

**WEST OF ENGLAND PARTNERSHIP**

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**Delivering a sustainable and prosperous economy**

**THE WEST OF ENGLAND: ~~ECONOMIC~~ STRATEGY** |

**September~~March~~ 2007** |

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## Delivering a prosperous and sustainable economy

### The West of England Economic Strategy

Our vision is that by 2026, the West of England will be one of Europe's fastest growing and most prosperous sub regions which has closed the gap between disadvantaged and other communities- driven by major developments in employment and government backed infrastructure improvements in South Bristol and North Somerset.

1.1 The Economic Strategy for the sub-region shows how this 'Vision' of the local economy is to be delivered. It identifies the sub-regional objectives and initiatives to be followed by the Partnership and individual partners in pursuit of a prosperous, competitive and sustainable economy. In particular, it describes the initiatives to be pursued in order to address the 'key challenges' arising in realising the 'Vision'.

1.2 In setting out the sub-regional objectives and initiatives of the Partnership in managing and promoting the local economy, the Strategy seeks:

- To provide strategic direction to the job creation and training activities of the local councils, other public agencies and business and other interests, in respect of the many key challenges arising across the sub-region;
- To support the co-ordination of local economic and related strategies;
- To provide the basis, ~~with the accompanying Delivery Plan,~~ for agreeing common economic development outcomes and targets under local area agreement arrangements when the whole of the sub-region is covered by local area agreement designation from April 2007;
- To inform the review of planning (development) and transport policies about the requirements of the sub-regional economy;
- To progress the vision of the West of England agreed by the Partnership, in particular establishing the sub-region as one of Europe's most prosperous areas where the gap between disadvantaged and other communities has closed, driven by major developments in employment and government backed infrastructure improvements in South Bristol and North Somerset;
- To progress the delivery of the Regional Economic Strategy;
- To inform and guide the initiatives of the South West Regional Development Agency, Jobcentre Plus, Learning and Skills Council, unitary councils and other public agencies; and,
- To inform and support the case for regional, national and EU funding bids.

## 2 The West of England

2.1 The economy of the West of England is the largest in the South West. Over 500,000 persons are employed in the sub-region with about two thirds of this total accounted for by the Bristol urban area. Commuters from across the West of England travel to work in the Bristol area and to a lesser extent Bath. The sub-region therefore, functions as a city-region in terms of economic linkages, housing markets and shopping patterns. As a result, Bristol City Council at the heart of the West of England city-region, is a member of the Core Cities Group<sup>1</sup>.

2.2 The West of England is also a prosperous area with an excellent quality of life. It is experiencing rapid growth, increasing pressure on infrastructure, concerns about housing shortages and rising requirements for more development land. It is one of the most economically significant and prosperous city regions in the UK. At the same time, several neighbourhoods, burdened with a range of disadvantages, do not share in the prosperity of the sub-region as a whole.

2.3 In recognition of the economic performance and integration of the sub-region, the West of England Partnership has been formed to address jointly the economic, social and environmental challenges that need to be dealt with at the sub-regional level. The Partnership comprises the four unitary authorities- Bath & North East Somerset (B&NES), Bristol, North Somerset and South Gloucestershire- Business West, government agencies and a range of social, economic and environmental partners. It aims to:

- Realise the potential of the sub-region and deliver improvements in infrastructure, environment and quality of life;
- Set a vision and clear long-term direction to support the delivery of key sub-regional strategies;
- Promote the interests of the sub-region regionally, nationally and in Europe;
- Add to the confidence in the sub-region and attract public and private investment; and,
- Work more holistically in the interests of the sub-region.

2.4 In August 2005, the Partnership agreed a 'Vision' for how the West of England should be seen in 2026 (See Appendix). A key component of the 'Vision', as set out above, is the West of England having, 'One of Europe's fastest growing and most prosperous sub regions which has closed the gap between disadvantaged and other communities...'

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<sup>1</sup> The Group comprises the eight largest cities of England outside London and has been formed to ensure that the profile and prosperity of these cities together with their hinterlands, compares favourably with the best regional cities in competitor countries. To this end, the Core Cities Group, in acknowledgement of the critical impacts of the performance of the major cities on regional economic performance, is seeking to work in partnership with government to ensure that national policies are developed in the best possible knowledge of their impacts on the key city regions.

2.5 Consistent with this 'Vision', the economy of the sub-region by 2026 is seen as having:

- Anticipated, encouraged and shaped **high levels of growth** in employment, population and housing through its competitive, knowledge driven businesses and investment by government in physical and social infrastructure;
- A **robust and diverse economy** driven by knowledge, innovation, enterprise and excellence and positive support for key sectors;
- **Achieved excellence** in innovation arising from the universities, business enterprise and investment, and collective action;
- **Secured increased business investment**, economic growth, regeneration and an improved environment in **south Bristol and Weston-super-Mare** following government investment in an improved strategic transport network;
- Maximised the benefits of **growth of the Airport, the Port and other strategic sites**;
- A large proportion of graduate level skills complemented by increased basic and vocational skills that has created a **skilled, adaptable and well-motivated workforce**;
- **Strong links between communities, educational establishments and employers** which have reinforced the importance of education and skills to job opportunities and reward, and enlarged the capacity to identify and address skills gaps;
- Greater social and economic inclusion through **better long term employment** ; and,
- A better distribution of jobs secured by **investment in transport and co-ordinated with spatial planning** strategies.

2.6 Delivery priorities identified to secure the 'Vision' for the local economy, in summary, comprise the following:

- **Promoting and supporting key sectors** by improving basic education and vocational skills and sustaining graduate skills, accelerating innovation, providing adequate employment land supported by investment in transport, housing and quality of life, sustaining businesses in the North Fringe; securing government investment in infrastructure;
- **Attracting investment and visitors** to the West of England; and,
- **Securing the economic regeneration** of disadvantaged communities, particularly in South Bristol and Weston-super-Mare.

2.7 In the context of the 'Vision' and emphasis given to competitiveness, growth and related concerns, the Partnership has set up the Economy and Skills Group to:

- Promote and guide the sustainable economic development of the West of England;
- Advise and act in support of the Partnership on the economic development of the sub-region;

- Recommend joint action on these issues to the Partnership and secure the outcomes approved;
- Advocate responses on the economy and work skills to influence national and regional policy and resource allocation; and to,
- Work with the other specialist groups of the Partnership on issues of common interest.

2.8 The aims of the Economy and Skills Group include:

- Promoting private and public investment in the sub-regional economy;
- Raising skill levels of the workforce;
- Improving business competitiveness and productivity;
- Regenerating urban and rural competitiveness; and,
- Increasing economic inclusion.

2.9 In order to secure effective, co-ordinated actions towards the delivery of these aims, the Economy and Skills Group has prepared on behalf of the Partnership, the West of England Economic Strategy, ~~and the supporting Delivery Plan.~~

### 3 Regional Context

#### The Regional Economic Strategy

3.1 The Regional Economic Strategy for South West England (for 2006-2015) (SW RES) was refreshed and published in May 2006. It provides a shared vision for the development of the region's economy and to this end, guides the activities of all partners in the region, especially those involved in economic development, regeneration and enterprise promotion.

3.2 The RES advises that successful implementation of the Strategy should support regional output growth of between 2.8% and 3.2% each year, considerable improvements in productivity and the availability of a highly skilled workforce.

3.3 Successful delivery of the Strategy, the RES advises, will require facilitating growth in places that can make a significant contribution to achieving regional objectives. Significantly, the West of England, is seen as having a lead role '... as a city-region of international, national and regional significance, and can use its status as a national Science City to strengthen the region's economic base.'

3.4 The RES also highlights the benefit to productivity of better transport infrastructure and the potential of ICT to improve connectivity and reduce business and work related travel. Finally, the RES indicates that sustainable development underpins its approach towards economic development with the economy managed within environmental limits.

3.5 In considering support for business, the RES identifies eight priority sectors for specific SWRDA support in acknowledgement of their regional importance, exposure to change and/or growth potential. The eight priority sectors are: advanced engineering, ICT, food and drink, tourism, creative industries, environmental technologies and biomedical.

3.6 Other key sectors are also listed<sup>2</sup>. The RES advises that their influence should be recognised and a commitment made to understanding the changing needs of these sectors.

3.7 The Strategy is expressed in terms of a 'vision', 'strategic objectives', and 'regional economic priorities'. These are set out below.

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<sup>2</sup> The 'other sectors' listed by the RES comprise the following: 'LSC Priority sectors' – health and social care, retail, engineering and construction; and the following 'other key sectors' - engineering, construction, public administration, finance and business services, distribution and transport, and paper and printing.

## The 'Vision'

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.

<b>Strategic Objective 1: Successful and competitive businesses</b>	<b>Strategic Objective 2: Strong and inclusive communities</b>	<b>Strategic Objective 3: An effective and confident region</b>
Priority 1A: Support business productivity	Priority 2A: Improve participation in the economy	Priority 3A: Improve transport networks
Priority 1B: Encourage new enterprise	Priority 2B: Regenerate the most disadvantaged areas	Priority 3B: Promote and enhance what is best about the region
Priority 1C: Deliver skills for the economy	Priority 2C: Plan sustainable communities	Priority 3C: Improve leadership, influence and partnership
Priority 1D: Compete in the global economy		
Priority 1E: Promote innovation		

3.8 Under each regional economic priority, delivery activities are identified. Delivery activities of particular relevance to the West of England are listed below.

