

# Local Economic Assessment

2019





# Contents

## Table of Contents

<b>Introduction .....</b>	<b>4</b>	Low carbon .....	23
<b>Key economic indicators .....</b>	<b>5</b>	Visitor economy .....	24
<b>Summary .....</b>	<b>6-8</b>	Health and social care .....	25
<b>Economic analysis .....</b>	<b>9-38</b>	Population .....	26
Economic geography .....	9	Travel to work .....	27
Transport .....	10	Employment .....	28
HS2 .....	11	Employment forecasts .....	29
Investment sites .....	12	Unemployment .....	30
Broadband .....	13	Earnings .....	31
Housing .....	14	Qualifications .....	32
Economic growth .....	15	Occupations .....	33
Productivity .....	16	Apprenticeships .....	34
Derbyshire businesses .....	17	Young people .....	35
Top 20 businesses .....	18	Social mobility .....	36
Entrepreneurship levels .....	19	Skills demand .....	37
Employment structure .....	20	Job vacancies .....	38
Private sector employment .....	21	<b>SWOT analysis .....</b>	<b>39-42</b>
Manufacturing .....	22	<b>End notes .....</b>	<b>43</b>

# Introduction

Assessments of how the local economy is performing have been produced by upper tier local authorities since the introduction of the Local Democracy, Economy Development and Construction Act in 2009. The purpose of the 2019 Derbyshire Local Economic Assessment (LEA) is to provide an updated picture of how the county's economy is currently performing, along with analysis on how things have changed since the 2018 LEA and over the longer term of five years.

The document analyses the latest available data to show how Derbyshire is performing against core economic indicators and identify the current issues facing the local economy. This evidence and analysis will be used to inform any future reviews of the existing Derbyshire Economic Strategy Statement, a document that sets out the strategic direction for economic development across the county. The evidence base will also inform the development of a Strategic Planning Framework for the county and the ongoing work of the Employment and Skills Strategy (ESS). All documents complement each other and together provide a comprehensive strategic evidence base for influencing planning, attracting funding and investment into the area and to improve local economic growth. All of this information and analysis is available on the Derbyshire Observatory website.

## Policy context

The main focus of the Government's Industrial Strategy published in 2017 was to use local strengths to deliver economic opportunities through the development of Local Industrial Strategies. Locally the

D2N2 Local Enterprise Partnership (LEP) is leading on the development of a draft Industrial Strategy for the area by the end of 2019. A working group has been established to help steer the development of the document, which will also be informed by the 2019-2030 Strategic Economic Plan. The introduction of Skills Advisory Panels will also help D2N2 strengthen the links in the skills system locally, a cornerstone in improving UK productivity. The Midlands Engine, a coalition of public and private sector partners, will also be helping to boost economic growth, making the case for investment in the wider region.

The current economic landscape provides a number of challenges and opportunities for local businesses. The ongoing uncertainty around the final outcome of the Brexit negotiations is making it difficult for many firms to plan ahead and invest, particularly those relying on the European market for imports or exports.

Industry is about to undergo a period of transformation as a result of greater automation and data exchange under the banner of Industry 4.0<sup>1</sup>. This will provide opportunities but also lead to some occupations becoming redundant as new ones emerge. The county is likely to see an impact with manufacturing remaining Derbyshire's largest employment sector.

HS2 is the new high speed railway that will improve connectivity across Britain. It is scheduled to open in 2033 and will help transform the position of local towns such as Chesterfield by halving the travel time to London. The establishment of a maintenance depot at Staveley and a hub station at Toton will boost employment prospects locally for residents and provide opportunities for local businesses.

# Key economic indicators

## Derbyshire's economy has continued to improve despite the current uncertain economic landscape



Derbyshire's economy is worth **£15.2 billion** a value that continues to increase

### Change last 5 years

Derbyshire +6.4%  
England +10.0%

### Change last year

Derbyshire +0.3%  
England +2.0%

Productivity levels have improved significantly in Derbyshire with output per hour now **£30.70**, reducing the gap with England



### Change last 5 years

Derbyshire +17.5%  
England +11.0%

### Change last year

Derbyshire +2.3%  
England +2.5%



**2,895** new businesses set up in the county in 2017, the first time in five years when there were fewer business start-ups than closures in the county

### Change last 5 years

Derbyshire -0.1%  
England +1.6%

### Change last year

Derbyshire -2.1%  
England -1.8%

Derbyshire has strong business survival rates with **64.0%** of firms in existence after 3 years compared with 61.4% for England



### Change last 5 years

Derbyshire +2.8% points  
England +1.7% points

### Change last year

Derbyshire +0.7% points  
England +0.5% points



There are more than **240,000** private sector jobs in the county's economy. Although there has been a dip over the last year, over five years the level of jobs has **increased**

### Change last 5 years

Derbyshire +9.3% points  
England +14.1% points

### Change last year

Derbyshire -0.2% points  
England +1.5% points

The county's employment rate has continued to increase. It now stands at **79.1%**, 3.8% points higher than the national rate



### Change last 5 years

Derbyshire +4.2% points  
England +4.1% points

### Change last year

Derbyshire +1.0% points  
England +0.6% points



**Fewer** Derbyshire businesses offer higher level occupations than nationally

### Change last 5 years

Derbyshire +3.9% points  
England +2.2% points

### Change last year

Derbyshire +1.6% points  
England +0.6% points

Median weekly earnings are rising, however, the average wage of a Derbyshire business is **£508.10**, **£67** less than the national average



### Change last 5 years

Derbyshire +9.7%  
England +10.5%

### Change last year

Derbyshire +2.3%  
England +3.4%



Higher level qualifications have increased, **33.0%** of the working age population are now qualified to degree level or above

### Change last 5 years

Derbyshire +2.7% points  
England +4.2% points

### Change last year

Derbyshire -0.1% points  
England +0.4% points

Derbyshire's **working age** population is forecast to decline by 2041, whilst the proportion of people of **retirement age** is set to increase



### 2041 projections

**16-64 / 65+**

Derbyshire -4.0% / +48.3%  
England +3.6% / +51.7%



# Summary

Derbyshire is a diverse county with a number of heavily built up urban areas and large sparsely populated rural areas. Much of the north and west of the county is very rural, most of it falling within the Peak District National Park area. The county benefits from being centrally located in the UK with strong links to the neighbouring cities of Derby, Nottingham, Sheffield, Manchester and Leicester.

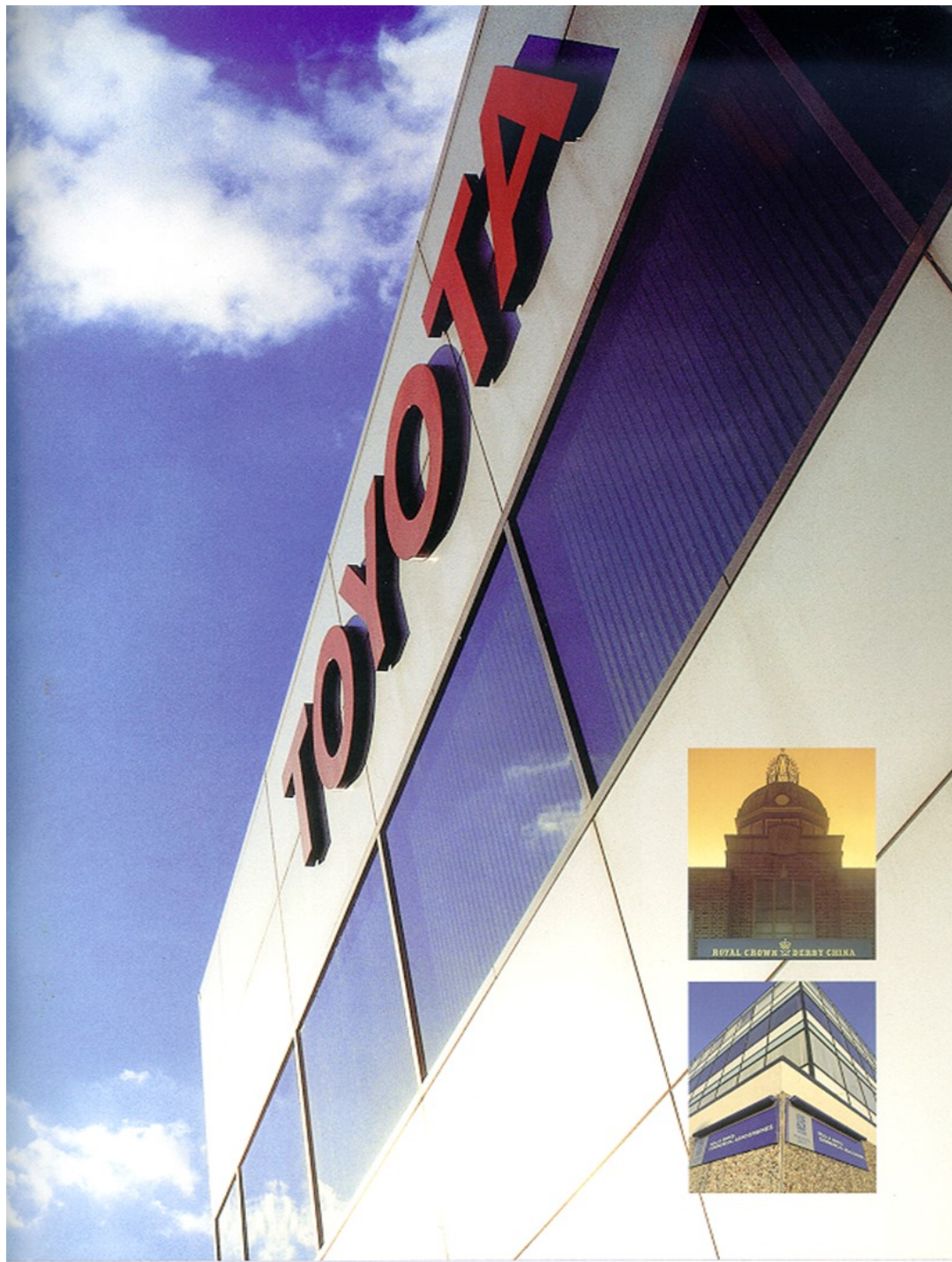
The county is home to around 792,000 people and covers an area of 255,000 hectares. Chesterfield is the main urban area with a population of 104,600. Derbyshire has a number of important market towns. These play a significant role in the local economy as centres of employment and service provision.

By 2041, Derbyshire's overall population is estimated to grow by 8.0%. In addition to this, the county is forecast to have fewer people of working age and an increasingly ageing population. With a smaller working age population and a higher level of need there will be implications for the level and cost of many public services.

House prices in Derbyshire remain well below the national average, however, affordability is an issue in certain parts of the county, particularly in the more rural areas. Housing availability is one of the key challenges facing the UK, locally there is sufficient planned housing to meet the expected levels of demand.







Derbyshire contributes £15.2bn to the national economy and has grown by 6.4% over the last five years, albeit lower than the 10.0% growth seen across England. However, productivity levels locally have grown at a faster rate over the last five years than nationally, helping to narrow the gap between Derbyshire and England.

Derbyshire has more than 29,000 businesses in the county that employ some 290,300 people. The area has significant strengths in the advanced manufacturing sector, with a number of world class companies such as Toyota, Rolls Royce, JCB and Bombardier choosing to locate and invest in the county and its surrounding area. Although Derbyshire has fewer new businesses starting up than England, the survival rate of local businesses continues to be higher.

The employment profile of Derbyshire is significantly different from that of England. Locally, Manufacturing remains a key sector accounting for nearly a fifth of all employment, more than double the national rate. The Visitor economy is also of significance to the local economy employing 23,400 full-time equivalent workers, along with the Health and social care sector that employs 39,300 people. However, employment in some of the higher value sectors locally is under-represented. Fewer people in Derbyshire work in sectors such as Business administration, Professional & scientific, Finance and Communications compared with England.

Over the next 15 years, Derbyshire's employment levels are estimated to increase, with an additional 10,000 jobs forecast. The Service sector is forecast to see some of the largest growth levels,



whilst a decline is predicted in a number of Derbyshire's manufacturing sub-sectors. This is due to advances in technology and automation as part of Industry 4.0. Whilst these developments will help the sector to improve overall productivity and competitiveness, they are likely to lead to reductions in the workforce in some areas of the sector locally.

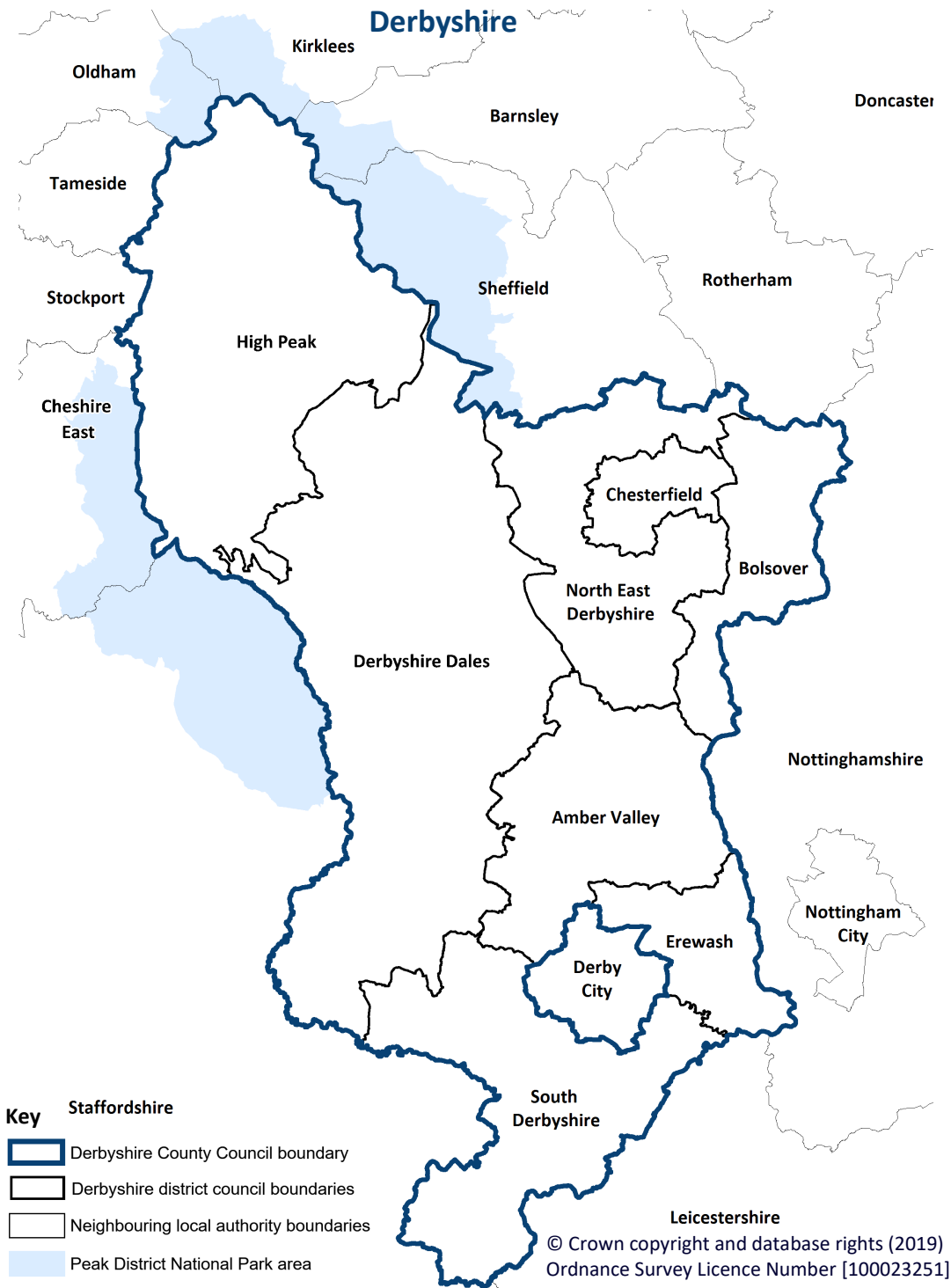
Derbyshire has high levels of labour market participation and continues to have an employment rate well above the national average. Unemployment rates in the county remain lower than across England, however, there are areas where the unemployment rate is more than double the national average.

Whilst the qualification levels of Derbyshire's residents have improved over recent years, relatively fewer people are qualified to degree level and above compared with England. The occupational profile of Derbyshire also differs with fewer workplaces in Derbyshire offering higher level employment opportunities than nationally reflecting the county's lower skilled industrial structure. Locally the level of earnings has been increasing although they remain below the national average. Resident earnings continue to be higher than workplace earnings, suggesting that many people commute out of the county for higher paid employment opportunities.

Derbyshire generally performs well on educational attainment, although there is considerable variation across the county on these measures. Attainment at GCSE level is considerably lower in the districts of Erewash, Bolsover and South Derbyshire with social mobility also being an issue in some parts of the county.







## Economic geography

Derbyshire is a large county situated in the East Midlands with a population of 792,000. It includes the boroughs of Amber Valley, Chesterfield, High Peak and Erewash, and the districts of Bolsover, Derbyshire Dales, North East Derbyshire and South Derbyshire. The county encircles the unitary authority of Derby City and along with Derby, Nottingham and Nottinghamshire, forms the D2N2 Local Enterprise Partnership.

Derbyshire's central location means that residents and businesses contribute to, and benefit from, neighbouring economies, particularly those of Manchester, Nottingham and Sheffield.

Over a quarter of Derbyshire's population live in rural communities, with a large part of the North and West of the county falling within the Peak District National Park, an important asset. Although Chesterfield is the major urban centre locally, a number of smaller market towns play a significant role in the local economy as employment centres and providers of services. These include Belper, Buxton, Ilkeston, Long Eaton, Swadlincote, Bakewell and Dronfield.

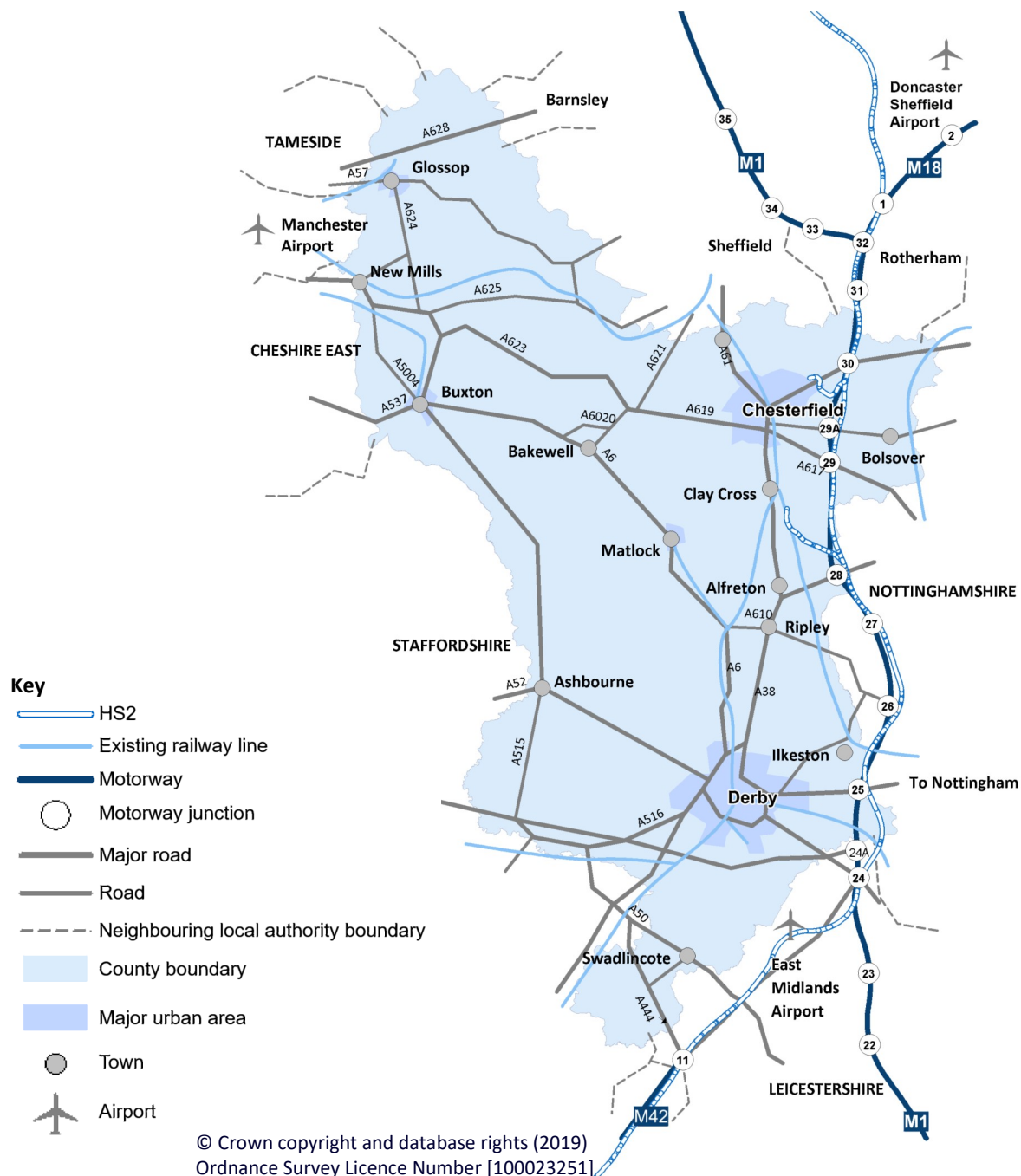
# Transport

Derbyshire is highly accessible, with the M1 providing easy access to the North and South with the A50 and A38 also being important links. The county is well served by rail including the Sheffield to Birmingham and Sheffield to London mainlines. Derbyshire is also within easy reach of Doncaster, Sheffield, East Midlands and Manchester airports.

