

8 (II) EMPLOYMENT DEVELOPMENT AND DISTRIBUTION

OVERALL AIM

8.41 The policies and proposals for the economy have been formulated in the context of the fifth strategic Aim:

To ensure the economic well being of Devon by enabling the local economy to develop and improve in a sustainable way, recognising the specific economic assets of the County.

THE STRUCTURE OF THE DEVON ECONOMY

8.42 Devon has a wide range of economic activity representing many aspects of the wider British economy within three main sectors: the primary sector - including agriculture and fishing, etc; the manufacturing sector - including some aspects of the defence industry; and the service sector - including offices, tourism and distribution.

The Primary Sector

8.43 Employment levels in **agriculture** have continued to decline in recent years. Agriculture differs from some of the other economic activities in that it does not at present give full 'value added' and job potential to the area (e.g. much of agricultural, as with fishing and quarrying, product is exported directly to other areas for conversion, manufacturing or final sale).

8.44 **Minerals** represent an important element of value to the County's economy, and the industry provides employment opportunities often in locations where other employment sources are limited.

8.45 The **fishing industry** continues to be an important element of the County's primary industry sector and is a significant part of the local economy in a number of Devon's ports. While the level of activity in some areas has declined, there has also been major new investment such as the new fish quay and market at Sutton Harbour in Plymouth. However, in total, only limited numbers of people work directly in the industry.

The Manufacturing Sector

8.46 Employment in the **manufacturing** sector declined in the period 1984 to 1995 reflecting change in the national economy and in local industries. The **defence industry** continues to be a major component of Devon's

manufacturing sector and includes activities as disparate as the manufacture of technologically advanced goods, and the armed forces, including all their support systems and operational bases and civilian support. Devon's major single manufacturing industry, the marine engineering carried out at HM Naval Dockyard at Devonport, is defence dependent and has been subject to major reductions in its workforce related to changing naval requirements. The repercussions of this are likely to continue over the plan period.

8.47 **Newer industries**, such as electronics, have been attracted to the Devon both through inward investment and relocation as a result of government assistance and active promotional policies by the local authorities. Many of these have become an established part of the County's economic base, widening job opportunities particularly in the more successful areas of the County. Devon has however benefited less than other parts of the country, possibly because of its relatively peripheral location.

The Service Sector

8.48 The **service sector** is the largest sector of the Devon economy, including commercial offices, administration and other public and private services. The role of the service industries has increased over recent years with a significant proportion of new jobs across the whole range of activities from skilled to casual being created within these industries. This sector is an important employer throughout the County



Western Morning News Office, Plymouth

8.49 **Tourism** plays an important role in Devon's economy especially in the coastal areas, and resorts and in

high quality landscape areas, but employment is often of a seasonal nature. It is however one of the industries with a longer term potential that can be realised without harm to the sensitive environment of the County.

PAST ECONOMIC DEVELOPMENT

8.50 **Local authorities** have been actively attracting inward investment and employment activities. Selective promotional policies and appropriate land use opportunities and site preparation have played their part. Most new jobs created in the County over the past ten years have however come about as a result of growth within the existing economy and the County has seen a widening employment range.

8.51 The provision of land in appropriate locations is the most direct way in which policies in the Structure Plan can facilitate economic development in areas of special need. In practice, however, it has proved difficult to safeguard land for specialised uses - with commercial interests and short term pressures to provide jobs tending to override the longer term aim to protect prime sites for major developments.

