Local Economic Assessment (2018) and *Strategy for Growth* Discussion Paper

Report to Devon County Council

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Contact:	Molly Broome Christine Doel	Tel:	01223 209400	email:	mbroome@sqw.co.uk cdoel@sqw.co.uk

Approved by:	Christine Doel Director	Date:	April 2018

1. Introduction

1.1 This document provides a refreshed Local Economic Assessment (LEA) for Devon. It fulfils Devon County Council's statutory responsibilities in respect of LEAs. It also paves the way for a refresh of Devon's "*Strategy for Growth*".

Local Economic Assessments

1.2 Section 69 of the Local Democracy, Economic Development and Construction Act (2009) set out the requirement for principal local authorities in England to *"prepare an assessment of the economic conditions of its area".* The new duty came into force from 1st April 2010. Accompanying statutory guidance on the content of LEAs was published on 31st March 2010. However, shortly after the coalition government came into power, CLG indicated that the statutory guidance for LEAs would be revoked, leaving the Duty in place but *"allowing local authorities to decide locally how they might monitor their local economy".* This is a responsibility that Devon County Council has taken seriously ever since.

1.3 Devon's first LEA was published in 2012. It substantially underpinned Devon County Council's *Strategy for Growth, 2013-2020.* Six years on, the intention is that the *Strategy for Growth* should be refreshed in the light of this updated Local Economic Assessment.

1.4 This document is, intentionally, relatively succinct. It is also rather different from the LEA which preceded it. It has been drafted in a manner that seeks to use evidence and data to respond to – and inform – wider policy developments. It is however supported by a substantive annex which is akin to a "first generation" LEA and which contains key baseline data for Devon; its eight districts; and for three comparator areas (Cumbria, Lincolnshire and Norfolk). The Annex has been structured to respond to key themes identified by officers at Devon County Council.

Key policy drivers

1.5 At a national level, the most significant policy statement of late has been the **Industrial Strategy White Paper** which was published by government in November 2017. This is, in essence, a response to the UK's continuing poor performance in relation to all elements of productivity. Although scant direct mention is made – and as hinted by its subtitle (*Building a Britain Fit for the Future*) – it largely anticipates the UK's departure from the European Union in 2019. Much uncertainty continues to surround the actual process of Brexit, but the ultimate settlement will have a bearing on businesses across Devon and nationally – including with respect to labour supply, regulatory regimes, and patterns of trade. It is likely to create both opportunities and challenges – and currently the balance between the two is a matter of much speculation and debate, but there is no certainty or clarity: we simply do not know. In this context, it is important that "*the fundamentals*" of economic performance are as robust and competitive as they can be in Devon and nationally – hence, in essence, the Industrial Strategy White Paper.

1.6 More locally, similar issues (i.e. poor underlying productivity performance in the context of Brexit) have prompted two key publications. Stakeholders from Devon have made inputs into both. They are:

- **Stepping Up the Challenge – Productivity Strategy, 2018***:* This was published by the Heart of the South West Partnership (the local enterprise partnership); it replaces the Strategic Economic Plan from 2014; and it is likely to be a forerunner to a Local Industrial Strategy, as trailed in the White Paper.
- **Key Findings and Recommendations generated by the South West Rural Productivity Commission, 2017***:* This was established by four (predominantly rural) local enterprise partnerships (including HotSW LEP) and it sought to explore and understand the rural economy in the south west and identify opportunities to stimulate growth. Some reference is made to it in *Stepping Up the Challenge* – and indeed in the Industrial Strategy White Paper (see page 225).

1.7 Particularly as it starts to re-think its own *Strategy for Growth*, Devon County Council – and its wider partners and stakeholders – really needs to take stock in relation to this broad policy framework. Nationally, the commitment to productivity is doggedly persistent. Insofar as it has a spatial dimension, the emphasis has been on the major cities and/or major sub-national groupings (like the Northern Powerhouse and Midlands Engine). There are straightforward economic and political reasons for this but for Devon – which includes one medium-sized city but otherwise is overwhelmingly rural and, for the most part, relatively remote – the framework itself presents challenges.

1.8 The county's response will be articulated in the refreshed *Strategy for Growth*. This LEA uses the evidence that has been gathered (summarised in Annex A) to inform a county-wide discussion and debate, using the framework that is summarised in the graphic below.

Figure 1-1: Using the LEA to influence and inform policy in Devon

2. Does Devon have a productivity problem?

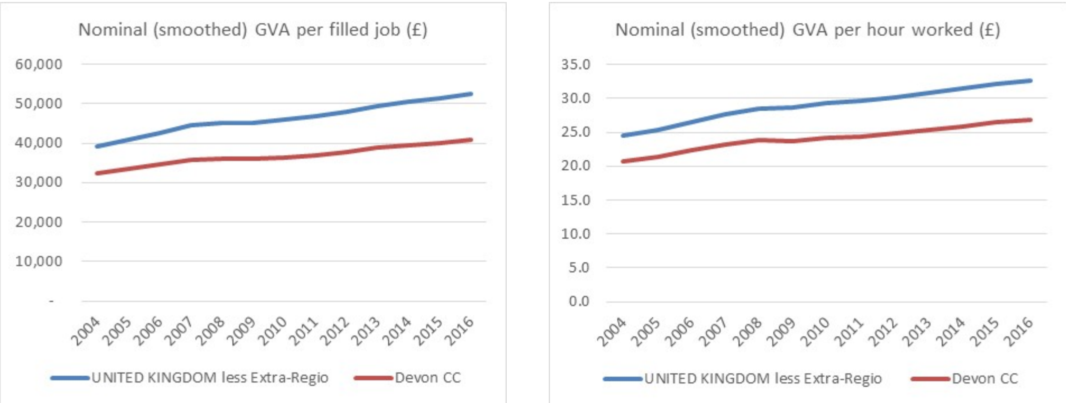
2.1 Although the data are poor, the evidence suggests that productivity across Devon is low by national standards (and the UK in turn lags key comparators internationally).

2.2 One insight into the scale of the challenge is provided by a dataset published by ONS which considers two measures of productivity: GVA per hour worked and GVA per filled job. On both indicators, Devon lags the national figure across the UK. On both, Devon's position deteriorated in relative terms between 2004 and 2016[1]:

- in terms of **GVA per filled job**, Devon's productivity declined from 83% of the national average in 2004 to 77% in 2016
- in relation to **GVA per hour worked**, Devon's productivity declined from 85% of the UK average to 82% over the same period.

2.3 The explanation for the differences between these two sets of measures may correlate with the high and growing incidence of part time employment and self-employment in Devon. The economy is becoming more "informal" and patterns of work less predictable: depending exactly on the circumstances of individuals and their households, this can create an existence which is either "precarious" or "privileged" – and in Devon there is evidence of both[2].

Figure 2-1: Headline measures of productivity, 2004-16 (current prices)



Source: Data sourced from ONS (Labour Productivity (GVA per hour worked and GVA per filled job) indices by UK NUTS2, NUTS3 subregions), released February 2018

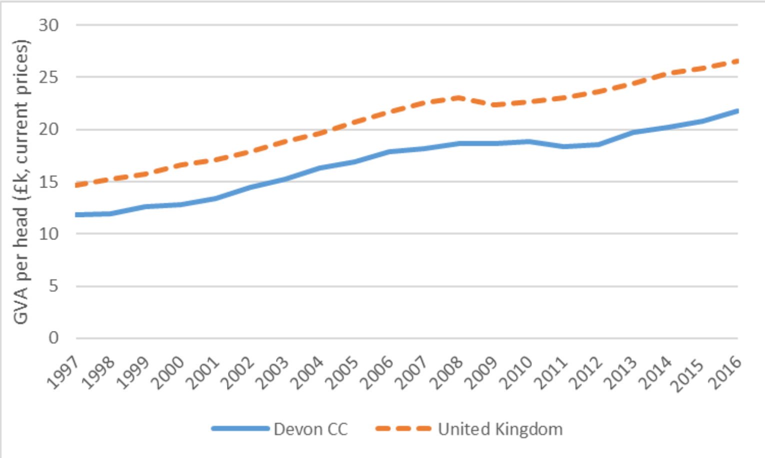
2.4 These data are not available below NUTS3 level from ONS – so it is impossible to look inside Devon to probe them further. However, there is a second dataset which provides some insight (although ONS itself notes that the data do not have the status of National Statistics).

2.5 **GVA per head** is actually a measure of wealth (as the denominator includes the economically inactive population) but it remains a key indicator of economic well-being. Comparing Devon to the UK, the data again suggest that there is a differential which is similar in scale to the

[1] Although it is important to note that performance improved from 2015-16 in real terms
[2] These issues were explored in "*A tough gig: the nature of self-employment in 21st Century Britain and policy implications"* Dan Tomlinson and Alan Corlett, Resolution Foundation, February 2017. They were also considered in a separate analysis entitled "Perspectives on the economy of rural Devon and Somerset" – Report to Devon County Council and Somerset County Council, November 2017

productivity metrics: in 2016, GVA per head in Devon was about 80% of the national average. Whilst average wealth grew more quickly in Devon than across the UK between 2000 and 2005, the picture in the more recent past has been reversed: Devon residents have been falling further behind.

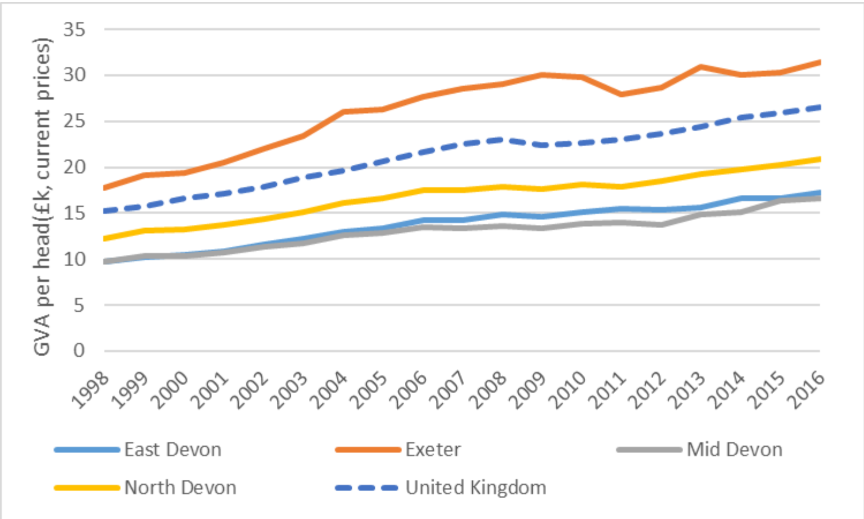
Figure 2-2: GVA per head (in current prices), 1997-2016: Devon and UK

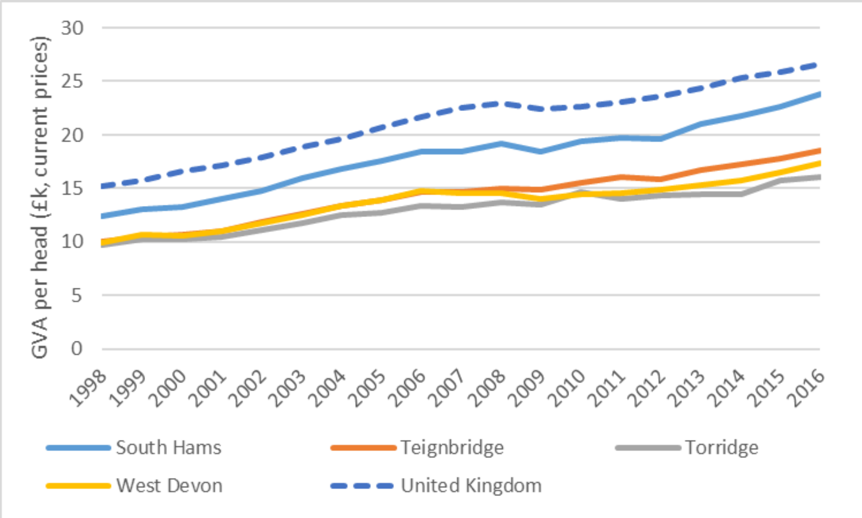


Source: Data from ONS, published in December 2017 (noting that the data are not National Statistics)

2.6 The same data are available at the level of the eight local authority districts within Devon. They are shown below in two charts (simply so that they are legible); both charts include the UK as a reference point. They show that GVA per head in Exeter is substantially higher than any other district (mainly because of commuting effects and consequent job densities). They also show that for all seven other districts, GVA per head is lower than the national average. Torridge has the lowest GVA per head; in 2016, this was some 61% of the UK average. Also noteworthy is the extent to which district-level performance has varied across Devon. Over the whole time series, GVA per head in Torridge has increased most slowly (2.8% per annum) while South Hams has seen the fastest growth (3.7% per annum); over the same period, UK GVA per head increased at a rate of 3.1% per annum.

Figure 2-3: GVA per head at a district level, 1998-2016





Source: Data from ONS, published in March 2017 (noting that the data are not National Statistics)

2.7 Devon evidently does have a "productivity problem" and increasingly so – even compared to the UK (the performance of which is itself a preoccupation of government). In explaining these observations, we need to refer to a wide range of factors. They include:

- the sectoral composition of the economy (i.e. a high incidence of employment in low productivity sectors) *and* the productivity performance within those sectors
- a relatively high incidence of both part time employment and self-employment
- a relatively high incidence of very small firms[3]
- in parts of the county, a relatively weak skills profile among the working age population[4].

2.8 Many of these observations are consistent with the sparsity of economic activity – and they are very likely to be caused by it. In essence, they are the intrinsic rural condition. What is concerning, however, is that the pattern of relative under-performance may be accelerating. The question that follows is what, if anything, the Industrial Strategy White Paper, the South West Rural Productivity Commission, and the HotSW Productivity Strategy have to offer in response in framing, informing and shaping the refresh of Devon's own *Strategy for Growth*.

2.9 The exception to this overall conclusion is Exeter. It has important assets – not least the University of Exeter and major companies (like Balfour Beatty, Coutts & Co., EDF Energy, etc.). It is well connected to major centres in the UK: London Paddington is two hours away. In terms of its economy, it benefits from a net inflow of over 26,000 people every day (through commuting). And it is seeing new investment. As we consider in the next chapter, its demographic structure is different from the rest of the county with a population that – overall – is getting younger.

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[3] Analysis by ONS has suggested that firms in the bottom 10% of labour productivity distribution were mainly very small, and predominantly in service industries (distribution, hotels, restaurants). See "*Understanding firms in the bottom 10% of the labour productivity distribution in Great Britain: "the laggards", 2003 to 2015"*, ONS, July 2017

[4] It is important to note that some districts with a relatively strong skills profile appear to experience low productivity

3. The evidence-based headlines for a refreshed "*Strategy for Growth*"

3.1 Informed by the evidence gathered through the Local Economic Assessment, this chapter distils some key headlines that ought to inform the refresh of "*Strategy for Growth*". As a basis for discussion, it also attempts to tease out the main implications. "*What happens next*" is a matter for Devon County Council and its partners.

Headlines from the evidence

3.2 Over the period 2010-2015, data from ONS show that Devon's performance has fallen further behind the UK average on key headline indicators: GVA per head and GVA per filled job both grew more slowly than the UK average[5][6]. Given the emphasis the government is placing on the UK's productivity performance – largely in anticipation of Brexit – these data demand a concerted response.

3.3 However, in practice, Devon's economy cannot be understood through a one-dimensional growth narrative. Parts of the county appear to be thriving on most indicators. Conversely others seem to be falling behind. Table 3-1 below summarises the evidence on a wide range of indicators (supporting data are provided in Annex A).

Table 3-1: Key findings from the evidence to inform the refresh of "Strategy for Growth"

Headlines		Detail – and implications
Across Devon as a whole, the **population** is growing but the **working age population** is declining as a share of the total	⇨	Across every district in Devon – other than Exeter – the proportion of residents that are of working age has declined over the last 15 years. This means that dependency rates have increased and the economic make-up will have adjusted according. Exeter is distinctively different. Its working age population is growing relatively – suggesting a growing resource in straightforward economic terms (although its employment rate is low, in part at least because of its student population).
Over the last five years, the **number of enterprises** in Devon has grown, but more slowly than the rate of growth that has been seen nationally	⇨	In relation to business demography, Devon's economy has not changed greatly over recent years, but there do appear to have been changes elsewhere. This reflects increasingly informal patterns of work and is one manifestation of the gig economy, particularly in the UK's major cities. It suggests that local economies are becoming more different from each other. In the future, business rates receipts will be very important in relation to local government finance. Business rates are, essentially, a property tax. However overall business rates returns may be compromised if business activity increasingly occurs outside of business sites and premises.

[5] GVA per hour worked also grew more slowly, but less dramatically so
[6] Although there is a need to be cautious, it is worth noting that the data from 2016 appear to be more positive

Headlines		Detail – and implications
Business survival rates in Devon continue to be reasonably strong	⇨	Devon does well in providing an environment in which businesses can survive. This may be because competition is less than elsewhere and/or because proprietors are prepared to persist for longer. The “downside” of this situation is that it creates firms which are “inefficient” (on core economic indicators). On the other hand, if established businesses can be supported to grow, it ought to be helpful in terms of economic well-being.
Although there are concentrations of high value activity at a local level, Devon’s **distinctive sectors** continue to be relatively low wage (and low productivity)	⇨	County-wide, the major sectors which stand out as being distinctive in terms of the incidence of employment continue to be accommodation and food services and construction and, to a lesser extent, retail. The links to the visitor economy are clear. Yet these are sectors in which productivity is low and in which productivity growth has been negligible nationally. In relation to sectors linked to the knowledge economy, Exeter accounts for around a third of jobs in Devon. Exeter, North Devon and South Hams have location quotients which are close to the national average. Two districts – Torridge and West Devon – have a location quotient of less than 0.5 (i.e. the incidence of knowledge economy jobs is less than half the national average) in relation to the knowledge economy. In absolute and relative terms, the dominance of Exeter is really striking in this context – and the very limited footprint elsewhere is also noteworthy. From official ONS datasets, the agricultural sector appears to be very small. However, this in part reflects methods of data collection. Independent analyses have estimated that about 20,000 people in Devon (and Plymouth and Torbay) are working in the sector; if this is correct, it approximates to about 5% of total jobs.
Overall, Devon’s **skills profile** (in terms of qualifications) is improving and is close to the national average; but there are substantial variations at a district level	⇨	In relation to skills, the key finding is really the contrasts that are apparent within Devon. East Devon, Exeter and South Hams are the best performing areas and their profile is similar to strongly performing districts across the UK. However Mid Devon and Torridge are around 20 percentage points adrift in terms of the incidence of higher level qualifications within the working age population. The survey-based findings informing this conclusion need to be treated with some caution, but at face value, the inference is sharp differences in (effectively) the stock of human capital and a Devon economy that is spatially polarised: the south and east is faring noticeably better than the north and west.

