WEST OF ENGLAND

Annual Economic Review 2007

Contents

N.B. Please note section 7 is still to be updated.

WEST OF ENGLAND

Annual Economic Review- 2007

1 INTRODUCTION

The West of England economy

1.1 The economy of the West of England provides the largest concentration of business activity in the South West region. It employs over 500,000 persons with about two thirds of this total accounted for by the Bristol urban area, and supports levels of prosperity and rates of expansion above regional and national averages. Commuters from across the West of England travel to workplaces in the Bristol area and to a lesser extent Bath with the sub-region as a whole functioning as a city-region in terms of economic linkages and shopping patterns.

1.2 The rapid growth of the West of England economy recorded through the 1990s may have eased over recent years. However, recent employment data suggests that there has been a slight upturn in the rate of economic growth over the last year (2006/7).

Purpose of the Review

1.3 The Review offers a broad assessment of the West of England Economy, it’s key characteristics, recent trends and the outlook for the future and provides an update on the performance of the local economy over the last 12 months. It focuses on the sub-region as a whole rather than the many specific economic concerns and issues arising at the local level although significant geographical patterns and locations are identified. Reference is made to recent studies, economic statistics and development commitments and comparisons with longer-term trends of change.

1.4 The Review is intended to inform the preparation and review of the Economic Strategy for the West of England, the Regional Spatial Strategy and other policy documents. The Review will be up-dated annually. Please forward any comments and suggestions about improvements to tim.lansley@westofengland.org

Summary

The performance of the West of England economy

1.5 The West of England supports levels of prosperity and rates of growth above regional and national averages. Factors accounting for this favourable performance include: the high representation of prosperous industries and ‘knowledge based’ sectors; good access to London and the South East; attractive environment and amenities; large labour market and high levels of professional and technical skills; and, low costs of sites premises and labour compared with the South East. The West of England economy is the largest in the South West accounting for 26% of regional output.

Main industries and key recent developments

1.6 The West of England displays considerable industrial diversity; a wide range of industries is represented with about 59 different sectors employing over 1,000 persons. Significant sectors include: aerospace and defence; advanced engineering; insurance; professional and business services; media and creative industries; Bath tourism; higher education; and, printing and publishing.

1.7 The industrial diversity of the West of England includes significant representation of 'knowledge-based' sectors. This reinforces the potential for growth in the West of England. Indicative of this potential:

- Airbus is to go-ahead with the A350 project. Wing design hopefully will be undertaken at Filton. SWRDA is to invest £34m in supporting the design of fuel systems and wings,
- Prologis has purchased the former Rolls Royce East Works site at Patchway. The site is expected to be re-developed for industrial, mainly warehousing/distribution uses;
- Oxford Instruments Plasma Technology is to relocate to a new factory, providing about 200 jobs at Weston-super-Mare RAF Locking, now re-named Locking Parklands; and
- SWRDA are supporting the development of a science park, extending initially over some 25ha at Emersons Green on the edge of the Bristol area. Scope for further expansion of the park in the longer-term is being considered.

1.8 Several other major developments and investments in the West of England have progressed over the last year that provide a further indication of the potential for prosperity and growth in the West of England. These include:

- Bath: Construction has started on the Southgate development in the city centre with completion by 2010 and a significant improvement to shopping in Bath; Crest has been granted planning permission for the buildling of some 2,000 dwellings at Western Riverside.
- Bristol City Centre: Construction continues on the Broadmead expansion/redevelopment with completion expected in 2008 and a considerable enhancement of the role of the City Centre as a regional shopping centre; also in Bristol City Centre; Several major office developments are underway with further proposls coming forward, principally at Temple Quay, and in the wider Temple and Redcliffe areas; over 120,000sq m gross office floorspace is expected to be completed over the next 3 years.
- Avonmouth/Severnside: Several major distribution developments are underway with other proposals coming forward; Rosemund Developments are proposing 100,000 sq m of warehousing at Cabot

Distribution Park and drinks wholesaler Constellation is to take 70,000sq m of industrial space for a bottling plant and distribution .

- North Somerset: the Weston-super-Mare Area Development Framework has been adopted, setting out a 20 year plan for the growth and regeneration of the town over the next 20 years, including over 89ha for business uses; Oxford Instruments are to relocate to the new Locking Parklands development on the edge of the town.

Employment trends

1.9 Employment levels in the West of England have risen considerably over the last decade or so, again indicative of the prosperity and growth of the area. Much of this extra employment has been accounted for by part-time working in retailing, education, financial and business services, and public administration. The rate of growth appears to have been slowing over more recent years although over the last year, with the national economy expanding by about 3.1%, the level of local employment appears to have again increased sharply. UK output is expected to rise by 2.0%in 2008, with the annual rate of growth climbing gradually over subsequent years to 2.6% in 2010 and 2011.

The location of employment growth

1.10 The success of the West of England economy in attracting business investment and growth has focused substantially on the northern edge of Bristol and the City Centre. Over the last decade or so, the Bristol North Fringe has attracted much of the growth of employment as a result of the availability of greenfield sites close to the motorways. In Bristol City Centre, the long-established rising trend of employment tailed-off in the mid-1990s with the property market and occupiers attracted instead to new opportunities for business park and retail expansion in the North Fringe. Recently the rising employment trend has returned to the city centre as a result of congestion and shortages of further development opportunity in the North Fringe and a general recovery of interest in City Centre locations. With major new retail, office and mixed-use developments developments coming forward, significant business relocation requirements are being met in the City Centre. Elsehere, new industrial jobs are being created at Avonmouth, Severnside and Royal Portbury. Traditional industrial jobs are being displaced from many urban locations by higher value and wider mixes of use.

The balance between homes and jobs

1.11 The levels of employment and resident workforce in the West of England are virtually in balance although the slight excess of jobs has been rising gradually over recent years. However, there are considerable mismatches between jobs and workers at the local level. Particular attention is being focused on these mis-matches in the North Fringe where the large excess of jobs, (some 70,000 compared with a local workforce of between 35-40,000) has led to concerns about lengthy, car-based trips, and the erosion of prospects for local employment in the urban area and in North Somerset, especially Weston-super-Mare. Concerns are also arising about the role of

Bath in meeting the employment requirements of the wider area, the implications for commuting and meeting housing needs, and safeguarding the World Heritage status of the City.

Employment and demographic projections and forecasts

1.12 Projections of employment levels in the West of England show the rate of employment increase tailing-off in the longer-term with manufacturing jobs falling and jobs in services rising. ‘Trend based’ projections available show the rate of employment increase falling from an average of 8,000 per annum between 2001 and 2006 to below 4,000 per annum beyond 2016, with an overall average increase of 3,560 per annum between 2001 and 2026 (71,200 in total for the period).

1.13 Alternative employment projections for the West of England that assume higher economic growth in line with the Regional Economic Strategy, show employment growth tailing-off more gradually over the next 20 years, with an overall average increase of up to 6,000 per annum arising between 2006 and 2026. The draft Regional Spatial Strategy proposes that provision be made for accommodating these larger numbers of additional jobs.

1.14 Recent population projections for the West of England show the Population rising more quickly between 2006 and 2026 than previously, by between 5,845 pa (2004-based sub-national projections ONS) and 8,300 pa (revised 2004 based sub-national projections ONS) compared with 3,730 pa between 1991 and 2001. This acceleration is largely a result of projecting forward recent, relatively high rates of in-migration.

1.15 Recent population projections for the West of England also show a prospect of a large rise in the population in the retirement age-groups. Projected growth in the working age-groups ranges from an average of 2,100 pa (2004 based projections) to 3,900 pa (revised 2004-based projections) compared with an average of 3,010 pa between 1991 and 2001.

1.16 The ageing of the population and the slowdown in the growth of the working age population creates the potential for labour shortages over the future. Recent economic activity projections show the West of England workforce rising by between 58,000 and 88,600 between 2006 and 2026 compared with projected increases in the job supply ranging from 72,000 to 120,000. Draft Regional Spatial Strategy proposes provision for an additional 122,000 jobs across the sub-region between 2006 and 2026.

1.16 The prospect of labour shortages over the future would be eased if higher proportions of the population join the workforce or if recent high rates of international in-migration continue. However, projections of the workforce already anticipate higher rates of participation in the workforce and still show potential labour shortages while doubt must be attached to prospects for sustaining recent high levels of international in-migration to the UK over the long-term.

Unemployment

1.17 Unemployment in the West of England stands at 3.3% of the working age population compared with 5.5% nationally (April 2006 – March 2007 Source APS, ONS). The considerable fall in unemployment resulting from the growth of the economy since the early 1990s has been greater locally than regionally and nationally. The rate of fall had tailed-off over recent years. However, further falls in unemployment has been recorded over the last two years.

Long-term unemployment

1.18 The proportion of unemployed claimants in the West of England out of work for more than 12 months stands at 12%, approximating to the regional average but standing well below the national figure of 15.9% (Nov 2007, ONS Claimant Count). The number unemployed for more than 12 months has fallen slightly over the last year.

1.19 Younger persons (aged 16 to 24) account for nearly a third of unemployed claimants in the West of England. They are twice as likely as those in the older age group to be out of work (Nov 2007, ONS Claimant Count).

The distribution of unemployment

1.20 The pattern of unemployment across the West of England shows concentrations of jobless persons within parts of the inner area of Bristol, on some of the City's suburban council estates, in the Twerton area of Bath and in neighbourhoods of Weston-super-Mare adjacent to the town centre and on the council estates to the south. Many of these localities fall within the 10% most deprived areas nationally, ranked according to the Government's index of multiple deprivation. The population of these localities represents about 40% of the population of all localities in the South West that fall within the 10% most deprived areas of England (IMD, 2007).

Occupational characteristics, education and skills

1.21 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. GCSE pass rates for Bristol LEA schools however, while improving, remain well below the national average. In contrast, both Bath and Bristol universities are highly rated in terms of research excellence. Similarly, the working age population of the West of England, especially where resident in B&NES and Bristol, is more qualified than at regional and national levels.

Vacancies

1.22 Some 22% of establishments in the West of England have at least one vacancy compared with 17% in England (2005). Some 30% of these vacancies are 'hard to fill' compared with 47% in the region and 40%

nationally. Similarly, 14% were ‘skill shortage’ vacancies compared with 18% and 25% regionally and nationally. (National Employers Skills Survey LSC 2005)

Earnings, house prices and affordability

1.23 Average earnings in the West of England stand well above the regional average and close to the national average. House prices however, stand above the national average. As a result, the ratio of average earnings to average house prices in the West of England stands slightly above the national ratio.

Industrial and office floorspace

1.24 The amount of industrial and office floorspace in the West of England has been rising gradually over recent years. A fall in the amount of factory floorspace has been exceeded by a rise in the stock of office and warehousing floorspace. In the urban areas however, the stock has declined with large industrial losses exceeding office gains. Further losses of industrial floorspace from the urban areas are likely over the future.

Industrial development completions

1.25 Annual levels of completions of new industrial development in the West of England averaged about 28ha per annum between 1989 and 2007. In 2005/6, the level of completions rose to nearly 40ha, mainly as a result of extensive warehousing developments however, completions had dropped to around 13ha in 2006/7. At April 2007, industrial development is underway on some 60ha, largely as a result of large warehousing developments at Avonmouth and Severnside and re-investment by Rolls Royce at Patchway.

Office development completions

1.26 Annual office development completions in the West of England averaged about 53,000sq m gross between 1989 and 2007. Bristol City Centre and the North Fringe account for about 80% of this development. Recently, the Portishead area of North Somerset has attracted office development

1.27 Over the last year, levels of office completions have fallen below the long-term average. The levels appear destined to rise considerably over the medium term however, as a result of the large amount of office development currently under construction and expected to come forward, largely in Bristol City Centre.

The demand for new industrial and office development

1.28 The current ‘market’ for new industrial development in the West of England has been estimated to represent about 21ha of potential development per annum with the Bristol area accounting for about 85% of this potential. The current ‘market’ for new office development in the West of

England is again dominated by Bristol with the City Centre having the potential to attract about 20,000sq m gross of potential new office development and locations on the fringes of the City, the potential to attract a further 10ha per annum of new development. The recent extension of this demand along the ‘M5 corridor’ to the Portishead area highlights the potential of locations beyond the North Fringe, to attract Bristol office relocations. The demand may rise significantly over the future and extend further along the M5 to Weston-super-Mare with continuing shortages of sites in the North Fringe and improvements to the attractiveness and accessibility of Weston.

Employment land allocations

1.29 About 750ha are proposed for industrial and office development in the West of England. Sites in South Gloucestershire, principally at Severnside, account for about two-thirds of this potential. A further 130ha in the North and East Fringe areas of South Gloucestershire are proposed for employment uses, largely science park and business park development, and to meet the re-investment plans of the existing aerospace industry. However, few sites for new industrial development are generally available on the fringes of Bristol apart from at Avonmouth.

1.30 Beyond the Bristol area, substantial areas of employment land are allocated at Weston-super-Mare (130ha) and in the wider Norton Radstock area (23ha). At Weston, the draft Weston Area Action Plan proposes extensive areas for the expansion of employment uses at the former RAF Locking (25ha) and Weston Airfield (59ha) locations.

Avonmouth and Severnside

1.31 At Avonmouth and Severnside, several major warehousing developments have been undertaken over recent years. About 100ha of further development land is currently coming forward of which about a half is accounted for by developments under-construction or likely to start in the short-term.

Bristol North Fringe

1.32 In the Bristol North Fringe, Airbus and Rolls Royce are investing in major new office, research and production facilities and MoD are transferring some 2,000 more jobs to Abbey Wood and an adjacent office. Elsewhere in the North Fringe, few sites are currently available, especially for industrial development. Developments at Filton Northfield and at the site of the former Rolls Royce East Works are likely to alleviate this shortfall.

Emersons Green

1.33 At Emersons Green, only a few sites are currently available for general employment uses. SWRDA are investing in bringing forward the science park. Currently, 25ha are allocated for the development. However, SWRDA are seeking to secure a further 20ha for the expansion of the science park in the longer-term. Construction work, subject to detailed planning permission, is expected to start in 2008.

Portishead and Portbury

1.34 Portishead is attracting significant new office development while considerable industrial and especially warehousing development, has been located at Royal Portbury. Further development land is available for office expansion at Portishead. However, virtually no opportunity remains for the expansion of industrial and warehousing uses.

1.35 Studies suggest that further growth of Port trade will generate considerable demand for related development in the vicinity which if not met , would be likely to frustrate the expansion of the Port and threaten its prosperity. Proposals have been put forward for a further crossing of the Avon, partly in order to improve connectivity between port and related uses at Royal Portbury and at Avonmouth.

Bristol City Centre

1.36 In Bristol City Centre, several major office developments are under-construction with over 120,000 sq m gross office floorspace expected to be completed over the next 3 years. This development together with other proposals represents the potential for over 300,000sq m gross office floorspace, sufficient to meet demand for of the order of 10 to 15 years.

1.37 A large share of the new offices recently completed in Bristol City Centre has been taken-up by the relocation of existing businesses moving out of older, less appropriate accommodation. Older secondary offices are often diffcult to let. Many are being converted to other uses or redeveloped. Over recent years, the average loss of secondary offices has averaged about 14,700 sq m gross.

1.38 A major redevelopment and extension to the Broadmead shopping centre is under-construction. The development will provide about 100,00sq m gross floorspace, largely for retail and related uses. The development is substantially let and is expected to open later in 2008.

Weston-super-Mare

1.39 The Weston-super-Mare Area Development Framework has been agreed to guide the regeneration and expansion of the town over the next 20 years. At the former Weston Airfield and RAF Locking (re-named Locking Parklands), about 84ha are identified for development for employment uses. Some 10,000 jobs are expected to arise from these proposals by 2021 out of a potential for 17,500 jobs in the longer term. A further 50ha of land is allocated elsewhere in Weston including the Locking Castle Business Park, located next to M5 Junction 21.

Bath

1.40 About 35ha are identified at Western Riverside for regeneration for a mix of uses. An application for substantial residential development has been granted on some 18ha. Potential remains for the development of about 46,000sq m gross office floorspace.

1.41 Construction has started on the Southgate retail development with completion expected in 2010. Further opportunities for major mixed use, commercial development have been identified on the edge of the City Centre.

2 PROSPERITY AND COMPETITIVENESS

The performance of the West of England economy

2.1 The West of England benefits from considerable prosperity, reflecting the competitiveness of the local economy, high levels of economic activity and incomes. The local economy is the largest in the South West accounting for about 26% of regional output[1]. The data set out below[2] describing employment and unemployment rates, economic activity, recent employment trends, the stock of businesses, and GVA per head, shows the sub region performing more favourably than the South West and GB.

Figure 2.1: Key Economic Indices

		West of England	SW Region	Eng. & Wales	West of England			
					Bristol	B&NES	N.Som	S.Glos
Employment Rate % (All people Working Age)*	2006/7	**78.6**	77.7	74.1	75.2	75.3	81.6	84.2
Economic Activity Rate % (All people Working age)*	2006/7	**81.4**	80.9	78.4	78.5	78.6	82.8	86.7
Unemployment rate % (All people working age)*	2006/7	**3.3**	4.0	5.5	4.8	3.7	2.9	3.1
Employment Growth Rate %**	2001-3	**5.68**	5.2	3.97				
GVA per head (£'s)***	2004	**21,059**	16,141	(England) 17,532	23,164	19,634		
Net Change in the stock of VAT reg. businesses (Net % change)****	2001-2006	**1.7**	1.6	1.7	1.8	2.0	2.2	1.9

Sources:
*Annual population survey April 2006-March 2007, ONS, Crown Copyright 2006.
** Annual Business Enquiry 2001 and 2005.
***GVA per Head ONS 2004, West of England figures produced by the West of England Partnership Office, England & UK figures are provided instead of England & Wales and GB.
****Net change. Net gain or loss in the stock of registered enterprises each year - equal to registrations less deregistrations. 2006.

2.2 Recent research for SWRDA[3] has identified a wide range of factors as accounting for differences in intra-regional and inter-regional GVA per head and hence productivity. These include: levels of capital per employee; levels of skill, particularly higher level skills; business enterprise; and, travel time

[1] Data for 2002 from ONS.
[2] This data is drawn from the economic 'core indicators', full datasets can be accessed on the 'Intelligence West' web site. This information has been used to support contextual indicators in Local Development Framework, Annual Monitoring Reports, prepared by the Unitary Authorities. The sub-region, economic 'core indicators' will also inform the implementation of the emerging Economic Strategy for the sub-region and potentially, the sub-regional dimension of local area agreements.
[3] 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.

from major centres of population. Industrial structure was identified as an important determinant of intra-regional differences.

2.3 Key messages arising from the research include:

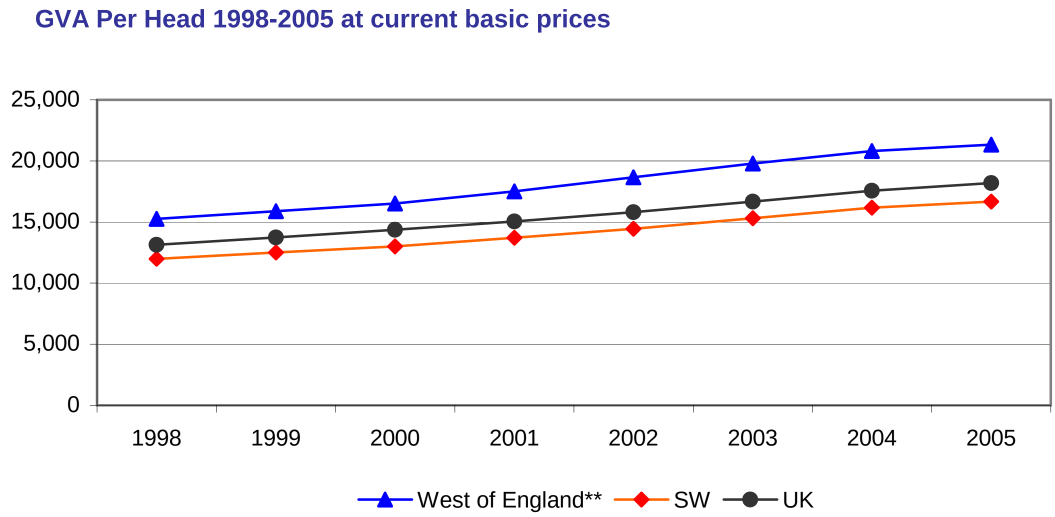
- the important link between skills and innovation. ‘High level skills support and facilitate innovation including the dissemination and adoption of new processes, techniques and work practices.’
- action to secure business sites and premises and support the location of businesses is seen as ‘an important contextual activity’, encouraging investment and innovation;
- urban regeneration is described as important ‘… in attracting and retaining more highly skilled workers…’;
- securing greater use of ICT and web use are seen as important to raising productivity.
- emphasis should be placed on encouraging innovation across all sectors rather than on pure R&D and the development of leading edge products or processes;
- the strong evidence about the economic advantages arising from proximity to major concentrations of population, reducing travel time and improving access;
- the important economic pay-off from overcoming traffic congestion, in particular around the main urban areas, and the need to prioritise fast road and possibly rail and air links to London; and,
- the importance of the northern sub-region to the overall performance of the region and the need to support its continued competitive success.

2.4 Productivity rates (GVA per head) of the northern sub-region of the South West in 2004, all out performed the UK average. In that year 53.5% of the total SW regional output was produced in the NUTS 2 area (encompassing Gloucestershire, Wiltshire and West of England), which gave it the fourth highest productivity rate of England’s thirty NUTS2 areas[4].

2.5 Information at NUTS 3 level shows Bristol and the remainder of the West of England (B&NES, North Somerset and South Gloucestershire), producing the second and third highest average GVA per head in 2005 in the region. The West of England Partnership Office has produced GVA per head figures for the sub-region 1998-2003. These show an upward trend over this period reflecting the regional and national trend. However, the West of England produced a higher GVA per head than the SW and UK averages and also appears to be increasing at a faster rate.

[4] South West England Regional Economic Profile: Business & Economy Module & SWRDA September 2006; The South West Economic Profile [4] measured the performance of the sub-regions within the South West against the following priorities under three objectives from the RES; Objective One Successful and Competitive Businesses,
Objective 2 Strong and Inclusive Communities, Objective 3 An Effective and Confident Region.

Figure 2.2: Productivity: West of England 1998-2005.

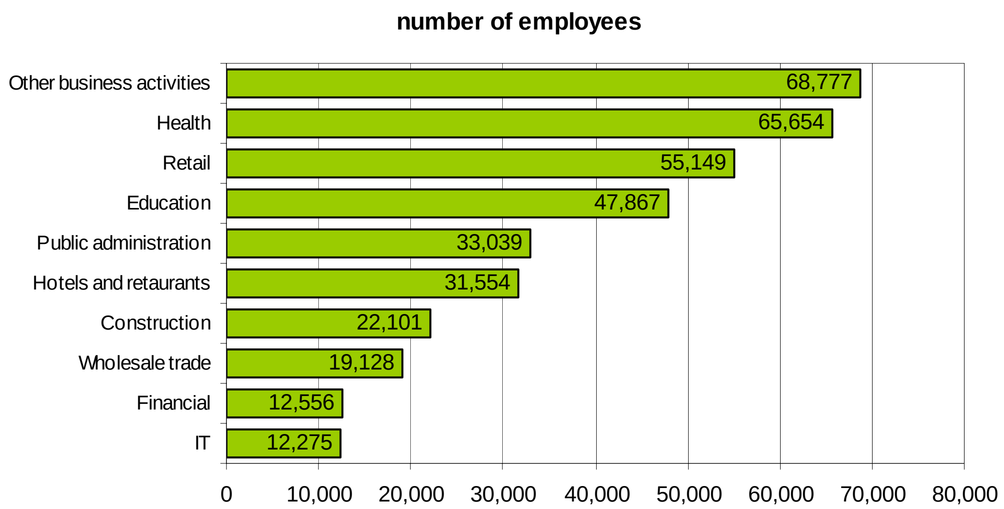


Source: ONS GVA per head at current basic prices
** Data for West of England Calculated by West of England Partnership Office
1 The headline GVA series for this publication have been calculated using a five-period moving average.
2 Estimates of workplace based GVA allocate income to the region in which commuters work.
3 The GVA for Extra-Regio comprises compensation of employees and gross operating surplus, which, cannot be assigned to regions.

Main industries

2.6 The West of England economy displays considerable industrial diversity. A wide range of industries is represented with about 59 different sectors (out of a total of 88 sectors as defined by SIC divisions) employing over 1,000 persons. The ten largest of these sectors, accounted for largely by service and office based activities, provide for about 65% of all employment. This reflects the scale and requirements of the local population and the regional functions of Bristol.

FIGURE 2.3: West of England- Largest employment sectors: 2006



Source ABI:Nomis

2.7 Recent research[5] 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/defence;
- insurance;
- professional/business services;
- parts of the media and creative sector;
- Bath tourism; and,
- higher education.

2.8 Other important sectors identified by the research were: advanced engineering; banking; professional services; ICT/telecommunications; printing/publishing; health; retailing; construction; and cultural services.

2.9 The South West Regional Development Agency have identified the following key sectors where their business support activity is to be focused: advanced engineering; including aerospace, food and drink; ICT; leisure and tourism; marine. Emerging sectors are also identified: creative industries; biotechnology, and environmental technologies. In addition, three further sectors are identified by the Agency as important in the West of England: financial services; printing and packaging; and, digital/creative media. [6]

2.10 Data produced using ECONi[7] software illustrates the GVA per full time employee by RDA key sectors. These sectors produce high productivity figures. Approximately 17% of full time employee equivalents (FTEs) within the West of England are in RDA Key Sector industries[8], this may be another factor that contributes to the West of England outperforming the South West and national productivity averages.

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[5] 'So far so good…' the economy of the West of England, 2002. Marion Jackson &Anthony Plumridge UWE November 2002

[6] A list of RDA key sector SIC codes is available through Intelligence West contact: laura.grady@westofengland.org

[7] Econi is an integrated economic information system for the South West, the software is provided by the Business and economy module of the South West Observatory. Information produced using this product is the responsibility of the organisation producing the information.

[8] Source: Econi

FIGURE 2.4: West of England- GVA Per FTE Key RDA sectors: 2005

	All key sectors	Advanced Engineering	Food and drink	ICT	Leisure and tourism	Marine	Bio-tech	Environmental	Creative
Bath and NE Somerset	**42,756**	40,984	44,382	50,392	34,283	13,514	33,149	63,014	39,812
Bristol	47,541	31,756	24,919	64,354	39,497	22,222	31,505	71,339	42,105
North Somerset	45,352	60,555	26,908	54,630	42,054	-	55,556	65,761	39,480
South Gloucestershire	**64,244**	75,286	23,493	78,703	40,143	32,864	82,294	53,493	41,109
West of England	**52,472**	**68,174**	**30,124**	**68,168**	**39,206**	**27,027**	**58,876**	**65,785**	**41,166**
South West	**46,341**	54,262	30,895	77,603	37,694	33,341	50,733	57,296	46,017
GB	**50,251**	52,590	31,657	74,995	37,403	38,075	58,215	56,689	54,951

Source: West of England Partnership Office produced figures using Econi Software. Total GVA& Total Full Time Equivalents per RDA Key Sector excluding FSIM 2005

2.12 Information generated by Econi[9] on the other sectors of importance to the sub-region gives the following GVA per full time equivalent averages;

- Business Services £60,990
- Public administration and defence £33,320
- Manufacturing £50,654
- Finance £67,476
- Paper and printing £46,861
- Distribution and retail £31,450
- Health and Social Services £28,280

2.13 Industrial and office activities account for about 40% of employment in the West England[10]. Retailing, personal services and leisure related activities, and education and health, account for the bulk of the remainder, largely reflecting the requirements of the local population, expressed either through expenditure on goods and services or use of public services. The location of around two-thirds of these 'service' jobs is closely related in geographical terms to the population served.

'Knowledge-based industries'

2.14 The presence of 'knowledge based' industries provides an indication of the competitiveness of the local economy and the potential for growth. At the national level, the data suggest that '…knowledge based industries are experiencing fast growth and are becoming an ever increasing component of UK output and employment.'[11]

[9] Source: West of England Partnership Office produced figures using Econi Software. Total GVA per Total Full Time Equivalents excluding FSIM 2002
[10] For further information, see Technical Note: West of England Sub-Regional Spatial Strategy – Economic forecasts, employment in the 'B' and non-'B' use categories and requirements for employment land. JSPTU.
[11] Our Competitive Future: building the knowledge driven economy. DTI 1998

2.15 ‘Knowledge based’ industries have a high representation in the West of England, reflecting the importance of aerospace, electronics and computers within the manufacturing sector, and telecommunications, financial services, computing, other business services and education within the services sector.

FIGURE 2.5: Employees in the ‘Knowledge Based’ economy. 2006.

	West of England		South West	GB
	No	%	%	%
'High tech manufacturing'	10,809	2.1	1.4	0.9
'Medium high-tech manufacturing'	7,086	1.4	2.8	2.3
'Knowledge based services'	224,279	43.8	39.5	40.9

Source: ABI/NOMIS using following OECD definition: ***Hi-tech manufacturing*** comprises pharmaceuticals, aerospace, electronics-communications, office machinery and computers; ***Medium High Tech. manufacturing*** comprises scientific instruments, motor vehicles, electrical machinery, chemicals, other transport equipment and non-electrical machinery; ***Knowledge Based Services*** comprises post and telecommunications, financial, insurance and business services, real estate, R&D, education, health and social services.

