

Economy and Employment

The economic wellbeing of an area is integral to the health of the local population. Work in general is good for health and there are significant harmful effects of long-term worklessness or sickness absence.

There are estimated to be 74,300 jobs in North Somerset; retail, health and social care are the sectors with the highest numbers of jobs. The District continues to be a net exporter of workers on a daily basis with major employment opportunities being provided in Bristol and the northern fringe. This leads to unsustainable traffic movements and related health impacts. To re-address the balance employment led regeneration is now being pursued particularly within Weston-super-Mare.

In North Somerset the proportion of adults with qualifications from levels NVQ1-4 is higher than the average for England and those with no qualifications is lower than the England average at 7.3%. 58% of the North Somerset population are of working age; 82% of these are economically active with 5.7% unemployed. 5.3% of men and 4.1% of women of working age are unable to work due to permanent sickness. Claimant counts for job seekers allowance increased in 2008/9.

Whilst generally an affluent area with a ready supply of employment opportunities, the 2010 Index of Multiple Deprivation confirms the continuation of high levels of unemployment and those on income support in south and central wards of Weston-super-Mare; comparable with the worse performing areas of deprivation nationally.

Over 97% of businesses employ less than 50 people. In 2009/10 there were 341 injuries to workers in North Somerset, of which the majority (79.5%) were in the Services sectors. Opportunities are available in North Somerset for businesses and individuals to receive support in training and employment. Businesses can also access support to promote employee health in relation to physical activity, not smoking, health eating and health and safety.

Recommendations are made to strengthen the existing actions, particularly targeted support in Central and South wards to increase employability and access to work and to more fully recognise the relationships and activity between health, employment and worklessness within partnership activity.

The North Somerset Local Economic Assessment will provide further analysis of the Local Economy and together with the JSNA provide a technical base for the development of an updated Economic Development Strategy for North Somerset.

Challenges for consideration

- The need to ensure effective partnership focus on the important relationships between employment, worklessness and health and support appropriate interventions at a time of limited resources.
- The need to secure the effective delivery of employment-led regeneration in Weston-super-Mare and maximize opportunities for those with low skills to access the labour market.
- The need to tackle inequality in employment, skills and employability by targeted action in South and Central wards of Weston-super-Mare.
- Partners including the council and NHS to work together to promote the benefits to economic productivity of good health including the promotion of early return from sickness absence, smoking cessation and physical activity in the workplace.
- Public Health to encourage GPs to house employment services within GP practices and to include a requirement that providers create local job opportunities when they commission healthcare.

Authors:

Sarah Jackson, Economic Development Team, North Somerset Council

Ruth Kipping, Consultant in Public Health, NHS North Somerset

David Turner, Director, Development and Environment, North Somerset Council.

Date: June 2011

Why is this important?

For an area to fully understand what drives its economy, the reach of its economy and impacts of the local economy, it is essential a strong evidence base is developed and maintained to provide the basis for policies, plans and activities.

The recession during 2007 and 2008 highlighted the need to ensure the North Somerset economy, through businesses, agencies and organisations working together, is in a strong position to benefit from future growth in a sustainable way. In addition, it is important to understand the impact of the recession on the North Somerset economy. Nationally the recession has had a disproportionate affect on young people, with unemployment rates highest, at 15%, among workers aged under 25¹. Nationally approximately one household in six is in poverty, with rates higher than average for pensioners (23%) and for families with children (20%)¹. Poverty is directly related to lower life expectancy and poorer mental well-being.³

The health of the working age population is critically important to economic growth and social justice^{2,3}. The evidence shows that work is generally good for both physical and mental health and well-being. Ideally work should be healthy, safe and offer the individual some influence over how work is done and a sense of self-worth⁴. Overall, the beneficial effects of work were shown to outweigh the risks and to be much greater than the harmful effects of long-term worklessness or prolonged sickness absence. The annual economic costs of sickness absence and worklessness associated with working age ill-health are estimated to be over £100 billion².

What are the needs of the population?

Education and training

Overall educational attainment in North Somerset schools is good and has been improving over the last few years. In 2010, 3.7% of young people aged 16-18 in North Somerset were not in education, employment or training. This was lower than the rate for England and the West of England Partnership, however, a fifth were living in Weston-super-Mare South and Central wards. For further information see the education and skills chapter and children and young people's needs assessment⁵.

