

South Somerset District Council: Local Plan 2006 – 2028

Independent Examination, May 2013

South Somerset District Council Hearing Statement

Issue 3

Economic Prosperity and Employment Provision

April 2013

Issue 3: Economic Prosperity and Employment Provision

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Issue 3: Economic Prosperity and Employment Provision

Question 3.1

NPPF (paragraph 21) advises that a clear economic vision and strategy for the area should be set out which positively and proactively encourages sustainable economic growth. Does the Local Plan provide sound guidance for economic growth in the District relative to its needs?

- 1.1 It is the District Council's opinion that the Proposed Submission South Somerset Local Plan (PSSSLP) [CD 3, para 3.4] provides a clear economic vision and strategy which positively and proactively encourages sustainable economic growth in South Somerset to 2028.
- 1.2 Strategic Objective 5 [CD 3, para 3.4] seeks a comprehensive, high performing economy that is diverse, adaptable and provides jobs growth and inward investment through a thriving Yeovil, regenerated Chard and market towns and a diversified rural economy. The Vision for 2028 sees Yeovil as the prime economic driver within the District, and the Market Towns and Rural Centres being the basis of a thriving regenerated and diversified economy outside Yeovil.
- 1.3 The South Somerset District Council Economic Development Strategy (2012-2015) [CD 119] has been informed by the emerging Local Plan and identifies an action plan and resources which will seek to foster an attractive local economic environment in which business can thrive and grow. The Local Plan vision
- 1.4 The Local Plan is an economic-led development strategy [CD 115 & CD 11, para 2.6]. An assessment of the District's economic potential over the plan period has been carried out by consultants (Housing Requirement for South Somerset and Yeovil) [CD 30] and this has been updated by the District Council on two occasions to reflect the revised plan period (to 2028) and take into account new employment data from Business Register Employment Survey (BRES) in 2010 and 2011. The Council's Employment Topic Paper [CD 11] explains the methodology used by the consultants (Baker Associates) to assess the economic needs of the District by identifying the right level of economic growth and associated housing to support that growth over the plan period and the methodology for updating this work by the District Council.
- 1.5 Whilst the Housing Requirement for South Somerset and Yeovil report [CD 30] identified two scenarios for growth (scenario 1 - positive growth and scenario 2 - slower, faltering growth) the PSSSLP modified [CD 3b, M20-M24] explains that a third scenario for growth (the mid-point between scenario 1 and 2) should be taken forward to reflect the depth and breadth of the on-going recession. The District Council considers that the third scenario, based on a growth of 11,250 jobs over the plan period, identifies a level of growth that enables the District Council to positively follow its aspirations for economic growth, whilst injecting a degree of realism into the scenarios in light on the recession. This approach was endorsed by the Project Management Board (PMB) at workshop 19 on the 26th October 2012 (PMB report

“Review of Housing Growth Projections for South Somerset and Consideration of Implications for Housing Requirement and Supply to 2028”) [CD 117].

- 1.6 PMB Paper “Revising Policy SS5: Delivering New Employment Land, Catering for non-B Uses and the Distribution of Homes/Jobs” [CD 115] explains how PSSSLP Policy SS3 as modified [CD 3b, M34] establishes the number to jobs to be encouraged in each settlement and the additional traditional employment land (Uses B1, B2 & B8) required to support that economic growth over the plan period. In summary the jobs growth (which is a minimum) is linked to the average past economic performance of each settlement and the employment land provision is sufficient to cater for these jobs and in many cases more, reflecting local aspirations for economic growth. The Council’s Employment Topic Paper [CD 11, paras 3.23-3.34] summarises this methodology and PSSSLP Table 1: Employment Land Justifications as modified [CD 3b, M33] explains the quantitative and qualitative justification for employment land by settlement.
- 1.7 A Sustainability Appraisal has been undertaken of PSSSLP Policy SS3 [CD 16c, Appendix 7 pages 6-7] which concludes that sufficient employment land is available across the main settlements in the District to support job creation and enable residents to access work, which will support the growth of the South Somerset economy. The distribution of employment land allows residents to have the option to work locally, which raises the level of self-containment in settlements, reducing the need to travel and enabling local services and facilities to be supported.

