Cotswold District Council

Cotswold District Council Business Delivery Plan

August 2017

COTSWOLD
DISTRICT COUNCIL

Contents

Nupremis

1. INTRODUCTION

Introduction

1.1 The purpose of this report is to set out the key priorities for Cotswold District Council in order to proactively meet the need of business, support competitive town centres, a prosperous rural economy and the delivery of the spatial economic strategy specified in the Cotswold Local Plan[1]. The report reinforces the evidence and intelligence on the locations spatial and sectoral strengths and has been informed by meaningful engagement with stakeholders including businesses, GFirst, landowners and their delivery agents. Importantly, the report demonstrates the sound and confident deliverability of the Cotswold Local Plan economic policies and its complementary relationship with the Gloucestershire Strategic Economic Plan 2014. The report also recommends broader interventions for the District Council to consider in supporting and promoting the Cotswold economy and its businesses.

1.2 The report is supported by key evidence and intelligence undertaken to develop and support the development and implementation of the spatial economic strategy for the Cotswold Local Plan. Accompanying this report are four separate appendices, detailed as follows:

Appendix A	Cotswold Industrial and Business Trends 2016
Appendix B	Economy and Employment Land Update April 2016
Appendix C	Review of Economic Forecasts for Cotswold District Council February 2016
Appendix D	Consultation Findings 2016

[1] Cotswold District Local Plan 2011-2031: Submission Draft Reg.19 Tracked Changes with Focussed Changes and Minor Mods July 2017

2. ECONOMIC EVIDENCE AND POLICY

Introduction

2.1 This chapter summarises the findings from the three main components of the work to date, namely the Business and Industrial Trends Review 2015, Economy and Employment Land Update 2016 and the key findings from the consultation interviews with businesses and business organisations. More detailed findings are detailed in the separate appendices.

Cotswold District – Economic overview

2.2 Cotswold District has a population of 84,000 spread over an area of 450 sq. miles (1,165 sq km). Although very rural, the District lies in close proximity to large urban areas – notably Swindon, Gloucester/ Cheltenham, Oxford, and, slightly further afield, Bristol/ Bath, Birmingham and Reading all having good access by road and rail. The Cotswolds are internationally renowned for their natural beauty and magnificent historic buildings and settlements.

2.3 The key settlements in the district are Cirencester, Tetbury, Stow-on-the-Wold, Bourton-on-the-Water and Moreton-in-Marsh. Each of the larger Cotswold settlements have a strong and distinctive role. However, Cirencester is by far the most dominant centre with about a quarter of the District's population (nearly 20,000) and over 30 percent of jobs (around 13,500) based in the town. This is the key location for business services, finance, retail and public services. (To consider adding map - distribution of employment / workforce jobs)

2.4 The district supports an economically active population of 47,700 and has strengths in Finance and Business Services, ICT including science and technology, Retail, and Accommodation and Food Services. Notable employers include St James's Place, Mitsubishi, The Colt Car Co, Campden BRI, Royal Agricultural University and Fire Services College. In 2015, the District had a marginally higher representation of smaller enterprises in the district: 89 per cent are micro businesses employment less than 10 people, 9 per cent are small businesses with between 10 and 29 employees, with 65 enterprises with 50-249 employees and 15 enterprises over 250 employees.

2.5 It is estimated that the Cotswold economy generated between £1.69 billion and £1.86 billion in economic output in 2011. Forecasters predict this could grow to between £2.96 billion and £3.28 billion by 2031. The annual rate of increase in GVA is 2.3 percent and 2.4 percent, marginally above the UK average forecast growth of 2.2 and 2.3 percent. It is important to note that the forecasts were prepared in November 2015 ahead of the June 2016 referendum decision.

2.6 The District's economy is healthy, with generally affluent communities, low unemployment rates and high activity rates. There has been strong job growth particularly since 2010 with notable job growth in part time and self-employment. The District has the highest rates of employed residents in senior professional and technical roles in the County, has the 7th highest level of home working in England and 19 percent of the resident employed population are self-employed. For those working from home high speed broadband and effective mobile telecommunications are critically important.

2.7 However, there are pockets of deprivation and median wages for people working in the district are below the national average. The cost of living in the area is high and the affordability of housing is a key issue for the District, as a result businesses face skill and labour shortages. The 2011 Census shows that the District is relatively well self-contained although it is a net importer of labour of under 2,000 people from predominantly adjoining districts including Swindon, Wychavon and Stroud.

2.8 Cotswold District Council recognises that the area is not the key focus for economic growth in Gloucestershire. The competitive advantage of larger surrounding towns such as Swindon, Cheltenham, Tewkesbury and Gloucester are recognised as key locations for growth in the relevant Strategic Economic Plans, including Gloucestershire and the Swindon and Wiltshire Economic Plans. However, with a highly skilled population and key business assets, Cotswold offers a unique business location with a high quality of life within an internationally recognised outstanding natural environment and built heritage assets.

Cotswold Economic Performance

2.9 A short assessment of the employment and business performance of Cotswold is published in Business and Industrial Trends November 2015. This report uses data available at that time. More recent economic and employment data is available, particularly the Business Register and Employment Survey 2015, which provides an analysis of jobs growth to December 2015. The Council may wish to update the Business and Industrial Trends report in advance of the Local Plan public examination. However, it is anticipated the trends and issues highlighted in the 2015 report are broadly consistent with the more recent data. A short synopsis of the Industrial and Business Trends report 2015 is provided below which highlights the strong, recent growth in jobs in Cotswold at higher rates than the rest of Gloucestershire and England.

COTSWOLD HAS EXPERIENCED STRONG TOTAL JOBS GROWTH SINCE 2010

2.10 Between 2003-2013, the number of all workforce jobs in Cotswold grew by 7,000, or 15.9 per cent – much stronger than growth across the rest of Gloucestershire (2.3 per cent) and England (6.9 per cent). This was driven by strong growth since 2010:

- Between 2003 and 2010, the number of total workforce jobs in Cotswold District fell by 1,000, or -2.3 per cent, compared to job growth across the rest of Gloucestershire (2.6 per cent) and England (1.8 per cent);

- Between 2010 and 2013, the number of total workforce jobs in the district has grown significantly by 8,000, or 18.6 per cent, compared to a decline in jobs across the rest of Gloucestershire (-0.4 per cent) and weaker jobs growth across England (5.0 per cent);

DATA ON THE NUMBER OF EMPLOYEE JOBS AND SELF-EMPLOYED PEOPLE REGISTERED FOR VAT/PAYE ALSO SUGGESTS THAT JOB GROWTH HAS BEEN STRONGER IN COTSWOLD THAN ACROSS THE REST OF GLOUCESTERSHIRE AND ENGLAND

2.11 Data on number of jobs by industry is available for the period 2009-2014 from the Business Register and Employment Survey (BRES). This provides information on all employee jobs and self-employed people registered for VAT/PAYE. It excludes self-employed people not registered for VAT/PAYE, government-supported trainees and HM Forces.

2.12 Between 2009 and 2014, the number of jobs in the district increased by 2,700. This was equivalent to growth of 7.0 per cent – much stronger than growth across the rest of Gloucestershire (2.6 per cent) and England (4.5 per cent).

2.13 Between 2011 and 2014 jobs in Cotswold grew by 2,200 (6 per cent). Job growth in Cotswold was particularly strong in 2014. In just one year, the data shows the number of jobs increased by 1,700 – almost two-thirds of the increase in jobs over the entire 2009-2014 period.

THERE HAS BEEN STRONG JOB GROWTH ACROSS MANY SECTORS, PARTICULARLY ACCOMMODATION / FOOD SERVICES AND PROFESSIONAL, SCIENTIFIC AND TECHNICAL SERVICES

2.14 Between 2009 and 2014, employment in Cotswold grew across a number of sectors, particularly Accommodation & Food Services. The five sectors experiencing the biggest increases in employment jobs in Cotswold between 2009 and 2014 are listed below. In all sectors, the rate of growth exceeded the national average. Additionally, Oxford Economics November 2015 report estimates GVA outputs (£2012m), which are detailed in bold against each of the sectors below:

- Accommodation & Food Service Activities (+1,300) **GVA reported £90million**, driven by Hotels & Similar Accommodation (+800) and Beverage Serving Activities (+300);
- Professional, Scientific & Technical Activities (+900) **GVA reported £171million**, driven by Engineering Activities & Related Technical Consultancy (+400) and Activities of Head Offices (+300);
- Financial & Insurance Activities (+500) **GVA reported £97million**, driven by Life Insurance (+400) and Other Activities Auxiliary to Insurance & Pension Funding (+100);
- Administrative & Support Service Activities (+500) **GVA reported £52million**, driven by a rise in the number of jobs administered by Employment Agencies (+400);
- Real Estate Activities (+400) **GVA reported £327million**, driven by Real Estate Agencies (+200) and Management of Real Estate on a Fee or Contract Basis (+100).