Derbyshire's transport asset is estimated to be worth £3.5bn, and it is a significant part of the county's infrastructure, allowing people to get around by driving, walking, cycling or public transport. The maintenance, management and development of the network therefore plays a vital part in supporting the local economy and its future growth.

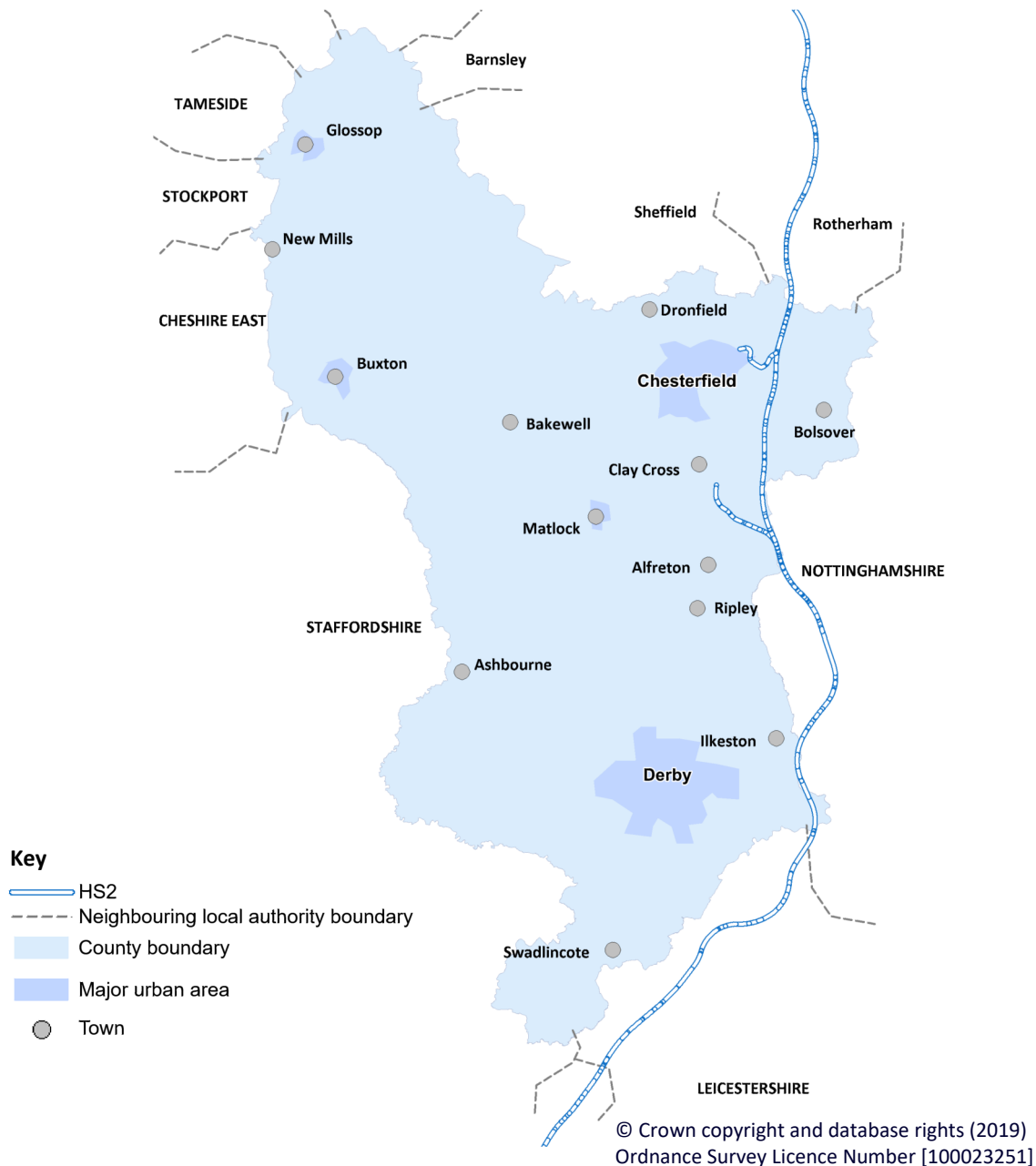
The county's infrastructure is set to be further enhanced by the development of the high speed rail route HS2 through the area, which is planned to open in 2033. Direct benefits locally will stem from services being run from Chesterfield, the Infrastructure Maintenance Depot at Staveley, and the HS2 hub station just beyond the Derbyshire border at Toton in Nottinghamshire. Across the East Midlands HS2 has the potential to help deliver an additional 74,000 jobs and almost £4bn towards the UK economy over the next 25 years. However, disruption to the wider transport network locally during the construction phase is likely to have an impact.

Derbyshire's transport network





## HS2 route through the East Midlands



Source: East Midlands HS2 Growth Strategy, September 2017, and HS2 Ltd, May 2018

## HS2

The development of HS2 has the potential to provide an enormous economic boost to Derbyshire, with journey times from Derby/Nottingham and Chesterfield to London to be almost halved. The East Midlands HS2 Growth Strategy aims to maximise the economic opportunities with a focus on two growth zones. Firstly the East Midlands Hub Growth Zone centred on the HS2 hub station at Toton in Nottinghamshire. The proposal for an ‘innovation campus’ alongside the station could deliver around 10,000 high quality jobs in the area. Secondly, the Northern Derbyshire Growth Zone, focused on the improved links to and from Chesterfield and the location of an Infrastructure Maintenance Depot at Staveley, potentially generating £270 million locally and providing up to 800 jobs.

HS2 will provide opportunities for local firms in civil engineering and railway systems, but also in other fields such as tree surgery, ecology, drone technology, archaeology and health and safety. Construction is likely to start in the mid 2020s so it will be important that the labour market is equipped for the wide range of disciplines needed. Although the developments promise to deliver long-term benefits, partners recognise the importance of minimising the environmental impacts of the line and ensuring that existing businesses can continue to thrive.

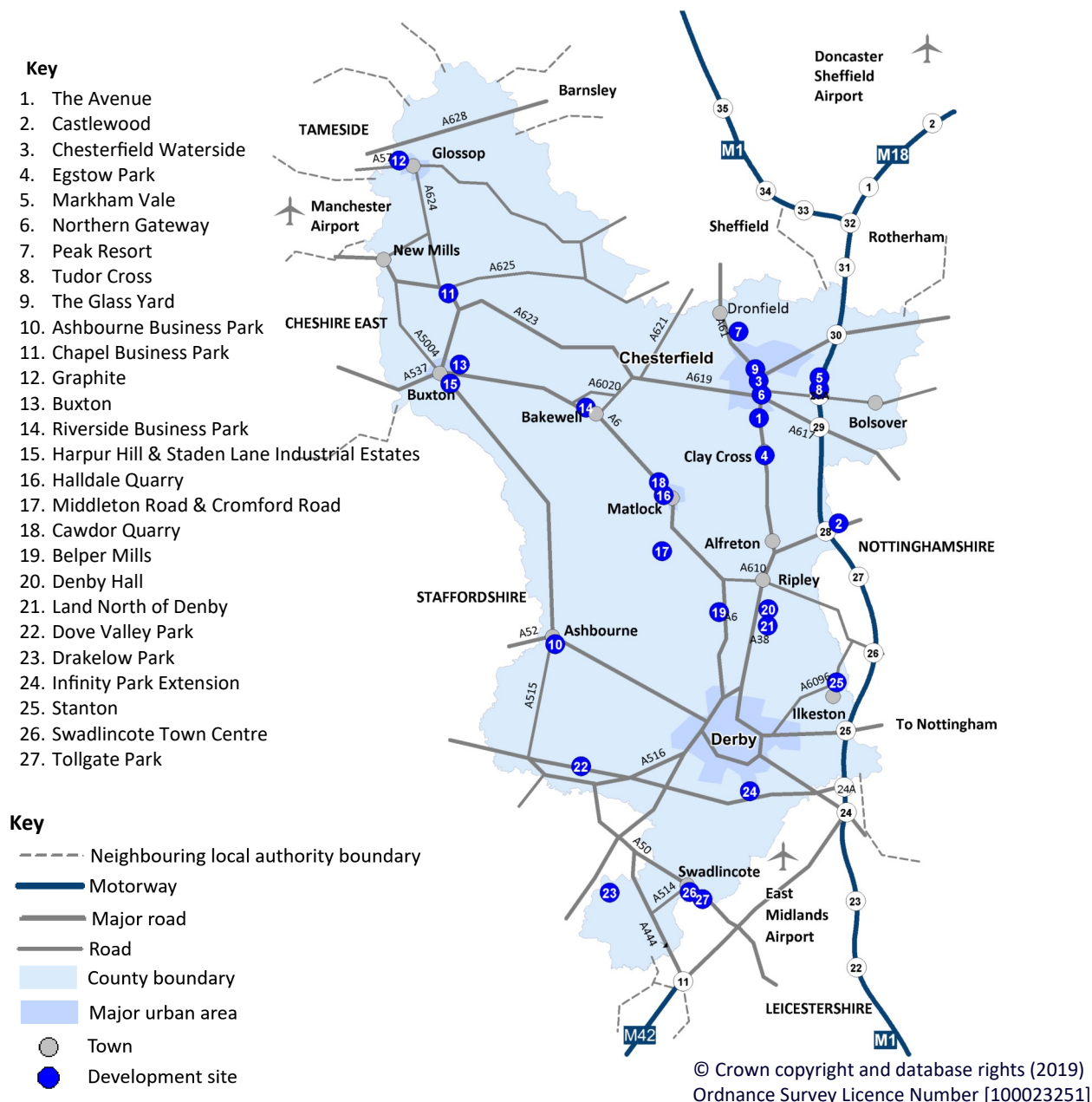
# Investment sites

The development of key investment sites is essential for future economic growth. Across the county, a number of infrastructure projects are planned that will provide both premises and employment potential for firms. In the High Peak and Derbyshire Dales commercial sites include Ashbourne Business Park, Chapel Business Park, Graphite near Glossop, the expansion of Harpur Hill and Staden Lane, and Riverside Business Park in Bakewell. Developments are also planned on a number of former quarry sites for homes and employment floorspace.

Within the Chesterfield area investment includes the Avenue site, the £340m Chesterfield Waterside scheme, Egstow Park and the Northern Gateway development. Additionally, Peak Resort will become one of the UK's flagship tourism developments. Other schemes in the eastern part of the county include Castlewood near Alfreton, Tudor Cross near Bolsover, and Markham Vale, which continues to offer firms opportunities.

In the southern part of the county, Dove Valley Park offers potential for distribution firms and manufacturers whilst the Infinity Park extension will provide employment land. Commercial developments are also planned at Belper Mills, Denby Hall, the area to the North of Denby, the former Stanton Ironworks in Erewash, Drakelow Park in South Derbyshire, and Tollgate Park near Swadlincote.

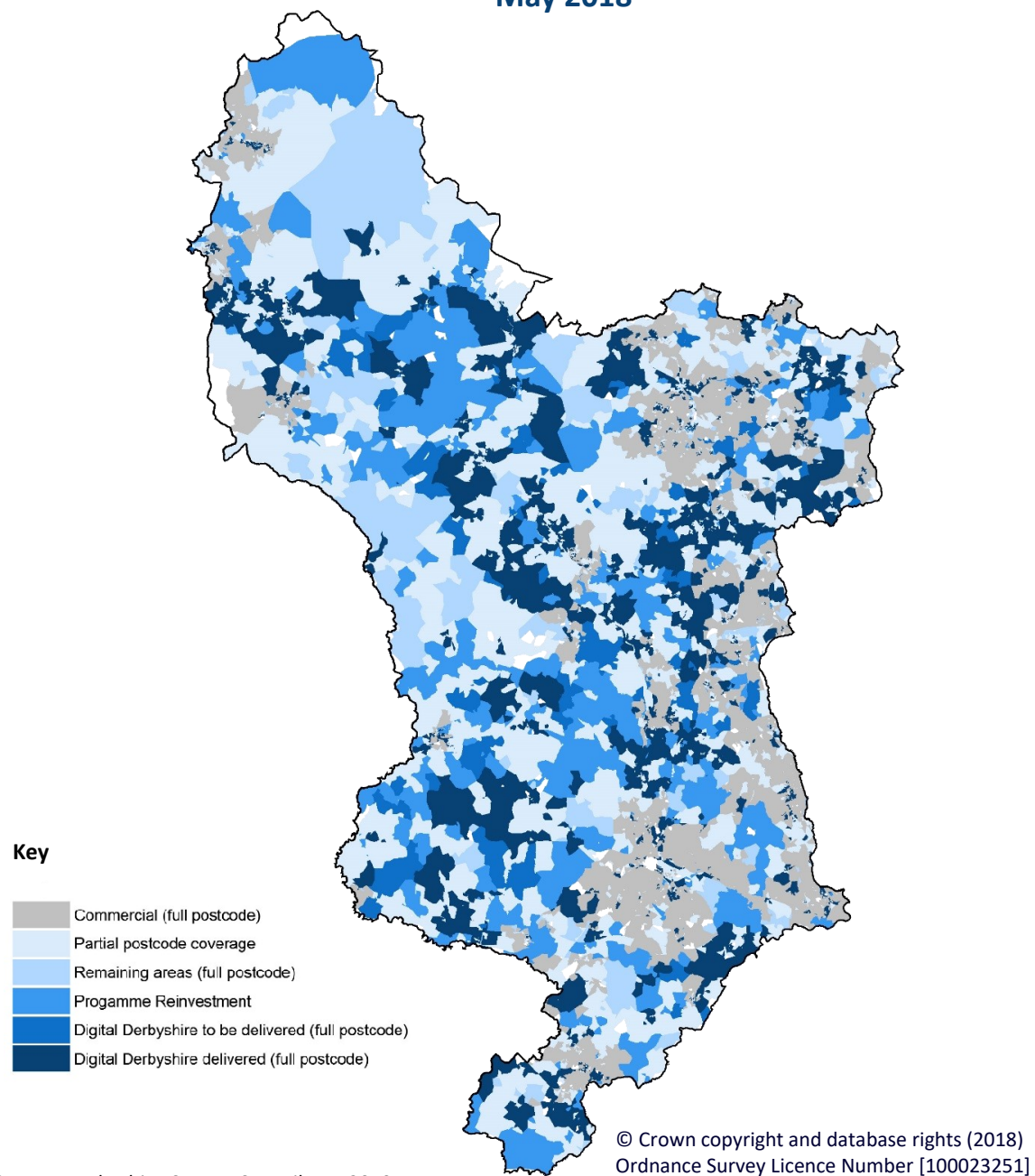
## Key investment sites across Derbyshire



Source: Derbyshire Development Map 2019/20, Derbyshire Economic Partnership



## Fibre broadband locations delivered through Digital Derbyshire at May 2018



Source: Derbyshire County Council, Jan 2019

## Broadband

Technology plays a key role in enabling local businesses to compete in global markets. The Digital Derbyshire Programme which launched in 2014 is a UK Government project led by Derbyshire County Council and Openreach that aims to bring better and faster broadband throughout the county. To date the programme has delivered fibre broadband to over 102,000 premises, of which 97,000 premises can obtain speeds in excess of 24Mbps (superfast). Take-up of fibre broadband services currently stands at 51% across the county.

The programme is currently on track to deliver fibre broadband to over 115,000 (103,000 superfast) premises by the end of 2020. When combined with the commercial coverage already provided, the aim is for 98% of homes and businesses in Derbyshire to be able to access speeds of at least 24Mbps. The programme also includes an incentive whereby take up of fibre services throughout the project area results in additional funding being made available to extend the fibre footprint throughout the county.

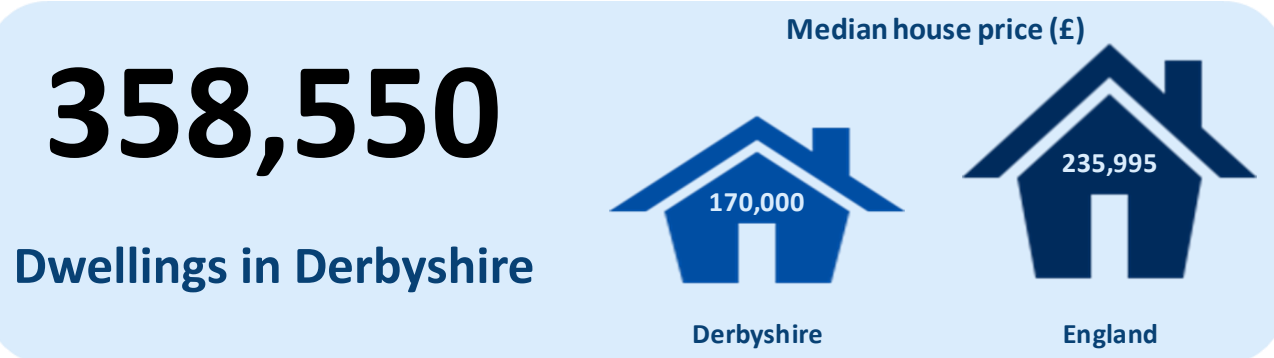
As it will not be possible to provide fibre services to every premise in Derbyshire, subsidy and voucher schemes are in place to assist homes and small businesses in the local communities with their broadband services.

