

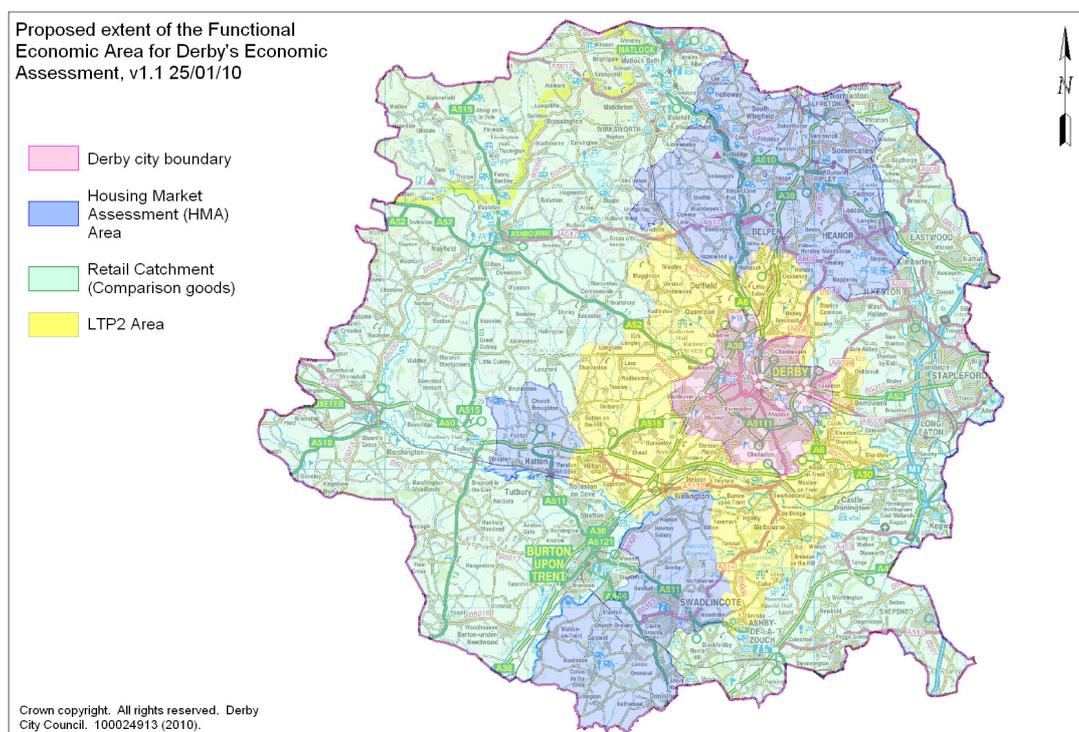
## Chapter 2

# Economic Geography

## Functional Economic Geography

2.1 For the purposes of this assessment a functional geography has been selected based on a number of recognised catchment areas of the city. The majority of data presented in this assessment has focussed on the city boundary and the Housing Market Area boundary but references are made to the wider retail catchment.

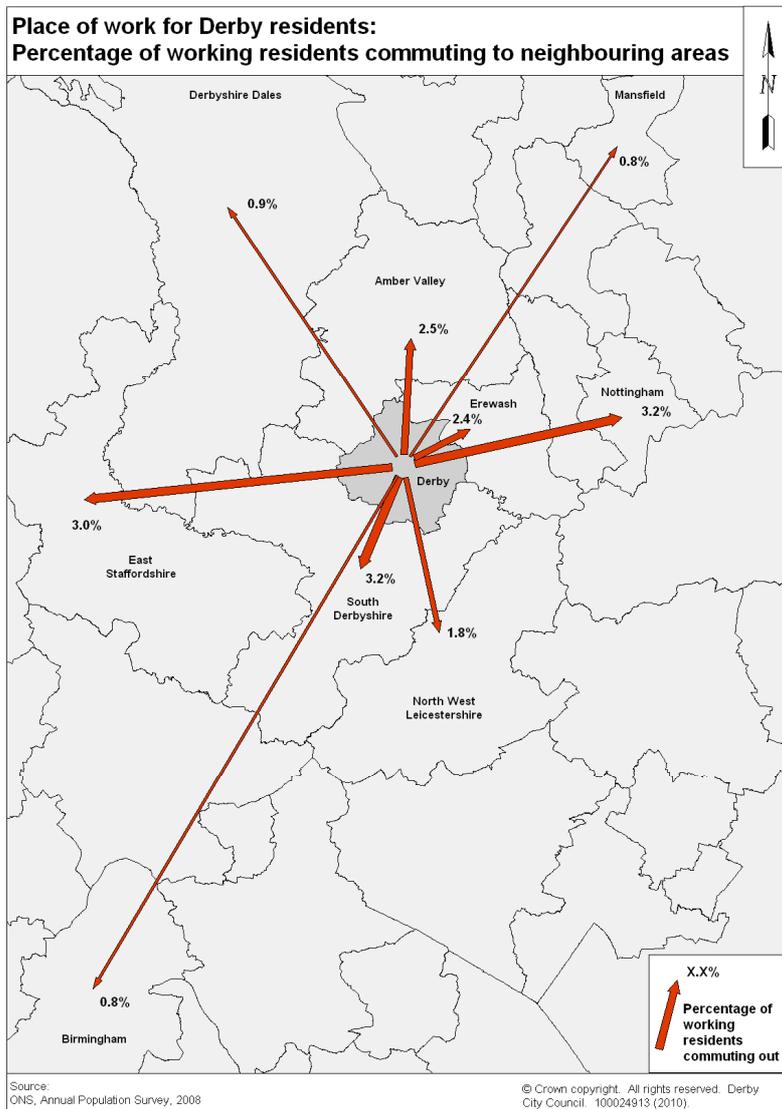
Figure 2.1 Derby's Functional Economic Area



