

DERBYSHIRE COUNTY COUNCIL

CABINET

26th September 2012

Report of the Strategic Director for Policy and Community Safety

DERBYSHIRE ANNUAL ECONOMIC REPORT 2012 & ECONOMIC REVIEW (SEPTEMBER 2012) (Regeneration)

1. Purpose of the Report

To present to Cabinet the Derbyshire Annual Economic Report 2012 and the new format for reporting economic intelligence on a quarterly basis to help shape policy development and delivery.

2. Information and Analysis

The Derbyshire Annual Economic Report 2012 provides an annual review of economic performance both in a local and national context focusing on the key factors that influence economic resilience and productivity. The report builds upon the economic intelligence baseline set out in the Local Economic Assessment and is vital for shaping responsive policy and pro-active delivery on behalf of Derbyshire County Council and its partners.

The Derbyshire Economic Review represents a new format for reporting the most recent economic data to Cabinet and our partners complementing the Annual Economic Report. The review reports on key national and local economic trends and will also provide a commentary on priority activity being delivered by Derbyshire County Council through the Economic Regeneration service. The intention is to update the review on a quarterly basis.

Both reports effectively interpret the database of information held by the Derbyshire Observatory and will enable Derbyshire County Council to support and facilitate the delivery of partnership activity most notably through the Derbyshire Economic Partnership as well as influencing the evolving strategy of the D2N2 Local Enterprise Partnership from a local perspective.

3. Considerations (to be specified individually where appropriate)

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.

4. Key Decision

No

5. Call-in

No

6. Background Papers

Appendix 1 - Derbyshire Annual Economic Report 2012

Appendix 2 – Derbyshire Economic Review (September 2012)

All relevant background papers are held within the Economic Regeneration Team.

7. OFFICER'S RECOMMENDATION

- 1) For Cabinet to note the Annual Economic Update 2012 and Economic Review (September 2012) and approve the format of the Economic Review.
- 2) For public, private and voluntary sectors to note the reports and the information available through the Derbyshire Observatory and encourage key partners to both validate and contribute to the information published and made available to assist policy making across Derbyshire.

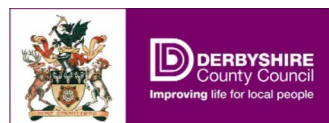
David Lowe
Strategic Director of Policy & Community Safety

Introduction

This update aims to give a brief overview of the latest statistics and news on the Derbyshire economy both in a national and local context. The report is based on a range of information from various sources and timescales to provide a “snapshot” of the Derbyshire economy, and will inform the development and delivery of future economic strategies in the area. The update also provides a brief summary of progress in relation to the economic regeneration priorities of Derbyshire County Council (DCC).

Contents

Overview	2	<i>Labour Market Continued</i>	
National Economic Context	3	Youth Unemployment Rate	8
Gross Domestic Product	3	Long-Term Unemp Rate	8
Volume of Trade	3	Out of Work Benefits	9
Consumer Price Index	3	Jobcentre Plus (JCP)	
Bank of England Interest Rate	4	Vacancies Index	10
		JCP Vacancies by Occupation	10
		JCP Vacancies by Sector	10
Local Economic Context	5	Housing Market	11
Business Conditions	5	Mean House Price	11
Investment Enquiries	5	House Sales Index	11
Job Losses and Gains	5		
Labour Market	7	Local Economic Priority Activity	12
Economic Activity Rate	7	Apprenticeship Scheme	12
Employment Rate	7	Markham Vale	12
Unemployment Rate (ILO)	7	Digital Derbyshire	13
Self Employment Rate	7		
Claimant Unemployment Rate	8	End Notes	14



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- The UK's economy is once again in recession following a second successive fall in economic growth in quarter 1 of 2012.
- The Consumer Prices Index (CPI) inflation rate monitors changes in the price of goods and services purchased by households. Whilst the CPI rate has been falling since September 2011, the last month has shown an increase, with the CPI rate now standing at 2.6% in July 2012, above the national target of 2.0%.
- According to the Derbyshire and Nottinghamshire Chamber of Commerce's State of the Economy Index, the performance of the local economy in quarter 2 of 2012 is slightly ahead of that of the East Midlands. However both the local and regional economies have shown a decline in performance since quarter 1.
- The average house price in Derbyshire is consistently lower than the national average, standing at £158,526 and £245,426 respectively in quarter 3 of 2011. However wide variations exist across the county, particularly in Derbyshire Dales where prices were over 50% higher than the county average. Locally there has been a 6.3% decline in house prices compared with just a 1.7% decline nationally since quarter 3 of 2010.
- The county has above average levels of labour market participation with an employment rate of 72.0% compared with 70.3% for England in March 2012.
- The overall claimant count unemployment rate is lower in Derbyshire (3.2%) than England (3.8%) in July 2012, although hotspots exist across the county where unemployment levels are severely high.
- Over a quarter of all unemployment claimants in Derbyshire in July 2012 have been out of work for more than a year, a similar pattern to that seen nationally.
- Youth unemployment in Derbyshire currently stands at 6.5%, slightly higher than the England rate of 5.8%. In some areas of the county the problem is particularly acute where the level of youth unemployment is more than double the national rate.

¹³ Claimant Count, July 2012, ONS (Nomis) © Crown Copyright. Published August 2012. Claimant count unemployment is derived from administrative data generated by the system of benefits paid to people who are out of work. It is a different definition and measure of unemployment than the ILO unemployment noted earlier, which is the preferred measure of unemployment nationally that is derived from the Annual Population Survey.

¹⁴ Claimant Count, July 2012, ONS (Nomis) © Crown Copyright. Published August 2012. Youth unemployment relates to people aged 16-24.

¹⁵ Claimant Count, July 2012, ONS (Nomis) © Crown Copyright. Published August 2012.

¹⁶ Department for Work and Pensions Benefits, February 2012, ONS (Nomis) © Crown Copyright. Published August 2012.

¹⁷ Jobcentre Plus, live unfilled vacancies, July 2012, ONS (Nomis) © Crown Copyright. Published August 2012. Note, vacancies data is affected by regular seasonal variations, and comparisons are best made with the same month in the previous year to avoid seasonal effects.

¹⁸ HM Land Registry Quarterly House Price data, 2011, Communities and Local Government © Crown Copyright. Published January 2012. Note, the figures for quarter 3 2011 are provisional.

¹⁹ HM Land Registry Quarterly Property Sales data, 2011, Communities and Local Government © Crown Copyright. Published January 2012. Note, the figures for quarter 3 2011 are provisional. Also, house sales are affected by regular seasonal variations, and comparisons are best made with the same quarter in the previous year to avoid seasonal effects.

Version	Author	Date	Contact
0.3	Research and Information, Chief Executives	18/09/2012	research@derbyshire.gov.uk
Source		Geography	
Various, see End Notes		Derbyshire, England	
Notes			

¹ Statistical Bulletin, Quarterly National Accounts, Quarter 1 2012, Office for National Statistics (ONS) © Crown Copyright. Published June 2012.

² Statistical Bulletin, Quarterly National Accounts, Quarter 1 2012, ONS © Crown Copyright. Published June 2012.

³ Statistical Bulletin, Consumer Price Indices, July 2012, ONS © Crown Copyright. Published August 2012. The CPI is the main UK domestic measure of consumer price inflation for macroeconomic purposes. It forms the basis for the Government's target for inflation that the Bank of England's Monetary Policy Committee is required to achieve.

⁴ Bank of England, Monetary Policy Committee Decisions. Published August 2012. Note, this indicator is known as 'the bank rate'.

⁵ Bank of England Agents' Summary of Business Conditions, July 2012. Published August 2012.

⁶ Derbyshire and Nottinghamshire Chamber of Commerce, Quarterly Economic Survey, 2011-2012. Published July 2012.

⁷ Derbyshire Economic Partnership, 2012. Published August 2012.

⁸ Annual Population Survey, April 2011-March 2012, ONS (Nomis) © Crown Copyright. Published July 2012. The Annual Population Survey is updated quarterly although data relates to all interviews conducted over one year. The economic activity rate is the percentage of the working age population (age 16-64) who are employed or ILO unemployed.

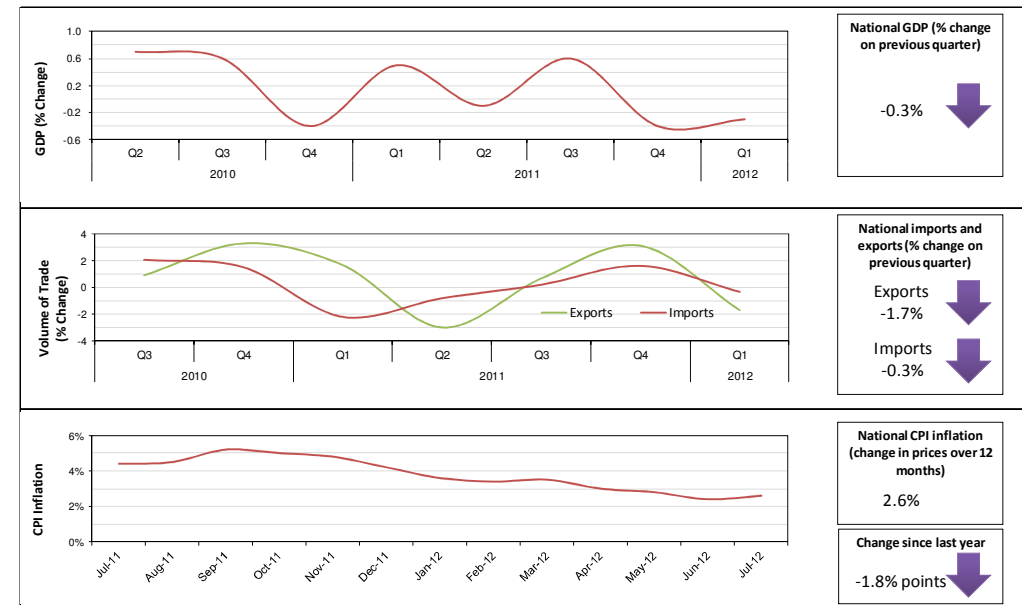
⁹ Annual Population Survey, April 2011-March 2012, ONS (Nomis) © Crown Copyright. Published July 2012. The Annual Population Survey is updated quarterly although data relates to all interviews conducted over one year. The employment rate is the percentage of the working age population (age 16-64) who are employed or are looking for work.

¹⁰ The ILO defines the unemployed as persons who are without work, are available to start work within the next two weeks, and have actively sought work within the previous four weeks. The ILO unemployment rate is the number of persons who are ILO unemployed expressed as a percentage of the economically active population (employed plus ILO unemployed). This is used in the Annual Population Survey and is not compatible with the claimant count unemployment noted later, which is based on the monthly count of those people claiming Job Seekers Allowance.

¹¹ Annual Population Survey, April 2011-March 2012, ONS (Nomis) © Crown Copyright. Published July 2012. The Annual Population Survey is updated quarterly although data relates to all interviews conducted over one year.

¹² Annual Population Survey, April 2011-March 2012, ONS (Nomis) © Crown Copyright. Published July 2012. The Annual Population Survey is updated quarterly although data relates to all interviews conducted over one year.

National Performance Indicators



National Gross Domestic Product (GDP), an indicator of economic growth, fell by 0.3% in quarter 1 2012¹, the second successive fall in economic growth indicating that the economy is once again in recession.

The volume of trade for both exports and imports declined in quarter 1 of 2012², more so for exports (1.7% decline) than imports (0.3% decline). This followed trade growth for both exports and imports in the two previous quarters.

The Consumer Prices Index (CPI) inflation rate stands at 2.6% (July 2012), above the national target of 2.0%³. This means households are currently paying more for their goods and services. The general trend has been a declining one since September 2011, although the rate for July was a slight increase on the 2.4% the previous month.

The Bank of England interest rate stood at 0.5%⁴ in August 2012 and has remained unchanged since March 2009. Additionally the Bank of England highlighted the following national trends as at July 2012⁵:

- There has been a slowing in the annual growth rate of consumer demand;
- There have been further signs of weakening in the housing market;
- Investment intentions have softened a little and there has been a general sense of stepping back from expansion plans;
- In the business services sector turnover has edged higher but the annual rate of growth has slowed a little over the previous few months;
- Manufacturing output growth has weakened after having picked up during the spring. This was mainly down to the slowing in export growth;
- There has been a decline in construction output compared with July 2011.

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

With regards to the physical development of the site, due diligence is on-going in respect of recent Growing Places Fund applications to D2N2 (the Local Enterprise Partnership for Derbyshire and Nottinghamshire) and SCR (the Local Enterprise Partnership for Sheffield City Region) to provide the Seymour Link, whilst a complementary Regional Growth Fund Round 3 bid has been submitted to government seeking funding to fund infrastructure and servicing of the 33 hectares Seymour Colliery extension. A decision is expected in the Autumn.

Digital Derbyshire

The Digital Derbyshire Local Broadband Plan was approved on 4th May 2012 by Broadband Delivery UK (BDUK). This secured £7.39m of government funding, and along with DCC's pledge to match it, this will ensure £14.78m of public funding will be available as a gap fund investment for the roll out of superfast broadband across the county. Key targets of the Digital Derbyshire programme are to:

1. Deliver 90% coverage of superfast broadband, with speeds of 30 megabits per second (no less than 24mbps), by 2015
2. Ensure universal provision of 2mbps across Derbyshire by 2015.

DCC is preparing to launch the formal procurement for a commercial partner using the National BDUK Procurement Framework; the commercial partner will provide financial investment to Derbyshire and deploy the broadband infrastructure. The successful suppliers on the BDUK national framework are BT and Fujitsu. Our Local Broadband Plan is technology neutral and does not identify which areas will receive better broadband and by what date; as a local authority we will work with our successful commercial partner, who is expert in the successful deployment of infrastructure and networks.

Apprenticeship Grants to Employers (AGE) scheme

The scheme commenced in January 2012 providing financial support to small organisations (up to 50 employees) to recruit an apprentice. In total the Council has made 200 grants available, with the scheme specifically targeting 16 and 17 year olds without level 2 qualifications and who are not in education, employment or training (NEET). Key targets of the scheme are:

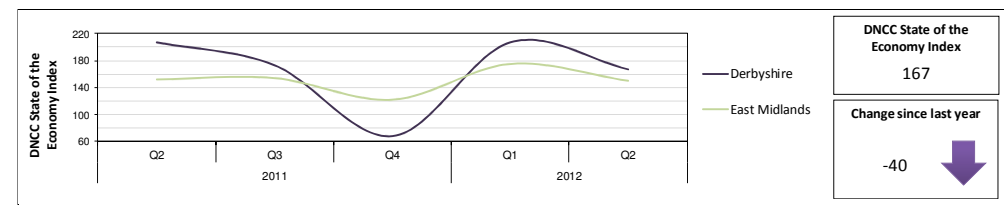
1. 200 grants awarded by 30th June 2012.
2. A minimum of 15 grants awarded to each of Derbyshire's eight second tier administrative areas.
3. 180 apprenticeships completed.

Targets one and two have been achieved and there are currently over 100 young people in post with the remainder of businesses presently going through the recruitment process. It is envisaged that all 200 apprentices will have started their apprenticeships by September 2012. Preliminary information shows businesses have been reached operating in the manufacturing, construction and service sectors, which are important to Derbyshire's economy. Subject to approval, the Council proposes to deliver a further phase of the AGE scheme that will deliver 100 new apprenticeships and be focused on the key growth sectors of the Derbyshire economy.

Markham Vale

The relocation of Andrew Page Ltd to Plot 2 is continuing to schedule. This important investment has allowed DCC to test the new Workplace Recruitment and Training Service established to provide a tailored service to new occupants at Markham Vale with the aim of maximising employment opportunities for local people. Working with Jobcentre Plus and Learning Unlimited (Chesterfield College), DCC has delivered a Sector Based Work Academy to help meet Andrew Page's recruitment needs which has proved highly successful. The service has recently been expanded to support existing tenants with their recruitment requirements.

Business Conditions



Local economic performance (quarter 2 of 2012) is slightly ahead of regional economic performance as measured by the Derbyshire and Nottinghamshire Chamber of Commerce's State of the Economy Index⁶. However, both the local and regional economies showed a decline in performance compared with quarter 1. This is possibly due to firms being affected by dampened domestic demand and challenges posed by the on-going Eurozone debt crisis. This dip has followed improvement in performance in quarter 1 compared with the two previous quarters.

Investment Enquiries

Between May and July 2012 the Derbyshire Economic Partnership (DEP) received 17 full enquiries from firms looking to invest in the county⁷.

Job Losses and Gains

The following job losses and gains information is drawn from articles in the Derby Evening Telegraph and the Derbyshire Times during June and July 2012.

