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1 Economy

1.1 Summary

It is important for the future of Cornwall to have a thriving economy and that economic development takes place in locations where it will provide an appropriate balance with new and existing housing and service provision.

Taking into account key messages from the evidence available, the following spatial planning issues have been identified:

Issue LER1 - The Core Strategy should set out an approach to the provision and distribution of employment land and facilitation of economic development to meet identified market and community needs, considering the quality as well as the quantity of employment.

Issue LER2 - Employment should be located in such a way that objectives on sustainable development are met.

1.2 Purpose

This is one in a series of papers dealing with a specific theme. Each can be read in isolation or together with other papers to gain a wider understanding of issues facing Cornwall. This paper sets out the evidence base and the policy context for the local economy and regeneration and describes how the issues that need to be addressed in relation to these could be taken forward in the Core Strategy. These papers will form the first stage of the development of options for Core Strategy policy. Other issues papers available in this series include:

- *Housing*
- *Tourism*
- *Retail & town centres*
- *Education & skills*
- *Social inclusion*
- *Crime & anti-social behaviour*
- *Sport recreation & open space*
- *Health*
- *Transport & accessibility*
- *Energy*
- *Climate change*
- *Soil, air & water quality*
- *Flooding, drought & water consumption*
- *Biodiversity & geodiversity*
- *Landscape & seascape*
- *Historic environment*
- *Design & efficient use of resources*

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- *Agriculture & food*
- *Coast & maritime*
- *Minerals*
- *Waste*

This series of papers is closely linked to the topics of the Sustainability Appraisal (SA) scoping report. The SA scoping report identifies the sustainability objectives, decision making criteria and indicators against which the LDF and other plans in Cornwall should be tested, to examine whether plans are sustainable. The SA scoping report also identifies key messages from national, regional and local plans for the Cornwall LDF, a baseline and sustainability issues for each topic. These Core Strategy issue papers largely build on the SA scoping report and start to examine in greater detail the messages from evidence and research, the opportunities and threats and planning issues that need to be considered in the Core Strategy (the SA scoping report can be found at <http://www.cornwall.gov.uk/default.aspx?page=17394>).

1.3 What is the local economy?

The local economy consists of the activities relating to the production and distribution of goods and services in a particular geographic region.

Regeneration should be defined in its widest sense; covering physical, economic, neighbourhood management and combined approaches. Community planning is a specific regeneration activity which involves engaging people in civic responsibility, getting locally defined concerns turned into opportunities for change (which can have a wider and strategic influence) and developing partnerships for implementation.

Whilst all topics are interlinked, this Economy paper has particularly strong links to the papers dealing with Housing, Transport, Tourism and Retail & Town Centres.

1.4 Economic 'portrait' of Cornwall

The economy of Cornwall has traditionally been centred on the exploitation of its unique environment, supporting a strong agricultural and horticultural sector, a significant fishing industry and mineral extraction industries. Although these industries are in various stages of decline as natural resources have become depleted or become uncompetitive commodities within international markets; the Cornish economy still relies on this environment as a tourism, primary product and inspirational resource. The natural environment provides the goods (e.g. food, water) and services (e.g. flood attenuation, pollution control) which flow through into economic activity.

The Cornish economy operates at various levels. Cornwall has a fairly self-contained labour market and a number of existing or emerging assets of strategic importance (e.g. Newquay Cornwall Airport, the Combined Universities in Cornwall (CUC), business incubation centres). There are also smaller towns and villages that have their own economic local service role for surrounding rural areas. Understanding this functionality requires an assessment of the economy at different scales, both in relation to the geography of Cornwall and to its regional, national and global context.

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This includes the functional relationship between Saltash and Torpoint (and wider communities in the far south east of Cornwall) and Plymouth, and the limited scope to accommodate growth for the city in south east Cornwall. This reflects the high proportion of people who travel to Plymouth for work but would enable an approach that extends and enhances the self-sufficiency of south east Cornwall and its component towns and villages. While Plymouth's economic performance does not match its potential; ⁽¹⁾ enhancement of the economy in south east Cornwall through employment space extensions in existing towns can both strengthen the economic functionality of these towns and reduce the need for out commuting by offering quality employment space. ⁽²⁾

In recent years the Cornish economy has experienced growth which has resulted in greater diversity and improved economic performance. The impact of the Objective One Programme ⁽³⁾ and national economic growth factors will have had positive impacts on the Cornish economy in terms of productivity, small business start-up, business relocation, business development and wages and salaries. In terms of the minimum wage, however, impacts are likely to have been disproportionately in sectors which were lower payers in the first place and which were more likely to be concentrated in Cornwall, such as tourism.