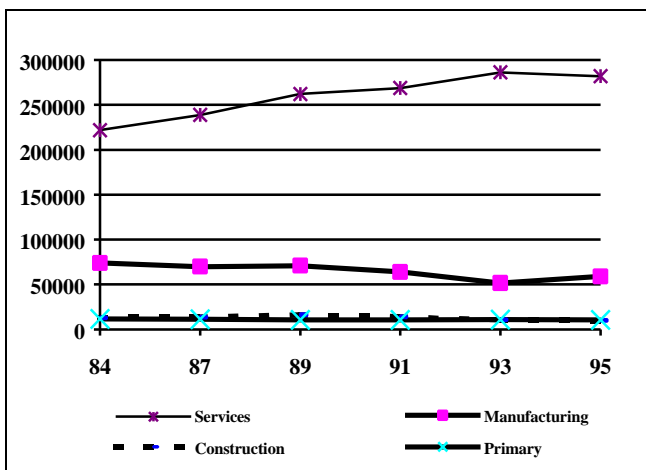


Figure 6: Employees in Employment 1984 to 1995

EUROPEAN, NATIONAL AND REGIONAL PERSPECTIVES

European Perspective

8.52 The importance of **European policy** was referred to in Chapter 2 in setting out the background to the Review. The current eligible areas for European funding are shown in Map 16. It should be noted that the HM Government and the European Commission are reviewing eligibility of areas

the Objectives set out in “Europe 2000” As a result Cornwall now has secured the key Objective 1 designation (the highest European level of assistance). This recognises the strong case shown by comparative data to continue to assist the neighbouring areas of Devon and Somerset. For this reason the South West Region is bidding to have Northern, Western and parts of Southern Devon, including Plymouth and Torbay, also designated as Objective 2. Transitional arrangements however could also ensure that European funds continue to help these areas for some time.

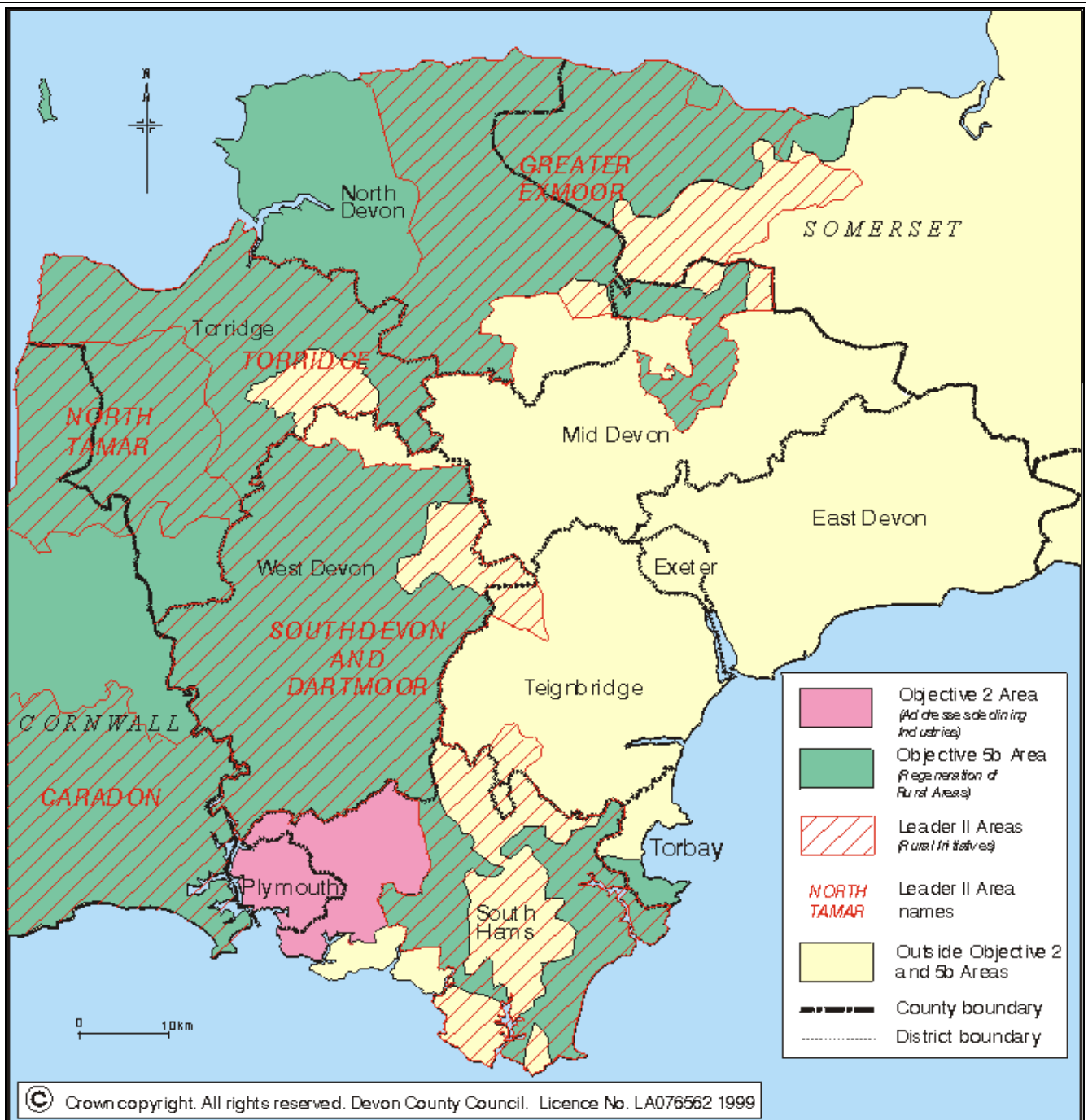
8.53 The themes for European support in Objective 2 include strengthening the competitiveness of Small and Medium enterprises (SME), promoting technology and knowledge based industries, supporting agriculture, defence and tourism activities in transition, encouraging community regeneration. Action on the environment, human resource development and equal opportunities will also be required to reverse decline and provide a sustainable outcome. In addition European policies on the single market and the common currency should improve business potential and tourist access to markets and reduce isolation. Similarly efforts are needed to reduce peripherality with improved transport accessibility by rail, combined transport, sea and air through better links within the evolving Trans European Networks (TENs).