Job Losses

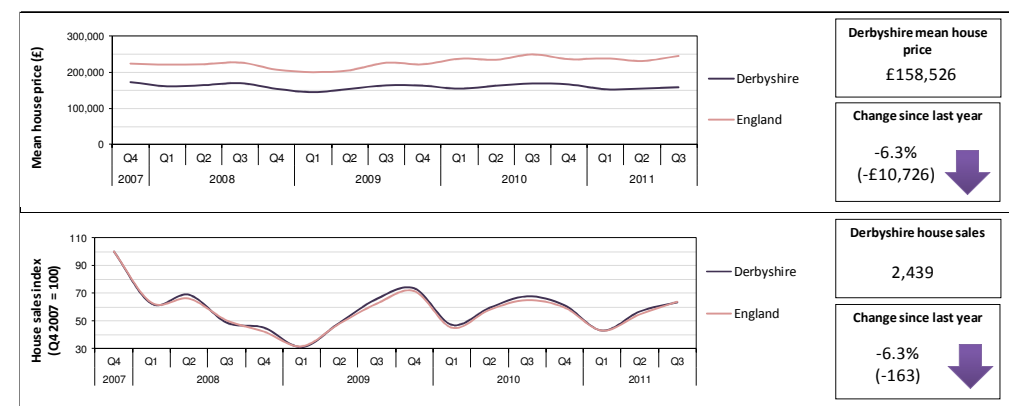
- A House of Fraser store in Burton is to close at the end of September 2012 affecting 65 workers.
- Up to 40 jobs at motor parts supplier Motormania have been lost in Derbyshire.

- Derbyshire Constabulary is planning to cut its workforce by 330 between March 2010 and March 2015.
- Derbyshire Building Society announced that eight branches in Derbyshire are to close at the end of August 2012.
- DCC is on track to cut the equivalent of 600 jobs by the end of 2012/13.
- Celanese Acetate in Spondon announced it is to cease production by the end of October 2012 with the loss of around 350 jobs.

Job Gains

- JCB announced plans to recruit 300 workers for its factories in Derbyshire and Staffordshire.
- Castle Donington engineering firm PJD announced it is to recruit 100 workers and apprentices.
- Rolls Royce has won a contract to build submarine nuclear reactors which will secure 300 positions.
- Toyota is to make a new version of the Auris resulting in the creation of 1,500 jobs by the end of 2013.
- 200 apprenticeships were created by private firms applying for a DCC grant between January and June 2012.
- Toyota supplier (Futaba Industrial UK) is to take on 100 extra staff at its Foston plant by the end of 2013.
- An aerospace firm (Gardner) is to move its HQ to Sinfin by the end of November 2012 employing around 250 people.
- 85 jobs are to be created at the new Debenhams store to open in Chesterfield in September 2012.

House Prices and Sales



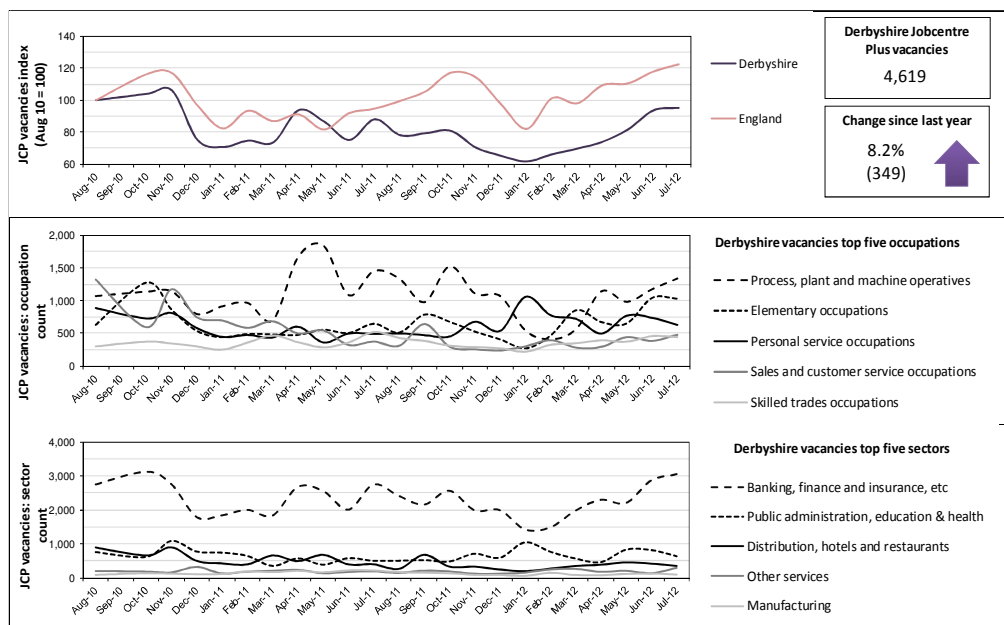
Average house prices in the county are consistently lower than those nationally. The average house price in Derbyshire currently stands at £158,526 as of quarter 3 of 2011, considerably lower than the average house price for England (£245,426)¹⁸. Across Derbyshire there are significant variations from an average of £108,601 in Bolsover to £240,234 in the rural district of Derbyshire Dales. Comparing quarter 3 of 2011 with quarter 3 of 2010 has shown a fall of 6.3% in house prices in Derbyshire, the equivalent of £10,726, far greater than the fall of just 1.7% across England.

According to the latest figures a total of 2,439 properties were sold in Derbyshire in quarter 3 of 2011¹⁹. Again this varies across the county ranging from 405 property sales in Amber Valley to 234 in Derbyshire Dales. Whilst there has been a decline in property sales since quarter 3 of 2010, there has been an increase in the number of properties sold in both Derbyshire and England over the last two quarters.

Derbyshire Observatory Link: <http://tinyurl.com/lea2012-change-house-price>

Across Derbyshire the number of claimants varies considerably, in particular there are five wards where more than a quarter of the working age population are claiming an out of work benefit. This includes Gamesley in High Peak, Ilkeston North in Erewash, Rother and Loundsley Green wards in Chesterfield and Shirebrook North West in Bolsover.

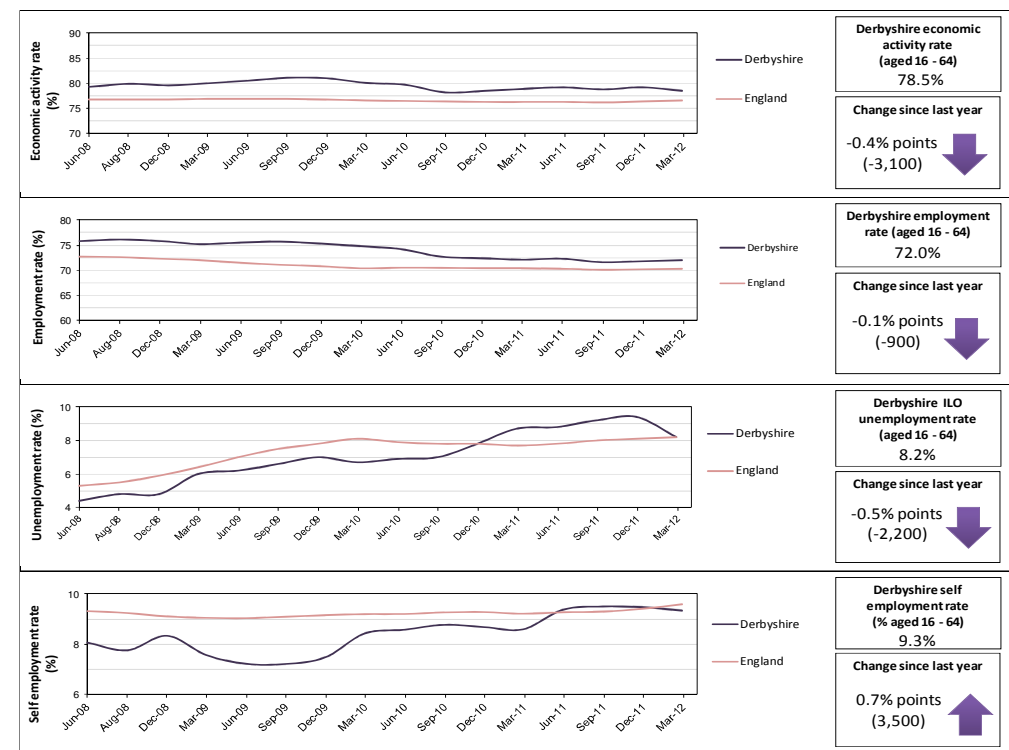
Derbyshire Observatory Link: <http://tinyurl.com/lea2012-oowbc>



The latest vacancy data from Jobcentre Plus (JCP) released for July 2012 shows there are a total of 4,619 job vacancies in Derbyshire, 8.2% more than the same quarter in 2011, representing 349 more vacancies¹⁷. Nationally there has been a significant increase of 29.4% in vacancies during this time.

By occupation the largest numbers of vacancies in Derbyshire are within the lower skilled occupations of 'process, plant and machine operatives' and 'elementary occupations'. By industry sector the highest numbers of vacancies in the county are in 'banking, finance and insurance' and 'public administration, education and health'.

Labour Market Participation

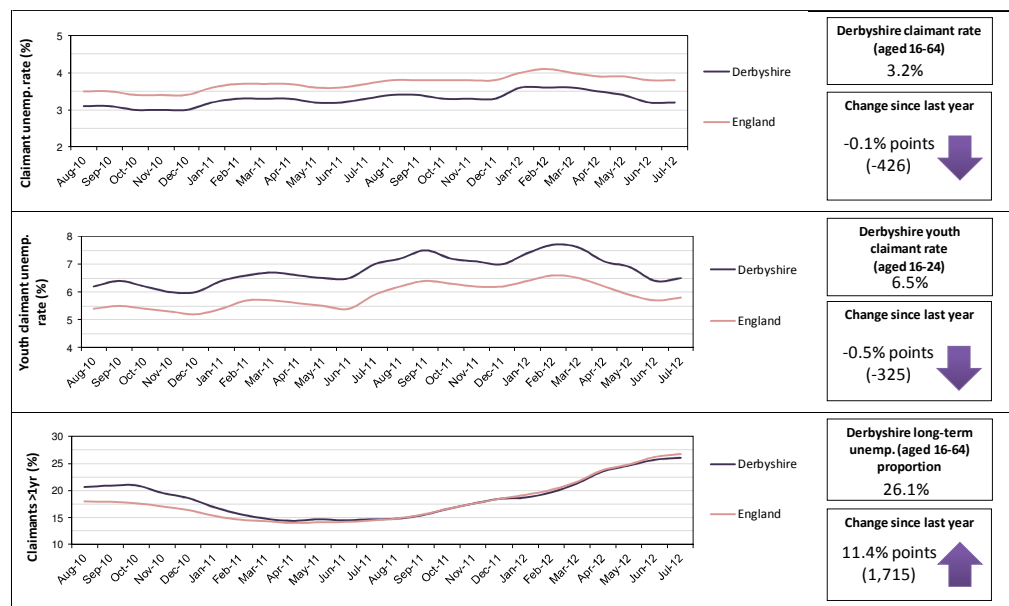


The economic activity rate in Derbyshire is currently 78.5%, higher than the national rate of 76.6% according to the latest data from the Annual Population Survey in March 2012⁸. Locally there has been a slight decline in economic activity levels compared with the same quarter in 2011, whilst for England there was a slight increase.

The county's employment rate stands at 72.0%, higher than the England rate of 70.3%⁹ (March 2012). Again there has been a slight decline in the employment rate in Derbyshire compared with the same quarter in 2011, representing 900 fewer people in employment. Across England there has also been a marginal decline.

The International Labour Organisation (ILO) unemployment rate is a much wider definition of unemployment than the claimant count and is the nationally recognised definition of unemployment¹⁰. In Derbyshire the ILO unemployment rate stands at 8.2%, the same as that for England, at March 2012. Locally this is lower than the figure of 8.7% in March 2011 representing a decrease of 2,200 unemployed people¹¹. However, nationally there had been an increase compared with the same quarter from the previous year where the rate was 7.7%.

Self employment levels in Derbyshire are slightly lower than the England rate, at 9.3% and 9.6% respectively in March 2012¹². In Derbyshire there has been an increase in self employment levels since March 2011 representing 3,500 more people self employed. There has also been a slight increase for England.



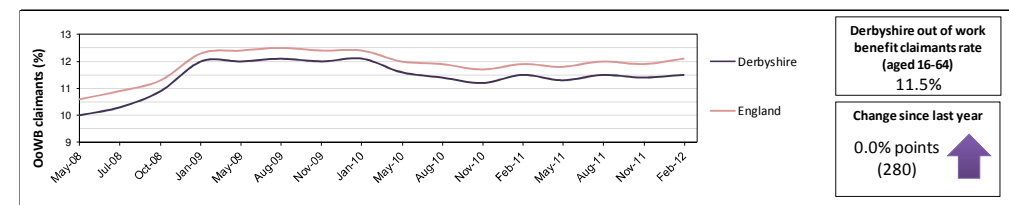
The county's overall claimant count unemployment rate is 3.2%, lower than the 3.8% for England in July 2012¹³. However, hot spots of unemployment exist locally. In particular the wards of Gamesley in High Peak, Rother in Chesterfield and Ilkeston North in Erewash have unemployment rates more than double the national rate. Since the early part of 2012 claimant count unemployment both locally and nationally has shown a downward trend.

Derbyshire Observatory Link: <http://tinyurl.com/lea2012-eco-act-rate>

6.5% (5,055) of people under the age of 25 in Derbyshire are unemployed, higher than the 5.8% for England in July 2012¹⁴. There is significant variation across the county with 15 wards having rates more than double the national average including Bolsover West in Bolsover, Gamesley in High Peak and Loundsley Green in Chesterfield. Since the early part of 2012 youth unemployment both locally and nationally has shown a downward trend.

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

Just over a quarter (26.1%) of the county's unemployment claimants have been out of work for more than a year, similar to the national figure (26.7%) at July 2012¹⁵. Derbyshire's level of long-term unemployment is significantly higher than the 14.6% in July 2011, representing 1,715 more long-term unemployed. There had also been a significant increase for England.



11.5% of Derbyshire residents are currently claiming an Out of Work Benefit (OoWB), a slightly lower percentage than the England level of 12.1%¹⁶ according to the latest data released for February 2012. Both locally and nationally there has been a marginal increase in the number of claimants since the same quarter of 2011.

INTRODUCTION	2	EMPLOYMENT STRUCTURE.....	17
DERBYSHIRE COUNTY COUNCIL'S STRATEGIC PRIORITIES.....	3	<i>Key Sectors.....</i>	<i>17</i>
<i>DCC Strategic Priorities.....</i>	<i>3</i>	<i>Manufacturing.....</i>	<i>18</i>
<i>Access to Broadband.....</i>	<i>3</i>	<i>Public Sector</i>	<i>19</i>
<i>Supporting Employment and Skills for Young People</i>	<i>5</i>	<i>Tourism.....</i>	<i>20</i>
<i>Promoting Investment and Trade</i>	<i>5</i>	<i>Agriculture.....</i>	<i>20</i>
SUMMARY	7	EMPLOYABILITY AND SKILLS	21
<i>National Economic Performance</i>	<i>7</i>	<i>Occupational Levels.....</i>	<i>21</i>
<i>Local Economic Performance.....</i>	<i>7</i>	<i>Qualification Levels</i>	<i>21</i>
<i>Business Structure.....</i>	<i>7</i>	<i>School Attainment Levels</i>	<i>23</i>
<i>Employment Structure</i>	<i>7</i>	<i>Not in Education, Employment or Training</i>	<i>24</i>
<i>Employability and Skills.....</i>	<i>7</i>	<i>Apprenticeships</i>	<i>24</i>
<i>Labour Market</i>	<i>8</i>	LABOUR MARKET	25
<i>Housing Market</i>	<i>8</i>	<i>Current Population</i>	<i>25</i>
NATIONAL ECONOMIC PERFORMANCE.....	9	<i>Population Growth</i>	<i>25</i>
<i>Economic Growth.....</i>	<i>9</i>	<i>Economic Migration</i>	<i>26</i>
<i>Imports and Exports.....</i>	<i>9</i>	<i>Economic Activity Rate</i>	<i>26</i>
<i>Interest Rates and Inflation</i>	<i>9</i>	<i>Employment Rate</i>	<i>26</i>
<i>Business Conditions.....</i>	<i>10</i>	<i>Overall Unemployment Levels.....</i>	<i>27</i>
LOCAL ECONOMIC PERFORMANCE	11	<i>Long-term Unemployment Levels.....</i>	<i>28</i>
<i>Impact of the Recession</i>	<i>11</i>	<i>Youth Unemployment Levels.....</i>	<i>28</i>
<i>Gross Value Added.....</i>	<i>11</i>	<i>Out of Work Benefit Claimants.....</i>	<i>28</i>
<i>Business Conditions.....</i>	<i>12</i>	<i>Gross Weekly Earnings</i>	<i>29</i>
BUSINESS STRUCTURE.....	13	HOUSING MARKET	31
<i>Structure and Size of Local Businesses.....</i>	<i>13</i>	<i>Property Sales.....</i>	<i>31</i>
<i>Enterprise Births, Deaths and Net Change</i>	<i>14</i>	<i>House Prices</i>	<i>31</i>
<i>Self Employment Levels.....</i>	<i>14</i>	<i>Housing Affordability.....</i>	<i>32</i>
<i>Business Survival Rates</i>	<i>15</i>	END NOTES.....	33
<i>Vacancies</i>	<i>15</i>		
<i>Hard to Fill Vacancies and Skills Shortages.....</i>	<i>16</i>		
<i>Skills Gaps</i>	<i>16</i>		

The Derbyshire Annual Economic Report 2012 provides an annual update of economic performance in a local and national context focusing on the key factors that influence resilience and productivity.

The report is drawn from the intelligence on the Derbyshire Observatory, a website managed by Derbyshire County Council that contains a wide range of information about the county that is vital for shaping responsive council and partners' policy and proactive delivery.