## Housing

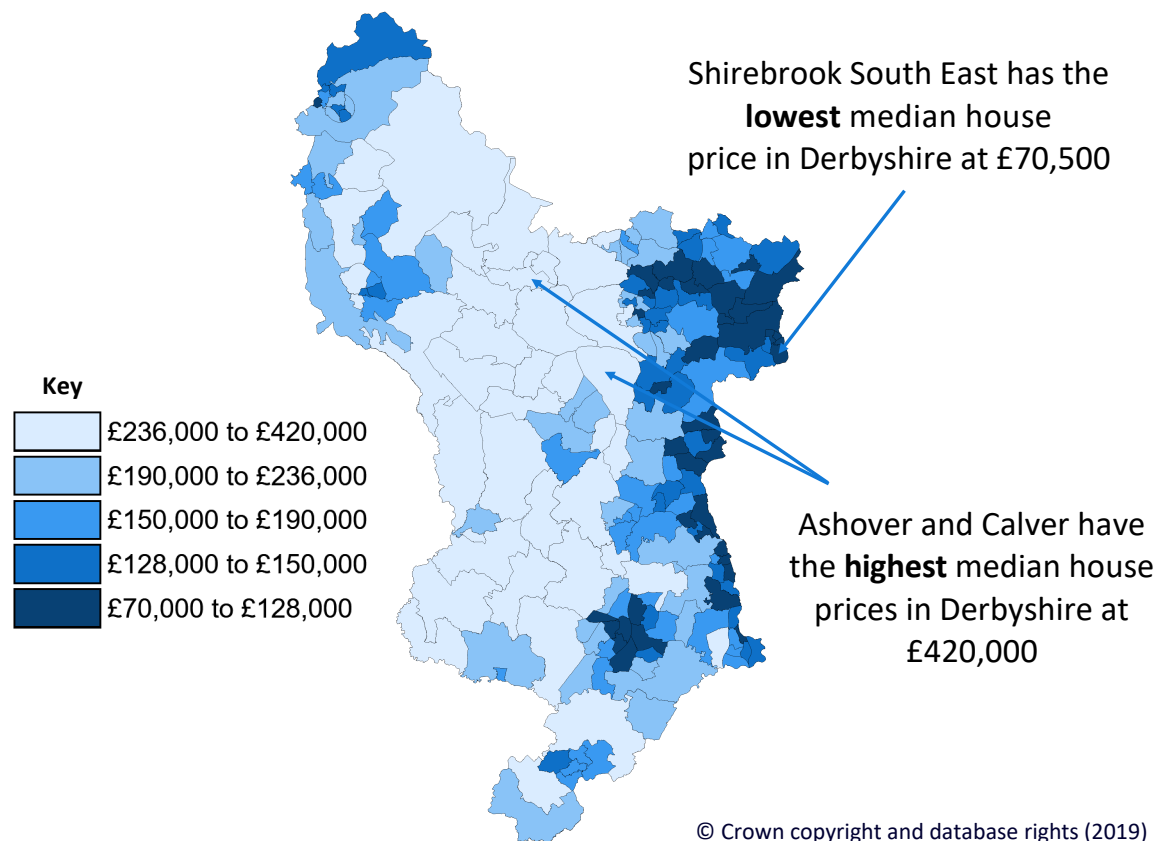
Derbyshire is generally an affordable place to live with a median house price of £170,000. Although this is almost 30% lower than the England median, prices vary significantly across the county from £127,000 in Bolsover to £247,995 in Derbyshire Dales. In Derbyshire Dales house prices are more than nine times the level of earnings making it one of the least affordable areas to live across the Midlands. The visitor economy and high number of holiday and second homes are placing a strain on the supply and affordability of homes in this area. In contrast Amber Valley, Erewash, Bolsover and Chesterfield are amongst the most affordable places to live in the Midlands.

At both the local and national levels house prices have increased over the last five years. However, the latest data shows that UK house prices are growing at their slowest rate since 2013. The current economic uncertainty is thought to be a factor here.

Meeting the demand for housing is one of the key challenges facing the UK. Over the last five years the growth in housing stock locally has matched that nationally, although South Derbyshire has seen above national levels of growth. Demand for housing is set to continue in the county reflecting population growth. However, across the county there is sufficient planned housing to meet need over the next few years.



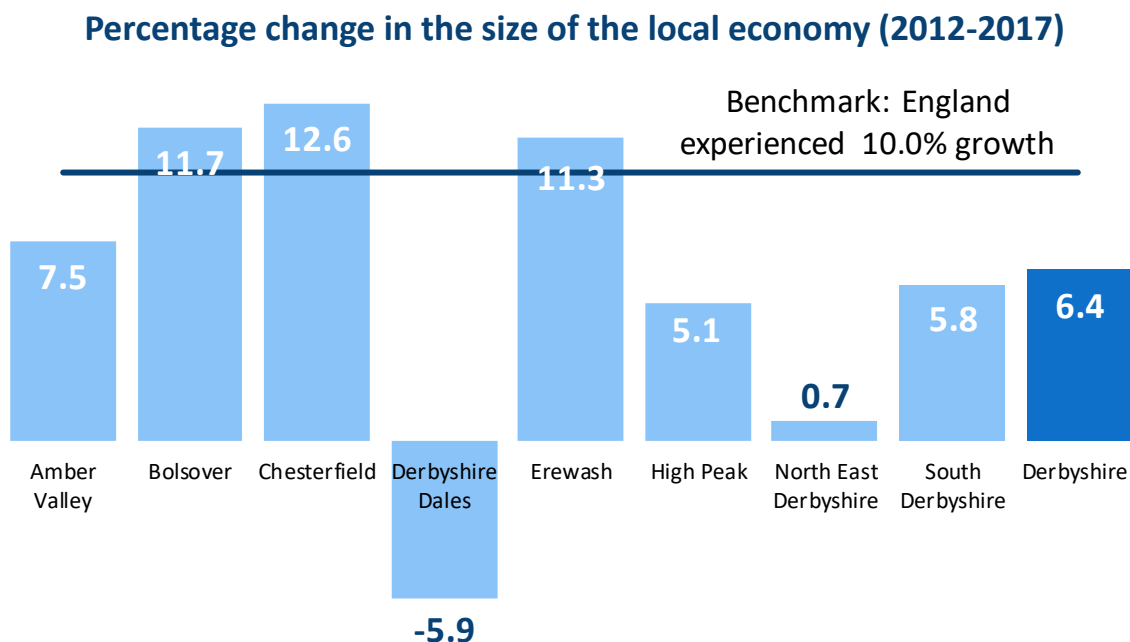
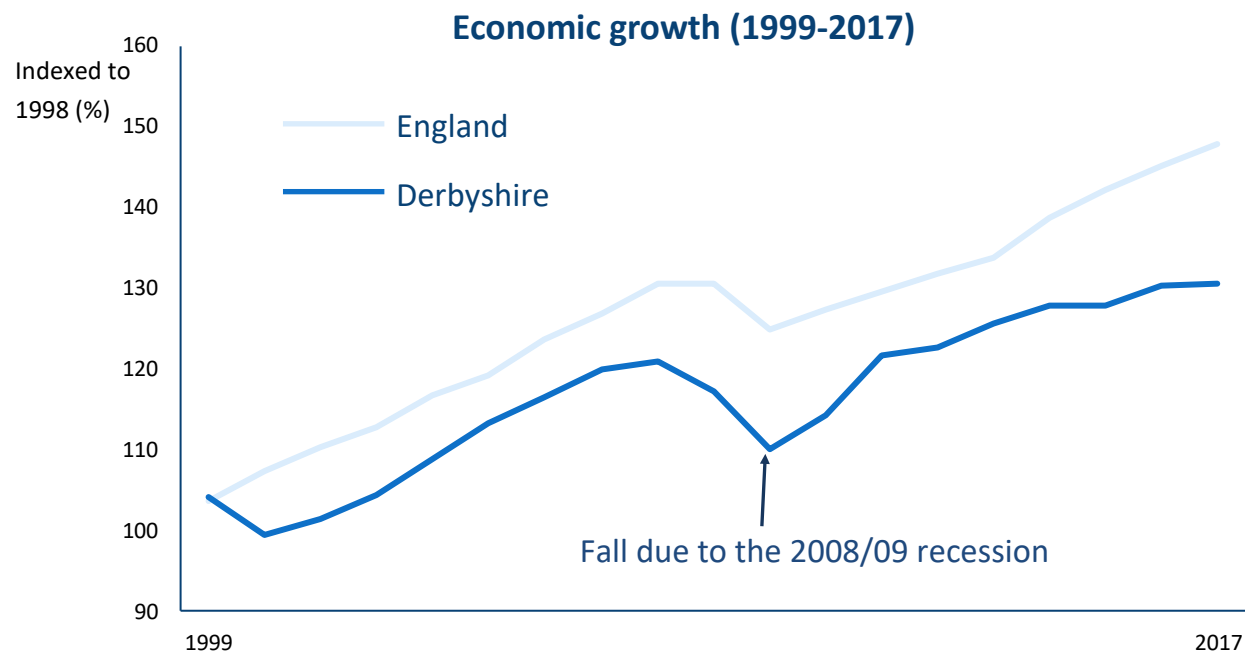
Median house prices by ward (£ June 2018)



© Crown copyright and database rights (2019)  
Ordnance Survey Licence Number [100023251]

Source: Dwelling Stock (LT100) 2009-2017, HCLG and HSSSA 37 Median house price, year ending June 2018, HCLG





Source: Regional Gross Value Added (Balanced) by Local Authority, 2017, ONS, © Crown Copyright

## Economic growth

In 2017, Derbyshire contributed £15.2bn towards the UK's economy with the five largest sectors being Manufacturing (22.6%, £3.4bn), Wholesale/retail trade (12.6%, £1.9bn), Real estate activities (12.3%, £1.9bn), Construction (7.2%, £1.1bn) and Health/social work (7.1%, £1.1bn). Whilst the county's economic growth mirrored England's in 2016, 2017 has seen the gap widen with the respective figures being 0.3% and 2.0%.

Over the last five years Derbyshire's economy has grown by 6.4% (£0.9bn), less than the 10.0% experienced nationally. Chesterfield (12.6%) has seen the highest growth with Wholesale trade contributing the most, followed by Bolsover (11.7%) where the Transportation/storage sector has performed strongly, and Erewash (11.3%) where Wholesale trade shows the largest growth. Derbyshire Dales has seen a 5.9% reduction in the size of its economy and North East Derbyshire just a marginal increase of 0.7%.

At a county level the sectors contributing the most during this time have been Wholesale/retail (£258m), Health/social work (£224m), Professional, scientific and technical activities (£210m), Transport and storage (£202m) and Construction (£140m). Education saw the largest fall over the period (£235m) followed by Public administration (£204m). Derbyshire's largest sector, Manufacturing, also saw a fall of £65m.

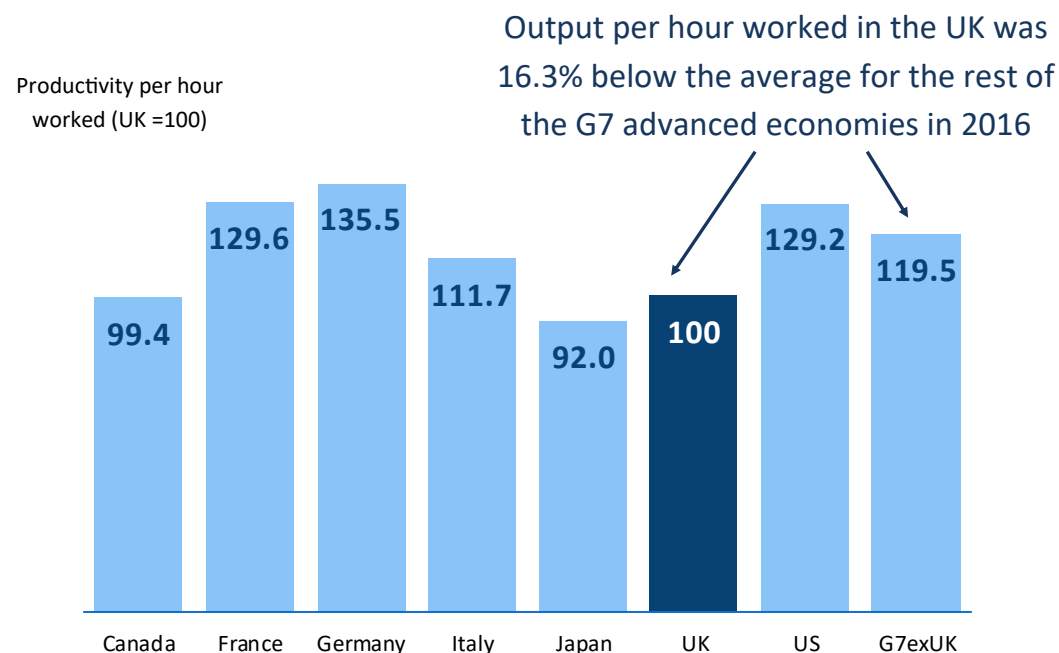
# Productivity

The UK economy is growing well, underpinned by strong employment growth. However, productivity levels have risen more slowly. This has been evident across the G7 countries but is more pronounced in the UK. The output per hour worked in the UK is 16.3% below the average for the rest of the G7 advanced economies in 2016. A range of factors have been suggested for the gap including productivity growth stalling in previously dynamic sectors, such as oil and gas and financial services, and some of the most productive companies having lost momentum as a result of the banking crisis which reduced lending to the more productive firms.

Productivity has been an issue for Derbyshire in recent years with output per hour at £30.70 lagging behind that nationally of £34.10, although the gap appears to be closing. Over the last five years, productivity has improved by 17.5% in the county compared to 11.0% across England.

Achieving higher growth in productivity is very important as it helps economies to become wealthier and living standards to rise. By NUTS 3 area across the county, South and West Derbyshire has the highest value of output per hour locally at £31.50 whilst in East Derbyshire the figure is £29.40.

## International comparisons of productivity per hour worked (2016)



## Productivity per hour worked (2017)





## Derbyshire's businesses

In 2018, Derbyshire was home to more than 29,000 businesses. Despite an increase of 15.2% over the last five years, numbers have declined slightly over the previous two years. Small employers dominate Derbyshire's economy with 88.0% of businesses employing fewer than 10 people. Although only 1.0% 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.

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.



# Top 20 businesses

For the second year running the Derby Management School at Derby University has produced a list of the top 200 businesses in Derby and Derbyshire. The list is compiled from data available from Companies House and provides a ranking of the top 200 private sector firms with a registered office in Derbyshire based on turnover. Whilst the list provides some insight into the county's most successful and significant businesses it should be noted that the turnover relates to activity for the whole business, some of which might be located internationally or elsewhere in the UK.

All districts with the exception of North East Derbyshire have at least one company featuring in the top 20 list. Eight of these are located in Bolsover within close proximity to the M1, showing the importance of this corridor to the county. Amber Valley also has a strong presence in the list with four firms in the top 20.

Manufacturing businesses feature strongly in the list, showing the significance of the sector to Derbyshire. The automotive manufacturer Toyota is ranked number one but there are a further nine manufacturers in the ranking. These cover a range of sub-sectors including chemicals, windows and building products, fuel additives, furniture, vitamins, flooring and heat resistant materials.

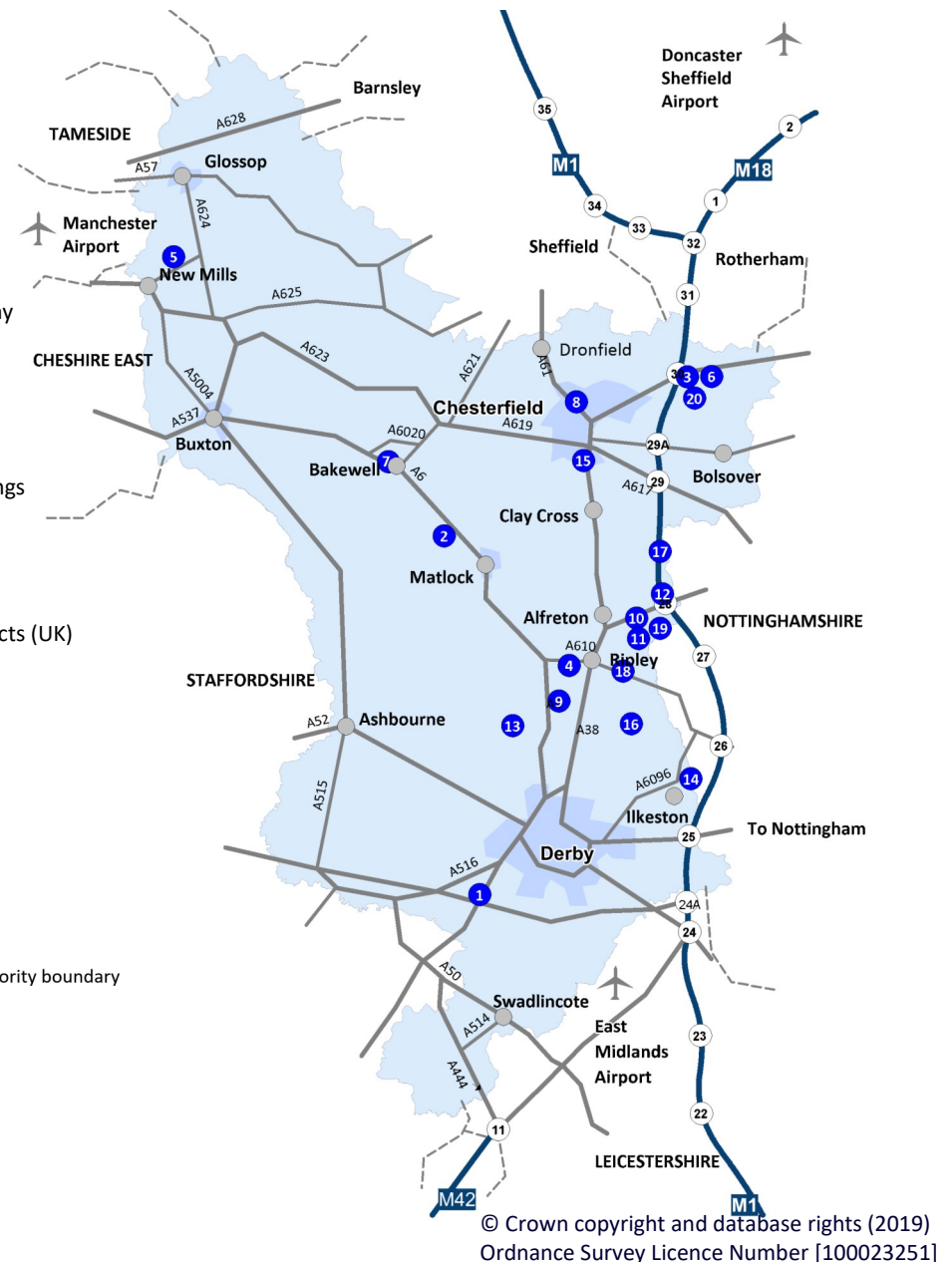
## Top 20 private sector businesses in Derbyshire

### Key

1. Toyota
2. Eco-bat Technologies
3. Greencore
4. Bowmer & Kirkland
5. Dow Chemical Company
6. Avant Homes Group
7. T. C. Harrison Group
8. GI Recruitment
9. Vaillant Group UK
10. Eurocell PLC
11. NFT Distribution Holdings
12. Sun Chemical
13. Lubrizol
14. Belfield Furnishings
15. CCS Media
16. DSM Nutritional Products (UK)
17. Hydro Extrusion UK
18. Forbo Flooring UK
19. Recticel
20. Vesuvius UK

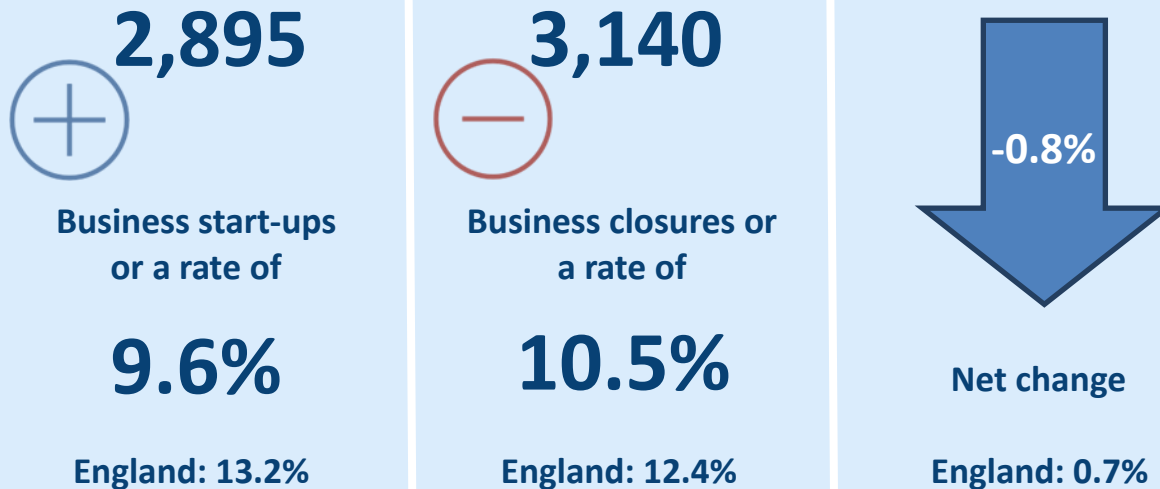
### Key

- Neighbouring local authority boundary
- Motorway
- Major road
- Road
- County boundary
- Major urban area
- Town
- Top 20 Businesses

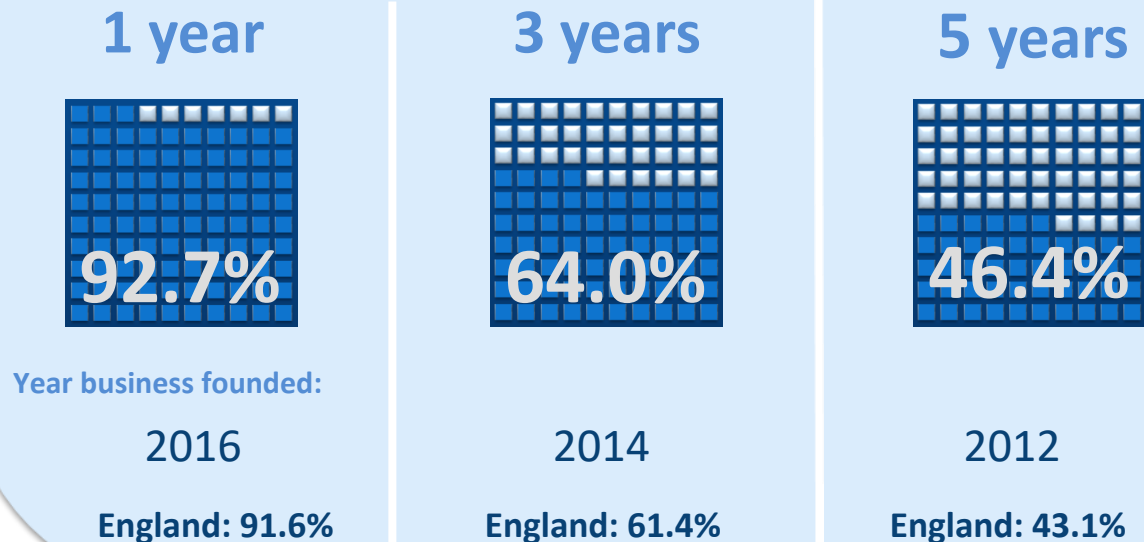


Source: Derby & Derbyshire's Top 200 businesses, Derby Management School, Derby University, Nov 2018

### Business start-ups and closures (2017)



### Business survival rates (2017)



## Entrepreneurship levels

The number of business start-ups can be used to provide an indication of the level of entrepreneurship in the local economy. In 2017, there were 2,895 new business start-ups across the county, a rate of 9.6%. Whilst this rate is lower than the England average of 13.2%, overall the number of business start-ups locally has improved over recent years.