Recent European funding programmes have recognised the structural weakness of the Cornish economy and have developed potential solutions to address this issue. Funding via the EU Objective One and Convergence Programmes (which runs to 2013) has supported and encouraged this process by linking sectors such as agriculture, environment, tourism and energy. This has been further achieved through an increase in activity in the 'knowledge economy' (for example, the 'Combined Universities in Cornwall investments and broadband enablement and upgrade), improved transport connectivity and communications technologies, community (social) enterprise and quality employment space.

The priorities for the Convergence programme are:

1 Innovation, Research and Development - encouraging investment in R&D, spin-outs from Higher Education establishments, incubation business space and the growth of the environmental goods and services sector;

2 Enterprise and Investment - increasing the proportion of business in high value activities particularly new start-ups, increasing productivity through export and investment business support and generally increasing business (re)investment;

3 Transformational Infrastructure - turning Newquay Cornwall Airport into a successful civilian airport, improving digital infrastructure and improving/expanding CUC;

4 Unlocking the Economic Potential of Place - physical regeneration programmes, particularly in CPR and the 'clay country' surrounding St Austell.

Under this fourth priority Strategic Investment Frameworks (SIFs) are being used to provide a framework and justification for potential Convergence investments in specific areas of Cornwall. Seven SIFs are currently being prepared which cover the following areas:

1 A new economic strategy for Plymouth' from the Plymouth Local Economic Strategy 2006-21
 2 (Joint Study Area: Regional Assembly, Cornwall County Council, Plymouth City Council)
 3 European programme designed to encourage investment and re-shape the Cornish economy

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- Bodmin;
- Newquay /St. Columb;
- St. Austell /St. Blazey /the Clay Area;
- Camborne /Pool /Redruth;
- Penzance/Isles of Scilly; and
- Truro and Falmouth /Penryn.

In early 2010, Cornwall Council published its 'white paper' which sets out the economic priorities of Cornwall Council for the next three years. The paper proposes a vision of "a confident, resilient Cornwall that is a leader in innovative and low carbon technologies" and sets out a series of key aims to guide the future shape of the Cornish economy:

1. An economy that is resilient and draws upon its strengths;
2. Economic progress that has positive outcomes for people and supports an improved quality of life;
3. An economy which strengthens natural assets;
4. More local people employed in high growth, knowledge based companies;
5. An increase in world class skills, offering opportunities for higher incomes;
6. Greater connectivity supporting business and employment growth;
7. A vibrant business base where companies can innovate and flourish.

Cornwall has regeneration areas in Camborne, Pool, Illogan & Redruth; whilst Truro, Falmouth & Penryn, Saltash, Torpoint, St. Austell and Newquay all have some form of town management project concentrating on public realm, 'urban' regeneration or business viability. Other regeneration focal points (particularly in relation to Convergence funding concentrating on employment and leisure activity in town centres) include Penzance (with Scilly) and Bodmin. There are also a range of smaller towns with strong functional connections to their rural hinterlands where regeneration projects have been prioritised through community involvement. Smaller towns and rural areas sometimes have complex patterns of employment with both large and small employers.

Cornwall has a micro business economy with over two thirds of businesses employing four or fewer people. The small business nature of the economy and the loss of larger and 'traditional' firms since the 1970s has meant that individual places are not dominated by particular employers but by sectors. For example; Truro, Penzance, Falmouth and St. Austell have concentrations of retail sector. Falmouth is important for marine /engineering, Truro for public administration, Newquay for tourism, Liskeard for agriculture and Bodmin for manufacturing.