Question 3.2

Has a proper assessment of potential employment land within Yeovil itself been undertaken? What are the implications of the 1.9 hectare extension to Lufton 2000 Business Park?

- 2.1 The District Council’s Employment Land Review [CD 50i, pages 7-9] assesses the employment land supply in Yeovil as at 1st April 2010. The supply comprises completions from 1st April 2006-31st March 2010, land under construction, commitments, saved Local Plan 1991-2011 allocations and vacant land. The land supply equates to 40.13 hectares, 38.20 hectares following a review of that supply which suggests Local Plan allocations that should not be saved.
- 2.2 The ELR data has been updated for Policy SS3 of the PSSSLP [CD 3]. The Policy identifies a supply of 39.84 hectares of employment land in Yeovil as at 1st April 2011 (see Appendix 3.2A & 3.2B) which is more up-to-date than the 38.20 hectares identified in the ELR. The District Council considers that this work represents a proper assessment of the potential employment land within Yeovil.
- 2.3 The 1.9 hectare extension to the Lufton 2000 Business Park which is referred to is an objector site, it does not form part of the supply accounted for in PSSSLP Policy SS3. It can be considered in the context of the requirement for an additional 5 hectares of employment land in Yeovil as identified in PSSSLP Policy SS3 as modified [CD 3b,

M34] through an Allocations Development Plan Document or Development Management process.

Question 3.3

Is policy SS3 sufficiently clear and flexible enough to allow for a rapid response to changes in economic circumstances? What is the correlation between employment land allocation and job provision?

- 3.1 Policy SS3 as modified [CD 3b, M34] specifies that the Local Plan will assist in the delivery of 11,250 jobs as a minimum, and approximately 293,300 sq metres net/159.35 hectares of traditional employment land. PSSSLP [CD 3, para 4.64] clearly states that the figures cited in Policy SS3 are not prescriptive or inflexible, as ultimately market forces will determine the nature and number of jobs that will be delivered in a settlement, but the aim of Policy SS3 is to assist decision makers to positively create balanced and sustainable growth in terms of jobs and housing.
- 3.2 PSSSLP [CD 3, para 4.69] identifies the monitoring indicators for Policy SS3 and PSSSLP modified [CD 3, paras 13.1-13.5 and CD 3b, M171-172] identifies the measures the Council can take if the rate of economic growth does not occur as forecast.
- 3.3 A calculating error was made in relation to the figure inputted for housing numbers in Yeovil and given the quantitative link between the two figures this generated an incorrect figure for floorspace in Policy SS3 as modified by M34 [CD 3b]. The District Council wishes to make an amendment to **Minor Modification 34**: replace 293,300 sq metres net in Policy SS3 as modified (M34) with 238,000 sq metres net, as shown below. This was endorsed by PMB on 8th April 2013.

Ref	Page	Policy/ Paragraph	Minor Modification
M34	41	Policy SS3: Delivering New Employment Land	The Local Plan will assist the delivery of 9,200 <u>11,250</u> jobs as a minimum, and approximately 600,850-293,300 <u>238,000</u> sq metres net, / 162 <u>159.35</u> ha gross of traditional employment land (Use Class B1, B2 and B8) to be directed to <u>will be provided for</u> the following settlements for the period April 2006 to March 2028. <i>Nb. Table to remain as is in M34 (no change)</i>

- 3.4 PMB Paper “Revising Policy SS5: Delivering New Employment Land, Catering for non-B Uses and the Distribution of Homes/Jobs” [CD 115] explains the methodology used to establish the job provision and employment land requirements for each settlement. The approach is summarised in Employment Topic Paper [CD 11, paras 3.23 to 3.34 & Appendix 1(4)]. In summary, the correlation between the employment land allocations and job provision is limited with provision leaning towards apparent

excess because of a variety of factors influencing the employment land figure and each settlement is different. PSSSLP Table 1: Employment Land Justifications as modified [CD 3b, M33] explains the quantitative and qualitative justification for employment land by settlement. In summary, there is a quantitative link between jobs and land provision in the Yeovil Sustainable Urban Extension and the Rural Settlements, whereas the other settlement's employment land provision is not strictly linked to the jobs provision but rather local aspirations (Wincanton & Ansford and Castle Cary), qualitative need to deliver a range and choice of sites (Yeovil), strategic allocations (Chard, Crewkerne & Ilminster) and to provide choice through a minimum viable site size (Somerton, Langport & Huish Episcopi and the Rural Centres).

