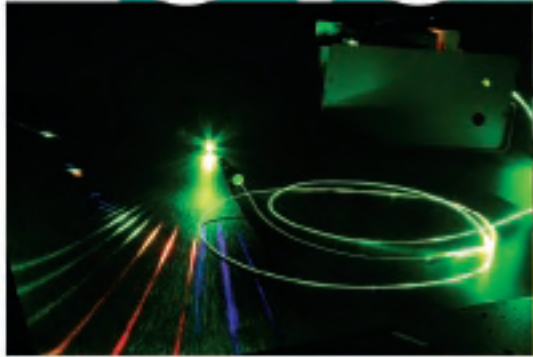


# Economic Strategy for Bath & North East Somerset 2010 – 2026



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This document has been produced by the Sustainable Growth Alliance (SGA), the economy working group of the Local Strategic Partnership for Bath and North East Somerset.

The SGA Board includes representatives from:

Bath and North East Somerset Council  
Bath Chamber and Initiative  
Bath Spa University  
Federation of Small Businesses  
Government Office for the South West  
GWE Business West  
Jobcentre Plus  
Learning and Skills Partnership  
South West Regional Development Agency  
University of Bath

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Produced by:

**Bath & North East  
Somerset Council**

On Behalf of:

**Sustainable  
Growth Alliance**

# We will only achieve our overall aim through a coordinated effort from responsible agencies

## Foreword

The recent recession has served to remind us that it is in everyone's interest to support the development and growth of the business community across Bath and North East Somerset.

A successful and competitive business community can offer greater opportunities and better wages to individuals. This has a positive impact on health and wellbeing, and makes a significant contribution towards reducing the cost of public service provision.

In September 2009, the Local Strategic Partnership published its refreshed Sustainable Community Strategy, which set out the big issues driving us towards change – including demographic and climate change.

In particular, we are living in a world of finite resources, and we must act at a local level to tackle the enormous challenge of 'narrowing the gap' and creating prosperity through economic growth, whilst simultaneously reducing our impact on the environment.

The strategy and action plan aims to create the conditions for jobs growth across the district, leading to a more diverse, productive, and resilient economy which provides better opportunities for all.

The strategy offers us some insight into the particular issues which we need to overcome in different places across the district – for example, in the market towns. It also highlights particular strengths and our unique selling points, including our strong entrepreneurial spirit, which we can use as a platform for success.

We will only achieve our overall aim through a coordinated effort from responsible agencies, as the action plan in this document demonstrates. Education, skills and training providers will need to work more closely with employers and business networks to produce an appropriately skilled workforce. And, as reflected in the Council's vision, economic growth must be built around distinctive places and vibrant communities.

This economic strategy will be very much a "live" document. The Sustainable Growth Alliance, a partnership of public and private organisations, will be responsible for progress on the action plan, and updating its contents as the economic and regulatory landscape changes. We look forward to making our aims and objectives a reality for people living and working within Bath and North East Somerset. We would welcome your input and views.



**Stan Frith**  
Chair, Sustainable Growth Alliance



**Francine Haerberling**  
Chair, Local Strategic Partnership  
and Leader of Bath and North  
East Somerset Council

# Executive Summary

## The Economic Strategy for Bath and North East Somerset 2010–2026

The Economic Strategy's overall aim is "To improve the prosperity and well being of Bath and North East Somerset residents through a more productive, competitive and expanded economy by 2026".

If managed correctly, with the right interventions, the economy has the potential to deliver an improvement to living standards and social well-being through more employment opportunities, and will contribute to improved services to residents in Bath and North East Somerset.

A scarcity of resources - both natural and financial - an ageing population, competition from overseas, and the loss of jobs in the district in traditionally strong local sectors, are all factors driving the need for change.

### The economy of Bath and North East Somerset

The Bath and North East Somerset economy has a predominance of public-sector related, retail, leisure and tourism employment. Public-sector related activities account for some 35% of total employment. This is borne out by statistics on average weekly workplace wages, which show the District to have the lowest in the West of England, and is also borne out by statistics on productivity per full time equivalent employee (also the lowest in the sub-region).

These activities are extremely important to the District, providing employment in our towns and villages. The significant number of retail and accommodation jobs - particularly in Bath - reflect an international reputation founded on a unique built environment and cultural history. However, in recent times, lower-value activities, such as in some types of manufacturing, have lost ground, and we have seen many job losses - particularly in the Somer Valley, but also in Bath and Keynsham (the Cadbury's factory is due to close in 2011). One of our biggest employers, Helphire, was also due at the time of writing to relocate around 300 jobs to the North of England.

It is critical, therefore, that the economy looks to offer more opportunities to its resident population.

### Platforms for success

Our economy is dominated by micro and small businesses, reflecting an entrepreneurial spirit. Several of these companies have been set up by graduates of our two Universities, the University of Bath and Bath Spa University, and have grown to become major employers locally (for example, IPL, and picoChip).

Particularly productive activities include engineering, technology-related activities, and some creative industry activities, such as publishing and sound recording.

The area is home to some critical business networks, which provide a source of information, support and guidance for start-up and small businesses in certain sectors. These include Silicon Southwest, Creative Bath, and the Bath and Bristol Enterprise Network.

Lowcarbon Southwest, run from the Innovation Centre, is a regional network supporting businesses developing low-carbon solutions. In the main, our resident population is well-equipped to take up job opportunities locally, should they be created. 34% of residents are qualified to degree level, compared with 29% nationally.

We can also build on the area's international reputation to promote investment, not forgetting that place is an integral part in shaping our competitive identity.

### Our action plan

Our aim is to build on our strengths to enable growth of the more high value activities mentioned.

This strategy will be monitored and delivered by the Sustainable Growth Alliance, the economy working group of the Local Strategic Partnership. Partners on that group will be responsible for putting into place projects set out in the action plan.

The Economic Strategy's Action Plan seeks to address our challenges, and meet our overall objective, by:

Making a critical contribution towards ensuring that the local population of all ages is suitably skilled to enable economic participation, and that skills demands from employers in growth sectors are anticipated;

Providing more business premises to allow indigenous business growth and inward investment across the District to help stem the flow of out commuting (particularly from the market towns);

Supporting more innovation, start up and business growth locally particularly in more productive sectors (for example, in technology related fields), and activities which reflect legislative and social change (for example, low carbon related activities such as retrofitting for energy efficiency, and activities relating to health and wellbeing);

Maintaining and strengthening our market position in retail, leisure, tourism and manufacturing;

Developing a set of materials which will promote investment to our urban areas, based on each of their unique identities and strengths.

### Growth versus sustainability?

The need to expand the economy, set against the need to urgently tackle climate change and our impact on natural resources, presents a huge challenge.

The Sustainable Community Strategy sets a carbon reduction target of 45% by 2026. This strategy will make a critical contribution towards this goal.

On a local level, we must ensure that growth is not at any cost. Bath and North East Somerset's wealth of natural and cultural assets, including its rivers, woodland, parks, exceptional landscapes and historic built environment, make a huge contribution towards the attractiveness and liveability of the district, including for new and existing businesses.

Our strategy aims to create the conditions for the growth of the right kind of jobs, in the right places. Contribution towards this could be made at all levels in all areas of the district – for example, assessing the contribution the rural areas could make towards renewable energy and local food production.

### Some key measures of success by 2026:

- To grow employment in industry SIC codes J and M from 13% of the economy to at least 20%;
- To increase overall productivity in the District by at least 30%;
- To increase gross average workplace wages to at least the national average;
- To improve levels of working age residents with at least Level 2 NVQ ;
- To increase job availability in the Somer Valley by at least 40%.

# Introduction t

**Our overall objective is to improve the prosperity and wellbeing of Bath and North East Somerset residents through a more productive, competitive and expanded economy by 2026**

# What do we want the economy to look like in 2026?

- A more environmentally sustainable economy with increased local employment, less overall commuting and a reduction in the contribution made by commerce and industry to the carbon footprint of the area, and a strong low-carbon business sector.
- A socially inclusive economy with continuing high levels of economic participation, a focus on lifelong learning, and increased and relevant workforce skills.
- An economy which is more diverse, productive and resilient thanks to an increase in the availability of knowledge-based jobs.
- A place where knowledge-based workers (including graduates) can find jobs and where the innovation being developed at our leading education establishments can grow commercially.

## What is our overall objective?

To improve the prosperity and wellbeing of Bath and North East Somerset residents through a more productive, competitive and expanded economy by 2026

### Focused and smart intervention

Resources including public sector resources are scarce, and our challenge is to focus on areas where investment and intervention will create the greatest gains for our economy and therefore our community.

### Delivery and monitoring

This strategy will be monitored and managed by the Sustainable Growth Alliance, (SGA) the economy working group of the Local Strategic Partnership. An annual report, which will review the Economy Strategy and update on actions, will be produced by the group.

### SGA membership includes the following:

- Bath and North East Somerset Council
- Bath Chamber and Initiative
- Bath Spa University
- Federation of Small Businesses
- Government Office for the South West
- GWE Business West
- Jobcentre Plus
- Learning and Skills Partnership
- South West Regional Development Agency
- University of Bath

### Relationship to other documents

This Economic Strategy, with its targeted action plan, builds on the conclusions and ideas developed through the place based visions in the Futures work developed in 2006. This work set out the challenges faced by our main settlements within the area, and sought to identify the “DNA” of our urban settlements, which would provide a basis for the future economic growth of the area.

The strategy also aims to deliver the overarching economic aims and objectives set out in the Sustainable Community Strategy, which has been adopted by the Local Strategic Partnership, and by Bath and North East Somerset Council. These aims and objectives include:

The provision of more appropriate modern business premises to allow the growth of knowledge based employment locally;  
Providing appropriate business support and advice;  
Ensuring that the local population has appropriate skills and knowledge to access current and future work opportunities.

This strategy will inform, and complement, a number of plans and strategies being developed for example, the Employment and Skills Strategy (led by the Employment and Competitiveness Board).

Importantly, this strategy will inform and is aligned with a number of crucial spatial planning strategies which will provide a framework for the delivery of more employment space locally. These strategies include:

Core Strategy (led by Bath and North East Somerset Council)  
Regeneration Delivery Plans (led by Bath and North East Somerset Council)  
Infrastructure Delivery Plan (led by Bath and North East Somerset Council)  
Joint Local Transport Plan 3 (a document produced by Bath and North East Somerset Council, Bristol Council, North Somerset and South Gloucestershire.).

The Economic Strategy will also help to deliver overall growth objectives for the South West region, as set out in the Regional Economic Strategy.



# Drivers

# 2

Consideration must be given to  
wider, longer-term trends  
driving national and global  
economies

When considering a strategy for the development of the Bath and North East Somerset economy, thought must be given to wider, longer-term trends driving the national and global economies. The Bath and North East Somerset economy must be able to meet the challenges posed by such trends, and take advantage of the economic opportunities that they present.

### Scarcity of resources

With the world's population set to increase by almost one third by 2050<sup>1</sup> huge pressure will be put on natural resources. Evidence suggests that we have now damaged around 60% of the world's ecosystems<sup>2</sup> – and this before we have seen the full potential of developing economies.

Some experts think that a 'Peak Oil' scenario – that is, the point at which oil production will peak before declining to produce big increases in price – is likely to happen as early as in a decade's time.<sup>3</sup> At current rates of oilfield discovery the world is finding approximately one barrel of oil for every three that it uses.<sup>4</sup> Most businesses do not currently consider peak oil as a risk, but the effects of reduced production would severely disrupt most businesses. Peak oil will cause substantial price volatility in raw materials and fuel, and it will challenge manufacturing and distribution models.<sup>5</sup>

This all requires a global response, including a transition to a low carbon world. So we need to ensure that the structure of the economy of Bath and North East Somerset – including the location of housing, jobs and the nature of those jobs – allows for a reduction in our consumption of natural resources.

The shift to a low-carbon economy is already changing our industrial landscape, the supply chains of our businesses and the way we all live and work. Following the economic events of 2008 and the financial interventions made by the UK government, political parties of all persuasions are now likely to favour more "green investment". This will stimulate the creation of jobs across all wage levels.

The UK low carbon environmental goods and services (LCEGS) market is already worth £106 billion and employs 880,000 people directly or through the supply chain. It is estimated that over one million people will be employed in the LCEGS sector by the middle of the next decade.<sup>6</sup> Others predict that the market is potentially as large as the global pharmaceuticals market.<sup>7</sup>

This shift presents opportunities for entrepreneurs and businesses based in Bath and North East Somerset who are developing new technologies and solutions to meet the low-carbon challenge. As we will see in Section 4, Bath & North East Somerset is well-placed to take advantage of these opportunities.

By 2050, the world's population is set to increase by

# one third

### Demographic change

Demographic trends are changing economies in both the developed and the developing world. An ageing population in the developed world means that the ratio of older people to the working age population is expected to increase by 40–60% in the advanced economies by 2030.<sup>8</sup>

The slowdown in the growth of the workforce will leave fewer workers in relation to the population they must support – workers who will be expected to be more productive.

In Bath and North East Somerset, the overall life expectancy is increasing and is some of the highest in the country. A boy born in 2005 can expect to live for nearly 80 years, and a girl for over 82 years. The population of Bath and North East Somerset is expected to increase by 18% from 176,390 in 2009 to 210,070 by 2026, including a 16% increase in the 80+ population.<sup>9</sup> Again, the shift towards an ageing population provides opportunities for those businesses offering health, wellbeing and biomedical products and services.

