



Yeovil Economic Profile

March 2010

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1 Introduction

This document provides a comprehensive economic profile of the town of Yeovil, South Somerset and its position within the regional and national economy. The assessment has been structured to reflect Local Economic Assessment guidance and has been prepared to ensure consistency with work being undertaken across the County.

The assessment has been structured around core topics covering:

- Population;
- Employment patterns;
- The business base, industrial structure and GVA contribution;
- Workforce, skills, people and communities;
- Sustainable economic growth; and
- Land supply, development trends and market perspectives.

All of which contribute to Yeovil's success as a place to live, work and do business.

This report is supported by a Place Review, focussing on Yeovil's physical assets and challenges, and economic forecasts for Yeovil and South Somerset prepared by Oxford Economic Forecasting.

Wherever possible, analysis focuses on the town of Yeovil. This assessment takes account of the town's recognised definition identified through the LDF assessment¹. Where data is not available at ward or lower level super output area, South Somerset data has been presented. Yeovil or South Somerset's position has been consistently benchmarked against the performance of the other Somerset districts, Somerset County and the regional and national position to identify the town's relative position and areas of particular strength and challenge.

The content of this report is intended to inform future policy development in the town from both an economic and planning perspective, taking account of existing strengths and opportunities and developing solutions to overcome potential challenges to future economic success.

Report structure

The remainder of this report considers:

- Section 2: An introduction to Yeovil – setting the town within context of Somerset, identifying the distinguishing features of the Yeovil economy.
- Section 3: Population – introduces the structure of Yeovil's population base, change over time and forecasts.
- Section 4: Employment growth – setting out employment change over time and the commuting patterns of Yeovil residents and employees.
- Section 5: Industrial structure – a high level assessment of the industrial composition of the economy, including identification of specialisms.
- Section 6: Gross Value Added – examination of Yeovil's and Somerset's contribution to GVA and change over time.
- Section 7: Manufacturing Profile – examines key features of Yeovil's manufacturing sector.
- Section 8: The business base – consideration of Yeovil's business base by sector and size band as well as start up and survival rates.
- Section 9: Workforce and Skills – explores the skills of young people and adults as well as trends in income and unemployment.
- Section 10: Communities and Quality of Life – builds on the previous section to explore trends in deprivation.
- Section 10: Sustainable economic growth – highlighting prospects for the low carbon economy and the infrastructure required to support future growth.
- Section 11: Land supply, development and market perspective – an assessment of commercial and residential development potential and markets based on desk based assessment and agent consultations.

¹ Comprising 29 LSOAs (please refer to the report appendices for a full list) which fall within the wards of Yeovil Central, Yeovil East, Yeovil South, Yeovil West, Yeovil Without and Brympton.

2 Yeovil – its role and function in Somerset and beyond

Yeovil - the largest town and commercial and administrative centre in the 'A30 Corridor' economic zone identified in the Regional Economic Strategy - is a town with a particular set of economic features and relationships that mark it out as distinct to the rest of Somerset. Perhaps because of this it has received less focus than Taunton and Bridgwater, 30 miles to the west.

Taunton and Bridgwater, lying on the M5 corridor, have a north south focus to the dynamic economies of Exeter and Bristol, with relatively short travel times up to Birmingham, and train links to London. The Taunton – Bridgwater – Wellington triangle is seen as the principal focus of growth in the County, in recognition of its strategic position which will drive employment growth and attract inward investment.

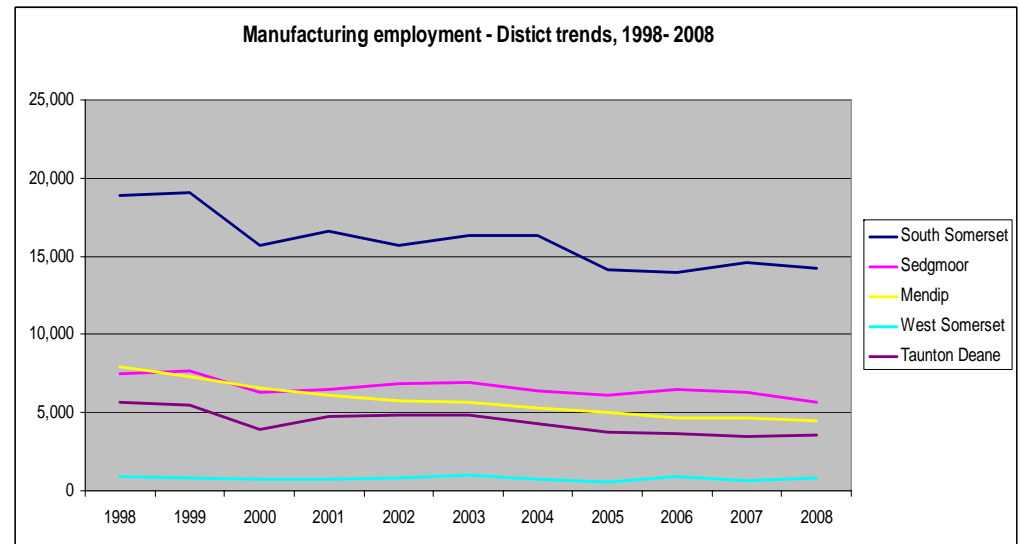
In contrast, Yeovil has far less access to the M5 corridor, lying instead on the A30/303 east west link from London to Exeter. This position means it is possible to drive to London in less than 2.5 hours, about the same time as it takes by train from Yeovil Junction to London Waterloo (half an hour more than it takes from Taunton to London Paddington).

Its position does mean that it has far greater links with the strong economies of Dorset, Poole and Bournemouth, (Poole is just over 40 miles away) and its economic hinterland stretches most markedly into Dorset, with the nearby town of Sherborne providing the most significant inflow of workers across the administrative boundary. Other notable inflows of commuters are from Mendip to the north with a significant proportion of its workforce travelling into South Somerset from this direction. Relatively few people travel between Taunton / Bridgwater and Yeovil.

This geographic position means that Yeovil's tourism offer is also very different to the rest of the County. While it shares ease of access to the Levels, it looks to the coast of Dorset and Lyme bay as opposed to Bridgwater bay and the West Somerset coast. This means that it has as much of a stake in the development of the Dorset (and Devon) tourism offer as it does with Somerset.

Employment Trends

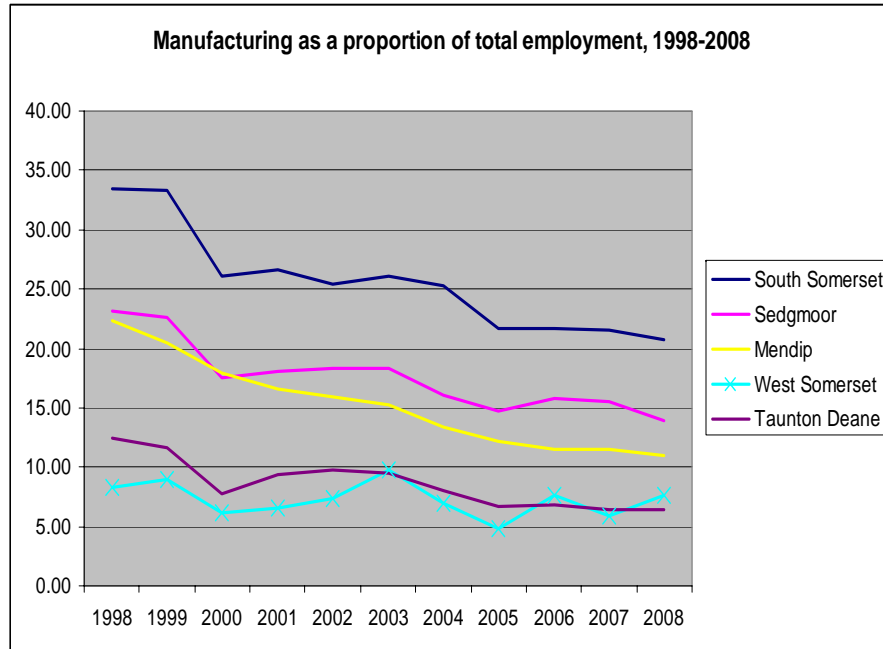
As a District, South Somerset has most in common with Sedgemoor, both sharing a manufacturing history centred on a relatively narrow base. However the scale of manufacturing in South Somerset compared with the rest of the County is clearly shown by the graph below.



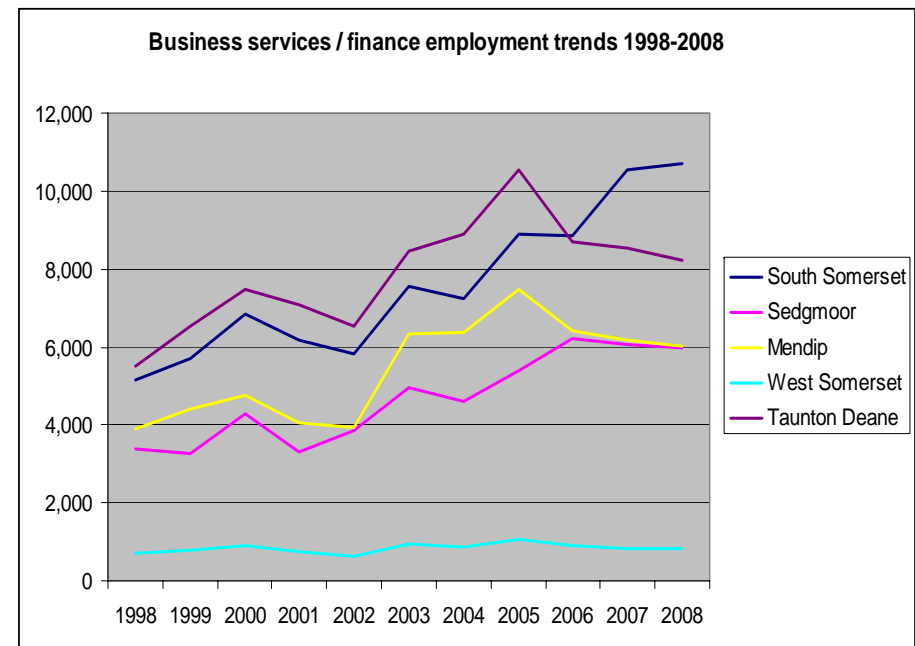
South Somerset now employs more people in manufacturing than the other four Districts combined, with just over one in five of the workforce employed in this sector, well above the proportion of employment in the rest of the County.

South Somerset has a larger industrial employment base than Plymouth, a number of world class companies and an experienced workforce. Consequently it is well placed to contribute to regional efforts to capture a share of new markets in low carbon technologies and products.

Although manufacturing employment has reduced as a proportion of total employment, this is partly a reflection of growth in service sector employment. Further, the decline in manufacturing employment in Yeovil has been less than the decline nationally.

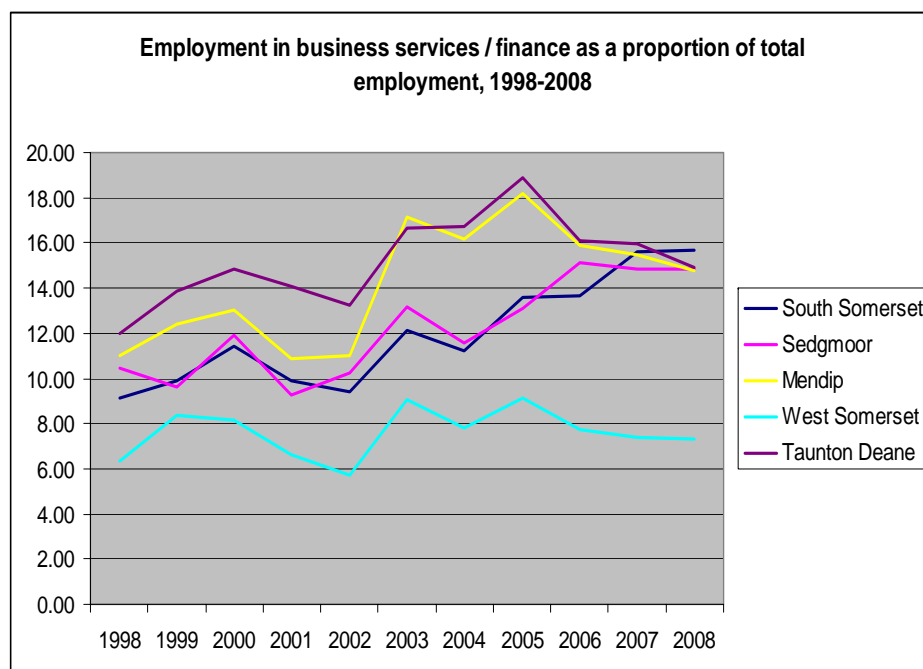


The growth of the financial / business services sector is a good indicator of the effectiveness in attracting higher value, office based jobs. This sector has grown considerably across the County. However, South Somerset is the only District that saw this growth sustained into 2008, at which point it employed more people in this sector than Taunton Deane, which has been perceived as attracting inward investment in this sector through the provision of appropriate employment land.



This strong and sustained growth over ten years is a positive aspect of the Yeovil economy and shows a degree of success in attracting inward investment and growth on the back of office space development around the town.

As a proportion of total employment Yeovil has outperformed other Districts in recent years, with Taunton and Mendip's strong growth up until 2005 having tailed off and South Somerset continuing to expand as a proportion of total employment.



While this is down partially to strong growth in the business services sector, South Somerset has seen less strong growth than other Districts in both the retail and public sector, which have seen strong growth elsewhere.

South Somerset, with Yeovil as its primary employment centre, has a quite different employment structure to the rest of the County, with a more robust manufacturing sector, prolonged growth in business services, and less reliance on public sector employment. The manufacturing sector will be at risk of further contraction, and with a third of this manufacturing employment being in or related

to aerospace (a sub sector which appears to be robust in the short term) it does mean there is an inherent vulnerability to the economy in the town.

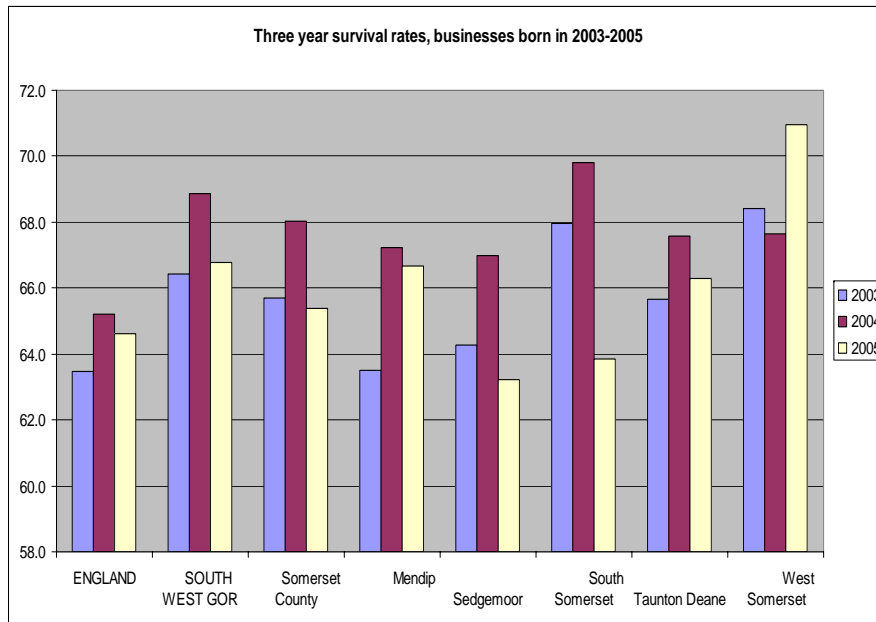
This significantly stronger and more resilient high tech manufacturing sector than other Somerset Districts also places Yeovil at an advantage in terms of the development of low carbon and knowledge intensive sectors that are the focus of many areas, and it is well placed to make this transition and develop new markets, that will diversify the economy.

Business Trends

South Somerset saw its business stock² rise by 5% between 2004 and 2008, behind only Mendip amongst the Somerset Districts. As in the rest of the County the vast majority of these businesses (around 90%) employ less than 10 people.

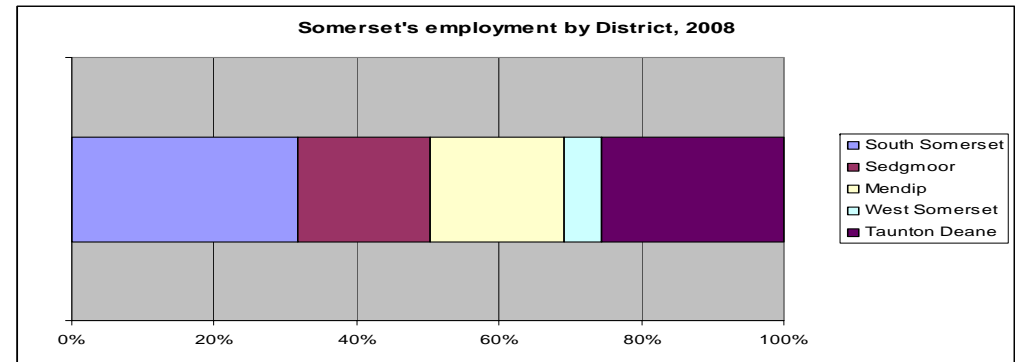
While the rates of start up are similar to the rest of the County, Yeovil lags behind other Districts in the survival rates of new starts, although it is around the national average on this measure. However, three year survival has shown a stronger picture, with survival rates well above the rest of the County until 2008, when there was a marked downturn to below the national average. 36% of businesses born in 2005 did not survive three years. Mendip in particular is proud of its business support structures and networks, and this may be an area where Yeovil needs to focus intervention in the future.

² All PAYE registered businesses



Productivity

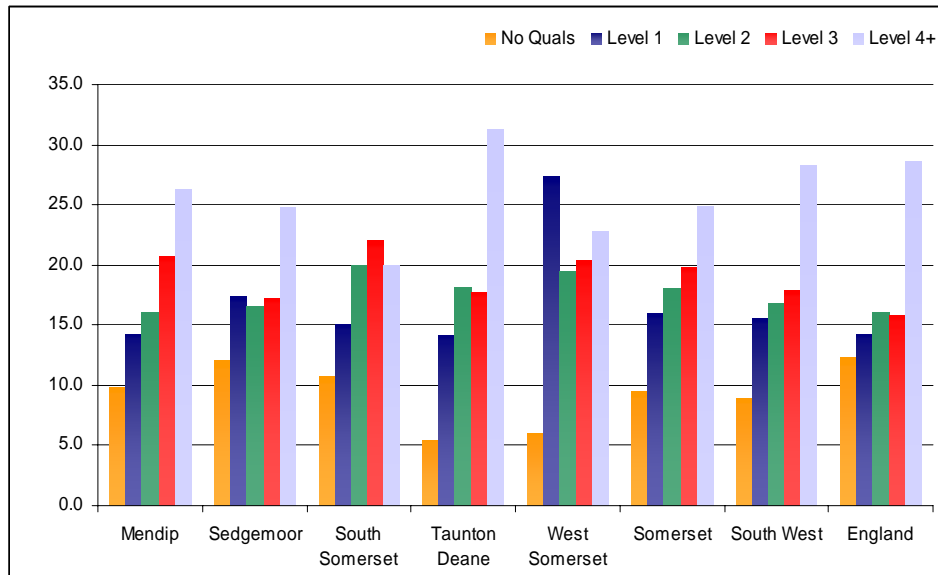
Estimates put the value of the South Somerset economy at £2.9 billion and the District contributes about a third of Somerset's GVA, in line with employing 31% of the County's workforce. As such it is a very significant component of the Somerset economy and Yeovil is substantially bigger than Bridgwater, and has a marked advantage over Taunton. However, as outlined earlier this strong economic performance is based on a catchment that owes as much (if not more) to Dorset than it does to the rest of the County.



This lack of connectivity with the rest of the County, which owes its existence to the poor transport links, as well as to historic "cultural" differences that have led to Yeovil having a very different development, may not be a significant constraint on Yeovil's economic future, given its relationships looking outward and along the A303 corridor. However, Yeovil, given its sectoral strengths and developments such as the Innovation Centre and work of the college, may be the best placed local economy to take advantage of the growth of new high tech and low carbon sectors, the benefits of which in terms of supply chain opportunities and employment, may not be felt in the rest of the County.

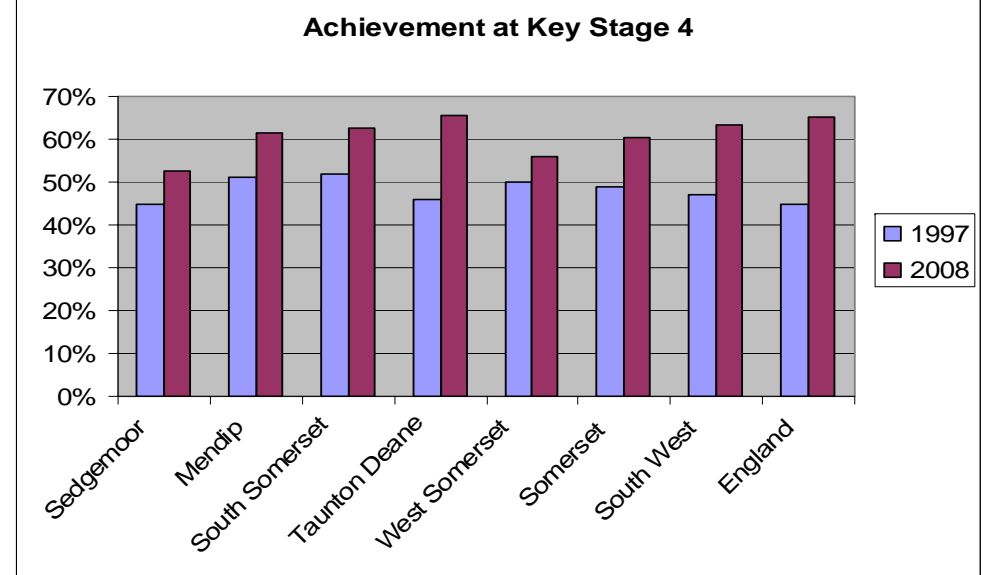
Skills and Labour Force Issues

While the South Somerset economy appears stronger than its District neighbours on a number of levels, potentially the greatest constraint on its economy is the qualifications structure of the workforce. The graph below which shows the highest qualification levels of the working age population, demonstrates that the District lags significantly behind the rest of the County in terms of the proportion of its workforce with degree level qualifications. At the same time over a quarter of working age people in the District have no qualifications above basic skill level.



This is likely to be a significant constraint on the diversification of the South Somerset economy, although this hides the high proportion of in-commuting from Mendip and Dorset, where skills levels are higher.

The three Yeovil schools perform less well in terms of pupils achieving 5 GCSEs at A* to C (although their Contextual Added Value scores are good). There is a significant difference between educational attainment in schools in Yeovil and Taunton, which may hamper Yeovil's attempts to attract higher value businesses and create higher value jobs.



In terms of diversification into high tech new sectors, Yeovil has the sectoral advantage, and Taunton Deane has a far more highly skilled workforce and better educational attainment. Better connectivity between the two would create an economy the components of which would create the basis for recovery and sustained growth, although Yeovil is more likely to look southwards to the highly skilled workforce of Dorset to feed its growth ambitions.

Summary

The Yeovil economy is one that has more linkages to Dorset and Devon than to the main geographical centre of Taunton and Bridgwater. The strongest links can be found with Mendip to the North, but there is little structural or functional linkage with Somerset's County town. It is apparent that this has led to very different economic structures and that this has been underpinned by "cultural" differences. Yeovil should perhaps be seen functionally as the northern economic driver of the Bournemouth, Poole, and Dorset economy rather than an outlier of the M5 corridor settlements. While Yeovil has often been described as "self contained" this is far from the truth, as there are significant labour market linkages both north and south. These may be important in the future if Yeovil is going to diversify its economy, as the main constraint on this diversification is the existing skills base of its workforce, and a significant lack of higher skilled employees.

3 Population

Introduction

As one of the four basic factors of production the population, and particularly the working age population, is a key determinant of economic output. The South West has experienced rapid population increase since the 1980s largely as a result of internal migration from the congested areas of London and the South East. This has contributed to the region's economic and employment growth.

This section begins by examining the long term population trends in South Somerset, before examining the level of population change that has occurred in Yeovil since 2000.

Population Trends

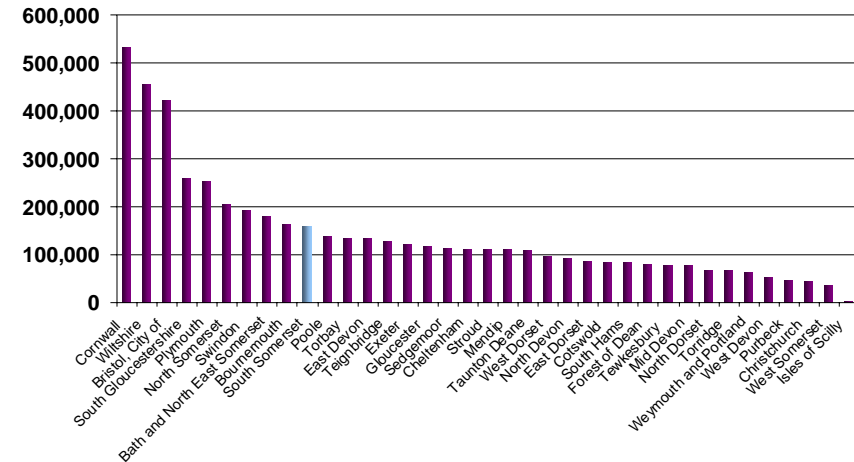
In 2008, South Somerset's population was 158,700 making it the largest of Somerset's five districts and the tenth largest authority in the Region. The total population grew by almost a fifth between 1981 and 2008, which was almost double the rate reported nationally and marginally higher than the regional trend. The growth which equates to the addition of 25,600 residents over a 27 year period, an average of approximately 950 people per annum, was, however, the lowest of the five Somerset districts.

