

Chapter 6

Development, Economic Infrastructure and Connectivity

Introduction

- 6.1 This chapter considers the provision of physical infrastructure and the emerging spatial planning issues that have a direct impact on the economy. The focus is on the three specific areas of; Housing, Employment Land and Transport.
- 6.2 Each of these themes has its own strategic development plans, being led by Derby City Council; the Strategic Housing Market Assessment (SHMA), the Core Strategy of the Local Development Framework, and the 3rd Local Transport Plan (LTP3).
- 6.3 Before considering the detail of each of these three aspects of economic development it is important to provide some general context about the city and its main economic infrastructure, predominantly the city centre and district centres.

Derby City Centre

- 6.4 The city centre is Derby's main commercial, shopping, business and cultural centre. The quality of the city centre, including its commercial and cultural offer, plays a large role in attracting investors and tourists to Derby.
- 6.5 There have been several major new developments in the city centre over recent years, including the Westfield Centre, a new Magistrates' Court, the Joseph Wright Centre, Friar Gate Studios and Quad Arts Centre. Construction of Derby Riverlights was completed during the summer of 2010, providing around 15,000m² of new leisure, office and retail floor space as well as a new bus station.
- 6.6 Evidence indicates that the city centre, in particular, needs more modern office floor space to be competitive. The quality of city centre office supply has been recognised as being poor for some time. However, some of the planning permissions in the pipeline will help to address this problem if they are developed. The City centre Masterplan also identifies several other opportunities for development, including areas within the Cathedral Quarter and Castleward.
- 6.7 There has been a concerted effort in recent years to promote the city centre as a place to live. This is seen as important in terms of promoting sustainable patterns of development, improving people's

access to facilities and services and helping to improve the city centre's economy, vibrancy and safety. The Masterplan identifies a number of large sites that could accommodate a significant number of new homes, including the Derbyshire Royal Infirmary site, Castleward and Friar Gate Goods Yard.

District Centres

6.8 Derby has a total of 13 recognised district centres within its boundary, which provide important local infrastructure, particularly convenience retail, for large residential areas of the city. Derby's District Centres are:

- **Normanton Road / Peartree Road**
- **Allenton**
- **Allestree (Park Farm)**
- **Alvaston**
- **Cavendish**
- **Chaddesden (Nottingham Road)**
- **Chellaston**
- **Littleover**
- **Mackworth**
- **Mickleover**
- **Oakwood**
- **Sinfin**
- **Spondon**

6.9 Many of the district centres include representation from national retailers such as Somerfield, Tesco, Wilkinsons and Blockbuster. According to the Roger Tym Retail Study (2008) Derby's highest ranked centres in the *UK Shopping Index* are Chaddesden, Spondon, Alvaston and Allestree Park Farm.

6.10 All of the district centres predominantly serve their local residential populations but many attract people from beyond the immediate residential boundary.

6.11 The Normanton Road/Peartree Road linear centre forms an important retail corridor to the south of the city centre. The centre offers a strong and diverse retail mix, much of which is catered towards ethnic communities.

Lightspeed Derby

6.12 Today's cities require more than just the physical infrastructure of road, railways and buildings – they require up to date telecommunication systems to ensure all sectors of their economy remain competitive.

Investment decisions are increasingly influenced by the provision of adequate broadband infrastructure.

- 6.13 LightSpeed Derby is a cross-sector initiative working to make sure that Derby has a telecommunications infrastructure fit for the 21st Century, in order to underpin its economic and social development.
- 6.14 LightSpeed Derby is focused on achieving two key outcomes:
- By 2012 Derby would have a locally managed core fibre network linking up the premises of all public sector agencies, all major businesses, business parks and all major new developments, providing future-proof capacity at affordable prices and supporting collaboration and joint working.
 - By 2016 Derby will have next generation broadband access available to 100% of homes and businesses.
- 6.15 On the whole Derby has a reasonable broadband service to the home and small business but with some clear exceptions. Some parts of Pride Park have very poor connectivity over conventional broadband. For example, one software company based in Pride Park had real problems with getting broadband, and it was discovered that this was because the line length from the business to the telephone exchange was 16 kilometres. However, offices only a few hundred yards away have a line length to the exchange of only 3 kilometres.
- 6.16 Other units in the city centre have experienced very poor download speeds and have chosen to pursue temporary contracts to utilise more effective cable fibres, some at a cost of £600 per month, which has raised concerns over long term viability. Lightspeed Derby aims to facilitate a step change where the whole city can be serviced by effective telecommunications to avoid such problems.

Housing

Housing and the economy

- 6.17 This section presents key statistics about the local housing market and the implications for the local economy. This chapter uses the Derby Housing Needs and Market Study (2007) and the Strategic Housing Market Assessment (SHMA 2008) as the basis for its content. The Derby Housing Market Area (HMA) includes Derby City as well as the Derbyshire districts of Amber Valley and South Derbyshire.
- 6.18 The SHMA was developed during 2008, around the time when the housing market collapsed due to national recession so further analysis may be required to take account of the most recent implications of local housing policy on the economy of Derby.

Overview of Housing in Derby

- 6.19 Some headline figures for housing in Derby:
- In 2008, Derby had 104,437 homes
 - 13,713 (13%) were rented from the Council
 - 7,068 (7%) were rented from a Housing Association/Registered Social Landlord
 - 83,604 (80%) were private properties (either owner occupied or privately rented)
 - 52 were classed as 'other'.
- 6.20 During 2008/09 the number of new homes in Derby increased by 478 (NI 154). This was significantly lower than in previous years due to the rapid contraction of the housing market during 2008. However, between April 2005 and March 2009 the number of homes in Derby increased by a net 3,517.

Derby Internal Housing Market Area (IHMA)

- 6.21 The thirteen Derby Internal Housing Market Areas were identified in 2001 using Land Registry house price data combined with data results from the Housing Market Study, the joint Housing Register, and Council, RSL and private lettings data. Significant local knowledge was used to define these boundaries. For Derby, the use of travel to work areas alone to determine internal housing market areas would have been problematic given the concentrated urban characteristics. Figure 6.1 outlines the IHMA's in Derby.

Figure 6.1 Derby's Internal Housing Market Area



Source: Derby City Council, 2010

- 6.22 It is useful to use the IHMA to identify variations in housing demography within the city.
- 6.23 The Derby Housing Needs and Market Study indicates that there are marked variations in the tenure mix across Derby city's thirteen internal housing market areas, as highlighted in Table 5.1. Osmaston/Allenton housing market area to the south of the city has the lowest percentage of home ownership (43.5%) closely followed by Central Derby (48%) and Derwent (53.7%). The highest percentage of home ownership occurs in Mickleover / Littleover (89.4%), Oakwood (89.4%) and Allestree / Darley Abbey (84.5%).

Table 6.1 Tenure by Internal Housing Market Area

Housing Market Area	Owner Occupied (%)	Share Ownership (%)	Social Rented (%)	Private Rented (%)	Other (%)
Allestree/Darley Abbey	84.5	0	7.1	7.1	1.3
Alvaston	68.2	0.5	26.0	4.7	0.5
Central Derby	48.0	0.4	25.6	24.4	1.6
Chaddesden	70.3	0	27.9	1.8	0
Chellaston	74.8	0	21.0	4.2	0
Derwent	53.7	0.8	36.4	8.3	0.8
Mackworth	58.1	0	41.9	0	0
Mickleover/Littleover	89.4	0.4	5.5	3.8	0.8
Normanton/Peartree	65.4	0	15.4	17.3	1.8
Oakwood	89.4	0	1.3	9.3	0
Osmaston/Allenton	43.5	0	45.2	10.2	1.1
Spondon	79.8	0	13.8	5.5	0.9
Sunnyhill/Sinfin	62.0	0	34.0	4.0	0

Source: Derby City Council Housing Needs and Market Assessment 2007

6.24 Although Central Derby has one of the lowest rates of home ownership it has the highest rate of private rented accommodation (24.4%). Almost a half of the properties in Osmaston / Allenton are socially rented compared to just 1.3% in Oakwood housing market area. The HNMA highlights that internal market areas with higher levels of social housing tenures tend to report higher levels of housing related problems.

