



JULY 2026

Cotswold Employment Land Review

Final Report

Iceni Projects Limited on behalf of
Cotswold District Council

July 2026

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LIMITED ON BEHALF
OF COTSWOLD
DISTRICT COUNCIL

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Cotswold Employment Land Review
FINAL REPORT

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1. Introduction

- 1.1 Cotswold District Council is preparing a new Local Plan to guide development in the District over the 2026-43 period. The Council has commissioned Icení Projects ('Icení') to prepare this Employment Land Review ('ELR').
- 1.28 The Employment Land Review considers the characteristics, structure and performance of the District's economy and commercial property market dynamics. This analysis then informs an assessment of future needs for office and industrial development – addressing the E(g), B2 and B8 use classes.
- 1.29 Consideration is then given to the supply of employment land. There are three principal components of this. Icení has firstly undertaken a review and selective updating of the Council's 2025 Established Employment Sites Review and made a limited number of adjustments to the report. This is set out at **Appendix A4**.
- 1.30 A review has then been undertaken of the extant employment allocations in the Cotswold Local Plan 2011-31. This is informed by engagement, where appropriate, with landowners / developers and seek to consider whether these allocations for employment development should be retained and their deliverability.
- 1.31 Thirdly, a review of potential sites for employment development submitted to the Council through the 'Call for Sites' process has been undertaken. This addresses their suitability and market attractiveness for employment development, and their deliverability, with a view to informing site selection.
- 1.32 The report then seeks to draw these elements together in considering the current balance between supply and demand for employment land and the scale of additional employment land that needs to be allocated within the emerging Local Plan. It then provides advice on the

appropriate locations for employment development having regard to strategic development constraints in the District; the relative commercial market attractiveness of different locations and the emerging spatial strategy for development.

- 1.33 Employment land needs modelling in this report has been carried out for a period of 2025-43, whereas Council's plan period is 2026-43. To provide a 2026-43 position, an adjustment has been made whereby net employment completions during 2025/26 have been deducted from the modelled 2025-43 requirement.
- 1.34 The report has been prepared alongside a Gloucestershire-wide Housing and Economic Needs Assessment (HENA), the preparation of which Iceni is leading. It draws on elements of the analysis therein and the engagement with a range of stakeholders; but has supplemented this with engagement with a number of local commercial agents and specific discussions with those who have been involved in the development of key sites within the District.
- 1.35 The key purpose of the Review is to inform the emerging Local Plan. However, the assessment may also be relevant to the determination of individual planning applications on employment sites or for employment development.

Report Status and Structure

- 1.36 The remainder of the report is structured to address:
- Section 2: Economic Baseline;
 - Section 3: Commercial Market Assessment;
 - Section 4: Employment Land Requirements;
 - Section 5: Review of Existing Employment Allocations;
 - Section 6: Employment Land Supply;

- Section 7: Bringing the Evidence Together.

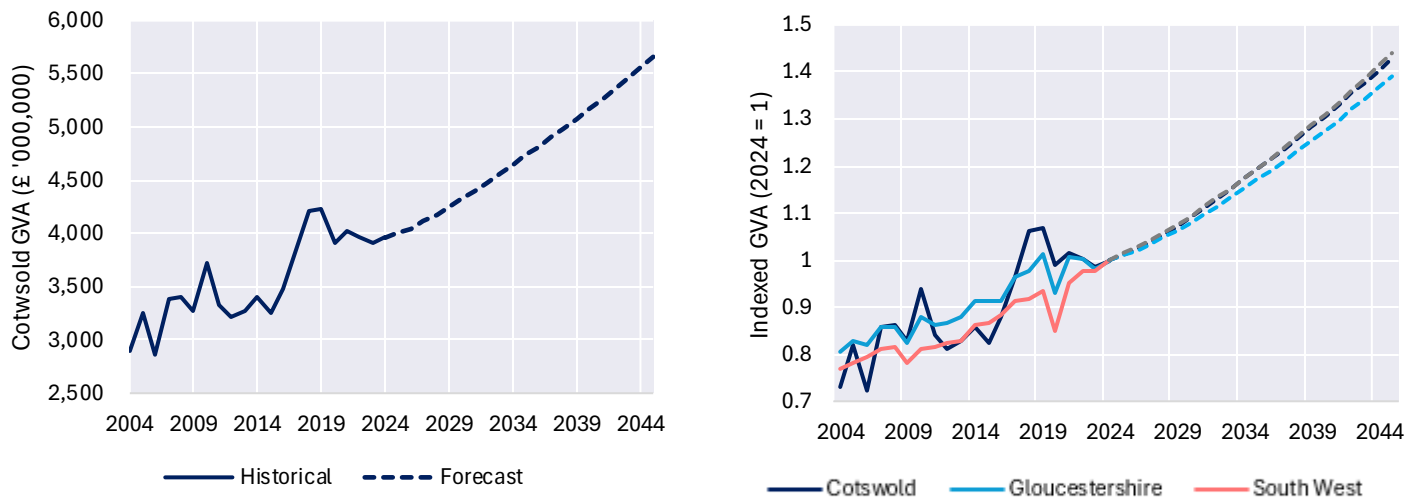
2. Economic Baseline

- 1.1 This section considers the profile of the Cotswold £4.0 billion economy which in 2024 supported 57,100 jobs. The district accounted for around 19.5% of Gloucestershire's GVA and 15.6% of its employment.

Cotswold's Economy

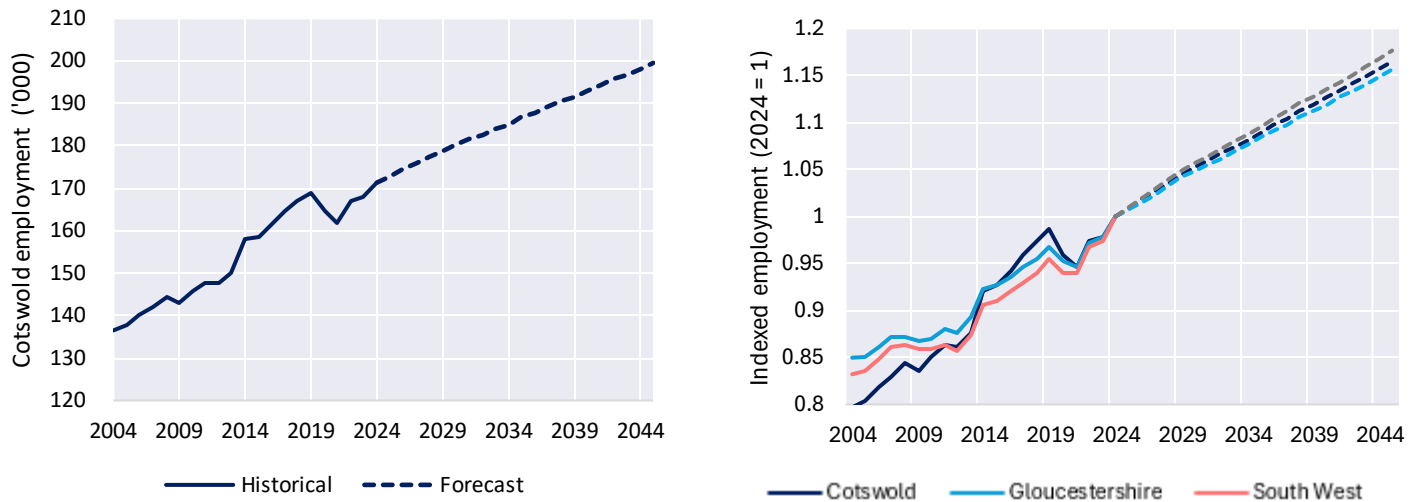
GVA and Employment

- 2.28 Gross Value Added ("GVA") is a measure of the value of goods and services produced in an economy. It is used to consider the size of the economy in different areas. In 2024, Cotswold was estimated to have a £4.0 billion economy.
- 2.29 As shown in the figure below, Cotswold's GVA has grown over time, with 36.9% growth from 2004 to 2024 although with some volatility year to year (particularly in 2020 as a result of COVID-19). Moving forward, GVA is forecast to continue to grow, reaching almost £5.7 billion by 2045 based on Experian's trend-based forecasts.
- 2.30 Trends in Cotswold's GVA broadly reflect those seen across Gloucestershire and the broader South-West Region as Figure 2.1 shows. However, Cotswold's growth has been slightly faster than seen in benchmark areas historically (36.9% vs 24.2% in Gloucestershire, 30.1% in the South West and 35.6% in England between 2004-2024).

Figure 2.1 : Trends in Cotswold Gross Value Added (GVA)

Source: Icen analysis of Experian 2025 forecasts

- 2.31 Employment has also been growing steadily in Cotswold over the last 20 years (as shown in Figure 2.2 below). From 2004-2024, employment has grown by 25.5%, or 11,600 jobs. This growth is forecast to continue broadly in line with past trends, with Experian forecasting that an additional 9,800 jobs would be added to 2046 and overall employment reaching 66,900.
- 2.32 In comparison with the regional and national averages, Cotswold District's employment has grown more quickly since 2004 (25.5% in Cotswold District vs 17.7% in Gloucestershire, 20.2% in the Sout West and 19.8% in England). Between 2024-2046, baseline forecasts place Cotswold's growth levels between those of Gloucestershire and the South West (17.2% vs 16.4% in Gloucestershire and 18.5% across the South West).

Figure 2.2 : Trends in Cotswold employment

Source: IcenI analysis of Experian 2025 forecasts

Job density

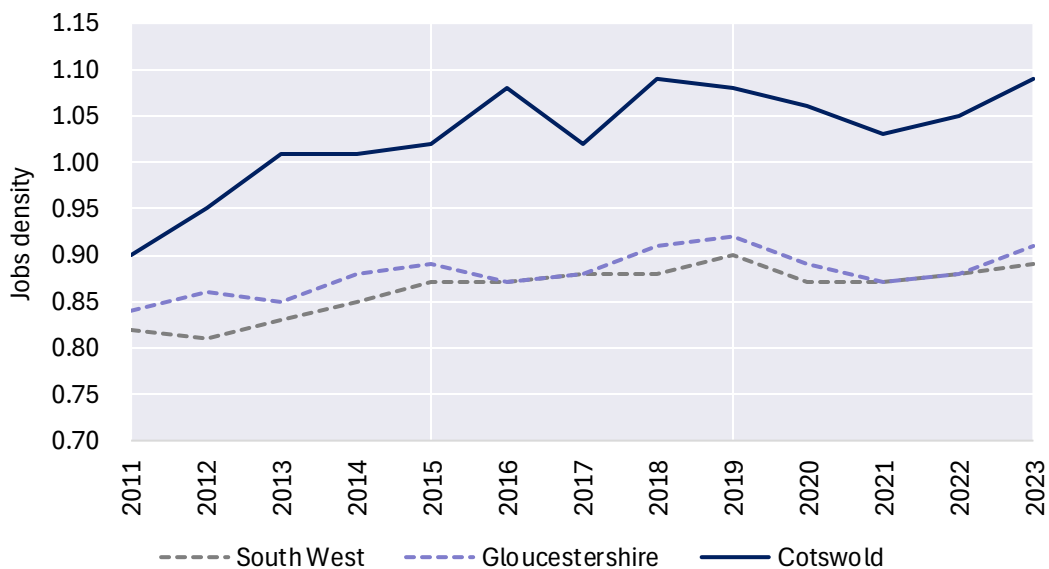
- 2.33 Job density is defined as the ratio of workplace-based jobs to the resident working-age population within an area. It provides an indicator of the balance between local employment opportunities and the labour supply. A jobs density of 1 would indicate one job per working age person, while a jobs density below one indicates less jobs than working-age people.
- 2.34 Given that not all working-age people are employed, a job density of less than one is typical nationwide. The overall job density of England in 2023 (the most recent available data) was 0.87¹.
- 2.35 In contrast to this, Cotswold's job density in 2023 was much higher at 1.09. Indeed, Cotswold has the ninth highest job density of any rural local authority in England, after only North Warwickshire and North West Leicestershire (both of which contain major industrial and logistics areas) and Winchester and West Berkshire (which both contain prosperous towns over twice as large as Cirencester). This indicates

¹ Source: NOMIS

that for an authority of its type, Cotswold has among the highest levels of employment relative to the local population in England.

- 2.36 Historic data, as shown in the figure below, shows Cotswold's job density has increased over time, and to have grown relative to benchmark areas. This indicates that job growth in Cotswold has been faster than working age population growth. This pattern is consistent with relatively weaker housing delivery compared with the growth of the District's economy; and is likely to have contributed to an increase in net in-commuting to the District.

Figure 2.3 Job density over time (Cotswold)



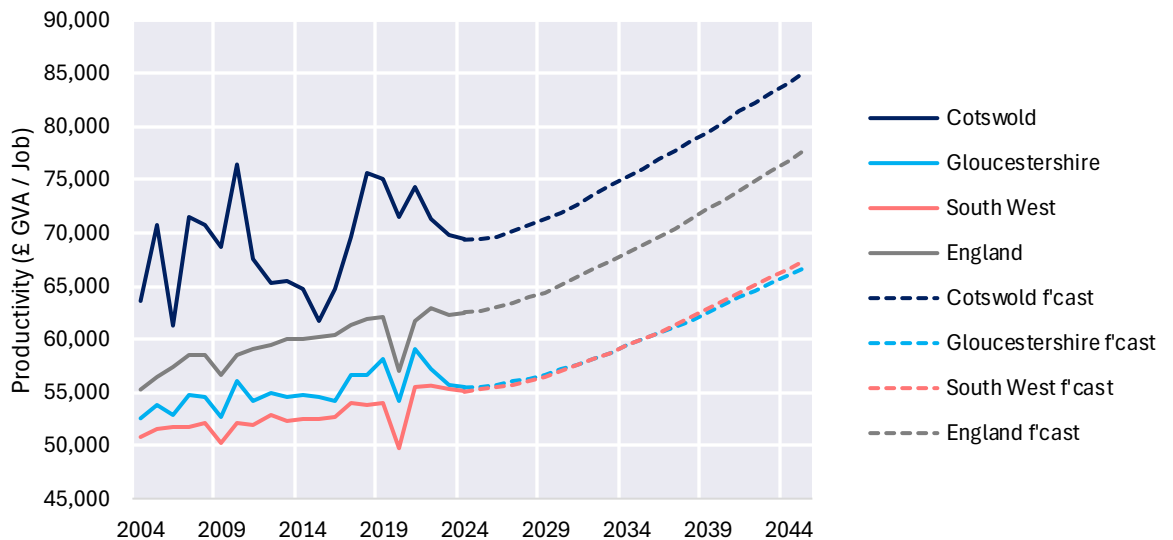
Source: ONS 2025 *Jobs density*

Productivity

- 2.37 By combining data on GVA and employment, it is possible to estimate the productivity of Cotswold's economy. Our analysis shows GVA of around £69,400 per job. This is well above the results for Gloucestershire (£55,500) and the South West (£55,000), and even above the England-wide level which will capture high productivity jobs in larger cities like London (£62,600). This is a very strong result for a non-urban authority, and the evidence indicates it is a function of both the quality of jobs and strong economic participation.

- 2.38 As shown in the figure below, Cotswold's productivity has consistently sat above that seen in benchmark areas over the last 20 years. There has been a relatively high level of volatility in the productivity results for Cotswold, which likely reflects issues with economic modelling for smaller authorities rather than underlying economic reality.

Figure 2.4 Trends in productivity (GVA / jobs)



Source: Icen analysis of Experian Forecasts 2025

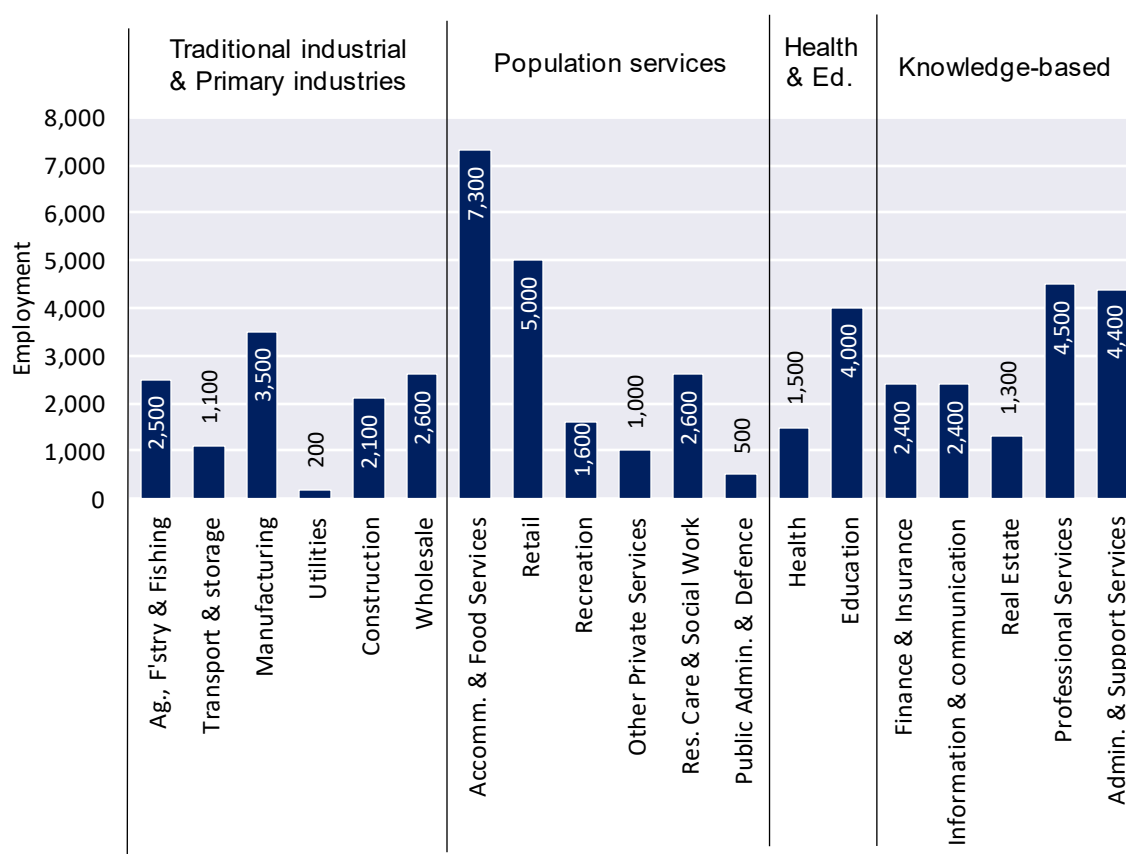
- 2.39 Forecasts are for accelerating growth in productivity for Cotswold, and more broadly across Gloucestershire, the South West and England as a whole. This reflects the impact of technological shifts (e.g. AI), an increase in business investment, and shifts in the sectoral composition of the economy towards higher value sectors. However, given recent trends of relatively sluggish productivity growth since the Global financial Crisis of the last 2000s, this forecast may be optimistic.

Sectoral Structure

- 2.40 Cotswold has a broad-based economic structure with jobs spread across a variety of sectors. As shown in the figure below, the largest sectors in terms of total employment are accommodation and food services (7,300 jobs, likely related to tourism), retail (5,000 jobs), ,

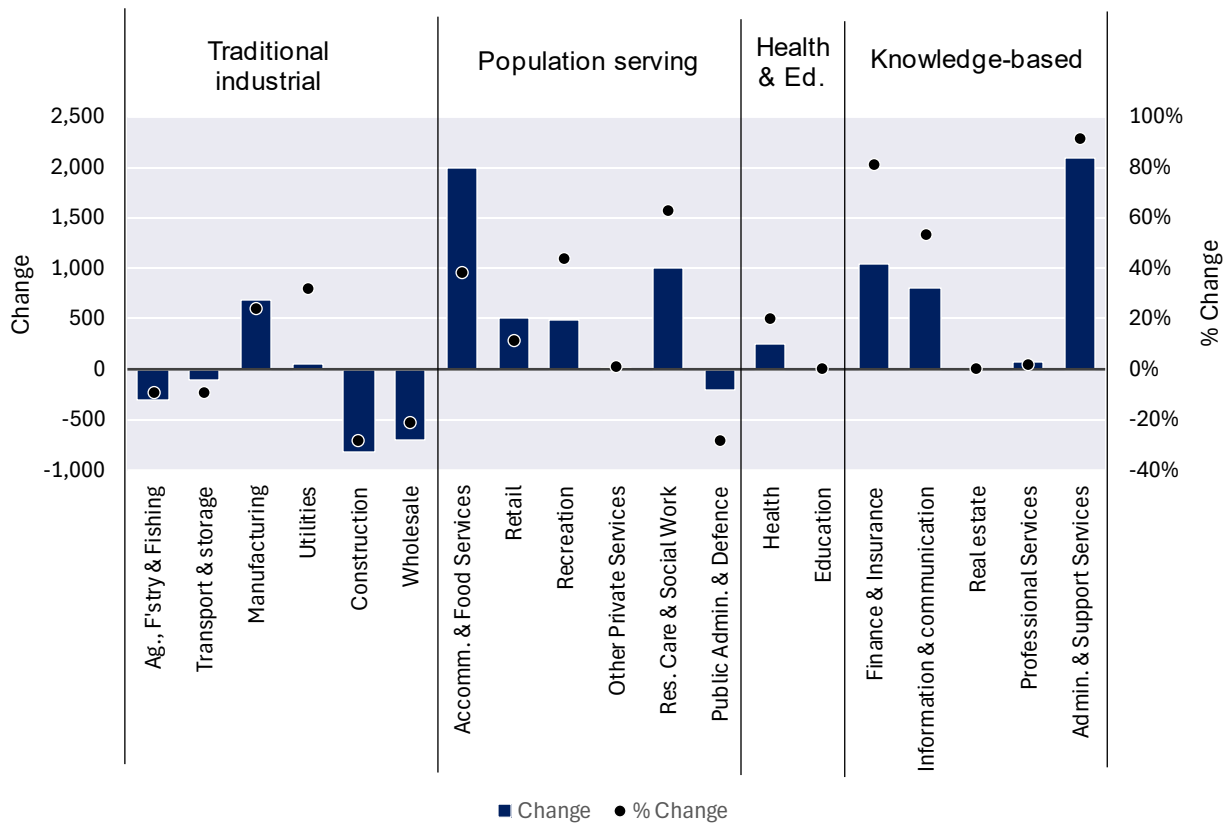
professional, scientific and technical services (4,500 jobs), and administrative and support services (4,400), with high levels of employment also in education and manufacturing.

Figure 2.5 Cotswold employment by sector (2024)



Source: ONS Business Register and Employment Survey (2024)

- 2.41 While overall employment has been growing over time, there is a more mixed picture by sector. Between 2015-2024 (the time period over which consistent data is available from BRES), there has been mixed performance in traditionally industrial and related sectors and limited growth in health and education, while population serving and knowledge-based sectors have grown more strongly.

Figure 2.6 Change in employment 2015-2024 (Cotswold)

Source: ONS Business Register and Employment Survey

2.42 More specifically:

- Employment in **manufacturing** grew (+685 jobs or 24%), while **transport and storage**, the other primary industrial sector, shrank slightly (-105 jobs or 9%).
- **Wholesale** and **construction** can be regarded as secondary industrial sectors, with some activity in these sectors taking place in industrial premises. Employment in both of these sectors contracted (-825 jobs or 29% and -700 jobs or 22% respectively).
- **Agriculture, forestry and fishing** was recorded as shrinking, although this result should be treated with caution as BRES data is relatively poor at capturing agricultural employment.
- In population serving sectors, there was very strong growth in **accommodation and food services** (+2,000 jobs or 38%), **residential care and social work** (+1,000 jobs or 63%) and in **recreation** (+480 jobs or 43%), with lower growth in retail (+500 jobs or 11%) and a small contraction in **public administration and defence** (-200 jobs or 29%).

In recent years, there has been a national shift away from retail employment and towards food and hospitality services. However, the growth in accommodation and food services in Cotswold is particularly high and reflects strength in the local tourism sector. It is also notable that in contrast to general trends, the retail sector grew.

- There was strong growth in the knowledge intensive sectors of **finance and insurance** (+1,050 jobs or 81%), **information and communication** (+815 jobs or 53%, predominately in computer programming, consultancy and related activities) and **administrative and support services** (+2,085 jobs or 91%).

2.43 The relative representation of sectors in the local economy can be considered using a location quotients (LQ) analysis. A LQ value of 1.0 indicates that a sector makes up the same proportion of employment as in the broader economy (in this case the South West), while a lower LQ indicates relative under-representation of a sector in the District and a higher LQ indicates specialisation. Error! Reference source not found. below shows LQs, overlaid with recent growth rates.

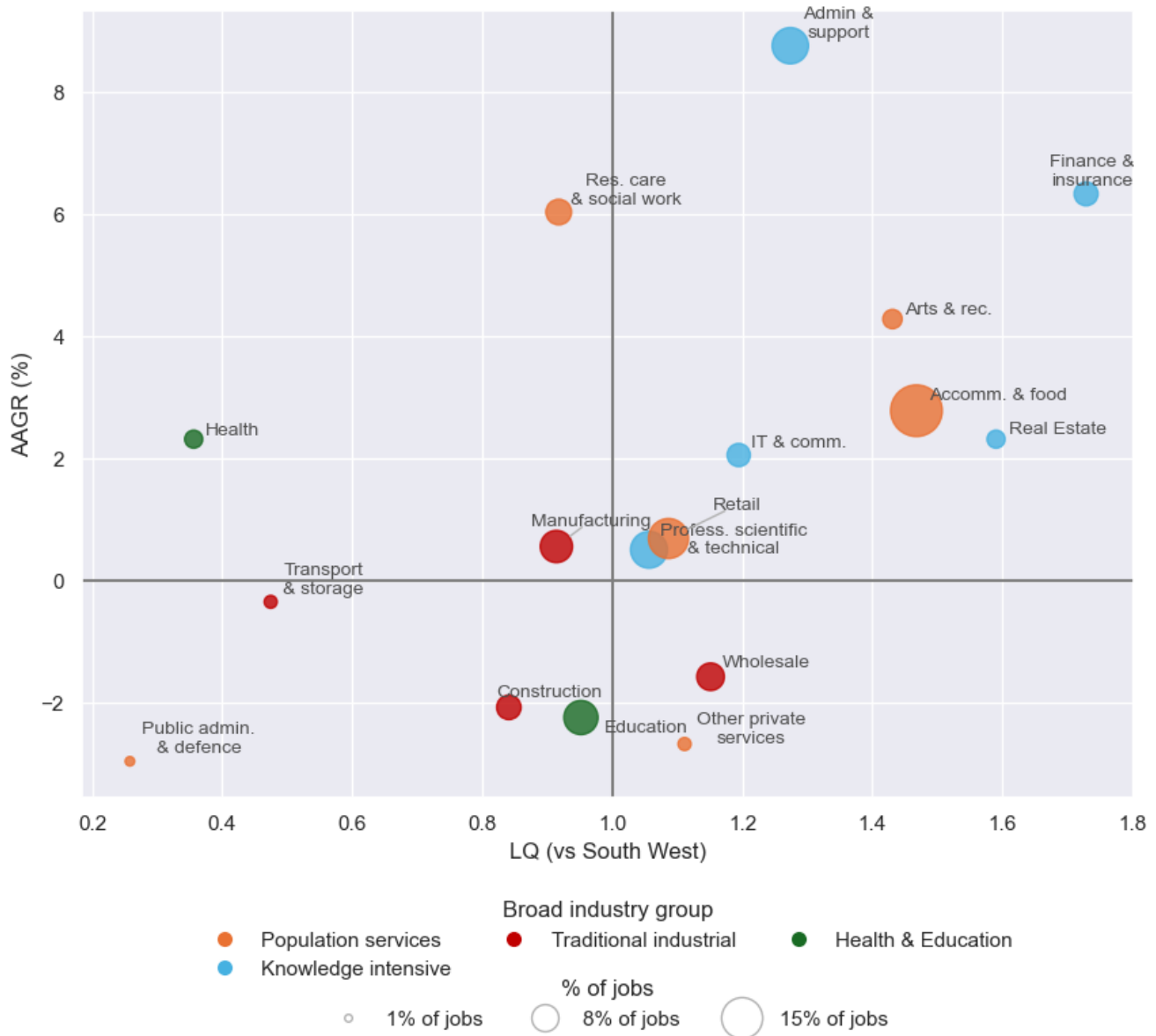
2.44 This analysis shows a clear pattern with most knowledge based and population serving sectors being specialised in the local economy, while traditionally industrial sectors and some services which are more commonly concentrated in larger towns and cities (health, education and residential care) are less specialised. All of the most specialised sectors are also growing, indicating likely increasing specialisation and performance over time.

