



Building the Bath & North East Somerset New Economy

Bath & North East Somerset Council Economic Strategy

2 November Draft

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Introduction

On many measures, Bath and North East Somerset's economy is a success story. We are home to significant academic, business, heritage, and natural assets. Our residents are highly qualified, and we have low levels of unemployment. The district is home to sector strengths in knowledge intensive and agricultural industries, and our public sector assets support large scale employment in education and health.

However, we also face distinct challenges. Economic growth in the last ten years has been sluggish and our lower-than-average wages cannot keep up with escalating costs of local housing. Fuelled by inequalities in health, employment, and education outcomes, a two-tier economy is emerging.

This is not a sustainable or inclusive model of growth, particularly in the context of the climate and ecological emergencies that we face.

Our current trajectory, if we continue business as usual, is one of deepening inequality where some people and places will thrive, while other residents, communities and places will be left further behind. We will likely see continued slow growth of our local economy, characterised by low wages, and structured around the public sector. Businesses may choose to invest elsewhere, unable to access talent who cannot afford to live locally. Our infrastructure will not meet local needs, creating further pressure on health and social care services, dependence on cars, and growing housing inequalities. The degradation of our natural assets will undermine both environmental and social resilience, reducing the materials and ecosystem services essential to our lives and economy, and reduce opportunities for wellbeing, recreation, and creativity.

We are acting now to change this.

This Economic Strategy signals a new approach to local economic development which prioritises meeting the needs of all our residents and places whilst reducing impacts on our natural resources and environment. Our approach draws on the principles of Doughnut Economics to deliver balanced action that ensures the future B&NES is one which operates in the safe space between the social floor (whereby the needs of all our residents are met) and the ecological ceiling to ensure we do not overshoot our planetary boundaries.¹

We are at the start of our journey towards a new economy. We are committed to evaluating our progress and sharing learnings to continually refine our approach in order to realise our one shared vision for a **fair, green, creative and connected Bath with North East Somerset**.

¹ Kate Raworth (2017), Doughnut Economics: seven ways to think like a 21st century economist.

The building blocks for change

Developed between November 2022 and September 2023, this strategy is built upon the wealth of data contained in our [Strategic Evidence Base](#) and has been informed by consultation with our partners, businesses and residents to ensure our focus is directed on the challenges and opportunities which matter most.

It supports the fair, green, creative and connected Bath with North East Somerset (B&NES) as outlined in [One Shared Vision](#) - the statement of renewal developed and delivered by the Future Ambition Board (FAB). Our new Economic Strategy will sit alongside the newly adopted [Corporate Strategy 2023-2027](#), the [Climate Emergency Strategy](#) & [Ecological Emergency Action Plan](#) and the [Joint Health and Wellbeing Strategy](#) to form the core suite of Council documents which set the direction of our delivery and the outcomes we are looking to achieve.

Our thinking has been guided by the latest sustainable and inclusive economic principles, whilst remaining aware of the wider macroeconomic environment and levers of change available to us and our partners. Three broad themes have been identified as the areas in which we can make the most difference at a local level:

- **Infrastructure** that supports a green and connected future,
- **Innovation** that drives a creative and resilient economy, and,
- **Opportunity** unlocked for everyone so that we are fair and inclusive.

These themes will be delivered through six strategic pillars - the framework for our approach to sustainable and inclusive economic development for all.



We will create a **Greener Economy** that is Net Zero, Nature Positive



We will support our residents to access and thrive in **Good Work**



We will establish B&NES as a centre of **Inclusive Innovation and creativity**



We will create **Resilient Businesses** by building a diverse, creative, and sustainable business base



We will address **Housing Affordability** and ensure residents have access to high quality homes



We will support **Stronger Places**, building resilience and sharing prosperity more fairly

Metro—Dynamics

Delivered in partnership

This strategy marks a new direction for the Council, one where we look to work collaboratively. We are committed to partnership working to create innovative approaches to address challenges and seize opportunity, all of which will be underpinned by our ongoing mission to give all our residents a bigger say and influence over what happens in our district.

We are part of a wider city region and pan-regional partnership.

The Western Gateway and West of England Combined Authority partnerships enable us to act as a unified voice to national government to drive investment. Devolution gives access to powers and resources to support local economic growth. This Economic Strategy sets out B&NES priorities and projects, and we will work collaboratively to accelerate action and spot areas for joint working. Building on the [Our Future Ambition](#) place prospectus, the Strategy will also enable us to articulate our distinct strengths and opportunities, within the context of Invest Bristol and Bath, and across our entire district, including in our rural economy.

Our anchor institutions are major local employers, landowners and spenders with shared ambitions to support the people, businesses and places of Bath & North East Somerset.

Royal United Hospitals Bath, the University of Bath, Bath Spa University, and Curo Housing are key anchor institutions in our local economy. Close partnership working between us is essential to delivering on our strategic ambitions. Through the Future Ambition Board (FAB), we will continue to strengthen these relationships, along with other important partners such as Bath College, businesses and the voluntary and community sector. We will work with all our partners to deliver projects through the Strategy.

The diverse business base, Voluntary, Community and Social enterprise (VCSE) sectors will drive our future economy and understand what is needed to support resilience and prosperity.

We will continue to engage with our businesses of all sizes and sectors to ensure activity remains focused on the challenges in Bath, as well as our towns and rural communities. This means making it easier for local organisations to communicate with the Council, and providing clearer structures through which to engage on local issues.