2.16 Recent research confirms the concentration of ‘knowledge-based Industries’ in large urban areas and the West of England in particular, and the potential these locations offer to support the development and growth of such industries.[12] This growth potential is reported as arising from opportunities for ‘knowledge transfer’, access to specialist suppliers and services, and to larger potential markets, and the large pool of higher skilled labour. It is seen as suggesting ‘…the need to concentrate development and facilitate the growth of the larger, principal urban areas’. Bristol and the concentration of knowledge-based activity therefore, is identified as a critically important asset.

2.17 The research also includes a brief assessment of the employment impacts of higher education. These are identified as largely arising as a result of their direct employment and the supply of highly skilled labour rather than through interactions with local business. Raising graduate retention, in part by encouraging businesses requiring such skills, is identified as a means of boosting local productivity. The research also highlights the need to enhance the relationship between HE programmes and employers, ‘…including increased provision of part-time, foundation and CPD activities developed in collaboration with employers and employer-organisations…’.

2.18 In recognition of the potential for the expansion of knowledge-based industries in the West of England, the South West Regional Development Agency (SWRDA) has been investing in bringing forward the Bristol and Bath Science Park (**SP**ark) at Emersons Green over the last year. Some £30m has been committed to the joint venture to develop the park- the largest single investment by the Agency to date. A public-private partnership has been formed including the Universities of Bristol, Bath and UWE, to develop the park. At March 2005, 22 hectares had been acquired for the science park by SWRDA. It is intended that the Science Park will ultimately extend over 45ha

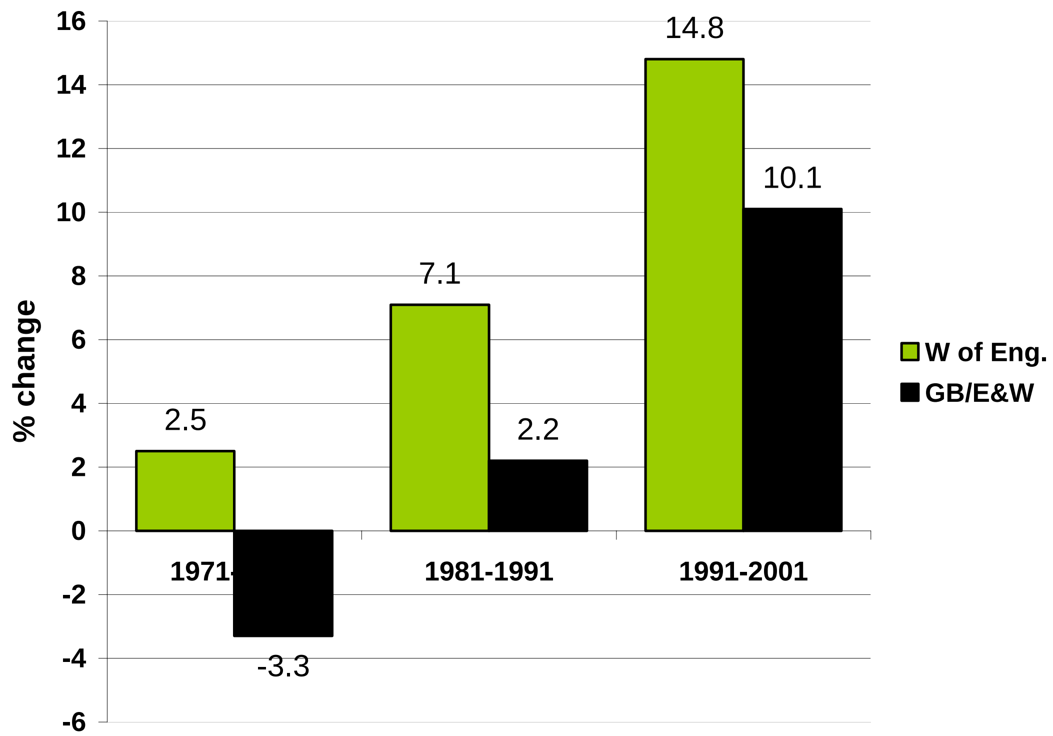
[12] The Knowledge-Driven Economy, Regional Economic Strategy and Regional Spatial Strategy in the South West of England. Martin Boddy. Report to SWRDA 2005.

and support over 6000 knowledge-based jobs in science related sectors such as aerospace, biotech and digital technologies. It is expected to become the region's leading centre for knowledge transfer using the research base of the 3 universities and the cluster of technology companies in the sub-region. The Park will also act as the hub for the network of existing university incubators in the sub-region[13]. Subject to detailed planning permission, construction is expected to start in 2007 with buildings coming available for occupation in 2008.

Employment trends

2.19 Past employment trends demonstrate the capacity of the West of England for growth and success in adjusting to changing economic circumstances. Over much of the post-war period, the sub-region has seen employment levels rising, usually at rates above national averages. Falling employment in manufacturing since the 1970s has been more than matched by expansion in offices while rising prosperity has generated many new jobs in retailing, education and a widening range of personal and leisure related services.

FIGURE 2.6: West of England- Employment Changes (%s) 1971- 2001.



Source: Census of Population- workplace data

2.20 In the 1970s, the level of employment in the West of England climbed gradually, by about 1,000 per annum averages. This reflects:

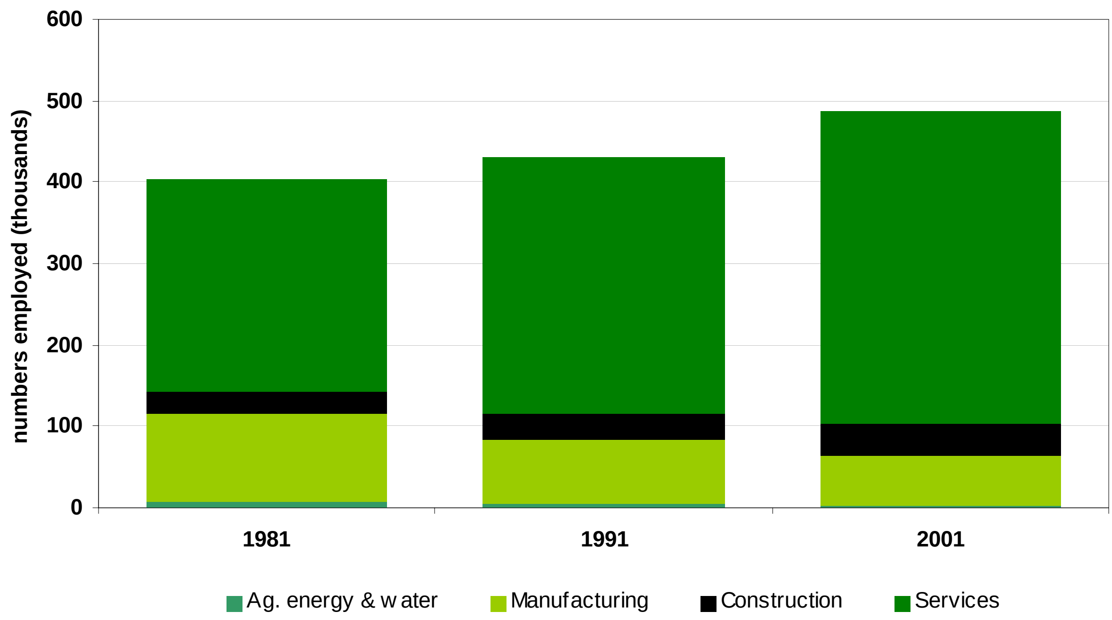
[13] Source: SWRDA Q1 2004 West of England Area Report; Ian Thompson.

- national and international economic difficulties which brought an end to the long post-war trend of rising employment and low unemployment;
- the rationalisation of traditional local industries, including the large food, tobacco, packaging and engineering sectors, leading to much local concern about the health of the local economy; and,
- office growth, particularly in financial and business services.

2.21 In the 1980s, local employment climbed by about 3,000 per annum average and much more rapidly than at the national level (7% locally compared with 2% nationally). The local economy was well-placed to withstand the worst effects of the deep recession of the early 1980s and then benefit from the rapid recovery of the latter part of the decade. This reflects:

- the under-representation in the sub-region of the metals, heavy engineering and vehicle assembly industries which bore the brunt of the recession;
- high levels of defence spending which benefited the large, local aerospace and defence sector; and,
- the rapid expansion of office employment, particularly financial and business services in Bristol City Centre, the emergence of new high technology sectors and major inward investment.

FIGURE 2.7: West of England- Changing Industrial Structure of Employment



Source: Census of Population/AES/ABI data

2.22 In the 1990s, following the recession at the opening of the decade, local employment climbed rapidly by an average of over 6,000 per annum.[14] This rapid growth reflects:

- strong national economic performance;
- the continuing locational and structural advantages of the West of England;

[14] In comparison, the level of West of England employment level climbed by about 1,000 per annum average in the 1970s and by 3,000 per annum average in the 1980s.

- the continuing emergence of new high technology based industries and the success of Airbus; and,
- rapid business park and retail expansion in the North Fringe.

2.22 Since 2001, the rate of employment growth in the West of England appears to have slowed with data from the ABI showing an increase between 2001 and 2006 of about 18,000 employees (representing an annual average increase of about 3,700). South Gloucestershire appears to have accounted nearly two thirds of this growth with the balance accounted for by B&NES and North Somerset. Employment levels in Bristol appear to have remained unchanged between these years[15].

2.23 Inspection of Labour Force Survey and Annual Population Census workplace data confirms the broad scale of increase in employment levels in the sub-region between 2001 and 2006 shown by the ABI.[16] In addition, the data shows a small decrease in the numbers employed between 2004/5 and 2005/6 (-2,500) followed by a larger increase between 2005/6 and 2006/7 (+ 7,200) in the numbers of persons working in the sub-region.

2.24 There is wide agreement that the statistics available on recent changes in local employment levels are inadequate. ONS advise a cautious approach to drawing conclusions about local employment levels from analyses of ABI data.

Full-time and part-time employment

2.25 Much of the rise of employment in the West of England has been accounted for by the growth of part-time employment (see chart below). The levels of full-time employment declined slightly over the majority of years between 1971 and 1991 with large increases only being recorded through the 1990s. The large employment increase shown by the ABI for 2001-4 however, is largely a reflection again of increases in part-time working with the level of full-time employment remaining virtually unchanged.

Current economic trends

2.26 The national economy has expanded strongly through 2007 with GDP rising by an estimated by about 3.1%% in 2007 following a rise of 2.7% in 2006. Forecasts indicate a prospect of slower growth over the medium term however, with the rate of expansion of GDP falling to 2.0% in 2008 and then rising gradually to 2.6% in 2010 and 2011[17].

2.27 Undoubtedly, the economy of the West of England is likely to continue

[15] These estimates take account of apparent errors with ABI data for 2001.
[16] The Labour Force Survey and Annual Population Survey (workplace data) show the numbers employed in the sub-region rising from 496,500 in 2001(quarterly average) to 510,100 in 2006/7.
[17] Forecasts for the UK economy. November 2007. HM Treasury.

to perform better than the national economy over the future. However, a more gradual pace of expansion appears to be inevitable given the expectations about national economic performance.

Major job losses/gains

2.28 Monitoring press reports on local jobs losses and gains provides a further indication of recent changes in the local economy. The key announcements over the last year are set out below.

Aerospace/Advanced engineering

- Airbus to shed 1,095 jobs over the next 4 years as part of the Power8 European wide, cost-cutting programme. Filton is to bear the brunt of UK redundancies. Half the jobs lost will come from sub-contractors and all will be managed through voluntary means. In addition, as part of its cost-cutting programme Airbus is seeking a partner to invest £100 million in a composites plant at Filton to make the next generation of ultra lightweight material for its planes..
- Prologis has purchased the former Rolls Royce East Works site at Patchway. A planning application has been submitted for a mixed commercial development comprising industrial and warehouse units, trade counters, car dealership, hotel and offices. Up to 2,000 jobs could be supported by the development.

Avonmouth/Severnside

- Several major warehousing developments are underway or proposed which will support several hundred jobs. These include a new warehouse (7,000sq m) for freight firm, Davies Turner; a 15,300sq m distribution centre for Nisbets to be provided by St Modwen at the 20ha Access 18 development; 30,000sq m gross of new warehousing at G Park, Western Approach. Further development is being undertaken by Rosemund at Cabot Distribution Park and nearby, by drinks wholesaler, Constellation.
- Astra Zeneca Pharmaceuticals at Severnside is expected to shed 200 jobs.

Bristol/ South Gloucestershire

- Closure of Brooks Cleaners in St Werburgh and Aztec West expected to lead to the loss of 350 jobs

Bristol City Centre

- Opening of new hotel at Redcliffe Hill is expected to create over 200 jobs.

Clevedon/Portishead

- Up to 900 jobs will be created at a new 10ha business park close to M5 Junction 20.
- Over 100 jobs to be provided by Dynamic Procesing Solutions at Gordano Gate, Portishead.

Bath

- o Closure of Bath Press to lead to the loss of 350 jobs.

Keynsham

- o Cadburys are to close by 2010 with the loss of over 500 jobs.

Hanham

- o Kleeneze are to close leading to the loss of 300 jobs.

Key influences on the competitive success of the West of England

2.29 Recent research[18] has identified the following key influences, underlying the recent economic success of the sub-region.

- The presence of long established, prosperous industries, including aerospace, printing packaging and publishing, the BBC and the universities.

- Proximity to, and good transport links with London and Heathrow.

- Attractive environment and other amenities, particularly for more senior staff and highly skilled persons, facilitating the relocation of key workers, recruitment and retention.

- Large and varied local labour market with a wider labour catchment for technical and professional staff extending along the M4.

- Availability and low cost relative to London of premises and sites both centrally and particularly on the North Fringe.

2.30 The research found little evidence that clustering of businesses or industries in the sub-region has made any particular contribution to underpinning prosperity and competitiveness. Economic diversity and the strong performance of a number of sectors account for success, rather than the dominant role of a small number of ‘key sectors’.

2.31 Also identified as important to the economic success of the sub-region has been the 1970s planning regime on the North Fringe and the allocation of motorway adjacent development land, the publicly supported redevelopment of key sites in Bristol City Centre and the emerging cultural strategy and harbour-side development.

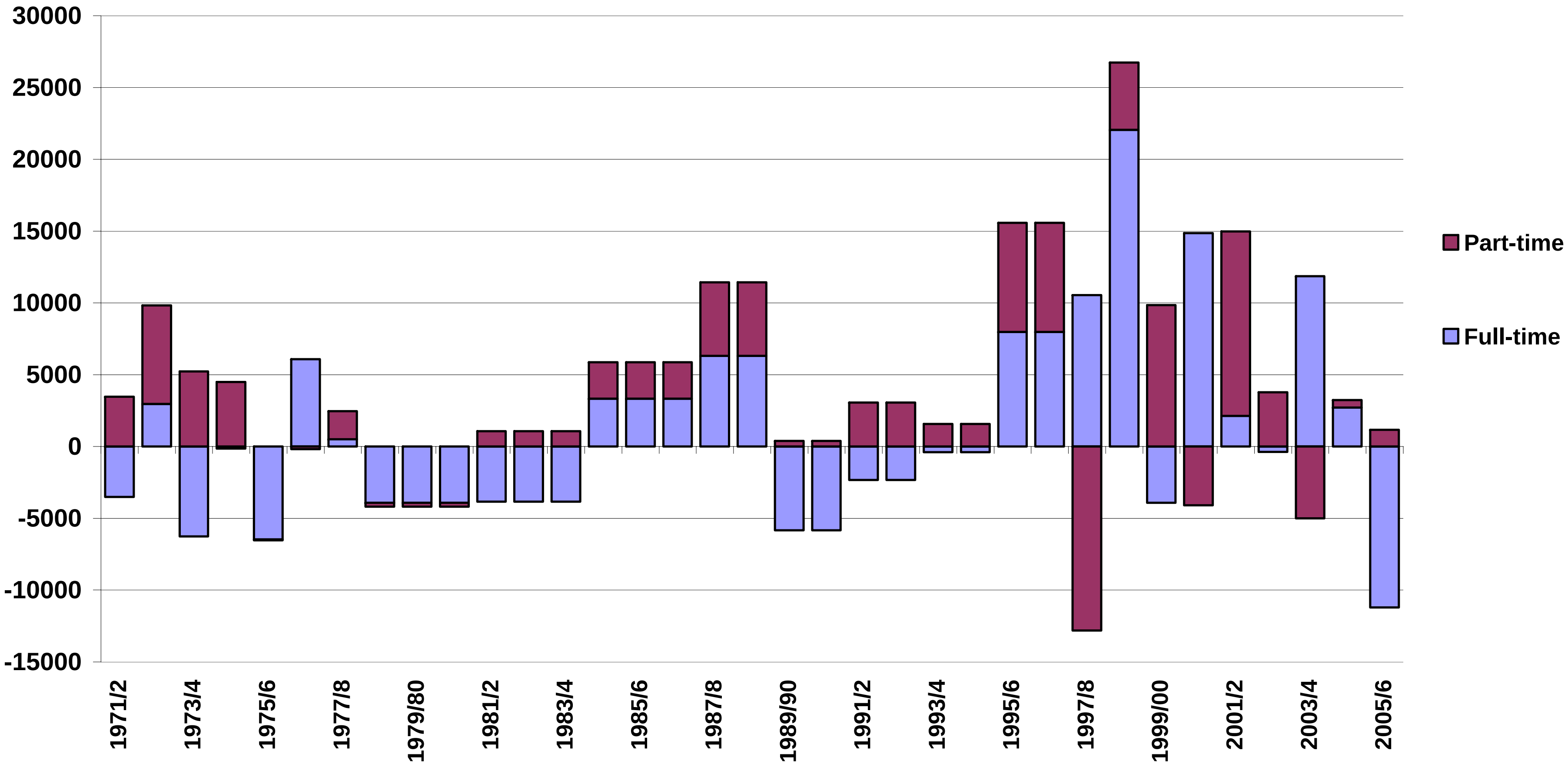
Key points

- The West of England supports levels of prosperity and rates of growth above regional and national averages.

[18] ESRC Cities, Competitiveness and Cohesion Research Programme: Bristol Integrated City Study 1998-2001. University of Bristol/UWE

- The West of England displays considerable industrial diversity. Significant sectors include: aerospace; advanced engineering, insurance; professional and business services; media and creative industries; Bath tourism; higher education; and printing and publishing.
- The West of England also includes significant representation of ‘knowledge-based’ sectors, which offers considerable growth potential.
- The prosperity and growth of the sub-regional economy reflects a combination of structural and locational advantages including proximity and good access to London, attractive environment and other amenities, large labour market and regional centre, and availability and low cost relative to London of sites and premises.
- Employment levels in the West of England have risen considerably over the last decade or so, again indicative of the prosperity and growth of the area and the strength of the national economy. The rate of growth appears to have been slowing over more recent years although over the last year, employment levels again appear to have climbed.

Figure 2.6. West of England: Full-time and part-time employees- annual changes
Source: NOMIS



3 EMPLOYMENT LOCATION AND JOURNEY TO WORK

The location of employment

3.1 The Bristol urban area accounts for about two thirds of the employment in the West of England. Much of this employment is located in Bristol City Centre and the North Fringe where about 90,000 and 70,000 respectively, are employed. Financial and business services, public administration, retailing, leisure, health and higher education account for many of these jobs. In the North Fringe, aerospace and advanced engineering are also important.

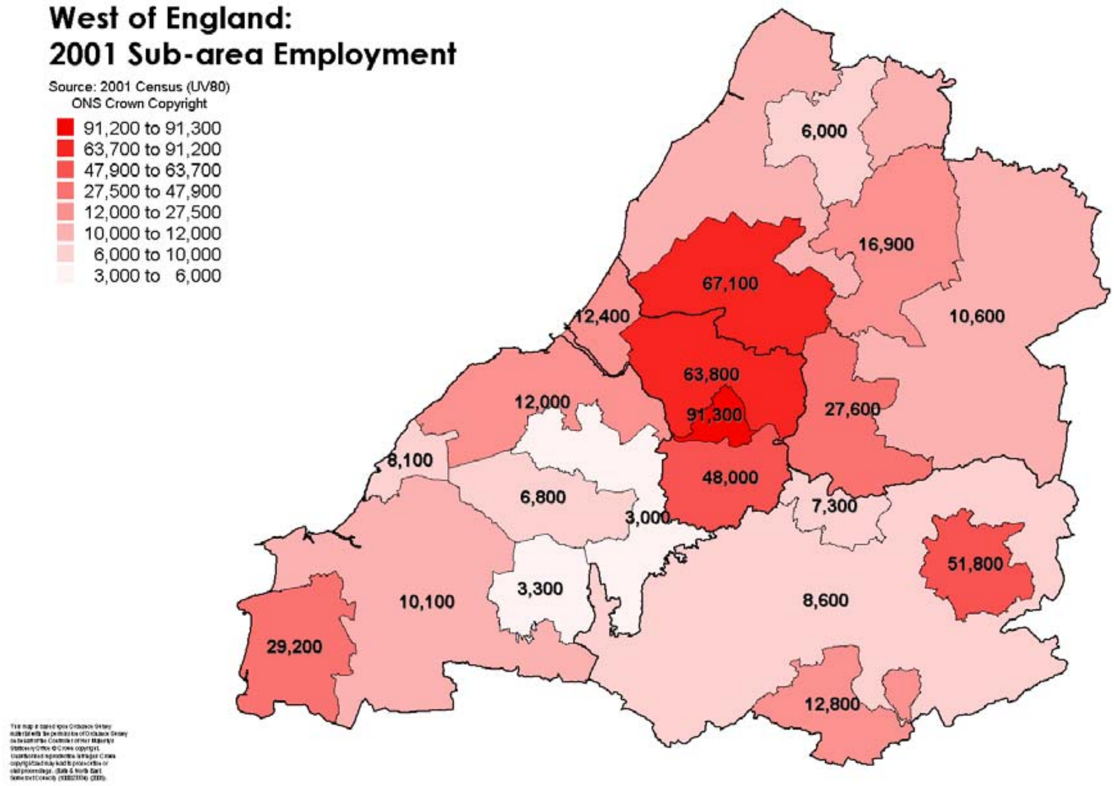
3.2 Industrial and related employment in the Bristol area is concentrated at Avonmouth, Severnside and Royal Portbury. Much of this employment is accounted for by port-related activities, large distribution centres and by a range of industrial activities. Much of this activity is highly capitalised and large scale, reliant on good access to transport infrastructure. In contrast to this concentration, smaller scale industrial activities are distributed across a range of locations, mainly on the eastern and southern sides of the urban area.

3.3 Beyond the Bristol area, other important employment centres in the sub-region include Bath where about 56,000 persons are employed and Weston-super-Mare where about 30,000 are employed. At both locations, service activities are important related to meeting local requirements and in the case of Bath, the wider sub-regional and tourist role of the City Centre.

3.4 The success of the West of England economy in attracting investment and growth generally has focused over recent years largely on Bristol and Bath city centres and on the northern edge of the Bristol urban area, and at expanding residential developments with rising local populations. In contrast, locations dependent on more traditional, largely industrial employment have seen job losses associated with the decline of traditional industries and the relocation of investment to Greenfield, motorway adjacent sites or to lower cost locations outside the sub-region.

3.5 In Bristol City Centre, the attraction of new investment and growth is symbolised by the regeneration of Harbourside, new office development at Temple Quay and a widening range of other locations, and the major investment in City Centre shopping represented by the Broadmead extension and redevelopment. Overall employment levels may have risen by up to 10,000 since 2001. Previously, the long rising trend in the level of employment in the City Centre had tailed-off with the property market and occupiers in the 1990s attracted instead to new opportunities for business park and retail expansion in the North Fringe. Since, the late 1990s however, the rising trend of city centre employment has returned as a result of congestion and shortages of further development opportunity in the North Fringe and a general recovery of interest in city centre locations. As a result, the Temple Quay office development has been rapidly taken-up. A number of major City Centre office employers have relocated to the development, often creating additional jobs. Furthermore, progress is being made in bringing forward several other, major office, retail and mixed-use developments both in the vicinity of Temple Quay and elsewhere in the City Centre. These major developments will renew and significantly enlarge the City's commercial property stock and support rising employment.[1]

3.6 In the Bristol North Fringe, employment levels have increased by in excess of 30,000 since the mid-1980s as a result of the availability of greenfield development sites close to the M4 and M5, and the general success of the West of England economy. The Mall, Axa Sun Life and MoD account for about half of this employment increase. High technology and office-based businesses, largely at business park locations, account for the remainder. This expansion has been the dominant element in the changing pattern of employment across the sub-region over the last decade. The pace of expansion appears to have slowed however over most recent years with the focus of growth having returned to a large extent to the city centre and to a lesser extent, the Portishead area.



3.7 Avonmouth, Severnside and Royal Portbury are attracting many new jobs in port-related, and mainly large-scale distribution and other industrial developments. These large developments have dominated recent requirements for new industrial property. They are difficult to accommodate within the urban area, especially given the importance attached to good motorway access and the need to safeguard residential amenity. At the same

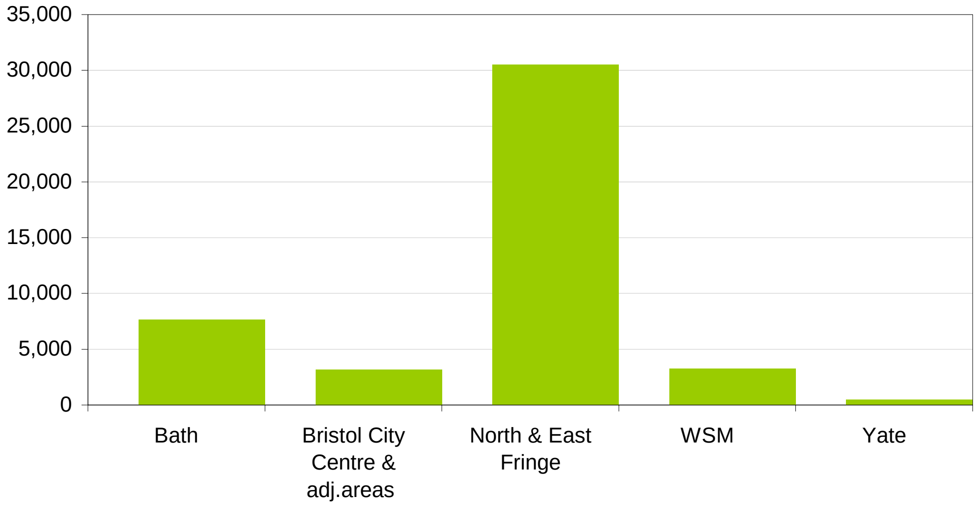
[1] Further details on these schemes are provided in section 8.

time, traditional industrial jobs are being displaced from urban locations by higher value and wider mixes of use.

3.8 In contrast to the growth of employment in the wider north Bristol area, only relatively modest growth has been attracted to east and south Bristol; areas that have seen the closure of traditional employers and borne the brunt of the virtual halving of manufacturing employment in the City over the last 30 years. In Bath, many traditional industries have also closed with the City Centre accounting for a rising share of local employment.

3.9 The growing populations of many dormitory settlements in the West of England have also attracted rising employment in a range of local services. The scale of these increases however, has not matched the rise in the local workforce and prevented large daily outflows of commuters to the main employment centres of the sub region.

FIGURE 3.1: Main centres of employment growth 1991-2001



Source: Population Census 1991/2001

3.10 The expansion of employment in the Bristol North Fringe at greenfield locations close to the motorways and the loss of many traditional manual jobs from urban areas, has heightened public commitment to regeneration, tackling disadvantage and local employment shortages and reducing journey to work trips and traffic congestion. The varying dimensions of this commitment across the sub-region can be summarised as follows:

- In Bristol, emphasis is being placed on parts of the inner urban area, and South Bristol where the loss of traditional industries has contributed to high levels of unemployment and deprivation amongst some local communities, and on the City Centre, its renewal and enhancement;
- In North Somerset, emphasis is being placed on addressing the dormitory role of many communities and in particular Weston-super-Mare where the provision of new homes has not been accompanied by a matching increase in new jobs, leading to high dependence on car-based commuting;

- In Bath, concern has arisen about the implications of the loss of key employers and employment locations for the future economic role of the City and prosperity of the wider area and the need to secure sustainable mixes of activity within Bath;
- In South Gloucestershire, the recent rapid economic expansion in the North Fringe has raised concern about the impacts of high levels of development, excessive traffic congestion and the erosion of the countryside.

The balance between homes and workplaces

3.11 The levels of employment and resident workforce in the West of England are virtually in balance. However, the relatively small excess of employment (or workplaces) has been rising gradually. At 2001, this excess stood at 22,700 having risen from about 16,000 in 1991 (and about 8,400 in 1981 and 5,100 in 1971). About 11% (55,200) of the employment in the West of England is held by residents of adjacent areas while some 6.9% of local residents (32,500) commute to jobs outside the sub-region (see Figure 8 below).