Population change, 1981-2008

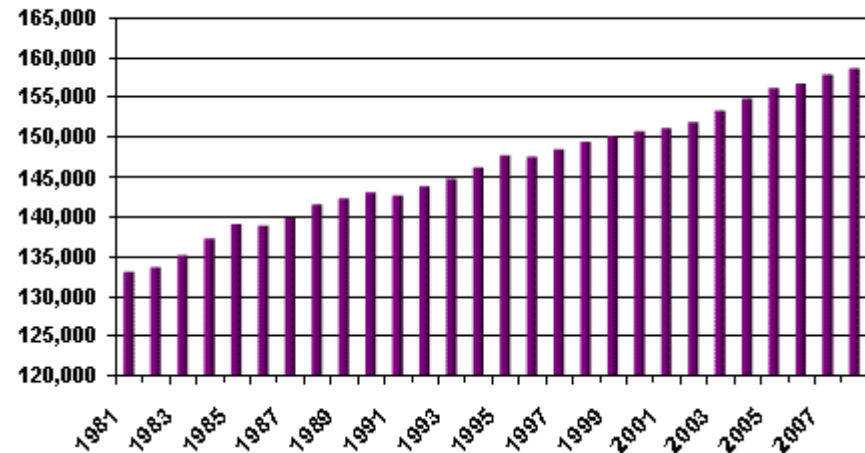
	1981	2008	% change
Sedgemoor	90,000	112,800	25.3
Taunton Deane	88,300	108,700	23.1
Mendip	89,800	110,100	22.6
Somerset	430,700	525,800	22.1
West Somerset	29,500	35,500	20.3
South Somerset	133,100	158,700	19.2
South West	4,383,400	5,209,200	18.8
England	46,820,800	51,446,200	9.9

Source: Mid Year Population Estimates

Population of South West Local Authorities, 2008



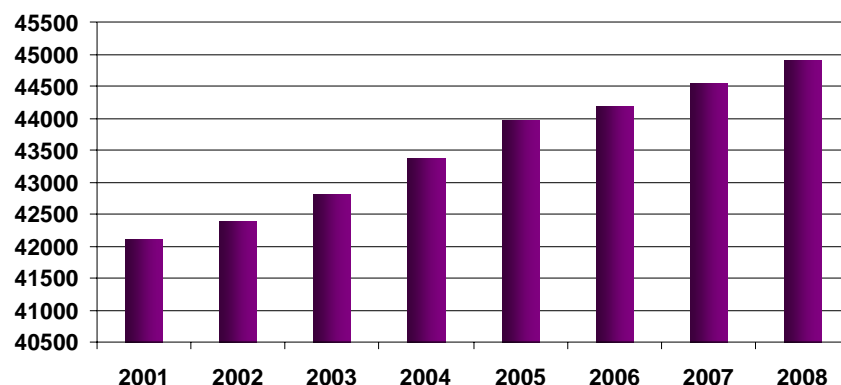
Population growth in South Somerset



Source: Mid Year Population Estimates

In 2008, Yeovil's population was recorded as 44,906, accounting for 28.3% of South Somerset's total population and making it the district's largest population centre. Yeovil has experienced rapid population growth, having grown by 7% since 2001 ahead of the average growth in South Somerset (5%) and the region (5%). This has led to Yeovil accounting for a marginally higher share of the total population in South Somerset (27.9 in 2001).

Population growth in Yeovil



Source: Resident Population Estimates, Neighbourhood Statistics, 2008

Demographics

As mentioned, it is not only the size of a population which affects the economic growth of an area; the age distribution also has implications. The two most important trends to consider are the changes in the working age and retired populations.

In 2008, over 27,200 residents in Yeovil (61% of the population) were of working age, which is higher than both the District (57%) and regional (60%) levels. This reflects the relatively strong level of growth in the Town's cohort which at 6.5% has been significant ahead growth in South Somerset (3.3%) and marginally ahead of regional growth (5.6%).

Those aged between 35 and 49 continue to account for the highest proportion of the working age population following a much more significant increase in the age

band than in the district or in the region. Similarly, the town experienced a comparatively large increase in those aged 15-19. In contrast, and in line with District and National trends, there has been a large decrease in residents aged 25-34, which linked to the out-migration of young professionals and families moving to larger urban areas which they perceive to be more attractive.

Demographic Profile of Yeovil's Population

	2001	2008	% 2008 Total	% Change	SW % Change
0-14	8,390	8,372	19	-0.2	-2.3
15-19	2,463	3,011	7	22.2	14.3
20-24	2,316	2,730	6	17.9	25.0
25-34	6,428	5,576	12	-13.3	-7.8
35-49	8,836	9,819	22	11.1	7.2
50-64	7,028	8,075	18	14.9	8.9
65 or older	6,645	7,323	16	10.2	7.5
Total	42,106	44,906	100	6.6	5.4
Working Age	25,603	27,266	61	6.5	5.6

Source: Resident Population Estimates, Neighbourhood Statistics, 2008

In terms of the retired population, the number of residents aged over 65 increased by a tenth since 2001 to just over 7,300. Despite the increase being higher the regional increase of 8%, the retired population continues to account for a much smaller proportion of the total population in Yeovil (16%) compared to the District (21%) and the Region (19%).

Ethnicity

Statistics relating to the ethnicity of the population are available for South Somerset. The majority of South Somerset's population identify themselves as belonging to White ethnic groups. ONS generated resident population estimates by ethnic group for 2007 suggests that 97% of the district's population belong to a White ethnic group. This figure is approximately 1.5 percentage points above the regional average and 8.5 percentage points above the England average.

Summary

Yeovil is the largest population centre in South Somerset with a population of just under 45,000. The town has experienced rapid employment growth over the past eight years, and has marginally increased its share of the District's total population.

Yeovil benefits from a larger than average working age population, which has experienced significant growth, particularly in comparison to the District. In line with District and Regional trends there has been a large decrease in residents aged 25-34, linked to the out-migration of younger generations to larger more urban areas with a broader range of employment opportunities.

Yeovil has also experienced an increase in the retired population, although this age group continues to account for a smaller proportion of the total population than in the District and the Region.

South Somerset has ambitious population growth aspirations, with projections showing the population increase continuing to exceed both regional and national trends. Within this there is expectations that the working age population will continue to increase, although there is also expected to be a much more significant increase in the retired population.

The population projections have implications for economic performance, workforce availability and development as well as raising more practical considerations such as the need for housing growth. The ageing population may present challenges for local services and place additional pressure and dependence on the economically active population.

4 Employment Growth

Introduction

Workplace-based employment data for the Annual Business Inquiry measures the total level of employment in an area, excluding self-employment. The data does not distinguish between local residents in employment and in-commuters. The latter is considered later.

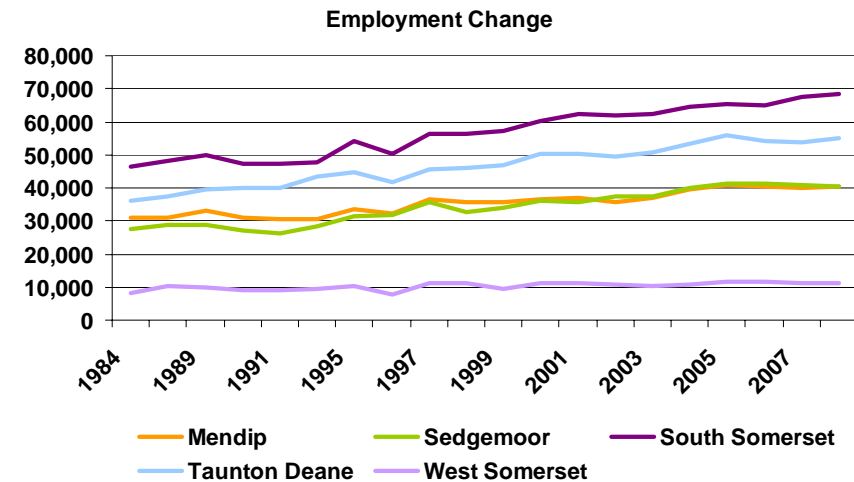
The section begins with an overview of the long-term employment trend in South Somerset (since 1984). This is followed by analysis of the trends that have occurred in Yeovil from 2003 onwards.

Employment Change 1984 – 2008

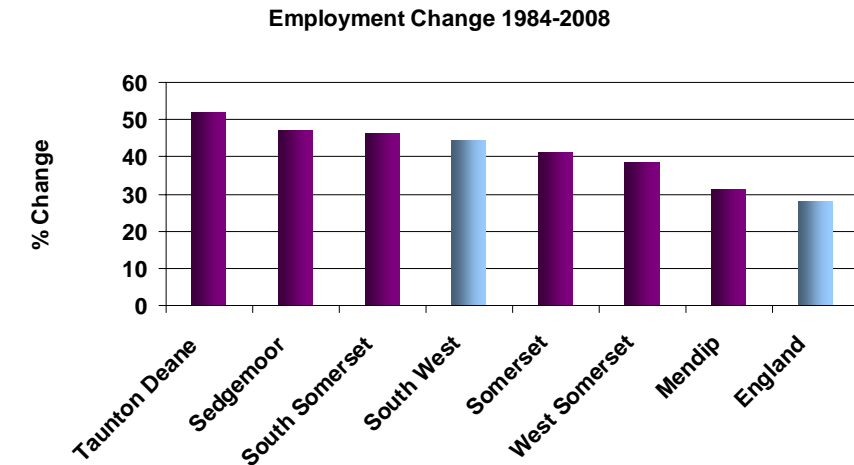
In 2008, employment in South Somerset had almost reached 68,300 following an increase of 46% (over 21,600 jobs) since 1984, slightly above the regional (44%) and significantly above the national figure (28%). The employment growth in South Somerset was most similar in proportionate terms to the growth experienced in Sedgemoor (47%), although lower than Taunton Deane (52%).

As shown in the chart opposite, employment growth has fluctuated year on year, although has generally been much more stable from 1997 onwards reflecting the long period of sustained economic growth at the national level.

Despite the variances in the employment growth rate across the five Somerset districts, the distribution and concentration of employment has remained largely stable, with South Somerset continuing to account for almost a third of employment in 2008 (compared to just over a fifth of the County's population).

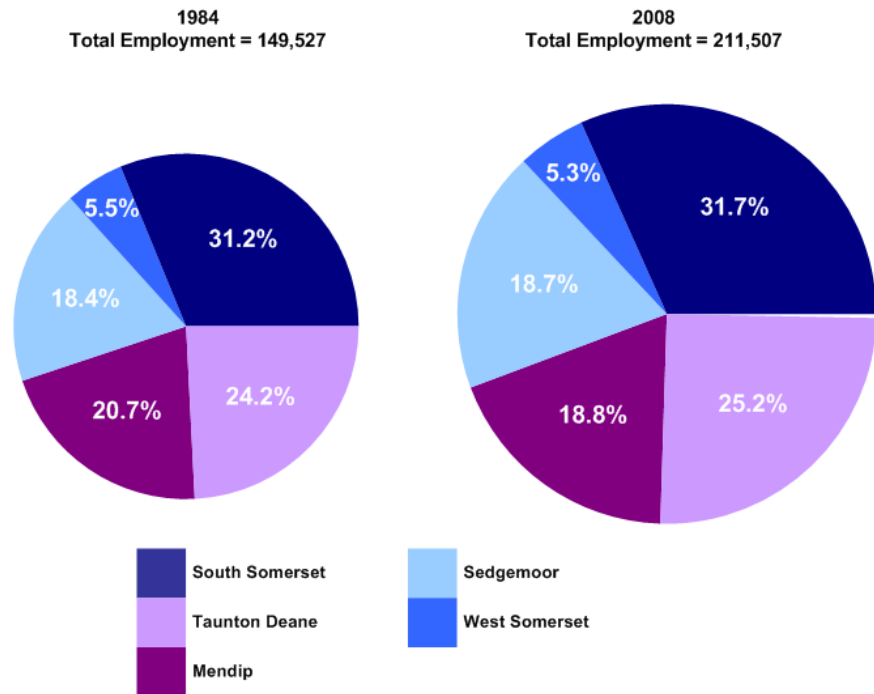


Source: Census of Employment, Annual Employment Survey, Annual Business Inquiry



Source: Census of Employment, Annual Employment Survey, Annual Business Inquiry

The distribution of employment across Somerset has remained largely stable



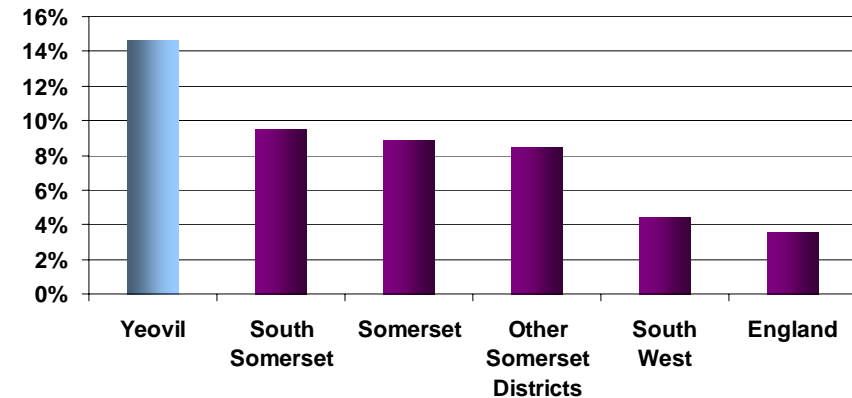
Source: Census of Employment, Annual Employment Survey, Annual Business Inquiry
 Note: Proportions do not sum to 100 due to rounding

The latest employment data for Yeovil indicates that there are almost 33,000 jobs in the town. Over the past five years, Yeovil has experienced strong employment growth (15%) which has been ahead of South Somerset, Somerset and the regional and national averages. This has resulted in over 4,000 additional jobs.

Total Employment Change, 2003-2008			
	2003	2008	Change
Yeovil	28,777	32,970	15%
South Somerset	62,323	68,269	10%
Somerset	194,354	211,507	9%
South West	2,145,684	2,240,625	4%

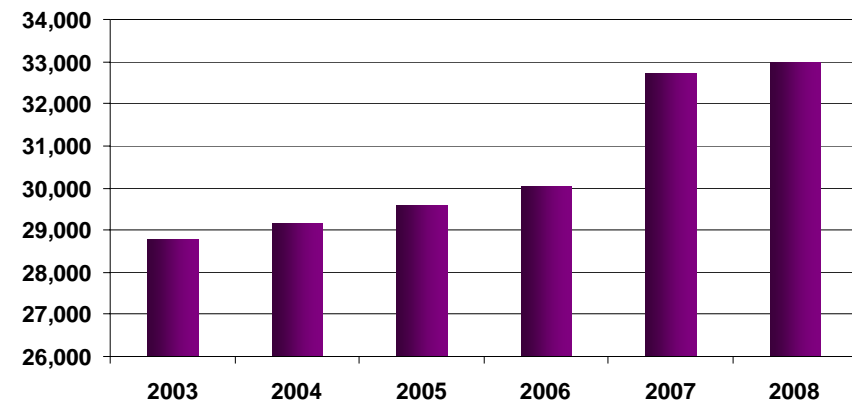
Source: ABI, 2008

Total Employment Change 2003-2008



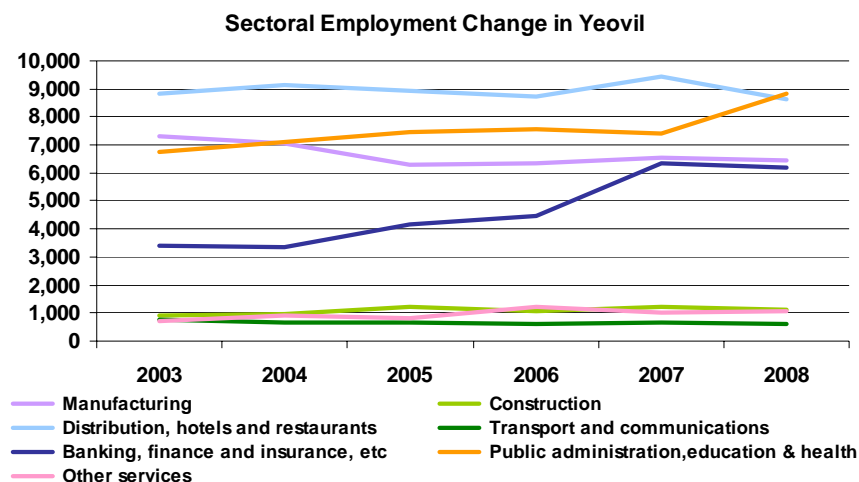
The employment trend highlights that the town experienced almost two thirds of this increase between 2006 and 2007. This significant increase, of 8% (over 2,600 jobs) in one was unique to Yeovil and is largely explained through analysis of the broad sectoral employment patterns.

Employment Change in Yeovil



Source: ABI, 2008

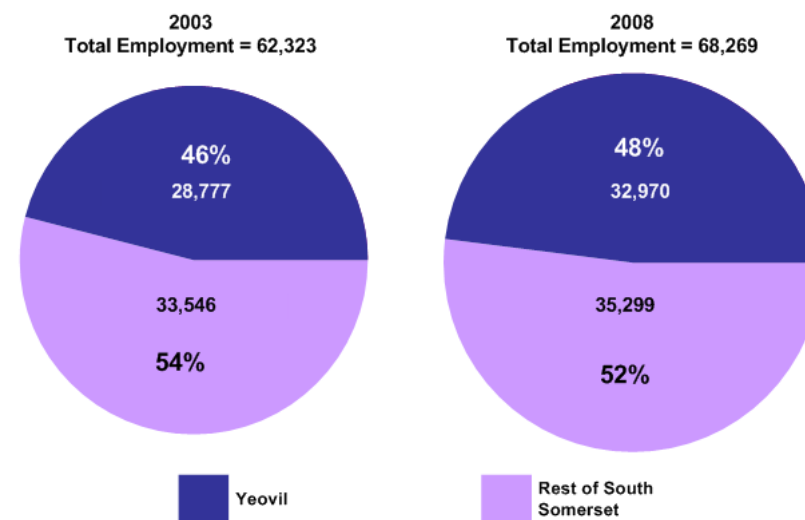
The graph below clearly highlights that the significant increase is largely attributable to a rapid increase in the number of employees in the banking, finance and insurance sector. Between 2006 and 2007 the sector increased by 42% creating over 1,800 additional jobs. This equates to 70% of the total employment growth in Yeovil that year and 45% of the total employment growth between 2003 and 2008, highlighting the increased significance of the sector in Yeovil. Structural change is explored in greater detail in the following section.



Source: ABI, 2008

Overall, the significant levels of employment growth in the town over the past five years has strengthened Yeovil's role as an important centre for employment in South Somerset. As shown in the chart opposite, Yeovil now accounts for almost half of the total employment base in the district.

Yeovil has increased its share of total employment in South Somerset



Source: ABI, 2008

Commuting Patterns

To some extent, the strength of the local labour market is reflected in commuting patterns. Major centres of employment attract significant number of commuters from their hinterland and act as an economic driving force for their region. Although now dated, information from the 2001 Census Travel to Work data outlines the town's relationship with adjacent settlements and wider peripheral employment location.

Yeovil's level of self-containment (i.e. the proportion of its workforce living and working within the town) was 75%. This suggests that a quarter of Yeovil's resident population commute out of the town to work.

In 2001 there was a net-inflow of workers to Yeovil. Just over 13,000 workers travelled in to Yeovil compared to some 5,000 who travelled out. Of particular note was the significant proportion of Yeovil based workers (30%) who reside in Mendip, in contrast to 14% of Yeovil residents who work in Mendip.

Area	Places of residence of Yeovil based workers		Places of work of Yeovil residents	
	Number of residents	% of all residents	Number of workers	% of all workers
Yeovil	15,382	54%	15,382	75%
Mendip	8,454	30%	2,891	14%
Sedgemoor	561	2%	175	1%
South Somerset	208	1%	94	0%
Taunton Deane	371	1%	225	1%
West Somerset	24	0%	9	0%
Rest of the SW	3,349	12%	1,523	7%
Rest of England	198	1%	318	2%
Total population	28,547	100%	20,617	100%
Total commuting into/out of Yeovil	13,165	46%	5,235	25%
<i>Source: Census, 2001</i>				

Summary

With almost 33,000 employees, Yeovil is an important employment centre within South Somerset. The Town has experienced strong employment growth, which has been driven by an increase in jobs in the business and financial services sector. The overall growth has out-paced the District level and has led to Yeovil accounting for a higher share of employment in South Somerset – currently almost 50%.

Yeovil's role as a key employer is further highlighted by the Town's share of the District's employment being much higher than that of population (28%). This reflects the net in-flow of workers to Yeovil from other districts within Somerset and in particular Mendip.

The large commuting flow from Mendip to Yeovil may in part be due to the attractiveness of Mendip as a place to live and perceptions of Yeovil / South Somerset. It may also be indicative of a weakness in housing supply.

5 Industrial Structure

The industrial structure of an economy – the way in which businesses and workers are distributed between the sectors – is a key determinant of levels of productivity, output and wealth. This section begins by examining the structure of the Yeovil economy, how this has changed over the past five years, and how the structure compares to the economy of England as a whole. The section will then examine the implications of these findings for the town's economic resilience and gross value added, before exploring recent trends in each of the area's key sectors individually.

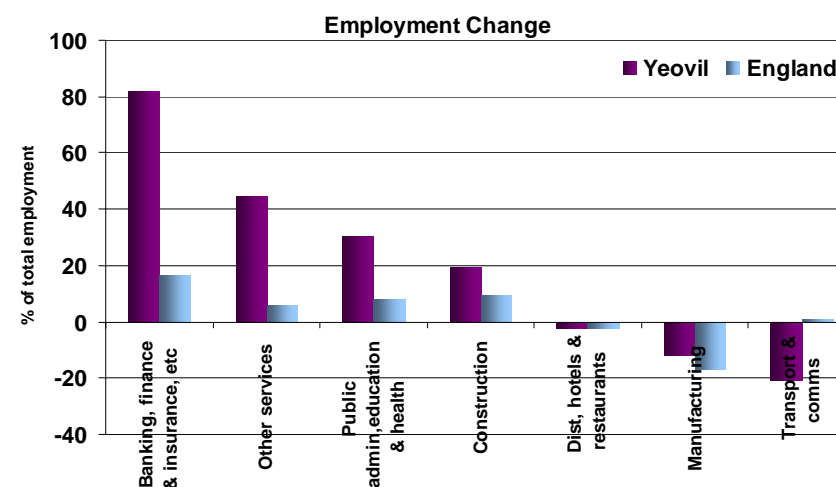
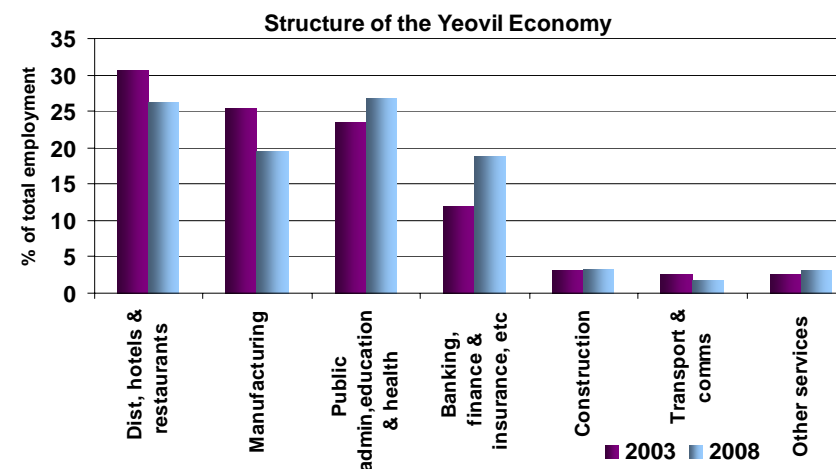
Sector representation

In 2003, distribution, hotels and restaurants was the largest broad employment sector accounting for 31% of total employment in Yeovil. This was followed by manufacturing (25%) and then public administration, education and health (24%). Combined, the three sectors accounted for 80% of total employment in the town.

Whilst the role of the public sector as a key employer in the town has increased, the role of the distribution, hotels and restaurants and manufacturing sector has diminished slightly. This is a result of employment decline in these latter two sectors and strong employment growth in the banking, finance and insurance sector. The three sectors now combine to account for 73% of total employment in Yeovil and banking, finance and insurance accounts for a further fifth.

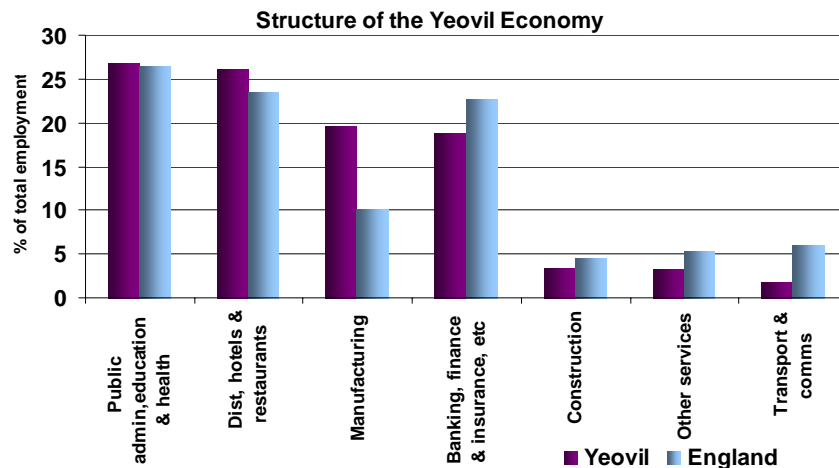
The rapid growth of employment in the banking, finance and insurance sector between 2006 and 2007 (42%) was highlighted in the previous section. This led to the sector experiencing significantly higher employment growth than the national average and than any other sector in the Yeovil economy between 2003 and 2008 with the number of employees increasing by 82% (almost 2,800 jobs). There was also strong employment growth in other services (45%), the public sector (31%), and construction (20%) although the public sector increase was much more significant in absolute terms creating over 2,000 additional jobs in comparison to just over 300 in other services and just over 180 in construction.

Both transport and communications, and manufacturing have experienced notable decline in Yeovil between 2003 and 2008. Encouragingly the employment decline in the manufacturing sector was less pronounced in Yeovil (-12%) than nationally (-17%), reflecting a more robust manufacturing sector, which is linked to the Town's specialism in the manufacture of helicopters with the presence of the AugustaWestland UK headquarters.



The relative strengths and employment specialisms of the Yeovil economy begin to emerge when comparing the proportion of employment in each of the sectors with the national average. This clearly highlights the Town's continued reliance on the manufacturing sector, with the proportion of employment in the sector being almost double the national average. Historically, manufacturing employment has been in long term decline in the UK (typically -2% per annum) although competitive companies and some sub-sectors are more resilient. Nevertheless, developing new markets for existing companies and further diversification will be needed to maintain employment numbers. Yeovil is also over-represented in the distribution, hotels and restaurants sector, as explained in the more detailed breakdown below this is due to the presence of a large retail sector.

Yeovil is correspondingly under-represented in private sector services such as banking and finance, despite the rapid employment growth experienced in recent years. This reflects the comparatively very low employment base in the sector in 2003.



