Local Development Framework Briefing Paper
<u>Economy</u>

<u>Devon County Council's advice to Local Planning Authorities.</u>

This is one of a series of briefing papers prepared by Devon County Council to assist the preparation of Local Development Documents.
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Local Planning Authorities are requested to take the following matters into account in preparing their Local Development Frameworks and other documents:

1. ***<u>The Core Strategy</u> should identify the economic needs of communities and the key economic sectors, particularly in relation to the strategic growth locations and in the most deprived areas*** *(1),* ***whilst ensuring that the quality of Devon's environment is maintained and improved.***

2. ***<u>The Core Strategy and other development documents</u> should:***

a) ***<u>Set out employment opportunities and provision</u>: to ensure that knowledge-based, high value added sectors that exhibit potential for the future are encouraged, with some degree of flexibility built in to the system to ensure that significant opportunities can be seized upon and developed in a sustainable way.***

b) ***<u>Identify infrastructure needs and 'public realm' works:</u> to support the provision of well designed, sustainable and appropriate employment space, community land and buildings, shops and essential services, access to buildings and information channels.***

c) ***<u>Set out skills provision and development:</u> to influence both the type and scale of employment which can be sustained and the provision of training opportunities, each of which impact on property requirements.***

d) ***<u>Identify accessibility improvements</u>: for example through transport provision of all types; provision of services and facilities at industrial, neighbourhood and community levels and the provision of up to date telecommunications facilities and networks to support opportunities for people to work and develop skills.***

e) ***<u>Engage businesses (and business organisations), community planning groups and partner agencies</u> in addressing the needs of the future growth of the economy and deprived communities for benefits to the planning process.***

f) ***<u>Recognise the importance of the environment and greening to Devon as a cross-cutting theme and identify the economic opportunities to be developed or provided</u>, for example, green infrastructure provision in significant developments, the incorporation of renewable technologies and energy saving features where possible, the incorporation of local and sustainable materials into development and conservation of significant landscapes features and habitats.***

<u>Partnership Working</u>

Devon County Council wishes to work in partnership with District Councils, in further developing the above policy areas with colleagues and other organisations and would wish to be fully involved in any discussion relating to them.

(1) See separate Briefing Paper – Regeneration and Skills about regeneration priorities.

1. Introduction

The growth of the economy of Devon in a strategic, innovative and sustainable way is key to ensuring that residents of all Districts within the county achieve quality of opportunity and quality of life.

A summary of the economic situation in Devon with regard to travel to work areas, employment rates, economic productivity, earnings, house prices, funding regimes and economic activities is set out in Appendix 1.

The development strategy for Devon is set out in the;

a) Devon Structure Plan (adopted Oct 2004) the main provisions being set out in Policies ST5 to ST15 the Spatial Strategy, Proposal ST17 Housing and Employment Land Provision, ST19 Strategic Development Sites for Employment (including sites of Regional Significance for a Science Park and Sky Park in East Devon, Langage in South Hams and Roundswell in North Devon.

b) draft Regional Spatial Strategy (published June 2006) which sets out requirements for enhancing economic prosperity and the quality of economic opportunities in respect of employment provision, retailing and town centre development, tourism *(may need to be changed to reflect current situation)*

c) The issues arising from the Devon Strategic Partnership's ' A Community Strategy for Devon (adopted 2004) and the priorities identified.

Additionally a study is currently being undertaken to research investment, intervention and inter-relationships in the South Central zone of the South West for the Regional Spatial strategy. Findings, when available, need to be taken into consideration in the preparation of Local Development Documents covered by this area – Exeter; Teignbridge; Torbay; South Hams and Plymouth and to a lesser extent East Devon and West Devon.

This paper seeks to reflect the role of the County Council as a strategic co-ordinator and as a community leader and participant in economic development and regeneration initiatives. It sets out the need for an integrated economic and sustainable strategy to be taken into account in preparing Local Development Framework documents in terms of; Employment opportunities Infrastructure Requirements, Skill requirements' Accessibility, Public Involvement and Cross cutting themes

2. Vision to 2021 and beyond

The Devon Strategic Partnership report sets out what life in Devon is like, based on an analysis of facts, trends and the views of citizens. A picture is painted about the challenges community leaders face to improve the quality of life in Devon. The report highlights:

1. Challenges facing the 30 market and coastal towns in Devon.
2. Generally a high level of satisfaction amongst Devon residents (87%) but with significantly lower levels amongst young people (68%) and the 13% of the population living in the most deprived wards;
3. A net loss of young people, averaging 1,800 20-24 year olds, leaving Devon each year and consequently, an ageing population.
4. Devon is one of the most sparsely populated counties in the Country.
5. The importance of Devon's cultural heritage, for both visitors and residents, with 35% of the County being a protected landscape, which has substantial economic consequences for agriculture and the tourism industry.
6. Relatively low registered unemployment but significant "hidden" underemployment, especially amongst women in rural areas.
7. Average earnings 13% below the national average.
8. GDP 77% of the national average and falling relative to the national average

9. High demand for more rural employment and job opportunities for young people.
10. 11% of employers report a gap between the skills of their employees and the needs of the organisation, while 20% have difficulty in recruiting certain skill types.
11. Relatively low levels of literacy and numeracy amongst adults in the deprived wards.
12. Lack of affordable housing was the top concern in the Mori survey, 2002 with a very high ratio of earnings: house prices.
13. Only 11% of residents think they have good access and transportation services.
14. 75% of 16-17 year olds refer to lack of facilities.
15. Over a quarter of Devon wards are amongst the most disadvantaged 10% nationally in terms of access to services and rural facilities are continuing to decline.
16. 33 wards are in the bottom quartile nationally, in terms of child poverty.

