



Economic Development Strategy Appendices

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Acknowledgements

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Appendices

Appendix 1: Strategy Development

The development of the Economic Development Strategy was set out in a report to the District Council's Environmental & Development Services Committee on 19 November 2015.

Research

A questionnaire-based telephone survey of one hundred businesses in South Derbyshire was independently conducted, in partnership with Groundwork. A broad cross section of respondent businesses was achieved, with a mix of geographical location, size and sector. Further responses were received via the option to complete the Business Survey online. In parallel a review of relevant policy documents was undertaken, together with an analysis of existing studies and socio-economic data.

Issues Paper

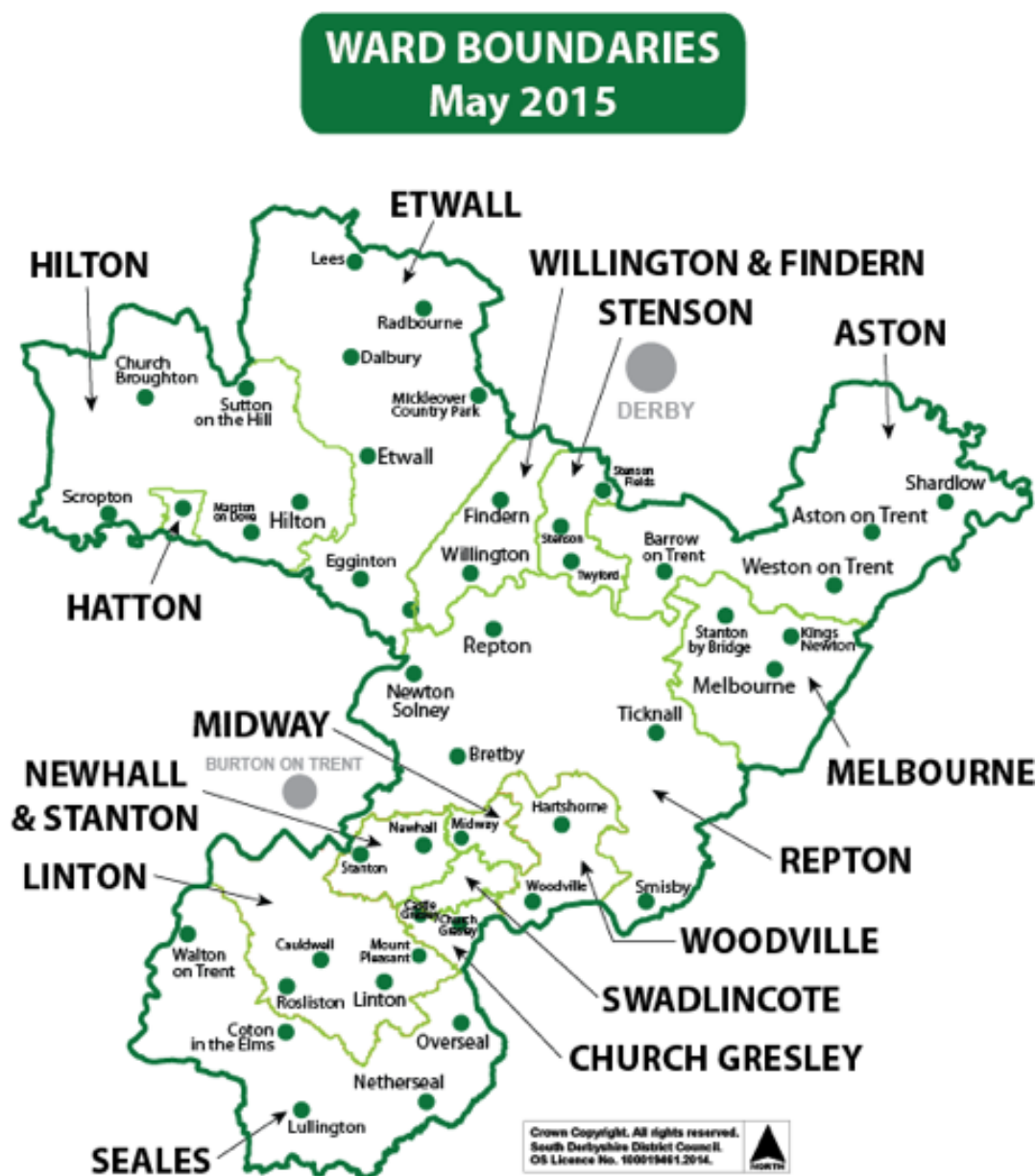
The findings of the desk research and Business Survey were combined to create an Issues Paper outlining the emergent issues for the new strategy. These were presented to Members and used as the basis for workshops with businesses and partner organisations. The Issues Paper was also made available for public comment via the website. The aim was to test the findings, to identify any issues that had been overlooked and to consider actions that would address the challenges.

Adoption

The research and findings were then used to update the Strategy document. On 29 September 2016 the new 2016-2020 Strategy was adopted by the District Council's Environmental & Development Services Committee.



Appendix 2: South Derbyshire Wards





Appendix 3: Structural Changes

The global economic crisis commencing in approximately 2008 and change in national government in 2010 led to austerity measures and a dramatic restructure of the national, regional and local agencies involved in economic development.

Structural and organisational changes in economic development impacting upon South Derbyshire over the last few years have included:

- A decline in available public funding led to a reduction in the activities of a range of organisations such as the Derbyshire Economic Partnership (formerly Derby & Derbyshire Economic Partnership sub-regional strategic partnership); Visit Peak District & Derbyshire destination management organisation (or ‘tourist board’); and, the Groundwork environmental organisation.
- Introduction of Local Economic Partnerships, including ‘D2N2’ covering Derby, Derbyshire, Nottingham and Nottinghamshire. Local Enterprise Partnerships are ‘locally-owned’ partnerships between local authorities and businesses. They play a central role in deciding local economic priorities and undertaking activities to drive economic growth and create local jobs. These partially replaced the former Regional Development Agencies, including East Midlands Development Agency and its subsidiary East Midlands Tourism.
- The Local Enterprise Partnership plays a role in allocating funds such as the European Structural & Investment Funds and the Local Growth Fund, which supports investment in economic development infrastructure (eg broadband, road and rail). This is one of a number of new forms of financial assistance introduced by the Government to support public and business investment, including the Regional Growth Fund which provided grants and loans to businesses.
- Introduction of ‘Growth Hubs’ based on Local Enterprise Partnership areas to signpost businesses to support services. The D2N2 Growth Hub aims to improve the ability of businesses in the area to value and engage appropriately with business service providers (public or private), and to help business service providers to improve their offer. The Business Link advice service along with other business support activities, such as the Manufacturing Advisory Service, have ended.
- Introduction of the Skills Funding Agency supporting skills training for further education, working with colleges, private training providers and employers. This has replaced the former Learning & Skills Councils and a number of other agencies involved in training and education. The Government has also sought to expand apprenticeships, through the National Apprenticeship Service.
- Formation of the D2 Derby & Derbyshire Joint Committee for Economic Prosperity bringing together the ten upper and lower tier local authorities of Derbyshire and Derby City. The Joint Committee aims to co-ordinate economic development activities at a strategic level across the County.
- Following the example of British Waterways becoming the Canal & River Trust, the National Forest Company has adopted charitable status. Its core activities are unchanged but it will have to operate more entrepreneurially and raise more income from other sources in the future. The National Forest destination marketing partnership has continued to promote the area to visitors.

- Creation of the 'Midlands Engine' bringing together eleven Local Enterprise Partnerships (LEPs) in the East and West Midlands, aiming to boost productivity, attract inward investment, increase connectivity and build a regional tourism offer. Key themes for collaboration include skills, innovation, promotion and finance for business. The Midlands Engine includes the Midlands Connect Partnership which will jointly develop a regional transport strategy with the Department for Transport.
- Restructure of the South Derbyshire Partnership and formation of the Sustainable Development Group. This is a theme group bringing together organisations from the public, private and voluntary/community sector in South Derbyshire involved in economic development and all related matters. The Sustainable Development Group is the District's principal economic development partnership. The Partnership's board and theme groups aim to co-ordinate the activities of the partners and focus on the achievement of the Sustainable Community Strategy.



Appendix 4: Policy Context

Following the structural changes outlined above, a range of new policy documents have been introduced. A number of the strategies impacting upon economic development in South Derbyshire are highlighted below, however these are only a selection of the wide range of relevant policy documents.

The Midlands Engine Prospectus (2015)

(Midlands Engine for Growth)

The Prospectus sets out an aim to improve the economy of the Midlands and the UK, deliver an enhanced quality of life for its citizens and communities and become a globally recognised driver of the economy.

There are five key themes where Midlands Engine stakeholders have agreed to collaborate formally to achieve their aims more rapidly:

Promotion

The Midlands Engine will promote the region's strengths, assets and opportunities actively to key target domestic and overseas audiences. Its work will focus on sectors that provide the greatest opportunities for the region for inward investment. Alongside this, a consumer-focused campaign for the visitor economy will promote the highlights of the region, specifically around areas including heritage, culture, sport and food and drink. An efficient transport infrastructure will be vital for business and leisure tourism.

Midlands Connect

The connectivity of the Midlands Engine will be central to its success. To address this, Midlands Connect will set out a credible long term transport investment strategy for the Midlands Engine. It will identify early investment to improve road and rail networks and explore how new technologies can increase capacity of existing transport networks.

Innovation

The Midlands Engine will drive up business innovation, improving business productivity and competitiveness. Its universities and business will work together pan-regionally to bring forward innovations that support key sectors and drive this through the supply chain. The Midlands Engine will work with Government to identify where opportunities exist to further innovation activity across the Midlands Engine.

Finance for Business

Supporting SMEs to grow will increase employment right across the Midlands and help to diversify the business base. SMEs can be a key source of innovation, and medium sized enterprises are crucial to developing local supply chains that support global brands. High levels of new company formation and survival are indicative of a strong entrepreneurial culture and ethos within the business and wider community.

Access to appropriate sources of finance is essential for businesses to reach their full growth potential and to facilitate the survival of new business start-ups. The Midlands Engine will address this by offering a single and substantial access to finance proposition.

Skills

The availability of a strong talent pool is crucial to enable employers to improve their productivity and grow more quickly. In response to this, the Midlands Engine will work to ensure that the employer base links closely with skills providers and skills provision is tailored to employer demand. This also includes helping its future workforce understand the nature of upcoming employment opportunities and the skills levels these demand.

Building on established partnerships and creating new ones, the Midlands Engine will encourage employers and employees to work closely with skills providers. This will enable clearer skills pathways to develop, and it will encourage more people to take up an apprenticeship and more businesses to take on an apprentice. The Midlands Engine will support and promote best practice across the region.

Strategic Economic Plan (2014)

(D2N2 Local Economic Partnership)

D2N2's vision is to become a more prosperous, better connected, and increasingly competitive and resilient economy, at the heart of the UK economy, making a leading contribution to the UK's advanced manufacturing and life sciences sectors and generating significant export earnings for UK plc. It will create a D2N2 which provides a great place to live, work and invest.

D2N2's Growth Strategy 2013-2023 set out the target – to support the creation of an additional 55,000 private sector employee jobs in D2N2 by 2023, shifting the balance to more private sector jobs. Every action proposed in the Strategic Economic Plan will help it to move towards this target, by inspiring economic growth and supporting firms to innovate, invest, export, grow and create sustainable jobs.

The Plan highlights a number of challenges including:

- Access to funding to support business formation and growth.
- Low levels of enterprise and entrepreneurship.
- Underinvestment in innovation and research & development, with knock-on effects for productivity.
- A lack of co-ordinated financial support and expertise available to SMEs looking to develop business growth and improvement plans.
- Too many young people leaving education without the skills and aptitudes sought by employers.
- The subject and career choices made by young people, with many not being sufficiently well-informed about the potential employment opportunities open to them within the D2N2 area, and the requirements for entry and progression.
- Difficulties in retaining the graduates produced each year by D2N2's Universities, and attracting back those young people who leave the area to go to University elsewhere in the country.

- Unwillingness/inability of businesses to invest in workforce training.
- Lack of investment in workforce planning by companies in a consistent and co-ordinated way.
- Shortcomings in connectivity, including local and strategic road and rail links.
- The need for significant levels of investment in transport and access improvements to bring forward some of D2N2's key commercial and housing development sites and address wider connectivity barriers.
- The need to improve access to town/local centres in order to improve their economic vitality and maintain and enhance them as local employment and retail areas.
- Investment is needed to overcome constraints to the regeneration of critical sites.
- The uncertainty over future returns which prevents commercial investment in employment sites and premises, particularly in smaller developments and rural locations.
- Housing barriers including accommodating the population and household growth expected across D2N2 over the next ten years, particularly in the south and east of the area.
- Ensuring that all parts of D2N2 are able to benefit from improvements in broadband connectivity.

