

BATH AND NORTH EAST SOMERSET

ECONOMIC STRATEGY REVIEW

2014–2030



FOREWORD

Having weathered one of the longest recessions of recent times the national economy is recovering and forecasts are suggesting ongoing growth for the remainder of the decade. Bath & North East Somerset is well placed to take advantage of this recovery. We have many strengths we can build on : an enviable quality of life : a World Heritage city : two high quality Universities : a strong Further Education sector and a well-qualified workforce.

Our vision is that: Bath & North east Somerset will be internationally renowned as a beautifully inventive and entrepreneurial 21st century place with a strong social purpose and a spirit of wellbeing, where everyone is invited to think big – a ‘connected’ area ready to create an extraordinary legacy for future generations

Locally the West of England economy has shown particular resilience. Increases in both resident and workplace employment have seen the sub-region out-perform the national economy and the West of England Local Enterprise Partnership is seeking to build on this underlying strength by setting out ambitious growth proposals in its Strategic Economic Plan published in 2014.

This Plan seeks to deliver a minimum of 65,000 new jobs by 2030 building on the area’s track record in innovation and creativity and a rich heritage and cultural vibrancy.

It is vital that the Bath & North East Somerset area seizes the opportunity to be part of and share in the projected economic growth and prosperity of the wider sub-region. We have a nucleus of employment in the knowledge economy which can support economic growth and deliver a more productive, higher value local economy.

Bath, together with Bristol is highlighted as having an internationally-significant and fast-growing high tech sector in a new Centre for Cities/McKinsey & Company report.

The Review highlights the issues that must be addressed. House prices are 40% higher than the national average. Average wages are 10% lower. Long term unemployment, particularly long term youth unemployment, remains an issue. There is a shortage of industrial space and we lack the overall quality of office space that modern businesses demand.

Our ambition is to increase the overall number of jobs in B&NES by 11,500 and by focussing on “priority sectors” where the area has particular strengths we can increase overall productivity and raise average earnings.

Bath and in particular the Bath City Riverside Enterprise Area, has a key role to play in delivering future economic growth. The Review also highlights the importance of promoting additional employment in the Market Towns, supporting key housing & transport projects and addressing employability and skills in the workforce.

In addition we have widened the scope of the Strategy to embrace the whole economy and ensure the contribution and potential of the wider visitor and cultural sectors, both in economic and “place” terms, is taken into account.

The Economic Strategy remains very much a partnership document which will require partnership working, both locally and sub-regionally, to address the identified priorities. We look forward to making our aims and objectives a reality for people living and working in Bath & North East Somerset.



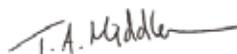
Cllr Ben Stevens
Cabinet Member
for Sustainable
Development for
B&NES



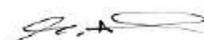
Colin Skellet OBE
Chair of West of
England Local
Enterprise Partnership



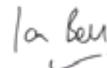
Jon Hunt
Director of Research
& Innovation at
University of Bath



Tim Middleton
Vice-Provost
Research and
Enterprise. Research
and Graduate Affairs
Bath Spa University



Matt Atkinson
Chair of Bath and
North East Somerset
Learning & Skills
Partnership



Ian Bell
Executive Director
of The Initiative in
B&NES



Angela MacAusland
FSB Branch
Chairman for Bath

CONTENTS

ECONOMIC STRATEGY REVIEW 2014

For further information please contact:
 Community Regeneration
 Bath & North East Somerset
 Northgate House,
 Upper Borough Walls,
 Bath BA1 1RG.
 01225 396304
 development_regeneration@
 bathnes.gov.uk

9
**ECONOMIC
 CONTEXT**

16
**BUSINESS
 THEME**



4
INTRODUCTION

29
**PLACE
 THEME**



46
**PEOPLE
 THEME**

X
APPENDIX 1

X
APPENDIX 2



INTRODUCTION

ECONOMIC STRATEGY REVIEW 2014

In 2010 B&NES Council approved its first Economic Strategy, developed in conjunction with the B&NES Economic Partnership. The Strategy contains a number of strategic priorities and detailed actions and a commitment to review and refresh the document after a period of three years.



The review provides an opportunity to take into account major changes in the economy over the past 3 years and the way public and private sector services are now provided. Our aim is to broaden the scope of the Strategy to reflect these changes and to include actions that address wellbeing and reduce inequalities

as well as to foster growth in key employment sectors.

In particular the review of the economic strategy puts wellbeing and the quality of place at the heart of the outcomes it is aiming to deliver.

The revised Economic Strategy takes account of significant changes both locally and nationally including:

- The socio-economic impacts of the 2008 recession, changes to the welfare system and Universal Credit, the increase in the age of retirement and the raising the participation age.
- Falling unemployment and the numbers of young people not in education, employment or training
- The changes to external partnership relations with the demise of the Regional Development Agencies and Business Links and the creation of Local Enterprise Partnerships (LEPs).
- The pressure on resources, the ongoing challenge of moving to a low carbon economy and the demographic impacts of an aging population.



Our Vision is Bath and North East Somerset will be internationally renowned as a “beautifully inventive” entrepreneurial 21st century place with a strong social purpose and a spirit of wellbeing, where everyone is invited to think big – a ‘connected’ area ready to create an extraordinary legacy for future generations.

The review takes into account the work of the B&NES Public Services Board which is promoting a co-ordinated approach to local services and supporting the closer integration of key strategies to deliver sustainable communities working to a common vision.

Moving forward the Review will seek to build on the area’s strengths to create a more productive, higher value added economy. The focus will be on specific priority sectors and creating a range of local employment opportunities which can be accessed by the resident workforce.

To address the **Strategic Vision**, the Economic Strategy Review is structured around three key inter-dependent ‘Strategic Economic Themes’ **‘Business’**, **‘People’**, and **‘Place’** which are seen as key ‘areas of activity’. Within the three Themes there are nine ‘Strategic Economic Priorities’, with a framework of actions and measures for promoting sustainable economic growth.

The Strategy Review document addresses each theme and its strategic economic priorities in turn, setting out the evidenced based economic strengths & weaknesses and issues & challenges within each, and establishing the opportunities for development and growth based on this analysis.



ECONOMIC STRATEGY

Theme

BUSINESS

Priority

- BUSINESS GROWTH & INVESTMENT**
- NEW BUSINESS SPACE**
- BUSINESS SUPPORT**

Theme

PLACE

Priority

- SUCCESSFUL CITY**
- VIBRANT MARKET TOWNS**
- SUSTAINABLE CONNECTED COMMUNITIES**
- HOUSING**

Theme

PEOPLE

Priority

- EMPLOYMENT & SKILLS**
- LEISURE & CULTURE**

Making Bath & North East Somerset –
The place to live, work & visit

As resources become more expensive businesses with lean manufacturing methods will be at an advantage and residents that reduce their energy consumption will be better placed to benefit from the economic recovery. Promoting local production and purchasing will help to create a more sustainable economy.

By building a dynamic and strong economy we will be better placed to tackle health & social issues in B&NES and establish a fairer more equitable community. By ensuring everyone has an opportunity to succeed we will fully maximise our economic potential.

In order to ensure that the Strategy also considers its relationship with the environment and equality/social inclusion two cross-cutting 'core values' have been established: **'Sustainability'** and **'Health & Wellbeing'**.

By establishing each of these important economic issues as core values we can ensure a strategic approach to local economic development which is sustainable, includes all parts of the economy, and where no-one is excluded.

HEALTH & WELLBEING & SUSTAINABILITY

Cross cutting core values

Give all residents the opportunity to take part in BANES economic success, which will create fairer life chances, ensure healthy standard of living for all, and enable people to stay healthy

Businesses and residents are reducing their energy and waste costs and preparing for the future climate. This increases competitiveness and creates work for environmental businesses which grow and move to the area, bringing green jobs. Use of local food and energy is increasing economic resilience and a circular economy is developing, where waste is a valuable resource.

Support sustainable businesses and the Low Carbon & Environmental Goods & Services (LCEGS) sector

Focus on preventative spend to tackle the social and health problems which prevent people from realising their potential

Maximise the local multiplier effect; increasing local food production and local food consumption to promote growth in incomes and jobs as well as the local cultural offer

Create fairer life chances through fair employment and good work for all

Enable existing businesses and residents to "green" by reducing their energy use and adapting to the future climate

Ensure a healthy standard of living for all

ECONOMIC CONTEXT

To 'set the scene' for the Economic Strategy Review, an assessment of the local economy has been undertaken which:

- sets out recent past trends nationally and locally
- provides a current position statement as to where the B&NES economy is now.
- summarises our growth ambitions for the B&NES economy going forward to 2030.

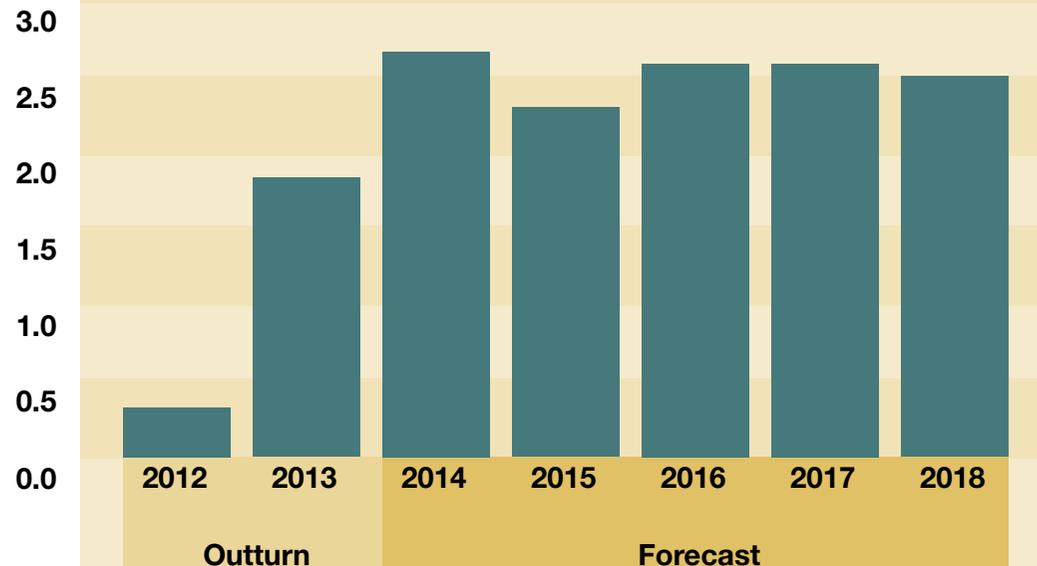


UK ECONOMY IN 2014

There is considerable evidence that the UK economy is making substantial progress in recovering from the global economic downturn which began to have an impact in the spring of 2008. Indeed, the 2014 Budget announcement (HM Treasury, Budget Report – March 2014) gives the following summary medium-term economic forecast for the UK economy (2014 to 2018):

- A revised forecast upwards for UK GDP (Gross Domestic Product) growth from 2.4% to 2.7% in 2014 and from 2.2% to 2.3% in 2015, and forecasts GDP growth of 2.6% in 2016, 2.6% in 2017 and 2.5% in 2018.
- GDP to return to its pre-crisis peak in the third quarter of 2014.
- A revised forecast upwards for employment growth across the forecast period, expecting employment to reach 31.4 million by 2018.
- At the start of 2014, the claimant count was 1.2 million, the lowest level since December 2008, and the Treasury's Office for Budget Responsibility (the OBR - government's independent fiscal watchdog).now expects it to fall below 1 million in 2017 for the first time since 2008.
- Inflation (Consumer Prices Index inflation – CPI) is expected to be below target at 1.9% in 2014 and then to stay at the 2.0% target for the rest of the forecast period.
- Average earnings to grow faster than inflation throughout the forecast period.

Gross domestic product (GDP)



Source: ONS,
Office for Budget
Responsibility,
March 2014

These forecasts are made in the light of major restructuring of the UK economy, particularly in such sectors as Finance and the Public Sector, which suggests that the short-term to medium-term prospects for the UK economy are 'good'. In turn, the prospects for the West of England and Bath & North East Somerset economies should be viewed as equally optimistic.

RECENT TRENDS AND THE BATH AND NORTH EAST SOMERSET ECONOMY IN 2014

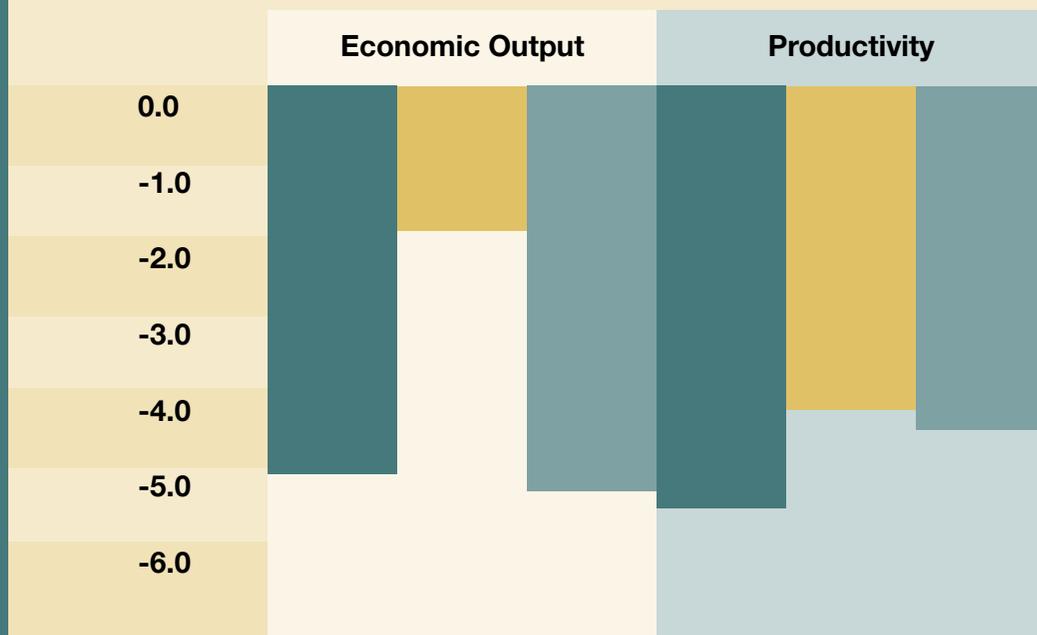
Overall economic performance of the B&NES economy

In 2011, the B&NES economy produced an estimated £3.8 billion of GVA output with total workplace employment of almost 92,000, equating to an average productivity per employee of £41,600. B&NES productivity performance is slightly lower than across the West of England and nationally (£43,100 per job and £42,400 respectively).

*GVA measures the contribution to the economy of each individual producer, industry or sector in the UK.

