

East Devon Local Economic Review

East Devon District Council

October 2023

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Introduction

The purpose of this Local Economic Review is to provide a single document illustrating the core economic data for the district of East Devon. This document utilises the most recent data available through the 2021 Census along with figures provided by the Office for National Statistics (ONS) and other credible bodies. The data in this report can be used to guide wider strategic planning and help to inform policy at a local level.

Technical Notes

The review gives first preference to Census data where possible, with ONS datasets, which are typically sample based, used to show changes over time (longitudinal). As the methodologies used in the Census and other ONS datasets are not always consistent, there can often be slight changes for the same type of metric.

Data collated from non-official sources is also provided where this is the only source available. For example, data within the Economic Development Needs Assessment (EDNA) undertaken by Hardisty Jones Associates and JLL will be used to show expected economic and employment forecasts for the district.

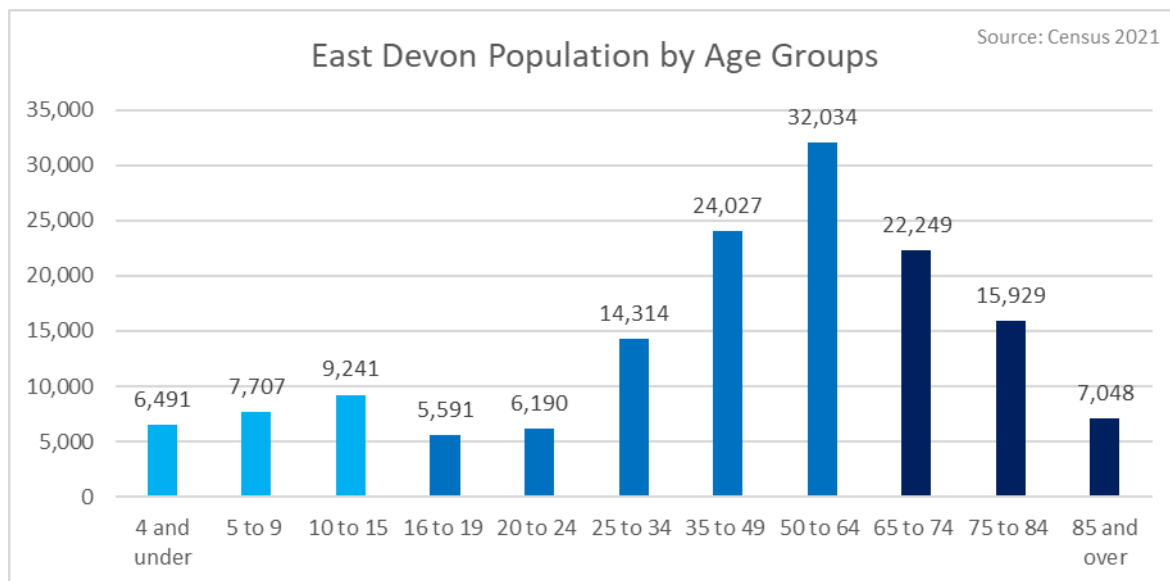
Data will be shown primarily in graph format, with East Devon data usually illustrated in blue. Where data is presented in a longitudinal format, a ten year timespan will typically be used unless there is a more appropriate data-specific baseline or where ten years' worth of data is not available.

Where data is presented in a geographical format, Exeter, Mid Devon and Teignbridge will be used as the local comparator geographies, as these areas make up the wider Exeter and the Heart of Devon functioning economic market area (FEMA). A regional (South West England) and national comparator will also be displayed, with the UK used as the preferred national comparator, with England as the secondary preference.

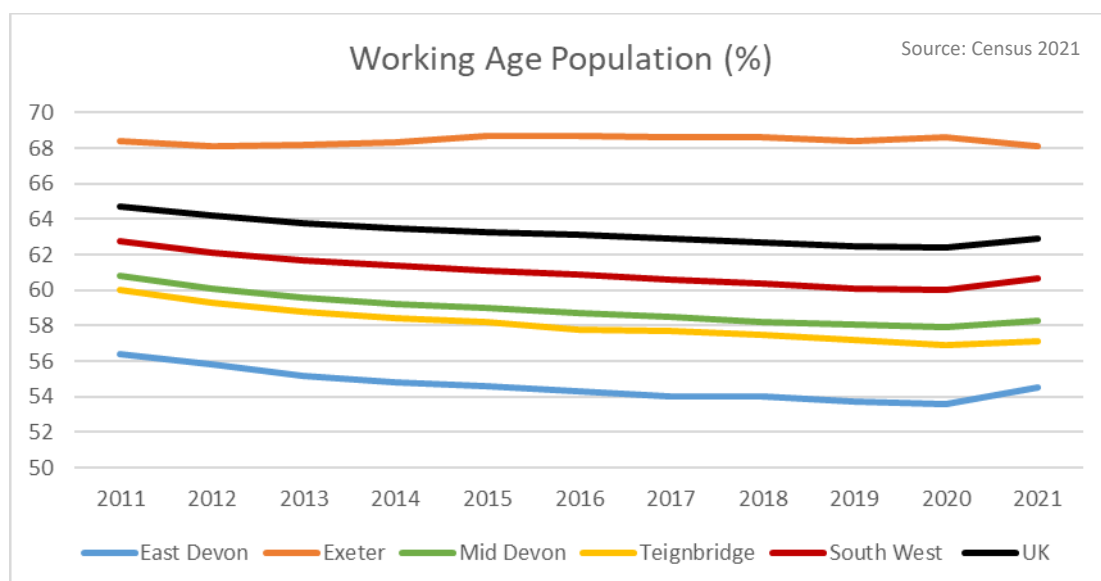
Ward level Census data is available and has been illustrated where there is a reasonable degree of variation between the wards.

Population

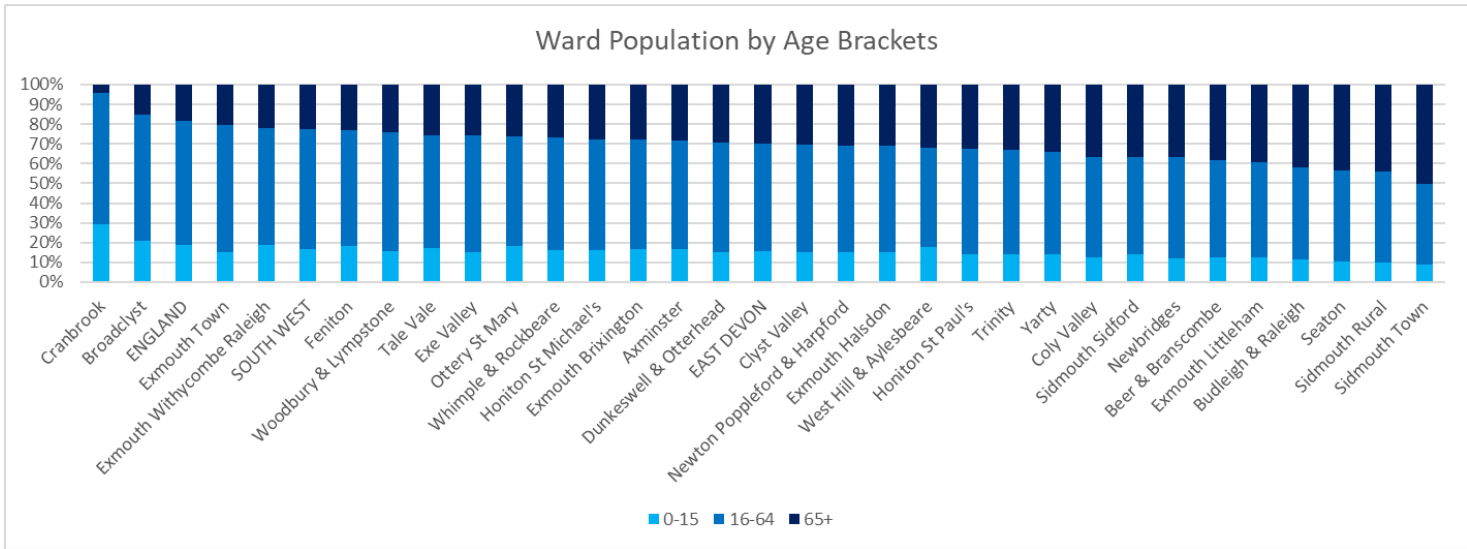
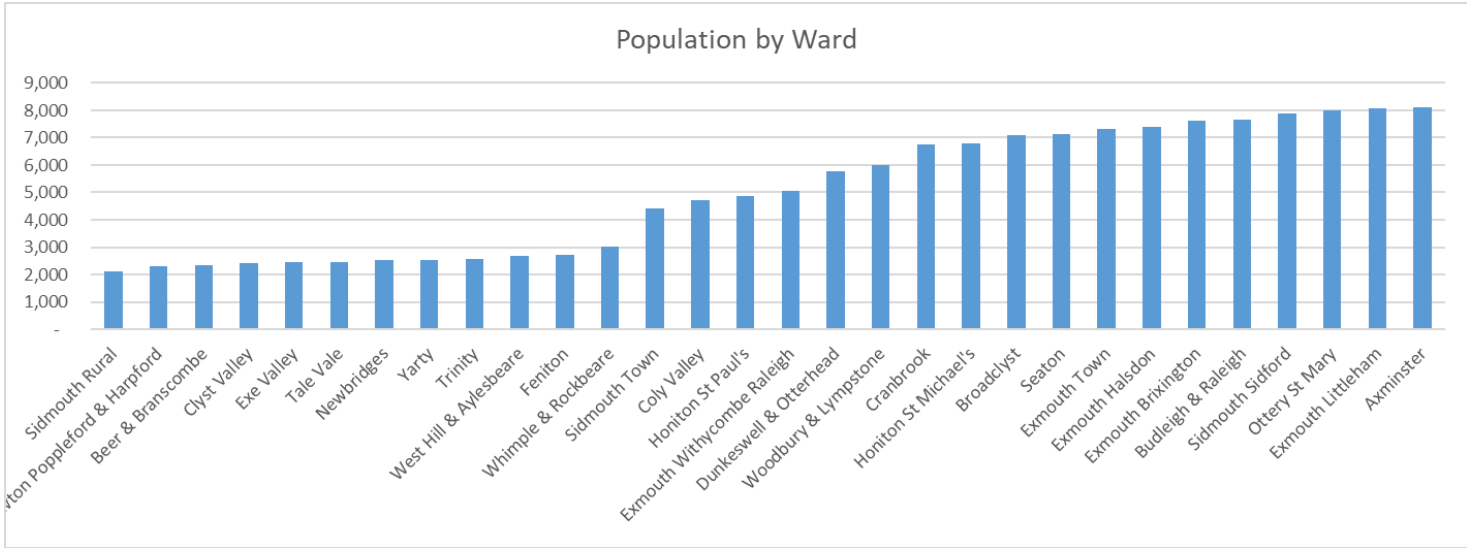
According to the 2021 Census, East Devon's population stood at 150,821 people.



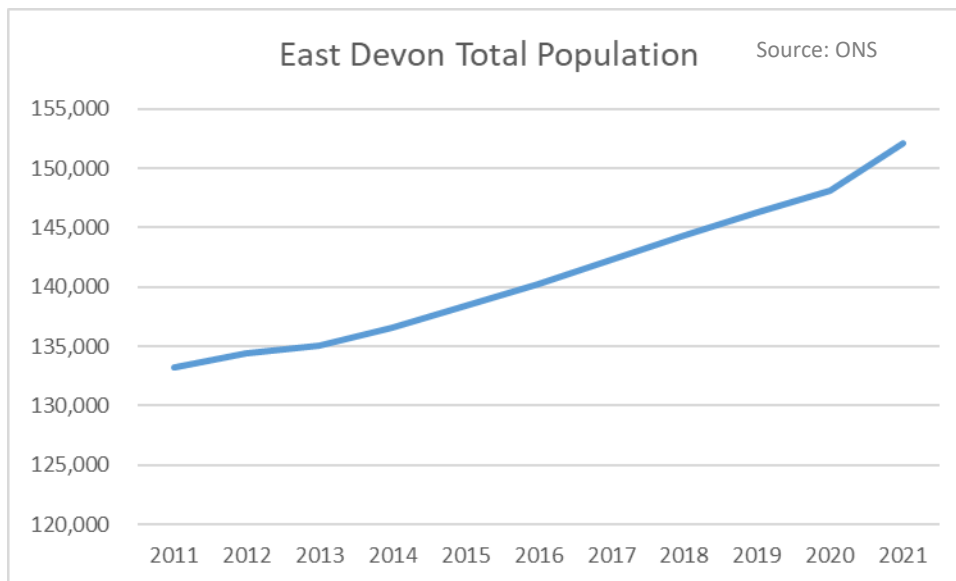
East Devon had a working age population (all those aged 16 to 64 years of age) of 82,156, which is 54.5% of the total population. There were 45,226 people of retirement age (65 years of age or above) making up 30% of the population, with those aged 0-15 years of age making up 15.5% of the population.



Population estimates from the Office for National Statistics (ONS) show that the percentage of working age people in East Devon has been consistently below the national and regional average. When compared against the 332 local authority areas in England, East Devon has the fourth highest proportion of retirees and the third lowest proportion of working age people.



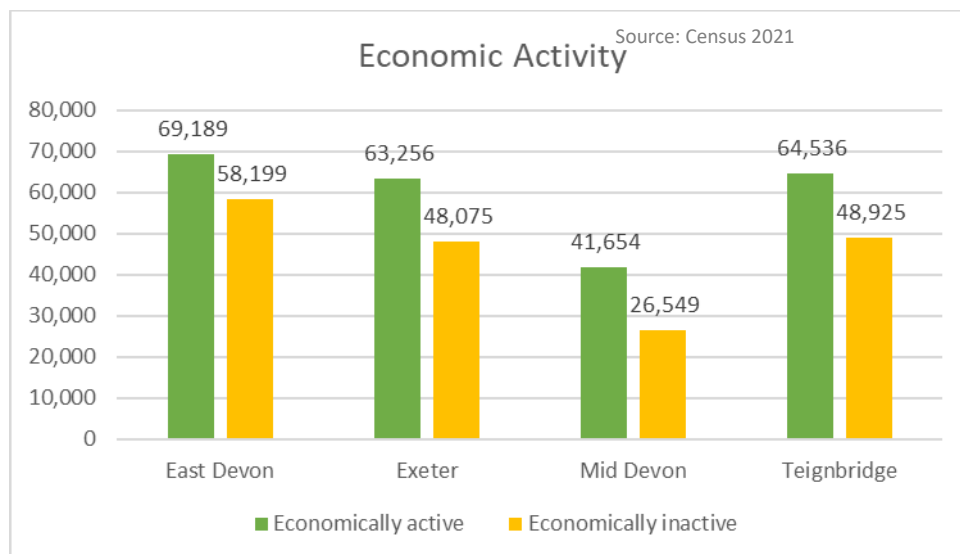
The two graphs above show population statistics for each ward in East Devon. Whereas the upper graph illustrates ward by total population, the lower graph shows age groups as a percentage of the total ward population. Only two of East Devon’s 30 wards have a retiree population below the national average, whereas retirees in Sidmouth Town make up the majority of the population.



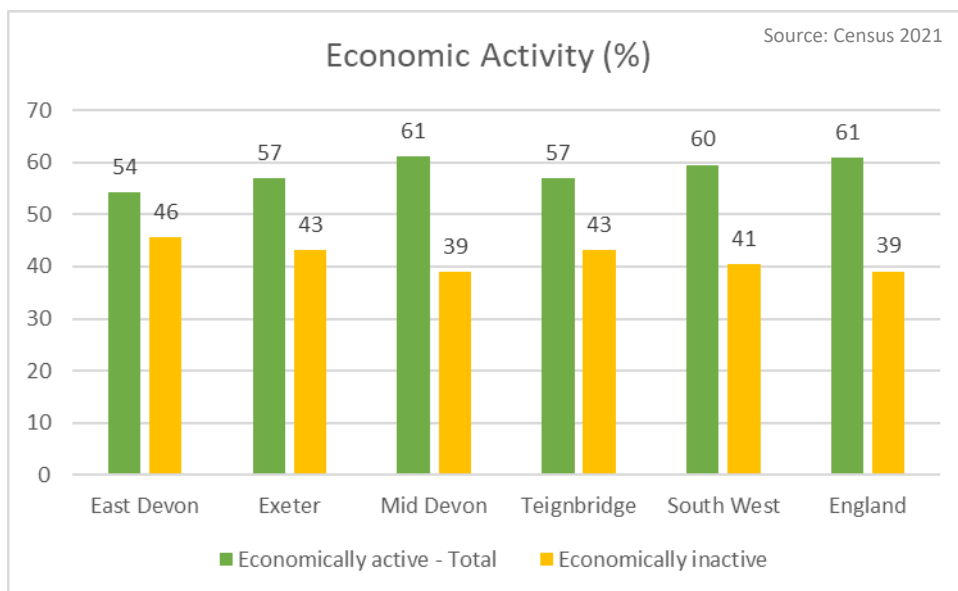
The graph above shows how the total population of East Devon has increased over time, with a 14% increase in the population between 2011 and 2021 according to ONS estimates.

Economic Activity

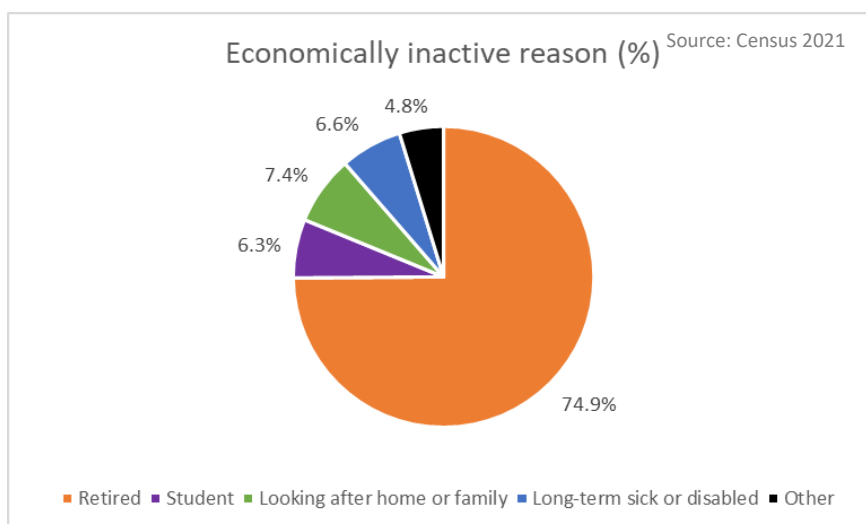
Those who are defined as economically active are those in employment, unemployed but looking for work, or unemployed and waiting to start a job that had been offered and accepted. Those who are economically inactive are neither in employment nor seeking employment.



As the district with the highest population in the EHoD area, Census data shows that East Devon has the highest number of both economically active and economically inactive residents.