### Impact of the recession

At least in the short-term, once the recession is over, there is likely to be a significant reduction in public spending, with public services being forced to prioritise the areas where money is spent, and this will require a reshaping of local public services.

### Rising incomes in developing countries

The growth of the middle classes (and a general trend towards rising incomes) in highly-populated growing economies will pose increasing opportunities and challenges for firms based in Bath and North East Somerset. More people will be purchasing higher quality goods and services – including those which are produced to higher environmental standards.<sup>10</sup> Bath and North East Somerset businesses will also be competing with high-quality businesses across the world.

Figure 1 summarises our challenges.

**Figure 1 Drivers for Change**

Challenge/ Issue	Effect	Intervention/ Opportunity	
Pressure on global natural resources	A greater emphasis in government policy on “local” natural resources and carbon reduction – as prioritized in top-level Bath and North East Somerset strategies	Ensuring that local procurement (including energy sources) is promoted and used Creating more employment opportunities locally – helping to reduce commuter flows Creating the conditions for the growth of businesses involved in developing low-carbon solutions and technologies	Ensuring our people have the skills to take up jobs in activities relating to the low carbon agenda Assisting all types of business to mitigate and adapt to climate change and resource scarcity
Less people of traditional working-age age bands in the long-term	A requirement for jobs to be more “productive”/higher-value – a need for Bath and North East Somerset to use employment sites to facilitate this process Competition between geographical locations for the best skills and people A greater demand for more healthcare and leisure services Probable requirements for many to work longer	Ensuring greater diversity and better balance of employment in Bath and North East Somerset – particularly high-value jobs Ensuring that young, highly-skilled people are attracted to, and can find employment in, Bath and North East Somerset Encouraging the growth of businesses involved in health, biomedical, and wellbeing services	Ensuring that older people in Bath and North East Somerset are adequately skilled to remain in the workforce Ensuring that older people in Bath and North East Somerset have the support to become self-employed
Greater competition from expanding economies	Innovation becomes crucial to the survival of businesses in Bath and North East Somerset	Encouraging entrepreneurship in Bath and North East Somerset by providing relevant support and information services Providing incubation space where innovation can flourish and expand	Ensuring existing businesses are aware of, and can access, appropriate research and development support resources

# Our Places

# 3

**Bath and North East Somerset contains very different communities. Each has its own unique economy and sense of identity**

# The sense of place has a central role to play in the success of economies

## Geographical Context

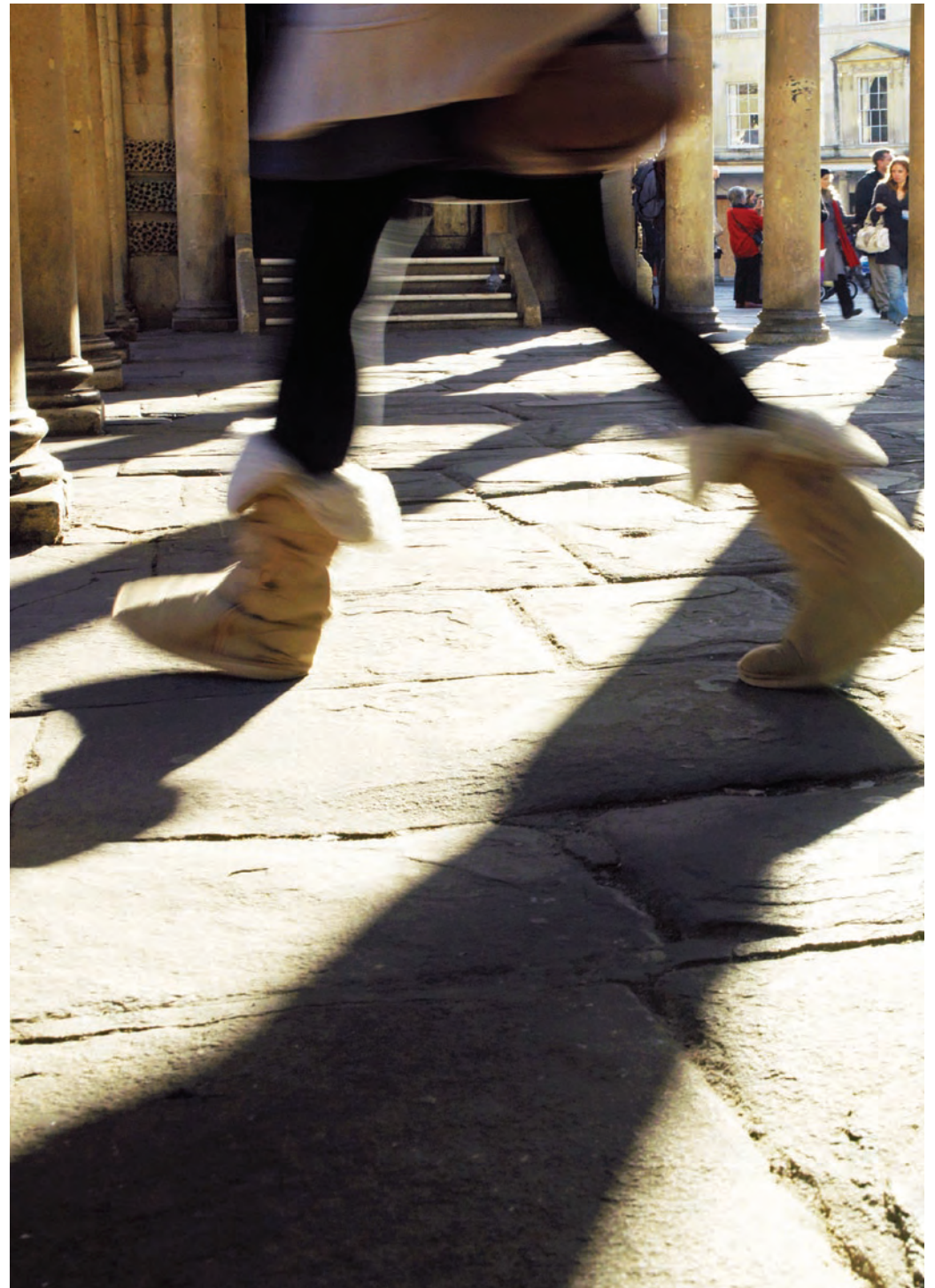
Bath and North East Somerset has existed as an administrative area for nearly 14 years, following the division of the former county of Avon. It has a population of 169,040.<sup>11</sup> It is part of an extremely economically diverse South West Region. The West of England sub-region (comprising the Unitary Authorities of Bath and North East Somerset, Bristol, North Somerset, and South Gloucestershire) has been designated a core city-region which is very much the regional focus for businesses (with 26% of registered companies, 20% of the South West's total population, and four Universities).<sup>12</sup>

## Our Places

Economic activity is centred around Bath, Keynsham and the Somer Valley (particularly Midsomer Norton, Radstock, and the village of Peasedown St John), but villages in the more rural areas (for example, the Chew Valley) also contribute a great deal to our overall economic output.

This strategy recognises that different parts of Bath and North East Somerset are facing different challenges, and that a sense of 'place' has a central role to play in the success of economies.

Image courtesy of Colin Hawkins Photography





## Bath

Sitting within the West of England City Region, Bath has a good reputation for the quality of life it offers. Bath's standing as one of England's most liveable cities attracts visitors and new residents to the best of urban and rural life.

Bath is well known as an international tourism destination, thanks to its cultural and built heritage, thermal springs and landscape setting – encapsulated in its designation as a World Heritage site.

The city also serves as a regional shopping centre, characterised by a strong independent and boutique shop offering, which sits alongside national and international retail brands.

Bath is one of the most important places of learning in the South West. In 2008/09, there were just under 21,600 students attending the two Higher Education institutions of the University of Bath and Bath Spa University.<sup>13</sup>

Thanks in large part to the role of the two Universities, Bath has long been a place of learning, innovation and creativity, with particular strengths in the creative arts, and engineering and technology. Pioneering work and knowledge has often 'spun out' and driven what are now successful and significant employers such as IPL, Rotork and picoChip. Market-leading creative companies are based locally, such as Future Publishing and Touch Productions (see box on page 32).

**Bath is one of the most important places of learning in the South West**

Bath's thermal springs have meant that, for thousands of years, the area has been a place of respite and care for the sick (for example, at the Mineral Hospital). This tradition continues to this day with the Royal United Hospital in particular being at the forefront of biomedical research and development, and healthcare remains one of the biggest employment sectors in the District.

Bath is a principle location for other public sector activities, with high levels of employment in education and public administration. The Ministry of Defence retains three sites in and around Bath, employing approximately 1,800 people.

**Many highly skilled entrepreneurs and small businesses are based in rural areas**

### The Somer Valley

The Somer Valley covers the market towns of Midsomer Norton and Radstock, together with their rural catchment area containing the principal villages of Peasedown St John and Paulton. It houses around 25% of the population in Bath and North East Somerset. <sup>14</sup> The area is located 12 miles south west of Bath (connected by the A367) and 16 miles south east of Bristol (connected by the A362 and A37).

The two towns of Midsomer Norton and Radstock, have a population of 21,326 (making the area the second largest urban area in Bath and North East Somerset) are located in an area which was formerly part of the Somerset coalfields. Despite job losses in the area recently, the area retains a rich industrial heritage, an engineering skills base, and the area is an important centre for the printing and packaging industry. Major employers in the area include Welton Bibby and Baron, CFH Total Document Management, Coates Electrographic and Dickies UK.

The area sees a relatively high proportion of the workforce employed within small businesses of 10 employees, which demonstrates the potential to support future economic growth.

Image courtesy of Shutterstock photography

### Keynsham

Keynsham is located just seven miles west of Bath and five miles east of Bristol City Centre. Despite its proximity to Bristol, Keynsham has retained its own identity and is surrounded by countryside and fields which are protected by the Bristol/Bath greenbelt.

With a population of 15,531 people, the town has a working age population of 56.3% of the total, a proportion lower than that of the whole of Bath and North East Somerset. A high proportion of adults are age 65 and over. <sup>15</sup>

The town's dominant employer is the public sector, with Bath and North East Somerset Council's offices being located there. At the time of writing Cadbury's (which was taken over by Kraft in 2010) employs around 400 people at the Somerdale site, but is due to close in 2011.

The town centre is characterised by local independent retailers, some large nationals, and charity shops, and the library and leisure complement the town centre's retail role.

### The rural areas of Bath and North East Somerset

The rural areas of Bath and North East Somerset contain around 37% of our total population. Many highly-skilled entrepreneurs and small businesses are based in these areas (for example, in villages in and around the Chew Valley). Estimates suggest that self-employed people account for 32% of the total number of employees in the rural areas. <sup>16</sup>



# Our overall Economy

# 4

**An understanding of our economic strengths and weaknesses will help us plan better for the future**

## What does the Bath and North East Somerset economy offer?

This section will look at the types of economic activities most common in the District, how this relates to employment levels, and how productive and competitive our economy is

Figure 2 sets out employee numbers by broad industry.

The table shows that the highest numbers of employment can be found in largely public sector activities (around 35% in total, across public administration, education, health, defence).

A large proportion of employment is also in retail and tourism-related activities such as accommodation services. The success of retail and tourism employment is no surprise, given Bath's World Heritage Status and international reputation as a tourist destination.

**Figure 2** Employee Numbers by Broad Industry

Broad Industry	*Employees	%Total
Wholesale and retail	12,450	16%
Human health and social work	11,660	15%
Education	10,350	13%
Professional, scientific, technical	6,580	8%
Accommodation and food	6,640	9%
Public admin and defence	5,300	7%
Manufacturing	4,230	5%
Admin and support services	4,220	5%
Information and communication	3,730	5%
Construction	3,140	4%
Financial and insurance	2,160	3%
Transportation and storage	1,750	2%
Arts, ents, recreation	1,590	2%
Other service activities	1,540	2%
Water, sewage, waste	1,250	2%
Real estate activities	1,250	2%
<b>Total</b>	<b>77,840</b>	<b>100%</b>

Source: Annual Business Inquiry Employee Analysis 2008. Office for National Statistics NOMIS 2010.  
\*Does not include self-employed



Image courtesy of Colin Hawkins Photography

### Focus: Retail, Tourism and Leisure

The retail, tourism and leisure sectors are particularly strong sectors in Bath and North East Somerset, comprising roughly 20% of employment in the District.

