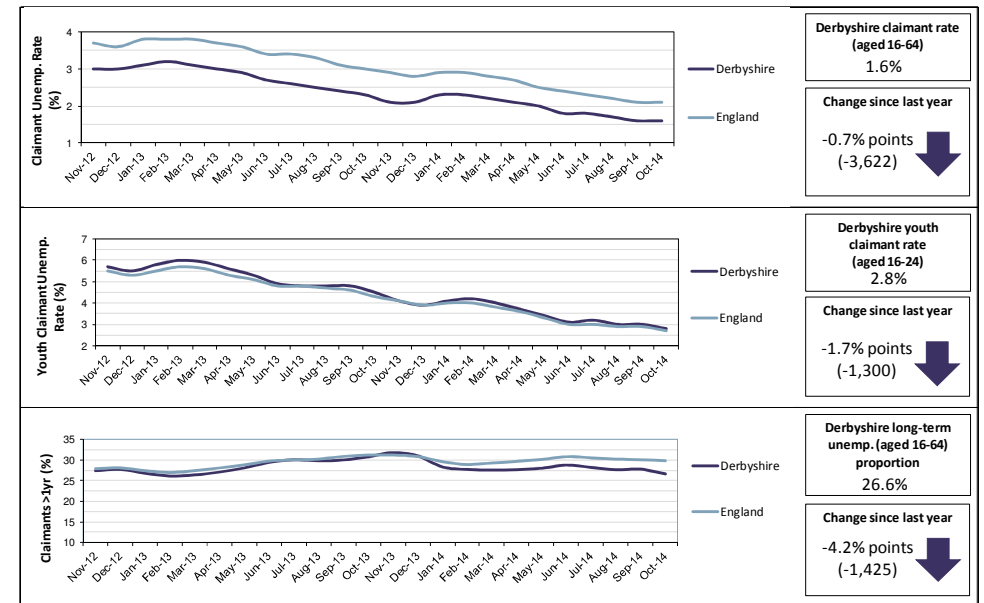
Source: Annual Population Survey, July 2013-June 2014, ONS (Nomis) © Crown Copyright.

The county has above average levels of labour market participation. The economic activity rate in Derbyshire is currently 80.4%⁹, higher than the national rate of 77.6%. Employment within the county has risen by 1.7% points since last year and at 76.6%¹⁰, remains higher than the national average (72.2%).

International Labour Organisation (ILO)¹¹ unemployment is regarded as the official measure of unemployment. It has a much wider definition than the monthly claimant count of unemployment and includes people who are out of work and claiming Job Seekers Allowance (JSA) as well as those who are actively looking for work but not necessarily claiming unemployment related benefits. It can therefore produce different levels and patterns of unemployment to the claimant count.

In June 2014, the ILO unemployment rate in Derbyshire stood at 4.7%, 2.2% points lower than the England rate, however, there has been a marginal increase since the last quarter which has seen the gap narrowing slightly with England.

Over the last 12 months, self employment levels locally have continued to fall compared with a slight rise nationally, with the number of self employed people in Derbyshire decreasing by 6,700 (-1.4% points) to stand at 8.2%, lower than the level of 10.2% for England.