NATIONAL CONTEXT

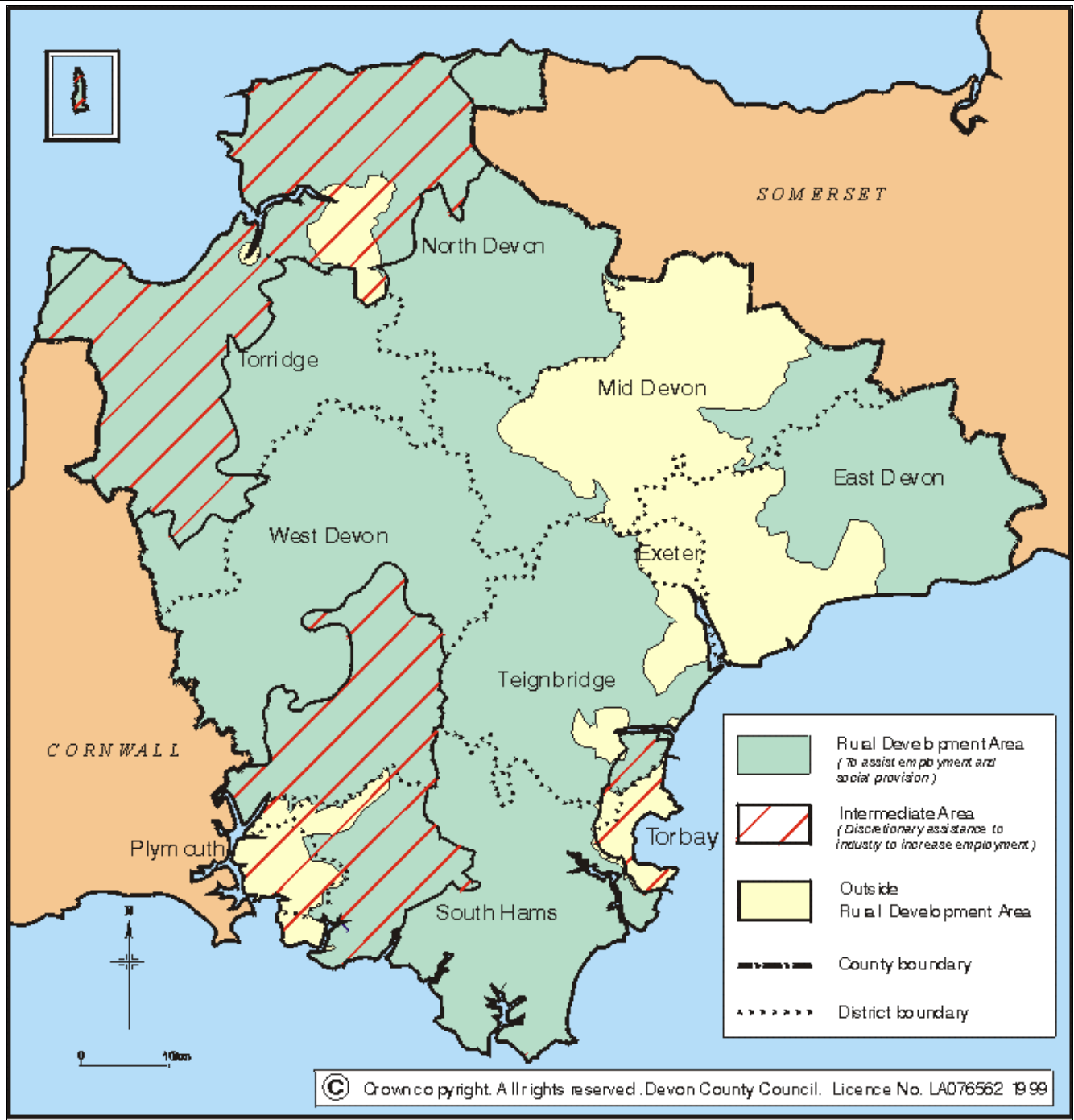
8.54 Map 17 shows the areas benefiting from Government Regional Policies. Financial incentives are available under the Industry Acts to assist industrialists moving into the area or expanding. These are paid on a discretionary basis only, on additional jobs created or saved. The northern and western part of the County together with Torbay now benefit from this form of Government assistance. In parallel with the revision of European Policies Government Assistance will be changed.

