Economic assessment of Devon's economy and impacts from C-19

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Devon’s economy - Pre pandemic

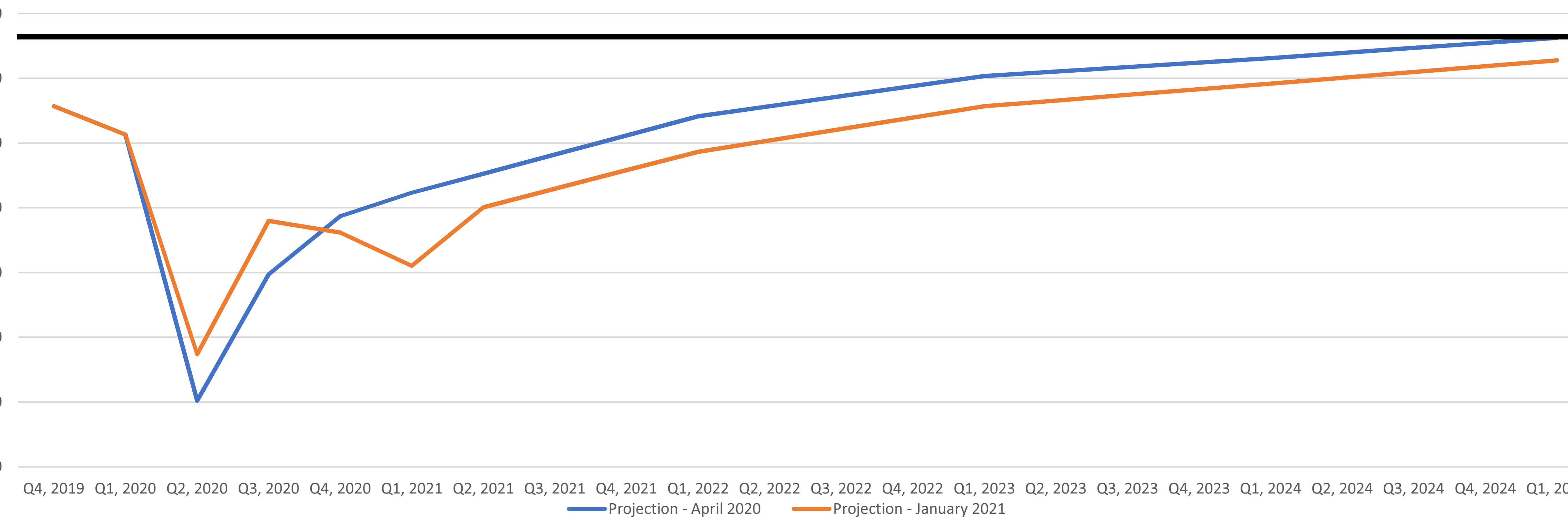
- Lower than national average productivity
- Near full employment – low levels of youth unemployment
- Good educational attainment, lower levels of graduate retention
- Pockets of deprivation and social mobility
- Lower than average wages and issues around in-work poverty
- Strong attraction from natural environment – investment, workforce, visitors
- Opportunities for growth – some examples being digital, health and care, tourism, clean growth

These issues/opportunities all still remain relevant apart from employment and unemployment (Covid impacts)