## Commuting

2.2 Derby is relatively self contained with 74% of the cities working residents working in Derby. 64% of those who work in the city also live in the city. Figure 2.2 shows the outward flow of Derby residents to surrounding areas and Figure 2.3 shows the inward flow of workers from neighbouring areas.

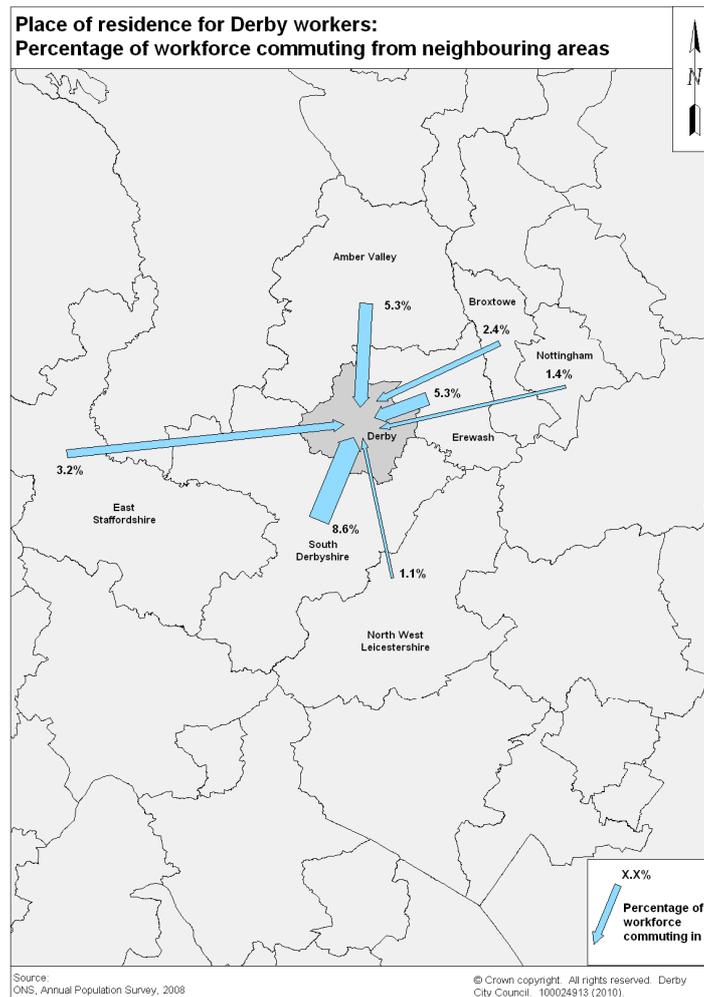
Figure 2.2 Place of Work for Derby Residents



Source; Annual Population Survey, 2008

2.3 No single area draws a high proportion of Derby residents but 3.2% of working residents travel to Nottingham to work and 3% to East Staffordshire. The A52 and A38 will clearly take the majority of this traffic.

