



South Somerset, a great place
to do business

ECONOMIC
DEVELOPMENT
STRATEGY

Draft for Council Approval
February 2019

Appendix A2
Context I – Wide Angle
Economic Portrait

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Appendix A2

Introduction

South Somerset Summary Picture

Influences on the Economy and Policy Context



Introduction

This appendix provides a portrait of South Somerset, with an emphasis on the economic dimension. An overview of key relevant influences on the South Somerset economy, including the economic policy context is set out in this appendix.

The appendix is structured as follows:

- Location and Strategic Context
- Demography & Population
- Economic Prosperity
- Housing
- Transport and Accessibility
- Health and Well Being
- Environmental Quality

Influences on the Economy and Policy Context:

- National Industrial Strategy
- Industry for Defence and a Prosperous Britain
- LEP: Strategic Economic Plan
- LEP: Productivity Plan
- LEP: South West Rural Productivity Plan
- Somerset Growth Plan
- South Somerset Local Plan





South Somerset Summary Picture

South Somerset Summary Picture

The summary picture has been drawn largely from the South Somerset Local Plan Review Issues and Options Consultation October 2017, Chapter 2.

Location and Strategic Context

South Somerset is located in the south-west of England. It is the largest district in Somerset and covers an area of 370 square miles. It is a largely rural district spread across a number of towns, villages and hamlets, and has a number of settlements of similar size – reflecting their historic market town status and the geographical extent of the District. The rural nature of the area is emphasised by the low population density of 1.7 persons per hectare (the England average is 4.1).

Demography & Population

South Somerset has a population of 167,200 people (2017). Since 2001 it has grown at a relatively consistent rate of around one thousand people per year. Yeovil is the largest town in the District, with a population in 2011 of 45,339.

The reason for population growth in South Somerset has been internal migration from within the UK. This has been mostly in the 65-69 age group, highlighting the attractiveness of the District to retirees. As a result, South Somerset's population is ageing, with a sharp growth in those aged over 60.

Recent data shows significant losses in those aged 30 to 44. It is likely that this trend will continue over the long term, and so the District may face challenges in providing a sufficiently large and competitive labour force in the future.

Economic Prosperity

The South Somerset economy does not operate in isolation, and is influenced by global, national, and regional factors. The way in which the economy and commercial markets operate in a given location can be captured by a Functional Economic Market Area (FEMA). In the case of South Somerset the Local Authority District boundary broadly corresponds to the FEMA. This includes the A303 corridor, which is a strategic transport route connecting Somerset with the wider South West.

The A303 corridor provides a strong 'east-west' axis through the District, facilitating business connectivity as well as easy access to markets, labour, goods and materials. Planned infrastructure improvements to the A303 and the A358, by Highways England, present an opportunity to strengthen key elements of the connectivity infrastructure and inward investment underpinning the economy of South Somerset.

Overall, there is a high degree of self-containment in the South Somerset FEMA. Approximately 80% of people living in South Somerset work here, and 81% of all jobs in the District are filled by residents.

Although the population of South Somerset has been growing, the traditional working age population (those aged 16-64) has been falling since 2008. This may create challenges for the District in the future in terms of the potential pool of local labour that can be drawn upon. However, the economic activity rate and employment rate are both higher in South Somerset than the national average, and unemployment is lower than the regional and national benchmarks. Both of these factors suggests a high number of people of working age are working.

Further detail on the economy of South Somerset is provided in Appendix A3.

Yeovil is the largest town centre in South Somerset in terms of physical size and trading ability. It is, however, supported by a number of small market towns, district and local centres that serve a more local catchment area.

Whilst Yeovil remains the most important centre within the District, the town centre has suffered mixed fortunes over recent years. Recessionary impacts associated with the

global financial crisis and structural changes at a national level to retailing and leisure have been felt acutely in the town centre. This has led to vacancy rates rising to 16.9% compared to the national average of 11.2%. The town centre also faces competition from out-of-town retail parks including the Peel Centre in West Dorset. The ongoing rejuvenation and regeneration plans for Yeovil, (the Yeovil Refresh) and other centres, such as Chard and Wincanton, are aimed at addressing these economic and retail challenges.

Housing

Affordability remains an issue across the District, with an average home in South Somerset costing around 7.5 times the average income. This makes it difficult for those people who are not yet in the housing market to buy a home. However, prices in South Somerset are on a par with the County as a whole.

In addition, given the ageing population within the District – the population aged 65+ in South Somerset is set to increase by 57.5% between 2014 and 2039 – there will be a need to consider housing options to meet the needs of older people as well as ensuring a choice and mix of available housing for economically active households as the basis for retaining key workforce skills and attracting new workers to come and live in South Somerset. Further detail on housing within South Somerset is provided in Appendix A3.