Rural Development Area

8.55 Measures to enhance the social and economic viability of disadvantaged rural areas (RDA’s) have been supported through the Rural Development Programme of the Rural Development Commission. Map 17 shows the extent of those areas within Devon that are within the Devon Rural Development Area; it shows that over 80% of the County area has access to this assistance for economic and social initiatives to improve the vitality of communities. Responsibility for funding now lies with the South West of England Regional Development Agency.



Map 16: Areas eligible for funding through European and Social Policies



Map 17: Areas Eligible for assistance from Central Government

REGIONAL CONTEXT

8.56 The **Regional Planning Guidance for the South West (1994)** indicated that sufficient provision should be made for employment related development land, including the identification of prestige sites which take advantage of the special environment of the Region. Concern for resource conservation was shown by the Secretary of State's emphasis on seeking to redevelop previously redundant sites before considering green field sites. Development is focused on areas with greatest potential to attract employers.

8.57 The Regional Guidance highlighted the need to encourage economic growth and business competitiveness; the need to address the issues raised by reductions in defence spending; the problems of some traditional tourist resorts; and the need for greater flexibility in rural areas. It also referred specifically to the needs of the Plymouth area and the potential for economic investment at Exeter. It emphasised the importance of investment in transport infrastructure to assist with economic development and overcome the area's remoteness from major markets.