In 2007, the District received almost 4.5 million visitors, with 19% of these being staying trips. The total value of tourism is estimated to be around £330,000,000.<sup>17</sup>

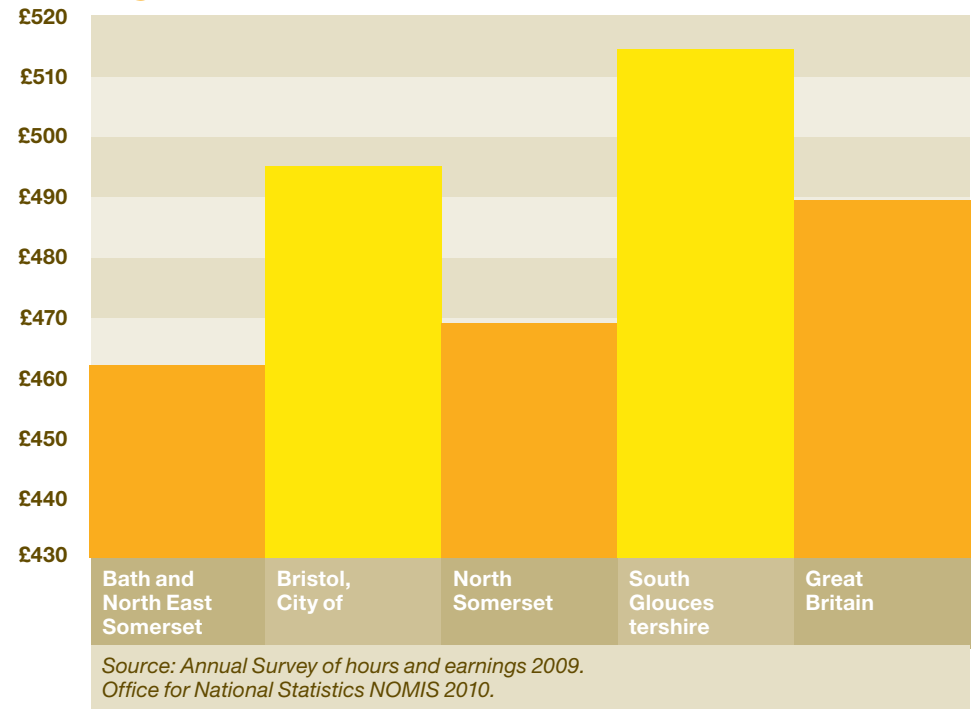
The centre for retailing in the District is Bath. With over 90,000sqm of floor space and over 600 retail and service units, Bath has built a strong reputation for its high quality independent retail offer alongside national and international brands. This generates a unique character not present in other centres and virtually impossible to recreate.

Within the “Professional, Scientific and Technical activities” industry, we have significant employment in architectural and engineering activities, management consultancy (including PR, and other consultative activities) and law. Within the “Information and Communication” industry, Bath and North East Somerset demonstrates significant employment in computer programming and consultancy, and publishing. Overall, private-sector, knowledge-based roles, comprise roughly 22% of employment.

Manufacturing remains a significant employer in the District, with good levels of “knowledge based” and higher value production, particularly in the design and manufacture of electrical equipment. Other sections of the manufacturing industry have seen reductions in employment recently (particularly in the Somer Valley and in Keynsham) and the statistics in figure 2 do not reflect job losses from 2008 onwards.

Large amounts of employment in public sector and traditionally lower-wage activities is borne out by statistics on average workplace earnings in Bath and North East Somerset (see figure 3). These are shown to be the lowest out of the four unitary authorities in the West of England sub-region.

**Figure 3** Average Gross Weekly Pay by Area



## Employment Levels and Job Availability

### Unemployment

Research shows that Bath and North East Somerset residents have experienced relatively low, and stable levels of unemployment (based on those claiming Job Seekers' Allowance). At the time of the 2001 Census, Bath and North East Somerset's unemployment level was below all other benchmark economies except South Gloucestershire.

However, figure 4 shows that the total number of jobs available in the Bath and North East Somerset economy has shown a downward trend.

The recession has certainly exacerbated the trend of job losses – between 2008 and 2009, the numbers seeking Job Seekers' Allowance in Bath and North East Somerset jumped from just over 1,000 people to 2,541 people.<sup>18</sup> Losses have been reported in manufacturing, financial services and construction-related activities in particular. Some of these sectors will rebound quickly as the economy recovers, while others will grow more slowly than in the past.

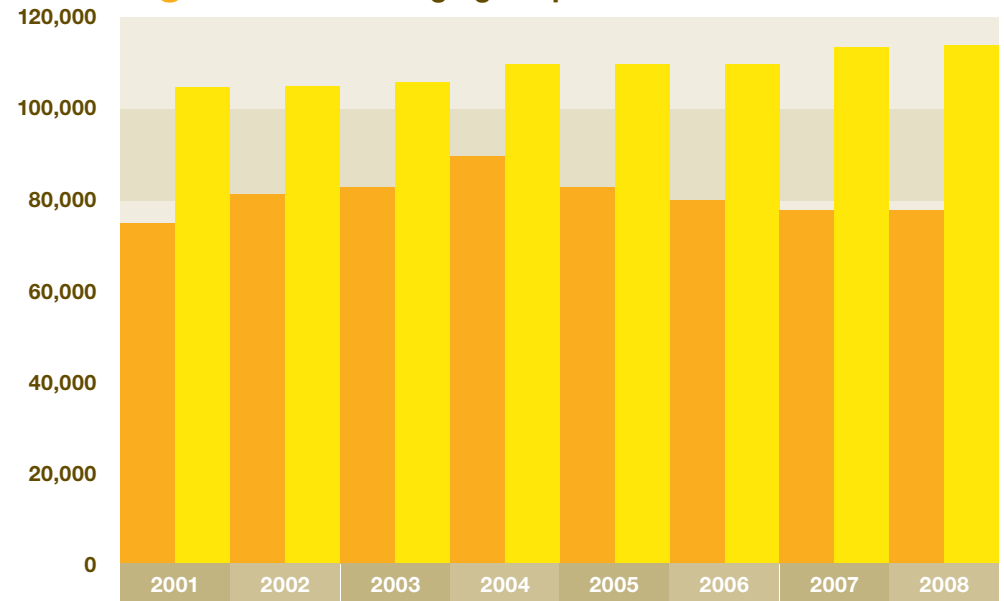
Section 2 noted the challenge of shrinking public sector resources. The effects of this are yet to be seen, but it is likely that public services will be reshaped, potentially resulting in job losses. This will affect a key employment sector for Bath and North East Somerset, and particularly jobs in Bath and Keynsham. The Ministry of Defence (MOD) currently has three establishments in Bath, at Foxhill, Ensleigh and Warminster Road, which currently house 1800 MOD personnel. Should the MOD choose to relocate jobs outside of Bath and North East Somerset, increased pressure may be put on transport infrastructure as more people will need to commute.

Manufacturing is a sector facing global over capacity. This, together with relatively poor transport connectivity, means the Midsomer Norton and Radstock area in particular is vulnerable to economic re-structuring.

Job losses in manufacturing across the district include (or will include):

- Bath Press (Bath – roughly 250 jobs)
- Highgate Gears (Bath – roughly 120 jobs)
- Alcan (Midsomer Norton – roughly 220 jobs)
- Polestar (Paulton – roughly 450 jobs)
- Cadbury's (Keynsham – roughly 400 jobs).

**Figure 4**  
Employee Jobs and Working Age Population



Source: Annual Business Inquiry employee analysis 2008.  
Office for National Statistics NOMIS 2010.

## Pockets of deprivation

Evidence shows that Bath and North East Somerset has pockets of deprivation. Four areas within our District are within the most deprived 20% areas in the country,<sup>19</sup> and Jobcentre Plus claimant counts show that the wards of Radstock, Walcot (including Snowhill), Twer-ton and Southdown are particular hotspots for unemployment. Each of these areas have their own specific needs and challenges which require targeted and tailored interventions.

## Commuting patterns

The structure of the economy is inextricably linked with the volumes of traffic on our roads. A prevalence of lower-wage jobs across the District (and relatively high house prices) are contributing to in-commuting to jobs in the District. Statistics show that incommuting mostly comprises of people working in health and social care, public administration and defence.<sup>20</sup>

And although the District has a good base of more highly-paid business services or “knowledge-based” activities, research shows that levels of out-commuting in senior roles is relatively high – and particularly in financial, transport and communication roles.<sup>21</sup>

This conflicts with the principle of delivering a sustainable economy and threatens our ability to meet government requirements for Bath and North East Somerset to reduce its carbon emissions.

## Productivity and competitiveness

It is paramount that action is quickly taken to help protect existing jobs, but it is also important that the economy diversifies, that niche strengths are built upon, and focus is given to those sectors which are likely to see growth nationally and globally. We must also encourage growth in those sectors which are the most “productive”. Productivity is a key concept, used to analyse how competitive economies are.

### Why does productivity matter?

#### Competition

High productivity essentially means producing more value (broadly, a bigger value of sales) with a reduced cost of input (including raw materials). In recent times we have seen how overseas competition has made life very difficult for some businesses, such as some types of manufacturing. This has led to jobs being located overseas, where businesses can run some types of operation more efficiently. Our own experience with the closure of the Cadbury’s site in Keynsham unfortunately demonstrates this trend. Of course, this has implications for individuals and families working in these types of activities.

More productive businesses, sometimes called “high value” businesses, demonstrate more competitive advantage. They normally tend to use specialist knowledge, efficient processes and less materials which produce more value.

These types of businesses can compete not only on a local scale, but on a national and international scale. That is, generally speaking they can bring in income from outside any area, and are not dependent on indigenous trade alone. A healthy economy therefore relies on having the right amount of higher-value, competitive activities in it.

#### Standards of living

Improved productivity is also a key driver for improvements in standards of living. If businesses are being more productive – that is, producing more goods and services with more efficient use of the materials available to them – costs to the customer can be lowered. This also helps to improve demand. More productive businesses also tend to offer higher wages, and can therefore compete for the best talent.

## How competitive are we?

Gross Value Added (GVA) per full time equivalent worker is a useful measure of how productive and ‘competitive’ an area’s economy is. Figure 5 sets out Bath and North East Somersets’ GVA per full time equivalent (FTE) worker in comparison with other economies in the South West. Despite being part of the Bristol – Bath “City Region”, Bath and North East Somerset has the lowest GVA per FTE worker of the four West of England Authorities.

It is important that the economy diversifies and that **niche strengths** are built upon

Image courtesy of Bath Ventures

**Figure 5** Gross Value Added per Full Time Equivalent Worker

Unitary Authority	GVA per FTE
Bristol	47,200
South Gloucestershire	46,300
North Somerset	42,600
Bath and North East Somerset	42,500

Source: South West Observatory Econi – online 2009

**Figure 6** Productivity Analysis  
by Broad Industry

Broad industry	Employees*	% total	Estimated GVA	% total GVA	GVA per FTE
Wholesale and retail	12,450 (retail: 9,118)	16% (retail: 12%)	409,200,000	14%	£32,867
Human health and social work	11,660	15%	94,300,000	3%	£8,087
Education	10,350	13%	34,800,000	1%	£3,362
Accommodation and food	6,640	9%	118,500,000	4%	£17,846
Professional, scientific, technical	6,580	8%	446,800,000	15%	£67,903
Public admin and defence	5,300	7%	151,200,000	5%	£28,528
Manufacturing	4,230	5%	232,300,000	8%	£54,917
Admin and support services	4,220	5%	155,800,000	5%	£36,919
Information and communication	3,730	5%	353,800,000	12%	£94,853
Construction	3,140	4%	297,100,000	10%	£94,618
Financial and insurance	2,160	3%	219,800,000	7%	£101,759
Transportation and storage	1,750	2%	94,900,000	3%	£54,229
Arts, ents, recreation	1,590	2%	44,200,000	1%	£27,799
Other service activities	1,540	2%	51,300,000	2%	£33,312
Water, sewage, waste	1,250	2%	138,800,000	5%	£111,040
Real estate activities	1,250	2%	158,500,000	5%	£126,800
<b>Total</b>	<b>77,840</b>		<b>3,001,300,000</b>		

\*Sources: Employee numbers: Annual Business Inquiry Employee Analysis 2008.

Office for National Statistics NOMIS 2010. Total GVA contributions are estimates (GWE Business West 2010).

Does not include self-employed \*\*Table does not include agriculture, forestry, fishing (around 100 employees – data not available on GVA contribution).

Figure 6 shows the employee numbers along with an estimate of productivity across broad industries, then expressed by GVA per FTE – that is how much value is generated per employee.