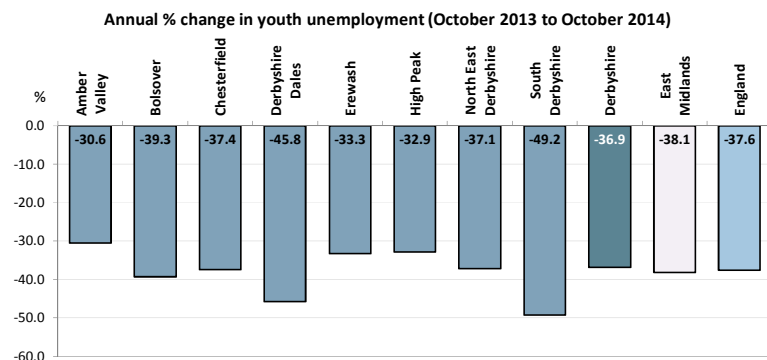
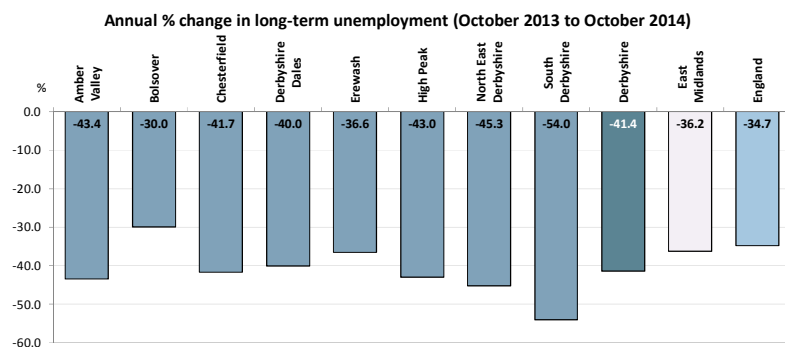
Source: Claimant Count, October 2014, ONS (Nomis) © Crown Copyright.

The overall claimant count unemployment rate is based on a count of all people claiming Job Seekers Allowance. In Derbyshire the rate is currently 1.6%, lower than the England rate of 2.1%¹². Since the spring of 2012, claimant count unemployment has been generally decreasing, and over the last year the gap between Derbyshire and England has narrowed slightly. Hotspots exist across the county where unemployment levels are particularly high, including the wards of Ilkeston North, Cotmanhay and Ilkeston Central in Erewash, Rother and Loundsley Green in Chesterfield, Barms in High Peak, and Bolsover North West in Bolsover.

Labour Market

Just over a quarter (26.6%) of the county's unemployment claimants have been out of work for more than a year, a lower proportion than this time last year (30.8%). The general upward trend in long-term unemployment has levelled off and, since the early part of 2014, the figures have stabilised across the county and England, although a slight gap has opened up between the two areas in recent months.

Analysis by district can highlight which areas are contributing most to the changes county-wide. All districts have shown a decrease in the number of people who have been unemployed for over a year in the last 12 months. The greatest annual percentage decline is shown by South Derbyshire (-54.0%) and the lowest by Bolsover (-30.0%). All districts except Bolsover have shown rates of decrease similar to or larger than the East Midlands and England averages.



Source: Claimant Count, October 2014, ONS (Nomis) © Crown Copyright.

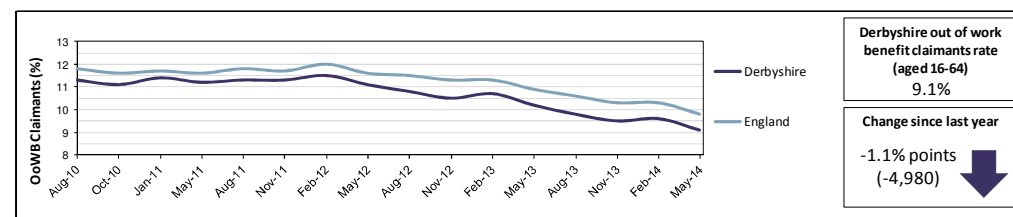
Derbyshire Observatory Link: <http://tinyurl.com/lea2012-unemp>

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

Labour Market

Since the early part of 2012, youth unemployment levels both locally and nationally have generally declined, particularly for the county, so that Derbyshire's youth unemployment rate (2.8%) is now only marginally higher than the national average (2.7%)¹³. Over the last year, all districts have shown a decline in youth unemployment levels, but the greatest annual percentage decline is within Derbyshire Dales (-45.8%) and the lowest in Amber Valley (-30.6%).