In 2017 the rate of business closures (10.5%) in the county just exceeded the business start-up rate showing an overall net loss of 0.8% active businesses in Derbyshire. Across the county most districts experienced a small loss in the number of active businesses with the exception of Amber Valley and Erewash that saw a minor net gain in businesses.

New businesses face many challenges starting up and not all survive beyond their first year. Historically, Derbyshire firms have seemed more resilient than their national counterparts with higher business survival rates. Since 2012 business survival rates in the county have been consistently higher than across England, for example 64.0% of Derbyshire firms born in 2014 were still in business in 2017 higher than the 61.4% survival rate for England.

## Employment structure

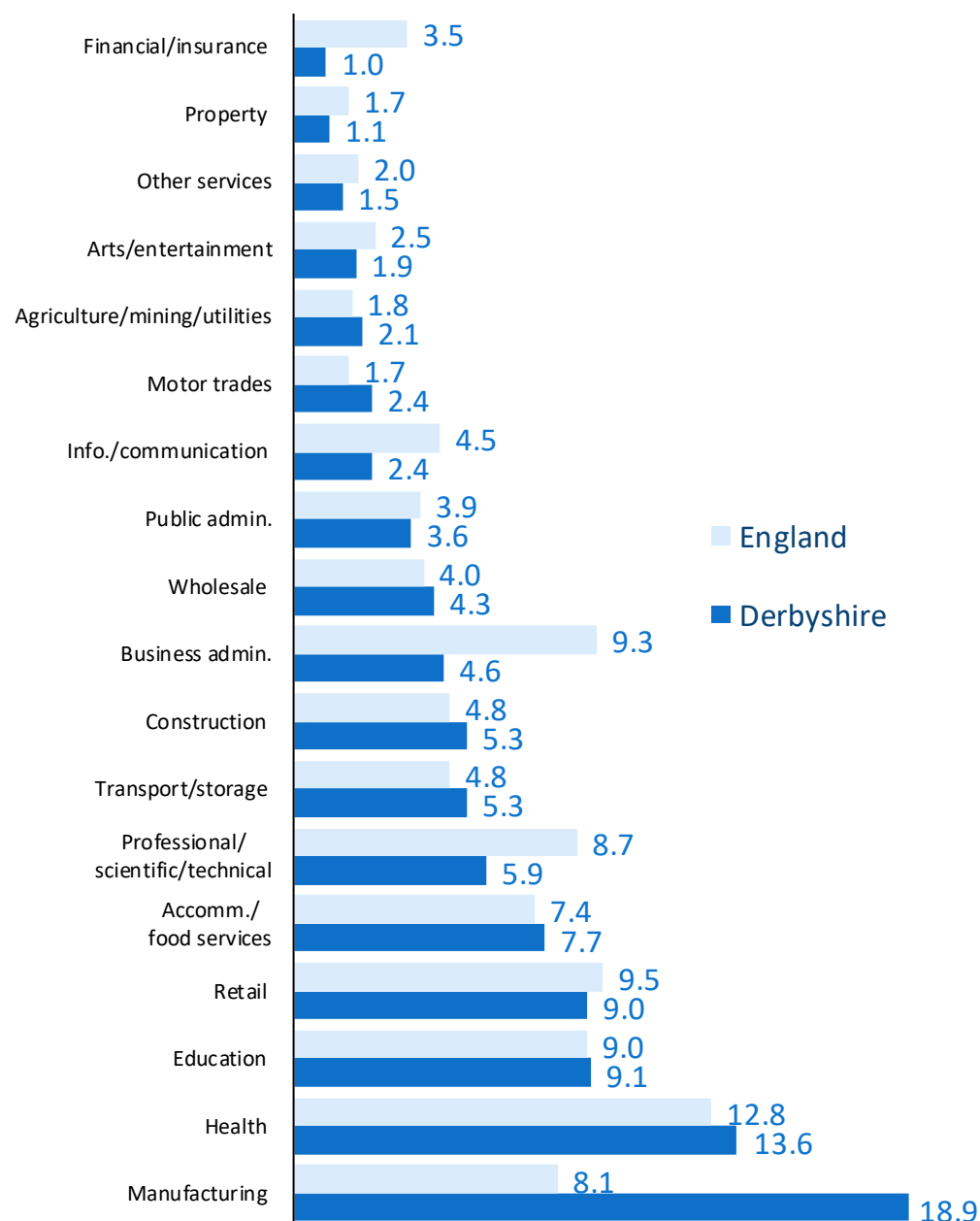
Derbyshire businesses currently employ around 290,300 people. Over the last five years the number of jobs available locally has dipped by 0.5% whereas nationally there has been a steady rise of 10.3%. The sharp fall seen in 2013 and a slight decline locally this year are behind the difference.

Five sectors in the county account for almost 60.0% of employees locally with Manufacturing the largest sector at 10% points higher than the England average.

However, the Business administration and Professional, scientific & technical sectors are weaker. Sector specialisms within the county include Manufacturing in South Derbyshire and Amber Valley, Health in Chesterfield, and Accommodation & food as well as Public Administration & defence in Derbyshire Dales, and Transport & storage in Bolsover.

By sector, Accommodation & food has seen the greatest rise in employment over the last five years with 6,000 more employees. Other sectors experiencing high growth levels include Manufacturing and the Professional, scientific & technical sector. However, Education has been particularly hit, with a loss of 11,000 jobs, as has Public administration with 5,000 fewer employees. Encouragingly, Manufacturing has seen a reversal of the decline shown last year and has seen the addition of 5,000 jobs this year.

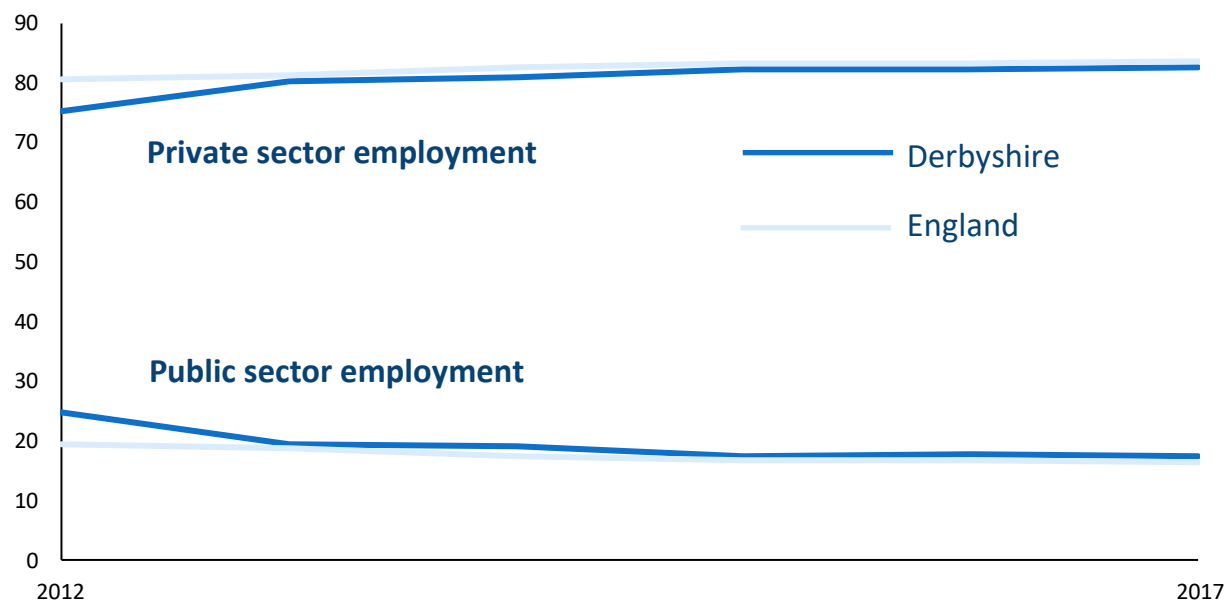
Employment by sector (% 2017)



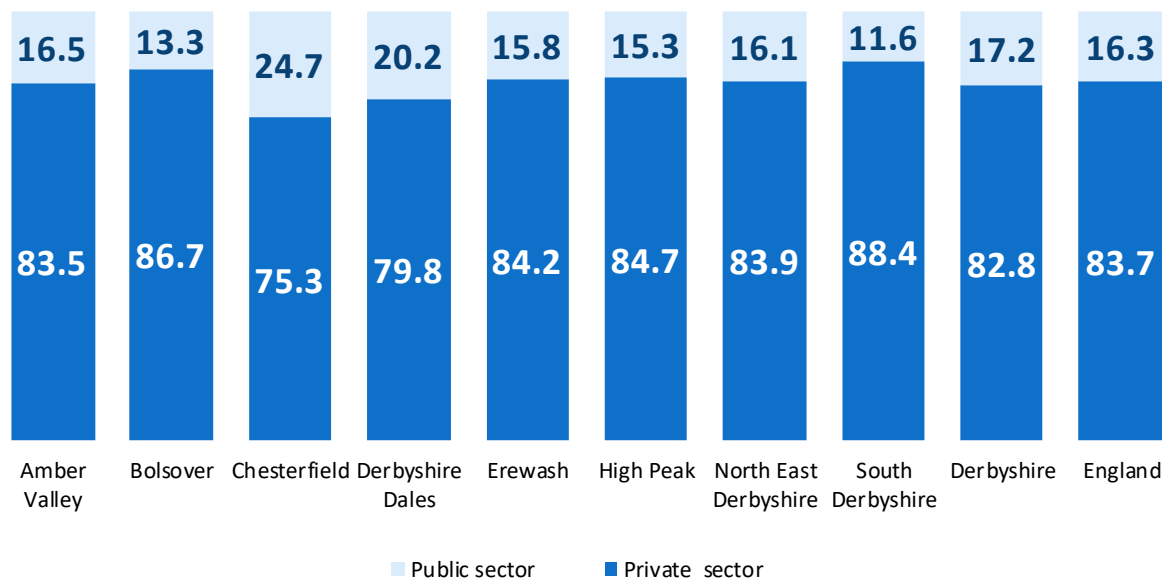
Source: Business Register and Employment Survey, 2017, ONS, © Crown Copyright



Public and private sector employment levels (% 2012-2017)



Public and private sector employment levels (% 2017)



## Private sector employment

There are over 240,000 people employed within the private sector in the county, representing 82.8% of total employment, just below the figure for England (83.7%). Within the county, the greatest levels of private sector employment are in South Derbyshire (88.4%) and Bolsover (86.7%) whereas in Derbyshire Dales (79.8%) and particularly Chesterfield (75.3%) the levels are lower due to higher levels of public sector employment.

Rebalancing the economy in favour of the private sector remains a government priority. Over the last five years private sector employment has grown by 9.3%, in Derbyshire (approx. 20,000 employees) with a slight dip over the last year. Although this is below the rise of 14.1% seen nationally it is still significant and means that there has been an increase of more than 7.0 percentage points locally over the last five years. High Peak (16.5%) and Bolsover (13.3%) have seen the largest increases, although over the last year the latter has seen a decline of over 2,000 private sector jobs.

In contrast, public sector employment in Derbyshire accounts for 17.2% of all employment, the equivalent of 50,000 employees. Over the last five years this has fallen by 30.2%, much higher than the 5.9% decline seen nationally. Over 80.0% of the decline has been across the three districts of Derbyshire Dales (5,800 employees), Chesterfield (4,000) and High Peak (3,300).

## Manufacturing

In Derbyshire Manufacturing remains a crucial sector generating £3.3bn (22.5%) of economic output. It provides jobs for over 55,000 employees representing 18.9% of Derbyshire's total employment, more than double that nationally. This gap has widened over the last year with 5,000 more manufacturing jobs being added locally. Levels are greatest in South Derbyshire, Amber Valley and Erewash where over 20% of workers are employed in the sector.

The most significant manufacturing sub-sectors are Metals & metal products and Food & drink production, which employ more than a third of the county's total manufacturing workforce. Over the last five years Rubber & plastics has seen the strongest growth with the addition of 2,000 jobs. Computers & electrical equipment has seen the greatest fall. Over this period Erewash has seen the addition of 1,500 manufacturing jobs and Bolsover 750, with no districts seeing a decline. The Government's Industrial Strategy aims to boost UK manufacturing and has recently announced £220,000 of funding to support the development of a Northern Derbyshire Manufacturing Zone on six sites across Bolsover, North East Derbyshire and Chesterfield. This important initiative aims to ensure benefit from potential investment associated with the development and maintenance of HS2.

**55,000**  
**people are employed**  
**in Manufacturing in**  
**Derbyshire**



19%



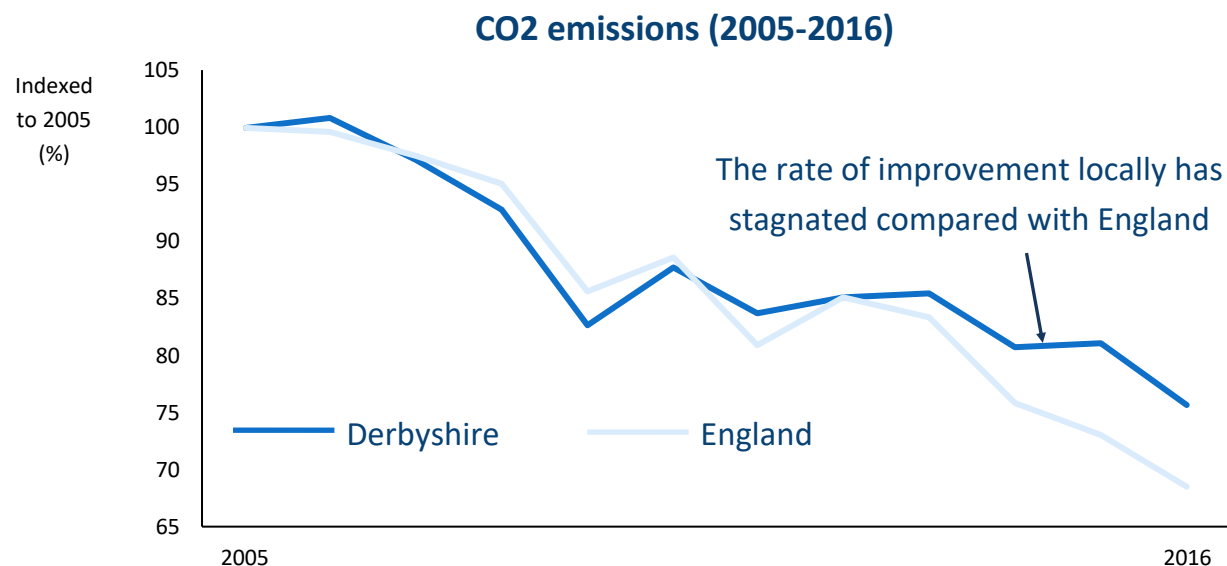
15%

The largest Manufacturing sectors in the county are **Metals & metal products** and **Food & drink**

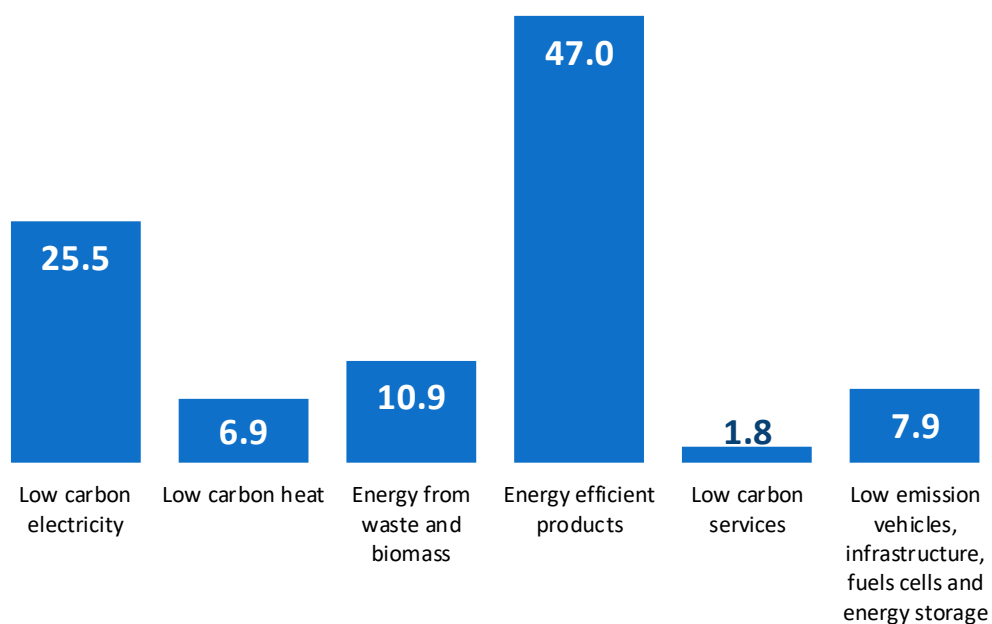
**Employment in Manufacturing (% 2009-2017)**



Source: Business Register and Employment Survey, 2017 & Regional Gross Value Added (Balanced) by Local Authority, 2017, ONS, © Crown Copyright



### Turnover of low carbon and renewable energy sector - England (% 2017)



## Low carbon

The UK has been at the forefront of tackling climate change with the target to reduce greenhouse gas emissions by at least 80% by 2050 when compared to the 1990 level. The switch to a low carbon economy underpins this aspiration. Derbyshire has been playing its part with CO2 emissions falling by a quarter over the last 10 years, slightly lower than the 31.6% nationally but still significant. Over half (55.2%) of CO2 emissions locally are from industry and commerce, followed by transport (26.7%) and then domestic use (19.9%).

Firms are embracing the challenge of reducing the level of carbon use in both energy generation and energy utilisation. The Low carbon sector is one of the fastest growing in the UK, contributing £79.6 billion and 396,000 employees directly and indirectly across the supply chain. Energy efficient products are the greatest contributor to the area. However there are firms locally working across the breadth of the Low carbon sector. Derbyshire is well placed to take advantage of the opportunities to develop technologies associated with the low carbon economy.

