

## A 'Critical Friend Analysis' of the employment prospects of the Somer Valley Enterprise Zone- Briefing Statement



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An Evidence-Based Insight from Smart Growth Analytics Limited

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I'm here to talk about the employment prospects of the proposed Somer Valley Enterprise Zone.

According to the Masterplan, somewhere between 700 to 1,000 office and R&D jobs are expected to be located at SVEZ. This is at least more than half of its jobs and therefore a major part of its overall viability.

However, SVEZ be in direct competition with Bath Quays and Bristol's Temple Quays developments for workers and historical patterns of commuting suggest it's highly unlikely that the Somer Valley will attract office workers from Bristol or Bath. For example, 5X more people commute out of the Somer Valley to Bath than commute into the Somer Valley from Bath.

If the Somer Valley and Bath and Bristol all have a plentiful supply of labour going forward, then this might not be a problem. However, the two B&NES EZs, between them, are expected to account for almost all B&NES total employment and labour supply growth forecast, leaving almost nothing for non-employment land sectors such as education and health, retail and tourism and leisure.

Even if the forecasts are wrong and there is a plentiful supply of labour going forward, SVEZ would still suffer from skill shortages as there is a complete mismatch between the skills profile of the residents of the Somer Valley and the office and R&D jobs at the Enterprise Zone.

Which means that SVEZ would have to get way more office and R&D workers from the West of England to fill these jobs, who would have to travel by car. Which is completely out-of-step with the SVEZ principles of design and the Council's Decision Wheel.

These issues would make 'selling' SVEZ to any major office-based employers and/or R&D businesses an incredibly hard sell.

The main reason why these issues have not been flagged previously is because an out-of-date evidence base is being used to inform the Council's decision-making. For example, B&NES has 3,000 fewer workers than were planned into the Council's current Economic Strategy as a result of Brexit and Covid. That's about £125m per annum of B&NES' output.

Moving on to the issue of homeworking and the SVEZ evidence base, it is clear that the pandemic inspired a homeworking revolution in the UK that has serious implications for the future of traditional offices and new office developments. Many parts of B&NES are now akin to Hidden Business Parks in that they have such high concentrations of workers in home offices.

Entirely related to homeworking, there are around 10 often inter-related key drivers of the Future of Work which have implications for new office developments. They include such issues as the ageing workforce, sustainability and Artificial Intelligence.

To what extent does the B&NES forthcoming Local Plan look to be considering these issues? A quick look at the 300+ pages of the Local Plan Options Document reveals very few mentions of homeworking or hybrid working and no mentions whatsoever of the future of work, Artificial Intelligence, coworking or an ageing workforce. However, there is still time to address these issues.

When all the above is considered, my one single recommendation to B&NES Council is to wait for the Draft Local Plan which is due out this year. As I am pretty sure that by then all of the above issues will have been evidenced, explored and considered.

Thank you for listening

