

# Bath & North East Somerset

## Local Economic Assessment

Overview of economic data

May 2010

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# 1: Introduction

- 1.1 The Local Democracy, Economic Development and Construction Act (2009) places a new duty on upper tier local authorities to carry out an assessment of the economic conditions of their area, known as a Local Economic Assessment (LEA). The LEA should be an analytical document which provides a comprehensive picture of the local economy. It should provide the local authority and their partners with a robust analysis of the local economic conditions, which should in-turn inform future economic policies and interventions. The LEA will also help to inform sub-regional and regional economic strategies. This will help to ensure that:
- i) policy making at all levels is based on a shared understanding of local economic challenges and economic geography, and
  - ii) the economic interventions of different partners are aligned and complementary. The latest guidance sets out a set of core objectives, which are to:
- Provide an understanding of the economic conditions in the area and how they affect the well-being of residents and businesses
  - Identify economic linkages with the wider economy
  - Identify comparative strengths and weaknesses and the nature and form of challenges and opportunities
  - Identify constraints to local economic growth, and the risks to delivering sustainable economic growth.
- 1.2 This document summarises the key messages arising from the LEA for Bath & North East Somerset (B&NES). Where relevant we have provided data for comparator areas – notably the wider sub-region (West of England), as well as regional and national averages. We have also collected some comparator data for three local authority areas of similar size, with a dominant town/city: Cambridge/South Cambs; Cheshire West and Chester; and Harrogate.
- 1.3 The rest of this document is structured as follows:
- **Chapter 2** sets out the key cross-cutting themes emerging from the LEA, and some views on the future potential development of B&NES
  - **Chapter 3** discusses the economic linkages within B&NES and with the wider area
  - **Chapter 4** reviews issues relating to the business and enterprise theme
  - **Chapter 5** reviews issues relating to the people and communities theme
  - **Chapter 6** reviews issues relating to the sustainable economic growth theme
  - **Chapter 7** summarises issues relating to each of the four local areas within B&NES.
- 1.4 Full data appendices are provided for each of three main themes in a separate document.

## 2: Summary of Findings

### Introduction

2.1 This section of the LEA sets out a summary of the cross-cutting themes that have been raised; a summary of the main strengths, weaknesses, opportunities and threats identified; and the implications of these for the future.

#### ***Cross-cutting themes***

2.2 There are a number of cross-cutting issues that have been raised in several sections of the LEA. These are summarised below, and cover four broad themes: Environment, Infrastructure & Sites; Homes & Population; Jobs & Employment; and Skills. It should be noted that as cross-cutting issues, several could fall under more than one of these headings.

#### ***Environment, Infrastructure & Sites***

- There is national and international recognition of Bath as a (small historic) city. Its high quality urban environment and UNESCO world heritage city status are drivers of a strong tourism sector, but a potential constraint to physical development and economic growth.
- Constrained development land results in a conflict between housing and employment uses. The subsequent lack of employment premises and sites in Bath could constrain future economic growth, although there is potential for future development in the river corridor to the south and west of the city.
- Out-commuting could be exacerbated if employment space growth is not aligned with residential growth.
- The proximity of Bristol may always place Bath in an investment shadow for commercial and R&D investment.
- There are good rail links to Bristol and London from Bath, but accessibility difficulties for southern parts of the district and poor linkages with the key national road network for the industrial base. Rural areas and Somer Valley are particularly dependent on the car for accessibility

#### ***Homes & Population***

- Housing affordability is poor, and there are low levels of affordable housing. This could constrain future population growth and therefore economic growth.
- B&NES' ageing population is seen as both a future opportunity (e.g. opportunities for the health / care sectors) and threat (in terms of potential cost to Local Authority).
- The working-age population is declining as a proportion of the total population, which could – over time – lead to an increase in in-commuting to fill local jobs.

#### ***Jobs & Employment***

- Strong employment in the public sector could be vulnerable to future public funding cuts.
- The potential for greater university-business linkages could contribute to future economic growth. In particular, the two Universities have strengths in several of the

government priority (NINJ2) sectors.

- It is important for B&NES to position itself well for the transition to a low carbon, resource efficient and energy constrained economy, and plan for adaptation to unavoidable climate change.

### Skills

- In order to generate future economic prosperity it is likely that skills interventions for residents would be most effective if they focused on the key growth sectors for the UK and SW economy.
- As the population ages, there may be particular opportunities around 'reskilling' the older workforce in order to improve participation rates and hence drive economic performance.

## Summary of key issues

2.3 The table below presents an overall SWOT for the key issues facing B&NES.

Table 2-1 Overall SWOT

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Well qualified population</li> <li>• Full employment</li> <li>• Strong creative industries sector</li> <li>• UNESCO world heritage site = strong tourism</li> <li>• Part of a prosperous sub-region – relevant to employment and supply chain linkages</li> <li>• Travel time and economic linkages to London (from Bath)</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Poor university – industry linkages</li> <li>• Lack of new build employment space (esp. Grade A, B1)</li> <li>• Low wage linked to out-commute of higher level occupations</li> <li>• Low housing affordability</li> <li>• Poor transport connectivity to rural areas</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Graduate retention</li> <li>• Improved university-industry links</li> <li>• Employment opportunities in low-carbon sectors, including the green technology sector utilising skills developed at our universities, and green construction, including retrofit</li> <li>• Bath Transport Package (RFA2)</li> <li>• Significant growth requirement/plans in RSS (<i>also a threat</i>)</li> </ul>	<ul style="list-style-type: none"> <li>• Reliance on public sector employment (risk of spending cuts)</li> <li>• Ageing population (especially aged 80+)</li> <li>• Adverse impact of future growth on character of B&amp;NES</li> <li>• Constraints to employment growth resulting in economic stagnation and increased out-commuting</li> <li>• The impact of rising energy prices on the cost of commuting and of doing business in the district</li> <li>• Climate change (e.g. increased flooding, extreme weather, water shortages) threatens business continuity, welfare of residents, land use etc.</li> </ul>

## Potential impact of future change

2.4 The table below reviews the key themes summarised above, and considers the potential impact within each if these themes if current drivers continue without change.

**Table 2-2: Potential future impact of key themes**

Key Theme	Driver of Change	Potential Impact
<b>Environment, Infrastructure &amp; Sites</b>		
Historic and protected urban environment	As identified below, future economic growth requires the development of new employment sites with modern facilities.	Potential constraint to future economic growth, unless steps are taken to bring forward brownfield sites or land outside the city is prioritised for development
Low levels of available housing and employment land and premises	Future growth requires more employment and premises and more homes. With a shortage of sites, there is pressure on those available sites from both of these uses.	Potential constraint to future economic growth, and threat to sustainability and driver of more commuting if future development exacerbates imbalance between jobs and homes.
Limited employment space provision	Out-commuting could be exacerbated if employment space growth is not aligned with residential growth	Bristol becomes an obvious employment destination and B&NES potentially plays increasingly a dormitory role for Bristol.

Key Theme	Driver of Change	Potential Impact
Proximity of Bristol	Proximity of Bristol may always place Bath in an investment shadow for commercial and R&D investment	B&NES potentially plays increasingly a dormitory role for Bristol
Accessibility difficulties for south and southwest of the district	Poor linkages with key national road network for large parts of the district	Potential constraint to economic growth in these areas, particularly the manufacturing sector or those otherwise reliant on transport logistics. Potential stagnation of Somer Valley and rural areas
<b>Homes &amp; Population</b>		
Housing affordability	Low levels of affordable housing; under-provision of new affordable housing completions, and continuing high housing costs	Could constrain future population growth and therefore economic growth. Could also exaggerate differences in economic wellbeing and deprivation across B&NES
Ageing population	Opportunity for growth in health and wellbeing and social care sectors	Potential economic growth, although care sector tends to generate relatively low-skill, low-wage employment
Increasing proportion of population not of working age	Working-age population declining as proportion of total population	Less working-age population could lead to more in-commuting to fill jobs within B&NES

Jobs & Employment		
Strong employment in the public sector	Potential future spending cuts on public services  Risk of MoD re-location out of Bath sites	Spending cuts and relocations could lead to job losses in the public sector and reduced local employment base, with potentially higher levels of out-commuting if jobs move to North Bristol, and structural change in nature of public sector in B&NES
University-business linkages, especially around the NINJ drivers	Linkages are currently not significant, but there is potential to improve them	Without improvements in this area, B&NES is failing to exploit a key potential driver of growth in the local economy
Transition to a low carbon, resource efficient and energy constrained economy, and adapting to unavoidable climate change	Carbon taxes, rising energy prices, need to adapt to climate and resource shortage disruption, growing business opportunities in addressing these problems	Failure to address these drivers will result in economic decline as businesses and organisations move to areas which are more proactive about this transition and are able to provide better support, e.g. London, the North West, Bristol
Skills		
Low employment in NINJ sectors	Up-skilling of resident working population (e.g. in advanced engineering; low carbon economy skills) could provide a greater employment base	Potential constraint to economic growth in a modern economy. Newly skilled workforce could be more adaptable to emerging key sectors
Reskilling older workforce	Participation rates for the over 50s is likely to be a key driver in economic performance and may need intervention	Reskilled 'older' workforce and higher participation rates may help to maintain the productive base of the economy