The emerging economic recovery seems to be impacting positively on youth unemployment, with the youth unemployment rate in the county having declined from 7.6% in February 2012 to 2.8% currently. In addition levels of long-term youth unemployment have also fallen. However, this decline only began in November 2013, when 21.2% of Derbyshire's youth unemployed had been out of work for more than 12 months. The latest figure for Derbyshire is now down to 15.1%, and is only the second time in the last five years that it is below that nationally. There is, however, wide variation across the county, from 20.6% in Chesterfield compared to 10.6% in High Peak. The Council is looking to support youth employment through its current apprenticeship scheme, and a Member led Board is to look at driving forward DCC's work on youth unemployment and will be aiming to reduce inequality across the county.



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

According to the latest data, 4,980 fewer Derbyshire residents (9.1%) are claiming an Out of Work Benefit (OoWB)¹⁴ than a year ago, a lower percentage than the England average of 9.8%¹⁵. Across Derbyshire the number of claimants varies considerably, in particular there are six wards where more than 20.0% of 16-64 year olds are claiming an OoWB. These are Gamesley in High Peak, Rother, Middlecroft and Poolsbrook, and Loundsley Green in Chesterfield, Shirebrook North West in

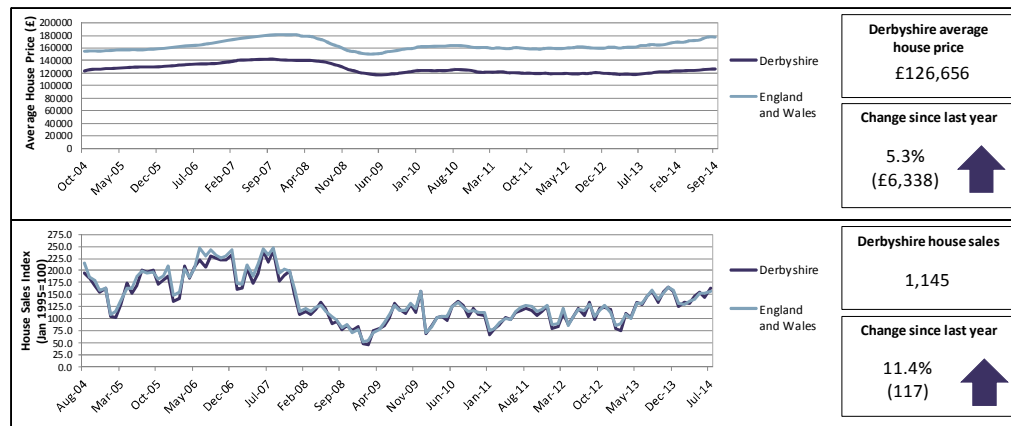
Bolsover, and Ilkeston North in Erewash.

The welfare system is currently in a state of reform leading to changes to the range of benefits that are available. The 'In Focus' section in this review gives some more detail about the nature and potential impact of the changes. The table below provides data on the number of people claiming some of the key benefits available.

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

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

In Derbyshire, 12.2% of residents are claiming benefits, including 5.3% ESA and 1.0% LPIS, which is similar to England. However, a higher proportion of LPIS claimants are aged 18 to 24 in Derbyshire (33.5%) than England (29.1%). There are a lower proportion of households claiming housing benefit in the county (15.0%) than England (19.1%) but a higher proportion of claimants have been affected by removal of the spare room subsidy (10.5% compared with 8.8%)¹⁶. The majority of benefits in Derbyshire have seen a reduction in claimants over the last year, the exception being ESA which has seen an increase in annual trends, particularly in the number of long-term claimants.



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

Across England and Wales, including Derbyshire, house prices have generally been rising since the middle of 2013. However, house prices in the county have been consistently lower than nationally, with the average price of a house in Derbyshire currently £126,656 compared with £177,299 for England and Wales¹⁷. Additionally the gap between Derbyshire and England and Wales has continued to widen with annual house prices rising by 5.3% in Derbyshire, compared with 7.2% nationally.