Transport and Accessibility

South Somerset is well linked to other areas by three major railway lines with regular daily services to London, Exeter, Bristol and Weymouth. The A303 Trunk Road and the A30 run east to west through the District and link it with London and the south west peninsula. Highways England has recently consulted on proposals to upgrade the A303 between Sparkford and Ilchester to dual carriageway and also plan improvements to the A358 Taunton to Southfields (Ilminster). Bus service coverage is poor, reflecting the rural nature of the District, and services are often infrequent except in the largest settlements.

Congestion is an issue of local concern in Yeovil, Crewkerne and Chard. There is a heavy reliance on the car for journeys to work and services. This presents a challenge for the District to move to more carbon friendly modes of travel, as well as in terms of improving the efficiency and growth potential of the local economy.



ScrewFix Trade Skills Centre
Courtesy of Yeovil College

Health and Wellbeing

The residents of South Somerset are generally in good health, with only 1% of people ranking themselves as having very bad health (as at 2011). However, health issues at the national level, such as increasing levels of obesity, declining physical activity levels and an ageing population, are also likely to present challenges for South Somerset, with associated consequences for the local economy.

The life expectancy at time of birth for South Somerset residents in 2014 was 80.9 years for males and 84.40 years for females. This compares well to the South West life expectancy of 80.2 years for males and 83.2 years for females. The national average is a life expectancy of 79.5 years for males and 83.2 for females.

Despite the overall positive picture for South Somerset, a number of Local Super Output areas in Yeovil and Chard are within the most deprived 20% in England. Conversely both towns have areas within the least deprived 20% in England. In addition, some residents in rural areas suffer inequalities. This includes high house prices making it difficult to enter the housing market, even from a rental perspective, whilst poor public transport can make access to employment and services

such as a GP surgery, supermarket or convenience store / post office, and primary school difficult. This inequality can be compounded by poor mobile and broadband services, making online alternatives inaccessible.

Environmental Quality

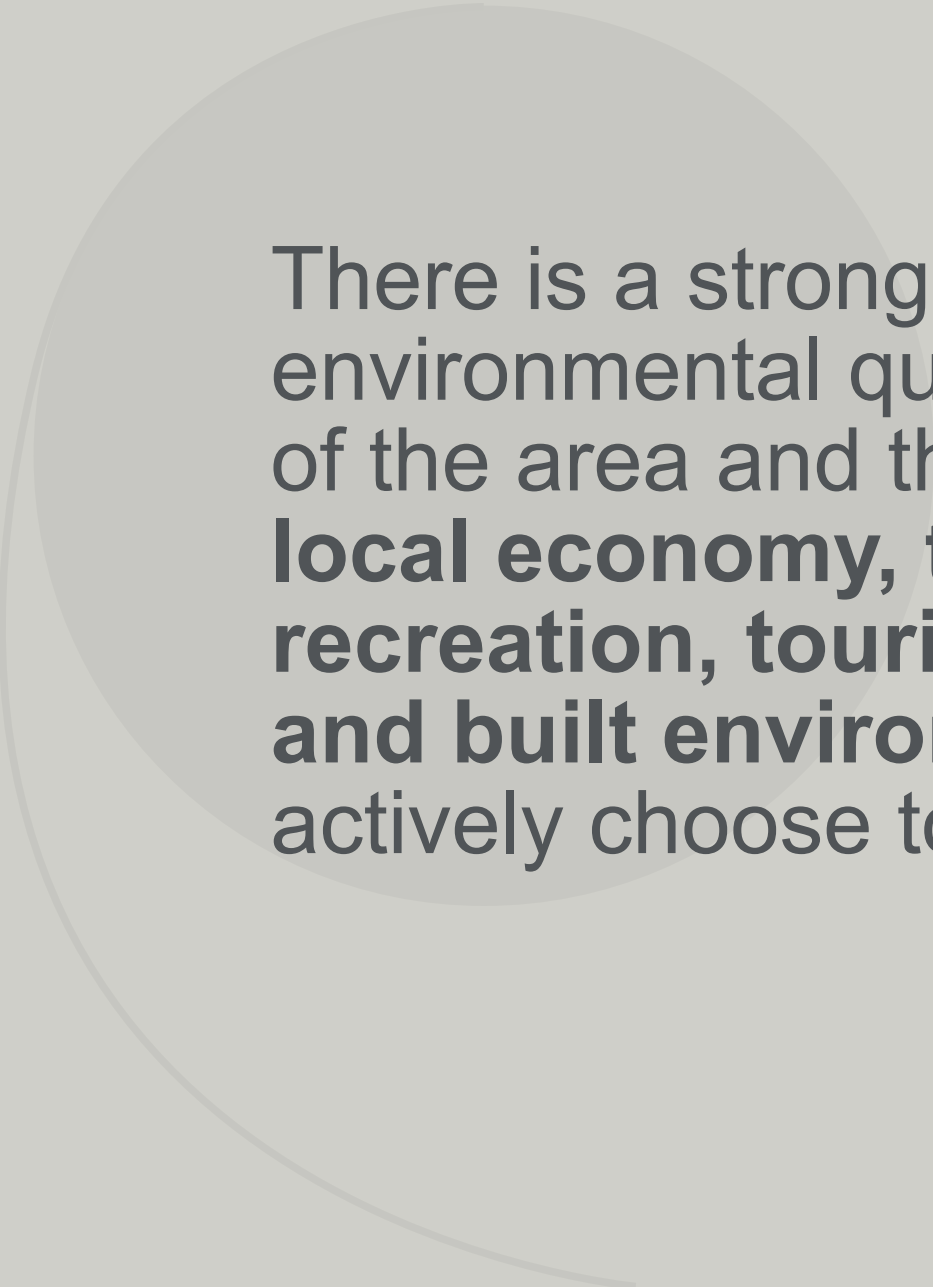
South Somerset has a mainly undulating, agricultural landscape with some very fertile belts that have traditionally been farmed for top quality products such as apples and dairy produce.