## 3: Economic Linkages

### Introduction

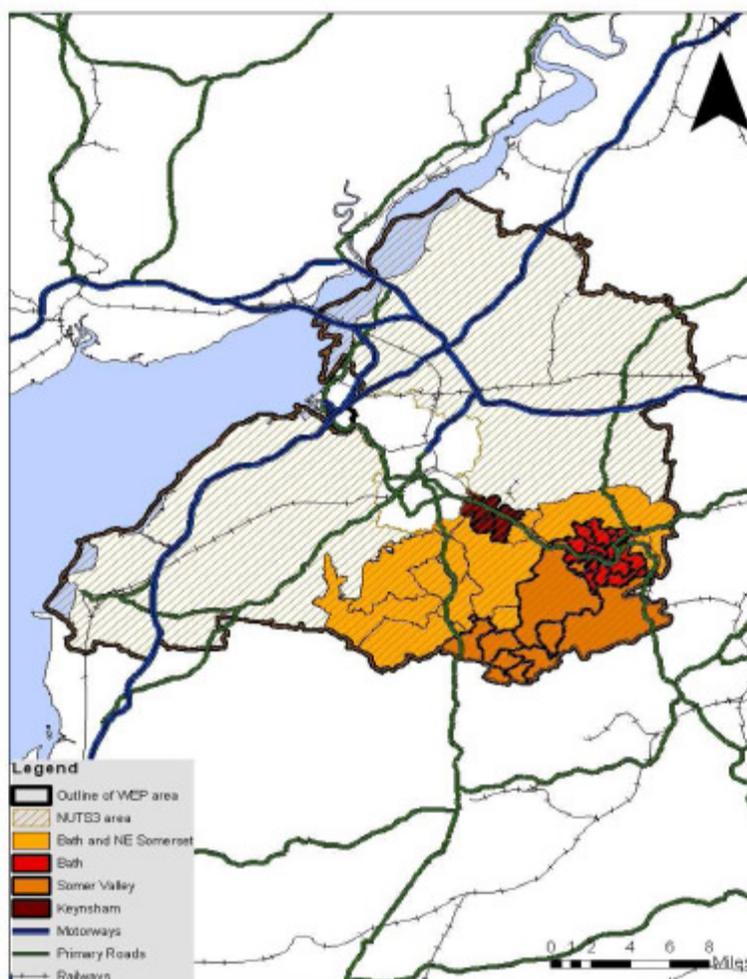
- 3.1 B&NES is a relatively rural local authority, with 45.9% of its population classified as rural (compared to an England average of 26.9%), placing it just outside the top third of most rural authorities in England.
- 3.2 Nonetheless there are some significant urban areas where more the majority of the population lives, notably Bath, Keynsham and Norton Radstock which together account for around 69% of the district's population. These are discussed as separate sub-areas within this assessment (Norton Radstock is combined with its rural hinterland to form Somer Valley) and the remaining population is included in the Rural sub-area for this report.

### B&NES in the West of England

- 3.3 B&NES is part of the West of England and is one of four local authorities in the West of England Partnership, which provides a co-ordination function to ensure that better planning occurs at a sub-regional level to take advantage of the potential for large-scale investment and planning decisions. The other authorities are Bristol, North Somerset and South Gloucestershire. Overall the West of England is a *'prosperous area with an excellent quality of life and a growing national and international profile'* although there remain pockets of less prosperous areas and the sub-region as a whole faces increasing pressure on its infrastructure. Strong growth is expected in the sub-region, building on the strength of the Bristol city-region.
- 3.4 The four authorities have signed up to a number of priorities in the Multi Area Agreement (August 2009):
- Mitigate the impact of the current economic recession and act to support an early upturn
  - Plan and manage the growth in homes and jobs to build mixed and sustainable communities
  - Improve access and reduce traffic congestion to increase competitiveness and quality of life
  - Attract and grow business investment to increase economic growth and competitiveness
  - Improve skills and reduce worklessness to increase competitiveness, growth and regeneration.
- 3.5 The West of England is a city-region centred on Bristol, with a population of over 420,000 and accounting for 40.4% of employment in the sub-region. Bristol, less than 20 minutes from Bath by train, also provides a significant proportion of the sub-region's services and functions, including the Bristol Royal Infirmary and major comparison retail functions.
- 3.6 Nonetheless, B&NES has distinct strengths within the West of England, with a high quality natural environment and world-renowned architecture and heritage legacy, attracting a significant proportion of the visitors to the sub-region, with 885,000 trips by staying visitors and 3,608,000 day visits in 20085.

- 3.7 Bath is well connected externally through its main line station at Bath Spa, with direct linkages to London (1 hour, 15 minutes) and Bristol (13-20 minutes), as well as regional train line southwards to Weymouth (2 hours), Southampton (1.5 hours) and Portsmouth (2 hours, 20 minutes). London Heathrow airport is just over 2 hours away via London Paddington and the Heathrow express.
- 3.8 The map below shows B&NES in the context of the wider West of England sub-region, as well as key transport routes.

Figure 3-1: B&NES and the wider sub-region



## Commuting

- 3.9 There are strong commuting patterns between B&NES and the rest of the West of England. Overall, in and out-commuting roughly balance each other out. In comparison, Bristol and North Somerset have imbalances of roughly 20%. Within the sub-region, Bristol is dominant as an employment location (with more availability of employment land and premises), and there is therefore a risk of B&NES becoming a dormitory area. Constraints on employment land supply and opportunities for expansion may lead to entrepreneurs and new starts preferring to locate in Bristol.

3.10 Table 3-1 summarises Census data (2001) illustrating the key commuting flows by employed residents & workforce with other West of England sub-region areas.

Table 3-1: Commuting flows with other West of England sub-region areas, 2001

Area	B&NES residents working in:	B&NES wkforce living in:	B&NES residents % working in	B&NES workforce % living in
B&NES	56,390	56,390	70.3%	70.1%
Bristol	9,150	4,010	11.4%	5%
N Somerset	1,130	1,090	1.4%	1.4%
S Gloucestershire	4,050	4,260	5.0%	5.3%
(Total West of England)	(70,720)	(65,750)	(88.2%)	(81.7%)
Other	9,460	14,740	11.8%	18.3%
Total	80,170	80,490	100%	100%

3.11 Just over 70% of B&NES employed residents worked in the same area in 2001; 11% travelled into Bristol and 5% worked in South Gloucestershire. A further 12% worked outside the West of England sub-region. In terms of the workforce there were relatively fewer people commuting from Bristol, 5%, with a higher percentage travelling in from outside the West of England, 18%. Overall just over 70% of the workforce lived in B&NES.

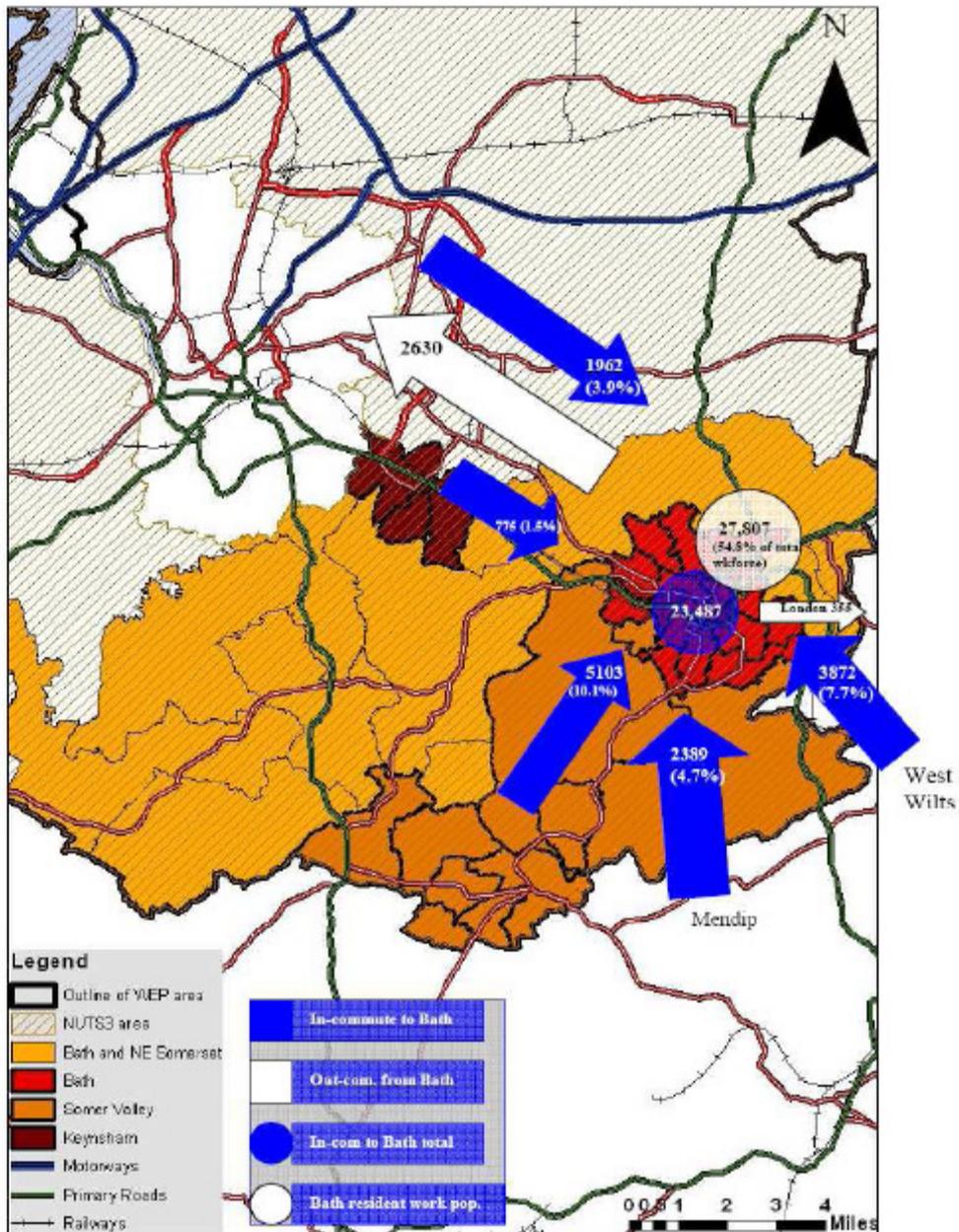
3.12 Net outflow to the South East region was 150, with an inflow of 340 offset by an outflow of 490. The largest flow involving regions outside the South West was an outflow to London, amounting to 580 (including 355 from Bath). The corresponding inflow from London was 160, giving a net outflow of 420.

