

# **THE GLOUCESTERSHIRE INTEGRATED ECONOMIC STRATEGY**

**2009-2015**

**SUMMARY**

## The County of Gloucestershire



Population – 582,600 (2007 mid year estimates); Total Employees in employment - 258,400 (ABI 2007); Employment in manufacturing – 39,200; Economically active population (working age people) - 291,800 (APS Jan 08 - Dec 08); Economic Activity Rate – 83%; Number unemployed 12,622 (claimant count June 09); Annual Gross Value Added £11.1bn (current basic prices 2006); GVA per head £19,172 (current basic prices 2006); Average weekly earnings – resident based (full time, gross, median) - £476 (ASHE 2008)

## Purpose of the Strategy

The purpose of the Gloucestershire Economic Strategy 2009-2015<sup>1</sup> is to:

- Establish an ambitious vision for the Gloucestershire economy together with the key priorities that will deliver this vision.
- Provide a strategic framework to guide investment in the County's infrastructure and economy.
- Use and influence national policies and regional strategies and plans to the benefit of Gloucestershire.
- Provide the clarity to enable an effective Three Year Delivery Plan, revised annually, to be agreed and delivered by partners.
- Guide the development of Joint Strategic Commissioning Plan (JSCP) targets<sup>2</sup>.
- Replace with a single economic strategy the previous Economic, Rural, Urban and Energy Strategies.

## Mission

This is a mission led economic strategy and is: **“To create and foster in Gloucestershire a sustainable, low carbon economic environment in which businesses flourish, communities thrive, and individuals have the opportunity to reach their potential”.**

## Background

Gloucestershire is a uniquely special place to live and work because the combination of its numerous assets sets it apart without the dominance of one single unique feature. These assets are more than terrific people, innovative businesses and breathtaking scenery. Gloucester and Cheltenham are significant urban conurbations, which provide key centres of employment and services; because they are only 9 miles apart they can combine, when appropriate, to take advantage of the attributes of a city region but there is no dominating metropolis. Gloucestershire is a county of distinct contrasting areas; the Cotswolds, world renowned limestone uplands with one of the lowest population densities in England; the Severn Vale, a rich alluvial plain, the economic heartland of the County, well populated and including many towns; and the Forest of Dean, an ancient oak forest and previous mining area, with many small communities and businesses. There is considerable diversity with no dominating economic sector. In summary Gloucestershire is a subtle and unique combination of urban and rural, a rural county with an urban heart.

This Strategy is one of three interrelated documents:

- The Economy of Gloucestershire, produced annually provides a wealth of statistics on the economy of the County. It provides the evidence base for the Strategy and will influence the selection of priorities in the Delivery Plan as it is revised each year; the latest version is The Economy of Gloucestershire 2009.
- The Gloucestershire Economic Strategy 2009-2015, of which this is a summary, which sets out the Strategic Objectives and will be 'refreshed' every three years.
- The Delivery Plan, which will cover a rolling three years, and be revised annually to enable priorities to change during the lifetime of the Strategy.

These documents will inform and be informed by the priorities identified in other regional and Gloucestershire strategies described in Annex A.

---

<sup>1</sup> This is a summary. The full Gloucestershire Integrated Economic Strategy 2009-2015 can be found on the Gloucestershire First website ([www.glosfirst.co.uk](http://www.glosfirst.co.uk))

<sup>2</sup> The five themes in the JSCP's are Safer & Stronger Communities, Healthier Communities and Older People, Children & Young People, Natural & Built Environment and Economic Development & Enterprise for which Gloucestershire First is responsible.