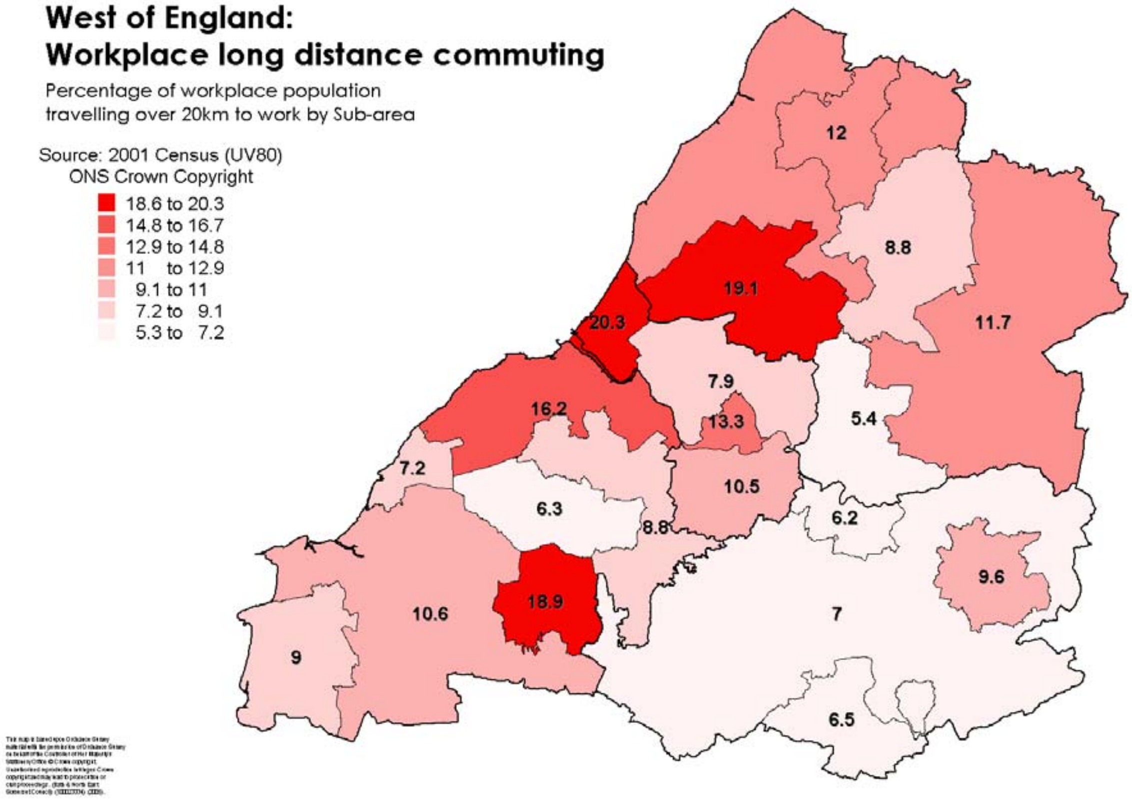
3.12 The rise of commuting to the West of England from adjacent areas reflects largely, increased inflows to the North Fringe (+7,400 between 1991 and 2001) and to a lesser extent Bath (+3,000 between 1991 and 2001) and Bristol City Centre (+2,300 between 1991 and 2001).

3.13 The number of jobs in the North Fringe far exceeds the resident workforce leading to considerable commuting from the expanding settlements beyond the Green Belt, from Weston-super-Mare and from other more distant localities (See Figure 9 below). Local residents account for only some 26% of employment in the area while commuters from beyond the Bristol urban area account for nearly 40% of North Fringe employment. Consistent with this pattern of commuting, nearly 40%[2] of persons employed in the North Fringe travel more than 10km to their workplace. In contrast, the large amount and wide choice of employment in the North Fringe has encouraged some 50% of the resident workforce to take-up jobs in the area and comparatively short journeys to work.

3.14 Concern has also arisen about the growth of commuting to Bath as result of the rising excess of employment in the City compared with the resident workforce. Census data shows that this excess widened by about a quarter between 1991 and 2001 (to 12,950) with the daily inflow of commuters to the City increasing by some 35%. Residents from other parts of Bath and North East Somerset now account for about 16% of Bath employment while commuters from Somerset and Wiltshire account for another 17%. Bath's economically active residents take-up about 50% of the employment in the City despite nearly three quarters of these residents working in the City. As a

[2] The 2001 Census shows some 27% of West of England residents travelling more than 10km to their workplace.

result of the scale of commuting from outside Bath, about a third of persons employed in the City commute in excess of 10km. For Bristol, less than a quarter travel this distance whereas in the West of England as a whole, nearly 27% commute more than 10km.



3.15 Current planning policies seek to restrict further residential development at Weston-super-Mare to the pace of local employment growth in order to prevent the continued growth of commuting to the Bristol area. Census data shows that between 1991 and 2001, the expansion of employment in the town continued to lag behind the growth of the resident workforce leading to a further rise in the outflow of commuters from the town (+4,850). At 2001, some 65% of residents were employed in the town with nearly half of the remainder (6,250) travelling to the Bristol area. Traffic surveys indicate that much of this outflow is from the new residential developments on the edge of the town. Confirming this pattern, Census data for the area shows comparatively lengthy journeys to work (36% travelling more than 10km).

3.16 Rising commuter flows to both the Bristol and Bath areas suggest the need for a better balance between homes and jobs across the West of England and the appropriate investment in transport infrastructure. Weston-super-Mare and south Bristol in particular have been identified as priorities for regeneration. However, prospects for encouraging a better relationship between homes and jobs at these locations and elsewhere across the Sub-Region will be constrained by the dominant role of the well-established centres of business activity in journey to work patterns and their potential for further growth. It may be constrained as well by further increases in mobility and changes in lifestyles and working practices that together are leading to a far looser geographical relationship between the location of homes and jobs[3].

Key points

- The Bristol urban area accounts for about two-thirds of the employment in the West of England. This reflects the importance of Bristol City Centre and the North Fringe, especially for financial and business services, public administration, retailing and leisure; and for the North Fringe, the importance of aerospace and advanced engineering.
- New jobs in offices and a wide range of services are arising in the North Fringe, Bristol City Centre and at expanding residential developments as a result of rising local populations. The North Fringe attracted the bulk of relocations in the West of England until recently with employment in the area as a result having climbed by over 30,000 since the mid 1980s.
- New industrial jobs are being created at Avonmouth, Severnside and Royal Portbury, mainly in large-scale, highly capitalised sectors requiring extensive sites and good access to transport facilities. Traditional industrial jobs are being displaced from many urban locations by higher value and wider mixes of use.
- The number of people employed in the West of England virtually matches the number living in the sub-region although the slight excess of jobs (23,000 at 2001) has been rising over the years.
- There are considerable mis-matches at the local level however, between between numbers of workplaces and the numbers of homes and resident workers.
- In the North Fringe, there are over 70,000 jobs, about double the resident workforce. About 26% of these jobs are held by local workers. Nearly 40% of persons employed in the North Fringe travel more than 10km to their workplace. (2001 Population Census Workplace data)
- At Weston-super-Mare in contrast, local employment growth has fallen far behind the resident workforce with the excess of local workforce over local jobs rising by nearly 5,000 between 1991 and 2001. Some 65% of working residents hold local jobs while about half of the remainder travelling to jobs in the Bristol area (2001 Population Census Workplace data).

[3] 'The People: Where will they work?' Report of TCPA research into the changing geography of employment. Ed. By M.Breheny.

Figure 3.2
West of England
Commuting from/to adjacent areas

Place of work:		**West of England**		**Gloucestershire**		**Somerset**		**Wiltshire**		**Wales**		**All other areas**		**Outside W. of England**		**All res. in employment**	
Place of res.		**1991**	**2001**	**1991**	**2001**	**1991**	**2001**	**1991**	**2001**	**1991**	**2001**	**1991**	**2001**	**1991**	**2001**	**1991**	**2001**
West of England	**1991**	395,960		2,730		4,530		4,400		1,560		8,140		20,540		**416,530**	
	2001		439,811		4,694		6,104		7,924		2,071		11,754		32,547		**472,358**
Gloucestershire	**1991**	6,040															
	2001		8,507														
Somerset	**1991**	10,880															
	2001		15,088														
Wiltshire	**1991**	9,090															
	2001		12,910														
Wales	**1991**	4,600															
	2001		7,682														
All other areas	**1991**	5,910															
	2001		11,045														
Outside West of England	**1991**	36,560															
	2001		55,232														
West of England Employment Total	**1991**	**432,520**															
	2001		**495,043**														

Source: Population Census Workplace Data/Special Workplace Statistics

Figure 9
West of England
Residents in employment, jobs (workplaces) and commuting flows- 2001

Sub Area	Res. in emp.	Jobs	Inflow	Outflow	Net flow	Lives and works in area
Bath	39,022	51,958	24,151	11,215	12,936	27,807
Keynsham and Saltford	8,972	7,220	3,944	5,696	-1,752	3,276
Norton Radstock	19,315	12,791	4,018	10,542	-6,524	8,773
B&NES (Rural)	12,786	8,522	4,057	8,321	-4,264	4,465
Bristol City Centre	13,768	91,119	83,481	6,130	77,351	7,638
Bristol North	95,564	63,315	28,732	60,981	-32,249	34,583
South Bristol	61,649	47,687	21,566	35,528	-13,962	26,121
Bristol Avonmouth	5,410	12,369	10,115	3,156	6,959	2,254
Clevedon	10,764	8,034	3,140	5,870	-2,730	4,894
Nailsea and Backwell	10,823	6,785	2,994	7,032	-4,038	3,791
Portishead and Royal Portbury	12,491	11,702	6,783	7,572	-789	4,919
Weston-super-Mare	34,151	29,129	7,155	12,177	-5,022	21,974
Bristol Airport (Wrington)	1,481	3,391	2,896	986	1,910	495
North Somerset (Rural North)	4,605	2,905	1,605	3,305	-1,700	1,300
North Somerset (Rural South)	14,044	10,081	4,811	8,774	-3,963	5,270
Kingswood and East Fringe	49,667	27,528	10,754	32,893	-22,139	16,774
North Fringe	33,716	67,502	50,098	16,312	33,786	17,404
Thornbury	6,734	5,848	3,178	4,064	-886	2,670
Yate / Chipping Sodbury	21,935	16,787	7,095	12,243	-5,148	9,692
South Gloucestershire (Rural)	15,461	10,370	5,612	10,703	-5,091	4,758
West of England	**472,358**	**495,043**				**208,858**

Changes 1991 -2001

Sub Area	Res. in emp.	Jobs	Inflow	Outflow	Net flow	Lives and works in area
Bath	5,252	7,658	6,231	3,825	2,406	1,427
Norton Radstock	953	-222	276	1,451	-1,175	-498
Keynsham	-38	-122	68	152	-84	-190
B&NES (Remainder)	3,178	1,337	1,103	2,944	-1,841	234
Central and North Bristol	10,349	3,177	-414	6,758	-7,172	3,591
South Bristol	3,159	2,557	3,656	4,258	-602	-1,099
East Bristol	2,086	-1,526	-921	2,691	-3,612	-605
North West Bristol	967	1,122	1,740	1,585	155	-618
Weston-super-Mare	6,141	3,261	2,060	4,940	-2,880	1,201
Nailsea and Backwell	353	-45	74	472	-398	-119
Portishead	1,418	4,125	3,064	673	2,391	745
Royal Portbury and Pill	803	1,314	1,198	687	511	116
Clevedon	1,084	1,854	1,190	420	770	664
North Somerset (Remainder)	1,290	3,168	2,877	969	1,908	321
North and East Fringe	14,893	30,500	20,897	5,290	15,607	9,603
Yate / Chipping Sodbury	2,463	483	141	2,121	-1,980	342
South Gloucestershire North West	1,469	3,563	3,353	1,259	2,094	210
South Gloucestershire East	8	359	643	292	351	-284
West of England	**55,828**	**62,563**				**15,041**

Source: Population Census 2001: Workplace Data/Special Workplace Statistics

4 LONG-TERM EMPLOYMENT AND DEMOGRAPHIC PROJECTIONS AND FORECASTS

Employment projections and forecasts

4.1 A recent 'trend-based' employment projection for the West of England (Nov. 2005) shows the level of employment in the sub-region rising by 72,100 between 2006 and 2026 (or 3,560 pa)[1]. The projection assumes that the national economy would expand by about 2.5% pa implying that the local economy would expand by about 2.9% pa assuming past relationships between local and national economic performance are maintained. [2]

4.2 Recent employment projections (Nov. 2005) also set out the effect of higher rates of economic growth on future employment levels in the West of England. With regional output rising by 2.8% pa, implying sub-regional output rising by about 3.0%, employment levels in the West of England are shown as rising by 97,400 between 2006 and 2026 (or 4,870 pa). Alternatively, with regional output rising by 3.2% pa, and perhaps sub-regional output rising by about 3.4%, employment levels in the West of England are shown as rising by 120,200 (or 6,010 pa) between 2006 and 2026.

4.3 Significantly, the Regional Economic Strategy is promoting a regional economic growth rate of between 2.8% and 3.2% pa. The higher end of this range is reflected in turn, by the job growth proposals of draft Regional Spatial Strategy for the West of England with provision made for 20,200 additional jobs proposed for the Bath Travel to Work Area, 92,000 additional jobs proposed for the Bristol Travel to Work Area and up to 10,000 additional jobs proposed for the Weston-super-Mare Travel to Work Area.

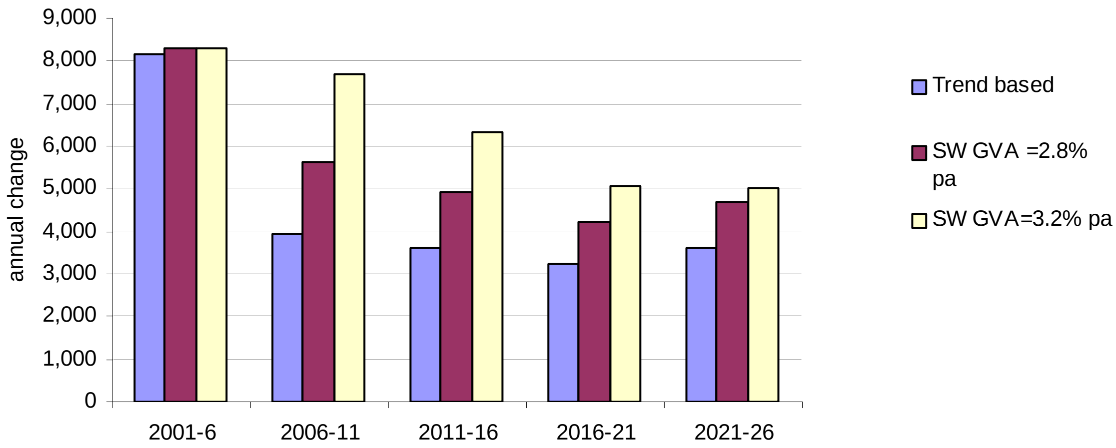
4.4 The Regional Spatial Strategy is likely to be finalised by the government later in 2008. It will then represent the upper tier of the development plan for the West of England, providing the framework for the preparation of local development documents by the local councils and a material consideration in determining planning applications.

4.5 The local councils are currently preparing the Core Development Strategies of their local development frameworks. As part of these preparations, reviews of local employment land allocations are being undertaken. For Bristol, it has been estimated that meeting the job proposals of draft Regional Spatial Strategy should require provision in the City for an additional 54,200 jobs, including an additional 24,900 office jobs, and for the

[1] Cambridge Econometrics (November 2005) prepared for the South West Regional Assembly.
[2] Based on inspection of trends in levels of West of England and UK output between 1995 and 2003. Knight Frank report (Bristol Market Activity Report: Winter 2006) that forecasts indicate annual GDP growth at 3.1% in the Bristol area over the next 10 years compared with regional and national averages of 2.8% and 2.7%.

loss of some 1,300 industrial jobs[3]. Guidelines for the other districts are not yet available.

FIGURE 4.1: West of England- employment projections



Source: SWRA/Cambridge Econometrics. November 2005.

4.6 The recent projections set out above shows the levels of employment in the West of England rising by about 8,000 pa between 2001 and 2006, and then tailing-off over later years. However, the trend-based projection shows a sharp reduction to below 4,000 pa beyond 2006 whereas the alternative higher growth projections show a more gradual decline in the rate of employment growth over the next 20 years.

4.7 The recent projections show broadly similar patterns of change in the industrial structure of employment. Manufacturing employment is forecast to fall (by about -800 pa compared with -500 pa through the 1990s) with, retailing, hotels and catering, business and professional services, public administration continuing recent trends of growth.

4.8 The higher levels of employment increase shown over the future by the projections assuming regional GVA growth proceeding at 2.8 or 3.2% pa, are broadly consistent with recent trends- employment levels in the West of England climbed by 92,600 between 1981 and 2001 and by 63,900 between 1991 and 2001.[4] However, 1981 corresponds with a low-point in the economic cycle and 2001 with a high point while growth over the latter half of this period has been facilitated by perhaps exceptionally favourable economic conditions. Capacity constraints and generally more difficult economic conditions therefore, may be a more significant influence on growth over the future.

4.9 Recent national economic forecasts acknowledge the prospect of less favourable economic conditions predominating over the future. They show national GDP rising by 3.1% in 2007 following an increase of 2.75% in 2006

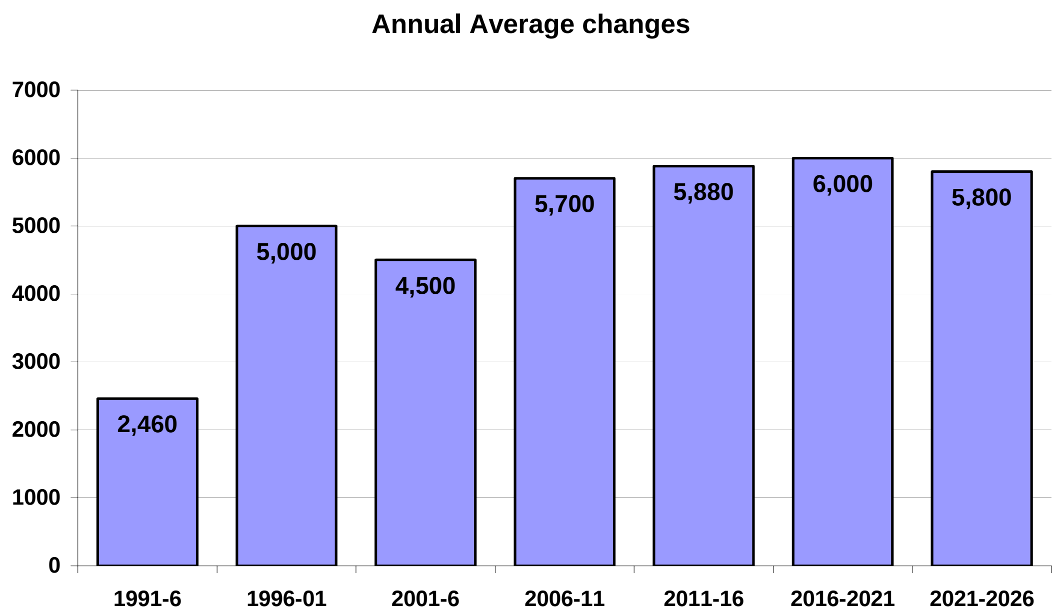
[3] Employment Land Study: Draft Report, Bristol Development Framework. Bristol City Council. July 2007.
[4] Population Census: workplace data.

but then falling to 2.0% in 2008 and rising gradually to 2.3% in 2009 and 2.6% in 2010 and 2011.[5] The rate of growth shown by these national forecasts corresponds broadly with the growth assumptions underlying the employment projection set out above based on the 'trend growth' assumption that national economic growth would average 2.5% pa. This growth rate stands well below the assumed growth rate- 3.2% pa at the regional level, used in preparing the higher employment projections[6] for the West of England set out above and reflected by the job provisions of the draft Regional Spatial Strategy.

Demographic projections and the workforce

4.10 ONS 2004 based population projections for the West of England show population levels rising steadily between 2006 and 2026 by 5,845 pa compared with an average increase of about 3,730 pa between 1991 and 2001. Higher levels of in-migration account for this larger increase with net in-migration assumed to add 3,000 pa to the population of the sub-region over the future in accord with trend between 1999 and 2004, compared with an average of 1,950 pa between 1991 and 2001. The scale of the projected increase and the underlying net migration inflow correspond broadly with the previous, 2003-based projection and the 'capacity' offered by the dwelling provisions for the West of England proposed by the draft Regional Spatial Strategy.

FIGURE 4.2: West of England- Population growth- 2004- based projections



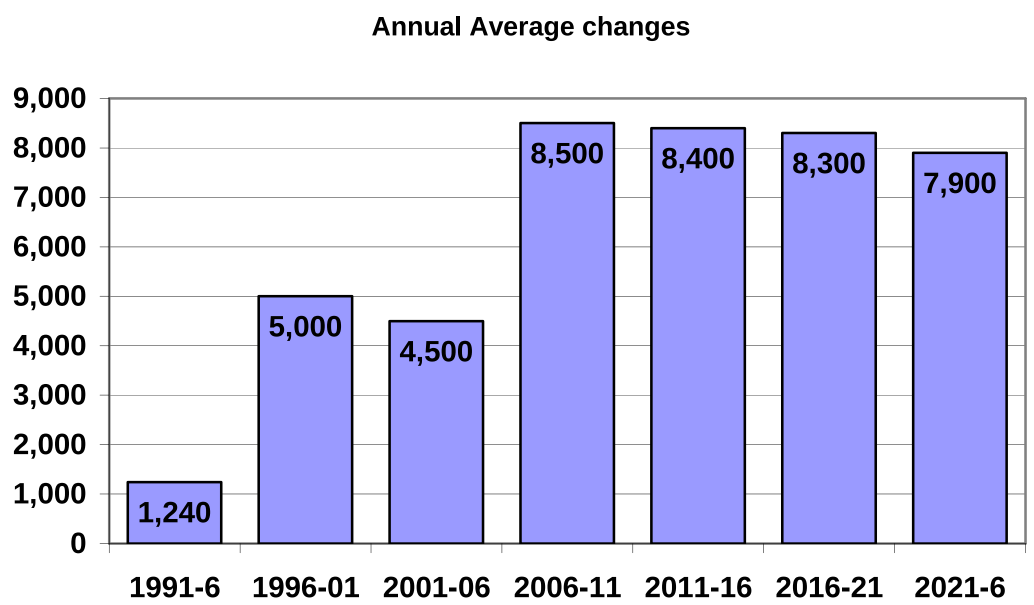
Source: ONS Mid-year estimates/2004-based sub-national population projections.

[5] Forecasts for the UK Economy: A comparison of independent forecasts. November 2007 edition. HM Treasury.
[6] Past trends show that the rate of growth in the South West broadly corresponds with the national rate. Recent projections for the South West (South West Regional Accounts Modelling: University of Plymouth 2005) show the output (GVA) of the regional economy expanding by 2.8% pa between 2003 and 2010 compared with 2.6% at the national level

4.11 The more recent revised 2004-based ONS projections however, show a much greater population increase in the West of England. An average annual increase of 8,300 is projected for 2006-2026 compared with the increase of 5,845pa shown by the 2004-based projection. Changes in the projected flow of migrants largely account for these differences. The revised 2004-based projection assumes a net migration inflow of 4,435pa compared with about 3,000 pa in the case of the earlier projection.

4.12 The large increase of in-migration shown by the most recent ONS projection is largely a result of projecting the recent sharp rise in the inflow of international migrants following the enlargement of the European Union. Much of the inflow to the West of England is accounted for by Bristol and to a lesser extent Bath. Recent evidence suggests however that high levels of international migration to the UK may not be maintained over the long-term. Many of the recent younger arrivals following the enlargement of the European Union are returning to the mother country. In any case, a large inflow of international migrants arguably is unlikely to be maintained over the longer-term owing to a range of social and political considerations. The most recent revised 2004-based projection may represent therefore a less robust indication of future population trends in the West of England than the earlier 2004 based projection.

FIGURE 4.3: West of England- Population growth-
Revised 2004- based projections

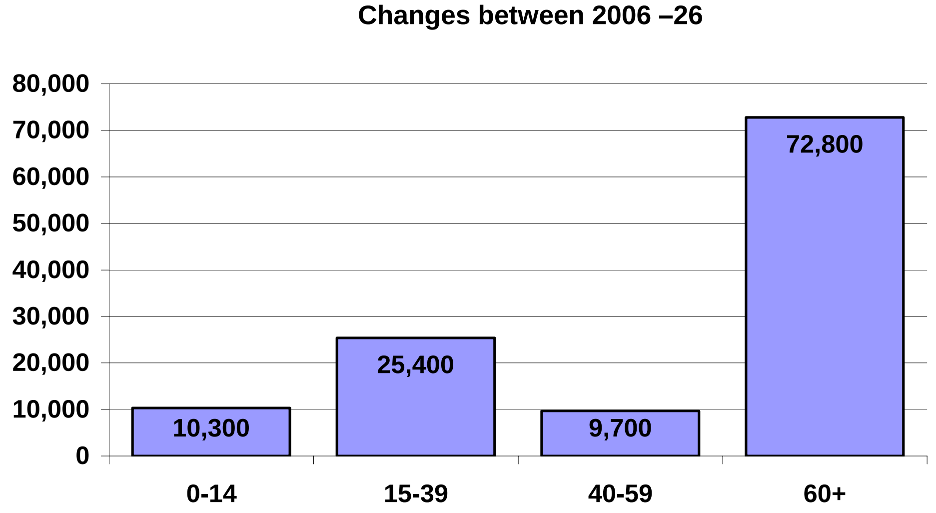


Source: ONS Mid-year estimates/2004-based sub-national population projections.

The age characteristics of the projected populations

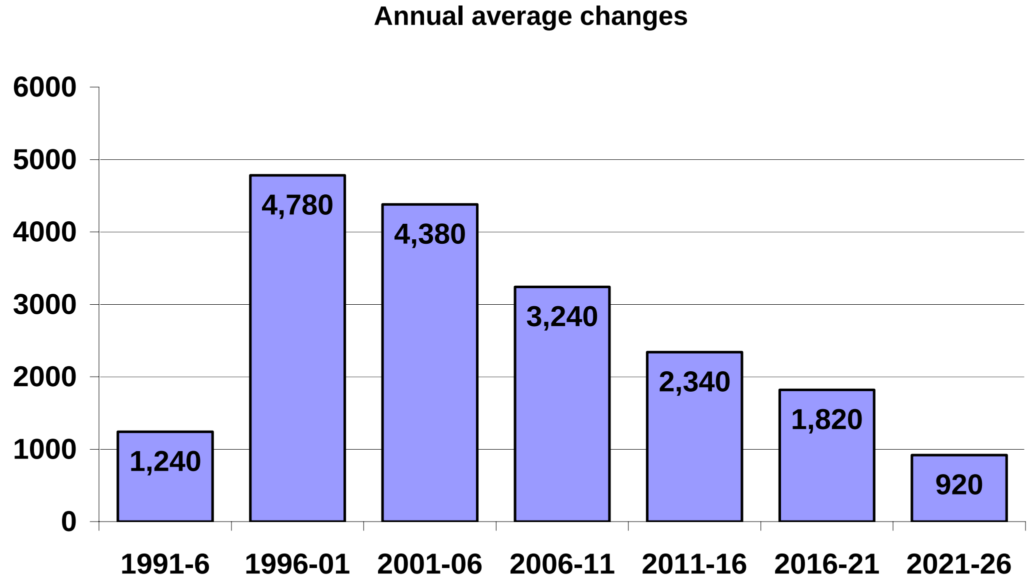
4.13 Recent population projections show a prospect of considerable Increases in the future populations of the West of England in the retirement age groups. Significantly, the 2004-based projections also shows a considerable slowdown in the growth of the population of working age between 2006 and 2026 to about 2,100 pa compared with an average increase of 3,010 pa between 1991 and 2001.

FIGURE 4.3: West of England- Population growth by age group- 2004-based projections



Source ONS 2004-based sub-national population projections.