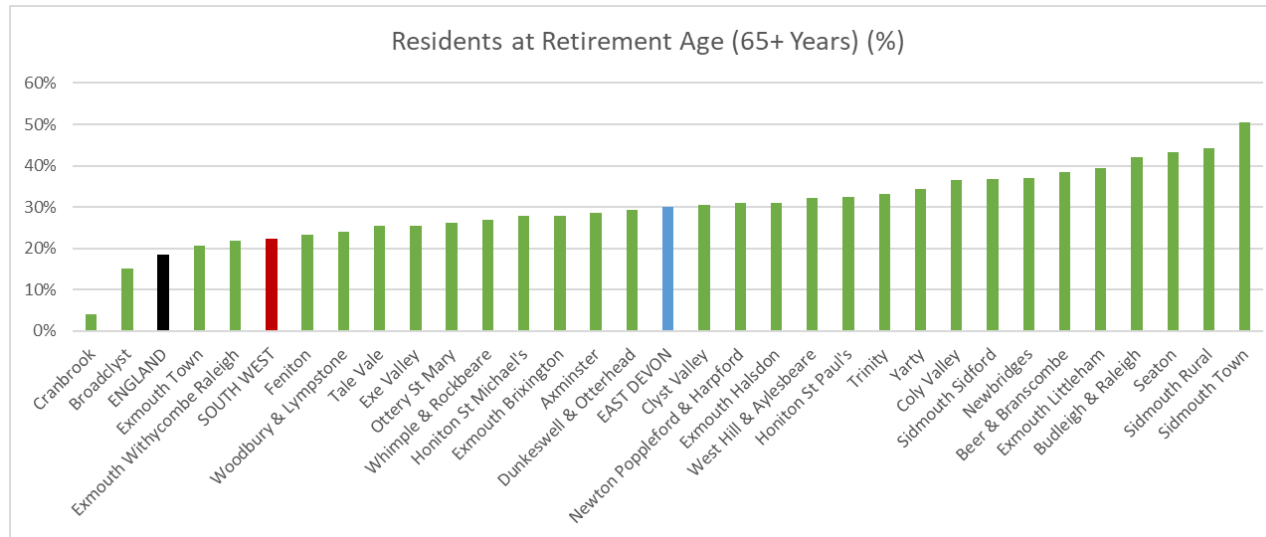
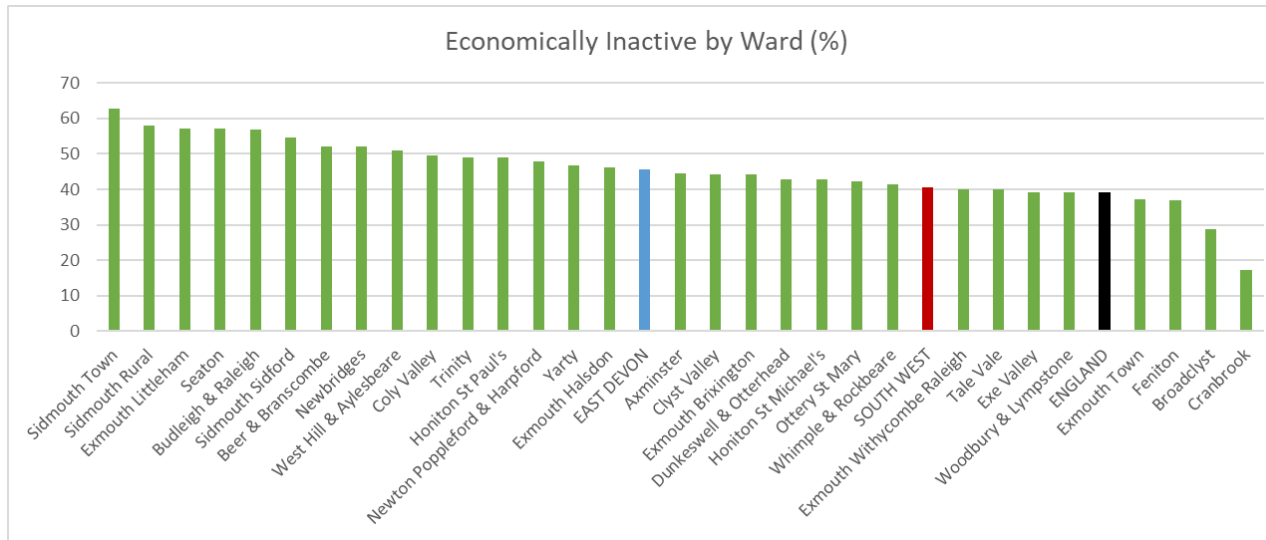


When compared as a percentage of the working age population, East Devon has the lowest proportion of economically active residents and highest number of economically inactive residents compared to the other EHoD geographies and the regional and national averages.



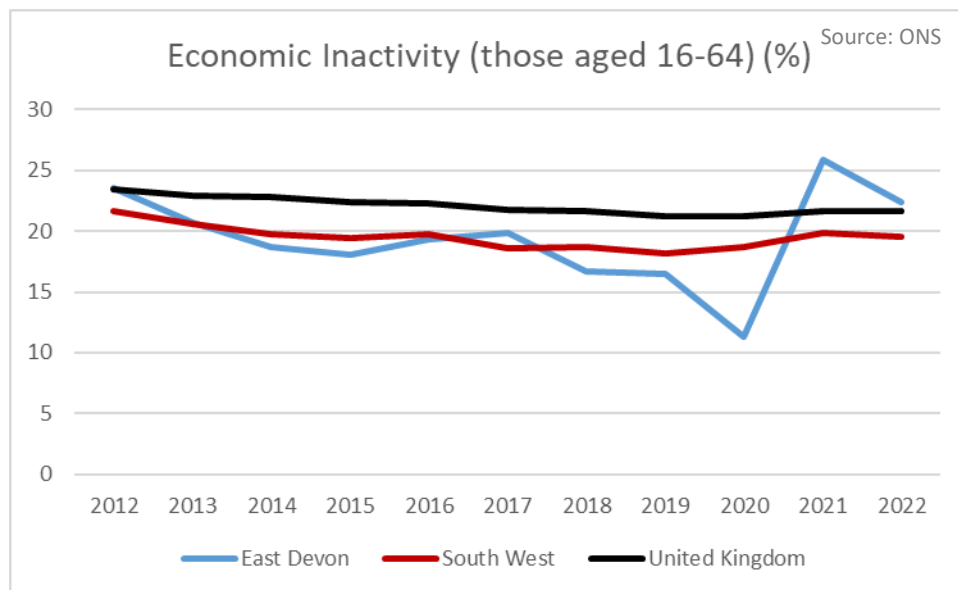
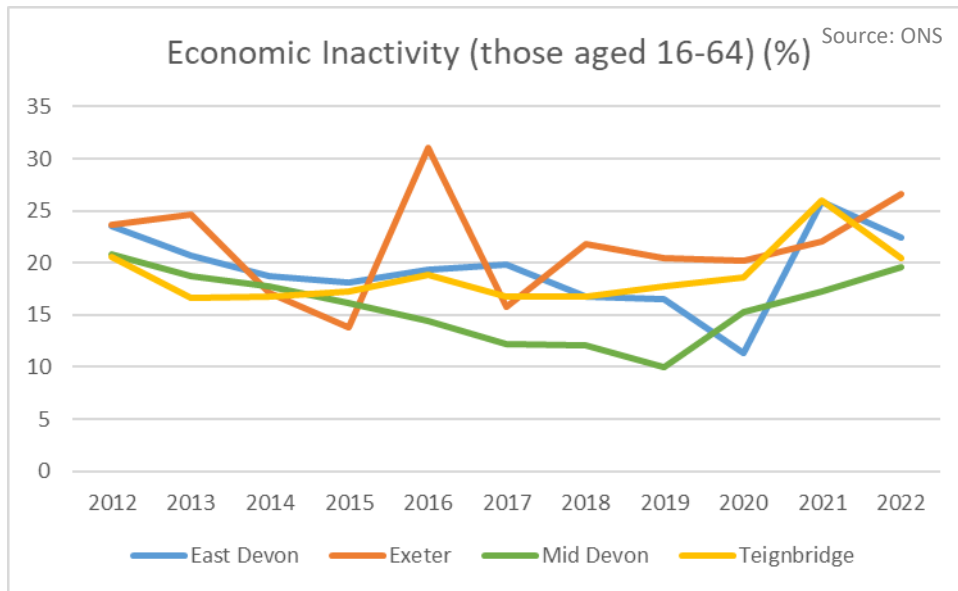
Almost three quarters of those aged 16 and over were economically inactive due to retirement, the fifth highest percentage of 332 local authority areas.

Reason	East Devon Ranking (out of 332)
Economically inactive	23rd
Retired	5th
Student	308th
Looking after home or family	299th
Long-term sick or disabled	240th
Other	283rd

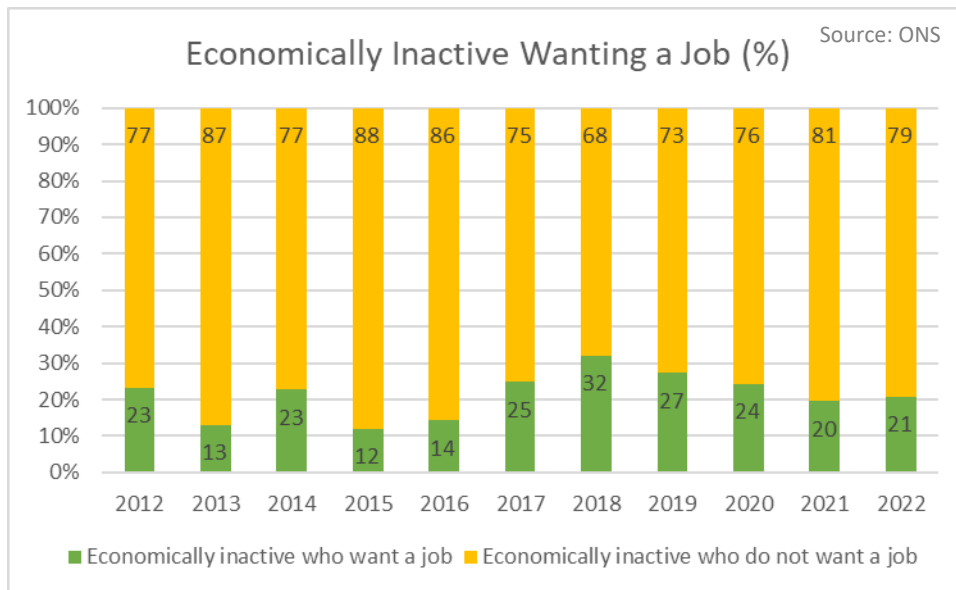


The graphs above show economic inactivity at a ward level, with 9 of East Devon’s wards having the majority of their populations economically inactive. As retirees are included within the economic inactivity figures, East Devon’s high proportion of retirees has increased the number of those who are economically inactive above the national and regional averages for most wards.

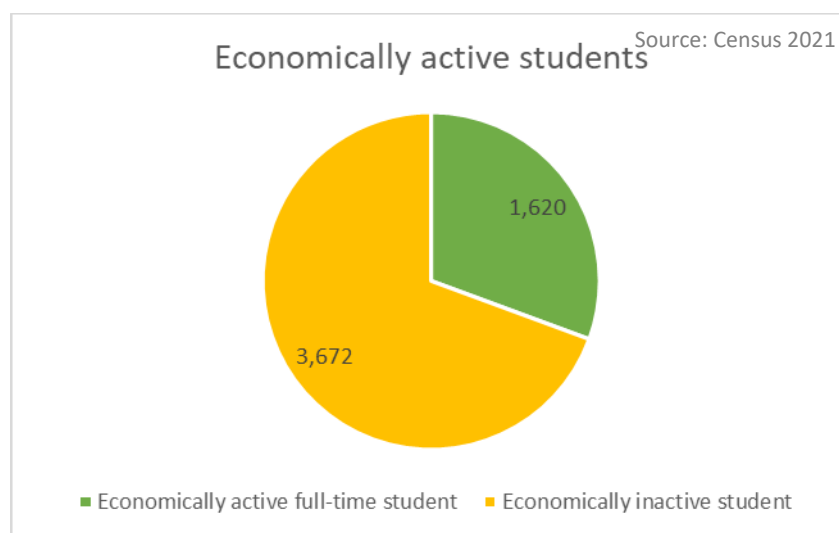
When those of retirement age (65 years of age or older) are removed from the data, ONS estimates show a more balanced picture, with East Devon less of an outlier both locally and nationally.



ONS estimates show that the majority of those who are economically inactive and are of working age do not want a job. In 2022 it was estimated that 21% of economically inactive people in East Devon would like a job, but are neither in employment nor actively seeking employment.



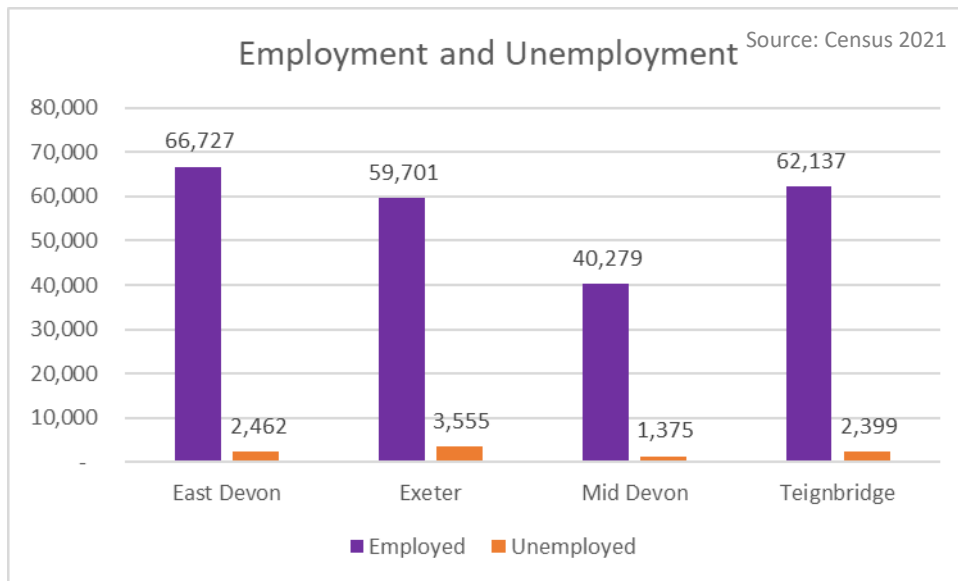
Census data also shows the number of students who are economically active, with 31% of students in a job, seeking a job or about to start a job.



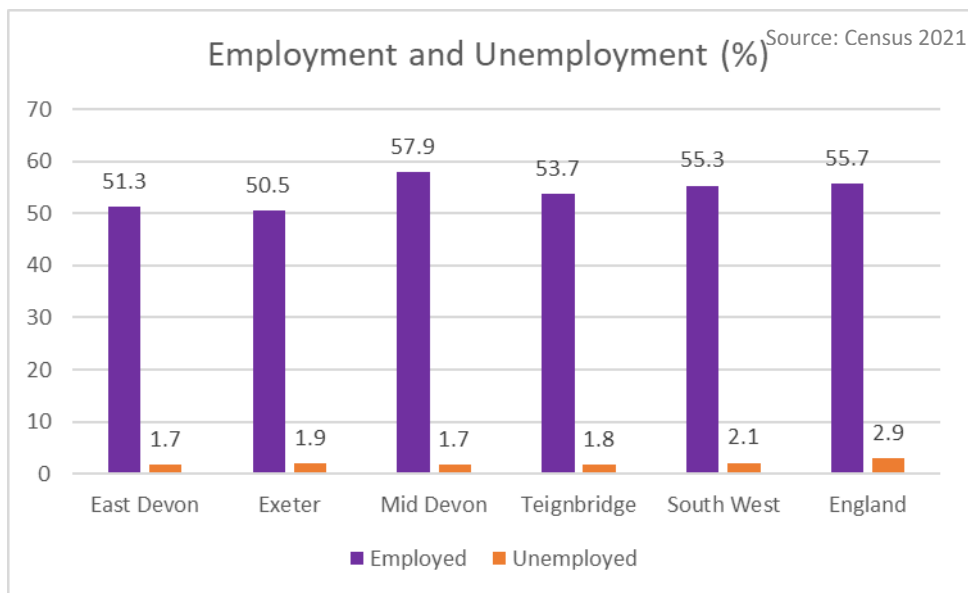
Employment

Those who are economically active can be further categorised into those who are employed and those who are unemployed.

The difference between unemployment and economic inactivity is that those who are unemployed do not currently have a job but are actively seeking employment or are about to start a job. Those who are economically inactive are not employed and are not seeking employment.

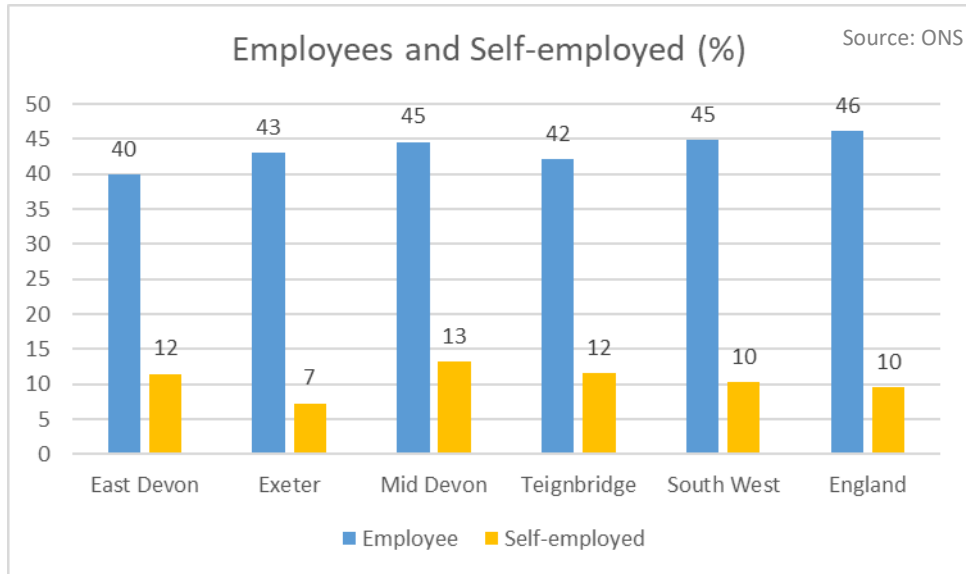


Census data shows that 51.3% of East Devon residents of 16 years or over were in employment. 1.7% of East Devon residents were classed as unemployed, the 18th lowest out of 332 local authority areas and below the national and regional average.

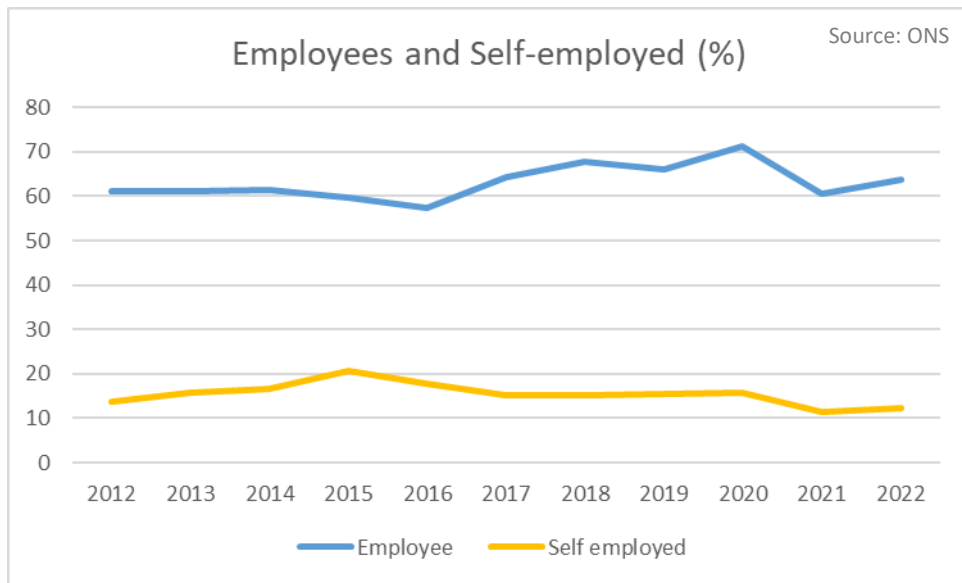


Of those who are in employment, this can be sub-divided further into those who are employed and those who are self-employed. Census data shows that there were 52,049 employees and 14,678 self-employed individuals in East Devon in 2021.

