

BUILDING A GLOUCESTERSHIRE FIVE-YEAR
ECONOMIC STRATEGY
Delivering a sustainable and inclusive economy for
the future

A PUBLIC ENGAGEMENT DOCUMENT

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THIS DOCUMENT IS INTENDED TO SET OUT THE BROAD PRIORITIES,
AMBITIONS, AND ACTIONS THAT WILL UNDERPIN THE GLOUCESTERSHIRE
ECONOMIC STRATEGY – THIS DOCUMENT IS **NOT** A DRAFT VERSION OF
THE FINAL ECONOMIC STRATEGY.

Introduction

Gloucestershire is a county well known for its manufacturing, aviation heritage and agriculture as well as its significant cyber and digital assets. It has a highly attractive natural environment which is well balanced with a locational advantage of being within easy access to the South West, Midlands, London, and Wales.

The county is a network of vibrant places, important in history and with an ambition to redefine its role as a strong regional partner to deliver sustained long-term economic growth. The county is clear about the challenges ahead to transition to a carbon net zero economy while providing a high quality of life for existing and future communities that choose to make Gloucestershire their home.

The districts and boroughs which make up the county each have their own distinct personality.

Cheltenham is a lively festival town that is home to the Golden Valley Development and cyber specialisms. Cotswold has a strong rural economy and is a significant area of outstanding natural beauty, while the Forest of Dean became Britain's first national forest park in 1938 and has high levels of productivity across its modern industrial base.

Gloucester has a rich history and bold city centre regeneration plans. Stroud has strong levels of innovation activity and solid canal regeneration ambitions and, finally, Tewkesbury is at the heart of the county's advanced engineering sector and future aerospace technology, with significant growth ambitions. The combination of all of these place strengths brings a dynamic environment for the economy.

Gloucestershire has a diverse local economy and is not overly reliant on any single industry or company. Between 2016 and 2021, the county's gross value added (GVA) increased by 18.9%, higher than the rate of

growth seen at a national or regional level (14.5%).¹ However, the positive impacts are not being felt by all.

Gloucestershire has an ageing population and high housing costs which have implications for the workforce with the number of jobs expected to exceed the number of working age people by 2035. Within this resident population, 7.6% live among the most deprived 20% in England, which can have a significant impact on life chances.² And businesses face daily challenges of rising costs and finding ways to decarbonise their operations.

To meet the needs of the economy, the county requires a robust long-term vision for economic growth and prosperity supported by a countywide spatial strategy. This will provide confidence to businesses and communities about how the county will grow. It will sustain a quality employment offer within the county and improve ease of access to the opportunities provided across the region. Over the next 30 years, the county will need to balance the need for additional infrastructure, affordable housing, the need to combat climate change, increase its working age population while sustainably managing its natural and historic environment. To achieve this, it is important think strategically and on a countywide basis.

What is the purpose of this document?

This high-level summary document represents the first of two stages in developing a joint Gloucestershire County Council and GFirst Local Enterprise Partnership (LEP) economic strategy to stimulate and sustain the economy. It is intended to encourage views on where priorities for the future economy need to focus and where action needs to be taken. It builds on the previous economic strategies of the Strategic Economic Plan (SEP) and the Local Industrial Strategy (LIS), acknowledging the strengths and challenges of the economy. It also considers the earlier 2050 vision

work but sets a new context to offer opportunity to all while ensuring climate change commitments are achieved as we transition to a carbon-net zero economy.

This engagement document takes a short- and long-term view of what a successful county should look like, and it will lead to a full strategy being produced later in the year. So far, we have identified a set of countywide economic priorities and actions along with delivery priorities which will be effectively monitored over time. We consider the economy through two lenses – place and people. Both of these require investment in order to deliver opportunities for all of our communities in a sustainable environment. The proposals outlined also ensures that the views of business continue to be heard in key decisions about the economy.

The full strategy will be completed by December 2023. It is intended that it will provide a roadmap that is helpful to all partners to support the production of their own future strategies and investment propositions. In sharing this initial document with you, we are keen to hear your views. These views will enable us to develop a full strategy in the autumn.

The rest of this document covers:

- The emerging vision and linked economic priorities which underpin the overall vision.
- A set of outcomes which will be achieved at the end of the strategy.
- An outline of Gloucestershire’s economic, social and spatial context.
- A set of core propositions which are divided by place – a key enabler in driving forward economic prosperity and people – those residents and communities which we must support for an inclusive future.

- Finally, these propositions are supported by a set of actions we believe need to be delivered to successfully deliver the strategy.

Your views

Repeated at the end of this document is a set of questions and we would value your views. These are:

- To what extent do you agree or disagree that the emerging 2050 vision highlights the future ambitions for Gloucestershire?
(Four options to choose from: Strongly agree, Agree, Disagree, Strongly disagree)
- To what extent do you agree or disagree that we have identified the right focus for the Gloucestershire Economic Strategy?
(Four options to choose from: Strongly agree, Agree, Disagree, Strongly disagree)
- To what extent do you agree or disagree that the themes and proposed actions identified to support the economy going forward are the right ones?
(Four options to choose from: Strongly agree, Agree, Disagree, Strongly disagree)
 - If you disagree or strongly disagree, what do you think is missing?
- How could you or your organisation contribute to delivering this strategy and what would enable you to do so?
- Do you have any further comments that you would like to make about Gloucestershire’s Economic Strategy?

Our economic vision and priorities

The emerging strategy gives an opportunity to set out how partners can work together to deliver these ambitions across the county.

We are building a vision for the long-term future economy of the county. We are clear that this must be driven by creating opportunities for all of our communities in a way which improves the life chances of all of our residents and businesses. It must also be delivered in a way which takes the county forward sustainably for a greener Gloucestershire.

Our emerging economic vision for the future is as follows:

“Our **innovative** county will, through the **creation of opportunities** and an inclusive **environment**, deliver **thriving and successful communities** and businesses.

This will be achieved by having **reliable and robust infrastructure and services**, that provides the confidence to make difficult decisions as we successfully transition to a Carbon net-zero economy.”