The main driver of B&NES' lower productivity is the area's above-average employment in public sector activities such as education and health (36% of B&NES' workplace jobs are in the predominantly public sector activities of Public Administration & Defence, Health & Education compared to 29% across the West of England and 27% nationally) and the relatively large concentrations of employment in sectors such as retail and tourism.

Percentage change in economic output and productivity 2007 - 2011



■ B&NES
■ West of England
■ England

As with the West of England and nationally from 2007 to 2011 the B&NES economy shrank during the 2008 economic downturn. Overall the output of the B&NES economy fell by 5.1% between 2007 and 2011 compared to a 1.9% decline across the West of England and a 5.4% decline nationally. Productivity also fell across B&NES over the period, by 5.6%, compared to productivity declines across the West of England and nationally of 4.2% and 4.5% respectively.



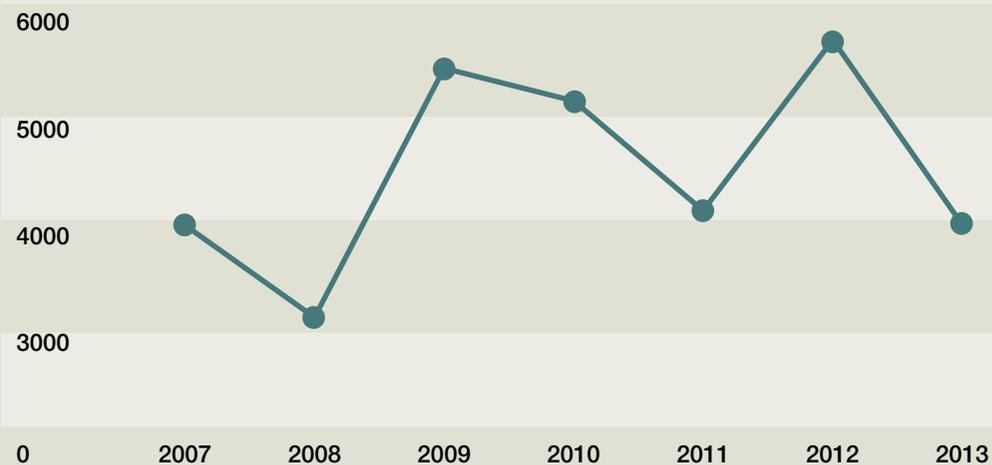
UNEMPLOYMENT

The unemployment rate in B&NES is 3.1% compared to 3.8% in the West of England and 4.9% nationally. Resident unemployment has remained consistently below the national average, although the percentage increase (37%) is greater than the England figure (31%).

The chart below shows trends in unemployment for 2007 to 2013 for the B&NES economy. In 2007, prior to the economic downturn, B&NES had 3,900 unemployed residents, 28% of whom were claimant unemployed. Overall unemployment reached a peak of 5,600 in B&NES in 2012, but in 2013 numbers reduce significantly, suggesting that the B&NES economy, in line with the national picture, is recovering from the downturn. Indications are that this trend will continue through 2014 and that unemployment could return to 2008 pre-recession levels.

However, whilst overall unemployment has reduced to the same level in 2013 as it was in 2007, the proportion of claimant unemployment at 54% is higher than it was pre-downturn with a steep rise in the proportion of long term unemployment. Nevertheless the overall unemployment rate remains well below the West of England and national figures.

Unemployment in BANES



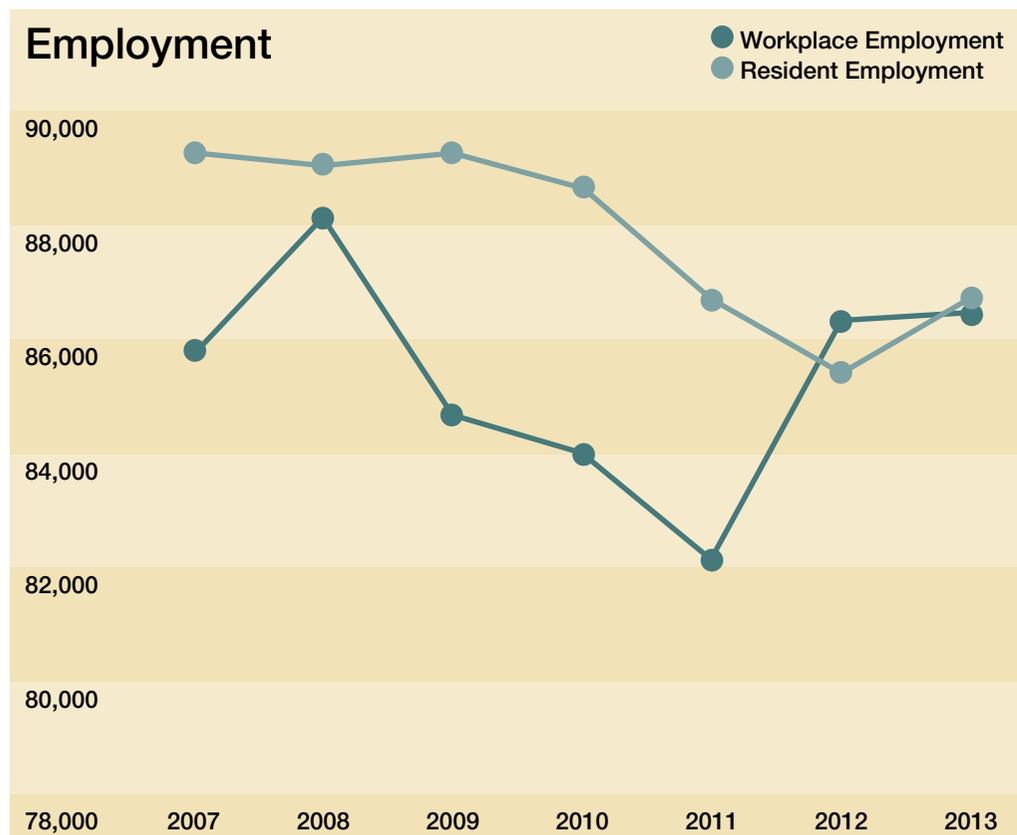
EMPLOYMENT

The chart below shows trends in resident and workplace employment for 2007 to 2013 for the B&NES economy. In 2013 B&NES had resident employment of around 87,000, around 1,000 more than pre-downturn. However, workplace employment in 2013, at 87,000, is some 2,000 lower than the pre-downturn level of 89,000.

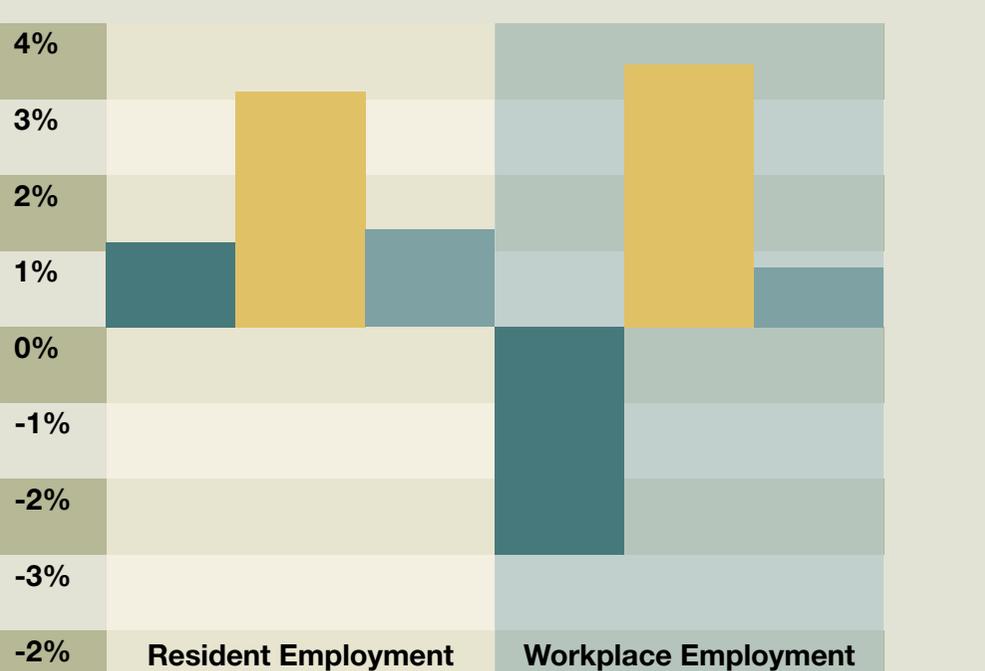
Over the period, resident employment has been relatively more volatile, declining by far more than workplace employment before recovering more quickly in 2011 as employment fluctuations in the wider sub-region affect people working outside B&NES.

The chart below compares the trends in resident and workforce employment in B&NES with the performance of those measures in the West of England sub-region and nationally for 2007 to 2013

- As with England, resident employment in B&NES has risen by just over 1%, though across the sub-region this is much higher at 3%.
- Workplace employment in B&NES has declined by 3%, a very different situation to growth of 4% across the West of England and growth of almost 1% nationally.



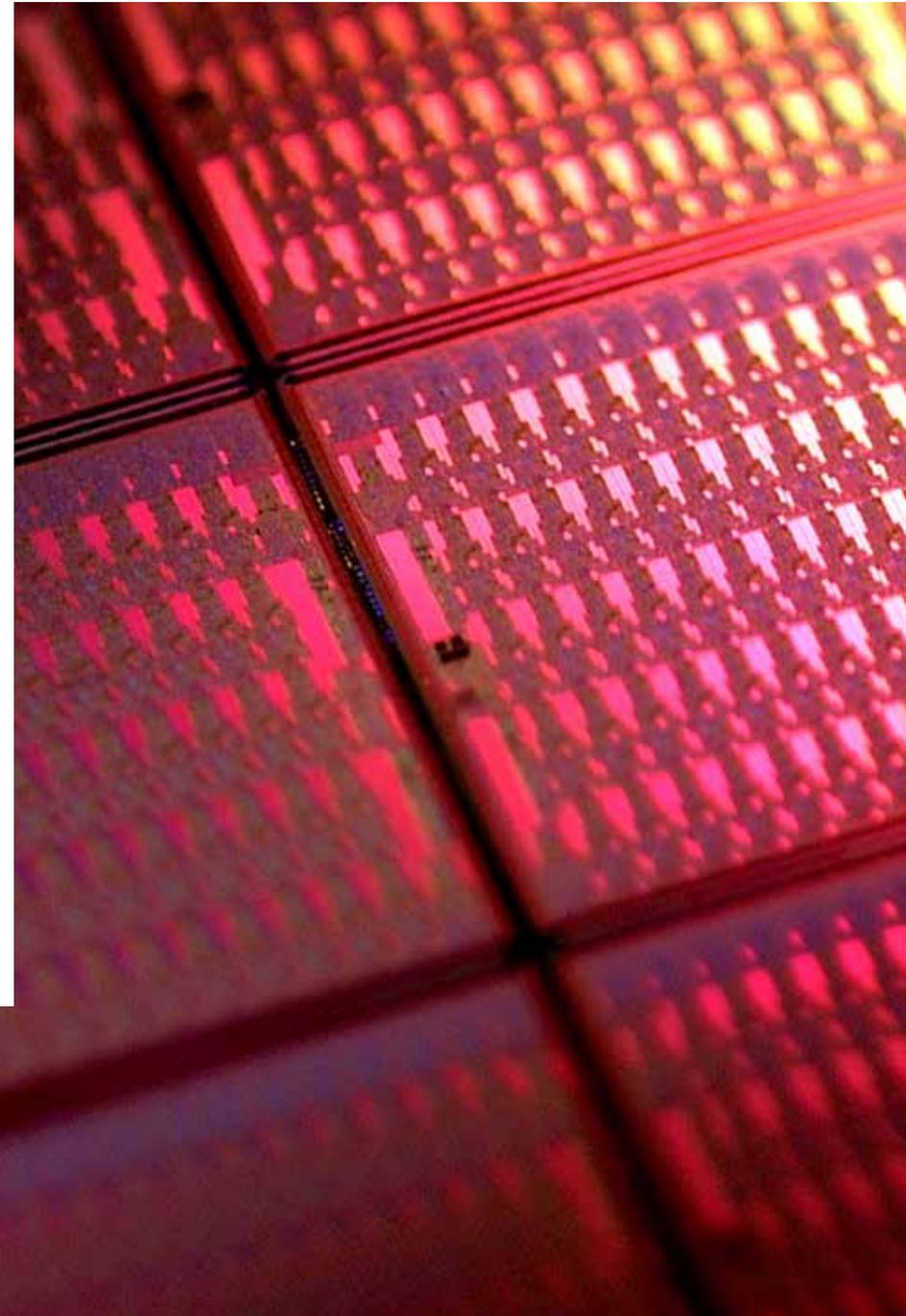
Percentage Change on Employment Indicators 2007 to 2013



The overall picture painted by this assessment of the B&NES economy is that whilst resident unemployment has remained low, the wider economy has performed less well in relation to workplace employment, output and productivity driven principally by changes in public sector employment.

However, growth in the knowledge economy locally has outstripped both the West of England and England (5% compared with 4% and 2%).

The above average representation in sectors such as Information & Communications, Creative & Digital, Environmental & Low Carbon and Health & Wellbeing is also supporting the local economy to recover more quickly.



OUR GROWTH AMBITIONS 2010 – 2030

As part of the West of England Local Enterprise Partnership (LEP) we share our partners' ambitions for promoting growth across the sub-region. The LEP has recently submitted its Strategic Economic Plan to government. This sets a baseline for delivering 65,000 jobs and 2.6% GVA growth in the West of England to 2030, with an ambition to promote higher levels of growth dependent on the level of government funding for infrastructure and employment projects.

Historically the B&NES area has contributed 15% of total jobs and economic output in the sub-region and the ambition is that this will continue to be the case. Moving forward, the Economic Strategy is seeking, in line with the LEP's growth plans and the Council's Core Strategy, to increase the number of jobs in B&NES by 11,500 by 2030. Taking into account job losses, this will require some 16,900 new jobs to be created as set out below.

Delivering the economic growth set out above will require a focus on protecting manufacturing jobs and increasing employment in selected priority sectors. Overall total local employment would increase by 12% and the value of the local economy would grow by over £3bn.

The table below summarises the changes in the key economic indicators.