2.45 Finance and insurance, real estate, accommodation and food services, and arts and recreation are the most specialised sectors, with accommodation and food services also the largest sector by employment (as noted above). Retail and professional, scientific and technical services are also specialised (although only slightly).

2.46 Public administration, health and transport and storage are not specialised (noting the absence in Cotswold of large central government or county council facilities, a hospital or large logistics premises). Manufacturing, residential care and social work are also not

specialised, but growth in these sectors suggests that specialisation may increase in the future.

Figure 2.7 Cotswold employment location quotient (2024) and average annual growth rate (AAGR)



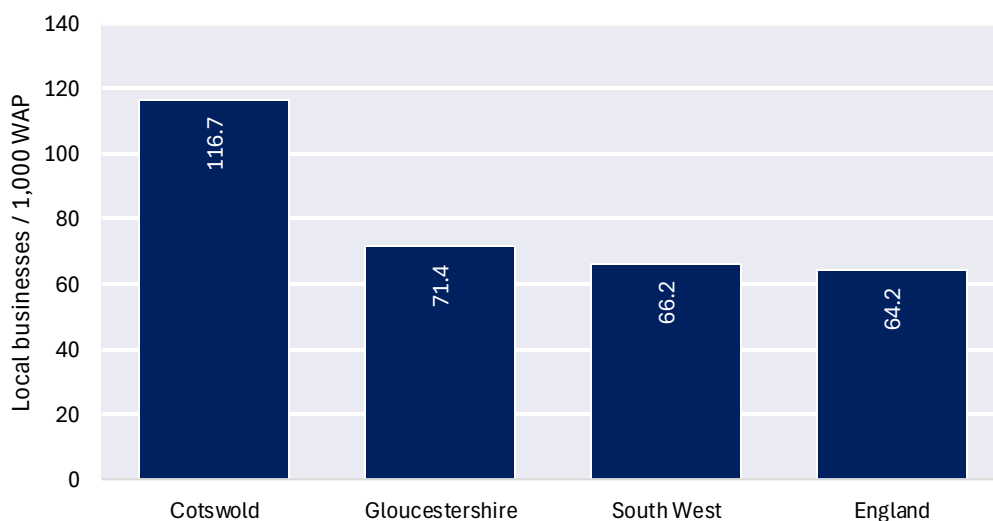
Source: Icen analysis of ONS Business Register and Employment Survey

- 2.47 Overall, the sectoral analysis points to a strong local economy with particular strengths in high-value knowledge-based sectors, in tourism and in some population services. There is also a small but robust manufacturing sector, and some employment in secondary industrial sectors.

Business Base

- 2.48 In 2025, there were 6,075 local businesses (i.e. enterprises) based in Cotswold, and 6,750 local units (i.e. local branches, premises and employers regardless of whether the overall business is based locally).
- 2.49 Relative to the number of working-age people, Cotswold has a very high number of local businesses when compared to the regional and national benchmarks (117/ 1,000 working age people vs 61.4 in Gloucestershire, 66.2 in the South West and 64.2 in England). Cotswold's result in this metric is the highest seen in any local authority in England outside of London boroughs and the Isles of Scilly, and is close to double the England-wide rate.

Figure 2.8 Business ownership rate (per 1,000 working age people)



Source: IcenI analysis of ONS Business Counts, Population Estimates

- 2.50 Cotswold has a small-business focussed economy, with only 15 large local businesses employing 250 or more people. These make up only 0.2% of all businesses, around half of the national benchmark (0.4%).
- 2.51 The vast majority of businesses are micro businesses. While this is the same across the region and nation, the small overall size of Cotswold's economy means that there are relatively few large locally-based employers.

Table 2.3 Local business base by number of employees

	Cotswold number	Cotswold %	South West %	England %
Micro (0 – 9)	5,380	89.1%	89.0%	89.2%
Small (10 – 49)	560	9.3%	9.1%	8.7%
Medium (50 – 249)	85	1.4%	1.5%	1.6%
Large (250+)	15	0.2%	0.3%	0.4%

Source: ONS Business Counts

- 2.52 The following two tables provide the absolute and percentage change in local businesses over the last ten years. Cotswold has seen only modest growth in local businesses numbers (185 businesses or 3.2%). This is well below regional and national growth rates (6.6% in the South West and 12.3% in England), although this may reflect Cotswold's already very high level of local businesses relative to the local population.

Table 2.4 Change in local businesses (2015-2025)

	Cotswold change	Cotswold % change	South West % change	England % change
Micro (0 – 9)	135	2.6%	6.9%	12.8%
Small (10 – 49)	25	4.7%	1.7%	6.3%
Medium (50 – 249)	20	30.8%	14.1%	13.8%
Large (250+)	0	0.0%	12.2%	23.6%
Total	185	3.2%	6.6%	12.3%

Source: Iceni analysis of ONS Annual Population Survey, ONS Model-based estimates of unemployment

Labour Market

- 2.53 Economic participation in Cotswold (79.1%) is below the positions Gloucestershire-wide (83.4%) or across the South West region (80.9%), although above the result for England as a whole (78.8%). This may reflect the presence of a high number of early retirees in Cotswold.

Table 2.5 Economic participation and unemployment rates (3-year average))

	Economic participation rate (% of 16-64 y.o.s)	Unemployment rate (% of economically active 16-64 y.o.s)
Cotswold	79.1	2.3
Gloucestershire	83.4	2.6
South West	80.9	2.8
England	78.8	3.8

Source: Iceni analysis of ONS *Annual Population Survey*, ONS *Model-based estimates of unemployment*

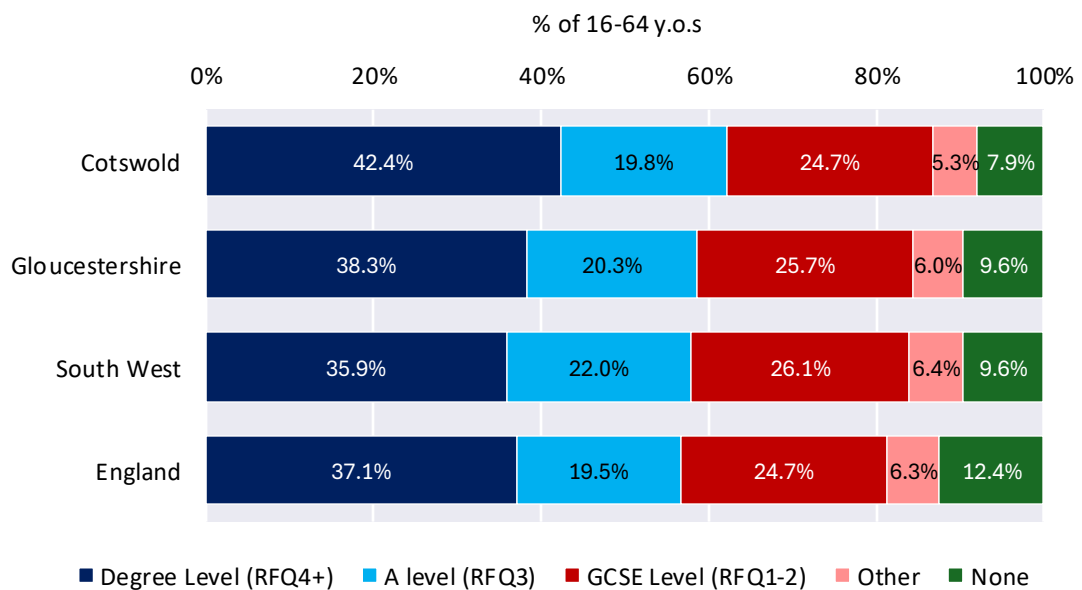
Note: values shown are averages of the 12-month periods ending September 2022 – June 2025

- 2.54 In keeping with its strong local employment and relatively affluent population, Cotswold has a low unemployment rate (2.3%), below the County-wide (2.6%) and regional (2.8%) rates, and well below the rate seen England-wide (3.8%).

Qualifications

- 2.55 Cotswold has a highly educated population, with 42.4% of the working age population having a degree level or above qualification, compared to 35.9% across the South-West and 37.1% in England. A relatively small proportion of the working age population has no qualifications (7.9% vs 9.6% in the South West and 12.4% in England) or GCSE level qualifications only (5.3% vs 6.4% in the South West and 6.3% in England).

Figure 2.9 Qualifications of working age people



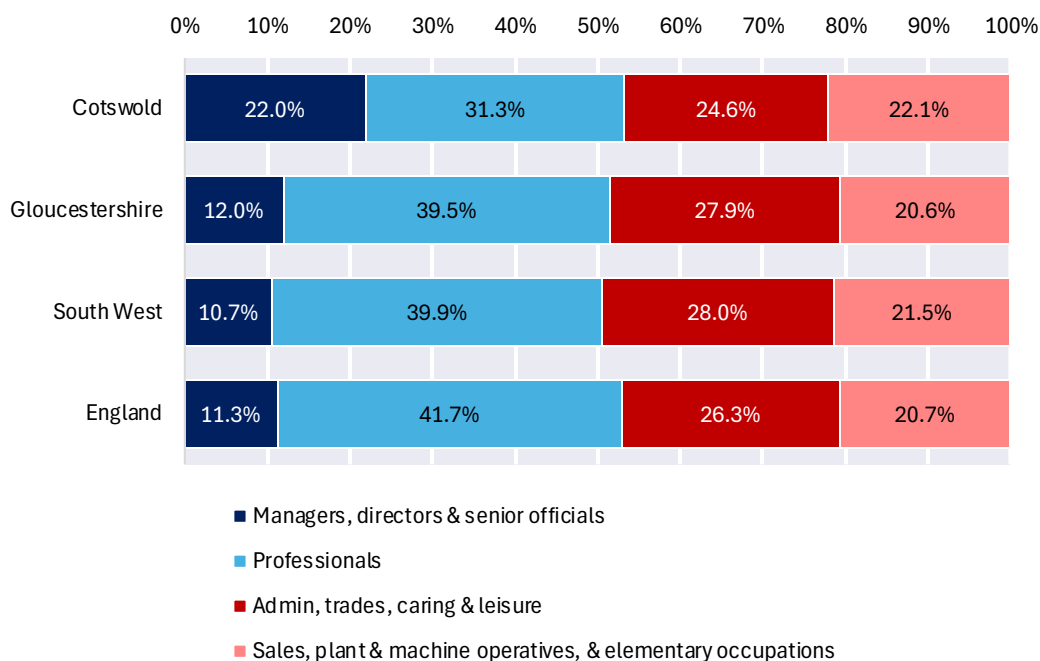
Source: ONS Census 2021

Occupations

- 2.56 A very high proportion of resident workers in Cotswold work as managers, directors and senior officials (22.0%), over twice the rates seen across the South West (10.7%) or England as a whole (11.3%). There is a correspondingly smaller proportion of people in professional

roles, although profession roles and above still make up 51.3% of workers in Cotswold, above the rate seen in the South West (50.6%).

Figure 2.10 Occupations of resident workers

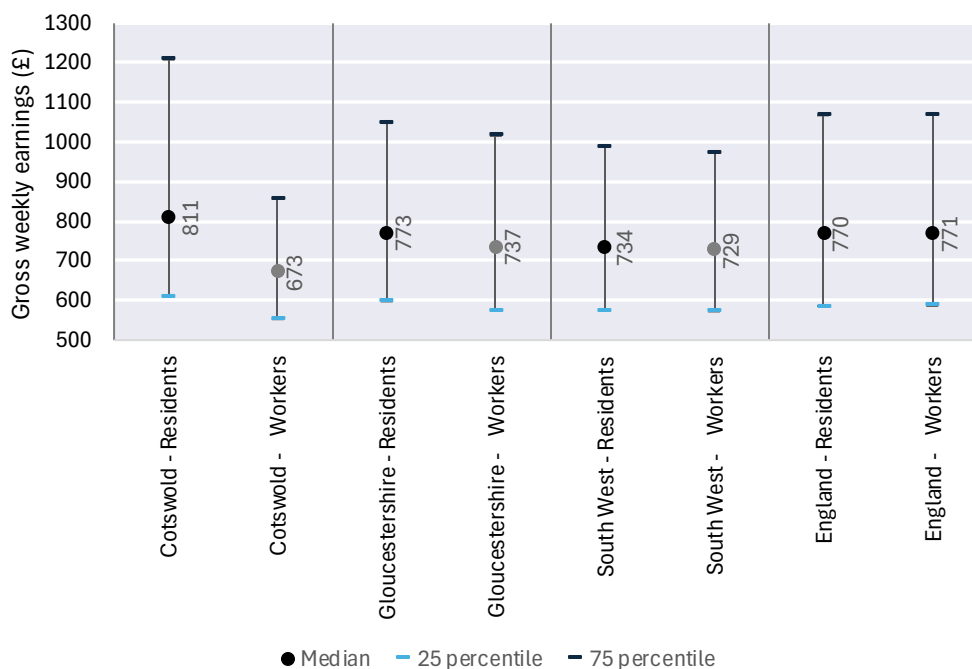


Source: ONS Annual population survey

Note: Average taken across the most recent three years of results (Oct 2021-Sep 2022 to Jul 2024-Jun 2025)

Earnings

2.57 As shown in the figure below, typical full-time wages for Cotswold District residents (median of £811 per week) are well above those seen across the South West (£734 per week) or England as a whole (£770 per week). The 75th percentile of earnings in Cotswold is also substantially above these benchmarks (£1,208 vs £989 and £1,068 respectively). This reflects the very high proportion of residents working in managerial and senior professional roles.

Figure 2.11 Earnings of full-time workers

Source: ONS *Annual Survey of Hours and Earnings*

- 2.58 By contrast, wages for workers in jobs within Cotswold are well below those for resident workers, with median earnings of £673 per week for residents compared to £811 per week for local workers. The difference is even more pronounced at the upper end of the income spectrum, with 75th percentile values of £858 vs £1,208.
- 2.59 Higher resident wages is a common phenomenon in rural areas and generally reflects net out-commuting of highly paid professionals to office jobs in nearby urban areas and larger towns. The reason for the discrepancy in Cotswold is however different, as shown in the following section, and reflects instead net in-commuting of lower-skilled workers to the District. This is likely to be influenced by housing affordability dynamics.

Commuting Dynamics

- 2.60 The table below shows summary data about commuting to and from Cotswold from the 2011 and 2021 Censuses. Data from both sources

are used, as the 2011 data is quite old, but the COVID-19 pandemic may influence the dynamics shown in the 2021 data.

- 2.61 The balance between in and out commutes is shown by the commuting ratio in the final row of the table. This ratio is calculated as the number of workers living in an area divided by the number of people working in the area. A result above one indicates more resident workers, and so net out-commuting, while a result below one indicates more jobs and net in-commuting.
- 2.62 Data from both the 2011 and 2021 censuses for Cotswold indicate more local jobs than workers, and consequently net in-commuting from elsewhere. This effect is stronger in 2021 than 2011, potentially reflecting the increase in the jobs ratio (explored earlier in this chapter), although noting caveats around the 2021 census. This is unusual for a rural area, with most rural areas acting to some degree as dormitories for nearby towns or cities.

Table 2.6 Commuting ratios (Cotswold)

	2011	2021
Live and work in District	16,221	11,232
Home workers / No fixed workplace	12,007	23,432
In commutes	15,709	12,239
Out commutes	13,820	9,430
Total working in LA	43,937	46,903
Total living in LA and working anywhere	42,048	44,094
Commuting ratio	0.957	0.940

Source: Icen analysis of ONS Census

- 2.63 To explore the reason for this net in-commuting in more detail, Icen has broken Cotswold commuters down by approximated social grade. Approximated social grade is an ONS-derived classification that assigns households to standard socio-economic groups based on available

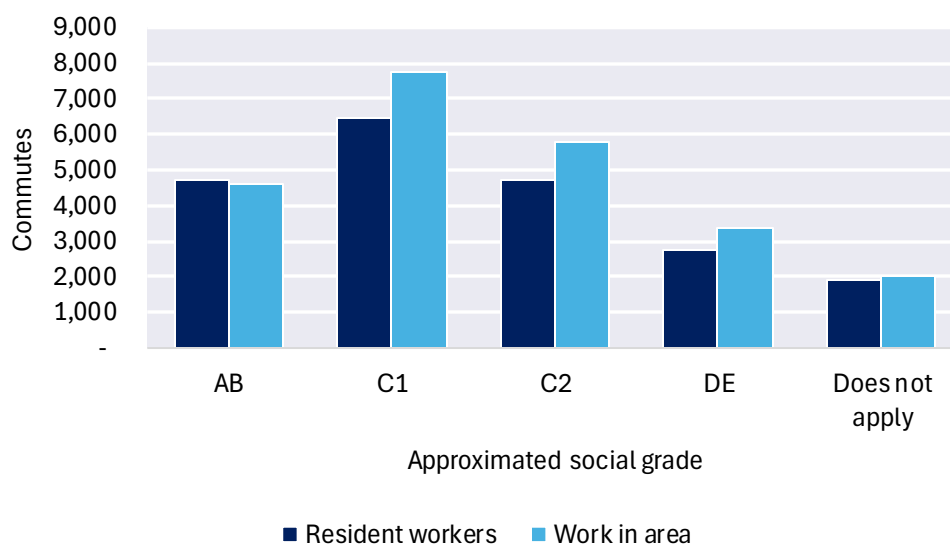
census variables for the household reference person (primarily occupation). The categories that commuting data is provided for are:

- AB - higher and intermediate managerial, administrative, and professional occupations,
- C1 - supervisory, clerical, and junior managerial roles,
- C2 - skilled manual workers, and
- DE - semi-skilled and unskilled workers, plus those not in employment.

2.64 As this assignment is carried out at the household level, it should only be regarded as a high-level proxy only for skill/occupation levels of individual workers. It nonetheless provides an indication of how commuting behaviour differs for different segments of the population.

2.65 For Cotswold, there are substantially more local jobs than workers across the three lower approximated social grades (as shown in the figure below), while there is a smaller surplus of resident workers compared to local jobs in the professional/managerial AB grade. This means that Cotswold needs to import a wide range of non-professional workers from other areas to fill local jobs.

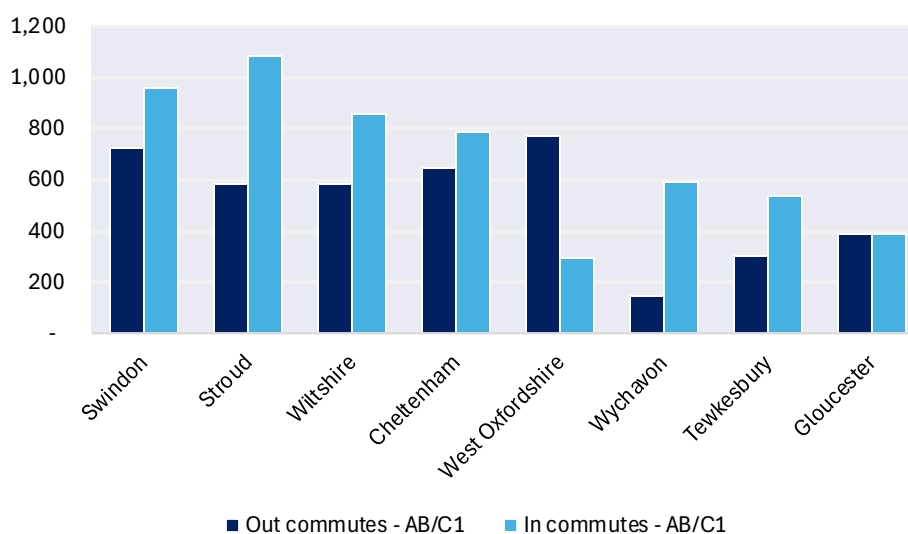
Figure 2.12 Approximated social grade of Cotswold resident workers vs those who work in the District



Source: ONS Census 2021

- 2.66 This is likely to reflect low local housing affordability, with lower paid and younger people unable to afford local housing and needing to live elsewhere. Higher housing delivery – and in particular the delivery of affordable housing as part of this – is important to addressing this.
- 2.67 The following two figures break down in and out commuting to and from Cotswold by origin/destination authority, providing more detail on the spatial implications of this labour imbalance.
- 2.68 For professional, managerial, supervisory and clerical roles (grades AB and C1, shown in the figure below), the strongest gross flows are with Swindon, Stroud, Wiltshire and Cheltenham. The largest numbers of outward commutes are to West Oxfordshire (a large part of this is related to employment at and around Brize Norton), and to Swindon and Cheltenham where there are large office markets. Despite this, there is net inward-commuting to Cotswold at these grades from these authorities, as well as from Stroud, Wiltshire, Wychavon and Tewkesbury.

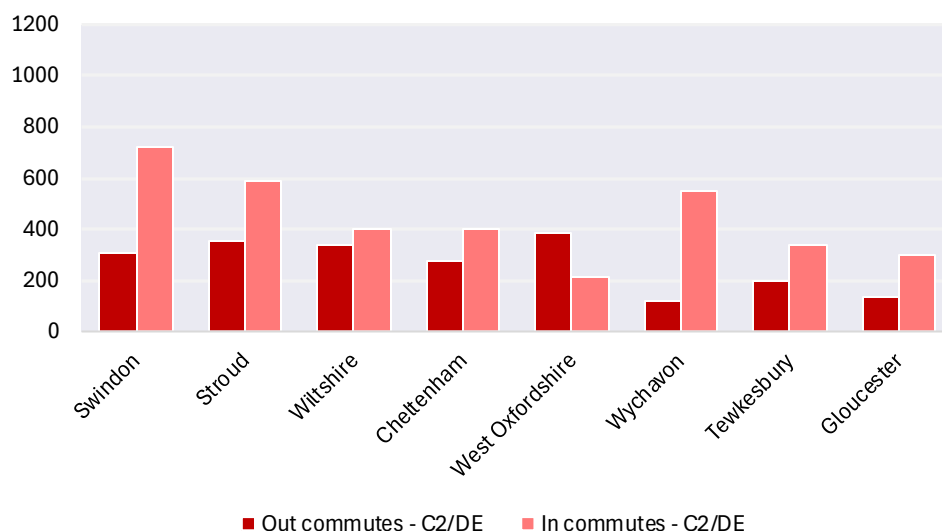
Figure 2.13 Cotswold in commutes vs out commutes for professional approximated social grades (AB and C1)



Source: ONS Census 2021

2.69 At the lower approximated social grades, corresponding broadly to manual and unskilled workers (C2 and DE, shown in the figure below), the highest inwards commuting is from Swindon, Stroud and Wychavon, authorities which have more affordable housing markets than Cotswold.

Figure 2.14 Cotswold in commutes vs out commutes for manual and unskilled workers approximated social grades (C2 and DE)



Source: ONS Census 2021

Economic Geography

- 2.70 The following table breaks down the sizes of the largest settlements in Cotswold based on number of households, total population and estimated number of jobs².
- 2.71 By far the largest settlement is Cirencester. While it has over three times the population of the next largest settlement (Tetbury). The next largest settlements are Moreton-in-Marsh and Bourton-on-the-Water, but the scale of employment is significantly higher in Cirencester than other locations in the District, as **Table 2.5** shows. These figures underline the dominant position of Cirencester in the local economy, and as the most viable location for any higher order services and

² Job data is produced from ONS BRES at the LSOA level. The best fit for settlement boundaries has been made using LSOAs, but in some cases some employment within settlements may be excluded and other employment included.

employment. Cirencester in particular has a larger population and critical mass of economic activity.

Table 2.7 Major towns in Cotswold

	Households (2021)	Population (2021)	Jobs (2023)
Cirencester	9,228	20,185	14,900
Tetbury	2,988	6,455	1,700
Moreton-in-Marsh	2,359	5,010	2,400
Bourton-on-the-Water	1,873	4,181	2,400
Fairford	1,811	4,249	1,000
South Cerney	1,598	3,998	*
Lechdale-on-Thames	1,490	3,138	*
Chipping Campden	1,139	2,377	*
Stow-on-the-Wold	968	1,901	1,100

Note: * The shape of LSOAs means that job data for these towns was not able to be isolated from data for other towns or the surrounding areas

Source: Icen analysis of ONS Census 2021, BRES

Employment

2.72 More information on the size and sectoral composition of employment in the largest settlements is provided in the figure below, which represents each 100 jobs with one square. As with the table above, information for South Cerney, Lechdale-on-Thames and Chipping Campden could not be shown due to the shape of LSOA boundaries.

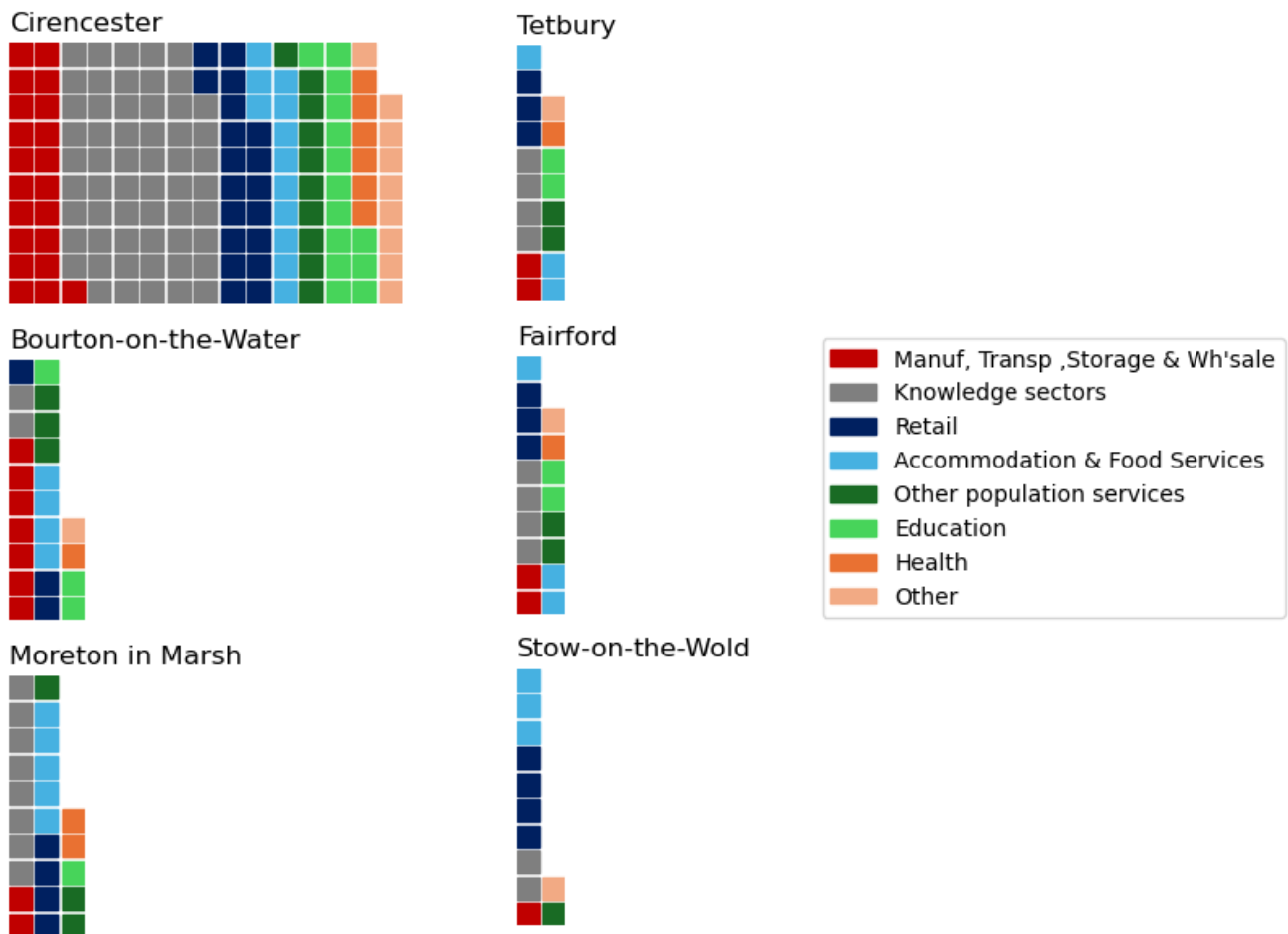
2.73 By settlement, the following observations can be made:

- **Cirencester**, as noted above, has by far the most employment. It also hosts the most diverse economy, the largest knowledge sectors, and provides a broad range of services.
- Almost all settlements have large retail and accommodation and food services sectors, reflecting the broad-based visitor economy in the District
- **Bourton-on-the-Water** accommodates a relatively large industrial area (relative to what is present in the District), and so has a high

proportion of manufacturing, transport, storage and wholesale jobs, alongside its tourism economy.

