

Clay Cross Town Investment Plan

DRAFT Evidence Base v1.

Further analysis required and discussions with key stakeholders

19 June 2020



Town Deals:

- ❑ Up to £25 million available to increase economic growth - regeneration, improved transport, better broadband connectivity, skills, and culture

Town Investment Plan:

- ❑ Well evidenced, clear understanding of the area - its assets, opportunities and challenges
- ❑ Investment priorities – to target investment in economic infrastructure, projects offering good value for money and with clear logic models

Evidence Base Research:

- ❑ Changing socio-economic conditions - comparisons with the local authority, county, national averages
- ❑ Experian economic forecasts (pre-Covid-19)
- ❑ Early stage discussions with key agencies and a review of relevant documentation

Summary of key issues

Changing Economic Structure

Retail	Forecast growth Restructuring – growth in online shopping Impact on Town Centre - diversification
Manufacturing	Longer term growth in GVA but jobs declining Impacts of Brexit Upskilling workforce
Health	Strong long-term growth prospects – GVA and jobs Ageing population increasing demand for services Potential start-up opportunities
Accommodation and food services (visitor economy)	Long term growth projected Significant short-term impacts of Covid-19 Low value added jobs

Overall, the area performs less well on a number of indicators

Lower wage and lower value added jobs

Low business density

Changing demographics

Skills and education

Social mobility and deprivation

Connectivity and infrastructure

Impacts of Covid-19 (1)

- ❑ Short-term adjustments not normally considered in a long-term strategy, but the anticipated scale of the impacts and potential behavioural changes will have lasting impacts
- ❑ Response to short, medium and long-term effects required
- ❑ Short-term:
 - ❑ Recession - OBR estimate GDP will fall by 12% during 2020. 20.4% fall in April
 - ❑ Unemployment is set to rise by 2 million (10% of the workforce)
 - ❑ Increase in public sector debt, estimates £300 billion
- ❑ Vulnerable sectors – manufacturing; construction; education
- ❑ Opportunities – health, technology, outdoor activities
- ❑ Property – potential reduced demand for offices (but more space required for social distancing) and retail space

Impacts of Covid-19 (2)

Short Term Impacts:

- ❑ NE Derbyshire has concentrations of employment in some of the worst affected sectors
- ❑ Projected that NE Derbyshire will lose close to £116m Gross Value Added (GVA) in the second quarter of 2020

Output losses by sector in the second quarter of 2020

	UK Share of GVA	Effect on UK output relative to baseline	North East Derbyshire Share of GVA	Effect on North East Derbyshire output relative to baseline	Location Quotient North Derbyshire
Agriculture	1%	0%	1.1%	0%	1.79
Mining, energy and water supply	3%	-20%	2.7%	-20%	0.70
Manufacturing	10%	-55%	18.4%	-55%	1.89
Construction	6%	-70%	9.8%	-70%	1.55
Wholesale, retail and motor trades	11%	-50%	10.9%	-50%	1.00
Transport and storage	4%	-35%	2.5%	-35%	0.70
Accommodation and food services	3%	-85%	2.8%	-85%	0.99
Information and communication	7%	-45%	3.3%	-45%	0.61
Financial and insurance services	7%	-5%	0.3%	-5%	0.05
Property	14%	-20%	18.6%	-20%	1.39
Professional, scientific and technical activities	8%	-40%	4.4%	-40%	0.44
Administrative and support activities	5%	-40%	2.3%	-40%	0.43
Public administration and defence	5%	-20%	1.1%	-20%	0.24
Education	6%	-90%	6.8%	-90%	1.20
Health	8%	+50%	14.1%	+50%	1.89
Arts, entertainment, recreation and other services	4%	-60%	0.8%	-60%	0.21
Whole economy	100%	-35%	100.0%	-33.9%	

Source: Office for Budget Responsibility, OBR coronavirus commentary: Output losses by sector in the second quarter of 2020; AMION analysis of Experian Data

Changing Economic Structure

Retail

- ❑ Longer term forecasts project a growth in GVA and Jobs for NE Derbyshire
- ❑ However the retail offer may become more concentrated – as a result of changing consumer behaviour and shift to online shopping, as well as social distancing in the short term
- ❑ Need to encourage alternative uses, and diversification of spaces within the Town Centre – for example residential, culture/entertainment and office accommodation
- ❑ Some reskilling may be required in the short-term if the sector contracts

