



Derbyshire Economic Position Statement

August 2023

Strategy and Policy

Corporate Services and Transformation

Derbyshire County Council

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Introduction

This report provides an assessment of the latest position of the Derbyshire economy, analysing how Derbyshire's economy has changed over the last five years and how the county compares to both England and other upper tier local authorities across the East Midlands Combined County Authority (EMCCA), referred to as CCA through the document. The report also identifies the county's current strengths, challenges and potential threats and opportunities moving forward.

Overall, Derbyshire performs well against many national benchmarks. However, this is not the case for all areas across the county. This report aims to highlight where issues exist at the local level, to ensure the Council and partners have a collective understanding of the economic conditions of the local area, based on robust evidence, to help inform decision making, and the development of strategies and policy interventions.

Further information and analysis can also be found in the supporting technical annex and on the Derbyshire Observatory website.

Policy context

The priorities announced by the Prime Minister in Autumn 2022 and by the Chancellor in the Spring Budget provide the policy context for the economy at a UK level. The rising cost of living, resulting from high energy and food prices and strongly linked to the Russian war in Ukraine, is a central area. The target to half the level of inflation by the end of the year is key to addressing the crisis and is supported by a range of measures to give people and businesses greater financial security.

Economic growth is also a focus, with the ambition to create better-paid jobs and opportunities across the whole country. Making the UK economy more innovative is a key objective, through greater levels of investment in research and development. Ensuring the UK has world-class education is another major policy area, so that every child has the highest standard of education and that people have the chance to gain the skills they need in a changing employment landscape. Strengthening communities through a reinvigoration of towns and high streets will also underpin growth economically.

The rise in economic inactivity levels since the pandemic is a key concern for policy makers and businesses alike, and the Government announced a set of reforms in the Spring Budget to support people into work, with a focus on removing barriers that stop those on benefits, older workers and those with health conditions from working. The Government is also committed to reducing debt to help secure the future of public services, reducing waiting lists so that people can get the care they need more easily, and reducing levels of illegal migration.

Climate change remains one of the most important, if not the most important challenge of this century and achieving long-term, sustainable economic growth for the UK is at the heart of Government plans. The Net Zero Strategy, published in October 2021, set out the ambition for the UK to be at the forefront of a growing global green economy, underpinned by the commitment to achieve national net zero by 2050. More recent documents, the Net Zero Growth Plan and Energy Security Plan, published in Spring 2023 by the new Department for Energy Security and Net Zero, highlight how the move to both cheaper and cleaner energy will support the transition to net zero and mitigate climate change.

Project Gigabit aims to deliver next-generation broadband to over a million households and businesses across the UK and is the Government's latest £5 billion project to target very hard to reach premises. The project will target those premises that require additional support to deliver hyperfast broadband speeds of at least 1 gigabit per second with the aim of reaching 85% coverage by 2025 and 100% coverage by 2030.

The Government's White Paper on Levelling Up, published in February 2022 remains a key policy driver, with twelve missions to guide work to address long-standing regional disparities across the UK.

The transition to the new trading arrangements with Europe has been accompanied by changes to the funding framework that local areas can draw on, with the old EU Structural Fund replaced by the UK Shared Prosperity Fund (UKSPF). This provides £2.6 billion of funding for local investment by March 2025, with all areas of the UK receiving an allocation from the fund. The UKSPF is a central pillar of the UK government's levelling up agenda and all districts have been given an allocation to support socio-economic development and improve life chances.

Devolution is another pillar in the Government's aspirations around levelling up and the proposed East Midlands Combined County Authority would see a new guaranteed funding stream of £1.14 billion over the next 30 years to help level up the East Midlands, as well as additional powers devolved from the national to regional level. Derbyshire County Council, Nottinghamshire County Council, Derby City Council and Nottingham City Council are the lead partners and, subject to parliamentary approval, the new arrangements will be in place in May 2024. The areas that the EMCCA would have greater control over would be housing, transport, skills and net zero with protection of the public's health to be an underpinning and cross-cutting theme. The process of developing plans for each of these thematic areas is underway.

Another strand of the levelling up policy is the establishment of investment zones at locations across the country. As part of this, the EMCCA area and the Government are currently co-designing an investment zone around the theme of energy security and future fuels. This aims to boost investment in the area through tax incentives and retained business rates. The East Midlands Freeport, which includes the East Midlands Intermodal Park in South Derbyshire, also has the potential to boost economic growth in the county.

Derbyshire County Council will continue to have autonomy in its responsibilities as an upper tier authority with the Council Plan 2023-25 setting out the Council's ambitions for the next two years, centered around four priorities: resilient and healthy communities; high performing, value for money and resident focused services; effective early help for individuals and communities, and a prosperous and green Derbyshire. The Council is working to deliver on these priorities, providing value for money whilst enabling Derbyshire's people and places to thrive, and in doing so contributing to the aspirations across the wider EMCCA footprint. In addition to supporting delivery of an effective combined authority, the Council's priorities around the economy are tackling climate change, driving sustainable growth through infrastructure investment in roads, electric vehicles, hydrogen, mobility hubs and digital connectivity, and levelling up communities through tackling both rural as well as urban deprivation.

Key socio-economic issues for Derbyshire



Derbyshire experienced solid economic growth in the five years before the pandemic



Significant productivity gap between Derbyshire and England, with output levels in the county 12.2% below average



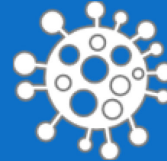
A resilient, growing business base with higher than average survival rates



Although wage levels have risen locally, residents in Derbyshire earn 3.4% below average and local businesses pay 9.8% lower than nationally



Ensuring that the area's high streets and market towns are thriving hubs within localities



£1.4bn in GVA lost during the first year of the pandemic



Derbyshire Dales, High Peak and Erewash are some of the lowest ranked local authorities across England for productivity levels



There has been a gradual shift in the economic base to a higher value economy, now representing 42.6% of all jobs



Fewer adults are qualified to NVQ level 4+ than nationally with stark inequalities locally, values ranging from just 15.0% in Shirebrook North to 52.7% in Hathersage and Eyam



The population continues to age at a faster rate than nationally coupled with a significant decline in young people aged 16-24 years



A more diverse population with a 2.1% point increase in the BME population since 2011 and a rise in residents for whom English is not their main language



Over 36,000 (21.8%) children are living in poverty, a rising level that's higher than across England



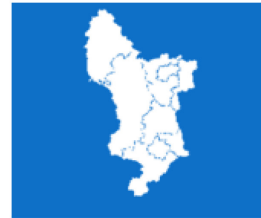
An increase in Universal Credit claimant numbers coupled with the rising cost of living leaves many residents at further risk of financial difficulty and debt



More than 1,000 homeless households across the county, with relatively high levels in Chesterfield



Rural areas face ongoing challenges relating to access to services, travel to employment, housing affordability, digital connectivity as well as meeting the needs of the ageing population



Persistent and systemic deprivation with over 34,000 people living within the most deprived 10% of areas across England



Health inequalities are a key issue with life expectancy varying by more than 12 years between the least and most deprived areas



The take-up rate of free school meals in Derbyshire is higher than average and has been on the rise for the last five years



Life chances remain unequal with five districts ranking amongst the worst 20% of areas nationally on social mobility



CO₂ emissions remain higher than across England, compounded by older housing, higher levels of manufacturing alongside more extreme weather events creating significant climate related challenges

The Derbyshire economy

Economic change

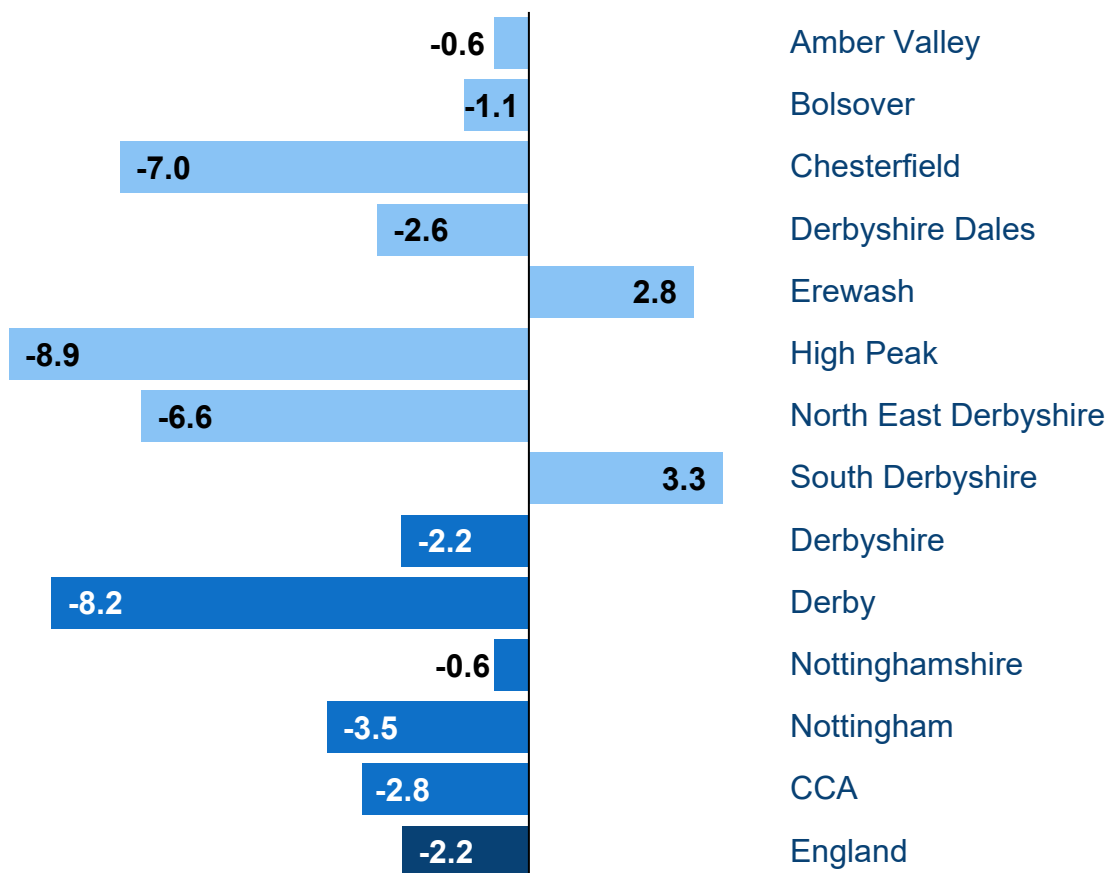
Prior to the pandemic the Derbyshire economy was worth £17.1bn and had performed well with improving levels of economic growth, productivity, higher value employment opportunities, skills and wages.

Gross Value Added (GVA) is a measure of the total value of goods and services produced in a geographical area. The latest available GVA data is for 2020, showing the scale of the impact of the first year of the pandemic. Between 2019 and 2020, Derbyshire's economy shrunk by £1.4bn, representing a -8.3% decline, slightly less than the -9.7% nationally.

Between 2015 and 2020 the Derbyshire economy contracted by -2.2%, as a result of the pandemic, the same as for England. Across the county's districts there is wide variation with South Derbyshire (3.3%) and Erewash (2.8%) experiencing growth over this period, both being in the top 25% of all 309 local authorities across England. However, the other districts have experienced a fall in GVA, most notably High Peak (-8.9%), which is in the bottom 25% of all local authorities, along with Chesterfield (-7.0%).

The decline in GVA across Derbyshire over the last five years is below that for the CCA (-2.8%). Across the CCA, Derby (-8.2%) saw a considerably higher fall in GVA whilst Nottinghamshire saw a smaller decline (-0.6%). The fall in Nottingham was -3.5%.

% Change in Gross Value Added 2015-2020



Source: Regional Gross Value Added (balanced), 2020, ONS © Crown Copyright

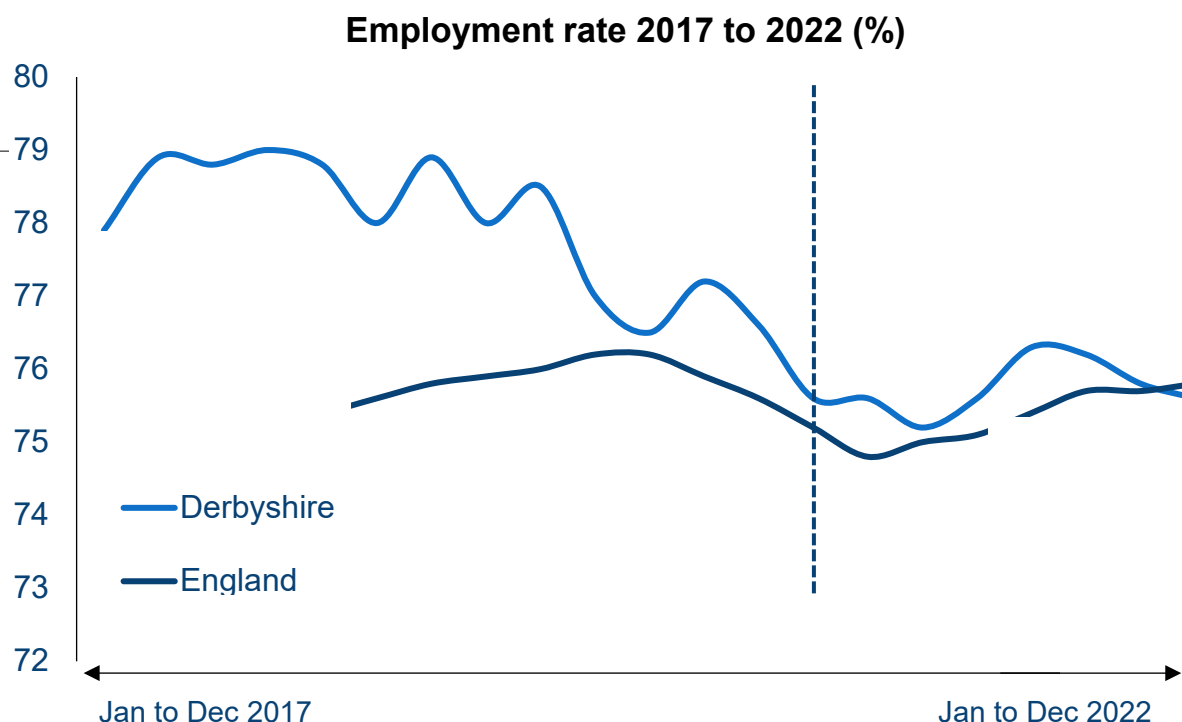
Although GVA declined across Derbyshire between 2015 and 2020, productivity levels increased over this time, by 13.9%¹, similar to the national increase of 14.2%. However, it should be noted that the data on GVA has had the impact of inflation removed, making it a truer comparison over time, whereas for the data on productivity inflation is included.

Across the county there is great variation, Bolsover saw the greatest improvement in productivity over the period (30.6%), with Amber Valley (22.2%) and South Derbyshire (20.5%) also above the county and national averages. All three districts fall within the top 25% of all 309 local authorities nationally. However, High Peak only saw an increase of 0.3% whilst in Derbyshire Dales there was a decline of -0.3%. Both districts fall in the bottom 25% of all local authorities across the country.

The productivity improvement in Derbyshire between 2015 and 2020 is just behind that seen across the wider CCA (15.8%). Of the four upper tier authorities, Nottingham shows the greatest rise (25.9%) whilst Derby saw the

smallest (2.7%). In Nottinghamshire, there was an increase of 16.6%.

Historically, Derbyshire has had a relatively higher rate of employment than nationally, however the latest data from the Annual Population Survey shows a downward trend in county's employment rate over the last five years, now standing at 75.6%, just below the England (75.8%) average. Analysis across the CCA shows the employment rate stands at 75.0%, also below the England average. The cities, Derby (73.4%) and Nottingham (71.7%), have lower employment rates than the counties, Derbyshire (75.8%) and Nottinghamshire (76.3%).



Source: Annual Population Survey, Jan-Dec 2017 to Jan-Dec 2022, ONS © Crown Copyright

Analysis of employment data from the latest 2021 Census supports the trends outlined above.

Over the last five years the number of jobs available locally has grown by a small amount (0.3%), well below the employee growth of 4.4% for England. Across the county, South Derbyshire (9.7%) and North East Derbyshire (5.7%) are the only areas to see above average growth in the number of employees, the former being the only authority in the county to be ranked in the top 25% of all 309 authorities in England.