Headlines		Detail – and implications
Median **earnings** among full time employees are – on a **resident** basis – notably lower than the national average. However, there are some important changes at a district level	⇨	In previous analyses, the strong performance of South Hams has been noted – and as of 2017, South Hams continued to be the best-performing district. However, over the last decade, earnings appear to have increased relatively little in South Hams (exacerbating issues in relation to the affordability of housing – see below). Earnings in both Exeter and East Devon have virtually caught up. This may well provide an insight into the nature of recent growth in the Exeter urban area. North Devon continues to have the lowest resident earnings (on this measure), despite seeing relatively rapid growth. Teignbridge and Torridge also continue to have relatively low resident-based earnings.
Median gross weekly **earnings** for full time employees on a **workplace** basis have risen across Devon more quickly than the national average but in absolute terms, they continue to be below average. There are distinct patterns at a district level.	⇨	Exeter has the highest workplace-based (median, full time, employee) earnings in Devon and East Devon is second. Again, this points to the footprint of the Exeter urban area (noting that much of Exeter's growth is in the west of East Devon). In 2017, Torridge was the district with the lowest workplace earnings (on this indicator) – although it had seen relatively rapid growth over the previous decade, and its position improved compared to other districts characterised by low pay nationally. The slowest growth had been in Teignbridge and South Hams.
Housing is less **affordable** in every Devon district than in England as a whole – but there are again district-level differences.	⇨	Between 2002 and 2016, the district which saw the sharpest deterioration in housing affordability was South Hams (and by 2016, South Hams was the least affordable district in the county). Over most of this period, its residence-based earnings did not increase greatly (see above). This all suggests an increasingly pressurised situation in South Hams – which is relatively well-connected and, with an outstanding natural environment, is attractive to second home-owners and long-distance commuters.
Devon fares reasonably well in terms of levels of **deprivation** when compared to other upper tier authorities, but there are differences at a district level	⇨	Torridge and North Devon are the most deprived districts in the county; East Devon and South Hams are the least. This correlates with findings on other indicators, notably earnings. Broadly, this contrast reflects levels of accessibility: whereas East Devon and South Hams are well connected into the national transport infrastructure; Torridge (and to some extent North Devon) continues to be really quite isolated which in turn affects economic performance and well-being.
Evidence on **social mobility** (defined broadly in relation to occupations, home ownership and income levels) paints a similar picture	⇨	Torridge and North Devon are the two districts in which social mobility is weakest; conversely, South Hams, Exeter and East Devon do best on this indicator. This again appears to be a commentary on accessibility and peripherality – and it is this, arguably, that represents the overarching challenge in relation to the refresh of "Strategy for Growth".

Headlines		Detail – and implications
The availability of **superfast broadband** is lower in Devon than in other comparable counties – and it again varies at district level	⇨	Within Devon, the proportion of premises with superfast broadband is highest in Exeter (which is unsurprising, given population densities). It is lowest in West Devon and Mid Devon. But despite the achievements of *Connecting Devon and Somerset*, it appears that there is more to be done in order to increase coverage.

3.4 Across all of this, the picture might be summed up as follows:

- **Exeter and East Devon** appear to be growing relatively quickly in activities of high value with a strong knowledge content, and both districts have a good skills base; this implies that there is further growth potential (assuming growth is not constrained by infrastructure issues)
- **South Hams** has been a strongly performing district and it has many assets – but the pattern of recent growth appears (surprisingly) inconsistent
- Across the **other five districts**, there are more fundamental weaknesses that need to be addressed: the sectoral structure is dominated by traditional activities that are typically low wage in character and – although improving – the skills base is not strong. There are isolated exceptions within this general pattern, but issues relating to peripherality and economic mass appear to be causally implicated. The *Strategy for Growth* will need to develop a response.

4. Understanding "the fit" between the evidence and the key recent publications

4.1 The performance of the Devon economy on key productivity metrics is a cause for some concern. The questions that follow are whether (and to what extent) the policy/strategy responses which have emerged over the last year provide solutions which are consistent with the evidence and which are, in themselves, compelling; and whether (and to what extent) the refreshed *Strategy for Growth* should be informed by these wider statements – or whether it should chart a difference course for Devon.

4.2 The **Industrial Strategy White Paper** is a UK-wide statement of government policy and much broader in scope than the productivity challenges facing Devon. However, it is important for Devon. It will shape major funding programmes such as the *Shared Prosperity Fund* (post-Brexit successor to the European Structural and Investment Funds) and the *Strength in Places Fund* (which is intended to build on locally-defined science and innovation strengths). It is already paving the way for *Local Industrial Strategies.* These are intended to raise productivity locally, focusing mainly at the level of LEPs and/or Combined Authorities and "*identifying priorities to improve skills, increase innovation and enhance infrastructure and business growth*" which in turn will "*guide the use of local funding streams and any spending from national schemes*"[7]. It is also framing a wide range of national initiatives, some of which are central to the foundations of productivity at a local level (e.g. substantial investment in maths, digital and technical education; and new investment in digital infrastructure).

4.3 So, how do the provisions of the Industrial Strategy White Paper map onto the evidence relating to the character and performance of Devon's local economy? Table 4-1 below provides a summary assessment. It suggests that the White Paper makes provision for some, but not most, of Devon's economic challenges. It has relatively little to say about the causes of poor productivity performance in areas like Devon and – aside from improved digital infrastructure – the solutions it posits seem to be of limited relevance. It is quiet in relation to rural economies and silent in relation to coastal ones.

Table 4-1: Mapping the provisions of the Industrial Strategy White Paper onto Devon's economic evidence base

Key Themes	Fit with the evidence
Where the Industrial Strategy White Paper reads across strongly to the challenges and opportunities facing Devon's economy…	
• The emphasis on the **Grand Challenges** helps to highlight some Devon-wide priorities, opportunities and imperatives	• The **Ageing Population** is a key characteristic of Devon's demography and in a predominantly rural county, it is presenting real challenges, not least in relation the health and social care sector and how this is appropriately resourced; and the sustainability of rural communities • **Clean Growth** defines both opportunities and imperatives within the county, particularly if ecosystems services are taken into account fully. In addition, Devon has a wide-ranging renewable energy sector that ought to help formulate a response. The University of Exeter also has strong specialisms in this field

[7] *Industrial Strategy White Paper: Building a Britain Fit for the Future*, HM Government (2017), page 220

Key Themes	Fit with the evidence
	• The **Future of Mobility** is, in some respects, the key economic development challenge and conundrum for Devon (if it is interpreted to include digital connectivity as well as transport). Parts of the county are very peripheral and isolated. Although broadband/mobile coverage is improving, it continues to be adrift of the best connected urban areas – yet the future of mobility is dependent on it. In addition, the fragility of the conventional transport infrastructure continues to be apparent: the main railway line at Dawlish is repeatedly an (unwanted) national headline.
• The emphasis on improved digital infrastructure	• Improved digital connectivity is crucially important for Devon's economic future and – despite the progress that has been made through the Connecting Devon and Somerset Programme – there is certainly more to be done. The White Paper brings the promise of additional investment, including in 5G. However, it has relatively little to say about mobile coverage and this may well be more of a challenge currently
• The commitment to examine the productivity of SMEs ought to be helpful	• The performance of Devon's small and medium-sized enterprises is likely to be one of the key factors in relation to the county's prospects for productivity growth. The White Paper commits (on page 15) to reviewing actions that might be effective in addressing this problem, but no further detail is provided
Where Devon's economy demands additional or different responses…	
• The narrative around **Places** is strongly focused on (large) cities	• Devon does not have large cities. Exeter is the only settlement of scale, but even Exeter is largely "below the radar" in relation to the White Paper's city-region narrative • The White Paper has nothing to say about the role of market or coastal towns, and while there are frequent references to "cities, towns and rural areas" in catch-all terms, there is very little detail in relation to the latter (other than with regard to digital connectivity). Specifically, there is very little to suggest that government has in mind a clear model for rural growth, or indeed for the role of market or coastal towns (and by "smaller cities and towns", it is referring to settlements on the scale of Oxford, Cambridge and Milton Keynes (all of which are bigger than Exeter) – see page 18)
• **Sector Deals** – in life sciences, construction, artificial intelligence and automotive	• Devon's major and distinctive sectors are not strongly covered by the first Sector Deals; and sectors like tourism, agriculture, food and drink, health and social care, and the creative economy are given limited attention. Some of these are "bedrock sectors" but they are major employers in Devon and many may need to adapt very significantly to the consequences of Brexit. In addition, most of them are relatively weak performers in relation to productivity: the question of how productivity might be raised in those sectors with a weak track record is really not considered (beyond an invitation to work with relevant employers/sectors – see page 171)

4.4 The Industrial Strategy White Paper is a UK-wide commitment and its fit with any one local economy will inevitably be partial. The LEP's **Productivity Strategy, "Stepping up to the Challenge",** has been developed more recently and Devon accounts for a substantial share of its economy. A parallel appraisal is presented in the table below.

Table 4-2: Mapping the provisions of "Stepping up to the Challenge" (the Heart of the South West's productivity strategy) onto Devon's economic evidence base

Key Themes	Fit with the evidence
Where "Stepping up to the Challenge" reads across strongly to the challenges and opportunities facing Devon's economy…	
• The overarching emphasis is on productivity	• As evidenced above, Devon has a productivity problem which is more acute than that identified at the HotSW level. The emphasis on addressing it is to be welcomed – both in terms of forming a bridge to the White Paper and responding to some fundamental issues revealed through the evidence base
• There is recognition of a particular "problem" within "traditional" sectors	• This fits with the observation that Devon's sectoral mix is skewed towards sectors in which productivity is poor BUT ALSO that even within those sectors, productivity is lower than elsewhere
• Emphasis on natural capital	• Devon is rich in natural capital – with two National Parks, extensive areas of AONB and a stunning coastline. BUT it is not altogether clear how this fits with the emphasis on productivity
Where Devon's economy demands additional or different responses…	
• The emphasis on five "golden opportunities" is double-edged	• As defined, the "golden opportunities" are likely to be important for parts of Devon – particularly for Exeter (noting the knowledge-based strengths in and around the University of Exeter, the Met. Office, Exeter Science Park, etc.). However, the "golden opportunities" do not consider the disparities; and nor do they address the peripheral districts which risk being left behind.
• The aim to double the economy over 20 years – is allied to cities driving growth (page 6)	• Exeter has a crucial role in relation to Devon's economy and it needs to be recognised and supported. But there are large parts of Devon that essentially are outwith the city growth narrative and "growth model". The strategy implicitly promotes a two-speed growth model without much consideration of the relationships between the two
• Spatial underpinnings of productivity performance and prospects	• The Productivity Plan implicitly emphasises growth in the cities, including Exeter. BUT it has very little to say in terms of spatial growth models elsewhere and/or the interdependency of urban and rural areas and processes in relation to growth (including vis-à-vis housing and employment land) • Arguably Devon cannot only be about a narrowly defined productivity-led agenda – which the narrative implicitly acknowledges but without confronting: the headlines remain couched in terms of doubling growth

4.5 The third key publication which will inform the refreshed *Strategy for Growth* and on which it is important to reflect in the context of the county-wide Local Economic Assessment is the document setting out the **Findings and Recommendations** arising from the work of the **South West Rural Productivity Commission**. This is not a strategy statement *per se* – although it has clearly influenced the content of the HotSW Productivity Plan.

4.6 The Commission alights on 53 "*detailed and specific*" recommendations together with five over-arching ones. Of these, the most compelling and tangible is that surrounding the importance of enhanced digital infrastructure (broadband and mobile); and in that context, there is actually a strong read-across to both the Industrial Strategy White Paper and the HotSW Productivity Plan. The Commission's other four overarching recommendations are concerned, fundamentally, with issues relating to *process*.

4.7 The Commission's report is important for Devon as it approaches its refresh of *Strategy for Growth* – particularly insofar as it complements the Industrial Strategy White Paper. By saying very little about the spatial underpinnings of growth, the White Paper implicitly advances a "big city" urban narrative (as the locations in which agglomeration effects will, typically, be greatest). However, the Commission's report does not really unpick this. It asserts that GVA would be increased by £3.9bn per annum if rural productivity was on a par with that in urban parts of the South West (page 6). But it does not consider whether this kind of increment is either possible or, indeed, desirable. It asserts a need for "sustainable, inclusive growth" (page 13) – but the absolutely critical question of whether this is consistent with "closing the gap" is one that it does not address directly.

4.8 Across all of this, there are clearly some tensions and dilemmas for Devon. Particularly in Exeter, Devon has – arguably – the jewel in the HotSW crown in terms of the potential for high value (and high productivity) knowledge-based growth – and actually, many of the provisions of the Industrial Strategy White Paper ought to be significantly helpful in this regard. But what of the more rural – and, in some cases, peripheral – areas that define significant areas of the county? Are they "playing the same game" (albeit from a position of disadvantage), or are they actually "re-writing the rules"? In refreshing *Strategy for Growth,* Devon County Council will need to take a view.

Annex A: Devon's Economic Baseline

Introduction

A.1 In very headline terms, Devon was home to 779,800[8] people and 419,000[9] jobs in 2016. Some 59% of the total population of Devon was of working age in 2016 (that is, they were between the ages of 16 and 64).[10] In 2017, there were 37,300 enterprises in Devon.[11]

A.2 The analysis that follows is structured to respond to seven themes which were identified as important for the *Strategy for Growth* refresh by Devon County Council.

A.3 The annex refers to the eight local authority districts in Devon and the county wide picture more generally. The aim of this economic baseline is to understand how the county has changed in recent years and within that, to understand variations at the district level. At a county level, three comparator areas (Cumbria, Norfolk and Lincolnshire) are used to provide appropriate benchmarks (given Devon's broad location and its rurality).

1: Devon's Economy is performing poorly in terms of productivity

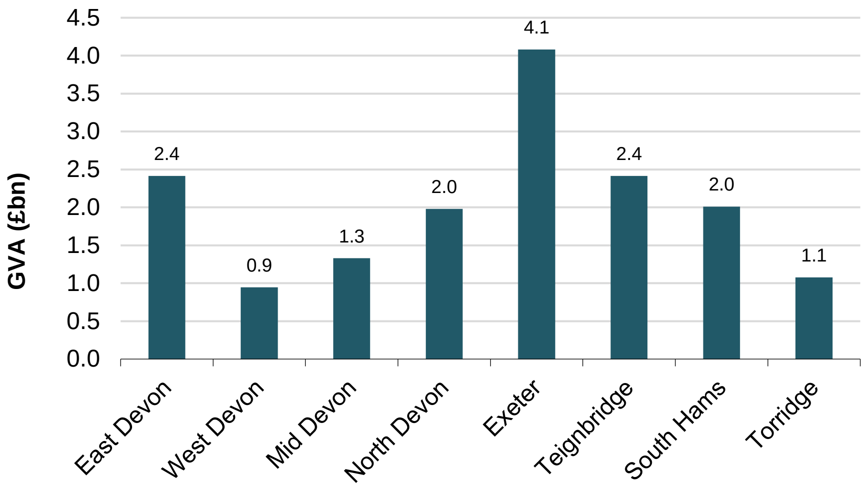
- Devon's GVA is rising more quickly than the national rate
- In terms of GVA, Exeter is the biggest of Devon's district-level economies (which in part is explained by its jobs density figure of 1.18)
- GVA per head was lower than the national average across all districts other than Exeter
- There are large differences in GVA and GVA per head between districts in Devon
- Data for GVA per filled job and GVA per hour worked suggests that productivity across Devon is low by national standards
- The number of active enterprises increased in Devon between 2010 and 2016
- Survival rates for businesses born in 2011 were high in Devon

A.4 Total GVA in Devon was £16.3 billion[12] in 2016 measured in current prices. Devon's total GVA had increased by 76% since 2001. This rate of increase was slightly faster than the national average – GVA in England increased by 75% between 2001 and 2016.

[8] ONS Population Estimates 2016 from nomis
[9] ONS Jobs Density 2016 from nomis
[10] ONS Population Estimates 2016 from nomis
[11] ONS UK Business Counts - enterprises by industry and employment size band 2017 from nomis
[12] ONS Regional gross value added (balanced) by local authority in the UK 2017

A.5 There are large differences in GVA between districts in Devon. Exeter's GVA was £4.1 billion in 2016 and this figure was higher than the GVA in the other seven districts. Exeter's high GVA figure is explained by the fact that it is the largest city in Devon. There were 106,000 jobs[13] in Exeter in 2016. This corresponds to a jobs density figure of 1.18. West Devon had the lowest total GVA in 2016. West Devon has the smallest total population among the eight districts. West Devon is also largely rural and a large proportion of Dartmoor National Park falls within its boundary.

Figure A-1: Total GVA in 2016 (£bn)

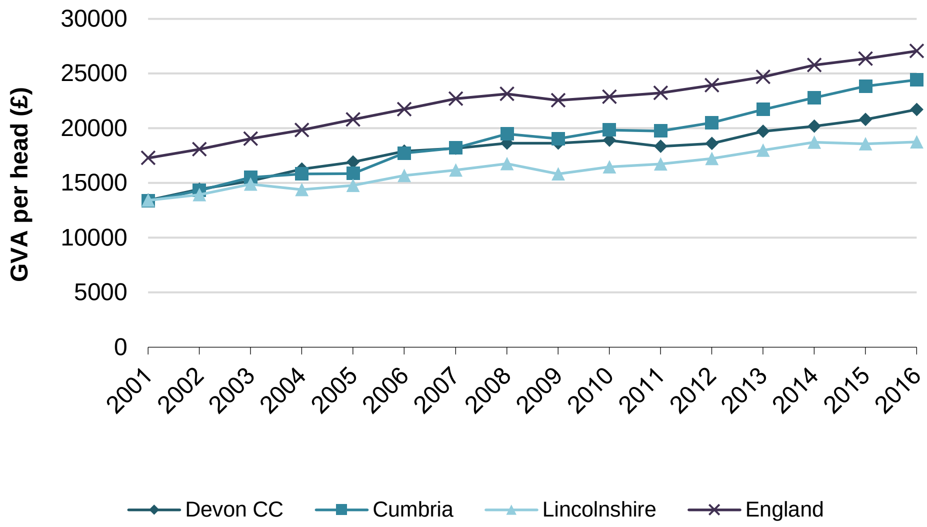


Source: ONS Regional Gross Value Added (Balanced) by Local Authority in the UK

A.6 GVA per head is a measure of wealth. Devon's GVA per head was £21,719 in 2016. This was lower than the figure for England which was £27,060 in the same year[14]. GVA per head increased by some £8,289 between 2001 and 2016. This was less than the increase in GVA per head experienced by Cumbria and England over the same period.

