

Functional Economic Market Areas

Devon Analysis

2 July 2010

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Director

1: Introduction

- 1.1 In March 2010 SQW Consulting (SQW) was appointed by Devon County Council to undertake additional stakeholder engagement to support the development of the Local Economic Assessment (LEA) for Devon. This project was procured as an extension to a South West study into *Functional Economic Areas and Linkages in the South West*¹ undertaken for a group of stakeholders and coordinated by the South West Observatory Core Unit.
- 1.2 The additional work in Devon has been run alongside the main study. The scope of the project extension has been to undertake additional meetings with stakeholders in Devon (both within and outside the County Council) at key intervals in the main study process.
- 1.3 The key objectives for the work have been:
1. To draw out the needs and views of a range of internal and external partners and stakeholders in relation to understanding FEMAs.
 2. To achieve ‘buy-in’ to the methodology proposed by SQW for assessing FEMAs at a sub-regional level
 3. To understand what additional research and knowledge exists to support the process
 4. To test the suitability of outputs to meet the needs of local authorities and other local stakeholders
 5. To gain ownership amongst statutory consultees of the LEA process to the findings of the analysis and reach a consensus understanding of FEMAs within Devon.
- 1.4 These objectives have been realised by hosting three workshops with a range of Devon stakeholders over the period from April to June 2010.
- 1.5 The workshops have involved two stakeholder groups:
- an ‘internal’ officer group of Devon County Council that will include representatives from Planning and Strategic Intelligence as well as officers from other Directorates with an interest in the project (e.g. Children and Young People’s Services)
 - an ‘external’ audience of wider consultees to be drawn from representatives of the district local authorities in Devon, the two National Parks within its boundaries, local partnerships (such as Devon Economic Partnership) and potentially, of Torbay and Plymouth City unitary authorities.
- 1.6 This summary report sets out the content and feedback of each of the three workshops held in Devon.

¹ Available from the South West Observatory website (www.swo.org.uk)

2: First workshop: introduction and key requirements

- 2.1 This workshop was held on 21 April 2010. The following note was produced as a record of the workshop.

Introduction

- 2.2 SQW Consulting and c4g has been commissioned by the South West Observatory Core Unit (SWO) on behalf of a wider partnership to assess economic linkages and Functional Economic Market Areas (FEMAs) in the South West.
- 2.3 To support the preparation of the Local Economic Assessment for Devon and in parallel to the region-wide study, Devon County Council has asked SQW and c4g to facilitate a series of workshops with stakeholders in Devon – an internal stakeholders group of Devon County Council officers and an external stakeholder group including representatives of district councils and other local partnerships.
- 2.4 The first set of two workshops was held on 21 April 2010, attended by over twenty stakeholders. Thank you to those that attended the workshops and the discussion it stimulated. This note provides a record of issues discussed at the workshops.

Functional Economic Market Areas and economic development

- 2.5 A presentation was given by SQW on the objectives of the region-wide study and the requirements for analysis of economic linkages and economic geography in national guidance for Local Economic Assessments (LEAs) and the Regional Strategy. The presentation also outlined why FEMAs are important for economic development and how they can be analysed.
- 2.6 It was noted that economic linkages are important issues for Devon. Local authorities are already working jointly on shared issues and the links between the Devon and Cornwall economies was noted, including the potential ‘pull’ of economic activity into Cornwall from the investment underway through the European funded Convergence programme.

FEMAs and economic linkages in the South West

- 2.7 A presentation was given by SQW on previous national and regional research on economic linkages and FEMAs in the South West. It was noted in one workshop that National Parks in the region are functional market areas (FMAs) in their own right.

Priority Functional Market Area themes in Devon

- 2.8 At both workshops, stakeholders were asked to prioritise the FEMAs that are most important to economic development in their area. In order of importance, the following FMAs were prioritised above others:

- Labour markets
- Retail markets/catchments
- Transport catchment areas and infrastructure
- Supply chains and economic linkages.

Key issues in Devon

- 2.9 The prioritisation exercise stimulated discussion afterwards of key issues to consider in assessing economic linkages and FEMAs in Devon and the South West. Key points of both discussions are presented below, firstly for the workshop with external stakeholders and then for the internal stakeholder workshop.

External Stakeholder Workshop

Travel to Work

- 2.10 Travel to Work Areas (TTWAs) are getting bigger as people travel more and over longer distances. This trend is expected to continue in the future, although long distance daily commuting may become unsustainable because of expected fuel price increases and environmental considerations.
- 2.11 It was noted that it is important to consider the inter-relationships between TTWAs, labour markets and housing markets and they should not be looked at in isolation. The future spatial pattern of development was seen as an important factor for the future, for example with planned growth in east Exeter.
- 2.12 Commuting data are useful to analysing economic linkages but their limitation was noted, as it is district to district flows rather than place to place.
- 2.13 It was noted that local research (Devon Renaissance Business Survey) had suggested that 15-18% of working residents in South Hams are home workers.

Economic Structure and Resilience

- 2.14 A view was expressed that large employers are less resilient to economic downturn than small employers. Anecdotally the Devon economy was felt to have been quite resilient to the economic downturn although no firm evidence was provided.
- 2.15 It was noted that VAT data are not a good measure of business activity in rural areas as many businesses – perhaps as high as 50% - are not VAT registered.

Tourism

- 2.16 Tourism was seen as an important influence on economic development, with potential for the study to include data on visitor economy, for example from South West Tourism.

Travel to learning

- 2.17 It was noted that travel to learning data is an important consideration in some parts of the county, particularly in rural areas.

Infrastructure

- 2.18 A view was expressed that Gross Value Added is influenced by the quality of transport infrastructure – with a close relationship between the two.
- 2.19 Access to high capacity broadband was regarded to be a major constraint in areas with poor coverage, for example rural north Devon.

Internal stakeholder workshop

Travel to Work

- 2.20 It was noted that employment growth has not increased at the same pace as population growth in some parts of Devon, for example Torridge.
- 2.21 The influence of transport infrastructure on TTWA patterns was noted, with future planned transport investment an important consideration for the future geography of TTWAs.
- 2.22 TTWAs are stretched along transport infrastructure routes – and likely to become more so in the future.
- 2.23 The stark difference in some parts of Devon between resident and workplace average earnings was noted.

Housing

- 2.24 A view was expressed that housing market analysis should not just be concerned with the geography of sub-regional housing markets but also with development capacity, affordability and market data.

Tourism

- 2.25 The importance of tourism to the South West and Devon economies was noted. However, research has also shown that the largest share of day visitors to Devon originate in the region, suggesting significant flows within the region as well as some flows from other parts of the United Kingdom and internationally.

Retail markets

- 2.26 Some stakeholders referred to the importance of retailing to the Devon economy, in particular the influence it has on the real and perceived attractiveness of towns and villages.

Infrastructure

- 2.27 The importance of transport gateways was noted, including the location of airports, docks/ferry ports, and major transport gateways into the region such as the main motorways and rail access points.
- 2.28 It was noted that broadband could change the geography of retail patterns, travel to work areas and access to services, in terms of 'weakening' existing patterns.

Demography

- 2.29 Population structure and change was regarded to be an important indicator of future demand for services.

Poverty and Deprivation

- 2.30 Child poverty was identified as an important indicator when considering economic potential. It was noted that child poverty is highly influenced by levels of employment.
- 2.31 A view was expressed that economic activity should be supported in local areas of Devon where deprivation and need is greatest.

Urban Rural issues

- 2.32 At a regional level, a clear distinction was identified between city regions (and their hinterlands) and polycentric rural areas. It was felt that this creates two distinct types of FEMA.

3: Second workshop: update and specification

- 3.1 This workshop was held on 6 May 2010. The following note was produced as a record of the workshop.

Introduction

- 3.2 SQW Consulting and c4g has been commissioned by the South West Observatory Core Unit (SWO) on behalf of a wider partnership to assess economic linkages and Functional Economic Market Areas (FEMAs) in the South West.
- 3.3 To support the preparation of the Local Economic Assessment (LEA) for Devon and in parallel to the region-wide study, Devon County Council has asked SQW and c4g to facilitate a series of workshops with stakeholders in Devon – an internal stakeholders group of Devon County Council officers and an external stakeholder group including representatives of district councils and other local partnerships.
- 3.4 The first set of workshops took place on 21 April 2010. The second set of workshops took place on 06 May 2010 at Devon County Council County Hall. This workshop note provides a record of issues discussed at the May workshops. The final workshop for all Devon stakeholders will take place at 14.30 on 22 June 2010 at the County Hall in Exeter. The final workshop will present the findings of the study and will include a demonstration of the GIS tool that is being prepared as part of the study.

Objectives of 6 May workshops

- 3.5 The purpose of the May workshops was to provide an update on the progress of the region-wide study and to present the emerging specification of the final study outputs. The workshops were interactive, with comments invited from attendees on the emerging specification of the study outputs.
- 3.6 The agenda of the workshops is appended to this note at Annex One. The consultants presented findings from the consultations undertaken with local and regional stakeholders (agenda item two) and on the emerging specification of the final outputs of the region-wide study (item four). This is the focus of this note.
- 3.7 The presentation also included a draft representation of the Multivariate Analysis task (item three) and a selection of layers of data in the GIS tool (under item 4) which can not be captured in this written note. A copy of the consultant's presentation has been made available alongside this note.

Key discussion areas

Project progress

- 3.8 SQW provided an update on the region-wide study. At the time of the 6 May workshops, the literature review and stakeholder consultations were largely complete and the task to define the specification of the final outputs was also nearing completion. The study is now in its final stage with data collection, mapping of the data in a GIS tool and final reporting.

Key messages from consultations

- 3.9 The presentation included the key findings of the stakeholder consultations undertaken with 14 upper tier local authorities and regional partners such as the Regional Observatory.
- 3.10 Key messages from the consultations included:
- The region-wide study is seen as being useful by the majority of stakeholders in assisting the preparation of LEAs. The study will help meet the requirement in national guidance for LEAs to explore economic linkages and will add robustness to the evidence base through the mapping of data
 - Upper tier authorities do not expect the study to identify a defined set of FEMA boundaries
 - There is a decent appreciation of high-level FEMAs across the region but this is not underpinned by detailed local research on spatial geography
 - A common set of region-wide ‘big issues’ relating to FEMAs did not emerge from the consultations with issues varying by consultee
 - Expected influences on FEMAs in the future include tightening public finances, climate change and the growth of the knowledge and service economy
 - There is limited primary survey data available, with scarce information on supply-chains and economic linkages such as business to business trade flows.
- 3.11 Comments were invited at the Devon workshops on the key messages to emerge from the programme of consultations. There was surprise that a set of ‘big issues’ had not emerged from the consultations, although it was recognised that this may reflect the early stage at which many of the LEAs are at across the region.

Specification of final outputs

- 3.12 The presentation provided details on the specification of the study outputs – in respect of the themes and data that will be analysed and mapped and the principles of the GIS tool.
- 3.13 An excel spreadsheet of prioritised data indicators by the agreed FEMA themes was discussed at the workshops. The excel spreadsheet has been made available alongside this note. The spreadsheet prioritises data indicators into three groups: high, which means the data is being

collected; high/ medium, which means the data is under consideration but that further investigation is required; and medium, which means the indicator is a reserve.

3.14 It was noted that the list discussed at the workshops is not the final set of indicators and some indicators may not form part of the final study outputs if they do not prove to be useful in the analysis. In developing the themes and data list, the consultants have had to keep the number of indicators manageable within the study resources and consider trade-offs between the desire for the study to map data at the lowest spatial scale and the reliability and age of data at lower spatial scales.

3.15 Comments were invited from Devon stakeholders on the theme and data list. The following comments were made:

- For data on inward investment, it was suggested that the team explore the availability of United Kingdom Trade and Investment (UKTI) agency data
- On businesses, it was suggested that the age of firms should be mapped (RDA count data)
- Given the difficulty in mapping commuting data for all districts, it was suggested patterns between key settlements could be mapped
- Regional research on broadband connectivity was suggested as a resource to investigate. It was agreed that the GIS tool can incorporate research in Devon on broadband connectivity if this can be made available to the consultants
- It was noted that the age profile of the population in Devon is an important factor, with a relatively small 18-30 cohort and a relatively large 30+ cohort
- Population density is a useful indicator for rural issues
- It was noted that the GIS tool could include the Department for Environment, Food and Rural Affairs geography of urban and rural areas
- Two sources of data were discussed relating to transport – the Exeter Travel Tally and roadside travel interviews in Exeter, Torbay and Newton Abbott which include the origin and destination of trips.

3.16 The discussion also identified other potential indicators not captured in the themes and data list. It was agreed that they will be considered in developing the final list. They were:

- Data on NEETs (individuals Not in Education, Employment or Training)
- Learning data
- Measures of the quality of housing stock
- Heat map (Department of Energy and Climate Change)
- Domestic energy consumption (available at Lower Super Output Area (LSOA))
- Parish boundaries

- Sustainable rural toolkit.
- 3.17 The presentation of the specification of the study outputs included a recap of the principles of the GIS tool. It was noted that the GIS is a key output of the study and will be used to map layers of data on FEMAs. The GIS tool will be made widely available to stakeholders in the region developing the LEAs and Regional Strategy and will be supported by guidance.
- 3.18 At the time of the May workshops it was envisaged that the GIS tool would be accessed via the internet. After further developmental work, it was decided that this would not be possible within the confines of this study so instead the GIS tool will be distributed on a CD-Rom.

