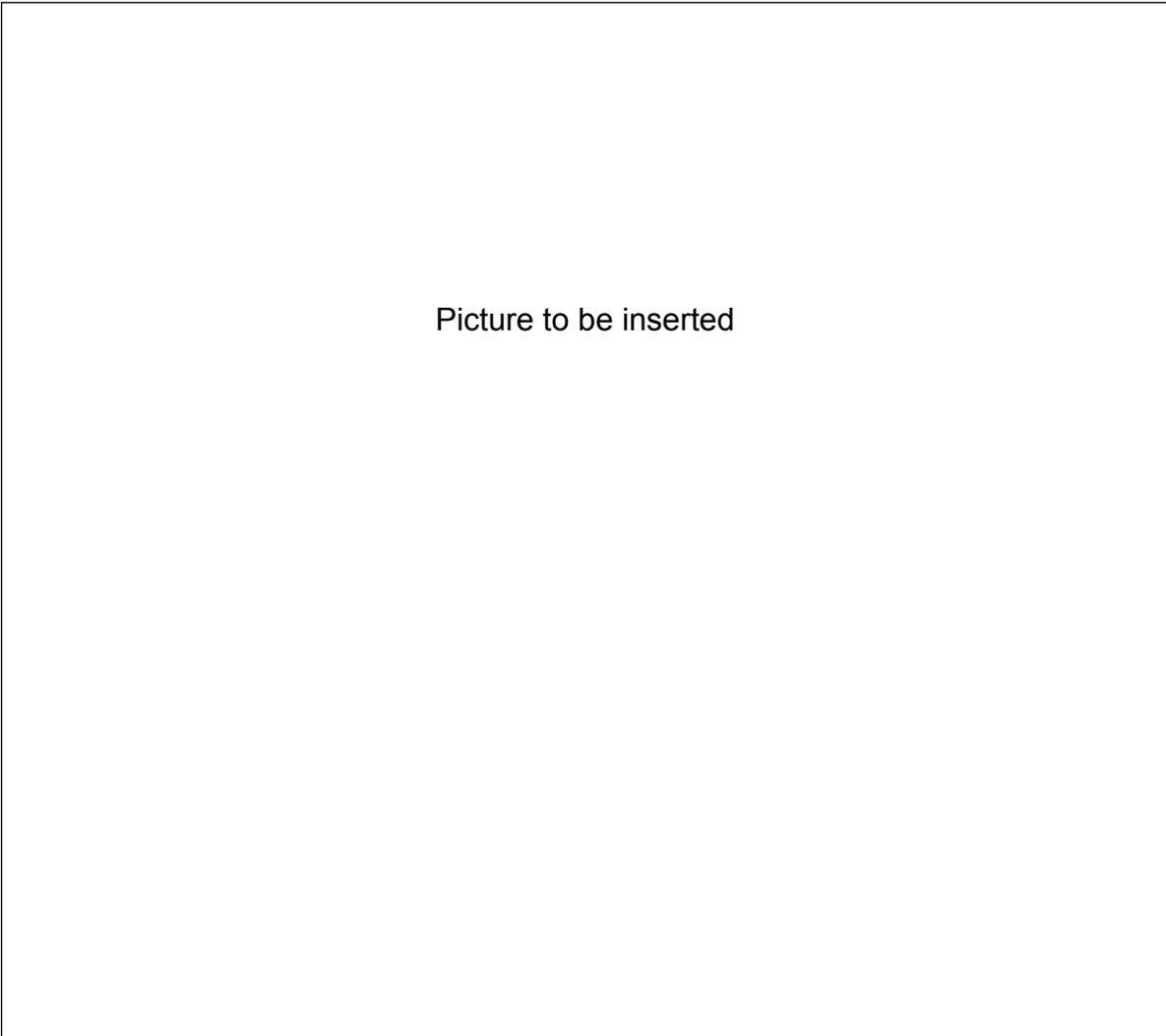


Economic Strategy for Mid Devon

2019-2024



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Foreword

I would like to introduce Mid Devon District Council's Economic Strategy, which sets out the Council's ambitions for the local economy over the next five years. It is unashamedly a strategy for growth, linked with ambitious plans for the Exeter sub region.

The Council's goal is to grow the local economy in the direction of creating higher waged, higher skilled jobs that meet the needs of a growing population. The strategy reflects regional ambitions to double the area's economy over the next twenty years.

The district is well placed to take advantage of its position on the M5 corridor through the South West, and as a key link between the Devon and Somerset economies. These are exciting times, with large scale developments planned at Cullompton and Tiverton, which will provide the housing and employment space necessary to meet the needs of present and future residents.

Plans for a Culm Garden Village are well underway and will provide a focus for the Council's ambition to deliver the highest standards of design and planning while creating a sustainable community with employment opportunities fit for the future.

Recognising our strategic position and the opportunities this brings, we also acknowledge that Mid Devon is predominantly a rural district. The strategy lays out how the Council will support rural livelihoods so that all residents can benefit from this growth.

The focus of the strategy is on developing the right conditions for sustained and sustainable growth and lays out the Council's intended interventions in five different areas:

- Supporting Employment and Skills
- Place: Increasing the vitality and viability of our town centres, and taking advantage of our outstanding natural environment
- Providing the right infrastructure, particularly workspace, broadband and transport infrastructure
- Growing the local economy in the direction of Hi-Tech, Innovation and Green Energy sectors
- Building on the district's strengths in agriculture, food and drink

These are long term ambitions that will need to be tested and honed over the period of the strategy, so that we can achieve the major shift and growth in the local economy that the Council wants and so that all residents can benefit from the increased wages and employment opportunities that this shift will create.

Cllr Richard Chesterton

Cabinet Member for Planning and Regeneration



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1.0 Executive Summary

This Economic Strategy sets out the District Council's ambition to support and drive forward the local economy over the next five years. It begins with a review of the statistical evidence that underpins the local economy and the national and regional policy framework within which it is set.

Economic Profile

The Mid Devon economy is typified by high rates of employment, but lower than average wages. There are strong links to surrounding areas, particularly to Exeter to the south, with over a third of the resident population commuting out of the district for work. Mid Devon is relatively strong in manufacturing, but its economy is dominated by traditionally low productivity sectors such as retail, public sector, distribution and agriculture, which means that opportunities for high wage jobs are limited. There are high levels of self-employment and a large number of micro-enterprises particularly in the rural areas.

The district has good transport links and is strategically placed on the M5 corridor to benefit from growth in the Exeter sub-region and in the burgeoning Somerset economy to the north. There are significant levels of development planned along the M5 corridor, including the Culm Garden Village, but this brings with it the need to unlock housing and employment space through investment in transport infrastructure.

Mid Devon remains a largely rural district with outstanding natural capital but with issues around rurality, including economic isolation and a lack of services and resources in the rural areas which suppress rural potential. There is a need for greater investment in digital infrastructure and support for a diversified rural economy to unlock rural economic growth.

Wider Economic Context

Mid Devon's economy is shaped by broader national and international factors, not least of which is the future direction of the British economy. It also faces the systemic challenges confronting businesses generally, such as changes in the retail sector, increasing automation of manufacturing and the need to develop a low carbon economy. The strategy is also responding to national and regional policy, in particular the challenge set by Government to increase productivity and international competitiveness as laid out in its Industrial Strategy.

Developing the Strategy

The strategy grew out of a process of engagement with Council members through a series of informal committee meetings, supported by discussions with businesses, which laid out key priorities and possible interventions reflected in the strategy. Through this process the following vision emerged.

Overarching Objectives and Vision

The strategy identifies the overall aims of the Council - to increase wages and skills, increase prosperity and deliver a growth agenda. The Council's vision for Mid Devon is that it should be a place where:

- towns and villages are vibrant, prosperous and have a positive atmosphere;
- the district's rural economy is successful and is synonymous with being truly 'Green';
- residents, businesses and visitors enjoy a high quality and attractive built and natural environment;
- commercial opportunities are embraced for the benefit of the district and emerging businesses are able to develop and thrive;
- a successful economy, including emphasis on low carbon, agriculture and hi-tech, is supported by a highly skilled workforce;
- there is access to first rate education with bespoke opportunities aligned to locally active and growing sectors;
- there is a diverse range of job opportunities for all including a significant number of higher paid jobs;
- life chances are maximised; and
- residents, businesses and visitors enjoy excellent digital and physical connectivity by foot, cycle, road or rail.

Key Themes

The strategy outlines five key areas for action:

- Employment and Skills
- Place
- Infrastructure
- Hi-Tech, Innovation and Green Energy
- Agriculture, Food and Drink

Each theme is explored further, with a summary of the baseline position, an analysis of its Strengths, Weaknesses, Opportunities and Threats, followed by the desired outcomes and interventions intended to further these outcomes. The strategy is accompanied by an action plan that details activities for the first year of the strategy period.

Measuring success

Progress against the desired outcomes and interventions identified in the strategy will be monitored using a basket of performance indicators, with regular reports to the Council's committee and an annual progress report. After the first year, interventions will be reviewed to make sure they are meeting the required outcomes and adjustments will be made accordingly.

Through this Strategy the Council has set a challenge for the Mid Devon Economy.

By 2024:

- The gap in average earnings between Mid Devon and the South West will be reduced to less than 5%
- The number of businesses working in the district will have increased by 10%
- The size of the Mid Devon Economy will have increased by 10% as measured by Gross Value Added (GVA).

These ambitions will set the direction for the Council's interventions over the next five years.

2.0 Mid Devon – An Economic Profile

Mid Devon is a rural district located on Devon's eastern border with Somerset and straddling the main transport links into the county. Covering an area of 913km², it lies between the national parks of Exmoor to the north and Dartmoor to the south west and stretches into the Blackdown Hills Area of Outstanding Natural Beauty to the east. It currently has a population of around 80,600 (2017) with a concentration to the east of the district in the two main market towns of Tiverton (pop. 22,000) and Cullompton (pop. 8,700). The north and the west of the district are predominantly rural, with the district's third market town, Crediton (pop. 6,900) to the north west of Exeter. Over half of Mid Devon's population live rurally in villages and small settlements.

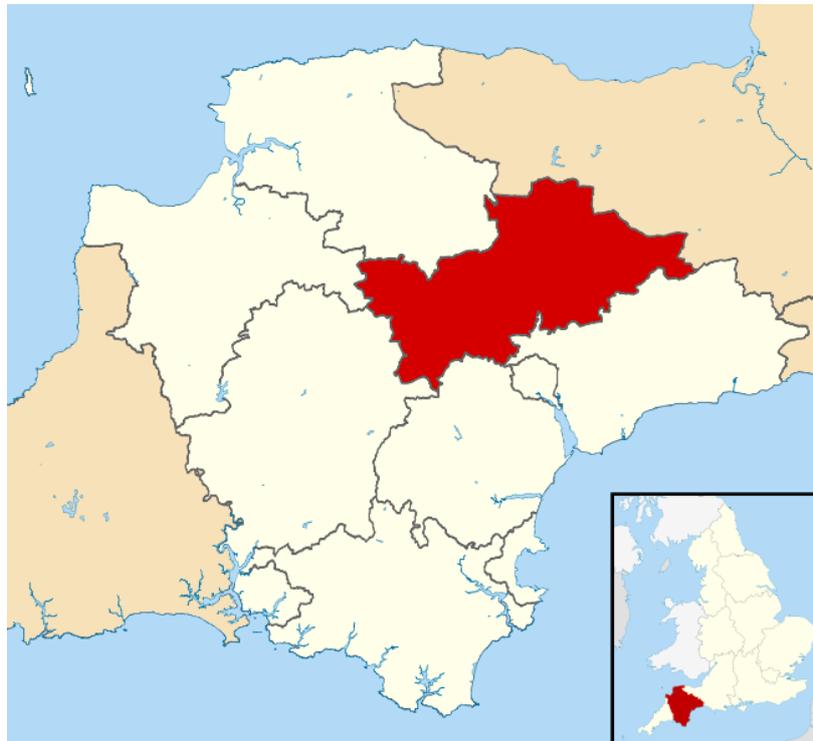


Figure 1: Location of Mid Devon within Devon

2.1 Economic Influences

Economically, the district is heavily influenced by the urban economies of Exeter to the south and - to a lesser degree - by Taunton to the north-east. Mid Devon has good transport links, with the M5, North Devon link road (A361) and main-line railway running through the district, connecting Devon and the South West with the rest of the UK. It is also close to the regional airports of Exeter and Bristol.

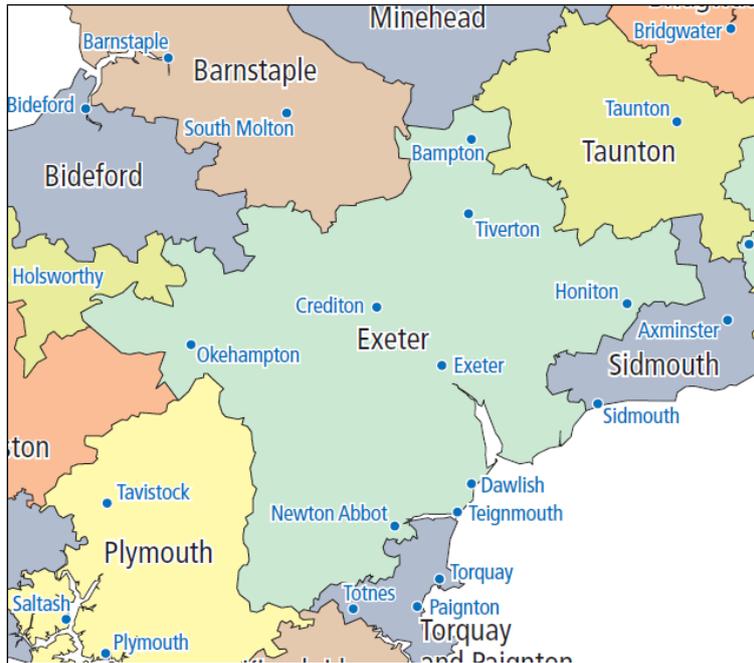


Figure 2: Exeter Travel to Work Area

The majority of Mid Devon district lies within the Exeter 'Travel to Work Area' (as shown above). At the time of the 2011 census, 37% of the workforce commuted out of the district for work, of which over 50% worked in Exeter. Although there is also a flow of workers from other districts into Mid Devon, there is a net outflow of 8,207 residents. The difference between residence-based and workplace-based average earnings indicates that workers tend to be commuting to more highly paid jobs outside the district. In total, 75% of those who work in Mid Devon also live in Mid Devon while only 57% of working residents of Mid Devon work in Mid Devon.



Figure 3: District level Inflows and Outflows (2011 Census)

2.2 Population

Mid Devon has currently a resident population of approximately 80,623 according to 2017 ONS population estimates. The population is set to increase; Devon County Council 2016 trend based projections anticipate that the population will be approximately 91,534 by 2033. The submitted Mid Devon Local Plan Review proposes a housing requirement of 7,860 dwellings over the Plan period 2013-33 equal to 393 dwellings per year. The Local Plan proposes significant expansion to the towns of Tiverton and Cullompton in the form of urban extension allocations. Also in the Cullompton area, the Culm Garden Village is one of only 14 locations awarded Garden Village Status by the Government in January 2017. Located to the east of Cullompton, the Garden Village has the potential to deliver up to 5,000 sustainable new homes over the next few decades.

Data source: ONS population estimates 2017	Mid Devon Number	Mid Devon %	Devon County %	South West %	Great Britain %
Resident Population of Working Age (16-64)	47,100	58.4%	58.7%	60.6%	62.9%

Figure 4: Population Estimates 2017

Mid Devon has a lower proportion of its population of working age than the national average, mainly due to an increasingly ageing population. However, a significant proportion of young people move out of the area for education or work.

2.3 Employment

Levels of Employment

Mid Devon has a high employment rate and low unemployment. Of the 47,100 residents¹ aged between 16 and 64, 85% are economically active. This is significantly higher than the South West and the UK rates, and is at a level at which the district has effectively full employment. However, this figure includes a high proportion of part-time and self-employed workers. This could potentially mask the desire by many to work full-time but who do not currently have the opportunity.

Data Source; ONS annual population survey Apr 2017 – Mar 2018	Mid Devon Numbers	Mid Devon %	Devon County %	South West %	Great Britain %
Economically Active	44,400	85.4	81.5%	80.9	78.4
In employment	43,300	82.9	78.3%	78.2	75.0
Employees	33,800	71.1	66.0%	65.7	64.0
Self-Employment	9,100	11.1	14.0%	12.1	10.6
Unemployed (Model-based)	1,100	2.5	2.6%	3.3	4.3

Figure 5: Employment Data for Mid Devon 2017

¹ ONS population estimates 2017

Unemployment

The unemployment rate is very low at 2.5%. The July claimant rate was only 0.8%², which is almost a third of the UK rate of 2.2%.

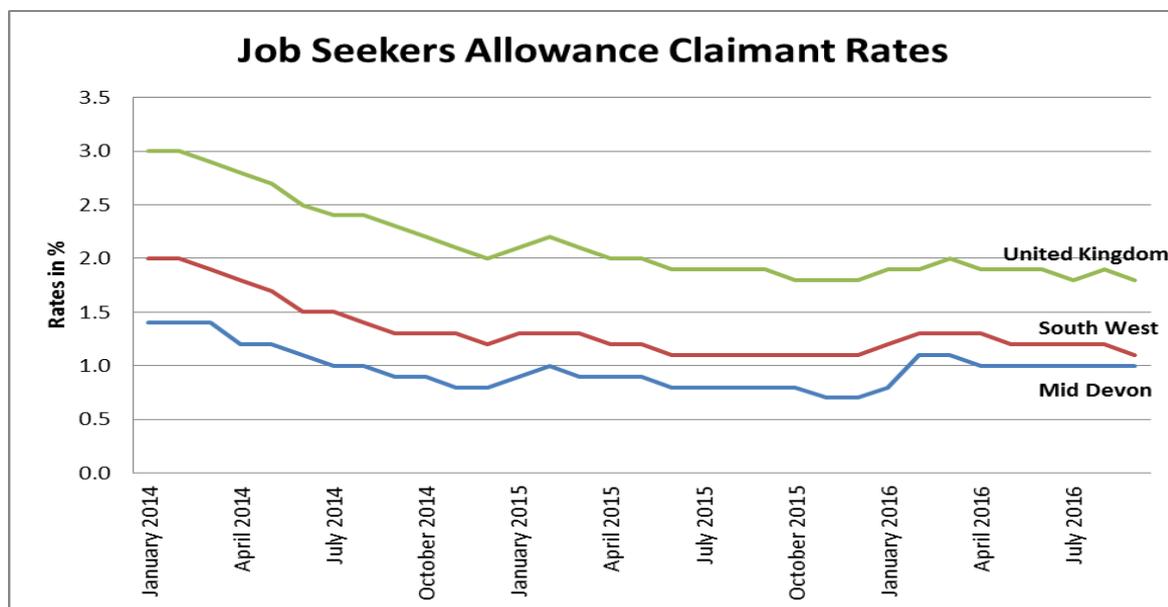


Figure 6: Job Seekers Claimant Rates Comparison

Self-Employment

Mid Devon has an extremely high level of self-employment. At 11.1% it is higher than the national average and higher than most of our nearest neighbours. This may be a result of the low level of employee jobs in the district, but also reflects the relative strength of farming, as the majority of agricultural workers are self-employed. Construction is also a strong sector in Mid Devon, which also has high levels of self-employed workers.

