

Somerset Levels and Moors Leader Programme Baseline Assessment

September 2014



Compiled by Economic Intelligence, Somerset County Council on behalf of Somerset Levels and Moors LARC

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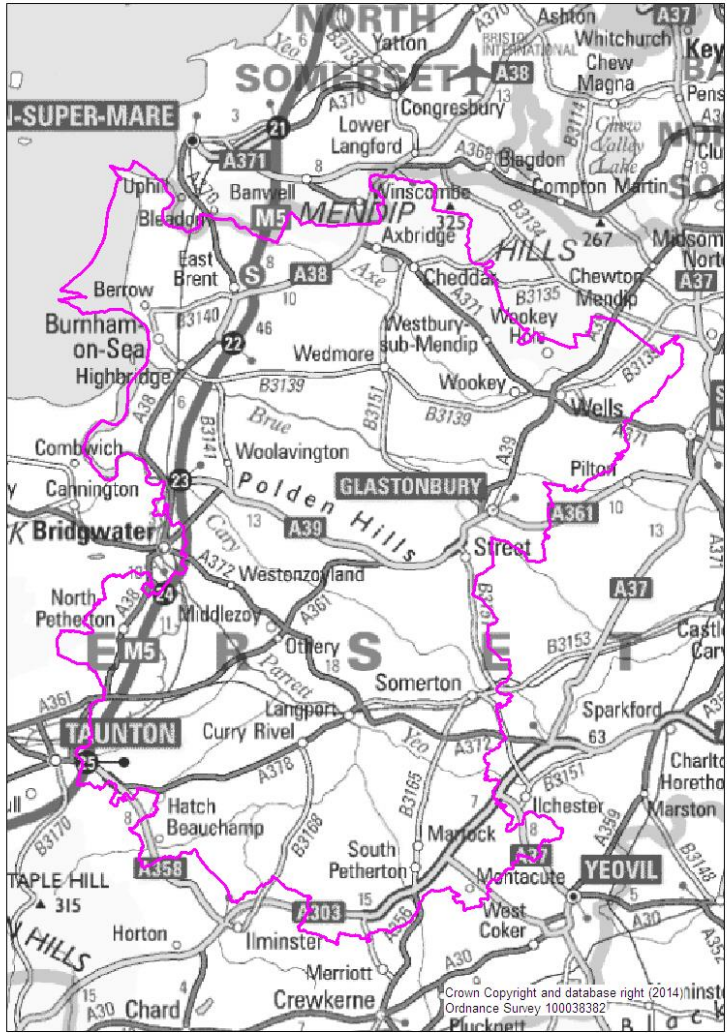
1. Background

The Levels and Moors are located in Somerset County in the south west of England. Much of the area is low-lying and is characterised by a high proportion of agricultural land. The Levels and Moors are made up of rural communities and market towns.

The Levels and Moors area is defined on the basis of output areas (OAs) and the extent of its boundary is shown in Figure 1.

The Somerset Levels were in the spotlight of national attention in early 2014 as a result of the worst flooding in living memory. The prolonged wet weather and subsequent flooding began in mid-December 2013. Within the Levels and Moors over 150 properties were flooded internally and 11,000 hectares of agricultural land were under water. Over 200 homes in several communities were cut off, some for more than two months. The flood water has now receded but the damage to properties, land and transport infrastructure is still being assessed. The Government acknowledged the scale and extent of the problem, challenging Somerset to develop an Action Plan¹ for the long-term sustainable future of the Levels and Moors.

Figure 1: The Somerset Levels and Moors area



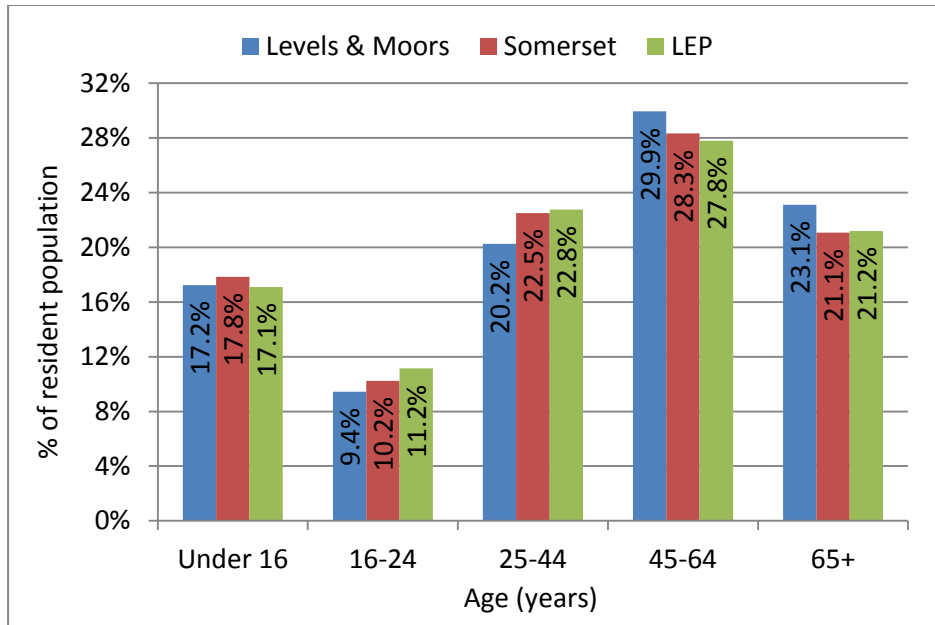
¹ <http://somersetnewsroom.com/flood-action-plan/>

2. People

2.1 Population structure and density

According to the 2011 Census, 148,779 people live in the Levels and Moors area, accounting for 28% of Somerset’s total population. The population of the area has increased by 1.7% since 2001, compared to 6.4% for Somerset as a whole. The age profile of the Levels and Moors population is predominantly older, with 53.1% of residents aged 45 or over, compared to 49.4% for Somerset as a whole (Figure 2).

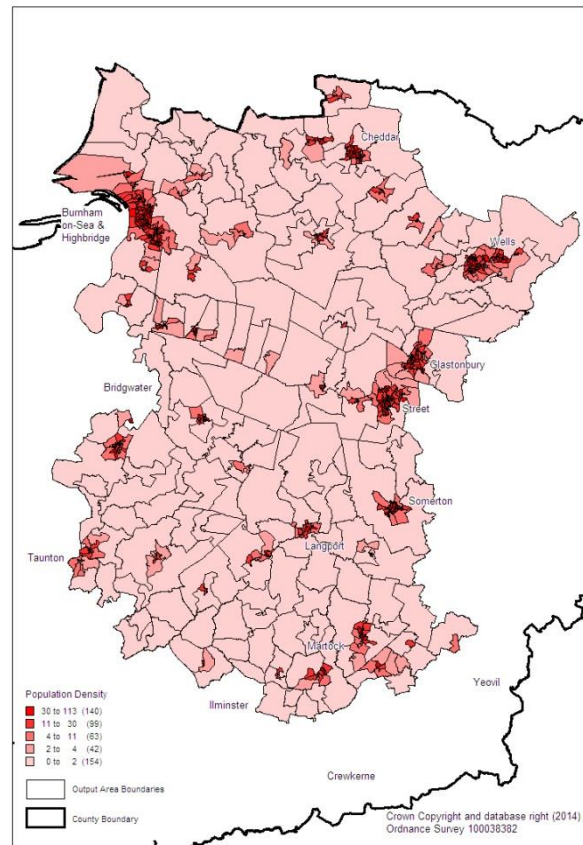
Figure 2: Population age structure (2011)



Source: 2011 Census, ONS

Figure 3 illustrates the rural nature of the Levels and Moors area, where the majority of output areas have a population density of fewer than 2 people per hectare.