The key points from Economy of Gloucestershire 2009 are:

- The residential population of Gloucestershire was 578,600 in 2006 and is forecast to grow by 3.9% to 601,000 by 2016.
- The draft Regional Spatial Strategy (RSS) indicates that the highest levels of population growth will occur in the Districts of Cheltenham, Gloucester and Tewkesbury and proposes the development of 48,600 new dwellings (principally in these Districts) in the period 2006-2026 together with around 22,000 jobs and 118 hectares of employment land in the Gloucester and Cheltenham travel to work area by 2026. The draft RSS permits changes to the Green Belt and proposes development to the north of Gloucester and North West and South of Cheltenham.
- 279,700 (80%) of the working population are in employment<sup>3</sup>. In 2008 the average gross weekly wage was £476; slightly less than the UK (£479) but more than the South West (£451).
- Gloucestershire is geographically at a crossroads. It is the gateway to the South West from the Midlands and the north and one of the gateways to South Wales from the east; economically it has close links therefore to the West Midlands and to a lesser extent to the South East. It is well served by a good strategic road network and Network Rail will shortly be developing the Route Utilisation Strategy<sup>4</sup> for the link between Birmingham and Bristol.

## **Economic Overview**

The world economy is facing three significant problems – a liquidity crisis, with the resulting credit squeeze on economic growth; a recession with a sharp rise in unemployment and business failure and, in the longer term, the significance of climate change with its implications for economic development, particularly the need to move to a low carbon economy. How great the impact of the first two will be or how long they will last is a matter for conjecture but they are and will continue to affect the SW economy significantly for several years. The end of the recession, signalled by an increase in Gross Domestic Product (GDP), will not mean an immediate fall in unemployment, which is likely to go on rising for many months, probably years.

The economic crisis is global. Gloucestershire's future prosperity will depend to a large extent on its global competitiveness and a willingness to recognise that traditional sectors and business models may not be as competitive as new ones. In particular the need to address the threat of global warming and reduce carbon emissions is likely to dominate future decades. This economic strategy must provide the springboard for new ideas to be developed and implemented.

The economic crisis has highlighted a growing problem that society has become more dysfunctional. The desire for personal gain is having an adverse impact on family, the needs of society and communities and on the environment. There is a need to integrate the growth of the economy with the needs of society in a way that has not been achieved in recent decades.

## **Context**

The Strategy needs to relate to relevant European, national, regional and county policies, which are referred to in the text of the full strategy.

## **Gloucestershire First**

---

<sup>3</sup> APS Jan-Dec 2008

<sup>4</sup> Route Utilisation Strategies (RUSs) seek to balance capacity, passenger & freight demand, operational performance and cost, to address the requirements of funders and stakeholders.

This strategy cannot be delivered effectively by a single organisation; rather it is designed to be delivered by a partnership, Gloucestershire First. Gloucestershire First is the countywide economic partnership established to develop and support the economic well-being of the County. It brings together partners from the public, private and voluntary sector in the field of economic development, who meet quarterly. It has a small permanent staff, which includes the County Council Economic Development Unit; as such is unique in the region.

## **Theme 1 - A Gloucestershire Economy**

The three aims of the Gloucestershire Conference Sustainable Community Strategy 2008-2017 are: "A place where the future matters; a place where communities matter; a place where everyone matters". 'A Gloucestershire Economy', addresses the different needs of place, from the urban heart to the isolated rural community and examines how the uniqueness of Gloucestershire as a whole can be retained and developed for future generations.

**Strategic Objective - To make Gloucestershire a place where the economy thrives in both the urban and rural areas and in all communities.**

We will make Gloucestershire a place where the economy thrives in all communities by:

- Working pro-actively to make Gloucestershire distinctive and providing a quality of life and business environment that attracts and retains talented business entrepreneurs, innovative and creative thinkers, and academics.
- Delivering initiatives so that the HE and FE sectors better meet the future needs of Gloucestershire businesses and young people.
- Growing the economy of Gloucester and Cheltenham, using the South West Regional Development Agency (SWRDA) classification of Gloucester/Cheltenham as a 'priority place' and the allocation of new housing and jobs, effectively.
- Providing the vision, leadership and resources necessary to reinvigorate the market towns and help villages to become more sustainable rural communities.
- Working with the appropriate authorities to reduce the incidence and impact of crime and disorder throughout Gloucestershire.
- Investigating how the principles of effectiveness of 'Asset Based Development' can be used to develop the economy of Gloucestershire as a whole.