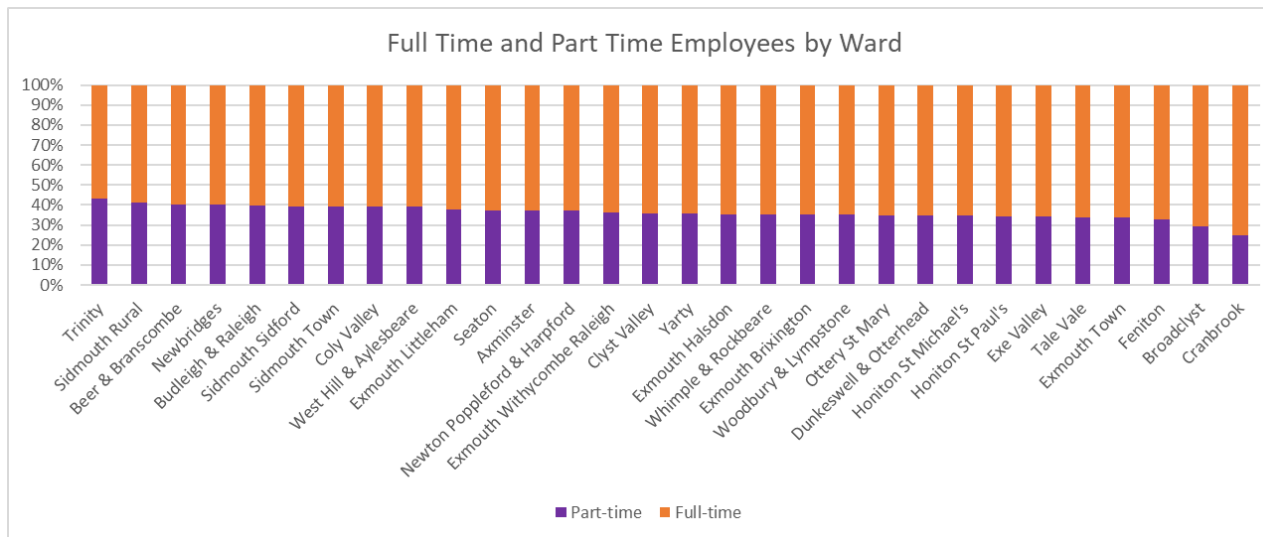
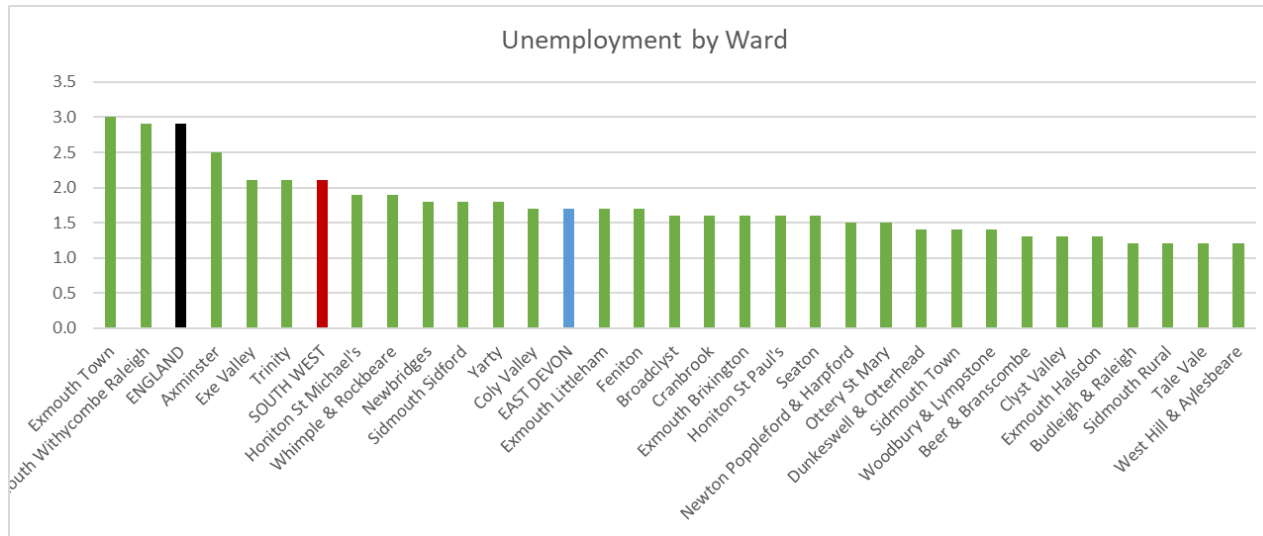
The graph below shows the percentage of employed and self-employed individuals as a percentage of those who are economically active. The percentage of those who are self-employed in East Devon is slightly higher than the regional and national average and relatively high in comparison to the number of those who work for an employer.



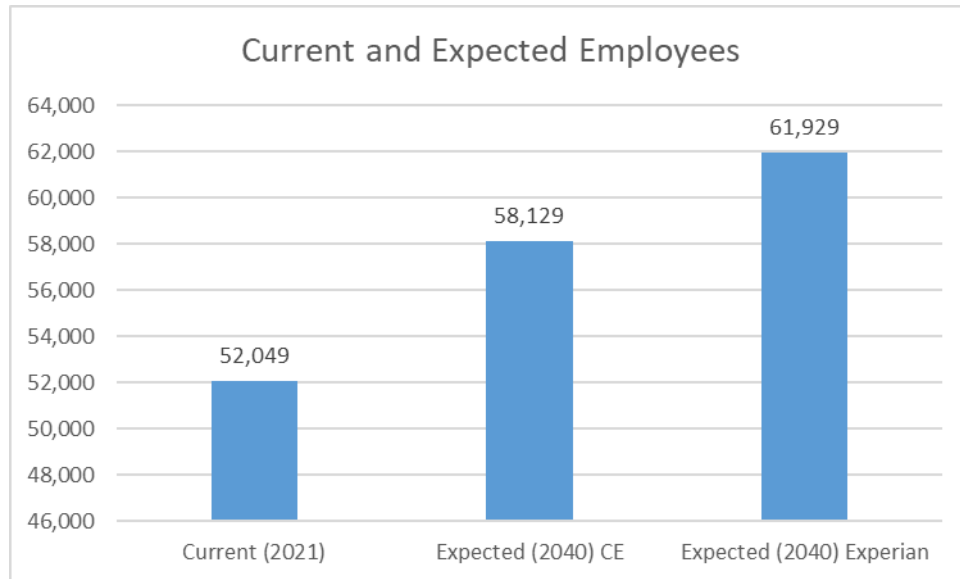
Census data shows that there were 14,678 self-employed individuals in East Devon in 2021, this includes 70 students who also work on a self-employed basis. ONS data in the graph below indicates that the number of self-employed individuals (as a percentage of working age people) in East Devon has remained fairly consistent over time.



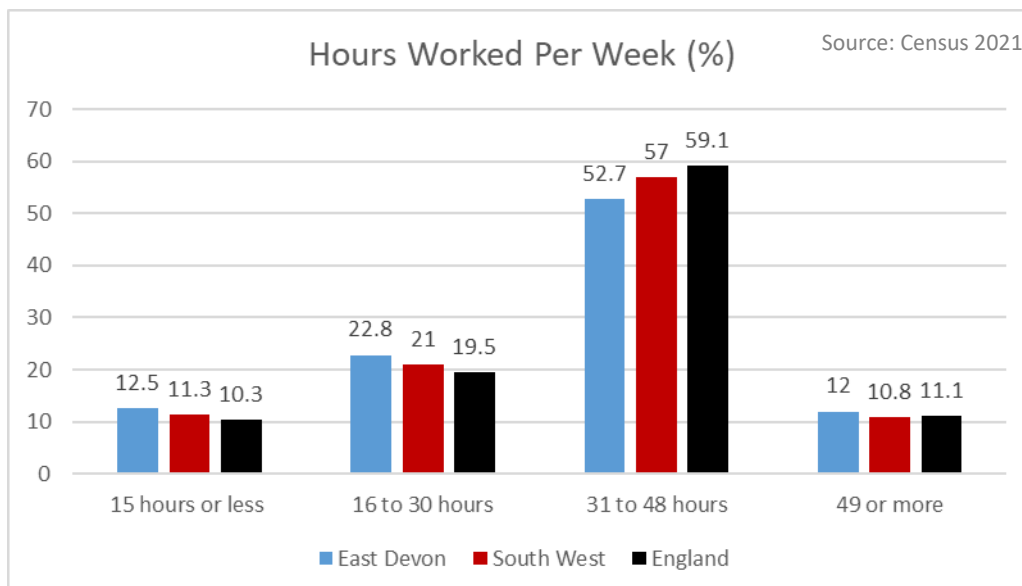
The graphs below show unemployment and part time working at a ward level. Exmouth Town and Exmouth Withycombe Raleigh were the only two wards to have rates of unemployment either equal to or marginally higher than the national average.



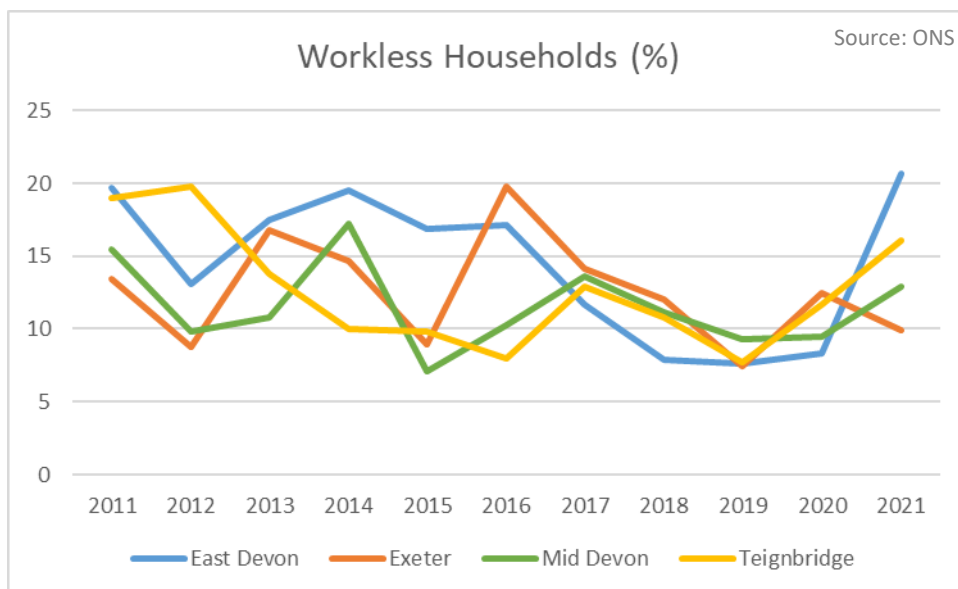
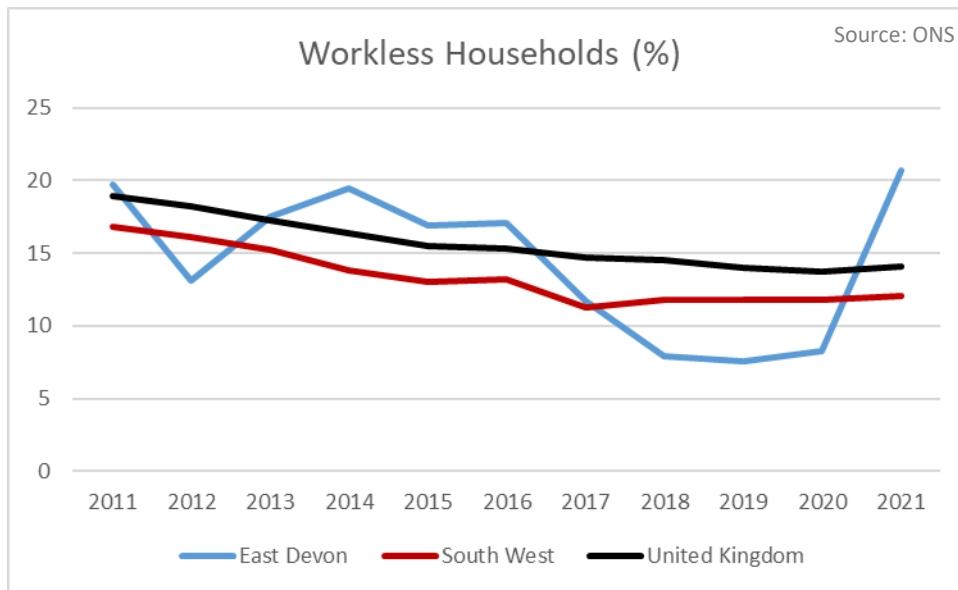
The graph below shows the number of employees in 2021 (taken from the Census) and the expected number of employees forecasted between 2020 and 2040. These forecasts have been derived from two separate sources, Cambridge Econometrics and Experian. The former predicts that employment in East Devon could increase by 320 jobs a year on average, whilst the latter predicts growth of 520 jobs a year on average. Compared to the 2021 jobs count figure, this represents a 12% and 19% increase in employment respectively.



Data from the 2021 Census also asked respondents in employment to confirm how many hours they work in a week. The data shows that there are slightly more East Devon residents working fewer hours compared to the regional and national averages. However, the percentage of East Devon residents that are working 49 hours or more a week is slightly higher than those regional and national averages.

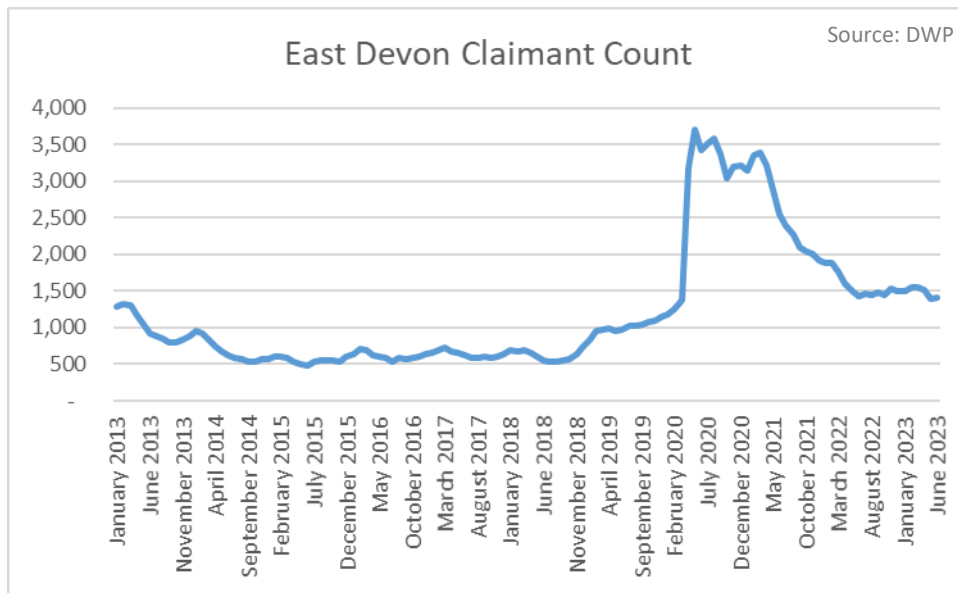


The ONS collates data from workless households, where no-one aged 16 or over is in employment. These individuals may be unemployed or economically inactive. The percentage of workless households appears to have significantly increased in East Devon from 2020 to 2021, which is not in line with the regional or national trend.

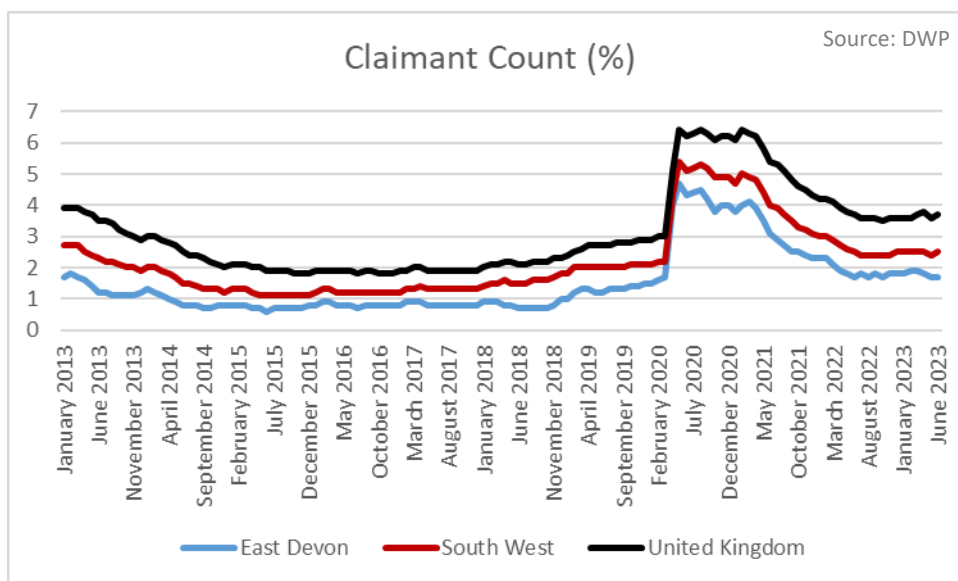


A more reliable source of data for tracking those who are unemployed is the claimant count statistics published by the Department for Work and Pensions. This data is published monthly and removes the annual swings frequently observed in ONS data.

The Claimant Count is the number of people claiming benefits principally for the reason of being unemployed. This is measured by combining the number of people claiming Jobseeker's Allowance (JSA) and National Insurance credits with the number of people receiving Universal Credit principally for the reason of being unemployed.



The latest figures for East Devon (June 2023) shows the claimant count standing at 1,410 individuals, or around 1.7% of the working population. Although figures have generally stabilised since the pandemic, they remain higher than the pre-pandemic levels.



The claimant count in East Devon has remained consistently below both the regional and national average and has remained broadly in line with neighbouring local authority areas.

Jobs

In addition to employment data, figures are available which provide further detail on the types of jobs currently held and how people travel to those jobs. It should be noted that this data only includes occupied jobs and not jobs which are vacant.

The table below displays jobs by occupation as a percentage of all jobs, with the South West and England averages displayed as a comparison. The table has been colour coded to show which occupations made up the largest share of the workforce at the time of the Census.

Occupation	East Devon	South West	England
Managers, directors and senior officials	14.1	12.8	12.9
Professional occupations	17.5	19.1	20.3
Associate professional and technical occupations	12.3	12.8	13.3
Administrative and secretarial occupations	8.9	9.3	9.3
Skilled trades occupations	13.7	12.1	10.2
Caring, leisure and other service occupations	10.6	9.9	9.3
Sales and customer service occupations	7.9	7.5	7.5
Process, plant and machine operatives	5.4	6.5	6.9
Elementary occupations	9.6	10.0	10.5

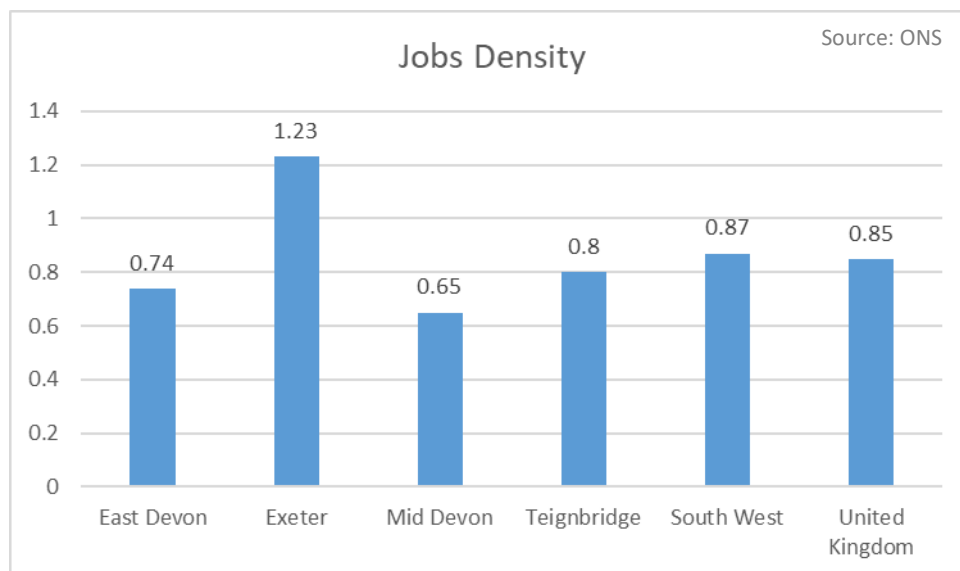
The types of occupations in East Devon are broadly consistent with the national and regional averages, albeit with East Devon having a slightly higher proportion of managers compared to professional occupations. The percentage of skilled tradespeople is also higher, with fewer plant and machine operatives. The types of occupation will link to those sectors where East Devon has a higher proportion of jobs. The table below shows the distribution of East Devon jobs by sector.

Sector	Jobs
Agriculture, forestry and fishing	1,898
Mining and quarrying	63
Manufacturing	3,374
Electricity, gas, steam and air conditioning supply	472
Water supply, sewerage, waste management, etc	726
Construction	6,267
Wholesale and retail trade, repair of motor vehicles, etc	10,194
Transport and storage	2,495
Accommodation and food service activities	4,305
Information and communication	2,008
Financial and insurance activities	1,295
Real estate activities	1,062
Professional, scientific and technical activities	4,452
Administrative and support service activities	3,414
Public administration and defence, compulsory social security	4,285
Education	6,439
Human health and social work activities	10,580
Other	3,398

The table below displays jobs by sector as a percentage of all jobs, with the South West and England averages displayed as a comparison. This shows that East Devon's sectoral distribution of jobs is roughly similar to the regional and national averages, with slightly higher percentages in farming and tourism based activities and with lower percentages in manufacturing, financial and ICT services.