3.13 Using an analysis of the Census data based on housing market areas, Bath's workforce accounts for almost two thirds of the workforce population of the district. It has a net incommute of 12,600. Just over half (54.8%) of Bath's 50,534-strong workforce (in 2001) live in Bath. 3.9% of Bath's workplace population comes from Bristol, whilst 2.8% comes from Keynsham and 8.3% from Norton Radstock (10.1% from the wider Somer Valley). Almost three quarters (73%) of Bath's resident working population works in Bath, whilst approximately 7% of Bath's population commute to Bristol for their main place of work and a further 1% commutes to London. Bath provides a significant centre of employment for residents of surrounding areas, including Mendip to the south (accounting for 4.7% of the total workforce in Bath) and West Wiltshire to the east (accounting for 7.7% of the total workforce in Bath).

3.14 Keynsham is part of the Bristol Travel to Work Area (TTWA) and is in many ways more functionally linked to Bristol than Bath. Of the working population of Keynsham's housing market area, 12.5% work in Bath, with 29.4% working in Bristol, rising to 33.9% including the northern fringe. Residents of the Norton Radstock housing market area on the other hand look more towards Bath for employment, and a relatively higher proportion of its resident working population work within the two settlements themselves.

3.15 The map below shows some of the key commuting patterns for Bath, including key inflows of workers to Bath from within and outside the authority, and key outflows from Bath to Bristol and London

Figure 3-2: Key commuting flows to and from Bath



## 4: Business and Enterprise

### Introduction

- 4.1 This section introduces the key messages from the data and consultations undertaken for the Business and Enterprise theme. In line with the government guidance, it covers: structure of the local economy; enterprise and innovation; and business needs. It finishes with a summary SWOT table for the theme.

### Structure of the local economy

- 4.2 B&NES has nearly full employment levels. Around 78,450 jobs are provided in the district, with around two-thirds (67%) in Bath itself (ABI, 2008). Continued growth is forecast in the most recent employment land study.
- 4.3 Major employers include: Wessex Water, B&NES PCT, the Royal National Hospital for Rheumatic Diseases NHS Foundation Trust, University of Bath, Helphire Group Plc, Future Publishing, the Ministry of Defence. Important employers in the key sectors include Rotork, IPL, Praxis, PicoChip and Amdocs.
- 4.4 Five industry sectors have a considerably higher share of employment than in England as a whole. Three are in manufacturing: paper production, printing & publishing, and the manufacture of electrical machinery; the others are water supply and equipment rental. Other strongly represented sectors in B&NES include: hotels & catering, public administration & defence, education and health & social care.
- 4.5 High proportions of employment in the tourism/hospitality and public sector are therefore particular features of the B&NES economy. Whilst both have been seen as stable sectors in the past, the former is characterised by relatively low wages and low GVA, whilst the latter is vulnerable to future cuts in public sector spending. At the same time, there is no overreliance on any one company, which provides some resilience.
- 4.6 Whilst a healthy knowledge economy was reported in the State of the District Audit (2007), accounting for 22% of employment in 2005, the West of England sub-region out-performs B&NES, with significantly more jobs in the knowledge based economy in Bristol and South Gloucester. The B&NES economy exhibits relatively low levels of business wealth added. In 2007 the GVA/FTE worker in B&NES, estimated to be £42,500, was around 5% above the regional average but 14% below the national average.
- 4.7 Across the authority, the number of firms grew by 12% from 2001 to 2007 (an increase of 935 units). Almost 70% of this increase is accounted for by growth in the financial & business services sector, which experienced an increase of 645 enterprise units over the period (27% growth). Other sectors to experience strong growth in terms of numbers of local units include public administration, education & health, (up by 165 or 29%) and miscellaneous services, up

by 65 units or 10%. Construction enterprises increased by around 100 or 14%. In contrast the number of transport & communications, distribution and manufacturing enterprises all declined.

- 4.8 At a sub-regional level, two sectors outstripped the average rate of output growth over the period 2001 to 2007: business services & finance and construction. Both increased in money terms by over 70%. The sector primarily composed of public sector industries – public administration, education, health etc. – experienced growth just below the sub-regional average (44%). All other sectors experienced much slower growth in money terms.
- 4.9 At the level of the authority as a whole there is a close balance between numbers of employed residents and workplace population, with a net in-commute equivalent to less than 1% of the workforce. Net in-commuting is particularly high for associate professionals (i.e. occupations including nurses, computer software developers, etc.) and secretarial/administrative workers, whilst there is a net out-commute of both managers and professionals.
- 4.10 Workplace earnings are below the national average and below the levels in the other three West of England authorities. Out-commuters earn higher wages - in 2009, median workplace earnings were over £18 below the median residence earnings (almost 4%). However, looking at comparator areas for B&NES, the difference between residence and workplace earnings is relatively small compared to (for example) Harrogate and Bristol, largely because of the close balance across the occupations for people living in the area and working in it.
- 4.11 Overall, the structure of the B&NES economy does not have a particularly strong read-across to the national priority sectors set out by Government, except in (some) professional services. Employment in R&D is very low (although this does not include the universities), particularly when compared to the comparator areas of Cambridge or Harrogate for example. However, the universities have some strengths in the NINJ sectors which could be better exploited through business linkages to benefit the local economy, and which could improve the profile of R&D activity in the district.
- 4.12 The match to regional priority sectors is better in B&NES, as shown in the table below. In particular, ICT and Environmental Technologies are already relatively strong<sup>12</sup> and employment in Creative Industries is particularly high. Taken together, these could provide a useful basis for low carbon economic growth in the future.

	<b>B&amp;NES</b>	<b>WoE</b>	<b>SW</b>	<b>England</b>
Advanced Engineering	0.44	2.35	2.10	1.53
ICT	4.77	4.19	3.03	4.13
Food and Drink	1.59	1.07	1.85	1.62
Environmental Technologies	1.95	1.25	1.11	1.10
Bio-medical and Health	0.14	0.28	0.54	0.60
Marine	0.02	0.08	0.59	0.18
Tourism and Leisure	3.99	2.86	3.79	4.51
Creative Industries	5.96	3.71	3.12	2.64

4.13 Potential threats to the B&NES economy in the short to medium term include the closure of Cadbury's in Keynsham, continued re-trenchment of the printing & packaging sector in the Somer Valley and the potential for MoD closures and withdrawal from Bath to Bristol. In addition, an ageing population could mean that the working-age population decreases as a proportion of the total economy.

## Enterprise and innovation

4.14 In total, there are around 7,150 VAT registered and PAYE employers in B&NES (NeSS, March 2009). Just over half of all enterprises are recorded in the Bath sub-area with around a quarter in the Rural area, 18% in the Somer Valley and 8% in Keynsham. The 'age structure' of businesses in B&NES is similar to the South West region as a whole but the profile is slightly 'older' than that of the wider West of England sub-region and of England as a whole, with almost 44% operating for at least 10 years.

4.15 Business creation has been relatively high in recent years, and survival rates in B&NES appear to be better than in the rest of the region and the national average, with nearly 60% of companies in B&NES first registered in 2003 still operating after 4 years. The overall stock of VAT registered businesses in B&NES increased by 13% (760), from 2001 to 2007; this was lower than the West of England (15%) but higher than the region (11%). A significant proportion of the increase (37% of the total) was attributed to business services, whilst there were also big increases in construction businesses (17%) as well as hotels & catering businesses (17%). The overall number of businesses in the transport & communications, distribution and manufacturing sectors all declined.

4.16 Whilst business coverage in the NINJ sectors is relatively weak, the district's two universities (and particularly University of Bath) have strengths in these sectors (notably engineering, management and creative sectors), which could be better exploited in the future through increased university-business linkages, and could contribute to business, employment and economic growth. However, currently there are surprisingly few spin-outs for a University with such alignment to growth sectors.

4.17 There are relatively high levels of self-employment in B&NES (approximately 15% in the district, and up to 32% in the rural areas), which may contribute to a more robust employment base. Whilst females account for more than half of all employees, they account for fewer than a third of the self-employed.

4.18 There are potential future opportunities for employment growth in construction and related industries driven by development growth and retrofitting of green technologies to the existing building stock.

4.19 In terms of supporting local enterprise, there is little provision of business incubation space (limited predominantly to Carpenter House, linked to the University of Bath) and insufficient grow-on space to capture businesses post-incubation. University spin-outs have tended to

locate outside of B&NES

## Business needs

- 4.20 Bath is seen as attractive for businesses (particularly ‘lifestyle’ employers) in terms of quality of life and quality of workforce. However, there is a distinct lack of suitable property for indigenous business growth and larger scale inward investment. There has been little change in the commercial and industrial property stock in Bath in the recent past, with little growth in rental levels. Georgian buildings in Bath are less suitable for modern businesses, and – whilst potential employment land has been identified in the city centre (which fits with business needs and accords with planning policy) – many of the sites are constrained and difficult to develop, particularly in the depressed post-recession real estate economy.
- 4.21 There is potential to create new employment sites with high quality business accommodation in the river corridor to the South and West of the city centre in Bath and despite low levels of recent employment space development in the city, new development could attract new employment to the city.
- 4.22 There have been low levels of new and speculative development of business premises, particularly in Bath, which in-turn means that there has been low levels of market activity, and so little evidence of market strength. There has been very little change in the total number of commercial and industrial properties in recent years, and a decline in total commercial and industrial floorspace (overall decline from 2005 to 2008 was 66,000 sq m, or 5%). The main loss has been in factory space, but losses of retail floorspace seen in the data may be due to the development of the SouthGate retail area in Bath, which opened (Phase 1) at the end of 2009.
- 4.23 Outside Bath there are opportunities to invest in the regeneration of the market town centres to provide local employment opportunities and improve the quality of the offer making the towns more attractive investment locations. The Cadbury site is a significant opportunity.
- 4.24 Telephone area codes can be a barrier to perceptions on local trade, and what ‘local’ means; for example, Keynsham has a Bristol code, whilst Norton Radstock also has a different telephone code to Bath. This may be an inhibitor for Keynsham securing relocations of growing Bath businesses despite offering greater employment land development potential.
- 4.25 With regard to the soft infrastructure for business, there is potential for greater alignment of training and education to businesses’ requirements.