Job Density

There were an estimated 36,000 employment jobs in the district in 2016³. This represents a job density of 0.78 (i.e. 78 jobs for 100 resident population aged 16-64). This level is typical of an area adjacent to an economic hub, such as Exeter, which has a density of 1.2 (meaning there are more jobs than working age people). Within the functioning economic geography of Exeter and the Heart of Devon, East Devon and Teignbridge both have similar job densities to Mid Devon, with 0.89 and 0.76 respectively.

² ONS July 2018

³ Source: Nomis: Job Density 2016

Employment Sectors

Service sectors are very important to Mid Devon. Wholesale and retail (20.8%), health and social work (10.4%) and education (10.4%) all employ significant proportions of the workforce. However, the district has a relatively large manufacturing sector, making up 18.8% of employment, focusing on textile, food and paper manufacture. Mid Devon has a number of larger manufacturers such as Heathcoat Fabrics, Hepco, Devon Valley Papermill, Graphic PLC and Ernst Jackson making high-specification globally-recognised products. There is also a concentration of distribution and logistics along the M5 corridor, and a growing professional, scientific and technical services sector, including a number of green engineering businesses. The following table sets out the proportion of Mid Devon jobs by industrial sector.

Employee jobs by Industrial Sector (Using Standardised Industrial Classifications SIC codes)	Count	Industry percentage
G. Wholesale and retail trade; repair of motor vehicles and motorcycles	5,000	20.8%
C. Manufacturing	4,500	18.8%
Q. Human health and social work activities	2,500	10.4%
P. Education	2,500	10.4%
I. Accommodation and food service activities	1,750	7.3%
H. Transportation and storage	1,000	4.2%
F. Construction	1,000	4.2%
M. Professional, scientific and technical activities	1,000	4.2%
N. Administrative and support service activities	900	3.8%
R. Arts, entertainment and recreation	700	2.9%
O. Public administration and defence; compulsory social security	600	2.5%
S. Other service activities	400	1.7%
J. Information and communication	400	1.7%
L. Real estate activities	300	1.2%
E. Water supply; sewerage, waste management and remediation activities	250	1.0%
A. Agriculture, forestry and fishing⁴	200	0.8%
K. Financial and insurance activities	175	0.7%
B. Mining and quarrying	40	0.2%
D. Electricity, gas, steam and air conditioning supply	25	0.1%
ONS Business Register and Employment Survey 2016	24,000	

Figure 7: Mid Devon Employee Jobs by Industrial Sector⁵

⁴ This figure only includes those who are employed in agriculture, and does not include the vast majority of agricultural workers who are self-employed.

⁵ ONS Business Register and Employment Survey 2016

The above figures do not give a true picture of the significance of the agricultural sector in Mid Devon, as they exclude self-employed workers and business owners. Looking at the Agricultural Labour Force figures, it is evident that approximately 8% of the Mid Devon workforce is directly involved in agriculture, and 18.5% of Mid Devon businesses are dependent on agriculture, either as primary producers, processors, manufacturers or retailers. Food processing is a major element of the manufacturing sector.

Agricultural Labour Force on commercial holdings in Mid Devon 2016		%
Farmers, partners, directors and spouses, Full Time	1,311	36.7%
Farmers, partners, directors and spouses, Part Time	1,214	34.1%
Salaried Managers	73	2.0%
Regular Workers, full time	376	10.5%
Regular Workers, part time	326	9.1%
Casual Workers	262	7.3%
Total Labour Force	3,563	

Figure 8: Agricultural Labour Force on commercial holdings in Mid Devon⁶

Wages

Many of the jobs in Mid Devon are low waged and low skilled. Average workplace earnings in Mid Devon are 11% lower than the national average. However, earnings by place of residence are considerably higher than the average by workplace. This seems to suggest that those who commute out of the district are working in better paid, probably more highly skilled, jobs.

Median Gross Annual Pay (for full time workers)	Mid Devon	South West	GB
By place of work	£25,767	£27,123	£28,866
By place of residence	£27,408	£27,537	£28,758

Figure 9: Comparison of Pay by Place of Work and by Place of Residence⁷

⁶ Source: DeFRA June Farm Survey 2016

⁷ Source: ONS annual survey of hours and earnings 2017

The Rural Services Network’s Economic Profile assessment of Mid Devon includes the following graphs providing added context to the district.

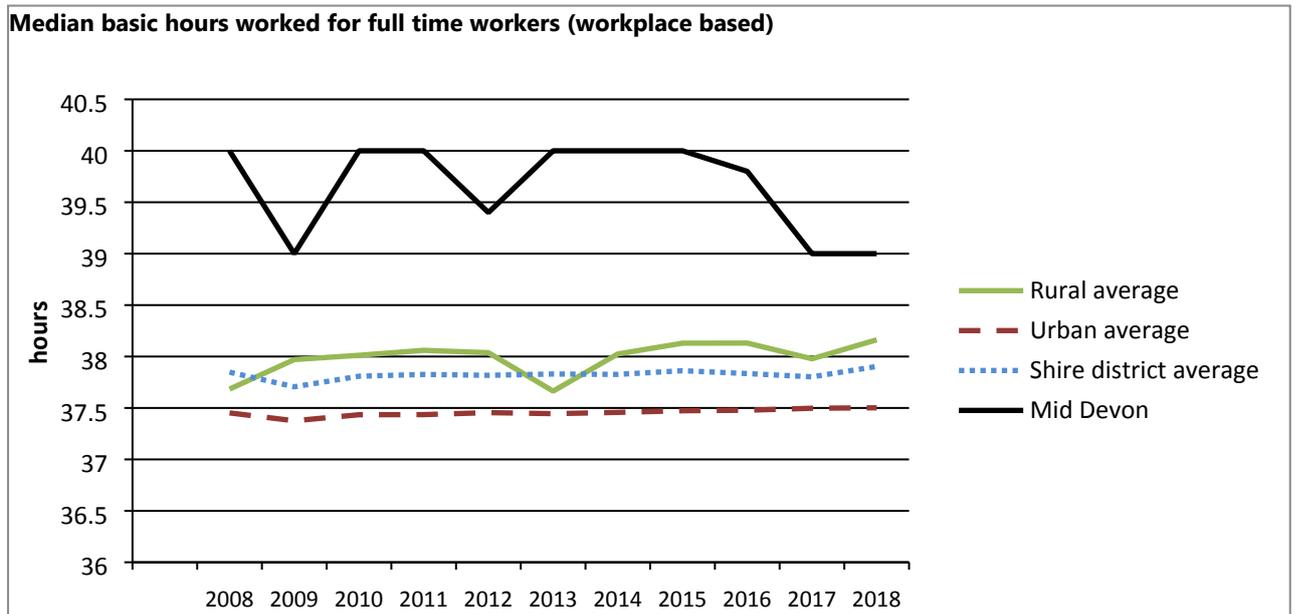


Figure 10: Comparison of Average Hours Worked⁸

Workers in predominantly rural areas tend to work longer hours when in full time employment, but for less weekly pay, workplace based. Workplace based median gross weekly pay for full time workers is 9% greater in predominantly urban areas compared to predominantly rural areas. As shown below average workplace earnings in Mid Devon are 11% lower than the national average

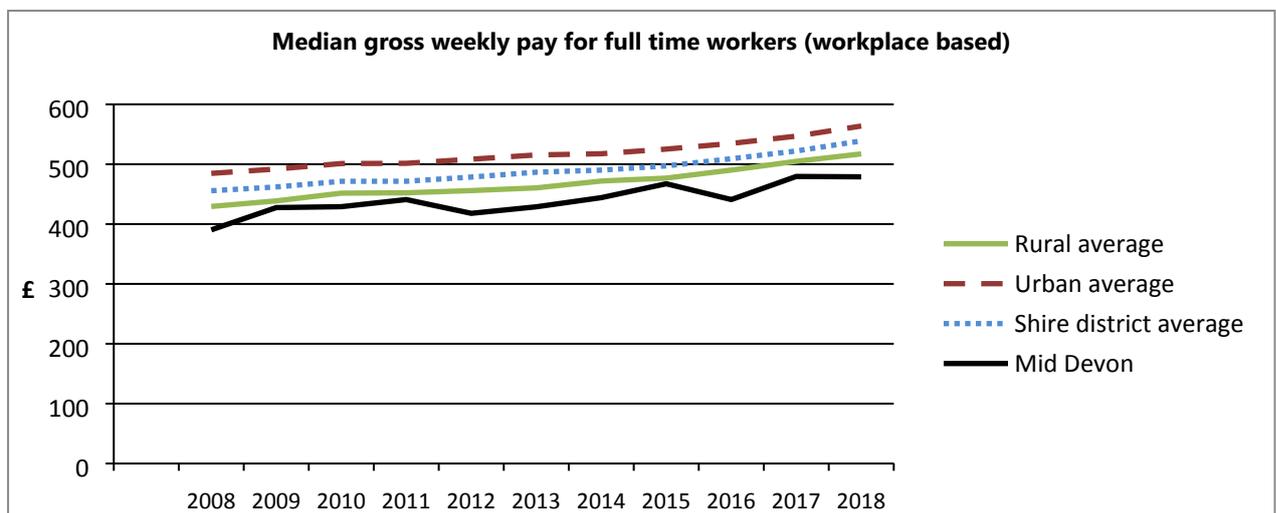


Figure 11: Comparison of Average Pay⁹

⁸ Annual Survey of Hours and Earnings <https://www.rsnonline.org.uk/tag/observatory-economy>

⁹ Annual Survey of Hours and Earnings <https://www.rsnonline.org.uk/tag/observatory-economy>

Training & Skills

The percentage of Mid Devon workforce holding a degree or higher qualification (NVQ 4+) at 31.4% is well below the national average. There is a likely correlation between this figure, the average wage levels and the sectorial analysis above.

NVQ Level	Mid Devon Numbers	Mid Devon %	Devon County %	South West %	Great Britain %
NVQ level 4 and above	13,800	31.4 %	40.3%	39.0%	38.6%
NVQ level 3 and above	23,500	53.6%	60.8%	60.3%	57.2%
NVQ level 2 and above	34,400	78.6%	80.0%	79.0%	74.7%
NVQ level 1 and above	40,400	92.2%	91.1%	90.1%	85.4%

Figure 12: NVQ Attainment Comparison¹⁰

Although the average level of NVQ attainment is relatively low amongst Mid Devon workers the Mid Devon schools perform well against national figures.

2017	% achieving English Bacc. ¹¹
Uffculme School	65%
Cullompton Community College	46%
Queen Elizabeth's School	45%
Tiverton High School	44%
Devon	42%
England	43%

Figure 13: Academic Attainment Levels of State-Funded Schools in Mid Devon

The proportion of students achieving English Baccalaureate level 4 is higher than the national average. However, this does not necessarily translate to young people accessing higher education. By the age of eighteen those achieving Level 3 qualifications falls slightly below the England average. In 2013/14, only 44% of students from state-funded schools and colleges in Devon went to a UK higher education institution compared to the England average of 58%.

¹⁰ Data Source; ONS annual population survey Jan 2017 – Dec 2017

¹¹ English Baccalaureate is a Grade C in English and Maths, and a Grade C in the following areas, sciences, language, history or geography.

2.4 Businesses

Business Size & Composition

There are currently 4,510 businesses in Mid Devon¹², of which 92.2% are micro businesses with less than 10 employees. One of the contributing factors is the high rate of self-employment at 15.5% compared to 10.6% nationally.

Business size by number of employees		Mid Devon %	Devon County %	South West %
Total	4,510			
Micro (0 to 9)	4,160	92.2%	89.3%	89.2%
Small (10 to 49)	305	6.8%	9.0%	9.0%
Medium-sized (50 to 249)	40	0.9%	1.4%	1.4%
Large (250+)	5	0.1%	0.2%	0.3%

Figure 14: Proportion of Businesses in Mid Devon by Size Composition compared to South West¹³

Given the large proportion of small scale businesses in the district it is not surprising that there are only a small number of businesses in Mid Devon with a turnover greater than £500k.

	Mid Devon Number	Mid Devon %	South West %	UK %
£0-49 k	1,190	26.4%	22.0%	18.7%
£50-99 k	905	20.1%	21.1%	23.3%
£100-249 k	1,305	28.9%	29.9%	30.8%
£250-499 k	515	11.4%	12.8%	12.5%
£500-999 k	300	6.7%	7.0%	6.8%
£1000-4999 k	160	3.5%	3.7%	3.8%
£5000+ k	90	2.0%	2.2%	2.4%

Figure 15: Businesses by size of turnover (£000s)¹⁴

Business start-ups

Mid Devon has a high 3-year business survival rate. However, the business birth rate is relatively low compared to national and regional averages. This may be in part due to the low levels of unemployment. In areas of high unemployment, there is more incentive to start your own business, but business start-ups created out of a necessity rather than natural entrepreneurship have a higher attrition rate.

¹² UK Business Counts (Enterprises) 2017

¹³ Source: Nomis: UK Business Counts (Enterprises) 2017

¹⁴ Source: UK Business: Activity, Size & Location 2017

	Total Count of Businesses*	Business birth count 2016	Business birth rate	Business death count 2016	3 yr. survival rate
Mid Devon	3,355	330	9.8%	235	81.0%
South West			13.5%		76.8%
UK			14.6%		75.0%

Figure 16: Businesses Birth and Death Rate¹⁵

*It is important to note that this data excludes agricultural businesses as farming businesses are often handed on to members of the family (making the total business count significantly lower than other data sets).

2.5 Productivity (GVA Gross Value Added)

As explained above, improving the UK's productivity is a key government objective. This is seen as a particular problem given that for the last decade the UK economy has shown poor productivity growth compared to its main competitors. Productivity in the South West, as measured by GVA (Gross Value Added), is considerably lower than the UK average. GVA measures the value of economic output and more specifically it measures the contribution to the economy of each individual producer, industry or sector. Aggregated, it can be used as an indication of prosperity, living standards and the prospects for economic growth. The smallest geographical area for which GVA figures are reliably available is at Devon County Council level. However DCC has developed a methodology to give an indication of district GVA as shown below:

Estimated GVA 2016	Mid Devon	East Devon	Teignbridge	Exeter
Total GVA (£ million)	£1,330m	£2,413m	£2,413m	£4,082m
GVA per head of working population	£16,663	£17,246	£18,583	£31,446

Figure 17; GVA estimates by District¹⁶

As with much of the region, low productivity is a problem for the district. The current sectoral mix in Mid Devon has a large proportion of traditionally low productivity sectors, such as retail, agriculture, accommodation and food, logistics, health and social care, but even within sectors, south west businesses are less productive than their national counterparts. There are a number of factors that may contribute to this:

- Lack of competition locally, or with other businesses nationally, because of the effects of peripherality;
- Skills shortages in higher skilled areas of employment;
- Lower than average proportion of pupils progressing to higher education;
- Lower levels of investment in innovation, research and development;

¹⁵ Source: ONS Business Demography 2016

¹⁶ Source: Devon County Council

- Low business start-up rates;
- Low levels of exporting;
- Peripherality – it costs more to move products to market; and
- Infrastructure problems, such as poor broadband particularly in rural areas.

The Local Economic Partnership (LEP) has produced a Productivity Strategy for the South West, which seeks to address some of these underlying issues. This is explored in more detail in Section 2.

The table below shows the contribution of different sectors to the Mid Devon Economy by the amount of gross income they create, and therefore of their relative importance to the district's economy.

Sectoral code	Broad Sectoral Category	£ million
GHI	Distribution	267
OPQ	Public Sector (Health, Education)	237
L	Real Estate	235
C	Manufacturing	213
F	Construction	118
MN	Professional	94
ABDE	Agriculture and Forestry	87
RST	Other	46
J	Information	19
K	Finance	12
The sectoral codes refer to the standardised industrial categories used by Government to define business activity.		

Figure 18: Sectoral Contribution to the Mid Devon Economy by broad sectoral category¹⁷

2.6 Mid Devon – Its Natural Capital and Built Environment

Mid Devon is a beautiful area with a high quality natural environment, lush countryside, picturesque country villages and an abundance of natural beauty and wildlife. The district borders Dartmoor and Exmoor National Parks and the Blackdown Hills Area of Outstanding Natural Beauty (AONB). There are 13 internationally recognised Sites of Special Scientific Interest and over 200 country wildlife sites. The quality of the natural environment is matched by the richness of its cultural heritage with many listed buildings, Conservation Areas and Scheduled Monuments within the district. The land is largely agricultural with both crops and livestock farming prominent in this region.

Mid Devon is predominantly a rural district with many small villages and scattered farms; some very isolated. The high landscape value of the rural areas makes them very attractive for people moving into the area. At the same time, high property prices relative to income and the lack of affordable housing options makes it difficult for families on low income and young people to stay living in their local villages.

¹⁷ <https://www.ons.gov.uk/economy/grossvalueaddedgva/datasets>

Rural areas face additional problems of poor public transport and declining rural services.

Tiverton is the largest town in the district. The Tiverton Town area (town and surrounding parishes) has a population of around 38,000¹⁸. A historic market town with a tradition of textile manufacturing, it is well catered for with community facilities and local services including a small hospital and further education college. The main shopping area has a range of shops including national and independent retailers. Tiverton is currently undergoing expansion with development proposed to the east of the town.

Cullompton, with a town area (town and surrounding parishes) population of 26,000¹⁹, lies on the main transport corridor through Devon, with the M5 and mainline railway running close to the town. Its good transport links makes it attractive to commuters and the base for a number of distribution businesses. There has been considerable housing development over the last few years and there are plans for more significant development to the east of the town which is proposed to form part of a new garden village. Cullompton itself has a historic centre with a number of notable buildings.

Crediton is a historic market town, with a town area population of 21,000²⁰. It is the birthplace of St. Boniface, patron saint of Germany. Its main shopping street retains many of its independent retailers and a traditional feel. The many small villages in the Crediton hinterland are amongst the most isolated in the district.

Outside the main towns Willand and Bampton are the largest settlements. Willand has expanded greatly in recent years because of its proximity to the motorway, but has few services. Bampton is a historic market town on the fringes of Exmoor with important links to tourism.

2.7 Town Centres and Retail Space

The following tables show the breakdown of commercial units within Mid Devon's main three town centres²¹. They show the numbers of units, the proportion of the town centre that these units represent, and the average across the 3 town centres. Despite there being some gaps in the years for which data is not available, the tables are useful for identifying trends in changing uses of business premises, and for comparing the town centres' uses and potential resilience issues.