THERE HAS BEEN A STRONG INCREASE IN THE NUMBER OF PROFESSIONAL, SCIENTIFIC & TECHNICAL ACTIVITIES BUSINESSES IN THE PAST SIX YEARS, ALONGSIDE DECLINE IN THE NUMBER OF RETAIL BUSINESSES

2.15 Time series data on the number of businesses by sector is available from 2009 (data from earlier years is not comparable due to the change in Standard Industrial Classifications).

2.16 Between 2009 and 2015, the number of businesses registered for VAT/PAYE in Cotswold increased by 525. This was driven by a strong increase in the number of Professional, Scientific & Technical Activities businesses (+260), followed by large increases in the number of Agriculture, Forestry & Fishing businesses (+70) and Information & Communication businesses (+70). The number of businesses fell in four sectors: Retail (-20), Wholesale (-10), Construction (-10) and Financial & Insurance (-5).

2.17 The increase in the number of businesses in Cotswold since 2009 (9.8 per cent) has been weaker than the national average increase (14.8 per cent). This below-average increase was largely due to a weaker increase in the number of Health & Social Work businesses (14.3 per cent, compared to 37.8 per cent nationally), a weaker increase in the number of Business Administration & Support Services businesses (6.2 per cent, compared to 26.7 per cent nationally), no change in the number of Transportation & Storage businesses compared to a 19.4 per cent increase nationally, and a 5.3 per cent fall in the number of Financial & Insurance businesses compared to 13.9 per cent rise nationally.

COTSWOLD HAS HIGH CONCENTRATIONS OF JOBS IN HOTELS, BEVERAGE SERVING ACTIVITIES, RECREATIONAL ACTIVITIES, CONSTRUCTION & REAL ESTATE, ENGINEERING, SECONDARY EDUCATION, AND COMPUTER PROGRAMMING & CONSULTANCY

2.18 Clearly the visitor economy is vital to the economic wellbeing of the Cotswolds district. There are already an established range of visitor related businesses across the area. The District Council advocate that in order to bring about tangible economic growth, these businesses need to work together to combine their offer so that the destination as a whole can attract more visitors who stay for longer.

2.19 Industry location quotients (LQs) quantify how concentrated an industry is in an area compared to the national average. LQs are calculated by comparing an industry's share of employment in a local area with its share of national employment. An LQ of 1.0 means that an industry's share of employment is the same in a local area as it is nationally. An LQ above 1.0 means that employment in an industry is more concentrated in a local area than nationally, while an LQ below 1.0 means that employment is less concentrated.

2.20 LQs suggest that Cotswold has a range of industrial specialisms across a number of sectors, including hotels, beverage serving activities, insurance, construction, real estate, engineering, secondary education, computer programming and recreational activities.

2.21 At detailed sector level (2-digit Standard Industrial Classification (SIC) codes), the following sectors had LQs of 1.5 or more (i.e. share of employment that is 1 and a half times that across England) and a share of all employment in Cotswold of 2.0 per cent or more:

Table 1- Location Quotients for Cotswold District Council by 2 Digit SIC code

Industry	Employment Share (%)	LQ
65 : Insurance, reinsurance and pension funding	2.0	6.7
55 : Accommodation	6.1	4.4
41 : Construction of buildings	3.2	2.3
71 : Architectural and engineering activities; technical testing and analysis	3.4	2.0
93 : Sports activities and amusement and recreation activities	2.4	1.7
68 : Real estate activities	2.9	1.5
62 : Computer programming, consultancy and related activities	3.2	1.5

Source: Business Register & Employment Survey, ONS

Cotswold Site and Employment Land Analysis

2.22 The evidence and analysis compiled since 2012 presents a consistent view on the existing portfolio of sites and premises within Cotswold District re-iterating market strengths but also key issues that need to be addressed. The most recent business and property market consultation was conducted in September and October 2016 and reinforces previous consultations, events and business breakfasts with land agents, businesses and business organisations. Stakeholders confirm the 'Cotswold Brand' is a strong asset which attracts entrepreneurs and businesses to the area. However, agents and businesses also confirm that there is a severe shortage of employment land and premises for business which is acting as a constraint on the growth and expansion of both existing and new businesses. Current rental values, although increasing over the last two years remain below the levels required by institutional investors, and development is more likely to come forward as bespoke design and build projects.

Property Market Views on Sites

- There are two distinct business geographies – Cirencester together with the A417 corridor with access to both M5 and M4 corridors and the towns and villages north of the A419 which look towards Warwickshire and Cheltenham
- Demand / enquiries for office and business accommodation are focussed upon Cirencester in Business Park locations particularly from small, knowledge based business who want to secure a quality environment. Current rental values average £14 sq ft
- The agents for Chesterton have confirmed that the land owners are developing an implementation plan which is considering the delivery of serviced employment plots and will actively consider speculative design and build opportunities
- Industrial premises are more scattered across the District as a whole
- Warehousing premises are again focused around Cirencester, particularly at Love Lane. There is a significant presence of warehousing jobs at Bourton-on-the-Water, which benefits from its position on the A429 and has good links to the west with Cheltenham and Gloucester

- Current demand enquiries originate from expansion of existing businesses or where existing Cotswold residents seek to establish a local business opportunity in a price competitive location
- Evidence of some significant employers in outdated and unsuitable accommodation and will be looking to redevelop or relocate business to more productive, efficient accommodation
- There is a chronic shortage of land and premises, vacancies rates are low
- There has been a detectable upswing in baseline floorspace values in 18 months to 2 years
- Current demand is for existing or converted high quality accommodation with little speculative investment in new build due to viability and financial issues
- Business broadly looking for high quality modern, excellent facilities, wide corridor, lifts, generous onsite parking, air con, ducts for IT, refurbished to high BREAAM standards – firms looking for better environmental standards and reduced operating costs utilising existing business park utilities and infrastructure
- The maximum size is likely to be 2,000 to 5,000 sq ft
- Town centre, historic buildings do not generally meet modern business requirements and consequently rental levels are less than half business park rentals (£6 to £7 sq ft)

Valuation Office Data

COTSWOLD HAS SEEN HIGHER PERCENTAGE INCREASES IN OFFICE AND INDUSTRIAL STOCK BETWEEN 2002 AND 2012 THAN IN THE UK AND GLOUCESTESHIRE, ALTHOUGH RATEABLE VALUES ARE SIGNIFICANTLY LOWER

2.23 Valuation office data suggests that there is an increase of 20,000 sq m of office stock between 2002 and 2012 which is higher percentage increase than the national average. Over the same period there has been growth in industrial stock in contrast to national trends. The overall office stock is smaller than average with the average size at 147 sq m. Notably, office stock has a significantly lower rateable value than the values seen in Bristol, Oxford and Bath and below the Gloucestershire average.

Vacant Space

AT 2014, VACANCY RATES WITHIN THE DISTRICT ARE LOW REPRESENTING 5 PER CENT FOR OFFICES AND 10 PERCENT FOR INDUSTRIAL BELOW THE ESTIMATED CHURN REQUIREMENT OF 7.5 PERCENT

2.24 In assessing the need for further business accommodation some assessment of whether there are higher or lower levels of accommodation vacancies in the existing floor space is needed. The employment market requires an amount of vacant space to allow for churn and choice in the market. Recent employment studies elsewhere including in Gloucestershire have seen a rate of 7.5% of the total office and industrial stock as an indication of a relative ‘market equilibrium’. Over or below that level represents a relative under or oversupply in the market. Other employment land reviews have refined this figure to 5% for offices and 10% for industrial and warehousing stock.

2.25 For Cotswold the picture is clear. Based upon the 2008 CLG estimates of total office, light industry and warehousing floor space within the district the total vacant space at 2014 and reported in the Economy Update paper amounts to approximately 5.5 percent of total office floor space and 10 percent of industrial.

