Policy and Research - Commissioning, Communities and Policy

Derbyshire Economic Review - September 2019

Introduction

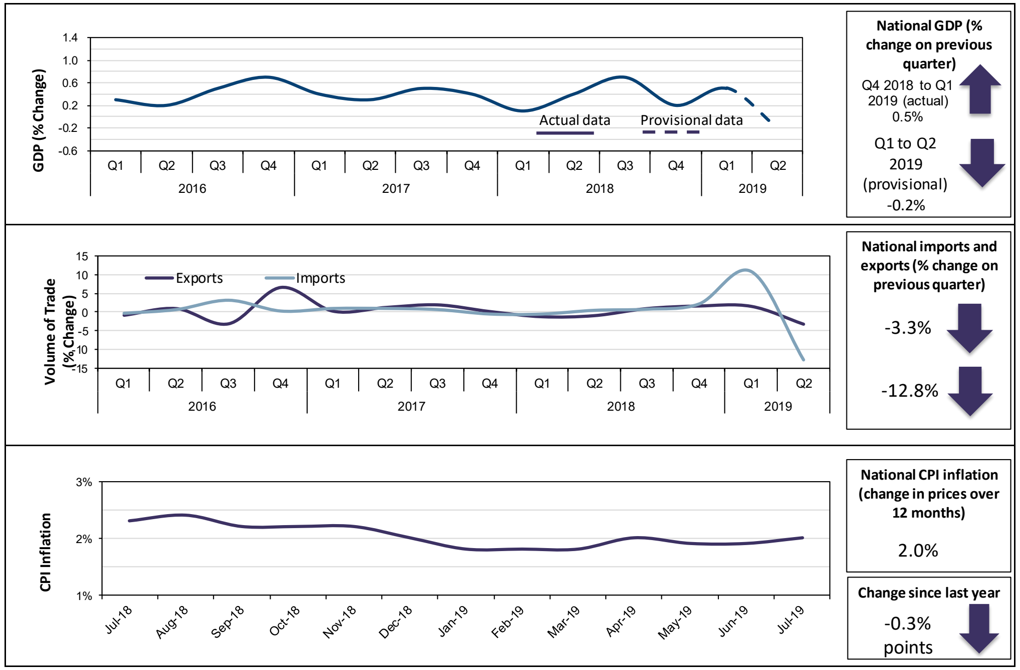
This document gives a brief overview of the latest statistics and news on the Derbyshire[1] economy both in a national and local context. The report provides a 'snapshot' of the Derbyshire economy, to help inform the development and delivery of economic strategies in the area. It is primarily based on evidence available from the Derbyshire Observatory, which is a single information source for partners and organisations across the county. The update also provides information on an 'in focus' topic, in this edition 'the low carbon economy in Derbyshire'.

Contents

Overview

- UK gross domestic product (GDP) slowed by 0.2% in quarter two of 2019 having risen to 0.5% the previous quarter[2]. There is evidence the stockpiling taking place in the first quarter of the year provided a boost to GDP, whilst the latest figures show that these increased stock levels were partly being run down in quarter two.
- The annual Consumer Prices Inflation (CPI) rate shows that the price of goods and services has increased by 2.0% over the last year, a slight rise on the 1.9% the previous month.
- Derbyshire's economic growth showed a bounce-back in quarter two of 2019 according to the East Midlands Chamber of Commerce's (EMCC) most recent Quarterly Economic Survey, narrowing the gap with the region. However, the economic performance in the county is less positive than a year ago.
- Derbyshire's employment rate has dipped slightly from 78.9% to 78.0% in quarter one of 2019, but is still one of the highest levels in nearly 15 years.
- The overall claimant count unemployment rate in Derbyshire is currently 2.2%, remaining 0.6% points lower than the England rate. However, levels locally and nationally have risen slightly since the early part of 2018. This largely reflects the increasing inclusion of Universal Credit (UC) claimants in the claimant count as UC requires a broader group of claimants to look for work than was the case under Jobseeker's Allowance (JSA).
- Of Derbyshire's JSA unemployment claimants, 64.4% (1,020) have been out of work for more than a year, an increase of 29.8% points over the last year. Long-term unemployment figures currently relate to just JSA claimants and this is likely to be the main factor in the rise. New claimants are now being put onto UC and therefore the figure for long-term unemployment for those who remain on JSA who have yet to be transferred on to UC is increasing as a result.
- The youth unemployment rate (aged 16-24) in Derbyshire stood at 3.2% (2,340) in August 2019, just above the 3.1% for England. Having been relatively stable the youth rate in the county has risen slightly since early 2018. Again this is likely to reflect the increasing inclusion of UC claimants in the claimant count.
- In June 2019, the average price of a house in the county was £181,383 with prices continuing to rise. Average house price growth in Derbyshire stands at 3.9% compared with 0.7% across England. Although average house prices locally are £65,345 lower than across England, the gap is the narrowest it has been in over five years.