Indicator	Number	% Clay Cross	% GB
Employment	305	7%	9%
Enterprises	30	11%	8%

Manufacturing

- ❑ Largest employment sector in the Clay Cross area – accounting for 25% of employment - Worcester Bosch major employer
- ❑ Projected growth in both GVA over the longer term – transport equipment, machinery and equipment but forecast decline in employment of 13.5%
- ❑ Short-term Covid-19 impacts expected – workplace Health and safety; social distancing
- ❑ Medium to longer term impacts – impact of Brexit; industry/environmental changes
- ❑ Ongoing workforce development and upskilling required

Indicator	Number	% Clay Cross	% GB
Employment	1,065	25%	8%
Enterprises	35	13%	5%

Changing Economic Structure

Health and Social Care

- ❑ Large employment sector in Clay Cross providing almost a fifth of all jobs
- ❑ Clay Cross Community Hospital – key employer
- ❑ Health was the only sector growing within the UK in the second quarter of 2020 and very strong longer-term employment and GVA growth projected for health, residential and social care in NE Derbyshire
- ❑ Increased demand for services as a result of the ageing population
- ❑ Potential start-up or enterprise opportunities related to e-health ?

Indicator	Number	% Clay Cross	% GB
Employment	1,000	23%	13%
Enterprises	10	4%	4%

Accommodation and food services

- ❑ Longer term trends project growth in both GVA and employment
- ❑ Significant short term impacts expected from Covid-19- some advantageous through reduced overseas travel
- ❑ Investment needed in development and promotion of the Town to maximise the heritage offer and close proximity to the Dales
- ❑ Visitor spend in NE Derbyshire is currently lower than the England average:
 - ❑ Day visitors, spend per visit – £16 vs £32
 - ❑ Total Tourism (day and overnight) - £20 vs £41

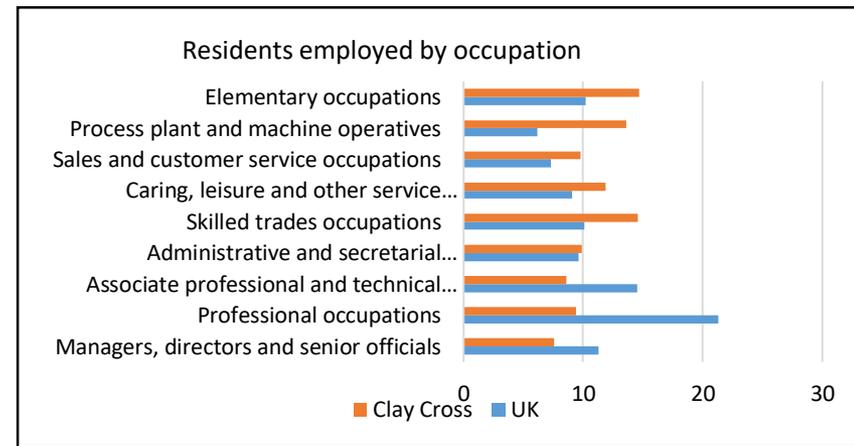
Indicator	Number	% Clay Cross	% GB
Employment	355	8%	7.5%
Enterprises	30	11%	6%

Lower wage and lower value added jobs

- ❑ Recent employment growth within the local economy (c4,275 jobs, up by 9% in the last year compared with 3.6% in NE Derbyshire and less than 1% nationally)
- ❑ Jobs dominated in four key sectors – manufacturing; accommodation and food services; retail and health
- ❑ But lower average productivity resulting from lower value added jobs compared with regional and national trends (£43,825 NE Derbyshire vs £47,958 and £56,387 respectively)
- ❑ 29% of all residents employed in public admin, education and health roles and 18% in retail and distribution, hotels and restaurants industries
- ❑ Significantly lower proportion of residents in:
 - ❑ Professional roles 9.4% vs 21.3%
 - ❑ Associate professional and technical 8.6% vs 14.5%
 - ❑ Managerial roles – 7.6% vs 11.3%
- ❑ Correspondingly higher proportion of residents in lower value added jobs – for example elementary occupations, plant and machine operatives, sales