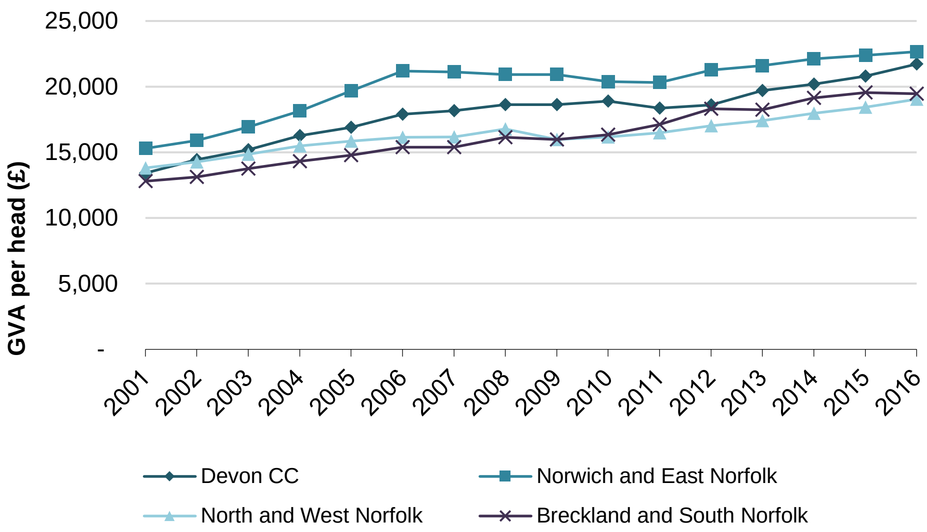
[13] ONS Jobs Density 2016 from nomis
[14] GVA per head in comparator areas Cumbria, Norfolk and Lincolnshire was also lower than the national figure in 2016. The relatively poor performance of Devon and the three comparators is in part explained by the distorting effect of London in the national data

Figure A-2: GVA per head 2001 to 2016



Source: ONS Regional gross value added (income approach) reference tables

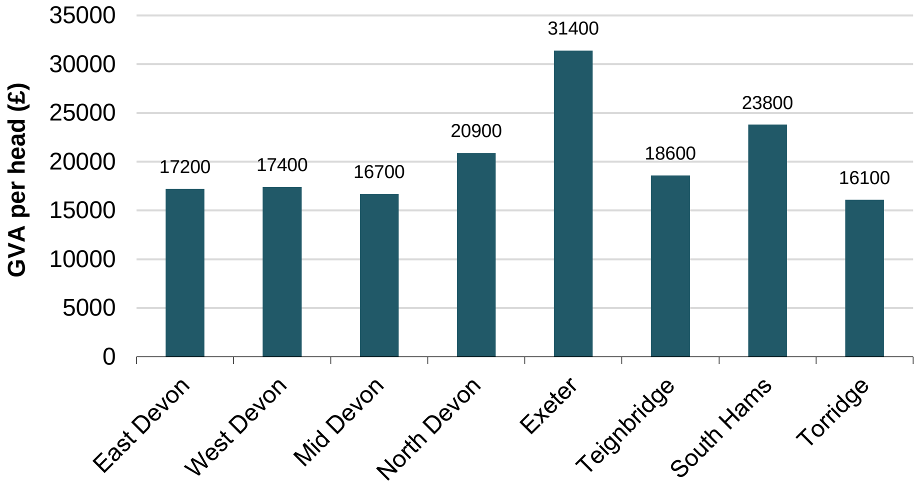
Figure A-3: GVA per head 2001 to 2016



Source: Source: ONS Regional gross value added (income approach) reference tables

A.7 Figure A-4 shows GVA per head figures at the district level. Exeter's GVA per head was £31,446 in 2016. This figure was higher than the national average. Exeter's high GVA per head may be explained by its high job density figure (1.18). This implies that there are more jobs than residents in Exeter, reflecting commuting patterns. For every other district in Devon, GVA per head was much lower than the national figure.

Figure A-4: GVA per head in 2016 (£)



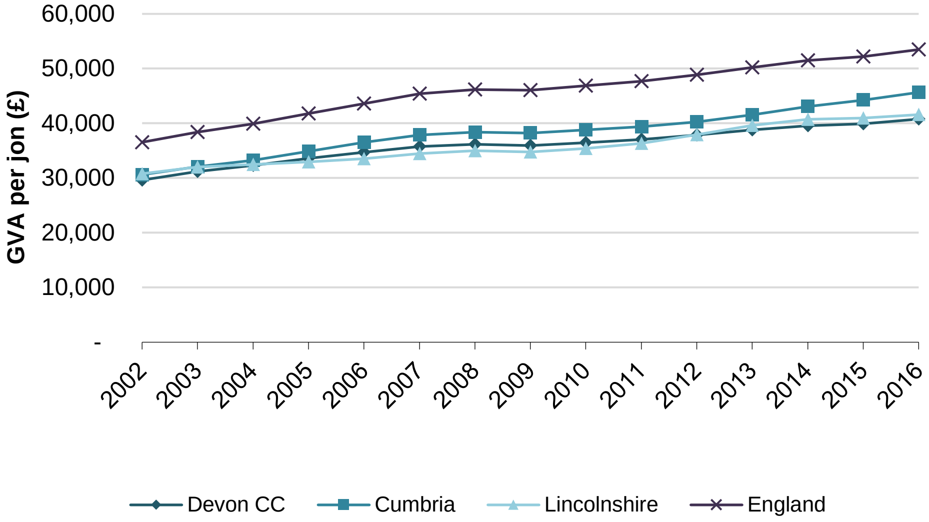
Source: ONS Regional Gross Value Added (Balanced) by Local Authority in the UK

A.8 Data from ONS provide an insight into two measures of productivity: GVA per filled job and GVA per hour worked. Evidence suggests that productivity across Devon is low by national standards. GVA per job in Devon was £44,775 in 2016: this was less than the national average for England in the same year (see Figure A-5). In terms of GVA per filled job Devon's productivity was 81% of the national average in 2004[15]. In 2016 this figure had declined to 76% of the national average[16]. It is important to note that national figures on this metric are high due to the effect of London.

A.9 GVA per hour worked in Devon was £26.80 in 2016: in the same year the figure for England was £33.10. For GVA per hour worked, Devon's productivity declined from 83% of the national average to 81% over the same period[17]. These data are not available below NUTS3 level from ONS – so it is impossible to look inside Devon to probe them further.

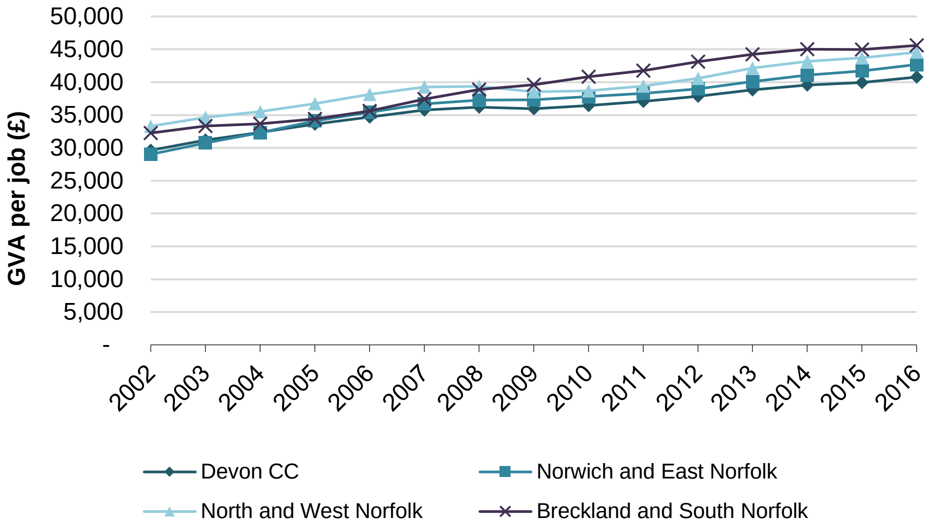
[15] ONS: Subregional Productivity: Labour Productivity (GVA per hour worked and GVA per filled job) indices by UK NUTS2 and NUTS3 subregions, Table B3
[16] ONS Subregional Productivity: Labour Productivity (GVA per hour worked and GVA per filled job) indices by UK NUTS2 and NUTS3 subregions, Table B3
[17] ONS Subregional Productivity: Labour Productivity (GVA per hour worked and GVA per filled job) indices by UK NUTS2 and NUTS3 subregions, Table A3

Figure A-5: GVA per job 2002 to 2016



Source: ONS: Subregional Productivity: Labour Productivity (GVA per hour worked and GVA per filled job) indices by UK NUTS2 and NUTS3 subregions, Table B3

Figure A-6: GVA per job 2002 to 2016

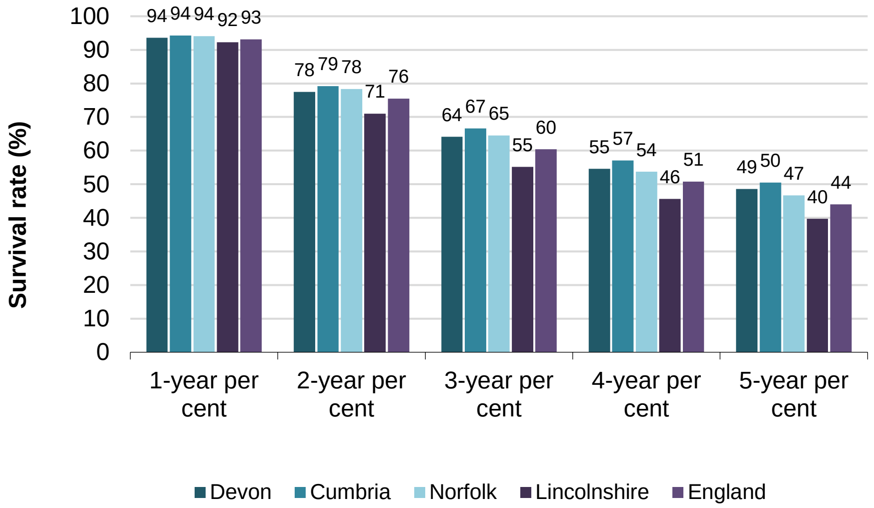


Source: ONS: Subregional Productivity: Labour Productivity (GVA per hour worked and GVA per filled job) indices by UK NUTS2 and NUTS3 subregions, Table B-3

Business Demography

A.10 Devon had 32,390 active enterprises in 2016[18]. The number of active enterprises increased in Devon by five percent between 2010 and 2016. The growth in active enterprises in Devon was lower than the national average: over the same period, there was a 22 percent increase in the number of active enterprises across England. The picture for Devon is similar to that of Cumbria and Norfolk. Figure A-7 shows that 49% of businesses born in 2011 survived the first five years in Devon. This is higher than the national average over the same period.

Figure A-7: Survival rates of businesses "born" in 2011



Source: ONS Business Demography, Table 5.1a - Survival of Newly Born Enterprises

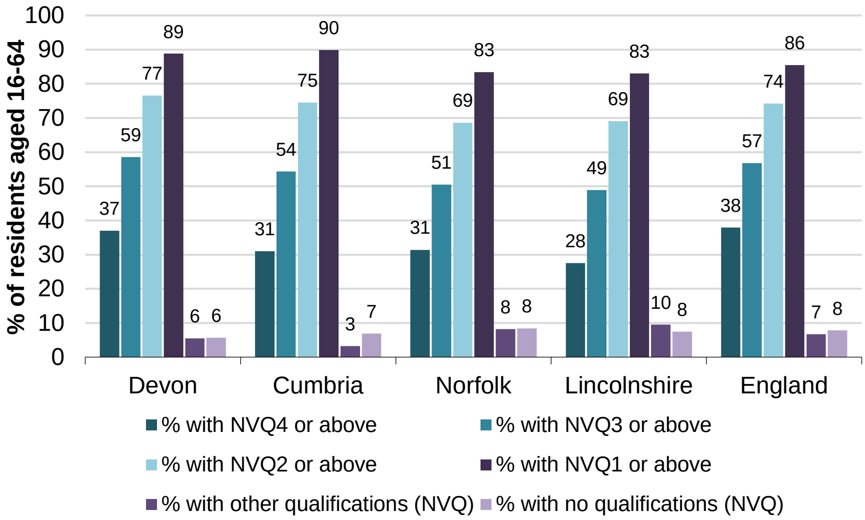
[18] ONS Business Demography 2016

2: Devon has a relatively skilled workforce however these data mask disparities at a district level

- Qualification levels are rising in Devon
- 37% of Devon's working age residents have obtained qualifications to NVQ Level 4 or above
- Comparatively, Devon has a smaller percentage of residents with no qualifications than comparator areas (Cumbria, Norfolk, Lincolnshire and England)
- East Devon has the highest percentage of working age residents with NVQ4 or above
- Torridge has the highest percentage of working age residents with no NVQ qualifications
- Devon had 7,514 apprenticeship starts in 2016-2017. Health, Public Services and Care had the highest number of apprenticeship starts, followed by Business, Administration and Law

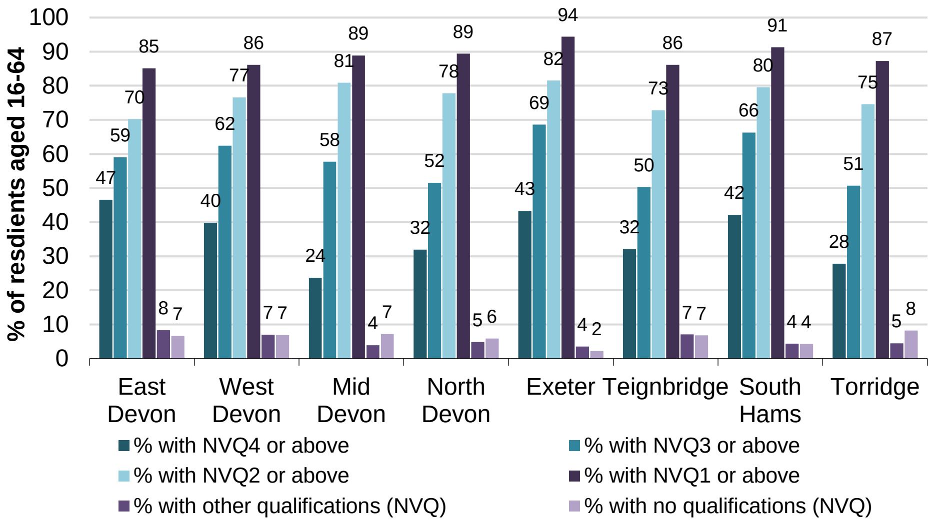
A.11 In 2016, 37% of Devon's working age residents had obtained qualifications to NVQ Level 4 or above. This figure was one percentage point lower than the national figure for the same year. In 2016, 6% of Devon's working age residents had no NVQ qualifications. This was lower than the figure for all comparator areas (Cumbria, Norfolk, Lincolnshire and England). There are large differences in qualification levels at the district level (see Figure A-8). In 2016, East Devon had the highest percentage of working age residents with NVQ4 or above, followed by Exeter and South Hams (and these areas need to be seen as relatively well qualified by national standards). Mid Devon had the smallest percentage of working age residents with NVQ4 or above while Torridge had the highest percentage of working age residents with no NVQ qualifications.

Figure A-8: NVQ qualification levels Jan 2016-Dec 2016



Source: ONS Annual Population Survey Jan 2016-Dec 2016 from nomis

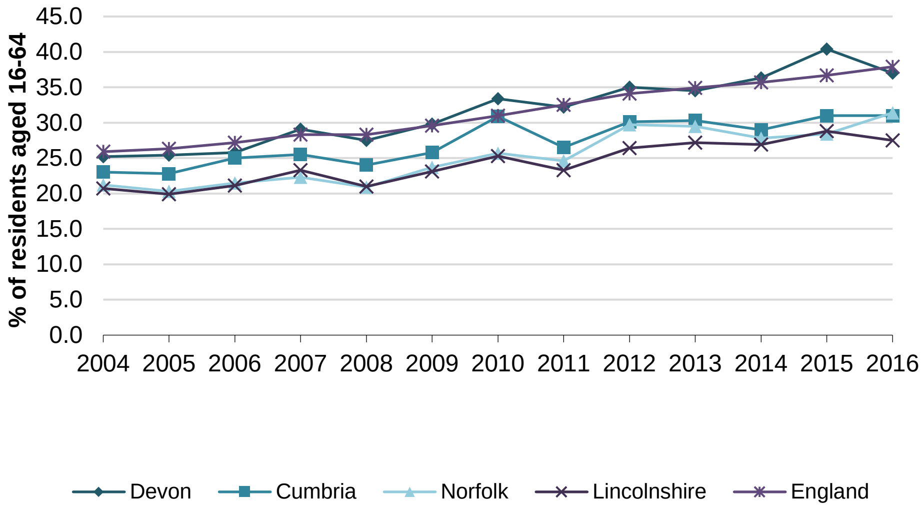
Figure A-9: NVQ qualification levels Jan 2016-Dec 2016



Source: ONS Annual Population Survey Jan 2016-Dec 2016 from nomis

A.12 Since 2004, the proportion of Devon's working age residents qualified to NVQ4 or above has increased by 12 percentage points. This scale of increase is in line with the national average. At the district level, East Devon experienced the largest percentage point change in the proportion of working age residents obtaining NVQ4 or above. However – uniquely among the Devon districts – Mid Devon experienced a decrease of seven percentage points in the proportion of residents with NVQ4 or above. Figure A-10 shows that the percentage of working age residents with NVQ4 or above in Mid Devon decreased from 39% in 2015 to 24% in 2016. This seems inexplicable and may reflect issues relating to the survey through which the data were generated.