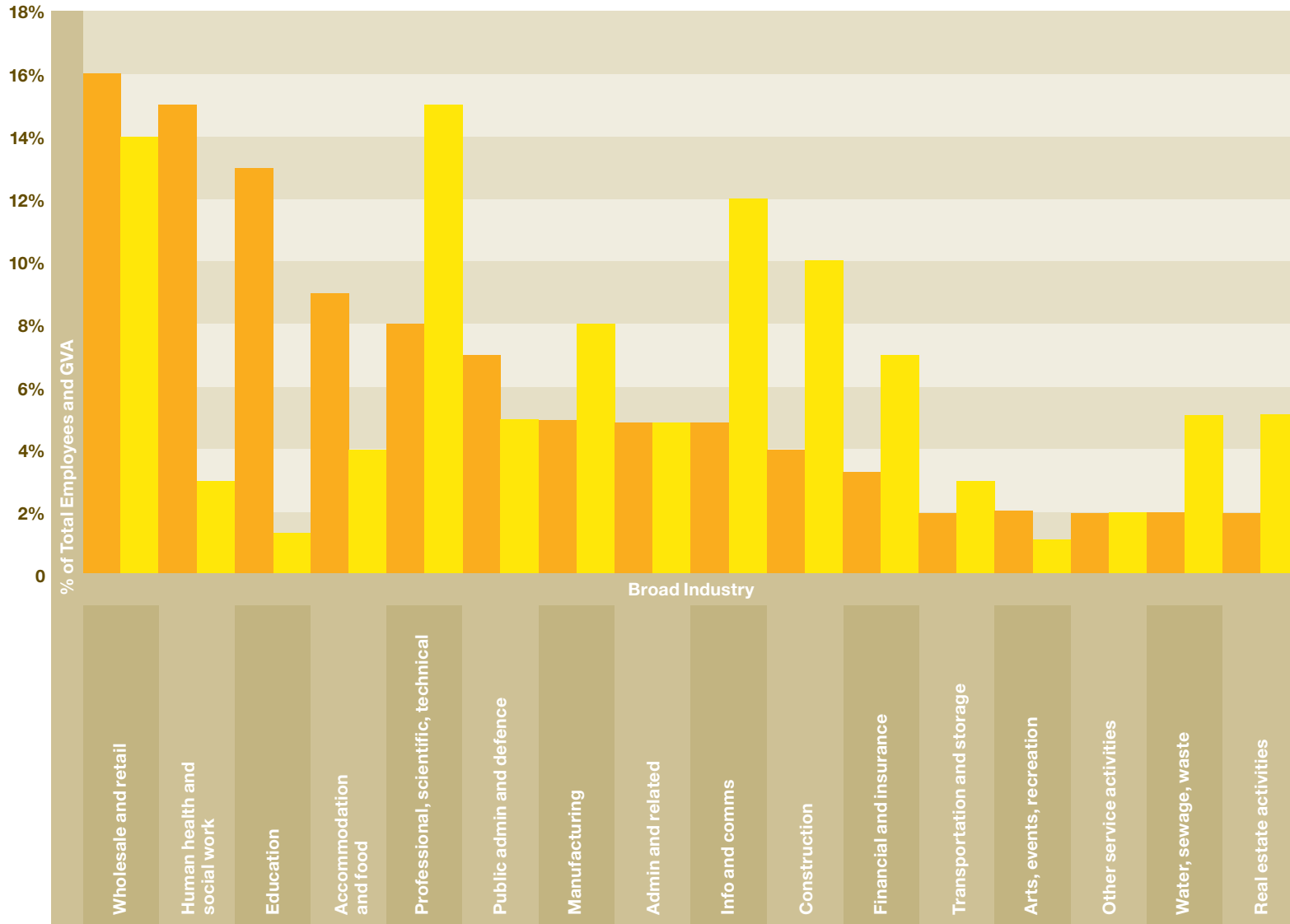
It is clear that although some industries employ a large percentage of the workforce, and a large proportion of GVA, the value produced by each worker – their productivity – is relatively low. This is true for retailing.

Figure 7 demonstrates this pattern again. Broadly speaking, the most productive activities are office-based, “knowledge-driven” activities, such as professional, scientific and technical activities and information and communication activities.



Figure 7

Employment and GVA by % of total Bath and North East Somerset Economy, by Broad Industry



Source: GVA figures: GWE Business West analysis of broad industry GVA 2010; employee numbers taken from the Annual Business Inquiry Employee Analysis 2008. Office for National Statistics NOMIS 2010.

**Architectural and engineering consultancy**

This activity forms the majority of employment in the “Professional and Scientific” industry, employing some 2,570 people. Estimates suggest that this overall industry delivers the most GVA to the local economy (see figure 7).

# Productive activities our platforms for success

**Figure 8** Employee, location quotient and GVA by activity

	Employee location quotient*	Employing unit location quotients	Total employees (including estimate of self-employed)	GVA contribution
<b>Other information technology and computer service activities</b>	<b>2.13</b>	<b>1.30</b>	<b>960</b>	<b>£79,000,000</b>
<b>Computer programming activities</b>	<b>1.07</b>	<b>1.07</b>	<b>600</b>	<b>£42,000,000</b>
<b>Computer consultancy activities</b>	<b>0.70</b>	<b>1.06</b>	<b>600</b>	<b>£41,000,000</b>

Source: GWE Business West, Report on the Information and Communication Industry in B&NES, 2010. \*Example: an employee location quotient of 1.3 means that the activity demonstrates employment at 30% over the national average, which equals one

## Technology-related activities

Recent research has shown that Bath and North East Somerset has particular strengths and advantages in technology-related fields. Figure 8 shows several particularly productive activities. The South West Regional Development Agency (SWRDA) estimates that "ICT" (or Information and Communication Technology) activities generated some £119m in GVA in Bath and North East Somerset in 2007, even though the sector only represents some 3% of total employment.<sup>22</sup>

As Figure 8 perhaps demonstrates, Bath is home to a cluster of large leading software consultancies, some of which operate internationally. Praxis High Integrity Systems provides critical systems and software solutions (and safety testing) for the defence, rail, aerospace and nuclear sectors. IPL, which employs around 250 people in Bath, also provides intelligent IT solutions to large customers across both the public and private sectors, including Orange. And AMDOCS (formerly Cramer Systems) is a truly international company, operating in Asia, the Americas and Europe, providing software for large telecommunications providers.

# The South West's microelectronics sector contains the largest concentration of silicon designers outside of Silicon Valley

The West of England sub region continues to develop talent in these fields at leading Universities such as the University of Bath, Bristol University and the University of West of England. The South West region is increasingly attracting businesses from across the UK, keen to benefit from this pool of skilled workers. The South West's microelectronics sector contains the largest concentration of silicon designers outside of Silicon Valley.

## Environmental technologies

Estimates suggest that around 1,300 people are employed in developing environmental technologies in the District. The sector has been shown to be highly productive, producing a GVA of £115,700 per employee.<sup>23</sup>

Increasing national regulation is helping to drive the development of lower or zero carbon solutions, processes and products.

The district is well placed to take advantage of the need to move towards a low-carbon world. Bath University is developing high-level interdisciplinary research expertise in relation to energy, sustainability and the environment at its Institute for Sustainable Energy and the Environment. The South West Regional Development Agency has named this sector as a key growth sector for support, and the South West was recently named the UK's first Low Carbon Economic Area. The area is home to leading entrepreneurial ventures in this field (such as Blue NG), and engineering and other consultancies who are developing low-carbon solutions to the climate change problem. Lowcarbon Southwest, a network for the support and development of businesses involved in low carbon technology activities operates from the Innovation Centre in Bath which also works closely with the Bristol Environmental Technologies and Services network.

## Focus: Technology in Bath and North East Somerset – the Innovation Centre

Bath in particular is a hotbed of technological activity and innovation, and is one of the area's most important assets is the Innovation Centre, run by The University of Bath. The centre incubates high growth technology businesses 10% of which are University spin outs, and 90% of which are from the wider business community.

So far, estimates suggest that since 2003, the centre has supported 65 companies and generated £10m and 160 jobs for the Bath economy. The centre has recently expanded to incorporate conference and meeting space, and more incubation capacity. At the centre, businesses can use the services of a dedicated business development team and get access to "networks" which in turn offer access to investors, research, and businesses operating in the same field.

The centre is the focal point for three key business networks:

**Silicon Southwest** – The South West is Europe's premier location for semiconductor and wireless design start ups

**Low Carbon Southwest** – The South West has commercial and research strengths in wave, tide and wind power, sensors and bio fuels.

**OpenMIC** – the network for businesses involved in developing mobile applications.

Businesses that were incubated at the centre and now operate in Bath include Mirifice (telecoms and broadcasting solutions company employing 42 people), iPrinciples (Rich Internet Applications) and the Retention People (membership management solutions).

## Bath and North East Somerset has the highest proportion of “creative industries” among all Upper Tier Local Authorities in the South West

### Creative Industries

Research shows that Bath and North East Somerset has strengths in what are called the “Creative Industries” – including publishing, television and radio, animation, and film and video. The South West Regional Development Agency (SWRDA) estimates that the Creative Industries generate some £183m in GVA in Bath and North East Somerset. A recent study<sup>24</sup> suggests that some activities are particularly productive, and demonstrate over-representation in employment and business units, as figure 9 demonstrates.

**Figure 9** Employee and employing unit analysis and GVA contribution by activity

	Employee location quotient	Employing unit location quotients	Total employees (including estimate of self-employed)	GVA contribution
<b>Book publishing</b>	2.5	2.97	240	£15,400,000
<b>Publishing of journals and periodicals</b>	7.56	3.08	1,320	£87,500,000
<b>Motion picture projection activities</b>	1.44	1.33	140	£2,800,000

*Source: GWE Business West, Report on the Information and Communication Industry in B&NES, 2010*



### Focus: The importance of the Creative Industries to Bath and North East Somerset

According to recent research Bath and North East Somerset has the highest proportion of “creative industries” among all Upper Tier Local Authorities in the South West – higher even than Bristol.

Under the South West Regional Development Agency’s definition of the Creative Industries (which includes arts, crafts, media, and architectural and engineering activities), Bath and North East Somerset contains:

- 700 employing business units with 4,200 employees

- 2,500 further individuals in self employment

- A total of 6,700 people reliant upon the Creative Industries for their livelihood

- 3,200 separate ‘enterprises’

Total Creative Industries enterprise turnover somewhere in the region of £800 million per annum

Media market leaders such as Future Publishing and Touch Productions are based in Bath

Creative Bath, a business network for those involved in the creative industries, which now has 700 members.

**CRE3ATHIVE**

*Source: Report on the Creative Industries in Bath and North East Somerset, GWE Business West, 2009)*

**Productivity is  
largely driven by  
innovation**

## Improving the quality of education and training is essential to the wellbeing of individuals

The UK Government has identified several key drivers of productivity. These include including skills, investment in infrastructure, and enterprise and innovation.

An analysis of how competitive our economy is can be divided into these themes.

### Skills

Education and training fuel innovation, investment, technological change, enterprise development, and economic diversification. More, but also better jobs, can be created, thereby improving general standards of living.

Improving the quality and availability of education and training is therefore essential to the wellbeing of individuals, as it affects the ability of individuals to take up well-paid work. On average, Bath and North East Somerset residents are better qualified than residents based in other economies across the South West. 34% of residents have degree-level qualifications (compared with 28% regionally and 29% nationally).<sup>25</sup>

Most of these highly skilled people live in Bath and the rural areas of Bath and North East Somerset; in these areas 30% of residents have an NVQ level of 4 or 5, and only a third of residents have no qualifications or an NVQ level 1.<sup>26</sup>

At the other end of the spectrum, around 7,200 B&NES residents of working age have no academic or vocational qualifications (6.7% of working age population).<sup>27</sup>

Between 500 and 1,000 under 18s are not in education, employment or training at any given time and despite educational achievement which exceeds national averages and most similar neighbours, one of our geographical areas is within the most deprived 5% for education and skills deprivation.<sup>28</sup>

This has knock-on effects to health and wellbeing. Young people in the most deprived areas of the District are three times as likely to be obese compared to the population as a whole.<sup>29</sup> Mental health is a significant issue for up to 35% of young people; however, this increases to 90% for those who are involved with the Criminal Justice system.<sup>30</sup>

If the District is to develop an expanded, competitive and more productive economy, a greater understanding must be developed, in partnership with employers, of the skills requirements of potential growth sectors for Bath and North East Somerset.

### Enterprise and Innovation

Productivity growth is largely driven by innovation: that is, the discovery, creation and commercialisation of new and improved products (goods or services) that consumers value. Section 2 noted that rising incomes globally are forcing constant innovation upon British businesses – and also creating opportunities for new employment. Innovation has a close relationship with entrepreneurialism and business start-ups. But it is also vital to the survival of existing firms, both large and small. This is borne out by a 2009 survey by the Bath and Bristol Enterprise Network (which focuses on technology activities). It cites one of an entrepreneur's greatest challenges as undertaking market research and creating demand for innovative products and services.

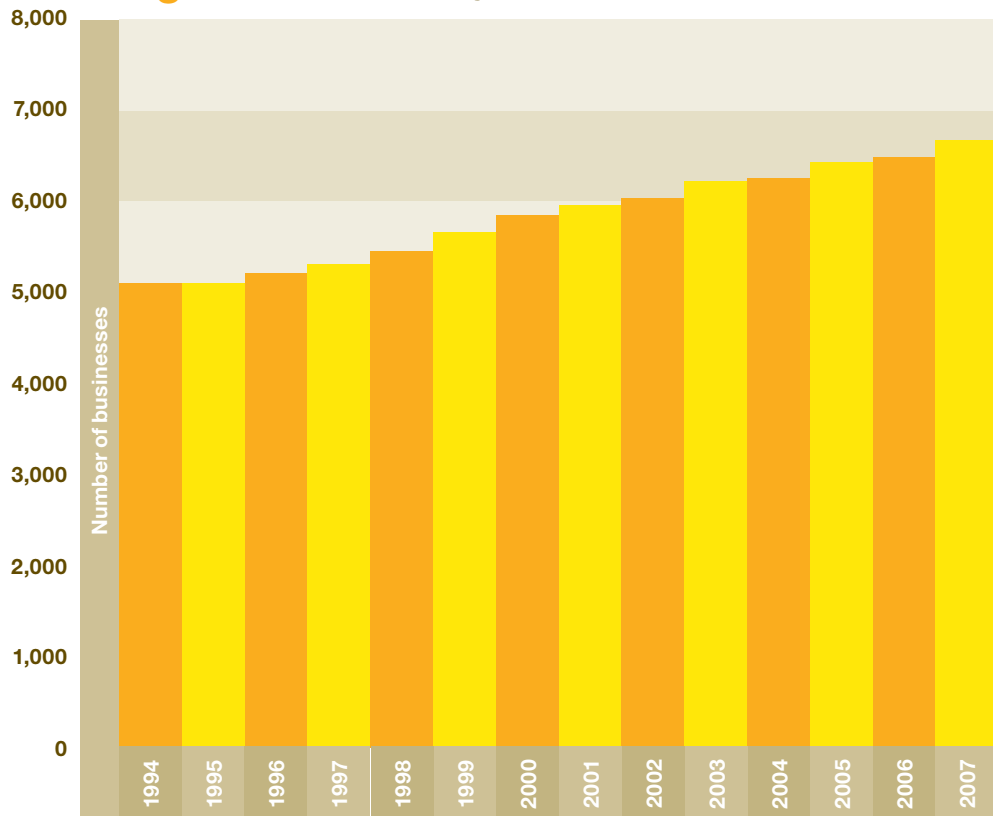
Entrepreneurs are central to innovation, as they anticipate (and in some cases create) market demands, and develop new and better ways of meeting them.

