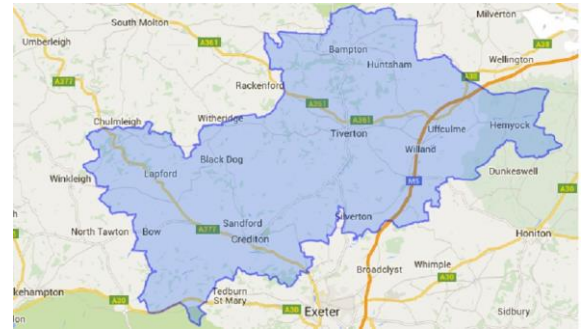


Economic Briefing for Mid Devon

November 2016 – Annina Boness

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Employment Figures

Population

Mid Devon has a **population** of 79,500 people in total, 46,900 of those being aged 16 to 64.

Source: Nomis: ONS population estimates 2015

Overall Employment

	Mid Devon		South West		UK	
Employment rate	87.0%	43,600	77.3%	2,699,100	73.8%	31,326,800
Self-Employment rate	30.0%	13,100	17.1%	462,800	14.9%	4,679,800
Public Sector Employment rate	14.7%	6,400	22.1%	583,600	21.7%	6,888,000
Private Sector	85.3%	37,200	77.9%	2,099,800	78.3%	24,226,800

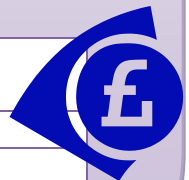
Source: Nomis: ONS annual population survey June 2016

The employment rate in Mid Devon is significantly higher than the South West and the UK rates. The high self-employment rate suggests that a significant proportion of local residents are choosing to start their own businesses as a means of income generation rather than finding employment. This is likely to be in part due to suitable employment opportunities not being available, but the local demographic also suggests that there could be a significant number of people living in Mid Devon who have semi-retired to the area, with the affluence and confidence to become entrepreneurs.

Annual Pay

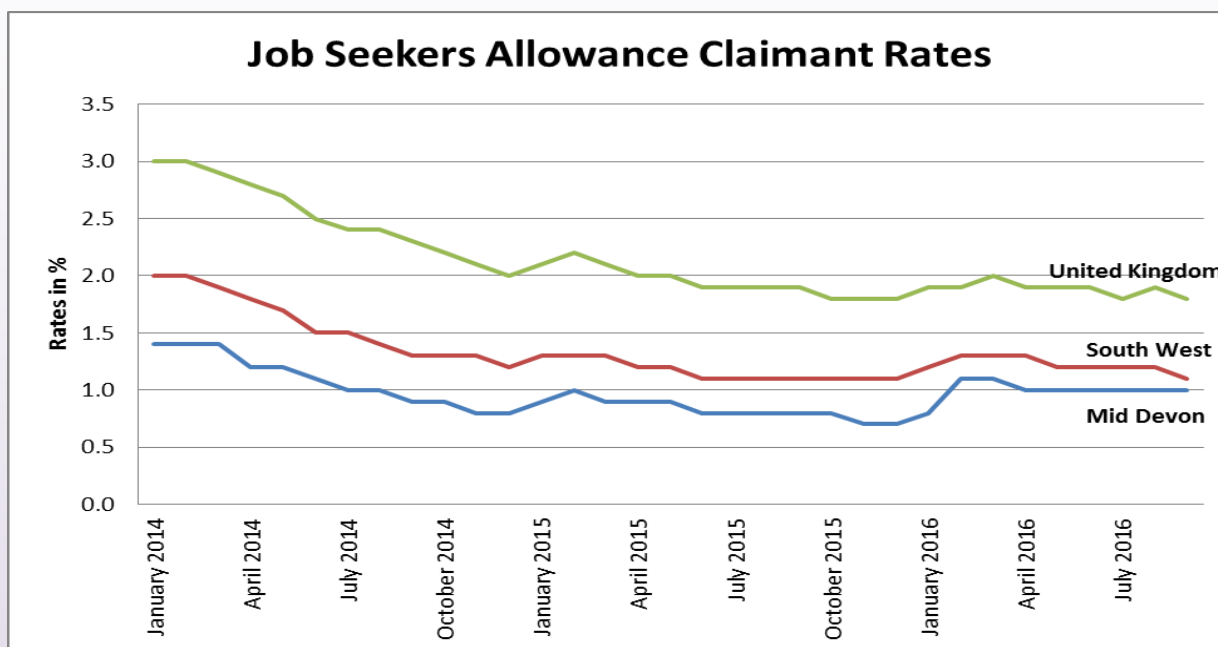
Median Annual Gross Pay (for full time workers)	Mid Devon	South West	UK
By place of residence	£24,627	£26,518	£27,645
By workplace	£22,563	£25,982	£27,645