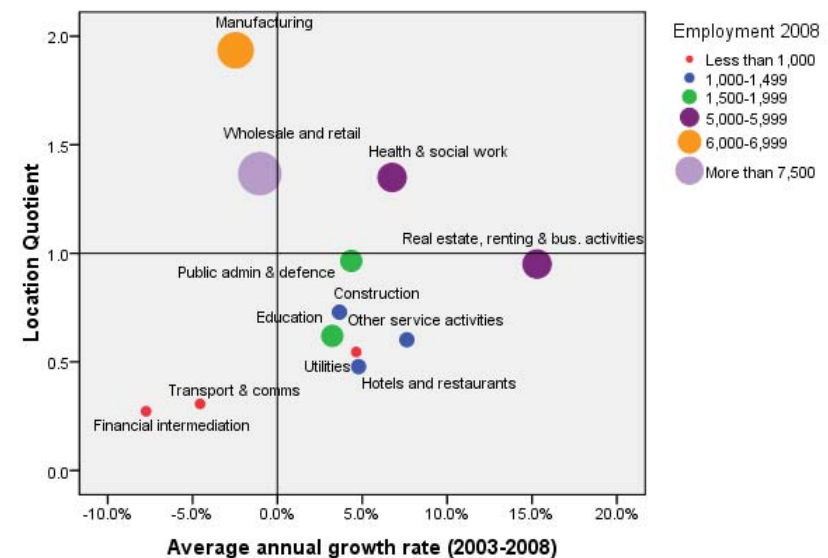
More generally, Yeovil is less reliant on the Public sector than Somerset, with the proportion of employment in the sector largely being in line with national levels.

In order to gain a better understanding of these employment specialisms, the diagram overleaf provides a snapshot of employment patterns in the 12 broad sectors of the Yeovil economy.

Distribution, hotels and restaurants breaks down into two sub-sectors: wholesale and retail, and hotels and restaurants. Wholesale and retail sector, has a higher proportion of employment than nationally and at this level is the largest sector in the Town employing over 7,500. This high concentration of employment in the retail sector is typical to town centres which provide shops and services to a wider hinterland. The sector has however experienced slight employment decline in recent years.

At the broad sector level, the proportion of employment in the public sector is largely in line with national levels, however, when broken down to the three sub-sectors (health and social work, education and public administration), health and social work emerges as an employment specialism. It is also the only specialist sector which has experienced employment growth in recent years.

Yeovil - Employment Growth and Specialisation



The business, finance and insurance sector splits into two groups: real estate, renting and business activities, and financial intermediation. The analysis highlights that the proportion of employment in property and business activities is close to the national average and that the gap at the broader sector level is largely due to the

under-representation of financial services. Financial intermediation is shown to be one of the smallest sectors in Yeovil and has experienced the most significant proportionate decline in recent years.

This breakdown does not, however, provide any further breakdown of the important manufacturing sector. A separate sector profile has therefore been included (section 7) which provides an indication of the most important sub-sectors – notably the manufacture of transport equipment.

Summary

The public sector (in particular health and social work), wholesale and retail, and manufacturing are all important employment sectors in Yeovil and have a higher representation in the Town than nationally. The higher concentration of employment in the retail sector reflects Yeovil's role as a town centre which serves its hinterland. Yeovil's large manufacturing sector is however very distinctive as most town's tend to function predominantly as service centres with service based economies.

Both the wholesale and retail and manufacturing sectors have experienced decline in recent years. The manufacturing sector, however, has proved to be more robust than nationally, having fared much better in terms of employment decline.

Despite strong growth in business, professional and financial services, the sector continues to be under-represented in Yeovil, particularly in relation to financial services, which is a particularly small sector that has recently experienced employment decline.

6 Gross Value Added

Introduction

Gross Value Added (GVA) is an important indicator of economic performance used to measure the economic output produced in a particular geographical area and / or sector. This section begins by looking at the published data for Somerset which shows trends in total GVA and GVA per capita. The latter allows for the difference in population to be taken into account and therefore, provides a clearer picture of the economic prosperity of the District. Estimates, based on the industrial structure of Yeovil, are then used to present the Town's share of the County's GVA.

In 2007, Somerset generated £8.7bn of GVA, which accounts for almost 10% of total GVA generated in the South West. Since 1995, the total GVA of the County has grown by 54% exceeding both regional and national increases (both 50%).

Gross Value Added per Capita

Between 1999 and 2007 Somerset experienced a 45% increase in GVA per capita, broadly in line with the rate of change experienced across the region and across England as a whole. Despite this growth, GVA per capita in the County remains at 81% of the England average, at £16,642 per capita. This is also behind the South West levels which, in 2007, were 89% of the England average at £18,458

Headline GVA per head										
	1999	2000	2110	2002	2003	2004	2005	2006	2007	% change 1999 - 2007
Somerset	£11,484	£11,931	£12,390	£12,845	£13,577	£14,504	£15,110	£15,931	£16,642	45%
South West	£12,668	£13,144	£13,844	£14,564	£15,422	£16,204	£16,679	£17,473	£18,235	44%
England	£14,140	£14,686	£15,411	£16,223	£17,160	£18,021	£18,589	£19,496	£20,458	45%

Source: Regional, sub-regional and local gross value added 2009 (ONS Statistical Bulletin, December 2010)

Index values (England = 100)										
	1999	2000	2110	2002	2003	2004	2005	2006	2007	% change 1999 - 2007
Somerset	81	81	80	79	79	80	81	82	81	0.2%
South West	90	90	90	90	90	90	90	90	89	-0.5%

Source: Regional, sub-regional and local gross value added 2009 (ONS Statistical Bulletin, December 2010)

The considerable gap between the District and the regional and national levels of GVA per capita, highlights that there is a significant prosperity gap in Somerset with there being a shortfall between what the economy produces and what it could produce if it were to operate in line with national performance. This

underperformance largely relates to lower levels of productivity and is also linked to differences in the sectoral mix of the district compared to the national economy.

Gross Value Added (GVA) by industry, Somerset

The table below illustrates the total contribution made by each sector of the Somerset economy to the County's total GVA. It shows that the distribution & retail, property & real estate, and business services sectors make the strongest contribution to GVA in the County, together accounting for approximately two fifths of total value added. This reflects the sectors role as large employers in the County.

The construction, distribution & retail, property & real estate, business services and health & social work sectors showed the most significant levels of GVA growth, with value added in each of these sectors either doubling or trebling between 1998 and 2007.

Total GVA by Sector in Somerset, Current Prices			
	GVA, current prices Somerset, 2007 £ million	GVA, current prices Somerset, 2007 % of total GVA	GVA, current prices Somerset % change on 1998
Distribution and retail	1,190	14%	101%
Property and real estate	1,051	13%	130%
Business services	1,022	12%	244%
Construction	731	9%	192%
Health and social work	638	8%	104%
Public administration	541	6%	70%
Education	479	6%	38%
Hotels and catering	325	4%	48%
Manufacture of transport equipment	313	4%	-28%
Other services	278	3%	77%
Food, drink and tobacco	260	3%	-4%
Transport services	225	3%	62%
Financial services	182	2%	61%
Energy and water	168	2%	26%
Agriculture, forestry and fishing	147	2%	-30%
Non-metal products	115	1%	-8%
Engineering	100	1%	-12%
Wood and paper products	97	1%	35%
Miscellaneous manufacture	93	1%	33%
Metal products	92	1%	23%
Printing and publishing	75	1%	-22%
Electrical and medical equipment	58	1%	-50%
Communication	58	1%	-23%
Textiles, clothing, leather goods and footwear	50	1%	-47%
Extraction	49	1%	81%
Chemicals and nuclear fuel	22	0%	-49%
Total	8,359	100%	77%

The varied levels of productivity across the sectors are highlighted by the example of the County's second largest employment sector – health and social work –

accounting for a much lower proportion of total GVA (8%) in comparison to total employment (20%). This reflects the lower level of GVA per capita generated by the sector. The South West Observatory produces figures which show the GVA per FTE worker in key employment sectors. These are set out in the table below for Somerset. (Given that the GVA estimates for Yeovil - presented in the following section- are based on the total GVA figures for Somerset, these figures can be used as a proxy for the Town).

In Somerset, as in other areas of England, highly capital intensive sectors such as extractive industries, utilities and real estate have recorded unusually high levels of productivity, while other high productivity sectors have included the manufacture of transport equipment, public administration and business services. Aside from very minor employers such as extraction, the most significant increases in productivity have been recorded in the construction and financial services sectors.

GVA Per Full Time Employee in Somerset by Industry		
	GVA per FTE worker	GVA per FTE worker
Property and real estate	£210,600	-23%
Energy and water	£145,200	50%
Extraction	£88,700	155%
Financial services	£76,400	130%
Manufacture of transport equipment	£50,800	-10%
Wood and paper products	£49,600	61%
Public administration	£47,500	55%
Printing and publishing	£46,900	57%
Textiles, clothing, leather goods and footwear	£41,200	46%
Miscellaneous manufacture	£41,000	65%
Business services	£37,100	70%
Food, drink and tobacco	£37,000	11%
Engineering	£37,000	17%
Non-metal products	£36,800	23%
Education	£35,000	19%
Construction	£34,900	151%
Metal products	£31,900	17%
Communication	£30,300	-11%
Electrical and medical equipment	£30,100	6%
Chemicals and nuclear fuel	£29,900	2%
Distribution and retail	£29,900	42%
Transport services	£29,100	15%
Hotels and catering	£24,400	1%
Health and social work	£24,100	30%
Other services	£23,000	10%
Agriculture, forestry and fishing	£12,700	-23%

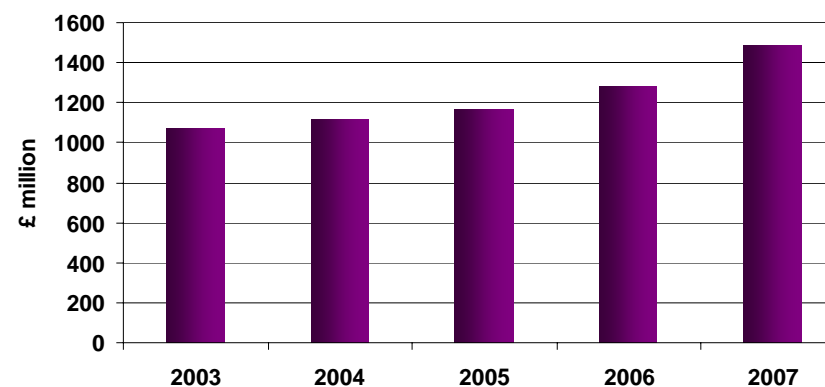
Source: ONS Regional Statistics, as reported on <http://www.economicssystem.co.uk/south-west/index.php>

Gross Value Added in Yeovil

It is possible to generate estimates of the level of GVA generated by Yeovil, which takes into account the sectoral structure of the Town relative to that of the County. In 2007, it is estimated that Yeovil generated £1.5bn GVA, which accounts for around 17% of the County's total GVA - marginally above the Town's share of the County's total employment (16%).

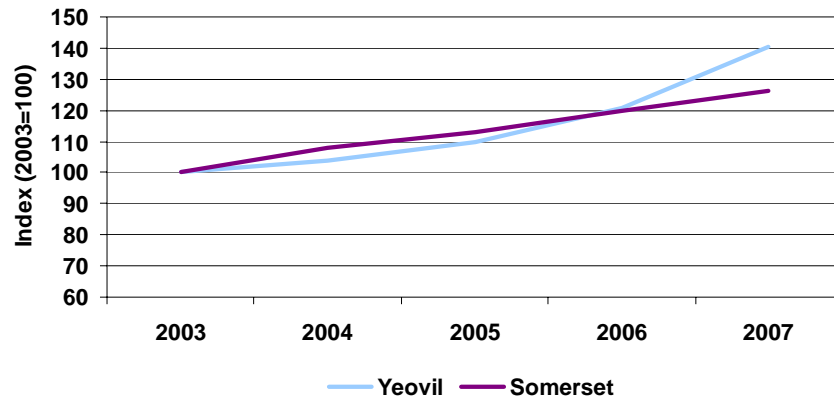
In particular, Yeovil accounts for a fifth of the County's manufacturing employment, which includes a high proportion of jobs in the manufacture of transport equipment- notably aerospace equipment - which has one of the highest levels of GVA per FTE at £50,800. Yeovil also accounts for a fifth of the County's total business and financial services employment, for which the GVA per head ranges from £37,100 to £76,400.

Total GVA in Yeovil, 2007

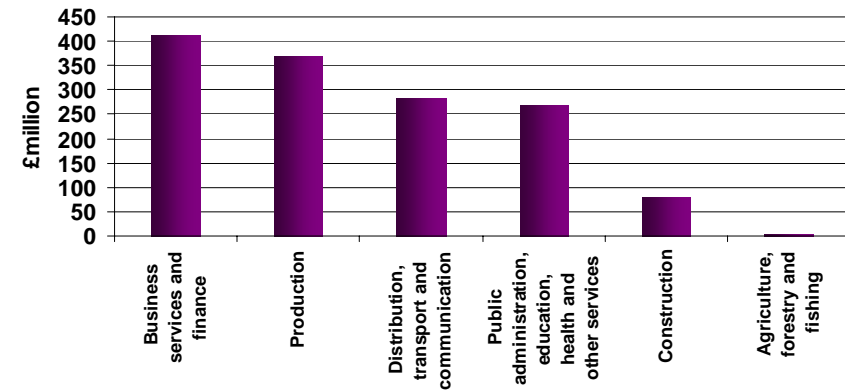


The total GVA has increased by 38% between 2003 and 2007, which has been much more rapid than the growth experienced by Somerset (26%). This reflects a more stable manufacturing sector and large increase in employment in the business and financial services sector. As noted in the employment growth chapter, much of the growth in this sector occurred between 2006 and 2007, which also explains the more significant rise in GVA over the same time period.

Change in GVA, 2003-2007



GVA by broad sector in Yeovil, 2007



Summary

It is estimated that Yeovil generated £1.5bn of GVA in 2007, which accounts for around 17% of the County's total GVA and is marginally above the Town's share of Somerset's total employment. Yeovil experienced strong GVA growth between 2003 and 2007 as a result of a more stable manufacturing sector and a significant increase in employment in the business services sector.

The relative importance of the manufacturing sector to the Yeovil economy is clearly highlighted with the sector making the largest contribution to the Town's overall GVA. This reflects the Town's high value added manufacturing activities in the aerospace sector.

Again the variation in productivity, highlighted by varied levels of GVA per FTE, are shown in the sectoral breakdown of Yeovil's GVA. This clearly highlights the importance of the manufacturing sector, which is estimated to have produced £441m of GVA in 2007, accounting for 30% of the Town's total GVA. This is largely due to the sector's focus on aerospace making it a key high value added sector in Yeovil.

Similarly, the high value nature of the business and financial sectors is highlighted as despite having much lower levels of employment than the distribution and public sectors, it accounts for a much higher proportion of the Town's total GVA (28%) having generated around £411m in 2007.

As highlighted in the table on the previous page, the health and social work sector, which dominates Yeovil's public sector has one of the lowest levels of GVA per FTE, reducing the GVA generated by the Town's largest employment sector. This is also the case for distribution and retail.

7 Manufacturing Profile

Manufacturing

Manufacturing is a key sector in the Yeovil economy, with almost 6,500 employees that generate some £440m of GVA. This accounts for almost 20% of the Town's total employment and 30% of the total GVA.

Between 2003 and 2008, Yeovil's manufacturing sector declined in size with a 2% fall in workplace numbers and a 12% fall in total employment numbers. The employment decline was, however, less pronounced than nationally (-17%), reflecting a more robust manufacturing sector. One of the key features of manufacturing is that jobs are overwhelmingly full time, although only one in six of the workforce is female.

Sector Profile for Manufacturing in Yeovil			
Employment Profile	2003	2008	% change
Total number of workplaces	138	135	-2%
Total employment	7,321	6,459	-12%
% of employees that are male	83.0%	83.1%	0.1%
% of employees that are female	17.0%	16.9%	-0.1%
% of employees that work full time	95.7%	95.4%	-0.2%

Source: ABI Workplace and Employee Analysis, 2008

As shown in the table below, three quarters of the manufacturing employment is based in four large workplaces. The most significant employer in the sector and in Yeovil overall is AugustaWestland which specialises in the manufacture of helicopters and employs some 3,500 in its UK headquarters which are based in the Town.

Manufacturing	Workplaces			Employment		
	2003	2008	% of 2008 Total	2003	2008	% of 2008 Total
Size band						
1-10 Employees	93	97	72	351	303	5
11-49 Employees	31	28	21	713	656	10
50-199 Employees	9	6	4	827	647	10
200+ Employees	5	4	3	5,430	4,856	75

Other large employers in the sector include Honeywell Aerospace, Parker, Hannisin Hydraulics Ltd and Thales Naval Division.

The importance of the large transport focused employers is also highlighted within the sub-sectoral breakdown of Yeovil's manufacturing sector. The manufacture of transport equipment accounts for over three quarters of the total employment in the sector, and has a much greater presence in the Yeovil economy than nationally. Encouragingly, the employment decline in this high value-added sub-sector (-5%) was significantly lower than the overall manufacturing average (-12%), demonstrating its relative strength.

Following this the two largest sub sectors are the manufacture of basic metals and the manufacture of food products. Yeovil also has a high proportion of employment in the manufacture of leather and leather products relative to the national average.

Sub Sectors	2003	2008	% change	LQ
Manufacture of transport equipment	5,245	4,985	-5%	13.1
Manufacture of basic metals and fabricated metal	486	353	-27%	0.7
Manufacture of food products, beverages and tobacco	117	209	79%	0.5
Manufacture of paper and paper products	458	197	-57%	0.5
Manufacture of leather and leather products	332	194	-42%	14.4
Manufacture of rubber and plastic products	139	137	-1%	0.7
Manufacture of machinery and equipment	147	134	-9%	0.4
Manufacture of wood and wood products	111	82	-26%	1.0
Manufacturing not elsewhere classified	90	76	-16%	0.4
Manufacture of electrical and optical equipment	58	62	7%	0.2
Manufacture of other non-metallic mineral products	59	17	-71%	0.1
Manufacture of chemicals, chemical products and pharmaceuticals	10	9	-10%	0.0
Manufacture of textiles and textile products	69	4	-94%	0.0
Total for sector	7,321	6,459	-12%	1.9

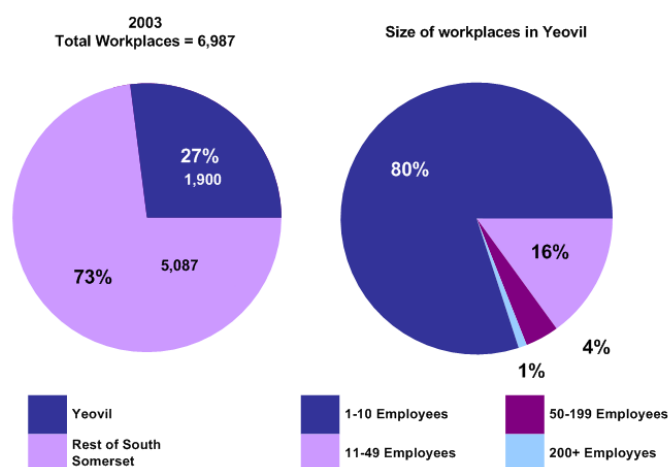
Overall, manufacturing is a very important part of the Yeovil economy. The Town's specialisation in the manufacture of transport equipment distinguishes Yeovil's manufacturing sector from the national picture. The manufacturing sector also helps to distinguish Yeovil from other district centres, which typically have service based economies to meet the needs of residents and those based in adjacent smaller areas. Nevertheless, developing new markets for existing companies and further diversification will be needed to maintain employment numbers.

8 The Business Base

Introduction

In 2008, South Somerset has just over 5,000 workplaces and 1,900 of these were situated in Yeovil. At just over a quarter, the town's share of the District's workplace base is significantly less than its share of total employment (48% in 2008), which begins to provide an indication that workplaces in Yeovil are typically larger than those in the rest of the district.

Yeovil accounts for 27% of total workplaces in South Somerset



Whilst, as shown in the chart above, Yeovil's workplace base is characterised by micro businesses, employing 1-10 employees, these workplaces account for a much smaller proportion of the total base than in the district, regionally and nationally (80% in comparison to 85/86%). This and the higher proportions of small, medium and large businesses are further highlighted when looking at Yeovil's share of the District's workplaces within each of the size bands. This is particularly evident in the case of large businesses (with 200+ employees), with Yeovil accounting for almost two thirds (65%) of such workplaces in South Somerset. This compares to 25% of South Somerset's micro-businesses, 38% of

small businesses (11-49 employees) and 46% of medium workplaces (50-199 employees).

Number of workplace units by area - 2008				
	1-10 employees		11-49 employees	
	Number of workplaces	Percentage of workplaces	Number of workplaces	Percentage of workplaces
Yeovil	1,512	80%	301	16%
South Somerset	6,017	86%	787	11%
Other Somerset Districts	14,227	86%	1,839	11%
Somerset	20,244	86%	2,626	11%
South West	192,712	86%	25,715	11%
England	1,844,371	85%	243,010	11%
	50-199 employees		200+ employees	
	Number of workplaces	Percentage of workplaces	Number of workplaces	Percentage of workplaces
Yeovil	70	4%	17	0.9%
South Somerset	157	2%	26	0.4%
Other Somerset Districts	379	2%	73	0.4%
Somerset	536	2%	99	0.4%
South West	5,677	3%	1,214	0.5%
England	60,096	3%	13,828	0.6%

Source: Annual Business Inquiry, 2008

The number of workplaces in Yeovil has increased by just over a tenth (13%), between 2003 and 2008 resulting in an additional 220 workplaces, of which the large majority (93%) were micro-businesses. The overall growth and growth in micro-businesses was above that of South Somerset. Yeovil also experienced significant growth in large sized workplaces, which due to the low base number amounts to two additional workplaces.

Change in number of workplace units by area - 2003 to 2008

	1-10 employees		11-49 employees	
	Number of workplaces	Percentage change	Number of workplaces	Percentage change
Yeovil	204	16%	15	5%
South Somerset	723	14%	63	9%
Other Somerset Districts	1,612	13%	124	7%
Somerset	2,335	13%	187	8%
South West	23,788	14%	201	1%
England	210,489	13%	-2,960	-1%
	50-199 employees		200+ employees	
	Number of workplaces	Percentage change	Number of workplaces	Percentage change
Yeovil	-1	-1%	2	13.3%
South Somerset	-6	-4%	-1	-3.7%
Other Somerset Districts	25	7%	7	10.6%
Somerset	19	4%	6	6.5%
South West	66	1%	94	8.4%
England	996	2%	538	4.0%

Source: Annual Business Inquiry, 2008

Micro Workplaces (1-10 Employees)

As noted earlier, Yeovil's business base is characterised by micro-businesses employing ten or less people. As depicted by the following table, the key features of this group are:

- The prevalence of workplaces associated with Distribution Hotels and Restaurants and Banking Finance and Insurance.
- The Banking, Finance and Insurance sector displayed the strongest level of workplace growth, increasing by 119 over the five year period from 2003. This is in contrast to more modest growth in the Distribution, Hotels and Restaurants sector (25) and the Public Administration, Education and Health sector (21).
- Employment growth in micro-businesses was most prevalent in the Construction sector which provided jobs for an additional 123 workers between 2003 and 2008, and the Banking, Finance and Insurance sector which provided an additional 85 jobs.
- Mirroring wider regional patterns, the Manufacturing sector witnessed the largest decline in employment with a loss of 48 jobs in micro-sized manufacturing businesses between 2003 and 2008.

Change in Workplaces and Employment, Workplaces With 1-10 Employees

	Workplaces			Employment		
	2003	2008	Change	2003	2008	Change
Agriculture and fishing	0	8	8	0	20	20
Energy and water	1	0	-1	1	0	-1
Manufacturing	93	97	4	351	303	-48
Construction	171	188	17	315	438	123
Distribution, hotels and restaurants	484	509	25	1,875	1,958	83
Transport and communications	45	55	10	138	181	43
Banking, finance and insurance	344	463	119	971	1,056	85
Public administration, education & health	66	87	21	305	354	49
Other services	104	105	1	294	351	57

Source: Annual Business Inquiry, 2008

Small Workplaces (11-49 employees)

Workplaces employing between 11 and 49 employees also represent an important subset of the Yeovil business base. This group typically includes a large proportion of locally owned and managed businesses, often with potential for growth. The key features of this group are as follows:

- Once again, the Town's small business base is characterised by a dominance of workplaces in the Distribution, Hotels and Restaurants sector, accounting for 39% of workplaces and employment in 2008.
- Strong workplace growth over the period 2003 to 2008, relative to other sectors, was seen in the Construction; Distribution Hotels and Restaurants; and Public Administration, Education and Health sectors which each grew by 7 businesses.
- The business base of Other Services increased by 14 workplaces over the period 2003 to 2008, associated with a 186% rise in employment. Employment growth was also strong in the construction sector which increased by 147% over the same period.
- Conversely, the broad industrial group of Banking, Finance and Insurance witnessed the largest decline from businesses sized between 11 and 49 employees, with a loss of 270 jobs (-22%) between 2003 and 2008.

Change in Workplaces and Employment, Workplaces With 11-49 Employees						
	Workplaces			Employment		
	2003	2008	Change	2003	2008	Change
Agriculture and fishing	0	0	0	0	0	0
Energy and water	0	0	0	0	0	0
Manufacturing	31	28	-3	713	656	-57
Construction	8	15	7	150	371	221
Distribution, hotels and restaurants	110	117	7	2,455	2,666	211
Transport and communications	8	5	-3	179	89	-90
Banking, finance and insurance	59	45	-14	1,253	983	-270
Public administration, education & health	62	69	7	1,597	1,650	53
Other services	8	22	14	159	456	297

Source: Annual Business Inquiry, 2008

Medium Workplaces (50-199 employees)

The key features of workplace and employment change amongst businesses between 50 and 199 employees in size were as follows:

- Businesses of this size were predominantly associated with the Public Administration, Education and Health Sector, which accounted for 34% of workplaces employing between 50 and 199.
- Although employment in the Banking, Finance and Insurance sector grew by 362 employees (42%), this was offset by significant staff reductions in Employment in the Manufacturing, Construction, Distribution Hotels and Restaurants, and Transport and Communications sectors.

Change in Workplaces and Employment, Workplaces With 50-199 Employees						
	Workplaces			Employment		
	2003	2008	Change	2003	2008	Change
Agriculture and fishing	0	0	0	0	0	0
Energy and water	1	1	0	54	69	15
Manufacturing	9	6	-3	827	647	-180
Construction	5	4	-1	461	298	-163
Distribution, hotels and restaurants	19	14	-5	1,509	1,385	-124
Transport and communications	6	4	-2	442	331	-111
Banking, finance and insurance	9	14	5	853	1,215	362
Public administration, education & health	18	24	6	1,694	1,818	124
Other services	4	3	-1	274	244	-30

Source: Annual Business Inquiry, 2008

Large Workplaces (200+ employees)

As cited earlier, there are 17 large workplaces in Yeovil employing over 200 members of staff. The key features of this group are as follows:

- The largest employers in Yeovil are based in the Public Administration, Education and Health; Manufacturing; Distribution Hotels and Restaurants; and Banking, Finance and Insurance sectors.
- The greatest change in terms of workplace numbers was in the Public Administration, Education and Health sector which grew by three workplaces employing over 200 staff between 2003 and 2008.
- In terms of employment, the greatest increase over the period 2003 to 2008 was seen in the Banking, Finance and Insurance sector which grew by 2,617 employees. Significant growth was also seen by the Public Administration, Education and Health Sector which grew by 1,840 employees over the same period.