Topography and agricultural practices have helped secure special status for outstanding landscapes such as the Blackdown Hills Area of Outstanding Natural Beauty (AONB) to the south west, a small part of the Cranborne Chase and West Wilts AONB to the north east, and the Dorset AONB which runs along the southern boundary of the District.

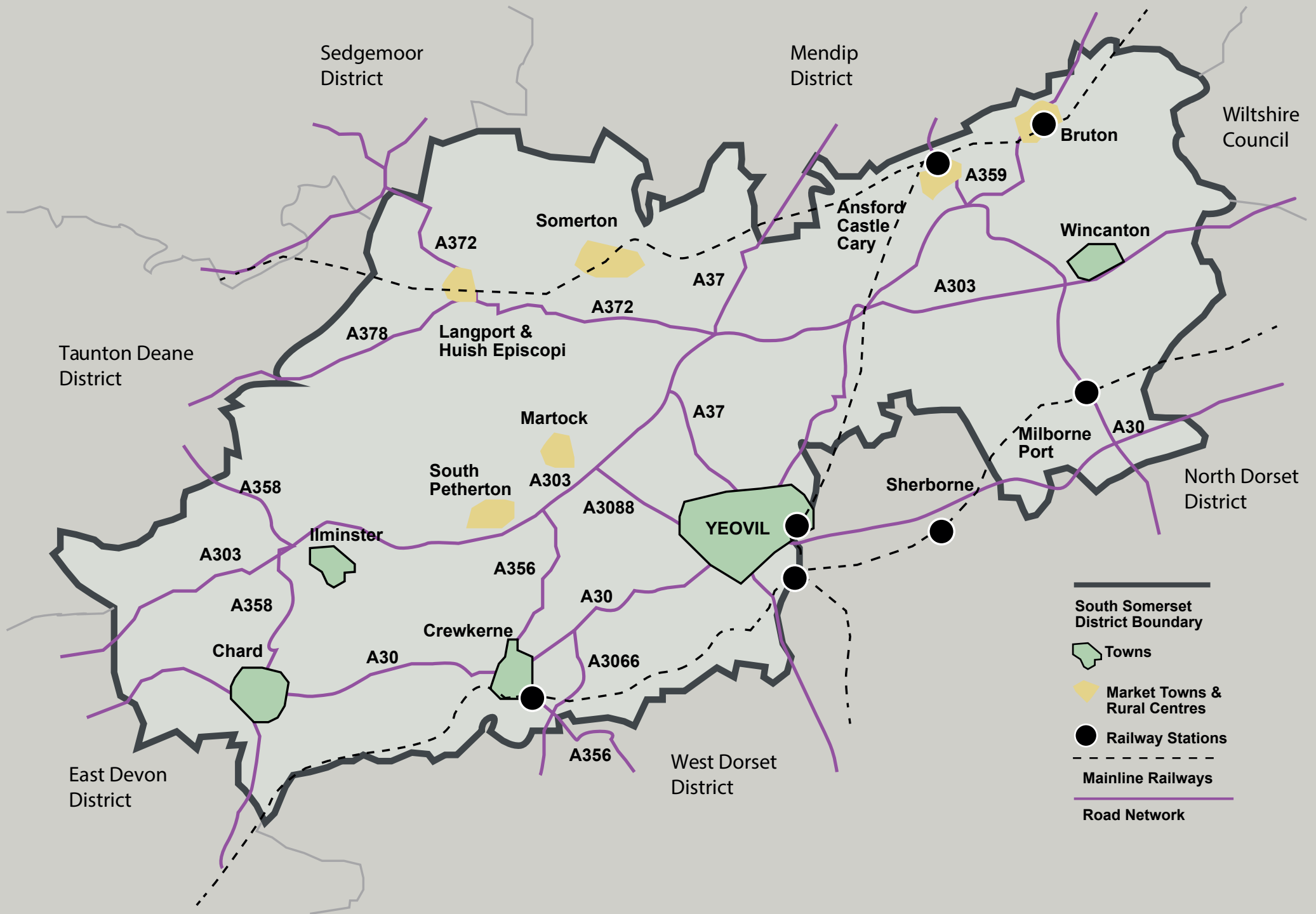
South Somerset is known for areas of high nature conservation value. The European designation of Special Protection Area and RAMSAR site applies to parts of the Somerset Levels and Moors in the north of the District. There are two other National Nature Reserves at Hardington Moor and Barrington Hill, near Ilminster.