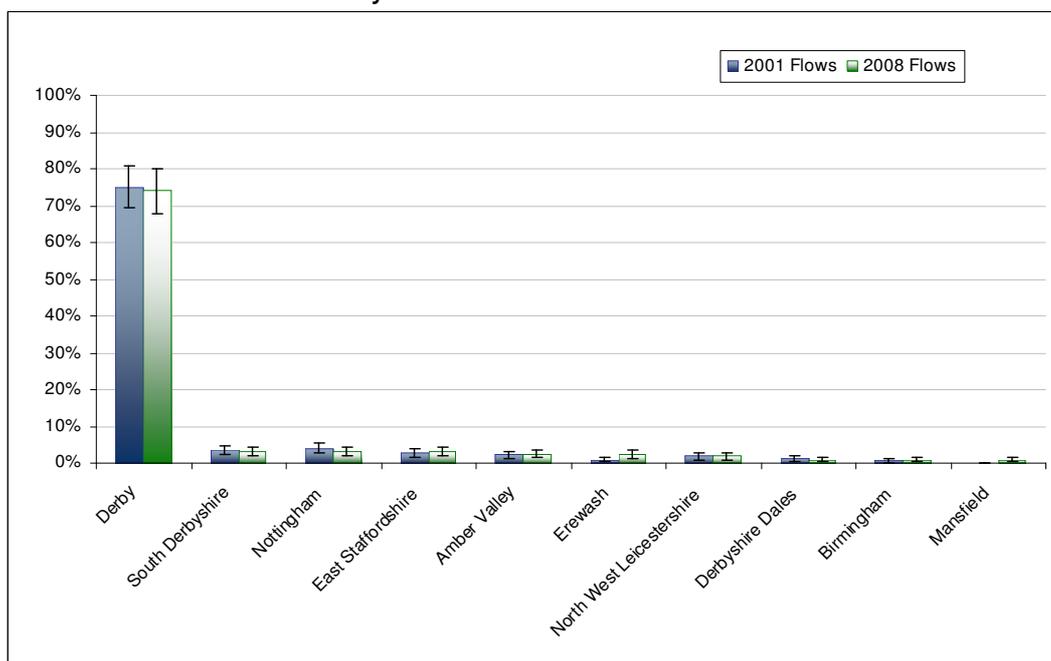
Figure 2.3 Place of Residence for Derby Workers



Source; Annual Population Survey, 2008

- 2.4 64% of Derby workers also live in Derby. South Derbyshire provides the largest proportion of inward commuting to the city, followed by Amber Valley and Erewash .
- 2.5 Figures 2.4 and 2.5 illustrate the slight changes in commuting patterns between 2001 and 2008, using the Local Labour Force Study 2001 and the APS 2008. The APS 2008 indicates a residence self containment level of 74% for Derby City.

Figure 2.4 Local Authority of Work for Derby Residents – 10 biggest flows by Districts and Unitaries



Source: ONS, APS Commute 2010

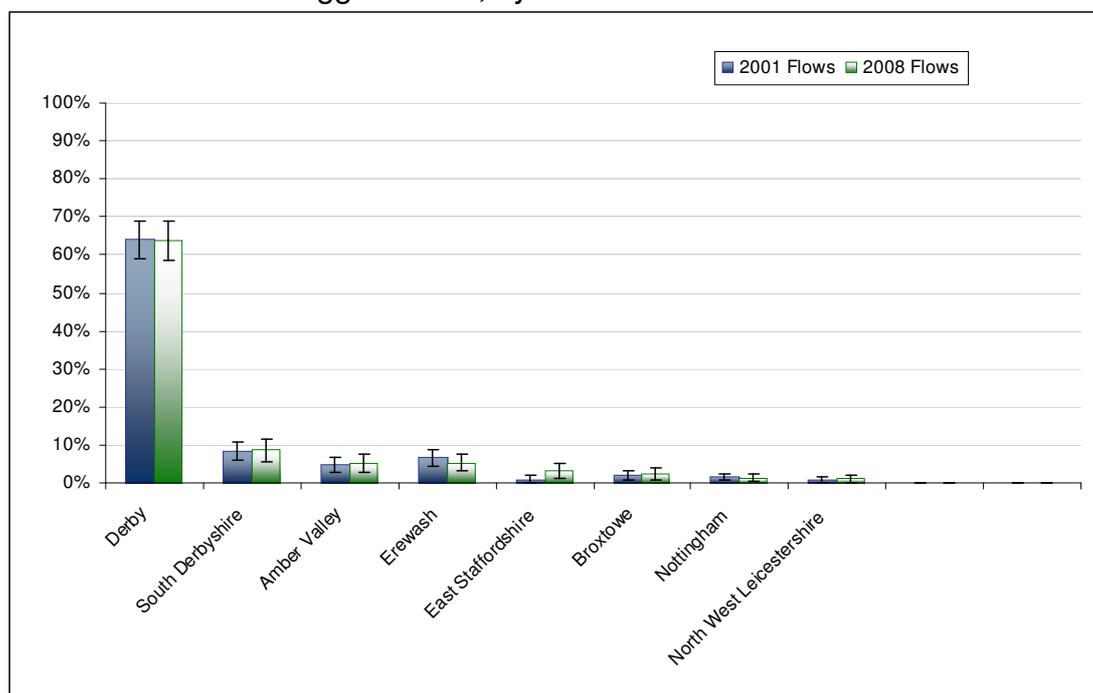
Table 2.2 Places of Work for Derby Residents: Change over time, by District and Unitaries