Sector	% of jobs in Clay Cross	% of jobs in NE Derbyshire	% of jobs in GB
Manufacturing	24.9%	20.7%	7.9%
Retail	7.1%	7.8%	9.3%
Accommodation and food services	8.3%	7.8%	7.5%
Health and social care	23%	15%	13%
Total employment	4,275	29,000	30.82m

Source: Business and Employment Register, BRES 2018

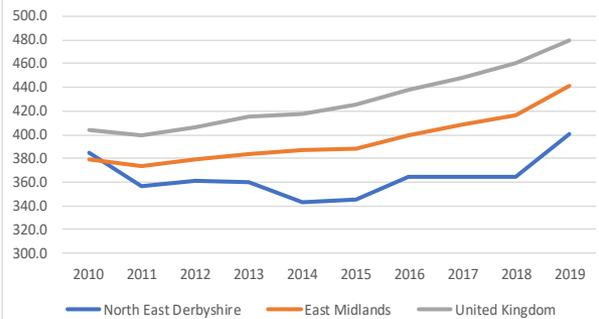


Source: Annual Population Survey (APS) 2019

Lower wage and lower value added jobs

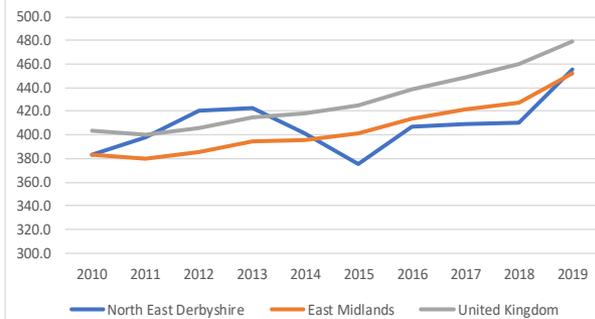
- ❑ Both workplace and residents earning have fluctuated within the NE Derbyshire area over the last 10 years but have been largely increasing since 2015
- ❑ Significantly higher resident earnings compared with workplace earnings in the district – suggesting out commuting of higher skilled labour
- ❑ Investment in skills and innovation needed to drive competitiveness and attract new, higher value added businesses, sectors and jobs into the area

Workplace Earnings



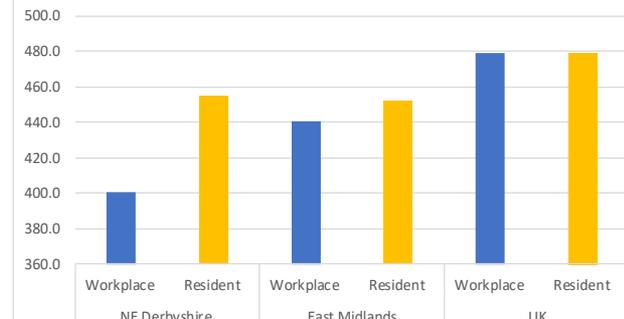
Source: Annual Survey of Hours and Earnings (ASHE)

Resident Earnings



Source: Annual Survey of Hours and Earnings (ASHE)

Workplace and resident earnings 2019



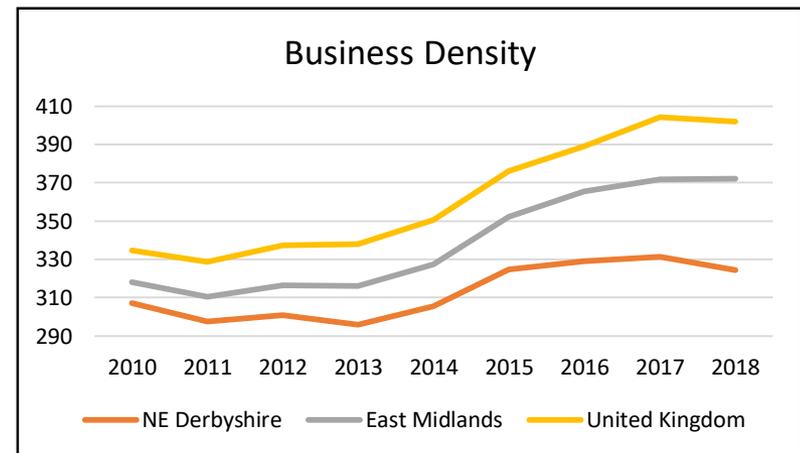
Source: Annual Survey of Hours and Earnings (ASHE)