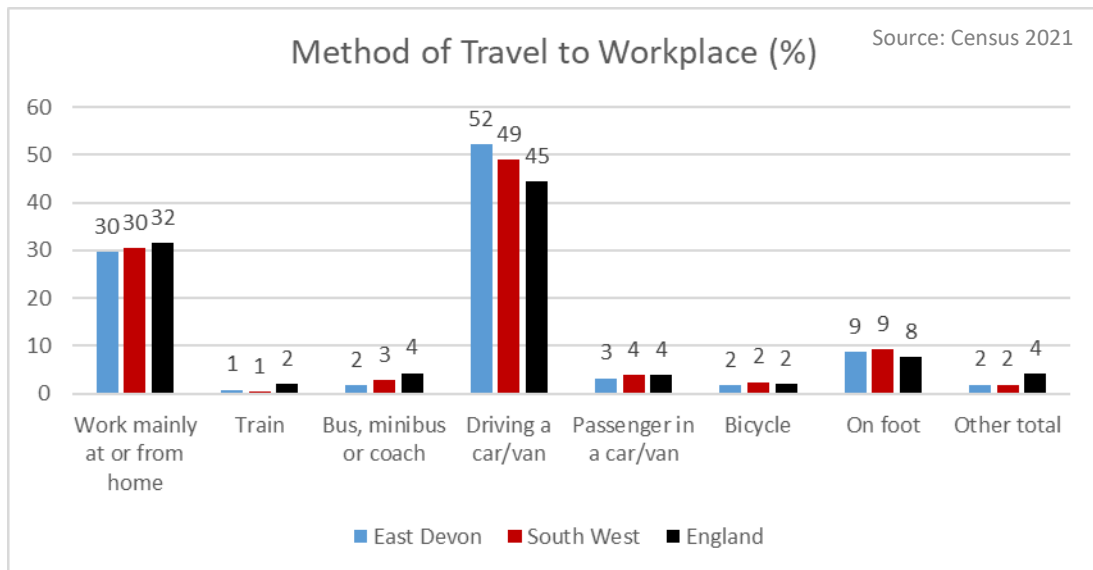
Sector	East Devon	South West	England
Agriculture, forestry and fishing	2.8	1.6	0.8
Mining and quarrying	0.1	0.2	0.2
Manufacturing	5.1	7.4	7.3
Electricity, gas, steam and air conditioning supply	0.7	0.6	0.6
Water supply, sewerage, waste management, etc	1.1	0.9	0.7
Construction	9.4	9.1	8.7
Wholesale and retail trade, repair of motor vehicles, etc	15.3	14.9	15.0
Transport and storage	3.7	4.0	5.0
Accommodation and food service activities	6.5	5.6	4.9
Information and communication	3.0	3.9	4.7
Financial and insurance activities	1.9	3.2	3.8
Real estate activities	1.6	1.5	1.6
Professional, scientific and technical activities	6.7	6.1	6.7
Administrative and support service activities	5.1	5.0	5.3
Public administration and defence, compulsory social security	6.4	6.7	5.8
Education	9.6	9.6	9.9
Human health and social work activities	15.9	15.3	14.6
Other	5.1	4.6	4.6

Jobs density figures can be useful to understand how many jobs are occupied in a given area compared to the overall working age population. For example, a job density of 1.0 would mean that there is one job for every resident aged 16-64. ONS data for East Devon in 2021 shows a job density of 0.74.

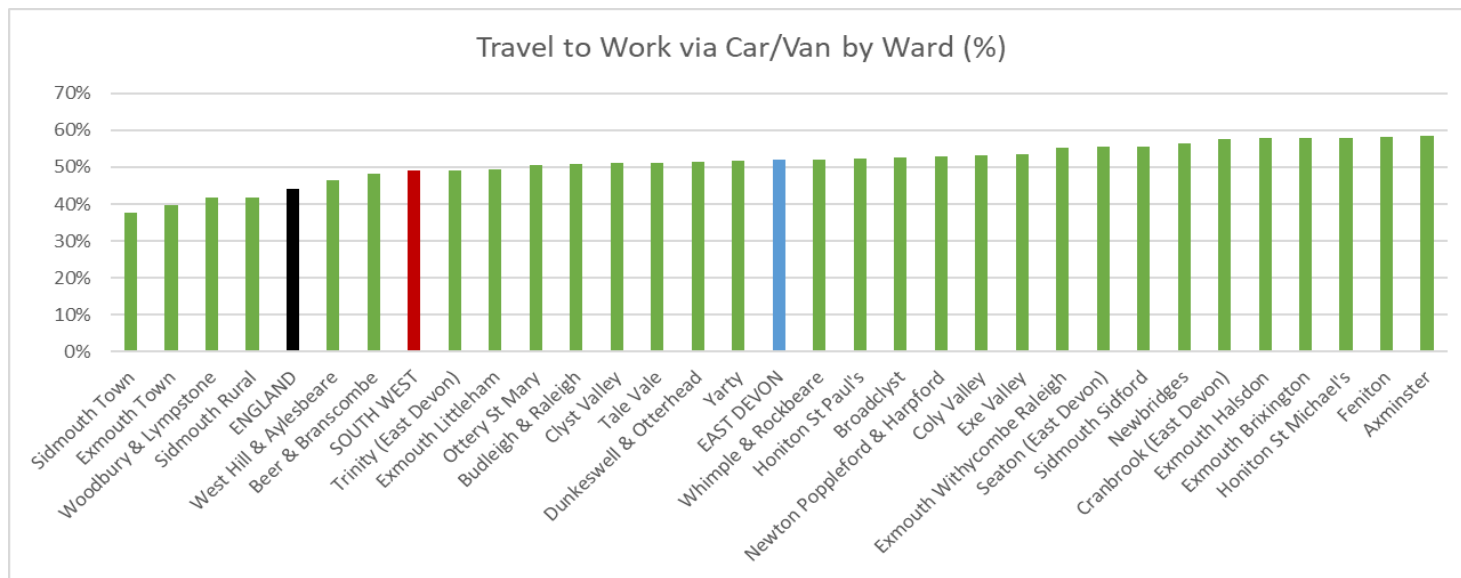
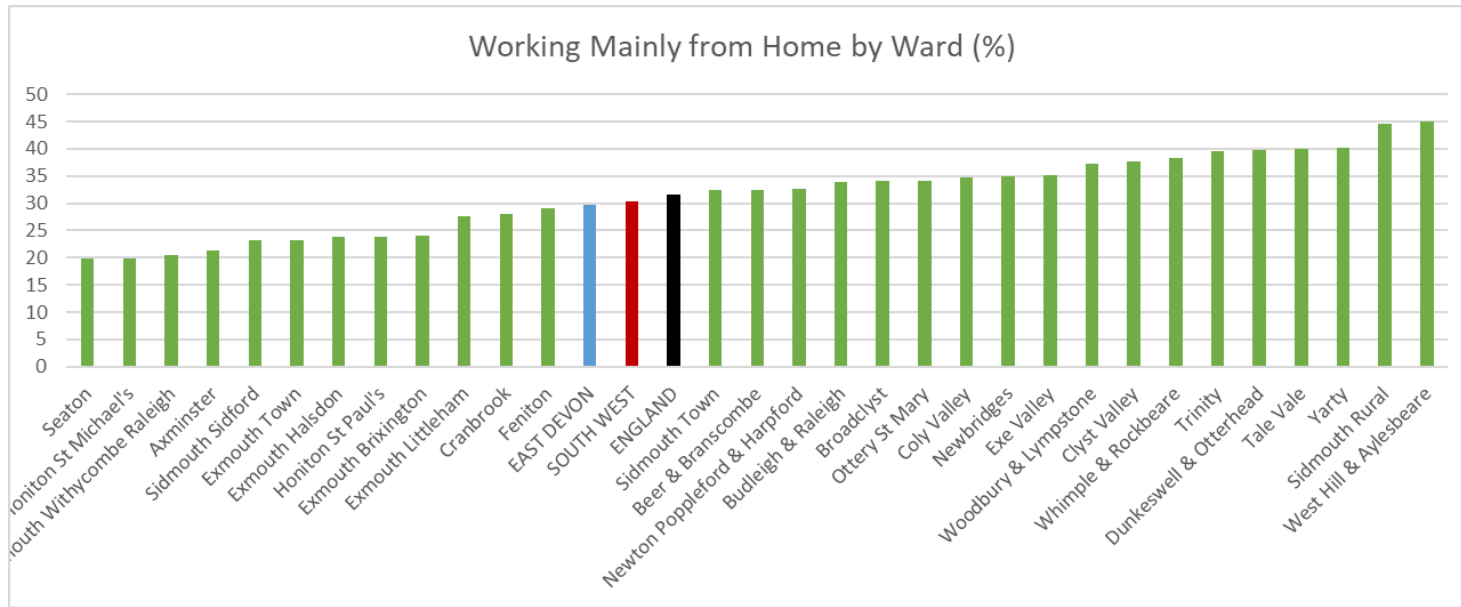


The high job density figure for Exeter suggests that more people commute to work in Exeter than there are working people residents who live in Exeter. For East Devon, there are more working age residents than jobs occupied.

Census data on how local residents travel to work shows that a higher percentage of East Devon residents are reliant on private vehicles to get to work. Data also points to around almost a third of people primarily working from home.



The graphs below show the number of individuals who mainly work from home and those who travel to work via a car or van at a ward level. The data shows that car use is typically higher than the national and regional average for most East Devon wards.

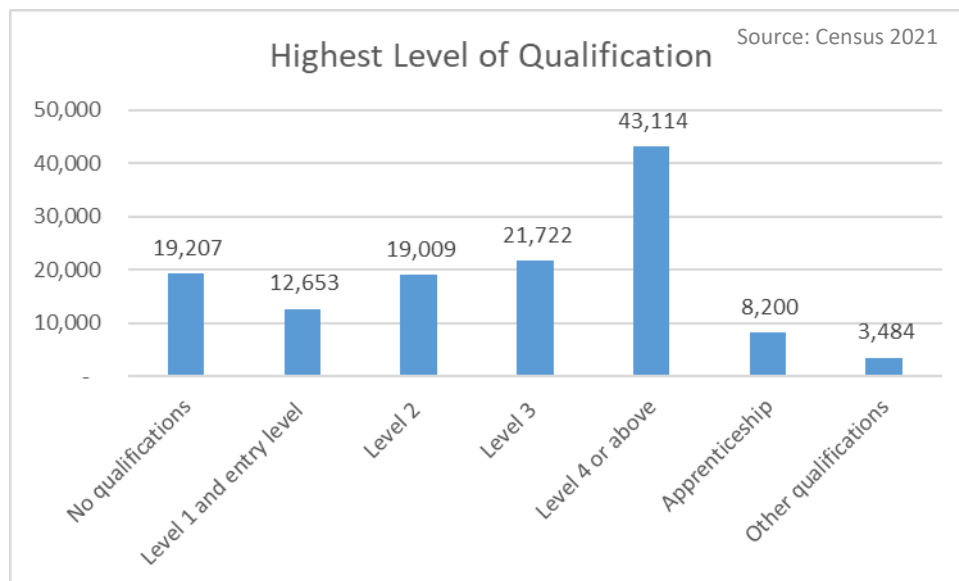


Skills

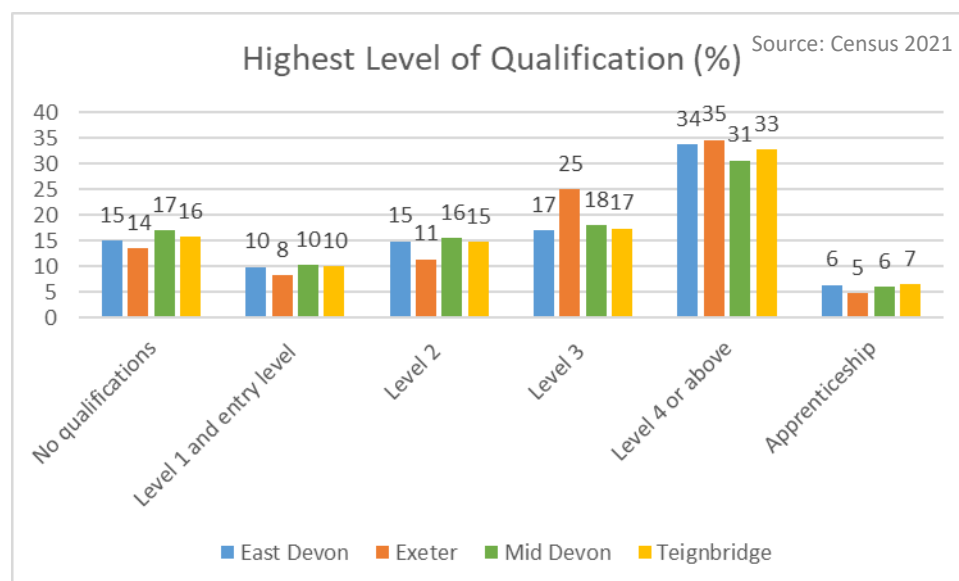
Census data has captured the skill and qualification levels of East Devon residents of 16 years of age and older.

Levels of qualifications are defined as follows:

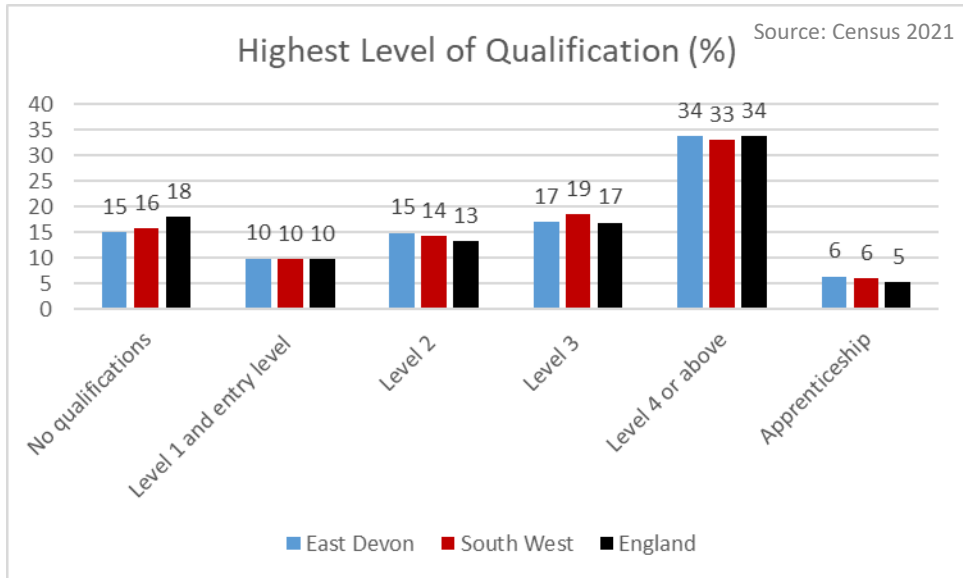
- Level 1: fewer than 5 GCSEs at grades A-C or equivalent.
- Level 2: 5 or more GCSEs at grades A-C or equivalent.
- Level 3: 2 or more A levels or equivalent.
- Level 4 or above: degree or equivalent, higher degree, professional qualifications, etc.



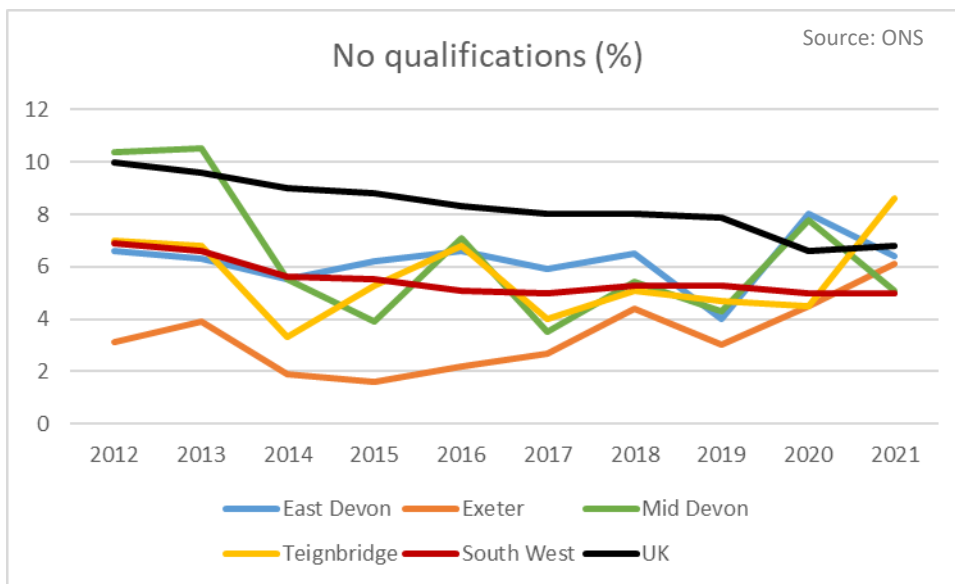
When viewed in percentage terms, the figures for East Devon are broadly similar to Mid Devon and Teignbridge, although Exeter has a slightly smaller percentage of residents with no or low level qualifications whilst having a slightly higher proportion of level 3 and level 4 qualifications.

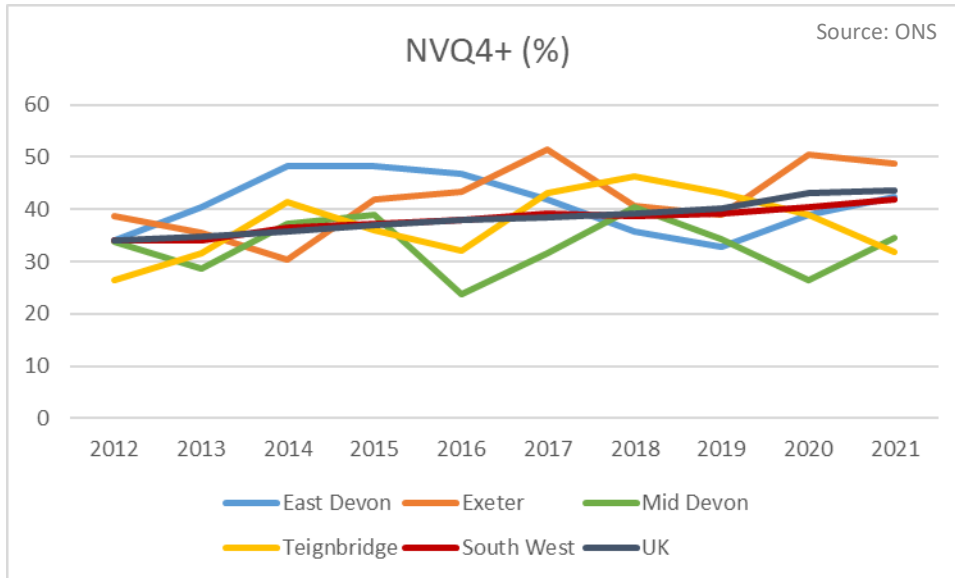


When comparing East Devon to the national average, there is a slightly reduced proportion of those with no qualification, but the figures are otherwise relatively consistent.

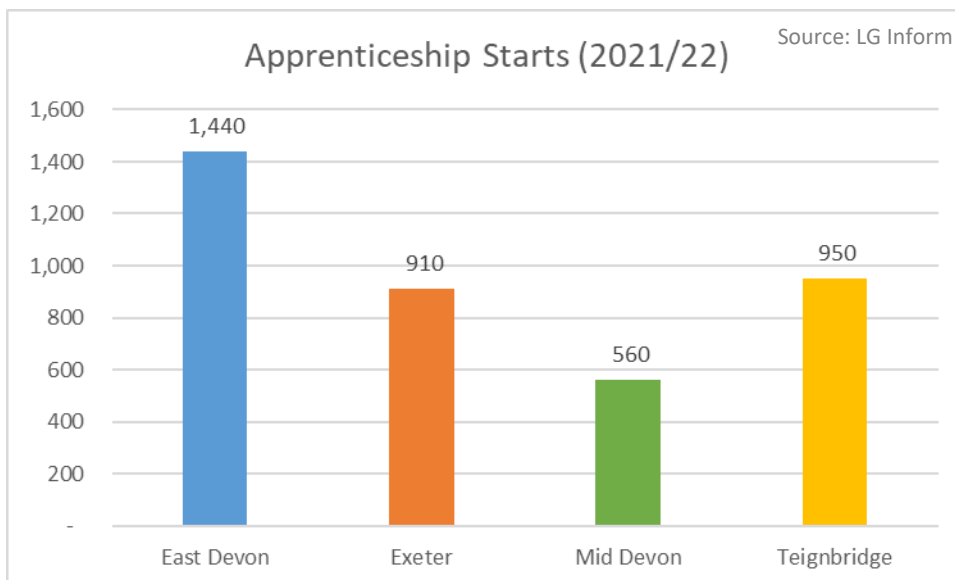


ONS data shown in the tables below indicate that changes in qualifications over time, with East Devon following a broadly similar line to the regional average and typically below the national average for with no qualifications.