National Performance Indicators

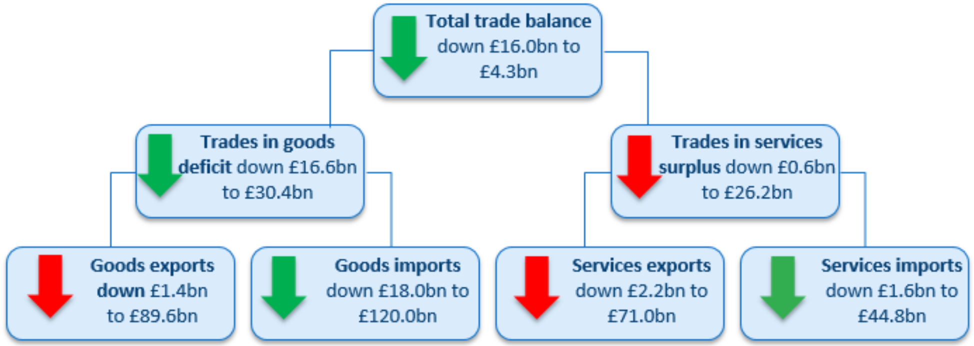


UK gross domestic product GDP fell by 0.2% in quarter 2 of 2019[2]. This is weaker than market expectations and the latest Bank of England forecast. All G7 nations saw a slowing of growth, although only Germany (-0.1%) and the UK saw negative growth. There is evidence that stockpiling was taking place in the first quarter of the year, providing a boost to GDP, with the latest figures showing that these increased stock levels were partly being run down in quarter two.

Services sector output provided the only positive contribution to GDP growth, although growth in this sector slowed to 0.1%. Production output fell by 1.4%, the largest decline in more than six years, driven by a 2.3% fall in manufacturing output. Following growth of 1.4% in the first quarter of 2019, construction output fell by 1.3% in the second quarter.

National Economic Context

Total Trade Balance



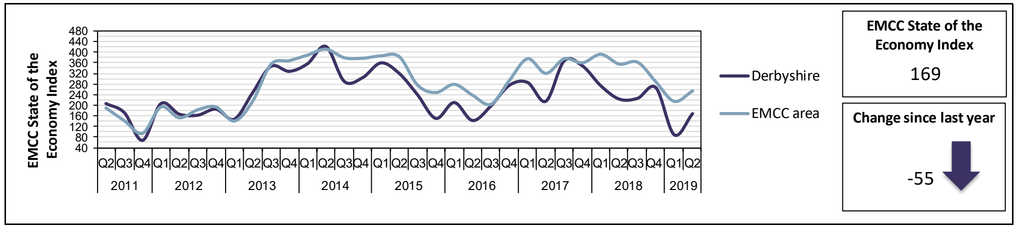
Note: the arrow direction indicates whether a component has increased or decreased, while the colour denotes the impact the direction of a movement has on the trade balance. For example, an increase in imports is denoted by an upward red (darker) arrow, as a rise in imports has a negative impact on the trade balance, while an increase in exports is denoted by an upward green (lighter) arrow, as a rise in exports has a positive impact on trade.

The total trade deficit for goods and services narrowed £16.0 billion to £4.3 billion in quarter two of 2019[3], due largely to falling imports of goods. Imports of goods decreased £18.0 billion to £120.0 billion as imports of unspecified goods chemicals, and machinery and transport equipment fell, following sharp rises in quarter one when manufacturers were rushing to deliver orders before the UK was due to leave the EU and also stockpiling of parts.

The Consumer Price Index including owner occupiers' housing costs (CPIH) 12-month inflation rate was 2.0% in July 2019[4], increasing from 1.9% in June 2019. However, over the last year there has been a slight easing in the rate. There were large upward contributions this month from games, toys and hobbies, accommodation services, clothing and footwear, and other financial services. These were offset by downward contributions from transport services and domestic fuels.

The Bank of England's (BoE) Monetary Policy Committee voted unanimously in favour of keeping the UK interest rate unchanged at 0.75% in August 2019[5]. Over recent months the UK economy has slowed, growth in the world economy has eased and inflation has fallen back to the 2% target. The Bank feels that interest rates should not be changed at this uncertain time. The Bank has outlined that future interest rises should be gradual and limited in the event of a Brexit deal, and whatever form Brexit takes, it will aim to return inflation to the target and support the economy.

Business Conditions



Quarterly Economic Survey, Quarter 2 2019, East Midlands Chamber of Commerce.

The rate of growth in the Derbyshire economy has increased during the second quarter of 2019, according to the East Midlands Chamber of Commerce's (EMCC) most recent Quarterly Economic Survey (QES)[6]. This follows the sharp slowdown experienced at the start of 2019 in advance of the original 31st March Brexit deadline. There has also been a rise across the region but not as great as that locally so there has been a narrowing of the gap this quarter. However, the performance of the Derbyshire economy is not as positive as a year earlier.

Sales in the county to other parts of the UK have risen this quarter following two quarters where there was a slowing. However, export sales and orders have both seen a dip in growth as has also been the case across the East Midlands. Firms locally and regionally are also showing concern about future prices.

However, despite this, a greater number of firms have increased the size of their workforce over the last three months, and encouragingly there have been rises in the net number of Derbyshire firms investing in machinery and training. There has also been a substantial improvement in the cash-flow picture for businesses, which had fallen sharply in the previous quarter. These results have fed through to improved confidence shown by the county's firms, with the outlook for turnover and profitability showing a bounce-back in quarter two. It will be important to see how the county's business confidence fares in quarter three.