Source: Nomis: Annual Survey of Hours and Earnings - resident analysis and workplace analysis 2015



Salaries in Mid Devon remain low, both in relation to regional and national levels. However, the gap between the rest of the region is not significant, and has been narrowing over that last few years, and national figures are skewed upwards by London. This suggests that local wages should not be acting as a deterrent to bringing people into work in the area, but an increase in the quality of jobs available in the area could have a significant pull in the attractiveness of Mid Devon as a place to work.

Job Seekers Allowance (JSA) Claimant Rates



Source: Nomis: Claimant Count by sex and age September 2016

The JSA claimant rate in Mid Devon is exceptionally low. We are one of the best performing local authorities in the whole of the UK, and have a lower rate than both the region and the UK. Though the rate shows an overall drop during the previous 3 years, it is highly likely that the rate has now levelled out and is unlikely to drop much further, as those who are still claiming out of work benefits are likely to have multiple barriers to employment. The noticeable spike in February 2016 relates to the closure of Broad Oak Toiletries in Tiverton. The decrease in the months following the closure was partially the result of MDDC's partnership work with agencies and local businesses, and demonstrates the importance of these relationships.

Skills

38.9% of people aged 16 to 64 in Mid Devon are qualified to NVQ4+. This is significantly higher than the average for the South West, and national levels of qualifications, which stand at 37.3% and 37.1% respectively.

72.1% of people of working age in Mid Devon are qualified to NVQ3+.

This shows that people in Mid Devon are generally better qualified than in other areas in the UK.

Source: Nomis: Annual Population Survey June 2016

Job Density

There are 0.77 jobs per person in Mid Devon, which 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 all have similar job densities to Mid Devon, of 0.81 and 0.71 respectively.