The proportion of adults in North Somerset with no qualifications is lower than the average for the South West and England (see Table 1). The proportion of the population with qualifications ranging from levels NVQ1-4 is higher than the England average and similar to the South West average. In terms of higher education, North Somerset has followed the national trend and seen an increase in the number of its residents studying at Higher Education Institutions. There has been a 17% increase since 2005, which is an increase on both the South West and national increase figures.

Table 1: The percentage of North Somerset adults aged 16 – 64 with qualifications

	No qualifications	NVQ1 & 2	NVQ3	NVQ4 or higher
North Somerset	7.3%	32.8%	18.0%	30.2%
South West	8.7%	32.9%	17.3%	29.1%
England and Wales	12.2%	30.1%	15.5%	29.5%

NVQ 1 equivalent: e.g. fewer than 5 GCSEs at grades A*-C, foundation GNVQ, NVQ 1 or equivalent
 NVQ 2 equivalent: e.g. 5 or more GCSEs at grades A*-C, intermediate GNVQ, NVQ 2, or equivalent
 NVQ 3 equivalent: e.g. 2 or more A levels, advanced GNVQ, NVQ 3, 2 or more higher or equivalent
 NVQ 4 equivalent and above: e.g. HND, Degree and Higher Degree level qualifications or equivalent

Employment

The proportion of the population in North Somerset who are estimated to be of working age is 58% (121,300)ⁱ. 82.1% (109,900) of the total working age population were economically active within North Somerset in 2009/2010. This is greater than both the South West (78.6%) and national average (76.3%). 17.9% (22,900) people were economically inactive within North Somerset, which is lower than the South West (21.4%) and national average (23.7%). Of those who were economically inactive, 6,200 were unemployed; this is 5.7% of the total working average population and is slightly less than the south west (5.9%) and significantly lower than the national average (7.7%).

Business Sectors

The Annual Business Inquiry (ABI) 2008 estimates there are 74,300 jobs in North Somerset.⁶ Figure 1 shows the district's significant business sectors in terms of job numbers in comparison to the regional and national levels.

The health and social work sector provides more jobs in North Somerset than any other sector at a broad sector level. This sector accounts for 14.4% of jobs in North Somerset, compared to 13.2% for the South West and 11.7% for Englandⁱⁱ. Social work activities in North Somerset is 1.7% higher than the national level. This sub sectorⁱⁱⁱ includes around the clock assistance (such as nursing homes for the aged and rehabilitation homes) as well as counselling, welfare, and similar activities delivered to individuals and families in their homes or elsewhere. Retail employment is larger in North Somerset in comparison to the national and regional proportions. Of all the broad sectors, this is the highest margin above the national figure in terms of employment. However, manufacturing provides only 9.9% of jobs in North Somerset, which is below both the region and national level.

The transport and storage sector comprises a range of activities including passenger transport, freight transport, cargo handling and warehousing. This sector provides 7% of total jobs in North Somerset, which is notably higher than the region and national levels. Of all the broad sectors, this is the highest margin above the regional figure in terms of employment. The presence of two major transport centres – Bristol Airport and Royal