Investment

Invest in Derbyshire and the Derbyshire Economic Partnership received nine enquiries between May and July 2019[7], one less than the 10 recorded the previous quarter and two less than the same period a year ago. There is much discussion nationally about the extent to which firms may be holding back on investment due to the current uncertain political landscape. The Office for National Statistics has highlighted that business investment fell for four straight quarters in 2018, so it will be important to see how the pattern in investment enquiries for the county develops over the coming months. The majority of the enquires (five) were in innovation, three from retail and leisure and one related to the office sector.

The Markham Vale regeneration site continues to grow with the ongoing addition of new companies to the business community. On Markham Vale North, construction is nearing completion for a 52,500 sq. ft. building for Protec International creating 20 new jobs when the facility becomes operational in early 2020. The company supplies flame retardant temporary protection materials to the construction and house building sectors. On Markham Vale West, construction is also nearing completion for a speculative development of a 55,000 sq. ft. factory unit. Meanwhile on Markham Vale East, two empty units in Waterloo Court are under offer from new occupiers. Planning permission has been secured for a 9,100 sq. ft unit on one of the few remaining plots on the eastern phase; it is anticipated that construction of the new unit will start within the next few months. A number of further enquiries have been received for a range of developments across Markham Vale, terms have been agreed for one which is currently progressing through the legal stage.

Job Losses and Gains

The following job losses and gains information relates to Derbyshire (including Derby City), and is drawn from articles in the local press between May and July 2019.

Job Losses

- At the beginning of July, Muller Milk and Ingredients confirmed that its Foston plant would cease operation at the end of 2019, with the potential loss of 223 permanent posts.
- Also in July, the Chesterfield branch of Patisserie Valerie closed, with the loss of eight staff.

Job Gains

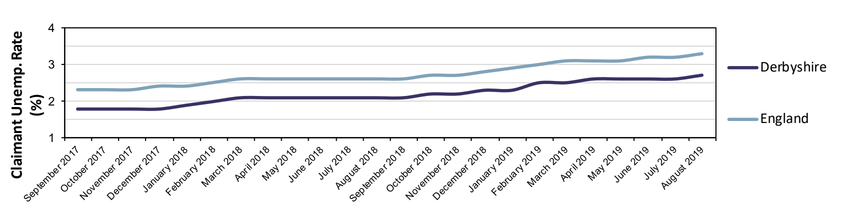
- New development announced in June, at Riverside Business Park, Bakewell, will bring more than 150 new jobs and safeguard a further 100.
- At the end of May development of 50 new bedrooms started at the Hotel Van Dyke that could lead to the employment of over one hundred new staff.
- In June, up to 80 jobs were saved at James Engineering , Alfreton, after it was sold out of administration.
- It was announced in June that Jumpin Inflatable Fun will open in Derby, employing more than 50 members of staff.
- SME fund Enact announced in June that it had bought the trade and assets of Chesterfield's Redhall Networks, securing the future of more than 50 jobs.
- The launch of a new care home in Clowne in July has created 50 jobs for the area.
- It was revealed that the opening of the re-located Lidl supermarket on Chatsworth Road in Chesterfield on August 15 would create up to 20 new jobs.
- Advanced Integrated Security Systems, a fire alarm and security specialist based in Dronfield, announced in June it is to recruit two project managers.

Labour Market Participation

Source: Annual Population Survey, April 2018-March 2019, ONS (Nomis) © Crown Copyright.

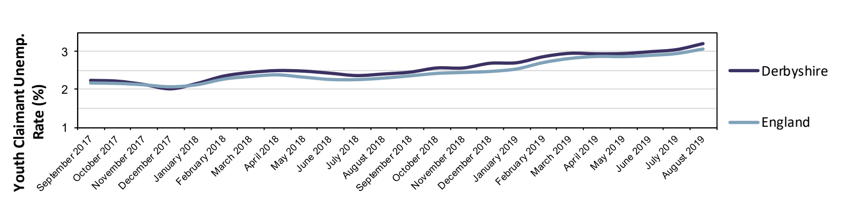
The employment rate[8] in Derbyshire has dipped from 78.8% to 78.0% in the first quarter of 2019, and is 0.9% lower than a year ago. However, the employment rate is still one of the highest seen in nearly 15 years. Over the last year, Amber Valley (+5.8%) has seen the biggest increases in employment levels and Erewash (-7.4%) and South Derbyshire (-6.6.%) the largest decreases. The fall in employment rate has been due to a dip in employee numbers but also a slight drop in self-employment where the level has reduced from 9.6% to 9.3%. Economic activity levels for the county have also declined over the quarter[9].

International Labour Organisation (ILO)[10] unemployment is regarded as the official measure of unemployment. Whilst the rate for England has continued to fall over the last 12 months, the Derbyshire rate has continued to edge upwards, rising from 3.0% to 3.6%. However, this is partly due to people who were previously inactive in the labour market but who potentially wanted a job, actively deciding to look for work.