Low business density

- ❑ Relatively small but growing business base in the Clay Cross area - 10% growth in the number of enterprises since 2016
- ❑ 82% of businesses are micro (<10 employees); 15% small (<50) and 2% medium (<250 employees). The area does not have any large employers, 250+ employees.
- ❑ However business density at 311 (number of businesses per 10,000 population) remains below the district level of 324, the regional level 372 and national figure of 401
- ❑ Widening gap between the business density in NE Derbyshire and the region
- ❑ Business births - 320 businesses were created in NE Derbyshire in 2018 down 19.0% since 2015

Number of enterprises	Clay Cross MSOA	NE Derbyshire
2016	250	3,305
2017	250	3,340
2018	255	3,280
2019	275	3,315

Source: UK Business Counts



Source: UK Business Counts

Low business density

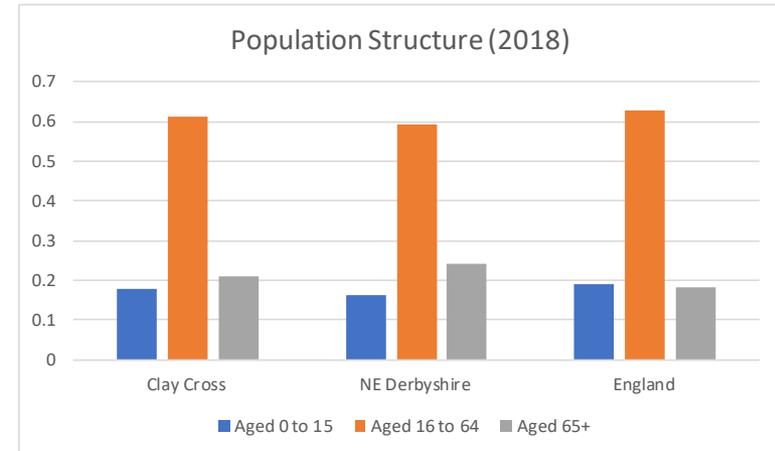
- ❑ Local level business data demonstrates that there are just under 450 businesses across the two Clay Cross wards
- ❑ Businesses are largely concentrated in the following sectors:
 - ❑ Wholesale and retail
 - ❑ Construction
 - ❑ Accommodation and food services
 - ❑ Professional, scientific and technical
 - ❑ Health
- ❑ Vast majority of businesses employ 1 person (70%)
- ❑ Further enterprise /entrepreneurship required to underpin the development of a more dynamic, resilient business base and drive innovation within the area

Number of Businesses	Clay Cross north & south wards	% total
Agriculture, Forestry and Fishing	7	1.6%
Mining and quarrying	2	0.4%
Manufacturing	36	8.0%
Water Supply, sewerage, waste management and remediation services	3	0.7%
Construction	40	8.9%
Wholesale and retail trade; repair of motor vehicles and motorcycles	87	19.4%
Transportation and storage	16	3.6%
Accommodation and food service activities	37	8.3%
Information and communication	16	3.6%
Finance and insurance activities	6	1.3%
Real estate	15	3.3%
Professional, scientific and technical activities	37	8.3%
Administration and support services	19	4.2%
Public admin	1	0.2%
Education	12	2.7%
Health	36	8.0%
Arts, entertainment and recreation	13	2.9%
Other Services	34	7.6%
Not Known	31	6.9%
	448	100%

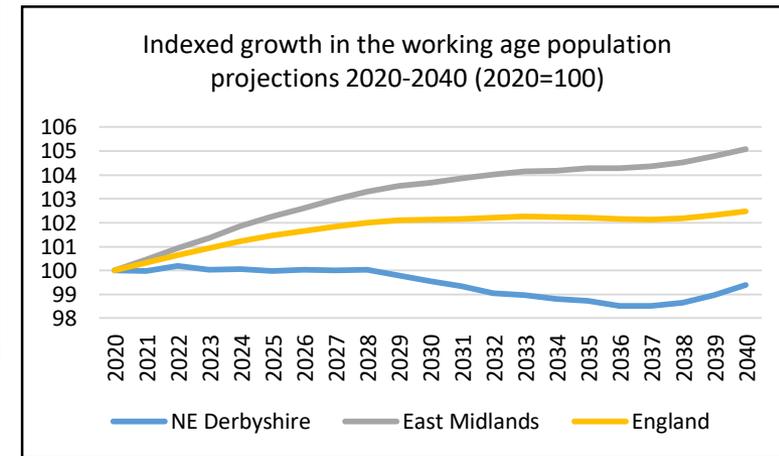
Source: Derbyshire County Council, MINT Database 2017

