

**Report to:** **Overview Committee**

**Date of Meeting:** 14 November 2019

**Public Document:** Yes

**Exemption:** None

**Review date for release** None



**Subject:** **EDDC Economic Development Update**

**Purpose of report:** The purpose of this report is to provide an update on the work programme of Economic Development and to summarise the findings of this year's HOL Select Committee inquiry into Rural Economies

**Recommendation:**

- 1. Members note the progress made in delivery of local economic development activity**
- 2. Members note the local evidence submitted by EDDC to the HOL Select Committee enquiry and the main findings of the rural strategy report**

**Reason for recommendation:** To ensure the delivery of an effective economic development service

**Officer:** Robert Murray - Economic Development Manager  
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**Financial implications:** There are no direct financial implications resulting from the recommendations of this report.

**Legal implications:** There are no specific legal implications requiring comment.

**Equalities impact:** Low Impact

**Climate change:** Low Impact

**Risk:** Comments  
Low Risk

There are no specific risks associated with this update report

**Links to background information:**

- [Service Plan: Economy & Regeneration Services, Apr 2019-Mar 2020](#)
- [Shared Economic Strategy \(2017-20\) A Collaborative Approach to Growth and Productivity. EHOD Economic Partnership](#)
- [All Business Great and Small, The East Devon Economy Report, March 2017](#)
- [EDDC Business Engagement Update Report, 22 Mar 2016](#)
- [OVC Economic Development Briefing Paper, 22 Sep 2015](#)
- [OVC Report: East Devon Local Economy, 6 March 2017](#)
- [OVC Report: Local Economic Development Activity, 5 October 2017](#)

**Link to Council Plan:** Developing an outstanding local economy  
Continuously improving to be an outstanding council

## 1. Economic Development: Key Updates

### Headline Economic Indicators: East Devon

Indicator	2018 Position	Key Points: Local Economic Assessment, April 2018	Devon () = % of
Employment	79.1%	<ul style="list-style-type: none"> <li>East Devon is slightly below the county level (79.2%), but above the national level (75%)</li> </ul>	79.2%
Unemployment Rate	2%	<ul style="list-style-type: none"> <li>Below the county and national average</li> </ul>	2.4%
Economic Inactivity Rate	15,600 (20.9%)	<ul style="list-style-type: none"> <li>With an aging demographic, East Devon has a higher level of economic inactivity than the county average, but it is below the national average (21.7%)</li> </ul>	18.6%
Population	142,265	<ul style="list-style-type: none"> <li>Largest district by population in Devon</li> </ul>	(18.1%)
Gross Value Added	£2,496m	<ul style="list-style-type: none"> <li>Second largest district by overall output in Devon after Exeter</li> </ul>	(15%)
GVA per Head [2016]	£17,246	<ul style="list-style-type: none"> <li>East Devon is below the county and national average. Not the lowest in Devon &amp; increasing (mid-table increases in terms of UK LAs since 2010)</li> </ul>	£21,099 [2017]
Businesses	7,295	<ul style="list-style-type: none"> <li>East Devon is the largest district by number of businesses in Devon. Business numbers have been expanding since 2013.</li> </ul>	(16.7%)
3 Year Business Survival Rate	64.4%	<ul style="list-style-type: none"> <li>Below the county and national average</li> </ul>	65.4%
Business Density (firms per 1,000 res)	83.3	<ul style="list-style-type: none"> <li>East Devon has a slightly higher business density than the county as a whole</li> </ul>	81.2
NVQ Level 2+	79.1%	<ul style="list-style-type: none"> <li>Below the county, but above national average</li> </ul>	80%
NVQ Level 4+	41.8%	<ul style="list-style-type: none"> <li>Above the county and national average</li> <li>East Devon has the third highest proportion of top skilled qualifications in Devon</li> </ul>	40.3%
Resident Earnings (Weekly FTE)	£486.3	<ul style="list-style-type: none"> <li>East Devon weekly FTE earnings are slightly below the county and regional average. We have higher levels of part-time workers. Due to variance of data gathering, in previous years East Devon showed higher than average (given out-commuting for higher pay)</li> </ul>	£496.50
Workplace Earnings (Weekly FTE)	£476.1	<ul style="list-style-type: none"> <li>Fairly consistently below the county and the national average, but increasing. As before, due to variance of data gathering in some years we have been above the Devon average. The district has higher levels of part-time workers and out-commuting for higher pay.</li> </ul>	£498.30
Number of Pensioners	42,660	<ul style="list-style-type: none"> <li>East Devon has the largest proportion of pensioners by District in Devon</li> </ul>	(21.6%)
House Price Ratio	9.87	<ul style="list-style-type: none"> <li>Our house prices are above the county and regional average when compared to median earnings</li> </ul>	9.36

## East Devon Businesses: Top Employers by Numbers of Employees

Company/Employer Name <i>[public sector italicised]</i>	Postcode	Number of Employees
SOUTH WEST HIGHWAYS LIMITED	EX5 2HB	Over 600
FLYBE LIMITED	EX5 2BD	Between 500 and 600
<i>EAST DEVON DISTRICT COUNCIL</i>	<i>EX10 8HL</i>	<i>Between 500 and 600</i>
HAVEN LEISURE LIMITED	EX8 5BT	Between 400 and 500
<i>EXMOUTH COMMUNITY COLLEGE</i>	<i>EX8 3AF</i>	<i>Between 400 and 500</i>
FLYBE AVIATION SERVICES LIMITED (Engineering)	EX5 2BA	Between 300 and 400
THE DONKEY SANCTUARY	EX10 0NU	Between 300 and 400
EXETER & DEVON AIRPORT LTD	EX5 2BD	Between 300 and 400
TESCO STORES LTD (Exmouth)	EX12 2PB	Between 300 and 400
<i>DEVON AND SOMERSET FIRE AND RESCUE</i>	<i>EX3 0NW</i>	<i>Between 300 and 400</i>
TESCO STORES LTD (Seaton)	EX8 2NP	Between 200 and 300
OTTER NURSERIES LIMITED	EX11 1LZ	Between 200 and 300
RIVER MEDIA DEVON LTD (One Media, Woodbury B Park)	EX5 1AY	Between 200 and 300
AXMINSTER TOOL CENTRE LTD	EX13 5PH	Between 200 and 300
<i>EXMOUTH HOSPITAL</i>	<i>EX8 2JN</i>	<i>Between 200 and 300</i>
TESCO STORES LTD (Honiton)	EX14 2XD	Between 200 and 300

Source: Bureau van Dijk MintUK database. NB: data as recorded Sept 2017.

## East Devon Enhancing Productivity – Tailored Business Support

Understanding the national and regional HoTSW LEP drive to increase productivity across core sectors, Economic Development have developed The East Devon Enhancing Productivity (EDEP) Programme. The initiative offers a range of fully funded workshops and one-to-one support for pre-start and existing businesses across East Devon.

The team implemented the Devon County Council local procurement framework, eventually appointing [Business Information Point](#) and local IT experts [Cosmic](#) to provide local businesses with the support they need to plan and launch a business and be more productive and sustainable by using the latest technology.

A wide range of business ideas were supported by BIP under the pre-start support area of the project including several health and wellbeing businesses, tourism, retail, graphic design services, gardening, personal trainers, a special events venue, a bakery and manufacture of beauty products. One to one consultancy support was provided by Cosmic for existing businesses across a diverse range including scientific consultants, holiday accommodation, health & fitness, ethical products and gifts, and dog clothing and accessories, reflexology and nutrition, and craft courses. Feedback on the support provided by both BIP and Cosmic has been positive, with satisfaction and advisor knowledge ratings of excellent across the board.

The Programme initially ran from October 2018-March 2019. After reviewing the success and value of this EDEP programme, Economic Development have now commissioned BIP and Cosmic for a further programme of support for the current financial year. Once more, this support programme is being offered free of charge to East Devon businesses and individuals needing help to get their business ideas off the ground and to improve productivity.

Our most recent progress report shows demand is such that the programme is soon to meet its targeted delivery of 318 hours of support 5 months ahead of schedule. We are now looking at how best to deliver additional EDEP support provision.

See **Appendix 2** for examples of individuals and businesses supported through the EDEP programme.

## **Growth Hub Business Support in East Devon**

The August 2019 dashboard performance report shows that since the launch of Heart of the South West Local Enterprise Partnership Growth Hub service in 2016, more businesses have benefitted from Growth Hub support in East Devon than in any of the other 14 LEP districts.

The Growth Hub service provides a free single point of contact for all businesses seeking advice and support on any issues relating to the operations and aspirations of their business.