Source: Nomis: jobs density 2014

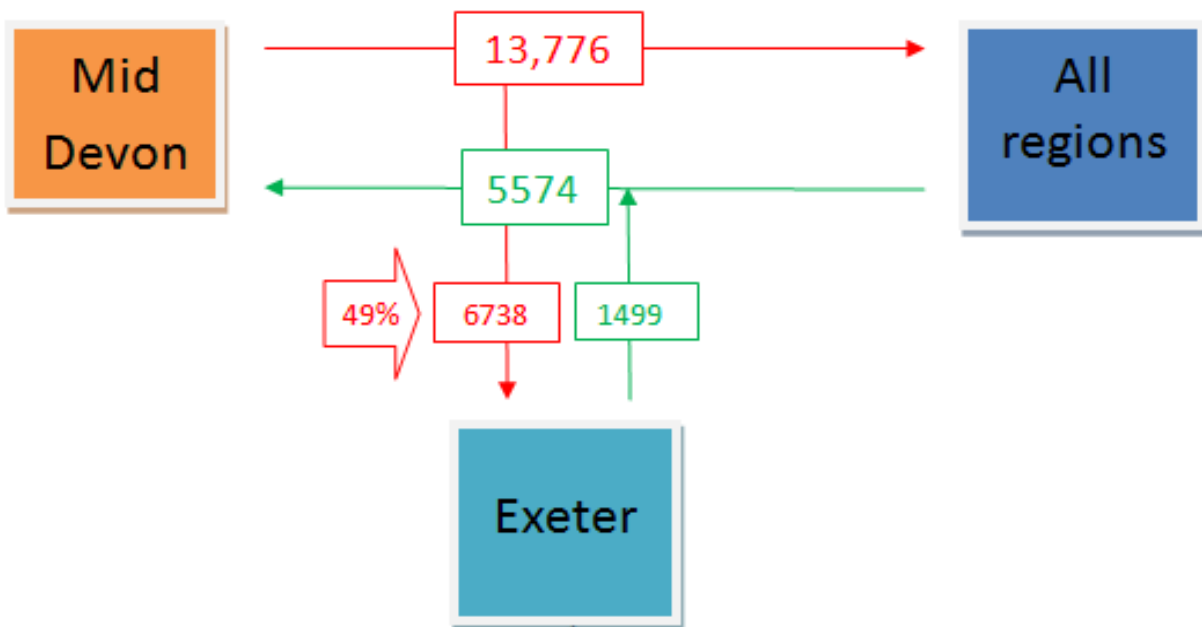
Commuting

There are 5574 **inward commuters** (1499 from Exeter) and 13,776 **outward commuters** (6738 to Exeter) in Mid Devon, making its net commute -8,202 (-5239 with Exeter).

This means 49% of all commuters from Mid Devon commute to Exeter; that is 16% of all of Mid Devon's employed people.

The total number of commuters into Exeter is 37,168. 18% of those are from Mid Devon. That is about 9.75% of Exeter's total workforce.

Source: Neighbourhood Statistics based on 2011 Census



Business Figures

Mid Devon Businesses by Size

Total	4,410
Micro (0 to 9)	4,070
Small (10 to 49)	295
Medium-sized (50 to 249)	40
Large (250+)	5



Source: Nomis: UK Business Counts (Enterprises) 2016

The vast majority of businesses in Mid Devon are micro businesses, 92.2%. Mid Devon District Council has been actively developing a relationship with many of the district's larger businesses and strategically important businesses, and has the Business Boost project to provide support to people who are starting up their businesses or have recently become entrepreneurs. This should give local small business owners the skills and confidence to grow their businesses and to create employment opportunities. It is worth mentioning that the total number of businesses shown above differs from the number in subsequent tables. This is down to a number of factors; the year that the data represents, the survey methods used for collating the raw data, and the organisation that is collecting the information.

Business Births & Deaths

2014	Total Count of Businesses	Business birth count	Business birth rate	Business death count	Business death rate
Mid Devon	4210	290	6,89%	260	6,18%
South West	207,470	25,300	12,19%	19,275	9,29%
UK	2,263,645	350,585	15,49%	245,835	10,86%

Source: Office of National Statistics: Business Demography 2015

Although business births are greater than the number of business deaths in Mid Devon (a net increase of 30 businesses per year), it is the number of births (start-ups) that are of particular concern, falling well below both the regional and national averages.

However, the lack of unemployment in Mid Devon is a key explanation for this, whereby those who are entrepreneurial by nature have already started their own businesses (shown by the high proportion of people in self-employment), and those who are less inclined to become entrepreneurs are from the same pool of people as those with multiple barriers to employment.

Positively, the **3-year Survival Rate** of businesses born in 2011 in Mid Devon was 64.2% which is significantly higher than the national average 3 year survival rate of 60.5%. This suggests that our entrepreneurs are creating more resilient businesses than other areas, which could be in part down to the business support made available to them in the local area.