		2001 flow	2008 flow	Difference (+/- %)
1	Derby	75.1%	74.0%	-1.1%
2	South Derbyshire	3.6%	3.2%	-0.4%
3	Nottingham	4.0%	3.2%	-0.8%
4	East Staffordshire	2.6%	3.0%	+0.4%
5	Amber Valley	2.3%	2.5%	+0.2%
6	Erewash	1.0%	2.4%	+1.4%
7	North West Leicestershire	1.9%	1.8%	-0.1%
8	Derbyshire Dales	1.1%	0.9%	-0.2%
9	Birmingham	0.7%	0.8%	+0.1%
10	Mansfield	-	0.8%	n/a
11	Leicester	1.0%	0.7%	-0.3%

Source: ONS, APS Commute 2010

2.6 The APS 2008 indicates that Derby has a workplace containment level of 64%, as shown in Figure 2.5. As a comparison Leicester has a workplace containment of 54% and Nottingham 44%. Therefore, Derby’s workforce is drawn from a comparatively local area.

Figure 2.5 Local Authority of Residence for Derby Workers – 10 biggest flows, by Districts and Unitaries



Source: ONS, APS Commute 2010

2.7 22% of workers in Derby reside in Derbyshire. Added to the 64% of Derby workers who reside in Derby City, this has clear implications on the local transport infrastructure. The 2001 census showed that 64% of commuters who work in Derby travel by car. This leads to significant pressure on the road infrastructure surrounding the city, particularly the A38 junctions at Kingsway/Markeaton and at Little Eaton. Trunk roads, such as the A6, take the burden of high levels of intra city commuting. Transport issues are explored further in chapter 6.

### Retail Catchment Area

2.8 In 2008 CACI assessed the strengths of Derby's retail offer in a marketing focussed city centre retail study. In 2009 Roger Tym and Partners produced a city wide retail and leisure study to inform the emerging Local Development Framework.

2.9 The CACI report suggested that Derby's market potential increased by 65% following the opening of the Wesfield Centre in October 2007. Their analysis suggested that Derby's retail catchment expanded out towards the 45 minute drivetime boundary in most directions, most notable towards the west of the city where there is less competition for retail spend. It also found that the increased catchment included high numbers of 'affluent greys' and 'flourishing families', both of which are thought to offer significant spending power and therefore opportunities to grow the retail economy further.

2.10 The Westfield development saw Derby rise in the retail rankings from 63<sup>rd</sup> to 38<sup>th</sup>. Since then the city has climbed further to 34<sup>th</sup>.

### **The University of Derby**

2.11 The University of Derby is a key asset for the city and the surrounding area. In 2008 the University had 16,145 students, with the majority being based in the city. All universities attract students from across the country and Derby is no different. Derby also attracts foreign students, including significant numbers from China.

### **Economic Impact of the University**

2.12 The University of Derby published a paper in February 2010 highlighting the impact of the university on the local economy. The paper refers to national research, undertaken by Universities UK, using data from the Higher Education Statistics Agency (HESA) which suggests that (based on 2007/08 figures) the UK higher education sector:

- Directly employed 314,632 full time equivalent (FTE) jobs
- 324,400 FTE jobs were created in other sectors as a knock on effect, because of universities expenditure
- Brought international students to the UK whose personal off-campus expenditure alone amounted to £2.3billion in 2007/08.

2.13 The research also recognises that universities contribute to the economy in a whole host of other ways such as procurement, staff and student spending, research and development of new technologies, spin off companies and working with or providing expertise for local companies.

2.14 Derby University's 2009 accounts stated that **£79m** would be spent on capital developments over the next five years, which will benefit the regions construction industry and associated firms.

2.15 The University of Derby directly supports a total of **1,595** FTE posts. Using the Universities UK methodology for calculating knock on FTE jobs would suggest that the University of Derby creates an additional **1,642** jobs. Derby's research paper aggregates these **3,237** jobs to UK median gross salaries to suggest that a total of **£83.5m** is going into the local and wider economy through taxes and direct spending.