South Somerset also has a rich and diverse historic environment. The villages and historic parts of the larger settlements are built with distinctive local stone such as Ham Stone and Blue Lias. The area has a high concentration of Listed Buildings and Conservation Areas as well as Listed Parks and Gardens and estates owned by the National Trust. There are 97 Grade I Listed buildings in South Somerset from a total of 5000 listed buildings and structures. There are also 89 Conservation Areas.

There is a strong link between the environmental quality and productivity of the area and the success of the local economy, through commerce, recreation, tourism and the natural and built environment where people actively choose to live and work. The quality of South Somerset's environment is therefore considered to be a primary driver in future economic success.



There is a strong link between the environmental quality and productivity of the area and the success of the **local economy, through commerce, recreation, tourism and the natural and built environment** where people actively choose to live and work.





Numatic International
Courtesy Numatic International



Influences on the Economy and Policy Context

Influences on the Economy and Policy Context

Local economies do not operate in isolation, and are influenced by and interact with wider regional, national and international economies.

As such, it needs to be recognised that there are limits to the ability of a local authority to determine economic change. Nevertheless, an awareness and understanding of wider economic trends and influences is important in order to help shape the local economy and allow it to build upon such developments and understand its own advantages and distinctiveness.

In that context four broad 'strategic' influences of relevance to the South Somerset economy can be noted.

These are:

- Globalisation and technological change – the continued globalisation of economic markets, and the increasing role that technology is playing in this;
- Global recession and introduction of 'austerity measures' – the longer-term structural impacts of the 2007-8 global recession, and the impacts on the economy and public sector and services of Government austerity measures;
- Brexit - the impending exit of the UK from the European Union; and
- Ageing population and increased service-sector focus of the UK economy.

These overarching influences will play a key role in how the South Somerset economy will develop. However, a comprehensive and 'cast-iron' response to these strategic influences is unrealistic and impractical, as it risks producing an inflexible and unachievable set of actions. Instead, more value can be gained by building from the relevant national, sub-regional and local policy plans.

The following are key reference points in that respect:

- the Government's National Industrial Strategy – Green Paper (January 2017) and White Paper (November 2017)
- the Local Enterprise Partnerships Strategic Economic Plan, Productivity Plan and South West Rural Productivity Plan
- the Somerset Growth Plan
- the South Somerset Local Plan and Local Plan Review

To help South Somerset to establish and maintain its place in a competitive economy, the South Somerset Economic Development Strategy needs to align with these policy perspectives.



Godminster Farm
Courtesy of Godminster

This is to ensure that the EDS:

- aligns with relevant economic policies at three levels of Governance: Regional (but reflecting national guidelines), County and Local
- underpins decision making for economic interventions
- meets relevant and prioritised local need
- affords the best opportunities for effective partnership working
- offers the best opportunity of securing external funding to support the aims and objectives of the EDS

A summary review of each of the relevant policy plans is provided below.

National Industrial Strategy – Green Paper (January 2017)

A Green Paper was published by the Government on the UK Industrial Strategy in Building our Industrial Strategy (January 2017). The objective of the strategy is “to improve living standards and economic growth by increasing productivity and driving growth across the whole country”. Productivity is a major feature of the Green Paper, which considers both the UK’s productivity gap with other leading industrialised countries and the productivity gaps between the UK’s regions.

The Green Paper set out technologies where Britain has strengths in research and development which could be supported through the government’s Industrial Strategy Challenge Fund. This included: smart energy technologies, robotics and artificial intelligence, and 5G mobile network technology, and builds upon existing approaches in sectors like automotive and aerospace.

The Green Paper also outlined ten ‘strategic pillars’ that formed part of the Industrial Strategy. The Somerset Growth Plan 2017-30 (June 2017) mapped these pillars and their underlying objectives to the Somerset context, and noted that there was a close relationship with objectives of the Somerset Growth Plan. Table A2.1 summarises the relationship.

