

Derby's Economic Strategy 2011 – 2016

(25 March 2011)

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FOREWORD

Derby's exceptional industrial heritage, strengths in engineering innovation and world class brands have helped to maintain a vibrant local economy that punches well above its weight on a whole range of economic indicators. Over the past decade, Derby has created 6,100 new jobs, witnessed average wages rise above all areas of the country outside London and the south east and benefitted from hundreds of millions of pounds of investment. Derby has the sixth highest value of goods and services produced per head (gross value added) in England, second highest of any local authority area outside the south east. Our retail core has been transformed, we have a flourishing commercial area at Pride Park and there is renewed interest in the city from inward investors. However, no city can afford to become complacent and stand still. Significant challenges lie ahead for Derby.

The UK is slowly emerging from the worst recession in a generation and uncertainty prevails about the full impact of public spending cuts right down to the local level. Derby is competing in a global economy and our businesses face a fight to stay ahead of the game. Persistent low skill levels and high rates of worklessness are holding back some of our communities. The wealth that the city creates could be driving our progress even more effectively.

To ensure Derby's economy remains vibrant and competitive and to spread wealth further, partners will need to work even closer together and more creatively. We need to facilitate the conditions that will encourage growth in private sector employment over the next decade. This will involve measures to further diversify our economy, to comprehensively embed innovation and a culture of enterprise, to uplift skills, especially within our poorest communities, and to create a quality of life of which we can all be proud.

We firmly believe that this strategy will put us on the right path to achieve these goals. It follows the collation of extensive evidence on the performance of the economy, in depth research and widespread consultation over the last 12 months. To realise our ambitious vision and achieve our jobs growth target will require the full support of and concerted efforts within the public, private and voluntary sector. Fortunately Derby is a city where partnership is more than just a sentiment.

We commend this strategy to you.



Peter Richardson
Chair, Derby Renaissance Board
EXECUTIVE SUMMARY

Cllr Harvey Jennings
Leader of Derby City Council

The evidence suggests that Derby's economy has performed well over recent years with some impressive headlines – the UK leader in advanced manufacturing employment and amongst highest wage levels outside of London & the south east. However, significant challenges remain to be addressed. Pockets of deprivation, serious skills gaps, market failure and infrastructure deficiencies all need to be tackled to achieve a prosperous economy. Furthermore, a period of sustained contraction in public sector finances coincides with the UK's gradual emergence from a world recession.

The consequent reduction in national and regional regeneration funding and a radical slimming down in the number of quangos means that there's a completely different landscape to work within. Derby and Derbyshire, Nottingham and Nottinghamshire have formed a Local Enterprise Partnership which will develop an economic strategy for this geographical area. A new, holistic, city-wide strategy - *The Derby Plan* - has been prepared by Derby City Partnership.

The *Derby Plan vision* is: "Derby is a city that is passionate about progress. Home to world-leading brands including Rolls-Royce, Bombardier, Westfield and Citibank, Derby has a strong hi-tech economy that is set to grow. Plans are in place to make the city centre more attractive to residents, visitors and investors and with low levels of crime, friendly people, cultural events and festivals throughout the year, strong heritage and easy access to stunning national parks"

The Derby Plan contains a handful of *outcome statements* to describe the city in 2026 and the economic outcome statement is: **"In 2026 all people in Derby will enjoy a thriving sustainable economy"**.

The Economic Strategy forms the economic chapter of The Derby Plan and will substantially inform the strategic context for the Local Enterprise Partnership. This strategy has been produced by the Derby Renaissance Board (DRB), which has emerged from the former City Growth Executive.

A key target of this strategy is to create 5,700 additional new jobs by 2016. This equates to over 1,100 net additional jobs each year. To put this into context, in the period 1998 to 2008 Derby generated 610 net additional jobs a year. However, half of these jobs were created in the public sector and over the next five years employment and expenditure in the public sector are anticipated to significantly decline.

In order to achieve a sustained growth in net new jobs, the DRB has identified three themes – or *drivers* - which are the focus of this strategy:

- 1. Creating A Culture Where Enterprise Thrives**
- 2. Ensuring Workforce Skills Match Business Needs**
- 3. Maximising Quality Of Life.**

Delivery Plans have been prepared for each of these three drivers and these will focus the attention of three partnership delivery groups which feed into the DRB. ***Performance Measures*** have been identified against which progress will be judged.

1. INTRODUCTION

This strategy has been produced by the DRB to provide the framework within which the city, its residents and businesses, can prosper and realise their potential. It demonstrates how the efforts of all partners will need to be focussed to create new jobs and sustain economic growth over the next five years.

This document is the result of extensive evidence gathering and consultation with a wide variety of partners throughout 2010. It has been produced by the DRB to provide the framework to guide the activities and investment plans of partners seeking to further improve the economic performance of the city.

The significant milestones that have contributed to the production of this strategy are:

- *Economic Prosperity Peer Challenge* report (IDeA, December 2009)
- *Planes, Trains and Automobiles* report (URS, January 2010)
- *Economic Futures* Conference (June 2010)
- *Derby's Local Economic Assessment* (Derby City Council, December 2010)
- *Shifting Gears* report (Centre for Cities, October 2010)
- *Enterprise Growth Strategy* report (GVA, December 2010).