Changing Demographics

- ❑ Clay Cross currently has approximately 8,200 residents, with a broadly similar structure to NE Derbyshire, but slightly lower elderly population aged 65+ and higher proportion of young people. In both areas, the proportion of 65+ is higher than England overall
- ❑ The population within in NE Derbyshire set to increase by approximately 8.3% over the next 20 years
- ❑ Working age population is forecast to decline in contrast to regional and national trends
- ❑ NE Derbyshire's profile is changing with a projected increase in the ageing population (up by 28%) and an increase in young people – projected to increase by 8.3%
- ❑ Changing profile will impact:
 - labour market
 - demand for public services
 - housing market



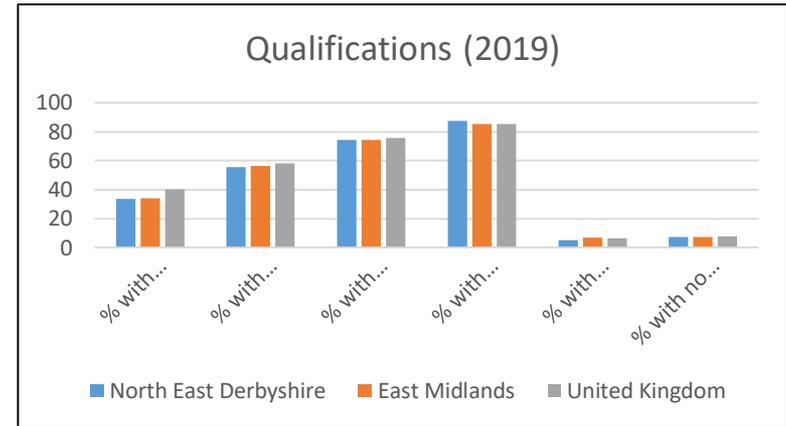
Source: ONS 2018 mid-year population estimates



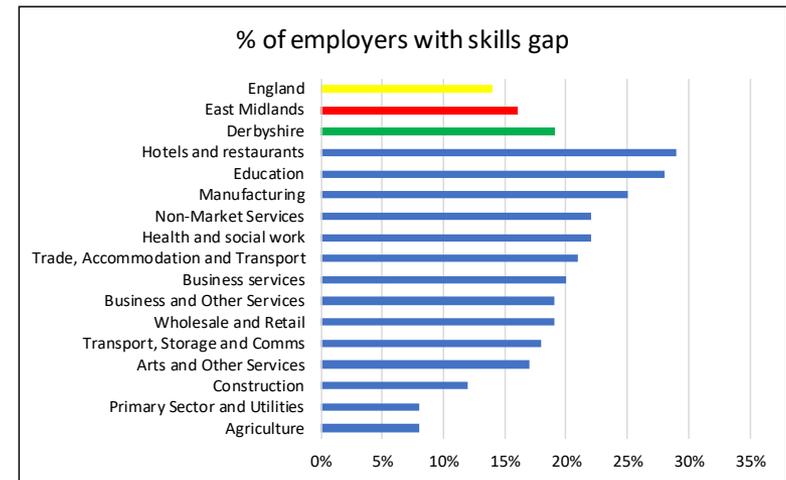
Source: ONS population projections

Low level skills and educational attainment

- ❑ Educational attainment at the High School is currently lagging behind the England average – attainment 8 score was 37.7% in 2017/18 compared with 46.5% for England schools; while the % of pupils attaining grade 5 or above in English and Maths was 29% compared with 43.3%
- ❑ Lower proportion of residents with higher skilled qualifications but in line with the regional average and higher % with lower level qualifications
- ❑ Apprenticeships/NEETs - data currently being sourced (to follow)
- ❑ While data is not available at a local area, the employer skills survey for the county demonstrates a higher %