Bath and North East Somerset has traditionally been a place of innovation and entrepreneurship. Roughly 15% (or 12,150) of employed residents in the District are self-employed.<sup>31</sup> In the rural areas of the District, self-employed people account for 32% of the total number of employees.<sup>32</sup>

Figure 10 overleaf shows that Bath and North East Somerset has a growing stock of VAT-registered businesses, which in 2007 stood at 6,740.

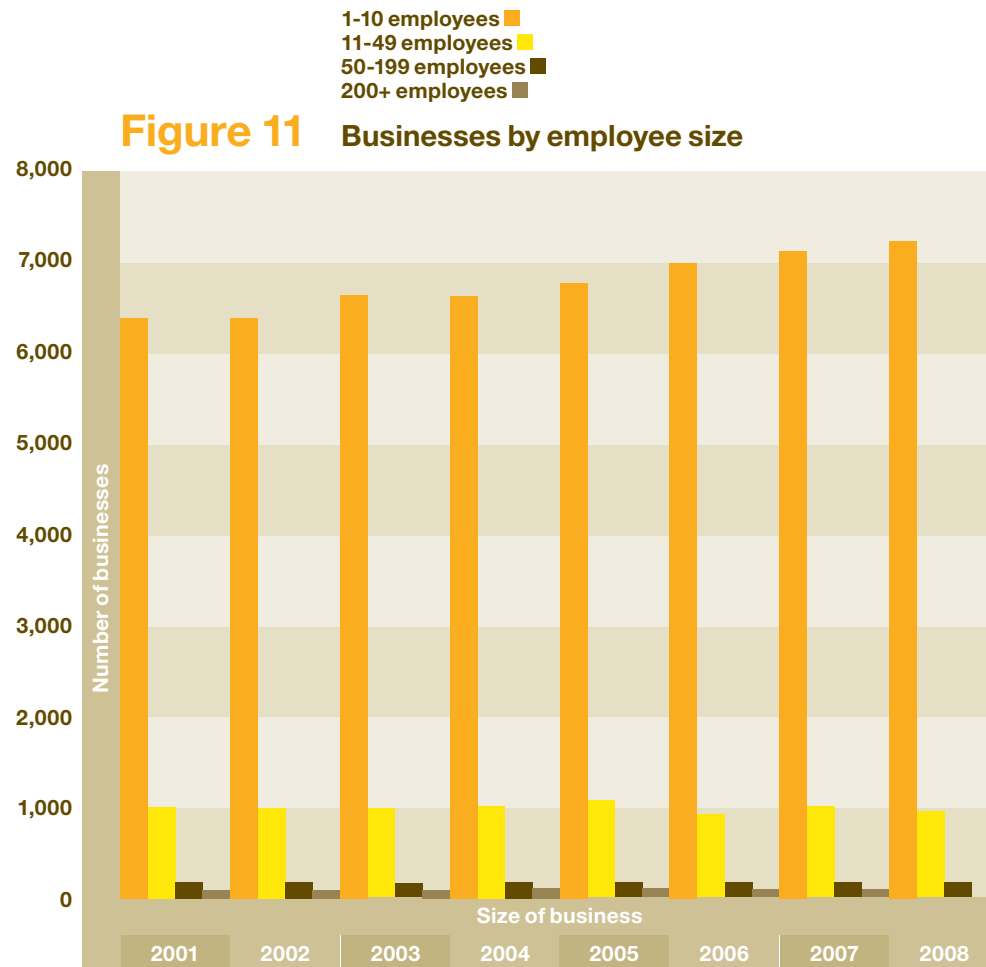
As figure 11 shows, our economy is characterised by a large number of small businesses with only a handful of employers employing more than 1,000 people (including Wessex Water and Future Publishing). Other large-scale employers are in the public sector.

**Figure 10** Business stock at end of year



Source: VAT Registrations/De Registrations and stock 2007. Office for National Statistics NOMIS 2010.

**Figure 11** Businesses by employee size



Source: Annual Business Inquiry 2008. Office for National Statistics NOMIS 2010.



## Regeneration Delivery Plans will enable, facilitate and promote the provision of new business accommodation

### The role of our further and higher education sectors in driving innovation

Of critical significance to both innovation and entrepreneurship – and therefore economic growth – are the skills and knowledge being created at our Colleges and Universities. Leading local employers such as IPL, Praxis and picoChip have been developed by ex graduates of Bath University. We must facilitate the effective commercialisation of ideas, in particular by ensuring that new entrepreneurs have the physical space to develop their ideas and network with like minded entrepreneurs. The emerging Core Strategy should seek to address the spatial needs of further and higher education sectors.

### Infrastructure – and the importance of place

The more investment in physical capital – machinery, buildings, ICT infrastructure, and so on – the more workers have at their disposal, and generally the better they are able to do their jobs, thereby improving productivity.

### Business Premises

Our aim to improve the productivity of our economy will only be achieved if appropriate workspace can be found by both entrepreneurs and established businesses.

If jobs growth is to be achieved in higher-value activities such as creative industries, technology-related, and higher-value manufacturing and engineering jobs (for example, relating to low-carbon solutions), the District must also retain a good level of industrial and workshop space to encourage investment.

Of particular importance will be to provide modern, open-plan office space for businesses in areas such as law, accountancy and other office-based activities, who wish to consolidate offices and/or expand.

In Bath, it has been found that modern office space is lacking. "...in our view, modern open-plan offices, in our opinion is under-supplied... probably less than 30% of Bath's offices falls into this category." (Roger Tym and Partners, 2008).

In Midsomer Norton and Radstock, housing growth in the area since about 1991 has not been matched by increases in local employment space. Out-commuting has steadily increased and now stands at over 60% of the working-age population.<sup>33</sup>

The redevelopment of brownfield sites across the District will be key to delivering an expanded economy. The development of **Regeneration Delivery Plans** will be critical in providing certainty for developers looking to build new business accommodation. It is anticipated that these plans will be adopted as supplementary planning documents (in line with the Core Strategy) in 2011.

**Infrastructure Delivery Planning** is also being undertaken by the Council, which seeks to identify what infrastructure is needed to support growth and how it can be funded and delivered.

### Transport infrastructure

One of the key building blocks for economic prosperity is good transport infrastructure. Accessibility to sustainable transport allows access for employers to more employees. Of critical importance to releasing employment space is improving transport infrastructure to sites – particularly in Bath and Midsomer Norton and Radstock (for example, Old Mills).

The Joint Local Transportation Plan 3 (JLTP3) sets out a longer term vision, looking ahead 20–30 years. In Bath (subject to final confirmation), links between the outskirts of the city and the City centre are due to benefit from improvements to public transport via the Bath Transportation Package.

### ICT Infrastructure

The UK Government's recent "Digital Britain" report (2009) set out the increasing importance of high broadband speeds for the development of knowledge-based businesses.

The picture across Bath and North East Somerset is patchy, with some rural areas in particular experiencing poor connectivity. Easy access to good broadband connections will increasingly be required by firms looking to grow in Bath and North East Somerset, and more work must be done to identify gaps in provision both in rural areas, and in our urban settlements which will be the focus for business growth.

**Figure 12**  
The Relationship between  
Place and Economy



### The importance of place

The built environment and related quality of life in Bath and North East Somerset – particularly the historic atmosphere of Bath – is one of our key strengths. Businesses report it as a “Unique Selling Point” when attracting clients and employees. Figure 12 demonstrates how a sense of place and quality of environment is of crucial importance to the development of a healthy economy.

## Productivity: our strengths and opportunities

### Skills

- A strong local and regional further and higher education sector, as well as excellent local training providers
- The South West region's reputation for innovation in technology fields including environmental technologies and microelectronics
- Highly skilled residential population

### Enterprise and innovation

- High levels of business start-up
- High levels of innovation and knowledge locally – a well-qualified workforce
- A cluster of leading international innovators – across manufacturing and the knowledge industries (for example, Rotork, picoChip, Buro Happold, Praxis, Touch Productions).
- Universities developing exciting research and increasingly being driven by the need to prove the link between research and job creation.
- Existing local and regional business networks (Creative Bath, Bath and Bristol Enterprise Network, Silicon Southwest, Low Carbon Southwest) which foster networking and learning.

### Premises and infrastructure

- Bath in particular has a strong “brand” thanks to its unique heritage, businesses report benefits in terms of client attraction (particularly overseas clients)
- Employment sites are available in major city and town centres

Image courtesy of picoChip

## Productivity: our weaknesses and threats

### Skills

- Proportion of Bath and North East Somerset residential population in bottom 5% of country's educational standards.

### Enterprise and innovation

- Small pool of knowledge-based jobs for graduates seeking employment locally.
- Undersupply of flexible and affordable premises available for entrepreneurs who do not wish to work at home.

### Premises and infrastructure

- Undersupply of modern, open plan commercial premises currently available in the market (lack of development)
- Traffic congestion

# Action

# 5

**Growth will not be at any cost – we aim to create the right kind of jobs in the right places**

## In summary

This strategy aims to improve the prosperity and wellbeing of Bath and North East Somerset residents via a more productive, competitive and expanded economy.

Section 4 of this document identified existing problems in the Bath and North East Somerset economy which need to be addressed. In particular:

- A downward trend in the number of jobs available, but a continued increase at least in the short term of the working age population.
- An undersupply of modern workspace, increase in congestion, and the need for public realm and transport improvements within our urban settlements.
- In-commuting and pressure on the environment thanks to a prevalence of lower-wage jobs in the area, and out-commuting exacerbated in particular by a lack of availability of business premises. This will become increasingly difficult to sustain with the likelihood of increasing fuel scarcity.
- An economy which is not reaching its potential in terms of productivity.

The strategy for action focuses on protecting and creating jobs, supported in particular (but not exclusively) by a focus on skills development, and provision of more business premises.

### Growth versus sustainability?

As set out in Section 2, we have seen how economic growth has been “fed” by use of the world’s natural resources. Whilst it is generally accepted that growth produces increases in standards of living, it is critical that growth and use of resources are “decoupled” as far as possible.

The need to expand the economy, set against the need to urgently tackle climate change and our impact on natural resources, presents a huge challenge. International and national policy will need to provide the conditions for a step-change in behaviour.

On a local level, we must ensure that growth is not at any cost, and that our strategy targets the right kind of jobs in the right places. The Sustainable Community Strategy sets a carbon reduction target of 45% by 2026.

This strategy will make a critical contribution towards this goal. Contribution towards this could be made at all wage levels in all areas of the district – for example, assessing the contribution the rural areas could make towards renewable energy and local food growing.

### Narrowing the gap

Section 4 set out our potential for growth in knowledge based, higher value jobs. However, building a more productive economy does not just mean providing high wage jobs for highly skilled people. In facilitating the growth of higher value jobs locally, we are also likely to see an increase in the number of support services and other activities located in the area.

This strategy will therefore build an economy with a range of employment across all wage levels and across a balance of activities. In building a more productive economy, it is critical that the area retains, for example, a strong retail sector, in order to attract and retain other businesses.

Furthermore, this strategy looks to target efforts to ensure that the population is adequately skilled and able to take part in the full range of opportunities offered by an expanded economy.

### Protecting existing jobs

Although Bath and North East Somerset has seen a loss of businesses and jobs, other businesses are innovating and adapting to survive, as they have always done. Efforts must be made to ensure that businesses are aware of government support and resources available to help them adapt.

We must protect and retain manufacturing space within Bath and North East Somerset so that the area has a balanced economy offering a range of employment opportunities, the economy in the Somer Valley is underpinned, and support services are provided to the economy as it expands.

The strong retail, tourism and leisure sector, which has in recent times helped to underpin the Bath and North East Somerset economy, provides a large proportion of jobs in Bath and North East Somerset and must also be supported and maintained.

**We must protect and retain  
manufacturing space to  
ensure the area has a  
balanced economy**

**Encouraging  
the growth of  
existing productive sectors**

This document has shown how certain sectors in Bath and North East Somerset are particularly “productive”, and our aim is to increase levels of employment in those activities. These activities include:

- Architectural and engineering activities
- Professional and financial services, including law
- Technology-related activities, including computer software development and environmental technologies
- Creative industries, including publishing, sound-recording, film, television and radio-related activities.

The majority of employment in the above areas can be found in Standard Industrial Classification industry codes J (Information and Communication) and M (Professional, Scientific and Technical). We specifically aim to grow the proportion of jobs in these industries from a current 13% of the economy to 20% of the economy by 2026 (see “Measures of Success” section below).

**Encouraging the  
growth of globally  
important sectors locally**

The area should also seek to investigate and support activity in emerging sectors which will have a positive impact on the environment, and/or increasingly significant markets, such as:

**Activities responding  
to the low-carbon challenge**

With Government targets to cut carbon dioxide emissions 80% by 2050, the demand for low carbon goods and services will create many new jobs – in building, electrical, plumbing, and so on, as well as in businesses developing hi-tech solutions.