The performance of the Derbyshire economy during 2011/12 reflects the on-going economic factors facing the UK but also highlights key issues that are unique to the local context within Derbyshire.

Derbyshire remains positioned well for recovery with many factors acting as competitive advantages that need to be exploited to drive sustainable growth and wealth creation. Our central location, excellent transport links, high quality of life, readily available sites, strong manufacturing base and supply chains and versatile workforce are all vital to raising the productivity of Derbyshire in terms of Gross Value Added. However, it remains important to be vigilant in tackling the weaknesses within the Derbyshire economy that could hamper recovery and growth.

The need to provide next generation broadband across Derbyshire that will enable enterprise creation, boost business competitiveness and connect with our customers remains a priority. Through our Digital Derbyshire investment programme, the opportunities for businesses to expand beyond traditional boundaries need exploiting and our citizens can enrich their lives by embracing new cultures and relationships across the modern world.

Similarly, despite Derbyshire's above average activity rates and relatively low level of unemployment, improving skills levels and employment opportunities, especially for younger people, is also a priority requiring closer partnerships between employers, schools and colleges to support key sectors such as manufacturing, creative, science, health and knowledge based sectors.

Key for advancement is promoting apprenticeships, being able to speak more than one language, and Science, Technology, Engineering and Mathematics (STEM) skills

teaching and learning of mathematics and science by incorporating technology and engineering that requires students to actively engage a situation in order to find a solution.

Finally, the report reinforces the need for Derbyshire County Council and partners to play a key role in facilitating and enabling economic growth, acting as a critical friend in helping Derbyshire businesses exploit the opportunities available in the global economy through promoting inward investment, export promotion, investor development and business support and advice.

Councillor Kevin Parkinson

Derbyshire County Council's Strategic Priorities

Over the past 12 months, Derbyshire County Council (DCC) has reviewed its strategic economic role in line with government policy set out in "Local Growth: Realising Every Place's Potential" which states the role of local authorities in supporting economic growth as:

- Providing leadership and coordination
- Enabling through use of assets, statutory powers, and strategic influence to promote development and tackle market failure
- Aligning services and policies to support the economy

The Economic Regeneration service has the strategic objective of leading economic policy and project development to complement service delivery across all functions of Derbyshire County Council in line with corporate objectives and priorities.

Similarly, Derbyshire County Council continues to play a proactive and central role in promoting growth through both the Derbyshire Economic Partnership and D2N2, the Local Economic Partnership (LEP) for Derbyshire and Nottinghamshire.

The focus of Derbyshire County Council's efforts is to support the development of a prosperous and resilient economy regardless of sector or location. In line with government policy, our efforts will be on creating the environment for businesses to thrive through tackling market failure where it is hampering growth. Within this context, Derbyshire County Council has focused on three key priorities that will assist economic growth:

- Deliver superfast broadband across Derbyshire through [Digital Derbyshire](http://www.derbyshire.gov.uk/digitalderbyshire)
- Promote and create apprenticeships to help young people access employment and skills
- Boost investment through the continued development of key sites most notably Markham Vale

Access to Broadband www.derbyshire.gov.uk/digitalderbyshire

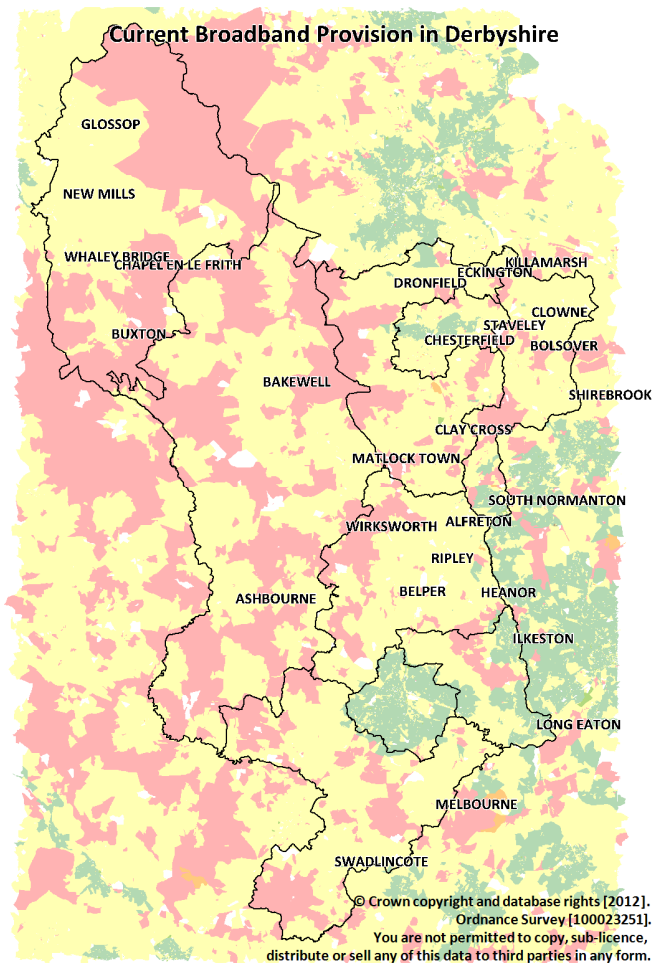
Access to superfast broadband is critical to encouraging business growth and developing enterprising communities and is a key priority for Derbyshire.

The "[Digital Derbyshire](http://www.derbyshire.gov.uk/digitalderbyshire)" Local Broadband Plan was approved on 4th May 2012 by Broadband Delivery UK (BDUK). This secured £7.39m of government funding, and along with DCC's pledge to match it, this will ensure £14.78m of public funding will be available as a gap fund investment for the roll out of superfast broadband across the county. Key targets of the Digital Derbyshire programme are to:

1. Deliver 90% coverage of superfast broadband, with speeds of 30 megabits per second (no less than 24mbps), by 2015
2. Ensure universal provision of 2mbps across Derbyshire by 2015.

Derbyshire County Council is preparing to launch the formal procurement for a commercial partner using the National BDUK Procurement Framework; the commercial partner will provide financial investment to Derbyshire and deploy the broadband infrastructure. Our Local Broadband Plan is technology neutral and does not identify which areas will receive better broadband and by what date; as a local authority we will work with our successful commercial partner, who is expert in the successful deployment of infrastructure and networks.

Out of approximately 470,000 premises in Derby and Derbyshire it is estimated that around 26,000 premises currently experience broadband speeds of less than 2 mbps, a basic broadband provision. The red areas shown in the map on the next page show those areas currently experiencing broadband speeds of less than 2mbps.



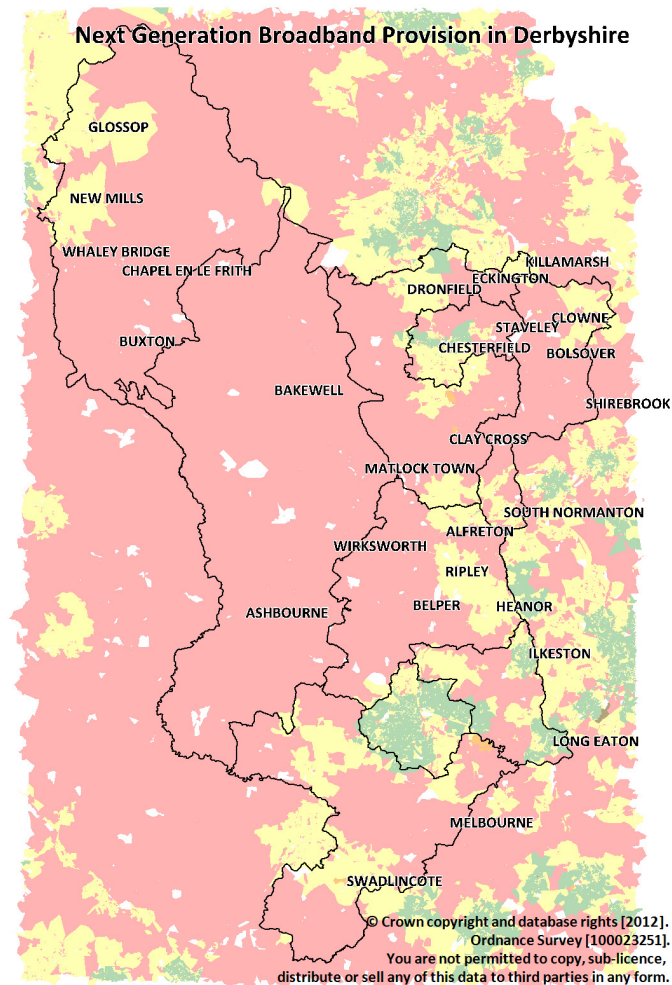
Source: Broadband Delivery UK, 2012

For the Basic Broadband map, each postcode is turned yellow if:

- its estimated speed is >2mbps AND it is scheduled to be upgraded by BT
- AND it is not an 'exchange only' line OR if its current speed is estimated at >2mbps,
- or if it is in a Virgin Media area,
- (or if wireless service is available at >2mbps at the postcode)

Each postcode is turned green if it satisfies two of these conditions. All other points remain red.

The current availability of Next Generation Access (NGA) or superfast broadband (currently defined as speeds greater than 2mbps) across Derby and Derbyshire is limited in some areas. The map below shows the current level of access to superfast broadband across Derbyshire, which is concentrated in the more urban areas of the county.



Source: Broadband Delivery UK, 2012

For the Next Generation Broadband map, each postcode is turned yellow if:

- its estimated VDSL speed is >15mbps AND it is scheduled to be upgraded by BT AND it is not an 'exchange only' line,
- or if it is in a Virgin Media area

Each postcode is turned green if it satisfies both of these conditions. All other points remain red.

Although securing successful roll out of superfast broadband is the goal, demand stimulation plays a vital part in encouraging commercial investment by creating a viable market for broadband services. The Digital Derbyshire Broadband Champions initiative seeks to promote the benefits of superfast broadband to residents and businesses in local communities. To date 45 Champions have been recruited with a target of 80 to be in place by March 2013. DCC's Digital Derbyshire broadband survey in 2011/12 yielded over 6,500 responses including over 600 businesses with

96% of those businesses highlighting how important access to fast and effective broadband is to their trade. To build on this response, the campaign is now seeking pledges of support from Derbyshire residents with nearly 1,000 pledges received so far.



Supporting Employment and Skills for Young People

The continuing economic difficulties facing the global economy can make it extremely hard for young people to access training and employment and commentators have highlighted a “potential lost” generation who may take years to find a job or a chosen career. Derbyshire County Council as a major employer, as well as having responsibility for young people, has actively recognised its key role in making sure opportunities exist for youngsters to progress and fulfil their ambitions by providing 500 new apprenticeship opportunities within the County Council, promoting the range of transferable skills and careers available.

The Apprenticeship Grants to Employers (AGE) scheme commenced in January 2012 providing financial support to small businesses (up to 50 employees) to recruit an apprentice. In total the Council has made 200 grants available with the scheme specifically targeting 16 and 17 year olds without level 2 qualifications and who are not in education, employment or training (NEET).

Key targets of the scheme are:

1. 200 grants awarded by 30th June 2012
2. A minimum of 15 grants awarded to each of Derbyshire’s eight second tier administrative areas
3. 180 apprenticeships completed

There are currently over 100 young people in post with all 200 apprentices expected to have started their apprenticeships by September 2012. Preliminary information shows businesses have been reached operating in the manufacturing, construction and service sectors, which are important to Derbyshire’s economy.

The Council is now looking at delivering a further phase of the AGE scheme that will deliver 100 new apprenticeships and be focused on the key growth private sectors

of the Derbyshire economy, creating a total of 300 private sector apprentices. The Council is also seeking public sector partners to embrace its internal scheme and pledge to create a further 200 apprentices, taking the total Derbyshire Apprentice scheme to 1000.

In addition to delivering apprenticeships, Derbyshire County Council has also developed a Raising the Participation Age strategy and is working actively with local employers and business organisations to ensure the provision of educational services meets the needs of Derbyshire businesses. This also includes focusing skills delivery and development on maximising the range of opportunities available to local people and work continues through the Derbyshire Economic Partnership Business and Skills sub-group and D2N2, including the recently published joint strategic priorities for employment and skills across Derbyshire and Nottinghamshire.

Promoting Investment and Trade www.investinderbyshire.org.uk

Attracting inward investment and jobs to Derbyshire remains a key component of stimulating economic recovery and creating growth. Through the Derbyshire Economic Partnership, the County Council is working with partners in promoting sites and opportunities through the new “[Invest in Derbyshire](http://www.investinderbyshire.org.uk)” service recently launched which links into the government’s UK Trade and Investment (UKTI) service.

Markham Vale is the County Council’s flagship physical regeneration project and inward investment opportunity. The Environment Centre is fully occupied and our private sector partner, Henry Boot Developments, continues to secure further investments and maintain a relatively high level of interest in the site. The recent announcement of Enterprise Zone status through the Sheffield City Region (SCR) LEP has provided further impetus to development whilst, during the last few months, the County Council has secured a major occupier, Andrew Page, on plot 2.

As well as attracting further investment and continued aftercare, the County Council recognises the need to focus on the supply side – the new Workplace Recruitment and Training Service has been established to provide a tailored service to new occupants at Markham Vale with the aim of maximising employment opportunities for local people. As part of a pilot and working with Jobcentre Plus and Learning Unlimited (Chesterfield College), Derbyshire County Council has delivered a Sector Based Work Academy to help meet Andrew Page’s recruitment needs which has

proved highly successful. The service has recently been expanded to support existing tenants with their recruitment requirements.

With regards to the physical development of the site, funding submissions have been made for Growing Places Fund support to D2N2 and SCR as well as the Regional Growth Fund to fund infrastructure and servicing of the 33 hectares Seymour Colliery extension, whilst work has commenced on seeking European funding (via the European Regional Development Fund) to support improved broadband to Markham Vale.

In addition to inward investment, Derbyshire County Council recognises the massive global opportunities available to local businesses in locations such as China and the emerging industrial economies. The County Council is developing an international strategy to help assist local businesses access these markets by effectively using its well established and respected civic links to boost trade.

National Economic Performance

Following a second successive fall in economic growth in quarter 1 of 2012 the UK's economy is once again in recession. Over the last year there has been a decline in exports and a slight increase in imports resulting in a deficit in net trade. In addition the Consumer Prices Index (CPI) inflation rate stands above the national target. This means households are currently paying relatively high prices for their goods and services.

Local Economic Performance

Derbyshire's economy is estimated to be worth £10.9 billion. Whilst productivity levels in Derbyshire are on a par with other similar rural counties they are well below the national average.

The performance of the local and regional economies has declined in quarter 2 of 2012 compared with the previous quarter according to the Derbyshire and Nottinghamshire Chamber of Commerce's Quarterly Economic Survey. Despite this a higher percentage of businesses in the county have increased the size of their workforce and have shown improved sales compared with their counterparts regionally and nationally. Additionally, Derbyshire businesses are more confident about the prospects for turnover and profitability over the next 12 months than businesses across England and the East Midlands.

The impact of the latest recession on the local economy will not be known for some time due to the time lag in available data. Analysis of data relating to the 2008 recession helps to provide some insight. Early indications initially suggested that Derbyshire's labour market was not as deeply affected by the recession as elsewhere. However, International Labour Organisation (ILO) unemployment soon began to increase and employment levels began to fall. Although the impact of the 2008 recession locally was delayed, the affect on the labour market was more significant than seen nationally. Due to this the county's recovery was also comparatively slower.

Business Structure

Derbyshire was home to approximately 25,000 businesses in 2011. Small employers dominate the Derbyshire economy with 88.5% of businesses employing less than 10 people.

Derbyshire has below average levels of business births and self employment levels suggesting the overall level of entrepreneurial activity in the county is relatively weak. In addition, the number of business deaths has exceeded the number of births in the county for the second year running. Despite this Derbyshire has above average business survival rates with almost two thirds of businesses who became active in 2007 still active three years later, demonstrating that the county has a stable and reasonably resilient business base.

Employment Structure

Despite the loss of many traditional industries in the county, Derbyshire has maintained a strong manufacturing base with a high concentration of people employed within this sector.

Employment within the public sector in Derbyshire has grown considerably over recent years and is now the county's largest employment sector, a pattern that is also mirrored nationally.

Tourism is of great significance to Derbyshire contributing around £1.24bn to the local economy.

Employability and Skills

Derbyshire has a relatively low skilled economy with two in five people employed in upper tier occupation groups. This is reflected in the qualification levels of Derbyshire's working age population, which although greatly improved over recent years, still show local disparities with some areas having fewer residents with higher level qualifications.

The county currently has high levels of young people who are not participating in the labour market or in education or training. Youth unemployment in Derbyshire is above the national average and the proportion of 16-18 year olds who are not in education, employment or training in the county is also comparatively higher. However, since the early part of 2012 youth unemployment has shown a downward trend.

Labour Market

Derbyshire has a considerably older age profile when compared to England. Projections indicate that this trend will continue, with the retired population set to increase even further. This is likely to have implications on the level and cost of local services that will be required to support a growing and ageing population.

Whilst the county is forecast to experience relatively modest levels of population growth over the next two decades, growth will be uneven with South Derbyshire projected to experience much higher levels than elsewhere in the county.