The Plan states that D2N2 will invest in five strategic priorities:

Business support and access to finance

D2N2 has a large and diverse business base across a wide range of sectors, from a high number of self-employed people and microenterprises (particularly in some of the rural parts of the region), to major Tier 1 manufacturers with global supply chains. In order to achieve its ambition for employment growth, it needs to grow and strengthen all parts of its business base across rural and urban areas, and support increased productivity, higher levels of enterprise, increased investment and entry into new markets. This theme has close links to the innovation and employment and skills themes. Improving the skills of the workforce and future workforce will make an important contribution to business success, and it wishes to re-shape education and training provision in D2N2 to meet business needs. Its innovation priorities include the provision of innovation-focussed business support, including skills for innovation, R&D support, grants and finance and the development of business and practitioner networks.

Innovation

To support a step change in innovation levels amongst D2N2 companies, and ensure businesses can find out about and access innovation support through their preferred route. D2N2 will increase business competitiveness through investment in innovation, commercialisation of credible ideas and new product development in its priority sectors and high growth companies, exploiting its research strengths and expertise through knowledge transfer. It will de-mystify innovation for the local SME base and ensure that businesses in all sectors have the opportunity to benefit from innovation in products and processes that strengthen their competitive position.

Employment and skills

D2N2 is committed to increasing the number of jobs within the economy and ensuring that its businesses can access the skilled workers they need, both now and in the future. It will strongly support interventions to increase employment and skills at all levels and across the D2N2 area, recognising the need both for higher level skills but also for entry-level and employability skills to ensure people are able to access employment opportunities and progress within the labour market, including capital investment to ensure Further Education facilities provide an environment in which the skills needed to drive economic growth can be obtained.

- Develop sector growth agreements to ensure clear ownership and responsibilities for investment, ICT, labour market intelligence and impact measures.
- Improve business leadership, management skills and training to increase productivity and performance.
- Promote/develop apprenticeships and traineeships to achieve higher level skills and improve social mobility.
- Foster enterprise and the characteristics of entrepreneurial behaviour, career adaptability and resilience.
- Raise the viability of and access to careers insights and specialist careers support for young people and adults to raise aspirations, participation, retention and achievement in learning and work.
- Promote graduate recruitment and facilitate graduate retention in the region.

Infrastructure for economic growth

- Unlock creation of new jobs through delivery of employment growth areas, with interventions to improve transport accessibility and connectivity, tackle flood risk and ensure utility provision to maximise the attractiveness of each site, particularly to growing businesses in its priority sectors.
- Accelerate completion of new housing to support growth by ensuring that there is a good supply of labour in close proximity, who can travel in economically and environmentally sustainable ways, and mitigate the effects of additional travel in its faster growing areas.
- Provide efficient and resilient transport networks to support business competitiveness, unlock city growth, address people's accessibility needs and enhance the quality of its places.
- Enhance a high quality of life in the area to sustain D2N2 as a great place to live, work and invest.

Housing and regeneration

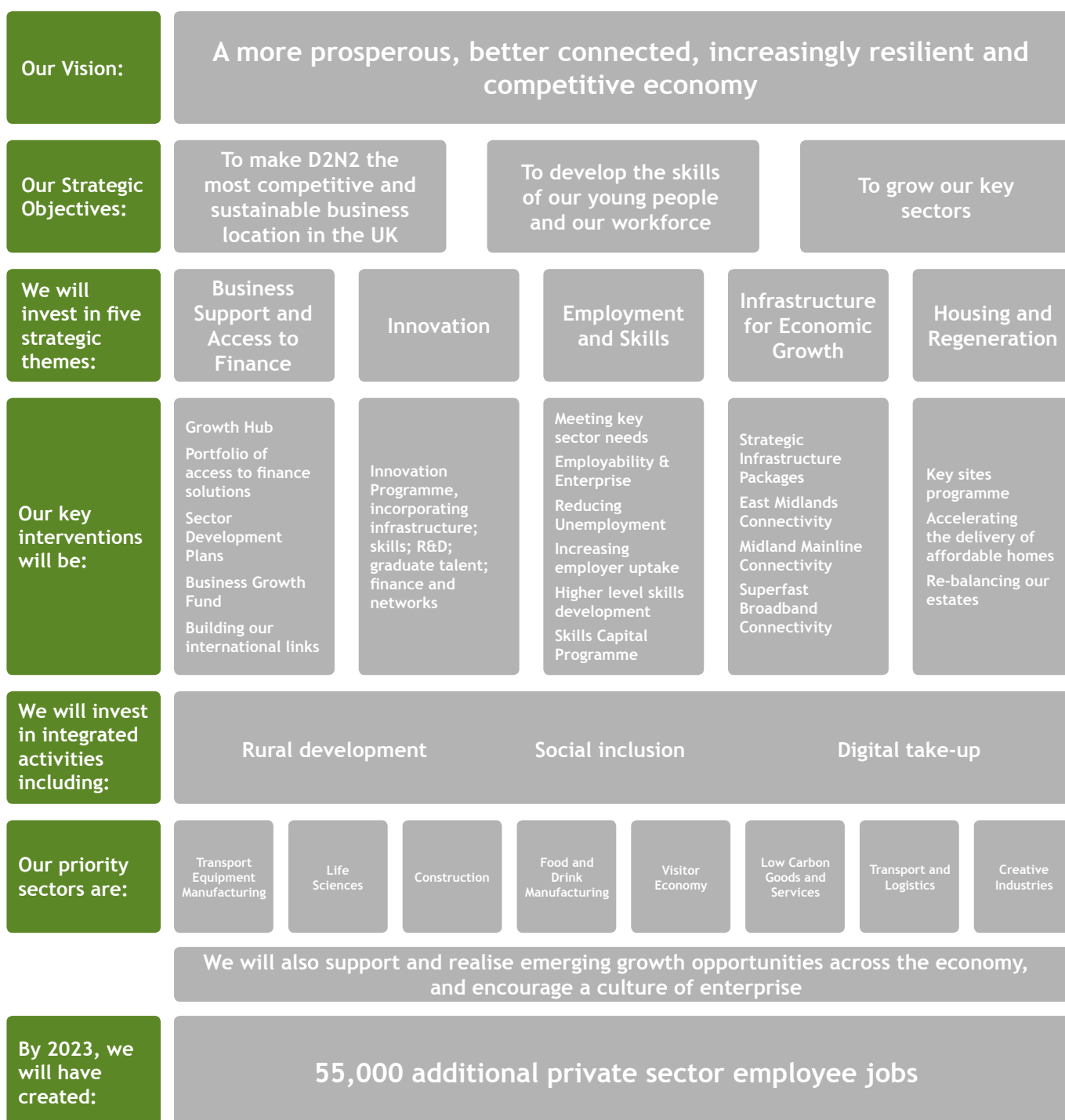
Accelerate completion of new housing to support growth in D2N2, ensuring this is supported by green infrastructure and multi-modal solutions to encourage sustainable travel and mitigate the effects of additional travel in its faster-growing areas.

D2N2's eight priority sectors are:

- Transport equipment manufacturing
- Life sciences

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

Beneath the Strategic Economic Plan are a series of documents including Sector Strategies & Action Plans, policies addressing specific issues such as the Employability Framework and programmes for particular funding streams for example the D2N2 EU Structural and Investment Fund Strategy 2014-2020.



Driving Faster Economic Growth - Derby & Derbyshire Economic Framework (2014)

(D2 Derby & Derbyshire Joint Committee for Economic Prosperity)

The Framework identifies five main areas for targeted interventions at a local level over and above those proposed by the Derby & Derbyshire partners, in order to secure significant improvement in economic development, regeneration and transport:

- Supporting our People: Skills – creating a 21st Century Guildhall.
- Shaping our Place: Route to Work – delivering improvements to public transport networks and transport infrastructure.
- Shaping our Place: Homes – more affordable homes in the right place to meet local needs and create sustainable communities.
- Supporting our Business: Securing more and better paid jobs for local people.
- Financing the Future: Enabling improvement – innovation and creativity in securing increased investment and flexibility to support growth.

Derbyshire Economic Strategy Statement (2014)

(Derbyshire Economic Partnership)

The Statement sets out an economic vision for Derbyshire: Supporting economic growth in tomorrow's Derbyshire: preserving what makes the County special and promoting activity that is inclusive to all regardless of geography or economic disadvantage.

The Statement sets out an analysis of Derbyshire's key strengths, assets, challenges and opportunities together with a framework for growth based upon three Strategic Themes:

- Boosting investment and place-making - particularly in relation to digital connectivity and infrastructure investment, unlocking development potential, attracting inward investment and increasing the vitality of towns.
- Fostering enterprise and business growth - particularly in relation to entrepreneurship, productivity and both the visitor and rural economy.
- Creating the workforce to support growth - particularly in relation to skills, increasing the range and connectivity of opportunities and tackling disadvantage.

In addition to the thirteen Strategic Objectives set out above, a series of 'must do' interventions are identified to kick-start growth in Derbyshire:

Boosting Investment and Place Making:

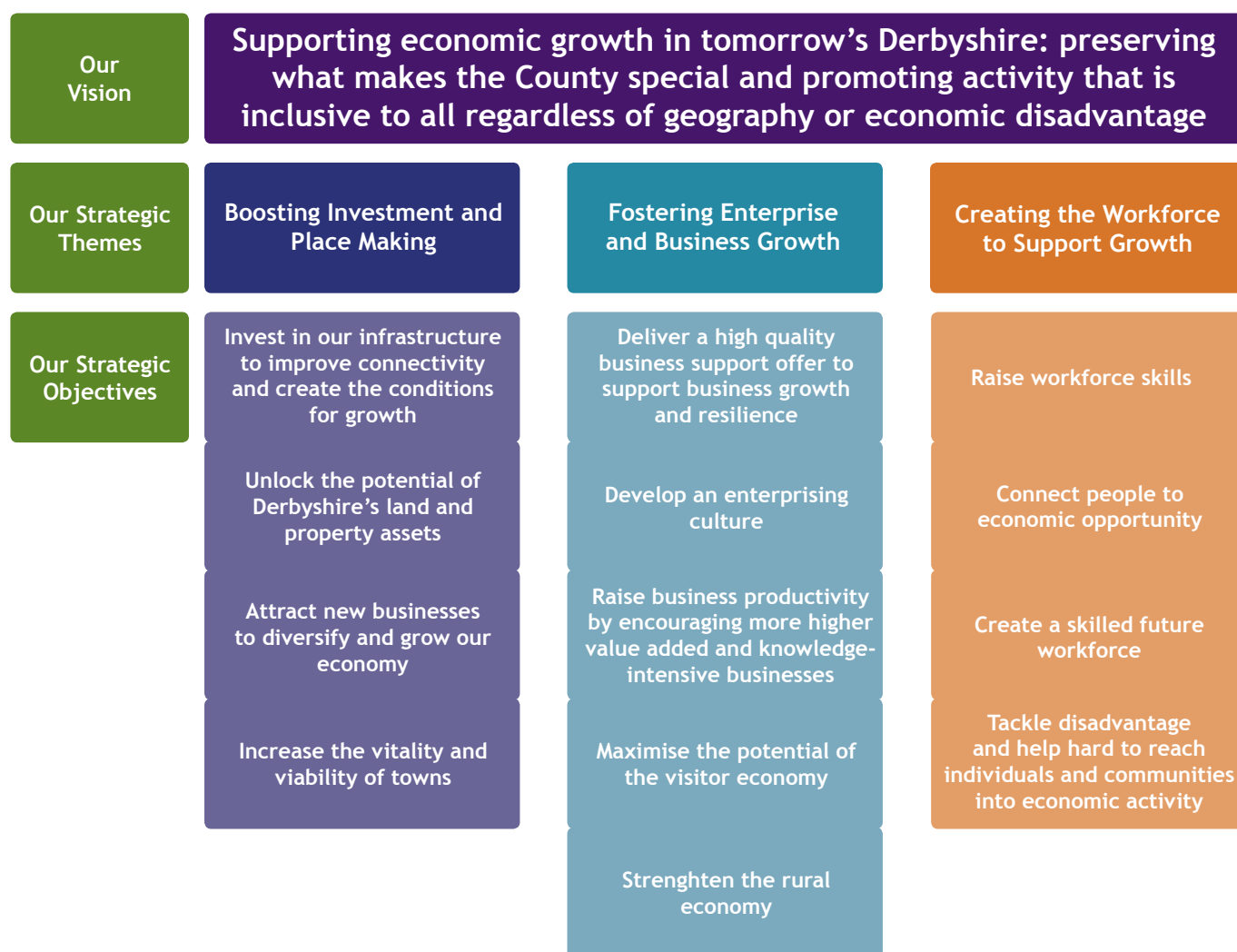
- Deliver broadband provision.
- Develop and deliver a pipeline of transport infrastructure projects.
- Unlock smaller employment and housing sites.

Fostering Enterprise and Business Growth:

- Support business growth through high quality business support.
- Address high level skills gaps.
- Support the traditional manufacturing sector to move towards higher value added activities.
- Maximise growth in micro and small businesses.