Underpinning this future vision, are seven core priority statements. These have been drawn from the evidence shared in the next section and in conversations with partners. Five priority areas are focused around the two areas of place and people and there are two cross-cutting priority outcomes which deliver opportunities for all our communities while ensuring a greener Gloucestershire.

Place

Sustainable Growth: to ensure future housing and employment growth is considered on a strategic basis, and where delivery is prioritised in those areas which ensure that carbon net-zero targets are deliverable, and

supporting infrastructure is delivered in the right place and at the right time.

Inward Investment: to create a welcoming and supportive environment for businesses from the UK and abroad to invest in Gloucestershire, fostering innovation, creating jobs, and promoting prosperity across the county.

Digital: to ensure communities and businesses benefit from the opportunities provided by a resilient digital network by possessing the digital skills required to fully engage in making Gloucestershire the best place to start and grow a digital business in the UK.

People

Skills and Employment: to ensure that every resident has the opportunity to grow their skills and make the most of job opportunities in a diverse and flourishing economy.

Business Support: to deliver a business support offer that fosters a dynamic and inclusive economy where businesses of all sizes and types are empowered to innovate, create jobs, and contribute to sustainable economic growth while transitioning to carbon net-zero.

Priority outcomes

Opportunities for all communities: to create a thriving community where all individuals and businesses have the opportunity to succeed, by ensuring that every resident has access to quality education, training, and employment, in a safe, healthy and sustainable environment.

Greener Gloucestershire: to pave the way towards a sustainable future, facilitating a smooth transition to a flourishing green economy, and working with Gloucestershire’s industrial base to advance clean technological specialisms.

Achieving the intended outcomes

This set of outcomes describe the results of mobilising the collective assets of the county while delivering change to our local opportunities.

	PLACE	PEOPLE
Mobilising the county – using our assets to ensure Gloucestershire has a sustainable and green future economy.	<ul style="list-style-type: none"> • The county growth strategy delivers vibrant and sustainable communities. • The attractive inward investment offer invites and retains quality and environmentally responsible employers. • Stronger regional partnerships with common goals are established. • Thriving cultural centres are at the heart of each of our districts. • City and town centres are transformed and regenerated through creative redefinition of purpose. • Protected landscapes and improved biodiversity are prioritised. • Clean energy production delivers local needs. • Zero carbon emission reductions are achieved. 	<ul style="list-style-type: none"> • The working age population is increased to rebalance our economy. • A quality training offer is appropriate to all levels of career and relevant to the future economy, including green and digital skills. • Skills diversification across our core industries is improved. • Effective business support is relevant to the new green economy. • Local business support networks are fit to deliver the new economy. • A just transition to zero carbon benefits the economy by promoting environmental sustainability in a way that is fair and inclusive, leaving no one behind.

<p>Delivering change – the positive impacts Gloucestershire’s diverse communities will see.</p>	<ul style="list-style-type: none"> • More accessible and sustainable locations are provided delivering affordable homes for our communities across the county. • Quality employment land retains existing businesses and attracts new employers. • Better regional links are established for businesses to trade and for improving social mobility of communities. • Increased and improved transport choices are available. • A reliable digital network is provided for residents and businesses alike. 	<ul style="list-style-type: none"> • Everyone can benefit from the opportunities created by the strategy. • The economy flourishes at the forefront of new green industries and technologies. • Better jobs with good wages and career paths are created. • A resilient local workforce is less susceptible to economy shocks. • Skills gaps across all industries are shrinking. • Employers are confident and successful. • Business diversification is achieved through innovation and increased R&D. • Greater and more sustainable business creation grows the future economy.
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Gloucestershire's economic, social and spatial context

Place

Gloucestershire is a predominantly rural county, with 87.8% of the county's area being classed as rural and 30.5% of the population living in rural areas.³ In addition, just over half of the county is designated an Area of Natural Beauty (AONB); this can be seen as a barrier to growth, as it places constraints on development in rural areas. However, this environmental quality is also a strength and makes Gloucestershire an attractive area for businesses and residents to locate and attracts large numbers of visitors. Place is also about regenerating how town centres function with facilities and infrastructure available for businesses and residents both now and in the future.

In a national context, Gloucestershire is not very deprived, sitting in the least deprived 20% of authorities in England. However, there are pockets of deprivation, with 7.6% of Gloucestershire residents living in areas among the most deprived 20% in England.⁴ Living in areas of deprivation can have a significant impact on life chances, and Gloucestershire residents living in the most deprived 20% of the country are almost five times as likely to be claiming unemployment benefits as those living in the least deprived 20%.⁵

Since 2016 the number of dwellings in the county has increased by 6.8% which was slightly lower than the rate of growth seen across the region (7.2%) but higher than the rate of growth seen nationally (5.2%).⁶

Housing affordability has become a particular issue in recent years. In 2022 someone earning a median sum in Gloucestershire required 8.9 times their earnings to purchase a median priced property, higher than

the England average (8.2) but lower than the regional average (9.4). Within Gloucestershire there is considerable variation. Housing is most affordable in Gloucester, with an affordability ratio of 7.7, and it is least affordable in Cotswold where a worker would require 13.9 times their earnings to purchase a property. Given that mortgage lenders tend to favour mortgages that are no more than 4.5 times an individual's salary, Gloucestershire's income to house price ratio may make it difficult for first time buyers to get on the property market which could make it hard to attract young people to the county and retain them.⁷

House prices are driven by several factors including the presence of holiday homes. In Gloucestershire around 0.4% of the total dwelling stock were second addresses used as holiday homes; this was higher than the national average (0.3%) but lower than the regional average (0.8%). Cotswold had the greatest proportion of holiday homes in the county at 1.6% which put it in the top 10% of district and unitary authorities across England and Wales.⁸

Business floorspace in Gloucestershire is predominantly industrial, with 61.8% of total space dedicated to industrial use compared to 57.6% in England and 56.9% in the South West. This reflects the county's relative specialisation in Manufacturing. Cheltenham and Gloucester as urban settings have lower proportions of industrial space and are more specialised towards office and retail provision.⁹