Greater London has seen the greatest increase of any region, with prices rising by 18.4%. However, this is the first time in nearly a year that there has been a decrease in its annual house price growth, and the Nationwide and Halifax have identified a loss of momentum in the capital. Although there is some evidence that price growth is extending out from London, limited growth is being seen in other parts of the UK. The chances of an imminent interest rate increase may have receded, but it is thought that the impact of any future rise may be a curb on house buying intentions.

There were a total of 1,145 property transactions in Derbyshire in July 2014. This is an increase of 11.4% on the previous year, higher than the national figure of 7.4%. House sales have been on a long-term upward trend since the early part of 2009. Although positive, it will be important to monitor whether this trend is maintained if there is a slowdown in house price growth.

Welfare Reform

The welfare system is currently in a state of transition following the Welfare Reform Act 2012. There are around 300,000 households in the UK where no adult has ever worked and the Government has introduced the legislation in order to simplify the existing system and provide greater incentives to encourage people on benefits to start paid work, whilst protecting the most vulnerable. At the heart of the reforms is the introduction of Universal Credit (UC) which will replace six main earnings-related benefits with a single monthly payment¹⁸. UC has been piloted in four areas since 2013 and is due to be rolled out across the country, including Derbyshire, from between February and April 2015, initially on a limited basis. Although UC has not yet been implemented locally, it is anticipated there might be some impact where existing UC claimants move into the county from the pilot areas such as those in the North West of England, bringing their UC entitlement with them.

Universal Credit will aim to support claimants through a new Claimant Commitment, with individuals who do not meet the requirements at risk of losing their benefits. The number of individuals receiving sanctions locally under the existing sanctions system is increasing, and it is anticipated that the sanctions rules under UC will be tighter leading to further rises. DCC's Welfare Benefits team suspect that sanctions are contributing to an increase in applications to the Derbyshire Discretionary Fund (DDF)¹⁹ and are looking to explore this as well as raise awareness of the UC changes.

The Personal Independence Payment (PIP) is in the process of replacing Disability Living Allowance (DLA). It provides help with 'daily living' and aims to better target support and reduce the upward trend in DLA claimants. PIP was rolled out for new claimants across the country in June 2013, and in October 2013 the re-assessment of some existing DLA claimants started in some areas, including the DE, NG and LE postcode areas of Derbyshire. To date the number of PIP claims in the county is relatively small, however, there is concern locally that the partial implementation of the scheme across the county and processing delays are causing some uncertainty.

Council tax benefit was abolished in April 2013 and replaced by a system of localised support. New rules on Housing Benefit²⁰, widely referred to as the 'bedroom tax' or

'removal of the spare room subsidy' have also been introduced. These aim to encourage people to downsize, and mean that those tenants whose accommodation is larger than needed may lose part of their housing benefit. This will help cut the £23bn annual bill for housing benefit, and free up space for overcrowded families.

The changes are thought to have contributed to increased levels of rent arrears, with a report by the National Housing Federation highlighting that two-thirds of housing association tenants affected are in arrears, with more than a quarter having fallen into arrears since April 2013. Locally DCC's Welfare Rights team is also seeing some people struggling and having difficulty finding space to downsize to, with the latest figures showing that the rules apply to over 5,500 families. In June 2014, 58.3% of families in North East Derbyshire affected by the new rules were in arrears. Housing associations locally are being proactive in making people aware of different options, such as Financial Inclusion referrals, assisted moves schemes, or financial support through the Discretionary Housing Payments (DHPs) available to districts from Government. Districts are seeing a large proportion of DHP claims related to the spare room subsidy, e.g. in Derbyshire Dales in the six months to September 2014, 151 DHP claims were related to this, representing nearly half of those affected.

A further welfare reform is the Benefits Cap, which aims to incentivise people to find work. Introduced in 2013, the cap limits the total amount of benefits that most people aged 16 to 64 can receive, with the level set at £500 a week for couples or single parents and £350 for single adults with no children. Although there are currently relatively few households affected by the cap in Derbyshire, around 250 according to the latest figures, the Welfare Rights team is seeing some larger families being put under financial strain as a result.