Creating the Workforce to Support Growth:

- Raise the employability skills of young people.
- Engage with employers and providers to address skills shortages.
- Ensure all have access to employment and opportunities regardless of location or economic circumstances.



South Derbyshire, along with Amber Valley and Erewash districts fall within the strategy's 'South Zone', which is described as follows: The Zone has a relatively buoyant economy with considerable growth potential, particularly within high value added activities and supply chain development. The Zone is an area of engineering excellence in the aerospace, rail and automotive sectors. The location of Derby is an important asset and the area has a mutually beneficial relationship with the city in terms of flows of goods, labour and services. It is an attractive place to live and has a relatively affluent and highly skilled workforce although with some pockets of disadvantage and a slightly ageing population. The Zone will be an important location for housing and employment growth.

The National Forest Strategy 2014-2024

(National Forest Company)

By 2024, The National Forest will be a transformed landscape across 200 square miles of the heart of England: Enjoyed by everyone; Economically vibrant; Celebrated for its quality; and, Sustainable into the future. Key objectives for the Forest (2014-2019):

- Forest cover is increasing and, at the same time, forest sites are well-managed for tree health, climate change, people, beauty and biodiversity.
- The woodland economy grows in line with the maturing forest and sustains good management.
- An emerging visitor destination is promoted and nationally recognised.
- The National Forest brand is adopted widely.
- People from all backgrounds enjoy the Forest more readily and experience it as a place for their health and well-being.
- It matures as a national exemplar, a centre of excellence, a test bed for research.

The National Forest - Destination Plan 2015-25 Situation Report/ Development Gap Analysis

(AMION Consulting Limited)

A new visitor destination plan for The National Forest is currently under development, the aim is that The National Forest will develop a reputation for offering a stunning range of attractions, activities and places to stay for everyone, in the UK's most accessible woodland setting. Tourism in the Forest has grown rapidly over the last ten years, the challenge over the next decade is to move from the current position of an 'emerging' destination to become a 'recognised' destination.

The study highlights four potential important opportunities:

- Focus on genuine strengths (eg. outdoor activities and attractions).
- Focus on core customers (eg. young families and 50+ adults).
- Focus on large scale investment (eg. targeting major leisure attractions and accommodation).
- Exploit the existing assets (eg. refreshing existing attractions and maximising key visitor markets).

Six routes are proposed to get there:

- Accommodation development (eg. attracting a major family activity holiday park).
- Visitor attraction and activity development (eg. attract major commercial leisure partners).
- Event development (eg. encourage 'footloose' events such as cycling events to the Forest).
- Marketing and information (eg. strengthen the Forest's online presence).
- Place development (eg. develop 'visitor hubs'- towns with a range of tourism facilities).
- Underpinning activities (eg. business support, public transport, and the food & drink network).

Sustainable Community Strategy for South Derbyshire 2009-2029 - Fit for the Future

(South Derbyshire Partnership)

The Partnership's vision is of "a dynamic South Derbyshire, able to seize opportunities to develop successful communities, whilst respecting and enhancing the varied character and environment of our fast growing District". The Strategy is divided into five themes, including 'Sustainable Development', which aims to achieve "Successful existing and new communities which meet the population's needs and aspirations":

Adequate, appropriate and affordable housing for all, in well-served communities:

- Seek housing growth that is accompanied by the provision of appropriate services and supporting infrastructure.
- Address development and economic issues through cross-border working wherever appropriate.

Improved transport solutions for those without a car and enhanced access for those with a car:

- Pursue joined up transport solutions that are accessible to all communities.
- Seek to enhance the accessibility of local centres, including parking facilities.

Sustainable employment and support for people to access the skills required:

- Bring employers, business support organisations and education and training providers together to co-ordinate and focus their activities.
- Improve accessibility for all to education, training and related support.
- Enhance progression routes for learners at all levels.
- Promote the retention and re-attraction of graduates to the area.

A robust and diverse economy, resistant to downturns and providing a strong base for sustainable growth:

- Co-ordinate the supply of land and property with investment and business support activities.
- Work with East Staffordshire Borough Council to identify and develop cross boundary economic opportunities arising from key strategic locations in East Staffordshire and South Derbyshire.
- Maximise the potential of The National Forest to support growth in tourism and the woodland economy.

High quality development that minimises the impact on the environment:

- Develop sub-regional approaches to tourism-related activities.
- Take opportunities to implement environmental improvements alongside growth.

Corporate Plan 2016-2021

(South Derbyshire District Council)

The District Council's vision is: "Making South Derbyshire a better place to live, work and visit". Activities are grouped into three themes, underpinned by outcomes:

- Progress – encouraging inward investment and tourism opportunities: Economic development; Inward investment; The National Forest; Tourism; and, Town centres.
- People – keeping residents happy, healthy and safe: Education and training; Health; Independent Living; Recycling; and, Protect the vulnerable.
- Place – creating vibrant communities to meet residents' needs: Environmental services; Housing; Leisure and culture; Safe and secure; and, Planning.
- Outcomes – work that underpins all of our activities: Financial health; Good governance; Customer focus; Equality and diversity; Environmental standards; A skilled workforce; and, Democracy.

Key aims under the three themes are as follows:

Progress

- Work to attract further inward investment.
- Unlock development potential and ensure the continuing growth of vibrant town centres.
- Work to maximise the employment, training and leisure uses of the The National Forest by residents and increase the visitor spend by tourists.
- Help to influence and develop the infrastructure for economic growth.
- Provide business support and promote innovation and access to finance, including in rural areas.

People

- Enable people to live independently.
- Developing the workforce of South Derbyshire to support growth in relation to aspirations, employability, skills and travel to work.
- Protect and help support the most vulnerable, including those affected by financial challenges.
- Use existing tools and powers to take appropriate crime enforcement action.
- Increase levels of participation in sport, health, environmental and physical activities.
- Reduce the amount of waste sent to landfill.

Place

- Facilitate and deliver a range of integrated and sustainable housing and community infrastructure.
- Enhance understanding of the planning process.
- Help maintain low crime and anti-social behaviour levels in the District.
- Connect with our communities, helping them feel safe and secure.
- Support provision of cultural facilities and activities throughout the District.
- Deliver services that keep the District clean and healthy.

South Derbyshire Local Plan - Part 1 (2016)

(South Derbyshire District Council)

Local Plan Strategic Objectives:

1. To ensure future development is locally distinctive and environmentally, socially and economically sustainable through the achievement of design excellence, addressing the causes and effects of climate change and reducing waste and pollution.
2. To ensure the needs of an ageing population, and a higher than average proportion of younger people, are recognised in shaping all aspects of our communities.
3. To enable, support and promote a robust and diverse economy, resistant to downturns and providing a strong base for sustainable growth which respects environmental limits and safeguards natural resources.
4. To ensure the District's housing stock is decent, suitable and affordable, meets community need and is balanced with access to employment opportunities.
5. To ensure our communities are safe, clean, vibrant, active and healthy.
6. To ensure sustainable living and working in urban and rural communities.
7. To reduce the need to travel and to encourage necessary travel to be by sustainable modes of transport, providing access to jobs, shopping, leisure, services and facilities from all parts of the District.
8. To ensure the social, physical and green infrastructure needed to support strong growth levels is provided at an appropriate time and made accessible to our communities.
9. To respect and enhance the varied character, landscape, cultural, heritage and natural environment of our fast growing District.
10. To make the most of the economic, social and environmental opportunities presented by the District's central location within The National Forest and promote the continued growth of the local tourism and leisure offer across the whole of the District.
11. To make optimum use of previously developed and under-used land and bring empty and derelict buildings into reuse subject to wider sustainability considerations.
12. To enhance and develop the role of Swadlincote town centre and its wider urban area as a focus for living, working, shopping and leisure.
13. To ensure growth in South Derbyshire is co-ordinated with development in adjoining areas both within and outside the Derby Housing Market Area.

Swadlincote Town Centre Vision & Strategy (2012)

(South Derbyshire District Council)

The Vision for Swadlincote is of a dynamic town centre where new investment will complement a unique heritage. The Vision for the town centre provides the basis for the collaboration of public, private and voluntary/community sectors in the pursuit of an enhanced town centre. There is scope for significant retail, leisure, office and residential development with substantial sites available within and adjacent to the town centre. Similarly, there is potential to recapture spending that is currently 'leaking' to neighbouring centres and to create employment locally, through support for the town centre and its businesses. As such, the Vision for the town centre continues to focus on developing the following three Areas for Action:

- Promotion
- Economic Restructuring
- Design

Action Plan - the following actions pursued by the public, private and voluntary/community sectors working in partnership will contribute to the realisation of the Vision:

Townscape

- Protect heritage
- Enhance the public realm
- Maintain the environment

Movement

- Improve signage
- Pursue innovative transport solutions
- Identify additional parking
- Improve access
- Promote community safety

Investment

- Attract investment
- Develop the market
- Encourage more events
- Support business development
- Market the town
- Renew public facilities
- Invest in visitor attractions

Appendix 5: Statistical Overview

Growth

The lowest level at which growth data is normally available is for South & West Derbyshire (NUTS 3), which covers the local authority areas of South Derbyshire, Amber Valley, Derbyshire Dales, Erewash and High Peak. South & West Derbyshire has been ranked third fastest growing areas in the UK by Gross Value Added (GVA) with a staggering growth rate of 23% in GVA over the period 2009-13, more than double the national average increase of 9% (behind Derby 1st and East Derbyshire 2nd) (UHY Hacker Young, 2015). Table 1 sets out the GVA for South & West Derbyshire since 2010, highlighting that GVA has risen steadily, closing the gap with the UK average.

Table 1: Gross Value Added (GVA) for South & West Derbyshire (2010-14)

NUTS 3 South & West Derbyshire	2010	2011	2012	2013	2014
GVA (£ million)	7,749	8,296	8,548	9,112	9,447
GVA per head of population (£ million)	15,814	16,869	17,306	18,367	18,931
GVA per head index (UK=100)	72.4	75.5	75.5	77.3	76.9

Source: Regional Gross Value Added (Income Approach) NUTS3 Tables (ONS), December 2015

South & West Derbyshire has the second highest labour productivity (GVA per hour worked) within the East Midlands and was only 1% below the UK average in 2014. Table 2 shows that GVA per filled job has grown by 28% in the period 2010-14 whilst the UK average has only increased by 10%.

Table 2: Sub Regional Productivity for South & West Derbyshire (2010-14)

NUTS 3 South & West Derbyshire	2010	2011	2012	2013	2014
per hour worked (£)	25.3	26.4	25.7	29.3	31.2
per filled job (£)	37,796	39,462	39,386	44,806	48,263

Source: NUTS3 Tables (ONS) March 2016

The South Derbyshire economy was founded on agriculture, mining and manufacturing. Although the restructure of British industry over the past 30 years has impacted strongly on the District's economic base, today the manufacturing sector still provides around a quarter of the jobs locally – three times the national average. Following the national decline of heavy industry the District's economy has shown flexibility and the ability to diversify to include a wide range of industries.

The 'Where Growth Happens' study (Grant Thornton, 2015) used statistical analysis to identify 'High Growth' and 'Dynamic' areas. South Derbyshire was identified as experiencing high levels of economic and social growth, based upon growth in jobs, business and population. However, dynamism was reported to be low, based upon lower levels of knowledge workers and occupations, and business formations.

Business

There are 3,445 businesses based in South Derbyshire (Inter Departmental Business Register ONS), an increase of 325 businesses over the last five years. 90% of businesses in South Derbyshire have less than ten employees (Table 3). The District has marginally more micro businesses and fewer small businesses than the regional average.