- support for small and medium-sized enterprises;
- specialist support for high growth businesses, such as aerospace and defence;
- deliver sustainable sites and premises for business growth;
- encourage new enterprise;
- support social and community enterprises;
- support areas with the greatest concentrations of multiple deprivation, promote enterprise in disadvantaged areas and ensure equality of access to work, training and business advice;
- encourage an efficient and adaptable labour market; supported by high quality, flexible training provision;
- encourage international trade;
- attract domestic and foreign investment;
- increase the contribution that science and technology makes to the economy;
- encourage collaboration between business and the region's knowledge base; maximise use of ICT;
- ensure equality of access to work, training and business advice;
- promote the renaissance of the largest cities;
- reduce congestion in the main cities and towns;
- develop and promote high profile regional projects and events; and,
- maximise the opportunities from London 2012.

## The draft Regional Spatial Strategy

3.9 The draft Regional Spatial Strategy (RSS) was published in June 2006. An examination in public of the draft ~~will commence in April 2007~~ was held between April and July 2007 with the Government expected to finalise the RSS in 2008.

3.10 The draft RSS sets out the regional framework for development, including the scale of new development to be provided for between 2006 and 2026. The draft RSS also sets out the broad spatial strategy for the development of the West of England. It will provide therefore, the framework for local development plans, guide transport investment and provide the spatial context for the plans, programmes and investment of other agencies and organisations across the region including the Regional Economic Strategy and the West of England Economic Strategy

3.11 The draft RSS proposes that recent high levels of job growth in the Bath, Bristol and Weston-super-Mare areas should be sustained and supported by the appropriate levels of new dwellings and infrastructure improvements. The following levels of additional jobs are proposed between 2006 and 2026- 92,000 in the Bristol area, between 16,000 and 20,200 in the Bath area and between 8,500 and 10,000 in the Weston-super-Mare area. In this context, local authorities are required to assess the supply and demand for employment land on a regular basis and meet requirements arising from local business expansion, inward investment, small businesses, ports and airports, knowledge intensive institutions and other major job generating uses.

3.12 The spatial pattern of future development in the West of England proposed by draft RSS, reflecting the advice of the Partnership, gives priority to tackling concentrations of deprivation, regenerating and intensifying the existing urban fabric, especially the town and city centres, and directing new greenfield development requirements towards extensions to the urban areas.

3.13 Particular emphasis in the Bristol area is given to diverting growth pressures, including requirements for additional employment sites, from the northern edge of the City to the south and Weston-super-Mare. This approach is supported by proposals for very significant improvements to the accessibility of these areas, including a ring road for south Bristol and improved links to the Airport, higher development densities and a range of other regeneration measures integrated with urban extensions.

## 4 The West of England economy

### Competitiveness and output

4.1 Over **half a million persons work in the West of England**. The local economy is the **largest in the South West**, accounting for about a **quarter of the region's jobs** and about **2% of the national total**. The West of England is also a prosperous economy, generating levels and rates of increase in output per head above regional and national averages. However, productivity in the West of England is well below the productivity of many European cities according to data assembled for the Core Cities Working Group.

4.2 A recent research report <sup>3</sup> has identified a wide range of factors as accounting for intra-regional and inter-regional differences in GVA per head and hence productivity. These include: levels of capital per employee; levels of skill, particularly higher levels of skill; business enterprise; use of ICT; and, travel time from major centres of population. Industrial structure was identified as an important determinant of intra-regional differences.

4.3 Other important messages include: the importance of available sites and premises to business investment and innovation; the importance of urban regeneration to attracting highly skilled workers; the need to encourage innovation across all sectors; the economic benefits arising from reduced congestion and improved transport links to London; and, the importance of the northern sub-region and its continued competitive success, to the overall performance of the region.

### Main industrial sectors

4.4 The West of England economy displays considerable industrial diversity. A wide range of industries (or sectors) is represented with about **40 different industries employing over 1,000 persons**. **Services are dominant, accounting for over 80% of total employment**, reflecting the regional functions of Bristol as well as the requirements of the local population. The main office sectors- **financial and business services, public administration, account for about 30% of all employment- about 150,000 jobs**. **Education and health account for another 20% of jobs**. Retailing and related services account for a similar proportion.

4.5 In contrast, manufacturing jobs now account for less than 10% of West of England jobs compared with 33% in 1971. This represents a fall from about 130,000 to less than 60,000.

4.6 Office and industrial activities currently account for about 48% of all jobs in the West of England with this proportion falling to below 40% in the

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<sup>3</sup> Meeting the productivity challenge: Report on a study for the South West of England Regional Development Agency. April 2005. University of the West of England and the University of Bath.

Weston-super-Mare area and rising to about 50% in the Bristol area. This reflects the large numbers of jobs arising in meeting the requirements of residents for education, health, retail and leisure and other local facilities as well as the regional role of Bristol and to a lesser extent Bath, in meeting many more specialist or 'higher order' requirements.

4.7 Health and care services, education, and retail and leisure activities each provide about 60,000 jobs in the sub-region. A large proportion of the workforce is part-time with females predominant. Jobs in these sectors are widely distributed across the sub-region and contribute significantly to meeting local employment requirements. Employment levels have been rising, especially with the expansion of public investment in health and education since 2001. Further expansion offers the potential to support a range of regeneration objectives as well as to a wide range of other public objectives. Plans for the South Bristol Community Hospital are a key element in the regeneration proposals for the area. There are concerns however about low pay and difficulties with the recruitment of key workers to the many essential areas of work arising in the education and health sectors.

4.8 The role of social enterprises both in terms of the employment provided and the contribution made to securing the effective delivery of public services also has to be acknowledged. The contribution of social enterprises has become especially significant to tackling social exclusion through enterprises providing enterprise advice, education, training and work experience, and to the delivery of a wide range of locally based social and community services. Increasing recognition is being given by government to the role of social enterprises in offering flexible and innovative approaches to dealing with the frequently intractable problems underlying social exclusion.

4.69 Industries or sectors relatively concentrated in the West of England include aerospace, insurance, pensions, other financial services, post and telecommunications- mainly as a result of call-centre operations, and manufacture of computers.

4.710 Recent research<sup>4</sup> on the local economy has sought to identify the 'business specialisms' of the area that could be described as 'centres of excellence' by means of discussion with senior figures in the public and private sectors. The following were identified:

- Aerospace
- Insurance
- Professional/business services
- Parts of the media and creative sector
- Bath tourism
- Higher education.

4.811 Aerospace, insurance and professional and business services together support some 80,000 jobs. The media and creative sector comprises a

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<sup>4</sup> So far so good....' The economy of the West of England. Marion Jackson & Anthony Plumridge UWE November 2002.

diverse range of artistic, performance and communications related activity for which job estimates range from 14,000 to over 30,000. The attention given to the sector reflects the rising numbers of jobs in these activities and the presence of high profile industry leaders such as Aardman and the BBC Natural History Unit. Bath tourism reflects the significance of the City on the international tourism circuit. Finally, the inclusion of higher education reflects the scale of the sector- it supports about 13,000 jobs in the West of England- recent expansion and the benefits of the sector to the wider economy. Other industries showing a relative concentration in the West of England include: advanced engineering, financial services, printing and packaging and digital/creative media. Increasing attention is being given to the role of social enterprises across a range of sectors, environmental technologies and local and organic food production. .

### Education and skills

4.912 The growth of technical and skilled employment in the West of England is leading to a **need for a more educated and qualified workforce**, able to adapt to the changing requirements of the workplace. However, large numbers of persons have **poor literacy and numeracy skills** while the **educational attainment of young people** at LEA schools in the West of England and especially within Bristol, stands **below the national average**.

4.103 **The region benefits from four excellent Universities** with complimentary missions. The University of Bristol is ranked in the top 50 in the world and the University of Bath is also highly rated in research terms. The University of the West of England is one of the best 'post 1992' institutions and is, with Bath Spa University, particularly important for providing higher educational opportunities for more local students.

4.144 The working age population of the West of England is more qualified than at regional and national levels. Nevertheless, there are **reports of skills shortages** in terms of both unfilled vacancies and existing staff. Projections indicate a potential for these shortages to intensify over the future as a result of larger numbers reaching the retirement age.

4.125 **Shortages of skills have been eased recently by recruitment from new EU member states**. However, this inflow has led to concern that as a result, less emphasis may be given to training existing staff and younger persons leading to harm in meeting skill requirements over the longer term. Furthermore, there are concerns that the large number of organisations involved with training creates difficulties in co-ordinating the delivery of workforce training programmes across the West of England.

### Unemployment and deprivation

4.136 The **unemployment rate in the West of England is low**, standing close to the regional average at about 3.53% currently compared with 4.8%

for GB<sup>5</sup>. Similarly, the employment rate for the West of England- the proportion of the population of working age in employment, stands well above national and regional rates.

4.147 Despite the success of the West of England economy and the low unemployment rate, **concentrations of people out of work persist** amongst particular age-groups and disadvantaged communities, reflecting a combination of educational under achievement, low skills, the decline of traditional industries and other factors<sup>6</sup>. Younger persons have specific difficulties as newcomers to the labour market and as a result, are about twice as likely as those in the older age groups to be out of work. In rural areas, the changing market for agricultural products is leading to a need to develop niche markets and a wider range of business activity to sustain local employment.