To Aug 2019, a total of 629 enterprises in the district have received help to become established or to plan for growth. Of the businesses supported, 83% are already trading, with the majority being sole traders (47%) or limited companies (36%). Most have fewer than three employees and are predominantly in professional, scientific and technical, manufacturing, wholesale, retail, motor repair, accommodation and food sectors.

This is a significant achievement for the district's economy, demonstrating the appetite and capacity for enterprise in East Devon. Its success is due to effective partnership working by East Devon District Council, plus promotion of the Growth Hub through the council's own business newsletters, as well as increased engagement with East Devon's business base and direct referrals.

### **Case Study: The Granary, Larkbeare Grange**

Set in eight acres of picturesque East Devon countryside, The Granary offers luxury self-catering accommodation to holiday makers looking to explore Devon.

The Granary's owners were seeking help to find new customers, improve their digital marketing, investigate online booking systems and explore how to build their brand.

They received 1 to 1 business advice around their growth aspirations and how the business is currently utilising digital marketing techniques with specific reference to website optimisation and SEO top tips, information about online booking system plugins and advice about social media and email marketing set up and organisation.

The business owner found the advice and support invaluable to direct future marketing activity and build confidence. Ongoing support includes guidance covering an extensive range of content and tools; referral to the Business is GREAT Britain online guidance; further information about the Access to Finance programme and the Better Business for All partnership initiative.

To find out more information about the Heart of the South West Local Enterprise Partnership Growth Hub service visit: <https://www.heartofswgrowthhub.co.uk/>

## **Economic Development enabling growth - Propeller Exmouth**

The Propeller Group in Exmouth has been successfully growing its collaborative incubator space in Exmouth after Economic Development brought together a successful business case for discretionary rate relief to help establish the initiative in acknowledgement of its remarkable local economic benefits.

Located in Victoria Road, the centre opened in October 2018 offering a range of support and resources aimed at attracting entrepreneurs to use the centre as a networking base.

As well as providing a workspace for people to collaborate, the group is developing an education programme that will allow new and existing businesses to grow and provide new well paid jobs in the developing local tech sector. The aims are to create new, more productive careers which will

encourage skilled young people to stay and develop businesses in Exmouth, and to establish a stronger enterprise culture in the town which will enable local businesses to adapt and modernise.

Propeller Exmouth now has over 100 members who regularly attend their talks which have covered a number of topics such as 'First steps in starting your business', a hosted panel event exploring how three companies started and the issues they experienced in scaling, including how technology helped them. The panel consisted of three local entrepreneurs bringing a wide range of experience.

Propeller has also been busy growing its social media presence and relationship building with other institutions including Exeter University and other co-working spaces in and around Exeter. This work is starting to pay off as local businesses and community groups are dropping in to see what is going on, how they can use the space and how they can collaborate.

Propeller also recently featured as workspace of the month in the prestigious [.net magazine](#) which is widely recognised as the premiere print publication for web designers and has a global reach.

See the Propeller Exmouth [website](#) for more information and connect with them on [Facebook](#) and [Twitter](#) to keep up to date with upcoming events.



Propeller Exmouth collaborative incubator space – Supported by EDDC [[propellerexmouth.co.uk](http://propellerexmouth.co.uk)]

### **Employee Increase - Business Register and Employment Survey:**

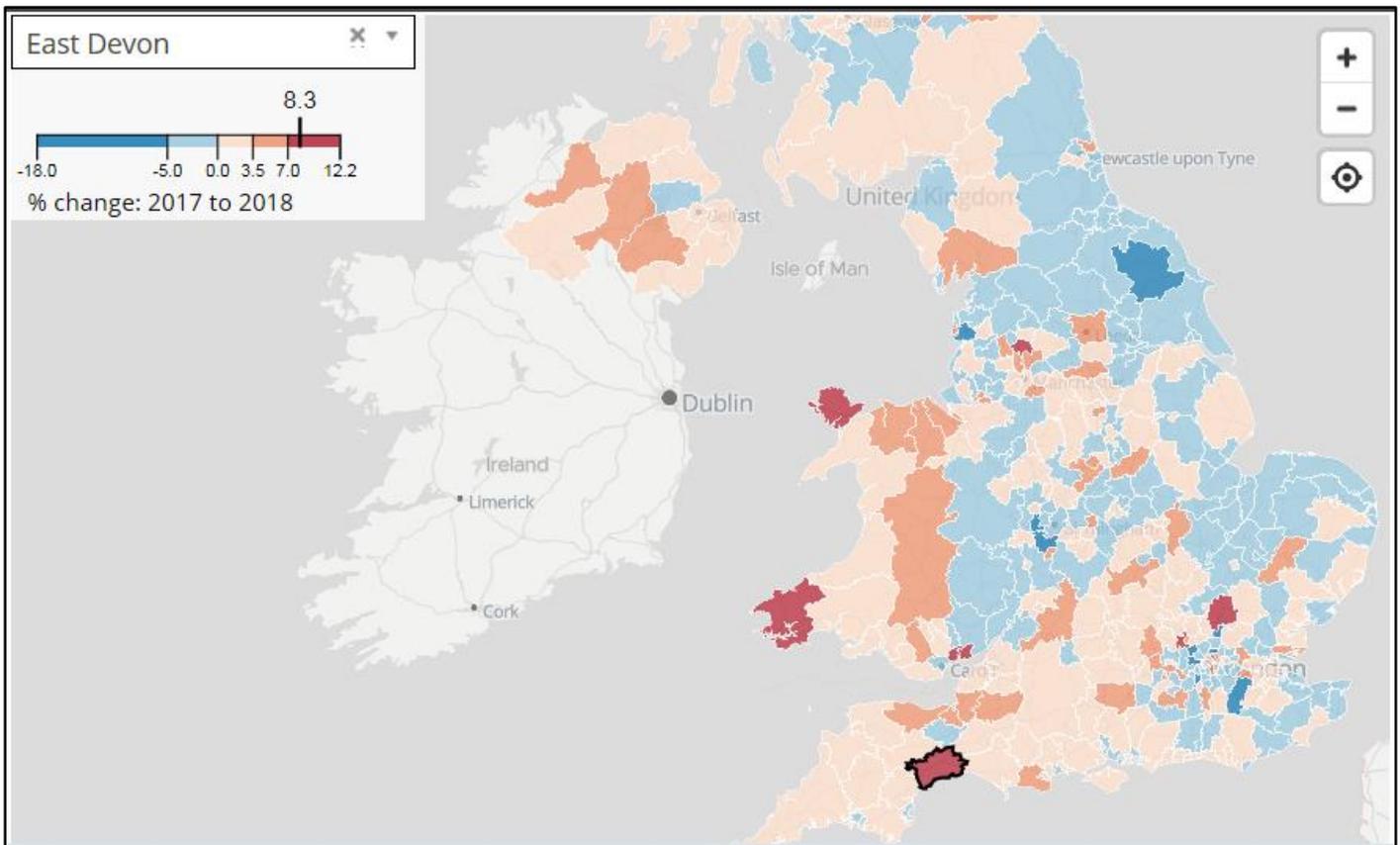
The Sept 2019 ONS data release featuring 2018 data on Employees in the UK by regions shows that between 2017-18, East Devon recorded an 8.3% increase in total employees. Only a handful of local authority areas across the country have recorded such a significant increase in total employees. An employee is defined as anyone aged 16 years or over who is paid directly from the payroll, in return for carrying out a full-time or part-time job or being on a training scheme.

On the face of it, this appears to be a positive development, but with the reduction in weekly average earnings being recorded in East Devon between 2016 and 2018 we need to dig deeper to understand the changes taking place in our economy.