The drive towards renewable energy, including biomass energy, could create a strong local supply chain. More investigation is urgently required by partners to assess the potential for growth in these areas in Bath and North East Somerset, and this is reflected in the following action plan.

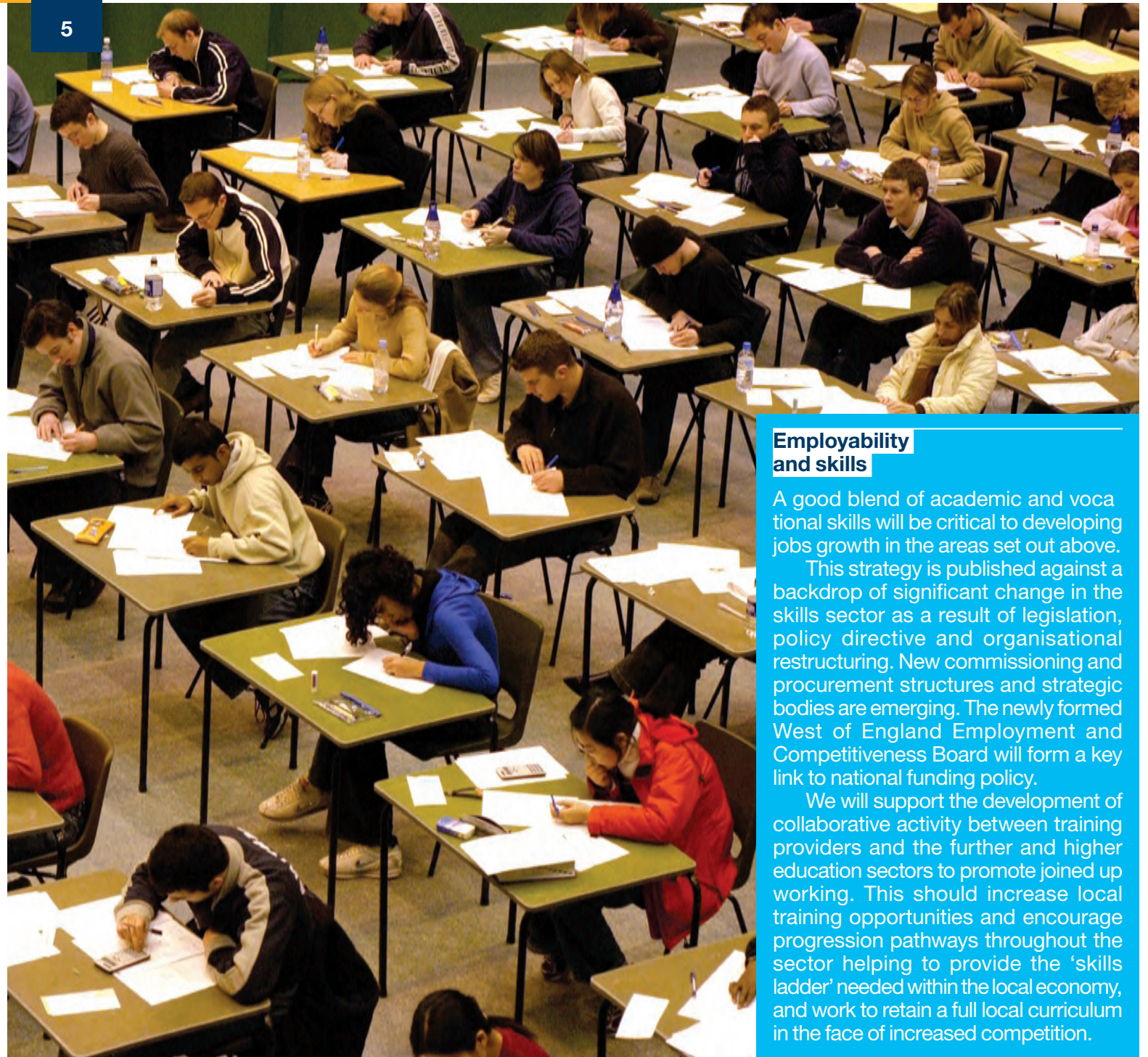
**Health and wellbeing/  
biomedical technologies**

The health, wellbeing and biomedical sector in particular provides a good “fit” for the Bath and North East Somerset area, given the area’s long history and reputation in treating the sick. In more recent times, Bath in particular has developed a national reputation for academic expertise in biomedical science, rehabilitation and rheumatology, complementary medicine, world class sports and fitness, and high quality health spas. This Strategy seeks to identify and exploit opportunities in both promoting and developing this sector locally, linking in with structures such as the regional biotechnological “i-Net” for business support and innovation.

## The Action Plan

The following action plan is intended to provide the conditions for jobs growth in the above areas, with a corresponding improvement in the prosperity of Bath and North East Somerset residents.

The action plan is divided into different themes. The critical importance of employability and skills development, and the provision of premises is highlighted here, but the action plan also places an emphasis on business support, making informed choices thanks to regularly updated and enhanced economic intelligence, and the need to promote investment across the District.



### Employability and skills

A good blend of academic and vocational skills will be critical to developing jobs growth in the areas set out above.

This strategy is published against a backdrop of significant change in the skills sector as a result of legislation, policy directive and organisational restructuring. New commissioning and procurement structures and strategic bodies are emerging. The newly formed West of England Employment and Competitiveness Board will form a key link to national funding policy.

We will support the development of collaborative activity between training providers and the further and higher education sectors to promote joined up working. This should increase local training opportunities and encourage progression pathways throughout the sector helping to provide the 'skills ladder' needed within the local economy, and work to retain a full local curriculum in the face of increased competition.

Sector and employer engagement is critical to generate demand for skills and workforce development, and the action plan highlights the need to work more closely with employers to understand future skills requirements in greater detail. During the life of this strategy we will establish links and working arrangements with the Sector Skills Councils. We will particularly focus on those Sector Skills Councils which represent:

- Business and Information Technology, including Software, Internet & Web, IT Services, Telecommunications and Business Change – **e-skills uk**
- Creative Industries – **Skillset**
- Manufacturing, science-based, biotechnologies – **SEMTA**
- Environment and Land-based – **Lantra**
- Hospitality, Leisure, Travel and Tourism – **People 1st**
- Retail – **Skillsmart – Retail**

### The importance of networks

The following action plan looks to work closely with, and add value to, existing local, sub-regional and regional sector networks (such as The Bath and Bristol Enterprise Network, Low Carbon Southwest and Creative Bath). These networks are a vital source of support, information and guidance for growing businesses, as well as a source of information on skills needs.

## Satisfying business growth requirements will require the provision of modern business, leisure and retail space

### Improving the availability of business premises

Growth in the above targeted sectors will only occur on the scale required if businesses have the space to move into and grow.

The following action plan places a great emphasis on ensuring the provision of more employment space in our market towns and in Bath.

This space must be appropriate for, and attractive to, those types of businesses we wish to grow locally. For example, space for arts and creative businesses can be more informal, industrial, or “second hand”. Industrial and workshop space will be essential for advanced engineering, high-value manufacturing and businesses developing new technologies.

Where feasible, Bath and North East Somerset Council should use assets more creatively to facilitate the set-up of more incubation hubs and managed business space – which can start small and build momentum over the years.

It is intended that this Economic Strategy will influence the policy framework to allow Bath and North East Somerset to deliver a greater diversity of employment space across the District, supported by appropriate transport and ICT connectivity. The development of the Core Strategy, supporting Regeneration Delivery Plans and other associated planning policy, will be crucial in delivering economic change.



## Locations for growth

### The Regional Spatial Strategy

At the time of writing, the Draft Regional Spatial Strategy (RSS) estimates that provision must be made for 17,000 new jobs in the Bath Travel to Work Area (Bath, Midsomer Norton and Radstock, and Frome Mendip Council).

The Core Strategy provides a policy framework for the location of future employment growth throughout the district. The main urban centres of Bath, Keynsham, Midsomer Norton and Radstock, will be the principal locations for future employment growth, and could collectively deliver up to 85% of the 17,000 new jobs currently required by the Regional Spatial Strategy. However, the rural areas of the District could also make a central contribution to providing more local supply chains, for example in food and energy production.

A greater role will have to be taken by partners to promote each area as a location for business investment. Therefore this strategy places an emphasis on developing a strategy and materials for promoting development and investment, building on the policy framework developed through the Core Strategy and Regeneration Delivery Planning process.

### Bath

Satisfying business growth requirements will require the provision of modern business, leisure and retail space, together with expanded tourism and cultural facilities in new commercial districts in or on the edge of an expanded city centre.

Significant sites are available in Bath for the development of employment space, and the action plan particularly looks to create a policy framework to enable greater certainty for developers.

Consideration must be given to creating a creative and technology “hub”, which could build on the existing work being done by the Innovation Centre in Bath. Since one of our priorities is to build the environmental technologies sector locally, a site could be allocated for a zero carbon “hub”.

More enterprise and managed work space should be encouraged in Bath, providing a range of accommodation for small and medium sized companies.

Bath is a particularly popular location for firms involved in high technology and creative industry activities and partners should undertake targeted activity to promote business investment from such firms.



### Keynsham

Keynsham’s location in the Bristol and Bath green belt means opportunities to expand the town are both restricted and sensitive and have led to over 60% of the working age residents commuting out of the town to work.

Further residential expansion in Keynsham is planned. To maintain Keynsham as a viable, sustainable market town there is an urgent need to build on its strategic location and transport links to expand and diversify the local employment base. This should help to reduce current out-commuting and will help to replace the jobs being lost at Cadbury (scheduled to close in 2011). The future use of the Somerdale site will be critical to the future of Keynsham, and the action plan places an emphasis on developing employment space on this site.

A targeted inward investment plan should be put together for Keynsham in order to raise its profile as a future potential alternative office location to Bristol, as the area has good transport links and the strategic employment site of Somerdale.





### The Somer Valley

The Somer Valley (including the market towns of Midsomer Norton and Radstock) is vulnerable to economic restructuring due to the area's industrial background and its relatively poor transport infrastructure.

The area needs to expand its employment base to offset further housing growth and prevent further increases in out commuting. It should build on the stock of successful industrial estates to enable the expansion of the base of small manufacturing and precision engineering companies. The area is also home to a diverse range of small "support service" firms. New employment space should also help to diversify the local economy by providing premises for new service sector employment focused on the market towns of Midsomer Norton and Radstock. The following action plan draws particular attention to promoting investment in the Old Mills site.

Again, to complement and support employment sites coming forward in this area, a plan to promote investment should be put together for the Somer Valley based on the characteristics of the local business community. Business support packages should also encourage indigenous business growth in the area.

### The rural areas of Bath and North East Somerset

This Strategy recognises the part that our smaller settlements have to play in the District's economy. Entrepreneurialism in these areas should be supported through, for example, improving broadband speed and mobile coverage. The action plan seeks to investigate and address this issue. As set out in the Core Strategy, the rural areas could potentially play a crucial role in activities such as local food production, and for producing renewable energy in the form of biomass.

# In summary our strategy is to create:

## Jobs growth, which:

- Favours more value than volume, offering more opportunities in more productive growth sectors
- Builds on local distinctiveness
- Builds on existing strengths

## Supported in particular by:

- An improvement in basic skills and the identification of skills required by growth sectors
- Appropriate policy frameworks for the creation of more business premises across the District
- Continuation and extension of business support activities, including the support of sector networks

## Leading to:

- Increased employment opportunities and improvement in living standards/contribution to society
- A reduction in carbon emissions
- A more diverse economy which is better protected against future economic shifts

# The Action Plan

## Priority Actions 2010 – 2013

	Objective	Action	Output	Outcome	Lead
<b>Employability &amp; Skills</b>					
1	To ensure B&NES contains a “talent pool” appropriate to the needs of key and growth sectors (for example, businesses involved in low carbon-related activities).	<p>Identify skills gaps/needs for employers by undertaking sector-based surveys .</p> <p>Prepare an Employability and Skills plan for B&amp;NES to identify the training and skills required to underpin the expansion of key sectors.</p> <p>Align 14–19 Strategic Plan to local and sub-regional Employability and Skills Plan, priority proposals.</p> <p>Identify and improve existing training and skills “progression pathways” between further education and higher education sectors currently available for growth sectors and identify gaps.</p> <p>Develop appropriate curricula to meet growth sector needs, ensuring links to and support from subregional commissioning.</p> <p>Link with Jobcentre Plus and other partners (e.g. business support agencies) to promote skills packages to the individuals and to employers.</p>	<p>A set of coherent skills and training packages for the local population and for employers.</p> <p>New training available from level 1 through to level 4 to meet growth sector needs.</p> <p>Appropriate training commissioned to meet local needs.</p> <p>Promotion of coherent packages.</p>	<p>Levels of worklessness/ young people not in education employment and training reduced with resultant improvement in standards of living.</p> <p>Skilled workforce able to meet sector growth needs.</p> <p>B&amp;NES as an extremely competitive location for key and growth sectors.</p>	Council with Employment and Competitiveness Board, Learning and Skills Partnership, Jobcentre Plus and local partners