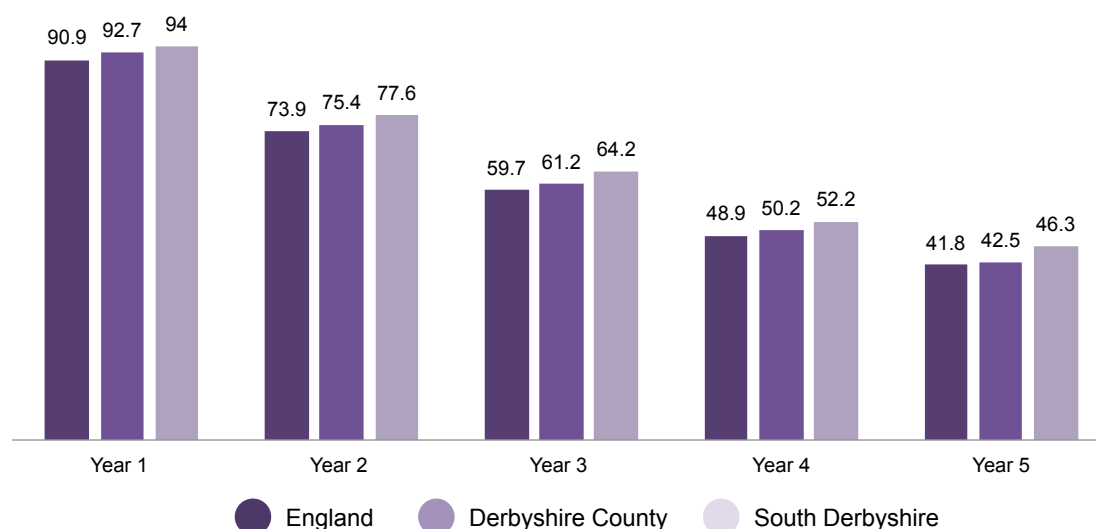
Table 3: UK Business Counts (2014)

	South Derbyshire (numbers)	South Derbyshire (%)	East Midlands (%)
Enterprises			
Micro (0 to 9)	3,110	90.3	88.2
Small (10 to 49)	290	8.4	9.8
Medium (50 to 249)	30	0.9	1.7
Large (250+)	15	0.4	0.4
Total	3,445	-	-

Source: Business Demography (ONS)

Micro (0 to 9 employees) businesses have risen by 10% over the period 2010-15. These figures provide an interesting insight into the entrepreneurial spirit that has helped drive the local economy over the past five years. In recent years, business births have seen unprecedented levels as more people view self-employment and starting out in business as a rewarding career choice. This has been coupled with the gradual gains in business survival rates (Figure 1), and assisted by the improving economic outlook and a range of helpful policy measures.

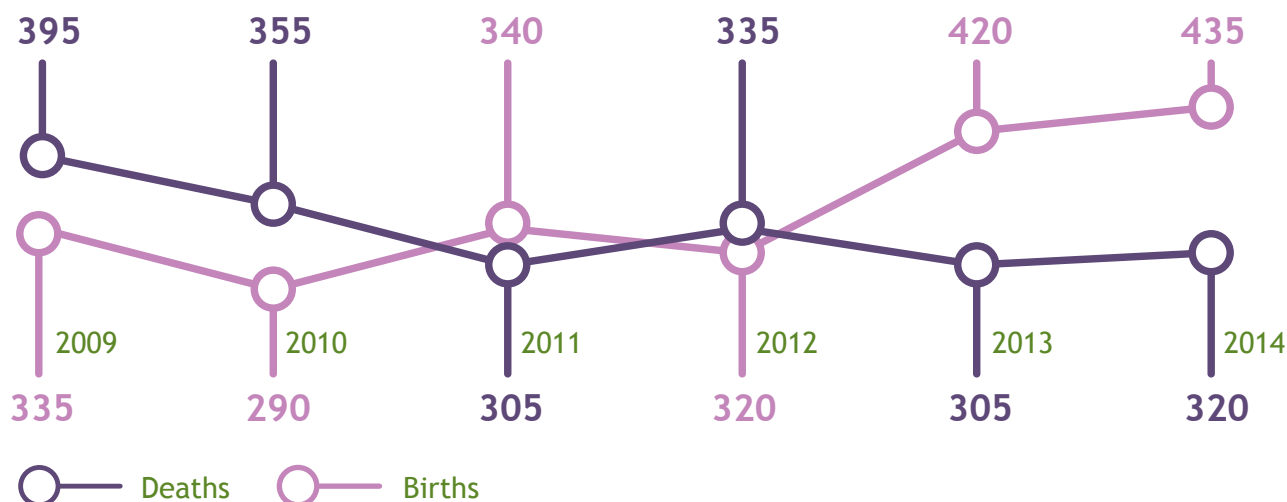
Figure 1: Enterprise Survival Rates (2014)



Source: Business Demography (ONS)

There has been a net increase of 115 (6.41%) in the business stock over the period 2009-14. This is demonstrated in Figure 2, which compares the number of enterprise births with the number of deaths in the District over the period from 2009 to 2014.

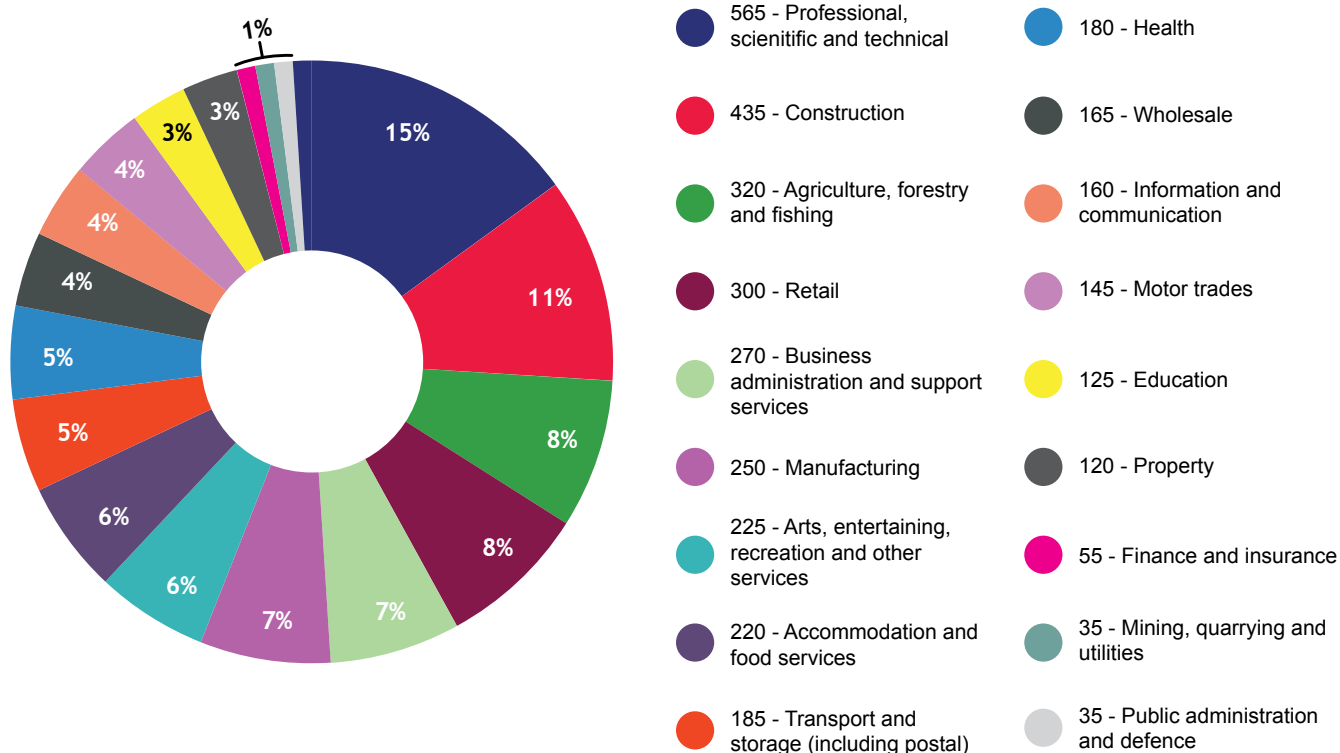
Figure 2: Enterprise Births and Deaths in South Derbyshire (2009-14)



Source: Business Demography (ONS)

The local economy of South Derbyshire encompasses a broad range of businesses, with particular concentrations in the following sectors: Professional, scientific and technical; Construction; Agriculture, forestry and fishing; and Retail (Figure 3). It is notable that the 7% of businesses operating in Manufacturing employ a significant proportion of the total workforce.

Figure 3: Businesses by Industry for South Derbyshire (2015)



Source: ONS (IDBR Local Units)

Key Employers in the District

South Derbyshire businesses with over 200 employees (excluding retail, health & social care and public sector) include:



Nestlé UK based in Hatton produces NESCAFÉ coffee products which is one of the world's most popular coffee brands.



Futaba Industrial UK (FIUK) is a Japanese automotive component manufacturer based at Dove Valley Business Park in Foston.



Faccenda Foods is one of the UK's leading food companies. Its primary turkey processing site is based in Scropton.



Toyota Motor Manufacturing (UK) produces Auris and Avensis cars including hybrid versions at its Burnaston plant.



Roger Bullivant Limited based in Swadlincote is a foundation engineering company specialising in the design and construction of foundations for all types of buildings and structures in all kinds of ground conditions.



Brunel Healthcare the UK's leading manufacturer of vitamins, minerals and nutritional supplements. It specialises in private label and contract manufacture of shelf ready goods for the global marketplace from its base in Swadlincote.



The Keystone Group is the UK's largest steel lintel manufacturer and Europe's fastest growing roof window manufacturer, based in Swadlincote.



Dellner Woodville is a global supplier of engineered polymer solutions supplying market leading customers with safety critical polymer based components, composite materials and flexible fabrications worldwide.

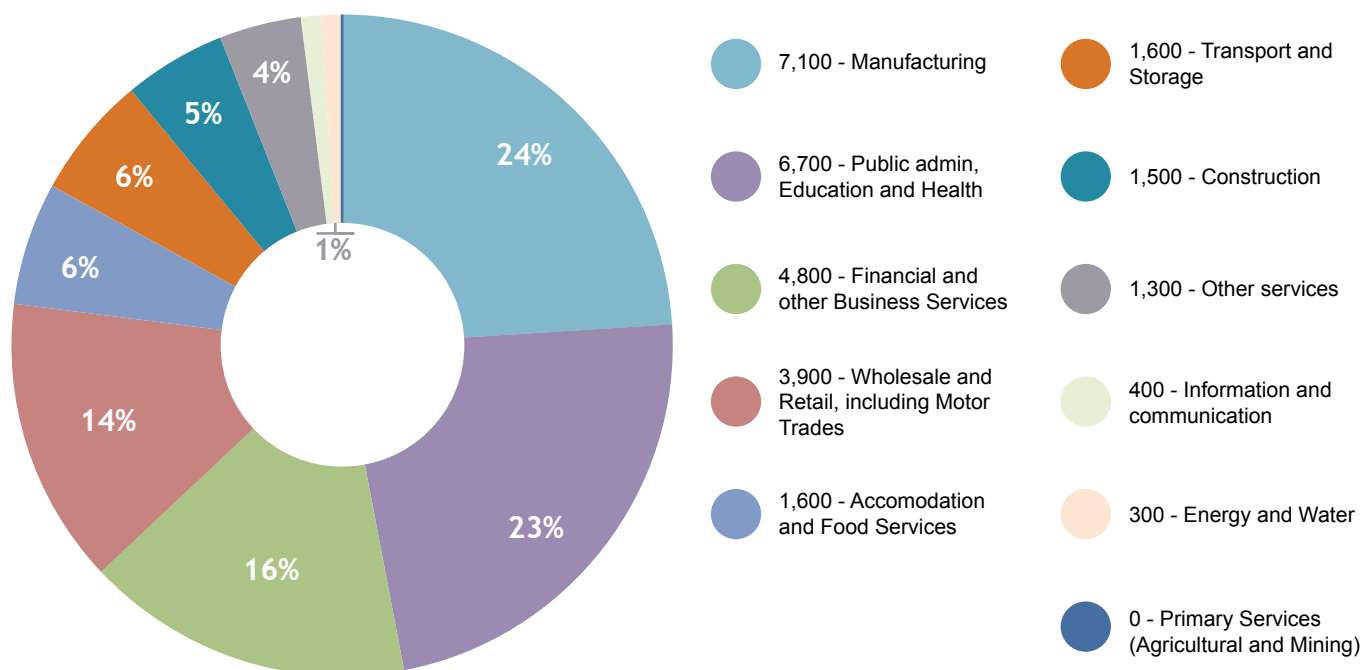


JCB Power Systems is a world leader in diesel engine technology and innovation for a diverse range of applications in the off highway equipment markets.

Employment & Skills

29,300 people are employed in workplaces in South Derbyshire, over 75% of which are full-time positions. 24.3% of all employment is in manufacturing - this is demonstrated in Figure 4 and is three times the national average. Toyota accounts for around half of the 7,100 manufacturing jobs.

Figure 4: South Derbyshire Employment by Sector (2014)



Source: ONS business register and employment survey

Employment in Construction and Transport & Storage are also above regional averages. More than two thirds of jobs in South Derbyshire are in the service sector. In comparison with regional and national averages, many parts of the service sector are under-represented.

Research by Cambridge Econometrics (2015) forecasts that employment in South Derbyshire will rise over the period 2015-2030. Application of national sectoral trends indicates that jobs in the District in some industries such as Education will fall, whilst others will rise, such as Food & Drink, Motor Vehicles, Construction, Business Support Services, and Residential & Social.