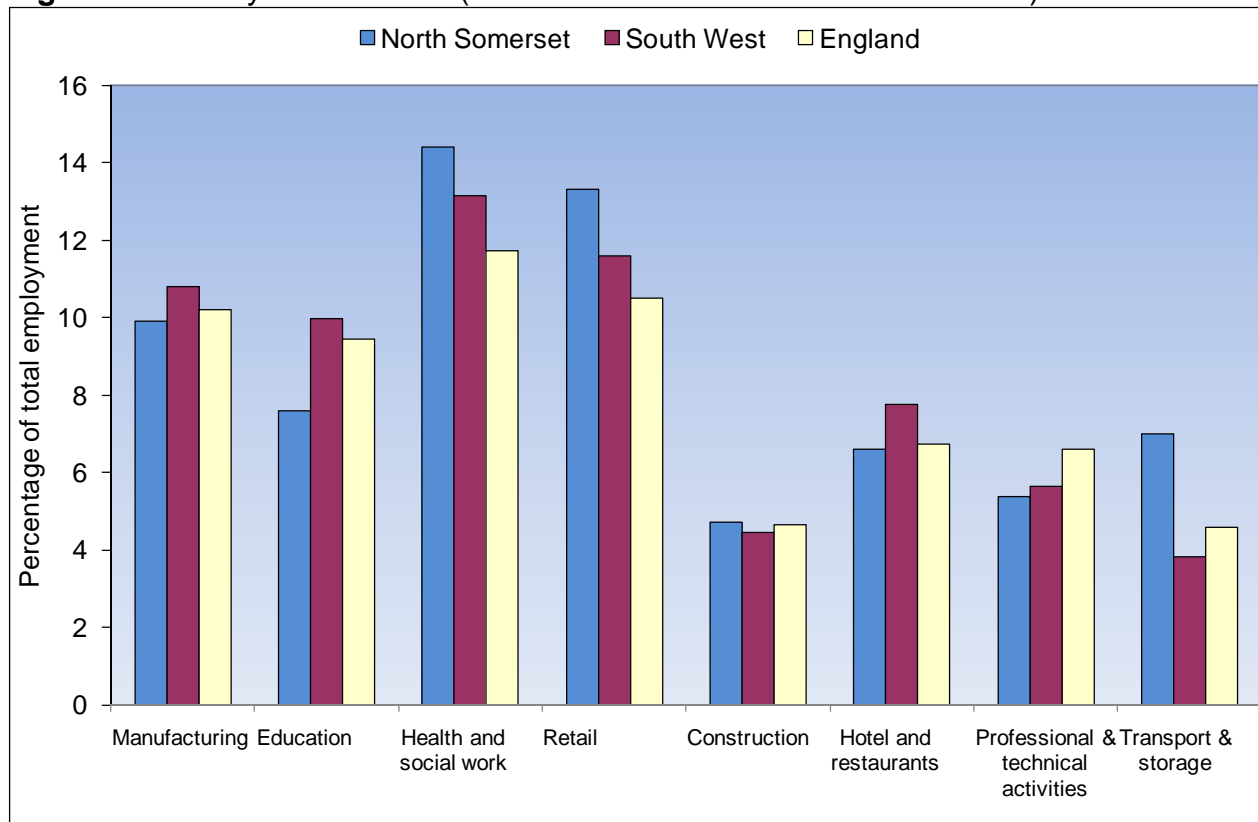
ⁱ Aged 16-65 for male and 16-59 for females. Source: the Registrar General's Mid-Year Population Estimate (2009)

ⁱⁱ Job numbers in veterinary activities have been removed from these figures and included professional and technical activities

ⁱⁱⁱ SIC 853 : Social work activities

Portbury Dock - within North Somerset are likely to be key contributors to these numbers.

Figure 1: Jobs by broad sector (Standard Industrial Classification codes)



Source: Annual Business Inquiry 2008 workplace analysis, ONS © Copyright Sectors are defined using 2003 Standard Industrial Classification (SIC) codes and data from ABI 2008.

Earnings

The gross annual pay for all employee jobs in North Somerset was £21,170 (median) and £23,806 (mean) in 2009. This is an increase since 2002 (£16,915 (median) and £19,637 (mean)), but a decrease from the peak in 2008 (£22,304 (median) and £26,700 (mean)). The Annual Survey of Hours and Earnings indicates that the residents of North Somerset earn more than the people who work in the district (see Table 2). This difference suggests that a proportion of North Somerset's working population are employed outside the district.

Table 2: Median gross weekly wage in North Somerset (2007-9)

Median gross weekly wage in North Somerset	2007	2008	2009
Employees living in North Somerset	£497.7	£493.1	£511
Employees working in North Somerset	£463.1	£480.4	£469

Source: Annual Survey of Hours and Earnings (ASHE): 2002 - 2009, Office for National Statistics

Size of businesses

The size of enterprises is based on the number of employees within an enterprise. Small and medium-sized enterprises are those with between 0-250 employees^{iv,v}. The majority of businesses operating in North Somerset are 'micro' in terms of number of employees. Data from the Annual Business Inquiry (Table 3) and from VAT and PAYE registered enterprises (Table 4) shows that over 97% of businesses are termed as being 'small' (i.e. employ less than 50). These figures are closely aligned to the national trend. At all geographical levels, 99% of VAT and PAYE registered enterprises are classed as 'Small Medium Sized enterprises' (SMEs).