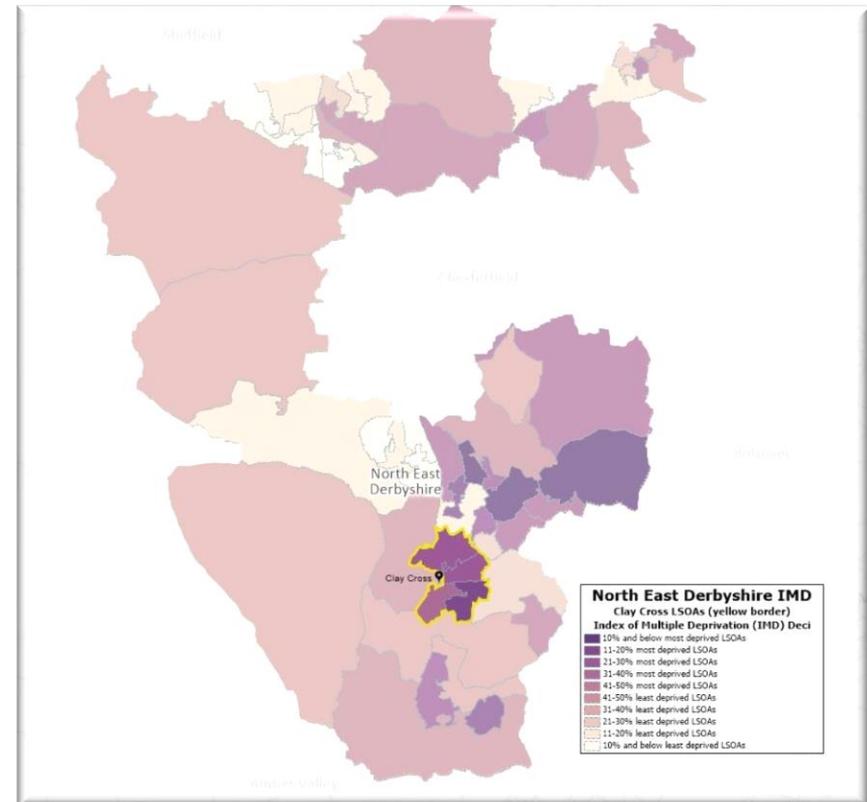
Source: APS, ONS 2019



Source: Employer Skills Survey 2017

Social mobility and deprivation

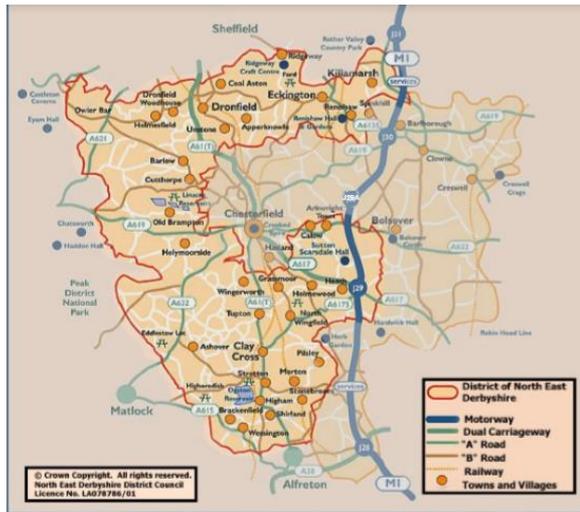
- ❑ Poor social mobility – NE is ranked 268 out of 324 and is identified as a ‘coldspot’(1=best performing local authority)
- ❑ Overall deprivation for North East Derbyshire is mid-ranking (177/324, average of the ranks for all domains) but this masks polarisation and pockets of deprivation in areas such as Clay Cross, Holmewood and Heath, and Grassmoor
- ❑ In Clay Cross three or the four LSOAs are in the worst 20% most deprived nationally in relation to the Employment and Education domains
- ❑ Education, skills and training – key part of the solution, including greater aspirations and infrastructure within the communities, including facilities for young people



Source: Index of Multiple Deprivation 2019

Connectivity and Infrastructure

- Following the closure of the station, Clay Cross is located on the A61, with direct access to larger economic hubs such as Derby, Chesterfield, Sheffield, Barnsley, Wakefield and Leeds
- Many sections of the A61 suffer from traffic congestion, slow bus speeds and poor bus service reliability, air pollution, and a lack of cycle routes. However this is a major regeneration corridor – currently under development
- NE Derbyshire does not currently have any AQMAs zones, largely due to the rurality of the area
- Levels of walking and cycling have declined in NE Derbyshire over the period 2015-2018, in contrast to the national picture

