

Topic Paper 12: Labour Market, Economy and Regeneration

Policy context

Overall aim or purpose of document	Objectives / targets
PPG21: Tourism (Department of the Environment, 1992)	
<p>This PPG outlines the economic significance of tourism and its environmental impact, and therefore its importance in land-use planning. It explains how the needs of tourism should be dealt with in development plans and in development control.</p>	<p>Objectives This PPG focuses on broad principles and general criteria that are relevant to most types of tourist development. Although it does not deal in detail with each type of development, Chapter 5 of the guidance contains advice on large scale and innovative projects, whilst Annexes A and B provide policy guidance on hotel and on holiday and touring caravan developments.</p> <p>Targets Does not contain any targets.</p>
Just Connect! An Integrated Regional Strategy for the South West 2004-2026 (South West Regional Assembly, 2005)	
<p>There are several important strategies in the South West dealing with particular topic based issues, but there has been no overarching strategy setting the context for these strategies or expressing the overall needs of the region. The integrated regional strategy, 'Just Connect', addresses that gap by setting out the region's key aims and what can be done to collectively deliver them. This will be an important aid to better strategy integration</p>	<p>Objectives The Strategy sets out a commitment to ensuring that the better integration of regional strategies will lead to:</p> <ul style="list-style-type: none"> • Improved regional decision-making through shared understanding of regional issues • The potential to maximise resources to the region by providing a coherent message about the region's needs and aspirations and avoiding duplication of effort by regional bodies • More mutual support and greater trust between organisations through sharing of ideas and responsibilities • Strength of purpose in the South West <p>Targets Just Connect identifies five headline aims for the region:</p> <ul style="list-style-type: none"> • To harness the benefits of population growth and manage the implications of population change • To enhance our distinctive environments and the quality and diversity of our cultural life • To enhance our economic prosperity and quality of employment opportunity • To address deprivation and disadvantage to reduce significant intra-regional inequalities • To make sure that people are treated fairly and can participate fully in society
Towards 2015 - Shaping tomorrow's tourism (South West England, 2005)	
<p>This 'Towards 2015' consultation document sets out a new vision for the tourism industry in South West England and a strategic approach for making that vision a reality. It looks to create lasting change through a clear focus on what needs to be achieved.</p>	<p>Objectives The proposals in 'Towards 2015' have been developed to take into account the trends which are going to affect tourism in the years ahead. These include:</p> <ul style="list-style-type: none"> • Increased numbers of older travellers – who will in general be healthier and have more money to spend • Increased interest in holidays which promote good health and well-being • A better educated customer – resulting in

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	<p>more holidays in which arts, culture and history play a prominent role</p> <ul style="list-style-type: none"> • Continued increase in use of the internet for finding out about and booking holidays • Increasing concern for the environment resulting in more demand for destinations which preserve and promote their natural assets • Increasing pressure on peoples' daily lives continuing the trend of more shorter holidays • Growing importance of combining holidays with hobbies and interests, as people seek expression of individuality • Increasingly discerning customers who expect and demand quality and value • Increasing numbers of visitors looking for authentic experiences which provide a flavour of regional culture, traditions and history <p>Targets Does not contain any targets.</p>
South West Regional Economic Strategy (SWRDA, 2006)	
<p>The Mission of the RES is: South West England will have an economy where the aspirations and skills of our people combine with the quality of our physical and cultural environment to provide a high quality of life and sustainable prosperity for everyone.</p>	<p>Objectives</p> <ul style="list-style-type: none"> • Successful and competitive businesses • Strong and inclusive communities • An effective and confident region <p>Targets Targets included in the delivery framework include:</p> <ul style="list-style-type: none"> • Improvements to resource efficiency of the region's small and medium sized enterprises (SMEs) • Reduction in the percentage of businesses citing lack of suitable premises as barrier to growth • Increased availability of workspace in rural areas • Increase in organisations signing up to the Sustainable Construction Charter • Increase in number of social enterprises • Changes to provision in rural areas that result in increased numbers of employers and employees participating in training and development
South West Framework for Regional Employment and Skills Action (South West Regional Employment Forum, 2002)	
<p>The Framework for Regional Employment and Skills Action (FRESA) provides a single plan to identify what needs to happen to create a healthy labour market in the South West. The FRESA defines what is meant by a 'healthy labour market'. It sets out a vision for the future of the labour market in the South West and identifies a set of strategic objectives and actions required to realise that vision.</p>	<p>Objectives The 3 strategic objectives identified to be taken forward by regional partners as part of a co-ordinated plan of work are:</p> <ul style="list-style-type: none"> • To increase employers' participation in skills development in the SW • To raise individuals' aspirations and skills for working in the SW • To develop the efficient and inclusive working of the SW Labour Market <p>Targets Does not contain any targets.</p>
Somerset Strategic Partnership Strategic Priorities (Somerset Strategic Partnership, 2009)	
<p>The Somerset Strategic Partnership comprises</p>	<p>Objectives</p>