Size of the Economic Impact
Scenario Modelling – Apr 2020 vs Jan 2021

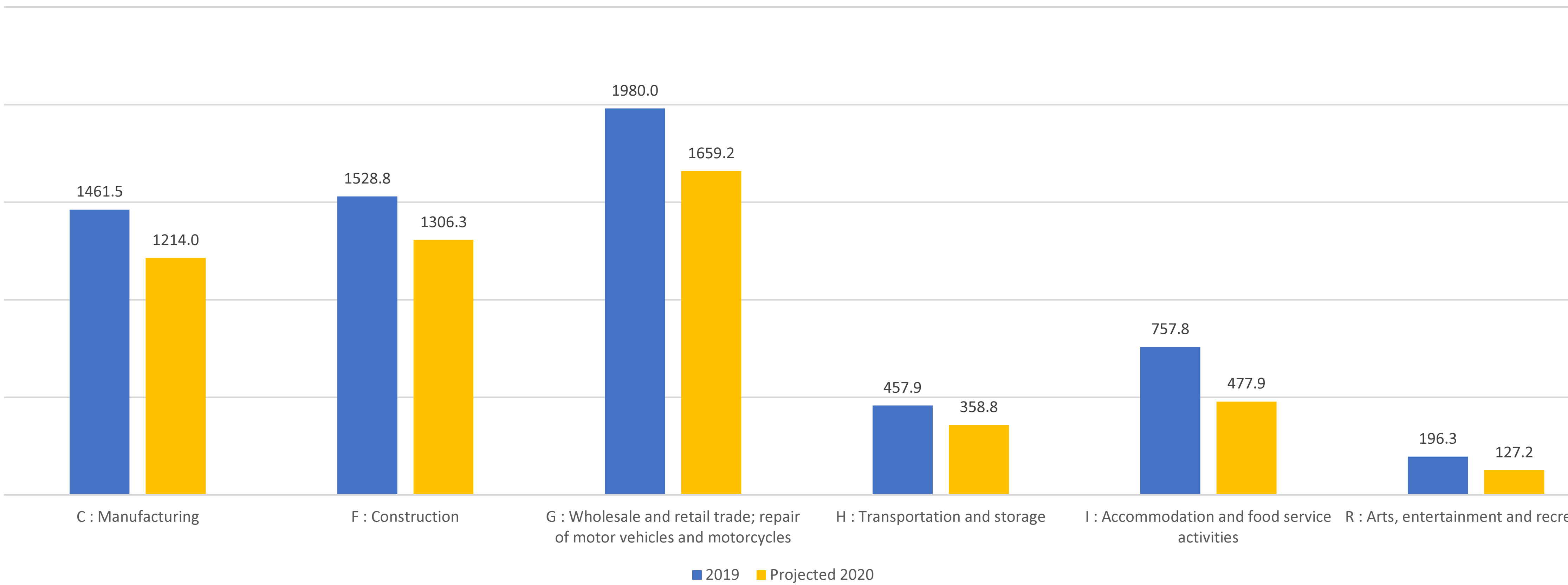
Devon County Council

Annual economic decline in 2020/21 will be deeper then originally expected, up to around 13-14%. Compares to an projection of 8% in April. Greatest drop in output in living memory.



elected Sector Impact in 2020 £m

cture for individual sectors remains mixed. Manufacturing and Construction seem to be operating well, with purchasing indexes
ositive. Healthcare performing strongly. Digital businesses rising to the challenge. Accommodation, Hospitality and parts of Retail
ctor are being badly affected. Business cashflow an issue for many – half of hospitality, accommodation coping with less then 3
onths cashflow.



mpact and Recovery – Devon in the UK

Figure 7.4. Areas economically impacted by the COVID-19 crisis and considered 'left behind'