- **Moreton-in-Marsh, Tetbury** and **Fairford** have fewer industrial jobs, but moderate knowledge sectors (although substantially smaller than Cirencester).
- **Stow-on-the-Wold** has lower employment than the other settlements considered and is very tourism focused.

Figure 2.15 Employment by town (2024) - Each square represents 100 jobs



Note: Analysis conducted by LSOA. Data for other towns is not available as LSOA boundaries do not align well with town boundaries.

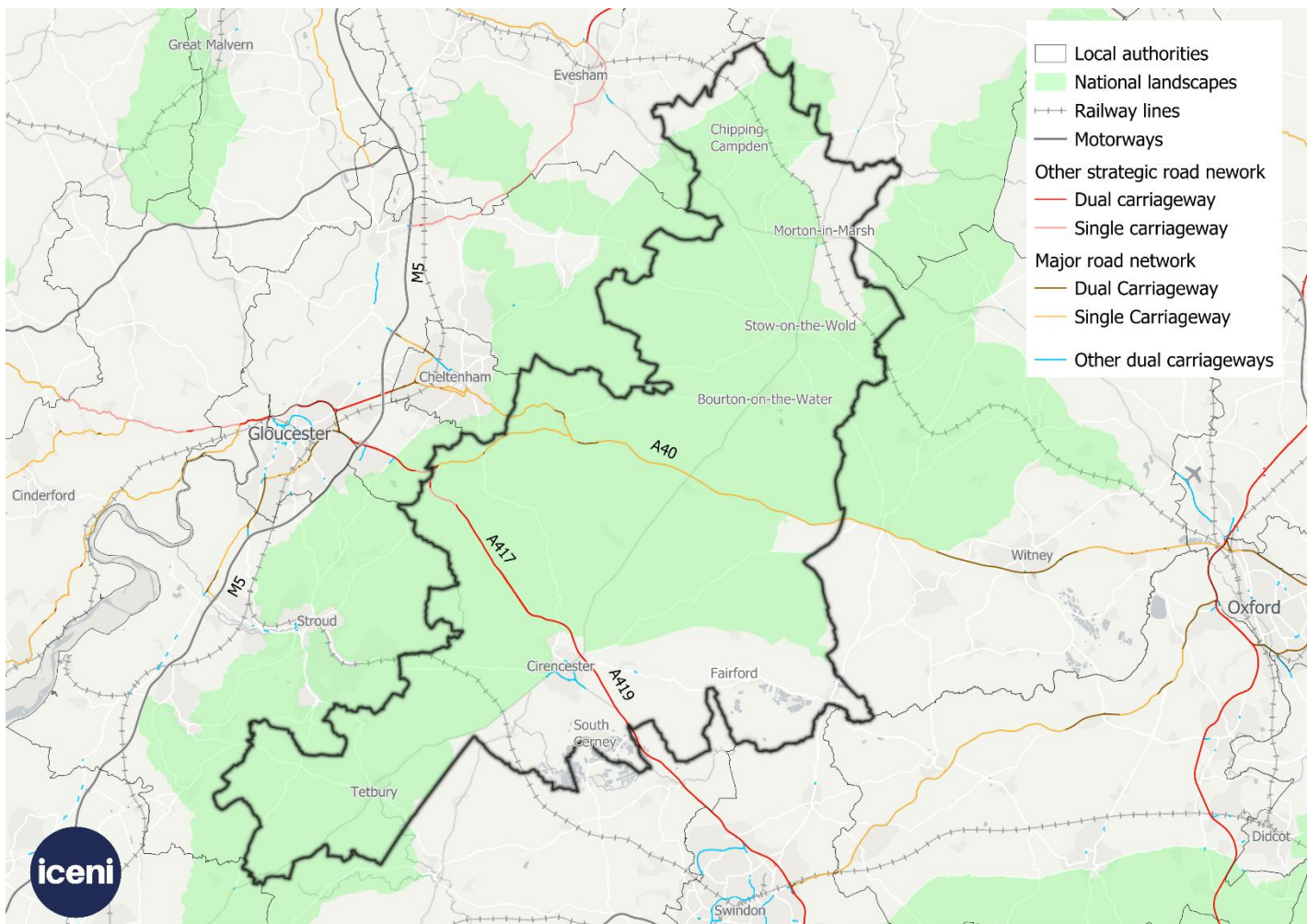
Source: Icen analysis of ONS BRES data

Transport networks & strategic constraints

- 2.77 The following figure illustrates the major transport networks within and around Cotswold Districts, superimposed with the boundaries of the Cotswold National Landscape.
- 2.78 The most significant road connection within the District is the A417/A419, which is part of the Strategic Road Network and connects the M4 at Swindon with the M5 at Gloucester.
- 2.79 National Highways is currently progressing the dualling of the 'Missing Link' – a three mile stretch of single carriageway road between the Brockworth bypass and the Cowley Roundabout. This scheme falls on the western side of the District and extends across the district boundary into Tewkesbury District. It is due to be completed in 2027; and this can be expected to support improved accessibility along this corridor and increase its attractiveness – and that of Cirencester in particular (as the major settlement along the Corridor) – for employment development.
- 2.80 The A40 is the next most significant road connection and is part of the Major Road Network (the next step down from the Strategic Road Network). It connects east-west to Cheltenham and Oxford but is mostly single carriageway.
- 2.81 Other A and B roads within the district are single carriage-way and are not part of the nationally designated major and strategic road networks. These include the A433/A429 which runs north/south and connects most of the District's major settlements; and the A44 which connects Moreton-in-Marsh to Oxford.
- 2.82 The District is also served by railway connections, notably the Cotswold Line which connects to Oxford and Evesham, and on to Hereford. This line has a stop within the district at Moreton-in-Marsh. There is also a railway station on the Golden Valley Line at Kemble, near Cirencester. This line connects Gloucester to the GWR mainline at Swindon.

- 2.83 80% of the District falls within the Cotswolds National Landscape. National planning policies, as set out in the NPPF 2024, set out that great weight should be given to conserving landscape and scenic beauty; and indicate that the scale and extent of development in these areas should be limited. The NPPF sets out that when considering applications for development in such areas, permission should be refused for development other than in exceptional circumstances and where it can be demonstrated to be in the public interest (see 2024 NPPF Para 190).

Figure 2.16 Geography of Cotswold



- 2.84 Major transport connections are highly significant to the attractiveness and suitability of locations for employment use. Industrial uses, and logistics in particular, typically seek locations on or close to the strategic road network, and preferably near motorways and dual carriageways.

Other commercial uses including offices also benefit from the access to a broad labour pool and customer base that good transport connections bring, but dual carriageway access is less significant than it is for industrial uses.

2.85 As a result, there are clear implications for potential employment locations within the District from the geography of major transport connections, the boundaries of the national landscape, and the size and composition of local economies:

- Locations on or near the A417 and A419 are likely to be the most attractive, particularly for industrial uses, with locations along the A40 or around Moreton-in-Marsh secondary and more focused on accommodating local business needs.
- Cirencester is likely to be by far the most attractive location for office uses (apart from those with a very local focus) given its size and transport connectivity, and role as the District's only higher-order service centre. Viability considerations are addressed in the next section.
- The national landscape also means that Cirencester and surrounds are also likely to be able to accommodate the most housing and population growth in the future, making it attractive for businesses providing services to the population.
- The number of jobs by settlement (as shown in Table 2.5 and Figure 2.15) suggests that some potential expansion of employment uses in Moreton-in-Marsh and Bourton-on-the-Water. Tetbury has a smaller economy and is entirely within the National Landscape.
- There is likely to be less demand for employment space elsewhere in the District, although some settlements may still see a degree of need – in particular to support growth of individual local businesses.

3. Commercial Market Assessment

1.1 This chapter provides an assessment of the commercial property market in Cotswold District, benchmarked against Gloucestershire and the United Kingdom. It is split into an office section and an industrial market section (where industrial refers to general industrial, light industrial and warehousing).

3.28 The assessment combines quantitative analysis with qualitative elements to build up a picture of the level and nature of demand. The quantitative analysis uses CoStar data - one of the UKs largest providers of commercial property data. Valuation Office Agency data has also been used which provides the best indication of the amount of commercial floorspace in the area. The qualitative analysis has been informed by stakeholder engagement with local agents.

UK Commercial and Economic Dynamics

3.29 At the time of writing in Spring 2026, the commercial market is facing a number of recent challenges including high build costs (influenced in part by the cost of energy) and higher finance costs (driven by higher interest rates) which have placed pressure on the viability of new-build commercial development.

3.30 The commercial market is set against a backdrop of weak national economic performance and a range of fiscal and economic uncertainties which are continuing to inhibit business investment. At the time of writing underlying economic performance is relatively weak: with UK GDP increasing for instance just 0.1% in Q3 2025, 0.3% in Q4 2025 and estimates of 0.5% in Q1 2026. There are economic risks associated with the impacts of the war in Iran, including on energy costs and inflation which could in turn dent consumer demand.

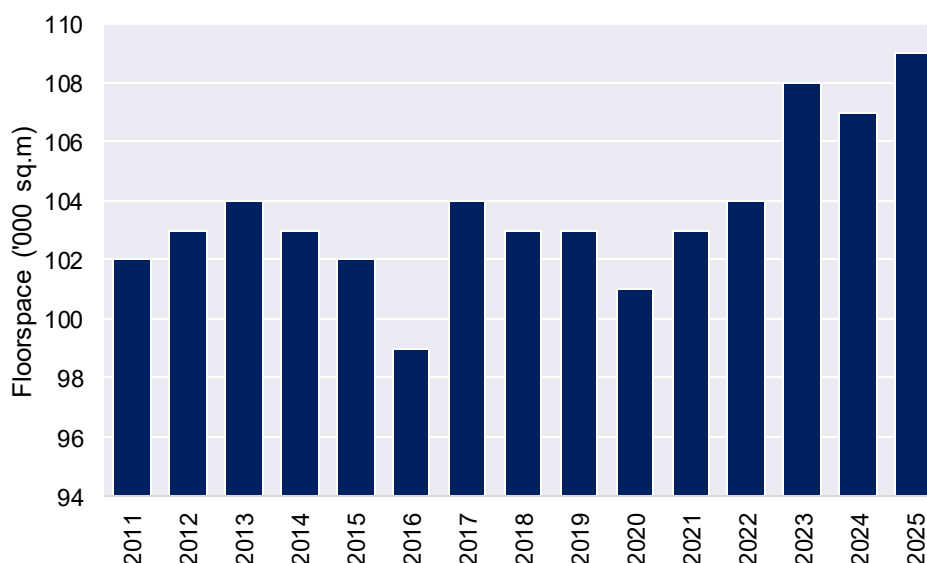
National Office Market Dynamics

- 3.31 Heightened global uncertainty failed to derail the office market recovery in 2025, as take-up held steady and net absorption turned positive, with more firms occupying than vacating space at a national level. The heavy demand losses of the five years preceding 2025 has ended, as firms right-size their footprints and some begin expanding again.
- 3.32 While firms have generally leased less space in recent years (post Covid), notable expansions are emerging as return-to-office momentum builds. There is no data specific to the Cotswolds or Gloucestershire; but data from Remit Consulting and Transport for London for instance confirm office attendance at its highest since the pandemic began.
- 3.33 The office market in recent years has become polarised – and focused in particular towards Grade A space. Landlords of ‘best-in-class’ assets have weathered recent years well, with prime rents still rising. Older ‘secondary’ office space, however, remain under pressure in a bifurcated (or two speed) market. Landlords of high-quality new-build or refurbished buildings will benefit, and see demand persisting; whilst older office stock becomes unlettable under new energy efficiency rules from 2027.
- 3.34 Viability of new-build development is highly varied and focused on the larger, established markets where values of over £25-30 per sq.ft can be achieved.
- 3.35 Vacancy rates within the office stock have remained modest: whilst they have grown since 2020; in many areas they have done so from a very low base influenced by losses of office space to housing (including through permitted development) over the last decade.

Cotswold Office Market

- 3.36 The Valuation Office Agency (VOA) provides information on the volume of rateable office floorspace by administrative area. Taking account of the rural characteristics of the district, Cotswold has a reasonable quantum of office stock - as of March 2025, there was 109,000 sqm of office space within Cotswold District.
- 3.37 Office floorspace has been on a long-term upwards trend. There was a limited reduction of 2,000 sq.m 2014-16 as a result of permitted development rights, however office stock levels have been increasing year on year since 2020. The total office stock has increased by 7% over the past decade.
- 3.38 A majority of office stock is concentrated within Cirencester, within and around the town centre, at Cirencester Office Park and on Love Lane Industrial Estate. Key office premises include Watermoor Point and the St James' Place offices. There is also clustering of office premises at Moreton-in-Marsh at Cotswold Business Village, Cotswold Business Centre in Upper Rissington and Campden Business Park in Chipping Campden.

Figure 3.1 Cotswold Office Floorspace (sq.m)



Source: Icen analysis of VOA data

- 3.39 The figure below compares the change in Cotswold's office space in comparison to Gloucestershire, the South West and England since 2011. Since 2016 office stock in Cotswold has grown at a faster rate than the wider comparators, which have seen a persistent decline in office space. This wider trend is influenced by changing working patterns and loss of space, particularly through permitted development. It is evident that the stock of office space in the District has held up well.

Figure 3.2 Indexed office floorspace stock 2001-2023



Source: Icen analysis of VOA data

- 3.40 The table below provides analysis on the age of Cotswold office stock. Out of the 223 office properties on CoStar's database, around 68% are dated pre-1980, accounting for just under half of the district's office stock. Around 25% of the district's office floorspace has been delivered since 2000, reflecting the district's strong supply of modern office stock, however only 5% of this has been delivered since 2010.

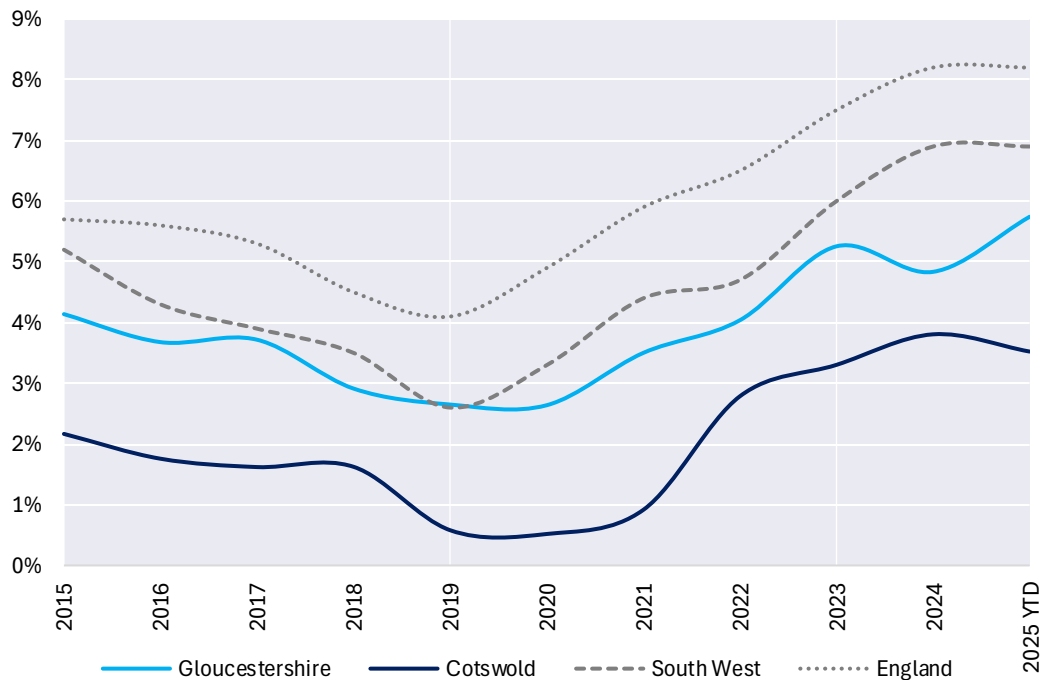
Table 3.3 Office Stock by Age

Age Band	No. of Properties	Floorspace
Pre-1980s	151	63,939
1980-90	6	25,215
1990-2000	15	11,177
2000-10	37	26,643
Post-2010	14	7,251
Total	223	134,226

Source: Icen analysis of CoStar 2025

- 3.41 The figure below shows the vacancy rate in Cotswold District compared to Gloucestershire, the South West and England. As of November 2025, the vacancy rate in Cotswold was 3.5%, below the Gloucestershire average of 5.7% and significantly below the wider region at 6.9% and national rate of 8.2%.
- 3.42 In line with comparator trends, the rate has been steadily rising since its historical low in 2020 of 0.5%, following the reduction in the demand arising from the pandemic and the subsequent restructuring of occupier demand in light of home and hybrid working patterns.
- 3.43 Despite the recent rises in vacancy, the office vacancy rate in Cotswold remains below the optimum 5-10% vacancy rate implying relatively 'tight' market conditions.

Figure 3.3 Office Vacancy Rate

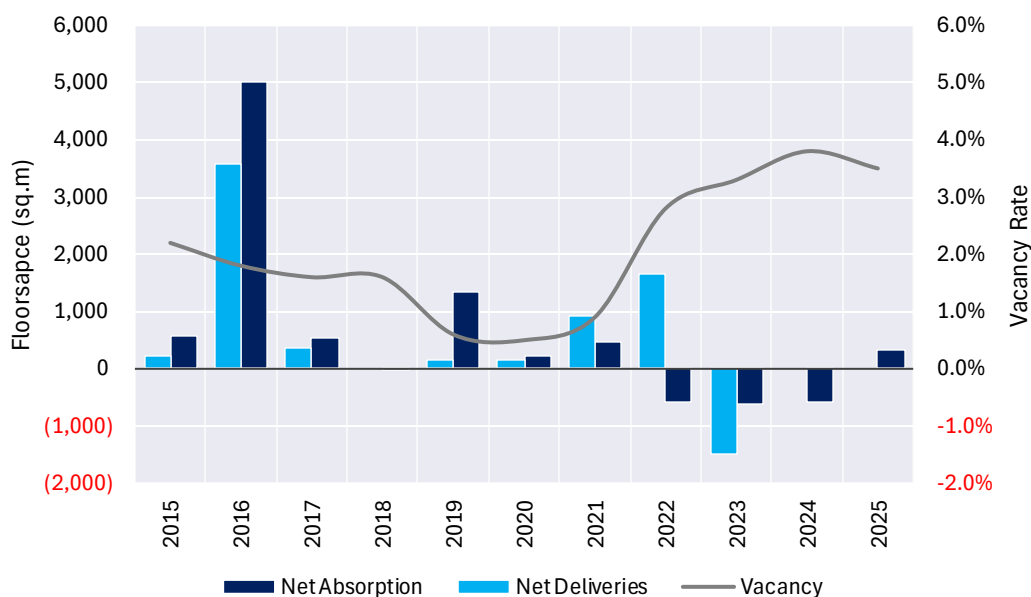


Source: CoStar 2025

- 3.44 CoStar provides data on net absorption which is the balance between the amount of space moved into and moved out of (i.e. Net absorption = Move Ins – Move outs). A positive net absorption figure indicates

growing demand and leads to a falling vacancy rate (unless it is outweighed by net deliveries). On the other hand, a negative net absorption figure indicates weaker demand and leads to a rising vacancy rate (unless it is outweighed by negative net deliveries).

- 3.45 Net deliveries describe the difference between floorspace delivered (i.e. constructed and brought onto the market) and demolished (or otherwise taken out of use and removed from the market).
- 3.46 The figure below shows net absorption, net delivery and vacancy of office floorspace in Cotswold District. Between 2022 and 2024 net absorption of office space was negative – with reduced demand for office space as a result of the economic backdrop and the pandemic’s influence on working patterns, leading to the increase in the vacancy rate – in particular as occupiers downsized and reduced their office floorspace.
- 3.47 There has been a turn in market conditions recently: net absorption in 2025 saw a small net positive uptake of 340 sq.m indicating a strengthening of demand as the market settles into a new equilibrium.
- 3.48 CoStar data typically captures larger transactions but may not record all deals – particularly for smaller space and in more rural local markets such as in Cotswold District. CoStar notes a number of deliveries, most notably the completion of St James’ Place Phase II in Cirencester in 2016 of c.3,500 sq.m. It however indicates that there have been limited deliveries since 2019, with the main development being of Elkstone Studios (incl. 2,500 sq.m offices) in the A417 Corridor, alongside other minor deliveries at Cotswold Airport, Guiting Power and Batsford. CoStar notes the demolition of 1,500 sq.m of offices in 2023 however the property is not identified by the database.

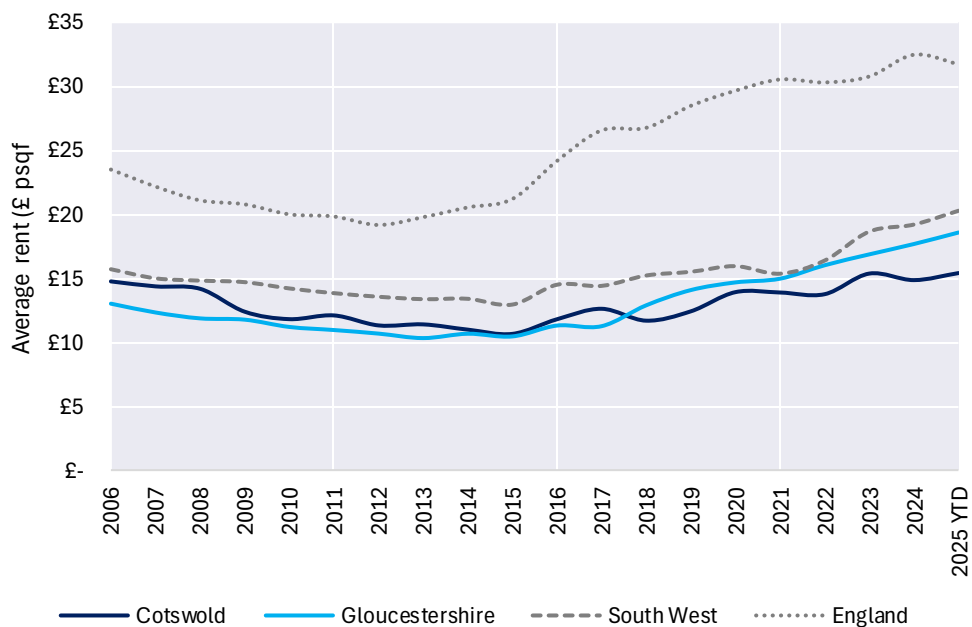
Figure 3.4 Net Absorption, Net Deliveries, Vacancy - Cotswold

Source: CoStar 2025

- 3.49 The figure below shows how average office rental prices in Cotswold District have changed over time compared to Gloucestershire, the South West and England. As of November 2025, the average office rent in Cotswold District was £15.40 per sq.ft. This is lower than the average Gloucestershire office rent of £18.57 per sq.ft (driven by stronger office markets in Cheltenham and Gloucester), and lower than the South West (£20.27 per sq.ft) and national average (£31.73 per sq.ft), driven by prime rents in London and Manchester.
- 3.50 Office rents in Cotswold District have grown modestly at an average annual rate of 4.0% over the last 10 years, compared to 6.0% in Gloucestershire and 4.7% across the South West.
- 3.51 Agents note that the lack of new build office space in Cotswold influences this lower rental tone. However fundamentally there has been a lack of new-build office development in the District, as office development would generally require rents of £30 per sq.ft (psf) (and a minimum of £25 psf). Agents estimate that Grade A space in Cirencester would achieve £20-22 psf, which does not reach this threshold.

- 3.52 This means that there is unlikely to be speculative office development in the District, and in most cases new-build office development will not be viable. This is the case at least in the short-to-medium term (noting some potential for rents to rise). There is some limited potential for freehold development of space for owner occupiers who might pay a premium to support delivery of new-build space; however it is realistic to expect that the rental tone will make ultimately limit the scale of delivery of new office development which is more likely to be focused in the more established markets around Gloucester and Cheltenham.
- 3.53 This rental tone means that extant commitments such as the office component at the Steadings and Kingshill, both of which are in Cirencester, are unlikely to be fully built out as standalone offices – and there is a need to consider delivery of wider E(g) uses which captures development of space for research and development (R&D) and light industrial uses.

