

Theme 11: Business & Work

A Sustainable Future
for the South West



The Regional Sustainable Development Framework
for the South West of England



Theme 11: Business & Work

Headline Indicator

The level of SME creation and survival is a useful indicator of a developing business sector.

Setting the scene

Creating sustainable wealth is central to the region's drive for a lasting and prosperous economic future. Business lies at the heart of this wealth and prosperity. It has a crucial role to play in enhancing quality of life because much of the investment required to address wider issues in the South West will be made available through a successful and profitable businesses sector. However, in recognising this key role for business, in turn, businesses should constantly check their activities against criteria for sustainability.

There are an estimated total of 183,000 business establishments in the South West, 85% of which employ less than 10 people. Although medium and large companies (employing 25 or more people) are heavily outnumbered by small and micro businesses, they provide over three quarters of jobs in the South West. The South West has the highest proportion of self employed people in employment at 8.5% (Spring 1999) compared to a UK average of 6.9%.

Community businesses and co-operatives also play an important role in wealth creation and employment provision.

Business has a key role to play in regional development through its capacity as an employer, a provider of goods and/or services, a consumer of resources and through its role in communities. For example, businesses can become increasingly competitive and contribute more directly to sustainable development through improved environmental management, heightened corporate social responsibility and cutting-edge work practices.

Participating in work is more than just doing a job, it enables individuals to have choices about how they live their lives, by increasing personal networks and providing income. The South West has one of the lowest unemployment rates in the UK, however this masks significant inequality with high pockets of unemployment in some areas. Unemployment ranges from 1.0% in the Cirencester Travel to Work Area (TTWA) to 6.6% in the Falmouth TTWA (Sept 2000). Seasonal unemployment is also an issue, due largely to the dominance of the agriculture and tourism sectors in some parts of the region. Trade unions play a role in promoting quality work opportunities and in the reduction of the incidence of low pay.

Unpaid as well as paid work makes an important contribution to the economy and society of the South West, as does part time work. Skills development links directly to improved employment prospects and work and is explored further in the Learning and Skills theme. The voluntary and community sector also plays an important role alongside those of the traditional public and private sectors both in terms of a contribution to the regional economy and to provision of work opportunities.

What are the opportunities to improve sustainability?

The region has the potential to develop an increasingly efficient, responsible and competitive business base, and to ensure a skilled, adaptable and motivated workforce with opportunity for everyone to participate in work, whether paid or voluntary. If we get these two things right, it will ensure the region develops successfully within a changing and growing global economy. The following are just a few examples:

Supporting and strengthening businesses

Business support is vital to improve business performance and employment opportunities in the region. Building on the previous success of Business Links, the Small Business Service will be an important part of rationalising business support in the region. Given the high proportion of small companies in the region, support services for new start and micro businesses are particularly important. Targeted support and finance is also important to encourage other businesses to grow.

The social economy has an important contribution to make to the social and economic life of the region and through its development, there is a clear opportunity for improving sustainability.

The Prince's Trust is a national charity which seeks to help unemployed young people who wish to start their own business but do not have the means to achieve their goals; it helps by providing loans or grants and free business advice. In the Western Counties area (Avon, Somerset and North and West Wiltshire) 127 young people were supported last year and statistically 60% of supported businesses are still trading in to their third year and of those who do not continue trading, 50% secure employment as a positive outcome of their self-employed experience.

Theme 11: Business & Work

The Agri-Bip rural business support project in West Devon, Torridge and North Devon districts aims to support new and existing businesses through a business counselling and mentoring service to land based businesses and small rural businesses. Growth and diversification of the local economy is the aim of the project through encouraging small business enterprises, farm diversification and business improvements.

Supporting innovation

The South West has many world-class companies. Growth of particular sectors such as Media, Information and Communications Technology and Environmental Industries is part of innovation development (further explored in the Economic Development theme). Development of ICT related links can assist in tackling social exclusion, peripherality and pollution as well as improving competitiveness and growing markets. Increased Research and Development links can be made between research institutions and companies, thus the region can increase investment in innovation and entrepreneurship and can create a culture where capital is made available to enable risks to be taken on innovative, good ideas.