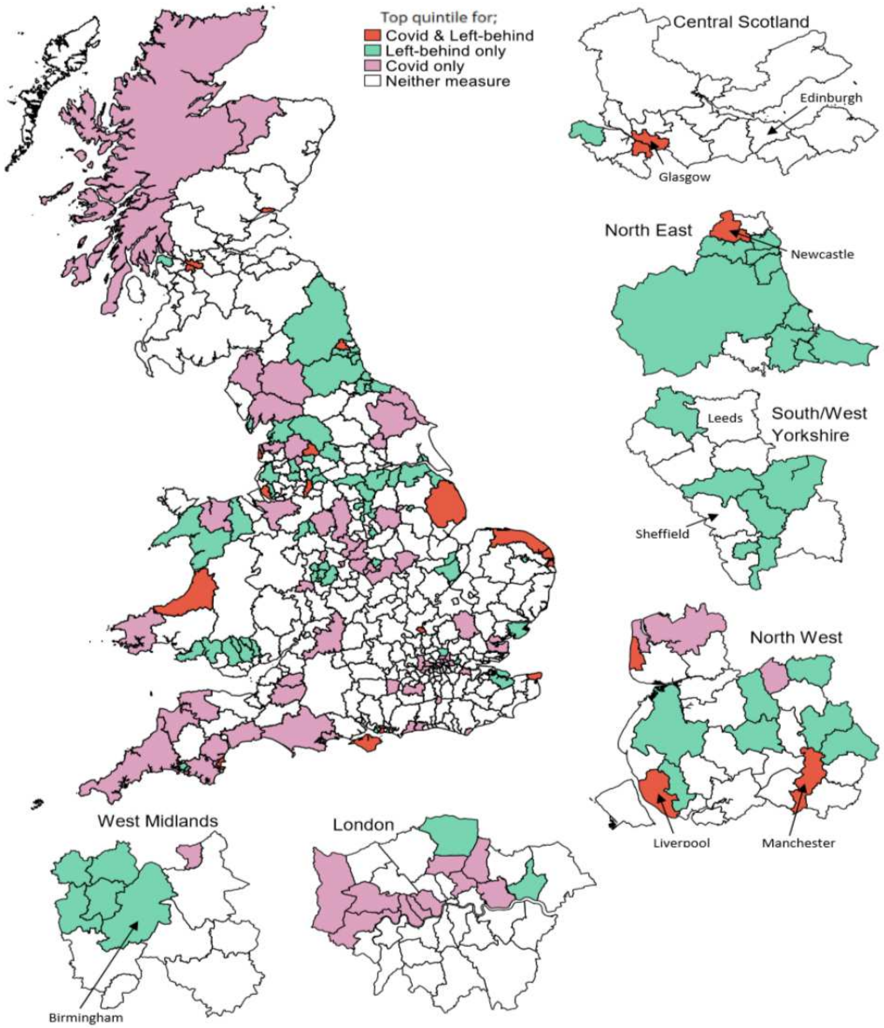
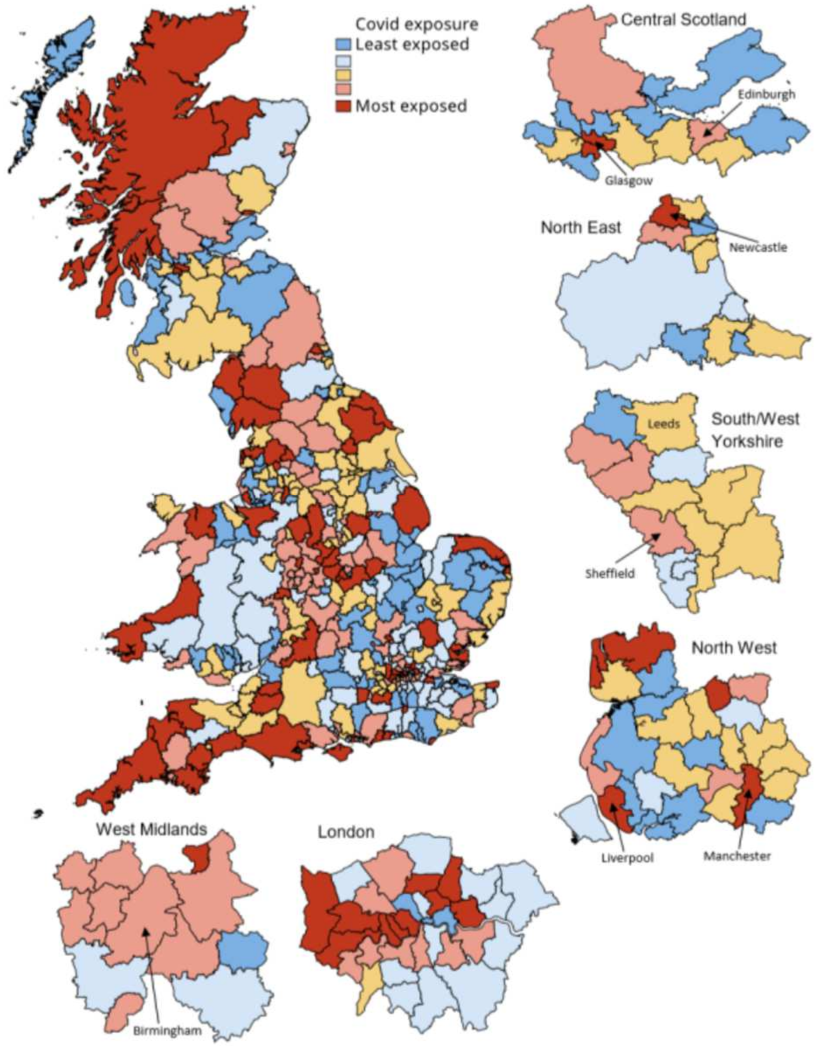