Table 3 Size of business units (%)

	1-10 employees	11-49 employees	50-199 employees	200 or more employees
North Somerset	86.0	11.2	2.3	0.5
South West	85.5	11.4	2.5	0.5
England	85.3	11.2	2.8	0.6

Source: Annual Business Inquiry 2008 workplace analysis, ONS © Copyright

Table 4 Size of VAT and PAYE registered enterprises (%)

	0 - 4	5 - 9	10 - 19	20 - 49	50 - 99	100 - 249	250 +
North Somerset	75.8	13.2	6.4	3.3	0.8	0.3	0.3
West of England	75.7	13.5	6.0	3.2	0.9	0.5	0.3
South West of England	75.7	13.5	6.0	3.2	0.9	0.5	0.3
England	76.0	12.7	6.0	3.2	1.0	0.6	0.4

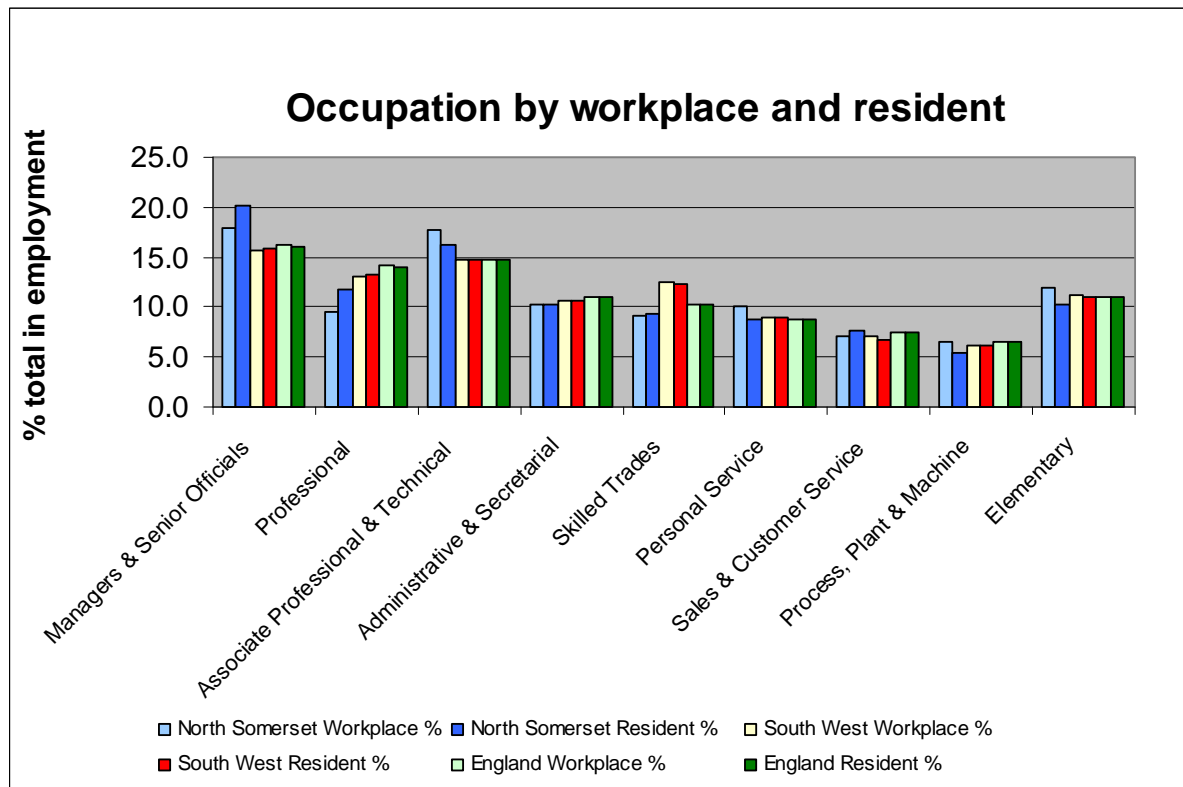
Source: IDBR Data contained in table B1.2 of 'UK Business: Activity, Size and Location – 2010', ONS © Copyright

Figure 2 shows the Standard Occupational Classifications for North Somerset workplaces and residents. In North Somerset many skilled workers are employed outside of the district because of the lack of suitable skilled jobs within North Somerset.