Annex One: Agenda of 6 May Workshops

Arrival and tea/ coffee

1. Introduction to workshop – Devon County Council
2. Introduction to purpose of workshop – SQW
3. Key messages to emerge from stakeholder consultations – SQW
4. Prioritised themes and data – SQW
5. Presentation of emerging GIS tool – c4g

4: Third workshop: tool and final analysis

- 4.1 This workshop was held on 22 June 2010. The following note was produced as a record of the workshop.
- 4.2 This final Devon-level analysis draws upon the work undertaken for a partnership of organisations in the South West, coordinated by the South West Observatory (SWO) core unit. This South West level work is reported separately, and the Devon-level analysis should be read in conjunction with the final report of the South West work.

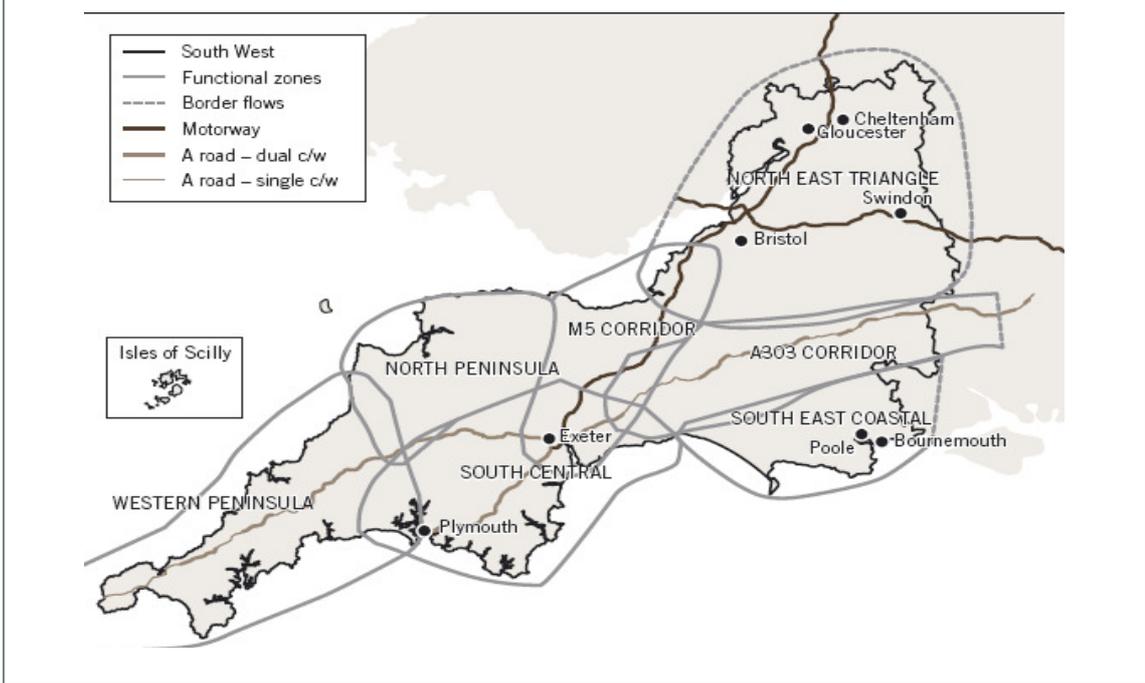
Purpose and Objectives

- 4.3 To undertake Local Economic Assessments it is necessary to understand functional economic market areas, and important to understand linkages between the local area and the wider economy. It is necessary to undertake analysis that is not constrained by administrative boundaries.
- 4.4 There is no universally agreed way to define FEMAs, and they can be drawn in different ways according to the issue under discussion e.g. FEMAs will be drawn differently according to whether they are drawn according to economic activity, labour catchment, retail or housing markets
- 4.5 The Spatial Economic Analysis Tool for the South West (SEAT-SW) provides a tool for local authorities to do this and some initial analysis to them you on their way. This will help to ensure that this is done on a consistent basis so that future discussions draw on a shared evidence base.
- 4.6 It is important to undertake analysis at the level at which the market operates as this allows for better policy-making, but this may not respect administrative boundaries. This provides potential for better integration of policy making.
- 4.7 However, FEMAs are useful for more than just statutory reasons. They will inform a range of policies that the LEA will inform; and they provide the flexibility to look at a range of indicators.

Previous work on FEMAs in the South West

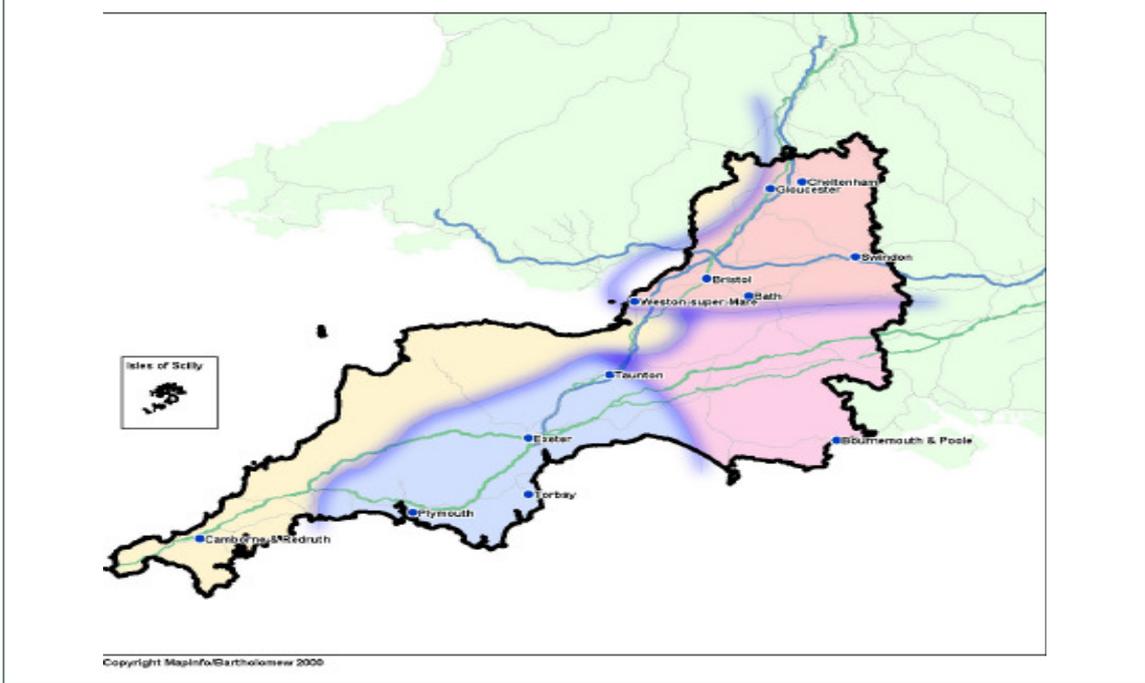
- 4.8 Previous work has been undertaken on functional geography in the South West, most notably for the RES, where functional economic zones (backed up by characteristic zones) were drawn. Previous work is described in more detail in the final report of the regional FEMA study available from SWO. Commonly used functional geographies include:
- retail hierarchy;
 - housing market areas; and
 - travel to work areas (TTWAs).

Figure 4-1: Functional economic zones from the RES



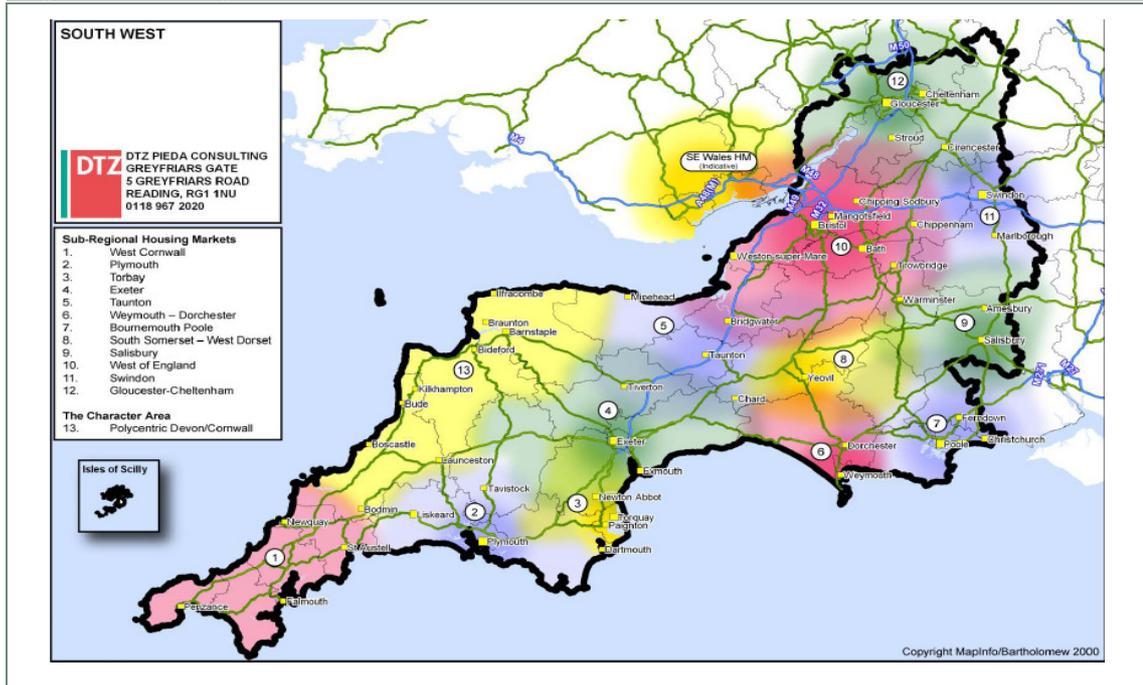
Source: South West RES

Figure 4-2: Characteristic zones from previous work undertaken by DTZ



Source: DTZ

Figure 4-3: Housing market areas

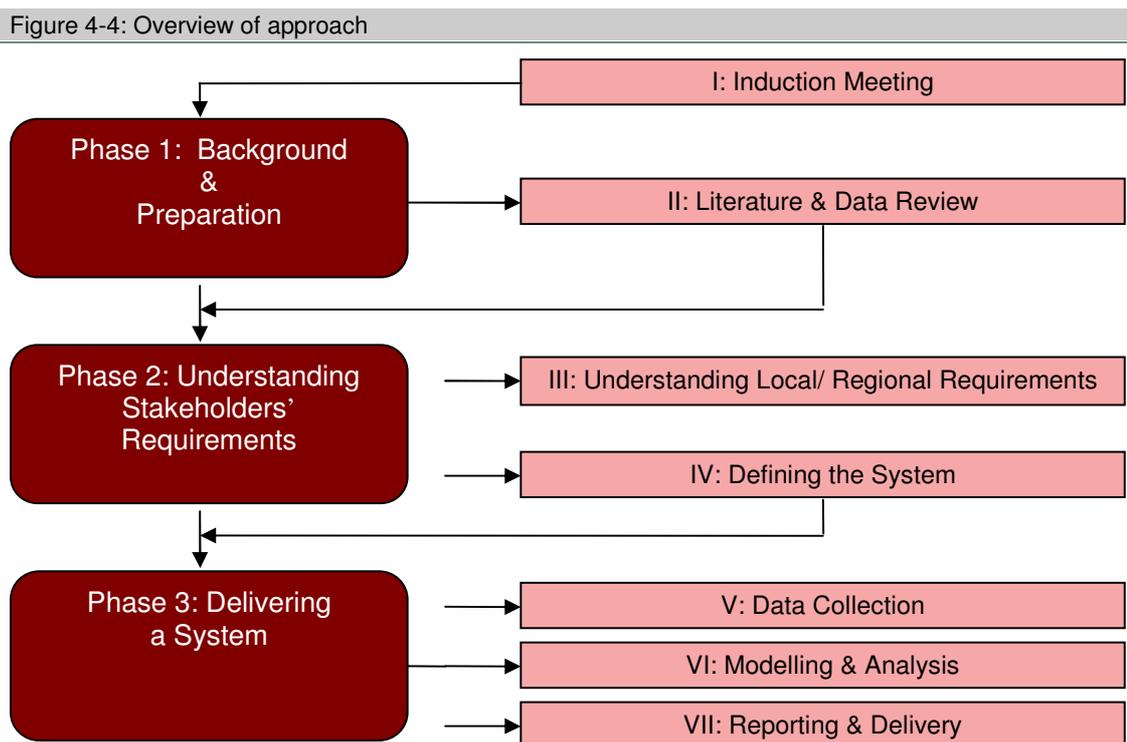


Source: DTZ

- 4.9 However, this work is often undertaken from a regional perspective and arrives at a single set of boundaries. The previous work is often driven by a single issue (e.g. retail or housing or travel-to-work).
- 4.10 This current work goes beyond the previous work, in two important respects:
- a finer grain of data collection and presentation; and
 - the ability for all stakeholders to take the system and use it. This includes the ability to zoom in and around local areas and region; look at different datasets; and change the way in which datasets are presented.
- 4.11 The main regional study has also reviewed analysis undertaken in other regions to see what can be learned from this; and these are reported in the main regional study.
- 4.12 These previous analyses are available in the Spatial Economic Analysis Tool so that they can be reviewed and compared with results generated from the Tool.

