

North Somerset Council  
**Local Development Framework**

# **Core Strategy**

**Topic paper**  
**Economic Development**

# NORTH SOMERSET PRE-PRODUCTION EVIDENCE

## TOPIC PAPER: Economic development

### 1 STAGE ONE: Existing characteristics

1.1 The following summarises the key economic characteristics across North Somerset.

#### Key statistics

1.2 The population of North Somerset is approximately 195,100<sup>1</sup>. In 2005 the amount of people of working age was estimated to be 139,400<sup>2</sup>. Of these 95,200 were economically active. The largest employers in North Somerset (see table 5) account for around 27,700 of those economically active (around 29 per cent).

1.3 Compared to the region as a whole, North Somerset enjoys relative prosperity. Average earnings have increased year on year and are proportionately higher than the averages of the south west. However it also has some of the most deprived areas in England, including neighbourhoods to the south and in the centre of Weston-super-Mare. In 2006 (mid-year), North Somerset had just below 2 per cent unemployed compared to approximately 3.4 and 5 per cent in the south west and Great Britain respectively, (see demography topic paper).

#### Employment Land Development against People in Employment

1.4 Table 1 charts employment floorspace completions across the District in relation to the number of people in employment. There is a correlation showing a responsiveness of labour to employment land development. The peak in

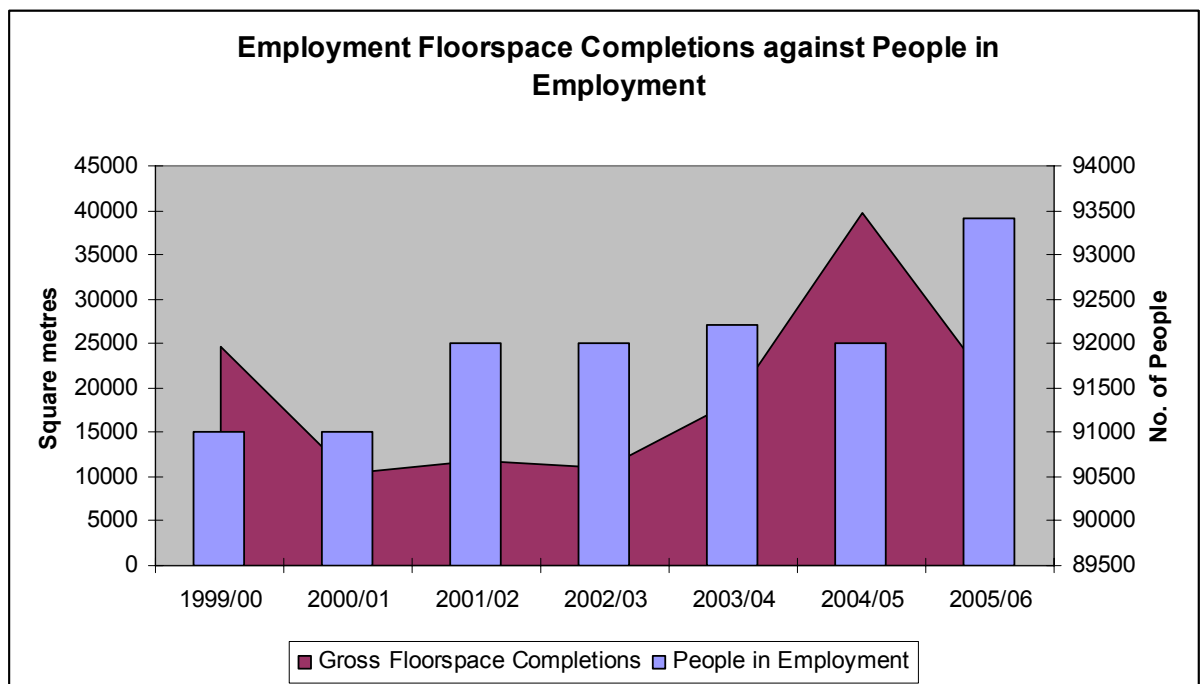


TABLE 1: SOURCE: Office for National Statistics, Nomis 2006.