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Although Cornwall does not have a significantly higher number of small businesses compared to the national average, it does have a far lower proportion of very big businesses. This is reflected in the distribution of employees with 20% working in units of 200 plus in Cornwall compared to a Great Britain figure of 31%.⁽⁴⁾

Many of these activities need bespoke business space and/or a supply of land and buildings to enable economic growth. Cornwall has experienced a good supply of 'employment land' in the recent past but delivery solutions have sometimes been speculative, and what has been available has been of poor quality, unserviced, in the wrong location or costly to remediate. The issue has been one of quality and 'fitness of purpose'. As of October 2006, there was almost 60,000 sq m of vacant employment space available, yet only a quarter of this could be classified as 'very good' or 'good' quality. There is a particular demand for smaller space (under 2500 sq m) and the ability to locate appropriate business and space in town centres has been constrained by market and access issues (particularly in south east Cornwall) with the (until recently) exception of Truro. Further, there is also a lack of supply and a presumption against development in rural areas despite the asset of agricultural buildings and evidence of successful diversification.

Newquay airport is an important asset for the economy and tourism and has the potential to act as a catalyst for future economic growth. There is also potential to capitalise on the emerging aviation/avionics sector.

Maritime transport in Cornwall can provide new employment opportunities as well as integrated low carbon solutions to transport. However, high impact development can prove controversial: for example Hayle Harbour and the recently approved sea terminal in Penzance.

The maritime economy requires specific infrastructure and/or a better use of existing ports and harbours infrastructure through regeneration initiatives that are otherwise in danger of loss to housing development.

1.5 What is the role of the Core Strategy?

The Core Strategy can provide planning policies that help deliver enhancement and protect environmental standards for the benefit of local communities. In developing these policies, the Core Strategy needs to take into account all other relevant plans, strategies, policies and programmes as well as involve key stakeholders and the community. In relation to the economy the Core Strategy could aim to:-

- Deliver appropriate employment sites and premises in the right places
- Ensure infrastructure is in place to facilitate employment growth of the right quantity and quality
- Define the role of settlements to promote development most suited to particular areas.

1.6 Relevant policy context

When preparing the Core Strategy, the Council does not start with a blank sheet of paper. There are a whole series of policies at national and regional level which have to be followed and the Core Strategy needs to be prepared within the framework set by national and European legislation

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and national & regional guidance. This section focuses on the most relevant published legislation, plans & strategies and draws out their key messages for the Core Strategy. The key directives, acts, plans and strategies identified and used are:

International / European

- A new start for the Lisbon strategy (European Commission, 2005)
- Gothenburg environmental objectives (European Commission, 2003)
- Convergence programmes for Cornwall and Scilly (ESF & ERDF) 2007
- All within the Cornwall and Scilly Convergence Programme to 2013.

National

- Planning Policy Statement 1 (PPS1) Delivering Sustainable Development (2005)
- Planning Policy Statement 4: Planning for Sustainable Economic Growth (2009)
- Planning Policy Guidance 13: Transport (2001)
- Good practice guide on planning for tourism (2006)
- Local democracy, economic development and construction bill (2008/9)
- Living working countryside: the Taylor review of rural economy and affordable housing (2008)
- England's rural areas: steps to release their economic potential (2009)
- Rural Development Programme for England (2007)
- Planning for a sustainable future white paper (2007)
- Sustainable Communities Act (2007)
- English Heritage: Regeneration & the Historic Environment (2005)
- English Heritage: Regeneration in Historic Coastal Towns (2007)
- English Heritage: Heritage Works; the use of historic buildings in regeneration (2007)
- The Rural Challenge. Achieving sustainable rural communities for the 21st century, The Rural Commission (2010)

Regional

- Regional Tourism Strategy: Towards 2015 – shaping tomorrow's tourism (2005)
- Regional Economic Strategy for South West England 2006 – 2015 (2006)
- RSS Employment Land Provision: spatial implications (2008)
- Regional skills strategy 2006 - 2009

Local

- Tourism Strategy for Cornwall 2000-10 (2000)
- Cornwall and Scilly Objective One Single Programming Document 2000 - 2006
- Convergence Operational Programme for Cornwall and Scilly 2007 – 2013 (2007)
- Cornwall Council Economic Ambition White Paper (2010)
- Cornwall Employment Land Review (2010)
- Strategic Investment Frameworks for Bodmin; St. Austell, St. Blazey and Clay Country; Newquay and St. Columb Major; Camborne, Pool and Redruth; Penzance and Scilly and draft SIFs for Falmouth and Penryn; Truro