^{iv} Taken from Small And Medium-Sized Enterprise (SME) Statistics for the UK and Regions, Enterprise Directorate of the Department for Business, Innovation and Skills (BIS), 2009

^v Taken from the European Commission, SME definition (2003) - 2003/361/EC

Figure 2 Standard Occupational Classifications for Residents and workplaces in North Somerset, South West and England



Injuries at work

Local data is not available on injuries at work. Data provided by the Health and Safety Executive (HSE) based on the Labour Force Survey showed that in 2008/09, there were 1,860 incidents per 100,000 workers (1.9%) in the UK, where the self-reported illness was caused or made worse by work in the previous 12 months⁷. Women are more likely than men to report an illness or injury caused or made worse by work. As age increases, individuals are more likely to report an illness or injury caused or made worse by work, with the 45-54 age group most likely to report this.

The Health and Safety Executive regional data shows that in 2009/10 in the South West the majority of injuries to workers were in the Services sector (72.4%, 7304). In the West of England area there were 2045 injuries in 2009/10, of which 341 (16.7%) were in North Somerset. The distribution of the injuries in North Somerset by sector was 79.5% in the Services sector, 12% in manufacturing, 6.7% Construction and 0.8% in Agriculture and 0.8% in Extractive and Utility Supply.

Sickness absence

Information on sickness absence is not available at Local Authority level. National data is available from the Labour Force Survey of 16-64 year olds⁸, which showed that in 2010, on average 2.5% of employees had a spell of absence. This equates to 613,000 employees a week and 2 million working days lost. Sickness absence is higher in the

public sector compared to the private sector (3.1% compared to 2.3%). Absence rates are higher in women (2.9%) than men (2.1%) and the public sector also employs more women than men. Of all employees who took at least one day off work in 2010, around a third stated that a minor illness (cough, cold, flu, sickness, diarrhoea) was the cause of their absence. Excluding those illnesses grouped as 'other', of the remaining reasons, a slight difference emerges between men and women. For men, the top reason was musculoskeletal problems followed by back pain. While for women, the top reason was stress, depression and anxiety followed by musculoskeletal problems. Employees aged 50-64 had the highest sickness absence rate at 2.6% compared with all other age groups. Sickness absence is seasonal, with it being on average 27% higher during the winter months than the summer months. In the last quarter of 2010, the South West region had the highest absence rate at 3.6% compared to a UK average of 2.9%.

The number of people estimated to be unable to work due to permanent sickness in North Somerset (from the 2001 Census) was 5.3% of men of working age and 4.1% of women. The standardised permanent sickness ratio for 16-74 year olds in North Somerset was 77.1, where the England average is 100 and lower than 100 indicates lower levels of permanent sickness and over 100 indicates more permanent sickness.⁹

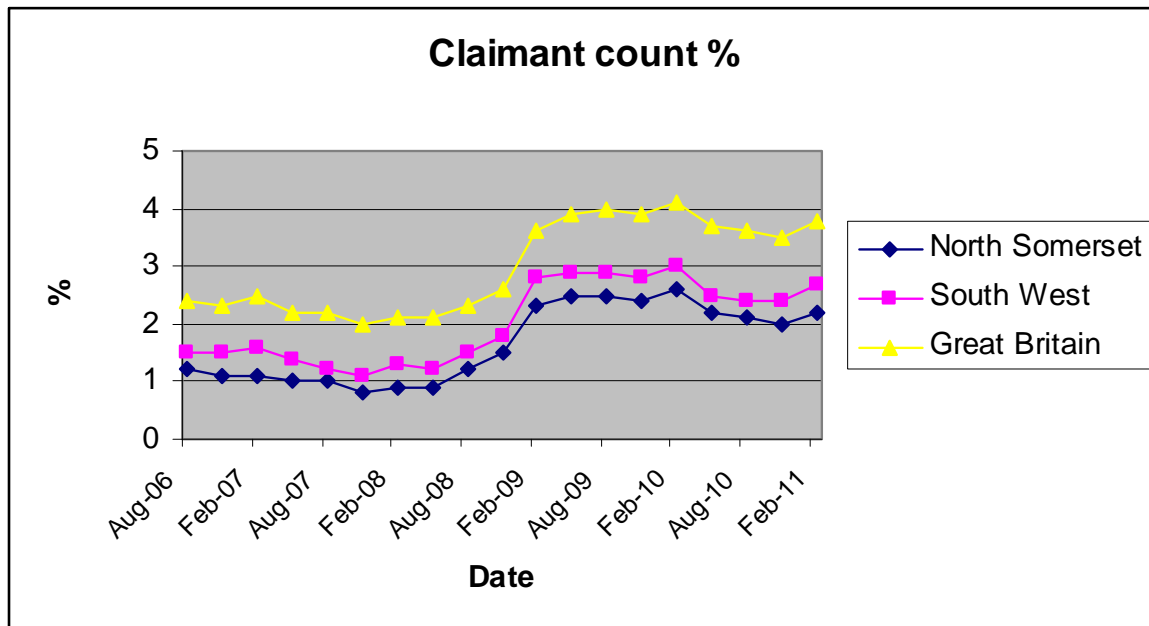
Employers have significant scope to facilitate an employee's early return from sickness absence. Early, regular and sensitive contact with employees during sickness absences can be a key factor in enabling an early return. Yet as many as 40% of organisations have no sickness absence management policy².