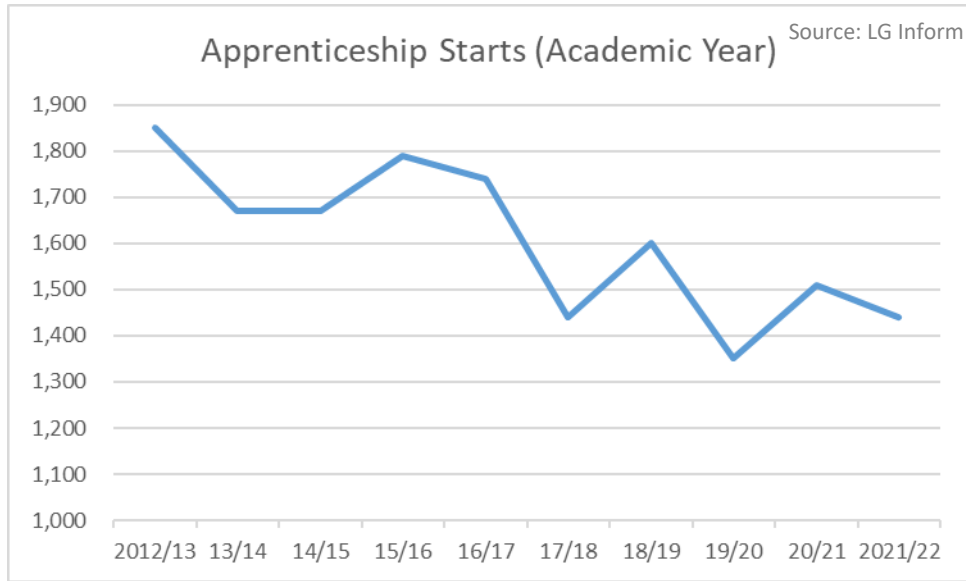




In addition to the apprenticeship data provided in the Census, data on those starting an apprenticeship each year is available through LG Inform.



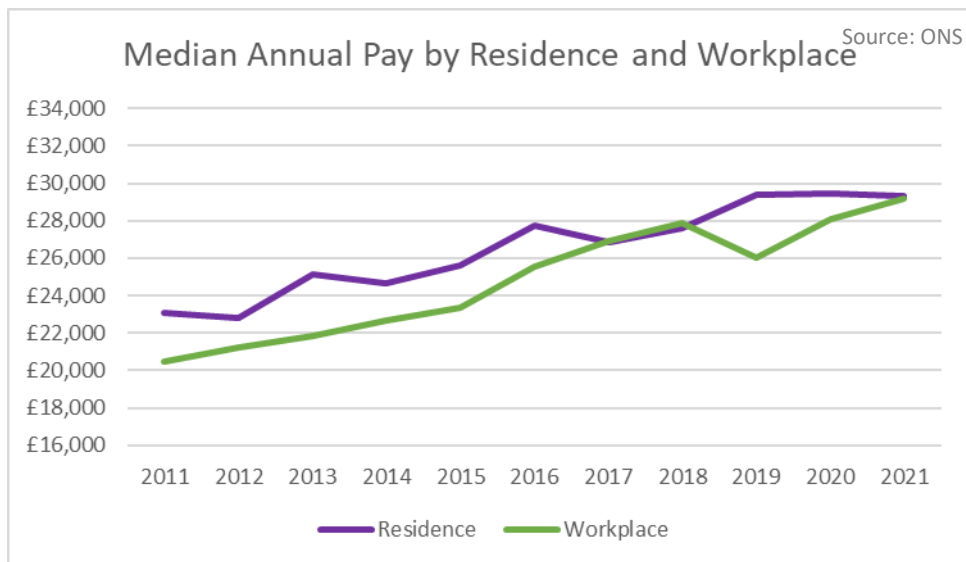
This data shows that East Devon had the highest number of new apprenticeship starts in 2021/22. However, the number of new apprenticeships in East Devon has slowly decreased over the last ten years.



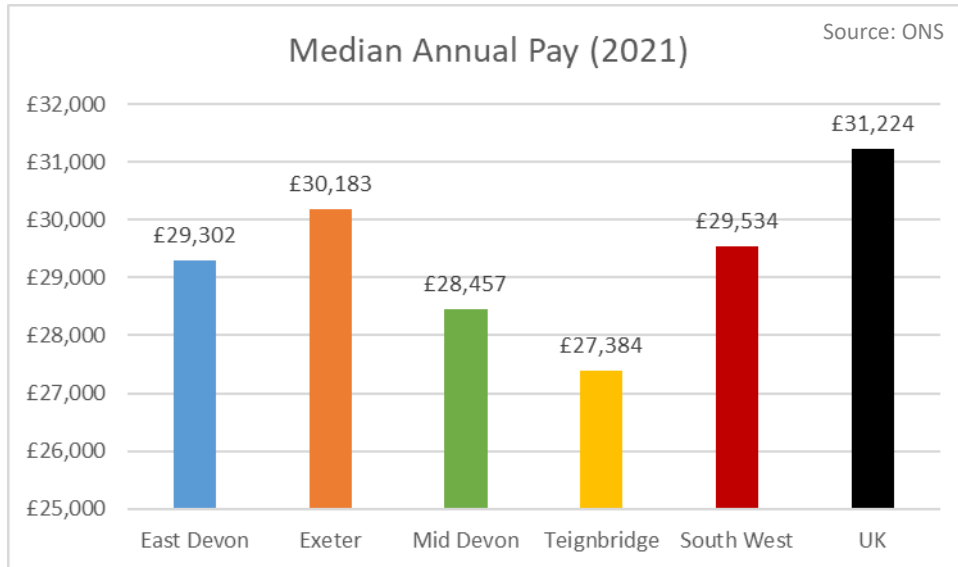
Wages

Although the 2021 Census did not capture any wage, income or wealth related data, the ONS does regularly publish wage data by place of residence and place of work.

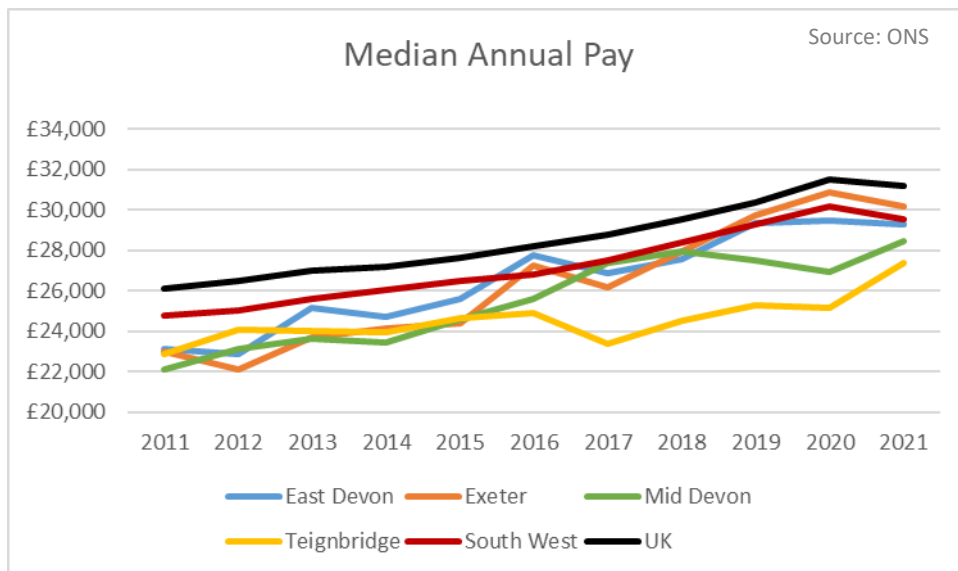
The graph below shows East Devon wages for those who reside in East Devon and those who work in East Devon. It shows that those who live in East Devon are typically earning a slightly higher wage than those who work in the district.



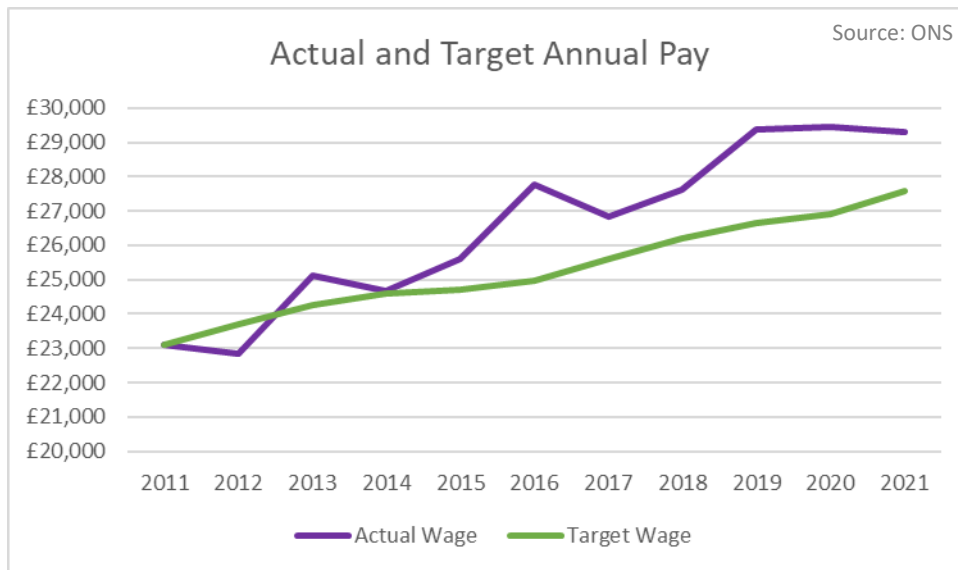
The graph below compares the median annual wage (by place of residence) between different areas. It shows that East Devon residents are typically earning a wage at around the regional average but below the national average. Median salaries are however higher than Mid Devon and Teignbridge, although slightly lower than Exeter.



Reviewing this data over time shows that East Devon’s median wage compared to other areas has changed very little over the last ten years, although more notable swings can be observed for the remaining EHOD areas.

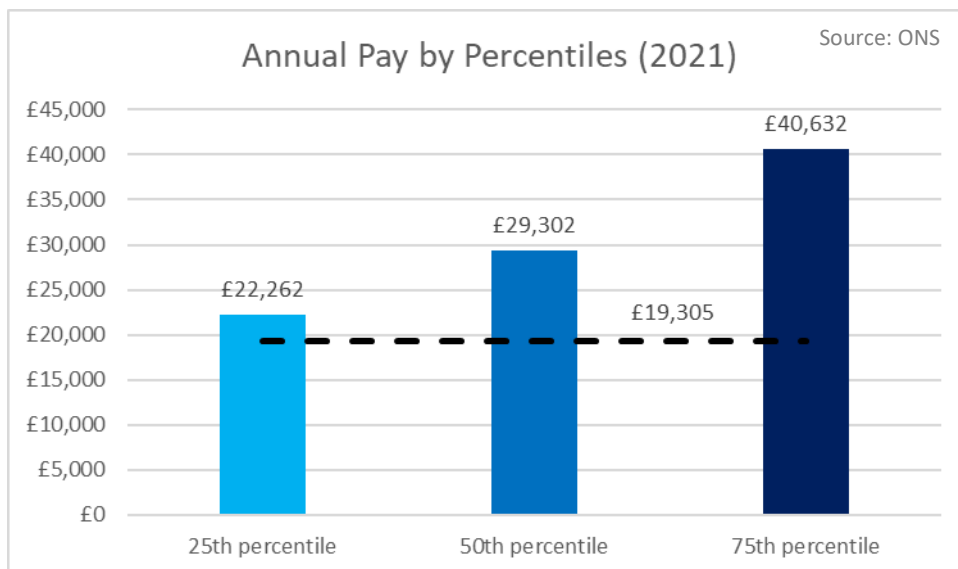


East Devon’s median annual pay can also be compared against an inflation-adjusted rate of pay, or a ‘target’ annual wage. The target wage takes the actual annual salary from 2011 and increases it each year by the rate of inflation, as measured by the Consumer Prices Index including owner occupiers’ housing costs (CPIH)



The graph above shows that actual pay has been increasing at a rate higher than inflation, leading to a real terms pay increase for the average (median) East Devon resident. This real terms pay increase is much higher when compared against East Devon wages by place of work.

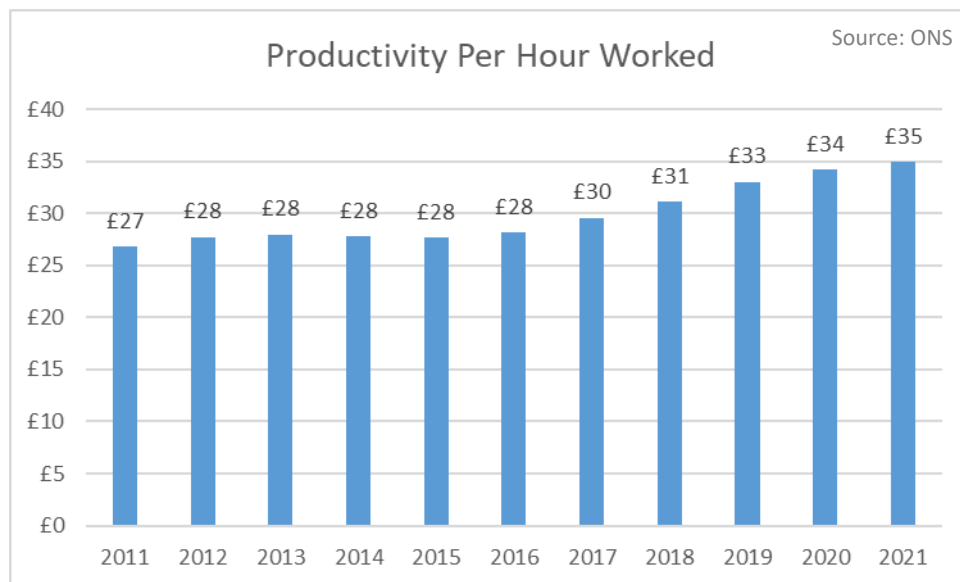
Annual pay can also be viewed in percentile format. Percentiles allows us to compare an individual group of earners against all groups combined. For example, the 25th percentile of wages would be the average wage of the bottom 25% of earners, whilst the 75th percentile would be the average the average wage of the top 25% of earners. The 50th percentile is the average (median) wage for all earners.



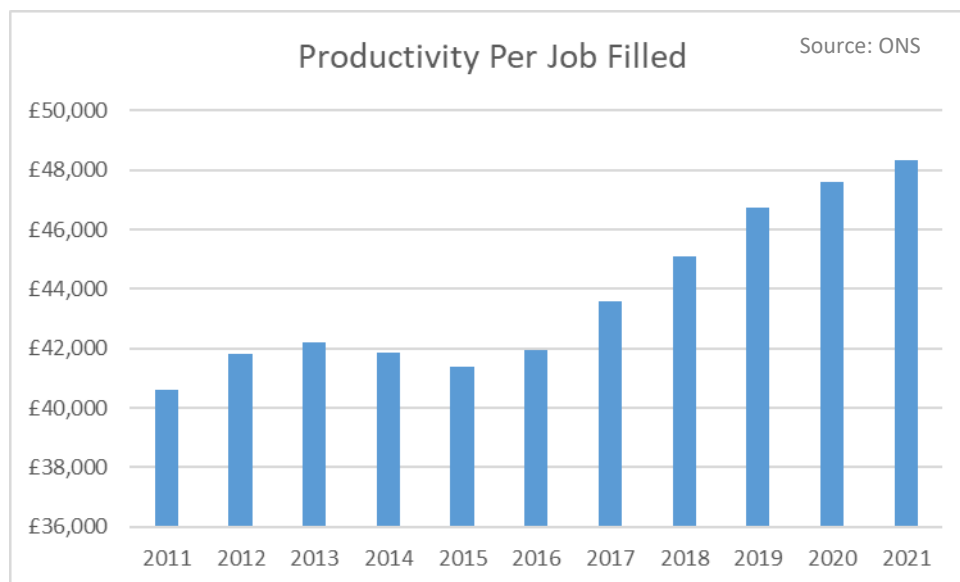
The graph above shows the average wage for the bottom quarter and top quarter of earners in East Devon for 2021. The dashed line shows the real living wage for 2021 presented as an annual wage for full time workers (£19,305 per annum), as set by the Living Wage Foundation. The graph shows that the bottom 25% of East Devon earners are typically earning above the real living wage.

Productivity

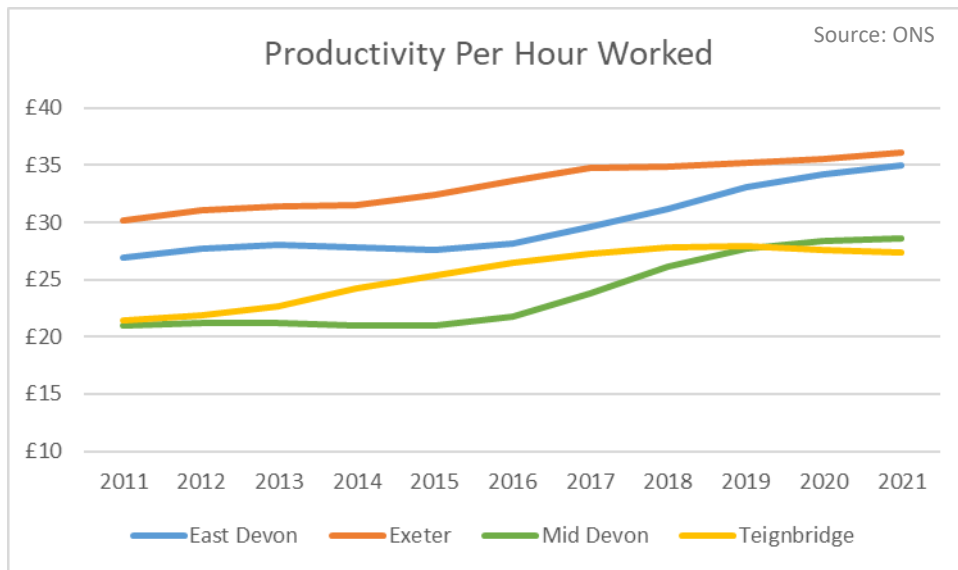
One way to measure the economic performance of a given area is by analysing gross value added (GVA) data, otherwise simply referred to as productivity data. GVA measures the value generated in the production of goods and services, with the ONS' GVA(B) metric used to reveal productivity at a local district level.