Figure 3: Population density across the Levels and Moors (people per hectare)



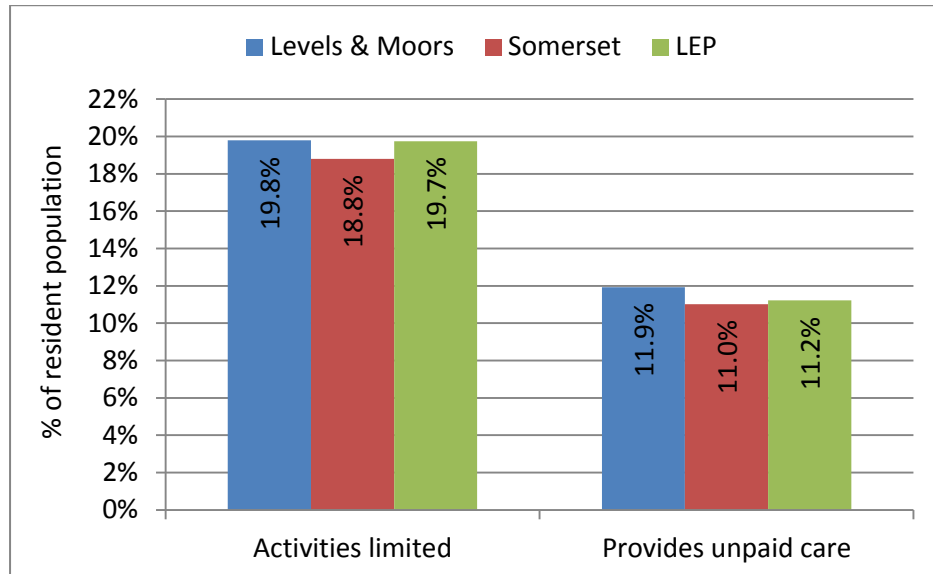
Source: 2011 Census, ONS

2.2 Diversity and deprivation

Somerset does not have a large proportion of residents from black and minority ethnic groups and the Levels and Moors area is no exception. In fact, it is slightly less ethnically diverse than the County. 96.2% of Levels and Moors residents are of white British or white Irish origin, compared to 95.1% at County level.

In recent years, immigration from EU accession countries such as Poland has increased the proportion of people of white 'other' origin. Somerset currently has 14,707 residents from this ethnic group (2.8%) whereas the Levels and Moors area has 2,846 (1.9%).

Figure 4: Health and unpaid care (2011)

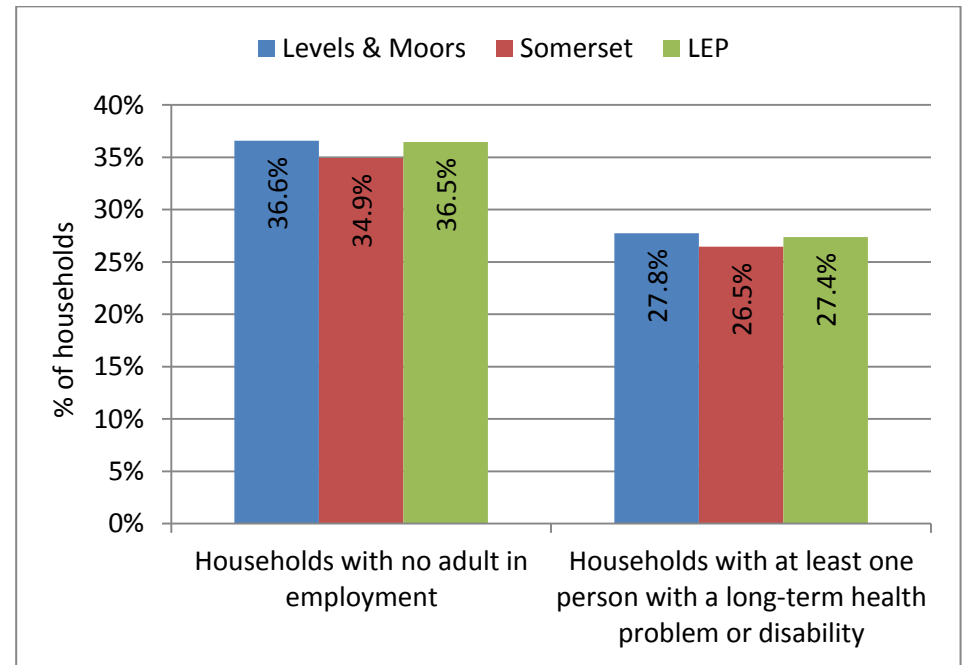


Source: 2011 Census, ONS

Approximately 20% of Levels and Moors' residents have a health condition which limits their daily activities to some extent (Figure 4). This is a higher proportion than the Somerset figure (18.8%) and may be a reflection of the marginally older age profile of the area.

It is also evident that a greater proportion of Levels and Moors residents provide unpaid care for another person (11.9%). 21.1% of those providing care do so for more than 50 hours per week.

Figure 5: Disability and lack of employment in households (2011)



Source: 2011 Census, ONS

There are 64,028 households in the Levels and Moors area. A high proportion of households with no adult in employment can be an indicator of deprivation. Figure 5 shows that 36.6% of households in the Levels and Moors area have no adult in employment. This is only marginally higher than the Somerset (34.9%) and Heart of the South West LEP figures (36.5%).

27.8% of households in the Levels and Moors have at least one person with a long-term health problem or disability. The older age profile of the Levels and Moors is likely to influence both of these indicators.

Key Facts – People

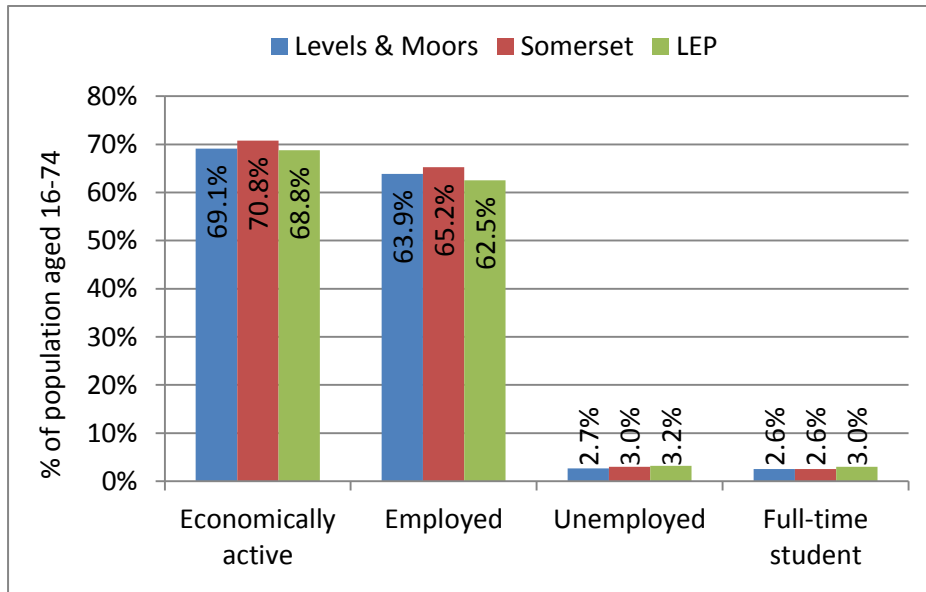
- 148,779 people live in the Levels and Moors area.
- The Levels and Moors area has an older age profile than Somerset County, with 53.1% of people aged 45 or over.
- The Levels and Moors are less ethnically diverse than Somerset County.
- 19.8% of Levels and Moors' residents have a health condition which limits their daily activities.
- 11.9% of Levels and Moors' residents provide unpaid care for another person.

3. Employment and Skills

3.1 Economic activity and employment

Economic activity rates are high in the Levels and Moors area and Somerset as a whole. In 2011, 69.1% of Levels and Moors' residents were engaged in some form of economic activity (Figure 6). This includes employed people, full-time students and also those classed as unemployed who are actively seeking work. Unemployment in the Levels and Moors area is lower than the Somerset rate (2.7% compared to 3%).