One of the key strengths of Derbyshire's economy is the availability of labour. Both the employment and economic activity rates in the county are higher than the regional and national averages. Despite this, since the 2008 recession it has taken the county's employment levels much longer to stabilise than nationally and the current employment level in Derbyshire is around 4.0% lower than the pre-recession level.

Whilst weekly earnings have increased over recent years, the overall level of earnings in the county is lower than average. The earnings of Derbyshire's residents are considerably higher than Derbyshire employees.

Derbyshire has relatively lower levels of claimant unemployment than those seen nationally, although there are areas across the county that suffer from high levels of unemployment. Since the early part of 2012 claimant count unemployment, both locally and nationally, has continued to fall.

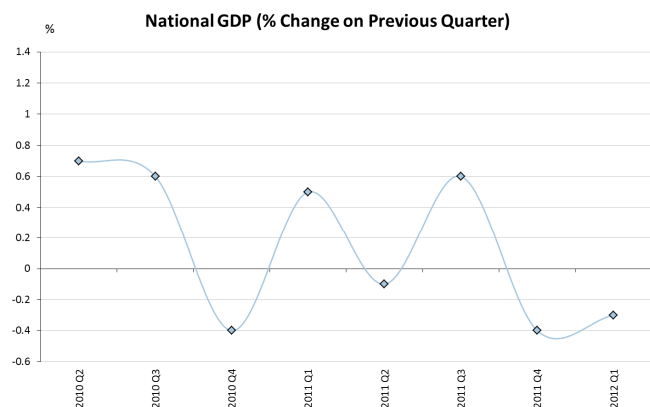
Over the last year the percentage of unemployment claimants who have been out of work for more than a year has significantly increased both locally and nationally.

Housing Market

Overall Derbyshire is an affordable place to live with average house prices almost a third lower than the national average. However, across the county there is a significant variation with comparatively higher house prices in rural areas, for example the average house price in the rural district of Derbyshire Dales is over 50% higher than the county average and higher than the England average.

Economic Growth

The UK's economy is once again in recession following two consecutive falls in Gross Domestic Product (GDP). Quarter 4 of 2011 showed a contraction in the UK's economy of -0.4% followed by contraction of -0.3% in quarter 1 of 2012. Weaknesses in both the construction and production sectors have largely driven the latest recession. However, GDP levels have fluctuated recently showing the national economy has not stabilised since the 2008 recession.

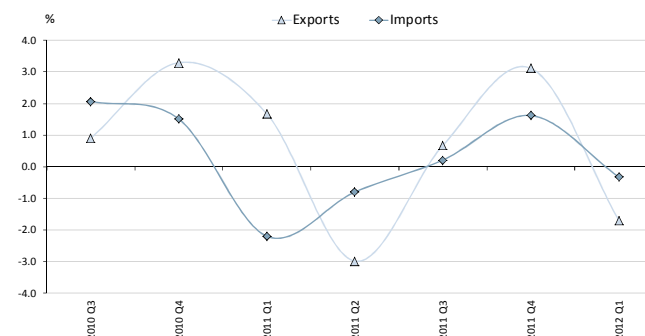


Source: Statistical Bulletin, Quarterly National Accounts, Quarter 1 2012, Office for National Statistics (ONS) © Crown Copyright

Imports and Exports

The volume of trade for both exports and imports declined in quarter 1 of 2012, more so for exports (1.7% decline) than imports (0.3% decline). Compared with quarter 1 of 2011 there has been a decline of 1.0% in exports and an increase of 0.7% in imports. This has contributed to an increased deficit in net trade over the last year. In quarter 1 of 2011 the value of exports was £1.8bn less than that of imports, however in quarter 1 2012 this differential had increased to £3.7bn.

National Imports and Exports (% Change on Previous Quarter)

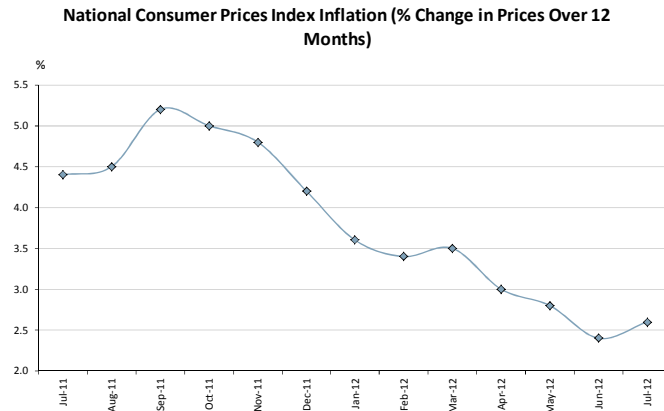


Source: Statistical Bulletin, Quarterly National Accounts, Quarter 1 2012, ONS © Crown Copyright.

Interest Rates and Inflation

The Bank of England interest rate was 0.5% in August 2012. It had remained unchanged since March 2009.

The CPI inflation rate¹ stood at 2.6% in July 2012, above the national target of 2.0%. This means households are currently paying more for their goods and services. Since September 2011 the CPI inflation rate has generally declined.



Source: Statistical Bulletin, Consumer Price Indices, July 2012, ONS © Crown Copyright

Business Conditions

The Bank of England has highlighted the following national trends as at July 2012²:

- Overall the annual growth rate of consumer demand has slowed.
- There have been further signs of weakening in the housing market.
- Investment intentions have softened a little and there has been a general sense of stepping back from expansion plans.
- In the business services sector turnover has edged higher but the annual rate of growth has slowed a little over the previous few months.
- Manufacturing output growth has weakened after having picked up during the spring. This was mainly down to the slowing in export growth.
- There has been a decline in construction output compared with July 2011.

More information can be found at:

<http://www.bankofengland.co.uk/publications/Pages/agentssummary/default.aspx>

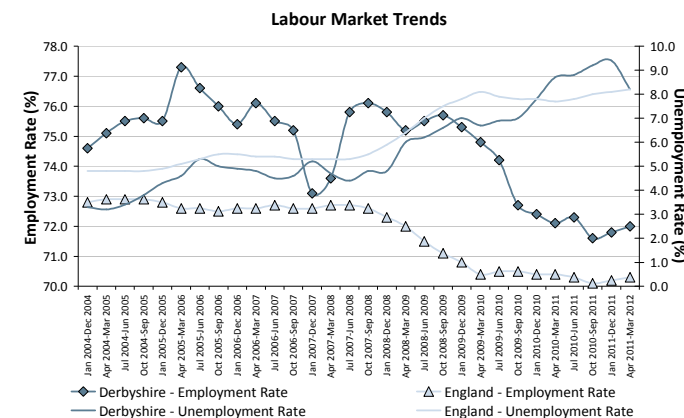
This section provides an overview of the performance of Derbyshire's economy and considers the impact of the 2012 and 2008 recessions locally. Data is also provided on Gross Value Added (GVA) per hour worked, and local business conditions.

Impact of the Recession

As noted earlier the UK's economy is once again in recession following two consecutive falls in GDP. The lag in productivity datasets and local labour market information means that the full impact of the latest recession will not be known locally for some time.

Analysis of data relating to the 2008 recession shows that whilst the impact of the recession was delayed locally the effects were more significant than nationally. As shown on the chart below, Derbyshire's ILO unemployment rate³ remained below that of England initially suggesting the impact of the recession on the local labour market had been relatively less in Derbyshire. However, there was a sharp increase in quarter 4 of 2010 in Derbyshire's ILO unemployment rate and throughout 2011 the rate locally was above that of England. For the latest figure, the Derbyshire rate has returned to the same level as that nationally.

Historically the employment rate in Derbyshire has always been higher than the England average. As a result of the 2008 recession, the employment rate for England started to decline in quarter 3 of 2008, whereas locally the dip in employment appeared later. Also, whilst national employment rates stabilised from quarter 2 of 2010, locally this happened later. Overall the impact of the 2008 recession on employment levels was greater in the county, with the latest employment rate being around 4.0% lower than the pre-recession level; nationally the differential is around 2.5%.



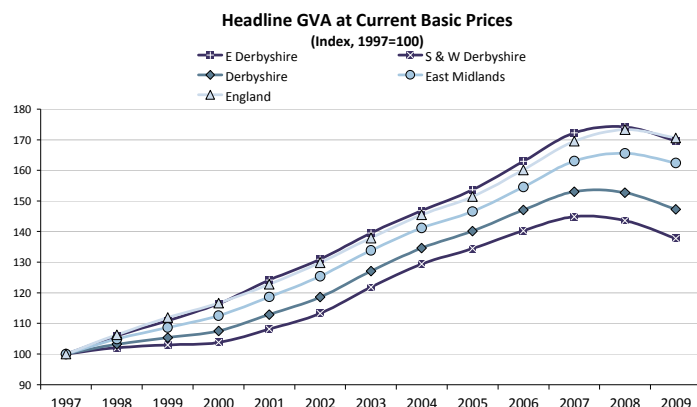
Source: Annual Population Survey, 2012, ONS (Nomis) © Crown Copyright
Note: The employment rate for Derbyshire for Jan-Dec 2007 is based on a low sample size

Gross Value Added

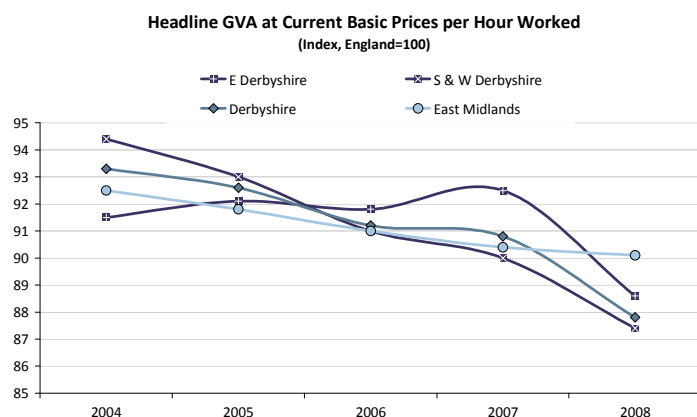
GVA⁴ is a measure of economic output. It is defined as the value of all goods and services that have been produced in an area, less the cost of all inputs and raw materials that are directly attributable to that production. It can be used to provide an indication of a local area's contribution towards the national economy. In 2009, Derbyshire's businesses contributed a total of £10.85bn, 1.02% of the GVA for England as a whole. The total GVA figure is 3.6% lower than in the previous year, reflecting the effects of the 2008 recession.

GVA can also be used to assess productivity. Until recently GVA per head of population was the standard measure, but in 2009 the national statistician concluded that its shortcomings rendered it unsuitable for continued use⁵. Instead a number of alternative indicators were proposed. Foremost among these was GVA per hour worked⁶. Currently the statistics relating to this indicator are classed as experimental and only a short time series is available (2004 through to 2008). Nevertheless, the results are interesting.

In 2008 productivity in Derbyshire was only 87.8% of the national average. Between 2007 and 2008 there was a particularly rapid decline in productivity which saw Derbyshire drop below the East Midlands average.



Source: National Accounts, 2011, ONS © Crown Copyright
 Derbyshire Observatory Link: <http://tinyurl.com/lea2012-gva>
 Excel Data Link: <http://tinyurl.com/lea2012-table-07>



Source: ONS Experimental Statistics, 2012 © Crown Copyright
 Derbyshire Observatory Link: <http://tinyurl.com/lea2012-gva>
 Excel Data Link: <http://tinyurl.com/lea2012-table-08>

Results for the two sub-areas of Derbyshire⁷ show a marked contrast. The productivity index for South and West Derbyshire declined steadily throughout the period. In East Derbyshire the index held steady and even increased slightly up to 2007, but then in 2008 it fell back below its 2004 level. Despite this, productivity in East Derbyshire started out lower than in South and West Derbyshire but ended the period slightly higher.

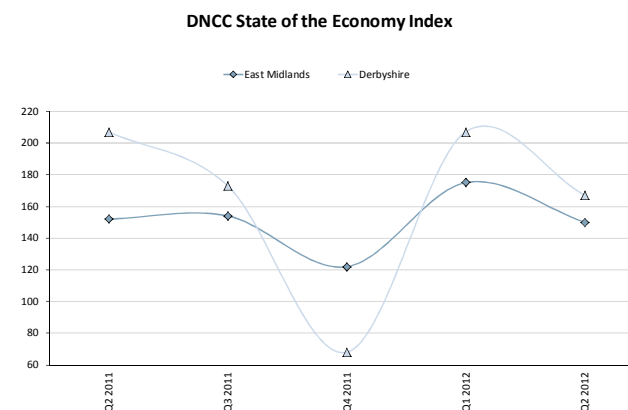
Derbyshire's relatively low productivity score is partly a legacy from its industrial past and its continued dependency on some traditional manufacturing industries

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.

Business Conditions

Local economic performance in quarter 2 of 2012 was slightly ahead of regional economic performance as measured by the Derbyshire and Nottinghamshire Chamber of Commerce (DNCC) Quarterly Economy Survey. However, following a positive start to 2012, with business performance in quarter 1 of 2012 showing improvement compared with the previous two quarters, local and regional economies have shown a slight decline in performance in the second quarter of 2012. This is possibly due to firms being affected by dampened domestic demand and challenges posed by the on-going Eurozone debt crisis.

However, although business performance has shown a dip, there are a number of areas of the local economy which are positive. In quarter 2 of 2012, greater proportions of Derbyshire businesses have shown improved sales and increased the size of their workforce compared with their counterparts regionally and nationally. Additionally, Derbyshire businesses are more confident about the prospects for turnover and profitability over the next 12 months.



Source: DNCC Quarterly Economic Survey, 2011-2012

This section examines the structure of companies in Derbyshire in terms of their sector and size. Business start-ups and closures, and survival rates are also considered along with self employment levels and information on vacancies and skills shortages.

Structure and Size of Local Businesses

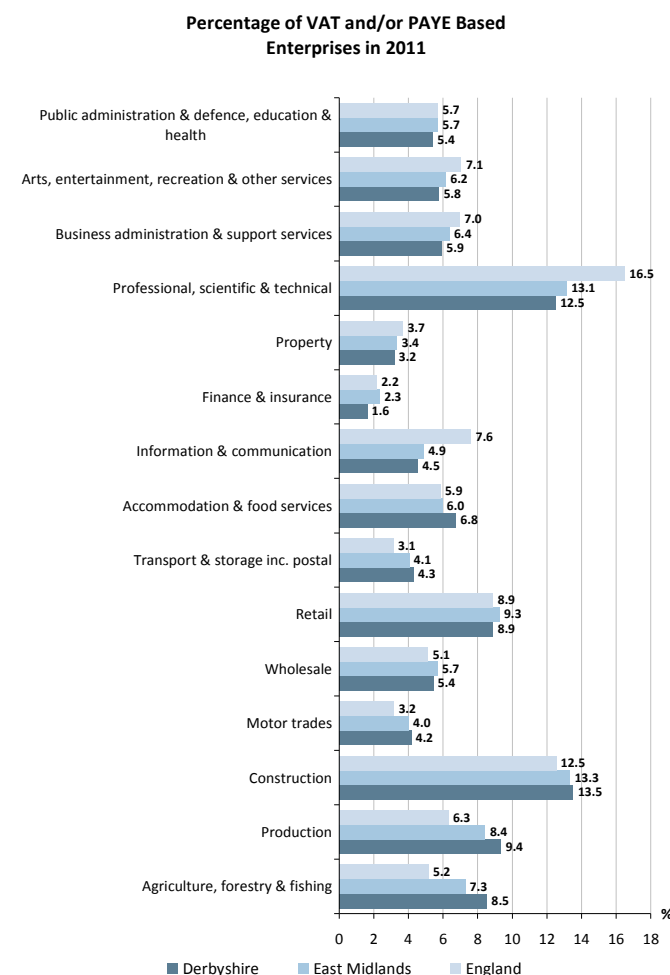
In 2011, Derbyshire was home to approximately 25,100 VAT and / or PAYE based enterprises, a net decrease of 475 (-1.9%) since 2010⁸. This decline is greater than that seen regionally (-1.7%) and nationally (-1.0%). Within Derbyshire the sectors with the highest number of businesses are construction; professional, scientific and technical; production; retail, and agricultural, forestry and fishing.

Excel Data Link: <http://tinyurl.com/lea2012-table-02>

Compared with England there is a higher percentage of businesses in the agricultural, forestry and fishing, and production sectors in Derbyshire and less in professional, scientific and technical, and information and communication (see chart opposite).

Small employers dominate the Derbyshire economy with 88.5% of businesses employing less than 10 people⁹. This is similar to the proportions seen regionally (88.2%) and nationally (88.9%). Whilst businesses employing more than 250 employees account for just 0.3% 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.