## Summary of issues

- 4.26 The table below sets an analysis of the key strengths, weaknesses, opportunities and threats

(SWOT) faced by B&NES in this area. These are derived from the full economic analysis undertaken for this LEA, and supported by feedback in the workshops undertaken during the research process.

Table 4-2: Overall SWOT: Business and Enterprise

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Full employment</li> <li>• Strong creative industries cluster, supported by Creative Bath</li> <li>• Several significant software companies in Bath</li> <li>• Public sector and tourism jobs provide a “backbone” to local economy and a steady flow of income; somewhat protected from recession and international competition</li> <li>• No over-reliance on one company</li> <li>• High self employment</li> <li>• Knowledge Transfer Partnership with B&amp;NES PCT</li> <li>• Universities with focus on practical / growth sectors</li> <li>• Access to skilled workforce</li> </ul>	<ul style="list-style-type: none"> <li>• Many jobs in low wage sectors (public sector and tourism)</li> <li>• R&amp;D is well under regional and national levels; as are several key sectors (Financial intermediation etc)</li> <li>• Low GVA/FTE worker</li> <li>• Job losses in manufacturing, printing</li> <li>• Underperformance vs most NINJ sectors, except professional services</li> <li>• Insufficient room in Carpenter House (University of Bath incubator), and lack of ‘grow-on’ space</li> <li>• Georgian office stock less suitable for modern business. Lack of Grade A offices: no effective rental growth since 1989</li> <li>• Limited offer for business tourism (linked to lack of university and/or commercial purpose-built conference facility)</li> <li>• Limited systematic company engagement or support structure</li> <li>• That the district has the lowest installed renewable energy capacity in the South West region implies that barriers exist to the uptake of these technologies</li> </ul>

Opportunities	Threats
<ul style="list-style-type: none"> <li>Greater graduate retention</li> <li>Research strengths (HE) in NINJ sectors</li> <li>Greater university - business links; and increase in KTPs (and systematic knowledge transfer) locally</li> <li>Employment growth potential in construction due to future housing growth</li> <li>Demand reported from large hotel developers</li> <li>Growth in creative industries, software and engineering consultancy (Draft Economic Strategy)</li> <li>Growth in low carbon sector</li> <li>Retrofit green technology to existing property and new-build: potential employment growth</li> <li>River corridor to the South and West of the city: new employment land and sites</li> <li>Skills planning among all phases of education (schools, FE, HE, Adult Ed) to meet business needs</li> <li>Improved development / promotion of joined-up training support for businesses</li> <li>Exchange rates are currently good for driving inward investment and tourism</li> <li>The SETsquared Partnership (University of Bath, Bristol, Southampton, Surrey) supports new business opportunities and enterprise activity</li> </ul>	<ul style="list-style-type: none"> <li>Reliance on public sector employment (risk of spending cuts)</li> <li>Ageing population (especially aged 80+)</li> <li>Cadburys/Kraft closure; Ministry of Defence relocation from three sites; factory closures in Somer Valley</li> <li>Lack of interest reported from national leisure activity companies</li> <li>Global market changes in business services and over-capacity in sectors such as printing and packaging</li> <li>Sub-regional approach – Bristol-centric funding / policy focus</li> <li>Peak oil raising costs of production, transport, supply chains</li> <li>Bristol drawing high occupation employees and entrepreneurs</li> <li>University spin-out companies locate outside area</li> <li>Lack of development land; city centre is more complicated – key sites are all constrained</li> <li>Phone numbers can be a barrier to perceptions on 'local' trade</li> <li>Bath, Keynsham and Somer Valley increasingly become commuter towns for Bristol</li> </ul>

## 5: People and Communities

### Introduction

5.1 This section introduces the key messages from the data and our consultations undertaken for the People and Communities theme. In line with the government guidance, it covers: demography and geography; labour market; skills; and economic and social exclusion. It finishes with a summary SWOT table for the theme.

### Demography and geography

5.2 B&NES benefits from a high proportion of working-age population, although this is influenced by its relatively large student population (15,275 full-time HE students were registered in 2007/08), which is less economically active.

5.3 Population growth has been steady over the period from 2001 (up 6.6% to 180,300 in 2008) – above the regional level, but below the West of England level; compared with its national comparator areas B&NES has grown faster than West Cheshire & Chester, about the same as Harrogate and slower than Cambridge. Estimated growth in population of working age in B&NES has been slightly faster (8.4%) than overall population growth over the same period. Nonetheless, the highest level of population growth has been in the over-80s cohort, which poses both a threat in terms of future dependency ratio and an opportunity for new types of leisure provision and development of facilities as well as employment growth in health and

social care. Whilst the broad age profile of B&NES is not dissimilar to that of Harrogate, it is significantly older than that of Cambridge/South Cambridgeshire, with over 20% of residents of state pension age. Up-skilling of the over-50s workforce could be an important driver for maintaining the employment base as the population profile ages.

- 5.4 The majority of the population growth arises from international in-migration; until 2007/08, net international migration accounted for at least 80% of year-on-year population growth in the authority area. The 'white British' population of B&NES fell from 94% of the total in 2001, to 89.3% by mid 2007. However, international in-migration may be a less significant driver of population growth in the future as the UK becomes a less attractive destination and some migrants return home. This could be a risk to the future workforce of B&NES, which could in turn limit the economic growth potential of the authority.
- 5.6 In addition if future population and housing growth (projected to be largely consisting of single-person households) are not aligned with employment growth, which could lead to greater out commuting and the risk of B&NES playing an increasing role as a 'dormitory' for Bristol.

## Labour market

- 5.7 Bath itself sees significant levels of in-commuting on a daily basis, particularly for associate professionals. But at the level of the authority as a whole there is a very close balance between numbers of employed residents and workplace population, with net in-commuting amounting to less than 1% of the workforce. Out-commuters have higher level occupations than in-commuters, leading to an imbalance between workplace and resident earnings, although this also ensures that higher disposable incomes (spending power) are brought into the area.
- 5.8 The sector profiles of employed residents and workplace population were very similar in 2001. However there were some differences; there was net in-commuting of over 1,200 to jobs in the health & social care sector and also relatively high net in-commuting (930) to jobs in public administration & defence. There was significant net out-commuting from B&NES to work outside the authority in manufacturing (680), financial intermediation (760) and transport & communications (850). There are concerns that public sector spending cuts will lead to employment cuts in the public sector, which is a strong local employer.
- 5.9 The overall employment rate (60.4% in 2008/09) was lower than in the West of England sub region, in line with the South West region and slightly higher than the England average. However, the employment rate amongst those aged 20-24 is significantly lower, and 25-34 slightly lower, than neighbouring authorities, probably caused by the size of the student population. In addition to the HE students, almost half of 18-24 year olds living in B&NES were recorded as being in full-time education (2008/09). This is very much higher than the comparable rates estimated for the South West as a whole (23.5%) and the West of England sub-region (29.3%). In contrast, employment rates amongst those aged between 50 and retirement age is higher in B&NES than the rest of the sub-region, region and England average.
- 5.10 Employment in the knowledge economy is higher than the UK average, but lower than the average for the sub-region. The three 'high level' occupation groups, including managers, professionals and associate professionals, account for 46.2% of employed residents in B&NES, similar to the West of England but above the regional and national average.

5.11 Median full-time gross earnings for B&NES residents are £479.80 per week (April 2009), around 97% of the national average; this is higher than Bristol (£474.50) and South Gloucestershire (£479.10), but lower than North Somerset (£511.80). However earnings are generally higher than in the South West region as a whole – and this is true of all four authorities in the West of England sub-region. Incomes are highest of all in the Rural subarea, 19% above the regional average, suggesting that the highest earners are disproportionately resident in this area. The averages for the Bath sub-area are in line with the local authority figures. In the Somer Valley average weekly incomes are below the B&NES figures but higher than in the region. Only in the Keynsham sub-area are average weekly incomes below the regional level (2% lower).

## Skills

5.12 The resident population of B&NES is relatively well qualified when compared with England, and indeed most comparator areas except for Cambridge/South Cambridgeshire (Table 5-1). Around 35% have qualifications at Level 4 or above, whilst just 7.2% have no qualifications. There are low skill levels in particular areas within the district, including Keynsham, Somer Valley and wards in the southwest of Bath.

**Table 5-1: Resident population of working age by highest level of qualification achieved, 2008 (% of all)**

Area	Level 4+	Level 3	Level 2	Level 1	Other	None
B&NES	34%	18.1%	18.3%	15.7%	7.4%	6.7%
West of England	31.9%	17.3%	17.7%	16.6%	8%	8.6%
South West	28.3%	17.9%	19.4%	18.1%	7.3%	9%
Cambridge / South Cambs	48.9%	9.6%	13.8%	10.4%	11.6%	5.7%
Cheshire West & Chester	32.5%	13.8%	18.7%	15.9%	6.4%	12.8%
Harrogate	34.1%	16.5%	18.5%	16.7%	5%	9.2%

5.13 Overall, the district has demonstrated relatively good performance at GCSE level (over 76% pass at least 5 at grades A\* to C), although A level performance is less strong - below the West of England and national levels.