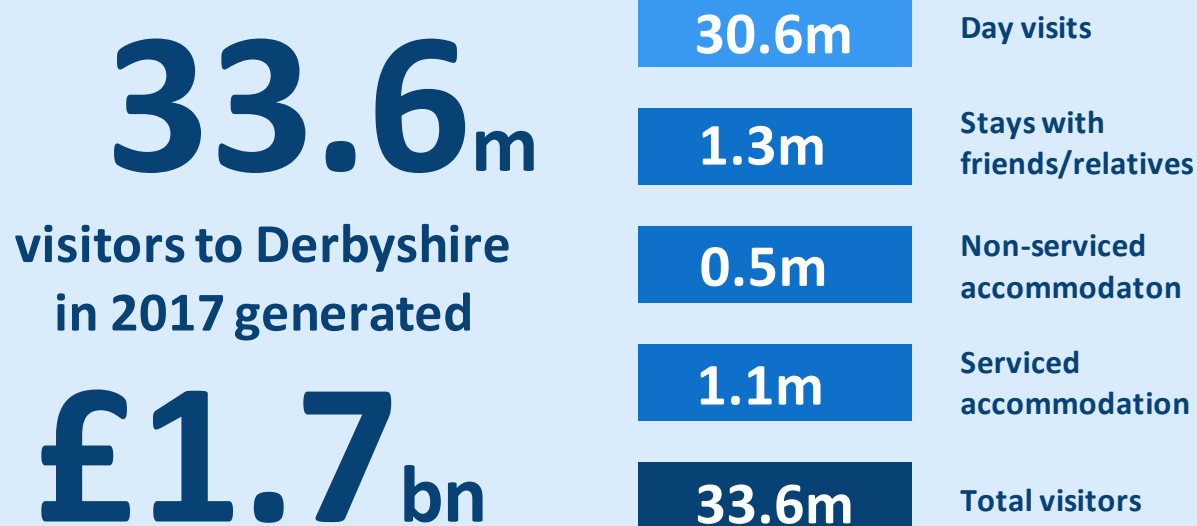
One of the key priorities in Derbyshire County's Council's emerging Energy Strategy will be to ensure that the local workforce is equipped with the necessary skills to take full advantage of the economic opportunities presented by the Low carbon sector.



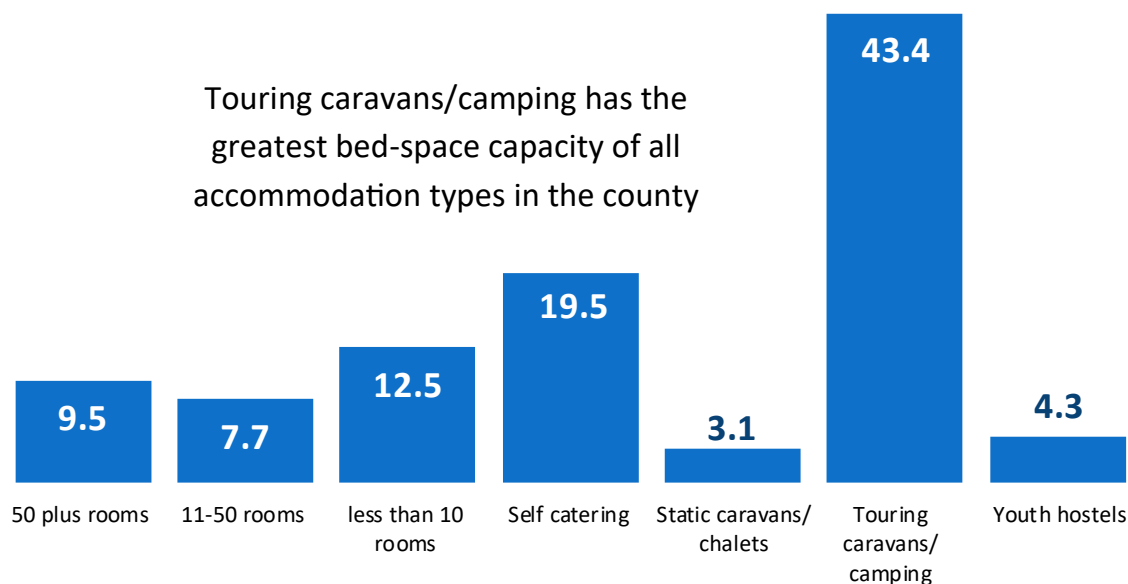
## Visitor economy

Derbyshire's beautiful natural landscape and diverse heritage make it one of the country's premier destinations. Locally the Visitor economy supports 23,400 full-time equivalent jobs. In 2017 over 33m visitors came to Derbyshire, contributing more than £1.7bn to the economy. Over the last five years, the sector has grown with a rise of nearly three million visitors, an additional £140m in visitor spend and a 4.5% rise in employment. Improvement has been driven by day-trippers (10.8%), the county's largest visitor group. Encouragingly the length of time that the 1.7m paying overnight visitors to the county are staying has risen over the last five years, particularly in non-serviced accommodation (8.7%). However, it is a concern that the number of people staying in serviced accommodation has dropped (7.5%).

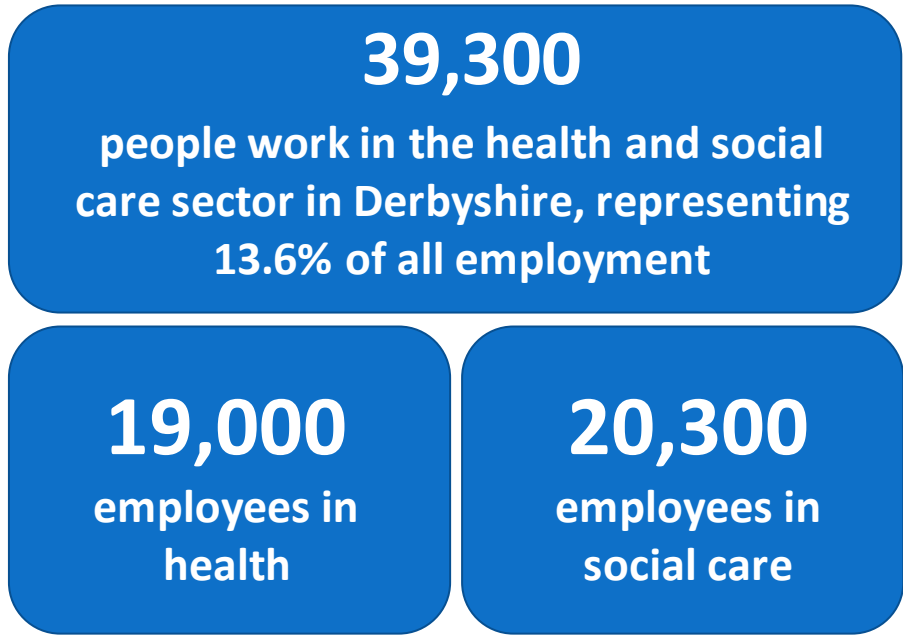
There are 37,000 bed spaces in the sector locally. However, there has been a net fall in bed-spaces over recent years with the rise in non-serviced accommodation (800) being exceeded by the fall in serviced accommodation (1,100). It is important that there is enough good quality accommodation available in the county to meet the needs of visitors. The emerging Tourism Sector Deal nationally will be a key driver for Marketing Peak District and Derbyshire and partners to develop the sector further.



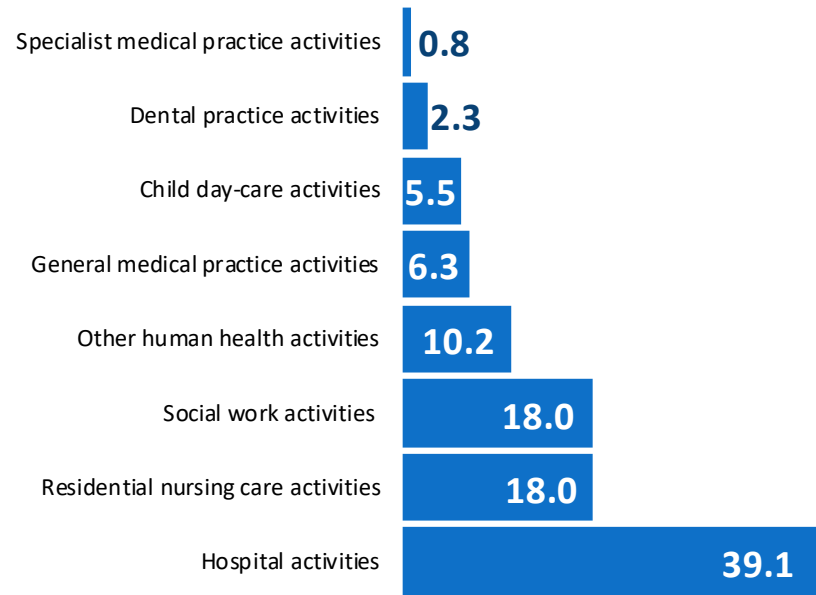
### Types of accommodation (% 2017)



Sources: STEAM data, 2017, Global Tourism Solutions (UK)



**Employment profile of Derbyshire's health and social care sector (% 2017)**



## Health and social care

One of the major challenges in the UK is meeting the needs of the ageing population, making Health and social care a vital sector. Locally the population aged 65 and over is set to rise by more than 80,000 over the next 25 years. Many of these people live with complex conditions placing further demands on the care system.

Over 39,000 people are employed by the sector locally, representing 13.6% of all employment in the county. Major employers locally include the two NHS Community Trusts, Chesterfield and Derby Royal hospitals and East Midlands Ambulance Service. The sector contributes significantly to the county's economy, generating £1.1bn in 2017, the fifth largest of any sector. The largest proportion of Health and social care jobs in the county are within hospitals which make up nearly 40% of jobs, followed by social workers (18.0%) and residential nursing care (18.0%). Other human health activities make up 10.2% of employment in the sector and GP practices 6.3%.

Having the right mix of skilled staff is vital. However, recruitment difficulties are currently an issue for organisations and this may potentially be compounded further post-Brexit. Health and social care providers are often competing for the same pool of skilled staff, and in adult social care alone the sector is carrying around 1,200 vacancies in the county at any one time.

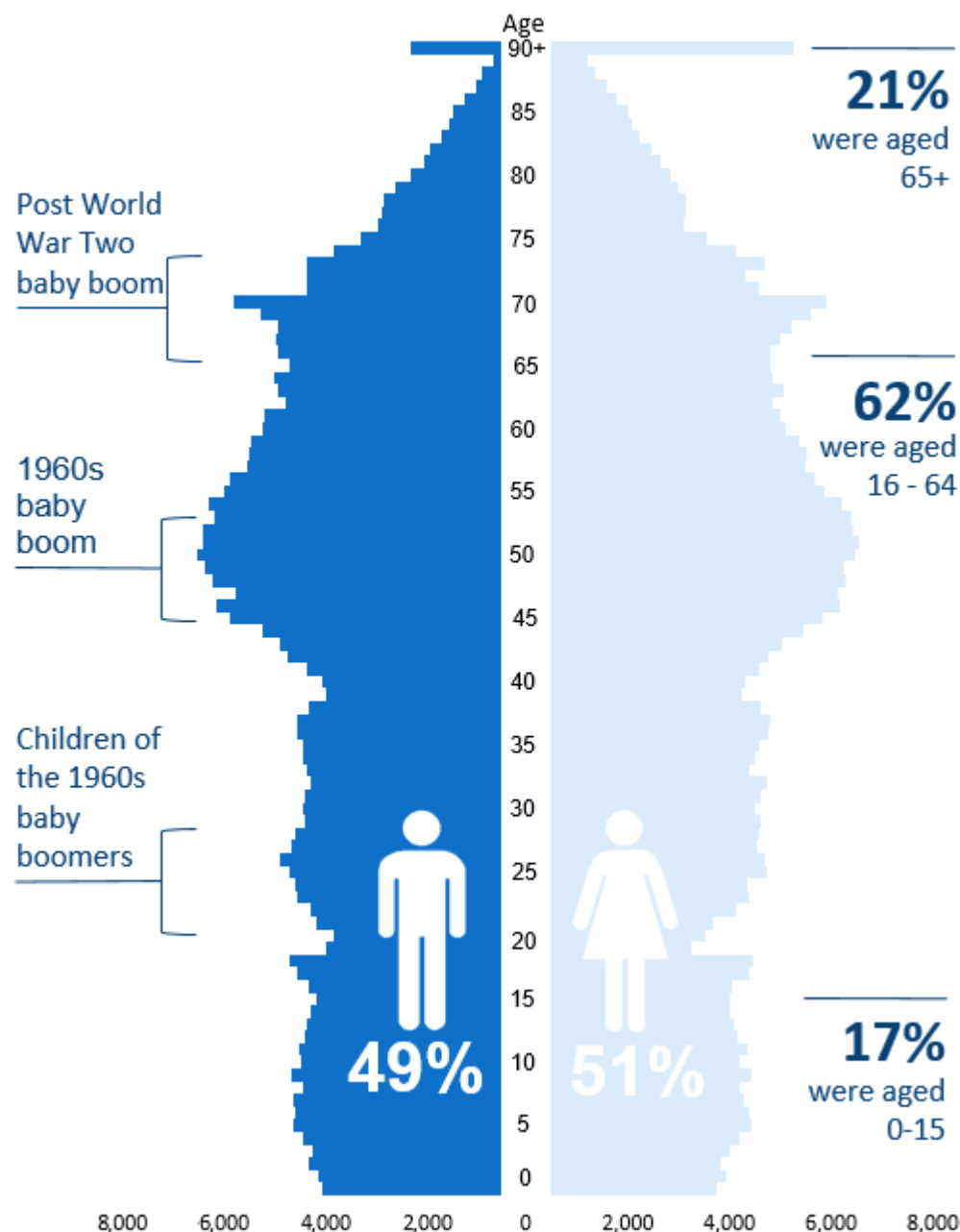
# Population

In 2017, Derbyshire had an estimated population of 791,966 people. 17.2% were children aged 0-15, 61.5% were of working age (16-64 years), and 21.3% were aged 65 and over. The age profile of the county is older than that for England (18.0%). Across the county, the districts of Derbyshire Dales (26.5%) and North East Derbyshire (24.2%) had notably older age profiles than the Derbyshire average and South Derbyshire (18.0%) and Bolsover (19.8%) had notably younger age profiles.

Derbyshire's population is expected to rise by 7.6% by 2041, the equivalent of around 59,500 people. This is lower than the 12.1% population growth expected for England. Derbyshire has an increasingly ageing population with the number of people aged 65 and over forecast to increase significantly by 48.3% (80,100) over this period. This compares with a 51.7% rise nationally. The number of children in the county is set to decrease by 0.8% (1,100), compared with the 2.9% increase forecast for England.

Derbyshire's working age population is also projected to fall by 4.0% (19,600) by 2041. Nationally an increase of 3.6% is expected. Locally this will mean there are fewer working age residents supporting those aged 65 and over. Whereas the ratio of people aged over 65 to those of working age, the old aged dependency ratio, was 0.3 in 2016 it is projected to rise to 0.5 in 2041.

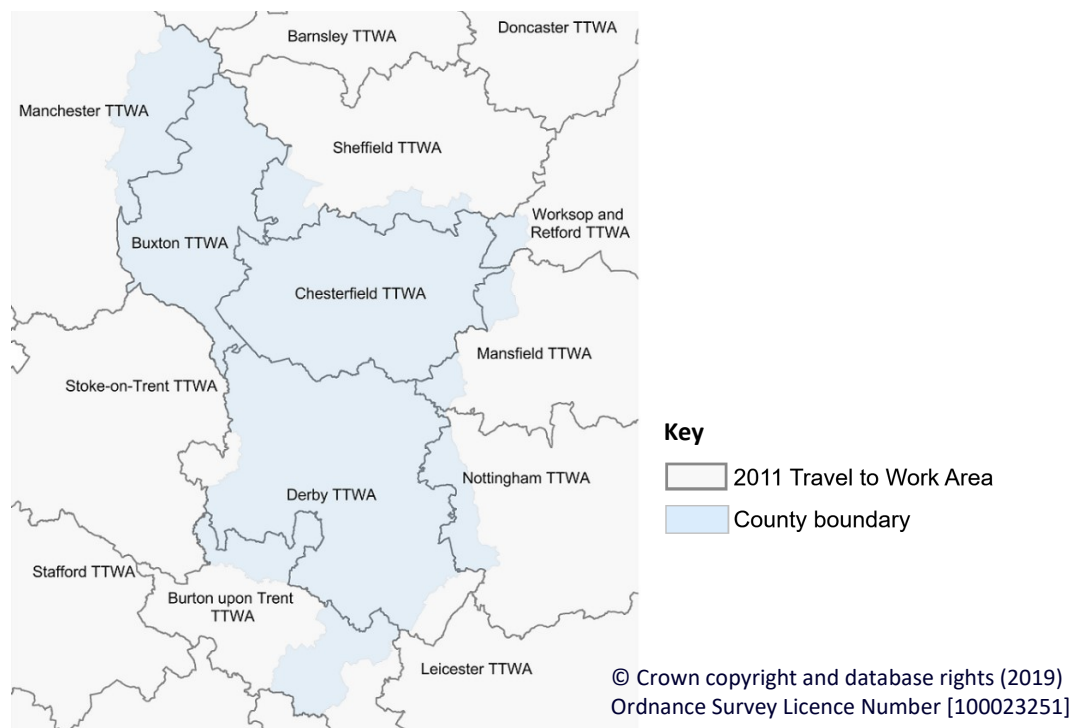
Population by age and gender (2017)



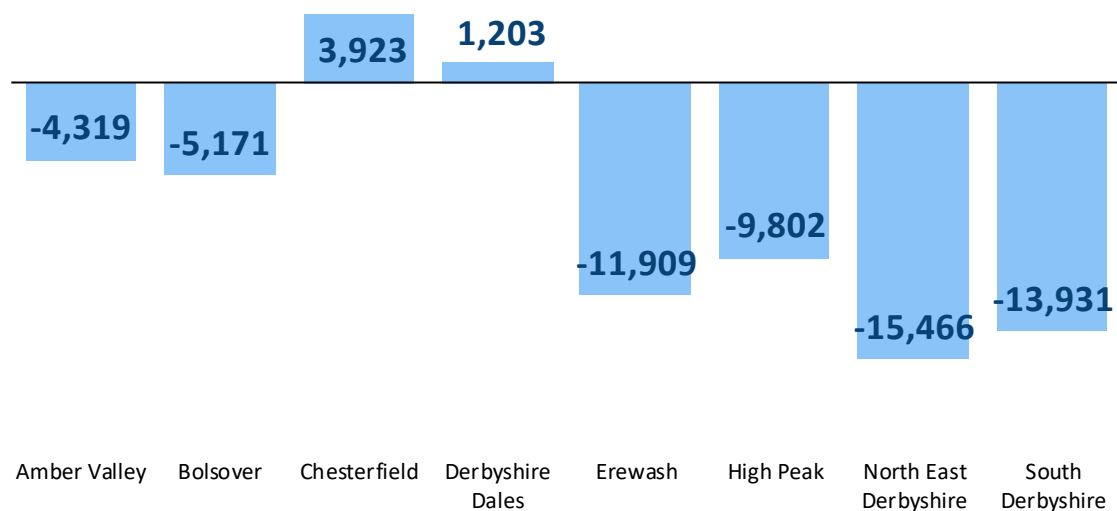
Sources: 2017 Mid-year Population Estimates & 2018 Sub-national Population Projections, ONS, © Crown Copyright



## Derbyshire and surrounding Travel to Work areas



## Net flow of commuters (2011)



Source: 2011 Census – Table WU01 UK Travel Flows (Local Authority), ONS, © Crown Copyright

## Travel to work

Travel to work areas provide an indication of how the local labour market operates, showing the patterns of people travelling from home to their place of work. The majority of Derbyshire is covered by three travel to work areas, identifying Chesterfield, Buxton and Derby as key employment centres.