Figure 3.5 Trends in average office rents

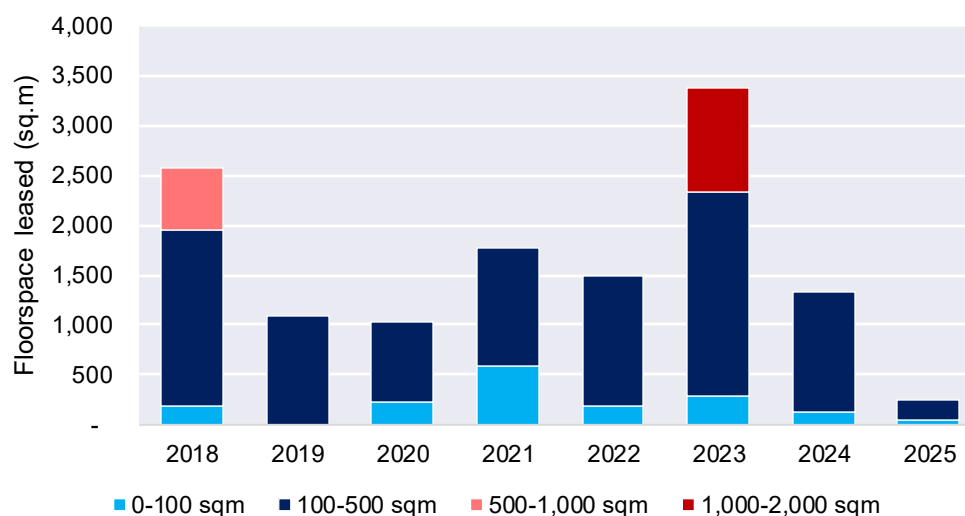


Source: CoStar 2025

- 3.54 There is therefore a need to consider and support other means of delivering new office space, including through conversions of existing buildings. This might include the conversions of barns or other

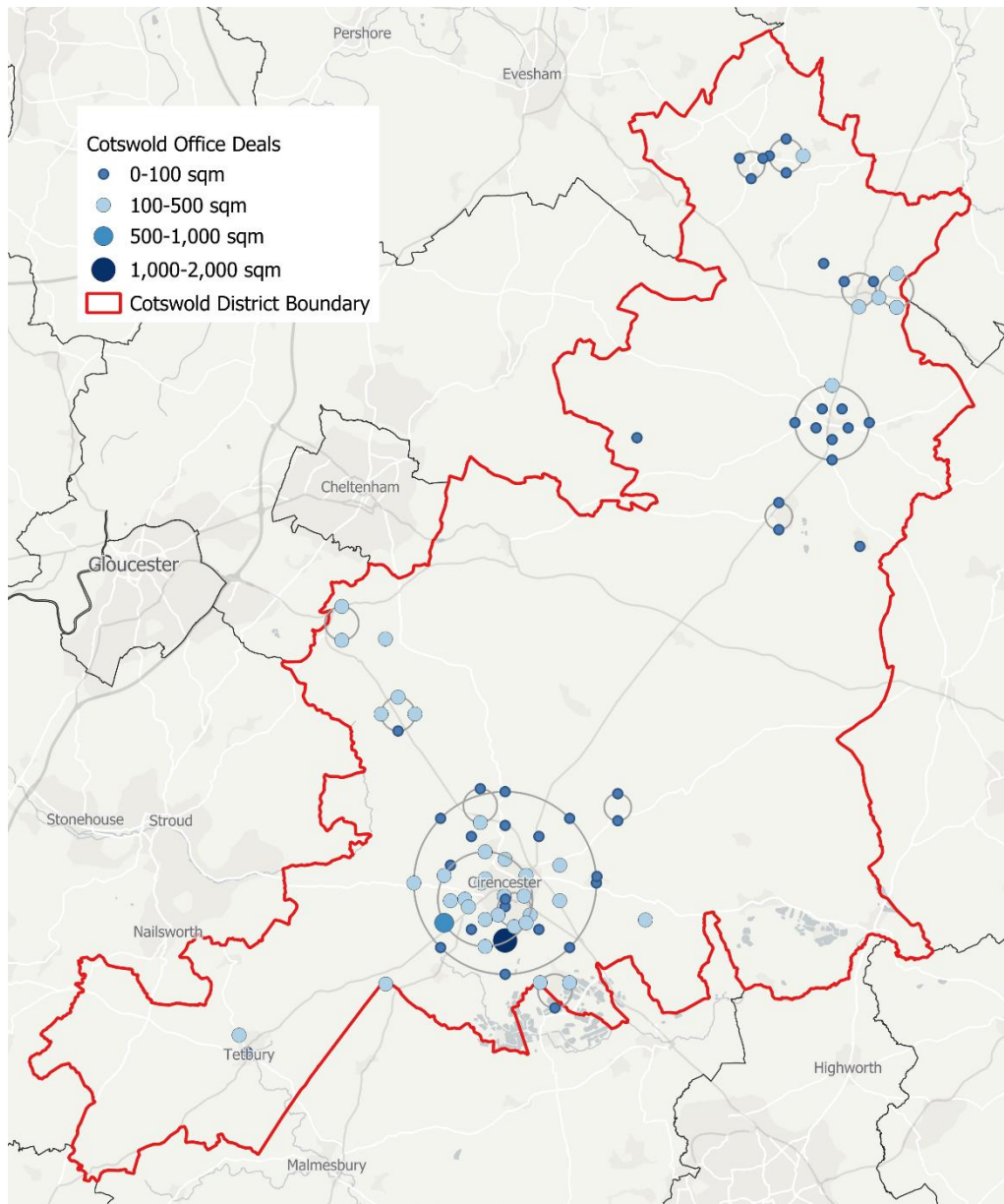
agricultural buildings in rural areas; and of former retail premises in town centre locations – in particular where the buildings offer scope to provide open plan office floorplates. **Conversions and development for owner occupiers provide key means of supporting the delivery of office floorspace in the District, and it will be important that policies in the local plan are crafted to support this** in appropriate locations and subject to wider plan policies.

- 3.55 The figure below shows the volume of office floorspace leased in Cotswold District by size band. The volume of floorspace leased averaged 1,600 sq.m per annum, peaking in 2023 at 3,400 sq.m and has since been declining. Leasing activity in 2023 was driven by one deal in particular at 33 Sheep Street, Cirencester, where Pegasus leased 1,040 sq.m.
- 3.56 There were 85 lease deals signed over the 2018-25 according to CoStar data, of which over half (42 deals) were less than 100 sq.m, closely followed by 100-500 sq.m with 38 deals (45%). This highlights that office demand is strongly concentrated at the smaller end of the market within sub-500 sq.m units, with limited demand for larger office premises. This is echoed by agent engagement which highlighted that **the office market demand in the district is strongly focussed towards flexible space for small businesses**, able to accommodate up to c.35 staff.
- 3.57 Demand has more recently been focused on quality, with Grade A space with strong ESG (environmental, social, governance) credentials and enhanced amenities seeing stronger demand. In contrast, older secondary stock has had difficult letting.

Figure 3.6 Office Space Leased by Size Band - Cotswold

Source: CoStar 2025

- 3.58 In terms of the spatial distribution on leasing activity, there is an evident concentration in Cirencester, however modest activity has occurred around Stow-in-the-Wold and Moreton-in-Marsh – with key developments including the Cotswold Business Centre and Cotswold Business Village.

Figure 3.7 Office Deals 2018-25

Source: CoStar 2025

National Industrial Market Dynamics

- 3.59 The UK industrial property market is navigating a period of adjustment, with the national vacancy rate rising to 5.6% at the end of 2025, its highest in over a decade. Early signs suggest stabilisation, as demand losses ease and vacancies are expected to peak soon.

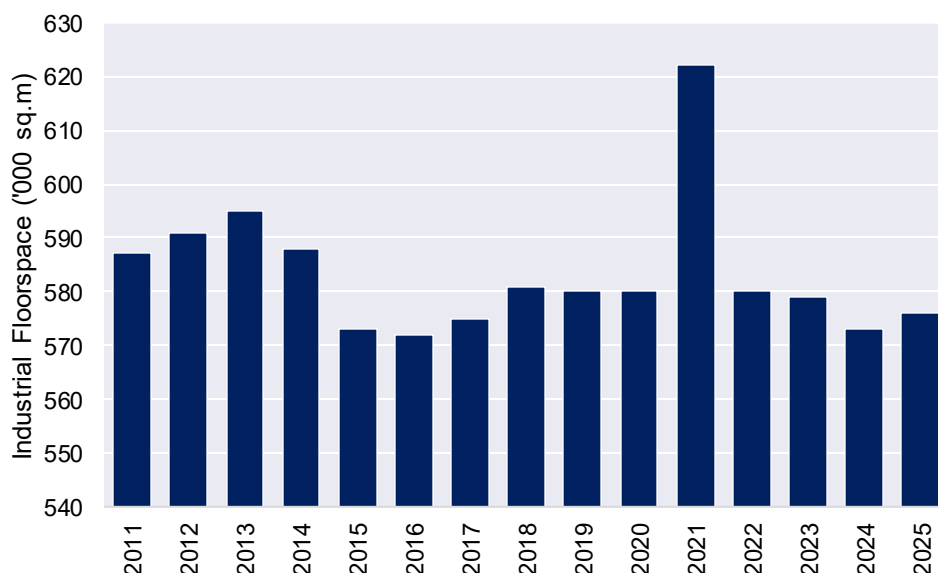
- 3.60 Demand is being supported by the return of larger leasing deals from third-party logistics providers (3PLs) and expanding retailers. The defence sector has become a major demand driver for industrial space, underpinned by increased government spending and Europe's rearmament efforts, while appetite from Chinese firms surged in 2025.
- 3.61 Despite these positive factors, business consolidation is keeping the availability of space to sublet high, with tenant space on the market doubling over the past four years. This is most evident in both large and small unit sizes, and landlords continue to report elevated insolvency rates in multi-let portfolios. Although economic growth and retail sales should provide some support, occupiers remain cost-conscious, tempering near-term demand.
- 3.62 On the supply side, construction activity has moderated from its 2022 peak, with speculative completions declining. Both completions and starts have slowed sharply due to higher construction and finance costs and greater caution among developers. As a result in Q3 2025, construction starts fell to their lowest level in 12 years, signalling a more measured approach to new supply.
- 3.63 Some UK markets face temporarily high vacancies due to recent deliveries of new space, but these are expected to be absorbed as the pipeline thins. ESG-focused refurbishments of existing industrial space are a key theme, as owners upgrade older stock ahead of tighter energy regulations.
- 3.64 In the context of some weakening of demand, rental growth has slowed to 3.5% year-on-year, with small- to mid-box units outperforming big box units of over 9,200 sq.m amid limited new supply. Incentives have risen but remain below pre-pandemic levels. Looking ahead, rent growth is expected to moderate further, constrained by high costs and cautious occupiers, though tight supply in some market segments will offer support to rents. Overall, despite near-term headwinds, structural drivers such as

supply chain reconfiguration, defence spending, and ESG imperatives should underpin long-term resilience.

Cotswold Industrial Market

- 3.65 The Valuation Office Agency (VOA) provides information on the volume of rateable industrial floorspace by administrative area. As of March 2025 (the most recent available data), there was 576,000 sqm of industrial space within Cotswold District.
- 3.66 Industrial floorspace saw a sharp decline between 2013 and 2015, before increasing to 2018. There has been a fall in industrial stock recorded since 2023. The last decade overall has seen a modest 0.5% growth in industrial stock across the District. The data for 2021 is considered anomalous.

Figure 3.8 Cotswold Industrial Floorspace (sq.m)

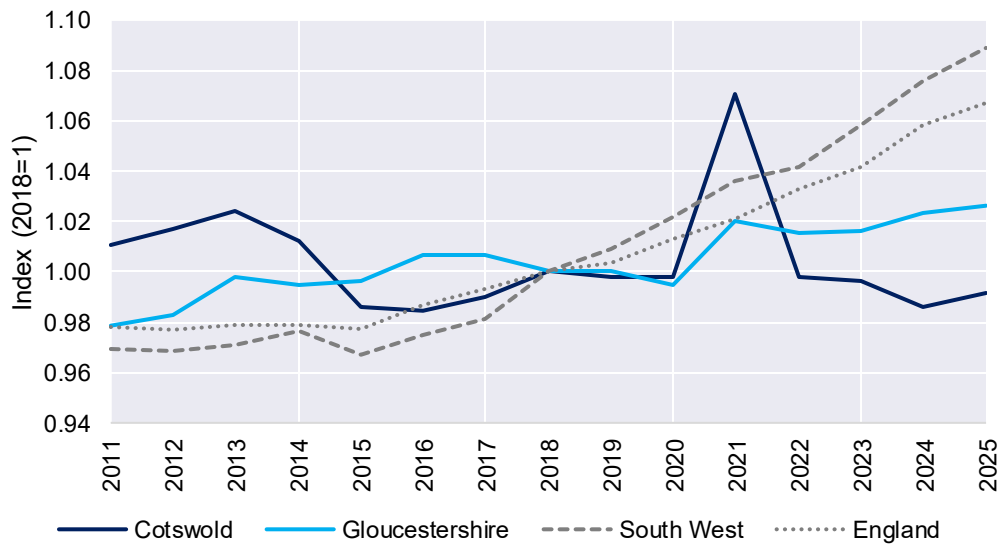


Source: Icen analysis of VOA data

- 3.67 The figure below compares the change in Cotswold's industrial floorspace in comparison to Gloucestershire, the South West and England since 2011. Cotswold's decline in industrial space is contrary to the upwards trend seen in the Gloucestershire, the region and

nationally, which have all seen a steady increase in industrial space from 2016 onwards – albeit that this has been weaker in Gloucestershire relative to the regional and national trend.

Figure 3.9 Indexed industrial floorspace stock 2011-25



Source: Icen analysis of VOA data

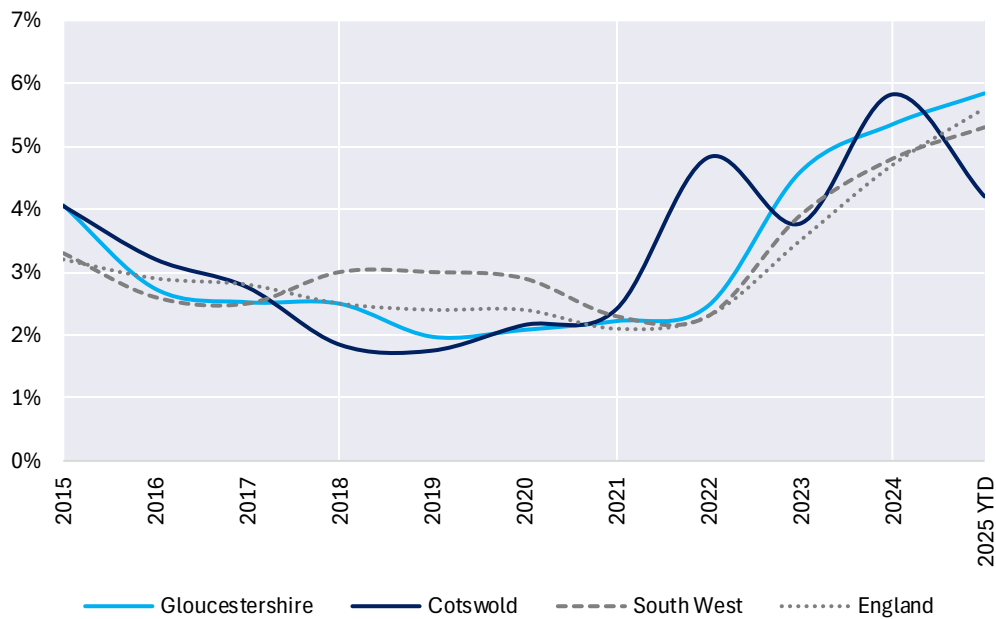
- 3.68 The table below provides analysis on the age of Cotswold industrial stock. It is of note that out of Cotswold's 576,000 sq.m of stock, CoStar only has data for 345,100 sq.m of stock due to the District's rural nature, where data for smaller rural properties is less readily captured.
- 3.69 Around half of Cotswold's industrial stock and floorspace is dated pre-1990. As discussed further in Section 4, the incoming minimum energy efficiency standards will mean a lot of this older stock will become obsolete during the plan period. There has only been a delivery of 29 properties since 2010, accounting for just 10% of the district's floorspace, indicating that the district has seen an under-delivery of modern industrial premises.

Table 3.4 Industrial Stock by Age

Age Band	Floorspace (sq.m)	No. of Properties
Pre-1980s	99,375	88
1980-90	72,327	51
1990-2000	79,365	58
2000-10	59,443	43
Post-2010	34,585	29
Total	345,095	269

Source: Icen analysis of CoStar 2025

- 3.70 The figure below shows the vacancy rate in Cotswold District compared to Gloucestershire, the South West and England. As of November 2025, the industrial vacancy rate in Cotswold was 4.2%, slightly below the Gloucestershire average of 5.8%, the South West (5.3%) and England (5.6%). Broadly in line with comparator trends, the rate has risen from a very low level of 1.8% in 2019; but has fallen from 5.8% in 2024.
- 3.71 A vacancy rate of 5-10% is considered optimum, allowing for movement in the local market and occupier choice – the industrial vacancy rate in Cotswold District has historically remained below this, with the exception of 2024, indicating that historically there has been an undersupply of industrial space. The market has been relatively tight for a considerable period of time with potential therefore for latent demand.

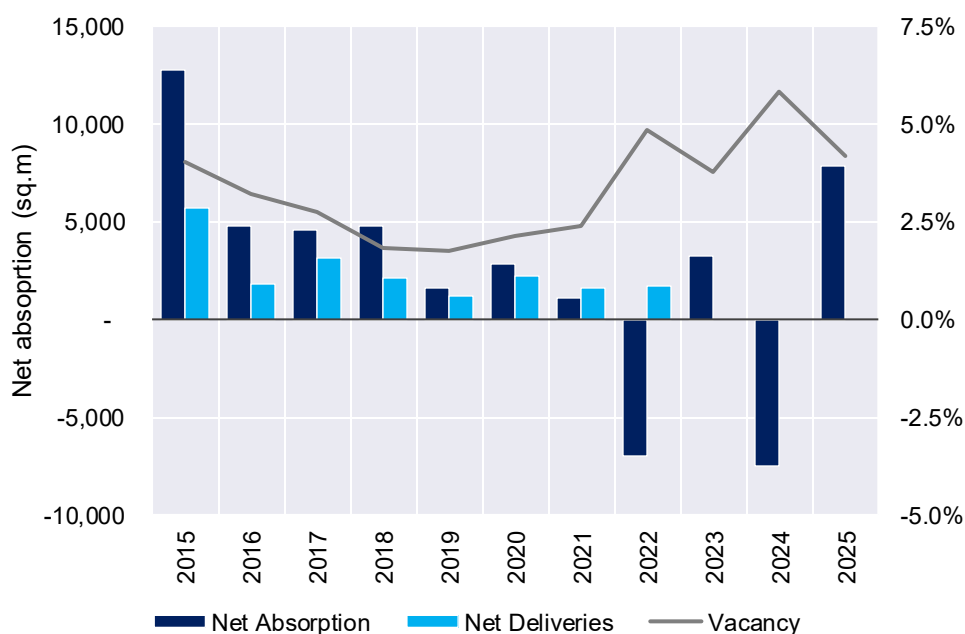
Figure 3.10 Industrial Vacancy Rate

Source: CoStar 2025

- 3.72 CoStar provides data on net absorption which is the balance between the amount of space moved into and moved out of (i.e. Net absorption = Move Ins – Move outs). A positive net absorption figure indicates growing demand and leads to a falling vacancy rate (unless it is outweighed by net deliveries). On the other hand, a negative net absorption figure indicates weaker demand and leads to a rising vacancy rate (unless it is outweighed by negative net deliveries).
- 3.73 Net deliveries which is the difference between floorspace delivered (i.e. constructed and brought onto the market) and demolished (or otherwise taken out of use and removed from the market).
- 3.74 The figure below shows net absorption, net delivery and vacancy of industrial floorspace in Cotswold District. Over the past decade, net absorption has outpaced net delivery of industrial floorspace which has led to a declining vacancy rate and an increasingly suppressed market, leaving occupiers with limited choice and flexibility to move within the market.

- 3.75 There have been no substantive delivery of industrial space recorded by CoStar since 2022, as higher borrowing costs since Autumn 2022 combined with construction cost inflation has significantly dampened development activity. A continued lack of development in the short-term will continue to tighten market conditions.
- 3.76 Net absorption was negative in 2022 and 2024, however this is more likely driven by a lack of available space, leading to occupiers moving out of the district, rather than a lack of demand for industrial premises.

Figure 3.11 Industrial Net Absorption, Net Deliveries, Vacancy - Cotswold

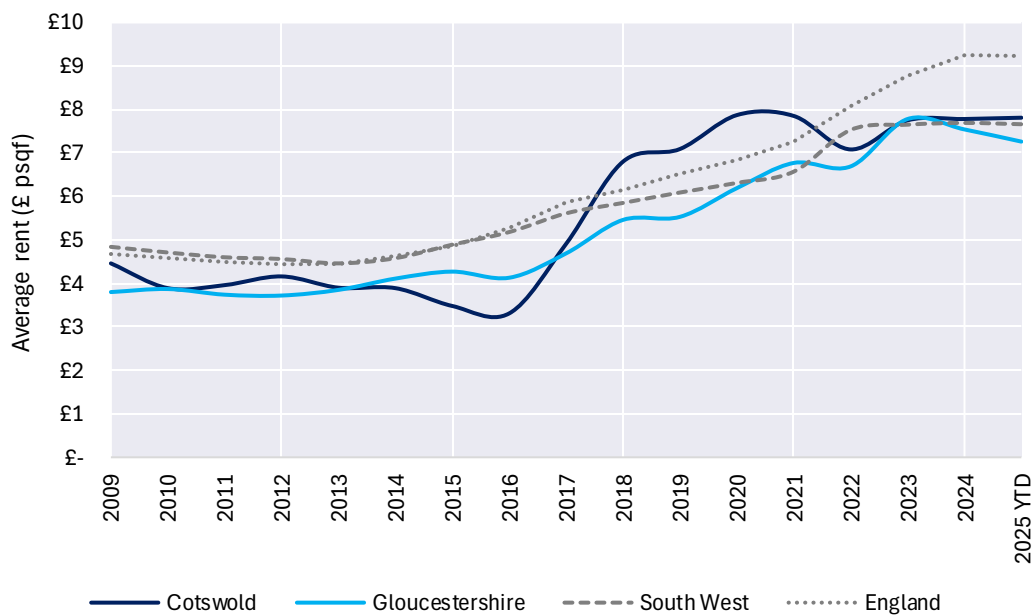


Source: CoStar 2025

- 3.77 The figure below shows how average industrial rental prices in Cotswold District have changed over time compared to Gloucestershire, the South West and England. As of November 2025, the average industrial rental price in Cotswold District was £7.81 per sq.ft. This is closely aligned with the Gloucestershire average of £7.26 per sq.ft and the South West (£7.66 per sq.ft) but below the national average of £9.23 per sq.ft.

- 3.78 Industrial rents in Cotswold District have been growing at an annual average rate of 7.9% over the past decade, greater than growth seen across Gloucestershire (5.6% per annum) and the South West and England at 4.9% and 6.5% per annum respectively. Increasing rents indicate persistent demand for industrial space and a supply-demand imbalance, which is particular driven by the lack of available supply within the Cotswold market.
- 3.79 Agents indicate that headline rents of c.£13 per sq.ft are achieved on larger units of 1,000+ sq.m, a similar level seen to industrial rents in Swindon. These rental levels make new build industrial development economically viable and supports positive land values.

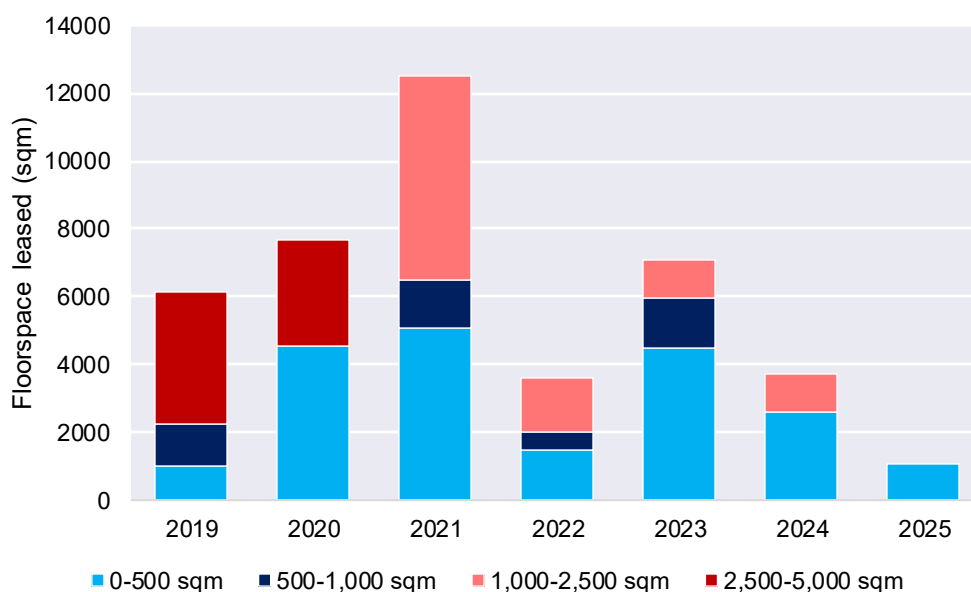
Figure 3.12 Industrial Rents



Source: CoStar 2025

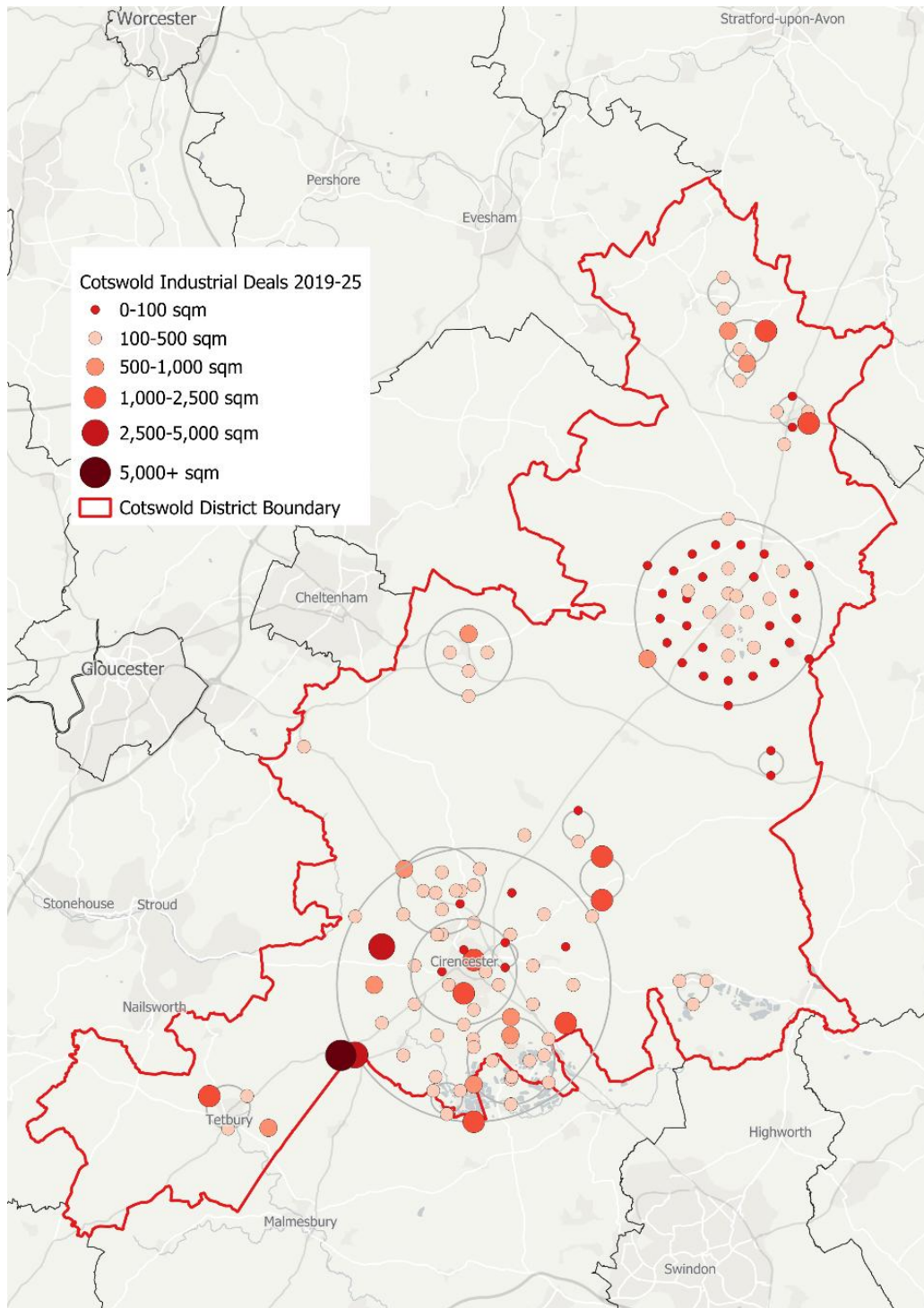
- 3.80 The figure below shows the volume of industrial floorspace leased in Cotswold District by size band. The volume of floorspace leased averaged 6,000 sq.m per annum, with activity declining since 2021. A majority of leasing activity has been concentrated within the sub-500 sq.m size band.

- 3.81 There were 120 deals over the 2019-25 period, of which over half (67 deals) were within the 100-500 sq.m size band. This was followed by 37 deals (31%) within the sub-100 sq.m category.
- 3.82 The industrial market in Cotswold District is rural focused, with a distinct focus on SMEs. Agents state that there is demand for both freehold and leasehold space within this market segment.
- 3.83 There have been no deals over 2,500 sq.m since 2020, with just 2 deals prior to that – 3,900 sq.m leased by Wickes at Love Lane Industrial Estate Cirencester in 2019 and 3,115 sq.m leased by Resource Group Training Solutions at Cotswold Airport in 2020.
- 3.84 This is reinforced by agent feedback which indicated there is no big box market for units of over 9,000 sq.m within Cotswold District with larger unit demand and investor appetite focussed towards the M5 corridor and Swindon where there is strong accessibility to the Strategic Road Network and a broader local labour pool. The largest enquiries seen within the district are for units of 30,000 to 40,000 sq.ft (c.3,000 to 4,000 sq.m), with enquiries for 50,000+ sq.ft (4,650 sq.m) limited. The strongest demand is for smaller units of < 20,000 sq.ft (i.e. up to 1,850 sq.m) reflecting the structure of the local economy and its focus on small businesses.
- 3.85 Agents noted that there is demand for freehold development opportunities, however freeholder demand is focused on units below 20,000 sq.ft (1,900 sq.m).

