

# South Hams Prosperity Strategy 2006 to 2011 (Final Draft – November 2006)

## Vision

*By 2011, the South Hams economy will be have become increasingly competitive, with less reliance on low wage sectors and a greater emphasis on a knowledge-based economy with low environmental impact.*

### Chapters:

1. Strategic Context	.....	Page 2
2. Council Priorities	.....	Page 3
3. Economic Analysis	.....	Page 4
4. Why we need a Strategy	.....	Page 5
5. Previous Achievements	.....	Page 6
6. Who Owns the Strategy	.....	Page 7
7. The Vision	.....	Page 8
8. Key Objectives & Action Plan	.....	Pages 9 to 22

### Appendices:

A. SWOT Analysis	.....	Page 23
B. STEP Analysis	.....	Page 24
C. Deprivation in South Hams	.....	Pages 25 & 26
D. Drivers of Growth	.....	Pages 27 to 29
E. What Beacon Councils Do	.....	Pages 30 & 31
F. Consultation	.....	Pages 32 & 33
G. Background Documents	.....	Page 34
Alternative prints, formats or languages	.....	Page 35

### **The Strategic Context**

The principal source of strategic context is the Regional Economic Strategy 2006 to 2015 (RES). The South West of England Regional Development Agency published its first draft of this document in September 2005 for a period of consultation ending on 09 December 2005. The adopted strategy was launched on 23 May 2006 and can be viewed at [www.southwestrda.org.uk](http://www.southwestrda.org.uk) .

The RES reflects informed central government guidance and the regional context; such sources include:

- Sustainable Development Strategy: Sustainable Communities
- Integrated Regional Strategy
- Regional Spatial Strategy
- DTI Modern Regional Policy for the UK 2003
- DTI Prosperity for All 2004
- Rural White Paper 2000
- Objective 2 Single Programming Document
- Devon Rural Strategy
- Plymouth sub-Regional Economic Strategy

The RES provides a shared vision for the development of the region's economy; it recognises the wider context of sustainable development. The RES is a key document for all partners involved in economic development, regeneration, and business support; it intends to influence and guide what partners do. It lists five key strategic aims for the region to:

- harness the benefits of population growth and manage the implications of population change
- enhance the distinctive environments and the quality and diversity of cultural life
- enhance economic prosperity and quality of employment opportunity
- address deprivation and disadvantage to reduce significant intra-regional inequalities
- make sure that people are treated fairly and can participate fully in society

## Chapter 2

### **Council Priorities**

The Prosperity Strategy clearly supports Council priority CP2; its ability to do so is dependent to some extent upon the other five priorities.

South Hams District Council has six key priorities aimed to improve the well-being of its residents; these are:

- (CP1) Affordable Homes  
Securing a supply of housing for local people at affordable levels
- (CP2) Good Jobs  
Creating the conditions for the growth and maintenance of quality economic activity
- (CP3) Retain the District's Character  
Maintain the district's distinct environment whilst enabling access and sensitive development
- (CP4) A Clean District  
Maintain a clean environment
- (CP5) An Accessible Council  
Work with others to improve access to key services
- (CP6) Value for Money  
Improve core service performance in a cost-effective way

Various community consultation activities and Members' workshops took place in 2005 to assist a review of the Council's core priorities. The review concluded that the ranked priorities established in 2002 (CP1 to CP6) should remain unchanged, but with increased emphasis given to climate change, the needs of younger people, and facilitating a healthier community, as cross-cutting themes. In relation to climate change, examples of targeted actions under existing priorities CP1 to CP5, would include green tourism work under CP2 (quality jobs), recycling and environmental targets under CP3 and CP4 (distinctive and clean environment), and e-based customer services under CP5 (access to services), as all these areas of activity contribute to this theme.

The endorsement of the Council's core priorities has influenced the form of this strategy and, with other key strategies (the Sustainable Community Strategy, Local Development Framework, Tourism Strategy, and Public Space Strategy), seeks to secure the achievement of the revised targets.

### Economic Analysis

The South Hams economy has grown strongly over the ten years from 1994 to 2004, averaging 6.8% per annum; growth accelerated in the second half of this period. Growth in the decade 1994 to 2004 was almost 50% greater than nationally. This performance is second only in Devon to Exeter (including the respective performances of Plymouth and Torbay, the latter with GVA less than in Cornwall).

The strongest growth sectors from 1999 were - construction, finance & business services, telecommunications and public administration (particularly in education and health spending). Manufacturing output fell back from its previous relatively strong performance. The decline in land-based industries has levelled in recent years. Overall, gross value-added (GVA<sup>1</sup>) has almost doubled in the period 1994 to 2004. However, the district's economy is characterised by very low average earnings, as follows:

- Earnings (per head of the total population) have risen by nearly 18% since 1994 but remain just 77% of the national average. Compared to the UK, South Hams has a significantly higher proportion of women employees (50%), part-time employees (38%), and self-employed people (26%); each of these groups tends to experience lower income levels.
- The steep decline of land-based industry in recent years coupled with the labour market characteristics of the tourism and retail sectors have a further depressing effect on average incomes, given seasonal impacts and the high incidence of part-time work. One third of the South Hams workforce is employed in these three sectors.
- A third factor contributing to a low average wage is the proportion of the population that is not economically active (45%); this is despite an overall growth in numbers employed (about 3.8% per annum in the period from 1994 to 2004). 24% of the South Hams population is retired (compared with 18% in England and Wales); the population as a whole is getting older.

Unemployment in the district remains low (ranging between 0.9% and 1.4% in 2005); as a result, there is a local labour shortage. Labour is being imported – notably, in the tourism, service, and retail sectors.

Very significant is the number of people in South Hams that work from home – 15.7% of the working population compared to 9.2% for England.

The relatively good economic performance is tempered by four things – very high house prices, a shortage of suitable skills, hidden deprivation, and a lack of available land and premises.

<sup>1</sup> GVA per head of population is a headline measure expressing growth by volume relative to the local population. This formula overstates productivity in areas where there is a degree of inward commuting (very relevant in South Hams). GVA per employee expresses growth by volume relative to the workforce and discounts the effects of commuting; it is a better measure of productivity and economic efficiency.

## Chapter 4

### **Why we need a Strategy**

A review of the current Strategy (2002 to 2007) is timely. In line with a development of the South Hams Sustainable Community Strategy, the Tourism Strategy, a new Public Space Strategy, and the prescribed Local Development Framework process, it is opportune to take stock of the district's economic performance and refresh the approach.

This revised Strategy, guided by the Prosperity Policy Development Group, and nesting under the Sustainable Community Strategy, intends to provide direction to all involved agencies and partners for the next five years (subject to periodical review). The partnership approach is fundamental to making progress over the longer term.

The review process takes account of the most recently published economic performance data for the district, considers an improved baseline of economic intelligence, and reflects recent consultation exercises intended to inform strategy development.

A diverse economic base of micro-businesses coupled with a heavily protected environment may appear resistant to external economic factors. The reality is that the local economy, whilst performing well against other administrative areas in Devon, still lags behind regional and national performance across a range of indicators. Of these, a low average wage and the extra-ordinary high price of housing are particularly stifling.

