

Derbyshire Dales Economic Plan

for higher-value jobs

2014 - 2019



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● Economic development is one of Members' two improvement priorities

“Increase business growth and job creation”

● Targets currently to:

- *Help new businesses to start*
- *Help existing businesses to grow*
- *Promote key development sites*

● Peak District Strategy Vision:

...high-wage, high-skill jobs



WHY DOES THE DERBYSHIRE DALES NEED MORE HIGHER-VALUE JOBS TO REPLACE LOW-SKILL, LOW-PAY JOBS?

- Earnings in the Dales are among the lowest in Derbyshire - average wage is £364 pw (county average £372 pw)
- Strong manufacturing sector (at 13% of all employment) – but shortage of modern workspace
- Tourism accounts for 7% of employment, but pays wages typically half the average of all sectors
- Dependency on the public sector (largest employer locally)
- 9/10 businesses are microbusinesses (<10 employees) – most survive but we need more to grow
- Skilled residents (36% with degree or equivalent) – youth flight and ‘brain drain’ as not enough high-value jobs here

BARRIERS TO CREATING HIGHER VALUE JOBS include:

- Difficulty attracting Government **funding** to assist with growing smaller businesses and smaller employment sites
- Poor **broadband** (the speed gap with urban areas is widening not narrowing)
- Lack of good quality **workspace** in the right places for businesses to be able to expand and take on more staff
- **Access** to employment, training and apprenticeships for people living in isolated rural communities
- Insufficient **affordable housing** for employees locally

OPPORTUNITIES: strengths of our economy include:

1. High business density and productivity

GVA per FTE £50,600 – higher than both D2N2 and SCR

2. A high rate of return on start up and growth support

Strong business survival rates: 70% of new firms survive at least 3 years – higher than D2N2 (64%) and SCR (60%)

3. Skilled workforce – a key enabler of business growth

36% of Dales residents have a degree or equivalent – higher than D2N2 (26%) or SCR (23%)

4. A high value manufacturing base

Manufacturing is widely seen as a key sector which will help drive growth through innovation and export earnings

OPPORTUNITIES (continued):

5. *High quality environment and high quality of life*

Ideal location for knowledge-based and creative businesses

6. *Access to markets*

We are closely surrounded by the UK's major conurbations (with the M1 only 20 minutes away)

7. *The Peak District brand*

A brand associated with landscape and quality of life, and with high quality products and services



OUR FOUR PRIORITIES

1. Growing **microbusinesses**
2. Vibrant **market towns** as employment and service centres
3. **Broadband** speed and access in rural communities
4. Increasing employment opportunities for **young people** in rural areas.