Change in Workplaces and Employment, Workplaces With 200 Employees or more						
	Workplaces			Employment		
	2003	2008	Change	2003	2008	Change
Agriculture and fishing	0	0	0	0	0	0
Energy and water	0	0	0	0	0	0
Manufacturing	5	4	-1	5,430	4,856	-574
Construction	0	0	0	0	0	0
Distribution, hotels and restaurants	5	4	-1	2,968	2,612	-356
Transport and communications	0	0	0	0	0	0
Banking, finance and insurance	1	2	1	338	2,955	2617
Public administration, education & health	4	7	3	3,167	5,007	1840
Other services	0	0	0	0	0	0

Source: Annual Business Inquiry, 2008

VAT Registered Business Stock

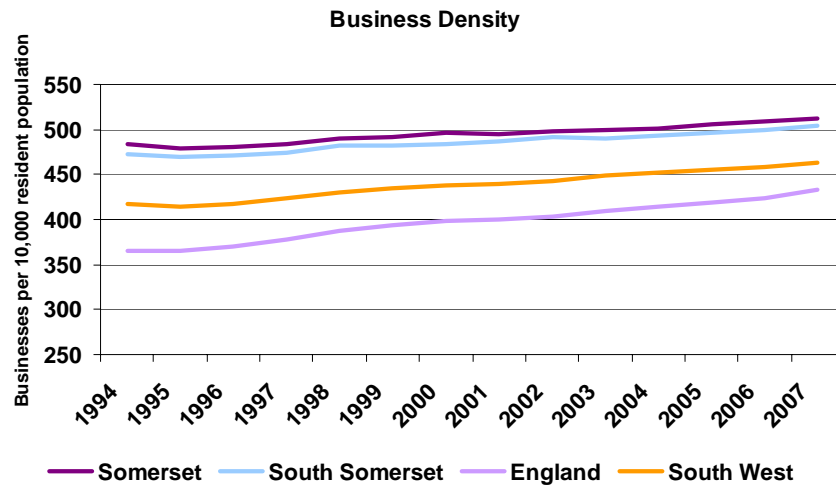
VAT Registrations are one of the best guides to the pattern of business start ups and stocks and provide an indication of the level of entrepreneurship and the health of the business population. Given that this data is not available at ward or LSOA level, South Somerset will be used as a proxy for Yeovil.

In 2007, South Somerset had a business density of 505 businesses per 10,000 residents, following an increase of 7% since 1994.

Business Density

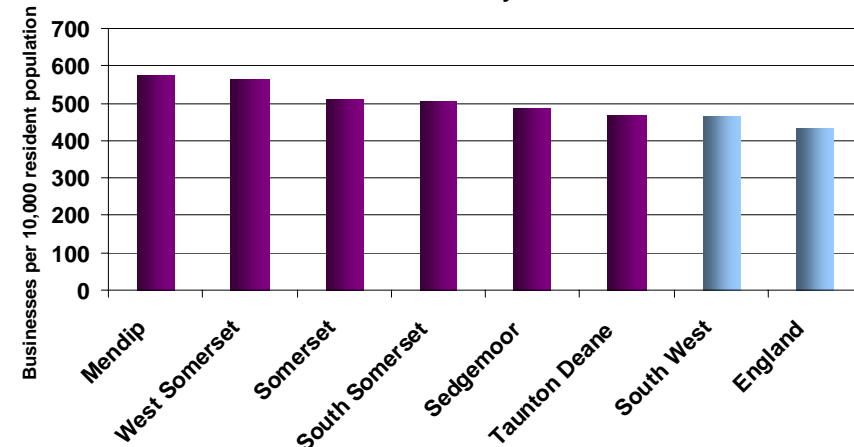
On a comparable basis, the business density is higher than both the regional and national averages (464 and 433 businesses per 10,000 residents respectively). This was also the case in 1994, although due to a lower rate of growth in South Somerset's total business stocks the gap between the District and the regional and particularly the national average has closed considerably.

Within the County, the District's business density is most similar to that of Sedgemoor (486 business per 10,000 residents) and lags behind both Mendip and West Somerset (575 and 564 businesses per 10,000 residents respectively).



Source: VAT Registrations, 2007

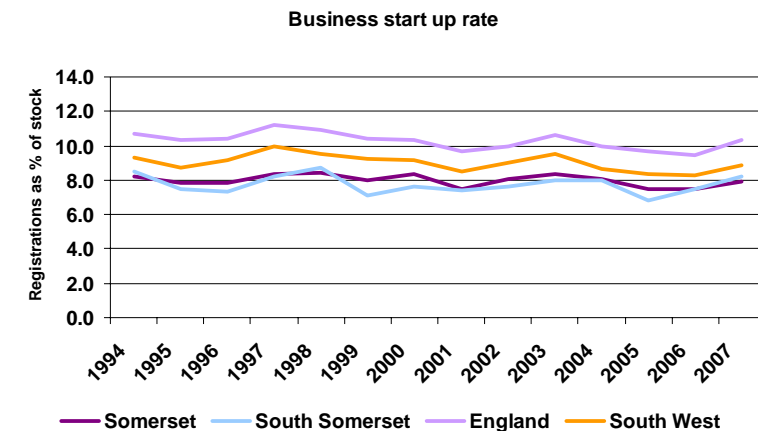
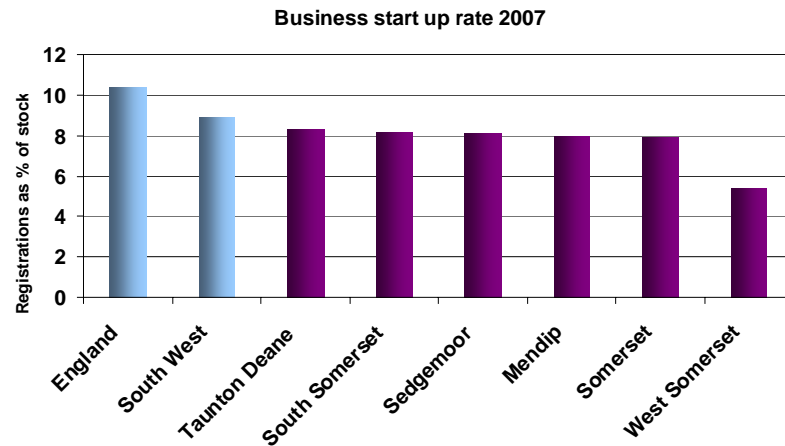
Business Density 2007



Source: VAT Registrations, 2007

Business Start up Rate

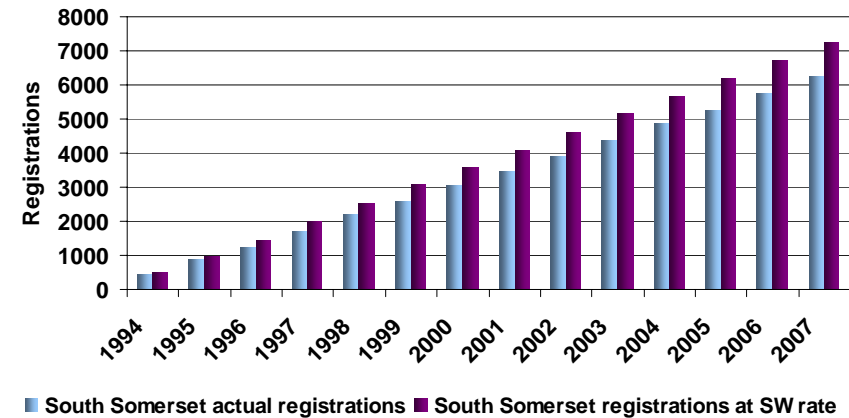
In contrast to business density, the business start up rate in South Somerset (8%), expressed as the proportion of the total business stock which are newly registered, is lower than the regional (9%) and national average (10%) – a trend which has persisted since 1994 as shown in the chart below. This partly explains the lower level of growth in business density in South Somerset.



Source: VAT Registrations, 2007

In absolute terms 515 new businesses were registered in South Somerset in 2007. In order to close the gap with the regional start up performance, an additional 45 businesses are required each year. This increases to 144 when considering national levels. The chart below highlights the impact of the continued under-performance of South Somerset in comparison to the South West.

Comparative start up performance- cumulative



Had the District performed at the regional level over the past 14 years, there would have been over 1,000 additional business start ups. Even when taking account of standard levels of attrition this would have considerably closed the gap between the District and both the regional and national business density growth rates.

Business survival rates

The latest Business Demography statistics published by BERR provide an indication of survival rates of businesses formed from 2003 onwards. Enterprises that are PAYE registered are tracked until they de-register. Survival rates are calculated as the proportion of PAYE registrations in a given year that have not deregistered within a certain period of time.

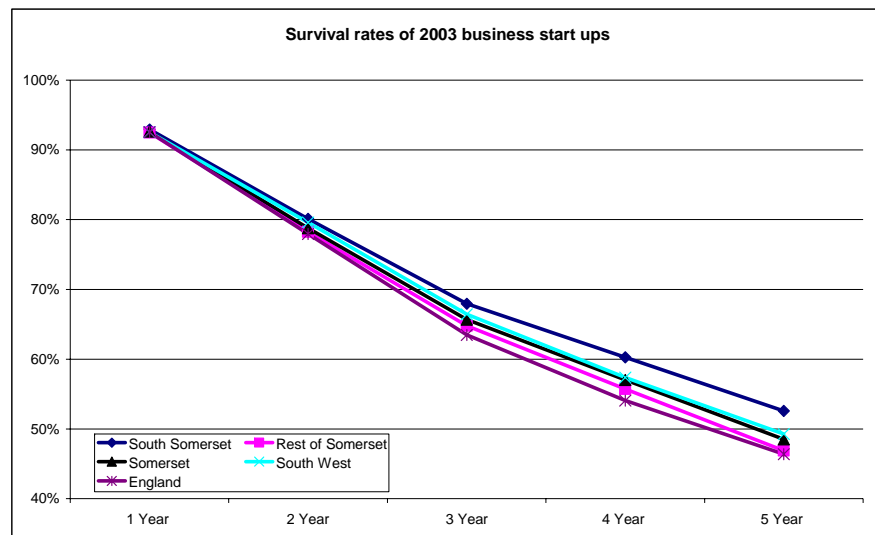
Although higher survival rates are viewed positively, high levels of business churn (business entry and exit) have been shown to lead to improvements in productivity and economic growth as highly productive or innovative businesses replace less efficient ones³.

As depicted in the figure below, in line with trends at county, regional and national level, a review of business survival rates indicate a steady decline in the five year period from 2003. In South Somerset, 93% of newly born enterprises were still

³ The DTI Small Business Service.

trading after one year, although this rapidly declined to 80% after two years, 68% after three years, 60% after four years to just over half of businesses that registered in 2003 still trading after five years.

performance against the regional rate has resulted in a business start up gap of over 1,000 over 14 years. Business survival rates have been strong with South Somerset reporting rates over time above the England average and over half of businesses registered in 2003 still trading after five years.



Source: Business Demography, 2008

Summary

Yeovil has around 1,900 workplaces, which amounts to a much smaller share of South Somerset's total workplaces (27%) than employment (almost 50%). This begins to reflect the larger average workplace size in Yeovil, which is also highlighted by a much smaller proportion of micro-workplaces (those employing between 1 and 10 people). Despite strong growth, the dominance of micro-businesses in Yeovil continues to lag behind that of the District and the region. Further, almost two thirds of South Somerset's large workplaces are situated in Yeovil reflecting the focus of public sector employment and large manufacturing businesses.

Recent statistics show South Somerset to have a business density of 505 businesses per 10,000 residents, exceeding both the regional and national averages but marginally below the Somerset average. In contrast South Somerset's business start up rate at 8% of total business stock is below regional and national averages, a trend which has remained evident over time. This gap in

9 Workforce and Skills

Introduction

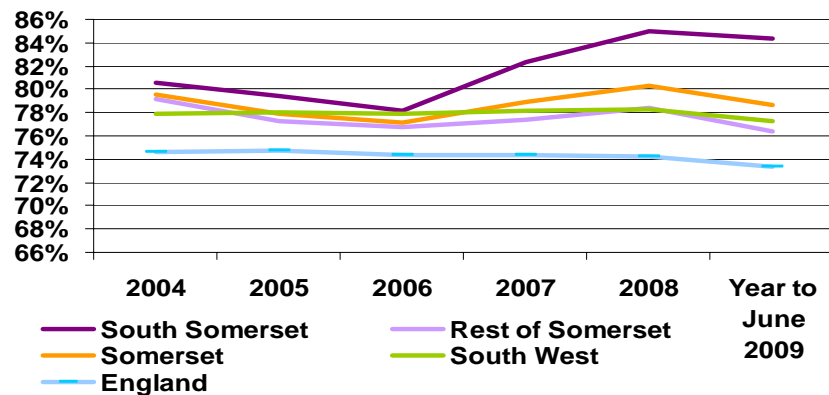
This section of the report reviews the characteristics of South Somerset's workforce, through an analysis of its employment growth, unemployment rates and commuting patterns. Working age qualifications are then reviewed against the targets set by Leitch and employer identified skills gaps are summarised. Attainment at Key Stage 2 and 4 is also reviewed. The section concludes with an analysis of occupations, earnings and income data, and claimant count.

Employment Rate

The latest employment data for South Somerset demonstrates an overall strong rate of growth between 2006 to 2009 of 6%, outstripping county, regional and national trends (although the period 2004 to 2006 saw South Somerset's employment fall by 3%).

In line with other rural areas, the latest Annual Population data indicates that average levels of employment in the District (at 84%) are considerably stronger than those found nationally.

Employment Rate



Source: Annual Population Survey, 2008

Economic Inactivity Rates

In terms of economic inactivity, South Somerset performs very well with a relatively low rate of 13%, compared to a regional figure of 18% and a national figure of 21%. As displayed, the districts' inactivity rate has notably decreased by 5 percentage points since 2006, compared to a regional decrease of 1% over the same period.

Economic Inactivity Rates



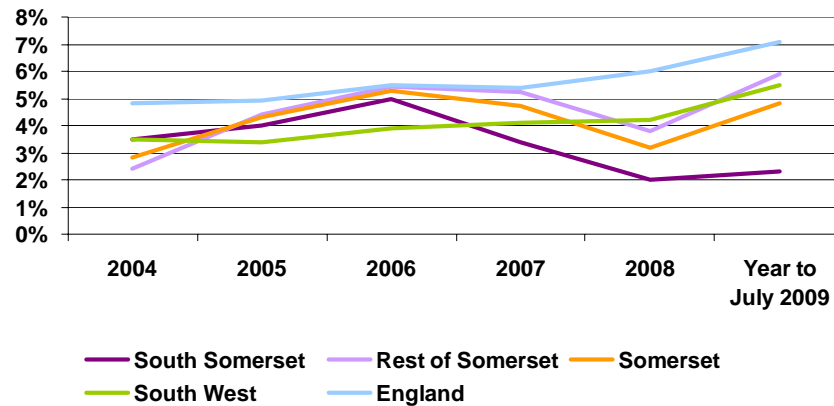
Source: Annual Population Survey, 2008

Unemployment Rates

The figure below displays the working age unemployment rate at district, county, regional and national level. At 2.3%, South Somerset displayed a low level of unemployment in 2009 compared with county (4.8%), regional (5.5%) and national levels (7.1%).

In common with trends displayed in the rest of the county and the county as a whole, unemployment rates in South Somerset displayed a marked decrease in the two year period between 2006 and 2008, reducing by three percentage points. All comparator areas saw an increase in unemployment from 2008, although this was less pronounced in South Somerset.

Unemployment Rate



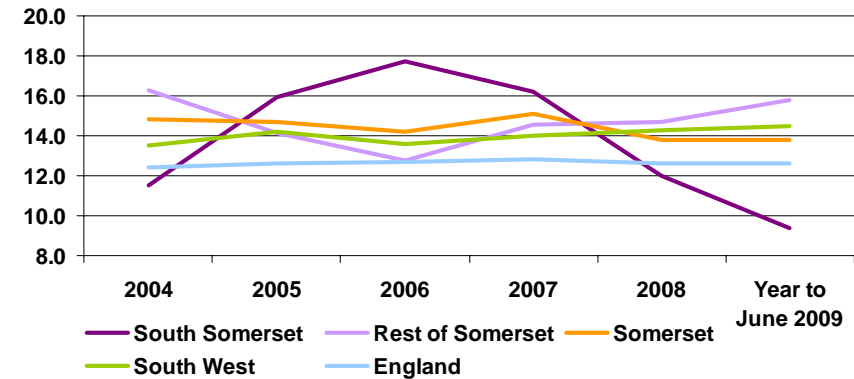
Source: Annual Population Survey, 2008

Self Employment Rates

Self employment data for South Somerset displays a markedly different profile when compared to county, regional and national levels. The prevalence of the population who were self-employed in the district grew by 6.2 percentage points between 2004 and 2006, peaking at 17.7%. This was followed by a period of rapid decline over the last three years to 9.4% in June 2009.

In contrast, self employment at county, regional and national levels has seen less fluctuation over the five year period from 2004.

Self Employment



Source: Annual Population Survey, 2009

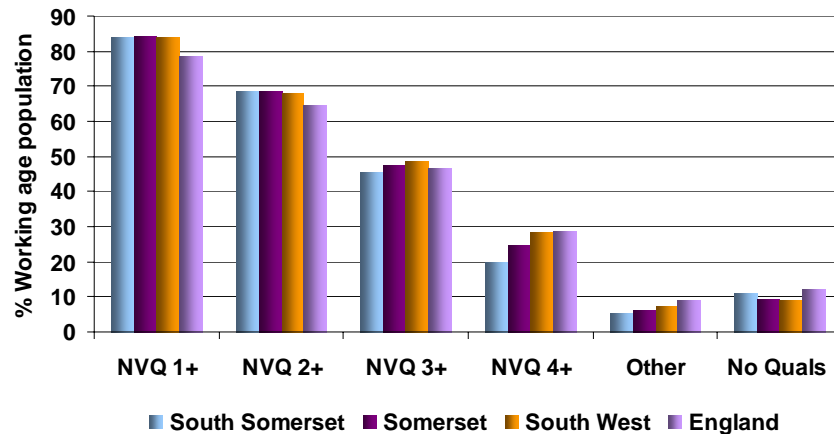
Working Age Qualifications

This subsection reviews the skills of the working age population in South Somerset with particular reference to the targets associated with Leitch and employer skills gaps.

A skilled and well qualified workforce is a fundamental requirement for a competitive and prosperous economy. There is also a strong link between skills and qualifications, employment rates and income levels, and increasing the employment rate is now accepted as one of the key elements in reducing high concentrations of deprivation in disadvantaged communities.

The tables below review the skills and qualifications of South Somerset (as a proxy for Yeovil) using data from the 2008 Annual Population Survey. Whilst the district performs relatively well at Levels 1 and 2, it has a relatively low proportion of skills at Level 3+ (45% compared to 49% regionally) and particularly Level 4+ (20% compared to 28% regionally). The District also a high proportion of residents with no qualifications relative to the region (11% compare to 9%).

Qualifications - 2008



Source: Annual Population Survey

Qualifications of Working Age Population					
	South Somerset	Rest of Somerset	Somerset	South West	England
NVQ4+	20.0	27.0	24.9	28.3	28.7
NVQ3+	45.4	48.4	47.5	48.8	46.5
NVQ2+	68.7	68.3	68.4	68.1	64.6
NVQ1+	83.8	84.6	84.3	83.8	78.8
No qualifications	10.8	8.9	9.5	9.0	12.3

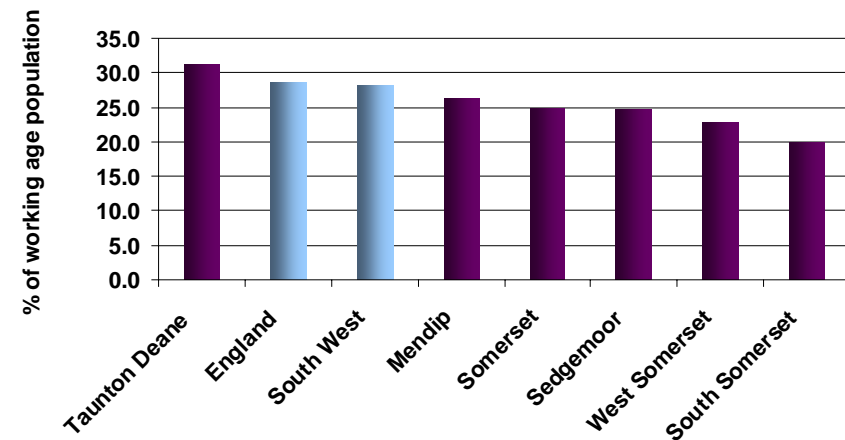
Source: Annual Population Survey, 2008

With specific regard to skills for employment, NVQ Level 2 is now widely accepted as the minimum benchmark for entry level employment requiring basic skills. This is the equivalent to five GCSEs at A-C. Those in the district with no/limited qualifications will have very few job opportunities to pursue, and these are likely to be low paid. South Somerset performs well at this level, in comparison to county, regional and national standards with 69% possessing an NVQ Level 2 qualification or above.

The challenge South Somerset faces with regards to the higher skilled workforce is further highlighted when compared to the other Somerset Districts. South

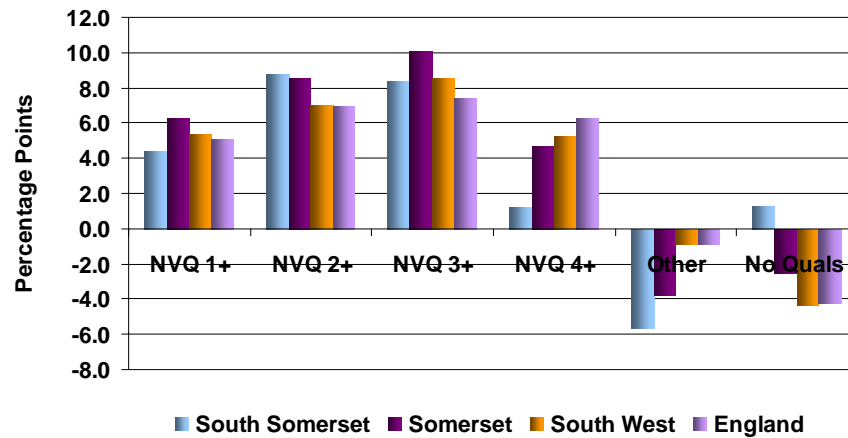
Somerset has the lowest proportion of the working age population qualified to NVQ Level 4+. In order for the District to reach the current regional higher skills level some 7,500 people would need to gain qualifications at Level 4 or above, which increases to some 7,900 when considering national levels.

NVQ Level 4+



This large underperformance is largely accounted for by a much lower increase in the proportion of the working age population holding qualifications at Level 4+ in the District between 2000 and 2008, as shown in the chart on the following page.

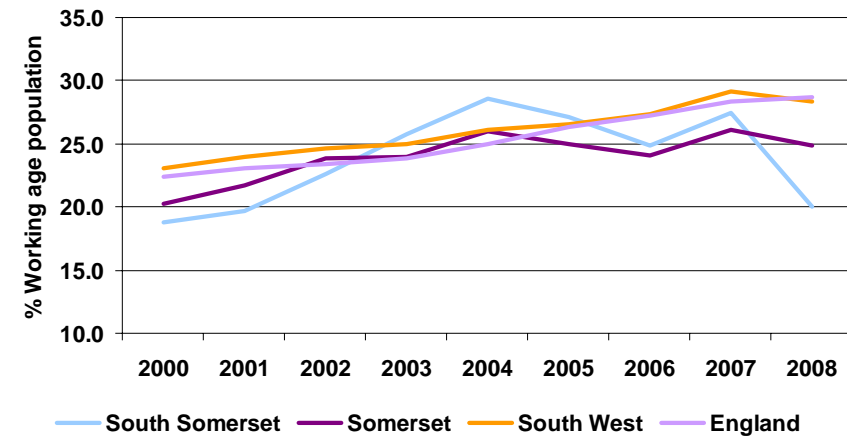
Change in Qualifications - 2000-2008



Source: Labour Force Survey, Annual Population Survey

Given the particularly low level of progress that has been made in Somerset in increasing the proportion of the working age population with higher level skills, it is useful to examine the trend between 2000 and 2008. As shown in the chart below, the pattern of change in South Somerset has been very varied over the eight year period. Whilst the District made strong progress between 2000 and 2004 (with change occurring at a greater rate than regionally, nationally and in the County), this was then reversed as the proportion with higher level qualifications began to fall.

Change in NVQ Level 4

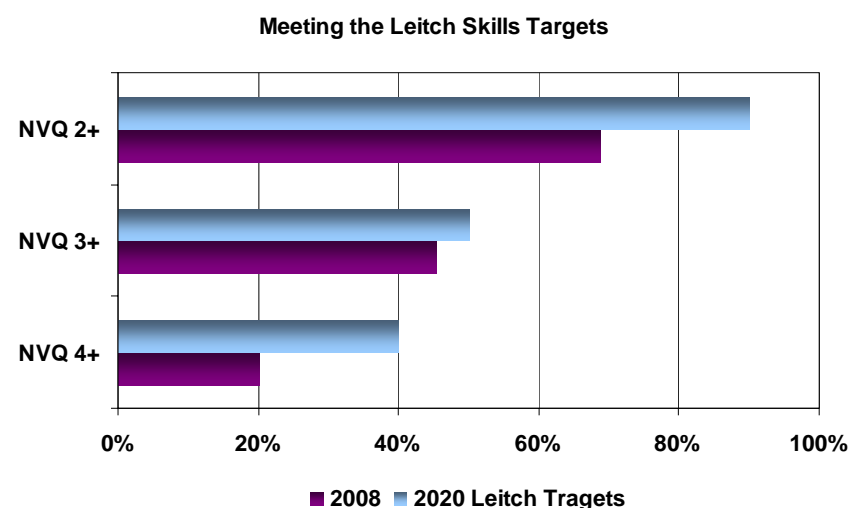


Source: Labour Force Survey, Annual Population Survey

Skills as a Driver of Productivity

The Leitch Review of Skills⁴ highlights the importance of skills to the success of the economy. Despite improvement in recent years, the UK's skills base remains weak, holding back productivity and growth. This is also the case in South Somerset, making skills a focus area in the challenge to drive productivity and bridge the existing prosperity gap. The vision set out for the UK committed the Country to become a world leader in skills by 2020 through achieving stretching objectives, including at least 50% of the workforce being qualified to Level 4 or above. The targets set a significant challenge for Plymouth, particularly in relation to Level 2 and Level 4 attainments.