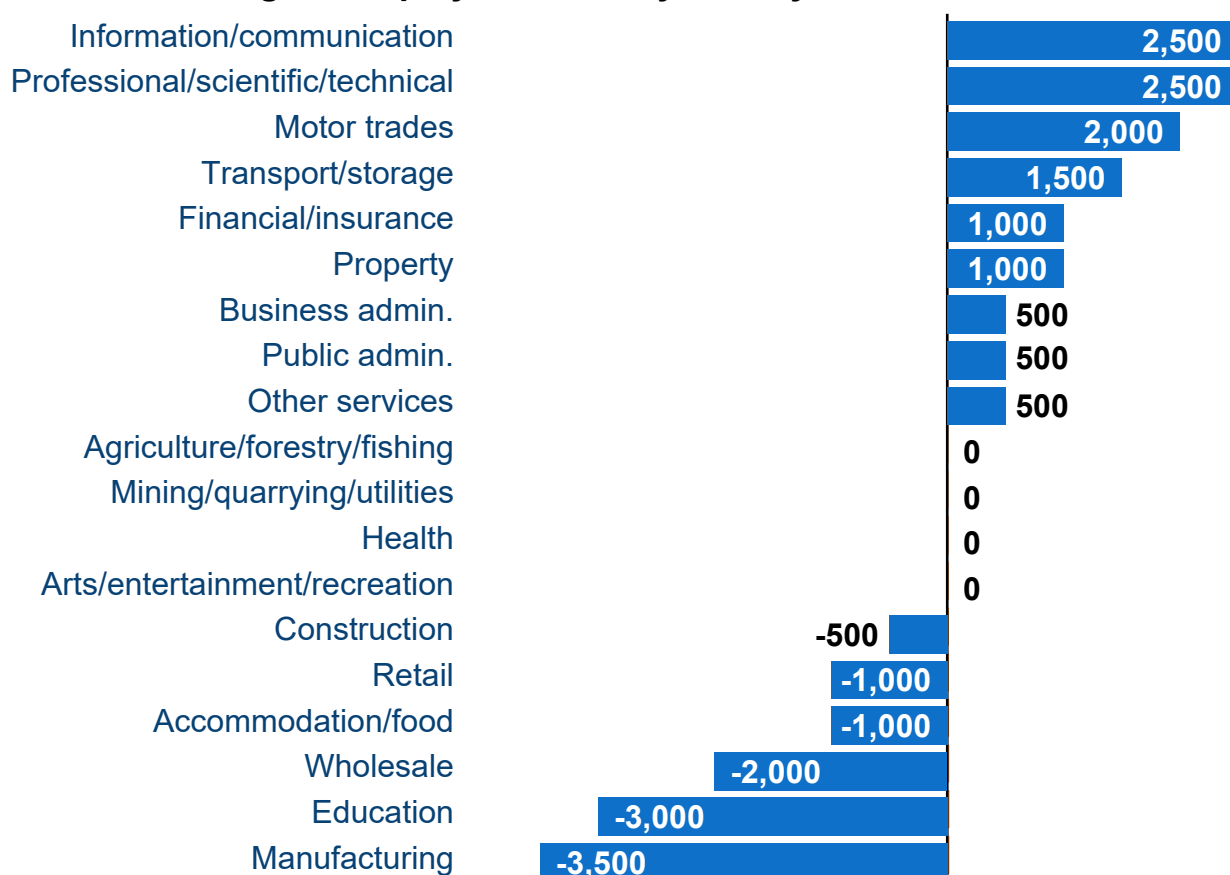
Five Derbyshire districts fall in the bottom 25% nationally for jobs growth. These are Bolsover (-3.1%), Derbyshire Dales (-3.0%), High Peak (-1.6%), Erewash (-1.3%) and Amber Valley (-1.0%).

In 2020, the first year of the pandemic, Derbyshire's employment base fell by -3.6% (-10,500 employees). During 2021, there was a partial recovery, however this amounted to 9,000 additional employees, meaning that there was a net loss of 1,500 employees or a -0.5% reduction between 2019 and 2021. Nationally, any losses in the first year of the pandemic were more than recovered in 2021, with England showing a net rise of 1.1% in employees between 2019 and 2021.

Over the period 2016 to 2021 the CCA saw employment growth of 0.4%, similar to that for the county. There was a mixed picture in the other three upper tier authorities of the CCA. Whilst Derby saw employment growth of 9.5% and Nottinghamshire a rise of 3.0%, Nottingham saw a fall of -8.4%.

Focusing on the jobs trend in Derbyshire by sector between 2016 and 2021, there was a varied picture. Of the nine sectors showing growth, the two largest rises were in information/communications and professional/scientific/technical services, with both showing an increase of 2,500 employees. Six sectors declined over this period, with manufacturing (-3,500) and education (-3,000) seeing the largest losses.

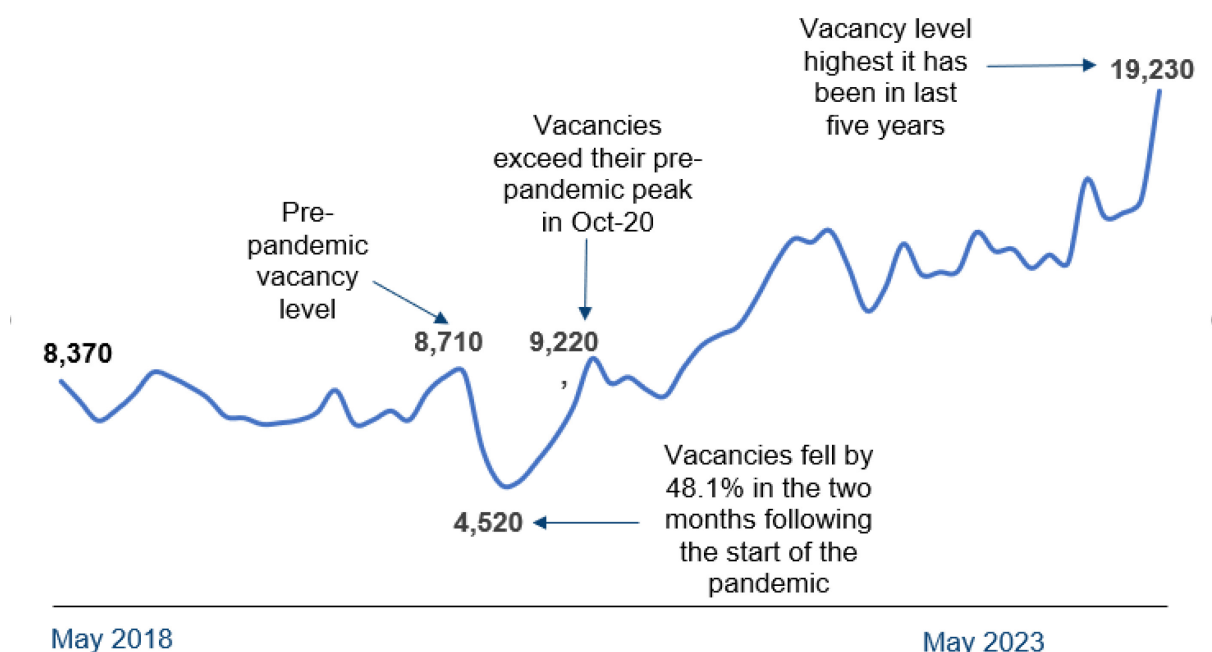
Change in employees in Derbyshire by sector 2016 to 2021



Source: Business Register and Employment Survey, 2016 to 2021, ONS © Crown Copyright

In Derbyshire, as across England, vacancy levels were hit hard during the pandemic and between March and May 2020 the monthly level fell by 48.1%. However, the trend since then has been generally upwards.

Monthly job vacancies in Derbyshire May 2018 to May 2023



Source: Lightcast, May 2023

The last five years have seen annual job vacancy levels grow in Derbyshire, with the level from June 2022 to May 2023 (70,750) being 95.0% higher than from June 2017 to May 2018 (36,280). This is significantly above the growth of 23.7% in England. Across the county, four districts have seen their annual vacancy levels more than double over the period, Erewash (116.2%), Bolsover (146.4%), South Derbyshire (147.9%) and most notably North East Derbyshire (154.1%). Derbyshire Dales has seen the lowest level of increase at 78.3%.

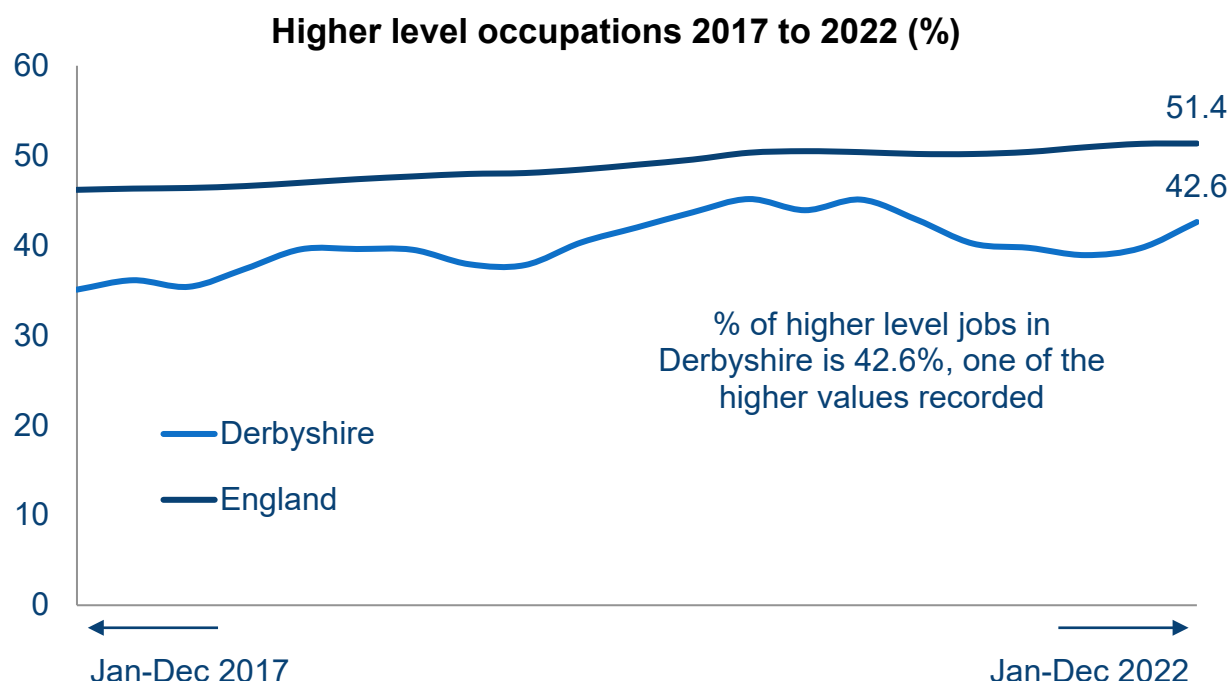
Over the last five years the level of vacancies has risen by 66.0% (127,290) across the CCA, lower than in Derbyshire. Of all the four upper tier authorities comprising the area, Nottinghamshire has had the greatest increase (99.2% or 28,790 more vacancies). The change in the cities has been lower, particularly in Derby where the vacancy level has increased by 44.7% (21,160 more). In Nottingham there has been a rise of 53.5% (42,870 more).

Analysis of the April 2023 vacancy data by occupation indicates the areas of the county's economy where there is the greatest demand for jobs currently. The top five occupations are care workers/home carers (660 vacancies), administrative occupations (470), nurses (460), kitchen and catering

assistants (380) and teaching assistants (also 380). Three of these are in two sectors, healthcare and hospitality, where strong demand is being seen more widely across the country.

Over the last five years, higher level occupations² in the county's workplaces have increased by 25.0%, well above the national rise of 13.9%, now representing 42.6% of all jobs locally, one of the highest values in recent years.

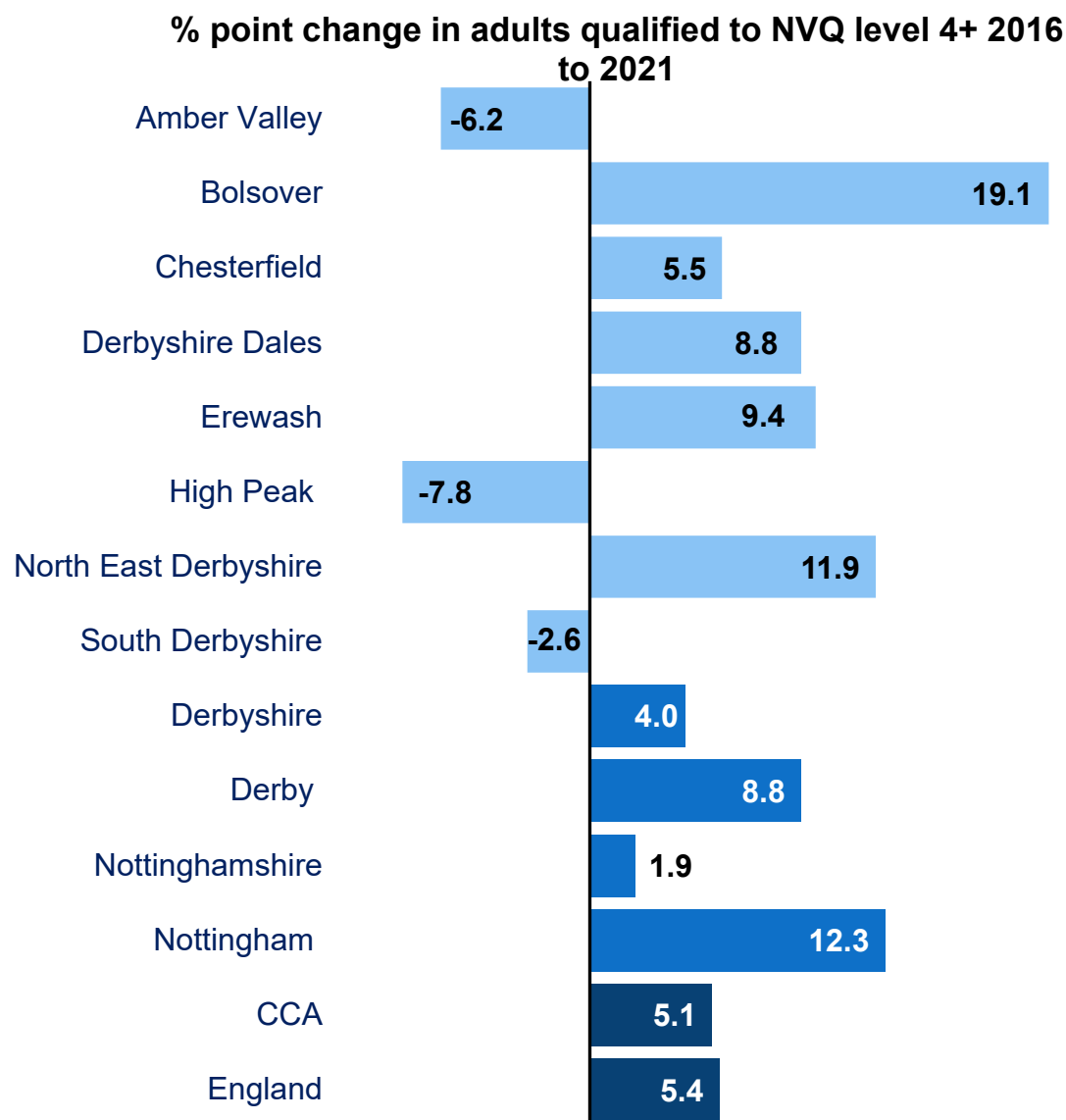
There is also a similar pattern across the CCA with a 21.4% increase in workplaces offering higher level occupations over the last five years. The growth has been higher in the county areas of Nottinghamshire (41.2%) and Derbyshire than in Derby (6.9%) and Nottingham (7.5%).



Source: Annual Population Survey, workplace-based measure, Jan-Dec 2017 to Jan-Dec 2022, ONS © Crown Copyright

According to the Annual Population Survey, the number of working-age (16-64 years) adults in Derbyshire who are qualified to NVQ level 4³ and above has increased by 4.0% points from 33.1% in 2016 to 37.1% in 2022, just below the national increase of 5.4% points. Five Derbyshire districts experienced increases above the national average, Bolsover saw an increase of 19.1% points, North East Derbyshire 11.9% points, Erewash 9.4% points, Derbyshire Dales 8.8% points and Chesterfield 5.5% points. Whilst High Peak (-7.8% points), Amber Valley (-6.2% points) and South Derbyshire (-2.6% points) experienced a reduction over this time.

The CCA also experienced higher than average growth with the number of adults qualified to NVQ level 4 and above, increasing by 5.1% points since 2016, with each of the four upper tier authorities of the CCA seeing an increase in higher level qualifications held by residents, Nottingham with the highest rise at 12.3% points.