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<p>representatives from local government, public services (including health and the police), the business community, voluntary sector and community groups. The Partnership has worked together to produce a vision for Somerset over the next 25 years covering a broad range of issues, including business, communities, infrastructure and skills training.</p>	<p>Objectives relevant to this appraisal include:</p> <ul style="list-style-type: none"> • Image and influence: to promote the region as a business location to internal and external decision-makers in both the public and private sectors • Business and Industry: <ul style="list-style-type: none"> • To provide support for business, to ensure an increase in productivity and average earnings, and to encourage businesses to invest in the county • To make the region attractive to technology sectors e.g. biotechnology and environmental technology • To work with local authorities and developers to ensure that suitable land is available for development which meets business needs • Skills and Training: <ul style="list-style-type: none"> • To work with education and skills providers to deliver basic skills training and combat educational exclusion • To work with employers to develop a culture of lifelong learning and skills improvement • Work with the Somerset Learning Partnership to improve access to higher education for people in Somerset • To link adult education with the 14-19 Excellence and Opportunity Agenda • Culture and Leisure: <ul style="list-style-type: none"> • Increase awareness of the contribution that the public and voluntary sector makes • To safeguard public buildings and spaces and ensure continuing public access to them • To work in collaboration with public bodies to advance Somerset's culturally diverse development • To support development in key centres in Somerset • To create a Cultural Form to ensure the delivery of Cultural Strategies • Infrastructure and Access\Communities: <ul style="list-style-type: none"> • To ensure sufficient energy is generated to meet the needs of the local economy and communities, bearing in mind the Government's targets for renewable energy • To work with local authorities and public institutions on waste management • To promote access and improve coverage of communication technology across Somerset • To manage waste water to meet demand whilst ensuring minimal negative impact on the environment and health • To develop and invest in sustainable, local transport schemes to reduce reliance on personal transport • To continue investment in the road and rail network • To challenge transport providers to

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	<p>provide an integrated transport system</p> <ul style="list-style-type: none"> • To pedestrianise town centres which will reduce pollution and enhance road safety • To work with developers to provide carefully planned, affordable, good quality housing • To work with community groups to work towards better social inclusion and quality of life <p>Targets No specific targets.</p>
West Somerset Retail and Town Centre Study (Donaldsons and WSDC, 2005)	
<p>This study investigates the existing retail capacity of West Somerset, and assesses how the retail sector will develop to 2016. This study examines: the central areas of Minehead, Watchet and Williton; a household survey of shopping patterns, and an assessment of possible sites for development; together with a policy review. The study was undertaken to help make informed decisions on the location of future retail development in West Somerset.</p>	<p>Objectives The objectives of this study were to:</p> <ul style="list-style-type: none"> • Inform the review of the West Somerset Local Development Plan • Improve understanding of the patterns of retailing in the District and how the sector can be strengthened • Identify the need and capacity for future development in a sustainable manner <p>Targets No specific targets. The report recommends large-scale retail developments are focused in Minehead, because Williton and Watchet have limited need for increased capacity.</p>
Exmoor Enterprise Parks – A Strategy for Enterprise and Economic Growth in West Somerset (Donaldsons LLP, June 2005)	
<p>Exmoor Enterprise Parks is a strategy for workspace development that will contribute to enterprise and economic growth in the West Somerset region. It sets out the strategic context within which the strategy has been developed and provides information on the West Somerset economy, supply and demand for workspace, the strategy and its implementation, and monitoring and evaluation.</p>	<p>Objectives: Key Objective: to encourage economic growth, increase permanent jobs and raise average wage levels by the provision of a co-ordinated range of networked employment premises and support mechanisms that will stimulate and meet business need.</p> <p>Supplementary Objectives:</p> <ul style="list-style-type: none"> • To create a mix of networked workspace provision across West Somerset (six sites are identified in the report including Minehead, Roughmoor, Brushford, Withycombe, Simonsbath and Wheddon Cross • To stimulate demand and offer business support through a hub and spoke approach • To achieve added value by linking and achieving synergy with other related developments <p>Targets For each of the supplementary objectives, suitable areas and actions have been identified.</p>
Western Somerset Economic Development and Access Strategy (EDAW and Faber Maunsell, 2002)	
<p>This document sets out the structure for the development of West Somerset's economy to 2020, and details the objectives needed to achieve this strategy and the partners involved.</p>	<p>Objectives</p> <ul style="list-style-type: none"> • To develop an image for Western Somerset which embraces the identity of Exmoor and the Quantocks • Encourage sustainable diversification of rural businesses • Strengthen economic base through the