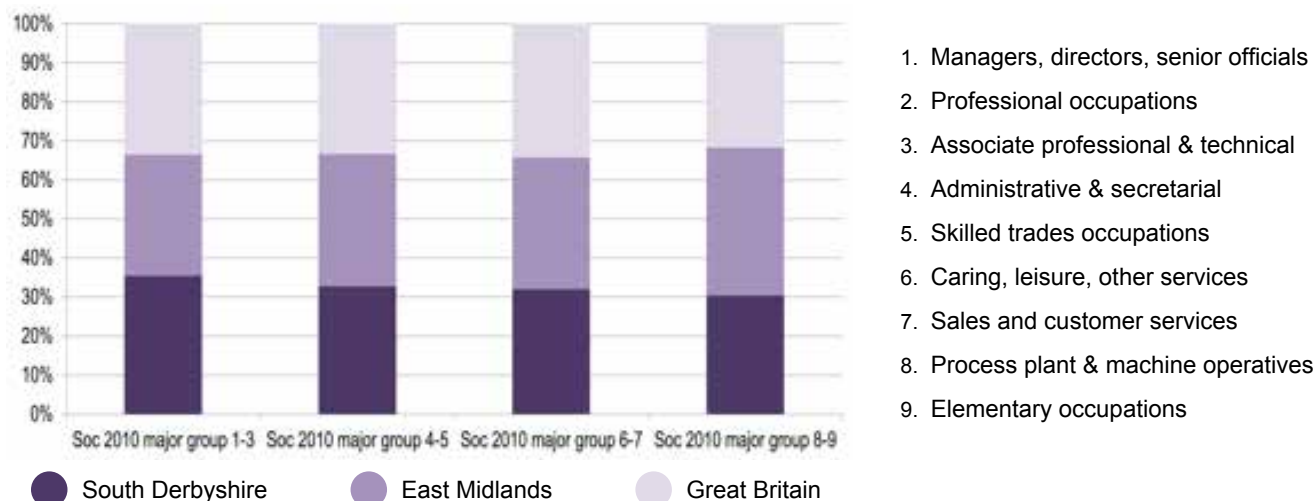
Over the last five years South Derbyshire is one of only two districts in Derbyshire that has experienced a growth in the number of private sector jobs. Total employee jobs have also risen from 27,700 in 2009 to 29,300 in 2014 according to the ONS Business Register & Employment Survey 2014.

The District's population has also rapidly grown over the last decade and this is anticipated to continue. The population of South Derbyshire in 2014 was 98,400 of which there were 62,500 working aged persons (16-64 years) - this equated to 63.5% of the population, which is in line with the regional and national averages (ONS Population Estimates).

In the period April 2015-March 2016, there were 50,800 economically active people in South Derbyshire; Of these just 2.8% were estimated to be unemployed, compared with 5.1% for Great Britain (ONS Annual Population Survey).

47.0% of South Derbyshire residents are in a professional, associate professional or technical occupation, or are a manager, director or senior official (see Figure 5) – which is above the equivalent figure for the East Midlands at 41.3% and Great Britain at 44.6% (ONS Annual Population Survey, Apr 2015 – Mar 2016). Conversely the numbers in other occupational groups are slightly below average.

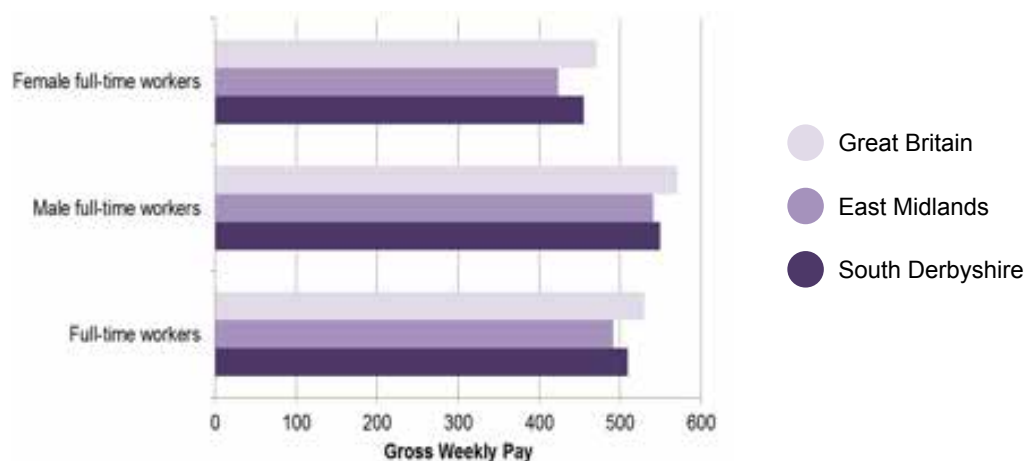
Figure 5: Employment by Occupation (Apr 2015-Mar 2016)



Source: ONS annual population survey

Earnings of full-time workers in the District have increased by 4.75%, growing from £25,277 up to an average of £26,478 over the period 2010-15 (East Midlands average = £25,584 in 2015). However Figure 6 highlights that salary levels are below the national average.

Figure 6: Earnings by Workplace for South Derbyshire (2015)



Source: ONS annual survey of hours and earnings - resident analysis

South Derbyshire has consistently enjoyed lower levels of unemployment - this can be seen in Table 4, which compares the District's unemployment rate with that of neighbouring authorities and the East Midlands average.

Table 4: Unemployment Rates for Age 16 - 64 (2005-14)

	Jan to Dec 05	Jan to Dec 08	Jan to Dec 11	Jan to Dec 14
East Midlands	4.7%	5.9%	8.1%	5.2%
South Derbyshire	3.4%	4.2%	6.0%	3.8%
North West Leicestershire	3.3%	4.8%	6.3%	4.3%
Erewash	4.2%	5.9%	10.1%	5.6%
East Staffordshire	3.5%	4.9%	6.6%	4.3%
Derbyshire Dales	2.8%	3.4%	4.4%	2.9%
Derby	6.1%	6.5%	9.5%	6.9%
Amber Valley	3.9%	5.2%	8.5%	4.1%

Source: Office for National Statistics Annual Population Survey

Claimant Count unemployment at 0.6% (July 2016) is the second lowest in Derbyshire, and compares favourably with England at 1.7% (ONS, 2016). This represents 385 individuals resident in the District, with slightly higher concentrations in the Swadlincote urban area, though all wards are significantly below national levels. Levels of youth and long term unemployment are below national levels.

Total claimants of working-age benefits in South Derbyshire are notably below regional and national levels, with claimants of Job seekers, Employment & Support Allowance (ESA) and incapacity benefits, and Lone parents significantly below average (Table 5). More than half of working-age benefit claimants in South Derbyshire have an illness or disability and receive ESA or incapacity benefits. There are also significant numbers of Carers.

Table 5: Working-Age Client Group - Main Benefit Claimants (February 2016)

By statistical group	South Derbyshire (numbers)	South Derbyshire (%)	East Midlands (%)	Great Britain (%)
Total claimants	5,270	8.4	11.4	11.8
Job seekers	270	0.4	1.4	1.5
ESA and incapacity benefits	2,840	4.5	6.0	6.2
Lone parents	500	0.8	1.0	1.1
Carers	940	1.5	1.7	1.6
Others on income related benefits	100	0.2	0.2	0.2
Disabled	490	0.8	0.9	1.0
Bereaved	130	0.2	0.2	0.2
Main out-of-work benefits	3,710	5.9	8.6	9.0

Source: DWP benefit claimants – working age client group

Research by Sheffield Hallam University (2012) assessed unemployment in the official claimant count plus those on other benefits or out of the benefits system altogether. In April 2012 South Derbyshire had a Claimant Count of 2.4%, whilst so-called 'Real Unemployment' was estimated to be 6.5%. This compares with a Claimant Count of 4.0% and Real Unemployment of 8.8% for Great Britain. This hidden unemployment includes those with health problems who claim incapacity benefits and are disproportionately concentrated in weaker economies, particularly those that experienced large scale job losses in the 1980s and 1990s from mining and manufacturing.

The 2011 Census (Table 6) revealed that slightly below average numbers of residents have no qualifications or have a highest qualification at Level 4 and above. Conversely, slightly above average numbers of residents have a highest qualification at Level 2, Apprenticeship or Level 3.

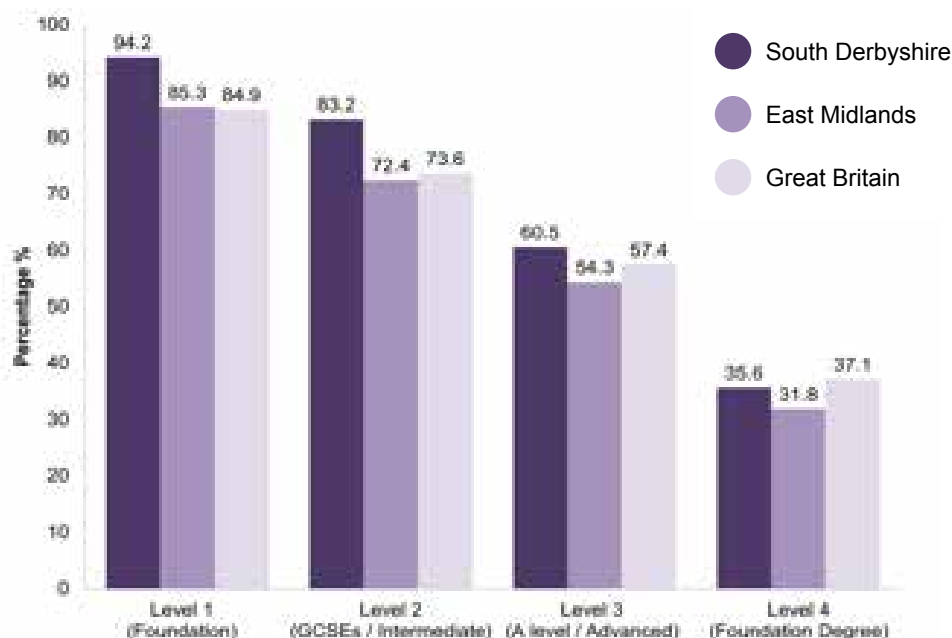
Table 6: Qualifications of Residents in South Derbyshire (2011)

	South Derbys (%)	East Mids (%)	England (%)
No Qualifications	22.0	24.7	22.5
Highest Level of Qualification: Level 1 (GCSE Grades D-G)	14.1	13.9	13.3
Highest Level of Qualification: Level 2 (GCSE Grades A*-C)	16.6	15.6	15.2
Highest Level of Qualification: Apprenticeship	4.8	4.0	3.6
Highest Level of Qualification: Level 3 (AS and A Level)	12.8	12.9	12.4
Highest Level of Qualification: Level 4 and Above (HNC, Degree, etc)	26.0	23.6	27.4
Highest Level of Qualification: Other Qualification	3.7	5.3	5.7

Source: Census

The ONS annual population survey 2015 is a less robust data source than the Census but indicates an improvement in working age skills in South Derbyshire particularly Level 2 (Intermediate / 5 or more GCSEs at grades A*-C) which is 10% above the average numbers for Great Britain (Figure 7).

Figure 7: Qualifications of Residents (December 2015)



Source: ONS annual population survey

In 2013/14, 53.8% of South Derbyshire pupils achieved 5 or more A*-C GCSEs including Maths and English, this is statistically similar to the Derbyshire average (55.7%). The percentage of Early Years Foundation Stage pupils (Age 4-5 Years) achieving good development overall was 58.6% in South Derbyshire during 2013/14. This was similar to the Derbyshire average (61.3%). The percentage of Key Stage 2 children achieving level 4+ in reading, writing and maths in South Derbyshire during 2013/14 was 79.9% and was similar to the Derbyshire average of 82.3%.

The District generally has low levels of deprivation. The Indices of Deprivation (ID) combines a range of weighted statistics to compare areas. The ID 2015 reveals that South Derbyshire is ranked at 230 out of 326 local authority areas in England, where 1 is the most deprived (Table 7). The overall Indices of Deprivation is made up of a number of domains. South Derbyshire's poorer domain ranks are for Education, Skills & Training, Health Deprivation & Disability and Living Environment.

South Derbyshire has seen an improvement in its ranking between ID 2015 and the earlier ID 2010, indicating that it is now relatively less deprived. There are two Lower Super Output Areas (LSOAs) in South Derbyshire that fall in the ID 2015's 10-20% most deprived in England, these fall within the wards of Newhall & Stanton and Woodville (E01019863 and E01019842). The two LSOAs have moved slightly higher in the County rankings between ID 2010 and ID 2015, indicating that they have become relatively more deprived.

Table 7: Indices of Deprivation for South Derbyshire (2015)

	Rank of Average Rank	Proportion of LSOAs in most deprived 10% nationally	Areas
Indices of Deprivation	230	0	
Domain:			
Income	229	0	
Employment	211	0.0172	008D - Newhall (Plummer Rd)
Education, Skills & Training	203	0.0517	007D - Upper Midway (Elmsleigh Dr) 007B - Midway (Chatsworth Rd) 013A - Goseley (Woodville Rd)
Health Deprivation & Disability	183	0	
Crime	241	0	
Barriers to Housing & Services	216	0.069	001D – Foston/Trusley 006A – Hartshorne/Ticknall 005A – Newton Solney/Bretby 004A – Elvaston/Shardlow
Living Environment	208	0	
Income Deprivation Affecting Children Index	225	0.0172	0013A – Goseley (Woodville Rd)
Income Deprivation Affecting Older People	217	0	

NB. LSOA – Lower Super Output Area; Source: DCLG

Within the domains, parts of Newhall are in the 10% most deprived in England for Employment, and parts of Midway plus Goseley for Education, Skills & Training and for Income Deprivation Affecting Children. Four rural areas are amongst the 10% most deprived in terms of Barriers to Housing & Services.