The document sets out a range of *interventions* under three broad themes or *drivers*. The long-term *target* is to create 5,700 net new jobs by 2016 (as a contribution to creating 16,000 between 2009 - 2023). A *Delivery Plan* for each driver identifies how resources will be deployed to realise this strategy.

Strategic Context

Derby City Council published its *Local Economic Assessment* (LEA) in January 2011. The LEA provides the primary evidence base for this strategy. Recommendations from the 'Shifting Gears' report and the Enterprise Growth Strategy have helped to shape the priorities outlined in this document.

The new Derby Plan (formerly the Sustainable Communities Strategy) will be published in April 2011. The Derby Plan is the overarching strategy for the city and this contains a desired outcome of realising **a thriving sustainable economy**. This Economic Strategy therefore forms the economic chapter of the Derby Plan, owned and overseen by the DRB. Progress against the strategy's Delivery Plans will be monitored by the three DRB delivery board and updated plans will be produced as required.

The Council continues to develop its Core Strategy as part of the Local Development Framework, which will provide the spatial context to the economic vision provided here. The Core Strategy is due for completion during 2012.

The Economic Strategy is complemented by a suite of other strategies, including the blueprint for the next phase of the development of the city centre – the City Centre Regeneration Framework. Diagram 1 shows the relationships between the Derby Plan, the Economic Strategy and other strategies.

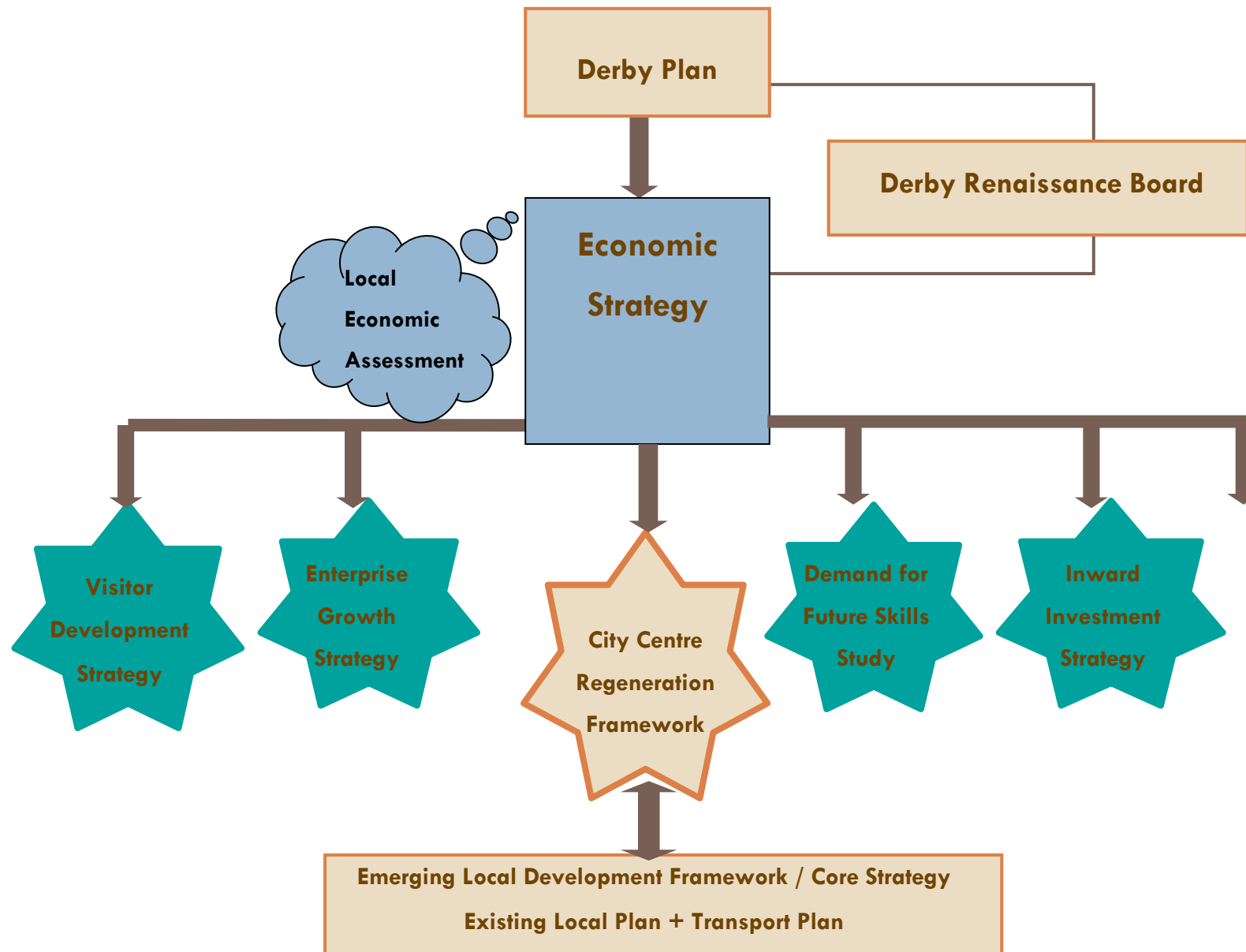
The Economic Strategy also contributes to the delivery of the national *Strategy for Sustainable Growth*¹ which highlights the importance of a skilled workforce, infrastructure investment and encouraging entrepreneurialism. These are all key aims for Derby. We are committed to delivering the Government's aim of rebalancing the economy towards the private sector and will seek to build on the private sector jobs growth that the city has delivered in the past decade.

