in conjunction with

BUSINESS PERSPECTIVES ON PROPERTY WORKSPACE SURVEY AND REVIEW

March 2008

Prepared by

FOREWORD

This report has been commissioned by the Economic Development Department within South Somerset District Council to establish the needs of local businesses as part of an ongoing process of review. The report builds on previous work undertaken by the Economic Development team and specifically, updates and expands upon a similar Survey undertaken in 2001 to help monitor trends and attitudes. The 2007 Survey, along with its analysis, is intended to help provide an up-to-date assessment for land and premises and in particular, establish how the Council can assist local businesses to expand within the District.

South Somerset District Council is committed to helping and encouraging the growth of enterprise by supporting existing businesses and new employment. The Business Ambassador Service provides a single point of contact within the Economic Development Department of the Council on all planning and related property issues, as well as a source of information for all other Council services. It is available to all local businesses. Additionally the Economic Development service operates an Account Management services for all the major employers, working closer with these organisations in several Council-related and wider areas to ensure that these businesses within South Somerset remain competitive.

The report is not intended to provide specific or absolute guidance in respect of Planning Policy. It does however form part of the wider evidence base upon which Local Plan Policy will be constructed. To this end, the analysis and recommendations should be considered in context to the Employment Land Review, undertaken on behalf of the Planning Policy team within South Somerset District Council, and alongside wider analysis and guidance contained within the Draft Regional Spatial Strategy.

The Council will welcome all comments in relation to this report and in particular, any suggestions as to how it can better assist local businesses. Relevant contact details can be found through the "Business Portal" at www.southsomerset.gov.uk. Alternatively, the Economic Development team can be contacted on 01935 462462 or in person at the Council Offices, Brympton Way, Yeovil.

31st March 2008

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1.0 EXECUTIVE SUMMARY

1.1 This report is based on a survey of local businesses undertaken between August and October 2007 as part of an ongoing process of review by South Somerset District Council into the needs of the local economy. Based on the views of 817 businesses from within the District, it provides a 'snapshot' of opinions, projections and aspirations to highlight trends, identify latent land and property requirements and provide guidance for future Planning and Economic Development policy.

1.2 Responses received through the survey come from all sectors of business within South Somerset and across all areas of the District. At 24%, the largest response rate was from the "Retail, Hire and Repair" sector. This was followed by the "Manufacturing" sector, at 16%, and the "Professional Services" sector at 14%.

1.3 Small businesses, comprising less that 10 employees, accounted for 67% of respondents. 44% of all respondents occupy less than 93m² of space and the majority, at 81%, have been permanently located within the District.

1.4 The total number of people employed by all respondents was 10,841, comprising 8,227 full time and 2,614 part time, a gearing of 76:24 in favour of full time work.

1.5 The majority of respondents, at 52%, anticipate no growth in the size of their business over the next 5 years, whilst c.35% anticipate expansion and a further c.1% anticipate diversification. A minority, at c.6%, anticipate downsizing, with the remainder, accounting for c.6% not responding.

1.6 In terms of employment growth, respondents across the District anticipate that their workforce will grow by c.9% over the next two years, with total growth of c.18% by the end of 5 years. The overall gearing of the workforce in respect of full time to part time is projected to remain at 76:24.

1.7 The majority of respondents consider that their existing premises are currently suitable for their current needs, although 17% consider that this position will change over the next 2 years and 12% are proposing action to rectify existing shortfalls.

1.8 In terms of demand for additional space across the District, there is total anticipated demand for some 46,229m² of additional workspace, to be met through a range of measures, including:

1.8.1	Extension of existing space	-	9,946m²
1.8.2	Redevelopment of existing space	-	8,436m²
1.8.3	Relocation to alternative, existing space	-	15,988m²

1.9 The remainder, accounting for 11,859m² of additional space required for expansion, is expected to be secured through new development on alternative sites across the District – see Table 1a. When combined with the existing workspace occupied by these parties, this translates into latent demand for a total of c.30,128m² of new development to meet this potential demand – see Table 1b.

1.10 In respect of the land required to meet this demand, and applying site coverage ratios of 30% to 40% (representing the considered view of Atisreal as the appropriate range for typical site coverage within South Somerset), this translates into a minimum identified need for c.7.5 to 10.0 hectares of employment land across the District. The majority of this demand is focused around Yeovil and Ilminster. *It should be noted that this requirement only relates to the respondent survey base and assumes that those parties stating an intention to extend, redevelop on-site or move to alternative existing workspace can achieve this aspiration.*

Table 1a : Demand by Location & Approach

Location	Total Additional Workspace	Extend Existing M²	Redevelop Existing M²	Relocate to Existing M²	Relocate to New Site M²
Yeovil	12,523	2,211	93	6,317	3,902
Chard	2,305	279	28	1,208	790
Crewkerne	3,066	539	1,115	1,133	279
Ilminster	13,001	3,251	2,880	3,372	3,498
Wincanton	5,481	3,299	185	883	1,114
Remainder	9,853	367	4,135	3,075	2,276
Totals	**46,229**	**9,946**	**8,436**	**15,988**	**11,859**

Table 1b : Geographical Spread of Employment Land Required

Location	Existing Space M²	Additional Requirement M²	Total Workspace M²	Land at 40%	Land at 30%
Yeovil	5,526	3,902	9,428	2.35ha	3.14ha
Chard	827	790	1,617	0.40ha	0.49ha
Crewkerne	836	279	1,115	0.28ha	0.37ha
Ilminster	7,628	3,498	11,126	2.78ha	3.70ha
Wincanton	1,508	1,114	2,622	0.65ha	0.87ha
Remainder	1,944	2,276	4,220	1.06ha	1.40ha
Totals	**18,269**	**11,859**	**30,128**	**7.5ha**	**10.0ha**

1.11 In terms of the demand for land around Yeovil and Ilminster, this accounts for a minimum identified need of between 5.13ha and 6.84ha, with Ilminster demonstrating a slightly higher level of demand than Yeovil. This is representative of the importance of these two locations within the District and their contribution to the economic base for South Somerset.

1.12 Taking into account timescales, the intention amongst respondents to address property requirements is evenly split, with 50% seeking to achieve their objectives in the next 2 years and the remaining 50% seeking to achieve it between years 3 to 5. Allowing for timeframes for acquisition, design, planning and construction, this translates into an immediate demand for land.

2.0 INTRODUCTION

Scope & Limitations

2.1 This report forms part of an ongoing process of review by South Somerset District Council into the needs and demands of businesses within the District, particularly in respect of workspace and employment land. The report follows on from a previous survey undertaken in 2000/2001[1] and sets the latest findings in context to the previous survey, along with current economic trends, to assist the Council in its Planning and Economic Development functions.

2.2 The 2007 survey acts as a snapshot and shows the minimum amount of demand for additional workspace and land that may occur over the next 2 to 5 years from businesses located within South Somerset; however, it should not be considered a representative sample and should not be treated as representative of the needs of the whole business community, merely the respondent survey base. The report will be used by the Council to assist in the review of Employment Land Policies and to assist economic development within the District.

2.3 The results of the survey ultimately indicate:

2.3.1 The size and type of businesses that have demand for additional workspace;

2.3.2 The level of that potential demand;

2.3.3 The locations where it is likely to occur; and

2.3.4 How businesses anticipate that this demand will be met.

2.4 This report does not identify the total amount of workspace or employment land required for the District. The survey and the analysis forms part of a wider evidence base being collated by South Somerset District Council. To this end this report should be read alongside, and in context to, the Regional Spatial Strategy and the Employment Land Review for South Somerset; the latter also taking into account existing land supply, provision of non B class uses on land that otherwise is not allocated or used for employment purposes and the need to compensate for loss of employment land for alternative uses.

2.5 The amount of workspace and land identified within this report as necessary to meet expansion requirements provides a baseline only in respect of existing businesses and specifically, only relates to those businesses that responded to the survey. To this end this report attempts to provide both a qualitative and quantitative assessment of business needs and not an overall assessment of land requirements for the District as a whole.

The 2007 Survey - Methodology

2.6 The 2007 survey focused on a range of property-related issues and was conducted by post and e-mail. Business addresses for the survey were taken from a database supplied by Business Link and South Somerset District Council's Business Rates Department. It is believed that these sources are the most comprehensive and up to date available.

2.7 Excluded from the survey were the following public sector and limited range of other types of private sector businesses:

[1] *Business Perspective on Property : A Survey of Local Businesses in South Somerset : November 2001*

- Local Councils
- Residential accommodation
- Religious buildings
- Other 'Membership organisations'
- Farms

2.8 The survey covered businesses in all locations across South Somerset, including both urban and rural areas.

2.9 Over 4000 questionnaires were dispatched to businesses in the South Somerset District by Royal Mail on 31st July 2007. Respondents were asked to provide their comments within three weeks of receiving the questionnaires (24th August 2007). Responses received after this timeline were still included to ensure the widest possible evidence base for the analysis.

2.10 An electronic questionnaire was also organised with Business Link through their e-mail database. This electronic version of the survey was sent out on 26th September 2007.

2.11 An electronic version of the questionnaire was also placed on the Economic Development page of South Somerset District Council's corporate website.

2.12 The total number of replies, at 817, accounts for just over 20% of businesses registered within South Somerset. This level of response rate for a survey or this nature is considered "reasonable" to "good".

Voids

2.13 A number of responses were "void" and a further number replied that they would require additional workspace without indicating the anticipated amount or location. Some of these voided responses were not included in the analysis where they proved impractical. **These companies will, however, be contacted by South Somerset District Council's Economic Development Unit during 2008, and beyond, as part of the ongoing process of working with businesses in South Somerset.**

Definitions & Conversions

2.14 The "Main Settlements" comprise:

- Yeovil
- Chard
- Wincanton
- Crewkerne
- Ilminster

2.15 The "Smaller Settlements" comprise:

- Bruton
- Castle Cary
- Langport
- Martock
- Milborne Port
- Somerton
- South Petherton
- Templecombe

2.16 All of the other remaining locations within the District of South Somerset are referred to as the "Rural Areas".

2.17 To convert the expressed demand for new floor space to the amount of land necessary to deliver new development, we have applied site coverage ratios of 30% and 40%. This range allows for different types of workspace, the character of individual locations, varying storey heights, infrastructure and other external elements, including servicing, circulation, car parking, etc, and is considered representative of the type and nature of employment development within South Somerset.

2.18 In terms of size of accommodation currently occupied and the size of additional workspace stated as required, in both instances this is broken down into the following three categories:

- Small - less than $93m^2$;
- Medium - between $93m^2$ and $465m^2$; and
- Large - greater than $465m^2$

The 2000/2001 Survey : Outline and Summary of Findings

2.19 The 2000/2001 survey was undertaken during autumn 2000, through to the summer of 2001. It sought to provide a baseline analysis of business trends and property demands across the District.

2.20 The survey covered a total of some 3,376 businesses within the District and received 1,122 responses, equating to an overall return rate of 35%.

2.21 This survey reported the following summary conclusions:

2.21.1 71% of respondents were from small firms employing less than 10 people;

2.21.2 49% of respondents had been located at the same premises for more than 10 years and 63% had always been located within the same geographic location. In both instances, Yeovil was considered significantly different, with larger and more mobile businesses;

2.21.3 79% of respondents were generally satisfied with their existing accommodation at that time, although 12% considered that this position would decline over the following 5 years. Of the remaining 21% who were not satisfied with their accommodation, over 50% were taking steps to rectify their position;

2.21.4 Around 10% of respondents anticipated a probable move within 2 years. This figure increased to 16% when forecasted over a 5 year period. In total, 44% of respondents anticipated a local relocation over the following 5 year timeframe;

2.21.5 Of those respondents that expressed an opinion, 61% stated freehold ownership as the preferred model for occupation;

2.21.6 Of those respondents seeking to relocate;

- 34% required “Small” premises
- 43% required “Medium” premises, and
- 23% required “Large” premises

2.21.7 40% of respondents had no view as to the availability of premises. 41% considered that there was “very little” available and 6% considered the overall stock to be of “poor” quality.

2.21 The 2000/2001 report did not provide a quantitative estimation as to the total amount of additional space likely to be required but did identify demand for all sizes of accommodation. It concluded that future provision of employment land and premises would need to be flexible to cater for a mix of floor space and highlighted the importance of providing a mix of space for different businesses.

3.0 ECONOMIC OVERVIEW

Commentary

3.1 The information presented here is not intended to provide a comprehensive review of the local economy, but rather, to put the 2007 survey into a broader context. Much of the information is taken from Experian (2005) and represents some of the most up-to-date data available. However, attention is also drawn to alternative statistical information and analysis available, including that released by Cambridge Econometrics (November 2005) and as incorporated within the South West Draft Regional Spatial Strategy.

3.2 Experian's Business Strategies Division provides an understanding of consumers, markets and economies in the UK and around the world, past, present and future. Its focus is consumer profiling and market segmentation, retail property analysis, economic forecasting and public policy research, supporting businesses, policy makers and investors in making tactical and strategic decisions. As part of the Experian group, it has access to a wealth of research data and innovative software solutions.

3.3 The division's economic research team is devoted to analysing and forecasting national, regional and local economies for a range of public and private sector clients. Its statisticians, sociologists, geographers, market researchers and economists carry out extensive research into the underlying drivers of social, economic and market change.

Size and Structure of the Economy

3.4 South Somerset has a growing economy with significantly higher levels of “Engineering” and “Other Manufacturing” based businesses, and significantly fewer “Office Based Services”, than the rest of the UK. The “Office Based Service” sector was, however, the fastest-growing sector within the District between 1991 and 2005.

3.5 In 2005, South Somerset had around 62,600 jobs, making up around one third of all jobs in Somerset. This is an overall increase of over 7,000 jobs between 1991 and 2005, from 55,129 to 62,639. (Experian, 2005).

3.6 At 12%, the pace of growth in South Somerset has been 33% greater than that of the wider South West region for this period.

Distribution of Employment by Sector – at 2005

Current Position

3.7 Table 3a shows the current 2005 distribution of employment in the South Somerset District according to key sectors and provides comparison with like for like data for Somerset and the UK. Key analysis of the data reveals:

3.7.1 Whilst South Somerset has a substantially lower proportion of employment in the Service sectors, defined under this analysis as comprising “Office Based Services” and “Other Services (mainly Public)”, than Somerset or the UK, it has become the dominant sector for the South Somerset economy in terms of overall employment numbers. In particular, the Public Sector as a whole has become the major employer for the District, accounting for some 14,383 jobs, equivalent to 23% of total employment.