Approach and methodology

- 4.13 The full methodology for undertaking this work is described in the final report of the regional study. The methodology is summarised in the figure below.



Source:

4.14 Understanding stakeholders' requirements has been a key element of this work. The consultation process has been key to undertaking the work. Consultation has included:

- workshop consultations;
- one-to-one consultations; and
- close working with a steering group representing the range of stakeholders – local authorities, SWC, SWRDA, SWO

4.15 The functionality of the Spatial Economic Analysis Tool has been defined as a consequence of the consultation process

4.16 Key functionality required by stakeholders includes:

- a shared evidence base to enable policy development
- a robust evidence base with the ability to generate maps to inform policy development
- evidence to inform joint working
- the ability to explore issues around LEAs
- a tool which can support LEAs, but also going further to support economic development and planning policy and potentially to inform investment decisions
- a tool which can support analysis of a number of areas, with Devon stakeholders particularly identifying: labour markets; retail; transport; and economic linkages as key issues of interest.

The Spatial Economic Analysis Tool (SEAT-SW)

- 4.17 The Spatial Economic Analysis Tool which has been produced is described in detail in the regional FEMA report.
- 4.18 There are 100 data layers in the tool. The full regional reports sets these out in detail, and these group around the following themes:
- 4.19 Access to services
- Distance to food store
 - Distance to GP premises
 - Distance to Post Office
 - Distance to primary school
 - Further Education Colleges
 - Higher Education Institutions
- 4.20 Demography
- Pensionable age
 - Population change 2001-08
 - Population forecasts
 - Working age population
 - 2009 affordability ratio
 - 2009 median house price
- 4.21 Natural environment
- Area of Outstanding Natural Beauty
 - National parks
- 4.22 Retail
- Retail catchments 1-2
 - Retail catchments 1-3
- 4.23 Economy
- Average distance to work
 - Business units
 - Claimants

- Commuting self cont
- Economic inactivity
- Employment by occupational group
- Forecasts
- FTE workers
- GVA change
- GVA total
- IDBR age bands
- IDBR local units
- IDBR local units size
- Job density
- Knowledge economy
- Knowledge economy locational quotient
- Sectoral employment by Broad Industrial Group
- Self employment 2001
- Sole traders and partnerships
- TTWAS 2001
- TTWAS 1991
- Value tourism
- Weekly income
- Work from home
- Workplace earnings

4.24 Social

- IMD score
- Claimant count
- Claimants LSOA
- Out of work benefits

4.25 Qualifications

- GCSE score
- Skills no-qualification
- Skills NVQ3+
- Skills NVQ4+

4.26 Places

- Association of Market Towns classification
- Brownfield
- Growth points
- Local Delivery Vehicles
- Rateable value
- Strategically significant cities and towns

4.27 Previous FEMA

- Housing markets
- LGA zones
- South West RDA character zones
- South West RDA functional zones

4.28 The functionality of the Tool is discussed in more detail in the main regional report, and a guidance manual for the Tool is available (and is included as an annex to main regional report). Key functionality that will be useful includes:

- the ability to overlay data layers together in a single map – known as projects
- the ability to display and overlay layers
- the ability to turn layers on and off
- functionality to zoom in and out of key areas and move about the map
- links from the displayed maps to the underlying data
- the ability to export or print the map.

4.29 Data is collected at Lower Super Output Area (LSOA) level where possible, or higher level where not possible. This gives a fine grain of data availability.

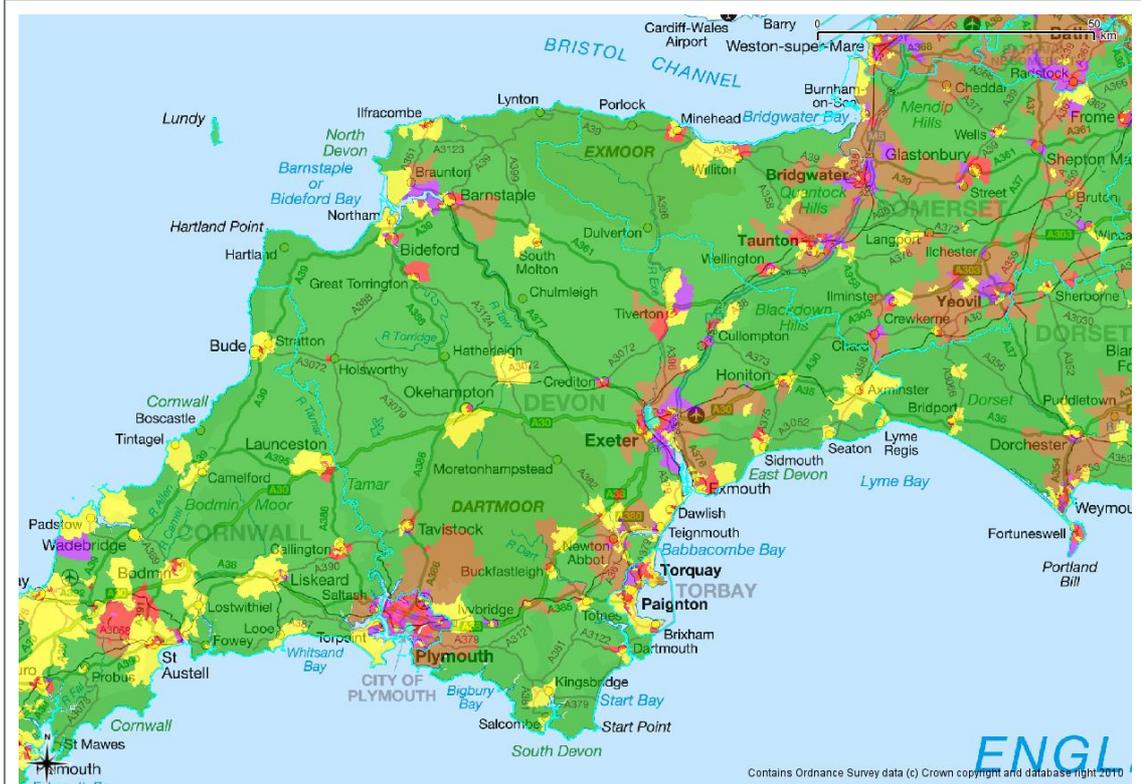
4.30 The Tool is available on a DVD which can be obtained from the South West Observatory.

4.31 The following sections of this report set out some preliminary analysis undertaken using the Tool.

Multivariate analysis

- 4.32 Multivariate analysis (MVA) is a starting point for looking at all datasets to understand the relationships between them and to provide a first picture of the region and of Devon. MVA provides a single map of the region – which is very data driven, and does not involve any manual analysis. This gives a single dimensional analysis of the South West which provides a starting point to investigate further. MVA is discussed in more detail in the full regional report.
- 4.33 The MVA analysis identified seven data clusters from the datasets used in the Spatial Economic Analysis Tool. These are:
- Inner city, mixed neighbourhoods, poor housing characterised by poor housing, ethnic diversity, students, high population density (light blue on the following map)
 - Deprived, poor neighbourhoods characterised by low incomes, low skills, low educational attainment, high claimant rates (pink on the following map)
 - Low skill, working neighbourhoods characterised by low skills, routine/semi-routine occupations, public sector housing, single parent housing (red)
 - Diverse, young neighbourhoods characterised by ethnic minorities, young adults, single person households, high population density (purple)
 - Resorts and retirement characterised by second homes, public sector employment, residents of retirement age (yellow)
 - Rural areas characterised by agriculture & fishing, poor access to services, small businesses, home working, high car ownership, longer distance commuting (green)
 - Commuter belts characterised by high car ownership, well qualified, middle aged residents (brown)

Figure 4-5: Multivariate analysis map of Devon and surrounding areas

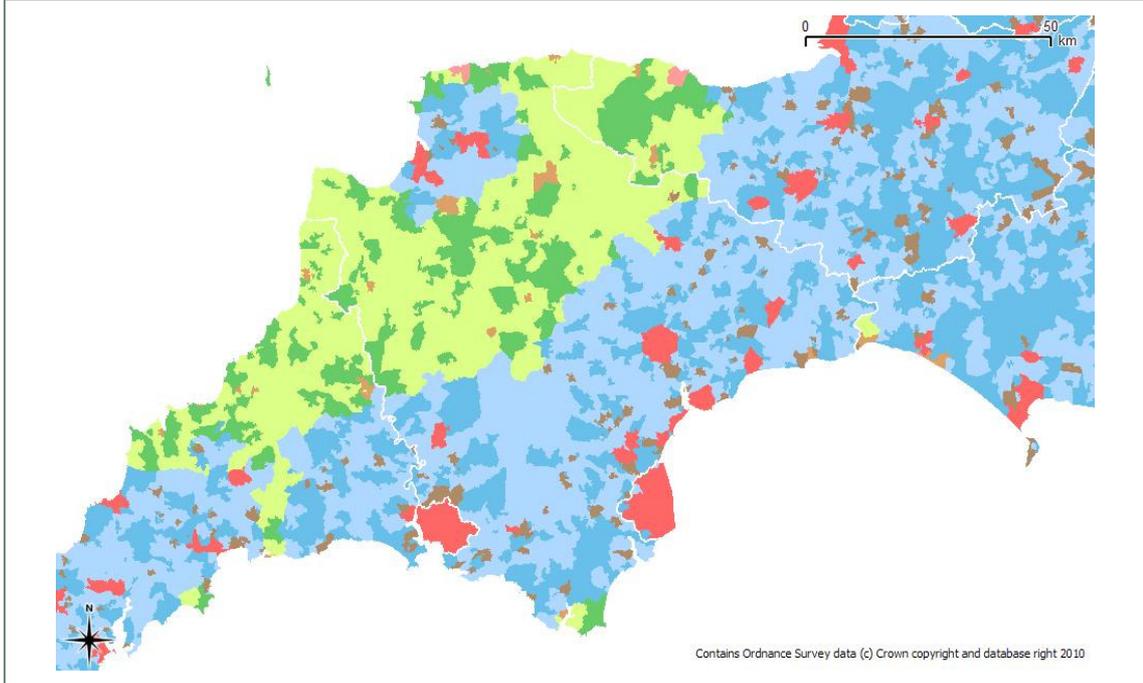


Source: SQW analysis using the SEAT-SW tool

Key points for FEMA analysis

- 4.34 The key points emerging from this MVA analysis for FEMA in Devon include:
- Devon is significantly rural by area
 - This pattern continues east and west into Somerset and Cornwall
 - Urban clusters around Exeter, Torbay, Plymouth, Barnstaple/Bideford, key market towns and key road/transport corridors
- 4.35 The rural/urban nature of Devon can be seen more clearly in the following map produced from the SEAT-SW which shows the urban and rural areas of Devon and the adjoining areas.

Figure 4-6: Urban and rural designations



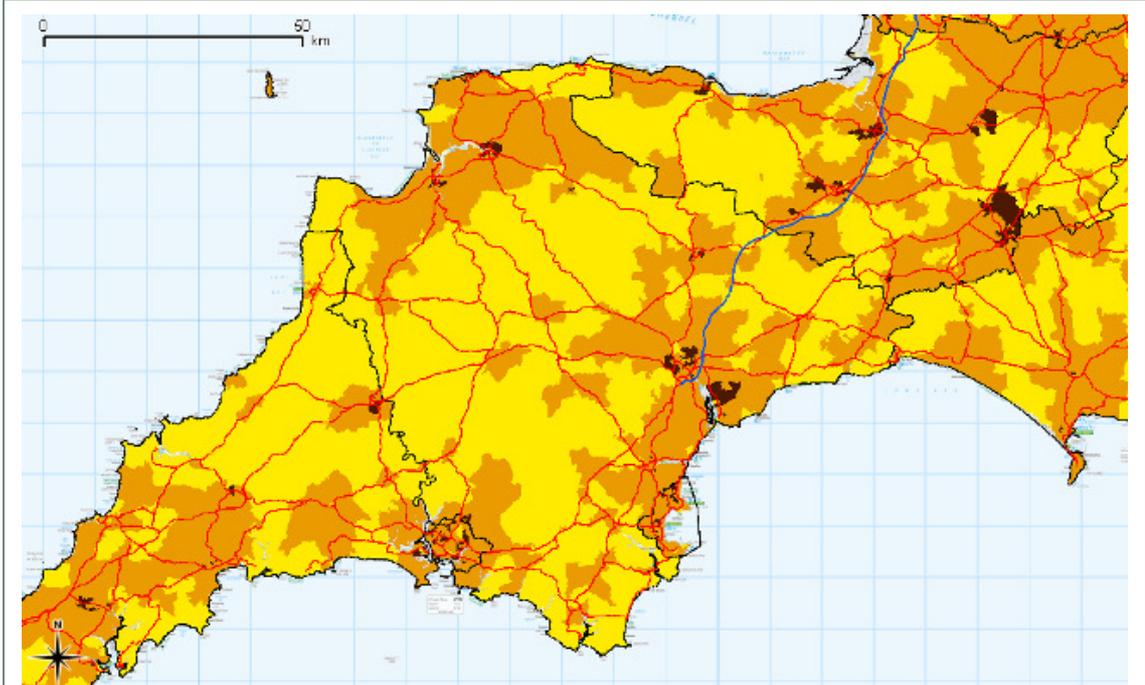
Source: SQW analysis using the SEAT-SW tool

Demography and geography

Average distance to work

- 4.36 The figure below shows average distance to work, where the data is shown in three categories: 0-10km (dark brown); 10-20km (orange); 20km+ (yellow)
- 4.37 The shortest distances to work is found only in Exeter and other larger towns. There are areas in North Devon/Torridge, around Exeter, Torbay, Plymouth and larger market towns where there are shorter average distances to work. There is a large area of medium commuting around Exeter, Torbay and along A38 corridor
- 4.38 Much of central and west Devon is similar to east Cornwall in demonstrating high average distances travelled to work.