Excel Data Link: <http://tinyurl.com/lea2012-table-03>

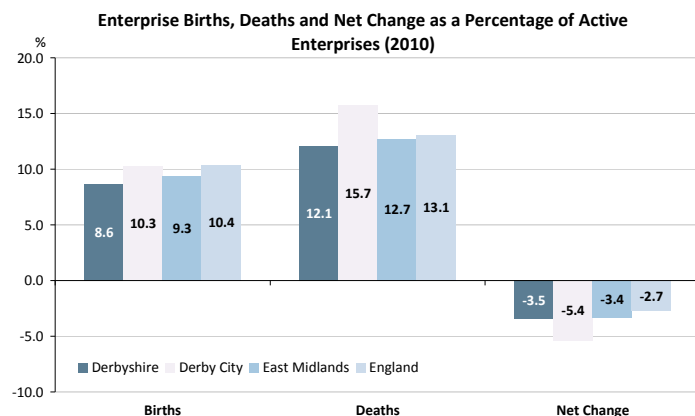


Source: UK Business: Activity, Size and Location, 2011, ONS © Crown Copyright

Derbyshire Observatory Link: <http://tinyurl.com/lea2012-vat-pay-e-indu>

Enterprise Births, Deaths and Net Change

In 2010, the rate of new enterprise births¹⁰ in Derbyshire stood at 8.6% (total of 2,330 births), lower than both the regional (9.3%, total of 14,325 births) and national rates (10.4%, total of 207,520 births).

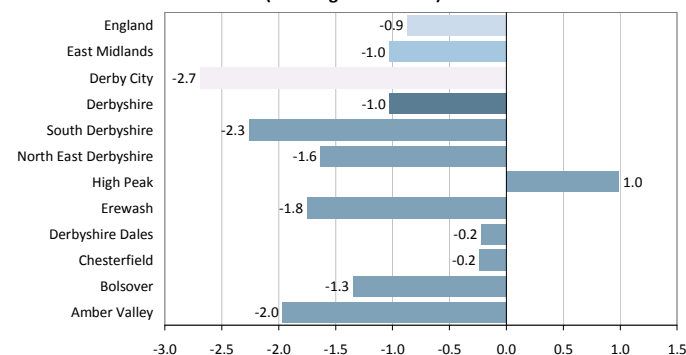


Source: Business Demography, 2010, ONS © Crown Copyright
Derbyshire Observatory Link: <http://tinyurl.com/lea2012-ent-birth-death>

Enterprise deaths¹¹ in Derbyshire stood at a rate of 12.1% (total of 3,260 deaths). This rate is lower than the regional (12.7%, total of 19,545 deaths) and national (13.1%, total of 261,880 deaths) enterprise death rates.

Looking at net change, all of the districts within Derbyshire suffered from more enterprise deaths than births in 2010. This was the second year running that the rate of enterprise deaths in Derbyshire exceeded the rate of new enterprise births. Amber Valley experienced the highest overall loss of -4.2% whilst Chesterfield had the lowest net loss of -2.3%, followed by Derbyshire Dales at -3.1%. High Peak was the only district to see an improvement in net change of enterprise deaths over births since 2009.

Net Change in Enterprise Births and Deaths as a % of All Active Enterprises (% Change 2009-2010)

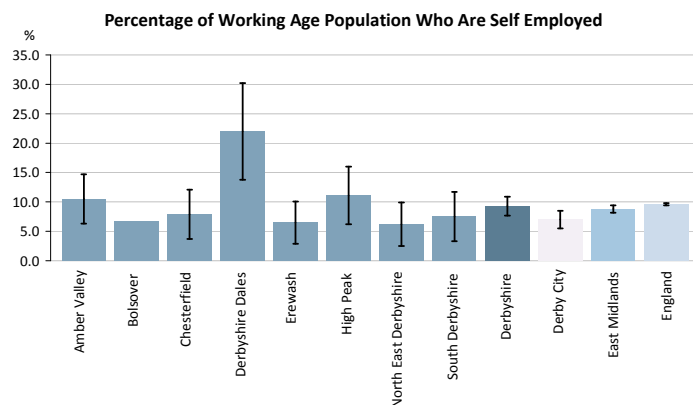


Source: Business Demography, 2010, ONS © Crown Copyright
Derbyshire Observatory Link: <http://tinyurl.com/lea2012-ent-birth-death>

Self Employment Levels

Self employment levels help to provide an indication of the level of entrepreneurship in an area. In March 2012, there were approximately 45,100 individuals who were self employed within Derbyshire. This equates to 9.3% of the working age population, lower than the national rate (9.6%) but higher than the regional rate (8.8%). The self employment rate for males is more than double that for females, a similar picture to that regionally and nationally.

Since March 2011, self employment levels have increased slightly in the county from a figure of 8.6%. The rate also increased marginally across the East Midlands and England. Across the county, Derbyshire Dales (22.0%) has the highest level of self employment and North East Derbyshire (6.2%) the lowest.



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

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. Bolsover confidence interval has been removed due to the small sample size

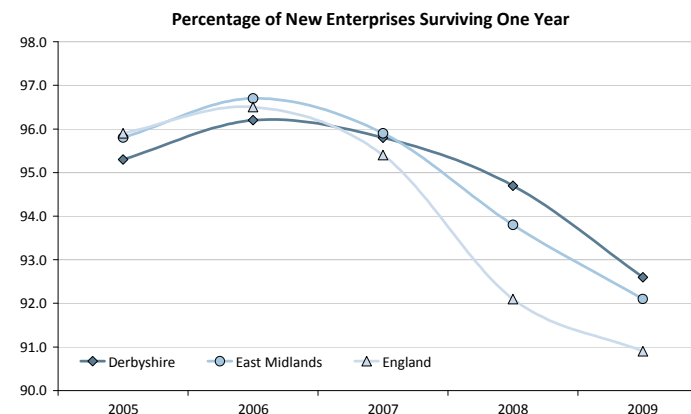
Derbyshire Observatory Link: <http://tinivurl.com/lea2012-self-emp>

Business Survival Rates

Survival rates data offers some insight into the stability of an area's business base. 92.6% of enterprises born in 2009 in Derbyshire survived one year. This is similar to the survival rates in the East Midlands (92.1%) but slightly better than the national rate (90.9%).

One year survival rates for new enterprises in Derbyshire have fluctuated over the years peaking in 2006 with a rate of 96.2%. However since then national, regional and county wide one year survival rates have dropped. In 2008 the districts of Amber Valley and Chesterfield bucked this trend and increased but they have dipped in 2009. Bolsover was the only district to buck the trend in 2009 where one year survival rates for new enterprises increased by one percentage point.

For new enterprises established within Derbyshire in 2007, 65.1% survived three years¹². This is slightly higher than both the East Midlands (64.4%) and England (62.9%). Locally, Derbyshire Dales had the highest proportion of enterprises surviving three years; whilst Chesterfield and Bolsover had the lowest survival rates.

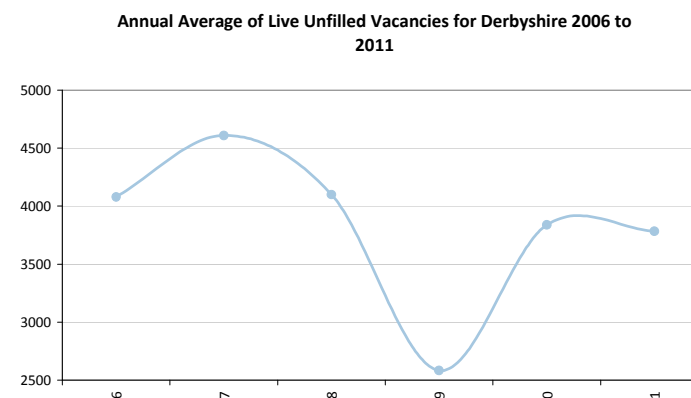


Source: Business Demography, 2010, ONS © Crown Copyright

Derbyshire Observatory Link: <http://tinivurl.com/lea2012-ent-surv-rates>

Vacancies

Analysis of vacancy data helps to provide some indication of the demand for staff within the local economy. The most up to date statistics on vacancies are currently produced by Jobcentre Plus who are estimated to handle between a third and 50% of all vacancies in the economy. In July 2012, there were a total of 4,619 vacancies in Derbyshire, 31,215 in the East Midlands and 301,837 in England¹³. Between July 2011 and July 2012 the number of vacancies increased by 8.2% in Derbyshire. In the East Midlands and England, vacancies increased significantly by 33.1% and 29.4% respectively.



Source: Jobcentre Plus, live unfilled vacancies, 2006-2011, ONS (Nomis) © Crown Copyright

Note: Vacancy figures are an average of 12 months data per year, except for 2006 which is based on eight months data following a change in vacancy handling procedures from May 2006, and 2010 which is based on eleven months data because the Jobcentre vacancy data for September 2010 has been withdrawn due to problems identified with the source data

Hard to Fill Vacancies and Skills Shortages

Data from the National Employer Skills Survey, undertaken by the former Learning and Skills Council provides information on skills deficiencies and workforce development.

In 2009, Derbyshire employers reported experiencing more difficulties in employing staff than those in the East Midlands and England. 27.3% of vacancies in Derbyshire were regarded as hard to fill, compared with just 18.3% in the region and 22.1% nationally. In addition 75.8% of hard to fill vacancies were due to skills shortages in Derbyshire compared with 71.8% in the region and 73.9% nationally.

Hard to Fill Vacancies and Skills Shortage Vacancies

	Hard to Fill Vacancies as a % of all Vacancies			Skills Shortage Vacancies as a % of Hard to Fill Vacancies		
	2005	2007	2009	2005	2007	2009
Derbyshire	23.0	25.0	27.3	61.0	67.0	75.8
East Midlands	30.0	30.0	18.3	70.0	70.0	71.8
England	35.0	30.0	22.1	70.0	71.0	73.9

Source: National Employer Skills Survey, 2005, 2007 and 2009, Learning and Skills Council

Note: Derbyshire includes Derby City

Around a third of all skill shortage vacancies within Derbyshire are within skilled trade occupations. This is substantially higher than the proportions seen regionally (10.5%) and nationally (14.1%). Almost a fifth of all skills shortage vacancies in the county were within professional occupations, greater than the levels in the East Midlands and England.

Skills Shortage Vacancies by Occupational Area

Occupations (2009)	Derbyshire (%)	East Midlands (%)	England (%)
Managers and senior officials	1.3	6.5	5.9
Professionals	18.5	14.8	13.2
Associate professionals	12.6	21.4	20.1
Administrative staff	8.4	6.2	7.3
Skilled trades people	33.3	10.5	14.1
Personal service staff	12.1	16.3	14.5
Sales and customer service staff	4.2	6.8	8.7
Machine operatives	1.5	7.2	4.6
Elementary staff	8.2	9.0	11.0
Unclassified staff	-	1.4	0.7
Total	100.0%	100.0%	100.0%

Source: National Employer Skills Survey, 2005, 2007 and 2009, Learning and Skills Council

Note: Derbyshire includes Derby City

Skills Gaps

The percentage of employers reporting skills gaps¹⁴ in their workforce in Derbyshire was 18.0%, similar to the regional and national figures. This equated to a skills gaps in 6.2% of jobs, lower than in the East Midlands (7.2%) and England (7.4%).

Skills Gaps

	% of Employers with Skills Gaps		Skills Gaps as % of Jobs	
	2007	2009	2007	2009
Derbyshire	14.0	18.0	6.0	6.2
East Midlands	14.0	18.0	6.0	7.2
England	15.0	19.0	6.0	7.4

Source: National Employer Skills Survey, 2005, 2007 and 2009, Learning and Skills Council

Note: Derbyshire includes Derby City

This section examines the key sectors of employment within Derbyshire including manufacturing, tourism, agriculture and the public sector.

Key Sectors

The Local Enterprise Partnership for Derbyshire and Nottinghamshire known as D₂N₂ has identified a number of key sectors that operate across the partnership area. These are as follows:

- Transport equipment manufacturing
- Medical/bio-science
- Food and drink manufacturing
- Construction
- Visitor economy
- Low carbon goods and services (a cross-cutting area)

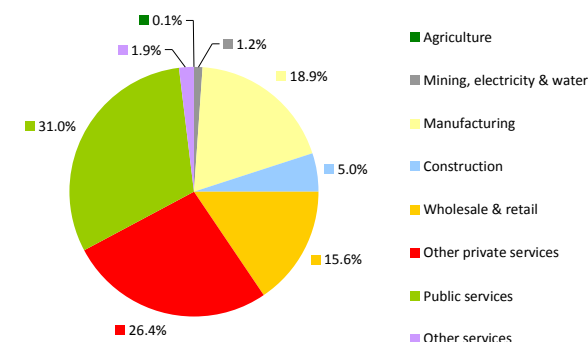
Some of these sectors are of particular significance to Derbyshire, notably transport equipment manufacturing (in South Derbyshire), food and drink manufacturing (in Amber Valley), construction (for example Bowmer and Kirkland in Amber Valley), and the visitor economy (with much of the Peak District National Park being within the county as well as attractions such as Chatsworth House). More information can be found at:

<http://www.d2n2lep.org/Userfiles/Report%201-%20D2N2%20Evidence%20Summary%20FINAL%20Dec%202011.pdf>

In 2010, a total of 275,400¹⁵ people were employed by Derbyshire businesses. This represents an increase of 0.9% on the figure of 272,800 in 2009. Across the East Midlands there had been a marginal decline (0.9%) whilst nationally there was no change.

The majority of employment within Derbyshire falls within four key broad sector groupings comprising public services; other private services; manufacturing, and wholesale and retail. This was a similar picture in 2009.

Percentage of Derbyshire Employees by Broad Industrial Grouping

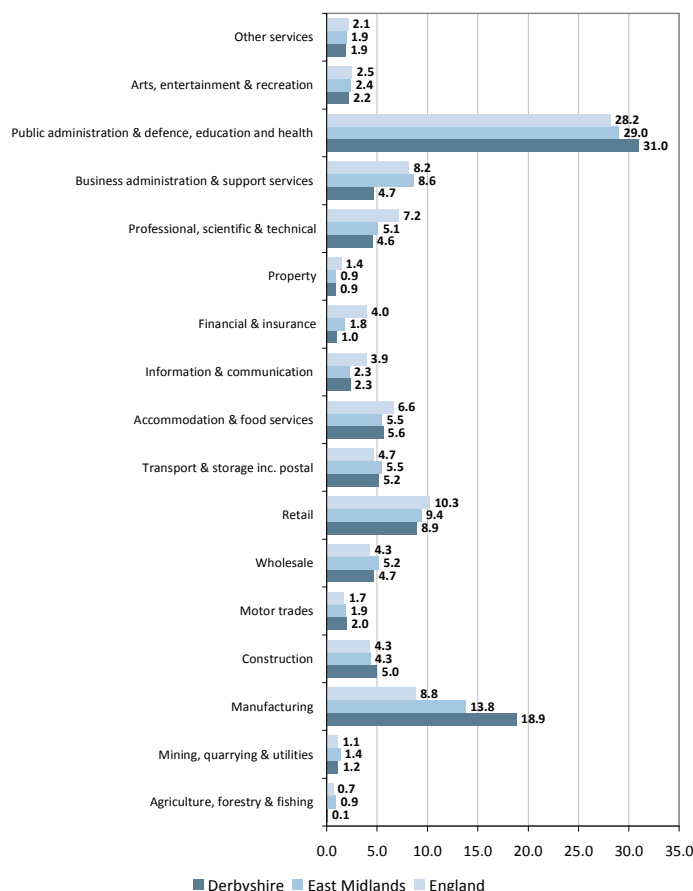


Source: Business Register and Employment Survey, 2010, ONS (Nomis) © Crown Copyright
Note: Derbyshire figures for 'Agriculture, forestry & fishing' do not include farm agriculture. This is due to sub regional estimates being unavailable

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

Whilst Derbyshire's employment structure is largely in line with the national picture, it differs in one key way; it has a significantly higher concentration of people employed within the manufacturing sector (see next page).

Percentage of Employees by Broad Industrial Sector



Source: Business Register and Employment Survey, 2010, ONS (Nomis) © Crown Copyright

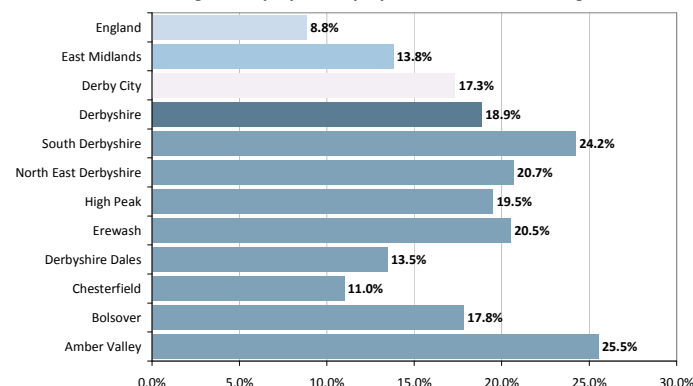
Note: Derbyshire figures for 'Agriculture, forestry & fishing' do not include farm agriculture. This is due to sub regional estimates being unavailable

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

Manufacturing

Almost a fifth (18.9%) of all employment in the county is within manufacturing, twice the national rate (8.8%) and over five percentage points higher than the East Midlands rate.

Percentage of Employees Employed within Manufacturing



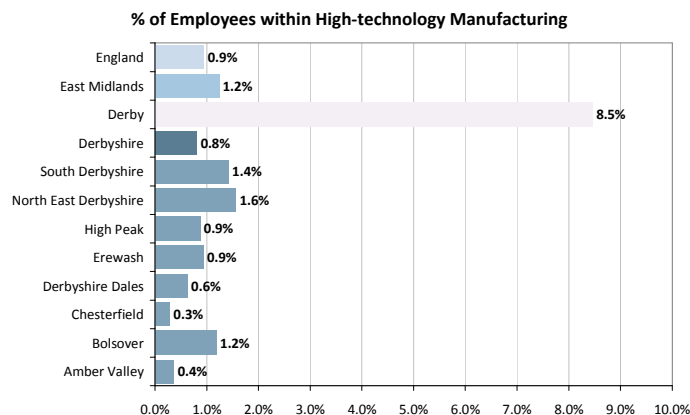
Source: Business Register and Employment Survey, 2010, ONS (Nomis) © Crown Copyright

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

Across the county, employment in manufacturing is considerably higher in Amber Valley (25.5%) and South Derbyshire (24.2%) than elsewhere in the county. Chesterfield (11.0%) and Derbyshire Dales (13.5%) have the lowest proportions of people employed in the manufacturing sector in the county.