3.7.2 **Bearing in mind that this survey did not cover the Public Sector (see 2.7), ongoing efficiency drives across the Public Sector as a whole**

and the importance of this sector to the wider local economy, the Council should seek to work with all Public Sector bodies to establish future needs and ensure that these are factored into future policy so as to safeguard and promote this area of business and employment.

3.7.3 The second largest sector in terms of employment numbers, perhaps surprisingly, is the “Retailing, Hotels and Catering” sector, which at 2005 accounted for 12,129 jobs, equivalent to nearly 20% of total employment within the District. This again demonstrates the growing importance of the wider Service sector to the local economy.

3.7.4 “Engineering” remains a hugely important sector to the South Somerset economy, accounting for 13% of all employment. It remains significantly higher than both Somerset and the UK average, at 5.3% and 3.9% respectively.

3.7.5 Employment within the “Other Manufacturing” sector, similarly remains important to the South Somerset Economy, on a par with the Somerset average at 10%, but again, substantially ahead of UK average at 5.9%;

Table 3a : Distribution of Employment by Sector (2005)

Sectors : South Somerset	Totals 2005	Sector Bands	Total 2005	% Share	Compare Somerset	Compare Rest of UK
Agriculture, Forestry & Fishing	2337	Agriculture	2337	4.0	4.2	1.6
Oil & Gas Extraction	0	Mining and Utilities	133	0.2	1.1	0.7
Other Mining	25					
Gas, Electricity & Water	108					
Fuel Refining	0	Metals/minerals and chemicals	2104	3.0	2.8	3.1
Chemicals	14					
Minerals	347					
Metals	1743					
Machinery & Equipment	1741	Engineering	8319	13.0	5.3	3.9
Electrical & Optical Equipment	971					
Transport Equipment	5607					
Food, Drink & Tobacco	2410	Other manufacturing	6365	10.0	10.0	5.9
Textiles & Clothing	1210					
Wood & Wood Products	461					
Paper, Printing & Publishing	1217					
Rubber & Plastics	467					
Other Manufacturing	600					
Construction	4604	Construction	4604	7.4	8.1	8.4
Retailing	6796	Retailing / hotels / catering	12129	19.4	17.0	15.4
Hotels & Catering	5333					
Wholesaling	2066	wholesale	2066	3.3	4.5	5.2
Transport	1305	Transport & Communications	1965	3.1	4.0	6.7
Communications	660					
Banking & Insurance	865	Office based services	8235	13.2	16.0	21.0
Business Services	5926					
Other financial & business services	1444					
Public Administration and Defence	2828	Other services (mainly public)	14383	23.0	27.4	28.0
Education	3695					
Health	5363					
Other Services	2497					
Total	**62639**					

3.7.6 Not unsurprisingly for a largely rural District, “Agriculture” continues to play an important role within South Somerset, albeit slightly behind the average for Somerset as a whole, at 4.0% against 4.2%. The warning for this sector, however, is a fall by some 50% since 1991, a decline that is anticipated to continue through to 2016. Regardless, “Agriculture” remains an important employer within South Somerset in context to the UK average of 1.6%.

Historic Trends

3.8 Table 3b details change over the period 1991 to 2005 in the distribution of employment within South Somerset. Key points to note from this analysis include:

Table 3b - Change in the Distribution of Employment 1991 – 2005

Sectors : South Somerset	Totals 1991	Totals 2005	% Change
Agriculture	4651	2337	-50.0
Mining / Utilities	624	133	-79.0
Metals / Minerals / Chemicals	1585	2104	32.7
Engineering	10708	8319	-22.4
Other Manufacturing	6645	6365	-4.1
Construction	5940	4604	-22.5
Retailing / Hotels / Catering	6629	12129	83.0
Wholesaling	4195	2066	-50.8
Transport & Communications	2036	1965	-3.5
Office Based Services	4003	8235	105.7
Other Services (mainly public)	8567	14383	67.9
Totals	**55583**	**62639**	**+12.7 (7056)**

Source: Experian Business Strategies

3.8.1 Overall there has been an increase of some 12.7% in employment numbers over the period 1991 to 2005, from 55,583 to 62,639.

3.8.2 The areas showing strongest growth in employment over this period fall within the Services sector, as referred to above, and comprising:

- Office Based Services - +105.7%
- Other Services (mainly Public) - +67.9%

3.8.3 Similarly, there has been substantial growth in the “Retailing, Hotels and Catering” sector, with employment having risen by 83%, from 6,629 jobs in 1991 to 12,129 jobs at 2005.

3.8.4 In terms of employment numbers, growth in these three “Service” related areas alone account for an additional estimated 15,548 jobs; representing an increase of c.81% from 1991. More importantly, it highlights a substantial shift in the base of the South Somerset economy, away from Engineering and Manufacturing, towards the wider UK trend of Services. There remains, however, disparity between this balance that is particular to the South Somerset economy, with key Engineering and Manufacturing employers such as Augusta Westland, Honeywell, Aerosystems, Numatic and Parker Hannisin alone accounting for just under 10% of total employment within the District[2].

[2] *Job numbers for key employers taken from SSDC Website : Economic Development portal*

3.8.5 This noted, those areas demonstrating significant contraction of employment numbers include:

- Agriculture - -50%
- Engineering - -22.4%
- Construction - -22.5%
- Wholesaling - -50.8%

3.8.6 Mining and Utilities also saw a substantial contraction of some 79% over this period, from a baseline of 624 jobs in 1991 to 133 at 2005.

3.9 In summary the period 1991 to 2005 saw a major diversification and shift in the economic and employment base of the District, with the "Engineering" sector falling from being the highest employer within South Somerset to third place, behind "Other Services (mainly Public)" and the "Retailing, Hotels and Catering" sectors.

Future Projections & Trends – Shift / Share

3.10 Table 3c details an economic forecast of employment change in the South Somerset District between 2005 and 2016 (Experian Business Strategies Ltd). The forecasts are a product of Business Strategies' Integrated Regional Sectoral Model (IRSM) of the UK. It should be noted that the figures, projections and overall estimates within this table vary from other projections, such as the Cambridge Econometrics models (November 2005 – for the period 1981 to 2026), which as used within the Draft Regional Spatial Strategy, projects moderately higher levels of growth, at 2.8% and 3.2% p/a.

Table 3c - Projected Change in the Distribution of Employment 2005 – 2016

Sectors : South Somerset	**Totals 2005**	**Estimated Totals 2016**	**Estimated % Change**
Agriculture	2337	2165	-7.8
Mining / Utilities	133	102	-23
Metals / Minerals / Chemicals	2104	2042	-3
Engineering	8319	7301	-12
Other Manufacturing	6365	4999	-21
Construction	4604	4376	-5
Retailing / Hotels / Catering	12129	9253	-24
Wholesaling	2066	5181	251
Transport & Communications	1965	2068	0.5
Office Based Services	8235	9087	10.3
Other Services (mainly public)	14383	16136	12.2
Totals	**62639**	**62710**	**0.1**

3.11 Underlying the South Somerset forecasts, and indeed all the outputs of the IRSM, is a long-term view of the national economy. The main points of this wider view are as follows:

3.11.1 UK economic growth is expected to be slower from 2000-2016 than in the period 1993-2000, though the average annual increase in Gross Value

Added (GVA)[3] is forecast to be above the estimated long term trend of the UK economy and better than most previous reference periods. *This forecast, bearing in mind turbulence within the credit markets and problems being suffered in foreign economies, appears to be a fair and reasonable conclusion, although may not fully factor continued inflationary pressures on raw materials experienced through 2007*;

3.11.2 As a consequence of this projected slow down in growth, it is anticipated that there will also be substantially slower overall employment growth whilst at the same time, further diversion of jobs away from the traditional South Somerset businesses, to the emerging Service sectors;

3.11.3 By contrast, productivity growth is projected to rise over the coming years, supported by a number of positive factors, including macroeconomic stability, technological change, capital and skills investment and government policy;

3.11.4 Within the UK's industrial sectors, the trend of strong Service performance and a lagging Manufacturing sector is expected to continue. However, there is a prospect of some relative improvement in the fortunes of manufacturers, aided by more favourable currency movements;

3.11.5 Relative industrial structure and qualifications are the key determinants of regional employment and GVA growth differentials.

Source: Experian Business Strategies.

3.12 As with any economic forecast, a major shift in any key assumption could radically alter the predicted outcome. Additionally, the forecasts assume there are no supply-side constraints relating to the availability of the component factors necessary to encourage investment; premises and land for development being one of these key factors. To this end, if there is inadequate supply, then the final outcomes may prove substantially lower than those projected.

3.13 In terms of this forecast, the key projections to 2016 within the Experian analysis include:

3.13.1 Employment within the "Office Based Services" and "Other Services (mainly Public)" will continue to grow by some 11.5%. This is lower than the previous period, which saw a major rebalancing in favour of these sectors, but continues this trend and demonstrates the continuing importance of these sectors to the economic base of South Somerset;

3.13.2 Conversely, employment in the "Retailing, Hotels and Catering" sector, which had previously seen huge growth, is expected to see a significant reversal in terms of employment numbers, by some 24%. Tightening of credit and pressures on disposable income may prove this projection as prudent, despite actual proposals for new development currently in the pipeline, i.e. the extension to the Quedam Centre. Regardless, it is anticipated that this sector will remain to be the second largest employer, just slightly ahead of "Office Based Services". Consequently, it will remain hugely important to the economic base of the District.

3.13.3 A key surprise in the projections is an anticipated substantial growth in the "Wholesaling" sector of some 250%, with the creation of 3,100 new jobs.

[3] Gross value added (GVA) is the difference between output and intermediate consumption for any given sector/industry. That is the difference between the value of goods and services produced and the cost of raw materials and other inputs which are used up in production. (ONS)

This will reverse the previous decline experienced between 1991 and 2005 and which, perhaps, is a projection of some rebalancing;

3.13.4 On the negative side, the “Engineering” sector share is expected to continue to fall by around 12%, accounting for a further loss of some 1,000 jobs. Likewise, employment in “Other Manufacturing” will experience a marked decline of some 21%, accounting for additional losses of some 1,366 jobs;

3.13.5 Employment in the “Agricultural” sector is expected to continue to fall by just under 8%, equivalent to around 170 jobs;

3.13.6 It is estimated that there will be a continued significant fall in mining albeit that the numbers are unlikely to impact District-wide.

Summary

3.14 South Somerset has seen a substantial shift in emphasis within the economic base of the District, from one which in 1991 was heavily based on “Manufacturing” and “Engineering”, to one that is geared today towards the “Service” sectors. This is a trend that is very much in line with the UK economy as a whole and is reflected across various economic forecasts.

3.15 This trend is expected to continue through to 2016 and beyond, albeit overall, it is anticipated that total employment is unlikely to grow significantly within the District. This projection may well prove a reasonable and prudent one, especially bearing in mind turmoil within the credit markets and the potential impact on businesses to invest, combined with inflationary pressures on raw materials and reduced disposable incomes impacting on certain elements of the Service sector.

3.16 Ultimately, in respect of impact on property and land, the predicted change in employment sectors and the shift of patterns is likely to result in a change in the type and location of property and land required to meet new demands.

Consequences and Impact for Planning Policy

3.17 The change across individual business sectors within South Somerset is likely to have an impact on property demands across the District. The caveat emphasised in this regard, vis a vis “no supply-side constraints” relating to the availability of premises or land for development, is a fundamental point of principle in terms of basic land economics and key to the long term dynamics and vitality and viability of the South Somerset economy.

3.18 To this end, and especially bearing in mind the dynamics of the economy and the markets, Planning Policy can have limited impact on increasing the demand for land and premises. It can, however, play a fundamental role in the supply side, ensuring sufficient availability, both quantitatively and qualitatively, of land and premises to cater for the dynamics of business.

3.19 The Council, therefore, will need to plan not only for growth in businesses across the District, but also prepare for changes in the pattern of business and across the various sectors. It needs to accommodate a market that is anticipated to be challenging and dynamic over the next few years and will continue to change, whilst at the same time competing with surrounding locations outside of the District, both regionally and nationally.

3.20 **Consequently, in the Policy and Land Use context, the Council should continue to plan for future employment growth and in particular, monitor trends at both the micro and macro level to establish where future trends and opportunities are likely to emerge**. With a continued change in the distribution of employment from some of the historic sectors, such as Manufacturing and Engineering, to the emerging sectors covering Services and Wholesaling, this will have an impact on the type and location of property requirements.

3.21 Recent allocations of large scale employment land, in particular at Bunford Lane, Yeovil and Station Road, Ilminster, should prove valuable to underpinning the supply necessary for specific future business needs. Similar, more general allocations at Chard and Crewkerne will also help to maximise choice and availability for business, particularly within the local context where accessibility to key regional infrastructure is not, perhaps, so key to investment (i.e. access to the M5 corridor).

3.22 The Council should continue to deliver additional land for employment development, whilst at the same time maintain a degree of flexibility in terms of Development Control, to ensure emerging needs are met and that the supply is not constrained. Onerous or restrictive limitations on new employment land use may prove a hindrance to investment and ultimately, the long term economic development of the District.

3.23 At the same time, the Council will also need to recognise that a proportion of the existing employment space will become surplus to immediate needs and in some instances, will become economically obsolete.

3.24 However, in this regard the Council should not accept that all vacated or dated property is surplus to need. A proportion of this stock will serve both existing and new entrants and investors that otherwise could not afford to enter the market. Whilst “Service” related businesses may demand modern, up-to-date specification and premium locations, other sectors are less concerned with such issues and consider price as the determining factor.

3.25 Consequently **the Council will need to continue to ensure both a quantitative and qualitative supply of land and property to meet all sectors of business and across all areas of the lifecycle**. New development will be required to meet mature businesses and emerging sectors, whilst much of the existing stock may continue to provide value for money for other parties.