⁴ Leitch Review of Skills Final Report, 2006



Source: Annual Population Survey

The table below indicates the progress made by South Somerset toward the Level 2 target between 2005 (when the targets were set) and 2008 in comparison to county, regional and national levels. As displayed, the proportion of the working age population in South Somerset with a Level 2 qualification or above decreased by 0.1% in the intervening period. In order to meet the challenges set by Leitch, the district requires an average annual uplift of 1.6% at this level.

Change in % of Working Age Population Achieving NVQ2+ Qualifications, And Progress to Leitch Review Targets					
	South Somerset	Rest of Somerset	Somerset	South West	England
2005 recorded figure	68.9	65.5	66.5	66.4	62.7
2008 recorded figure	68.7	68.3	68.4	68.1	64.6
Average annual change recorded	-0.1	0.9	0.6	0.6	0.6
2020 Leitch Review target	90	90	90	90	90
Average annual change required	1.6	1.7	1.7	1.7	2.0

Source: Annual Population Survey, 2009

Need is also particularly pronounced at the higher end of the scale. By 2020 South Somerset is required to have doubled the current proportion of working age residents qualified to degree level and above to meet the profile of a competitive workforce.

Change in % of Working Age Population Achieving NVQ4+ Qualifications, And Progress to Leitch Review Targets					
	South Somerset	Rest of Somerset	Somerset	South West	England
2005 recorded figure	27.1	24.2	25.0	26.5	26.3
2008 recorded figure	20.0	27.0	24.9	28.3	28.7
Average annual change recorded	-2.4	0.9	0.0	0.6	0.8
2020 Leitch Review target	40	40	40	40	40
Average annual change required	1.5	1.0	1.2	0.9	0.9

Source: Annual Population Survey, 2009

This challenge is magnified when set within the context of a growing population, as set out on the table below. By 2020, the working age population in South Somerset is expected to have increased by around 8%. In this case some 1,700 residents would need to obtain Level 4+ qualification per annum.

Workforce Skills – Levels of change required to meet the Leitch skills targets					
Skills Level	2008	2020	Change %	Change no.	Change no. p/a
NVQ 4+	18,000	39,320	118	21,320	1,777
NVQ 3+	41,000	49,152	20	8,152	679
NVQ 2+	62,000	88,470	43	26,470	2,206
WAP	90,300	98,300	9	-	-

Source: ekosgen 2010

Skills Shortages

Skills shortages in key parts of Somerset's Manufacturing and Service sectors were identified by Somerset Learning and Skills Council's Statement of Learning and Skills Needs (2001). At a county level, 20% of Somerset employers identified that they had skills gaps. This is in line with the national number, although the regional number is lower at 13%.

Summary of Skills Gaps			
	Somerset	South West	England
Proportion of employers with any skills gaps (%)	19.4	13.4	19
Number of skills gaps (ie number of staff not fully proficient)	3,603	38,108	284,230

Source: NESS 2009 <http://researchtools.lsc.gov.uk/ness/>

Work Related Skills Training

On average, a lower proportion of employees and self-employed workers in South Somerset received job related training between June 2008 to June 2009, when compared to county, regional and national levels.

% of employees and self employed workers who received job related training in the last four weeks (average reported figure, July 2008 to June 2009)	
Area	Percentage
South Somerset	10%
Rest of Somerset	12%
Somerset	12%
South West	14%
England	14%
Source: Annual Population Survey, 2009	

Young People's Skills

The skills of young people are reviewed in terms of their achievement at key stage levels and the associated numbers who are classed as not in employment, education or training.

Attainment in schools is a key contributor to future economic prosperity, and education and training play a key role in addressing issues of aspiration and attainment.

Although there has been a reduction in demand for primary school provision in recent years, changes in the demographic profile suggest that demand is increasing. Research by Baker Associates⁵ suggests that assuming no existing capacity is available, delivery of 11,400 new dwellings by 2026 (in accordance with RSS targets) would require construction of between 3.8 and 4.3 new primary schools and 1 and 1.2 new secondary schools.

The table below displays the percentage of Pupils achieving Level 4 or above in literacy and numeracy at Key Stage 2, age 11. At 80% South Somerset displays the same level of literacy achievement at Level 4 as county and national data.

In contrast, achievement in numeracy reveals underperformance when benchmarked against district and regional comparators with South Somerset registering the lowest achievement rate at Key Stage 2 (77%).

⁵ Yeovil Infrastructure Impact Assessment – Initial Assessment, April 2009

Key Stage 2 - Percentage of Pupils Achieving English and Maths above Level 4						
	English			Maths		
	1997	2009	% points difference	1997	2009	% points difference
South Somerset	71	80	9	63	77	14
Sedgemoor	65	81	16	65	78	13
Mendip	66	79	13	64	79	15
Taunton Deane	67	81	14	64	79	15
West Somerset	54	73	19	55		N/A
Somerset LA	67	80	13	63	78	15
South West	65	81	16	63	79	16
England	63	80	17	62	79	17

Source: DCSF 2009

The table below displays the percentage of students gaining 5+ GCSEs at grades A*-C.

At a county level, performance at Key Stage 4 (63%) lags behind the national figure (70%). The twelve year improvement at a national level (25%) is also far more pronounced than the Somerset improvement of 14%.

The South Somerset district registers a lower proportion of attainment than county and regional levels. Data from 2009 indicates that 62.3% of students in South Somerset achieved five or more GCSE grades A*-C. The district had a 10.4% rate of change in the twelve year period from 1997, which along with West Somerset, was the lowest of all the comparators, and significantly behind the 20.8% rate of change displayed in Taunton Deane and the South West region as a whole.

Key Stage 4 - Percentage of Students Gaining 5+ GCSEs A*-C			
	1997	2009	% points difference
South Somerset	51.9	62.3	10.4
Sedgemoor	44.8	60.9	16.1
Mendip	50.9	63	12.1
Taunton Deane	46.1	66.9	20.8
West Somerset	49.5	59.9	10.4
Somerset LA	48.9	63	14.1
South West	47.1	67.9	20.8
England	45.1	70	24.9

Source: DCSF 2009

In terms of participation in education and work-based learning, proportions of involvement in non-compulsory education at full-time maintained schools were much lower at a county level (12%), compared to regional and national proportions at 28% and 27% respectively. This pattern is echoed when reviewing total education and work based learning with a participation rate of 80% at a county level, 82% at regional and 83% at a national level.

Participation in Education and WBL of 16 and 17 year olds, 2007								
	Full-time Maintained schools	Full-time Independent schools	Full-time sixth form colleges	Full-time other FE	Total	Work based learning (WBL)	Part-time education	Total education and WBL
Somerset	12	11	9	37	70	6	4	80
South West	28	7	2	34	71	7	4	82
England	27	6	10	29	72	7	4	83

Source: DCSF: Participation in Education, Training and Employment by 16 and 17 year olds in England

The Learning and Skills Council Local Area Statement of Need Dorset and Somerset 2008/09 highlighted that young people not in employment, education or training (NEETs) are a priority across the area. NEET levels will be addressed, in part, through increasing schools' awareness and ownership and by encouraging schools to improve Information Advice and Guidance to allow learners to plan for the future.

As displayed below, at 3.8% the latest county NEET levels compare favourably with regional and national proportions at 5.7% and 6.7% respectively.

% of 16-18 year olds who are not in education, employment or training			
	2006	2007	2008
Somerset	4.8%	4.3%	3.8%
South West	6.0%	5.5%	5.7%
England	7.7%	6.7%	6.7%
Source: DCSF: 14-19 Reform website			

Occupations, Earnings and Income

The occupational profile of South Somerset indicates a high proportion of the workforce in managerial, and professional and technical occupations. Of particular note is the prevalence of skilled trades and occupations in the district, which is 4 percentage points above the regional level of 12% and six percentage points above the national level which stands at 10%.

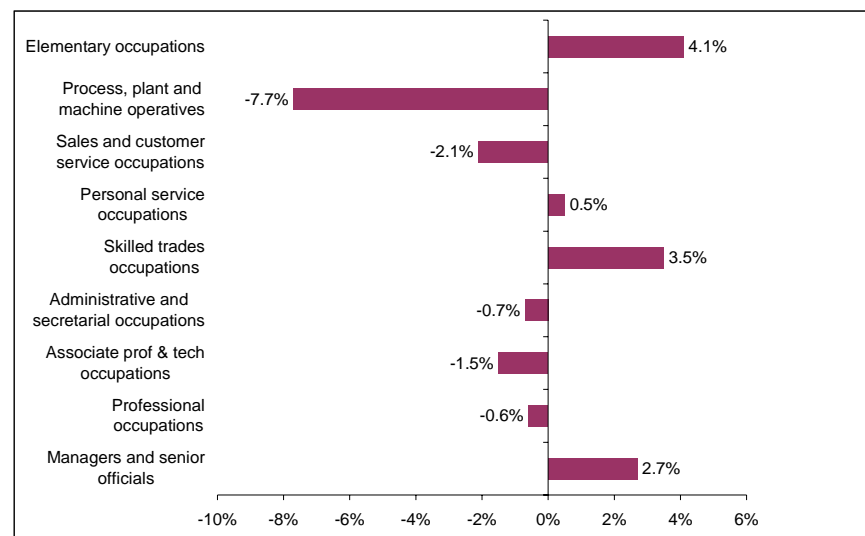
The economic structure of Yeovil has a strong concentration on the aerospace sector, advanced engineering and food processing, which goes some way toward explaining this. In contrast, the district is also typified by a high prevalence of elementary occupations (13%), such as administrative and sales.

Occupational Profile of Workforce by Area, Year to June 2009					
	South Somerset	Rest of Somerset	Somerset	South West	England
Managers and senior officials	14%	14%	14%	16%	16%
Professional occupations	11%	11%	11%	13%	13%
Associate prof & tech occupations	14%	11%	12%	15%	15%
Administrative and secretarial occupations	11%	13%	12%	11%	11%
Skilled trades occupations	16%	12%	13%	12%	10%
Personal service occupations	9%	10%	10%	9%	8%
Sales and customer service occupations	8%	10%	9%	8%	7%
Process, plant and machine operatives	7%	8%	8%	6%	7%
Elementary occupations	13%	11%	12%	11%	11%

Source: Annual Population Survey, June 2009

As displayed below, over the four year period between 2004 and 2008, the district has witnessed a shift away from industrial based occupations to more service based (although skilled trades and occupations still represent significant occupational growth).

This is exemplified by the decline in process, plant and machine operatives and the increase in elementary occupations and managers and senior officials (such as customer care, financial and health and social services).



Average Earnings (By Gender)

The Annual Survey of Hours and Earnings provides information on the earnings of employees. The table below displays residence-based and workplace-based on gross median⁶ weekly earnings per person for South Somerset, Somerset, the South West and England over the period 2003 to 2009.

⁶ Median earnings are used to ensure extremes included within mean calculations are not considered.

Residence Based Earnings

Combined median residence-based weekly earnings (including those for males and females) per person stood at £356.80 in 2009 compared with a higher regional median of £371.30.

A similar level of disparity was also evident in the increase in average earnings between 2003 and 2009. At 16% the total district rate increase was below that experienced by the South West (19%) and England as a whole (18%).

When broken down by gender, disparity in residence-based income is greatest amongst males working in South Somerset, who on average in 2009 earned £36.10 less a week compared to their regional counterparts.

Workplace Based Earnings:

Gross median weekly earnings at workplace-based level display less disparity. At £368.30, combined median district earnings per person exceeded the regional median of £367.70. However, at 15% the increase in workplace-based earnings between 2003 and 2009 fell short of the regional and national uplift of 19% and 18% respectively over the same period.

An analysis of earnings by gender revealed that females working in South Somerset in 2009 were most disadvantaged, earning £18.90 a week less than the regional average. This compares with a difference of £13.10 for males.

Average earnings								
		2003			2009			% Change in total
		Male	Female	Total	Male	Female	Total	
South Somerset	Residence based	£402.30	£198.00	£308.10	£434.90	£286.50	£356.80	16%
	Workplace based	£402.90	£205.60	£320.50	£448.40	£268.30	£368.30	15%
Somerset	Residence based	£402.50	£202.90	£304.80	£458.70	£280.40	£359.90	18%
	Workplace based	£384.30	£209.30	£300.00	£434.20	£267.90	£343.40	14%
South West	Residence based	£405.20	£225.00	£311.20	£471.00	£287.50	£371.30	19%
	Workplace based	£400.90	£225.00	£308.30	£461.50	£287.20	£367.70	19%
England	Residence based	£431.10	£251.00	£342.60	£498.30	£312.00	£402.80	18%
	Workplace based	£429.40	£249.70	£340.80	£498.30	£311.20	£402.50	18%

Note: The table contains both residence-based and workplace-based earnings. Residence-based data for South Somerset includes the earnings for all residents irrespective of whether they work outside of the district. In contrast, workplace earnings is based upon employees who are working the district.

At £14,374, county level gross disposable income per head is £186 below the national level. However, the county demonstrated a higher annual change in the seven year period since 2000 (4.2%), suggesting that it may eventually catch up with national levels.

Gross Disposable Household Income Per Head		
	2007	Average annual change, 2000 - 2007
Somerset	£14,374	4.2%
England	£14,560	3.6%
Source: ONS GDHI Statistics, 2007		

Unemployment and Economic Inactivity

This subsection presents a review of unemployment in the district and levels of economic inactivity. Particular focus is placed upon claimant counts according to age and gender.

Claimant Count (All Benefits) and Proportion of Resident Working Age Population Estimates

At 11.7% South Somerset displays the lowest level of benefit claimants amongst the resident working age population, when compared with the proportions at a district comparator, county, regional and national level.

In contrast, the proportion of working age residents in South Somerset receiving all benefits⁷ increased by 8% over the six year period from 2003. This overall increase outstrips all other comparator areas (apart from Mendip at 9%) and the rate of growth is seven percentage points above the national level.

In terms of gender differences, change was particularly pronounced amongst males with the proportion of benefit claimants in this group rising by 24% since 2003.

⁷ "All benefits" refers to carers allowance, disability living allowance, incapacity benefit, income support, pension credit, job seekers allowance, severe disablement allowance and widows benefit.

Claimant Count by Gender, All Benefits, August 2003 - August 2009 (% of working age population)

	August 2003			August 2009			Change		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
South Somerset	8.8	10.8	10.8	10.9	11.7	11.7	24%	8%	8%
Sedgemoor	12.0	14.0	14.0	14.6	14.1	14.1	22%	1%	1%
Mendip	9.6	11.4	11.4	11.9	12.4	12.4	24%	9%	9%
Taunton Deane	10.7	12.3	12.3	12.9	12.4	12.4	21%	1%	1%
West Somerset	12.8	14.5	14.5	14.4	14.2	14.2	13%	-2%	-2%
Somerset	10.3	12.1	12.1	12.5	12.7	12.7	21%	5%	5%
South West	11.2	12.8	12.8	13.2	13.3	13.3	18%	4%	4%
England	13.5	15.4	15.4	15.4	15.5	15.5	14%	1%	1%

Source: Benefit Claimants, Working Age Client Group, Nomis, 2008

Claimant Count by Gender, All Benefits

There has been a particular increase in male claimants over the period 2003 to 2009 with a 26% increase across Somerset as a whole and a 28% increase in South Somerset. Whilst the level of female claimants also increased, this change was not as pronounced.

Claimant Count by Gender, All Benefits, August 2003 - August 2009 (Count)

	August 2003		August 2009		Change	
	Male	Female	Male	Female	Male	Female
South Somerset	4,110	4,530	5,270	4,960	28%	9%
Sedgemoor	3,940	4,210	5,020	4,360	27%	4%
Mendip	3,130	3,440	4,030	3,820	29%	11%
Taunton Deane	3,400	3,700	4,280	3,770	26%	2%
West Somerset	1,280	1,320	1,400	1,250	9%	-5%
Somerset	15,860	17,190	20,000	18,160	26%	6%
South West	174,420	183,840	216,780	195,140	24%	6%
England	2,162,220	2,285,120	2,575,820	2,360,100	19%	3%

Source: Benefit Claimants, Working Age Client Group, Nomis, 2008

The Gender Profile of Somerset's Labour Market (Sheffield Hallam University, 2004) indicates the levels and growth of part time employment in Somerset. Between 1991 and 2002 the proportion of men in Somerset's workforce working part time rose from 10% to 17%. In the same period, for women it increased from 50% to 58%. The rate of growth in part time female employment exceeded both the national and regional averages.

Claimant Count by Gender, All Benefits, August 2003 - August 2009 (%)

	August 2003		August 2009		Change	
	Male	Female	Male	Female	Male	Female
South Somerset	47.6%	52.4%	51.5%	48.5%	3.9%	-3.9%
Sedgemoor	48.3%	51.7%	53.5%	46.5%	5.2%	-5.2%
Mendip	47.6%	52.4%	51.3%	48.7%	3.7%	-3.7%
Taunton Deane	47.9%	52.1%	53.2%	46.8%	5.3%	-5.3%
West Somerset	49.2%	50.8%	52.8%	47.2%	3.6%	-3.6%
Somerset	48.0%	52.0%	52.4%	47.6%	4.4%	-4.4%
South West	48.7%	51.3%	52.6%	47.4%	3.9%	-3.9%
England	48.6%	51.4%	52.2%	47.8%	3.6%	-3.6%

Source: Benefit Claimants, Working Age Client Group, Nomis, 2008

Claimant Count According to Age, All Benefits

Although there are substantial numbers of young people claiming benefits across all comparator areas, the largest proportion of claimants were aged between 35 and 54. These individuals potentially have twenty or thirty years of working life.

Claimant Count According to Age, All Benefits, August 2009 (Count)

	South Somerset	Sedgemoor	Mendip	Taunton Deane	West Somerset	Somerset	South West	England
Under 25	1,680	1,440	1,270	1,390	290	1,440	63,910	810,350
25-34	1,690	1,520	1,200	1,400	380	1,520	72,060	918,640
35-44	2,150	2,040	1,810	1,710	550	2,040	92,270	1,097,390
45-54	2,270	2,150	1,890	1,770	660	2,150	95,020	1,120,900
55-59	1,450	1,280	1,000	1,100	460	1,280	52,680	601,020
60-64	990	940	680	670	320	940	35,950	386,990
Total	10,230	9,380	7,850	8,050	2,650	9,380	411,920	4,935,910

Source: Benefit Claimants, Working Age Client Group, Nomis, 2008

Claimant Count According to Age, All Benefits, August 2009 (%)

	South Somerset	Sedgemoor	Mendip	Taunton Deane	West Somerset	Somerset	South West	England
Under 25	16%	15%	16%	17%	11%	15%	16%	16%
25-34	17%	16%	15%	17%	14%	16%	17%	19%
35-44	21%	22%	23%	21%	21%	22%	22%	22%
45-54	22%	23%	24%	22%	25%	23%	23%	23%
55-59	14%	14%	13%	14%	17%	14%	13%	12%
60-64	10%	10%	9%	8%	12%	10%	9%	8%
Total	100%	100%	100%	100%	100%	100%	100%	100%

Source: Benefit Claimants, Working Age Client Group, Nomis, 2008

Job Seekers Allowance and Incapacity Benefit Claimants

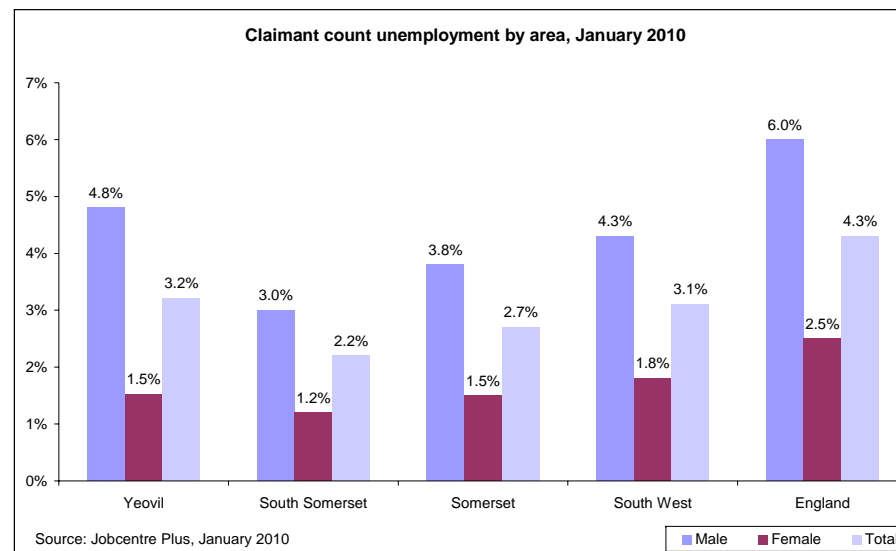
When looking at benefit claimant counts for two key benefits – Job Seekers Allowance and Incapacity Benefit, for the period between 2003 and 2009 – there has been significant increase on both counts overall and across all age bands (except IB/ESA at 55-59).

Increase in claimant counts was most significant amongst those claiming Job Seekers Allowance. The highest increase in the proportion of JSA claimants was found at the two ends of the age scale with claims amongst those aged 60-64 increasing by 200% between 2003 and 2009, and 138% amongst those aged under 25.

Job Seekers Allowance and Incapacity Benefit/Employment and Support Allowance Claimants, South Somerset, August 2003 - August 2009						
	Benefit Claimants, August 2003		Benefit Claimants, August 2009		Change	
	JSA	IB/ESA	JSA	IB/ESA	JSA	IB/ESA
Under 25	260	400	620	500	138%	25%
25-34	190	680	360	710	89%	4%
35-44	180	870	330	1,090	83%	25%
45-54	160	1,210	330	1,310	106%	8%
55-59	90	940	150	860	67%	-9%
60-64	10	580	30	610	200%	5%
Total	890	4,680	1,820	5,080	104%	9%

Source: Benefit Claimants, Working Age Client Group, Nomis, 2008

When examining claimant data for Yeovil, a higher proportion of both male and overall claimants is exhibited than that found in South Somerset, Somerset and the region as a whole.



Summary

South Somerset has experienced a strong rate of employment growth since 2006 and as a result the District has a much higher employment rate when compared with the county, regionally and nationally. In line with this economic inactivity in South Somerset has reduced notably since 2006. The District also has benefits from a low level of unemployment.

Skills development is however an issue for the District, with higher level skills in particular presenting a challenge for the coming years. The Leitch Review of Skills presents ambitious targets which will require South Somerset to double the proportion of the working age population with skills at NVQ Level 4 or above.

The district also has a high proportion of residents with no qualifications. This is likely to lead to associated difficulty in securing employment as businesses increase the minimum standards required even at entry level employment. Both of these points highlight that there is a need to develop a culture of learning in the district, including in key business sectors

The relatively high proportion of working age residents with qualifications at Level 2 or above is a positive attribute. Supporting those in employment to continue to progress in terms of qualifications will be key to meeting the targets set by Leitch.

The District performs well against county and national benchmarks in terms of Key Stage 2 achievement in literacy. In terms of numeracy, however, the District underperforms although there is evidence of some improvement. South Somerset also performs relatively poorly with regard to students achieving 5 A*-C GCSE and whilst this is improving, the degree of improvement lags behind County, regional and national levels.

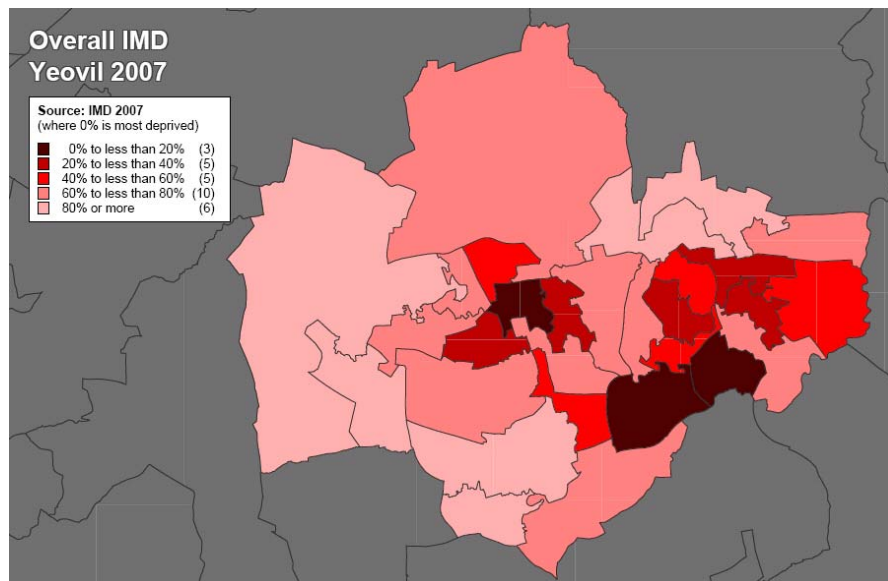
As well as affecting the employment and training prospects of young people, performance of secondary schools is an important factor for some parents in choosing where they live. This will affect employers wishing to attract higher paid and higher skilled workers.

The occupational profile of the district is changing, characterised by a move away from industrial based occupations to more service based. Although the workforce profile indicates a high prevalence of workers in skilled trades occupations, managers and senior officials and associated professional and technical occupations, there is also a significant proportion of the workforce (13%) in elementary occupations.

10 Communities and Quality of Life

Introduction

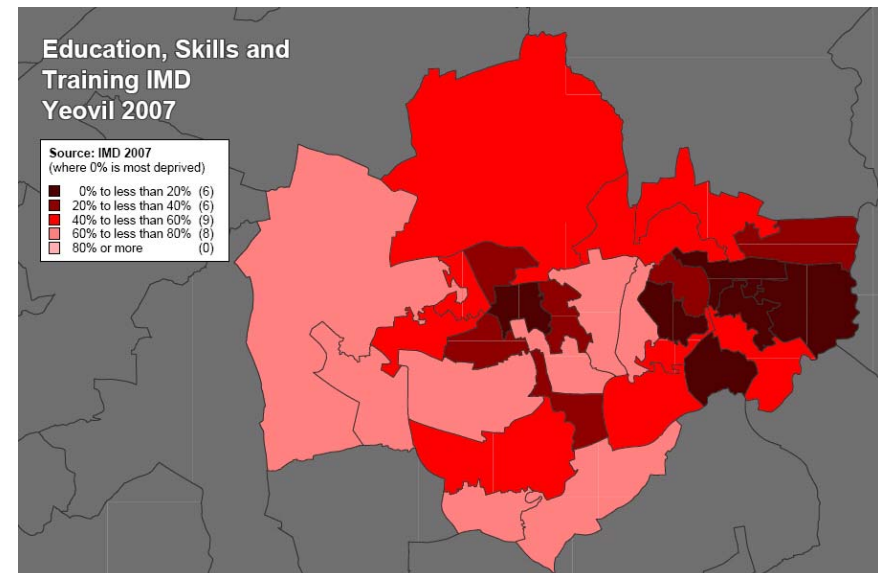
The Index of Multiple Deprivation (IMD) considers deprivation across a range of indicators with assessment presented at a Lower Super Output Area (LSOA) and local authority level. Yeovil's position within the overall IMD index reveals limited signs of deprivation with only three LSOAs of 29 falling within the 20% most deprived areas in the country and none within the top 10%. Assessment of individual domains shows that there are concentrations of deprivation when individual indicators are considered.