Alongside its growth agenda the Government is committed to pursuing significant reductions in national energy use, as outlined in the *Low Carbon Transition Plan*² which sets a target to deliver an 80% reduction in carbon emissions by 2050. The DRB is committed to pursuing a low carbon economy in Derby and realising the environmental and economic opportunities associated with reducing energy usage. Our low carbon ambitions will underpin each one of the indicators in this strategy.

¹ Department for Business Innovation and Skills, *Strategy for Sustainable Growth*, July 2010

² Department for Energy & Climate Change, *The UK Low Carbon Transition Plan*, 2010

Diagram 1 – Relationship between the Derby Plan & Economic Strategy



Funding Context

The Comprehensive Spending Review in November 2010 brought significant cuts to public funding throughout the UK. In Derby, the Council has had to find almost £30m of savings on its annual budgets from 2011/12 onwards with further reductions necessary for each of the next 3 financial years. All other public agencies are also subject to significant budget cuts. National and regional regeneration funding programmes haven't been insulated from these cuts in the public purse. The demise of Regional Development Agencies and large scale changes to Government Offices in each region brings with it the loss of the Single Programme. In October 2010 the Government launched the Regional Growth Fund (RGF), which will be targeted at delivering private sector employment growth and helping to rebalance local economies that have suffered public sector job losses. Derby's Economic Strategy provides the framework for the development of RGF projects in the city and partners in Derby are engaged in the process of developing applications to RGF. The European Regional Development Fund remains operational with Derby having an allocation of approximately £8.4m for the period 2011 – 13.

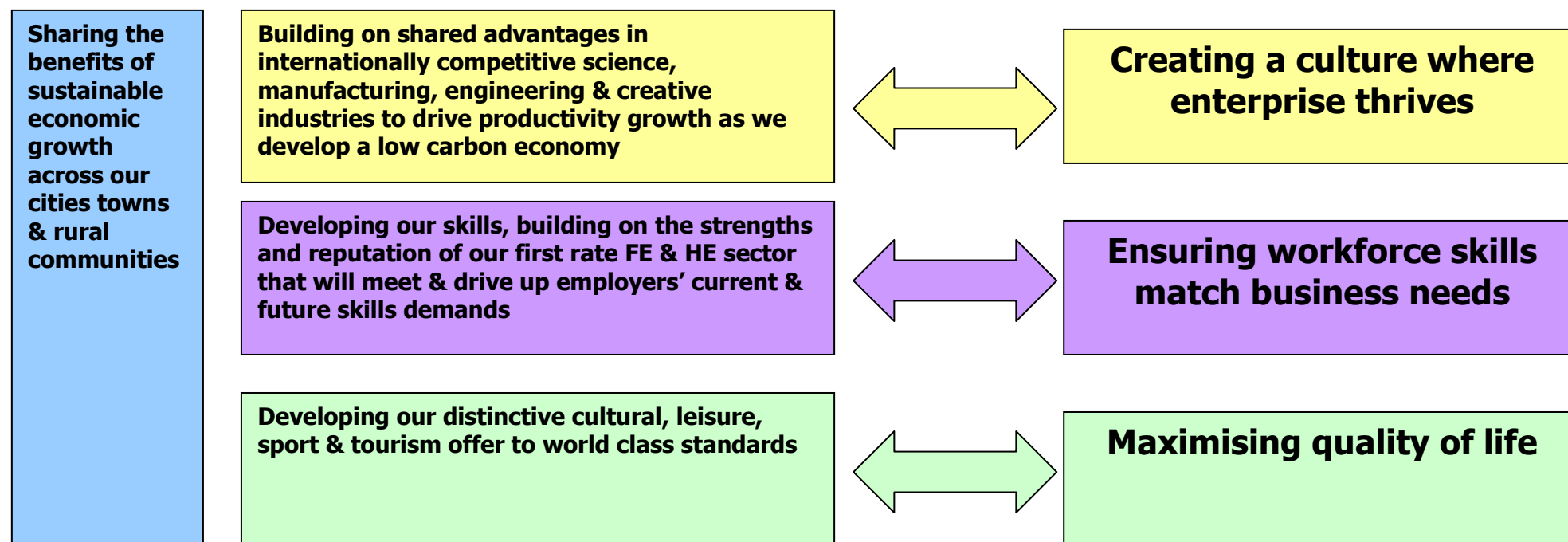
Devolution of decision-making has been required to give local areas flexibility in how they raise pool and spend resources. The Coalition Government has announced the introduction of a Tax Incremental Financing (TIF) scheme as a new method of promoting physical led regeneration by financing projects on the basis of future tax revenues. Additionally the City Council has launched its Regeneration Fund aimed at kick starting physical development in the city centre via a variety of financial incentives to developers.

Partnership Context

In October 2010 the Derby, Derbyshire, Nottingham and Nottinghamshire Local Enterprise Partnership (the D₂N₂ LEP) was approved by the Government. The LEP provides strategic direction to the area while the DRB is responsible for delivery of economic regeneration in Derby. The LEP has identified joint priorities which are focused around the promotion of private sector led growth. As shown below, this strategy fully aligns with these priorities and will complement the proposed direction of the LEP.