4.158 These concentrations of unemployment are reflected by geographical variations in local unemployment rates with **concentrations of jobless workers most evident in parts of inner Bristol, on some of the City's council estates, and within a few neighbourhoods of Weston-super-Mare.** Two areas of inner Bristol (broadly the St Pauls, Lawrence Hill and Easton localities), and several localities on the suburban council estates (broadly within the Hartcliffe, Knowle, Kingsweston, Lockleaze and Southmead areas), are within the 10% most deprived areas nationally, ranked according to the Government's index of multiple of deprivation. Weston-super-Mare also has localities within Central and South wards that fall within the national 10% most deprived areas. The populations of these deprived localities represent over 40% of the population in the South West resident in localities falling within the 10% most deprived areas in England. However, other localities and communities within the West of England have been affected by job cutbacks by local employers over recent years despite the overall rise in employment and prosperity, leading to concern about the future job prospects of these groups and the need for public action. These concerns are much evident at Norton Radstock as a result of cutbacks by the local printing and packaging industry.

~~4.16—Two areas of inner Bristol (broadly the St Pauls, Lawrence Hill and Easton localities), and several localities on the suburban council estates (broadly within the Hartcliffe, Knowle, Kingsweston, Lockleaze and Southmead areas), are within the 10% most deprived areas nationally, ranked according to the Government's index of multiple of deprivation. Weston-super-Mare also has localities within Central and South wards that fall within the national 10% most deprived areas. The populations of these deprived localities represent over 40% of the population in the South West resident in localities falling within the 10% most deprived areas in England.~~

4.19 Other localities and communities within the West of England also have been affected by job cutbacks by local employers over recent years despite the overall rise in employment and prosperity, leading to concern about the

<sup>5</sup> Describes the proportion of the resident workforce out of a job as shown by the APS for 2006/5.

<sup>6</sup> These 'other factors' include, for example, those who have been in care, with disabilities and/or with learning difficulties and persons with language difficulties as a result of their recent arrival from overseas..

future job prospects of these groups and the need for public action. These concerns are much evident at Norton Radstock as a result of cutbacks by the local printing and packaging industry.

**4.1720** The number of persons of working age without a job and receiving Incapacity Benefit has risen slightly over recent years despite falling unemployment, especially amongst older age groups, and far exceeds the number receiving Job Seekers Allowance. Other important numbers of benefit claimants relate to being disabled, single parents and caring for dependents.<sup>7</sup> As a result, those claiming Job Seekers Allowance in the West of England now account for a small share- currently about 15%, of the total in the working age groups without a job and claiming benefit. Recent Government initiatives are seeking to reduce these numbers by means of a range of local measures to encourage benefit claimants into work.

### Prospects for growth

**4.1821** The West of England has a long history of growth and success in adjusting to changing circumstances. Over much of the post war period, the sub-region has seen employment levels rising more rapidly than at the national level. Falling employment in manufacturing since the 1970s has been more than matched by expansion in offices while the growing population and rising prosperity has generated many jobs in retailing, education and a widening range of personal and leisure services.

**4.1229** The long record of growth and success exhibited by the local economy reflects:

- the predominance of prosperous industries, in part a result of historical accident and the accumulation of advantages;
- proximity to the South East and the amenity of the sub-region;
- the regional role of Bristol;
- the scale and quality of the labour supply; and,
- the availability and relative to London, low cost of business sites and premises.

**4.203** Many of these structural and locational advantages are likely to be maintained over the future. For example, the high representation of 'knowledge based' industries in the West of England as a result of the importance of aerospace/advanced engineering and many office based sectors, and the expectation that these industries will 'drive' national economic growth over the future<sup>8</sup>, suggests continuing economic growth in the sub-region.<sup>9</sup> However, this potential could be eroded by continued under-

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<sup>7</sup> In April 2006, out of some 76,000 working age benefit claimants in the West of England, some 40,000 related to incapacity (Ill-health), 11,700 to lone parents, 5,000 to being carers and 4,700 to being disabled, whereas those claiming Job Seekers Allowance numbered some 11,000.

<sup>8</sup> Our Competitive Future: Building the knowledge driven economy. DTI 1998.

<sup>9</sup> Furthermore, recent research highlights the potential of the West of England to support the development and growth of 'knowledge based' industries. This arises from opportunities in larger urban areas for 'knowledge transfer' access to specialist suppliers, services and markets, and a large

investment in transport infrastructure, and shortages of premises and skilled labour.

**4.214** The **RES and the draft RSS promote high levels of growth for the West of England** in acknowledgment of the economic strength of the sub-region and the aims of these strategies to raise regional prosperity. Draft RSS proposes an additional 6,000 jobs per annum in the sub-region between 2006 and 2026. This level of growth implies national economic growth of about 3% per annum, assuming relationships between local and national economic performance remain constant, and stands well above trend based projections<sup>10</sup>. The Partnership has proposed a slightly lower target for job growth in the West of England- 5,000 per annum for 2006 to 2026, which nevertheless is optimistic, **also and** above trend-based projections. This growth rate is consistent with securing a buoyant and prosperous economy as expressed by the 'Vision' of the Partnership. It will be reviewed as new evidence comes available, in particular with the approval of the Regional Spatial Strategy by the government.

**4.225** **Securing high levels of growth as proposed will require actions to minimise constraints on expansion.** At the same time, in making provision for growth, recognition will need to be given to the uncertainties surrounding the future, the importance of monitoring trends and adjusting delivery programmes. In particular, recognition will need to be given to the rising influence of external events as a result of 'globalisation' on the performance and growth of the local economy.

**4.236** Over the last decade, **'globalisation' has very much boosted the performance of the local economy** while at the same time accelerating the pace of structural change. **Over the future however, 'globalisation' and the increased competitive pressures that it generates, could lead to less favourable outcomes.** This potential is demonstrated by recent job losses from financial services and call centres as a result of transfers to India. An acceleration of the movement of jobs and investment overseas would be the outcome if local businesses lose competitiveness and the locational offer of the West of England, in contrast to recent experience, does not enable successful readjustment to changing economic circumstances.

### **The impacts of growth on the environment**

**4.27** **The success of the local economy over the last decade, the rising demand for additional dwellings and increasing car use and traffic congestion, has led to concerns that growth is leading to unacceptable harm to the environment. Widening recognition of global warming and the adverse consequences for the climate is reinforcing these concerns. As a result, new opportunities for business that offer 'green' technology products and services**

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pool of higher skilled labour. (The Knowledge-Driven Economy: Regional Economic Strategy and Regional Spatial Strategy in the South West of England. Martin Boddy 2005.

<sup>10</sup> Trend-based projections show West of England employment rising by about 3,500 per annum between 2006 and 2026 (Cambridge Econometrics for SWRA: November 2005) and national economic growth approximating to 2.5% per annum (HM Treasury May 2006).

are emerging with the potential to become a significant component of the sub-regional economy. There is now much support across the West of England for promoting such businesses and managing growth in ways that sustain the environment, in particular for forms and patterns of development that minimise greenfield development and traffic growth.

## Demographic projections and the workforce

4.248 Projections<sup>11</sup> show the population of the West of England rising more quickly over the future compared with the past- by 5,845 per annum between 2006 and 2026 compared with 3,700 per annum between 1991 and 2001. Higher in-migration largely accounts for this acceleration, adding 3,000 per annum to the population of the sub-region over the future compared with 1,950 per annum between 1991 and 2001. Over the last year for which data is available (2004/5)<sup>12</sup>, net in-migration is estimated to have risen to about 6,020 with about nearly two-thirds of this figure accounted for by international migration.

4.259 In contrast, projections show the population of working age in the West of England rising more gradually- by 2,150 per annum between 2006 and 2026 compared with 2,950 between 1991 and 2001. This reflects the ageing of the population with increasing numbers over the longer-term joining the retirement age groups.<sup>13</sup>

4.2630 The projected slowdown in the growth of the working age population is likely to constrain the growth of the workforce leading in turn to the potential for labour shortages over the future, especially if the recent expansion of the West of England economy is maintained. Recent projections<sup>14</sup> show the West of England workforce rising by 2,800 per annum between 2006 and 2026. However, over recent years the level of employment in the West of England has been rising by in excess of 6,000 per annum while the Partnership and draft RSS propose job growth of between 5,000 and 6,000 per annum over the future.

4.2731 The potential for labour shortages to constrain employment growth over the future may be reduced by older persons delaying their retirement in response to concerns about pensions and more flexible employment conditions. The increased emphasis given by government to removing 'barriers to employment' and thereby reducing the number of benefit claimants, also may lead to higher levels of economic activity. Improved training provision that is linked to addressing emerging skill shortages and

<sup>11</sup> 2003-based population projections. ONS.

<sup>12</sup> 2005 mid-year estimates. ONS.

<sup>13</sup> Projections show the level of the population of working age in the West of England rising more gradually over the future- by 2,200 per annum between 2001 and 2026 compared with 2,950 per annum between 1991 and 2001.

<sup>14</sup> Derived from applying recent national economic activity rate projections (Labour Market Trends January 2006 ONS) to the 2003-based sub-national population projections. SWRA/Chelmer model. July 2006.

better transport to work and more local employment, may also contribute to reducing the potential for labour shortages.

**4.2832** A continuation of recent high levels of in-migration of skilled workers from the new member states of the EU would also reduce the potential for labour shortages over the future. However, it could lead to an over-supply of workers amongst some occupations and perhaps shortages amongst others at a later stage if migrant workers chose to return home and if investment in maintaining the skills of the indigenous population is inadequate.