5.14 The district has two higher education institutions (University of Bath and Bath Spa University) with almost 20,500 students (32% postgraduates) and more than 1000 teaching/research staff. Anecdotally there is a relatively low rate of graduate retention which, if addressed, would raise skill levels. ( Figures for graduate retention are difficult to source. However indicatively there were 9,460 new graduates working in the South West in 1999/2000, of whom just 300 came from University of Bath and 360 from Bath Spa (7% of total new graduates in the region) (Source: IES/HESA First Destination Survey, 1999/2000)) As previously mentioned, there is also the potential for greater university-business linkages, which could include drawing on the skills and talents of the educated student body (e.g. through student projects).

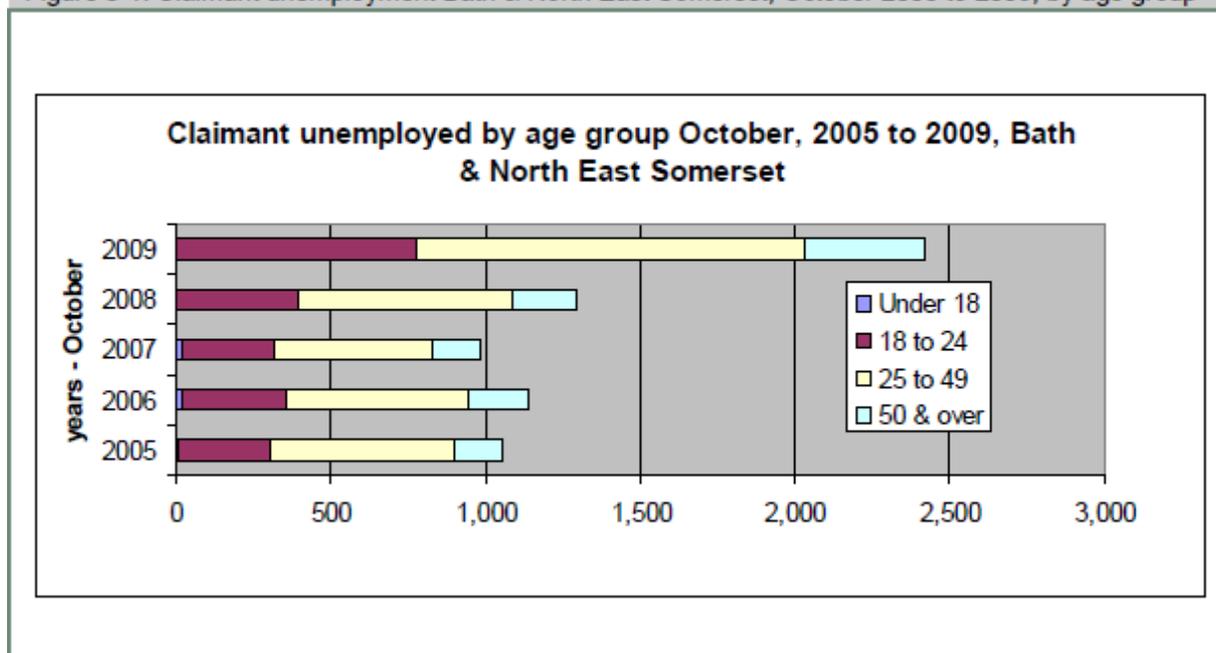
5.15 Around 11% of B&NES' employed residents have received job-related training in the previous four weeks. Whilst the percentage of B&NES employed residents receiving jobrelated training appears to have remained at similar levels in recent years – both overall and for types of occupation and industry – there is insufficient provision of vocational training,

and poor take-up of apprenticeships locally. There is the potential for greater alignment between education/training and employers' requirements, particularly looking forward to future growth sectors where there are research and teaching strengths at the universities (assuming that job opportunities are created in these growth sectors within B&NES).

## Economic and social exclusion

- 5.16 Across the B&NES district levels of education, income, employment and particularly health deprivation are low. Housing deprivation is more pronounced, reflecting the unique housing market in B&NES. That deprivation which exists is focused in small pockets, with worklessness for example concentrated in the district's most deprived wards, although none of the 11 target wards for worklessness identified in the West of England MAA fall within B&NES.
- 5.17 The 25,000 economically inactive residents of B&NES constitute 22.5% of the population of usual working age, which is higher than in the West of England sub-region and the South West region as a whole (under 19%), although lower than Cambridge (used as a comparator as has a significant student population). However, of these an estimated 6,000 people would like a job<sup>16</sup>, equivalent to 5.4% of the total population of working age. The male inactivity rate is around 2.5% higher than the regional average, but the female rate is a significant 8% higher than the regional average.
- 5.18 Across the district as a whole, there is a generally low and stable level of unemployment, and the level of long-term unemployment is lower than the West of England or South West England. ( 26.9% of claimant unemployed have been claiming benefits for six months or more, compared with 32.9% in Bristol and 34.3% in England as a whole (ONS, NOMIS, November 2009), although this hides pockets of concentrations of long-term unemployed e.g. 46.2% in Bathwick ward, Bath; 37.0% in Farmborough ward, Rural )  
However, unemployment counts have increased as a consequence of the recession, and young people aged 18-24 have increased as a proportion of the unemployed (accounting for 32% of all claimants in October 2009), higher than the West of England and the South West region as a whole. Overall though, the proportion of those 'not in education, employment or training' (NEET) in B&NES is lower (3.9% of 16-18 year olds) than in the rest of the sub-region, and the national average (6.7%). Figure 5-1 shows the levels of unemployment over time and by age group.

Figure 5-1: Claimant unemployment Bath &amp; North East Somerset, October 2005 to 2009, by age group



5.19 Claimants of Incapacity Benefit Allowance and Severe Disability Allowance (IBA/SDA) have fallen since March 2008, but this follows a national trend with the increased frequency and rigour of reviews of circumstances. The percentages of each sub-area's resident population of working age claiming IBA or SDA in 2009 range from 4.9% in Keynsham and 4.7% in Bath down to 4% in the Somer Valley and 2.9% in the Rural area.

5.20 Monthly notifications of job vacancies have not followed the same trajectory as other indicators, with no clear pattern through the credit crunch and ensuing recession (including a rise in advertised vacancies in Job Centres between November 2008 and November 2009). However it may be that more employers are advertising jobs through Job Centres as unemployment rises, knowing that there is a pool of experienced workers seeking a job.

5.21 Levels of deprivation, average health, life expectancy and crime across the district all compare favourably to national averages. However, there is the risk of increasing exclusion in the south of B&NES due to a combination of employment losses, relatively low skills and poor transport links.

## Summary of issues

5.22 The table below sets an analysis of the key strengths, weaknesses, opportunities and threats faced by B&NES in this area. These are derived from the full economic analysis undertaken for this LEA, and supported by feedback in the workshops undertaken during the research process.

Table 5-2: Overall SWOT

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• High proportion working age population</li> <li>• Above average employment rates</li> <li>• Knowledge economy employment higher than UK (but less</li> </ul>	<ul style="list-style-type: none"> <li>• High proportion retired / low proportion young people</li> <li>• Weekly wages less than UK &amp; WoE sub-region</li> <li>• Managers and professionals out-commute; secretarial and</li> </ul>

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<p>than WoE sub-region)</p> <ul style="list-style-type: none"> <li>Well qualified population</li> <li>High participation rate in post-16 education</li> <li>Low and stable levels of unemployment</li> <li>Low levels of recorded crime</li> <li>Levels of deprivation, average health, life expectancy and crime compare favourably to national averages (LAA) (although all are weaknesses in specific geographic areas)</li> <li>High level of satisfaction with the local area</li> </ul>	<p>administrative staff in-commute</p> <ul style="list-style-type: none"> <li>Poor read-across from knowledge economy to rest of economy; doesn't 'trickle down'</li> <li>Housing affordability for local employment opportunities</li> <li>Geographic pockets of worklessness, and generally high levels of economic inactivity</li> <li>Relatively poor A-Level results</li> <li>Poor engagement of HEIs with local businesses</li> <li>Reliance on 'academic' route without investment in vocational routes for young people. Aspirational employment is outside the district</li> <li>Low take-up of apprenticeships</li> <li>32% of Job Seekers Allowance claimants aged 18-24 (although not significantly different to comparators)</li> </ul>
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Opportunities	Threats
<ul style="list-style-type: none"> <li>Low carbon skills from GCSE → HE → CPD: whole career skills provision, including potential for entry-level apprenticeships and jobs</li> <li>Ageing population = health / care sector growth</li> <li>Potential for up-skilling of local population to increase employability (with a focus on key geographical areas and groups such as the over50s)</li> <li>Better graduate retention</li> <li>Developing systematic knowledge transfer opportunities between university and public services</li> <li>Developing stronger links with student resource (e.g. channelling local intelligence to university undergraduates for analysis, and to FE students, &amp; schools)</li> </ul>	<ul style="list-style-type: none"> <li>Unpredictable growth patterns (relative weakness of ONS projections)</li> <li>Difficulty of matching employment growth to housing growth</li> <li>High proportion growth from international migrants: risk of going home</li> <li>Highest population increase projected in over 80s; and increasing numbers of older people encouraged to live at home (pressure on housing stock)</li> <li>Reductions in public spending, combined with delayed effects of the recession, could have an impact on jobs, and potentially increase pressure on welfare services</li> <li>Changes to government policy / funding of skills</li> <li>(e.g. overall reductions in HE and FE funding)</li> <li>Inability to join up skills routes to enable local people to benefit</li> <li>Increasing exclusion in South area due to employment losses / low skills / poor transport links</li> </ul>

## 6: Sustainable Economic Growth

### Introduction

6.1 This section introduces the key messages from the data and our consultations undertaken for the Sustainable Economic Growth theme. In line with the government guidance, it covers: natural and historic environment; low carbon economy; transport and other infrastructure; and housing. It finishes with a summary SWOT table for the theme.