¹⁸ Tiverton Town Area 2016 population is 38,191 <https://new.devon.gov.uk/factsandfigures/area-profile/?geographicLevel=town&geographyId=TOWN28>

¹⁹ Cullompton Town Area 2016 population is 23,508 <https://new.devon.gov.uk/factsandfigures/area-profile/?geographicLevel=town&geographyId=TOWN07>

²⁰ Crediton Town Area 2016 population is 20,999 <https://new.devon.gov.uk/factsandfigures/area-profile/?geographicLevel=town&geographyId=TOWN06>

²¹ Source: Experian GOAD and GVA land use surveys for Greater Exeter Strategic Plan Retail Study 2017

Tiverton									
Sector	2011			2014			2016		
	No.	%	Ave	No.	%	Ave	No.	%	Ave
Convenience	21	10.5	8.6	20	9.6	9	21	9.9	9.4
Comparison	89	42.4	41.5	96	46.2	40.4	98	46	39.5
Service	67	31.9	35.1	70	33.7	37	73	34.3	37.9
Other	3	1.4	1.2	4	1.2	1.2	3	1.4	1.5
Vacant	29	13.8	13.7	18	12.4	12.4	18	8.5	12.2
Total	210	100	100	208	100	100	213	100	100

Figure 19: Breakdown of Commercial Units in Tiverton

Cullompton									
Sector	2011			2013			2016		
	No.	%	Ave	No.	%	Ave	No.	%	Ave
Convenience	5	5.8	8.6	8	9.6	9	9	11.1	9.4
Comparison	25	29.1	41.5	23	27.7	40.4	24	29.6	39.5
Service	29	33.7	35.1	34	41	37	34	42	37.9
Other	2	2.3	1.2	1	1.2	1.2	1	1.2	1.2
Vacant	25	29.1	13.7	17	20.5	12.4	13	16.5	12.2
Total	86	100	100	83	100	100	81	100	100

Figure 20: Breakdown of Commercial Units in Cullompton

Crediton						
Sector	2011	2013		2016		
	No data available	No data available		No.	%	Ave
Convenience				14	14.9	9.4
Comparison				39	41.5	39.5
Service				29	30.9	37.9
Other				1	1.1	1.2
Vacant				11	11.7	12.2
Total				94	100	100

Figure 21: Breakdown of Commercial units in Crediton

2.8 Economic SWOT Analysis

The economic profile of Mid Devon is summarised below in a simple Strengths, Weaknesses, Opportunities & Threats (SWOT) diagram:

Strengths	Weaknesses
<ul style="list-style-type: none"> • High employment rates/ low unemployment • High levels of self-employment and small flexible businesses • Relatively strong manufacturing sector • Good transport connectivity - road and rail links • High natural capital • High proportion of micro-businesses • High business survival rate • Strong growth on available employment sites 	<ul style="list-style-type: none"> • High proportion of low skilled, low waged employment • Low productivity – reliance on low productivity sectors • Low business birth rate • Low levels of high tech/ advanced manufacturing • Paucity of sixth-forms / FE • Low standard of qualification and technical skills • Broadband/mobile connectivity, particularly in rural areas. • Low levels of medium and large businesses
Opportunities	Threats
<ul style="list-style-type: none"> • Significant levels of planned development • Garden Village – high quality sustainable development • Transport Electrification - local energy generation • Innovative local projects – Hydromills, energy storage • Potential links with Exeter Innovation Centre & University, • Greater use of Natural Capital • Brexit - opportunities created through new trading links • Joint working with Exeter and Heart of Devon and Greater Exeter Strategic Partnership • Development along M5 corridor • Sectoral Growth - High Tech Manufacturing, Low Carbon, Food & Drink 	<ul style="list-style-type: none"> • Competition from neighbouring authorities • New employment space along M5 corridor at Taunton, Wellington & Exeter • Macroeconomics – pressure on global trade – increase in protectionism / trade wars • Economic disruption of Brexit • Uncertainty over the future of farming post CAP • Automation impacts on traditional manufacturing • Constraints to key road infrastructure and junctions • Insufficient infrastructure to support small & fledgling businesses.

2.9 Mid Devon District Council Corporate Plan

In the Council's Corporate Plan 2016-2020, the Economy is one of the key priorities for the Council, with specific objectives of:

- Bringing new businesses into the district
- Business development and growth
- Improving and regenerating our town centres
- Growing the tourism sector

This strategy responds to these objectives and lays out how they can be realised.



Figure 22: Mid Devon District Council's Corporate Plan Priorities

2.10 Wider Context

Mid Devon does not exist in a vacuum. Its economy is affected by the broader regional, national and international influences on trade and economy. The following sections highlight some of the most relevant pressures and opportunities for Mid Devon within an international context.

3.0 Regional Context

At a regional and sub regional level Mid Devon sits within the policy framework of other organisations and strategic partnerships. The following diagram summaries the activities of the main players:



Figure 23: Mid Devon's Strategic Partnerships

3.1 The Heart of the South West Local Enterprise Partnership (HotSW LEP)

The HotSW LEP is the regional body which represents Devon and Somerset based local authorities at a national level with Government and Government departments. Their role is to lobby and influence the direction of Government policy and to develop informed regional strategic policy to develop the economy.

The HotSW LEP is also responsible for identifying and establishing priorities for the Government's economy related spending coming into the region. It is therefore an important body for MDDC to work with and to be able to influence in its decision making processes.

MDDC has been greatly enhancing its level of engagement with the HotSW LEP, with senior council officers and local business representatives playing a role on various LEP boards and policy developing groups.

The partnership covers the area of Devon, Plymouth, Somerset and Torbay (as shown on the map below). Its purpose is to lead and influence economic growth, job creation and prosperity across the Heart of the South West area. This business-led partnership of local authorities, universities and further education colleges sets out to:

- Identify common priorities
- Attract resources and investment
- Make a difference to prosperity



Figure 24: Heart of the South West Local Enterprise Partnership Area²²

The HotSW LEP Mission:

“To reposition the Heart of the South West’s profile and reputation, nationally and globally. Connecting people, places, businesses and ideas to transform our economy, securing investment in infrastructure and skills to create more jobs and enable rewarding careers.”

The LEP recognises the contribution it can make to the national challenge of increasing productivity to improve living standards and create wealth in the future. Its ambition to increase productivity in the area is set out in its Productivity Plan – Stepping up to the Challenge published in 2018. This document aims to grow productivity and double the economy by 2038.

²² Extract from HotSW website <https://heartofswlep.co.uk/>

Key Priorities are identified as follows:

Business, Leadership and Ideas	Housing, Infrastructure and Connectivity	Employment, Skills and Learning
<ul style="list-style-type: none"> • Summary/Outcome <ul style="list-style-type: none"> • Our businesses are strong and are amongst the most innovative and productive in their sector • • High-level Aims <ul style="list-style-type: none"> • Significantly improve the productivity of existing businesses in both urban and rural areas • Capitalise on our competitive advantages and transformational (golden) opportunities • Attract additional, high value, business • Support and encourage a more equal distribution and take up of opportunities • • Programmes <ul style="list-style-type: none"> • Business innovation • Management excellence • Exports - New markets, new opportunities • Accessible support to start up and grow • Attracting business investment and Foreign Direct Investment 	<ul style="list-style-type: none"> • Summary/Outcomes <ul style="list-style-type: none"> • Our businesses have the right physical environment to thrive, connectivity to markets and the space to grow • • High Level Aims <ul style="list-style-type: none"> • Create vibrant places that are attractive to skilled people and new investment, with infrastructure to support productivity and inclusive growth • • Programmes <ul style="list-style-type: none"> • Connectivity and resilience • Housing and land for business • Improving digital infrastructure and opportunities • Clean energy infrastructure 	<ul style="list-style-type: none"> • Summary/Outcomes <ul style="list-style-type: none"> • Our businesses have a skilled workforce and are committed to training and developing talent to capitalise on future opportunities • • High-level Aims <ul style="list-style-type: none"> • Develop, attract and retain a highly skilled and adaptable workforce • Enhance education, skills and learning opportunities to improve the economic potential of our workforce • • Programmes <ul style="list-style-type: none"> • Educating and Retaining the Workforce of the Future • Creating Pathways to Success for All • Skills for Our Golden Opportunities • Supporting our Workforce to Succeed in a Changing Economy

Rural Commission 2017

In 2017 the HotSW Local Economic Partnership and three other South West Local Economic Partnerships (Cornwall & the Isles of Scilly, Dorset and Swindon and Wiltshire) commissioned a study into South West Rural Productivity, including barriers, issues, and drivers for rural economic growth.

The Commission looked at 10 themes for rural growth:

- 1) Rural Identity and Themes
- 2) Small and Scale-up businesses
- 3) Workforce and skills
- 4) Brexit
- 5) Transport and Accessibility
- 6) Broadband and Mobile Connectivity
- 7) Housing, Planning, Communities and Workplace
- 8) Natural and Cultural Heritage

- 9) Geography, Hubs and Spheres of Influence
- 10) Science, Technology, Energy and Innovation

At the end of the study the SW LEPs Rural Commission recommended the following key strategic recommendations:

1. Digital Infrastructure – given the potential game changing and cross cutting nature of digital infrastructure, this issue was the single most important issue raised by the study. The Commission therefore calls on Government and LEPs to provide high speed digital connectivity to 100% of end users in rural businesses and premises.
2. A South West Rural Task Force – recognising the critical juncture being faced by the rural economy, the South West LEPs and Government should establish a joint task force to develop a detailed action plan to take forward the key actions for all 10 growth themes highlighted in this report. The action plan will, in the main, delegate delivery to individual LEP areas, reflecting their differing needs and challenges, but may, where appropriate, identify a number of actions where cross LEP approaches may be advantageous.
3. Brexit – Brexit is likely to have a unique and disproportionate impact on rural areas. We therefore call upon Government to recognise this and provide clarity as soon as possible on transition and longer term arrangements for migration, trade, agricultural subsidies and other successor programmes. At the same time, South West LEPs should continue to develop their Brexit response and ensure the issues facing rural areas have been considered.
4. Rural Proofing across Government – the breadth of evidence received by the commission demonstrates that rural areas are not simply the preserve of DEFRA but are impacted by nearly every area of Government policy – with poorly designed policies ‘leaving behind’ many rural areas in the South West. We therefore call on Government to fully implement its own rural proofing guidelines, across all Government departments and policy areas. Of particular importance is the need to rural proof the proposed UK Shared Prosperity Fund, which alongside any future rural development programme could be the source of funding for many of the support structures required to deliver the recommendations of this report. The Government should identify a route-map for engagement on these issues. The South West LEPs should look to form stronger links with other rural LEPs in England in order to hold the Government to account on this issue, as well as providing leadership on the rural economy.
5. South West Identity – There is a need to raise the profile and visibility of the South West as a destination known for its business success, quality of life and entrepreneurial culture. In the short term this could build on the area’s existing strength in the food industry (in its widest sense) to enable it to blossom into a world leading, globally recognised proposition. In the longer term, it involves creating a ‘Smart Rural Research Platform’ through public, private and higher education investment in science and technology (centred around addressing key rural challenges) to achieve a fundamental shift in the economic opportunities available in rural areas.

As a part of the development of a South West Rural Task Force, as outlined in the recommendations above, MDDC has taken on the role as the regional lead for rural productivity.

3.2 Devon County Council

Devon County Council (DCC) works across all of the Devon districts as the upper tier authority for the County. The Economy team at DCC coordinates a number of business support projects, such as the Growth Support Programme and the Enhanced Social Enterprise Programme, and delivers numerous economic development related functions, including economic data analysis, strategic policy development, oversight of broadband rollout and transport planning.

MDDC works closely with DCC on a number of projects, in some cases providing direct support to develop and deliver projects, and in others playing more of a consultative role.

Key areas of collaboration

- Strategic Infrastructure, Highways, Schools
- Junction 28, M5 transport improvements and the Cullompton Relief Road
- Tiverton Eastern Urban Extension infrastructure, including the new access from and onto the A361
- Wider Transport Planning and Major Infrastructure Planning, such as proposals for the re-instatement of a train station at Cullompton
- Developments at Junction 27, M5
- The development of the Culm Garden Village
- Board representation from MDDC for the Growth Support Programme (a regional business support project)
- Collaboration on the Economic Development Needs Assessment undertaken for the Exeter & Heart of Devon partnership area
- Greater Exeter Strategic Plan and the Greater Exeter Growth & Development Board
- Applications to Government for capital investment in road and rail.

Devon County Council in its own 'Strategy for Growth 2013 – 2020' sets out its ambitions and priorities for growth under the following headings:

- A A more productive economy
- B A higher waged economy
- C A workforce with the right skills and employment opportunities for the future
- D A well connected county
- E A thriving business community

With an overall vision of creating 'a flourishing and balanced economy with strong economic growth and high quality employment'.

3.3 Exeter & the Heart of Devon Partnership – Joint Economic Strategy 2017

Exeter and the Heart of Devon (EHOD) is an economy focused partnership consisting of the 4 local authorities, East Devon, Exeter, Mid Devon and Teignbridge. These areas form a functioning economic geography, with people commuting across the whole area for work, education, shopping and leisure activities. The partnership works collaboratively to deliver economic growth through a number of thematic work streams. These work streams emerged through the development of a national award winning Joint Economic Strategy (Most Innovative Strategy – Institute of Economic Development, 2017). Each local authority leads on a theme, focusing their activities in support of the partnership:

Business Transformation – Lead Council – Mid Devon

This work stream explores better ways of delivering business support services across the EHOD area. The aim is to retain and grow the business base, through providing the conditions for business led growth, with a focus on particular key strategic sectors, including:

- Professional scientific and technical services
- Engineering
- Big data and environmental futures
- Digital economy
- Leisure and tourism

The partnership has co-commissioned business support projects, and used their pooled resources to draw down match funding to increase the money available to support businesses across the area. Projects exploring income generating activities for local authorities have also been taken forward, as have joint procurement exercises for business related databases and information systems, all of which help to save public funds and make economic services more sustainable.

Inward Investment – Lead Council – Exeter

This work stream looks at how the four local authorities can work collaboratively to develop a proactive and targeted approach to inward investment. It explores how businesses are approached and negotiated with, it looks at the wider support networks that can be tapped into to support businesses moving into the area, and it works with partners including the Department of Trade and Industry (DTI) and UK Trade and Investment (UKTI) and their pipelines of enquiries from foreign investors.

Employment & Skills – Lead Council – Teignbridge

This work stream explores how local authorities link with skills organisations to ensure that delivery is meeting existing and future business needs. It also works to ensure that those in education and training are given opportunities to work within the local economy. The overall objective is to turn skills from a barrier to growth into a growth stimulator. Activities so far have included projects getting business leaders into schools to present to and inspire young people to work in local industries, and support for unskilled people with barriers to employment to take steps to get closer to the labour market.

Strategic Planning & Infrastructure – Lead Council – East Devon

This work stream ensures that economic needs are at the forefront of decision making policies and strategies developed for the Greater Exeter area. This includes work on employment land allocations in the Greater Exeter Strategic Plan (GESp), the Economic Development Needs Assessment and local employment land reviews. Through this work, the partnership has also engaged with groups focused on improving key infrastructure, particularly broadband speeds, which is an issue affecting many EHOD based businesses.

Alongside these 4 themes is a cross-cutting theme of Knowledge & Innovation. This focuses on the successful generation and exploitation of new ideas. The group aims to maximise the area's world-class research and knowledge strengths and assets by attracting significant investment, creating sustainable high quality employment, raising income levels and identifying the challenges that need to be addressed to raise innovation levels. Innovation will also shape how the group works. As a partnership, the EHOD team are committed to design, test and apply better solutions and interventions that meet the needs and opportunities of the local economy.

The focus on collaborative working is already delivering tangible outputs for the local authority areas beyond what could be achieved in isolation – and this collective approach aligns with the national push for joint council working.

Mid Devon will continue to work with the other local authorities, recognising the strength of the partnership and our ability to achieve better local outcomes through this collaborative approach. It is demonstrable that working with the partnership has enabled Mid Devon to benefit from economies of scale when investing in business support projects, business analytical systems and other business activities.

3.4 Greater Exeter Strategic Plan

Once adopted, the Greater Exeter Strategic Plan will form part of the Statutory Development Plan for Mid Devon. It will provide an overall spatial strategy and level of housing and employment land for the Greater Exeter area up to 2040. The Greater Exeter Strategic Plan covers the following local authority areas: East Devon, Exeter, Mid Devon and Teignbridge District Councils (excluding Dartmoor National Park). The map below shows the plan coverage.



Figure 25: Greater Exeter Strategic Plan Area

Joint plan-making allows strategic decisions to be made across local authority boundaries responding to how people live and work in the area. The purpose of preparing the Greater Exeter Strategic Plan is to:

- set an overall vision and strategy for the development of the area in the context of national and other high level policy;
- include overarching, cross-boundary and strategic targets, policies and proposals for development and conservation;
- guide the overall level and distribution of development;
- make strategic development and infrastructure proposals;
- contain other strategic policies necessary to implement the vision and strategy; and
- cover the period 2020 to 2040.

The following table sets out the timescale for production and adoption for this plan:

Stage	Date
Issues Consultation	February 2017 (completed)
Draft policies and site options	June 2019
Draft Plan Consultation	November 2019
Publication (Proposed Submission)	February 2021
Submission	July 2021
Hearings	September 2021
Adoption	April 2022

Each of the four Councils, whose areas will be covered by the plan will retain full decision making at key stages of its production and submission.

Economic development teams across the plan area have been assisting in the production of this important document. The outcome of this work will set a context for land use decisions both in terms of the identification of strategic economic allocations and also with respect to strategic development policies. It is intended that underneath this strategic document each local planning authority will produce its own local plan with more detailed land use policies.

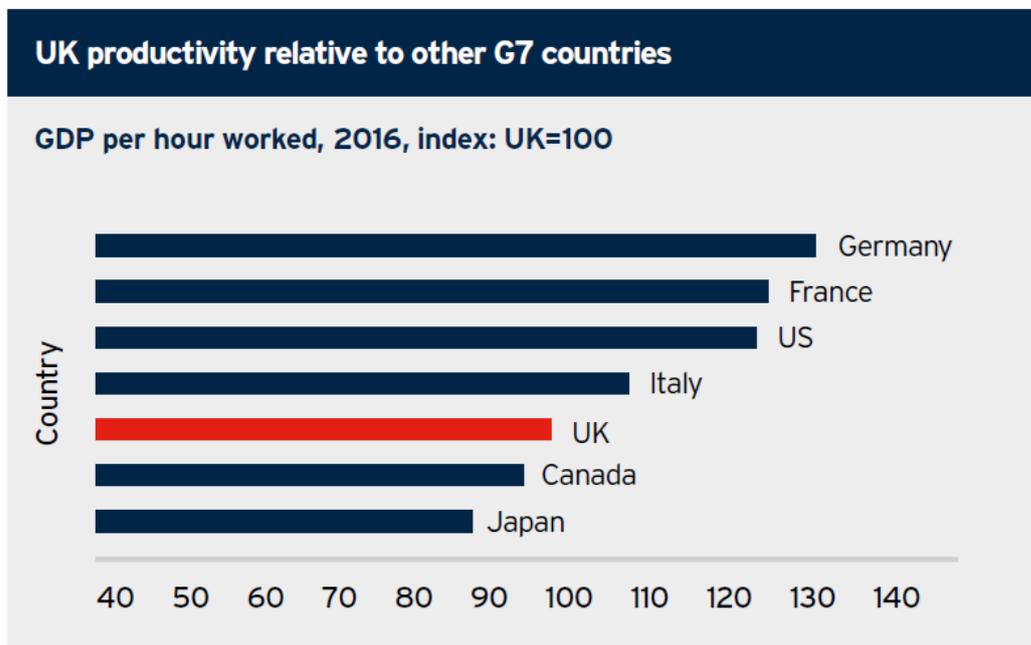
4.0 National Context

In November 2017, the Government published its *Industrial Strategy White Paper – “Building a Britain fit for the future”*. This set out a long-term plan to boost the productivity and earning power of people throughout the UK.