### **Business sites and premises**

**4.2933** The overall stock of office and industrial floorspace in the West of England has remained broadly level over recent years. However, the make-up of this stock has changed with office and warehousing growth matching manufacturing decline although often at different locations. As a result of this change, some areas have seen major increases in development and jobs while other areas, especially where dominated by older industrial developments, have seen closures and job losses.

**4.304** Employment projections indicate the likelihood of further losses of manufacturing floorspace and further increases of office floorspace. Property market pressures and locational trends suggest that manufacturing losses will be focused on older urban areas as a result of changing operational requirements and the buoyant market for residential property. This outcome may be reinforced by planning policies that encourage urban intensification and meeting ambitious requirements for additional dwellings.

**4.315** The prospect of further losses of industrial floorspace from the urban areas may harm prospects for local employment and economic growth. Unsatisfactory planning outcomes also could be an outcome with less accessible greenfield employment sites being developed to make-up for brownfield losses. At the same time, the release of urban industrial sites will create opportunities for securing environmental improvements and urban intensification with beneficial consequences for travel behaviour and transport outcomes. The potential for both adverse and favourable outcomes as a result of the loss of urban industrial sites emphasises the importance of securing a greater understanding of the property and land requirement of business and especially industrial uses as advised by recent government guidance and the emerging Regional Spatial Strategy.

**4.326** The 'First Detailed Proposals' of the Partnership, submitted to the SWRA to inform the preparation of the Regional Spatial Strategy, identified a need to allocate in the West of England a further 120 to 180ha of industrial land and 190,000 to 250,000 sq m gross of office floorspace, additional to current commitments, to meet location requirements arising over the period to 2026. Existing strategic locations for business, as listed below, and especially the urban extensions proposed south west, south east and north east of the Bristol urban area, and at

Weston-super-Mare, are expected to provide the required scale of additional opportunity for economic expansion.

4.337 The estimates of requirements for additional industrial and office sites reflect assessments of the demand for development sites and the potential of existing allocations. They take account of changing locational requirements, patterns of growth and decline, and the business development potential of existing allocations. The estimates represent however, only broad approximations of requirements as a result of the uncertainties surrounding business location behaviour and therefore, need to be kept under review.

### **The contribution of strategic sites and locations in the West of England to meeting future requirements for business sites and premises**

4.384 **About 750ha are allocated for development for employment uses in the West of England.** Nearly two-thirds of this land is in South Gloucestershire. At Severnside, some 300ha are identified for large scale manufacturing and warehousing development and in the North and East Fringe, some 130ha are identified, largely for science park and business park developments. Within Bristol, 120ha are allocated at Avonmouth with potential for further development, as with Severnside, subject to the resolution of major transport and flood risk constraints. However, few opportunities for greenfield industrial development are available on the northern edge of the Bristol beyond Avonmouth/Severnside while the potential for further business park development in the North Fringe area is very modest compared with the scale of expansion recorded over the last decade.

4.359 **Within Bristol and Bath city centres, major regeneration schemes are bringing forward or providing the potential for, large amounts of new office space.** However, **few sites for new business uses are available elsewhere in these cities** while existing premises are being lost to a range of other, higher value uses. These losses together with the current lack of greenfield sites on the urban edge is leading to concerns about harm to future economic prospects.

4.36940 Elsewhere in the sub-region, **substantial areas of land for business expansion are identified at Weston-super-Mare and to a lesser extent, in the Norton Radstock area.** The development of much of this land however, requires significant infrastructure investment and the resolution of other issues.

4.3741 Further information about the supply of employment sites in the West of England is set out below.

<b>Avonmouth and Severnside</b>
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Proximity to the port, the motorway network and extensive development sites is attracting
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considerable investment in heavy industrial, power generation and waste treatment plant, and large distribution depots. A new road crossing linking Avonmouth with Royal Portbury and a deep water container terminal are proposed which would enhance the role of Avonmouth in meeting requirements for dock related distribution centres.

Development sites at Avonmouth are likely to meet requirements over the medium term. Accommodating growth much beyond however, especially if stimulated by port expansion, is likely to require additional development land, improved rail access and the resolution of flood-risk, environmental and transport constraints, including a new junction on the M49.

### **Royal Portbury**

Rapid growth of trade has led to a rising requirement for land, especially for dock related processing and distribution. Virtually no development land remains at Royal Portbury. A recent assessment of the trade potential of the port identifies good prospects for further growth and in turn, a need for more development land. The draft Regional Spatial Strategy advises that local development documents should demonstrate how the growth of trade at the port could be supported.

The local councils wish to see the rising requirement for development land at Royal Portbury with the growth of trade met by intensifying existing developments, improving rail access, and regenerating derelict and under-used land at Avonmouth. Diverting development pressure towards Avonmouth requires improved access across the Avon to Royal Portbury.

### **Bristol North and East Fringe**

Business park expansion in the North Fringe met much of the strong demand arising in the sub-region through the 1990s for new offices. As a result of the momentum established by the scale of expansion in the North Fringe, a market has been created for out of town offices on the edge of Bristol.

As well as meeting demand from a range of traditional office based businesses, North Fringe business park development has attracted significant expansion by advanced engineering/defence related, high technology based businesses. Linkages extending along the M4, the presence of aerospace and MoD account for this growth. Further expansion of this sector is being facilitated by the establishment of the Composites Research Centre at Filton and the Bristol and Bath Science Park at Emersons Green.

Strong demand remains from business for new development in the North and East Fringe. However, few sites remain available, especially for industrial uses. Demand for new premises as a result of shortages of sites and high levels of traffic congestion has tailed-off. Some opportunity for further expansion is coming forward as part of new development schemes. Other opportunity is likely to arise from opportunities for the refurbishment, redevelopment and intensification of existing developments, especially if transport improvements can be secured. However, the capacity to accommodate further business expansion is limited compared with the scale of recent development and the growth potential of the area.

### **Portishead and the M5 Corridor**

Portishead and other locations close to the M5 and the Bristol area in North Somerset have attracted significant new office and industrial development over recent years. This success reflects shortages of available sites elsewhere in the Bristol area that offer good motorway access. Opportunities for further expansion are coming available. These are likely to be taken-up over the medium term.

### **Bristol City Centre**

The success of Bristol City Centre in attracting inward investment, retaining key businesses and accommodating their growth, is one of the factors accounting for the success and

strength of the local economy. Significant progress is being made with publicly supported, major regeneration schemes and the retention of expanding, relocating City Centre employers. Further major regeneration schemes in the pipeline are expected to enhance City Centre facilities in general and provide much new office accommodation.

The success of the City Centre over the future in meeting future requirements for business uses, in particular the potential for attracting more growth from out of town locations, will much depend on achieving significant improvements to the accessibility of the City Centre from the wider sub-region. It will also depend on a continuing supply of viable development sites that meet business occupier requirements and further improvements to the range and quality of facilities, and the overall amenity and vitality of the City Centre.

### **South Bristol**

Few sites are available for business expansion in South Bristol although major developments at Hengrove Park and Imperial Park are bringing locally significant opportunities for new business investment and jobs. Current business relocation requirements in south Bristol largely relate to local businesses and industrial uses requiring a combination of local semi-skilled labour, access to local markets and the low-cost premises provided by turnover of occupiers on the several large trading estates of the area.

Only limited success has been achieved in attracting significant inward relocations and a more diverse mix of businesses. This is accounted for by poor access to the wider sub-region and the motorway network, recruitment difficulties, the limited scale and choice of business development opportunities and unfavourable perceptions of the area.

~~Opportunities for securing more rapid progress with regeneration in The recent South Bristol are being investigated. G21 Initiative is seeking to enhance the economic prospects of the area.~~ Proposals for major new development are being prepared in the context of the draft RSS and the enhanced role envisaged for South Bristol. Considerable residential development is anticipated including new urban extensions, supported by major new transport, leisure and health infrastructure that together, will enhance significantly the attractiveness of the area to business.

### **Bath City Centre**

Bath is important as a location for business and employment, and it's international profile is a key asset for the West of England. A Business Plan for the City (Ernst & Young 2006) highlights the need and potential for significant new business space, especially good quality accommodation for service sector business as a result of the City's high quality of life, the research and development skills of the two universities of the City, and ease of travel to London and the South East.

The environmental quality of the City combined with it's geography mean that development land is at a premium. The Bath Business Plan and accompanying Spatial Framework (Terence O'Rourke 2006) however, identify significant expansion opportunity through redevelopment of brownfield land and better use of currently occupied sites. This land forms a swathe running from the city centre westward to embrace Bath Western Riverside and land along the Lower Bristol Road. Unlocking this potential will require support, including investment in transport infrastructure through the Joint Local Transport Plan.

### **Midsomer Norton/Radstock**

Manufacturing remains an important employer at Midsomer Norton, Radstock and at other adjacent villages. Printing, packaging and engineering are important. However, recent job losses have led to concerns about the employment prospects of some of these communities. As a result, the Business Plan for Bath & North East Somerset area outside Bath highlights the need to focus on creating new employment in the wider Norton Radstock area. Important opportunities to secure this aim are provided by development sites at Paulton (Polestar) and

Midsomer Norton (Old Mills).

**Weston-super-Mare**

The Area Development Framework sets out ambitious proposals for the regeneration and expansion of the town, including improvements to the town centre and the seafront, and major new development on the edge of the town. About ~~13085~~13085ha is proposed for employment uses in order to address the town's economic under-performance over recent years, secure early progress with the attraction of more jobs to the town and thereby contribute to the economic development of the West of England.