Cornish based company GeoScience Limited has developed a geothermal system for heating and cooling buildings that produces no air pollution and is cost effective in the appropriate building. EarthEnergy systems are highly energy efficient and exhibit very low overall carbon dioxide emissions. There are several installations already installed in the South West with other installations due to follow.

Improving employment practice

Employers need to offer opportunities for training, ensure better family and work/life balance and improve diversity of employment opportunities. Encouragement of greater links between business and voluntary organisations to share best practice is a key part of this. Increased adoption of standards like 'Investors in People' would be one indication of improved employment practice.

The Headland Hotel in Newquay was the first business in Cornwall to be awarded the Investors in People accreditation. The hotel invests heavily in training and places great emphasis on involvement of staff in decision-making. These factors have led to improvement in employees' skills and capabilities, a more inclusive working environment and have delivered simultaneous business success.

Improving environmental and wider ethical practice

In response to market and consumer pressure and increased regulatory incentive, businesses and other organisations across the South West can become more prosperous and benefit the environment by improving practice in key areas. These include environmental management, green travel plans, green and regional/local purchasing policies, social and environmental audits. Businesses need to contribute to global sustainability through reducing greenhouse gas emissions by improving energy efficiency and use of renewable energies and decreasing travel where possible. All these activities will contribute to long term business profitability and security as well as improving social welfare and environmental quality.

Textile manufacturer's, John Heathcoat & Co Ltd have developed a culture of environmental awareness to promote continual business improvement and emphasise waste reduction and energy efficiency as a means to reduce raw material consumption. Waste segregation at source introduced under no-cost and low cost initiatives to re-use and recycle waste impacts positively on business and environmental performance. Investment in new plant and equipment has delivered greater environmental benefit. Installing a modern dissolved air floatation plant prior to biological treatment has improved colour removal from dye-house effluent and a Combined Heat and Power plant provides 1MW of electricity and heat recovery with reduced carbon dioxide emissions.



What are the objectives for improving sustainability in the South West?

Objective	Examples of how it might be achieved	Links to potential partners and processes
Ensure all people have quality work opportunities both paid and unpaid	1 Develop local labour and training schemes.	Employment Service, Local Learning and Skills Councils, Developers, Businesses, Local Authorities and Local Strategic Partnerships
	2 Support employment initiatives such as the New Deal	
	3 Support the role of the voluntary sector in providing paid and unpaid work opportunities	GOSW, Employment Service, Businesses Regional Social Economy Partnership, Common Purpose, Local Strategic Partnerships, SW Forum
Create more businesses and encourage existing ones to grow	1 Increasing development of regional and local supply chains and 'indigenous employment'	Regional Supply Network, Local Authorities, Businesses
	2 Provide enhanced long-term business support services to micro and SMEs.	Small Business Service, Green Business Clubs, Enterprise Agencies
Reduce the incidence of unemployment, low pay and tackle income inequality across the region	1 Improve the competitiveness and profitability of SW Businesses	Small Business Service, Employment Service, Schools, Local Learning and Skills Partnerships, Investors in People Award, Local Strategic Partnerships, Neighbourhood Renewal, HE/FE sector, Trade Unions
	2 Promote lifelong learning	
	3 Target basic training and mentoring at those most at likely to be low earners	
	4 Promote family friendly employment policies	
	5 Target funding in areas of most need	
Increase the number of social economy businesses	1 Targeted funding for development and start-up phases	SBS, Local Authorities, SWRDA, BACEN, Co-active, RCCs, Triodos Bank, Other Banks, LSPs, Enterprise Agencies
	2 Larger companies with policies to trade with social businesses where possible	
	3 Publicity to raise the profile of the sector and opportunities from participation	



Sustainability South West

4th Floor, 100 Temple Street, Bristol, BS1 6AE
Tel. 0117 933 0249 Fax. 0117 933 0240
sustainabilitysouthwest@yahoo.co.uk



South West Regional Assembly

Dennet House, 11 Middle Street, Taunton, TA1 1SH
Tel. 01823 425219 Fax. 01823 425200
Sue.Watts@swemployers.gov.uk