<sup>1</sup> Office for National Statistics, 2005 mid year estimates

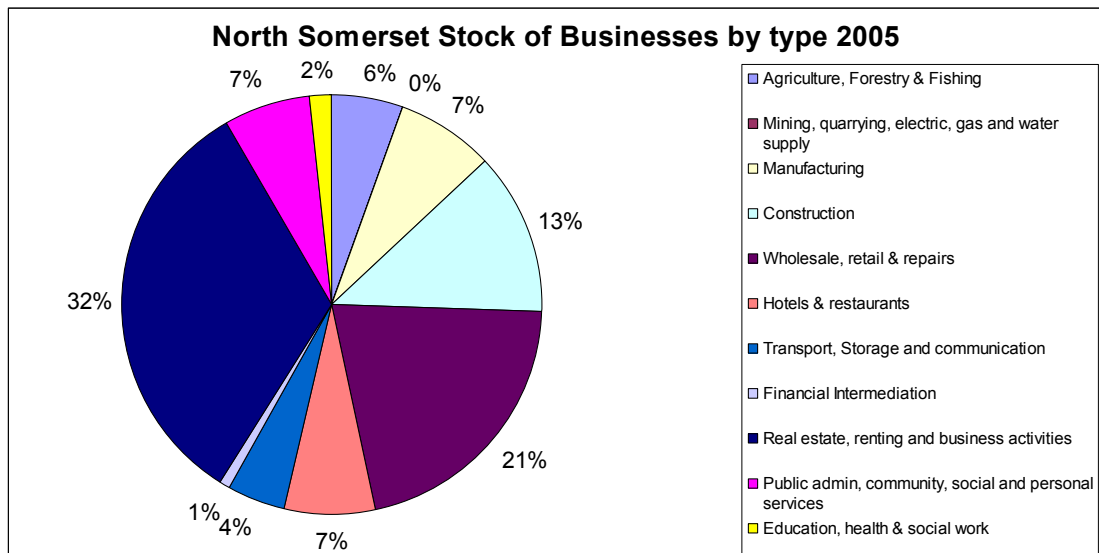
<sup>2</sup> Office for National Statistics, 2005 mid year estimates

people in employment in 2005/06 are indicative of the high level of employment land completions in the previous year.

**Key facts:**

- ***In November 2006, there were just over 800 job vacancies in North Somerset. These were mainly in the ‘banking, finance and insurance’ sector. This indicates in particular, opportunities for growth in this field, and also the possibility of a skills or qualifications shortage.***
- ***For the period April 2005 to March 2006, the unemployment rate as a percentage of the working age was 2 per cent, 1.1 per cent less than the same period in the previous year<sup>3</sup>.***
- ***Of the 195,100 population in North Somerset, only 95,000 are economically active, less than 50 per cent of the population.***

**Variety of employment sectors**



**TABLE 2:** SOURCE: Office for National Statistics, Nomis 2006.

1.5 Table 2 shows the proportion of different employment sectors across North Somerset. Wholesale, retail and repairs accounts for 21 per cent of the total business stock, and for the south west region as a whole, this sector is forecast to continue growing by 2.6 per cent<sup>4</sup>. Construction is also set to grow by 3.7 per cent across the south west, and within North Somerset, the two urban extensions are evidence of this. By far the strongest sector centres on business activities, and Gross Value Added<sup>5</sup> (GVA) in this sector accounts for 20.1 per cent of all industries in the south west, which is much higher than any other sector. In comparison retail and distribution had an output of 14 per cent<sup>6</sup>. The future economic direction in Weston is encouraging activity in the office based sector.

<sup>3</sup> Annual Monitoring Report, page 12.

<sup>4</sup> Regional Economic Strategy, Evidence Base, page 17. The Evidence Base is one of 6 documents to support the RES.

<sup>5</sup> Gross Value Added is a measure of productivity within the economy

<sup>6</sup> RES Evidence Base. These percentages relate to 2002 though are still indicative of the current situation.

Whilst there are aspirations expressed as to the types of employment planned at Weston, more work needs to explore mechanisms to encourage growth within these sectors, and involves understanding the various requirements of different sectors.