Securing early progress in attracting jobs to Weston-super-Mare requires raising perceptions of the town, improving skills and the availability of business premises, and increasing the attractiveness of development sites. It also requires public support for improvements to the amenity of the town and to transport links with Bristol, the Airport and the wider sub-region.

**Strengths, opportunities, weaknesses and threats**

4.3842 The listing below sets out the main factors influencing the performance of the local economy based on the analysis set out above.

<b>Strengths and opportunities</b>	<b>Weaknesses and threats</b>
The scale and diversity of the local economy, including the role of Bristol as a regional business, administrative and service centre and Bath as an international tourist destination, and the predominance of prosperous, 'knowledge-based', growing industries and prestigious, world class companies.	Globalisation, rising competitive pressures and the potential for the transfer of business and investment from the West of England to other, lower cost locations. Dependence of some localities on vulnerable sectors.
A skilled labour force, especially at the professional, managerial and technical levels, and a large supply of clerical workers.	Poor educational attainment, low levels of skills and economic activity, and high incidences of multiple deprivation amongst some local communities, especially within Bristol and Weston-super-Mare. Difficulties in securing and retaining employment and quality training for persons joining the labour market, especially amongst disadvantaged communities.
A large and prestigious higher education sector and high graduate retention rate.	Shortages of some skills and recruitment difficulties; these could be intensified and broadened by the ageing workforce and any failure to link training provision with the needs of employers and individuals.
Availability of attractive and relatively low cost development sites and business premises; success with the regeneration of Bristol City Centre and the strength of other strategic business locations.	Emerging shortages of business sites and premises, ex-acerbated by losses to higher value uses, especially in urban areas; potential capacity constraints on further development of strategic business locations; <u>rising concerns about the environmental impact of 'growth' leading to a more restrictive approach to business expansion.</u>
Good accessibility to other parts of the UK, especially to London and the South East.	Rising congestion and relatively poor public transport infrastructure within the sub-region and on key routes to other regions, especially London, exacerbated by high levels of

	growth.
Favourable 'image', attractive environment, good amenities including cultural vibrancy and diversity.	Inadequate, regional scale leisure, cultural and sporting facilities. Climate change and the implications for development opportunity and growth.
Major airport and port facilities.	Shortages of housing, especially affordable units and development sites, exacerbated by high levels of growth.
	Fragmentation of local political structure leading to uncertainties in providing sub-regional direction.
	High dependence on defence expenditure and support for aerospace

## 5 Key challenges facing the local economy

5.1 The listing below sets out the key challenges arising in the context of the 'Vision' and the analysis of the local economy set out above.

### Improving competitiveness

5.2 Competitive pressures on business are increasing as a result of 'globalisation'. Increasing competitive pressure reinforces the need to raise productivity by supporting existing businesses, especially in key sectors, and encourage new businesses, innovative new products and more efficient production processes.

5.3 Competitive pressure also reinforces the need to improve and promote the locational attractiveness of the West of England and its strategic employment locations, in order to retain investment and attract inward relocations. The potential of the West of England to attract and support the growth of 'knowledge-based' industries in particular, needs to be realised.

### Raising educational attainment, reducing disadvantage in the labour market and enhancing skills

5.4 Low educational attainment and skill shortages threaten harm to the potential for securing economic development and increasing the competitiveness of the local economy. Basic education standards and skill levels need to be raised and quality employment with training, especially for young persons, promoted.

5.5 The particular disadvantages constraining the access of some communities to employment need to be reduced and local economic development encouraged in order to raise local levels of economic activity and reduce inequalities in prosperity across the sub-region.

5.6 Partnership working between employers, training providers, schools and local communities needs to be enhanced in order to meet the needs of employers and the workforce development needs of individuals. Young persons entering the labour market need assistance in securing employment with training. At the same time, the attractiveness of the sub-region to higher skilled labour and the high graduate retention rate needs to be nurtured.

### **Meeting requirements for business sites and premises**

5.7 Investment to enhance the competitiveness of the local economy and to secure new forms and types of business and economic activity, requires new development and in some instances, new locations that offer the particular attributes required by modern business. Meeting the requirements of new business development is threatened by emerging shortages of employment sites, especially in north Bristol. It is also threatened by strong demand for residential development and other high value uses, especially in the urban areas.

5.8 Major new opportunities for business expansion are identified in the city centres, at Weston-super-Mare and Avonmouth/Sevenside. A major science park development at Emersons Green is being promoted while proposals for urban extensions include potential for a mix of uses. These opportunities need to be realised, emerging capacity constraints resolved and complemented by bringing forward other new opportunities for business expansion.

### **Reducing congestion and securing new transport infrastructure**

5.9 Rising congestion in the West of England, exacerbated by inadequately planned new development, threatens the well-being of the local economy and the regeneration of disadvantaged communities. High levels of growth over the future without sufficient transport investment would exacerbate congestion and harm the local economy.

5.10 Growth and new development therefore, need to be integrated with investment in transport infrastructure that leads to improving rather than deteriorating travel conditions across the sub-region. In particular, growth and new development needs to enhance the accessibility of business locations, especially Bristol City Centre and the North and East Fringe, and support the regeneration of south Bristol, Weston-super and the Norton Radstock area. It needs to support the integration of Avonmouth with Royal Portbury and Sevenside, ~~the growth of the Airport and Port, the sustainable growth of the Airport and Port~~-and improved connections to the region, London and other major centres.

### **Maintaining and enhancing the natural and built environment**

5.11 A high quality environment reinforces the attractiveness of the sub-region to investors and workers and hence, contributes to competitiveness. Unique environmental assets therefore, need to be safeguarded and enhanced. The quality and 'vibrancy' of the main urban centres, in particular

Bristol City Centre and Bath City Centre, needs to be reinforced, and quality new development secured with historic environments sympathetically refurbished. Sustainable forms and patterns of development that promote biodiversity and minimise energy use, including travel by car, need to be secured. Support needs to be given to high quality urban design, the regeneration of outworn urban fabric, especially in town and city centres, and the conservation and enhancement of localities of particular value.

### **Improving leisure, cultural and sporting facilities**

5.12 Improved facilities and events, in particular major attractions such as an international concert hall, an arena or a large sports stadium, will enhance the attractiveness of the sub-region as a place to live and work, and to visitors. Improving smaller scale, community level facilities will also serve to enhance local amenity and the prospects for retaining and attracting investment. These improvements therefore, need to be secured.

### **Improving housing affordability**

5.13 High house prices and lack of affordable housing in some parts of the sub-region are contributing to recruitment difficulties and need to be addressed. Imbalances between numbers of jobs and homes at the local level also need to be addressed to assist recruitment and reverse the rising trend in lengthy commuting trips to jobs within the West of England.

### **Levels of growth consistent with long term environmental, economic and social sustainability**

5.14 Recent high levels of economic growth in the West of England have led to extensive greenfield development and rising traffic congestion, especially on the northern edge of Bristol. The 'quality of life' offered by the sub-region is threatened by high levels of growth. Furthermore, the benefits of growth are not being shared evenly across the sub-region with some communities lacking up-to-date skills or at less accessible locations, less able~~not well-placed~~ to benefit from the many new jobs and high levels of prosperity being created.

5.15 Growth and new development over the future therefore, needs to be managed within a sustainable development framework that reconciles economic, social and economic considerations. In particular, it needs to be directed towards regeneration and securing more 'balanced' patterns of development, encouraging- new 'green technologies' that facilitate the adaptation of the local economy to meeting environmental requirements and create new opportunities for business success and local prosperity.

## 6 The Strategy

6.1 The Strategy is set out below. It describes the objectives and initiatives to be pursued by the Partnership in order to deliver the 'Vision' of the economy of the West of England in 2026 (see para 2.5 ) and address the 'key challenges' (see section 5) arising when considering the performance of the local economy.

6.2 The objectives and initiatives of the Strategy set the directions for progress under the following themes:

- business competitiveness, productivity and growth;
- skills and workforce development;
- business sites and premises;
- infrastructure, regeneration and the environment;
- tourism;
- promotion and influence; and,
- monitoring and intelligence.

6.3 In determining the objectives and initiatives of the Strategy, regard has been given to the following three underlying principles:

- **Delivery through Partnership** – The Strategy will only be a success if its ideas and goals make a positive and tangible difference to the West of England and its people. Working together in partnership at all levels of government, with business interests and across local communities is crucial to its success. Success will depend on the commitment and actions of many partners over a long period of time.
- **Sustainable Economic Growth** – Pursuing a sustainable approach to economic development relies on developing a stronger and more diverse sub-regional economy, thereby reducing unemployment and increasing incomes, tackling social exclusion through improved social conditions, protecting and enhancing the rural and urban environments,

and improving the health and well-being of communities. It also relies on managing economic growth in ways that sustain the environment, in particular minimising Greenfield development and traffic growth, and promoting the development and use of green technologies that reduce the use of energy from non-renewable sources. As the Regional Economic Strategy states: “South West England will demonstrate that economic growth can be secured within environmental limits to bring prosperity to the region” (RES 2006, P.14).

- **Regenerating Communities** – continuing the trend towards the regeneration of the most disadvantaged areas requires increased and sustained investment directed at key areas to address issues of low skill levels, unemployment, shortages of local jobs, poor housing and poor health. This needs to be delivered in a sustainable way with a focus on creating places where people want to live and work.