Between 2016 and 2022 Gloucestershire saw a relatively moderate growth in commercial floorspace with a growth of 0.8%. This was higher than the growth seen across England (0.5%) but lower than the growth seen across the South West (1.9%). Growth in overall floorspace has been driven by an increase in floorspace classed as "Other" and "Industrial" floorspace, while "Office" floorspace has declined. This is broadly reflective of the picture seen at a regional and national level.¹⁰

People

Gloucestershire has an older population than nationally, with those aged 65+ accounting for 21.7% of the population – higher than the national average of 18.7%. Projections also suggest this trend will continue with Gloucestershire's working-age population projected to decrease from 60.7% in 2018 to 55.7% in 2043.¹¹ This changing population structure has implications for Gloucestershire's economy. Gloucestershire's dependency ratio is projected to increase by 2043 when, for every 100 people of working age, there will be 80 people reliant on them; this compares to 65 in 2018, placing greater pressure on the working age population.¹²

The changing population structure may have implications for the workforce and recruitment. By 2035 the number of jobs in the county are projected to exceed the number of working age people,¹³ posing a challenge for delivering future growth. It is worth noting that this does not take into account increases to the retirement age or the potential impact of automation and AI.

Alongside an ageing population and in line with the national and regional picture there are concerns about an increase in economic inactivity, with 17.3% of the 16- to 64-year-old population falling into this group up from 15.2% pre pandemic.¹⁴ Despite the emerging trend in economic inactivity, Gloucestershire's labour market compares well to other areas, with the employment rate at 80.7%, up from 76.4% during the peak of the pandemic and significantly higher than the national average (75.7%).¹⁵

Gloucestershire has a well-qualified population with those holding Level 4+ qualifications accounting for 38.3% of the 16- to 64-year-old population, above the national average of 37.0% and the regional average of 35.9%.¹⁶ The high skill level of the population is reflected in the occupation structure. Managerial, professional, and associate professional occupations feature highly in Gloucestershire with these three groups accounting for 46.6% of employment in the county, slightly

higher than the regional and national averages of 44.7% and 46.2%.¹⁷ There is some evidence of a skills mismatch, with around 39.5% of people employed in Level 3 jobs (associated with a period of post-compulsory education but not normally to degree level), holding a Level 4+ qualification – suggesting there are more highly qualified people than there are jobs for them. This is not unique to Gloucestershire and is also reflected at a national level.¹⁸

Gloucestershire has a diverse local economy, not overly reliant on any one large company or sector. In 2021 the Wholesale and retail trade (15.0%) was the largest employer in the county, followed by Human health and social work (14.0%) and Manufacturing (10.4%). The county also had strengths in the energy sector represented by Electricity, gas, steam and air conditioning supply, Agriculture, Forestry and Fishing and Accommodation and food service activities, reflecting the importance of tourism.¹⁹

Given the importance of Manufacturing to the county it is important to note that it saw a decline in employment between 2016 and 2021,²⁰ and this is projected to continue up to 2050. This will see the sector go from being the third largest employer in 2021 to the eighth largest in 2050.²¹

Job posting data²² highlights recruitment issues. There has been a significant increase in job postings since March 2021 and this has affected all broad occupation groups. Job postings have consistently outnumbered claimants of unemployment benefits but this difference increased in the last year, peaking in January 2023 when there were 2.9 vacancies per claimant, suggesting recruitment might be a challenge in the county.²³

Recruitment challenges are also highlighted by the Employer Skill Survey which found Gloucestershire has a higher proportion of employers reporting hard to fill vacancies (10%) than nationally (8%), particularly in sectors such as Transport and Storage where the workforce is aging (23% compared to 8% nationally). These recruitment issues do not appear to be driven by skill shortages, with skill shortage vacancies being in line

with the national average (6%); instead they seem to be driven by a shortage of available workers.²⁴

Productivity is defined as the amount of goods and services that a worker produces in that same period. The Office for National Statistics preferred measure of productivity is GVA per hour worked. In 2020, Gloucestershire's GVA per hour worked was £35.69 above the South West average (£33.72) but below the UK average (£37.73). At district level, Cotswold and the Forest of Dean stand out as having very high levels of productivity, exceeding the county, regional and national averages and most other authorities in the country.²⁵







GVA is the measure of the value of goods and services produced in an area or sector, and it can be used to measure the value of the economy through economic output. The three largest contributors to Gloucestershire's GVA were Manufacturing (14.9%), Wholesale and retail trade; repair of motor vehicles (13.8%), and Real estate activities (12.9%). This differs slightly from the picture seen at national level where Real estate is the largest sector (12.9%) followed by Wholesale and retail (10.7%) and Manufacturing in at third (9.4%), this demonstrates the importance of Manufacturing to the county.²⁶

Between 2016 and 2021 Gloucestershire's GVA increased by 18.9%, higher than the rate of growth seen regionally or nationally (14.5%), suggesting Gloucestershire's economy has been performing well.²⁷ Most sectors across the county saw increases in GVA between this period but the greatest growth was in the Wholesale and retail trade, followed by Agriculture, forestry, and fishing; mining and quarrying and Human health and social work activities, which all saw greater growth in Gloucestershire than at a regional and national level.²⁸ It is also worth noting that despite employment in manufacturing falling between 2016 and 2021 the sector saw a growth in GVA suggesting it is becoming more productive.

Supporting local businesses is about ensuring the conditions needed for them to thrive, innovate and become more productive which helps the economy grow. Gloucestershire has strong business survival rates exceeding the regional and national average for one-year, three-year and five-year survival rates,²⁹ suggesting its business base is strong and has the right conditions to support them. However, data for the last year shows one-year and three-year survival rates fell in Gloucestershire, something which was not reflected at a regional and national level.

It is also worth noting that in 2021 the number of business deaths in Gloucestershire outnumbered business births, by 175, for the first time since 2010. This contrasted with the situation at regional and national level where there were more births than deaths.³⁰ It is unclear whether this is a temporary anomaly or the start of a new trend, but if it continues it will result in a decline in Gloucestershire's overall business base.