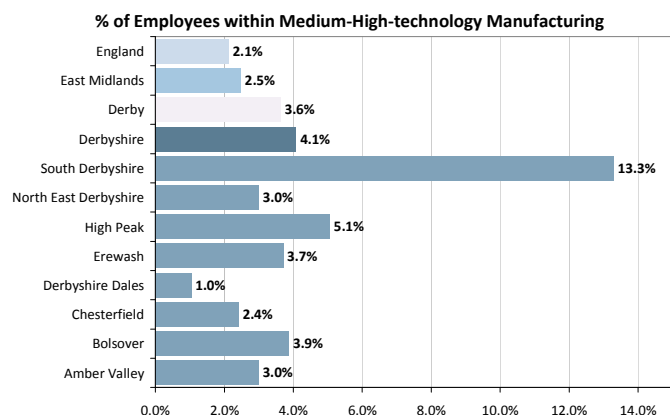
Derbyshire and the surrounding area is home to some of the world's best known manufacturing companies such as Toyota, Rolls Royce, JCB and Bombardier. Derby City has significant strengths in the aerospace, automotive and rail sectors. This has a positive impact upon the Derbyshire economy as many of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

Analysis of employment within high-tech manufacturing¹⁶ shows just 0.8% of employees in the county in 2010 were employed in this sector, a similar proportion to those regionally (1.2%) and nationally (0.9%), but considerably lower than Derby City where 8.5% were employed in high-tech manufacturing. The proportion of employment in the sector in Derbyshire, the East Midlands and England was the same as in 2009. In Derby City there had been a marginal increase of 0.4%.



Source: Business Register and Employment Survey, 2010, ONS (Nomis) © Crown Copyright
Derbyshire Observatory Link: <http://tinyurl.com/lea2012-emp-mh-tech>

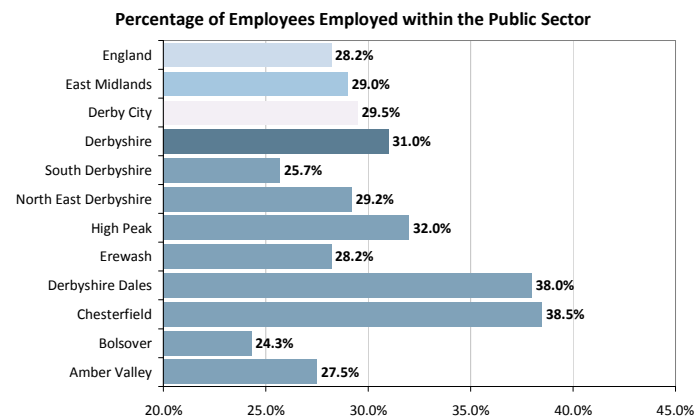
4.1% of people were employed within medium to high-tech manufacturing¹⁷ in Derbyshire in 2010, a higher proportion than regionally (2.5%) and nationally (2.1%) and above the proportion for Derby City (3.6%). Compared with 2009, the proportion of employment in the sector declined by 0.1% in the county, East Midlands and England, and by 0.4% in Derby City.



Source: Business Register and Employment Survey, 2010, ONS (Nomis) © Crown Copyright
Derbyshire Observatory Link: <http://tinyurl.com/lea2012-emp-mh-tech>

Public Sector

Employment within the public sector¹⁸ in Derbyshire has grown considerably over recent years. In 2010 it was the county's largest employment sector, accounting for almost a third (31.0%) of all employment, a pattern that is also mirrored both regionally and nationally.



Source: Business Register and Employment Survey, 2010, ONS © Crown Copyright
Derbyshire Observatory Link: <http://tinyurl.com/lea2012-indu-bres>

Across Derbyshire, Chesterfield has the highest concentration (38.5%) of people employed within the public sector, closely followed by Derbyshire Dales (38.0%). The high level of public sector employment within Chesterfield is due to the location of the head offices of Chesterfield Borough Council and North East Derbyshire District Council within the borough. Chesterfield is also home to the largest hospital within Derbyshire; Chesterfield Royal Hospital NHS Trust. Similarly Derbyshire Dales District Council and Derbyshire County Council are based within Derbyshire Dales along with Bakewell being home to the Peak District National Park Authority.

Tourism

Approximately 20,823¹⁹ full-time equivalent jobs are supported by the tourism sector in Derbyshire (excluding Derby City), accounting for 21.4% of all tourism related employment in the East Midlands. Whilst this data demonstrates the important contribution the tourism sector makes to Derbyshire's economy it does not account for the full extent of employment supported by the wider visitor economy sector in terms of secondary suppliers such as retail etc.

The economic impact of the visitor economy is driven by visitor numbers and associated spending. The latest available information (2010) from Global Tourism Solutions (UK) Ltd using the STEAM (Scarborough Tourism Economic Activity Monitor) model estimated that 28.81 million people visited Derbyshire in 2010, which contributed around £1.24bn to the local economy. The value of the sector in Derbyshire has generally increased over the last five years making tourism one of the county's key growth sectors.

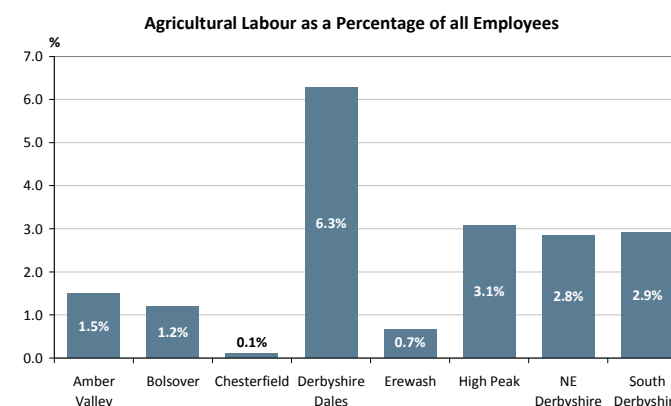
Annual Headline Figures – Derbyshire						
	2005	2006	2007	2008	2009	2010
Economic impact of tourism (£bn)	1.187	1.197	1.230	1.200	1.231	1.238
Total tourist numbers (m)	28.71	28.57	28.92	28.33	29.06	28.81

Source: STEAM (Scarborough Tourism Economic Activity Monitor) Model, 2010, Global Tourism Solutions (UK) Ltd

Agriculture

Although the county has relatively higher proportions of agricultural based businesses the overall size of the agricultural workforce in Derbyshire is fairly low. According to the 2010 DEFRA Survey of Agriculture, a total of 6,201 of people work on commercial agricultural holdings within Derbyshire²⁰. This represents approximately 2.2% of all employees in Derbyshire, higher than the national average of 1.3%.

Since 2008 employment levels in agriculture have remained fairly constant. Analysis at district level shows that Derbyshire Dales had by far the highest proportion of people employed in agriculture (6.3%) and Chesterfield the lowest (0.1%) in 2010.



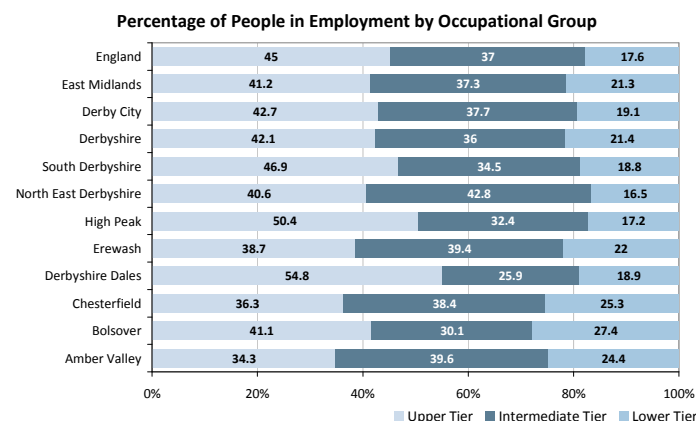
Source: Agriculture and Horticulture Survey, 2010, DEFRA and Business Register and Employment Survey 2010, ONS (Nomis)
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Derbyshire Observatory Link: <http://tinyurl.com/lea2012-agr-lab>

This section looks at employability and skills within Derbyshire. It includes sections on occupational and qualifications levels, as well as looking at school attainment, apprenticeships and the proportion of young people not in education, employment or training.

Occupational Levels

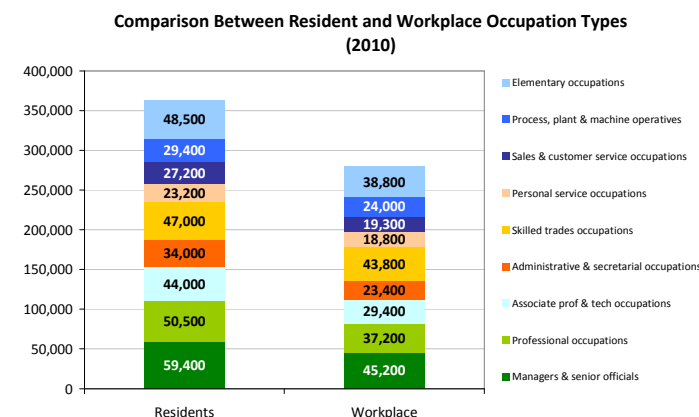
Analysis of employment by occupational level shows Derbyshire has a relatively low skilled economy. This in part reflects the make up of the county's industrial structure, where a greater proportion of firms are in the production and agriculture sectors and a lower proportion are in the business services sector.



Source: Annual Population Survey, 2010, ONS (Nomis) © Crown Copyright
 Derbyshire Observatory Link: <http://tinyurl.com/lea2012-emp-occ-grp>

In 2010, only two fifths of Derbyshire's residents were employed in upper tier occupational groups such as managers and professionals. Whilst this is slightly above that of the East Midlands it is below that of England. This varies considerably across the county with Derbyshire Dales and High Peak having the most skilled occupational structure and Amber Valley 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.

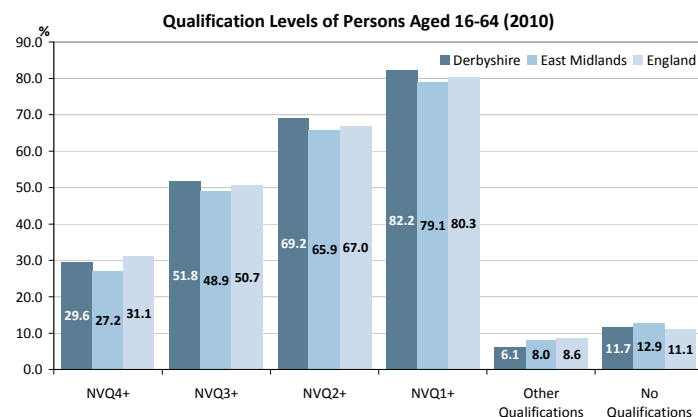


Source: Annual Population Survey, 2010, ONS (Nomis) © Crown Copyright
 Note: Upper tier occupations include managers and professionals, lower tier include process and elementary occupations. All other occupation groups are included in the intermediate tier group

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.

Qualification Levels

The qualification levels of Derbyshire's working age population (16-64 years) have greatly improved over recent years. However relatively few residents have higher level qualifications (degree level or equivalent), a factor that varies significantly across the county.



Source: Annual Population Survey, 2010, ONS (Nomis) © Crown Copyright

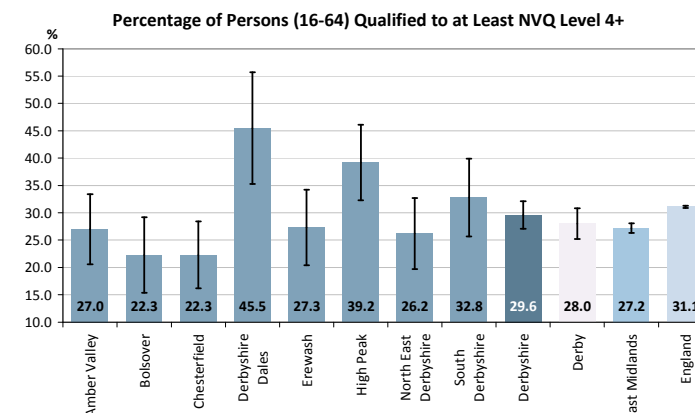
- **NVQ Level 1** – Foundation level, equivalent to 5 GCSE's grade D to E
- **NVQ Level 2** – Intermediate level, equivalent to 5 GCSE's grade A* to C
- **NVQ Level 3** – Advanced level, equivalent to A Levels
- **NVQ Level 4** – HNC / HND / Degree Level
- **NVQ Level 5** – Degree / Post Graduate Level

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

In 2010, the proportion of the Derbyshire workforce estimated to be qualified to at least NVQ level 4 had increased to almost one third. Just over half were qualified to at least NVQ level 3, more than two thirds were qualified to at least NVQ level 2, and the proportion of the workforce with no qualifications had fallen to just over one tenth.

However, the percentage qualified to at least NVQ level 4 in Derbyshire in 2010 remained below the national average but better than the East Midlands. The percentage qualified to at least NVQ level 3 and 2 is now higher than the regional and national figures. On the percentage of the population without a qualification, Derbyshire performs better than the East Midlands but marginally worse than England.

At a local level there are marked variations in the qualification levels of Derbyshire residents. The percentage qualified to at least NVQ level 4 in 2010 varied by over 20.0%, with Derbyshire Dales showing the highest proportion of qualified residents and Bolsover and Chesterfield the lowest.

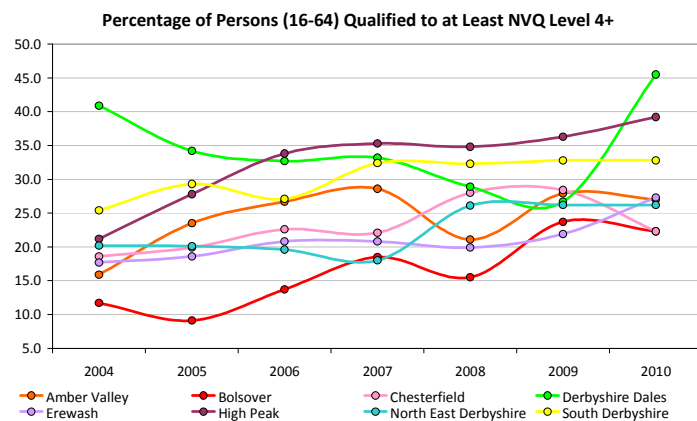


Source: Annual Population Survey, 2010, ONS (Nomis) © Crown Copyright

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/lea2012-adult-quals>

Although the proportion of Derbyshire residents qualified to at least level 4 is still below the figure for England, over the period 2004 to 2010 the proportion has increased at a rate higher than that both regionally and nationally. 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 all eight local authority districts in the county, although it should be noted that these figures are based on relatively 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, for example 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 will have provided increased opportunities for residents to study for qualifications at level 4 and above.



Source: Annual Population Survey, 2010, ONS (Nomis) © Crown Copyright
Derbyshire Observatory Link: <http://tinyurl.com/lea2012-adult-quals>

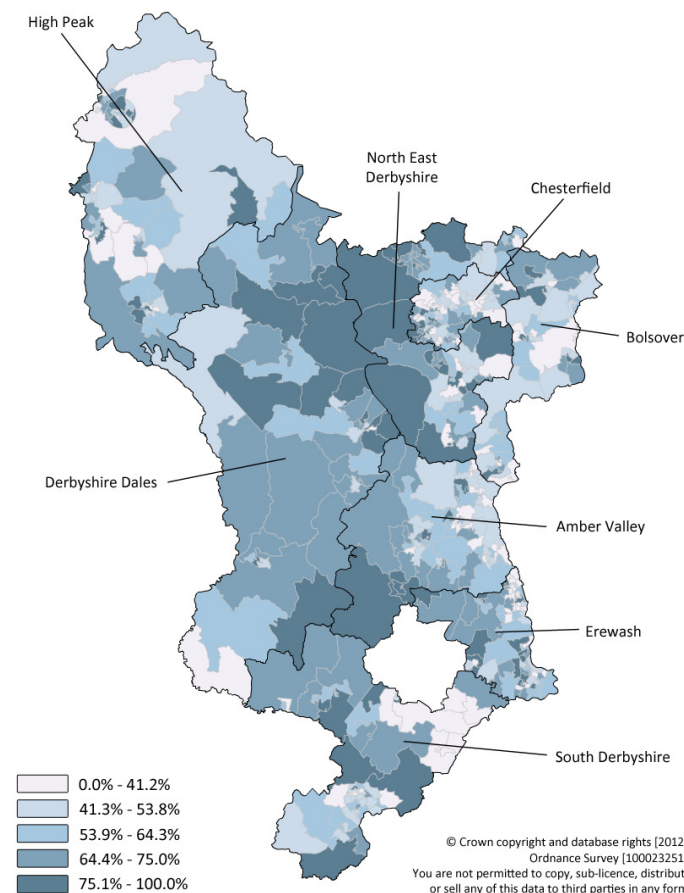
School Attainment Levels

Attainment at GCSE level 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 Maths and English. Overall in 2010/11, the proportion of Derbyshire's pupils achieving this benchmark was 58.4%, the same as the national figure and higher than the regional figure of 57.1%. Locally, regionally and nationally, the figures for 2010/11 were higher than for 2009/10, maintaining the upward trend in achievement over recent years.