Summary of B&NES 2010 to 2030 growth by Sector

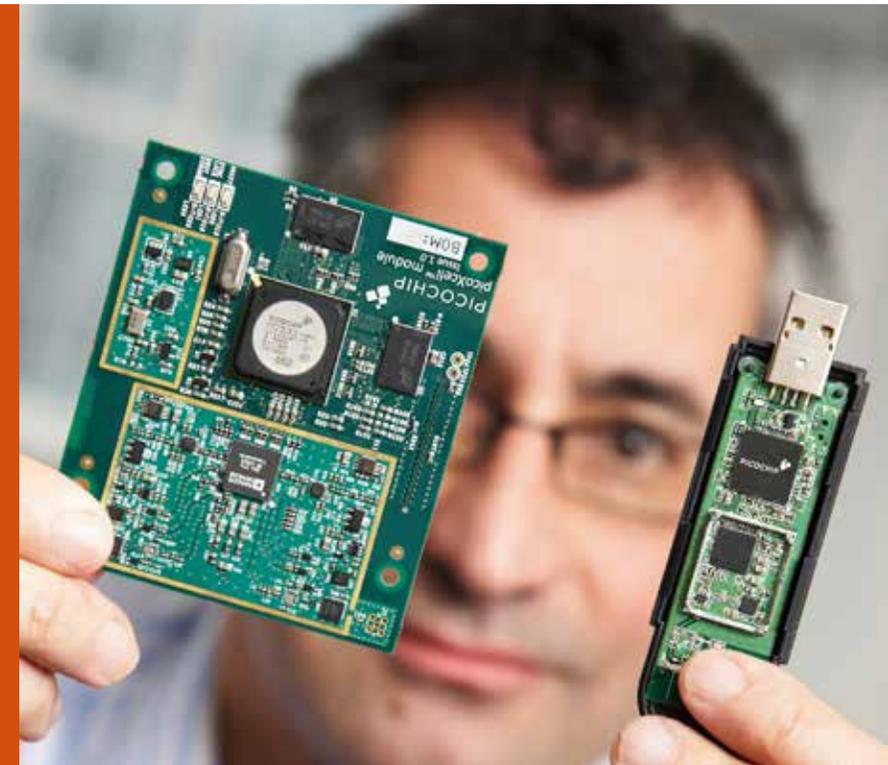
Employment by Sector (SIC 2007)	2010	2030	Net Change
Agriculture & fishing	700	500	- 200
Energy & water	1,100	1,200	100
Manufacturing	4,700	4,500	-200
Construction	4,100	5,300	1,200
Distribution, hotels & restaurants	21,800	24,800	3,000
Transport & Communication	6,600	9,500	2,900
Banking finance & insurance etc.	13,800	22,100	8,300
Public admin education & health	31,100	25,900	- 5,200
Other services	4,900	6,500	1,600
TOTAL	88,800	100,300	11,500

Summary of Key Economic Indicators 2010-2030

	Average Annual Growth Rate (%)		
	B&NES	WofE	England
Average Annual Growth – Productivity	2.7	2.3	2.3
Average Annual Growth – Jobs	0.6	0.8	0.8
Average Annual Growth – GVA	3.2	3.2	3.1

BUSINESS THEME

To promote business growth which delivers increased productivity and earnings and provides local people with access to sufficient quality sustainable jobs across the economy



INTRODUCTION

The business theme provides an overview of the issues, challenges and opportunities for business and entrepreneurship in Bath and North East Somerset, and sets out a strategic approach to address these issues and challenges. Encouraging and enabling businesses and entrepreneurs to grow and prosper is fundamental to ensuring a competitive local economy for the future.

THREE KEY PRIORITIES FOR ACTION

PROMOTING
APPROPRIATE
BUSINESS GROWTH
& INVESTMENT



DELIVERING
A SUPPLY OF BUSINESS
SPACE THAT MEETS
LOCAL BUSINESS
GROWTH NEEDS



PROVIDING
A COMPREHENSIVE
BUSINESS SUPPORT
SERVICE FOR SMALL
AND MEDIUM SIZED
BUSINESSES



BUSINESS AND ENTREPRENEURSHIP

B&NES' £3.8 billion of annual economic output is produced by around 8,500 business enterprises (VAT/PAYE registered businesses) and over 13,000 self-employed. These businesses are also responsible for B&NES' 92,000 total workplace employed population, who each produce an average of £42,000 per annum of output.

ISSUES AND CHALLENGES

Business Size

The average **size of businesses** in B&NES is smaller relative to the national picture (only 15% employ more than 10 people compared with 19% and 17% for the sub-region and nationally). Overall local businesses tend to be more established with 65% having traded for more than 3 years (compared with 60% in the West of England and nationally).

Productivity

The main indicator of the overall competitiveness of the B&NES economy and its businesses is **productivity**. As established earlier the main driver of B&NES' lower productivity is the area's above-average employment in the public sector and the relatively large concentrations of employment in sectors such as retail and tourism. This is further exacerbated by above average part-time employment (42% compared with a sub-regional figure of 35% and a national rate of 33%) and a below average representation of larger businesses which tend to have higher productivity than smaller businesses.

Entrepreneurship

In addition to relatively low productivity, a further key issue is the **low rate of entrepreneurship**. The area has a lower 'business birth rate', but also a relatively high 'business death rate', which when combined make for lower growth (or decline) in the local business stock (between 2009 and 2011 the stock of businesses in B&NES declined by around 2%). As well as business start-up, B&NES' growth in self-employment is also weak; self-employment in B&NES grew by 14% from 2001 to 2011 compared to much larger rises witnessed across the West of England (23% and 26% respectively).

Workplace Earnings

Partly as a result of the above **workplace earnings** are substantially lower than elsewhere (average gross weekly pay in B&NES is £382 compared with £410 across the West of England and £422 nationally). Furthermore, earnings have demonstrated very weak growth over the last ten or so years; between 2003 and 2013 workplace earnings in B&NES grew by just 5% compared to 18% growth across the West of England and 24% nationally.

OPPORTUNITIES

To address the inter-linked issues of low productivity, limited entrepreneurship and below average wages the focus has to be on building on the areas business strengths and business specialisms in specific priority sectors. By supporting business growth and investment in these areas, B&NES can close the productivity and workplace earnings gap which exists between itself and the broader West of England and national economies

The priority business sectors

Priority sectors are seen as strategically important to the local economy. Their “strategic” importance is because they are large employers and/or higher value added and/or are higher growth, or are expected to demonstrate higher growth in the future. They are the sectors to ‘prioritise’ for support and intervention as they are essential in ensuring the longer-term competitiveness and stability of the local economy.

There are **8 Priority Sectors** in B&NES defined as “Core” or “Key” sectors. Core sectors currently employ significant numbers of people locally and will continue to be important in employment terms. Key sectors are generally smaller in employment terms but higher value added and offer the potential for significant future expansion.

CORE SECTORS

- Tourism, Leisure, Arts & Culture
- Retail
- Health & Wellbeing
- Finance & Professional Business Services

KEY SECTORS

- Creative & Digital
- Information & Communication (ICT)
- Advanced Engineering & Electronics
- Environmental & Low Carbon



Their employment and overall economic contribution (GVA output) is set out in the following table together with their 'location quotient' – their representation in the local economy compared with the national economy

The priority sectors cover 58% of B&NES' total employment (excluding self-employment).

In terms of their output contribution, and because on average the Priority Sectors are higher value-added in terms of productivity, they account for a much larger share of B&NES' total output; the eight priority sectors account for 64% of B&NES' GVA.

PRIORITY SECTOR	EMPLOYMENT	GVA OUTPUT		LOCATION QUOTIENT
		TOTAL £m	PER EMPLOYEE £	
Tourism / Leisure / Arts & Culture	10,300	£205	£19,900	1.23
Retail	10,200	£233	£22,900	1.16
Health & Well-being	11,100	£337	£23,700	1.28
Financial & Professional Business Services	8,500	£672	£79,000	0.84
ICT / Creative & Digital	5,800	£418	£72,000	1.25
Advanced Engineering & Electronics	2,700	£159	£58,900	0.73
Environment & Low Carbon	1,300	£238	£183,300	1.48



The priority sectors have the potential to deliver up to 11,500 new jobs in B&NES by 2030 and make a significant contribution to increasing the area's GVA output and productivity.

“Smart specialisation focuses on key enabling technologies. The role of innovation in smart specialisation is key, as is knowledge creation and utilisation, investment in skills and human capital, and the role of agglomeration, clusters, networks and ‘knowledge spill-overs.’”

B&NES’ REPRESENTATION IN THE ‘KNOWLEDGE ECONOMY’

The priority sectors offer the opportunity for B&NES to exploit its business strengths in the **Knowledge Economy**, activities in which the UK economy is expected to maintain and increase its global competitiveness.

In conjunction with the LEP, B&NES is able to develop a “**Smart Specialisation**” approach.

Focussing on digital & creative media, low carbon, high tech industries, advanced engineering & aerospace and professional services the Local Enterprise Partnership Strategic Economic Plan proposes a “smart specialisation” approach for the sub-region.

There are two indicators which highlight how B&NES performs in terms of the knowledge economy;

- employment representation in the knowledge economy and high & medium technology manufacturing
- the share of employment in higher skilled occupations.

On both of these indicators B&NES performs extremely well compared to both the West of England and national economy:

- In B&NES, 32% of employment lies in the **knowledge economy and high & medium technology manufacturing** compared to 30% across the West of England and 28% nationally.
- Between 2009 and 2012 employment growth in the knowledge economy in B&NES has also been relatively high; B&NES’ employment in the **knowledge economy and high & medium technology manufacturing** grew by 5% compared to 4% across the West of England and just 2% nationally.
- Some 63% of workplace employment in B&NES is located in higher skilled occupations compared to 60% across the West of England and just 55% nationally.
- In terms of growth in higher skilled occupations, B&NES has seen a 15% rise in its share of employment in these occupations between 2004 and 2013 compared to an 11% rise across the West of England and a 6% rise nationally.

INVESTMENT & PROMOTION

Building on our region's image & identity and the role of the Invest Bristol & Bath shared inward investment service'

BUSINESS ENGAGEMENT, INVESTMENT AND PROMOTION

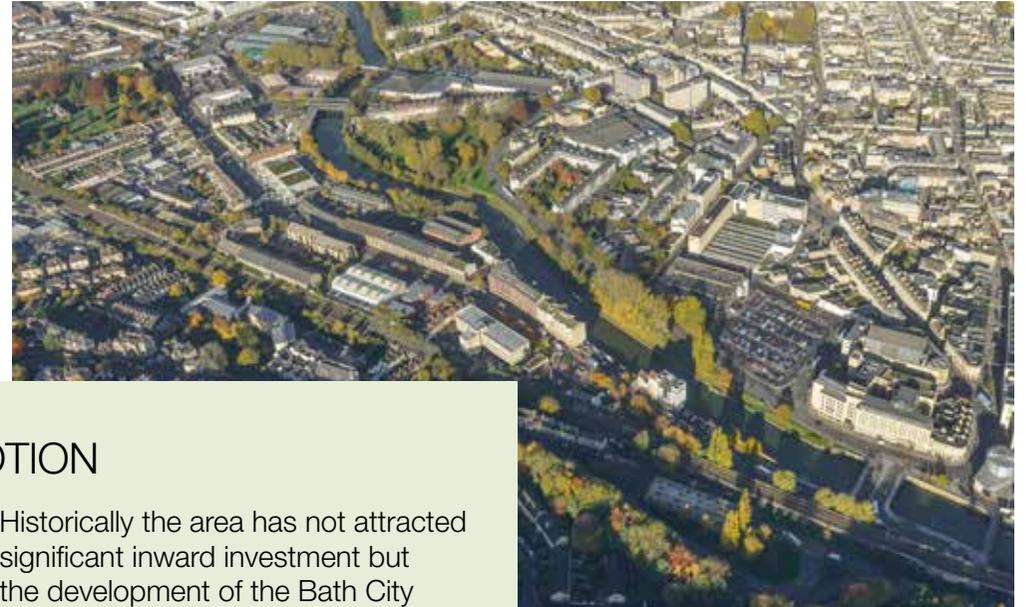
To take full advantage of the potential for growth in the area's key sectors and knowledge economy, a **proactive approach** to business engagement and business investment and promotion will be required.

Understanding the business needs of key sector companies and providing a close relationship with the leading businesses in each sector will be an important pre-requisite for enabling local economic growth and an acknowledgement that the bulk of future business investment and growth will come from indigenous companies.

However, if the area is to achieve the planned levels of economic and employment growth new **inward investment** will also be required.

Historically the area has not attracted significant inward investment but the development of the Bath City Riverside Enterprise Area will provide opportunities to attract new companies to the area building on Bath's strong international brand and the quality of life offered by the area as a **"beautifully inventive"** place. This will also enable opportunities in N.E. Somerset & the market towns to be promoted to a wider audience.

The Local Enterprise Partnership Strategic Economic Plan sets out how the **5 LEP Priority Sectors** will be supported by investing in four well-evidenced 'levers of growth'. One of these levers is as follows:



To maximise the opportunity and benefits of working with the **LEP** and **Invest in Bristol & Bath**, the identification and development of specific development "propositions" and the availability of modern business premises which can be used to attract investors, developers and end occupiers will be required.

SUSTAINABLE GROWTH

The business opportunities related to sustainable growth are essentially threefold:

- The establishment and growth of the environmental & low carbon business sector as a business sector in its own right which can in turn help to facilitate:
- The opportunity to encourage businesses and business supply chains to adopt efficiency measures which will use fewer resources and boost profits through associated cost savings.
- The opportunity to encourage businesses to explore their exposure and risk to problems associated with climate change, and to undertake appropriate mitigation and adaptation

SUMMARY OF THE ISSUES, CHALLENGES AND OPPORTUNITIES FOR BUSINESS AND INVESTMENT

In summary, the key business issues and challenges for B&NES, each often inter-related are as follows:

- The eight priority sectors;
- Raising the proportion of employment in private sector businesses, particularly in higher value added sectors and businesses;
- Raising the productivity of private sector businesses, particularly in retail and tourism;
- Raising the level of business start-up, particularly in higher value added private sector business activities; whilst at the same time reducing business failure, and thus improving business survival rates and growing the overall stock of businesses.



BUSINESS SPACE

ISSUES AND CHALLENGES

Stock

Overall in the main urban areas in B&NES there is 205,000sqm of **office floorspace**. By far the largest amount (84%) is in Bath with the remaining 16% shared equally between the Somer Valley and Keynsham. This reflects the importance of Bath as the predominant office market area with the market towns catering only for specific local demand.

In addition there is 371,000sqm of **industrial floorspace** in the urban areas. However this time the split is different, with Bath and the Somer Valley each providing 40% of the floorspace and Keynsham the remaining 20%. The split confirms the historic role of the Somer Valley as the industrial heartland of the area with the floorspace in Bath being focussed on local service manufacturing alongside a small number of larger advanced engineering companies.

Demand

The demand for office space is focussed on Bath and is driven in the main by indigenous business expansion. Annual average take-up is around 10,000sqm per annum. The take-up of industrial space is lower at around 2,000sqm per annum, although this can vary on a yearly basis depending on specific occupations in N.E. Somerset.

Supply Industrial

The lower take-up rate for **industrial premises** is in part a result of **restricted availability**. The typical vacancy rate for industrial property across B&NES is 3%.