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	attraction of "footloose" technology based and niche businesses <ul style="list-style-type: none"> • To improve the business support framework • To promote quality sustainable tourism initiatives of economic benefit to the sub-region • Upgrade and improve the electronic infrastructure • Improve the number and range of flexible premises for small businesses • Upgrade and improve the transport system to support wider economic development strategy aims • Upskilling the existing workforce • Attracting/retaining young, skilled individuals • Increase the supply of affordable housing • Avoid social polarisation and improve access to and range of opportunities to all <p>Targets No specific targets.</p>
West Somerset Sustainable Community Strategy 2007-2010	
The Sustainable Community Strategy sets out what the key priorities are for the people of West Somerset and sets out an action plan of how to achieve those aspirations.	Targets include: <ul style="list-style-type: none"> • Increase the number of businesses in West Somerset • Improve the perceptions of West Somerset as a business location • Lower unemployment rates • Increase the number of economically active people
West Somerset Council Corporate Plan 2009-2012	
The corporate plan sets out the vision, business principles and core values that will drive the authority until 2012.	The document has the following key performance indicators: <ul style="list-style-type: none"> • % of people of working age who are economically active • % of people of working age who are unemployed • Gross weekly median pay of workers living in the area.

Baseline review

This section reports data relating to labour, economy and regeneration in the West Somerset area.

Introduction

Whilst the expansion of the national economy has been robust during recent years the strength of the UK economy has been bought into question in 2008. It is likely that all regions in the UK will continue to experience greater volatility with fluctuations in confidence and a softening of the labour market. Since this topic paper was originally written in 2006 UK GDP has decreased significantly and the latest economic data has shown that Somerset's economic growth is lagging behind national and regional levels (Somerset Economic Digest, September 2008). This change in economic fortunes makes trends (and therefore, the future baseline) especially difficult to predict and also means that some of the

data presented below do not paint an accurate picture of the current situation in West Somerset.

Labour Market

Economic Activity Rate and Unemployment

The number of people classed as economically active is a useful indicator of the proportion of an area's population that is actively engaged in the economy, and therefore contributing towards economic growth. Key indicators of economic activity are shown in Table 12.1.

Table 12.1: Key economic indicators

Indicator	West Somerset	South West	England
Economic Activity Rate (April 2006 – March 2007)	68.7%	80.9%	78.6%
Unemployment Rate (April 2006 – March 2007)	5%	4%	5.5%
All People of Working Age Claiming a Key Benefit (August 2006)	14%	12%	14%
Job Seekers (August 2006)	1%	2%	2%
Incapacity Benefits (August 2006)	8%	6%	7%

(Source: Neighbourhood Statistics)

The economic activity rate in West Somerset has decreased from 72.7% in April 2005–March 2006 and the unemployment rate has increased from 4.9% in the same period.

In September 2004, 8% of people in West Somerset were claiming work-related benefits. In August 2006 this had increased to 14%.

Research for the Somerset Local Transport Plan found that access to skills and training was an issue for West Somerset residents (Somerset County Council). Watchet and Williton were identified as places where long-term unemployed residents experience difficulty in accessing job opportunities (Somerset County Council).

Education and Skills

The West Somerset Community Plan (2004-2007) identifies that a problem within the local economy is the lack of a skilled workforce, with limited opportunities for post 16 education within the district. The high proportion of retired people in the resident population may also mean there is a lack of local skills and available workforce for local business and employers (West Somerset Community Plan).

Table 12.2 shows key statistics for skills and education in West Somerset as compared to regional and national figures taken from the 2001 census.

Table 12.2: Skills and education

% of adults (16-74 years old) educated to certain standard	West Somerset	South West	England
No qualifications	30	26	29
Level 1 qualifications	17	18	17
Level 2 qualifications	22	21	19
Level 3 qualifications	7	9	8
Level 4 / 5 qualifications	17	19	20
Other qualifications: Level unknown	8	7	7

(Source: Neighbourhood Statistics)

As can be seen a higher % of people in West Somerset have no qualifications and a smaller number are educated to level 4-5. Lack of a good transport system, coupled with distance from education institutions means it is difficult for people to access skills development opportunities. Access to skills training and employment has important links with the economy.