- 1.6 The RES lists a number of 'priority' sectors all of which should be considered as part of a wider economic strategy for North Somerset. These are biotechnology, advanced engineering, creative industries, environmental technologies, food and drink, ICT, marine, and tourism, some of which are emerging sectors which are being fuelled by knowledge and innovation. North Somerset has an opportunity to build on its unique characteristics and excel within these markets, for example by building on its creative foundations already established, or capitalising on the natural environment present to develop environmental technologies. These could not only be exported but used to encourage sustainable growth in the region.

Table 3 shows the sector growth from 1994 to 2005.

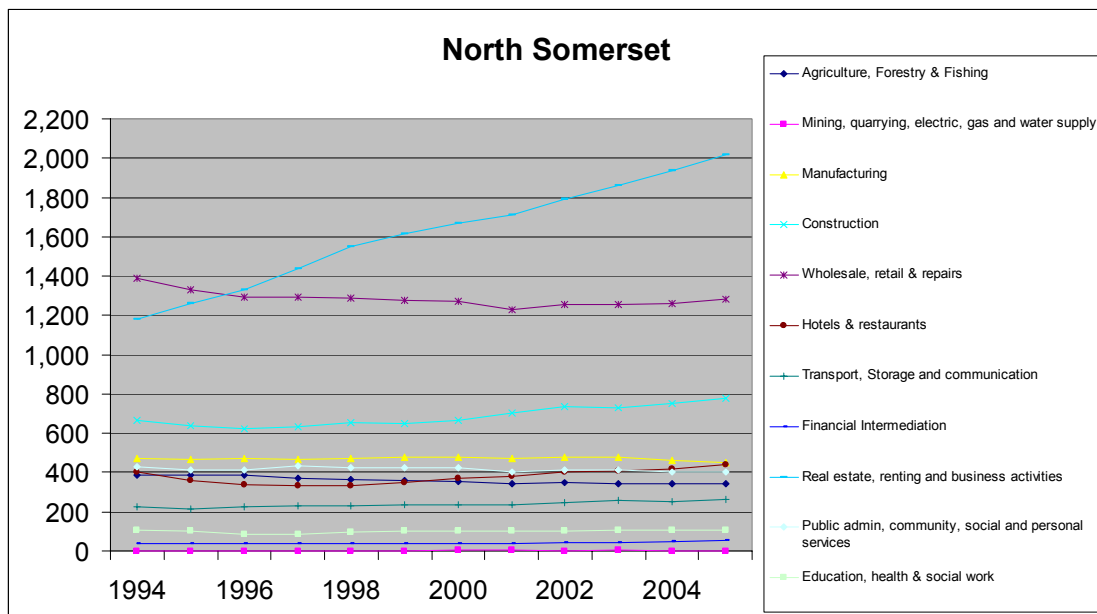


TABLE 3: SOURCE: Office for National Statistics, Nomis 2006.

### ***Business Creation and Retention***

- 1.7 The location of, and rate of businesses choosing to set up, and the extent to which businesses remain active, are key indicators within the economic climate of North Somerset. In 2005 there were 590 VAT registrations against 425 deregistrations, contributing to a total business stock of 6,145.<sup>7</sup>
- 1.8 Based on figures researched for the North Somerset Employment Land Survey (2006), since 2004 25 employment developments have been completed, providing 60,215 square metres of gross floor space. These include the magistrate's court and probation service office at Weston-super-Mare, providing

<sup>7</sup> NOMIS, VAT registered businesses (2005)

a number of B1 (business) jobs. Uses within the B2 and B8 have also been actively pursued with major strategic sites being built out.

- 1.9 Office development has taken place in and around all of the major urban areas. The Clevedon 5/20 site along Kenn Road has mostly been developed to the south of Clevedon providing a significant number of B1-B8 jobs. Ham Green has also been recently developed for mainly B1 uses, situated to the east of Easton-in-Gordano.
- 1.10 A selection of smaller settlements have experienced more modest growth in office development, though appropriate for their size. At Tickenham and Kewstoke office employment has been provided through the conversion of rural buildings. Eleven speculative units have been developed in Easton-in-Gordano, and there is growth in the professional services market at Weston with the development of 11 units. See the North Somerset Employment Land Survey (2006) for more detailed information, on employment generating completions, permissions and losses.
- 1.11 The transition of traditional agricultural uses into alternative workspace is reflective of a national trend and is particularly important for the future success of the rural economy across North Somerset. Planning Policy Guidance note 7 provides that “Local Planning Authorities should set out in their LDDs the criteria to be applied to planning applications for farm diversification projects.”<sup>8</sup> The growth of live: work units are also present throughout rural areas as a modern means of business in the district. This is partly in response to current local planning policy as well as a national increase in the interest in live: work units. The potential impacts of increased live: work development is reduced congestion, reduced CO2 emissions from reduced journeys to work, reduced demand for land, and the potential for increasing choice in rural areas.
- 1.12 With reference to business retention, there are a number of longstanding businesses throughout the district including within the construction, food production, and services sector. Also there have been a number of relocations within the district as businesses look to expand their operations and/ or maximise their business potential. A recent example is the potential relocation of Oxford Instruments Plasma Technology to RAF Locking from Yatton, as part of a wider strategy to commence employment-led growth at Weston-super-Mare.