A revised Strategy will also guide Local Authority Members and officers to take actions that contribute to the achievement of our corporate priorities. Given local authority responsibility, and the constraints of limited resources, the Council can have most impact in the areas of business support, employment land and premises, external funding, and communication.

Information about deprivation in South Hams and the identified 'drivers for growth' are contained in Appendices C and D respectively.

## Chapter 5

### Previous Achievements

The previous Prosperity Strategy 2002 to 2007 generated the following achievements:

- A focussed awareness campaign resulting in the fastest and most concentrated take-up of broadband in rural Devon (assisted by the establishment of Broadband4Devon)
- Joint development of an employment estates policy (with Property Services)
- Establishment of employment estate groups at Totnes and Lee Mill
- New employment developments at Admirals Court, Dartmouth and Babbage Court, Totnes using sustainable construction principles
- Use of SHDC website to promote South Hams as a quality business destination (Business Information Guide and Business Premises Register)
- Secured £171,250 external funding for capital projects (Admirals Court and Babbage Court)
- Sector forum business plans for South Hams Food & Drink Association and South Devon Marine to assist their self-sufficiency
- Effective partnership to secure approximately £1 million funding allocation for South Hams through Devon Renaissance (with Objective 2 support)
- Effective partnership to secure £125,000 to provide Objective 2 development workers (the 'Facilitating Rural Project Development project in South Hams and West Devon)

The review process identified the following areas for improvement:

- need for wider consultation and ownership
- need for stronger links with other strategies nesting under a revised Sustainable Community Strategy
- need to embed CP2 ('good' jobs priority) across Council and with partners

This revised strategy reflects both these areas for improvement and the results of the continuing consultation process.

### **Who owns the Strategy?**

Given the partnership nature of the actions necessary to achieve this revised Prosperity Strategy Vision, it is proposed that the South Hams Strategic Partnership owns the strategy; this means that all partners, including South Hams District Council, need to sign-up to the strategy objectives. The SHSP is looking at where working together can add value to the Prosperity Strategy through the Competitive Local Economy theme of the new Sustainable Community Strategy.

The Prosperity Strategy will also inform the Local Development Framework. This will ensure a local strategic fit and help to synchronise actions within the Council and with those of external partners and the private sector.

In addition, the Strategy will be co-owned by key agencies that have an impact upon the South Hams business community and, not least by the business community itself. As a part of the continuing consultation process, we have approached each prospective partner to endorse the key objectives and, ultimately, the detailed actions proposed. Partners will be asked to assist the monitoring process, which the South Hams Strategic Partnership will oversee.

In this way, there is an opportunity to tackle local priorities collectively and achieve the identified objectives - given the involvement and commitment of all partners. In particular, the Strategy will guide political thought, strategic management, and decision-making to ensure that a further positive step change in the district's economic fortunes is achievable.

The Strategy also links to the Economy and Enterprise (fourth block) of the Local Area Agreement led by Devon County Council.

The Strategy recognises the activities of Beacon Councils in economic development ("supporting local businesses") and recommends actions that reflect national best practice in the light of local circumstance (see appendix E).

The Vision

A revised vision for the South Hams economy is:

**“By 2011, the South Hams economy will have become increasingly competitive, with less reliance on low wage sectors and a greater emphasis on a knowledge-based economy with low environmental impact.”**

This reflects the Council’s corporate vision ‘to improve the well-being of the people of the South Hams’, and is proposed in the light of consultation so far (as summarised in appendix F).

The importance of developing a knowledge-based economy is founded on the central government (DTI) programme – “Competing in a Global Economy”. In plain terms, adding value to raw materials in the traditional sense has become very expensive because labour costs in the developed world are relatively high. The experience of the UK’s manufacturing sector provides clear evidence of this over the past half-century through the gradual transfer of pure manufacturing overseas, especially to south-east Asia.

Therefore, there is an opportunity to better exploit the UK’s creativity, capacity for innovation, thought and intellect wherein the raw material is brain power. The economic benefits of this capacity are:

- High gross value-added (GVA)
- Higher average earnings
- Markets not restricted by time or distance
- Higher density of employment
- Low environmental impact
- New ways of working (ICT, home / office / work life balance)
- Full-time work / less reliance on part-time or seasonal work

### **The Key Objectives and Draft Action Plan**

Given the strategic context, the economic baseline data, and the result of various consultation exercises (and learning from others - eg: Beacon Authorities), a number of headline issues have emerged that can be summarised as several key objectives. South Hams District Council in isolation cannot achieve all of these; it has neither the powers nor the resources and will require delivery partners.

The key objectives are:

- 1) Improve the economic infrastructure
- 2) Source project partners for priority economic projects
- 3) Embed priority CP2 (good jobs) across Council and partners

An action plan follows. Its development is dependent upon a wide endorsement of the strategy principles by partners and the private sector; it should be outcome based. Delivery is also reliant upon a range of partners (internal and external) that are identified in the action plan. The detailed and agreed action plan will be linked to the Council's Covalent performance management system.

### **Monitoring and Evaluation**

Monitoring will take place at two levels – on a regular basis at service level through the Council's Covalent performance management system – and on a quarterly basis by reports to the Prosperity Policy Development Group and the South Hams Strategic Partnership.

Performance Indicators, as measures of local economic performance, are:

- Occupancy of SHDC Employment Estates
- Value of NNDR (National non-Domestic Rates)
- Number of NNDR Hereditaments
- Average workplace based earnings in South Hams (Nomis)

These measures are also reported annually in the Council's Performance Plan.

## Prosperity Strategy Action Plan 2006 to 2011

The implementation of this action plan depends upon wide ownership in the public and private sector and on the levels of identified funding being maintained.

### Key Objective #1 – Improve the economic infrastructure

#	Actions	SMART Targets	Timescale	Outcome	Resource Implications	Lead Officer	Partners	Strategy Links
1.1	Progress employment development at Langage Business Park	<ul style="list-style-type: none"> <li>▪ Inform Langage master planning process through 100% attendance at relevant events</li> <li>▪ Assist marketing and demand study process</li> <li>▪ Site available for development</li> <li>▪ Review take up against vision and marketing plan</li> <li>▪ Secure 75% occupancy of units (including provision of starter accommodation)</li> <li>▪ Monitor density of employment and quality jobs</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ongoing</li> <li>▪ 06/2006</li> <li>▪ 12/2007</li> <li>▪ Ongoing</li> <li>▪ Within 2 years of finish</li> <li>▪ Ongoing</li> </ul>	<ul style="list-style-type: none"> <li>▪ Demand Study</li> <li>▪ Marketing Plan</li> <li>▪ Small scale inward Investment</li> <li>▪ Satisfaction Survey of occupiers</li> </ul>	<ul style="list-style-type: none"> <li>▪ Officer time</li> </ul>	<ul style="list-style-type: none"> <li>▪ Michael Cozens</li> </ul>	<ul style="list-style-type: none"> <li>▪ E&amp;E</li> <li>▪ FP</li> <li>▪ Major Development</li> <li>▪ Carlton / Centrica</li> <li>▪ SWRDA</li> <li>▪ Private sector</li> <li>▪ Stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>▪ Langage Master plan</li> <li>▪ LDF</li> <li>▪ PSREP Strategy</li> <li>▪ RES</li> </ul>