FIGURE 4.4: West of England- Growth of the population of working age- 2004 based projections

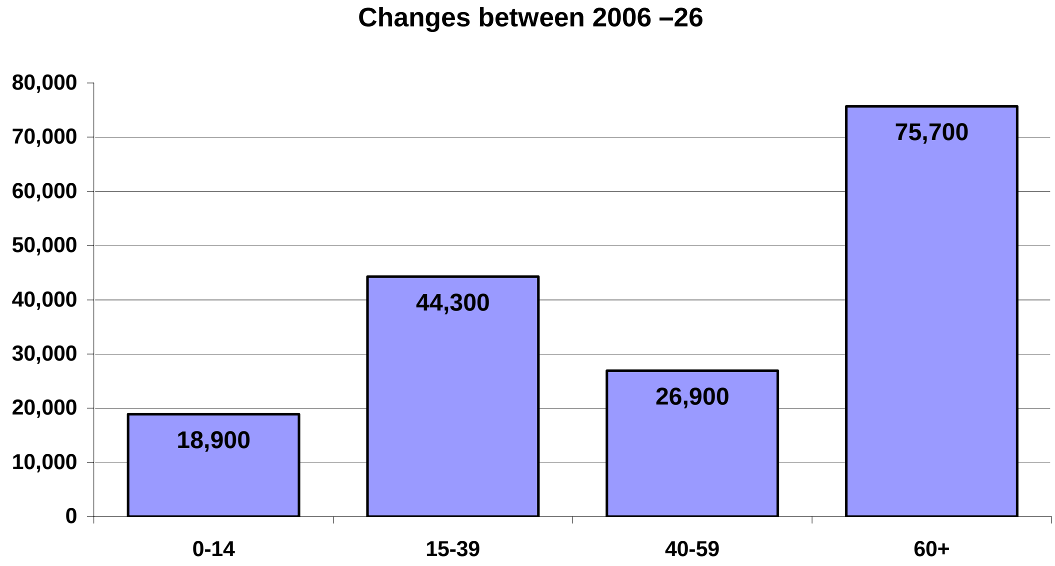


Source: ONS: Mid-year population estimates/2004 based sub-national population projections

4.14 The revised 2004 based projections however, show a prospect of a more gradual tailing-off in the growth of the working age population. As a result the average growth between 2006 and 2026 shown by the projections stands at about 3,900 pa, well above the 3,010 pa average recorded between 1991 and 2001. This reflects the much higher levels of working age migrants assumed by the revised 2004 based projections.

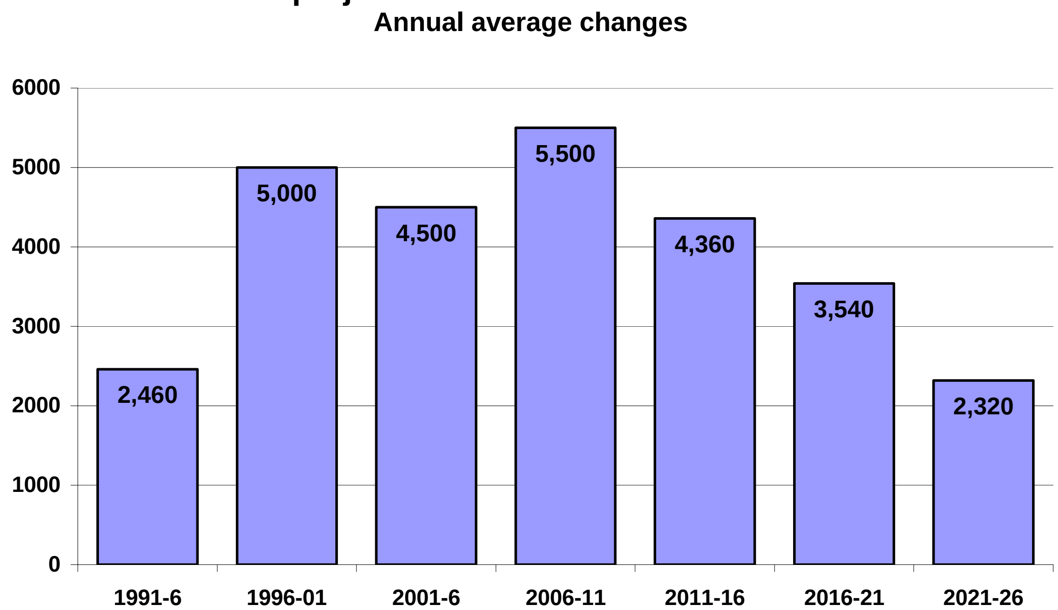
Figure 4.5: West of England- Population growth by age group-

Revised 2004-based projections



Source ONS Revised 2004-based sub-national population projections.

FIGURE 4.6: West of England- Growth of the population of working age- Revised 2004-based projections



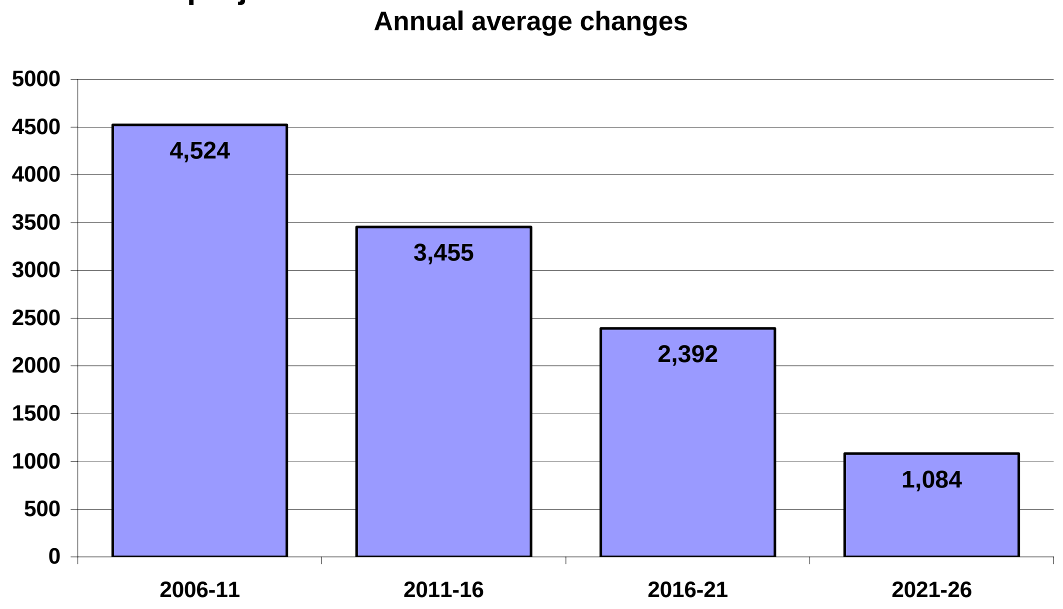
Source: ONS: Mid-year population estimates/Revised 2004 based sub-national population projections

Economic Activity

4.15 The ageing of the population and the slowdown in the growth of the working age population, as shown by the recent population projections described above, creates the potential for labour shortages over the future. This potential would increase if recent rates of economic expansion were sustained, as allowed for by the proposed job growth proposals of draft RSS, and if the level of population growth was to correspond with that shown by earlier projections (2003 and 2004 based). Conversely, the potential for labour shortages would fall if a more modest rate of job growth was to arise and a higher rate of population growth secured by attracting higher in-migration as embodied by the most recent revised, 2004-based projections.

4.16 Workforce estimates arising out of the 2004-based population projections[7] demonstrate the potential for labour shortages. They show the West of England workforce rising by 2,900 pa average between 2006 and 2026 whereas the recent employment projections for the sub-region show employment levels rising by between 3,600 to over 6,000 pa average over this period. Draft Regional Spatial Strategy proposes that provision be made for about an additional 120,000 jobs in the West of England between 2006 and 2026 (or an extra 6,000pa)

FIGURE 4.5: West of England- Growth of the resident workforce- 2006-26 2004/6-based projections



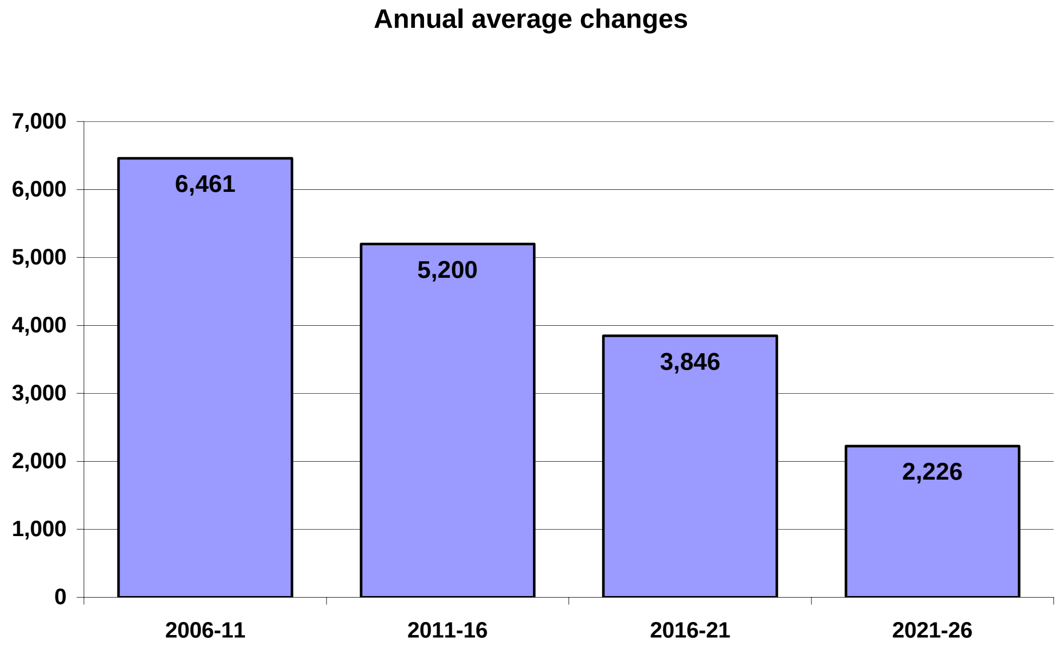
Source: ONS 2004 based population projections; ONS 2006 economic activity rate projections.

4.17 Workforce estimates arising out of the more recent, revised 2004-based population projections however, demonstrate the potential for future population trends to support continued high rates of economic growth and the draft RSS job growth proposals. They show the workforce of the West of England rising by 4,430 pa average between 2006 and 2026. Further upward shifts in economic activity rates through a combination of the delayed retirement of older workers and reductions in benefit dependency could allow therefore, the resident workforce to expand at a rate that at least approaches the higher employment projections set out above and provision for job growth proposed by the draft Regional Spatial Strategy.

[7] Derived by applying ONS 2006 economic activity rate projections to the 2004 based ONS population projections. (Projections of the UK labour force, 2006 to 2020. Labour Market Trends. ONS. January 2006)

4.18 The higher population increases shown for the West of England by the more recent, revised 2004-based projections assume that recent high rates of international in-migration to the sub-region would continue over the longer-term. However, as noted above, some doubt must be attached to the prospects for the UK to sustain the recent high levels of international in-migration over the long-term given the social and political implications. Similarly, the potential for much more in-migration to the West of England from the rest of the UK is also constrained. All regions are likely to experience ageing populations and labour shortages, reducing the potential for the West of England to attract economic migrants from other parts of the UK and in turn, support higher levels of employment growth.

FIGURE 4.6: West of England- Growth of the resident workforce 2006-26- Revised 2004/6-based projections.



Source: ONS Revised 2004-based population projections; ONS 2006 economic activity rate projections.

Delivering the projections and forecasts of growth

4.19 Achieving the projections and forecasts of employment and population growth will require the resolution of a wide range of constraints. A recent study[8] has assessed these constraints to achieving growth. The main conclusions were as follows:

- Sites for business development in particular of the right type and in the right locations;
- Sites for residential development and the capacity to accommodate the additional workers required by an expanding economy;

[8] Economic Dynamics and Intervention in the West of England: DTZ Consulting & Research. 2007 for SWRDA

- Need for major increases in worker productivity and associated investment; and,
- Funding for major infrastructure improvements required to support both business and residential development.

Key points

- Trend-based employment projections show West of England employment rising by about 70,000 between 2006 and 2026 (Cambridge Econometrics: Nov. 2005).

- Draft Regional Spatial Strategy proposes provision for about 122,000 jobs in the sub-region between 2006 and 2026 in accord with the above trend level of economic growth supported by the Regional Economic Strategy.

- Employment projections show continuing losses of manufacturing jobs with retailing, hotels and catering, business and professional services and public administration continuing recent trends of growth.

- Recent population projections for the West of England show population levels rising more quickly between 2006 and 2026 than previously, by between 5,845 pa (2004-based projections) and 8,300 (revised 2004-based projections) compared with 3,730 pa between 1991 and 2001. This acceleration is largely a result of projecting forward recent relatively high rates of in-migration.

- Recent population projections for the West of England also show a prospect of a large rise of the populations in the retirement age-groups and a tailing-off in growth amongst the working age-groups. Projected growth in the working age-groups ranges from an average of 2,100 pa (2004 based projections) to 3,900 pa (revised 2004-based projections) compared with an average of 3,010 pa between 1991 and 2001.

- The ageing of the population and the slowdown in the growth of the working age population creates the potential for labour shortages over the future. Recent projections show the West of England workforce rising by between 58,000 and 88,600 and the job supply increasing by between 72,000 and 120,000 from 2006 to 2026. Draft Regional Spatial Strategy proposes provision for 122,000 additional jobs across the sub-region over this period.

- Further upward shifts in economic activity rates would improve the alignment of population and workforce projections with the future job supply as shown by projections and the proposals of the Regional Strategy. Some doubt must be attached however to prospects for sustaining the higher population and workforce projections owing to their dependence on the recent high levels of international in-migration continuing over the longer-term. Prospects for improving the alignment between population and job projections and provisions through securing more in-migration to the West of England from the rest of the UK also are constrained by the potential for all regions to experience ageing populations and labour shortages.

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5 UNEMPLOYMENT

Recent trends

Unemployment Rate (ILO)

5.1 Unemployment [1] in the West of England stands well below the national rate and corresponds approximately with the regional average. Recent data for 2006/07 shows some 3.3% of the working age population of the West of England out of work compared with 5.5% for England and Wales.

FIGURE 5.1: Unemployment rates[2]: West of England, South West, England &Wales/GB.

Source: Office for National Statistics. Annual Population Survey data © Crown Copyright. All figures prior to 2004 are taken from the LFS
Notes:
1. The data above is based on the ILO measure of unemployment and as such differs from the number of unemployed claimants. The ILO measure is now the official, and only internationally comparable, measure of UK unemployment.
2. The unemployment rate is calculated by dividing the number unemployed by the number of economically active residents of working age
3. This data is based on a sample survey and so subject to sampling variability
Source: Office for National Statistics Local Area Labour Force data and Annual Population Survey data (*) © Crown Copyright

5.2 Unemployment has fallen considerably from the high levels of the early 1990s. A large part of this fall occurred through the remainder of the decade with the declining trend tailing-off beyond 2001. The fall in unemployment has been greater in the West of England and the region than nationally.

[1] Click here for definitions of unemployment or go to:
http://www.intelligencewest.org.uk/sources/html/sources.htm#unemploy

[2] This is considered a core economic indicator for the West of England Sub-region and contextual indicator no 11 for Local Development Framework Annual Monitoring Reports, for full data table click here or go to:
http://www.intelligencewest.org.uk/economy/html/economydata.htm#unempRate

5.3 Between 2001 and 2004, there was a slight rise in the unemployment rate for the sub-region. Since 2004, a slight fall has been recorded. By contrast, the unemployment rate at both regional and national levels has increased over the last year.

FIGURE 5.2: Unemployment rates: 2000-2007.

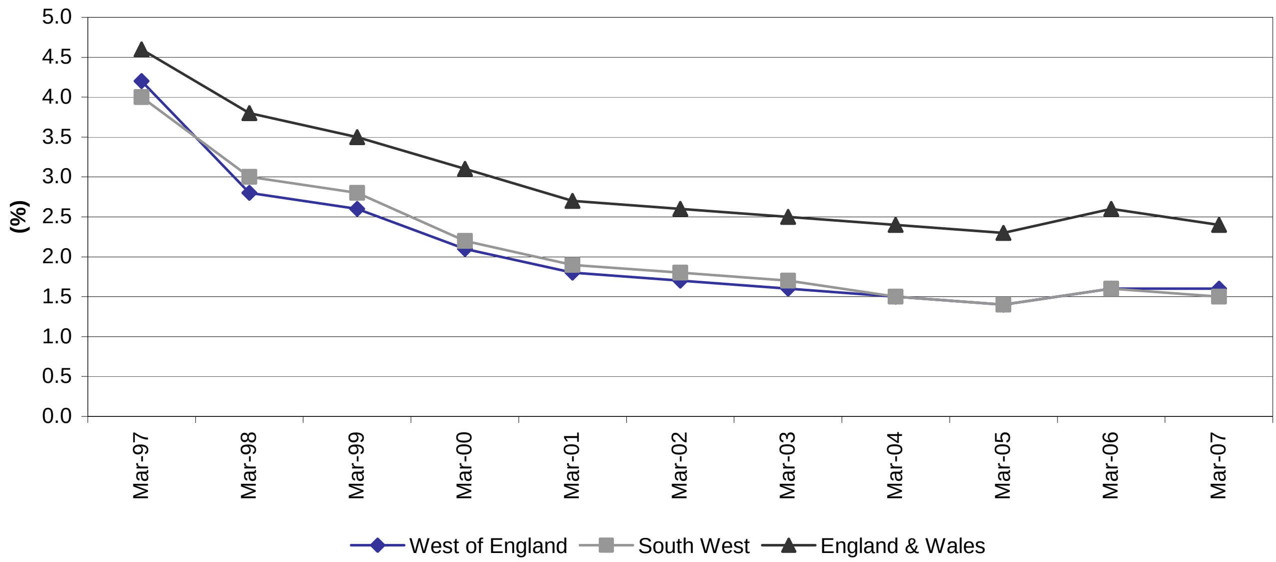
	Mar2001-Feb 2002		Mar 2002-Feb 2003		Mar 2003-Feb 2004		Apr 2004-Mar 2005*		Apr 2005-Mar 2006*		Apr 2006-Mar 2007*	
	Number	%	**Number**	%	**Number**	%	**Number**	%	**Number**	%	**Number**	%
West of England	**16,000**	**3.1**	**17,000**	**3.5**	**16,900**	**3.4**	**19,700**	**3.9**	**17,100**	**3.4**	**16,900**	**3.3**
South West	91,000	3.8	90,000	3.8	84,000	3.5	85,300	3.6	83,400	3.5	96,400	4
England & Wales	1,224,000	4.9	1,270,000	5.1	1,240,400	4.9	1,194,200	4.7	1,288,900	5.1	1,387,700	5.5
Great Britain	1,390,000	5.1	1,431,000	5.2	1,383,600	5	1,325,700	4.8	1,425,500	5.1	1,520,700	5.4

Source: Office for National Statistics Local Area Labour Force data and *Annual Population Survey data Unemployment Rate (ILO). © Crown Copyright.

Claimant count

5.4 Data describing numbers of persons claiming job seekers allowance and national insurance credits, whilst showing lower levels of unemployment, displays trends similar to those shown by the official unemployment data described above.

FIGURE 5.3: Claimant Count Rates 1997-2007: West of England, South West and GB



Source: NOMIS: National Statistics Crown Copyright 2006.

FIGURE 5.4: Claimant Count: Annual Time Series March 2001- March 2006

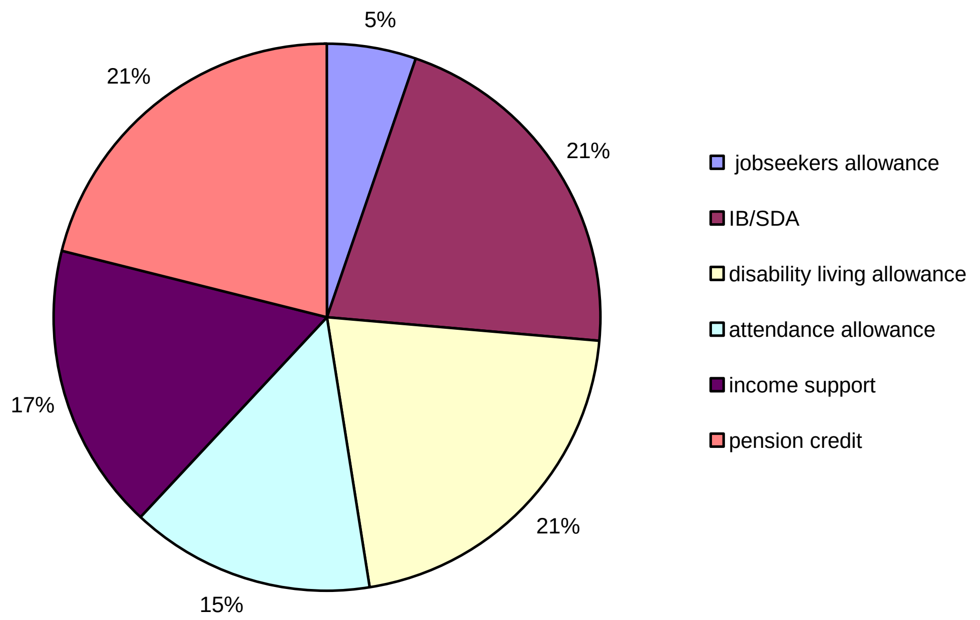
	March 2001		March 2002		March 2003		March 2004		March 2005		March 2006		March 2007	
	Number	%	**Number**	%	**Number**	%	**Number**	%	**Number**	%	**Number**	%	**Number**	%
B&NES	1,201	1.2	1,248	1.2	1,276	1.2	1,127	1.1	953	0.9	1,255	1.1	1,171	1.1
Bristol	6,897	2.8	6,360	2.5	5,942	2.3	5,829	2.2	5,647	2.1	6,441	2.3	6,316	2.3
North Somerset	1,405	1.3	1,370	1.2	1,370	1.2	1,254	1.1	1,176	1.0	1,336	1.1	1,353	1.1
South Glos	1,609	1.0	1,578	1.0	1,628	1.1	1,467	0.9	1,346	0.9	1,750	1.1	1,541	1.0
West of England	**11,112**	**1.8**	**10,556**	**1.7**	**10,216**	**1.6**	**9,677**	**1.5**	**9,122**	**1.4**	**10,782**	**1.6**	**10,381**	**1.6**
South West	55,573	1.9	52,681	1.8	50,453	1.7	44,815	1.5	43,501	1.4	50,286	1.6	46,499	1.5
England & Wales	857,222	2.7	837,198	2.6	828,976	2.5	774,508	2.4	752,758	2.3	860,333	2.6	810,526	2.4

Source: Claimant count rates and proportions ONS Crown Copyright.

5.5 There was a considerable fall in claimants throughout the nineties, which tailed-off to a more gradual decline between 2001 and 2005. Between 2005/6, the claimant rate at the sub-regional, regional and national levels rose again. In the West of England, the claimant rate increased from 1.4% in March 2005 to 1.6% in March 2006 (+1660). Over the last year, the claimant rate for the sub-region has remained unchanged although the number of claimants has fallen slightly. By contrast, the claimant rates for both the South West and England and Wales have decreased marginally over the last year.

Type and duration of benefit claimants

Figures 5.5: All Benefit Claimants of Working Age (5% sample) in the West of England, February 2006



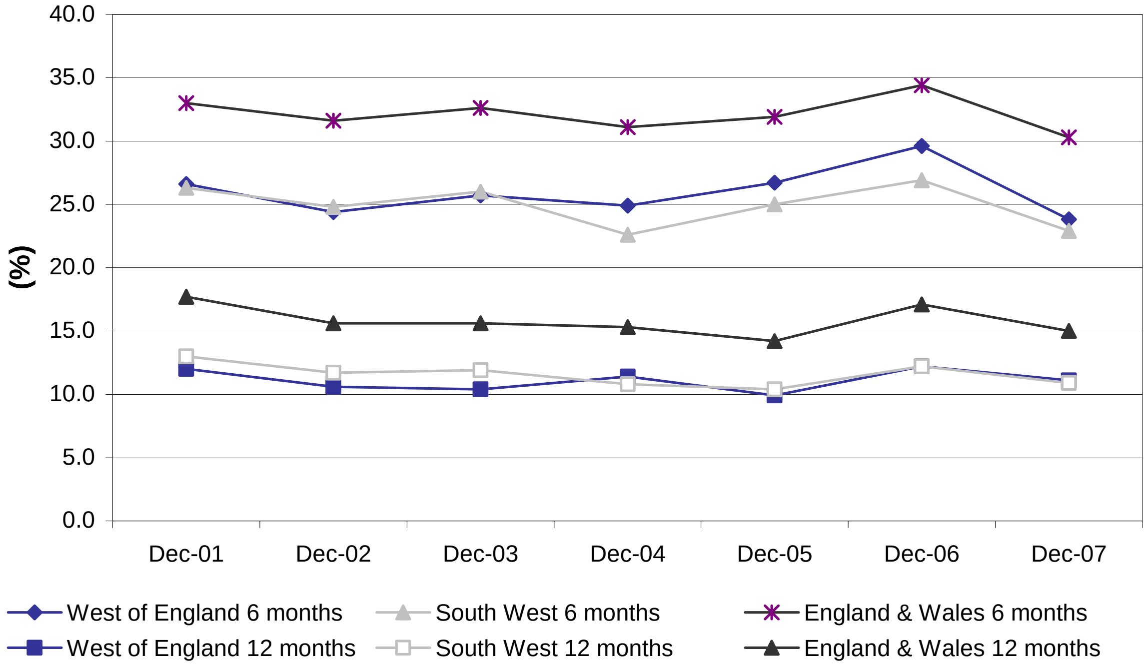
5.6 Data[3] from the Department of Work and Pensions (DWP) indicates that of all benefit claimants of working age, those claiming job seekers allowance account for 5%, income support claimants 17%, incapacity benefit & severely disabled benefit claimants 21% and pension credits claimants a further 21%.

Long-term unemployment

5.7 About 11.1% of unemployed claimants in the West of England have been out of work for more than 12 months compared with 10.9% for the region and 15.0% nationally (December 2007). These proportions increased slightly between 2005/6 but have fallen over the last 12 months.

5.8 The trend is similar for the proportions of people claiming unemployment benefits over 6 months. The West of England proportion, at 23.8 % of all unemployed claimants, is close to the regional proportion of 22.9 % and well below the national figure of 30.3%.

Figure 5.6: Unemployed claimants- over 12 months-over 6 months.

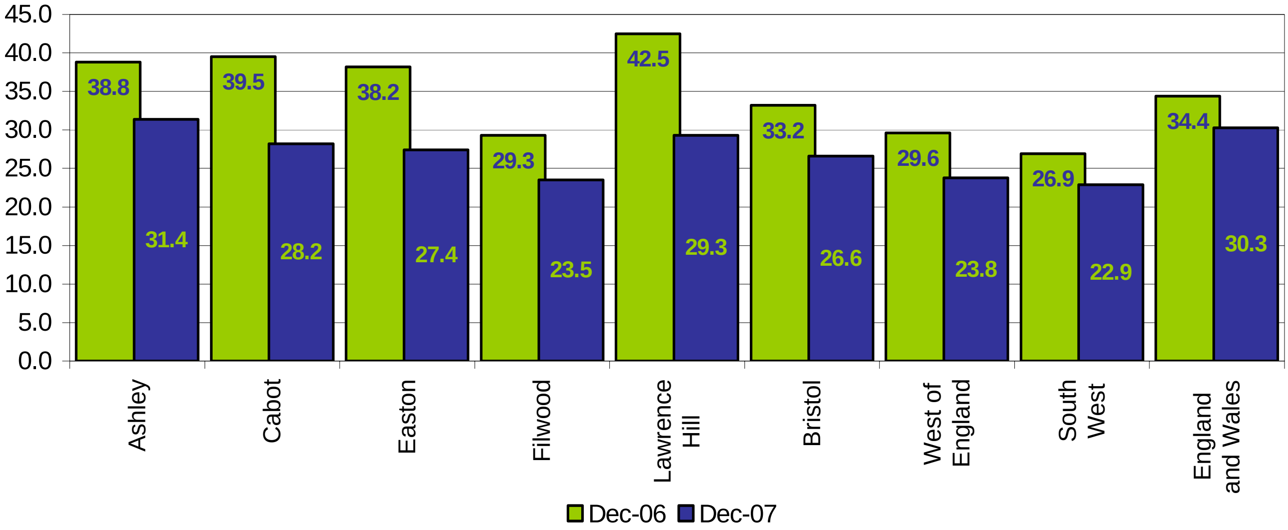


Source: Nomis Claimant Count Age & Duration data Crown Copyright 2007

[3] Notes:
1.Benefit claimants counts are rounded to the nearest 100 and are subject to sampling variation.
2. Jobseeker's Allowance is a benefit payable to unemployed people. In general, to be entitled to Jobseeker's Allowance, a person must be available for work for at least 40 hours a week, be actively seeking work, and have entered into a Jobseeker's Agreement with Jobcentre Plus.
3. Incapacity Benefit (IB) was introduced in April 1995 and is paid to people who are incapable of work and who meet certain contribution conditions.
4. Severe Disablement Allowance (SDA) was paid to those unable to work for 28 weeks in a row or more because of illness or disability. Since April 2001 it has not been possible to make a new claim for Severe Disablement Allowance.
5. Both Attendance Allowance and Disability Living Allowance provide financial help for the care and mobility needs of disabled people. Attendance Allowance (AA) can be awarded to a disabled person with care needs who claims on or after their 65th birthday, whereas Disability Living Allowance (DLA) can be awarded to a disabled person who claims before their 65th birthday.
6. Pension Credit is an income-related benefit which helps provide a minimum guaranteed income for those aged 60 and over living in Great Britain.

5.9 The incidence of long-term unemployment is not evenly distributed across the sub-region, being slightly higher in wards that historically have had high levels of unemployment. Figures 5.7 and 5.8 illustrate these patterns in Bristol.