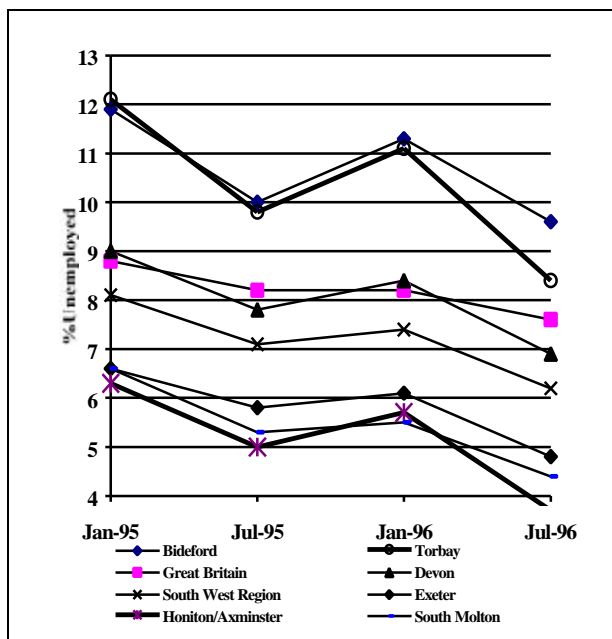


Figure 7: Unemployment - Britain, South West and Selected Devon Travel to Work Areas

THE FUTURE DEVELOPMENT OF THE DEVON ECONOMY

8.58 It has been difficult to secure new **economic investment** in an increasingly competitive context - especially in a relatively remote area such as Devon. Fundamental changes are also occurring in many parts of the existing economy, notably defence, tourism and agriculture. Within the European Single Market, the attractiveness of Devon will very much depend on its ability to remain competitive and accessible attracting investment away from Europe's more congested core regions but central core regions.

8.59 European documents, particularly the ESDP (see Chapter 2) have emphasised a number of strategic objectives to improve competitiveness and sustainability:

- the need for improved infrastructure** to provide direct access into the region from other parts of Europe, through improved transport for people and goods and freight inter-modal links;
- the need to develop human resources**, including training and education, better exchange of know-how, and research and innovation; and
- the need to improve the image of Devon**, not least to present it as a good place to work and live in.

a) Infrastructure

8.60 The provision of land by itself will not create opportunities for economic investment or social improvement unless there is adequate supporting infrastructure. **Infrastructure** has to be viewed at different levels - from the European, national and regional perspective to more specific locally focused needs. For Devon, deficiencies in infrastructure will make it that much more difficult to promote, nurture, sustain, attract, and retain, sustainable economic development.

8.61 At the **national and regional levels**, increasing economic integration within the European Economic Area (the full single market) highlights the need for better links between all European regions. These links are important both from periphery to centre and from peripheral region to peripheral region. This means that attention needs to be paid to Devon's Atlantic Arc location as well as the ease with which access to the core regions can be achieved

8.62 Developments in modern transport for people and goods, including the European combined transport networks, telecommunications, greater use of air movements, and increased reliance on good quality maritime links may provide a welcome opportunity for related activities generating a commercial and tourist dimension in Devon.

8.63 There are a number of specific infrastructure decisions that need to be looked at in the context of the economic development of the County:

- the possible improvement of airport facilities and more air routes to serve the County;
- the upgrading of the main rail links from Devon to London and the Channel Tunnel- possibly including electrification;
- the possible provision of combined road / rail interchanges at Plymouth and Exeter;
- the modernisation of the County's port structures;
- the improvement of telecommunications and the implications for future economic activity in rural areas; and
- the improvement of the A30 / A303 road route into Devon.

b) Training and Skills

8.64 The extent to which people in Devon can participate in the economic life of the County is of special importance to the maintenance of our social fabric and success. Considerable effort is being made by Local Authority Education, Colleges, Universities, central and regional agencies to ensure effective **education and training** of existing and new staff. European resources are playing an increasing part in this process. The Training and Enterprise Councils (TECs) "Prosper" in Devon have a particular role to play in raising skill and training levels. The County's education infrastructure will need to prepare future generations to respond to new challenges and opportunities.

c) Devon's Image

8.65 Investment decisions are primarily taken on the basis of business requirements, but in some cases they can be strongly influenced by other factors. Investment today is more mobile and such assets as the quality of life offered by an area, the links to centres of high technology expertise, and other qualitative factors have become more important.

8.66 New industries and activities can sometimes be more readily assimilated into the local environment and need not detract from Devon's as a pleasant County in which to live and work. Indeed, the conservation of this special environment is valuable in attracting investment and achieving greater economic prosperity.

8.67 The County's image needs to focus on its environment and quality of life. It needs to accommodate certain types of change without compromising our heritage. A sustainable economy should be assisted by this approach.