2.16 The research also considers the impact of the 'student pound' on the local economy. Using the national Student Experience Report to estimate weekly expenditure the report suggests that students in Derby spend an estimated total of **£33.8m** annually. A large proportion of this total can be expected to remain in the Derby economy.

- 2.17 There is also the significant, but hard to quantify, economic impact of students coming to study at the University from outside of the county, and choosing to stay and settle in Derbyshire after they complete their degree course. A recent socio-economic impact study by the University of Manchester assigns a value of £10,000 per graduate, per year, to the economy. The University of Derby conducted a 'destinations' survey in January 2009 to find out how many undergraduate and postgraduate students who had left the University in summer 2008 – on completion of their course – were still living in Derbyshire.
- 2.18 There was a high response rate to the survey – 80% for full time students and 70% for part time – which revealed that of the total 1,464 students in work or further study, a healthy **222 (15%)** of people not originally from Derbyshire were still living in the county six months after they had left the University. On the University of Manchester's multiplier (£10,000 per graduate per year) this would benefit Derbyshire by an estimated **£2.2m** annually.

### Destinations of Leavers from Higher Education Survey

- 2.19 The figures in the following tables are taken from results of the Destinations of Leavers from Higher Education survey, for students who graduated from the University of Derby in the 2007/08 academic year. Graduates are contacted six months after they graduate, and asked about any employment or further study they are engaged in. 60% of graduates completed the survey, and the sample did not include non-EU graduates.
- 2.20 The results show that 40% of graduates who went into employment were employed within Derby.

Table 2.3 Status of All Graduates Surveyed, regardless of location

Graduate Status	Total	Percentage
Full time paid work only	843	51%
Further study only	212	13%
Part time paid work only	202	12%
Work and further study	198	12%
Assumed to be unemployed	136	8%
Not available for employment	34	2%
Other	26	2%
Voluntary/unpaid work only	9	1%
Overall	1660	100%

Source: University of Derby, DLHE 07/08

- 2.21 Table 2.4 indicates whether the place of work for graduates in employment is within the Derby 'DE' postal area, i.e. graduates 'retained in Derby' are employed within this area. Only graduates in employment are included. This shows that a total of 40% of graduates

were retained in Derby, although nearly three quarters of these originated from the city.

Table 2.4 Graduate Retention

Retention in Derby	Total	Percentage
Not retained	655	52%
Originated in Derby, retained in Derby	335	27%
Retained in Derby	157	13%
Originated in Derby, not retained	105	8%
Overall	1252	100%

Source: University of Derby, DLHE 07/08

2.22 The following tables show figures for graduates retained within the Derby (DE) area. Table 2.5 shows the classification of jobs for graduates retained in Derby

Table 2.5 UoD Graduate Jobs, by Standard Occupational Classification (for those retained in Derby only)

SOC Grouping	Total	Percentage
Professional Occupations	160	33%
Associate Professional and Technical Occupations	104	21%
Sales and Customer Service Occupations	66	13%
Managers and Senior Officials	47	10%
Administrative and Secretarial Occupations	46	9%
Elementary Occupations	28	6%
Personal Service Occupations	24	5%
Skilled Trades Occupations	12	2%
Process, Plant and Machine Operatives	5	1%
Overall	492	100%

Source: University of Derby, DLHE 07/08

Table 2.6 UoD Graduate Jobs, by Standard Industry Classification (for those retained in Derby only)

SIC Grouping	Total	Percentage
Health and Social Work	178	36%
Construction	72	15%
Education	62	13%
Manufacturing	42	9%
Hotels and Restaurants	29	6%
Property Development, Renting, Business and Research Activities	29	6%
Electricity, Gas and Water Supply	17	3%
Wholesale and Retail Trade; Motor Vehicle and Household Good repair	15	3%
Transport, Storage and Communication	12	2%
Financial Activities	11	2%
Other Community, Social and Personal Service Activities	11	2%
Public Administration and Defence; Social Security	10	2%
Mining and Quarrying	4	1%
Overall	492	100%

Source: University of Derby, DLHE 07/08

- 2.23 The Guardian uses a national classification system to define whether jobs are 'graduate' level or not. Table 7.4 shows that 62% of Derby graduates in employment were in graduate level jobs according to this classification.

Table 2.7 Graduate Level jobs

SOC Guardian Graduate level	Total	Percentage
Graduate	307	62%
Non-graduate	185	38%
Overall	492	100%

Source: University of Derby, DLHE 07/08