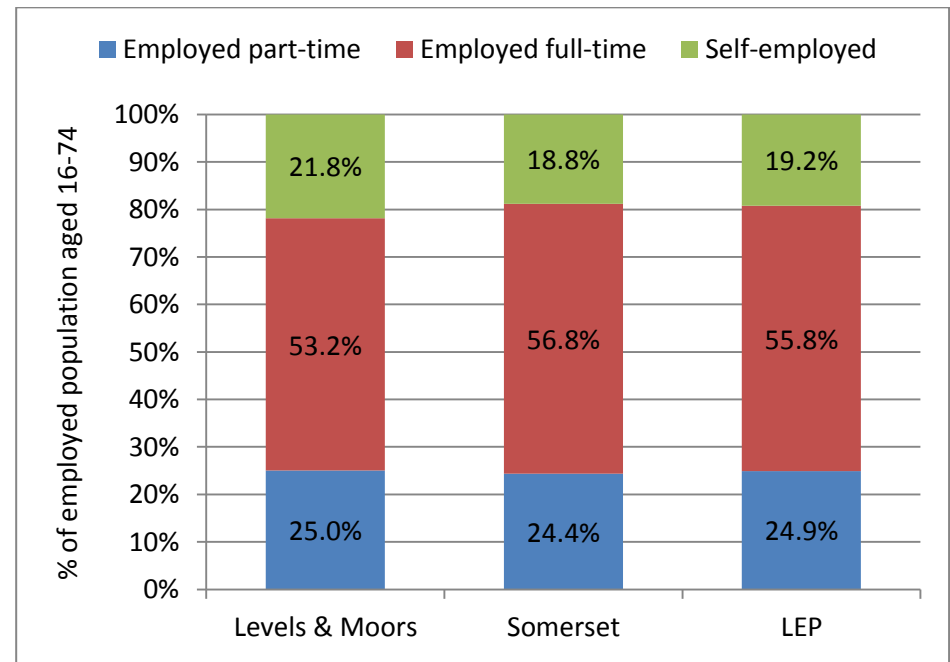
Figure 6: Economic activity (2011)



Source: 2011 Census, ONS

Figure 7 shows that the majority of people in employment in the Levels and Moors area are in full-time work (53.1%) but this is lower than the Somerset and LEP proportions (56.8% and 55.8% respectively). The Levels and Moors have higher levels of self-employment compared to the County and LEP averages. This indicates more entrepreneurial activity in the Levels and Moors area and is often reflective of an area with numerous small businesses (see section 3). The percentage of Levels and Moors residents working part-time is broadly similar to the County and LEP levels, at 25%.

Figure 7: Type of employment (2011)

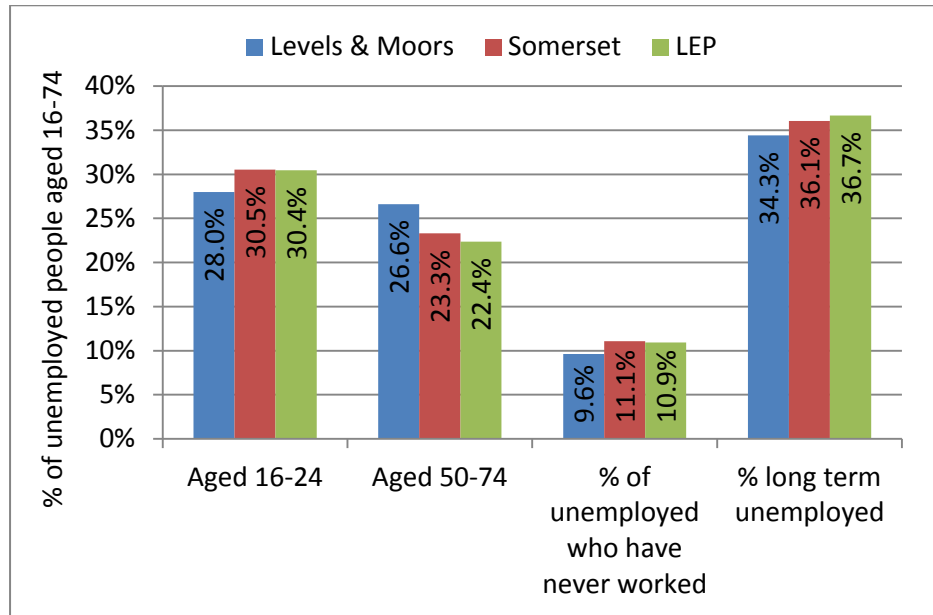


Source: 2011 Census, ONS

3.2 Economic inactivity and unemployment

According to the Census, 2,862 people in the Levels and Moors were unemployed in 2011. Of these, 26.6% were aged 50 or over, a higher proportion than across Somerset and the LEP area with 23.3% and 22.4% respectively (Figure 8). At the other end of the age spectrum, 28% of unemployed Levels and Moors' residents are aged 16-24, a lower proportion than the County and LEP levels. However, the unemployment rate for the 16-24 year old age group is more than double the overall unemployment rate for the Levels and Moors; 5.7% compared to 2.7%.

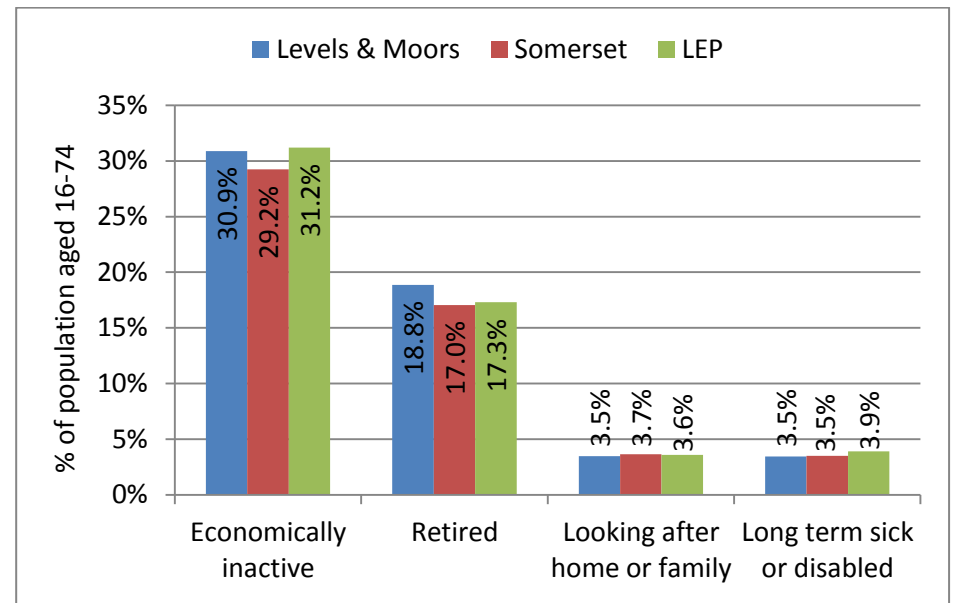
Figure 8: Unemployment by age and type (2011)



Source: 2011 Census, ONS

30.9% of Levels and Moors' residents are economically inactive, a slightly higher proportion than across Somerset as a whole (29.2%) (Figure 9). The majority of economically inactive residents are retired (18.8%), which is consistent with the slightly older population profile of the Levels and Moors area.