## Prosperity Strategy Action Plan 2006 to 2011

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### Key Objective #1 – Improve the economic infrastructure

#	Actions	SMART Targets	Timescale	Outcome	Resource Implications	Lead Officer	Partners	Strategy Links
1.2	Progress sustainable employment development in phase with Sherford new community progress	<ul style="list-style-type: none"> <li>▪ Inform Master plan by engagement in 100% of all relevant workshops to achieve mixed-use approach to phased provision</li> <li>▪ 18 hectares of employment development</li> <li>▪ Secure at least 75% occupancy</li> <li>▪ Review take up against vision and marketing plan</li> <li>▪ Contribute business pages for 'Our Sherford' website</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ongoing</li> <li>▪ 12/2011</li> <li>▪ Within 2 years of finish</li> <li>▪ Ongoing</li> <li>▪ 09/2006</li> </ul>	<ul style="list-style-type: none"> <li>▪ Sustainable community</li> <li>▪ Exemplar housing and employment mixed use community</li> </ul>	<ul style="list-style-type: none"> <li>▪ Officer time</li> </ul>	<ul style="list-style-type: none"> <li>▪ Michael Cozens</li> </ul>	<ul style="list-style-type: none"> <li>▪ E&amp;E</li> <li>▪ FP</li> <li>▪ Major Development</li> <li>▪ Red Tree</li> <li>▪ Prince's Foundation</li> <li>▪ PSREP</li> <li>▪ SWRDA</li> <li>▪ Stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>▪ LDF</li> <li>▪ Sherford Master plan</li> <li>▪ PSREP Strategy</li> <li>▪ RES</li> </ul>

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### Key Objective #1 – Improve the economic infrastructure

#	Actions	SMART Targets	Timescale	Outcome	Resource Implications	Lead Officer	Partners	Strategy Links
1.3	Advance employment development at Follaton Farm as part of a mixed-use development	<ul style="list-style-type: none"> <li>▪ Agree new concept statement for site including employment provision</li> <li>▪ Planning consent to enable start on site by 2008</li> </ul>	<ul style="list-style-type: none"> <li>▪ 12/06</li> <li>▪ 06/07</li> </ul>	<ul style="list-style-type: none"> <li>▪ Mixed-use sustainable development / quality design achieving circa 15,000 sq ft of workspace</li> </ul>	<ul style="list-style-type: none"> <li>▪ Officer time</li> </ul>	<ul style="list-style-type: none"> <li>▪ Michael Cozens</li> </ul>	<ul style="list-style-type: none"> <li>▪ Land owner</li> <li>▪ E&amp;E</li> <li>▪ FP</li> <li>▪ DC</li> <li>▪ PS</li> <li>▪ Statutory agencies</li> </ul>	<ul style="list-style-type: none"> <li>▪ Adopted Local Plan</li> <li>▪ Draft Local Plan Review</li> <li>▪ LDF</li> </ul>
1.4	Advance employment development at Newton Road (Totnes)	<ul style="list-style-type: none"> <li>▪ Agree new concept statement for site</li> <li>▪ Planning consent to enable start on site by 09/08</li> </ul>	<ul style="list-style-type: none"> <li>▪ 03/08</li> <li>▪ 12/08</li> </ul>	<ul style="list-style-type: none"> <li>▪ Successful employment development achieving circa 50,000 sq ft or workspace</li> </ul>	<ul style="list-style-type: none"> <li>▪ Officer time</li> </ul>	<ul style="list-style-type: none"> <li>▪ Michael Cozens</li> </ul>	<ul style="list-style-type: none"> <li>▪ Land owner</li> <li>▪ E&amp;E</li> <li>▪ FP</li> <li>▪ DC</li> <li>▪ PS</li> <li>▪ Statutory agencies</li> </ul>	<ul style="list-style-type: none"> <li>▪ Adopted Local Plan</li> <li>▪ Draft Local Plan Review</li> <li>▪ LDF</li> </ul>

## Prosperity Strategy Action Plan 2006 to 2011

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### Key Objective #1 – Improve the economic infrastructure

#	Actions	SMART Targets	Timescale	Outcome	Resource Implications	Lead Officer	Partners	Strategy Links
1.5	Progress employment development of sites allocated in LDF  (this element of the action plan will progress in line with LDF documents)	<ul style="list-style-type: none"> <li>▪ Start negotiation with land owner</li> <li>▪ Agree concept statements to support allocated site to achieve required outcomes</li> </ul>	<ul style="list-style-type: none"> <li>▪ No later than adoption of LDF docs with a view to gaining planning consent</li> </ul>	Successful employment developments providing appropriate workspace & quality job opportunities	<ul style="list-style-type: none"> <li>▪ Officer time</li> </ul>	<ul style="list-style-type: none"> <li>▪ Michael Cozens</li> </ul>	<ul style="list-style-type: none"> <li>▪ Land owner</li> <li>▪ E&amp;E</li> <li>▪ FP</li> <li>▪ DC</li> <li>▪ PS</li> <li>▪ Statutory agencies</li> </ul>	<ul style="list-style-type: none"> <li>▪ Adopted Local Plan</li> <li>▪ Draft Local Plan Review</li> <li>▪ LDF</li> </ul>

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### Key Objective #1 – Improve the economic infrastructure

#	Actions	SMART Targets	Timescale	Outcome	Resource Implications	Lead Officer	Partners	Strategy Links
1.6	Identify appropriate sites / premises for acquisition to support CP2 and assist with disposals programme	<ul style="list-style-type: none"> <li>▪ Agree criteria for review and acquisition</li> <li>▪ Review of acquisition opportunity</li> <li>▪ Review of Economic Initiatives Reserve</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ongoing</li> </ul>	Increase in the supply of appropriate employment land and premises	<ul style="list-style-type: none"> <li>▪ Officer time</li> <li>▪ Recycled capital receipts from employment estate disposals</li> <li>▪ Potential allocation of LABGI funds to Economic Initiatives Reserve</li> </ul>	<ul style="list-style-type: none"> <li>▪ Michael Cozens</li> <li>▪ Nick Hodgson</li> </ul>	<ul style="list-style-type: none"> <li>▪ FP</li> <li>▪ E&amp;E</li> <li>▪ PS</li> <li>▪ Land owner</li> </ul>	<ul style="list-style-type: none"> <li>▪ Adopted Local Plan</li> <li>▪ Draft Local Plan Review</li> <li>▪ Employment Estates Policy</li> <li>▪ Asset Management Plan</li> </ul>

## Prosperity Strategy Action Plan 2006 to 2011

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### Key Objective #2 – Source project partners for priority economic projects