Diagram 2 – Partnership Strategic Priorities

**D₂N₂ LEP
PRIORITIES:**



A new, holistic, city-wide strategy - *The Derby Plan* - has been prepared by Derby City Partnership. This Economic Strategy forms the economic chapter of The Derby Plan and will substantially inform the strategic context for the Local Enterprise Partnership. This strategy has been produced by the Derby Renaissance Board (DRB), which has emerged from the former City Growth Executive.

The Economic Strategy is complemented by a suit of other documents, including the blueprint for the next phase of the development of the city centre – the City Centre Regeneration Framework. Diagram 2 shows the relationships between the Derby Plan, the Economic Strategy and these other documents.



2. DERBY'S ECONOMIC BASELINE

Recent History

Derby has an estimated population of 244,100 and 77% of the working age population is economically active.

In the last 30 years Derby's population has increased by around 12%, an estimated 26,000 people, compared to a national increase of around 10%. During that time employment levels in the city have followed national trends with overall numbers of jobs increasing significantly, mainly attributable to the rapid expansion in public sector employment. Employment in the city during the mid 20th Century was focussed around manufacturing but in recent decades the city has developed a more balanced economy with significant employment in the service sector and a large public sector presence.

During the period 1998 to 2008, Derby's net additional job creation was 6,100. In line with national trends, employment growth was spread over a number of sectors, with Real Estate and Business activities adding 5,200 jobs. This was balanced out by extensive losses in the Manufacturing sector, which was the largest source of job loss, shedding 4,200 jobs (3.5% of Derby's 2008 workforce). However, this decline was less than half the national rate, suggesting that Derby's strong industrial heritage has helped to make local firms more resilient. Since 1990 the number of people on Job Seekers Allowance fell steadily in Derby from a high of 9% to a low of 2.3% in November 2007. The recession led to a rapid increase in claimants to 5% in February 2010 but the rest of 2010 saw these figures slowly decrease.

Derby in 2011

Derby is a leading high technology city with the highest concentration of advanced manufacturing employment of any city in Great Britain. Average earnings for people working in Derby are amongst the highest of any city outside London and the South East, and the city has consistently out-performed regional and national averages in terms of Gross Value Added³ per head. Notwithstanding this impressive performance the city faces significant challenges in tackling long-term worklessness, pockets of deprivation and skills deficiencies. A summary of the strengths, weaknesses, opportunities and threats can be seen in diagram 3 below.

The latest figures indicate that employment in Derby is heavily weighted towards the public sector with nearly a third of jobs being in public administration and education. At the same time, one in five jobs in the city is in manufacturing, almost double the national average. The city

³ Gross Value Added (GVA) is a measure of the value of goods and services produced in an area, industry or sector of an economy

is proud of being home to global companies such as Rolls-Royce and Bombardier, and will continue to support these firms as the cornerstone of the economy. However, in order to strengthen our private sector we also need to support the growth of new enterprise in Derby.

Diagram 3 - SWOT Analysis of Derby's Economy

Strengths	Weaknesses
<ul style="list-style-type: none"> • National leader in advanced manufacturing employment (10% of workforce) • Wealth creating economy (GVA per head, 2007 - £23,167) • 3,200 private sector jobs created in Derby over last 10 years • Presence of global firms such as Rolls Royce and Bombardier • Highest workplace salaries outside of London (£31,785) • Multi million pound investments to bus and rail interchanges and Connecting Derby Inner Ring Road project • Multi cultural community – 172 languages spoken in the city • A younger than average demographic profile 	<ul style="list-style-type: none"> • Lower than average rate of business registrations and self-employment • Difficult for new enterprise to develop in well established sectors, such as advanced manufacturing • University of Derby not presently well-placed to drive forward innovation • Higher paid workers live and spend outside the city • Lack of quality office space in city centre • Higher than average number of residents with no qualifications (18%) and significant proportion of employers reporting skills gaps (22%) • Arboretum, Normanton and Sinfin wards in bottom 6% nationally according to Index of Multiple Deprivation 2007 • 64% of workers use car to get to work (and yet 55% of those who work in Derby travel less than 5km)
Opportunities	Threats
<ul style="list-style-type: none"> • Forecast population increase of 19.5% in Derby City to 2030 with an approximate increase of 16,000 in working age population by 2023 • 6 million people live in 1 hour drive time of Derby • Council committed to Regeneration Fund to support physical development in the city • National Skills Academy for Railway Engineering base in Derby • The Silk Mill site and Darley Abbey Mills form the southern gateway to a World Heritage Site • 4% of businesses in 'green industries' • Need to reduce CO2 emissions by 34% by 2020 (national target) and by 80% by 2050 • Regional Growth Fund, ERDF & Local Enterprise Partnership 	<ul style="list-style-type: none"> • Economic over-reliance upon a handful of the biggest businesses • Low levels of enterprise and innovation • Manufacturing job losses equating to 15% in ten years – continuing trend? • Lack of quality housing offer to attract highly skilled employees • Public spending cuts – rail sector particularly dependent on Government spending • An increasing and ageing population and emerging number of retiring 'baby-boomers' • Population and business growth could lead to increased carbon emissions • Increased risk of city centre flooding • Loss of big name brands in the city centre

- | | |
|--|---|
| | <ul style="list-style-type: none"> • Reduction in regeneration budgets and loss of economic development programmes |
|--|---|

3. DERBY'S ECONOMIC STRATEGY

Vision for Derby in 2016

The key challenge for Derby is to ensure that the local economy is driven by a strong private sector presence following the inevitable reduction in public sector employment. Adding to this challenge is the need to ensure that all of the city's residents have the opportunity to be engaged in the labour market. With the current uncertainty in the national economic climate, job creation and retention are the primary aims. Underpinning this strategy is the long term target of creating 16,000 net new jobs by 2023 (from a base year in 2009). In the lifetime of this strategy (2011-16) we will work towards achieving an increase of 5,700 net new jobs. The need to tackle existing skills gaps within the workforce is of high importance to ensure that Derby remains a competitive and growing economy.

