

MID DEVON ECONOMIC PROFILE

Cabinet Member(s): Cllr Richard Chesterton
Responsible Officer: Jenny Clifford, Head of Planning and Regeneration

Reason for Report: To provide members with an updated profile of the Economy of the District.

RECOMMENDATION: that members note the report.

Relationship to Corporate Plan: The Mid Devon Economic Profile provides a statistical framework in which the corporate priorities for the Economy are set.

Financial Implications: There are no financial implications arising from this report

Legal Implications: There are no legal implications arising from this report

Risk Assessment: There are no risks related to this report

Equality Impact Assessment: None Anticipated

1.0 Economic Profile

1.1 The attached paper provides an updated summary of the state of the Mid Devon Economy.

1.2 At a time of uncertainty in the national economy, the economic profile shows that Mid Devon has a number of strengths and potential opportunities that might support economic growth, but that it also faces a number of issues and challenges which will need to be overcome for growth to be realised.

1.3 Strengths

- High employment rates / low unemployment
- High levels of self-employment
- Relatively strong manufacturing sector
- Transport connectivity - good road and rail links
- High proportion of micro-businesses
- High business survival rate
- Strong growth on available employment sites
- High natural capital

1.4 Weaknesses

- High proportion of low skilled, low waged employment
- Low productivity – predominance of traditionally low productivity industries such as retail, agriculture, accommodation and food, food processing, logistics, health and social care

- Low business birth rate
- Low levels of high tech / advanced manufacturing businesses and businesses in the knowledge economy
- Paucity of sixth-forms / further education in the district
- Poor broadband and mobile connectivity, particularly in rural areas.
- Low levels of medium and large businesses

1.5 Opportunities

- Significant levels of planned development – with a substantial increase in population
- Garden Village – opportunity to create high quality development with high environmental / sustainability credentials
- Electrification of transport – opportunity to link to local energy generation
- Innovative local projects – Hydromills project, smart grid and energy storage solutions
- Potential links with Exeter Innovation Centre, Exeter University.
- Building on the Mid Devon’s Natural Capital as a place to ‘Live, Work and Play’
- Brexit - opportunities created through realignment of trading links
- EHOD and GESP – joint initiatives with partners

1.6 Threats

- Significant new employment space becoming available along M5 corridor at Taunton, Wellington and Exeter
- Competition from neighbouring authorities for attracting businesses
- Macroeconomics – pressure on global trade – increase in protectionism / trade wars (changes in US policy)
- Economic disruption of Brexit – potential negative impact of substantial change / disruption to trading relationships e.g. no-deal
- Uncertainty over the future of farming and the nature of agricultural subsidies post CAP
- Traditional manufacturing most likely to be affected by increased automation.

1.7 Constraints on Growth

- Constraints to key road infrastructure and junctions
- Poor broadband connectivity
- Low standard of qualification and technical skills amongst resident population
- Lack of a range of size and type of employment spaces – workhubs, flexible working space – business ladder – starter-units and follow-on units

1.8 Opportunities for Growth

- Major developments along M5 corridor
- Culm Garden Village
- Sectoral Growth - High Tech / Advanced Manufacturing, Green Economy, Food & Drink.

1.9 The Economic Profile for Mid Devon will provide the evidence base for the Economic Strategy which is in process of being completed.

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Circulation of the Report:

List of Background Papers: Appendix A – Economic Profile of Mid Devon