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- Emerging Bodmin masterplan
- Cornwall Sustainable Community Strategy (2010)
- Cornwall Local Area Agreement Econ 5 (a network of towns)
- Strategy and Action: The Economic Development Strategy for Cornwall and the Isles of Scilly 2007-2021 (Cornwall and IoS Economic Forum)
- West Cornwall Economic Delivery Plan 2008 - 2021
- Planning for the Role and Future of Smaller Settlements in Cornwall (c4g, Roger Tym and Partners, Rural Innovation, December 2009)

1.7 Relevant evidence and research

Role of Settlements

Supporting material for the 2005 Cornwall Towns Study estimated that Truro; Camborne, Pool & Redruth and Falmouth & Penryn made a 4% contribution to the south west economy: on par with Taunton, Wellington and Bridgwater. Within Cornwall 30% of all jobs are within these main towns, and a further 30% are based within the eleven main 'local centres'.

Some of these local centres also have specific challenges, e.g. market towns or coastal communities, linked to their history or geography or both. St. Ives, Newquay, Penzance and Falmouth are regarded as 'principal seaside towns' within the English context. Both Newquay and St. Ives (which have traditionally relied heavily on tourism as their main employment source) have seen between a quarter and a third growth in employment between 1998/9 and 2005/6. Some of the greatest declines in Job Seeker Allowance (JSA) and benefit claims had been in Cornish seaside towns between 1999 and 2007.

The Smaller Settlements Study (2009) found that whilst the scale of economic activity in Cornwall was not significant in sub regional terms it is locally valuable, as Cornwall's GVA is generated across the county. Of the 327 'lower super output areas' in Cornwall only 12 contributed more than 1% of the county's GVA, 23% of the county's GVA in all (2006 data). This means that the vast majority (77%) of GVA generated in the county comes from small scale activity in local economies.

Employment Space Provision

The latest assessment on the availability of employment land for the county is provided by the 2010 Employment Land Review Study undertaken for Cornwall Council by Nathaniel Lichfield and Partners. The study looks at employment needs up to 2026

Key Messages merging from that study are: -

- Cornwall has experienced high rates of economic and employment growth over the last decade, although some structural problems remain and future growth may be constrained by public sector spending cuts.
- Industrial demand is primarily driven by proximity to the A30 whilst office demand is highest in Truro, although there are also significant levels of latent demand across the county.
- Amongst a number of economic drivers, CPR Regeneration, Newquay Cornwall Airport and the Clay Country Eco-communities have potential to significantly alter the demand and supply of employment land.

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- Differing methods have given a wide range of options for Cornwall's future employment land requirements, but a total of an additional 150 ha has been selected as the preferred estimate for planning purposes (for 20 yrs up to 2026).
- There is estimated to be 206 ha of undeveloped employment land in the county, although much of this is on a small number of large sites. There is a quantitative shortfall of employment land in the Bude and Falmouth /Helston TTWAs and an oversupply everywhere else. There is a shortfall in offices in Bude, Launceston, Penzance and particularly Truro.
- Although there is an overall surplus of land, there are shortages in some TTWAs, and concerns over deliverability mean that any surplus supply should be managed carefully.
- Non-B class sectors are vitally important to Cornwall's economy in terms of jobs, although a high-level suggests that the land requirements are expected to be relatively modest.
- Despite the surplus of land, development viability is relatively low and a variety of policy options should be therefore be explored to help bring forward employment space.
- A range of additional monitoring measures are needed to ensure that the Council meets national standards and can update the findings of this study.

The following sub-headings on Productivity, Wages and Salaries and Sector Profiles are sourced from the 2009 Cornwall Council, Economic Evidence Review.

Cornwall's 'Productivity'

The nature of Cornwall's product ⁽⁵⁾ became 'higher value' and had increased from barely two thirds of the European average in 1995 to just under 80% in 2004 before beginning to slip back again. Overall, the data would suggest that Cornwall and Scilly has had exceptional growth compared to other similar regions within the EU.