Innovate UK is the UK's national innovation agency that provides funding and support for businesses to innovate and grow. Innovate UK has received a total of 205 applications for projects from Gloucestershire businesses and organisations between 1 April 2016 and 31 March 2021. The total value of Innovate UK funding over the period was £59,672,976, supporting total project investment of £122,639,629 including match funding from recipients. These investments are targeted at unlocking future private sector innovation activity and investment.³¹

 <p>Cheltenham</p>	 <p>Cotswold</p>	 <p>Forest of Dean</p>
<ul style="list-style-type: none"> • Lower population growth than other parts of the county.³² • Projections suggest jobs were due to outnumber the working age population by 2021.³³ • Highly qualified workforce and high proportion of high skilled jobs.³⁴ • Highest ratio of job vacancies to unemployment related benefit claimants.³⁵ • In 2021 business deaths outnumbered business births.³⁶ • Decline in commercial floorspace between 2016-2022.³⁷ 	<ul style="list-style-type: none"> • Highest ratio of earnings to house prices.³⁸ • Highest proportion of holiday homes.³⁹ • Lower proportion of 16- to 64-year-olds.⁴⁰ • Highest current and projected dependency rate in the county.⁴¹ • Projections suggest jobs were due to outnumber the working age population by 2021.⁴² • Highly qualified workforce and high proportion of high skilled jobs.⁴³ • Highly productive economy and saw greater growth in productivity between 2016 and 2019 than other areas.⁴⁴ • The Finance and Insurance sector accounts for more than 35% of GVA.⁴⁵ 	<ul style="list-style-type: none"> • Highest proportion of economically inactive.⁴⁶ • High proportion of residents employed in skilled trades.⁴⁷ • Higher proportion of residents with no qualifications.⁴⁸ • Lowest ratio of job vacancies to unemployment benefit claimants.⁴⁹ • Higher business death rates.⁵⁰ • More business deaths than births in 2021.⁵¹ • Highly productive economy and high growth between 2016 and 2019.⁵² • Wholesale and Retail Trade accounts for more than 45% of GVA.⁵³
 <p>Gloucester</p>	 <p>Stroud</p>	 <p>Tewkesbury</p>
<ul style="list-style-type: none"> • Highest levels of deprivation.⁵⁴ • Higher proportion of 16- to 64-year-olds.⁵⁵ • Largest number of jobs.⁵⁶ • Higher levels of unemployment.⁵⁷ • Higher proportion of residents with no qualifications.⁵⁸ • Higher proportion of residents with low skilled jobs.⁵⁹ • Higher business death rates.⁶⁰ • Lowest levels of productivity and a decline between 2016-2020.⁶¹ • Lowest total investment and applications to Innovate UK.⁶² 	<ul style="list-style-type: none"> • Lowest levels of deprivation.⁶³ • Lowest business death rates.⁶⁴ • Lower levels of productivity than all areas except Gloucester.⁶⁵ • The Manufacturing sector accounts for around 30% of GVA.⁶⁶ • More applications to Innovate UK than any other district in the county.⁶⁷ • Greatest increase in commercial floorspace between 2016-2021.⁶⁸ 	<ul style="list-style-type: none"> • Highest population growth in the county.⁶⁹ • Highest growth in residential dwellings.⁷⁰ • Projections suggest jobs were due to outnumber the working age population by 2021.⁷¹ • Strong Manufacturing sector employing almost 20% of the workforce.⁷² • The Manufacturing sector accounts for over 30% of the district's GVA.⁷³ • Highest three-year survival rates.⁷⁴ • Highest total investment from Innovate UK.⁷⁵

Delivering the strategy

Delivering the strategy in a way which achieves impact for the county will require increased partnership working. This includes active engagement and working more closely with partners and stakeholders across the public, private and voluntary sector to ensure we collectively draw on the strengths of the county's local and regional assets and achieve positive outcomes for the communities and businesses that live and work within our county.

The integration of the GFirst LEP into the county council will require close collaboration with businesses to ensure economy-related decisions are informed and robust. It will also require greater strategic alliances with partners such as the Western Gateway, the UK's first pan-regional partnership, to bring together local leaders from two countries, stretching across South Wales and Western England.

There needs to be a robust action plan in order to deliver the vision and priorities outlined in the strategy. In each of the economic themes identified, a number of actions have also been developed to move towards our emerging economic vision for the future. We consider the short- and medium-term actions which will be the stepping stones to delivering the strategy and which will require close monitoring and evaluation over time. This will need resource and careful consideration of what potential funding could be generated and the skilled resource to deliver it.

In the next section, we set out each of the theme areas in more detail across the categories of place and people. In each of these, we set out:

- A short description of each theme.
- What we are trying to achieve.
- What action needs to be taken to deliver change.

Place – our core propositions

Gloucestershire will...

- Be a vibrant, successful county where communities and businesses flourish by taking advantage of Gloucestershire's location, characteristics, and its economic strengths.
- Be an area that attracts high-value investment from the UK and abroad, through a coordinated effort from local partners such as the Western Gateway.
- Be the future of communications with a globally competitive cyber and digital technology cluster at the forefront of all industries.
- Be renowned for developing industry changing technology in agri-tech, sustainable aviation and advanced manufacturing.
- Have businesses and residents with no barriers to robust digital infrastructure.
- Sustain and maintain our outstanding landscapes and become a leader in biodiversity recovery and conservation.

The sustainable growth and prosperity of Gloucestershire's communities requires long-term investment, which is coordinated, stable and adaptable to local needs.

It is important, therefore, to take a strategic approach to planning new residential and employment growth, focused in areas most sustainable in terms of strategic environmental, social, and economic considerations. Societal changes are accelerating the need for new infrastructure, from the opportunities afforded by a transition to a greener Gloucestershire, to meeting the needs of the growing number of older people, to a greater reliance on digital technologies. Physical and digital connectivity will be an essential component of this. Growing the county on a sustainable basis will require increased local and regional collaboration to take pro-active

decisions that will create the conditions for sustainable economic growth and ensure that our communities continue to flourish.

Digital connectivity is a key component of this. Overcoming the challenges of digital connectivity gaps across Gloucestershire is essential if we are to ensure that both urban and rural communities benefit from the future job opportunities created as the economy decarbonises. This will mean the development and deployment of innovative digital and data led service solutions become even more prevalent. This starts by providing continued support for the delivery of both gigabit-capable digital networks and widespread 5G to private providers to achieve seamless connectivity between fixed and mobile access. Deploying these new networks requires significant investment.