Question 3.4

Does the Local Plan include sufficient support for the promotion of a strong rural economy? How will the employment needs of the rural centres be met?

- 4.1 Paragraph 28 of the NPPF outlines how planning policies should support economic growth in rural areas, it is considered that the PSSSLP [CD 3 and Modifications CD3b) are consistent with this approach. The sustainable growth and expansion of businesses in rural areas is supported by PSSSLP Policy SS2: Development in Rural Settlements [CD 3], Policy SS3: Delivering Employment Growth as modified [CD 3b, M34] and Policy EP4: Expansion of Existing Businesses in the Countryside [CD 3]. The development and diversification of agricultural businesses is supported by PSSSLP Policy EP5: Farm Diversification [CD 3]. Sustainable rural tourism is supported by PSSSLP Policy EP8: New and Enhanced Tourist Facilities [CD 3] and the retention and development of local and community facilities is supported by PSSSLP Policy EP15: Protection and Provision of Local Shops, Community Facilities and Services [CD 3].
- 4.2 PSSSLP Policy SS3: Delivering Employment Growth as modified [CD 3b, M34] identifies the employment land requirements of Rural Centres and Rural Settlements and the number of jobs to be encouraged over the plan period. PMB Paper "Revising Policy SS5: Delivering New Employment Land, Catering for non-B Uses and the Distribution of Homes/Jobs" [CD 115] explains the methodology used to establish this job provision and employment land requirement. In summary, the jobs growth identified for the Rural Centres and Rural Settlements (which is a minimum) is linked to the average past economic performance of each Rural Centre/the Rural Settlement and the employment land provision is sufficient to cater for these jobs and in many cases more, reflecting local aspirations for economic growth.
- 4.3 One jobs figure is identified in PSSSLP Policy SS3 as modified [CD 3b, M34] for the Rural Centre and Rural Settlements as it is difficult to accurately assess the amount of growth that will occur individually in each settlement as market forces will deliver, but the District council are of the opinion that the approach taken to deliver the land and subsequent jobs is reasonable and allows sufficient flexibility for developers and the community to bring forward sites and therefore jobs.

- 4.4 Additionally, PSSSLP Policy SS2 [CD 3] will allow sustainable economic growth to come forward in Rural Settlements where it provides the most sustainable option and is appropriate to the scale of the settlement.
- 4.5 The Council has commenced work on an allocations Development Plan Document (DPD) and it is anticipated that this will guide development in Rural Centres in conjunction with interested parties.

Question 3.5

Is there sufficient clarity regarding the infrastructure required to enable economic growth, including the expansion of electronic communication networks?

- 5.1 Paragraph 8.61 of the Proposed Submission Draft Local Plan (PSDLP) as amended (CD 3b, M154) sets out that the Council recognises the importance of delivering Super-Fast Broadband to rural areas and that development should facilitate the growth of new and existing telecommunications systems where possible.
- 5.2 This supports the principles of paragraphs 42 and 43 of the National Planning Policy Framework which recognises that high quality communications infrastructure is essential for sustainable economic growth and that in preparing Local Plans, local authorities should support the expansion of electronic communication networks.
- 5.3 The Council's Report on Infrastructure Planning (CD 36) sets out that, as with other utilities, telecommunication services are provided as required at their own costs with capital raised through private debt or equity capital in return for the income generated from sales to domestic and commercial customers. British Telecom (BT) has a statutory obligation to supply capacity as and when required. When new housing or employment development is built, infrastructure requirements will be met by BT. BT monitors planning applications and forecasts three years ahead for when developments are likely to come on stream, determining infrastructure on actual development proposals.
- 5.4 The Report on Infrastructure Planning (CD 36) notes that £30M of funding has been secured to provide superfast Broadband across Devon and Somerset. Since the time of writing both the Submission Draft Local Plan (CD 3) and the Report on Infrastructure Planning (CD 36) the Connecting Devon and Somerset project has become more advanced and consequently due regard should be given to the Connecting Devon and Somerset partnership which encompasses the six local authority areas of Somerset, North Somerset, Bath and North East Somerset Devon, Torbay and Plymouth, and has the security of central government funding to deliver broadband (greater than 2Mbps) for all by 2015, superfast broadband (greater than 24Mbps) to at least 85% of homes and businesses by 2015 and 100% superfast broadband coverage by 2020.