We have good existing links to many of our businesses, but these must be broadened to encompass enterprises of all sectors, sizes and locations. We will work closely with existing networks, such as established representative groups like Bath Business Improvement District, Business West, and 3SG, to strengthen our relationship with businesses and VCSE organisations. We will also explore the creation of new forums to ensure all voices are heard, so we continue to be a Council that gives people a bigger say.

Where we are now



£4.5bn GVA

3.8% growth (2010-2019)

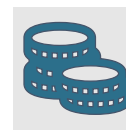
National: 21.8%



192,400 residents

9.9% growth (2011-2021)

National: 6.6%



**£32,201 median
workplace wages**

National: £33,197 (2022)



8,380 businesses

18.6% growth (2010-2023)

National: 29.8%



75% employment rate

+0.8 percentage points growth
(2012-2021)

National: 75.5% (+5.0 pp)



56.8% RQF Level 4+

National: 45.5% (2022)



The City of Bath has a **double UNESCO** inscription as a World Heritage City and as a **Great Spa Town of Europe**



In 2020/21 B&NES ranked **2nd to bottom of LAs in England for the largest gap in early years outcomes** between children who do and do not receive Free School Meals²



31% of the district falls within protected landscapes

Home to 192,400 residents, including a thriving student population, Bath and North East Somerset is a desirable place to live, study, visit, and work. Bath city has particularly strong rail and road links, providing easy access to the dynamic cities of Bristol, Birmingham and London and connecting us to the rest of the South West. The larger urban centres of Keynsham and Midsomer Norton, Westfield, and Radstock in the Somer Valley are built on a proud industrial legacy, boasting strengths in engineering and logistics whilst retaining distinct characters and links to the surrounding countryside.

² B&NES, Strategic Evidence Base, June 2022.

Metro—Dynamics

With over 50% of working age residents having degree level or higher qualifications, we are home to a highly qualified workforce.³ This is in part credit to our world-leading education providers and research institutions – Bath Spa University, Bath College and the University of Bath – the latter of which was named the University of Year by the Times and The Sunday Times Good University Guide 2023, reflecting the high quality teaching, research and graduate outcomes.⁴

A prosperous new economy

Our skilled workforce are the engine of our business base, composed of 8,535 enterprises.⁵ Professional, Scientific and Technical activities is our largest sector (21% of all enterprises) followed by the combined tourism and leisure sectors (14% of local businesses).⁶ We have notable strengths in Creative and Digital, Advanced Engineering and Agriculture and, linked to wider regional strengths, emerging specialisms in Low Carbon, FinTech and Sustainable Fashion industries.⁷

Despite our industry expertise and low unemployment rate (2.6% in B&NES as compared to 3.6% nationally),⁸ since 2010, our economy has grown at a significantly slower rate than the rest of the UK (3.8% locally, compared to 21.8% nationally).⁹ Productivity sees a similar trend, where the GVA per hour in B&NES is over £10 lower than the England figure at £28.45.¹⁰ Like most of the UK, our business base is made up of predominantly micro enterprises (89% of businesses), which are grounded by larger companies such as Wessex Water, Rotork, Bath Rugby and Future Publishing to create a rich business environment.¹¹ Our leading VCSE organisations, such as Bath and West Community Energy are also a key component of the local business base, pioneering innovative solutions to community challenges to make B&NES a more equitable and sustainable place. The Health and Social Care sector is our biggest employer locally, providing 18,000 (19%) of jobs in B&NES.¹² This is indicative of the high concentration of public sector jobs in the district (19% of employment),¹³ many of which are provided by our anchor institutions.¹⁴

³ B&NES, Strategic Evidence Base, July 2023.

⁴ B&NES, Strategic Evidence Base, July 2023.

⁵ Ibid.

⁶ Ibid.

⁷ Invest In B&NES.

⁸ B&NES, Strategic Evidence Base, July 2023.

⁹ ONS (2019) Regional gross value added (balanced) by industry: local authorities by ITL1 region.

¹⁰ B&NES, Strategic Evidence Base, July 2023.

¹¹ Ibid.

¹² Ibid.

¹³ Ibid.

¹⁴ The term anchor institutions is used to refer to organisations which have an important presence in a particular place, typically due to their role as largescale employer, procurers or goods and asset holders. Examples include local authorities, NHS trusts, universities, and large local businesses.

Metro—Dynamics

Addressing inequality

Bath and North East Somerset remains one of the least deprived local authorities in the country, ranking 269 out of 317 for overall deprivation.¹⁵ However, there are pockets of deprivation (both Twerton West and Whiteway fall within the most deprived 10% nationally) and patterns of rural poverty are growing.¹⁶ An estimated 19% of children and young people (equating to 7,167 residents aged 0-15) in B&NES live in relative poverty.¹⁷ With the cost of living set to continue to rise, it's estimated 4,000 people will fall into absolute poverty in 2022-23.¹⁸

Widening inequality in the district can be seen through the gap in attainment for Free School Meals and Special Educational Needs & Disabilities cohorts. Evidence shows these inequalities then carry through to employment outcomes: in B&NES, people with a long-term health condition or illness are over 20% less likely to be employed compared to those without, and there is a 69% gap in the employment rate for those were in contact with secondary mental health services (aged 18-69) and on the Care Plan Approach.¹⁹ Across the life course, women are more likely to be economically inactive, in poor-quality work and experience in-work poverty, and people from ethnic minority groups are more likely to be financially insecure.