Table A2.1: UK Industrial Strategy ‘Ten Pillars’ and Somerset Growth Plan Objectives

UK Industrial Strategy Green Paper	Opportunities for Growth in Somerset (adjusted to South Somerset)
Investing in science, research and education	<p>Development of a university as part of the education infrastructure in Somerset.</p> <p>Developing innovation centres with links to universities and research institutes.</p> <p>Attraction of new (inward) investment, businesses and functions into Somerset.</p> <p>Enhance existing institutions, e.g. Yeovil District Hospital.</p> <p>Investment into Research and Development.</p>
Developing skills	<p>Development of a university as part of the education infrastructure in Somerset.</p> <p>Delivering technical education and apprenticeships.</p> <p>Developing a brokerage function for technical education, for the benefit of trainees, employers and providers.</p> <p>Increase the skills base of the existing workforce.</p>
Upgrading infrastructure	<p>Improved road and rail linkages into and within Somerset.</p> <p>Improved broadband coverage and more intensive use of broadband and digital technology.</p> <p>Improved mobile phone coverage.</p> <p>Delivering suitable sites and premises to enable businesses to start-up and grow.</p> <p>Improved flood resilience.</p> <p>Delivery of new housing (especially affordable housing).</p>
Supporting businesses to start and grow	<p>Start up and growth support for businesses.</p>
Improving procurement	<p>Not appropriate in the Somerset Growth Plan.</p>
Encouraging trade and inward investment	<p>Business support for exporting and for inward investment.</p> <p>Ensure a supply of appropriate sites and premises to accommodate inward investment of varying scales.</p>
Delivering affordable energy and clean growth	<p>Support the continued development of Low Carbon Energy which is a competitive sector that will support future growth in Somerset.</p>

Cultivating world leading sectors	Support for growth in globally competitive sectors such as Low Carbon Energy (including Nuclear) and Aerospace. Support for sectors with high growth potential such as Agri-Food.
Driving growth across the whole country	Driving growth across the whole of Somerset including the rural and the urban areas, through support for a range of sectors and a series of business support initiatives.
Creating the right institutions to bring together sectors and places	Support for globally competitive sectors, including innovation centres with intensive business support.

Source: Somerset Growth Plan 2017-30. Technical Document. Pg 6

South Somerset District Council responded to the Green Paper in April 2017, which was a joint response by South Somerset District Council, Somerset County Council and Dorset County Council.

This presented the case for building upon the existing economic strengths of the area in terms of productivity and future potential from the aerospace industry. It also focused on the need to enhance infrastructure, both physical and digital.

In terms of the aerospace industry it was noted in the South Somerset District Council response that South Somerset has 21 times the concentration of employment in Aerospace than the national average. Productivity in this sector is also 30% above the national average and underpins the higher than average productivity of South Somerset in this sector compared with the

region. In addition, the future opportunities for growth in this highly productive sector are noted as significant, with the UK's aerospace manufacturing sector having a global market opportunity of £3.5 trillion over the next twenty years.

The South Somerset District Council consultation response also relates how the aerospace sector links to the UK Industrial Strategy Pillar on the importance of investing in science, research and innovation. The Green Paper states that "higher levels of investment in innovation correlate with faster growth and higher income levels" (p. 25). In that respect the value of high-value design, new technologies and crucially, people with the requisite specialist skills, are recognised as critical to the future of the Aerospace sector in Somerset.

It is also recognised that many in the workforce are approaching retirement age. In order to capitalise on the enormous potential growth opportunities in aerospace and associated activities, it is vital that the next generation of workers are equipped with the skills they need.

FOOTNOTES:

1. South Somerset District Council (April 2017). Consultation Response to the UK Government's 'Building our Industrial Strategy: Green Paper' – South Somerset District Council.
2. Sustainable Aviation (January 2016) UK Aviation Industry Socio-Economic Report
3. UK Government (May 2018). Policy Paper: The Grand Challenges <https://www.gov.uk/government/publications/industrial-strategy-the-grand-challenges/industrial-strategy-the-grand-challenges#artificial-intelligence-and-data>

National Industrial Strategy – White Paper (November 2017)

The Industrial Strategy: Building a Britain:

Fit for the Future (November 2017) was the published White Paper building from the ideas detailed in the Green Paper, with a focus on five ‘foundations of productivity’.

These five foundations of productivity and some of the relevant initiatives associated with them are as follows:

Ideas

- Raise total research and development (R&D) investment to 2.4 per cent of GDP by 2027;
- Increase the rate of R&D tax credit to 12 per cent; and
- Invest £725m in new Industrial Strategy Challenge Fund programmes to capture the value of innovation.

People

- Establish a technical education system that rivals the best in the world;
- Invest an additional £406m in maths, digital and technical education, helping to address the shortage of STEM skills; and
- Create a new National Retraining Scheme that supports people to re-skill, beginning with a £64m investment for digital and construction training.

Infrastructure

- Increase the National Productivity Investment Fund to £31bn, supporting investments in transport, housing and digital infrastructure;

- Investment in electric vehicle technology; and
- Boost digital infrastructure with £1bn of public investment, including £176m for 5G and £200m for local areas to encourage roll out of full-fibre networks.

Business environment

- Launch and roll-out Sector Deals – partnerships between government and industry aiming to increase sector productivity;
- Drive £20bn of investment in innovative and high potential businesses, including establishing a new £2.5bn Investment Fund, incubated in the British Business Bank; and
- Launch a review of the actions that could be most effective in improving the productivity and growth of small and medium-sized businesses.