#	Actions	SMART Targets	Timescale	Outcome	Resource Implications	Lead Officer	Partners	Strategy Links
2.1	Advance opportunities for Redundant Building Grant programme	<ul style="list-style-type: none"> <li>Achieve 10 RBG projects (circa £300K of external funding) to support private investment</li> </ul>	12/07	10 new work spaces	Officer time	<ul style="list-style-type: none"> <li>Michael Cozens</li> <li>Gaynor Hughes</li> <li>Carol Trant</li> </ul>	<ul style="list-style-type: none"> <li>SHDC</li> <li>DR</li> <li>Private sector</li> <li>Property owners</li> </ul>	<ul style="list-style-type: none"> <li>RES</li> <li>DR Delivery Plan</li> <li>Adopted Local Plan</li> <li>LDF</li> </ul>
2.2	Promote Technology Transfer Project to appropriate local businesses (transfer of MOD know-how through Defence Diversification Agency)	<ul style="list-style-type: none"> <li>Achieve 5 Technology Transfer contracts with local businesses</li> </ul>	12/07	New processes introduced  Improved productivity  Increased GVA	Officer time	<ul style="list-style-type: none"> <li>Gaynor Hughes</li> <li>Carol Trant</li> </ul>	<ul style="list-style-type: none"> <li>SHDC</li> <li>DR</li> <li>DDA</li> <li>MOD</li> <li>Private sector</li> </ul>	<ul style="list-style-type: none"> <li>RES</li> <li>DR Delivery Plan</li> </ul>

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### Key Objective #2 – Source project partners for priority economic projects

#	Actions	SMART Targets	Timescale	Outcome	Resource Implications	Lead Officer	Partners	Strategy Links
2.3	'Greening the Employment Areas' project (to improve the environmental efficiency of business and encourage aesthetic improvements to employment estates)	<ul style="list-style-type: none"> <li>▪ Achieve feasibility funds</li> <li>▪ Undertake feasibility study for Totnes</li> <li>▪ Totnes pilot project</li> </ul>	<ul style="list-style-type: none"> <li>▪ 03/06</li> <li>▪ 12/06</li> <li>▪ 12/07</li> </ul>	<p>Improved environmental efficiency</p> <p>Cost savings for participant businesses</p> <p>Greener and more attractive employment areas</p>	<ul style="list-style-type: none"> <li>▪ Officer time</li> <li>▪ £2K from PS</li> </ul>	<ul style="list-style-type: none"> <li>▪ Carol Trant</li> <li>▪ Gaynor Hughes</li> </ul>	<ul style="list-style-type: none"> <li>▪ E&amp;E</li> <li>▪ AMG</li> <li>▪ Groundwork Trust's (Envision Programme)</li> <li>▪ DR</li> <li>▪ BL</li> <li>▪ ESD</li> <li>▪ Private sector</li> </ul>	<ul style="list-style-type: none"> <li>▪ RES</li> <li>▪ DR Delivery Plan</li> <li>▪ Adopted Local Plan</li> <li>▪ LDF</li> <li>▪ Employment Estates Policy</li> <li>▪ AMP</li> </ul>

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### Key Objective #2 – Source project partners for priority economic projects

#	Actions	SMART Targets	Timescale	Outcome	Resource Implications	Lead Officer	Partners	Strategy Links
2.4	Engage in partnerships to maximise external funding opportunities for the district to achieve council objectives	<ul style="list-style-type: none"> <li>▪ 100% attendance at all relevant events and workshops</li> <li>▪ Engagement in external funding opportunities</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ongoing</li> </ul>	Bid opportunities optimised	<ul style="list-style-type: none"> <li>▪ Officer time</li> <li>▪ Matched funding cannot be quantified</li> </ul>	<ul style="list-style-type: none"> <li>▪ Gaynor Hughes</li> </ul>	<ul style="list-style-type: none"> <li>▪ E&amp;E</li> <li>▪ L&amp;L</li> <li>▪ PS</li> </ul>	<ul style="list-style-type: none"> <li>▪ RES</li> <li>▪ DR Delivery Plan</li> <li>▪ Community Strategy</li> <li>▪ Adopted Local Plan</li> <li>▪ LDF</li> </ul>

## Prosperity Strategy Action Plan 2006 to 2011

The implementation of this action plan depends upon wide ownership in the public and private sector and on the levels of identified funding being maintained.

### Key Objective #3 – Embed priority CP2 (good jobs) across Council and partners

#	Actions	SMART Targets	Timescale	Outcome	Resource Implications	Lead Officer	Partners	Strategy Links
3.1	Construct a programme of corporate activities to embed CP2 across the Council and with SHSP partners	<ul style="list-style-type: none"> <li>▪ Hold Prosperity Workshops</li> <li>▪ Publish e-Newsletters (incorporating Broadband Bulletin)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Four annually</li> <li>▪ Four annually</li> </ul>	<p>Improved understanding of Prosperity objectives</p> <p>Improved communication</p> <p>Reduction in lost opportunities</p>	<ul style="list-style-type: none"> <li>▪ Officer time</li> <li>▪ £2K Drawing Office services</li> <li>▪ £100 MS Publisher</li> </ul>	<ul style="list-style-type: none"> <li>▪ Michael Cozens</li> <li>▪ Carol Trant</li> </ul>	<ul style="list-style-type: none"> <li>▪ SHDC Officers</li> <li>▪ SHDC Members</li> <li>▪ External Partners</li> <li>▪ Private sector</li> </ul>	<ul style="list-style-type: none"> <li>▪ Community Strategy</li> <li>▪ LDF</li> <li>▪ AMP</li> <li>▪ Communications Strategy</li> </ul>
3.2	Promote economic dimension of Council and private sector activities that positively influence the achievement of CP2	<ul style="list-style-type: none"> <li>▪ Engage relevant services and senior officers in all significant activities facing obstacles to achievement</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ongoing</li> </ul>	<p>Improved achievement of Prosperity objectives (measured by initiatives successfully achieved)</p>	<ul style="list-style-type: none"> <li>▪ Officer time</li> </ul>	<ul style="list-style-type: none"> <li>▪ Michael Cozens</li> </ul>	<ul style="list-style-type: none"> <li>▪ E&amp;E</li> <li>▪ FP</li> <li>▪ DC</li> <li>▪ PS</li> <li>▪ EH</li> <li>▪ L&amp;L</li> <li>▪ AMG</li> </ul>	<ul style="list-style-type: none"> <li>▪ Community Strategy</li> <li>▪ Adopted Local Plan</li> <li>▪ LDF</li> <li>▪ AMP</li> <li>▪ Employment Estates Policy</li> </ul>

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### Key Objective #3 – Embed priority CP2 (good jobs) across Council and partners