3. Strategic Goals

The growth of the economy of Devon in a strategic, innovative and sustainable way is key to ensuring that residents of all Districts within the county achieve quality of opportunity and quality of life.

Spatial and thematic priorities are targeted ways of approaching and achieving this long-term goal.

- The Spatial priority identifies pockets of deprivation which are amongst the 25% most deprived in the County that need to be addressed by 2013.
- The Thematic priorities that arose from analyses of both the economy and deprivation statistics in Devon. A number of themes can be identified which are likely to feature prominently in both regeneration and economic growth programmes across the county in the short, medium and long-term.

These are set out in Appendix 3 of this report and included in a separate Briefing Paper – Regeneration and Skills

4. Issues to be addressed

In order to sustainably improve the economic, environmental and social well-being of individuals, communities and businesses most in need, the County Council's Regeneration Role and Action Programme; the Devon Business Growth Strategy; the Devon Economic Partnership and the Devon Local Area Agreement advocate the following set of actions:

A Improving the quality of life of communities in the most deprived parts of Devon.

B Improving the resource management capabilities and organisational capacities of social enterprises, community groups and public agencies.

C Improving the productivity of the economy of Devon

D Use the quality of Devon's environment as a key economic driver

The results anticipated from these actions will meet the prime issues and needs identified from recent research and analysis:

A1 The range of employment opportunities will be broadened and wage levels raised.

A2 A wide variety of infrastructure will be created and restored.

A3 Attainment of basic skills will be increased and particular skill shortages will be tackled.

A4 Local accessibility to services and facilities will be improved.

B1 Community plans will be prepared and reviewed for each urban area, market town and its hinterland.

B2 Access to viable grants and loans will be improved.

B3 Social enterprises will be formed and strengthened to manage and maintain projects initiated by the programme.

B4 Public agencies will be strengthened to provide support services for social enterprises, community groups and businesses

5. Direction of change to be achieved

The Devon Economic Partnership is in the process of being formed and is likely to prioritise the current economic underperformance in Devon and aim to address the forecast poor growth prospects of the county. A number of key themes will begin to address this issue including the formation of a strong and positive Devon brand and using the quality of Devon's environment as a key economic driver.

Initiatives and projects such as Discover Devon Naturally, Devon and Cornwall Overseas Marketing (DACOM) and the Jurassic Coast are currently adding value to and increasing the future potential of Devon's tourist industry by specifically making links with the marine and agriculture/food and drink sectors, and capitalising on the high quality environments found within Devon. Renewable Energy 4 Devon is now taking forward the innovative and growing renewable energy sector in the county and is helping businesses to make efficiency gains through their energy consumption.

The Devon Strategic Partnership and Devon County Council have adopted the ambition that none of the 19 wards currently classified as being amongst the 25% most deprived in the country will remain in that category by 2013. In order to achieve this, significant targeting of resources on the priority communities is necessary. The mechanisms being established for implementation of the Local Area Agreement will assist this process and 'Action Plans' are being prepared for Ilfracombe, Barnstaple, Exeter, Bideford, rural Torridge, Princetown and Teignmouth. Westward Ho!, Tiverton, Dawlish, Newton Abbot and Seaton.

6. Development options to be considered when preparing the LDF

The Core Strategy and other development documents should recognise in an integrated manner, the economic needs of communities and the key economic sectors, particularly in relation to the strategic growth locations and in the most deprived areas (1), whilst ensuring that the quality of Devon's environment is maintained and improved. Those needs are likely to include:

1. **Employment opportunities and provision**: the range of employment and associated wage levels are just as important as the gross numbers. Long-term planning to ensure that knowledge-based, high value added sectors that exhibit potential for the future are encouraged is needed, with some degree of flexibility built in to the system to ensure that significant opportunities can be seized upon and developed in a sustainable way
2. **Infrastructure provision**: the requirements will include well designed, sustainable and appropriate employment space, town and village centre 'public realm' works, community land and buildings, shops and essential services, access to buildings and information channels
3. **Skills provision and development**: skill levels will influence both the type and scale of employment which can be sustained and the provision of training opportunities, each of which impact on property requirements.
4. **Accessibility improvements**: this covers transport provision of all types; provision of services and facilities at industrial, neighbourhood and community levels and the provision of up to date telecommunications facilities and networks.
5. **Engagement of businesses (and business organisations), community planning groups and partner agencies** addressing the needs of the future growth of the economy and deprived communities brings many benefits to the planning process.
6. **Environment as a cross-cutting theme**: this covers green infrastructure provision in significant developments, the incorporation of renewable technologies and energy saving features where possible, the incorporation of local and sustainable materials into development and conservation of significant landscapes features and habitats

7. Partnership Working

Devon County Council wishes to work in partnership with District Councils, in further developing the above policy areas with colleagues and other organisations and would wish to be fully involved in any discussion relating to them.