6.2 The first sub-section – natural and historic environment – incorporates a discussion on the

tourism sector, perhaps the most obvious economic beneficiary of the district's environmental assets.

## Natural and historic environment

- 6.3 There is a strong combination of high quality urban and rural areas within B&NES19. However, the Local Area Agreement (LAA) refers to low levels of public investment in the district's outdoor spaces and urban environment, and there are also concerns about development pressures as a threat to greenfield/Green Belt land.
- 6.4 Bath itself exhibits a high quality urban environment. Its UNESCO World Heritage status is a strong driver of the tourism sector, but is also seen as a restriction on the development of employment sites in Bath city centre and hence business and economic growth. There are also concerns that the traffic level, congestion and poor air quality in Bath are exacerbated by its surrounding topography.
- 6.5 With regard to tourism, visitor numbers have declined in recent months but are recovering (with exchange rates driving domestic and international tourism); visitor spend meanwhile has remained strong. Whilst overnight stays are best for the economy; a relatively high proportion of visits to Bath are short-stay visits (i.e. 2-hour coach journeys 'stop-offs' en route to Salisbury, Stonehenge or Stratford). In 2007, 885,000 trips were made by staying visitors (staying 3,042,000 visitor nights and spending £181,732,000) whilst 3,608,000 day visits were made (with day visitors spending £175,641,000).
- 6.6 Despite national recognition, reasonable rail links and the potential for conferences driven by a University, Bath's built environment only has a limited offer for business tourism, which in turn limits its economic potential.

## Low carbon economy

- 6.7 Per capita CO2 emissions in B&NES are slightly higher than in Bristol but below the levels recorded in North Somerset and South Gloucestershire. There is good policy support for the low carbon economy, with the district having signed up to 80% carbon reduction by 2050, and 34% by 2020; "Addressing conservation and effects of climate change" is one of three LAA priority themes.
- 6.8 The main contributor to the authority's carbon emissions is domestic emissions (41%), ahead of industrial and commercial emissions (34%) and road transport (25%). Compared with the other three authorities in the West of England, the proportions of both domestic and road transport emissions are highest, reflecting a lower proportion of industrial and commercial emissions.
- 6.9 Bath city centre is compact so is largely 'walk-able'; however, the rural areas are dependent on private/car transport. The employment prospects of residents in the south of the district are dependent on car transport, yet further residential development is planned here.

- 6.10 B&NES exhibits a relatively high proportion of employees in the Environmental Technologies sector, one of the region's priority sectors, accounting for almost 2% of total employees (see Table 4-1). The South West region as a whole demonstrates particular employment strengths in energy and water industries, which – if tapped – could leave B&NES well placed to benefit from future moves to a Low Carbon Economy. Economic opportunities for the future in B&NES include employment generated by the retro-fit of green technologies to building stock, although with large amounts of listed buildings in the district it will be more difficult to retro-fit green technologies. There are also notable research strengths at the University of Bath in Sustainable Energy and the environment.
- 6.11 Whilst installed renewables capacity is low, there is awareness of the potential for renewable energy in B&NES and the local population could be relatively receptive to plans for increasing local renewable generation capacity.

## Transport and other infrastructure

- 6.12 Bath benefits from good rail (time) connections to Bristol and London, although peak time rail services are running at capacity and there is still only an hourly rail link between Keynsham and Bristol. At the same time, there is relatively poor public transport provision in rural areas – bus timetables are designed to support shopping trips rather than commuting. Peak time bus provision from Somer Valley offers little, if any, advantage over the car – cost, limited availability of bus lanes etc.
- 6.13 The Bath Transport Package ( 2,500 P&R spaces; new P&R with 1400 spaces; additional bus priority; BRT (New Bridge to Eastern Bath); realtime bus information; car parking information system; and public realm improvements ) could bring improved public transport provision to Bath, and there is the potential to make better use of the underused rail freight terminal and run an additional Bath-Bristol rail shuttle, with an extra hourly service via Keynsham (net cost in the order of £250,000 per year).
- 6.14 Additionally, a relatively high percentage (almost 30%) of B&NES residents travel 10km or more to work. Subsequently, the Bath sub-area has a significantly higher share of its workplace population travelling by car, 59% of all (as compared with 49% of employed residents). The share of workers travelling to work on foot is lower (17%), as is the share travelling by train (under 3%). It is notable that one-quarter of the Rural sub-area's workplace population works at home
- 6.15 Whilst the car is the dominant mode of transport in all areas, it is slightly lower in B&NES at just under 60%, compared with the sub-region and region. A relatively high percentage of B&NES residents either walk or cycle to work (17.5%), especially in Bath. Although fewer B&NES residents use public transport to get to work than in England as a whole, the percentage (just over 10%) is higher than in the rest of the West of England sub-region or the wider region. In addition, a relatively high share of residents also works at home (15%).

- 6.16 The profile of transport to work varies across the sub-areas, and there is a significantly higher

dependence on car travel to work in Somer Valley and rural area. Here, just 6% of employed residents walk to work, compared with 23% in Bath. Almost three quarters of the employed residents of the Somer Valley travel to work by car (74%) as compared with under one-half of Bath's employed residents (49%). Bath is served by three Park & Ride sites, and – whilst congestion is cited as a problem in Bath city centre – the rush hour is relatively short.

- 6.17 The new bus station in Southgate (for national bus links) provides an attractive waiting environment, but is still relatively cramped. There are poor links to Bristol airport, and no strong air links for the entire sub-region, which disrupts the ability for businesses to make quick short-haul flights. Poor access to the motorway network (and poor quality road links to the Somer Valley in general) limits economic growth and the ability to attract new and modern commercial investment in the manufacturing sector.
- 6.18 Coach parking in Bath is relatively poor; whilst the coach park is close to the town centre, it has poor amenities for coach operators. The coach park itself is situated within the zone of the City most appropriate for any future commercial development.
- 6.19 In terms of commercial and industrial property, B&NES has a relatively higher proportion of its commercial and industrial floorspace in retail and office premises than the regional and national averages, with a relatively lower proportion in factories and warehouses. The rateable value per m<sup>2</sup> for retail premises is higher than the regional and the national average, and is higher for offices too (except commercial office space which is valued lower than the national average). Both factory and warehouse premises are cheaper per m<sup>2</sup> in B&NES than the regional and national averages

## Housing

- 6.20 The estimate of total dwellings in Bath & North East Somerset at 1st April 2008 was 73,940 of which 15% were social rented and 85% were private sector – both owned and rented.
- 6.21 House prices in B&NES are a third higher than the national average and significantly higher than in the rest of the West of England sub-region; prices in Bath are on average £43,000 higher than in the rest of B&NES. Prices have fallen by 10% since the onset of the recession, but this is less than the national average of 12%. Within the local authority area, housing affordability is relatively poor and getting worse, and is particularly bad for the lower quartile house prices and earnings with house prices almost 10 times higher than full-time employee earnings. This could limit economic growth if workers cannot afford to live in B&NES, or could lead to an exacerbation of the trend of in-commuting into B&NES, for lower occupation employment, as lower paid workers cannot afford homes within the local authority area.
- 6.22 Nationally and regionally the total number of households registered on affordable housing waiting lists fell slightly between 2008 and 2009 but it increased in B&NES and in the wider West of England sub-region. The needs' register is particularly high in B&NES; almost 7,000 households were registered in 2009, equivalent to 9.4% of all households living in the area (compared with 6.2% in the West of England and 7.2% for the region as a whole). A shortage of affordable and key worker housing is noted as one of three key “unsustainable” factors for

the future, and is also seen as a potential constraint on future economic growth.

6.23 CLG data on housing starts show a total of 1,940 starts of new permanent dwellings from 2001 to 2009 of which 11% were by RSLs for social rent. Although the recession has not particularly affected house-building rates in B&NES (2007/08), targets for new home numbers are significantly higher than historic completion rates. The LDF Monitoring Report states that a shortfall of around 1,000 dwellings against the LDF target is expected by the final year of the Local Plan (i.e. 2011), largely because two of the largest sites allocated for development, 'Western Riverside' (450 - 600 units) and 'South West Keynsham' (500 units) have not come forward as anticipated.

6.25 Increased levels of new housing provision will be needed to accommodate forecast population growth and insufficient housing growth could constrain population growth which in turn could constrain economic growth. Without a proportionate increase in employment land alongside population growth, more limited economic growth would be gained for the district.

## Summary of issues

6.26 The table below sets an analysis of the key strengths, weaknesses, opportunities and threats faced by B&NES in this area. These are derived from the full economic analysis undertaken for this LEA, and supported by feedback in the workshops undertaken during the research process.