#	Actions	SMART Targets	Timescale	Outcome	Resource Implications	Lead Officer	Partners	Strategy Links
3.3	Maintain up-to-date intelligence, data and relevant evidence	<ul style="list-style-type: none"> <li>▪ Review all data ahead of annual monitoring report</li> </ul>	<ul style="list-style-type: none"> <li>▪ Annually</li> </ul>	Reports are evidence-based (including economic theme of Community Strategy)	<ul style="list-style-type: none"> <li>▪ Officer time</li> <li>▪ £3K DIS</li> </ul>	<ul style="list-style-type: none"> <li>▪ Andy Marlton</li> </ul>	<ul style="list-style-type: none"> <li>▪ E&amp;E</li> <li>▪ FP</li> <li>▪ PS</li> <li>▪ Tourism</li> <li>▪ AMG</li> <li>▪ DR</li> <li>▪ DCC</li> <li>▪ SWRDA</li> </ul>	<ul style="list-style-type: none"> <li>▪ Community Strategy</li> <li>▪ LDF</li> <li>▪ L&amp;PG</li> <li>▪ AMP</li> </ul>
3.4	Obtain fit-for-purpose SLA for Enterprise South Devon	<ul style="list-style-type: none"> <li>▪ Negotiate / agree terms / execute</li> <li>▪ SLA to achieve number of businesses supported</li> </ul>	<ul style="list-style-type: none"> <li>▪ 12/06</li> <li>▪ Monitor 4 times annually</li> </ul>	Justification for SHDC contribution measured by number of businesses supported	<ul style="list-style-type: none"> <li>▪ Officer time</li> </ul>	<ul style="list-style-type: none"> <li>▪ Carol Trant</li> </ul>	<ul style="list-style-type: none"> <li>▪ E&amp;E</li> <li>▪ ESD</li> <li>▪ EPL</li> <li>▪ BL</li> <li>▪ TDC</li> </ul>	<ul style="list-style-type: none"> <li>▪ RES</li> <li>▪ Teignbridge Economic Development Plan</li> </ul>

## Prosperity Strategy Action Plan 2006 to 2011

The implementation of this action plan depends upon wide ownership in the public and private sector and on the levels of identified funding being maintained.

### Key Objective #3 – Embed priority CP2 (good jobs) across Council and partners

#	Actions	SMART Targets	Timescale	Outcome	Resource Implications	Lead Officer	Partners	Strategy Links
3.5	Respond to consultations on strategic regional and sub-regional issues of economic importance	<ul style="list-style-type: none"> <li>▪ 100% timely responses to consultations that ensure Council objectives are recognised in strategic documents</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ongoing</li> </ul>	SHDC position stated consistently and reflected in adopted documents	<ul style="list-style-type: none"> <li>▪ Officer time</li> </ul>	<ul style="list-style-type: none"> <li>▪ Michael Cozens</li> </ul>	<ul style="list-style-type: none"> <li>▪ E&amp;E</li> <li>▪ FP</li> <li>▪ PR</li> <li>▪ PSREP</li> <li>▪ DR</li> <li>▪ DCC</li> </ul>	<ul style="list-style-type: none"> <li>▪ RES</li> <li>▪ PSREP Strategy</li> <li>▪ DR Strategy</li> </ul>
3.6	Facilitate self-sufficiency of sector forum and estate user groups <ul style="list-style-type: none"> <li>▪ South Devon Marine</li> <li>▪ South Hams Food &amp; Drink</li> <li>▪ Agriculture Forum</li> <li>▪ Totnes User Group</li> <li>▪ Lee Mill User Group</li> </ul>	<ul style="list-style-type: none"> <li>▪ Secure self-sufficiency of new groups within 3 years of establishment</li> <li>▪ Reduce to zero DCS financial contribution</li> <li>▪ Reduce to zero SBS financial contribution</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ongoing</li> <li>▪ 05/07</li> <li>▪ 09/06</li> </ul>	Resources re-directed  Council's role is acknowledged	<ul style="list-style-type: none"> <li>▪ Officer time</li> </ul>	<ul style="list-style-type: none"> <li>▪ Carol Trant</li> </ul>	<ul style="list-style-type: none"> <li>▪ E&amp;E</li> <li>▪ L&amp;L</li> <li>▪ Sector Forums</li> <li>▪ Estate Groups</li> </ul>	<ul style="list-style-type: none"> <li>▪ RES</li> <li>▪ Community Strategy</li> <li>▪ DR Delivery Plan</li> </ul>

## Prosperity Strategy Action Plan 2006 to 2011

The implementation of this action plan depends upon wide ownership in the public and private sector and on the levels of identified funding being maintained.

### Key Objective #3 – Embed priority CP2 (good jobs) across Council and partners

#	Actions	SMART Targets	Timescale	Outcome	Resource Implications	Lead Officer	Partners	Strategy Links
3.7	Promote and deliver local procurement opportunities to businesses, public and SHDC staff	<ul style="list-style-type: none"> <li>▪ Arrange awareness / training event for businesses</li> <li>▪ Publish article in South Hams Magazine</li> <li>▪ Promote local purchasing to SHDC staff</li> </ul>	<ul style="list-style-type: none"> <li>▪ 06/07</li> <li>▪ 03/07</li> <li>▪ 12/06</li> </ul>	<ul style="list-style-type: none"> <li>Opportunities promoted to local businesses</li> <li>Public awareness raised</li> <li>Staff awareness raised</li> </ul>	<ul style="list-style-type: none"> <li>▪ Officer time</li> </ul>	<ul style="list-style-type: none"> <li>▪ Carol Trant</li> </ul>	<ul style="list-style-type: none"> <li>▪ E&amp;E</li> <li>▪ Tourism</li> <li>▪ DCC</li> <li>▪ SDC</li> <li>▪ SHSP</li> </ul>	<ul style="list-style-type: none"> <li>▪ Community Strategy</li> </ul>

## Abbreviations & Acronyms

	Explanation		Explanation
<b>AMG</b>	Asset Management Group (SHDC)	<b>LABGI</b>	Local Authority Business Growth Incentive (SHDC)
<b>AMP</b>	Asset Management Plan (SHDC)	<b>L&amp;L</b>	Landscape & Leisure (SHDC)
<b>B4D</b>	Broadband for Devon	<b>LDF</b>	Local Development Framework (SHDC)
<b>BL</b>	Business Link	<b>L&amp;PG</b>	Land & Property Gazetteer (SHDC)
<b>CP2</b>	Good Jobs Council Priority (SHDC)	<b>LSC</b>	Learning & Skills Council
<b>DCC</b>	Devon County Council	<b>MOD</b>	Ministry of Defence
<b>DC</b>	Development Control (SHDC)	<b>PCC</b>	Plymouth City Council
<b>DCS</b>	Devon County Show	<b>PR</b>	Public Relations (SHDC)
<b>DDA</b>	Defence Diversification Agency	<b>PS</b>	Property Services (SHDC)
<b>DEFRA</b>	Department for Environment, Food & Rural Affairs	<b>PSA</b>	Public Service Agreement
<b>DIS</b>	Devon Information Service	<b>PSREP</b>	Plymouth sub-Regional Economic Partnership
<b>DR</b>	Devon Renaissance	<b>RES</b>	Regional Economic Strategy (SWRDA)
<b>DTI</b>	Department of Trade & Industry	<b>SBS</b>	Southampton Boat Show
<b>E&amp;E</b>	Economy & Europe (SHDC)	<b>SDC</b>	South Devon College
<b>EH</b>	Environmental Health (SHDC)	<b>SHDC</b>	South Hams District Council
<b>EIR</b>	Economic Initiatives Reserve (SHDC)	<b>SHSP</b>	South Hams Strategic Partnership
<b>EPL</b>	Enterprise Plymouth Ltd	<b>SLA</b>	Service Level Agreement
<b>ESD</b>	Enterprise South Devon	<b>SOA</b>	Super Output Area
<b>FP</b>	Forward Planning (SHDC)	<b>SWRDA</b>	SW England Regional Development Agency
<b>GVA</b>	Gross Value Added	<b>TDC</b>	Teignbridge District Council
<b>ICT</b>	Information & Communication Technology	<b>WDBC</b>	West Devon Borough Council
<b>IMD</b>	Indices of Multiple Deprivation		