Figure A-10: Percent of residents aged 16-64 with NVQ4 or above 2004 to 2016



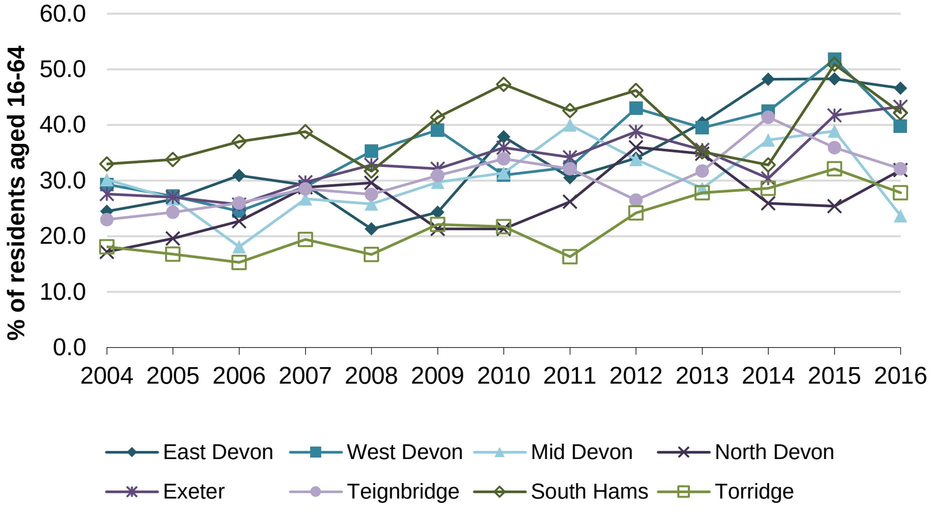
Source: ONS Annual Population Survey from nomis

Table A-1: Percentage point change in residents aged 16-64 with NVQ4 or above for 2004 to 2016

	% with NVQ4 or above 2004	% with NVQ4 or above 2016	Percentage point change 2004-2016
East Devon	25	47	22
West Devon	29	40	11
Mid Devon	30	24	-7
North Devon	17	32	15
Exeter	28	43	16
Teignbridge	23	32	9
South Hams	33	42	9
Torridge	18	28	10
Devon	25	37	12
Cumbria	23	31	8
Norfolk	21	31	10
Lincolnshire	21	28	7
England	26	38	12

Source: ONS Annual Population Survey from nomis

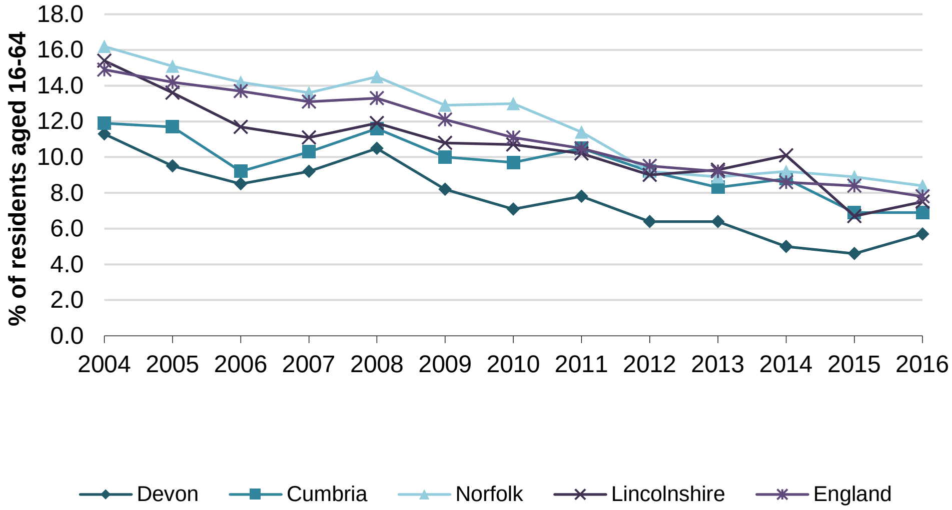
Figure A-11: Percent of residents aged 16-64 with NVQ4 or above 2004 to 2016



Source: ONS Annual Population Survey from nomis

A.13 Since 2004, the percentage of working age residents in Devon that had no qualifications decreased by six percentage points. This was less than that seen in the comparator areas of Lincolnshire, Norfolk and England – although at the end of the period, Devon continued to be the area in which the incidence of working age people without formal qualifications was lowest. At the district level, North Devon saw the largest decrease in the percentage of working age residents with no NVQ qualifications. In Torridge the incidence of unqualified working age residents was the same as the national average; in all other districts it was lower.

Figure A-12: Percent of residents aged 16-64 with no NVQ qualifications 2004 to 2016



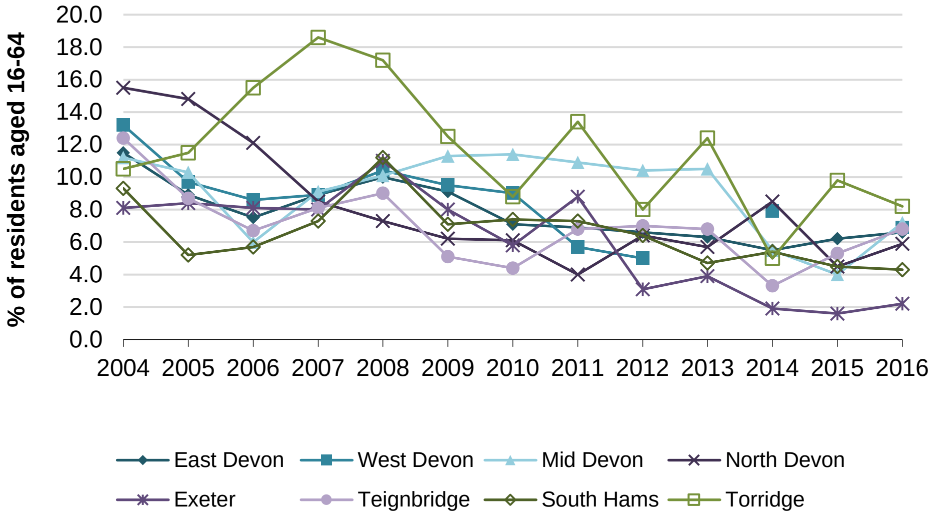
Source: ONS Annual Population Survey from nomis

Table A-2: Percentage point change in residents aged 16-64 with no NVQ4 qualifications for 2004 to 2016

	% with no NVQ qualifications 2004	% with no NVQ qualifications 2016	Percentage point change 2004-2016
East Devon	12	7	-5
West Devon	13	7	-6
Mid Devon	11	7	-4
North Devon	16	6	-10
Exeter	8	2	-6
Teignbridge	12	7	-6
South Hams	9	4	-5
Torridge	11	8	-2
Devon	11	6	-6
Cumbria	12	7	-5
Norfolk	16	8	-8
Lincolnshire	15	8	-8
England	15	8	-7

Source: ONS Annual Population Survey from nomis; numbers may not sum due to rounding

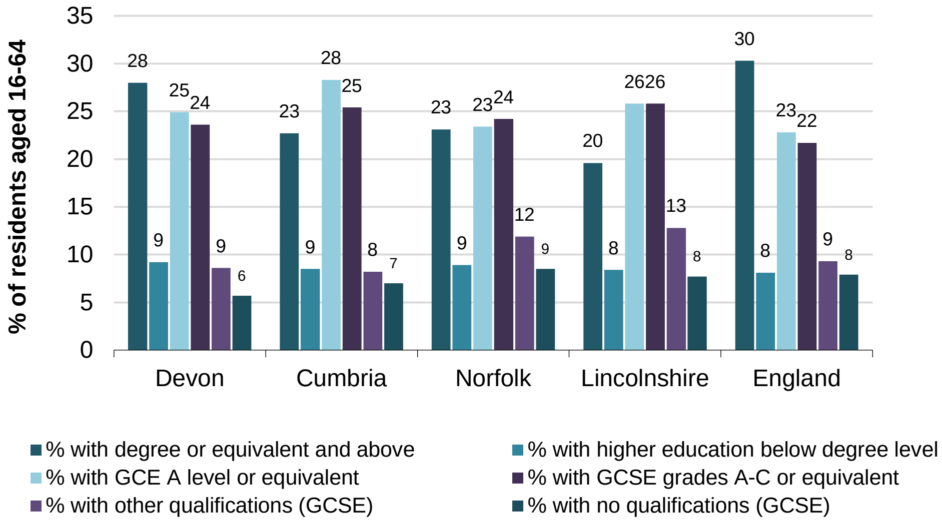
Figure A-13: Percent of residents aged 16-64 with no NVQ qualifications 2004 to 2016



Source: ONS Annual Population Survey from nomis

A.14 The NVQ qualifications picture for Devon is mirrored by the data for GCSE qualifications. This is shown in Figure A-14 below.

Figure A-14: GCSE qualification levels 2016



Source: ONS Annual Population Survey Jan 2016-Dec 2016 from nomis

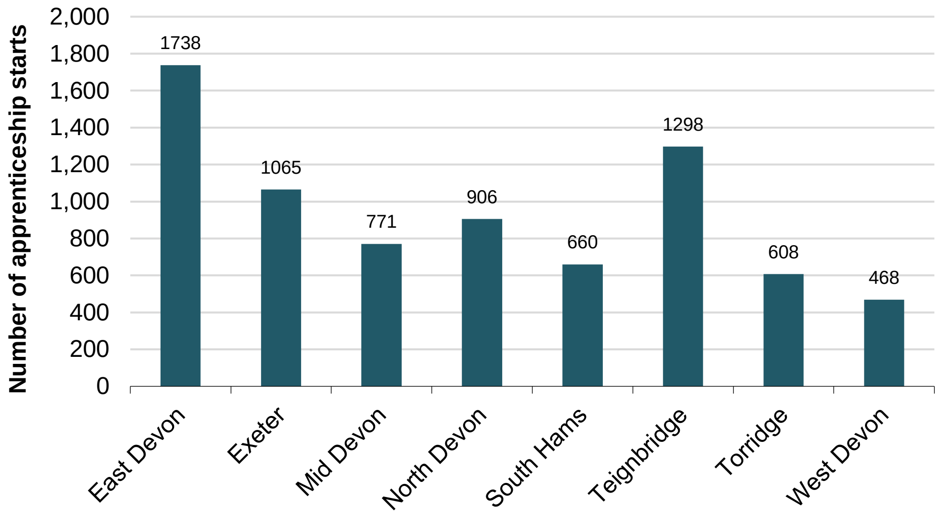
Apprenticeship starts

A.15 The provisional data[19] released for 2016/17 suggests Devon had 7,500 apprenticeship starts. At the district level, East Devon had the highest number of apprenticeship starts followed by Teignbridge. Across Devon as a whole, provisional data suggests Health, Public Services and Care had the highest number of apprenticeship starts in 2016/17, followed by Business, Administration and Law. In the same year, Science and Mathematics had the lowest number of apprenticeship starts (<5).

A.16 Table A-3 suggests that the number of apprenticeship starts in Devon in 2016/17 was 2.7% higher than the figure for the previous year. The areas that saw the largest increase in apprenticeship starts from 2015/16 to 2016/17 were North Devon and Mid Devon. Over the same year, some areas saw a decrease in the number of apprenticeship starts such as East Devon (-2.8%), Torridge (-1.1%) and West Devon (-1.7%).

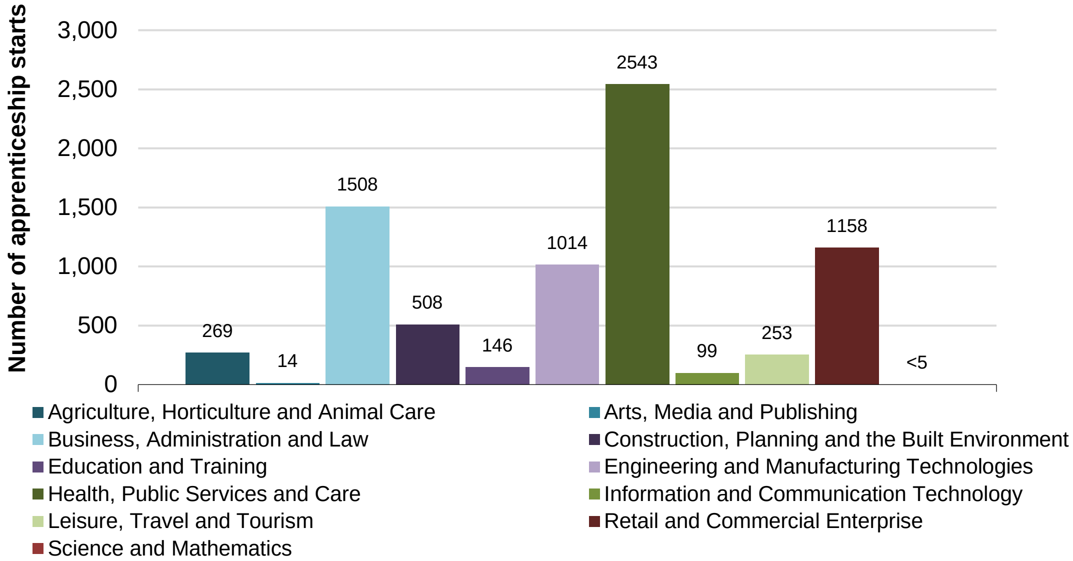
[19] Provisional data captures anyone who starts in September 2016/17

Figure A-15: Apprenticeship starts 2016-2017 (provisional figures)



Source: ESFA Data Cube 2017

Figure A-16: Apprenticeship starts in Devon by sector 2016-2017 (provisional figures)



Source: ESFA Data Cube 2017

Table A-3: Apprenticeship starts 2015/16 to 2016/2017 (provisional data)

	2015/16	2016/17 (provisional)	Percentage change 2015/16 to 2016/17
East Devon	1,788	1,738	-2.8%
Exeter	1,044	1,065	2.0%
Mid Devon	710	771	8.6%
North Devon	804	906	12.7%
South Hams	635	660	3.9%
Teignbridge	1,241	1,298	4.6%
Torridge	615	608	-1.1%
West Devon	476	468	-1.7%
Devon	7,313	7,514	2.7%

Source: ESFA Data Cube 2017

3: Earnings are lower than average in most of Devon and link to Housing Affordability and relative poverty

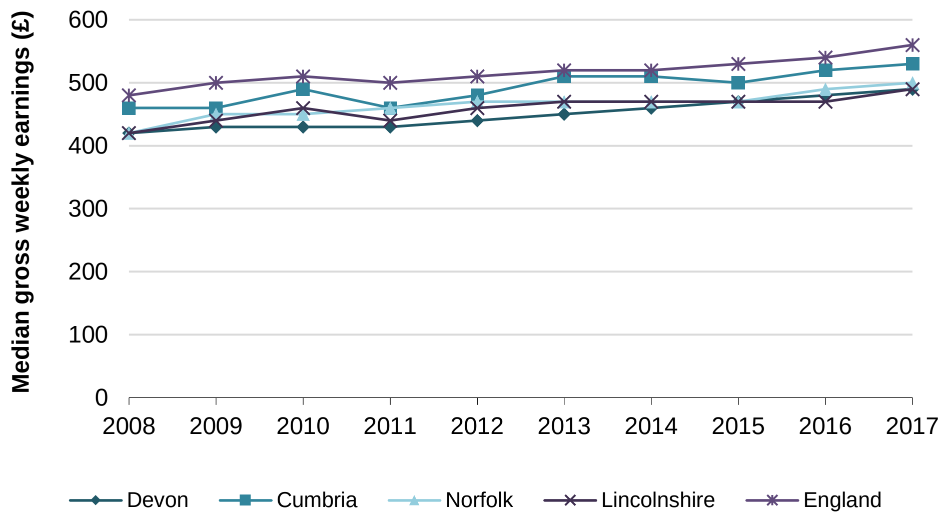
- Median gross weekly earnings of full-time employees (resident analysis) in Devon are lower than the national average
- Between 2008 and 2017, weekly full-time resident employee earnings in Devon increased in line with the national rate
- There are large differences in weekly full-time resident employee earnings between districts
- The earnings gap between South Hams and the remaining districts decreased between 2008 and 2017
- Median gross weekly full-time workplace employee earnings in Devon are lower than the national average
- Weekly full-time resident employee earnings in Devon are higher than weekly full-time workplace employee earnings. However, uniquely, resident earnings in Exeter are lower than workplace earnings
- Torridge, North Devon and Teignbridge have low earnings on both measures
- Houses are relatively less affordable in Devon than in across all comparator areas
- Despite having the highest weekly full-time resident employee earnings, South Hams had the worst ratio of house price to earnings followed by North Devon
- Some 12.2% of households are considered to be fuel poor in Devon

A.18 Median gross weekly full-time resident employee earnings in Devon were £490 in 2017. This was equivalent to the figure in Lincolnshire but lower than the national figure and comparator areas, Cumbria and Norfolk. At the district level, South Hams had the highest weekly resident earnings for full time employees while North Devon had the lowest. In 2017, weekly full-time resident employee earnings in all Devon's districts were lower than the national average.

A.19 Between 2008 and 2017, weekly full-time resident employee earnings in Devon increased by 17%. This rate of increase was in line with the national average. Between 2008 and 2017, weekly full-time resident employee earnings in Exeter and Mid Devon increased by £110; this was equivalent to an increase of 28%. Despite having the highest weekly full-time resident employee earnings in 2017, earnings in South Hams increased by 2% in the same period, this was the smallest increase among the eight districts.

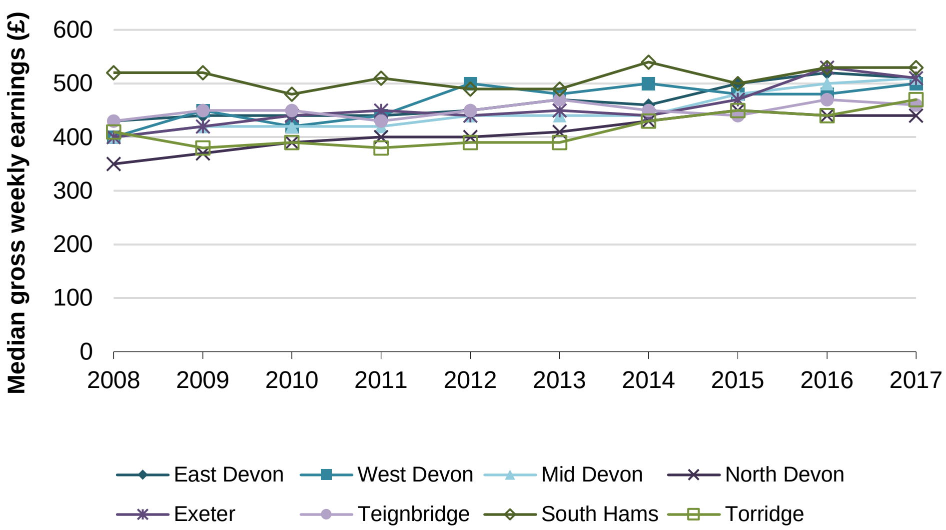
A.20 Weekly full-time resident employee earnings have increased across all districts. The increase in some areas has been larger than other areas. However, the earnings gap between South Hams and the remaining districts has decreased. Figure A-18 shows the convergence in weekly full-time resident employee earnings at the district level. For example, resident employee earnings in North Devon are now 83% of those in South Hams compared to 68% in 2008.