Changes in Housing Stock

6.25 During the last 20 years there have been a large number of housing developments in and around the city boundary. Housing developments within neighbouring authority areas have been even more prolific, as highlighted in Table 6.2

Table 6.2 Housing Stock Numbers (1991, 2001 & 2008)

Area	1991 Census*	2001 Census*	2008 HSSA**	Change 1991 – 2008	Change 1991 – 2008 (%)
Amber Valley	46,806	51,021	53,667	+6,861	+14.7
Derby City	92,857	98,587	104,437	+11,588	+12.5
South Derbyshire	29,007	33,770	38,480	+9,473	+32.7
Derby Sub – Region	168,670	183,378	196,584	+27,914	+16.5
Derbyshire	282,082	319,816	395,977	+113,895	+40.4
East Midlands	1,559,980	1,798,829	1,903,417	+343,437	+20.0

Source: *Census 1991 & 2001

**2008 Local Authority Housing Strategy Statistical Appendices

6.26 The HSSA 2009 states a figure of 105,114 for total dwellings in Derby, based on council tax records.

House Prices

6.27 Provision of housing within any area will have significant impacts on its economy, not only by determining how many people are able to live in a locality but also by attracting and retaining workers and others with the skills, attributes and characteristics that impact on the area.

6.28 Housing costs are a major factor in determining how a local economy functions. If they are too high compared to incomes or poor value, it will be difficult to attract people to the area and people may choose not to stay. Within the context of the wider housing market, prices in Derby are relatively moderate. However, as in any city, they vary considerably within the urban area.

6.29 In 2008, the mean (average) house price in Derby was £143,500. Although the city has experienced one of the highest increases in mean house prices in the region since 1997, prices remain significantly lower than the East Midlands average of £163,300. National and regional trends have shown that prices peaked in 2007 and noticeably dropped with the on-set of recession in 2008.

Table 6.3 House Price Trends

	2005	2006	2007	2008
Derby	£136,670	£145,659	£150,977	£143,586
East Midlands	£153,733	£160,220	£168,813	£163,293
England	£192,247	£206,715	£222,619	£220,310

Source: DCLG, Mean House Prices from Land Registry

6.30 Average house prices vary considerably across Derby. During 2008 the highest average house prices occurred in Allestree (£222,600), Littleover (£222,200) and Mickleover (£181,300) wards. Notably the average prices in Allestree and Littleover are more than £40,000 higher than any other ward in the city. Pockets of high house prices do occur within other wards, notably in Darley, Chellaston, Oakwood and Abbey, which all have significant numbers of high value detached houses.

Table 6.4 Average House Prices, by ward, 2008

Ward	Average House Prices				
	All properties	Detached	Semi-detached	Terraced	Flat
Abbey	£119,725	£207,495	£127,543	£106,389	£110,374
Allestree	£222,592	£268,295	£178,948	£152,415	£104,279
Alvaston	£105,100	£161,747	£109,293	£94,098	£96,448
Arboretum	£113,005	£138,833	£138,234	£99,616	£131,769
Blagreaves	£158,695	£199,255	£142,043	£139,111	#
Boulton	£110,636	£142,364	£111,307	£103,093	£75,490
Chaddesden	£127,214	£169,824	£118,279	£99,858	#
Chellaston	£176,982	£236,668	£139,037	£128,208	#
Darley	£168,631	£309,929	£169,666	£156,473	£122,188
Derwent	£107,229	£162,056	£105,820	£97,482	#
Littleover	£221,162	£289,255	£175,563	£136,850	£164,825
Mackworth	£122,259	£251,937	£114,864	£106,581	£138,423
Mickleover	£181,299	£239,108	£159,829	£156,156	#
Normanton	£100,839	£170,158	£113,472	£89,898	#
Oakwood	£149,531	£207,974	£126,104	£107,425	#
Sinfin	£97,489	£152,800	£100,596	£81,960	£72,285
Spondon	£132,805	£193,915	£129,798	£129,568	£87,706
Derby	£142,592	£229,652	£131,437	£111,213	£111,371
East Midlands	£162,443	£242,392	£140,859	£119,013	£111,726

- fewer than 5 sales

Source: HM Land Registry, 2008

6.31 The wards with the lowest average house prices were Sinfin (£97,500), Normanton (£100,800) and Alvaston (£105,100) – in all of these wards average house prices were less than half of the average prices in Allestree and Littleover.

Housing Affordability

6.32 In a sustainable, balanced local economy there will be an expectation by a majority of households that they will be able to buy their own home at some stage in their lives. If they cannot, then this will create an incentive to move where they can.

6.33 In 2008 the average house price in Derby was 4.5 times the average household income within the city. This compares to an average house price approximately 5 times average household income in England and Wales, as shown in Table 6.5.

6.34 Within Derby, Allestree (7.0:1), Littleover (6.9:1) and Mickleover (5.7:1) wards had the highest average house price to household income ratios. Sinfon (3.1:1), Normanton (3.2:1) and Alavston (3.3:1) had the lowest average house price to household income ratios.

Table 6.5 House Affordability, 2008

Ward	Average house price	Affordability (price to income ratio – based on Derby household income)
Abbey	£119,725	3.8:1
Allestree	£222,592	7.0:1
Alvaston	£105,100	3.3:1
Arboretum	£113,005	3.5:1
Blagreaves	£158,695	5.0:1
Boulton	£110,636	3.5:1
Chaddesden	£127,214	4.0:1
Chellaston	£176,982	5.5:1
Darley	£168,631	5.3:1
Derwent	£107,229	3.4:1
Littleover	£221,162	6.9:1
Mackworth	£122,259	3.8:1
Mickleover	£181,299	5.7:1
Normanton	£100,839	3.2:1
Oakwood	£149,531	4.7:1
Sinfon	£97,489	3.1:1
Spondon	£132,805	4.2:1
Derby	£142,592	4.5:1
England and Wales	£176,043	5.0:1*

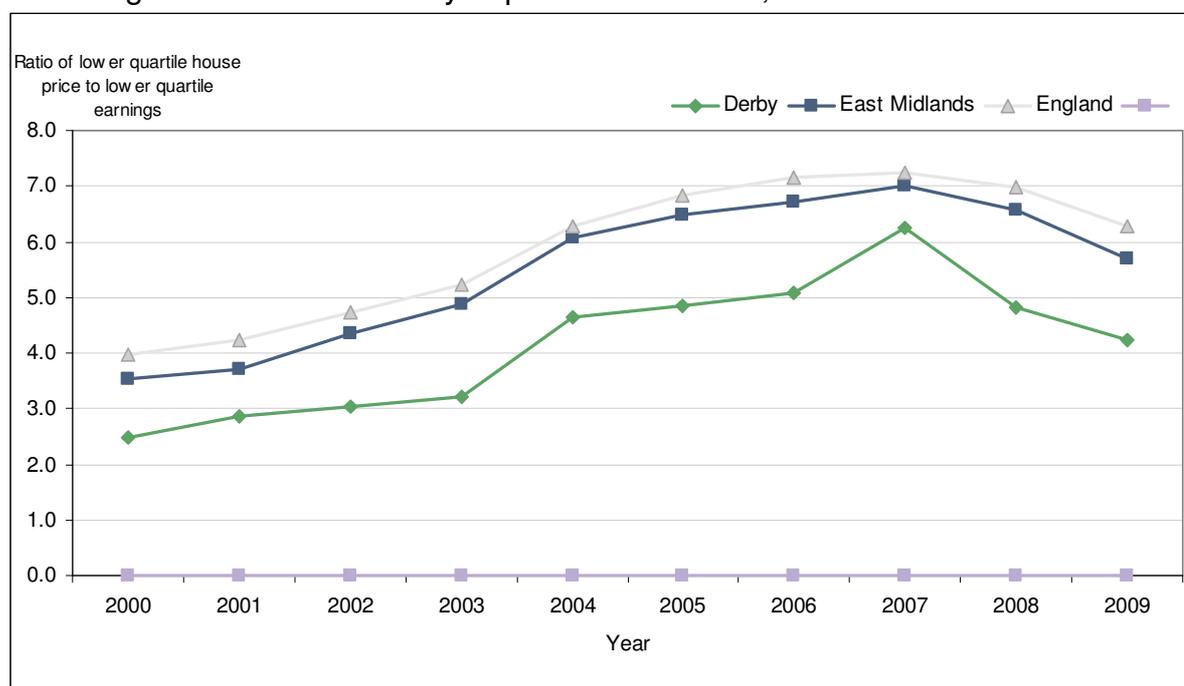
Sources: HM Land Registry, 2008; CACI Ltd, Paycheck, 2008

* - 2009 Paycheck data for UK used for Household Income

6.35 Using the ratio of lower quartile house prices to lower quartile incomes, Derby is one of the more affordable areas in the East Midlands. In Derby in 2009, lower quartile house prices were 4.2 times the amount of lower quartile incomes, which is a lower ratio than in the East Midlands and England (5.7 and 6.3 respectively). This is a product of the relatively low house prices in Derby combined with above average

incomes. Trend data shows that housing has become much more affordable in Derby since the house price peak in 2007.