## Priority Actions 2010 – 2013 (continued)

	Objective	Action	Output	Outcome	Lead
<b>Business Premises &amp; Infrastructure</b>					
1	Facilitate new city centre and edge of centre commercial quarters in Bath	Establish a development framework & delivery plan for Bath City Centre with a particular focus on Bath Quays, Manvers Street, Avon Street and BWR East sites.	Development commenced on Bath Quays. Overall on completion around: <ul style="list-style-type: none"> <li>• 20,000sqm of employment, leisure and cultural space</li> <li>• 1,000 new jobs</li> </ul>	An increase in the number of higher-waged, higher-skilled “knowledge” based jobs available locally.  Increased productivity and competitiveness.	Council
2	Bring forward new employment space in Keynsham town centre and at Cadbury Somerdale.	Prepare a Regeneration Delivery Plan covering Keynsham town centre and Cadbury Somerdale.	Development commenced in the Centre, which could deliver: <ul style="list-style-type: none"> <li>• 10,000sqm office space</li> <li>• 1,000sqm retail space</li> <li>• 2,000sqm leisure and community space</li> <li>• Up to 600 new and relocated jobs.</li> </ul>	An increase in the number and diversity of jobs available locally.  A reduction in the levels of out-commuting from this area and related contribution to lowering carbon emissions.	Council
3	Bring forward new employment space in Midsomer Norton and Radstock town centres and identify a new strategic employment location in the Somer Valley.	Prepare a Regeneration Delivery Plan covering Midsomer Norton and Radstock town centres.	Develop a Masterplan for employment land at Old Mills. Development brought forward to deliver around: <ul style="list-style-type: none"> <li>• 5,000sqm of new office and industrial space</li> <li>• 300 new jobs</li> </ul>	An increase in the number and diversity of jobs available locally.  A reduction in the levels of out-commuting from this area and related contribution to lowering carbon emissions.	Council

## Priority Actions 2010 – 2013 (continued)

	Objective	Action	Output	Outcome	Lead
<b>Business Support &amp; Development</b>					
1	Maintain the delivery of business support services to new and existing companies in B&NES.	<p>Complete and monitor delivery of a new commissioned business support package.</p> <p>Integrate business support with local training and development offer as a partnership with key stakeholders.</p>	<ul style="list-style-type: none"> <li>• 3000+ businesses supported</li> <li>• 250+ new business starts</li> <li>• 200+ businesses intensively assisted</li> <li>• Increased number of training hours delivered to employers by providers</li> </ul>	Businesses are supported through the recession and onwards, and jobs are better protected locally.	Council/Local business representatives and networks/ GWE Business West/training providers.
2	To facilitate the growth of key knowledge-based sectors locally.	<p>To map and understand in more detail the local situation in the following sectors:</p> <ul style="list-style-type: none"> <li>• Information and Communication technology (ICT)</li> <li>• Creative Industries</li> <li>• Environmental/low-carbon technologies and activities</li> <li>• Health and Wellbeing/ Biotechnology and Biomedical</li> </ul>	<p>Intelligence report/s on each sector.</p> <p>10 key sector businesses per quarter are met as part of business liaison work to discuss needs/strategies for support.</p> <p>4 local networking events/projects run by existing networks in the above sectors supported</p> <p>Ensure that a “growth sector” section is included in the Annual Business Liaison report (see below)</p> <p>Additional business support delivered to companies in the following key sectors:</p> <ul style="list-style-type: none"> <li>• Creative industries</li> <li>• Technology related</li> <li>• Environmental technologies</li> <li>• Health &amp; Well Being/Biotechnology</li> </ul>	Business support and skills policies are informed, and help businesses in these key areas develop and offer more employment opportunities.	Council, local business community, business support provider, further education colleges, Universities.

## Priority Actions 2010 – 2013 (continued)

	Objective	Action	Output	Outcome	Lead
<b>Business Support &amp; Development</b>					
3	Support the Retailing & Tourism sectors in Bath	<p>Implement priority recommendations of the Retail and Visitor Accommodation Studies</p> <p>Review training offer available in Retail and Tourism locally and identify gaps and develop curricula (in consultation with Sector Skills Council) to meet these gaps.</p>	<ul style="list-style-type: none"> <li>• An action plan to support independent traders</li> <li>• A Business Improvement District proposal for Bath City Centre</li> <li>• A hotel investment plan</li> <li>• A proactive policy approach in the Core Strategy to visitor accommodation</li> </ul>	Strong retail and tourism offer of the area is maintained – again, helping to protect businesses and jobs.	Future Bath Plus, Learning Partnership, Council
1	Targeted promotion to relevant industries of each major urban area as a location for business or appropriate government activity.	Establish a strategic framework for inward investment activity.	<p>Inward investment plans and materials for our major urban areas, based on key local characteristics and business strengths (such as our potential to grow technology firms in Bath).</p> <ul style="list-style-type: none"> <li>• Bath</li> <li>• Keynsham</li> <li>• Somer Valley</li> </ul>	Increased investment and jobs growth in area.	Future Bath Plus/Council

## Supporting Actions

	Objective	Action	Output	Outcome	Lead
<b>Employability &amp; Skills</b>					
1	To improve employability and reduce worklessness in <i>geographical areas</i> with high levels of worklessness.	<p>Annually undertake a worklessness assessment as part of the development of a sub-regional Skills Plans.</p> <p>To work with partners to develop a joint package for affected wards, to include soft skills and basic skills qualifications, and investigation into the role social enterprises could play in reducing unemployment and increasing skills levels.</p> <p>Publish local area joint working plan.</p>	<p>Individual 'Improve Employability' plans to roll out in specific geographic areas across B&amp;NES, for example, the Walcot and Snowhill/London Road area, developed by key stakeholders and jointly promoted.</p> <p>Plan linked into annual sub-regional Skills Plan and commissioning proposals.</p> <p>Increase % of population with Level 2 skills levels in targeted wards (see "Measures of success" section below)</p>	<p>More people equipped with basic employability skills.</p> <p>Higher qualification levels in target wards.</p> <p>Decrease in worklessness within target wards.</p>	Learning and Skills Partnership members including; Council, Jobcentre Plus
2	To improve employability and reduce worklessness in <i>disadvantaged groups</i> (e.g. learning difficulties, care leavers, ex-offenders, etc).	<p>Annually undertake a worklessness assessment of disadvantaged groups as part of the development of a sub-regional Skills Plan.</p> <p>Identify changes which need to be made to improve access to employment and training.</p>	<p>An 'Improve Life Chances' plan for disadvantaged groups in B&amp;NES developed and implemented by stakeholders.</p> <p>Plan linked into annual sub-regional Skills Plan and commissioning proposals</p>	<p>Increase in disadvantaged groups in work.</p> <p>Increase in funded, flexible training offer targeted at disadvantaged group.</p>	<p>Learning and Skills Partnership members</p> <p>With specialist leads (as appropriate)</p> <p>OLASS (Offenders Learning and Skills Service) Learning Difficulties Transitions Board, Children's Services (Young People in Care Team)</p>



## Supporting Actions (continued)

	Objective	Action	Output	Outcome	Lead
<b>Employability &amp; Skills</b>					
3	To ensure older people are equipped with the right skills to remain in the workforce.	Commission/undertake an analysis of barriers to work and training for older people in B&NES and identify possible actions to improve access to training and work.  Consult with employers on ways of breaking down barriers.	A plan to 'Improve the Economic Well-Being of Older People in B&NES', including curriculum developed and implemented by stakeholders.  Plan linked into annual sub-regional Skills Plan and commissioning proposals	Increase in economic activity of over 50s  Increase in flexible-training opportunities for over 50s and in take-up of these opportunities	Learning and Skills Partnership members with Employers and  Business Support Services
4	To encourage and support business start-ups in the District.	Develop and monitor (feedback to influence programme development) with key stakeholders a coherent curriculum to promote entrepreneurship and enterprise training and jointly promote this, including the proposed new 'Qualify with a Business' programme.	Actions set out in business support service level agreement to support this (see business support supporting actions). Training providers offer a jointly planned and promoted curriculum.	Jobs growth, Business start up	Council, GWE Business West, With support from Colleges, Universities, Training Providers

## Supporting Actions (continued)

	Objective	Action	Output	Outcome	Lead
<b>Employability &amp; Skills</b>					
5	To increase the number of graduates working with local employers	<p>Promote sectors/employers and opportunities available in B&amp;NES to students and graduates.</p> <p>Improve local employer knowledge of how the further and higher education sector can support business.</p> <p>Improve mentoring and work placement links between employers and students/ graduates.</p> <p>Commission information to improve understanding of graduate employment trends.</p> <p>Identify actions required to encourage graduate retention.</p> <p>Work with Children's Services and FE Colleges on the development of local University Technical College for 14–19 year olds.</p>	<p>Promote annual careers fair/event for students with employer, jobsearch and workshop element.</p> <p>Actions identified to improve numbers of students/graduates working with local employers.</p>	<p>Better integration of the skills and knowledge being developed at our Colleges and Universities with local employer needs and recruitment.</p> <p>Rise in number of students/ graduate working with local employers.</p>	Council with Connexions, Nextstep, Universities, Colleges, Training Providers.

## Supporting Actions (continued)

	Objective	Action	Output	Outcome	Lead
<b>Employability &amp; Skills</b>					
6	Drive local employment creation.	Scope local employment opportunities within all major projects.	S106 Agreements to include support for local training opportunities and related infrastructure arising from employment opportunities within key site developments and linkages to sub-regional Skills Plans	Additional local employment opportunities Increased use of local labour	Council
		Co-ordinate West of England Future Jobs Fund in Bath and North East Somerset  Promote the available government-funded apprenticeship schemes and other relevant schemes.	Additional work opportunities for 16–25 year olds.  150 additional jobs created.	Reduced unemployment amongst 16–25 year olds	Council and Partners
<b>Business Premises &amp; Infrastructure</b>					
1	Create new city centre and edge of centre commercial quarters in Bath.	As outlined in the Core Strategy and Regeneration Delivery Plans for Bath City Centre and Bath Western Corridor, co-ordinate and facilitate the strategic infrastructure and business relocations to enable the development of key employment – led sites along the river corridor.	Key sites along the River Corridor brought forward for development. Delivery of: <ul style="list-style-type: none"> <li>• Around 100,000sqm of modern office space</li> <li>• Around 23,000sqm of new retail space</li> <li>• A cultural/conference centre venue</li> <li>• 600 new visitor bedspaces</li> <li>• Up to 5,000 new jobs</li> <li>• Appropriate training</li> </ul>	More competitive location for development of growth sectors, with related job creation.  Increased productivity and competitiveness.	Council
2	Bring forward new employment space in Keynsham town centre and at Cadbury Somerdale	Co-ordinate and facilitate the highway, transport, traffic management, public realm and car parking infrastructure to enable the development of Cadburys Somerdale and key sites in the town centres.	Key sites brought forward for development. Delivery of: <ul style="list-style-type: none"> <li>• Around 30,000sqm of new workspace</li> <li>• Around 8,500sqm of new retail space.</li> <li>• Up to 2,100 new jobs</li> <li>• Appropriate training to support jobs.</li> </ul>	An increase in the number and diversity of jobs available locally.  A reduction in the levels of out-commuting from this area and related contribution to lowering carbon emissions.	Council

## Supporting Actions (continued)

	Objective	Action	Output	Outcome	Lead
<b>Business Premises &amp; Infrastructure Continued</b>					
3	Bring forward new employment space in Midsomer Norton and Radstock town centres and identify a new strategic employment location in the Somer Valley.	Co-ordinate and facilitate the highway, traffic management and public realm improvements to enable the development of key sites in Midsomer Norton and Radstock town centres and the employment land at Old Mills.	Key sites brought forward for development. Delivery of: <ul style="list-style-type: none"> <li>• Around 8,000sqm of new office space</li> <li>• Around 6,500sqm of new retail space</li> <li>• Around 36,000sqm of new light and general industrial space</li> <li>• Up to 2,500 new jobs</li> <li>• Appropriate training to support jobs.</li> </ul>	An increase in the number and diversity of jobs available locally.  A reduction in the levels of out-commuting from this area and related contribution to lowering carbon emissions.	Council
4	Manage the loss of existing business space across B&NES.	Set out spatial strategy in Core Strategy.  Prepare Business Displacement Strategy. Develop Re-use Strategy for MOD sites in Bath.	<ul style="list-style-type: none"> <li>• Identification of preferred locational strategy for replacement business space.</li> <li>• Identification of 'core' MOD site in Bath.</li> <li>• Delivery of 80,000sqm of replacement business space.</li> </ul>	Jobs safeguarded in the District.	Council, Business Support provider
5	Promote knowledge transfer and the creation of knowledge-based university spin-out companies.	Develop Action Plan for the provision of additional incubation space in Bath.	Agreed proposal for creation of additional incubation space.  Delivery of 4,000sqm of additional incubation space	Availability of premises for start-up businesses.  Job creation and innovation.	Council
6	Provide additional managed workspace to facilitate the growth of small companies.	Develop an Action Plan for the provision of additional managed workspace in B&NES and link this to a curriculum to support entrepreneurship.	Engagement of managed workspace providers in delivering schemes.  Delivery of 5,000sqm of additional managed workspace.	Availability of premises for small businesses.  Job creation and innovation	Council
7	Provision of high capacity digital infrastructure on key employment sites.	Prepare ICT Infrastructure Strategy	Framework for market-led provision of ICT to specific sites.  High band width ICT infrastructure delivered to new office floorspace.	More competitive location for development of growth sectors, with related job creation.	Council