Analysis of achievement across the county at Lower layer Super Output Area level shows marked variation. In parts of Ilkeston and Sawley in Erewash, and Gamesely in Glossop, the proportion of pupils achieving five or more GCSEs at grades A* to C including Maths and English was very low. In contrast, parts of Dronfield and Wingerworth in North East Derbyshire, and Duffield 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 south 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

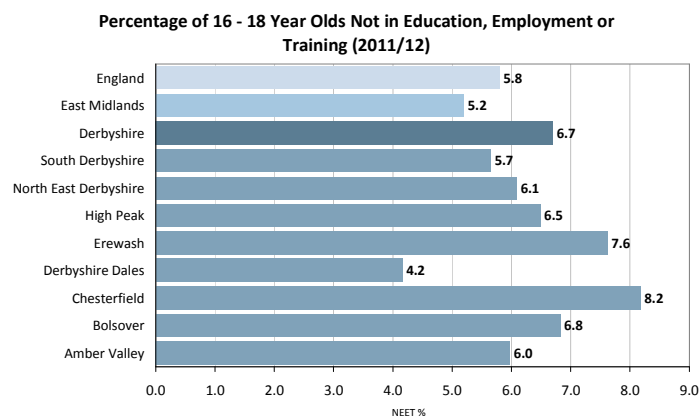


Source: Derbyshire County Council, Children and Younger Adults, 2010/11

Note: Nine LSOAs show 0.0% of pupils achieving five or more GCSE's at grades A* to C, these areas are where there were six or less pupils in that area taking the GCSE exam and the data has been suppressed

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 2011 to January 2012, there was an average of 1,548 16-18 year olds in Derbyshire not in education, employment or training, representing 6.7% of this age group. This is higher than the national average of 5.8%.



Source: Connexions Derbyshire Ltd, 2011

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

Since 2010/11 there has been a slight decline of 0.3% in the percentage of NEET 16-18 year olds locally.

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 doubling in the last decade. There are three levels of apprenticeships, intermediate, advanced and higher.

According to the latest information from the National Apprenticeship Service a total of 7,750 people started on an apprenticeship scheme in Derbyshire during 2010/11²¹, a significant increase of 65.6% from the previous year, similar to the levels of increase regionally and nationally, and likely to reflect the increased focus on apprenticeships nationally.

The age profile of those starting apprenticeships in Derbyshire was slightly younger than the East Midlands and England. Around a third (32.3%) of apprentices starting in 2010/11 in the county were aged under 19, 29.5% were aged 19-24 and 38.2% were aged 25 or over. The greatest increase in starts since 2009/10 was in the 25+ age group.

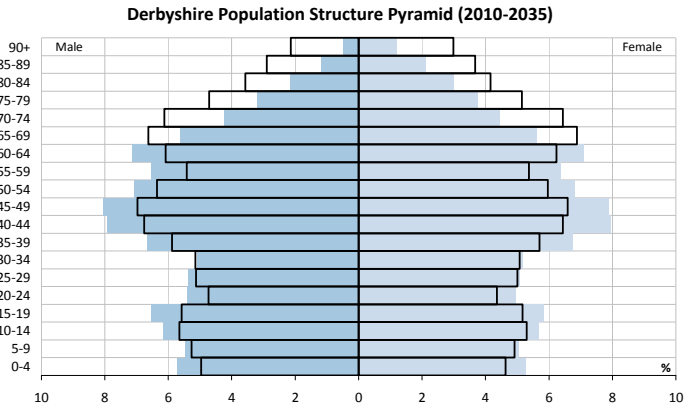
Nearly two thirds of the apprenticeships starts locally in 2010/11 were at intermediate level, around one third at advanced level, and around 1% at higher level.

Excel Data Link: <http://tinyurl.com/lea2012-table-15>

This section looks at the county’s workforce in terms of the supply of labour and earnings. It also considers levels of unemployment including youth and long-term.

Current Population

The population of Derbyshire at mid-2010²² was estimated to be 763,700, representing 17.0% of the East Midland’s population and 1.5% of England’s. 17.9% of Derbyshire’s population were children aged 0-15 years, 63.5% were of working age (16-64 years), and 18.6% of retirement age (65+ years). The age profile of the county is older than 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.



Source: Mid-Year Population Estimates, 2010, and Sub-National Population Projections, 2010, ONS © Crown Copyright

Male (2010 Population Estimates)

Female (2010 Population Estimates)

Male / Female (2035 Population Projections)

Excel Data Link: <http://tinyurl.com/lea2012-table-10>

Population Growth

Overall the population across Derbyshire between 2010 and 2035 is expected to rise by 16.2%²³. This is lower than the East Midlands figure of 23.5% and England’s expected population growth of 18.8%.

By 2035, the number of children aged 0-15 years in the county is set to increase by 7.2%, this is far lower than proportions expected regionally (17.8%) and nationally (13.3%). Derbyshire’s working age population is projected to increase by 2.0%, less than the figures of 11.8% regionally and 8.8% nationally.

By 2035 Derbyshire’s population is predicted to have an older population profile than in 2010, with the number of older people forecast to increase significantly by 73.6%, higher than the national figure of 64.9%. At a district level South Derbyshire is predicted to have the greatest increase in older people whilst Chesterfield is expected to see the lowest.

Percentage Change in People aged 65+ (2010 to 2035)	
	% Change in Older People (65+ years)
Amber Valley	77.1
Bolsover	65.4
Chesterfield	59.7
Derbyshire Dales	76.2
Erewash	66.9
High Peak	87.8
North East Derbyshire	60.4
South Derbyshire	103.5
Derbyshire	73.6
East Midlands	74.1
England	64.9

Source: Sub-National Population Projections, 2010, ONS © Crown Copyright

Excel Data Link: <http://tinyurl.com/lea2012-table-11>

Across the county, South Derbyshire has experienced significant population growth over the last 10 years. This can be mainly linked to the high level of new housing and road developments that have taken place in the district. Significant growth in this district is also expected to continue with a projected increase of 30.6% between 2010 and 2035. Elsewhere, population growth will be much less, particularly in North East Derbyshire (10.2%) and Chesterfield (10.5%).

Economic Migration

One source of information on the levels of economic migration is the National Insurance Number (NINO) Recording System. Whilst this system is not able to provide a comprehensive picture of all economic migration it helps to provide an indication of the levels of migration being experienced locally.

In 2010/11, the number of adult overseas nationals registering for a national insurance number in Derbyshire stood at 1,280²⁴. This represents just 3.7% of all East Midlands NINO allocations for this time period and less than 0.2% of the England allocations, suggesting the county attracts relatively low numbers of international migrants. Just over a quarter of Derbyshire's international migrants were from Poland.

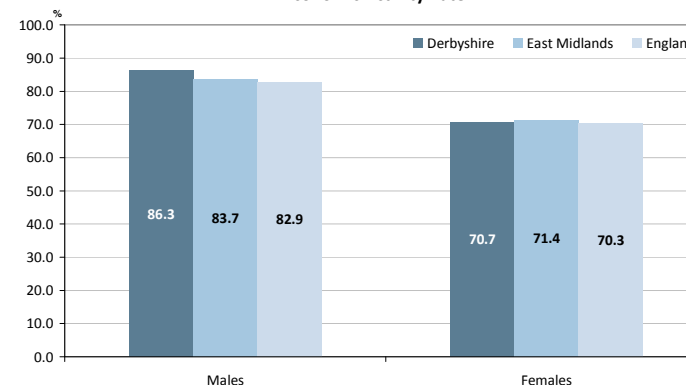
The highest recorded number of NINO registrations in a single year was 1,860 in 2006/07. Since then there has been a continuing fall. However, over the last financial year numbers have begun to rise again. Adding year on year data (2002/03 to 2010/11), North East Derbyshire has had the lowest number of NINO registrations (870), and Chesterfield the highest (1,800).

Excel Data Link: <http://tinyurl.com/lea2012-table-12>

Economic Activity Rate

The level of economic activity²⁵ in March 2012 in Derbyshire was 78.5%, higher than both the East Midlands (76.6%) and England (77.5%) levels. For the last five years, on average, the economic activity rate in Derbyshire has been approximately 1.7% higher than the region and around 2.6% higher than England. However, the rate locally is currently lower than the level seen prior to the 2008 recession. Across the county, economic activity levels varied from as low as 74.2% in North East Derbyshire to a high of 82.2% in Bolsover.

Economic Activity Rate

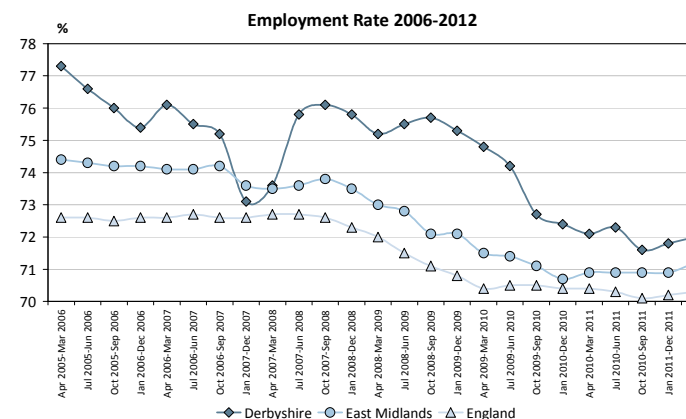


Source: Annual Population Survey, April 2011-March 2012, ONS (Nomis) © Crown Copyright

Derbyshire Observatory Link: <http://tinyurl.com/lea2012-eco-act-rate>

Employment Rate

The employment rate²⁶ in Derbyshire in March 2012 stood at 72.0%, higher than both the regional (71.2%) and the national (70.3%) rates. Despite this the county's employment rate is around 4.0% lower now than the pre-recession level.



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

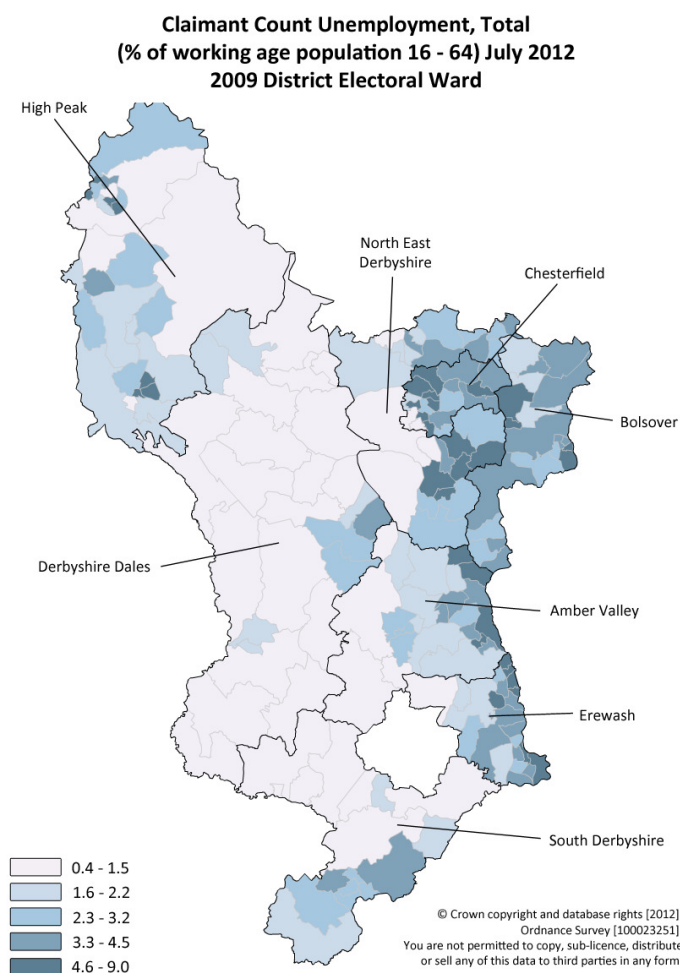
Note: The employment rate for Derbyshire for Jan-Dec 2007 is based on a low sample size

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

Across the county, Derbyshire Dales (76.0%) had the highest employment rate and North East Derbyshire (70.1%) the lowest, with Chesterfield (70.2%) and Erewash (70.8%) also having relatively low rates.

Overall Unemployment Levels

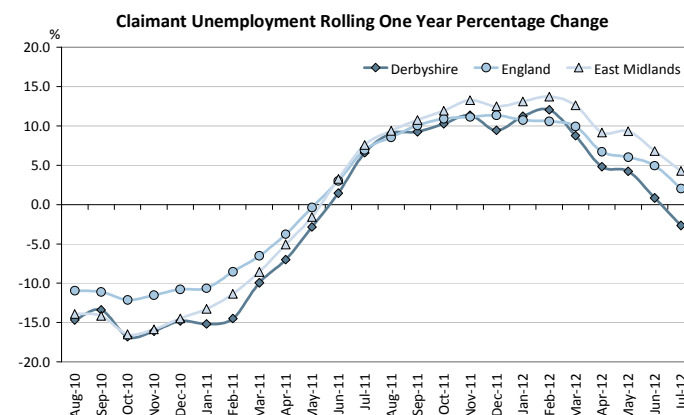
In July 2012, the county's claimant unemployment rate²⁷ of 3.2% remained below the East Midlands (3.7%) and England (3.8%) rates. At district level, the rates in Chesterfield and Erewash exceeded the national average. The lowest rates were in Derbyshire Dales and South Derbyshire. At the very local level, just under a third (50) of the county's 179 wards had unemployment rates above the national average.



Source: Claimant Count, July 2012, ONS (Nomis) © Crown Copyright
Derbyshire Observatory Link: <http://tinyurl.com/lea2012-unemp-march>

Wards with particularly severe unemployment problems include Gamesley (9.0%) in High Peak, Ilkeston North (7.8%) and Ilkeston Central (7.4%) in Erewash, and Rother (7.9%) and St Helens (7.2%) in Chesterfield. Generally, wards with higher rates of unemployment are located in larger urban areas, such as Chesterfield or Glossop. Comparatively, rural areas tend to have lower unemployment, such as Dovedale and Parwich (0.4%), Doveridge and Sudbury (0.7%) and Norbury (0.7%) in Derbyshire Dales, and Repton in South Derbyshire (0.6%).

A total of 15,615 people in Derbyshire were claiming unemployment related benefits in July 2012, 2.7% fewer than at the same time in 2011 (16,041). Between the end of 2010 and early 2012 unemployment levels had increased, with the rate of increase in Derbyshire broadly the same as that nationally and regionally. Since the early part of 2012 unemployment rates nationally, regionally and locally have shown a downward trend.



Source: Claimant Count, August 2010 – July 2012, ONS (Nomis) © Crown Copyright
Excel Data Link: <http://tinyurl.com/lea2012-table-13>

During the most severe part of the 2008 recession, the latter part of 2008 and early part of 2009, the annual rate of increase in unemployment in Derbyshire was faster than that seen regionally and nationally. Across the county the greatest rate of increase was in the traditionally low unemployment area of South Derbyshire. By contrast, the slowest growth in unemployment was in the north east of the county where unemployment has historically been higher. This was also the case in the period of increasing unemployment during 2011.

Long-term Unemployment Levels

In July 2012, there were 4,065 people in Derbyshire who have been out of work for more than a year. These long-term unemployed accounted for 26.1% of the county's total unemployment, which is slightly below the national average (26.7%) but above the regional average (24.9%).

Over the last year, the percentage of unemployment claimants who have been out of work for more than a year has significantly increased both locally and nationally from 14.7% and 14.4% respectively in July 2011.

There are 117 wards in the county where the proportion of long-term unemployed residents is greater than 20.0%. All districts in the county contain wards where this is the case. Chesterfield (28.9%) and Erewash (27.7%) have the highest proportions of long-term unemployed, and South Derbyshire (18.4%) the smallest.

Excel Data Link: <http://tinyurl.com/lea2012-table-14>

Youth Unemployment Levels

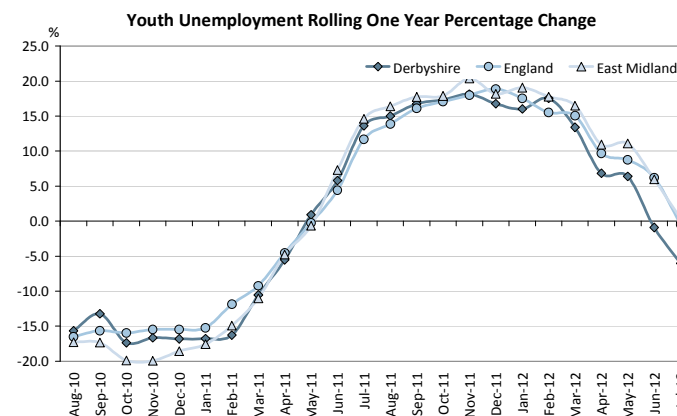
In July 2012 there were 5,055 people under the age of 25 who were unemployed in Derbyshire. This represents just under a third (32.4%) of all unemployed people in the county, which is well above the national average (28.5%).