Both private and public sector investment will continue to play a role in building faster digital networks, but unlike through the Fastershire project the county council will no longer have a delivery role in this process with national Government leading the delivery of the next generation of broadband connectivity through Project Gigabit. Broadband is a key enabling technology for a range of different activities that can have a positive environmental and social impact. Improved broadband speeds and reliability reaching over 97% superfast, 68% gigabit and 45% full fibre coverage to date,⁷⁶ has enabled more sustainable business practices that have resulted in waste minimisation, travel reduction, reduced energy use and businesses implementing a range of more efficient processes. There are demonstrated productivity improvements to businesses that adopt digital technologies. SMEs which use two or more business management technologies exhibit productivity gains of up to 25%.⁷⁷

Our existing and emerging sectors will benefit from digital investment. As the economy becomes ever more interconnected, the needs and demand for the cyber sector is set to grow. The application of digital technology

processes within industries such as agriculture and manufacturing can bring forward greater levels of GVA to the county, while AI can offer benefits to the health and social care sector in early detection and diagnosis.

By delivering this through the actions identified in the strategy, we will attract more investment. Inward investment, or the investment from external companies, individuals, and the government into a particular area, is a key component for prosperity and growth in an open economy. Gloucestershire has been successful in attracting this type of inflow, with businesses from outside the county investing millions of pounds in world class facilities, innovative businesses, and local skills development. The “Invest in Gloucestershire” project, for example, has yielded a return of £11 million from a £1 million investment. Gloucestershire has a diverse economy with a range of key industries and sectors, as well important clusters in specialised high value activities, making it an ideal location for attracting sustained inward investment.

The presence of GCHQ and the National Cyber Security Centre Cyber Accelerator, act as significant magnets for both talent and firms to locate. It is a highly productive sector and Cheltenham is one the largest and most developed cyber clusters in Europe. To ensure the sector continues to thrive it is essential to enable it to grow through the delivery of the Golden Valley Development and ongoing partnership working across the Western Gateway area. This will facilitate growth and secure Gloucestershire’s position as a home for an internationally important cyber cluster.

CORE PROPOSITIONS		
Place themes	2050 aim	Proposed action
<p>Gloucestershire Spatial Development Strategy: greater clarity for local communities, developers, and decision makers on the long-term land-use planning strategy to meet the full range of housing and employment needs, supported by strategic and community infrastructure delivered in the right places at the right time.</p>	<ul style="list-style-type: none"> We will have a vibrant, successful county where communities and businesses flourish by taking advantage of Gloucestershire’s location, characteristics, and its economic strengths. 	<ul style="list-style-type: none"> Work across six Local Planning Authorities (LPAs) to agree a shared vision for the county which provides the basis of a new long-term Gloucestershire Growth Plan and Spatial Development Strategy. Build on the Gloucestershire Statement of Common Ground, while making best use of existing statutory and non-statutory partnerships and joint working arrangements.
<p>Future of Inward Investment: to consolidate a world-class inward investment offer that continues to successfully promote investment from outside the county as a driver for growth.</p>	<ul style="list-style-type: none"> Gloucestershire will be an area that attracts high-value investment from the UK and abroad, through a coordinated effort from local partners such as Western Gateway. 	<ul style="list-style-type: none"> Leverage the county’s strategic location, world-class infrastructure, skilled workforce and sector specialisms to attract businesses to the area. Provide and clearly signpost support and guidance on decarbonisation and funding sources, offering personalised and bespoke support that caters to businesses’ unique needs where possible.
<p>Infrastructure funding: a fundamental aspect of achieving sustainable development is providing infrastructure in the right place and at the right time.</p>	<ul style="list-style-type: none"> The county’s infrastructure needs will be fully identified to ensure they are financially viable and deliverable within the timeframe they are required. This will be captured within one fully costed county-wide Infrastructure Delivery Strategy agreed by county council and the six LPAs. The city and town centres across the county will be regenerated and repurposed to be fit for 2050 to provide vibrant hubs for culture and employment across Gloucestershire. 	<ul style="list-style-type: none"> GCC to undertake a countywide Infrastructure Needs Assessment to inform a future Infrastructure Delivery Strategy, working with the six LPAs, to include a reviewed developer contribution system to support strategic infrastructure delivery. Work with colleagues from the six LPAs to agree a set of Planning Application Protocols covering all tiers of local government to ensure consistency and transparency within the planning system. Support the delivery of strategically essential upgrades to the transport network including upgrades to M5 J10 and M5 J9 and the realignment of the A46 and completion of the A417 Missing Link, while continuing to

CORE PROPOSITIONS		
Place themes	2050 aim	Proposed action
		<p>deliver local improvements to the walking, cycling and passenger transport networks.</p> <ul style="list-style-type: none"> Form a commission, reporting to the City Region Board, to identify the breadth and scope of regeneration projects required to enhance our town centres.
<p>Strengthening key sectors: build on Gloucestershire’s strengths in Cyber (Golden Valley and Cyber Central), Agri-Tech, Advanced Manufacturing, Energy and Tourism to drive investment.</p>	<ul style="list-style-type: none"> Gloucestershire will have consolidated its reputation as one of the world’s most advanced and innovative cyber and digital technology clusters and develop its position as the “cradle of cyber-tech innovation”. Gloucestershire’s Cyber cluster will be internationally renowned and benefit through increased collaboration across the Western Gateway region making it the best place to start and grow a digital business in the UK. The county will be renowned for its role in developing industry-changing technology in agri-tech, sustainable aviation and advanced manufacturing. The agriculture sector will be decarbonised through investment in innovative techniques and technology, while retaining jobs and improving food security. Gloucestershire will be a leading county in clean energy generation retaining the nuclear investment and jobs in our county. Gloucestershire will be a leading authority in promoting sustainable tourism, ensuring visitors enjoy all the county has to offer while protecting the environment and boosting the local economy. 	<ul style="list-style-type: none"> Work with the private sector to identify the global demand for new technology in the food chain, for example, the need for cyber security as digitalisation encompasses every aspect of the food chain. Identify the opportunities from the Golden Valley development for the whole county to grow sustainable prosperity across Gloucestershire’s Cyber cluster. Deliver stronger digital and regional transport links between sector clusters across the Western Gateway area enabling greater collaboration and improvements in economic agglomeration. Identify the routes to grow and transform manufacturing as industries seek reshoring. Grow high value sustainable tourism by promoting Gloucestershire’s year-round attractiveness through its landscape, food offer and heritage thereby extending the average length of stay.