Consequences and Impact for Economic Development

3.26 Aside to Planning Policy and Control, the Council should continue to plan and encourage the future transition and growth through its Economic Development functions. To this end, a key requirement for investment and development will remain to be “accessibility”, in terms of:

- Transport
- Communications
- People
- Skills & Training
- Housing
- Healthcare
- Education
- Leisure and Recreation

3.27 Linkage, therefore, to clear and sustained policies, and delivery, in respect of housing (including provision of all tenures of affordable housing), town centre development, transport, car parking, etc, are all as vital to a comprehensive approach to Economic Development as much as land and property and overall Planning Policy. Whilst development of Land Use Policy remains the remit of the Local Planning Authority, **monitoring and informing are key areas where Economic Development can assist and influence the process and ultimate outcomes**.

3.28 In addition to the role of monitoring and informing, the Council, through its Economic Development function, may require to take a direct role in terms of intervention, stepping in where the market has failed to identify opportunities or providing initial investment to lay the foundations for future growth and private sector investment.

3.29 With this in mind, the investment made by the Council into various Economic and Area Development projects, including amongst others, the Yeovil Vision, Yeovil Innovation Centre, Chard UDF and Lufton 2000, should greatly assist the long term wider economic development of the District by stimulating and encouraging the market. Such initiatives, however, require long term commitment and inherent to the initial "need", involve a high degree of risk in respect of capital and outcomes.

3.30 Regardless, with proper project planning (including risk management), the Council, with or without strategic partners, should continue to take the lead role in identifying areas of need and addressing it directly if it wishes to overcome obstacles to the long term economic growth and prosperity of the District.

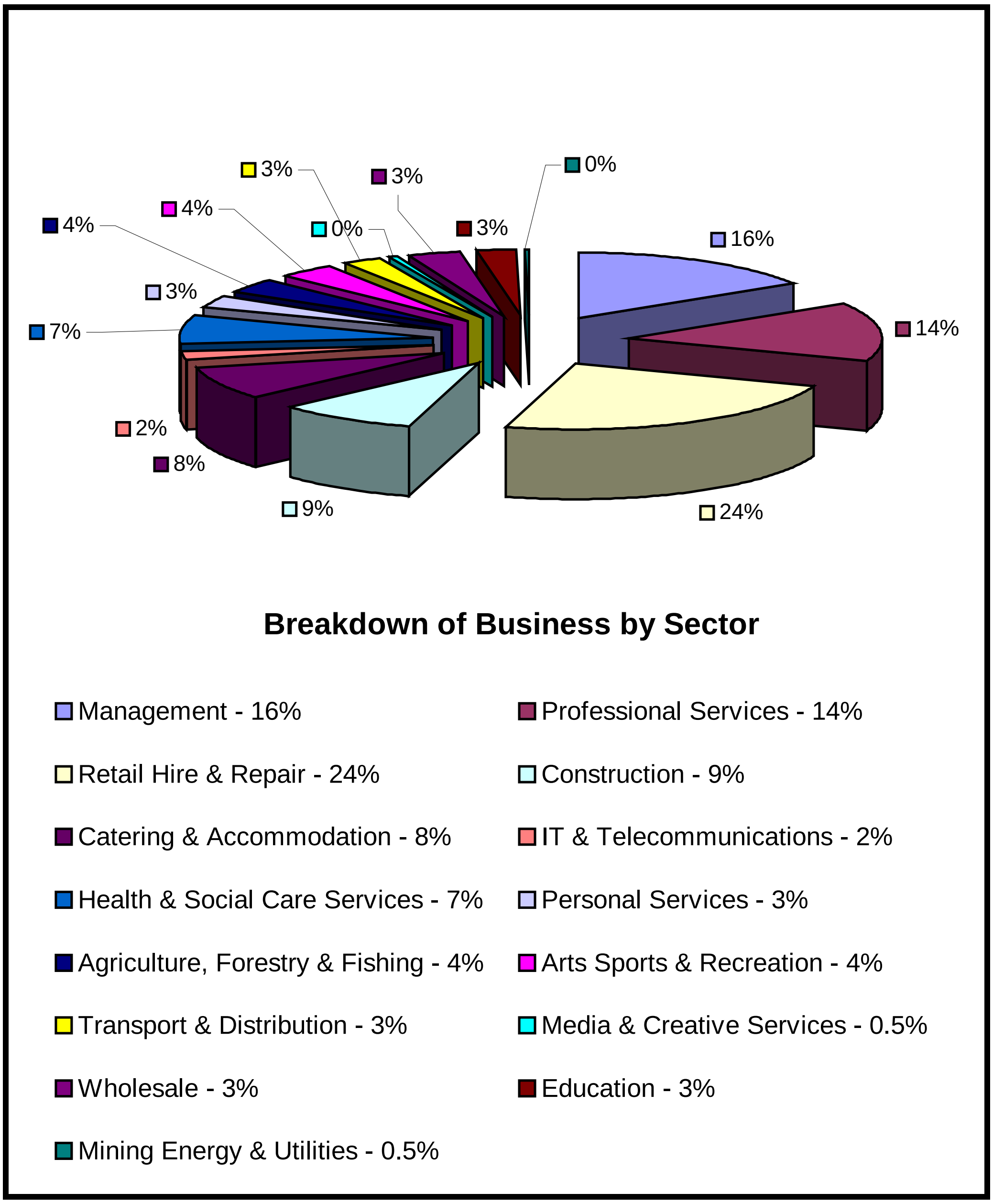
4.0 THE 2007 BUSINESS SURVEY : A DISTRICT-WIDE ANALYSIS

4.01 In order to provide a logical and clear outline of the responses and the information gathered accordingly, the results of the survey are set out as follows:

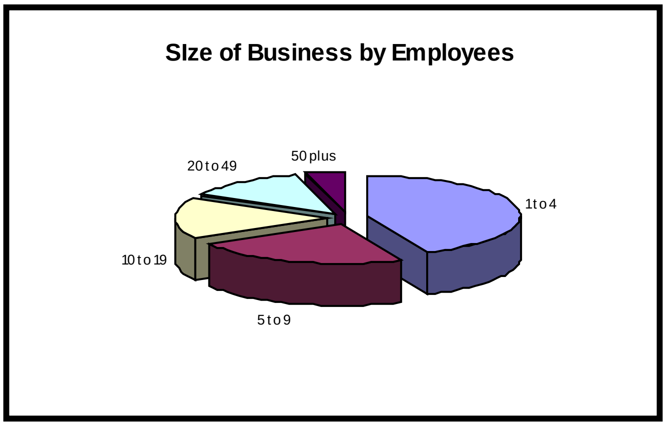
- Nature and Size of Business
- Suitability of Existing Premises
- Future Direction of Business
- Reported Demand for Land and Property

Nature and Size of Business

4.02 The largest response rate across the business sectors came from the "Retail, Hire and Repair" sector, accounting for 24% of all returns (demonstrating the growing importance of this sector to the District). "Manufacturing" and "Professional and Business Services" accounted for 16% and 14% respectively.



4.03 Responses from the "Media and Creative Services" sector accounted for less than 1%; likewise in respect of "Mining, Energy and Utilities" – see Annex 2 : Figure 1.



4.04 Around 67% of responses were from small businesses employing less than 10 employees. Only 4% of respondents employed more than 50 employees, with the remaining 29% employing between 10 to 49 employees – see Annex 2 : Figure 2. It is difficult to draw any particular conclusion from this outcome, other than perhaps a postal survey may not be the most effective method to reach some of the larger businesses, where their systems may have fettered the process. **To this end, a key action for the Council may be to target the larger businesses on a one to one basis to establish the most appropriate lines of communication and secure relevant views.**

4.05 In terms of numbers of employees, respondents from across the District as a whole employed a total of 10,841 people, comprising 8,227 full time and 2,614 part time positions. Taking this proportion as a gearing, the ratio of full to part time jobs across the District comprises around 76:24. This compares well in comparison to the UK national average, at 64:36[4].

4.06 A breakdown by number of employees and business sectors reveals that the "Manufacturing" sector was the largest employer, accounting for c.38% of the respondent workforce. This is despite the wider economic analysis at Section 3 and coming second in terms of total returns to the "Retail, Hire and Repair" sector, which itself accounts for c.13% of the respondent workforce, the second largest proportion by this measure.

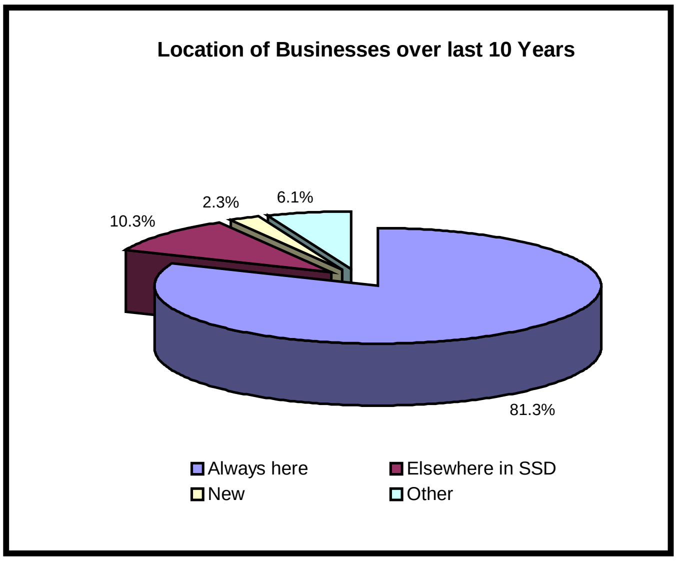
4.07 Equally of note, at 92:08 the gearing of full to part time employment within the respondent "Manufacturing" sector is substantially higher than the average gearing reported by all respondents, at 76:24. Compared to the "Retail, Hire and Repair" sector, at 58:42, and "Professional & Business Services" sector, at 73:27, the "Manufacturing" sector continues to be a dominant employer, providing a high proportion of full time jobs within the South Somerset economy.

Table 4a : Breakdown of Employment by Sector

	Total	%	Full Time	Part Time	Gearing
Agriculture, forestry & fishing	153	1.4%	116	37	76 : 24
Arts, sports & recreation	71	0.7%	40	31	56 : 44
Catering & accommodation	549	5.1%	161	388	29 : 71
Construction	913	8.4%	854	59	94 : 6
Education	403	3.7%	223	180	55 : 45

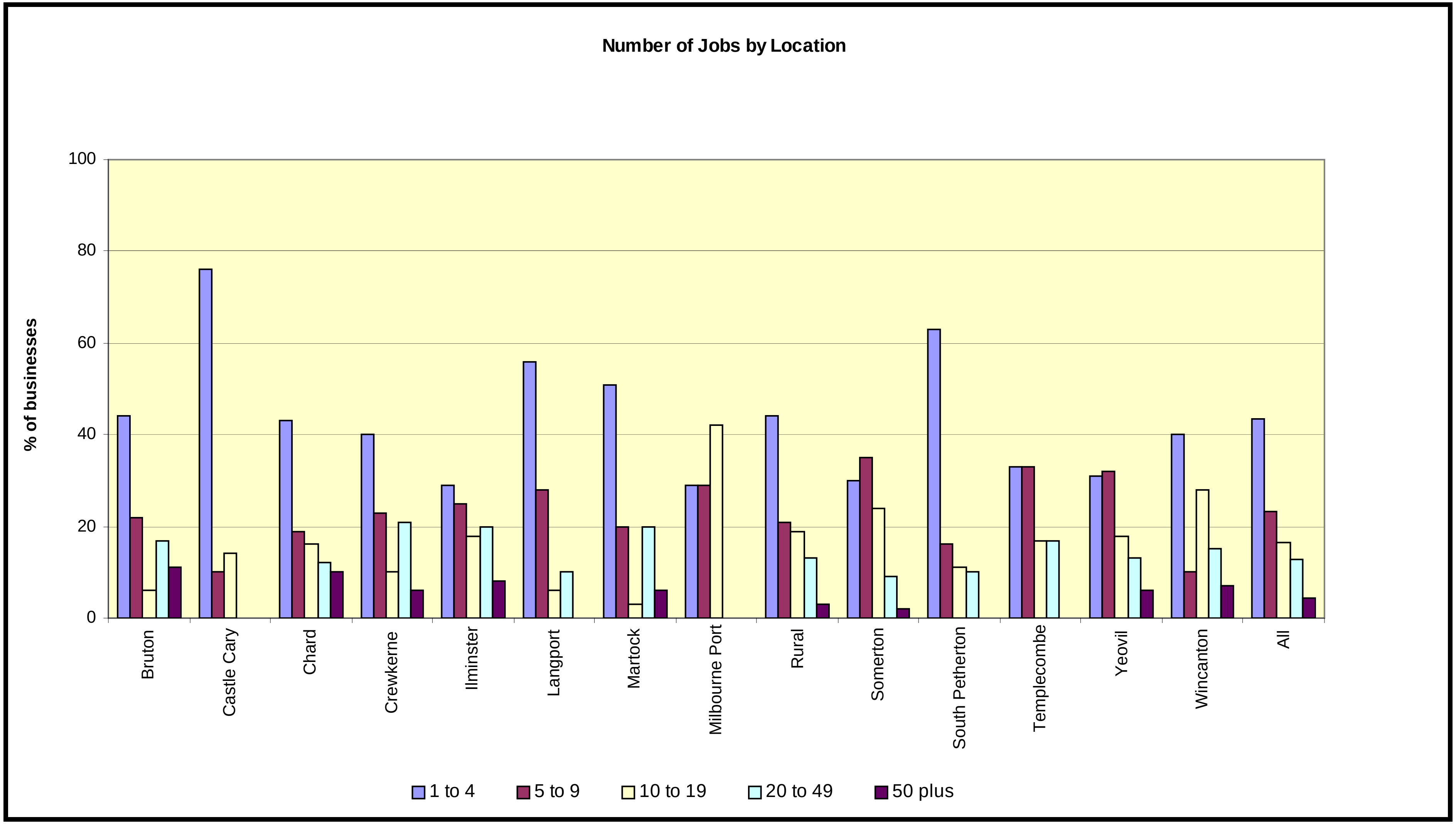
[4] National Statistics : First Release : Labour Market Statistics : February 2008