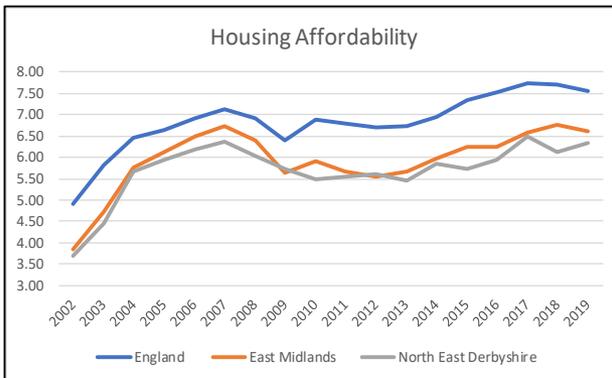


Proportion of adults who do any walking¹ or cycling², for any purpose, by frequency and local authority

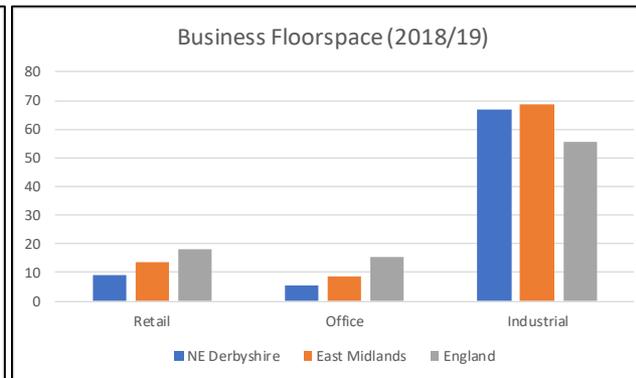
	At least:		Once per week		Three times per week		Five times per week	
	2017-18	2015-16	2017-18	2015-16	2017-18	2015-16	2017-18	2015-16
England	79.7	79.0	71.7	70.5	47.2	45.7	35.6	34.2
East Midlands	78.0	78.1	69.7	69.5	44.1	43.7	32.8	31.9
North East Derbyshire	76.9	81.3	66.5	71.1	38.7	40.5	26.2	24.8

Connectivity and Infrastructure

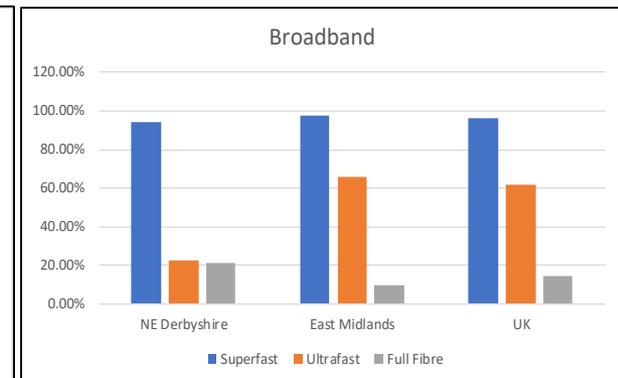
- ❑ Housing affordability in the wider local authority district have followed a similar trend to both the regional and national averages – although both are lower – and more affordable than the England average
- ❑ Average house prices for the district are currently £194,368, compared with £194,664 for East Midlands and £231,855 for UK (March 2020)
- ❑ In terms of business floorspace, the district had 818,000 m² in 2018/19 – with a significantly lower proportion of both retail and office space
- ❑ Superfast connectivity in NE Derbyshire is marginally lower than the region and national speeds however the area is falling behind on ultrafast connectivity but ahead on full fibre



Source: ONS Housing Affordability



Source: ONS



Source: Think Broadband

Areas for further analysis

- ❑ The emerging evidence base will continue to be refined:
 - ❑ More fine grained local level data being sought from partner agencies
 - ❑ Further trend analysis
 - ❑ Analysis of local level customer segmentation data
 - ❑ Incomes/Acorn data
 - ❑ Analysis of travel to work data
 - ❑ Inter-relationships with other areas including catchment analysis
 - ❑ Suitable comparators