6.4 The range of activity embraced by the Strategy is comprehensive. Under the seven themes of the Strategy listed above (para 6.2), some 30 objectives are identified, each to be pursued through the delivery of one or more **strategic** initiatives. This reflects the diverse responsibilities of the organisations that comprise the Partnership and their commitment to working jointly towards the delivery of the ‘Vision’. However, the essential purposes of the Strategy can be summarised as follows:

***(A) Development of an integrated marketing, inward investment and business support function***

Delivering the ‘Vision’ means fostering growth from both the retention and expansion of businesses already located in the West of England and the attraction of new business in ways consistent with securing a sustainable environment and reducing social inequalities. Proposals need to be developed for enhancing current business advice services in respect of the retention and growth of key business sectors, and small and medium sized businesses as well as the establishment and growth of new businesses.

The sub region will also need a marketing and inward investment strategy, to promote the West of England as a good place to do business, to work and to live. The ‘marketing package’ will comprise promotional literature consistent with the inward investment strategy, relocation packages offering information about business premises and sites, the key attributes of the West of England and other information relevant to relocating workers.

The marketing and inward investment strategy will seek to target key sectors and enhance business cluster formation, particularly the development of science/knowledge-based sectors, support the take-up of strategic sites and regeneration schemes and, address shortages of local employment and locational disadvantage.

***(B) Development of, and support for, innovation, new technologies and a thriving centre for knowledge based industries***

With four major universities and a number of highly successful market-driven knowledge-based businesses, the West of England scores very highly as one of Europe's leading innovation centres.

Delivering the 'Vision' means more work is needed to promote and support innovation, the transfer of new technologies and the continuing development of a thriving group of knowledge-based industries. It also means promoting the development of new, 'green' environmentally beneficial technologies and products.

Our approach focuses on promoting the application of new technologies, in particular ICT and e-commerce, strengthening links between universities and business, supporting and extending the Science City Bristol Initiative and expanding the West of England Broadband project as well as promoting the early provision and application of new technologies in the West of England.

**(C) Providing a highly skilled and well-educated workforce in which all communities experience equality of opportunity in the labour market**

Supporting a prosperous, modern economy requires a more skilled and adaptable workforce that can meet the widening range of technical, professional and personal skills required as a result of the expansion of new technologies and rising incomes and expenditure. Addressing inequalities in access to employment that are leading to concentrations of unemployment, poverty and social exclusion, requires raising educational standards, levels of skill and employability across all communities, and addressing shortages of local employment. The prospect of an ageing workforce leading to labour shortages adds to the importance of raising skill levels and improving the employment prospects of all communities.

Increased provision for training, ~~and~~ re-training and work experience is required therefore in that responses to changes in workplace requirements and the needs of local communities. ~~continuing efforts to raise educational standards at all levels.~~ Concentrations of unemployment, poverty and social exclusion need to be recognised by targeted training and education initiatives, and other measures designed to overcome difficulties in securing employment.

~~The prospect of an ageing workforce leading to labour shortages adds to the importance of securing a more skilled and educated workforce. At the same time, the contribution of low skills and lack of basic educational achievement to persisting concentrations of unemployment and poverty will need to be recognised by targeting training and education initiatives.~~

**(D) Providing sufficient, accessible and quality employment land to meet the needs of a growing population and a competitive, booming sustainable economy**

With the proposed levels of growth and development in the West of England over the next 20 years, there needs to be a real focus on ensuring the availability and safeguarding of a range of sites and premises that meet the full range of business location and property requirements. Securing a competitive economy and new forms and types of business also requires new

development, sometimes at new locations offering the attributes required by modern business.

Meeting the requirements for business sites and premises of a growing, competitive economy and delivering at the same time, a sustainable economy requires providing for forms and types of business development at locations that minimise the loss of Greenfield sites and the need for travel by car, thereby securing progress towards balanced, sustainable communities.—This requires both public and private investment as well as a coordinated approach to planning and development across the sub region. It also requires resisting where appropriate, the strong demand evident in many parts of the sub-region for the re-development of employment sites for residential and other high value uses.  
in order to deliver the ‘Vision’.

~~Investment to enhance the competitiveness of the local economy and to secure new forms and types of business and economic activity, requires new development and in some instances, new locations that offer the particular attributes required by modern business. Meeting the requirements of new business development is threatened by emerging shortages of employment sites, especially in north Bristol. It is also threatened by strong demand for residential development and other high value uses, especially in the urban areas~~

### ***(E) Closing the infrastructure gap through the timely provision of key housing and transport infrastructure***

One of the key aims of the Economic Strategy is to influence public and private sector investment and policy decisions impacting or likely to impact on the West of England economy and to secure an appropriate share of Government capital investment and revenue funding. Delivering the ‘Vision’ relies on this investment.

Rising congestion in the West of England, exacerbated by the often poorly planned development of the 1980’s and 1990’s, threatens the well-being of the local economy and the regeneration of disadvantaged communities. High levels of growth over the future without sufficient transport investment would exacerbate congestion and harm the local economy. High house prices and lack of affordable housing in some parts of the sub-region are contributing to recruitment difficulties and imbalances between numbers of jobs and homes at the local level needs to be addressed to assist recruitment and reverse the rising trend in lengthy commuting trips to jobs within the West of England.

Our approach focuses on improving the connectivity of the sub region, reducing traffic congestion within the West of England, particularly at strategic business locations as well as supporting and promoting the delivering of sufficient new housing to accommodate needs. Growth and new development over the future therefore, needs to be managed within a sustainable development framework that reconciles economic, social and economic considerations. In particular, it needs to be directed towards regeneration and securing more ‘balanced’ patterns of development.

In particular the following projects and initiatives are crucial to delivering the vision:

- Improving access to Bristol City Centre and the North Fringe;

- Delivery and implementation of strategic sites for mixed use development
- Improving access to South Bristol, including early completion of the Ring Road
- Improving access to Weston-super-Mare
- Continued investment in new and expanded airport and port facilities
- Reducing the environmental impacts of traffic in Bath
- Improving access to Bath Western Riverside.

Major new opportunities for business expansion are identified in Bristol and Bath city centres, at Weston-super-Mare and Avonmouth/Sevenside. A major science park development at Emersons Green is being promoted while proposals for urban extensions include potential for a mix of uses. These opportunities need to be realised, emerging capacity constraints resolved and complemented by bringing forward other new opportunities for business expansion.

6.5 The Strategy sets out the long-term approach to be followed in order to deliver the 'Vision ' of the local economy in 2026. The relevance of the approach set out and the progress secured will be refreshed at 3-year intervals.

6.6 The separate Delivery Plan sets out the priority initiatives and actions required of partners over the next 3 years in order to bring forward the strategic initiatives set out by the Strategy in accord with objectives. It identifies partners with lead responsibilities for delivery, resources, outcomes and associated targets, and timescales for delivery. Progress with the implementation of these priority initiatives and actions will be reviewed and the Delivery Plan rolled forward at annual intervals.

(Comprises advice to business to enable more informed decision-making, in particular about sites and premises, labour and skills, planning and transport, and finance; and, marketing initiatives to encourage a more integrated local economy and international trade.)

## CONTEXT

The RES under the 'support business productivity' and 'encourage new enterprise' priorities, lists a range of business advice delivery activities as follows: support for SMEs and high growth businesses; improve access to finance; encourage new enterprises; promote regional sourcing; support for social and community enterprises, and for enterprises in rural and disadvantaged areas.

Under the 'compete in the global economy' priority, international trade is to be encouraged.

The 'vision' of the local economy agreed by the Partnership, includes a 'robust and diverse economy' that is seen as 'driven by knowledge, innovation, enterprise and excellence and positive support for key sectors...'

The key challenges facing the local economy include raising productivity by encouraging new, 'high value-added', businesses, innovative new products and more efficient production processes. The key challenges also include encouraging business development in ways that support regeneration and more sustainable, balanced communities.

## OBJECTIVE 1

**To establish and maintain comprehensive and co-ordinated business advice and support services across the sub-region that facilitate business establishment, survival and growth, and improving competitiveness and productivity, in ways consistent with securing a sustainable environment, supporting the implementation of the spatial strategy and reducing social inequalities.**

***In support of this objective, the following business advice and support initiatives will be implemented:***

- *ensuring that access to business advice services is convenient with the advice available tailored to the requirements of the West of England and local communities, and to the particular needs of 'start-ups', SMEs, and other 'growth' businesses, and encouraging the development and use of 'green', environmental technologies, giving full recognition to the contribution of social enterprises to raising competitiveness, and meeting specialist and locally based business advice and support requirements;*
- *developing an integrated programme of 'key sector' initiatives;*
- *providing a comprehensive property and location enquiry handling service;*
- *reviewing and prioritising the regeneration of disadvantaged areas, especially within east-central Bristol, south Bristol and Weston-super-Mare, and communities adversely affected by job cutbacks; and,*
- *setting a 'protocol' to be followed by partners in order to secure co-ordinated and effective services across the sub-region.*

## OBJECTIVE 2

**To promote and support innovation and the transfer of new technologies.**

***In support of this objective, the Science City Bristol Initiative (which covers the West of England), of which the Partnership is a member, is developing a programme of activity as follows:***

- *maximising investment in science and technology, attracting such businesses and related skills to the sub-region and promoting the Bristol and Bath Science Park and other opportunities to facilitate the expansion of science-based, high technology industries.*
- *strengthening links between universities and business, including links between different specialisms and sectors, in order to bring multidisciplinary approaches to complex problems;*
- *promoting public interest in science and technology, particularly amongst young people; and,*
- *improving the West of England's national and international profile as a 'hub of science and technology'.*