	Total	%	Full Time	Part Time	Gearing
Health & social care services	618	5.7%	241	377	39 : 61
IT & telecoms	258	2.4%	227	31	88 : 12
Manufacturing	4,139	38.2%	3,792	347	92 : 8
Media & creative services	152	1.4%	119	33	78 : 22
Mining, energy and utilities	16	0.1%	13	3	81 : 19
Personal services	152	1.4%	65	87	43 : 57
Professional & business services	1,108	10.2%	814	294	73 : 27
Retail, hire and repair	1,426	13.2%	830	596	58 : 42
Transport & distribution	377	3.5%	308	69	82 : 18
Wholesale	500	4.6%	421	79	84 : 16
Voids	6	0.1%	3	3	
Totals	**10,841**	**1**	**8,224**	2,617	**76 : 24**

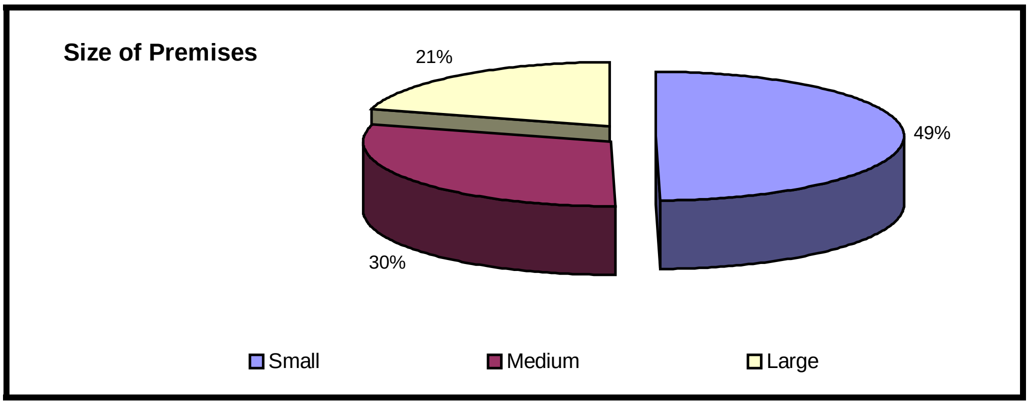


4.08 At 81%, the majority of respondents have always been located in the same premises within South Somerset. A further 10% had relocated within the last 10 years from within the District, with the remainder either having moved into South Somerset from outside or being newly established businesses. In terms of established businesses having relocated from outside of South Somerset, Bruton, Castle Cary and Wincanton all stand out as major winners, with 10% or more of respondents having moved into these locations from outside of the District – see Annex 2 : Figure 3.

4.09 Not unsurprisingly, responses from the "Main Settlements" showed a gearing towards larger businesses although overall, bearing in mind that Yeovil is the principal business centre for the District, the overall return rate from larger businesses employing 20 or more employees, at 19%, was disappointingly poor when compared to Ilminster (28%), Crewkerne (27%), Chard and Wincanton (each at 22%). **Again, this may be a factor that could be addressed through more direct one to one targeting of larger businesses**.


Number of Jobs by Location
% of businesses
100
80
60
40
20
0
Bruton
Castle Cary
Chard
Crewkerne
Ilminster
Langport
Martock
Milbourne Port
Rural
Somerton
South Petherton
Templecombe
Yeovil
Wincanton
All
1 to 4
5 to 9
10 to 19
20 to 49
50 plus

4.10 Typically, at nearly 50%, respondents occupy “Small” business premises, indicative of the smaller nature of businesses that replied to the survey. Equally indicative, those businesses occupying “Large” premises accounted for only 21% - see Annex 2 : Figure 4.



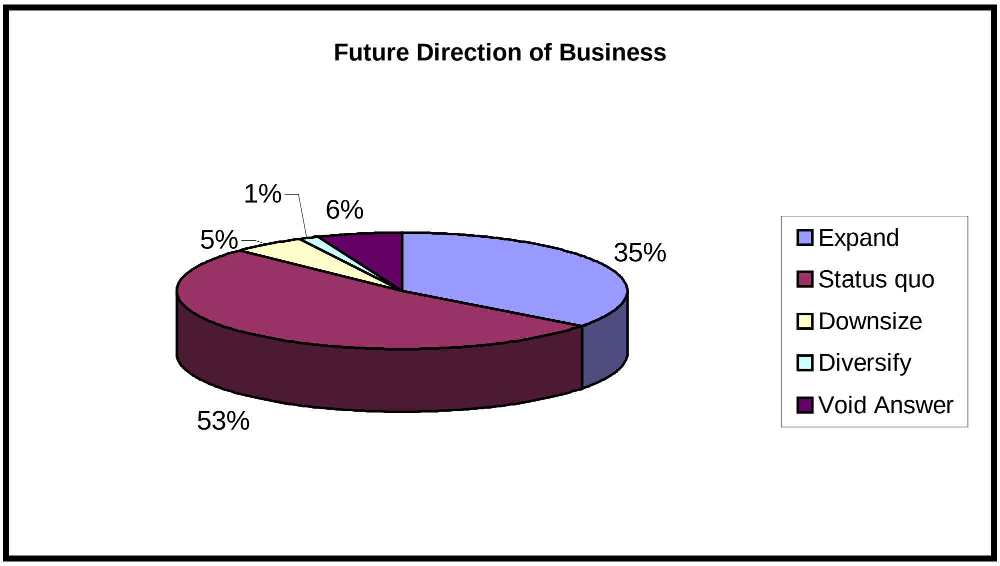
Suitability of Existing Premises

4.11 From a general perspective, 78% of respondents consider that their existing premises are currently suitable for their existing needs, although 17% consider that this position will change over the next two years. Conversely, 22% of respondents consider that their existing premises are currently unsuitable for the existing needs, with only 12% taking any steps to rectify this position – see Annex 2 : Figure 5.

4.12 Over the longer 2 to 5 year term, the overall satisfaction rate rises slightly to c.80%, with a similar number of businesses proposing to undertake steps to rectify anticipate shortfalls - see Annex 2 : Figure 6.

Future Direction of Business

4.13 Around 35% of respondents across the District as a whole are seeking to expand, although the majority did not express how this expansion would take place. Around 5% of companies are seeking to downsize. Generally, over 50% of companies who responded are seeking to maintain the status quo and just over 1% to diversify – see Annex 2 : Figure 7.



4.14 In terms of employment growth, respondents across the District anticipate that their workforce will grow by c.9% over the next two years, with total growth of c.18% by the end of 5 years. The overall gearing of the workforce in respect of full time to part time is projected to remain at 76:24.

4.15 Breaking this down across the sectors, the area anticipating largest overall growth as a percentage is the "IT & Telecoms" sector, with an overall projected growth of 95%. In terms of numbers, however, this would provide an overall increase from 258 to 505 jobs and potentially, this apparent large growth rate may be a result of a low base line. **Regardless, it is clearly considered a major growth area by respondents and one which the Council may wish to investigate further.**

Table 4b : Anticipated Employment Growth by Sector

Sector	2 Years	5 Years
Agriculture, forestry & fishing	13%	19%
Arts, sports & recreation	3%	10%
Catering & accommodation	10%	18%
Construction	7%	18%
Education	5%	13%
Health & social care services	3%	18%
IT & telecoms	45%	95%
Manufacturing	7%	14%
Media & creative services	5%	13%
Mining, energy and utilities	11%	25%
Personal services	-3%	1%
Professional & business services	10%	20%
Retail, hire and repair	12%	22%
Transport & distribution	14%	31%
Wholesale	7%	12%
Totals	**9%**	**18%**

4.16 The core sectors covering "Manufacturing", "Professional & Business Services" and "Retail, Hire & Repair" all anticipated continued growth over the next 5 years, with the Service sector leading the "Manufacturing" sector by a strong margin.

4.17 The dynamics of the estimations across the various sectors appear to be supported by historic trends and in some respects, the Experian projection relating to continued shift/share, as outlined at Section 3 (for which a similar pattern is also projected within the Regional Spatial Strategy and the Cambridge Econometrics Projections). However, the overall level of anticipated employment growth by respondents is substantially ahead of the Experian employment projection and more in line with other, more optimistic projections. To this end, recent turmoil in the credit markets and inflationary pressures on raw materials and base costs may yet to have filtered through to local businesses. Overall, these variances highlight the limitation of any economic, market or other long term forecast. They do, however, provide a combined picture as to likely trends and patterns, particularly in respect of the shift/share of employment and industry, and provide a basis upon which the Council can plan for future need. **To this end the Council may wish to adopt a more regular interim process of surveying key indicators across local business to monitor attitudes over what many consider to be, a challenging period ahead and better understand changing trends and patterns**.

Identified Demand for Land & Property

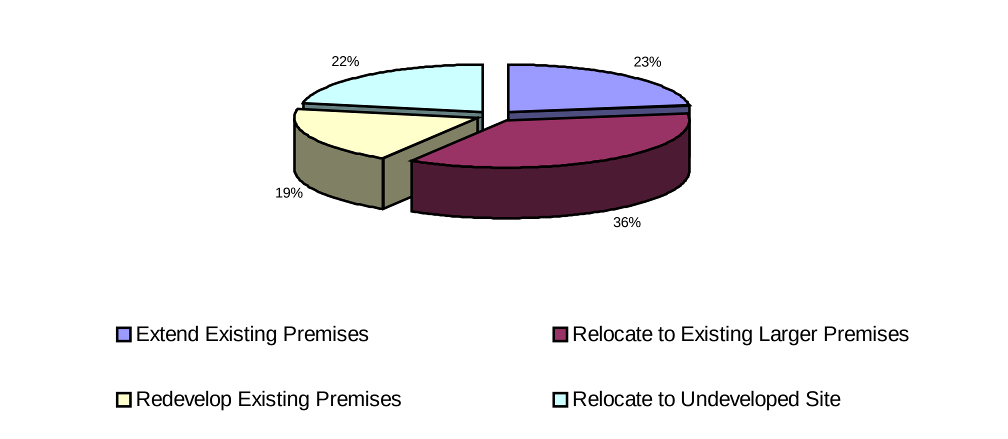
4.18 Turning to property requirements, the total demand expressed for additional workspace by respondents extended to 46,229m² - see Annex 2 : Figures 8 and 9. In terms of breakdown by size of additional space, this comprised:

- "Small" - 967m²
- "Medium" - 15,394m²
- "Large" - 29,868m²

4.19 In terms of delivering this additional workspace, table 4c sets out the basis that individual businesses expect to accommodate this additional demand:

Table 4c : Anticipated Delivery for Additional Workspace – District

Delivery	Total Additional Workspace	Extend Existing M²	Redevelop Existing M²	Relocate to Existing M²	Relocate to New Site M²
Totals	46,229	9,946	8,436	15,988	11,859



4.20 In terms of numbers, a total of 110 respondents qualified a demand for increased accommodation in terms of space and delivery, equating to around 13.5% of the entire survey base. 23 respondents intend to extend their existing premises, 16 intend to redevelop on site and 48 intend to relocate to a larger existing premises – see Annex 2 : Figures 10 to 12.

4.21 The remaining 23 respondents, with a stated requirement for some 11,859m² of additional workspace, anticipate meeting this requirement through development of new sites. In isolation, and taking typical site coverage ratios of 30% to 40%, this translates into a need for some 2.96ha to 3.95ha simply to meet this additional space – see Annex 2 : Figure 13. **Bearing in mind the various issues involved in securing potential demand through these options, including market, spatial, planning, etc, the Council should work with these parties to assess whether the need can be accommodated as anticipated, help identify any potential obstacles and assist individual businesses in the process of delivery**.

4.22 However, combined with the 18,269m² of existing workspace occupied by these respondents anticipating a relocation to new development, this creates a total potential demand for some 30,128m² of new development. Again, applying the typical site coverage ratios, this translates into a minimum need for some 7.5ha to 10ha of employment land across the District to meet identified latent demand from local businesses – see Annex 2 : Figure 14. Taking this base analysis, this suggests that potentially there will be around 18,269m² of workspace becoming available if and when these parties relocate. **The Council should, therefore, work closely with**

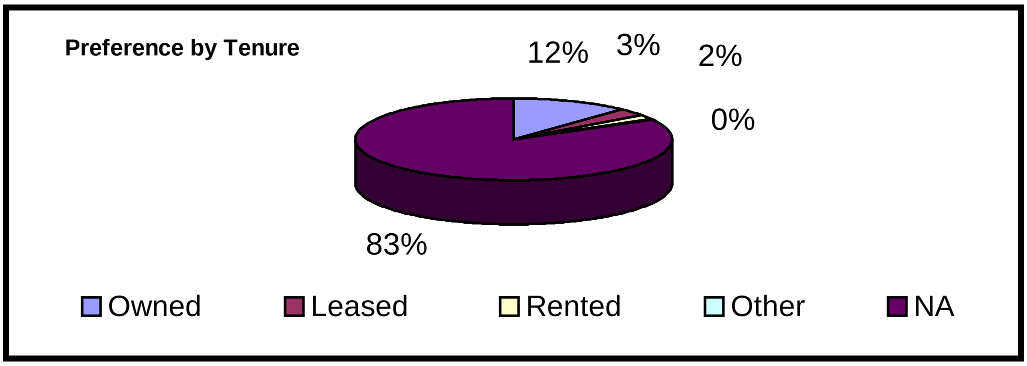
these parties to see how this space can be best utilised within the market to meet the needs of existing and new businesses or in some instances, redeveloped to meet alternative needs, i.e. housing, healthcare, education, retail, etc.

4.23 Breaking this potential demand down by individual Sector, the land requirements comprise:

Table 4d : Sector Analysis of Land Required for New Development - District

Sector	Existing Workspace	Stated Demand	Combined	Land Required to Deliver
Agriculture	254	93	347	0.09ha to 0.12ha
Catering & Accommodation	300	232	532	0.13ha to 0.18ha
Construction	2,214	2,787	5,001	1.25ha to 1.67ha
IT & Telecoms	76	139	215	0.05ha to 0.07ha
Manufacturing	2,021	1,394	3,415	0.85ha to 1.14ha
Professional Services	750	200	950	0.24ha to 0.32ha
Retail, Hire & Repair	4,245	2,926	7,171	1.79ha to 2.39ha
Transport & Distribution	7,573	3,809	11,382	2.85ha to 3.79ha
Wholesale	836	279	1,115	0.28ha to 0.37ha

4.24 In respect of tenure, there was no overall preference expressed in respect of new accommodation, suggesting that operational efficiency is perhaps more important than the basis of occupation - see Annex 2 : Figure 16.