Figure 9: Economic inactivity (2011)



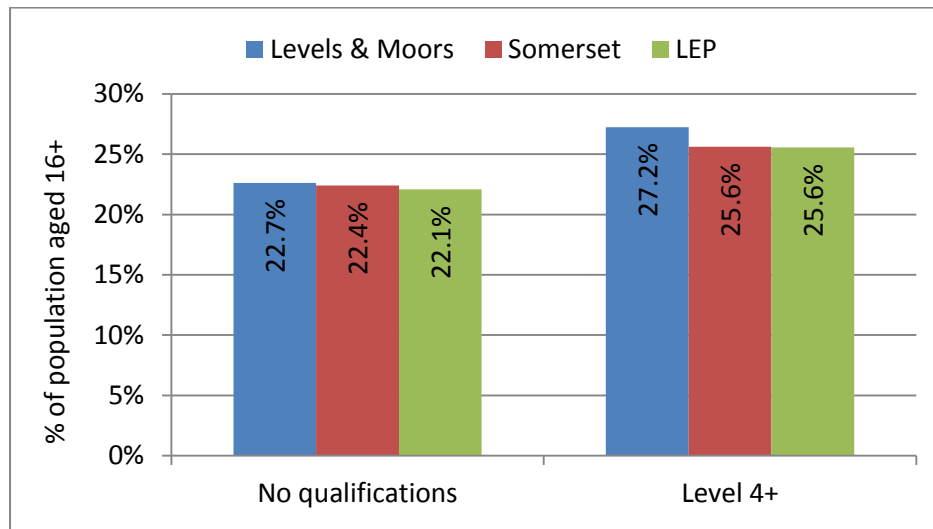
Source: 2011 Census, ONS

3.3 Qualifications

The Levels and Moors area has a well-qualified pool of labour at its disposal. 27.2% of residents aged 16 or over are qualified to NVQ level 4 or above (Figure 10). This is a higher level than in Somerset and the

LEP area (both 25.6%) and indicates the potential for these skills to be used to further economic growth. Conversely, the Levels and Moors also have a slightly higher proportion of residents with no qualifications at all; 22.7% compared to 22.4% for Somerset. This could indicate an opportunity for up-skilling sections of the population as an additional route to growth.

Figure 10: Highest qualification level (2011)



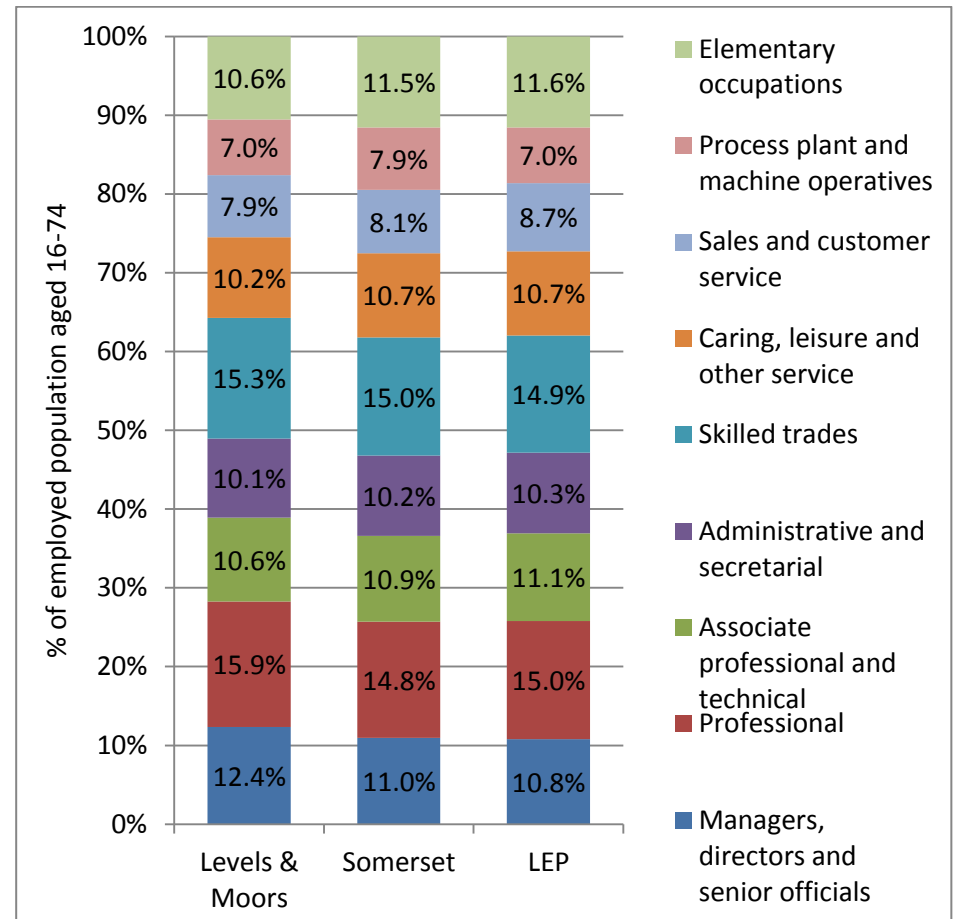
Source: 2011 Census, ONS

3.4 Occupation and employment by sector

The occupation profile (Figure 11) illustrates the link between the qualifications of Levels and Moors’ residents and the job roles they undertake. A high proportion can be found in professional (15.9%) and senior managerial roles (12.4%) compared to Somerset and the LEP

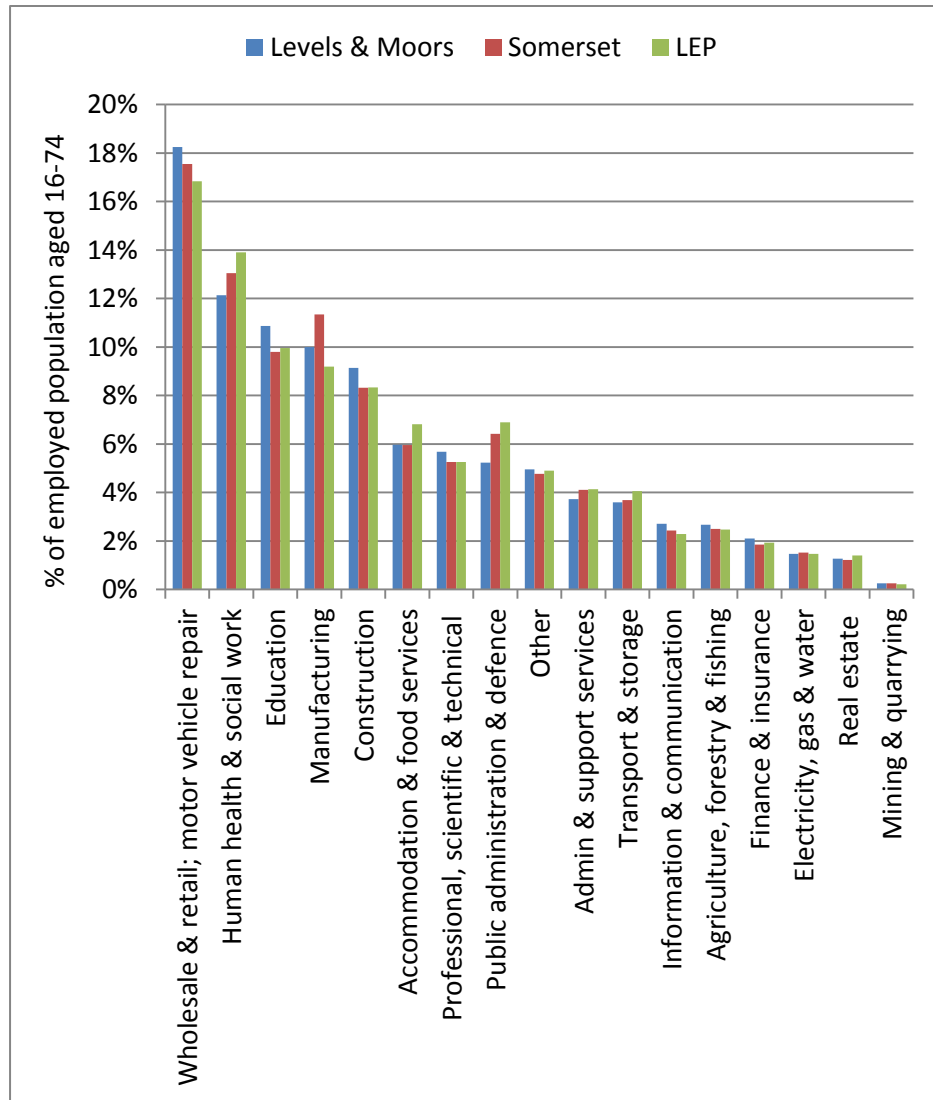
area. At the other end of the spectrum, there are fewer Levels and Moors’ residents in elementary occupations and sales and customer services roles.