Productivity

For the last decade the UK economy has shown poor productivity growth compared to its main competitors (as shown in the diagram below). UK workers are now nearly 30% less productive than their counterparts in the US, France or Germany. Since the economic slump of 2008 this productivity gap has been widening, with the recent lack of business investment due to Brexit uncertainties creating even more difficulties. Even within the UK, there is disparity between the different regions, with the South West having a productivity level only 87% of the national average.

The aim of the Industrial Strategy is to boost productivity by creating good jobs and increase the earning power of people throughout the country with investment in skills, industries and infrastructure.



Source: ONS (2017) International Comparisons of Labour Productivity.

Figure 26: UK Productivity relative to other G7 Countries²³

²³ UK Industrial Strategy 2017 p21

Grand Challenges

The Industrial Strategy identifies four 'grand challenges' focussed on global trends which are described within the strategy as 'society-changing opportunities and industries of the future, where we can build on our emerging and established strengths to become a world leader'.

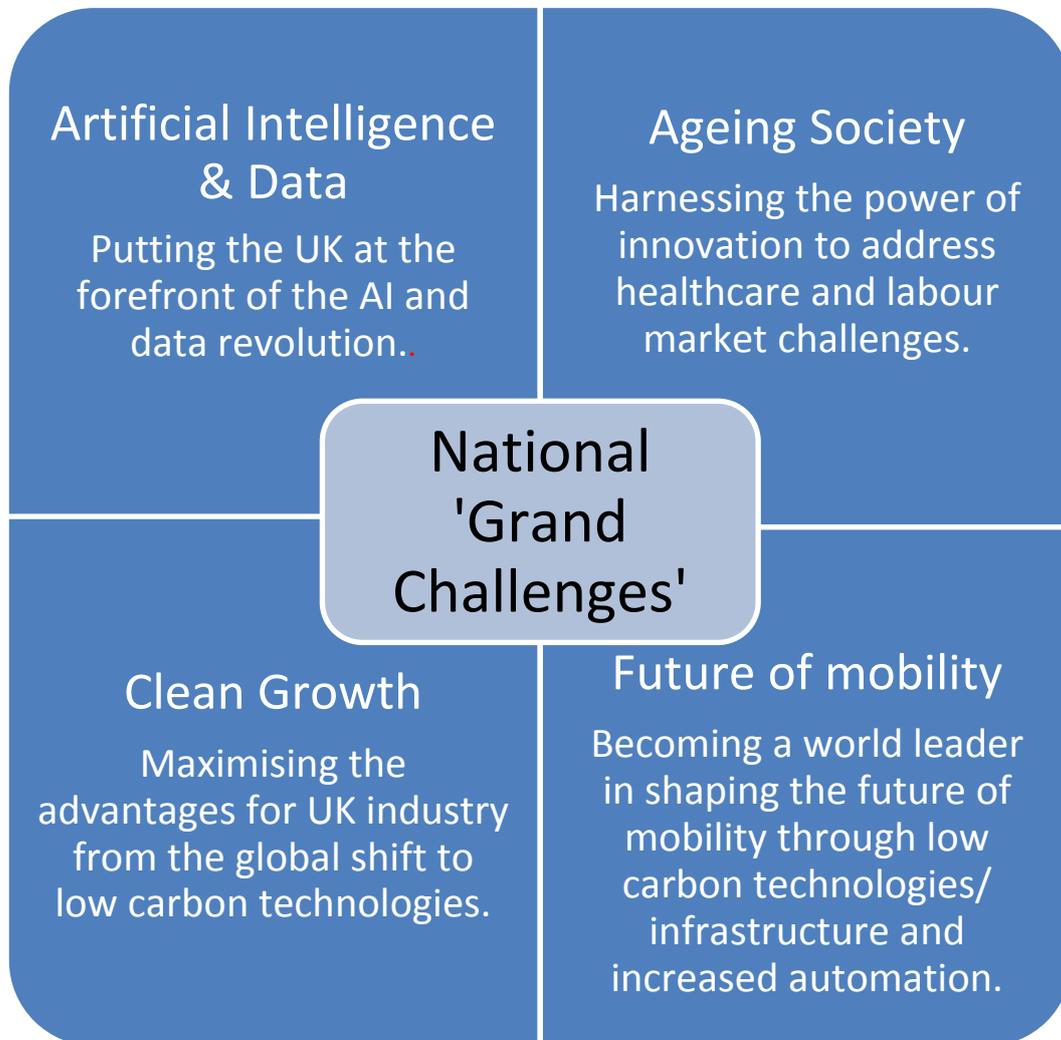


Figure 27: The Four 'Grand Challenges' Outlined in the Industrial Strategy

Foundations

The government has identified five foundations of productivity which are "the essential attributes of every successful economy". These foundations are as follows:

Ideas	<ul style="list-style-type: none">• Encouraging the UK to be the world's most innovative economy
People	<ul style="list-style-type: none">• Ensuring good jobs and greater earning power for all
Infrastructure	<ul style="list-style-type: none">• Driving a major upgrade to the UK's digital, energy and transport infrastructure
Business Environment	<ul style="list-style-type: none">• Guaranteeing the best place to start and grow a business supporting specific sectors and SMEs
Places	<ul style="list-style-type: none">• Creating prosperous communities across the UK tackling regional disparities

Sector deals

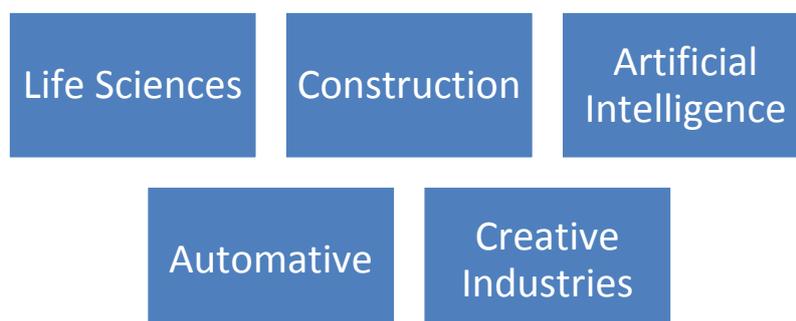
A key strand to the government's approach to increasing productivity is to build long-term strategic partnerships with businesses through Sector Deals between government and industry. These present significant opportunities to tackle barriers to growth, boost productivity in specific sectors, further collaboration, and ensure high-quality jobs.

These partnerships between government and industry help industries to overcome specific issues that they face. These partnerships will involve industry councils which meet regularly to identify issues and decide how to tackle them. The councils include industry leaders and government representatives.

This model has been used successfully in the automotive, creative and aerospace industries for several years.

Five sector deals have been announced so far (some of which already have sector partnerships with government). Other sector deals will be announced in the 2019.

The five sectors deals are:



Changes to the Retail Sector

The re-alignment of the retail sector, with a shift in consumer demand from high street to on-line spending, is having a profound effect on our town centres. Although there seems to be no reduction in overall household spending, there has been a noticeable shift from spending on goods to spending on services.

Although the Industrial Strategy does not make many specific references to the retail sector it does pledge that the Government “will work closely with sectors such as hospitality, retail and tourism on each of the foundations of productivity in order to progressively drive up the earning power of people employed in these industries and in enhancing our national productivity”.²⁴

In recognition of the changing way in which we shop and communities use the high street, the Secretary of State for Housing, Communities and Local Government asked Sir John Timpson to consider these issues and make recommendations on how to support local areas to respond to these changes. At the time of writing this work is still underway, although a Future High Streets Scheme has been announced and a High Streets Task Force is due to be launched in early 2019.

The Clean Growth Strategy, Oct 2017

In support of the Industrial Strategy the government published its ‘Clean Growth Strategy – Leading the Way to a Low Carbon Future’ in October 2017.

In recognition of the global challenges associated with climate change, as previously referred to, this strategy sets out proposals for de-carbonising all sectors of the UK economy through the 2020s. It explains how the whole country can benefit from low carbon opportunities, while meeting national and international commitments to tackle climate change.

The key actions that the government will take as part of the strategy are set out below:

Key Policy Areas
Accelerating clean growth
Improving business and industry efficiency – 25% of UK emissions
Improving the energy efficiency of our homes – 13% of UK emissions
Rolling out low carbon heating
Accelerating the shift to low carbon transport – 24% of UK emissions
Delivering Clean, Smart, Flexible Power – 21% of UK Emissions
Enhancing the benefits and value of our natural resources – 15% of UK emissions
Leading in the public sector – 2% of UK emissions
Government leadership in driving clean growth

²⁴ UK Industrial Strategy 2017 p171

The revised National Planning Policy Framework

The revised National Planning Policy Framework (NPPF) was published on 24 July 2018. It sets out the government's planning policies and how these are expected to be applied. This is of huge significance to businesses. The revised Framework replaces the previous National Planning Policy Framework published in March 2012.

Section 6 of the NPPF provides guidance on how to build a strong and competitive economy through land use planning. It recognises that significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development. Of particular relevance to the Mid Devon area is the guidance on supporting a prosperous rural economy in paragraph 83.

The context for planning decisions and the premise behind the NPPF is based upon achieving sustainable development. Sustainable development in the NPPF reflects the definition by the Brundtland Commission of the United Nations in 1987. Chapter 8 of the revised NPPF provides a definition of sustainable development and explains the interdependent nature of three overarching objectives. These objectives are represented diagrammatically below using the NPPF definitions:

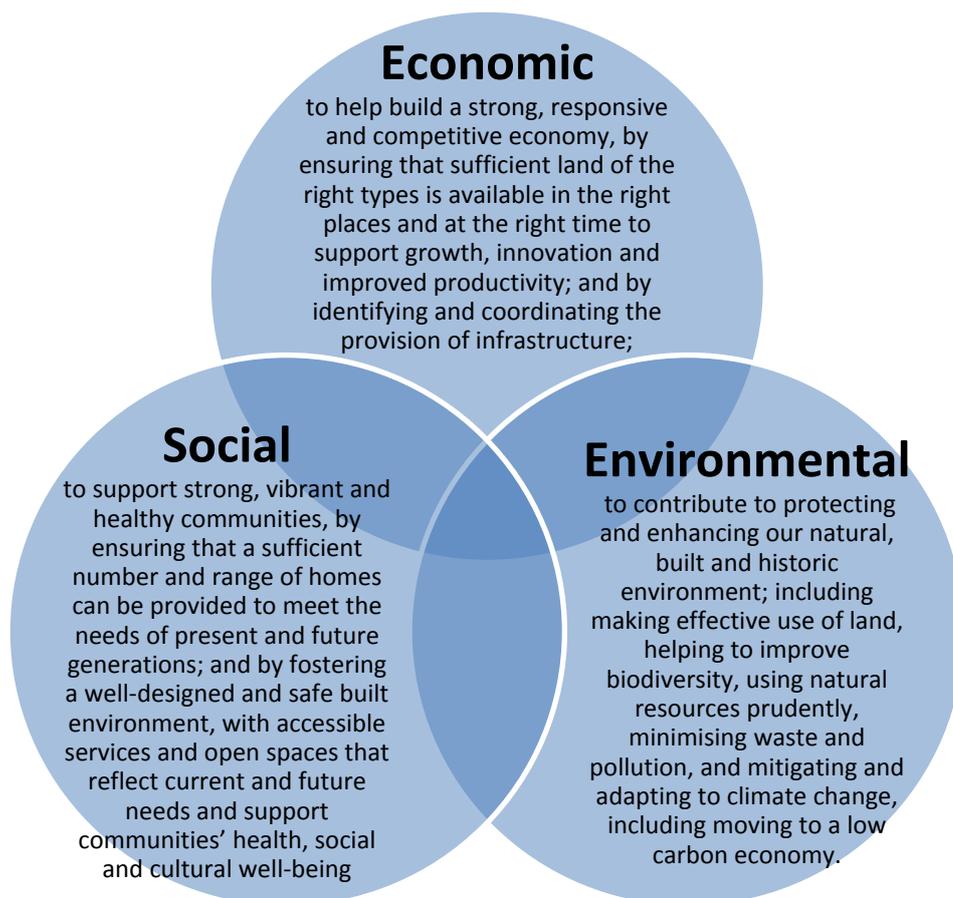
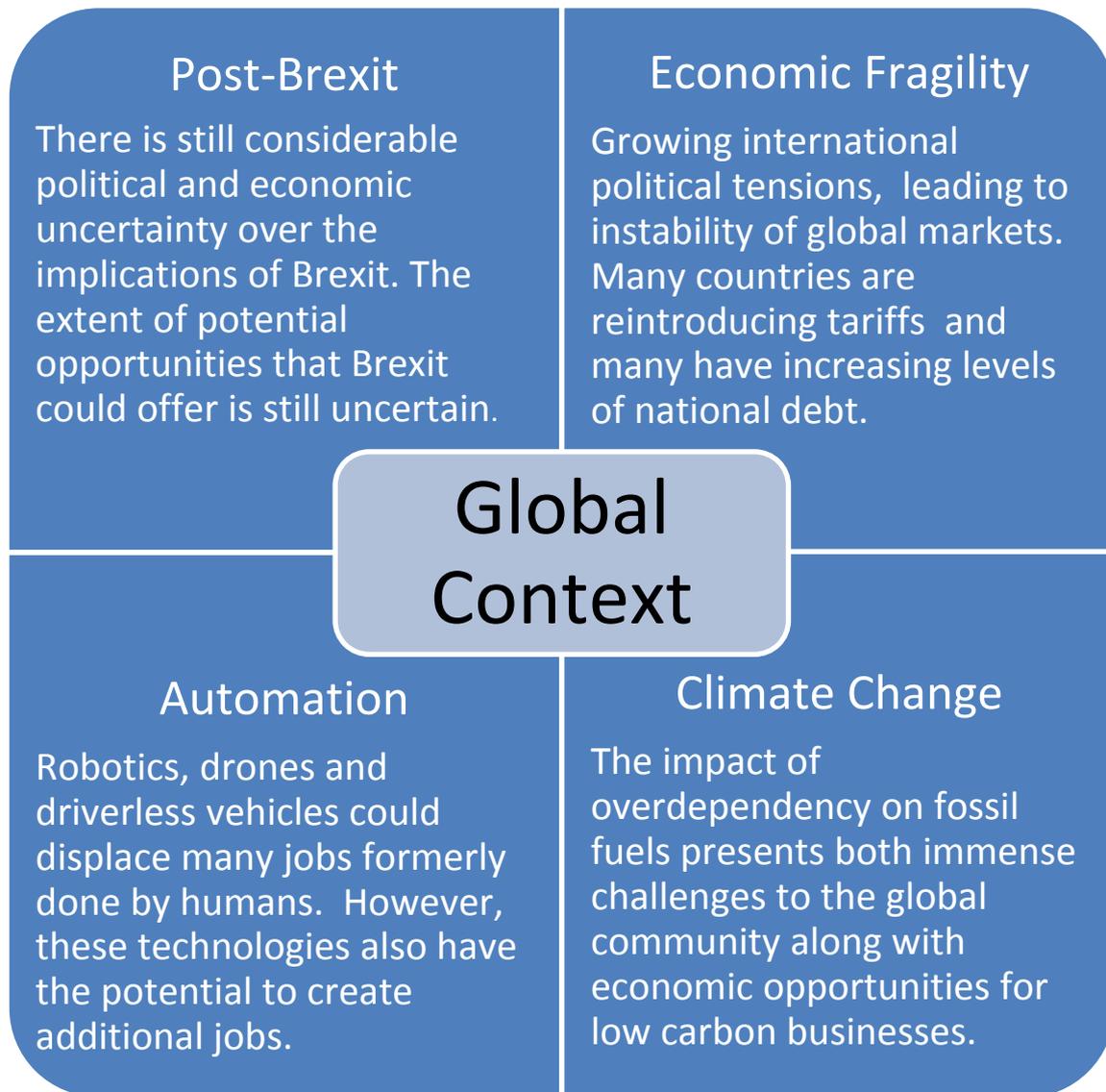


Figure 28: Diagram of Objectives for Achieving Sustainable Development

5.0 International Context



Post-Brexit

At the time of writing there is still considerable political and economic uncertainty over the outcome of Brexit negotiations. The lack of clarity over future trading relationships post Brexit has resulted in businesses deferring investment decisions, suppressing potential growth in the economy. Once agreement is reached over the terms of leaving the EU, the process of negotiating detailed trade relationships could extend over a number of years, prolonging uncertainty.

The fall in the value of the pound after the Brexit vote led to an initial boost to exports as a weaker currency made UK goods and services relatively cheap for overseas customers. However, in recent months export growth has also started to decline. A weaker currency raises the prices of imports, increasing the cost of production and pushing up inflation. The higher costs of imports, combined with low wage growth,

have squeezed consumer spending power, also depressing the economy. Changes to migration rules post Brexit may well result in a skills gap in certain sectors.

It is too early to know what new trade deals are created and the full extent of opportunities that leaving the European Union may bring.

Fragility of Global Economy

The International Monetary Fund's (IMF) Financial Stability Report (Oct 2018) has recently warned of 'dangerous undercurrents' in the global economy²⁵. As well as the threat of a 'disorderly Brexit', the current growing isolationism approach of the current American administration towards trade, has led to increasing tensions internationally most noticeably with Europe, China and within the North American Free Trade Agreement (NAFTA) area. The re-imposition of tariffs on certain goods and other trade barriers together with waning international co-operation may have a negative effect on the global economy. The IMF also warns that a number of countries particularly in emerging markets are continuing to ramp up unsustainable levels of national debt. This is likely to further increase the instability of global markets which could spread to more stable economies and endanger the international banking system as happened after the financial crisis in 2008.

Automation

Artificial intelligence (AI) and related technologies such as robotics, drones and driverless vehicles could over the next 20 years displace many jobs currently undertaken by humans. However, these technologies also have the potential to create additional jobs as productivity and real incomes rise and new and better products are developed. The changes will not be evenly distributed across the economy or the country. Certain sectors and geographical regions will be impacted more severely than others. Manufacturing, in particular, is going to be severely affected by increasing automation, and those regions more heavily dependent on manufacturing may become net losers.