In Bath the rate is less than 1%. This places a severe restriction on occupiers looking for space and has resulted in companies relocating out of the area to Bristol and Wiltshire. In addition the Green Belt which covers most of the northern half of B&NES has meant that no new industrial sites have come forward.

In N.E. Somerset there has been more choice due to the availability of industrial land at the Bath Business Park, Peasedown St John and the Westfield Industrial Estate. However both these sites are now largely at capacity and there is a need to bring forward new employment locations.

Offices

The situation in the **office** market is different. There is little availability in N.E. Somerset given the limited local nature of demand, although this belies the potential of Keynsham given its location and good connectivity.

In Bath the vacancy rate for offices is 7.5% which suggests that the market is broadly in balance. However the quality of the overall office stock and the available floorspace is an issue.

Of the 120,000sqm of office space in the Bath central area only 12% is classified as grade A and much of the available space in the preferred central Bath locations is generally of poorer specification. This results in a perception of an oversupply of office accommodation and reduced rental levels due to competition across the board. This in turn contributes to a lack of investor and developer activity in the City.

Workspace

The availability of workspace for more specific end users seeking **creative, flexible managed space or incubation / innovation facilities** is also an issue, where managed workspace is under represented compared with neighbouring authorities and whilst there is operator interest there are few potential opportunities.



OPPORTUNITIES

To deliver a supply of business space that meets business growth needs in B&NES will require the following key issues to be addressed:

Raising the quality of office floorspace in Bath

There is a pressing need for new grade A office floorspace in the city. Economic forecasts indicate that, to deliver the required level of economic growth and in particular to facilitate the expansion of the key business sectors, up to 50,000sqm of modern centrally located floorspace is required.

Addressing the shortage of industrial floorspace by bringing forward new strategic employment locations

Whilst the overall amount of industrial floorspace is likely to contract as employment in the manufacturing sector reduces, analysis indicates that losses are likely to exceed forecast reductions.

The redevelopment of former industrial sites in **Keynsham** and the **Somer Valley** and the regeneration of brownfield sites through the **Bath City Riverside Enterprise Area** are the main drivers in this process. This combination of excessive loss of space and severely restricted supply will inevitably result in key industrial companies and service manufacturing businesses having to relocate from the area due to lack of modern accommodation and new sites coming forward.

Given the environmental constraints in areas surrounding Bath, new strategic employment locations need to be brought forward in Keynsham and the Somer Valley

Action is required to build on partner and operator interest to bring forward:

A new **Creative Industries Hub** in Bath.

Making provision for the specific space needs of small creative and knowledge based businesses by increasing the supply of flexible managed workspace and facilitating the expansion of innovation and incubation facilities.

Additional **managed workspace** in Keynsham and the Somer Valley

An expansion of University linked **innovation and incubation facilities**

BUSINESS SUPPORT

ISSUES AND CHALLENGES

The overview of the challenges facing the delivery of future business growth and investment highlighted the need to **improve entrepreneurship** in B&NES. Raising the level of business start-up (particularly in higher value added private sector business activities), whilst at the same time improving **business survival rates** through targeted business support measures is an essential element in delivering future economic growth.

There is a wide range of **business support programmes** and products already in existence and in terms of local provision the priorities should be to:

- Add value to existing business support activity
- Fill gaps in provision
- Ensure businesses are aware of the support available and how to access it
- Secure funds and develop local support programmes
- Work with the Local Enterprise Partnership and other local partners to ensure appropriate local business support provision

OPPORTUNITIES

Working with the Local Enterprise Partnership

In its Strategic Economic Plan the LEP sets out the 'levers of growth' that will be used to promote economic growth in the sub-region. One of these levers concerns small & medium size (SME) business support as follows:

'SME Business Support – supporting the 85% of businesses in the region that are the engine for growth in our area'

- Building the local business stock is a cornerstone of the LEP's approach, with the main focus on the high-performing minority of start-ups which they will seek to identify, support and persuade to grow in this area.

In the Plan there are three key components of SME Business Support:

Increasing the number and quality of start-ups

Building the local business stock is a cornerstone of the LEP's approach, with the main focus on the high-performing minority of start-ups which they will seek to identify, support and persuade to grow in this area.

Support will be linked with the Set Squared Innovation Centres and with existing Starting a High Growth Business programmes.

To help new companies through their formation phase proposals include:

- Establishing an **angel investor network** and increasing the availability of investor readiness support
- The establishment of **flexible workspace** and "landing pads".
- Creating outward looking **networks** that connect companies to talent and opportunities to meet customers, partners and investors

Encouraging companies to increase trade overseas

The West of England is the strongest performing export area within the South West region and the LEP intends to increase the proportion of SMEs who trade overseas.

Building on the well regarded South West UKTI service it is proposed to use European and other public funds to broaden and deepen the support available to first time exporters and to those exporters wanting to try new and particularly emerging markets.

Improving the capability of existing businesses

The Strategic Economic Plan acknowledges that the majority of business start-ups (62%) fail to survive 10 years. The survival rate after 3 years is better, 62% in the West of England compared with 60% nationally and in B&NES the rate is higher at 64%.

Evidence indicates that businesses that access **support and advice** have a better chance of survival and it is proposed to develop a 'menu' of start-up and existing business support services linked to a centralised clearing and brokerage service including:

- Access to existing local business support.
- Alignment with Enterprise Zone/Areas and existing business incubator / enterprise centres.
- Interfaces with the SME Growth Fund, including business finance schemes, banks, angel investors and venture capital funds.

There will again be an emphasis on high-growth potential key sector companies but sustainable jobs growth in any SME will not be ignored.

THE WEST OF ENGLAND GROWTH HUB

The LEP proposes to deliver support services through an SME Growth Hub serving the West of England, which will become part of the national Growth Hub Network. The Growth Hub is funded through the government's Local Growth Deal and income from users. It is intended to take a "no wrong front door" approach to accessing the Hub using a range of public and private sector partners to promote "local" access. As a primary means of raising awareness, the existing Business Navigator website will be upgraded to include more effective information and diagnostic tools.

To ensure that local businesses are aware of and have access to the full range of business support will require the Council, working in partnership with the Universities, Colleges, Chambers of Commerce, Federation of Small Business and other business representation organisations to establish local access to the Growth Hub in B&NES.

SME Growth Hub

Helping SMEs Finding the the Pot of Gold at the End of the Rainbow

SME Finance Hub

Holistic approach to SME Finance engaging with the Growth Fund, banks, angels, VCs & SME Support Hub

Innovation Hub

Build on existing strengths: SET Squared, Bath Innovation Centre, Engine Shed and others to support high tech/ high growth start ups

SME Support Hub

Build on existing strengths: Busiiness West, BRAVE, North Somerset Enterprise Area and others to provide base support services

SME Skills Hub

Develop targetted skills training to address specific skills gaps

SME Export Support Hub

Build on existing strengths: Business West, UKTI, ERDF, EEN to deliver practical services to assist SMEs to export including services to help "get the deal done" e.g. letter of credit, Logistics, Incoterms etc.

SME Supplier Support Service

Establish a Supplier Support Service working closely with the new Procurement Hub to support SMEs aspiring to bid for public, humanitarian and significant private sector opportunities through formal competitive tender processes

Procurement Hub

Establish a Procurement Hub to better target public and major private sector procurement spend to stimulate the local economy especially the region's SMEs whilst also delivering savings and efficiencies

LOCAL SUPPORT SERVICES FOR START-UP AND NEWLY ESTABLISHED BUSINESSES

Analysis of the business stock in B&NES indicates that the area has an above average number of small (less than 10 employees) businesses.

The large majority of these businesses (80%+) are locally owned and many are run by "sole proprietors". Employment in locally owned businesses was responsible for offsetting wider job losses in the area during the recession, limiting the overall reduction in employment

in B&NES to 2% compared with 4% in the sub-region. There is strong representation in the priority sectors including tourism, creative and information and communication.

Maintaining the existing locally accessed support services, currently commissioned by the Council for all local businesses is therefore particularly important in B&NES.

PLACE THEME

The geography and infrastructure of Bath & North East Somerset is as diverse as its business stock; with a range of issues and opportunities.



INTRODUCTION

The Place theme of the Economic Strategy seeks to articulate and support the contributions of the City of Bath and the surrounding market towns of Keynsham and the Somer Valley to the local economy, recognises the key role that housing plays in supporting economic growth and promotes the opportunities offered by

building a low carbon economy and delivering improved connectivity.

By ensuring that these factors are supported and addressed it will be possible to develop a sustainable economy for the whole of Bath & North East Somerset that can provide a strong quality of life and high standards of living and working.

KEY PRIORITIES FOR ACTION

SUCCESSFUL
CITY



VIBRANT
MARKET TOWNS



SUSTAINABLE
CONNECTED
COMMUNITIES



HOUSING





• SUCCESSFUL CITY

Bath is a **World Heritage Site**, an international tourism destination and a regional **shopping** centre. The city has an enviable reputation for its quality of life and plays a crucial role in the B&NES economy. It provides nearly 70% of the areas employment and economic output (GVA) and is home to over 50% of B&NES businesses. More importantly 75% of knowledge based and priority sector employment is based in the city.

In contrast five local areas (Local Super Output Area's – LSOA's) within the city fall within the top **20% most deprived areas** in the country.

It is critical to the future economic well-being of the area that:

Bath will remain a visitor friendly city with an international reputation for world class heritage and as a centre for innovation, enterprise and high quality education

INTERNATIONAL VISITOR DESTINATION

ISSUES & CHALLENGES

Tourists currently spend **£375m** in the local economy, supporting 8,700 local jobs and producing £162m GVA/ annum into the local economy of Bath & N. E. Somerset. The bulk of the employment and economic output is focussed on Bath where it is integral to the city's wider visitor economy.

A strong **visitor economy** is key to the status of Bath as an International visitor destination. It is central to the continuing success of a broad and diverse retail sector; it underpins the city's rich cultural offer and has a significant role to play in attracting broader investment.

Bath is recognised as a **regional shopping destination**. The city centre has over 700 retail units and in excess of 100,000sqm of retail floorspace which is significantly more than would normally be expected to serve a city of 89,000 people and is an indication of the strong inter-connection between the retail and tourism sectors. In 2011 retail expenditure in the city was estimated to be over £600m.

The city's reputation as an international visitor destination is also a driver for the cultural sector in Bath. The wider visitor economy, covering the tourism, leisure, culture and retail sectors accounts for 15,500 jobs, 25% of total employment in the city, and generates £315m of GVA annually.

Employment in the visitor economy has **increased by 3.2%** over the last five years and is forecast to continue to grow by circa 3,500 jobs. The focus should be on building a more sustainable higher value added product which will benefit both Bath and the wider area. Currently there are over 5.6m visitors each year to the city but only 16% are staying visitors, who on average spend five times more per head than day visitors.

There is ongoing competition both from the domestic and international markets and in order to respond to this, the visitor economy sector needs to work in partnership; to attract, manage and develop a **flourishing and sustainable tourism and leisure industry** which contributes to economic prosperity, enhances the image of Bath and the surrounding area and is in harmony with its unique environment.



OPPORTUNITIES

To deliver a successful and sustainable visitor economy on-going investment in the “place” and in **place marketing** will be required.

Develop, manage and promote a sustainable visitor economy

Raising productivity by addressing seasonality issues, focussing on high value markets and prioritising staying visitors, linked to improved use of information technology will help to develop a more sustainable tourism sector.

Bath is recognised as one of the premier visitor destinations by Visit England and Visit Britain. This provides opportunities to engage in national & international marketing initiatives and help shape strategic thinking with national agencies and government.

To maintain this relationship will require continued support for a public/private sector destination marketing organisation and the development of an up to date

Destination Management Plan

providing a joined-up approach to destination marketing, place management and events programming.

Maintain and enhance the city centre as a regional retail, leisure, cultural and sporting destination

The quality of the city centre is a key element in the visitor destination offer. Since its inception in 2010 the **Bath City Centre BID**, working in conjunction with the Council, has brought private sector resources to bear on the maintenance of a high quality public realm and helped to shape and manage the retail and hospitality product.

The continuation of the BID beyond 2015/16 would provide opportunities to supplement resources and add value to the destination marketing strategy; making an important contribution to maintaining an attractive city centre.

Utilise the city’s World Heritage Site, Cultural, Spa and independent shopping credentials as key elements of the visitor destination offer

A refreshed and updated version of the existing co-ordinated Visitor Marketing Strategy is required to maximise the potential for development of the visitor economy.

The Strategy will ensure that growing and high value markets continue to be targeted, include the development of a year round Festivals and Events programme and develop opportunities to spread the benefits of tourism to surrounding rural areas.

CENTRE FOR ENTERPRISE AND INNOVATION

ISSUES & CHALLENGES

Given the focus of priority sectors in Bath it is unsurprising that growth in employment in the **knowledge economy** in the city, which increased by 7% between 2009–2012, has outstripped increases in the wider B&NES area (5%), the West of England (4%) and nationally (2%).

Nearly 60% of employees in the city are in **higher skilled jobs** with over 40% of residents possessing NVQ level 4 or above qualifications compared with 36% in the sub-region and 30% nationally.

Bath's two universities are key to the supply of highly qualified workers and are also a source for entrepreneurialism and local economic growth with several significant companies in the city having spun out of or benefitted from links with the Higher Education (H.E.) sector.

A recent Centre for Cities report highlighted the Bristol and Bath region as **“having an internationally significant and fast growing high tech cluster”** and Set Squared, an innovation centre collaboration between Bristol, Bath, Exeter, Southampton and Surrey Universities, has been named as Europe's top university Business Incubator in 2013 and 2014.

The main constraint to further future growth in the city's knowledge economy is the lack of appropriate business space of the right type and right quality.



OPPORTUNITIES

Investment in the implementation of the Bath City Riverside Enterprise Area is the key opportunity for the delivery of high value added knowledge driven growth in the city.

New commercial and business quarters developed in & on the edge of the city centre

The lack of **high quality modern office** space in Bath has been acknowledged, both in relation to the overall stock and the current supply. The historic business quarters of Bath are based largely on period office stock which is now less attractive for business occupation. Occupiers are seeking new locations convenient for the city centre and public transport links and there is a need to create a new **Central Business District** for the city.

The Bath Office Market Review report has highlighted the shortage of quality office space and identified Bath Quays, Manvers Street and Bath Western Riverside / Green Park as the key locations for the provision of new supply.

Build on the city's strengths in innovation & research linked to the H.E. Sector

The Bath University **Innovation Centre** at Carpenter House is part of the highly regarded Set Squared Partnership. It is at capacity and has a waiting list for desk space. There is an urgent need to expand the facilities to provide expansion or 'move-on' opportunities alongside the incubation space.