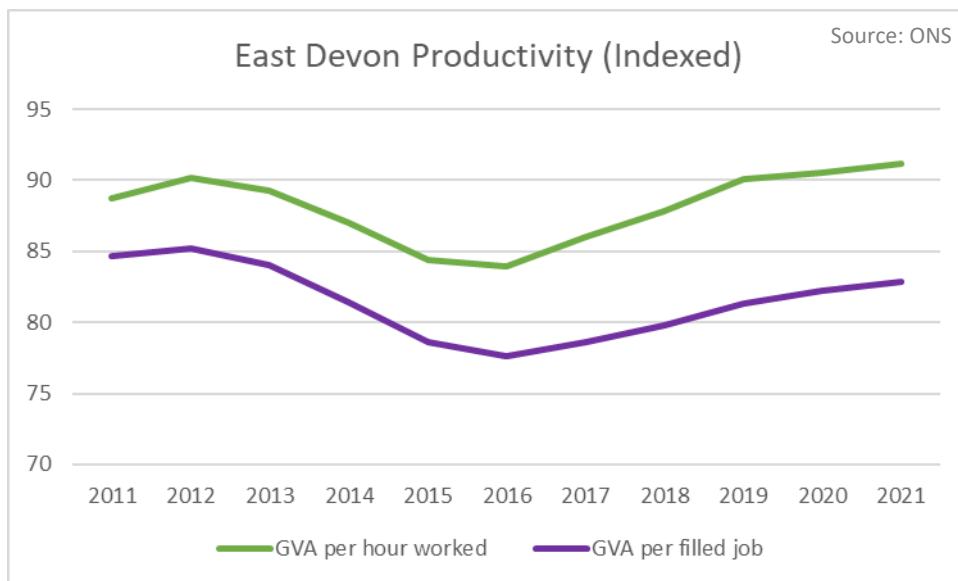
The graph above shows the average value added per hour worked in East Devon, with the graph below showing the average value added per job in East Devon. As of 2021, the average worker produced £48,340 of added economic value, with £35 of value being produced on average per hour worked. Test Sentence



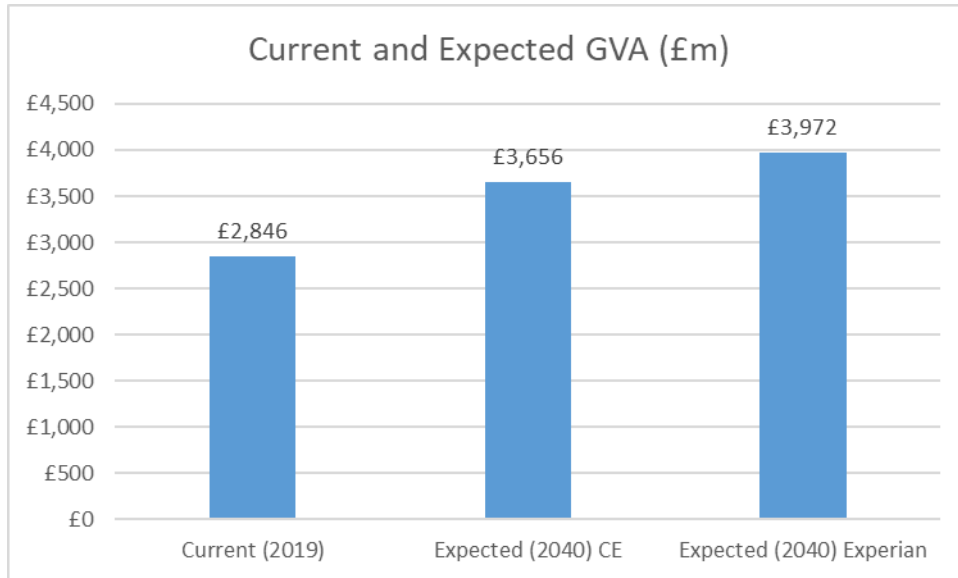
When compared against the other EHoD areas, East Devon is slightly beneath Exeter's productivity in terms of hour worked, with Mid Devon and Teignbridge lagging by £6 and £8 an hour respectively. The figures for productivity per job filled is fairly similar to the trends shown below, although the gap between Exeter and East Devon is marginally wider.



Current price indexed data from the ONS can be used to show how levels of productivity differ from the UK average for any region for a given year. For example, if an area's productivity index is 115, its labour productivity is estimated to be 15% higher than the UK average, while an area with a productivity index of 85 is estimated to be 15% lower than the UK average. It should be noted that when used in this context, a decrease in the productivity index number does not necessarily mean that the productivity has decreased in actual terms; it rather means that the area has seen lower growth than the rest of the UK over the period. In other words, its actual productivity level may have improved, but at a slower rate than the UK overall.



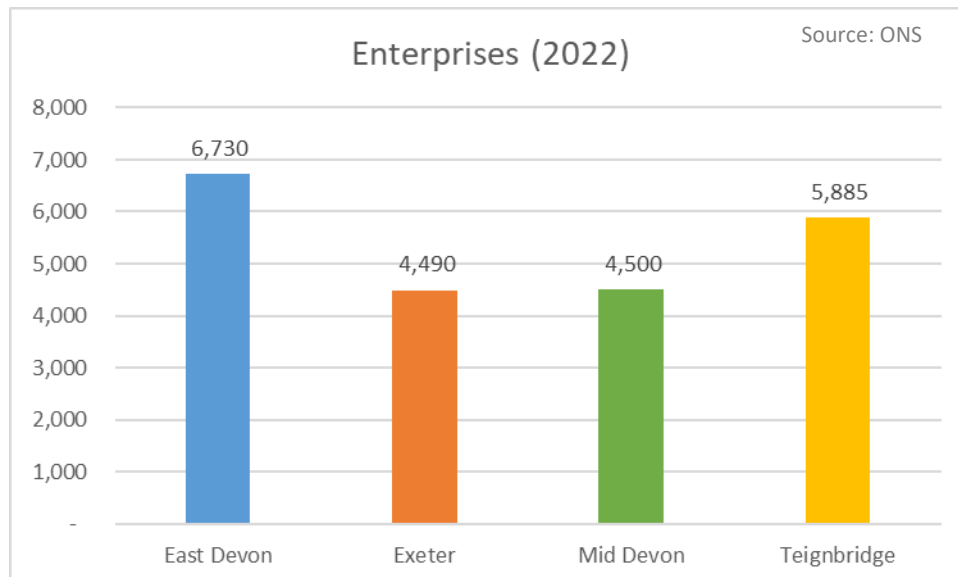
The table above shows that productivity in East Devon has been consistently below the UK average (below 100), with the gap widening between 2012 and 2016 and then narrowing back from 2016 to 2021.



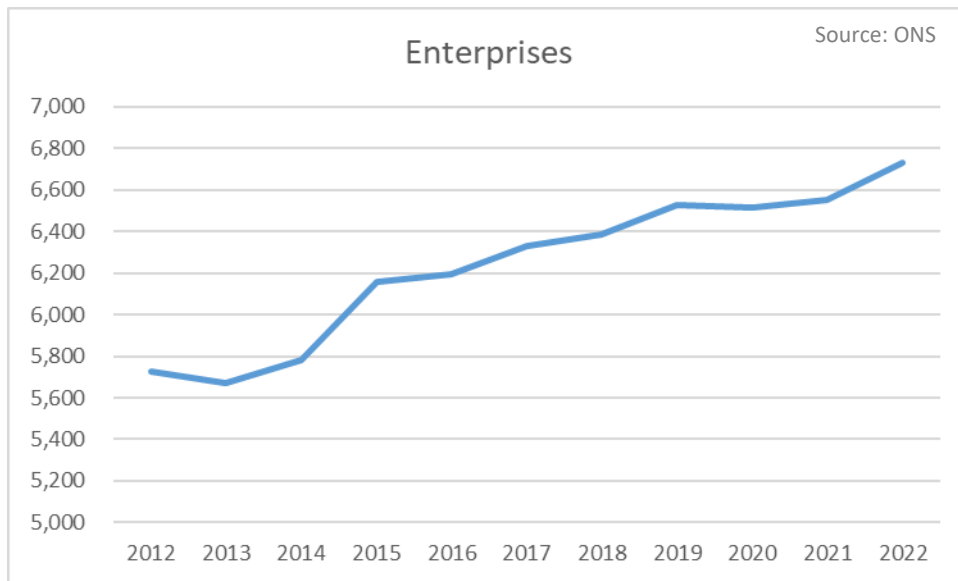
The graph above shows the total GVA for East Devon in 2019 (taken from the ONS) and the expected GVA forecasted between 2019 and 2040. These forecasts have been derived from two separate sources, Cambridge Econometrics and Experian. The former predicts a compound growth rate of 1.2% a year on average, whilst the latter expects GVA in East Devon to grow by 1.6% a year on average.

Businesses

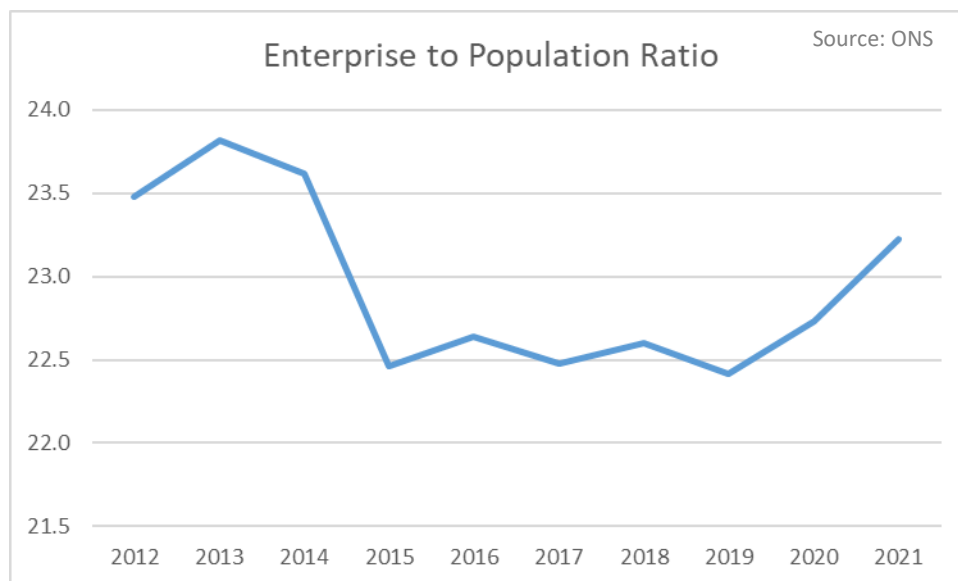
ONS business counts can be used to understand the number and different types of enterprise operating within local authority areas.



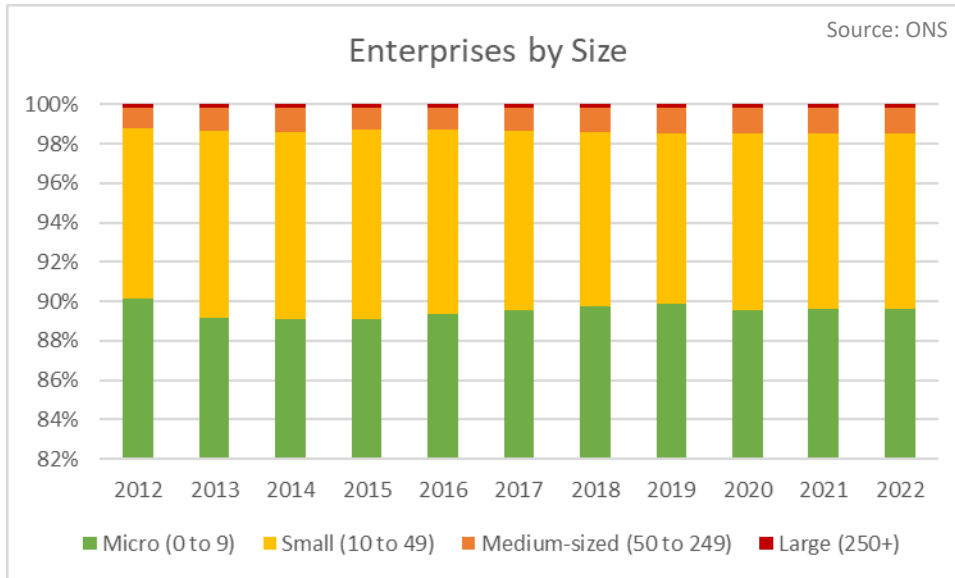
The graph above shows that East Devon has the largest business base of the EHoD authorities. The number of enterprises has grown over time, as shown below.



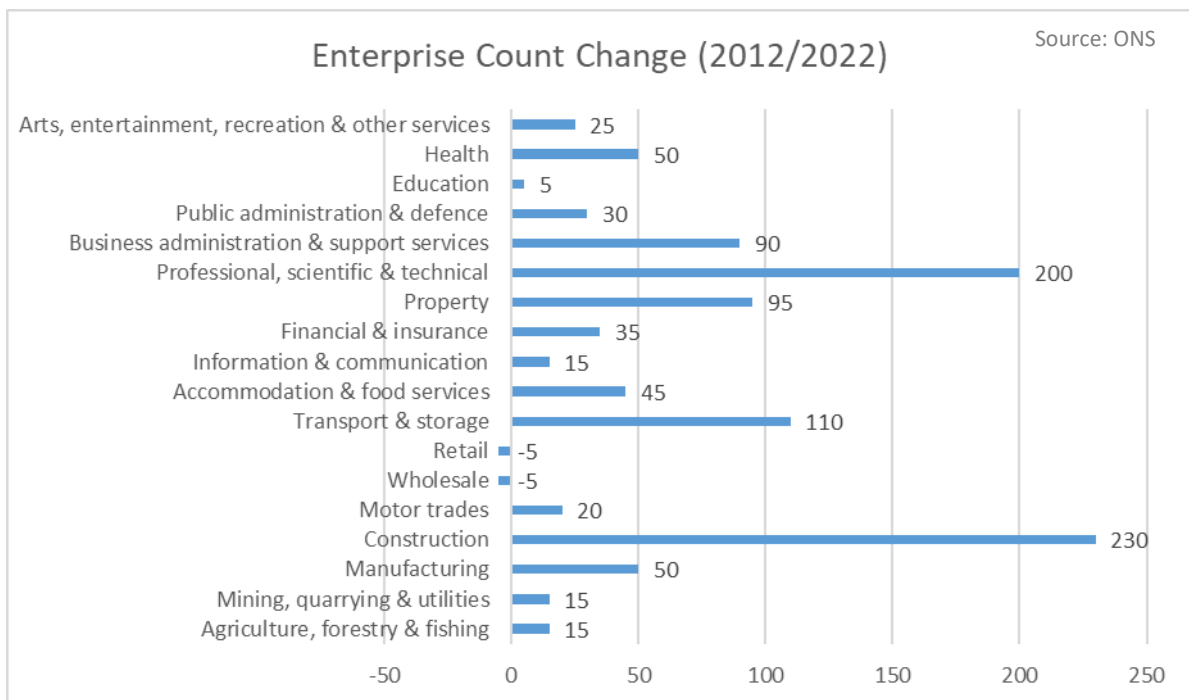
When comparing the number of enterprises to the number of working aged residents in the district, the impact of general population growth in the district can be neutralised. The growth below shows that the enterprise to working age resident ratio had declined in 2015 but has started to rebound since 2019.

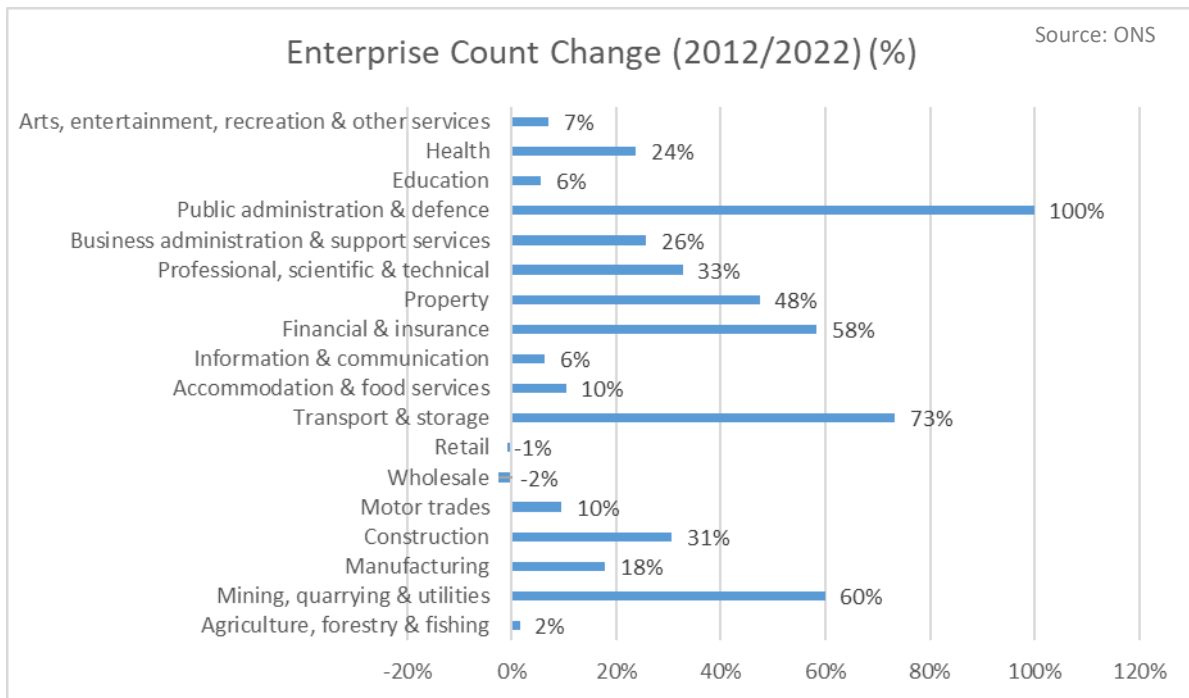


The ONS also record the size of enterprises at a district level, distinguishing between micro enterprises (0-9 employees), small (10-49 employees), medium (50-249 employees) and large enterprises (250+ employees).

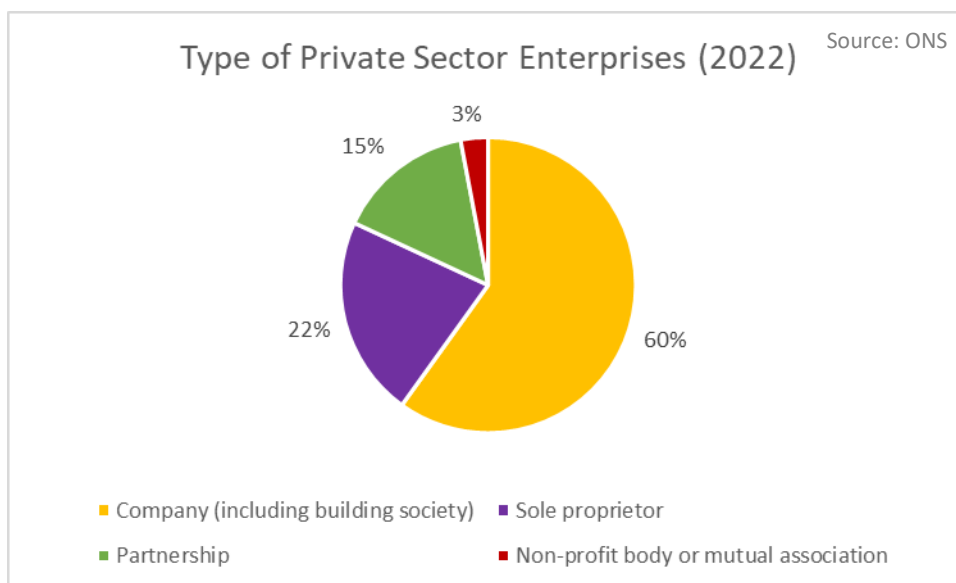


As of 2022, 90% of East Devon enterprises are classed as micro businesses, with 9% in the small business category, 1.3% medium sized and 0.1% classed as large businesses. As the graph above shows, these percentages have changed very little over the last ten years.

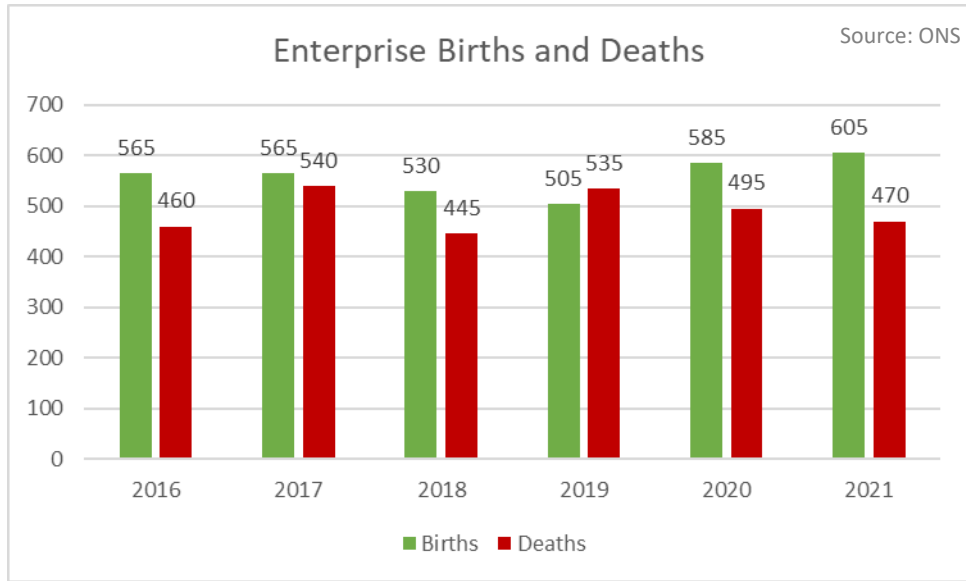




The graphs above show changes to the number of enterprises in different sectors between the 2012 count and 2022 count. The graph shows a slight decline in the retail and wholesale sector, whilst the number of enterprises in the transport and storage sector, construction sector and professional/scientific sectors have seen a significant increase.