In order to rebalance the economy of Derby in favour of a strengthened private sector, a concerted effort is required in supporting enterprise to start, grow and thrive. In our drive for increased private sector employment we are mindful of the Centre for Cities findings that the majority of new jobs will come from a small number of high growth firms⁴. In a changing environment of business support, Derby remains committed to achieving enterprise success. We will look to support the growth of all companies in the city and work with our partners to focus efforts on employment growth.

It is now widely considered that global oil production will 'peak' and go into sustained decline, with some commentators suggesting there is significant risk of this occurring before 2020. What is certain is that fuel deficits and the end of cheap carbon will have extremely far reaching social and economic consequences. These inevitable increases in energy costs will impact on all of our businesses. We will contribute significantly to the strength of the future economy if we make Derby businesses more resilient to increases in energy costs through, for example, adaptation methods and feed-in tariffs.

Throughout the development of this strategy there has been a great desire for Derby to be placed at the forefront of innovative ways of achieving economic growth without impacting negatively on the environment. Many firms in the city, such as Rolls-Royce, are already world leaders in the development of energy efficient technologies. There is great opportunity for the city to utilise the expertise it has within this field to embed new technology opportunities within other sectors and reduce energy use throughout the local economy. The DRB are committed to

⁴ "Firm Intentions: Cities, Private Sector Jobs & the Coalition", Centre for Cities, September 2010

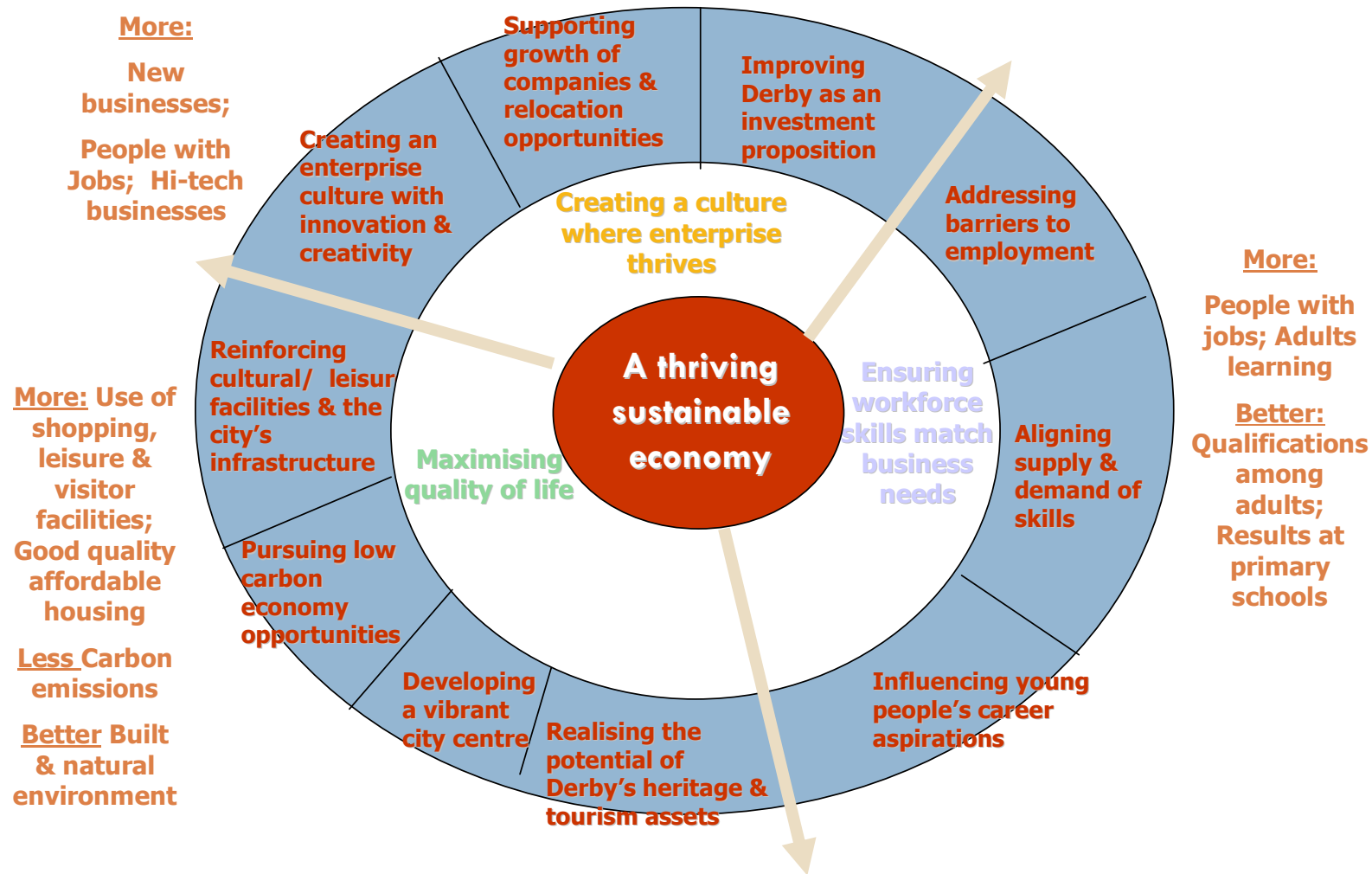
pursuing a low carbon economy in Derby and realising the environmental and economic opportunities associated with reducing energy usage. Our low carbon ambitions will underpin each one of the indicators in this strategy.