Aspirations to increase productivity through the provision of business support and sector development is a 'Strategy and Action' objective. There are significant differences in sector contributions to the overall picture of 'productivity'. There is a need to increase the competitiveness of business, raise skills levels and ensure that there is the economic infrastructure for a modern, sustainable economy. Evidence ⁽⁶⁾ to support this aim includes the following:

- Output has increased across many sectors over the last decade and in some cases at rates above the national average. However, increases in the size of the pool of labour account for some of this increase rather than the improvement being entirely generated by productivity increases.
- Productivity (commonly measured as GVA per worker) is one of Cornwall and Scilly's most significant economic weaknesses. The value each worker adds to the economy lags behind the national economy by 35%.
- The Cornish economy has expanded at a much faster rate since 2000 than the south west or nationally. This growth can be attributed to increases in retail, real estate and other business services and the wholesale, retail and repair of motor vehicles between 2000 and 2005. These are, however, sectors now badly hit by recession.

5 Cost of producing goods and services against the value of goods and services

6 Source: Strategy and Action www.economicforum.org.uk

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Employment Sector Profiles

The largest sector in Cornwall and the Isles of Scilly is public administration, education and health - 28.6% (comparable to 28.5% in the SW region and slightly above the England Average of 26.3%)

The second largest sector is retail and wholesale - 18.9% (slightly higher than SW average 17.4% and England 16.7%)

Table 1.1

Public administration, education and health	28%
Retail and Wholesale	19%
Financial, insurance, professional support	12%
Hotels and restaurants	12%
Manufacturing	9%
Arts, leisure and other services	6%
Transport and communication	5%
Construction	5%
Agriculture, fishing, energy & water	4%

ONS ABI 2008

Data limitations: has limited agricultural coverage and omits self-employed & homeworkers

Wages and Salaries

Cornish wages rose significantly between 1998 and 2008, but not competitively enough to prevent a continuing national lag. One area where Cornwall did do better was in terms of female part time earnings.

At a national level, the highest paid sectors in 2008 per week were: mining and quarrying (£643); electricity, gas and water supply (£586); financial intermediation (£533) and construction (£495). The lowest paid were: hotels and restaurants (£203), wholesale and retail trade, repair of motor vehicles etc (£281) and agriculture, hunting and forestry (£320).

Jobs like these lower paid ones are more likely to be found in Cornwall, which is under-represented in terms of higher paid jobs.

Sector job growth 2006 – 2007

Table 1.2

Sector	Percentage growth (jobs)
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Transport, storage & communication	20%
Other community, social & personal services	11%
Manufacturing	5%
Financial intermediation	-20%
Education	-4%
Real Estate	-2%
Health and social work	-1%

Agriculture showed the biggest overall increase job growth, though this is based on regional data.

Self employment has grown year-on-year from 40,300 in 2005/6 to 45,100 in 2007/8, now representing 14.6% of the workforce. ⁽⁷⁾ This is compared with a relatively static British figure over the period of 9.3%.

In comparison, most sectors in Great Britain showed some growth in numbers with the exception of manufacturing; while agriculture, transport, storage and communication showed insignificant declines.

Home working is more prevalent in Cornwall than anywhere else in the UK: rates of home working have doubled in the last 10 years.

Job seekers claiming benefit (unemployment)

An analysis of jobs lost in Cornwall by occupation between December 2007 and December 2008 would suggest that the greatest losses were in elementary trade and administrative/services. It was also in some of these areas that the problem was far more serious than in relation to the British average, including some skilled trades. ⁽⁸⁾

The number of people on JSA rose by 70% between January 2008 and January 2009, from just under 4,700 to 8,200. ⁽⁹⁾

1.8 Emerging Evidence and Policy

The gathering of evidence is an iterative process and must be continued throughout the preparation of the Core Strategy. Additional evidence should be considered right up to the 'submission' stage in the process. Listed below are the known emerging relevant guidance & studies, which will be taken into account if available before the submission of the Core Strategy:

- Cornwall Council Network Management Plan
- Local Transport Plan 3

7 NOMIS Annual Population Survey

8 www.nomisweb.co.uk

9 Job Seekers Allowance is the benefit given to those over the age of eighteen who present themselves at the Job Centre looking for work and are registered as 'unemployed'

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- Market town, Parish and community plans
- Implications of Sustainable Communities Act
- Cornwall Council Statement of Economic Priorities and Strategic Intent: Towards a distinctive, high-value, knowledge-based "green peninsula" with opportunity for all.