Unemployment

In April 2011 2.3% (2,927) of the total working population in North Somerset were unemployed as measured by Jobseekers Allowance (JSA) claimant count records and National Insurance credits at Jobcentre Plus local offices^{vi}. Of those, 66.4% were males and 33.5% were female. Figure 3 shows that there has been an increase since 2008 which mirrors the increase seen nationally, however claimant counts are lower in North Somerset than the South West or Great Britain. The highest percentage of claimants fall within the 25-49 aged category (54.4%). North Somerset has a lower level of long-term claimants, with 9.5% claiming for 12 months or longer compared to the national average of 14.5%. The majority of claimants have been claiming for 6 months or less (76.4%) with 14.1% claiming between 6 and 12 months.

^{vi} JSA claimant count records the number of people claiming Jobseekers Allowance (JSA) and National Insurance credits at Jobcentre Plus local offices. The percentage figures express the number of claimants resident in an area as a percentage of the population aged 16-64 resident in that area.

Figure 3 Claimant counts for Jobseekers allowance and National Insurance credits as a percentage of residents aged 16-64



Source: ONS claimant count with rates and proportions, Nomis, ONS, February 2011

Claimant count, however, does not measure the full level of unemployment and worklessness. For a fuller picture of unemployment the number of people claiming out-of-work benefits needs to be considered. In November 2010 there were 15,260 key benefit claimants^{vii} within North Somerset. 84% of those were claiming out of work benefits^{viii} and 47% of these out-of-work claimants were 45 years or older. 42% of the total number of out-of-work claimants had been claiming for 5 years or longer which is similar to the South West average (41%) and the national average (39%). Of the key out-of-work benefits, the benefit type with the highest proportion of claimants is Employment Support Allowance (ESA) and incapacity benefit which comprises 53.4% of North Somerset's out-of-work benefit claimants. Table 5 shows that claiming rates are higher in North Somerset than the West of England, South West or England. North Somerset has a lower than average number of under 25's who claim benefits in comparison to the rest of the South West and England.

^{vii} Key benefits are: bereavement benefit, carer's allowance, disability living allowance, ESA and incapacity benefit, severe disablement allowance, income support, jobseeker's allowance, and widow's benefit.

^{viii} Key out-of-work benefits consists of the groups: job seekers, ESA and incapacity benefits, lone parents and others on income related benefits.

Table 5: Comparison of Employment Support Allowance and incapacity benefits claimant rates

Benefit	North Somerset	West England	of South West	England
Employment Support Allowance and incapacity benefits	53.4%	48.6%	48.4%	44.5%

Unemployment is both a cause of and a result of ill-health. The effects of unemployment on health can be linked to poverty and low income amongst the unemployed. There are also significant psychological consequences from being out of work, especially for the long term unemployed. In addition, people with poorer health are more likely to be unemployed; this is particularly true for people with long term disabilities.

Deprivation

The Changing Populations chapter of the JSNA gives information about the assessment of deprivation in North Somerset. Two of the Index of Multiple Deprivation domains are ‘employment’ and ‘education, skills and training’. These domains contribute significantly to the classification of the Super Output Areas in North Somerset which are amongst the 10% most deprived areas of the country.