Commercial Development in Exeter

8.68 The Vision and Strategic Aims set out in Chapters 3 and 4 recognise economic well-being as a major factor in people's quality of life. The **development of the County's economy** will need to reflect the overall strategic framework in Chapter 5 - the special role of the existing main areas of economic activity; the need for economic

diversification; and the need to conserve those areas with the most vulnerable environments.

8.69 The **economic development strategy** underlying the policies and proposals can be summarised as:

- **Counteracting the peripherality** of the County in a European and national context by promoting investment in the strategic communications networks - including telecommunications.
- **Realising the potential of those areas best placed to attract new economic investment** by providing for development in the identified Areas of Economic Activity.
- **Promoting economic investment elsewhere** in the County by identifying those Area Centres where provision should be made for employment land and economic growth.
- **Identifying those other Area Centres where smaller scale economic investment could be accommodated.**
- **Promoting economic diversification in the rural areas** by allowing for appropriate economic investment in Local Centres.
- **Addressing the special needs of the areas facing economic difficulty** by promoting economic diversification where changes in defence, traditional tourism, and agriculture and fishing occur.

POTENTIAL FOR AND DISTRIBUTION OF ECONOMIC DEVELOPMENT IN DEVON

Areas of Economic Activity

8.70 The strategy recognises that the greatest potential for future economic development will lie within the **Areas of Economic Activity**. A greater concentration of investment within these areas will give the greatest scope for attracting new investment to the County and should indirectly encourage economic investment to take place in other parts of the County.

Plymouth Area of Economic Activity

8.71 In the Plymouth Area of Economic Activity, the objective is to ensure that the economic investment needed to meet the needs of the area, without prejudicing conservation objectives. The diversification of the local economy should be prioritised through the development of a stronger service sector to accompany manufacturing activity. The scale of new investment will also need to offset the reductions in defence spending and job losses at Devonport Dockyard.

8.72 The area does have important commercial activities, a strategic port in the European context, and has funding from European sources. The Plymouth

Intermediate Assisted Area brings new investment opportunities to the economy. The City needs to diversify its economic base and, the City's waterfront areas have a particularly significant potential. Opportunities for redevelopment of MOD sites including Seaton Barracks, land at Coypool, inner city redevelopment and regeneration also need to be pursued.



Plymouth Sea Front

8.73 Development needs to be of high quality to improve the image of Devon, allowing for prestige site development. To assist with this process, European and national assistance, communications linkages and academic establishment links in the area need to be pursued. Major new employment sites in the City are restricted so some of the area's economic potential will need to be realised within South Hams District and provision should be closely related to the development of the new proposed community. More employment development is also anticipated within Cornwall, close to Saltash, to meet part of the overall need in the Plymouth area.

The Exeter Area of Economic Activity

8.74 Economic investment within the Exeter area of economic activity is allowed for because of the strategic importance and potential of the City. This potential has been recognised in the Regional Guidance. Existing commitments provide for a substantial increase in jobs within the Plan period but provision for new allocations of employment land within the area needs to be made. Surplus Ministry of Defence land at Countess Wear should allow additional provision to be made within the City and avoid further greenfield development.



Offices, Pynes Hill, Exeter.

8.75 Like the Plymouth area, it will be difficult to meet all of the area's economic needs from within the City itself. There would appear to be an opportunity for major prestige development to the east of the City. Good communications and proposals for the new community would contribute to meeting the area's wider economic needs. It should be possible to re-use brownland in this area for additional employment opportunities.

8.76 A greater degree of diversification would increase job choice and stability. This could be achieved by developing manufacturing employment alongside service sector growth particularly at Exeter itself.

The Torquay / Paignton / Newton Abbot Area of Economic Activity

8.77 Diversification of the economy is a strategic requirement to be given a high priority, subject to development being achieved without conservation objectives or the viability of the tourism industry being prejudiced. Non-seasonal job growth as within the office/service sector, should be encouraged as it can offer more locational flexibility and is less demanding of land.