Figure A-17: Median gross weekly earnings of full time employees (resident analysis) 2008 to 2017



Source: ONS Annual Survey of Hours and Earnings - resident analysis from nomis

Figure A-18: Median gross weekly earnings of full time employees (resident analysis) 2008 to 2017



Source: ONS Annual Survey of Hours and Earnings - resident analysis from nomis

Table A-4: Change in median gross weekly earnings of full time employees (resident analysis) 2008 to 2017

	Resident earnings 2008	Resident earnings 2017	Actual change (£) 2008-17	% change 2008-17
East Devon	430	510	80	19%
West Devon	400	500	100	25%
Mid Devon	400	510	110	28%
North Devon	350	440	90	26%
Exeter	400	510	110	28%
Teignbridge	430	460	30	7%
South Hams	520	530	10	2%
Torridge	410	470	60	15%
Devon	420	490	70	17%
Cumbria	460	530	70	15%
Norfolk	420	500	80	19%
Lincolnshire	420	490	70	17%
England	480	560	80	17%

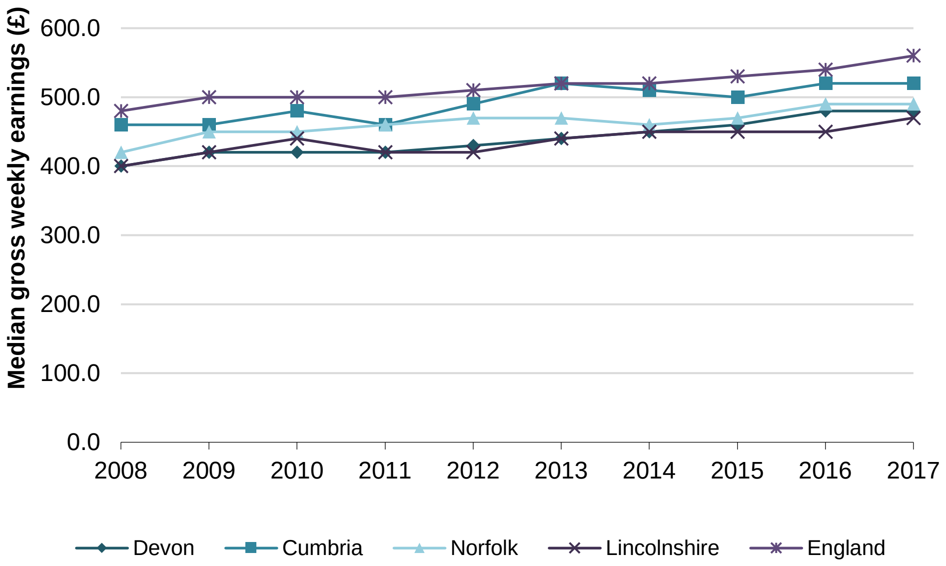
Source: ONS Annual Survey of Hours and Earnings - resident analysis from nomis

A.21 In 2017, median gross weekly workplace earnings for full time employees were £480 in Devon. This was lower than the national figure in the same year. Weekly workplace employee earnings for full-time employees are higher in Devon than in Lincolnshire but lower than in Cumbria and Norfolk. At the district level, weekly workplace employee earnings were highest in Exeter and lowest in Torridge. Weekly workplace employee earnings were lower than the national figure in all comparator areas – all of which have significant rural areas.

A.22 Between 2008 and 2017, workplace earnings for full time employees in Devon increased by 20%. This rate of increase was higher than the increase experienced in all comparator areas (Cumbria, Norfolk, Lincolnshire and England). Between 2008 and 2017, workplace employee earnings in West Devon increased by 48%. This was the largest increase experienced across the eight districts. Teignbridge experienced the lowest increase in weekly workplace employee earnings between 2008 and 2017.

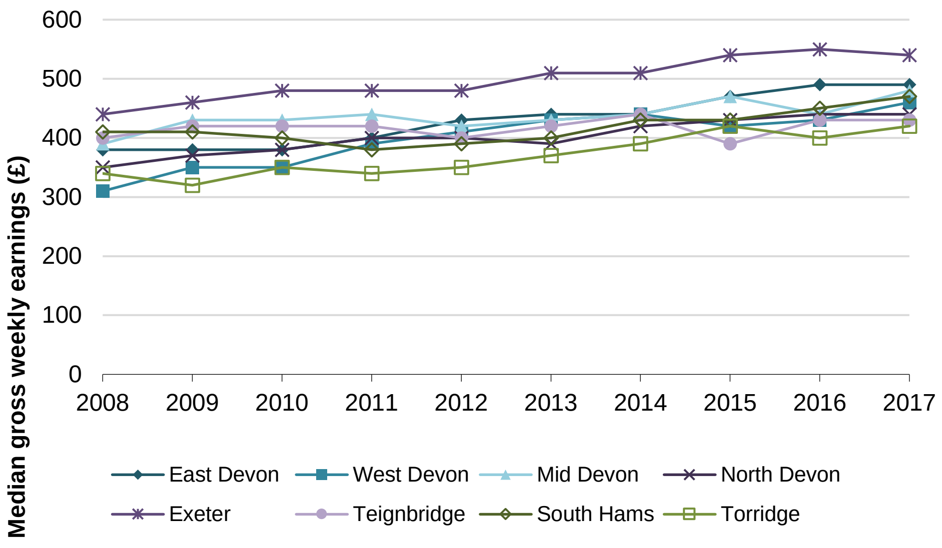
A.23 Weekly resident earnings for full time employees in Devon are higher than weekly workplace employee earnings. This is true for comparator areas, Cumbria, Norfolk and Lincolnshire. At the district level, uniquely, resident employee earnings in Exeter are lower than workplace employee earnings. This suggests that people are commuting into Exeter from neighbouring districts for higher paid employment. Weekly resident and workplace earnings for full time employees are both low and growing slowly in Teignbridge. As a result, it is likely that Teignbridge will feel the largest impact from inflationary pressures.

Figure A-19: Median gross weekly earnings of full time employees (workplace analysis) 2008 to 2017



Source: ONS Annual Survey of Hours and Earnings - workplace analysis from nomis

Figure A-20: Median gross weekly earnings of full time employees (workplace analysis) 2008 to 2017



Source: ONS Annual Survey of Hours and Earnings - workplace analysis from nomis

Table A-5: Change in median gross weekly earnings of full time employees (workplace analysis) 2008 to 2017

	Workplace earnings 2008	Workplace earnings 2017	Actual change (£) 2008-17	% change 2008-17
East Devon	380	490	110	29%
West Devon	310	460	150	48%
Mid Devon	390	480	90	23%
North Devon	350	440	90	26%
Exeter	440	540	100	23%
Teignbridge	400	430	30	8%
South Hams	410	470	60	15%
Torridge	340	420	80	24%
Devon	400	480	80	20%
Cumbria	460	520	60	13%
Norfolk	420	490	70	17%
Lincolnshire	400	470	70	18%
England	480	560	80	17%

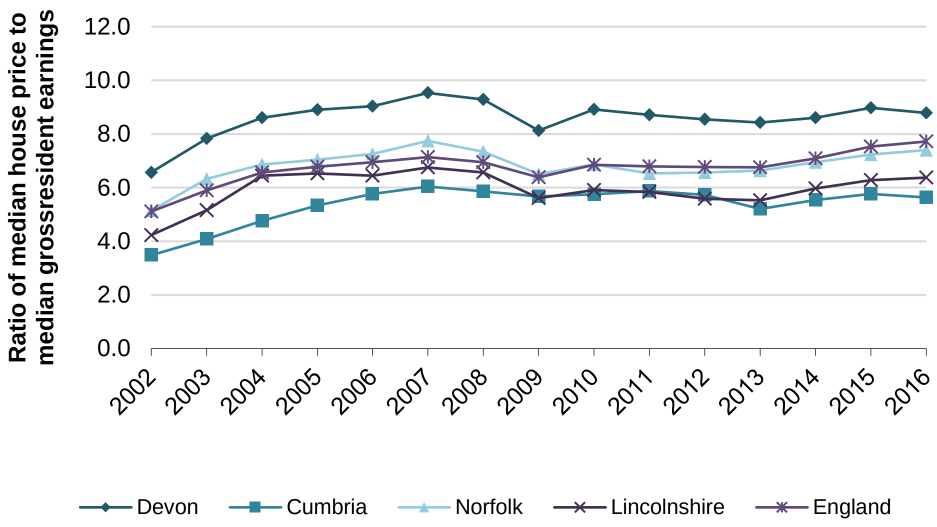
Source: ONS Annual Survey of Hours and Earnings - workplace analysis from nomis

Housing affordability

A.24 Figure A-21 below shows that houses are relatively less affordable in Devon than in across all comparator areas. In 2016, working residents could expect to pay around 8.8 times their annual earnings on purchasing a home in Devon. Between 2002 and 2016, Devon consistently had a worse ratio of median house price to median gross annual residence-based earnings than comparator areas. This is supported by Figure A-22: all eight districts in Devon had a worse ratio of median house prices to median residence earnings than the national figure.

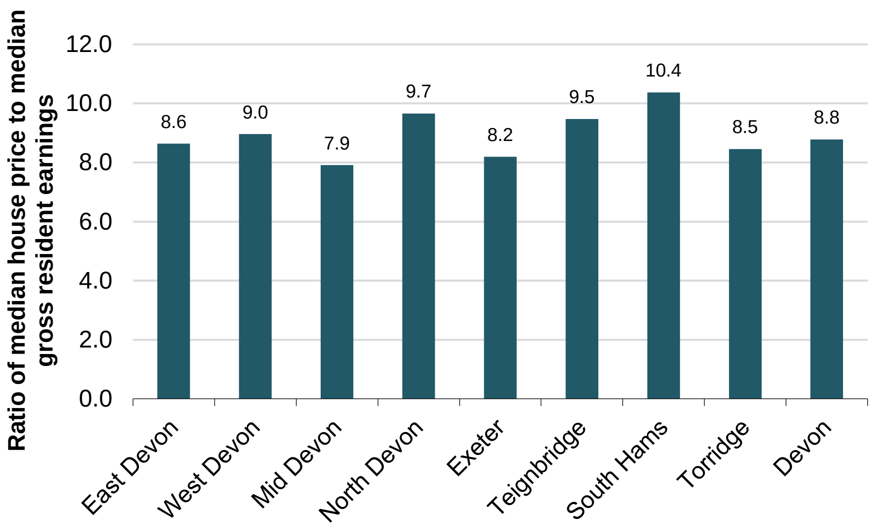
A.25 Despite having the highest weekly resident earnings, South Hams had the worst ratio of house price to earnings followed by North Devon. Among the eight districts houses in South Hams cost the most money. In 2016, working residents could expect to pay around 10.4 times their annual earnings on purchasing a home in South Hams and 9.7 in North Devon. In 2016, weekly resident earnings in South Hams and North Devon were very different.

Figure A-21: Ratio of median house price to median gross annual residence-based earnings 2002-2016



Source: ONS housing affordability in England and Wales: 1997 to 2016

Figure A-22: Ratio of median house price to median gross annual residence-based earnings district level 2016



Source: ONS housing affordability in England and Wales: 1997 to 2016

Table A-6: Ratio of median house price to median gross annual residence-based earnings district level in 2002 and 2016; and data on weekly FT employee earnings

	Housing affordability ratio 2002	Housing affordability ratio 2016	Weekly resident earnings 2002	Weekly resident earnings 2016
East Devon	7.5	8.6	340	520
West Devon	6.4	9.0	360	480
Mid Devon	6.1	7.9	350	500
North Devon	7.1	9.7	320	440
Exeter	5.8	8.2	330	530
Teignbridge	6.6	9.5	340	470
South Hams	6.8	10.4	380	530
Torridge	6.4	8.5	310	440

Source: ONS housing affordability in England and Wales: 1997 to 2016

Fuel poverty

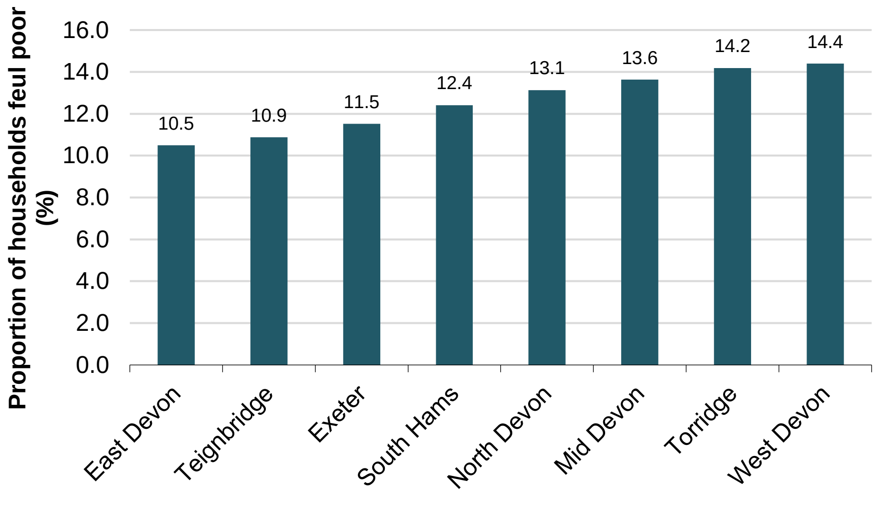
A.26 A household is considered to be fuel poor if it has higher than typical energy costs and would be left with a disposable income below the poverty line[20] if it spent the required money to meet those costs. It captures the fact that fuel poverty is distinct from general poverty: not all poor households are fuel poor, and some households would not normally be considered poor but could be pushed into fuel poverty if they have high energy costs.[21]

A.27 Some 12.2% of households are considered to be fuel poor in Devon. Comparatively, fuel poverty is higher in Devon than in Cumbria and Norfolk but lower than in Lincolnshire. There are differences in fuel poverty across Devon (see Figure A-23). East Devon has the lowest proportion of fuel poor households followed by Teignbridge. West Devon has the highest proportion of fuel poor households.

[20] The poverty line (income poverty) is defined as an equivalised disposable income of less than 60% of the national median: https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/articles/persistentpovertyintheukandeu/2014

[21] Department for Business, Energy & Industrial Strategy, Experimental Statistics: Sub-regional fuel poverty, 2017 (2015 data)

Figure A-23: Proportion of fuel poor households across Devon 2015



Source: ONS Sub-regional Fuel Poverty England 2017 (2015 data) Department for Business, Energy & Industrial Strategy

Table A-7: Proportion of fuel poor households across 2015

	Proportion of households fuel poor (%)
East Devon	10.5
West Devon	14.4
Mid Devon	13.6
North Devon	13.1
Exeter	11.5
Teignbridge	10.9
South Hams	12.4
Torridge	14.2
Devon	12.2
Cumbria	11.7
Norfolk	9.5
Lincolnshire	12.4

Source: ONS Sub-regional Fuel Poverty England 2017 (2015 data) Department for Business, Energy & Industrial Strategy

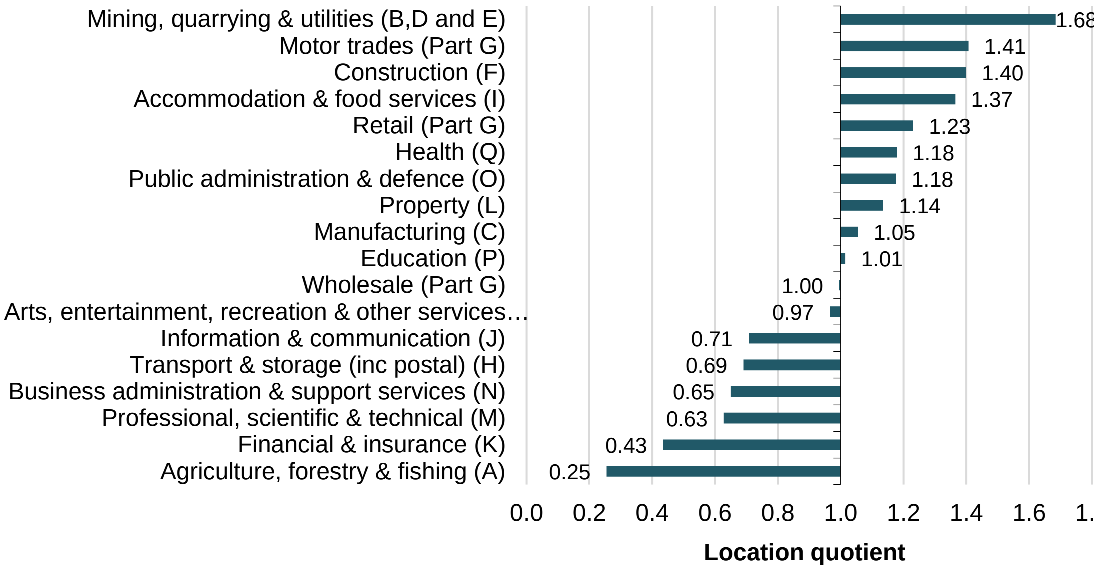
4: Devon has an opportunity to better exploit the assets it has for high value economic growth

- Among the larger sectors, Devon has a high location quotient in construction and accommodation & food services
- Devon has a low location quotient in financial & insurance, professional, scientific & technical and information & communication
- The manufacturing sector has experienced the largest decrease in terms of its share of all people employed in Devon
- Devon has some 26,000 employees in the knowledge sector. At the district level, North Devon and Exeter have the highest location quotients for the number of employees employed in the knowledge sector
- Devon has 3,630 enterprises operating in the knowledge sector. This is equivalent to 10% of all enterprises. Devon had the lowest percentage of knowledge sector enterprises in 2017 among all comparator areas considered

A.28 Through the use of location quotients, it is possible to compare the relative pattern of sectoral concentration to that observed nationally. Devon has a high location quotient in mining, quarrying & utilities, construction and accommodation & food services. Devon has a low location quotient in financial & insurance, professional, scientific & technical and information & communication.

A.29 In general, Devon and comparator areas Cumbria, Norfolk and Lincolnshire have low location quotients in the following sectors; information & communication, financial & insurance and professional, scientific & technical.