4.25 Turning to timescales, the intention amongst respondents to address property requirements is evenly split, with 50% seeking to achieve their objectives in the next 2 years and the remaining 50% seeking to achieve it between years 3 to 5 – see Annex 2 : Figure 17. Taking into account timeframes for acquisition, design, planning and construction, this translates into an immediate demand for available land for those seeking to relocate to new development.

4.26 In terms of recent plans, 15% of businesses advised that they had sought to expand or relocate within the District over the previous 3 years but had been unable to achieve this – see Annex 2 – Figure 18. The majority of respondents did not state specific reasons for this lack of delivery and of those that did, the majority cited the lack of suitable premises. Other reasons cited included problems in respect of Planning and general affordability. **A key action point for the Council, therefore, is to contact these parties to establish specific obstacles preventing existing businesses from relocating and where possible, assist in overcoming these**.

4.27 Overall, around 3.5% of respondents anticipate downsizing their property requirements over the next 5 years – see Annex 2 : Figure 19. **To this end the Council should consider contacting those businesses seeking to reduce their requirements and explore how any surplus space could be utilized both to commercial and economic advantage**.

5.0 CHARD

Nature and Size of Business

5.01 A total of 75 responses were received from Chard businesses. The largest response rate across the various business sectors came from the “Retail, Hire & Repair” sector, at c.28%, followed by the “Manufacturing” sector at c.24%. There were no responses received from the “IT & Telecoms” sector or the “Media and Creative Services” sector – see Annex 2 : Figure 1.

5.02 Around 62% of responses were from small businesses employing less than 10 employees. 10% of respondents employed more than 50 employees, with the remaining 28% employing between 10 to 49 employees – see Annex 2 : Figure 2.

5.03 In total, respondents from Chard accounted for 1,266 jobs; 994 full time and 272 part time, reflecting a gearing of full to part time jobs of 77:23.

5.04 At 83%, the majority of respondents have been located within the same premises within Chard for the last 10 years. 7% had relocated within the last 10 years from within the District, a further 7% were new businesses and the remainder, at 4%, had relocated from outside of the District – see Annex 2 : Figure 3.

5.05 51% of respondents from Chard occupy “Small” business premises, indicative of the smaller nature of businesses that replied to the survey and in line with the average for the District as a whole. Equally indicative, those businesses occupying “Large” premises accounted for only 21% - see Annex 2 : Figure 4.

Suitability of Existing Premises

5.06 Around 81% of Chard respondents consider that their existing premises are currently suitable for their existing needs, although 19% consider that this position will change over the next two years. Conversely, 19% of respondents consider that their existing premises are currently unsuitable for the existing needs, with only 8% taking any steps to rectify this position – see Annex 2 : Figure 5.

5.07 Over the longer 2 to 5 year term, the overall level of satisfaction declines to 77% - see Annex 2 : Figure 6.

Future Direction of Business

5.08 Around 40% of respondents within Chard are seeking to expand, whilst around 4% are seeking to downsize and some 55% intending to maintain the status quo – see Annex 2 : Figure 7. There were no responses from Chard businesses in respect of diversification.

5.09 In terms of employment growth, respondents anticipated job numbers increasing over the next 2 years by nearly 4.5%, with an overall anticipated increase of c.8% at the end of 5 years.

Identified Demand for Land & Property

5.10 The total demand expressed for additional workspace within Chard extended to 2,305m². In terms of breakdown by size of additional space, this comprised (see Annex 2 : Figures 8 & 9):

- “Small” - 75m²
- “Medium” - 1,300m²
- “Large” - 930m²

5.11 In terms of delivering this additional workspace, table 5a sets out the basis that individual businesses within Chard expect to accommodate this additional demand:

Table 5a : Anticipated Delivery for Additional Workspace – Chard

Delivery	Total Additional Workspace	Extend Existing M²	Redevelop Existing M²	Relocate to Existing M²	Relocate to New Site M²
Totals	2,305	279	28	1,208	790

5.12 In terms of numbers, 1 respondent intends to extend their existing premises, 1 to redevelop on site and 4 respondents hope to relocate to larger existing premises within Chard - see Annex 2 : Figures 10 to 12.

5.13 The remaining 3 respondents, with a stated requirement for some 790m² of additional workspace within Chard, anticipate meeting this requirement through development of new sites. In isolation, and taking typical site coverage ratios of 30% to 40%, this translates into a need for some 0.20ha to 0.26ha simply to meet this additional space - see Annex 2 : Figure 13.

5.14 However, combined with the 827m² of existing workspace occupied by those respondents anticipating relocation to new development, this creates a total potential demand for some 1,617m² of new development.

5.15 Again, applying the typical site coverage ratios, this translates into a minimum need for some 0.4ha to 0.49ha of employment land within Chard to meet identified latent demand from local businesses – see Annex 2 : Figure 14.

5.16 Breaking this potential demand down by individual Sector, the land requirements for Chard comprise:

Table 5b : Sector Analysis of Land Required for New Development in Chard

Sector	Existing Workspace	Stated Demand	Combined	Land Required to Deliver
Catering & Accommodation	300	232	532	0.13ha to 0.18ha
Retail, Hire & Repair	62	93	155	0.03ha to 0.05ha
Transport & Distribution	465	465	930	0.23ha to 0.31ha

5.17 In respect of tenure, there was no overall preference expressed in respect of new accommodation, although a higher than average proportion stated freehold ownership as the preferred model – see Annex 2 : Figure 16.

5.18 Turning to timescales, the intention amongst Chard respondents to address property requirements is geared towards more urgent requirements, with 64% seeking to achieve their objectives in the next 2 years. The remaining 36% are seeking to achieve their property requirements between years 3 to 5 – see Annex 2 : Figure 17.

5.19 In terms of recent plans, 13% of businesses advised that they had sought to expand or relocate but had been unable to achieve this – see Annex 2 : Figure 18.

5.20 Overall, there were no respondents within Chard anticipating downsizing over the next 5 years – see Annex 2 : Figure 19.

6.0 CREWKERNE

Nature and Size of Business

6.01 A total of 53 responses were received from Crewkerne businesses. The largest response rate across the various business sectors came from the "Professional & Business Services" sector, at c.23%, followed by the "Retail , Hire & Repair" sector at c.19% - see Annex 2 : Figure 1.

6.02 Around 63% of responses were from small businesses employing less than 10 employees. 6% of respondents employed more than 50 employees, with the remaining 31% employing between 10 to 49 employees – see Annex 2 : Figure 2.

6.03 In total, respondents from Crewkerne accounted for 1,234 jobs; 1,027 full time and 207 part time, reflecting a gearing of full to part time jobs of 83:17, substantially higher the District average.

6.04 At 82%, the majority of respondents have been located within the same premises within Crewkerne for the last 10 years. 7% had relocated within the last 10 years from within the District, a further 7% were new businesses and the remainder, at 4%, had relocated from outside of the District – see Annex 2 : Figure 3.

6.05 49% of respondents from Crewkerne occupy "Small" business premises, again indicative of the smaller nature of businesses that replied to the survey albeit slight below the average for the District as a whole. Similarly indicative and typical of the District wide average, those businesses occupying "Large" premises accounted for only 22% - see Annex 2 : Figure 4.

Suitability of Existing Premises

6.06 Around 76% of Crewkerne respondents consider that their existing premises are currently suitable for their existing needs, with a lower than average of 12% expecting this position to change over the next two years. Conversely, 24% of respondents consider that their existing premises are currently unsuitable for the existing needs and 50% of these are taking steps to rectify this position – see Annex 2 : Figure 5.

6.07 Over the longer 2 to 5 year term, the overall level of satisfaction remains broadly the same, albeit with a slight decline to 76% - see Annex 2 : Figure 6.

Future Direction of Business

6.08 Around 45% of respondents within Crewkerne are seeking to expand, whilst around 4% are seeking to downsize, 47% to maintain the status quo and just under 2% to diversify – See Annex 2 : Figure 7.

6.09 In terms of employment growth, respondents anticipated job numbers increasing over the next 2 years by nearly 2.5%, with an overall anticipated increase of some 3% at the end of 5 years.

Identified Demand for Land & Property

6.10 The total demand expressed for additional workspace within Crewkerne extended to 3,066m². In terms of breakdown by size of additional space, this comprised (see Annex 2 : Figures 8 & 9):

- "Small" - 167m²
- "Medium" - 1,969m²
- "Large" - 930m²

6.11 In terms of delivering this additional workspace, table 6a sets out the basis that individual businesses within Crewkerne expect to accommodate this additional demand:

Table 6a : Anticipated Delivery for Additional Workspace – Crewkerne

Delivery	Total Additional Workspace	Extend Existing M²	Redevelop Existing M²	Relocate to Existing M²	Relocate to New Site M²
Totals	3,066	539	1,115	1,113	279

6.12 In terms of numbers, 1 respondent intends to extend their existing premises, 2 to redevelop on site and 7 intend to relocate to larger existing premises within Crewkerne, notably including 3 from the "IT & Telecoms" sector. - see Annex 2 : Figures 10 to 12.

6.13 The remaining 1 respondent, with a stated requirement for some 279m² of additional workspace within Crewkerne, anticipates potentially meeting this requirement through development of a new site. In isolation, and taking typical site coverage ratios of 30% to 40%, this translates into a need for some 0.07ha to 0.093ha simply to meet this additional space - see Annex 2 : Figure 13.

6.14 However, combined with the 836m² of existing workspace occupied by this respondent anticipating a possible relocation to new development, this creates a total potential demand for some 1,115m² of new development. Again, applying the typical site coverage ratios, this translates into a minimum need for some 0.28ha to 0.37ha of employment land within Crewkerne to meet identified latent demand from local businesses – see Annex 2 : Figure 14.

6.15 Breaking this potential demand down into the individual Sector, the land requirements for Crewkerne comprise:

Table 6b : Sector Analysis of Land Required for New Development in Crewkerne

Sector	Existing Workspace	Stated Demand	Combined	Land Required to Deliver
Wholesale	836	279	1,115	0.28ha to 0.37ha

6.16 In respect of tenure, there was no overall preference expressed in respect of new accommodation, although a higher than average proportion stated freehold ownership as the preferred model – see Annex 2 : Figure 16.

6.17 Turning to timescales, the intention amongst Crewkerne respondents to address property requirements is geared towards more urgent requirements, with 63% seeking to achieve their objectives in the next 2 years. The remaining 37% are seeking to achieve their property requirements between years 3 to 5 – see Annex 2 : Figure 17.

6.18 In terms of recent plans, a higher than average proportion of Crewkerne respondents, at 26%, advised that they had sought to expand or relocate but had been unable to achieve this – see Annex 2 : Figure 18.

6.19 Overall, just under 4% of Crewkerne respondents anticipate downsizing over the next 5 years – see Annex 2 : Figure 19.

7.0 ILMINSTER

Nature and Size of Business

7.01 A total of 49 responses were received from Ilminster businesses. Identical to Crewkerne in this respect, the largest response rate across the various business sectors came from the "Professional & Business Services" sector, at c.29%, followed by the "Retail , Hire & Repair" sector at c.20% - see Annex 2 : Figure 1.

7.02 Around 54% of responses were from small businesses employing less than 10 employees. 8% of respondents employed more than 50 employees, with the remaining 38% employing between 10 to 49 employees – see Annex 2 : Figure 2. To this end the response rate from Ilminster was more evenly balanced towards medium sized businesses.

7.03 In total, respondents from Ilminster accounted for 1,013 jobs; 862 full time and 151 part time, reflecting a gearing of full to part time jobs of 85:15, again, substantially higher than the District average.

7.04 At 81%, the majority of respondents have been located within the same premises within Ilminster for the last 10 years. 17% had relocated within the last 10 years from within the District and the remaining 2% were new businesses. None of the respondents from Ilminster had relocated from outside of the District - see Annex 2 : Figure 3.

7.05 49% of respondents from Ilminster occupy "Small" business premises, again identical to Crewkerne and slight below the average for the District as a whole. Similarly indicative and typical of the District wide average, those businesses occupying "Large" premises accounted for only 22% - see Annex 2 : Figure 4.

Suitability of Existing Premises

7.06 With only 63% of Ilminster respondents stating that they are satisfied with their existing premises, Ilminster demonstrates the overall lowest level of satisfaction within the District. However, only 10% of respondents stated an intention to address this over the next 2 years – see Annex 2 : Figure 5.

7.07 Over the longer 2 to 5 year term, this view falls back to the broad District-wide average, with 76% of respondents expecting their accommodation to remain broadly suitable - see Annex 2 : Figure 6. Whether this is a result of short term plans to address the current perception, or an anomaly within the figures, cannot be clearly stated. **To this end the Council may wish to make further investigation with Ilminster businesses in light of various discussions and planning issues over the last 3 to 5 years to establish the wider views. This may be particularly useful in respect of encouraging the delivery of the Ilminster Key Site for new employment space and securing a comprehensive approach to meeting the needs of businesses in Ilminster**.

Future Direction of Business

7.08 Around 55% of respondents within Ilminster are seeking to expand, higher than the overall average for the District and perhaps in part, explanative of the current discord with existing accommodation. Only 2% of respondents are seeking to downsize and 41% to maintain the status quo. There were no respondents from Ilminster who stated an intention to diversify over the next 5 years – See Annex 2 : Figure 7.

7.09 In terms of employment growth, respondents anticipated job numbers increasing over the next 2 years by nearly 14%, with an overall anticipated increase of some 28% at the end of 5 years.

Identified Demand for Land & Property

7.10 The total demand expressed for additional workspace within Ilminster extended to 13,001m²; comprising the largest overall identified demand across the District. In terms of breakdown by size of additional space, this comprised (see Annex 2 : Figures 8 & 9):

- "Small" - 227m²
- "Medium" - 1,165m²
- "Large" - 11,148m²

7.11 In terms of delivering this additional workspace, table 7a sets out the basis that individual businesses within Ilminster expect to accommodate this additional demand:

Table 7a : Anticipated Delivery for Additional Workspace – Ilminster

Delivery	Total Additional Workspace	Extend Existing M²	Redevelop Existing M²	Relocate to Existing M²	Relocate to New Site M²
Totals	13,001	3,251	2,880	3,372	3,498

7.12 In terms of numbers, 2 respondents intend to extend their existing premises, 3 to redevelop on site and 10 respondents intend to potentially relocate to larger existing premises within Ilminster from across a range of Sectors, the largest in terms of workspace coming from the "Transport"" sector. - see Annex 2 : Figures 10 to 12.