Local inequality is also indicated by the lower than the national average workplace wages which contributes to higher levels of in work poverty. In B&NES, 42% of those claiming Universal Credit are in work.²⁰ High house prices (an average of £356,000 compared to £280,000 nationally), makes owning a property in B&NES out of reach for many, and presents significant challenges for local employers to attract and retain talent.²¹

Greener and more sustainable B&NES

The Cotswolds and Mendip Hills National Landscape (previously known as Areas of Outstanding Natural Beauty) offers an attractive setting for Bath and many of our villages and hamlets. Our outstanding natural environment provides essential services that underpin our economy, from water resources and soils supporting agriculture, to the outdoor recreation that underpins a growing nature tourism offer. Our rich environmental offer is matched by the world class cultural assets in Bath, a UNESCO World Heritage Site, which attracts more than six million visitors annually.²²

¹⁵ B&NES, Strategic Evidence Base, July 2023.

¹⁶ Ibid.

¹⁷ Ibid.

¹⁸ B&NES analysis of Resolution Foundation (2022) Inflation Nation: Putting Spring Statement 2022 in context.

¹⁹ B&NES, Strategic Evidence Base, July 2023.

²⁰ Ibid.

²¹ Ibid.

²² B&NES (2022) Journey to Net Zero: public consultation.

Metro—Dynamics

In March 2019, we declared a Climate Emergency and set a target for the Bath & North East Somerset area to be carbon neutral by 2030. This was followed in 2020 by the declaration of an Ecological Emergency, with a target to become nature positive (i.e. reversing declines in biodiversity so that species and ecosystems begin to recover) by 2030.

We have already made significant progress in carbon reduction since 2005, with total CO₂ emissions reduced by almost 44%.²³ Road transport emissions have declined by 21% in the same period, emissions remain high, signalling the high levels of car dependency in the district.²⁴ 10.3% of households in B&NES own three or more cars (compared to 9.1% nationally), and almost 40% of residents drive a car or a van to work.²⁵







In response to the Ecological Emergency, we are seeking to increase the area of land managed for wildlife and increase the abundance of wildlife, both through changes in the way we manage our own land and in partnership with land managing businesses. We need to assess, value and grow our natural capital, working with business and other partners to protect and enhance this essential resource as the foundation of our future economy.

²³ B&NES, Strategic Evidence Base, July 2023.

²⁴ Ibid.

²⁵ Census 2021.

A New Economy for B&NES

Vision	Bath with North East Somerset: Ambitious Together for a Fair, Green, Creative and Connected City Region					
Pillar	 <p>Greener Economy</p>	 <p>Good Work</p>	 <p>Resilient Businesses</p>	 <p>Creativity & Innovation</p>	 <p>Housing Affordability</p>	 <p>Stronger Places</p>
Objective	Delivering net zero & nature positive and enhancing our natural assets	Supporting residents to access and thrive in good work	Building a diverse, creative and sustainable business base	Establishing B&NES as a centre of inclusive innovation and creativity	Ensuring residents have access to affordable and high quality housing	Enabling all people and places to share in prosperity
Priorities that unlock infrastructure, innovation and opportunity	<ul style="list-style-type: none"> • Build local energy generation capacity and demand for energy saving measures • Support businesses to deliver net zero and nature positive in B&NES • Create opportunities for residents to train and upskill for future green economy jobs • Develop B&NES to be a broad green economy 	<ul style="list-style-type: none"> • Champion good work practices • Increase inclusive pathways into work • Develop an inclusive lifelong learning offer • Facilitate businesses to access the skills they need 	<ul style="list-style-type: none"> • Invest in the infrastructure businesses need • Nurture emerging sectors and specialisms, including culture & creative • Promote alternative business models and community-led action • Support local businesses to stay and scale in B&NES 	<ul style="list-style-type: none"> • Maximise local benefits of B&NES leading innovation assets • Promote B&NES as an innovation testbed • Ensure all sectors and business are supported to innovate • Create spaces for creativity to thrive across B&NES 	<ul style="list-style-type: none"> • Develop housing offer that is accessible and attractive to all • Work with partners to unlock affordable housing • Deliver high quality and sustainable housing fit for future generations 	<ul style="list-style-type: none"> • Promote place-based strengths to drive economic growth in urban centres and rural areas • Support local food supply chains and food security • Improve & invest in sustainable connectivity within B&NES and to the subregion • Drive a sustainable and innovative visitor economy
Outcomes	Net zero and nature positive B&NES by 2030	Increased economic activity in residents as a proportion of the total population	Improved access to employment industrial/office/retail space across B&NES to meet demand	Increased prosperity for all, measured through GVA per head and healthy life expectancy	Better housing affordability, measured through housing costs as a proportion of income	Improvements in index of multiple deprivation at neighbourhood level, and raised wage levels
Delivered in partnership with B&NES Council – Anchor Institutions – Voluntary and Community Sector – Businesses – Communities – Regional and National Partners						



Greener Economy

Objective: delivering on net zero & nature positive and enhancing our natural assets

By declaring Climate and Ecological Emergencies and setting an ambition for the area to be net zero carbon and nature positive by 2030, we recognised that our new economy must be a green economy. We have a duty to protect our natural assets, promote biodiversity, and lead an equitable transition where all communities and residents benefit. Transformative change is required, and this change needs to happen at every level – government, businesses, communities, and individual residents.