Figure 6.2 Affordability of purchased homes, 1999 – 2009



Source: CLG, Annual Survey of Hours and Earnings, ONS and Land Registry, ONS 2010

Housing Development

6.36 The Coalition Government has announced that one of its structural reform priorities is to meet people’s housing aspirations, including by providing local authorities with strong and transparent incentives to facilitate housing growth. Recognition has been given to the fact that house building has been declining over the past few years and is at its lowest peacetime level since 1924 and taking action to address this is regarded as a priority for Government.

6.37 The pre-reform top down approach which revolved around an ambition to deliver two million new homes in England in the period up to 2016 has been abandoned. As part of the reform the Government has announced its intention to revoke, through the Localism Bill, the East Midlands Regional Spatial Strategy including its house building targets and spatial distribution policies. As a consequence, Derby City and its neighbouring Housing Market Area local authorities will be taking a fresh look at how much development is needed and where potential new housing, jobs and community facilities should be provided. Local housing provision targets will therefore be developed through the Local Development Framework Core Strategy preparation process.

- 6.38 The Council’s LDF Annual Monitoring Report (published December 2009), shows that 2,632 dwellings had been built between March 2006 and March 2009.
- 6.39 In addition, another 5,536 dwellings had planning permission or were allocated within the City of Derby Local Plan Review. Sites for a further 3,358 dwellings have planning permission outside the City in South Derbyshire and Amber Valley.

Derby HMA Strategic Housing Land Availability Assessment

- 6.40 Strategic Housing Land Availability Assessments (SHLAA) are a technical tool to help local authorities identify potential land supply for housing development in their areas. The SHLAA is therefore a key part of the LDF and Core Strategy evidence base, and informs the process of allocating sites through the LDF.
- 6.41 Much of the land supply identified by the SHLAA consists of relatively small sites, however there are a number of larger, more strategic sites, as set out in table 6.7 below:

Table 6.7 Potential Housing Sites, Derby City

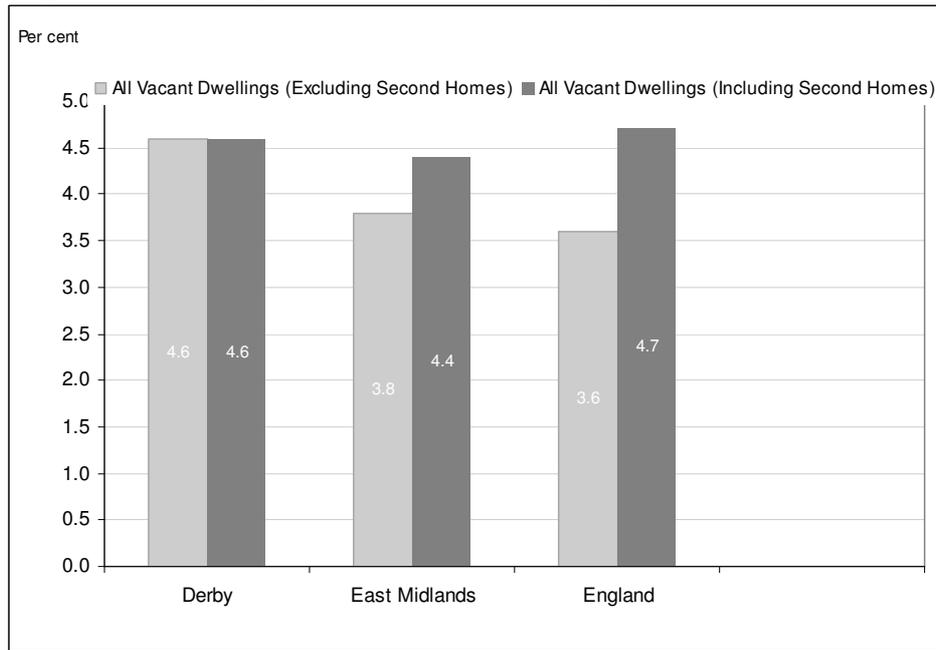
Site Ref	Location	Approx capacity dwellings
DE1	Wragley Way	300
DE2	Pastures Hospital Extension	164
DE3	Hackwood Farm	980
DE4	Moorway Lane Green Wedge	1000
DE5	Rykneld Road	980
DE6	Chaddesden Sidings	1000
DE7	Osmaston Triangle	Up to 2500
DE8	City Centre (excluding Friar Gate Station)	Up to 2000
DE9	Boulton Moor (Derby)	1200
DE10	Friar Gate Station	650
DE11	Manor/Kingsway Hospital	700

Source: Derby HMA SHLAA, 2010

Vacant Housing

- 6.42 In 2008 Derby had 4,818 vacant dwellings, which was 4.6% of all homes. This is greater than the proportion of vacant homes in the region and in England.

Figure 6.3 Proportion of vacant dwellings, 2008



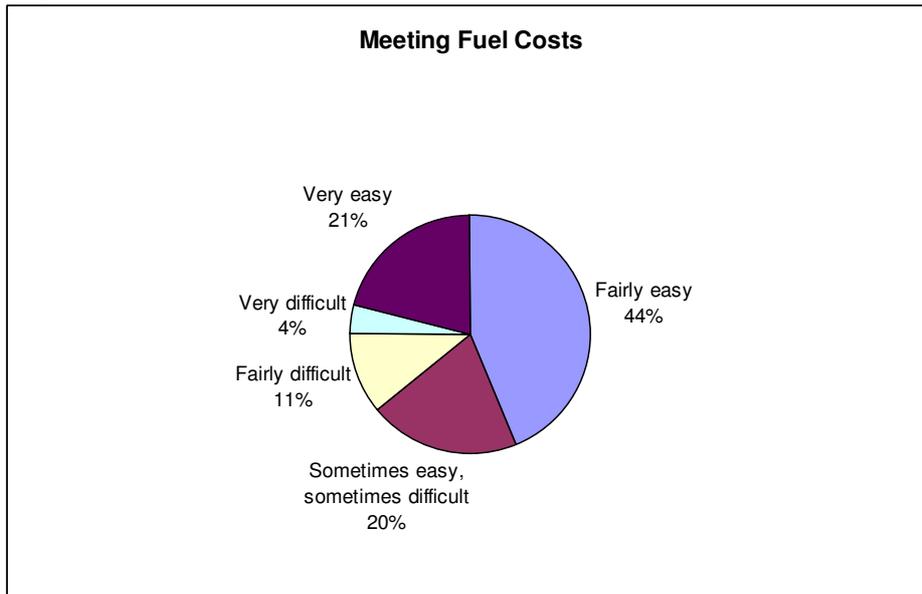
Source: CLG, via Neighbourhood Statistics, ONS 2010

Fuel Poverty

- 6.43 The HNMS¹ survey found that of the respondents to the survey, one quarter (25.5%) of households ‘sometimes’ only heat one or two rooms to keep bills low. A further 11.7% of households ‘always’ only heated one or two rooms to keep bills low and of these 48.8% had an annual gross household income of less than £15,000.
- 6.44 One fifth of households (22.7%) sometimes keep their heating turned off for longer than they would like to, to save on fuel costs. A further 7.7% always keep the heating turned off for longer than they would like to keep heating bills low.
- 6.45 Figure 6.4 shows that 14.9% of households found paying for their fuel either fairly difficult or very difficult with a further 20.3% occasionally finding it difficult. Given that energy prices have risen significantly since the survey was conducted (2007) and will in all likelihood continue to do so, fuel poverty remains a significant issue within Derby.

¹ Housing Needs and Market Study 2007, Derby City Council

Figure 6.4 Difficulty / ease meeting fuel costs



Employment Land and Workspace

- 6.46 Employment land and workspace play a vital role in a local economy by accommodating enterprises that create jobs and deliver goods and services to customers and businesses. A balanced supply is seen as having enough available employment land and premises in the right locations and of the right quality and size to meet the needs of existing firms and potential inward investors.
- 6.47 Having a balanced supply of land can provide a source of economic competitiveness for a local economy. The economy does not take account of local authority boundaries so it is important that the supply of land within the wider Derby HMA is considered.