The Art and Design faculties at Bath Spa University are also creating a need for creative workshop / studio space.

Support the small business & creative sectors through the delivery of new workspace

The city is under-provided with **managed business space** but operators have not been able to identify any specific development opportunities.

There is also a need for **"Landing Pads"**, small flexible business spaces which can accommodate newly re-located or expanding small businesses with tailored business support packages available.

The Creative Hub & Sector Support Study suggested that over the longer term (2012-2030) there could be a need for up to 20,000sqm of space for the **Creative & Digital sector**, with a medium term need of 1,000–2,000sqm. The feedback from businesses surveyed was that:

There are high levels of self-employment, freelancing and new entrepreneurial ventures across the creative and digital sectors which is fuelling the demand for flexible workspace such as co-working and other 'drop-in' facilities.

There are a number of successful instances of the co-location of creative and digital businesses in Bath. However, there is recognition among many more established firms that there is a lack of suitable workspace to facilitate such clustering on a greater scale, this in turn is constraining opportunities for growth.

Improving the profile for the sector is paramount to its continued performance. This is central to the successful delivery of a hub which needs visibility to enhance perceptions of creative and digital activity in Bath.

CONNECTED CITY

ISSUES & CHALLENGES

The city is home to nearly 89,000 residents and 4,500 businesses employing 56,000 people.

A recent survey of office occupiers in the city centre found that the top priority in relation to any office space needs was access to **broadband connectivity**. This is particularly important for the city where over 14,200 people are employed in key sectors such as **Information & Communications and Creative & Digital** where access to sufficient bandwidth is vital for ongoing business operations.

A further 16,000 people are employed in the education sector including the city's two **universities** where again high bandwidth is essential for research projects and the **commercialisation of research**.

Increasingly residents also require access to **broadband** to enable access to information and services and to facilitate flexible and home working. However 7,400 city residents live within the 20% most deprived local areas (LSOA's) in the country where it is less likely that they will have adequate broadband facilities.

Bath is well provided by fibre enabled telecoms cabinets but broadband speeds can be limited, depending on the physical distance to the cabinet, by the use of copper wire between the cabinet and the premises.

Generally speaking the existing network offers a minimum of 2Mb/sec up to 25Mb/sec classed as **superfast broadband**.

However this limited service does not always meet the needs of businesses who seek access to ultrafast 100Mb/sec bandwidth which requires fibre to be provided to the premises. This can be achieved but can prove too costly for small businesses. 82% of businesses in the city employ less than 10 people.



OPPORTUNITIES

A strategic **Digital B&NES** response is being developed to address the issues and challenges, to establish Bath as a **Connected City** and facilitate digital access for businesses and residents in Bath.

Ultra-fast Broadband in the Enterprise Area & City Centre

Working with a commercial provider we will seek to make the Bath City Riverside Enterprise Area a national exemplar project for the delivery of **ultra-fast broadband** utilising B&NES Council's extensive network of ducts across the city. In conjunction with the Local Enterprise Partnership we will seek to develop a "voucher" system to encourage SME's to connect to broadband services.

Wireless Connectivity in the City Centre

Being able to access digital information **wirelessly** across the whole of the city centre would be of benefit to businesses, particularly those in the retail and tourism sectors, and to residents seeking information on goods and services.

The network of publically owned street furniture provides an opportunity to work with a commercial provider to utilise selected furniture to deliver a wireless network across the city centre. This would then provide a base for the development of a **multi-platform information system** available to residents, visitors and businesses in Bath.

Terabit West

Terabit West is a project to deliver a high capacity closed broadband network which can be used for research and product development. Connecting the Bath City Riverside Enterprise Area into the Terabit West network would enable **high-tech companies** to innovate and commercialise new ideas with less risk.



Promoting Access for the Digitally Excluded

Recycling redundant PCs to families in deprived wards in the city to facilitate their digital connectivity will enable them to better utilise the increasing amount of on-line information and access the range of goods and services available in the city .

Connecting New Development

Working with the WofE LEP we will research "best practice" in using the planning system to ensure new development sites in the sub-region's Enterprise Zone and Enterprise Areas are fibre enabled.

VIBRANT MARKET TOWNS

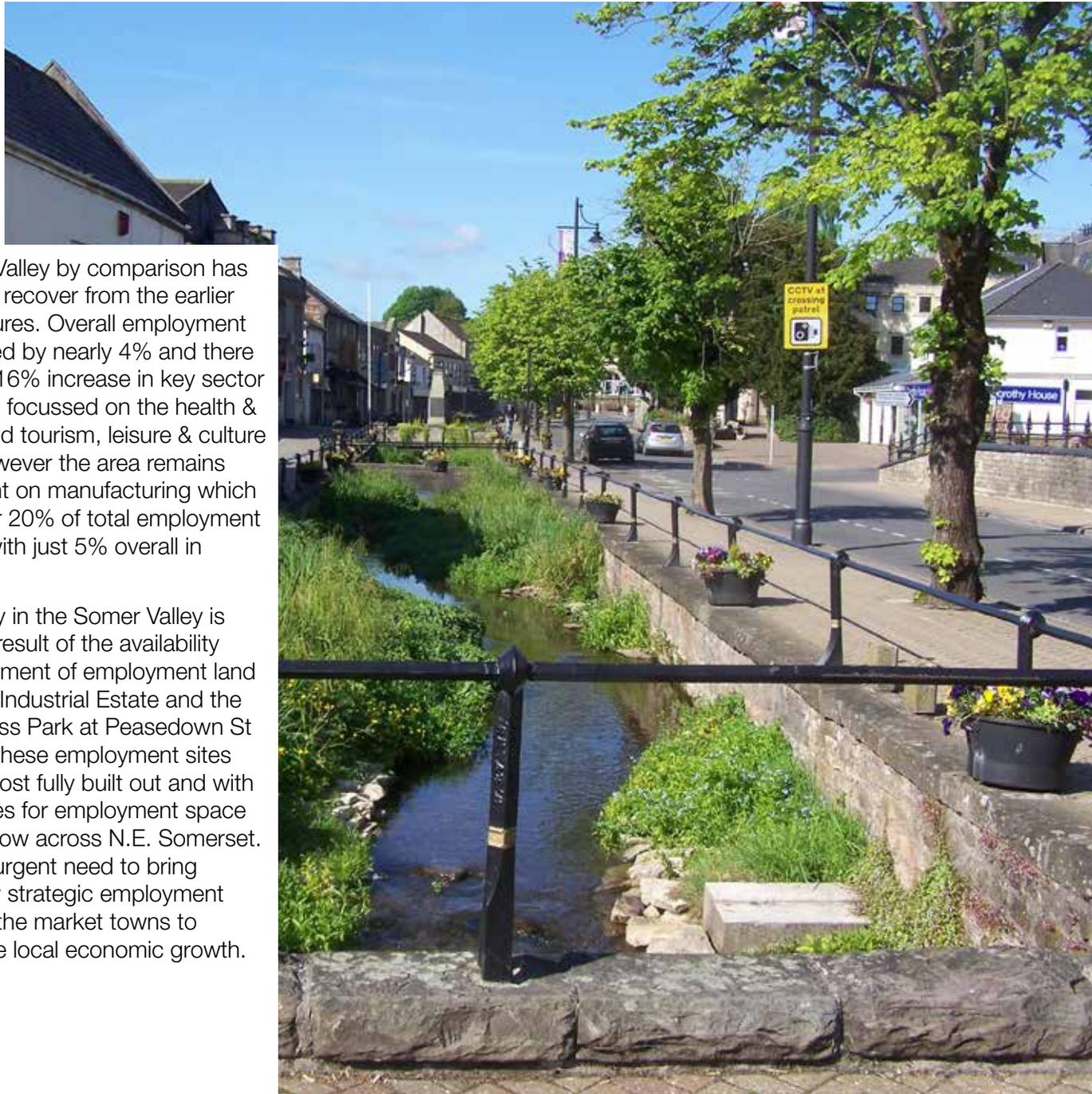
Whilst Bath is the economic driver for the B&NES area, the market towns of Keynsham and the Somer Valley area provide two-thirds of the employment outside the city with a total of 16,600 jobs, just over 20% of the total jobs in B&NES.

The market town areas also provide nearly 20% of the area's GVA output and 24% of the total stock of businesses, although only 14% are in the priority business sectors. They are home to 28% of the area's population; an indication that both areas suffer from high levels of out-commuting which is in excess of 60%.

This situation has been exacerbated by major factory closures including Cadbury in Keynsham and Polestar, Alcan and Welton Bibby Baron in the Somer Valley. Keynsham has been particularly affected by the closure of Cadbury which has seen the town's relatively small employment base reduce by 11%. and a 5% reduction in the overall business stock and priority sector representation.

The Somer Valley by comparison has managed to recover from the earlier factory closures. Overall employment has increased by nearly 4% and there has been a 16% increase in key sector employment focussed on the health & wellbeing and tourism, leisure & culture sectors. However the area remains heavily reliant on manufacturing which accounts for 20% of total employment compared with just 5% overall in B&NES.

The recovery in the Somer Valley is largely as a result of the availability and development of employment land at Westfield Industrial Estate and the Bath Business Park at Peasedown St John. Both these employment sites are now almost fully built out and with vacancy rates for employment space at 3% or below across N.E. Somerset. There is an urgent need to bring forward new strategic employment locations in the market towns to enable future local economic growth.





ISSUES AND CHALLENGES

The Town Centres

As well as centres for employment, the town centres of Keynsham, Midsomer Norton and Radstock act as local service centres for the immediate population and surrounding rural areas, offering a range of retail, leisure and sporting facilities. In this role the town centres also make an important contribution to local employment.

Keynsham has circa 150 retail units and 13,500sqm of retail space. The town has previously suffered from a limited comparison and hospitality offer but this will potentially be addressed following the strengthening of the food retail offer in the town and B&NES Council's investment in the redevelopment of **The Centre Keynsham** which will provide new office space, civic facilities and additional larger units for food and comparison retail space.

The Centre redevelopment will also deliver public realm and traffic management improvements as part of an overall emerging strategy for improving the environment and reducing traffic impacts which continue to adversely affect the town centre.

Midsomer Norton has three times the number of retail units as neighbouring Radstock town centre and serves as the market town for the Somer Valley area. Overall it has a similar amount of retail floorspace to Keynsham but to date has provided a more diverse offer. The main issue is the lack of medium sized and larger retail units, which is a constraint to attracting more national retail operators, and the relative weakness of the food retail offer which leaves the town centre exposed to out of town food retail provision.

Like Keynsham, MSN town centre can be affected by traffic congestion and previous retail assessments have suggested that, with retail units spread out along the High Street, there is a need to create a new heart for the town focussing on the Streamside area and the delivery of traffic management measures linked to high quality public realm.

Market Town Connectivity

An overall co-ordinated approach to **traffic management**, access and parking in the town centres is central to their continued vitality in order to reduce congestion, improve the environment and offer and ensure shoppers and businesses can access a supply of competitively priced, conveniently located car parking.

Improved **broadband connectivity** both to surrounding rural communities and within the town centres will enhance access to and provision of information.

Moving forward the Market Towns will be the location for up to 35% of the planned new housing in B&NES. It is important that this is balanced by local employment growth to assist in re-building the employment base in Keynsham and diversifying the economy in the Somer Valley. Between 3,500 and 4,000 new local jobs will be required by 2030 to ensure that:

The Market Towns will retain their role as sustainable local service and employment centres for their local population and rural hinterland

OPPORTUNITIES

There are identified employment sites, development opportunities and programmes of work which if progressed can address the issues and challenges facing the market towns.

Bringing forward new strategic employment locations

In Keynsham the redevelopment of the Somerdale site includes the provision of 12,000sqm of new office space and at World's End Lane 6ha of land is proposed for employment use.

Together these developments could deliver up to 2,000 new jobs.

In the Somer Valley the expansion of the Midsomer Norton Business centre together with the development of the former Polestar factory and the 13.5ha employment land site at Old Mills could bring forward up to 1,800 jobs.

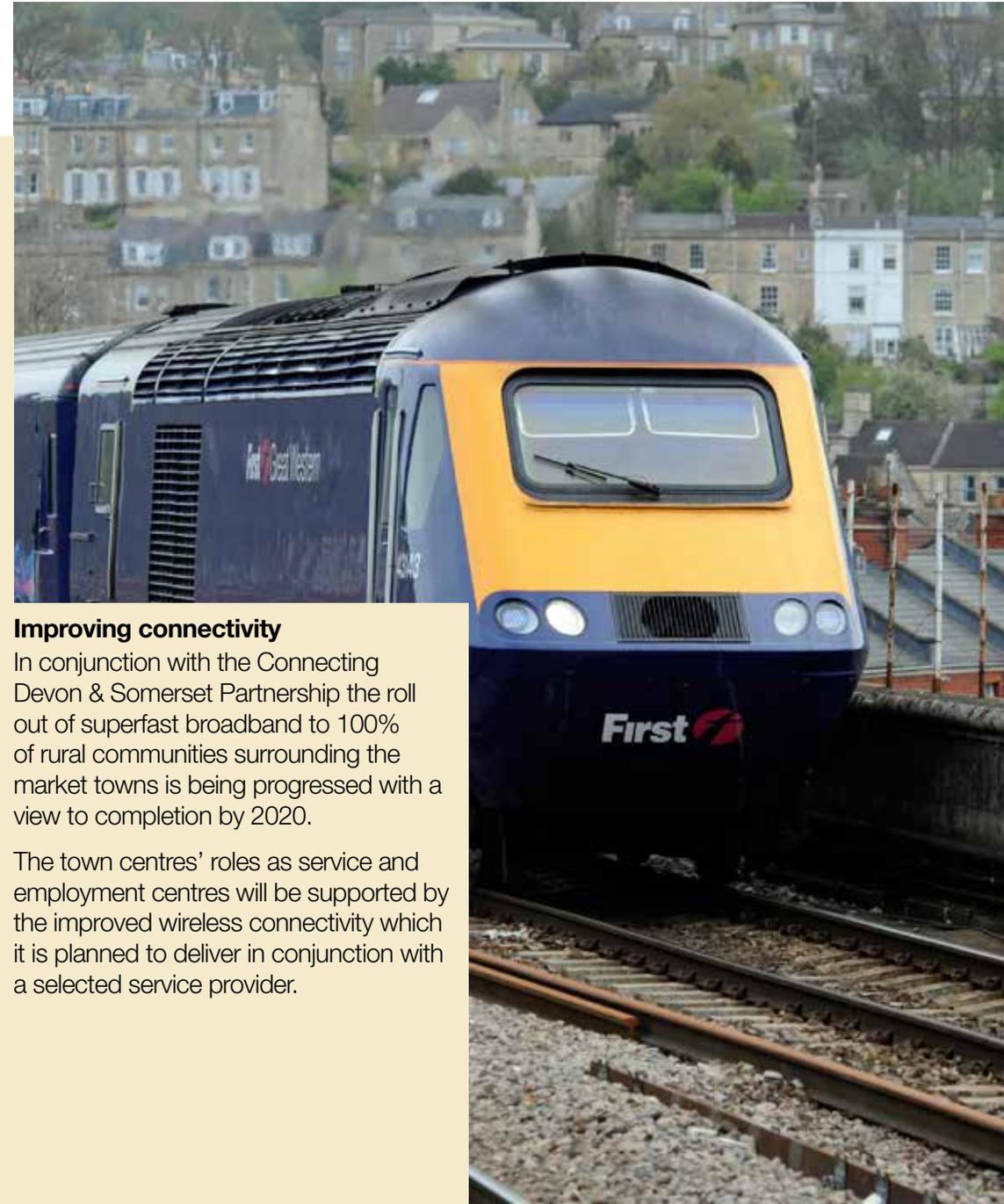
In Keynsham and the Somer Valley the new employment sites have ownership and infrastructure constraints which need to be addressed.