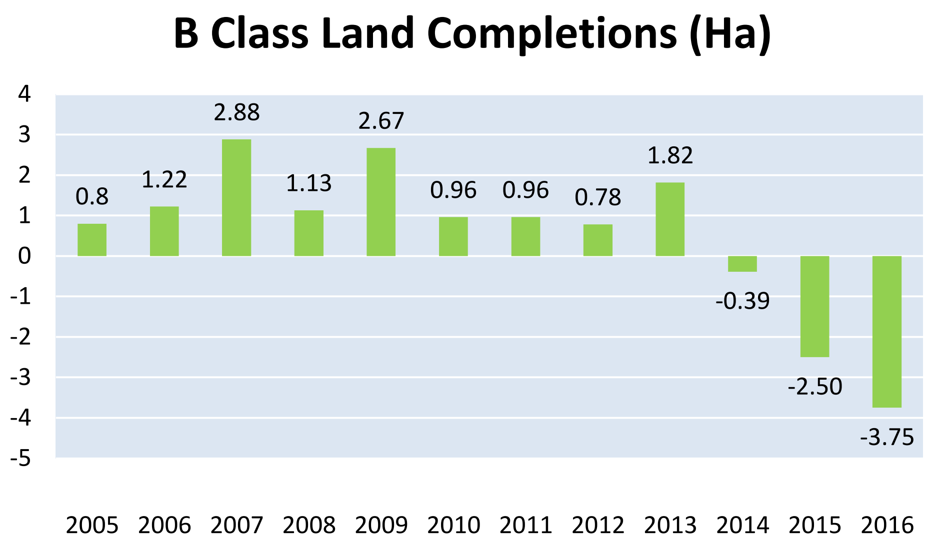
2.26 This would suggest that at 2014 there is a degree of equilibrium across business floor space but there is little surplus floor space supply in the market as measured across the district. However, since 2014, the Economic Land Monitoring Report reports a loss of B Class employment land and a significant loss of B Class employment floorspace. In 2015 /2016 this loss amounted to 12,000 sq m and the greatest floorspace loss was seen in Tetbury. It is likely that this has increased stress within the office and business space market.

Employment Land Monitoring

COTSWOLD DISTRICT HAS A NET LOSS OF B CLASS EMPLOYMENT LAND SINCE 2011

2.27 The Council's Monitoring Reports are used to identify completions since April 2011 to March 2016. The outputs of the monitoring reports between 2011 and 2016 have been reviewed and updated to reflect updated information and to ensure a consistent approach across each monitoring report. The monitoring reports detail a net supply completion loss of 4 hectares of B Class employment land between April 2011 and March 2016.

Table 2: B Class Employment Land Completions 2005 to 2016



Source: Cotswold District Council – Economic and Employment Land Annual Monitoring reports

2.28 Analysis in the Economy and Employment Land Review April 2016 shows that the loss of B Class land has been driven by loss of employment land to residential use and to retail uses across the District. Analysis also suggests this trend has undoubtedly increased due the impact of the change to permitted development rights. The loss of land to residential use has had and will have a significant impact upon business land supply and consequent impact upon the economic health and economic opportunity within the district.

2.29 The total loss of B Class land between April 2011 and March 2016 is -43.80 hectares. The total completed B Class gain is 39.77 hectares. Significantly, the data reports a net loss of 5.83 hectares of B2 over the same period. The largest B2 Class Land loss is at Quercus Road (Matbro SIAC), Tetbury, where the site was redeveloped for 38 Later Living apartments for older persons. This site totalled 5 hectares and in excess of 14,000 sq m of employment space. Applying an assumed average of 1 job per 36 sq m would equate to the potential loss of 390 jobs. In addition, 3.6 hectares of mixed use B class employment land at Upper Rissington was redeveloped for 368 dwellings.

2.30 Economic and Employment Land monitoring also reports distinct recycling of B Class land and premises. Between 2011 and 2016, 48 per cent of land where a loss of B1, B2 or B8 Use Class land was recorded, was reused for an alternative B Class use. Existing sites and premises may not meet the current business needs or standards of a business and are therefore vacated. However, these analysis shows that there is still market demand for these sites and premises and remain suitable for an alternative B Class development.

COTSWOLD DISTRICT PLANNING COMMITMENTS AT 31ST MARCH 2016 TOTAL 2.92 HECTARES

2.31 The Employment Land Monitoring Report at 31st March 2016 reports that the district has B Class Employment land planning commitments of 2.92 hectares. The total planning commitments which represent a B1 Class gain amount to 8.5 hectares. The total planning commitments which represent a loss of B1 Class land amount to a total of 5.88 hectares.

2.32 The net commitment for each B Class land commitment is detailed below:

Table 3: B Class Employment Land Planning Commitments at 31st March 2016 - Hectares

Use Class	Gain	Loss	Net Change
B1 General	5.21	1.58	3.63
B1 Office	1.49	1.96	-0.46
B1 Research and Development	0.02	0	0.02
B1 Business General	1.78	2.34	-0.56
B2 Class	2.39	0.93	1.46
B8 Class	2.80	3.97	-1.17

Source: Cotswold District Council – Cotswold Economic Land Annual Monitoring Report 2015 to 2016

2.33 Existing commitments which support economic development include 1.3 hectares site at Upper Rissington and commitments of 4.8 hectares, a mixed B Class site at Fire Services College, Moreton in Marsh.

2.34 The Strategic Employment and Economic Land Availability Assessment reports a very limited supply of sites on existing business parks that are available and outside existing planning permissions. The current commitment figure at 31st March 2016 (2.92 hectares) for B Class land represents approximately two years supply of employment land in the district.

Economic and Jobs Growth Forecasts to 2031

COTSWOLD DISTRICT COUNCIL ECONOMIC FORECASTS REPORT STRONG JOBS GROWTH TO 2031.

2.35 An analysis of four economic forecasts commissioned by Cotswold District Council to inform the development of the Cotswold Local Plan and analysis by NMSS to identify the District's Objectively Assessed Housing Need (OAN) are reported in Table 4. The forecasts are prepared by Cambridge Econometrics (CE) and Oxford Economics (OE) in August 2014 and November 2015.

Table 4: Forecast Job Growth, Oxford Economics and Cambridge Econometrics 2014 and 2015

	Net Jobs Growth			Average Annual Jobs Growth		
	2011-14	**2011-31**	**2014-31**	**2011-14**	**2011-31**	**2014-31**
CE 2014	3,700	8,700	5,000	1,200	400	300
CE 2015	7,200	11,900	4,700	2,400	600	300
OE 2014	3,000	7,800	4,800	1,000	400	300
OE 2015	4,500	10,500	6,000	1,500	500	350

Source: Cambridge Econometrics August 2014 and November 2015. Oxford Economics August 2014 and November 2015

2.36 The forecasts report that between 2011 and 2031 the net increase in forecast jobs is between 10,500 and 11,900 jobs. Using a methodology which is consistent with both the Stroud Local Plan and the Joint Core Strategy, the increase in jobs requiring B Class land amounts to 4,500 to 5,900 jobs for the period 2011 to 2031. Between 2014 and 2031 the total number of new jobs reported ranges from 4,700 to 6,000, of those, new B Class jobs range between 1,500 and 3,700 jobs.

2.37 Economic forecasts should not be used without careful sense-checking and adjustment for realism where appropriate. Forecasts can be volatile and the scale of change within the same model over relatively short periods of time, or the scale of difference between different forecast models casts huge doubt on the ability simply to apply one or an average forecast figure. More importantly, Oxford Economics' UK Regional Economic Briefing Autumn 2016 states that growth prospects have been downgraded and long term forecasts for local authorities have been lowered in the light of the BREXIT vote.

2.38 Nupremis has reviewed the economic forecasts[2] and adjusted the forecasts for the period 2014 to 2031 ahead of the BREXIT vote. At that time, the effect of the analysis and the adjustments is to narrow the potential range of job growth to be considered in the Local Plan Review. The analysis of the Oxford Economics forecasts suggests that the OE total of

[2] Review of Economic Forecasts for Cotswold District Council February 2016

6,000 jobs for the period 2014 to 2031 may more realistically be closer to 5,350. The analysis also suggests that the total jobs growth reported by CE may be closer to 5,000 jobs between 2014 and 2031.

2.39 OE forecasts that the value of the Cotswold economy will increase from £1.69 billion in 2011 to £2.97 billion in 2031. CE forecasts higher values increasing from £1.86 billion in 2011 to £3.28 billion in 2031. CE projects that GVA in Cotswold will grow at an average annual rate of 2.3 per cent per year – below its historic, pre-recession trend of 3.8 per cent per year (1991-2008) but similar to UK average forecast growth of 2.2 per cent per year.

2.40 Likewise, OE projects that GVA in Cotswold will grow at an average annual rate of 2.4 per cent per year – below its historic, pre-recession trend of 3.2 per cent per year (1991-2008) but similar to UK average forecast growth of 2.3 per cent per year.