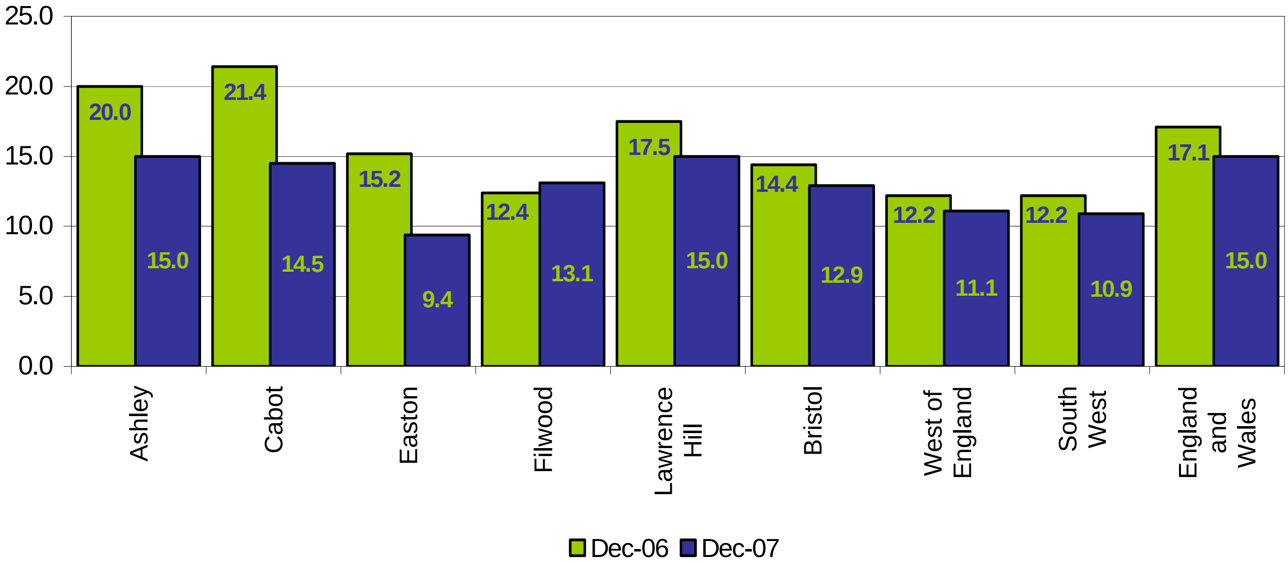
Figure 5.7: Unemployed claimants: Persons claiming for over 6 months by selected Bristol wards, Bristol and the West of England - 2006/2007 % of all claimants



Source: Nomis. Claimant Count: Age and Duration (December 2007).

5.10 Whilst the national trend shows a decrease over the last 12 months of 4.1% in the proportion of unemployed persons claiming for over 6 months, Cabot, Easton and Lawrence Hill wards have recorded larger decreases of between 10-25%. This pattern is also seen with claimants out of work for over 12 months; Ashley, Cabot and Easton wards have seen much more substantial decreases than the national trend.

Figure 5.8: Unemployed claimants: Persons claiming for over 6 months by selected Bristol wards, Bristol and the West of England - 2006/2007 % of all claimants



Source: Nomis. Claimant Count: Age and Duration (December 2007)

The age characteristics of the unemployed

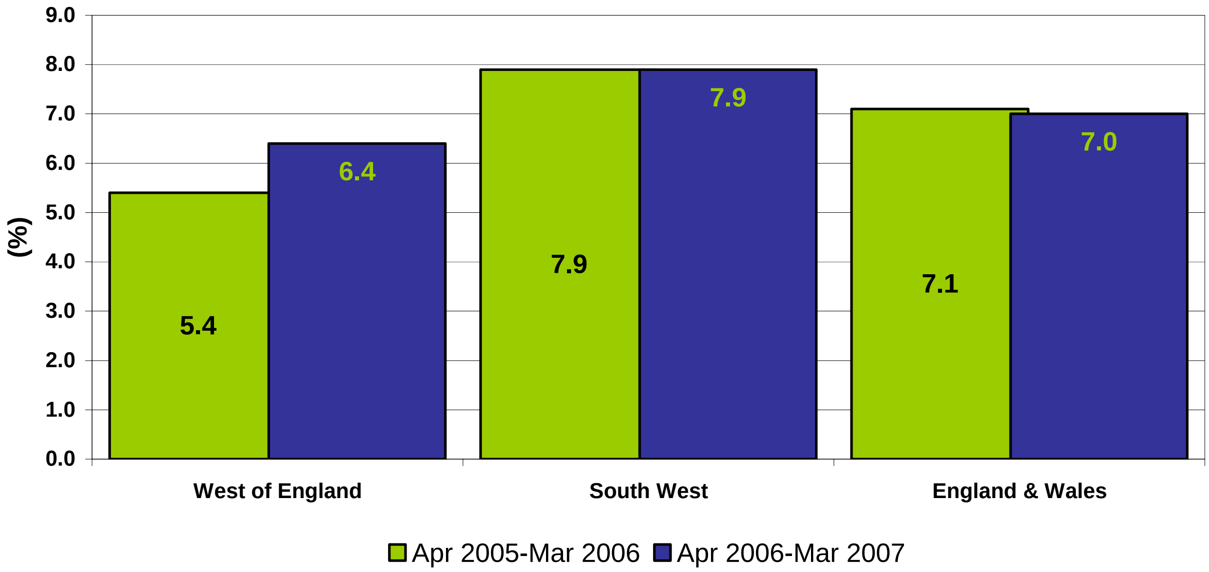
5.11 Younger persons aged under 24 account for nearly a third of unemployed claimants in the West of England[4]. As a result, younger persons are about twice as likely as those in the older age groups to be out of work. Similar patterns are evident at regional and national levels.

5.12 Unemployment amongst younger persons has been falling, broadly in accord with the overall fall in unemployment. Population Census data shows a halving of the unemployment rate amongst persons aged 16 to 24 between 1991 and 2001. However, younger persons have accounted for a substantial share of the slight decrease in the total number of unemployed claimants recorded over recent months.[5]

Long-term illness and disability

5.13 The proportion of working age persons who are economically inactive due to long-term illness is lower in the West of England (6.4%) than at regional (7.9%) and national (7.0%) levels[6]. However, the number economically inactive in the sub-region owing to long-term illness has risen by approx 1,100 persons over the last year and at a relatively faster rate than for the region. Figure 5.9 below illustrates these trends.

Figure 5.9: Working age persons economically inactive Proportions with long-term sickness (percentages)



Source: Annual Population Survey 2006.
Notes: The chart shows the percentages of persons of working age, who are economically inactive, who want a job, but are not looking due to long term sick.

[4] At December 2007, some 2,215 persons aged under 24 claimed unemployment benefit in the West of England, accounting for some 29.1% of all claimants in the sub-region.
[5] Between December 2006 and December 2007, the number of persons aged under 24 claiming unemployment benefit in the West of England decreased by 750 from 2,965 to 2,215. Source: Claimant Count age & Duration 2006. Nomis Crown Copyright.
[6] Annual Population Survey 2006).

5.14 The number of disabled persons of working age persons who areeconomically inactive has increased in the sub region by 2,200 persons over the last year. This increase is in line with the regional trend although nationally, a slight decrease was recorded (See figure 5.10).

Figure 5.10: Disabled working age persons
Proportions economically inactive (percentages)
Source: Annual Population Survey 2006.

Notes: % of persons economically inactive of working age owing to work limiting disability.

The geographical distribution of unemployment.

5.15 Despite the success of the West of England economy and the current low level of unemployment, persistent concentrations of unemployment remain, closely associated with educational under achievement, low skills and the decline of traditional local industries. At 2001, the proportions of the local resident workforce who were unemployed were above 12% for Lawrence Hill ward, above 8% for Ashley, above 7% for Filwood and above 6% for Easton and Southmead wards, all within Bristol, compared with 3.5% for the West of England and 5% nationally. In North Somerset, wards at Weston-super-Mare- Central (8%) and South (7%), also recorded high unemployment. In contrast, in Bath & North East Somerset, only Twerton ward recorded an unemployment rate (5.5%) above the national average whereas in South Gloucestershire, unemployment rates in all wards were below the national average.

5.16 Many localities within the West of England with a history of high unemployment have seen more gradual falls in their jobless numbers than in the wider area. Tackling these disparities and reducing local unemployment to the sub-regional average would add some 2,800[7] to the workforce of the West of England.

Social exclusion and deprivation

5.17 The Indices of Deprivation 2007 prepared by CLG provide a comprehensive and consistent measure of deprivation. They are based upon the premise that

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7 The result of reducing high levels of unemployment at the ward level in Bristol to the Sub-Regional average as shown by the 2001 Census.

multiple deprivation is made up of seven distinct dimensions or “domains” of deprivation which can be recognised and measured separately at the small area level. These domains are:

1. Income,
2. employment;
3. health and disability;
4. education skills and training;
5. barriers to housing and services;
6. crime; and,
7. living the environment.

5.18 Information from these thematic domains is brought together to create an overall index of multiple deprivation. Partly as a result of the concentrations of unemployment described above, 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), record high levels of multiple deprivation and 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 10% most deprived areas ranked nationally. The populations of these deprived localities represent over 41% of the population in the South West resident in localities falling within the 10% most deprived areas in England.

Figure 5.6: Indicies of Multiple Deprivation: West of England 2007

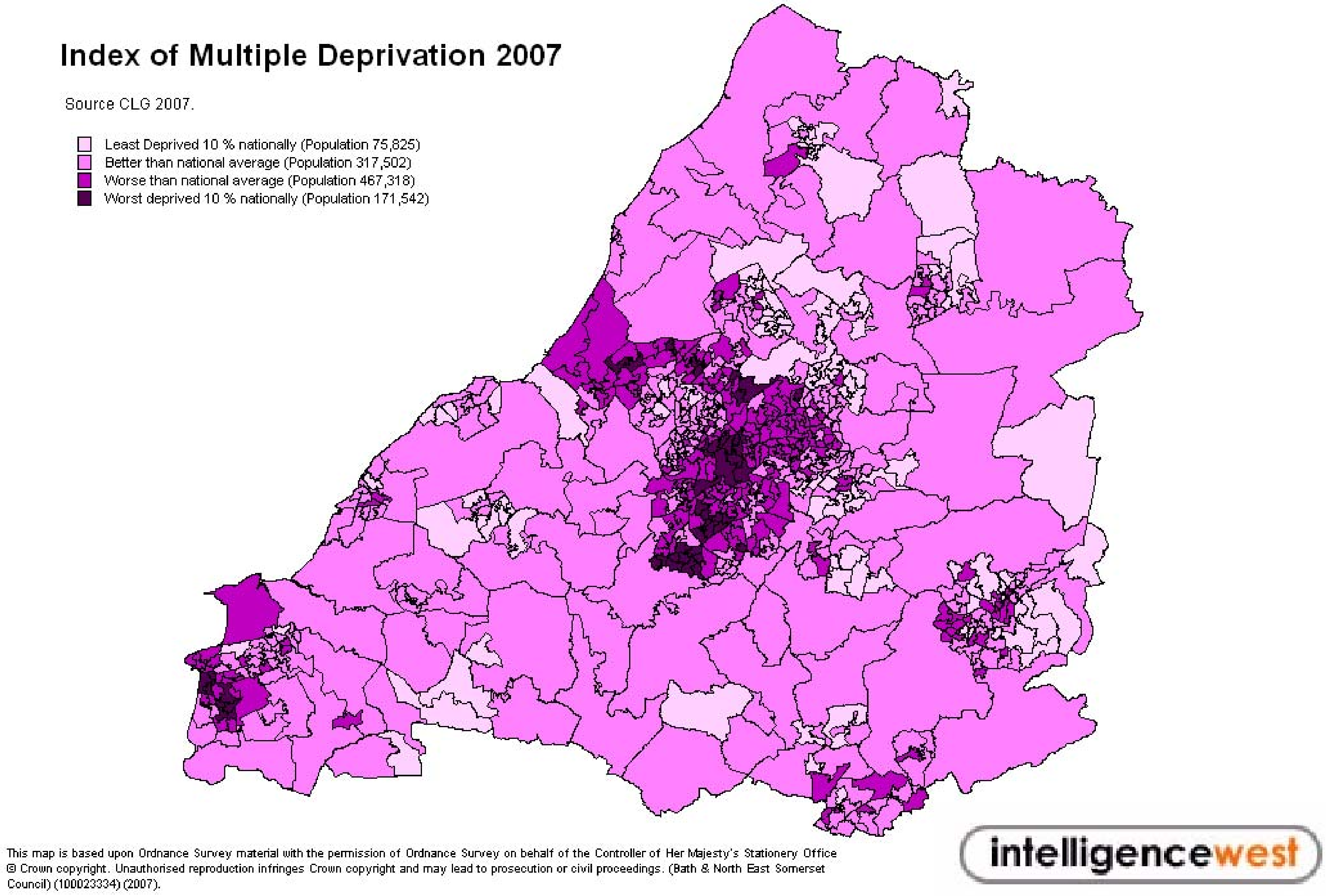


Figure 5.11: Proportion of population living in most deprived Super Output Areas (10% most deprived, 20% most deprived, and 30% most deprived ranked nationally).

	National Rank Decile		
	10%	**20%**	**30%**
Bristol	16	12.7	16.7
B&NES	0	3.2	1.7
N.Som	5.4	4.4	3.8
S.Glos	0	0.4	1.2
West of England	**7.3**	**6.5**	**7.9**

Sources: CLG Indices of Multiple Deprivation 2007 / 2006 Mid-Year Population estimates

Figure 5.12: Indices of Deprivation: West of England Unitary Authority Ranking 2007 (1 being the most deprived- 354 least deprived)

Area	**Index of Multiple Deprivation: Rank of average score**	**Income Deprivation**	**Employment Deprivation**
B&NES	272	136	149
Bristol	64	15	10
North Somerset	215	101	98
South Gloucestershire	308	111	112

Source: CLG Index of Multiple Deprivation, 2007

Key Points

- Unemployment in the West of England stands at 3.3%, well below the national rate of 5.5% and just below the regional rate of 4.0% (APS 2006/7 ILO measure).
- The long fall in unemployment recorded since the early 1990s has tailed-off since 2001. Over recent years slight increases have been recorded in the West of England although a slight fall has been recorded over the last year (APS 2005/6 and 2006/7 ILO measure).
- Persons claiming unemployment (JSA) benefit account for only some 5% of all benefit claimants in the working age groups.
- About 11.1% of unemployed claimants in the West of England have been out of work for more than 12 months, compared with 10.9% in the region and 15.0% nationally (Claimants data December 2007).
- The proportion of unemployed claimants in the West of England out of work for more than 12 months has fallen slightly over the last year from 12.2% to 11.1% (Claimants data December 2006/7).

- Younger persons age below 24 represent nearly a third of unemployed claimants in the West of England. They are about twice as likely to be unemployed as those in the older age groups.
- The proportion of working age persons who are economically inactive due to long-term illness stands at 6.4% compared with 7.95 at regional and 7.0% at national levels. However, the number of economically inactive owing to long-term sickness has climbed slightly across the sub-region over the last year while remaining broadly unchanged at regional and national levels. (April/March 2006/7).
- The pattern of unemployment across the West of England shows concentrations of jobless workers within parts of inner Bristol, on some of the City's suburban council estates, in the Twerton area of Bath and the neighbourhoods of Weston-super-Mare close to the town centre and on the council estates to the south.
- Many localities with high unemployment fall within the 10% of the most deprived localities nationally, ranked according to the Government's index of multiple deprivation. The population of these localities represents about 40% of the population of all localities in the South West that fall within the 10% most deprived areas of England.

6 OCCUPATIONAL TRENDS, QUALIFICATIONS, SKILLS, TRAINING

6.1 The Leitch Review of Skills[1], makes clear that, “in a rapidly changing global economy, with emerging economies such as India and China growing dramatically, despite having made good progress over the last decade, aspects of the UK's skills base remain weaker than those in other developed economies, for example;

- Out of 30 OECD countries, the UK lies 17th on low skills, 20th on intermediate skills and 11th on high skills;
- 5 million adults in the UK lack functional literacy;
- 17 million adults in the UK have difficulty with numbers; and
- More than one in six young people leave school unable to read, write or add up properly.”

6.2 Low skills levels can hold back productivity and growth and, if not addressed, will result in increasing inequality and the marginalisation of some groups within the labour market[2].

Occupational Trends

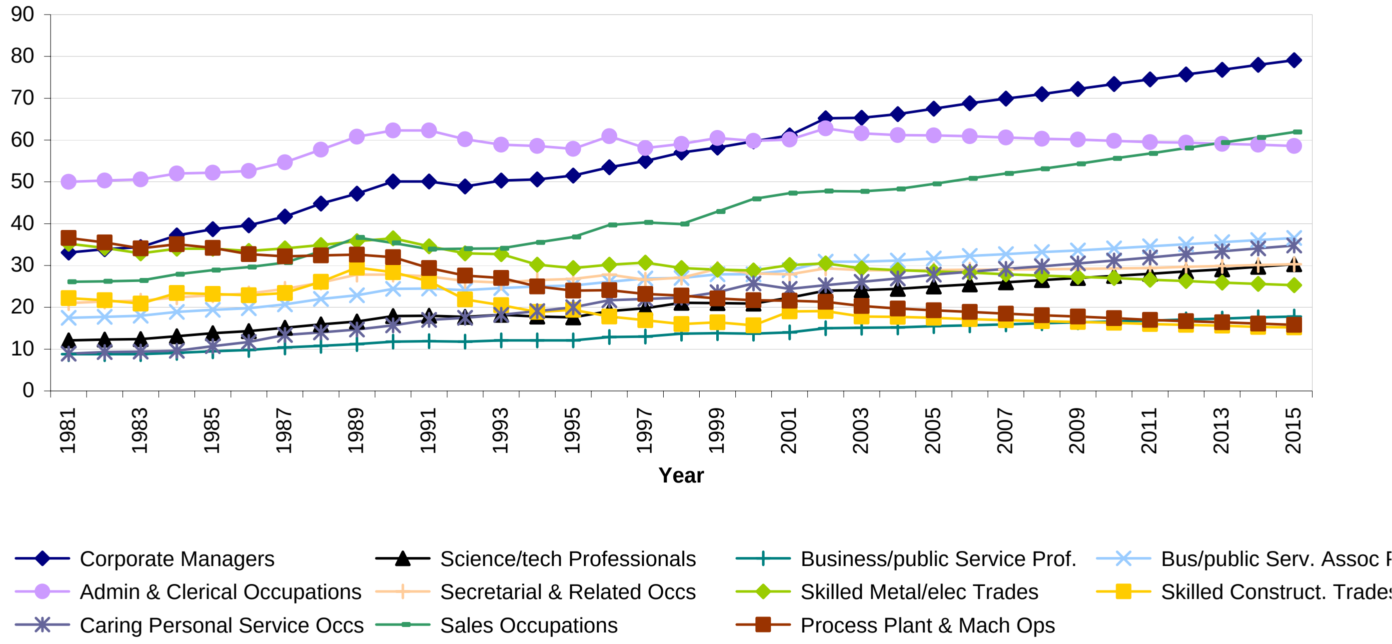
6.3 The expansion of the office and service sectors in the West of England is leading to the growth of white collar, managerial, professional, semi-professional and personal service occupations. The loss of traditional industrial and related jobs at the same time, is leading to the decline of many blue-collar occupations. These changes and the growing technical and skilled nature of work lead to the need for higher educational attainment and a better qualified workforce that addresses skill shortages and creates the capacity to adapt to the accelerating pace of change in the requirements of the workplace.

6.4 Employment forecasts predict continued growth in white collar and personal service occupations. Recent output from the Cambridge Econometrics, ‘local economy forecasting model’ show an increase in Corporate Managers and Sales Occupations between 2005-2015. Business and public services, caring and personal services and science and technical professions are also forecast to increase.

6.5 During the same period, the model indicates that administrative and clerical occupations will remain at similar levels, whilst elementary clerical and service jobs will see a gradual decline. Process, plant and Machine Operatives, and skilled Construction, Metal and electrical trades are forecast to continue to decline. Figure 6.1 below illustrates these trends.

[1] A Government Commissioned independent review of the UK’s long term skill needs, “Prosperity for all in the global economy-world class skills”, Sandy Leitch, December 2006.
[2] Derived from Learning and Skills module of the South West Observatory comment on Leitch Report December 2006.

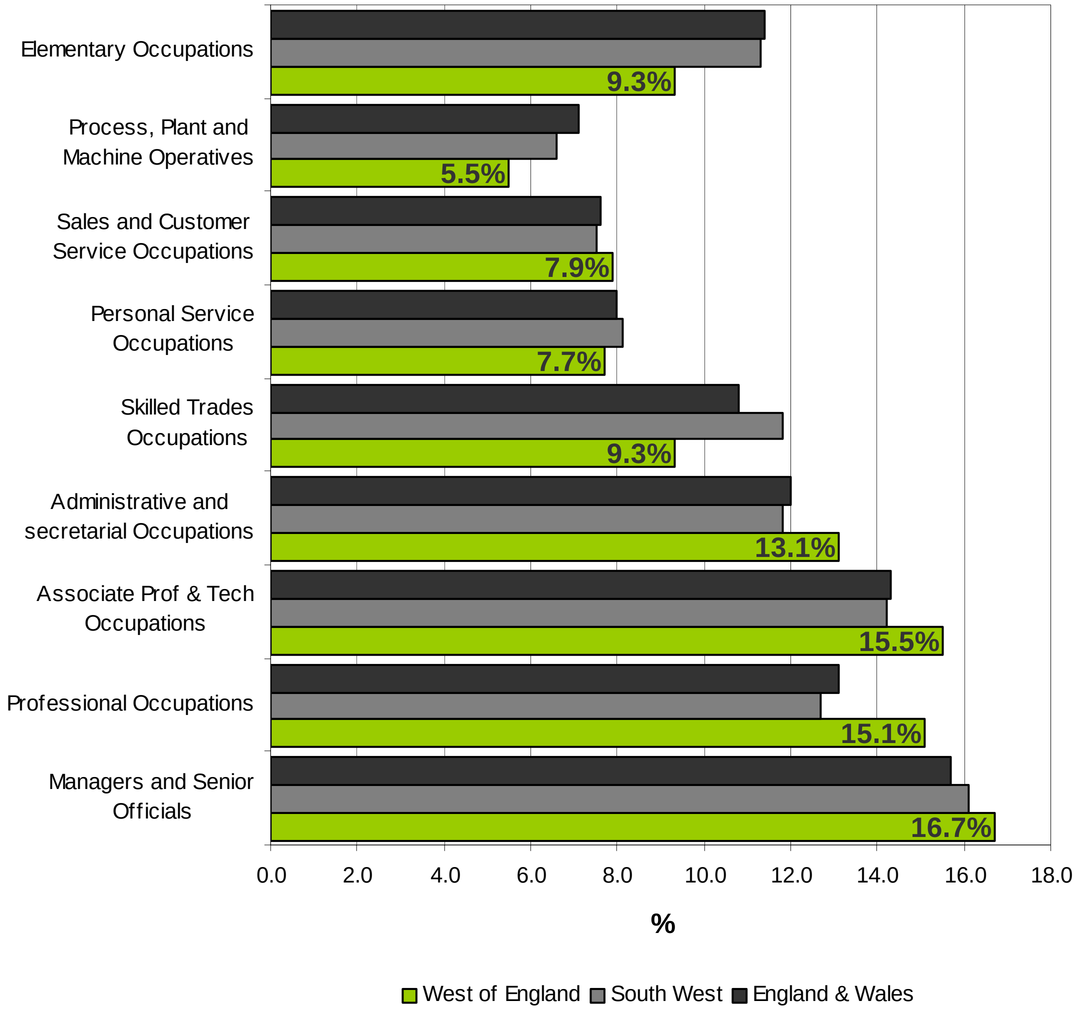
FIGURE 6.1: Occupational Characteristics of Employment 1981-2015- West of England



Source: Cambridge Econometrics forecast data May 2004.
Note: This is only a selection of some of the sectors identified in the model.

6.6 The current occupational structure of the West of England (figure 6.2), shows higher proportions of Managers, Senior Officials, Associate Professional & Technical Occupations and Administrative and Secretarial occupations, compared with the South West and England and Wales respectively.

Figure 6.2: West of England Occupational Structure 2007 (Workplace Based)



Source: Annual Population Survey - workplace analysis October 2006 - September 2007, Nomis, ONS Crown Copyright

Qualifications, Skills and Training

Secondary Education

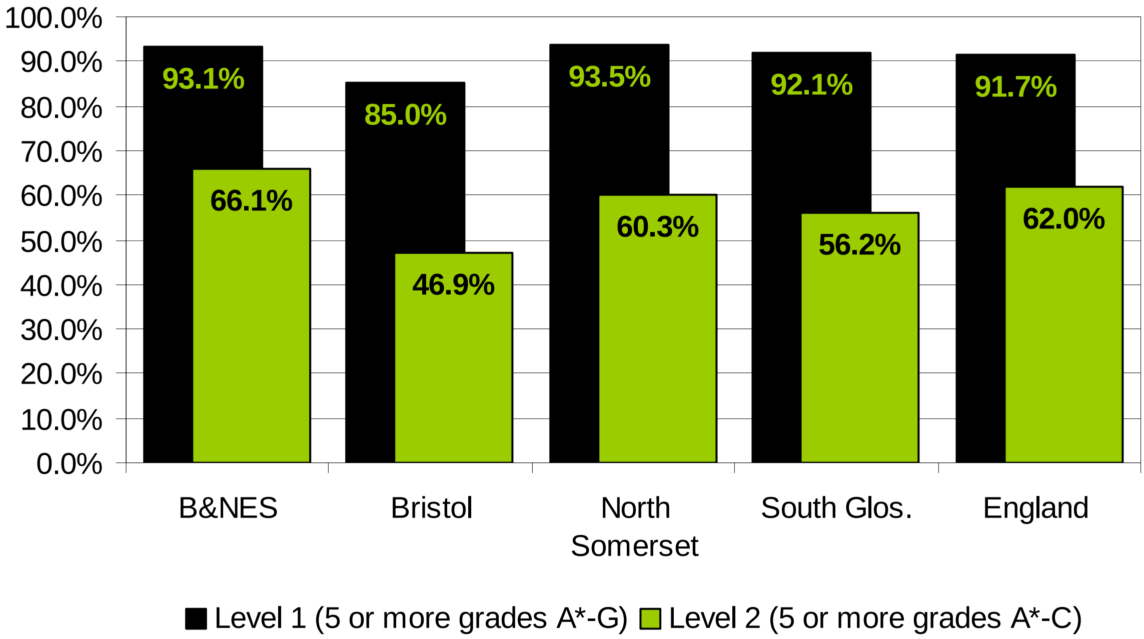
6.7 GCSE results for 2007 (see figure 6.3) show much variation between the four local councils of the West of England. Some 46.9% of GCSE entrants at Bristol LEA schools achieved five or more A*-C grades; one of the lowest proportions in England. South Gloucestershire with 56.2% and North Somerset with 60.3% of students achieving five or more A*-C grades, were also below the national average of 62.0%. B&NES with 66.1% of GCSE entrants achieving five or more A*-C grades, was the only LA in the sub-region to exceed the national average.

6.8 Bristol's GCSE level 2 pass rate of 46.9% disguises sharp local variations across the city. At one end of the spectrum, high pass rates (5 or more Grades A*-C), are achieved by independent schools in the City; such as Clifton High School (98%), Clifton College (85%), Bristol Grammar (99%), and Queen Elizabeth's Hospital and Prospect School (100%). At the other end of the spectrum, some state schools achieve much lower pass rates, for example, Portway Community School

(28%), Henbury School (34%), Hartcliffe Engineering Community College (39%) and Bedminster Down School (41%).

6.9 Despite being one of the lowest nationally, GCSE pass rates in Bristol have been improving over recent years. Overall, GCSE pass rates across West of England mirror the national trend of a gradual improvement over the last seven years. Figure 6.4 below provides further details about GCSE results.

FIGURE 6.3: GCSE pass rates (5+ Grades A*-C) 2007



Source: Dfes School performance Tables 2007.

FIGURE 6.4: GCSE Pass Rates (5+ Grades A*-C) 2000-2007

LEA	2000	2001	2002	2003	2004	2005	2006	2007
B&NES	57.10%	56.40%	58.40%	60.00%	60.20%	63.50%	66.90%	66.10%
Bristol	31.20%	31.80%	31.00%	35.30%	35.10%	36.50%	43.80%	46.90%
N.Som	53.40%	50.80%	53.30%	54.80%	55.00%	57.40%	58.40%	60.30%
S.Glos	47.70%	48.70%	52.40%	54.10%	50.00%	55.50%	54.90%	56.20%
England	**49.20%**	**50.00%**	**51.60%**	**52.90%**	**53.70%**	**57.10%**	**59.20%**	**62.00%**

Source: Dfes School performance Tables 2007.

6.10 Bristol's low GCSE pass rate has attracted much media attention. Businesses complain about deficiencies in basic skills and the poor levels of educational achievement of many school-leavers. Improving the standard of education in schools, colleges and the workplace, is therefore seen as particularly important for the sub-region's future economic competitiveness.

