

DEMOS PROJECTS

Taunton Deane
Life Chances Report

Demos for Thriving Local
Economies Project

November 2019

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01. A Portrait of Taunton Deane

An Idea of Taunton Deane

Taunton Deane describes the old constituency boundaries and not just the town of Taunton itself.

Taunton Deane is ranked 193 out of 326 district and unitary areas. It is, for the most part, a mid-performing district but it has some geographic areas of acute deprivation.

There is a strong local sense of what Taunton Deane might be. It should be a vital strategic node along the M5 growth corridor. This, indeed, was the pitch made to the National Infrastructure Commission in the autumn of 2018. The vision which, in the words of the local industrial strategy is to put Taunton Deane at the “dynamic heart” of a productive regional economy has two linked parts.

The first part is the digital opportunity. Working in collaboration with Exeter and Plymouth, with their manifest strengths in research and development, it is anticipated that Taunton Deane can be a hub for the local digital economy. The UK Hydrographic Office is already a catalyst for the commercialisation of maritime data. The opportunities range across data, environmental and health technologies and services. Business-led groups like Digital Taunton and the Digital Skills Pathfinder are available to lend support. The ambition here is to make Taunton Deane more hospitable to professional business services in, for example, the fin tech sector.

The second part of the vision is the development of research, innovation and technology on employment sites such as Nexus 25 at junction 25 of the M5.

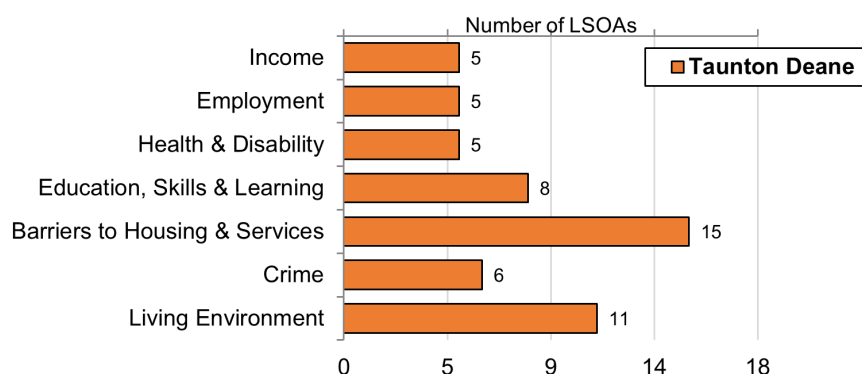


Table 1: Number of neighbourhoods (LSOAs) within the 20% most deprived in England, by IMD domain* (2015)

There could, for example, be considerable growth in high-tech engineering, in advanced marine and aerospace manufacturing, photonics and defence. There are strategic defence assets in South Somerset and Plymouth as well as the Royal Marines base just outside Taunton. The marine cluster covers businesses along the coasts and inland. Aerospace supply chains run across the area. There are also areas of high-tech foods, such as agri-tech within travelling distance of Taunton. One further option is for an expansion in the area's capacity in clean energy with the development of the technical capacity for nuclear and offshore renewables. This could conceivably have a hub at the power station site in West Somerset but with wider links (such as defence, construction, medicine and decommissioning for skills, technology and potential export services elsewhere) in supply chains from Bridgwater to Plymouth and Yeovil.

The People of Taunton Deane

Taunton Deane has a population of 117,000 people, of whom 64,000 live in the town of Taunton itself.

The county of Somerset has a population of 555,000 people who live in 227,000 households. Just under half of these households live in rural areas.

The population of Somerset is elderly; 1 in 4 residents are over the age of 65. Indeed, West Somerset has the highest percentage of people aged 65+ of any region in the UK. The population is, in fact, still getting older. Ninety per cent of population growth in Somerset since the last census was in the over 65 age group and the Office for National Statistics (ONS) predict the same over the next 20 years. A large number of people choose to retire to the area. The working age population has not increased in eight years.

Life expectancy in Somerset is 80.3 for males and 84.1 for females. The main causes of death are cancers and circulatory diseases. Two thirds of adult residents are overweight, as are a fifth of children in the reception year and 30 per cent of children in year 6.

The absence of a university in the area is one cause of an unusual pattern of migration. Large numbers of young people leave for university or work and do not return, if they do at all, until they are much older. There is very little migration from outside the UK, apart from the seasonal workers in rural industries.