8.78 The existing economy of the area is mainly dependent on tourism and fishing, so there is a special need for diversification. The current inclusion of Brixham within an Objective 5b area and the designation of the of the Torbay area as Intermediate Assisted Area should help attract new investment.

The Barnstaple / Bideford Area of Economic Activity

8.79 In the Barnstaple / Bideford Area of Economic Activity the strategic aim is to realise the area's economic potential, to increase the range of jobs available, raise incomes and improve the quality of life in the area. All the area currently benefits as an Intermediate Assisted Area and is currently within the Objective 5b area.

8.80 This area is the main focal point for additional economic growth within northern Devon and it is here that proposals for prestige development are most likely to be attracted.

Rural Areas in Devon

8.81 Some of the most immediate economic issues to be faced are, however, those affecting the **rural areas** of the County and the impact they will have on the economic and social needs of rural communities. The rural economy has been undergoing fundamental change during the 1980s and 1990's, which are still continuing. Policies encourage diversification of the rural economy to provide a greater variety of sustainable local employment opportunities. As a significant proportion of Devon's rural areas are currently within the Devon Rural Development Area or the Objective 5b area, assistance is available for local initiatives that can directly help in rural economic diversification.

8.82 The provision of employment in rural settlements is important in meeting the needs of the rural areas. The development strategy considers the rural areas of Devon as falling within two broad categories:

- a) those where there is greater scope for development and priority for economic diversification, and
- b) those where there are major environmental constraints to development.

Areas with scope for economic diversification

8.83 Within rural Devon the **Area Centres** to be identified in Local Plans will have a particularly important role to play as focal points for new investment. In this context the Area Centres within the Rural Areas of Economic Diversification should act as focal points for economic investment. The **Local Centres** may also have an important role in providing locations for smaller scale investments. Small-scale investment could also be located close to access points to the Exeter - Barnstaple rail line which passes through central Devon.

Areas subject to development constraint

8.84 The strategy also identifies significant parts of the County as being subject to general development constraint. While there is a need to encourage economic diversification within these areas, the environmental constraints which apply limit the scope for certain types of new development. **Area Centres** in these parts of Devon may have the scope to accommodate some forms of economic investment in promoting economic diversification.

8.85 As is the case for the areas with scope for economic diversification, some parts of this area also currently benefit from Objective 5B status and / or inclusion within the Devon Rural Development Area. Funding from these sources will play an important part in promoting small-scale economic investment where this would be consistent with the need for general constraint so far as new development is concerned.

8.86 **Local Centres** may similarly be appropriate locations for small-scale economic development that can contribute to meeting the needs of the areas. In all rural areas, other rural settlements can also play a role provided that development is small scale and does not conflict with the rural character and the landscape policies that apply there.

ACCOMMODATING NEW ECONOMIC DEVELOPMENT

8.87 Policy E1 relates the distribution of new employment development to the settlement hierarchy.

Policy E1

In providing for employment development Local Plans should have regard to the role of the settlement set out in Policies S1a, 1b, 1c and S2 and the county-wide development strategy.

In villages, or on their immediate periphery, not designated as Local Centres, small scale employment development may be acceptable where this would be on a scale in keeping with the size and character of the settlement, and the rural character of the surrounding area.

Employment Development in rural areas outside settlements

8.88 In **rural locations outside settlements**, employment development on green field sites will not normally be appropriate. The conversion of redundant buildings for employment uses may be acceptable, where this would not give rise to 'new' structures or change in the character of the building or its surroundings.

8.89 There are certain types of development that directly relate to the agriculture industry or the rural economy generally. In some cases such development may be of a significant scale and intended to serve a wide area of the County, as in the case of the provision of major facilities to process primary products such as cattle markets. Such proposals should also be consistent with Policy E2.

Policy E2

Employment development will only be provided for in rural areas outside villages where:

- 1. it cannot be satisfactorily accommodated in a settlement because of its exceptional environmental impact but would contribute to the diversification of the rural economy, or**
- 2. it can be achieved through the conversion or alteration of existing buildings provided that the new use is sympathetic to the rural character of the building and surrounding area.**