Source: Annual Population Survey, Jan to Dec 2016 to Jan-Dec 2021, ONS © Crown Copyright, April 2023

High quality skills training is central to the Government's levelling up ambitions with apprenticeships an important part of the strategy. The pandemic saw apprenticeship numbers fall across the country and the levels are yet to return to where they were. Several sectors have found it difficult to recruit staff. Research for quarter four of 2022 by the British Chambers of Commerce found that firms in the hospitality sector were the most likely to face challenges when recruiting (87.0%), closely followed by manufacturing firms

(85.0%), and the construction, professional services, public, education and health sectors (all on 83.0%)⁴. Additionally, issues around the cost of living and fuel prices have meant some employers have scaled back their business models and have not taken on apprentices due to the high costs of training. Other larger employers have invested in their own training academies, for example, in the autumn of 2021 Chatsworth announced a training academy for hospitality.

In 2021-22 there were 5,900⁵ apprenticeship starts in the county, representing 1.2% of the working population. Amber Valley and Erewash ranked equal 136 out of 309 local authorities across England falling in the top 50% nationally, followed by South Derbyshire, Chesterfield, North East Derbyshire, Bolsover and High Peak. Derbyshire Dales ranked in the bottom 25% of all England authorities at 294/ 309, the older age profile of the district likely to be a contributing factor here.

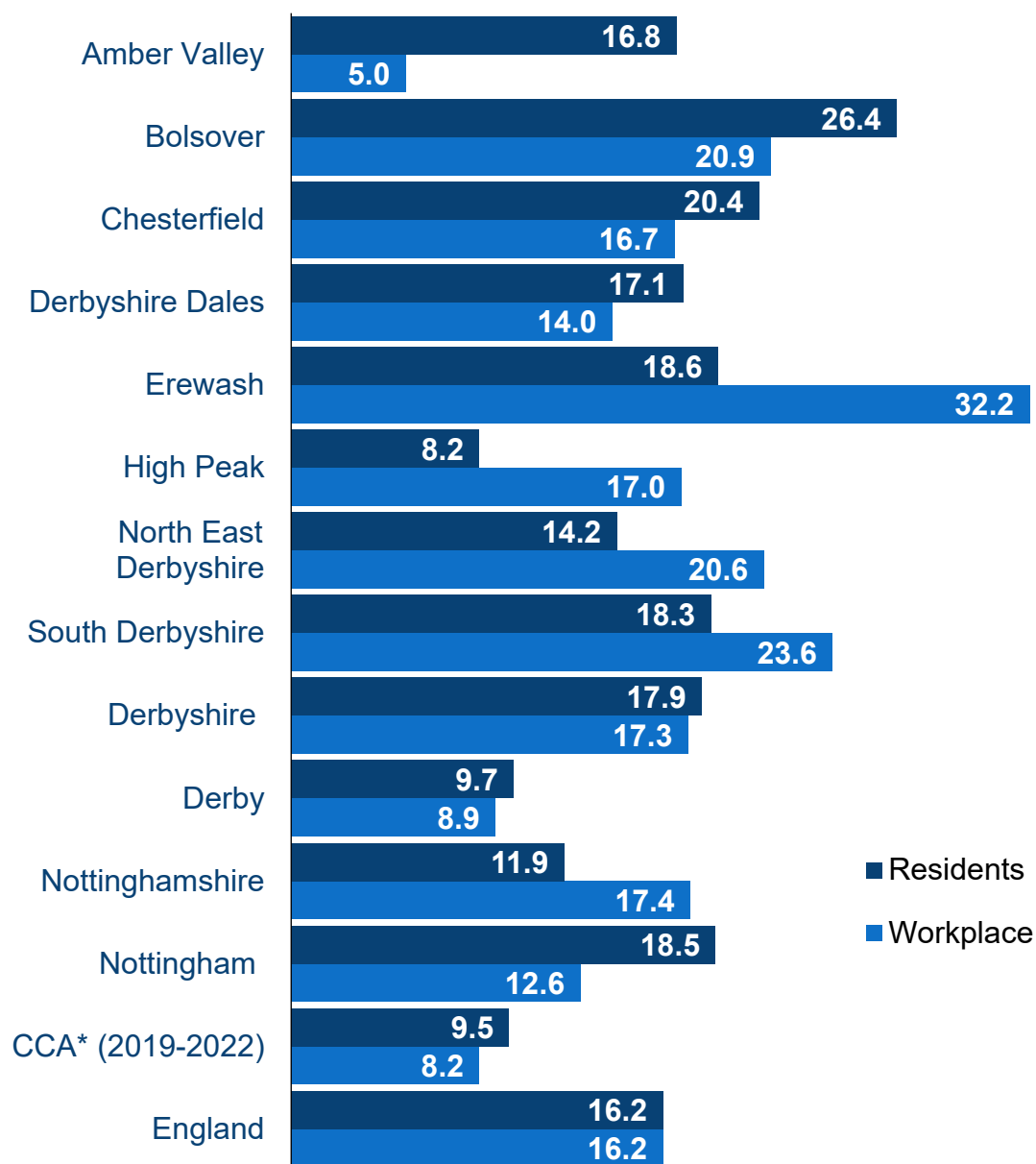
Apprenticeship completions follow a similar pattern, for which there were 2,440 in 2021-22, Amber Valley (125/309) ranked the highest locally followed by Erewash, South Derbyshire, North East Derbyshire, Chesterfield, Bolsover and High Peak. Again, Derbyshire Dales ranked in the bottom 25% of England's local authorities at 261/309.

Across the CCA area in 2021-2022 there were 15,030 starts, an increase from 13,350 for the 2020-21 academic year. However, achievements decreased from 6,730 in 2020-21 to 6,250 for 2021-22.

Over the last five years resident earnings have risen in Derbyshire, just ahead of those nationally (17.9% compared with 16.2%). The highest levels of growth have been in Bolsover (26.4%) and Chesterfield (20.4%). The growth in workplace earnings in Derbyshire (17.3%) over the same period has also been ahead of that nationally (16.2%). Erewash (32.2%) stands out as having seen workplace wage growth well above average over this period alongside South Derbyshire (23.6%) and Bolsover (20.9%).

Across the CCA, resident and workplace earnings have increased at a steady rate over the last five years. Of the four upper tier authorities, Derbyshire experienced the greatest change in both resident (17.9%) and workplace (17.3%) earnings whilst Derby saw the smallest change in resident (9.7%) and workplace earnings (8.9%). The CCA had a similar increase in earnings from 2019-2022, at 9.5% for resident earnings and 8.2% for workplace earnings.

% Change in resident and workplace earnings 2017 to 2022*



Source: Annual Survey of Hours and Earnings 2017-2022, ONS © Crown Copyright

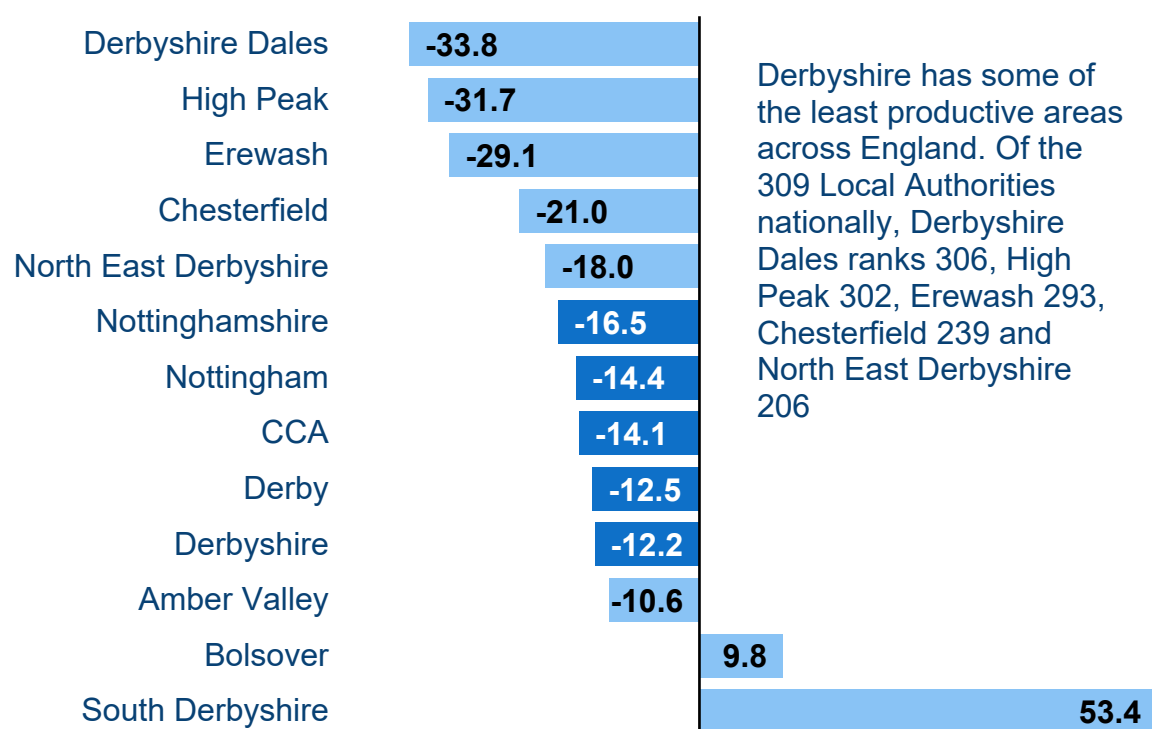
Economic performance

Despite improvements over the last five years, there remains a significant gap in the overall economic performance between Derbyshire and England

Although the county's productivity growth has been on a par with that nationally between 2015 and 2020, 13.9% and 14.2% respectively, there remains a significant productivity gap.

In 2020 productivity levels in the county were £33.60 per hour worked, 12.2% below the England average of £38.30. Across the county there is considerable variation with South Derbyshire's output per hour worked standing at £58.70, 53.4% higher than England average and Bolsover's being £42.00, 9.8% higher than the national average.

% difference in productivity compared to England (2020)



Source: Regional Gross Value Added (balanced), 2020, ONS © Crown Copyright

However, Derbyshire Dales (£25.30) and High Peak (£26.10) have amongst the lowest productivity levels of all local authorities across the country, being ranked in the bottom 10 of all 309 authorities nationally, almost a third below the England average. Erewash (£27.10) and Chesterfield (£30.20) also

have relatively low values and feature in the bottom 25% nationally. Productivity levels in Derbyshire are above those for the CCA (£32.90) as well as for the three other upper tier authorities. Of these Derby comes next (£33.50), followed by Nottingham (£32.80) and then Nottinghamshire (£32.00).

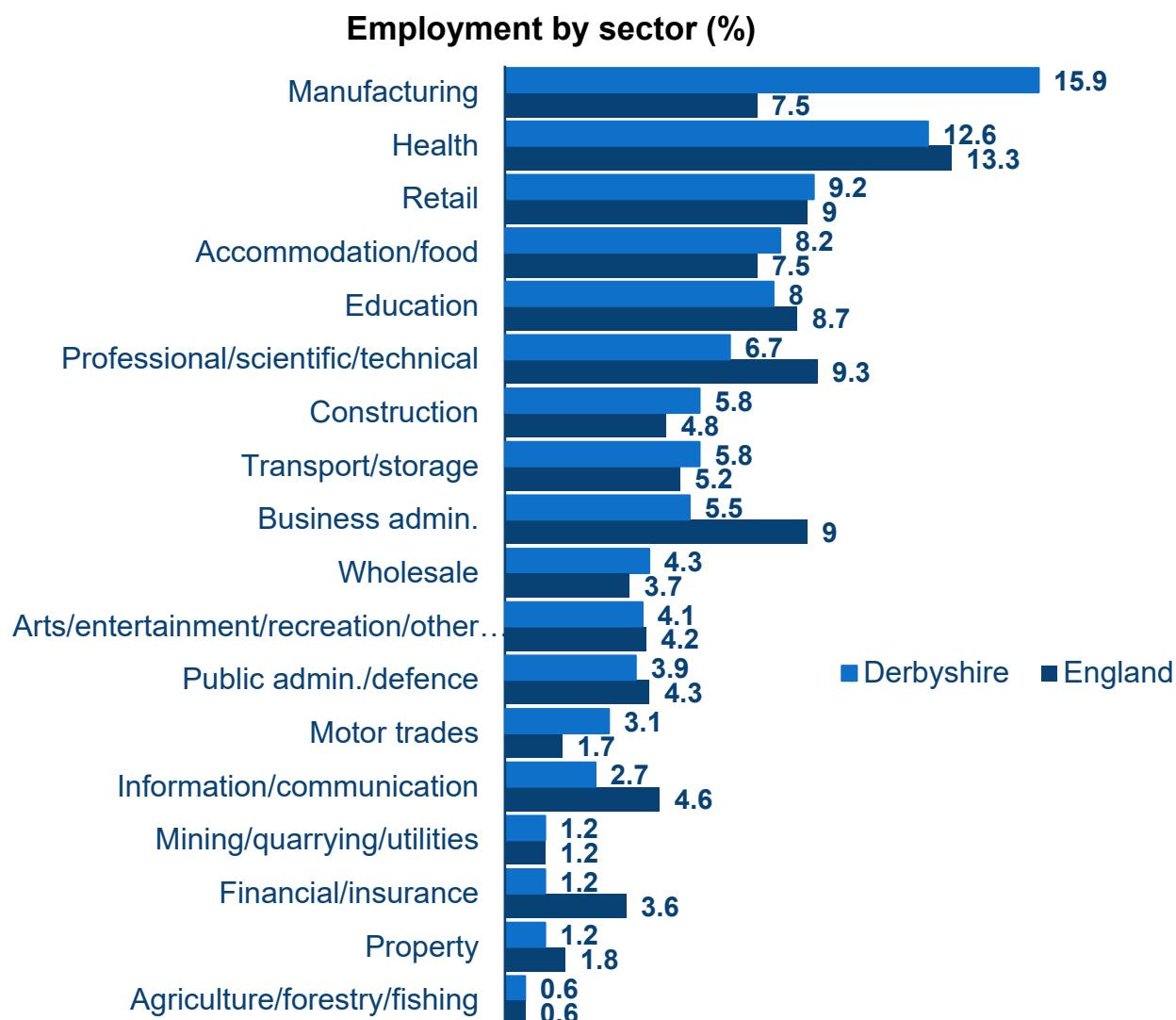
Derbyshire is home to 30,600 businesses⁶ and despite the pandemic numbers have remained stable throughout this time. Small employers dominate Derbyshire's economy with 88.7% of businesses employing fewer than 10 people. Although only 0.4% of businesses in the county employ 250 or more people, they are of significance to the local economy due to the numbers they employ and money they generate.

There is a high degree of resilience amongst local businesses with above average business survival rates. Analysis shows that more Derbyshire firms survive after one, three and five years after being established than the England average. A total of 63.0% of the county's firms established in 2018 were still in business in 2021, above the 57.5% survival rate for England⁷.

Derbyshire has significant strengths in the manufacturing sector and is home to some world class companies. In South Derbyshire car production is prominent, centred around Toyota and firms in the supply chain such as Futaba. Food and drink production is the biggest manufacturing sub-sector in Amber Valley and North East Derbyshire with companies including Griffiths Foods and Gunstones Bakery. Erewash is a centre for upholstery with firms like Bellfield Furnishings, and in High Peak chemicals is important with Dow Chemical Company being a major employer. In Bolsover, Sports Direct employs a significant number of employees whilst in Chesterfield, Health is the largest sector with the Royal Hospital and health companies such as Arthritis Research UK being based in the district. The Visitor economy plays a major role in Derbyshire Dales with employers such as Chatsworth House Trust.

Derbyshire businesses currently employ over 293,000 people. Five sectors in the county account for over half of all employment locally with manufacturing (15.9%) being the largest sector, over 10.0% points higher than the England (7.5%) average. This is followed by high levels of employment in health (12.6%), retail (9.2%), accommodation and food (8.2%) and education (8.0%) all of which are similar to the national averages.

Locally there are fewer people employed in business administration, professional, scientific and technical, finance and insurance and Information and communications.