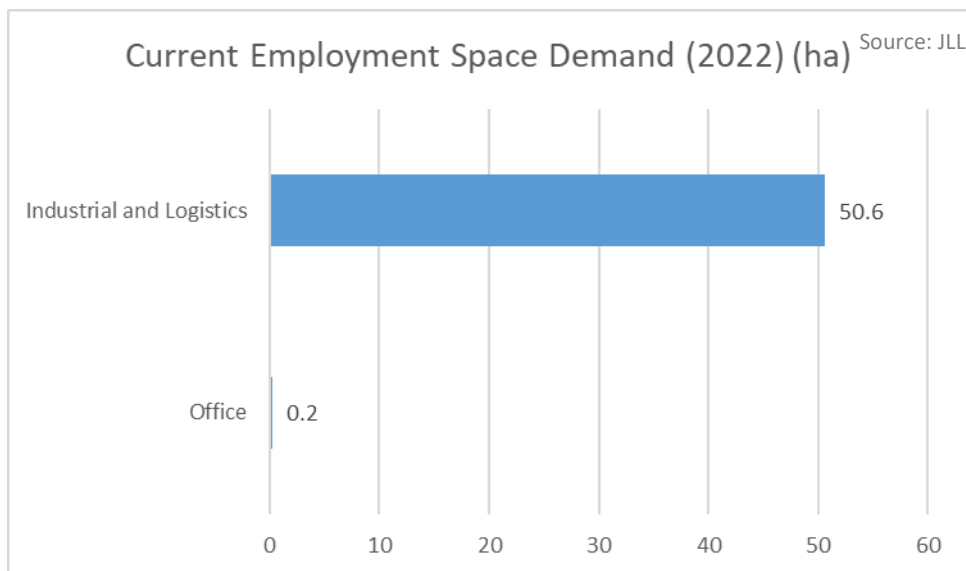
The pie chart above shows the type of private sector enterprises as a percentage of the total. The majority of enterprises (3,995) are conventional businesses, with 1,465 sole proprietors and 1,005 partnerships making up 22% and 15% of enterprises respectively. 200 enterprises are classed as non-profit or mutual organisations.



ONS data showing the number enterprise births and deaths is available over a six year period. With the exception of 2019, there are generally more business births than deaths in East Devon resulting in a consistent net increase across this timeframe.

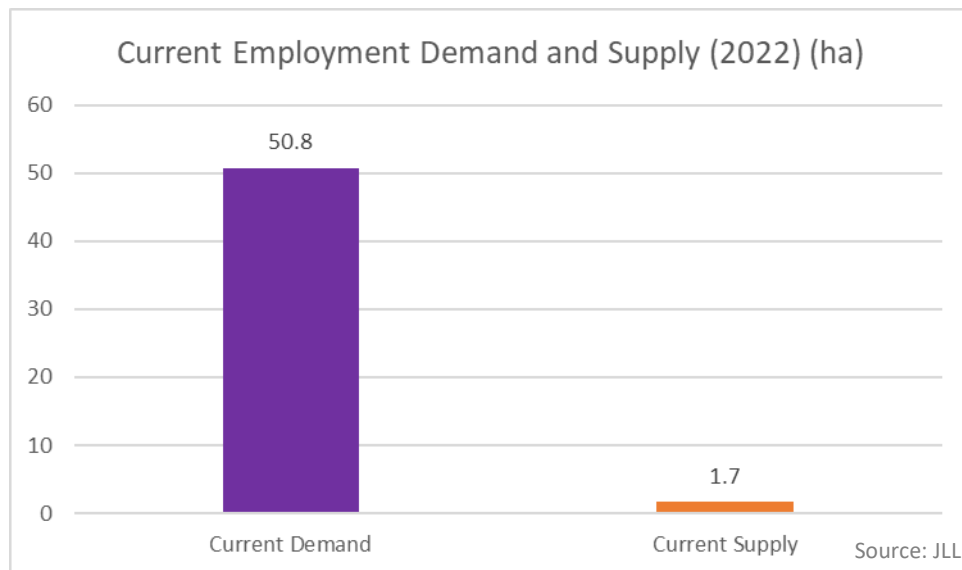
Workspace

Although no ONS or Census data is available relating to commercial space in East Devon, data can be obtained from local commercial real estate agents and consultants on the behalf of the district council.

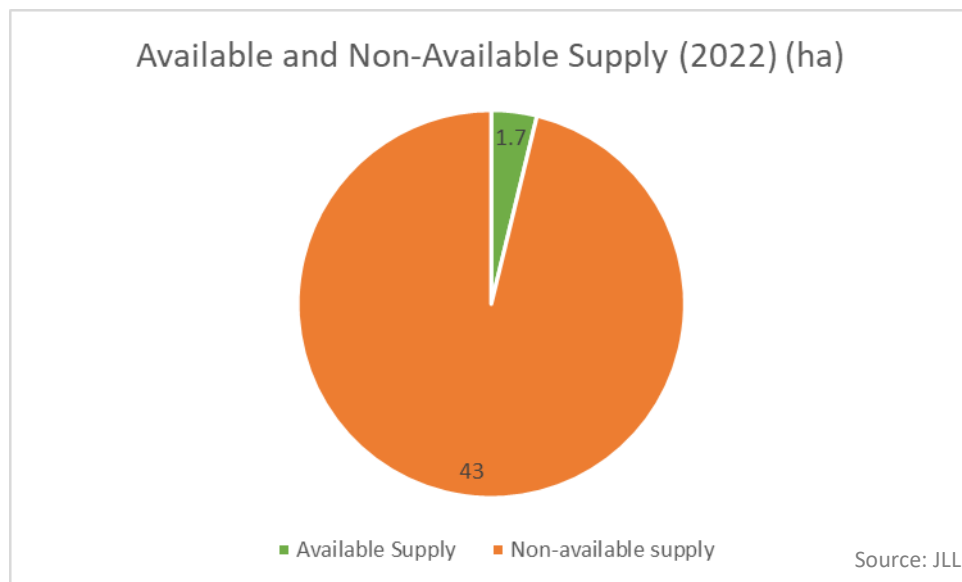


The graph above shows data which has been taken from a 2022 Economic Development Needs Assessment published by JLL for the EHoD district councils, showing the current estimated total demand for employment space in East Devon. The vast majority of current demand appears to be for industrial space, with around 80% of the industrial demand from the logistics sector with the remaining demand stemming from manufacturing or research and development (R&D).

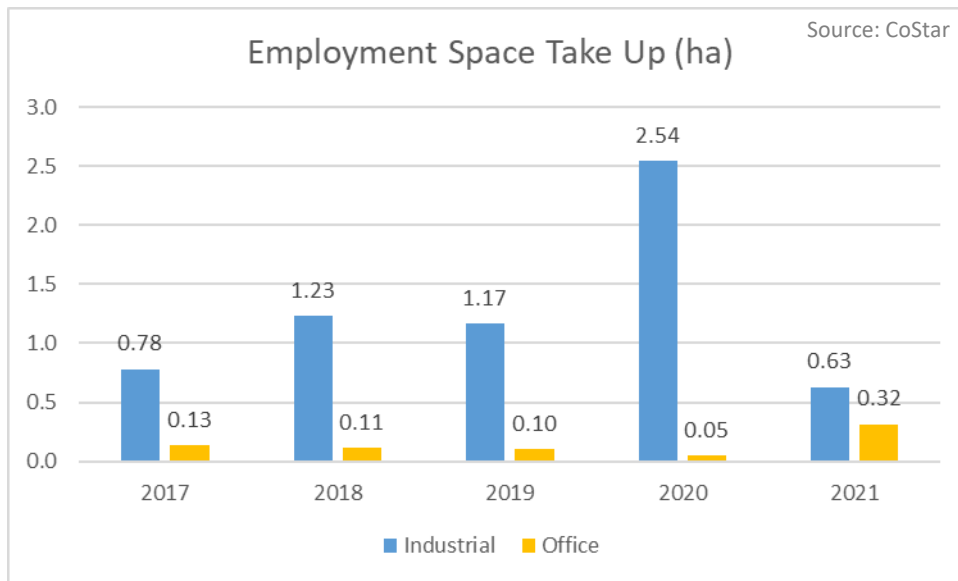
Data from JLL (EDNA) also shows how much of the existing stock of employment space was available or under offer at the time of publication in November 2022. When the current amount of demand is compared against the current amount of available supply, it shows that demand is significantly higher than supply.



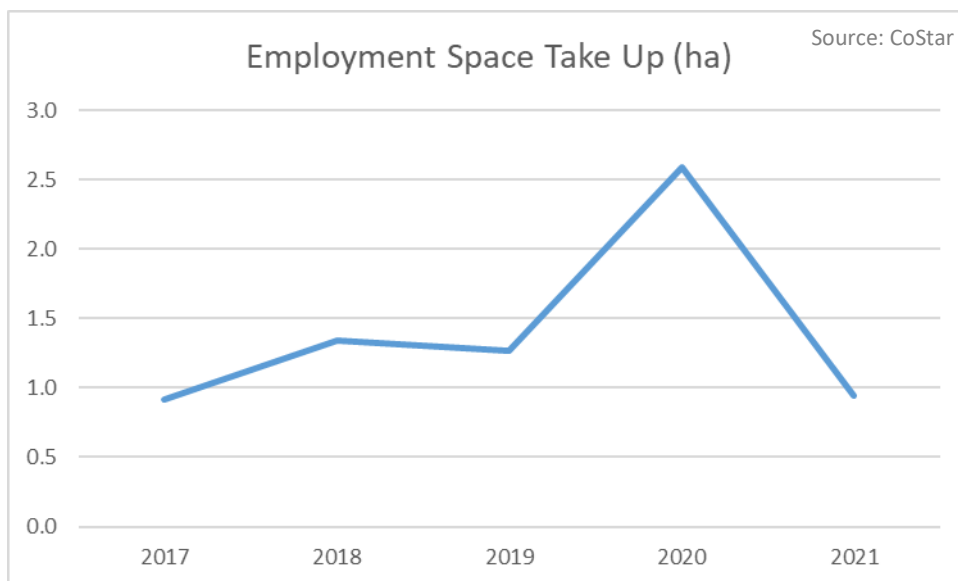
The amount of currently available supply can also be compared against the total stock of employment space in East Devon, indicating that the vast majority of employment units are occupied. JLL estimate that the total stock of employment space in East Devon equates to around 44.7ha.



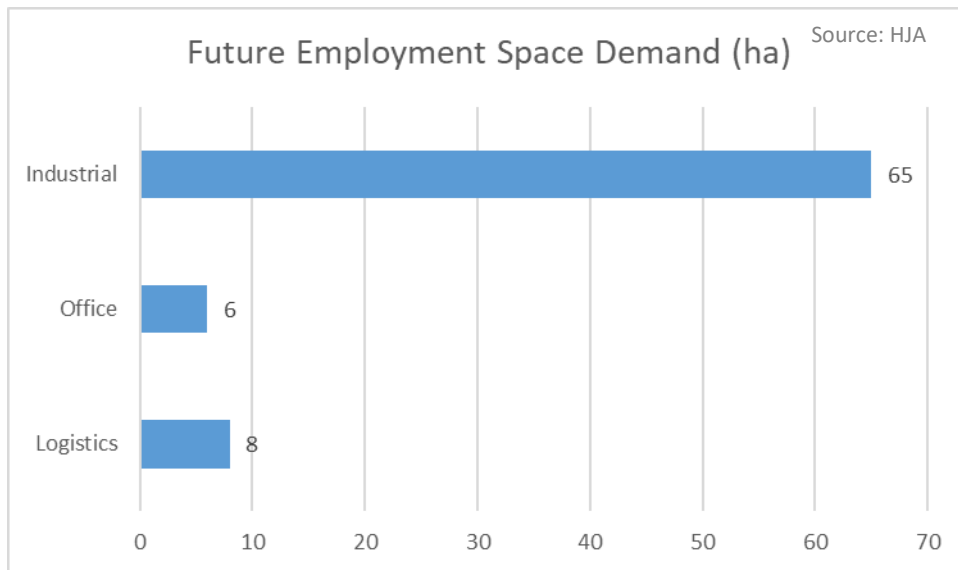
Of the 1.7ha of currently available space, around 29% of this is industrial space (6 units), with the remaining 71% comprising vacant office space (7 units). Around a third of all vacant space is taken up by one office building, Clyst House at Winslade Park.



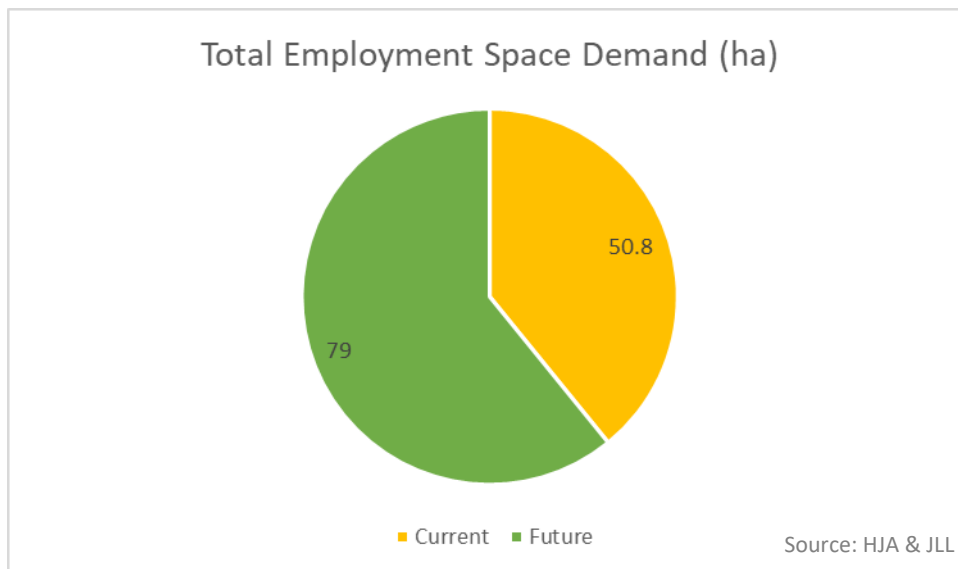
Data from CoStar shows that the take-up of industrial space has been much higher than office space between 2017 and 2021, as shown above. When combined, the graph below shows that take-up of employment space in East Devon averages at around 1.41ha per year. This will include both new employment space and previously occupied/developed employment space.



The graph below displays the total additional demand expected between 2019 and 2040, as forecasted by Hardisty Jones Associates in their publication of the Economic Development Needs Assessment (EDNA) for the EHoD areas.



The figures above are based on a mid-point scenario of 79ha, with total future demand dropping to 63ha for the low demand scenario and increasing to 87ha for the high demand scenario.



When adding total existing demand to total expected demand, we can see that the total demand for employment space in East Devon from 2019-2040 is expected to be 129.8ha.

Only 6.2ha of this represents demand for office space, with the remaining 123.6ha of demand for industrial and logistics space.

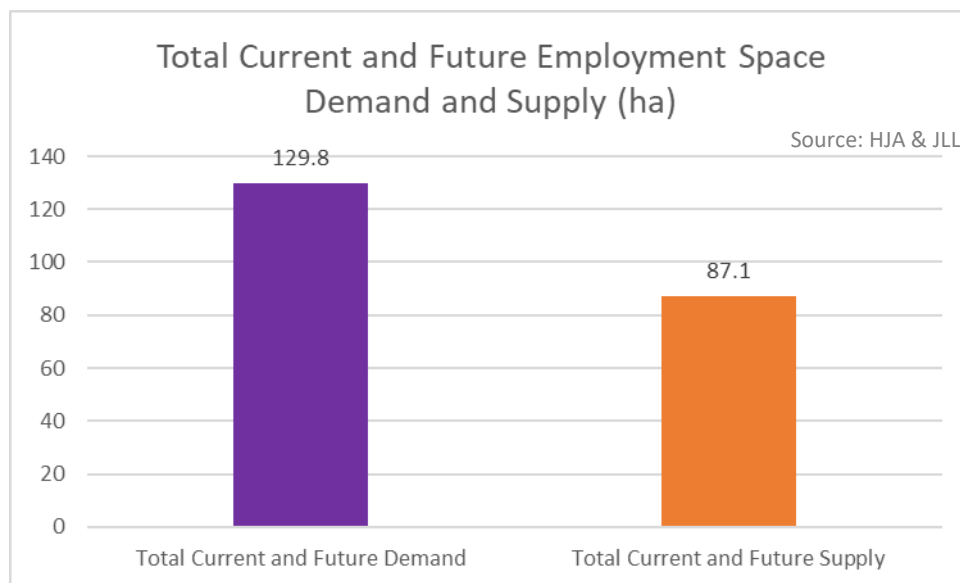
In addition to expected demand, expected supply has also been calculated by JLL based upon a number of sites in East Devon which could be developable within the 2019-2040 timeframe.

The size of these sites have since been checked against planning permissions and officer recommendations to provide an accurate and up to date figure. The table below shows the amount of expected supply based on these sites.

Site	Size (ha)
Alexandria Industrial Estate, Sidmouth	0.2
Exeter Gateway Office Park	1.6

Exeter Logistics Park	13.7
Exeter Science Park	4.5
Finnimore Industrial Estate, Ottery St Mary	2.2
Goodmores Farm, Exmouth	2
Honiton Gateway	1.4
Land north of Sidford	5.8
Land of Devonshire Road, Heathpark	1.2
Land to the north of Harepath Road, Seaton	2.2
Land west of Hayne Lane, Honiton	15.1
Liverton Business Park, Exmouth	2.8
Millwey Rise, Axminster	2.7
PowerPark	7.5
Skypark	12.8
Treasbeare Farm, Clyst Honiton	9.7
Total	85.4

The graph below combines the total current and future demand figures with the total current and future supply figures. This shows that even if all of the sites identified by JLL as being potentially developable are developed within the next 21 years, there will still be a shortfall of 42.7ha of employment space.

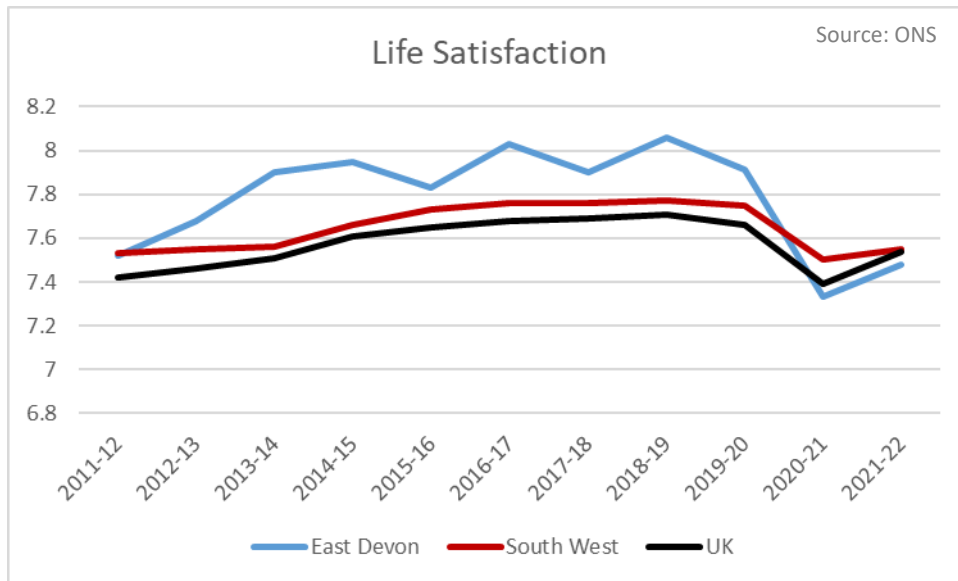


Wellbeing

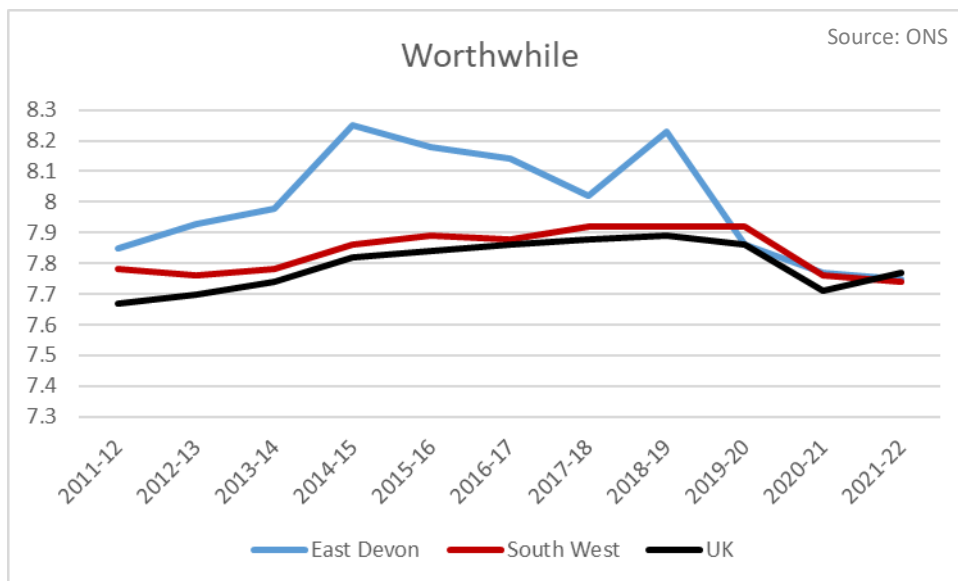
ONS data is available providing estimates of wellbeing within a given local authority area. Respondents are asked the following question on a scale of 0 to 10, where 0 is “not at all” and 10 is “completely”.