Tables showing performance under the sub-domain assessment are appended to this report.

Education, skills and training deprivation

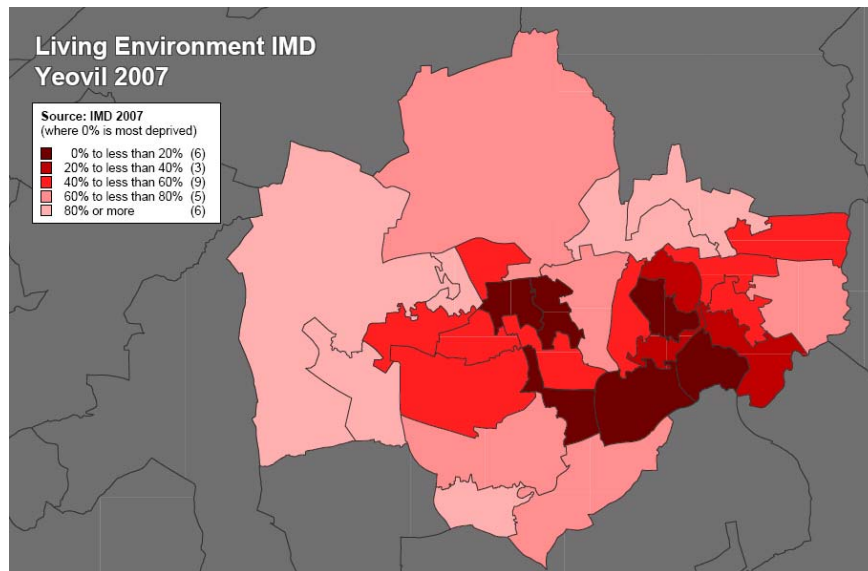
Yeovil performs relatively poorly under the education, skills and training domain which measures educational attainment, absence rates and the proportion of adults with no or low skills. Six of the town's 29 LSOAs fall within the 20% most deprived in the country with a further six falling within the 20-40 % most deprived category. With over one fifth of LSOAs within the 20% most deprived category, Yeovil is significantly more poorly positioned than the district as a whole (10% of LSOAs within the top 20%) and county (11% of LSOAs). Poor performance on this domain may have implications as the town strives for economic growth.



A sub-domain analysis highlights the concentrations of deprivation by sub-domain. This suggests that a limited number of LSOAs perform poorly across the range of indicators considered.

Living environment

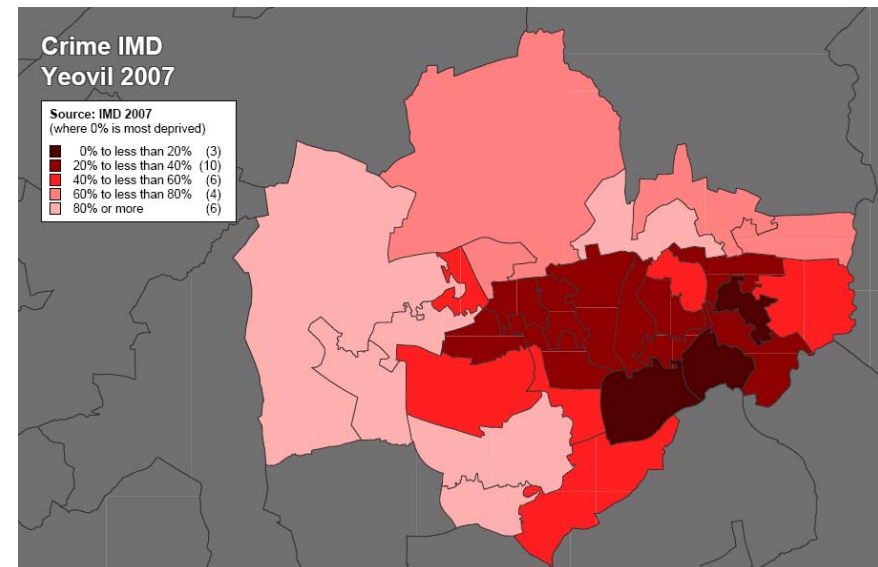
The living environment domain provides an indicator of quality of life. It includes considers factors such as poor quality housing, air quality and road traffic accident rates. The map shows a concentration of deprivation running from the centre of Yeovil out to the east. In contrast the most northern, western and southern parts of the town rank positively under this domain reflecting a high quality of life. Relative to county wide trends, Yeovil reports three times the proportion of LSOAs within the 20% most deprived in England.



A sub-domain assessment shows the different contributors to scores within the town. Yeovil Central reports particular challenges around the particulate and Benzene indexes whereas in Yeovil West air quality and nitrogen dioxide are more significant challenges.

Crime deprivation

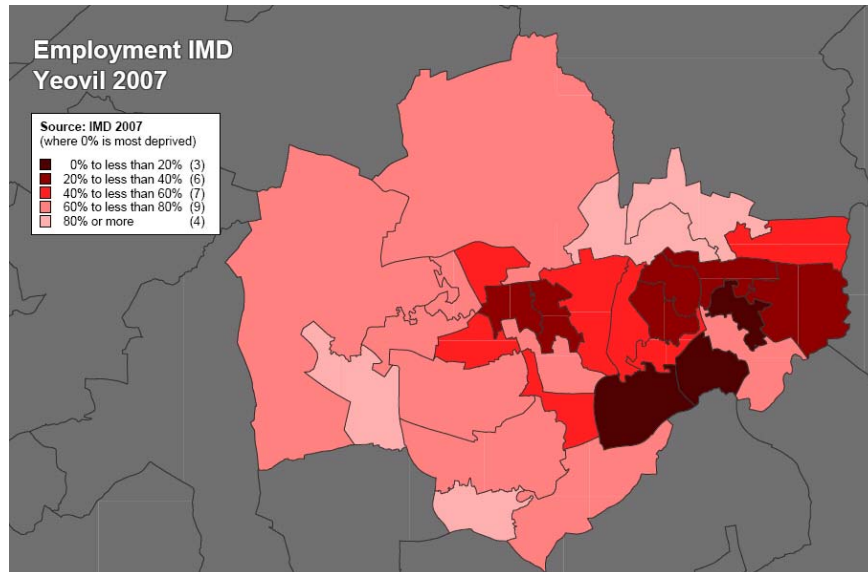
Crime deprivation is concentrated in Yeovil's central and eastern areas. Almost 45% of Yeovil's LSOAs fall within the 40% most deprived in the country compared to 28% when ranks are considered across the IMD as a whole. Two LSOAs fall within the top 10% deprived nationally under this domain.



Employment deprivation

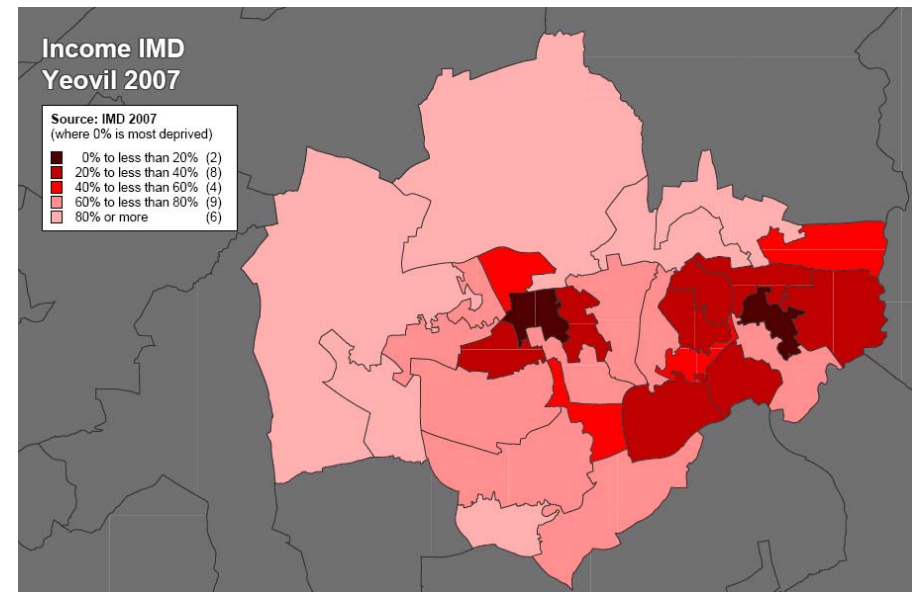
Yeovil's representation within the top 20% of areas under the employment domain is in accordance with county and regional averages. Within the town, the highest levels of employment deprivation are reported in the central and eastern areas.

The highest levels of employment related deprivation by sub-domain show the strong concentration of deprivation against a range of indicators within common areas of the town.



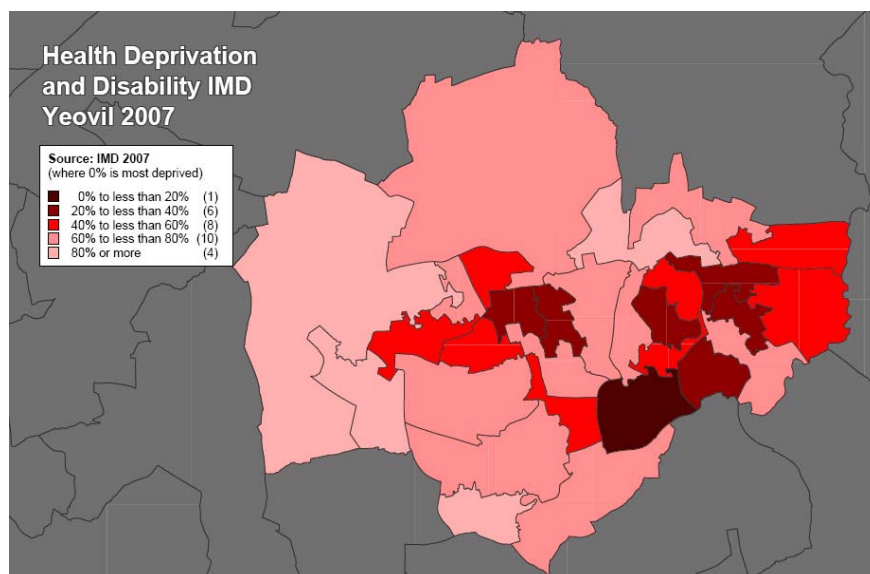
Income deprivation

The income domain considers factors such as the number of residents claiming benefits and accounts for 22.5% of the overall IMD score. Yeovil's central and eastern areas perform poorly under this domain whilst low levels of income domain are evident within the northern, western and to a lesser extent southern areas of the town. The areas of greatest deprivation under the income domain correlate with those areas of most severe deprivation under the employment domain. Sub domain data is not available in relation to income.



Health deprivation and disability

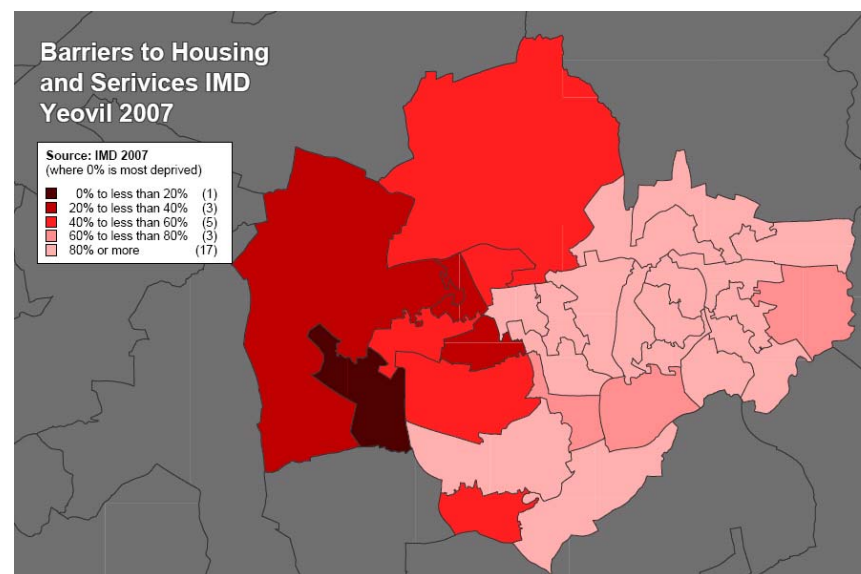
Patterns of health deprivation mirror those reported under the income domain. Whilst a concentration of deprivation remains in the east of the town, only one LSOA falls within the 20% most deprived areas of the country. Yeovil's representation within the top 20% is in line with the county average and is considerably lower than the regional average (3% against 8%).



Barriers to housing and services

Yeovil performs strongly under the barriers to housing and services domain with only one SOA falling within the top 20% and only four within the top 40%. The pattern of deprivation is different to that displayed under the other domains with the greatest concentration of deprivation found in the west of the town. Sub-domain analysis suggests that this is predominantly due to the distance from a GP and post office for residents in Brympton as well as parts of Yeovil South and West.

Enhanced access to services will become increasingly important as Yeovil grows, including planning the location of new services to address challenges for existing residents in addition to provision for incoming households.



Summary

Whilst headline figures suggest that deprivation is not a significant issue for Yeovil, domain level assessment identifies issues for priority intervention. The overall rankings suggest that the town will not be targeted by public investment streams focused on areas of concentrated deprivation but targeted interventions by area and activity type may help to enhance Yeovil's competitive position. Areas for further consideration are:

- There are common patterns of deprivation across all but one of the domains with the highest concentrations typically reported in the central and south eastern areas of the town;
- Opportunities to enhance performance under the education, skills and training domain which may act as a barrier to economic growth;
- Improvements under the living environment and crime domains would support activity to enhance perceptions of the town as a place to live, invest and visit, contributing to growth aspirations.

11 Sustainable Economic Growth

Introduction

Yeovil and South Somerset are forecast to secure high levels of both economic and residential growth over the next 15 years. Delivery of new development will need to be planned in a way that minimises potentially harmful environmental and wider impacts to ensure that changes are sustainable over time. This section considers the baseline position and areas for further consideration as the town continues to grow.

The Carbon Intensity of the South Somerset Economy

The table below shows CO₂ emissions estimates for South Somerset, the South West and England, based on end-use⁸. This shows that per capita emissions are equal to the England figure of 8.2 tonnes of CO₂ equivalent per head, but slightly higher than the South West figure of 7.9 tonnes per head. This puts South Somerset in the 40-60% percentile group of local authorities. All three geographies shown in the table are showing a decrease since 2005. The South Somerset reduction of 4.1% is substantially higher than the -2.1% average percentage change for all local authorities.

Total Greenhouse Gas Emissions					
	Year	Total (ktCO ₂)	Population (‘000s, mid- year)	Per Capita Emission	Rate of change since
South Somerset	2007	1,296	157.8	8.2	-4.09%
South West	2007	40,766	5,178	7.9	-3.79%
England	2007	419,275	51,092	8.2	-3.28%

Source: Local and Regional CO₂ Emissions Estimates for 2005-2007⁹, produced by AEA for DECC

These emissions can be broken down into four ‘sectors’ of end uses of energy: Industrial and Commercial, Domestic, Road Transport and Land-use change. The

⁸ This is based on a spatial disaggregation of the national CO₂ inventory on an end user basis in which emissions from the production and processing of fuels (including electricity) are reallocated to users of these fuels to reflect the total emissions relating to that fuel use. The end use basis for reporting emissions has been chosen for this dataset because it fully accounts for the emissions from energy use at a local level and does not penalise local areas for emissions from the production of energy which is then exported to other areas.

table below shows this breakdown. This shows that for South Somerset and the South West, industrial and commercial emissions represent a significantly lower proportion of the total emissions than they do for England, reflecting a lower proportion of very highly energy intensive sectors seen elsewhere in the UK such as steelworks and other heavy industries. Conversely, the domestic sector represents a higher proportion of emissions in South Somerset compared to England. This is borne out by higher per person emissions of 2.5 tonnes per person in South Somerset compared to 2.3 tonnes per person in England – potentially reflecting a combination of housing stock and fuel mix.

The carbon emissions resulting from changing land-use and farming practices also represents a high proportion of South Somerset’s emissions. This represents the net balance between emissions produced through the degradation of soils (through liming and changes in land-use) and the uptake of carbon from the atmosphere through forestry. The figures have been derived through a preliminary model developed by the Centre for Ecology and Hydrology in Edinburgh and this is the first year that the model has been run below a sub-regional level. We would suggest therefore that South Somerset District Council continues to monitor this statistic and validate it with partners from the land-use sector in the area.

Carbon emissions by end-use sectors, 2007 (kt CO ₂)			
	South Somerset	South West	England
Industry and Commercial	480 (37%)	5,360 (38%)	186,491 (44%)
Domestic	396 (31%)	12,238 (30%)	119,150 (28%)
Road Transport	363 (28%)	12,116 (30%)	113,093 (27%)
Land use, land use change and forestry	57 (4%)	1,052 (2%)	3,540 (1%)
Total	1,296	40,766	419,275

From an economic perspective, it is also useful to look at the carbon intensity of the South Somerset business base. Two indicators have been selected for this:

- Carbon Intensity Per Business – Measured by dividing the industrial & commercial emissions by the number of ‘workplaces’⁹ measured by the ABI
- Total emissions/GVA – Measured by dividing the total emissions (ktCO₂)/GVA (£bn)

⁹ ‘Workplaces’ are not strictly comparable with businesses, but can be used as a proxy indicator.

Carbon intensity by business and GVA				
		South Somerset	South West	England
Carbon intensity per 'business'	Industry and Commercial	480	15,360	183,491
	No of 'Workplaces'	6,815	222,407	2,125,963
	Tonnes of CO ₂ /workplace	70.4	69.1	86.3
	Rate of change since 2005	-4.05%	-4.85%	-4.09%
Total emissions/GVA	Total (kt CO ₂)	1,296	40,766	419,275
	GVA (£bn)	2.9	93.1	1,045
	Tonnes of CO ₂ /£mGVA	446.9	437.9	401.2

Source: Calculated by ekosgen based on published statistics

The table above shows that in South Somerset, the carbon intensity of business use is significantly lower than in England, reflecting the industrial structure of the area – in particular the higher proportion of small businesses. However, across the whole economy, Carbon emissions per £m GVA are significantly higher in South Somerset than they are for England, reflecting the lower levels of productivity in the area.

Understanding the potential of the Low Carbon Economy

The need for the UK to achieve an 80% reduction in carbon emissions on 1990 levels means that all sectors of the economy will need to reduce their carbon footprint. Pressure on businesses to reduce their carbon emissions will come in many forms. As the price of carbon increases and more businesses are required to pay for it directly, indirect costs for all businesses through the economy will increase. Likewise, as consumer pressure grows, retailers and Original Equipment Manufacturers will look to their supply chains to demonstrate reductions in carbon. This will create both opportunities and threats for businesses. This is now recognised to be one of the key drivers of change in the UK economy and globally, and is likely to remain so well into the future. A major challenge is ensuring that businesses are able to adapt to the changing climate, minimise the additional costs they face and are well-positioned to make the most of the opportunities that low carbon economic activity may offer.

The Challenge for South Somerset

Research has shown that smaller businesses in particular struggle to implement even low or negative cost abatement opportunities due to lack of time or necessary expertise. It is feared that many SMEs in the supply chains for larger companies have insufficient expertise and knowledge about the energy and carbon intensity of

their products and production processes. Such SMEs could, therefore face difficulties when larger companies are seeking carbon footprinting accreditation¹⁰.

Impacts on businesses from the transition will vary by sector and by business according to how prepared they are in terms of the skills, knowledge, financial ability and flexibility they need to adapt to and adopt new cleaner technologies. The Carbon Trust reports a company that is well positioned and pro-active could increase its value by up to 80% by making the transition to low carbon based activities and markets. The power, transport, building and industrial sectors in particular, have been identified as having significant scope to cut their emissions and to exploit opportunities from low carbon activity and demand. Conversely, companies that continue with business as usual and which do not adapt could face a loss of value of approximately 65%¹¹.

The challenge for the Yeovil area will be to support all businesses in the economy to make the transition to the low carbon economy and ensure that the potential benefits of doing so, as well as the business consequences of not amending their practices, are understood.

Opportunities

Whilst the transition to a low carbon economy will be a significant challenge to all businesses, there will also be opportunities associated with the transition. There is considerable debate regarding how nations and regions can exploit this opportunity and develop a comparative advantage and a number of theories. These include:

- 1) Developing the Low Carbon Sector;
- 2) Developing low carbon opportunities in sectors/areas of existing strengths; and
- 3) Providing the conditions for innovation, entrepreneurship etc.

Developing the Low Carbon Sector

There is currently no clear or agreed international definition of what constitutes a 'green' or 'low carbon' sector or economy. Therefore estimates of the number of jobs that may be created by low carbon or green businesses vary widely. Innovas (2009) proposed a definition of the Low Carbon and Environmental Goods and

¹⁰ Towards a low Carbon Economy – Economic Analysis and Evidence for a Low Carbon Industrial Strategy. July 2009. BIS.

¹¹ Climate Change – a Business Revolution? How tackling climate change could create or destroy company value. McKinsey and Co and Oxera. 2008. On behalf of the Carbon Trust.

Services Sector (LCEGS) which includes the traditional environmental businesses (such as waste management and pollution control), but also includes Renewable Energy and other emerging low carbon sectors such as alternative fuels, carbon capture and storage and energy management. This sector is notoriously difficult to map, as it has a very poor fit with the SIC business classification codes. For instance, there is no SIC code which allows us to identify wind turbine manufacturers directly; they are likely to sit within the code for 'power generation equipment'. Likewise, engineering and construction companies may be heavily involved in the sector.

ekosgen have recently completed an assignment for the East Midlands Development Agency which maps the LCEGS sector in the East Midlands. We have used intelligence gained from this exercise, together with counts of relevant businesses from Experian to provide an estimate of the presence of businesses within the LCEGS sector in the South Somerset area.

Experian supplied ekosgen with a count for the number of businesses in an agreed list of SIC, Thompson and yell codes. This list was based on a list generated from our previous research where we suspected that there was either a direct link or a connection to the LCEGS sector. This was then tested with fieldwork in the East Midlands, where businesses on the list were telephoned to establish if they operated in the sector.

The headline count for South Somerset provided by Experian was 127 businesses – our fieldwork from the East Midlands study suggest that between 30% and 40% of these businesses are not in the sector, suggesting that there are between 77 and 87 businesses operating in the Low Carbon Environmental Goods and Services sector in the area. These businesses appear to be operating in the following areas:

Direct LCEGS businesses	Indirect
Waste processing and recycling Packaging materials and processing Water use and disposal Utilities Environmental Consultants	Engineering and Architectural work Manufacture and supply of building materials, electronic and components

The Experian count showed little evidence of businesses working directly in the renewable energy sector, 2 businesses were identified as 'solar energy', but no counts were found under 'wind turbines'. A search of the RegenSW website found 8 businesses in the Yeovil area with a diverse range of skills - some were installers of renewable energy/ sustainable development solutions, others were more instrumentation based.

The analysis suggests that the area does not possess a particular cluster or niche within the LCEGS sector, suggesting that low carbon growth might best be targeted at the area's existing commercial strengths.

This said, there appears to be some strengths in relation to low carbon buildings in terms of installation, civil engineering and building materials. The outline plans for an eco-town in the area to meet growth objectives may represent an opportunity to develop this strength further within the local economy.

Developing Low Carbon Opportunities in sectors/areas of existing strength

Ernst and Young¹² have argued that the UK should focus on developing those sectors where there are clear and existing comparative advantages, rather than diverting significant resources to the search for new sources of advantage. It highlights specific UK opportunities for green business in software, electronic and machinery equipment, business and financial services.

Using a similar rationale for South Somerset involves examining those sectors where there is currently a strength. The table below identifies (from the previous analysis) the sectors where there is either a high location quotient or employment growth, with a brief analysis of potential opportunities to diversify or develop low carbon products and services.

¹² Comparative Advantage and Green Business. Ernst and Young, BERR 2008.

Sub-sectors of importance to the South Somerset Economy			
Areas of strength/ growth	Low Carbon Diversification Opportunities		
<p>Manufacture of leather and leather products Employment (2008): 194 Growth: -42% Location Quotient: 14.4</p>	<p>Development of low carbon products:</p> <ul style="list-style-type: none"> Limited <p>Improved processes and techniques</p> <ul style="list-style-type: none"> Improved resource efficiency in the use of raw materials, production of waste and use of energy and waster. 	<p>Manufacture of food products, beverages and tobacco Employment (2008): 209 Growth: 79% Location Quotient: 0.5</p>	<p>Development of low carbon products:</p> <ul style="list-style-type: none"> Commercial opportunities from use of wastes Farm waste and food waste diverted from landfill to generate power Increased recycling of packaging from food and drink products, for example aluminium and glass bottles
<p>Manufacture of transport equipment Employment (2008): 4985 Growth: -5% Location Quotient: 13.1</p>	<p>Production of Green Helicopters The third Call for Proposals of Clean Sky Initiative has been launched on January 29th 2010. It includes 4 work topics related to the Green Rotorcraft ITD:</p> <ul style="list-style-type: none"> Performance/benefit assessment of advanced rotor configurations including active and passive blades Contribution to design optimisation of tiltrotor for drag (fuselage/wing junction, nose, landing gear, empennage) Contribution to the aerodynamic design optimisation of a helicopter fuselage including its rotating rotor head Participation to the definition of optimal helicopter architecture for Diesel engine. <p>Wider applications</p> <ul style="list-style-type: none"> New 'low carbon' applications for scientific research and new materials Use of Light-weight composites in other sectors such as sustainable construction and wider transport applications Application of aerospace technologies and components to the renewables sectors e.g. motor control systems, blade technology, drive chains, gearboxes, lightweight materials etc. 	<p>Manufacture of electrical and optical equipment Employment (2008): 62 Growth: 7% Location Quotient: 0.2</p>	<p>Development of low carbon products:</p> <ul style="list-style-type: none"> Products used in the industrial process for environmental benefit, including building controls, sensors or new materials used in energy products used in the industrial process for environmental benefit, including building controls, sensors or new materials in energy products such as nanotechnology, new allows and thin film Potential demand for high tech, low carbon 'lifestyle' consumer electronics may provide opportunities for UK manufacturers, for example home energy products such as home entertainment, which decreased personal carbon footprints, may also increase, providing more opportunities for UK manufacturers Environmental testing and analysis – for example, products and services for sampling, testing and measuring environmental targets.
		<p>Retail sale of not in stores (e.g. mail order businesses) Employment (2008): 1435 Growth: -4% Location Quotient: 12</p>	<p>Development of low carbon products through:</p> <ul style="list-style-type: none"> Working with supplies to ensure deliveries are packaged using recyclable, returnable or re-usable materials Using locally sourced suppliers. Eco-design of packaging and use of raw materials
		<p>Wholesale on a fee or contract basis Employment (2008): 169 Growth: 164% Location Quotient: 1.9</p>	<p>Improved processes and techniques</p> <ul style="list-style-type: none"> Implementing measures to improve transportation of goods Improving resource efficiency of buildings, processes and production.