See:

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/employeesintheukbyregion/2018>

The following map shows change in employee estimates by local authority district, 2017 to 2018. Those areas in red have experienced the highest increases in employees:



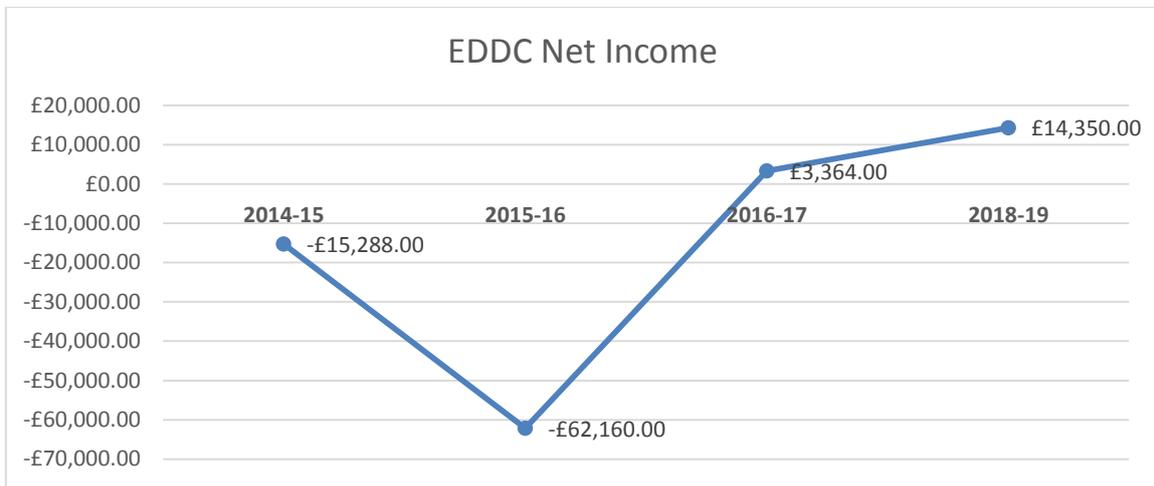
Source: Office for National Statistics – Business Register and Employment Survey (BRES). BRES is the definitive source of official employee statistics and can be used to derive employment estimates at varying industrial and geographical levels.

### **Support that Pays: East Devon Business Centre**

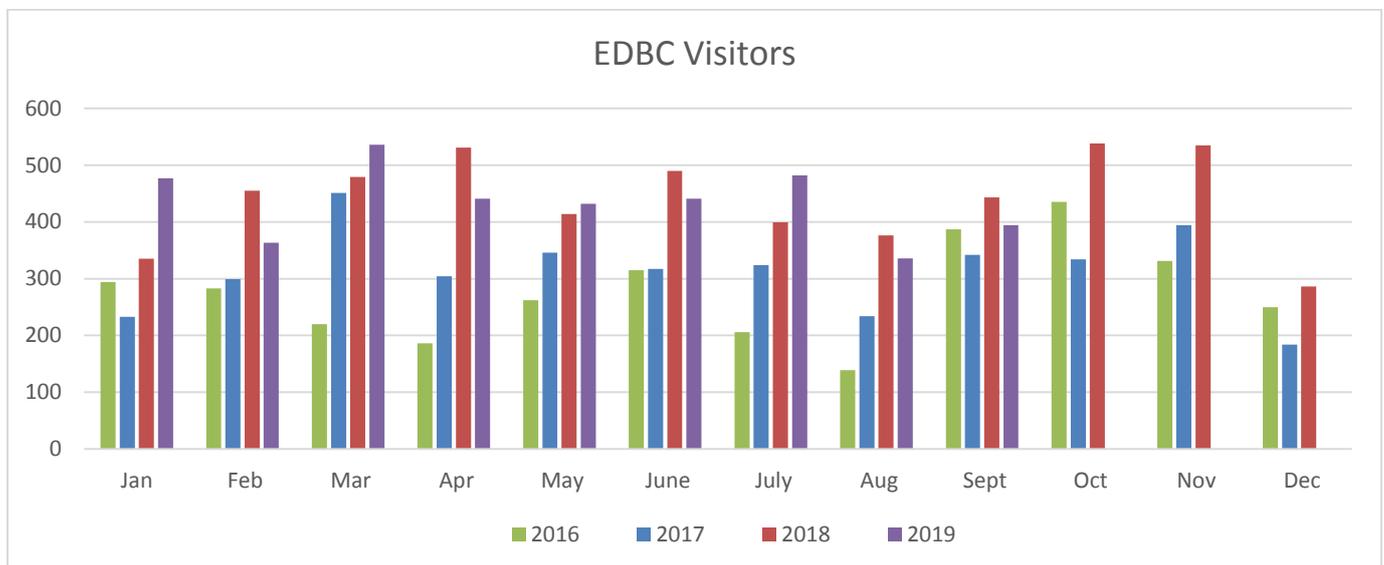
Through a focussed process of improvement, marketing and communications (inc. social media) we have turned East Devon Business Centre into a positive net income generator to EDDC with 100% of offices let and meeting room income increased by 67% compared with 2014-15.

We are maximising income further by making additional space available to rent to growing local business and increasing external use of our meeting rooms.

Having filled the Centre and maximised opportunities for income generation, Economic Development are now implementing the installation of three measures to further improve efficiencies and achieve future savings through the installation of a video intercom, an online meeting room booking and payment system and the provision of self-serve refreshment stations. Whilst we continue to staff EDBC reception and provide administrative support, we are also now transitioning the facilities and tenancy management of EDBC to our colleagues in Property & Estates.



We've recorded the number of visitors to EDBC and have seen a **59.6% increase** from 2016 to 2018. The current year is set to see even higher numbers of Business Centre users with 3,900 having visited between Jan and Sept 2019.



### EHOD Economic Partnership Strategy (2017-2020)

East Devon has led on the production of the [Shared Economic Strategy for Exeter and the Heart of Devon](#) (EHOD) which sets out our growth ambition, priorities and approach to enable growth of the regional economy. This is a joint agenda across the four Councils that make up the EHOD sub-region, taking into account the different opportunities and challenges across our local authority areas of Exeter City, East Devon, Mid Devon and Teignbridge.

It is based on a collaborative approach which recognises that far more can be achieved by working in partnership, given our shared functional economic market area, than alone.

Four common objectives were identified as benefitting from working together as part of a Greater Exeter economic geography and each local authority has taken ownership for delivering a theme:

Strategic Planning is led by East Devon and Business Transformation by Mid Devon. Teignbridge have represented our authorities on Employment and Skills while Exeter City led on Inward Investment.

The Strategy won the ['Most Innovative Strategy'](#) award in Nov. 2017 from the Institute of Economic Development (IED). The EHOD partnership have now jointly commissioned EMSI to produce an updated industry cluster and gap analysis evidence base which will inform a refresh of the Strategy to shape the future work of the economic partnership.

## **Brexit Guidance for Businesses:**

In recognition of the urgent need to provide local businesses with the most up to date and legitimate sources of information on the planned departure from the EU, including on what preparations different sectors needed to make to ensure as seamless a transition as possible, Economic Development completed a detailed review of available information in Feb, 2019.

EDDC then became one of the first local authorities in the country to publish detailed online guidance to inform and support businesses preparing for Brexit.

This was not a planned project, but was deemed a necessary response to ensure as many local businesses as possible were provided access to the right advice and guidance in preparing for Brexit. The available information was brought together and published at:

[http://eastdevon.gov.uk/business-and-investment/brexit-government-guidance-for-businesses-preparing-for-brexit/?utm\\_medium=email&utm\\_source=govdelivery](http://eastdevon.gov.uk/business-and-investment/brexit-government-guidance-for-businesses-preparing-for-brexit/?utm_medium=email&utm_source=govdelivery)

### **Specific areas covered include:**

- Government guidance covering potential scenarios and suggested actions for small and medium-sized businesses on a range of topics like importing and exporting, data, goods and other topics
- the new digital leaflet designed to help small businesses with their preparations for the UK leaving the EU
- link to the [“Preparing for EU Exit”](#) website
- the Government [tool specifically for businesses](#) to help them prepare for the UK exiting the EU. It asks businesses seven questions which cover core operation areas that may be impacted. Depending on responses provided, the toolkit draws together guidance which is most relevant to the businesses individual circumstances.

Page visits have numbered 150-300 per 30 days throughout Aug - Oct 2019.

## **Honiton Gate to Plate – 28<sup>th</sup> September 2019**

By popular demand the [‘Gate to Plate’](#) event returned to Honiton High Street on Saturday 28<sup>th</sup> Sept, 2019. Celebrating more than 50 stall holders, featuring live music and expert cooking demonstrations, the event was a huge success and was attended by thousands of visitors.

Gate to Plate is organised by Economic Development with support of project team partners. The event celebrates East Devon’s high quality local food and traditional craft produce.

Our aim is not simply to increase visitor numbers and promote trade, but specifically to help localise food and drink supply chains - improving sustainability. We’re also passionate about East Devon becoming recognised as being home to some of the finest food, drink, and craft produce in the country.