**Key facts:**

- ***60,215 square metres of gross floor space have been developed for employment uses since 2004.***
- ***Rural diversification is taking place with the conversion of agricultural buildings to office workspace.***
- ***In 2005 there were 590 VAT registrations against 425 deregistrations, an actual increase of 165 businesses.***

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<sup>8</sup> PPS 7, page 16, paragraph 30

### 1.13 Inward investment and Indigenous businesses

The North Somerset Replacement Local Plan makes the distinction between policies directed at inward investment into North Somerset and those directed at the growth and prosperity of existing, local businesses. North Somerset Council is aware of the need to promote areas within the district in an attempt to attract investment and employment opportunities into the area. For example, policy E1 of the *Replacement Local Plan* advocates a revitalisation of Weston-super-Mare through the Weston Vision initiative. Wider enhancements in the town in addition to a comprehensive regeneration strategy are encouraging investment with various stakeholders committing to an employment-led approach. A mechanism is currently being devised which monitors employment development in the town and will potentially be linked to future Development Plan Documents to be used as an implementation tool.

1.13.1 Weston-super-Mare as a Strategically Significant Town has to regain a strong role whilst promoting sustainable communities. Its economic context is founded on tourism which dates back to the nineteenth century. Manufacturing has also played a key role at Weston, though with the restructuring of the tourism industry and gradual decline of the manufacturing industry, Weston has to find a new direction. The North Somerset Annual Monitoring Report (2006) reinforces this view with a main development objective of establishing a long term role for the town. This is not to say that tourism is absent; on the contrary it is crucial for what North Somerset and in particular Weston has to offer.

1.13.2 The land requirements of different businesses vary and expansion patterns differ. Some businesses may require land in a variety of locations across North Somerset; others may require a single base. A tendency is for some of the larger companies including many retailers to search for land in and around the main centres in strategic locations relating to local and sub-regional catchments, whilst the smaller, indigenous businesses tend to be based in a single location. In a survey for a report by DTZ consultants<sup>9</sup>, of all the main employment centres in the West of England area, Weston is the highest rated locality by indigenous businesses taking into account such things as access to routine labour, transport accessibility, and parking for staff. However weaknesses fall under the categories of, *space to expand, quality of local environment, and managerial, professional and technical labour*. All of these are underperforming in Weston compared to the average for the West of England: all of which need to be considered for the regeneration in the town.

1.13.3 In line with Planning Policy Guidance note 4, a range of employment sites are allocated to allow for business growth, and there are policies in place to allow for necessary expansion, as well as to safeguard existing sites.

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<sup>9</sup> SWRDA (2007) *Economic Dynamics and Intervention in the West of England*, page 30, figure 6.1 Businesses view of their own location.

### Role of non- B Class Uses

1.13.4 Based on data sourced for table 2 above, approximately 60 per cent of businesses are related to the non B1 uses. However there are in many cases office based operations attached to many of the sectors, e.g. education and construction.