Given the size of the sector, the most important of these is the manufacture of transport equipment sector. This is principally centred around AugustWestland and its supply chain and the manufacture of helicopters. The aerospace/advanced engineering sectors are important for the development of a low carbon economy for the following reasons:

- They are very knowledge intensive and have high levels of R&D. The aerospace industry is a major investor in R&D, investing £2.54billion in 2006. It has a solid science, research and engineering base. The research being done in this sector could have significant applications in improving the efficiency of other parts of the economy such as in the home, construction or transport sectors. Likewise, there may also be applications in the renewable or power generation and distribution sectors;
- There is the potential for existing businesses or personnel to diversify into the production of parts and materials to supply the renewable energy or power sectors. The new nuclear development at Hinkley being a prime example; and
- The engineering, design and manufacturing skills needed to support this supply chain, could also support the supply chain associated with other low carbon technologies.

Analysis of the 'top 20' South Somerset employers shows an important cluster of advanced engineering businesses as follows:

FIRM	ACTIVITY	EMPLOYEES
Agustawestland	Manufacture of helicopters	3500
Honeywell Aerospace	Aerospace systems and components	650
Aerosystems International	Software for aerospace industry. Subsidiary of Westland Group	450
Parker Hannisin Hydraulics Ltd	Design, manufacture and distribution of hydraulic cartridge valves	450
Thales Naval	Design and manufacture of defence	400

Division	electronics. Seismic tools.	
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There is therefore strong potential to use this advanced engineering 'cluster' as a spring board in the development of a new sector producing products and components needed within a low carbon economy.

The area's proximity to the coast in terms of Dorset and Poole, may also represent a significant opportunity to support emerging 'marine renewables' activity in the area.

Providing the conditions to enable a Low Carbon Economy to Flourish

BIS has identified the following cross-sectoral facilitators of change necessary to enable a Low Carbon economy to flourish:

- **Innovation** will be key to the creation of a low carbon economy and to sustaining business competitiveness, by enabling cost effective reductions in carbon emissions from production, distribution and energy use across the economy.
- The **skills** of the workforce affect how well an economy can adapt to changing conditions, as skilled workers are better able to adapt to new technologies and identified new market opportunities. There will be a need for specialist environmental skills, as well as an understanding amongst workers in all sectors that they need to have low carbon objectives embedded within their skills set.
- Timely **investment** in low carbon technologies will be vital to minimise the cost of making the transition and will provide the potential for business to capitalise on future low carbon opportunities.
- **Consumers** help to promote competition between firms and encourage innovation through their consumption decisions and switching behaviour. However, many consumers currently lack the data they need about the carbon and environmental footprint of new and existing products to make fully informed choices.

Summary

Sustainable economic growth will require increasing growth, whilst maintaining and reduction carbon emissions. There is a real threat that businesses that do not adapt and mitigate their carbon impact will struggle to remain competitive. **All businesses will therefore need to take action to reduce their carbon impact.**

There will also be opportunities and new markets opening up as part of the transition to the low carbon economy. Our analysis has shown that South Somerset has between 77 and 87 businesses operating in the low carbon environmental goods and services sector. These businesses fall into two groups: 1) Direct involvement e.g. waste management, water, utilities and environmental consultancy type businesses; 2) Indirect involvement e.g. engineers, architects, construction and manufacturers of building materials and components. Therefore **there is no real clear 'new low carbon technology type or niche' which can be the target of an intervention.** Instead it is more useful to consider the existing strengths of the South Somerset economy and the potential for expansion and diversification into the low carbon economy. The **advanced engineering/aerospace sector has the greatest potential to fill this role** by turning its engineering skills in the direction of the production of components, technologies and systems needed within a low carbon economy.

Natural and historic environment

Yeovil and South Somerset as a whole offer a wealth of features within their built and natural environments. The quality of the built environment is evidenced through South Somerset's 84 conservation areas and 354 listed buildings. The district's varied landscape including elements of recognised high quality (Areas of Outstanding National Beauty, Sites of Special Scientific Interest and nature reserves) provides an attractive setting for businesses, residents and visitors. The presence of Parks and Gardens of Special Historic Interest further adds to the county's asset base.

As the district grows it will be important to continue to acknowledge the integrity of this environment to ensure new development respects and adds value to existing features if the greatest value is to be realised.

The 2008 Strategic Flood Risk Assessment recognises that Yeovil falls within Flood Zone 3 under the current scenario as well as in the event of climate change. The urban area is also subject to other forms of flooding including surface water, groundwater and sewer flooding. The assessment notes eight of the planned growth sites fall within Flood Zone 3 although in many cases this only affects a small element of the site. As a result, the study recommends that all proposed developments are subject to the Sequential Test. Where development does occur,

minimising site run off will be important to minimise the scale of potential future risk.

Further information regarding review of Yeovil's historic and natural environment is provided in the Place Review report.

Infrastructure

Transport

As an early stage of the review of the town's Transport Strategy, options for an ambitious programme of activities, geared towards more sustainable transportation are currently being developed. Eight strands of activity (Seed Projects) are being considered (see table below).

		Initial seed project
Think	Changing attitudes and mindsets away from the car towards using active and public transport.	Winning hearts and minds - a high profile campaign and physical works programme; to convince key organisations such as schools, businesses and health faculties, to convince residents, visitors, workers and employers; that Yeovil could become a far healthier and positive place to live, work and visit if walking, cycling and public transport choices were made more attractive than the car.
Plan	Ensuring that the most significant connections are in place at a range of scales, from the strategic down to the level of an individual neighbourhood	Park and Go - a project designed to reduce car congestion and car parking in the town centre, by developing a number of park and ride/walk and cycle sites on Yeovil's periphery. Figure of '8' Transport Route - a project that would seek to provide a frequent and reliable public transport route that would be easy to understand and would be capable of providing links between residential areas and key local destinations. An ideal route may well also pick up passengers from rail and park and ride.
Create	Ensuring that broken routes are re-connected, and that the overall environment of the town is retro-fitted to	Liveable Places - a programme involving education and physical works action in order to ensure that all elements of a community, such as its employment, retail, education, health-care and recreation facilities, are accessible by foot, cycle and public transport, irrespective of a person's age and mobility.

	help encourage walking, cycling and public transport use.	Really Green Corridors - a project to create well-signposted, convenient, attractive and traffic-free/traffic controlled routes for promoting walking and cycling and providing effective links to public transport. A variety of green and open space could be provided along each route, with the opportunity for the adjoining community to help persuade and manage each of the spaces created.
		Improvements to Lysander Road - a project designed to achieve a better balance between car drivers, cyclists, pedestrians and public transport users on Lysander Road to enhance its importance as a route into Yeovil.
		Active access North Central - a project to secure a more efficient and pedestrian and cyclist friendly road crossing over the A30 (North Queensway), thereby providing improving access between Huish and other residential areas to the North West and North East and the town centre.
		Employee parking - a programme of education and direct intervention designed to encourage employees to use alternative modes of travel to the car when travelling to work, particularly for those living in Yeovil
Progr amme Team	Programme support: Research, co-ordination and delivery	Core Delivery Team Costs

Approximate revenue and capital costs have been set out against these eight activity areas over a 15 year implementation period. Overall, these add up to a total cost in the order of £50 million, based upon 2010 prices.

The Options Study will feed into the next round of the Local Transport Plan.

As the preferred option for the location of the town's Eco-Town / Urban Extension emerge, further work will be required to ensure it is integrated within an overall transport strategy for the town. An up to date transport model has been developed for Yeovil. As a preferred option for the town's Urban Extension proceeds, a detailed assessment of its network impact will be undertaken, and appropriate measures (many of which will be geared to achieving modal shift) will be developed and tested. Provision of appropriate transport infrastructure will be an

important factor in delivering Yeovil's growth plans for both housing and employment.

ICT

The Yeovil exchange serves 20,631 residential premises and 1,302 non-residential premises. Across Somerset 100% of exchanges are ADSL enabled but only 3.2% are SDSL enabled. The SDSL system is enabled within the Yeovil exchange.

Utilities

The scale of planned growth presents potential challenges to the capacity of the local utilities network with the potential for significant costs to be identified where capacity is constrained. Research undertaken on behalf of South Somerset District Council¹³ suggests that the utilities network is capable of accommodating planned residential growth.

If development occurs over a twenty year period there is believed to be capacity to electricity capacity to support development in Yeovil. Hot spots may however arise in specific locations due to restricted capacity within sub-stations. Growth projections will be considered as older sub-stations are replaced.

Wessex Water, the district's water provider, does not anticipate any substantial barriers to the providing necessary water supply and sewerage infrastructure. As with electricity, there remains potential for capacity to be reached within local areas.

The gas distribution network does not anticipate any problems at a regional level. Experience of supplying sites across the region suggests that costs of providing supplies in 'uneconomic' locations have not acted as a barrier to development.

Initial planning for growth

In addition to the core areas of infrastructure summarised above, an initial assessment has been made of the social infrastructure requirements which will

¹³ Yeovil Infrastructure Impact Assessment – Initial Assessment, Baker Associates, April 2009

arise from the planned growth of the town's population. The initial appraisal considered:

- Education (Early Years through to Post 16 plus Special Needs)
- Health (GPs, Dentists and associated building requirements)
- Open Space, Arts and Leisure
- Community facilities (libraries, museums, community and cultural facilities)
- Transport
- Utilities
- Recycling and waste
- Flood risk management

Further development of this initial appraisal work will be important to ensure that the considerable pressure which will be placed upon the town's infrastructure is effectively planned, and that appropriate policies are put in place to ensure that appropriate Community Infrastructure Levy / Planning Obligation contributions are made to support required investment.

Summary

Research undertaken to date suggests that broad capacity exists within Yeovil's ICT and utilities infrastructure to accommodate planned growth. Further investment will be necessary in service provision and potentially the transport network if growth aspirations are to be satisfied. It will remain important to retain contact with all forms of infrastructure providers as development is delivered to ensure that potential capacity hot spots are identified and can inform the phasing of activity where appropriate.

Section summary

South Somerset's per capita carbon emissions are currently in line with the national average and strong reductions have been reported in recent years. Opportunities to develop a low carbon economy to the benefit of individual businesses and the economy and town as a whole should continue to be explored in accordance with national guidance. Although Yeovil does not have strong representation within the traditional sectors of the low carbon economy there are opportunities to build on sectoral strengths. Low carbon opportunities associated with new residential development should also be explored, linked to growth plans.

Yeovil's natural and historic environment provides important assets to build upon with a need for development to acknowledge the existing character. Flood risk will

require ongoing review but is not anticipated to present a significant barrier to the delivery of growth proposals.

ICT and utilities infrastructure appears to provide sufficient capacity to accommodate growth proposals. Given the scale of planned growth a broader range of facilities will be required and additional transport capacity may be required alongside options to alter travel mode. Ongoing monitoring of all forms of infrastructure capacity in conjunction with providers will be necessary to allow any hot spots to be identified and activity to be planned accordingly.

12 Land Supply, Development and Market Perspective

Introduction

This section of the report draws on the findings of desk based research and consultations with active commercial and residential agents in Yeovil. It provides an overview of land supply, recent development activity, current market conditions, past performance and perceived prospects, drawing on the knowledge of local agents. It also acknowledges the policy context for delivery.

Delivering to policy priorities

The existing and emerging planning policy framework will shape and inform the future regeneration, development and growth of Yeovil. Core documents are summarised below to highlight the primary influences on development within the town. Where policies relate to specific elements of the market they are considered as part of the relevant sections that follow.

Regional Spatial Strategy

The South West RSS sets out a series of strategic development policies for the whole region for the 20 year period between 2006 and 2026. The strategy is designed to manage the change and development the South West will need if it is to rise to the challenge of a growing population and play its role in national and regional prosperity.

Specific policies which are of particular relevance to the Yeovil Economic Appraisal including the following:

- Development Policy A identifies Yeovil as one of 21 **Strategically Significant Cities and Towns** within the South West. The list also includes larger cities such as Bristol, Exeter and more local strategic towns such as Taunton, Dorchester and Salisbury. The RSS policy seeks to focus an increased proportion of new development within SSTCs as sustainable growth locations where 'critical mass' and 'economies of scale' agglomeration benefits can be secured.
- The RSS also sets out policies for smaller and less strategic settlements, comprising **Market and Coastal Towns** and **Smaller Towns and**

Villages. The local application of these policies will play a key role in determining the spatial distribution of future development land across South Somerset, including those with a relationship with Yeovil such as Wincanton, Ilminster, Sherborne, Crewkerne and Chard.

- A key section of the RSS sets out specific **Sub-Regional Policies**, including **Housing Distribution**. Key points of relevance here are:
 - A focus upon diversifying the town's economy and its role as an employment, housing, education and cultural centre, and the need to broaden the range of retail and leisure facilities in the town centre
 - Provision should be made within the emerging Local Development Framework for the development of:
 - 6,400 new homes within the existing urban area of Yeovil
 - 5,000 new homes as a 'mixed use urban extension' to Yeovil
 - 8,300 new homes in sustainable locations across the remainder of South Somerset
 - The provision of around 43 ha of employment land to cater for 9,100 new jobs in the Yeovil Travel to Work Area (which excludes areas such as Chard, Wincanton and Somerton).
 - The issue of the appropriate area of employment land required to support the creation of 9,100 new jobs has been further tested by the Council through its Employment Land Study and it is anticipated that the Local Development Framework Core Strategy will identify a larger portfolio of sites (see employment land section below).
- The RSS highlights Yeovil as one of 16 SSCTs which act as the regions 'main retail centres'.

Local Development Framework

South Somerset District Council is in the process of preparing its Local Development Framework which will build upon and generally conform with the policies set out within the adopted Regional Spatial Strategy.

Key elements of the Local Development Framework comprise:

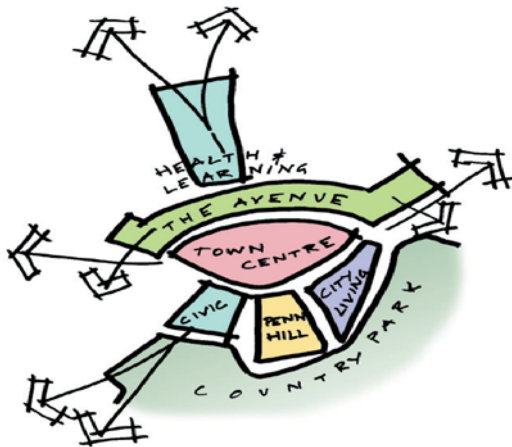
- **Core Strategy** – A Draft Core Strategy and Preferred Option Report is scheduled to be considered by the Council's Executive in June. This will be followed by formal consultation and formal submission in December 2010. It is anticipated that the Independent Examination will take place in Spring 2011, with formal adoption later in the year.

- **Eco-Town / Urban Extension Area Action Plan** – Following the adoption of the Core Strategy, the next priority will be the development of an Area Action Plan for the Yeovil Eco-Town / Urban Extension. Based upon the Draft Core Strategy (which will specifically cover the preferred location of the Eco-Town / Urban Extension) masterplanning and feasibility work may be undertaken in advance of the formal preparation of the AAP. It is anticipated that work on the AAP itself will start in mid 2011, leading to adoption 18 – 24 months later.
- **Site Allocations DPD** – This document would deal with site specific development allocations across the district (including housing allocations at larger towns and villages beyond Yeovil). There is no firm programme for the preparation of this document.
- **Gypsy, Traveller and Travelling Showpersons Development Plan Document** – This is likely to be a priority for development following the adoption of the core strategy. There is no firm programme for the preparation of this document.
- **Community Infrastructure Levy / Section 106 Development / Supplementary Planning Document** – Again, this has been identified as another key area for policy development, however no firm programme has been established.

Evidence Base / Development Context

A substantial body of evidence is being assembled to inform the emerging Local Development Framework. This includes:

- **Yeovil Urban Development Framework** - The 'Yeovil Vision' (2005) developed by the town, sets out ambitious goals aimed at improving the town's image, diversifying the employment base and building on the town's self-containment, including enhancing the skills base in association with Yeovil College. The 'Vision' also looks to broaden the range of retail and leisure opportunities in the town centre and improve transport



connections. With the strap line "heart of the country, mind of the city" the Vision provides an in depth analysis of the town and sets out a framework for future regeneration, including specific proposals for:

- Radial routes into the town
- The Avenue – transforming the Reckleford / Queensway bypass
- Urban Village – promoting high quality, mixed use development to the south of the town
- Green Fingers – connecting the town centre and countryside
- Promenade – developing a strong urban frontage to the Country Park
- Green Transport Corridor – promoting improved sustainable transport connections between the town centre and Country Park

A series of 22 specific development sites are also identified within a series of Urban Quarters, along with supporting transport, public realm, design and delivery strategies.

Identified sites for mixed-use development include a number of surface car parking sites within the town centre.

The redevelopment of the bus station to provide a new hub for public transport is also proposed.

- **South Somerset Settlement Role and Function Study** – This study appraises the role and function of settlements across South Somerset, highlighting Yeovil's role as the largest and most strategic town in the district. In terms of population, the town is more than three times larger than Chard (the second largest centre), almost half of the district's jobs are based in the town, and it acts as the main employment, service centre and retail / community hub for a wide rural catchment (which extends south into Dorset). This study has informed the emerging spatial distribution of development land (housing, employment and retail) across key towns and villages within the district.

Employment land and premises

Employment land policy

To date, the first two stages of the employment land review (ELR) have been completed. These comprise a review of the District's employment land supply and an assessment of future requirements (combining RSS allocations with a 'more robust picture of future land requirements'). Stage 3 of the Review will bring these findings together and identify a preferred portfolio of sites for inclusion within the Local Development Framework.

The Stage 2 Report, in particular, raises key issues for the Economic Appraisal. Whilst the RSS states that 43 hectares of land should be made available in the Yeovil TTWA (catering for 9,100 jobs), the Employment Land Review concludes that this will not be sufficient to meet demand. It concludes that a total of 104 hectares should be allocated across the whole district.

The emerging Core Strategy is likely to conclude that around 41 hectares of this should be allocated in Yeovil or its adjoining Eco-Town / Urban Extension. Existing allocations or sites with planning permission account for over 30 hectares of this allocation. Of these, Bunford Park (20 hectares) was granted planning permission in 2009 for Office / Light Industry (B1), and Lufton (5 hectares) was granted permission for general business uses (B1 / B2 / B8).

Based upon this approach, only around an additional 10 hectares of employment land need to be identified in Yeovil.

The required scale of supply is considered further below.

Supply

The draft RSS identifies a requirement for 43 hectares of employment land to be provided within the Yeovil Travel to Work Area. This figure was calculated to accommodate the 9,100 jobs forecast within the area at this time. At the South Somerset Housing Market Area level, forecasts suggest the creation of 10,700 jobs.

The August 2009 Employment Land Review identified gross supply of 109.02 ha of employment land (including residual allocations) across South Somerset as of 1st April 2008. The equivalent net supply figure was identified to stand at 94.35ha.

Between 1991 and 2008 a completion rate of 59.83 hectares has been reported across South Somerset equating to 3.51 hectares per annum. Yeovil broadly correlates with Area South of the assessment area within which an annual completion rate of 1.21 hectares has been reported.

Demand

Through the Employment Land Review a total need/demand for 104 hectares of land was identified in the period to 2026 across the district. This figure was calculated to take account of a range of factors including growth projections, loss of employment land to other uses over time (estimated at 45 hectares over 20 years) and requirements beyond the identified travel to work area. This would satisfy a need for 59 hectares across the 20 year period.

Taking account of projected losses, identification of 41 hectares of employment land was recommended for the Yeovil Strategically Significant Cities and Towns area to satisfy a need for up to 27 hectares.

A strong desire for business expansion was identified through the 2008 South Somerset Business Perspectives on Property survey. Approximately 13.5% of respondents identified a requirement to expand over the next five years generating an additional land requirement of between 2.96 and 3.95 hectares. A combination of extensions, greater user of available land and moving to alternative premises was proposed to satisfy requirements.

Through the survey, Yeovil and Ilminster reported the highest demand for land. Within Yeovil total floorspace requirements of 12,523m² were identified, broken down as follows:

Anticipated floorspace demand in Yeovil			
By size band (m ²)		By method (m ²)	
"Small"	47	Extend existing workspace	2,211
"Medium"	4,347	Redevelop existing workspace	93
"Large"	8,129	Relocate to existing	6,317
		Relocate to new site	3,902
Total	12,523		12,523
Source: South Somerset Business Perspectives on Property survey, 2008			

Loss of employment land to other uses

Between July 1991 and the end of March 2008, South Somerset lost 42.5 hectares¹⁴ of employment land to other forms of development; an average of 2.5 hectares per annum. Pressures on employment land supply is greatest in Area South (which focuses on Yeovil) where a total of 18.95 hectares have been lost to other uses; an average of 1.1 per annum.

¹⁴ Employment Land Review, August 2009

Retail provision

Work is ongoing to update the 2006 district wide Retail Study. Key conclusions relating to Yeovil include the following:

- The Town Centre has a good range of food and non-food retail uses, including a large Tesco Extra store and range of national multiple operators. The number of comparison shops has declined in recent years, with a corresponding rise in service uses and vacant premises have increased.
- Attempts to plan for a further increase in Yeovil's market share for convenience and comparison shopping have the potential to unbalance the retail hierarchy in the District and have impacts upon other centres. The preferred approach is therefore for the town to retain its share of retail expenditure (allowing for future household expenditure growth and household growth).
- There will be capacity for an additional 1,000sq m net of convenience floorspace by 2014, rising to 2,500sq m net by 2021 and 3,600sq m net by 2026. The extension of the Quedam Centre will soak up any significant short to medium term comparison capacity, although there will be longer term capacity of 13,000sq m net by 2026. Identified sites within and around the town centre will be able to accommodate the short term convenience need and short to medium term comparison floorspace need.
- The town's convenience stores retain the vast majority of available expenditure, and draw expenditure from across the district (including Chard, Wincanton and Crewkerne).
- The town retains at least 75% of non-food retail expenditure and almost 50% of comparison expenditure from the study area (the whole of the South Somerset district, plus parts of adjoining authorities).

The 2009 Retail Study Update recognises Yeovil to be the top tier shopping location within the district hierarchy. Providing 804,900 sq ft of retail floorspace¹⁵ Yeovil offers almost four times the floorspace of the second ranked centre of Chard. Yeovil's 2009 VentureScore ranking of 143 was a fall from the 2007 ranking of 118. The town remains second only to Taunton in the area of Somerset considered through the report. The need for the town to broaden its retail and leisure offer whilst addressing perceptions was identified as a priority through the South Somerset Core Strategy Issues and Options document (March 2008).

Despite a small increase in the number of convenience units in Yeovil between 2008 and 2010, the proportion of units remains below the national average. Conversely, despite a reduction in the number of units the proportion in

comparison use remains above the national average. The proportion of vacant units has been affected by the recession although the level remains in line with national averages.

Retail provision in Yeovil				
	2008		2010	
	No. of units	%	No. of units	%
Convenience	25	7.2	27	7.7
Comparison	163	46.7	156	44.3
Service	118	33.8	121	34.4
Miscellaneous	5	1.4	5	1.4
Vacant	38	10.9	43	12.2
Total	349	100	352	100

Source: GOAD 2008 and updated by GVA Grimley 2010

Yeovil has reported steady improvements in retail yields, reaching 5% in 2008¹⁶. Zone A rental levels have also increased to reach £100 sq ft in 2008¹⁷. The town currently out-performs Dorchester, Bridgwater and Wells in terms of rental levels.

Summary

Ongoing balancing of employment land supply and demand will be necessary to allow Yeovil and South Somerset as a whole to meet their economic aspirations and potential. Monitoring of supply against enquiries and the economic objectives of the town will be important to ensure that the most appropriate use is made of available land. Housing growth projections will continue to place pressure on employment land allocations with a need for land to be protected as well as emphasising the importance of investment in the local retail offer if Yeovil is to retain its market share.

Perspectives on the Commercial Property Market

Market Trends

Following national trends, commercial property values in the town have fallen significantly since the peak of the market in 2006/07. However, vacancy levels remain low and the lack of current development activity has meant that speculative development that occurred pre-recession has witnessed steady occupation.

¹⁵ GOAD through the 2009 Retail Study Update

¹⁶ Focus, through the 2009 Retail Study Update

¹⁷ Focus, through the 2009 Retail Study Update

Office and industrial property in Yeovil is generally smaller stock that predominantly serves local businesses. Average office units are less than 5,000 sq ft and industrial units less than 20,000 sq ft. Rents for office units range from approximately £6 psf to £14 psf for prime new build accommodation. Industrial rents range from £4-8 psf, again depending on the age and quality of accommodation.

Retail property has suffered most significantly during the recession. Agents recognise that there are a number of vacant retail units in Yeovil Town Centre and the market is particularly depressed. Redevelopment of the vacant cattle market site and the Quedam Centre offer significant development opportunities in the town centre as the market recovers to help both retain existing and attract new retailers.

Market Demand

Reflecting the national picture, demand for commercial property has been slow in recent years. No speculative development is understood to be currently underway, but units built prior to the recession have gradually filled, albeit with significant discounts or incentives.

Demand for offices and industrial space is at the smaller end of the market, typically sub 5,000 sq ft for offices and sub 20,000 sq ft for industrial.

The retail market remains depressed with a number of vacant retail units in the town centre and limited apparent interest. The former JJB Sports unit is under offer, but this appears to be the only current activity in the retail market.

Supply

The town has numerous industrial estates (including Pen Mill Trading Estate, Lynx Trading Estate, Houndstone Business Park and Lufton Trading Estate) that provide a diverse mix of commercial property. Commercial development in Yeovil has traditionally occurred in a piecemeal and sporadic manner. It has traditionally been delivered on a small scale reflecting the size of the town's business base and levels of historic take-up.