Figure 11: Occupation profile (2011)



Source: 2011 Census, ONS

Figure 12: Industry of employment (2011)



Source: 2011 Census, ONS

Figure 12 shows employment by industry in the Levels and Moors compared to Somerset and the LEP area. In employment terms, the largest sector in the Levels and Moors is wholesale and retail and motor vehicle repair, which represents 18.3% of the workforce and employs 12,866 people. The human health and social work and education sectors employ 12.1% and 10.9% of the Levels and Moors population respectively and these sectors are also important at a County and LEP level.

Several sectors are more strongly represented in the Levels and Moors area than across Somerset or the LEP. The construction sector employs 9.1% of the workforce locally compared to 8.3% at both the County and LEP levels. Professional, scientific and technical industries have a strong presence in the Levels and Moors, employing 5.7% of the workforce, and this may partly explain the high proportion of well-qualified residents of the area (see Figure 10 above). As would be expected given the rural nature of much of the Levels and Moors area, agriculture, forestry and fishing employs more people than the County and LEP levels (2.7% compared to 2.5%).

Figure 13 shows the 'location quotient' (LQ) of each sector in the Levels and Moors; its relative size in employment terms compared to Somerset County overall. A location quotient of more than 100 indicates a sector is more concentrated in the Levels and Moors and an LQ of less than 100 indicates a weaker presence.

Finance and insurance, information and communication and education have the strongest presence in the Levels and Moors compared to Somerset as a whole. Conversely, public administration and defence, mining and quarrying and manufacturing show the weakest presence in the Levels and Moors, with LQ values of 85, 89 and 90 respectively.

Figure 13: Concentration of employment by sector (2011)

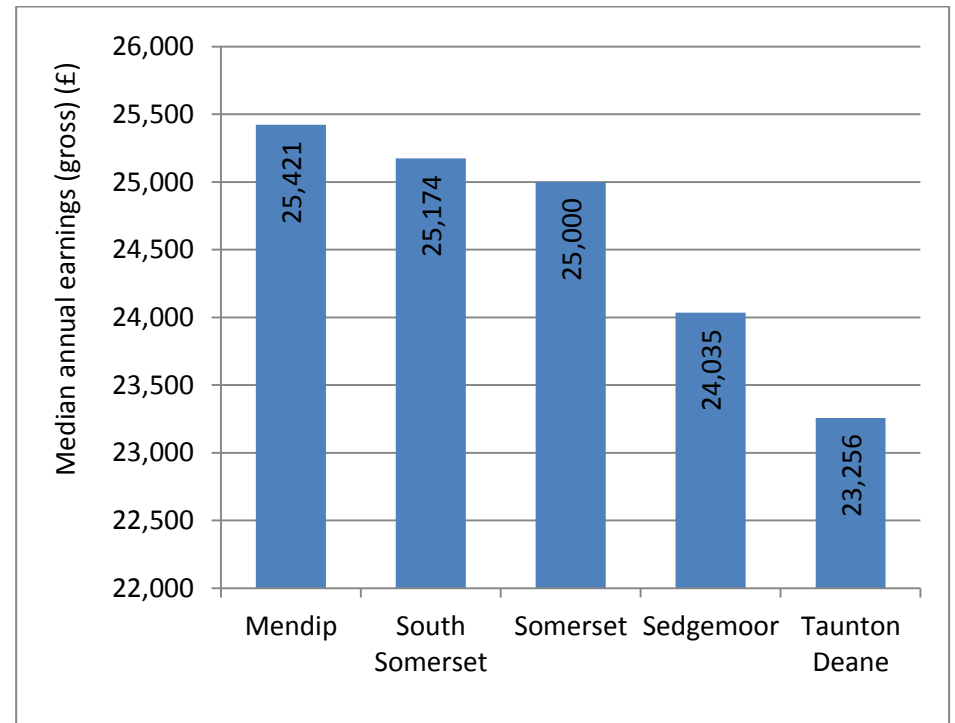
Industry sector	Levels & Moors	Somerset	LQ
Finance & insurance	2.1%	1.9%	113
Information & communication	2.7%	2.4%	112
Education	10.9%	9.8%	111
Construction	9.1%	8.3%	110
Professional, scientific & technical	5.7%	5.3%	108
Agriculture, forestry & fishing	2.7%	2.5%	107
Real estate	1.3%	1.2%	104
Wholesale & retail; motor vehicle repair	18.3%	17.6%	104
Other	5.0%	4.8%	104
Accommodation & food services	6.0%	6.0%	100
Mining & quarrying	0.3%	0.3%	100
Transport & storage	3.6%	3.7%	98
Electricity, gas & water	1.5%	1.5%	97
Human health & social work	12.1%	13.0%	93
Admin & support services	3.7%	4.1%	91
Manufacturing	10.0%	11.3%	88
Public administration & defence	5.2%	6.4%	81

Source: 2011 Census, ONS

3.5 Earnings and house prices

In 2013, the average median earnings of full-time workers in Somerset were £25,000, compared to £27,017 in the UK as a whole (Annual Survey of Hours and Earnings, NOMIS). Earnings data is not available below district level so an approximation must be made for the Levels and Moors area. Figure 14 shows the average earnings for each of the 4 districts which fall partly or wholly within the Levels and Moors area.

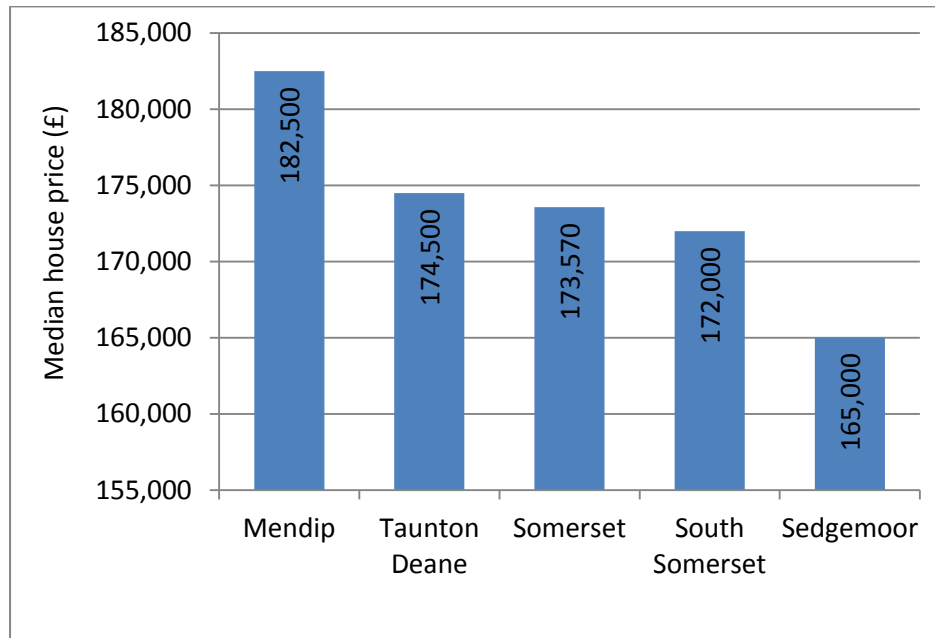
Figure 14: Median annual earnings (full-time workers)