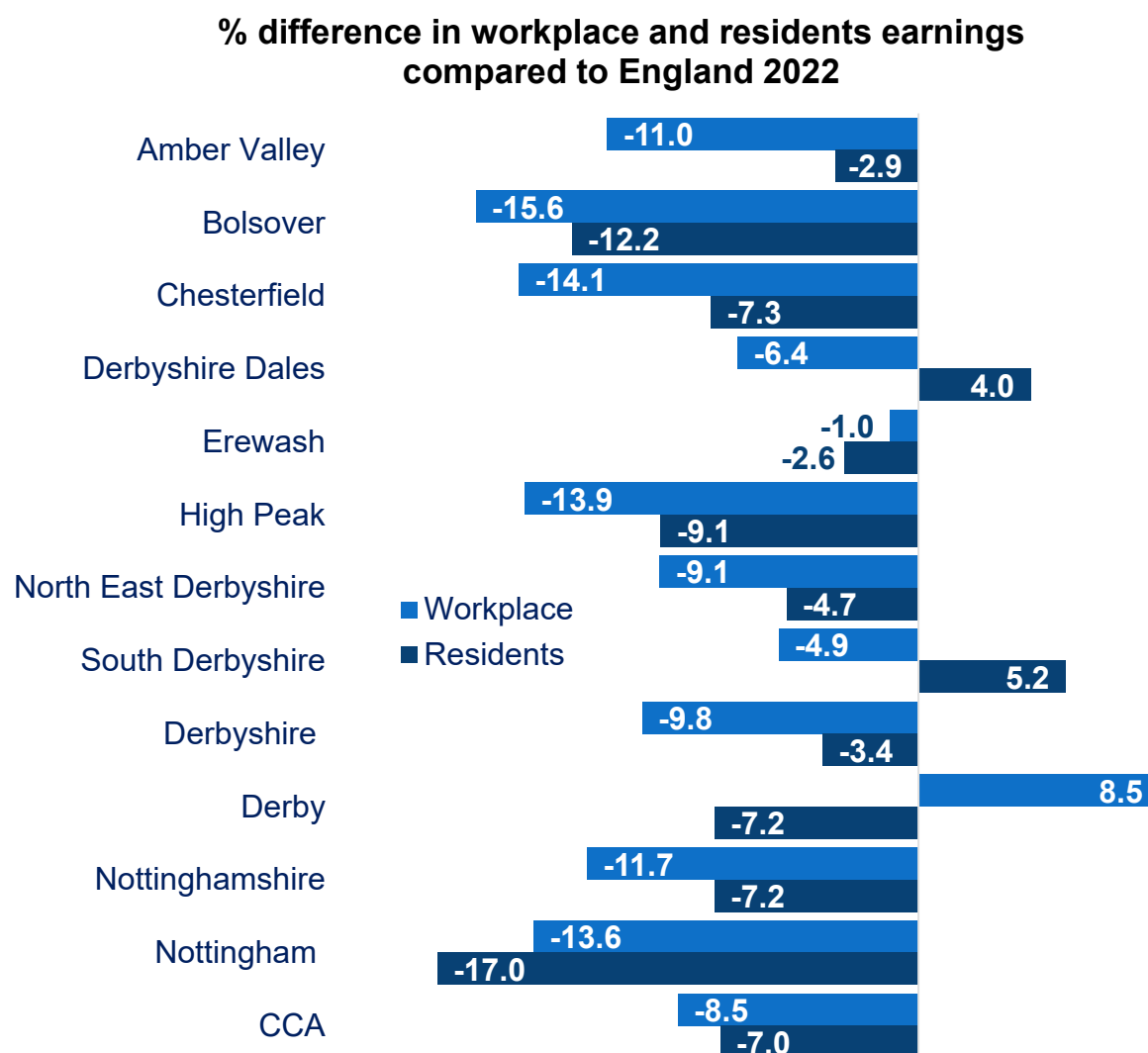


Source: Business Register and Employment Survey, 2021, ONS © Crown Copyright

The latest data for residents and workplace earnings for Derbyshire are both well below the national average⁸. A Derbyshire resident earns £624 per week on average, 3.4% below the national figure of £645. Resident earnings vary widely from just £566 in Bolsover where they fall 12.2% below the national average to £679 in South Derbyshire where they are 5.2% above the England figure.

Workplace earnings in Derbyshire are much lower than resident earnings reflecting the industrial make-up of the county. The average weekly wage paid by a Derbyshire business is £582, 9.8% below the national figure of £645. Workplace earnings range from just £544 in Bolsover where they fall 15.6% below the England average to £639 in Erewash where they are just 1.0% below England. Three Derbyshire districts, High Peak, Chesterfield and Bolsover, fall in the bottom 25% of all 309 local authorities across England for workplace earnings with Bolsover and High Peak falling in the bottom 25% of all local authorities for resident earnings.

Resident and workplace earnings in the CCA also fall below the national average. Resident earnings are 7.0% below the national average (£645) at £600 for the CCA. Workplace earnings have a larger difference, being 8.5% below the national average, at £590. Nottingham has the lowest figures for both resident and workplace earnings of the four upper tier authorities. Derbyshire has the highest resident earnings and Derby has the highest workplace earnings.



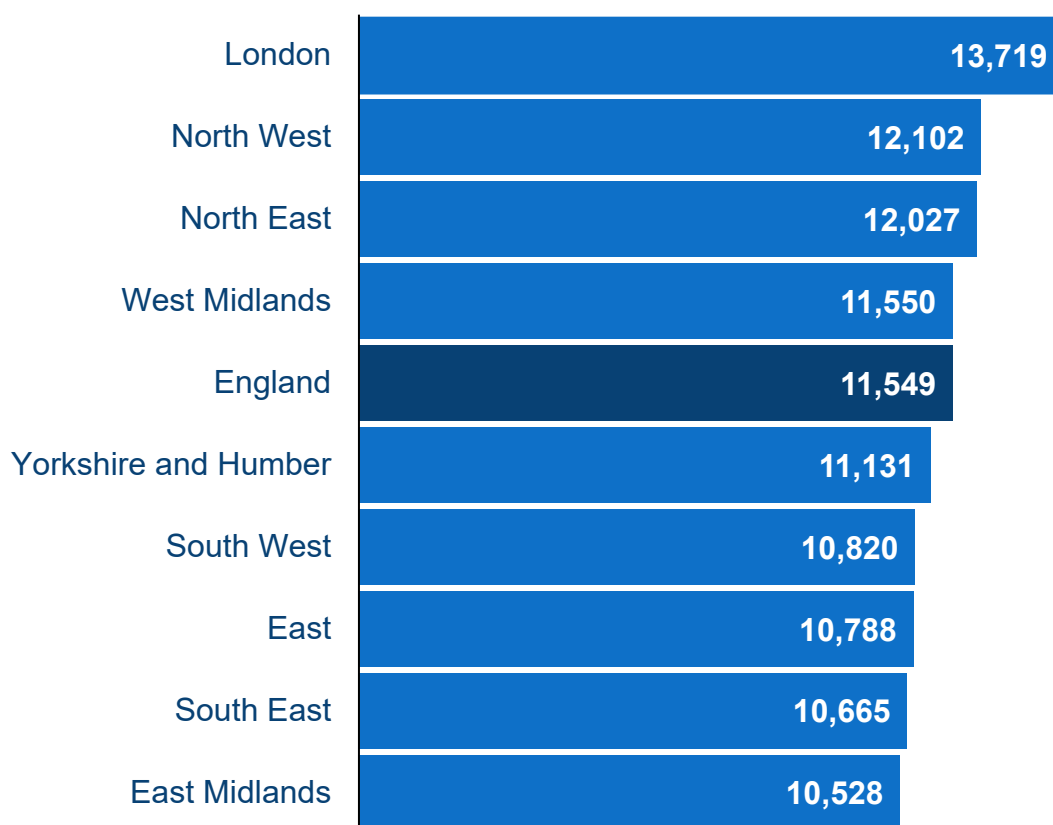
Source: Annual Survey of Hours and Earnings, 2022, ONS © Crown Copyright

The UK Prosperity Index for 2021⁹ identified that five of Derbyshire's districts were in the bottom 25% of local authorities in the country for their quality of their economies. These are Bolsover, Chesterfield, Derbyshire Dales, Erewash and High Peak. Economic quality is one of the 12 pillars that underpin the overall Index based on a range of factors including labour market engagement, economic dynamism, and productivity.

For many years Derbyshire, alongside the wider East Midlands, has not received the same levels of investment that have been experienced elsewhere in the country. The latest data for 2021-22 on public spending per person shows that the East Midlands received the lowest amount of any region and, at £10,528, was 8.8% lower than the England average and 8.8% lower than the neighbouring West Midlands. When just focused on capital spending the gap between the East Midlands and England is 25%.

Economic investment is an important driver of an area's economic performance, contributing to the productivity gap. Harnessing all the benefits that a Devolution Deal can provide for Derbyshire will be key to help reduce the gap in economic performance, recover fully from the impact of Brexit and the pandemic and to exploit the strengths and opportunities to ensure the area is successful.

Total public spending per person (£) by region, 2021-22



Source: HM Treasury, Country and Regional Analysis, 2021-22, © Crown Copyright

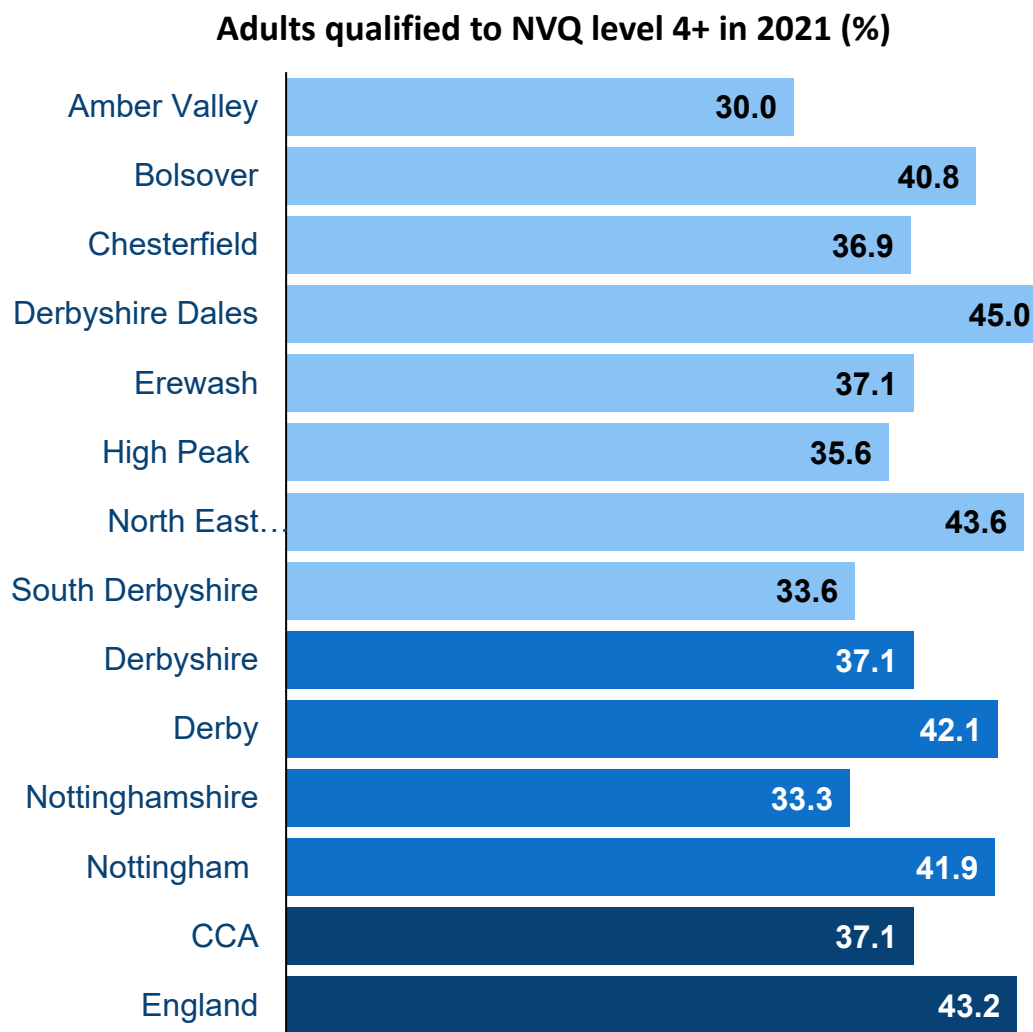
Economic challenges

The area continues to face a number of long-standing economic challenges

Derbyshire has historically lower levels of entrepreneurial activity with fewer business start-ups in 2021 (10.9%) than the national average (12.5%)¹⁰. Both Erewash (15.9%) and North East Derbyshire (12.6%) saw higher than average business formation rates and Derbyshire Dales and High Peak saw the lowest rates locally (8.8% and 9.0% respectively).

The formation of new businesses across the CCA is closer to the national average at 12.3%. The city areas of Derby (13.9%) and Nottingham (13.4%) have higher average business start-up rates.

As noted earlier, qualifications levels have improved amongst the working age population of Derbyshire. However, fewer adults are qualified to NVQ level 4 or above than nationally. In 2021, 37.1% of the county's workforce held a level 4+ qualification or above compared with 43.2% for England.



Source: Annual Population Survey, Jan-Dec 2021, ONS © Crown Copyright

Qualifications vary across the county with 45.0% of adults in Derbyshire Dales being qualified to NVQ level 4 or above compared to just 30.0% in Amber Valley.

Qualifications vary slightly across the CCA. Overall, the number of adults qualified to NVQ level 4+ falls below the national average. Nottinghamshire (33.3%) has the lowest number of adults qualified to NVQ level 4 and above across the CCA and Derby (42.1%) has the highest. In Nottingham 41.9% are qualified to degree level or above.

Over the last five years there has been a 25.0%¹¹ increase in higher level jobs in the country. Although 42.6% of workplace-based jobs in the county are now in higher level occupations, only 37.1% of the working age population in Derbyshire is qualified to degree level and above¹². This is likely to be a contributing factor to the county having comparatively higher levels of businesses reporting skills shortages and skills gaps, at 18.7%, higher than the England average of 16.9%¹³.

Additionally, the East Midlands Chamber's latest Quarterly Economic Survey (QES) shows that in quarter one of 2023 Derbyshire companies have been finding the recruitment landscape very competitive¹⁴. In the survey 60.0% of all respondents had attempted to recruit over the last quarter, with 86.0% reporting that they had faced difficulties in taking on staff, higher than the regional average of 73.0%. In addition, 17.2% of the major concerns highlighted by respondents locally related to accessing skilled labour, slightly above the regional figure of 16.5%.

Although the UK's economic recovery following the pandemic stalled in 2022, with GDP growth for the year being 4.1% compared with 7.6% in 2021¹⁵, firms locally are still looking to recruit. The QES shows that a net balance of 31.0% of respondents expect to increase the size of their workforce in the months ahead. This is in addition to vacancies that will be created by staff returning or leaving businesses to work elsewhere. These factors, combined with the increase in numbers who are economically inactive continue to place strain on recruiting employers. This includes some important sectors in Derbyshire, with health and social care, construction and hospitality all reporting difficulties.

Ongoing economic recovery will need to be informed by an understanding of the current and future skills needs of businesses across all sectors. Many high streets and town centres across the county had experienced a significant decline in footfall well before the pandemic due to the increase in online retail. This situation was compounded by the lockdowns, with the first year of the pandemic having seen around £90m lost from the county's retail sector¹⁶. Consumer shopping behaviour continues to change, with the rise in online retail continuing to the detriment of physical stores, as does the choice of where people travel to for relaxation.

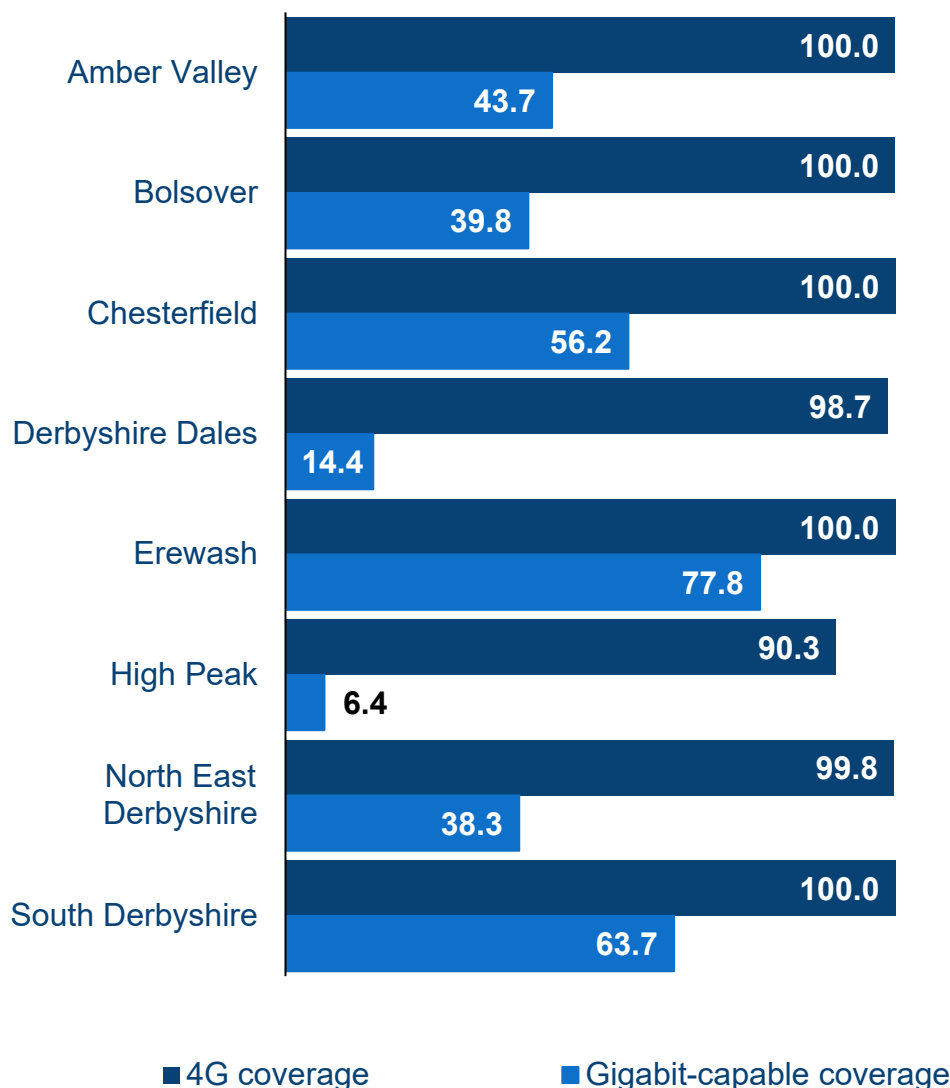
Creating a new vision for high streets and town centres that builds on assets locally will be important, along with a review of the future social and economic purpose of these central areas in a way which fits with the drive to net zero.