Revitalising the town centres

An overall strategic approach to public realm improvements and traffic management is required in both town centres to improve their attractiveness and reduce congestion.

In Keynsham the potential future redevelopment of the Riverside and Fire Station sites, including the re-provision of the Leisure Centre, will need to contribute to local employment and strengthen the town's overall offer.

In Midsomer Norton the development of the South Road car park site for food retail will bring local employment and reinforce the town's overall retail offer. It also has the potential to act as the catalyst for the redevelopment of under-used and vacant buildings on the Streamside to provide a supply of larger retail units and contribute to building a new "heart" for the town centre



Improving connectivity

In conjunction with the Connecting Devon & Somerset Partnership the roll out of superfast broadband to 100% of rural communities surrounding the market towns is being progressed with a view to completion by 2020.

The town centres' roles as service and employment centres will be supported by the improved wireless connectivity which it is planned to deliver in conjunction with a selected service provider.

SUSTAINABLE CONNECTED COMMUNITIES

ISSUES AND CHALLENGES

Connected Communities

The provision of an affordable, low carbon, accessible, integrated and reliable transport network which allows people to get around is essential to support economic growth in B&NES.

Investment through the £80m Greater Bristol Bus Network programme and the Better Bus Area 2013 funding has improved public transport services between the cities and market towns in the WofE. In addition the Local Sustainable Transport Fund and the Cycle Ambition Fund have provided residents and businesses with sustainable transport options.

In Bath, the £27m Bath Transport Package, due for completion in 2015, is delivering investment into the city's transport infrastructure to support employment growth in the Bath City Riverside Enterprise Area.

However there are further challenges, especially given the important role Bath plays in the economy of the wider area and the planned level of overall employment growth in the Enterprise Area:

- There will be a need to further expand Park & Ride (P&R) facilities, including provision east of Bath, to address coach parking provision and improve the connectivity between P&R sites and the city centre
- The frequency of and accessibility to rail services is limited leading to congestion at peak times
- The A36 and A4 routes in the city and along the corridor to Bristol suffer from congestion at major intersections

Sustainable Communities

The transition to a sustainable economy will bring economic benefits as well as helping meet the aim of reducing district wide carbon emissions by 45% by 2026.

The most commonly accepted definition of a 'green' job is one created within the range of businesses included in the low carbon environmental goods and services sector (LCEGS). This includes environmental remediation, water supply, waste treatment, energy efficiency and low carbon energy. LCEGs is the most productive priority sector in B&NES, with an average GVA of £183,000/ job.

However, it is now becoming more widely understood that economic opportunities arising from the shift to a low carbon and environmentally sustainable economy exist for many other business and commercial activities, such as engineering companies supplying components for offshore wind. In addition, existing businesses of all types need to plan to meet the increasing challenges of rising resource and energy costs and climatic disruption.

Greening these businesses will in turn increase demand for the products and services of the LCEGS and the growth of 'green' jobs.

Reducing energy use also helps the local economy by putting more money in local people's pockets. Currently around £157m per year leaves the area in the form of energy bills; this is predicted to rise by 18% by 2020.

Similarly, domestic food expenditure in the district is around £382m per year, the majority of which is spent in supermarkets and leaves the local area. By contrast, the production of local food creates a local multiplier effect; around £3 can be generated for the local economy per £1 spent. Local sustainably produced food is a key component of the low carbon economy, buffering against climate change impacts and disruptions in global food supply and improving economic opportunities for local food and farming businesses.

Think Local

Our strategy for procurement is 'Think Local'. By helping to develop the local economy we can make significant improvements to the economic, environmental and social wellbeing of the communities we serve. Our carbon footprint will be reduced and we will be supporting our own small and medium enterprises.



Promoting **Sustainable Connected Communities** and developing a more sustainable economy will mean that: Businesses and residents are benefitting from improved connectivity, reducing their energy and waste costs, procuring more goods and services locally and using more locally produced food & energy. This increases the attractiveness of the area as an employment location, creates work for local environmental businesses and attracts new business investment.

OPPORTUNITIES

The development of Sustainable Connected Communities has four key components:

1. Accessibility to major employment locations is improved allowing businesses to draw from a wider labour catchment area and residents to exercise sustainable transport options.

Improvements to rail based travel will provide employers with access to a larger pool of skilled workers and help attract new business investment.

The implementation of Metro West Phase 1 will allow additional train services to be provided between North Somerset, Bristol and Bath.

Alongside Metro West, future investment in a possible new stations package, in particular Saltford and Corsham in Wiltshire, could improve accessibility for commuters and visitors.

The introduction of **smart ticketing**, using the Sustainable Transport Fund and the electrification of the Great Western main line will also enhance services and improve accessibility.

Further investment in road based transportation, potentially through the sub-regional City Deal, will facilitate the next phase of P&R provision, the delivery of a new P&R east of Bath and the implementation of dedicated bus lanes along the A4 and A36 to speed access into the city centre.

City Deal funding, alongside developer contributions could enable comprehensive improvements to Windsor Bridge and the Pinesway gyratory. Outside the city Pinch Point transport funding can help to reduce congestion at key points on the highway network, such as Hicks Gate.

2. Existing businesses and residents are enabled to reduce their energy and resource use and adapt to the future climate:

Local businesses are supported to reduce resource use and adapt to climate change by signposting to assistance and resources available through the LEP's Growth Hub.

Existing and emerging policy frameworks encourage high energy standards in new commercial buildings and the retrofitting of commercial buildings is supported through the LEP and sub-regional partners. Waste is used as a resource through a thriving LCEGs sector and an emerging **"circular economy"**.



The “Energy@Home” project encourages residents to reduce their domestic energy consumption and supports the retro-fitting on existing domestic properties. Innovative ways will be explored to ensure new buildings are built to a high standard of energy performance.

3. Sustainable businesses and the Low Carbon & Environmental Goods & Services (LCEGS) sector are supported to grow

Energy retrofitting for existing buildings supports local providers and builds local supply chains. Jobs within local businesses are created and safeguarded by the increase in retrofitting.

Local **renewable energy projects** are implemented using social and community enterprise models which retain revenue and jobs in the local area.

Retaining economic activity in the local economy encourages the growth of the LCEGS sector and the high value jobs it provides

4. Local food production and supply is increased, enhancing the local multiplier effect, creating income & job growth and improving the quality of life and cultural offer

Local businesses are encouraged and supported to purchase and sell more local food. Through the Local Enterprise Partnership Growth Hub and targeted local advice and guidance, new businesses are supported to process and distribute food locally. An increase in **local food trade** generates income growth and safeguards local jobs in food processing and distribution.

HOUSING

ISSUES AND CHALLENGES

Bath and North East Somerset is a desirable place to live and demand for housing is projected to increase. Housing development has been constrained by the economic situation and restricted land supply. The housing shortage pushes up prices and rents making affordability more challenging for people on low or middle incomes. Home ownership has decreased and house prices are higher than the South West and national averages.

Social rented housing is still the most affordable tenure and demand is high across the district. One in three (32%) households lives in social or private rented housing. **The private rented sector has grown significantly in the last 10 years** via conversions of owner occupied housing and housing benefit claims for private rents have increased. There are more houses in multiple occupation than the national average and the increase has changed the character of neighbourhoods, notably in the city.

Listed and historic buildings are an asset but can be problematic and costly to improve. The district housing stock is **older than the national average**. One in three (28%) private sector properties was built more than 100 years ago and a quarter of housing in the private rented sector fails to meet minimum expected standards. It is estimated that preventing ill health caused by poor housing conditions such as cold, damp, house fire or accidental falls could save local health services £5m each year and as the older population increases this situation could get worse.

Most residents enjoy good health and a good standard of living but in the more deprived areas, communities experience high rates of unemployment, ill health, low income and **difficulty accessing housing**. These issues can lead to a high risk of becoming homeless and leaving home, tenancy termination and violence are the most common triggers. Homelessness can be prevented by timely advice and intervention and the provision of suitable alternative housing. There are fewer households in temporary accommodation than in neighbouring local authorities.

The above issues need to be addressed in a co-ordinated way to try and ensure that in the future:



The local housing market is balanced and integrates a choice of high quality homes including affordable homes in thriving vibrant, sustainable communities.

OPPORTUNITIES

Build more new homes

A balanced housing market requires an increased supply of new homes. New homes must be built in the right place and be the right specification to meet changing housing needs. For every £1 spent on housing £2.41 is generated in the wider community. Developing new homes will create employment, provide homes for people that want to live and work in B&NES and have a positive impact on the economic growth of the area.

What needs to happen:

- facilitating the delivery of new homes including affordable homes;
- making the best use of available land supply and funding opportunities;
- supporting mixed tenure developments of new market and affordable housing options including specialist and supported housing;
- helping residents to thrive by incorporating good community infrastructure on new housing developments;
- commissioning adaptable and sustainable homes for independent living.

Improve existing homes

A choice of high quality homes requires improvements to the existing housing stock. Improved homes will help businesses attract and retain the staff they need enabling economic growth and the creation of local employment opportunities. Providing a good range of housing for people that want to live and work in B&NES will require partnership working to :

- Enable financial assistance to vulnerable owner occupiers for home improvements
- Enforce minimum standards in rented housing and offer guidance
- Support adaptations and better energy efficiency

Preventing homelessness and tackling the main causes of homelessness

Building and improving homes will help to ensure that everyone is better housed. The Council runs Homesearch to enable the best use of affordable housing for those in housing need and works in partnership with landlords and the voluntary and community sector to provide financial support and advice to facilitate access to housing in order to:

- Continue to prevent homelessness and protect vulnerable homeless people
- Support the Homelessness Partnership to help homeless people into meaningful employment.
- Contribute to public services partnerships that tackle the main causes of homelessness

PEOPLE THEME

B&NES will have an economy with sufficient quality, sustainable jobs at all levels and local residents have the skills to enable them to progress through the labour market and earn incomes, which will enable them to achieve their economic potential and competitiveness.



INTRODUCTION

The residents and work force of B&NES play a crucial role in enabling our growth aims and objectives. So far the Strategy has set out how we intend to support the development of the local economy and infrastructure, but it is also necessary to ensure that every resident is supported in achieving a healthy and sustainable working life.

To deliver the aim of the People theme, there needs to be a concerted effort in engaging all members of the community to ensure that a reasonable level of equity and issues of health & wellbeing are addressed.

Further to this if the outcome of the B&NES Health and Wellbeing strategy to...

“Reduce Health inequality and improve health & wellbeing in Bath & North East Somerset by helping people to stay healthy, improving the quality of people’s lives and creating fairer life chances.”

...is to be achieved then support must be given not only to encourage business and employment growth, but also the issue of worklessness and its impact on health and wellbeing needs to be addressed.

2 KEY STRATEGIC PRIORITIES

EMPLOYMENT AND SKILLS

LEISURE AND CULTURE



EMPLOYMENT AND SKILLS

ISSUES AND CHALLENGES

Bath and North East Somerset has managed to weather the storm of the economic crisis of 2008 and the subsequent recession. Unemployment has remained below the national average and standards of living compared to the rest of the country are relatively high.

However there are still issues to be addressed. The B&NES labour market grew by 5.1% between 2001 and 2011 compared to the higher growth of the respective working age populations of the West of England (9.5% growth) and England (8.3% growth).

Residents in B&NES in 2013 earned £411.50 per week (gross) compared to £420.30 across the West of England and £421.60 nationally, which is especially concerning when contrasted with house prices being over 40% higher than the national average. Also there are unacceptable levels of deprivation in B&NES, with 20% of families not earning a living wage and 67% of people at risk of eviction from their homes being in work.



Skills

In relation to skills, B&NES outperforms the West of England sub-region and England, with 36% of residents having NVQ4+ qualifications, compared to 33.4% across the West of England and 29.8% nationally.

Similarly, just 9.7% of B&NES' residents have no qualifications compared to 11.7% across the West of England and 14.8% nationally across England.

A total of 57.1% of B&NES employees in employment are in 'higher skilled occupations' compared to 54.4% in the West of England and 52.5% nationally

Worklessness

Closely related to low skills levels, worklessness is often characterised by multiple disadvantage. Some individuals face a number of barriers to participation in the labour market and are at a higher risk of being workless.

If people are to be helped to improve their employment prospects, then they need services which provide a seamless journey into sustainable employment.

For employers there is a need to improve the understanding of Universal Credit provision and ensure their workforce requirements are reflected in the training and skills opportunities, and in-work support services that are offered.

Unemployment rates

The low rates of unemployment in B&NES are not an initial area of concern, however when the age of claimants and duration of claims is explored a number of issues arise.

Just under one quarter (23.0%) of claimants are classified as 'youth unemployed' - aged 18 to 24. Broadly similar rates are found across the West of England, but B&NES has seen a 3.8% rise in youth unemployed as a percentage of its claimants compared to a 3.8% fall across the West of England and a 9.4% fall in the share nationally.

Analysis of the share of claimants who have been claiming for more than 12 months shows that the share is lower in B&NES than across the West of England and nationally, but that it has risen at a comparatively higher rate than across the benchmark areas; 24.6% of B&NES' claimants have been unemployed for more than 12 months compared to 26.2% across the LEP area and 29.6% nationally, however, this share grew by 164.2% across B&NES compared to 147.5% growth across the West of England and 93.5% growth across England



Employment Sectors

Employment in B&NES has a much higher proportion of public sector jobs than found across either of the benchmark areas and a much smaller proportion of private sector employment; just 63.8% of employment in B&NES workplaces is in the private sector compared to 64.6% across the West of England and 67.4% nationally.

This is a relatively serious competitive issue, likely to drive down B&NES' GVA per worker (as public sector GVA per worker is generally much lower than a private sector equivalent).