## **Theme 2 - A Competitive Economy**

"Competitiveness is one of the main drivers of business performance, productivity and wider economic activity. International trade and associated exploitation of regional comparative advantage is a fundamental component of competitiveness".<sup>5</sup> Although parts of Gloucestershire are more competitive than much of the rest of the Region, the County needs to be competitive globally not just regionally. 'A Competitive Economy', identifies what sectors will offer Gloucestershire a competitive and productive economy after the recession.

**Strategic Objective - To develop a more competitive and productive Gloucestershire economy by 2015 in terms of sectors and employment opportunities.**

We will deliver a more competitive and productive economy in the County by:

- Using RDP-E<sup>6</sup> and the Gloucestershire Food Vision to develop more sustainable food and drink production and processing in the County.
- Supporting initiatives to develop and nurture engineering aptitude in young people and retain a profitable manufacturing sector including using advanced engineering techniques and innovation to grow pro-actively the environmental technology sector.

---

<sup>5</sup> SWRDA Quarterly Economic Survey November 2008

<sup>6</sup> Rural Development Programme – England 2007-13, an EU programme aimed principally at land based businesses.

- Ensuring the provision of readily available employment land and workspace for the future particularly linked to new housing developments.
- Maintaining and developing the construction and creative industries sectors for the future.
- Strengthening Gloucestershire's offer to tourists, visitors and businesses in support countywide tourism strategy.
- Using 'Solutions for Business' to support micro businesses and SMEs to start up, survive and grow.

### **Theme 3 - A Connected Economy**

Good connectivity, both physical and electronic, is vital to exploiting Gloucestershire's location and delivering a strong and resilient economy, whilst reducing the carbon emissions. 'A Connected Economy' addresses how the County can develop a high quality and energy efficient communications infrastructure with good linkages to the other regions, London and the rest of the world.

**Strategic Objective - To provide the connectivity that enables Gloucestershire to be a place where people and communities interact and connect whether locally, regionally or globally.**

We will improve the connectivity of the County by:

- Lobbying relentlessly for high quality rail and road links to London and the SE including the re-duelling of the line between Kemble and Swindon and removing the Nettleton Bottom bottleneck.
- Recognising the need to provide an attractive alternative to private car travel, particularly commuting, as essential to developing a low carbon economy.
- Ensuring that LTP3<sup>7</sup> contains the right transport strategy to achieve a local transport infrastructure and integrated public transport services that are appropriate to the needs of a developing Gloucestershire and provides solutions to the road and rail capacity issues in the County, including the handling of freight.
- Tackling the access deprivation in rural communities with innovative initiatives.
- Pressurising suppliers to ensure that County businesses are able to maximise the benefits of broadband and ICT.
- Capitalising on the presence of overseas students in the County by inviting the best to become Gloucestershire Ambassadors.

### **Theme 4 - A Low Carbon Economy**

Climate change is taking place and may be happening faster than previously thought. After many years of discussion recent developments at international, national and regional level means that the context is changing rapidly; the UK is now committed to sourcing 15% of its energy from renewable sources by 2020, an increase in the share of renewables by almost a factor of seven, from about 2.25% in 2008, in scarcely more than a decade. Action needs to start immediately, particularly as Government data indicates that business emissions in Gloucestershire are currently increasing by 6.3% annually so the scale of the challenge is huge<sup>8</sup>. This fourth them 'A Low Carbon Economy' addresses how Gloucestershire might become an exemplary low carbon economy whilst taking advantage of the opportunities that derive from it.

**Strategic Objective - To develop an exemplary low carbon economy in Gloucestershire.**

<sup>7</sup> The County Council is responsible for preparing LTP3, which sets out the transport strategy for the County, to take effect from 2011

<sup>8</sup> National Indicator 186 measures the CO2 emissions per Local Authority Area

We will deliver an exemplary low carbon economy in the County by:

- Establishing quickly a programme to make businesses and organisations aware of immediate cost and CO2 savings that are possible whilst developing the necessary expertise in the construction sector.
- Supporting businesses wishing to develop in the environmental technology sector and introducing a pro-active campaign to attract new business in the sector to Gloucestershire including the development of an environmental technology business park.
- Exploiting the opportunities that arise from the UK Renewable Energy Strategy including the energy extraction potential of the Severn Estuary, local and community based generation and initiatives that use wood fuel and waste as a resource for energy production.
- Requiring local planning authorities to establish carbon zero or carbon neutral planning policies.
- Growing the necessary skills base rapidly across Gloucestershire.
- Encouraging the development of electric vehicle technology and infrastructure.