This means that all B&NES strategic delivery must be driven by greening all sectors of the economy via the cutting of emissions, reducing impact on natural resources and promotion of biodiversity. The below priorities are designed to support this, complementing the work outlined in the [B&NES Climate Emergency Strategy](#) and [Ecological Emergency Action Plan](#).

Outcome: reaching net zero and nature positive B&NES by 2030

We will develop B&NES to be a broad green economy

The green economy encompasses more than the renewable energy and environmental services sectors. The natural resources sector is growing and will continue to do so to deliver biodiversity net gain and nature-based solutions to address climate change and local needs. We will work with businesses to green all our sectors, enabling local organisations to act on new market opportunities to position us as leaders in green inclusive growth.

To start, we will:

- Continue the roll out of the Council's climate literacy training, and develop ecological literacy modules, to increase understanding of climate and nature issues
- Work with WECA and regional partners to capitalise on the opportunities of the regional green economy
- Support the work of Retrofit West in developing the business supply chain for retrofit within the district

Metro—Dynamics

We will create opportunities for residents to train and upskill for future green economy jobs

The shift to green jobs will impact many of our current professions and businesses.²⁶ This is an opportunity, creating demand for existing and new 'green skills' which require different types of training and upskilling.

To start, we will:

- Work with WECA's Retrofit Academy to help local people access training for careers in retrofit
- Develop an apprenticeship programme for routes into nature and environment jobs
- Work with our education providers – including schools, Bath College, Independent Training Providers and Universities' - to promote awareness of green jobs and green skills to the current and future workforce (such as through the [FWD project](#))

We will build local energy generation capacity and demand for energy saving measures

In June 2023 59% of residential properties in B&NES had an EPC rating of D-G²⁷ and 16% of neighbourhoods in B&NES are considered energy crisis hotspots, with an average annual energy bill costing £2,288.²⁸ We can develop new models of efficient, affordable, and reliable energy, building on our existing community-led renewable energy base. By encouraging local renewable energy generation, we can ensure a lower long-term carbon footprint whilst reducing the costs of running a home.

To start we will:

- Promote the [Energy@Home](#) service to residents on low incomes to increase take up of grant support and advice
- Work with Bath and West Community Energy to increase awareness of their renewable energy projects and support
- Scope community green bonds to help local residents to invest in local projects

We will support businesses to deliver net zero and nature positive in their organisation

In 2021 industry and commercial emissions accounted for 13% of greenhouse gas emissions in B&NES.²⁹ Whilst this figure has been decreasing over recent years, levels remain high. To reach our goal of net zero by 2030, we must help our businesses decarbonise.

To start we will:

²⁶ The [ONS](#) defines a green job as 'employment in an activity that contributes to protecting or restoring the environment, including those that mitigate or adapt to climate change'.

²⁷ B&NES, Strategic Evidence Base, July 2023.

²⁸ Friends of the Earth (2022) Energy crisis hotspot spreadsheet.

²⁹ Department for Business, Energy and Industrial Strategy (BEIS) (June 2023)

[UK Local Authority and Regional Carbon Dioxide Emissions National Statistics.](#)

Metro—Dynamics

- Promote WECA's free carbon surveys for SMEs and Green Business grants to help businesses invest in improving the energy efficiency of their premises
- Undertake a data project to understand how best to reduce car & van mileage whilst supporting local economy
- Develop and promote B&NES as a location for leading sustainable businesses (e.g. with “B-Corp” status)



Good Work

Objective: supporting residents to access and thrive in good work

We want all of our residents, regardless of age, gender, profession or personal circumstances, to have access to good work. We define good work as workplaces which adhere to the following seven characteristics: ensures secure work; offers flexible work; pays the Real Living Wage; operates fair recruitment practices; involves employees in decision making; develops staff and supports the mental and physical health of employees.³⁰

With more employers providing fair and decent jobs, we will further grow Bath and North East Somerset's reputation as a great place to live and work, and attract and retain the top talent needed to support our economy to thrive. Removing barriers to good work and enhancing our flexible skills and training offer, particularly for our more vulnerable residents, is a key measure in addressing inequality and improving wellbeing.

Outcome: increase in economic activity for residents as a proportion of the total population and Real Living Wage coverage

We will champion good work practices

This starts with the Council and our anchor institutions as the largest local employers (1 in 5 local direct and indirect jobs are generated through the hospital and our two universities).³¹ We will promote the business benefits of good work with our dynamic private sector business base. We must do better for our workers and ensure that all employment is sufficient and fulfilling.

To start we will:

- Encourage partners, anchor institutions and local businesses to sign up to WECA Good Employment Charter
- Increase local adoption of the Real Living Wage and become a living wage place
- Work with the West of England Combined Authority to deliver the Thrive at Work programme and explore the feasibility of a Thrive into Work initiative

³⁰ This definition is in line with WECA's [Good Employment Charter](#).

³¹ Institute for Policy Research (2020) Bath Beyond 2020: Creating a Resilient Economy Together.

Metro—Dynamics

- Promote the Disability Confident Employer scheme to encourage local employers to enhance the recruitment, retention and development of residents with disabilities

We will increase inclusive pathways into work

In 2021, 5.8% of 16–17-year-olds in B&NES were not in education, employment or training or whose activity is not known (NEET), ranking eighth worst out of all local authority areas in England.³² We must address these inequalities and ensure that all of our residents are able to access good work. We will do this by collaborating with our education partners and employers to ensure opportunities are more accessible for those in traditionally disadvantaged cohorts.