CORE PROPOSITIONS		
Place themes	2050 aim	Proposed action
Energy: to keep investing in the low carbon and renewable energy sector and investigate new forms of alternative energy.	<ul style="list-style-type: none"> All sectors will have moved to renewable, and zero carbon energy and energy production will be carbon zero. 	<ul style="list-style-type: none"> Develop a plan to improve low carbon and alternative forms of energy generation and encourage greater adoption of green energy and sustainable energy practices.
Digital infrastructure: to ensure high quality gigabit-capable digital networks and pervasive mobile coverage is accessible across the county so urban and rural communities and businesses can rely on fast and reliable digital connections to enable home and office working.	<ul style="list-style-type: none"> We want businesses and residents to have no barriers to robust digital infrastructure enabling development and use of digital technologies that benefit our economy and society. We want our SMEs to make better use of digital technology to deliver more impact in businesses with lower levels of productivity. 	<ul style="list-style-type: none"> Provide support to Government as they manage the delivery of Project Gigabit. Promote the Gloucestershire Digital Household Grant to premises not upgraded to Superfast Broadband to fund a 4G based solution. Support rollout of 5G infrastructure where deployment occurs in accordance with the Codes of Practice and existing regulations to minimise the impact on communities and the environment.
Biodiversity recovery: to keep improving the natural environment and protecting these assets, while delivering economic development through business growth, sustainable tourism, infrastructure and transport connectivity.	<ul style="list-style-type: none"> We want everybody to benefit from Gloucestershire's outstanding landscapes as the county becomes a leader in biodiversity recovery and conservation with at least 10% net gain regenerated through innovation and social value in all major investments. 	<ul style="list-style-type: none"> Promote and highlight that biodiversity and economic growth are not mutually exclusive, for example sustainable farming, green infrastructure, and sustainable tourism. Underscore the importance of protecting the natural environment through biodiversity net gain, reducing waste, supporting sustainable farming, and lowering individual carbon footprints.
Environment: protect and repair Gloucestershire's natural assets by prioritising the transition to a green economy.	<ul style="list-style-type: none"> Gloucestershire's economy will be maturing as it continues to operate on a carbon net-zero basis from 2045. 	<ul style="list-style-type: none"> Support the development of technological solutions in aviation, manufacturing and digital that can decarbonise industries. Improve the conditions required to sustainably grow the agri-tech sector to deliver farming efficiencies and food security.

CORE PROPOSITIONS		
Place themes	2050 aim	Proposed action
		<ul style="list-style-type: none">• Provide and clearly signpost support for farmers on climate targets to help diversify farm operations and be more resilient.

People – our core propositions

Gloucestershire will...

- Be highly attractive to businesses due the high level of skills in the population.
- Have a fully integrated and seamless journey for all residents to access skills support, to effectively participate in the workforce.
- Close the skills gap, by addressing future skills needs based on evolving industries and increasing numbers of green and digital jobs.
- Be a thriving and innovative economy, seen as an exemplar for other areas, and which successfully attracts and retains talent.
- Have competitive advantage over innovation, research and development in the sub-region.

Delivering opportunities for all, along with environmental sustainability and economic prosperity, are the underpinning ambitions for the county's new economic strategy. Addressing the needs of our communities is a central feature to ensuring equality of opportunity and a chance to focus on developing place-based policies that build on the area's economic assets. This is particularly important in relation to increasing "good" employment, improving career prospects and pay in lower productivity sectors, developing housing and employment land and investing in more affordable and accessible public transport.

A strong local workforce is a key foundation to solidify long-term economic growth in Gloucestershire, but the challenge locally is twofold. The proportion of economically inactive people is increasing, and the number of residents of working age population are not keeping up with labour demand coming from employers. Significant increases in job postings since 2021 is causing labour pressure but these recruitment issues do not appear to be driven by skill shortages, but in fact a shortage

of available workers. This is most prevalent in sectors such as transport and storage where the workforce is ageing and in agriculture where 51.3% of those in employment in the sector are aged 50+.⁷⁸

For the workforce in or wanting employment, ensuring that the county's residents have access to the skills required by businesses, will allow businesses to reach their potential, in terms of productivity and for residents to realise their potential careers. In 2021, those with Level 4 qualifications or above accounted for 38.3% of the 16-64-year-old population which was above the national average of 37.0% and the regional average of 35.9%.⁷⁹ For those at the other end of the skills equation, Gloucestershire has plenty to build on with skills, employment and careers support provided by the county council, LEP and a number of partners across the county for those who do not necessarily have the skills required or have access needs. These partnerships are key to the success of any approach, and collaboration in the employment and skills offer is key to this strategy.

There are a number of skills gaps and opportunities within the county's key sectors, including cyber and digital and more broadly. In Gloucestershire, 38.8% of 16- to 64-year-olds have Level 4+ qualifications,⁸⁰ but there is still an identified gap of higher-level qualifications and skills. In order to address this skills gap within the county, it is important to have support available for both lower-level, core skills and higher level, more technical and sector specific training.

To deliver this strategy effectively, improving skills levels must be coupled with effective business support and leadership. This is an essential component for a flourishing economy and an approach which must achieve climate change commitments. Many businesses encounter difficulties in navigating the complexities of starting, maintaining, and expanding a business and the decreasing working age population risks

this opportunity. Business support services offer guidance and advice necessary for businesses to overcome these challenges, as well as access to funding and other resources.