Economic Situation in Devon

1. The current economic situation in Devon

Rurality and Travel to Work Areas - Devon is relatively rural in nature when compared with many other parts of the UK. Exeter and other main urban centres have geographically large travel to work areas covering rural areas of the county. It is home to larger higher paying employers that attract employees from a very wide hinterland.

Employment rates for the greater part of its population are generally high, with higher than average skill levels and a varied, but ever changing economy. Nonetheless certain parts of the county do not offer the variety of employment opportunities that are available in many other parts of the UK, in particular in many of the more northern and western parts of the county. Pockets of deprivation occur across the county, but are concentrated particularly in inner city Exeter, Barnstaple, across the District of Torridge and in many of the county's coastal towns.

Economic Productivity - Gross Value Added (GVA) is the standard measure for economic productivity and is a measure of the value added by economic activity in an area. There are five main drivers of economic productivity:

- Skills
- Investment (in new technology and infrastructure)
- Innovation
- Enterprise
- Competition (clusters of industries and closeness to competitors)

The economy of Devon as a whole shows economic productivity levels at around 77% of the UK average, although over the past decade there has been a slow decline in relative productivity compared with nationally. This general picture hides very wide differences between the County's Districts, with productivity varying from approximately 52% of the UK average in Torridge, to around 119% of the UK average in Exeter. Peripherality, the environment and agglomeration effects are key factors in causing this discrepancy, which together have contributed to a tradition of greater than average levels of employment in low value added sectors such as tourism and agriculture.

Levels of employment in high value added industries - such as finance, business services and design are low in most parts of the county. Even these figures hide differences in trend, for example economic productivity in the South Hams and North Devon has shown significant growth in the past decade, improving performance relative to the national average, whereas productivity in Torridge has shown a significant decline relative to the national average over the same period. In many parts of the county, particularly away from Exeter and the South Hams, a sea-change is likely to be needed to diversify the economy and to take advantage of future trends towards higher value added knowledge based industries, which are more resistant to threats from ever greater levels of competition and globalisation.

The high environmental quality is likely to be of even greater significance as an economic driver in the future contributing to further inward migration, as well as economic innovation and growth within Devon and contributing to the county's popularity as a year-round visitor destination.. Significant inward migration and second home ownership as a result of the county's high quality of life, has the effect of raising demand for housing with resultant effects on house prices.

2. Earnings and house prices

Earnings - Lower than average earnings are also an issue across most of the county, but are a particular problem in need of address in Torridge, North Devon and parts of West Devon. Average earnings of workers in Exeter are generally slightly below the national average. The South Hams shows residence based earnings around the national average, although workplace based earnings are much lower. This is mainly a result of the increased levels of earnings of those able to commute to higher paid jobs outside of the District. Pockets of low earnings, however, occur in locations throughout the county, including the South Hams. Low earnings have the effect of causing recruitment difficulties in certain areas, with many workers unable to afford to buy homes locally, as prices are particularly high throughout the county. Community cohesion can suffer as a result.

House price/earnings ratios - are amongst the highest in the UK. To a point some residents trade-off low earnings and high living costs against a generally high quality of life (downshifting), although this can become unsustainable without additional sources of income other than paid employment. For those people who are not already property owners this is unlikely to be an option.

3. Changes in funding regimes

European Funding – Until the end of 2006 the Districts of the South Hams, Torridge, North Devon and West Devon qualified for European Objective 2 funding. This funding stream has now come to an end and will be more or less replaced by Competitiveness funding which will run to 2013. This will be targeted more on a thematic basis and the entire South West will be eligible, although funding amounts are similar to the Objective 2 programme. Bordering this area is Cornwall which benefits from the more generous Covergence funding and as a result also automatically qualifies for UK Assisted Area status (where state funds are allowed to be used to promote business competitiveness). Several wards in the South Hams adjoining Plymouth have also recently qualified for Tier 2 Assisted Area status.

Projects in all Districts throughout Devon will be in theory be eligible for Competitiveness funding, rather than just the Districts which currently qualify for Objective 2, as long as they meet the key criteria. The disadvantage of this is that some of the less well-off parts of the South West will be in direct competition for project funds with other parts of the region.

Tier 3 Assisted areas in the South West outside of Cornwall have yet to be decided, but will be in place some time in 2007.

Other Funding Streams - Primary sector focused funding streams such the European Agricultural Fund for Rural Development (EAFRD) and the European Fisheries Fund (EFF) will have a greater focus on communities, diversification and adding value to products than at present, with new funding programmes in place from 2007.