7.13 The remaining 4 respondents, with a stated requirement for some 3,498m² of additional workspace within Ilminster, anticipate meeting this requirement through development of a new site. In isolation, and taking typical site coverage ratios of 30% to 40%, this translates into a need for some 0.87ha to 1.17ha simply to meet this additional space - see Annex 2 : Figure 13.

7.14 However, combined with the 7,628m² of existing workspace occupied by those respondents anticipating a relocation to new development, this creates a total potential demand for some 11,126m² of new development. Again, applying the typical site coverage ratios, this translates into a minimum need for some 2.78ha to 3.70ha of employment land within Ilminster to meet identified latent demand from local businesses – see Annex 2 : Figure 14.

7.15 Breaking this potential demand down into the individual Sectors, the land requirements for Ilminster comprise:

Table 7b : Sector Analysis of Land Required for New Development in Ilminster

Sector	Existing Workspace	Stated Demand	Combined	Land Required to Deliver
IT & Telecoms	76	139	215	0.06ha to 0.07ha
Manufacturing	102	93	195	0.06ha to 0.07ha
Professional & Business Services	450	14	464	0.12ha to 0.15ha
Transport & Distribution	7,000	3,252	10,252	2.54ha to 3.41ha

7.16 In respect of tenure, again 65% of respondents did not express an overall preference, although at 20%, Ilminster recorded the highest overall demand for freehold ownership as the preferred model – see Annex 2 : Figure 16.

7.17 Turning to timescales, Ilminster more closely follows the District-wide average, evenly split between those seeking to expand over the next two years, at 56%, against the balance of 44% seeking to expand in years 3 to 5 – see Annex 2 : Figure 17.

7.18 In terms of recent plans, Ilminster also recorded the overall highest of respondents who advised that they had sought to expand or relocate in the last 3 years but had been unable to achieve this – see Annex 2 : Figure 18.

7.19 There were no responses from Ilminster businesses with plans to downsize over the 5 years – see Annex 2 : Figure 19.

8.0 WINCANTON

Nature and Size of Business

8.01 A total of 40 responses were received from Wincanton businesses. The largest response rate across the various business sectors came from the ""Retail , Hire & Repair" sector at c.28%, followed by the "Manufacturing" sector at 23% - see Annex 2 : Figure 1.

8.02 Around 50% of responses were from small businesses employing less than 10 employees. 7% of respondents employed more than 50 employees, with the remaining 43% employing between 10 to 49 employees – see Annex 2 : Figure 2. To this end the response rate was similar to that received from Ilminster, being more evenly balanced towards medium sized businesses.

8.03 In total, respondents from Wincanton accounted for 556 jobs; 455 full time and 101 part time, reflecting a gearing of full to part time jobs of 82:18, again, substantially higher than the District average.

8.04 At 78%, the majority of respondents have been located within the same premises within Wincanton for the last 10 years. 10% had relocated within the last 10 years from within the District and the remaining 12%% had relocated from outside of the District - see Annex 2 : Figure 3.

8.05 37.5% of respondents from Wincanton occupy "Small" business premises, substantially less than the average for the District as a whole. Overall, there was a more even spread, with those occupying "Medium" Premises accounting for 32.5% and those occupying "Large" premises accounting for 30% - see Annex 2 : Figure 4.

Suitability of Existing Premises

8.06 In terms of suitability, some 84% of respondents reported that they are generally satisfied with their current accommodation, albeit 17% responded that this may reduce over the next two years. Of the remaining 16% who are not currently satisfied, the majority of respondents are seeking to take steps to address short term concerns – see Annex 2 : Figure 5.

8.07 Over the longer 2 to 5 year term, this view remains broadly similar, albeit with a slight decline in the overall level of satisfaction - see Annex 2 : Figure 6.

Future Direction of Business

8.08 Around 50% of respondents within Wincanton are seeking to expand, higher than the overall average for the District. In respect of the remainder, 5% of respondents are seeking to downsize, 40% to maintain the status quo and 2.5% seeking to diversify – See Annex 2 : Figure 7.

8.09 In terms of employment growth, respondents anticipated job numbers increasing over the next 2 years by some 12%, with an overall anticipated increase of some 26% at the end of 5 years.

Identified Demand for Land & Property

8.10 The total demand expressed for additional workspace within Wincanton extended to 5,481m². In terms of breakdown by size of additional space, this comprised (see Annex 2 : Figures 8 & 9):

- "Small" - 47m²
- "Medium" - 1,997m²

- "Large" - 3,437m²

8.11 In terms of delivering this additional workspace, table 8a sets out the basis that individual businesses within Wincanton expect to accommodate this additional demand:

Table 8a : Anticipated Delivery for Additional Workspace – Wincanton

Delivery	Total Additional Workspace	Extend Existing M²	Redevelop Existing M²	Relocate to Existing M²	Relocate to New Site M²
Totals	5,481	3,299	185	883	1,114

8.12 In terms of numbers, 4 respondents intend to extend their existing premises, 1 to redevelop on site and 4 respondents intend to relocate to larger existing premises within Wincanton - see Annex 2 : Figures 10 to 12.

8.13 The remaining 2 respondents, with a stated requirement for some 1,114m² of additional workspace within Wincanton, anticipate meeting this requirement through development of a new site. In isolation, and taking typical site coverage ratios of 30% to 40%, this translates into a need for some 0.27ha to 0.37ha simply to meet this additional space - see Annex 2 : Figure 13.

8.14 However, combined with the 1,508m² of existing workspace occupied by those respondents anticipating relocation to new development, this creates a total potential demand for some 2,622m² of new development. Again, applying the typical site coverage ratios, this translates into a minimum need for some 0.65ha to 0.87ha of employment land within Wincanton to meet identified latent demand from local businesses – see Annex 2 : Figure 14.

8.15 Breaking this potential demand down into the individual Sectors, the land requirements for Wincanton comprise:

Table 8b : Sector Analysis of Land Required for New Development in Wincanton

Sector	Existing Workspace	Stated Demand	Combined	Land Required to Deliver
Manufacturing	1208	650	1858	0.46ha to 0.62ha
Retail, Hire & Repair	300	465	765	0.19ha to 0.26ha

8.16 In respect of tenure, again 65% of respondents did not express an overall preference – see Annex 2 : Figure 16.

8.17 Turning to timescales, there is less pressure on respondents with Wincanton to secure a relocation over the next 2 years, with the majority, at 57% seeking to relocate in years 3 to 5 – see Annex 2 : Figure 17.

8.18 In terms of recent plans, Wincanton again followed the average for the District, with 14% of respondents advising that they had sought to expand or relocate in the last 3 years but had been unable to achieve this – see Annex 2 : Figure 18.

8.19 Bearing in mind the historic importance of Wincanton as a commercial location, the relatively low level of demand identified in comparison to Ilminster suggests a change in emphasis across the District. With the proximity of Ilminster to the M5, this may not be surprising. However, the proximity of Wincanton to the A303 and further afield, the M3 (as well as the mainline rail link at Castle Cary), suggests that the location still provides a key strategic link to the South East.

8.20 **Therefore, the Council should investigate further specific trends within Wincanton, establish what businesses require in terms of workspace and infrastructure and how it can be promoted as the third key strategic commercial location within South Somerset**.

9.0 YEOVIL

Nature and Size of Business

9.01 A total of 238 responses were received from Yeovil businesses, the second largest response rate in terms of the individual categories and overall, the largest from a single location. This is not perhaps unsurprising bearing in mind that Yeovil is the major business location for the District.

9.02 The largest response rate across the various business sectors came from the "Retail, Hire & Repair" sector at c.31%, followed by the "Professional & Business Services" sector at 17% and the "Manufacturing" sector at 14% - see Annex 2 : Figure 1.

9.03 Around 63% of responses were from small businesses employing less than 10 employees and only 7% from large scale businesses employing more than 50 employees – see Annex 2 : Figure 2.

9.04 In total, respondents from Yeovil accounted for 3,502 jobs; 2,656 full time and 846 part time, reflecting a gearing of full to part time jobs of 76:24, very much in line with the District average.

9.05 At 77%, the majority of respondents have been located within the same premises within Yeovil for the last 10 years. 18% had relocated from within the District, c.3.5% had relocated from outside the District and the remaining c.1.5% comprised new businesses - see Annex 2 : Figure 3.

9.06 33% of respondents from Yeovil occupy "Small" business premises, substantially less than the average for the District as a whole. 48% occupy "Medium" Premises and the remaining 21% occupy "Large" premises - see Annex 2 : Figure 4.

Suitability of Existing Premises

9.07 In terms of suitability, some 80% of respondents reported that they are generally satisfied with their current accommodation, albeit 18% responded that this may reduce over the next two years. Of the remaining 20% who are not currently satisfied, approximately half are seeking to take steps to address short term concerns – see Annex 2 : Figure 5.

9.08 Over the longer 2 to 5 year term, this view remains broadly similar - see Annex 2 : Figure 6.

Future Direction of Business

9.09 Around 40% of respondents within Yeovil are seeking to expand, marginally higher than the overall average for the District. In respect of the remainder, only c.1.25% of respondents are seeking to downsize, with the remaining 54% seeking to maintain the status quo and c.1% seeking to diversify – See Annex 2 : Figure 7.

9.10 In terms of employment growth, respondents anticipated job numbers increasing over the next 2 years by some 12%, with an overall anticipated increase of some 26% at the end of 5 years.

Identified Demand

9.11 The total demand expressed for additional workspace within Yeovil extended to 12,523m². In terms of breakdown by size of additional space, this comprised (see Annex 2 : Figures 8 & 9):

- "Small" - 47m²
- "Medium" - 4,347m²
- "Large" - 8,129m²

9.12 In terms of delivering this additional workspace, table 9a sets out the basis that individual businesses within Yeovil expect to accommodate this additional demand:

Table 9a : Anticipated Delivery for Additional Workspace – Yeovil

Delivery	Total Additional Workspace	Extend Existing M²	Redevelop Existing M²	Relocate to Existing M²	Relocate to New Site M²
Totals	12,523	2,211	93	6,317	3,902

9.13 In terms of numbers, 9 respondents intend to extend their existing premises, 1 to redevelop on site and 13 respondents intend to relocate to larger existing premises within Yeovil - see Annex 2 : Figures 10 to 12.

9.14 The remaining 6 respondents, with a stated requirement for some 3,902m² of additional workspace within Yeovil, anticipate meeting this requirement through development of new sites. In isolation, and taking typical site coverage ratios of 30% to 40%, this translates into a need for some 0.98ha to 1.3ha simply to meet this additional space - see Annex 2 : Figure 13.

9.15 However, combined with the 5,526m² of existing workspace occupied by those respondents anticipating relocation to new development, this creates a total potential demand for some 9,428m² of new development. Again, applying the typical site coverage ratios, this translates into a minimum need for some 2.35ha to 3.14ha of employment land within Yeovil to meet identified latent demand from local businesses – see Annex 2 : Figure 14.

9.16 Breaking this potential demand down into the individual Sectors, the land requirements for Yeovil comprise:

Table 9b : Sector Analysis of Land Required for New Development in Yeovil

Sector	Existing Workspace	Stated Demand	Combined	Land Required to Deliver
Agriculture	254	93	347	0.08ha to 0.11ha
Construction	1,580	1,394	2,974	0.75ha to 1.0ha
Manufacturing	60	372	432	0.10ha to 0.14ha
Retail, Hire & Repair	3,632	2,044	5,676	1.42ha to 1.89ha

9.17 In respect of tenure, again 65% of respondents did not express an overall preference. However, 100% of all those that did state a preference, identified freehold ownership as the preferred model – see Annex 2 : Figure 16.

9.18 Turning to timescales, Yeovil closely follows the District-wide average, evenly split between those seeking to expand over the next two years, at 51%, against the balance of 49% seeking to expand in years 3 to 5 – see Annex 2 : Figure 17.

9.19 In terms of recent plans, Yeovil again followed the average for the District, with 14% of respondents advising that they had sought to expand or relocate in the last 3 years but had been unable to achieve this – see Annex 2.