Strategic Drivers

The DRB has identified the crucial importance of creating net new jobs over the five year period of this strategy and beyond. This will be essential in line with expected increases in population but it also fits with the Government's drive to rebalance the economy towards the private sector. To realise our vision for a thriving, sustainable economy and to create private sector jobs, this strategy has adopted three distinct themes or *drivers*:

- Creating a culture where enterprise thrives
- Ensuring workforce skills match business needs
- Maximising quality of life

Diagram 4 – Derby's Economic Strategy



4. CREATING A CULTURE WHERE ENTERPRISE THRIVES

Context

Evidence shows that Derby has been relatively poor at creating new enterprise and promoting entrepreneurialism. The self-employment rate in Derby has been consistently lower than regional and national averages over the last 10 years, with the gap actually widening over this period to reach 3.7% difference by 2010. The VAT registration rate in Derby is also significantly lower than regional and national averages, and the gap also widened to 15 percentage points between 1998 and 2007.

This strategy seeks to create a culture where enterprise thrives by:

Creating an enterprise culture with a high degree of innovation and creativity

Supporting the growth of indigenous companies and relocation opportunities to the city

Improving Derby as an investment proposition.

Success in these areas will help to produce future employment and productivity growth through a diversified and more robust business base.

Issues & Interventions

Headline Issues	How is the economy affected?	Interventions Required
Absence of an enterprise culture, low levels of innovation and poor business survival rates	<p>Derby suffers from low levels of self-employment and new business formation and survival rates fail to match competitors. Enterprise is a vital component of economic growth as it provides a source of new employment helps to diversify the economic base and often enhances the level of innovation present in an area.</p> <p>Albeit with some notable exceptions, our small and medium sized businesses display a lack of innovation relating to product and</p>	<ol style="list-style-type: none">1. Encouraging young people to consider self-employment2. Nurturing the establishment and growth of small & micro enterprises3. Stimulating innovation and R&D through better partnerships with HE & FE and better business to

	<p>service development for new markets including overseas trade. Many enterprises within the supply chain of the city's major employers are totally dependent on their continued patronage. Targeting innovative and high growth businesses has the potential to generate direct employment, but could also create a trickle down effect for the rest of Derby's economy, supporting organic business creation and strengthening supply chains.</p>	<p>business collaboration</p> <p>4. Targeting potential high growth businesses with appropriate support measures</p>
Over reliance on a few large employers and local markets	<p>The Derby economy is heavily dependant upon the fortunes of key employers such as Rolls Royce and Bombardier. Evidence suggests that supply chain companies are too reliant on serving the large companies rather than exploring diversification options.</p> <p>41% of Derby's employment is from firms of more than 200 people, compared to a 32% GB average. Business density is 30% lower than the national average and 25% lower than the regional average, reinforcing the view that the city is reliant on a small number of large employers</p> <p>Derby is often described as inward looking or insular. Innovation and knowledge breeds much easier in outward looking economies.</p>	<p>5. Encouraging diversification and localisation of supply chains of large businesses and support small business to enter supply chains</p> <p>6. Supporting cross-sector networking</p> <p>7. Creating bespoke interventions to support key sub-sectors</p> <p>8. Targeting and attracting inward investment to the city that complements and diversifies the Derby 'offer'</p>
Poor range (quality and size) of office stock in city centre	<p>The city centre has a relatively poor range and quality of office stock, which has impacted on business investment. A vibrant commercial office market within the city centre will attract new investment, increase footfall and expenditure and encourage further retail and food and drink businesses.</p> <p>The Housing Market Area <i>Employment Land Review</i> (BE Group, 2008) and <i>Private Sector Offices End Users Study</i> (CBRE, 2009) both suggested that further out-of-centre office development should be resisted in order to facilitate an improved investment proposition for the city centre.</p>	<p>9. Stimulating high quality development schemes through appropriate incentives (where financial viability is marginal) and promotional activities</p> <p>10. Continuing improvements to the civic spaces and streets within the city centre and district centres</p>

Restrictive supply of developable land for employment uses	The Derby HMA Employment Land Review (2007) revealed that Derby had an over supply of some 88 hectares of land appropriate for employment uses (B1, B2 and B8 uses), based on historic take up rates. Despite this, there is a lack of immediately available sites. A large amount of the remaining employment land supply is constrained by issues such as the absence of essential infrastructure (greenfield sites), contamination (brownfield sites) and flood risk (blue corridor).	<p>11. Assist site owners in bringing forward, in appropriate phasing wherever possible, employment land for developments that complement the city 'offer'</p> <p>12. Investigating and utilising financial mechanisms to support the provision of infrastructure and to tackle site constraints such as the Community Infrastructure Levy and Tax Incremental Financing.</p>

Performance Measures

The success of this strategic driver will be gauged by the following measures of performance:

- Increased survival (at 1 year and 3 years) and growth of enterprise (measured by turnover, profit and employment)
- Increased net jobs created
- Increased entrepreneurship among young people
- Annual qualitative survey of impact of business support measures
- Increased businesses and jobs attracted to Derby by inward investment promotion and account management service
- Increased patents registered by Derby companies
- Growth in Grade A office rentals in the city centre.