For those who are self-employed or wanting to set up a business, Gloucestershire has a history of strong survival rates, but in 2021, business deaths outnumbered business births. We need to ensure this does not become a trend. Limited support for entrepreneurs and a lack of access to finance are the key drivers for this strategy to focus on while ensuring any new businesses are carbon neutral.

In relation to funding, the creation of a ladder of finance has been highlighted as an area to explore to better support start-up and growing businesses. This should build on the Gloucestershire Infrastructure Investment Fund and expand beyond job creation measures.

Effective business support can lead to job creation, increased tax revenue, entrepreneurship, community development and economic diversification. Given the integration of the GFirst LEP, there exists a unique opportunity to revise and/or broaden the scope of business support services in Gloucestershire to meet the needs of local people and businesses.

CORE PROPOSITIONS		
People themes	2050 aim	Proposed action
<p>Skills for the Gloucestershire jobs market: driving down economic inactivity and improving productivity by identifying future skills needs.</p>	<ul style="list-style-type: none"> We will have a robust employment market with local people able to acquire the skills needed to take up jobs. 	<ul style="list-style-type: none"> Take a sector-based approach to skills provision to ensure the workforce acquire the skills to take up jobs available in the county. Encourage young people into target sectors, such as advanced engineering and manufacturing, through apprenticeships and T-Levels. Work across local employers on apprenticeship opportunities to link potential candidates/ apprenticeship providers with employers. Continue to identify funding to support the Employment & Skills Hub and Careers Hub. Work with Further Education (FE) and Higher Education (HE) to design essential digital and green skills into local skills provision.
<p>Seamless journey to access skills: ensuring that residents can easily access locally relevant training opportunities.</p>	<ul style="list-style-type: none"> We will have a fully integrated and seamless journey for all residents to access skills support, to effectively participate in the workforce. Residents of rural areas looking to access training and improve their skills will be adequately supported through a better understanding of specific needs. 	<ul style="list-style-type: none"> Map duplication or gaps in skills provision across FE, HE and training providers to tailor the county's own skills provision to meet outstanding need. Offer signposting to those looking for skills support to the most appropriate training providers to address training needs. Engage with rural community organisations such as the Rural Community Council to better understand rural skills needs and develop an adequate offer.

CORE PROPOSITIONS		
People themes	2050 aim	Proposed action
<p>Establish a loan fund: to incentivise local investment in future industry innovation.</p>	<ul style="list-style-type: none"> Gloucestershire will have competitive advantage over innovation and research and development in the sub-region. 	<ul style="list-style-type: none"> Develop a business case for the design of a future investment fund which offers a ladder of finance to new, existing and incoming businesses. Create a service offer to match academia specialists with local businesses to draw on wider innovation funding.
<p>Creating a talent pool: ensuring that businesses have access to a local workforce with the skills they need to flourish.</p>	<ul style="list-style-type: none"> Gloucestershire will be highly attractive to businesses due the high level of skills in the population. Top talent will be attracted to the county, further strengthening its reputation as a county with a highly skilled population. 	<ul style="list-style-type: none"> Engage with businesses to tailor the skills provision across the county to reflect the skills need and respond to trends in the market. Work across businesses and schools to prepare young people for future careers in the county, thereby retaining young talent. Support to businesses to adjust their recruitment and retention approaches to attract a more diverse range of employees to meet their workforce needs. Promote greater collaboration between education providers and private industry, including green skills providers and green employment opportunities. Harness opportunities from the Green Skills Centre to deepen the renewable energy and retrofit offer.
<p>Anticipating future skills needs: to ensure that Gloucestershire's workforce has the skills needed for the future, including bridging the green skills-jobs mismatch.</p>	<ul style="list-style-type: none"> We will anticipate future skills needs to ensure Gloucestershire has the skills for the future, preventing skills gaps from arising. We will close the skills gap, with the number of green job openings increasing and being matched with individuals who possess the necessary green skills. 	<ul style="list-style-type: none"> Facilitate strategic conversations around skills need and provision with businesses, schools and training providers to deliver future skills needs of businesses for example retrofit, renewable aerospace. Use forecasting data (including labour market information) to identify skills needs and inform schools, young people, parents and training providers. Work with providers to ensure vocational training for young people (like T-levels and apprenticeships) is locally relevant for current and future needs.

CORE PROPOSITIONS		
People themes	2050 aim	Proposed action
<p>Digital accessibility: providing access to the internet (connectivity), devices to connect online, and improving levels of digital skills, confidence, motivation, or trust, to reduce “digital exclusion”.</p>	<ul style="list-style-type: none"> • We will close the digital skills gap and enable residents and the workforce to fully participate and contribute to the county’s long term economic prosperity. • We will ensure businesses of all sizes utilise digital technologies to provide new revenue, value-producing opportunities, and grow their businesses. 	<ul style="list-style-type: none"> • Work with partners to promote and deliver digital inclusion programmes developing digital skills training. • Support SMEs with the adoption of digital technology by understanding what digital products are most suitable to them to choose. • Continue to provide a trusted network of accessible locations offering free Wi-Fi and digital support to users through, for example, GCC’s library service. • Provide support for businesses on the importance of digitalisation and how to use digital technology.
<p>Business support - The Growth Hub Network and other local providers: to provide a strengthened level of relevant and appropriate business support.</p>	<ul style="list-style-type: none"> • Businesses will be able to access business support which fits their individual needs. • We will enable all small and medium-sized enterprises to meet climate change requirements and have easy access to support and guidance on green practices. 	<ul style="list-style-type: none"> • Support the smooth and seamless transition from GFirst LEP to local democratic leadership. • Review the existing Growth Hub offer. • Develop the business support offer with consideration of LEP integration and the uncertainty of funding. • Provide and clearly signpost support and guidance on business climate transition, offering personalised and bespoke support that caters to businesses’ unique needs where possible.
<p>Business groups: to foster and enhance a dynamic forum where businesses can connect, exchange insights, and support each other.</p>	<ul style="list-style-type: none"> • Gloucestershire will have a self-sustaining business forum where decisions positively impact place, people and planet. 	<ul style="list-style-type: none"> • Review and evaluate all nine LEP business sector groups with a view to refreshing and enhancing the role of local businesses in influencing county-wide policy and local decision-making. • Leverage the knowledge and expertise from key institutions such as University of Gloucestershire, Hartpury College, the Royal Agricultural University and Innovation Village, and regional Western Gateway Universities to contribute to the ideas exchange.