### **OBJECTIVE 3**

**To promote the application of new technologies, in particular ICT and e-commerce.**

***In support of this objective, the following initiatives will be implemented:***

- *building on the success of the West of England Broadband project (IT @ Work) and Bristol Digital Challenge Bid; and,*
- *promoting the early provision and application of new technologies in the West of England.*

### **OBJECTIVE 4**

**To promote and support regional and local purchasing.**

***In support of this objective, the following initiatives will be implemented:***

- *providing information on local goods and services;*
- *maximising the support for local businesses provided by the purchasing of partners; and,*
- *promoting the potential contribution of local businesses to meeting the purchasing and sub-contracting requirements of major employers.*

### **OBJECTIVE 5**

**To promote international trade.**

***In support of this objective, the following initiatives will be implemented:***

- *promoting trade missions, international networking and other opportunities for supporting the growth of trade.*

### **OBJECTIVE 6**

**To promote and encourage the development of social enterprises, especially when beneficial to addressing local job shortages and reducing disadvantage, and securing sustainable business activity.**

***In support of this objective, the following strategie initiatives will be implemented:***

- *providing a dedicated advice and support service; and,*
- *developing financial support programmes that address funding, training and property requirements.*

## **SKILLS AND WORKFORCE DEVELOPMENT**

(Comprises raising educational attainment and skill levels, increasing participation in higher education and graduate retention, improving training provision, and matching the skills and attributes of workers with the requirements of employers)

### **CONTEXT**

The RES acknowledges the importance of education and skills to securing a competitive economy. Delivery priorities range from securing general improvements to vocational courses and the responsiveness of education provision to the needs of the labour market, to developing workplace skills and training and enhancing provision for the take-up of career development opportunities.

The 'Vision' of the local economy agreed by the Partnership also acknowledges the role of education and training in securing a competitive economy. Similarly, the key challenges arising in considering the future of the local economy include raising basic educational standards and skills levels, particularly amongst disadvantaged communities, improving partnership working and hence the co-ordination of training provision with employer and employee needs and guiding young people towards training and employment.

### **OBJECTIVE 1**

**To meet the workforce and skills needs of employers and reduce skill shortages.**

***In support of this objective, the following initiatives will be implemented:***

- *improving partnership working between employers, public agencies, training providers, schools and local communities, in order to meet the workforce needs of employers and the training needs of individuals.*
- *encouraging employer investment in training and workforce development;*
- *raising the responsiveness and flexibility of training and recruitment arrangements by expanding targeted programmes including area/site based initiatives, sector and community based initiatives, giving recognition to the role of social enterprises in delivering focused training programmes;*
- *encouraging recruitment from non-traditional areas (eg over 50s);*
- *providing a high quality and comprehensive advice and guidance service that enables workers to identify suitable jobs and training opportunities; and,*
- *improving housing affordability.*

### **OBJECTIVE 2**

**To raise educational attainment and basic skill levels, especially within the neighbourhood renewal areas of Bristol and Weston-super-Mare, other areas of educational under-attainment and amongst communities where relevant to addressing the impacts of local job losses.**

***In support of this objective, the following initiatives will be implemented:***

- continuing and reinforcing the current commitment to raising levels of educational attainment and maintaining and developing areas of excellence in educational provision;
- extending literacy and numeracy programmes;
- ensuring that ESOL (English Speakers of Other Languages) is available to all persons who would benefit;
- providing and developing community based learning programmes;
- specific training and work experience initiatives; and,
- accelerating provision of vocational diplomas.

### **OBJECTIVE 3**

**To reduce other barriers to employment and training faced by disadvantaged groups especially within the neighbourhood renewal areas of Bristol and Weston-super-Mare and where local communities are adversely affected by economic re-structuring and job losses.-**

***In support of this objective, the following initiatives will be implemented:***

- developing a 'joined-up' approach to engaging disadvantaged adults;
- raising the responsiveness and flexibility of training and recruitment arrangements developing a 'recruit and train' model that can be used across development sites to ensure that opportunities for deprived groups are maximised;
- expanding community based support programmes and giving full recognition to the role of social enterprises in offering innovative and flexible approaches to raising employment rates amongst disadvantaged communities;
- influencing recruitment practices, in particular promoting recruitment from non-traditional areas; and,
- specific training and work experience initiatives.

### **OBJECTIVE 4**

**To help young people transfer from education to employment.**

***In support of this objective, the following initiatives will be implemented:***

- developing a 'joined-up' approach to young people not in employment, education or training, and to business involvement in the 14-19 phase of education;
- providing a high quality and comprehensive Information Advice and Guidance service;
- increasing opportunities for work experience by persons aged 14 to 19;
- increasing the work related learning and development of employability skills through key stages 3/4 and post 16, and through supporting the implementation of the 14 to 19 educational reforms;
- increasing and targeting vocational training and the number and range of apprenticeships;
- establishing Skills Pathfinder projects for areas of disadvantage; and,
- further developing arrangements to enable rapid reaction to mis-

*matches between young persons needs and the skills required by employers.*

## **OBJECTIVE 5**

**To increase graduate retention**

***In support of this objective, the following initiatives will be implemented:***

- *raising awareness of graduate entry jobs available in the West of England;*
- *supporting local graduate recruitment campaigns; and, targeting inward investment promotion and business support towards sectors with high levels of graduate intake.*

## **BUSINESS SITES AND PREMISES**

(Comprises meeting requirements for business sites and premises, in particular providing information on availability, encouraging investment in their enhancement and other actions required to address shortfalls.)

### **CONTEXT**

The RES acknowledges the importance of meeting business sites and premises requirements to the competitiveness of the sub-region. Addressing 'market failure' in delivering sites, meeting the needs of new or growing businesses, providing science park and incubation facilities, and developing regional strategic sites, are highlighted.

The 'Vision' of the local economy advocates a better distribution of economic activity across the sub-region. Delivery priorities include providing adequate employment land and supporting the delivery of strategic sites.

'First Detailed Proposals' of the Partnership provides for employment growth of 5,000 per annum and indicates a need for a further 120 to 180ha of industrial land and 190,000 to 250,000 sq m gross of office floorspace between 2006 and 2026.

The 'key challenges' facing the local economy include emerging shortages of business development sites, the threat posed by high residential values to the retention of sites, the need to realise business development opportunities in the city centres and other strategic locations and to bring forward new business locations that meet requirements arising over the longer-term.

### **OBJECTIVE 1**

**To promote the provision and safeguarding of a range of sites and premises that meet the full range of business location and property requirements in ways that support the spatial strategy and sustainable development objectives, as identified by the local development documents of the local councils.**

### **OBJECTIVE 2**

**To secure the public investment and other public actions required for the creation of viable business sites and affordable premises that attract private investment and business expansion in ways that support the**

**spatial strategy and sustainable development objectives, as identified by the local development documents of the local councils..**

***In support of these objectives, the following initiatives will be implemented:***

- *maintaining up-to-date, comprehensive listings of business development sites and premises available for business occupation;*
- ~~*maintaining up-to-date, comprehensive listings of available business sites and premises;*~~
- *preparing and maintaining a sub-regional schedule of strategic employment sites;*
- *safeguarding allocated sites where needed to meet the requirements of business especially where significant to the spatial strategy and sustainable development objectives;*
- *reviewing employment land allocations in local development documents taking account of 'First Detailed Proposals' and subsequent employment land studies;*
- *promoting the development of business sites through the preparation of development briefs and marketing initiatives;*
- *securing public investment in bringing forward employment sites where necessary to secure business development, giving particular priority to strategic employment locations, meeting the requirements of key sectors and supporting the spatial strategy and sustainable development objectives;*
- ~~*promoting public and private investment in business sites and premises where necessary to bring forward sites and meet business property requirements, giving particular priority to strategic employment locations, key sectors and supporting planning and regeneration strategies;*~~
- *supporting the development of the Bristol and Bath Science Park and identifying and meeting requirements for similar developments elsewhere in the sub-region; and,*
- *reviewing the West of England Small Workspace Strategy while retaining an emphasis on schemes for disadvantaged areas and business incubation services.*

**OBJECTIVE 3**

**To secure patterns and forms of business development that support regeneration, the renewal of the urban fabric, the enhancement of environmental assets, a better balance between homes and jobs, and sustainable travel behaviour.**

***In support of this objective, the following initiatives will be pursued and supported:***

- *securing a carbon neutral economy by promoting the use of sustainable designs and materials in refurbished and new business premises and advocating forms and patterns of business development that minimise congestion, support travel by alternatives to the car and lead to a closer geographical relationship between the locations of*

*homes and jobs;*

- *improving the availability and attractiveness of business sites and premises in regeneration areas; and,*
- *—promoting forms of business development that contribute to urban renewal and the conservation and enhancement of high quality and historic urban environments.*

## **INFRASTRUCTURE, REGENERATION AND THE ENVIRONMENT**

(Comprises investing in social and transport infrastructure, key locational assets and environmental enhancement in order to encourage regeneration and economic development)

### **CONTEXT**

The RES advises that successful regions have effective transport and communication networks. It advocates improving transport networks, promoting and enhancing regional assets.

The 'Vision' of the local economy put forward by the Partnership describes government investment in infrastructure accompanying growth in employment. Regeneration in south Bristol and at Weston-super-Mare is seen as following government investment in the strategic road network.