2.41 The Economy and Employment Land Report sets out the current and future economic prospects for the district together with an analysis of the current business land supply and premises with Cotswold District.

Cotswold District Council Local Plan 2011 to 2031 Submission Draft Regulation 19

2.42 Cotswold District Council Local Plan 2011 to 2031 Submission Draft Regulation 19 t with focussed changes and minor mods sets out key spatial economic objectives for the district. The economy objective states:

Through implementation of the OAN, Economic Strategy and allocation of land:

a) support the local economy and enable the creation of more high quality jobs in the District, which meet local employment needs

b) encourage the vitality and viability of town, key, district and village centres as places for shopping, leisure, cultural and community activities, including maintaining Cirencester's key employment and service role

c) support sustainable tourism in ways that enable the District to act as a tourist destination which attracts higher numbers of longer – stay visitors

2.43 The objective to support the local economy and enable the creation of more high quality jobs in the District which meet local employment needs is to be delivered by:

- Making provision to meet the objectively assessed employment and economic needs of the District by allocating new employment land and safeguarding existing business locations to ensure that the range of premises and sites meet the needs of business
- The focus of growth is Cirencester and the District's principal settlements whilst supporting growth of existing business locations and including opportunities for more sustainable working practices such as home-working
- Supporting the local economy by the growth and expansion of existing businesses in the District and enabling the creation of more high quality jobs in professional, technical and

knowledge based sectors and seeking to support economic opportunities which capitalise on the strength of existing academic and training institutions and research organisations

2.44 Encourage the vitality and viability of town, key, district and village centres as places for shopping, leisure, cultural and community activities, including maintaining Cirencester's key employment and service role by:

- Cirencester will continue to be the District's dominant centre for retailing and will be promoted and enhanced to attract increased expenditure from within and outside the District. There are a number of opportunities for mixed use development at Cirencester identified in policy S1 of Cotswold Local Plan
- The retail hierarchy sets out the focus for the provision of main town centre uses. Town and other centres will be promoted and enhanced and town centres uses that complement and enhance the retailing offer of the centre will be supported
- Small local shops and services (including public houses, post offices and surgeries) in rural settlements are recognised as important economic assets but also as a focus for wider social and community activities. Proposals which would result in the loss of services and facilities should be avoided where this would damage the viability of a settlement or increase car travel by local residents
- The Council has put measures in place to review existing off street town centre parking, understand the parking demand generated to 2031 and find appropriate parking and transport solutions; continue to improve and enhance public realm and streetscape; deliver traffic management improvements; and support and promote markets

2.45 Support sustainable tourism in ways that enable the District to act as a tourist destination which attracts higher numbers of longer:

- Supporting new and extended tourism development, visitor attractions, cultural and leisure facilities that are appropriate to their location and enhance and protect the existing attractions within the District
- Promoting connections between visitors and Cotswolds natural, cultural and historic environment and strengthening the identity and awareness including through active recreation access to heritage trails and parkland an enhanced value of local food, drink and crafts
- Supporting development that promotes opportunities for accessing understanding and engaging with Cotswolds landscape cultural and historic assets including the Cotswold AONB, rights-of-way network, rivers, and canals
- Supporting appropriate regeneration schemes and tourism development proposals that seek to enhance the economic, social and cultural value of the distinctive industrial heritage and crafts associated with the district
- Promoting and preserving the distinctive historic brands of Cotswold market towns and rural areas
- Raising awareness of distinctive local foods, the arts and cultural scene and a wider geographical spread beyond the most famous villages

- Supporting schemes aimed at diversifying the rural economy for tourism, cultural and leisure uses that are appropriate in terms of their location, scale and nature that retains and enhances existing natural features
- Protecting existing tourist accommodation and visitor attractions from conversion to non-tourism use unless it is demonstrated that the use is no longer viable or inappropriately sited
- Proposals which maximise the benefits to the local tourism economy from the restoration of the Thames and Severn Canal will be supported in principle

2.46 In 2014, the district councils across the Cotswold destination published a Destination Management Plan (DMP) which set out 'The Path to Growth for Tourism across the Cotswolds'. The DMP's vision is 'To ensure that the Cotswolds is a vibrant year-round destination where visitors enjoy high quality, authentic experiences and tourism makes an increasing contribution to the economic, social and environmental sustainability of the local economy.' The stated targets within the DMP are to achieve sustainable growth of the Cotswolds visitor economy of percent per annum in line with Visit England's Strategic Framework, and improve the ranking of the Cotswolds from number six to number three in the Visit England list of top performing destinations by 2024.

COTSWOLD IDENTIFIES 17 PRINICPAL SETTLEMENT WHICH ARE CONSIDERED TO BE THE MOST SUSTAINABLE LOCATIONS TO MEET THE DISTRICTS IDENTIFIED DEVELOPMENT NEEDS

2.47 Cotswold District Council identifies 17 principal settlements which are considered to be the most sustainable locations and where sufficient available and deliverable land has been identified to meet the District's future development requirements. The policies and objectives in the Local Plan consultation provide the context for the delivery of the spatial elements of the economic strategy seeking to support sustainable economic growth. The Local Plan seeks to make provision for the objectively assessed employment and economic needs of the district by allocating new employment land and importantly safeguarding existing business locations.

EMPLOYMENT COTSWOLD DISTRICT LOCAL PLAN PROPOSES TO ALLOCATE AT LEAST 27 HECTARES IN NEW LOCAL PLAN

2.48 Using the methodology identified in the Employment Land Update Report, November 2014, the calculated B Class requirement for Cotswold District equates to a range between 19 hectares and 25 hectares for the baseline economic forecasts. To provide a 5-year land supply buffer, in accordance with the Stroud and JCS methodological approach, the total B Class requirement for the period 2011 to 2031 equates to a higher range of 25 hectares to 32 hectares.

2.49 The Council will accommodate its own economic and employment needs within the district. Providing for the maximum baseline forecast plus the 5-year buffer would require a total of between 24 hectares and 32 hectares of B Class employment land for the period 2011 and 2031.

2.50 Having regard to the economic forecasts, trends in employment land completions, the need to align with the G First Strategic Economic Plan, Cotswold District Local Plan proposes to allocate at least 27 hectares of B Class land in the new local plan whilst also safeguarding key employment sites and identifying 3 additional Special Policy Areas.

Table 5: 2016 Proposed Employment Allocations

Settlement	Employment Allocations (Reg 19)
Cirencester	9.1
Bourton-on- the-Water	3.38
Chipping Campden	0.67
Lechlade	1.25
Moreton-in-Marsh	7.13 2.03
Tetbury	2.08
Willersey	1.97
Total	27.61

Source: Cotswold District Council Local Plan 2011 to 2031 Submission Draft Regulation 19 Consultation: 19 June 2016

2.51 In addition, the Local Plan identifies 3 new Special Policy Areas at Royal Agricultural University, Fire Services College and Campden BRI. These organisations have significant and substantial sites in the District's more sustainable settlements and three have submitted, through the consultation process, their future growth plans and aspirations. Additionally, the Local Plan policies support diversification policies in sustainable rural locations and of course policies to support town centre uses, tourism, retail and non-B class economic growth.

THE COTSWOLD DISTRICT LOCAL PLAN SEEKS TO ALLOCATE NEW EMPLOYMENT LAND AND SAFEGUARD EXISTING BUSINESS LOCATIONS

2.52 National Planning Policy Framework at paragraph 22 states that land allocations should be regularly reviewed. The Settlement Strategy 17 and emerging policy S14 in the Local Plan Reg 19 Consultation is reinforced and validated by evidence in Cotswold Economy Study, Part 2 Volume 1, Peter Brett Associates 2012 and the Economy Evidence Update Paper November 2014 which highlighted that established employment sites, both within and beyond settlements, play a critical role in meeting the economic and business needs of the District. Protection of such sites and support for their potential intensification, where appropriate, is critical in ensuring that existing businesses are retained and have the opportunity to grow. This is particularly important as there are few vacant employment sites and premises available to the market.

2.53 The suite of policies in the Local Plan provide choice and flexibility to support delivery of sustainable economic and employment growth in the principal settlements, providing opportunities for expansion of existing major employers and key organisations as well as potential for development in rural areas. It is important to note that the land allocations predominantly address the requirements for B Class employment development. The significant number of non B Class jobs will also provide employment in key sectors including retail, agriculture, public services, arts, leisure, food and accommodation jobs.

Main Conclusions from the Stakeholder Consultation

2.54 Interviews were held with 23 business stakeholders to discuss the opportunities and challenges facing the Cotswold economy and its position as a business location in autumn 2016. These interviews support earlier business consultations, events and workshops. It is important to note that these are perceptions from the business community. The key issues raised are outlined as follows.