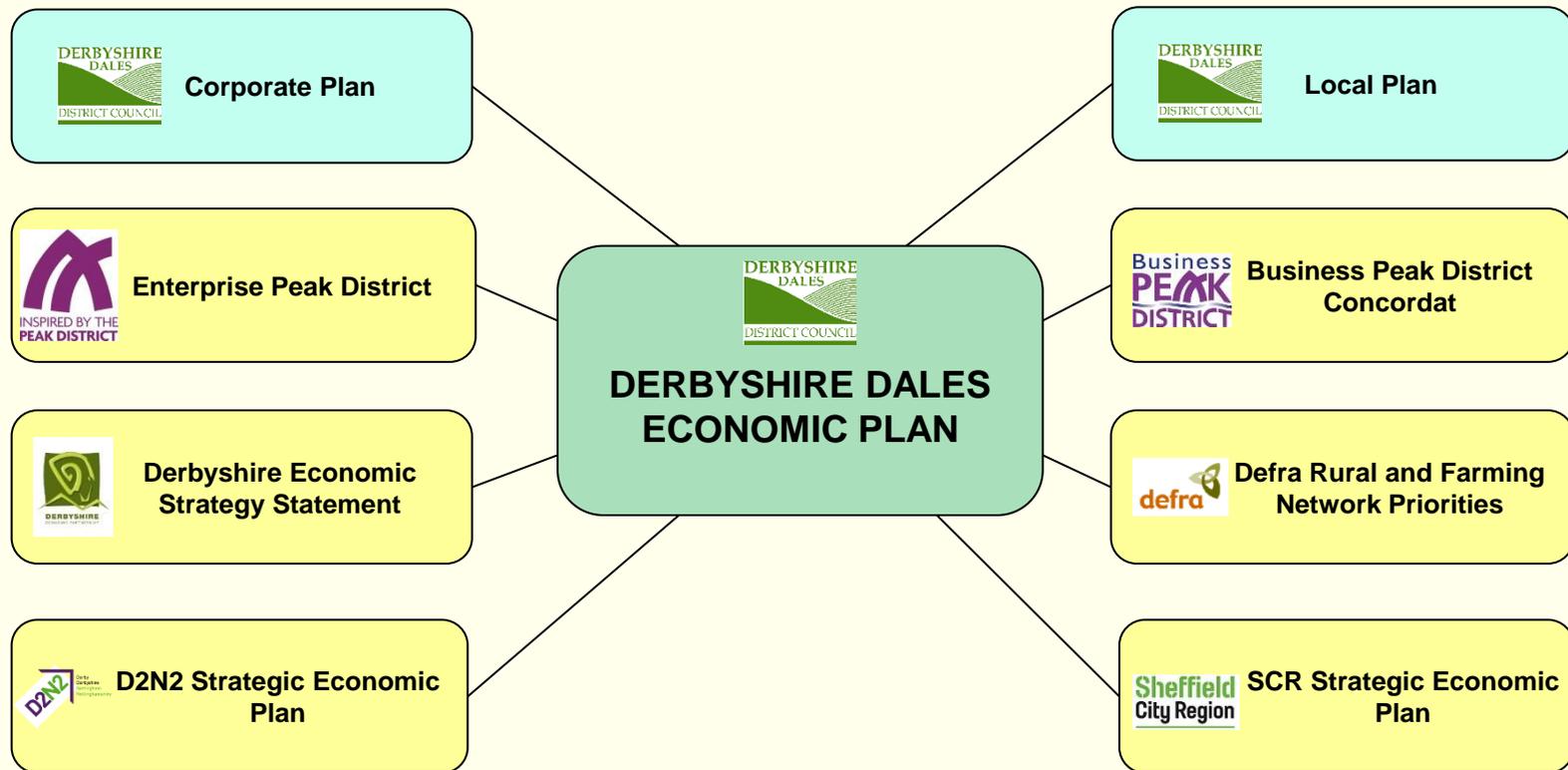


(Corporate Committee, September 2013)

- The evidence tells us that the Derbyshire Dales needs more higher-value jobs (to replace lower-skilled, lower-paid jobs)
- What works?
 - ✓ *growing existing higher-value businesses (via grants/loans & good business advice)*
 - ✓ *enabling development on appropriate sites*
 - ✓ *better broadband*
- Less relevant to the Dales:
 - # *competing for larger-scale inward investment*
 - # *schemes based on very large sites or very large employers*



The Derbyshire Dales Economic Plan links with wider strategies at the subregional and regional level as well as local priorities



Details of these strategies and their links to the Dales are in Appendix 2

- This Economic Development Plan...
 - *is a doing document, not a glossy strategy*
 - *responds to existing strategies for wider areas*
 - *sets out what to do in the Dales for the Dales*
 - *has a local flavour but relates to themes in wider strategies where relevant*

- The Plan sets out for the Derbyshire Dales
 1. *The evidence of need*
 2. *Where wider strategies fail to meet local needs*
 3. *Actions - where we can fill those gaps ourselves*
 4. *Actions - where we are working with others to fill those gaps*
 5. *Outcomes - to be achieved from investments and actions (e.g. how many more higher-value jobs will be created)*

ACTIONS

- Derbyshire Dales Business Advice
- Site promotion and development
- Business engagement
- Match funding priority Peak District projects
- Business loans or grants
- Site development loans
- Other activities

including timescales, targets, funding (amounts and sources) and planned outcomes (e.g. nos. of jobs)

Supports small business growth

- Free, independent, face to face advice
- Two days per week
- Helped create 219 jobs in 400+ businesses Dec '11 - Jun '14
- Expertise in business plans and funding applications

Cost £16,000 p.a. from District Council budget

- LEP Growth Hubs may impact on funding and delivery

Outcomes 2015-2019

- 100-120 new start businesses (25-30 p.a.)
- 200-300 existing businesses helped to create 160-240 new jobs (50-75 businesses p.a. and 40-60 jobs p.a.)
- 40-50 Dales firms supported to access grants or loans from Government or LEPs (10-13 p.a.)