The Economy of Taunton Deane

The county of Somerset has a mixed economy of agriculture, tourism and manufacturing. It is home to major businesses such as Agusta Westland, Clarks International, IBM, Butlins and Yeo Valley, as well as RNAS Yeovilton. The construction and operation of a new nuclear reactor at Hinkley Point power station has the potential to bring thousands of jobs into the county.

The economy of Somerset is worth £11.6 billion. Gross Value Added (GVA) per head was £20,441, which lags the national level of £25,601 and at a rate that has been

increasing over time. The gap in GVA between Somerset and the nation was 18.9 per cent in 1997 but 25.2 per cent in 2015.

The county has a high concentration of employment in the aerospace and food and drink sectors but it is, in fact, dominated by small businesses. 77.8% of Somerset's businesses have fewer than 5 employees. There 21,945 active enterprises and the number of business start-ups has been steadily rising since the financial crisis. In 2015, there were 2,370 business births in Somerset.

Median gross annual pay for Somerset is £26,532, similar to though slightly lower than the UK average of £28,752.

The workforce, aged between 16 and 64, is 70,000, of whom 58,000 are employed. 2 per cent of the population are in receipt of unemployment-related benefits and a further 16 per cent of the population is defined as economically inactive. The number of people in either part-time or full-time employment in Taunton Deane is 82.5 per cent (Office for National Statistics 2017). This puts Taunton Deane 7.7 percentage points above the national average. Women in rural areas are more likely to work part time than women in urban areas In West Somerset 66.7% of women work part time, compared to 40.9% of women in England.

Somerset has a consistently lower out-of-work claimant rate than the UK. The claimant count in the county is steadily declining and is now similar to the low levels seen before the recession began in 2008. The Taunton Deane area is projected to have employment growth of almost 11 per cent by 2030 (Somerset Economic Assessment Report 2016).

Education in Taunton Deane

There are 254 state-funded schools in Somerset (including 86 Academies), 4 FE colleges, 1 free school and 31 independent schools. Eighty two per cent of schools in Somerset were judged by Ofsted to be good or outstanding in their most recent overall effectiveness judgement (August 2018).

Sixty four per cent of pupils achieved a standard 9-4 pass in English and Maths GCSEs in 2016/17. Seventy four per cent of students achieved at least 2 A-levels in the same year. Thirty four per cent of Somerset residents between the ages of 16 and 64 have a Level 4 qualification (degree or equivalent). Forty one per cent of Somerset pupils go into Higher Education institutions in 2015/16.

There is no local university although Bridgwater and Taunton College do offer foundation degrees in partnership with Plymouth University.

Poverty in Taunton Deane

Thirteen per cent of children in Somerset live in households that are poor.

Nine wards in Somerset are among the ten per cent most deprived in the country and the two which are among the 5 per cent most deprived in the country are both in Taunton Deane. Those two wards are Halcon Roman Road and Halcon Lambrook

which together have a population of 3,100. In Halcon North more than half the children live in poverty.

A Note on Data

Taunton Deane' was replaced by Somerset West and Taunton with effect from May 2019 and care is therefore needed with the comparability of data sets. The changes may affect our ability to track change over time, as the boundaries have changed. National datasets are still providing data by the old and new districts. Much of the available data is for the county of Somerset. Somerset is comprised of 5 District councils (Mendip, Sedgemoor, South Somerset, Taunton Deane and West Somerset), 54 County Electoral Divisions 138 District electoral wards and 330 Parishes.

For the data on rural areas it is important to note that there are generally two types of data available: (a) Evidence on business in the Taunton Deane or West Somerset area specifically, but without a distinction between rural and urban businesses in that area and (b) Evidence on rural business specifically in an area larger than just Taunton Deane, like the South West. A combination of both of these has been used in this section to extrapolate the situation of rural businesses in Taunton Deane.

02.

Current Initiatives

The new Somerset West and Taunton Council formally began its work on 1 April 2019, replacing the former Taunton Deane Borough Council and West Somerset District Councils. The new council covers an area of 459 square miles (1189 square kilometres). The ground it covers is predominantly rural and covers much of the Exmoor National Park.

Somerset West and Taunton has a range of current initiatives which are organised around the three themes of People, Place and Prosperity.

- People is about putting people first, focusing on vulnerable communities, supporting their needs and raising their aspirations and life chances.
- Place is about making better use of our development opportunities, our natural capital and our ability to invest in infrastructure, assets and public realm to build thriving places.
- Prosperity is about building thriving communities where prosperity is enjoyed by all, supporting our existing businesses, job creation and attracting inward investment and resourcing activities valued by customers.