North Somerset’s Local Economic Assessment (NSLEA)

Research by the Government found that local authorities had reduced their economic intelligence and development functions through 2007 due to indicators presenting a booming economy. This presented a risk because of the impact of the recession on local economies, and because of a reduction in the ability of local authorities to plan for growth and improvement. As a result, Local Economic Assessments are now required in all areas to provide a robust evidence base on the local area to help with all interests in an area work together to better plan interventions, focus on priorities, target resources and ensure a strong economic plan is developed, based on sound data.

The North Somerset Local Economic Assessment provides a number of key benefits. It brings together a wide range of economic related data to present a picture of what the current state of the North Somerset economy is terms of social, environmental and economic factors. It is also designed to provide all agencies, businesses and organisations with an interest in North Somerset with an economic evidence base to use in the development of their own policies, services and activities and provide information to help link issues and impacts. This chapter draws upon LEA data.

The intention is to place the North Somerset LEA and related findings and documents on the North Somerset Council website for all to access, and for the links between the NSLEA and other strategies and assessments to be clearly highlighted. Access to the NSLEA will be available once the review and consultation period has taken place by mid-2011.

Current service provision

Opportunities are available in North Somerset for businesses to receive support in employment and training. These are detailed in the North Somerset Business Survey¹⁰ and include:

- Weston College Business Enterprise Centre's "Train to Gain" service
- Leadership and Management Service
- Skills for Life training
- NVQ Levels 2, 3, and 4
- Apprenticeships
- North Somerset Enterprise Agency support to business start up and growth

"Westonworks", a one stop skills and job shop in Weston-super-Mare, provides advice and support on learning, training, volunteering, employment and working to individuals. Information on local jobs is available from www.innorthSomerset.co.uk.

North Somerset Council promotes Healthy Workplaces through the "ActiveWorkplaces4Life" initiative which helps employers to start an eight week funded physical activity group of their choice. NHS North Somerset works with local businesses to promote 'Look After Your Lungs' training, which is a free healthy lifestyles programme on respiratory health, physical activity, healthy eating and health and safety in the workplace and home. It is designed to inform employees about the advantages of making lifestyle changes to benefit them as individuals and their employers.

Nationally, resources are available to businesses to promote health and well-being in the workplace which include:

- Workplace Well-being Tool
- Occupational Health helpline for small businesses
- The Fit for Work Service

Community voice

The North Somerset Business Survey 2009 reports the findings from a survey of businesses about business premises, transport, skills and business support provision¹⁰. A number of actions were identified by the Council in response to these findings and these are included in the survey report.

A national review of Health, Work and Well-being¹¹ compiled a number of surveys of employers and employees in Great Britain and found that:

- the majority of employers agreed that there is a link between work and the health and well-being of their employees and that they have a responsibility to encourage employees to be physically and mentally healthy.
- just over half of employers (56%) agreed that the financial benefits of spending money on employee health and well-being outweigh the costs. Larger employers were more likely to agree.
- the majority of working age adults recognise that work can have a positive impact on health: over eight in ten respondents felt that paid work was generally good or very good for both physical and mental health

- there was a graded relationship between employers' size and their likelihood of reporting provision of employee health and well-being initiatives.
- 52% of employees who had a period of 5 days continuous sickness absence in the previous 12 months reported that their employer had not taken steps to help them back to work. For those who did receive support, the mostly commonly mentioned forms of support were being allowed to work reduced hours or fewer days (mentioned by 20%), being given access to occupational health services (19%) or having workloads reduced (19%).
- Amongst employees, almost six in ten (57%) reported that their organisation offered flexible working. This was more common for those working in public sector organisations, very large organisations (500+) and organisations in which there was a trade union presence.
- In April to June 2010, of the people who left their last job within the previous 12 months, 11.2% reported that it was due to ill-health.
- Those in work report better health than those who are unemployed or economically inactive. Of those in work, those in managerial/professional occupations report better general health than workers in lower supervisory or technical occupations or semi-routine occupations.
- 79% of employers had some sort of system in place to record sickness absence. However, there was significant variation by organisation size with small organisations (78%) being much less likely than medium and large (98%) organisations to have a system in place.