Economy

Available Employment

The original topic paper which was published in 2006 was able to draw a lot of information on Minehead and Watchet/Williton from the document *The West Somerset Economy* (2005). Unfortunately this document does not appear to have been updated so some of the newer information presented below does not report to such a detailed level.

The West Somerset Economy stated that West Somerset has experienced a decline in sectors which were predicted to grow in Somerset, these include: manufacturing, distribution and retailing (Strategy for Enterprise and Economic Growth). Both Minehead and Watchet/Williton have a high proportion of employment in the declining sectors; therefore, employment opportunities may be vulnerable to change in the future.

Analysis of employment characteristics showed that part-time working in 2002 was highest in the West Somerset area than at the county, regional and national levels (see Table 12.3). The West Somerset Economy (2005) report proposes this pattern is due to the number of part-time (and seasonal) jobs in the tourism sector.

Table 12.3: Full and Part Time Workers

Full and Part-Time Working, 2002			
Area	Percentage of all workers that are part-time 2002	Percentage of male workers that are part-time 2002	Percentage of female workers that are part-time 2002
England and Wales	32	15	48
South West	36	18	54
Somerset	38	17	58
West Somerset	43	21	62
Minehead	48	25	61
Watchet/Williton	45	19	64

(Source: Annual Business Enquiry ABI 1998 and 2002 (taken from The West Somerset Economy, 2005))

Table 12.4 shows that in 2007 West Somerset still had slightly higher numbers of people in part time work.

Table 12.4 also shows the number of jobs in West Somerset in total and by industry and compares this to the South West and Great Britain.

Table 12.4: Job Numbers

Indicator (2007)	Number of employee jobs	% of total jobs	South West (%)	Great Britain (5)
Total employee jobs	11,100	100%	-	-
Full time	7,200	65.3%	65.4%	69%
Part time	3,800	34.7%	34.6%	31%
Employee jobs by industry				
Manufacturing	700	6%	11.3%	10.6%
Construction	500	4.3%	4.8%	4.9%
Services: Distribution, hotels and restaurants	4,400	39.4%	25.3%	23.3%
Services: Transport and communications	300	2.5%	5.1%	5.9%
Services: Finance, IT and other business activities	800	7.5%	18.6%	21.6%
Services: Public admin, education and health	2,600	23.9%	28%	26.9%
Other services	700	5.9%	4.7%	5.2%
Tourism related	2,900	26.1%	9.2%	8.2%

(Source: NOMIS)

Unsurprisingly West Somerset has a much higher number of people working in tourism related jobs and in hotels and restaurants but much lower numbers working in other service related professions and manufacturing. This means that average earnings in West Somerset are lower than those for the South West and the UK as a whole.

Analysis of commuting patterns show the district is a net exporter of labour; the two main destinations for commuters are to wards within Taunton Deane and Sedgemoor (The West Somerset Economy, 2005). West Somerset also has high levels of self-employment: 15% of all working age population (aged 16-74) compared to 10% in the South West and 8% nationally (The West Somerset Economy, 2005). West Somerset also has higher levels of home working (18.2%) when compared to Somerset (12.2%) and the national level (9.92%) (see Figure 12.1).

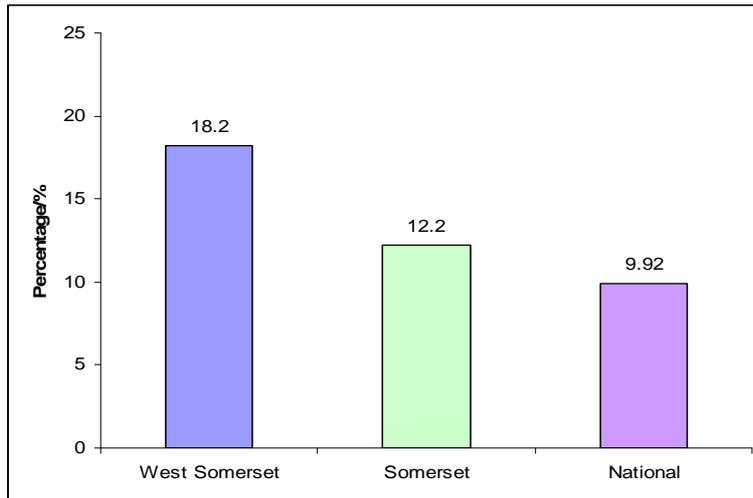


Figure 12.1: Home Working

(Source: Audit Commission ([http://www.areaprofiles.audit-commission.gov.uk/\(aqqyup45qsavai554zqn4zaw\)/DataProfileDetail.aspx?entity=10001125&screenWidth=1280&screenHeight=1024](http://www.areaprofiles.audit-commission.gov.uk/(aqqyup45qsavai554zqn4zaw)/DataProfileDetail.aspx?entity=10001125&screenWidth=1280&screenHeight=1024)))

Infrastructure

The West Somerset Community Plan (2004-2007) and the Strategy for Enterprise and Economic Growth in West Somerset (2005) both highlight the lack of available employment land/ workspace, industrial and commercial properties. A survey of businesses within West Somerset district found that 41.3% were looking to expand in the near future, and 45% would potentially be looking for new premises. About 37.3% of those surveyed said their current premises were affecting the company's performance and growth (Strategy for Enterprise and Economic Growth in West Somerset).