## **Business & Economy Bulletins – Promoting best practice and access to support**

Further to the Oct 2017 recommendation of Overview Committee, Economic Development have been developing and publishing Business Bulletins to increase awareness in our local business base of training, funding and wider support opportunities. After losing our Funding and Information Project officer post, we are grateful to be receiving expert support from our Marketing and Communications Officer within the Growth Point team. Our current newsletter includes Brexit guidance, details of our EDDC business support programme, updates on the Enterprise Zone and

Ultrafast Broadband delivery and local success stories. This is published at <https://eastdevon.gov.uk/news/e-newsletter-articles/business-newsletter/autumn-2019/>

Previous Business Bulletin articles have covered:

- Promotion of free Growth Hub support and key contacts to help businesses grow
- News of major inward investment successes and funding opportunities
- Invitations to EDBC's free 'Jelly' co-working events
- Econ Dev team national award from Institute of ED
- Availability of Broadband vouchers to increase uptake
- Changes to EDDC Street Trading and promotion to traders
- Inviting businesses to feedback on Productivity and Brexit
- Enterprise Zone promoting information and engagement
- Promotion of national awards and news of local winners
- Sharing success of Gate to Plate for local Food & Drink
- Available local workspace

### **Redundancy Response – Axminster Carpets Ltd:**

In response to the recently announced redundancies at Axminster Carpets, EDDC Economic Development designed and delivered a redundancy response information and advice session on 3<sup>rd</sup> October 2019. Staff at risk of redundancy at Axminster Carpets were offered the opportunity to come and speak to a variety of relevant organisations to access direct support, advice and guidance.

The event featured Job Centre Plus, Business Information Point, Citizen's Advice, Learn Devon, Axminster Job Club, Education + Training Skills and the Careers Service. One to one assistance was available on universal credit/benefits, council tax, options for retraining and skills development, finding alternative work, support for self-employment and more.

The support was well received by staff attending, the network of support providers, the company management team and Union. It's important to understand the affected staff are skilled and we encourage local employers to benefit from this recruitment opportunity. One competitor has approached the company enquiring about staff.

We maintain contact with the management team and can hold further session on request. This key support network is now an established team and can respond to further redundancy events.

### **Federation of Small Businesses Award (Oct, 2019): Building Greater Exeter**

EDDC's Economic Development team are founder sponsors of Building Greater Exeter (BGEX). The partnership is an active collaboration between Exeter City, East Devon, Teignbridge District Councils and industry to support local people into local jobs in the construction sector. BGEX aims to support the growth and development of our economy, delivering career and job opportunities.

In Oct 2019, the project won a Federation of Small Businesses (FSB) Award for its work to support apprenticeships and skills. The initiative directly benefits our small business base through the promotion non-agency employment and stronger local supply chains for infrastructure, civil engineering, residential and commercial building projects across the area. See: <https://www.buildinggreaterexeter.co.uk/>

### **South West Audit Partnership (SWAP): EDDC Economic Development Audit**

In March 2019, the SWAP completed an audit of the EDDC Economic Development Service resulting in a positive assurance opinion. This follows a SWAP audit of East Devon Business Centre in 2018 which also provided a positive assurance to EDDC.

The most recent Economic Development Audit report noted that “The Economic Development (ED) team are making a positive impact on the economic development of East Devon despite the limited resource and the changing priorities. They have been involved in several successful projects during the last 12 months including the Honiton Gate to Plate Event, supporting the Making it Local, Local Action Group and informing the Axminster masterplan in addition to their regular responsibilities”.

Useful improvements were suggested in ensuring smarter Service Plan objectives and KPIs; the benefit of transferring EDBC facilities management operation to Property & Estates (now it is operating at capacity) and; the opportunity to improve the automated planning consultation processes. SWAP audits continue to be useful in continuously improving service delivery and action has been taken on all three suggested areas.

### **Effective Engagement with Planning**

Tangible workspace, economic, employment and skills delivery has been unlocked through the direct engagement and support of Economic Development with developers and investors through a number of significant planning applications in the last 18 months. Positive outcomes of this work include:

- Successful defence at planning appeal of the allocated employment site at Redgates, Exmouth against residential development
- The inclusion of new workshop space (consistent with local evidence of need) in Homes England’s planned redevelopment of the former CeramTec site in Colyton
- Support to the extension of Darts Business Park to create 10 additional units
- Development of a premium cider and sparkling wine production facility at Deer Park Hotel
- Delivery of 35,000 sqft of workspace and an additional 71 high GVA skilled jobs at Blackhill Engineering
- Negotiation and delivery of Employment & Skills Plans as part of the S106 agreement for major developments (inc. the new Amazon facility)

### **LGA Peer Review (Sept, 2019)**

As part of the Peer Review, numerous business leaders and representatives were invited to take part in a full and frank review of Economic Development in East Devon. Based on the feedback provided by businesses, the review team singled out the Economic Development team’s engagement with business for specific praise, concluding that the service is positively regarded by the business community and encouraged the importance of an economic focus for the district.

### **Economic Development Priorities 2019-2020**

As recently presented to Joint Overview and Scrutiny by Cllr Blakey and the DCO, the following are two key priorities for Economic Development in the coming year:

- **Business Centre extension & additional locations in East Devon**

Council managed workspace and serviced office accommodation are popular and provide an important option for East Devon micro and small business. The council is keen to promote the delivery of additional workspace. This will continue through support to the council’s planning and estates professionals and also focussing on the council’s opportunities to directly delivery workspace through existing land ownership e.g. an extension to East Devon Business Centre and the Cloakham Lawns site in Axminster. Economic Development will lead a project to advance

development of these two sites, engaging appropriate partners, feasibility work, collating evidence of workspace demand and making the case for investment to deliver workspace on the site.

- **‘Our Towns’ Study and Delivery Plan – Detailed and consultative evaluation of East Devon towns and intervention opportunities**

Economic performance and the vitality of the mix of town centre activities is core to an attractive and resilient town. Equally, there is more to our towns than just their high streets or their economic performance e.g. variety and balance: age profile, population movement, housing and household mix, accessibility and public realm, planning constraints and land use, transport, traffic and congestion, cultural and social activity, community cohesion, local employment offer, business diversity and vitality.

The district council needs a level of understanding and evidence that it currently lacks. We will work with professional expertise and research capability alongside members and officers to drive a project toward understanding our towns and what we can do for them. The project will also work with our towns and local key stakeholders that know and care about the future wellbeing and functioning of their towns.

East Devon, like other local authorities, faces an increasingly challenged funding future. Our towns matter so, if the council is to support them, it needs to use its resources in an informed and cost effective way. Hence this detailed study will be carried out to advise where, what and when our interventions might be.

## **2. EDDC Evidence: House of Lords Select Committee on the Rural Economy**

The House of Lords Select Committee on the Rural Economy was appointed on 17 May 2018. The remit of the Committee was “to consider the rural economy, and to make recommendations”. A call for evidence issued which sought informed views and responses from as wide a field of relevant individuals, organisations and authorities as possible between July and Sept 2018. The inquiry sought written views on the key issues covering Local services and amenities; Rural business and investment; Housing; Transport; Digital Connectivity; Employment; Demographic change; Deprivation and inequality and Rural isolation.

This presented a valuable opportunity for EDDC to contribute fully and from an informed perspective to the inquiry. Economic Development led and coordinated EDDC’s multi-service area response to this call for evidence. Our Planning Policy lead was especially helpful in providing evidence. The full submission by East Devon District Council to the Select Committee on the Rural Economy is provided in **Appendix 1**.

A detailed series of responses were provided to the questions set out by the Committee, covering changes to our rural economy; the role of workspace and challenges in meeting demand; Local Action Group successes; infrastructure, transport and digital connectivity; the need to provide essential services such as healthcare, education and banking in rural areas; labour skills shortages; aging population; business support; rural housing; the role of LEP’s and the need for Government to ‘rural proof’ initiatives and policies. Our responses were informed by first-hand experience, local intelligence, key findings and recommendations from the [South West Rural Productivity Commission report](#) (2017), the LGA enquiry response and specific evidence from the Rural Services Network [‘Time for a Rural Strategy’](#) report (2019).

The Select Committee published its final report [‘Time for a Strategy for the Rural Economy’](#) on 27<sup>th</sup> April 2019. The detailed report is 235 pages in length and covers a wide range of issues, calling for the Government to develop a clear strategy for the rural economy. The report proposals have three inextricably linked and mutually supportive key elements: a coherent rural strategy, re-

energised rural proofing, and a “place-based” approach which reflects the diversity of our countryside and the capabilities and knowledge of those who live and work there. The detailed recommendations within the report cover a diverse range of issues, reflecting the breadth of evidence they received.

## **Key Recommendations**

(Source: <https://www.parliament.uk/business/committees/committees-a-z/lords-select/rural-economy/news-parliament-2017/report-publication/>):

### **Rural strategy**

Rural economies are facing significant opportunities and challenges. Issues including the UK's impending departure from the EU, cuts to local authorities' budgets, digital connectivity, affordable housing, and an ageing rural population make this an ideal moment for the Government to develop a comprehensive rural strategy, to set out its ambition for rural areas

The Government needs to rethink and reform the rural proofing process to ensure that relevant policies and legislation are attuned to the needs of rural communities and rural economies

Local Government and other public bodies should develop their own local rural strategies consistent with the Government framework, and be responsible and accountable for their implementation.