Figure 4-7: Average distance to work

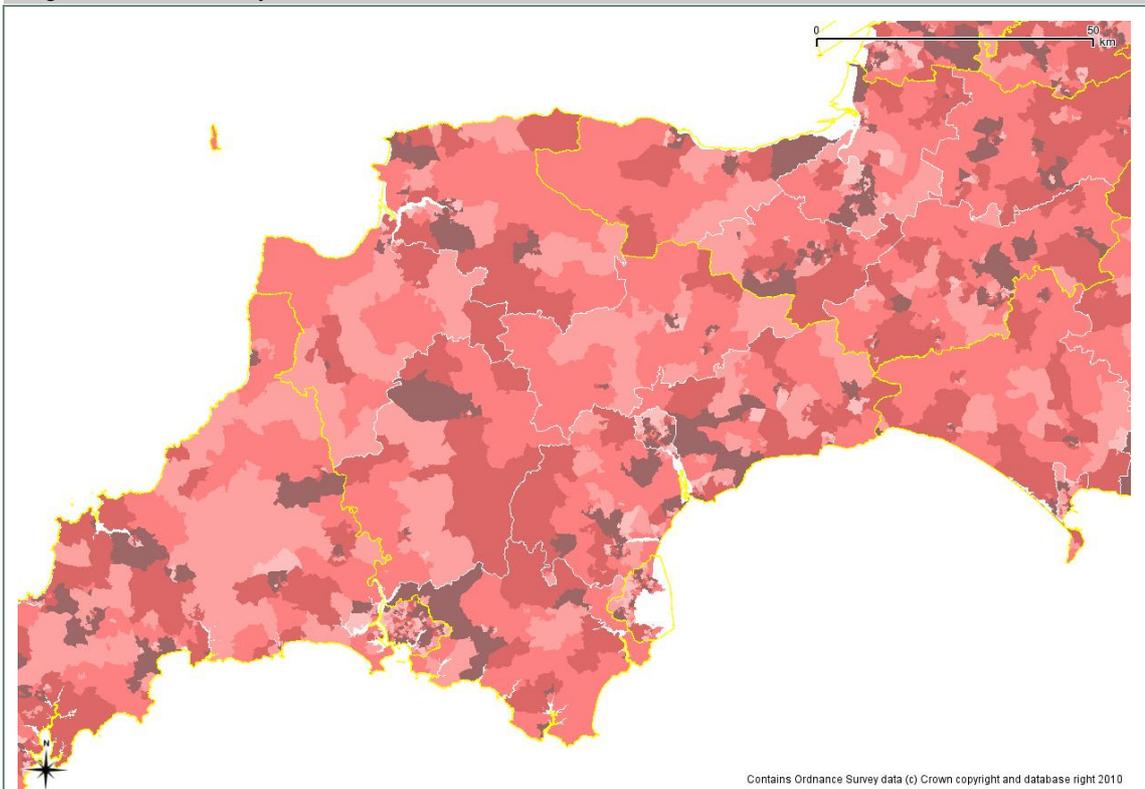


Source: SQW analysis using the SEAT-SW tool

Job density

- 4.39 In this map showing job density, the darkest areas have a job density of 0.82+ jobs per resident. All other areas have a job density of less than 0.82 jobs per resident.

Figure 4-8: Job density

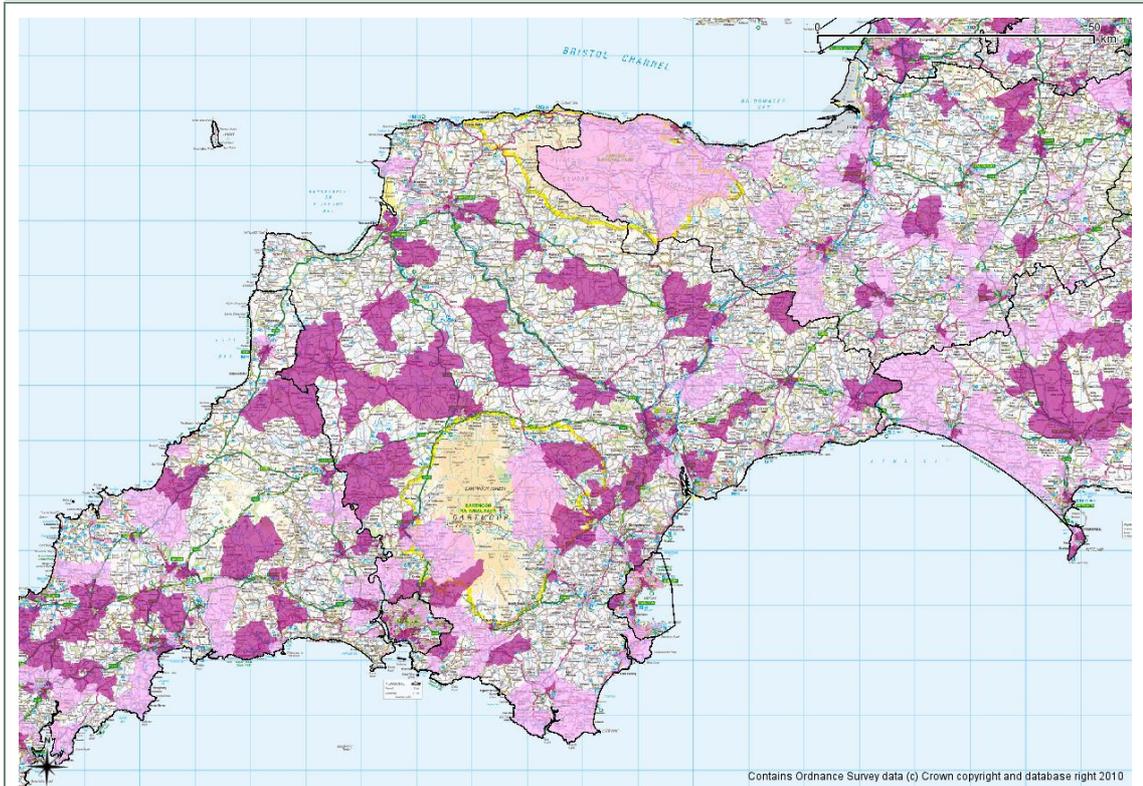


Source: SQW analysis using the SEAT-SW tool

Population change 2001-2008

- 4.40 The map below shows population change between 2001-08, with negative growth (in pink); and growth of 10%+ (in purple) highlighted. Growth from 0-10% is not highlighted, in order to simplify the map. It is apparent from this map that the areas with the highest levels of population growth are predominantly in the central rural parts of Devon

Figure 4-9: Population change 2001-2008

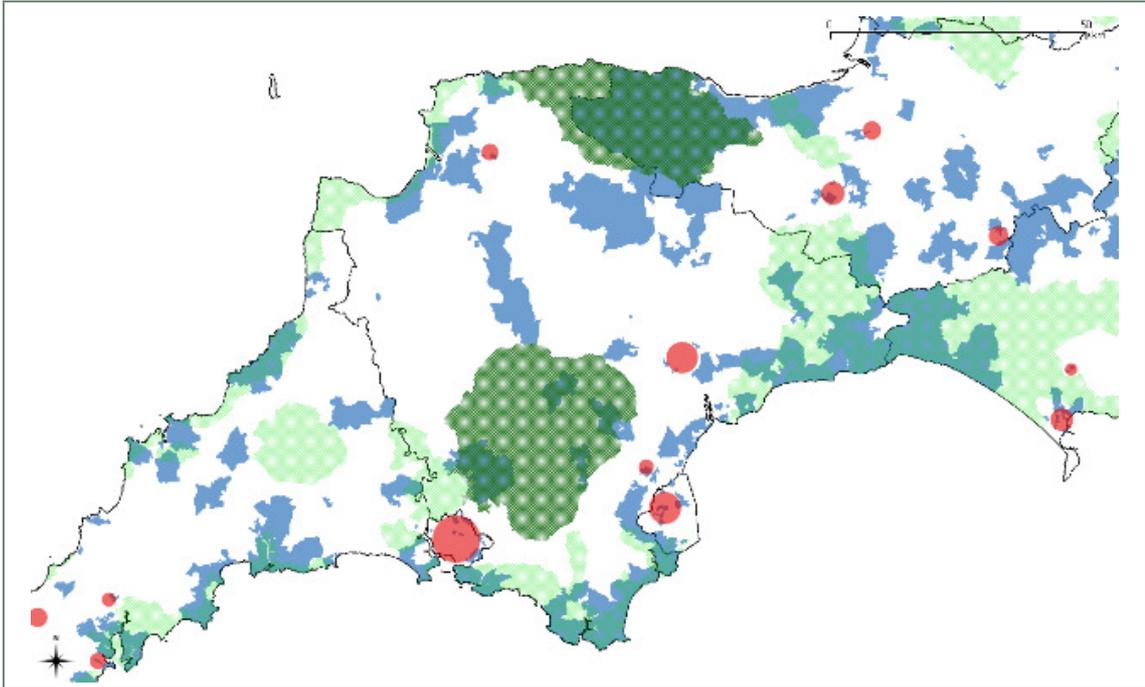


Source: SQW analysis using the SEAT-SW tool

Population of pensionable age

- 4.41 The map below shows population of pensionable age 30%+ (light blue) with National Parks and AONBs. The south coast displays a dominance of pensioners (>30% of the population), as well as the area around Bideford in the north and in east Devon extending northwards into Exmoor

Figure 4-10: Population of pensionable age

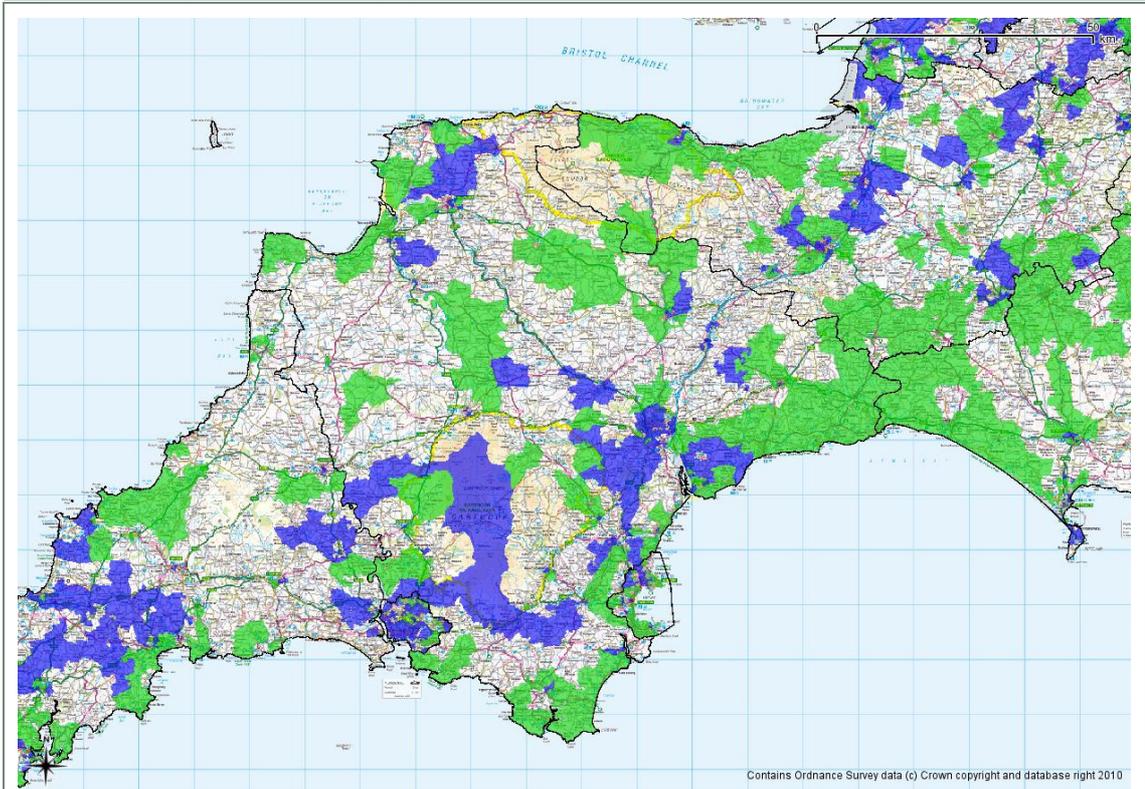


Source: SQW analysis using the SEAT-SW tool

Population of working age

4.42 The map below shows population of working age where the highlighted categories are 0-55%+ (green); 60%+ (blue)

Figure 4-11: Population of working age



Source: SQW analysis using the SEAT-SW tool

Retail catchments

- 4.43 The map below shows the higher order retail catchments in and adjacent to Devon, with each coloured separately.