The county has a Garden Town programme whose aims are:

- Celebrating our roots – enhancing our special character of heritage, tourism, culture and sport.
- Growing our town greener – transforming our open spaces and streets.
- Branching out – moving cleaner, moving smarter; making our public realm and transport work harder for us and reducing congestion.
- Green places to live – the town centre will be a focus for developing new, attractive residential housing in the town centre, including investment in new private and affordable housing
- New shoots – a dynamic, prosperous business community – the aim is to create a knowledge economy business environment, shifting the balance away from the dominance of the public sector.

The Nexus 25 employment site alongside Junction 25 of the M5 has a Local Development Order in place to accelerate planning procedures.

There is a lot of work designed to improve the skills of the local workforce such as the Digital Taunton and the Skill Up projects. There is also a range of initiatives designed to help with the support of rural businesses.

- **Digital Taunton**

A developing community of successful digital businesses, promoting a culture of collaboration and innovation in Taunton and the surrounding areas.

- **Taunton Business Improvement District**

Launched in July 2019, the BID will aim to improve the vitality and viability of Taunton town centre, and provide a forum for town businesses by bringing together stakeholders from the private sector, public sector and community to coordinate their activities towards a common goal.

- **Skill Up West Somerset (2017 to 2020)**

The aim of this project is to bring a high quality, local and impartial service to West Somerset to help in supporting the local community and its businesses workforce, and provide specialist independent and impartial apprenticeships. It is part of the West Somerset Social Mobility Plan 2017-2020, developed in support of the Department for Education-funded West Somerset Opportunity Area Programme.

- **Somerset Education Business Partnership**

A free service aiming to improve connections between employers and education providers throughout the county.

- **West Somerset Opportunity Area (2017 to 2020)**

The West Somerset Opportunity Area was launched by the government to raise education standards locally, providing every child and young person with the chance to reach their full potential.

- **5G RuralFirst in Somerset (2019)**

The BBC is testing live radio broadcasts over 5G across testbeds in Orkney, Shropshire and Somerset, to create the business case for rural areas being better served by connectivity infrastructure to help bridge the digital divide.¹

- **Grads for Growth (G4G) Project (2017)**

G4G set up a recruitment service and dedicated support for SMEs in the South West Competitiveness area to help them access graduate skills and knowledge, supplemented by expert academic supervisory input, for either 6 or 9 months to help the participating business innovate. Evaluation of the project showed that graduate placements added value to both the business and the graduate.²

- **2014- 2018 Western Somerset LEADER**

A program funded by the EU, via DEFRA, aiming to create jobs and economic growth in all areas of Somerset. Other LEADER programs in the area are still going.

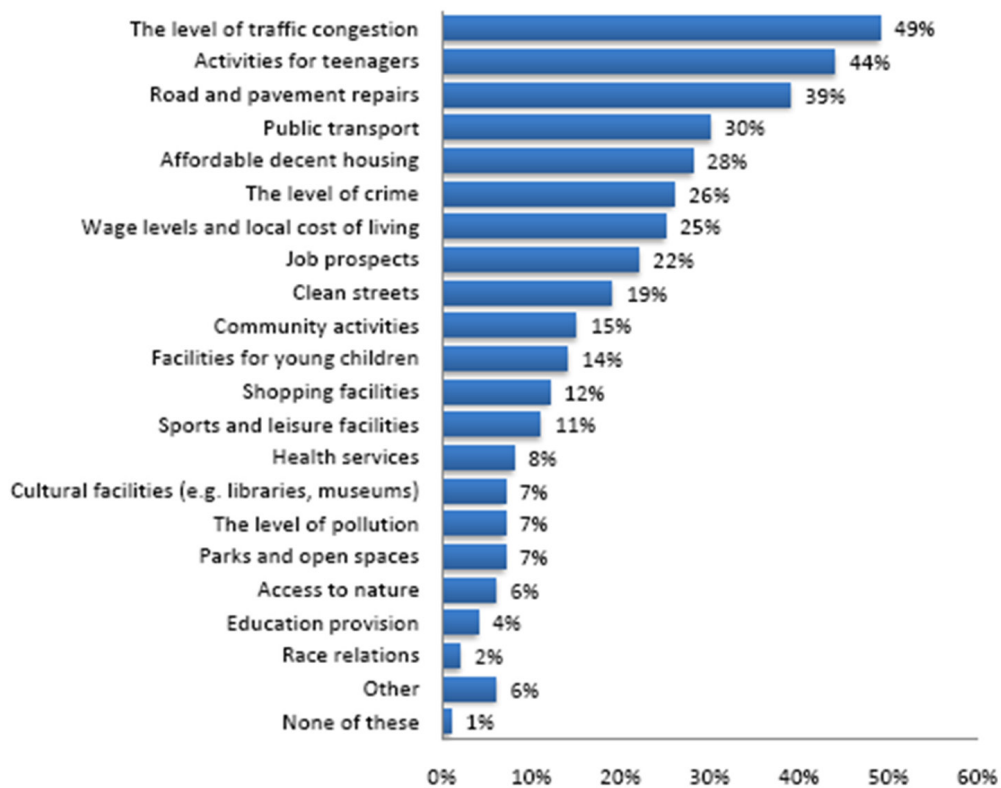
- **2013 to 2014 - The Family Business Growth Programme**