Derby Employment Land

- 6.48 Traditionally, the city has relied on its advanced engineering industries, which has created large swathes of manufacturing land, particularly for specialist rail and aerospace industries.
- 6.49 The city centre has relatively poor quality stock of offices, which has impacted on inward investment. Improving the office provision is a top priority for the city and the HMA Employment Land Review (2008) suggested that further out-of-centre office development should be restricted in order to facilitate regeneration. The poor city centre office stock has been offset by the success of Pride Park, which has ensured that Derby has continued to attract investment throughout the past decade. However, as this area is near capacity, alternative solutions are needed.

Derby HMA Employment Land Review

- 6.50 The Derby HMA Employment Land Review, published in March 2008, assessed the supply, need and demand for employment land and premises related to business use in the Derby HMA.
- 6.51 Based on 2006 employment land availability monitoring results, it was calculated that Derby had an over supply of some 85 hectares, but as the economic driver for the sub region it would be contradictory to reallocate or de-allocate land unless absolutely necessary. The employment land base of the city also provides alternative uses given the complex nature of its property and employment market, being a big city.
- 6.52 The report concluded that while there was a significant over supply, there was a lack of immediately available sites, with some being constrained by lack of infrastructure. However, Derby does not have an issue with poor quality employment land, with the majority of proposed and existing sites being considered 'above average' at worst. The report did back up the view that Derby's city centre office supply

was poor and that, in order to facilitate regeneration, further out-of-centre office development should be restricted but not completely stopped.

- 6.53 In Amber Valley, to the north of Derby, there was also considered to be an over supply of employment land but many existing sites were of poor quality. Given the land quality problems in Amber Valley it could be argued that Derby’s surplus capacity offered options to accommodate business that could not find appropriate land or property to the north.
- 6.54 The East Midlands Regional Assembly produced a Regional Land Provision study in 2006², which outlined projections for employment land requirements in the region based on emda’s economic forecast to 2016, produced by Experian. It cited the following forecasts:

Table 6.8 Demand for employment floorspace in Derby 2003-16

Sqm	Floorspace Stock 2003	Floorspace Change 2003-16	Floorspace change per annum
Offices	539,000	139,852	10,758
Industrial	3,411,000	-243,750	-18,750
Warehousing	955,000	80,354	6,181
Total B Space	4,905,000	-23,544	-1,811

Experian, DCLG, via EMRA Land Provision Study, 2006

Table 6.9 Demand for Employment Land in Derby, 2003-16

Hectares	Estimated Stock 2003	Change in land area Forecast	Change per annum Forecast
Offices	135	35	3
Industrial	853	-61	-5
Warehousing	239	20	2
Total B Space	1,226	-6	0

Experian, DCLG, via EMRA Land Provision Study, 2006

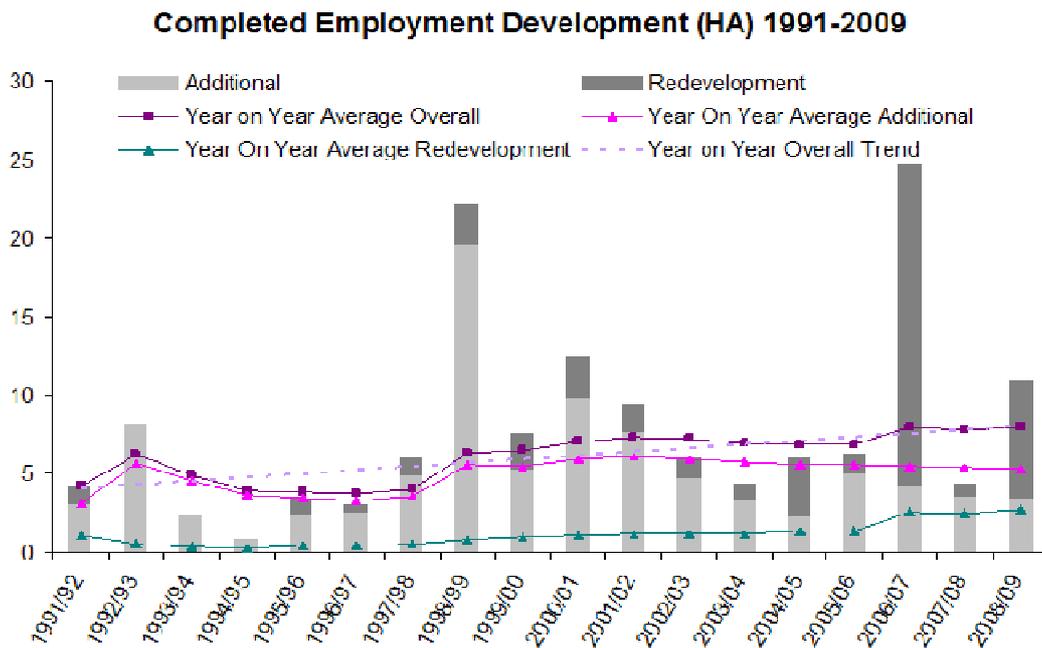
- 6.55 The 2008 review found it difficult to endorse the targets. The recession which took hold after both of these reports has made any previous targets even less relevant as market conditions play an important role. However, despite the recession, Derby’s economic profile with its concentration of advanced engineering industries, makes it difficult to reconcile actual employment land need with EMRA’s forecasts. Normally economic forecasts predict the loss of manufacturing overseas to be replaced by office-based employment. However, although this may happen to some extent in Derby, the very specialised nature of its economy, and the dominance of companies such as Rolls-Royce - mean that this trend is less apparent.

² <http://www.emra.gov.uk/files/file1040.pdf>.

Annual Monitoring Report

- 6.56 The latest Annual Monitoring Report (AMR) reports on the period April 2008 – March 2009. The AMR indicates that during the period 1991-2009 some 143 hectares of employment land have been developed, see Figure 6.5. This is made up of some 95 hectares of ‘new’ land and 50 hectares as part of redevelopment of regeneration schemes.
- 6.57 The report also indicates that there is some 204 hectares of land in the city that either has a planning permission for ‘employment’ development, and/or is allocated for development in the Local Plan. This includes major sites such as Chellaston Business Park, Chaddesden Sidings and Raynesway which total approximately 180 hectares between them.
- 6.58 In terms of activity in the 2008-09 period, completions on ‘new’ land were down on the previous years results and were also below the year on year average of 5.28 hectares. Unusually, ‘redevelopment’ land saw the majority of development (primarily on the former QDF site). This perhaps shows an increasing importance of recycling existing sites now that the opportunities such as Pride Park and the Wyvern Business Park are nearing completion and other sites have not come online.
- 6.59 Importantly, no employment land of any type was under construction at the end of March 2009. This will clearly impact on the number of completions in the next AMR. It was certainly indicative of the general economic climate but will also be related to the lack of readily available employment land sites.

Figure 6.5 Employment Land Development in Derby 1991 - 2009



Source: Derby City Council AMR, 2009

Strategic Employment Sites

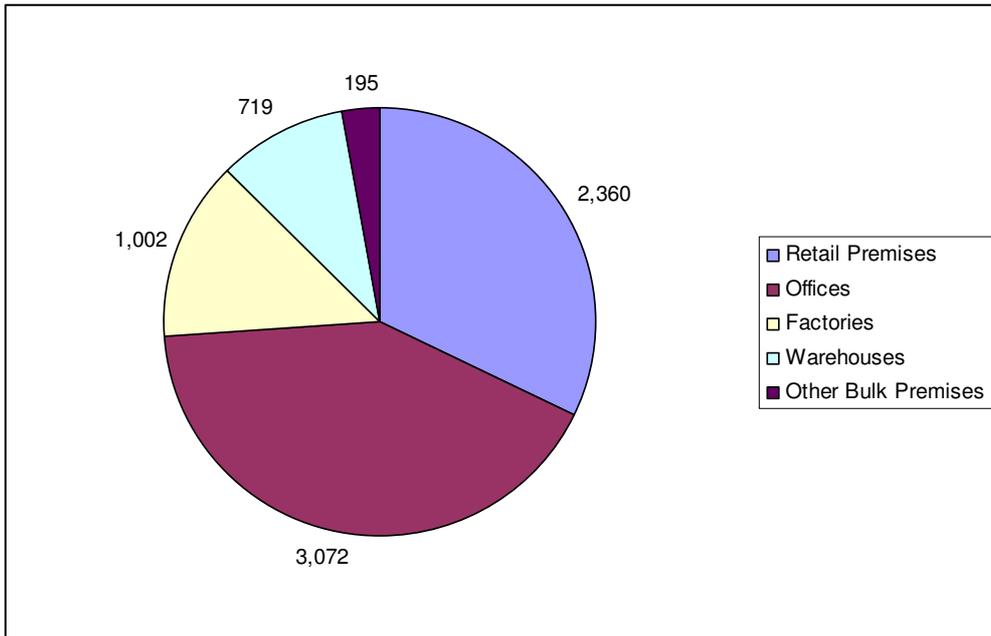
6.60 As a result of the LDF Issues and Ideas consultation and a ‘call for employment sites’ exercise undertaken in 2009 a number of specific sites have been identified as being important strategic sites. These include the existing allocations at Chellaston Business Park and Chaddesden Siddings. The importance of the southern part of the city, in particular with its relationship to the airport and potential areas of growth in the principal urban area, were identified as being important to future strategy.