**Economic SWOT Analysis**

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Buoyant, broad-based economy</li> <li>• Environmentally responsible business community</li> <li>• Broadband enabled</li> <li>• Quality of life opportunities</li> <li>• Strong growth sectors (construction, food &amp; drink, business services, transport &amp; telecommunications)</li> <li>• Dynamic sectoral groups</li> <li>• Well-qualified / educated proportion of population</li> <li>• Good quality business support network</li> <li>• Good schools (especially community colleges)</li> <li>• Excellent start-up rate</li> </ul>	<ul style="list-style-type: none"> <li>• Weak physical infrastructure</li> <li>• Over-reliance on low wage sectors</li> <li>• Too much part-time, seasonal employment</li> <li>• Lack of suitable employment land &amp; premises (especially for growth)</li> <li>• Poor quality employment estates</li> <li>• High cost of housing</li> <li>• High cost of land (generally)</li> <li>• Pockets of extreme deprivation</li> <li>• Labour / skills shortage</li> <li>• Patchy training culture</li> <li>• Low levels of investment</li> <li>• Ageing population</li> <li>• Lack of adequate childcare</li> <li>• Geographical peripherality</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• New community at Sherford</li> <li>• Strategic employment development at Langage Business Park</li> <li>• Developing a sustainable knowledge-based economy</li> <li>• Take advantage of training opportunities through colleges and universities</li> <li>• Partnership working with neighbouring LAs and private enterprise</li> <li>• Revitalising enterprise agency</li> <li>• Advancing employment sites through the LDF</li> <li>• Tap new external funding sources</li> <li>• Winning community trust through community leadership</li> <li>• Encourage local sourcing and supply</li> <li>• Diversification for land-based businesses</li> </ul>	<ul style="list-style-type: none"> <li>• Economic slow-down or recession</li> <li>• Lack of development opportunities</li> <li>• Slow take-up of training and re-training opportunities</li> <li>• Increasing bureaucracy</li> <li>• Changes to planning policy</li> <li>• Budget squeeze</li> <li>• Non-statutory economic development function</li> <li>• Diminishing external funding opportunities</li> <li>• Further decline in agriculture</li> <li>• Increasing congestion</li> <li>• Lack of investment in transport infrastructure</li> <li>• Lag in ICT infrastructure investment</li> <li>• Increasing fuel and energy costs</li> <li>• Investors' perception of peripherality</li> </ul>

**STEP Analysis**

Political	Economic
<ul style="list-style-type: none"> <li>• Pressure on local government funding for economic development</li> <li>• Gershon efficiencies</li> <li>• European enlargement</li> <li>• End of Objective 2 programme               <ul style="list-style-type: none"> <li>- competition for EU funding</li> <li>- more migrant workers</li> </ul> </li> <li>• SWRDA funding focus on DEFRA lagging areas prioritised under PSA targets</li> <li>• Development focus on urban areas</li> </ul>	<ul style="list-style-type: none"> <li>• Economic stability (interest rates, taxes, and social legislation)</li> <li>• Lack of private investment</li> <li>• Reliance on motor transport</li> <li>• Rising cost of energy (fossil fuels)</li> <li>• Poor public transport (road, rail &amp; air)</li> <li>• High cost of housing</li> <li>• Low disposable incomes</li> <li>• Links to Plymouth and Torbay economies</li> </ul>
Social	Technological
<ul style="list-style-type: none"> <li>• Ageing population</li> <li>• Outward migration of young people</li> <li>• Financially driven education policy</li> <li>• Labour shortage / immigrant or transient workers</li> <li>• Increasingly dispersed household units</li> <li>• Low disposable incomes</li> <li>• Loss of rural services</li> <li>• Access to jobs, training and childcare</li> <li>• Increased home-working</li> <li>• Early retirement / quality of life opportunities</li> <li>• Hidden pockets of real deprivation</li> </ul>	<ul style="list-style-type: none"> <li>• Knowledge age</li> <li>• Increasing use of ITC</li> <li>• E-commerce</li> <li>• E-marketing</li> <li>• Opportunities for improved communication</li> <li>• Opportunities for distance learning</li> <li>• Portable communication devices</li> <li>• Alternative energy sources (renewables)</li> <li>• Energy saving technologies</li> <li>• Local concentration of creative industries (including technology users)</li> </ul>

## Deprivation in South Hams

The degree of deprivation in South Hams is contentious; there is no doubt that external agencies and the public at large perceive the district as a wealthy and prosperous area. Indeed, according to the Index of Multiple Deprivation (Local Authority Summaries 2004), South Hams is the second least deprived district in rural Devon after East Devon.

The relative rankings in rural Devon are (out of 354 where 1 is the most deprived):

• Torridge	97
• Exeter	116
• North Devon	120
• Mid Devon	155
• Teignbridge	163
• West Devon	164
• South Hams	209
• East Devon	242

In recent times, this data has mitigated against South Hams across a number of fronts (largely relating to external funding).

The district has a 'top-heavy', age related population that results from a number of factors:

- Inward migration of retired people
- Outward migration of younger people for further education, better employment opportunities, and a youth-friendly lifestyle
- A longer lifespan generally

One singular effect of the influx of relatively wealthy retirees is an increase in local house prices; this, added to the high levels of second-home ownership in the district, pushes house prices beyond the reach of the vast majority of local workers. In 2005, the average house price in South Hams was at least sixteen times the average wage of £16,952 (Sources: NOMIS & Business Survey 2004).

High house prices, high water charges, and high transport costs (combined with a low average income, and a dependence on seasonal and self-employment for many people) results in extra-ordinary low levels of disposable income for many households.

Although evidence suggests that disposable incomes in the South West are on a par with the UK average<sup>2</sup>, additional cost-of-living factors further reduce householders' ability to buy non-essential products and services – for example, high levels of car and van ownership in rural areas<sup>3</sup>.

<sup>2</sup> Office of National Statistics - regional, sub-regional, and local area household income

<sup>3</sup> Countryside Agency - State of the Countryside Report

South Hams has a notably high car / van ownership at 46% of households. The difference in dependency on private transport is particularly noticeable when comparing second car / van ownership (30.2%) with that for England (23.5%).

Low disposable incomes reduce the amount of money driving the local economy and the efficiency of its circulation; this stunts business investment. Low levels of income also result in social exclusion for many households.