Sources of data

- Somerset Economic Digest (Somerset County Council, September 2008).
- Audit Commission: [http://www.areaprofiles.audit-commission.gov.uk/\(aqqyup45qsavai554zqn4zaw\)/DataProfileDetail.aspx?entity=10001125&screenWidth=1280&screenHeight=1024](http://www.areaprofiles.audit-commission.gov.uk/(aqqyup45qsavai554zqn4zaw)/DataProfileDetail.aspx?entity=10001125&screenWidth=1280&screenHeight=1024)
- Neighbourhood Statistics: <http://www.neighbourhood.statistics.gov.uk>
- The West Somerset Economy – with profiles of Minehead and Watchet/Williton (2005): <http://www.westsomersetonline.gov.uk/UPLOADS/DOCS/U5%20-West%20Somerset%20Economy,%20profiles%20of%20Minehead,%20Watchet,%20Williton%20-%20Clive%20Miller%20-%20June%202005.pdf>
- West Somerset Community Plan (2004-2007), Exmoor Coast and Countryside Partnership: <http://www.westsomersetonline.gov.uk/UPLOADS/DOCS/WSDC-CommPlan04.pdf>
- Western Somerset Economic Development Access Strategy (2002) <http://www.westsomersetonline.gov.uk/template3.asp?parent=102&pid=260&area=2>

Data gaps

- No recent data is available for employment in sectors for towns in West Somerset.

Trends

- The economic activity rate in West Somerset has decreased from 72.7% in April 2005–March 2006 to 68.7% in April 2006 – March 2007
- The unemployment rate has increased from 4.9% to 5% in the same period.
- In September 2004, 8% of people in West Somerset were claiming work-related benefits. In August 2006 this had increased to 14%. However, this is still not as high as in September 1999 (21%)

Labour market, economy and regeneration issues identified

- The economic activity rate of West Somerset is below both the regional and national levels.
- The number of people claiming work related benefits has increased between 2005 and 2007.
- A higher % of people in West Somerset have no qualifications and a smaller number are educated to level 4-5.
- Lack of a good transport system, coupled with distance from higher education institutions means it is difficult for people to access opportunities to develop their skills.
- West Somerset has experienced a net loss in the number of jobs over time; the district is also a net exporter of labour, with residents travelling outside the district for work.
- West Somerset has a reliance on employment within declining sectors: agriculture and tourism. Therefore, the economy needs to look at ways to support these sectors, whilst also looking for opportunities to diversify in order to continue to provide employment opportunities and economic growth. The district also needs to look towards marketing the area, to attract new, small businesses, thereby helping to expand the district's economic base. (Western Somerset Economic Development Access Strategy).
- Knowledge based industries are a good indicator of economic growth; however, overall West Somerset has experienced limited growth in this sector.
- West Somerset has a higher percentage of people working from home compared to Somerset and England.
- There is a lack of available employment land/workspace, industrial and commercial properties.

Implications for the plan and SA

- Support diversification within the local economy, moving away from a reliance on employment in the declining sectors; and promoting West Somerset as a good location for business, attracting employees, investment and diverse businesses to the district.
- The plan needs to consider ways to conserve and enhance the area's physical and cultural capital, making the area attractive to tourism and new businesses;

- The plan should consider ways in which it can support create industries e.g. encouraging developers to provide small units for business start-ups, and the provision of community centres and facilities to support such start-ups.
- Improve the local communications infrastructure to meet business needs and to support home working.
- Identify suitable sites for the development of commercial properties to enable local businesses to expand and to potentially attract new businesses to the area.

Suggested SA Objectives and Indicators

SA objectives	SA indicators / appraisal questions. Will the plan lead to...?
Improve sustainable economic activity within West Somerset enabling regeneration of key areas.	<ul style="list-style-type: none"> • Improved access to skills and training to encourage young people to remain in the district? • Increased wage rates? • An increase the District's self sufficiency in terms of employment? • Diversification of employment opportunities? • An increase in available employment land/workspace, industrial and commercial properties?