Cornwall Council produces a transport *Network Management Plan* to ensure the movement of road based transport. Part of the challenge is to ensure wider connectivity, for example in relation to freight and distribution especially in relation to local centres. As major road network upgrades are unlikely, regeneration and economic development for the county may have a greater emphasis on ICT connectivity and live/work infrastructure, local production for local consumption (balanced with high density development in the most accessible locations) and a greater importance on the role of the strategic rail network and Newquay (Cornwall) airport. The Network Management Plan will be updated in 2011.

Cornwall and the Isles of Scilly Local Enterprise Partnership bid has been approved. This will be a partnership between public and private sector, replacing the Regional Development Agency, to promote job creation and deliver a stronger local economy.

1.9 Key Messages from policy context and Evidence Review

A number of key messages and issues were drawn out from the evidence review. The table below identifies the messages deemed most relevant and the source documents.

Table 1.3

Message	Relevant Document(s)
Facilitate a sites and premises portfolio to satisfy the employment needs of communities and business, and to create a balanced and sustainable pattern of development. This includes 'high quality' development to support a low carbon future for Cornwall.	<p>Employment Space Strategic Assessment (ESSA)</p> <p>Strategic Investment Frameworks (Priority 2, Cornwall; Priority 4, Penzance & Scilly, Camborne, Pool, Redruth, St. Austell & Clay, Bodmin)</p> <p>Community Plans</p> <p>Connecting Cornwall</p> <p>Local Transport Plan</p> <p>Cornwall Sustainable Community Strategy</p>
Assess the quantity of new employment land to be built.	Cornwall Council: Statement of Economic Priorities and Strategic Intent

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	<p>Employment Space Strategic Assessment (ESSA)</p> <p>Strategic Investment Frameworks (Priority 2, Cornwall; Priority 4, Penzance & Scilly, Camborne, Pool, Redruth, St. Austell & Clay, Bodmin)</p> <p>Community Plans</p> <p>PPS4</p>
<p>Promote and protect viable business sites. Consider releasing sites for other uses if they are no longer viable.</p> <p>Local government should adopt clear policies to promote, protect and maintain a good supply of appropriate sites and premises for all kinds of businesses in smaller rural communities (including sparsely populated and peripheral areas) – adopting a sensitive but flexible approach to the conversion of farm buildings and farm diversification; and better support for existing business to expand within the community through extensions to existing buildings and new build. Where the potential local impact has been</p> <p>shown to not threaten the quality of rural places or the architectural and/or historic merits of buildings, and subject to conformity with other local planning policies, conversion or building of small-scale business premises in rural areas should be promoted, and where there is oversupply conversion to residential use should also be sympathetically considered.</p>	<p>Cornwall Council: Statement of Economic Priorities and Strategic Intent</p> <p>Employment Space Strategic Assessment (ESSA).</p> <p>Former District Council employment land reviews.</p> <p>Business Need Surveys</p> <p>The Rural Challenge. Achieving sustainable rural communities for the 21st century (The Rural Coalition, August 2010)</p>
<p>Understand the main policy choices relating to the location of economic development in rural areas by taking into account:-</p> <ul style="list-style-type: none"> • local business and employment needs, • the skills base and opportunities to enhance it, • the need to protect and enhance the character and quality of the local environment 	<p>Government response to the rural advocate</p> <p>PPS1</p> <p>Taylor review</p> <p>England’s rural areas: steps to release their economic potential</p>