Figure 3.13 Industrial Space Leased by Size Band - Cotswold

Source: CoStar 2025

- 3.86 In terms of the spatial distribution of demand, Cirencester is the strongest industrial location within the District, driven by its critical mass of stock and population. The town's linkages via the A417 (SRN) corridor to M4 at Swindon and M5 and Gloucester drives its market attractiveness. The commercial attractiveness of Cirencester has been improved by the dualling of the A417 and will further be supported by the completion of the A417 Missing Link Scheme from 2027 onwards. There is particular potential to bring forwards new development on sites at Cirencester which benefit from strong accessibility to the A417/A419 dual carriageway; and can accommodate both B2 and B8 uses.
- 3.87 Other industrial locations within the District see more modest demand, focused more towards the smaller end of the size spectrum (in terms of units size) catering for local business needs and growth (as opposed to being particularly attractive for inward investments). Some demand is generated for business activities associated with Cotswold Airport – on the airport site and the adjoining Kemble Business Park. However key types of activities are price sensitive and new-build development is expected to be challenging.

Figure 3.14 Industrial Deals 2019-25

Source: CoStar 2025

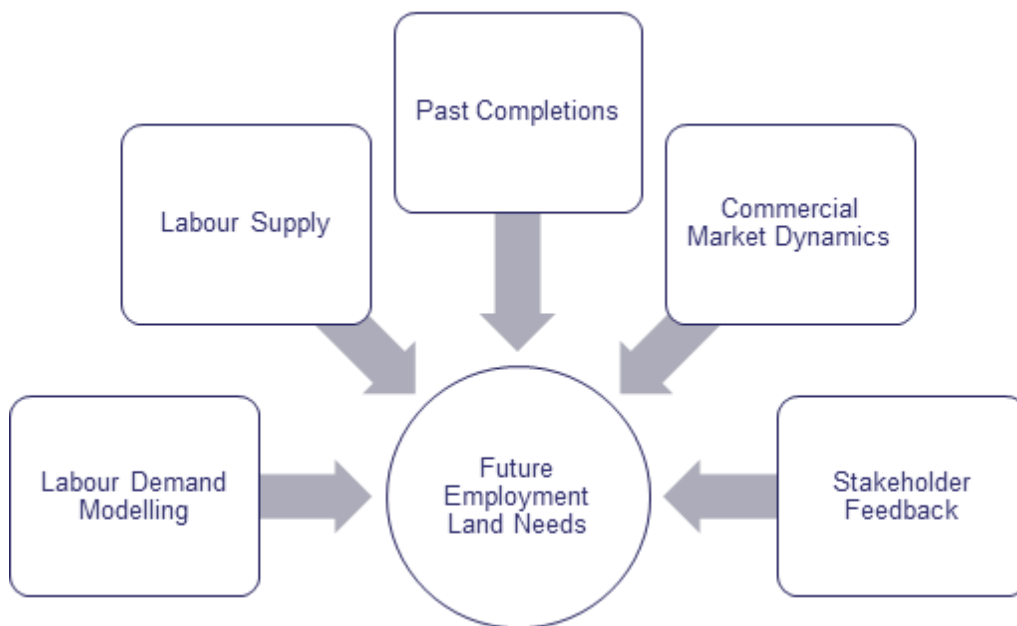
4. Employment Land Requirements

1.1 In this section we provide an assessment of future needs for employment land and floorspace between 2025-43 – the proposed plan period. The analysis considers the need for office, industrial and warehouse/distribution uses.

4.28 The PPG on Housing and economic needs assessment provides broad guidance on assessing future employment land needs, and outlines in Para 2a-027 a number of different approaches:

- sectoral and employment forecasts and projections which take account of likely changes in skills needed (labour demand)
- demographically derived assessments of current and future local labour supply (labour supply techniques)
- analysis based on the past take-up of employment land and property and/or future property market requirements
- consultation with relevant organisations, studies of business trends, an understanding of innovative and changing business models, particularly those which make use of online platforms to respond to consumer demand and monitoring of business, economic and employment statistics.

4.29 Icení's approach has been to consider different methodologies and evidence. Outcomes are compared and triangulated to draw conclusions on future employment floorspace and land needs. This approach is summarised in the figure below.

Figure 4.1 Triangulating different forecasting approaches

- 4.30 Different forecasting techniques have their advantages and disadvantages. Econometric forecasts take account of differences in expected economic performance moving forward relative to the past. However, a detailed model is required to relate net forecasts to use classes and estimate gross floorspace and land requirements.
- 4.31 For office-based sectors consideration needs to be given to the impacts of trends in home working. For industrial sectors however the relationship between floorspace needs and employment trends may be weak – influenced by productivity improvements whereby a sector may be growing but increased automation of processes means that the scale of growth is not reflected in jobs growth.
- 4.32 In contrast, past take-up is based on actual delivery of employment development; but does not take account of past supply constraints, and housing or labour supply growth – including in how this may differ from the past.
- 4.33 As a result, an appropriate approach is to use a range of different forecasting techniques alongside local intelligence and an

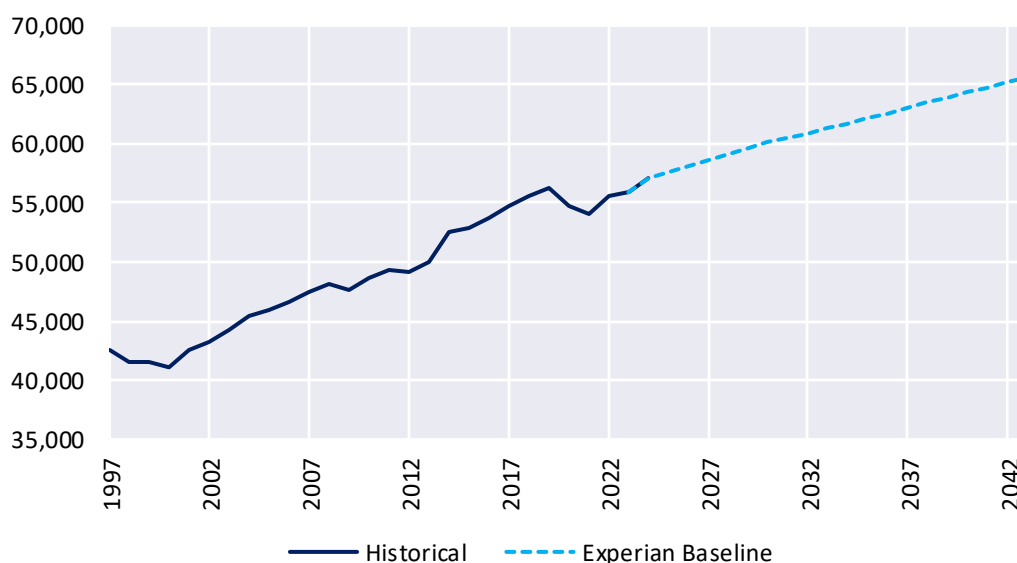
understanding of the merits of different approaches in drawing conclusions. This approach of triangulating different approaches and testing findings, which Icenii adopts, is consistent with the PPG.

Baseline Labour Demand Forecast

- 4.34 In this sub-section we consider a labour demand forecasts, which are based on a trend-based scenario for employment growth from which we then model the implications for employment land provision.

Baseline employment forecast

- 4.35 We have used employment forecasts from Experian to provide a baseline employment growth position. The discussion below starts from 2024, which is the last year in the Experian forecasts based on real-world data (i.e. not forecasted), and runs until 2043.
- 4.36 The Experian baseline forecast is shown in the figure below and compared to historical employment data (also from Experian). Between 2025 and 2043 this forecast would see employment grow by 8,000 or 13.9% with total employment rising from 57,600 in 2025 to 65,600 in 2043. This amounts to growth of around 440 jobs on average per year, or a compound annual growth rate of 0.73%.

Figure 1.1 Forecast employment growth – Cotswold District

Source: Experian/ Iceni

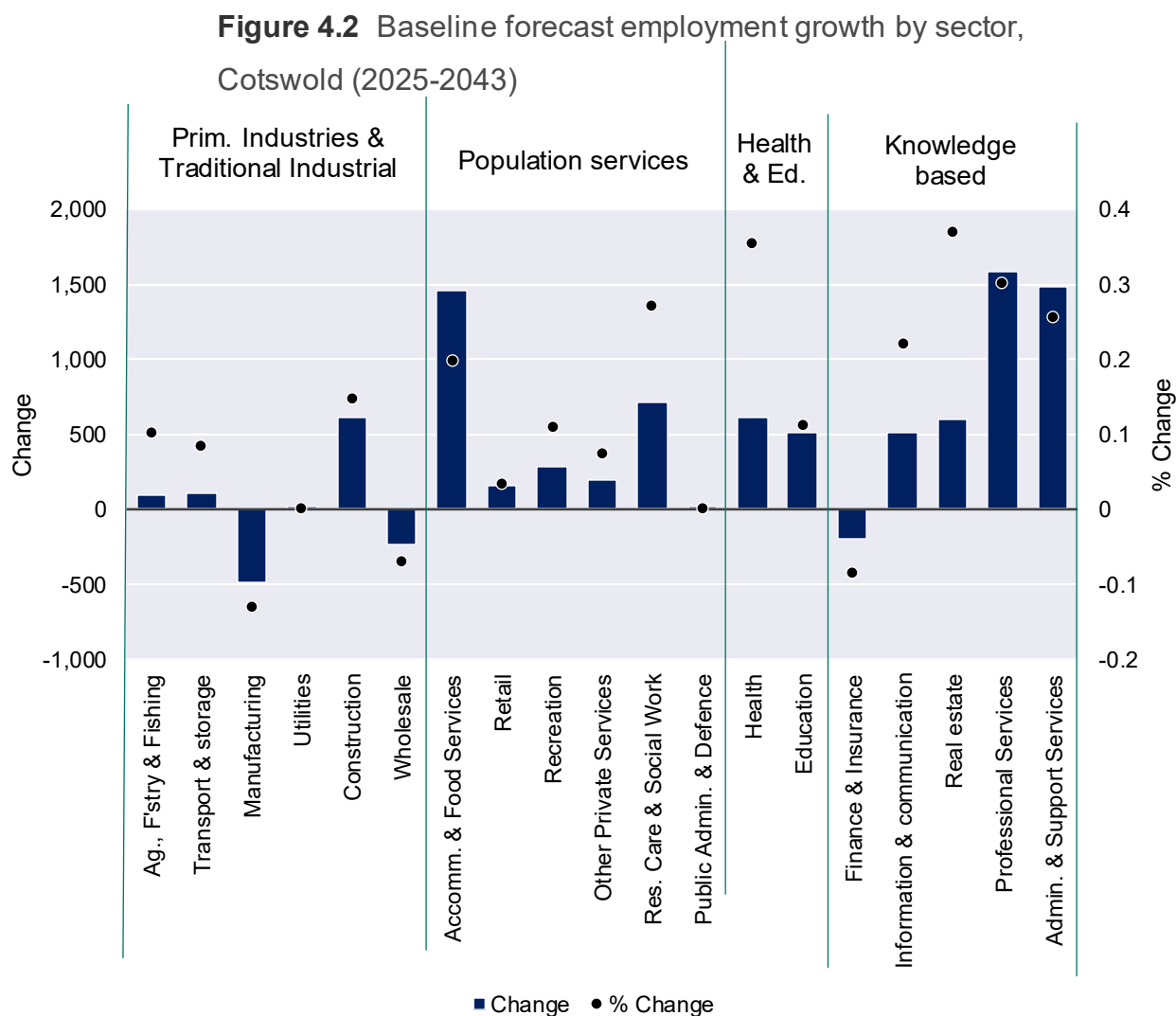
- 4.37 By comparison, over the 18 years leading up to 2024, Experian estimate that 10,400 jobs have been added to the Cotswold economy, equating to growth of around 22.3%. This translates to around 580 per year, or a compound annual growth rate of 1.12%. As such, the baseline forecast would see a slowing of growth from the rates seen over the last 18 years of historical jobs data – influenced in part by the assumptions within Experian’s model on productivity improvements. A comparison between forecast and historical performance is summarised in the table below.

Table 4.3 Comparison of historical jobs growth with baseline forecast - Cotswold

	Experian Baseline Forecast (2025-43)	Historical (2006 – 2024)
Change in jobs	8,000	10,400
% Change	13.9%	22.3%
Average yearly change	440	580
Compound annual growth rate	0.73%	1.12%

Source: Iceni analysis of Experian forecasts 2025

- 4.38 Figure 4.2 breaks the jobs 8,000 jobs forecast to be added in Cotswold District down by sector. The highest growth sectors in absolute terms under this baseline forecast are professional, scientific and technical services (+1,600 jobs or 30%), administrative and support services (+1,500 jobs or 26%), and accommodation and food services (+1,450 jobs or 20%). Higher percentage growth rate is forecast for real estate (+37%) and for health (+36%) although these are forecast to remain relatively small sectors locally.
- 4.39 Employment growth is also forecast broadly across other knowledge-based sectors (apart from finance and insurance), population services and in education, although at lower rates than for sectors highlighted above.
- 4.40 In traditional industrial sectors, the baseline forecast predicts mixed employment outcomes, with growth in construction (+600 jobs some of which would be industrial in nature, but some are likely to have no fixed place of work) and transport and storage (+100 jobs), but contraction in manufacturing (-500 jobs) and wholesale (-200 jobs).



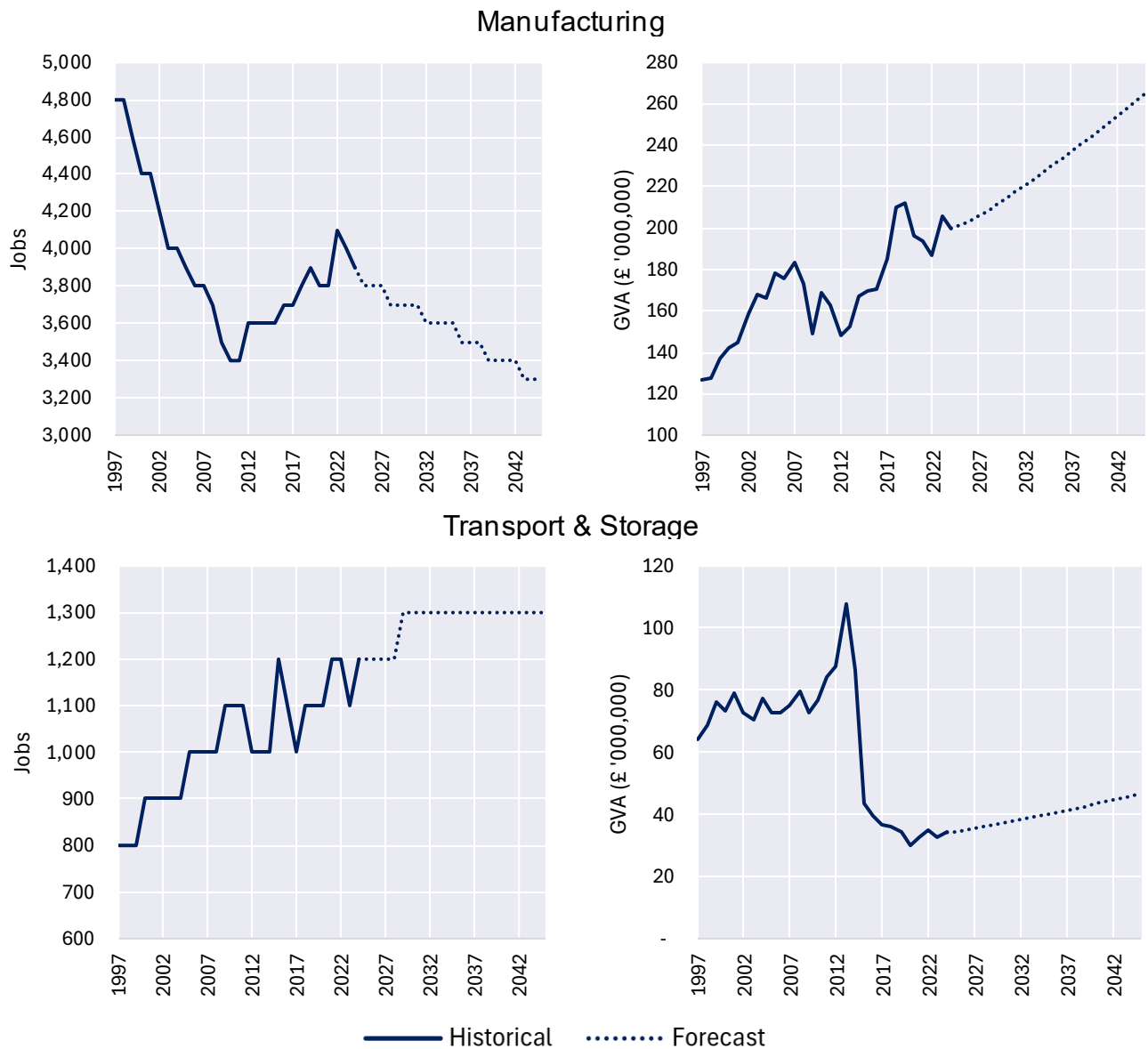
Source: Experian Forecasts 2025

- 4.41 The difficulties in using employment forecasts to predict industrial land need are illustrated by comparing employment and GVA forecasts for the two primary industrial sectors of manufacturing and transport and storage. This comparison is shown in the figure below for Cotswold District. Note that the job forecasts appear uneven because they are rounded to the nearest 100.
- 4.42 While manufacturing employment is forecast to decline, GVA is forecast to grow driven by automation and broader productivity improvements. This means that even though employment is declining, additional floorspace and land may be needed to facilitate the growth of the sector. Productivity improvements would also increase the need for new modern and fit for purpose industrial space, as opposed to older

premises which may lack the height, power or adaptability to support more efficient operations..

- 4.43 The difference between employment and GVA forecasts for transport and storage is not as stark as the difference in manufacturing, and this is a much smaller sector locally. Again while employment is forecast to fall, the sector overall is growing. The evidence indicates that productivity improvements (in particular automation) are also likely in transport and storage, increasing the need for modern industrial premises.
- 4.44 These productivity effects mean that labour demand forecasts need to be treated with some care in considering needs for industrial and warehouse/distribution sectors, with the need to consider 'replacement demand' issues associated with the need to provide modern industrial floorspace (such as those with sufficient height and power to facilitate automation). For manufacturing in particular, employment is expected to fall whilst the sector is expected to grow relatively strongly.

Figure 4.3 Comparison of baseline employment and GVA forecasts for primary industrial sectors (Cotswold)



Source: Experian forecasts 2025

Baseline labour demand

- 4.45 Icenl has used a model to predict the floorspace needed to support forecast employment outcomes. This model includes the following steps.
- 4.46 First, total jobs forecast are converted into forecasts of full-time equivalent (FTE) jobs, using locally specific data from the ONS BRES dataset. FTE jobs are then discounted using subsector-specific

assumptions to reflect a proportion of people working from home, or working in a hybrid arrangement which decreases overall floorspace needs.

- 4.47 Discounted FTE job forecasts are attributed by industry category to different uses using a matrix with use-class breakdowns for each subsector. This matrix assumes that some sectors (e.g. information and communications) are primarily office based while others (e.g. manufacturing) are based in industrial spaces or contribute to non-B class space requirements (e.g. retail).
- 4.48 The total employment and FTE results stepping through this calculation are shown in the table below. There is a relatively large discount between total jobs and FTE jobs due to the high level of forecast growth in accommodation and food services, health and education, each of which has a relatively high proportion of part-time employees. Similarly, very little of the economic activity in these sectors takes place in B-class uses.

Table 4.4 Employment change for baseline forecast (Cotswold), 2025-43

	Total employment	Total FTE jobs	FTE jobs after WFH discount	FTE jobs in B-class uses
Change in jobs	8,000	6,200	5,800	1,700

Source: Icen analysis

- 4.49 The following table shows in more detail the results in the last column of the above table, breaking them down by use class. By far the largest category in terms of increase in FTE is office and R&D. While these results show a reduction in B2 FTE employment, this is driven by the forecast decrease in manufacturing employment, and as noted earlier in this chapter forecasts of industrial land need based on employment forecasts such as this should be treated with caution and does not necessarily imply a reduction in floorspace need.

Table 4.5 FTE change by broad use for baseline forecast
(Cotswold), 2025-43

	Office & R&D	Industrial (B2)	Warehouse/ Distribution (B8)	Employment Uses Total
Change in jobs	2,000	-400	50	1,700

Source: Icen analysis

Note column values may not sum to total values due to intermediate rounding.

4.50 Floorspace needs are then calculated by applying employment density assumptions, before being converted into land needs using indicative plot ratios. The assumptions used in these steps are set out in the table below.

4.51 The employment density assumptions take the Homes England guidance as a starting point, with adjustments to convert net internal areas (NIA) to gross external area (GEA) equivalent figures.

4.52 A plot ratio of 0.5 has been used for offices, assuming that most office space is delivered at business park rather than town centre densities having regard to the nature of the area, market and viability considerations. A plot ratio of 0.4 is adopted for industrial uses. These assumptions are consistent with those adopted in the parallel Gloucestershire HENA work.

Table 4.6 Floorspace density and plot ratio assumptions for labour demand modelling

Use / Use class	Office	R&D	Industrial (B2)	Warehouse/ Distribution B8
Floorspace per FTE (sqm)	14	60	38	74
Plot ratio	0.5	0.5	0.4	0.4

Source: Icen

4.53 Applying these floorspace density assumptions to the FTE by use class results in Table 4.43 **Error! Reference source not found.** generates the following floorspace need results, which amount to 32,800 sqm of office/R&D and 3,600 sqm of additional B8 space by 2043 in net terms using this baseline labour demand scenario. The contraction in B2 FTE shown above translates to the negative floorspace result here, but as noted above this result should be treated with caution.

4.54 To calculate land requirements, a plot ratio of 0.5 has been used for offices, assuming that most office space is delivered at business park rather than town centre densities having regard to the nature of the area, market and viability considerations. A plot ratio of 0.4 is adopted for industrial uses.

Table 4.7 Floorspace and need – Baseline labour demand (without margin or replacement demand) – 2025-43

	Office & R&D	B2	B8	Total
Floorspace (sqm)	32,800	-15,300	3,600	21,200
Land (ha)	6.6	-3.8	0.9	3.7

Source: Icenl analysis

Note column values may not sum to total values due to intermediate rounding.

Flexible margin

4.55 Icenl consider that there is then a need to provide a margin to support choice and competition in the market for employment land. This would also allow for potential issues and delays with the delivery of employment sites, seeking to ensuring that economic growth is not constrained.

4.56 We have assumed a 5-year margin for industrial and 2-year margin for office/R&D is provided based, on trends in gross completions by use . This amounts to around 2,150 sqm of office/R&D space and 13,600 sqm of industrial space over the plan period. The larger margin for industrial space reflects greater variance in the types/sizes of industrial

units and the evidence of potential suppression of demand (as described in Section 3).

Replacement demand

- 4.57 The modelled forecasts are net changes and do not take account of replacement demand, such as from existing companies requiring upgraded floorspace or for existing or allocated sites for employment lost to other uses such as residential (and where businesses may require relocation). In considering how much employment land to allocate, it is therefore appropriate to consider this as an additional influence.
- 4.58 In modelling the potential for replacement demand, Icenl has also taken into account the potential for a level of latent demand for new employment space to have arisen whereby businesses have not been able to relocate because of a lack of available supply taking account of the low vacancy rate and limited new-build development in recent years.
- 4.59 For Cotswold District specifically, the evidence indicates that there are likely to have been some constraints on employment land supply taking into account the limited progress in delivery of some of the major allocations in the 2018 Local Plan to date – including in particular the larger allocations at the Strategic Site south of Chesterton (the Steedings) at Cirencester and the Fire Service College in Moreton-in-Marsh. This is borne out in the market signals evidence – in particular in terms of the low vacancy levels amongst existing stock and growth in rents (particularly for industrial premises).
- 4.60 A further consideration in driving replacement demand is prospective changes to legislative requirements requiring commercial premises to meet Minimum Energy Efficiency Standards (MEES).
- 4.61 Longer-term and comprehensive time-series data on the loss of employment floorspace in Cotswold is not available. As a result, and

taking into account the above considerations, it is therefore assumed that replacement demand over the plan period will be the equivalent to one third of the older industrial stock listed on CoStar dating to before the 1990s. The total amount of such stock according to the CoStar database is 171,765 sqm. As set out in the table below, this results in an estimated replacement demand of 57,234 sqm.

Table 4.8 Replacement demand calculation

A: Industrial stock from before the 1990s (sqm)	171,265 sqm
B: Proportion of older industrial stock assumed to require replacement	1/3
C: Replacement demand for industrial stock (C = A x B)	57,234 sqm

Source: Icenl analysis

- 4.62 It is appropriate to assume that only a portion of the pre-1990s industrial stock requires replacing due to the small-business focus of the Cotswold economy and the small size of many industrial premises. Small businesses are typically more cost conscious and may be less likely to move.
- 4.63 No replacement demand has been assumed for office and R&D space due to the limited amount of standalone office space in the District; and recognising that whilst there is occupier demand for Grade A space, the evidence that viability considerations are likely to restrict new development.

Results

- 4.64 The following table shows the floorspace and land needs resulting from baseline labour demand modelling, after adding the margin for flexibility and an allowance for industrial replacement demand.

Table 4.9 Floorspace need – Baseline labour demand (with margin and replacement demand) – 2025-43

	Office & R&D	Industrial	Total
Floorspace (sqm)	37,300	83,900	21,200
Land (ha)	7.5	21.0	28.4

Source: Iceni analysis

Note column values may not sum to total values due to intermediate rounding.

Take-up and Net absorption methods

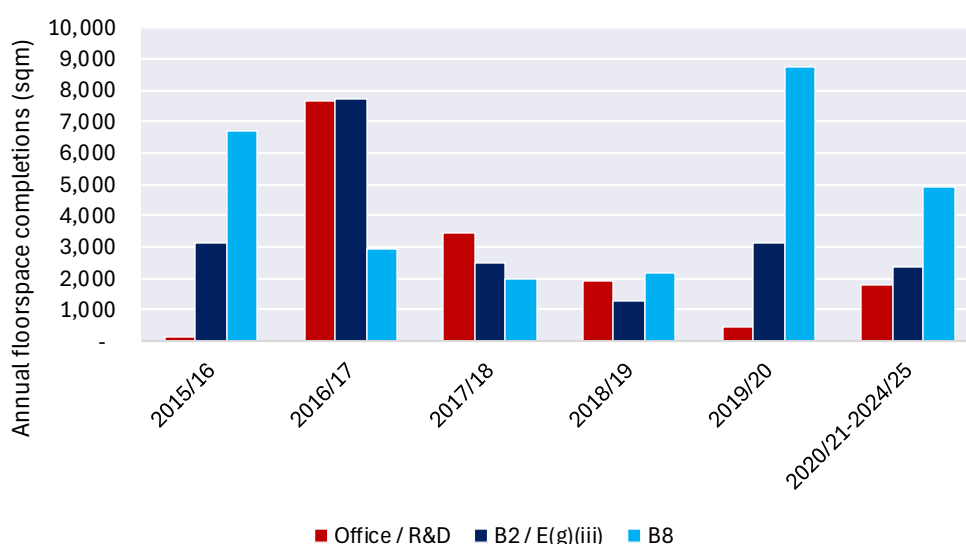
- 4.65 Iceni have also forecasted future employment land needs using three metrics which use market signals in the form of employment land supply trends – in terms of gross and net completions - and net absorption.
- 4.66 Historic completions, based on the Council's monitoring data, have been considered and projected forward to provide an indication of future floorspace needs. Both gross and net historic completions have been considered.
- 4.67 **Gross completions** (all employment land/floorspace completions, or gains) are useful as they inherently take into account all demand including replacement demand (on-site and off-site redevelopment and redeployment). However, using gross completions can overestimate the demand for additional land given some historic gross completions may have been on plots where the previous use was the same (i.e. re-development for the same use but with newer stock) or on existing employment sites. Such redevelopments may continue in the future and do not need 'new' land provision.
- 4.68 A net completions model would also commonly be considered, using historical data deducting losses from all gross completions to identify total stock change.