²⁵ <https://www.bbc.co.uk/news/business-45803283>

Estimated job displacement and creation from Artificial Intelligence by industrial sector (2017-37)	% of existing jobs (in 2017)		
	Creation	Displacement	Net Effect
Health and Social Care	+ 34%	-12%	+ 22%
Professional, scientific and technical	+ 33%	-18%	+ 16%
Information and communication	+ 27%	-18%	+ 8%
Education	+ 12%	-5%	+ 6%
Accommodation and food services	+ 22%	-16%	+ 6%
Other Sectors	+ 13%	-15%	-2%
Wholesale and retail trade	+ 26%	-28%	-3%
Construction	+ 12%	-15%	-3%
Financial and Insurance activities	+ 18%	-25%	-7%
Public administration and defence	+ 4%	-23%	-18%
Transportation and storage	+ 17%	-38%	-22%
Manufacturing	+ 5%	-30%	-25%
TOTAL	+ 20%	-20%	0%

Figure 29: Estimated Job Displacement and Creation from Artificial Intelligence by Industrial Sector²⁶

Climate Change

The recent report from the Intergovernmental Panel on Climate Change (IPCC) has highlighted the stark and immediate challenge facing the world if it is to avoid major disruption due to climate change. The report underlines the need for a radical shift in the economy and in society if global temperatures are to remain below the critical 1.5 centigrade rise from pre-industrial levels. Depending on how governments react to this challenge this could have profound effects on the direction of the global economy over the next 20 years.

The Met Office in its publication ‘Limiting global warming to 1.5°C: Where are we now?’ states that our global climate is about 1°C warmer than pre-industrial levels. It also explains that Met Office research suggests almost all of that warming is due to human activity. It also states that “there is an 11% chance we could see a single year at 1.5°C or higher by 2021”. It does however conclude that this does not mean we are committed long-term to a 1.5°C world and that this can be avoided by rapid cuts in global greenhouse gas emissions.

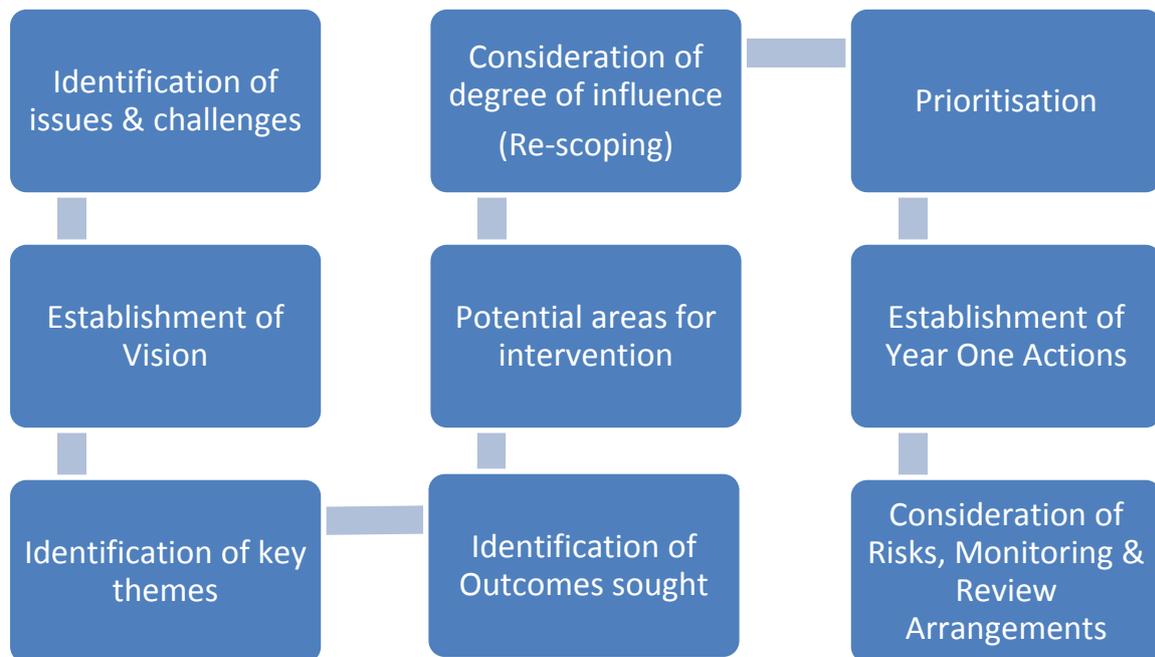
Climate change is a global challenge that affects us all. No country is projected to be spared from the impacts of further global temperature increases and we are already facing serious challenges to the natural environment; to food production; and to water resources. There are however economic opportunities with regard to tackling climate change through innovative technologies and sustainable energy generation.

²⁶ PwC Analysis 2017

6.0 Developing the Strategy

To formulate the strategy a staged process was adopted enabling officers of the Growth, Economy and Delivery Service to develop the strategy in partnership with members of the Economy Policy Development Group through a series of workshops.

The process undertaken was as follows:



Identification of Issues and Challenges

At the initial stage in the process the current position was considered. This included consideration of the context within which the Mid Devon Economy operates, as set out in the wider context section above. Consideration was also given to Mid Devon's current economic profile and the challenges and opportunities that exist as summarised in the previous section. This analysis in turn informed consideration of aspirations for the local economy for the future and the creation of a vision.

Establishment of Vision

To inform the creation of a vision Officers and Members considered what words were of key significance in shaping the future of Mid Devon's economy. The following word cloud was generated as a result of this consideration.

A Vision for Mid Devon

Mid Devon is a place where:

- towns and villages are vibrant, prosperous and have a positive atmosphere;
- the district's rural economy is successful, and is synonymous with being truly 'Green';
- residents, businesses and visitors enjoy a picturesque built and natural environment;
- commercial opportunities are embraced for the benefit of the district and emerging businesses are able to develop and thrive;
- a successful economy, including emphasis on low carbon, agriculture and hi-tech, is supported by a highly skilled workforce;
- there is access to first rate education with bespoke opportunities aligned to locally active and growing sectors;
- there is a diverse range of job opportunities for all including a significant number of higher paid jobs;
- life chances are maximised; and
- residents, businesses and visitors enjoy excellent digital and physical connectivity by foot, cycle, road or rail.

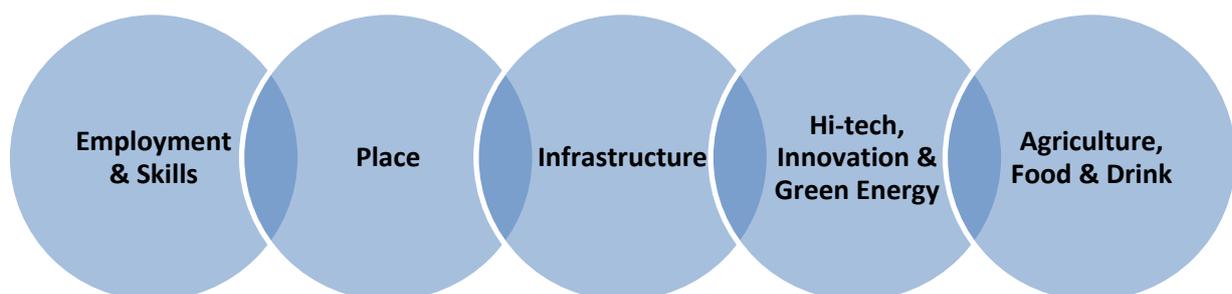


Overarching Objectives and Key Themes

Throughout the process of developing the strategy there have been a number of recurring themes which form the overarching objectives for this strategy:

Increasing Wages
<ul style="list-style-type: none">• Creating opportunities for higher waged jobs
Upskilling
<ul style="list-style-type: none">• Making sure residents have the skills to benefit from new employment opportunities
Delivering a Growth Agenda
<ul style="list-style-type: none">• Creating the conditions for sustained and sustainable growth• Moving Forward on Strategic Housing Sites & Employment Space• Supporting Business Growth and Inward Investment
Increasing Productivity
<ul style="list-style-type: none">• Attracting higher skilled, higher waged jobs• Focus on the Knowledge Economy – High Tech Industries, Innovation and Green Energy

After having considered the national and regional aspiration to raise productivity, the changing global economic scene, the current situation of the Mid Devon economy and the aspirations identified within the vision, it became clear that there were five strands that had particular relevance to Mid Devon. The five strands, or key themes, that emerged are as follows:



Each of these key themes is considered in more detail in the following sections of the strategy. All of these five themes are recurring aspects of the vision and are crucial areas for intervention if the vision is to be realised.

Outcomes sought

Consideration was given by members of the Economy Policy Development Group and the officers working within the Growth Economy & Delivery team to the outcomes sought through intervening with the key thematic areas. These are explained in more detail in the following sections of the strategy. A summary of these outcomes is included below:

Employment & Skills	Place	Infrastructure	Hi-Tech, Innovation & Green Energy	Agriculture, Food & Drink
To increase the number of higher skilled higher waged jobs in the district	To increase the viability and vitality of town centres	Improved digital infrastructure	Increase proportion of new jobs in high paid and high skilled roles	Raise the profile of the Mid Devon food and drink offer to enable local business growth
To work with Exeter and Heart of Devon partners to identify initiatives to increase skills levels within the district	To nurture a sense of pride in our local towns	Improved transport and accessibility to ensure that employment, training and education is within affordable reach	Achieve a higher proportion of hi-tech businesses registered in the district	Increase engagement and support for food, drink and agri-businesses
To work closely with Education and Training providers	To reduce the number of vacant town centres properties	Increased built out commercial space for businesses	Increase number of Mid Devon Residents on Hi-Tech, Innovation based or Green Energy related courses	Develop new channels through which local food and drink businesses can be promoted
To engage with employers about their employment needs	To increase the number of people living in our town centres	Increase in the availability of incubator space	Increase implementation of hi-tech and innovative initiatives on employment sites	Retain specialist skills within the Mid Devon area
To attract centres of training excellence to the District	To increase number of visitors to Mid Devon	Increase in the availability of “next step” space, for those outgrowing incubator spaces	Build closer ties with hi-tech businesses through partnership development	
			Promote Mid Devon as a hub for hi-tech businesses	

Following consideration of these outcomes potential areas for intervention were discussed.

Potential areas for intervention

Initial thoughts with regard to possible broad areas of intervention were generated and these formed the basis of discussion with the Economy Policy Development Group. Each of these broad areas of intervention (shown below) included a number of more specific methods of possible engagement ranging from traditional economic development activities to more unusual areas of local authority engagement.



Consideration of degree of influence – Re-scoping

The Policy Development Group considered the list of potential areas for intervention and reflected on the District Council’s ability to influence. They categorised these areas for intervention into the following groupings:



Prioritisation

There was general recognition when preparing this strategy that there is a need to prioritise the interventions owing to limited availability of resource and a need to focus energies to bring about the most effective results. Following the refinement of an initial list of possible areas for intervention to reflect those where the Economic Development team’s involvement could be most effective in achieving the desired outcomes, the remaining areas were prioritised. Factors that affected this prioritisation included: need, deliverability, degree of influence and value for money.

Establishment of Year One Actions

A number of first year actions have been identified to accompany this strategy in order to achieve some ‘quick wins’. It is envisaged that strategy actions will be identified on an annual basis as part of the monitoring arrangements identified below and reported to the Council’s Economy Policy Development Group.

Consideration of Risks, Monitoring & Review Arrangements

The Policy Development Group considered risks, monitoring and review arrangements as part of their workshop deliberations. The Measuring Success section later in this report identifies the approach to monitoring and reviewing the strategy.

Business Engagement

In addition to the factual analysis the strategy has been informed by discussions with local businesses. This has included direct approaches to representatives from certain sectors and discussion with business groups including the Business Forum Mid Devon and Culm Valley in Business.

7.0 Employment and Skills

From the Economic Profile in section 1.1 above it is recognised that Mid Devon has low unemployment, but insufficient employment opportunities to meet the needs of the resident population. Indeed 37% of the workforce commutes out of the district for work. Of the jobs available in Mid Devon the majority are in sectors with traditionally low productivity, such as retail, agriculture, public sector and distribution. This is reflected in the low average earnings for those who live and work in the district, which are 11% lower than the national average. On the other hand fewer people have a degree of higher qualification when compared to Devon or South West averages, indicating that Mid Devon has a predominantly low waged, low skilled economy.

The Council wants to work with partners to increase average wages by attracting higher skilled, higher waged jobs into the district, particularly in the hi-tech, innovation and green energy sectors. The Local Plan identifies a number of employment sites that will become available as part of planned developments in Tiverton, Cullompton and particularly in the Culm Garden Village. The vision for the Culm Garden Village makes it particularly suitable to attract hi-tech and knowledge based businesses, and we would like to work with partners such as the University of Exeter and Science Park to create a skills and innovation hub in conjunction with the education facilities in the development.

In parallel with creating more opportunities for job creation, we need to make sure that Mid Devon residents have the necessary skills to take advantage of higher waged jobs as they become available. Although the Council is not an education authority or directly involved in the skills agenda, we can use our influence to support and facilitate initiatives to increase skills levels within the district. The Council will work directly with businesses and training providers to ensure residents have access to skilled jobs locally and have the training to take advantage of them.

Case Study – Apprenticeships – Hepco & MDDC

To be inserted (awaiting at article from Hepco)

7.1 Employment and Skills SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • The Mid Devon Economy is relatively strong in Manufacturing • Proximity to centres of excellence – Exeter University, Exeter Science Park • Secondary schools generally perform well against national averages • Uffculme school is one of the highest performing state schools in Devon • Less than 8% of residents have no qualification which is a much lower percentage than the UK's 15%. 	<ul style="list-style-type: none"> • The percentage of Mid Devon workforce holding a degree or higher qualification (NVQ 4+) at 31.4% is well below the national average. • There is limited provision of further education courses within the district. • There is only one school providing A-levels courses within the district • Low level of high skilled jobs in the district • With workers and graduates leaving the area to find higher wage jobs; a distinct ageing population and low unemployment. The pool of available skilled people has been shrinking.
Opportunities	Threats
<ul style="list-style-type: none"> • New businesses moving into the district • Potential to work with Exeter University to develop high level apprenticeships in innovative sectors • Introduction of new T-level qualifications • Apprenticeship levy means that larger employers have budgets for training • National Careers Strategy 2017 and LEP Careers Hub • Bid to LEP multi-site Institute of Technology 	<ul style="list-style-type: none"> • Concentration of further education opportunities in Exeter and Taunton • Once young people have left the district for education, they are less likely to return.

7.2 Employment and Skills Outcomes and Interventions

Employment and Skills Outcomes	Quick wins (1 st Year Actions)	Other Potential Interventions for subsequent years
To increase the number of higher skilled higher waged jobs in the district	<ul style="list-style-type: none"> Develop sector specific business support activities, targeting industries which are more likely to create higher paid, higher skilled jobs 	<ul style="list-style-type: none"> Focus inward investment and business growth activities on expanding knowledge and hi-tech sectors in the district
To work with Exeter and Heart of Devon partners to identify initiatives to increase skills levels within the district	<ul style="list-style-type: none"> Work with EHOD partners to establish training and skills initiatives and promote locally 	<ul style="list-style-type: none"> Support the setting up of a local Employment and Skills Board (or equivalent)
To work closely with Education and Training providers	<ul style="list-style-type: none"> Identify relevant skills partners to work on incubator/flexible workspace project & other initiatives Sponsor a Young Entrepreneur's Award as part of a Mid Devon Business Awards scheme 	<ul style="list-style-type: none"> Work closely with local education and training providers to jointly promote training opportunities to employers
To engage with employers about their employment needs	<ul style="list-style-type: none"> Initiate a Business Champions scheme 	<ul style="list-style-type: none"> Promote Business Champions to visit schools and colleges
To attract centres of training excellence to the District		<ul style="list-style-type: none"> Work towards creating a skills and innovation hub in the Culm Garden Village as part of the new employment / educational facilities.

8.0 Place

'Place' in this context refers to how Mid Devon's towns and countryside contribute to the local economy. In practical terms it means recognising that the Council working with town centre and rural partners can help to:

- re-shape the retail and leisure offer of our town centres and improve the physical environment so that people want to shop and spend their leisure time there,
- create a 'sense of place' so that people are proud to live and work in Mid Devon, and
- promote the natural beauty of the rural landscape and the historic built environment so that residents and visitors enjoy spending time here.

This strategy outlines how we intend to support the viability and vitality of our market towns, and promote the outstanding qualities of the district to residents and visitors alike.

8.1 Health of Town Centres

Compared to other towns of similar size, Mid Devon's three main towns are not doing too badly, with shop vacancy rates much lower than the national average of 11% (January 2017)²⁷. However, like town centres up and down the county, there are signs of stress as recent trends in the retail sector have seen a flight from the high street in line with the changing expectations and shopping habits of customers.

Town	January 2017	July 2018
Crediton	6%	8%
Cullompton	9%	8%
Tiverton	7%	9%

Figure 31: Shop Vacancy Rates in Mid Devon

It is generally recognised that the role of town centres is changing. If they are to survive into the future, they must expand what they offer to embrace retail, service and leisure activities so they can attract a wide range of users. Towns can no longer be just retail hubs; they also need to be social and cultural hubs. The Grimsey Review 2 (2018) says *'It's time to reshape our town centres'* and this includes reformulating what towns have to offer and refashioning public space and the quality of the street scene so that they are attractive places to visit and offer a visitor experience that cannot be replicated online.

The Council wants to work with all existing town centre bodies to find a way forward. To this end, the Council is developing masterplans for each of the three market towns. These will over time provide strategic direction for our towns and a framework for significant improvements to the physical environment. They will consider opportunities for investment and regeneration and address a desire to increase the population of our town centres to enhance vitality. Themes around sense of place, identity and vision for the future will also be considered.

²⁷ Local Data Company (LDC), January 2017

As well as improving the physical environment, there is a need to extend what each town has to offer in terms of leisure and entertainment, both by day and by night. In the 2016 Visitor Survey, the nightlife/evening entertainment in Mid Devon was rated much lower than any other indicators. A well-managed night-time economy can be a real boost to the local economy creating jobs, increasing footfall and providing opportunities to showcase a wide range of ever-changing arts and cultural events for residents and visitors. Tiverton Community Arts Theatre (TCAT) has recently received outline planning permission for a new theatre. There are opportunities to work collaboratively with TCAT and town centre businesses to improve the night-time economy offer.

8.2 Tourism

The natural beauty of Mid Devon’s landscape and the cultural interest of its historic buildings is a great draw for visitors. Tourism is recognised as an important part of Mid Devon’s economy. It contributes significantly through job creation, increased expenditure and income into local communities.

In 2015, Mid Devon attracted approximately 212,000 staying visitors from the UK and overseas, combined with approximately 1.59 million day visits, generating an estimated £101 million pounds worth of visitor spend in the local economy. Approximately 1,500 full-time equivalent jobs within the district are working directly in tourism related businesses, representing 5% of all employment in Mid Devon.

Key facts – Value of tourism 2015	
212,000	Staying visitor trips
860,000	Staying visitor nights
£43,165,000	Staying visitor spend
1,589,000	Day visits
£52,909,000	Day visitor spend
£96,074,000	Direct visitor spend
£5,059,000	Other related spend
£101,133,000	TOTAL VISITOR RELATED SPEND
2,084	Estimated actual employment
1,505	FTE employment
5%	Proportion of all employment

Figure 32: Value of Tourism Spend to Mid Devon 2015

Compared to our neighbouring authorities Mid Devon is the least visited district in Devon, indicating there is plenty of room for growth.