'Key challenges' facing the local economy include enhancing amenity, the vitality of the main city and town centres and securing major cultural and leisure facilities.

### **OBJECTIVE 1**

**To improve connectivity and reduce traffic congestion within the West of England, especially at strategic business locations.**

***In support of this objective, the following initiatives will be promoted:***

- *securing public investment in transport infrastructure through the Joint*

Local Transport Plan with particular priority to be given to:

- improving access to Bristol City Centre and the North Fringe from the wider sub-region;
- improving access to South Bristol, including early completion of phases 1 and 2 the Link Road Ring Road;
- improving access to Weston-super-Mare;
- reducing the environmental impacts of traffic in Bath; and
- improving access to Bath City Centre and the key growth site of Bath Western Riverside; and,

- achieving a better geographical balance between the locations of new homes and jobs across the West of England, recognising the contribution of all sectors to meeting local employment requirements; and,
- IT@Work/Flexible Working – promote the benefits which could help reduce traffic congestion

## **OBJECTIVE 2**

**To improve motorway and rail links with the wider region and other parts of the UK, particularly London and the South East.**

***In support of this objective, the following initiatives will be promoted:***

- *securing public and private investment in highways, and heavy rail services and infrastructure, that will benefit the sub-region and especially, improve links to London and the South East.*

## **OBJECTIVE 3**

**To promote and facilitate the sustainable growth of the the growth of the Airport and Port subject to the resolution of concerns about adverse impacts on the local environment and encouraging greater use of low carbon technologies.**

***In support of this objective, the following initiatives towards the enhancement of the Airport and Port will be promoted:***

- *continuing investment in new and expanded airport and port facilities, especially where beneficial to business users and, in the case of the Airport, to the attraction of tourists to the region, subject to meeting development requirements within existing boundaries and the resolution of planning, environmental and access constraints;*
- *improving access to the airport;*
- *improving access between Royal Portbury and Avonmouth via a second Avon crossing; and,*
- *resolving transport, flood risk and other constraints on continuing development over the medium and longer-term at Avonmouth/Sevenside.*

## **OBJECTIVE 4**

**To encourage and facilitate improvements to the range of shopping, cultural, leisure and sporting facilities.**

***In support of this objective, the following initiatives will be promoted:***

- *investing in improvements to the range and quality of major cultural and leisure facilities, and visitor events, especially in the centres of Bath, Bristol and Weston-super-Mare.*

#### **OBJECTIVE 5**

**To promote urban renaissance, especially in Bristol, Bath and Weston-super-Mare, especially the regeneration of areas of disadvantaged disadvantage and the, realising development potential in of South Bristol and Weston-super-Mare, and the phased implementation of urban extensions, as required by the Regional Spatial Strategy, that address housing needs and secure balanced, sustainable communities.**

***In support of this objective, the following initiatives and approaches to development will be encouraged and promoted:***

- *securing urban renewal and the conservation and enhancement of high quality and historic urban environments and the diversity of the natural environment;*
- *securing infrastructure investment and new development in the centres of Bath, Bristol and Weston-super-Mare;*
- *securing employment that meets the requirements of local communities, recognising the contribution of all sectors to the creation of new jobs; and,*
- *preparing regeneration strategies, delivery plans and development briefs establishing development partnerships and marketing initiatives, as required to clarify, enhance and implement ~~secure~~ the spatial strategy for the sub-region.*

#### **OBJECTIVE 6**

**To promote the regeneration of market towns and improve the economic well-being of rural areas.**

***In support of this objective, the following initiative will be pursued:***

- *establishing objectives for the roles of the 'market towns' as a basis for investing in their enhancement;*
- *identifying and realising opportunities for improving local employment in the Norton Radstock area;*
- *reviewing the West of England Rural Strategy; and*
- *implementing the Rural Renaissance Programme and other initiatives, aimed at supporting rural areas.*

#### **TOURISM**

*(Comprises actions to attract tourist visitors and their expenditure)*

#### **OBJECTIVE 1**

**To promote Bath, Bristol and Weston-super-Mare and the rural areas as tourist destinations.**

***In support of this objective, the following strategic initiative will be pursued:***

- *Securing a greater understanding of the tourist markets served by the West of England*
- *preparing marketing campaigns and programmes.*

## **OBJECTIVE 2**

**To improve the capacity, range and quality of tourist accommodation.**

***In support of this objective, the following strategic initiatives will be pursued:***

- *identifying opportunities for addressing shortfalls in tourist accommodation and encouraging and supporting proposals for realising such opportunities.*

## **OBJECTIVE 3**

**To safeguard and improve the range and quality of the cultural, heritage and leisure attractions and facilities.**

***In support of this objective, the following strategic initiatives will be pursued:***

- *reinforcing complementary relationships between tourist facilities, especially opportunities for such relationships to reinforce the role of rural areas;*
- *safeguarding and enhancing the principal tourist attractors;*
- *supporting major proposals including Bristol Indoor Arena, the refurbishment of the Colston Hall, Bath Casino, the National Wildlife Conservation Park at Cribbs Causeway and the Concorde Museum at Filton*
- *promoting and supporting public and private investment in new facilities and attractions;*
- *encouraging the development and improvement of sports stadia and facilities, and exploiting the potential arising out of the 2012 Olympic;*
- *developing a 'green tourism' strategy.*

## **OBJECTIVE 4**

**To support and encourage high profile events and festivals.**

***In support of this objective, the following strategic initiatives will be pursued:***

- *developing a West of England strategy for events and festivals that secures co-ordination and for realises the potential for high profile events and festivals.*

## **OBJECTIVE 5**

**To generate additional business tourism**

***In support of this objective, the following strategic initiatives will be***

***pursued:***

- identifying opportunities to attract business tourists through collaboration with the universities, key sectors and international business links.'
- developing new conference and exhibition facilities; and,
- maximising the conference and exhibition opportunities provided by existing and proposed facilities.

**PROMOTION AND INFLUENCE**

(Comprises promotion and marketing initiatives that encourage investment, re-investment and especially inward relocations, regeneration and the delivery of planning strategies.)

**CONTEXT**

The 'vision' of the Partnership indicates that the sub-region will be recognised for its capacity to accommodate growth. Delivery priorities include a marketing and investment strategy.

## **OBJECTIVE 1**

**To generally raise the national and international profile of the West of England and success in securing inward relocations.**

***In support of this objective, the following strategic initiatives will be implemented:***

- *preparing and implementing an marketing plan-inward investment strategy that*
  - *'targets' key sectors and enhances business cluster formation, particularly the development of science/knowledge-based base and 'green', environmentally beneficial sectors;*
  - *promotes the business development potential of strategic business locations; supports the take-up of strategic sites and regeneration schemes; and,*
  - *addresses shortages of local employment and supports regeneration, the delivery of the spatial strategy and sustainable development patterns. locational disadvantage.*
- *preparing a 'marketing package' that comprises:*
  - *promotional literature consistent with the marketing plan inward investment strategy; and,*
  - *relocation packages offering information about business premises and sites, the key attributes of the West of England and other information relevant to relocating workers.*

## **OBJECTIVE 2**

**To influence public and private sector investment and policy decisions impacting or likely to impact on the West of England economy and secure an appropriate share of Government capital investment and revenue funding.**

***In support of this objective, the following initiatives will be pursued:***

- *reinforcing and extending the role of the West of England Partnership in promoting inward investment by business and securing government support for the preparation and implementation of sub-regional delivery plans;*
- *ensuring that the economic needs of the sub-region are addressed by the Regional Spatial Strategy and the Regional Economic Strategy and other strategic policy documents with implications for the local economy; and,*
- *seeking closer links with government and its awareness of the requirements of the local economy.*

## **MONITORING AND INTELLIGENCE**

(Comprises monitoring and research activity focusing on the economy, business trends and the implications for the employment and prosperity of local communities, development and

transport issues.)

## **CONTEXT**

The delivery of the Strategy requires information about the well-being, functioning and future outlook of the local economy, and the implications for a range of issues.

## **OBJECTIVE 1**

**To improve business and economy monitoring systems, particularly for key sectors.**

***In support of this objective, the following initiatives will be implemented:***

- *improving access to economic and related data, particularly through enhancing the range of data available through the 'Intelligence West' web site ([www.IntelligenceWest.org](http://www.IntelligenceWest.org));*
- *preparing a 3 monthly 'West of England Economic Bulletin' offering up-to-date information on recent outcomes with the local economy and an 'West of England Annual Economic Review' offering an overview and analysis of local economic performance and related issues;*
- *reviewing the performance of key sectors and identifying issues of significance to their well-being and growth; and,*
- *monitoring the delivery of the Strategy and progress in addressing the 'key challenges' facing the local economy.*

## **OBJECTIVE 2**

**To identify skill shortages and anticipate future skills requirements.**

***In support of this objective, the following initiatives will be implemented:***

- *ensuring the assembly of labour market intelligence to aid the planning of training and the provision of guidance and advisory services, especially to younger persons and disadvantaged communities.*

## **OBJECTIVE 3**

**To keep under review requirements for business sites and premises, the potential contribution of existing locations and sites, and the need for new sites.**

***In support of this objective, the following initiatives will be implemented:***

- *maintaining a sub-regional overview of requirements for business sites and premises, particularly at strategic locations, and for key sectors, knowledge based business and SMEs; and,*
- *maintaining a sub-regional overview of the current capacity to meet requirements for business sites and premises.*