Provide land and premises to meet business needs in the right places

2.55 Stakeholders comment that both new and growing businesses across the district currently have very little choice of available land or premises. Consultees stressed the need for modern, well positioned, high quality business accommodation and business space with generous parking provision. Town centre sites and historic buildings are considered to be less desirable due to accessibility issues for staff and clients and inability to convert appropriately and viably to meet today's technology and servicing requirements. The delivery of the Local Plan allocation can be advanced by ensuring all relevant intelligence and information on the sites is available as one package, understanding the requirement for and securing early investment in infrastructure and utilities and ensuring that a co-ordinated approach is taken to bring the sites quickly to market are critical if the district is to continue to thrive.

Proactively Support all Businesses

2.56 The district and the public sector stakeholders are generally seen as distant from businesses and business forums in Cotswold. Tourism activity is noted as an exception. GFirst are seen to be focussing energy and interventions predominantly on the M5 corridor with to date little public facing profile in the district. Business stakeholders, including key businesses, do not have a clear understanding of the role of the Council, GFirst or its ambitions for growth. Top priorities advocated by business include allocating land for growth, supporting a brokerage role to maximise opportunities for local apprenticeship schemes, recruitment of younger workers and clearer signposting to business support services. Notably, there is a need to recognise changing remote / home working patterns which require a separate support response to these 'hard to reach' businesses. In addition, businesses want the Council to have positive engagement with key businesses, and support effective business hubs and forums that in some cases have developed their own economic strategies.

Leadership in improving parking provision

2.57 Many consultees emphasise the need for leadership to address critical parking issues which are seen as a negative impact on businesses. Stakeholders stated that staff, business owners and their clients are dissuaded from locating in Cotswold due to lack of accessible parking provision. Cotswold District Council is asked to take a stronger leadership role in finding deliverable solutions for both town centre parking and securing generous provision of onsite parking in new developments.

Stronger engagement with businesses directly affected by planning decisions

2.58 There are a number of instances where planning consent has resulted in the loss of employment land and premises which are occupied by established enterprises. Business stakeholders have commented that the consequent loss of the businesses and job opportunities to a locality can have a critical impact upon a business community. Stakeholders are seeking a stronger engagement during the planning decision making process, support for relocation following the loss of a site and a cultural shift in recognising and evaluating the impact of loss of employment sites in any decision making process.

Supporting the expansion of key employment sites

2.59 The Local Plan identifies 3 sites where the current occupiers are proposing significant and sustained investment. Each requires a positive policy environment in which to make long term investment decisions. The Fire Services College at Moreton-in-the-Marsh is exploring opportunities to rebrand the site to create a viable, sustainable business diversifying across all emergency services – with a wider outreach to wider public and private sector clients. Campden BRI as a world class research institution requires modern accommodation to support both the operational uses and those that enable a sustainable environment for its members. Royal Agricultural University has ambitious plans to locate research and business opportunities together with Farm 491 and the Growth Hub facility within the site increasing its attractiveness to the business market and support greater student numbers and facilities.

STATKEHOLDERS VIEW - COTSWOLDS ROLE AS A BUSINESS LOCATION

2.60 Consultation responses to the Local Plan and stakeholder engagement to date have confirmed key characteristics and trends of Cotswold as a business location:

Overview

- Business stakeholders confirm that the Cotswold has a strong and attractive national brand which is seen as a key asset in attracting and maintaining business leaders and business relocations
- The economy is vibrant, resilient and diverse and has successfully weathered the recession. Promotion of a higher value professional jobs are welcomed
- The public sector is not seen as an advocate of Cotswold as a business location and engagement with businesses is very limited and the benefits of a successful economy are not positively promoted or recognised. Tourism is seen as the only positively promoted

sector. There is an opportunity to capitalise upon Business Tourism through stronger relationships with existing businesses

- Geographically Cotswold is well positioned with good transport road and rail, connected to South Midlands, Birmingham Airport, M4 corridor and London with prospects of improvements to unlock constraints on principle roads
- The market perceives there are key business areas – Cirencester as the key centre in the district supported by sites along the A417 corridor with access to both M5 and M4 corridors and the towns and villages north of the A419 which look towards Warwickshire and Cheltenham

Demand and Supply of Land and Premises

- Demand / enquiries are focussed upon Cirencester for Business Park locations particularly from small, knowledge based business who want to secure a quality environment
- Town centre, historic buildings do not generally meet modern business requirements and consequently rental levels are less than half business park rentals (£6 to £7 sq ft)
- There is a severe shortage of land and premises, vacancies rates are low and according to agents there is no suitable land allocated for employment development
- Detectable upswing in baseline floorspace values in 18 months to 2 years. Current demand is for existing or converted high quality accommodation with little speculative investment in new build due to viability and financial issues
- Business broadly looking for high quality modern, excellent facilities, wide corridor, lifts, good parking, air con, ducts for IT, refurbished to BREAAM standards – firms looking for better environmental standards and reduced operating costs utilising existing business park utilities and infrastructure
- The maximum size is likely to be 2,000 to 5,000 sq ft

Industrial and Warehouses premises

- Industrial premises are more scattered across the District as a whole but widely supported as offering a diverse business opportunity
- Warehousing premises are again focused around Cirencester, particularly at Love Lane. However, there is a significant presence of warehousing jobs at Bourton-on-the-Water, which benefits from its position on the A429 and has good links to the west with Cheltenham and Gloucester
- In moving forward providing incubator / grow on space for small emerging companies in rural locations supported by superfast broadband and 4G mobile telecommunication will be important in exploiting the key assets of a Cotswold business location

Infrastructure Constraints

- Mobile Telecommunications, Superfast Broadband are not considered fit for current business needs
- Consistency of supply (power outages) are impacting on businesses and additional interventions, such as additional backup generators, have been implemented by businesses

- Lack of parking for long term and clients is seen as a significant deterrent to all businesses particularly in Cirencester and the market towns
- Evidence of some significant employers in outdated and unsuitable accommodation and will be looking to redevelop or relocate business to more productive, efficient accommodation
- The expansion of existing business parks is supported providing opportunities for on-site expansion utilising existing utilities and infrastructure provision

Skills and Recruitment

- Although an attractive location for business relocations, attracting young graduates is difficult as it is perceived as an area with fewer leisure and cultural amenities than more urban locations in Gloucestershire
- As a rural location, the area is seen as 'Hard to Reach' for business support and accessibility to training, skills and apprenticeships does not meet current business needs
- There are examples of excellent relationships driven by business with local colleges to offer opportunities for work place experiences and shared learning
- Maximise opportunities for training and skills development alongside strategic employment and housing developments

A SWOT Analysis of Cotswold as a business location is detailed below:

STRENGTHS	WEAKNESSES
* A significant employment location – workforce of 52,000 * High skills and education of the resident workforce, who want to stay and live in Cotswolds (low labour turnover) * Significant employers and research, education and training institutes in financial and business services, food, agricultural and land management and emergency services * Growing and ambitious businesses * Successful retail centres and Tourism and Visitor economy offer * Quality of life and attractive internationally recognised environment; built and living environment; * Low unemployment * Architectural and environmental heritage * Local business organisation with B2B networks	* Rental values for commercial offices (at £12-£14 per sq ft) are currently too low to interest property developers in providing speculative developments * Lack of available premises and land for high quality office and industrial premises * Stress on market through conversion of existing buildings * Higher than average representation of smaller office and industrial space * Lack of superfast broadband and mobile telecommunications * Power supply and outages * Lack of initiatives to address shortage of on site and public parking in key centres * Perceived lack of cultural, leisure and amenities to attract younger labour force and graduates * Limited positive public sector focus on business and seen only on tourism and outside Cotswold District
OPPORTUNITIES	THREATS
* Growth in scientific professional and technology industries. * Identity as a strategic location with access to M4 and M5 corridors for high quality but need to build upon certain industries/niches, key employers and institutions * Office demand predominantly focussed on Cirencester * Interest from key employers to expand existing sites * Opportunities to grow significant micro enterprises * Provision of strategic sites at urban extension at Chesterton to offer higher value accommodation * Potential to capture growth from adjoining districts with more restrictive employment policies	* Limited offer in terms of large modern office space, and move-on space for growing SMEs * Loss of employment land to residential and lack of recognition of value of economy * Housing and other locational costs with lower than average resident and work incomes * Quality of key assets need to be secured alongside new development * Commercial vacancy rates are reducing over time and limited larger office space over 500 sq m * Impact of changes to single European Market creating uncertainty * Attractiveness to graduate workforce and young workers

3. ACHIEVING THE GROWTH AMBITIONS – KEY THEMES

Achieving the growth ambitions – Key Themes

3.1 The Local Plan economic strategy supports the implementation of between 10,500 and 11,900 jobs in Cotswold between 2011 and 2031. The forecasts suggest that this will represent an increase of 2.3 and 2.4 per cent Gross Value Added (GVA). The Strategic Economic Plan (SEP) was submitted to Government in March 2014 includes wide ranging ambitions and includes commitments to deliver a Gross Value Added (GVA) average annual increase of 4.8 per cent.