Figure A-24: Employment location quotients, 2016



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

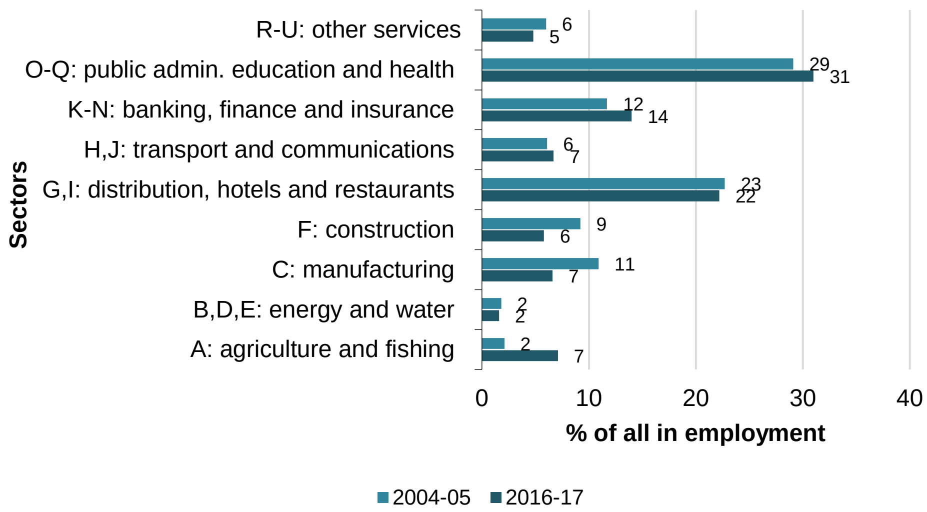
Table A-8: Location quotients showing sectoral concentration of employees

	Devon	Cumbria	Norfolk	Lincolnshire
Mining, quarrying & utilities (B, D and E)	1.68	0.97	1.00	1.27
Manufacturing (C)	1.05	2.10	1.18	1.58
Construction (F)	1.40	1.06	1.18	1.34
Retail (Part G)	1.23	1.19	1.18	1.16
Accommodation & food services (I)	1.37	1.83	1.10	1.35
Information & communication (J)	0.71	0.29	0.44	0.36
Financial & insurance (K)	0.43	0.30	1.00	0.17
Professional, scientific & technical (M)	0.63	0.63	0.62	0.51
Business administration & support services (N)	0.65	0.47	0.94	0.96
Education (P)	1.01	0.97	1.00	0.91
Health (Q)	1.18	1.05	1.18	1.11
Arts, entertainment, recreation & other services (R, S, T and U)	0.97	0.76	1.10	0.86

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

A.30 The manufacturing sector experienced the largest decrease in terms of its share of all people employed in Devon. Between July 2004 - June 2005 and July 2016 - June 2017, the percentage of all people employed in the manufacturing sector decreased by four percentage points. Over the same period, the construction sector experienced a three percentage point decrease in its share of all people employed in Devon. Agriculture and fishing saw the biggest increase in its share of all people employed in Devon. Between July 2004 - June 2005 and July 2016 - June 2017, the percentage of all people employed in the agriculture and fishing sector increased by five percentage points.

Figure A-25: Change in sector employment 2004-05 to 2016-17 in Devon



Source: ONS annual population survey from nomis

Knowledge sector employment

A.31 Knowledge sector employment is defined using the Eurostat broader definitions of:

- High-tech & medium high-tech manufacturing: 2007 SIC 20-21,25.4, 26-29,30 (except 30.1), 32.5.
- High tech & selected other knowledge intensive sectors: 2007 SIC 58-63,71-72,74.1,74.9

A.32 Using this definition, Devon has some 26,000 employees in the knowledge sector. This was equivalent to 8% of all employees in Devon. Comparing the relative picture to England though the use of location quotients (see Table A-9). Devon had a location quotient of 0.79. This is a higher location quotient for the number of employees in the knowledge sector than comparator areas Cumbria (0.53), Norfolk (0.69), and Lincolnshire (0.58).

A.33 At the district level, Exeter has the largest number of knowledge sector employees. Proportionally, North Devon and Exeter had the highest location quotients for the number of employees employed in the knowledge sector. West Devon had the lowest location quotient among the eight districts.

Table A-9: Location quotients showing sectoral concentration of employees in the knowledge sector

	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
Cumbria	12,470	5%	0.53
Norfolk	25,110	7%	0.69
Lincolnshire	16,790	6%	0.58
England	2,601,000	10%	-

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

A.34 In 2017, Devon had 3,630 enterprises operating in the knowledge sector, this was equivalent to 10% of all enterprises. Devon had the lowest percentage of knowledge sector enterprises in 2017 among all comparator areas considered. At the district level, Exeter had the highest percentage of knowledge sector enterprises. Despite its high location quotient in knowledge sector employees, North Devon had 370 knowledge sector enterprises.

Table A-10: Knowledge sector enterprises by district 2017

	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
Cumbria	2,560	11%	0.66
Norfolk	3,895	12%	0.71
Lincolnshire	2,760	10%	0.60
England	380,245	16%	-

Source: Analysis of ONS UK Business Counts - enterprises by industry and employment size band 2017 from nomis

5: Devon's towns and rural communities in more peripheral areas are falling behind

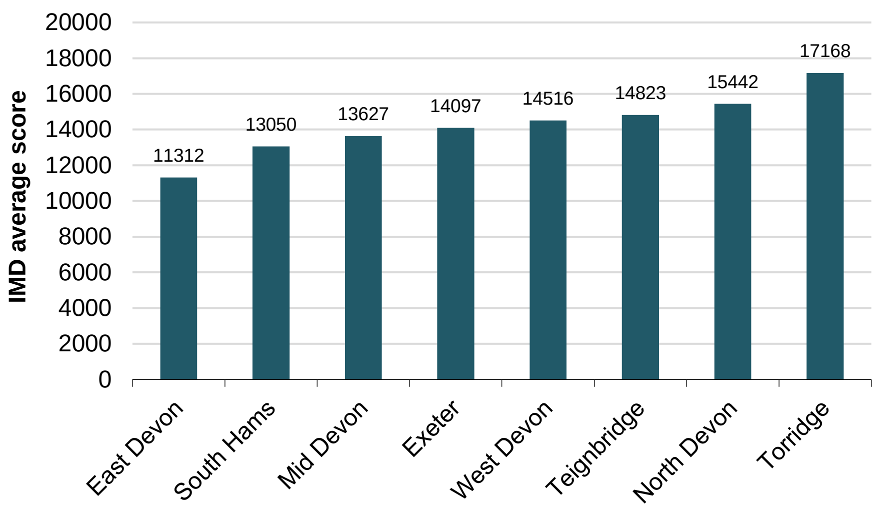
- Using IMD figures, East Devon is identified as the least deprived district in Devon while Torridge is the most deprived
- South Hams is considered to be a "hot spot" (i.e. a place that offers good opportunities for social progress). Torridge is considered to be a "cold spot" (a place that does not offer good opportunities for social progress)
- Torridge has relatively low score for social mobility in early years when compared to the other districts
- The Ofcom Connected Nations data states that 76% of premises in Devon had access to superfast broadband (SFBB) in 2016. This figure is significantly lower than the percentage of premises that have access to SFBB in comparator areas (Cumbria, Norfolk and Lincolnshire)

A.35 The Index of Multiple Deprivation (IMD) states:

- the higher the score the more deprived an area is considered to be
- the local authority district with a rank of 1 is the most deprived, and the area ranked 326 is the least deprived

A.36 On this basis, East Devon is identified as the least deprived district in Devon while Torridge is the most deprived. In the national context, East Devon is ranked 242nd and Torridge 119th out of 326 local authority districts. Torridge, the most deprived district in Devon, does not fall into the bottom third. This suggests that deprivation levels are low in the national context.

Figure A-26: IMD - average score 2015



Source: Ministry of Housing, Communities & Local Government, English indices of deprivation 2015 (File 10: local authority district summaries)

Table A-11: IMD data (326 local districts)

	IMD - Average score	IMD - Rank of average score
East Devon	11312	242
South Hams	13050	210
Mid Devon	13627	195
Exeter	14097	186
West Devon	14516	175
Teignbridge	14823	169
North Devon	15442	154
Torridge	17168	119

Source: Ministry of Housing, Communities & Local Government, English indices of deprivation 2015 (File 10: local authority district summaries)

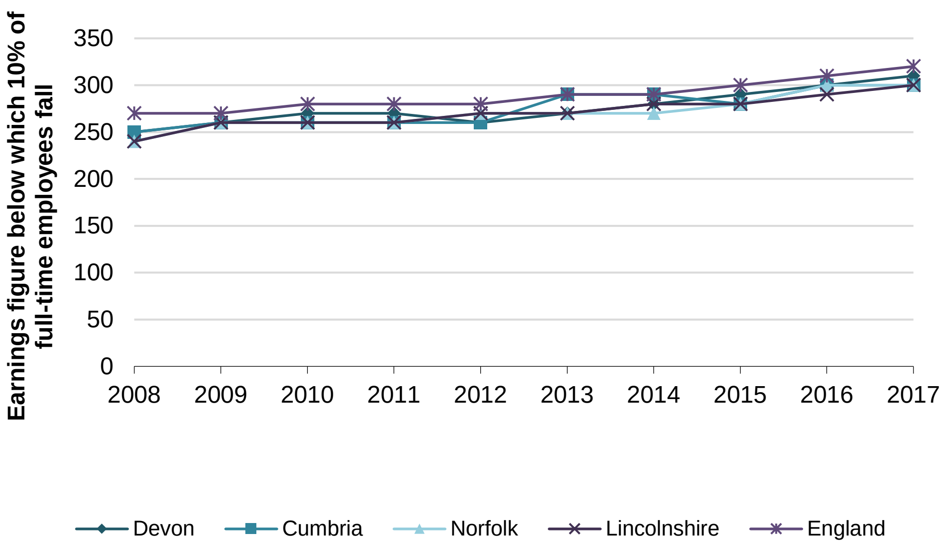
Table A-12: IMD data (152 upper-tier local authorities)

	IMD - Average score	IMD - Rank of average score
Devon	14016	112
Cumbria	13886	114
Norfolk	16088	94
Lincolnshire	16225	92

Source: Ministry of Housing, Communities & Local Government, English indices of deprivation 2015 (File 11: upper-tier local authority summaries)

A.37 Figure A-27 below shows the earnings figure below which 10% of full time employed residents fall. In 2017, 10% of full time employee resident's gross weekly pay in Devon was less than £310. This is slightly higher than the earnings figure below which 10% of full time employed residents in Cumbria, Norfolk and Lincolnshire fall, but lower than the national figure.

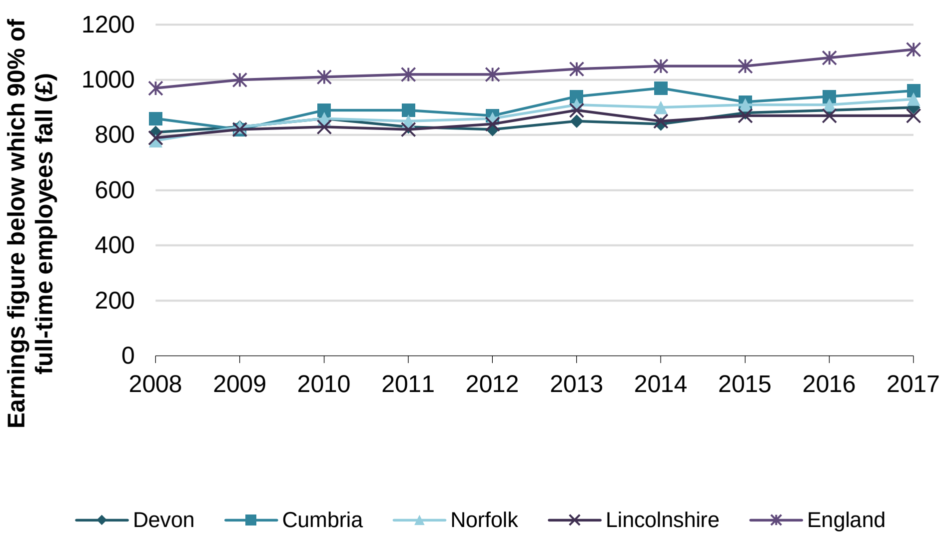
Figure A-27: Earnings figure below which 10% of full-time employees fall for 2008 to 2017



Source: ONS annual survey of hours and earnings (resident analysis) from nomis

A.38 Figure A-28 shows the earnings figure below which 90% of full time employee residents fall. In 2017, 10% of full time employed residents in Devon earnt more than £900 a week. In 2017 the national figure was £1110, this was considerably higher than the comparator areas.

Figure A-28: Earnings figure below which 90% of full-time employees fall for 2008 to 2017



Source: ONS annual survey of hours and earnings (resident analysis) from nomis

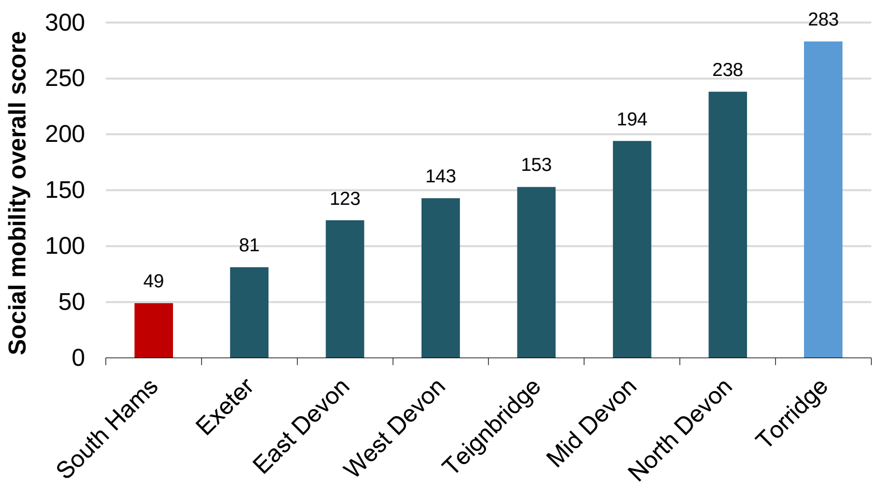
A.39 Social mobility data paint a similar picture to the IMD data. The *State of the Nation* report from the Social Mobility Commission states that "*England is a small country with a large and growing gap between those places that offer good opportunities for social progress – what we have called social mobility hotspots – and those that do not – the coldspots*".[22] Hot spots are ranked in the top 65 out of 324 local authorities and cold spots the lowest 65. In relation to this, South Hams is considered to be a "hot spot" (i.e. a place that offers good opportunities for social progress). Torridge is considered to be a "cold spot" (a place that does not offer good opportunities for social progress).

A.40 Devon's districts all have a relatively low score for social mobility in adulthood (see Table A-13). Social mobility in adulthood is measured by the following indicators:

- Median weekly salary (£) of employees who live in the local area, all employees (FT and PT)
- Average house prices compared to median annual salary of employees who live in the local area
- % of people that live in the local area who are in managerial and professional occupations (SOC 1 and 2)
- % of jobs that are paid less than the applicable Living Wage Foundation living wage
- % of families with children who own their home

A.41 Torridge has relatively low score for social mobility in early years when compared to the other districts. Within this indicator, Torridge has a low score for the percentage of children eligible for free school meals achieving a 'good level of development' at the end of Early Years Foundation Stage. This has contributed to Torridge's low social mobility score.

Figure A-29: Social mobility overall score 2017



Source: Social Mobility Commission, Social mobility index: 2017 data

[22] State of the Nation 2017: Social Mobility in Great Britain, Social Mobility Commission, published 28 November 2017

Table A-13: Social mobility overall score 2017

	Overall score	Early Years	Schools	Youth	Adulthood
South Hams	49	41	34	107	231
Exeter	81	34	81	175	180
East Devon	123	128	141	147	122
West Devon	143	63	50	251	267
Teignbridge	153	78	55	266	262
Mid Devon	194	126	237	143	217
North Devon	238	87	165	269	304
Torridge	283	214	147	276	309

Source: Social Mobility Commission, Social mobility index: 2017 data

Broadband connectivity

A.42 There is a body of research that finds that broadband connectivity is "critically important" to rural businesses and to the viability of rural economies. Driving Productivity in the Heart of the South West, HotSW's Productivity Plan consultation paper, notes the area's substantial broadband infrastructure shortfalls and the productivity gains that could arise from better broadband, provided firms invest in appropriate structural changes.

A.43 The Ofcom Connected Nations data states that 76% of premises in Devon had access to superfast broadband (SFBB) in 2016. This figure is significantly lower than the percentage of premises that have access to SFBB in comparator areas. While the area contains some large urban areas, much of it is highly rural. This includes Dartmoor national parks and substantial coastline. Rural isolation is further impacted by relatively poor transport connections beyond the main M5/A38 and A303 corridors and the Great Western mainline.[23]

A.44 At the district level, 83% of premises in Exeter had access to super-fast broadband. Exeter had the highest percentage of premises with access to super-fast broadband among the eight districts of Devon. This may be explained by the fact that Exeter is the largest city in Devon and is reasonably well connected. West Devon on the other hand the lowest percentage of premises with access to super-fast broadband across Devon. This may be explained by the fact that West Devon is largely rural, a large proportion of Dartmoor National Park is within West Devon.

Table A-14: Percentage of premises with access to Super-Fast Broadband

	SFBB availability (% premises)
East Devon	78
West Devon	63
Mid Devon	67
North Devon	80
Exeter	83
Teignbridge	80

[23] SQW (October 2017) Connecting Devon and Somerset: Interim impact evaluation of Phase 1, Business, household, and stakeholder perspectives p.8

	SFBB availability (% premises)
South Hams	72
Torridge	72
Devon County	**76**
Cumbria County	**84**
Norfolk County	**83**
Lincolnshire County	**86**

Source: Ofcom Connected Nations 2016 open data: Fixed local authority 2016 and Fixed county and unitary authority 2016

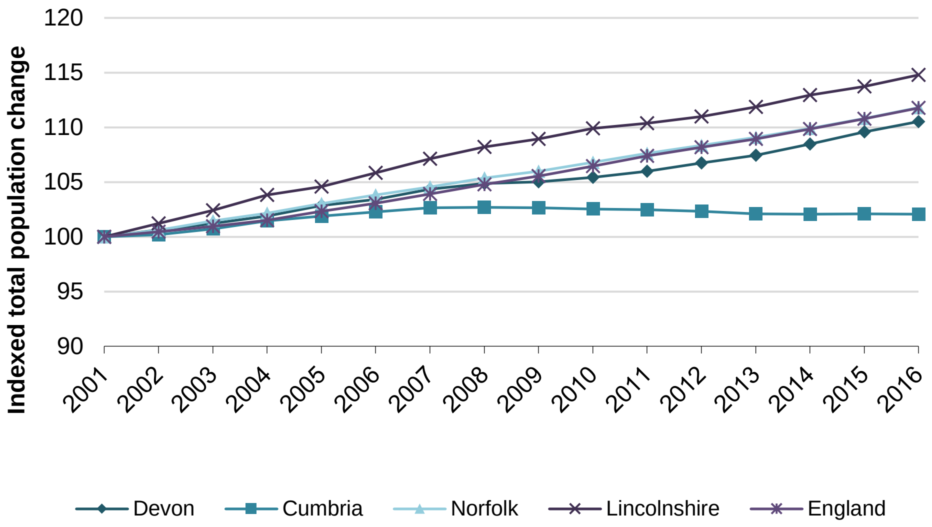
6: Devon's population is ageing rapidly

- Devon's population grew by 11% between 2011 and 2016. Devon's population is growing more slowly than the national rate
- At the district level, Exeter experienced the most population growth between 2001 and 2016. South Hams' population grew by 3% over the same period
- Devon's population is ageing more rapidly than the national rate. Between 2001 and 2016, the proportion of residents that were of working age decreased by two percentage points in Devon
- Devon has a high employment rate and economic activity rate
- Since 2001, Devon's claimants as a proportion of residents aged between 16 and 64 has been consistently lower than comparator areas

A.45 In 2016, Devon had a total population of 780,000. Between 2001 and 2016, Devon's population grew by 11%. This was one percentage point lower than the national average over the same period. This suggests that Devon's population is growing at a slightly slower rate than the national average. This is further evidenced by Figure A-30 which shows the index of population change.