Digital exclusion and access to employment and services remains a concern in parts of the county. The issue of digital connectivity and the digital divide has come to the fore as a result of the pandemic, and the increase in working from home. Whilst significant progress has been made in rolling out faster, more reliable broadband to homes and businesses, many are still reliant on older infrastructure.

Analysis of 4G coverage across England reveals that two of Derbyshire's districts have some of the poorest coverage across the country. High Peak ranks 303/309 local authorities across England with just 90.3% 4G coverage by at least one mobile network provider. This is followed by Derbyshire Dales that ranks 276/309 at 98.7% coverage.

Alongside this, data are also available on the percentage of premises with gigabit-capable broadband, which is essentially premises with a high-speed internet service. Across the county this ranges from a high of 77.8% of premises in the predominately urban district of Erewash to just 6.4% in High Peak and 14.4% in Derbyshire Dales in the rural areas of Derbyshire. Again, these areas rank amongst the lowest across England with High Peak ranked at 305/309 local authorities and Derbyshire Dales 303/309. This demonstrates how infrastructure in the more rural areas of Derbyshire continues to be a challenge and that improvement is needed. The Government's £5bn Project Gigabit Programme, which aims to improve broadband infrastructure in the hardest to reach areas in the UK, can potentially play a part in this.

4G broadband coverage and premises with gigabit-capable broadband by Derbyshire district (%)



Source: Premises with gigabit capable broadband and 4G coverage provided by at least one mobile network provider, OFCOM, September 2022

According to the Internet User Classification 2018¹⁷ there is also a wide

variation in the proportion of people who have limited or no interaction with the internet, from more than half in Bolsover (64.7%) and Chesterfield (50.5%) down to 11.5% and 15.4% in Derbyshire Dales and High Peak. Within Bolsover and Chesterfield, the main Internet User Classification group who have low internet use is categorised as 'passive and uncommitted users' (41.2% and 39.1%) where users do have access but are rarely online or where access to broadband is below average. Bolsover also has a relatively high 'settled offline' group (12.9%), which will be predominantly elderly residents with limited use, but also a high 'e-withdrawn' group (10.6%) where people have tended to opt out of the internet either because they consider it unnecessary or because of cost.

Although the county has generally excellent transport links with the region and more widely, transport connectivity within Derbyshire is an issue for some areas. Derbyshire is a big county with large distances from top to bottom. For example, it takes around an hour and three-quarters to travel by road from Hadfield in the North-West to Swadlincote in the South-East¹⁸. The ability for people to move efficiently between home and work and for firms to connect easily with suppliers and customers is central to a smoothly running economy. Travel time data for local authorities across the country highlights how Derbyshire faces barriers in this area.

Three of the county's districts are in the bottom quartile across England for the time it takes to travel by road to employment centres¹⁹. These are North-East Derbyshire (ranked 259 out of 326 authorities in England), Derbyshire Dales (265) and Bolsover (286), which with an average of 8.8 minutes, ranks the lowest locally. On top of this, South Derbyshire and Erewash fall within the bottom 50%.

There is a similar pattern when looking at cycling as an option, with two districts, Bolsover and Derbyshire Dales in the bottom quartile, and four in the bottom 50% (North East Derbyshire, South Derbyshire, Erewash and Amber Valley). Analysis of the average time it takes to travel by public transport to employment centres reveals Bolsover to be in the bottom 25% and a further three districts (Derbyshire Dales, North East Derbyshire and South Derbyshire) in the bottom 50%. The length of journey times and also the rising cost of travel mean that transport poverty has the potential to be a barrier to skills and labour market participation for the county.

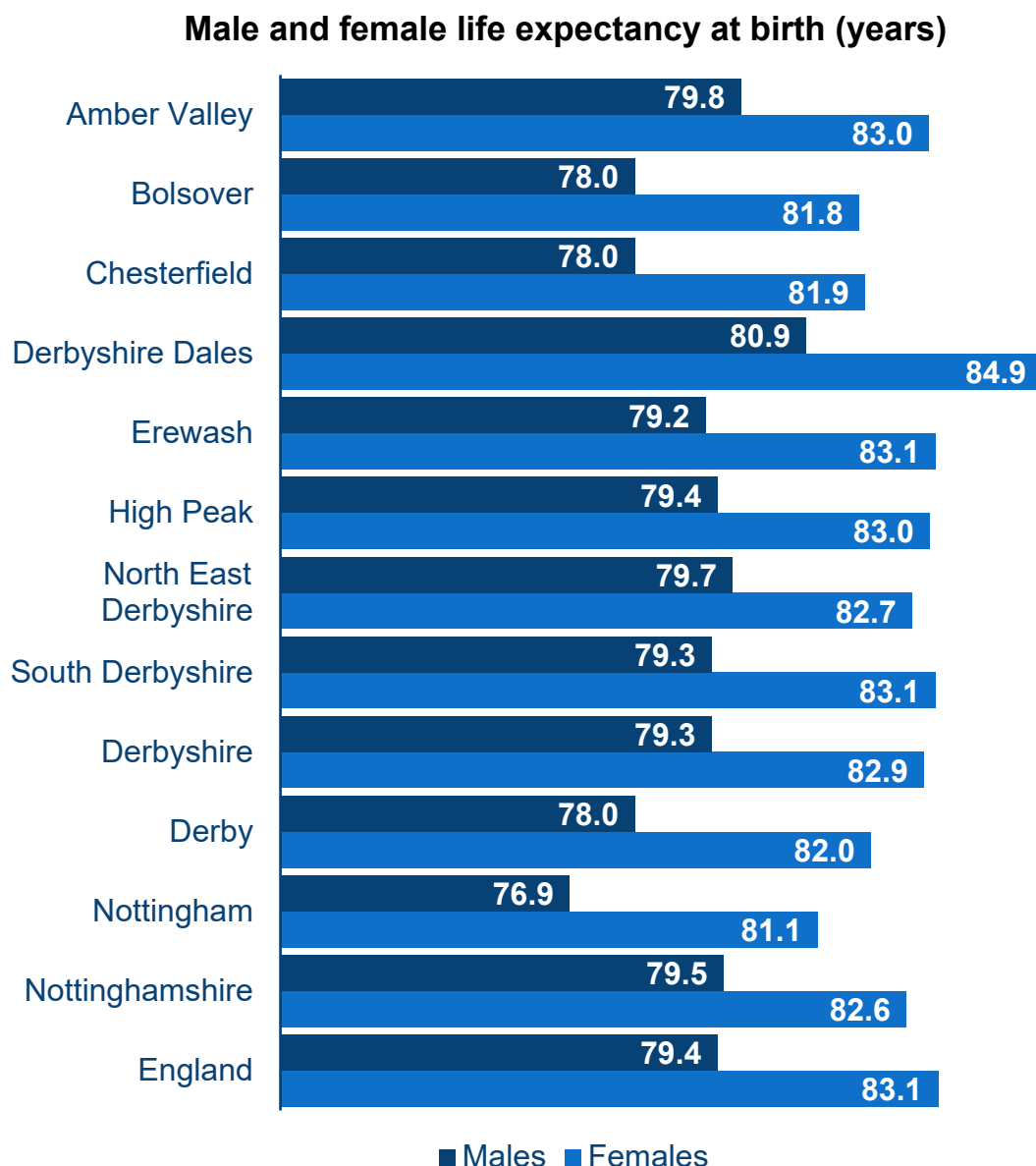
Socio-economic inequalities

Not everyone has benefitted from the economic growth experienced locally. Whilst the overall population of Derbyshire is relatively affluent, stark inequalities exist across different geographies and communities presenting a number of inherent social challenges for the area

Life chances remain unequal across the area. Life expectancy at birth²⁰ varies by more than 12 years across Derbyshire's wards. For females, the gap is 14.3 years, varying from a high of 89.8 years in Little Eaton and Stanley in Erewash, down to 75.5 years in Gamesley in High Peak. For males, the variance is smaller at 12.3 years, ranging from 85.6 years in Alport in Amber Valley down to 73.3 years in Loundsley Green in Chesterfield. Derbyshire Dales is in the top quartile of local authorities for life expectancy at birth for females.

Life expectancy at birth for Derbyshire females is 3.4 years higher (82.7 years) than males (79.3 years), both falling below the national average, where life expectancy at birth is 83.2 years for females and 79.5 years for males. At district level, Derbyshire Dales has the highest life expectancy at birth for both sexes with 80.9 years for males and 84.9 years for females. This is over three years higher than Bolsover which has the lowest life expectancy at birth with 78.5 years for males and 81.8 years for females, both lower than the national average.

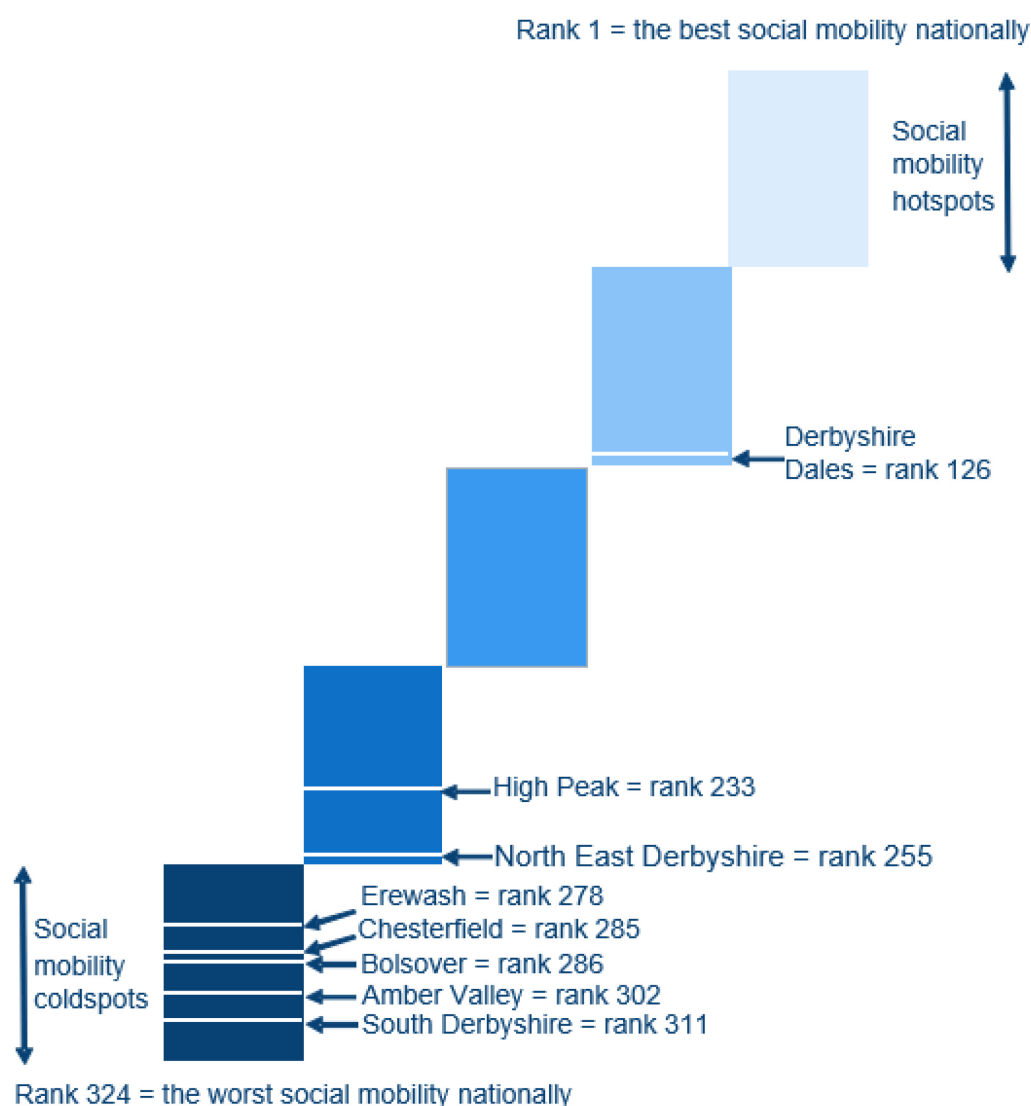
Across the CCA, Derbyshire has the highest life expectancy for females (82.7 years) while Nottinghamshire has the highest life expectancy for males at 79.5 years. Nottingham has the lowest life expectancy at birth for both females and males at 81.1 and 76.9 respectively.



Source: Life expectancy from birth by sex and area, five-year range, 2016 to 2020, Office for Health Improvement and Disparities (OHID), © Crown Copyright

Analysis of educational attainment and labour market outcomes across England shows there are large differences between socio-economic groups. The 2017 report by the Social Mobility Commission, *State of the Nation: Social Mobility in Great Britain*, identified that five of the eight districts across the county ranked amongst the worst 20% of areas nationally on social mobility. These were South Derbyshire, Amber Valley, Bolsover, Chesterfield and Erewash.

Social Mobility ranking of Derbyshire Districts 2017



Source: State of the Nation 2017: Social Mobility in Great Britain, Social Mobility Commission

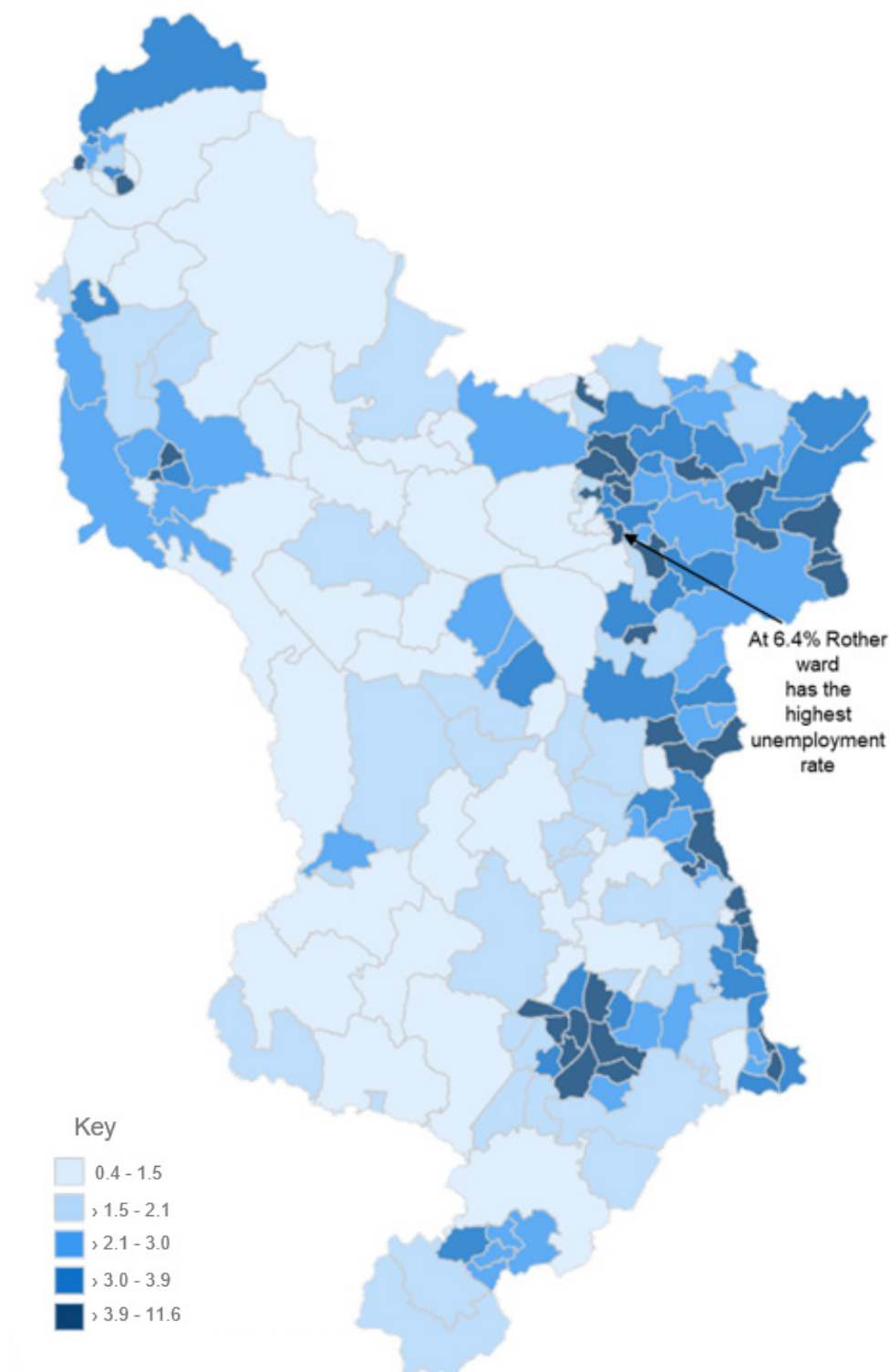
These findings differ from those in the September 2020 report, also by the Social Mobility Commission, *The Long Shadow of Deprivation*, which identified that in areas in England with high social mobility, disadvantaged individuals earn more than twice as much as their counterparts in the areas with the lowest social mobility²¹. In this longitudinal study, which specifically focuses on the cohort of boys who were 16 between 2002 and 2004, none of Derbyshire's districts appeared in the bottom 20% of local authorities.