Figure 7.3. Quintiles of illustrative index of short-term economic impact of COVID-19



ocal Claimant Count and Furlough

	Claimant Count % - Mar 2020	Claimant Count % - Nov 2020	Claimant Count Change	CJRS % of Employments (31 Jul)	CJRS % of Employments (31 Oct)	Rank out of 379
Torbay	3.5	7.3	3.8	18%	7%	7
United Kingdom	3.0	6.3	3.3	18%	8%	n/a
North Devon	2.2	5.1	2.9	16%	7%	=27
South Hams	1.5	4.3	2.8	16%	7%	=27
Torridge	2.3	5.1	2.8	17%	6%	41
South West	2.2	5.0	2.8	16%	6%	n/a
Plymouth	3.5	6.2	2.7	13%	5%	143
Teignbridge	1.9	4.5	2.6	17%	7%	32
Devon	1.8	4.3	2.5	16%	6%	n/a
West Devon	1.6	4.1	2.5	15%	6%	12
East Devon	1.8	4.1	2.3	16%	7%	25
Exeter	1.7	4.0	2.3	15%	6%	255
Mid Devon	1.7	3.9	2.2	14%	5%	214

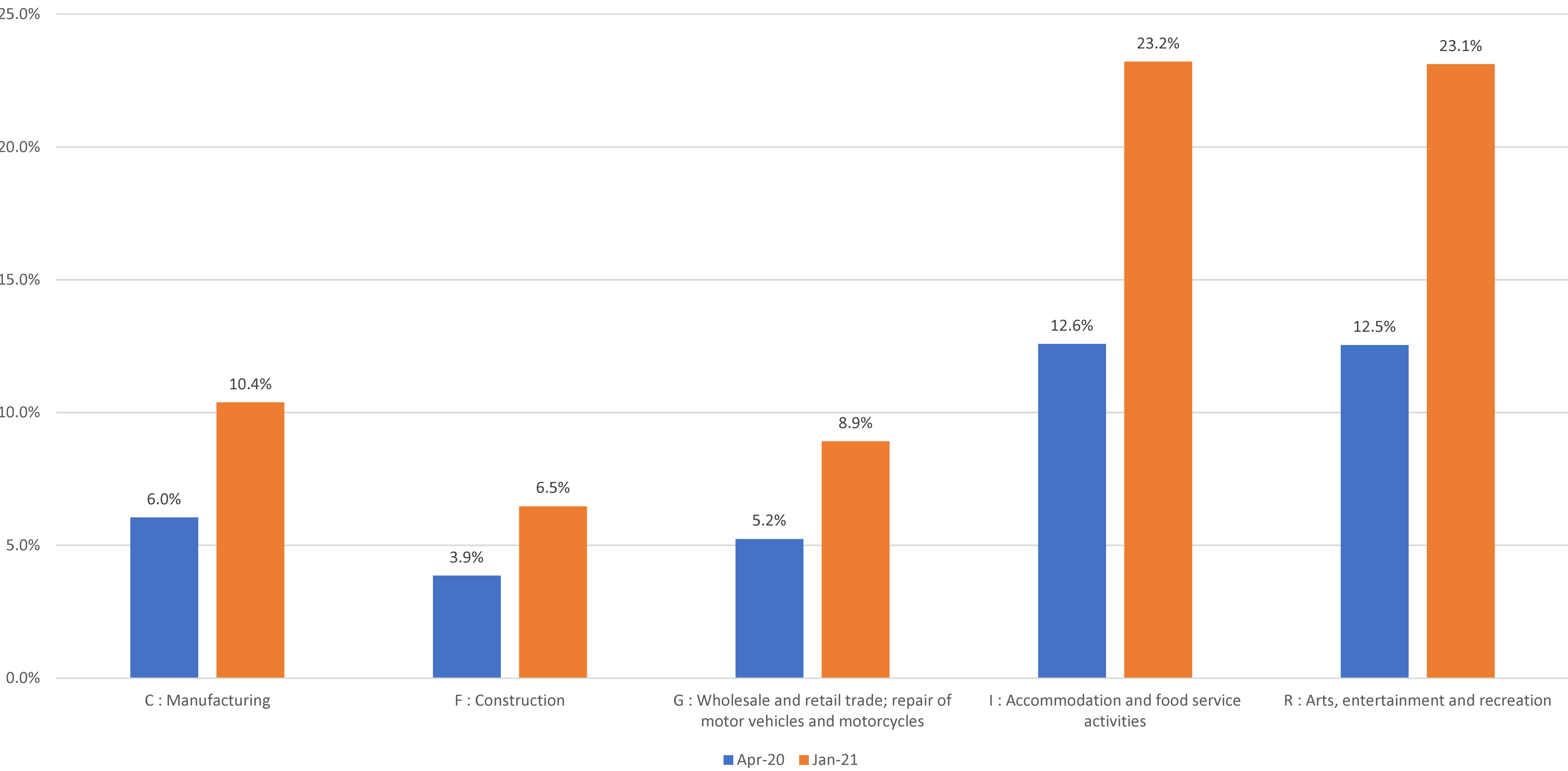
mpact of Furlough - UK

Devon County Council

- Several areas remain more vulnerable. Northern Devon and Torbay / Teignbridge more exposed to issues then other places. Furlough however shielding the worst impacts.
- April end of furlough may be a challenge for Devon if third lockdown is extended through to later March. Remobilisation of visitor economy and other services likely to take 2-3 months.

ustry	Redundancy Expected % of Workforce	Within 1 Month	1-3 Months	Timing Uncertain
nufacturing	1.8%	0.5%	1.3%	0.0%
ter Supply, Waste Mgt	<1%	n/a	n/a	n/a
struction	1.0%	0.3%	0.4%	0.3%
olesale And Retail Trade	2.2%	1.1%	1.1%	0.0%
nsportation And Storage	8.3%	2.1%	6.5%	0.0%
ommodation And Food	6.7%	1.3%	5.2%	0.1%
rmation And Comms	2.5%	1.1%	1.4%	n/a
l Estate Activities	<1%	n/a	n/a	n/a
fessional And Technical	<1%	n/a	n/a	n/a
ninistrative And Support	4.4%	0.6%	3.7%	0.1%
cation	<1%	n/a	n/a	n/a
nan Health And Social Work	<1%	n/a	n/a	n/a
, Entertain And Recreation	1.2%	0.5%	0.6%	0.1%
er Services	3.8%	n/a	3.8%	n/a
ndustries	**3.0%**	**0.8%**	**2.0%**	**0.2%**

eduction in Workforce –
elected Sectors without Furlough



Community Economic Impacts Economic vulnerability index