- 4.69 Depending on the types of losses that have taken place, net stock change can significantly underestimate needs – for instance as it can be in part influenced not by demand for commercial space but by higher land values which can be achieved for other uses (such as residential).

Gross completions

- 4.70 Iceni has considered Council monitoring data from 2015/16 onwards in order to assess gross completions. This data has been checked and amended to correct for differing methods of assessing floorspace totals and types over time, and to remove changes of use between industrial land uses (which shouldn't be counted in future industrial land needs).
- 4.71 The chart below shows the resulting estimates of gross employment floorspace completions over the last 10 years in Cotswold. Council statistics present data from 2020/21 – 2024/25 in a single monitoring report and do not further disaggregate completions over this period by year.

Figure 4.4 Gross employment floorspace completions - Cotswold



Source: Iceni analysis of Council monitoring data

- 4.72 Office and R&D completions peaked in 2016/17 but have otherwise been relatively low at around 2,000 sqm per year or less (apart from

2017/18). Many of these are smaller offices within existing buildings, and there was very limited development of standard-alone offices.

- 4.73 B2 / E(g)(iii) completions similarly peaked in 2016/17, but have been delivered more consistently year to year than office space. B8 space delivery was highest in 2019/20 followed by 2015/16, although delivery was also high in the five year period 2020/21 – 2024/25 with several new warehouse buildings delivered.
- 4.74 As well as traditional industrial development, a large amount of the additional B2, E(g)(iii) and B8 floorspace was added through the conversion of agricultural buildings and barns for more general commercial use. This has also contributed to office floorspace stock, although to a lesser degree.
- 4.75 On average over this ten-year period there have been annual gross completions of 2,237 sqm of office and R&D space, 2,941 sqm of B2 / E(g)(iii) space and 4,729 sqm of B8 space.
- 4.76 These averages have been used to estimate floorspace need over an 18-year plan period by multiplying average annual completions by 18. Results are shown in the figure below. Margin and plot ratio assumptions are consistent with those made for the baseline labour demand modelling.

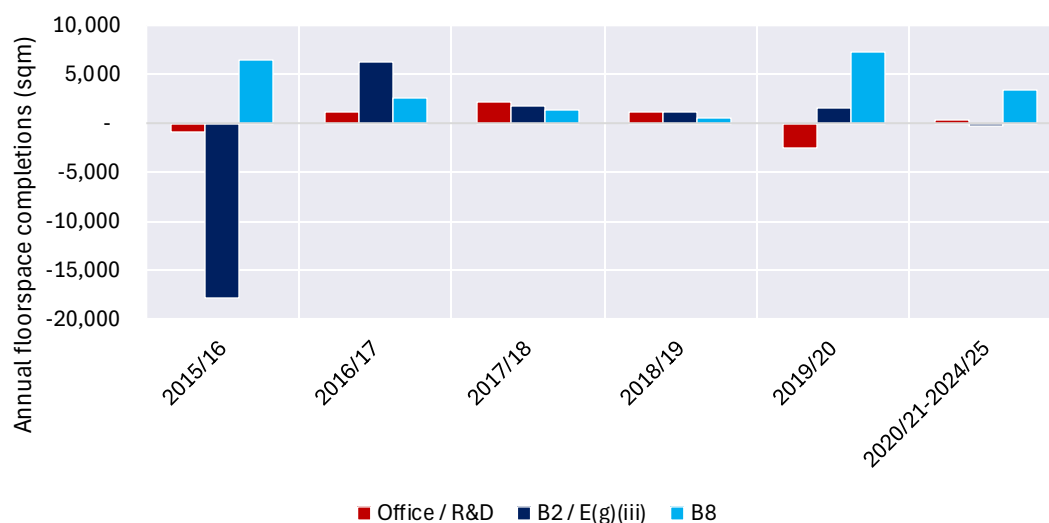
Table 4.10 Floorspace and Land Need, Gross Completions Model, 2025-43

	Floorspace need 2025-43 (sqm)	Land need 2025-43 (ha)
Office	40,300	8.1
Industrial	52,900	13.2
	85,100	21.3
Total	178,300	21.3
Including margin for flexibility & replacement demand		
Office	40,500	8.1
Industrial	233,600	58.4
Total	274,100	66.5

Source: Iceni modelling using Council monitoring data

Net completions

- 4.77 Monitoring data from Council also shows losses of floorspace, including through demolitions and conversions to other uses. As with gross completions, Iceni has compiled this monitoring data from the last 10 years with checks and corrections where necessary to ensure a consistent format and approach. The results are shown in Figure 4.5 below.
- 4.78 Net office and R&D floorspace completions are substantially lower than gross completions. This is due in large part to the loss of small-scale office stock through conversion to other uses, principally residential.
- 4.79 There is a large net loss of B2 floorspace in 2015/16 due to the redevelopment of three large former factory sites for residential purposes. Otherwise, there was a large net addition of B2 stock in 2016/17 and smaller additions in other years.
- 4.80 There has been a net addition of B8 floorspace year on year, with the largest additions in 2015/16 and 2019/20, consistent with the picture for gross completions presented above.

Figure 4.5 Net employment floorspace completions - Cotswold

Source: IcenI analysis of Council monitoring data

- 4.81 Averaging over these ten years, but excluding 2015/16 for B2 / E(g)(iii) floorspace as an anomalous year, there have been average annual net additions of only 264 sqm of office / R&D space, but 1,096 sqm of B2 / E(g)(iii) space and 3,479 sqm of B8 floorspace.
- 4.82 The resulting estimates of floorspace need based on these changes are shown in the table below, with the calculation again performed by multiplying the average historical yearly figure by 18. Margin and plot ratio assumptions are again consistent with those made for the baseline labour demand modelling.

Table 4.11 Floorspace and land need, gross completions Model, 2025-43

	Floorspace need 2025-43 (sqm)	Land need 2025-43 (ha)
Office	4,800	1.0
B2	19,700	4.9
B8	62,600	15.7
Total	87,100	5.9
Including margin for flexibility & replacement demand		
Office	9,200	1.8
Industrial	177,900	44.5
Total	187,200	46.3

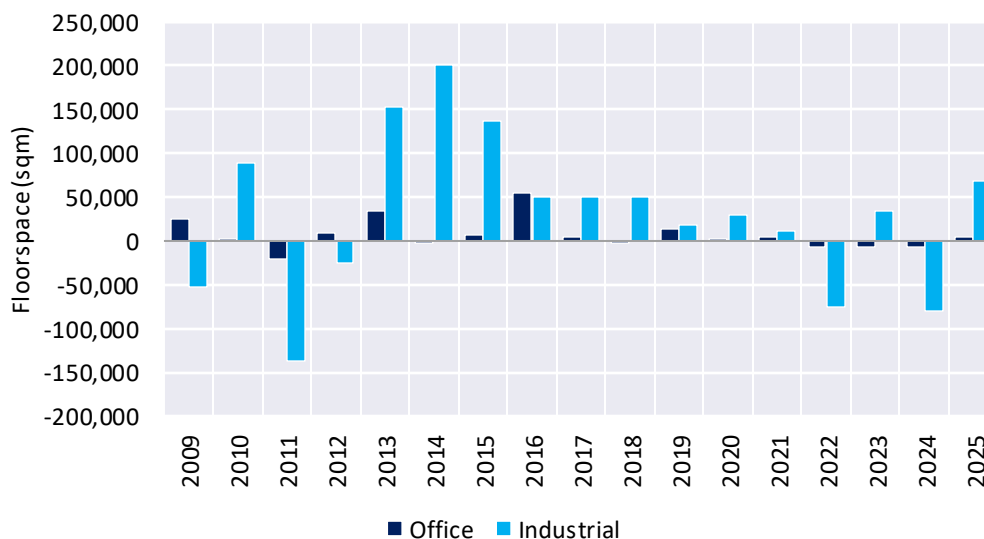
Source: Icenis modelling using VOA *NDR Business Floorspace Tables 2025*

Net absorption

- 4.83 A third supply-based calculation looks at past take-up of space occupied (rather than land delivered), measured by net absorption using CoStar data. As explained in the Chapter 3, the net absorption is the balance between the amount of space moved into and moved out of (i.e. Net absorption = Move ins – Move outs), equating to the change in occupied space.
- 4.84 This differs from the net stock change-based calculations in that it predicts future floorspace requirements directly based on market demand for floorspace rather than past completions of floorspace (which is only a proxy for floorspace demand).
- 4.85 Net absorption per year for Cotswold is shown in the figure below. As discussed in Chapter 3, there have been some negative net absorptions of industrial space in recent years, and minimal changes in occupied office stock.
- 4.86 Given higher net absorption results in the mid-2010s, a 15-year time period has been considered to capture floorspace absorption across

market cycles. During the most recent 15 years (i.e. 2011-2025), there has been a net absorption per year on average of 582 sqm of office space and 3,044 sqm of industrial space.

Figure 4.6 Net absorption over time - Cotswold



Source: Icenii modelling using CoStar

- 4.87 The resulting estimates of floorspace need based on net absorption per year are shown in the table below. Margin and plot ratio assumptions are again consistent with those made for the baseline labour demand modelling.

Table 4.12 Floorspace and Land Need, Net Completions (VOA)

Model, 2025-43

	Floorspace need 2025-43 (sqm)	Land need 2025-43 (ha)
Office	10,500	2.1
Industrial	54,800	13.7
Total	65,300	15.8
Including Margin for Flexibility		
Office	12,600	2.5
Industrial	125,700	31.4
Total	138,300	33.9

Source: Icenii modelling using CoStar

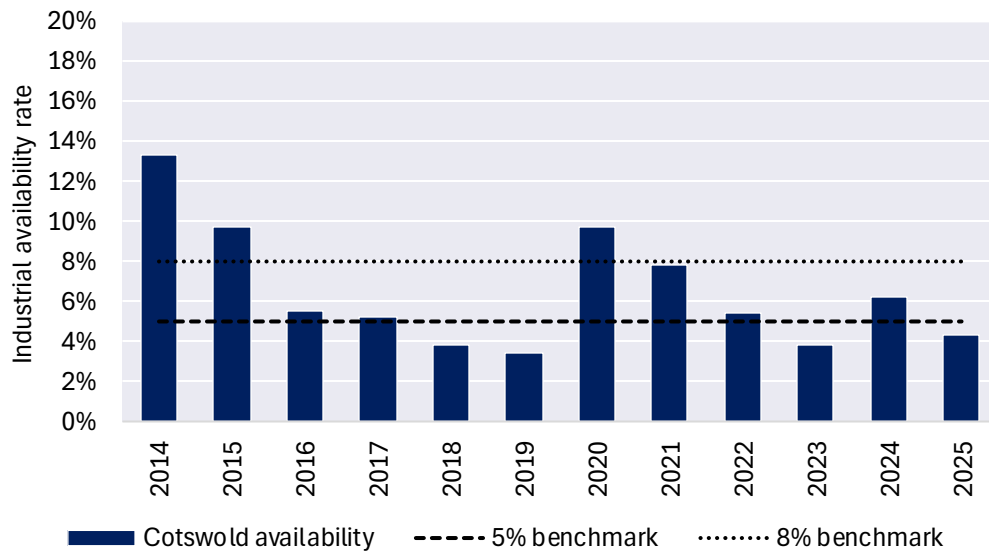
Suppressed demand

- 4.88 An alternative to a margin for flexibility is an adjustment for 'suppressed demand'. This reflects the concept of insufficient supply in the market, leading to demand not being accommodated and therefore can be considered 'suppressed', with prospective occupiers unable to find suitable space. Ongoing supply shortages can deter inward investment and growth.
- 4.89 it is widely considered that a 5% - 10% vacancy (and availability) is a healthy market³, allowing new occupiers to enter and existing occupiers to find new space or expand, with 8% being a typical optimum. Evidence of vacancy rates consistently below optimum levels combined with rent increases can indicate the potential for suppressed demand, with the result that market trends do not provide a good indicator of future land need.
- 4.90 Issues of suppressed demand have been considered in the wider parallel Gloucestershire HENA work, with a calculation of the implications for industrial land need considered principally for the M5 corridor authorities (Stroud, Tewkesbury, Gloucester and Cheltenham) given there is a degree of interchangeability of strategic sites along or near the M5, and that strategic employment growth in Tewkesbury and Stroud is meeting some needs unable to be met in Gloucester and Cheltenham.
- 4.91 Suppressed demand is most relevant at a market area or corridor level. It is less appropriate to be applied to an individual local authority such as Cotswold which sits within a broader property market. Nonetheless, for completeness the Gloucestershire HENA provides suppressed demand results for Cotswold, and so they are also provided below for the 2025-43 plan period.

³ Found in a number of publications, including GLA's Land for Industry and Transport Supplementary Planning Guidance (SPG) and British Property Federation Levelling up of Logistics 2021

- 4.92 The following figure shows the industrial availability rate in Cotswold over the 2014-25 period. It has fallen below 8% in most years, and below 5% in four of the 11 years shown. Nonetheless, this data does not present a picture of a consistently low availability rate.

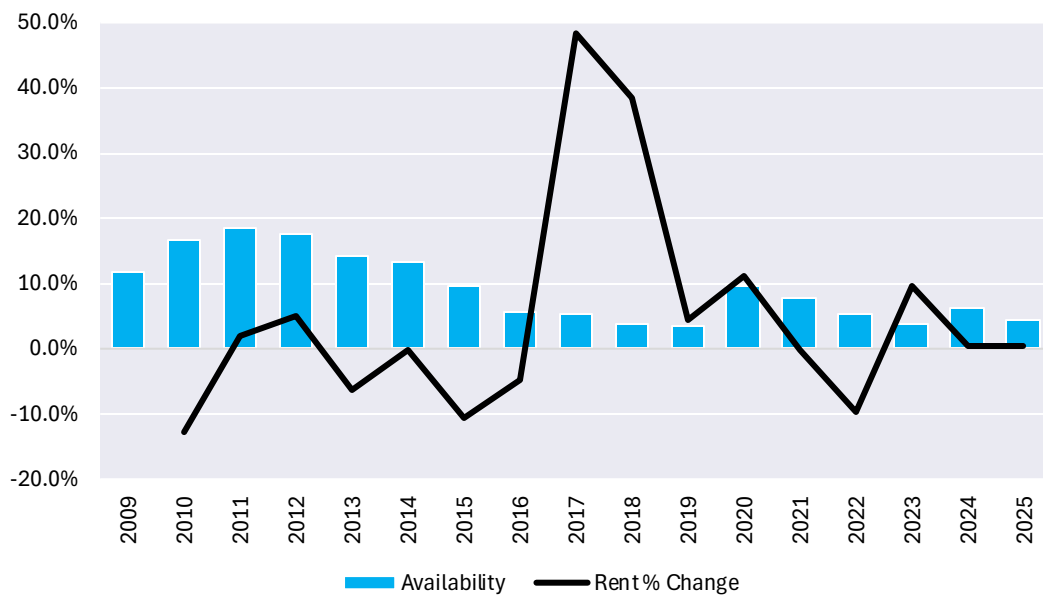
Figure 4.7 Industrial availability rate compared to suppressed demand benchmarks



Source: CoStar

- 4.93 Further evidence for demand suppression would be provided by high rental growth during periods with stock availability of 5% or less. As shown in the figure below, industrial rental change in Cotswold is relatively variable year to year depending on the stock rented (this is to be expected given the size of the market). While the largest rent rises occurred in 2017 and 2018 during periods of somewhat lower availability, there does not appear to be a consistent relationship between industrial rental growth and periods of low stock availability.

Figure 4.8 Industrial availability rate compared to suppressed demand benchmarks



Source: CoStar

- 4.94 A 'suppressed demand' model has been developed by Savills and set out in the British Property Federation's Levelling up of Logistics 2021 report⁴. This 'tops up' historic take-up to where it would have been at 8% availability. Whilst the model is not established in Planning Practice Guidance, it is considered useful as a sensitivity scenario in this study, where the market appears to have been consistently suppressed over several years. It assumes that the market 'wanted and will want' this level of take-up consistently, which may not be the case.
- 4.95 Savills' preference for the availability 'target' is 8%, with 5% being a recognised minimum. However, for strategic units and strategic sites, this 8% is considered by Iceni to be more optimistic than the wider market, partly as build-to-suit rather than spec build is more common for very large units due to higher costs, which would mean typically lower vacancy and potentially lower availability depending on marketing and pre-let strategies. As a result, it is considered that a rate below 8% is a reasonable minimum, and an availability rate of 5% has been carried

⁴ <https://bpf.org.uk/our-work/research-and-briefings/>

forward under a 'Low' scenario, and an 8% rate under a 'High' scenario and a suppressed-demand scenario. The steps involved in the calculation are:

- Available floorspace (C) is calculated by multiplying the inventory by the availability rate.
- To calculate the floorspace required to achieve an 5/8% availability rate for each year, the availability rate (B) is taken away from 5/8%, and the residual is multiplied by the inventory (A). This produces the figure in column F.
- The ratio of net absorption and available floorspace is calculated for each year ($E = D/C$), and the average is produced.
- For each year that the availability is below 5/8%, the average ratio is multiplied by the floorspace required to reach 5/8% availability to estimate each year's suppressed net absorption ($G=X\%*F$) and then the average of this is calculated.

4.96 The suppressed demand need at 5% and 8% availability has been run for the 10-year (2015-24 inclusive) period, and the results are detailed in the table below. The average annualised suppressed demand is rolled forward from 2025-43 (multiplied by 18) to provide a 'top-up' in addition to the base 10-year historical net absorption trend.

Table 4.13 Industrial floorspace need calculation using suppressed demand model

Benchmark availability rate	A: Yearly need based on net absorption	B: Yearly suppressed demand adjustment	C: Yearly need with adjustment ($C = A + B$)	D: Need to 2043 with adjustment ($D = C \times 18$)
5%	2,114	146	2,261	40,700
8%	2,114	834	2,948	53,100

Source: Icenii modelling using CoStar

Beyond Historical Trends

- 4.97 There are a number of reasons to consider additional scenarios reflecting Cotswold-specific economic prospects as an alternative to the baseline forecasts and trend-based modelling set out above.
- 4.98 Off-the-shelf baseline forecasts largely share national and regional growth down to a local level using the relative strength of each sector locally influenced by past performance. Where there are planned growth initiatives or inward investment opportunities these will not be reflected (particularly in as far as they may result in a different outcome from historical trends. They can also introduce distortions by applying national or regional assumptions that are not appropriate for local circumstances and therefore should not be used uncritically.
- 4.99 In addition, there is the potential for the completion of the A417/A419 Missing Link scheme to support the attractiveness of Cirencester for employment development by improving connectivity to the M5; and along this corridor between the M4 and M5.
- 4.100 Furthermore, the PPG sets out that demographically derived assessments of current and future local labour supply should be considered as an approach when modelling future employment land needs.
- 4.101 As set out below, recent revisions to the Standard Method have substantially increased Cotswold's housing need, and are likely to result in an increase in the housing requirement in the Local Plan.. This means that a much higher level of employment growth than the baseline forecast would be required to keep jobs and homes aligned. Equally the evidence (as set out in Section 2) points to an imbalance in recent years whereby employment growth has run ahead of housing delivery; and with net in-commuting pointing to labour supply to have potentially placed some constraint on economic growth and employment development historically.

- 4.102 It is also worth noting that a large increase in housing development and population growth would be expected to increase jobs growth in sectors that provide services to the local population (e.g. retail), in construction, and to a lesser degree across the supply chain.

Housing Needs

- 4.103 The Government, through revisions to the NPPF in December 2024, has revised the standard method. Its ambitions in doing so are to increase housing delivery, delivering 1.5 million homes across England over the next 5 years with growth in all areas of the country.
- 4.104 The NPPF specifies that the Standard Method should be used to calculate the local housing need, and that plans should aim to provide a sufficient supply of housing to meet this need, where this is consistent with achieving sustainable development. There are however different factors which are brought together in setting a housing requirement within the Local Plan, which requires the Council to overlay land availability, infrastructure and delivery constraints alongside any potential unmet need from neighbouring authorities. These are issues for the Council in bringing together the evidence as part of the plan-making process.
- 4.105 The PPG sets out the revised standard method in the section on Housing and Economic Development Needs Assessments which needs to be used to calculate housing needs. Para 2a-006 therein sets out the methodology, which takes a baseline of 0.8% of existing housing stock in the area (Step 1); to which an affordability adjustment is then applied (Step 2) which is calculated by taking the average affordability ratio figure over the 5 more recent years for which data is available, and applying a 0.95% increase for each 1% of which the averaged affordability ratio is above 5.
- 4.106 This calculation of the Standard Method housing need for the Cotswold District is shown in the table below and yields a need for 1,055 dwellings per annum (dpa). By comparison, the need under the

previous Standard Method was 504 dpa, and the current adopted local plan includes a housing requirement of 420 dpa. Historical housing delivery over the period since 2011 have averaged around 525 dpa.

Table 4.14 Cotswold District Standard Method Calculation (2025)

Housing Stock, 2024	46,588
0.8% Stock Baseline	373
Average Median Affordability Ratio, 2020-24	14.64
Affordability Uplift	283%
Local Housing Need (dpa)	1,055

- 4.107 New data becomes available annually, and we estimate the need calculated in Spring 2026 will be 1054 dpa. This is not materially different to the above and is well within the error margins associated with long-term modelling of labour supply growth.
- 4.108 As a result, the revised standard method represents a substantial uplift in housing requirements for Cotswold. If delivered in full, they would support broadly **a doubling of housing delivery** relative to historical trends over the 2011-24 period.
- 4.109 The Local Plan Preferred Options Consultation Document (Nov 2025) set out an emerging preferred scenario (Scenario 5) which would see delivery of 14,660 homes. This is broadly equivalent to 80% of the Standard Method housing need. This scenario took account of strategic constraints to development in the District, including the position whereby 80% of the District falls within the Cotswold National Landscape where national policies expect development to be restricted.
- 4.110 The Council, in bringing together the evidence base, is testing further the potential scale of growth which could be accommodated. A central scenario is therefore tested herein which aligns to provision of housing at 80% of the standard method (i.e. around 844 dpa). This would still be a substantial increase on past housing requirements and delivery.

Sensitivity analysis is however provided on accommodating 70%, 90% and 100% of the standard method housing need. This report does not see to prejudice decisions on the appropriate scale of housing provision, but seeks to provide a basis for considering how employment land provision may align to different potential scales of housing growth.

Implications for Labour Supply

- 4.111 A demographic model has been developed to assess the potential implications of delivering 844 dwellings per annum in the 2025-43 period (i.e. 80% of the Standard Method), and of delivering the full Standard Method need of 1,055 dpa. More information on the modelling and the assumptions used is given in **Appendix A4**.
- 4.112 The population modelling starts with the most recent (2022-based) subnational population projections (SNPP), which have been updated by reference to mid-year population estimates (MYE) data up to 2024 (looking at more recent data about births, deaths and migration).
- 4.113 The modelling then considers the levels of migration likely to be needed to fill homes and also the possibility of seeing higher levels of household formation in younger age groups (where there is evidence of a historical constraint in formation).
- 4.114 The following table shows the resulting estimates of population change if 844 dwellings are delivered per annum.

Table 4.15 Projected population change 2025 to 2043 by broad age bands – Cotswold (80% of Standard Method)

	2025	2043	Change in population	% change
Under 16	14,266	16,812	2,546	17.8%
16-64	52,051	66,166	14,115	27.1%
65 and over	25,785	36,926	11,141	43.2%
Total	92,101	119,904	27,802	30.2%

Source: Icen analysis

- 4.115 To look at estimates of the job growth which could be supported by different scale of housing provision in Cotswold District, a series of stages are undertaken. These are to:
- Estimate changes to the economically active population (this provides an estimate of the change in labour supply) using assumptions from the OBR March 2025 Fiscal Sustainability Report, applied to a 2021 Census baseline for Cotswold District;
 - Overlay information about commuting patterns, double jobbing (i.e. the fact that some people have more than one job) and potential changes to unemployment rates; and
 - Bringing together this information to provide an estimate of the potential job growth which could be supported by the population projections.

Economically active population

- 4.116 The assumptions used to calculate the economically active population from the overall population change projection are set out in Appendix A4. Broadly the modelling assumes some increase in labour force participation rates.
- 4.117 The results for the economically active population are shown in the table below for delivery of both 80% and 100% of the Standard Method housing need.

Table 4.16 Estimated change to the economically active population
– Cotswold

	2025	2043	Change	% Change
80% of Standard Method	45,757	61,415	15,658	34.2%
100% of Standard Method	46,881	67,606	20,726	44.2%

Source: Iceni Analysis

Commuting and double jobbing

- 4.118 The table below shows summary data about commuting to and from Cotswold District, drawn from the 2011 and 2021 Censuses. Data from both sources are used, as the 2011 data is quite old and the COVID-19 pandemic is likely to have influenced the 2021 data.
- 4.119 The Census data shows a net in-commuting in both 2011 and 2021. It shows around 4.5% more people working in the District than living in the District and working in 2011, increasing to 6.4% more in 2021.
- 4.120 When comparing the two sources, it is worth reflecting on a significant increase in the number of home workers (or those of no fixed workplace) in 2021 compared with 2011. In 2011, a total of 12,007 people were recorded as home workers or with no fixed workplace; in 2021, this figure had nearly doubled (to 23,432). As the country has moved away from the pandemic, it is possible this figure has started to reduce slightly, with possible implications on commuting dynamics. However, home working has probably not fully reverted to 2011 levels.

Table 4.17 Commuting Patterns – Cotswold

	2011	2021
Live and Work in Borough/District	16,221	11,232
Home Workers or No Fixed Workplace	12,007	23,432
In Commute*	15,709	12,239
Out Commute*	13,820	9,430
Total Working in LA	43,937	46,903
Total Living in LA and Working Anywhere	42,048	44,094
Commuting Ratio	0.957	0.940

Source: Census 2011, 2021

- 4.121 The analysis below looks at both sets of Census data with a further sensitivity of a balanced (1:1) commuting ratio (i.e. the increase in the

number of people working in the area is equal to the number of people living in the area who are working).

Double jobbing and unemployment

- 4.122 The analysis also considers that a number of people may have more than one job (double jobbing). Data from the Annual Population Survey (available on the NOMIS website) for the past 5 years suggests that across Gloucestershire, typically about 3.8% of workers have a second job. It has therefore been assumed that around 3.8% of people will have more than one job moving forward – this means the number of jobs supported by the workforce will be around 3.8% higher than workforce growth. It has been assumed in the analysis that the level of double jobbing will remain constant over time.
- 4.123 The Gloucestershire-wide figure has been applied for Cotswold, as for smaller areas the data is less specific, and a full-time series of data is not available due to high error margins.
- 4.124 Finally, the analysis considers unemployment. Essentially, this is about whether there is any latent labour force that could return to employment to take up new jobs. The latest model-based unemployment data from the Annual Population Survey (for July 2024-June 2025) puts unemployment in Cotswold at around 2.4%, well below the national average of 4.1%. On the basis of this data, we consider it is unlikely that there is any significant latent labour supply. No further adjustment is therefore made to the data to take account of unemployment.

Jobs Supported

- 4.125 The tables below shows how many additional jobs might be supported by population growth under the different scenarios. Between 2025-43 it is estimated that between around 16,300 and 17,300 additional jobs could be supported by housing development of 844 dpa (80% of the standard method), and between around 21,500 and 22,900 with the delivery of the standard method in full (1,055 dpa), depending on the

assumptions made about commuting. Other scenarios for housing provision are considered in Table 4.17.