Figure 4-12: Higher order retail catchment areas



Source: SQW analysis using the SEAT-SW tool

- 4.44 The map below shows the district level retail catchments or the next level down from the higher order catchments. Clearly these catchment areas overlap each other.

Figure 4-13: District level retail catchment areas



Source: SQW analysis using the SEAT-SW tool

Key points for FEMA analysis

4.45 The key points from the above maps on demography and geography which are useful for FEMA analysis include the following:

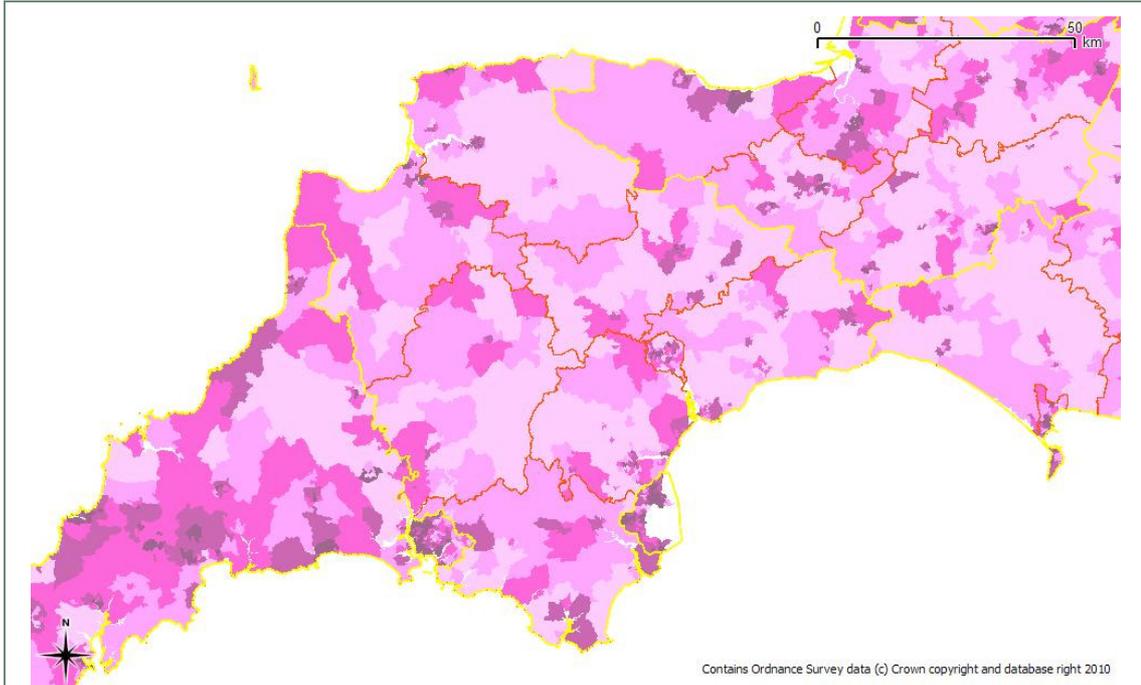
- A mostly rural county in which Exeter and Plymouth are strong influences
- ... but away from these two urban areas Devon is essentially poly-centric
- North Devon and Torridge are relatively remote with strong towns (especially Barnstaple); and similar to north Cornwall
- This functionality fades towards the M5 A38 corridor
- Exeter and Plymouth reach well beyond their boundaries
- Larger settlements are centres of employment...
- ... and away from them employment is more dispersed (but still there)
- Areas with greatest proportion of working age and short/medium distances to work located around Exeter/Torbay/A38 corridor and North Devon
- The centre of the county is characterised by more retired-age population, more areas of positive population growth and low-medium household incomes
- County-level geographical pattern suggests three consistent areas:
 - Exeter/Torbay/South Coast/Plymouth
 - Rural centre
 - Barnstaple/Bideford and hinterland

Economic inclusion

Claimant count

4.46 Claimant count rates are average to low across the county, with the lowest in South Hams, and then central Devon from West Devon to Mid Devon and East Devon (extending eastwards to South Somerset and West Dorset).

Figure 4-14: Claimant count

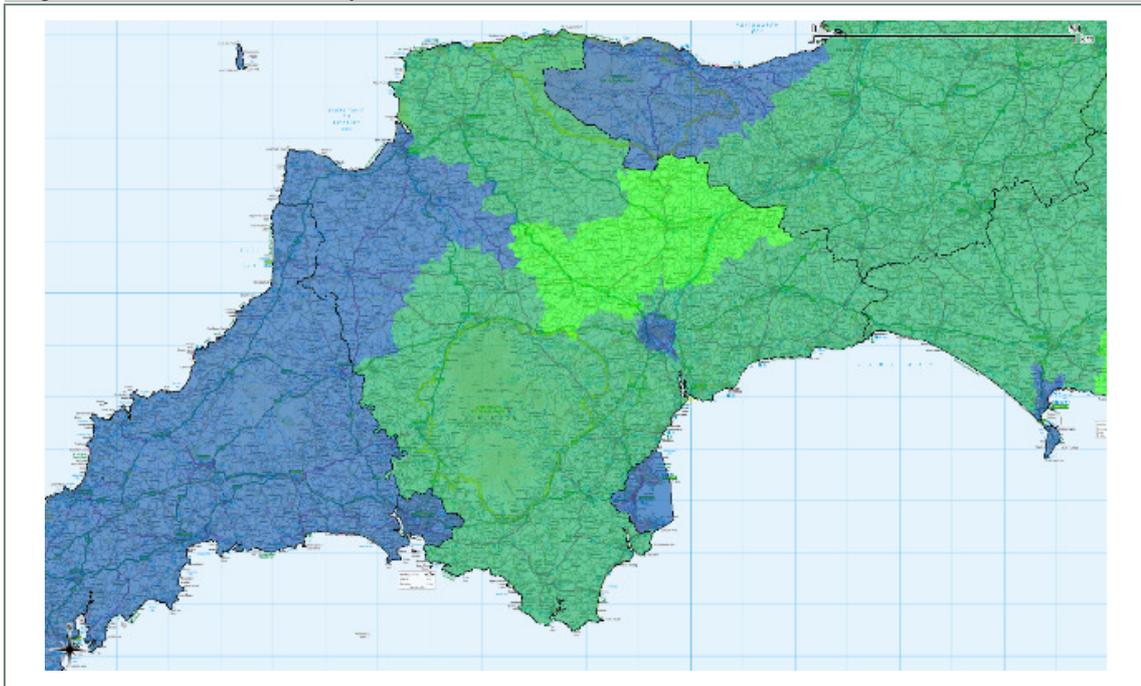


Source: SQW analysis using the SEAT-SW tool

Economic inactivity

- 4.47 Economic inactivity is presented in the following classes: 0-16% (light green); 16-20% (dark green); 20%+ (blue). The districts with the highest level of economic inactivity (>20%) are Torrington and Exeter; this is similar to Cornwall and Plymouth to the west, Torbay and West Somerset to the east. Mid Devon by contrast has a relatively low rate of economic inactivity, less than 16%.

Figure 4-15: Economic inactivity

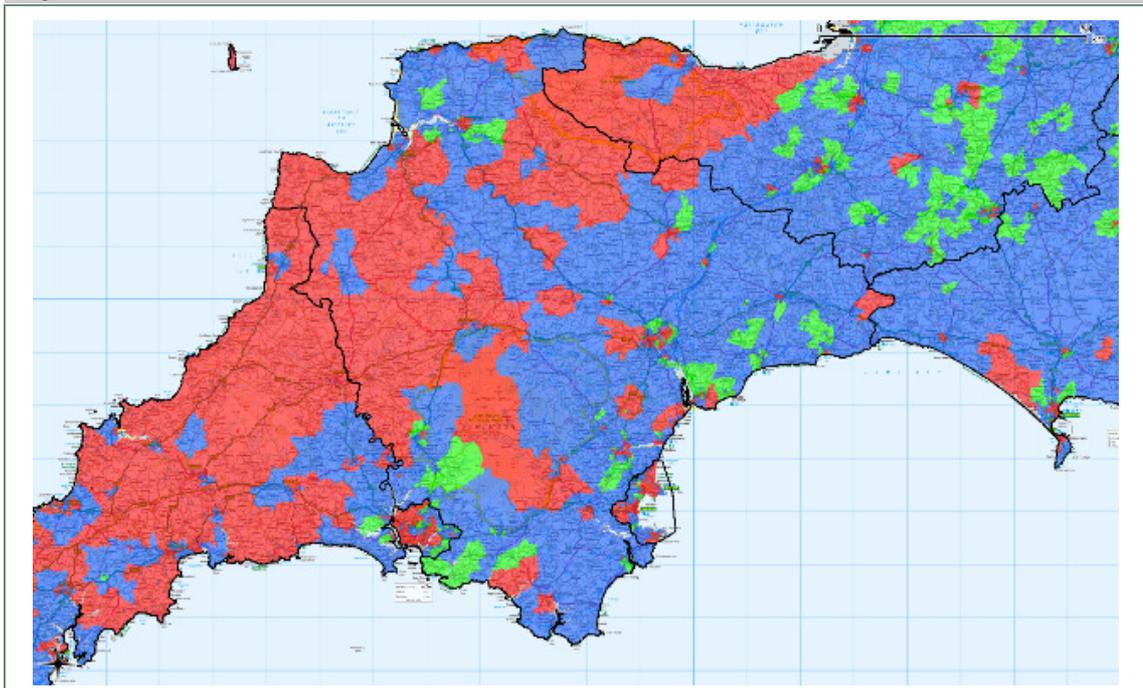


Source: SQW analysis using the SEAT-SW tool

IMD score

- 4.48 The map below shows Index of Multiple Deprivation (IMD) scores where the key categories highlighted are 0-10 (green); 10-20 (blue); 20+ (red). The highest levels of deprivation are found in the north and west of the county, notably around Barnstaple, Bideford and Ilfracombe, and bordering Somerset/Exmoor in the north west of the county, as well as much of Dartmoor and west of Okehampton over into Cornwall.
- 4.49 Pockets of LSOAs with the lowest deprivation scores are found in the south of the county, notably to the south east of Plymouth, to the immediate north and east of Exeter, to the south of Newton Abbott, and around Exmouth (to the north), Sidmouth and Ottery.

Figure 4-16: IMD scores



Source: SQW analysis using the SEAT-SW tool

Key points for FEMA analysis

- 4.50 The key points on economic inclusion emerging from the maps reviewed above are:
- Broadly, cities and towns are centres for deprivation
 - ... but this is also a feature of more remote rural areas
 - Torridge scores poorly on economic inclusion indicators. It is facing similar issues to North Cornwall

Enterprise and innovation

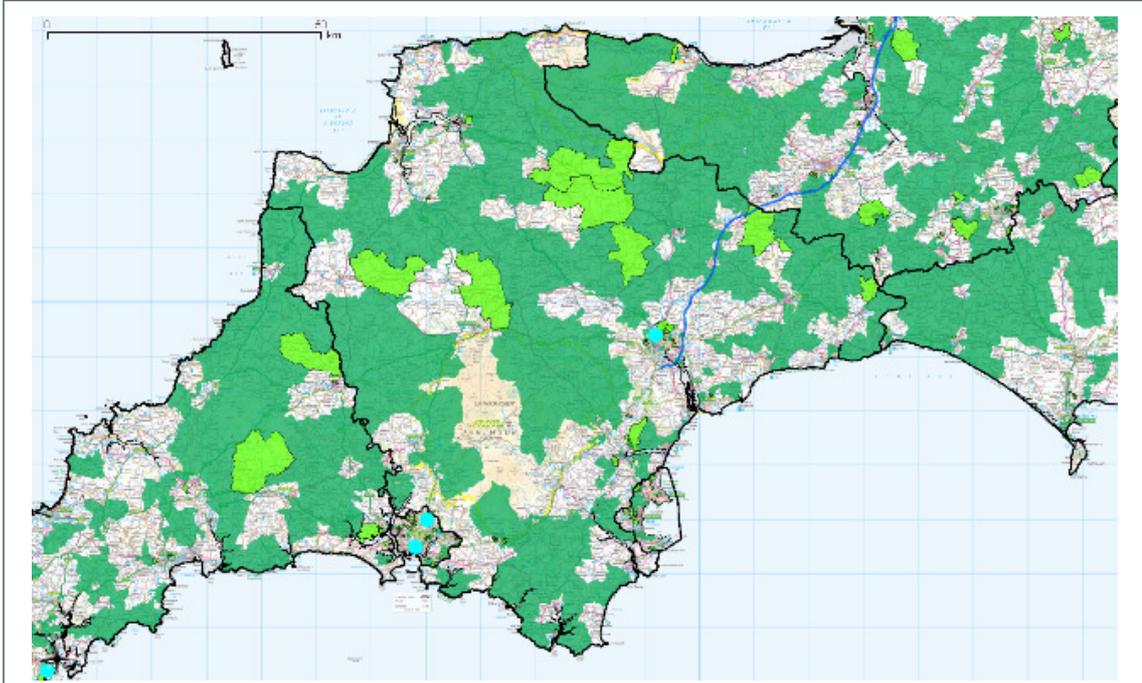
Small businesses

- 4.51 The map below shows IDBR units of size 0-4 employees as a measure of the dominance of small businesses, where the key categories highlighted are: 80-90% (light green); 90%+ (dark

green). Devon contains a large proportion of the LSOAs in the region with self-employment rates of more than 25%; particularly strong in the east (around Exmoor) and to the east of Honiton; parts of Dartmoor and south of Totnes. The lowest levels of self-employment are in LSOAs in central and outskirts of Exeter. This pattern mostly coincides with levels of home-working; large parts of the county are characterised by high proportions (>20%) of people working from home (particularly north of Dartmoor and up to Exmoor).