4. Economic Opportunities for Devon – Devon Economic Partnership

- Rapid growth of airport based activities and passenger numbers from Exeter Airport
- Spin-off activities from Higher Education (universities)
- Almost 100% Broadband coverage across Devon enabling more flexible working and greater choice of business location
- The increasing importance of the environment and quality of life will make Devon a location of choice for many
- Growing importance of sectors in which Devon has a natural advantage (Renewable technologies and Creative industries)
- Build on existing employment clusters in the marine sector, tourism and food and drink
- An increasing population bringing in new skills and wealth
- The reform of EU agricultural policy stimulating enterprise
- The brand/identity/image of the county

5. Threats to the economy of Devon – Devon Economic Partnership

- A lack of appropriate employment land in key locations
- Skills that are not in line with business requirements
- Traffic congestion increasing journey times for businesses and employees especially around major towns and cities
- Prioritisation of key road and rail infrastructure in other UK regions away from the South West
- The potential for environmental decline to affect quality of life and attractiveness as a business location
- High cost of housing for key workers
- Potential changes to public-sector funding programmes and changes to European funding programmes from 2007-2013.

Several recent publications have included relevant and comprehensive statistical analyses of "deprivation" indicators. Consequently, brief summaries are included here of the conclusions emerging from the following reports:

- "Focus on Devon", Devon Strategic Partnership.
- "Social Inclusion and Neighbourhood Renewal", Devon Strategic Partnership Task Group.
- "Devon Rural Strategy", Devon Strategic Partnership.
- Various reports prepared for the Devon Structure Plan Examination in Public, Devon County Council.
- DCC's Regeneration Role and Action Programme.
- DCC's State of the Devon Economy report
- Evidence base for the formation of a Devon Economic Partnership
- Statistical evidence of deprivation.

Appendix 2

Statistical evidence of deprivation

1. Index of Multiple Deprivation

A 'league table' of worst 'IMD' (Index of Multiple Deprivation) scoring wards shows the significant areas of deprivation existing within Devon. These areas face an uncertain future regarding employment opportunities, local services & amenities, transport & health. In many areas, this decline has a directly negative effect on the overall standard of living, the local environment and the social fabric of the Community.

Devon excluding Plymouth & Torbay ~ Index of Multiple Deprivation – 19 wards which are in the most deprived quartile nationally

Ward	Authority
Priory	Exeter
St. Davids	Exeter
Newtown	Exeter
Whipton and Barton	Exeter
Mincinglake	Exeter
Ilfracombe Central	North Devon
Central Town, Barnstaple	North Devon
Yeo Valley, Barnstaple	North Devon
Forches and Whiddon Valley, Barnstaple	North Devon
Ilfracombe East	North Devon
Ilfracombe West	North Devon
Westville and Alvington	South Hams
Bushell	Teignbridge
Teignmouth East	Teignbridge
Westward Ho!	Torridge
Bideford East	Torridge
Bideford North	Torridge
Bideford South	Torridge
Lydford	West Devon

Source: Devon County Council Research and Intelligence Service Based on IMD 2004

2. Population

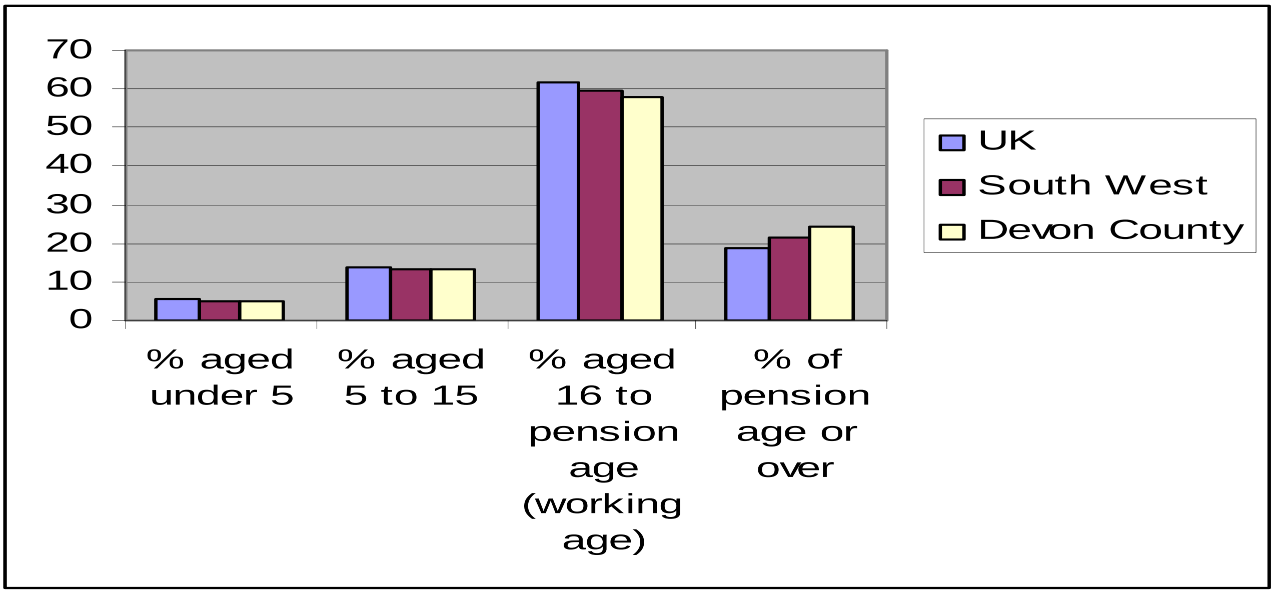
Devon's population is growing at a faster rate than the national average. An increasing population will lead to an increase in demand for products, services and energy (including those previously unavailable) and an increase in the labour force. Increasing demand will occur for housing and employment land.