- 5.5 The Connecting Devon and Somerset programme is led by Somerset County Council and Devon County Council and intends to roll out broadband to those parts not covered (or likely to be covered) by the private sector. The District Council is a member of this partnership.
- 5.6 On the 29th January 2013 the Partnership signed a contract with BT which will:
- Secure a £94M investment to transform broadband speeds for businesses and residents
 - Ensure around 90% of premises have access to fibre optic broadband by the end of 2016, and
 - Deliver a minimum of 2Mbs for all premises by the end of 2016.
- 5.7 Until BT has completed detailed surveys of existing infrastructure, there is no further detail on which locations will see faster speeds. Survey work is in progress with the locations for the commercial programme in South Somerset to include Yeovil and Ilminster during 2013 and further announcements anticipated in Spring 2013.
- 5.8 In summary the allocation of anticipated quantum of employment development across the district over the plan period provides BT, as the statutory provider of supply capacity, with a greater understanding of the potential communication network requirements for the district to feed into their forecasting. This coupled with the recent announcement that contracts have been signed between BT and the Connecting Somerset and Devon partnership for £94M of investment to deliver fibre optic broadband to around 90% of premises by 2016 provides reassurance that appropriate electronic communication network infrastructure will be in place to support planned growth and that the Local Plan makes sufficient provision to support this.

Question 3.6

The Local Plan recognises that there is a need for other employment generating activities, for example town centre uses, health and education but does not identify detailed needs or allocate land for those sectors of the economy. How would planning applications for such uses be assessed?

- 6.1 PSSSLP Policy SS3: Delivering Employment Growth as modified [CD 3b, M34] identifies the number of jobs anticipated to be delivered in non B use classes by settlement to 2028. The Policy anticipates that in total 39% of new jobs over the plan period will be in non-B use classes. The Council's Employment Topic Paper [CD 11, para 4.19] explains that the figure of 39% of the new jobs being in non B use classes, is identified from the new jobs projected in report "Housing Requirement for South Somerset and Yeovil" [CD 30, page 17].
- 6.2 The non B use classes are not broken down any further as PMB Paper "Revising Policy SS5: Delivering New Employment Land, Catering for non-B Uses and the Distribution of Homes/Jobs" [CD 115] explains, given the diverse nature of the sectors covered, there are difficulties in calculating the amount of jobs and land required by non B use classes over the plan period.

- 6.3 The PMB paper [CD 115] goes on to explain that the planning policy framework contained in the NPPF and the PSSSLP as modified [CD 3b] is sufficiently strong to enable the Development Management process to assess applications for town centre, health and education uses. Additionally, it explains that the infrastructure needs of strategic sites such as the Yeovil Sustainable Urban Extension or the Chard Eastern Development Area have been identified and therefore the jobs associated with, for example the schools, will be guided by the allocation and Development Management process.
- 6.5 In summary, there is a strong policy framework in place for town centre uses, further guidance is not required. Other uses that arise on an ad hoc basis will be assessed on their merits through the Development Management process.

Question 3.7

Is the 3 year threshold in the first bullet point of policy EP4 justified? Should the policy refer to protecting high value agricultural land?

- 7.1 Para 28 of the NPPF seeks planning policies to support sustainable economic growth in rural areas. The 3 year threshold has been introduced to ensure that any business seeking expansion in the countryside has an established presence in an area prior to seeking expansion. This is to ensure a strong economic development focus on the higher order settlements that have an identified need for employment land and to prevent unfettered development in the countryside.
- 7.2 The 3 year figure is based on information from business organisations whose statistics identify that the failure rate for start-up businesses diminishes after a three year period (see Appendix 3.7A).
- 7.3 The Council does not consider it necessary to refer to protecting high value agricultural land as a criterion in this policy as there is sufficient protection under para 112 of the NPPF:
“Local planning authorities should take into account the economic and other benefits of the best and most versatile agricultural land. Where significant development of agricultural land is demonstrated to be necessary, local planning authorities should seek to use areas of poorer quality land in preference to that of a higher quality”.
 In the context of the above, the overall sustainability of a proposed development would be assessed prior to making a decision.