What works

The National Institute of Health and Clinical Excellence has published public health guidance on smoking and physical activity in the workplace based on a review of the evidence of what works. The workplace interventions to promote smoking cessation should include:¹²

- Brief interventions (including opportunistic advice, self-help materials and referral for more intensive support)
- Individual behavioural counselling
- Group behaviour therapy
- Pharmacotherapies (for example, nicotine replacement therapy or bupropion)
- Self-help materials
- Telephone counselling and quit lines
- Employers should develop a smoking cessation policy, provide employees with information on local stop smoking support services, publicise the interventions above and allow staff time off to attend smoking cessation services.

The guidance on physical activity in the workplace¹³ is for employers in small, medium and large organisations. Recommendations include:

- Develop an organisation-wide plan and introduce and monitor an organisation-wide, multi-component programme to encourage and support employees to be more physically active.
- Encourage employees to walk, cycle or use another mode of transport involving physical activity to travel part or all of the way to and from work (for example, by developing a travel plan).
- Help employees to be physically active during the working day, for example, by encouraging them to take the stairs or walk to external meetings.

The Dame Carol Black report highlights the evidence from a number of initiatives to support people back to work and to support those back to work after periods of absence or ill-health². These include Pathways to Work and the Fit for Work service.

Challenges for consideration

- The need to tackle inequality in employment and employability by targeted action in South and Central wards of Weston-super-Mare.
- The need to ensure partnership focus on the important relationships between employment, worklessness and health and support appropriate interventions at a time of limited resources.
- Partners including the Council and NHS to work together to promote the message and related best practice that good health is good business.
- Public Health to encourage GPs to house employment services within GP practices and to include a requirement that providers create local job opportunities when they commission healthcare
- Public health to work with GPs and Weston Area Health Trust to raise awareness amongst healthcare professionals that the advice they give to patients should reflect the importance of remaining in or returning to work wherever possible.

References

¹ Understanding Society. 2011. A Summary of First Findings. Colchester: Institute for Social and Economic Research.

² Dame Carol Black. 2008. 'Working for a healthier tomorrow' - Dame Carol Black's review of the health of Britain's working age population. London: The Stationary Office. <http://www.dwp.gov.uk/docs/hwwb-working-for-a-healthier-tomorrow.pdf>

³ Strategic review of health inequalities in England post-2010. Fair Society, Healthy Lives. The Marmot Review.

<http://www.marmotreview.org/AssetLibrary/pdfs/Reports/FairSocietyHealthyLives.pdf>

⁴ Waddell, G. and Burton A.K. 2006, Is work good for your health and well-being?, London: The Stationery Office.

⁵ North Somerset Council. 2009. The Children and Young People's Needs Assessment <http://www.n-somerset.gov.uk/Education/draftchildrenandyoungpeoplesneedsassessment2009.htm>

⁶ ONS. 2008. Annual Business Inquiry (ABI).

⁷ Health and Safety Executive. 2009. Labour Force Survey., 2008/09, 16-64 year olds

⁸ ONS. 2010. Sickness Absence in the Labour Market
<http://www.statistics.gov.uk/CCI/nugget.asp?ID=1577>

⁹ The NHS Information Service. Inability to work due to permanent sickness
[http://www.nchod.nhs.uk/NCHOD/compendium.nsf/\(\\$All\)/0B2BEDD6572CC29080257851000FAE40/\\$File/03B_010VS_01_V2_D.xls?OpenElement](http://www.nchod.nhs.uk/NCHOD/compendium.nsf/($All)/0B2BEDD6572CC29080257851000FAE40/$File/03B_010VS_01_V2_D.xls?OpenElement)

¹⁰ North Somerset Council. 2010. The North Somerset Business Survey 2009.
http://www.n-somerset.gov.uk/NR/rdonlyres/F3CEB0BE-1D13-4088-969D-DB33DEC40BF8/0/document_200910_NorthSomersetBusinessSurvey.pdf

¹¹ Health, Work and Well-being Strategy Unit. 2010. Health, Work and Well-being: Baseline indicators report <http://www.dwp.gov.uk/docs/hwwb-baseline-indicators.pdf>

¹² NICE. 2007. Workplace interventions to promote smoking cessation.
<http://guidance.nice.org.uk/PH5>

¹³ NICE. 2007. Promoting physical activity in the workplace.
<http://guidance.nice.org.uk/PH13>