**Table 6-1 Overall SWOT**

<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>UNESCO world heritage site = strong tourism in Bath (national and international)</li> </ul>	<ul style="list-style-type: none"> <li>Planning restrictions in Bath city centre limit economic opportunity</li> </ul>

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|--|---|
| <ul style="list-style-type: none"> <li>• Predominantly rural district – high quality rural environment</li> <li>• Theatre and cinema are cultural attractors</li> <li>• Bath rugby attracting visitors</li> <li>• Spa – driving longer stays</li> <li>• Relatively high employment in 'Environmental Technologies' sector, as well as ICT and Creative Industries</li> <li>• Compact walkable city centre in Bath; high proportion of residents walk to work</li> <li>• Good rail connections (especially London and Bristol) – frequency and journey time (1.5hrs)</li> <li>• Relatively short rush-hour</li> <li>• 3 Park &amp; Ride sites at Bath – cheap extra parking spaces</li> <li>• High/continued demand for existing housing stock</li> <li>• University's base for Low Carbon Southwest network (Bath Ventures; SETsquared Partnership)</li> </ul> | <ul style="list-style-type: none"> <li>• Limited visitor accommodation offer. Visitor numbers declining (but spend remains strong)</li> <li>• Air quality poor in areas: related to traffic volumes, HGV levels and topography</li> <li>• Limited offer for business tourism (linked to lack of university and/or commercial conference facility)</li> <li>• Traffic and waste levels spoiling amenity value</li> <li>• Low levels of installed renewables capacity</li> <li>• Large stock of listed buildings: difficult to 'retro' fit</li> <li>• Poor public transport in rural areas. Over reliance on car travel affecting Bath urban area</li> <li>• Poor access to major roads (especially M4), and poor quality road links to Somer Valley</li> <li>• Rail services (at peak times) and road networks at capacity</li> <li>• Insufficient coach parking in Bath which could be better located</li> <li>• Near monopoly of transport by one company (First)</li> <li>• Poor housing affordability</li> </ul> |
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Opportunities	Threats
<ul style="list-style-type: none"> <li>• B&amp;NES as a 'green' tourism venue : focus on walking and cycling, bike hire schemes and cycle routes; two tunnels re-opening (part of Sustrans); link Spa and health tourism</li> <li>• Develop exemplar approach to reconciling tension between protecting landscape / heritage and shift to low carbon economy</li> <li>• Retrofit of green technology to existing buildings (industrial and residential) driven by CRC etc.</li> <li>• Diversify / build on existing industries' strengths.... (e.g.: window manufacturers making energy-efficient windows; local insulation resources)</li> <li>• Leadership in low carbon public sector (e.g. schools, health – both strong sectors; set up Council as an ESCo, with money from Feed-In-Tariff and use it to deliver sustainable homes)</li> <li>• Bath as base for clean tech business incubator; drawing on University of Bath's Institute for Sustainable Energy and the Environment (I-SEE)</li> <li>• Bath Transport Package (RFA2)</li> <li>• Under-used rail freight terminal</li> <li>• Pioneer 'community transport' schemes</li> <li>• More intensive use of MoD sites</li> <li>• District heating and power to provide more price resilient energy supply for houses and business</li> </ul>	<ul style="list-style-type: none"> <li>• Uncertainty over future population change levels</li> <li>• Development pressures impacting on green field land</li> <li>• Climate change will threaten historic buildings and biodiversity; potential disruption of supply chains and services. Local food / agricultural disruption</li> <li>• Peak Oil – links to rising energy prices and fuel poverty; threat to overall economic growth (e.g. food production; transport-based tourism, etc.)</li> <li>• Relocation of Bath rugby</li> <li>• Potential government budget cut for Bath Package</li> <li>• Weight restriction on A36 Cleveland Bridge (for businesses in Somer Valley)</li> <li>• Difficulty in satisfying competing demands (housing / employment / leisure) for use of limited land supply, could affect sustainability</li> <li>• Bath could become increasingly a dormitory town for Bristol</li> <li>• Insufficient provision for older people (inefficient use of existing housing stock)</li> <li>• Increase in housing but not in supporting infrastructure e.g. community facilities</li> </ul>

## 7: Area Summaries

## Introduction

- 7.1 This section provides brief summaries of the key issues drawn from the data for each of the four sub-areas: Bath, Keynsham, Somer Valley and the Rural area.
- 7.2 An overview of the relative sizes of the sub-areas in terms of employed residents, and workforce population, is provided in Table 7-1.

**Table 7-1: Employed residents & workforce population by sub-areas, Bath & North East Somerset, 2001**

Sub-area	Employed residents	Workforce population	% of employed residents	% of workforce population
Bath	39,050	51,850	48.7%	64.4%
Keynsham	7,200	6,450	9.0%	8.0%
Somer Valley	21,800	14,950	27.2%	18.6%
Rural	12,250	7,300	15.3%	9.1%
<b>B&amp;NES</b>	<b>80,250</b>	<b>80,500</b>	<b>100%</b>	<b>100%</b>

## Bath

### ***Business and Enterprise***

- 7.3 Just over one-half of enterprises in the district are recorded in the Bath sub-area. Two broad sectors account for almost half of jobs in Bath: 'Distribution, hotels and catering' (24%) and 'Financial & business services' (22%); a further 18% of jobs are in 'Health & social care'. Around 12% of those working in Bath are self-employed. Bath has particular sector strengths in computing and business services (including the presence of several significant software companies), and in creative industries, although is to some extent over-dependent on low wage jobs in tourism, retail and the public sector. With large-scale public sector cuts looming as a delayed effect of the recession, these jobs in particular may be at risk. Organisations such as Business Link and the Universities will play an important role in preparing Bath's economy for the future.
- 7.4 Bath is well served for local amenities and facilities and is the service centre for much of the surrounding district. In terms of business needs, Bath suffers from a lack of employment floorspace and a low level of availability of modern office floorspace. This situation is matched by a relatively low 'demand' for floorspace, although it is difficult to tell if one of these is driving the other.
- 7.5 A package of development sites are presented in the Regeneration Delivery Plan for Bath, including the Strategic Investment Location at 'Bath City Riverside'. The latter "includes a range of development sites totalling 33ha along the river corridor forming part of the proposed River Corridor Strategic Site". There is further potential to the south of the city centre if site issues are resolved.

### **People and Communities**

- 7.6 Today the city, the administrative centre for Bath & North East Somerset, has a population of just over 90,000 and is home to almost half (48.7%) of the district's employed residents (Census, 2001). However, with a workforce of 52,900 (ABI, September 2008), Bath accounts for over two thirds (67.4%) of the workforce population of the district and has a significant net in-commute, equivalent to around 25% of the workforce. Net in-commuting is usual for administrative centres such as Bath, indeed it is a defining feature of Principle Urban Areas, of which Bath is one. Net in-commuting was particularly high for managers, associate professionals (i.e. occupations including nurses, computer software developers etc), secretarial and administrative workers, and customer service staff.
- 7.7 Just over half (54.8%) of Bath's 50,534-strong workforce (in 2001) lived in Bath. 3.9% of Bath's workplace population comes from Bristol, whilst 2.8% come from Keynsham and 8.3% come from Norton Radstock (10.1% from the wider Somer Valley). Bath provides a significant centre of employment for residents of surrounding areas, including Mendip to the south (accounting for 4.7% of the total workforce in Bath) and West Wiltshire to the east (accounting for 7.7% of the total workforce in Bath).
- 7.8 Almost three quarters (73.0%) of Bath's resident working population works in Bath, whilst approximately 6.9% of Bath's population commute to Bristol ( 9.6% including the North Fringe in South Gloucestershire ) for their main place of work (Census 2001) and a further 1% commutes to London.
- 7.9 Experimental statistics on household income show that average weekly household incomes in Bath are the same as for B&NES as a whole (£560 per week net, 2007/08), higher than Keynsham and Somer Valley, but lower than the rural sub-area.
- 7.10 The claimant count unemployment rate is higher in Bath (2.3%) than in the other sub-areas, and Bath has exhibited the highest rate since 2005. The proportion of working age claiming IBA or SDA in 2009 was just lower than in Keynsham at 4.7%, and the highest proportion (92%) claimed IB compared with the other sub-areas.
- 7.11 Four wards in Bath fall within the most deprived 20% in the country; with one ward in the most deprived 5% for education and skills. Pockets of deprivation include: Abbey and Kingsmeade (Bath city centre) and Twerton, Southdown, Fox Hill, Upper Weston and Oldfield (elsewhere in Bath). Twerton and Southdown are also highlighted as crime hotspots.

### **Sustainable Economic Growth**

- 7.12 The Roman town of Bath has been a destination city for centuries, owing to its stunning location and hot springs. Bath's status as one of the UK's main tourist destinations was further enhanced by its designation with World Heritage Site status in 1987. Overall the city has a very high quality built environment, although the public realm in the city centre is perceived as needing improvement. It has over one million staying visitors and 3.8m day visitors each year, based largely on its high quality built environment and heritage and hot springs supported by its retail offer, museums and other cultural and sporting venues (e.g. Bath rugby; Theatre Royal). Its stock of small, Georgian shop frontages leads to somewhat limited retail floorspace, although the SouthGate development has enabled that to expand significantly; nonetheless this has allowed small independent retailers to maintain a significant presence in the town.

- 7.13 Bath will continue to be the primary focus for housing and employment growth in the district, to enable it to fulfil its role as: a regional shopping centre, an international tourism destination, and a focus for high value added knowledge based sectors. Due to the age of the existing stock, business premises in Bath tend to be relatively energy inefficient.
- 7.14 Bath is characterised as having a severe shortage of affordable housing. Housing data from the Census 2001 show that the Bath sub-area is significantly different from other areas in terms of its tenure profile, with relatively more privately-rented dwellings (19% of the total) and fewer owned homes (64%). A large number of students live in Bathwick and Oldfield wards, adding to the 'private rented' sector. A further 18% were social rented. In total, there were 36,770 dwellings recorded in Bath.
- 7.15 In terms of Transport, there is a perception of poor transport links although the City benefits from a high-speed rail service to London in an hour and a half, and to Bristol in as little as minutes.
- 7.16 Just under half (49%) of Bath residents take the car to work, with almost a further quarter (23%) walking and 3% cycling. 9% take the bus or coach, and 4% the train. 10% work at home – more than in Keynsham and Somer Valley, but fewer than in the rural sub-area.
- 7.17 At the same time as a decline in traffic in the city centre due to traffic management measures, there has been strong growth in city centre cycling. The Bath transport package (RFA2) could improve public transport provision.