- 4.52 Several parts of Exeter and several LSOAs around Newton Abbott and Kingsteinton have more than 90% micro businesses.

Figure 4-17: Small businesses (IDBR unit size 0-4 employees)

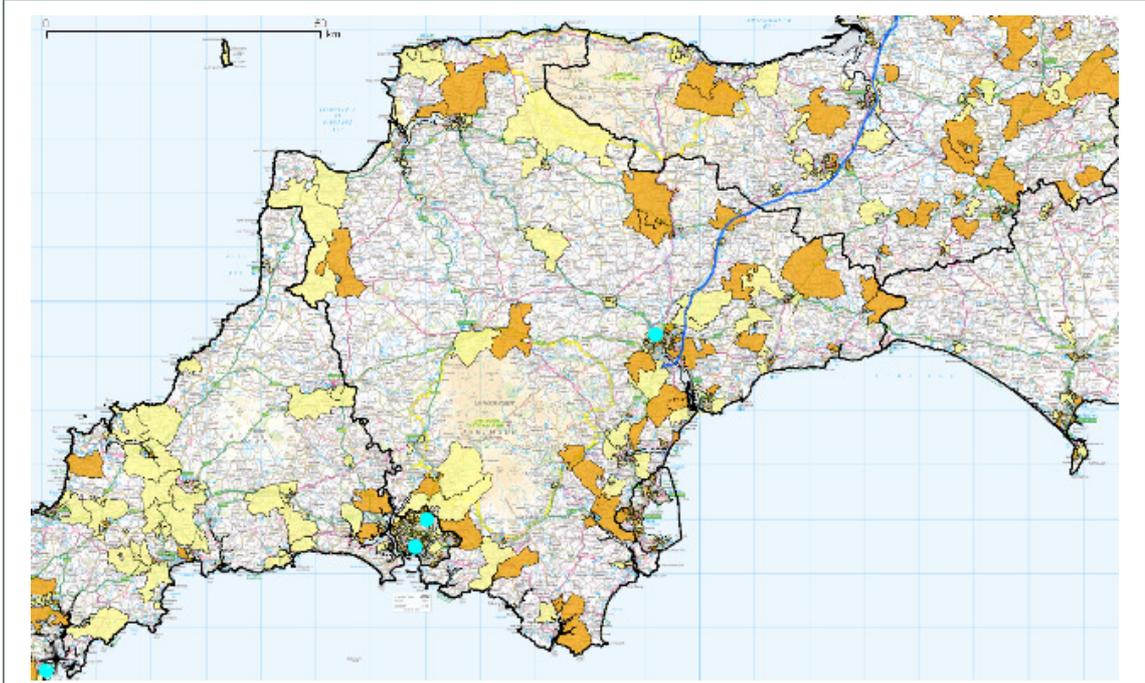


Source: SQW analysis using the SEAT-SW tool

Knowledge economy employment

- 4.53 The map below shows the distribution of knowledge economy employment, with the highlighted categories showing the areas with the lowest levels i.e. 0-1.5% (in yellow) and the areas with the highest levels of 10%+ (in orange). There does not appear to be a particularly strong pattern in terms of knowledge economy employment, although there are more concentrations in the south of Devon along the coastal plain than in the central rural area.

Figure 4-18: Knowledge economy employment

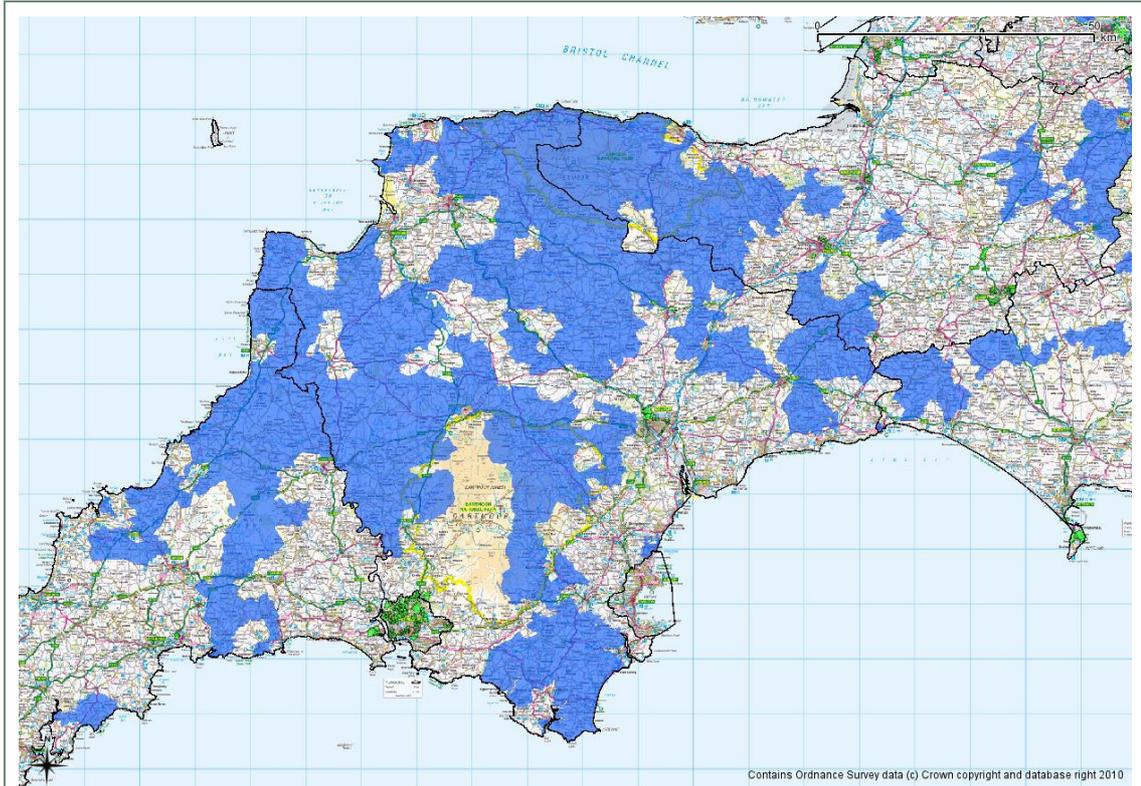


Source: SQW analysis using the SEAT-SW tool

Self employment

- 4.54 The map below shows self-employment with the highlighted categories being 0-5% (green); 20%+ (blue). We have removed the shading on the areas between 5% and 20% to better highlight those areas with the highest and lowest levels of self employment. Locations with higher levels of self employment predominantly in the rural areas; and the lowest levels of self-employment predominantly in the urban areas

Figure 4-19: Self employment

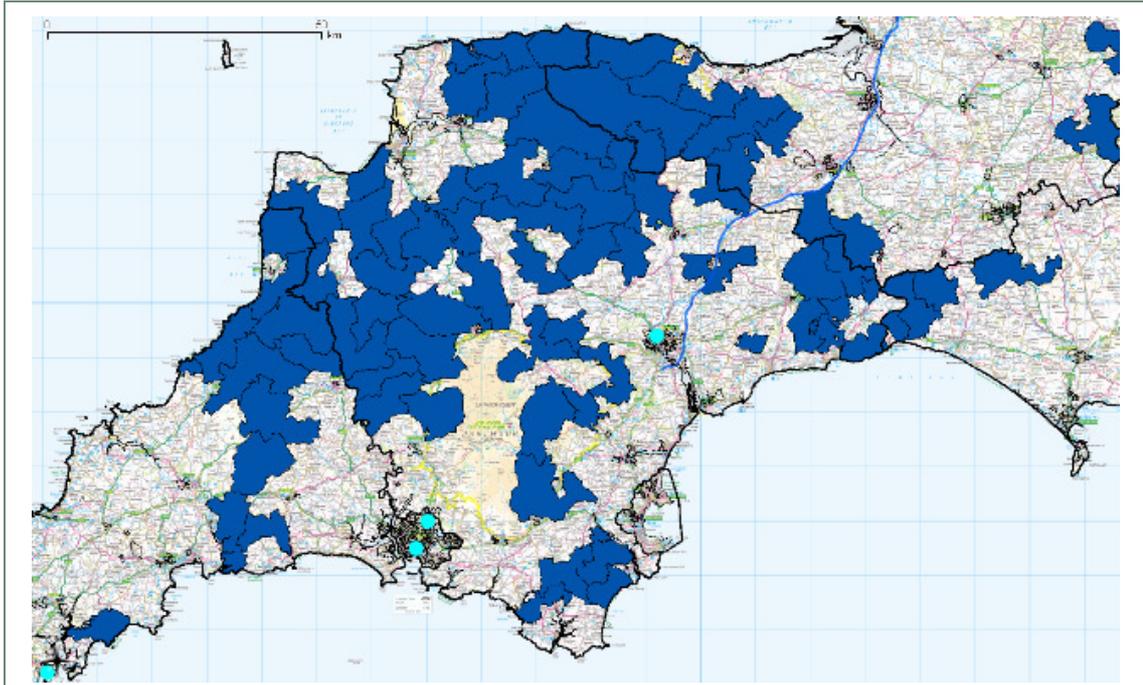


Source: SQW analysis using the SEAT-SW tool

Working from home

- 4.55 The map showing concentration of the workforce working from home highlights the categories of 0-8% (outline only) and 25%+ (blue). The highest levels of working from home are far more prevalent in the rural parts of Devon than in the urban and south-coast areas. There are clear linkages over the borders into Cornwall, Somerset and Dorset
- 4.56 The first workshop highlighted working from home as a significant trend in South Hams, but map shows that it is also significant through much of the north, centre and west of the county.

Figure 4-20: Working from home



Source: SQW analysis using the SEAT-SW tool

Key points for FEMA analysis

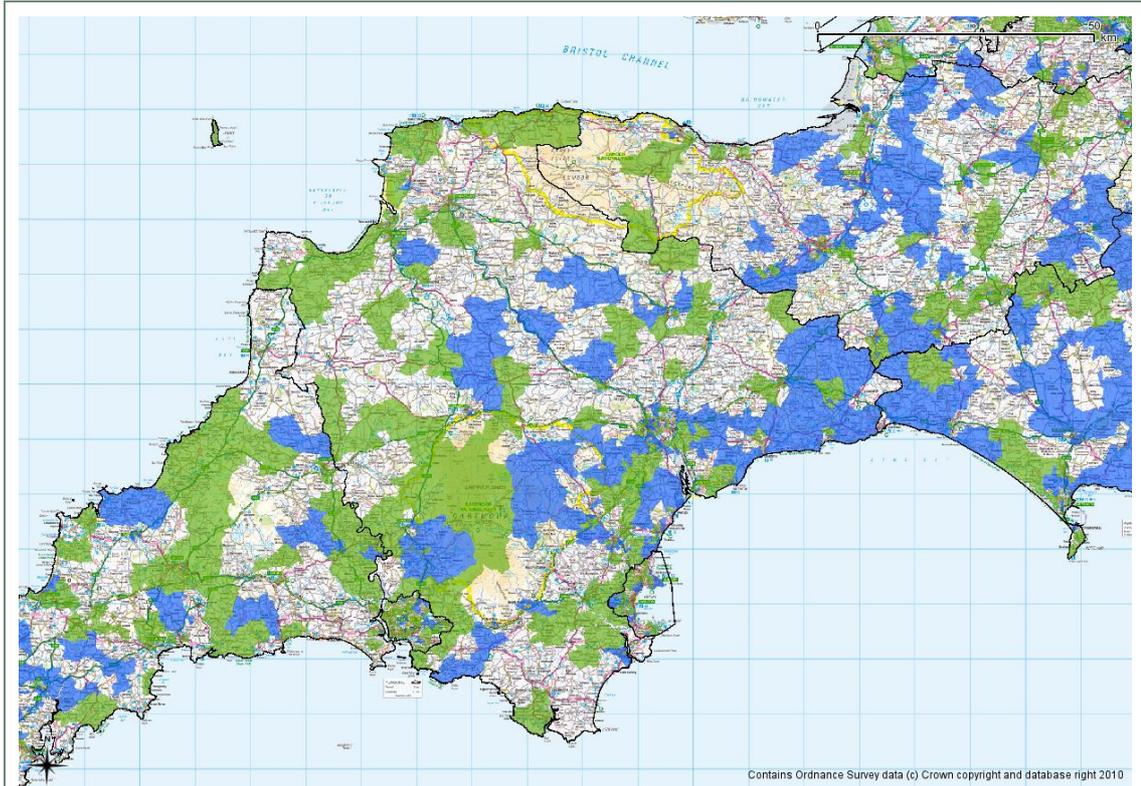
- 4.57 The key points on enterprise and innovation shown in the maps above are:
- Smaller business sizes, working from home and self-employment more characteristic of north and centre of the county and less characteristic of Exeter, Torbay and A38 corridor
 - There is essentially a rural/urban split of the county again
 - There is no strong pattern to location of knowledge economy

Skills

GCSE scores

- 4.58 The highlighted categories of GCSE scores show 0-675 (green) and 800+ (blue). West Devon has the lowest GCSE scores, which appears to link it with parts of east Cornwall. Low average scores are also found on the north coast and throughout Exeter and Newton Abbott, and parts of Exmouth.
- 4.59 Some of the highest GCSE scores (>800) are found in the south east of the county (south of Honiton and around Ottery), linking with those found in nearby Dorset and Somerset.