Business Boost Project Outputs

	Mid Devon							EHOD	
Business Boost Project Outputs	April	May	June	July	August	September	Total April to Sept	Total April to Sept	Proportion of delivery in Mid Devon
Pre-start business assisted	3	3	3	7	5	2	23	100	23.00%
New businesses assisted	3	3	1	1	2	1	11	62	17.74%
Existing businesses assisted	3	4	3	0	4	0	14	35	40.00%
Number of new businesses set up	0	0	0	0	0	0	0	6	0.00%
Number of new jobs created	0	0	0	0	0	0	0	7	0.00%
Number of workshop & enterprise club participants	0	0	13	4	5	16	38	228	16.67%

Source: Business Information Point

The Business Boost project has been operating since April 2016, and is funded in partnership between the Exeter and Heart of Devon (EHOD) local authorities, of East Devon, Exeter, Mid Devon and Teignbridge.

The project is designed to support new and recently started (up to 3 years) businesses in the Exeter & Heart of Devon area, and the delivery partner, Business Information Point, are contractually obliged to ensure that delivery is fair across the 4 local authority areas.

The project got off to a relatively slow start, and the figures above have been improving, but are still not as positive as the partnership had hoped to see at this point in the year. We are now undertaking monthly reviews of the outputs and meeting regularly with Business Information Point to ensure that the contract gets back on track.

One point worth mentioning is the fact that the outputs above are aligned with those monitored on EU funded programmes, and this has enabled the funding we put into Business Boost to also be used as match for the Growth Hub project for the South West, drawing an additional £320

Industry Figures



Employees per Industry in Mid Devon


Industry	Count	Industry percentage
Wholesale and retail trade; repair of motor vehicles and motorcycles	5,000	21.0
Manufacturing	4,000	16.8
Human health and social work activities	2,500	10.5
Education	2,250	9.5
Construction	1,500	6.3
Professional, scientific and technical activities	1,500	6.3
Transportation and storage	1,250	5.3
Accommodation and food service activities	1,250	5.3
Administrative and support service activities	1,250	5.3
Arts, entertainment and recreation	800	3.4
Public administration and defence; compulsory social security	600	2.5
Other service activities	350	1.5
Information and communication	300	1.3
Real estate activities	250	1.1
Agriculture, forestry and fishing	200	0.8
Water supply; sewerage, waste management and remediation activities	175	0.7
Financial and insurance activities	150	0.6
Mining and quarrying	40	0.2
Electricity, gas, steam and air conditioning supply	25	0.1
Column Total	24,000	101.0 (due to rounding)

Source: Nomis: Business Register and Employment Survey 2015

Of the sectors that create the highest numbers of jobs in Mid Devon, many are low productivity industries, such as retail and health and social work. However, certain sectors, including Professional Scientific and Technical Services, Manufacturing, and Information and Communication, tend to be higher skilled, higher productivity industries, and it is these where Mid Devon should be focusing its attention and specifically targeting to grow.



Tourism, Home and Productivity Figures



The total related **visitor spend** in Mid Devon in 2015 was £101,133,000; for Devon, it was £2,471,950,000.


Source: The South West Research Company 2015

The **tourism industry contributes** approximately 2,300 jobs to Mid Devon's economy; about 2,826,000 of the whole of Great Britain's jobs are related to the tourism industry.

Source: Nomis: Business Register and Employment Survey 2015

Average house prices in Mid Devon in August 2016 were £219,921 and have grown by 6.1% since August 2015. In comparison, the average house price for England is £235,573.

Source: Office of National Statistics October: UK House Price Index England 2016



The **GVA per hour worked** for Devon CC in 2014 was £26.8; the **GVA per job filled** was £40,821. Unfortunately it is not possible for us to provide figures for the Mid Devon area, as the Office of National Statistics does not have it available. However, for the whole UK we can provide comparative figures. GVA per hour worked in the UK was £31.0, GVA per job filled £49,814.551.

Source: Office of National Statistics August: Subregional Productivity: Labour Productivity (GVA per hour worked and GVA per filled job) indices by UK NUTS2 and NUTS3 subregions 2016