### Workforce skills

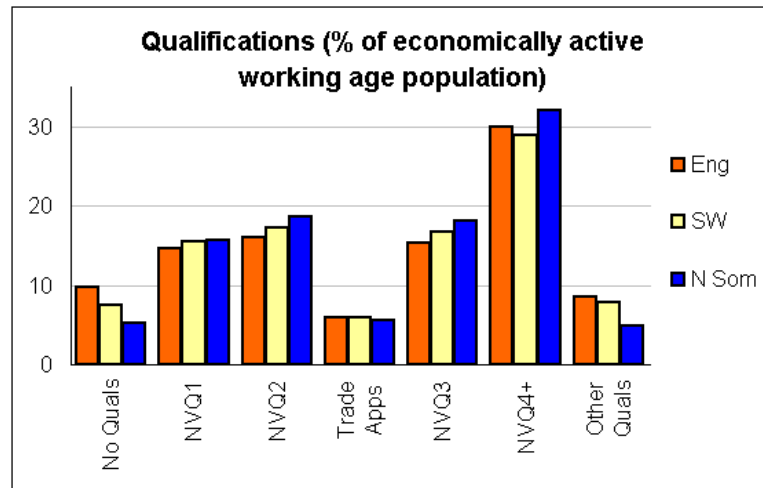


TABLE 4: SOURCE: Government Office for the South West

- 1.14 The workforce skills across North Somerset are loosely reflected by the job sectors present. However the skills of those travelling out of the district for example to Bristol, need to be catered for. Table 4 shows that North Somerset performs well in NVQ qualifications, but not so well in other qualification areas for example in further education. This is reflected in the local labour force and job sector activity e.g. in construction and other services provision.
- 1.15 The *10 Year Economic Development and Regeneration Strategy* has highlighted the need to address inequalities in education and skills attainment across different areas of the district. The *North Somerset Partnership* has set a 'priority' aim of developing facilities for further and higher education. One such facility is a new University Campus for Weston College which is currently being developed on the Coronation estate. This is a redevelopment of the existing Sixth Form and will offer music and art courses, in addition to degree courses in association with the University of the West of England, Bath Spa, and Bath University. Degree courses on offer include those in computing, legal services, counselling, environmental health, management, art and design, public services, and tourism.
- 1.16 An education strategy that is integrated with economic objectives will help create a more self-contained situation in North Somerset where there is a wide skills base and subsequent variety of sectors, necessary to 'weather' any structural changes within the economy. Therefore the decline of a particular industry would not necessarily have such a drastic impact, as has been the case with tourism

and manufacturing. Also an increased student population will alter the economic dynamics of the district, and attract and nurture additional technical skills where there is a recognised gap.

**Key facts:**

- *North Somerset has a lower average of people with no qualifications than England and the south west*
- *NVQ qualification attainment is higher in North Somerset than the south west as a whole*

**Business sizes**

1.17 There are a relatively small proportion of large employers in the area. Four of the largest employ over 1000 staff with the majority employing fewer than 500. Compared to the south west as a whole which has 76.7 per cent of enterprises employing 0-4 people against a national average of 75.3 per cent, North Somerset has similar characteristics<sup>10</sup>.