South Derbyshire has a Job Density of 0.54 (GB average is 0.82), revealing significant net out-commuting from the District and a dependence on employment in neighbouring areas (ONS, 2014), in particular Derby City, Staffordshire and Leicestershire. The northern part of the District falls into the travel to work area of Derby City whilst Swadlincote falls into the travel to work area for Burton.

The population of an area changes as people move in and out to work on a daily basis. For the workday populations the usual resident population is redistributed to their places of work, whilst those not in work are recorded at their usual residence. 2011 Census data shows that South Derbyshire District currently has a 20% decrease in population during the workday, whilst statistics for surrounding areas include increases within Derby City (6.3%) and East Staffordshire Borough (5.1%) (Barton Willmore, 2016).

Over 70% of residents travel to work by car or van, which is well above the national average; Conversely less than 4% use public transport or taxi (Table 8). The average distance travelled is also higher. This reflects the rural nature of the area, limited public transport services and reliance upon employment in larger settlements outside the District. Levels of self-employment, which is often home-based, at 9.2% are similar to the national average of 9.8% (Census 2011).

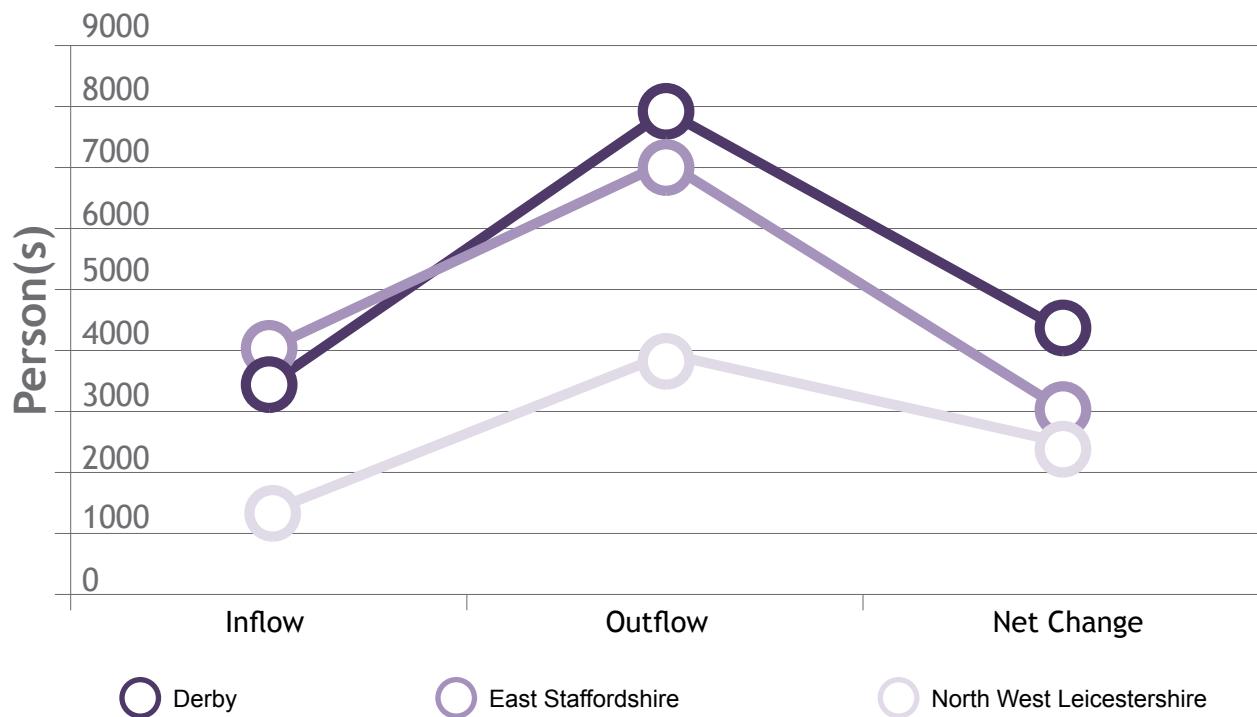
Table 8: Method of Travel to Work by Car or Van Availability for South Derbyshire Residents (2011)

People travelling to work	South Derbyshire (%)	Derbyshire (%)	England (%)
Works mainly at or from home	10.8	10.5	10.4
By car or van	71.5	65.6	53.9
By public transport or taxi	3.6	6.6	16.4
By all other methods of travel	14.2	17.4	19.3
Average distance travelled (km)	16.4	15.2	14.9

Source: Nomis ONS Census

In 2011, 28,253 people commuted out of the District for work and 14,322 people commuted into South Derbyshire - there is a net outflow of 13,931 workers. The key workplace destinations for residents were Derby, East Staffordshire and North West Leicestershire. This is demonstrated in Figure 8 (ONS, Census 2011 WU03UK - Location of usual residence and place of work by method of travel to work).

Figure 8: Location of Usual Residence and Place of Work by Method of Travel to Work for South Derbyshire Residents (2011)



Source: ONS, Census 2011 WU03UK

Appendix 6: Key Sectors

Table 9 sets out the occupation by industry of residents of South Derbyshire. This indicates that the proportion of employment in 'Agriculture, forestry and fishing', 'Energy, mining and water' and 'Manufacturing' have all declined over the period, though remain above national averages. Meanwhile employment in 'Construction' has grown marginally and in 'Services' significantly. It should be noted that the District has significant levels of out-commuting to neighbouring employment centres and therefore there are notable differences between the occupations of residents and the types of jobs located in the District.

Table 9: Occupation of Residents - Indicative Trends for South Derbyshire (1981-2011)

Economically Active Residents by Industry	South Derbyshire 1981 (%)	South Derbyshire 1991 (%)	South Derbyshire 2001 (%)	South Derbyshire 2011 (%)	England 2011 (%)
Agriculture, forestry and fishing	4.5	2.5	2.0	1.2	0.8
Energy, mining and water	14.0	10.6	1.4	1.9	1.5
Manufacturing	35.0	25.3	24.7	17.1	8.8
Construction	5.0	6.8	6.7	7.8	7.7
Services	41.6	54.4	65.2	71.9	81.3
Not stated	-	0.5	-	-	-

Source: Census

NB. This presents an indicative picture only – industry categories have been amended over time

There are some 3,800 business (ONS, 2015) operating in South Derbyshire encompassing a broad range of businesses (Table 10), with particular concentrations in the following sectors:

- Transport Equipment Manufacturing
- Construction
- Food and Drink
- Visitor Economy
- Transport and Logistics

Table 10: Jobs by Sector (2014)

	SIC	South Derbyshire (employee jobs)	South Derbyshire (%)	East Midlands (%)	Great Britain (%)
Primary Services (Agriculture and Mining)	A-B	0	0.1	0.3	0.4
Energy and Water	D-E	300	1.1	1.3	1.1
Manufacturing	C	7,100	24.3	12.9	8.5
Construction	F	1,500	5.2	4.4	4.5
Services:	G-S	20,300	69.2	81.1	85.6
Wholesale and Retail, including Motor Trades	G	3,900	13.4	17.1	15.9
Transport and Storage	H	1,600	5.4	5.1	4.5
Accommodation and Food Services	I	1,600	5.5	5.8	7.1
Information and communication	J	400	1.3	2.4	4.1
Financial and other Business Services	K-N	4,800	16.2	19.7	22.2
Public admin, Education & Health	O-Q	6,700	23.0	26.8	27.4
Other services	R-S	1,300	4.4	4.2	4.4

Source: ONS business register and employment survey

Notes: % is a proportion of total employee jobs

Employee jobs excludes self-employed, government-supported trainees and HM Forces

Data excludes farm-based agriculture

It is notable that these sectors are not dissimilar to those identified by D2N2 for the Derby, Derbyshire and Nottingham and Nottinghamshire Local Enterprise Partnership. Each of these sectors has differing needs, requirements and prospects for the future – the following provides a brief overview:

Transport Equipment Manufacturing

There are some 250 manufacturing businesses in South Derbyshire and whilst employment in manufacturing nationally has fallen, the District continues to have one of the highest concentrations of employment in manufacturing in the country with over 7,000 workers. South Derbyshire may well face losses in the future amongst its traditional manufacturing and engineering businesses in the face of strengthening overseas competition. However, in the past this has been largely offset by growing production and employment elsewhere, particularly amongst the District's large and globally significant manufacturers and their extensive local supply chains, including those in neighbouring areas, such as Rolls Royce and Bombardier in Derby and Jaguar Land Rover in the West Midlands. At the lower end of the supply chain, many SMEs provide products and services across a number of sectors. Enhancing supply chain development may create opportunities for both indigenous businesses and inward investment. Skills challenges are the number one issue for many businesses, with additional innovation support, more hands on business support and more accessible financial assistance amongst other concerns. The sector includes Toyota which opened at Burnaston in the early 1990s and now produces the award-winning Avensis and Auris models, including hybrid versions of the latter. The global Formula E teams (electric racing cars) and Norton Motorcycles are based just over the border at Donington Park Racing Circuit.

Key businesses include: Dellner (rail vehicle components), Futaba Industrial (car components), Gibson Technology (racing engines and chassis), JCB Power Systems (diesel engines), Toyota Motor Manufacturing (car assembly), Sigma Components (aerospace components) and Trelleborg Sealing Solutions (airframe seals).

Construction

The District has a significant construction sector with over 400 companies employing 1,500 people, ranging from the domestic scale to those involved in major civil engineering projects. There are also numerous consultancy services, such as architects and structural engineers. The rapidly moving nature of the construction market and its sensitivity to broader national policy and economic circumstances are key considerations for the sector. Following the economic downturn, the sector has seen a dramatic upturn resulting in an increasing number of areas where the market is “overheating”, with some larger construction companies operating at capacity and reporting skills and materials shortages.

Burton & South Derbyshire College has recently opened a Construction Academy in Swadlincote focusing upon the sector’s skills needs. Locally, the sector has benefited from high levels of house building, with the District having one of the fastest growing populations in the country. Many of the national and regional housebuilders are active in the area. The Local Plan for South Derbyshire anticipates further major growth within the District, including large scale new housing schemes, infrastructure improvements and commercial development, which offers significant opportunities for the further growth of employment. The District benefits from the proximity of raw materials, such as aggregates extracted from the Trent Valley. In addition, South Derbyshire is also home to a number of large businesses manufacturing and distributing construction products, including leading innovators in their fields.

Key businesses include: Bison Manufacturing (precast concrete products), Cemex (aggregates and concrete), Central Joinery (staircases), FAKRO (roof windows and loft ladders), Hanson Aggregates (materials), JB Kind Doors, Keystone Group (lintels, roof windows and masonry supports), Roger Bullivant (foundation engineering), Tarmac Building Products (plasters and renders) and TwoTwenty (staircases).

Food and Drink

There are some 300 agricultural-related businesses in the District, the majority of which are small family businesses typically with falling employment numbers. Agriculture and in particular smaller dairy farms are facing a period of change and uncertainty. Food and drink supply chains are extremely complex, with the supermarkets typically playing a dominant role. Undoubtedly, farmers will increasingly face greater exposure to market forces and thus a higher degree of risk in the future. There is also the continuing threat of food and animal health scares. This is likely to fuel further diversification, aided locally by the woodland and visitor economy potential associated with The National Forest. This picture contrasts with growth in processing and retailing. Expansion of the Nestlé factory at Hatton has increased coffee production and the export of capsules for the Dolce Gusto home coffee machine. The food & drink industry suffers from a poor image against other career choices due to the perception that jobs are related to manual work in factories and on farms, which are low paid with long hours. It is also particularly sensitive to increases in global food prices. Locally the sector includes suppliers of equipment and materials to the brewing industry in Burton upon Trent. The District’s two superstores, including the recently extended Sainsbury’s store in Swadlincote, are amongst its largest employers. Latterly, there has also been a growth in supermarket-owned convenience stores and discounters.

Key businesses include: Able Engineering (stainless steel fabrication), Aldi (retail), Brunel Healthcare (vitamin and nutritional supplements), Muller Milk & Ingredients (milk processing), Elbar

Worldwide (food production), Faccenda Foods (poultry processing), John Bowler Group (free range eggs), Lidl (retail), MUSK (process engineering), Nestlé (coffee), Sainsbury's (retail), and WM Morrisons (retail).