To start we will:

- Engage with the South West Social Mobility Commission to identify local social cold spots and ways to address them
- Prioritise projects to address barriers to employment for young people, including care leavers, those with SEND, and those vulnerable to not entering education, employment or training
- Encourage take up of Apprenticeships amongst local business base and anchor institutions
- Involve VCSE sector organisations in devising new, community-led pathways into work which address common barriers to employment (such as travel and caring responsibilities)

We will develop an inclusive lifelong learning offer

Residents must be able to access the opportunities that are right for them throughout all stages of their lives. This will include reskilling, upskilling, and career progression opportunities to ensure that all of our residents at every level access, and adapt to, shifting market demands and ambitions we have for our local economy.

To start we will:

- Use the FWD project, in partnership with our universities and college, to focus on upskilling and reskilling to support progression and career changes
- Increase signposting to the Employment and Skills Pod
- Map future skills requirements, including in major projects and emerging sectors, and work with skills providers on relevant course provision

We will facilitate businesses to access the skills they need

Employers are key drivers of our local skills system. As part of the development of inclusive learning pathways, we will encourage employer involvement in generating demand for local career opportunities to help raise ambition and connect businesses to the skills they need.

³² DfE (2019) NEET and participation local authority figures.

Metro——Dynamics

To start we will:

- Create and deliver an inclusive Business and Skills plan for Bath and North East Somerset which promotes the uptake of in work support including Future Bright and Midlife MOT and ensure UKSPF supports B&NES requirements
- Increase diversity in STEM careers by working with local schools and education providers as well as the regional careers hub
- Work with local major manufacturing and engineering bases (e.g. around Midsomer Norton) to showcase career opportunities to young people



Resilient Businesses

Objective: building a diverse, creative, and sustainable business base

If we want to deliver our ambitions, it is essential that businesses are resilient to both economic uncertainty and a changing climate, and empowered to seize sustainable and inclusive opportunities. This means supporting businesses with access to finance and tailored guidance, ensuring businesses are aware of how to adapt to our future climate and equipping business owners with the skills and expertise to implement change.

It also means ensuring we have the right infrastructure in place to attract and retain businesses to start and grow in Bath and North East Somerset. Bath Quays regeneration will create a vibrant innovation quarter and campus at the heart of the Bath City Enterprise Zone, working with our universities to create high-wage jobs and using public space alongside the river to give residents and visitors a place to enjoy. The Somer Valley Enterprise Zone will create an exemplar commercial park for new business and employment, and has been designed to support a modal shift in active travel.

Outcome: improved access to sustainable employment industrial/office/retail space to meet demand across B&NES

We will invest in the infrastructure businesses need

To ensure B&NES has the right quality and quantity of space to support existing and future enterprise needs, we need to continue to plan for and invest in physical and digital infrastructure, working closely with the local business base.

To start we will:

- Promote new and emerging developments including Bath Quays and Somer Valley Enterprise Zone
- Build stronger engagement with businesses so that businesses have a voice throughout B&NES
- Create a 'Net Zero Nature Positive' policy for new developments, ensuring that sustainability and climate resilience is at the heart of future plans

We will nurture emerging sectors and specialisms, including culture & creative

We are seeing the emergence of subsector specialisms in FinTech, Sustainable Fashion, Life Sciences and Health Tech and content production. These will be at the heart of our new economy, creating high-quality jobs alongside opportunities for inward investment and innovation.

To start we will:

- Deliver the Fashion Museum project, and wider Milsom Quarter regeneration, to re-imagine this precinct in Bath as a flagship sustainable development

Metro—Dynamics

- Work with regional partners, defining local and regional spatial clusters (e.g. Bath – Bristol corridor; Somer Valley) to curate business centres in the places where it makes sense to capitalise on new market opportunities, technologies and to strengthen local supply chains
- Develop a cultural strategy for B&NES, linked to the regional plan, that helps cement a resilient culture & creative economy in B&NES

We will support local businesses to stay and scale in B&NES

The number of businesses in B&NES has grown by 23% in the last ten years.³³ The area has been ranked by Business Financed as the number one location in the UK for microbusinesses, highlighting the strong critical mass of thriving entrepreneurs.³⁴ Invest in B&NES will continue to be a key resource in marketing the raft of support available to help make local businesses a success.

To start we will:

- Increase local participation in regional business growth programmes
- Build a Buy B&NES campaign to showcases local purchasing opportunities to residents and visitors
- Map local public sector spend to identify where there are opportunities for procurement to support local businesses

We will promote alternative business models and community-led action

We have 285 non-profit organisations in B&NES and a strong network of charities, social enterprises, and community groups which play a vital role in providing essential services to communities and encouraging civic participation to address local issues.³⁵ We will showcase examples of responsible local leadership – such as Bath City Farm - and provide the support for new groups to form and flourish.

To start we will:

- Work with and raise awareness of local networks (including 3SG) to showcase charities, social enterprises and voluntary groups working across B&NES to encourage community-led actions targeted to local issues
- Promote business support aimed at alternative business models, for example from Co-operatives UK and B Lab UK
- Create a local peer support network to connect existing alternative model businesses with those who are interested in changing their business model

³³ ONS (2021) UK Business Counts – enterprises by industry and employment size band.