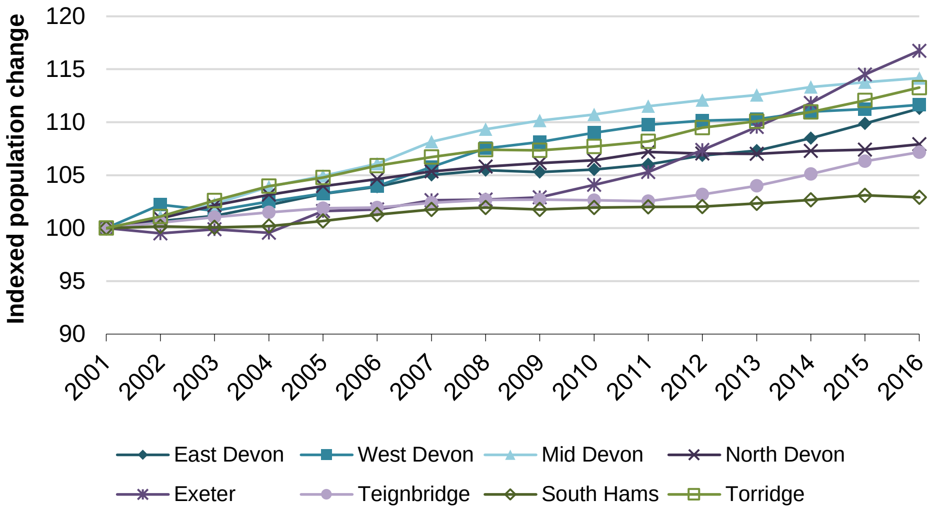
A.46 At the district level, Exeter experienced the most population growth between 2001 and 2016. South Hams' population grew by 3% over the same period; this was the smallest amount of population growth experienced across the eight districts.

Figure A-30: Population change (index: 2001=100)



Source: SQW analysis of ONS population estimates - local authority based by single year of age from nomis

Figure A-31: District level population change (index: 2001=100)

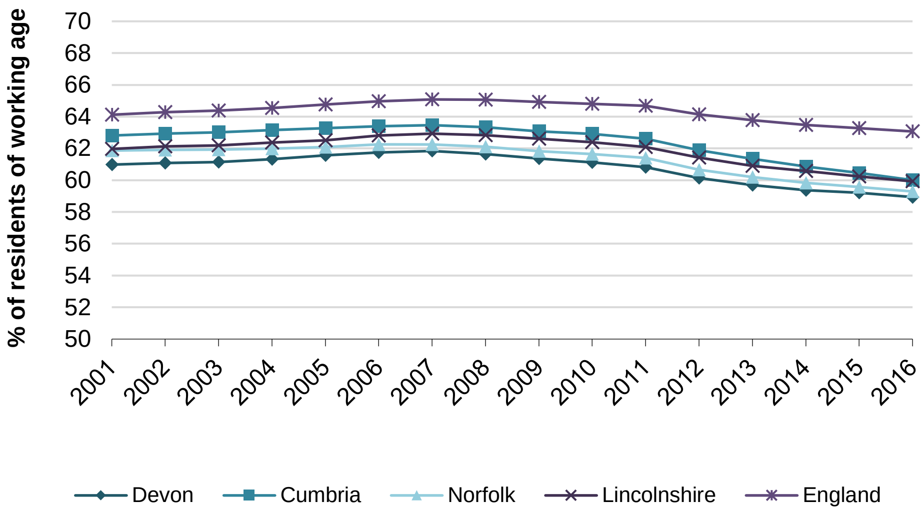


Source: SQW analysis of ONS population estimates - local authority based by single year of age from nomis

A.47 In 2016, Devon had 459,600 residents of working age. This was equivalent to 59% of the total population of Devon. Devon and comparator areas Cumbria, Norfolk and Lincolnshire had a lower proportion of people of working age than the national average. Between 2001 and 2016, the proportion of residents that were of working age had decreased by two percentage points in Devon. England experienced a one percentage point decrease in the percentage of working age residents over the same period. This suggests that Devon's population is ageing faster than the national average.

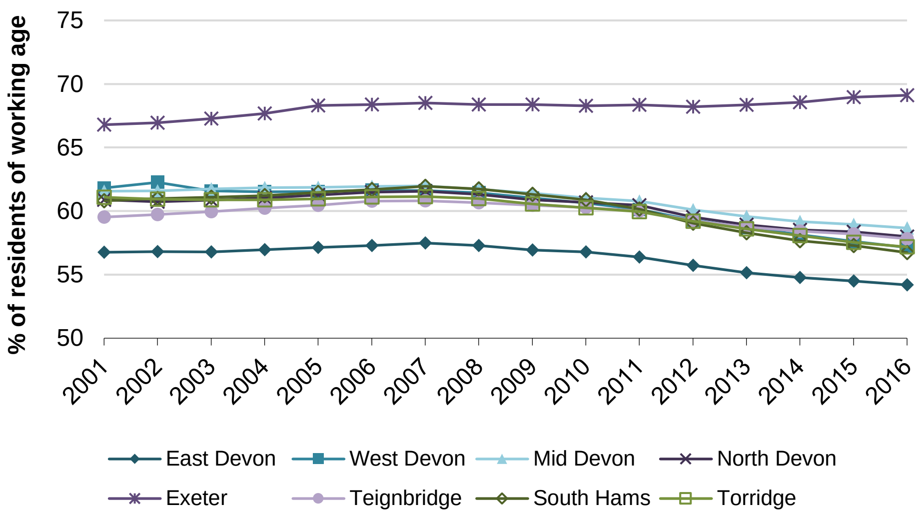
A.48 In 2016, Exeter had 89,700 residents of working age, this was equivalent to 69% of the total population of Exeter. Exeter's share of working age residents had increased by two percentage points since 2001.

Figure A-32: Percentage of residents of working age for 2001 to 2016



Source: SQW analysis of ONS population estimates - local authority based by single year of age from nomis

Figure A-33: Percentage of residents of working age for 2001 to 2016



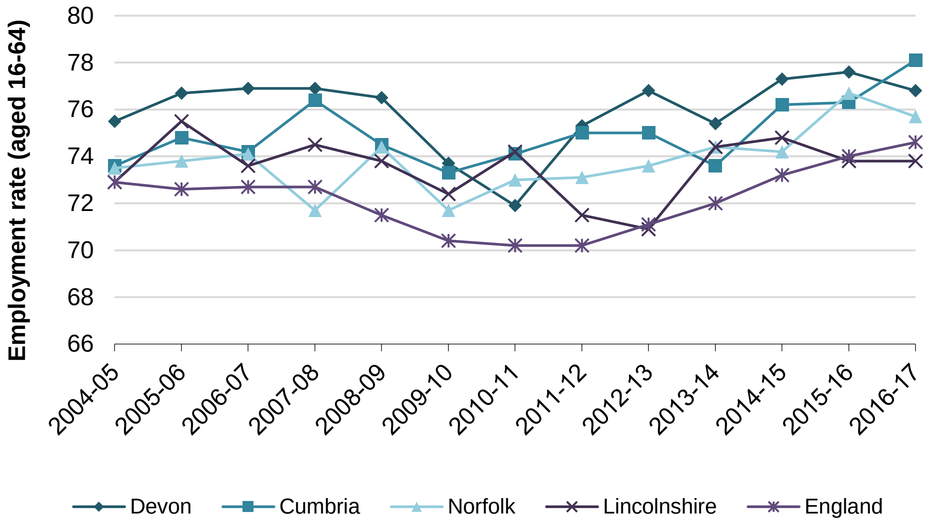
Source: SQW analysis of ONS population estimates - local authority based by single year of age from nomis

Economic activity rates

A.49 Devon has a high employment rate. In the year July 2016 to June 2017, 76.8% of working age residents were in employment. This was higher than the national figure for the same year. Following the 2008 financial crash, Devon's employment rate fell more quickly than in comparator areas (Cumbria, Norfolk and Lincolnshire). Since then, Devon's employment rate has recovered and remained high.

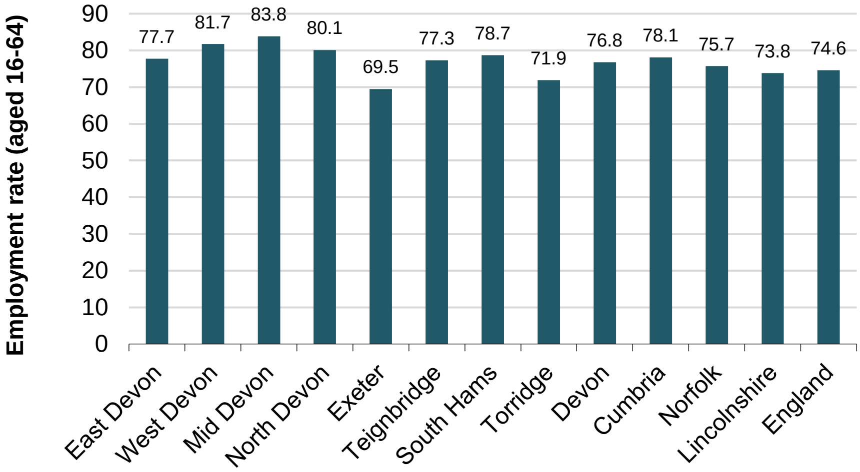
A.50 At the district level, in the year July 2016 to June 2017, Mid Devon's employment rate was 83.8%; this was the highest employment rate among the Devon districts. Exeter had the lowest employment rate at 69.5%. The employment rate in Exeter was over five percentage points lower than the national average.

Figure A-34: Percentage of residents aged 16-64 in employment



Source: ONS annual population survey from nomis

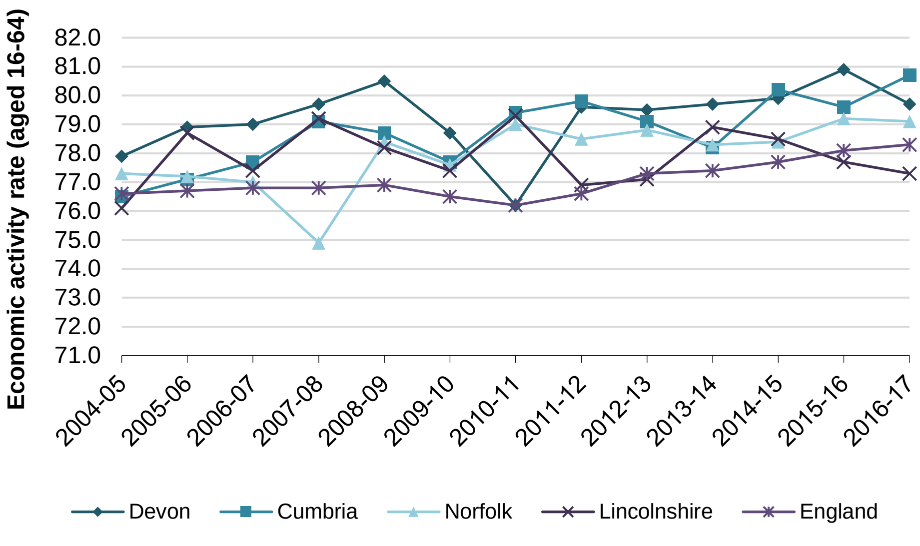
Figure A-35: Percentage of residents aged 16-64 in employment in the year from July 2016 to June 2017



Source: ONS annual population survey from nomis

A.51 Devon's economic activity rate for residents of working age was 79.7% in the year July 2016 – June 2017. This was 1.4 percentage points higher than the national figure for the same year. Following the 2008 financial crisis, economic activity decreased more rapidly than in comparator areas. At the district level, Mid Devon had the highest economic activity rate in July 2016 – June 2017 whilst Exeter had the lowest with economic activity rates 87.4% and 73.8% respectively.

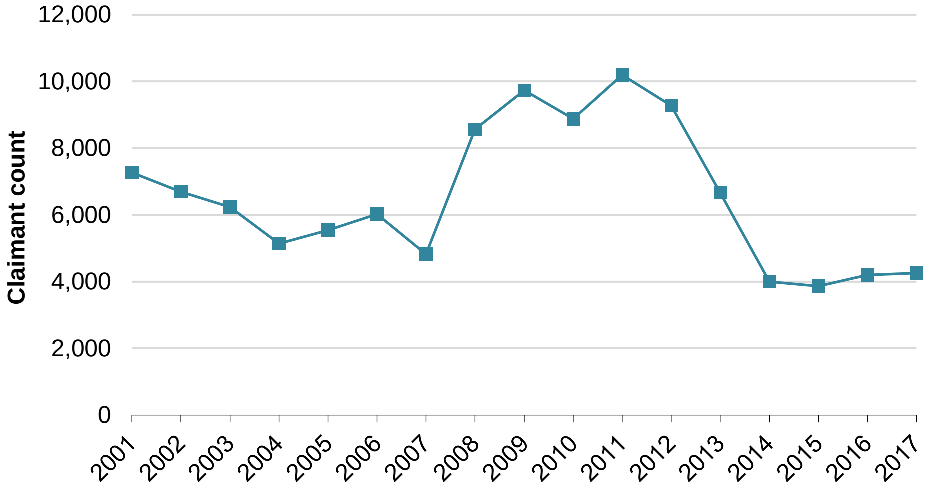
Figure A-36: Percentage of residents aged 16-64 that are economically active



Source: ONS annual population survey from nomis

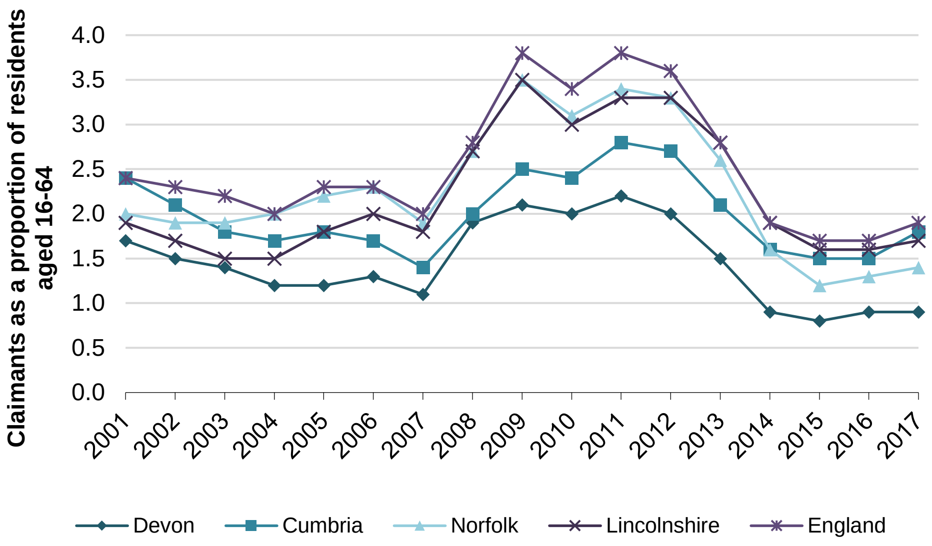
A.52 Devon's claimant count increased following the financial downturn in 2008. The claimant count peaked in 2010 with 10,200 claimants. Devon's claimants as a proportion of residents aged between 16 and 64 has been consistently lower than comparator areas (Cumbria, Norfolk, Lincolnshire and the national figure since 2001).

Figure A-37: Claimant count in Devon for December 2001 – December 2017



Source: ONS claimant count by sex and age from nomis

Figure A-38: Claimants as a proportion of residents aged 16-64 for December 2001 – December 2017



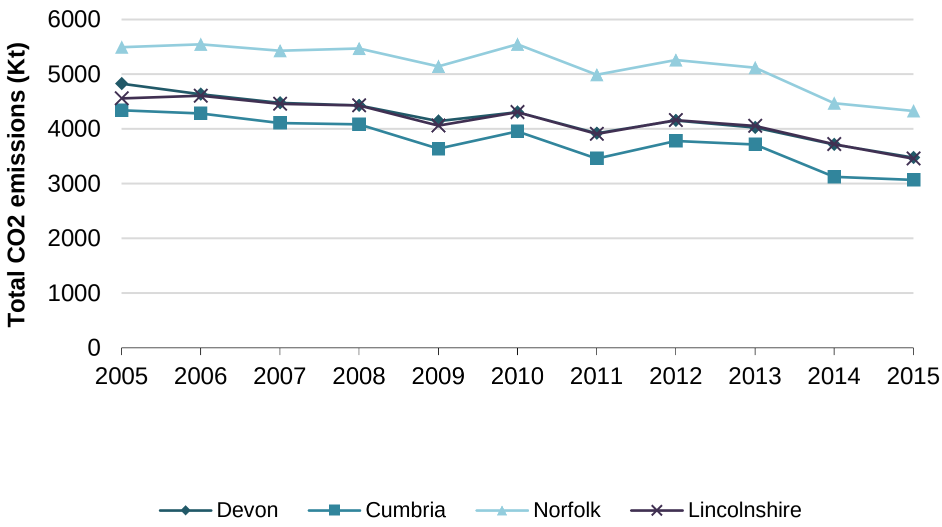
Source: ONS claimant count by sex and age from nomis

7: Devon is facing environmental challenges and vulnerabilities

A.53 In 2015, total CO_2 emissions in Devon were 3476Kt. Comparatively, Devon's CO_2 emissions have been similar to those of Lincolnshire. Since 2005, Cumbria has consistently had the lowest total CO_2 emissions while Norfolk has had the highest. Between 2005 and 2015, CO_2 emissions decreased by 28% in Devon.