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	Cornwall Council: Statement of Economic Priorities and Strategic Intent
<p>Establish the role of the rural economy and its linkages to urban areas, including incubator workspace.</p> <p>Employment space in smaller settlements would strengthen their economic and social functionality and reduce the need for 'out' commuting.</p> <p>Rural businesses and communities should be given the same chances and support to grow as businesses in other areas.</p>	<p>The potential of England's rural economy.</p> <p>Taylor review outcome</p> <p>Cornwall Council: Statement of Economic Priorities and Strategic Intent</p> <p>Planning for the Role and Future of Smaller Settlements in Cornwall</p>
<p>Government should consult on how any redesigned business support services can best meet the needs of businesses located in rural areas (whether land based or not) who may have different advice requirements and access to support from those based in urban areas.</p>	The Rural Challenge. Achieving sustainable rural communities for the 21st century (The Rural Coalition, August 2010)
<p>The need to make choices about the future strategic role of Truro and other main towns and the relationship of employment with retail considerations, deciding on what balance of employment and retail use is appropriate,</p>	<p>PPS4</p> <p>Regional employment space review</p> <p>Regional Economic Strategy</p> <p>Cornwall Council: Statement of Economic Priorities and Strategic Intent</p> <p>Employment Land Review</p>
<p>Explore the potential of Newquay Airport as a catalyst for economic development</p>	Newquay Airport Masterplan
<p>'Sustainable development' has to ensure that it has positive outcomes for the economy, communities and the resources that need to be used to achieve economic prosperity, with the 'environment' as a key economic driver.</p>	<p>PPS1</p> <p>Outcomes from the Taylor review</p> <p>Cornwall Council: Statement of Economic Priorities and Strategic Intent</p>

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<p>To support economic competitiveness and growth, particularly through the role of Convergence in 'unlocking' public and private sector match funding.</p>	<p>Connecting Cornwall</p> <p>Convergence programmes</p> <p>Local Transport Plan</p> <p>Regional Economic Strategy</p> <p>Strategy and Action</p> <p>Cornwall Council: Statement of Economic Priorities and Strategic Intent</p>
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1.10 SWOT Analysis

Table 1.4

Strengths	Weaknesses
<ul style="list-style-type: none"> • Some strong sub sector performance • Enterprise culture (Micros, SMEs, self employment) • Strong brand/loyalty/commitment • Broadband roll out will enable more businesses to work efficiently, especially in more remote areas • Cultural economic infrastructure such as fishing, farming and tourism • Evidence of sub/sector diversification • The high quality natural & historic environment attracts investment, either because this is a desirable place to live or the natural environment is an essential part of the business (e.g. tourism) • Improved sites and premises portfolio due to Objective One and Convergence 	<ul style="list-style-type: none"> • Small internal market • Distance from conventional markets • Many jobs and businesses of low value and seasonal nature • Lack of graduate & higher skilled jobs • Limited quality and provision of existing business space • Poor business infrastructure/realm in some areas • Poor strategic links and transport connectivity with rest of country • Low average earnings • Lower still female & part time earnings • Skills deficit • Poor physical and business infrastructure • Shortage of appropriate sites and premises for business • Lack of SME/micro access to grant funding • Vulnerability of business loans secured against mortgages • Lack of incubation and grow on space, particularly in rural areas
Opportunities	Threats

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<ul style="list-style-type: none"> • Capitalising on the achievements of Objective One • Convergence investment • Key strategic projects • Improved connectivity infrastructure, both physical and through information and communication technology • Place making through joint resourcing (i.e. joining up economic and social investment) • Climate Change adaptation and mitigation allowing new business to develop and providing business services through this know-how • Increased regeneration capacity in communities • Development of new markets (e.g. Atlantic Arc) • Population growth and increasing economic activity • Micro economy/small business growth • Links between heritage, environment and economy through World Heritage Status • Use and re-use of redundant buildings for economic development, particularly in village and rural areas through heritage led regeneration. • Clustering live/work schemes where there are good networking opportunities • Home working and supporting infrastructure (such as Hubs) • Digital infrastructure investment • CUC as a focus for innovation and enterprise 	<ul style="list-style-type: none"> • Climate Change • Energy prices and increasing energy dependence • International competition • Recessionary pressures • Limited private sector developer capacity • Population growth: the demand for jobs may not be able to be met • Housing and employment provision may not be located sustainably together • Growing businesses beyond their sustainable capacity • Loss of experienced/knowledgeable staff. • Reduction in private sector capacity challenging the ability to deliver the 'growth agenda' • Poor strategic links and transport connectivity with rest of country • Unsustainable growth patterns • The skilled labour supply of rural businesses is threatened by the lack of affordable housing – people have to move away.
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1.11 Climate Change considerations

The main climate change considerations can be summarised as follows:

- Potential changing pattern and location of development (for example, threats to coastal communities, and infrastructure.)
- Opportunities for climate sourced renewables; implications on developers capacity to deliver (recession and/or post Convergence climate)
- Implications for technological and design advance
- More extensive renewable production could lead to greater demand for land and competition with other economic derivatives.