Site promotion and development

- **Unlocking stalled and vacant employment sites**
 - Draft Local Plan identifies 19ha of new employment land in Ashbourne, Matlock and Wirksworth
 - Other key sites in Bakewell and Matlock
- **We will work with owners to develop and market these sites and promote the Dales as a business location**
- **Printed and online brochure aimed at existing firms with growth potential (and possible new investors), with information about the Dales, case studies, site specific information, and assistance available**
- **Cost up to £3,500 p.a. from District Council budget**
 - Plus significant officer time working with owners and LEPs
- **Outcomes 2015-2019**
 - New jobs on stalled and vacant employment sites

Business engagement

- **Proactive engagement to promote access to finance and other support available from LEPs**
 - CMT members to be 'buddied' with largest firms (Appendix 4)
 - SMEs with growth potential to be targeted and microbusiness growth support from DDBA to continue
- **Methods to include**
 - E-Newsletter (at least twice a year)
 - Business Forums held in different locations
 - Greater engagement with existing fora (e.g. Chambers of Trade, Town Teams) to help them help themselves
 - Support for the D2N2 'Better Business for All' initiative
- **Main cost is officer time**
- **Outcomes 2015-2019**
 - Better understanding of business needs & barriers to growth
 - Positive relationships with key employers
 - Businesses know about the support and guidance available from us

Support Enterprise Peak District package delivery

Priority interventions include

- Help deliver a Peak District LEADER scheme from 2015
- Ensure LEP Growth Hubs reach into rural areas and are open to any firm with growth potential (regardless of size)
- Identify and help addressing gaps in broadband provision
- Support the roll-out and evaluation of the '*Inspired by the Peak District*' brand as a business promotion tool
- Support business and employment projects associated with the *Pedal Peak* initiative

Cost initially £100,000 from District Council ED reserve

- Match contributions to be prioritised according to this Plan

Outcomes 2015-2019

- Will be set for individual interventions (LEP Growth Hub proposals are unfinished; gaps in broadband t.b.d. as rollout plans become clear; Peak District brand evaluation design is in development)

Business loans or grants

- **Access to finance is a key enabler of business growth. But smaller businesses face barriers in obtaining credit**
 - The District Council will work with partners to improve access to finance for businesses, aiming to influence criteria to encourage equal access to finance for micro/small businesses with identified growth potential
 - Subject to a successful bid, a new LEADER programme for the Peak District should start in early 2015. This will provide grants to support the creation and growth of micro-businesses in rural areas
 - Grant support for smaller businesses is anticipated via the EAFRD funding overseen by LEPs. The LEPs also control larger business grant and loan funds which may cover the Dales. The District Council's approach will be to influence external funds so that they are aligned with local needs
 - SCR is to consider expanding Finance Yorkshire gap funding into the Dales
- **Should these opportunities not materialise, assistance not adequately reflect the size and nature of Dales businesses or significant gaps in the 'ladder' of support be identified, the District Council will consider the case for establishing its own loan/grant schemes for business growth. At present this is not proposed.**

Site development loans

- **Market failure preventing development of key sites**
 - Shortage of modern business units for new/growing firms
 - Lack of infrastructure on some sites
 - Developers failing to bring forward sites with approvals
- **Prudential borrowing might allow the Council to make strategic investments in exceptional cases**
- **Cost £TBD from District Council borrowing**
 - Recycling loan fund at commercial rates
 - Costs offset by longer term uplift in Business Rates
 - Thomas Lister Ltd commissioned to undertake feasibility work
- **Outcomes 2015-2019**
 - Dependent on feasibility study. Any future recommendation would be brought to Members for their consideration

Other activities

Ongoing activity will include

- Support for the tourism industry, particularly where jobs growth can be demonstrated
- Facilitating Matlock Community Vision to redevelop Bakewell Road
- Helping businesses benefit from supply chain opportunities such as through 'Meet the buyer' events
- Supporting Business Peak District (including marketing the area), and engaging with LEPs/D2
- Project appraisals for small grant schemes
- Updating *Tractivity* to enable business property searches
- Servicing inward investment enquiries
- Employing apprentices and promoting apprenticeships
- Enabling market and affordable housing

Costs

- Officer time

- **Key sectors are those parts of the Derbyshire Dales economy where there is either**
 - significant existing employment (A)
 - opportunity for higher-value jobs growth (B)
- **The District Council will focus its efforts on the following key sectors:**
 - **Manufacturing, including *advanced manufacturing and food and drink manufacturing*** (A)+(B)
 - **Visitor economy** (A)
 - **Knowledge-based and creative industries** (B)

KEY SITES

- **The District Council will focus its efforts on the following six major economic growth sites:**
- **Active employment sites**
 - **Ashbourne Airfield**
 - **Cawdor Quarry, Matlock**
 - **Riverside Business Park, Bakewell**
- **Potential employment sites**
 - **Halldale Quarry, Matlock**
 - **Middleton Road, Wirksworth**
- **Town centre redevelopment site**
 - **Bakewell Road, Matlock**