A program funded by DEFRA obtained through the Rural Growth Networks which provided training to professional advisors to help them run their family business better.

1 <https://www.bbc.co.uk/mediacentre/latestnews/2015/rural-5g-trial>

2 THE SW RURAL PRODUCTIVITY COMMISSION Evidence Report 2017 p100, access at <https://heartofswlep.co.uk/wp-content/uploads/2017/10/Evidence-Report.pdf>

03. The Problems Faced by Taunton



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When Taunton Deane residents are asked for their priorities, 49 per cent cite traffic congestion, 44 per cent say that activities for teenagers need improving and 39 per cent state road and pavement repairs.

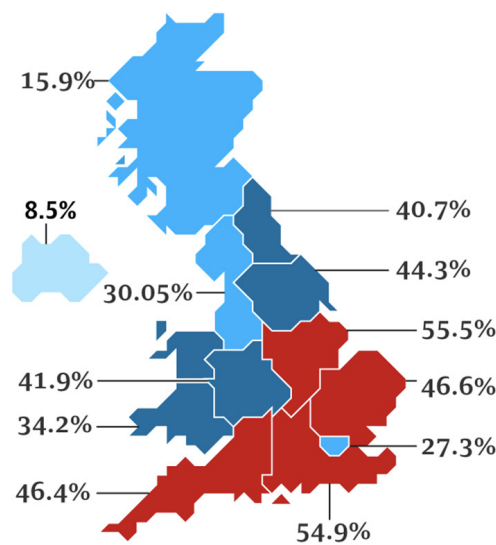
Labour Force

The most commonly cited deficiency in Taunton Deane is a lack of relevant skills. Digital and IT skills in particular need to be better than they are, with around one in five businesses reporting that their team lacks skills in these areas. Somerset has a lower share of higher-level qualifications in its resident population than the national average. The absence of a university in the vicinity is a serious

Brain drain

Percentage of graduates leaving the region for employment (graduated in 2016)

- 0-15%
- 15-30%
- 31-45%
- 45-60%



Guardian graphic. Source: WPI Strategy

deficiency. There is some higher education provision across Somerset, but the county as a whole lacks a single dedicated centre of study.

Employers have trouble recruiting and there are obvious skills gaps. Just over a third of Taunton businesses believe that there isn't a ready supply of qualified potential employees with the necessary skills, and almost one-fifth (18%) of Somerset employers have identified a skills gap within their workforce. Rural businesses are more likely to identify a skills gap in their workforce, but the type of skill lacking is similar across all types of businesses. Soft skills are mentioned often, by which employers mean the skills of understanding what work entails - punctuality, dress, professionalism and so on. Two of the largest reported gaps are in relation to communication and adaptability – the two skills that local businesses forecast will be most important over the next five years.

The business community is old and established but there is a sense that young people struggle to break through. Taunton Deane struggles in particular to retain its young workforce. The brain drain is a serious problem. The labour force is getting older in Taunton Deane. The population as a whole is

projected to increase but the working age population is expected to decrease as the proportion of retired people rises. The population below 50 is falling but the population above 50 is growing. The numbers of children aged between 11 and 20 is falling in Somerset. These developments place great pressure on existing services and, in the absence of significant net inward migration, constrain business growth.³

Taunton Deane also has a notable problem with loneliness and social isolation. If, therefore, anything could be done to bring more of the elderly population back into the workforce that could have the double effect of boosting the supply of relevant skills available and bringing people back into community life.