## Keynsham

### ***Business and Enterprise***

- 7.18 Keynsham is home to around 8% of enterprises in the district. More than a quarter of all jobs (26%) are in 'Distribution, hotels & catering', and there remains a heavy emphasis on manufacturing (13%), roughly equivalent to the proportion in Somer Valley. Around 14% of those working in Keynsham are self-employed (fewer than a third of whom are female).
- 7.19 One of the largest employers locally is Cadburys/Kraft, and the closure of this factory will lead to the loss of around 500 jobs. There are several potential future employment sites, including the Cadburys site and with good transport infrastructure, linkages and accessibility, these could help to rebuild the town's employment base as well as providing a short-term solution for the shortfall of quality accommodation in Bath.

### ***People and Communities***

- 7.20 Keynsham has 7,200 employed residents (Census 2001) and a workforce population of 5,700 (7% of the district total; ABI, September 2008); whilst there are a significant number of incommuters, Keynsham therefore has an overall net out-commute of workers.
- 7.21 Keynsham looks to Bristol, rather than Bath: just 12.5% of Keynsham's resident working population work in Bath, whilst 29.4% work in Bristol (33.9% including the North Fringe). Comparatively, 36.9% of Keynsham's resident working population work in Keynsham – a lower level of self-containment than both Bath and Norton Radstock. At an occupation level there was net in-commuting for people working as machinery operatives or drivers (+150), but either a balance between employed residents and workforce or net out-commuting for all

other groups. Net out-commuting was highest in absolute terms amongst secretarial & administrative workers (- 250), associate professionals (also - 250) and amongst managers & senior officials (- 200).

7.22 Experimental statistics on household income show that average weekly household incomes in Keynsham (£510 per week net, 2007/08) were the lowest of all the sub-regions within B&NES (£560 per week net average across the district, 2007/08), and the only sub-area where average weekly incomes are below the regional level (2% lower).

7.23 In terms of local skills provision Norton Radstock College has a presence in the town and could expand delivery; a bus already runs between the two settlements. The College's Secretarial and Business School is located in Keynsham and, from September 2009, has increased opportunities for specialist business training, with courses focusing on administration (as a secretary or personal assistant), business, accountancy and IT.

7.24 The claimant count unemployment rate has since October 2005 been higher than the other sub-areas, except for Bath, and the most recent count (2.3%) makes it the joint highest rate. The proportion of working age claiming IBA or SDA in 2009 was the highest in Keynsham at 4.9%. Central West and Wellsway wards are noted as being particular pockets of deprivation.

### ***Sustainable Economic Growth***

7.25 Whilst a range of social indicators are strong in Keynsham (e.g. relatively low deprivation figures), Keynsham is seen as having a poor quality of town centre architecture and there are particular concerns about loss of identity and loss of distinctiveness from Bristol.

7.26 The housing data from the Census 2001 show that of the 6,550 dwellings in the Keynsham sub-area 78% are owned, and it has the lowest proportion amongst the sub-areas of privately rented dwellings (6% of the total). A further 15% were social rented.

7.27 The redevelopment of Keynsham Town Hall could provide the anchor load for a district heating system to serve a redeveloped high street in the future with a more resilient energy source. Other low carbon energy ideas include a potential energy-from-waste plant at Keynsham sewage works.

7.28 There is poor public transport provision within the town and to Bath; despite the proximity to Bristol there is limited rail service with just one train per hour. The main method of transport to work is car, used by 62% of employed residents. 12% walk to work and 11% take the bus; despite being on the line from Bath to Bristol, just 2% of employed residents use the train to get to work, perhaps because the service to Bristol is only hourly. There is potential in the future to increase this frequency to half-hourly at peak times. In total, 9% of employed residents work from home – the same as in Somer Valley and slightly fewer than in Bath.

## **Somer Valley**

7.29 The Somer Valley refers to the two market towns of Midsomer Norton (population approx. 11,000) and Radstock (population approx. 6,000) in the south of the district, and their rural hinterland, which includes Paulton and Peasedown St. John. In total the population of Somer Valley is around 45,655.

### ***Business and Enterprise***

7.30 Around 18% of enterprises in the district are recorded in the Somer Valley. The area has a low proportion of jobs in the knowledge sectors, whilst there is a high dependence on

manufacturing and low dependence on service sector. A quarter of all jobs (25%) are in 'Distribution, hotels & catering', and the proportion in manufacturing (14%) is the highest of all the sub-areas. Restructuring in the printing/packaging sectors presents a significant threat to settlements in the Somer Valley.

- 7.31 The Somer Valley also has the highest proportion of employees (20%) working in 'Education' of all the sub-areas, significantly higher than the district average of 13%. This may be partly explained by the presence of Norton Radstock College, with around 1,000 fulltime students and 5,000 part-time students, whose main campus is in Radstock.
- 7.32 Around 17% of those working in Somer Valley are self-employed.

### ***People and Communities***

- 7.33 With a combined resident workforce of 21,800 (27.2% of the district's total; Census 2001) but only providing employment for 12,900 people (ABI, September 2008), the Somer Valley has a significant net out-commute of workers, equivalent to more than a third of all employed residents. All occupation groups had net out-commuting with the highest net out-flows from secretarial & administrative staff and associate professionals. Net out-flows amongst managers and senior officials were also high.
- 7.34 45.7% of Norton Radstock's resident working population work within the two settlements and a further 22.0% work in Bath, whilst 7.3% work in Bristol (9.0% including the North Fringe). A further 3.5% work in Frome (and rural) and 3.5% in Shepton Mallet (and rural).
- 7.35 Experimental statistics on household income show that average weekly household incomes in Somer Valley (£540 per week net, 2007/08) are marginally less than for B&NES as a whole, higher than Keynsham, but lower than Bath and the rural sub-area.
- 7.36 The most recent claimant count unemployment rate in the Somer Valley was 2.0%, just below the district average. The proportion of working age claiming IBA or SDA in 2009 was 4% in the Somer Valley. Particular pockets of deprivation identified include: Writhlington and Clandown (in Radstock), and Peasdown St.John.

### ***Sustainable Economic Growth***

- 7.37 The housing data from the Census 2001 show that of the 17,230 dwellings in the Somer Valley sub-area 81% are owned, 9% were privately-rented and a further 10% were social rented.
- 7.38 The Somer Valley is typified by poor quality town centres, and a poor quality road infrastructure limits the extent of inward investment. It is difficult to envisage significant employment creators for the area in the near future, although Norton Radstock College has started to provide courses to deliver skills for sectors in a future low carbon economy.
- 7.39 Brownfield land development opportunities include regeneration of vacant railway land, and there is also an opportunity to develop a tourism facility adjacent to Midsomer Norton Sports Centre.
- 7.40 Approximately 74% of all employed residents travel to work by car, significantly higher than the district average of 60%. A further 8% walk to work and 5% take the bus. In total, 9% of employed residents work from home – the same as in Keynsham and slightly fewer than in Bath.

## Rural

7.41 The Rural sub-area in this Local Economic Assessment is defined as the ‘remaining’ parts of the District (excluding Bath, Keynsham and the Somer Valley).

### ***Business and Enterprise***

7.42 Around one-quarter of enterprises in the district are recorded in the Rural area. Whilst there appears to have been a modest increase in numbers of enterprises between 2007 and 2008 in B&NES as a whole, the Rural sub-area recorded a small drop. Fewer than a quarter of employee jobs were in ‘Distribution, hotels & catering’ (23%), the smallest proportion of all the sub-areas, whilst the proportion of jobs in Construction (14%) was the highest, significantly higher than the district average of 4%. A further 22% of jobs were in ‘Financial & business services’, the same proportion as in Bath.

7.43 Around a third (32%) of those working in the rural sub-area are self-employed. Just over half of all employees (51%) are female, whilst less than a third (29%) of the 2,300 self-employed are female.

7.44 The land-based economy is a strength in the rural area, and – for ‘lifestyle’ businesses and home-workers in particular – it presents an attractive place to work.

### ***People and Communities***

7.45 The rural area is home to around 12,250 employed residents (Census 2001) and has a workforce population of 6,650 (ABI, September 2008) implying a significant net outcommute, equivalent to around half of all employed residents. All occupation groups were affected with the highest net out-commuting recorded amongst managers & senior officials, professionals and associate professionals, followed by secretarial & administrative staff.

7.46 Experimental statistics on household income show that average weekly household incomes in the rural sub-area (£620 per week net, 2007/08) are higher than all of the other sub-areas in B&NES, as well as the region as a whole. This could be linked to the high proportion of out commuters in high level occupations.

7.47 The most recent claimant count unemployment rate in the Rural sub-area was 1.6%, the lowest rate of all the sub-areas. The proportion of working age claiming IBA or SDA in 2009 was also lowest in the Rural area at 2.9%. A significantly higher percentage of claimants living in the Rural sub-area are aged over 50 (53%) compared with other sub-areas and the district average (41%). The rural area also has the lowest share of long-term benefits claimants receiving either IBA or SDA for at least two years (79%).

### ***Sustainable Economic Growth***

7.48 Much of the rural area is either within the green belt or part of a designated Area of Natural Beauty (AONB), restricting development opportunities and preserving the amenity value

which the rural area provides for the whole of the district. Moderate development opportunities exist at a cluster of rural villages outside the AONB, which include High Littelton, Clutton, Temple Cloud and Timsbury.

7.49 The housing data from the Census 2001 show that of the 10,430 dwellings in the rural sub area - 82% are owned, 9% were privately-rented and a further 9% were social rented.

7.50 The rural area does however suffer from relatively poor transport connectivity. Figures from the 2001 Census show that around 68% of employed residents in the rural sub-area take the car to work, and a further 6% use the bus. In total, 15% of employed residents work from home, the highest in the district as a whole and significantly higher than the district average of 10%.

7.51 In terms of Low Carbon Economy, there is the potential for growth in renewable energy production (e.g. wind, biomass (woodland management), hydro, energy from farm waste) and local food production is potentially a growth sector (e.g. fruit and veg; aquaculture).