

SUPPORTING OUR BUSINESSES AND JOBS

Economic profile

7.1 The Mid Devon economy is typified by high rates of employment - of the 47,100 residents (ONS population estimates 2017) aged between 16 and 64, 85% were economically active. This is significantly higher than the South West and the UK rates. However, many of the jobs in Mid Devon are low waged and low skilled - average work place earnings are 11% lower than the national average. The percentage of Mid Devon workforce holding a degree or higher qualification (NVQ 4+) at 31.4% is well below the national average. Mid Devon has 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 (GVA) sectors such as retail, 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. Of the 4,510 businesses in Mid Devon, 92.2% are micro businesses with less than 10 employees. While Mid Devon has a high 3-year business survival rate, the business birth rate is relatively low compared to national and regional averages.

Economic strategy

7.2 An 'Economic Strategy for Mid Devon 2019 – 2024' includes a vision where, amongst other features, commercial opportunities are embraced for the benefit of the district and emerging businesses are able to develop and thrive; and where a successful economy, including emphasis on low carbon, agriculture and high-tech, is supported by a highly skilled workforce. The Strategy outlines five key areas for action: Employment and Skills; Place; Infrastructure; Hi-Tech, Innovation and Green Energy; and Agriculture, Food and Drink.



Post-Brexit and pandemic

7.3 The United Kingdom formally left the European Union on 31st January 2020 and a transition period ended on 31st December 2020. Rules governing the new relationship between the United Kingdom and the European Union took effect from the 1st January 2021. While there have been some notable immediate impacts on certain sectors of the economy and supply chains nationally, there remains longer term uncertainty, including for financial and farming sectors, the latter being under additional pressure from the effects of climate change. The national economy has also been impacted by the COVID-19 pandemic through shutdowns and the disruption these have caused. In Mid Devon, the effect of the pandemic has had, and will likely continue to have, an enormous impact on the local economy. Devon County Council modelling evidence suggest that the Mid Devon economy will retract by around 10% (roughly 3% more than the rest of the UK) and it anticipates a 5-year recovery journey¹⁷. While the district experienced a rapid increase in unemployment at the beginning of the pandemic, this has now reduced in line with the rest of the United Kingdom and remains low. However, there are pressures in the labour market and increases in job vacancies. Underemployment and poor skilled jobs will continue to be a concern in the district. The Council is in the process of commissioning an update to the Economic Development Needs Assessment, which will take into account economic uncertainty as a result of Brexit and COVID-19. The findings of this study will inform the next stage of Plan Mid Devon – Draft Policies and Site Options.

Green economic recovery

7.4 The new Local Plan will need to be informed through an up to date economic needs assessment that can identify future requirements for employment land in the district. Plan Mid Devon will also provide the opportunity to plan for and support a greener, more inclusive, recovery of the economy post pandemic. The Government has indicated that this can be science led, clean, resilient and could create jobs in new industries while ensuring we address challenges in climate change, public health and biodiversity¹⁸. Plan Mid Devon provides an opportunity to embrace measures to support a just transition from a carbon intensive economy to a net-zero future, which can also include renewable energy and embedding the circular economy principles of designing out waste and pollution, reusing and recycling products and materials, moving away from the current 'take, make, consume and dispose' culture, and for entrepreneurs to find innovative ways of recovering value from waste streams and regenerating natural systems¹⁹. The Government recently published its paper 'Build Back Better: our plan for growth' (March 2021). This takes forward the Government's Plan 'Ten Point Plan for a Green Industrial Revolution' (2020)²⁰ and shows how the UK can make the most of the opportunities presented by a shift to net-zero. 'Build Back Better' is also about learning lessons from the COVID-19 pandemic and opportunities for growth from leaving the European Union, taking a transformational approach and tackling long term problems to deliver growth that creates high quality jobs across the UK. The focus will be infrastructure, skills and innovation.



Question 23

How do you think we should plan for a green economic recovery in Mid Devon? Please select 3 priorities:

- **Innovative and high growth sectors (e.g. pharmaceuticals, aerospace, creatives, financial / professional and business services and emerging industries such as Artificial Intelligence)**
- **Support training opportunities in clean and green economic activities**
- **Renewable / clean energy**
- **Farm diversification to support the processing and sale of food locally**
- **Protecting the natural environment to sequester carbon**
- **Green public transport, cycling and walking**
- **Greener more energy efficient buildings**
- **Refurbishing and retrofitting properties to meet energy standards**
- **Repurposing waste streams**
- **Other (please state what this is)**

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Helping our businesses grow

7.5 Mid Devon has a number of business parks which are mostly concentrated around the edges of the three main towns and along the M5 corridor at Junctions 27 and 28, and at Willand. Occupancy rates are extremely high and it is rare that units become available. Those that do, tend to be filled again very quickly. There is therefore a need to bring forward new employment land in the district and to maintain a pipeline of sites that are available. The current Local Plan identifies a range of employment sites that will become available as part of planned developments in Tiverton, Cullompton and particularly in the proposed Culm Garden Village. It makes provision for 147,000 square metres of commercial development floorspace (including 7,000 square metres of non-food retail) across a few, but relatively large site allocations in terms of the total commercial space across the district. However, the delivery of the schemes can be affected by the need for supporting infrastructure and long lead in times, which can mean that local businesses are being constrained in their ability to grow and expand, and which may seek to move out of the district to larger premises where sites are available elsewhere. The Local Plan makes further provision for commercial floorspace at Junction 27 for a high quality tourist and leisure focussed development. The Strategy has identified that 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



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district and “next step” space for incubator tenants to grow into. One of the key reasons for the success of the Hitchcocks Business Park near Willand 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. The need also continues for larger units for medium-sized businesses wishing to expand, or move into. A key issue for Plan Mid Devon will be to ensure the delivery of commercial development goes hand in hand with housing development, to assist job opportunities locally which are high skilled and well paid, and to reduce commuting to work place destinations outside of the district (which would hinder our ambitions of moving towards net zero carbon emissions).

7.6 The preparation of Plan Mid Devon provides an opportunity to consider how other forms of work space can be supported through a new Local Plan. This could, for example, include identifying a site for co-working space (such as a communal office and meeting rooms shared by different companies), or a policy to support proposals for live-work units (units of living accommodation designed with work space for the occupier). Low cost, flexible and temporary accommodation might also be achieved through providing space for shipping container / pop-up enterprise facilities.

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Question 24

Which of the following ways should the new Local Plan help commercial development across the district?

- Continue to allocate larger employment estates at a few locations (Yes/No)
- Place greater emphasis on smaller employment sites that are relatively free from major infrastructure constraints and are capable of being delivered more quickly (Yes/No)
- Require a proportion of all employment sites to be developed in small land parcels that can be attractive to micro, small and medium sized enterprise (Yes/No)
- Identify opportunities for co-working space (Yes/No)
- Include a policy for Live-work units (Yes/No)
- Space for low cost, flexible and temporary accommodation (Yes/No)
- Other (please state what this should be)