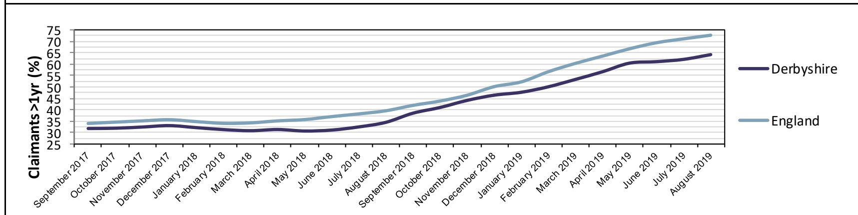
Derbyshire claimant rate (aged 16-64)
2.2%

Change since last year
0.6% points (2,645)



Derbyshire youth claimant rate (aged 16-24)
3.2%

Change since last year
0.8% points (580)



Derbyshire long-term unemp. (aged 16-64) proportion
64.4%

Change since last year
29.7% points (-100)

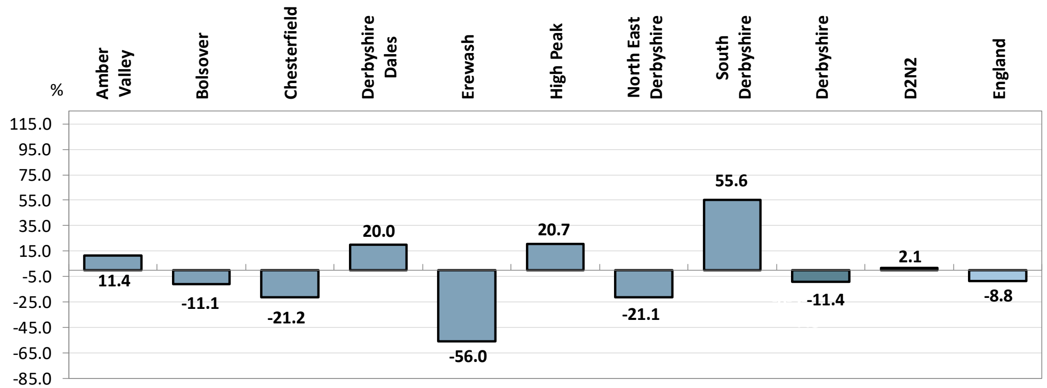
Source: Claimant count (overall and youth) and JSA (long-term), August 2019, ONS (NOMIS) © Crown Copyright.

The claimant count unemployment rate in Derbyshire, based on a count of all people claiming Jobseekers Allowance (JSA) and those claiming Universal Credit (UC) who are required to seek work, was 2.2% (10,605 residents) in August 2019, 0.6% points lower than the England rate[11]. Following nearly three years of relatively stable unemployment, the rate has risen slightly since the start of 2018. This largely reflects the increasing inclusion of UC claimants in the claimant count as UC requires a broader group of claimants to look for work than was the case under Jobseeker's Allowance. The number of wards where the rate of unemployment is more than double the national rate remains at three this quarter. These are Cotmanhay (6.3%) and Awsworth Road (5.8%) in Erewash and Rother (5.8%) in Chesterfield.

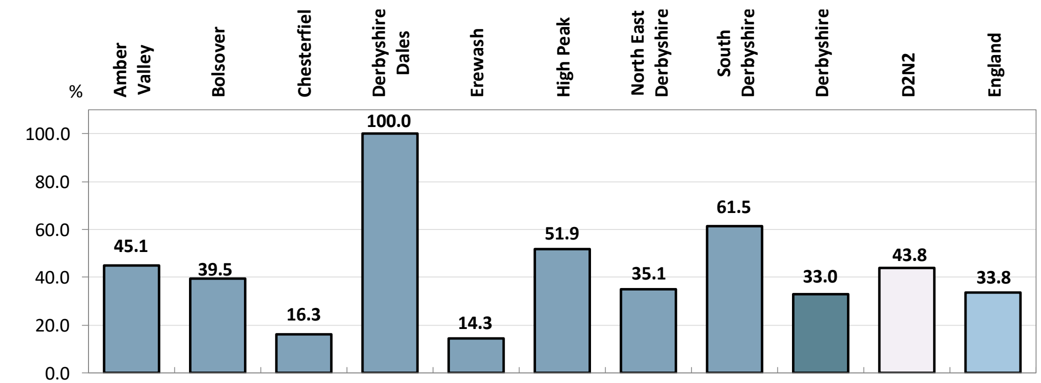
Labour Market

Of Derbyshire's JSA unemployment claimants 64.4% (1,020 residents), have been out of work for more than a year, an increase of 29.8% points over the last year. These are large figures but less than the respective figures nationally of 72.7% and 33.2%. Long-term unemployment figures are based purely on JSA claimants and this is likely to be the main factor in the rise. New claimants are now being put onto UC and therefore the figure for long-term unemployment for those who remain on JSA who have yet to be transferred on to UC is increasing as a result. The number of long-term unemployed residents has fallen in five districts and risen in three. South Derbyshire has again seen the largest increase, of 55.6%, although this is from a low base of 45 rising to 70. Erewash has again seen the greatest decline (-56.0%).