Table 4.18 Jobs supported calculation by demographic projections (2025-43) – Cotswold (1055 dpa – 100% of Standard Method)

Commuting ratio	Total change in the economically active	Allowance for double jobbing	Allowance for net commuting (jobs supported)
2021	20,726	21,544	22,900
2011	20,726	21,544	22,500
1:1	20,726	21,544	21,500

Source: Iceni analysis

Table 4.19 Jobs supported by demographic projections corresponding to different housing development levels (2025-43) – Cotswold

Commuting ratio	70% of SM (739 dpa)	80% of SM (844 dpa)	90% of SM (950 dpa)	100% of SM (1,055 dpa)
2021	14,500	17,300	20,100	22,900
2011	14,300	17,000	19,800	22,500
1:1	13,600	16,300	18,900	21,500

Source: Iceni analysis

Growth scenario employment

- 4.126 A growth scenario has been created which aligns to the growth in labour supply arising from housing provision in line with 80% of the Standard Method (i.e. 844 dpa). To do this, uplifts have been applied to baseline employment forecasts in specific sectors reflecting local economic strengths and prospects. Assumptions regarding the level of uplift to apply to each sector have been determined through consideration of:

- Extrapolation of past 10-year and 20-year trends in employment at the Cotswold level, as well as trends since 2015 suggested by BRES data;
- Extrapolation of 10-year employment growth trends (on a percentage basis) at the wider Gloucestershire, South West and England level;
- Findings from the stakeholder engagement and policy review regarding sectoral strengths and opportunities, largely undertaken by IcenI as part of the parallel Gloucestershire HENA evidence;
- Population-driven sectors which are likely to see high levels of growth compared to past trends given likely higher housing delivery; and
- Commercial market dynamics and market signals as considered in Section 3.

4.127 Agent consultation and market intelligence has indicated that the strongest prospects for growth (in employment land terms) are in industrial sectors. Stand-alone office development is unviable in Cotswold, and there has been very little office space completed in recent years with viability of new-build office development challenging. Recent strong performance in knowledge-based sectors appears to be more related to the strength of the small business sector and includes significant home-based/remote working. By contrast, parts of the District will become more attractiveness to industrial uses as a result of the completion of the A417/419 Missing Link highways scheme in 2027.

4.128 As a result, an uplift using population-job multipliers in population-related sectors has first been applied. Further uplifts have then been applied in traditionally industrial and knowledge-intensive sectors, but with greater levels of uplift for industrial-related sectors.

4.129 The growth scenario sees a change in employment across the District of approximately 16,400 between 2025-43, compared to 10,400 under the Experian baseline.

4.130 This scenario therefore aligns with the jobs supported by 80% of the Standard Method under a 1:1 commuting assumption. Using the 2011 or 2021 commuting ratios would further increase overall in-commuting levels, and so a 1:1 ratio is considered a more sustainable assumption reflecting the rural character of the District. This seeks to improve the balance between jobs and homes over time; rather than replicate past trends which are in part a reflection of under-supply of housing relative to growth in the District's economy.

4.131 The following table breaks down the baseline and growth scenarios by sector for the baseline and synthesis growth scenario at 80% of the Standard Method.

Table 4.20 Forecast employment growth, Experian Baseline and Synthesis Growth Scenario, 2025-43

Sector	Experian Baseline	Synthesis Growth Scenario
Agriculture, Forestry & Fishing	100	100
Food, Drink & Tobacco (manufacture of)	-120	320
Wood & Paper (manufacture of)	-120	240
Non-Metallic Products (manufacture of)	-120	0
Metal Products (manufacture of)	-10	60
Machinery & Equipment (manufacture of)	0	0
Computer & Electronic Products (manufacture of)	-120	0
Other Manufacturing	-20	260
Utilities	0	280
Construction of Buildings	210	670
Specialised Construction Activities	410	850
Wholesale	-230	410
Retail	160	470
Land Transport, Storage & Post	100	640
Accommodation & Food Services	1,450	1,950
Media Activities	0	0

Sector	Experian Baseline	Synthesis Growth Scenario
Computing & Information Services	510	890
Finance	-70	210
Insurance & Pensions	-130	170
Real Estate	600	880
Professional Services	1,590	1,890
Administrative & Supportive Services	1,490	1,750
Public Administration & Defence	0	20
Education	520	1,080
Health	610	820
Residential Care & Social Work	710	1,330
Recreation	280	620
Other Private Services	190	450
Total	8,000	16,400

Source: Icen/Experian

Note: Cells have been rounded, and so the total may differ from the sum of the rows

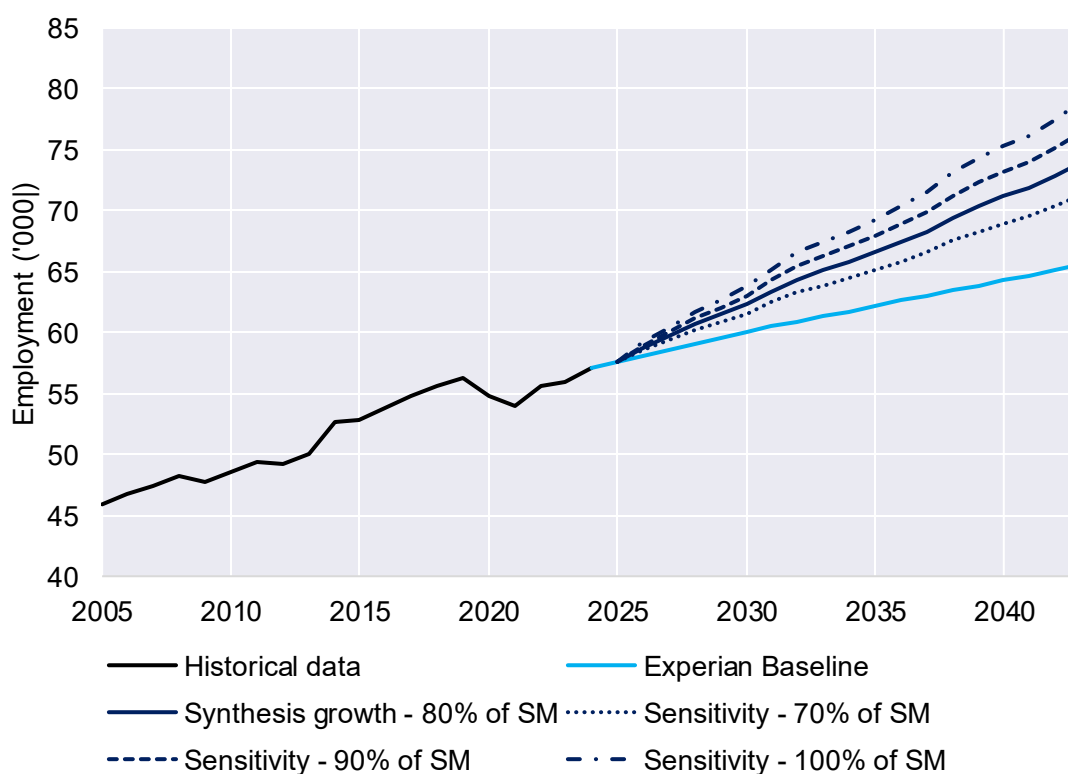
- 4.132 The synthesis growth scenario presented in the table above provides 16,400 jobs, which is aligned with the 16,300 jobs supported under housing development of 80% of the Standard Method using a 1:1 commuting ratio (as shown in Table 4.16). To reflect different potential housing development outcomes, employment scenarios have been created supporting around 13,600, 18,900 and 21,500 additional jobs, aligned with a 1:1 commuting scenario and housing development of 70%, 90% and 100% of the standard method respectively (with jobs supported results as shown in Table 4.17).
- 4.133 To create these sensitivity scenarios, the following process has been followed:
- Calculate the level of employment uplift by sector between the two scenarios shown in Table 4.18 (for example, there is an uplift of 620 – 280 = 340 jobs between 2025-43 in the Recreation sector).

- Calculate a scaling factor to these uplifts so that the total jobs growth will match the number required under a given scenario (e.g. 18,900 jobs for 90% of the Standard Method housing growth)
- Scale the employment uplift figures in each sector using the calculated scaling factor.

4.134 This scaling process means that baseline employment growth by sector in each scenario will equal to at least the level of growth forecast by Experian (and shown as the Experian baseline above), with only the uplift above this baseline scaled to reflect different growth expectations in different scenarios.

4.135 Total employment growth over time in each scenario is shown in the Figure below.

Figure 4.9 Employment scenarios - Cotswold



Source: Icen analysis, Experian forecasts (2025)

Growth scenario labour demand

4.136 In line with the methodology used for the baseline labour demand land needs, these employment forecasts have been converted to FTE, and

then allocated into use classes with a discount applied for remote working and jobs with no fixed address. The methodology used in each case is consistent with the baseline modelling, with conversions and discounts applied sector by sector.

- 4.137 For the Synthesis Growth Scenario at 80% of the Standard Method, this results in an increase of around 12,300 FTE jobs after the working-from home adjustment, of which 4,800 are in B-class uses. The following table provides the corresponding results for different employment growth scenarios.

Table 4.21 Employment change for baseline forecast (Cotswold), 2025-43

	Total employment	Total FTE jobs	FTE jobs after WFH discount	FTE jobs in B-class uses
Sensitivity - 70% of SM	13,600	11,000	10,200	3,800
Growth scenario - 80% of SM	16,400	13,200	12,300	4,800
Sensitivity - 90% of SM	18,900	15,300	14,300	5,700
Sensitivity - 100% of SM	21,500	17,400	16,300	6,600

Source: Icen analysis

- 4.138 The Table below then breaks the FTE jobs in B-class uses down into individual use categories. The differences in allocation of FTE growth into use types between the scenarios is the result of differences in sectoral composition caused by the scaling process outlined above. As the growth scenarios favour higher levels of growth in typically industrial rather than office based sectors, a higher proportion of FTE growth is assigned to B2 and B8 where housing development and so overall employment growth are higher.

Table 1.1 FTE increase for growth scenarios (Cotswold), 2025-43

	Office & R&D	Industrial (B2)	Warehousing & Distribution (B8)	Total in Employment Uses
70% of SM	2,800	600	400	3,800
80% of SM	3,200	1,000	600	4,800
90% of SM	3,500	1,400	800	5,700
100% of SM	3,800	1,800	1,000	6,600

Source: Icen analysis

Note column values may not sum to total values due to intermediate rounding.

- 4.139 The next stage in the modelling is then to apply employment densities and floor-area ratios to estimate the net change in floorspace and land. Consistent assumptions have again been made with the baseline labour demand modelling (with the densities and ratios used shown in Table 4.4 earlier in this chapter). Results are shown in the table below.

Table 4.22 Floorspace need in sqm – growth scenario labour demand (without margin or replacement demand) – 2025-43

	Office & R&D	B2	B8	Total
Sensitivity - 70% of SM	44,300	23,400	32,900	100,600
Growth scenario - 80% of SM	49,700	38,800	47,300	135,800
Sensitivity - 90% of SM	54,800	53,000	60,700	168,400
Sensitivity - 100% of SM	60,000	67,700	74,500	202,200

Source: Icen analysis

Note column values may not sum to total values due to intermediate rounding.

Table 4.23 Land need in ha – growth scenario labour demand
(without margin or replacement demand) – 2025-43

	Office & R&D	B2	B8	Total
Sensitivity - 70% of SM	8.9	5.9	8.2	22.9
Growth scenario - 80% of SM	9.9	9.7	11.8	31.5
Sensitivity - 90% of SM	11.0	13.2	15.2	39.4
Sensitivity - 100% of SM	12.0	16.9	18.6	47.5

Source: Iceni analysis

Note column values may not sum to total values due to intermediate rounding.

- 4.140 The following tables show these results with the addition of a margin for flexibility and allowance for industrial replacement demand. These adopt consistent assumptions to those in the earlier analysis.

Table 4.24 Floorspace need in sqm – growth scenario labour demand (with margin and replacement demand) – 2025-43

	Office & R&D	Industrial	Total
Sensitivity - 70% of SM	48,700	151,900	200,700
Growth scenario - 80% of SM	54,200	181,700	235,900
Sensitivity - 90% of SM	59,200	209,200	268,400
Sensitivity - 100% of SM	64,500	237,800	302,200

Source: Iceni analysis

Note column values may not sum to total values due to intermediate rounding.

Table 4.25 Land need in ha – growth scenario labour demand (with margin and replacement demand) – 2025-43

	Office & R&D	Industrial	Total
Sensitivity - 70% of SM	9.7	38.0	47.7
Growth scenario - 80% of SM	10.8	45.4	56.3
Sensitivity - 90% of SM	11.8	52.3	64.1
Sensitivity - 100% of SM	12.9	59.4	72.3

Source: Icen analysis

Note column values may not sum to total values due to intermediate rounding.

Drawing the evidence together

- 4.141 The modelling in above has been conducted for a 2025 to 43. Employment floor space completions for the 2024/25 monitoring year are shown in the table below. These figures have been deducted from the modelled need from 2025-43 in order to provide a 2026-43 needs result aligned with Council's plan period.

Table 4.3 Employment floorspace completions (2024/25)

Use class	Net change (sqm)
E(g) – Office / R&D / Industrial Processes	293
B2 – General Industrial	-1,916
B8 – Storage & Distribution	-1,039
Total	-2,662

Source: Cotswold District Employment Land Monitoring Statistics Report

- 4.142 The tables below summarise the total employment floorspace and land needs between 2026-43 for each broad use using the various approaches and models discussed above. This includes a margin for flexibility in each case.

- 4.143 This shows a range of outcomes generated by applying different approaches, assumptions and models. Each method captures a different aspect of potential future demand. Presenting these results side-by-side allows the different estimates to be compared on a consistent basis and helps identify the extent to which the assessment is sensitive to the method and assumptions used.
- 4.144 Considering the different results, we can draw conclusions on what level of employment land provision is appropriate to plan for. This is considered in the following sections.

Table 4.4 Summary of employment floorspace need results 2026-43 (including margin and replacement demand)

Floorspace (Sqm)	Baseline labour demand	Growth scenario labour demand (80% of SM)	Growth scenario labour demand (100% of SM)	Gross completions	Net completions	Net absorption	Suppressed demand – 5% benchmark rate	Suppressed demand – 8% benchmark rate
Office & R&D	37,000	53,900	64,200	40,200	8,900	14,600	N/A	N/A
Industrial & Warehousing	86,900	184,700	240,800	236,600	180,900	153,400	43,700	56,000
Total*	123,900	238,600	305,000	276,800	189,800	168,000	N/A	N/A

Source: Icen analysis – Experian/CoStar/Authority Monitoring Data

Note column values may not sum to total values due to intermediate rounding.

Table 4.5 Summary of employment land need results 2026-43 (including margin and replacement demand)

Land (ha)	Baseline labour demand	Growth scenario labour demand (80% of SM)	Growth scenario labour demand (100% of SM)	Gross completions	Net completions	Net absorption	Suppressed demand – 5% benchmark rate	Suppressed demand – 8% benchmark rate
Office & R&D	7.4	10.8	12.8	8.0	1.8	2.9	N/A	N/A
Industrial & Warehousing	21.7	46.2	60.2	59.1	45.2	38.3	10.9	14.0
Total*	29.1	56.9	73.0	67.2	47.0	41.3	N/A	N/A

Source: Icen analysis – Experian/CoStar/Authority Monitoring Data

- 4.145 For comparison, the following tables provide the same results for the labour demand sensitivities matching jobs supported by 70% and 90% of the Standard Method housing need.

Table 4.6 Summary of employment sensitivity scenarios for employment land need, floorspace 2026-43 (including margin)

Floorspace (Sqm)	Sensitivity labour demand – 70% of SM	Sensitivity labour demand – 90% of SM
Office & R&D	48,400	58,900
Industrial & Warehousing	154,900	212,200
Total*	203,400	271,100

Source: Iceni analysis – Experian/CoStar/Authority Monitoring Data

Note column values may not sum to total values due to intermediate rounding.

Table 4.7 Summary of scenarios for employment land need, 2026-43

Land (ha)	Sensitivity labour demand – 70% of SM	Sensitivity labour demand – 90% of SM
Office & R&D	9.7	11.8
Industrial & Warehousing	38.7	53.0
Total*	48.4	64.8

Source: Iceni analysis – Experian/CoStar/Authority Monitoring Data

Industrial and warehousing

- 4.146 The baseline labour demand result showed a need for 21.7 ha of industrial employment land, driven by replacement demand and the margin. The net absorption and completions trends however point to a higher level of need of between 41.3 – 67.2 ha and would be preferable as providing a trend-based position given the weak relationship between floorspace needs and jobs.
- 4.147 The substantial increase in housing development and population growth required by the revised Standard Method would be expected to

translate into increased need for industrial premises, particularly in construction, population-serving industrial uses, and in the supply chain of other local economic sectors. The upcoming completion of the duplication of the A417/A419 would also be expected to support demand for industrial space within Cotswold above historical trends.

- 4.148 As such, it is considered appropriate to plan for industrial land needs above the net trend-based positions (i.e. the net absorption and net completions). While the gross completions result is higher, it is noted that it includes a large amount of use of former buildings and space on agricultural properties for industrial purposes, and given that this is likely to continue there is not a need to account for dedicated employment land to account for this.
- 4.149 The suppressed demand results are substantially below all other results. Given the lack of strong evidence of consistent suppressed demand in Cotswold over time, and the relative unsuitability of this model for an individual local authority, the suppressed demand results do not provide a realistic reflection of likely future industrial land need.
- 4.150 The growth scenario labour demand results sit above the net trend-based positions, and therefore appears to provide the most appropriate result. **This would indicate an industrial land need of 46.2 ha if 80% of the Standard Method housing need is provided, increasing further to 53.0 ha and 60.2 ha if 90% and 100% respectively of the Standard Method housing need is met.**
- 4.151 It is not possible to provide separate need results for B2 and B8 as the replacement demand component of the calculation does not distinguish between these use classes. However, it is noted that the growth scenario labour demand results with margins for flexibility added to them indicate a split of around 40% - 45% of industrial need being for B2 and the remainder for B8.

Offices

- 4.152 In contrast with industrial results, the office labour demand results (7.4 ha under the baseline and 10.8-12.8 ha under the growth scenarios) are substantially above the net trend-based results, which fall within a narrow range (1.8 – 2.9 ha) and reflect the challenging viability of standalone office floorspace provision.
- 4.153 The latter scenarios are thus potentially more realistic in the District based on current market conditions. However, there are opportunities for development of R&D activities as well; and Iceni notes the recent submission of a planning application by the Royal Agricultural University for an Innovation Village (24/01143/OUT) which includes 27,000 sq.m of office and R&D space⁵. As of the time of writing (June 2026), Council's Planning Committee has resolved to permit this application.
- 4.154 Drawing the scenarios together, it would be advisable to plan for a minimum provision for office / R&D of 8.3 ha– based on the net absorption scenario (2.9 ha) plus provision for additional R&D growth associated with the University (i.e. the innovation village, equivalent to 5.4 ha at a plot ratio of 0.5).
- 4.155 At the higher end of the spectrum, there is a case for adopting the Growth Scenario to take account of some potential for viability to improve over the plan period and to see to balance jobs and homes. This would equate to 10.8 ha of land, or 53,900 sq.m of floorspace with housing delivery at 80% of the Standard Method, or 12.8 ha / 64,200 sqm with housing delivery at 100% of the Standard Method.
- 4.156 However given the challenges associated with standalone office development, where the Council is allocating sites for development, it should provide flexibility to accommodate broader employment uses within the E(g) use class, and B2/B8 development as appropriate

⁵ This is equivalent to 5.4 ha of land at a 0.5 plot ratio

(recognising that not all sites will be suitable for B2/B8 use), to support deliverability (rather than making standalone allocations for office use).

5. Review of Existing Employment Allocations

1.1 In this section, we have sought to review existing employment allocations in the 2018 Local Plan and consider whether these should be retained in the forthcoming Local Plan. The sites considered are:

- Strategic Site South of Chesterton, Cirencester (Policy S2);
- Land north of Butlers Court, Lechdale (Policy S7);
- Land North of Bourton Industrial Estate, Bourton-on-the-Water (Policy S11);
- Battle Brook/ Extension to Campden Business Park (Policy S16);
- Fire Service College, Morton-in-Marsh (Policy S18); and
- Land north of B4632, East of Willersey (WILE3C).

5.28 This section considers the progress made on these sites, together with their suitability and deliverability. The policy references above relate to those in the 2011-31 Local Plan, which was adopted in 2018 ('the 2018 Local Plan').

Strategic Site: South of Chesterton, Cirencester

5.29 The adopted 2018 Cotswold Local Plan allocated this strategic site for sustainable, mixed-use development including up to 2,350 dwellings (net) and approximately 9.1 ha of B1, B2 and B8 employment land on the south-western edge of Cirencester. The allocation requires the development to be brought forward on a comprehensive, masterplan-led basis – ensuring the timely delivery of housing and employment land across the plan period. The Plan expected this site to deliver a

significant part of the District's employment land requirement over the plan period to 2031 and to accommodate a broad range of employment uses..

- 5.30 Outline consent was granted for the development of the site in April 2019 (16/00054/OUT) which includes provision of 9.1 ha of employment land (B1, B2, B8) in line with Policy S2.. This included provision (indicatively) for 30,658 sq.m of B1 / E(g) floorspace and 13,006 sq.m of B2 and B8 floorspace.
- 5.31 The illustrative masterplan supporting the planning application sets out three areas of employment development:
- to the eastern side of Wilkinson Road/ Spratsgate Lane;
 - to the south-west of the new roundabout on Spratsgate Lane; and
 - to south of A429 Tetbury Road (adjoining the existing Cirencester Office Park).
- 5.32 Employment land to the east of Wilkinson Road/ Spratsgate Lane falls within Main Phase 1 of the development; with the land to the SW of the now delivered roundabout on Spratsgate Lane falling in Main Phase 2; and that South of Tetbury Road in Main Phase 3. The land is controlled by Bathurst Developments, who are acting as a master developer in coordinating the overall delivery of the site, its component land uses and infrastructure provision.
- 5.33 The first two elements of employment development, either side of Spratsgate Lane, are accessed from it. A new roundabout on Spratsgate Lane/ Wilkinson Road has now been delivered opening land up for development; together with a spine road to serve the Phase 1 residential development.
- 5.34 In respect of land East of Spratsgate Lane, the Council granted consent for revised access arrangements in September 2022 (22/01649/NONMAT). However a subsequent Reserved Matters application for B2/B8 development (22/02749/REM), totalling 2.9 ha,

was refused by the Council and the application was dismissed on appeal⁶ in September 2025, with the Inspector concluding that proposed scheme would have an unacceptable impact on the living conditions of neighbouring residential properties and did not provide satisfactory landscaping along the western side boundary. Icení note that the Inspector adopted a precautionary approach and sought to consider the worst case scenario in respect of noise impacts. She concluded that the hours of operation should be restricted to 0700 to 2300.

5.35 The effect of the interpretation of the noise condition within the outline scheme through the appeal decision, and the approach adopted therein, means that the outline consent which envisages B2/B8 development on this part of the site is effectively not implementable. We understand from engagement with Bathhurst Estate that its development partner, Carbide Properties, has withdrawn from the scheme and can no longer proceed with pre-lets. The Estate is now considering potential development options, such as how it can potentially sell individual plots of this part of the site to developers or owner occupiers, given the restrictive nature of industrial activities which can be accommodated. This is likely to slow the delivery of employment land in this location.

5.36 The second commercial element of the scheme, to the south-west of the Spratsgate Lane roundabout, is currently traversed by the construction access supporting the delivery of the Phase 2 residential development (Phases 2a/b/c). This appears therefore unlikely to be available for employment development until c. 2032 when these residential phases will be substantially progressed. This is envisaged to principally comprise light industrial development; but does benefit from greater separation from residential uses and therefore could feasibly accommodate wider industrial uses as well.

⁶ Appeal ref APP/F1610/W/25/3359082

- 5.37 The third element of the scheme is located close to Tetbury Road, adjoining the existing Cirencester Office Park. We understand that there are significant highways works which are required to support the delivery of the northern part of the Steadings scheme – including the delivery of two new roundabouts on the A433 Tetbury Road and dualling part of this road. Based on engagement with Bathurst Estate, we understand that the prospective delivery timescales for these highways works necessary to facilitate the employment development here are envisaged to be delivered around the mid 2030s.
- 5.38 This element of the scheme was envisaged in the masterplan to be focused on E(g) development and adjoins residential development. Based on current values, standalone office development is unlikely to be viable and whilst there may be some potential for this to improve over time, it is more likely that this element of the scheme will include a broader range of E(g) uses – including light industrial and R&D. It benefits from proximity to the Royal Agricultural University.
- 5.39 Cirencester is the largest town in the District and relates well to the A417 which sits on the Strategic Road Network. Cirencester can be expected to be a focus for residential growth through the new Local Plan which will support demand for employment development and workforce availability.
- 5.40 Overall, the evidence points to the likelihood that employment development on the site will progress, but is likely to do so more slowly than previously envisaged. It will nonetheless support delivery over the plan period.

Land north of Butler's Court, Lechlade-on-Thames

- 5.41 The 2018 Local Plan allocated this site (1.25 ha) for B1/E(g) employment development (LEC_E1), extending the settlement boundary to include it. Employment development is also supported by

the Lechlade Neighbourhood Plan 2016. It sits on the western side of Lechlade. The land comprises the disused Butler's Court Farm buildings and associated hardstanding and is currently accessed via a farm track which connects the site to The Wern and the A417.

- 5.42 In January 2024, an outline application (23/02916/OUT) for 54 residential dwellings, 70-bed care home and E(g) employment uses (1,500 sq.m) was refused for a number of reasons including the site falling outside of the Lechlade Development Boundary and it would result in the loss of a major part of the allocated employment site.
- 5.43 The site has not been actively promoted or marketed for employment in recent years; and is continuing to be promoted as part of a wider development (Land West of Lechlade) for residential development. It is not necessarily therefore available for employment development.
- 5.44 Icen consider that this is not a commercially attractive location for employment development, having regard to the size of the settlement and accessibility of the settlement and the site; together with the site's limited scale. Whilst the site has previously had planning consent historically, there has been no progress in bringing it forward for employment development. **We therefore do not recommend that the extant allocation is rolled forwards.**

Land North of Bourton Industrial Estate/ Business Park

- 5.45 The 2018 Local Plan allocates this site (3.38 ha) for employment development (BOW_E1). It provides a northwards extension to the existing Bourton Industrial Estate.
- 5.46 Outline consent was granted in 2018 (15/03318/OUT) for the extension of Bourton Industrial Park to provide B1/B2/B8 employment units. The application site is 5.6ha, encompassing the allocated site and extending beyond to the east. A reserved matters application (18/04764/REM)

was permitted in June 2019 addressing site layout, design, landscape and ecology.

- 5.47 The site has been part built out (c.0.7ha), providing two terraces of industrial units occupied by a number of trade counters including Howdens, City Plumbing, Screwfix, The Bathroom Showroom and Cotswold Home Improvements Supercentre.
- 5.48 There is a pending application (25/03800/FUL), on the 1.4ha parcel in the south of the site fronting the A429, for the erection of an Aldi food store, a Costa drive-thru, associated car parking and other associated works. Linked to this application, a further reserved matters application (25/03770/REM) was permitted in January 2026, removing the proposed food store and drive thru site from the plan and reconfiguring the layout.
- 5.49 It is recommended that the allocation boundary is extended to the east to reflect the permitted site area. **We recommend that this remaining land (4.9 ha) is retained for E(g) and B-class employment uses.** In the event that the proposed food-store and drive thru is permitted, this should be removed from the allocation boundary. This will reduce residual capacity to 3.5ha.