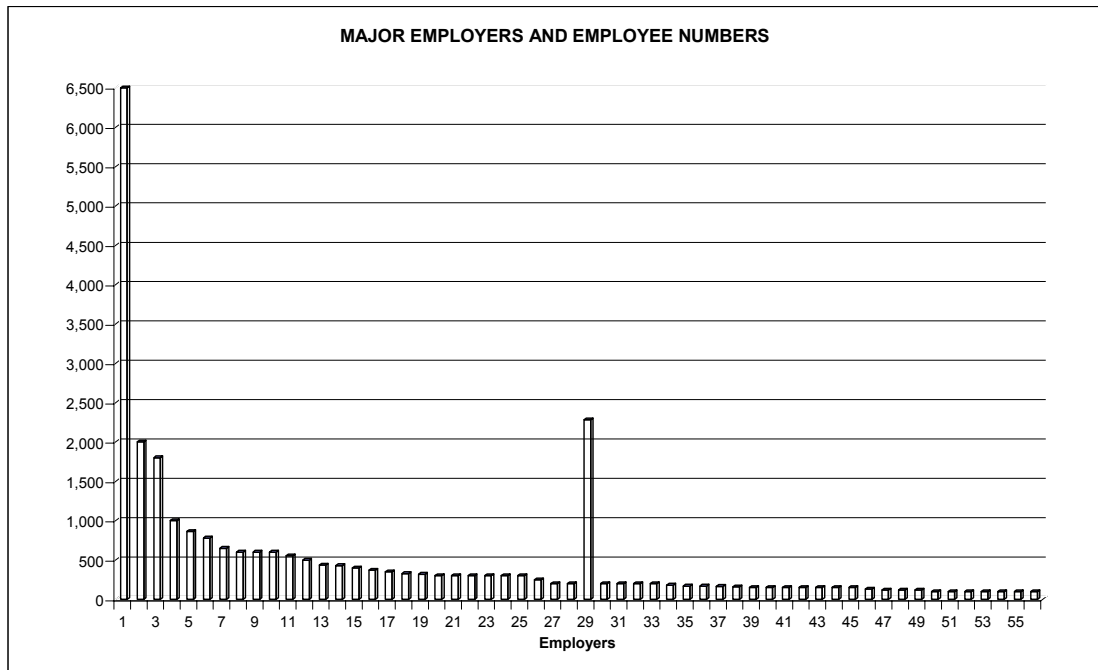


TABLE 5: SOURCE: North Somerset Council

1.18 The distribution of the largest businesses is mainly bound to the four main urban areas. Clerical medical having approximately 600 employees, and Weston General Hospital having approximately 1,800, are based in Clevedon and Weston-super-Mare respectively<sup>11</sup>. Large companies located elsewhere are primarily involved in food preparation, distribution, and manufacturing.

<sup>10</sup> RES Evidence base, page 36

<sup>11</sup> North Somerset data. A list of largest employers has been compiled within the Economic Development and Regeneration Team at North Somerset. This lists employee numbers, and type of business



1.19 These 59 major employers account for around 27,700 employees, approximately 27 per cent of the economically active population of North Somerset. Table 6 shows the geographic distribution of the largest employers.

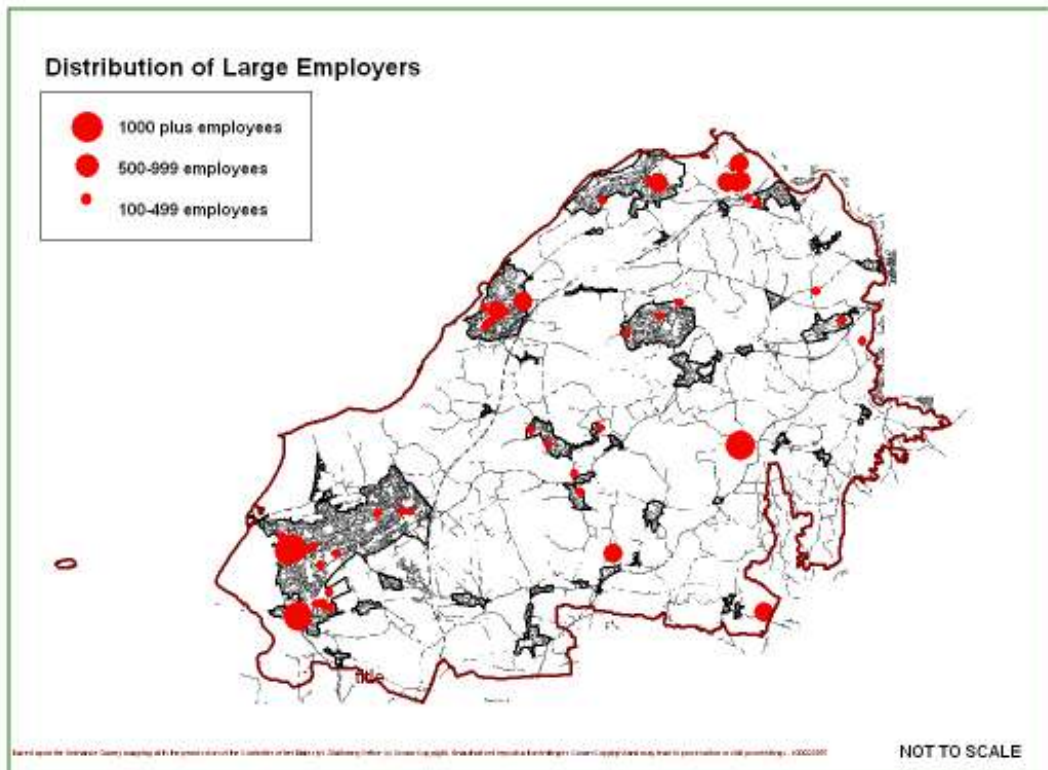


TABLE 6: SOURCE: North Somerset Council

### Employment Land Provision and Employment Land Development

1.20 The *Draft Regional Spatial Strategy* suggests a need for a larger provision of smaller sites to meet organic growth and rural investment.<sup>12</sup> It also advises that provision should be made for non-B class uses to achieve employment activity. There should also be a flexible portfolio of sites both large and small to create choice across North Somerset.