Question 3.8

What is the status of the MoD sites in the District? Has account been taken of current and future changes in MoD employment?

- 8.1 There are two MoD sites in the District, RNAS Yeovilton and RNAS Merryfield, both are operational airfields. RNAS Yeovilton is one of the Royal Navy’s two principal Fleet Air Arm bases and is one of the busiest military airfields in the UK and RNAS

Merryfield serves as a satellite to RNAS Yeovilton and operates mainly as a training airport for helicopter pilots.

- 8.2 The MoD is a significant employer in the District and the District Council has a good working relationship and continues to work with the MoD to ensure that future changes at the base can be accommodated. Most recently as a result of the restructure of the armed services identified in the Army 2020 plan, the redeployment of 700 army personnel to Yeovilton 2013-2015 has been announced, and this has been accounted for in the PSSSLP Policy SS4: District Wide Housing Provision modified [CD 3b, M55].
- 8.3 Planning officers have met on a number of occasions with representatives from the MoD regarding the future of the base, and in recognition of the additional personnel being redeployed to the base; the housing provision sought for the District in PSSSLP Policy SS4 as modified includes the provision of 300 dwellings for off base housing [CD 3b, M55 & M63]. Other work has included working together to review the noise contours in Ilchester [CD 63].

Question 3.9

Is policy EP12 consistent with advice in the NPPF?

- 9.1 Para 26 of the NPPF requires an impact assessment to be submitted with applications for retail, leisure, and office developments outside town centres if the development is over a proportionate, locally set floorspace. The District Council considers that PSSSLP Policy EP12 [CD 3, para 8.96-8.105] is consistent with the NPPF in that it sets a local threshold which is proportionate to the role and function of each applicable settlement, following recognition of its existing retail offer.
- 9.2 PMB Workshop 8 paper "Consideration of the need for a locally derived retail Threshold Policy" [CD 116] introduced the concept of a local threshold of 500 sq m for the smaller Market Towns and Rural Centres in the District in light of the draft NPPF which identified a need for a local threshold for the scale of applications for edge-of-centre or out-of-centre development that will require an impact assessment. This was endorsed by PMB (29/09/2011) subject to evidence.
- 9.3 PMB Workshop 9 paper "Managing the Scale of Retail Development - A Methodology for Establishing a Local Retail Floorspace Threshold Policy for Impact Assessments" [CD 116] refined the 500 sq m, by identifying a methodology for establishing the scale of a local threshold linked to the geography of each settlement and the scale of known retail proposals. In summary the smaller the settlement (in terms of its role and function), the smaller the retail threshold:
- Chard, Crewkerne, Ilminster & Wincanton - 750 sq m
 - Castle Cary, Somerton & Langport/Huish - 500 sq m
 - Rural Centres - 250 sq m
- PMB endorsed the above local floorspace threshold for Impact Assessments on 23rd November 2011.
- 9.4 Following consideration by the District's Area Committees, a lower threshold was considered appropriate for Castle Cary and Somerton and this was endorsed by Full Council on 23rd April 2012 on the following basis:

“The threshold of 500 sq m is considered to be too great for Ansford / Castle Cary, for unlike the other District Centres it does not have an anchor supermarket in or on the edge of the Town Centre and it’s largest comparison store is circa. 160 sq m. Therefore, to ensure that any new retail development does not have a negative impact on the vitality and viability of the existing town centre, in Castle Cary it would be prudent to have a lower threshold of 250 sq m gross. A letter has been received dated 11th April 2012 from Somerton Town Council requesting a similar lower threshold for Somerton on the grounds that “Somerton has a small delicately balanced group of shops which includes a small supermarket”. The arguments for a lower threshold for Ansford / Castle Cary are considered to apply to Somerton”.