There are particular skills problems for people who live in peripheral parts of the region.⁴ In general, rural areas have more difficulty than urban centres attracting and retaining highly skilled staff. Moreover, in the South West shortage of housing, an exodus of young people is leading to a general shortage of labour which stops businesses in rural areas from being able to grow.⁵

There is also a problem, in Taunton Deane as in many other rural areas, with low wages. The local economy is heavily reliant on agriculture, forestry and fishing, food and drink and tourism and hospitality, all sectors which tend to be associated with lower pay.⁶

Horizons

The rapid loss of ambitious young people is a problem in itself but it leaves behind a further problem which is that the workforce that remains tends to have narrow horizons. Too many young people in Taunton Deane do not have a great sense of possibility and, correspondingly, do not reach for what is available. One instance of this is that not many would think of starting their own business.

Business Support

Taunton Deane has not been very successful in attracting big retailers. Online shopping has had an impact on the high street in Taunton Deane as it has everywhere.

Though there are scattered initiatives to help businesses in their start-up and growth stages this is not as extensive nor as coordinated as it might be.

Businesses in Taunton Deane tend to be small. Three quarters have fewer than 4 employees.⁷ Moreover, within the South West, rural areas have a higher proportion

3 <https://www.cordantrecruitment.com/branches/labourmarketprofiledownload/26>

4 West Somerset Council, "Submission to the Heart of the SW LEP Productivity Plan consultation," 2017

5 F. S. a. W. Nicola Bailey, Interviewee, SW Rural Productivity Commission. [Interview]. 6 July 2017, referenced in THE SW RURAL PRODUCTIVITY COMMISSION Evidence Report 2017, access at <https://heartofswlep.co.uk/wp-content/uploads/2017/10/Evidence-Report.pdf>

6 THE SW RURAL PRODUCTIVITY COMMISSION Evidence Report 2017, access at <https://heartofswlep.co.uk/wp-content/uploads/2017/10/Evidence-Report.pdf> p19

7 <http://www.somersetintelligence.org.uk/files/State%20of%20the%20Somerset%20Economy%202016%20-%209%20Businesses.pdf>

of micro and small businesses than their urban counterparts,⁸ as well as a higher proportion of self-employed.⁹ Contributors to the South West Rural Productivity Commission highlighted the specific challenges faced by smaller businesses, one of which is the inability to access business networks and support. There is scope to create business support networks, promoting sharing and mentoring and offering enterprise support for these rural small businesses.

Taunton Deane District Council also pointed out that access to modern, well located and accessible business space both large and small is inhibiting business growth across the area, including the town of Taunton and its surrounding rural area.¹⁰

Infrastructure

Broadband access is poor in many of the rural areas adjacent to Taunton Deane. Unsurprisingly, 94% of small business owners consider a reliable internet connection critical to the success of their business, but a survey of Federation of Small Businesses members living in Somerset found only 38% were satisfied with the reliability of their broadband.¹¹

Transport links are not as good as they ought to be. Resilience, capacity and journey times need improving between areas within the SouthWest region and from the South West to other parts of the country. This is an especially acute problem for an area in which job opportunities are spread across a larger geographical area.

Many of the contributors to the South West Rural Productivity Commission's Evidence report identified the need for improvement of road, rail and air network from West Somerset to the A30/M5 transport corridors.¹² While more people in these areas have a car, 1 in 9 people living in rural Somerset do not.¹³ Poor transport links to education and work opportunities are a barrier to social mobility, with West Somerset the worst performing area for social mobility in the whole of England.¹⁴

Planning

Anecdotal evidence suggests there has been a problem in Taunton Deane with the release of land which has had a considerable slowing effect on business. The site west of the motorway junction has now been developed but it continues to be a slow affair.

8 THE SW RURAL PRODUCTIVITY COMMISSION Evidence Report 2017 p40, access at <https://heartofswlep.co.uk/wp-content/uploads/2017/10/Evidence-Report.pdf>

9 <http://www.somersetintelligence.org.uk/profile-of-rural-somerset-from-the-2011-census.html>

10 Evidence report p76, Taunton Deane District Council, "Response to SW Rural Productivity Commission," 2017

11 FSB - Somerset, "Response to SW Rural Productivity Commission," 2017, referenced in THE SW RURAL PRODUCTIVITY COMMISSION Evidence Report 2017 p40, access at <https://heartofswlep.co.uk/wp-content/uploads/2017/10/Evidence-Report.pdf>