Year ***Thousands***	**1971**	**1981**	**1991**	**2001**	**2003**	**2006**	**2011**	**2016**	**2021**
UK	55,928	56,357	57,439	59,113	59,554	60,254	61,401	62,618	63,835
Devon County	552	599	659	706	715	733	762	791	821

Source: ONS Region in figures winter 2004/05. All figures from 2003 onwards are mid year estimates using 2001 as a base year

3. Age group breakdown

Devon has a higher proportion of people above pension age than the national average. All decision making needs to take this into account, particularly in light of a generally aging population across the country, although with a rapidly growing population all age groups in Devon are likely to increase. This trend can and should be looked upon across the county as providing new business opportunities in a variety of different areas.



Source: DCC Economy & Regeneration analysis of ONS statistics 2005

Some issues which Devon faces and will continue to face, along with the rest of the UK as a result of a greater proportion of residents being above pension age, include a decrease in the number of economically active persons, an increasing need for care and healthcare services and the possible isolation and poor access to services of older people, particularly those living in rural areas.

The table below gives a further breakdown of those Districts within Devon with the highest proportion of each age category:

Table showing districts with the highest percentage of each category:

	% aged under 5	% aged 5 to 15	% aged 16 to pension age	% of pension age or over
District with highest %	Mid Devon (5.4)	Mid Devon (14)	Exeter (65.3)	East Devon (30.5)

Source: DCC Economy & Regeneration analysis of ONS statistics 2005

4. Earnings

Gross Annual pay (includes full and part-time workers)- workplace based (2005)

Area	£	UK ranking (out of 408 authorities)
West Devon	na	na
Torridge	13,114	407
North Devon	15,059	392
Torbay	*15,446*	*384*
South Hams	16,099	356
Devon	16,882	na
Mid Devon	16,995	305
East Devon	17,204	292
Teignbridge	18,033	241
Plymouth	18,302	223
Exeter	18,751	191
UK	19,496	na
England	19,814	na

Source: ASHE 2006

Gross Annual (includes full and part-time workers)- residence based (2005)

Area	£	UK ranking (out of 408 authorities)
West Devon	na	Na
Torridge	na	na
North Devon	14,670	400
Torbay	15,983	380
Teignbridge	16,774	351
Exeter	17,100	335
Plymouth	17,123	334
Devon	17,233	na
Mid Devon	18,605	245
East Devon	18,700	237
UK	19,496	na
England	19,849	na
South Hams	20,219	163

Source: ASHE 2006

5. Productivity

Variation in productivity (GVA) between Devon's District areas (% of national)

	1994	2004
Exeter	124.2	119.7
North Devon	77.4	86.4
South Hams	71.4	80.9
Plymouth	*77.5*	*76.2*
Torbay	68.9	66.6
Mid Devon	68.9	65.4
West Devon	62.8	64.7
East Devon	61.5	62.9
Teignbridge	59.6	62.0
Torridge	63.6	52.6
Devon	74.9	75.1

Source: Devon Economic Model

Figures produced by the South West Regional Development Agency to inform the second South West Regional Economic Strategy (RES) review, highlight Devon's poor prospects for productivity growth in the near future compared with the rest of the region and are an issue which needs to be addressed at a variety of levels.