Skills deprivation affects several parts of the South Hams. The relationship between skill levels, earnings, and economic activity is clear when comparing the communities that suffer deprivation because of these factors. The two Dartmouth SOAs <sup>4</sup> at Townstal are the district's most deprived for 'education, skills and training'; one of them features in the top 20% nationally.

SWRDA's Regional Economic Strategy (2006 to 2015) recognises higher-level skills, and a flexible approach to work and learning, as critical issues. The South Hams Business Survey 2004 found that few South Hams businesses have training programmes or specified training budgets; 54% of businesses having neither. Businesses having both a training budget and a training programme are most likely to be bigger businesses with a high turnover.

Deprivation in South Hams measured by the Indices of Multiple Deprivation (IMD) 2004 shows that, given the mix of deeply rural areas and small market towns, some communities are as deprived as inner-city areas despite the profound differences in their nature. For example, an urban area IMD score could be heavily biased by 'low employment' and / or 'crime and disorder' scores, whilst a rural area could be equally biased by 'low income' and / or 'barriers to housing and services'.

In the South Hams, the more urban SOAs in Dartmouth and Totnes appear consistently in the district's top ten most deprived areas for - income, employment, education, skills & training; meanwhile, barriers to housing, services, and the living environment feature in many of the district's more rural SOAs.

<b>Deprivation Domain:</b>	<b>SOA in 20% most deprived nationally:</b>
Employment	Totnes Town, Dartmouth Townstal
Education, Skills and Training	Dartmouth Townstal
Barriers to Housing and Services	22 SOAs – 19 rural across the district 3 urban / mostly urban (Totnes Town, Dartmouth & Kingswear, Salcombe & Malborough)
Living Environment	Dartmouth & Kingswear, Erme Valley

It is significant that there are more 'employment deprived' and 'income deprived' people in South Hams than in any other rural Devon district except North Devon <sup>5</sup>.

<sup>4</sup> Super Output Areas (SOAs) are new statistical areas built from 2001 Census data. There are two 'layers' in use - lower and middle. The lower nests inside the middle which nests within the LA geography. Lower layer: minimum population - 1000, total areas in England and Wales - 34,378 Middle layer: minimum population - 5000, total areas in England and Wales - 7,193. SOAs give a better basis for comparison across the country because the units are more similar in size than electoral wards.

<sup>5</sup> DCC Regeneration Role & Action Programme (2004)

## **Drivers of Growth (and Obstacles)**

### **1. Enterprise and Entrepreneurship**

HM Treasury identifies enterprise, evidenced by the formation of new businesses, as a key driver of growth. This supports the view that new businesses account for a significant share of total productivity growth and are often associated with innovation.

The South Hams is a hot spot for enterprise compared to Devon and the UK, evidenced by the activity levels of business support agencies and the rate of VAT registrations (related to the population); South Hams has generated 481 VAT registered business per 10,000 population compared to 313 nationally. More importantly, the stock of VAT registered businesses (3,960) has generated more turnover than any other rural district in Devon.

Business support is critical to sustaining new business and improving survival rates. So too, is the need to ensure that the right conditions exist for small and medium size businesses' success – for example, adequate provision of suitable premises, good access and transport links, provision of broadband, and the removal of unnecessary constraints. Support for business should ideally be targeted at growth sectors with high value-added characteristics.

### **2. Infrastructure Investment**

Investment in physical infrastructure (including transport, communications, land and premises) is an important contributor to economic prosperity. The effects of such investment are indirect, leading to efficiency gains, business growth, higher levels of private sector investment, and relocation. Therefore, infrastructure investment is an important enabling factor, rather than a direct driver of productivity. Investment and other measures to secure the provision of an appropriate stock of sites and premises (and to avoid unnecessary constraint on the location of businesses) is an important contextual factor. Delivery of sites and premises will be targeted through the Local Development Framework. Strong public and private sector partnership is essential.

### **3. Education, Skills, and Training**

Skills and human capital are widely held to be the key determinant of economic growth. Recent research by the Learning & Skills Council (LSC) shows that Devon has a shortage of high-level skills and a lack of basic skills. Higher-level skills have a stronger effect on productivity than basic skills; beyond their immediate effects, higher-level skills are likely to increase innovation, new processes, the use of ICT, and the likelihood of knowledge transfer.

Existing skill levels in South Hams remain higher than other rural districts in Devon and above the UK average. However, growing businesses now have to import skills because of the general labour shortage or else relocate closer to labour pools. Those that remain in the district often face pressure on the wage bill to meet the high cost of housing. There is a need to create and retain job opportunities that will attract those with higher-level skills in order to support a high-productivity economy.

#### 4. Productivity

Factors in the national and world economy will always drive local prospects. However, despite the fact that other local economies will not be standing still, relative local performance (against Devon and UK averages) can be improved by increasing the competitiveness of local businesses. Relative local performance has not changed greatly in recent years but it has improved slightly since 2002 compared to the UK as a whole.

Productivity is influenced by a range of factors recited in this chapter; evidence suggests that the potential to raise productivity is not sector-specific and gains can be made from innovation across all sectors. For example, support for the adoption of ICT appears important in its own right, and can stimulate innovation and improved business efficiency; such support represents a generic focus for productivity gains.

#### 5. Competitiveness

Competitiveness is characterised by innovation, efficiency, skills, enterprise, and investment – and determined in part by distance, peripherality, and scale. In theory, competition should drive up productivity and provide the incentive to innovate and reduce slack; it also favours efficient businesses in expanding industrial sectors.

However, business in remoter areas may suffer lower levels of exposure to competitive markets; this is not necessarily so in the case of knowledge-based industries. Exposure to increased competition can also produce negative effects – for example, downward pressure on prices without a corresponding increase in productivity. This threatens profitability, discourages investment, and reduces the viability of marginal businesses – for example, as is happening generally in the tourism and leisure industry.

#### 6. Business Investment

The UK has a relatively small capital stock compared to its major competitors. Levels of capital to labour, and of investment (per job), are particularly low in the South West compared to other regions. The relationship between investment (per job) and productivity is fundamental; a 10% increase in investment equates to a 3% rise in productivity for efficient businesses.

Little can be done to influence the capital to labour ratio, other than to encourage quality investment in new and existing enterprises when the opportunities arise.

#### 7. Distance and Peripherality (Obstacle for Growth)

Travel time from the major markets and centres of population negatively affects productivity; the travel-time penalty suffered by business in the South West reduces their productivity by nearly 10% compared to competitors in the five major conurbations; every additional 100 minutes of travel time to London reduces productivity by around 6%. The effects of peripherality are less marked for businesses that can achieve distribution electronically; this suggests the South Hams is suited to the knowledge-based sectors.

Rural businesses need to travel about 40% further each week than urban enterprises; therefore, because of a lack of any realistic alternative, and because facilities and services are further away, car reliance is far higher. Oddly, car ownership is higher for low-income households.