Local developer, Abbey Manor Group is particularly active in the town. It has secured planning permission for development of Bunford Park, a new 40 acre business park. Bunford Park is situated to the south east of Yeovil, adjoining the Lynx Trading Estate. It is proposed that the site will provide up to 600,000 sq ft of B1 and ancillary accommodation (hotel and local services). Abbey Manor is also marketing the third and final phase of development at Lufton Trading Estate and Seafire Park at Lynx Trading Estate. The latter two sites both offer mixed

employment opportunities, including potential for warehousing, industrial units, trade counter, car showroom and offices.

Occupiers

Significant commercial occupiers in the town include AgustaWestland, Normalair Garrett (both significant players in the aeronautical sector) and Screwfix. The town is also home to a number of businesses that support AgustaWestland through supply chain linkages. Other businesses tend to be smaller local organisations from a broad range of sectors.

Interest for new and vacant business space in the town tends to be from local business that are either growing or rationalising their operations.

In the retail sector, there is perhaps a common misconception that the town's retail offer is poor. Our assessment suggests that the town offers a good representation of multiple retailers combined with a mix of local independents for its scale.

Competition

There was general consensus that Yeovil does not directly compete with other towns in South Somerset or the wider sub-region. The town is considered as a discreet market for the commercial property sector offering an attractive location for location businesses.

The town is reasonably well connected to the wider south west, as well as London and the south east. However, these links are not sufficient for the town to attract significant inward investment. Significant transport improvements would be necessary in order to attract such development and draw national businesses to the town.

Future Growth

Sites are allocated for the future growth of the town, although whilst careful thought went into the allocation of these sites (including Burford Park), the current sites do not exploit the town's existing transport links. Sites are neither on the A303 corridor or particularly well related to either of the town's railway stations and these locations perhaps offer future opportunities for growth.

Consultations revealed a degree of hesitancy about the potential of the town to attract and deliver the levels of growth planned. Inward investment to the town has not been significant and whilst the town's enterprising spirit was repeatedly

referenced, agents were cautious about whether generic growth is sufficient to sustain the level of business growth planned.

Strengths and Weaknesses

Key strengths and weaknesses of the town are:

Strengths:

- Given the size of the town, it provides a significant number of industrial estates and trade parks that cater for a range of business needs.
- AgustaWestland and the aeronautical sector provide significant local employment and have considerable land holdings.
- The town benefits from a good range of national multiples and independent retailers, but there are a number of vacant retail units and the existing offer could be improved.
- The town is considered to be 'well structured' with a good mix of housing, job opportunities and good local schools.

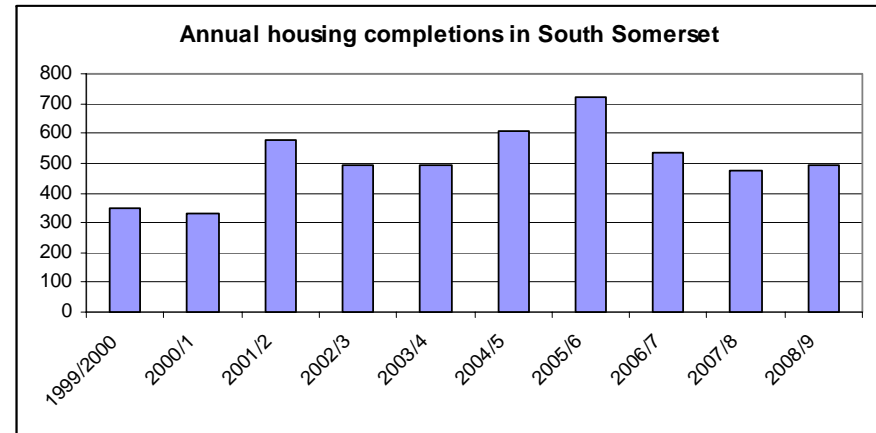
Weaknesses:

- Accessibility is an issue for the town. Road and rail access is adequate for local needs but will act as a barrier to the attraction of significant inward investors.

Current housing supply and meeting housing needs

Housing completions and targets

Over the past ten years an average of 507 residential properties have been completed in South Somerset per annum. The latest available data for 2008/9 shows 552 completions across the district.



Source: CLG based on P2Q returns from local authorities and National Housebuilding Council

Proposed changes to the RSS, as of April 2009, suggested the construction of 11,400 new dwellings in Yeovil. It has been identified that 6,400 could be accommodated within the urban area with the remaining 5,000 to be provided within an urban extension to the town. This would see the town account for approximately 58% of the 19,700 new homes identified for the district as a whole.

Delivered over a 20 year period, completions in Yeovil would need to average 570 per annum and across the district 985 per annum. Based on data for 2008/9, South Somerset is currently delivering 56% of the required annual target. Even at the peak of annual completions in 2005/6 (724 within a single year) the district was 261 units short of the required RSS figure. Across the Somerset authorities only Sedgemoor has reported an annual completion rate in excess of the target level.

Council Tax records (March 2008) suggest that the district is home to 71,500 households. Planned growth therefore represents an increase of approximately 27.5% on current levels. As of 2008, the tenure profile of housing stock was 75.7% private ownership, 14.4% social rented and 9.9% private rented.

Priority sites for extension have been identified. The soon to be published Strategic Housing Land Availability Assessment will provide further clarity regarding priority sites for housing development within the existing urban area.

Development density

The density of residential development has continued to increase in line with trends nationally. CLG Land Use Change Statistics show a density of 30 dwellings in South Somerset in 2005-2008 up from 21 in 1993-1996. Despite this increase, densities in the district remain significantly below the national average of 42, placing it third when the five Somerset districts are considered. New residential development on previously developed sites has also increased considerably rising from 27% in 1993-1996 to 72% in 2005-8. This is the second highest rate reported by the Somerset districts and is just three percentage points below the England average compared to a gap of 26 percentage points in 1993-1996.

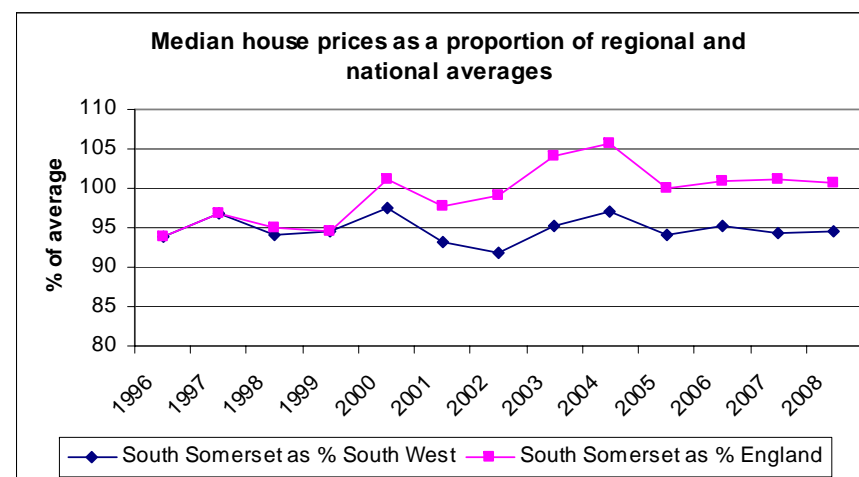
Median house prices

Median house prices across South Somerset stood at £175,000 in 2008. Since 1996 the district has reported house price increases of 224%, exceeding growth at the county, regional and national level. Whilst the district had the joint lowest median house values in Somerset in 1996, by 2003 it had risen to the middle of the rankings of the five districts.

Median house prices (£), 1996-2008			
	1996	2008	% change
South Somerset	54,000	175,000	224
Sedgemoor	54,000	170,000	215
Mendip	56,000	180,000	221
Taunton Deane	56,500	172,500	205
West Somerset	64,000	200,000	213
Somerset	55,000	175,500	219
South West	57,500	185,000	222
England	57,500	174,000	203

Source: Land Registry

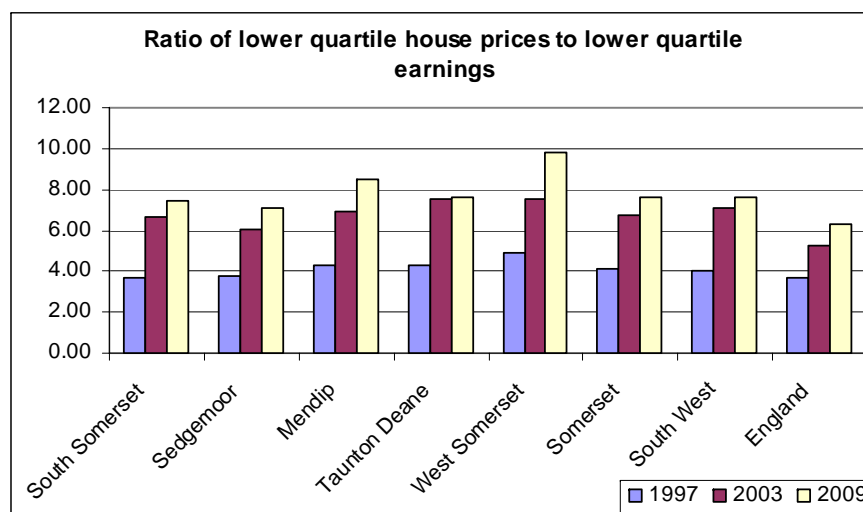
The higher than average rate of growth has seen prices in South Somerset exceed the national average. Median house prices in South Somerset in 1996 averaged 93.9% of the England figure. By 2004 they had peaked at 105.6% of the England level, declining to 100.6% by 2008.



Source: Land Registry

Housing affordability

In common with national trends, the ratio of house prices to lower quartile earnings has been gradually increasing in South Somerset. In 1997 someone earning a lower quartile sum in South Somerset required 3.69 times their earnings to purchase a lower quartile priced property. By 2009 this figure had risen to 7.44 times earnings. The district's ratio now significantly exceeds the national average of 6.28. Within the context of the county, South Somerset reports the second lowest ratio, emphasising the scale of the affordability challenge across Somerset.



Source: Annual Survey of Hours and Earnings (ASHE) and Land Registry

Housing policy – planning for growth

In February 2010 a submission was made to the Department of Communities and Local Government (CLG) for the Yeovil Urban Village and Extension to become part of the national Eco-Town programme. The bid, which was made jointly by South Somerset District Council and Somerset County Council, is one of nine current submissions (including Taunton) which join the four candidate Eco-Towns which remain following previous expressions of interest.

Eco-Town status will raise expectations regarding sustainability design, including energy efficiency / carbon neutrality, but also embracing a wider range of environmental, social and economic issues. The intention is also that the designation of Eco-Town status will deliver support from Central Government to assist in accelerating delivery of housing and driving up sustainable design quality in order to establish new standards of best practice.

The Eco-Town bid does not increase the scale of housing development within / adjacent to the town beyond that planned within the RSS and emerging LDF.

The current bid to CLG seeks:

- Capital funding support for an Eco-Town demonstrator project based at a planned housing development at Foundry House which will be enhanced to Code for Sustainable Homes Level 5.
- Revenue support for a programme of studies / plans which will develop the concept of the Eco-Town in the specific context of Yeovil's Urban Extension. These will comprise:
 - Masterplanning and Design Codes for the Urban Extension
 - Viability Study
 - Sustainable Transport Study
 - Urban Village Masterplan
 - Water Cycle Strategy
 - Renewable and Decentralised or Low Carbon Energy Generation Study
 - Sustainable Waste and Resource Plan
- Revenue support is also sought to assist with Project Management

A detailed timescale for a decision regarding the outcome of the bid and the availability of funding support is currently unconfirmed.

Two policy documents will provide a particular influence to future housing delivery within Yeovil and across South Somerset, both as part of the planned Eco-Town development but also to smaller scale developments across the area:

- **Strategic Housing Land Availability Assessment** – The SHLAA is a key component of the LDF evidence base, providing a clear assessment of the availability, suitability and achievability of potential housing sites across the district. The SHLAA is currently being finalised by SSDC as part of a joint programme of work being undertaken across the County. It will consider how the built up area of Yeovil can effectively support the development of 6,400 new homes over the RSS period, and also reflect the need to identify an Eco-Town / Urban Extension site providing 5,000 new homes.
- **Strategic Housing Market Assessment** – Complementing the SHLAA, the SHMA considers issues of housing need and demand across the district. The SHMA which has been produced for Taunton and South Somerset district sets out an exhaustive analysis of demographic, economic and housing conditions and forecasts across the study area. Key conclusions include the following:
 - Housing affordability is an increasingly acute issue. The annual net affordable housing need is calculated at 659 homes per annum across the South Somerset HMA area, though the research concludes that this level of need is 'well below average'.

- A policy of 35% affordable housing is proposed in the emerging LDF, with the requirement for affordable housing provision or appropriate contributions being extended down to small sites. There is a need and demand for social rented and intermediate housing.
- Consideration is given to housing size, with the greatest demand being for three and four plus bedroom homes, whilst affordable housing need includes a significant requirement for smaller units.
- The proportion of the population who are pensioners is high across the study area and population forecasts suggest that this will increase further in the future.

Summary

With strong housing growth aspirations it will be important to maintain an appropriate land portfolio to accommodate housing development. The SHLAA will help to guide housing provision with ongoing monitoring required to ensure that housing targets can be accommodated whilst protecting sites identified for other uses. Delivery of annual targets is anticipated to be challenging, particularly during recovery from the recession. Recent development densities suggest that there may be an opportunity to make more efficient use of land through future residential development, whilst still ensuring that development is appropriate to the setting in each case.

Affordability will remain a significant issue for South Somerset residents. New housing supply will require careful planning to ensure that growth is promoted in a way that is accessible to both existing and incoming residents.

Perspectives on the Residential Property Market

Market Trends

Market trends in the residential sector have reflected the national picture. Property prices have fallen, but are now showing early signs of recovery. Apartments have reported the greatest price reductions. The lowest priced one bedroom flats have fallen from a peak price of £100,000 in 2006 to a low of £60,000 in early 2008 before recovering to a current price of approximately £70,000.

Starting prices for houses in the town now range from £120,000 for a two bedroom house to between £150,000 and £170,000 for a three bedroom house and just over £200,000 for a four bedroom house.

Average current house values quoted by Mouseprice (based on Land Registry sales) and supported by local agents are:

Average sales values		
	BA21	National
1 bedroom properties	£83,600	£145,500
2 bedroom properties	£127,800	£158,500
3 bedroom properties	£155,800	£181,900
4 bedroom properties	£224,200	£304,400
5+ bedroom properties	£309,100	£504,900

Source: Mouseprice

Average monthly rental prices for housing are:

Average rental values	
	BA21
1 bedroom properties	£400
2 bedroom properties	£550
3 bedroom properties	£700
4 bedroom properties	£800
5+ bedroom properties	Not available

Source: Mouseprice

Properties are currently taking longer to let and sell than the long term average. However, agents believe fairly priced properties are selling and demand for such properties remains stable. Those properties that have taken a significant time to sell or remain unsold are generally considered to have been overpriced.

Abbey Manor is perceived as the prime residential area and the East End of Yeovil the less attractive end of the housing market.

Market Demand

Market demand for all property has fallen since the peak of 2006 and residential development has slowed. Active demand (albeit at a lower level) has remained for all types of property. Demand for apartments is believed to have focused on the over 55 demographic, including those relocating to Yeovil as they plan towards retirement.

Supply

Supply in recent years has adequately met demand. There has been a broad mix of housing on a range of development sites. House building has slowed during the recession, but there are signs that confidence is returning with Barratt Developments due to start on site at Wyndham Park.

Other recent developments in the town include:

The Shires – a development by Midas Homes of 40 no. two, three and four bedroom homes on Alvington Place in the south west of the Town. Prices start from £139,995 for a two bedroom property, £185,000 for a three bedroom property and £249,950 for a four bedroom house.

Wyndham Court – a McCarthy and Stone over 55's apartment development situated to the south east of the town centre. It provides a total of 69 one and two bedroom apartments with prices starting from £129,950 for a one bedroom apartment and £204,950 for a two bedroom apartment.

The Arena – another over 55's apartment development, providing 20 apartments. Prices at the development, which is in the town centre, start at £99,950 for a one bedroom apartment and £120,000 for a two bedroom apartment.

Chudleigh Mill – a conversion of a former mill building to the west of the town, it provides 9 apartments and a single live work unit.

Wyndham Park – a major new housing site to the north east of the town. The development will provide a mix of two, three and four bedroom houses. Prices for the development remain to be announced.

Occupiers

Buyers, tenants and interested parties include a mix of locals moving onto and up the housing chain and people moving into the area. Those moving into the area include a mix of couples and single persons planning for retirement and those retiring to the area as well as a mix of people moving into the area, typically for

work. Buyers (including in the current credit climate) include purchasers from across the market including first time buyers through to down sizers.

Competition

Consultation identified general consensus that Yeovil does not directly compete with other towns in South Somerset or the wider sub-region to attract residents. The town is considered as a discreet market for the residential property sector and it was generally regarded that the town offers an attractive place to live and work with a good quality of life.

Future Growth

Agents were a little sceptical about potential demand for the level of housing growth proposed from both a developer and buyer perspective. The local economy and job opportunities provide a robust offer for existing residents, but it is not clear how the economy would develop to support planned housing growth. One agent commented:

'Obvious extensions to the town have been allocated and it will be interesting to see how the planned growth is accommodated'

Strengths and Weaknesses

Yeovil is a well structured town that serves a significant rural hinterland. The town provides good schools, a college, work opportunities and shopping offer that appeal to a cross section of the population. The town offers a high quality of life and appears to have proved attractive to those planning for retirement.

A good mix of housing is available in Yeovil with affordable property prices. The town offers reasonable transport links via the A303 and rail network, but access to jobs outside of Yeovil requires a lengthy commute.

Section summary

Development in Yeovil will be delivered in accordance with a strong policy context, underpinned by a robust evidence base. Yeovil is a discreet market that agents believe faces little or no direct competition from neighbouring towns. This is true for both the residential and commercial property markets.

The town's residential and commercial property markets are both reported to have witnessed steady activity throughout the recession, although prices have not been immune to the falls that have occurred across the country.

Demand for commercial property stems from generic local growth. The enterprising and entrepreneurial spirit of residents of Yeovil and its rural hinterland were a recurring message from property agents. It is this activity that underpins the local commercial property market with demand therefore at the smaller end of the scale. Typical demand for office space is for units under 5,000 sq ft. Typical demand for industrial premises is for units under 20,000 sq ft.

The Employment Land Review has established the required level of employment land allocation. Identifying and protecting employment land through ongoing monitoring will be important to ensuring a readily available supply that responds to business requirements.

The retail market has suffered particularly in recent years. There is evidence of this in the town centre, with a number of vacant units. However, the town does provide a good mix of national multiples and local independent shops and yields and rents are positive relative to comparator centres. As the economy recovers renewed efforts to improve and develop the town centre are planned which will support further enhancement of the town's retail and leisure offer.

Delivery of housing targets will be challenging. Required figures are significantly in excess of completions reported to date. Supply of an accessible land portfolio, informed by the ongoing SHLAA, will assist delivery with ongoing monitoring to allow progress to be monitored.

Appendices

Yeovil geography

LSOA	Ward code	Ward name
E01029159	40UDJS	Brympton
E01029160	40UDJS	Brympton
E01029161	40UDJS	Brympton
E01029162	40UDJS	Brympton
E01029231	40UDLB	Yeovil Central
E01029232	40UDLB	Yeovil Central
E01029233	40UDLB	Yeovil Central
E01029234	40UDLB	Yeovil Central
E01029235	40UDLB	Yeovil Central
E01029236	40UDLC	Yeovil East
E01029237	40UDLC	Yeovil East
E01029238	40UDLC	Yeovil East
E01029239	40UDLC	Yeovil East
E01029240	40UDLC	Yeovil East
E01029241	40UDLD	Yeovil South
E01029242	40UDLD	Yeovil South
E01029243	40UDLD	Yeovil South
E01029244	40UDLD	Yeovil South
E01029245	40UDLD	Yeovil South
E01029246	40UDLE	Yeovil West
E01029247	40UDLE	Yeovil West
E01029248	40UDLE	Yeovil West
E01029249	40UDLE	Yeovil West
E01029250	40UDLE	Yeovil West
E01029251	40UDLF	Yeovil Without
E01029252	40UDLF	Yeovil Without
E01029253	40UDLF	Yeovil Without
E01029254	40UDLF	Yeovil Without
E01029255	40UDLF	Yeovil Without

IMD Sub Domain Assessment Data

Education, Skills and Training Deprivation

	Average KS2 points score	Average KS3 points score	Average KS4 points score	Pupil absence rate
1	E01029247 (Yeovil West)	E01029236 (Yeovil East)	E01029247 (Yeovil West)	E01029247 (Yeovil West)
2	E01029248 (Yeovil West)	E01029239 (Yeovil East)	E01029239 (Yeovil East)	E01029248 (Yeovil West)
3	E01029233 (Yeovil Central)	E01029237 (Yeovil East)	E01029236 (Yeovil East)	E01029243 (Yeovil South)
4	E01029236 (Yeovil East)	E01029247 (Yeovil West)	E01029233 (Yeovil Central)	E01029241 (Yeovil South)
5	E01029237 (Yeovil East)	E01029233 (Yeovil Central)	E01029234 (Yeovil Central)	E01029242 (Yeovil South)
6	E01029235 (Yeovil Central)	E01029249 (Yeovil West)	E01029255 (Yeovil Without)	E01029249 (Yeovil West)
	Adults (25-54) with no or low qualifications rate	Not staying on post 16 rate	Not entering higher education rate	
1	E01029247 (Yeovil West)	E01029255 (Yeovil Without)	E01029233 (Yeovil Central)	
2	E01029236 (Yeovil East)	E01029233 (Yeovil Central)	E01029236 (Yeovil East)	
3	E01029237 (Yeovil East)	E01029247 (Yeovil West)	E01029247 (Yeovil West)	
4	E01029238 (Yeovil East)	E01029239 (Yeovil East)	E01029255 (Yeovil Without)	
5	E01029233 (Yeovil Central)	E01029235 (Yeovil Central)	E01029248 (Yeovil West)	
6	E01029248 (Yeovil West)	E01029237 (Yeovil East)	E01029238 (Yeovil East)	

Source: Index of Multiple Deprivation, 2007

Living Environment

	Houses in poor condition	Combined Air Quality Index	Nitrogen Dioxide Index	Particulates Index (PM10)
1	E01029239 (Yeovil East)	E01029241 (Yeovil South)	E01029241 (Yeovil South)	E01029241 (Yeovil South)
2	E01029234 (Yeovil Central)	E01029242 (Yeovil South)	E01029246 (Yeovil West)	E01029231 (Yeovil Central)
3	E01029241 (Yeovil South)	E01029246 (Yeovil West)	E01029247 (Yeovil West)	E01029232 (Yeovil Central)
4	E01029247 (Yeovil West)	E01029247 (Yeovil West)	E01029248 (Yeovil West)	E01029233 (Yeovil Central)
5	E01029248 (Yeovil West)	E01029248 (Yeovil West)	E01029231 (Yeovil Central)	E01029234 (Yeovil Central)
6	E01029233 (Yeovil Central)	E01029231 (Yeovil Central)	E01029232 (Yeovil Central)	E01029242 (Yeovil South)
	Sulphur Dioxide Index	Benzene Index	Road traffic accident rate (per 1000 resident and workplace population)	
1	E01029238 (Yeovil East)	E01029231 (Yeovil Central)	E01029245 (Yeovil South)	
2	E01029253 (Yeovil Without)	E01029232 (Yeovil Central)	E01029241 (Yeovil South)	
3	E01029241 (Yeovil South)	E01029233 (Yeovil Central)	E01029247 (Yeovil West)	
4	E01029242 (Yeovil South)	E01029234 (Yeovil Central)	E01029234 (Yeovil Central)	
5	E01029162 (Brympton)	E01029241 (Yeovil South)	E01029243 (Yeovil South)	
6	E01029231 (Yeovil Central)	E01029242 (Yeovil South)	E01029239 (Yeovil East)	

Source: Index of Multiple Deprivation, 2007

Crime

Sub-domain data is not currently available for crime.

Employment

	Unemployment Benefits average claimant count plus New Deal participants	Illness Benefits IB plus SDA
1	E01029234 (Yeovil Central)	E01029234 (Yeovil Central)
2	E01029239 (Yeovil East)	E01029239 (Yeovil East)
3	E01029247 (Yeovil West)	E01029233 (Yeovil Central)
4	E01029236 (Yeovil East)	E01029236 (Yeovil East)
5	E01029233 (Yeovil Central)	E01029247 (Yeovil West)
6	E01029241 (Yeovil South)	E01029237 (Yeovil East)

Source: Index of Multiple Deprivation, 2007

Income

No sub-domain data is currently available under the income domain.

Health Deprivation and Disability

	Comparative Illness and Disability Ratio	Measure of Emergency Admissions to Hospital	Measure of Adults Suffering from Mood or Anxiety Disorders	Years of Potential Life Lost
1	E01029234 (Yeovil Central)	E01029239 (Yeovil East)	E01029234 (Yeovil Central)	E01029239 (Yeovil East)
2	E01029236 (Yeovil East)	E01029247 (Yeovil West)	E01029247 (Yeovil West)	E01029255 (Yeovil Without)
3	E01029239 (Yeovil East)	E01029234 (Yeovil Central)	E01029237 (Yeovil East)	E01029237 (Yeovil East)
4	E01029247 (Yeovil West)	E01029235 (Yeovil Central)	E01029239 (Yeovil East)	E01029234 (Yeovil Central)
5	E01029237 (Yeovil East)	E01029246 (Yeovil West)	E01029238 (Yeovil East)	E01029248 (Yeovil West)
6	E01029233 (Yeovil Central)	E01029249 (Yeovil West)	E01029236 (Yeovil East)	E01029162 (Brympton)

Source: Index of Multiple Deprivation, 2007

Barriers to Housing and Services

	Population wighted average road distance (KM) to a primary school	Population wighted average road distance (KM) to a food store	Population wighted average road distance (KM) to GP premises	Population wighted average road distance (KM) to a Post Office
1	E01029234 (Yeovil Central)	E01029241 (Yeovil South)	E01029160 (Brympton)	E01029160 (Brympton)
2	E01029159 (Brympton)	E01029249 (Yeovil West)	E01029159 (Brympton)	E01029162 (Brympton)
3	E01029255 (Yeovil Without)	E01029251 (Yeovil Without)	E01029162 (Brympton)	E01029159 (Brympton)
4	E01029161 (Brympton)	E01029255 (Yeovil Without)	E01029244 (Yeovil South)	E01029161 (Brympton)
5	E01029241 (Yeovil South)	E01029159 (Brympton)	E01029161 (Brympton)	E01029245 (Yeovil South)
6	E01029251 (Yeovil Without)	E01029246 (Yeovil West)	E01029249 (Yeovil West)	E01029249 (Yeovil West)

Source: Index of Multiple Deprivation, 2007