6.61 Similarly, ensuring that new employment generating development is accessible by alternative modes of transport to the car is an important issue. Therefore, accommodating new employment development in the west of the city was seen as a way of redressing the balance in employment sites and allowing people to live near where they work.

Commercial and Industrial Floorspace

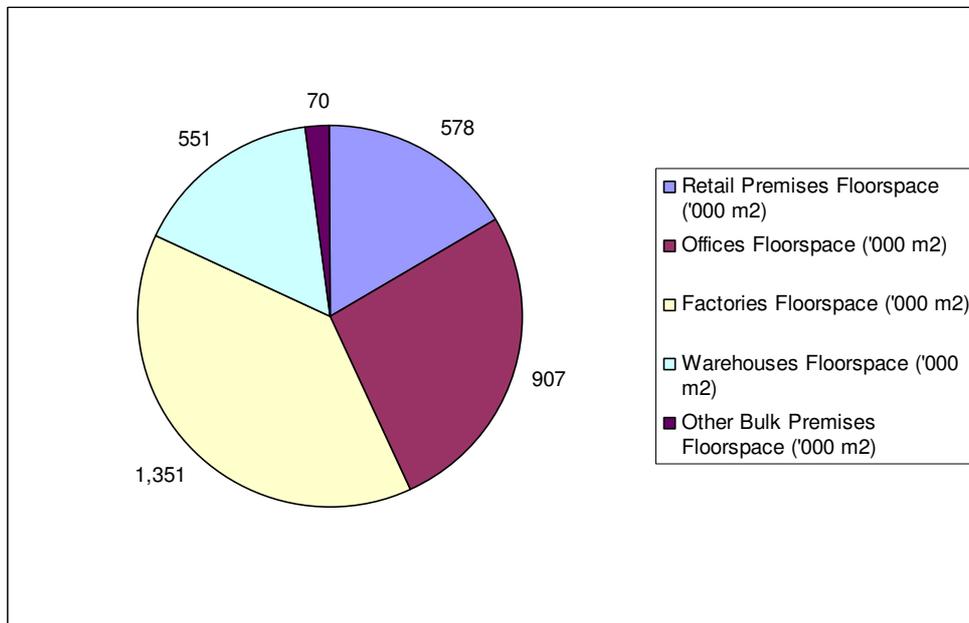
6.62 The stock of commercial and industrial premises in Derby has followed similar patterns to employment, with increasing stock for offices and warehousing and a declining stock for industrial. Figures 6.6 and 6.7 highlight the number of premises in Derby and their associated floorspace.

Figure 6.6 Commercial and Industrial Premises Count for Derby, April 2008



Source: NeSS, 2008

Figure 6.7 Commercial and Industrial Floorspace ('000 m2) for Derby, April 2008

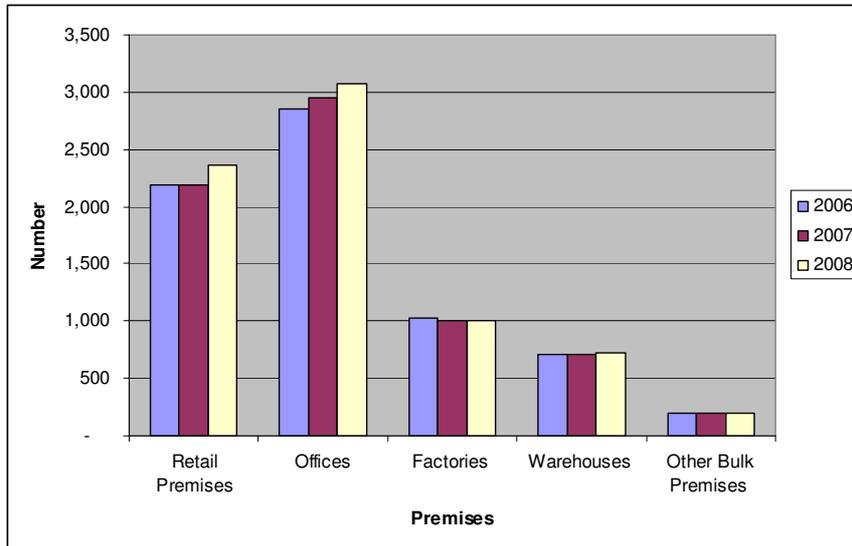


Source: NeSS, 2008

6.63 During the past decade there have been significant increases in the number of office units in the city, most notably through the expansion of Pride Park. Numbers of retail premises have also increased, particularly with the development of the Westfield Centre. The shopping centre was opened in October 2007 and the impact this had on the retail floorspace of the city can be seen in figures 6.8 and 6.9.

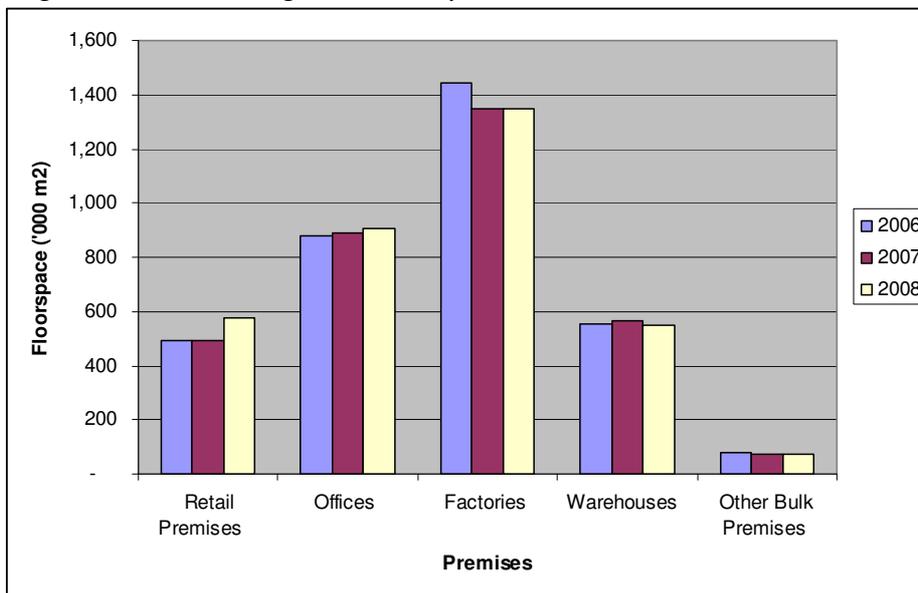
The methodology of how premises and floorspace is counted was changed in 2005 so it is not possible to compare the latest data with that of ten years ago. The general trend of increasing office and retail premises and decreasing factory premises can be seen when comparing data from 2006.

Figure 6.8 Change in Stocks 2006 - 2008



Source: NeSS, 2008

Figure 6.9 Change in Floorspace 2006 – 2008



Source: NeSS, 2008

Transport

The Importance of Transport

- 6.64 Transport is vital to sustaining the economic performance of any city. Efficient public transport and a well developed infrastructure can be one of the most important factors affecting the decisions of people to live, work and invest in a location. In itself transport cannot create economic potential. However, good transport connectivity is considered a prerequisite for economic competitiveness and can help create new employment and inward investment opportunities.
- 6.65 The Local Transport Plan process, initiated in 2000, led local authorities to directly consider how well their transport networks, and particularly public transport, provided access to employment as well as other services such as GP surgeries, schools and shops.
- 6.66 The Government's current thinking on transport planning in England is based around the concept of Delivering a Sustainable Transport System (DaSTS). The DaSTS concept is focused on the achievement of five goals relating to economic productivity and growth:
- Climate Change
 - Safety
 - Security and Health
 - Quality of Life and Environment
 - Equality and Opportunity.
- 6.67 In the East Midlands, the DaSTS process has included consideration of the agglomeration effects of the three cities.