More Derbyshire residents leave the county for work than commute in from neighbouring areas. In 2011, a total of 128,436 workers travelled out of the county for work, whilst 72,964 travelled in. Since the 2001 Census there has been a reduction in the level of people leaving the county for work, which is encouraging. This is due in part to the rise in flexible working from 13.1% to 17.6%. Locally, only the districts of Chesterfield and Derbyshire Dales have a net gain of commuters. North East Derbyshire shows the greatest net loss of workers.

The central location of the county means the neighbouring towns and cities exert significant influence. By local authority, the greatest percentage of out-bound commuters travel to Derby (20.2%), followed by Sheffield (12.4%) and Nottingham (8.6%). Almost a quarter of jobs are filled by people travelling from outside of Derbyshire. Derby is the greatest source of labour (17.3% of in-bound commuters), followed by Sheffield (12.8%) and Ashfield (8.8%).

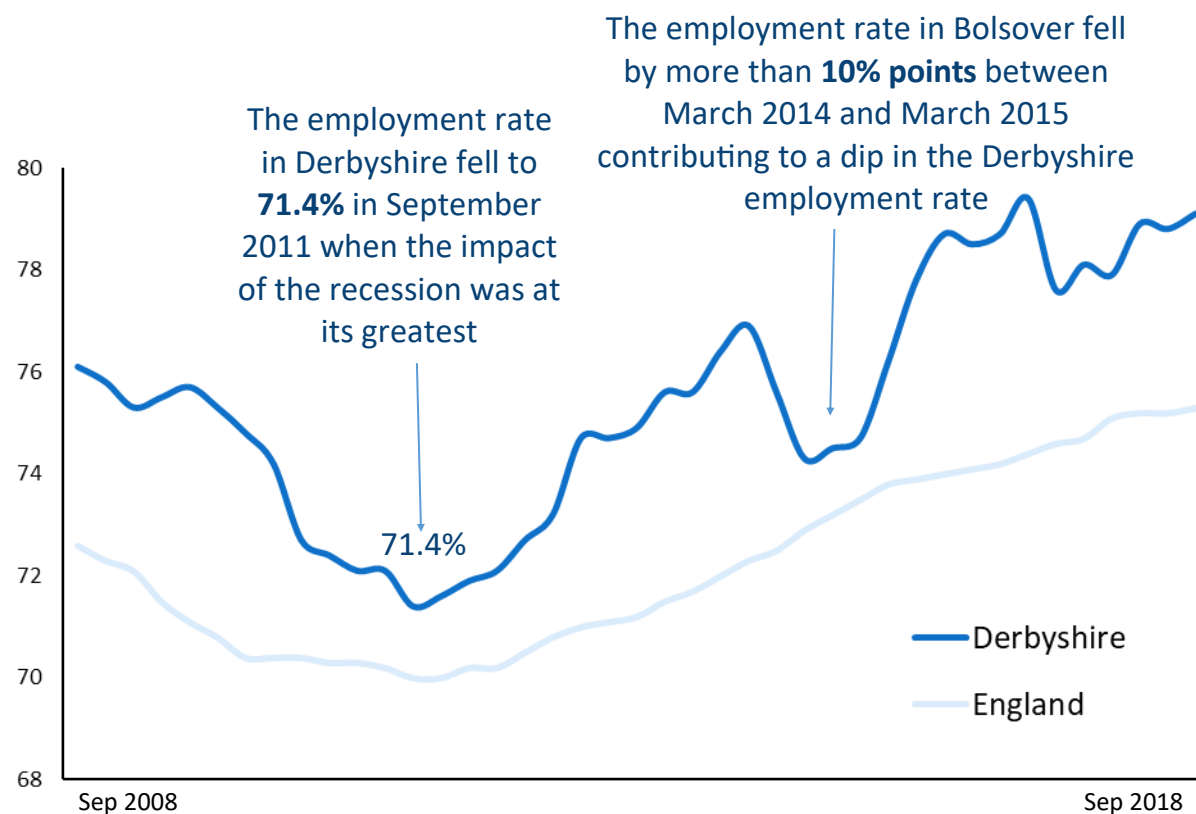
## Employment

Derbyshire has high levels of labour market participation, with the employment rate continuing to grow and now standing at 79.1% . This is one of the highest levels in recent years, with the last five years showing a general upward trend both locally and nationally, reflecting the improving economic picture. The county's employment rate has historically been higher than that across England and this remains the case with the differential nearly 4.0% points.

Across England, there are over 2.4m more people in work than at the end of the 2008 recession, with 27,800 more in Derbyshire. The number of vacancies locally and nationally is the highest it has been for a number of years. This is positive but there are signs across the country that firms are finding it difficult to find suitably skilled workers for some roles. Brexit is thought to be a factor with a fall in the net migration from the EU since the Referendum. This has worsened skills shortages in a number of sectors including IT, transport and construction. Other sectors such as Health and social care and Hospitality have also warned of problems recruiting. It is possible that this may lead to firms paying higher wages to get the employees they want. Whilst this would be positive it may produce some inflationary pressure in the economy potentially pushing up prices for some goods and services.

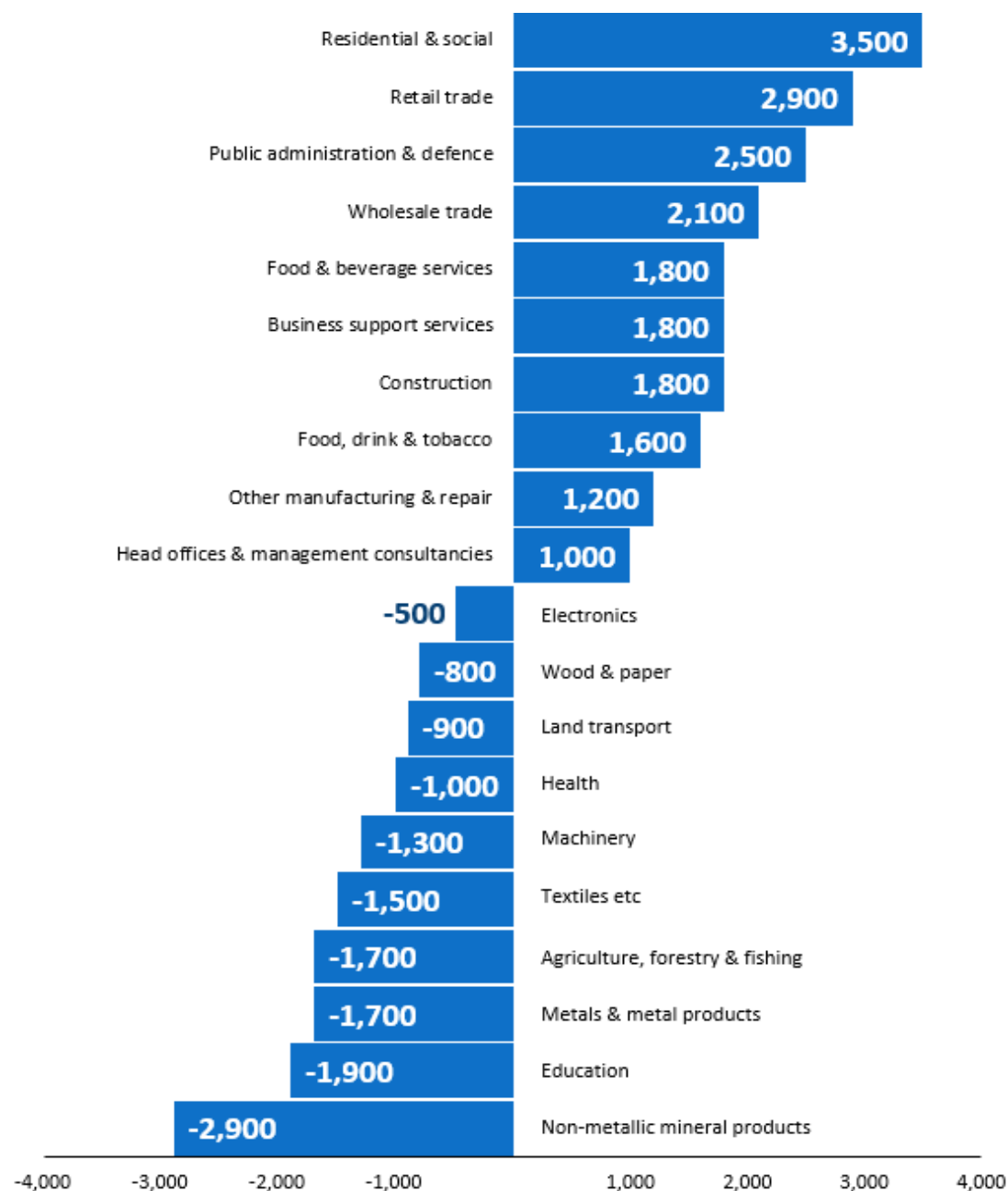


### Employment rate (2008-2018)



Source: Annual Population Survey, Sep 2018, ONS, © Crown Copyright

## Forecast change in employment numbers by sector (2014-2030)



Source: Midlands Engine employment forecasts, Cambridge Econometrics, Nov 2015

## Employment forecasts

Over the next 15 years, Derbyshire's employment levels are forecast to increase by around 3%. Although lower than the national forecast of 8%, it still equates to an extra 10,000 jobs. Additionally, economic growth is forecast to be on a par with that nationally. This may reflect the significance of manufacturing in Derbyshire, a sector likely to be at the forefront of productivity improvement. It is important that labour supply, which is projected to fall by around 2% over the period, meets the skills demands of Derbyshire's growing economy.

There are major differences by sector. Although many service sectors are forecast to grow, the largest growth in employment is in Residential and social care, which is predicted to see an additional 3,500 (17.2%) employees by 2030, reflecting the demands of an ageing population. Three other sectors are forecast to see rises of more than 2,000 employees; Retail (2,900), Public administration & defence (2,500) and Wholesale (2,100).

Manufacturing sectors dominate areas where large declines are predicted, the largest being for Non-metallic mineral products (2,900). Education, Metals & metal products, Agriculture, forestry & fishing, Textiles and Machinery are also forecast to see employee levels reduce by more than 1,000.

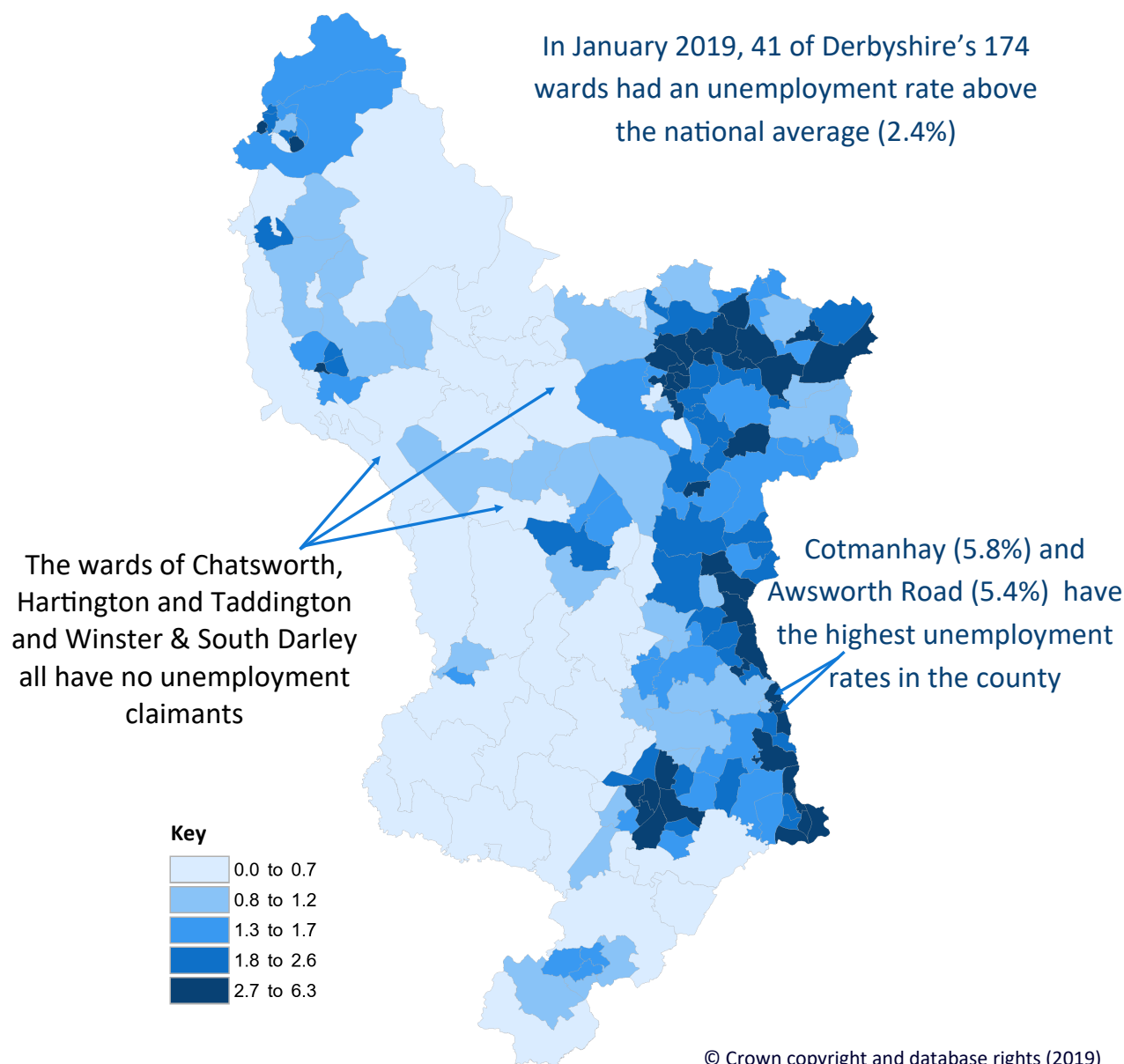
# Unemployment

In January 2019, the county's claimant unemployment rate of 1.8% remained below the England average (2.4%). However, at district level, the claimant unemployment rate in Chesterfield (2.8%) and Erewash (2.7%) was higher than the national rate with all other districts falling below the England average. The lowest rates were in Derbyshire Dales (0.9%) and South Derbyshire (0.9%).

At a very local level, 41 of the county's 174 wards had unemployment rates above the national average. Wards with particularly high levels of unemployment include Cotmanhay (6.3%) and Awsworth Road (5.9%) in Erewash and Rother (5.9%) and Loundsley Green (4.7%) in Chesterfield. Generally, wards with higher rates of claimant unemployment are located in urban areas, such as Chesterfield or Ilkeston. Comparatively, rural areas tend to have lower unemployment.

A total of 1,055 people in Derbyshire had been out of work for more than a year. These long-term unemployed residents accounted for 47.8% of the county's Job Seekers Allowance Claimants, below the national average of 52.2%. Just over one fifth (22.1%) of all the unemployed in the county are young people aged 16-24 years, which is higher than the 18.5% proportion for England.

## Unemployment rate by ward (January 2019)

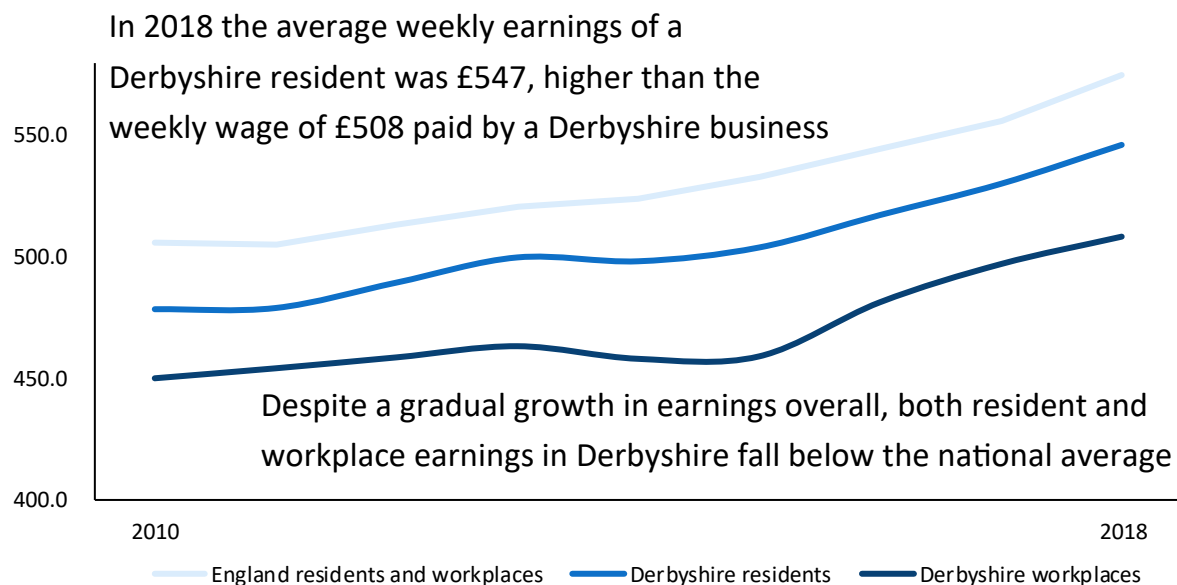


© Crown copyright and database rights (2019)  
Ordnance Survey Licence Number [100023251]

Source: Claimant Count Unemployment, Jan 2019, ONS, © Crown Copyright



## Average weekly earnings of a full-time worker (£ 2010-2018)



## Earnings

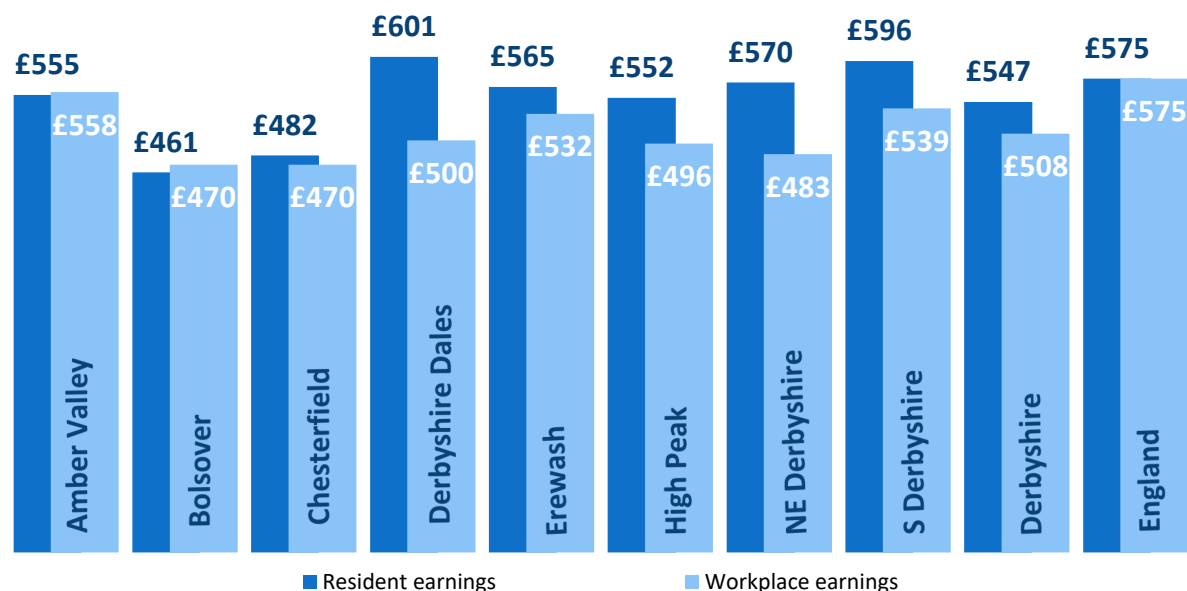
Over the last year weekly earnings have increased by £17 for those living in Derbyshire (residence based) and by £11 for those who work in the county (workplace based). However, despite a gradual growth in the level of earnings since 2010, the average weekly wage in Derbyshire remains below that for England.

Across the majority of Derbyshire districts, the earnings of those living in the area are significantly higher than the earnings of those who work in the area, with the exception of Amber Valley and Bolsover.

The average weekly earnings of a Derbyshire resident are £547, 4.9% less than the national average of £575. The average weekly wage paid by a Derbyshire business is £508, 11.6% below the national average of £575. This reflects the lower skilled employment structure of the county and the travel by some residents out of Derbyshire to work in order to secure higher wages.