Source: Annual Survey of Hours and Earnings (resident analysis), 2013

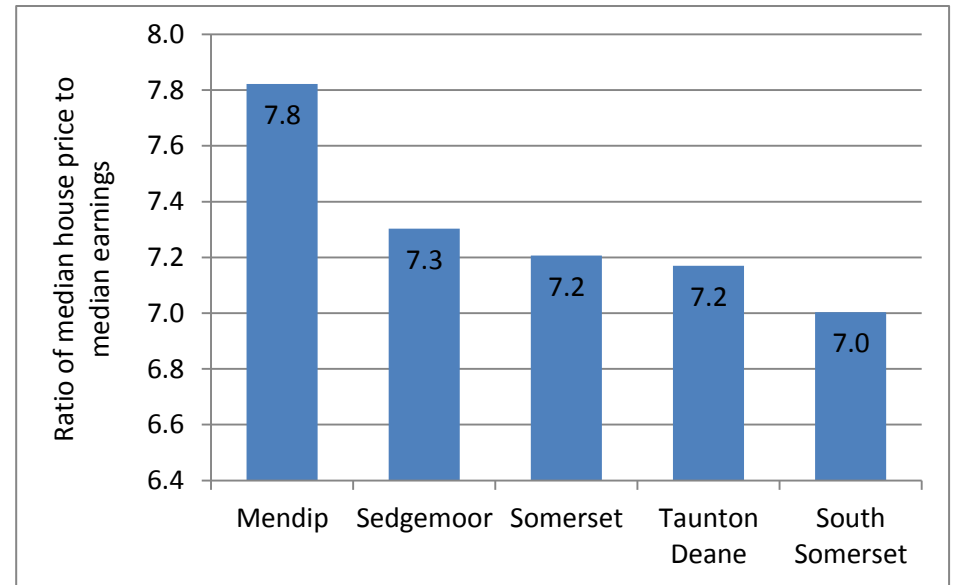
Of particular importance in Somerset is the relationship between earnings and house prices. In 2013, the median house price in Somerset was 7.2 times the median wage. Figure 15 shows that Mendip has the highest median house price of all the Levels and Moors districts and exceeds the Somerset level (£182,500 compared to £173,570). Sedgemoor has the lowest median house price at £165,000. Figure 16 shows that the ratio of median house prices to median earnings is highest in Mendip at 7.8 to 1.

Figure 15: Median house price (Q2 2013)



Source: CLG Table 582, 2014

Figure 16: House price to earnings ratio (2013)



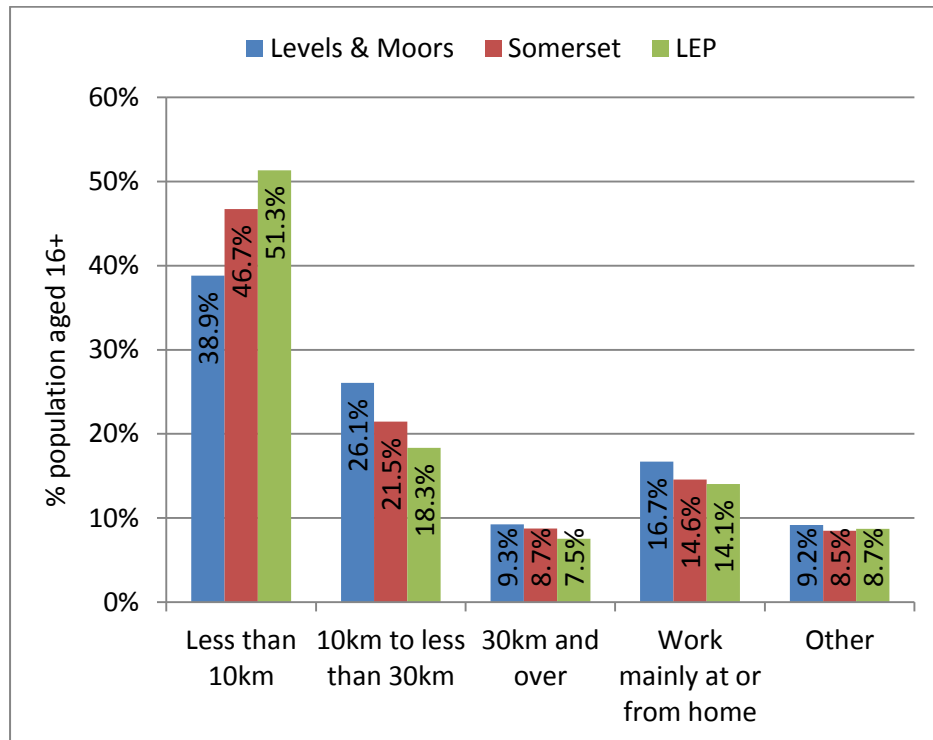
Source: CLG Table 577, 2014

3.6 Travel to work patterns

The travel to work patterns of Levels and Moors' residents differ compared to the County and LEP picture (Figure 17). Across the LEP area, more than half the population aged 16+ commute less than 10km to work and for Somerset the figure is 46.7%. The sparsity of the Levels and Moors means that only 38.9% travel less than 10km to work. 26.1% travel between 10km and 30km, and 9.3% travel more than 30km.

Levels of homeworking are also higher in the Levels and Moors area, with 16.7% working mainly at or from home compared to 14.6% and 14.1% for Somerset and the LEP area respectively.

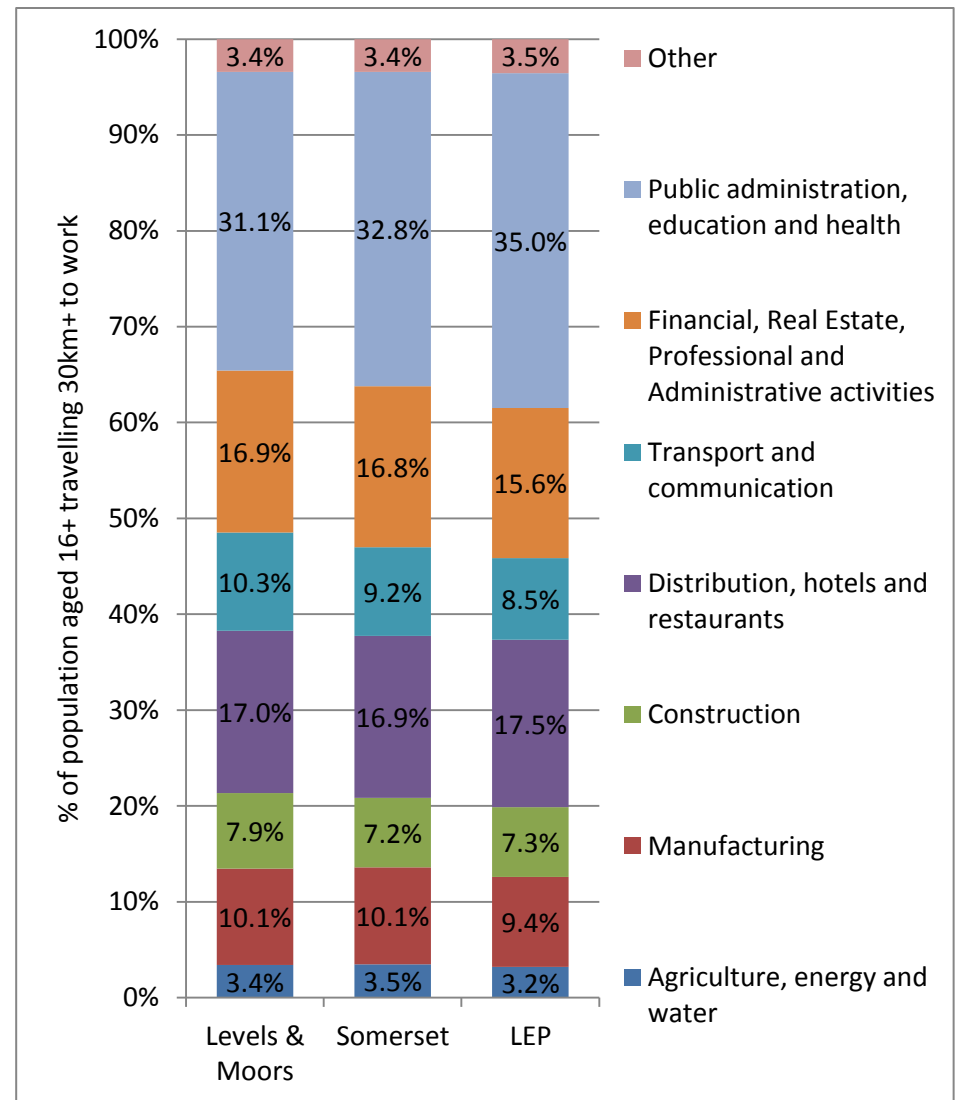
Figure 17: Distance travelled to work (2011)