1.21 At present there are 44 allocated sites providing 199 hectares. Seven of the employment sites equating to 68.72 hectares, are provided within mixed use sites, all at Weston-super-Mare. Strategic employment allocations include those at Weston Airfield and RAF Locking. The majority of employment allocations are made at Weston-super-Mare including at the regeneration area, others are made adjacent to Clevedon and in Portishead, and only a limited number are made elsewhere across the district. The employment allocations at Weston are part of a wider regeneration strategy for the town expressed through policy E1 of the Adopted Replacement Local Plan. There is a large housing provision planned for the regeneration area, and this is going to be phased and linked to the provision of employment floor space and so will be led by increased employment

<sup>12</sup> South West Regional Assembly. (2006) *Draft Regional Spatial Strategy, 2006-2026*.

opportunities within the town. The regeneration provides an opportunity to improve the quality of the town as a regionally significant location, and encourage future investment.

1.22 The *Employment Land Survey* shows that in terms of locational development, the majority of land take up has been within the main urban areas particularly Weston-super-Mare and Portishead. In the previous financial year, 2005/2006, approximately 10.69 hectares of land has been developed across Nailsea, Portishead, and Weston, against 1.23 hectares across the remainder of North Somerset. Some allocated sites have not been taken up including at Portishead and Weston-super-Mare of which there are many possible explanations<sup>13</sup>.

1.23 Significantly, 28 per cent of employment land developments have been completed on previously developed land. It is imperative to ensure that economic growth is balanced with regard to the environment, and that future economic infrastructure does not have adverse impacts.

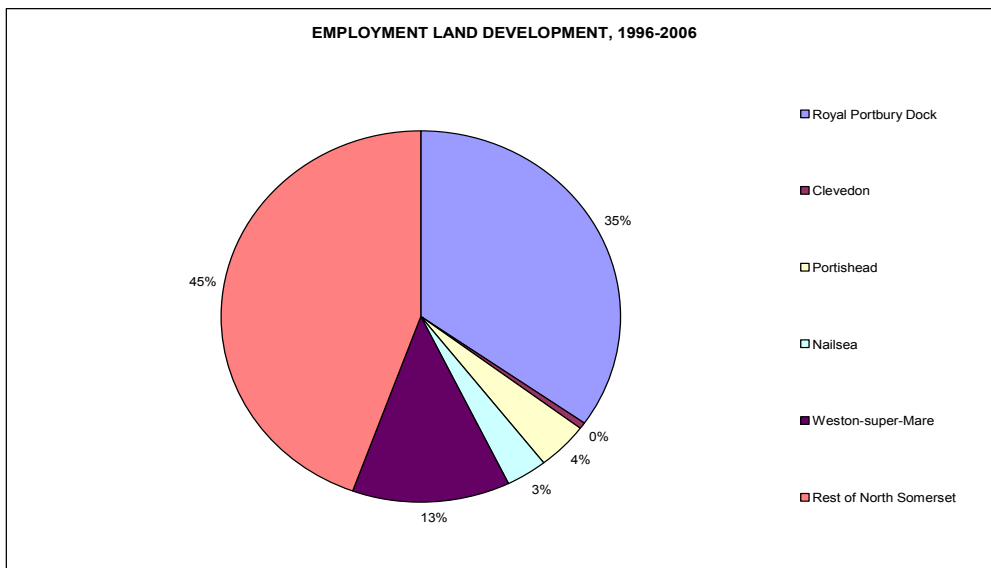


TABLE 7: SOURCE: North Somerset Council

**Key facts:**

- **Between 1996 and 2006, 6.4 hectares of allocated employment land has been developed for other uses**
- **From 2005 to 2006 five sites were recorded as losing their employment potential. In total this amounts to 3.73 hectares; with the majority (3.44) being land allocated for employment.**
- **Employment land take-up in the main towns has been nearly four times the take-up in other areas across the district.**

<sup>13</sup> Barriers to take-up include lack of availability, poor marketing of the site, site not attractive to market, high costs of site acquisition, and development etc.