LTP3

- 6.68 Derby City Council is currently preparing its third Local Transport Plan - LTP3. LTP3 will be published by April 2011 and will extend the long term transport strategy to 2026, including outlining schemes for the years after 2011. The boundary of LTP3 is likely to be the administrative boundary of Derby City. This plan will be closely aligned to the County Council transport plan to ensure they compliment one another and help to achieve sustainable development for the Housing Market Area. The following sections outline some of the major transport planning issues for Derby and its wider economic area, based on the LTP Problems and Issues paper of December 2009.

Derby Transport Networks

The Road Network

- 6.69 The key road infrastructure in and around Derby includes the Trunk Road Routes of; the A38, A50, A52, A6 and A5111. These roads are part of the national and regional road network that are maintained by the Highways Agency but also serve local and regional travel demand as well as long distance travel. The remaining primary road network within the city provides both a local and regional function and is maintained by the city council.
- 6.70 As the country's most central city, Derby often promotes itself as being highly accessible. The M1 motorway lies a few miles from the eastern border of the city. This is a key asset and highly influential on the economy as it allows easy access to the north and south for freight, commuting and leisure. The M1 forms a natural barrier between Derby and Nottingham, effectively defining the boundaries of core catchment areas for both cities.

Connecting Derby

- 6.71 Connecting Derby is a package of road improvement schemes to enhance accessibility to the city centre, improve conditions for cyclists and pedestrians and make bus journeys more reliable and involves the completion of Derby's inner ring road. This scheme will be completed during 2011 and will benefit the economy of the city through improved accessibility and reduced congestion.

Rail Network

- 6.72 In relative terms, Derby is well served by rail but this provides mainly inter urban connections rather than intra urban travel within Derby. A large proportion of British cities can be accessed directly from Derby including neighbouring Leicester and Nottingham. In addition, there are a small number of local connections that provide services to towns and villages in the rural hinterland such as Duffield, Belper and local connections to Nottingham. The main national rail operators that serve Derby are East Midlands Trains and Cross Country Trains.
- 6.73 Derby Station is currently undergoing an £18m refurbishment. To date this has involved installing lifts from the over-bridge to all platforms and the introduction of automatic ticket barriers. Major changes are planned within 2011. Works will be taking place at the front of the station which includes the introduction of a new bus interchange and changes to the short stay car park and taxi rank.

Main Rail Travel Patterns and Patronage

6.74 Rail patronage from Derby Midland Rail Station has been growing in recent years. The services available from Derby provide excellent connections to the West Midlands, South Yorkshire and London and the South East. The completion of the channel tunnel rail link to St Pancras station has opened up wider opportunities for business and leisure travel within Europe and beyond.

6.75 National ticket sales information provided by Midland Mainline, the operator of Derby Midland rail station showed that the most popular destinations from Derby are as follows:

London	21.1%
Birmingham	13.4%
Nottingham	8.8%
Leicester	7.6
Sheffield	5.6%

Source: Midland Mainline, 2009

6.76 The ticket sales data showed that the most popular locations where people have travelled to Derby by rail from are:

London	22.6%
Birmingham	13.1%
Nottingham	8.7%
Leicester	7.1%
Sheffield	5.1%

Source: Midland Mainline, 2009

6.77 Further data obtained from Midland Mainline show that over three million people a year use Derby rail station, as seen below:

Table 6.10 Annual UK rail passenger volumes at Derby Midland rail station

Year	Mon-Fri	Sat	Sun	Total	Year on year changes	Change from 2001
2001	2,169,227	344,521	232,820	2,746,568		
2002	2,047,149	349,363	235,566	2,632,078	-4.2%	-4.2%
2003	2,240,288	384,712	260,697	2,885,697	9.6%	5.1%
2004	2,353,290	444,346	301,663	3,099,299	7.4%	12.8%
2005	2,503,885	411,603	276,432	3,191,920	3.0%	16.2%
2006	2,587,667	405,872	280,348	3,273,887	2.6%	19.2%
2007	2,590,295	405,864	269,389	3,265,548	-0.3%	18.9%
2008	2,856,409	471,295	355,282	3,682,986	12.8%	34.1%
2009	2,905,515	469,013	454,945	3,829,473	4.0%	39.4%

Source: LTP Issues Paper, 2009

- 6.78 The amount of people using Derby Midland rail station has increased significantly since 2001. The opening of the Eurostar link could account for the rapid increase in 2008.
- 6.79 Since 2006 a number of service improvements have been made including an extension of the Derby- Matlock service to Nottingham. Stops have been removed from the Derby-Nottingham service and the Derby to London service now runs non stop South of Leicester.
- 6.80 The majority of services between Derby and London are now run using Meridian trains and the fast service only takes 1hr 33minutes, including frequent services at morning peak times.
- 6.81 Proposals have been put forward for the electrification of the midland mainline service from London to Sheffield and further north.

Bus and Coach Services

- 6.82 Bus services in and around Derby are predominantly provided by Trent Barton and Arriva. At April 2010 there were a total of 33 bus routes within the city and 33 bus routes that come into the city from outside the boundary.
- 6.83 Services to Matlock and Ashbourne operate with a 20 minute or better frequency and services between Nottingham and Derby run every 10 minutes at peak times. All wards of the city are covered by additional services which all run at an hourly or better frequency.
- 6.84 There are a number of dedicated bus lanes in the city which help to ensure reliability of services and reduce congestion at peak times.
- 6.85 A new bus station interchange opened in the city centre in March 2010 as part of the Riverlights development. The bus station is the hub of the city's bus services with 30 bays for dedicated bus and coach services within the city and to other destinations.

Park and Ride sites

- 6.86 There are two park and ride sites in the city, one at the Meteor Centre which serves visitors from the north of the city, and the other at Pride Park which serves the eastern approach to the city. These are both well established and have proven to be successful in capturing cars that would otherwise park in the city centre. The total usage of park and ride between 1st April 2009 and 31st March 2010 is shown in Table 6.11.

Table 6.11 Park and Ride Usage 1st April – 31st March 2010

P&R Site	Total number of tickets issued
Meteor centre (D1)	171,826
Pride Park (111)	192,030

Source: DCC Transportation

Note: Parking tickets are issued 1 per vehicle but can cover up to 7 people on the bus, therefore actual passenger numbers will be a lot higher.

Current Transport and Travel Trends

6.87 People travel to, from and through Derby from a wide area. Therefore, national and regional transport trends have a direct effect on traffic levels, congestion and travel patterns within Derby.

Traffic Growth

6.88 Figures from the DfT's National Road Traffic Survey show that traffic in the East Midlands region has grown well above the average trend for England since 2000.

6.89 Table 6.12 illustrates that although traffic has not grown as significantly in the three cities sub areas compared to the county areas, traffic in Derby has grown the most by 5.1%.

Table 6.12 Traffic Growth in East Midlands cities and counties 2000-2007

Area	Traffic Growth 2000-2007
Derby City	5.1%
Derbyshire excluding Derby	11.8%
Leicester	3.8%
Leicestershire excluding Leicester and Rutland	9.2%
Nottingham	1.9%
Nottinghamshire excluding Nottingham	15.0%
East Midlands	11.3%
England	9.2%

Source: DfT National Road Traffic Survey, 2008

6.90 Significant parts of the highway network within the Derby LTP area are either at or close to capacity during the weekday morning (0800-0900) and evening (1700-1800) peaks, limiting the amount of traffic growth that could occur during these periods. In the hours adjacent to the peaks, there is still scope for significant traffic growth as there is spare network capacity.

6.91 However, it is traffic growth in the hours adjacent to the traditional peaks that leads to the phenomenon called 'peak spreading' and was one of the main issues identified in LTP2 for Derby. This is where the traditional single hour peaks are extended into the neighbouring hours causing longer periods of congestion on the network. For example, within Derby, data obtained from our network of automatic traffic

counter sites shows that the morning peak period extends from 06:30 to 09:30 and the evening peak period extends from 15:30 to 18:30. This causes significant and sustained congestion on some of the main routes into and out of the city, although not as disruptive as in many other cities.