The overall unemployment rate for under 25s in Derbyshire was 6.5% which is higher than the regional (6.1%) and national (5.8%) averages. At district level, Chesterfield, Erewash and Bolsover had unemployment rates substantially above the national average, but in High Peak, South Derbyshire and in particular Derbyshire Dales the rate was below average.

The county has 23 wards where the youth unemployment rate is now greater than 10.0%, with all districts except Derbyshire Dales and South Derbyshire having at least one of these. Bolsover West (15.9%) in Bolsover has the highest youth unemployment rate in the county. Shirebrook East in Bolsover; Gamesley and Simmondley in High Peak; Loundsley Green and Rother in Chesterfield, and Ilkeston Central in Erewash also have much higher than national average rates of youth unemployment.

There were 6.0% fewer young people claiming unemployment related benefits in July 2012 than at the same time in 2011. Between the end of 2010 and early 2012 youth unemployment levels had increased locally, regionally and nationally, peaking

in February 2012. However, since then youth unemployment has shown a downward trend in Derbyshire, the East Midlands and England.



Source: Claimant Count, August 2010 – July 2012, ONS (Nomis) © Crown Copyright
Derbyshire Observatory Link: <http://tinyurl.com/lea2012-ann-avg-youth-unemp>

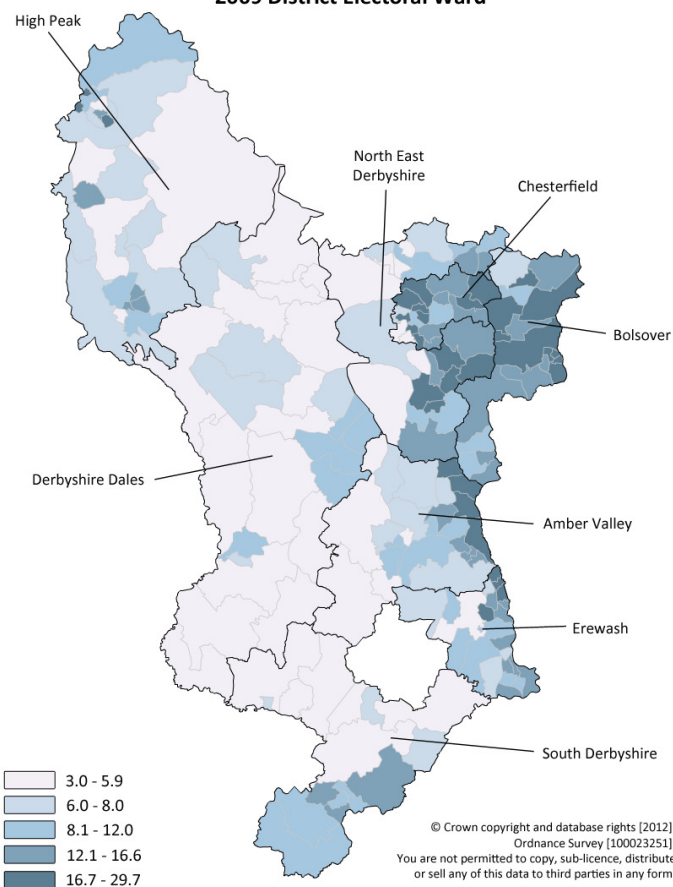
Detailed information relating to unemployment levels in Derbyshire can be gained from the monthly Unemployment Bulletin produced by the Research and Information Team. The bulletin can be accessed via the following link: <http://tinyurl.com/y23r7sb>

Out of Work Benefit Claimants

Out of work benefit claimants include people claiming Job Seekers Allowance (JSA), lone parents on Income Support, Incapacity Benefit claimants (inc. Employment Support Allowance or ESA) and others on Income Support-related benefits. In February 2012, 11.5% of Derbyshire's working age population were claiming an out of work benefit, slightly below the regional (11.8%) and national (12.1%) figures. Over the last two years the numbers claiming an out of work benefit have declined locally and regionally from 12.1% and nationally from 12.4% since February 2010.

Across Derbyshire the number of out of work benefits claimants varies considerably, in particular there are five wards where more than a quarter of the working age population are claiming an out of work benefit. This includes Gamesley in High Peak, Ilkeston North in Erewash, Rother in Chesterfield, Loundsley Green in Chesterfield and Shirebrook North West in Bolsover.

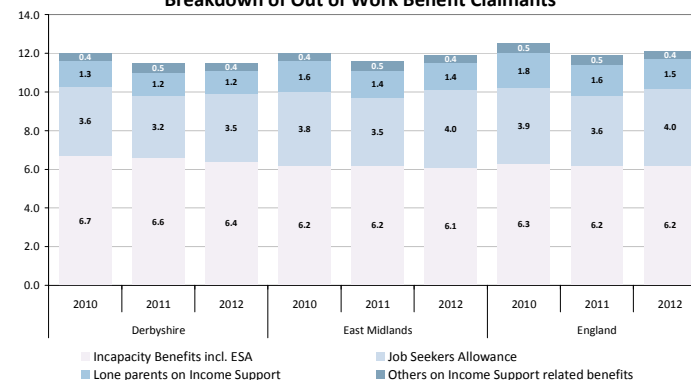
Claimants of Out of Work Benefits Persons Aged 16 - 64 (% of All Working Age), February 2012 2009 District Electoral Ward



Source: Department for Work and Pensions (DWP) Benefits, February 2012, ONS (Nomis) © Crown Copyright
Derbyshire Observatory Link: <http://tinyurl.com/lea2012-oowbc>

Employment Support Allowance and Incapacity Benefit claimants account for the largest proportion of all out of work benefit claimants and in February 2012 this portion stood at 6.4% of the working age population, slightly higher than in the East Midlands (6.1%) and England (6.2%). JSA claimants account for 3.5% of all out of work benefit claimants in the county, a figure that has increased since February 2011.

Breakdown of Out of Work Benefit Claimants



Source: DWP Benefits, February 2010 – February 2012, ONS (Nomis) © Crown Copyright

Gross Weekly Earnings

The overall level of earnings in the county is 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.

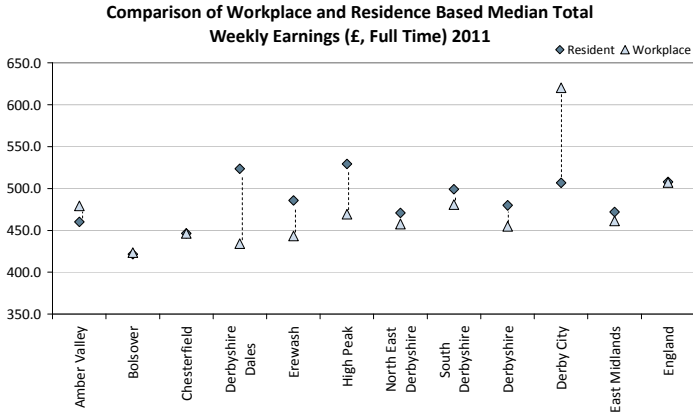
Across the majority of Derbyshire districts residence based earnings (earnings of those living in the area) are significantly higher than workplace earnings (earnings of those who work in the area). This suggests that residents with higher level skills tend to travel outside of the county for work, due to the lower paid jobs on offer locally. A major factor in this is the number of large cities within close proximity to Derbyshire's borders which increase people's access to a wide range of employment opportunities. Locally Amber Valley and Bolsover are the only districts that have higher workplace based earnings compared to residence based earnings.

For workplace earnings, the average weekly pay in Derbyshire in 2011 was £455. This was 1.4% lower than in the East Midlands (£461) and 10.4% lower than average weekly pay across England (£507). Residence based earnings within Derbyshire are significantly higher with a weekly average of £480 per week. Whilst this is higher than earnings across the East Midlands (£472) it is 5.5% lower than average weekly earnings for England (£508).

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 High Peak has the highest at £529. When looking at workplace data, Bolsover has the lowest weekly earnings (£423) and South Derbyshire the highest (£481), although

the variation between areas is much less on this measure. Derbyshire Dales has the greatest variation 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.

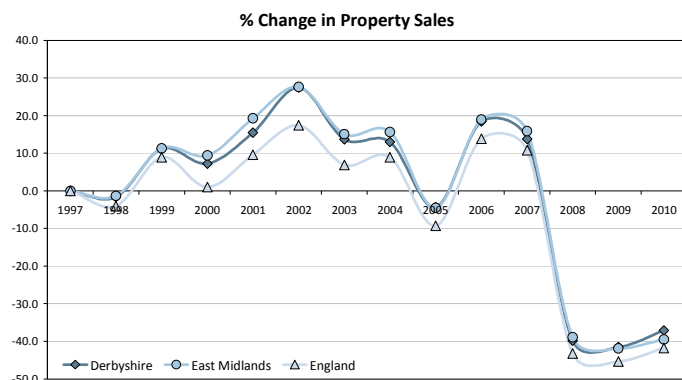
Since 2009, both resident and workplace based earnings have increased in Derbyshire, a trend that is also mirrored nationally.



Source: Annual Survey of Hours and Earnings, 2011, ONS (Nomis) © Crown Copyright
Derbyshire Observatory Link: <http://tinyurl.com/lea2012-earnings>

Property Sales

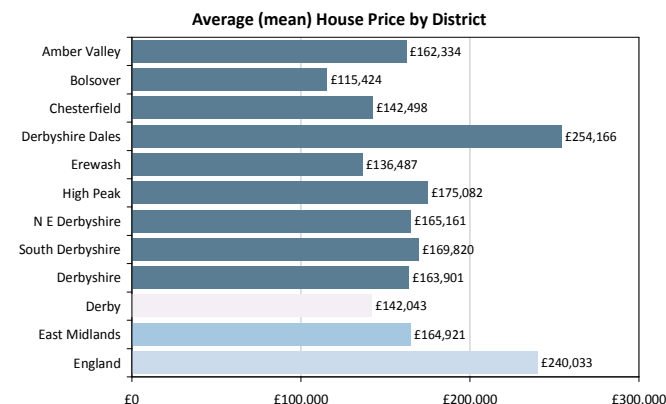
Property sales in Derbyshire sharply declined between 2007 and 2008, with sales beginning to increase in 2010. This was also mirrored in the East Midlands and England.



Source: HM Land Registry, 2010, Department for Communities and Local Government (CLG) © Crown Copyright
Excel Data Link: <http://tinyurl.com/lea2012-table-22>

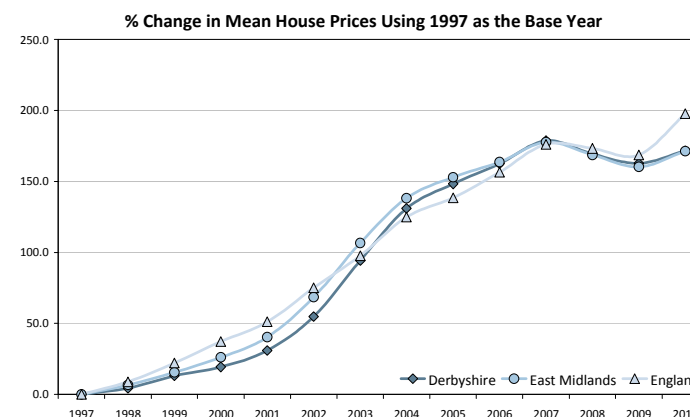
House Prices

The average house price in Derbyshire in 2010 was £163,901. Whilst the value of properties in Derbyshire mirrors that of the region it is much lower than the England average of £240,033. Across Derbyshire this varies significantly from £115,424 in Bolsover to £254,166 in the rural district of Derbyshire Dales.



Source: HM Land Registry, 2010, CLG © Crown Copyright
Derbyshire Observatory Link: <http://tinyurl.com/lea2012-house-price>

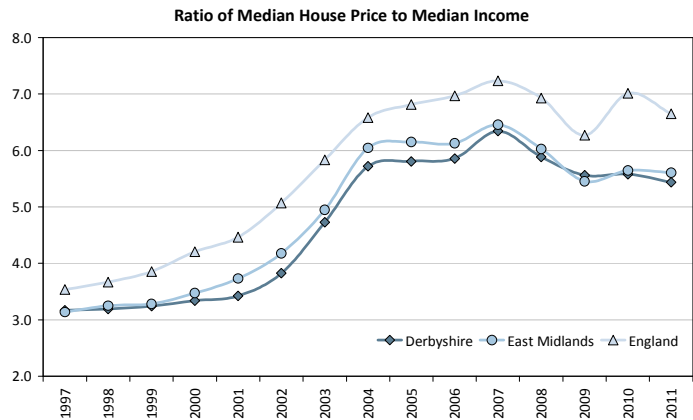
Over the years, house prices in Derbyshire have steadily increased in line with the trends seen regionally and nationally. However, more recently house prices began to fall and in 2009 house prices in Derbyshire dropped at a faster rate (2.5%) than nationally (1.7%) but were slower than the regional rate of 3.2%. Although there was a recovery in house prices in 2010, with an increase of 3.4% locally and 4.3% regionally, this was considerably lower than the national increase of 10.9%.



Source: HM Land Registry, 2010, CLG © Crown Copyright
Derbyshire Observatory Link: <http://tinyurl.com/lea2012-change-house-price>

Housing Affordability

Analysis of the housing affordability ratio also shows that overall houses in Derbyshire appear to be more affordable than in the East Midlands and England. However, within Derbyshire affordability continues to be an issue in Derbyshire Dales where housing demand is higher. This is largely due to parts of Derbyshire Dales falling within the Peak District National Park which is 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.



Source: Annual Survey of Hours and Earnings, HM Land Registry (2011), ONS © Crown Copyright
Derbyshire Observatory Link: <http://tinyurl.com/lea2012-house-afford>

End Notes

¹The CPI is the main UK domestic measure of consumer price inflation for macroeconomic purposes. It forms the basis for the Government's target for inflation that the Bank of England's Monetary Policy Committee is required to achieve.

²Bank of England Agents' Summary of Business Conditions, July 2012.

³The ILO defines the unemployed as persons who are without work, are available to start work within the next two weeks, and have actively sought work within the previous four weeks. The ILO unemployment rate is the number of persons who are ILO unemployed expressed as a percentage of the economically active population (employed plus ILO unemployed). This is used in the Annual Population Survey and is not compatible with claimant count unemployment, which is based on the monthly count of those people claiming Job Seekers Allowance. The ILO unemployment rate is a much wider definition of unemployment than the claimant count and is the nationally recognised definition of unemployment. The Annual Population Survey is updated quarterly although data relates to all interviews conducted over one year.

⁴Headline GVA is calculated using a five-year, weighted moving average technique with the date shown being the mid-point.

⁵National Statistician's article: measuring regional economic performance, Economic & Labour Market Review, Volume 3, No 1, January 2009.

⁶Headline GVA per hour worked is calculated using a five-year, weighted moving average technique with the date shown being the mid-point.

⁷The 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 10 NUTS 3 areas, with two 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).

⁸UK Business: Activity, Size and Location, 2011, ONS © Crown Copyright.

⁹UK Business: Activity, Size and Location, 2011, ONS © Crown Copyright.

¹⁰Business 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.

¹¹Business 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 2008 and 2009 deaths to allow for reactivations. These figures are provisional and subject to revision.

¹²Business Demography, 2010, ONS © Crown Copyright.

¹³Jobcentre Plus, live unfilled vacancies, July 2012, ONS (Nomis) © Crown Copyright. Note, vacancies data is affected by regular seasonal variations, and comparisons are best made with the same month in the previous year to avoid seasonal effects.

¹⁴According to the National Employer Skills Survey (NESS) a skills gap is defined as the extent to which employers feel that employees are not proficient at doing their jobs.

¹⁵Business Register and Employment Survey, 2010, ONS (Nomis) © Crown Copyright.

¹⁶This indicator shows the total percentage of employees within high-technology manufacturing (from the Business Register and Employment Survey). The data includes the following three digit 2007 SIC codes which are taken from the Eurostat definition: 211, 212, 261, 262, 263, 264, 265, 266, 267, 268 and 303.

¹⁷This 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 three 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.

¹⁸Public sector includes 2007 Standard Industrial Classification sectors O, P, and Q.

¹⁹STEAM (Scarborough Tourism Economic Activity Monitor) Model, 2010, Global Tourism Solutions (UK) Ltd. STEAM based figures for Derbyshire in the Local Economic Assessment (2011) included Derby City whereas those in this document do not.

²⁰Data from the defra (Department for Environment, Food and Rural Affairs) 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/>

²¹National Apprenticeship Service data from the Data Service, 2011.

²²Mid-Year Population Estimates, 2010, ONS © Crown Copyright.

²³Sub-National Population Projections, 2010, ONS © Crown Copyright.

²⁴National Insurance Recording and Pay as you Earn System, 2011, Department for Work and Pensions.

²⁵The percentage of the working age population (age 16-64) who are employed or are looking for work.

²⁶The percentage of the working age population (age 16-64) who are employed including the self employed.

²⁷Claimant 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 ILO unemployment, which is the preferred measure of unemployment nationally that is derived from the Annual Population Survey.

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0.7	Research & Information, Chief Executives	18/09/2012	research@derbyshire.gov.uk
Source	Geography		
Various	Derbyshire, East Midlands, England		
Notes			