³⁴ Business Financed (2023). Microbusinesses Megastars 2023.

³⁵ ONS (2021) UK Business Counts – enterprises by industry and employment size band.



Creativity and Innovation

Objective: establishing B&NES as a centre of inclusive innovation and creativity

We want innovation activity to be inclusive and for all residents to have access to the opportunities and skills for creativity. Our two universities have high-value specialisms and assets, including the provision of world class business incubation and accelerator services through initiatives such as the [SETsquared Partnership](#), as well as internationally significant archives like the [Fashion Collection Archives](#) currently in development in Locksbrook.

To us, inclusive innovation means enabling as many people as possible to contribute to and participate in innovation and its outputs.³⁶ It also means promoting innovation in our foundational economy. Creating routes for sharing knowledge throughout the local business base by opening up assets to smaller enterprises and empowering communities to drive research focus on local challenges will ensure that innovation strengthens links to local opportunity.

Outcome: increased prosperity for all, measured through GVA per head and healthy life expectancy

We will create spaces for creativity to thrive across B&NES

Bath and North East Somerset is a thriving hub for culture and creativity, boasting numerous cultural attractions and events (such as Bath Digital Festival and Keynsham Music Festival) and a growing cluster of creative businesses. As well as delivering wellbeing benefits, participation in heritage and the arts encourages us to think differently and generate new ideas. We want all residents to have opportunities to pursue creativity in leisure, employment, and community action.

To start we will:

- Deliver the new creative hub on Twerton's high street
- Build an events programme to engage people with creative skills and digital technologies
- Work with Bath Spa University to deliver the Institute for Sustainable Fashion at Locksbrook

³⁶ This definition is adopted from the Connect Places Catapult and UK Innovation Districts Group definition in the 2022 report *Opening The Innovation Economy: The Case For Inclusive Innovation In The UK*.

Metro—Dynamics

We will maximise local benefits of B&NES's leading innovation assets

We have excellent technology and innovation assets in B&NES, especially in the universities and some of our manufacturing & engineering businesses. It is key that we capitalise on these and make them more accessible so all residents can benefit from their activity to support knowledge transfer and the development of sector and technology clusters.

To start we will:

- Develop a riverside tech and innovation corridor that links existing assets from Manvers St to Bath Quays
- Explore opportunities for increased knowledge transfer partnerships with local businesses

We will promote B&NES as an innovation testbed

In partnership with Bristol, we are home to the 5G testbed which has involved the application AR and VR technology at the Roman Baths to pilot future approaches to Smart Tourism. By further building on existing and emerging strengths (and linking into wider regional assets), we will grow our reputation as the place to conduct economic, environmental and social innovation targeted at addressing local challenges with global relevance.

To start we will:

- Promote B&NES innovation strengths and opportunities to investors and businesses online and through events
- Promote provider innovation assets, such as SETsquared Bath, [iCast](#) and the University of Bath Innovation Centre, to local businesses
- Promote regional accelerator programmes, such as DETI, Creative Growth Programme and the FWD project business acceleration hubs

We will ensure all sectors and businesses are supported to innovate

We will support innovation in our foundational economy – the SMEs and large employers that provide many of our essential services and goods – to ensure all firms feel the benefits of improved efficiency and support better life outcomes. We will work in partnership with other public sector anchor institutions to encourage innovation at every level of delivery as well as through procurement.

To start we will:

- Prioritise the foundational economy (e.g., sectors including retail, health) and local services in innovation support, working with partners to draw from good practice and increased data sharing
- Increase uptake of Invest in B&NES and WECA funded management and leadership training for SMEs
- Work with Innovate UK and public sector R&D funding bodies to support more local businesses and entrepreneurs with applications



Housing Affordability

Objective: ensuring residents have access to affordable and high-quality housing

In 2022, house prices in B&NES were 10 times annual earnings, creating challenges across the district. The lack of affordable housing in our rural communities threatens the vitality of local businesses and the social sustainability of our towns and villages. In Bath, where house prices are nineteen times higher than the average annual earnings, contributing to its title of joint third least affordable city in the UK, property costs are a significant barrier to attracting talent for local jobs and contribute to employees relocating to areas with cheaper housing.³⁷ This will likely be a barrier to young people who are just starting work.

Ensuring high quality housing and the adoption of latest green energy solutions and improving water efficiency are important components in reducing costs. In 2020, 11% of households in B&NES were in Fuel Poverty (compared to 13.2% nationally).³⁸ With the costs of energy remaining high, it is anticipated that this figure will continue to rise without intervention. Prioritising high quality and affordable housing is therefore key to raising resident wellbeing, retaining wealth locally, and ensuring that living and working in B&NES is attractive and accessible for all.

Outcome: better housing affordability with better price to income ratio

We will develop a housing offer that is accessible and attractive to all

Key to this is updating our understanding of what affordable housing looks like in B&NES, as well as the likely future demand for property. It is estimated that we will see an overall growth of 6,500 households by 2035, with 92% of growth in single people and couples aged over 65. This requires us to take a new approach.

To start we will:

- Deliver a B&NES Housing Plan
- Scale up B&NES Homes as a local registered provider ensuring programme meets the needs of residents and the economy
- Ensure the new Local Plan policy framework supports the delivery of housing provision at scale to respond to local need

We will deliver high quality and sustainable housing for future generations

³⁷ ONS House Price Statistics for Small Areas (HPSSAs); The Independent (2021), Most and least affordable UK cities in 2021 revealed.