### **Rural delivery and place-based approaches**

For a national strategy and its underlying policies to be effective, it is crucial that they are delivered locally using a place-based approach. This must include effective partnership working from all relevant public, private and voluntary bodies, driven by the nature of each local area and with active community participation, breaking down the silos that too often characterise rural policy

The Government must bring forward the consultation on the Shared Prosperity Fund as soon as possible and give much more information on its proposed scope to enable rural businesses and communities to begin planning for the future

The Fair Funding Review must ensure that rural local authorities are properly compensated for the additional costs of service provision, and that rural areas are fairly treated in future funding settlements

National and local Government should review their procurement policies to ensure that small and local organisations have the genuine ability to bid for the delivery of services

### **Digital connectivity**

Government should direct Ofcom to conduct a review of the Universal Services Obligation as soon as possible, focusing on what minimum commitment would be needed to sustain and support rural businesses and communities, especially in remoter areas, and including both download and upload speeds

Ofcom should also re-assess the £3,400 payment threshold so that rural homes and businesses are not excluded. This must include consideration of home workers and businesses operating from home in remote areas

We welcome the proposal that Ofcom should review the option of introducing roaming in rural areas to address partial not-spots and would urge them to begin this review as a matter of

urgency. Government and Ofcom should also encourage mobile network operators to share transmission masts more often in appropriate rural locations

### **Housing and planning**

Government should provide a full and comprehensive exemption for all rural areas from the policy to limit affordable housing contributions on small sites

Government should consider suspending the local authority Right to Buy or making it voluntary for local authorities in specific locations, to ensure that much-needed affordable housing is not lost where it would be difficult or impractical to replace it

Government should revisit the merits of a spatial plan for England, particularly as it relates to rural areas, to ensure that planning policy operates in a framework where land use priorities are properly considered above the local level.

### **Skills and business support**

The Government should review the impact that the revaluation and current multiplier levels for business rates are having on rural businesses. There is also an urgent need to review the impact of small business and rural rate relief provisions on rural pubs, local shops and other businesses

The Government should investigate whether the current tax system is putting off farmers and rural small businesses from investing in diversification. As part of its review into tenancy agreements, the Government should also address restrictions on tenant farmers that may prevent diversification

### **Local service delivery**

Government should undertake a full review of funding streams to rural public transport. The aspiration should be to develop a "single transport investment pot" that could be used to better support rural transport using a place-based approach

More needs to be done by Government to better understand, track and respond to rural criminality

Government must ensure that the challenges and costs of providing health services in rural areas are properly reflected in funding allocations to Clinical Commissioning Groups

**For the purpose of this update report to Overview Committee, a summary of the Select Committee's specific recommendations for Local Government are provided below. These have particular relevance for us:**

**Priorities: Recommendations for Local Government**

- Develop **local rural strategies** and take responsibility for implementation (para.59)
- **Rural proof policy impacts** with monitoring and annual reports (para.104) [subject to required resource, there is a role here for Economic Development]
- Participate in a “**place-based approach**” to the rural strategy (para.119)
- Rural-facing authorities should adopt rural strategies as good practice (para.197)
- **Review procurement policies** to ensure small and local organisations have the genuine ability to bid for service delivery contracts (with national government) (para.216)
- **Town and parish** councils should be encouraged to use their discretionary powers to **promote local growth** (para.236)
- Local authorities should work with rural towns to introduce **town centre managers** (para.237)
- **Cooperate with education institutions and bus service providers** to cooperate on solutions for getting students to education institutions (para.451)
- Seek to reinvigorate “**wheels to work and training**” programmes (with LEPs and national government) (para.452)
- More local authorities should include establishment of, and funding for, **Rural growth networks in their growth Deals** (para.498)
- With LEPs, **be proactive in advising rural business** as to sources of financial assistance and advice, and work together to provide portals where sources of finance may be listed (paras.526-527)

The Government have provided a response to the report of the House of Lords Select Committee on the Rural Economy. The response is available here:

<https://www.parliament.uk/business/committees/committees-a-z/lords-select/rural-economy/news-parliament-2017/gov-response/>

It is clear that though ‘rural proofing’ of departmental policies is broadly supported, along with a commitment to expand on its strategic vision for rural areas, it has rejected the Lords Rural Economy Committee’s recommendation for a comprehensive Rural Strategy and a dedicated rural funding stream.

The Rural Services Network have reiterated the call for a Rural Strategy and called for a robust, open and accountable rural proofing framework to sit across all Government departments to ensure that the needs of rural residents are considered.

The government believes that local authorities are best placed to decide whether they should prepare strategies to support rural businesses and communities within their geographies. It identifies Local Industrial Strategies as being suited to accommodating such strategies.

EDDC will now consider the inquiry recommendations alongside the government’s response to identify how best we might respond to the issues and options highlighted.

*Ends.*

## **Appendix 1:**

### **Submission of Evidence by East Devon District Council to the House of Lords – Select Committee on the Rural Economy**

**10<sup>th</sup> September 2018**

The following views and question responses have been provided through consultation with representatives from economic development, planning policy and development management as well as with our rural district members. They reflect the concerns, issues and opportunities expressed and identified through a specific 'think tank' session held on Weds 29th Aug 2018.

Whilst this submissions covers matters that are likely to be of generic relevance to many rural areas, we have focused on considerations particularly relevant to East Devon. These specifically include the challenges we face in balancing the need to care for and look after an outstanding rural environment whilst also supporting the rural economy and accommodating and promoting a growth, productivity and development agenda.

East Devon is the largest district authority in Devon and is categorised as 'Largely Rural' by ONS with urban centres at Exmouth, Sidmouth and Honiton. The population of East Devon is 139,908, accounting for 18% of Devon's total population. The vast majority of our district comprises rural land and with two Areas of Outstanding Natural Beauty covering two thirds of the District. We benefit from a World Heritage site coastline and numerous other natural and built heritage designations. These environmental qualities help define the outstanding rural character of our District but they can also place constraints on scope for growth and development.

East Devon's economy comprises 48,000 jobs (BRES, 2016) with 6,320 registered businesses (ONS), 89% of which employ fewer than 10 people. Much of the employment in East Devon is concentrated in the retail; health; accommodation and food industries and we have stronger location quotients for construction, accommodation and food (tourism) and motor vehicles sectors than the UK ave. Higher skilled, more productive sectors such as finance & insurance; professional, scientific and technical; and business administration are underrepresented in East Devon though total gross value added (GVA) in East Devon has been increasing at a growth rate of 16.6% over the last few years (£2,069m in 2011 to £2,413m in 2016). We have an aging demographic which present us with both economic challenges and opportunities. Our large retired population restricts the per head output performance of East Devon to £17,246 whilst the average house price in the second highest in Devon (at £240,000), making it difficult for young people and families to find affordable housing.

Before responding to the current inquiry questions, we highlight that many of the specific issues addressed have been examined in some depth within The South West Rural Productivity Commission report of 2017. This was commissioned by the four south west Local Enterprise Partnerships. See: <http://heartofswlep.co.uk/wp-content/uploads/2017/10/HotSW-14332-A4-Overview-report-digital-doc-FINAL.pdf>

We would endorse the findings of this report (summarised in answer to Q.15) which we trust will form valuable evidence in informing your work alongside those of the Rural Services Network submission to this inquiry.

#### **Response to Questions by East Devon District Council**

##### **General issues**

1. What do you understand by the "rural economy"? How has it changed over recent years, and what has been the impact of these changes?

1.1 Although it's a somewhat artificial division the rural economy can be looked upon as having two component parts. The first comprises of business and activities that by their nature have to be or are most appropriately located in rural or countryside areas, with most obvious example being farming and forestry and trades directly allied to or processing or adding value to their outputs. The second comprises of businesses and economic activities that would not, by their nature, necessarily have to be in a rural area (often they will be found in urban areas) but such activities have developed and become established in rural locations, in part because of improved broadband connectivity.

1.2 The "rural economy" is, therefore, a composite of and these two parts but also it overlaps with and should not be seen as distinct from urban economies and areas; not the least because there is no definitive break between what is urban and what is rural. Market towns are a clear an obvious case in point. Honiton, for example, has a population of around 12,000 residents and sits in a central point in East Devon. By some definitions it would be classified as urban, but it very clearly forms a focal point for rural serves and provides economic and wider services for a substantial rural hinterland (despite, as with so many market towns, no longer hosting a weekly cattle market).