## **Theme 5 - A Resilient Economy**

All parts of the world face the need to adapt to climate change; those that do so effectively will gain economic advantage. There are risks that are due to natural events, major accidents or malicious attacks and those associated with global markets and financial changes. As was demonstrated in 2007 parts of Gloucestershire are particularly susceptible to flooding. 'A Resilient Economy' addresses the need for the Gloucestershire economy to adapt to climate change and become more resilient to the risks from natural and economic events, accidents or malicious attacks.

**Strategic Objective - To adapt the economy of Gloucestershire to climate change and its resilience to natural disasters, major accidents, malicious attacks and world or national economic crisis.**

We will increase the resilience of the County by:

- Facilitating debates about adapting to climate change.
- Implementing the recommendations of the Pitt Review in the County as quickly as possible.
- Reviewing the energy security and the critical infrastructure of the County and developing solutions to increase its robustness.
- Ensuring the County is as well prepared as possible for the unexpected by persuading all organisations, particularly the public sector, and businesses to draw up realistic 'resilience and recovery plans' and keep these under regular review.
- Support initiatives through the RDP-E programme to improve the health and welfare of Gloucestershire livestock leading to a reduction in the economic impact of diseases for businesses and related supply chains whilst improving food security.
- Developing the role and effectiveness of the community response, particularly the 3rd Sector.

## **Theme 6 - A Skilled Economy**

Gloucestershire needs to be a place, which recognises that every single individual has talent and can develop; where people have aspirations and build knowledge through education and experience; that attracts and retains smart people and creates opportunities for skilled people to develop and apply what they know; and which recognises the value of its young people and retains them to grow the economy of the future. Only by achieving these aims will Gloucestershire have a more productive economy to compete in a global economy, and a better quality of life for its people. 'A Skilled Economy' addresses this challenge.

**Strategic Objective - To maximise the potential of the people of Gloucestershire by developing skills and talent that ensure profitable employment in the 21st Century and enable them to take advantage of and contribute to the economic development of the county.**

We will maximise the potential of the people of the County by:

- Developing and delivering initiatives starting in primary school to increase the aspiration in young people.
- Maintaining and, where possible, strengthening the current initiatives particularly in deprived areas, which have kept the number of 16-19 year olds who are NEET<sup>9</sup> in Gloucestershire low.
- Attracting new graduates to the key sectors in the Gloucestershire economy.
- Ensuring that Gloucestershire has Higher and Further Education provision that meets the needs of the County's employers.
- Developing an employer culture that recognises the value of constant skills improvement, and leads to a year on year rise in the numbers achieving each NVQ level.
- Encouraging and supporting people in the 'potential workforce', particularly those who are disadvantaged, to gain or improve their skills and contribute to the local economy.

## **Theme 7 - A Sustainable Economy**

Sustainable development means much more than a cleaner environment or a low carbon economy; it requires a long term view of the economy, rather than short term fixes. To deliver a more sustainable economy we must make more efficient use of what we have got. The combined landscape and built environment in rural Gloucestershire is rightly recognised as being of exceptional quality and contributes significantly to the economy. The environment needs to be managed, sustained and protected so that it continues to deliver benefits to future generations, whilst at the same time enabling the economy to develop and flourish. 'A Sustainable Economy' addresses how to conserve and enhance the environment as a foundation for a sustainable economy.