3.2 The Strategic Economic Plan sets an aspiration to create 33,900 jobs across Gloucestershire and protect a further 2,125 jobs between 2012 and 2025. This is equivalent to a job growth rate of 0.8 per cent/annum across the county. The Strategic Economic Plan does not identify a geographic distribution of job growth but has identified its key growth sectors with key priority interventions along the M5 corridor Growth Zone, a growth hub, enablers of Growth including the A417 link and support for Green Technology.

3.3 The job growth rates reported within the CE and OE forecasts for the period 2011 to 2031 represent a growth rate of 1.0 per cent to 1.2 per cent per annum. Therefore, the range of total jobs growth in the OE and CE 2015 forecasts are consistent and aligned with GFirst's Strategic Economic Plan.

3.4 To deliver the Strategic Economic Plan ambitions for GVA improvement will require a significant uplift in economic performance and interventions which deliver transformational change. It is beyond the remit of this report to comment on the extent to which Gross Value Added (GVA) performance of 4.8 per cent is achievable across Gloucestershire. However, it clearly represents a significant increase above the forecast growth per annum and particularly challenging since the short and medium impacts of the EU referendum are currently unclear.

3.5 Both the Local Plan and Strategic Economic Plan seek to improve productivity through developing key sectors, improving skills, unlock infrastructure and transport constraints and providing business support. The Gloucestershire Economic strategy is seeking to achieve a step change in Gross Value Added (GVA) performance and it is useful to understand the economic mechanisms by which the forecast rates of economic growth (whether that is a rate of 2.4 per cent or 4.8 per cent Gross Value Added (GVA) growth per annum) for Cotswold might be achieved.

3.6 In economic terms, there are several basic factors and processes which lead to economic growth and improved productivity:

- Entrepreneurship – increase in business formation and business activities
- Comparative advantage – can provide better value, quality, sophistication of goods and services compared to other areas
- Factor inputs – labour and capital
- Labour inputs refer to the units of labour and the skills of labour which are used for production

- Capital inputs refer to equipment, land or premises which are used for production
- Capital formation – investment in human (skills) and physical (land, premises, infrastructure, equipment) capital
- Innovation – devising new and improved products, processes and services which are more productive, efficient or effective in delivering output, meeting market demand, or open up new markets

3.7 In the context of the Cotswold economy, there are clear opportunities to capture higher rates of economic growth and productivity alongside addressing structural barriers:

- Human capital is high – there are high skills and qualifications of workforce. Productivity compared to the rest of Gloucestershire is high and encouraging and stimulating higher rates of innovation and capital investment will help to increase productivity, and therefore economic growth
- Cotswold has potential for greater number of start-ups and grow on businesses and supporting this will help to stimulate economic growth
- Cotswold has a number of key business organisational assets which should be enhanced and diversified creating economic hubs and demonstrating market confidence
- Providing higher quality premises and sites and space for growth in Cotswold to accommodate new jobs / business activities will help to encourage economic growth
- Retention and attraction of higher value added activities (which have higher rates of innovation and productivity) will also help to boost growth
- There is scope to encourage innovation, market growth and productivity increases across all sectors – including retail, leisure and tourism industries. It is worth exploring this in tandem with developing and encouraging finance related and business and professional service sectors

3.8 To achieve the growth ambitions set out in the Local Plan and GFirst's Strategic Economic Plan the analysis and business consultations suggests that a number of broad interventions will be required. The commentary below identifies 5 key themes to address the issues identified by the published data, the challenges outlined in the business consultations, address structural barriers and secure the implementation of the economic strategies identified by Cotswold District Council and GFirst.

BUSINESS PROFILE AND ADVOCACY

3.9 The business stakeholders expressed the need to improve the profile and positive impact of business and economic growth in Cotswold and the role that it plays in the wider Gloucestershire economy. Firstly, business decisions are being made in the absence of any conversations with the local authority. Secondly, businesses perceive that the Cotswold economy is seen as secondary location by the public agencies. Businesses expect robust advocacy, championship and celebrating success by the local authority and GFirst. This is particularly important where businesses are promoting themselves on a local, county or national platform or where they are seeking to secure the necessary interventions and resources to support their long term sustainability. Building stronger relationships with key businesses and existing business forums, through the Growth Hub at Royal Agricultural

University provides an ideal platform from which to build constructive local engagement and ensure that the district captures business growth rather than loses it. The recognition of key business assets via Special Policy Areas has been seen as a distinct move in the right direction which has given confidence for further investment by the respective Boards.

3.10 There are examples where there is a loss of employment premises and land. The business community want to specifically ensure that in these circumstances consideration is given to the value of jobs and business in the local community and actively been seen to encourage business investment.

LAND PROPERTY AND PREMISES

3.11 The current lack of supply is creating a barrier to further employment growth and expansion of existing business. This includes the active consideration of the business needs for specific types of sites, accommodation and parking. The provision of employment allocation across the district in key settlements with positive planning policies is a significant improvement and in doing so will support the expansion of the existing indigenous business population and provide opportunities for start-ups. Property agents have confirmed that although values are lower than surrounding districts, they are confident of delivery of employment sites driven by local indigenous growth. In addition, Cotswold can look to its own land assets and provide an Assets Management Plan to ensure the delivery of and maximise the development potential of its own land and premises to deliver the Local Plan objectives.

3.12 Given the lack of available business and industrial space existing business park and trading estates, existing land and premises should be retained. However, land agents have indicated that some historical buildings in town centres no longer meet modern business needs. There may be opportunities, following a robust marketing exercise, to support uplift of values of unsuitable and unviable premises which enable them to be reused for alternative uses whilst at the same time maintaining them as historic assets.

PLANNED PUBLIC AND PRIVATE SECTOR INVESTMENT

3.13 Public and private sector investments are significant in Cotswold. The Fire Services College is seeking to diversify its site, Campden BRI is seeks to maintain the site as a global facing food research environment, Royal Agricultural University has secured funding from GFirst to secure business and research space on its site at Cirencester, St James's Place has recently expanded its premises at Cirencester, and BDL have submitted a planning application for the implementation of the strategic housing and employment site at Chesterton with a view to submitting an implementation plan which will bring serviced plots to the market.

TOWN CENTRE VITALITY - VISITOR ECONOMY, RETAIL DEMAND, AND PARKING

3.14 Since the publishing of the Destination Management Plan, a business-led advisory board has been established with membership from a variety of businesses as well as those with media skills and experience and a representative from the University of Gloucestershire. Businesses have been brought together to develop a highly effective single visitor web-site for the destination *Cotswolds.com* and a range of promotional activities and campaigns. The partnership is funded by income from businesses, together with contributions from all the local authorities, with the exception of Gloucester City as well as accessing services and staffing resource from the shared Cotswold and West Oxfordshire Tourism Service. Membership of the partnership is increasing, and this enables businesses that join to access support as well as marketing opportunities. At the same time, businesses in the Cotswold district that are not members of the partnership can still access support from the shared Tourism Service.

3.15 The Cotswold Retail Study Update 2016 makes recommendation on accommodating retail demand in the district. It recommends that the Local Plan sets quantitative floorspace targets for convenience foods and comparison floorspace in Cirencester. The work identifies Brewery car park and surrounding area and Forum car park and surrounding area sites in Cirencester as sites with the best potential for new appropriately size retail floorspace (which is likely to be as part of a mixed use scheme). The report is clear that as with many other town centre opportunity sites across the country they are currently well used car parks and their partial or total loss is likely to need re-provision elsewhere. The District Council is currently undertaking an exercise which examines car parking demand/capacity and potential alternative car parking options for the town centre.

3.16 The redevelopment potential of these sites is dependent on the Council reaching a conclusion on car parking capacity and demand in Cirencester town centre and any alternative or additional provision. The retail study recommends that the Council develops a strategy which considers how the projects will be implemented, which would no doubt include the public sector land ownership and private sector development expertise.