6.11 The Regional Economic Profile[3] states that, "availability of an appropriately skilled workforce is a key driver of productivity. The concept of workforce skills is far wider reaching than formal education, school and university certificates – it also

[3] South West England Regional Economic Profile. Issue 5 April 2008. Business & Economy Module, South West Observatory and The South West Regional Development Agency.

encompasses transferable skills such as ICT literacy, management and leadership experience and languages."

6.12 Other information from, Connexions West of England, The Basic Skills Agency, The National Employers Survey, Higher Educational attainment, and the Proportion of population with NVQ3+ qualifications, demonstrates however, that the West of England has high skills levels within its overall population.

Young People: Destinations at 16.

6.13 The proportion of young people continuing with their education throughout the West of England has increased steadily over the 2000-2006 period. The 2006 Activity Survey for pathways taken by young people beyond 16 shows 79.5 % in full-time education and 92.6% undertaking some form of learning.

FIGURE 6.5: Pathways Taken by Young People beyond 16 2006

		South West	West of England
Full time education		79.5	79.5
Government supported training	Total	6.0	6.1
	Non employed status	2.4	2.3
	Employed status	3.5	3.8
Employment	Total	7.1	8.8
	With training	5.1	7.0
	Without training	2.1	1.8
Not settled	Total	5.3	4.7
	Active	4.8	4.1
	Not Active	0.5	0.6
Moved out of contact		0.8	0.3
No response		1.3	0.6
Survey Total		11260	3103
In Learning		90.6	92.6

Source: Connexions, Moving-On 2006, Annual Activity Survey 2006.

6.14 Of all the young people who leave year 11 and do not go into LSC-funded provision, around half go into jobs, of which approx 40% (around 200) are without training, typically in unskilled and sales jobs. The majority of the approximately 400 young people who do not go into jobs or LSC funded provision become unemployed.[4]

6.15 The proportion of young people not in education, employment or training (NEET) is smaller in the West of England than at the regional and national levels.[5] The number of NEET young people stood at 1,850 in 2006, indicating a decrease since 2002. The proportion of 16-18 year olds classified as NEET varies across the four Unitary Authorities, with approx 50% of all school leavers entering the NEET group living in Bristol.

[4] Derived from : West of England LSC Annual Plan 2006-07, Source: Connexions West of England Year 11 Activity Survey 2004.
[5] Source: Connexions NEET by Local LSC area, 2006.

Higher education

6.16 The presence of four local universities means there is a wide choice of higher education opportunities in the West of England. In addition, the Universities of Bristol, and Bath, are considered as two of the UK's leading Universities, rated highly in terms of their research and teaching excellence.

6.17 In 2001, a Research Assessment Exercise was carried out by the higher education funding bodies, grading departments into six categories. Departments who achieved 5* were considered to be world-class departments, setting the global research agenda in their fields. Departments who achieved the second highest rating, grade 5, were considered to set international standards. The table below shows the number of these top grades awarded to university departments in the West of England.

FIGURE 6.6: Numbers of departments graded 5/5* within West of England universities

University	No. of departments achieving Grade 5*	Subject of Departments	No. of departments achieving Grade 5	Subject of Departments
Bath University	3	Pharmacy, Maths, Mechanics/Aeronautical	8	Business Management, Maths, Stats, Social Policy, Education, Biology
Bristol University	15	Mostly sciences and health also Maths, Stats, Civil Engineering, Education, Drama, Russian, Psychology, Social Work and Geography	21	Languages, sciences, music, Theology, Philosophy, Mechanical/ Aeronautical, Electrical Engineering, Accounting and finance, law, Politics and Classics.
University West of England	0		1	Accounting/Finance

6.18 The high academic standards, particularly in the sciences, maths and mechanical/aeronautical studies, are reflected by the high levels of specialist employment in health, finance, higher education and the aeronautical industry in the area.

6.19 The West of England had a total of 42,800 full time students according to the 2001 Census, representing 6.2% of the population compared with 3.2% regionally and 4.5% nationally. More recent figures from the Higher Education Statistics Agency show the number of students rising from 47,029 to 73,905 between 1995/96 and 2006/7 (See Figure 6.7).

Figure 6.7: Higher Education students in the West of England 2005

	1995/96	2006/07	Increase 1995/1996-2006/2007
All students			
Bath Spa University College	2,696	7,110	4,414
The University of Bath	8,044	14,255	6,211
The University of Bristol	17,566	22,780	5,214
University of the West of England, Bristol	18,723	29,760	11,037
TOTAL West of England all	**47,029**	**73,905**	**26,876**
Full-time students			
Bath Spa University College	2,137	4,720	2,583
The University of Bath	5,736	10,020	4,284
The University of Bristol	10,730	14,630	3,900
University of the West of England, Bristol	13,415	19,695	6,280
TOTAL West of England full-time	**32,018**	**49,065**	**17,047**
Part-time students			
Bath Spa University College	559	2390	1,831
The University of Bath	2,308	4,235	1,927
The University of Bristol	6,836	8,145	1,309
University of the West of England, Bristol	5,308	9,910	4,602
TOTAL West of England part-time	**15,011**	**24,680**	**9,669**

Source: Copyright © Higher Education Statistics Agency Limited 2006

Qualifications

6.20 The West of England has a higher percentage of working age people with NVQ levels 3, 4 or above compared with the South West and England and Wales. Conversely, it has lower percentages with lower order qualifications or none. Of the four UA's in the sub-region, Bristol has the highest proportion of persons of working age with no qualifications (See Figure 6.8).

6.21 Despite the improving educational attainment levels, and high levels of vocational qualifications held by the working age population of the West of England, vacancies and skills shortages are still an issue for employers in the sub-region.

FIGURE 6.8: Qualifications held by people of working age Jan-Dec 2005.

Qualifications	B&NES	Bristol	N.Som	S.Glos	WofE	SW	England & Wales
% with NVQ4+ - working age	36.5	36.1	32.4	25.7	**32.9**	27.3	27.0
% with NVQ3+ - working age	56.9	49.9	49.6	45.6	**50.0**	47.3	44.8
% with NVQ2+ - working age	74.2	65.6	72.8	66.9	**68.7**	67.2	63.3
% with NVQ1+ - working age	84.8	79.3	88.2	82.7	**82.7**	82.5	77.6
% with NVQ3 only - working age	18.9	12.0	15.3	16.8	**15.0**	17.1	15.2
% with NVQ2 only - working age	15.9	13.9	21.2	18.1	**16.6**	17.1	16.0
% with NVQ1 only - working age	10.6	13.7	15.5	15.8	**14.0**	15.2	14.3
% with Trade Apprenticeships - working age	2.9	3.5	3.9	6.4	**4.2**	5.8	5.2
% with other qualifications - working age	7.4	8.6	4.6	9.1	**7.8**	7.7	8.6
% with no qualifications - working age	7.9	12.1	7.2	8.2	**9.5**	9.8	13.8

Source: Annual Population Survey Jan-Dec 2006 ONS Crown Copyright Reserved
Qualifications data are only available for the period Jan 2006 - Dec 2006
West of England Contextual Indicators 65-74

Basic Skills.

6.22 The Basic Skills Agency defines basic skills as the 'ability to read, write and speak in English and use mathematic at a level necessary to function and progress at work and in society in general'.

6.23 The Read Write Plus Survey by the Department for Education and Science estimates that over half of the West of England's working age population did not have literacy skills at level 2 (5 or more GCSE grades A*-C). It also estimates that 4 out of 5 people did not have numeric skills at level 2 or above in the West of England.

FIGURE 6.9: Estimated % Population (16-65) below level 2 literacy/numeracy

	Estimated % of population (16-65) below level 2 literacy	Estimated % of population (16-65) below level 2 numeracy
B&NES	47%	77%
Bristol	55%	84%
North Somerset	52%	75%
South Glos	51%	78%
West of England	51%	81%
South West	54%	77%
England	56%	75%

Source: Learning, Skills Council West of England, FAQ May 2006, Read Write Plus Survey, Dfes 2005 Crown Copyright.

Vacancies & skills shortages

6.24 Various terms are used to describe employer's difficulties in securing the labour skills they need.

6.25 Recruitment problems refer to vacancies that the employer describes as 'hard to fill'. When 'Hard to fill' vacancies (HtFVs) arise due to a lack of applicants with the required skills, experience or qualifications, they are described as 'Skills-shortage vacancies' (SSVs). HtFVs that are un-associated with a skills-shortage usually arise from a lack of applicants, often linked to the vacancy being a low paid position[6].

6.26 A 'skills gap' is the difference between the level of skills required by an employer to meet business objectives, and the actual level of skill present in the existing workforce. Skills gaps therefore reflect the extent to which employers perceive their employees are not fully proficient at their job[6].

6.27 Skills deficiencies refer generally to both 'skills gaps' and 'skills-shortage vacancies'.

6.28 Although the West of England has a relatively well-qualified workforce, data obtained from the National Employers Skills Survey 2007 shows evidence of recruitment difficulty, and skills deficiencies.

6.29 An estimated 20.4%[7] of the establishments surveyed in the West of England had at least one vacancy in 2007 (a small decrease from the 2005 figure). This figure is higher than the national and regional averages of 17.8%, and 17.5% respectively, and means the West of England has the highest sub-regional vacancy rate in the South West. This may be because the West of England has the most buoyant economy within the region with the highest job growth over the years preceding the 2005 survey.

6.30 Difficulty filling vacancies was experienced by just 6.5% of employers in the West of England in 2007.This is lower than both the regional and national figures of 6.7% and 7% respectively. [8] Of all vacancies in the sub-region, employers reported that just under 30% were hard-to-fill. The proportion of HtFVs in the West of England is one of the lowest in the South West and compares to a regional average of 34.6%. Therefore, whilst the West of England has the highest proportion of vacancies in the South West, it experiences little difficulty in filling these vacancies. Where vacancies are found hard to fill, the majority result from a lack of applicants rather than a lack of suitably skilled applicants. This may indicate a need to improve pay and conditions of some employment in the sub-region.

6.31 13.9% of all vacancies in the sub-region are classified as Skills-shortage vacancies; thus 40% of all HtFVs in the West of England are caused by a lack of skills.

6.32 Since 2005 the proportion of hard-to-fill vacancies has remained roughly the same, whilst the proportion of skills shortage vacancies has increased. This is not due to a rise in the absolute number of 'skills shortage vacancies' rather that they have fallen but not so sharply as vacancies that were hard to fill for other reasons.

[6] Derived from National Employer Skill Survey 2007: Main Report, May 2008, Learning and Skills Council.
[7] National Employer Skills survey 2007, Learning and Skills Council.
[8] % of establishments with any hard to fill vacancies. National Employer Skills survey 2007, Learning and Skills Council

FIGURE 6.10: Vacancy status and skills shortages: by Sub-Region 2003 & 2005.

Area	% of establishments with any vacancies		% of vacancies that are hard to fill vacancies		% of vacancies that are unprompted skills shortage vacancies	
	2005	2007	2005	2007	2005	2007
Bournemouth, Dorset and Poole	14.7	17.7	32.5	30.8	15.1	14.9
Devon and Cornwall	15.9	17.6	35.1	37.4	17.1	21.1
Gloucestershire	17.5	19.3	30.1	42.8	17.4	14.6
Somerset	14.8	14.1	29.7	27.1	14.8	10.5
West of England	**21.7**	**20.4**	**29.7**	**29.9**	**9.4**	**13.9**
Wiltshire and Swindon	18.2	17.7	32.4	41.1	16.4	22.1
South West	**17.3**	**17.4**	**30.7**	**34.5**	**13.9**	**16.8**
England	**18.0**	**17.8**				

Source: National Employer Skills Survey 2007, Learning and Skills Council.

6.33 The National Employers Skills Survey 2007 provides some analysis of the occupational make-up of 'hard to fill' and 'skills shortage vacancies'. Almost a third of all current vacancies in the sub-region are reported as being hard to fill, however, the concentration of HtFVs varies considerably across occupations.

FIGURE 6.11: Profile of 'hard to fill vacancies' by occupation (hard-to fill vacancy base) 2007;

Occupational Group	WofE	SW	England
Managers	**6.3%**	3.5%	5.3%
Professionals	**13.1%**	9.8%	13.5%
Associate professionals	**8.9%**	9.9%	14.3%
Admin/Clerical staff	**11.8%**	9.6%	6.9%
Skilled Trades people	**16.3%**	18.6%	16.2%
Personal service staff	**8.2%**	13.6%	11.8%
Sales and Customer Service staff	**11.5%**	8.7%	10.9%
Machine Operatives	**5.5%**	11.9%	7.5%
Elementary Staff	**23.1%**	14.3%	12.4%

Source: National Employer Skills Survey 2007, Learning and Skills Council.

6.34 The occupational split of HtFVs in the West of England is locally specific, bucking regional and national trends. HtFVs in the West of England are most highly concentrated amongst elementary staff, whilst on a regional and national scale HtFVs are highest amongst skilled trades people. Skill shortages are least prevalent amongst machine operatives in the West of England; again, this is a sub-regionally specific pattern, as HtFVs within this occupational group are higher regionally and nationally. One interpretation of this could be that machine operation has historically been a large occupational group in the sub-region; therefore, the working population have a lot of work experience in this occupation. Over half of all HtFVs in the sub-region fall within three occupational groups; elementary staff, skilled trades people, and professionals.

FIGURE 6.12: Profile of Skills Shortage vacancies by occupation (skills shortage base) 2007;

Occupation	WofE	SW	England
Managers	**21.4%**	23.4%	24.7%
Professionals	**6.9%**	6.1%	7.0%
Associate professionals	**11.0%**	5.8%	7.1%
Admin/Clerical staff	**22.1%**	21.5%	22.8%
Skilled Trades people	**14.3%**	13.3%	13.6%
Personal service staff	**5.4%**	7.0%	7.5%
Sales and customer service staff	**25.4%**	24.0%	24.7%
Machine Operatives	**3.6%**	4.6%	5.4%
Elementary Staff	**18.0%**	21.1%	20.1%

Source: National Employer Skills Survey 2007, Learning and Skills Council.

6.35 The occupational distribution of SSV's in the West of England is consistent with that regionally and nationally. SSV's are most prevalent amongst sales and customer service staff, managers, and admin/clerical staff. Training programmes, which will provide the necessary skills for these occupations, should therefore be encouraged. The occupational group with the lowest proportion of SSV's is machine operatives; this is likely linked to the fact that specialist on-the-job training is provided as standard within such occupations. Relative to the total number of vacancies within the occupation, skilled trades is likely to experience the most hard-to-fill-vacancies because of skills shortage.

6.36 Information from employers on the perceptions of why vacancies were hard to fill suggests that the main reasons applicants did not meet the job requirements were as follows:

- Low number of applicants with the required skills; 30%
- Not enough people interested in doing this type of job; 22%
- Lack of work experience the company demands; 21%

Source: National Employer Skills Survey 2007, Learning and Skills Council.

Skills shortage is therefore the single most common cause of hard to fill vacancies.
6.37 The following were also identified as reasons for vacancies being "hard to fill", although to a lesser extent:

- Low number of applicants with the required attitude, motivation or personality; 14%
- Lack of qualifications the company demands 14%
- Low number of applicants generally; 13%
- Shift work/unsociable hours; 11%
- Remote location or poor public transport; 6%

6.38 HtFV's can have serious consequences for businesses, particularly small establishments with few staff. Information from employers in the National Employers Skills Survey 2007 suggests that the most common impacts of HtFV's in the West of England are:

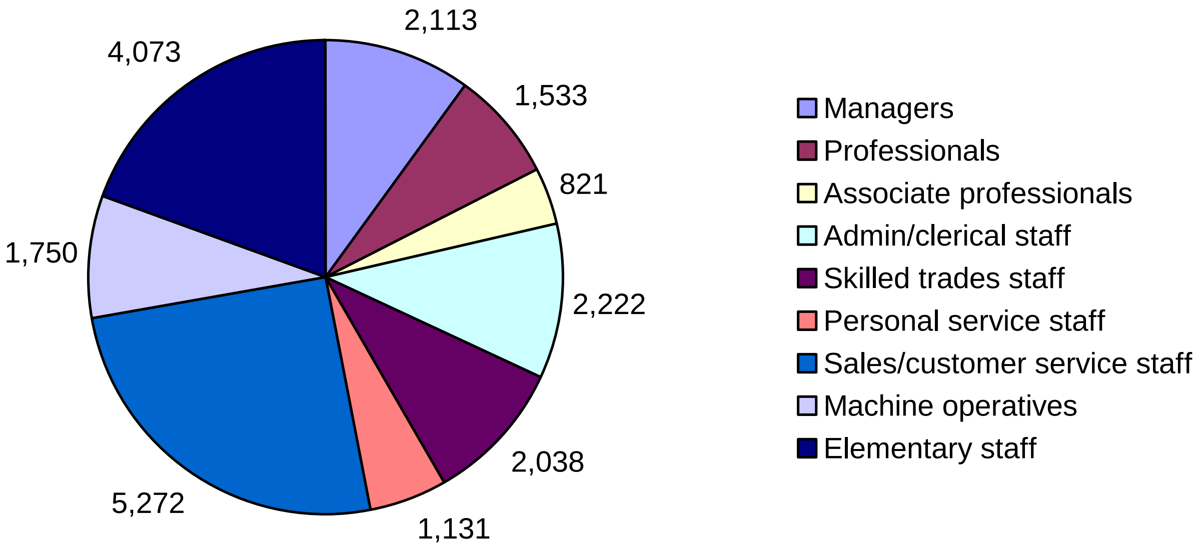
- Increased workload for other staff (cited by 62% of establishments)
- Increased operating costs (cited by 25% of establishments)
- Lose businesses or orders to competitors (cited by 23% of establishments)

Such negative impacts of HtFV's make it beneficial for employers to take action to relieve their recruitment difficulties. The most common actions taken by employers in the West of England are increasing advertising and recruitment spend (55% of establishments), and using new recruitment methods or channels (27% of establishments). Almost 10% of all businesses experiencing HtFV's take no action to tackle the problem. Similar trends are seen both regionally and nationally.

Skills Gaps

6.39 In 2007, just 18% of employers within the West of England identified a 'skills gap' in their workforce; this represents an increase of 2% since 2005. A similar proportion of establishments identified a skills gap in the South West (16%) and England (15%).

Figure 6.11: Numbers of employees who are not fully proficient, by Occupational Group: West of England 2007



Source: NESS07, LSC

6.40 Skills that employers in the West of England identified[9] as needing improvement were;

- Technical, practical or job-specific skills (54%)
- Customer handling skills (33%)
- Team working skills (31%)
- Oral communication skills (29%)
- Problem solving skills (25%)
- Management Skills (23%)
- Written communication skills (21%)
- General IT user skills (20%)
- Office admin skills (20%)
- Numeracy skills (16%)
- Literacy skills (14%)
- Foreign Language Skills (6%)

6.40 The occupational groups in which skills gaps are most likely to exist in the West of England are sales and customer service (25%), admin/clerical staff (22%), and managers (21%). The same three occupational groups report the highest incidence of skills gaps regionally and nationally. An overwhelming majority of employers (68% in the West of England) identify lack of experience or being new to the job as the cause of skills gaps; very few employers put it down to a failure to train or develop staff.

6.41 Despite relatively few employers identifying lack of training as a cause of a skills gap, the most common action to overcome non-proficient staff is to increase training activity/spend or increase/expand trainee programmes.

Training

6.42 According to the National Employers Skills Survey 2007, 50% of employers in the West of England have a training plan compared with 45% in the South West and 48% nationally.

6.43 Recent data from the Annual Population Survey shows that the percentage of working age people in the West of England having received recent training is slightly higher than the regional and national averages.

FIGURE 6.12: Percentage of employees of working age having received job related training, Apr 2005-March 2006.

Variable	West of England	SW	England & Wales
% of working age population who received job related training in last 4 wks	11.4	11.0	10.4
% of working age population who received job related training in last 13 wks	24.6	22.3	20.5

Source: Annual Population Survey October 2006-September 2007 ONS Crown Copyright Reserved

[9] National Employers Survey 2005, LSC

6.44 Key points

- 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. Employment forecasts indicate that this need is likely to increase over the future.

- Over the past 5 years GCSE pass rates (% of pupils gaining 5 or more A-C grades) for Bristol state schools have improved from 31% in 2002 to 46.9% in 2007; however, they still remain one of the lowest in England. South Gloucestershire has improved from 54.1% to 56.2%, B&NES from 58.4% to 66.1% and North Somerset from 53.3% to 60.3%. The national pass rate climbed from 51.6% to 62% across the same period. (School Performance Table DfES 2007)

- Around 80% of all young persons in the West of England stayed in education or took training in 2006 compared with 76% in 2005. (Moving-on Annual Activity Survey Connexions 2006)

- The number of students in higher education in the West of England increased from 47,029 in 1995/6 to 73,905 in 2006/7.

- The proportion of the West of England workforce with higher-level qualifications stands above the regional and national proportions. In 2006, 50% of the West of England working age population was qualified to NVQ3+ or above compared with 47.3% for the region and 44.8% nationally. (APS Jan-Dec 2006)

- Some 20% of establishments in the West of England have at least one vacancy compared with 17.8% in England (2007). Some 30% of these vacancies are ‘hard to fill’ compared with 35% in the region. Similarly, 14% of all vacancies were ‘skill shortage’ vacancies compared with 17% regionally. (National Employers Skills Survey LSC 2005)

- High proportions of ‘hard to fill’ vacancies in the West of England are accounted for by elementary staff, skilled trades people and professional occupations. The occupational groups with the highest proportions of ‘skills shortage’ vacancies are sales and customer service staff, managers, and admin/clerical staff.

- Some 18% of employers in the West of England report ‘skills gaps’ in their workforce. (National Employers Skills Survey LSC 2007)

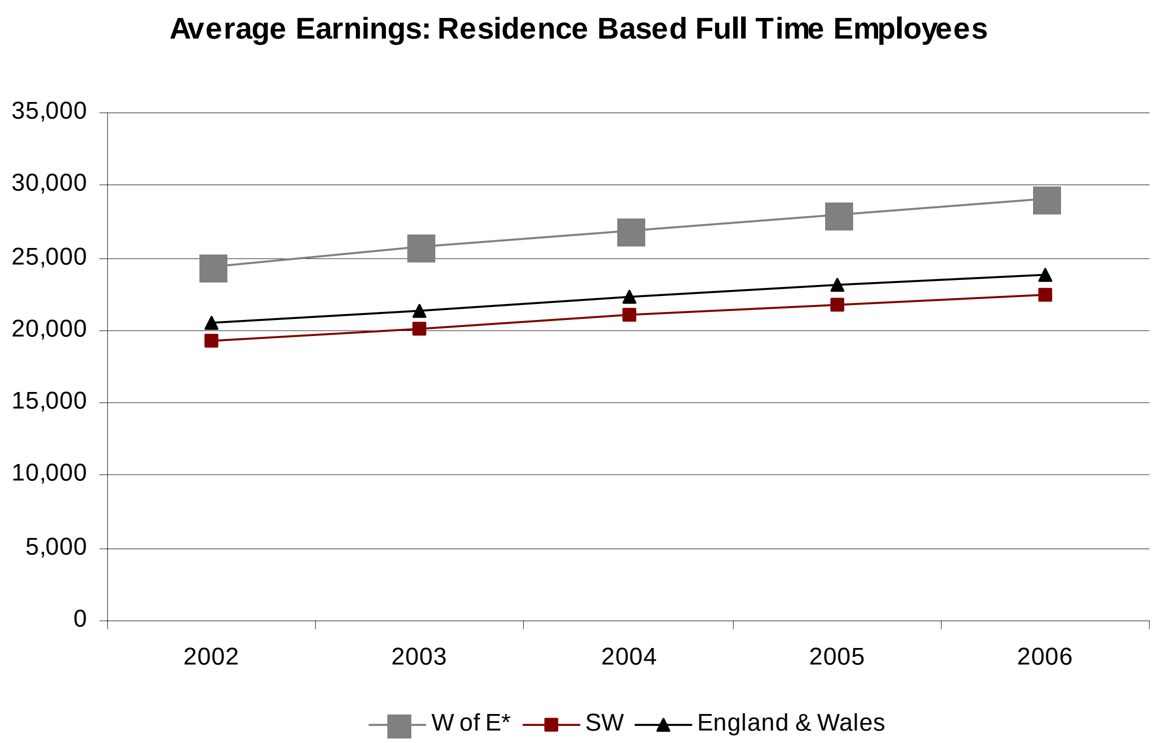
7. Earnings and housing affordability

Earnings

7.1 Earnings information is available as workplace based or residence based data from the Annual Survey of Hours and Earnings (ASHE). Residence-based data is used as a standard measure to compare earnings data with house price data to give some indication of housing affordability within an area.

7.2 The West of England has followed the national and regional trend of a gradual increase in average earnings (residence-based). The average earnings for full time employee jobs in the West of England are higher and have been rising more quickly than the South West and national figures. (For the full dataset with local authority values follow link to "Intelligence West".)

Figure 7.1: Annual pay- Gross (£) full-time employees (residence-based earnings). West of England 2002 to 2006.



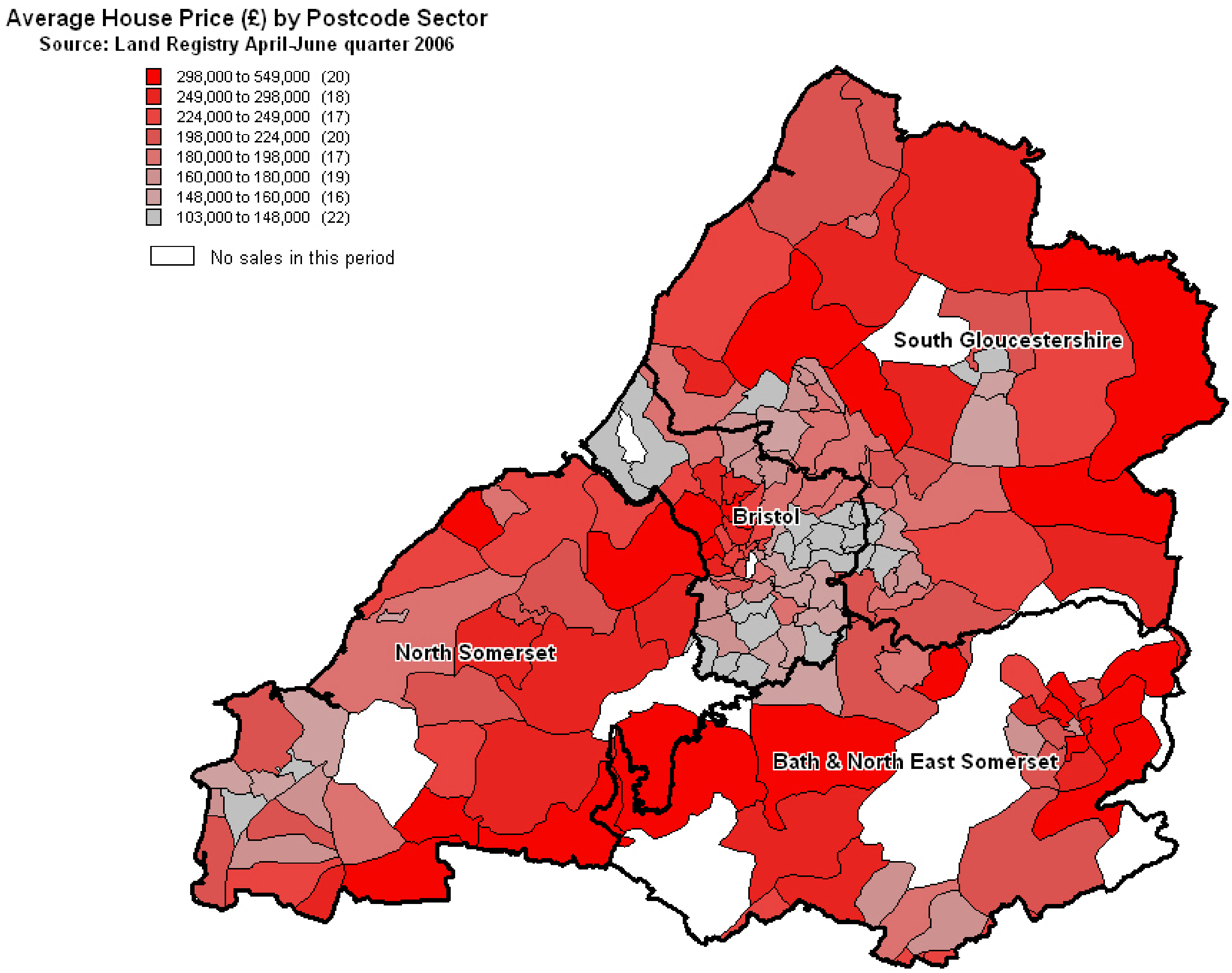
Source: Source: ONS Annual Survey of Hours and Earnings
Notes:
1) Median estimates are used to reduce the 'skewing effects' of extreme values, with the exception of West of England data for which only a mean average figure is available.
2) W of E figures produced by West of England Partnership Office.
3) Data is for full-time employees.

House Prices

7.3 Average house prices in the West of England are above the national average but below the South West average. There are considerable differences in house prices however, between localities within the West of England.

7.4 The thematic map (Figure 7.2) illustrates the differing levels of house prices across the West of England. It shows that many of the areas with high levels of unemployment or deprivation correspond with areas where house prices are low.