Source: 2011 Census, ONS

Breaking down these travel to work patterns by industry sector can give a useful indication as to how different industries are adapting their working practices.

Figure 18: Long distance commuting by industry (2011)



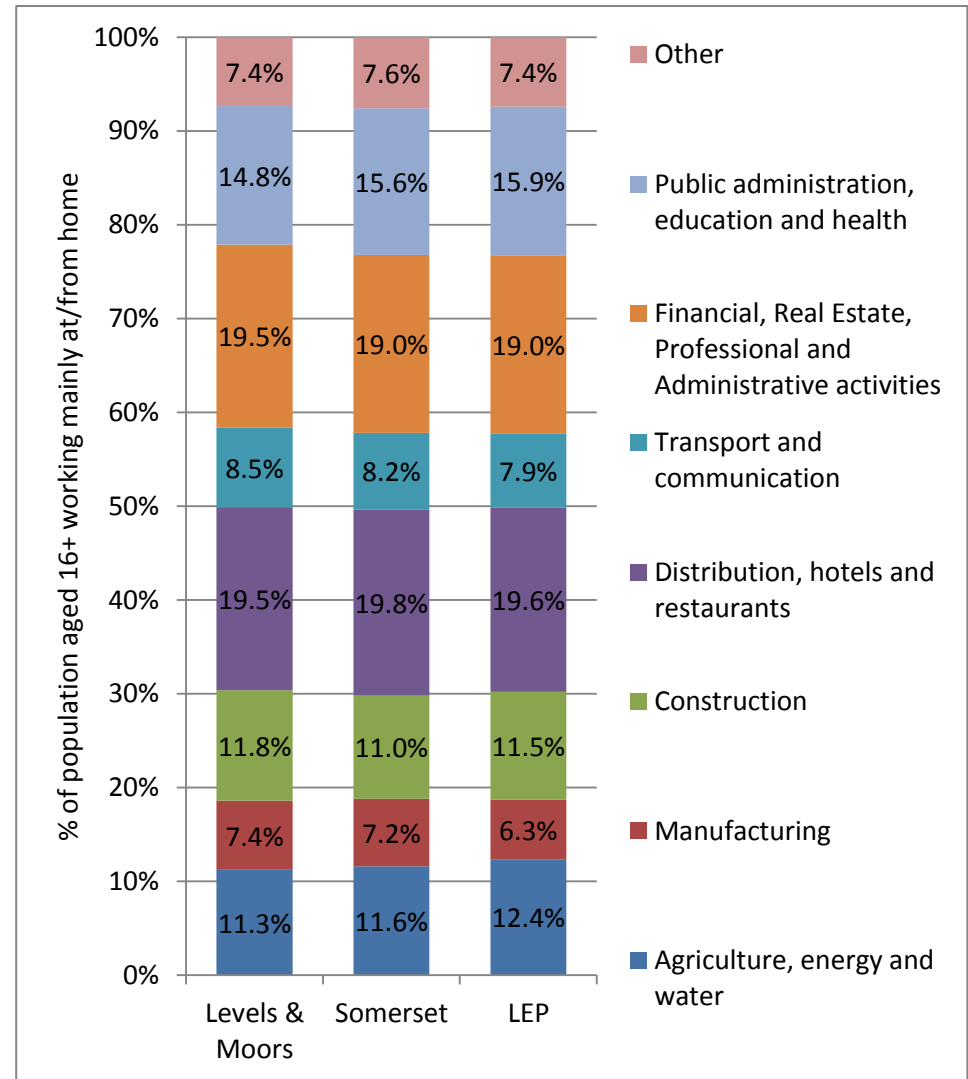
Source: 2011 Census, ONS

The majority of long distance commuters (30km+) work in public administration, education and health (Figure 18). This proportion is highest at LEP level (35%) but is also substantial for the Levels and Moors (31.1%) and Somerset as a whole (32.8%). This pattern makes sense, given the concentration of public sector employment in urban centres such as Taunton, Exeter and Plymouth.

In the Levels and Moors area, there are also high proportions of long distance commuters employed in financial, real estate, professional and administrative activities (16.9%) and distribution, hotels and restaurants (17%). The specialised nature of the finance industry means they are also likely to be centred in urban areas.

Figure 19 shows the breakdown of homeworkers by industry sector. The majority of people who work mainly at or from home are employed in distribution, hotels and restaurants and financial, real estate, professional and administrative activities (19.5% each in the Levels and Moors area). This is likely to be a reflection of the number of tourism and hospitality businesses on the Levels and Moors, often run and occupied by the owners, and the ability of these industries to adapt to remote working.

Figure 19: Homeworking by industry (2011)



Source: 2011 Census, ONS

Key Facts – Employment and Skills

- 69.1% of Levels and Moors' residents aged 16-74 are economically active.
- The Levels and Moors area has a higher level of self-employment (21.8%) than Somerset and the LEP areas.
- 18.9% of Levels and Moors' residents are retired.
- The Levels and Moors area has a well-qualified workforce at its disposal, with 27.2% of people aged 16+ qualified to Level 4 and above.
- The wholesale and retail and motor vehicle repair sector employs the most people in the Levels and Moors area (18.3%).
- A high proportion of Levels and Moors' residents work in professional (15.9%) and senior managerial roles (12.4%).
- The agriculture, forestry and fishing, finance and insurance and construction sectors have a strong presence in the Levels and Moors.
- The Levels and Moors area has high levels of homeworking and lower levels of local commuting.

4. Business and Productivity

4.1 Business profile

According to the Inter-Departmental Business Register (IDBR), there are 5,230 businesses in the Somerset Levels and Moors area. These businesses provide 47,280 jobs, accounting for 23% of all those in Somerset. There are 3.5 businesses per 100 population across the Levels and Moors, slightly more than for Somerset County (3.3 per 100 population).

Figure 20 shows the type of businesses in the Levels and Moors area by industry sector. It compares the business profile to that of Somerset County, showing a 'location quotient' which indicates whether each sector has a strong or weak concentration in the Levels and Moors compared to the County as a whole. An LQ higher than 100 indicates a strong presence whereas an LQ less than 100 indicates a weaker presence.

The majority of Levels and Moors' businesses are in the wholesale & retail and motor vehicle repair sector (16.5%); but this is a lower concentration than Somerset. Construction businesses are the second largest group of businesses in the Levels and Moors (14.5%) and this sector has a high concentration in the area compared to Somerset as a whole, with an LQ of 113. Mining and quarrying, information and communication and professional, scientific and technical businesses

also have a strong presence in the Levels and Moors relative to Somerset County.