Locally, there are considerable variations in earning levels. Residents in Derbyshire Dales, £601, and South Derbyshire, £596, earn the highest whilst those in Chesterfield, £482, and Bolsover, £461, earn the lowest. For workplace earnings, businesses in Amber Valley, £558, pay the highest weekly wages whilst again those in Chesterfield and Bolsover pay the lowest.

## Average weekly earnings by District (2018)



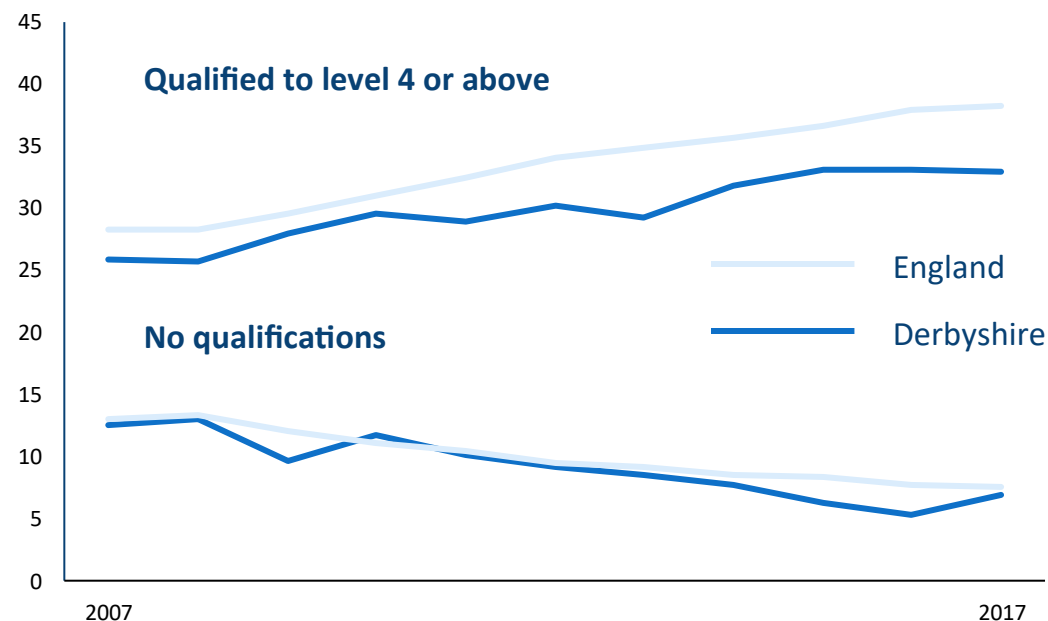
# Qualifications

The qualification levels of Derbyshire's working age population (aged 16-64 years) have greatly improved since 2007 when the proportion of people qualified to NVQ Level 4+ (degree level or above) was 25.9% and 12.5% of people had no qualifications. In 2017, 33.0% of the county's residents have a level 4+ qualification and just 7.0% have no qualifications.

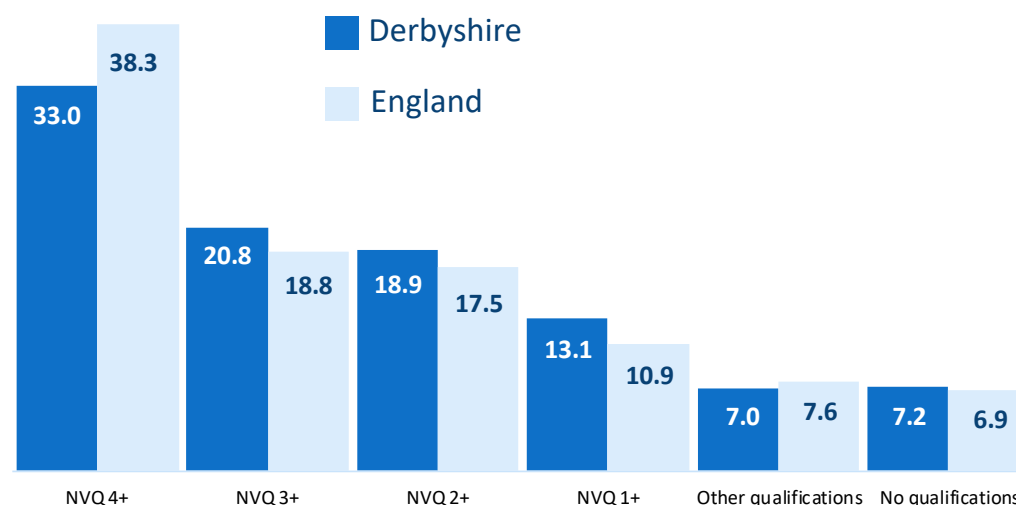
However, there continues to be a significant skills gap at level 4+ with relatively fewer Derbyshire residents with higher level qualifications compared with England (38.5%), a factor that varies significantly locally. The proportion of the workforce qualified to level 4+ varies by more than 20.0% points across the county, from 47.4% in Derbyshire Dales to 25.8% in Bolsover.

Analysis of NVQ levels 1-3 shows that greater proportions of Derbyshire's workforce have these levels as their highest level of qualification. An estimated 20.8% of people in the county have NVQ level 3, the equivalent to 'A' levels, as their highest level compared to 18.8% across England. Whilst 18.9% of Derbyshire residents have an NVQ level 2, the equivalent to GCSE level at grade 4-9, as their highest level compared to 17.5% of people nationally. Comparisons of NVQ level 1, the equivalent to GCSE level at grades 1-3, also show a marginally higher figure for Derbyshire residents with 13.1% compared to 10.9% across England.

Qualification levels (% 2007-2017)

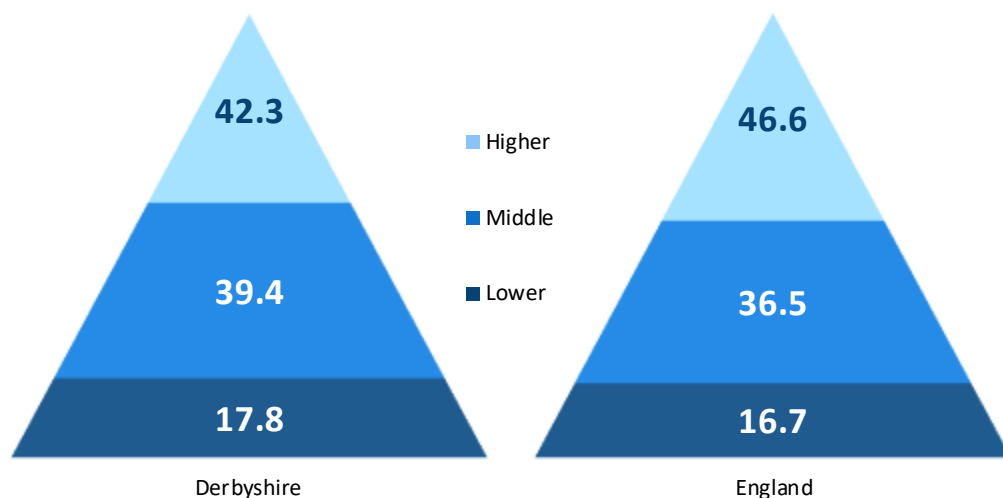


Highest NVQ level equivalent qualifications (% 2017)

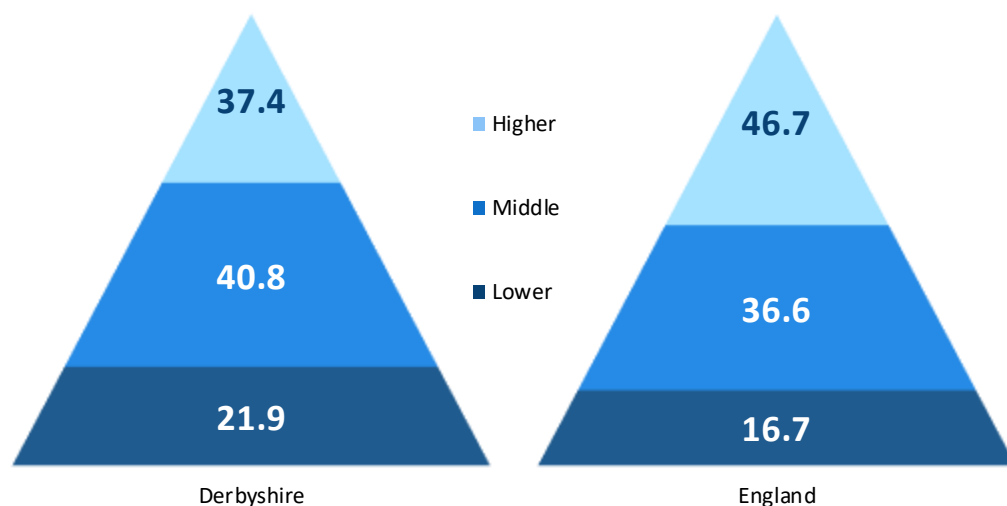


Source: Annual Population Survey, Jan - Dec 2017, ONS, © Crown Copyright

## Occupational profile of residents (% 2018)



## Occupational profile of businesses (% 2018)



## Occupations

Fewer Derbyshire residents work in higher level occupations<sup>2</sup> than across England. Across Derbyshire there are considerable differences, over a half of residents in Derbyshire Dales (54.1%) and High Peak (53.1%) work in higher level occupations, whereas in Bolsover the figure is less than one third (31.7%).

A comparison of the occupational profiles of Derbyshire's residents and workplaces shows a clear shortfall in higher level occupations across the county's businesses. This suggests that a significant number of residents working in higher level occupations are travelling outside of the county for work, whereas those in lower skilled occupations are more likely to work for local companies. Businesses in Chesterfield (42.6%) and High Peak (42.2%) have the largest proportions of higher skilled jobs whilst those in Bolsover have the lowest at 29.4%.

In addition, considerably fewer Derbyshire businesses (37.4%) require higher level occupations compared with businesses across England (46.7%), reflecting the county's lower skilled industrial structure. To ensure productivity levels locally continue to grow there is a need to attract higher value employment opportunities into the county.

# Apprenticeships

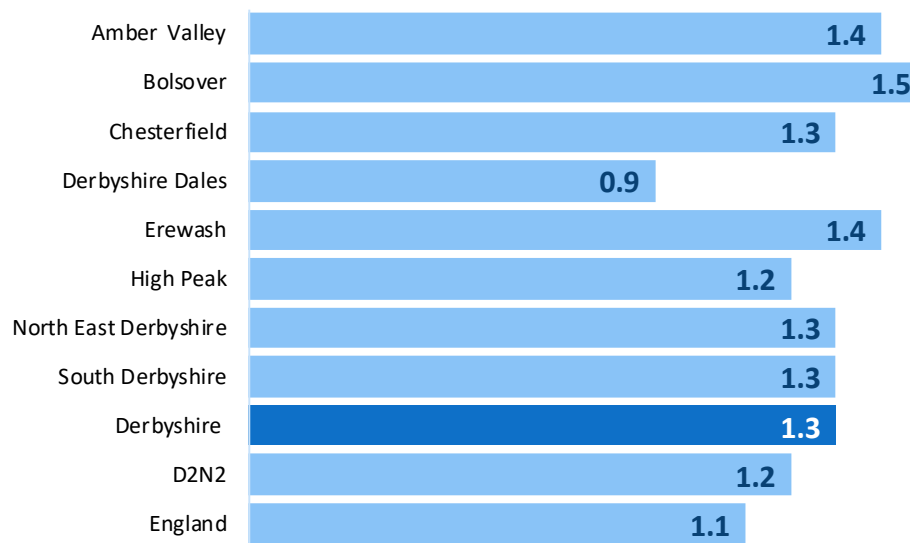
Increasing the quality and quantity of apprenticeships will play a crucial part in raising skills and productivity levels across England. In 2017/18, 6,460 Derbyshire residents started an apprenticeship, equating to a take-up level of 1.3%, compared with the 1.1% for England. Take-up levels are highest in Bolsover, Amber Valley and Erewash and lowest in Derbyshire Dales.

Over the last year apprenticeship starts have greatly reduced. In 2017/18 there were 29.4% (2,690) fewer starts than in 2016/17; a decline (24.1%) was also experienced across England. The transition to the new apprenticeship levy introduced in April 2017 is thought to be a factor here.

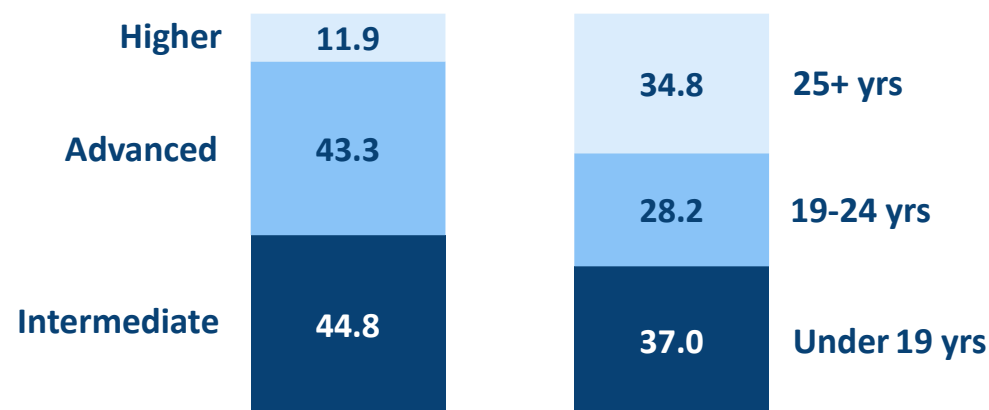
Analysis of apprenticeship starts shows 37.0% of all starts in the county are aged under 19 who undertake either intermediate or advanced level apprenticeships. Higher level apprenticeships have only been up and running since 2010 and the number of people taking them is relatively low.

Importantly more apprentices are succeeding in Derbyshire. Since 2012/13 there has been a 9.2% increase in apprenticeship achievement rates locally, just lower than the 10.5% across England. All districts have maintained or experienced improvements with South Derbyshire and Derbyshire Dales showing the largest increases.

## Apprenticeship starts as a % of the working age population (2017/18)



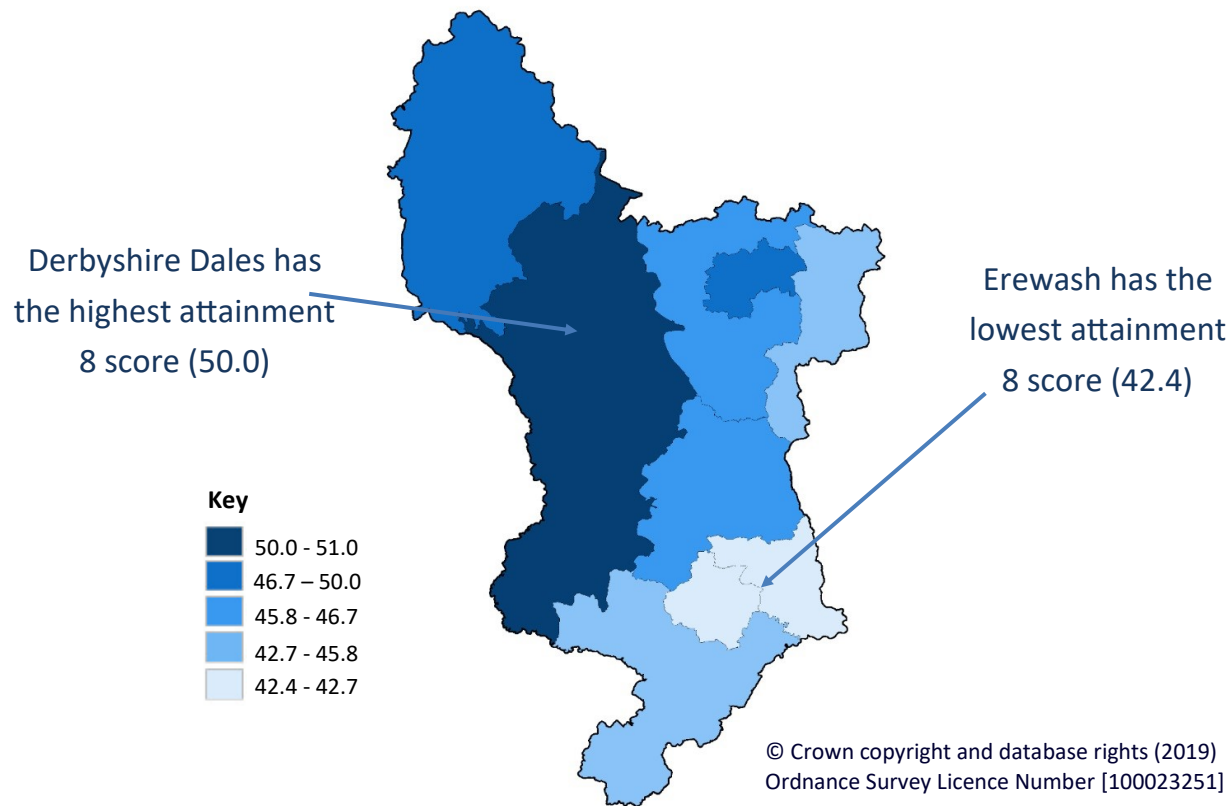
## Apprenticeship starts by level and age (% 2017/18)



Source: Apprenticeship data tool 2011/2012 to 2017/2018, Department for Education, © Crown Copyright



## Average attainment 8 score (GCSE) (2016/17)



<b>Derbyshire</b>	<b>45.6</b>	<b>94.0</b>	<b>30.9</b>	<b>55.0</b>
<b>England</b>	<b>44.6</b>	<b>94.0</b>	<b>33.1</b>	<b>50.0</b>

Average attainment 8 score per pupil	% of Pupils entering EET at 16	Average points scored at age 18	% of pupils entering HE at Age 18
--------------------------------------	--------------------------------	---------------------------------	-----------------------------------

**Sources:** Attainment 8 data relates to the 2016/17 academic year, students EET after KS4 relates to 2016/17, Attainment scores at age 18 relates to 2017/18 & Pupils entering HE at age 18 relates to the 2016/17 year, DfE, © Crown Copyright

## Young people

Overall the participation and attainment levels of young people in Derbyshire compare favourably with those for England. The average attainment 8<sup>3</sup> score for a pupil at age 16 in Derbyshire is 45.6, just above the national average of 44.6. Across the county the average scores vary considerably with attainment levels being the highest in Derbyshire Dales (50.0) and lowest in Erewash (42.4), followed by Bolsover (42.7) and South Derbyshire (44.1).

Following on from GCSE's at age 16, 94.0% of pupils in the county entered some form of education, employment or training (EET), a level in line with the national average.

Attainment levels at age 18 year are currently lower than the national average. In Derbyshire the average points scored per entry at level 3, which includes A-levels and vocational qualifications, is 30.9 compared with 33.1 across England.

Over half of all 18 year olds locally progress into higher education (HE), higher than the England average. Around 18.0% of young people in Derbyshire who go on to university attend one of the top third of HE institutions in the country, a figure just above the England average of 17.0%.