Whilst the two reports suggest contradictory outcomes for the county's districts, they are both looking at social mobility from differing perspectives, the first one longitudinally focused on boys²², the second a snapshot looking at both boys and girls. Exploring the approaches used in more detail and developing our own local metrics for social mobility may be of value. This may

help in prioritising equal access to opportunities for young people to help ensure that a person's background does not determine where they end up in life, creating a fairer, more inclusive future for the county.

Unemployment is a key labour market measure. Although overall unemployment rates compare favourably with those for England some areas of the county continually have unemployment rates higher than the national average.

Claimant unemployment rate across Derbyshire wards in April 2023 (%)



Source: Claimant Count Unemployment, April 2023 (ONS) (NOMIS) © Crown Copyright

Wards with above average rates are mainly located in urban areas on the eastern side of the county. In April 2023, rates were highest in Rother in Chesterfield (6.4%), Cotmanhay in Erewash and Gamesley in High Peak,

each with 5.8%) and Awsworth Road in Erewash (5.7%) and Old Whittington in Chesterfield (5.6%).

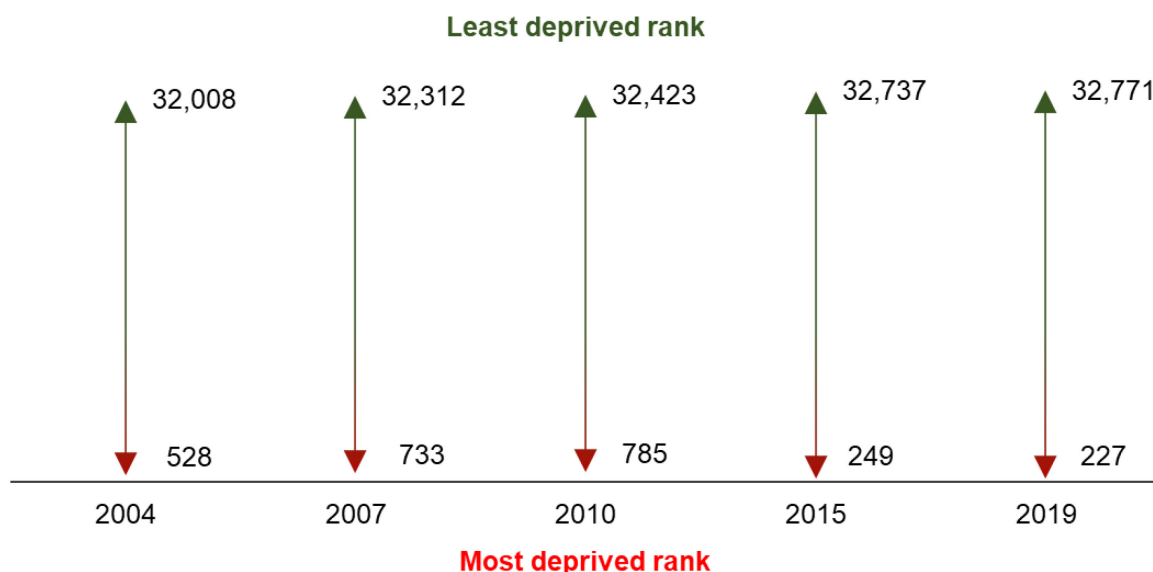
Another factor to consider is that there are now higher levels of economic inactivity in Derbyshire than in 2019, indicating that some people have left the labour market altogether since the pandemic. Analysis of data relating to January to December 2022 shows there were 106,400 economically inactive adults in the county²³. These residents are not eligible to claim unemployment benefit and therefore won't appear in the claimant count. Compared with the pre-pandemic position, there are 14,300 more working age adults locally who are economically inactive. This is an increase of 15.5%, more than five times higher than the rise of 2.7% for England. This has seen the proportion who are economically inactive in the county rise from 19.1% in 2019 to 22.1% in 2022, a greater increase than nationally, where comparable figures are 20.3% and 21.3%. It is also a concern that there has been a notable shift locally from economically inactive adults who would potentially consider working to economically inactive adults who do not want a job. In December 2022, 86.7% of economically inactive residents in Derbyshire did not want a job, 9.0% points higher than in December 2019.

The number of Derbyshire residents claiming Universal Credit currently stands at 61,164²⁴, representing 13.1% of the population aged 18 to 64, below the England average of 15.1%. Across the CCA the city areas of Nottingham (19.0%) and Derby (18.5%) have higher numbers claiming Universal Credit than the county areas of Derbyshire and Nottinghamshire (13.4%).

Analysis of the Indices of Deprivation 2019 data highlights that deprivation is persistent in some localities of the county with over 34,000 people across Derbyshire living within the most deprived 10% of areas in England²⁵.

Cotmanhay has been Derbyshire's most deprived area since 2004, where it ranked 528 out of the 32,844 LSOAs in England. This position has worsened with Cotmanhay now ranking 227 in 2019.

Range between the most and least deprived ranks in Derbyshire



Source: English Indices of Deprivation 2019, Ministry of Housing, Communities and Local Government

The six most deprived areas in 2019 have remained the same since 2015, these being the Hopewell Farm area of Cotmanhay as noted above, the Birdholme area of Grangewood and the Home Hall part of Loundsley Green in Chesterfield, the Riddings area of Ironville in Amber Valley, Gamesley South in High Peak and Carr Vale in Bolsover. In addition, the gap between the most and least deprived areas in the county has widened by 1,000 ranks between 2004 and 2019. In 2004, the most deprived area ranked 528 and the least 32,008 out of 32,844 LSOA's across England. In 2019 the most deprived area in Derbyshire ranked 227 and the least deprived 32,771. This indicates that inequality was growing across Derbyshire in the lead up to pandemic and is likely to have worsened further as a result of this and the cost-of-living crisis.

Analysis by domain reveals that Derbyshire performs the worst on the Education, skills, and training domain and has done since 2007. In 2019, 112 of Derbyshire's 491 areas fall within the most deprived 20% nationally. As previously noted, Derbyshire has fewer adults qualified to degree level and above. In addition, four of the eight Derbyshire districts fall below the national average on attainment at GCSE. It is also likely that some children will have fallen behind academically in the county's more deprived areas as a result of periods of lockdown and home schooling.

Health and disability is Derbyshire's second most deprived domain. It measures the risks of premature death and impairment of quality of life. This domain has also deteriorated the most since 2015, with 23 new areas falling into the most deprived 20% nationally, and 110 areas in the county now deprived on this measure.

Even before the pandemic and the rise in the cost-of-living people locally were struggling financially. In 2018, 16.5% of the county's residents said that they had too much debt, the joint second highest of any county council in England²⁶. Additionally, in 2019, 39.5% of adults in Derbyshire said they had a low level of satisfaction with their overall financial circumstances in 2019, the joint highest of all shire counties across England²⁷.

In 2022, the level of individual insolvencies per 10,000 adults, where people are unable to pay their debts stands at 27.5²⁸ for Derbyshire. This is slightly higher than the national rate of 25.0. Four of the county's districts have a higher than average rates of individual insolvencies, this includes Chesterfield (33.9), Bolsover (31.4), Erewash (30.9) and North East Derbyshire (30.7).

The rate of individual insolvencies for the CCA is also higher than the national figure, at 28.5. In Derby the rate of individual insolvencies is significantly higher than England, at 35.8, with the rates in Nottingham (27.4) and Nottinghamshire (27.6) being similar to Derbyshire.

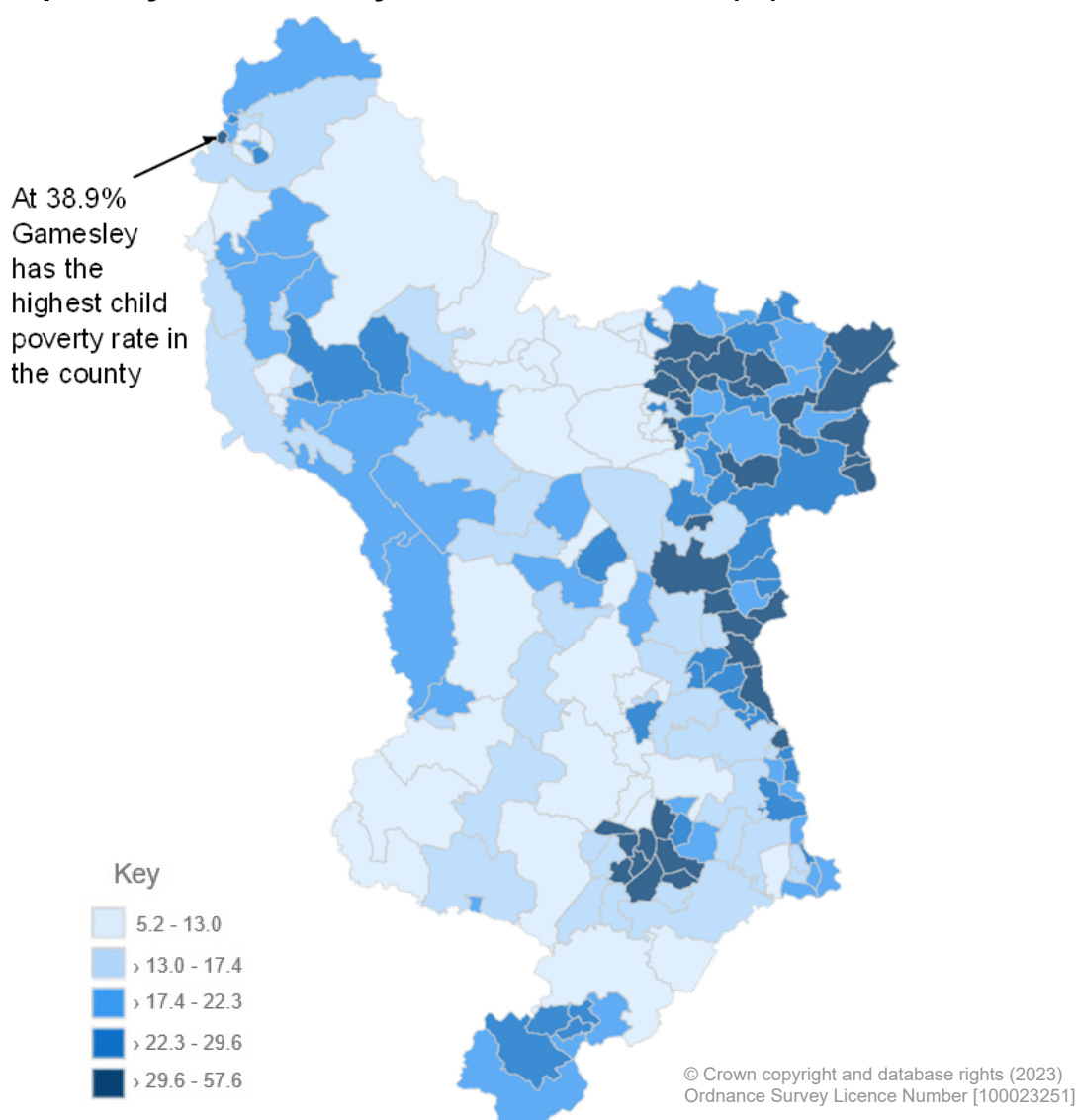
Individual Voluntary Arrangements (IVA's) that help people to manage monthly repayments of debts, now stand at 19.9²⁹ per 10,000 population for Derbyshire, slightly higher than the national rate of 18.6. Across the CCA (21.6) the rate of IVA's is also higher than nationally.

In 2021, there were around 250³⁰ mortgage or landlord claims for repossession across the county, resulting in 66 mortgage or landlord repossessions across the county. This equates to 17.2 landlord repossessions per 100,000 households and just 1.1 for mortgage repossessions, well below the national averages, (27.3: 1.6 respectively).

Across the UK child poverty presents challenges for many. In 2022 21.8% (36,200) of children under the age of 19 were living in poverty in Derbyshire³¹. This is higher than the England figure of 19.8% but lower than the CCA figure of 25.8%. The districts of Bolsover (28.2%) and Chesterfield (26.6%) have higher than average levels of child poverty.

There are pockets of high child poverty spread across the county. The wards with the highest levels of child poverty are Gamesley in High Peak (38.9%), Middlecroft and Poolsbrook (38.8%) in Chesterfield, Clay Cross South (37.8%) in North East Derbyshire, Elmton-with-Creswell (35.2%) in Bolsover and Cotmanhay (34.8%) in Erewash.

Child poverty across Derbyshire wards 2021-22 (%)



Source: Low income for children aged 0-19 children in Low Income Families (Relative Low income for children aged 0-19 Department for Work and Pensions, via Stat-Xplore, Financial year 2021 to 2022, and Mid-year Population Estimates 2020, (ONS) (Nomis) © Crown copyright

Nationally around three out of four children growing up in poverty are living in working families showing that work is not necessarily a route out of poverty³². Insecure employment is a reality for many too, with 11% of workers across the country thought to be in insecure forms of employment³³.

In-work poverty is evident locally too with 37,000 (13.9%)³⁴ employees in the county in 2022 estimated to be earning below the living wage of £9.90³⁵. As in recent years this is worse than the national figure (12.5%), although the gap has narrowed. In 2020, the Derbyshire figure was 7.9% points higher than that

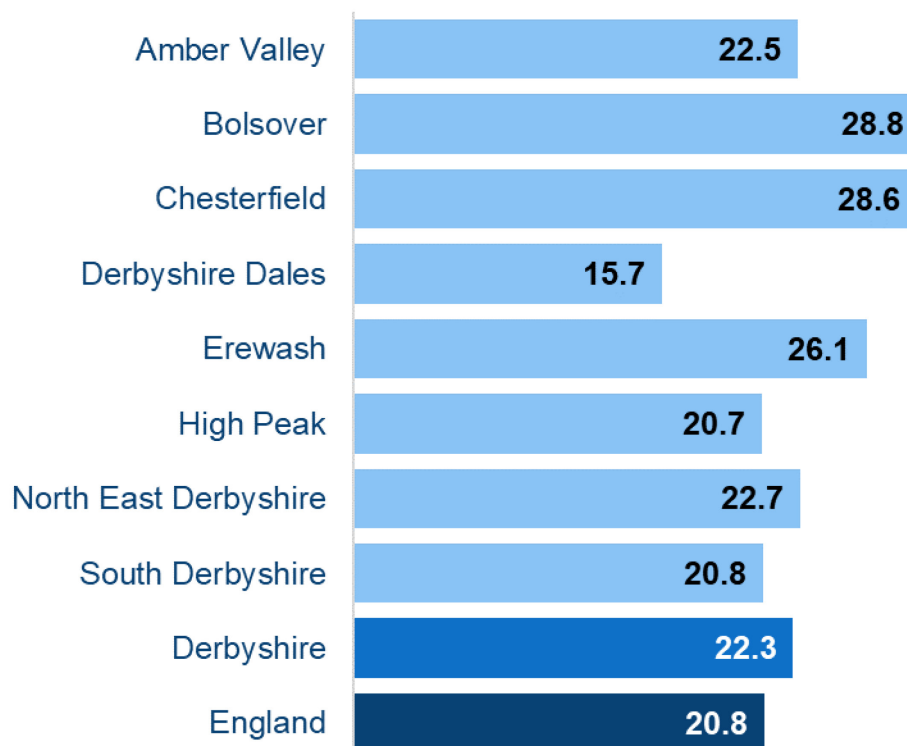
nationally, in 2021 it was 5.2% points higher whilst in 2022 the gap was just 1.4% points. The most recent district data (only available for 2021), shows that in all of the county's districts there were greater numbers of employees in low pay employment than the national average. Bolsover (26.9%) and High Peak (26.6%) had the highest values.