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- There is an opportunity for renewable energy generation in Cornwall. The need for greater energy security may make the economic benefits of this type of industry greater.
- Increased 'traditional' economic activity will result in increased traffic and implications around congestion, health, the place making agenda etc.

1.12 Main Spatial Planning Issues

Taking into account the key messages from the current evidence available, a number of spatial planning issues are listed below.

Issue LER 1

The Core Strategy should set out an approach to the provision and distribution of employment land and facilitation of economic development to meet identified needs, considering the quality as well as the quantity of employment.

Issue LER 2

Employment should be located in such a way that objectives on sustainable development are met.

These issues will work towards achieving the following long term objectives for Cornwall as set out in the Sustainable Community Strategy - 'Future Cornwall':

- To become a market leader in innovative business and low carbon technologies ; increase productivity and raise quality across the economy
- To enhance and build a robust network of small and medium businesses to secure Cornwall's economic stability
- To improve our communities through quality building, using housing development to meet local need and drive the regeneration and sustainability of communities, promoting smaller settlements to be centres of employment and services and set an example in design for sustainable living

This paper summarises the evidence on local economy and regeneration brought together to inform the Cornwall Core Strategy. However, it will be added to and kept up-to-date as other relevant evidence becomes available. In updating these papers all previous versions will be archived to ensure it is clear what evidence was available at each stage.

1.13 Appendix A

Appendix A

Consultation to date:

Economy Issues Paper - February 2011

The Issues papers were first published for stakeholder consultation in September 2009. The papers were amended to take into account consultee responses and were then circulated to Planning Policy Advisory Panel members in November 2009. They were also given to all members at a series of three area based consultation events in March 2010.

Revisions to Issues Papers:

In writing the draft Issues and Options report in March 2010 it was clear that it was necessary to revise the issues identified in some of the topic based issues papers. Some issues were requirements under other legislation or procedural matters, and therefore options could not be set against them (*e.g. The Core Strategy should work with other plans and programmes...*) Others were in fact options and needed to be set as options under an overarching issue (*e.g. The Core Strategy has a role in supporting the growth and sustainability of the micro and small business economy*). There was also some repetition between different topics and these issues could be amalgamated.

Criteria for Changes:

The issues have been rationalised against the following criteria:

- Is this a Spatial Planning Issue?
- Is the issue covered by other legislation?
- Can options be generated against each issue?
- Is this an issue and not an option?
- Is the issue rooted in evidence?
- Is there potential to amalgamate issues?

Issues in Consultation Version:

Issue E1 - The Core Strategy should explore how mixed use development, co-location, and other initiatives that will reduce the need to travel and maximise sustainable access to employment can be achieved.

Issue E2 - The Core Strategy should provide the mechanisms to ensure that adequate infrastructure for business growth is identified and provided, including around sub sectors that support generic growth, such as environmental improvements that act as a tool to support and assist in regeneration.

Issue E3 - The Core Strategy has a role in supporting the growth and sustainability of the micro and small business economy.

Issue E4 - The Core Strategy needs to address employment demand in both urban and rural areas by considering the economic role of Cornwall's settlements.

Issue E5 - The Core Strategy needs to address and strengthen Cornwall's relationship between communities at a local, regional, national and international level.

Economy Issues Paper - February 2011

Issue E6 - The Core Strategy should seek to work with other plans and initiatives such as Strategic Investment Frameworks, existing town centre strategies, Green Peninsula Initiative, Sustainable Community Strategy, Strategy and Action, the Rural Development Programme for England, regionally significant initiatives across Cornwall (such as the Urban Regeneration Company) and the Cornwall Development Company

Revised Issues:

Issue LER1: The Core Strategy should set out an approach to the provision and distribution of employment land and facilitation of economic development to meet identified needs, considering the quality as well as the quantity of employment.

Issue LER2: Employment should be located in such a way that objectives on sustainable development are met.