3.17 Businesses highlight the need to continue to support the visitor economy. The consultation also highlights the desire for the council to take a leadership role on town centre issues such as town centre parking and development options, continuing to improve and enhance public realm and streetscape, deliver traffic management improvements and support and promote local markets. A positive, public profile of ongoing work to understand parking demand, the best opportunities for development of parking solutions and demonstrated delivery will be important to change current negative perceptions.

SKILLS, APPRENTICESHIPS AND YOUNG PEOPLE

3.18 Businesses generally report that it is hard to recruit young people and graduates. In part, this is a reflection of a national issue with difficulty attracting young people to choose careers in manufacturing or locate outside more vibrant urban areas. Businesses report having to work harder and to pay more to attract younger staff to the area. The provision of leisure and cultural amenities for all age groups will be an important part of the business location offer.

3.19 Apprenticeships and skills brokerage is highlighted as an area where public sector intervention is required to support business to employ young people. There are some excellent examples of apprenticeship programmes supported by businesses discussed as part of the consultation exercise and organisations including housing associations supporting tenants getting back into work. However, existing processes are seen to be slow, require significant investment in time and energy to set up without the necessary guarantee of a successful outcome and do not reflect the distinctive character and needs of businesses in a rural location. Businesses advocate a stronger brokerage role for the public sector.

3.20 There are opportunities to develop a positive and construction skills response as part of the delivery of strategic sites, including the Chesterton allocation at Cirencester, taking advantage of schemes promoted by industry and government which tackle elements of the skills shortage problem within the UK construction industry. Indeed, the District Council itself may also have opportunities to secure training and apprenticeship as part of its response to public sector targets.

3.21 The key messages from evidence and from the consultation meetings and interviews raised a number of key challenges and opportunities. A small number of priorities and objectives have been devised to address these, as detailed in the next section.

4. PRIORITIES AND DELIVERY OPTIONS FOR THE ECONOMIC STRATEGY

Introduction

4.1 This chapter synthesises the key messages from evidence and the issues raised during consultation meetings and interviews to suggest a small number of focused strategic priorities and objectives. The identified barriers to growth in Cotswold require distinct interventions from the local authority. This includes the allocation of appropriate and adequate employment land together with other corporate initiatives, to improve and support business delivery. Do nothing is not an option by the business community. A range of potential delivery ideas and options are suggested. The aim of this section is to bring the priorities and objectives to life in terms of a range of practical delivery measures.

Strategic Priorities

4.2 The key messages from evidence and from the consultation interviews raised a number of key challenges and opportunities. A small number of priorities and objectives have been devised to address these. This is not an exhaustive list and represent examples of actions to deliver these priorities are outlined below after paragraph 4.6 onwards.

PROPOSED PRIORITIES AND OBJECTIVES

STRATEGIC PRIORITY	OBJECTIVES	RATIONALE
1. COTSWOLD IS OPEN FOR BUSINESS	a) Strategy to communicate existing positive news, celebrate success and progress to business community	Cotswold has strong business confidence which is perceived not to be shared or valued by the wider community
	b) Develop and implement business engagement and advocacy measures recognising the 'hard to reach' location	Recognising the importance of understanding business needs, there is the opportunity for the council to develop closer relationships with significant employers and forums in order to understand their future needs and opportunities and respond positively to these requirements by exploiting greater opportunities of Growth Hub model
2. STRATEGIC MANAGEMENT OF ASSETS AND LAND	c) Safeguard existing employment premises and sites and enable the development and delivery of a choice of high quality business premises at scales that the market requires	There is a recognised shortage of employment land and premises and if continued could negatively impact on the growth of local business. Having available premises and property for grow on businesses is identified by stakeholders as a key constraint on growth
	d) Review the value and current use of local authority and government owned assets	Within town centres opportunities exist to support its vitality and vibrancy. Appraisal on how these sites can be better used with a wider town strategy.

STRATEGIC PRIORITY	OBJECTIVES	RATIONALE
		assets management plan.
	e) Develop positive approach to safeguarding heritage assets whilst recognising reuse buildings, releasing capital and supporting wider business investments	The market suggests that some historic business spaces are no longer suitable for business use. The current uses need to be reassessed; opportunities for interventions or value uplift explored including upgrading for alternative uses.
3. STRATEGIC EMPLOYMENT SITE AND SPECIAL POLICY AREA IMPLEMENTATION	f) Develop and implement masterplans for Fire Services College; Campden BRI and Royal Agricultural University	The Special Policy Area designation has created positive momentum and confidence which should be maintained so that clear interventions are identified and addressed.
	g) Develop implementation plan for each strategic employment site recognising and building business case for key interventions required	There is a requirement to accelerate the delivery of key employment sites to meet market demand. Implementation plans will ensure that sites are shovel ready, infrastructure and funding requirements are identified and funding opportunities identified.
4. SKILLS, LABOUR SUPPLY AND BUSINESS SUPPORT	h) Develop links to business including a brokerage service between colleges / training providers and businesses to support STEM skills, Construction Skills associated with new development sites including Chesterton and opportunities for apprenticeships	Promoting the very best of the Cotswold offer is critical to meeting business needs to attract the right skills and resources. (e.g. private enterprises such as Rock the Cotswolds) Businesses are finding it difficult to recruit younger people and are finding it difficult to successfully navigate the apprenticeship route. Opportunity to maximise the benefits of apprenticeship levy
	i) Support, promote and maximise existing opportunities ensuring each party plays to their strengths; support and maximise the outcomes for physical hub and spoke Growth model in Cotswold	Business Support is seen to be focused away from Cotswold – physical presence is required across the district to ensure accessibility of business support

IMPLICATIONS FOR COTSWOLD DISTRICT COUNCIL

Aim – to be recognised as the most efficient Council in the country.
Priorities:

•

4.3 The Council's Corporate Strategy for 2016 – 2019 sets out its aim 'To be recognised as the most efficient council in the country'. The priorities identified in the Corporate Strategy are:

- Provide high quality services at the lowest possible cost to Council Taxpayers
- Protect and enhance the local environment whilst supporting economic growth
- CHAMPION ISSUES WHICH ARE IMPORTANT TO LOCAL PEOPLE

4.4 The Government has announced that local authorities will be able to keep 100 per cent of the business rates they raise locally. This is a fundamental change to in the way local government is financed. The amount of additional local tax revenue resulting from 100 per cent retention is uncertain, however, it creates a strong incentive to grow the business rate tax base.

4.5 There are a number of potential roles and approaches for the District Council to consider in resolving and addressing any issue or interventions set out in this economic plan.

Taking a leadership role on several critical issues: Determine whether the Council wants a visible leadership role in terms of business engagement and /or land and property development. This leadership role may be temporary (such as for initiating new projects or activities) or may be longer-term in nature. It may simply be an advocacy role. This also determines the relationship with LEP, chambers, key businesses and institutions.

Prioritising actions to address the loss of employment land and consequent loss of business and jobs and bringing additional sites to the market. Bringing sites forward and unlocking constraints on a site by site basis. This could also include interventions to deliver commercial development that the market requires; management and release of the value in Council's own assets to reinvest in the local economy. In some instances, this includes special purpose vehicles for infrastructure, land and premises development. This can include consideration for:

- Additional/leverage: augment or add to other partner funding – to perhaps lever more benefits/ beneficiaries in the district
- Unlocking Council capital assets held in underused sites
- Gap finance: fund activities that other funding sources will not
- Principal funds: where District Council is the principal funder and is seeking for other sources of funding to pursue a project or activity

Potential business transformation: For example, developing a more proactive communication strategy to business. This could encompass a wide range of relevant council activities, and not just those relating to sites, premises and infrastructure.

Put simply, the Council can have different roles for each project and can change over time during the lifecycle of a project. Roles include:

- **Rowing (delivery):** taking the lead, winning the resources, funding or delivering
- **Steering (influencing and shaping):** helping to shape, fund and influence others who deliver to our aims
- **Cheering (advocacy):** champion, cheerleader and advocate for others delivering to our aims

Delivering the Priorities: Options and Ideas

4.6 The following sections outline a range of potential options for delivering the priorities. This is included to translate the priorities in possible practical actions. These actions do not rehearse current activities such as tourism and visitor economy activities undertaken by the Council.

4.7 The District Council will focus initially on providing a delivery plan for a few of the priorities and objectives introduced here. The market and business are confident and the Cotswold economy is starting from a relatively strong position. However, there are issues and challenges that need to be addressed if the area is to continue to thrive economically, securing the interventions necessary to support sustainable economic growth and position itself well in an increasingly competitive market place.