10.0 "SMALLER SETTLEMENTS" & "RURAL AREAS"

10.01 This section covers businesses from all other locations across the District and outside of the Main Settlements of Chard, Crewkerne, Ilminster, Wincanton and Yeovil. In terms of analysis, the "Smaller Settlements" comprise:

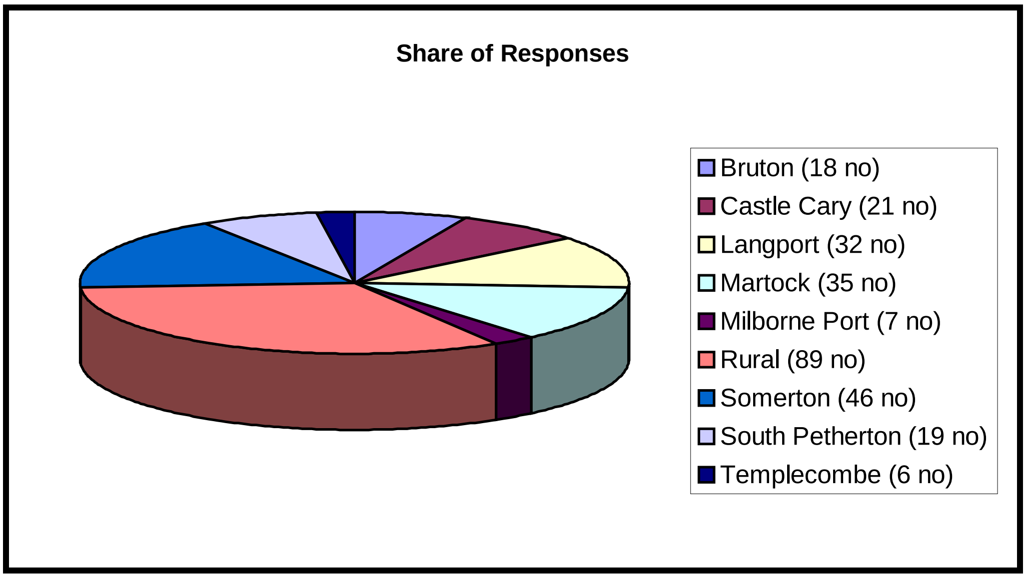
- Bruton
- Castle Cary
- Langport
- Milborne Port
- Somerset
- South Petherton
- Templecombe

10.02 The remainder is classified as falling with "Rural Areas", covering all other parts of South Somerset.

Nature and Size of Business

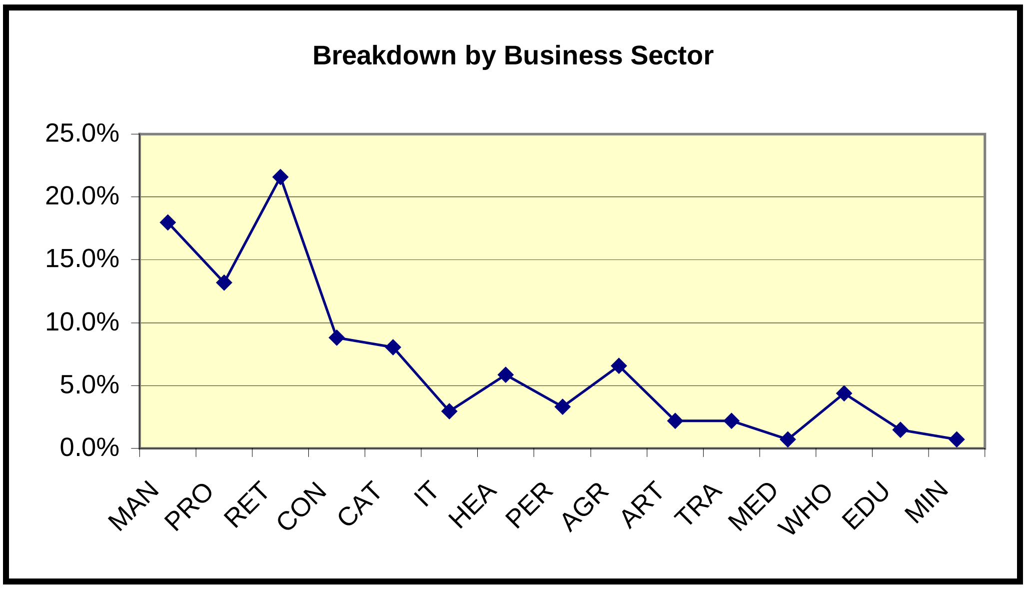
10.03 A total of 273 responses were received from businesses across the "Smaller Settlements" and "Rural Areas" across South Somerset. Grouped together, this category represented the largest overall return, demonstrating in itself the importance of the smaller towns, villages and outlying rural areas to the local economy.

10.04 In terms of the breakdown of responses, the largest share received came from those defined as being within the "Rural Areas", accounting for around 33% of this category. This was followed by Somerton, at c.17% and thereafter, Martock and Langport, each of which accounts for more than 10% each.



10.05 The largest response rate, as a whole, came from the "Retail, Hire & Repair" sector at c.21%, which closely mirrors the trend for the District. This was followed by the "Manufacturing" sector at 18% and the "Professional & Business Services" sector at c.13%. See also Annex 2 : Figure 1/Table 10a below for a complete breakdown by location and sector.

10.06 The "Manufacturing" sector features strongly amongst respondents from the "Rural Areas", as well as Martock and Somerton.



10.07 The “Retail, Hire and Repair” sector also features strongly amongst respondents from the “Rural Areas” and Somerton, as well as South Petherton, Castle Cary and Martock.

10.08 The third key area for the District as a whole, “Professional & Business Services”, stands out in terms of importance within Castle Cary, Langport and South Petherton.

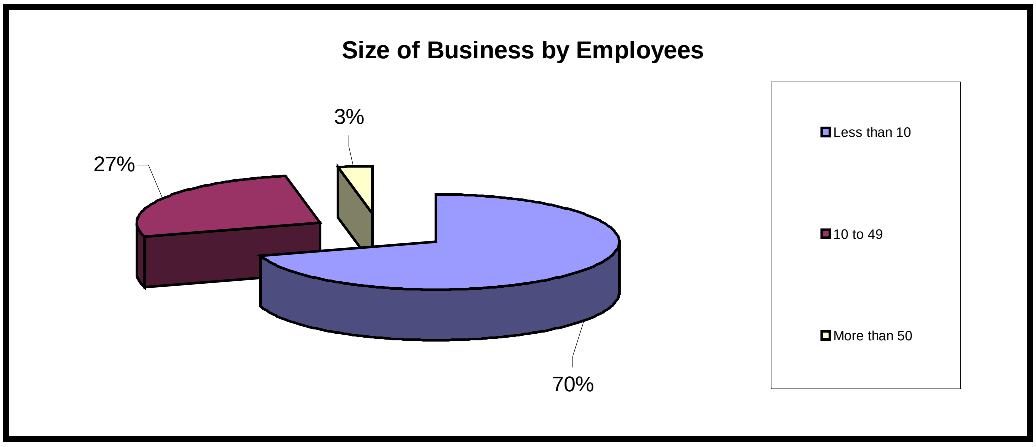
10.09 In additional to these 3 sectors, the “Catering and Accommodation” and “Construction” sectors also feature relatively strongly amongst this wider part of the District, accounting for 9% and 8% of business sectors respectively in terms of respondents.

Table 10a : Breakdown of Respondents by Location & Sector : “Smaller Settlements” & “Rural Areas”

Location	**MAN**	**PRO**	**RET**	**CON**	**CAT**	**IT**	**HEA**	**PER**	**AGR**	**ART**	**TRA**	**MED**	**WHO**	**EDU**	**MIN**	**VOID**
Bruton	2	2	3	1	2	0	2	0	2	2	0	0	0	2	0	0
Castle Cary	2	6	6	1	2	0	2	1	1	0	0	0	0	0	0	0
Langport	3	10	6	3	1	1	2	1	4	0	0	0	1	0	0	0
Martock	8	1	7	6	3	0	2	1	1	2	1	0	2	0	1	0
Milborne Port	1	0	2	2	0	0	2	0	0	0	0	0	0	0	0	0
Rural	22	7	16	5	9	4	3	4	4	1	4	2	7	1	0	0
Somerton	7	6	12	5	1	3	2	2	2	1	1	0	2	0	1	1
South Petherton	2	4	6	2	3	0	1	0	1	0	0	0	0	0	0	0
Templecombe	1	0	1	0	1	0	0	0	1	1	0	0	0	1	0	0
All	**48**	**36**	**59**	**25**	**22**	**8**	**16**	**9**	**16**	**7**	**6**	**2**	**12**	**4**	**2**	**0**

10.10 At 70%, the majority of respondents from the “Smaller Settlements” and “Rural Areas” employ less than 10 people. 27% employ between 10 and 49 people, with the remaining 3% employing more than 50. In terms of numbers, the percentage of larger employers equates to 8 respondents, 2 of which are located in Bruton, 1 in Somerset, 2 in Martock and the remaining 3 spread across the “Rural Settlements” – see Annex 2 : Figure 2.

10.11 In total, respondents from the “Smaller Settlements” and “Rural Areas” account for an estimated 2,918 jobs; 1,960 full time and 958 part time, reflecting a gearing of full to part time jobs of 76:24.



10.12 At 82%, the majority of respondents within the "Smaller Settlements" and "Rural Areas" have been located within the same premises for the last 10 years. 9% had relocated from within the District, c.7% had relocated from outside the District and the remaining 2% comprised new businesses - see Annex 2 : Figure 3. Table 10b provides a detailed breakdown of the individual locations.

Table 10b : Mobility of Business : "Smaller Settlements" and "Rural Areas"

Location	Always here %	Elsewhere in SSD %	New %	Other %
Bruton	72	11	0	17
Castle Cary	86	0	5	10
Langport	81	13	0	6
Martock	86	9	0	6
Milborne Port	86	14	0	0
Rural Areas	72	13	3	13
Somerton	66	20	5	9
South Petherton	89	0	5	5
Templecombe	100	0	0	0
All	**81**	**9**	**2**	**7**

10.13 Typically, over 50% of respondents across the "Smaller Settlements" and "Rural Areas" occupy "Small" business premises, only slightly more than the average for the District as a whole, - see Annex 2 : Figure 4 and Table 10c, below.

10.14 The scale of businesses outside of the 5 main settlements should not, therefore, be underestimated in terms of either employment numbers or size of workspace. Somerton, Martock and Castle Cary all have established industrial estates which accommodate substantial businesses within the District.

Table 10c: Size of Accommodation : "Smaller Settlements" and "Rural Areas"

Location	No's	< 1000 sq ft %	1000 - 5000 sq ft %	> 5000 sq ft %
Bruton	18	53	18	29
Castle Cary	21	76	10	14
Langport	32	52	32	16
Martock	35	50	26	24
Milborne Port	7	86	14	0
Rural Areas	89	44	31	24
Somerton	46	38	48	15
South Petherton	19	63	37	0

Location	No's	< 1000 sq ft %	1000 - 5000 sq ft %	> 5000 sq ft %
Templecombe	6	17	33	50
All	**273**	**53**	**28**	**19**

Suitability of Existing Premises

10.15 In terms of suitability, some 81% of respondents reported that they are generally satisfied with their current accommodation, albeit 19% responded that this may reduce over the next two years. Of the remaining 19% who are not currently satisfied, approximately around two thirds are seeking to take steps to address short term concerns – see Annex 2 : Figure 5 and Table 10d. In particular, respondents from Castle Cary are particularly satisfied with their current accommodation.

Table 10d : Suitability of Premises : 2 Years : "Smaller Settlements" & "Rural Areas"

Location	Generally Suitable	May Become Unsuitable	Get Worse	Steps to Improve
Bruton	59	18	6	18
Castle Cary	72	17	0	11
Langport	60	17	10	13
Martock	51	23	9	17
Milborne Port	43	43	14	0
Rural	59	15	8	18
Somerton	65	15	5	15
South Petherton	78	11	0	11
Templecombe	67	17	0	17
All	**62**	**19**	**6**	**13**

10.16 Over the longer 2 to 5 year term, the overall level of anticipated satisfaction with accommodation increases, although whether this is a result of those taking steps now to improve this position or simply an anomaly within the figures cannot be clearly stated - see Annex 2 : Figure 6 and Table 10e.

Table 10e : Suitability of Premises : 2 Years : "Smaller Settlements" & "Rural Areas"

Location	Generally Suitable	May Become Unsuitable	Get Worse	Steps to Improve
Bruton	76	6	0	18
Castle Cary	86	10	0	5
Langport	73	15	3	9
Martock	72	6	6	17
Milborne Port	71	29	0	0
Rural	66	8	9	17
Somerton	70	7	7	16
South Petherton	89	5	0	5
Templecombe	67	17	0	17
All	**75**	**11**	**3**	**11**

Future Direction of Business

10.17 At 31%, respondents across the "Smaller Settlements" and "Rural Areas" anticipate a marginally lower level of growth in the size of their businesses than the average for the District, with a similar marginal increase in respect of those seeking to maintain the status quo.

10.18 In terms of employment growth, respondents anticipated job numbers increasing over the next 2 years by some 9%, with an overall anticipated increase of some 17% at the end of 5 years, very much in line with the average for the District as a whole – see table 10f.

10.19 Of particular note, the anticipated 5 year increase in the "Rural Areas" is extremely optomistic, at 29% compared the average for the District at 18%. It is difficult to express any rationale for this anticipated growth but clearly in a large geographical District such as South Somerset, a vibrant rural economy is one that should be encouraged and supported. **To this end the Council may wish to pursue further investigation into the business potential and needs of the wider rural areas and establish any areas where it could assist this growth**.

Table 10f : Anticipated Employment Growth : "Smaller Settlements" & "Rural Areas"

Location	Now		2 Years		5 Years		2 Years	5 Years
	F/T	P/T	F/T	P/T	F/T	P/T	%	%
Bruton	381	133	398	130	428	133	3	9
Castle Cary	53	42	58	45	66	48	8	20
Langport	96	34	99	35	101	37	3	6
Martock	267	140	291	144	319	149	7	15
Milborne Port	33	26	34	26	34	26	2	2
Rural Areas	646	274	751	312	865	325	16	29
Somerton	311	155	342	164	356	178	9	15
South Petherton	50	92	54	93	60	94	4	8
Templecombe	54	25	55	28	56	28	5	6
All	**1891**	**921**	**2082**	**977**	**2285**	**1018**	**9**	**17**

Identified Demand

10.20 The total demand expressed for additional workspace within the "Smaller Settlements" and "Rural Areas" extended to 9,853m². In terms of breakdown by size of additional space, this comprised (see Annex 2 : Figures 8 & 9):

- "Small" - 405m²
- "Medium" - 4,153m²
- "Large" - 5,295m²

10.21 In terms of delivering this additional workspace, table 10g sets out the basis that individual businesses across the "Smaller Settlements" and "Rural Areas" expect to accommodate this additional demand:

Table 10g : Anticipated Delivery for Additional Workspace – "Smaller Settlements" & "Rural Areas"

Delivery	Total Additional Workspace	Extend Existing M²	Redevelop Existing M²	Relocate to Existing M²	Relocate to New Site M²
Totals	9,853	367	4,135	3,075	2,276

10.22 In terms of numbers, 5 respondents intend to extend their existing premises, 8 to redevelop on site and 10 respondents intend to relocate to larger existing premises across the "Smaller Settlements" and "Rural Areas" - see Annex 2 : Figures 10 to 12.

10.23 The remaining 7 respondents, with a stated requirement for some 2,276m² of additional workspace across the area, anticipate meeting this requirement through development of new sites. In isolation, and taking typical site coverage ratios of 30%

to 40%, this translates into a need for some 0.56ha to 0.76ha simply to meet this additional space - see Annex 2 : Figure 13.