Whilst it is not possible to get a CCA figure for employees earning below the living wage, data for 2022 across the four upper tier authorities comprising the CCA, Nottinghamshire (15.3%) has the largest proportion of people with relatively low wages, whilst Derby has the lowest (9.9%). Derbyshire (13.9%) and Nottingham (13.5%) sit in the middle.

Over the last five years there has been a significant increase in the level of free school meal take-up across Derbyshire. Part of this can be explained by changes to the way in which eligibility is calculated, however the scale of the increase locally is greater than across England. This has resulted in the Derbyshire figures rising higher than that nationally for the last three years, with the gap continuing to widen. The trend accelerated during the pandemic with a four-percentage point increase in free school meal claimants in Derbyshire between 2020 and 2021³⁶.

In early 2021, 22.3% of Derbyshire children were eligible and claiming free school meals, higher than the national average of 20.8%³⁷. Four districts, Bolsover (28.8%), Chesterfield (28.6%), Erewash (26.1%) and North East Derbyshire (22.7%) all saw above average levels of claimants.

Free School Meal Claimants in academic year 2020-21



Source: School Pupils and their Characteristics, January 2021, Children's Services, Derbyshire County Council

Fuel poverty is also an issue. The latest data is for 2021, prior to the more recent period of very high fuel costs. However, even at this point 50,240 (13.9%) households in Derbyshire were in fuel poverty, a higher percentage than nationally (13.1%)¹³⁸. All Derbyshire districts, except one (South Derbyshire) had higher than average percentage of households experiencing fuel poverty. Derbyshire Dales had the highest level (15.9%), followed by Bolsover (15.8%), Chesterfield (14.7%), and Amber Valley (14.2%).

Across the CCA 14.3% of households were in fuel poverty. The cities have higher levels than the counties, with the values for Nottingham and Derby being 18.1% and 15.7% whilst the values for Derbyshire and Nottinghamshire are 13.9% and 13.0% respectively.

Cramped living conditions are a concern for some too. According to the 2021 Census, 3.7% of households in Derbyshire were classed as being overcrowded, although lower than the national figure (8.7%) they still account for over 9,500 households across the county³⁹. Since 2011, overcrowding has reduced by 1.0% across Derbyshire and 2.3% across England.

High Peak (3.4%) has the highest rate of overcrowding in Derbyshire, followed by Chesterfield (3.2%) and Bolsover (3.1%). The lowest rates in Derbyshire are in South Derbyshire (2.1%) and North East Derbyshire (2.3%).

Just 3.8% (36,000) of households across the CCA are classed as overcrowded. Again, this is lower than the national rate and since 2011 the number of overcrowded households has declined by 1.6% across the CCA. There is a noticeable difference between city and county areas when comparing rates of households living in overcrowded accommodation. Nottingham (8.6%) is the only authority to have above average levels of overcrowding.

People and place

Derbyshire also faces a number of demographic and place related challenges

In 2021, Derbyshire had an estimated population of 796,847 people⁴⁰. Within the county 16.9% were children aged 0-15, 60.9% were of working age (16-64 years), and 22.2% were aged 65 and over. The age profile of the county is much older than that for England (18.5% aged 65 and over).

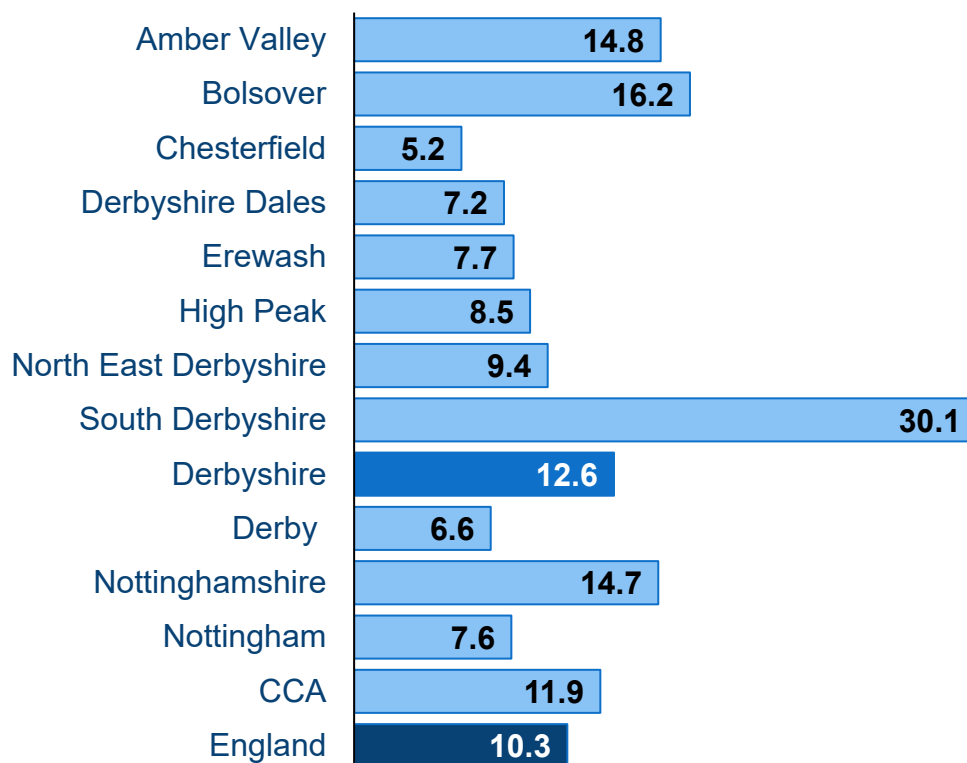
The old age dependency ratio for Derbyshire is 36.3, which means that for every 100 people of working age (aged 16-64) there are 36.3 people of retirement age (aged 65+). This is significantly above the ratio of 29.2 for England and reflects the older age profile locally.

Across the county, the districts of Derbyshire Dales (28.1%) and North East Derbyshire (24.9%) had notably older age profiles (aged 65 and over) than the Derbyshire average and South Derbyshire (18.6%), Bolsover (20.3%) and Erewash (20.9%) had notably younger age profiles.

The CCA also had an older than average population with 19.7% of people aged 65 and over. Across the CCA the counties, Derbyshire (22.2%) and Nottinghamshire (21.3%) have a significantly older population (aged 65 and over) than the cities, Derby (16.5%) and Nottingham (11.9%).

Derbyshire's population is expected to rise by 12.6% by 2043⁴¹, the equivalent of around 100,000 people, higher than the 10.3% population growth expected for England. Amber Valley (14.8%), Bolsover (16.2%) and particularly South Derbyshire (30.1%) are all expected to see above average population growth in the years ahead.

Analysis across the CCA area shows an above average population growth of 11.9%, with city areas, Derby (6.6%) and Nottingham (7.6%) growing slower than the county areas, Derbyshire (12.6%) and Nottinghamshire (14.7%).

Projected population change 2018 to 2043 (%)

Source: Sub-national population projections 2018-based, ONS © Crown Copyright

Derbyshire's ageing population is expected to continue to grow with the number of people aged 65 and over projected to increase by over 40% by 2043, most notably the elderly population aged 85 and over is forecast to double in size. These increases will mean that some areas will have an increased demand for services and districts such as Derbyshire Dales where a third of its residents will be of retirement age by 2043.

Analysis of the latest 2021 Census data shows how the county's population has changed over the last ten years. The county's population has grown by 3.2% since 2011, a smaller rise than that seen in England (6.6%)⁴². Most Derbyshire districts experienced a growth in population over the last ten years, with the exception of Chesterfield that is one of eighteen local authorities across England to have experienced a decline in population since 2011, albeit a very small decline of 0.2% (the equivalent of 200 people).

South Derbyshire has seen the largest growth in population with an increase of 12,600 people since 2011. This equates to a 13.3% increase and ranks as the 25th (/ 309) fastest growing local authority across England. This places an increased demand on the supply of local services in the south of the county, including schools, transport, and healthcare.

The last ten years have seen a dramatic change in the age profile of the county's residents with fewer young people and more older adults.

Derbyshire's younger population is in decline. The county has 1.4% (2,000) fewer people aged 0-15 than 10 years ago, compared to a 4.6% rise nationally and 12.6% (9,800) fewer young adults aged 16-24 locally compared with just a 4.7% fall across England⁴³. This has implications for the future flow of young people into the local labour market, especially given the wider working age population has also seen a fall in the county, with a drop of 1.2% (5,900) working age adults. Across England there has been a 3.7% increase.

The growth in Derbyshire's older population continues, with 23.0% (32,800) more people of retirement age and above than in 2011, above the England increase of 20.1%. Meeting the health, well-being, housing, digital and financial needs of a growing older population will be a challenge for the Council. In 2011, there were 29 older people locally for every 100 working age residents. The last 10 years have seen this old age dependency figure rise to 36, a significant increase. This places increased pressure on working age adults to provide support.

The county's population is also getting more diverse. Over the last 10 years there has been a 42.0% (10,800) increase in non-UK born residents in the county, above the England increase of 33.6%, taking the local Black and Minority and Ethnic (BME) population to over 50,000⁴⁴. The BME population in the county now stands at 6.3% compared with 4.2% 10 years ago.

One in five Derbyshire residents (20.1%⁴⁵) report having a disability that places some level of limitation on their day-to-day activities, this is 2.8 percentage points above the national rate of 17.3%.

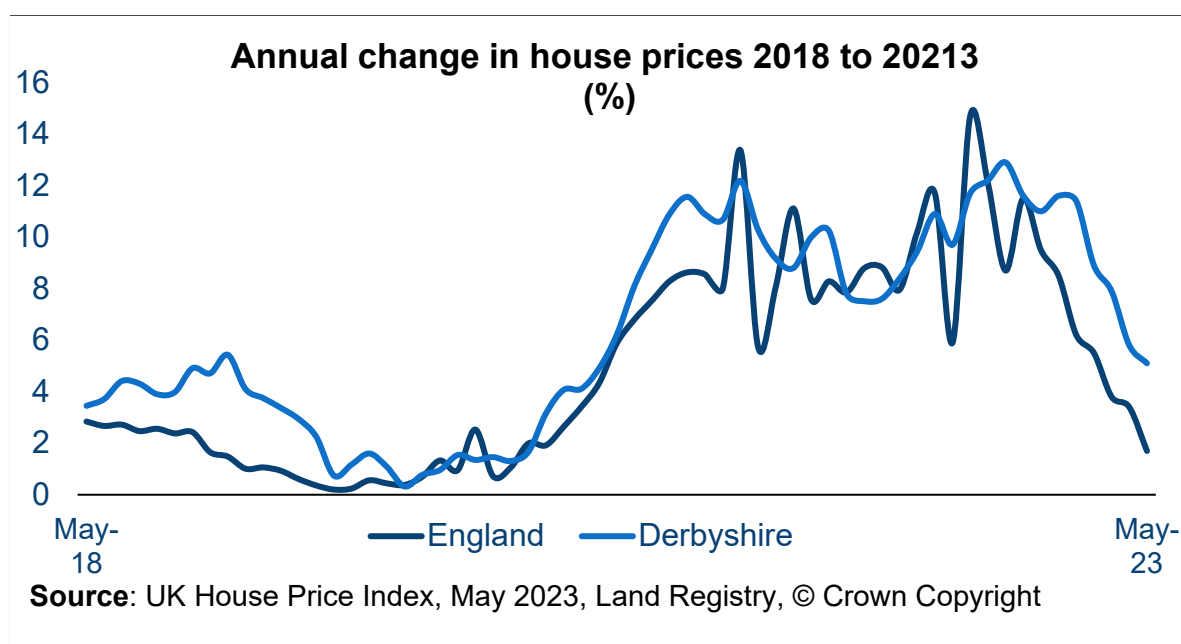
Seven of the county's local authorities have higher than average levels of disability, with the highest being in Chesterfield (23.0%) followed by Bolsover (22.9%) and North East Derbyshire (21.3%). South Derbyshire (17.2%) is the only local authority to have below average levels of disability. Analysis of all local authorities across England reveals Chesterfield has the seventh highest level of people with a disability of all 309 local authorities. Amber Valley, Chesterfield and North East Derbyshire also fall within the top 25%.

For the CCA, 19.6% of the population reported having a disability as defined under the Equality Act that limited day-to-day activities in some way at the time of the 2021 Census. This is equivalent to 431,400 people and is higher than the England average of 17.3%. Across the CCA levels were fairly similar, Nottinghamshire (19.7%), Derby (18.8%) and Nottingham (18.6%).

Personal well-being can be an enabling factor in helping people to contribute productively to the labour market. The ONS focuses on four aspects of well-being – anxiety, happiness, feeling worthwhile and life satisfaction⁴⁶. At a county level, the mean satisfaction score out of ten for anxiety levels are

slightly below (3.0) the national picture (3.1), with North East Derbyshire, High Peak and Amber Valley all falling in the bottom 25% of local authorities nationally. Chesterfield (3.7) had the highest ranking of anxiety, the only Derbyshire district to fall in the top 25% nationally. However, happiness, life satisfaction and particularly feeling worthwhile are better than average. Two Derbyshire districts are in the top 25% of local authorities for feeling worthwhile, this is High Peak with the second highest ranking of feeling worthwhile at 8.9 and Amber Valley at 8.1.

Derbyshire is an attractive and affordable place to live. The average house price for the county is £232,200, well below the England average of £303,600. However, since the pandemic began there has been a significant increase (28.6%) in house prices across Derbyshire, greater than the national rise (23.0%), although 2023 has seen a slowing of the rate of increase. The demand for homes locally has been very high meaning more householders locally may struggle to access the housing market in the county, particularly given the cost-of-living crisis and rising interest rates. Over the last year, the greatest increases have been in Amber Valley (9.7%) and South Derbyshire (9.2%) whilst the lowest has been in North East Derbyshire (0.4%).



Affordability continues to be an issue in the more rural parts of the county such as Derbyshire Dales where the average price of a house is around ten times the average annual income⁴⁷, with little change since 2020. At county level, the average house price in Derbyshire is seven times the average annual income. This is better than the picture for England, where the average price of a house is around eight times the average annual income. Four Derbyshire districts sit in the lower quartile of local authorities for house price to earnings ratio, meaning they rank highly in terms of housing affordability. They are Amber Valley, Erewash, Bolsover and Chesterfield.

Across the CCA, Derbyshire and Nottinghamshire generally have lower levels of affordability. Nottingham fairs better, where the average price of a house is six times the average annual income. Derby has the highest level of affordability across the CCA, where the average price of a house is around five times the average annual income.

Across the county 3,100 more new homes are required every year to meet the supply needs from population growth, with South Derbyshire having the greatest number at 790⁴⁸. The latest data for 2021-22 shows that this target has been exceeded with 3,800 homes being delivered, the fourth year in a row when this has been the case, despite the dip in 2020-21 arising from the restrictions placed on the construction industry by the pandemic. In 2021-22 the delivery plan target for six of the county's districts was exceeded, with Erewash and Derbyshire Dales being the only two to fall short. In South Derbyshire 930 houses were built, with the district having seen amongst the highest levels of housebuilding anywhere in the country in recent years. Continuing the level of development needed across Derbyshire is seen as challenging with the minimum annual growth figure of around 2,500 homes, based on the Government's standard methodology, having reduced slightly from previous years due to the release of new Office for National Statistics affordability data.

There were 1,050 homeless households in the county in 2021-22⁴⁹, a figure that is slightly lower than the 1,200 the year before. The level of homelessness in Derbyshire for 2021-22 is, at 2.9 per 1,000 households, below the England average of 6.1, although Chesterfield has a rate close to that nationally (5.5). Additionally, High Peak and Chesterfield (both 7.2 per 1,000 households) and Derbyshire Dales (6.2) have levels of households at risk of homelessness greater than the national average of 5.6.

Across the CCA there are 4.6 homeless households per 1,000. The cities have higher levels than the counties, with the values for Nottingham and Derby being 12.2 and 7.4 whilst the values for Derbyshire and Nottinghamshire are 2.9 and 2.8 respectively.

Climate change is of global concern and Derbyshire is no exception, increases in extreme weather events particularly heavy rainfall have resulted in significant flooding in parts of the county. Greenhouse gases are also an issue and although substantial progress has been made to reduce CO₂ emissions, they remain higher than the England average (4.5: 3.7 tonnes of (t) CO₂ per person respectively)⁵⁰.