Growth in self-employment in B&NES between 2001 and 2011, at 14.2%, was impressive but lagged considerably behind the West of England and national growth; self-employment grew by 23.2% across the West of England and by 25.6% nationally between 2001 and 2011. Key drivers of B&NES' lower earnings include the higher share of workplace employment in the public sector and

the higher share of part-time jobs as a proportion of all jobs. Between 2003 and 2013 workplace earnings in B&NES grew by just 4.7% compared to 17.9% across the West of England and 23.7% nationally. A key driver of this lower growth is likely to include the rise of part-time employment in B&NES.

In order for B&NES to survive and prosper into the future, the local economy must at least achieve a level of private sector economic growth which will enable it to support its population. In addition issues of worklessness and in work poverty and the resulting effects on health and wellbeing need to be addressed with a focus on enabling residents to improve their financial and employment mobility. Skilled workers are more readily employed, and once at work are more productive with the capability to take on sophisticated tasks.

● People and their skills are a major factor in achieving local economic growth, and are therefore also a major determinant of the future prosperity, resilience and wellbeing of the local area.

The Employment & Skills Plan for B&NES seeks to meet the needs of local residents and support areas of strength in the labour market to help fulfil the economic growth aims of the B&NES Economic Strategy. The local area needs to maintain and increase its levels of economic growth at a time when even more local jobs are needed as a result of the raising of the participation age (RPA) for young people, the raising of the state retirement age and changes to the welfare system.

OPPORTUNITIES

There are three key strategic areas for action; **Social Mobility, Business Growth** and increasing the **Return on Investment** and local benefits accruing from new developments in the area.

Social Mobility

To help tackle the issues of unemployment and in work poverty within B&NES, a range of interventions are required to meet a range of needs. If future issues with in the labour market are to be avoided, interventions aimed at the prevention of unemployment and low skills should also be developed.

Successful interventions will be dependent on close joint working between a range of organisations, agencies and partners. Central to this will be coordinating priorities and actions with DWP, Council Services, Third Sector organisations and worklessness support providers locally.

Young People (18–24) & Prevention of Low Skills and Worklessness

The evidence shows that youth unemployment has risen in B&NES, contrary to the experience generally across the country and whilst the overall number of claimants is now reducing, the level of long term claimants has remained the same. A range of measures need to be used to counter this worrying trend:

- Providing information advice & guidance
- Delivering employability & vocational skills
- Encouraging work experience in Secondary and Further Education
- Increasing residents participation in FE/HE
- Promoting entrepreneurship and self-employment

Tackling Unemployment

Unemployment and worklessness in B&NES is of a comparatively low level, however in ensuring the economic and social sustainability of the present and future labour market this issue still needs to be addressed.

There are a number of groups of people who require specialist interventions in B&NES including:

- Those not in education, employment or training (NEET) & Younger Claimants
- Young People Leaving Care (16-21)
- Older long term unemployed
- Those suffering from physical and mental health issues
- Lone Parents
- Young People aged 16–19

Each group has complex needs but there are some generic areas of support that will benefit these residents, which include:

- tackling barriers to work
- improving basic skills and employability
- encouraging local recruitment and development opportunities
- promoting apprenticeships
- raising educational attainment/ workforce development

BUSINESS GROWTH

To ensure that the B&NES economy grows sufficiently to support the local population and deliver a range of employment that can meet the needs of the labour market, it is necessary to ensure that businesses have the opportunity to increase their productivity through well skilled employees.

UK Commission for Employment & Skills labour market forecasts suggest that by 2022 nearly half of all employment will be for skilled roles. Managerial, professional and associate professional occupations are projected to grow three times faster than the average for UK employment as a whole.

There is also a need to maximise the support available to people wishing to start their own business, which will if successful help to provide a diverse labour market.

Support for new business start-ups, the development of social enterprises and delivering new business investment into the area will be important elements in this. There is also a need to engage more businesses in training and skills development through:

- Focussing on employment and training development in the Core Sectors
- Improving the links between businesses and education
- Improving graduate retention levels
- Support to promote employment growth in the Key Sectors

Engagement with the Local Enterprise Partnership will be essential in delivering the area's aspirations on business growth & employment. The **LEP Strategic Economic Plan** recognises People and Skills as one of the levers for growth.

We will develop a well-motivated, educated workforce with the right skills to meet local business needs.

Business-led skills development will address the current and future skills needs of business whilst meeting our aspirations for growth, sustainability and inclusion. All education and training activity will have line of sight to employment.

Utilising funding from the government's Local Growth Fund there will be investment in the Employability Chartermark, which brings business and education together.

The West of England Skills Plan sets out the People & Skills objectives that will be delivered and promotes a co-ordinated approach to Labour Market Intelligence which will help to inform B&NES priorities and actions.



A LOCAL RETURN ON INVESTMENT

In its role as a planning and regulatory authority B&NES Council can play a strong influencing role in the wider business community and provide direct support for a range of projects and programmes to address worklessness and improve employment prospects.

In particular the Council can ensure that as the economy recovers and new developments come forward they contribute to local employment and training provision through:

- **Targeted Recruitment & Training (TR&T) outcomes embedded into S106 planning agreements**
- **TR&T outcomes contributing to the social value toolkit within the “Think Local” procurement Strategy**
- **Support for apprenticeships, traineeships and work experience placements**

To date TR&T provisions have been incorporated into developments at BWR, Polestar Paulton and Somerdale Keynsham and included in the procurement process for the Keynsham Town Hall redevelopment, Grand Parade Undercroft and Leisure Services contract.



LEISURE AND CULTURE

ISSUES AND CHALLENGES

Leisure and culture help to make Bath and North East Somerset a 'beautifully inventive' dynamic place, attracting residents to settle here to live and work and drawing visitors from the UK and abroad to experience the area. The area is a unique tourist destination, combining a rich heritage experience with a wholly contemporary range of cultural and leisure attractions for visitors and residents alike.

The leisure and cultural sectors are important parts of the wider visitor economy which employ over 10,000 people across B&NES and activities such as sporting events and festivals create wider impact through ancillary spend by visitors on accommodation, travel, food & drink and retail.

It is estimated that 80% of B&NES residents engage in arts, cultural or sporting activity at least once a month and in 2013/14 over 500,000 people attended outdoor events. High profile leisure, sports and cultural events and attractions add to the national and international reputation of Bath and North East Somerset.

Participation in physical and sporting activity and in culture and the arts is acknowledged to be beneficial both to the individual and the wider community. It can reduce social isolation; improve personal health & wellbeing and build capacity and sustainability in communities. Having a healthier workforce can also benefit local businesses.

New businesses are attracted to locate to a place that offers a variety of culture and leisure opportunities for their employees.

However there are a number of challenges to overcome:

- Over 70% of adults are not active enough to benefit their health: the health cost of this inactivity is estimated at £3m annually
- Local sports and cultural venues are in a poor condition and in need of investment which hampers participation
- There is a lack of engagement from specific communities in arts and cultural activity
- Many leisure and cultural businesses are small and reliant on volunteer help



OPPORTUNITIES

Enabling investment in new facilities, developing a strategic approach to events and promoting employer engagement will address a number of the above issues.

Enabling investment

Negotiations on the contract for the delivery of leisure services in B&NES provide the opportunity to secure investment in new leisure facilities and deliver an increase in the numbers of local residents using local leisure centres

Maintaining the area's profile as a centre for major events and sport

Attracting major events such as The Tour of Britain Cycling Race and the Special Olympics, alongside the contribution of regular rugby fixtures at the Recreation Ground have a beneficial effect on the area's economy.

The Tour of Britain Cycle Race will attract an estimated 250,000 visitors to the area and Bath Rugby generates £25m into the local economy on an annual basis.

Widening participation

There has historically been a lack of engagement in leisure and culture activities from certain communities in B&NES. In its role as a commissioner of services the Council can seek to address this issue through targeting activities and resources.

A Strategic Plan for Events

The development of a co-ordinated year round calendar of events and activities, including the attraction of further major national events, would provide a significant boost to the visitor economy and help to engage individuals and local communities.

Tailored business support

Providing tailored advice and support on issues such as business planning, procurement and contracting and employment and/or volunteering issues as part of the delivery of a wider package of business support in B&NES will assist the sector's smallest businesses. Small-scale cultural organisations in particular can benefit from this type of targeted support.

Employer engagement

Improving employee health & well-being is likely to lead to improved productivity. More employers need to be encouraged to develop "Active Workplace" schemes.

This approach is embedded in the Health & Wellbeing and "Fit for Life" Leisure strategies as follows:

Helping people to stay healthy

- Work with local employers to create healthy, active workplaces which improve the health of the working age population.
- Create opportunities for volunteering to successfully increase people's physical activity and promote good mental health and well-being as well as increasing the potential for employment



APPENDIX 1

ECONOMIC STRATEGY REVIEW: ACTION PLAN 2014–2020

Economic Strategy Theme	Rationale	Action	Output	Outcome	Lead
BUSINESS					
PROMOTING APPROPRIATE BUSINESS GROWTH AND INVESTMENT					
1. Ensure opportunities from being part of a successful West of England economy are maximised	Workplace and resident employment growth in the WofE has outperformed the national economy	Resource our continued engagement with and influence on the West of England Local Enterprise Partnership Liaise with Wiltshire & Somerset to ensure cross boundary co-ordination on economic issues	Investment secured in enabling infrastructure for key development projects and skills initiatives Target 15% of LEP funds Labour market issues addressed	New development sites brought forward in the Bath City Riverside E.A. Increasing numbers of businesses are attracted to Bath and North East Somerset	Council Support: LEP BPA
2. Promote B&NES as a location for inward investment to assist in achieving future employment growth targets	To achieve our Growth Ambition will require 15,600 gross new jobs to be created by 2030	Agree our economic story and vision as the basis of demonstrating our Competitive Identity Establish a marketing brand for the Bath City Riverside E.A. Develop specific investment propositions as the basis for proactive engagement with the IB&B team	Increasing numbers of business are attracted to the area Target 1,500 new jobs by 2020	More modern office space is built An increase in the number of higher-waged, higher skilled knowledge based jobs available locally	IBB Support: Council BPA
3. Facilitate the growth of key knowledge-based sectors locally	32% of employment in B&NES is in the knowledge economy	Establish a relationship with key companies in the knowledge economy to understand their issues and priorities Maintain and develop key sector business networks and strengthen links with the H.E. sector Actively promote business development services to key sector companies.	Proactive business engagement programme 500 companies actively engaged by 2020	Business support policies are informed and help businesses in these key sectors develop and offer more employment opportunities Business relocations are prevented	Council Support: LEP & key partners

Economic Strategy Theme	Rationale	Action	Output	Outcome	Lead
PROVIDING A COMPREHENSIVE BUSINESS SUPPORT SERVICE FOR SMEs					
4. Maintain the delivery of local commissioned business support services to new and existing companies in B&NES	3 year business survival rate in B&NES is 64% compared with 60% nationally	Ensure the ongoing funding & delivery of the Business Support Service Level Agreement	New and established businesses receiving support New business starts 600+ businesses receiving support 150 new business starts	Businesses are supported, business survival rates are improved and jobs are better protected locally	Council Support: LEP and providers
5. Facilitate access to high growth and specialist support services for B&NES businesses	B&NES has above average representation and growth in the Knowledge Economy sectors	Work with the LEP SME Support Group, Business West and private sector partners to ensure referrals and local access	Local access to the Growth Hub is available in B&NES 500 businesses receiving support 200 additional jobs created	Tailored support for businesses in the Key Sectors and the Knowledge Economy	LEP Support: Business West Council Bath University
DELIVERING A SUPPLY OF BUSINESS SPACE THAT MEETS LOCAL BUSINESS GROWTH NEEDS					
6. Ensure the business space needs of local companies are addressed	Only 12% of the office space in Bath is grade A and the vacancy rate for industrial property is less than 3%	Maintain up to date data on business space demand, supply and take-up	Better data and more efficient & effective handling of investment enquiries Annual report on locations, vacancy rates, rents and yields	Conversion rate on property enquiries improved Increased numbers of jobs created and/or protected	Council Support: Commercial agents
7. Reaffirm the working relationship between the Council and the business community	To achieve our Growth Ambition will require 16,900 gross new jobs to be created by 2030	Establish the Bath and North East Somerset Economic Partnership as the owners and sponsors of the Economic Strategy	A strong coherent business voice feeding into the West of England LEP and Government and influencing adjoining areas such as Somerset & Wiltshire	Business better informed on WofE and adjoining area issues and able to advocate for the area B&NES features strongly in all the West of England LEP work	Initiative Support: Council HE sector FSB

Economic Strategy Theme	Rationale	Action	Output	Outcome	Lead
PLACE					
SUCCESSFUL CITY					
8. Maintain Bath's role as a successful and sustainable international visitor destination	The city attracts over 5.6m visitors per annum spending £374m	<p>Continue to support a public / private sector Destination Management Organisation</p> <p>Develop an up to date Destination Management Plan</p> <p>Research and prepare a revised Visitor Marketing Strategy</p>	<p>Destination Management Plan</p> <p>Visitor Marketing Strategy</p> <p>Hotel Investment Action Plan</p>	<p>Ability to attract funds from national organisations</p> <p>Increased private sector sponsorship</p> <p>10% increase in staying visitors</p> <p>15% increase in visitor spend.</p>	BTP Support: Council Businesses
9. Ensure Bath city centre remains a regional retail, leisure, cultural and sporting destination	The wider visitor economy supports 15,500 jobs and generates £315m GVA annually	<p>Establish a new Creative & Cultural Bath organisation</p> <p>Support the continuation of the Bath BID and ongoing investment in the public realm</p> <p>Promote investment in new leisure facilities</p> <p>Within the central area of the city, enable the development of a sporting, cultural and leisure stadium and a new cultural/ performing arts venue</p> <p>Develop a Creative & Cultural Strategic Plan including an Events Strategy setting out a year round programme of events and festivals</p>	<p>New Bath BID contract</p> <p>Sawclose leisure quarter development</p> <p>New Stadium</p> <p>Creative & Cultural Plan & Events Strategy</p>	<p>Value of overall Visitor Economy increased by 10%</p> <p>At least one major event delivered per annum</p> <p>20% increase in visitors to events</p>	Council Support: BID BTP Council CCB
10. Maintain the city's role as the major employment centre and economic driver for the B&NES area	Bath provides 70% of the areas employment and GVA output and is home to 50% of the areas businesses	<p>Complete and publish a Masterplan and Delivery Plan for the Bath City Riverside Enterprise Area</p> <p>Business plans developed for enabling infrastructure for Innovation Quay and Bath Western Riverside</p>	<p>New commercial quarters developed in and on the edge of the city centre</p> <p>New Central Business District created</p> <p>LEP EDF capital infrastructure funding secured to enable key sites</p>	<p>New grade A office space developed</p> <p>By 2020 1,700 jobs and 1,000 new homes created</p>	Council Support: LEP BPA