Area	Domestic trips (000's)	Overseas trips (000's)	Domestic nights (000's)	Overseas nights (000's)	Domestic spend (millions)	Overseas spend (millions)
East Devon	478	43	1,905	332	£100	£17
Exeter	423	58	1,446	631	£86	£37
Mid Devon	193	19	727	133	£37	£6
North Devon	937	56	4,205	364	£224	£20
Plymouth	637	76	2,186	616	£114	£33
Teignbridge	573	38	2,488	261	£119	£13
Torbay	1,084	96	4,033	563	£274	£36
Torridge	237	19	1,006	144	£53	£7

Figure 33: Number of Visitors & Spend by Devon District 2015²⁸

Mid Devon hosts 18 visitor attractions of which 13 are paid entrance, 14 wedding and conference venues and a wide range of leisure and sports activities; with strong heritage and outdoor activities throughout the district etc. Mid Devon tourism businesses feel we need a co-ordinated approach to marketing and branding the area, with one clear message.

Mid Devon's Destination Management plan (2017) identifies three areas which need to be developed in the area:

- Working in partnership – a need for clear leadership and co-ordination
- Clear branding – to create an identity for Mid Devon
- Creating a competitive product – by improving the visitor experience & developing the local offer

In order to significantly increase the tourism and leisure offer available in Mid Devon and address an outcome of the 2014 Mid Devon Tourism Study, the Local Plan Review 2013-2033 allocates a 71 hectare site off junction 27 of the M5 for tourism, leisure and retail development. Development of the site is a significant opportunity to deliver a step change to Mid Devon's tourism infrastructure around the key transport links. The scheme will increase dwell time and tourist spend in the district, much of which currently passes through Mid Devon on route to other parts of Devon and Cornwall.

²⁸ The Economic Impact of Mid Devon's Visitor Economy and Evidence base 2015

Case Study: Tiverton Town Centre Regeneration

Mid Devon District Council's Growth, Economy and Delivery team have commissioned consultants to produce a Masterplan SPD for Tiverton town centre. It will form the basis for the regeneration of the town; enhancing the town's economic prospects whilst providing a clear strategy to ensure the town meets its full potential as an attractive and thriving market town of the 21st century.

Stage 1 of the public consultation process has been completed. It generated a broad range of comment that was generally very positive. It focused on four main elements including access, identity, environment and quality as well as identifying 18 key development areas in the town centre. These have since been prioritised as a means to understand how the Masterplan SPD will be implemented. Some of the sites are controlled by the Council as part of its property assets. Regeneration of these sites provides an early opportunity for the regeneration and enhancement of the town that reflects its strong cultural, heritage and environmental assets.



Figure 34: Photograph of Electric Nights Streetfood May 2018 (courtesy of Lewis Clarke)

8.3 Place SWOT Analysis

To gain a better understanding of the district's strengths and weaknesses, and the opportunities and threats relating to the theme of 'Place' a simple SWOT analysis is included below.

Strengths	Weaknesses
<ul style="list-style-type: none"> • Low town centre vacancy rates • Actively engaged communities • Envidable heritage with a wealth of historic architecture • Diverse high streets • Award winning local markets • Natural capital and attractive environment • Strategic location (a gateway to the South West) 	<ul style="list-style-type: none"> • Some empty shops • Town centre crime & disorder • No town centre Wi-Fi • Branding and promotion • Air quality • Night-time economy • Public toilets • Data recording & performance monitoring needs improving • Lack of private premises maintenance reducing town centre attractiveness
Opportunities	Threats
<ul style="list-style-type: none"> • Town centre strategies / master planning • Managing vacant retail premises • Business Improvement Districts • Delivering quality design - Design Guide • Management of shared space • Extended opening hours and night-time economy • Transport and accessibility • Licensing public space • J27, M5 tourism and leisure allocation • Shopfront Enhancement Schemes • Developments in Tiverton and Cullompton will increase population • Culm Garden Village – Garden community principles 	<ul style="list-style-type: none"> • Brexit / no-deal Brexit • Changing retail habits – e.g. internet shopping • Absent landlords • Competition from neighbouring districts

8.4 Place Outcomes and Interventions

Place Outcome	Quick wins (1 st Year Actions)	Other Potential Interventions for subsequent years
To increase the viability and vitality of town centres	<ul style="list-style-type: none"> • Delivery of early milestones for Tiverton Town Centre Masterplan • Completion of stages 1 & 2 consultation of Cullompton Masterplan (Adoption June 2020) • Crediton Masterplan initiated • Deliver Shopfront Enhancement Schemes in each of the three market towns • Implement public realm improvements in Tiverton • Implement town centre Wi-Fi where funding is available • Pursue Future High Streets funding • Pursue a partnership in Conservation Area with Historic England 	<ul style="list-style-type: none"> • Complete masterplans for the three market towns and implement associated delivery plans • Explore options for facilitating a night time economy • Support a programme of events and entertainments in partnership with town centre groups • Improve town signage • Increase town centre residency
To nurture a sense of pride in our local towns	<ul style="list-style-type: none"> • Investigate appetite for Town Centre Partnerships in Cullompton & Crediton • Promote town centre businesses through Mid Devon Business Awards 	<ul style="list-style-type: none"> • Explore ways to celebrate their individual identities
To reduce the number of vacant town centres properties	<ul style="list-style-type: none"> • Ensure there is a functioning commercial property database • Explore alternative or temporary uses and decorative options for empty shops 	<ul style="list-style-type: none"> • Explore options for change of use for redundant buildings
To increase the number of people living in our town centres	<ul style="list-style-type: none"> • Work with MDDC Environmental Health to develop a bid for Future High Streets Funding to increase liveability in our town centres 	<ul style="list-style-type: none"> • Town centre regeneration projects to identify how residential property can be brought back into use
To increase number of visitors to Mid Devon	<ul style="list-style-type: none"> • Develop a destination website to promote the district • Help to support tourism partnerships e.g. TIC / Visit Devon / Mid Devon Attractions Association 	<ul style="list-style-type: none"> • Explore options for promoting the district and its towns • Continue to evolve ideas for events in the district and to facilitate a co-ordinated approach • Explore opportunities to celebrate Mid Devon's culture and environment

9.0 Infrastructure

Infrastructure plays a crucial role in enabling business growth and investment within the district. Knowledge infrastructure (a term used to describe access to skills services, broadband and other points of access to information), transport infrastructure, and business space are all important factors for the local authority to consider when trying to shape the economy and influence how it will grow.

Significant differences exist in the overall quality of infrastructure between different parts of the district. The more urban areas and those along the M5 corridor are relatively well served with commercial land, broadband infrastructure and strong access to the road and rail network. More rural areas, particularly those in the west of the district, suffer from a lack of one or more infrastructure types.

9.1 Digital Connectivity

Poor broadband speeds and coverage are a significant barrier to growth for businesses, and this issue becomes compounded as many of the district's worst served areas for broadband are also the areas with the worst transport infrastructure. This results in higher demand from businesses wanting to locate along the M5 corridor, and very little demand in areas of the district which are further from the major road network, regardless of whether or not businesses require transport access. For example, an entirely online business is still more likely to set up in a location with good transport infrastructure, as this will be the most likely area to have good broadband infrastructure.

Mid Devon has some of the most digitally isolated areas in the whole of the UK in terms of broadband speeds and coverage. The district performs worse than its strategic neighbours and this is mostly attributable to the highly rural nature of the area.

	Mid Devon	East Devon	Teignbridge	Exeter	UK
% of connections <2Mb/s	3	1	1	0	
% of connections <5Mb/s	7	4	3	1	
% of connections <10Mb/s	12	7	6	2	
% of connections <30Mb	28	16	16	8	
Average Download Speeds					
SFBB availability (superfast)	69%	80%	58%	17%	91%
UFBB availability (ultrafast)	2%	3%	26%	75%	
FFTP availability (full fibre)	2%	3%	0%	9%	3%

Figure 35: Levels of Connectivity²⁹

²⁹ 2017 Ofcom Connected Nations Report

One of the difficulties faced in trying to improve broadband infrastructure for the district is that the local authority does not have direct control over the manner in which broadband is rolled out to the area. Connecting Devon & Somerset (CDS), a Government funded programme operated by Devon County Council, has prioritised areas with the biggest return on investment, which excludes many highly rural areas due to the costs involved in getting high speed connectivity to small pockets of residents and businesses. This has resulted in broadband rollout in the district spreading outwards from the more urban areas of Tiverton, Cullompton and Crediton, with some larger villages also benefitting. Harder to reach areas, particularly those in the west of the district, continue to receive an inadequate service, with some experiencing broadband speeds below 0.5mbps.

It is important to recognise that in terms of the overall picture for the district, and despite these pockets of poor connectivity, the CDS programme has made a significant improvement. As of April 2015, both of the parliamentary constituencies which make up the geography of Mid Devon featured in the list of worst performing constituencies for coverage of Superfast broadband. The Tiverton & Honiton constituency, covering the East and central parts of the district was ranked 16th worst in the UK for broadband coverage. Central Devon constituency, covering the western part of the district was ranked 23rd worst in the UK, as shown below.

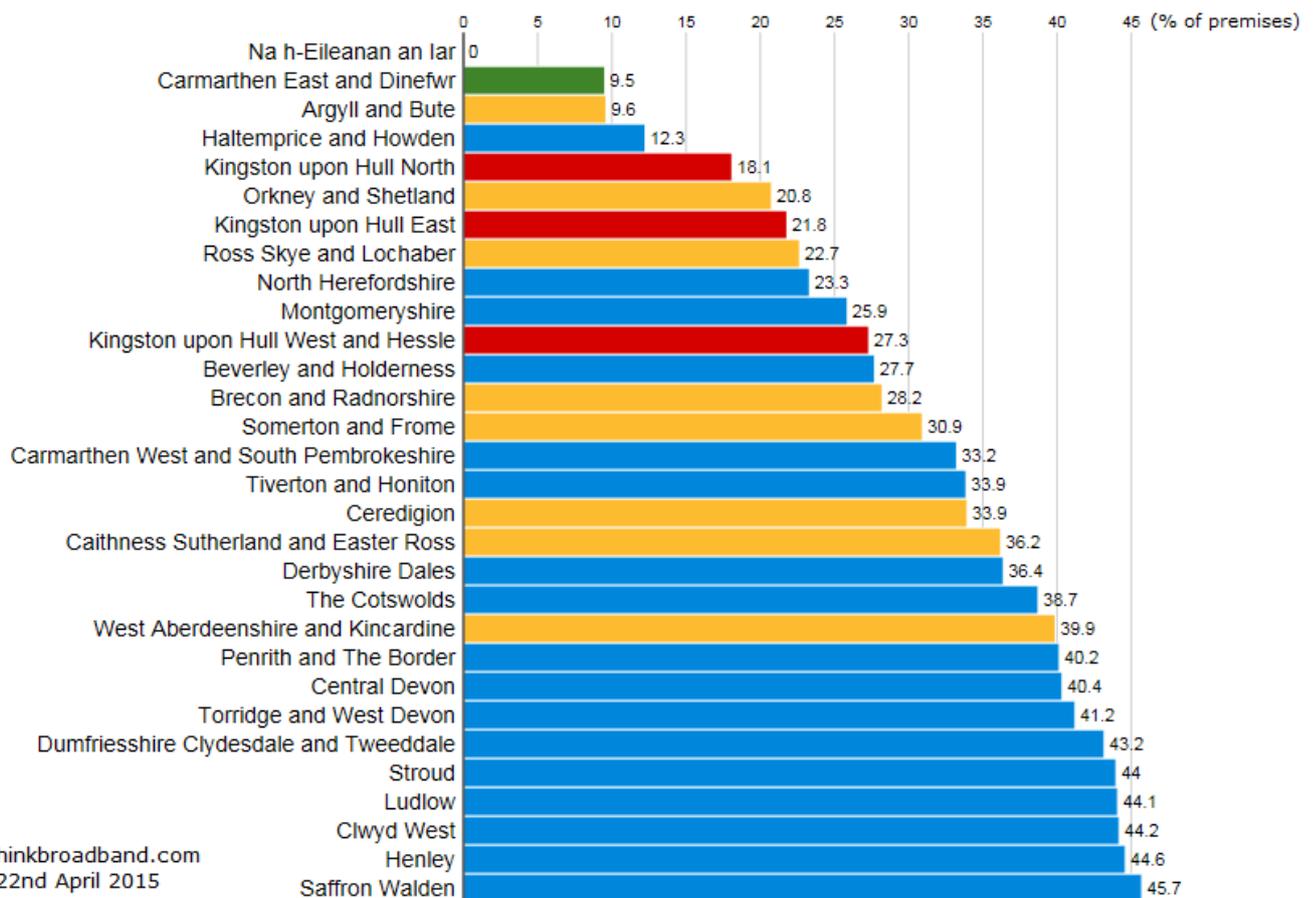


Figure 36: Coverage of Superfast Broadband (30 Mbps or faster) in Bottom 30 Constituencies – April 2015

However, within 18 months (October of 2016), the first phase of CDS had delivered significant improvements across the district. Tiverton & Honiton constituency no

longer features on the list, while Central Devon has moved from being ranked 23rd worst to being ranked 29th. Furthermore, the level of coverage in the Central Devon area has been transformative, going from 40.4% coverage in 2015, to 67.8% coverage in 2016.

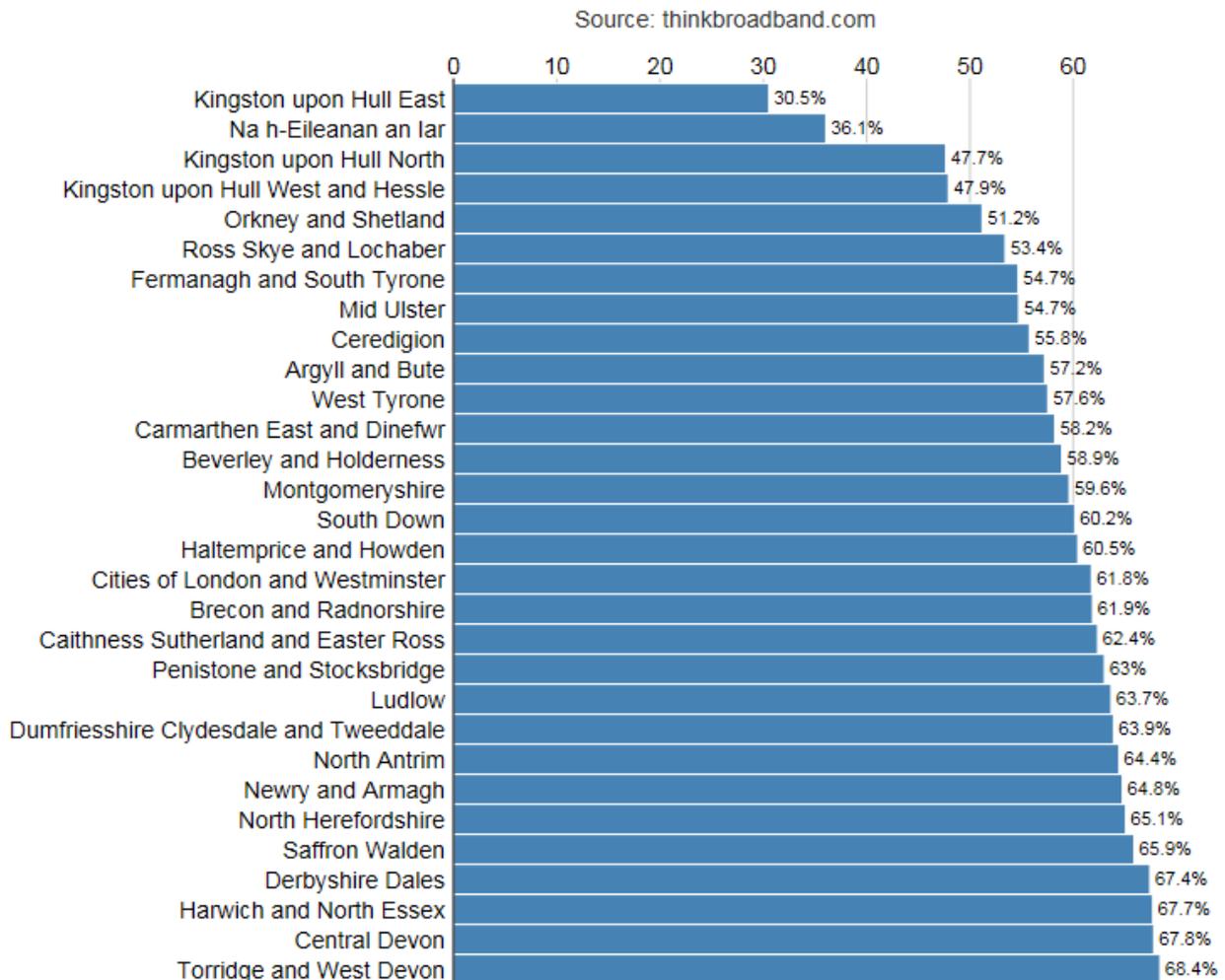


Figure 37: Coverage of Superfast Broadband (30 Mbps or faster) in Bottom 30 Constituencies – October 2016

Broadband is recognised as playing an ever increasingly strong role within business, and this trend is unlikely to change into the future. This makes it imperative that broadband issues across the district are addressed.

Initiatives have been, and continue to be explored, to help get better broadband coverage into the district's most rural areas. The Economic Development team is working closely with providers and government agencies to ensure that some of the hardest to reach areas are covered through phased broadband rollout, to prevent them from falling behind as economically viable locations.

9.2 Transport

The introduction to the Local Transport Plan for Devon and Torbay 2011-2026 recognises that 'The transport system plays an essential part in everyday life. When it works well, transport supports the economy, enhances the environment, contributes to sustainable communities and encourages healthier and active lifestyles. To meet the needs of people now and in the future, the transport system must support and assist economic development and growth and enable safe, sustainable travel.'

Strategic transport routes of particular significance to Mid Devon are the M5 motorway corridor running broadly north-south towards the eastern side of the district with two junctions; J27 serving Tiverton and the A361 North Devon Link Road connecting to Tiverton, Barnstaple, Bideford and the north Devon coast; and J28 at Cullompton, serving the town and its surrounding area. The A377 through the western part of the district connects Exeter with Barnstaple to the north east. In a similar location to the motorway corridor is the south-west peninsular rail line allowing for connections to London within an approximate 2 hour 30 minute journey time from Tiverton Parkway Station and wider national rail connectivity. The district is also served by the 'Tarka Line', a 39 mile railway line from Exeter to Barnstaple taking just over an hour with stops in the district at Newton St Cyres, Crediton, Yeoford, Copplestone, Morchard Road, Lapford and Eggesford. Outside the district, but of importance to the local economy are the airports of Exeter and Bristol. Strategic transport connectivity is greatest towards the east of Mid Devon.

37% of the Mid Devon workforce commutes out of district for work, with many drawn south towards Exeter. The journey to work area associated with the city has expanded significantly between the 2001 and 2011 census, and now covers the majority of Mid Devon. The reliability and frequency of transport connections to Exeter are of significance to Mid Devon. The Greater Exeter Strategic Plan which is currently in the process to being formulated will address spatial planning issues including transport provision and wider infrastructure issues across the wider Exeter geography.