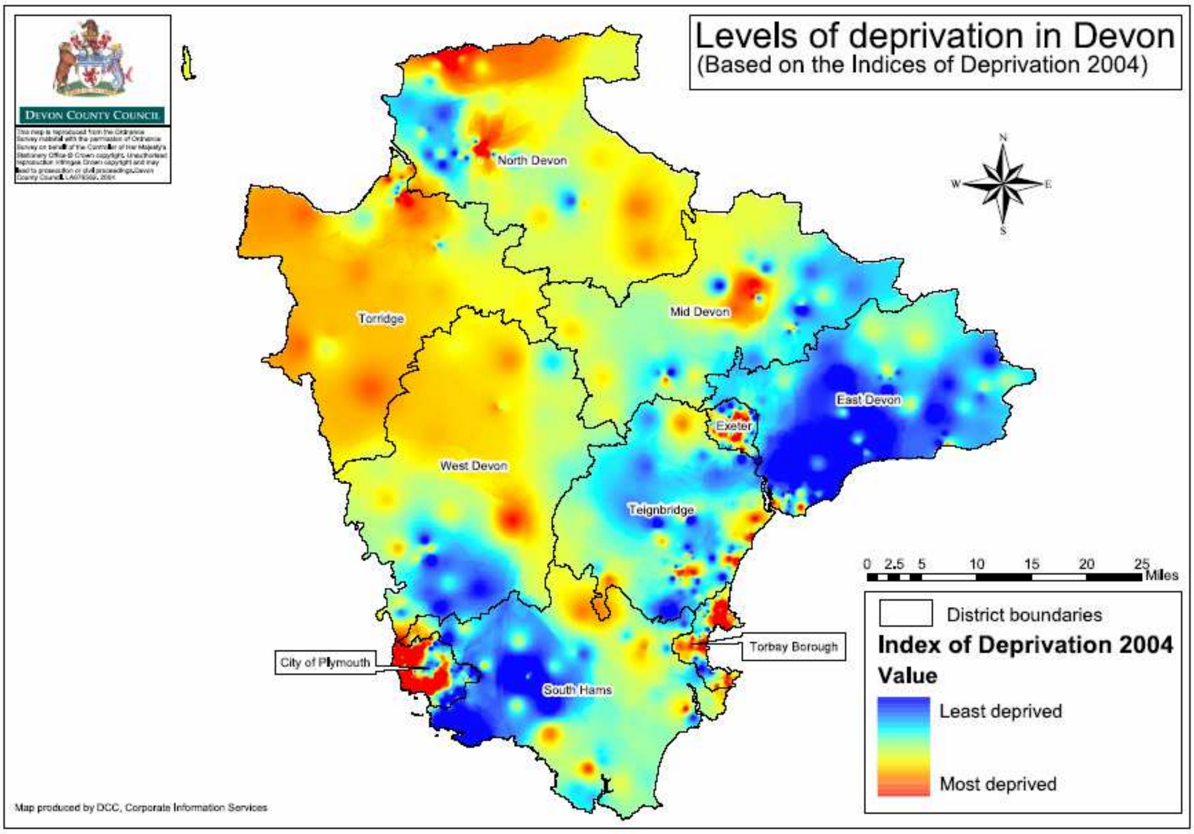
	1995 – 2002	2002 – 2005	2005 – 2010
South West average	2.4%	2.6%	2.3%
Glos, Wiltshire, West of England	2.7%	3.2%	2.7%
Dorset & Somerset	2.6%	2.5%	1.8%
Devon	**1.4%**	**1.2%**	**1.2%**
Cornwall & IOS	2.6%	2.4%	2.8%

6. Deprivation

Made up from a basket of different measures, the map below shows which wards (the basis for calculation of statistics) within Devon are the most disadvantaged, red being the most disadvantaged and dark blue being the least.

The most disadvantaged wards tend to be clustered in the North and West of the county, with a few exceptions in Exeter and some of the coastal towns along the south coast. This clustering points to geographical isolation from markets and dependence on low value added and seasonal sectors such as tourism, as being the contributory factors.

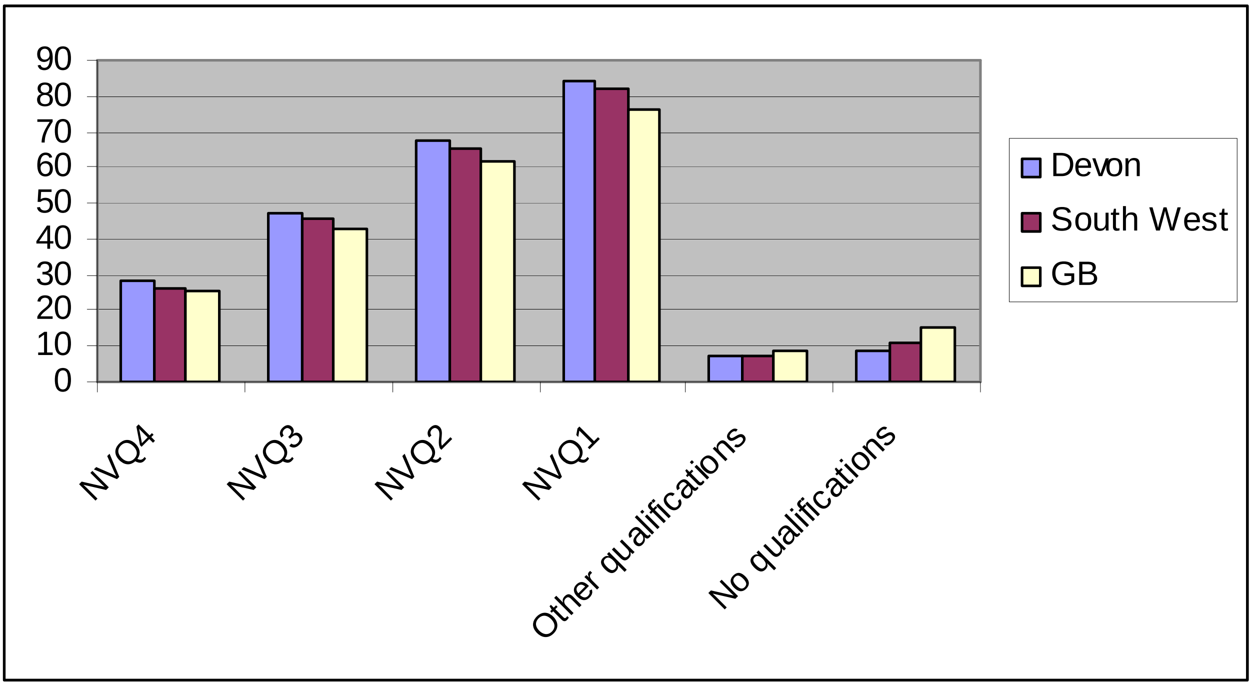
Where deprivation occurs in urban areas such as Exeter, other causes appear to be at work such as housing deprivation, crime, education and lower environmental quality. A variety of long-term initiatives have been introduced to tackle these entrenched issues as outlined in the County Councils' Role and Action Programme for Regeneration.