Economic Strategy Theme	Rationale	Action	Output	Outcome	Lead
11. Develop Bath's role as a centre for Enterprise, Innovation & the Knowledge Economy	75% of knowledge based and priority sector employment is based in the city	<p>In conjunction with Bath University facilitate the expansion of the Set Squared Innovation Centre at Carpenter House</p> <p>Promote the development of additional incubation space for newly relocated or expanding small businesses</p> <p>Work with developers and operators to bring forward a new Creative Hub</p>	<p>Significantly expanded innovation facilities with linked incubation space</p> <p>"Landing Pad" facilities established in city centre</p> <p>New Creative Hub established</p>	<p>By 2020:</p> <p>2,000sqm of additional creative space supporting up to 250 jobs</p> <p>1,500 jobs delivered by company creation and expansion through the Innovation Centre</p>	<p>H.E sector</p> <p>Support: Council LEP operators</p>
12. Ensure businesses and residents have access to appropriate broadband and digital services	Access to broadband identified as the top priority for businesses	<p>Implement Digital B&NES initiatives in Bath</p> <p>Establish the Bath City Riverside E.A. as a national exemplar ultra-fast broadband project</p>	<p>CD&S role out completed in B&NES by 2016</p> <p>Ultrafast 100Mbs+ broadband delivered to key sites in Bath city centre and the Enterprise Area</p> <p>Wireless connectivity enabled in Bath City Centre</p> <p>Bath City Riverside E.A. connected to Terrabit West high capacity broadband network</p>	<p>Broadband services delivered to 'not spots' in Bath</p> <p>More business investment attracted</p> <p>Improved accessibility to and attractiveness of city centres</p>	<p>Council</p> <p>Support: CD&S providers</p>

Economic Strategy Theme	Rationale	Action	Output	Outcome	Lead
VIBRANT MARKET TOWNS					
13. Ensure the Market Towns retain their role as sustainable local service and employment centres	The market towns provide two thirds of the employment in B&NES outside the city	<p>Facilitate the development of new strategic employment locations</p> <p>Prepare a Workspace Strategy for Keynsham and the Somer Valley</p> <p>Prepare Action Plans for Keynsham and Midsomer Norton Town Centres including a strategy for attracting new business investment.</p> <p>Deliver the agreed regeneration scheme for Radstock Centre</p> <p>Promote the development of key housing sites</p> <p>Work with the Chamber of Commerce and local traders in the Somer Valley on the development of business to business initiatives</p> <p>Implement Digital B&NES initiatives in the market towns & surrounding rural areas</p>	<p>12,000sqm of employment space brought forward at Somerdale Keynsham</p> <p>Masterplans agreed for allocated employment land at Old Mills Paulton and World's End Lane Keynsham</p> <p>Appropriate mix for new employment space established</p> <p>Development proposals brought forward for the Fire Station & Riverside sites in Keynsham and South Road and Business Centre MSN</p> <p>Radstock Railway Land scheme completed</p> <p>Somer Valley EXPO and online initiative.</p> <p>CD&S programme rollout completed in B&NES by 2017</p> <p>Wireless connectivity enabled in Market Town centres</p>	<p>Potential for up to 3,500 gross new jobs by 2030</p> <p>Up to 3,000 new homes by 2020</p> <p>95% of rural properties have access to a minimum 2Mbs broadband</p>	Council Support: local partners

Economic Strategy Theme	Rationale	Action	Output	Outcome	Lead
SUSTAINABLE CONNECTED COMMUNITIES					
14. Improve transport connectivity within and between major employment centres	Congestion costs businesses £100m+ per annum	<p>Support the delivery of the Metro West rail based project</p> <p>Secure LEP / DfT funding for key transport infrastructure to serve the Bath City Riverside E.A.</p> <p>Improve public transport links between Bath and the market towns</p> <p>Develop proposals for comprehensive traffic management schemes in Keynsham & Midsomer Norton town centres</p>	<p>Rail service improved on the Bristol / Keynsham / Bath corridor</p> <p>Key development sites enabled in the Bath City Riverside Enterprise Area</p> <p>Town centre development sites enabled</p>	Up to 2,500 jobs enabled by 2020	Council Support: LEP DfT
15. Promote Sustainable Communities and the development of a Sustainable Economy	<p>Energy costs result in £157m of lost expenditure to the local economy annually.</p> <p>Energy costs are set to rise by 18% by 2020</p>	<p>Provide resource efficiency information, advice and guidance to local businesses through the LEP Growth Hub</p> <p>Implement the Energy@Home project</p> <p>Develop local supply chains in relation to retro-fitting of buildings, renewable energy projects and waste recycling</p> <p>Local Food Strategy produced</p>	<p>Increase in the number of businesses reducing energy costs and recycling waste</p> <p>Target of 2,000 homes retrofitted by 2020</p> <p>Employment growth in the wider LCEGS priority sector</p> <p>More food produced, sold and purchased locally</p>	<p>Local employment safeguarded</p> <p>Reduction in domestic energy costs</p> <p>More expenditure retained in the local economy</p>	ESP Support: Council
16. Develop a “balanced” local housing market that integrates a choice of high quality homes including affordable homes in thriving vibrant communities	Average house prices 17x average earnings	<p>Produce a Housing Implementation Strategy</p> <p>Work with developers and house builders to bring forward new housing provision</p> <p>In conjunction with delivery partners commission the provision of mixed tenure affordable homes</p> <p>Work with landlords to improve private rented housing & bring empty homes back into use</p> <p>Deliver an effective Homelessness Service</p>	<p>Up to 6,800 new homes delivered by 2020</p> <p>Up to 1,900 affordable homes provided by 2020</p> <p>300 empty homes brought back into use</p> <p>Number of households in temporary accommodation controlled</p>	<p>Significant increase in delivery of new market and affordable homes</p> <p>Maximum of 25 households in temporary accommodation on a quarterly basis</p>	Council Support: RP's

Economic Strategy Theme	Rationale	Action	Output	Outcome	Lead
PEOPLE					
EMPLOYMENT & SKILLS - SOCIAL MOBILITY					
17. Preventing low skills and worklessness in young people	Reported issues of poor employability skills in School and University graduates.	Ensure that there is an efficient & effective package of support provided by all secondary schools, covering: <ul style="list-style-type: none"> - Information Advice & Guidance - Employability & Vocational training - Work Experience - Increasing participation - Entrepreneurship and self-employment 	Secondary schools working jointly with the Council on a programme that can provide the necessary careers and employability training to meet the needs of young people and employers , including the LEP Employability Charter Mark.	An increase in the employability of school leavers and more informed career relevant education choices made. Increased take up of vocational employment / training opportunities.	Council Support: Learning Partnership LEP secondary schools VCSO
18. Young People Leaving Care 16-21	On average 40% of looked after children in B&NES are reported to be Not in Education, Employment or Training (NEET)	Worklessness Programme team providing whole Journey Pathway Management to B&NES care leavers. Virtual School increasing participation of B&NES Care Leavers in Further Education and Higher Education.	35 Care Leavers per year participating in accredited learning and training and/ or entering sustainable employment.	Reduction in the number of B&NES children leaving care experiencing unemployment Increased independence of Care Leavers in managing their Economic Wellbeing.	Council
19. NEETS	4% of B&NES 18 – 24 year old not in education, employment or training (NEET)	Outreach, engagement, key worker and employment support programme in place, through the Youth Employment Programme	B&NES NEET population to be engaged into education, training or employment, with an overall 10% reduction in those not engaged.	Reduction in the number of NEETS and long terms 18-24 year old benefit claimants.	Council Support: Council DWP Council Bristol City Council Learning Partnership
20. Young People with Physical & Mental Health Learning Difficulties & Disabilities	Issues of long term worklessness for young people with physical or mental disability, and learning difficulties.	Engage private and public sector to provide placements for relevant individuals and Project Search candidates linked to specialist support	Employment and training opportunities available for young people with physical & mental disability and learning difficulties.	Young people experiencing physical/ mental disability able to enter and sustain employment.	Council Support: Council Project Search

Economic Strategy Theme	Rationale	Action	Output	Outcome	Lead
TACKLING UNEMPLOYMENT AND PRIORITY RESIDENTS GROUPS					
21. Long term ESA claimants & Older Claimants	Over 4% of working age population claiming IB & ESA and approximately 60% claiming over 2 years.	Develop engagement and support programme to enable former IB and existing ESA clients to enter into training and employment	10% Increase in the numbers of ESA claimants and older claimants progressing to employment	Reduction in the level of ESA claimants Reduction in the level of 50+ long term claimants	DWP Support: Council Sirona VC SO
22. Young parents 16-19 & Lone parents 19+	More single parents to enter labour market due to Universal Credit change.	Develop package of engagement and support to enable young parents & lone parents to enter the labour market	Increased numbers of young and lone parents participating in learning & training and gaining employment	Reduction in the level of Lone Parent Income Support and JSA claimants.	DWP Support: Council VC SO
23. Business growth	<p>Social Enterprise</p> <p>Value of social enterprise to the local community and wider economy</p> <p>Targeted social enterprise start up and support service</p> <p>Specific business support and start up IAG skills and set up of a small loans fund.</p> <p>Increased social enterprise start up</p> <p>Council</p> <p>Support: LP Cool Ventures Bristol & B&NES social enterprise network</p> <p>Growth of employment opportunities through Inward Investment</p> <p>Low growth of new start indigenous business</p> <p>Develop a soft landing skills and employment package, delivering recruitment and training services for inward investors in partnership with DWP, LEP and training providers.</p> <p>Information available for inward investors on the local labour market and the soft landing packages available. Including supported recruitment events and sector based work academies</p> <p>Increase in the number of inward investors engaging skills and employment packages and increases in local residents employed through these opportunities</p> <p>Council</p> <p>Support: LP DWP LEP</p>				

Economic Strategy Theme	Rationale	Action	Output	Outcome	Lead
24. Core Sectors Job related Training/ work based learning/ Recruitment support	Low productivity of B&NES work force	Engage businesses and employees to participate in work based learning opportunities through a coordinated business visit and events programme. Coordination of employment opportunities especially in Health & Wellbeing, Tourism/ Leisure and Retail	Increases in participation of business and employees in work based learning opportunities. Promotion of employment opportunities to priority residents Supported by at least one event per sector per year and ongoing business visit and engagement programme.	Increased competitiveness of business and work force. Decrease in worklessness in priority residents	Learning Partnership Support: LEP Council
25. Improving links between business & education	Reported issues in employability skills of young people and business struggling to recruit.	Develop network of business willing to link with schools, FE & HE by working with business support organisations including the FSB.	Coordinated access to work experience and employment opportunities.	More local business engaged with education provider	Learning Partnership Support: LEP B&NES Schools business support networks
26. Key Growth Sectors	Need to generate 10,000 new jobs.	Promotion of sector based skills and employment activities through visit and events programme. Promotion of employment opportunities through sector support organisations.	Priority sectors benefiting from: enhanced interactions with FE/HE; support through LEP skills teams; support in advertising employment opportunities; access to skills funding for their work force Supported by at least one event per sector per year and ongoing business visit and engagement programme.	Increased levels of employment growth	Learning Partnership Support: Council sector support networks

Economic Strategy Theme	Rationale	Action	Output	Outcome	Lead
A LOCAL RETURN ON INVESTMENT					
27. Securing a local Return on Investment	Council as significant employer, planning authority and procurer of goods works and services	<p>Ensure Targeted Recruitment & Training (TR&T) contribute to the social value tool kit within the "Think Local" procurement strategy.</p> <p>Include TR&T outcomes in Planning Contributions Strategic Planning Document (SPD)</p> <p>Support the recruitment of apprenticeships and provision of work experience, internships and work placements.</p>	<p>10% increase in the number of apprenticeships, work experience and training opportunities available through the procurement process</p> <p>Number of apprenticeships, work experience and training opportunities available on development sites.</p> <p>Number of apprenticeships, work experience and training opportunities offered by the Council.</p>	Reduced levels of unemployment in labour market deprived areas and priority residents.	<p>Council</p> <p>Support: Learning Partnership</p>
28. Developing engagement in leisure & culture	<p>Lack of engagement from specific communities</p> <p>Over 70% of adults not active enough</p>	<p>Deliver a programme of investment in leisure facilities in B&NES</p> <p>Develop a proposal for a new cultural/performing arts venue in Bath</p> <p>Maintain the area's profile as a centre for major events and sport & promote increased community engagement through the development of a year round programme of events and festivals</p> <p>Work with local employers to promote engagement in "active workplace" schemes and volunteering programmes</p> <p>Provide tailored support to small business and VCS providers in the leisure and cultural sectors</p>	<p>More local residents and workers participating in physical and cultural activity</p> <p>20% increase in local residents attending events</p> <p>More sustainable local leisure and cultural businesses</p>	Improved health & well-being for local residents and workers	<p>Council</p> <p>Support: Creative & Cultural Forum, sector networks</p>

APPENDIX 2

ECONOMIC STRATEGY REVIEW: ACTION PLAN 2014–2020

MEASURING SUCCESS

STRATEGIC MEASURES

MEASURE	BASELINE 2010	TARGET 2030	SOURCE
BUSINESS			
Number of jobs in the Priority Sectors	50,400	61,900	Oxford Economics 2010 - 2030
Average GVA per worker	39,000	66,000	Oxford Economics 2010 - 2030
PLACE			
Number of jobs in B&NES	88,800	100,300	Oxford Economics 2010 - 2030
Number of jobs in Bath	60,300	68,100	Oxford Economics 2010 - 2030
Number of jobs in the Market Towns	16,900	19,800	Oxford Economics 2010 - 2030
PEOPLE			
Average annual income per employee	27,000	41,000	Oxford Economics 2010 - 2030
Number of jobs in the Core Sectors	44,300	53,700	Oxford Economics 2010 - 2030

The Economic Strategy sets out a number of strategic objectives for jobs, priority sector employment, productivity and average earnings. Forecasts for these measures are set out above and progress will be monitored as part of future Strategy Reviews.

Annual progress reports will be made using the measures set out below

ANNUAL MEASURES

MEASURE
BUSINESS
Number of jobs in the Priority Sectors
Number of businesses in B&NES
Number of businesses in Bath
Number of businesses in Keynsham
Number of businesses in the Somer Valley
Average weekly workplace earnings
PLACE
Total employment in B&NES / Bath / Keynsham / Somer Valley
Business floorspace delivered in the Enterprise Area
Business floorspace delivered in the Market Towns
Average house price in B&NES
CO ₂ emissions across B&NES
Number of jobs in the Environmental Services & Low Carbon sector
PEOPLE
Overall unemployment rate
Average weekly resident earnings
Percentage of working age residents with NVQ4+
Percentage of working age residents with NVQ2+