All Derbyshire districts have seen a decline in overall CO₂ emissions over the last decade, in line with the falling rates for England. However, Derbyshire's significant climate related challenges are exacerbated by the area's sectoral mix that includes high levels of manufacturing and quarrying, older

infrastructure and solid-walled housing in the more remote, rural parts of the county. Derbyshire Dales has the highest CO₂ emissions per person of all the county's districts (6.5t), followed by High Peak (6.0t) and South Derbyshire (5.0t). Erewash (3.4t) and Chesterfield (3.6t) have the lowest levels.

Across the CCA, which has an emissions level of 4.1 tonnes of CO₂ per person, Derbyshire (4.5t) and Nottinghamshire (4.1t) have higher levels than the cities, Derby (3.8t) and Nottingham (3.1t).

Progress towards net zero will need to be underpinned by having the right skills in place. It is estimated that around 8,000 direct jobs will be needed in the county by 2030 to support the drive to meet local and national targets around net zero⁵¹. This is expected to rise to 12,400 by 2050.

Strengths, challenges, opportunities and threats

Although Derbyshire faces a number of significant challenges the area equally has many strengths and opportunities, and the Council has strong aspirations for the future of the county.

Derbyshire has a robust business base with above average business survival rates. The county's central location and excellent transport links continues to attract firms including, the opening of two new facilities (QC Flex Packaging and a bottling plant to serve supermarket Lidl) at Foston, a new pallet distribution centre in Swadlincote and the re-location of Engineering supply chain solution provider CBE+ in Chesterfield.

In the years leading into the pandemic the county's economy saw a sustained period of growth in terms of the value of the local economy and also productivity levels. Data now shows that the local economy lost £1.4bn during the first year of the pandemic. Whilst significant, this is less than was forecast and lower (-8.3%) than the impact to economic output nationally (-9.7%), demonstrating the resilience of the local businesses to adapt, embrace technology and explore new markets.

In addition, the county's productivity levels continued to grow during this period, at a higher than average rate, particularly in Bolsover (30.6%), Amber Valley (22.2%) and South Derbyshire (20.5%). Further understanding how firms innovated during this time could help to enable other businesses to do the same and help to continue Derbyshire's trajectory on productivity and reduce the gap with England.

The last five years have also seen growth in the number of jobs in higher level occupations, with more than 42.0% of jobs in the county now in occupations requiring higher level skills, generating greater economic value. This is an encouraging trend which may have contributed to the growth in wages and number of residents qualified to degree level or above over this time. The number of job vacancies locally have also grown at a much higher level than nationally.

Derbyshire is home to globally significant brands such as Toyota and their local supply chains. Manufacturing remains a key strength for the county, representing 15.9% of all employment, more than double the national average. The local manufacturing expertise means the county is well placed to maximise on opportunities to develop the green economy.

However, there are challenges for the county. Despite recent improvements there remains a significant gap in productivity, with the amount of economic value generated per hour worked in Derbyshire being 12.2% less than that across England. The county has some of the least productive local authorities across the country, hindering wage growth and living standards.

Both resident and workplace earnings fall below the England average, particularly the latter for which High Peak, Chesterfield and Bolsover are all in the bottom 25% of all 309 local authorities across England. Additionally, whilst the county has tended to have higher numbers of apprenticeships, recovery in apprenticeship numbers following the pandemic has yet to be reached, the level of higher-level jobs and skills in the area also falls below average.

Historically, Derbyshire has lower levels of entrepreneurial activity, and this remains the case with the latest data showing the level of business starts being below the national average. It is a concern for the rural county economy that Derbyshire Dales and High Peak have the lowest levels of start-ups locally.

The downward trend in the county's employment rate over the last five years is a concern as is the trend for jobs locally. Although not declining the number of jobs has been stagnant over the last five years. The pandemic had a greater impact on jobs locally than nationally and the growth in jobs coming into the pandemic was also below average, indicating that the economy was showing signs of stress prior to this time. The uncertain political period and the transition to new trading arrangements with the EU being likely factors.

The pattern of employment change varies considerably by sector across the county. Information and communications and professional/scientific and technology have increased their employee base by 2,500 over the last five years. Both of these are relatively high value sectors, and the increases will have contributed to the wider productivity improvement. However, manufacturing and education have shrunk by 3,500 and 3,000 employees respectively.

Not everyone has benefitted from the economic growth experienced locally. Whilst some parts of Derbyshire are relatively affluent, stark inequalities exist across different communities presenting a number of inherent social challenges for localities experiencing deprivation. This includes health, housing, homelessness, unemployment, education, child poverty, in-work poverty and fuel poverty.

An important issue locally is social mobility. Most evidence seems to show that Derbyshire and the wider East Midlands perform poorly on this. However, not all studies have this view and exploring this topic in more depth can help to identify the best ways of tackling issues.

Digital connectivity remains an issue in parts of rural Derbyshire and is a barrier to economic growth. Both High Peak and Derbyshire Dales are ranked in the bottom 10 of all 309 local authorities nationally for gigabit-capable broadband.

The other digital divide relates to residents who do not have the skills, equipment or inclination to engage. In Bolsover, 64.7% of residents have limited or no interaction with the internet. In Derbyshire Dales the figure is just 11.5%. The Council and partners have been developing a Digital Strategy to help reduce the digital divide in the county and the implementation of this will be an important element in supporting county-wide economic growth.

Many of the challenges the county faces have been heightened by external factors such as the pandemic, the rising cost of fuel, food and energy costs and higher rates of interest and inflation. The county's economy lost £1.4bn during the first year of the pandemic. Although forecasts indicate that the high levels of inflation will moderate in the months ahead, living costs and interest rates are expected to remain high, placing residents at increased risk of financial difficulty and hardship.

The county is going through a period of demographic change. Forecasts indicate above average population growth for the county in the future, but population change locally over the past 10 years has contrasted between the high growth seen in South Derbyshire and the declining population in Chesterfield. Both present challenges, the former placing high demands on housing and accompanying services, the latter potentially making it more difficult for employers to access the skills they need.

More widely across the county there has been a decline in younger age groups whilst the older age groups have grown at an above average rate, placing further strain on health and social care sector. This links to a key trend in the county's labour market, the rise in economic inactivity since the pandemic which has been on a scale much greater than that nationally. The county's businesses are struggling to recruit the people they need, and this is a major factor.

Occupational areas with the greatest number of vacancies are care workers/home carers, administrative occupations, nurses, kitchen and catering assistants and teaching assistants. Three of these are in two sectors, healthcare and hospitality, where strong demand is being seen more widely across the country. Work is going on to support sectors where recruitment is an issue, and this will need to continue.

Locally, the increase in global temperatures has led to more frequent extreme weather events such as heatwaves, droughts, storms, and extreme rainfall.

This has led to significant flooding in parts of the county, causing damage to homes, businesses and the county's transport and highways infrastructure. Significant progress has been made towards achieving the ambitious targets of reducing the greenhouse gas emissions to net zero by 2050. However, the county's climate related challenges are exacerbated by the area's sectoral mix that includes high levels of manufacturing and quarrying and older infrastructure and housing in the more rural parts of the county making the targets around this particularly challenging. Future efforts will now need to focus on tackling the more challenging emissions. Work is also underway to explore how the further reductions needed might be achieved, including the use of appropriate offsetting measures.

Whilst the county's position at the heart of transport networks is an attraction for businesses, there are more localised challenges for people to travel from where they live to where they work or study. With rising fuel costs and more people working from home the viability of many bus routes will be under pressure, particularly in the more rural areas of the county. The £47m awarded to Derbyshire to improve bus services over the next three years will help to make public transport a realistic alternative.

The Council has strong aspirations for Derbyshire to ensure the full potential of people, communities and businesses is realised. It is taking a lead in driving decarbonisation across the county. Making the most of Derbyshire's natural assets and capital and contributing to green growth will be at the heart of this. The move to hybrid working, triggered by the pandemic, will also be an important enabler.

The creation of the proposed East Midlands Combined County Authority would see an extra £38 million a year coming to Derbyshire, Nottinghamshire, Derby and Nottingham and help to address the historically low levels of investment in the area. This will see funding and powers move from national to regional level to improve transport, adults skills training, housing, the environment, and to encourage the creation of quality local jobs that will give people a decent standard of living and a better quality of life.

Devolution also offers local people a much greater say over issues that affect them. Ensuring that the county's voice is heard, particularly those urban communities experiencing significant challenges but also those faced by rural areas will be important in delivering improvements across the county.

Strengths

- Central location with excellent transport links that continues to attract firms
- Home to globally significant brands such as Toyota and its local supply chains, with manufacturing remaining a key sector for the county, representing 15.9% of all employment, more than double that nationally
- Higher than average growth in productivity levels, particularly in Bolsover (30.6%), Amber Valley (22.2%) and South Derbyshire (20.5%)
- Resilience amongst local businesses with relatively higher survival rates, the innovative response of firms during the pandemic being a factor
- A robust business base with 30,600 firms and an increase of 3.6% over the last five years, similar to England's
- The increase in higher level occupations, now 42.6% of all jobs, is helping to generate greater economic value
- Strong growth (17.3%) in earnings paid by county businesses in the last five years, echoing the move to higher level jobs
- An increase (12.4%) in adults qualified to degree level and above over the last five years

Challenges

- Despite substantial growth there remains a significant gap in economic performance between Derbyshire and England
 - Productivity levels are 12.2% lower than average
 - The county is home to some of the least productive areas across England - Derbyshire Dales ranks 306 out of 309 and 33.8% below average and High Peak ranks 303/ 309 and 31.7% below average
 - Weekly wages paid by Derbyshire businesses are 9.8% lower than for England
 - The county has 8.8% points fewer higher-level jobs
 - Fewer adults qualified to NVQ level 4 or above than nationally (37.1%: 43.2% respectively)
- Lower levels of entrepreneurial activity, particularly in rural areas which have lower business start-up rates
- Falling employment levels over the last five years (-2.3% points) is a concern
- Stark and persistent inequalities – with 34,000 people living in deprived areas, 36,200 children living in poverty and high levels of homelessness in Chesterfield
- Social mobility cold spots in Amber Valley, Bolsover, Chesterfield, Erewash and South Derbyshire
- Digital exclusion, with low coverage of high-speed internet in Derbyshire Dales and High Peak and low internet use in Bolsover and Chesterfield
- CO2 emissions remain higher than the England average, despite the substantial progress that has been made

Opportunities

- The creation of the proposed East Midlands Combined County Authority will bring both funding and powers into the area to help to address the historically low investment levels and give local people a greater say over issues and improve quality of life
- A continuing upward trend in higher level jobs could help to improve productivity, drive wage growth and draw in investment
- Understanding how firms innovated during the pandemic can help to continue Derbyshire's trajectory on productivity
- Information and communications and professional/scientific and technology have increased their employee base by 2,500 over the last five years. Both of these are relatively high value sectors
- Building on the area's significant strengths in manufacturing, the county is well placed to maximise the future opportunities in the green economy
- The East Midlands Freeport, which includes the East Midlands Intermodal Park next to the Toyota plant in South Derbyshire, has the potential to boost economic growth
- The utilisation of the county's natural assets can also support the development of the green economy and the drive to net zero
- The Digital Strategy being developed by the Council and partners will help reduce the digital divide
- The £47m Bus Service Improvement Plan will improve journeys times and make more sustainable and affordable travel possible

Threats

- Ongoing budget constraints and high levels of inflation, although forecasts indicate it will moderate in the months ahead
- The cost of food, fuel and energy remain high, placing residents at increased risk of financial difficulty, with already high levels of debt locally and above average fuel poverty in Bolsover and Chesterfield
- Continuing fall out from Brexit and the £1.4bn economic loss from the pandemic
- Increase in extreme weather events
- Falling employment levels in key local sectors such as manufacturing (-3,500) and education (- 3,000)
- Rising numbers of economically inactive, with a 15.5% increase since the pandemic, much greater than nationally
- Implications of an ageing population including the provision of health and care and the impact on the labour market including an ageing workforce coupled with a declining younger population
- Uneven population growth, with the demands of high growth in South Derbyshire (13.3%) set against the decline (-0.2%) in Chesterfield
- Rural areas face ongoing challenges relating to ageing infrastructure, access to services, travel to employment, and digital connectivity
- Housing affordability continues to be an issue in the more rural parts of the county such as Derbyshire Dales where the average house price is around 10 times the average wage

End notes

¹ Sub-regional productivity in the UK, 2020, ONS © Crown Copyright.

² Higher Level Qualifications are defined as all people in the following Standard Occupational Classifications (SOC2010) - 1: managers, directors and senior officials, 2: professional occupations and 3: associate professional technical occupations.

³ An NVQ level 4+ qualification includes a degree (BA, BSc), higher degree (MA, PhD, PGCE), NVQ level 4 to 5, HNC, HND, RSA Higher Diploma, BTEC Higher level, or professional qualifications (for example, teaching, nursing, accountancy).

⁴ Quarterly Recruitment Outlook, Quarter 4 2022, British Chambers of Commerce, via HR Magazine.

⁵ Skills Funding Agency 'Localities Data Cube' 2021-22 academic year end data, © Crown Copyright.

⁶ UK Business Counts, 2022, ONS (NOMIS) © Crown Copyright.

⁷ Business Demography, 2021, ONS © Crown Copyright.

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¹² Annual Population Survey, January to December 2021, ONS NOMIS © Crown Copyright.

¹³ Employer Skills Survey 2019: England results, Department for Education © Crown Copyright. <https://www.gov.uk/government/collections/employer-skills-survey-2019https://www.gov.uk/government/collections/employer-skills-survey-2019>

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²¹ The Long Shadow of Deprivation, September 2020, Social Mobility Commission. <https://www.gov.uk/government/publications/the-long-shadow-of-deprivation-differences-in-opportunitieshttps://www.gov.uk/government/publications/the-long-shadow-of-deprivation-differences-in-opportunities>

²² It was not possible to provide reliable estimates of social mobility for girls, as the annual earnings measures in the Longitudinal Education Outcomes dataset cannot be adjusted for part-time work (and part-time work among women at age 28 is related to childhood family circumstances).

²³ Annual Population Survey, January-December | 2019 to January-December 2022, ONS (NOMIS) © Crown Copyright.

²⁴ Universal Credit claimants, May 2023, Department for Work and Pensions, via Stat-Xplore © Crown Copyright, and Mid-year population estimates, 2021 people aged 18-64 years old, ONS (NOMIS) © Crown Copyright.

²⁵ English Indices of Deprivation, 2019, Ministry of Housing, Communities and Local Government © Crown Copyright (now Department of Levelling Up, Housing and Communities).

<https://observatory.derbyshire.gov.uk/deprivation>

²⁶ Levels of Over-Indebtedness (percentage estimate of the adult population who find meeting monthly bills/commitments a heavy burden or regularly in arrears with bills), 2018, the Money and Pensions Service, via LG Inform, © Crown Copyright.

²⁷ Percentage of people stating a low level of satisfaction with their overall financial circumstances for all English single tier and county councils, 2019, Financial Conduct Authority, via LG Inform.

²⁸ Bankruptcies, The Insolvency Service Official Statistics, 2022, The Insolvency Service © Crown Copyright.

²⁹ The Insolvency Service Official Statistics, 2022, The Insolvency Service © Crown Copyright.

³⁰ Mortgage possessions and landlord possessions (aggregated) – Mortgage Landlord Repossessions rate per 100,000 households, Mortgage and Landlord Possession Statistics, 2021, Ministry of Justice © Crown Copyright.

³¹ Children in low-income families (percentage of children living in families whose reported income is less than 60% of contemporary median income, known as the 'relative' low-income measure of child poverty), 2022, Department for Work and Pensions, via Stat-Xplore, (numerator) © Crown Copyright, and Mid-year population estimates (denominator), ONS (NOMIS) © Crown Copyright.

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³³ Analysis of Labour Force Survey (quarter four 2020) and Family Resources Survey (2019-20), TUC Jobs and Recovery Monitor (Insecure Work), July 2021.

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³⁴ Number and proportion of UK employees earning below the living wage as defined by the Living Wage Foundation, by country, region and local authority, 2022, ONS in response to an ad-hoc query © Crown Copyright.

³⁵ The living wage of £9.90 quoted is the living wage defined by the Living Wage Foundation, based on Resolution Foundation analysis, for employee jobs in the UK outside London. The rate has since risen to £10.90, however, the data relates to 2022 when the rate was £9.90.

³⁶ Percentage of primary and secondary pupils eligible for and claiming Free School Meals (FSM), January 2021, Local Authority Interactive Tool © Crown Copyright.

³⁷ Derbyshire and England figures are based on where the pupil goes to school (institution base), whilst district level data is based on where the pupil lives (residence base) so care should be taken when making comparisons.

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- ⁴⁵ Disability, Census 2021, ONS © Crown Copyright.
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