Places

- Agree Local Industrial Strategies that build on local strengths and deliver on economic opportunities;
- Create a new Transforming Cities fund that will provide £1.7bn for intra-city transport; and
- Provide £42m to pilot a Teacher Development Premium. This will test the impact of a £1,000 budget for high-quality professional development for teachers working in areas that have fallen behind.

The Industrial Strategy White Paper identifies a set of ‘Grand Challenges’ that will put the United Kingdom at the forefront of the industries of the future.

This relates to:

- **AI & Data Economy**. Putting the UK at the forefront of the artificial intelligence and data revolution
- **Clean Growth**. Maximising the advantages for UK industry from the global shift to clean growth
- **Future of Mobility**. Becoming a world leader in the way people, goods and services move
- **Ageing Society**. Harnessing the power of innovation to help meet the needs of an ageing society

These Grand Challenges are identified as the first four to be focussed on, with the implication that others will emerge. A set of Policy Papers were published in May 2018 providing more detail on the focus of these first four Grand Challenges.

The Industrial Strategy White Paper provides a national backcloth against which the South Somerset EDS needs to be set. The Grand Challenges, as currently specified, are more focussed on leading-edge applications which may only have limited short-term relevance to South Somerset, although the longer-term opportunities may be greater. The overall thrust of the Industrial Strategy is focused on improving productivity, which is captured in relevant LEP Plans and in the Somerset Growth Plan. This is a clear direction of travel in terms of economic improvement.

Industry for Defence and a Prosperous Britain:

The Industry for Defence and a Prosperous Britain: Refreshing Defence Industrial Policy was published by the Ministry of Defence in December 2017.

The commitment to refresh the national defence industrial policy was one of the steps to help meet the requirements of the 2015 Strategic Defence and Security Review which introduced a new National Security objective to promote prosperity.

Since 2015, the Government has worked with business of all sizes, both directly and through the Defence Growth Partnership and the Defence Suppliers Forum, to understand how to best support growth and competitiveness in the sector, as well as ensure wider national security objectives are met.

The document identifies three strands to the approach taken:

1. Improving the way defence delivers wider economic and international value, and national security objectives;
2. Helping UK industry in its plans to be internationally competitive, innovative and secure; and
3. Making it easier to do business with defence, particularly for innovators, small and medium-sized enterprises and non-traditional defence suppliers.

Relevant actions and interventions in the document include:

- Reinforcing Government commitment to competition and strategic choice in defence procurement including to support opportunities for SME's and industrial competitiveness;
- Becoming more flexible to a range of different models for working with businesses. This will be informed by an analysis of wider market opportunities and the need to promote competition and strategic choice;
- Maintaining strong support for defence exports and encouraging defence inward investment;
- Support the cross-Government Industrial Strategy to maximise coherence and impact from civil and defence investment and particularly targeting productivity key skills, innovation and investment in science and technology;
- Operating a new supplier portal to signpost new procurement opportunities and processes;
- Engaging potential suppliers;
- Investing in new innovation models through the Defence Innovation Initiative;
- Asking for Supply Chain Plans for competitive contracts with a value of >£100 million; and
- Strengthening local activity clusters to develop local expertise and forging/reinforcing ties with universities, catapult centres and local companies.

The Local Economic Partnerships

The Local Enterprise Partnerships (LEPs) are now well established, with South Somerset sitting within the geography of the Heart of the South West (HotSW) LEP.

The HotSW LEP has produced three Plans of particular relevance to the South Somerset Economic Development Strategy.

These are:

- Strategic Economic Plan 2014-2030 (March 2014)
- Productivity Plan 2018-2036 (September 2017)
- South West Rural Productivity Plan (October 2017)

The HotSW LEP is working to develop its Local Industrial Strategy and is in the second wave of areas to benefit which means the Government will be seeking to invest more to raise productivity and prosperity in the area. The Strategic Economic Plan 2014-2030 (March 2014) forms the funding basis for delivery streams in the LEP over the coming years.

The Plan focuses on three inter-linked aims:

- Creating the conditions for growth - Improving infrastructure and services to underpin growth (transport infrastructure, broadband and mobile connectivity, skills infrastructure)
- Maximising Productivity and Employment - Stimulating jobs and growth across the whole

economy (including tourism, agriculture and food and drink)

- Capitalising on our Distinctive Assets - Utilising our distinctive assets to create opportunities for business growth and better jobs (transformational opportunities, strengthening research, development and innovation, environmental assets)

These aims have been carried through into the Draft Productivity Plan 2018-2036 (September 2017), which aims to deliver productivity improvements across the LEP area. The ambition of the Plan is to improve business productivity and to increase the opportunities for people to contribute to and benefit from economic growth.

It demonstrates to stakeholders, both in the HotSW area and nationally, that it seeks the best for the economies in the LEP area and focuses on objectives that can make a real difference. All members of the HotSW partnership are required to contribute to the delivery of the Productivity Plan its vision, objectives and activities.