This Plan will be successful if it delivers the right kind of growth in the right places, as measured by indicators of economic health such as:

● Growth in higher-value jobs

Manufacturing, professional, scientific and technical jobs to grow *from 6,200 in 2012 to 6,500 in 2020* (Source: Ekosgen/BRES)

● Growth in workplace earnings

Differential between Dales and Derbyshire median weekly pay to reduce *from £6 in 2013 to zero in 2020* (Source: ASHE)

● Growth in Gross Value Added (GVA)

from £1,421m in 2010 to £1,600m by 2020 (Source: Ekosgen/BRES)

● Growth in occupied employment land

by 5 hectares

APPENDIX 1

PEAK DISTRICT EVIDENCE BASE – SUMMARY

KEY ECONOMIC FACTS

- **GVA:** the value of the output produced in the wider Peak District (GVA) is £3.8bn
- **Sectors:** the wider Peak District has a diverse economic structure with manufacturing the largest sector, followed by the public sector, retail and hospitality
- **Businesses:** there are 10,900 businesses in the wider Peak District area. The vast majority employ fewer than 10 people (91%), and survival rates are high
- **Higher level skills and occupations:** 31% of residents of working age have a degree, and 40% are employed in managerial/professional occupations

Evidence Base

The Peak District offers significant growth potential arising from:

- **Employment growth**
- **Strong productivity base on which to generate high value growth.**
- **High business density and entrepreneurialism**
- **Demonstrable and successful track record in business start ups**
- **Strong business survival rates**
- **Good return from investment in start up support and business growth.**
- **High value manufacturing base**
- **Strong manufacturing sector**
- **Qualified workforce**

Economic Interdependencies between the Wider Peak District and the LEP areas

The LEP areas offer...

Consumer and business spending power

Linkages to sector expertise/clusters of businesses

Markets for Peak District businesses and branded products

The Wider Peak District offers...

High number of businesses, entrepreneurialism and strong survival rates

Peak District 'brand', landscape and quality of life offer

Highly skilled workers

Key sectors, e.g. manufacturing and visitor economy

Ideal location for knowledge and creative businesses

Achieving shared objectives...

More private sector jobs
Increased local wages
Higher levels of productivity

APPENDIX 2

CONTEXT – WIDER STRATEGIES AND THEIR LINKS TO THE DALES

Context – wider strategies (1)

Enterprise Peak District, February 2014

- an eight-point economic plan for the Peak District
- developed alongside LEPs to fit their own Growth Plans
- by Business Peak District, Visit Peak District, Nature Peak District, and the Peak District Partnership LSP

Actions the Derbyshire Dales Economic Plan can help deliver incl:

1. Accessing finance to grow local businesses
 - > *We will help develop and deliver a new LEADER scheme from 2015*
2. Growth Spokes – advice and support for local businesses
 - > *We will contribute ‘match’ in the form of Derbyshire Dales Business Advice*
3. Physical Developments - business sites
 - > *We will seek funds to unlock stalled employment sites*
4. ‘Inspired by the Peak District’ brand
 - > *We will support the Peak District brand as a business promotion tool*
5. Digital Connectivity
 - > *We will seek to help those plugging gaps in broadband coverage*
6. Pedal Peak Business Initiative
 - > *We will support associated business and employment projects*



Context – wider strategies (2)

LEP Strategic Economic Plans (Growth Plans)

- D2N2 and Sheffield City Region LEPs both published Strategic Economic Plans in March 2014
- Both focus on ambitious private sector job creation targets, *but tend to emphasise large firms and large projects*
- Priority sectors include specialist manufacturing, construction, food and drink, creative industries, and the visitor economy

Actions the Derbyshire Dales Economic Plan can help deliver incl:

1. Support for new and existing businesses to grow
 - > *We will contribute 'match' in the form of Derbyshire Dales Business Advice*
2. Access to finance
 - > *We can help with project appraisals for small grant schemes*
3. Infrastructure
 - > *We will seek funds to unlock stalled employment sites*
 - > *We will seek to help those plugging gaps in broadband coverage*
4. Housing
 - > *We facilitate affordable and market housing with strategic housing and planning policies*



Business Peak District Concordat 2011

- **Ambition for an enterprising, growing, sustainable economy**
- **Business-led group supported by the District Council**
- **Formed to lobby LEPs covering the whole Peak District**

Actions the Derbyshire Dales Economic Plan can help deliver incl:

1. **Business skills and support**
 - > *We will contribute 'match' in the form of Derbyshire Dales Business Advice*
2. **Developments sites**
 - > *We will seek funds to unlock stalled employment sites*
3. **Raise the brand profile of the Peak District**
 - > *We will support the Peak District brand as a business promotion tool*
4. **Competitive broadband speed and availability**
 - > *We will seek to help those plugging gaps in broadband coverage*
5. **Employment opportunities for local people**
 - > *We promote apprenticeships*



Derbyshire Economic Strategy Statement

- Agreed by the Derbyshire Economic Partnership in June 2014
- Grouping of local authorities and businesses
- Three strategic themes, including a rural economy sub-objective
- *Some tendency to stress skills issues and inward investment ahead of the needs of microbusinesses*

Actions the Derbyshire Dales Economic Plan can help deliver incl:

1. Deliver a high quality business support offer
 - > *We will contribute 'match' in the form of Derbyshire Dales Business Advice*
2. Strengthen the rural economy
 - > *We will help develop and deliver a new LEADER scheme from 2015*
3. Invest in our infrastructure
 - > *We will seek funds to unlock stalled employment sites*
 - > *We will seek to help those plugging gaps in broadband coverage*
4. Raise business productivity
 - > *We can help with project appraisals for small grant schemes*



Defra Rural and Farming Network

- **The Defra Rural and Farming Network in Derbyshire champions rural issues in DEP and with LEPs**
- **It is a direct link to Government**
- **Its top four priorities were set in 2013 and match those of the District Council:**
 1. **Growing microbusinesses**
 2. **Vibrant market towns as employment and service centres**
 3. **Broadband speed and access in rural communities**
 4. **Increasing employment opportunities for young people in rural areas**



APPENDIX 3

EXTERNAL FUNDING SCHEMES

LEADER – Method of delivering the Rural Development Programme for England (funded by the EU and Defra) at the local level. Operated locally by Derbyshire Economic Partnership

ESIF – European Structural and Investment Funds, allocated to LEPs. Incl. European Regional Development Fund (ERDF), European Social Fund (ESF) and European Agricultural Fund for Rural Development (EAFRD), all aimed at promoting sustainable and inclusive economic growth

RGF – Regional Growth Fund, providing Government funding to help unlock private sector investment to create economic growth and sustainable employment (six rounds to date)

GPF – Growing Places Fund, recyclable loan fund operated by LEPs (funded by Government) used to unlock stalled job creation projects focusing on physical infrastructure and tackling site constraints

Global Derbyshire - business support programme operated by Derbyshire Economic Partnership providing grants of between £4,000 and £75,000 to pre-start, start-ups and existing SMEs looking to grow, collaborate, innovate and export (RGF funded)

UI4G – Unlocking Investment for Growth, operated by D2N2 providing grants of between £50,000 - £500,000 to SMEs with major capital projects capable of sustainable job creation (RGF funded)

SCRIF – Sheffield City Region Investment Fund, operated by the LEP providing a framework for funding streams to deliver essential strategic infrastructure to increase economic growth and jobs in the Sheffield City Region

Growth Deals – devolved funding and decision making powers secured by LEPs in 2014 to stimulate jobs and growth

APPENDIX 4

LARGEST LOCAL PRIVATE SECTOR EMPLOYERS

LARGEST PRIVATE SECTOR EMPLOYERS

Company	Location	Activities	Approx. employees
Moy Park	Ashbourne Airfield	Poultry processing	850
Chatsworth Estate	Bakewell	Heritage attraction, holiday lets, retail	n/a
Aggregate Industries	Hulland Ward	Hard landscaping & drainage	300
H.J. Enthoven & Sons (Eco-Bat)	South Darley	Smelting, refining, manufacture of lead and lead products	200
Frank Wright (Trouw Nutrition / Nutreco)	Ashbourne Airfield	Manufacture of animal feed and the provision of haulage	190
Pinelog Group	Bakewell Riverside + Darwin Forest	Manufacture of timber leisure buildings / holiday lettings	190
Longcliffe	Brassington	Quarrying and supply of minerals and aggregates	150
DSF Refractories & Minerals	Newhaven	Processing of minerals and the manufacture of refractory products	120
Artisan Biscuits	Ashbourne Airfield	Bakers of confectionary and speciality biscuits	120
Breasley Foam	Wirksworth	Foam conversion and the manufacture of bedding	120
Holdsworth Holdings	Tideswell	Dry and frozen foods	120
Homelux Nenplas	Ashbourne Airfield	Manufacture moulded plastic products	110
Firth Rixson.	Darley Dale	Forgings for the aerospace, civilian nuclear and power generation industries	100
Technolog Group +Utilitec Services	Wirksworth	Electronic equipment for the water and gas industry	100

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for higher-value jobs

2014 - 2019