Visitor Economy

The National Forest now supports almost 5,000 jobs in the tourism and leisure industry. This growth mirrors the national picture where since 2010 tourism has been the fastest growing sector in the UK in terms of employment. In South Derbyshire there are some 220 businesses providing accommodation and food services, together with a much larger number of businesses in associated retailing and service industries. There are a further 225 companies in the arts, entertainment, recreation and other services sector. The area's visitor economy businesses are predominantly small, such as Bed & Breakfasts, but also include national chains such as Premier Inn and Prezzo. The development of The National Forest has been key to recent growth - in terms of visible planting, new public access opportunities and, in particular the creation of facilities such as Rosliston Forestry Centre. The marketing and promotion of The National Forest has undoubtedly given the area a national profile as a visitor destination and encouraged longer stays and greater visitor spending. Events play a key role in attracting visitors and raising the profile of the area. Mercia Marina at Willington on the Trent & Mersey Canal has been developed as a major attraction with restaurants, shops and cafés, whilst The Pipeworks has brought a cinema and additional food & drink outlets to Swadlincote. The National Forest Way is a new 75 mile long distance walking trail enabling visitors to explore the Forest. East Midlands Airport, which now has over 6,000 employees working for more than 80 companies located on or near the Airport, has created opportunities in customer service operations but also the potential for associated business tourism, accommodation provision and attraction of in-bound tourism. The Airport's masterplan envisages further growth in the coming years. Notably the sector includes significant public and voluntary/ community sector enterprises.

Key facilities include: Beehive Farm Woodland Lakes, Calke Abbey – National Trust, Days Inn Donington, Hotel Ibis Budget Derby, Hallmark Hotel Derby Mickleover Court, Mercia Marina, Hotel Mercure Burton upon Trent Newton Park, Odeon Cinema, Premier Inn Burton upon Trent East, Rosliston Forestry Centre, Sharpe's Pottery Museum, Swadlincote Golf Centre and Swadlincote Ski & Snowboard Centre.

Transport and Logistics

Logistics operations are commonly outsourced to specialist companies which then play a vital role in the success of other sectors transporting raw materials and finished goods. There are now some 185 businesses engaged in transport and storage in the District, employing approximately 1,600 people and ranging from independent couriers to multinational companies. This reflects South Derbyshire's location on an east-west axis (the A50) in the centre of the country's road network and in close proximity to East Midlands Airport. The Airport is the largest 'pure' cargo (freight or mail carried on dedicated aircraft) airport in the country. The District's central location and ability to offer extensive sites with direct access on to main routes, capable of accommodating large buildings and 24/7 operations, are crucial in being able to fulfil the widest possible range of logistic requirements. Demand for facilities close to major manufacturing outlets is anticipated to continue, together with larger warehouse units increasingly sought as distribution centre operations, driven by retailers seeking to rationalise their operations and serve the boom in online shopping with

large facilities managed by third party logistics operators. Similarly for smaller operators the area offers the ability to efficiently serve the whole of the country from a single base. Locally, the logistics sector has benefited from the growth of manufacturers who outsource individual stages of production and/or operate Just-In-Time (JIT) manufacturing with minimal stock holding. Yusen Logistics, for example, operate a dedicated automotive in-bound logistics operation at Findern - consolidating and sequencing materials prior to JIT delivery to Toyota. Key concerns for the sector include fuel costs, local road congestion, roadside driver facilities, up-skilling along with associated costs (eg. HGV licences), and retaining a skilled workforce, in an increasingly skilled and technology-led sector.

Key businesses include: ATL (Ascott Transport Limited), Clipper Logistics, DG Light Haulage, Euro Car Parts, Jeffrey's Group/The Swain Group, Kuehne+Nagel Global Logistics, Multi Packaging Solutions, Polar Speed Thermologistics, TNT and Yusen Logistics.



Appendix 7: Strengths and Weaknesses

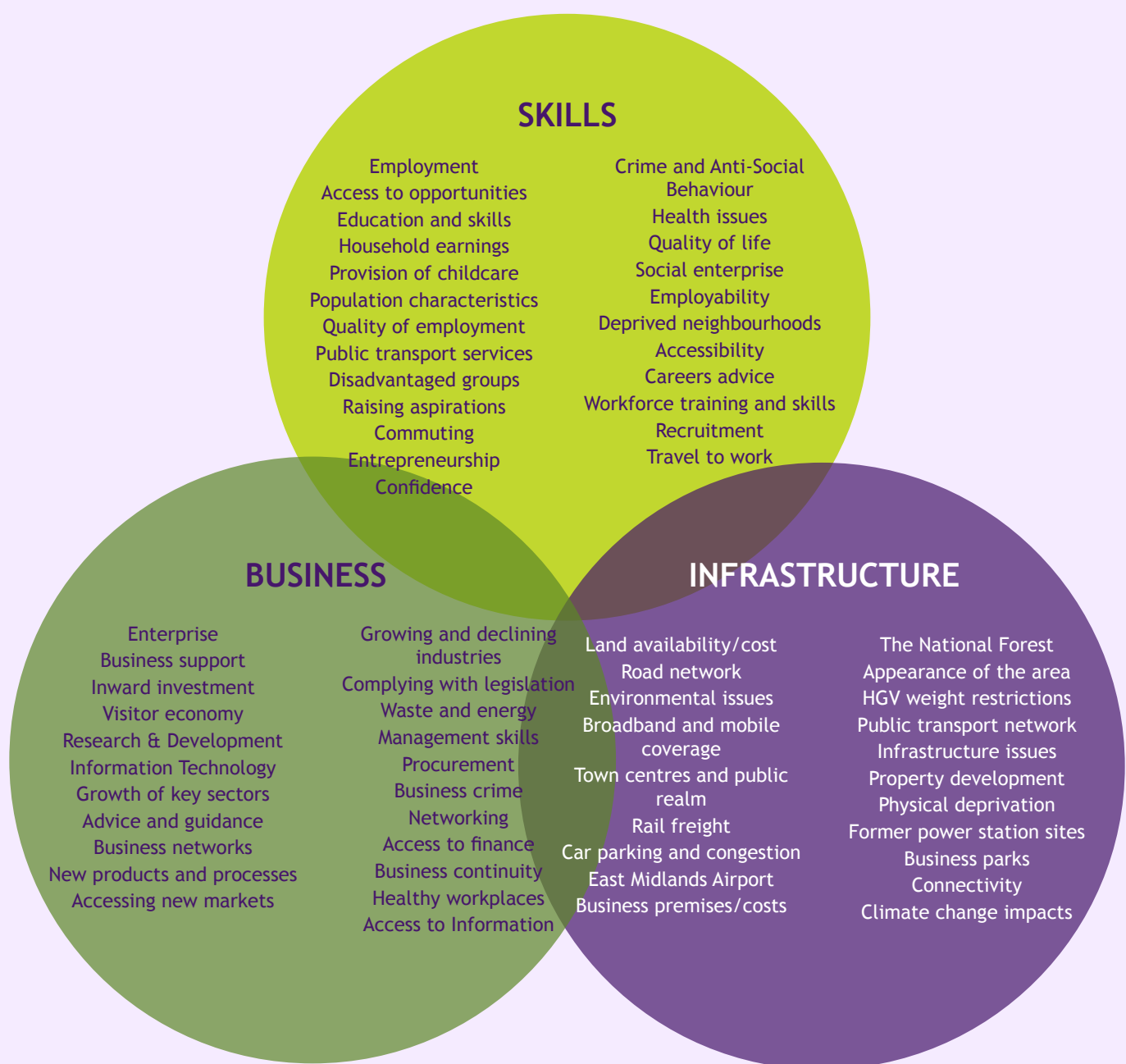
The key economic development issues identified through the research and consultation processes are summarised in Figure 9, grouped under the broad headings below and then considered in terms of strengths and weaknesses in the following tables:

BUSINESS: Business support, access to finance & innovation

SKILLS: Recruitment, employment & skills

INFRASTRUCTURE: Infrastructure for economic growth

Figure 9: Inter-linkage of Business, Skills and Infrastructure Issues



Issues are summarised below. Further information is contained in a range of research documents, in particular:

- Derbyshire Local Economic Assessment (Derbyshire County Council, 2014)
- South Derbyshire 100 Business Survey (Groundwork and South Derbyshire District Council, 2015)
- The National Forest – Economic Impact and Future Economic Potential (Genecon, 2014)

Business

Strengths

Presence of world-class businesses, including major manufacturers and their associated networks of expertise and supply chain opportunities (eg. Toyota, JCB, Nestlé)

Ability to attract inward investment, drawing on proximity to the national road network, airports and existing major businesses

Growing business sectors (eg business services, logistics, wood-related, tourism)

Proximity to Higher Education institutions with associated training and Research & Development capabilities

Potential to further exploit the tourism opportunities associated with the District's waterways, in particular the River Trent and Trent & Mersey Canal

Predominance of small businesses indicating a potential for dynamism and employment creation

A central UK location close to the cities/markets of Birmingham, Derby, Leicester and Nottingham

Great potential in 'The National Forest' brand in terms of both visitor and inward investment marketing

Companies often long-established and embedded in the area

Businesses in The National Forest's visitor and woodland economies have the potential to create new employment opportunities in the countryside. Usage by visitors can also enhance the viability of rural services, such as Post Offices.

Weaknesses

Dependence on traditional/vulnerable sectors, in particular manufacturing/engineering, which are competing in an increasingly competitive global environment; Need to increase diversity of economic base

Declining employment in agriculture (and previously mining and power generation) based in rural areas

A relatively narrow economic base, with limited evidence of new and growing sectors

Challenges for businesses in complying with increasing (and frequently changing) legislation and regulation (eg. health & safety, environmental, planning, waste disposal, recycling and employment-related)

Limited availability of conference, meeting and business training facilities, plus overnight accommodation for business visitors; Need to raise awareness of what is available

Limited public financial assistance for business development, including premises, equipment and training (which is also complex/time consuming to access)

Limited networking between businesses and with public agencies, including opportunities to foster research, development and innovation; Limited interventions that encourage knowledge transfer and spin-out activity; No business-to-business directory/website

Limited support for research, innovation, patenting/protection of intellectual property and the development of new products and processes; No local focus for innovation activity

Strengths

Potential to target inward investment from companies in the supply chains of large local businesses (eg Rolls Royce, Bombardier)

Proximity to Birmingham International and East Midlands Airports, and the proposed HS2 station at Toton and Strategic Rail Freight Interchange at Roxhill

Proximity to Donington Park Racetrack, home to Formula E (electric racing cars) and Norton Motorcycles

Location in the Midlands at the heart of the country's manufacturing industry

Presence of large public and private organisations in the area creating opportunities for more local sourcing of goods and services, and business for SMEs

Potential to boost exporting, based upon the area's large manufacturing sector

Presence of local Universities, including Derby, Nottingham and Loughborough, where specialisms can be exploited to promote innovation

Expansion of the East Midlands Enterprise Gateway immediately to the east of the District, including developments at East Midlands Airport, Donington Park racing circuit and the M&S national distribution facility at East Midlands Distribution Centre

A catalyst in The National Forest for a range of environmental and wood-based businesses (eg using wood chip for heating)

Weaknesses

Low levels of awareness, understanding and uptake of business support available (eg from DWP, Colleges, Planning, Environmental Health); No single source of information for all business support; Need for more effective ways of marketing services

Shortcomings in the retail, leisure, entertainment and food & drink offer available within the District; Underdeveloped evening economy in Swadlincote

High levels of competition in town centre retail due to the limited range of products and services offered; Limited passing trade opportunities due to pedestrianised zone

Limited marketing of the area and what it has to offer visitors, businesses and investors

Greater support is sought by businesses with issues such as marketing (including social media), networking and recycling/reducing waste and energy consumption (SD100)

Lack of free/impartial advice to businesses on training matters

Greater difficulty in accessing private finance for both start-ups and existing businesses wanting to grow following the economic downturn

Limited access to information on sustainable modes of travel (eg car sharing)

Need to manage the issues and impacts associated with climate change – climate projections for the 2020's for the East Midlands indicate: +1.3% Summer average temperature; -8% Summer average rainfall; and, +4% Winter average rainfall (Met Office)

Skills

Strengths

A young and growing population, together with access to a large labour market catchment in neighbouring areas (eg. Burton, Derby)

The National Forest is an extensive recreation and leisure facility, with potential benefits for health and quality of life

Low levels of crime compared with national averages

Relatively affordable housing

Planned further employment growth within the District (eg Dove Valley Park, Drakelow Park) and beyond (eg. Infinity Park, East Midlands Airport)

Over 25% of firms intend to recruit additional staff over the next 12 months (SD 100)

Local Plan anticipates for the period 2011-2028 some 12,618 new homes and an additional 53 hectares of employment land

Lesser dependence on public sector employment where job numbers are expected to continue to decline

Proximity to University Technical Colleges (UTCs) with relevant specialisms, including Derby (manufacturing & engineering) and Uttoxeter (engineering), plus East Midlands Airport Academy

Proximity to Derby, Stephenson and Burton & South Derbyshire Colleges, with the latter now having a campus in Swadlincote (Construction Academy)

Introduction of the D2N2 Employability Framework aiming to improve the employability and life skills of young people regardless of academic ability or career pathway