The Plan requires sustained investment and focus, working with local partners, government and local businesses. The partnership is united in its desire to close the productivity gap, to secure the resources needed to do this, and improve living standards for everyone in this area.

The Productivity Plan provides a clear framework within which to do this. It places

business at the heart of creating prosperity and develops three themes for delivering the vision: Driving Leadership and Knowledge, Connectivity and Infrastructure, and Working and Learning. These are all targeted at enabling businesses to grow, with all key activities aimed at improving productivity.

The three themes are outlined below, with the associated strategic objectives associated with each theme. These provide the basis for the interventions required to deliver the Plan.

Theme: Driving Leadership and Knowledge
Strategic Objectives:

- Management Excellence
- New Markets, New Opportunities
- Remove barriers to expansion
- Attract talent and Investment

Theme: Connectivity and Infrastructure
Strategic Objectives:

- Clean energy infrastructure
- Connectivity and resilience
- Land for business and housing needs
- Natural capital to support productivity

Theme: Working and Learning.
Strategic Objectives:

- Skills for a knowledge-led economy
- Pathways to success
- Access to work and opportunities
- Skills for our 'golden opportunities'

The LEP will take overall responsibility for delivering the Plan but will be working with relevant partners and stakeholders. Once the Productivity Plan is agreed a Delivery Plan will be published setting out in more detail what is to be done up to 2036.

Alongside the above two Plans sits the South West Rural Productivity Plan (October 2017). This was based on the findings of the South West Rural Productivity Commission established by the four LEPs in the South West, with the aim of exploring and understanding the economy in rural areas in the South West.

The findings of the Plan were summarised into ten key themes:

- **Theme 1:** Rural Identity and Sectors
- **Theme 2:** Small and Scale-up Businesses
- **Theme 3:** Workforce and Skills
- **Theme 4:** Brexit
- **Theme 5:** Transport and Accessibility
- **Theme 6:** Broadband and Mobile Connectivity
- **Theme 7:** Housing, Planning, Communities and Workspace
- **Theme 8:** Natural and Cultural Heritage
- **Theme 9:** Geography, Hubs and Spheres of Influence
- **Theme 10:** Science, Technology, Energy and Innovation

In drawing out conclusions and recommendation, the commission noted that there was:

“.. huge potential for economic growth in our rural areas if key opportunities for this growth are seized and challenges addressed ... but also significant challenges that must be overcome for this future to be realised”. (Page 4).

This was distilled into the following conclusions and recommendations, which have particular relevance in the South Somerset District context:

- Digital connectivity presents a ‘game changing’ opportunity which has the potential to re-structure economies in rural areas as well as improve productivity across all rural businesses. This was the single most important issue raised with the commission. The commission therefore called on the Government and LEPs to provide high speed digital connectivity to 100% of all end users in rural businesses and premises. Closing the productivity gap between rural and urban areas would secure a 5% increase in output
- Growth of technologies, big data and technical applications are changing the way the world works globally. These technologies have the potential to create smart solutions to many of the challenges faced by rural businesses and communities
- The Rural South West’s hardworking and entrepreneurial culture coupled with its stunning natural environment provides a platform for the area to become a hothouse of enterprise

- The agri-food economy was highlighted as an existing strength that spans the agri-food-tourism sector and has strong local economic multipliers. As such, the opportunities to build on the high quality produce, innovative producers and distinctive local brands to create a globally recognised proposition, is significant and a real opportunity for growth
- There is a need to raise the profile and visibility of the South West as a destination known for its business success, quality of life and entrepreneurial culture.

Somerset Growth Plan 2017-2030

This Growth Plan has been developed in partnership between the Somerset Local Authorities and key stakeholders. The purpose of the Growth Plan is to promote growth between now and 2030. The Plan sets out its objectives for Somerset under the three broad headings of:

- Businesses and productivity
- Labour force and skills
- Infrastructure.

Inclusive growth cuts across all of these objectives. The overall vision for Somerset is that:

“By 2030 Somerset aims to be a very productive and innovative business community and economy. The labour force will have the skills that businesses need, and the infrastructure will be in place, to

achieve higher productivity and innovation. Economic prosperity will be inclusive, to the benefit of all groups within the community”. (Page ii)

The primary focus of the Growth Plan is on increasing the productivity of the economy, primarily because the labour force is constrained (so there is limited scope for further job creation), and productivity is low. This aligns with the National Industrial Strategy, the South West Rural Productivity Plan and also at the HotSW Productivity Plan. Somerset’s Growth Plan is therefore intended to inform, and be informed, by these documents.

The Growth Plan also identifies a number of distinctive opportunities in the Somerset economy, most of which are relevant to South Somerset. These include:

- Growth in the Low Carbon Energy, Aerospace and Agri-Food sectors all have the potential to be globally competitive;
- Bolster those sectors where we are already globally competitive, particularly in relation to the Aerospace sector;
- Improved productivity in the Tourism and Health & Care sectors, which are established strengths in Somerset, providing significant employment opportunities;
- Promoting growth through productivity gains across the whole economy;
- The development of a university in Somerset, to complement existing training and education provision;

- Greater provision and use of broadband and digital technology, to help overcome the challenges of accessibility in the rural economy;
- Celebrating and embracing the rural nature of Somerset, including the high quality natural environment and quality of life; and
- Inspiring vibrant, thriving towns and urban areas.