Meanwhile, ensuring that Mid Devon is served by appropriate infrastructure including transport infrastructure is addressed in relation to new development within the Mid Devon Local Plan Review 2013-2033. The spatial strategy within this document seeks to create a prosperous economy which increases inward investment, guides development to locations which are or can be made sustainable, reduces the need to travel by car, increases the potential for public transport, cycling and walking, reduces carbon emissions and to promote social inclusion and reduce inequalities by enhancing access for all to employment, services and housing. It also seeks to provide employment and housing within the district and reduce the extent of out-commuting resulting in more sustainable transport patterns

Policies within the Local Plan Review seek to ensure that new development is served by appropriate infrastructure in step with development and by guiding growth to places where there is existing capacity. The travel demands and transport infrastructure needs of development planned for across the district to 2033 are addressed. Strategic sites at J27 of the M5, Cullompton and Tiverton include

transport infrastructure improvements in order that they can be accommodated. These involve upgrades to junctions 27 and 28 of the M5, the provision of a town centre relief road, a new railway station at Cullompton and the completion of the new junction onto the A361 at Tiverton. The latter serving Tiverton Eastern Urban Extension.

In addressing the future transport infrastructure requirements of the area, the Council is working closely with transport authorities and stakeholders including Highways England, Devon County Council and Network Rail. Such collaborative working has delivered recent successes including the delivery of the first phase of the new A361 junction that unlocks employment and residential development potential on the eastern side of Tiverton (see case study on page 63). The Council has also recently undertaken public consultation over the route of a relief road for Cullompton, the delivery of which will not only unlock planned growth by creating additional capacity at junction 28 of the M5, but also help reduce the impact of traffic within Cullompton town centre, an air quality management area. The Council is also actively working with neighbouring councils and partner agencies to deliver a new railway station at Cullompton as part of a wider Devon and Somerset Metro project.

The proposed Culm Garden Village project will be expected to make significant contributions towards strategic improvement to transport infrastructure in the Cullompton area. The planning of a new community on garden city principles allows for a coordinated approach to transport infrastructure planning. It will have an emphasis upon reducing reliance upon the private car and master planning for more sustainable movement by addressing the potential to reduce the need to travel, and promoting walking, cycling and public transport. At the time of writing this strategy master planning of the garden village has commenced.

The Council has also actively sought to apply to Government for infrastructure funding where opportunities arise. Two bids were made to Government under the Housing Infrastructure Fund to deliver a town centre relief road for Cullompton and the second (final) phase of the new highway junction onto the A361 to serve the Tiverton Eastern Urban Extension. These bids were worked up in conjunction with the County Council as a delivery partner. The Council will look for further opportunities to bid for investment

The Council actively works with partner organisations to lobby and influence Government to achieve capital funding and transport investment. Such lobbying also extends to relevant agencies such as Highways England and Network Rail and transport service operators to seek investment in transport infrastructure in the District and wider Greater Exeter region. The Council has a role in lobbying for rail service improvements, increased service frequency, capacity and for extension of electrification of the mainline to deliver faster journey times and working hard to progress the Cullompton station project. Objectives for the district's transport connections is also to; make best use of the existing network, provide safe, sustainable and low carbon transport choices, strengthen and improve the public transport network together with the reliability and efficiency of transport connections. Although Mid Devon District Council is not the highway authority for the area, we are actively working with Devon County Council over transport infrastructure projects.

9.3 Workspace

Mid Devon is host to a number of business and industrial parks. These are mostly concentrated around the edges of the 3 towns, along the M5 corridor, at junctions 27 and 28 of the M5 motorway, and at the village of Willand. With occupancy rates extremely high, the availability of business space through bringing forward land allocations for development is an issue which the district must address in order to be able to meet the needs of a growing economy.

Many of the more established, mature sites, such as Lord's Meadow at Crediton, Tiverton Business Park at Tiverton, and Kingsmill Industrial Estate at Cullompton, are home to long-standing Mid Devon businesses, such as Graphic Plc, Hepco Motion, and Gregory's Distribution. It is rare that units on these sites become available, and when they do come onto the market, they tend to be filled again within a couple of months.

The Mid Devon Employment Land Review (2018) considered future growth scenarios to model employment space requirements for the District to 2033 and recommends the provision of 30-40 hectares of employment land over this period in order to ensure an adequate supply. The Local Plan Review takes this evidence into account, setting a commercial development requirement of 147,000 square metres.

The most recent large scale business development site to have come forward in the district is Hitchcock's Business Park near Willand. This award winning development (Best Business Park in the South West of England, 2018) already provides over 46,500sqm of business space, is fully let and has a waiting list of businesses wanting to get onto the site as new buildings are completed. The site has the potential for further growth in the future. One of the key reasons that the site has proven successful is that the units produced are extremely flexible and adaptable in how they can be split or combined to meet the needs of a wide variety of businesses.

Delivery of commercial space has followed a traditional model of peaks and troughs as developers try to mitigate any barriers to developing their sites, put them through the planning process, then develop out the site or sell off plots for development. The nature of land allocations in Mid Devon is such that there are few site allocations but each allocation is relatively large in terms of its proportion of the total commercial space across the district. This can be seen from information collated by Mid Devon District Council's Forward Planning Team below.

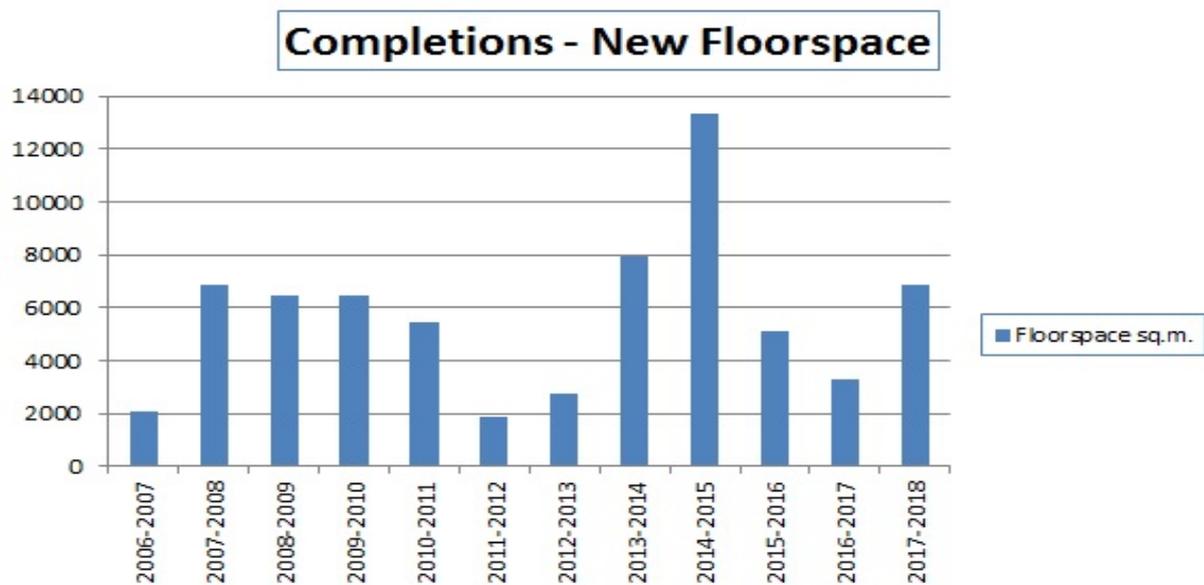


Figure 38: Floor space completed by sqm for B1, B2 and B8 commercial development classes

Through collaboration with land owners, the Council can help to ensure that developments are taken forward in a manner which will encourage high quality businesses to invest in them, and this is a key pillar of activity which can be undertaken to support the development of a more highly skilled, high wage economy.

An underlying issue facing Mid Devon is that there is no natural progression of business space for businesses within the district as they grow. This is true for businesses of all sizes, but there is a particular lack of incubator space across the district and “next step” space for incubator tenants to grow into.

Incubator space is a more complex type of business space to deliver than standard business units. It is common for incubator spaces to have their own bespoke integrated business support services including access to skills specialists. They often provide shared spaces which can encourage innovation through multi-business collaboration, and offer bookable space for other activities (such as a board room which can be booked on an hourly basis for meetings).

The needs of businesses entering incubator space tend to be very different to an established business moving into new premises. For example, a smart survey of business start-ups in Mid Devon in 2018 revealed the following inhibitors to business growth and development:

- Access to start-up loans and other financial support
- Availability and cost of premises
- Staff recruitment and skills
- Inability to raise capital
- Dealing with HMRC (Her Majesty’s Revenues and Customs)
- Sales, pricing structure, cash flow and other financial considerations
- Accountancy services and financial management systems
- Working capital issues
- Insurance requirements
- Governance and planning issues

- Business planning
- Finding a unique selling point (USP)
- Keeping up with technology
- Administration time requirements
- Lack of vision / weak leadership skills
- Legal structures for the business
- Establishing and retaining customer loyalty
- Establishing a website, social media and other IT solutions
- Marketing and promotion
- Cyber security
- Location and access to good road networks and other transport infrastructure
- Work / life balance
- Networking skills
- Access to mentors

Further to these barriers to growth, Mid Devon District Council does not own any land which could be developed for incubator space. To address this issue, the local authority will need to work with local land owners, or make the decision to invest in employment land and develop a bespoke offer.

9.4 Infrastructure SWOT Analysis

To gain a better understanding of the district's strengths and weaknesses, and the opportunities and threats relating to infrastructure a simple SWOT analysis is included below:

Strengths	Weaknesses
<ul style="list-style-type: none"> • Good road and transportation networks serving the east of the district, particularly along the M5 corridor • High levels of self –employment and micro-businesses offering potential for growth • High quality food and drink sector • Mid Devon seen as an 'attractive place to live' with the ability to attract highly skilled individuals • Robust manufacturing sector 	<ul style="list-style-type: none"> • Poor broadband coverage in many areas inhibiting business start-up & growth • Lack of business incubator space & work hubs within Mid Devon to stimulate business start-up/ growth • Poorer quality transport network access in the western parts of the district • High number of home based micro-businesses who may not want, or be able, to expand. Many micro-businesses are not planning for growth preferring to maintain their status quo. • Mid Devon local authority does not own any employment sites
Opportunities	Threats
<ul style="list-style-type: none"> • Clean Growth: maximising the advantages for local industry from the global shift to Clean Growth • Development of digital & mobile infrastructure • Provision of ongoing training & resources for start-ups to future proof their growth • Town centre master planning, Junction 27 M5 allocation, Strategic Sites including Culm Garden Village provide opportunities to develop strategic employment sites • Developing enterprise infrastructure through the creation of mixed business space (i.e. incubator / accelerator space, work hubs) 	<ul style="list-style-type: none"> • Lack of investment opportunities to improve connectivity & ensure that businesses remain competitive in relation to next generation technologies such as 4G & 5G • Inability to develop transport infrastructure, broadband/mobile connectivity and skills infrastructure could undermine the potential for growth and increased productivity • Unable to provide the skills, opportunities and resources to enable businesses to grow, develop and adjust to changing needs and business environments during their life cycle • Impact of Brexit in terms of inhibiting business growth and confidence

9.5 Infrastructure Outcomes and Interventions

Infrastructure Outcome	Quick wins (1 st Year Actions)	Other Potential Interventions for subsequent years
Improved digital infrastructure	<ul style="list-style-type: none"> Promote Gigabit Voucher scheme to the business community Continue to work with CDS and their delivery partners to strive towards making high speed broadband accessible to all businesses Implement Town centre Wi-Fi where funding is available 	<ul style="list-style-type: none"> Explore opportunities to draw down funding to support broadband infrastructure rollout
Improved transport and accessibility to ensure that employment, training and education is within affordable reach	<ul style="list-style-type: none"> Work with delivery partners over highway schemes where Housing Infrastructure Fund bids have been submitted 	<ul style="list-style-type: none"> Lobby Government for capital road and rail infrastructure investment
Increased built out commercial space for businesses	<ul style="list-style-type: none"> Work with all employment land owners to help bring forward desirable development at strategic sites Ensure there is a functioning commercial property database 	
Increase in the availability of incubator space	<ul style="list-style-type: none"> Identify potential sites which could be suitable for incubator space Develop a business support partnership to build the local incubator space offer 	
Increase in the availability of “next step” space, for those outgrowing incubator spaces		<ul style="list-style-type: none"> Identify potential sites which could be suitable for “next step” business space Develop a business support partnership to build the local “next step” business space offer

Case Study: A361 Road Junction, Tiverton Eastern Urban Extension (EUE)

An area of land to the east of Tiverton has been identified for the development of up to 2,000 new homes, employment, a new school and new neighbourhood centre.

Work on the EUE is well underway with Phase 1 of a new multi million pound road junction on to the A361 North Devon Link Road being completed in July 2018. This phase of the development has provided a new access on and off the westbound carriageway of the A361. Its delivery was achieved through collaborative working with Devon County Council (DCC), the LEP and local land owners with funding being secured through the National Productivity Infrastructure Fund (NPIF), DCC and developer contributions. Its construction was finished on time and on budget.

The infrastructure now in place will enable the rest of the highway network in the area to be constructed, unlocking development opportunities on this strategic site. Phase 2 of this junction will include an over bridge and slip roads on and off the east bound carriageway.



Figure 39: Aerial photograph of the Tiverton EUE Area

10.0 Hi-Tech, Innovation and Green Energy

10.1 Low Carbon Economy

Mid Devon District Council will focus on developing and supporting sectors which are recognised as providing higher proportions of high skilled, high paid jobs. Analysis of these sectors suggests that there is a strong role to be played in the Mid Devon economy by low carbon businesses (particularly those developing and delivering new technologies, including energy storage technologies, charging point technology and other innovations within the wider green industry), advanced manufacturing and engineering. It will include some of Mid Devon’s largest businesses such as Heathcoat Fabrics and Graphic Plc, and other knowledge focused businesses.

Though many of the district’s strategically important businesses fit within these high skilled, high wage industry categories, the majority of businesses offer lower skilled and lower paid employment. The table below shows Gross Value Added contributions across the Devon county area, split by local authority area.

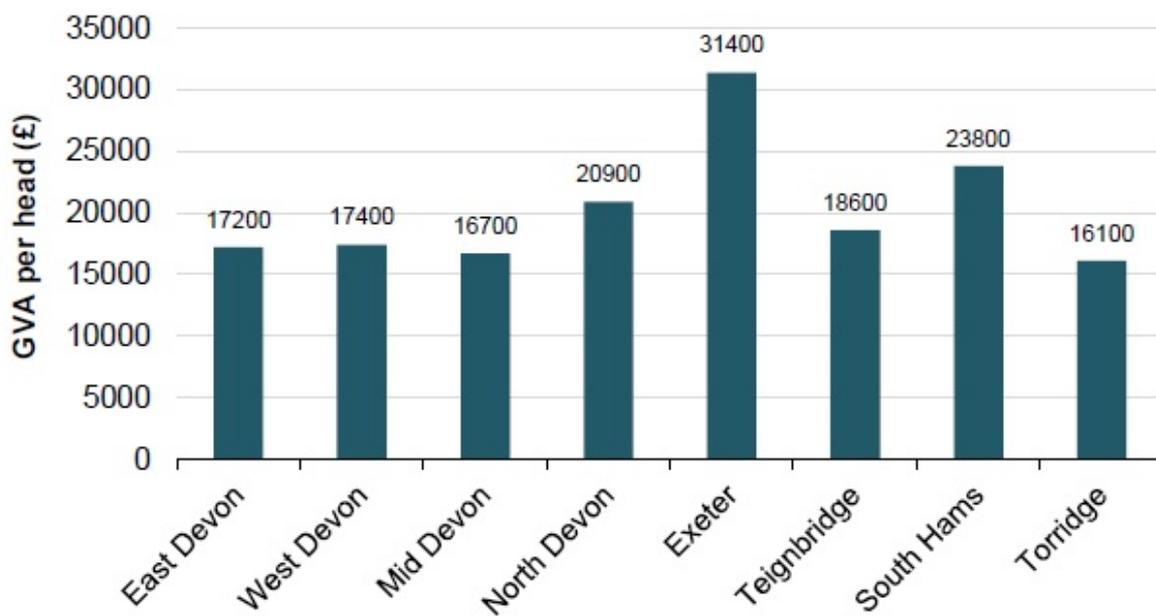


Figure 40: Gross Value Added Contributions across Devon County split by Local Authority Area³⁰

It can be seen that Mid Devon has the second worst GVA contribution of any local authority in the county. Furthermore, the only district authority with a lower GVA than Mid Devon is Torridge, a highly rural, isolated local authority in the west of the county. Mid Devon has the potential to significantly increase its GVA if investment and support activities begin to focus on higher end companies in the knowledge industries where skills and pay levels are relatively high.

The knowledge economy is the sector recognised as making the largest contribution towards GVA. It is defined using a Eurostat definition which combines several Standard Industry Codes to represent knowledge based businesses. This definition

³⁰ Source: ONS Regional Gross Value Added (Balanced) by Local Authority | the UK - 2016

consists of hi-tech and medium hi-tech manufacturing, and other knowledge intensive sectors.

Further information on these business sectors, including a detailed summary of the Standard Industrial Codes which make up the sectors can be found at <https://resources.companieshouse.gov.uk/sic/>

Using this definition, the following information has been compiled by Devon County Council's economy team, showing the number of employees working in each Devon local authority within the knowledge sector, the percentage of the workforce they represent, and the ratio they represent compared to the national average (where 1 is the national average, and anything above 1 would be greater than the national average):

	Number	%	LQ
East Devon	2,920	6%	0.64
West Devon	715	4%	0.44
Mid Devon	1,700	7%	0.70
North Devon	3,860	10%	0.95
Exeter	9,045	10%	0.95
Teignbridge	3,485	8%	0.74
South Hams	3,410	9%	0.93
Torridge	890	5%	0.46
Devon	25,825	8%	0.79

Figure 41: Location Quotients showing Concentration of Employees in the Knowledge Sector³¹

Devon County Council has also compiled a table showing the number of businesses in each local authority within the knowledge sector:

³¹ Source: SQW analysis of ONS Business Register and Employment Survey: open access 2016 from Nomis

	Number	%	LQ
East Devon	655	10%	0.63
West Devon	250	8%	0.48
Mid Devon	335	7%	0.45
North Devon	370	8%	0.46
Exeter	595	15%	0.89
Teignbridge	600	11%	0.65
South Hams	545	11%	0.66
Torridge	270	7%	0.46
Devon	3,630	10%	0.59

Figure 42: Knowledge Sector Enterprises by District, 2017³²

From the tables above it can be clearly seen that Mid Devon has both a low number of people working in the knowledge sector, and a low proportion of knowledge based businesses. While this is currently a weakness for the District, the businesses operating in this sector are some of the District's most resilient and innovative companies, and with the right support there is the real potential to grow this portion of the economy and to have a significant resulting impact on the District's GVA contribution.