1.3 The most fundamental change in rural economies is the relevant decline in the traditional rural activities (most notably the number of people employed in agriculture – though not in agricultural productivity) with a growing job importance of activities that are not inherently required to be in rural areas.

2. Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

2.1 In East Devon the District Council actively seek to support business units and drop-in desks for people to work from. These may be in towns, noting amongst other matters the typically better broadband connections that towns offer, but also it reflects the fact that many towns will support and be intrinsically linked to the wider rural hinterland.

2.2 We would identify a need for, and benefits to be gained from, more help to be given to support business unit provision. It was noted that rural business will often start off in a back bedroom but as they grow finding suitable larger business accommodation can be very challenging. Provision of 'grow-on' business units in rural locations was seen as potentially part of the answer.

2.3 In recognition of this issue, we funded the development of the East Devon Business Centre (EDBC) in Honiton in 1998 which provides a modern adaptable business space; competitive office lets with flexible tenancy terms; conference, training and display facilities and business support. Demand for flexible office accommodation from new and growing businesses is such that we have 100% tenancy levels and generate a positive net return to the council whilst supporting C.70 FTE local jobs. We've confident that additional B1 office accommodation development in other locations that share strong transport connectivity will see similar success. Promoting development of office accommodation by the private sector, however, still has its challenges.

2.4 One problem that was highlighted was that business land will invariably attract lower values than residential development land and often land owners will not bring business units forward in the hope that, at some future point in time, they will secure residential development. A sometimes perverse outcome is that employment development that does come forward in rural areas is on sites where any hope value for housing is extremely low. Such new business sites, on account of remoteness, can, however, be inaccessible to many rural (and urban) residents, especially those without cars that need jobs or want to access the services they may offer. Securing rural jobs close to where rural people live (including at villages) can be a real challenge.

2.5 When examining successes and good practice in our rural economy, we should draw attention to the remarkable achievements of our Local Action Group (<http://www.makingitlocal.org/>).

2.6 Rural businesses are generally more distant from funded business support delivery than urban counterparts and there is a need for dedicated support for rural enterprises to help them access funding opportunities. Project Sponsor support to LEADER applicants has been hugely beneficial for our district's economy. The expert support and guidance EDDC ensures has led to a far higher degree of funding being successfully awarded to our rural development initiatives than would otherwise have been possible. In fact, Making it Local is the highest committing

LAG in England. 16 East Devon rural economic development projects have so far received LEADER grants totalling £782k and unlocking approx. £1.65m of investment in the East Devon economy.

2.7 Despite this, rural business support is an essential requirement which is all too often overlooked. Until recently, land based agri-businesses have been excluded from accessing our ERDF funded Growth Hub, with no acknowledgement of the need for tailored rural provision from the LEP to address this. In East Devon, we have developed a dedicated rural business support programme to ensure rural land-based businesses receive the same quality and quantity of specialist support to promote new and existing business growth that our other business sectors are able to access – all free of charge. We're currently updating his service provision to focus on improved productivity support to rural enterprise.

3. How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?

3.1 Our rural economy will continue to respond to threats and opportunities but from an economic development perspective, the need for support in the provision of skilled labour, public transport provision, commercial premises and improved transport and broadband connectivity infrastructure will increase. We have already seen significant employment growth in the district's professional, scientific and technical sector. This isn't all down to the success of our renowned Science Park Centre and Met Office Super Computer facility, we have an increasing number of specialists operating businesses and consultancy practices from rural centres which previously lacked the fibre connectivity to allow remote working.

3.2 Having said this, both transport and broadband remains an inhibitor to rural economic development in certain areas (discussed below) and it is widely felt that our most dispersed/deeply rural settlements have been disadvantaged by the premises quantum delivery targets or our existing broadband delivery programme.

3.3 Recent work in developing our Greater Exeter Strategic Plan (<https://www.gesp.org.uk/>) has identified four transformational sectors (or areas) as having significant potential to develop across the functional economic market area (FEMA) we share with neighbouring local authorities. These are across Smart Logistics, Data Analytics, Knowledge Based Industries and Environmental Futures and a transformational Sectors Action Plan is in development to identify ways in which strategic planning policies can support the growth of employment in these areas. A clearer focus is required on how these priority sectors might play a part in rural economic development, especially since analysis of European industrial strategy has shown huge increases in (output focussed) productivity through technological engagement in rural and agri-sectors.

## **Infrastructure and services**

4. How can access to transport be improved in rural areas?

4.1 In responding to this question it is assumed that reference is meant to be in respect of public transport (though maybe also cycling and walking?). Most rural households will have a car and driving a car, where available, will in most cases be the preferred, cheapest, quickest and most flexible means of transport.

4.2 When it comes to public transport the availability of services can be of variable quality, often very poor and frequently it will be expensive. Poor public transport availability in many rural areas to take children and young adults to education facilities, especially for 16 to 18 year olds to college, was highlighted as a particular concern. At this age, in comparison to education travel for younger pupils, there may be a requirement for pupils to pay for fares.

4.3 Diminishing levels of subsidies to support public transport, leading to service decline, was highlighted as a particular problem. It was though also suggested that reducing the need to travel to education centres, for example through better internet connections and educations programmes delivered at pupils homes, would be an initiative that was worthy of further exploration.

4.3 The worsening state of public transport provision to rural settlements remains an inhibitor to employment and skills development. This also has a direct adverse impact on the likelihood of employment generating development being approved in rural areas, since planning teams commonly cite 'dependence on motor vehicles' as

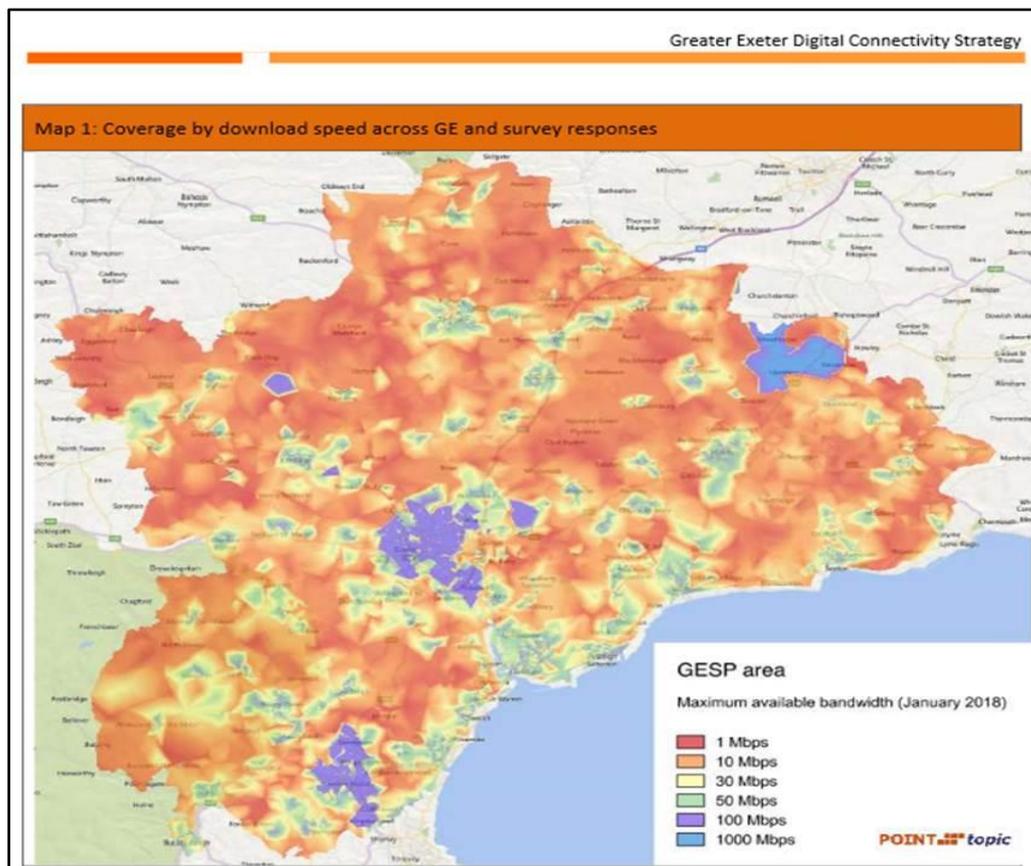
a material reason for refusal. The issue here is that in public transport planning, provision often follows demand and if there were a concentration of increased commuting requirement in appropriate rural centres, routes would be amended to serve this.