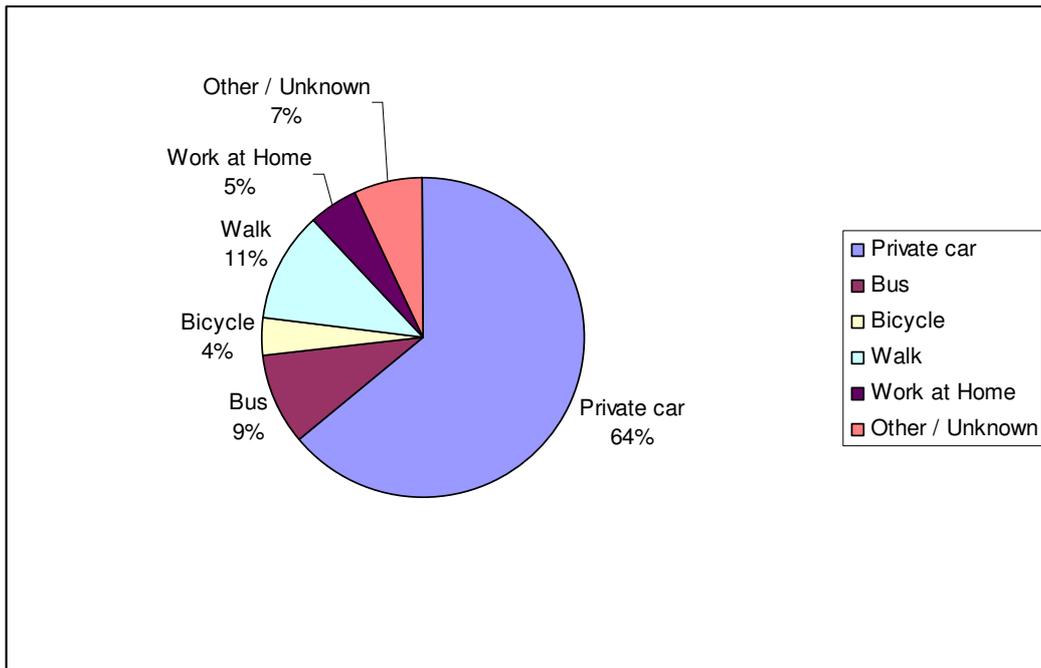
Patterns of Travel Associated with the Economy

- 6.92 Derby's economy generates a demand for travel. This travel includes employees commuting to and from work, business trips, personal trips to access retail and leisure outlets; and movements of materials and goods between suppliers, manufacturers, distributors and customers.
- 6.93 Transport availability and infrastructure plays a key role in facilitating and driving commuting patterns. This in turn impacts on economic geography through facilitating the matching of labour markets and skills with appropriate employment opportunities and helping distribute income from urban areas to surrounding settlements and geographical areas.

Journey to Work

- 6.94 The dominance of the private car as the main mode of transport is especially evident in journeys to and from work. It is this journey that creates the highest levels of traffic and congestion on the road network and is perhaps the journey where there is the greatest opportunity for change.
- 6.95 The 2001 Census Journey to Work provides the most comprehensive and up-to-date information on people travelling to work within Derby. Figure 6.10 highlights the methods of commuting.

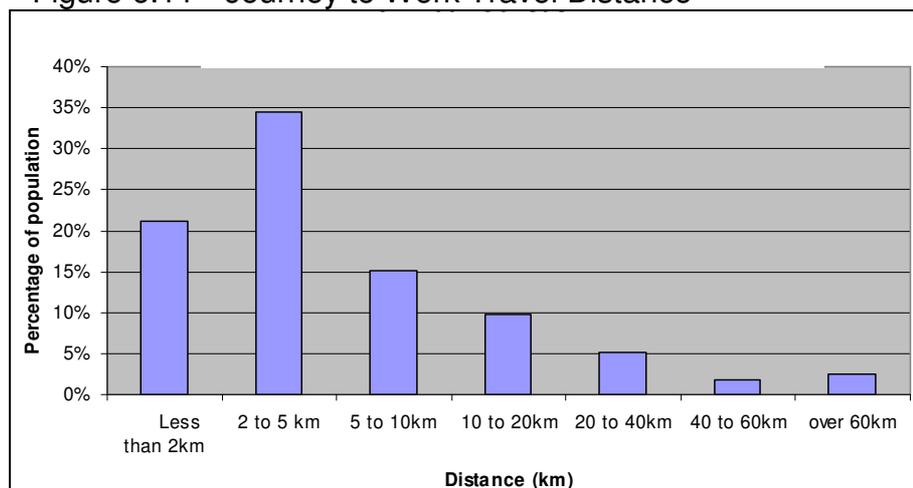
Figure 6.10 Journey to Work, by method



Source: Census 2001

- 6.96 The next Census survey is not due to take place until 2011. There are expected to be some changes in mode share in Derby as a result of increased investment in public transport and sustainable travel modes over the past decade. Additionally, there have been national trends of increased flexible working conditions and improved computing technology which have increased the percentage of people working from home. However, broad trends in travel behaviour are unlikely to have significantly changed since the last census as the factors that control them have not changed considerably. These are primarily car ownership levels and travel costs.
- 6.97 It is interesting to note the relationship between transport mode and distance travelled to work. Overall, around 65% of people who work in Derby live in the Principle Urban Area. The remaining 35% travel from the surrounding local area and beyond.
- 6.98 Figure 6.11 illustrates the distance that people travel to work in Derby and shows that around 55% travel less than 5 kilometres to work. This demonstrates that a large proportion of Derby’s workforce lives relatively close to where they work and yet the mode share information on how people travel to work suggests that the majority drive. It is this group of people that only have a short distance to work where the greatest opportunity is to change travel habits.

Figure 6.11 Journey to Work Travel Distance

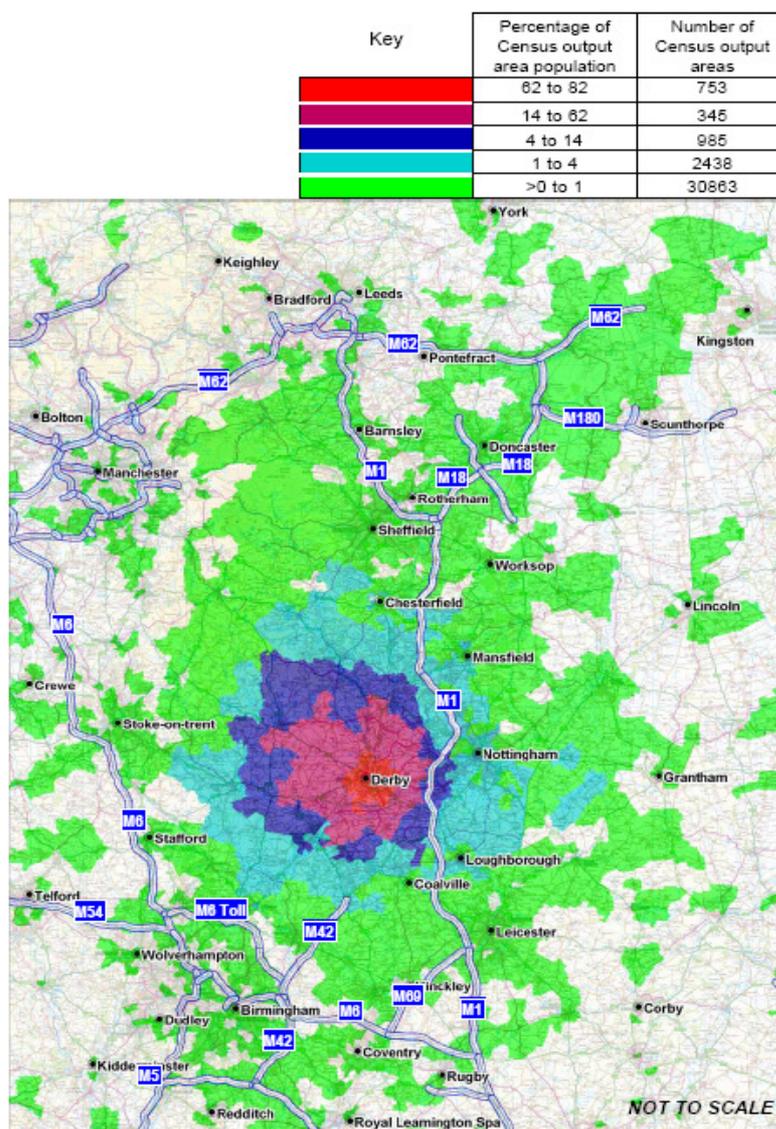


Source: Census 2001

6.99 Around 25% of people travel between 5 and 20 kilometres to work in Derby and the remaining 20% travel over 20 kilometres. Longer distance commuter travel, particularly by private car, has grown as a result of decreased running costs allowing people greater choice to where they live and work. In part, the good links that Derby has to the national road network such as the A38, A50 and M1 reduces travel times and increases the geographical journey to work catchment.

6.100 This is clearly demonstrated in Figure 6.12, which shows the wide area that people commute to Derby from. Again, the majority of people making these journeys drive and significantly add to the morning and evening weekday congestion problems.