7. Skills

Devon has a higher over all skill and qualification base than both the nation and the region, which provides an opportunity for future growth and prosperity.

Percentage of population qualified at each level



Source: local area labour force survey (Mar 2003-Feb 2004)

What these statistics fail to take into account is the fact that there is often under utilisation of these skills within Devon (underemployment) and that despite performing better than the national average some difficulties still exist with basic literacy and numeracy in the county. Some geographical areas and certain groups remain in need of targeting as they perform less well over all. If new firms are to set up in, or be attracted to Devon in future there is a need to ensure that action is taken to ensure the appropriate skills are available in the local workforce.

To ensure the long term economic future of the county there is also a need to ensure that the skills of the workforce are better utilised to the benefit of both employers and the workforce.

8. Skills variability between Districts

Despite performing better than the national average on skills for many years, it would appear that the rest of the UK has caught up and in many cases overtaken the performance of many of our Districts. In common with all parts of the UK some difficulties still exist with basic literacy and numeracy. Some geographical areas in particular remain in need of targeting as they perform less well over all, or have different requirements to overall. Torridge and North Devon for example have issues with low numbers of graduates. North Devon and East Devon also show high levels of people with no skills. Levels of Trade Apprenticeships are highest in North Devon.

Table showing % of working age people in Devon's Districts in 2006 with each type of qualification

	NVQ4 or above	NVQ3	Trade apprentice ships	NVQ2	NVQ1	Other qualifications	No qualifications
East Devon	28.7	13.3	7.9	19.2	13.4	7.2	10.4
Exeter	28.8	16.7	6.2	16.7	12.9	10.4	8.4
Mid Devon	32.5	13.3	8.7	13.6	17.1	8.9	5.9
North Devon	20.3	17.2	10.0	14.6	16.1	10.0	11.9
South Hams	37.5	17.6	4.6	14.5	13.5	8.9	3.4
Teignbridge	27.3	19.4	4.2	19.2	15.8	9.4	4.7
Torridge	19.2	15.5	3.7	24.9	17.0	13.2	6.5
West Devon	30.3	18.9	8.0	12.2	14.8	8.5	7.4
UK	30.1	15.5	6.1	15.9	14.1	8.1	10.1

Source: ONS (Annual population survey Dec 2006)

9. Self employment

Devon has a higher rate of self employment than both regionally and nationally, showing individualism and entrepreneurial spirit in conditions that can sometimes be challenging. This also provides the flexibility to embrace opportunities in a rapidly changing economy. Whilst the figures show that there is a high level of entrepreneurial activity in Devon, for a significant number of people self-employment remains the only route when faced with a lack of job opportunities. Provision needs to be made to ensure that in Districts throughout Devon, the business and premises requirements of the self-employed are adequately served.

Source: ONS – The region in figures 2004/05

Appendix 3

Summary of Strategic Goals

The growth of the economy of Devon in a strategic, innovative and sustainable way is key to ensuring that residents of all Districts within the county achieve quality of opportunity and quality of life.

Spatial and thematic priorities are targeted ways of approaching and achieving this long-term goal.

a) Spatial Priorities

The County Council has included in its Strategic Plan the ambition that

"none of the wards currently classified as being amongst the 25% most deprived in the Country will remain in that category by 2013".

Nevertheless, further statistical analyses of the 2001 Census data and revisions to the Index of Multiple Deprivation should facilitate more precise definition of "pockets of deprivation" in future. In the meantime, the list of target wards, in priority order is:

Ward	District
lfracombe Central	North Devon
Priory	Exeter
Central Town, Barnstaple	North Devon
St. Davids	Exeter
Newton	Exeter
Yeo Valley, BarnstaplE	North Devon
Westward Ho!	Torridge
Whipton and Barton	Exeter
Forches and Whiddon Valley, Barnstaple	North Devon
Ilfracombe East	North Devon
Lydford	West Devon
Bideford East	Torridge
Westville and Alvington	South Hams
Bideford North	Torridge
Mincinglake	Exeter
Bideford South	Torridge
Ilfracombe West	North Devon
Bushell	Teignbridge
Teignmouth East	Teignbridge

b) Thematic Priorities

Arising from analyses of both the economy and deprivation statistics in Devon, a number of themes can be identified which are likely to feature prominently in both regeneration and economic growth programmes across the county in the short, medium and long-term. In summary, these include:

1) Income and earnings levels

Low pay, low benefit take up and high cost loans are amongst the most prominent reasons for financial poverty. The growth of high value added sectors that are in demand in an increasingly globalised economy remains a priority and should enable greater pay equity with other areas of the UK.