12 THE SW RURAL PRODUCTIVITY COMMISSION Evidence Report 2017, access at <https://heartofswlep.co.uk/wp-content/uploads/2017/10/Evidence-Report.pdf>

13 <http://www.somersetintelligence.org.uk/profile-of-rural-somerset-from-the-2011-census.html>

14 State of the Nation_2017 – Social Mobility in Great Britain, Social Mobility Commission, November 2017

Productivity

Perhaps as a result of the set of problem detailed above, productivity is low. In 2015, the Heart of the South West ranked 7th lowest of 39 LEPs in terms of output per hour. Rural areas account for 58% of output and 60% of jobs in the South West. Yet rural productivity is 8% lower than urban areas in the region, and 10% lower than the average for rural areas in England.¹⁵

Low productivity is a particular and specific challenge in the more rural parts of Taunton Deane. Rural areas account for 58 per cent of output and 60 per cent of jobs in the South West but rural productivity is 8 per cent lower than urban areas in the region, and 10 per cent lower than the average for rural areas in England.¹⁶

This is a difference - and it is found across the country - which has remained steady since 2001.¹⁷ Productivity is significantly higher in rural regions within a City Region than in those rural areas outside of a City Regions, like West Somerset.¹⁸ The challenges for businesses described below are exacerbated by the distance of Taunton Deane from a city of any size.¹⁹ It might be, thus, for many of the rural specific challenges, that remoteness rather than rurality is the main factor.²⁰

Loss of services

Contributors to the South East Rural Productivity Commission mentioned the loss of 'commercial services' such as post offices, banks and local shops. Locked Out, a report by FSB²¹ highlights how small businesses are impacted by bank closures, given that cash is still very important in many local economies.²²

15 <https://heartofswlep.co.uk/wp-content/uploads/2018/04/HeartoftheSouthWestProductivityStrategy.pdf>

16 Stepping up to the Challenge, Heart of the South West Productivity Strategy 2018, access at <https://heartofswlep.co.uk/wp-content/uploads/2018/04/HeartoftheSouthWestProductivityStrategy.pdf> p11

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21 FSB, "The Impact of Branch Closures on Small Businesses," 2016

22 THE SW RURAL PRODUCTIVITY COMMISSION Evidence Report 2017 p79, access at <https://heartofswlep.co.uk/wp-content/uploads/2017/10/Evidence-Report.pdf>

04.

Proposals and Recommendations

Digital Taunton Deane

To meet the ambition of the town to become a growth area along the M5 corridor there is a strong need for enhanced digital skills. Dedicated programmes that build on current support would be of immense value.

Data Expertise

The intention to develop a serious data centre at the UK Hydrographic Office is a serious opportunity for Taunton Deane. There is scope for a partnership here to devise a curriculum for graduates to take which would enhance their precise skills in the comprehension and manipulation of data.

Social Connection

The ageing population of Taunton Deane is at incurring risk of isolation in an area in which transport links are not good. At the same time the labour force lacks some of the skills that the elderly population could bring. A scheme to connect the two would have great social benefit.

Work Skills

The problem of young people not being ready for work could be addressed by a targeted intervention at or near the completion of compulsory education which is expressly designed to impart the soft skills that employers say they need and which are lacking. This is especially the case in a local economy in which tourism plays a significant part.

Hinkley Point supply chain

Taunton Deane has an unusual opportunity with the Hinkley Point power station which will produce a lot of jobs as long as local businesses are able to seize the opportunity. A dedicated support centre for small businesses who are supplying the power station could help all concerned to ease that transition.

Life Skills

There are two parts of Taunton Deane (Halcon Roman Road and Halcon Lambrook)

which have severe problems with poverty and where white boys perform very badly. Targeted interventions here might have the most impact of anything that can be done in the area.

Horizons

The absence of skills, and all the material problems, all contribute to one overarching problem which is there is a sense among the young people of Taunton Deane that opportunities there are limited. The ambitious tend to leave and those that remain have a narrower horizon. The intangible but vital sense of raising that sense of possibility is perhaps the most important thing that could be done for young people in the area.

Business Start-Ups

It would be helpful to impart the particular skills that are needed to start a business. This would be helpful among people who currently think of themselves as entrepreneurs but also as a separate programme for young people in college who are seeking to learn how to turn an embryonic idea into a functioning business. Serious and precise mentoring at this moment could make a big difference.

06.

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