Annual % change in long-term unemployment (August 2018 to August 2019)



Annual % change in youth unemployment (August 2018 to August 2019)



Source: JSA (long-term) and claimant count (youth), August 2019, ONS (NOMIS) © Crown Copyright

Note: D2N2 is the Local Enterprise Partnership covering Derby, Derbyshire, Nottingham and Nottinghamshire

The unemployment rate[12] in Derbyshire stood at 3.2% (2,340) of people aged 16-24 in August 2019, just above the 3.1% for England. Having been relatively stable since spring 2015, the youth unemployment rate in the county has edged up slightly since early 2018 as has overall unemployment.

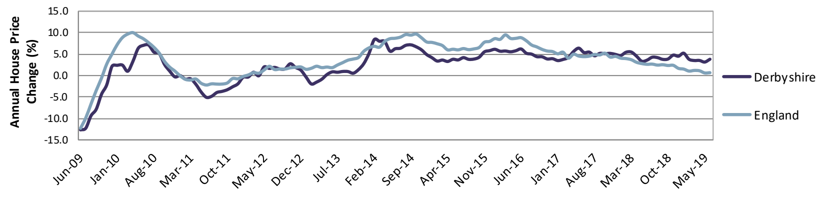
There has been an increase in the number of young people unemployed in all of the Derbyshire districts, with the greatest increase being in Derbyshire Dales (100.0% or 50 residents) followed by South Derbyshire (61.5%) and High Peak (51.9%). Erewash has seen the smallest rise (14.3%) followed by Chesterfield (16.3%). The phased introduction of UC and its broader requirements to look for work is a significant factor in the increases across the districts. There are 11 wards where the rate of youth unemployment is more than double the national rate, an increase on the last quarter (eight wards). These include the wards of Rother (8.1%) and St Helen's (7.1%) in Chesterfield and Cotmanhay (7.8%) and Awsworth Road (7.4%) in Erewash.

The table below provides data for some of the key benefits available.

Indicator	Number	Rate (%)		Annual change		Annual trend
		Derbyshire	England	Number	%	
Individual benefits (February 2019 except UC and JSA/sanctions)						
Employment Support Allowance (ESA)/ Incapacity Benefit (IB)	27,254	5.6	5.0	-2551	-8.6	↓
Long term claimants (1yr or more)	25,287	92.8	92.9	-347	-1.4	↓
18 to 24 year old claimants (ESA only)	1,596	5.9	5.3	-598	-27.3	↓
Income Support (IS)	4,796	1.0	1.1	-1239	-20.5	↓
Lone Parent Income Support (LPIS)	2,833	0.6	0.7	-881	-23.7	↓
Long term claimants (1yr or more)	2,409	85.0	85.7	-265	-9.9	↓
18 to 24 year old claimants	507	17.9	16.6	-358	-41.4	↓
Personal Independence Payment (PIP)/ Disability Living Allowance (DLA)	51,445	7.8	6.9	884	1.7	↑
Universal Credit (UC) (August 2019)	24,153	5.0	5.8	13,716	131.4	↑
Jobseekers Allowance (JSA) (February 2019)	1,985	0.4	0.6	-1,766	-47.1	↓
JSA/UC sanctions (April 2019)	6	0.0	0.0	-193	-97.0	↓
Carers allowance	11,235	2.3	2.1	360	3.3	↑
State Pension	167,461	25.5	21.8	-1577	-0.9	↓
Pension Credits	19,458	3.0	3.0	-1472	-7.0	↓
Household benefits (May 2019)						
Housing Benefit claimants	36,909	10.7	13.4	-6,375	-14.7	↓
Households affected by removal of Spare Room Subsidy	3,709	10.0	7.7	-897	-19.5	↓
1 Bedroom	3,052	82.3	81.8	-759	-19.9	↓
2 or more bedrooms	658	17.7	18.2	-139	-17.4	↓
Benefit Cap	350	0.1	0.2	-129	-26.9	↓

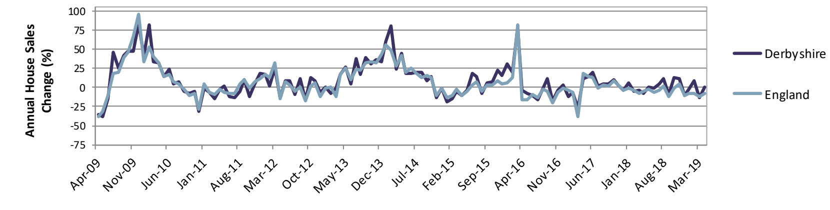
Source: Department for Work and Pensions (DWP)/ONS (Nomis) © Crown Copyright.
Notes: * UC August 2019 and JSA/UC sanctions April 2019

In Derbyshire, 5.6% of working age people are claiming ESA. Of these, 92.8% have been claiming ESA for over 12 months with 5.9% aged 18-24. There are around 4,800 residents (1.0%) claiming income support, with 2,800 being lone parents. Nearly 51,500 (7.8%) people are claiming PIP/DLA. The number of UC claimants in the county has risen to 24,200 as claimants are transferred across from other benefits. However, there has been a reduction in the number of people claiming JSA/UC who have had their benefit stopped or reduced through sanctions. There are 11,200 (2.3%) people locally claiming carers allowance. Nearly 167,500 residents are receiving a state pension with around 20,000 of these claiming pension credits. Nearly 37,000 (10.7%) Derbyshire households are claiming housing benefit, with around 3,700 affected by the removal of the spare room subsidy[13]. In the county 350 households had a benefit cap applied to them.