³⁸ BEIS (2020) Sub-regional fuel poverty England.

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This includes ensuring our housing stock meets the needs of different resident groups, for instance those aged 65+ (who accounted for 19.4% of the population in 2021) who will have changing accessibility and service requirements as they age.³⁹ It also means embracing renewable energy & water efficiency solutions and removing barriers to their adoption where possible, to help lower running costs and reduce domestic emissions.

To start we will:

- Commission house condition modelling to inform future housing condition strategy, to ensure rented homes are decent
- Review and update the Council’s strategic approach to improving existing housing standards, focusing on our most vulnerable residents and the future role of property licencing
- Develop and implement an agreed and approved corporate role to promote low-carbon affordable warmth as part of the corporate retrofitting strategy

We will work with partners to unlock affordable housing

There may be opportunities to use public sector assets for new purposes, taking a creative approach to asset management and development. Areas to explore include housing tenure, affordable housing for key workers, and optimising space for our thriving student population.

To start we will:

- Identify potential sites for new affordable accommodation in collaboration with partners including Aequus and anchor organisations
- Work with public sector partners to understand requirements to support housing need, learning from others such as Cambridge
- Work with local Higher Education Institutions on a student living and accommodation strategy, including opportunities on campus

³⁹ Census 2021.



Stronger Places

Objective: enabling all people and places to share in prosperity

Delivering a fairer, greener, more creative and more connected B&NES will enable our market towns and villages to thrive alongside the city of Bath. There are many opportunities for our urban and rural communities. Regeneration activities will continue to be designed to increase footfall in the towns, providing a needed boost to the many independent retail and hospitality businesses and supply chains.

Home to over 37,000 residents, rural B&NES is a diverse group of towns, villages, and hamlets with distinct characteristics and landscapes which accounts for over 90% of the district's land area.⁴⁰ Each settlement has their own strengths and challenges. Traditionally the rural economy has been based on farming, self-employment and small businesses, which without the right support limits growth potential. Poor public transport and digital connectivity also act as barriers to business and home working, contributing to social isolation and supporting unequal access to essential goods and services. 78% of rural residents commute to work by car,⁴¹ and alongside high transport emissions, highlights the need for more local employment and sustainable travel options for our rural communities.

Outcome: improvements in index of multiple deprivation at neighbourhood level, and raised wage levels

We will improve & invest in sustainable connectivity within B&NES and to the subregion

Options are currently limited if you are travelling outside of Bath City, with 78% of journeys to work from rural areas made partly or totally by car.⁴² Digital connectivity is also key to ensuring our residents and businesses can keep up with technological advances, but only 42% of residential and business premises have access to full fibre (compared to 48% nationally).⁴³

To start we will:

- Accelerate digital infrastructure rollout, including gigabit, superfast broadband and 5G
- Promote sustainable and active travel options to support home working opportunities and the visitor economy

⁴⁰ ONS (2011) Local authority rural urban classification.

⁴¹ B&NES (2022) Journey to Net Zero: public consultation.

⁴² B&NES (2022) Journey to Net Zero: public consultation.

⁴³ Thinkbroadband (2023) Bath and North East Somerset Superfast and Fibre Coverage.

Metro—Dynamics

- Collectively engage with regional partners with utilities providers to help achieve targets for increased connectivity highlighted in the regional Digital Plan
- Support delivery of the [Joint Local Transport Plan](#) to ensure connectivity improvements in all areas of the district, identifying priority improvements to make in the next four years through a Transport Action Plan

We will promote place-based strengths to drive economic growth in urban centres and rural areas

Many of our rural businesses have links to land, landscape and our strong agriculture base, presenting opportunities for sustainable rural and eco-tourism, food security, horticultural development and AgriTech innovation. We will increase communication lines with all our businesses and engage with existing representative groups (such as the [West of England Rural Network](#)) to understand the specific challenges facing different industries in rural areas to enable the creation of targeted support to help all our communities thrive.

To start we will:

- Understand and plan for future employment space demand (industrial, office and retail) through the local plan process
- Seek to understand the role of local nature based solutions in building environmental resilience and supporting green tourism
- Use business support to support rural diversification and the adoption of green technologies as an economic growth opportunity
- Support thriving mixed use centres, including the development of co-working hubs linked to UKSPF, space for startups and small businesses, and cultural & service centres

We will support local food supply chains and food security

The upcoming Food Strategy will develop a plan to access sufficient, safe, and nutritious food, and in doing so, will support food security for all of our residents. Securing food security is crucial both at a district level to increase resilience to global climate and political challenges, and a household level, so that 'good' food is accessible and affordable to everyone regardless of income. We will highlight examples of existing innovative local initiatives, such as the Veg Box Scheme run by the Chew Valley-based [The Community Farm](#), who work with local farmers to supply fresh food sustainably.

To start we will:

- Develop Local Food Strategy, including B&NES Menu to showcase local food production, sourcing, and hospitality
- Work with local producers to understand impact of new regulation and ongoing economic challenges
- Support the uptake and piloting of innovative sustainable and regenerative farming practices

Metro—Dynamics

We will drive a sustainable and innovative visitor economy

Our thriving visitor economy is central to the economy, generating over £3 billion in total visitor spend (direct and indirect) in 2021.⁴⁴ Support is required to ensure it remains dynamic, drawing on innovative business practices to deliver on Net Zero and Nature Positive ambitions.