- Life satisfaction: Overall, how satisfied are you with your life nowadays?
- Worthwhile: Overall, to what extent do you feel that the things you do in your life are worthwhile?

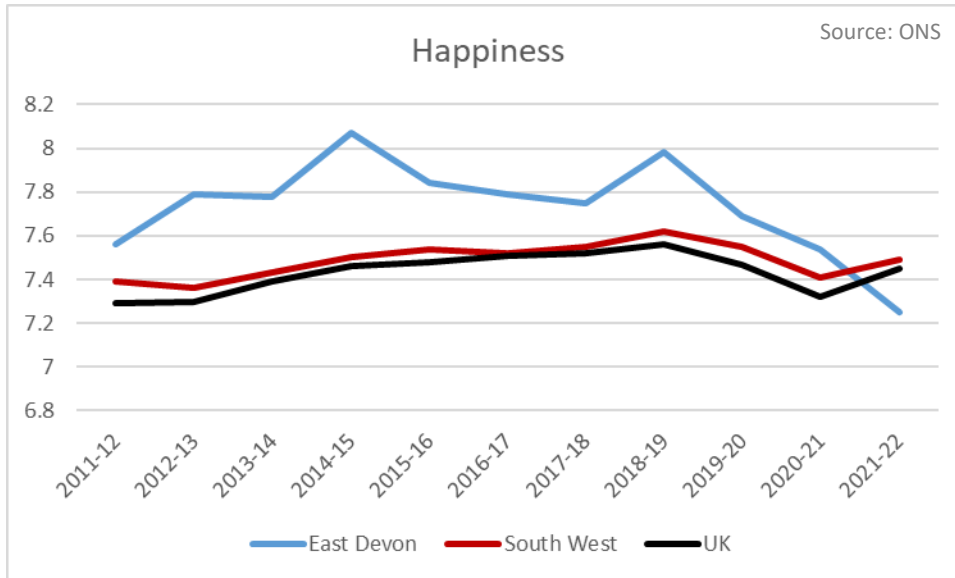
- Happiness: Overall, how happy did you feel yesterday?
- Anxiety: On a scale where 0 is “not at all anxious” and 10 is “completely anxious”, overall, how anxious did you feel yesterday?



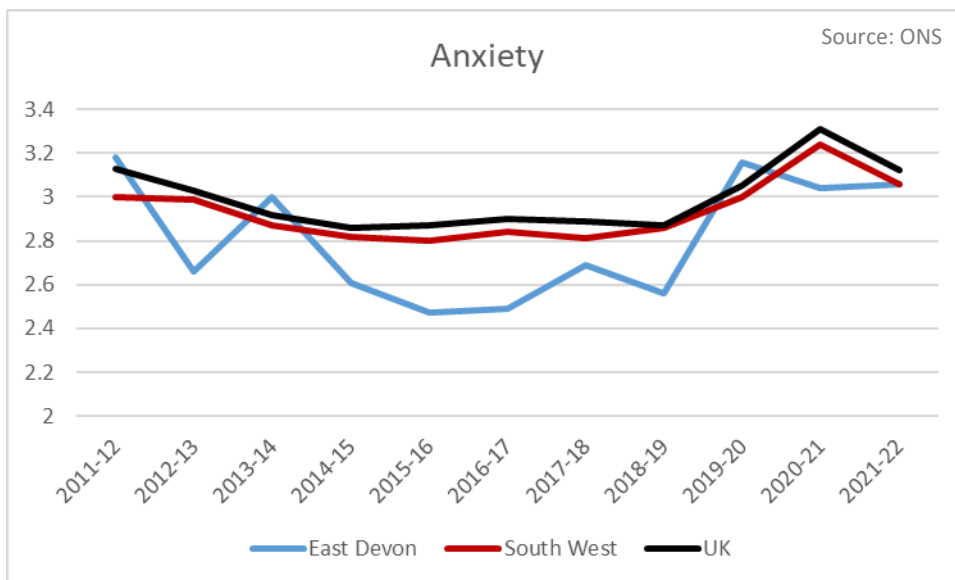
Figures for life satisfaction and a worthwhileness have typically been above the national and regional average in East Devon, with a notable decline in 2020/21 and 2018/19 respectively. The district average is now at or around the national and regional averages.



A similar pattern can be found with the happiness index, showing that the average East Devon resident is now slightly less happy than the national and regional average.

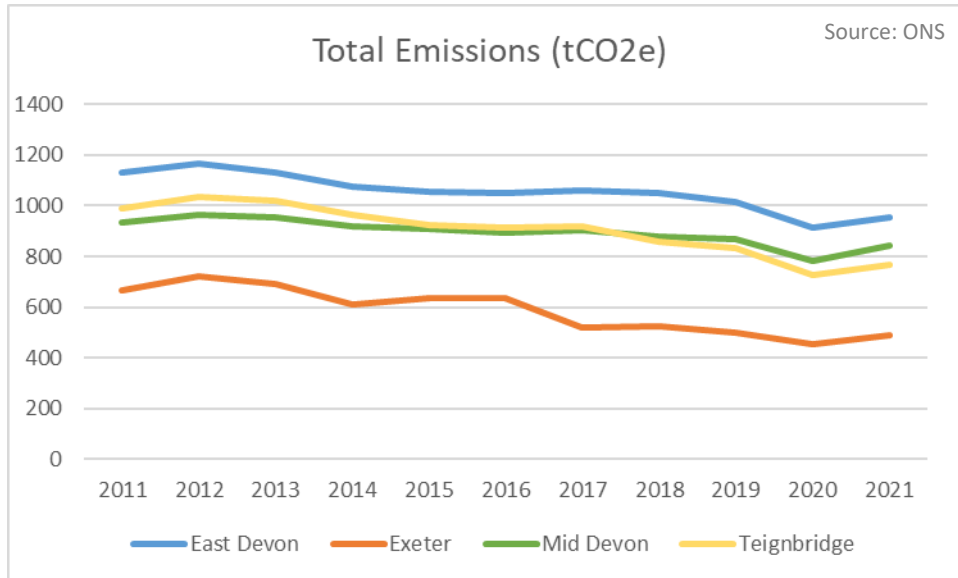


For anxiety, where a lower score means less anxiety, the figures have generally been below or at the national and regional average, with figures stabilising at a higher rate since 2019/20.

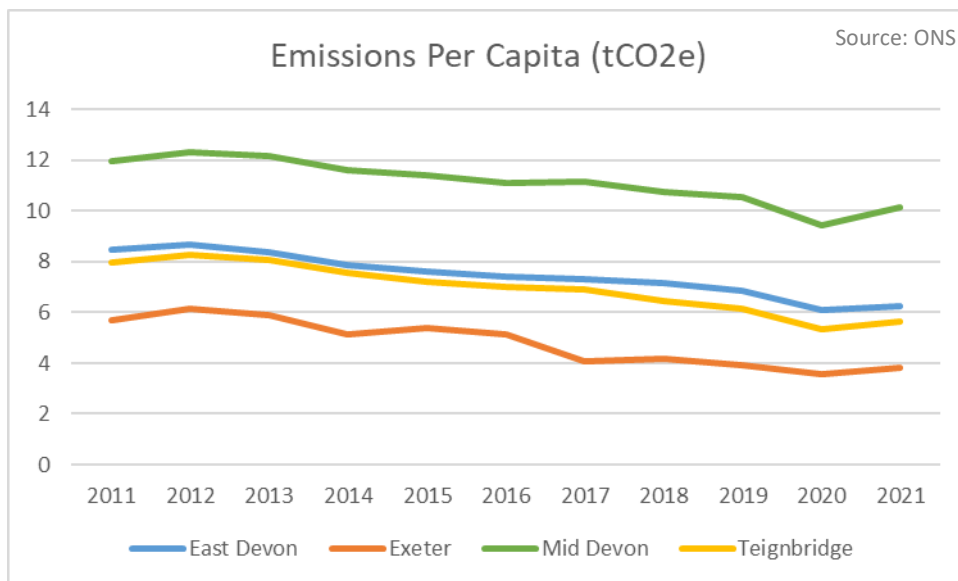


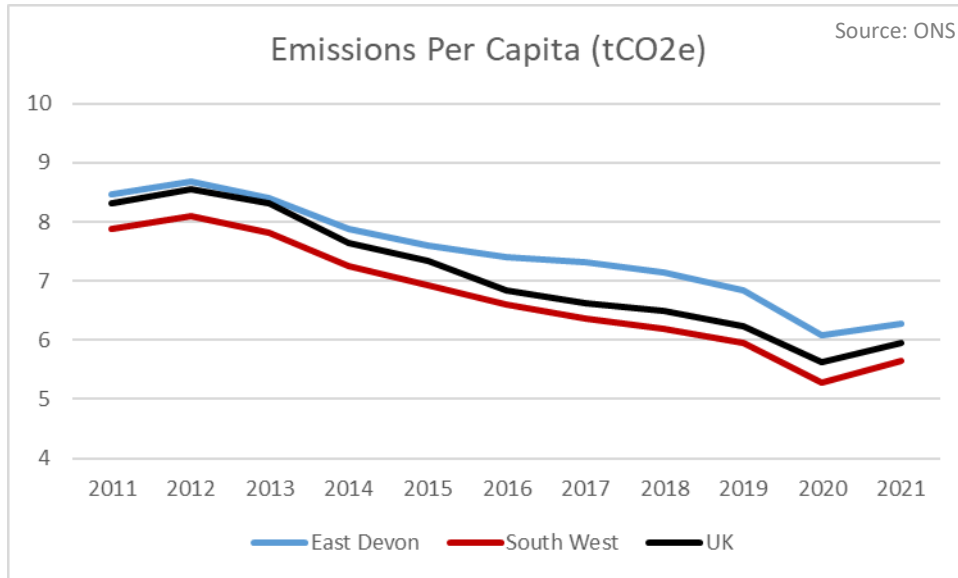
Emissions

ONS data is available to track carbon emissions at a local authority level. The graph below shows that tonnes of carbon equivalent in East Devon have decreased from 1,129 tonnes in 2011 to 953 tonnes in 2021. This amounts to a 15.6% reduction in tCO₂e.



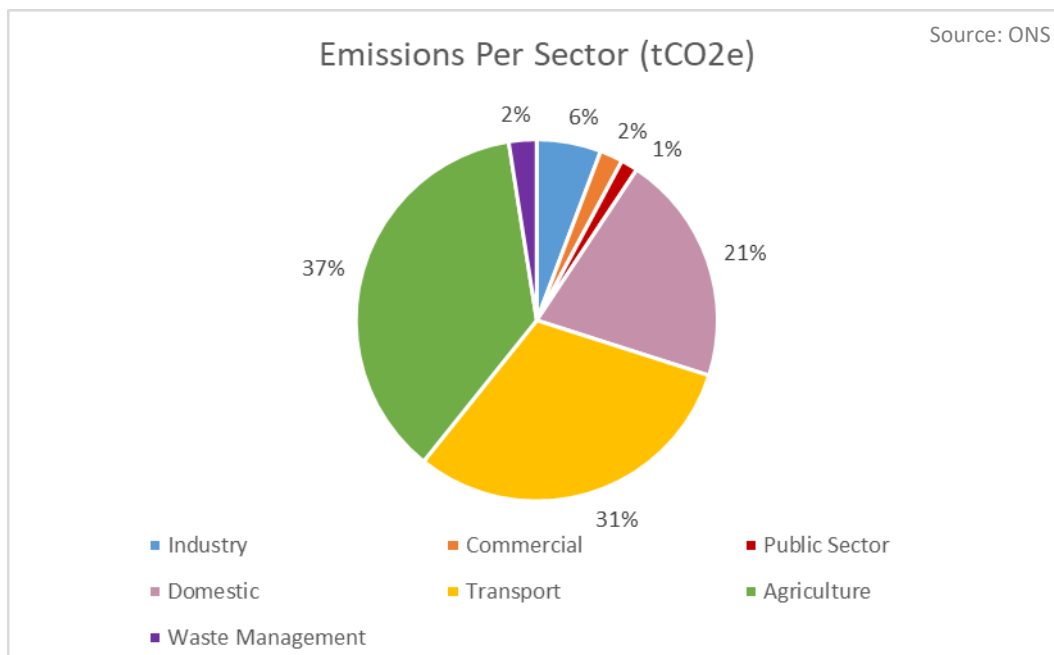
Carbon emissions can also be measured on a per capita basis, showing the average carbon emitted per person. Carbon per capita has decreased from around 8.4 tonnes per person in 2011 to 6.2 tonnes in 2021.



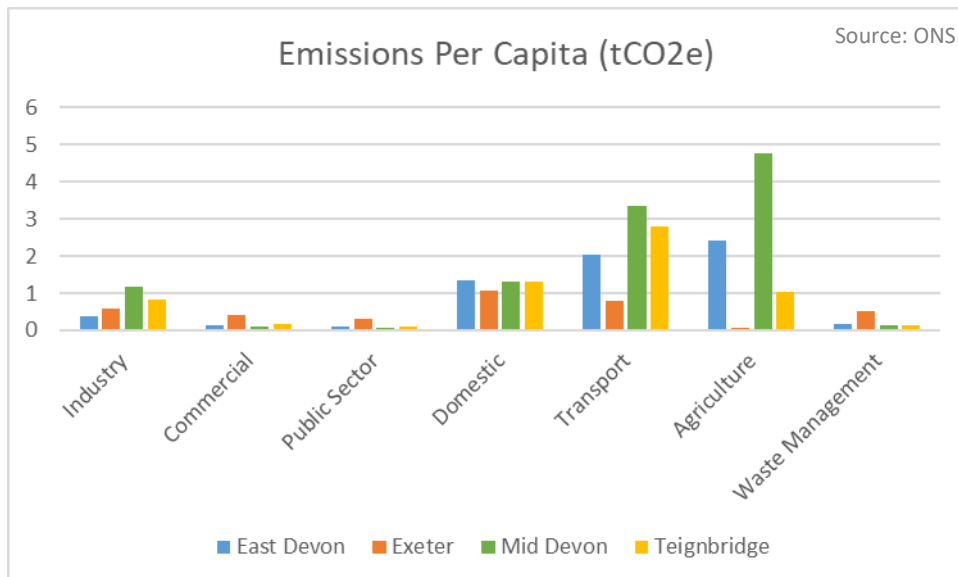
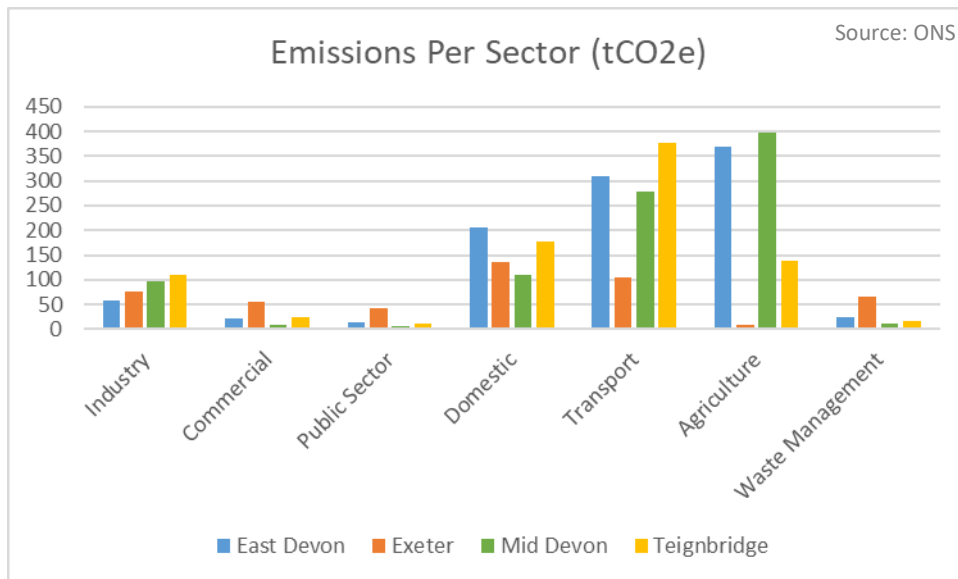


As the graph above illustrates, carbon emitted per capita is on average higher in East Devon compared to the national and regional average.

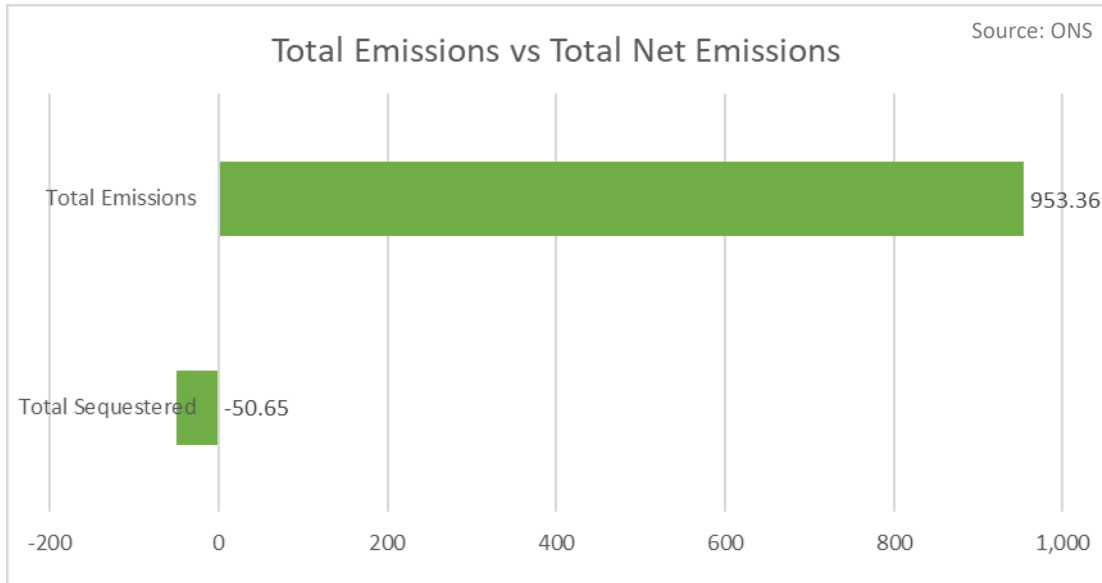
The graphs below show emissions by sector as a percentage of total emissions in East Devon. It shows that the majority of carbon is emitted from agriculture, transport and within domestic residences.



When compared against the other EHoD areas, both in terms of total emissions and emissions per capita, East Devon’s largest emitters are relatively similar to the other rural districts (Mid Devon and Teignbridge).



The amount of carbon sequestered by our natural environment can also be measured against the amount of carbon equivalent emitted. As the graph below shows, the amount of carbon being sequestered is significantly below that being emitted.



By analysing the previous ten years of emissions data for East Devon, a trend line can be produced for the next 20 year period. The graph below shows how much carbon equivalent will be emitted in the next 20 years should the current rate of carbon reduction continue. The Target line shows the rate of reduction required over a 20 year period to reach net zero by 2040.