Figure 6.12 Percentage of Census output area population who travel to work in Derby based on 2001 Census travel to work data



Source: Census 2001, TTWA data

Summary of Traffic Growth

6.101 Transport and travel trends that have been highlighted in this section can be summarised as follows:

- Traffic growth in Derby has grown by 5.1% between 2001 and 2007

- Car ownership in the East Midlands is still increasing. Latest statistics show that household without a car has decreased by 10% between 1996 and 2006
- Broad trends in mode splits are unlikely to have significantly changed with the private car accounting for the major share
- Public transport travel costs are likely to continue to increase in real terms compared to the private motor vehicle

6.102 The above issues all point towards a predicted increase in congestion. LTP3 will be considering ways to mitigate against this prediction and the associated economic, social and environmental impacts.

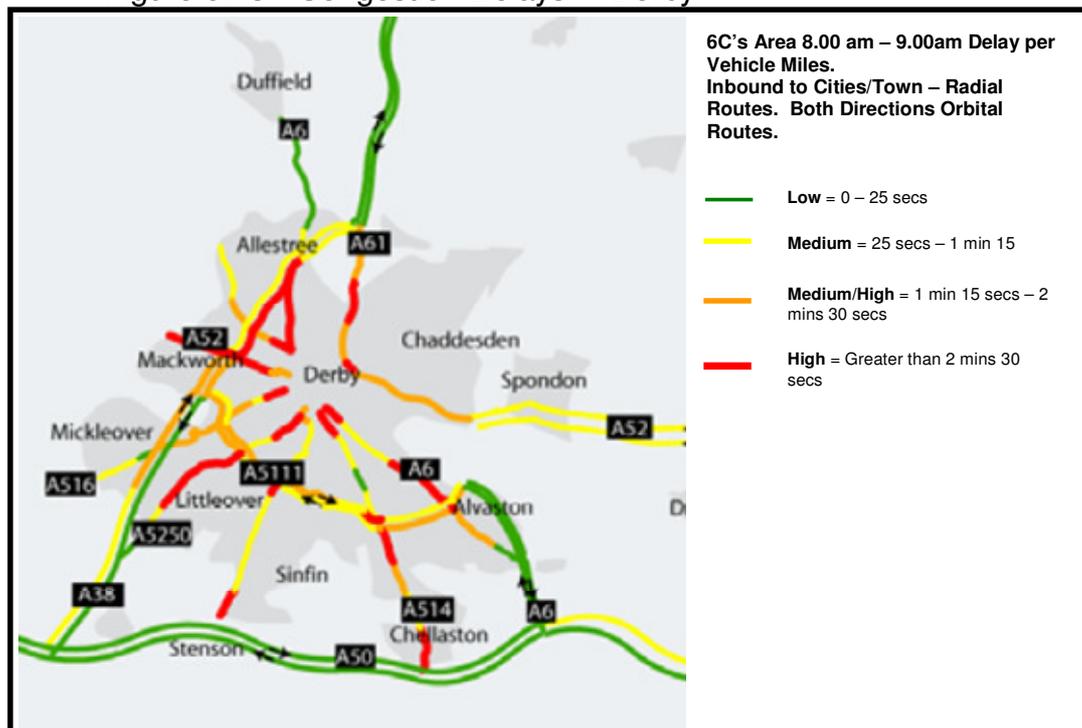
Economic Costs of Congestion

6.103 Congestion provides an economic burden on the economy of Derby and the East Midlands Region as a whole. It affects the efficiency and reliability of transport networks as well as contributing to the environmental impact of air pollutants.

6.104 The East Midlands Development Agency (EMDA) commissioned a study in 2007 to identify the economic costs of congestion to the East Midlands Region. The study quantifies both the 'direct' and indirect' cost of congestion. The report recognised that high levels of congestion result in a major cost to the regional economy with direct and indirect costs amounting to approximately £935 million per year.

6.105 Figure 6.13 highlights the specific locations that cause problems in and around Derby.

Figure 6.13 Congestion Delays in Derby



Source: Derby Area Transport Study, Derby City Council, 2006

6.106 Table 6.13 shows the estimated direct costs of congestion for each of the individual HMAs on non trunk roads. Within the Derby HMA the total economic costs of congestion was calculated at around £46 million per year. For comparison, the total cost for Derby is much less than for Nottingham or Leicester. However, the scale of the geographical areas and populations are completely different. The estimated cost per capita shows the cost per person of congestion and shows the relative difference between the three areas and that although Derby is less than Nottingham or Leicester, it is still significant.

Table 6.13 Economic costs of congestion per year

Housing Market Area	Estimated Economic Cost of Congestion (£ million)	Estimated Cost per Capita
Derby	£46.0	£103.98
Nottingham Core & Outer	£153.5	£167.16
Leicester and Leicestershire	£155.6	£208.79
East Midlands	£935.0	£224.10

Source: *Economic Costs of Congestion Study 2007*

6.107 The LTP3 discussion paper highlights the key issue within Derby’s strategic road network as being the A38 Derby junctions. The A38 around Derby currently suffers very significant congestion and accident problems caused by the capacity constraints of the existing junctions at peak times, with additional consequences such as congestion spreading into the Mackworth estate.

East Midlands Airport

6.108 Derby is generally very well served when it comes to air transport having East Midlands Airport (EMA) virtually on the doorstep. International hubs at Manchester and Birmingham are both within around a one hour drive of Derby.

6.109 East Midlands Airport is located in Leicestershire, on the border of South Derbyshire just off Junction 24 of the M1. The airport is clearly a strategic asset for the region and can be reached in only 20 minutes by road from Derby city centre, making it an important attribute for the city. It handled 5 million passengers in 2006 to over 100 destinations in Europe, Africa, the Caribbean and North America. EMA is the eleventh largest passenger airport in the UK and the second largest cargo airport in the UK.

6.110 Nearly 7000 people are employed on or around the airport. The government’s Aviation White Paper forecasts that by 2030, EMA could attract between 12 and 14 million passengers per year and could be handling 2.5 million tonnes of freight a year. The Master Plan 2006 - 2030 sets out the vision of how the airport will develop over the next

twenty to thirty years to meet the needs of the travelling public, of business and of the UK economy.

- 6.112 The growth projections for EMA will have a significant impact on transport in the Derby LTP3 area, despite being located outside of the city boundary, much travel to and from the airport will originate within it.

Economic importance of East Midlands Airport

- 6.113 The strategic location of East Midlands Airport, in the centre of the country and adjacent to the strategic road / motorway network has been a significant factor in the growth of both passenger and freight traffic. The airport has a huge catchment area with 10.6 million people living within a ninety minute drive.

- 6.114 This creates significant opportunities to serve a range of markets across much of England, especially in relation to the Airport's express freight hub role which provides international connectivity to businesses and employers in a wide range of economic markets and sectors.

- 6.115 Whilst the employment associated with the airport is constantly changing due to economic conditions and the seasonal nature of package holiday operations, it is a very major employer at a regional level and this is likely to increase over time.

- 6.116 At August 2010 nearly 7000 people were working directly for more than 100 companies located on or near the Airport site with around a third of the jobs related to cargo operations.

- 6.117 The East Midlands Development Agency estimates that overall the airport supports 9100 jobs directly and indirectly. This figure is forecast to rise by over 26000 jobs (295%) up to 2030. Annual regional income generated by airport related employment will rise over the same period by £1.2b (583%).

- 6.118 A York Aviation report commissioned by Manchester Airports Group into the social and economic impact of EMA came up with even higher projections. The report estimated that if the airport was to grow as outlined in the Draft Master Plan, it would support between 23,890 and 25,000 full time equivalent (FTE) jobs and generate around £780 million of income at 2005 prices in 2015, rising to between 30,430 and 34,590 FTE jobs and around £1.4 billion of income by 2030.

- 6.119 The significance for the Derby LTP area can be seen when it is considered that of all airport-based employees some 66% live within 12 miles of the airport and of the surrounding districts Derby City has the largest number of EMA employees (855 in 2005).

- 6.120 The focus of recruitment will be on the major cities and key towns in the region to relieve local labour market pressures and to assist regeneration.
- 6.121 The airport's role as a hub for express air freight has a catalytic impact on economic performance through better and faster trade links, reducing costly stock inventories and helping with more efficient production processes and makes a significant contribution to Gross Domestic Product.
- 6.122 Next day international delivery services are regarded as very important by the business community both in terms of meeting client commitments and in terms of location choice.