5. What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?

5.1 It was highlighted at the East Devon think tank that the quality of broadband connectivity is critical to the success or otherwise of rural businesses. It was identified that nearly all businesses (whether urban or rural) are dependent to some degree, though increasingly a high degree, on the internet. There is, however, huge variation in broadband speeds across rural areas. To promote joint plan making with neighbouring authorities East Devon District Council commissioned Adroit Economics Ltd to produce a Greater Exeter Digital Connectivity Strategy, see: <https://www.gesp.org.uk/evidence/>

5.2 The map in the response to this question, taken from the report, illustrates the huge variation in broadband widths across a large swathe of Devon. The city of Exeter in the centre of the map and Newton Abbot (a town of 26,000 people) on the southern edge of the map are hotspots of connectivity. Elsewhere broadband speeds are hugely variable, a distinctly rural part of East Devon, on the Eastern side of the map, is a localised hotspot of high connectivity but this is a rare exception in what is predominantly a pattern of poor, and frequently very poor, connections.

5.3 The concerns are, however, not just about download speed, they also extend to reliability and resilience. Evidence suggests that demand for digital connectivity (both fixed and mobile) will continue to grow exponentially for domestic, employment and transportation needs. On this basis, and in line with Government policy, we should therefore be moving towards full-fibre connections (i.e. Fibre to the Premises and minimising reliance upon archaic BT copper wires at any point in the network). Fibre allows for gigabit (i.e. >1,000Mbps) speeds uncontended (contention is the sharing of a broadband signal by a group of customers which results in reduction of the bandwidth available to each individual customer) and stable (not affected by weather, flooding etc) internet connections. Growth in the demands for automated and guided vehicles, smart infrastructure, precision farming, mobile working and mobile streaming etc. will require similar improvements in mobile connectivity, likely to be delivered through 5G. 5G mobile connectivity will be reliant upon sufficient fibre backhaul from masts/broadcasters.



5.4 There is, and remains, a simple reality that fibre provision is very costly and currently massively dependent upon inadequate commercial rollout. It is therefore difficult to avoid the conclusion that it will remain the case that Government money (in the absence of other subsidy mechanisms) and innovative public sector support will be essential in order to secure full high quality rural area coverage. Because businesses, and economic activity in general, is increasingly dependent on high speed, reliable and resilient fixed and mobile digital connections any areas that lack good connections are inherently at a disadvantage. Furthermore as more business actively moves on-line the gulf of disadvantage between those with good access and those without grows wider.

6. What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?

6.1 It was noted that maintenance of essential services is and will continue to be a critical challenge in many rural areas with no easy solutions, though elsewhere in this report it is noted that higher population levels bought about through additional house building offers some potential.

6.2 With respect to banking, and maintenance of many other services, it was stressed that universal post office provision will be critical in many villages.

7. What can be done to support local shops, community pubs and other rural amenities at risk of closure?

7.1 The threat to Post Offices in rural centres and their significance to businesses. Rural post offices should be promoted to both residents and local businesses as a beneficial opportunity to pay both council tax and business rates. This generates opportunity linked sales for the post offices which in turn are maintained as a resource for local businesses to be able to access, transfer and manage their cash. This is especially relevant to remote settlements with too poor a broadband provision for online banking to be an option.

## **Business, employment, skills and demography**

8. How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?

8.1 It was noted that planning constraints can prevent development of new or extended premises from being build. Economic development report a common perception across rural areas that Planning remains a barrier to employment provision in more remote settlements. Potential visual or landscape impacts appear to factor more heavily in planning consideration than the evidenced economic benefit. We would encourage closer communication and a stronger shared understanding of the respective challenges facing both planners and rural businesses. Removal of pre-application fees for smaller scale commercial applications would go a long way to helping achieve this through facilitating greater dialogue.

8.2 However with significant environmental assets in East Devon there is a balance to be struck between maintaining high environmental quality (which is an economic asset in its own right) whilst also accommodating appropriate development.

8.3 The council works closely with applicants to seek to secure development proposals that are of the highest quality. Points can be reached, however, where rural businesses, especially when in sensitive locations, can become too big or dominant in an area. An issue then is to seek to provide or support alternative space, this may be in a close by town, and as such can still be located close to an existing businesses original home base and should still support local ties.

8.4 An issues that was noted was that thriving and expanding rural businesses may actually need urban residents to travel out of towns to fill jobs, including better paid and more skilled jobs.

9. How can deprivation and inequality in rural areas be tackled?

10. How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?

10.1 By providing better opportunities for education and training and better jobs and homes to rent or buy that are close by.

10.2 There is also a role for Exeter University in promoting Knowledge Transfer Partnerships and student placements with local rural employers. We have some very well established and successful major employers across our rural economy, fewer of whom proportionally are engaged with the University.

11. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?

### **Rural housing and planning**

12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

12.1 It was considered that local authorities should be given much greater scope and financial freedoms to build Council Houses and secure other forms of social and affordable housing.

12.2 The view was forcefully expressed that Homes England should be tasked with the job of offering support (specifically including funding) to local authorities to build council houses. Whilst on a more general level Council's should be given greater freedom and flexibility to undertake rural council house building.

12.3 Planning policies should actively encourage and require affordable housing on rural development sites with no lower threshold on cases where affordable housing will be sought as a developer contribution for schemes that are providing open market housing.

13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?

13.1 Concern was expressed that the planning system suppresses scope and potential for positive development in rural areas. It was considered that allowing some development in villages, specifically those with a range of facilities, would help (to some degree at least) to sustain facilities through increasing population levels and therefore potential customers. It was recognised, however, that to secure new facilities, or resurrect those closed down, could require substantial levels of new development, especially house-building, and especially in areas of high environmental quality, such as East Devon, this could run counter to other conservation related planning objectives and may not receive public support.

13.2 It was also noted that building new homes, with more residents, would not only help facilities such as the village shop or pub but would also provide more customers for any number of business based in rural areas, from builders building new homes through to gardeners tending gardens and for any other service of product that residents may wish to purchase.

13.3 A concern expressed around failure to build houses in rural areas, specifically including affordable housing, was that it restricted opportunities for young people to move into villages. One result of this is an increasingly aging profile of many villages. Amongst other matters it was highlighted that a consequence on restrictions on new housing was that younger family members can find it difficult to live close to older (rural and village dwelling) family members and therefore to be close enough to actively look after them at their home.

### **Government policy, devolution and local government**

14. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?

14.1 One of the problems that was identified was that the Government will frequently not 'rural-proof' the initiatives and proposals that they bring forward. The Government, when defining new policies or initiatives, can

show an urban (and especially big city) bias in the way they understand problems or seek to realise opportunities and therefore fail to take into account the difference that apply in rural areas. In the future it was seen that more attention should be placed on considering implications for rural areas (as well as urban areas) when defining policies and initiatives.

15. What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?

15.1 The South West Rural Productivity Commission was established by four LEPs in the South West to explore and understand how the economy in rural areas of the South West is performing and identify opportunities to stimulate rural productivity and growth. The commission found huge potential for economic growth if key opportunities are seized and challenges addressed. This new report shows examples of tangible projects that will deliver benefits throughout the community. The full report is here: [SW Rural Commission Report](#) and the evidence here: [SW Rural Report Evidence](#)

The most important themes that emerged from the work are:

- Digital connectivity presents a game changing opportunity but without further urgent action businesses and communities will become left behind
- Smart technologies have the potential to create solutions to many of the challenges faced by rural areas and the development of an innovation platform on a regional scale has the ability to create higher value jobs
- The rural SW hardworking and entrepreneurial culture, coupled with its stunning natural environment, with the right support, can become a hothouse of enterprise
- Our agri-food-tourism economy is a strength upon which we can build globally recognised propositions as THE place to start and build and grow a food business
- There are genuine concerns that our rural communities are spiralling downwards towards ‘fossilised retirement villages’ unless Government and local leaders take prompt action. Local and national policy must move away from the ‘one size fits all’ approach that fail to recognise that rural areas are different.
- Brexit has the potential to shake the foundations of our rural economy – providing either a much needed boost or sudden economic shock. Now is the time for action if we are to reap the benefits in line with the commission’s recommendations.

## 15.2 Summary of Key Findings

The commission opened with a call for evidence, which was promoted by all four LEPs over a three month period and received 67 responses and over 200 items of evidence. This was supported by five panel sessions with one in every county covered by the commission, where we heard over 40 hours of testimony from a broad range of witnesses. This has been distilled into 10 key themes, each with a series of key recommendations, summarised as follows:

1. **Rural identity and Sectors.** This section looks to address the issues surrounding supporting the traditional low wage, low productivity sectors of agriculture, forestry, fisheries, food and drink and tourism and encourage the continued emergence of knowledge based businesses which arises from improved connectivity and an outstanding natural environment and quality of life.