Derbyshire average house price
£181,383

Change since last year
3.9% (£6,847)



Derbyshire house sales
943

Change since last year
0.1% (1)

Source: UK House Price Index, ONS and Land Registry, June 2019, © Crown Copyright.

The average price of a house in Derbyshire was £181,383 in June 2019, an increase of 3.9% over the last year. Whilst there has been a marginal slowing in growth locally, it is less than that across England. This has seen the gap in house price growth with the national figure at it's lowest level in over five years, although it is still significant at 26.5%. All districts have seen prices rise over the last year with the greatest shown across Erewash (8.7%) and Derbyshire Dales (8.6%). The relative buoyancy in the housing market locally is reflected in the house sales figures, which has remained stable over the last year compared with a fall of -7.9% across England.

House price growth across England has been falling for more than three years and this month has seen the annual rate of growth fall below 1.0% for the first time since the middle of 2012. The decline is being driven by falling prices in the South of England. London saw the greatest fall at -2.7% but it also the first time that average prices have fallen in all three regions of southern England in the last 10 years. Outside of the South prices are continuing to rise with the East Midlands seeing the greatest price growth of 3.2%. The national slowing reflects reduced levels in the demand for homes with fewer people looking to buy. Whilst the uncertain picture surrounding Brexit is seen as a factor, it is not the only one. Despite wage growth being ahead of inflation, affordability remains an issue, and the recent changes on buy-to-let tax relief rules have also lowered demand.

The low carbon economy

Reducing the level of carbon use in delivering economic growth is a UK and global priority. This has risen up the agenda during 2019 due to heightened awareness of the potential impact should nations fail to respond to global rises in temperature. This 'in-focus' outlines some of the challenges and opportunities surrounding the move to a lower carbon economy and some of the current work being done by businesses and partners in Derbyshire in support of this.

Some key facts

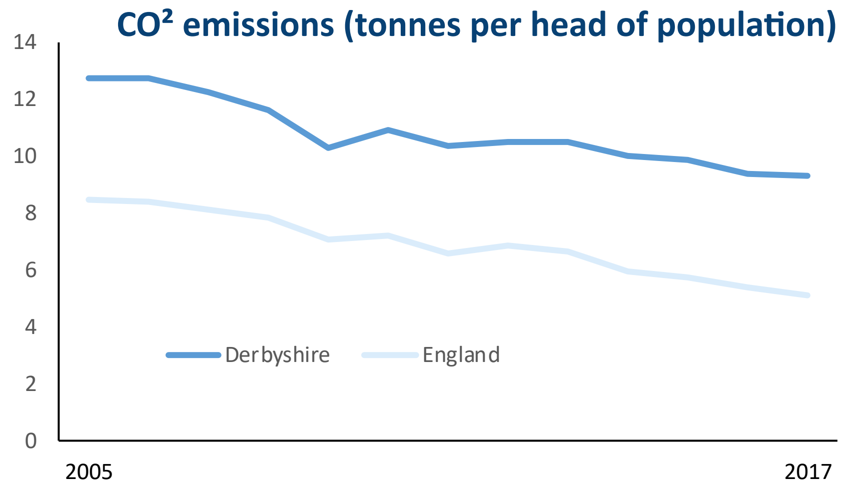
Despite the increased focus on addressing climate change, the bulk of the increase in global energy demand in 2017 was met with fossils fuels. The burning of fossils fuels produces greenhouses gases, such as CO^2, which leads to global warming and a range of environmental impacts such as rising sea levels. The Paris Agreement in 2015 committed nations to decarbonising their economies to minimise the potential threat to the environment. Whilst progress is being made the latest data shows that efforts are falling short[14].

- **40%** - the rise in atmospheric CO^2 since the Industrial Revolution
- **20** - the number of warmest years on record in the last 22
- **2°C** - the global limit in temperature rise set in the Paris Agreement
- **-6.4%** - the annual decarbonisation rate to meet the 2°C Paris goal
- **0** – the number of G20 nations achieving -6.4% decarbonisation
- **1.5°C** – the limit in temperature rise for the end of the century now recommended by scientists

The policy environment

Whilst the UK is amongst the world leaders in transitioning to a lower carbon economy, there is still much work needed. It's decarbonisation rate of -4.7% was 4th best in the G20 nations in 2017, but was still short of the 6.4% needed. To galvanise action, the government recently revised its long-term goal and committed to cutting net greenhouse gas emissions to near zero by 2050. Achieving clean growth was at the heart of the UK's Industrial Strategy in 2017 and accompanying Clean Growth Strategy. The move to a cleaner, greener economy is thought to represent one of the greatest opportunities for the country with the potential to create two million new jobs by 2030. However, there are also likely to be some job losses within the traditional power generation sector.

At a regional level, the D2N2 Local Enterprise Partnership has recently published it's Energy Strategy. This sets out the aim that by 2030 there will be a 50% reduction in carbon intensity in the economy. There is currently not an exact figure on the number of firms operating in the low carbon environment sector locally, and mapping out the sector is a key action in the strategy. Provisional analysis from the East Midlands Chamber Quarterly Economic Survey in 2018 identifies that nearly 40.0% of businesses across the region derive some level of turnover from the sector.