**Strategic Objective - To realise fully the economic potential of Gloucestershire's environment whilst conserving and enhancing its exceptional quality of the countryside as a foundation for a sustainable economy.**

We will conserve and enhance the County's environment as a foundation for a sustainable economy by:

- Maintaining a viable agricultural (farming and forestry) sector, principally through RDP-E<sup>10</sup> and the take up of funding for environmental schemes.
- Integrating land management and environment measures to protect the unique landscape.
- Ensuring new housing is developed to exemplary standards to achieve high quality living environments and genuinely sustainable communities.
- Developing and sustaining traditional skills and conservation expertise.
- Supporting the restoration of the Thames - Severn Canal.
- Drawing up Local Development Frameworks in consultation with businesses and communities.

## **Theme 8 - A Working Economy**

Jobs are key to most people's self respect and morale and also enable them, themselves and their families to have a reasonable life style. Jobs for a high percentage of those of working age are also essential to a productive economy. However the country and the County are

---

<sup>9</sup> Not in Employment, Education or Training

<sup>10</sup> 80% of the RDP-E funding (about £600M for the SW Region over the 7 years) is for environmental schemes.

likely to face growing unemployment for at least the next 18 months. 'A Working Economy' addresses the need for as many of the Gloucestershire population of a working age as possible to have a productive and satisfying job.

**Strategic Objective - To increase the proportion of high value productive jobs, particularly in the 'knowledge economy', in the long term, whilst minimising unemployment in the short term.**

We will increase the number of productive and satisfying jobs by:

- Supporting the successful delivery of the Gloucester City Employment Plan and its expansion to the rest of Gloucestershire as quickly as possible.
- Promoting and supporting new and emerging wealth-creating businesses and industries, particularly in the 'knowledge economy'.
- Maintaining and strengthening existing key employment sectors and attracting and retaining valuable Foreign Direct Investment jobs.
- Exploiting the opportunity to participate in the jobs that will deliver the regeneration projects.
- Recognising the value of the 3rd Sector both in its contribution to the economy and its provision of jobs and supporting initiatives to strengthen it.  
Increasing the number of economically active people with disabilities in Gloucestershire and the health of the workforce in general.

## Delivery

The effectiveness of an economic strategy is entirely dependent on whether it is translated into successful action. The Gloucestershire Economic Strategy Delivery Plan will cover a three year rolling period and be revised annually. It is intended that it should comprise an individual section for each Gloucestershire First partner detailing what they are able to commit to delivering in each of the three years against the priorities that are agreed.

The annual timetable for drafting the Delivery Plan will be as follows

- August – The Economy of Gloucestershire (the evidence base) published by the County Council.
- August/September – ESAP with advice from REAP and UEAP develop priorities for the coming year for agreement by Gloucestershire First at the October meeting.
- November/December – Gloucestershire First partners invited to say what they are able to commit to delivering over the three years (after the first year this may be a matter of confirming their previous submission).
- January – Draft Delivery Plan discussed by Gloucestershire First with the aim of identifying how any gaps can be filled.
- February/March – Delivery Plan finalised.

## Glossary

**Gross Value Added (GVA)** – used to estimate the value of goods and services produced in an economy

**Gross Domestic Product (GDP)** - a basic measure of a country's economic performance; the market value of all final goods and services made within the borders of a nation in a year.

**Joint Strategic Commissioning Plans (JSCPs)** - set out the priorities for a local area agreed between central government and a local area (the local authority and Local Strategic Partnership) and other key partners at the local level.

**LTP** - Local Transport Plan

**NEET** – 16-19 year olds who are Not in Employment Education or Training

**NVQ** - National Vocational Qualification

**RDP-E** - Rural Development Programme for England 2007-2013 an EU programme principally for land based businesses

**RSS** - Regional Spatial Strategy 2006 – 2026, the final version has been delayed; hence it is still a draft.

**SME** - Small and Medium sized Enterprises

**SWRDA** - South West Regional Development Agency

**Solutions for Business** - Solutions for Business is the new name for publicly funded business support - offering a range of services and solutions to meet real business needs accessed through Business Link.  
**3rd Sector** - relates to the social economy, which embraces a wide range of community, voluntary and not-for-profit/social enterprise activities