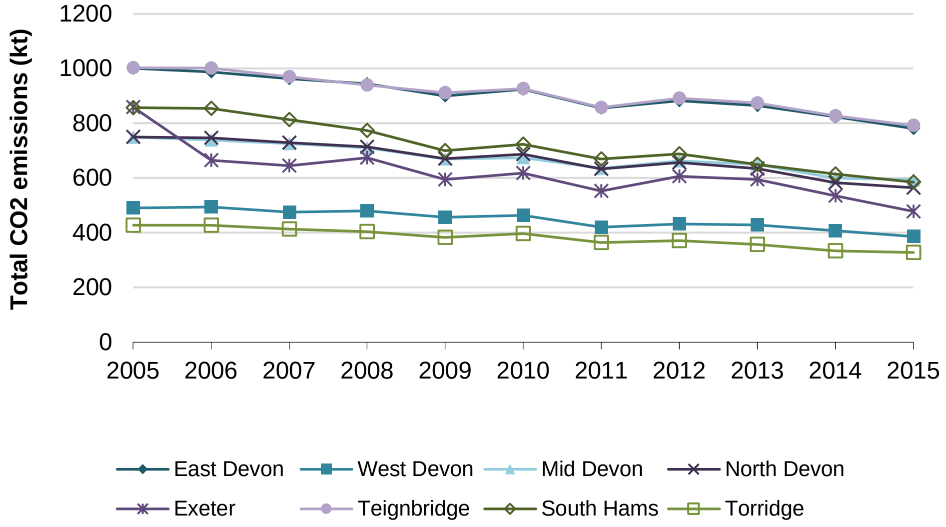
A.54 In 2015 Teignbridge had the highest CO_2 emissions followed by East Devon. Between 2005 and 2015, each district in Devon experienced a decrease in the total CO_2 emissions. Districts that saw the largest decrease in their total CO_2 emissions included Exeter followed by South Hams.

Figure A-39: CO_2 emissions estimates 2005-2015 (kt)



Source: ONS UK local authority and regional carbon dioxide emissions national statistics: 2005-2015 Department for Business, Energy & Industrial Strategy

Figure A-40: Local Authority CO_2 emissions estimates 2005-2015 (kt)



Source: ONS UK local authority and regional carbon dioxide emissions national statistics: 2005-2015 Department for Business, Energy & Industrial Strategy

8: Equalities across Devon

- In 2017, median gross weekly earnings for full-time resident male employees were £530 compared to £430 for full-time resident female employees in Devon.
- In 2017, the area with the smallest difference in median gross weekly earnings for full-time male and female resident employees was West Devon and the area with the largest difference was Mid Devon.
- In 2017, differences in median gross weekly workplace earnings for full-time male and female employees in Devon were similar to the residence-based measure.
- In 2017, the area with the smallest difference in median gross weekly workplace earnings for full-time male and female employees was South Hams and the area with the largest difference was East Devon.
- Devon has a higher percentage of females in employment that were mangers, directors and senior officials than the national average.
- There is a higher percentage of women employed in administrative and secretarial occupations and caring, leisure and other service occupations than men in Devon.
- Devon's population is less ethnically diverse than the national average.
- In 2017, 85% of males and 77% of females were in employment in Devon; these figures were higher than the national average. There are significant differences in male and female employment rates at the district level.

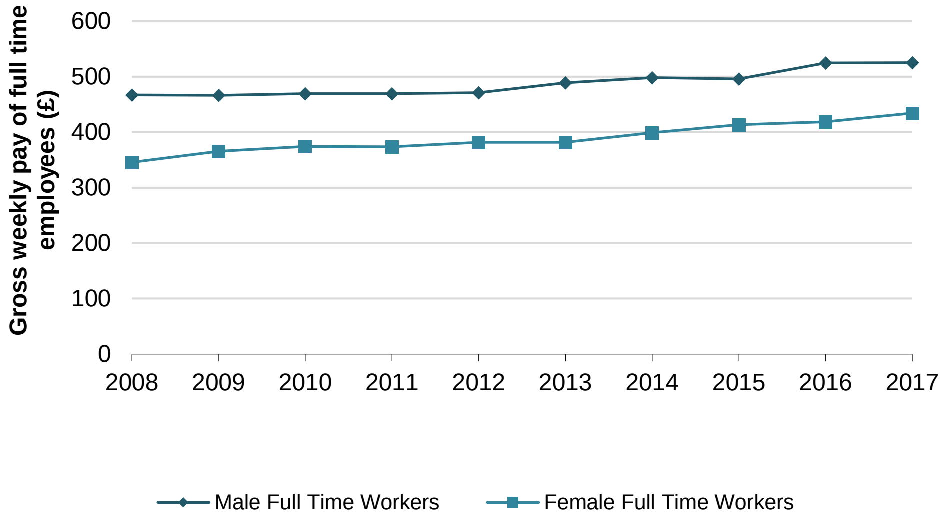
Gender equality

Residence-based earnings analysis

A.55 In Devon, median gross weekly earnings for full-time resident male employees were £530 compared to £430 for full-time resident female employees in 2017. Full-time resident female employees were paid £100 less than full-time resident male employees. In 2017, Devon had a smaller difference in median gross weekly earnings for full-time male and female employees than comparator areas Cumbria, Norfolk, Lincolnshire and England. The difference in median gross weekly earnings for males and females decreased by 25% between 2008 and 2017.

A.56 At the district level, in 2017, the area with the smallest difference in median gross weekly earnings for full-time male and female resident employees was West Devon; with a difference of £20. The area with the largest difference in median gross weekly earnings for full-time male and female resident employees was Mid Devon with a difference of £150. Since 2008, the difference in median gross weekly earnings for males and females in Mid Devon, South Hams and Torridge has increased.

Figure A-41: Median gross weekly earnings of male and female full-time employees (resident analysis) 2008 to 2017



Source: ONS Annual Survey of Hours and Earnings - resident analysis from nomis

Table A-15: Analysis of median gross weekly earnings of male and female full-time employees (resident analysis) 2008 to 2017

	Male pay 2008	Female pay 2008	Male pay 2017	Female pay 2017	Difference in 2008	Difference in 2017
East Devon	480	370	560	460	110	100
West Devon	480	300	500	480	180	20
Mid Devon	400	380	570	420	20	150
North Devon	400	300	480	410	100	70
Exeter	440	330	540	470	110	70
Teignbridge	470	330	490	430	140	60
South Hams	530	460	540	440	70	100
Torridge	430	380	490	410	50	80
Devon	470	350	530	430	120	100
Cumbria	500	380	600	460	120	140
Norfolk	460	350	550	430	110	120
Lincolnshire	450	360	530	410	90	120
England	530	420	600	500	110	100

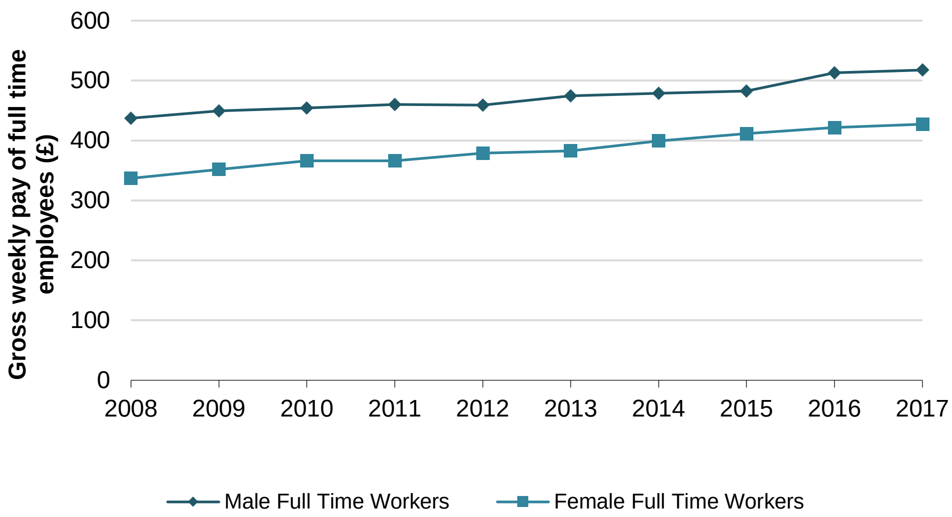
Source: ONS Annual Survey of Hours and Earnings - resident analysis from nomis

Workplace analysis

A.57 In 2017, median gross weekly workplace earnings for full time male employees were £520 in Devon. Comparatively, median gross weekly workplace earnings for full time female employees were £430 in Devon. Full-time female employees were paid £90 less than full-time male employees; this figure is similar to the residence-based measure (taking into account rounding). In 2017, Devon had the smallest difference in median gross weekly workplace earnings for full-time male and female employees among comparator areas. Between 2008 and 2017, the difference in median gross weekly workplace earnings for full-time resident male and female employees decreased by 10%. This suggests that gap in workplace based earnings has been closing at a slower rate than the gap in residence based earnings.

A.58 At the district level, 2008 and 2017 figures for median gross weekly workplace earnings for full time female employees are considered to be statistically unreliable for West Devon and Torridge. In 2017, the area with the smallest difference in median gross weekly workplace earnings for full-time male and female employees was South Hams. The area with the largest difference in median gross weekly workplace earnings for full-time male and female employees was East Devon.

Figure A-42: Median gross weekly earnings of male and female full-time employees (workplace analysis) 2008 to 2017



Source: ONS Annual Survey of Hours and Earnings - workplace analysis from nomis

Table A-16: Analysis of median gross weekly earnings of male and female full-time employees (workplace analysis) 2008 to 2017

	Male pay 2008	Female pay 2008	Male pay 2017	Female pay 2017	Difference in 2008	Difference in 2017
East Devon	450	330	540	410	120	130
West Devon	350	-	460	-		
Mid Devon	390	400	520	400	-10	120
North Devon	420	300	470	410	120	60

	Male pay 2008	Female pay 2008	Male pay 2017	Female pay 2017	Difference in 2008	Difference in 2017
Exeter	480	370	560	490	110	70
Teignbridge	400	330	460	380	70	80
South Hams	460	340	490	440	120	50
Torridge	350	-	440	-		
Devon	440	340	520	430	100	90
Cumbria	500	380	600	440	120	160
Norfolk	470	350	540	430	120	110
Lincolnshire	440	350	530	410	90	120
England	530	420	600	500	110	100

Source: ONS Annual Survey of Hours and Earnings - workplace analysis from nomis

Occupation by gender

A.59 Table A-17 shows occupation by gender in Devon. In 2017, 11.5% of females in employment were mangers, directors and senior officials. Despite this figure being lower than the percentage of males in Devon, this is higher than the national average which was 8.2% in 2017. There was a considerably higher percentage of women employed in administrative and secretarial occupations and caring, leisure and other service occupations than men. Figures for England imply that this trend in not exclusive to Devon. The percentage of females employed in professional occupations and associate professional and technical occupations in 2017 were 18.6% and 11.7% respectively. Figures for both males and females employed in professional occupations and associate prof and tech occupations in Devon were less than the national average in 2017.

Table A-17: Occupation by gender in Devon (Jan 2017 – Dec 2017)

	% males in employment who are…		% females in employment who are…	
	Devon	England	Devon	England
1: managers, directors and senior officials	16.7	13.8	11.5	8.2
2: professional occupations	16.5	19.2	18.6	21.6
3: associate prof & tech occupations	14.3	15.4	11.7	13.6
4: administrative and secretarial occupations	2.4	4.9	14.9	16.5
5: skilled trades occupations	20.6	17.3	3.9	2.1
6: caring, leisure and other service occupations	5.7	3.1	15.3	15.7
7: sales and customer service occupations	4.2	5.4	10.2	9.7
8: process, plant and machine operatives	8.9	10.3	2.1	1.6
9: elementary occupations	10.8	10.2	11.2	10.6

Source: ONS Annual Population Survey Jan 2017 – Dec 2017 from nomis

A.60 Table A-18 below shows the percentage point change in occupation for males and females in Devon from 2004 to 2017. The percentage of both males and females employed in managers, directors and senior official occupations, professional occupations and associate prof & tech occupations has increased in Devon since 2004. In all cases, the percentage point increase has been higher for females than for men. The proportion of females employed in administrative and secretarial occupations decreased by 6.2 percentage points between 2014 and 2017. Administrative and secretarial occupations experienced the largest decrease in share of both male and female employment.

Table A-18: Change in occupation by gender in Devon (2004 to 2017)

	Male employment percentage point change 2004 - 2017	Female employment percentage point change 2004 - 2017
1: managers, directors and senior officials	2.8	3.8
2: professional occupations	1.7	2.6
3: associate prof & tech occupations	2.2	3.2
4: administrative and secretarial occupations	-2.1	-6.2
5: skilled trades occupations	-3	0.7
6: caring, leisure and other service occupations	2.9	-1.7
7: sales and customer service occupations	0.3	-2
8: process, plant and machine operatives	-1.8	0
9: elementary occupations	-2.1	-0.2

Source: ONS Annual Population Survey from nomis

Ethnicity

A.61 At the time of the 2011 Census, Devon's population was 97.5% white, 0.9% mixed/multiple ethnic groups, 1.2% Asian/Asian British, 0.2% Black/African/Caribbean/Black British and 0.2% of other ethnic group. Devon is less ethnically diverse than Norfolk and Lincolnshire but more ethnically diverse than Cumbria. Similarly, the figures for England suggest that the population of Devon is not ethnically diverse.

A.62 At the district level, Exeter had the most ethnically diverse population at the time of the 2011 census. Exeter's population was 93.1% white, 1.6% mixed/multiple ethnic groups, 3.9% Asian/Asian British, 0.6% Black/African/Caribbean/Black British and 0.8% other ethnic group. Despite these figures, Exeter's population is considerably less diverse than the national figures.

Table A-19: Ethnic diversity 2011

	White (%)	Mixed/multiple ethnic groups (%)	Asian/Asian British (%)	Black/African/ Caribbean/Black British (%)	Other ethnic group (%)
Devon	97.5	0.9	1.2	0.2	0.2
Cumbria	98.5	0.5	0.8	0.1	0.1
Norfolk	96.5	1.2	1.5	0.5	0.3
Lincolnshire	97.6	0.9	1.0	0.4	0.2
England	85.4	2.3	7.8	3.5	1.0

Source: 2011 Census, KS201EW - Ethnic group from nomis

Table A-20: Ethnic diversity at the district level 2011

	White (%)	Mixed/multiple ethnic groups (%)	Asian/Asian British (%)	Black/African/ Caribbean/Black British (%)	Other ethnic group (%)
East Devon	98.4	0.7	0.7	0.1	0.1
West Devon	98.5	0.8	0.6	0.1	0.1
Mid Devon	98.6	0.6	0.6	0.1	0.1
North Devon	97.9	0.8	0.9	0.2	0.2
Exeter	93.1	1.6	3.9	0.6	0.8
Teignbridge	98.3	0.7	0.7	0.1	0.1
South Hams	98.4	0.8	0.6	0.1	0.1
Torridge	98.7	0.7	0.4	0.1	0.1

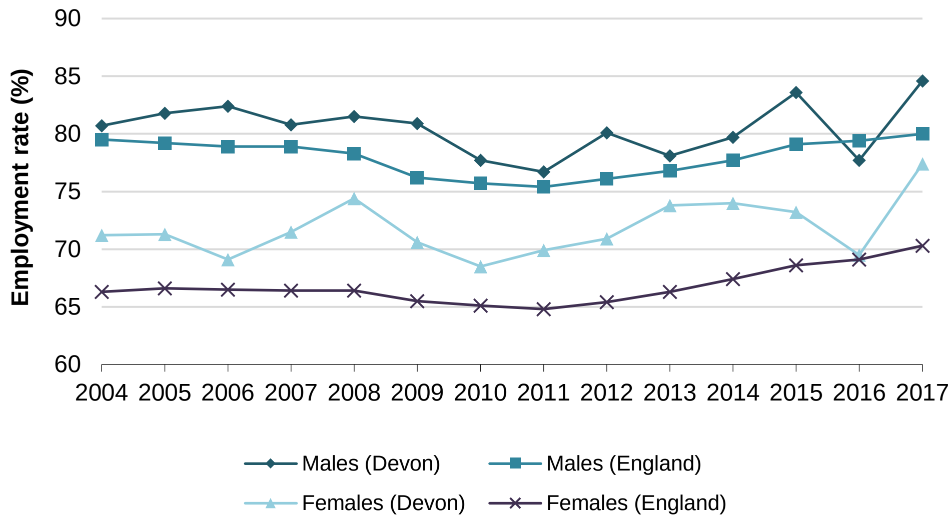
Source: 2011 Census, KS201EW - Ethnic group from nomis

Gender employment rate

A.63 In 2017, 85% of working age males and 77% of females were in employment in Devon; these figures were higher than the national average (80% and 70% respectively). The difference in male and female employment rates were at their lowest in 2013 when the male employment rate in Devon was three percentage points higher than the female employment rate. Since 2013, the difference has once again increased and; in 2017, the male employment rate was eight percentage points higher than the female employment rate. This figure is similar to the 2004 figure.

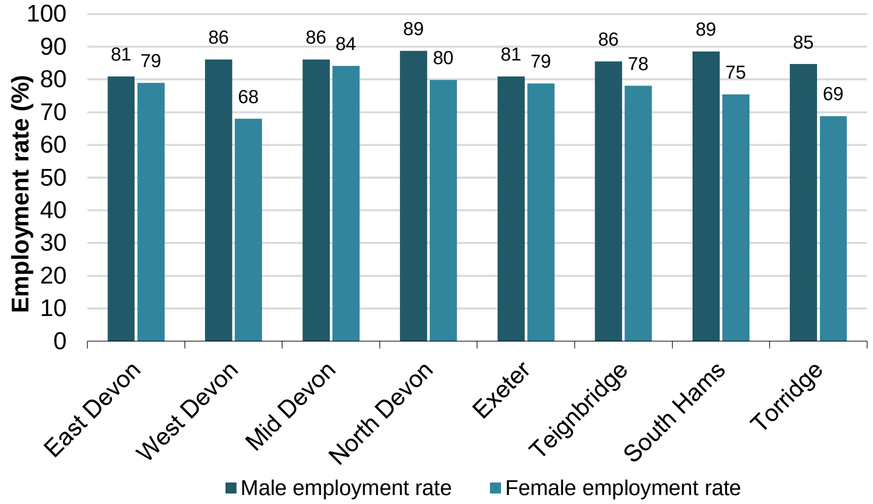
A.64 There are differences in male and female employment rates at the district level. In 2017, the areas with the largest difference in male and female employment rates were West Devon and Torridge with a difference of 18 percentage points and 16 percentage points respectively. Although it is important to consider confidence intervals in relation to survey findings, in East Devon and Exeter, there were apparently a similar proportion of males and females in employment. In both East Devon and Exeter, the male employment rate was two percentage points higher than the female employment rate in 2017.

Figure A-43: Employment rate from 2004 to 2017



Source: ONS annual population survey from nomis

Figure A-44: Employment rate in 2017



Source: ONS annual population survey from nomis