



**South
Derbyshire
District Council**

**Making South Derbyshire
a better place to live, work
and visit**

South Derbyshire Investment Gazette

Business investment in South Derbyshire relies on the quality of the available property stock, and this has taken a huge leap forward since the turn of the year. Even during this period of fiscal tightening and general economic restraint, development across the District - and cranes on the skyline of Swadlincote - remain a feature. Alongside investment news for Hilton, Melbourne and Swadlincote, this edition of the Gazette revisits unemployment rates as a key local economic indicator.

SWADLINCOTE'S REEL DEAL LEADS THE WAY

Rokeby Developments and Peveril Securities £15 million, 112,000 sqft redevelopment of the former Hepworth's and Wragg's Pipes nine acre site adjacent to Morrisons is now well advanced. The development is creating a mixed use



New mixed-use residential, retail and leisure scheme under construction in Swadlincote town centre

residential and commercial scheme, with over 200 parking spaces and enhanced pedestrian links through to Swadlincote's High Street. A number of heritage features are being retained, including the former Hepworth's chimney, visible from over 15 miles away, together with the historic engine house and factory buildings. The centrepiece of the development is a new cinema with a café bar and

five Dolby Digital screens offering surround sound, to be operated by Reel Cinemas.

Of the ten large retail units most are already let and include Peacocks, Home Bargains, Argos, Iceland and a large Aldi Store. Subway have taken one of the A3 units and are now seeking a franchisee, with further food and drink operators being sought for the units adjacent to the cinema. There will be three units within the restored buildings which have attracted considerable interest but opportunities remain. A further venue bar or leisure pub has been proposed and is attracting enquiries. There is also a separate restored unit with a prominent frontage at the entrance to the development. The scheme opens in the Autumn and is expected to create some 350 new jobs and inject £20m per annum into the local economy.

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INVESTOR IN PEOPLE

South Derbyshire Changing for the better

SMALL IS ALSO BEAUTIFUL...

Swadlincote has seen several new small businesses emerge. Our congratulations are extended to Yates' in Newhall who have invested in a new general provisions store on Union Road. The town centre has also welcomed Swadlincote Jewellers who opened for business in their High Street premises earlier this year. Several other shops have been or are about to be let including a new baby wear outlet at 74 High Street.

And it is exceptionally encouraging to note that the new Melbourne development, known as "William's Yard" has now fully let its retail units. Among the new tenants are the Infinity Training Beauty Academy and Lily & Lime - retailing British-designed textiles and crockery, ladies and gents jewellery, and accessories and giftware.

OTHER INVESTMENT NEWS

The AC Barkway Pension Trust has purchased the freehold interest in the former Blue Star Holdings building on Cadley Hill, Swadlincote. The 5,257 sqft (488 sqm) office premises was acquired from Deloitte for £400,000. This represents a price of some £76/sqft and highlights the long-term investment potential that South Derbyshire offers.

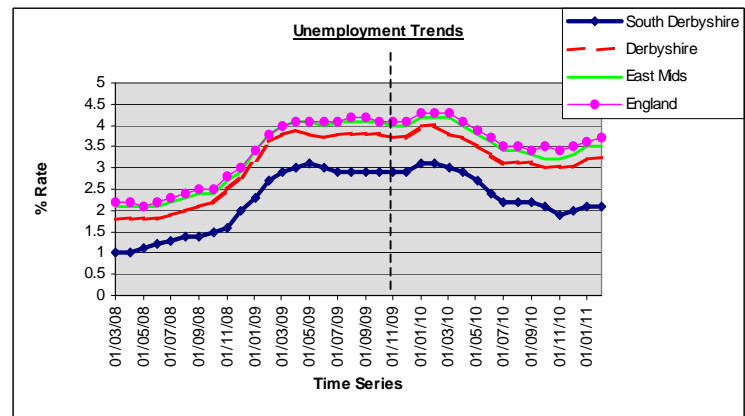
Hilton Business Park have also had a busy Spring with lettings including Balfour Beatty Utility Solutions who have taken 25,000 sqft of storage space and Willi Betz who have taken two acres of land, recognising the value of this important A50 Corridor location.

Construction work has commenced on a new public-private partnership Extra Care Village in Swadlincote. The £20 million development promotes independent living for the elderly and includes both apartments and community facilities.

LOCAL ECONOMIC NEWS

The Investment Gazette last looked at unemployment trends in Autumn 2009. This edition looks at the trend since then, highlighted on the graph with a dotted line. The overall theme for South Derbyshire is of rates well below the national and regional average. However, unemployment continues to be above that found during the initial recessionary period despite the signs of recovery. There are a number of reasons for this, in particular that a growth in GDP can occur as a result of a rise in productivity rather than an increase in employment. Equally, whilst companies are surviving they are still seeking to reduce costs and may continue to pare down their workforce. Meanwhile new entrants such as school leavers and students will continue to enter the workforce.

Although the recession technically ended in the third quarter of 2009, unemployment did not peak nationally until March 2010. Interestingly for South Derbyshire, by



this time unemployment had already begun to fall back and then continued to decline faster than the national trend so that it had shrunk by a full percentage point by November 2010. One reason for this may be the local economy's strength in manufacturing – over 27% of jobs in South Derbyshire are in this sector, one of the key areas for growth. This should auger well for the local economy in the longer term. Concern remains that the next three to six months are likely to see some further rises in unemployment as the public sector retrenches.

MAJOR CHANGES TO BUSINESS GRANTS

Although the era of Regional Development Agencies and a number of their grant funds has ended, there are already some new grant funds being announced. Perhaps the most important of these is the Regional Growth Fund. This is a discretionary £1.4 Billion fund that will operate for 3 years between 2011 and 2014 to stimulate enterprise and employment growth in predominantly private sector projects. In particular it will help areas that are currently dependent on the public sector, assisting them to make the transition to private sector-led growth. Round One ended on the 21 January 2011. 464 bids were received with a combined total value of £2.78 Billion. A minimum bidding threshold of £1 million of assistance applied in this round. These bids are currently being assessed but despite the over subscription not all of the funding will be allocated.

Round Two of bidding will begin on 12 April 2011. Although most of the programme rules will be as per Round One there is a recognition that there may need to be further tweaks to the programme to encourage greater participation in bids from the private sector. Further information can be found at www.bis.gov.uk/rgf

INNOVATION FUNDING BOOSTED

The Government has also recently announced that it will continue to support Research & Development in small and medium-sized enterprises with funding of up to £250,000 for prototype design and smaller grants of £25,000 and £100,000 for proof of market and prototype development. The Grant for Research & Development scheme will commence on 4 April 2011 and is funded through the Technology Strategy Board. Further information will appear on the BIS web site: www.bis.gov.uk