10.24 However, combined with the 1,944m² of existing workspace occupied by those respondents anticipating a relocation to new development, this creates a total potential demand for some 4,220m² of new development. Again, applying the typical site coverage ratios, this translates into a minimum need for some 1.06ha to 1.40ha of employment land across the "Smaller Settlements" & "Rural Areas" to meet identified latent demand from local businesses – see Annex 2 : Figure 14.

10.25 Breaking this potential demand down into the individual Sectors, the land requirements for Yeovil comprise:

Table 10h : Sector Analysis of Land Required for New Development : Smaller Settlements & Rural Areas

Sector	Existing Workspace	Stated Demand	Combined	Land Required to Deliver
Manufacturing	651	279	930	0.24ha to 0.31ha
Construction	634	1,394	2,028	0.5ha to 0.68ha
Professional & Business services	300	186	486	0.12ha to 0.16
Retail, Hire & Repair	251	325	576	0.15ha to 0.19ha
Transport	108	93	201	0.05ha to 0.06ha

10.26 Due to the practicalities of modeling the specific locational aspect of this demand, this report does not break down in detail the exact location that respondents anticipate relocating to outside of the 5 main settlements, other than within the "Smaller Settlements" and "Rural Areas" as a single category. **Therefore, as a next step in respect of this group, the Council may wish to liaise with those respondents who have stated a requirement to expand their existing workspace and establish how it may assist in this process.**

10.27 In respect of tenure, there was no real difference in respect of attitudes amongst respondents from the "Smaller Settlements" and "Rural Areas" as to any preference, although again, of those that did state any preference, the majority identified freehold ownership as the preferred model – see Annex 2 : Figure 16.

10.28 Turning to timescales, 50% or more of the respondents from the "Rural Areas", Somerton, South Petherton and Templecombe who are seeking to relocate, require to do so within the next two years. The remainder of respondents from across the other "Smaller Settlement" in the main favour the large the longer term 3 to 5 year timeframe.

10.29 In terms of recent plans, at 11% there was an overall lower level of respondents advising that they had sought to expand or relocate in the last 3 years but had been unable to achieve this – see Annex 2 – Figure 18.

11.0 SUMMARY, CONCLUSIONS & NEXT STEPS

2000/2001 Survey Analysis

11.1 The survey undertaken in 2000/2001 featured a number of key aspects. The majority of respondents to this survey were smaller businesses which had been well established within their existing locations. Yeovil businesses were identified as markedly different, being generally larger and more mobile.

11.2 There was a high degree of satisfaction with existing workspace shown by respondents and of those that were not satisfied, over half were taking steps to rectify their situation. In all, just under a half of respondents were considering a potential relocation over the following 5 years.

11.3 Of those respondents seeking a potential relocation, a majority element of 43% expressed demand for "Medium" sized premises. 34% expressed demand for "Small" sized premises and the remainder, at 23%, anticipated a relocation to "Large" sized premises.

11.4 Across the survey base, there was a sizeable number of respondents who considered that the availability of land and premises was limited. A further number, 6%, considered the quality of stock to be poor.

11.5 The 2000/2001 survey concluded that there was demand for premises across all sizes and that the future supply of land and property would need to be flexible to cater for all requirements. It also highlighted the importance of providing for a mix of accommodation to suit different businesses.

Economic Overview

11.6 Whilst different economic statistics and projections vary in terms of detailed analysis, they do highlight a substantial shift in the base of employment over the last 20 years or more, from "Engineering" and "Manufacturing" to one more in favour of the "Service" industries. This is apparent across <u>all areas</u> of South Somerset, including the "Smaller Settlements" and "Rural Areas" and is supported through the responses received from the 2007 survey. This trend is expected to continue over the coming period, through to 2016 and beyond.

11.7 In terms of gross employment, the Experian analysis demonstrates that there has been substantial growth over this same period, with overall employment having risen by nearly 13% since 1991, although to varying degrees depending upon individual business sectors. The three key areas of growth have proven to be "Office Based Services", "Other Services (mainly Public") and the "Retail, Hotels and Catering" sectors, which between them have seen employment growth of some 81%. As at 2005, they account for an estimated 15,500 jobs, equivalent to nearly 25% of the total workforce.

11.8 During this same period, there has been a marked reduction in the amount of employment within the traditional South Somerset sectors, namely "Engineering" and "Manufacturing", which between them have contracted by some 15%.

11.9 In terms of the future, the overall level of growth is not anticipated to be sustained and between now and 2016, it is considered that there will be nominal increase in the general level of employment. However, it is anticipated that there will be continued shift in the share of employment amongst the different business sectors.

11.10 To this end, the trend of diversion from the "Manufacturing" and "Engineering" sectors to the "Service" related sectors is anticipated to continue. At the same time, it is also anticipated that there will be a resurgence in the "Wholesaling" sector within South Somerset.

2007 Survey Analysis

11.11 The results of the 2007 survey, whilst pertinent only in respect of those businesses that responded, nevertheless remain broadly in line with the 2000/2001 survey and the wider economic analysis for the District.

11.12 In terms of respondents, the majority again comprised small businesses, employing less that 10 people. As stated, this may be a product of the nature of this type of survey and further one-to-one interviews may provide a more efficient way of securing engagement with larger businesses.

11.13 In terms of the responses, the largest proportion returned came from the “Retail, Hire & Repair” sector at 24%, followed by the “Manufacturing” sector at 16% and the “Professional & Business Services” sector at 14%.

11.14 In terms of employment numbers, the respondent survey base employs some 10,841 people, providing a gearing of 76:24 in favour of full time to part time work. This is substantially above the national average, at 64:36.

11.15 The key employer, in respect of the survey base, comprised the “Manufacturing” sector, which whilst in terms of number of respondents was considerably below the “Retail, Hire and Repair” sector, employs around 38% of the respondent workforce. By comparison, respondents from the “Retail, Hire and Repair” employ around 13%; a substantial turnaround in the core figures.

11.16 Equally importantly, respondents from the “Manufacturing” sector expressed a substantial gearing of 92:08 in favour of full time work, again compared to a gearing of 58:42 in respect of the “Retail, Hire & Repair” sector and 73:27 in respect of the “Professional & Business Services” sector.

11.17 Consequently, despite the trends and projections, the “Manufacturing” sector remains hugely valuable to the South Somerset economy, particularly in terms of employment numbers and the high proportion of full time work it offers.

11.18 As with the 2000/2001 survey, a high proportion of respondents are long established businesses that have been located within the same premises for 10 years or more, with nearly half of all respondents occupying “Small” workspace of less than 92m².

11.19 In terms of satisfaction levels, as with the 2000/2001 survey, the majority of respondents were satisfied with their existing accommodation, with only 21% reporting that their existing premises were unsuitable for their needs; a level which is anticipated to grow over the next 2 to 5 years.

11.20 Combined with this, around one third of respondents anticipate growth in the size of their businesses. In terms of employment, respondents are more optomistic than the economic projections, with total anticipated growth of 9% over the next 2 years and overall, 18% at the end of 5 years. The 5 top sectors in terms of anticipated employment growth, by percentage, comprise:

Sector	**2 Years**	**5 Years**
IT & Telecoms	45%	95%
Transport & Distribution	14%	31%
Mining, Energy & Utilities	11%	25%
Retail, Hire & Repair	12%	22%
Professional & Business Services	10%	20%

11.21 Respondents from the “Manufacturing” sector, despite the gloom of the forecasts, anticipate employment growth of 7% and 14% over this 2 to 5 year period.

11.22 Putting aside the disparity between the economic forecasts and the respondent projections, it is evident that the survey supports the overall conclusion that there will be a continued shift in the share of employment, away from the traditional employment sectors and towards the “Service” sector.

11.23 As to whether the local economy will fair better than the projections will depend on a number of factors. However, the size and “maturity” of businesses amongst the survey base may lead it to be more resilient to short term problems within the market. Alternatively, it may prove that turmoil within the credit market, inflationary pressures on the cost of raw materials, energy, etc, and reduced disposable incomes have yet to filter through to the level of confidence within the local business community. These are ultimately factors that will impact on business at the macro level, both across the UK and beyond.

11.24 In terms of demands on property, around 13.5% of respondents stated a requirement for some 46,229m² of additional workspace. The majority of this demand is for average additional accommodation in excess of 97m², with two thirds of the total demand being for additional space in excess of 465m².

11.25 Some 40% of this demand is expected to be met through the extension or redevelopment of existing space. 35% is expected to be met through existing stock. The remainder, accounting for 11,859m² of additional workspace, is expected to be secured through the development of new sites across the District.

11.26 When combined with the estimated size of existing accommodation, this creates a potential demand for some 30,000m² of new development across the District, which allowing for variants in terms of type of accommodation, design, external requirements, etc, translates into a need for some 7.5 hectares to 10.0 hectares of land to meet this potential demand from the respondent survey base.

11.27 The bulk of this demand is focussed upon Yeovil and Ilminster, the latter registering an overall slightly higher level of demand and demonstrating the emerging importance of Ilminster as a business location. Between these two key locations alone, there is an overall demand from the survey base for some 5.13 hectares to 6.84 hectares of land.

11.28 However, it is also clear through the survey base that the “Smaller Settlements” and outlying “Rural Areas” play a vital role in the economic base of South Somerset. The profile of business amongst respondents broadly follows the same patterns as the “Main Settlement” towns and overall, account for nearly 27% of the survey workforce. Likewise, anticipated growth remains strong in these areas and overall, there is expected demand for some 9,853m² of additional workspace. Breaking this down into the component parts, this translates into a need for some 1.06 hectares to 1.4 hectares of land across the “Smaller Settlements” and “Rural Areas”.

Conclusions

11.29 The general pattern of business and key characteristics, based on the 2000/2001 and 2007 surveys, remains broadly the same. There also remains a high degree of satisfaction with existing workspace, combined with optimism amongst respondents in terms of employment growth and accommodation requirements.

11.30 The shift in the overall pattern of employment was noted in the original 2000/2001 survey. This is now clearly established and is projected to continue, a factor supported by the 2007 survey and through various different economic forecasts.

11.31 It is too early to state whether the current macro economic “challenges” and issues in respect of tightening credit markets, inflation, etc, will have an impact upon businesses within South Somerset. Regardless, despite interim variations in short term demand, the key note for the Council, and repeating a key recommendation from the 2000/2001 report, is the need to ensure that there is no shortage within the supply of employment land and premises. This will allow new businesses to enter the market and assist existing businesses to develop as needs arise and is broadly in line with recommendations in the Employment Land Review and the Draft Spatial Strategy.

11.32 Consequently, the Council should continue to ensure that key employment land allocations are progressed and where necessary, explore opportunities for new employment land to come forward for the benefit of the long term supply. At the same time, it must remain flexible in respect of policies and control to ensure that the needs of business and emerging trends can be met.

11.33 In terms of economic development and assistance to business, the Council can continue to play a direct role in co-ordinating policies and the delivery of the necessary infrastructure necessary to support business. This ultimately includes ensuring accessibility to the wide range of infrastructure, services and support that business and its workforce require, as well as the wider promotion and information roles that it can deliver.

11.34 In terms of the medium term future, it is clear that attitudes may change over the next 18 months to 2 years. Therefore, the Council should also seek to put into a place a more regular process of interim review, allowing it to communicate directly with business to better understand its attitudes, needs and demands. This will assist the Council to maintain flexibility in its approach the wider economic development of the District.

Next Steps

11.35 To summarise, it is recommended that the Council adopt the following action plan to help promote and support existing and new businesses within South Somerset. This action plan provides a collation of the various points highlighted throughout the report, with the relevant reference noted in brackets. The action plan is listed in order of appearance and not in an order of priority. To this end the Council should consider and prioritise as it considers appropriate in context to overall impact and realistically achievable.

1. Contact those respondents that expressed a potential requirement for additional workspace but did not state how much additional space would be required or how this would be achieved (para 2.13).

2. Work with other Public Sector organisations across South Somerset to identify needs and ensure these are incorporated within future Planning Policy and Corporate Policy to safeguard an important sector within the wider economic base of the District (para 3.7.2).

3. Put into place a process of monitoring to identify changes in trends and patterns, both at the macro and micro level, to establish where future trends and opportunities are likely to emerge and to ensure both a quantitative and qualitative supply of land (para’s 3.20, 3.25 and 3.27).

4. Put into place a process of one-to-one communication with larger businesses within South Somerset, utilising the Account Management Service recently established, to ensure their needs are recognised, taken into account in terms of shaping future Planning Policy and are met (para’s 4.04 and 4.09).

5. Investigate the potential for growth within the “IT & Telecommunications” sector and in particular, establish what the needs are and identify what steps could be undertaken to support this area (para 4.15).

6. Identify key performance indicators and put into place a more regular process of interim review to ensure that the Council is kept up-to-date with the dynamics of business and industry and can respond quickly to changing needs and demands (para 4.17).

7. Work with those parties who anticipate meeting future workspace needs within their own existing sites or across the wider stock of existing premises to assess whether this can be achieved as anticipated, help identify any potential obstacles and assist individual businesses in the process of delivery (para 4.21).

8. Contact those businesses that anticipate a potential relocation to new development on alternative sites to establish how vacated space can be best utilised to the economic advantage of South Somerset, where necessary, working with Planning Policy to prepare Planning Briefs where redevelopment for alternative use may be a necessary option (para 4.22).

9. Contact those businesses that have attempted to relocate within the District over the last 3 years, but have been unable to achieve this, to establish specific reasons and provide assistance where possible (para 4.26).

10. Contact those businesses seeking to downsize over the next 5 years to establish how surplus space could be best utilised for both commercial and economic advantage (para 4.27).

11. In light of the anticipated growth of Ilminster as a commercial business location, undertake a full scale review to establish (para 7.07)

    a. How the Council can encourage delivery of the Key Employment Allocations, and
    b. The comprehensive needs of the wider community in terms of social and economic infrastructure required to support this anticipated growth

12. Investigate recent trends of businesses within Wincanton, establish what businesses require in terms of workspace and infrastructure and how it can be promoted as the third key strategic commercial location within South Somerset (para 8.20).

13. Investigate the more specific needs of businesses across the “Rural Areas”, breaking this wider geographical down into smaller areas and identifying the locational requirements of the rural economy (para’s 10.19 and 10.26).

Atisreal
31st March 2008