2) Skill Levels

In some wards, up to 30% of adult residents face basic numeracy and literacy problems which curtail access to training, employment and services. The growth of high level skills (NVQ4+) that are appropriate to businesses is key to driving forward a modern, high value economy in Devon.

3) Housing

The poor quality of housing in some areas and deficiency in “affordable” housing are closely associated with a range of deprivation and the inability of businesses to attract key workers.

4) Food

The food and drink industry is a major source of employment, a significant influence on public health and has potential to accentuate Devon’s distinctiveness. The popularity of locally sourced food is likely to provide pockets of economic growth in the future. Agricultural and fishing communities have experienced major restructuring recently and will continue to change. The physical attractiveness of many such communities means that house prices are often far higher than average incomes.

5) Transport

In a sparsely populated county such as Devon, accessibility presents major challenges but transport provision also represents a substantial economic sector and has significant environmental impact. The peripherality of many parts of the county is directly linked to low levels of economic productivity and low wages. The maintenance and improvement of key transport arteries is essential to maintaining economic prosperity in Devon, as is ensuring that new developments and settlements are strategically planned to ensure smooth traffic flows and the incorporation of sustainable travel opportunities.

Rapidly improving transport hubs such as Exeter Airport are paramount to both attracting new investment and visitors to the county and ensuring improved economic performance for indigenous businesses. The greatest economic development potential exists for the most part in those areas that are well-connected to regional, national and international transport networks.

6) Sectors and Clusters

Devon is a leading location for some of the South West’s key knowledge based clusters, particularly marine technologies. Clusters, which are more knowledge-intensive because they use social capital generated through the agglomeration of similar activities to create net benefits to their businesses, are evident in Devon. Relative to the average regional concentration of employment, Devon shows specialisation in biotechnology and environmental technologies. The strongest concentration however is in marine technologies where Devon is more specialised than any other area in the South West. The less knowledge-intensive but well established clusters are tourism as well as food & drink. Business services forms a significant cluster only in Exeter. The public-sector and closely related health sector is a significant employer throughout Devon and exhibits the potential for driving both demand and innovation in other sectors locally.

The Creative Industries have been specifically identified as a sector which exhibits the potential throughout much of Devon to develop and grow. Clusters of Creative Industries exist in much of the County, with one notable example being in the Totnes/Dartington area of the South Hams.

The greatest potential highlighted for increasing GVA through all the clusters identified – including marine - is in understanding the potential linkages and enhancements which can be made through manufacturing, and also adding value through the encouragement of related business support and ICT services locally.

Technology development, R&D and trade are particular elements which can help act as a catalyst in increasing productivity and competitiveness.

The South West RDA has identified the following sectors for potential growth:

- Marine
- Food and drink
- Tourism
- Advanced engineering
- Bio technologies
- Creative industries
- Environmental technologies
- ICT

7) Employment infrastructure

Evidence based prioritisation and the regular reviewing of potential employment sites is a priority throughout Devon, not just for traditional shop, warehouse, factory and office space, but also for innovative solutions that are applicable to a rapidly changing economy. Well designed live-work units are likely to grow in popularity, particularly for the creative industries, and improvements to telecommunications and the rapid growth of high value added service industries have enabled people to work from home for much of the working week.

The marine industry continues to be a growing sector but often exhibits specific needs in terms of employment land. These needs often have to be carefully balanced with spatial and environmental constraints and potential conflicts with users of the marine environment, with innovative solutions and consensus often needing to be found.

Enabling the sustainable economic growth of the planned new communities and the continued growth of the economy of Exeter and the surrounding area

will be key to spinning out economic benefits to the whole county. Strategic planning of key employment sites and transport linkages and capitalising on the potential of Exeter Airport and the University will be crucial to ensuring that the economy of Exeter and surrounding areas not only continues to prosper, but also grows in a sustainable way and links with other parts of the Devon to provide economic benefits.

8) Energy

Renewable energy usage within Devon has huge potential given proximity to sources such as rivers/streams, high average wind-speeds and higher than average sunshine levels in coastal areas. Micro power generation has the potential to increase incomes for householders, reducing fuel bills and preventing leakage from the local economy. It also has the potential to drive a new and growing sector of the economy. Biofuels have the potential to revitalise certain parts of the rural economy, much of which has seen significant restructuring in recent years.

9) Distinctiveness and quality of life

The diversity and distinctiveness of Devon, including both the natural and built environment and the public realm, help to define “sense of place” and community. These are key drivers of regeneration and a successfully functioning economy and ensuring that design processes are forward thinking and innovative whilst respecting tradition and involving all sectors of the community is paramount to achieving long-term economic prosperity. Distinctiveness and quality of the environment is a key factor in driving a successful tourist industry. Increased quality of life can contribute to greater economic growth through increasing the attractiveness of an area as a location in which to live and do business, particularly as advances in communications often make distance less relevant to business.

10) Young People and in migration

Strong cases can be made to devote special attention to a number of different groupings within the community. Young people are singled out here since a characteristic of regeneration is the long term future of communities and young people should have most to gain from influencing the direction being taken. In-migration to Devon among working age persons (20-44) is relatively strong and substantially above average, and could be an important knowledge economy driver in the future.