Locally, Derbyshire has higher $C0^2$ emissions than the England average, primarily due to the significance of the quarrying and manufacturing which are energy intensive sectors. Over half (55.9%) of $C0^2$ emissions locally are from industry and commerce, followed by transport (26.1%) and then domestic use (19.4%). However, emissions are falling and although the drop of 22.6% since 2005 is lower than the 31.6% nationally it is still significant[15]. Derbyshire County Council's Climate and Carbon Manifesto recognises the challenge of global climate change and the need to

In Focus

reduce carbon emissions, cut waste and be greener in all its activities. DCC's emerging Good Growth Strategy will outline some of the Council's key priorities for reducing it's carbon footprint as well as that more widely in the county.

Activities in the low carbon economy

The low carbon sector is one of the fastest growing in the UK, contributing £79.6 billion and approximately 396,000 employees directly and indirectly across the supply chain[16]. It incorporates a cross-cutting series of practices and technologies. The image on the next page outlines some of the main areas of activity.

A key area of activity relates to energy production. Renewable energy from sustainable sources such as wind is completely carbon free. Nuclear energy is controversial but has a very low carbon footprint and plays a key role in the government's Clean Growth Strategy. Additionally the energy generated from organic material such as wood or sewage is renewable although it does release some carbon. Much research and development is also taking place into low-emission vehicles, low carbon heating, energy storage solutions and improving energy efficiency in buildings. The potential for buildings themselves to be energy generators is also being explored further. The so-called 'circular economy' is another area of market opportunities, related to the transformation of products from one purpose into a completely different use.

The low carbon economy will also need to be supported by innovative new products such as bioplastics and the service sector through areas such as environmental accreditation services, carbon accounting and architectural and design services.

Activities in the low carbon economy

Transport and logistics includes the development of ultra-low emission, electric and hydrogen powered vehicles, and battery/fuel cell technology.

Renewable energy from sustainble sources sources such as wind, solar, hydro and underground mine water.

Low carbon heating includes the use of alternative energy sources such as hydrogen or biomethane, heat from the air or ground, and the distribution of heat through heat networks.

Circular economy relates to the transformation of products from one purpose into a different one.

Nuclear energy has one of the smallest carbon footprints and plays a key role in the government's Clean Growth Strategy.

Reduction in energy demand the use of data analytics and technology such as smart metres and on demand services to help lower energy use.

Biomass energy where organic matter such as wood, crops and plants is burned directly or where biogas is collected from landfill, sewage, animal or food waste.

Energy management efficiency includes the greater use of energy off-peak, and use of business sites and homes to generate renewable energy.

Energy efficiency of buildings encompasses sustainable building design, the use of environmental alternatives to cement and concrete and energy control systems.

Energy storage relates to technologies that can capture energy and release it as required or the creation of natural carbon sinks, e.g. through tree planting.

Some Derbyshire based low carbon firms

Derbyshire, with its focus on manufacturing and engineering, is well placed to play a lead in the development of low carbon technology. Whilst it is unclear how many local firms are in the rapidly evolving sector, the image on the next page provides some examples of local firms operating in the low carbon and wider environmental sector.

In addition to local firms contributing to the low carbon economy there are also a range of partner projects supporting the reduction in carbon use. The University of Derby is supporting companies across Derby and Derbyshire adopt low carbon products and services through its Low Carbon Business Network. The D2 Energy Efficiency project is supporting firms save energy and reduce carbon emissions, whilst DCC's Markham Vale Environment Centre also aims to support businesses in the low carbon, environmental and environmental tech sector. D2N2 based firms have also recently been invited to bid for £1.5 million of European funding to support the shift towards a low carbon economy.

Cross-cutting challenges

The transition to a lower carbon economy will need to be underpinned by advances in technology. A key challenge is also the availability of financial investment. Derbyshire's rural nature means there are many areas where energy infrastructure can be difficult to install, connect or make viable. There are also a large number of solid-wall properties which are difficult and expensive to bring up to the required energy performance standards.

To enable the growth of the low carbon energy and renewables sector there will need to be significant investment in skills at all levels. Many existing occupations such heating and network engineers and motor mechanics will see radical changes as the economy moves away from fossil fuel. Also, additional training will be required in some areas such as construction to 'retro-fit' existing buildings to make them energy compliant, or transport to support developments such as vehicle to grid technology, the safe use of hydrogen, and fuel efficient aircraft.

The UK is committed to phasing out coal-fired power stations by 2025 in line with climate commitments. Derbyshire has seen the closure of two major coal power station sites in the last 20 years, at Willington and Drakelow. The Willington site is thought to have potential for a new gas power station, and Drakelow has been

Some examples of Derbyshire firms in the low carbon sector

Alkane Energy (now a division of Infinis) – based at Markham Vale has developed technologies to extract methane gas from underground mine workings which is then used to power generators.

Castle Environmental – with a site in Ilkeston is a leading supplier of specialist waste treatment, disposal and recycling services.

Charged EV – based in Staveley specialises in the design supply and installation of electric vehicle charging equipment across the UK.

Envirosoft – based in Chesterfield specialises in PC based data-logging systems for environmental applications.

MSE Systems/MSE Hiller – based at Markham Vale deliver wastewater treatment plant and solutions.