- **107 hectares of employment land has been developed in North Somerset between 1996 and 2006, providing 222,048 square metres of floor space for business use**

**Land requirements- matching site allocation with business plans**

- 1.24 Roger Tym and Partners set out five interlocking factors which need to be addressed when allocating land<sup>14</sup>:
1. The size of sites;
  2. The suitability of sites for different users;
  3. Accessibility issues;
  4. The availability of sites;
  5. The spatial distribution.
- 1.25 In order to allocate appropriate sites to attract businesses it is a prerequisite to understand the land requirements of individual business sectors. One approach is to see where businesses are setting up and why they are setting up in that location. This will indicate the reasons why businesses are not taking up allocated sites. In a report to the South West Regional Development Agency, with regard to the land requirements of the sector it states, “ICT is not a sector that will demand major single sites and premises provision in the future. Rather it will require a larger number of smaller sites<sup>15</sup>.”
- 1.26 Another example is business within the creative industries, another priority sector of the Regional Economic Strategy. A particular characteristic within this sector is to ‘cluster’ whereby organisations organise themselves in particular hubs. Evidence has suggested that, “*the two main characteristics of the sector are the typically small-size enterprises that exist and the relative immaturity of the sector [suggesting] a potential for high growth.*”<sup>16</sup>
- 1.27 It is clear that to support a wide base of employment sectors, a variety of sites need to be maintained and allocated. This will be particularly important for the economic planning of the two urban extensions in North Somerset, as well as in offering choice throughout existing towns and villages.

**Design and Implementation of policy mechanism to guide employment-led development at Weston-super-Mare**

- 1.28 Work is currently being carried out on developing a method to record and guide the employment-led policy approach at Weston-super-Mare. This will include enough information to support the approach as an ongoing policy strategy for the Local Development Framework.

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<sup>14</sup> Roger Tym and Partners for the ODPM (2004) *Planning for Economic Development*. Planning Research. Information within based on workshops with planning practitioners.

<sup>15</sup> University of the West of England, Professor Martin Boddy (2005) *The Knowledge-Driven Economy, Regional Economic Strategy and Regional Spatial Strategy in the South West of England*. Final Report to the South West of England Regional Development Agency.

<sup>16</sup> RES (May 2006) Evidence Base, page 79.

## **2 STAGE TWO: Key Issues**

- 2.1 *Achieving employment-led growth at Weston-super-Mare where the growth of quality job opportunities are linked to local skills with aspirations to develop a strong, varied economy. This involves setting a positive planning framework to guide development based on sustainable principles. To make Weston more attractive to potential investors better transport infrastructure is required including public transport.*
- 2.2 *Allowing rural enterprises to contribute effectively to the economy, whilst reconciling the environmental and visual impacts*
- 2.3 *The provision of enough, quality jobs in all settlements to provide a sustainable balance of uses and give people the opportunity to work locally*
- 2.4 *Safeguarding enough land of the right type to accommodate business growth and inward investment particularly in the key sectors for North Somerset*
- 2.5 *How to support the tourism sector as a key employment base for Weston-super-Mare*
- 2.6 *How to balance the needs of the large businesses in the district including the Port and Bristol International Airport, with local communities, sustainability and the environment*
- 2.7 *What quantity of employment floorspace is required for the South West Bristol urban extension?*

### **Gaps in Knowledge**

Analysis of why allocated sites have not been taken up. Possible reasons include; poor site marketing, inappropriate location and lack of market demand. Understanding the exact reasons why sites are not being developed in North Somerset is vital to performing better in the future.

Further research could examine *where* businesses are setting up and *why*, and significantly what are the differing circumstances. This knowledge would allow North Somerset to compete effectively within the economy and enhance the range of businesses on offer.

Indicators for employment-led balance and a monitoring and implementation strategy.

The types of jobs people are commuting for, particularly to locations outside of North Somerset e.g. to Bristol.

An up-to-date Employment Land Review

Employment sector needs across North Somerset, and significantly at the two urban extension areas.

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