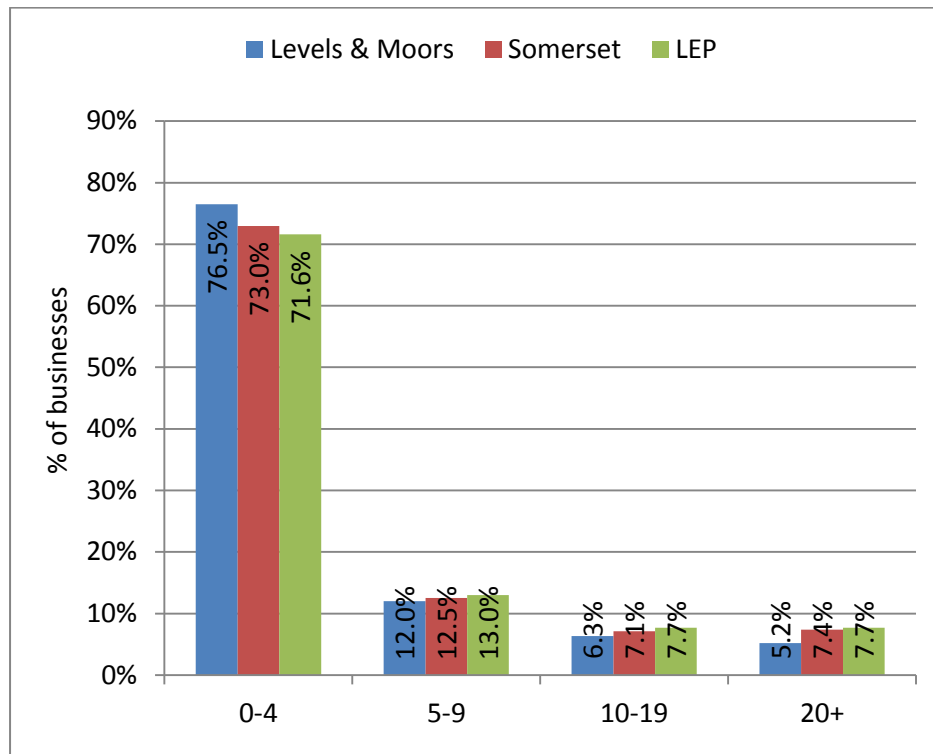
Figure 20: Businesses by industry sector (2012)

Industry sector	Levels & Moors	Somerset	LQ
Mining & quarrying	0.4%	0.2%	190
Construction	14.5%	12.9%	113
Information & communication	3.7%	3.5%	107
Professional, scientific & technical	12.3%	11.5%	107
Accommodation & food services	7.5%	7.1%	105
Manufacturing	6.7%	6.4%	105
Admin & support services	13.0%	12.7%	102
Transport & storage	2.8%	2.7%	101
Agriculture, forestry & fishing	4.1%	4.1%	101
Education	3.2%	3.3%	99
Other services	3.4%	3.7%	93
Wholesale & retail; motor vehicle repair	16.5%	17.8%	93
Electricity, gas & water	0.6%	0.7%	86
Arts, entertainment & recreation	1.9%	2.2%	85
Finance & insurance	1.2%	1.5%	85
Human health & social work	5.7%	6.8%	83
Real estate	1.6%	2.0%	80
Public administration & defence	0.6%	0.9%	62

Source: IDBR 2012, ONS. NB. All figures rounded to the nearest 5.

The Levels and Moors are characterised by a large proportion of small businesses (Figure 21). 76.5% of businesses in the area employ fewer than 5 people, compared to 73% and 71.6% across Somerset County and the LEP area respectively. Only 11.5% of businesses in the Levels and Moors area employ 10 or more people.

Figure 21: Businesses by size (number of employees) (2011)



Source: IDBR 2011, ONS. NB. Levels and Moors data for business size estimated on the basis of Middle Layer Super Output Area (MSOA) data.

4.2 Business start-ups and survival rates

The number of business start-ups ('births') and business closures ('deaths') each year gives an indication of the health and dynamism of the local economy. Statistics on business births and deaths are only available down to district level so cannot be provided specifically for the Levels and Moors area. However, an indication can be gleaned from examining the 4 districts Western Somerset encompasses either wholly or partially: Mendip, Sedgemoor, South Somerset and Taunton Deane.

Figure 22 shows that business birth and death rates vary across the 4 Levels and Moors districts. South Somerset had the lowest business birth rate in 2012 (8.2%) whereas Taunton Deane had the highest (9.9%).

Figure 22: Business births and deaths (2012)

Area	Active enterprises 2012	Business Births	Birth rate	Business Deaths	Death rate
Mendip	4,930	430	8.7%	445	9.0%
Sedgemoor	4,320	375	8.7%	425	9.8%
South Somerset	6,130	500	8.2%	590	9.6%
Taunton Deane	4,140	410	9.9%	435	10.5%
Somerset	20,850	1,815	8.7%	2,030	9.7%
LEP	61,455	5,480	8.9%	6,095	9.9%

Source: ONS Business Demography 2012

In terms of survival, Figure 23 shows that Sedgemoor district has the lowest long-term business survival rate for new start-ups; only 51.1% of businesses started in 2008 survived 4 years. 2008 was a difficult year for businesses because of the recession so survival rates for start-ups at that time are likely to be slightly lower. However, the relative performance of the districts is broadly consistent. Mendip fares best in terms of survival rates and Sedgemoor lags behind.

Figure 23: Business survival rates (2008 start-up)

Area	1 Year	2 Years	3 Years	4 Years
Mendip	92.9	76.1	62.8	54.0
Sedgemoor	94.4	77.8	61.1	51.1
South Somerset	93.3	79.1	63.4	53.7
Taunton Deane	95.5	77.5	62.9	52.8
Somerset	93.7	77.4	62.6	52.7
LEP	94.3	77.6	62.7	53.0

Source: ONS Business Demography 2012

4.3 Productivity (GVA)

Gross value added (GVA) is a measure of the value of goods and services produced in an economy. It is the measure preferred by the Office for National Statistics (ONS) to monitor the overall economic wellbeing of an area. Two main indicators are commonly used to measure and understand GVA:

- **Total GVA (usually in £million)** - Used to show the overall size or 'worth' of an economy and the contributions made by different industry sectors;
- **GVA per head (£)** – Used to relate the size of an economy to the population of the area. This measure allows for benchmarking and comparison of different areas.

These measures are usually presented 'at current basic prices' to give a consistent picture over time. The Office for National Statistics does not publish GVA data below County level but locally available modelling provides estimates for each district in Somerset.

Figure 24 shows the relative size and value of the economies of the 4 districts in the Levels and Moors area compared to Somerset and the LEP area.

Figure 24: GVA and productivity 2012 (at 2010 prices)

Area	Total GVA (£m)	Productivity (£ per job)	GVA per FTE (£)
Mendip	1,758	32,488	40,592
Sedgemoor	1,621	32,140	38,906
South Somerset	2,807	35,566	42,555
Taunton Deane	2,091	34,355	42,391
Somerset	8,981	34,440	42,020
LEP	28,596	34,399	42,184

Source: Heart of the South West LEP Model, Oxford Economics (2014 update)

South Somerset has the largest economic output of the 4 districts, worth £2.807bn in 2012, and in productivity terms it generates more economic output per job and per full-time equivalent (FTE) job. Sedgemoor has the smallest economy, generating £1.621bn 2012, and it lags behind the County and LEP in terms of productivity.

Key Facts – Business and Productivity

- There are 5,230 businesses in the Levels and Moors area, providing a total of 47,280 jobs.
- The largest group of businesses in the Levels and Moors (16.5%) are in the wholesale, retail and motor vehicle repair sector.
- Compared to Somerset County, the Levels and Moors have a high concentration of businesses in the mining and quarrying, construction and information and communication sectors.
- 76.5% of businesses in the Levels and Moors employ fewer than 5 people.
- Business start-ups rates vary across the Levels and Moors area but are lowest in South Somerset district (8.2%).
- Productivity is highest in South Somerset district and exceeds the level for Somerset County (£35,566 compared to £34,440).