Battle Brook/ Extension to Campden Business Park

- 5.50 The 2018 Local Plan allocates this site (0.67 ha) as an extension to the Campden Business Park. It is identified as suitable for B1, B2 and/or B8 uses.
- 5.51 The site is part complete – the south of the site has been built out, containing four business units across two buildings. The remainder of the site had an outline permission (21/03116/OUT) for E(g)/B2/B8 development. This was followed by a reserved matters application (23/03625/REM) for a B8 commercial storage scheme (1,404 sq.m), which was permitted in March 2024 but has not been implemented.

- 5.52 Following this there has been a further reserved matters application (25/02476/REM) for a B8 storage facility (442 sq.m) and a respite office building (143 sq.m) ancillary to the storage facility. The application was permitted in December 2025 and it is assumed it will provide a purpose-built facility for the applicant – BKS Assets.
- 5.53 The allocation of the remaining land (0.65 ha) should be retained to support the delivery of the proposed development.**

Fire Service College, Moreton-in-Marsh

- 5.54 The 2018 Local Plan allocates 7ha of land on the south-western side of the Fire Service College site for B1/ E(g) employment development (MOR_E6). The supporting text identified the potential to provide a high quality business park to meet the requirements of Moreton and support the FSC, and its proximity to the established and successful Cotswold Business Village. However, no planning applications or development have since been brought forward on the allocated site.
- 5.55 The Fire Service College site is located on flat land on the eastern side of the Town and was formerly an RAF Airfield. The College is one of the District's largest employers and is a key location nationally for emergency services training, with conferencing, accommodation and leisure facilities on-site as well as specialist facilities related to the use. The A44 runs along the southern side of the site. The College was sold by Government to Capita in 2013.
- 5.56 Proposals for the site have continued to evolve, and in discussion with Capita we understand its current proposals for the southern part of the site (including the land included within the extant employment allocation) are for residential-led development together and hotel and convenience retail around the site entrance/access. The core campus buildings would be retained as well as an incident ground, but of a

reduced scale – with the potential lease of land at the southern end of the site supporting reinvestment in the retained College facilities.

- 5.57 Capita have indicated constraints to some forms of employment development on the site including power supply capacity in the area – limiting the potential for more energy-intensive uses such as data centres – as well as site conditions/ land contamination issues. Weak accessibility to the Strategic Road Network influenced potential values and the form of employment development which could be supported. They report that market interest in industrial development has been limited.
- 5.58 The site is not however controlled by a commercial developer and there is limited evidence of any active marketing for employment uses. The Cotswold Business Village on the opposite side of the A44 supports a range of employment uses, is well occupied and performs well overall. There is no other employment land available in the settlement which could support business growth. In a local context, the site is well located – adjoining and with potential for direct access to the A44. Furthermore, employment development is a form of development which can comfortably co-exist alongside the potential noise and visual disturbance impacts associated with the use of the incident ground.
- 5.59 Icenl recommend that around 7ha of land on this site is retained for employment use as part of wider mixed-use development or an alternative employment allocation is made in Moreton-in-Marsh as part of the wider masterplan. Policy should allow a wider range of uses than extant allocation, including E(g)/B2/B8.**

Land north of B4632 & east of Willersey Industrial Estate

- 5.60 The 2018 Local Plan allocates this site for mixed-use development including 1.97 ha of land for employment development (B1, B2 and/or B8).

- 5.61 The employment component of the site in the west has planning permission (22/03534/FUL) for employment development comprising of new production office, workshop and service buildings. This site will form an extension for existing occupier Auto Sleepers. The residential component in the east has a pending application (25/02687/FUL) for 60 dwellings.
- 5.62** Given access can be provided through the existing industrial estate, it is assumed that this site will come forward in the short-term, contingent on Auto Sleepers expansion timescales. **The employment allocation (2.0 ha rounded) should be retained to support the delivery of the proposed development.**

6. Employment Land Supply

- 6.1 This section summarises the employment land supply position in Cotswold District as of April 2026, including commitments and the assumed supply from extant allocations reflecting the recommendations within the previous section.

Existing Allocations

- 6.2 The table below summarises the status of the extant employment allocations, excluding those that are recommended for release within the previous section.
- 6.3 The allocation at Moreton-in-Marsh has not been included at this stage given uncertainty around the quantum of employment land being retained within the Moreton-in-Marsh masterplan. Overall, there is a total supply of 16.7ha remaining.

Table 6.3 Summary of Extant Allocations

Site	Settlement	Remaining Supply (Ha)	Notes
The Steadings	Cirencester	9.2	Retain allocation
Land North of Butler's Court	Lechdale-on-Thames	0	Release allocation
Land North of Bourton Industrial Estate (BOW_E1)	Bourton-on-the-Water	4.9	Extend allocation boundary to reflect application boundary
Battle Brook (CCNE1)	Chipping Campden	0.65	Retain residual allocation
Fire Services College (MORE6)	Moreton-in-Marsh	0	Not included
Land North of B4632 and east of employment estate (WILEC3)	Willersey	1.97	Retain allocation
Total		16.7	

Source: Icenl analysis

Extant Commitments

- 6.4 The table below shows that latest employment monitoring data for 2025/26.

Table 6.4 Employment Land Monitoring 2025/26

Type	Net land gained / lost (ha) (2016-2025)	Net committed land (ha) at 01-Apr-26	Net remaining allocated land (ha) at 1 April 2026	Total	Requirement (ha)	Shortfall?
E(g)	9.16	19.98	8.25	37.39	16.60	No
B2	2.07	8.89	0	10.96	-2.10	No
B8	17.89	11.82	0	29.71	9.90	No
Total	29.12	40.69	8.25	78.06	24.40	No

Source: Cotswold Annual Monitoring Report 2025/26

- 6.5 The net committed land total includes extant allocations with planning permissions. Within this report these have already been accounted for above and therefore these are excluded from the committed supply⁷.
- 6.6 In addition, 11.85ha of the committed supply is attributed to The Triangle Site at the Royal Agricultural University. This permission dates back to an original application⁸ granted in 2013 and was renewed in 2018⁹. Since then, a further application has been submitted for a new scheme (discussed in detail below). As such this commitment is excluded from the committed supply and considered separately below.
- 6.7 Adjusting the extant commitments in light of the above results in a total **committed employment supply of 13.7ha**
- 6.8 Larger committed sites over 1ha include:
- Land between A419 and A417 Kingshill Road (13/02942/OUT). The mixed use site, permitted in April 2014, has permission for **5,000 sq.m of B1 use** (now E(g)) and up to 100 dwellings. The residential component of the site has been built out in full. The commercial phase (**1.64ha**) remains not started. The masterplan shows that the commercial element is located in the west of the site, where the overhead power lines run. This site is unlikely to be suitable for residential uses, has an implemented consent and we consider should be retained.
 - Former Composting Site, Welsh Way, Poulton (24/00260/FUL) – change of use of former mushroom composting facility to provide Blass B2 vehicle workshop (1.64ha).

Pending Applications

- 6.9 There is a pending application at the Royal Agricultural University (24/01143/OUT) located between to A419 and the A429. The outline application proposes a mixed use development including 27,000 sq.m

⁷ 15.12ha under their adopted Local Plan status and size (40.69-15.12 = 25.57ha)

⁸ 10/00964/OUT

⁹ 18/01104/FUL

of office and R&D space, which using a 0.5 plot ratio is equivalent to 5.4 ha of land. The development will form part of the wider university masterplan, supporting research and innovation in food production, climate change and land management.

- 6.10 As of June 2026, the Cotswold Planning Committee has resolved to grant this application subject to legal agreement, so it has been included in the supply position.

Supply Summary

- 6.11 The table below summarises the supply position, indicating a total supply of 42.8ha.

Table 6.5 Supply Summary (Ha)

	Land (Ha)
Allocations	16.7
Extant Commitments	13.7
Pending Applications - RUA	5.4
Total Supply	35.8

Source: IcenI analysis

7. Bringing the Evidence Together

- 7.1 In this section we seek to bring the evidence together to address the supply-demand balance for employment land and consider how policies for employment land provision should be drafted.

Gross Need

- 7.2 This report has triangulated different modelling approaches to consider future employment land needs.
- 7.3 Trend-based scenarios (i.e. net completions and net absorptions) imply a need for between 41 - 47 ha of employment land over the plan period to 2043. However, there are clear factors which can be expected to support an increased need for employment space over the plan period.
- 7.4 These factors include the potential for the completion of the A417/A419 Missing Link scheme to support the attractiveness of the District (and particularly Cirencester) by improving connectivity to the M5; and the potential for a substantial increase in housing delivery which can both address historic labour supply constraints and help facilitate additional economic growth, including in the construction sector and the supply chain. The scale of impact is modelled taking account of potential scenarios for the scale of housing growth.
- 7.5 The modelling undertaken indicates that housing provision at 80% of the Standard Method would support a need for 54 ha of employment land (rounded) over the plan period to 2043. This would increase to around 69 ha if 100% of the Standard Method housing need is delivered. This is set out in the table below.

Table 7.3 Recommended Employment Land Provision (Land in ha)

Housing provision	80% of SM	100% of SM
Office & R&D	8.3	8.3
Industrial & Warehousing	46.2	60.2
Total*	54.5	68.5

- 7.6 This is an uplift on the net trend-based scenarios but these scenarios reflect essentially a doubling of the rate of housing provision. Icenl conclude that this is an appropriate level of employment land provision to plan for to align the strategies for homes and jobs within the local plan; and is the core scenario taken forward in drawing conclusions.

Current Supply Position and Residual Need

- 7.7 Drawing on the analysis in Section 4, we can consider the existing supply position against this. The evidence on existing supply of 35.8ha (drawn from Table 6.5), leaving aside at this stage the pending application at the Royal Agricultural University. This principally comprises the following sites:

- Steadings Strategic Site, Cirencester: 9.2 ha
- North of Bourton Industrial Estate: 4.9 ha
- Battle Brook, Chipping Campden: 0.65 ha
- East of Willersey Industrial Estate: 1.97 ha
- Kingshill Road, Cirencester – 1.64ha
- Former Composting Site Poulton – 1.64ha

- 7.8 We recommend that the local plan supports the above employment allocations, and allocates Kingshill Road, Cirencester for employment development to ensure delivery.

- 7.9 The supply demand balance is shown in the table below and indicates a need to allocate a further 18.7 – 32.7 ha of employment land provision (on top of the allocations listed above) to align housing and employment in the emerging Local Plan.

Table 7.4 Supply-Demand Balance (land in ha)

	80% of SM	100% of SM
Employment Land Need, 2026-43 (A)	54.5	68.5
Extant Commitments (B)	13.7	
Extant Allocations to be retained (C)	16.7	
Pending Application – RAU (D)	5.4	
Residual to Allocate (E = A – B – C – D)	18.7	32.7

Spatial Considerations

- 7.10 Key considerations in assessing appropriate locations for further employment allocations include the District's geography, the relative commercial attractiveness of different locations, the alignment of the strategies for homes and jobs and the viability of different forms of employment development.
- 7.11 The Council's Settlement Role and Function Study (Nov 2025) describes the economic role and function of different settlements in the District. It sets out that Cirencester is by far the most important settlement for employment, with the largest working population and employment base by some margin. It is located on the A417/A419 Corridor and is the most commercial attractive location for new employment development in the District.
- 7.12 Cirencester's location on the Strategic Road Network provides potential to attract larger mid box industrial development. It has a greater critical mass of population currently, by some margin, than other settlements in the District; and is expected to see significant residential growth moving

forwards. To support the delivery of employment development and to reflect these issues, we consider that Cirencester should be a focus for further employment allocations.

- 7.13 In particular we consider that there is a need to bring forward additional allocations which are capable of supporting industrial development – including in the B2 and B8 use classes – where the supply of land is in particular restricted. Suitable sites for allocation would be located on the eastern side of the settlement along the A417 and A419 Corridors, including the A419 Cirencester Road. We recommend provision of around 20 ha of employment land at this broad location.
- 7.14 In addition, it would be appropriate to make modest provision for employment land as part of further major urban extensions at Cirencester.
- 7.15 Tetbury is the second largest employment hub in the District, but only has a quarter of the jobs of Cirencester. It contains a number of existing employment sites; with some potential for renewal and intensification of these. However, it is locationally not as attractive as Cirencester with employment demand modest, driven by local SME businesses.
- 7.16 The third and fourth largest settlements are Moreton-in-Marsh and Fairford which are similar in size. Moreton-in-Marsh has an employment density close to 100% with potential for development at the Fire Service College site. Fairford on the other hand is anticipated to see substantial residential growth, and it would be appropriate to include further employment land provision aligned to this. We recommend provision of around 4 ha of employment land is provided as part of mixed-use urban extensions where the residential development can help to support infrastructure delivery.

Assessment of Potential Employment Sites

- 7.17 A number of SHLAA sites suitable for employment use have been assessed for their suitability and deliverability for employment use in a

separate appendix. A number of sites were rated 'green' within the overall assessment and should be considered for further assessment to meet the identified employment need as set out above. The green rated sites are as follows:

- C164A – East of Kingshill
- C190 – South East of Tetbury Road
- R650 – Land to the North of Cirencester Road
- R644 – Land at Fosse Farm
- M31 – Land North of Todenham Road
- M78 – Land West of Roman Road
- M89 - What about site M89 Land to south of Moreton- in- Marsh Sewage Treatment Works. Does not look as if it has been assessed. Proposed as an allocation.

Employment Land Policies

- 7.18 The policies in the existing Local Plan provide useful starting point for considering wider policies for employment development.

Established Employment Areas

- 7.19 Policy EC2 sets out that within established employment areas, B-class employment development (including intensification of sites) will be permitted. It indicates that such sites will be retained for B-class employment, unless there is no realistic prospect of the site being used for that purpose.
- 7.20 The Established Employment Sites Review 2025 carried out a full review of the district's established employment areas and Iceni has reviewed the findings within this. A majority of sites were recommended for the continued protection for employment use, however there was

one site recommended for release – Old Brewery, Northleach (EES36). Whilst the site is currently occupied by a single occupier, in the event that the site becomes vacant, the site would be suitable for residential redevelopment due to neighbouring residential uses.

7.21 A number of boundary amendments to the existing employment site boundaries were recommended as follows:

- Babdown Airfield (EES41) – Boundary should be extended to include recent development / consents
- Draycott Business Village (EES11) – Boundary should be amended to reflect the geography of the site on the ground
- Cirencester Office Park (EES16) – Amend boundary to include curtilage parking provision
- TT Electronics Fairford (EES29) – Remove Quest House from site boundary due to residential use
- Seyfried (Bird Industrial Estate) (EES8) – Amend boundary to remove land to the northeast
- Fosse Cross (EES23) – Tighten boundary to include existing developed area only
- Old Brewery Northleach (EES36) – Release as protected employment site

Small Scale Employment Development in the Rural Area

7.22 Rural areas provide an important contribution to the District's overall economic performance, and it will be important that the emerging Local Plan continues to support the growth and development of rural enterprises.

7.23 Policy EC3 in the 2018 Local Plan sets out that outside development boundaries and established employment areas, small scale employment development appropriate to the rural area will be supported where:

- a. do not entail residential use as anything other than ancillary to the business; and
- b. are justified by a business case, demonstrating that the business is viable; or
- c. facilitate the retention or growth of a local employment opportunity.

7.24 We consider that a policy framework which supports the expansion of existing businesses on their existing or adjoining sites, or which facilitates growth of or investment from businesses which evidently need to be in a rural location to be appropriate. Such as policy responds appropriately to the small-business nature of the local economy and the district's rural geography.

Use Class Flexibility

7.25 Employment activities often space different planning use classes; whilst flexibility regarding the range of uses acceptable on employment sites help support their delivery by being able to accommodate a range of different business needs. We therefore recommend that employment allocations generally should support E(g), B2 and B8 uses.

7.26 Land should only be restricted to an E(g) use where this is required to avoid 'bad neighbour' effects such as to limit disturbance to adjoining residential uses, or residential uses on access roads/ routes to a site mean that the site would be unsuitable for HGVs.

Delivery of Office Floorspace

7.27 In the context of viability challenges which are expected to inhibit the delivery of standalone office floorspace, it is appropriate to consider how the policy framework within the Plan can support office floorspace development.

7.28 Icen consider that there is potential for conversions of buildings from other uses to viably support the delivery of new office floorspace, with potential for instance for conversions of barns and other agricultural

buildings in the rural area; as well as retail floorspace in town centre locations across the District. In town centres this is realistic in particular for buildings which offer the potential to create open plan floorplates. Policies within the plan should be drafted to support this, recognising that this is a key means of supporting the delivery of office space.

A1 – A3 Site Assessment

Provided under separate cover

A4. Population modelling

- A4.1 The modelling is essentially split into two components: a population projection, which is then converted into estimates of household growth based on household representative rates (HRRs) – essentially the chance of a person in a particular age/sex group being considered as the ‘head of household’.
- A4.2 When looking at household growth, data about the communal population and household formation are taken from the 2021 Census. This data is broadly the same as that used in the 2022-based subnational household projections (SNHP), with the Census source used to enable a consistent analysis when examining older data releases (from previous Censuses in 2001 and 2011). It is also assumed that around 3% of new stock will be vacant at any time (to allow for movement within the stock).
- A4.3 Following these steps leads to a base demographic model, which can then be flexed to see how the population and households might change with housing delivery in line with the Standard Method.
- A4.4 Within the modelling, migration assumptions have been changed so that across each local authority, the increase in households matches the housing need (including a standard 3% vacancy allowance). Adjustments are made to both in- and out-migration (e.g. if in-migration is increased by 1%, then out-migration is reduced by 1%).c
- A4.5 The general assumption in this report is that additional housing delivery linked to the Standard Method will be driven (at least in part) by in-migration, and this does seem to be the main expectation of Planning

Practice Guidance¹⁰ (see discussion below). Paragraph 006 (Reference ID: 2a-006-20241212) states:

'Why is an affordability adjustment applied?

An affordability adjustment is applied, as housing stock on its own is insufficient as an indicator of future housing need because:

housing stock represents existing patterns of housing and means that all areas contribute to meeting housing needs. The affordability adjustment directs more homes to where they are most needed people may want to live in an area in which they do not reside currently, for example to be near to work, but be unable to find appropriate accommodation that they can afford.

The affordability adjustment is applied in order to ensure that the standard method for assessing local housing need responds to price signals and is consistent with the policy objective of significantly boosting the supply of homes. The specific adjustment in this guidance is set at a level to ensure that minimum annual housing need starts to address the affordability of homes.'

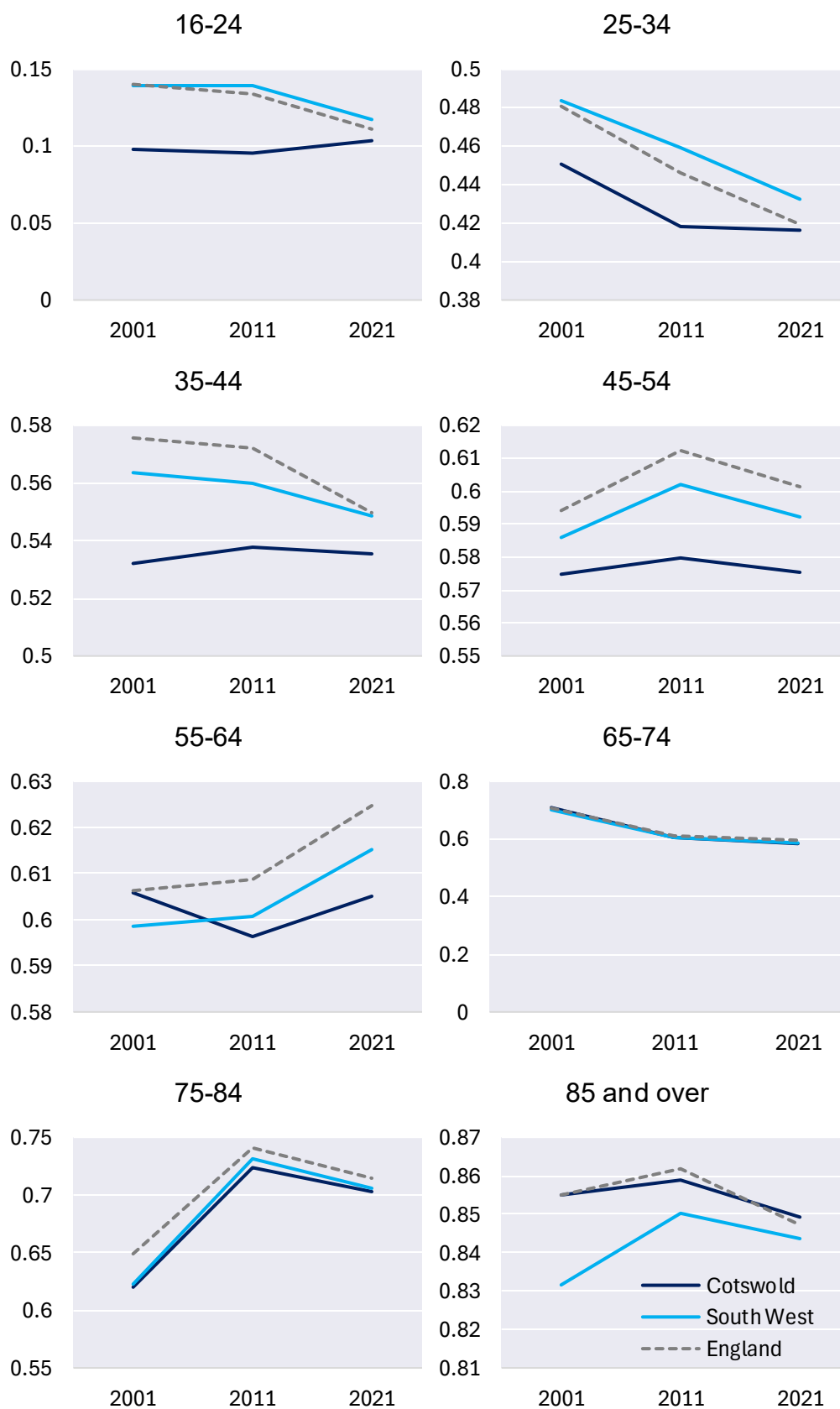
- A4.6 The previous PPG also stated that an affordability uplift is required because *'household formation is constrained to the supply of available properties – new households cannot form if there is nowhere for them to live'*.
- A4.7 Essentially, the Government considers that by providing more homes, there is the opportunity for increased migration to an area to fill the homes, whilst equally, one of the Government's core objectives in

¹⁰ <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

planning for the delivery of 370,000 homes a year nationally is to improve affordability. Increased housing provision should create opportunities for additional household formation.

- A4.8 The modelling therefore considers the possibility of additional housing delivery, allowing the opportunity for additional households to form. The figure below shows a summary analysis of changes in HRRs by age for the last three Census points (2001, 2011, and 2021).
- A4.9 Arguably, the key groups to look at are younger age groups where there may have been a degree of suppression in household formation (due to affordability), and this does appear to be the case in Cotswold particularly for those aged 25-34 – although to a lesser degree than seen regionally and nationally.
- A4.10 Continuing this trend in the projection would therefore potentially build in further suppression and would not be a positive reaction to the Standard Method seeking to improve affordability.
- A4.11 For some older age groups, there does also appear to be a trend of increasing or decreasing HRRs – particularly the 65-74 and 75-84 age groups (and mainly in the 2001-11 period).
- A4.12 For these age groups, it is considered that the ‘trends’ are more likely to be due to cohort effects rather than any trend that should be modelled moving forward.

Figure A1: Change in household representative rates by age
2001-21



Source: ONS

- A4.13 Given this analysis, the modelling therefore considers the possibility of housing delivery, allowing the opportunity for additional households to form.
- A4.14 It has been modelled that HRRs for 25-34 year olds could return to the levels seen in 2001 (and shown on the figure above), with the HRRs for other age groups being held at the levels observed in 2021. The increase in HRRs is projected to start from 2024 (the start of the projection period).
- A4.15 In developing this projection, the population is projected to increase by around 36,800 people over the 2025-43 period (a 39.2% increase) if the Standard Method is fully met, or around 27,800 (a 30.2% increase) at 80% of the Standard Method.

Table A1: Projected population change 2025 to 2043 by broad age bands – Cotswold – 80% of Standard Method

	2025	2043	Change in population	% change
Under 16	14,266	16,812	2,546	17.8%
16 – 64	52,051	66,166	14,115	27.1%
65 +	25,785	36,926	11,141	43.2%
Total	92,101	119,904	27,802	30.2%

Source: Iceni analysis

Table A2: Projected population change 2025 to 2043 by broad age bands – Cotswold – 100% of Standard Method

	2025	2043	Change in population	% change
Under 16	14,489	18,945	4,456	30.8%
16 – 64	53,401	73,146	19,744	37.0%
65 +	25,993	38,550	12,556	48.3%
Total	93,883	130,640	36,757	39.2%

Source: Iceni analysis

- A3.16 When looking at age structure changes, the increase is projected to be largest in either case in the 16-64 age group. Migrants are likely to fall within this age group, so it shows the greatest difference between the two modelling housing outcomes. However, the greatest proportionate change is projected in the 65 and over age group.

Growth in Resident Labour Supply

- A4.16 The approach taken in this report is to derive a series of age and sex specific economic activity rates (EARs) and use these to estimate how many people in the population will be economically active as projections develop.
- A4.17 This is a fairly typical approach with data being drawn in this instance aligned to the Office for Budget Responsibility's (OBR's) March 2025 Economic and Fiscal Outlook. The OBR data shows changes in economic participation by age over time. The incremental changes forecast have been applied to the 2021 Census data on economic participation (by age) for Cotswold to forecast future changes for the District.
- A4.18 The OBR forecasting approach uses a cohort-based model to provide an initial baseline for how population participation rates could evolve over time considering data on historical changes to economic participation for men and women from the ONS Labour Force Survey. It additionally takes account of changes in State Pension Age which may result in the timings of workforce exits as people leave the labour force changing relative to historical behaviour; but models that the impacts of this will be greater for those cohorts which are further from retirement as the changes are implemented.
- A4.19 The result is a forecast for the participation rate which sits midway between assuming no state pension age changes; and a full impact of state pension age changes on participation. OBR then applies a number of sense checks in drawing conclusions including considering

trends in inactivity (including long-term sickness), which mean for instance that its implied changes to participation rates for those aged 50-64 remain below its pre-pandemic forecasts. The figures also forecast higher numbers of women in the workforce linked to falling birth rates and policy measures to support childcare provision.

- A4.20 The table below shows the assumptions made for Cotswold. The analysis shows that the main changes to economic activity rates are projected to be in the 60-69 age groups – this will, to a considerable degree, be linked to changes to pensionable age, as well as general trends in the number of older people working for longer (which in itself is linked to general reductions in pension provision).

Table A3: Projected changes to economic activity rates – Cotswold

	2025	2043	Change
16-19	39.9%	39.5%	-0.4%
20-24	76.1%	75.0%	-1.1%
25-29	88.2%	87.0%	-1.2%
30-34	91.1%	89.2%	-1.9%
35-39	87.3%	86.3%	-1.0%
40-44	88.5%	89.1%	0.6%
45-49	90.5%	91.1%	0.6%
50-54	87.0%	89.7%	2.6%
55-59	79.9%	83.5%	3.6%
60-64	67.1%	72.6%	5.5%
65-69	38.8%	50.3%	11.6%
70-74	16.0%	22.5%	6.5%
75+	5.8%	6.6%	0.8%

Source: Based on OBR and Census (2021) data

- A3.22 Working through an analysis of age and sex specific economic activity rates, it is possible to estimate the overall change in the number of economically active people in the area – this is set out in the table below and shows the increase in the economically active population is

projected to be around 15,700 (a 34% increase) at housing provision of 80% of the Standard Method, increasing to around 20,700 (a 44% increase) at 100% of the Standard Method.

Table A4: Estimated change to the economically active population
– Cotswold

	Economically active (2025)	Economically active (2043)	Total change in economically active	% Change
80% of Standard Method	45,757	61,415	15,658	34.2%
100% of Standard Method	46,881	67,606	20,726	44.2%

Source: Iceni Analysis