Key recommendations include:

- Raising the profile of the area
- Develop an action plan for each sector
- A South West LEP’s coalition to support the evolution of the food sector
- Upgrade and expand network of rural work hubs
- Proactively seek out relocation opportunities for organisations incl. gov. agencies to SW rural areas

2. **Small and Scale-up Businesses.** This section seeks to address issues associated with the higher proportion of self-employed, micro and small businesses in rural areas and the fact that while satisfying for those employed by them they are generally low paid with a lower success rate at scaling up compared to urban areas.

Key recommendations include:

- Encourage collaboration and sharing of resources, knowledge and experience to create a supportive environment
- Target support for women's enterprises and their untapped potential
- Utilise the train the trainer concept to improve the quality of business support
- Effective mentoring and networking programmes
- Develop business start-up apprenticeships with local colleges
- Support programmes for scale up businesses
- Seek government review of impact of tax regime on micro-businesses

3. **Workforce and Skills.** This section looks at issues of recruitment, training and skills in rural businesses. Key recommendations include:

- Develop an exceptional rural leadership and management programme with delivery partners and work with higher education institutions
- Establish a strategic approach to low pay by working with industry
- Look at alternative apprenticeship models to overcome barriers to apprentices in rural areas

4. **Brexit.** This section considers impacts of Brexit such as leaving CAP, loss of funding for economic development, loss of EU workers, changes to tariffs. Key recommendations include:

- Encourage DEFRA to reform system of support payments to agriculture and use the SW as pilot
- Ensure future rural development programme is fit for purpose
- Seek clarity on transition and long term arrangements for migration and trade
- Develop a Brexit response plan to provide support to information to rural businesses

5. **Transport and Accessibility.** This section looks at issues with the quality of strategic road and rail network and the need for improved speed and resilience, public transport integration, accessibility to rural employment, importance of rural cycling and walking, stifling development through planning

Key recommendations include:

- Work with DoT to bring forward improvements
- Develop a challenge fund to design, pilot and roll-out innovative solutions to rural accessibility such as social enterprise models.
- Government should rural proof its funding formulae so as not to disadvantage rural areas
- DEFRA should safeguard the future of national trails and provide funding

6. **Broadband and Mobile Connectivity.** This section identifies the issue of slow broadband speeds and the severe and protracted issues experienced by both residents and businesses in more remote rural areas. Key recommendations include:

- Government should ensure 30Mbps achieved in rural areas by 2020 and increased to more than this by 2025
- Government should require providers to provide roll-out plans to allow alternative projects to be developed where rural needs not to be met
- Provide practical support to community broadband schemes and pilot these and other alternative delivery models
- SW LEP's to conduct independent review of broadband provision in the area
- Government should improve rural mobile phone coverage
- SW LEP's to support businesses to understand how to make best use of digital opportunities

7. **Housing, Planning, Communities and Workspace.** This section identifies housing affordability as a significant issue, issues of delivering workspace when often end market value is less than build cost, threats to rural services through funding reductions.

Key recommendations include:

- DCLG should ensure that all sites for housing in rural areas contributes to affordable housing

- SW LEP's to engage more with LPA's on provision of housing in all settlements
- SW LEP's to liaise with LPA's on how to use best practice nationally to implement second homes policy
- SW LEP's to engage with LPA's on private sector solutions for provision and running of affordable housing schemes
- Local authorities to investigate potential for high quality hostel to address local labour needs
- Government should enable permission in principle to support small scale commercial developments
- SW LEP's to work with LPA's to create more positive and constructive relationships with businesses and follow NPPF
- DCLG should recognise costs of delivering services in rural areas and support pilot innovative solutions
- SW LEP's and LA's should support community and social enterprise businesses

8. **Natural and Cultural Heritage.** This section recognises the importance of heritage to economic success and the need to balance economic growth with protecting heritage or risk longer term damage to these assets. Key recommendations include:

- SW LEP's should invest in improving areas natural and cultural assets as key driver to economic growth
- SW LEP's should build on expertise in natural capital markets
- SW LEP's and LA's should ensure economic development projects safeguard natural and cultural assets
- Explore and develop concept of environmental enterprise zones creating opportunities for businesses to capitalise on these assets

9. **Geography, Hubs and Spheres of Influence.** This section considers urban bias of devolution, city and growth deals, identifies that rural areas within city regions perform better and the role that market and coastal towns could play in addressing this with the right support. Key recommendations include:

- Government should ensure funding deals are equally available outside city regions, develop funding processes that do not disadvantage rural areas by competing with urban projects
- SW LEP's to explore 'distributive' spatial growth with LPA's which recognises opportunities for growth in rural towns and villages creating growth hubs
- SW LEP's should identify opportunities for mutual growth between cities and rural areas e.g. matching rural job opportunities to urban unemployed, local supply chains
- DCLG should extend coastal communities model to cover market towns

10. **Science, Technology, Energy and Innovation.** This section considers how science and technology solutions could drive economic and social change and how rural areas need to keep up with that and maximise opportunities from it. Key recommendations include:

- Develop regional smart rural research platform creating a critical mass of scientists, entrepreneurs and investors
- SW LEP's to develop collaborative approaches to develop local renewable energy solutions including using crowd funding
- DEFRA should fund more on farm trials of new and innovative practices

## Appendix 2:

### Examples of individuals and businesses supported through the EDEP programme:

**Ann Harrison is looking to start her own business manufacturing bespoke wet pastry pies.** Her business goal is to move into her own premises and create employment to enable her to focus on the business development of her brand.

Although she has previous experience in the catering business Ann recognised the importance of a robust business plan at the start of the process. Thanks to the East Devon business support programme she was able to talk through her business idea with an advisor from Business Information Point who helped Ann to shape her business plan in terms of operational regulations, marketing opportunities and pricing strategy.

Speaking of her experience with BIP, Ann said ‘the advisor was able to look at my business idea and suggested alternative approaches I had not thought of, such as using village halls in the short term. I just need the confidence that I know the steps that I need to take and that I am going in the right direction. I have since been in touch on a number of occasions; it is really comforting to know I have an advisor I can relay my progress to.’

**Ian Richards is behind Little Oak Meadow,** a wedding and special occasion venue which will cater for locals and visitors looking for a rural location with exceptional views. Ian has previous management experience but has not been self-employed before. His challenge, supported by an advisor from Business Information Point, was to develop a business plan which clearly identified the required actions to ensure the business would be viable and sustainable.

Ian summed up his experience with BIP as follows, “The whole experience was completely just what was needed – not only at the initial meeting but in follow up conversations to discuss progress. It really was positive and informative with lots of information and advice shared in a short space of time”.

**Suzanne Pashley is Managing Director of Happy Dogs.** Suzanne attended three Cosmic workshops in February and March: Digital Tricks, Moving to the Cloud, and Boost your Website with SEO and Google Analytics.



When asked what helped her the most from these sessions Suzanne responded that “It highlighted areas of Office 365 that I didn’t know were available, for example the Periodic Table. I’ll be looking on the form for customer self-reservation bookings.” Suzanne also felt that advice on how to incorporate Twitter and blogs into company websites was valuable as well as tips on how to link these things together into a recognisable brand.

In terms of the difference the workshops have made to her business, Suzanne said that she has investigated looking after her passwords, using Gmail and One Note. Suzanne also identified how she will be able to implement productivity improvements, “Tools such as Toggl and TripLog will be especially useful for our business as we have a number of dog walkers out in the van and we can log their mileages and put that straight into spreadsheets for the tax returns.”

Suzanne also expressed her desire to attend future workshops – “I find these workshops useful as it’s a confirmation that I’m going in the right direction with my own self-learning. Working within your own business you need the external help to keep you up-to-date”.

**Leanne Fennell from Articulacy** attended two Cosmic workshops in March: Moving to the Cloud and Boost your Website with SEO and Google Analytics. Leanne found the sessions to be of immediate benefit to her businesses. “Immediately after the session we were able to create a self-booking form for schools to book themselves online, rather than sending a Word document. I love training that teaches you something that you can do straight away. We have downloaded Google Analytics to help boost our website. I have set it up on a couple of pages and I plan to use this tool in the future.”



In terms of the difference the workshops have made to the business, Leanne said “It has already helped us become more professional, for example using App links instead of attaching documents. As a direct result of working with Cosmic we now have an Exeter University data analytics student working with us on a part-time placement. The university pay him to work with us as part of his course. We will be bringing the student to further sessions – both to continue with my learning and understanding and also to help the student.”