4.8 The Council has set out clear ambitions in the Local Plan to safeguard existing employment sites and provide new employment land allocations. The Council has positively established a Business led Advisory Board to develop a single visitor web-site and a range of promotional activities and campaigns. The District is also actively looking at demand, feasibility and delivery of solutions including maximising its existing assets through a series of studies examining parking and transport. However, in part the options below represent a distinct cultural shift in Council activity with more robust and stronger engagement in economic development. The priorities seek to address structural deficits in the business location offer, facilitate business support and perhaps more importantly be part of key businesses' decision making process and be in a position to make timely interventions. This includes a promotion or ambassador role, championing businesses in the Cotswold.

1. COTSWOLD IS OPEN FOR BUSINESS

A) STRATEGY TO COMMUNICATE EXISTING POSITIVE NEWS AND PROGRESS TO BUSINESS COMMUNITY

Potential Delivery options could include:

- Business focussed events considering the priorities and interventions to secure growth of existing Cotswold businesses, changing perceptions and recognising business needs beyond current visitor economy activity
- Proactive and positive PR approach to delivering good news stories and campaigns
- Identifying a clear advocate and business champion for the Council

There is scope for collaboration with:

- GFirst and Employment and Skills Board
- Existing chambers of Commerce and local Business organisations
- Key businesses including Growth Hub
- Local Press

B) DEVELOP AND IMPLEMENT BUSINESS ENGAGEMENT AND ADVOCACY MEASURES

Potential Delivery options could include:

- Relationship management for top 20 businesses /employers championing business needs
- 'Business first' council – services and processes reoriented to be very business friendly and integrate business support into aspects such as late payments of business rates.
- Support and maximise the potential and where appropriate rationalise existing business forum as conduit between public and private sector interests
- Maximise the opportunities for business support, engagement, evidence and intelligence and potential staff and financial resource to support the Growth Hub Business Plan at Royal Agricultural University Campus
- Review Council approach to engagement with business throughout the Development Management Process
- Opportunities for interventions with GFirst and its stakeholder groups, Memorandum of Understanding with GFirst on the Submitted Local Plan, clear priorities and outcomes required from the Gloucestershire Strategic Economic Statutory Committee

There is scope for collaboration with:

- GFirst
- Existing chambers of Commerce and local Business organisations
- Major businesses

2. STRATEGIC MANAGEMENT OF ASSETS AND LAND

C) SAFEGUARD EXSITING EMPLOYMENT SITES AND PREMISES AND ENABLE THE DEVELOPMENT AND DELIVERY OF A CHOICE OF HIGH QUALITY BUSINESS PREMISES AT SCALES THAT THE MARKET REQUIRES

Potential Delivery options could include:

- Secure the allocation and safeguarding policies in the Submitted Local Plan including the strategic allocation at Chesterton, Cirencester.
- Ensure that the value of existing employment sites and jobs and the opportunities for future economic and employment is fully understood and evaluated as part of any decision making process. Ensure that businesses affected by any loss of employment premises are supported in finding appropriate alternative premises and business support
- Ensure that the evidence and intelligence necessary for business to support delivery of employment sites is prepared ahead of planning applications – sites are spade ready
- Developing an implementation plan for each of the allocated employment site and an understanding / business plan of the interventions for each site to bring it to the commercial market / viable property proposition
- Examine opportunities for pop up / start up space in key market towns and key settlements and appropriate business models to support that intervention
- Set up a commercial agents' forum to discuss market conditions
- Establish a project pipeline for the most important 2 or 3 infrastructure, land and property projects

There is scope for collaboration with:

- Land agents, land owners and existing Business Parks
- Key businesses and large employers
- GFirst

D) REVIEW THE VALUE AND CURRENT USE OF LOCAL AUTHORITY AND GOVERNMENT OWNED ASSETS

Potential Delivery options could include:

- Audit of asset values; asset balance sheets and business plans.
- Complete the parking studies and move quickly to an implementation programme
- Development and Implementation of a town centre strategy - how the projects will be implemented, particularly in relation to the inter-action of public sector landownership and private sector development expertise
- Asset development programme – exploring alternative uses of existing assets with aim of increasing value as strategic tool for economic growth to support existing, relocating or new business investments and improving the quality of life/environment of Cotswold
- Establishment of property and infrastructure development fund. Could forward fund infrastructure and services for publicly owned sites, then recoup funds from uplifts in land value, business rates income or subsequent housing/commercial development.

There is scope for collaboration with:

- GFirst
- Town Council and County Councils

E) DEVELOP POSITIVE APPROACH TO SAFEGUARDING HERITAGE ASSETS WHILST RECOGNISING OPPORTUNITIES TO REDEVELOP SITES, RELEASING CAPITAL AND SUPPORTING WIDER BUSINESS INVESTMENTS

Potential Delivery options could include:

- Develop a clear protocol and criteria for supporting the reuse of sites and premises that no longer meet the needs of business in the Local Plan.
- Audit vacant historic buildings to identify key sites at risk and develop an Asset development programme – exploring alternative uses of existing assets with aim of increasing value as strategic tool for economic growth
- Develop a case study response which brings together historic building, planning, building control and land agent expertise and skills to develop a shared understanding of opportunities to maximise the beneficial use and adaption of town centre heritage buildings

There is scope for collaboration with:

- GFirst
- Existing chambers of Commerce and local Business organisations
- English Heritages and local heritage and environment forums

3. STRATEGIC EMPLOYMENT SITE AND SPECIAL POLICY AREA IMPLEMENTATION

F) DEVELOP AND IMPLEMENT MASTERPLANS FOR FIRE SERVICES COLLEGE; CAMPDEN BRI AND ROYAL AGRICULTURAL UNIVERSITY

G) DEVELOP IMPLEMENTATION PLAN FOR EACH STRATEGIC EMPLOYMENT SITE RECOGNISING AND BUILDING BUSINESS CASE FOR KEY INTERVENTIONS REQUIRED

Potential Delivery options could include:

By December 2018:

- Scope out roles for the Council, landowner/business and interested parties
- Identify a political and officer ambassador for each of the sites including Chesterton, Cirencester
- Support for current Growth Deal submission by Royal Agricultural University for research and business space
- Agree a standard format / template for the masterplans and implementation plans
- Ensure that the evidence and intelligence necessary for business to support delivery of employment sites is prepared ahead of planning applications
- Establish the interventions for each site to bring it to the commercial market / viable property proposition
- Establish a project pipeline for the most important 2 or 3 infrastructure, land and property projects

There is scope for collaboration with:

- Land agents, land owners and existing Business Parks
- Key businesses and large employers
- Local members and forums

4. SKILLS, LABOUR SUPPLY AND BUSINESS SUPPORT

H) DEVELOP A BROKERAGE BETWEEN COLLEGES AND BUSINESSES TO SUPPORT STEM AND CONSTRUCTION SKILLS AND OPPORTUNITIES FOR APPRENTICESHIPS

I) SUPPORT EXISTING AND NEW OPPORTUNITIES ENSURING EACH PARTY PLAYS TO THEIR STRENGTHS; SUPPORT AND MAXIMISE THE OUTCOMES FOR ADDITIONAL PHYSICAL HUB AND SPOKE GROWTH MODEL IN COTSWOLD

Potential Delivery options could include:

- Supporting and influencing the Gloucestershire Employment and Skills Board ensuring that the distinctive Cotswold and rural issues are fully included in its considerations and recommendations
- Supporting Business to Business networks focussing on 'hard to reach' business
- Promote good practice by established businesses and organisations within the District on skills, apprenticeships and engagement with young people
- Demonstrate best practice for in house training and apprentices and leadership role to ensure that the brokerage service is at the forefront of activity to link businesses, training organisations and local schools and colleges
- Develop a positive and construction skills response as part of the delivery of strategic sites, including the Chesterton allocation at Cirencester, taking advantage of schemes promoted by industry and government which tackle elements of the skills shortage problem within the UK construction industry
- Advocate strong physical presence of the business hubs within the district together with maximising the potential of the newly developed Growth Hub and Farm 491 at Royal Agricultural University, Cirencester, using existing business forums and organisations to support the scheme
- Maximise the opportunities for business support, engagement, evidence and intelligence and potential staff and financial resource to support the Growth Hub Business Plan at Royal Agricultural University Campus
- Promote existing activities for younger people and ensure younger people's needs are promoted in town centre developments including accelerating cinema in Cirencester
- Develop a clear signposting role between business and GFirst Growth Hub

There is scope for collaboration with:

- Key businesses and large employers
- Training organisations

August 2017

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