Figure 4-21: GCSE scores

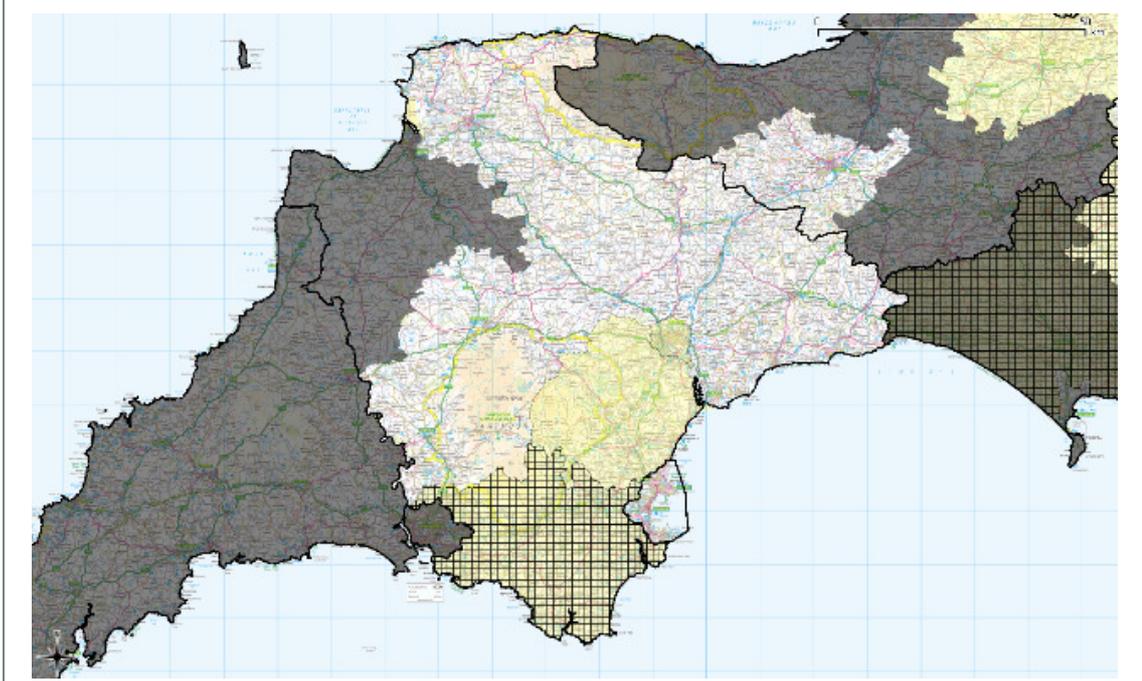


Source: SQW analysis using the SEAT-SW tool

Qualifications

- 4.60 The map below showing qualifications highlights those areas where more than 10% of the population has no qualifications (grey); and at the same time shows areas with higher qualifications where the highlighted areas more than 50% of the population with NVQ3+ (yellow); and more than 50% with NVQ4+ (hatched).
- 4.61 Torridge district has an average of 16.7% of its population with no qualifications, the highest in the region; which is similar to Plymouth (10.2%) and Cornwall (10.1%). The highest skilled district is South Hams, with over a third (35.6%) having NVQ4+; both South Hams and neighbouring Teignbridge and Exeter have >50% with NVQ3+.

Figure 4-22: Qualifications



Source: SQW analysis using the SEAT-SW tool

Key points for FEMA analysis

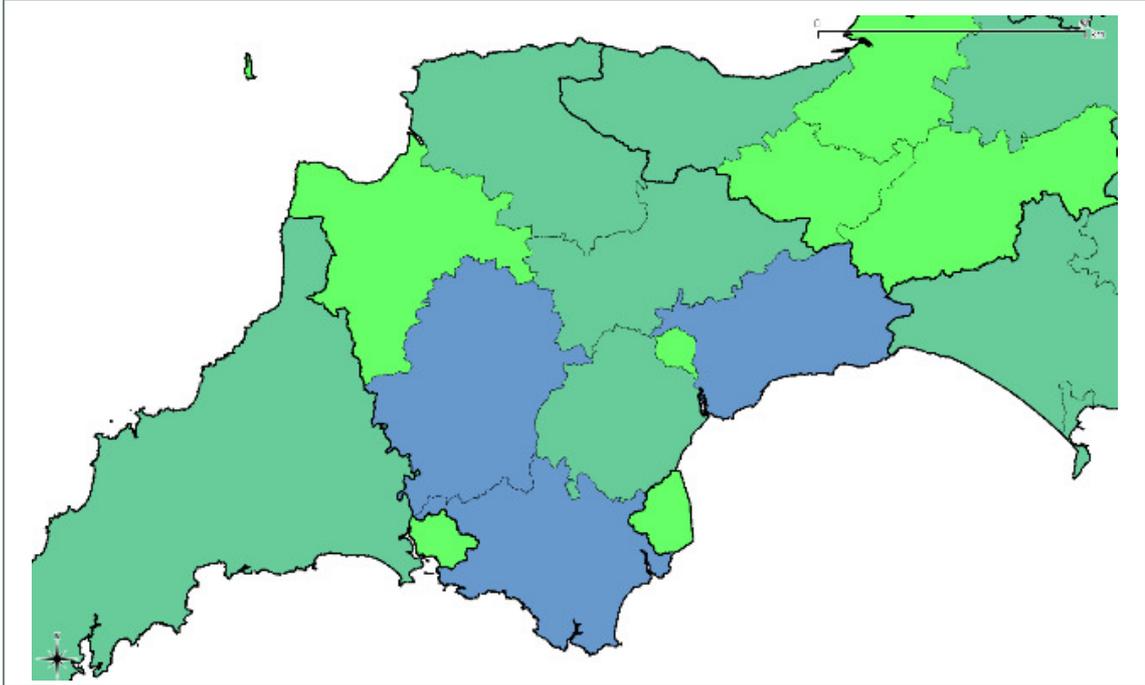
- 4.62 The key message from the above maps for FEMA analysis is that lower GCSE scores and concentration of unskilled are found in the west of county, as part of an area that runs across the Devon/Cornwall border.

Housing

Median house price

- 4.63 The map below shows median house prices in Devon, with the key categories of £130-167k (light green); £167-190k (dark green); £190k+ (blue). The highest median house prices are found in East Devon, South Hams and West Devon; and the lowest median house prices in Torridge and the urban areas of Exeter, Torbay and Plymouth.

Figure 4-23: Median house prices

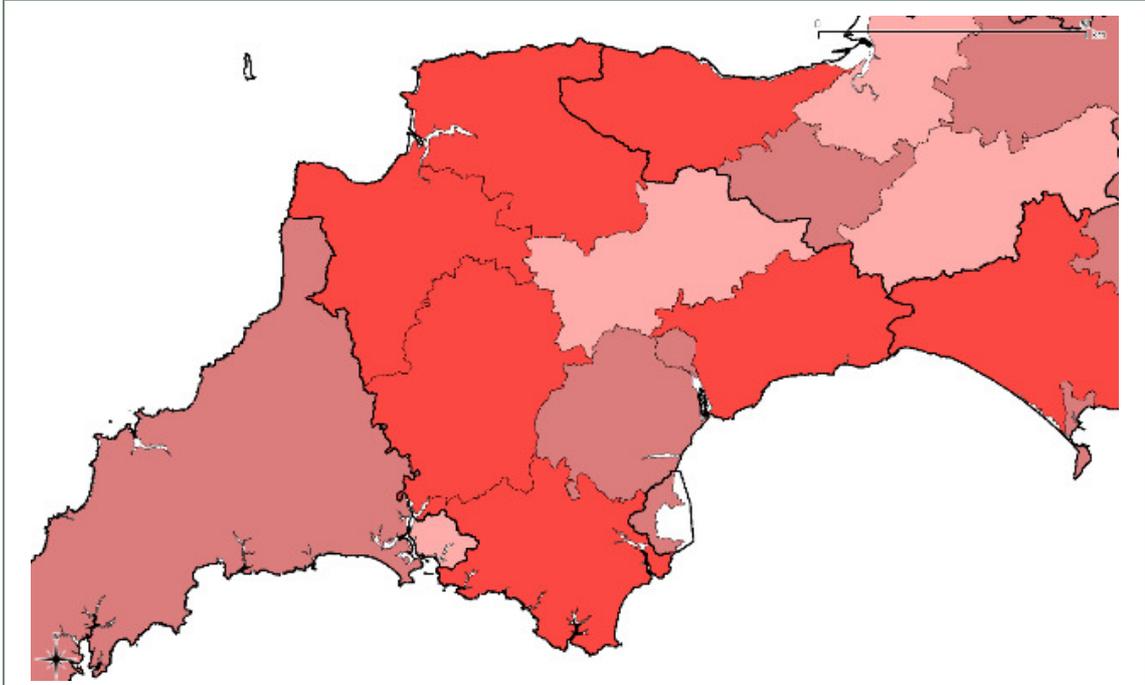


Source: SQW analysis using the SEAT-SW tool

Affordability ratio

4.64 The housing affordability ratio² is shown in the map below with the categories of 0-7.5 (pink); 7.5-9 (mauve); 9-11.2 (red). The map shows that there is poor housing affordability in most parts of Devon.

Figure 4-24: Housing affordability ratio



Source: SQW analysis using the SEAT-SW tool

² The housing affordability ratio is lower quartile house price over lower quartile income. Anything over six is generally thought to be unaffordable

Key points for FEMA analysis

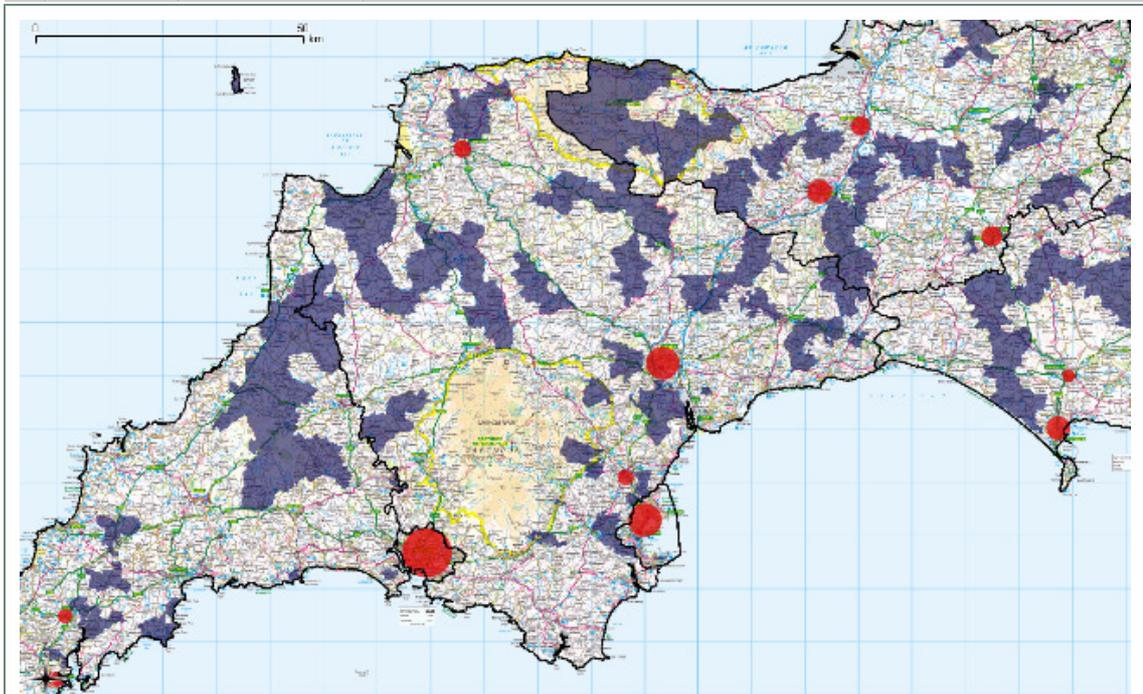
- 4.65 The key points on housing for the analysis of FEMAs are that poor affordability ratios appear to be driven by high house prices in East Devon, South Hams and West Devon; and low incomes in Torrington and North Devon.

Structure of the economy

Agriculture & fishing

- 4.66 The map below shows those areas where employment in Agriculture & Fishing is 5% or more of total employment (shaded in blue). There are pockets of relatively heavy employment in agriculture in the north west (west of Bideford, north of Okehampton); to the west and south of Exeter (towards Torbay); and in the rural areas around Honiton and Tiverton – stretching into Somerset.