DCC has devised a composite Economic Vulnerability Index covering all 457 neighbourhoo

Looks at pre Covid economic situation, including health deprivation; current situation (e.g. UC claimant count), end of furlough impact and concentrations of vulnerable future secto

Few areas do well, most perform worse

New iterations to also include Plymouth and Torbay

Updated at least monthly – with newly published datasets

Many of the most deprived areas feature as most vulnerable, but some emerging surprise including Honiton, Totnes, Axminster, Dartmouth

Ten most economically vulnerable locations in Devon
Barnstaple Town Centre
Teignmouth: Town Centre and Seafront area
Newton Abbot : Station Road and Osborne Street area
Ilfracombe – High Street, Fore Street and Quay
Newton Abbot: Central – Union Road and Halcyon Road area
Totnes Town Centre
Ilfracombe West – Wilder Road and Torrs Park
Bideford Town Centre
Honiton – Dowell Street/Northcott Lane area near High Street
Bideford South East – Churchill Road and Barton Tors area

Emerging knowledge of impacts on people

- Economy working with CCG and internal partners on evidence - also worked with NHS in summer on tourism clusters

Emerging issues include:

- Mental health – delayed education, career and relationship starts especially impacting on younger people
- Increased loneliness for some single people
- Increased foodbank usage
- 160% increase in UC claims since March (was already increasing fast in Devon) – now close to national average and above in some places
- Younger people's jobs impacted most March to July – rate of claimant increase now slowing
- Since July much higher increase in over 50s losing jobs – harder to find work / similar paid work / retrain
- Some positives - some cohorts exercising more / more family time
- Potential increase in housing repossessions post furlough
- Lockdown relationship breakdown
- Potential longer term increase in NHS as a delayed impact of slower economy

Thank you!