The Growth Plan outlines 18 objectives across the three broad headings. These are listed below as there is a strong resonance between these objectives and the needs of South Somerset, with points highlighted for emphasis.

A productive and innovative business community and economy:

1. Somerset will be a national exemplar, largely rural, small business economy, with a strong rate of business start-ups and strong growth. Businesses will be well led and managed;
2. Productivity will outperform other similar areas in the UK, and workers will be well paid because of the value that they add;
3. Businesses (especially small businesses) will engage in collaboration and networking;
4. Businesses will have strong digital skills and digital will be core to their activities;
5. More of Somerset's businesses will invest in R&D and innovation to drive their growth;

6. Our world class and indigenous businesses will grow their markets through international trade, and the business community will be boosted by valuable inward investment.

A labour force with the skills that businesses need:

7. The workforce will have high levels of appropriate skills, to meet the needs of its business community and enable it to achieve its growth potential;
8. Somerset will have a strong future workforce. Education and business engagement will be effective, and there will be an apprenticeship culture with apprenticeships in large and small businesses;
9. Strong delivery of FE and HE to meet businesses' needs and enable them to grow, including investments in FE capital infrastructure and a dedicated university which is based in Somerset;
10. The economic activity rate will continue to be above the national average. All of the residents that want to work will be able to do so;
11. Social mobility and inclusive growth are taking place.

Infrastructure to support productivity and innovation:

12. Strategic connectivity into Somerset, including road, rail and public/community transport, will be improved;
13. There will be excellent digital connectivity across the county to every business location and home, with ultrafast broadband available in key business locations. All businesses will have been offered support to understand the potential and make the best use of digital technologies;
14. Somerset will have a good market supply of employment sites and premises, including a network of enterprise centres. The Local Plans will ensure a sufficient supply of viable and deliverable sites allocated for development;
15. There will be sufficient housing of all tenures to meet the needs of the population, in both rural and urban areas;
16. Somerset's communities will be vibrant and sustainable, providing a range of retail, leisure, cultural and public services throughout the day and evening;
17. Increased flood resilience will improve the resilience of Somerset's transport infrastructure, and will enable previously marginal sites to be fully developed for housing and employment;
18. Somerset will still be renowned for the high quality of its environment, and the quality of life that can be achieved.

South Somerset Local Plan 2006 - 2028 (March 2015)

The South Somerset Local Plan (2006 - 2028) (March 2015) sets out the long term planning framework for the District up to 2028. It represents the starting point for decisions on where development will be located in the District and will be used to reach conclusions on planning applications across South Somerset. The Local Plan sets out the Council's objectives for providing enough homes, jobs and services, in an environmentally friendly and sustainable way to make the District prosperous both now and in the future.

The Council adopted the South Somerset Local Plan on the 5th March 2015 and further economic analysis was undertaken in 2017 to refresh the document. The economic research and analysis that underpins the South Somerset Local Plan review has identified the following issues for consideration and potential action.

Policy considerations include the need for the Council to:

- Continue to plan for employment land on a district wide basis (South Somerset is one functional economic market) ensuring an appropriate supply of employment land but consider how best to capitalise on

- opportunities around A303 improvements;
- Seek to provide employment land allocations across a mix of land ownerships, where possible, to provide additional competition in the land market. Currently landownership is viewed as constraining development;
- Take policy approaches which are sufficiently clear to reduce expectation of residential value returns on employment sites;
- Consider, as part of a wider economic development strategy, the future economic role and function of Yeovil and the wider district. (Agents/landowners want greater clarity over the role and function of Yeovil town centre and the overall identity of South Somerset. Whilst not an employment land issue, this has wider implications for the economic role of the area);
- Set a clear economic direction for the area which can be used as a tool to build investor and occupier confidence in the market and direct stakeholder efforts.
- Consider ways to tackle site viability challenges, including:
 - o Seeking to retain and upgrade existing employment sites.
 - o Consider how to deliver infrastructure to open up strategic sites to bring forward employment land.
 - o Consider how best to utilise sites where SSDC and other public sector partners have influence.

- o Seek to lobby for, coordinate and direct public sector financial resources in ways which can support the development of employment sites and premises.

The Local Plan Review and South Somerset Economic Development Strategy need to address these issues. It is clear that a strong economic vision, with a role for Yeovil (and its Town Centre) from which all aspects of the Council's work stem will be a significant starting point to build commercial confidence.

**South Somerset,
a great place to
do business**

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Produced by Chilmark Consulting Ltd
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ECONOMIC DEVELOPMENT **STRATEGY**

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