The green economy is seen as having the potential to deliver high quality jobs, innovation, energy security opportunities and a range of other benefits that can be nurtured locally and exported globally. This sector could also create opportunities for the delivery of projects in collaboration with the private sector. The green economy is also an area that has a high level of appeal particularly with younger people who are being raised in a more environmentally conscious society than previous generations.

Mid Devon District Council is already directly involved in a number of green initiatives that can support the development and growth of the hi-tech, innovation and green energy economy. The Culm Garden village project is the largest of these opportunities, with the underlying theme of a garden village being its green credentials. This means that the development has the potential to incorporate the latest innovation in green technologies, and to provide a testbed for new environmentally friendly technologies to be tested and implemented.

Another initiative is the Hydro Mills Project, which will see the restoration of historic mills and weirs across the district in order that they can be utilised for the generation of hydro electric energy. There are opportunities within this project to bring in specialist civil engineering companies, leading businesses in the development and implementation of smart grid technologies and hydro generation technologies, numerous ecologically focused businesses, and riparian data and research businesses.

³² Source: Analysis of ONS UK Business Counts – enterprises by industry and employment size band 2017 from Nomis

Case Study: Hydro Mills Project

Mid Devon District Council's Growth, Economy & Delivery team was approached by a group of private riparian owners who wanted to restore their mills, leats and weirs. The sites being proposed would have the potential to have a positive economic impact on the district; Manor Mills (Thorverton) would see the historic grade 2 listed mill converted into a number of commercial units, all of which would be entirely powered by the water flowing through the mill. Flock Mill (near Rewe) would create an opportunity to develop eco-tourism accommodation and remove the small holding's unreliable grid dependency.

Mid Devon District Council (MDDC) supported their proposals, which soon gained interest from nearly 200 riparian owners across the district. As a result, the Hydro Mills Group Ltd was created; a consortium of riparian owners who aim to restore historic mills, weirs and leats, through a commercially viable business model. The group has worked with the local authority to develop its business plan, lobby Government to make it easier to regenerate historic mill sites, develop a local stakeholder partnership, and bid for funding to support their development. They are now seeking funding through a variety of channels to bring forward a number of mill sites and have support from key stakeholders.

10.2 Hi-Tech, Innovation and Green Energy SWOT Analysis

To gain a better understanding of the district's strengths and weaknesses, and the opportunities and threats relating to the low carbon economy a simple SWOT analysis is included below.

Strengths	Weaknesses
<ul style="list-style-type: none"> • High quality employment land allocations in excellent locations along the M5 corridor, J27 and J28 • The attractive physical environment of Mid Devon • Part of a strong functioning economic geography • Excellent logistical links from key employment sites 	<ul style="list-style-type: none"> • Lack of higher skilled training opportunities within the district • Lack of targeted marketing by the district – the district isn't involved in any outward facing marketing of the local hi-tech, innovation and green energy economy
Opportunities	Threats
<ul style="list-style-type: none"> • The majority of local large scale projects have a hi-tech and green theme to them • Culm Garden Village project • Eastern Urban Extension employment land • Hydro Mills Project & vast local river network for further innovative business ideas • Junction 27, M5 allocation & eco-tourism 	<ul style="list-style-type: none"> • Leaving development of the economy to market forces – likely to result in high volume distribution at high value sites • Focus of regional strategy is on other sectors, including nuclear, reducing funding potential for local opportunities • Lack of a brand and identity for the district will make it harder to market to potential investors

The SWOT analysis shows that the district has many of the key things that make a place desirable to employees and businesses. This should create a strong platform upon which promotional investment materials can be built. Combined with the opportunities emerging within the district, an attractive offer can be created, targeting high productivity businesses which will bring with them higher skilled employment and higher salaries.

Transport infrastructure to and from the district's key sites also presents an opportunity to work more closely with skills organisations from further afield to provide the specialist skills that hi-tech, innovation and green energy businesses often require. These organisations include Bristol University, Exeter University, Plymouth University, and a host of higher skills delivery specialist colleges from all across the South West of England. Rail and airport proximity also create the opportunity for some of Mid Devon's sites to appeal to businesses currently operating elsewhere in the UK, and to foreign investors.

However, the lower than average baseline figures for hi-tech businesses combined with the current trend for the district to provide lower skilled employment opportunities creates a weakness for the district, and a trend which will need to be resisted through strong, coordinated marketing activities and local collaborations with businesses, skills providers and other organisations to create a cohesive offer for those looking to invest in the area.

It is clear from the SWOT analysis that without intervention, the local economy will continue on a similar path, and lower skilled, lower wage businesses will continue to take advantage of lower cost business space which the district currently offers as its default position.

10.3 Hi-Tech, Innovation and Green Energy Outcomes and Interventions

Hi-Tech, Innovation & Green Energy Outcome	Quick wins (1 st Year Actions)	Other Potential Interventions for subsequent years
Increase proportion of new jobs in high paid and high skilled roles	<ul style="list-style-type: none"> • Develop sector specific business support activities, targeting industries which are more likely to create higher paid, higher skilled jobs • Explore possible financial incentives to attract desirable businesses from strategic sectors 	<ul style="list-style-type: none"> •
Achieve a higher proportion of hi-tech businesses registered in the district	<ul style="list-style-type: none"> • Develop inward investment activities with a sector focus including: <ul style="list-style-type: none"> • Funding/Finance packages • Sector focused marketing and promotional materials • Soft landing packages 	<ul style="list-style-type: none"> • Develop an advocacy programme (where business champions and senior Council staff and Members promote the district in a coordinated manner)
Increase number of Mid Devon Residents on Hi-Tech, Innovation based or Green Energy related courses		<ul style="list-style-type: none"> • Develop partnerships with skills bodies to support innovation and create a hook for green businesses • Develop the skills partnership into a part of the investment package for the district
Increase implementation of hi-tech and innovative initiatives on employment sites		<ul style="list-style-type: none"> • Develop an offer for trialling innovative technology at key employment sites • Development of partnership opportunities so that hi-tech businesses can trial products or services with other businesses in the district • Explore putting site specific planning policies into place on key strategic employment sites to ensure that the developments incorporate renewable technologies and innovative energy solutions. • Promote and encourage the installation of renewable technologies at business sites
Build closer ties with hi-tech businesses through partnership development		<ul style="list-style-type: none"> • Work with local businesses to develop a cluster group • Identify key issues within hi-tech businesses and key opportunities

Hi-Tech, Innovation & Green Energy Outcome

Quick wins (1 st Year Actions)	Other Potential Interventions for subsequent years
	<ul style="list-style-type: none"> • Develop a sector focused programme of activities to support the sectors • Form members of cluster group into local business champions and advocates • Involve business champions in sector focused inward investment activities • Undertake desk based study into hi-tech, innovation and green energy businesses to understand the local business community
<ul style="list-style-type: none"> • Create an advocacy programme (where business champions and senior Council staff and members promote the district in a co-ordinated manner) 	<ul style="list-style-type: none"> •

Promote Mid Devon as a hub for hi-tech businesses

11.0 Agriculture, Food and Drink

Rural growth is defined as the process of improving the quality of life and economic well-being of people living in rural areas.

Mid Devon is classified as a 'mainly rural area' by DEFRA, based on 2011 census output areas.

Agriculture remains a significant influence on the economy. Approximately 8% of the workforce is directly involved in agriculture, and 20.6% of Mid Devon businesses are dependent on agriculture, either as primary producers, processors, manufacturers or retailers. Food processing is a major element of the manufacturing sector.

Over 3,500 residents are employed in Farming across the district. However, this is not reflected in the sector table below as the majority of agricultural workers are self-employed.

Agricultural Labour Force on commercial holdings in Mid Devon 2016		%
Farmers, partners, directors and spouses, Full Time	1,311	36.7%
Farmers, partners, directors and spouses, Part Time	1,214	34.1%
Salaried Managers	73	2.0%
Regular Workers, full time	376	10.5%
Regular Workers, part time	326	9.1%
Casual Workers	262	7.3%
Total Labour Force	3,563	
Source: DeFRA June Farm Survey 2016		

Figure 43: Agricultural Labour Force on Commercial Holdings in Mid Devon 2016

Since 2008/2009 there has been an increase in the rate of net migration to predominantly rural areas across all age bands except for 17-20 year olds, where there is net outward migration. The largest net inward migration within the LEP area occurs in the 30-44 yr. age bracket. Rural population overall has a higher proportion of 60 + age brackets. Compared to GB population the greatest deficit (HotSW both rural and urban) is in 20-39 year olds.

As a predominately rural district, agriculture has played a significant role in shaping and defining the character of the district. Although farming has experienced major difficulties in recent years and its contribution to the national economy is declining in relative terms, agriculture still remains an important driver for the local economy – not only through direct employment in farming, but also through food processing and manufacturing. Furthermore, the UK may need to increase its level of food and drink self-sufficiency post-Brexit, and this may see a boost to the sector.

Agricultural holdings and businesses represent 10.6% of all Mid Devon businesses, with a further 10% of businesses involved in food processing, food manufacturing

and primary retailing of agricultural products. In total, therefore, 20.6% of Mid Devon businesses are directly dependant on agriculture, either as primary producers, processors, manufacturers or retailers.

		Mid Devon	% of agri-food businesses	% of total businesses
Core agri-food industry	Primary Production	517	50.9%	10.6%
	Food and Drink Manufacturing	49	4.8%	1.0%
	Food and Drink Wholesaling	46	4.5%	0.9%
	Specialist Food and Drink Retailing	52	5.1%	1.0%
Secondary Food sectors	Non-specialist predominantly food and drink retailing	20	1.9%	0.4%
	Food and Beverage services	230	22.6%	4.7%
Food related Total Agri-food businesses	Accommodation	101	9.9%	2.0%
		1015	100%	20.6%

Figure 44: Components of the Agri-Food Sector³³

Livestock farming is the dominant land usage in Mid Devon, with 70% of holdings managed as grassland for dairying, lowland cattle and sheep, with a further 10% under mixed usage.

In 2013, 3,327 people were directly employed in agriculture, representing 9% of the total Mid Devon workforce at the time. Of these 49.3% were working full time, including 1,113 full time farmers, and 370 full time farm workers.

Agriculture tends to have relatively low levels of labour productivity, and therefore in pure economic terms its contribution to the Mid Devon economy is significantly less than its impact on the landscape character and social fabric of the district.

In 2008 agriculture's share of Devon's GVA was less than 2%. If one includes the whole agri-food industry in its broadest sense, including restaurants, bars, supermarkets and accommodation, the contribution to the county's GVA is 13%. This is nearly double the equivalent figure for Great Britain at 7.6%.

However, the economic significance of agriculture as a sector has been contracting. Agriculture's share of Devon's GVA had fallen from 3.5% in 1995 to under 2% in 2008, which compares with a fall from 2% to less than 1% for the UK as whole. Mid Devon's food and drink producers are made up of farm shops, farmers markets, breweries (beer and cider), vineyards, apple juice producers, baked goods and a number of meat, cheese, preserves, confectionary and more. We have a number of award winning producers such as Piper's farm meats and Quicke's Cheese.

³³ Data Source: Mint Database - Sept 2018 (Total agri-food businesses do not calculate to 100% due to rounding)

11.1 Agriculture, Food and Drink SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • High quality food and drink products - food processing is a major element of the manufacturing sector • High levels of self-employment in the rural economy tends to correlate with high levels of business resilience • Reputation of the local food and drink business sector on a regional, national and international level • Two well established farmers markets in Cullompton and Crediton. • Agriculture, forestry and fishing, food and drink and tourism have strong supply chain relationships with the wider economy (e.g. vets, feed merchants, solicitors etc.) 	<ul style="list-style-type: none"> • Mid Devon has no clear branding / identity – translating the environment into intellectual capital • No assessment to date of potential primary products / assets in the area • No database for business use / profiling • Agriculture, forestry and fishing, food and drink and tourism are typically considered as low wage, low productivity sectors
Opportunities	Threats
<ul style="list-style-type: none"> • Potential J27, M5 development with a food and drink theme • Brexit - opportunities through trade and production increases to improve national food and drink resilience • Culm Garden Village business opportunities and increased local population • Food and drink is a growing sector • Business Awards to provide exposure and create a platform for Mid Devon businesses 	<ul style="list-style-type: none"> • Continuous poor broadband in the most rural areas, despite agriculture online requirements • Potential risks of disruption to the industry through Brexit • Uncertainty over the future of farming and the nature of agricultural subsidies post CAP • Traditional agriculture and food and drink processes likely to be affected by increased automation

11.2 Agriculture, Food & Drink Outcomes and Interventions

Agriculture, Food & Drink Outcome	Quick wins (1 st Year Actions)	Other Potential Interventions for subsequent years
Raise the profile of the Mid Devon food and drink offer to enable local business growth	<ul style="list-style-type: none"> Promote food and drink trails on destination website Work with promoters to conduct campaigns, such as 'From Field to Fork' and 'Food Champions' Organise networking events for retailers to meet local producers and use them Launch Mid Devon Business Awards to give small businesses exposure and create good PR and a buzz about Mid Devon 	<ul style="list-style-type: none"> Branding – e.g. produced in the Exe Valley / produced in the Culm valley Set up food hubs – support local producers - Tiverton Pannier Market co-operative – selling local products – bringing products to market J27 land allocation – food innovation centre
Increase engagement and support for food, drink and agri-businesses	<ul style="list-style-type: none"> Investigate self-help co-operative and collaborative models for marketing of local produce Social media training for SME's Build tourism partnerships e.g. TIC /Visit Devon / Mid Devon Attractions Association 	<ul style="list-style-type: none"> Organise business support workshops, such as business growth events, self-employed support, Food and Drink sensory evaluation, start-ups, food waste utilisation, diversification for farming, promote agricultural technology
Develop new channels through which local food and drink businesses can be promoted	<ul style="list-style-type: none"> Create a database of local food and drink businesses 	<ul style="list-style-type: none"> Create a Communication strategy – to promote funding streams and support
Retain specialist skills within the Mid Devon area		<ul style="list-style-type: none"> Work with local skills organisations and agricultural partnerships to ensure that agricultural skills can still be learned and that courses are made available

Case study for Food and Drink – Tiverton Farmers' Market

Residents regularly reminisce over the traditional farmers' market that met at Tiverton Pannier Market with livestock and local producers. Following local demand and feedback from our customers we have introduced a farmers' market on the fourth Friday of every month. Times have changed and livestock can no longer be moved around, however, local produce has never been richer, even award winning! MDDC want to nurture and support start-up businesses to thrive, using the market as a gateway for new and existing producers to bring their products to market. The Farmers' market is in its first year, MDDC plan to run campaigns to promote our food and drink businesses e.g. Field to Fork and collective branding to engage food tourism. MDDC's ambition is to explore setting-up a co-operative to support small businesses that can't leave their premises to trade at the market, offering our customers a truly wide variety of specialist produce and products.



Figure 45: Produce Basket from Tiverton Farmers' Market

12.0 Measuring Success - Performance Indicators

It will be important to measure the impact of the Council's interventions, so that progress can be monitored, and changes made to interventions as necessary. However, it can often be difficult to make a direct link between a specific intervention, and improvements to the general economy. By monitoring a basket of indicators, including output indicators more directly linked to the activities of the Council, as well as national economic statistics, we can see over time the direction of the local economy and adapt interventions as appropriate. Some of the indicators are generated locally and can be reported at regular meetings of the Council's Economy Policy Development Group. However, many of the national statistics are only released annually. These will form the basis of a 'State of the Economy' report at the end of each year.

The success of the Strategy must be in how well it meets its overall aims:

- Increase wages
- Increase skill levels
- Deliver the growth agenda
- Increase productivity

Given the complexity of the economy and the current uncertainty over the future direction of national and international trade, it is difficult to predict the rate of economic growth over the next five years. It can also be difficult to attribute economic growth to any one intervention. However, in order to indicate the way we think the local economy should be moving, we lay down an ambitious challenge for ourselves in order to measure our success.

Challenge	Baseline	Target
To reduce the gap in average earnings between Mid Devon and the South West	Currently the gross weekly earnings (by residence) for FT workers in Mid Devon is £505.9, and in the South West is £537.6, representing a 5.9% gap	To reduce the gap to less than 5.0%
To increase the number of businesses working in the district by 10% by 2024	4,510 (2017)	4,950 (2024)
To Increase the size of the Mid Devon Economy by 10% as measured by Gross Value Added (GVA)	£1,330 m (2016)	£1,463 m (2024)

It is intended that this strategy will be reviewed annually to look at progress against these targets and the Council's economic objectives. It will look at how effective the year's interventions have been, and its performance against the key indicators. It will also include an action plan for the following year based on the lessons learnt from the previous year, and to allow flexibility to respond to new challenges and seize opportunities as they present themselves. This review will be the subject of an annual report to the Economy Policy Development Group.

Performance Indicators	Detailed Metric	Reporting	Source
Businesses			
Total number of businesses	Total number of businesses (enterprises and local units)	Annually	Nomis website ³⁴
Number of new rateable businesses		Annually	MDDC Business Rates
Business Support			
Business enquiries and businesses assisted	Number of business enquiries received	Quarterly	EDR monitoring
	Number of businesses assisted (at least 1 hr assistance)	Quarterly	
Growth Hub referrals	Number of businesses receiving Growth Hub support	Quarterly	Growth Hub returns
External funding secured to support economic growth	£ secured for business growth through 3 rd party support, with MDDC as lead, or in partnership.	Quarterly	EDR monitoring
Town Centre Health			
Vacancy rates	% vacant units in Tiverton	Quarterly	MDDC retail vacancy rates
	% vacant units in Cullompton	Quarterly	
	% vacant units in Crediton, against national average	Quarterly	
	Persistent vacancy rate (≥ 3 years)	Quarterly	MDDC retail vacancy rates
Tiverton Market occupancy rate	% occupancy rate	Quarterly	Market monitoring information

³⁴ www.nomisweb.co.uk

Infrastructure			
Employment space granted planning permission	Sq. ft. of employment granted planning permission	Annually	MDDC Forward Planning
Employment space completed	Sq. ft. of employment completed	Annually	MDDC Forward Planning
Employment & Skills			
Total number of jobs	% is a proportion of total employee jobs excluding farm-based agriculture (Employee jobs excludes self-employed, government-supported trainees and HM Forces)	Annually	Nomis website
Unemployment Rates³⁵	% is the number of claimants of out-of-work benefits as a proportion of resident population of area aged 16-64 and gender	Quarterly	Nomis website
Average Income	Gross Weekly Pay for full- time workers by place of work	Annually	Nomis website
	Gross Weekly Pay for full- time workers by place of residence	Annually	Nomis website
NVQ Level 4³⁶ and above	Proportion of resident population aged 16-64 with qualifications equivalent to NVQ Level 4 or above	Annually	Nomis website
Productivity			
GVA per head (Experimental Estimates)	Experimental estimates of balanced regional gross value added (GVA), in current prices and GVA per head, for local authority areas, with a broad industry breakdown.	Annually	ONS

³⁵ Under Universal Credit a broader span of claimants are required to look for work than under Jobseeker's Allowance. As Universal Credit Full Service is rolled out in particular areas, the number of people recorded as being on the Claimant Count is therefore likely to rise.

³⁶ e.g. HND, Degree and Higher Degree level qualifications or equivalent