Figure 4-25: Agriculture & fishing

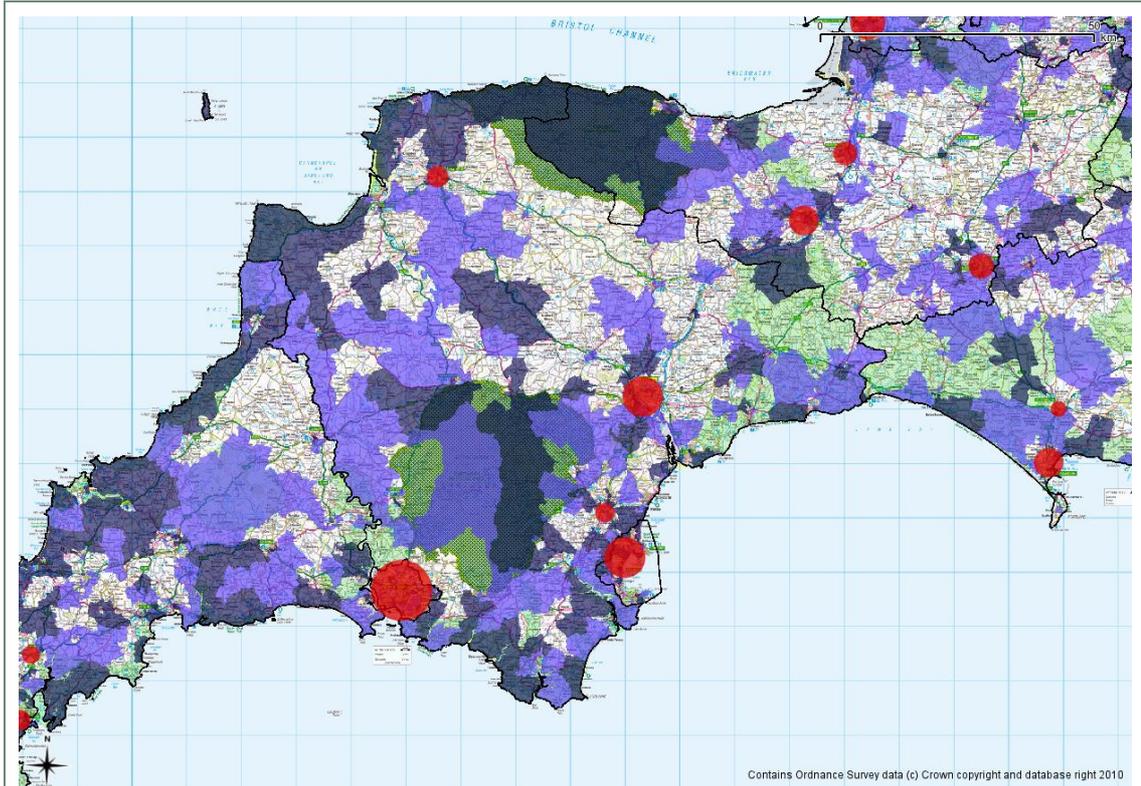


Source: SQW analysis using the SEAT-SW tool

Distribution, hotels & restaurants

- 4.67 The map below shows those areas where there is a concentration of employment in Distribution, Hotels & Restaurants. Areas with employment in this sector between 22% and 39% are shaded in light blue and those above 39% - 100% shaded in dark blue.

Figure 4-26: Distribution, hotels & restaurants

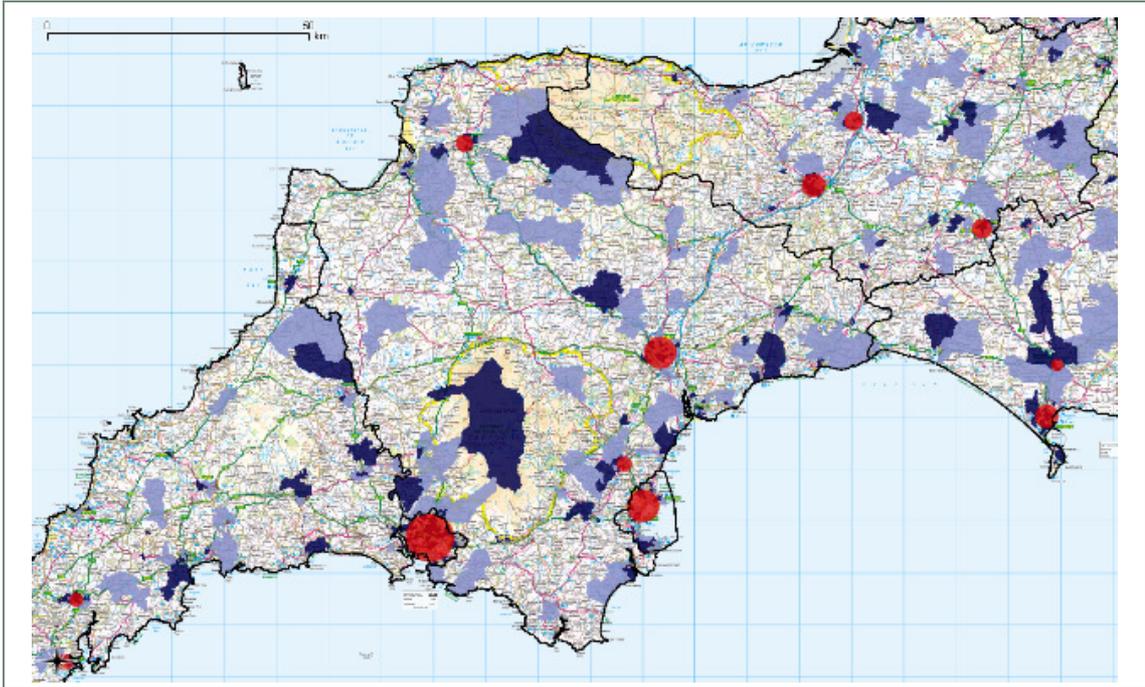


Source: SQW analysis using the SEAT-SW tool

Public administration, education & health

- 4.68 The map below shows employment in Public Administration, Education & Health where areas with 25-50% of employment in this sector are coloured light blue and those with 50%+ coloured dark blue. There is strong representation of this sector in the main towns and along the south coast in particular, and functional linkages with Plymouth in surrounding LSOAs. There is heavy clustering around Dawlish, Teignmouth & Newton Abbott in the south, and Bideford and Barnstaple in the north. There is another strong clustering in Exeter throughout the city, with particularly high proportions around the edges of the city centre.

Figure 4-27: Public administration, education & health

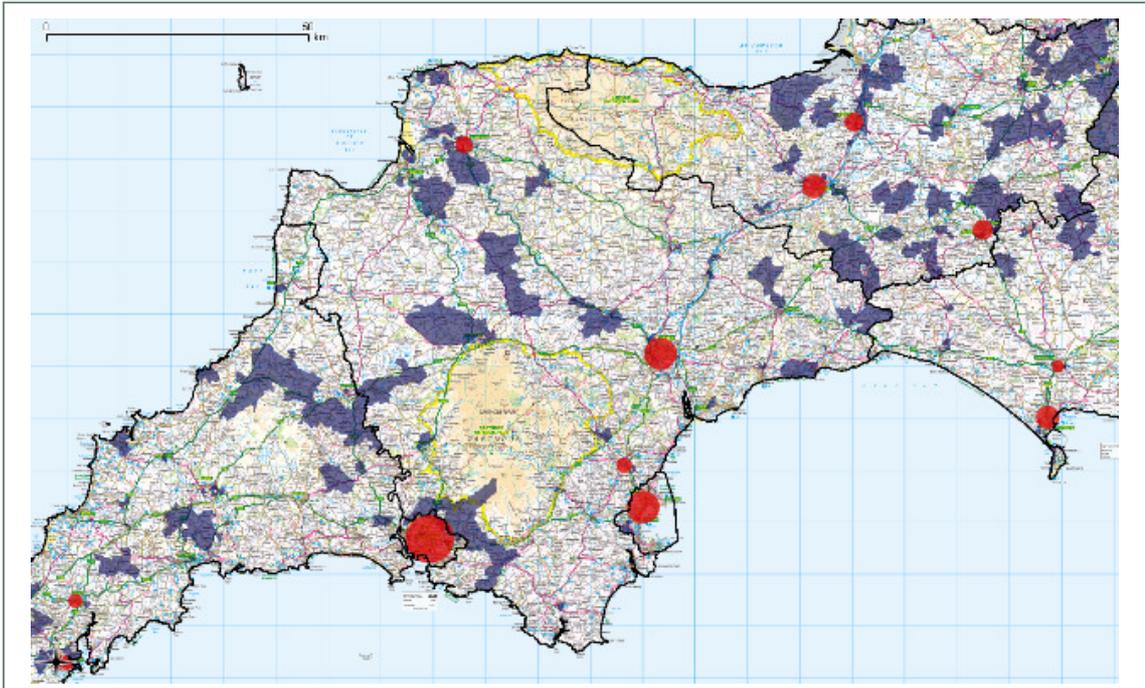


Source: SQW analysis using the SEAT-SW tool

Manufacturing

4.69 The map below highlights those areas where employment in manufacturing is 25% or more of local employment. There are higher proportions of employment in manufacturing around Plymouth to the north and east (and extending into Saltash in Cornwall), around Bideford and Barnstaple in the north, and in parts of Tiverton. There are also several manufacturing locations around the M5.

Figure 4-28: Manufacturing

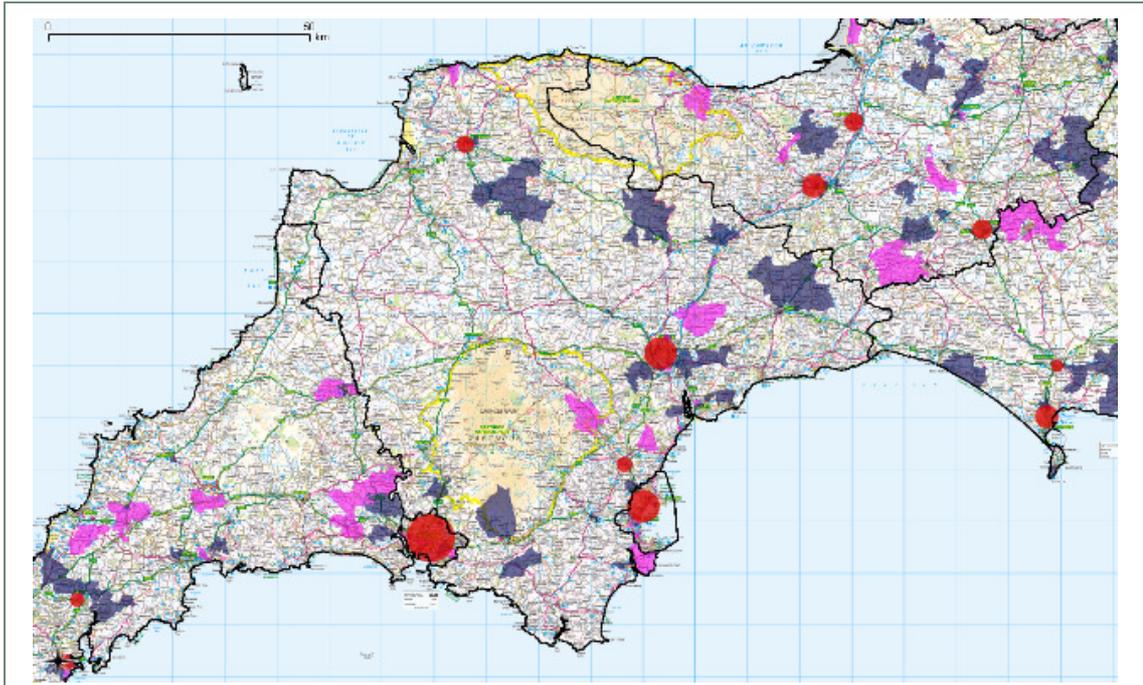


Source: SQW analysis using the SEAT-SW tool

Service sectors

- 4.70 The map below shows areas where there are higher concentrations of employment in the service sectors. The map shows areas with employment in Banking & Finance of 25%+ (blue) and employment in Other Services of 25%+ (pink). There is a thin cluster of areas dependent on Banking & Finance between Honiton in the south east and Barnstaple in the north west. The largest concentration of Banking & Finance employment is in central Exeter and in a band to the immediate south of Exeter, with other small clusters further south (Exmouth and Budleigh Salterton).

Figure 4-29: Service sectors



Source: SQW analysis using the SEAT-SW tool

Key points for FEMA analysis

- 4.71 The key points from the above maps are the importance of Agriculture in rural areas; but public sector employment, and manufacturing are proportionately far more important. The cities and towns are more service-sector employment based than the rural areas.

Conclusions

Functional economic market areas

- 4.72 The maps discussed above show some consistent areas emerging in Devon which are highlighted by a range of different factors. These areas are:
- the main city regions of Exeter and Plymouth
 - the key transport corridors - primarily the M5/A38, and also to a lesser extent the A30 and A361
 - the Barnstaple/Bideford area in the north west of Devon

- a central area which is mainly rural in character with a poly-centric pattern of market towns and small settlements.

4.73 The central rural/poly-centric area has strong north coast links into Somerset and Cornwall.

Future usage of Spatial Economic Analysis Tool

4.74 The Tool will primarily be used to:

- inform LEAs
- inform policy making at the local level
- inform and aid discussions about working across administrative boundaries
- enhance the sub-national evidence base

4.75 There is potential for regular updating of the Tool with updates of datasets already included in the Tool, and also the future inclusion of additional data.

4.76 Economic linkages and supply chain mapping have been identified as an area of great interest, but this needs extensive primary data collection, and may well be more effectively carried out at the South West level.