- 9.5 The NPPF was published on 27th March 2012. PMB Workshop 14 paper “National Planning Policy Framework and its Implications for the Emerging Core Strategy” reviewed the contents of the NPPF and identified implications for the then emerging Core Strategy (PSSSLP). Policy EP12 was considered to be consistent with para 26 of the NPPF, this was endorsed by PMB on 12th April 2012 and later at Full Council on 23rd April 2012:

“When assessing applications for retail, leisure and office development outside of town centres, which are not in accordance with an up-to-date Local Plan, local planning authorities should require an impact assessment if the development is over a proportionate, locally set floorspace threshold” (para 26 NPPF).

Question 3.10

What is the role of the District in terms of tourism? Is sufficient guidance given on the Council’s approach to the issue (policy EP8)?

- 10.1 The Council’s Tourism Strategy (CD 55) identifies that tourism is worth over £8 billion each year to the South West economy, sustaining over 300,000 jobs and that of this Somerset had a visitor spend of over £850 million with approximately 35,000 full and part time jobs supported by this which accounts of roughly 10% of the entire South West’s regions tourism expenditure and employment.
- 10.2 Whilst the Tourism Strategy (CD 55) is now somewhat dated the Council’s Economic Development Strategy (EDS) (CD 119) also recognises that Tourism is a valuable part of the South Somerset economy, employing 5% of the districts workforce, with South West Research (2012) finding that the total value of this sector is £159.3 million.
- 10.3 The EDS identifies that South Somerset’s tourism is a niche market which lends itself to the specialised short break, repeat visit, market rather than being a major destination market. The district also provides a stopping point for those making longer journeys into the South West peninsular. It accounts for around £160 million added value (GVA) to the local economy which represents around 6% of the total value of the local economy. It is significant because tourism spend tends to support local businesses and the value of that spend stays local with strong multiplier effects.
- 10.4 Policy EP8 of the Proposed Submission Draft Local Plan (PSDLP) seeks to provide a positive policy basis for enabling the continuation of sustainable tourism growth

within the district. It seeks to provide policy guidance to maintain and support the role and scale of tourism in the district whilst offering protection against the growth of unsustainable tourist facilities in the open countryside. This is compliant with the principles of paragraph 28 of the National Planning Policy Framework which seeks to promote a strong rural economic with Local Plans supporting sustainable rural tourism and leisure developments that benefit rural businesses and communities whilst respecting the character of the countryside. Furthermore this includes supporting the provision and expansion of tourist and visitor facilities in appropriate locations.

- 10.5 The development of tourism in the district is further supported by the Councils Economic Development Strategy (CD 119) which sets out core activities which include:
- Working to the strengths of the districts niche tourism market to increase the volume and value of tourism in South Somerset
 - Marketing the wider incentives - cultural, tourism/leisure and the family related offer
 - Partnership working with local business to market the area more effectively
- 10.6 In summary the Council considers that Policy EP8 provides an appropriate policy basis and sufficient guidance to enable the sustainable growth of the districts tourism sector in line with the EDS. The Council's approach through Policy EP8 is to support new and enhanced tourist facilities provided that they are appropriate in scale, do not cause harm to environmental, cultural or heritage assets, benefit the local community through access to services, do not impact upon nationally or internationally designated sites and there is an identified need in the open countryside not met by existing facilities.

**Appendix 3.2A Employment Land Supply
(01.04.06 to 31.03.11)**

SETTLEMENT	EMPLOYMENT COMMITMENT (March 2011) - hectares				Total
	Completions (2006/2011)	Commitments & Under Construction	Saved Allocations	Lapsed Permissions (to be reviewed)	
SSCT					
Yeovil	3.89	26.72	4.8	4.43	39.84
Yeovil Urban Extension	0	0	0	0	
TOTAL	3.89	26.72	4.8	4.43	39.84

Appendix 3.7A: Summary of Statistics re. Business start-up and failure rates

Following a review of business start-up and failure rates, 3 years appears a reasonable period of time to assess a viable business.

1. **Federation of Small Businesses** – “One in three businesses fail in their first few months”. Source: <http://www.fsb.org.uk/conference-2012/motion-2>
2. **The Times** - “Startup businesses have a very high failure rate in this country with as many as 1 in 3 failing in their first three years”. Source: <http://businesscasestudies.co.uk/business-theory/strategy/business-failure.html#ixzz2OqOHJwoK>
3. **Statistic Brain** (44%of businesses fail by year 3) Source: <http://www.statisticbrain.com/startup-failure-by-industry>