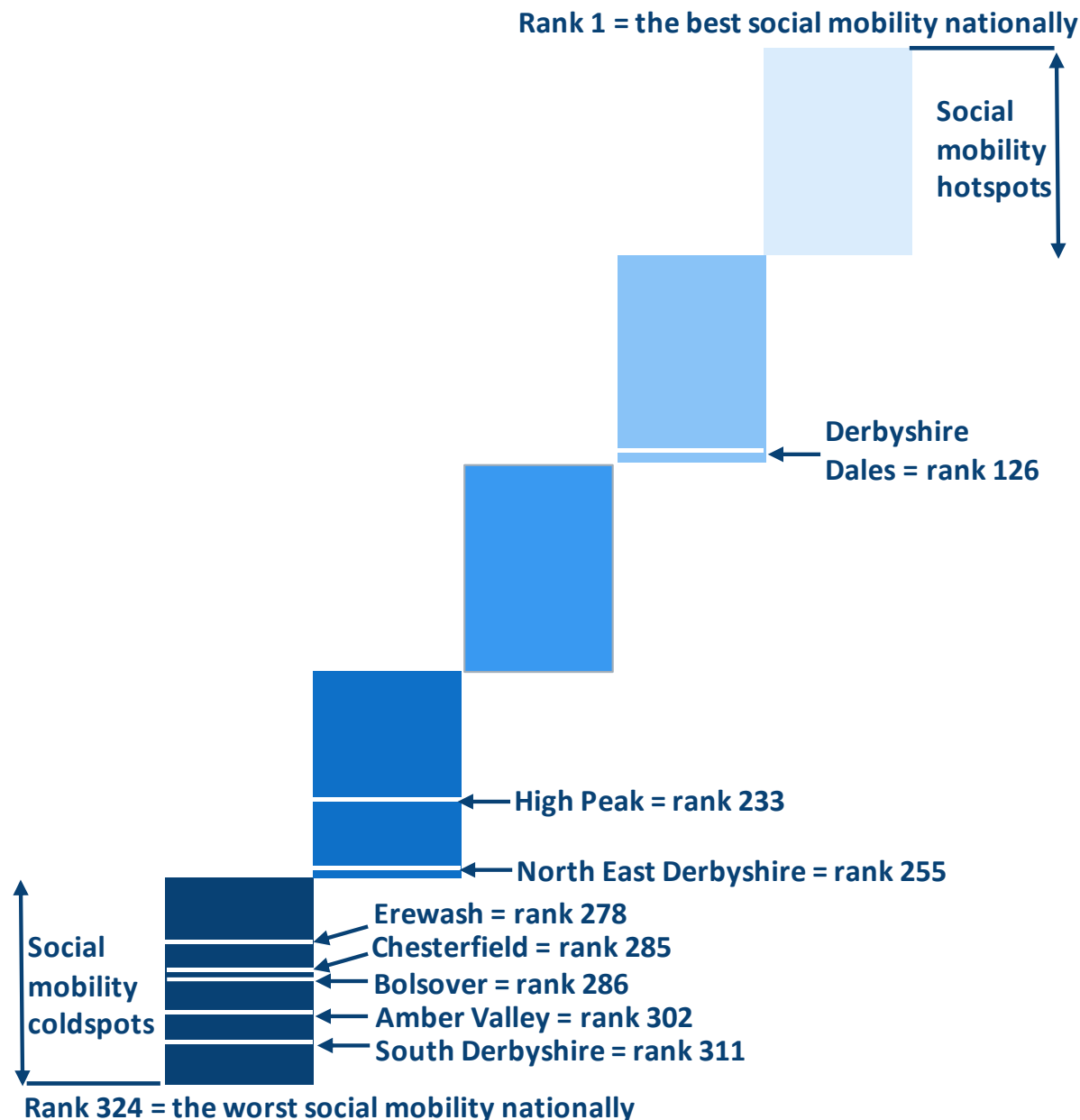
# Social mobility

Social mobility is about ensuring that every individual has a fair chance of reaching their potential. It has attracted increasing attention over recent years with employment levels in the UK being the highest for many years and yet disadvantaged communities are often not beneficiaries of this. Several recent studies have identified the East Midlands as one of the areas in the country with lower levels of social mobility, including a number of Derbyshire's districts.

In the most recent study five of the county's districts were identified as social mobility cold spots<sup>4</sup> and were ranked in the worst 20.0% of districts nationally. Of the four life stages in the research the school age stage (aged 5-16) was the worst for Derbyshire with six districts deemed cold spots, followed by the youth stage (aged 16-18) with five districts being cold spots.

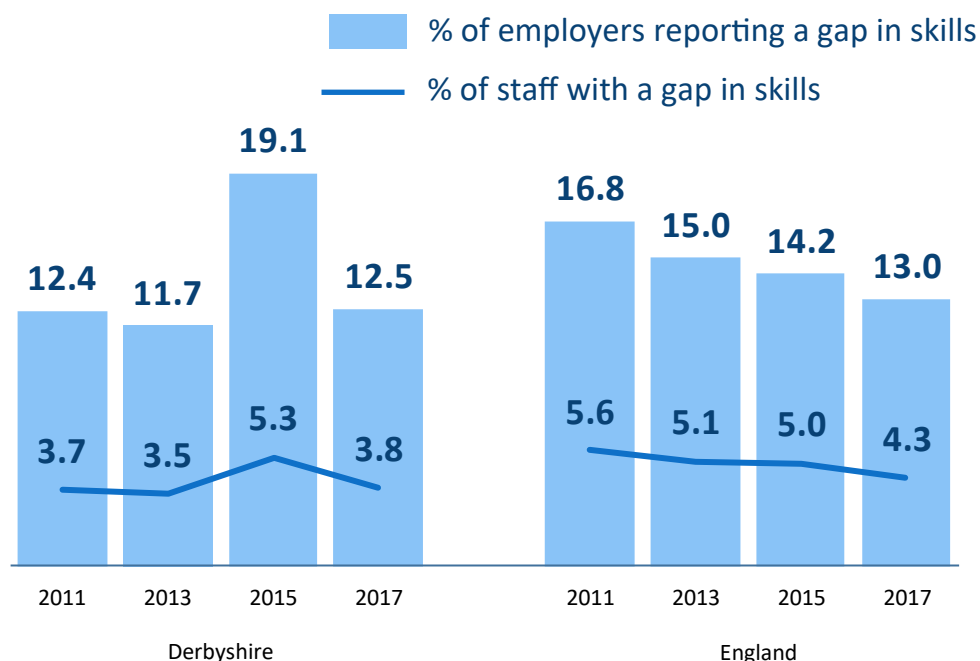
The research suggests that when attainment gaps exist at an early age it can have a huge impact on future life chances, with children having a poor vocabulary at age five more than twice as likely to be unemployed at age 34. In South Derbyshire, which is ranked lowest for social mobility in Derbyshire, partners are working closely to identify why there appears to be an issue and what can be done to reduce it. The outcomes from this work may have applications in addressing the issue more widely in the county.

## Social mobility ranking of Derbyshire districts (2017)



Source: State of the Nation, 2017, Social Mobility Commission

## Reported skills gaps



## Employers with a training plan/provide training (% 2017)



Source: The UK Employer Skills Survey, 2017, Department for Education, © Crown Copyright

## Skills demand

The UK Employer Skills Survey is the most comprehensive source of intelligence available on the skills challenges currently facing UK employers. The 2017 survey is based on 87,000 responses including more than 1,200 from Derbyshire.

The survey reveals that 12.5% of establishments in Derbyshire reported a skills gap where at least one employee was deemed not to be fully proficient in their role, a figure similar to the England average of 13.0%. This represents 3.8% of all staff the equivalent of approximately 11,000 local employees who are considered not to be fully proficient. This compares favourably to England where the figure is 4.3%.

Whilst over two thirds of businesses in Derbyshire have a training plan or budget and a similar proportion have provided training over the last 12 month, the county's businesses fall below the England averages on these measures.

Around one third of vacancies held by Derbyshire employers were considered to be hard to fill. Whilst this can be due to a range of factors, over a half of all vacancies in the county were felt to be hard to fill due to skills shortages. It is worth noting however, that skills shortage vacancies in Derbyshire have declined by 27.7% since the last Survey in 2015, considerably more than the 7.6% increase seen across England.

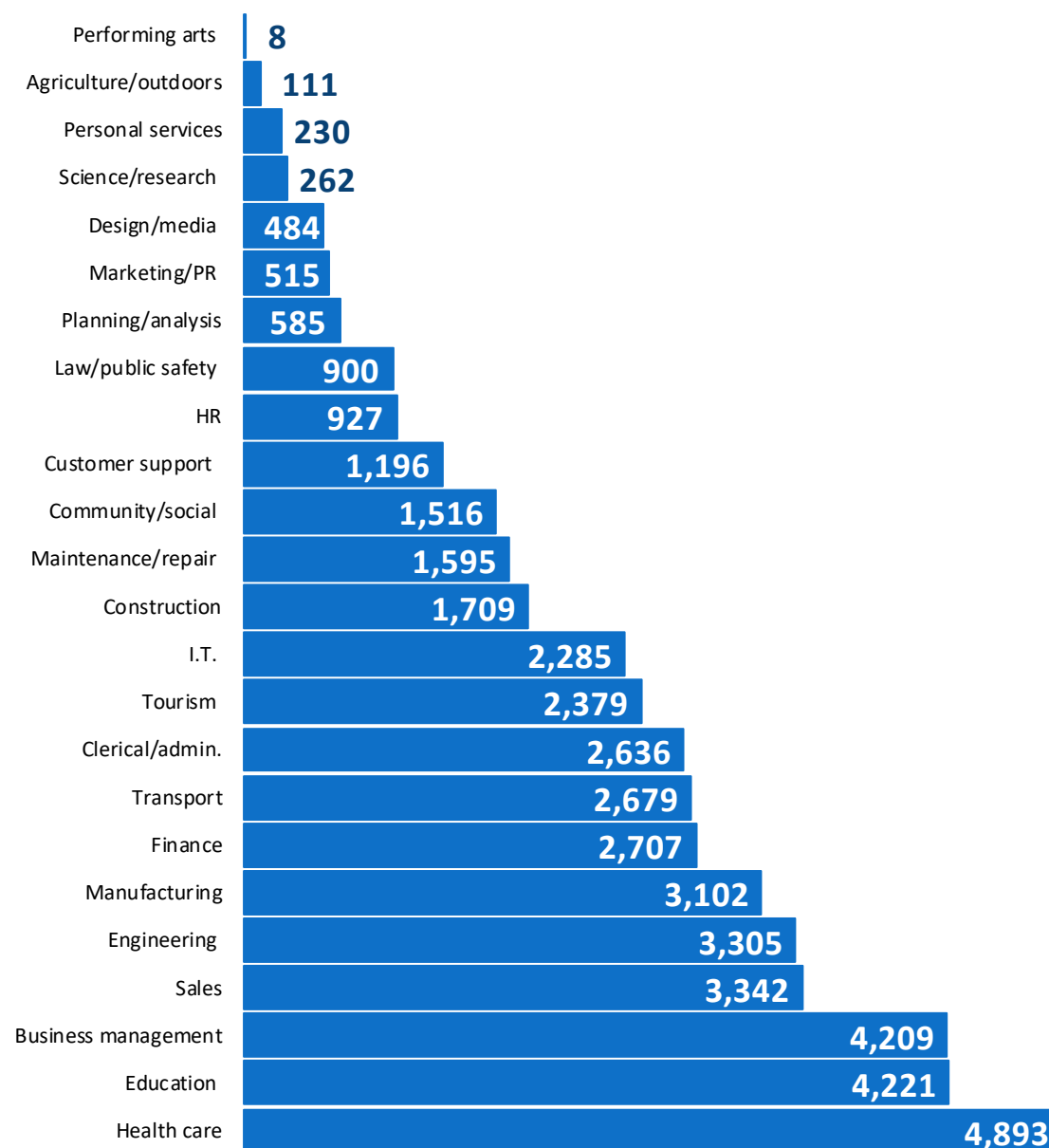
## Job vacancies

According to Labour Insight's labour market intelligence tool, there were nearly 45,800 vacancies across Derby and Derbyshire between January to December 2018. Six occupational areas make up more than a half of all vacancies, including Health and social care (10.7%), Education and training (9.2%), Business management (9.2%), Sales (7.3%), Engineering (7.2%) and Manufacturing (6.8%). Locally, around a fifth of these vacancies were based in Chesterfield, the county's largest centre of employment.

Although the current labour market is buoyant, there are a number of challenges facing employers. Analysis of the 2017 UK Employers Skills Survey reveals local employers in Derbyshire are experiencing recruitment difficulties due to skills shortages. The most significant skills shortage areas are in Skilled trades and Managerial occupations.

Around 30.0% of UK jobs are potentially at high risk of automation by the early 2030's but alongside this new jobs are expected to emerge. Derbyshire's economy is estimated to grow with nearly 10,000 additional jobs forecast over the next 15 years. This is positive particularly given that two of the county's largest employment sectors, Manufacturing and Wholesale & retail are identified as those most at risk of automation across the UK.

### Number of vacancies by occupational group (2018)



Source: Labour Insight by Burning Glass Technologies, Jan-Dec 2018



# SWOT analysis

This section provides a summary of the strengths and weaknesses of Derbyshire's economy and also identifies the key opportunities and challenges that currently face the local economy.

The analysis highlights that the county's economy has continued to improve despite the current uncertain economic landscape. However, there are several challenges that need to be considered and addressed to support the continued growth and development of Derbyshire's economy.

## Productivity

Productivity is of huge significance to the UK economy, with performance lagging behind that of the G7 nations. It has been identified as a key priority for Government policy with the introduction of the Industrial Strategy in 2017 which aims to focus investment and activity on this area. Each LEP has been tasked with developing their own local approach to address this challenge and support economic improvement. The Industrial Strategy for the D2N2 LEP area is currently being developed.

Both GVA and productivity levels have greatly improved in Derbyshire over recent years and the gap between England and Derbyshire is reducing. In Derbyshire the key challenge for the future will be to ensure productivity levels continue to improve and for the economic gap between Derbyshire and England to be reduced further. This will require a significant shift in the county's industrial structure and a move away from a reliance upon traditional industries that are predominantly low skilled

and lower paid. This can be achieved by building on the county's existing strengths in manufacturing and supporting the sector to grow and develop and by attracting new innovative businesses to invest and locate in the area. This will result in an increase in the number of higher value employment opportunities in the county. The Low carbon sector is rapidly emerging as a key sector for the UK due to the need to reduce our carbon footprint. Derbyshire's high quality landscape is well placed to take advantage of the opportunities presented by new technologies in the green economy.

## Infrastructure

Derbyshire is centrally located within England and is well connected with an excellent transport infrastructure. Ensuring the maintenance and development of the local transport network is managed well is crucial to supporting the economy and its future growth. In particular, the planned HS2 route through the county will offer improved connectivity and many opportunities for the local area.

An accessible digital infrastructure is essential for local businesses to operate and compete. The £34m Digital Derbyshire programme is playing a key role in ensuring the county's homes and businesses have access to high quality broadband and mobile services.

## Enterprise

Rebalancing the economy in favour of the private sector is another government priority that aims to stimulate a more dynamic economy, increase entrepreneurial activity and generate economic growth.

Derbyshire has a resilient and stable business base with more of the county's firms surviving than nationally. Whilst this suggests that business support programmes in the area are operating well, the level of entrepreneurship in the county is of concern with business start-ups reducing over the last year and remaining well below the national average. According to the Chamber of Commerce's Quarterly Economic Survey business confidence has fallen locally. This is likely to be due to a number of factors but the ongoing uncertainty around Brexit will have contributed. Supporting existing businesses to grow and encouraging new enterprises to start-up is essential for job creation, productivity improvements and economic growth.

### **Labour market**

Although the county's population is only forecast to experience moderate growth over the next 20 years there is considerable change forecast for specific age groups. The retired population in Derbyshire is set to increase significantly, whilst the working age population is expected to decline. The county currently has strong levels of labour market participation with high employment rates. Given the diminishing supply of labour, maintaining the high levels of labour market participation will be fundamental to local businesses and the wider economy.

Although adult qualification levels have improved significantly at all levels over recent years, fewer local residents are qualified to degree level or above. Analysis suggests this is compounded by the relatively large number of highly skilled residents who travel outside of the county for employment. In order to improve productivity levels, encouraging local

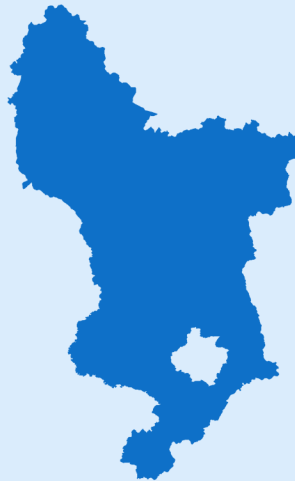
businesses to grow and innovate will be key to increasing the number of higher level occupations on offer and retain highly skilled workers.

Educational attainment in Derbyshire is largely in line with the national average, however, disparities exist across the county making it more difficult for some young people to enter and progress in the labour market. This is supported by recent national research on social mobility which highlights five of Derbyshire's districts have amongst the lowest levels of social mobility across England. Supporting young people to be work ready and equipped for the world of work is essential. The National Careers Strategy aims to bring schools and businesses closer together in support of this.

## Strengths

**Highly accessible**  
with excellent connections  
to road rail and air

Centrally located with  
**five** major cities  
surrounding the county



Derbyshire is a **spectacular county** with  
a rich diverse **heritage**. Alongside the  
beautiful natural landscape, Derbyshire has a  
**thriving Visitor economy**

**Strong and resilient**  
Manufacturing sector



Businesses are **robust**  
with relatively **higher**  
business survival rates

**High levels**  
of labour  
market  
participation



## Weaknesses

Whilst the size of the local economy and  
productivity have improved recently, there  
remains a large economic gap between  
Derbyshire and England in terms of  
**prosperity levels**

**Lower skilled economy** with fewer  
of the county's businesses offering  
higher level occupations. Resulting  
in **lower levels of earnings**



**Derbyshire has lower levels of  
entrepreneurship, with historically  
lower business start up rates**



Although qualification levels have greatly improved  
locally, this **varies considerably** across the county  
with some areas having much **lower levels** of adults  
qualified to degree level and young people achieving  
the benchmark of five or more GCSE's at grades 5-9

## Opportunities

Derbyshire is an **attractive** and **affordable** place to live and work



**HS2** can provide an **economic boost** to Derbyshire, providing jobs in growth zones



*...Journey times to/ from London **nearly halved**...*

**Planned investment sites** will help to attract **higher value** employment opportunities



The **low carbon sector** is one of the fastest growing in the UK and there is potential for **innovative local firms** to contribute to it

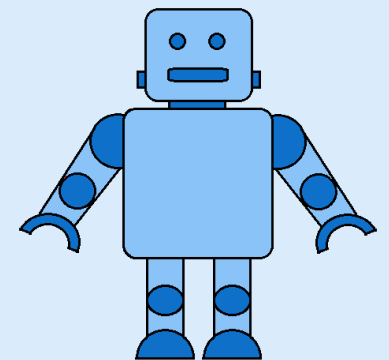
## Threats

**65+ population set to increase** and **working-age population expected to decline**, there are implications for health and social care and future skills availability



**Ongoing uncertainty around Brexit** is making it **difficult** for firms to plan ahead and invest

Although it will benefit productivity, increasing **automation** over the coming years will result in some **jobs being lost**



The **construction of HS2** will provide **disruption and traffic congestion** for local residents and businesses



## End notes

1. **Industry 4.0** is a name for the current trend of automation and data exchange in manufacturing technologies. It includes cyber-physical systems, the Internet of things, cloud computing and cognitive computing. Industry 4.0 is commonly referred to as the fourth industrial revolution and creates what has been called a 'smart factory'.
2. **'Higher level'** occupational groups are defined as Standard Occupational Classification (SOC) 2010 major groups 1 (managers, directors and senior officials), 2 (professional occupations) and 3 (associate professional and technical occupations). **'Middle level'** occupational groups are defined as SOC 2010 major groups 4 (administrative and secretarial occupations), 5 (skilled trades occupations), 6 (caring, leisure and other service occupations) and 7 (sales and customer service occupations). **'Lower level'** occupational groups are defined as SOC 2010 major groups 8 (process, plant and machine operatives) and 9 (elementary occupations).
3. The **Attainment 8** score measures the achievement of a pupil across eight different subjects. Pupils are given a score in eight different subjects taken for GCSEs and approved non-GCSEs. These are English and maths (which have double weighting); the three sciences, geography, computer sciences and history, which count towards the English Baccalaureate (Ebacc); and then three more out the Ebacc subjects or other approved academic, arts or vocational subjects. For each subject, pupils are given a mark from 1 to 9 (for English and maths) or from 1 to 8.5 (for other subjects). A score of 1 is roughly equivalent to a GCSE 'G' grade, and a 9 is roughly equivalent to a GCSE 'A\*' grade.
4. **Social mobility cold spots** are areas that falls within the worst 20% of areas nationally on social mobility.



Policy and Research  
Commissioning, Communities and Policy  
Derbyshire County Council  
County Hall  
Matlock  
Derbyshire  
DE4 3AG  
Email: [research@derbyshire.gov.uk](mailto:research@derbyshire.gov.uk)

Author	Policy and Research
Version	V2.2 Public
Date	17/04/2019
Geography	District, Derbyshire, England