Although the UK economy is showing signs of recovery and unemployment is falling, there remains evidence that people are struggling financially. For example, demand for the DDF is increasing, with applications growing steadily during 2013/14 and 2014/15 and applications currently running at 1,400 per month. The Derbyshire Partnership Forum has recently approved its Anti-Poverty Strategy which outlines the approach the partnership will take to mitigating the impact of poverty in the county and boosting the financial resilience of communities.

¹Data for Derbyshire in the review does not include Derby City unless otherwise stated.

²Gross Domestic Product (GDP) Preliminary Estimate, Quarter 3 2014, ONS © Crown Copyright. Published October 2014.

³Statistical Bulletin, Quarterly National Accounts, Quarter 2 2014, ONS © Crown Copyright. Published September 2014.

⁴Statistical Bulletin, Consumer Price Inflation (CPI), October 2014, ONS © Crown Copyright. Published November 2014.

⁵Bank of England, Monetary Policy Committee Decisions, November 2014. Published November 2014. Note, this indicator is known as 'the bank rate'.

⁶Bank of England Agents' Summary of Business Conditions, October 2014. Published October 2014.

⁷Derbyshire, Nottinghamshire and Leicestershire Chamber of Commerce, Quarterly Economic Survey, Q3 2014. Published October 2014.

⁸Derbyshire Economic Partnership, 2013-2014. Published November 2014.

⁹The economic activity rate is the percentage of the working age population (age 16-64) who are employed or International Labour Organisation (ILO) unemployed.

¹⁰The employment rate is the percentage of the working age population (age 16-64) who are employed including the self employed.

¹¹The ILO defines the unemployed as people who are without work, are available to start work within the next two weeks, and have actively sought work within the previous four weeks. This is used in the Annual Population Survey and is not compatible with the claimant count unemployment noted below.

¹²Claimant count unemployment is derived from administrative data generated by the system of benefits paid to people who are out of work. It is a different definition and measure of unemployment than the ILO unemployment noted above.

¹³Youth unemployment relates to people aged 16-24. The rates at ward level are unofficial and have been calculated using population figures from the 2013 Mid-Year Population Estimates.

¹⁴Out of Work Benefits relates to the population claiming Job Seekers Allowance, Employment Support Allowance, Incapacity Benefit, lone parents and others on income related benefits.

¹⁵DWP Benefits, May 2014, ONS (Nomis) © Crown Copyright. Published November 2014.

¹⁶Housing benefit spare room subsidy is shown as a % of those households claiming housing benefit.

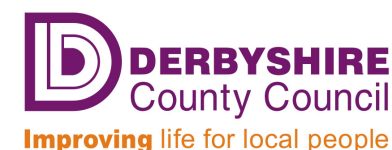
¹⁷House Price Index, Land Registry, September 2014, © Crown Copyright. Published October 2014.

¹⁸The six main benefits to be replaced by UC are Income based JSA, Income related Employment Support Allowance, Income Support, Child Tax Credit, Working Tax Credit, and Housing Benefit.

¹⁹Since April 2013 Social Fund Reform has seen Community Care Grants and Crisis Loans replaced with funding for 'local welfare provision', and the Derbyshire Discretionary Fund has been established in response to this. It provides support through Emergency Cash Payments for things such as food, heating or travel and Exceptional Pressure Grants which are for larger amounts of money for items such as cookers or fridges.

²⁰Under the 'Under-Occupancy Deduction', housing benefit will be reduced by 14% of the eligible rent for those with one room and 25% for those with two or more spare rooms.

Version	Author	Date	Contact
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Policy and Research Division
 Chief Executive's Office
 Derbyshire County Council
 County Hall
 Matlock
 Derbyshire
 DE4 3AG
 Email: research@derbyshire.gov.uk