Dorlec Limited – based in Clay Cross makes energy efficient motors.

RA Tech UK Ltd – based in Long Eaton is a plumbing and heating equipment supplier that has devised a product to reduce emissions from heating systems.

Rolls-Royce – based in Derby is leading a UK consortium to develop an affordable power plant that generates electricity using a small modular nuclear reactor.

Owled Lighting solutions – based in Barlborough specialises in providing the industrial sector with energy saving LED lighting systems.

TDP – based in Wirsksworth manufactures and sells recycled plastic products.

The Health and Safety Executive's Science and Research Centre – based in Buxton is carrying out tests on hydrogen gas to deciding whether it could safely replace natural gas in the UK.

T4Sustainability – based in Ilkeston aims to increase the sustainability of communities by offering expert advice and installing sustainable technologies.

Ward – based in Ilkeston specialize in waste collection, recycling and processing including plastic recycling and the conversion of food waste into biogas.

United Cast Bar – a foundry based in Chesterfield that delivers power to the national grid and uses an on-site 500kW battery to lower its own energy consumption during peak demand.

considered as a focus for the promotion of alternative energy, with an existing solar park on the site and permission granted for a biomass generation plant. Plans have also been put forward for a renewable energy centre and energy-from-waste plant.

Conclusions

The transition to a low carbon economy will represent a major shift. A thriving green economy will affect not just a few specialised sectors but the processes of virtually the whole economy. It will require everyday changes in domestic and business habits, provide opportunities for local firms and require skills.

The national Clean Growth Strategy sets out an ambitious role for the public sector to play in the energy transition. Regionally, this will mean working toward national public sector targets of a 32% reduction in carbon emissions by 2019/20 from the 2009/10 baseline, and a 2050 target of zero emissions and 100% clean energy. Progress is being made, with CO^2 levels falling. However, the region's current progress and capacity need to be accelerated, and a partnership approach to this will be crucial. At a D2N2 level the Midlands Energy Hub, one of the five local energy hubs created by the government to increase public sector capacity to bring forward energy schemes, will be a key resource.

Locally Derbyshire County Council and partners have an important role working with local businesses. The Good Growth Strategy will set the overall direction for DCC's activity, being supported by a number of other strategies including ones for energy, low emission vehicles, air quality and waste. Although the sector is predicted to grow, knowledge about firms working in it locally and their needs is fairly limited. It is therefore important that there is some focus on developing understanding of the businesses and specific low carbon areas they are in. DCC and partners can also have a role to play through using their procurement processes to encourage suppliers to embrace low carbon processes.

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End Notes

[1]Data for Derbyshire in the review does not include Derby City unless otherwise stated.
[2] GDP, Quarter 2 2019, Office for National Statistics (ONS) © Crown Copyright, and Organisation for Economic Co-operation and Development, Quarterly GDP, Quarter 2 2019.
[3] Statistical Bulletin, UK Trade, June 2019, ONS © Crown Copyright.
[4] Statistical Bulletin, Consumer Price Inflation (CPI), July 2019, ONS © Crown Copyright.
[5] Monetary Policy Committee Decision, August 2019, Bank of England and BOE Inflation Report, August 2019.
[6] Quarterly Economic Survey, Quarter 2 2019, East Midlands Chamber of Commerce.
[7] Derbyshire Economic Partnership, 2018-2019.
[8] The employment rate is the percentage of the working age population (age 16-64) who are employed.
[9] The economic activity rate is the percentage of the working age population (age 16-64) who are employed or International Labour Organisation (ILO) unemployed.
[10] ILO unemployment is regarded as the official measure of unemployment. It has a much wider definition than the claimant count of unemployment and includes people who are out of work and claiming Jobseekers Allowance or Universal Credit (UC) as well as those who are actively looking for work but not necessarily claiming unemployment related benefits. The ILO defines the unemployed as people who are without work, are available to start work within the next two weeks, and have actively sought work within the previous four weeks. This is used in the Annual Population Survey and is not compatible with claimant count unemployment.
[11] Claimant count unemployment is derived from administrative data generated by the system of benefits paid to people who are out of work. It is a different definition and measure of unemployment than the ILO unemployment noted above. Additionally, claimant count unemployment published by the ONS now includes Universal Credit claimants as well as Jobseekers Allowance claimants. This is now the headline measure of unemployment. Data for the youth unemployment rate is based on the Claimant Count and that for long-term unemployment is still based on Jobseekers Allowance claimants.
[12] Youth unemployment relates to people aged 16-24. The rates at ward level are unofficial and have been calculated using population figures from the Mid-Year Population Estimates published by ONS.
[13] Housing benefit spare room subsidy is shown as a % of those households claiming housing benefit.
[14] The Low Carbon Economy Index 2018, pwc; State of the Global Climate in 2018; World Meteorological organization, and Energy Research Accelerator.
[15] UK local authority and regional carbon dioxide emissions national statistics, 2005-2017, Department for Business, Enterprise and Industrial Strategy.
[16] Estimates of direct and indirect low carbon and renewable energy economy activity, 2017, ONS © Crown Copyright.

Version	Author	Date	Contact
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Source	Geography
Various, see End Notes	Derbyshire, England

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