Figure 7.2: Average house prices in the West of England



House prices vs. residence based earnings

7.5 Increases in average earnings in the West of England have not matched increases in house prices leading to affordability issues. Traditionally the maximum sum that could be borrowed for a house purchase was 3.5 times the average gross salary of the borrower, although recent headlines have been made with some of the high street lenders offering up to 5 times an average annual salary. In the West of England, at 2006 the average house price was over £200,000, and the ratio between average house price and average individual gross annual earnings[1] stood at 6.9. The sub-regional average masks disparities at the local level; in particular in B&NES the ratio of house prices to earnings stood at 10.1.

FIGURE 7.3: Ratio of residence-based earnings and house prices 2006

	Annual Gross Earnings 2006	Average House Price (Apr - Jun qrtr 2006)	Ratio
B&NES	24,887	251,444	**10.1**
Bristol	22,320	188,860	**8.5**
North Somerset	26,179	201,983	**7.7**
South Gloucestershire	25,177	190,672	**7.6**
W of E*	**29,018**	**201,045**	**6.9**
SW	22,442	205,768	**9.2**
England & Wales	23,824	199,184	**8.4**

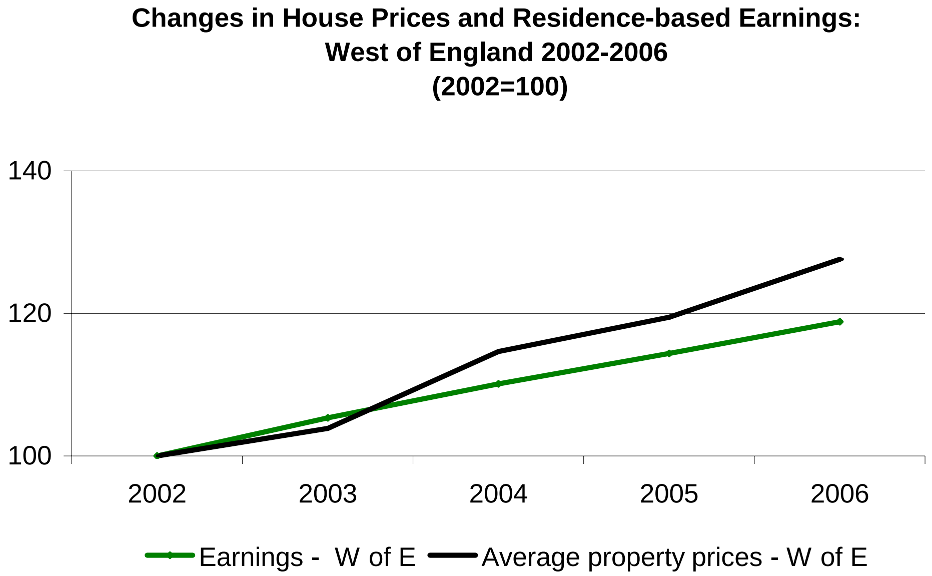
Sources: Annual Survey of Hours and Earnings, Land Registry.
Notes:
1)Median estimates are used to reduce the 'skewing effects' of extreme values, with the exception of West of England data for which only a mean average figure is available.
2) W of E figures produced by West of England Partnership Office.
3) Data is for full-time employees.
*The West of England ratio is based upon mean average earnings not median average earnings, individual UA level median data has been used so figures are not directly comparable.

7.6 However, these ratios do not take into account that newly forming households tend to enter the housing market at the lower end; the Bramley model (see affordability section), reflects lower quartile house prices

7.7 Lower interest rates and lower costs of borrowing in recent years have cushioned to some extent the impact on incomes of increased house prices, but there are still affordability issues in the West of England.

[1]Household income data is not available- this figure is based upon the average gross earnings for one person. The West of England ratio is based upon mean average earnings not median average earnings, individual UA level median data is available and has been used, so figures are not directly comparable.

FIGURE 7.4: Index of change: Earnings and House prices 2002-2006



Sources: Annual Survey of Hours and Earnings, Land Registry.

7.8 Comparing the indices of change for earnings and house prices in the sub region illustrates that during the period 2002-2006, earnings increased by 18.8 %, compared with 16.2% regionally and 15.7 % nationally, yet house prices increased by 27.6 % in the same period (compared with 50.3% regionally and 49.5% nationally). These figures are misleading, the difference (between sub-regional and regional/national % change), reflects the years in which house prices rose sharply. In the West of England this year was 2001/02-2002/03, (as the base data is 2002/03, due to availability of residence based earnings data), the year in which house prices rose sharply in the West of England is not captured and therefore not reflected in the % change above. House prices in the Region and Nationally rose sharply the year after they had in the West of England and is captured in the time period described above, hence the % change regionally and nationally appears greater, but if you take into account house prices from 2001/02-2002/03 the West of England house prices rose by about the same amount (49.5%).

House prices vs workplace based earnings.

7.9 Workplace based data does not show significant differences between national, regional and sub-regional levels compared with residence-based data. However, at lower district level, workplace-based data further illustrates that affordability is most severe in B&NES where workers in the area would have to borrow 10.5 times their earnings to be able to afford to live and work in B&NES whereas South Gloucestershire workers would need to raise 7.1 their annual average salary in order to purchase an averaged priced dwelling in the district. Where workplace based price/earnings ratios are lower than residence based ratios it generally indicates that the pool of those working in an area earn more on average than the residents living and working there-this occurs in Bristol and South Gloucestershire and may be indicative of their role as major employment centres.

7.10 Workplace based data for 1998 and 2006 shows an increase in the average West of England house price of 134%, whilst average earnings have increased by just 38.6%.

FIGURE 7.5: Ratio Workplace-Based Earnings and House prices 2006

	Annual Gross Earnings 2006	Average House Price (Apr -Jun qrtr 2006)	Ratio
B&NES	24,025	251,444	**10.5**
Bristol	23,718	188,860	**8.0**
North Somerset	23,170	201,983	**8.7**
South Gloucestershire	27,000	190,672	**7.1**
W of E*	**29,335**	**201,045**	**6.9**
SW	22,042	205,768	**9.3**
England & Wales	23,783	199,184	**8.4**

Sources: Annual Survey of Hours and Earnings, Land Registry.
Notes:
1) Median estimates are used to reduce the 'skewing effects' of extreme values, with the exception of West of England data for which only a mean average figure is available.
2) W of E figures produced by West of England Partnership Office.
3) Data is for full-time employees.
*The West of England ratio is based upon mean average earnings not median average earnings, individual UA level median data has been used so figures are not directly comparable.

Affordability

7.11 With house prices in the West of England having risen at a much faster rate than local incomes, a growing number of households on low to medium incomes are unable to buy a home. Whilst relative affordability in the West of England may not be as severe as in some other parts of the region, the scale of need in the sub-region is much greater. Figure 7.6 shows that almost a quarter of all working households in the region with a representative aged 20-39 (the age band which encompasses most newly-forming households including those trying to enter the housing market as first-time buyers), live in the West of England. One fifth of working households in the South West aged 20-39 who are unable to purchase a dwelling, live in the West of England. Figure 7.6 provides a guide to the relative distribution of these households across the South West. With the current shortage of affordable housing for rent or low-cost home ownership, the options for this group are severely limited

7.12 A recently developed Housing Need and Affordability Model covering the four local authorities of the West of England has identified a shortfall in meeting net need for affordable housing units across tenures averaging some 3,700 per annum between 2002-2009. This includes a significant element of around 1,500 units per annum to clear the existing estimated backlog of need as well as the need arising from newly formed households and in-migration to the sub-region.

FIGURE 7.6: Working Households unable to Purchase at Lower Quartile in 2002

County	Working Households (20-39)	Working Households unable to Purchase	
		Number	%
West of England	120,761	74,526	61.7
Cornwall	41,276	29,409	71.2
Devon	102,400	69,316	67.7
Dorset	70,593	56,110	79.5
Gloucestershire	64,760	45,794	70.6
Somerset	44,840	27,218	60.7
Wiltshire	71,752	48,217	67.2
Total South West	516,382	350,543	67.9

Source Can Work – Can't Buy. Wilcox for Joseph Rowntree Foundation 2006
Note:The Wilcox data could be interpreted as those who cannot afford to purchase but are seeking a home and want to purchase (74,000 in WoE), but these statistics could also reflect all working households whether suitably housed or not, therefore including people who may not be seeking to purchase and may not therefore be 'unable to purchase'.

Affordable housing supply/provision

7.13 The Regional Spatial Strategy (RSS) sets out in Policy H1 a minimum requirement regionally for at least **7,500** affordable homes per annum out of the overall requirement for 23,060 net dwellings per annum, and requires a minimum of 30% of all housing developments across all areas to be affordable. Applying this share to the West of England would result in a minimum target figure of **1,390** new affordable units per annum, as additions to the stock resulting from development, whether new build or conversions/sub divisions of residential or other properties.

7.14 The RSS target figures relate to a proportion of total dwelling output but in reality not all output could be expected to yield affordable housing[2]. At one end of the spectrum will be those sites developed by Registered Social Landlords (RSLs) and perhaps Local Authorities which might produce 100% affordable housing. At the other end, there will be sites that for a number of reasons produce no affordable dwellings e.g. sites falling below policy site size thresholds, sites where the financial viability of the overall development might be threatened by affordable housing provision. In between will be those sites where a proportion of affordable dwelling provision is sought.[2]

7.15 Recent trends of take-up of residential sites in the West of England suggests that about 13% of the potential supply of dwellings represented by current planning permissions will be affordable. This implies therefore that an annual average of about 600 affordable dwellings may be provided in the sub-region over the future if the draft RSS provision for 4625 additional dwellings is achieved.

Affordable Housing Stock

7.16 In 2006, an estimated 834 dwellings were lost from the affordable social rented stock, including 584 transfers out of the affordable stock and 250 losses through demolitions, conversions and changes of use. These losses were substantially offset by

[2] Affordable housing in the West of England- Factors Affecting Supply, Richard Orton & Helen Scoot 2006.

664 gains arising from new build and sub-divisions and transfer gains, leading to an overall net loss of 170 to the overall West of England stock of affordable dwellings in 2006.

7.18 Section Summary

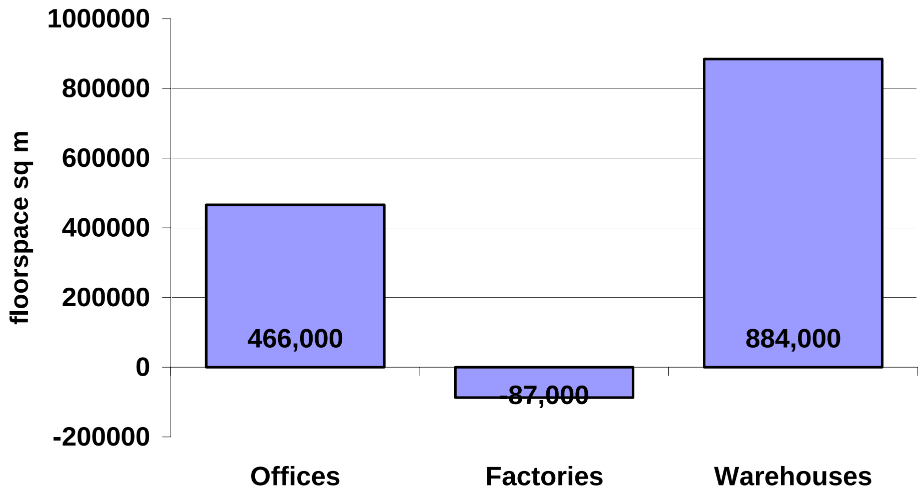
- Earnings in the West of England are higher than the Regional and National averages.
- Large house price rises have not been coupled with similar increases in earnings.
- Although the ratio between house prices and earnings may not be as great as those displayed regionally and nationally, the numbers of persons unable to afford the average priced dwelling is far greater than in other parts of the region.
- B&NES has the highest earnings to house price ratio in the sub-region, with the average property price over ten times the average annual salary.
- Despite a recent slow down in the rate of house price growth and the cost of borrowing becoming cheaper, it is still apparent that an increasing proportion of new households cannot afford to buy property.
- Limited direct public investment in affordable housing has meant that an increasing reliance is being placed on new affordable housing built as part of planning agreements on new private sector developments.
- The need for affordable, (including key worker), housing is increasing as new households are unable to enter the owner occupied market in the West of England area.

8 LAND AND PREMISES FOR INDUSTRIAL AND OFFICE USES

The stock of industrial and office property

8.1 The stock of office and industrial floorspace in the West of England amounts to about 8.2 million sq m with warehousing accounting for about 40% of the total, factories some 35% and offices the remaining 25%[1]. Over recent years, the overall stock of floorspace has been rising gradually. Losses of factory floorspace have been more than matched by gains of warehousing floorspace and to a lesser extent, office floorspace.

FIGURE8.1: Changes in the stock of industrial and office floorspace (sq m gross)- West of England 1998-2004



Source: Commercial and Industrial Floorspace and Rateable Value Statistics 1998/2004. Neighbourhood Statistics ONS.

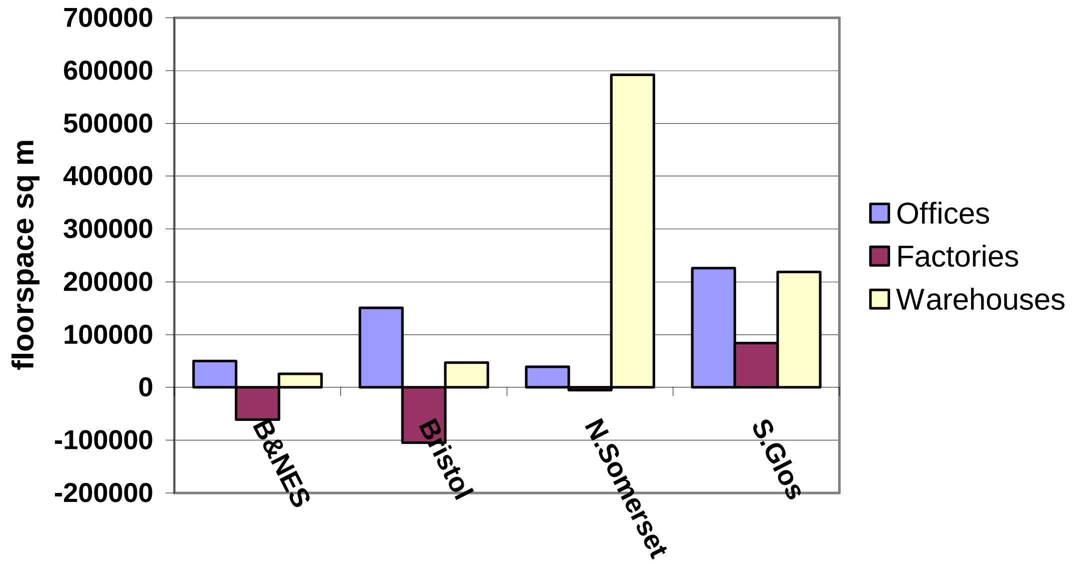
8.2 Patterns of growth and decline across the sub-region however, are not evenly distributed. Both B&NES and Bristol have experienced considerable losses of factory floorspace. Growth of office and to a lesser extent warehousing floorspace has been sufficient however to offset these losses with as a result, the overall stock of floorspace increasing slightly in these districts.

8.3 North Somerset and South Gloucestershire have recorded large increases of industrial and office floorspace. In North Somerset, this reflects primarily large increases of warehousing floorspace, mainly at Royal Portbury. In South Gloucestershire, it reflects large increases of both office and warehousing floorspace, in particular business park development in the North Fringe and the development of large distribution centres at Severnside.

[1] Commercial and Industrial Floorspace and Rateable Value Statistics, 2006. Neighbourhood Statistics ONS.

8.4 These patterns of growth and decline are the outcome of the re-structuring of the local economy over recent decades. The growth of office sectors and large distribution centres has focused on the northern edge of Bristol while the loss of many traditional manufacturing employers has been from older developments within the urban areas.

FIGURE 8.2: Changes in the stock of office, factory and warehousing floorspace: 1998-2004 - West of England local authorities



Source: Commercial and industrial floorspace and rateable value statistics. Neighbourhood Statistics. ONS (www.neighbourhood.statistics.gov.uk)

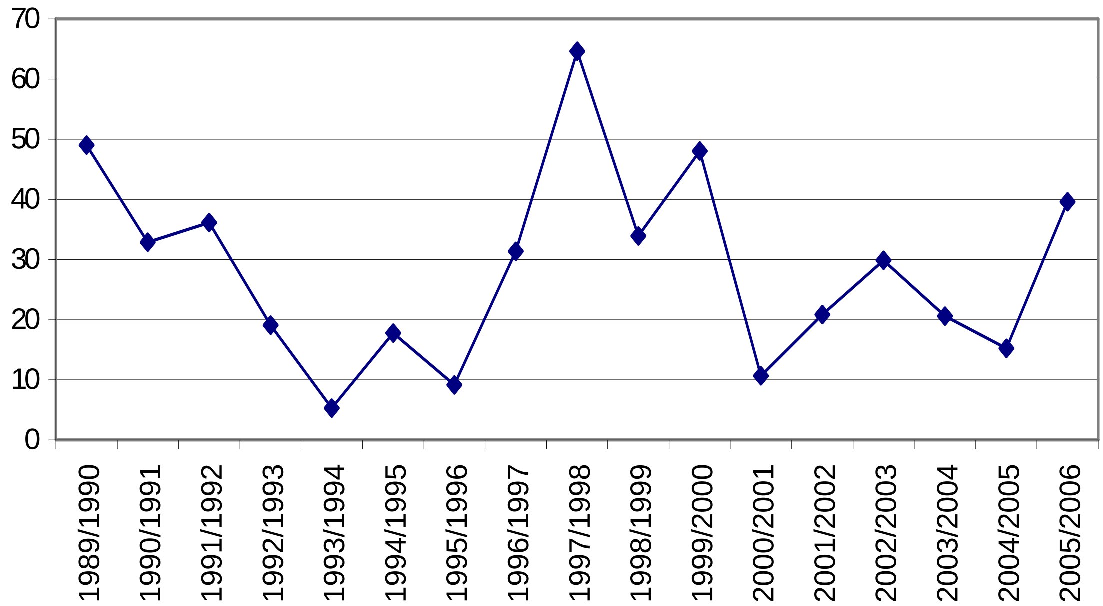
8.5 Some further decrease in the stock of industrial floorspace within the urban areas can be anticipated. Competitive pressures on manufacturing and the locational disadvantages of some urban sites compared with new greenfield development opportunities is likely to lead to some outflow of industrial investment and jobs. Mounting planning and property market pressures to secure brownfield sites for new housing may accelerate the loss of industrial floorspace. The ageing condition of much of the stock of urban industrial property is likely to reinforce this trend.

8.6 The prospect of a continuing decrease of industrial floorspace from the urban areas threatens harm to local employment and future economic diversity and perhaps, overall growth. Unsatisfactory wider 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 potential for further re-structuring of urban land use arising with the loss of industrial uses is likely to create opportunities for securing environmental improvements and urban intensification with beneficial consequences for travel behaviour and transport outcomes, and for the need for Greenfield development. This potential for both adverse and favourable outcomes arising from the loss of urban industrial sites emphasises the importance of securing a greater understanding of the property and land requirements of business and especially industrial uses, the role of existing locations in meeting these requirements, the potential for alternative mixes of use and the wider planning consequences.

Development for industrial uses

8.7 Annual levels of industrial development completions in the West of England averaged 28.5ha between 1989 and 2006[2]. About three-quarters of this development has been in the wider Bristol area with about 60% located on the northern edge of the urban area, mainly as a result of the expansion of large warehousing and distribution centres at Avonmouth, Severnside and Royal Portbury.

FIGURE 8.3: Annual industrial development completions (ha.) 1989-2006 West of England



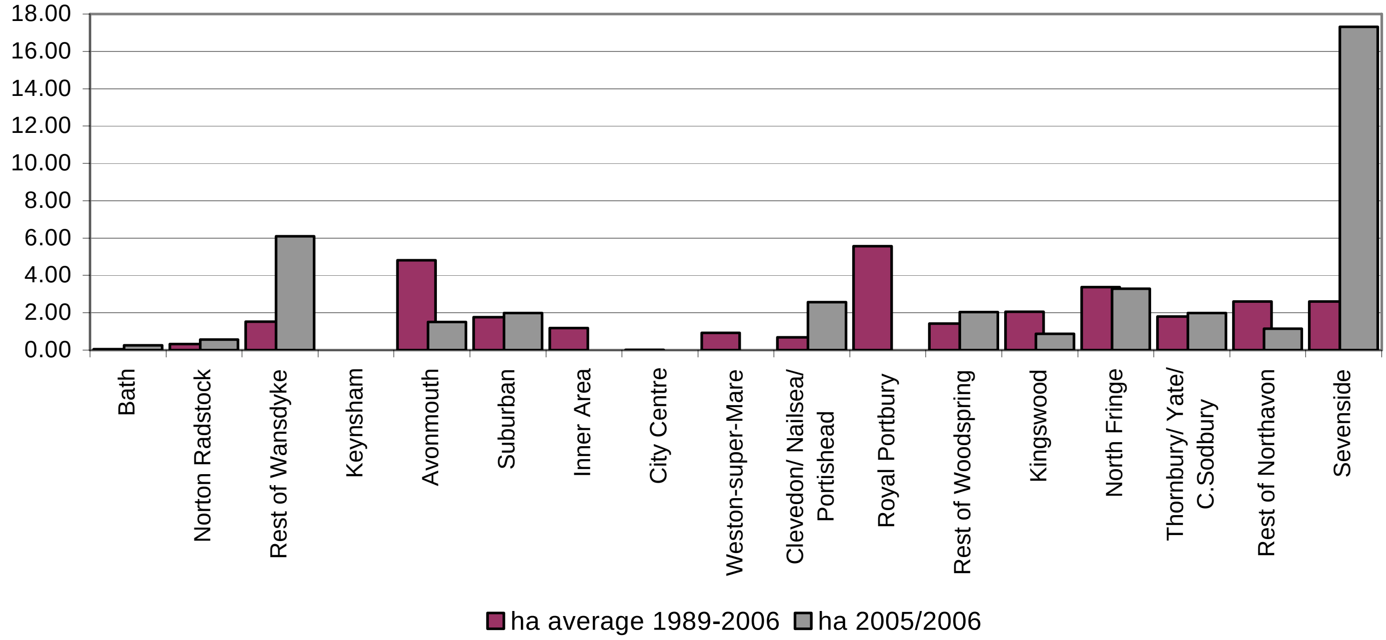
Source: Local authority employment land surveys 1989-2006

8.8 The scale of annual completions for industrial uses over recent years generally has been below the long-term average. However, over the last 12 months for which data is available (2005/6), about 40ha were completed, largely as a result of major warehousing developments at Severnside. While provisional data indicates that the level of completions for 2006/7 will fall again below the long-term average, it is then likely to rise well above for 2007/8. At April 2007, construction had started on nearly 60ha of industrial developments across the sub-region. This development includes some 25ha at Avonmouth/Severnside, mainly accounted for by warehousing developments,

[2] Local authority employment land surveys. NB. Excludes land taken-up by car storage and other dock uses within the Royal Portbury estate. Data for B&NES only covers from 2001-2006 as data is incomplete before this period.

and about 32ha in the North Fringe, accounted for the Rolls Royce factory development at Patchway.

FIGURE 8.4: Industrial development completions (ha) 2005/06. West of England sub-areas.



Source: Local authority employment land surveys.

Development for office uses

8.9 Annual levels of office development completions in the West of England averaged about 57,500sq m gross pa between 1989 and 2006[3]. Bristol City Centre (21,200 sq m gross pa average) and the North Fringe (27,900 sq m gross pa average) account for about 85% of this development. About a third of the development undertaken in the North Fringe however, comprises two exceptional large developments completed in 1996/7 (for MoD and Axa Sun Life).

8.10 The annual levels of office completions in the sub-region have fluctuated considerably over the years. Recent annual levels of completions have fallen below the long-term average with 45,700sq m gross having been completed in 2005/6.

8.11 In Bristol City Centre, few office developments were undertaken in the mid-1990s with the attention of the property market drawn to the Greenfield development opportunities arising in the North Fringe. Interest in City Centre office development however, has recovered over recent years with an annual average of 21,200sq m gross having been completed between 2000/1 and 2005/6. Similarly, annual take-up of all office space has been well above the

[3] Local authority employment land surveys show office completions averaging 57,905sq m per annum between 1989 and 2006.

long-term average over the last five years.[4] Over the last few years, levels of office completions in the City Centre have again fallen back. However, the levels appear destined to rise considerably over the medium term as a result of the large amount of office development currently under construction and expected to come forward. [5]

8.12 In the North Fringe, levels of annual completions have also fluctuated. About 21,000 sq m gross was completed in 2004/5 falling to about 4,000 sq m gross in 2005/6 and virtually zero in 2006/7. Over the future, owing to the relative shortage of major new sites coming forward, levels of completions are likely to remain of a modest scale, at least compared with previous years beyond schemes related to re-investment by the aerospace industry. However, further modest opportunities for office development are coming forward at Filton Northfield and at the former Rolls Royce East Works site with other scope for new offices likely to be provided by the relocation of some lower value uses from the business park sites.

8.13 Other opportunities for 'out of town' office expansion are available at Emersons Green and at several locations close to the M5 in North Somerset. At Emersons Green, about 12,000 sq m gross of new offices have been completed since 2002. In the Portishead and Clevedon areas, some 29,000sq m gross completed since 2002. Further opportunities for office expansion at these locations are available.

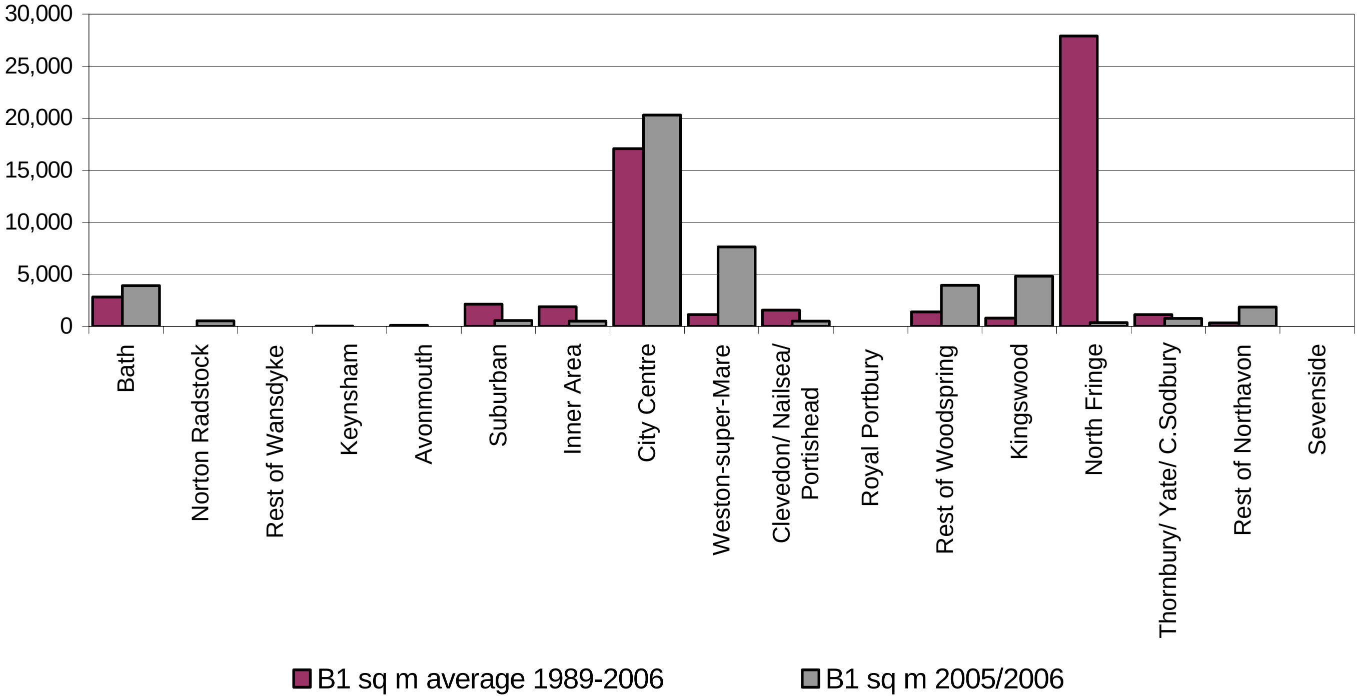
8.14 Bath City Centre has attracted a comparatively small amount of new office development over recent years. (3,000 sq m gross pa average between 1989-96 and 2001-2006[6]). Progress with the regeneration of Western Riverside however is likely to lead to significant new office development in the City over the medium term.

[4] Annual office take-up between 2000-5 averages 62,250sq m gross per annum compared with the long-term average of 46,450sq m gross. Bristol Market Activity report Winter 2006 Knight Frank.

[5] The draft Bristol Business Survey 2007 shows about 90,000sq m gross office floorspace under construction at April 2007. GVA Grimley advise that 123,200sq m gross office floorspace will be completed in Bristol City Centre between 2007 and 2010. Regional Office Markets Outlook Autumn 2007. GVA Grimley.