## Supporting Actions (continued)

	Objective	Action	Output	Outcome	Lead
<b>Business Support &amp; Development</b>					
1	To reaffirm the working relationship between the Council and the business community.	Create a business charter.	A business charter, signed up to by Council, key partners, individual businesses and networks	Businesses supported in working more effectively/efficiently.	Council/ businesses and networks including Chambers and Federation of Small Businesses
2	To be well-informed about business' support needs (not sector-specific)	Quarterly business surveys of GWE Business West, Bath Chamber of Commerce and FSB members, to include 75 additional businesses to be nominated by B&NES Council and with input from training providers and their Sector Skills Councils on their analyses of business training needs.  Quarterly attendance at case conference meetings	Quarterly summaries of business support needs.	Appropriate business support offered with resulting potential for job protection and creation.	Business support provider  Training Providers/ Sector Skills Councils

## Supporting Actions (continued)

	Objective	Action	Output	Outcome	Lead
<b>Business Support &amp; Development</b>					
3	To increase business formation and start-up rates and to provide support to existing businesses.	<ul style="list-style-type: none"> <li>To advise 1,000 businesses per annum across B&amp;NES</li> <li>To achieve a minimum business start level of 75 per year.</li> <li>To maintain and publicise a weekly programme of free Specialist Advice Clinics to be delivered from the GWE Business West Bath office.</li> <li>To provide appropriate and coherent training offer to local businesses and entrepreneurs.</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly reports on levels of business support and advice given.</li> <li>An annual summary of business support and advice given.</li> </ul>	Appropriate business support offered with resulting potential for job protection and creation.	Business support provider Training Providers
4	To help businesses identify and plan for climate change and fuel and energy shortages.	<ul style="list-style-type: none"> <li>To identify and work with an expert partner to deliver risk analysis to small and medium enterprises.</li> </ul>	<ul style="list-style-type: none"> <li>Service offered to local business population.</li> </ul>	Contribution to a better-prepared and informed business community about the risks of climate change and resource scarcity.	Environmental Sustainability Partnership with expert partner

## Supporting Actions (continued)

	Objective	Action	Output	Outcome	Lead
<b>Business Support &amp; Development</b>					
5	To help businesses deal with the impact of the recent recession.	<ul style="list-style-type: none"> <li>To promote and deliver, subject to demand, a quarterly programme of Credit Crunch Clinics providing B&amp;NES businesses with one to one access to business advisers covering all key aspects of running and managing a business</li> <li>To deliver a public sector “meet the buyer” event</li> <li>To support sub-regional and local rapid response activity businesses dealing with medium to large scale redundancies, to include a coherent package of support and training for employees.</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly reports on levels of business support and advice given</li> <li>Event to promote public sector procurement to local businesses</li> </ul>	Appropriate business support offered with resulting potential for job protection and creation.	Council with Business support provider, West at Work Action Group

## Supporting Actions (continued)

	Objective	Action	Output	Outcome	Lead
<b>Economic Intelligence</b>					
1	Undertake economic monitoring and intelligence gathering in order for the Council to fulfil statutory duties under the Housing and Local Government Act 2008 and to actively monitor progress on Economic Strategy outcomes.	<ul style="list-style-type: none"> <li>Preparation of an Annual Economic Assessment.</li> <li>Publication of an annual Economic Report and quarterly Monitoring Bulletins.</li> </ul>	An annual Economic Assessment of the District.	An up-to-date understanding of the performance of the economy and issues affecting business growth.	Council
2	Improve understanding of business needs and priorities locally by gathering first-hand evidence.	Attendance at business network events, business liaison visits and actions. See also "key sector" section within priority actions section. Engage Training Providers, further education and higher education in Skills Gap Analysis.	<ul style="list-style-type: none"> <li>Undertake Annual Business Survey</li> <li>Carry out at least 80 business liaison visits per year</li> <li>Undertake 50 business projects as a result of business liaison visits</li> <li>Quarterly business networking sessions, with minimum of 10 businesses present at each breakfast.</li> <li>Attendance by the Council at least 6 business network-led events.</li> <li>Production of Annual Report on business liaison and survey.</li> </ul>	<p>An up-to-date understanding of the issues affecting businesses.</p> <p>A stronger direct relationship between the Council and businesses.</p> <p>Businesses are given a point of liaison within the Council in the form of Economic, Enterprise &amp; Business Team.</p>	Council, business support provider
3	Carry out active ongoing monitoring of progress on the Council's Local Area Agreement and the West of England Multi Area Agreement.	Establish agreed Monitoring Framework with Government Office for the South West and key delivery partners.	<p>Quarterly Monitoring Reports.</p> <ul style="list-style-type: none"> <li>Achievement of Local Area Agreement 'stretch' targets.</li> <li>Informed input into Local Area Agreement/Multi Area Agreement refresh.</li> </ul>		Council and key delivery partners.
4	Ensure effective and efficient use and gathering of economic intelligence.	<ul style="list-style-type: none"> <li>Undertake annual Economic Assessment</li> <li>Engage with West of England Observatory and Policy and Partnerships Service internally.</li> <li>Participate in Network Groups.</li> </ul>	Agreed arrangements for data gathering and monitoring.	Reduced duplication of data gathering and efficient use of data sources.	Council and partners.



## Supporting Actions (continued)

	Objective	Action	Output	Outcome	Lead
<b>Promoting Investment</b>					
1	Promote B&NES as a location for inward business investment to assist in achieving future employment growth targets.	<ul style="list-style-type: none"> <li>• Develop an Inward Investment website.</li> <li>• Produce a range of inward investment materials focusing on different areas within B&amp;NES</li> <li>• Identification of external inward investors and active promotion of the area as a business location</li> <li>• Ongoing monitoring of inward investment locations and jobs.</li> </ul>	<ul style="list-style-type: none"> <li>• A comprehensive functional website to promote B&amp;NES to potential business investors.</li> <li>• A flexible portfolio of material for use with individual investment enquiries, promoting the benefits of different locations (Keynsham, Somer Valley, Bath)</li> <li>• An annual report on inward investment activity.</li> </ul>	Increased investment and jobs in the area.	Council, Future Bath Plus, Business networks
2	Develop links with other countries to promote economic and business initiatives.	Produce an International Relations Activity Plan and review annually.	A framework for exploring initiatives on international trade, business partnering and technology transfer.	A better understanding of municipal government in other countries and approaches to funding, governance, economic and business support.	Council, Future Bath Plus

## Monitoring and Measuring Success

This strategy's action plan will contribute towards delivering the aims and objectives set out in the Sustainable Community Strategy, the overarching vision for the District.

A short annual report will be produced by the Sustainable Growth Alliance on progress against the outputs column set out in this document's action plan.

However, it is also important that we try to measure and monitor the development of the economy.

The annual report will therefore provide a summary of the "state of play" of the economy, in the form of the measures in the following table.

The targets set out may be reviewed as the economic and regulatory landscape changes.

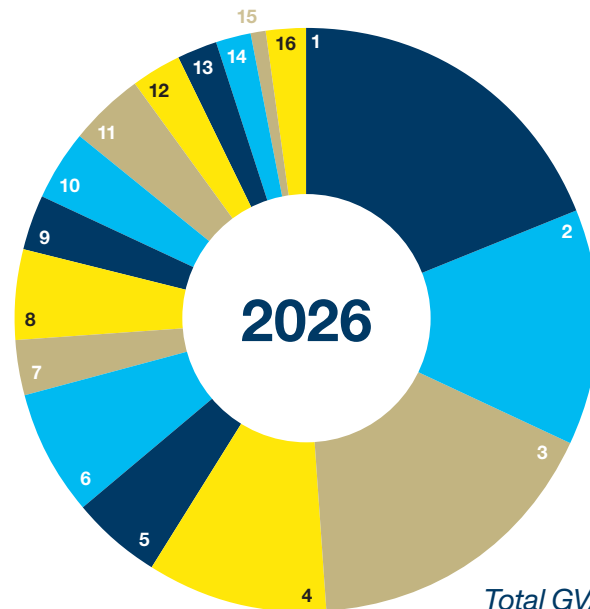
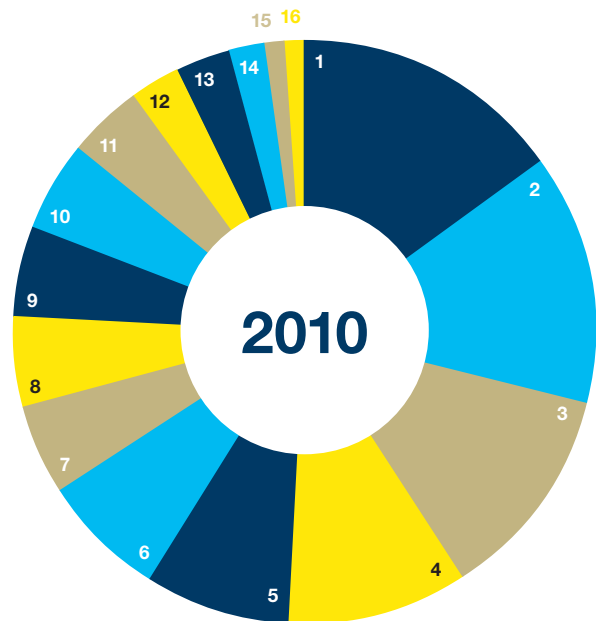
		Targets				
Desired Outcome	Key Measure	Benchmark (Latest Available)	2013	2016	2019	2026
Less overall commuting, more local employment, and reduction in CO2 contribution from business community	CO2 emissions across the District	(To be confirmed)	Detailed year-on-year CO2 reductions targets are under development, but at minimum, will be in line with national targets to reduce CO2 emissions 80% from 1990 levels by 2050			At least a 45% reduction in district wide carbon emissions
	Employees located in Keynsham (Annual Business Inquiry employee analysis)	5,700 (2008)	Maintain levels	Net increase of at least 15%	Net increase of at least 25%	Net increase of at least 35 %
	Employees located in Midsomer Norton/ Radstock (Annual Business Enquiry employee analysis)	5,200 (2008)	Maintain levels	Net increase of at least 15%	Net increase of at least 25%	Net increase of 40%

		Targets				
Desired Outcome	Key Measure	Benchmark (Latest Available)	2013	2016	2019	2026
A socially inclusive economy with continuing high levels of economic participation, increased workforce skills, and a focus on lifelong learning.	Employees across District (Annual Business Inquiry workplace analysis)	78,000 (2008)	Net increase of at least 1%	Net increase of at least 5%	Net increase of at least 12%	Total employment increased by at least 22%.
	Unemployment across District (JSA claimant counts)	2% – lowest in West of England (2010)	Maintain levels.	Maintain levels.	Maintain levels.	Maintain levels.
	Super output areas in B&NES in top 20% of IMD in the country (Index of Multiple Deprivation)	4 (Twerton West, Kingsmead, Whiteway, Foxhill north). (2007)	3	2	1	No wards in top 20%.
	Proportion of young people not in employment, education and training (Connexions)	4.3% (2009)	4.25%	4.2%	4.15%	4.1%
	Proportion of working age residents with at least Level 2 NVQ or higher (ONS Annual Population Survey)	76.4% (2008)	76.9%	77.4%	77.9%	78.4%

		Targets				
Desired Outcome	Key Measure	Benchmark (Latest Available)	2013	2016	2019	2026
An economy which is more diverse, productive and resilient thanks to an increase in knowledge-based jobs.	Number of business births in the year (Business demography survey)	695 (2008)	755	815	875	935
	% of jobs in SIC 2007 industries: J (information and communication), and M (professional, scientific and technical) across the District. (Annual Business Inquiry)	13% (2008)	Proportion of total jobs is at least 14%	Proportion of total jobs is at least 15%	Proportion of total jobs is at least 18%	Proportion of total jobs is at least 20%
	Gross weekly average earnings – % of national average (Annual survey of hours and earnings)	94% (2009)	95%	97%	99%	100%+
	Total GVA (Local Economic Assessment)	Approx. £3bn	Increase of at least 0.5%	Increase of at least 4%	Increase of at least 15%	Increase of at least 30%
A place where knowledge-based workers can find jobs and where innovation being developed locally can grow	Proportion of knowledge-based workers (NVQ Level 4+) (ONS Annual Population Survey)	35% (2008)	Maintain or increase.	Maintain or increase.	Maintain or increase.	Proportion of knowledge-based workers is at least 35%
	Graduate retention rates (to be identified)	To be determined as part of action plan	To be updated	To be updated	To be updated	To be updated

# What will our economy look like in 2026?

Estimated GVA contribution to Bath and North East Somerset economy by broad industry



Total GVA roughly £3.9bn

The pie charts demonstrate how we might expect the economy of the District to have changed between 2010 and 2026, in terms of Gross Value Added (GVA) per broad industry. The economy has expanded, thanks largely to more activity in 'knowledge-based' activities.

- 1 Professional, Scientific, Technical
- 2 Wholesale and Retail
- 3 Info and Comms
- 4 Construction
- 5 Manufacturing
- 6 Financial and Insurance
- 7 Public Admin and Defence
- 8 Admin and Related
- 9 Water, Sewage, Waste
- 10 Real Estate Activities
- 11 Accommodation and Food
- 12 Human Health and Social Work
- 13 Transportation and Storage
- 14 Other Service Activities
- 15 Education
- 16 Arts, Ents, Recreation

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