To start we will:

- Commission a time and movement study to better understand visitor behaviour in Bath city centre and where to support the visitor experience
- Engage with Visitor Economy businesses via the Bath Advisory Group and other forums, including those covering the rural areas and the Cotswolds and Mendip Hills National Landscapes, to understand sector aspirations for a resilient visitor economy sector
- Develop a Sustainable Tourism and Visitor Economy strategy that links resilience in the Visitor Economy to sustainable practice and aligns with the Visit West Destination Development Plan and WECA Cultural Strategy

⁴⁴ Visit West (2021) The Economic Impact of Bath and North East Somerset's Visitor Economy 2021.

Implementation

This economic strategy makes bold commitments which, if delivered effectively, will unlock a greener, fairer, more creative and more connected Bath and North East Somerset.

The actions listed are not exhaustive, and we expect activity to evolve over time as new opportunities emerge. To bring focus to delivery, we have identified ten ambitious projects which will bring together stakeholders to deliver on a new economy for B&NES and will be the focus of 2024 activity.







A ten-point delivery plan for B&NES

1. Scope **community green bonds** to help residents to invest in local projects
2. Increase local adoption of the Real Living Wage and become a **living wage place**
3. **Promote new and emerging developments for businesses** including Bath Quays and Somer Valley Enterprise Zone
4. Deliver the **Fashion Museum project**, and wider Milsom Quarter regeneration to re-imagine this precinct in Bath as a flagship sustainable development
5. Develop a **riverside tech and innovation corridor** that links existing assets from Manvers St to Bath Quays
6. Deliver the affordable housing B&NES needs through the new Housing Plan including the **scaling up B&NES Homes**
7. Identify potential sites for **new affordable accommodation** using our own land assets
8. **Support thriving mixed use centres** including the development of co-working hubs linked to UKSPF, space for startups and small businesses, and cultural & service centres
9. Accelerate **digital infrastructure** rollout, including gigabit, superfast broadband and 5G
10. **Secure connectivity improvements** through the development of a Transport Action Plan that provides accessible, affordable and active options for all areas of the district.

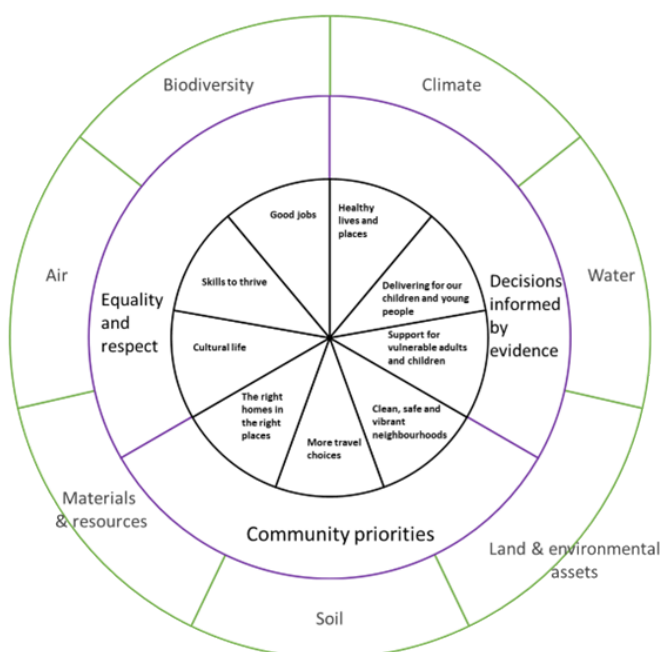
Measuring our success

Robust monitoring and evaluation is a critical component of strategy delivery, which will provide us with the tools to communicate our progress and showcase evidence of impact to leverage investment into the district. This strategy outlines six core outcomes, linked to the local pressing challenges highlighted in the Strategic Evidence Base, which will serve as the Key Performance Indicators of our collective action.

Metro—Dynamics

- 
Net zero and nature positive by 2030 through a decrease in emissions and improved air quality, biodiversity and natural capital management
- 
Increased economic activity in residents as proportion of the total population
- 
Improved access to employment space across B&NES, with quality industrial office and retail space to meet demand
- 
Increased prosperity for all, measured through increased GVA per head and healthy life expectancy
- 
Improved housing affordability, measured through housing costs as a proportion of income
- 
Reduced inequality through improvements in index multiple deprivation at neighbourhood level, skills progression, raised wage levels & Real Living Wage Coverage

As part of implementation, we will develop a comprehensive Monitoring and Evaluation plan which will enrich of our understanding of what work works, for who, where and why, allowing delivery to be refined to ensure that everyone benefits.



This will be framed around the B&NES decision wheel. This will enable us to clearly communicate how activity is aligned to strategic priorities as well as its impact on our socioeconomic foundations (inner circle) and the environment (outer circle).

By looking beyond purely economic indicators, we will be able to tell a holistic and nuanced story of change. We will work collaboratively with partners to share learning and develop new data collection processes where required to ensure the full impact on people, place and planet is understood.

At Metro Dynamics, we **care** about places, our clients, and our colleagues.

We are an **independent** organisation, **curious** about our work, and **collaborative** in our approach. We strive to **make a difference** in all that we do.



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