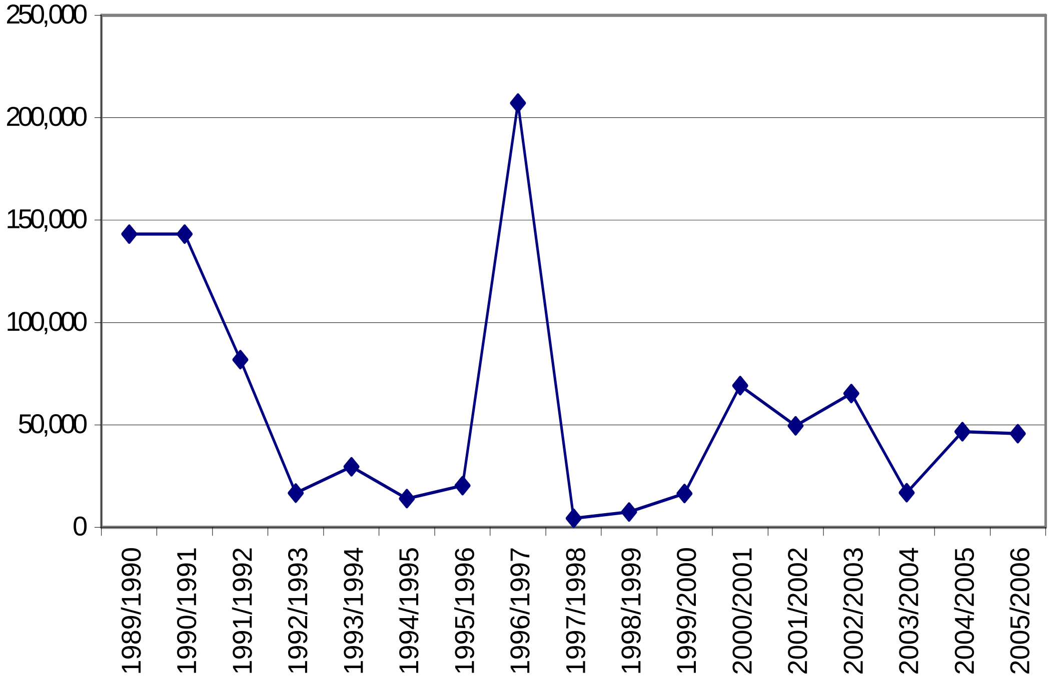
[6] B&NES do not have information available for completions between 1996-2001.

FIGURE 8.5: Office development completions (sq m gross) 2005/06. West of England sub areas



Source: Local authority employment land surveys 2005/06

FIGURE 8.6: Annual office development completions (sq m gross) 1989-2006 West of England



Source: Local authority employment land surveys 1989-2006

8.15 The ‘market demand’ for development for industrial uses in the West of England has been estimated to represent the potential for the take-up of 21ha pa[7]. The Bristol area accounts for some 18ha of this total. These estimates do not allow for further industrial development arising with the expansion of trade at the port or as a result of other exceptional developments.

8.16 Recent ‘market demand’ for new office development in the West of England has been estimated to represent the potential for the take-up about 10ha of business park development, largely in the North and East Fringe, and a further 20,000sq m gross floorspace in Bristol City Centre[7]. Recently, ‘market demand’ has been created for new offices at locations close to the M5 in the Portishead area as a result of the diminishing supply of development sites in the North Fringe. Continuing shortages of sites in the North Fringe is likely to divert some out of town demand from north Bristol towards locations in the urban area and along the M5, including Weston-super-Mare, especially with supportive planning policies and transport investment as advocated by the draft Regional Spatial Strategy.

FIGURE 8.7: Market demand for new industrial and office development. Potential annual take-up rates

	Industrial	**Office**	
	ha.	**ha**	**Floorspace (sq m gross)***
Bath	0.5	0.5	3,500
Rural Areas	1.00	0.25	0
Bath area	***1.50***	***0.75***	**3,500**
Bristol City Centre	0.00	0.00	20,000
South Bristol	3.00	0.00	
North & East Fringe	2.5	7.4	0
Keynsham	0.50	0	0
T'bury/Yate	1.00	0.50	0
M5 Corr.	1.0	1.50	0
A'mth/S'side	10.0	0.00	0
Bristol area	***18.0***	***9.40***	***20,000***
WSM	***1.50***		0
West of England	**21.00**	**10.15**	**23,500**

Source: Strategic Employment Sites in the WESP Area. RPS/Alder King for SWRDA/WESP 2003.
* Floorspace data describes the scale of office demand within Bath and Bristol City Centre.
NB. The estimates shown do not acknowledge the potential for ‘exceptional developments’ for example, arising with the expansion of the port. They do not take account of the spatial impacts of future changes in planning policy, accessibility and the supply of development sites.

Land and sites allocated for industrial and office development

8.17 About 750ha are with planning permission or allocated for industrial and office development in the West of England[8]. Nearly two-thirds of this land is located in South Gloucestershire where some 270ha at Severnside hold a long-standing permission for heavy industrial development. A further 130ha is allocated for employment uses in the North and East Fringe,, largely

[7]. Strategic Employment Sites in the WESP Area. RPS/Alder King for SWRDA/WESP 2003.
[8] Based on the 2007 Employment Land Surveys of the local councils.

science park and business park development, and to meet the re-investment plans of the existing aerospace industry. Few sites for new industrial development are available on the fringes of Bristol apart from at Avonmouth.

8.18 Beyond the Bristol area, substantial areas of employment land are allocated at Weston-super-Mare (130ha) and in the wider Norton Radstock area (23ha). At Weston, the draft Weston Area Action Plan proposes extensive areas for the expansion of employment uses at the former RAF Locking (25ha) and Weston Airfield (59ha) locations.

Figure 8.8: Employment land allocations- April 2006

UA	Sub-Area	B1(a)sq m	B1,B2,B8 ha	Sui Generis
Bristol	Central	207,331	0.12	0.00
	Inner	14,481	1.70	0.00
	Avonmouth	0	53.79	0.00
	Suburban	44,039	6.22	0.00
Bristol		**265,851**	**61.83**	**0.00**
North Somerset	Portishead, Clevedon, Nailsea	29,039	10.55	0.00
	Weston-Super-Mare	5,894	37.89	2.36
	Rest of Woodspring	18,123	17.95	0.00
North Somerset		**53,056**	**66.39**	**2.36**
South Gloucestershire	Rest of Northavon	2,767	0.98	0.00
	North Fringe	73,161	104.77	5.45
	Kingswood	22,642	30.31	2.84
	Yate/Thornbury/Chipping Sodbury	5,314	5.60	0.03
	Severnside	0	302.36	0.89
South Gloucestershire		**103,884**	**444.02**	**9.21**
B&NES	Rest of (incl Norton Radstock)	8,644	10.96	0.00
	Bath	19,733*	0.09	0.00
	Keynsham	26,654**	11.09***	0.00
B&NES		**55,031**	**22.14**	**0.00**
West of England Totals		**477,822**	**594.38**	**11.57**

Source: Local authority employment land surveys.
Notes: South Glos totals include sites that may be under the threshold of 1,000 sq m floor space and 0.4 hecatres
B&NES totals are subject to review.
* Potential additional 46,000 sq m allocated office space at Western Riverside.
** Includes 24,860 sq m allocated office space at Somerdale.
*** Includes 11 ha allocated industrial space at Somerdale.

8.19 Considerable opportunity for new office development is coming forward in Bristol City Centre. At April 2007, 90,100sq m gross of new offices were under construction and a further 175,000sq m gross had planning permission. In addition, other major regeneration sites in the City Centre offer the potential perhaps for a further 50,000 sq m gross of offices[9]. It has been estimated that

[9] These include the former CMG Building on Temple Way, subsequently granted permission in December 2008, and St Mary Le Port.

about 120,000 sq m gross of floorspace is likely to be completed in the City Centre over the next 3 years.[10]

8.20 Other substantial opportunity for new office development is proposed in Bath. The regeneration of Western Riverside is expected to include a large amount of new offices with perhaps opportunity for 46,000 sq m gross of new office coming forward. Surplus MoD sites and under-used sites on the edge of the City Centre also may offer further opportunities for new office development in Bath.

8.21 Recent studies have assessed the capacity of existing employment land allocations in the West of England to meet future development requirements[11]. Shortages of land of the right type and in the right locations are identified. Further consideration is being given to these shortages and the issues arising by the local councils in preparing their local development documents. Existing employment land allocations are being reviewed and the need for further allocations assessed.

Major sites and locations for industrial and office development

8.21 Recent progress in bringing forward major industrial and office developments in the West of England and the potential for meeting future requirements, is summarised below.

Avonmouth and Severnside

8.22 Proximity to the port and the motorway network and extensive development sites have attracted very considerable investment in heavy industrial, power generation and waste treatment plant, large distribution and warehousing depots and a range of other businesses. About 110ha has been developed over the last 10 years and at April 2007, a further 25ha were under construction.

8.23 This pattern of investment and development is likely to be maintained over the future. There is considerable interest in locating further major distribution centres. Constellation is to establish a large bottling and distribution plant (70,600sq m gross) and there are proposals for waste management facilities, further warehousing developments and a large bakery.

8.24 In addition, further port related development can be anticipated although the scale and pace is uncertain. Proposals for a major container-handling terminal are proposed that could be in operation by 2012. A new road crossing of the Avon, linking Avonmouth with Royal Portbury is proposed[12], the construction of which would be likely to enhance the role of Avonmouth in meeting dock related distribution requirements and alleviate

[10] Regional Office Markets Outlook. Autumn 2007. GVA Grimley.
[11] Strategic Employment Sites in the WESP Area. RPS & Alder King for SWRDA & WESP. 2003
Supply and Demand of Employment Space in the South West DTZ Consulting & Research for SWRDA January 2007.
Economic Dynamics and Intervention in the West of England. DTZ Consulting & Research for SWRDA. January 2007.
[12] The Greater Bristol Strategic Transport Study. Proposed Strategies. October 2005.

current shortages of opportunity for the expansion of such developments at Royal Portbury.

8.25 Consultants have advised that estimated ‘market demand’ could support about 10ha pa of new industrial development at Avonmouth and Severnside [13]. Meeting port-related development requirements currently arising at Royal Portbury would add to this development pressure.

8.26 About 74ha are currently coming forward for new industrial developments at Avonmouth and a further 20ha at Severnside. This includes about 25ha that are currently (April 2007) under-construction and at least a further 23ha on which development is about to commence, leaving less than 50ha immediately available for other new developments. Further undeveloped land and opportunity for the re-use of brownfield sites is potentially available at both Avonmouth and Severnside where about 268ha of undeveloped land have a long-standing, part-implemented permission for industrial and related development. However, the development of any further greenfield land is likely to require the resolution of major constraints, including a new junction on the M49, flood risk and environmental considerations.

Bristol North Fringe

8.27 Business park and office development in the North Fringe supported much of the overall growth of employment in the sub-region over the 1990s. About 140ha was taken-up by new employment uses, largely accounted for by business park developments, with local employment levels rising by over 20,000.

8.28 Currently, both Airbus and Rolls Royce are advancing proposals for major new office, production and research and development facilities that should serve to secure their presence. Planning permissions have been granted for phased developments and construction is underway. In addition, Prologis have purchased the former Rolls Royce East Works and have been granted planning permission for a redevelopment that includes some 10ha for industrial uses and 5ha for offices. MoD is re-locating another 2,000 jobs to Abbey Wood and an adjacent office. Finally, SWRDA have supported Airbus in establishing the recently opened Composites Research Centre at Filton.

8.29 Elsewhere in the North Fringe however, few sites are under-construction, vacant or remain available for new industrial and office development relative to the recent large scale of development in the area. These include the North Bristol Distribution Park (9ha) and smaller office sites at Aztec West (4.3ha under-construction and 1.3ha with planning permission), Bristol Business Park (1.3ha under-construction) and the Vantage Office Park (1.2ha under-construction and 0.4ha with planning permission) that are likely to be taken-up over the short-term. In the medium term, some 14 ha for employment uses are expected to come available at Filton Northfield. Hewlett Packard at Stoke Gifford retains some 11ha of adjacent land for future expansion. The redevelopment of low density industrial uses on the business

[13] Alder King/RPS (2003) op cit.

parks is likely to provide further significant scope for meeting requirements for new offices.

8.30 Consultants[14] advise that the commercial property market perceives a shortage of business expansion opportunity in the North Fringe. Market demand is estimated as representing the potential for about 7ha per annum of business park development. However, the consultants advise that this may fall to between 3-4ha over the future as a result of a combination of traffic congestion, a more limited supply of development opportunity, and the attraction of potential demand elsewhere as a result of success with City Centre regeneration and opportunities for out of town office development in North Somerset. Confirming this view, office development completions in the North Fringe have fallen generally to below 4ha pa over recent years.

Emersons Green and the Bristol and Bath Science Park

8.31 The 'Area B' development for employment uses has been taken-up rapidly over recent years attracting mainly distribution and more recently, office uses. About 6ha remain undeveloped and proposed for office uses.

8.32 Long-standing proposals for SPark, the Bristol and Bath Science Park at Emersons Green, are now being promoted by SWRDA with support from private partners, the universities of Bath, Bristol and UWE. The Agency has purchased much of the 25ha currently allocated for the science park and is seeking to extend the development in the longer-term to include a further 20ha currently allocated for local employment purposes. Planning permission has been granted for 77,000sq m floorspace. Quantum Property Partnership has been selected to act as the development and funding partner in the creation of SPark. It will fund and develop the roads, services and initial buildings, including the 3,200 sq m innovation centre, for the first 22ha phase of the park. An application a masterplan for the development of the area has been submitted. Following approval, detailed proposals for the first phase of enabling infrastructure and a 5,000 sq m innovation centre will be submitted. The development is expected to support over 6,000 jobs. Construction work, subject to detailed planning permission, is expected to start in 2008 and phased to match the pace of demand with development extending over a 10-year timescale.

Portishead and the M5 Corridor

8.33 Portishead and Ham Green have attracted a significant amount of new office and industrial development over recent years. Since 2001, about 7ha has been developed for offices, mainly in the Portishead and Ham Green area and about 6ha for industrial uses, mainly at the 5/20 development outside Clevedon (to meet local industrial requirements).

8.34 In 2006/2007, office completions at Ham Green accounted for about 0.8ha (2,390 sq m gross) and at Clevedon 5/20, a further 0.3ha (3,650sq m gross).

[14] RPS/Alder King (2003) op cit

8.35 About 20ha at Portishead remain available for development for employment uses, including 5ha where development was under-constriction at April 2007. A further 3.8ha remain available nearby at Ham Green. Office developments are likely to account for these sites. Further along the M5 at Kenn Road, Clevedon, another 8ha has been allocated for employment uses.

Royal Portbury and the Port of Bristol

8.36 The Port came under the ownership of First Corporate Shipping Limited in 1991 leading to considerable investment in new handling facilities, mainly at Royal Portbury. Cargo traffic has risen sharply from about 4.8 million tons in 1990 toa current total of about 12 million tons with Bristol the fastest growing deep water port in the UK. About 5,400 jobs are within the port estate while an estimated 7,660 jobs depend either directly or indirectly on the Port (Bristol Port Economic Assessment: March 2004).

8.37 The growth of the port has led to a very considerable requirement for land with over 200ha being taken-up at Royal Portbury Dock. This includes some 50ha for industrial, mainly distribution uses while car storage accounts for another 70ha.

8.38 Virtually no vacant land remains available for development at Royal Portbury. However, a recent assessment of the growth potential of the port advises[15] that another 250-350ha of development land is likely to be required by 2022 if the potential for further trade growth and some 2,600 extra jobs is to be realised. It is argued as well, that without opportunity for continued investment and expansion, the trend of growth at the port may be reversed. Recently, the port company has outlined a proposal for a deepwater, container terminal at Avonmouth.

8.39 The local councils want to see the development requirements of the Port channelled towards the regeneration of derelict and under-used at Avonmouth. Realising this aspiration would almost certainly require a second Avonmouth crossing in order to improve links between Avonmouth and Royal Portbury. A new crossing is proposed by the draft Greater Bristol Transport Study.

Bristol International Airport

8.40 The Airport is attracting rising numbers of passengers with the annual total currently standing at about 6 million. Daily flights to New York commenced in May 2005 and flights to Toronto are to start in 2008. Airport passengers are expected to rise to about 9 million by 2015 according to the Airport Master Plan and 10-12 million by 2030[16] with considerable benefits in terms of jobs and the encouragement of business investment across the wider sub-region. About 2,650 persons work at the Airport. This number could climb to about 3,800 by 2015 and 5,690 by 2030 given the forecast of future passenger numbers.

[15] Bristol Port Economic Assessment: Roger Tym with ET Laing for SWRDA. Feb 2004.
[16] Air Transport White Paper. Dec. 2003.

8.41 The existing terminal with extensions has capacity for up to perhaps 9 million passengers per annum with higher numbers requiring a new location for a terminal building and further car parking beyond the current airport boundary. A planning application has been submitted for an extension to the terminal. The Airport Master Plan has been prepared which sets out the framework for the development of the Airport over the next 20 years. It has been submitted to North Somerset Council and the Department for Transport.

Bristol City Centre

8.42 Bristol City Centre has attracted a very considerable amount of new office development. Annual completions since 1989 have averaged about 17,000sq m gross with the stock of office floorspace amounting to about 1m sq m gross. Prime rentals have climbed to £296 per sq m (June 2007) compared with £280 per sq m in June 2006.[17]

8.43 Office completion rates in the City Centre tailed-off in the mid 1990s with the attention of developers and occupiers attracted to the North Fringe. More recently, the City Centre office development market has staged a recovery symbolised by the success of the Temple Quay development. About 90,000 sq m gross was under-construction at April 2007. Currently, the following major schemes are under-construction: Temple Quay 2 19,500sq m gross; Portwall Lane 15,800 sq m gross; Finzels Reach 10,500 sq m gross; Edison House 11,400 sq m gross; Harbourside 18,900sq m gross and, Broadmead 15,000 sq m gross, Paragon, Victoria St. 7,100sq m gross. About 123,000sq m gross office floorspace is likely to be completed over the next 3 years[18].

8.44 In addition, a considerable amount of further new office development is proposed for the City Centre. This approximated to about 175,000 sq m gross at April 2007 and included further major office development at Temple Quay, and several large office schemes on Temple Way and at Redcliffe.

8.45 The market for office development in the City Centre has been estimated as of a scale to support the take-up of about 20,000sq m gross per annum[19]. This estimate is broadly consistent with recent completion rates. The current office supply pipeline in the City Centre therefore, appears to offer the capacity to meet the demand arising over at least the next 10 years.

8.46 Recent trends in the take-up of offices indicate that a high proportion of demand Is accounted for by small to medium sized occupiers and related to the requirements of existing employers. Recently, the City has not been attracting the relocation of back-office functions owing to lack of available space and labour costs[20].

[17] Regional Office Market Outlook Autumn 2007 GVA Grimley. For comparison, in the following city centres prime rentals in June 2006 were: Birmingham £296 per sq m; Cardiff £199 per sq m; Liverpool £194per sq m; Manchester £307 per sq m; Leeds £269 per sq m; Newcastle £215 per sq m; Edinburgh £290 per sq m; Glasgow £253 per sq m.

[18] Regional Office Markets Outlook. Autumn 2007. GVA Grimley.

[19] RPS/Alder King (2003).

[20] GVA Grimley September 2005.

8.47 While considerable new office floorspace is coming forward in Bristol City Centre, older office floorspace is being converted to residential uses, or redeveloped to provide new office accommodation. Between 1996 and 2007, the annual loss of office floorspace averaged 14,700sq m gross. At April 2007, planning permissions indicated a potential for the loss of a further 26,000sq m gross. Furthermore, the large stock of secondary offices in the City Centre and the large amount of secondary vacant stock suggests that further losses of older office accommodation are likely over the future. Based on current development trends, the overall rise in the stock of City Centre offices may be reduced to approximately 5-10,000 sq m gross pa average over the future despite the large amount of new floorspace in the planning pipeline.

8.48 Other major new developments being progressed in the City Centre include:

- the Broadmead expansion and redevelopment that will provide over 100,000sq m gross floorspace including about 60,000sq m gross for retail uses and 15,000sq m gross for offices; construction has commenced with completion anticipated in 2008; and,
- Harbourside Wapping Wharf to provide 61,750sq m gross floorspace; to include a new Museum of Bristol and a range of other uses.

8.49 The considerable potential for new office, retail, leisure and other development in the City Centre represented by sites under-construction or with planning permission indicates in turn, the potential for employment growth. Jobs in offices based on these development trends may rise by the order of 12,000 over the next 20 years. Allowing as well for extra job in retailing, leisure and other services indicates a potential for the overall level of employment to rise by about 20,000 between 2006 and 2026.

South Bristol

8.50 A masterplan for some 76ha at Hengrove Park has been prepared to guide a mixed use development comprising housing, business park (8ha), leisure uses including a new swimming pool and sports centre, education facilities, and a hospital. Outline planning permission has been granted and outline funding for the hospital approved. A full application for the new skills academy, infrastructure and new offices was submitted in 2007. Construction is expected to start in 2008 on the Skills Academy and hospital with completion expected in 2009. An application for the leisure facility will be submitted in July 2008. The development could support up to 3,000 jobs

Weston-super-Mare

8.51 The draft Weston Area Action Plan has been prepared to guide the regeneration and expansion of the town over the next 20 years. It proposes improvements to the town centre and the seafront, and major new development on the edge of the town with an emphasis on employment led development. The following proposals, to be implemented by 2011, have been incorporated within the Replacement Local Plan as follows: the former Winterstoke Road Business Park/Weston Euro Park is amended to extend over 26ha and complemented by a business park of 33ha at the eastern end of the former airfield. A further 25ha are proposed for office/high tech uses at the former RAF Locking. Oxford Instruments Plasma Technology is to relocate from Yatton to a 5,000sq m development at this location, re-named Locking Parklands. Some 10,060 jobs are expected to arise from the Area Action Plan proposals by 2021 with capacity created for some 17,500 jobs in the longer-term.

Bath City Centre

8.52 The City Centre is under considerable pressure from the large number of visitors attracted and the associated requirement for development. Bath Thermae Spa opened in summer 2006 and is reported to have encouraged the attraction of new retailers to the town. The 1970s Southgate shopping centre has been demolished and construction on the new Southgate has commenced. This new development will provide the extra capacity and modern facilities required by visitors to the City. It is expected to open in 2010.

8.53 Requirements for office space currently are small scale and relate to meeting local requirements. The re-cycling of existing employment sites offers the potential to meet requirements for modern accommodation and support the modest growth of the sector. However, this potential threatened by the buoyancy of the residential property market.

8.54 Major opportunities for regeneration and meeting rising requirements for City Centre expansion over the longer-term have been identified at Western Riverside (see below) and on the edge of the centre. These opportunities will serve to complement the regeneration of Western Riverside.

Western Riverside

8.55 Bath & North East Somerset Council and SWRDA are working with Crest Nicholson to bring forward regeneration at Western Riverside. The proposal accounts for some 35ha of brownfield land to the south west of the City Centre. Supplementary Planning Guidance has been prepared and planning permission granted for 18ha of residential and related development.

8.56 Further proposals are expected to address the potential for commercial development on much of the remainder of the site. These should include provision for about 46,000sq m gross office floorspace with the potential to support about 3,000 jobs.

8.57 Implementation is expected to commence in 2008 and extend over a long-term period.

Norton Radstock

8.58 The Norton Radstock Regeneration Company has been established to buy and develop on behalf of the community, with support from the Council and SWRDA, some 7ha of former railway land close to the town centre. A masterplan has been prepared and a planning application for a mixed-use development has been submitted. The scheme is expected to provide a new heart to the town as well as about 250 new homes, some 40 to 50 jobs and new shops and community facilities.

8.59 The Market and Coastal Towns Initiative Group is preparing an action plan for the wider Norton Radstock area that will detail priority regeneration projects.

Key points

- The stock of industrial and office property in the West of England has been rising gradually over recent years. Office and warehousing gains have outweighed factory losses. North Somerset and South Gloucestershire account for virtually all of this growth. B&NES and Bristol have recorded slight increases with warehousing and office growth making up for considerable falls in the stock of factory floorspace. (Commercial and industrial floorspace statistics. National Statistics)

- Industrial development completions in the West of England averaged 28.5ha per annum between 1989 and 2006. Over the last 12 months (2005/6), nearly 40ha were completed. Warehousing developments at Severnside made a substantial contribution to this total. Currently, industrial development is underway on some 60ha, largely as a result of warehousing developments at Avonmouth and Severnside (25ha) and re-investment by Rolls Royce at Patchway (32ha) (Local authority employment land surveys)

- Office development completions in the West of England averaged about 57,500 sq m gross per annum between 1989 and 2006. Bristol City Centre and the North Fringe account for about 80% of this development.

- Recently, there has been an up-surge in office development in Bristol City Centre where an estimated 123,000 sq m gross will be completed over the next 3 years (Regional Office Markets Outlook. Autumn 2007. GVA Grimley). Locations close to the M5 and the Bristol urban area are also attracting office development over recent years. The pace of office development in the North Fringe are however has slowed, reportedly as a result of a more limited choice of development sites and congestion.

- Consultants have advised that the ‘market’ for new industrial development in the West of England represents the potential to support about 21ha per annum of development over the future. The Bristol area accounts for about 85% of this potential development and Avonmouth/Severnside nearly 50%. (Strategic Sites in the WESP area. RPS & Alder King 2003)

- Consultants also advise that the ‘market’ for new office development in the West of England is dominated by Bristol with the City Centre having the potential to attract about 20,000sq m gross of new development each year and locations on the fringes of the City, the potential to attract a further 10ha per annum of ‘out of town’ office development. The consultants advise that over the future, a proportion of this Bristol ‘out of town’ office demand could be attracted to a wider range of locations in the urban area and along the M5 Corridor, including Weston-super-Mare. (Strategic Sites in the WESP area. RPS & Alder King 2003)

- About 750ha are proposed for industrial and office development in the West of England. Sites in South Gloucestershire, principally at Severnside, account for about two-thirds of this potential. In Bristol City Centre, there are proposals for considerable amounts of new office development, largely accounted for by mixed-use regeneration schemes. Other substantial capacity for new office development is identified at Western Riverside in Bath. At Weston-super-Mare, extensive development opportunities have recently been identified for a mix of employment uses.(Local authority employment land surveys)

- At Avonmouth and Severnside, several major distribution centres developments have been undertaken over recent years. About 100ha of further development land is currently coming forward of which about a half is accounted for by developments under-construction or likely to start in the short-term. There are considerable further areas of undeveloped land in the area, including 268ha with a longstanding planning permission for industrial development at Severnside. Progress with further, major Greenfield development is likely to require however, the resolution of transport, flood-risk and environmental constraints.

- In the Bristol North Fringe, Airbus and Rolls Royce are investing in major new office, research and production facilities and MoD are transferring some 2,000 more jobs to Abbey Wood and an adjacent office. Elsewhere in the North Fringe, few sites are currently available, especially for industrial development, with only a relatively modest scale of additional land to come forward in the medium term compared with the past considerable scale of development. Consultants report shortages of sites. (RPS & Alder King 2003)

- At Emersons Green, only a few sites are available for general employment uses. SWRDA are investing in bringing forward the science park. Currently, 25ha are allocated for the development. SWRDA is seeking to secure a further 20ha for the expansion of the science park in the longer term. Over 6,000 jobs are likely to be supported by the science park.

- Portishead is attracting significant new office development while considerable industrial development has located at Royal Portbury. Further opportunity for office expansion is coming available at Portishead. Virtually no land remains available at Royal Portbury.

- In Bristol City Centre, several major office developments are under-construction. Proposals for other major developments are coming forward. These developments together represent the potential for over 300,000sq m gross office floorspace. Past completion rates and estimates of market demand suggests that this scale of development offers the potential to meet demand arising over at least the next 10 years.

- A large share of the new offices recently completed in Bristol City Centre has been taken-up by the relocation of existing businesses moving out of older, less appropriate accommodation. Older, secondary offices are often difficult to let. Many are being converted to other uses or redeveloped. Over recent years, the average loss of secondary offices has averaged about 14,700 sq m gross.

- At Weston-super-Mare, 84ha at the former Weston Airfield and RAF Locking (re-named Locking Parklands) have recently been allocated for employment uses by the Replacement Local Plan. A mix of industrial, office and high tech/R&D uses are proposed. Construction is expected to start in 2008. Close by, Oxford Instruments Plasma Technology has decided to relocate to a new 5,000 sq m factory to be built at Locking Parklands. A further 50ha of land are allocated elsewhere at Weston for employment uses including the Locking Castle Business Park at West Wick located next to M5 Jn 21.

- At Bath, about 35ha are identified at Western Riverside for regeneration for a mix of uses. An outline application for about 18ha of residential and related development has been approved and a revised full application submitted. Potential for about 46,000sq m gross office floorspace has been identified on remaining land at Western Riverside. Elsewhere in the City, re-cycling existing employment sites offers the potential to meet changing business location requirements subject to resisting pressures from the strong local housing market.