Remarkably, job density (the number of jobs related to the total population) in South Hams is a shade better than the UK figure, on a par with England, and better than in all rural Devon districts except North Devon (and then by a very small margin).

Nevertheless, good access to economic 'centres of gravity' can bring new markets, economies of scale, and specialised services to local businesses. Measures to improve access and reduce peripherality are important because they potentially have an impact across a wide range of business activity.

## What Beacon Authorities do

The LGA's publication – Supporting Local Business (what can we learn from the Beacons?) illustrates Beacon Council innovation, good practice and achievements. It lists the Beacon Councils for 'fostering business growth' and activities that make them distinctive. For example:

### Bexley

- Business support network (joining up services)
- Developers Forum
- Belvedere Business Centre
- Employment and training services to local businesses

### Blackburn with Darwen

- Business involvement in service delivery (Blackburn Partnership)
- E-business programme
- Business mentors (guardian angels)
- Pre-recruitment training support for incoming companies

### Eastleigh

- Section 106 agreements to create resources for employment and training services
- Practical solutions to bring redundant buildings into use as workspace
- Coordination of business support activities and new partnership initiatives (eg: for women entrepreneurs)

### Knowsley

- Business-led strategic partnership (Knowsley Economic Forum)
- Account management relationships with local businesses
- Business Resource Centre
- Development partnership to ensure a pipeline of secure, affordable premises for small businesses

The Beacon Theme Guide 2005 / 2006 introduction states – “for enterprise to thrive, an enterprise culture and business environment must be created and sustained that both encourages and supports the entrepreneur ... to get them excited about the possibilities of starting a business, and to mark a step change in the creation of a more dynamic enterprise culture.”

## Other Examples

Derwentside District Council – supports business support services to provide innovative and flexible support to start-up, knowledge-based businesses. Service delivery tips include – lack of red tape and bureaucracy makes it easier to help businesses quickly and efficiently; it is important to look at situations, problems, and needs from a business's perspective.

[www.derwentside.gov.uk](http://www.derwentside.gov.uk)

East Riding of Yorkshire Council – has created a specialist channel approach to new business start-up and enquiries by offering a tailored referral service; to do this, the Council works cross-departmentally as part of an economic development directorate. Collaboration and customer focus within economic development amongst other Council departments and private sector support providers offers new businesses an exceptional nurturing support process.

Service delivery tips include – being completely in touch with commercial activity in the private sector dispels the image of a Council not knowing about business; change the perception of the local authority role in business people’s minds, from one of an imposer of restrictions to one of commercial minded developers of solutions.

[www.eastriding.gov.uk](http://www.eastriding.gov.uk)

Medway Council – services for start-up and small businesses are delivered by the local enterprise agency; partnership is pivotal to the approach and the authority plays a leading role in developing and coordinating partnerships for business support delivery - including, Medway Economic Partnership, Town Centre Forums, Education Business Partnership, Adult Careers Service, Enterprise Agency, and Chambers of Commerce. Medway Council also – links workspace with business support, including regular sessions with an independent business adviser, broadband and ICT support. Service delivery tips include – demonstrate a common partnership approach to the delivery of projects – for example, sector support work.

[www.medway.gov.uk](http://www.medway.gov.uk)

Rotherham Metropolitan Borough Council – establishing a new, purpose-built, business centre to suit clients’ requirements. Rotherham MBC also – looks at how authorities can interact better with businesses to improve the service provided (including the Single Business Account).

Service delivery tips include – use strategic commitment to drive entrepreneurial vision; provide high-quality premises and services.

[www.rotherham.gov.uk](http://www.rotherham.gov.uk)

## Consultation

There are ten stages to the consultation process leading to adoption, as follows:

- Members' Workshop May 2004
- Prosperity Development Workshop February 2005
- Business Survey 2004 March 2005
- Joint Community Consultation July / August 2005
- Prosperity Policy Development Group November 2005
- SHDC Internal Consultations December 2005 / April 2006
- Prosperity Policy Development Group June 2006
- Business Consultation July / August 2006
- External Partners' Consultation July / August 2006
- Adoption by the Executive November 2006

A summary outcome of each completed stage has provided the following headlines:

### 1. Members' Workshop

- Target LDF work at employment sites
- Adjust planning restrictions to promote employment development
- Need for larger accommodation for growing businesses
- Totnes is demand hot spot for workspace
- Specific needs of Dartmouth
- Improve research and baseline data
- Integrate strategies
- Employment Estates review

### 2. Prosperity Development Workshop

- Need for high value-added businesses
- Private sector influence on training
- Provide opportunities for young people
- Improve the ICT infrastructure
- Community regeneration
- Access and transport problems
- Combat barriers to employment

### 3. Business Survey 2004

- Businesses value the opportunities afforded by groups, forums and clubs
- Business confidence is high (sales expectations, new markets, new jobs)
- Indirect importance of tourism
- Expansion needs of businesses (18% of those surveyed)
- Shortage of suitable workspace (39% of those surveyed)
- Big uptake in use of ICT
- Environmental responsibility (53% have policy)
- Low wage sectors (retail, agriculture, tourism) employ one third of the South Hams workforce
- 15% of South Hams workforce earns more than £20K
- Lack of private sector investment in training staff (54% of businesses do not have a training plan)
- Fast sectoral growth in – food & drink, business services, distribution, transport, and communication
- Knowledge-based sector has doubled but not yet achieved critical mass
- Housing costs frustrate recruitment and place pressure on wages

### 4. Joint Community Consultation

- Focus on tourism (64%), agriculture and fishing (50%), marine trades (38%)
- Economic disincentives are - cost of housing (87%), transport infrastructure (86%), remoteness from markets (75%), shortage of labour and skills (60%), lack of available land and premises (54%)
- Economic incentives are - local lifestyle (80%), rural / coastal image (79%), condition of towns & villages (79%)
- SHDC should influence strategic decisions affecting local economy (76%)
- SHDC should work with key business sectors (62%)
- ICT is important for business competitiveness (92%)
- Improve communications generally – particularly local government to the business community

### 5. Business and External Partners' Consultation

- Support established industries and assist in enabling appropriate diversification of the rural economy
- Raising skill levels
- Links to Local Area Agreement
- Support for community-led projects

## Background Documents

Audit Commission (1999) A Life's Work – Local Authorities' Economic Development & Economic Regeneration

[www.audit-commission.gov.uk](http://www.audit-commission.gov.uk)

Audit Commission (2003) Economic Regeneration Performance Indicators

[www.audit-commission.gov.uk/reports/AC-REPORT.asp](http://www.audit-commission.gov.uk/reports/AC-REPORT.asp)

IDeA Knowledge

[www.idea.gov.uk/knowledge](http://www.idea.gov.uk/knowledge)

Balls, Healey & Koester (2003) – Growing the Economy; the local dimension

Local Government Association (LGA) and the Improvement and Development Agency (IDeA) - Supporting Local Business (2003); what can we learn from the Beacons? [www.lga.gov.uk](http://www.lga.gov.uk)

DTZ Pidea Consulting for DTLR (2001) – Fostering Business Growth (Beacon Council Round 3 Theme Report)

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