5. ENSURING WORKFORCE SKILLS MATCH BUSINESS NEEDS

Context

Wage levels of people working in Derby are the highest of any city outside London and the South East, yet a high proportion of residents suffer from skills deficiencies and there are pockets of deep-seated deprivation. More than a quarter of the city's population have qualifications at NVQ Level 4 or above yet 18% have no qualifications. Despite the presence of highly skilled jobs in the city, more than 1 in 5 of Derby businesses has reported skills gaps in their workforce. These conflicting issues must be tackled in order to maximise the opportunities that exist from a high value economy.

This strategy seeks to ensure workforce skills match business needs by:

Addressing barriers to employment to maximise job opportunities for Derby residents

Aligning supply and demand of skills

Influencing young people's career aspirations to meet the future skills demands of the local economy

Greater economic inclusion and higher skill levels will lead to an increase in the quality and supply of labour to the work place; generate a more productive economy and greater well-being for Derby residents. The underlying ethos is to create Derby jobs for Derby residents.

Issues & Interventions

Headline Issues	How is the economy affected?	Interventions Required
Pockets of worklessness within communities as a result of significant barriers to employment	Despite the high wage levels that exist in the Derby workforce there are pockets of deep-seated deprivation, worklessness and low wages in some of the city's communities. Inter-generational worklessness is a major problem in the deprived wards and contributes to continued lack of aspiration and low self esteem, which hinder people from engaging with the local economy.	<ol style="list-style-type: none">1. Researching barriers to employment in the three most deprived wards and develop an action plan to eliminate them2. Supporting opportunities for entry level employment by ensuring training provision meets the needs of employers

		<p>3. Using planning processes to provide recruitment and training opportunities for Derby residents</p> <p>4. Co-ordinating work experience placement activities within the main employers in the city</p>
Businesses suffer from skills gaps	<p>According to the National Employment and Skills Survey (NESS 2009), almost a quarter of businesses in Derby are affected by skills gaps. Derby businesses suffer to a greater extent than those in the East Midlands and England as a whole. These skills gaps affect the competitiveness of firms and restrict innovation and productivity.</p> <p>The Demand for Skills in Derby and Derbyshire research (April 2009) highlighted the fact that skills and qualifications are different things. Businesses require skilled staff as well as qualified staff.</p>	<p>5. Liaising closely with key business sectors to understand medium and longer term skills needs</p> <p>6. Influencing training provision to meet employer needs</p>
Young people are unprepared for the world of work	<p>Businesses are reporting that many young people applying for jobs and attending interviews do not have the necessary employability skills</p>	<p>7. Developing close working relationships with the Children & Young People networks and partnerships to improve the information available to young people about career opportunities in Derby</p> <p>8. Developing and delivering programmes to embed enterprise in schools.</p>

Performance Measures

The success of this theme of the strategy will be gauged by the following measures of performance:

- Increased "off flow" rates
- Decreased benefit claimant rates

- Reduced number of businesses reporting skills gaps
- Reduced graduate leakage
- Reduced sectoral leakage
- Reduced NEET (not in education, employment or training) figures.

6. MAXIMISING QUALITY OF LIFE IN DERBY

Context

The 2008 Place Survey shows Derby residents have a poorer impression of the local quality of life than the England average. In order to attract and retain the highly skilled workers that Derby businesses require, the city must offer high quality and affordable leisure and cultural services, a high quality built and natural environment and housing of sufficient quality.

Economic development must also be set in the context of long term sustainability. Derby has aspirations to continue to grow its economy as well as pursuing the opportunities associated with the low carbon agenda. Our challenge is to balance the need for increased competitiveness and increased job opportunities with the need to reduce carbon emissions and tackle the effects of climate change.

This strategy seeks to maximise the quality of life in Derby by:

Reinforcing cultural and leisure facilities and attractions so more people want to live, work and spend in Derby

Pursuing opportunities related to the low carbon economy based on Derby's relative strengths

Realising the potential of Derby's city centre, district centres and heritage and tourism assets

Developing a vibrant city centre.

Success in these areas will help to generate future employment and productivity growth through a more vibrant, attractive and sustainable city.