Weaknesses

Ability to secure higher quality employment and higher incomes constrained by skills levels

Limited access to training opportunities/facilities within the District

Limited expectations and aspirations, amongst some young people and some of working age

Employability challenges/barriers to entering the workforce, including travel, childcare, attitudes/commitment, 'a work ethic' and Basic Skills (literacy and numeracy)

Perceptions and fear of crime and disorder; Vandalism and anti-social behaviour

Growing demands on local community facilities and services arising from population growth and an ageing population

Dependence on the private car due to limitations in public transport services and other sustainable modes of transport; Barriers to non-car owners

Limited support for the development of social enterprises that can provide valuable pathways into the labour market

Emerging affordable housing issues, especially in rural areas

Changing/higher skill requirements associated with the District's changing business structure

Limited support for vocational training provision

Potential vulnerability in that a small number of manufacturing businesses employ a significant proportion of the workforce

Employment in the nationally growing sectors, particularly services is underrepresented compared with the national average

Some evidence of skills shortages and recruitment difficulties (SD100)

Mismatch in career aspirations and employment opportunities/growing sectors; Limited understanding of local economy/careers; Concerns regarding the quality of careers advice

Mismatch between what education and training providers are delivering and the skills required by employers

Out-commuting to higher skilled/waged employment, indicating a deficiency in the quantity and range of employment available locally; potentially a shortfall in knowledge occupations and knowledge intensive business activities

Weaknesses

- Limited work experience opportunities for those in education or unemployed, and for graduate placements
- Businesses lack confidence in school leavers who are perceived to have low standards/reliability/commitment, poor attitudes, and lack the ability to work in teams or 'life' skills/interest in work – mismatch in the expectations of young people and of businesses; Limited understanding of young people's views
- Business involvement in skills focuses on training for employees, typically in-house and most commonly induction – new staff, equipment, procedures (SD100)
- Limited engagement between employers and training providers, particularly SMEs whose needs often differ from those of larger employers
- Limited public transport services vital to access services and opportunities, especially in rural areas and to employment growth centres; Residents of Swadlincote cannot readily access employment sites along the A38/A50
- Concerns regarding social mobility through education – the prospects of disadvantaged pupils performing well at school and progressing to university and professional occupations
- Little interaction between schools/colleges and local companies; Need for more creative approaches to work experience (eg guest speakers, visits, projects)
- Poor quality of secondary schools in Swadlincote – in terms of overall effectiveness, all three are rated as inadequate or requiring improvement (OFSTED, 2015)
- Limited delivery of enterprise/entrepreneurship education in schools, colleges and universities
- Need for assistance for those facing multiple challenges to entering employment/self-employment, including those on benefits other than Jobseekers Allowance
- Need for support for older unemployed/retraining mature workers with outdated or unaccredited skills, or lacking IT skills
- Concerns regarding 'in-work poverty' arising from the relatively low growth in earnings; and underemployment with workers in part-time roles but wanting a full time position

Infrastructure

Strengths

District has outstanding communication links and accessibility to the national road network (A38, A42, A50, M1, M6 and M42); and rail network (NE/SW main line)

Over 8.5 million trees have been planted in The National Forest, raising woodland cover from 6% to 20% and creating an attractive environment for businesses, residents and visitors

Proximity to Birmingham International Airport and East Midlands Airport (a key European express freight hub) – increasingly important for global and knowledge-based businesses

A range of development land often available at lower purchase/rental costs than in neighbouring areas

Further major brownfield sites with potential for redevelopment, including the former power stations at Drakelow and Willington, and within the Woodville Regeneration Area

Significant development sites within the town centre with potential for retail, leisure, office and other commercial uses

Major business parks currently under development with outstanding transport links, a large workforce catchment, new site infrastructure and the capability to accommodate all sizes and types of business activity

79% of the District's businesses think that South Derbyshire is a good or excellent location for business; Just 4% think it is poor or very poor (SD 100)

High land prices and tight labour markets in the South East, South Midlands and the 'Golden Triangle' are encouraging large warehouse operators to consider locations further north

The Pipeworks mixed use scheme in Swadlincote town centre as a landmark investment, including extensive additional free parking in the town centre

Disused or freight rail lines with the potential to be upgraded for freight or passenger use, such as The National Forest line ('Ivanhoe Line')

Unique visitor attractions (eg. The National Forest, Calke Abbey, Shardlow Inland Canal Port, Swadlincote Ski & Snowboard Centre) and industrial heritage (such as Sharpe's Pottery Museum)

Weaknesses

Fast broadband connectivity is critically important to 24% of businesses (East Midlands Chamber); The internet was 'very important' to almost 60% of respondents, with internet speed/reliability and mobile reception affecting over 70% of businesses (Melbourne Business Survey, 2015)

A survey of businesses cited in the Derbyshire Local Economic Assessment found that only 10.8% of respondents felt that current provision of broadband in the County was very good (DCC, 2014)

Limited supply of small and 'grow-on' workspace (units and offices), including managed accommodation on flexible terms with support available, and facilities to foster enterprise and innovation (eg incubation centre)

Limited supply of large/modern retail premises available

Little land available despite allocations in Local Plan; Design & build and freehold ownership constraints on some available employment land; Limited availability of serviced plots; Limited provision for less intensive/attractive employment uses

Little employment land available in the Swadlincote urban area

Very low levels of commercial building construction throughout the economic downturn and beyond, leading to shortages of available vacant premises

Loss of employment sites to housing and other uses

Poor appearance of some business premises and parts of the District, especially within Swadlincote, including in centres and on highly visible arterial routes; Need for financial assistance to improve older premises

Limited existing good quality office space and a lack of dedicated sites in attractive/accessible locations on which to promote new office development

Congestion pinchpoints in both urban and rural areas, including key junctions such as the Clock Island in Woodville creating bottlenecks

Constraints on business operation imposed by weight restrictions on HGVs in the District and neighbouring areas; Restricted river crossings; Lack of secure HGV parking; Loading/delivery problems caused by poor parking

No passenger rail links between Swadlincote and other centres, including East Midlands Airport

Strengths

Potential to reinstate the Derby & Sandiacre Canal and create a touring loop for visitors, linking Shardlow to the centre of Derby and accessing the Derwent Mills World Heritage Site

Advantages of South Derbyshire include central UK location, proximity to markets, access to/ position in national road network, parking facilities for customers and employees, plus competitive premises costs and land availability (SD 100)

Attractive rural areas and historical features; Heritage is a clear driver within the tourism offer of the District

Proposals being developed to address congestion issues including the River Trent crossing at Walton and Clock Island at Woodville

Designation of an Enterprise Zone at Infinity Park Derby immediately to the north of the District, including an innovation centre

Assistance available to developers seeking to unlock brownfield sites in the form of desktop site assessments to identify redevelopment costs and constraints

Proposals for the creation of 'greenways' - multi-user routes for walkers, cyclists, horse riders and those with mobility difficulties – that will improve accessibility and contribute to the development of tourism infrastructure and The National Forest

Introduction of Article 4 Direction for Swadlincote town centre and Conservation Areas elsewhere to protect the historic townscape

Weaknesses

Poor bus and rail links between population centres and growing employment sites on the A38/A50

Poor quality of parts of Swadlincote town centre, together with the public realm in some other areas

Poor industrial estate signage in some areas

Proximity of larger shopping centres in neighbouring areas

Poor mix of retail provision in town centre, including the market, with an emphasis on convenience shopping and a lack of national multiples

Limited usage of non-road based forms of freight movement, including both rail and waterway

Limited public investment in infrastructure, including transport

Poor highway maintenance (roads and paths) and reinstatement by utility companies

Parking for customers and clients at capacity at peak times in centres

Limited parking for customers and clients in centres and on industrial estates across the District

Poor signage of settlements, business parks and visitor attractions

Poor broadband connections (and high costs) in some areas with significant improvements needed; Poor mobile phone coverage in some areas; Need to lobby/raise awareness of needs

Limited tourist facilities and visitor accommodation (hotels and other provision) with which to maximise the potential of The National Forest and East Midlands Airport

Limited provision for sustainable modes of transport such as buses, cycling and walking, along with suitable facilities (eg workplace showers, secure cycle storage); Need for more incentives/assistance for businesses

Challenges in lowering emissions (eg CO2), whilst undergoing high levels of growth

Need for more safe cycle routes to encourage cycling by both commuters and residents/visitors to The National Forest

Flood risk is a concern in many parts of the District with agricultural businesses, transport infrastructure and utility provision typically most vulnerable

Cumulative impact of industrial/economic activity on air quality (Air Quality Updating & Screening Assessment for SDDC, 2015)

Appendix 8: Strategy Implementation

The Role of the District Council

South Derbyshire District Council is involved in a range of economic development activities that directly contribute to the development of the local economy and workforce of the District. These include the following:

- Attracting inward investment – attracting businesses and employment to the District through the promotion of the area and available sites and properties, together with the provision of assistance to investors.
- Providing sites and premises for employment – including through maintaining a commercial property portfolio, providing assistance with premises improvements and, as the local planning authority, identifying sites for future employment development.
- Attracting visitors – attracting visitors from the UK and overseas to South Derbyshire and The National Forest by promoting the area to potential visitors and securing improvements to visitor facilities, such as country parks and town centres, in order to increase visitor spending with local businesses.
- Supporting business development – promoting available assistance and providing support to local businesses directly and through the development of sector or issue-based initiatives.
- Providing visitor information – informing visitors about events, attractions and accommodation in South Derbyshire and The National Forest, principally through the operation of an accredited Tourist Information Centre.
- Implementing economic development initiatives – providing services or delivering projects that enhance the local economy, for example developing the workforce, overcoming barriers to employment or improving the physical environment of the District, both directly and in partnership with other organisations.
- Undertaking research, feasibility studies and project development, and providing support to partnerships, to build an evidence base in order to secure financial resources and enable economic development initiatives that contribute to the above activities, thereby benefiting the District, its residents and businesses.

It should be noted that the District Council also provides a range of other services and functions that contribute to the quality of life and attractiveness of the area as a place to live, work and visit. These include the following:

- undertaking heritage conservation and protection;
- street cleansing and landscape maintenance;
- provision of parks, sports and leisure facilities;
- operation of the Neighbourhood Warden scheme; and,
- maintaining and managing Council homes.

Further the Government is pursuing a number of policies which aim to incentivise local authorities to proactively support the growth of the local economy in their area.

The Role of the Strategy

The function of this Economic Development Strategy is to set out an understanding of the economic challenges and opportunities currently facing South Derbyshire and to put forward a vision for the further development of the District's economy. The Strategy will also contribute to the development of other key policies, including the Local Plan.

Whilst the production of the Strategy has been led by the District Council, it sets out a common understanding and vision that has emerged from research and consultation with all interested parties. Further, it describes a vision that cannot be delivered by the District Council alone – it will require the commitment of the numerous partner organisations operating in the District, including businesses, public bodies and voluntary/community sector organisations. These organisations come together as the South Derbyshire Partnership.

Implementation of the Strategy

The actions of the Economic Development Strategy are expressed as Ambitions. This reflects the fact that the majority are dependent upon the joint commitment of the public, private and voluntary/community sector organisations operating in South Derbyshire. In some instances, they will also be dependent on securing external funding. Equally, their achievement will directly contribute to the aims of strategies including D2N2's Strategic Economic Plan and the Derbyshire Economic Strategy Statement.

Whilst some of the actions envisaged are core activities of the District Council, the majority will be undertaken in partnership with other organisations. As such, the key delivery vehicle for the implementation of the Economic Development Strategy will be through the South Derbyshire Partnership.

South Derbyshire Partnership

The South Derbyshire Partnership is a single non-statutory, multi-agency body, which aligns with the local authority boundaries, and aims to bring together at a local level the different parts of the public, private, voluntary and community sectors. The Partnership is key to tackling deep seated, multi-faceted problems, requiring a range of responses and co-ordinated action from different bodies.

The Economic Development Strategy is closely aligned with the South Derbyshire Partnership's Community Strategy and Action Plan and will be a key influence on the Partnership's future policies and priorities.

The South Derbyshire Partnership has a Board and a number of theme groups, including the 'Sustainable Development Group'. This Group is charged with promoting the economic development of South Derbyshire. As an overarching body, it aims to co-ordinate the activities of other local, sub-regional and national agencies and partnerships contributing to the economic development of the District.

It also aims to raise awareness of issues in South Derbyshire amongst key agencies, in order to attract external funding and other support. Membership of the Sustainable Development Group includes public agencies such as the Department of Work & Pensions (Swadlincote Jobcentre plus), business representatives such as the Chambers and voluntary/community organisations such as South Derbyshire Council for Voluntary Service.

Monitoring

In terms of actions specific to the District Council, these will be implemented and monitored through the performance management procedures for the Corporate Plan and Service Plans. Actions being taken forward by the South Derbyshire Partnership will be overseen through the performance procedures for its annual Action Plan.

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