CORE PROPOSITIONS		
People themes	2050 aim	Proposed action
<p>Innovation: to maintain and strengthen Gloucestershire's reputation as an innovative county.</p>	<ul style="list-style-type: none"> We will have a thriving and innovative economy and be seen as an exemplar for other counties, attracting and retaining talent. 	<ul style="list-style-type: none"> Create a local innovation plan with partners across regional further and higher education providers, identifying their specialisms and developing talent. Develop a package of financial incentives to businesses investigating R&D. Deliver businesses' resilience through enhancing the innovation factory and innovation labs.

Next steps

How to respond

This engagement document represents the priorities of stakeholders who have contributed so far. It looks across all of the areas we consider relevant to sustaining the local economy and considers the broader economic evidence gathered from the new census data and other data sources.

Given the volume of important stakeholders across the county and beyond, gathering further views on the direction of travel of the local economic strategy is essential. While engagement so far has included over 100 stakeholders, we continue to welcome additional and constructive feedback.

You will be able to respond to this public engagement process over a seven-week time period (from 31 July to 15 September 2023). After this, we will analyse the feedback and to ensure the final strategy is as robust as it can be.

We don't require you to provide us with any personal data as part of this survey. Any personal details you choose to provide in your response will be subject to the Data Protection Act and handled accordingly. For more information on how we handle personal data, you can view our privacy policies on our website at <https://www.gloucestershire.gov.uk/council-and-democracy/data-protection/privacy-notices/>

What do you think...?

We need your views!

- To what extent do you agree or disagree that the emerging 2050 vision highlights the future ambitions for Gloucestershire?
(Four options to choose from: Strongly agree, Agree, Disagree, Strongly disagree)
- To what extent do you agree or disagree that we have identified the right focus for the Gloucestershire Economic Strategy?
(Four options to choose from: Strongly agree, Agree, Disagree, Strongly disagree)
- To what extent do you agree or disagree that the themes and proposed actions identified to support the economy going forward are the right ones?
(Four options to choose from: Strongly agree, Agree, Disagree, Strongly disagree)
 - If you disagree or strongly disagree, what do you think is missing?
- How could you or your organisation contribute to delivering this strategy and what would enable you to do so?
- Do you have any further comments that you would like to make about Gloucestershire's Economic Strategy?

References

- ¹ *Ibid.*
- ² Indices of Deprivation, 2019, MHCLG and Mid 2020 Population Estimates, ONS
- ³ Rural/Urban Classification, 2011, DEFRA
- ⁴ Indices of Deprivation, 2019, MHCLG and Mid 2020 Population Estimates, ONS
- ⁵ Claimant Count – February 2023, ONS
- ⁶ Live tables on dwelling stock, MHCLG
- ⁷ Median House Prices to Median Workplace Earnings, ONS
- ⁸ 2021 Census, ONS
- ⁹ NDR Business Floorspace, 2022
- ¹⁰ *Ibid.*
- ¹¹ Mid 2021 Population Estimates, ONS
- ¹² 2018 based Sub-national Population Projections, ONS
- ¹³ Oxford Economics.
- ¹⁴ APS January-December 2022, ONS
- ¹⁵ *Ibid.*
- ¹⁶ 2021 Census, ONS
- ¹⁷ *Ibid.*
- ¹⁸ *Ibid.*
- ¹⁹ BRES, ONS
- ²⁰ *Ibid.*
- ²¹ Oxford Economics
- ²² This is provided by Lightcast, a tool which delivers access to job vacancies from a comprehensive range of online sources, its nature means it will not capture all vacancies but gives an indication.
- ²³ Lightcast and Claimant Count, ONS
- ²⁴ Employers Skills Survey, 2019, DfE
- ²⁵ Subregional productivity, ONS
- ²⁶ Regional gross value added (balanced) by industry, ONS.
- ²⁷ *Ibid.*
- ²⁸ *Ibid.*
- ²⁹ Business Demography, ONS
- ³⁰ *Ibid.*
- ³¹ Innovate UK, 13th April 2022 Extract
- ³² 2011 Census and 2021 Census, ONS
- ³³ Oxford Economics
- ³⁴ 2021 Census, ONS
- ³⁵ Lightcast and Claimant Count, ONS
- ³⁶ Business Demography, ONS
- ³⁷ NDR Business Floorspace
- ³⁸ Median Workplace Earnings to Median House Prices
- ³⁹ 2021 Census, ONS
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- ⁴¹ Mid 2021 Population Estimates and 2018 based Sub national population projections.
- ⁴² Oxford Economics
- ⁴³ 2021 Census, ONS
- ⁴⁴ Subregional Productivity, ONS
- ⁴⁵ Regional Gross Value Added (balanced) by industry, ONS
- ⁴⁶ 2021 Census, ONS
- ⁴⁷ *Ibid.*
- ⁴⁸ *Ibid.*
- ⁴⁹ Lightcast and Claimant Count, ONS
- ⁵⁰ Business Demography, ONS
- ⁵¹ *Ibid.*
- ⁵² Subregional Productivity, ONS
- ⁵³ Regional Gross Value Added (balanced) by industry, ONS
- ⁵⁴ Indices of Deprivation, 2019
- ⁵⁵ Mid 2021 Population Estimates, ONS
- ⁵⁶ Job Density, ONS
- ⁵⁷ 2021 Census, ONS
- ⁵⁸ *Ibid.*
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- ⁶⁰ Business Demography, ONS
- ⁶¹ Subregional Productivity, ONS
- ⁶² Innovate UK
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- ⁶⁴ Business Demography, ONS.
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- ⁷⁵ Innovate UK
- ⁷⁶ [Broadband Coverage and Speed Test Statistics for Gloucestershire \(thinkbroadband.com\)](https://www.thinkbroadband.com/broadband-coverage-and-speed-test-statistics-for-gloucestershire)
- ⁷⁷ [Business productivity review \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/business-productivity-review)
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