Issues & Interventions

Headline Issues	How is the economy affected?	Interventions Required
Perceptions of Derby as a place to live and work are critical to investment	The <i>Shifting Gears</i> report (Centre for Cities, October 2010) highlighted that while the demand for labour is the most important factor in attracting highly skilled workers, it is also necessary for the city to offer high quality and affordable leisure and cultural services and a high quality built and natural environment.	<ol style="list-style-type: none">1. Pursuing the creation of the Castleward Urban Village2. Maximising the economic and community benefits arising from the proposed new 50m pool and the

decisions	<p>The report suggests that in order to attract high skilled residents to the city, housing developments must offer inside and outside space. Additional benefits from persuading higher income families to live closer to the centre, include less pressure on transport infrastructure, reduced impact on environment, and wealth retention as Derby 's workers spend earnings in the city's core area.</p>	<p>outdoor velodrome and events arena</p> <ol style="list-style-type: none"> 3. Lobbing for further enhancements to transport infrastructure 4. Integrating quality public realm and public art work into all major city centre developments
Vacant and derelict sites and under-used buildings and civic spaces prevail within the city centre and district centres	<p>A vibrant, exciting and attractive city centre is crucial for any city. Derby's city centre has experienced a period of rapid change over the last 5-10 years. Much of this change has been positive but more remains to be done. Several large development sites remain in a derelict state, the city's night time economy is heavily dependent upon young people drinking and the quality of public spaces and thoroughfares is mixed.</p> <p>Equally, the quality of Derby's district centres also reflects how people feel about their quality of life and choices available to them.</p>	<ol style="list-style-type: none"> 5. Bringing forward plans to realise the redevelopment of the Becketwell area 6. Continuing to implement the Night-time Economy Strategy to bring Purple Flag status 7. Further improving the civic spaces and streets within the city centre and district centres 8. Promoting riverside developments and the river as leisure infrastructure
Lack of understanding of the potential of Derby in terms of emerging technologies and 'green jobs'	<p>There are increasing legal, moral and economic imperatives in moving towards a low carbon economy. 'Green jobs' are therefore going to exist across every sector. If Derby doesn't fully understand the scale of opportunities, how these can be maximised, and what the skill requirements are likely to be in relation to the local economy then it will struggle to compete.</p>	<ol style="list-style-type: none"> 9. Pursuing opportunities related to the low carbon economy after developing a better understanding of the make up of the low carbon business sector in Derby 10. Promoting skills in low carbon technologies through business networks and by linking private sector practice and innovation with university expertise
Need to make businesses more	<p>Climate change will impact on us all. There are significant opportunities for the city in reducing the impacts of climate</p>	<ol style="list-style-type: none"> 11. Promoting energy efficiency of properties through adaption methods and feed in tariff schemes

resilient to increased energy costs	change, not only through technological developments within our key businesses to reduce the impact on our environment but also through improvements in transport, housing, ICT and flood risk management.	12. Improving sustainable transport options through vehicle hire schemes and effective use of transport interchanges
Need to utilise World Heritage Site status and other heritage and tourism assets as drivers of the economy	<p>Derby has an impressive array of heritage assets, including being part of a UNESCO World Heritage Site. The city's historic buildings, museum collections, history of innovation, and its critical roles in the development of railways & engineering provide a major resource for promoting the city and the World Heritage Site.</p> <p>There is significant potential to utilise historic buildings (many of which are empty) for economic use, with resulting benefits of expanding the business base, increasing employment and attracting visitors to the city.</p> <p>The UK has the fifth largest tourism industry in the world, attracting 32m overseas visitors a year. Domestic tourism offers significant opportunities for economic growth as the UK currently under-performs compared to other European countries. Tourism includes travel undertaken for leisure, for business and whilst visiting friends and relatives (VFR). Tourism expenditure probably supports 4,300 jobs in Derby and, due to the nature of the industry, therefore benefits very many smaller businesses.</p> <p>Cities offer an enticing option for short domestic breaks and increasingly are a focus of international VFR trips, which are very much an expanding market. In the last 3-4 years Derby city centre has witnessed the development of almost 700 additional hotel rooms. Increasing competition has challenged traditionally strong mid-week occupancy levels. Significant opportunities remain to attract more business trade to Derby through conferencing and more leisure visits through the trends for domestic short-breaks.</p>	<p>13. Finding new and sustainable economic uses for under-used heritage assets</p> <p>14. Delivering a major new visitor attraction at the Silk Mill</p> <p>15. Implementing the Visitor Economy Strategy including new promotional campaigns.</p>
Need to increase	Absence from work through ill health is a serious drain on	16. [A couple of new measures to demonstrate how we

workforce productivity and maximise the economic benefits of health spending	<p>economic productivity [headline facts and figures to be added]</p> <p>The health and social care sector of the economy is a huge wealth contributor employing XXXXXXXX people and investing £XXXXXX in the local economy each year [insert some headline facts and figures].</p>	shall improve health, work and well-being – DW to add]
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Performance Measures

The success of this theme of the strategy will be gauged by the following measures of performance:

- Delivery of City Centre Regeneration Framework milestones and targets
- Provision of quality housing
- Improved condition & reduced numbers of derelict sites and buildings
- Improved perceptions of quality of life indicators, such as provision of culture and the built and natural environment
- Increased footfall at our retail, leisure and tourism venues
- Improved resource efficiency in residential and commercial property
- Reduced number of listed buildings on the "At Risk" register
- Reduced levels of sickness absence from the top 10 employers in Derby.

7. DELIVERY OF THE STRATEGY

The DRB is the strategic lead for economic regeneration in the city. This is a private sector led board, supported by Derby City Council and other partners working to achieve economic prosperity.

Three delivery groups report to the DRB and each of these has responsibility for a Delivery Plan that describe the interventions in more detail (what, who, when, how etc). These Delivery Plans are available separately.

Diagram 5 – Delivery Arrangements

Strategic Driver:	DRB Delivery Group:
Creating a culture where business thrives	Enterprise Growth Board
Ensuring workforce skills match business needs	Employment and Skills Board
Maximising quality of life	Quality of Life Board

Contact Details

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